

**Board of Directors**

Shri Bimal Aggarwal  
Shri Ramesh Kumar  
Shri Sunil Kataria

**Auditors**

PARM & SMRN  
Chartered Accountants

**Bankers**

Union Bank of India

**Registered Office**

3A, KHAN MARKET,  
New Delhi - 110003.

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF FMec INTERNATIONAL FINANCIAL SERVICES LIMITED. WILL BE HELD ON SATURDAY, THE 29TH SEPTEMBER, 2012 AT REGISTERED OFFICE OF THE COMPANY.**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Sunil kataria who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To appoint Company Secretary in practice and to fix their remuneration M/s A. K. Verma & Co. Company Secretary retire at the conclusion of this annual general meeting and are eligible for re-appointment.

By Order of the Board,  
For **FMec INTERNATIONAL FINANCIAL SERVICES LIMITED.**

**Sd/-  
BIMAL AGGARWAL  
CHAIRMAN**

Place : New Delhi  
Dated : 03.09.2012

**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. A PROXY FORMS IS SENT HEREWITH. PROXY FORM DULY COMPLETED MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September 2012 to 29th September 2012 (both days inclusive)
3. Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting. No copy of the Report will be distributed in the meeting.
4. Members are requested to send their queries, if any, at least 14 days in advance of the Meeting addressed to the director operation at the Corporate Office at New Delhi, so that the information can be made available at the Meeting.

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the Nineteenth Annual Report and the Audited Accounts of the Company for the year ended 31st March 2012.

**FINANCIAL RESULTS**

	(Rupees in lacs)	
	<b>Year Ended 31.03.2012</b>	<b>Year Ended 31.03.2011</b>
Profit before Depreciation & Interest	-0.29	-0.38
Depreciation	0.00	0.00
Interest	0.00	0.00
Profit before tax	-0.29	-0.38
Provision for tax/ Deferred Tax	0.09	0.11
Profit after tax	-0.20	-0.27

**OPERATIONS**

Your company has strategically devised its business through its subsidiaries and by making separate business center. The company has incurred a loss of Rs. 0.20 lacs as compare to Rs.0.27 lacs of previous year. Yours directors expect good return from the business of subsidiary and the present status of the state of affairs of the subsidiary company are annexed herewith. The company has decided to focus non fund based services and started making feasibility in the non fund based sector.

**DIVIDEND**

In view of the loss during the year the company has not declared any dividend for the year.

**DIRECTORS**

Mr. Suresh kataria is liable to retire by rotation at the forthcoming Annual General Meeting of the company and being eligible offers him self for the reappointment.

**AUDITORS**

M/s PARM & SMRN, Chartered Accountant retire at the conclusion of Annual General Meeting and are eligible for reappointment.

**COMPLIANCE CERTIFICATE**

A Secretarial Compliance Certificate received from M/s A. K. Verma & Co. Company Secretary in whole time in practice, pursuant to section 383 (A) of the Companies Act, 1956 is annexed to this Report.

M/S A. K. VERMA & CO., Company Secretary in Whole Time Practice who retires at the conclusion of this Annual General Meeting are eligible for re-appointment. Your Board has recommended his re-appointment.

**EMPLOYEES**

There is no employee with the company covered under section 217 (2A) of the Companies Act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

Your directors are pleased to state the following pursuant to the provision of section 217 (2A) of the Companies Act, 1956.

- i) That in the preparations of the annual accounts, for the financial year ended 31<sup>st</sup> March 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent to as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the losses of the company for the year under review.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors had prepared the annual accounts for the Financial year ended 31<sup>st</sup> March 2012 on a going concern basis.

**FIXED DEPOSITS:**

The company has not accepted any deposits from the public, during the last financial year within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

**SUBSIDIARIES COMPANY**

The annual report of the subsidiary company for the year ended 31st March, 2012  
Annexed here to.

**CONSERVATION OF ENERGY**

Since your company is a finance company, this provision is not applicable.

**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

Since your company is a finance company, this provision is not applicable.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

There is no foreign exchange earning and outgo during the year under  
consideration.

**BANKER**

Company's banker is Union Bank of India at 14/15 -F, Connaught Place, New  
Delhi-110001. Company is maintaining no other bank account since 2004.

**ACKNOWLEDGMENT**

Your director's wish to place on the record their sincere appreciation for the whole  
hearted co-operation and assistance extended by the bankers to the company. The  
board also wishes to place on record its appreciation for the dedicated services of  
the staff and officers of the company at all levels.

**For and on behalf of the Board of Directors**

Sd/-  
CHAIRMAN  
Place: New Delhi  
Date : 03.09.2012

# FMec INTERNATIONAL FINANCIAL SERVICES LIMITED

## CORPORATE GOVERNANCE REPORT (Forms Part of the Director's Report)

1. The Company believes that good Corporate Governance embraces business practices which result in enhancement of the value to shareholders and simultaneously enable the company to fulfill its obligations to the other stakeholders such as customers, employees and to the society in general.

The company taken utmost care to make corporate governance to balance individual interest with corporate goals by operating within accepted norms off propriety, fair play and a sense of justice and continues to remain committed to fairness, transparency, accountability and responsibility. In this report the company confirms its compliance with corporate governance as required by Clause 49 of the listing agreement with the Stock Exchange.

### 2. Board of Directors

The Board of Directors of the Company are consisting of three Directors out of which one is the Director Operation besides other two non- executive Directors of the company.

The Board comprises – three Directors – The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are given below: -

Name	Category Of Directorship	No. of Board Meetings attended during 2011-2012	Whether attended AGM held on 29 <sup>th</sup> September 2012	No. of Directorship in other Public Companies	No. of Memberships of Board sub committees
Bimal Aggarwal	DIRECTOR OPERATION	9	Yes	-	-
Mr. Ramesh Kumar	Non – Executive Director	9	Yes	-	-
Mr. Sunil Kataria	Non – Executive Director	9	Yes	-	-

## ***FMec INTERNATIONAL FINANCIAL SERVICES LIMITED***

### **3. Audit Committee**

As the paid up share capital of the company is less than Rs. 5 crores the provision of section 292 A regarding Audit committee are not mandatory on the company.

### **4. Remuneration Committee**

The Company had yet not constituted a Remuneration Committee. In the coming years, the Company is going to constitute Remuneration Committee. The terms of reference of the Remuneration Committee are to recommend the Board salary (including annual increments), perquisites and commission to be paid to the Company's Managing/ Whole-time directors (MD/WTDs), to finalise the perquisites package within the overall ceiling fixed by the Board, to recommend to the Board retirement benefits to be paid to the MD and WTDs under the Retirement Benefit Guidelines adopted by the Board.

#### **Remuneration Policy**

The Company while deciding the remuneration packages of the senior management members takes into consideration the following items:

- a) employment scenario
- b) remuneration package of the industry and
- c) remuneration package of the managerial talent of other industries.

The Non Executive Directors are not paid any remuneration except Sitting Fees for the Board Meetings attended by them.

#### **Detail of Remuneration paid during 2011-2012 are as under:**

No Remuneration was paid during the year to any director

### **5. Brief details of General Body Meetings:**

The Nineteenth Annual General Meeting of the Company for the financial year 2011-2012 would be held on Saturday, 29th September 2012 at 12.00 Noon at 3A, Khan Market, New Delhi-110003.

## **FMec INTERNATIONAL FINANCIAL SERVICES LIMITED**

The last three Annual General Meetings were held as under:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2010 - 2011	30.09.2011	11.00 a.m.	3A, Khan Market, New Delhi-110003
2009-2010	30.09.2010	11.00 a.m.	308B, Multi Story DDA Flats, Sector-18B, Dwarka, New Delhi-110075
2008-2009	29.09.2009	2.00 p.m.	509, Arunachal Building, 19 Barakhamba Road, New Delhi -110001.

### **6. Disclosures:**

#### **i) Internal Audit Functions and Statutory Compliance:**

Internal Audit functions of the company have been carried out by own internal department.

For every quarter, the Director operation makes report of Statutory compliances which are placed before the Board Meeting.

#### **ii) Directors with materially significant related party transactions, pecuniary or business relationship with the company:**

There were no materially significant transactions with the Directors or the management or their subsidiaries or relatives that have any potential conflict with the interest of the Company.

#### **iii) Details of Non - compliance:**

The company has not deposited the listing fees & not published the quarterly & annual results & not deposited with the Delhi Stock Exchange.

#### **iv) Disclosures by Management of the Board:**

All details relating to financial and commercial transactions where Directors may have a potential interest are not provided to the Board, and the interest Directors participate in the discussion, nor do they vote on such matters.

**FMec INTERNATIONAL FINANCIAL SERVICES LIMITED**

**v) General Shareholders Information:**

- a) Date, time & venue of 19<sup>th</sup> AGM :** Friday, 29<sup>th</sup> September 2012  
3A, Khan Market, New Delhi-110003
- b) Date of Book Closure :** 27.09.2012 to 29.09.2012
- c) Listing on Stock Exchange :** Delhi(DSE)
- d) Registered Office :** 3A, Khan Market, New Delhi-110003  
Phone: 9811649777
- e) Compliance Officer :** Mr. Bimal Aggarwal  
FMec International Financial  
Services Limited  
3A, Khan Market, New Delhi-110003.s
- f) Share Transfer System :** The Company has own internal share transfer system. Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- g) Financial Calendar :** Year ending: 31.03.2012  
A.G.M.: 29.09.2012  
Dividend payment: Nil

**h) Categories of Shareholders : No. of Shares % of Shares**

(as on 31.03.2010)

<b>Directors, Relatives, Promoters, Group Companies</b>	:	365375	11.78%
<b>Companies/Bodies Corporate (Other than Promoters Company) and General Public</b>	:	2735325	88.22%

**v) Distribution of Shareholding as on 31.03.2012**

Range	Shareholders		Shares	
	No. of Shares	Numbers	% to total	Numbers
UPTO 500	121	0.003935	60500	1.95117
501 TO 1000	201	0.006482	189400	6.108298
1001 TO 2000	27	0.000871	48600	1.567388
2001 TO 3000	35	0.001129	88500	2.854194
3001 TO 4000	4	0.000129	15000	0.483762
4001 TO 5000	19	0.000613	90900	2.931596
5001 TO 10000	10	0.000323	68750	2.217241
10001 AND ABOVE	33	0.001032	2539050	81.88635
<b>TOTAL</b>	<b>450</b>		<b>3100700</b>	<b>100%</b>

**ii) Stock Market price data for the year 2011 - 2012**

There is no trading in the Delhi Stock Exchange during 2011-2012

**viii) Corporate Ethics.**

The consistent endeavor of FMec International Financial Services Limited is to enhance the reputation of the Company and irrespective of the goals to be achieved, the means are as important as the end.

**ix) Postal Ballots:**

There have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**Sd/-**

**(CHAIRMAN)**

Dated: 03.09.2012

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**FMec International Financial Services Limited**

We have examined the compliance of conditions of corporate governance by **FMec International Financial Services Limited** for the year ended on 31<sup>st</sup> March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the 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 by the Management we confirm that the Company has complied with the conditions of corporate governance as stipulated in 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 is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investor's Grievance Officer.

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

For and on behalf of  
**PARM & SMRN**  
Chartered Accountants  
FRNO.- 507094C

Sd/-  
**RISHI KUMAR**  
Partner

Place: New Delhi  
Date: 03.09.2012

**AUDITORS' REPORT**

TO THE MEMBERS OF **FMec INTERNATIONAL FINANCIAL SERVICES LIMITED.**

1. We have audited the attached Balance Sheet of **FMec INTERNATIONAL FINANCIAL SERVICES LIMITED** as at 31<sup>st</sup> March, 2012, and also the Profit & Loss Account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments I the Annexure referred to in the paragraph 3 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 purposes 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 and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

**PARM & SMRN**

CHARTERED ACCOUNTANTS

1711/57, 2<sup>nd</sup> Floor Naiwala,  
Arya Samaj Road, Karol Bagh,  
New Delhi – 110005,  
Phones: Off: 28756211

e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

i. in the case of the Balance Sheet, of the state of the affairs of the company as at 31<sup>st</sup> March, 2012;

ii. in the case of the Profit and Loss Account of the Loss for the year ended on that date; and

iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For PARM & SMRN  
Chartered Accountants  
FRNO.-507094C**

Sd/-  
**(RISHI KUMAR)**  
Partner

Place : New Delhi  
Dated :03.09.2012

**ANNEXURE**

(Referred to in paragraph 3 of our report of even date)

- i) The company has no fixed assets therefore the requirement of reporting on physical verification or maintenance of fixed assets record does not arise.
- ii). To the best of our knowledge and as per the information and explanations given to us, the company has not purchased/sold goods during the year nor there is any opening stock, the requirement of reporting on physical verification of stock or maintenance of inventory records in our opinion does not arise.
- iii). As per information & explanation given to us, the company has taken interest free unsecured loan of Rs. 0.33 lacs from its subsidiary company. There are no party covered in the register maintained U/s 301 of the Companies Act 1956 to which the company has granted advance.
- iv). In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of Audit, no major weakness has been noticed in the internal controls.
- v).
  - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to 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, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market price are available.
- Vi} To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (acceptance of deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

Vii} To the best of our knowledge and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.

Viii} According to the information & explanations provided by the management, the company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(I)(d) do not apply to the company. Hence, in our opinion, no comment on maintenance of cost records under Section 209 (I) (d) is required.

IX} To the best of our knowledge and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues (except listing fees of Rs.2,24,873/-), where applicable, with the appropriate authorities. There were no arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they become payable except listing fees of Rs 2,24,873/-.

To the best of our knowledge and according to information and explanation given to us there were no disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.

X} The company was incorporated on 7<sup>th</sup> February 1996. Since the company is **registered for more than five years** and is not having any accumulated losses, we are of the opinion that no comment is required under clause (x) of para 4 of order regarding the erosion of 50% or more of net worth and cash losses in the current and immediately preceding financial years.

Xi} In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

Xii} On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge & belief, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Xiii} In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor' Reports ) Order ,2003 are not applicable to the company.

- XiV} To the best of our knowledge and according to information given to us, the Company is maintaining proper records for the transactions and contracts of dealing or trading in shares, debentures and other investments. The company is making timely entries in the records.
- XV} To the best of our knowledge and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks/ Financial Institutions.
- Xvi} To the best of our knowledge and according to the information and explanations given to us, the company has not taken any term loan during the year.
- Xvii} According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- Xviii} According to the information & explanation given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- XiX} In our opinion and according to the information & explanations given to us the the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Companies ( Auditor's Report) order ,2003 are not applicable to the company.
- XX} According to the information & explanations given to us, the Company has not raised any money by Public Issue during the year.
- XXi} Based upon the audit procedure performed and information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.

**For PARM & SMRN**  
**Chartered Accountants**  
**FRNO.- 507094C**

**Sd/-**  
**RISHI KUMAR**  
**Partner**

Place : New Delhi.  
Dated: 03.09.2012

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
3A, KHAN MARKET NEW DELHI -110003

**BALANCE SHEET AS AT 31/03/2012**

In Rs.

Particulars	Note	Figures as at the end of Current reporting period 31/03/12	Figures as at the end of Previous reporting period 31/03/11
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	31,007,000.00	31,007,000.00
(b) Reserves and Surplus	4	(3,011,054.00)	(2,991,096.00)
(c) Money received against share warrants		27,995,946.00	28,015,904.00
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	33,739.00	33,739.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		33,739.00	33,739.00
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	6	285,819.00	273,117.00
(d) Short-term provisions		-	-
		285,819.00	273,117.00
<b>TOTAL</b>		<b>28,315,504.00</b>	<b>28,322,760.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	10,938,400.00	10,938,400.00
(c) Deferred tax assets (net)	8	152,990.00	144,065.00
(d) Long term loans and advances	9	15,500,000.00	15,500,000.00
(e) Other non-current assets		26,591,390.00	26,582,465.00
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		224,114.00	223,205.00
(d) Cash and cash equivalents	10	1,500,000.00	1,517,090.00
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		1,724,114.00	1,740,295.00
<b>TOTAL</b>		<b>28,315,504.00</b>	<b>28,322,760.00</b>

In terms of our attached report of even date  
For PARM & SMRN  
Chartered Accountants  
FRN : 507094C

sd/-  
RISHI KUMAR  
(PARTNER)  
M.NO. : 92553

Place : New Delhi  
Date : 03.09.2012

For and on behalf of  
Fmec International Financial Services Limited

sd/-  
(Director)

sd/-  
(Director)

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
3A, KHAN MARKET NEW DELHI - 110003

**STATEMENT OF PROFIT AND LOSS FOR THE YEARD ENDED 31/03/2012**

In Rs.

	Particulars	Note	Figures as at the end of Current reporting period 31/03/12	Figures as at the end of Previous reporting period 31/03/11
I.	Revenue from operations	12	21,000.00	15,000.00
II.	Other Income		-	-
III.	<b>Total Revenue (I +II)</b>		<b>21,000.00</b>	<b>15,000.00</b>
IV.	<b>Expenses:</b>		-	-
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	13	140.00	140.00
	Financial costs		-	-
	Depreciation and amortization expense	14	49,743.00	53,440.00
	Other expenses		-	-
	<b>Total Expenses</b>		<b>49,883.00</b>	<b>53,580.00</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		(28,883.00)	(38,580.00)
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(28,883.00)	(38,580.00)
VIII.	Extraordinary Items		-	-
IX.	Profit after extraordinary items and before tax (VII - VIII)		(28,883.00)	(38,580.00)
X.	<b>Tax expense:</b>		-	-
	(1) Current tax	15	8,925.00	11,573.00
	(2) Deferred tax		(19,958.00)	(27,007.00)
XI.	Profit(Loss) for the period from continuing operations		-	-
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontuning operations		-	(6,745.00)
	Prior Period MAT W/off		-	1,573,654.00
	Prior Period Deferred Tax Adjustment		-	-
XIV.	<b>Profit(Loss) for the period</b>		<b>(19,958.00)</b>	<b>1,539,902.00</b>
XV.	<b>Earning per equity share:</b>		(0.01)	(0.009)
	(1) Basic		-	-
	(2) Diluted		-	-

In terms of our attached report of even date  
**For PARM & SMRN**  
Chartered Accountants  
FRN : 507094C

Sd/-  
**RISHI KUMAR**  
(PARTNER)  
M.NO. : 92553

Place: DELHI  
Date: 03.09.2012

For and on behalf of  
**Fmec International Financial Services Ltd.**

Sd/-  
(Director)

Sd/-  
(Director)

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**3A, KHAN MARKET NEW DELHI - 110003**

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Note No	Note No	Particulars	Figures for the current reporting period 31/03/12	Figures for the previous reporting period 31/03/11
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3		Share Capital		
		<b>Authorised</b>		
		3500000(3500000) Equity Shares of Rs. 10/- Par Value	35,000,000.00	35,000,000.00
			<b>35,000,000.00</b>	<b>35,000,000.00</b>
		<b>Issued</b>		
		3100700(3100700) Equity Shares of Rs. 10/- Par Value	31,007,000.00	31,007,000.00
			<b>31,007,000.00</b>	<b>31,007,000.00</b>
		<b>Subscribed</b>		
		3100700(3100700) Equity Shares of Rs. 10/- Par Value	31,007,000.00	31,007,000.00
			<b>31,007,000.00</b>	<b>31,007,000.00</b>
		<b>Paidup</b>		
		3100700(3100700) Equity Shares of Rs. 10/- Par Value fully paidup	31,007,000.00	31,007,000.00
			<b>31,007,000.00</b>	<b>31,007,000.00</b>

3.1	Detail of shareholding more than 5% of the shareholding				
	Particular	31/03/2012	% Held	31/03/2011	% Held
	Kedar Nath Singhania	449,100.00	14.48%	449,100.00	14.48%
	Pankaj Kumar Jain	199,600.00	6.44%	199,600.00	6.44%

3.2	Reconciliation of shares outstanding at the beginning and at the end of the reporting date				
	Particular	31/03/2012		31/03/2011	
		No. of Shares	Amount	No. of Shares	Amount
	Number of Shares at the beginning	3,100,700	31,007,000	3,100,700	31,007,000
	Add: Issue	-	-	-	-
	Less: Bought Back	-	-	-	-
	Add: Other	-	-	-	-
	<b>Number of Shares at the end</b>	<b>3,100,700</b>	<b>31,007,000</b>	<b>3,100,700</b>	<b>31,007,000</b>

4	Reserve and Surplus	31/03/2012	31/03/2011
	<b>Surplus</b>		
	Balance B/f	(2,991,096.00)	(4,530,998.00)
	Amount Transferred From Statement of P&L	(19,958.00)	1,539,902.00
	Amount Transferred from Sundries	-	-
		<b>(3,011,054.00)</b>	<b>(2,991,096.00)</b>
	Less:		
	Appropriation and Allocation	(3,011,054.00)	(2,991,096.00)
	<b>Total</b>	<b>(3,011,054.00)</b>	<b>(2,991,096.00)</b>

		31/03/2012	31/03/2011
5	<b>Long Term Borrowings</b>		
	Loan and Advances From Subsidiary Company.		
	<b>Unsecured Loans:-</b> YDS Securities Pvt. Ltd.	33,739.00	33,739.00
		<b>33,739.00</b>	<b>33,739.00</b>

		31/03/2012	31/03/2011
6	<b>Other Current Liabilities</b>		
	<b>Others Payables to related parties</b>	17,476.00	-
	Texas Engineers Pvt. Ltd.		
	<b>Expenses Payables</b>	224,873.00	209,873.00
	LISTING FEE PAYABLE	2,206.00	2,206.00
	PROFESSIONAL FEES PAYABLE	39,017.00	51,111.00
	AUDIT FEES PAYABLE	2,247.00	9,927.00
		<b>285,819.00</b>	<b>273,117.00</b>

		31/03/2012	31/03/2011
7	<b>Non Current Investments</b>		
	<b>Investments</b>		
	<b>Unquoted</b>	Face Value	Quantity
	YDS Securities Pvt. Ltd.	10	826530
	Texas Engineers Pvt. Ltd.	10	267310
		8,265,300.00	8,265,300.00
		2,673,100.00	2,673,100.00
		<b>10,938,400.00</b>	<b>10,938,400.00</b>

		31/03/2012	31/03/2011
8	<b>Deferred Tax Assets/ (Liability)</b>	152,990.00	144,065.00
	Deferred Tax Assets	152,990.00	144,065.00

		31/03/2012	31/03/2011
9	<b>Long-term loans and advances</b>		
	<b>Long Term Loans and Advances to be recoverable in cash or in kind</b>		
	<b>Unsecured Considered good</b>	4,500,000.00	4,500,000.00
	Blossom E Solutions Pvt. Ltd.	4,500,000.00	4,500,000.00
	Logisys Ind. Pvt. Ltd.	3,500,000.00	3,500,000.00
	Suresh Pal Singh	2,450,000.00	2,450,000.00
	Sunita Singh	550,000.00	550,000.00
	Sweta Singh		
		<b>15,500,000.00</b>	<b>15,500,000.00</b>

		31/03/2012	31/03/2011
10	<b>Cash and cash equivalents</b>		
	Cash in Hand	219,939.00	218,890.00
	Balance With Banks	-	-
	Current Account	4,175.00	4,315.00
	UNION BANK OF INDIA	<b>224,114.00</b>	<b>223,205.00</b>

		31/03/2012	31/03/2011
11	<b>Short-term loans and advances</b>		
	<b>Unsecured Advances to related Parties</b>		
	<b>Unsecured Considered good</b>		17,090.00
	Texas Engineers Pvt. Ltd.		
	<b>Other advances</b>	1,500,000.00	1,500,000.00
Advance for shares	<b>1,500,000.00</b>	<b>1,517,090.00</b>	

		31/03/2012	31/03/2011
12	<b>Revenue from operations</b>		
	<b>Income from Services</b>	21,000.00	15,000.00
	Consultancy & Commission Income		
		<b>21,000.00</b>	<b>15,000.00</b>

		31/03/2012	31/03/2011
13	<b>Finance costs</b>		
	BANK CHARGES	140.00	140.00
		<b>140.00</b>	<b>140.00</b>

		31/03/2012	31/03/2011
14	<b>Other Expenses</b>		
	Auditor's Remuneration	22,472.00	16,545.00
	LISTING FEES	15,000.00	8,273.00
	PROFESSIONAL FEE	8,711.00	13,552.00
	MISC. EXPENSES	3,560.00	15,070.00
		<b>49,743.00</b>	<b>53,440.00</b>

		31/03/2012	31/03/2011
15	<b>Tax Expenses</b>		
	DEFERRED TAX	8,925.00	11,573.00
		<b>8,925.00</b>	<b>11,573.00</b>

16. **AUDITOR'S REMUNERATION**

(IN RS.)

Particulars <sup>o</sup>	2011-12	2010-11
<b>Auditors' Remuneration</b>		
Statutory Audit Fee	22,472	16,545
In other capacity	-	-
<b>TOTAL</b>	<b>22,472</b>	<b>16,545</b>

17. **EARNING PER SHARE**

Basic earnings per share is calculated in accordance with the provisions of Accounting Standard-20 "Earnings per Share" are given here under:

PARTICULARS	2011-12	2010-11
Net Profit after Tax attributable to Equity Shareholders (Rs.)	(19,958.00)	(27,007)
Weighted Average number of Equity Shares	31,00,700	31,00,700
Basic Earnings per Share (Face Value Rs. 10) (Rs.)	(0.01)	(0.009)

18. **RELATED PARTY DISCLOSURE**

I. **NAMES OF RELATED PARTIES:**

a. The company is Holding of YDS Securities Pvt. Ltd.

b. **Key Management Personnel :**

Name	Designation
Mr. Bimal Aggarwal	Director

19. Segment information for the year ended 31<sup>st</sup> March, 2012 as per accounting standard issued by the institute of Chartered Accountants of India are as under. Previous years figures are indicated in brackets.

Segment reporting	Rs. In Lacs			
	Sale	Loan	Unallocable	Total
Segment Revenue	0	0	0.21	0.21
External	(0)	(0)	(0.15)	(0.15)
Intersegment	-	-	-	-
Total Revenue	0	0	0.21	0.21
	(0)	(0)	(0.15)	(0.15)
Segment Results	0	0	-0.29	-0.28
Profit/Loss before	(0)	(0)	(-0.38)	(-0.38)
Depreciation Amortization				
Interest , Tax and Unallocable				
Overheads.				
Less: Depreciation and Amortization			0	0
			(0)	(0)
Less: Interest and Financial charges			0	0
			(0)	(0)
Profit/Loss before taxation			-0.29	-0.29
			(-0.38)	(-0.38)
Provision for taxation (Current)			0	0.00
				(0.00)
Provision for Taxation (Deffered)			0.09	0.09
				(0.11)
Net Profit after Tax				-0.20
				(-0.27)

Assets used in the company's business or liabilities contracted have not been identified to any of the reportable segment as all the assets and services are used interchangeably between segments. The company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities since a meaningful segregation of available data is onerous.

20. In the opinion of the directors, current assets and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.

21. Balances of Sundry Creditors/Debtors are subject to confirmation/reconciliation, which in the opinion of the management is not significant, adjustments, if any will be carried out as and when settled. However accounts have been reconciled on the basis of materiality.

22. The company is a small and medium sized company as defined in the General Instruction in respect of Accounting Standard notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standard as applicable to small and Medium Sized Company.

23. There is no contingent liability as Certified by the management of the company.

24. All the known liabilities have been provided for and there are no disputed liabilities as confirmed by the management of the company.

**For and on behalf of the Board of Directors of  
of M/s FMEC International Financial Services Ltd.**

**FOR PARM & SMRN  
CHARTERED ACCOUNTANTS  
(F.R. NO.: 507094C)**

Sd/-

(Director)

Sd/-

(Director)

Sd/-

**(CA RISHI KUMAR)  
PARTNER  
M.NO. 92553**

**PLACE: DELHI  
DATED: 03.09.2012**

<b>FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED</b>		
<b>Cash Flow Statement for the year ended 31st March 2012</b>		
<b>Pursuant to Clause 32 of the Listing Agreement</b>		
	As at 31-Mar-12	As at 31-Mar-11
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax & Extraordinary items	-28883	-38580
Adjustments for:		
Depreciation	0	0
Loss on Sale of Assets	0	0
Interest	0	0
Preliminary Expenses Written off	0	0
Operating Profit before Working Capital Change	-28883	-38580
Adjustment for:		
Trade and other receivables	0	0
Inventories	0	0
Trade Payables	12702	4745
Loans & Advances	17090	6745
Cash generated from operations	909	-27090
Tax Paid	0	0
Interest Paid	0	0
Income tax adjustment	0	-6745
<b>Net Cash from Operating Activities</b>	<b>909</b>	<b>-33835</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	0	- 0
Sale of Fixed Assets	0	0
Sales of Investments	0	0
<b>Net Cash used in Investing activities</b>	<b>0</b>	<b>0</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceedes from Long Term Borrowings	0	0
<b>Net Cash from Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>909</b>	<b>-33835</b>
Cash and cash Equivalents as at the beginning of the Year	223205	257040
<b>Cash and cash equivalents as the close of the Year</b>	<b>224114</b>	<b>223205</b>
<b>For and on behalf of Board of Director's</b>		
	<b>FOR PARM &amp; SMRN</b>	
	<b>Chartered Accountants</b>	
	<b>FRNO- 507094C</b>	
sd/-	sd/-	
( Director)	( Director)	
Dated : 03.09.2012	<b>RISHI KUMAR</b>	
Place : New Delhi	<b>PARTNER</b>	

**M/S F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**3A, KHAN MARKET, NEW DELHI-110003**

**NOTES FORMING INTEGRAL PART OF THE ACCOUNTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH 2012.**

**1. CORPORATE INFORMATION**

FMEC International Financial Services Limited (the company) is a Limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7<sup>th</sup> June 1993 and is Holding of YDS Securities Private Limited. The company is engaged in the business of Financing and providing Consultancy.

**2. BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. The Financial Statements has been prepared on the accrual basis and under the historical cost convention. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

The Accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i) CHANGE IN ACCOUNTING POLICY**

**PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS**

During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company for the preparation and presentation of its Financial Statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements. However it has significant impact on the presentation and disclosures made in Financial Statements.

The company has also reclassified the previous year figures in accordance with requirement as applicable in the current year.

**ii) USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of Assets and Liabilities and disclosures related to the contingent liabilities as at the date of financial statements and reported accounts of revenues and expenses during the period. Actual results could differ from those estimates. Any revision of accounting estimates is recognized in accordance with the requirement of the respective accounting standard.

iii) **TANGIBLE ASSETS AND DEPRECIATION**

The company has neither acquired any asset nor having any Fixed Assets as on the date of Balance sheet

iv) **INVESTMENT**

Investments are valued at cost.

v) **REVENUE RECOGNITION**

Revenue is recognized on mercantile basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

vi) **TAX EXPENSES**

Tax expense comprises of current tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those as enacted, at operating date.

Deferred Taxation is provided using the liability method in respect of the taxation effect arising from all material timing difference between the accounting and tax treatment for Income and Expenditure, which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred Tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonable expected to be realizable in the near future.

Deferred Tax Assets and liabilities are measured at tax rates that have been enacted or substantively enacted by the balance sheet date.

vii) **EVENTS OCCURRING AFTER BALANCE SHEET DATE:-**

No significant events which could affect the financial position as on 31-03-2012 to a material extent have been reported by the assessee, after the balance sheet date till the signing of report.

viii) **PRIOR PERIOD AND EXTRAORDINARY ITEMS:-**

There are no material changes or credits which arise in the current period, on accounts of errors and omission in the preparation of the financial statements for the one or more prior periods.

ix) **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year

x) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**PROVISIONS**

A provision is recognized when an enterprise has a present obligation as a result of past event. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**CONTINGENT LIABILITIES**

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provision or disclosure is made.

**CONTINGENT ASSETS**

Contingent Assets are neither recognized nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**AUDITOR'S REPORTS TO THE BOARDS OF DIRECTORS OF FMec  
INTERNATIONAL FINANCIAL SERVICES LIMITED ON THE CONSOLIDATED  
FINANCIAL STATEMENTS FMec INTERNATIONAL FINANCIAL SERVICES  
LIMITED AND ITS SUBSIDIARY YDS SECURITIES PVT. LTD.**

We have audited the attached consolidated Balance Sheet of M/s FMec International Financial Services Limited and its subsidiary M/s YDS Securities Pvt. Ltd. as at 31 March 2012 and the consolidated Profit & 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. We have 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 from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, consolidated financial statements, issued by The Institute of Chartered Accountants of India and on the basis of separate audited financial statements of FMec International Financial Services Limited and its subsidiary included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of FMec International Financial Services Limited and its aforesaid subsidiary, the said financial statements give a true and fair view:

1. In so far as it relates to the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012, and,
2. In so far as relates to the Consolidated Profits & Loss Account, of the LOSS for the year ended on that date.
3. The consolidated cash flow statement of the consolidated cash flows of the company and its subsidiary for the year ended on that date.

**For PARM & SMRN**  
Chartered Accountants  
**FRNO.-507094C**

Sd/-  
**RISHI KUMAR**  
Partner

Place: New Delhi  
Dated: 03.09.2012

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
3A, KHAN MARKET NEW DELHI -110003

**CONSOLIDATED BALANCE SHEET AS AT 31/03/2012**

In Rs.

Particulars	Note	Figures as at the end of Current reporting period 31/03/12	Figures as at the end of Previous reporting period 31/03/11
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>	3	31,007,000.00 <sup>s</sup>	31,007,000.00
(a) Share Capital	4	(4,474,194.00)	(5,369,779.00)
(b) Reserves and Surplus			
(c) Money received against share warrants		26,532,806.00	25,637,221.00
Minority Interest		2,658,200.00	1,734,700.00
(2) Share application money pending allotment		-	1,847,000.00
<b>(3) Non-Current Liabilities</b>	5	-	-
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	1,847,000.00
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		325,294.00	302,970.00
(b) Trade payables	6	-	-
(c) Other current liabilities		325,294.00	302,970.00
(d) Short-term provisions		-	-
<b>TOTAL</b>		<b>29,516,300.00</b>	<b>29,521,891.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets		-	-
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	7,725,600.00	3,895,600.00
(c) Deferred tax assets (net)	8	217,779.00	205,296.00
(d) Long term loans and advances	9	18,416,093.00	18,416,093.00
(e) Other non-current assets		26,359,472.00	22,516,989.00
<b>(2) Current assets</b>			
(a) Current Investments	10	1,985.00	1,985.00
(b) Inventories		-	-
(c) Trade receivables	11	313,643.00	314,627.00
(d) Cash and cash equivalents	12	2,841,200.00	6,688,290.00
(e) Short-term loans and advances		-	-
(f) Other current assets		3,156,828.00	7,004,902.00
<b>TOTAL</b>		<b>29,516,300.00</b>	<b>29,521,891.00</b>

In terms of our attached report of even date  
For PARM & SMRN  
Chartered Accountants  
FRN : 507094C

**RISHI KUMAR**  
(PARTNER)  
M.NO. : 92553

Place : New Delhi  
Date : 03.09.2012

For and on behalf of  
Fmec International Financial Services Limited

**Bimal Aggarwal**  
(Director)

(Director)

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
3A, KHAN MARKET NEW DELHI -110003

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEARD ENDED 31/03/2012**

In Rs.

	Particulars	Note	Figures as at the end of Current reporting period 31/03/12	Figures as at the end of Previous reporting period 31/03/11
I.	Revenue from operations	13	32,000.00	26,000.00
II.	Other Income		-	-
III.	<b>Total Revenue (I +II)</b>		<b>32,000.00</b>	<b>26,000.00</b>
IV.	<b>Expenses:</b>		-	-
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	14	190.00	280.00
	Financial costs		-	-
	Depreciation and amortization expense	15	72,208.00	70,695.00
	Other expenses		-	-
	<b>Total Expenses</b>		<b>72,398.00</b>	<b>70,975.00</b>
V.	Profit before exceptional and extraordinary items and tax (III - IV)		(40,398.00)	(44,975.00)
VI.	Exceptional Items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		(40,398.00)	(44,975.00)
VIII.	Extraordinary Items		-	-
IX.	Profit after extraordinary items and before tax (VII - VIII)		(40,398.00)	(44,975.00)
X.	<b>Tax expense:</b>			
	(1) Current tax		12,483.00	13,549.00
	(2) Deferred tax		(27,915.00)	(31,426.00)
XI.	Profit(Loss) for the period from continuing operations		-	-
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontuning operations		-	(6,745.00)
	Prior Period MAT W/off		-	1,566,362.00
	Prior Period Deferred Tax Adjustment		-	-
XIV.	<b>Profit(Loss) for the period</b>		<b>(27,915.00)</b>	<b>1,528,191.00</b>
XV.	<b>Earning per equity share:</b>		(0.01)	0.49
	(1) Basic		-	-
	(2) Diluted		-	-

In terms of our attached report of even date  
**For PARM & SMRN**  
Chartered Accountants  
FRN : 507094C

**RISHI KUMAR**  
**(PARTNER)**  
M.NO. : 92553

Place: NEW DELHI  
Date: 03.09.2012

For and on behalf of  
**Fmec International Financial Services Limited**

**Bimal Aggarwal**  
**(Director)**

**(Director)**

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
3A, KHAN MARKET NEW DELHI - 110003

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Note No	Note No	Particulars	Figures for the current reporting period 31/03/12	Figures for the previous reporting period 31/03/11
---------	---------	-------------	---	--

3	<b>Share Capital</b>			
	<b>Authorised</b>		35,000,000.00	35,000,000.00
	3500000(3500000) Equity Shares of Rs. 10/- Par Value		<b>35,000,000.00</b>	<b>35,000,000.00</b>
	<b>Issued</b>		31,007,000.00	31,007,000.00
	3100700(3100700) Equity Shares of Rs. 10/- Par Value		<b>31,007,000.00</b>	<b>31,007,000.00</b>
	<b>Subscribed</b>		31,007,000.00	31,007,000.00
3100700(3100700) Equity Shares of Rs. 10/- Par Value		<b>31,007,000.00</b>	<b>31,007,000.00</b>	
<b>Paidup</b>		31,007,000.00	31,007,000.00	
3100700(3100700) Equity Shares of Rs. 10/- Par Value fully paidup		<b>31,007,000.00</b>	<b>31,007,000.00</b>	

3.1	Detail of shareholding more than 5% of the shareholding				
	Particular	31/03/2012	% Held	31/03/2011	% Held
	Mr. Kedar Nath Singhania	449,100	14.48%	449,100	14.48%
	Mr. Pankaj Kumar Jain	199,600	6.44%	199,600	6.44%

3.2	Reconciliation of shares outstanding at the begning and at the end of the reporting date				
	Particular	31/03/2012		31/03/2011	
		No. of Shares	Amount	No. of Shares	Amount
	Number of Shares a the beginning	3,100,700	31,007,000	3,100,700	31,007,000
	Add: Issue	-	-	-	-
	Less: Bought Back	-	-	-	-
	Add: Other	-	-	-	-
	<b>Number of Shares at the end</b>	<b>3,100,700</b>	<b>31,007,000</b>	<b>3,100,700</b>	<b>31,007,000</b>

4	Reserve and Surplus	31/03/2012		31/03/2011	
	<b>Surplus</b>		(5,369,779.00)		(6,897,970.00)
	Balance B/f		(27,915.00)		1,528,191.00
	Amount Transferred From Statement of P&L		-		-
	Amount Transferred from Sundries		(5,397,694.00)		(5,369,779.00)
			923,500.00		-
	Share Premium Account		(4,474,194.00)		(5,369,779.00)
	<b>Total</b>		<b>(4,474,194.00)</b>		<b>(5,369,779.00)</b>

		31/03/2012	31/03/2011
5	<b>Long Term Borrowings</b> Loan and Advances From Subsidiary Company <b>Unsecured Loans:-</b> YDS Securities Pvt. Ltd.	-	-

		31/03/2012	31/03/2011
6	<b>Other Current Liabilities</b> <b>Others Payables to related parties</b> Texas Engineers Pvt. Ltd. <b>Expenses Payables</b> LISTING FEE PAYABLE PROFESSIONAL FEES PAYABLE AUDIT FEES PAYABLE EXPENSES PAYABLE	34,644.00 224,873.00 2,206.00 59,077.00 4,494.00 <b>325,294.00</b>	- 209,873.00 2,206.00 77,103.00 13,788.00 <b>302,970.00</b>

		31/03/2012	31/03/2011
7	<b>Non Current Investments</b> <b>Investments</b> <b>Unquoted</b> Texas Engineers Pvt. Ltd.  <b>Investments (Quoted)</b> Equity Shares Sky Line India Ltd. Capfin India Ltd. <b>Investments (Unquoted)</b> Sonia Finvest Pvt. Ltd. Genius Finvest Pvt. Ltd.	2,673,100.00  222,500.00 1,000,000.00  2,100,000.00 1,730,000.00 <b>7,725,600.00</b>	2,673,100.00  222,500.00 1,000,000.00  - - <b>3,895,600.00</b>

		31/03/2012	31/03/2011
8	<b>Deferred Tax Assets/ (Liability)</b> Deferred Tax Assets	217,779.00 217,779.00	205,296.00 205,296.00

		31/03/2012	31/03/2011
9	<b>Long-term loans and advances</b> <b>Long Term Loans and Advances to be recoverable in cash or in kind</b> <b>Unsecured Considered good</b> Blossom E Solutions Pvt. Ltd. Logisys Ind. Pvt. Ltd. Suresh Pal Singh Sunita Singh Sweta Singh Bimal Aggarwal Charanjeet Bawa Suresh Pal Singh Sunita Singh Sweta Singh	4,500,000.00 4,500,000.00 3,500,000.00 2,450,000.00 550,000.00 316,093.00 2,000,000.00 - - 600,000.00 <b>18,416,093.00</b>	4,500,000.00 4,500,000.00 3,500,000.00 2,450,000.00 550,000.00 316,093.00 - 1,300,000.00 700,000.00 600,000.00 <b>18,416,093.00</b>

		31/03/2012	31/03/2011
10	<b>Inventories</b>		
	Closing Stock	1,985.00	1,985.00
		<b>1,985.00</b>	<b>1,985.00</b>

		31/03/2012	31/03/2011
11	<b>Cash and cash equivalents</b>		
	Cash in Hand	295,402.00	296,196.00
	Balance With Banks Current Account UNION BANK OF INDIA	18,241.00	18,431.00
		<b>313,643.00</b>	<b>314,627.00</b>

		31/03/2012	31/03/2011
12	<b>Short-term loans and advances</b>		
	<b>Unsecured Advances to related Parties</b>		
	<b>Unsecured Considered good</b> Texas Engineers Pvt. Ltd. Advance for Shares / other advance	- 2,841,200.00	17,090.00 6,671,200.00
		<b>2,841,200.00</b>	<b>6,688,290.00</b>

		31/03/2012	31/03/2011
13	<b>Revenue from operations</b>		
	Income from Services	32,000.00	26,000.00
	Consultancy & Commission Income		
		<b>32,000.00</b>	<b>26,000.00</b>

		31/03/2012	31/03/2011
14	<b>Finance costs</b>		
	BANK CHARGES	190.00	280.00
		<b>190.00</b>	<b>280.00</b>

		31/03/2012	31/03/2011
15	<b>Other Expenses</b>		
	Auditor's Remuneration	33,708.00	25,369.00
	LISTING FEES	15,000.00	8,273.00
	PROFESSIONAL FEE	17,380.00	19,413.00
	OFFICE EXPENSES	2,560.00	2,570.00
	MISC. EXPENSES	3,560.00	15,070.00
		<b>72,208.00</b>	<b>70,695.00</b>

		31/03/2012	31/03/2011
16	<b>Tax Expenses</b>		
	DEFERRED TAX	12,483.00	13,549.00
		<b>12,483.00</b>	<b>13,549.00</b>

**17. AUDITOR'S REMUNERATION**

(IN RS. )

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Auditors' Remuneration</b>		
Statutory Audit Fee	33,708	25,369
In other capacity	-	-
<b>TOTAL</b>	<b>33,708</b>	<b>25,369</b>

**18. EARNING PER SHARE**

Basic earnings per share is calculated in accordance with the provisions of Accounting Standard-20 "Earnings per Share" are given here under:

<b>PARTICULARS</b>	<b>2011-12</b>	<b>2010-11</b>
Net Profit after Tax attributable to Equity Shareholders (Rs.)	(27,915.00)	(31,426.00)
Weighted Average number of Equity Shares	31,00,700	31,00,700
Basic Earnings per Share (Face Value Rs. 10) (Rs.)	(0.01)	(0.49)

19. In the opinion of the directors, current assets and advances have a value on realization in the ordinary course of the business at least equal to the amount at which these have been stated in the Balance Sheet.

20. Balances of Sundry Creditors/Debtors are subject to confirmation/reconciliation, which in the opinion of the management is not significant, adjustments, if any will be carried out as and when settled. However accounts have been reconciled on the basis of materiality.

21. The company is a small and medium sized company as defined in the General Instruction in respect of Accounting Standard notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standard as applicable to small and Medium Sized Company.

22. There is no contingent liability as Certified by the management of the company.

23. All the known liabilities have been provided for and there are no disputed liabilities as confirmed by the management of the company.

**For and on behalf of the Board of Directors of  
of M/s FMEC International Financial Services Ltd.**

**FOR PARM & SMRN  
CHARTERED ACCOUNTANTS  
(F.R. NO.: 507094C)**

(Director)

(Director)

**(CA RISHI KUMAR)  
PARTNER  
M.NO. 92553**

**PLACE: DELHI  
DATED: 03.09.2012**

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**3A, KHAN MARKET NEW DELHI -110003**

**CALCULATION OF MINORITY INTERST**

TOTAL NO. SHARES OF YDS

1,092,350.00

1,000,000.00

**MINORITY INTEREST**

ON ACCOUNT OF PAID UP CAPITAL

	<b>31/03/2012</b>	<b>% Held</b>	<b>31/03/2011</b>	<b>% Held</b>
OTHER SHAREHOLDERS	50,820	4.65%	3,470.00	0.35%
Mrs. Rachna Aggarwal	107500	9.84%	85,000	8.50%
Mrs. Sangeeta Aggarwal	107500	9.84%	85,000	8.50%
	265,820	19.68%	173,470	17.35%
Face Value	10		10	
	<u>2,658,200</u>		<u>1,734,700</u>	

**SUBSIDAIRY'S PROFIT**

**MI'S SHARE IN CURRENT YEAR'S PROFIT**

**I ON ACCOUNT OF PROFIT FOR THE CURRENT YEAR**

CURRENT YEAR PROFIT

(7,957.00)

(1,566.12)

(11,711.00)

(2,031.51)

MI'S SHARE IN CURRENT YEAR PROFIT

**II ON ACCOUNT OF OPENING PROFIT & LOSS A/C**

(23,666,972.00)

(4,658,213.01)

(23,666,972.00)

(4,105,509.63)

**III ON ACCOUNT OF SHARE PREMIUM**

923,000.00

181,667.96

(22,751,929.00)

(4,478,111.17)

(23,678,683.00)

(4,107,541.14)

**FMEC INTERNATIONAL FINANCIAL SERVICES LIMITED ( CONSOLIDATED)**

**Consolidated Cash Flow Statement for the year ended 31st March 2012**  
**Pursuant to Clause 32 of the Listing Agreement**

	As at 31-Mar-12	As at 31-Mar-11
<b>A. Cash Flow from Operating Activites</b>		
Net Profit before Tax & Extraordinary items	-40398	-44975
Adustments for:		
Depreciation	0	0
Other adjustment	0	0
Interest	0	0
Preliminary ExpensesWritten off	-40398	-44975
Operating Profit before Working Capital Change		
Adustment for:		
Trade and other receivables	0	0
Inventories	22324	17430
Trade Payables	3847090	6745
Loans & Advances	3829016	-20800
Cash generated from operations	0	0
Tax Paid	0	0
Interest Paid	0	-6745
Income tax adjustment	0	-27545
<b>Net Cash from Operating Activities</b>	<b>3829016</b>	<b>-27545</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Investment	-3830000	0
Sale of Fixed Assets	0	0
Capital expenses	0	0
Sales of OTCEI Ticket	0	0
<b>Net Cash used in Investing activities</b>	<b>-3830000</b>	<b>0</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceedes from Share Application Money	0	0
Minority Interest	0	0
Proceedes from Long Term Borrowings	0	0
<b>Net Cash from Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>-984</b>	<b>-27545</b>
Cash and cash Equivalents as at the beginning of the Year	314627	342172
<b>Cash and cash equivalents as the close of the Year</b>	<b>313643</b>	<b>314627</b>

**PARM & SMRN**  
**Chartered Accountants**  
**FRNO.-507094C**

**RISHI KUMAR**  
**PARTNER**

( Director) (Director)  
Dated : 03.09.2012  
Place : New Delhi

**M/S F MEC INTERNATIONAL FINANCIAL SERVICES LIMITED**  
**3A, KHAN MARKET, NEW DELHI-110003**

**CONSOLIDATED NOTES FORMING INTEGRAL PART OF THE ACCOUNTS FOR THE YEAR**  
**ENDED 31<sup>ST</sup> MARCH 2012.**

**1. CORPORATE INFORMATION**

FMEC International Financial Services Limited (the company) is a Limited company domiciled in India and incorporated under provision of Companies Act, 1956 as on 7<sup>th</sup> June 1993 and is Holding of YDS Securities Private Limited. The company is engaged in the business of Financing and providing Consultancy.

**2. BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956. The Financial Statements has been prepared on the accrual basis and under the historical cost convention. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

The Accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i) CHANGE IN ACCOUNTING POLICY**

**PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS**

During the year ended 31<sup>st</sup> March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company for the preparation and presentation of its Financial Statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements. However it has significant impact on the presentation and disclosures made in Financial Statements.

The company has also reclassified the previous year figures in accordance with requirement as applicable in the current year.

**ii) Principles of Consolidation:**

- a) The Consolidated Financial Statements (CFS) comprise the financial statements of FMec International Financial Services Limited and its subsidiary - YDS Securities Pvt. Ltd. as on 31<sup>st</sup> March 2012.
- b) The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.
- c) The effects of intra group transactions are eliminated in consolidated.

**iii) USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of Assets and Liabilities and disclosures related to the contingent liabilities as at the date of financial statements and reported accounts of revenues and expenses during the period. Actual results could differ from those estimates. Any revision of accounting estimates is recognized in accordance with the requirement of the respective accounting standard.

**iv) TANGIBLE ASSETS AND DEPRECIATION**

The company has neither acquired any asset nor having any Fixed Assets as on the date of Balance sheet

**v) INVESTMENT**

Investments are valued at cost.

**vi) INVENTORIES:**

Inventories comprise of shares /securities are valued at lower of cost or net realizable value.

**vii) REVENUE RECOGNITION**

Revenue is recognized on mercantile basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**viii) TAX EXPENSES**

Tax expense comprises of current tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those as enacted, at operating date.

Deferred Taxation is provided using the liability method in respect of the taxation effect arising from all material timing difference between the accounting and tax treatment for Income and Expenditure, which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred Tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonable expected to be realizable in the near future.

Deferred Tax Assets and liabilities are measured at tax rates that have been enacted or substantively enacted by the balance sheet date.

**ix) EVENTS OCCURRING AFTER BALANCE SHEET DATE:-**

No significant events which could affect the financial position as on 31-03-2012 to a material extent have been reported by the assessee, after the balance sheet date till the signing of report.

**x) PRIOR PERIOD AND EXTRAORDINARY ITEMS:-**

There are no material changes or credits which arise in the current period, on accounts of errors and omission in the preparation of the financial statements for the one or more prior periods.

**xi) EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year

**xii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**PROVISIONS**

A provision is recognized when an enterprise has a present obligation as a result of past event. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**CONTINGENT LIABILITIES**

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provision or disclosure is made.

**CONTINGENT ASSETS**

Contingent Assets are neither recognized nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

CONTD.

# **FMec INTERNATIONAL FINANCIAL SERVICES LIMITED**

## **STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES COMPANY**

Name of the Subsidiaries Company	<b>YDS Securities Pvt. Ltd.</b>
Financial Year of the Subsidiaries Company ended on	31st, March 2012
Shares in the Subsidiaries Company held on the above date	826530 Equity Shares of Rs. 10/- each
Net aggregate of profits/(losses) of the Subsidiaries Company so far as they concern the members of FMec INTERNATIONAL FINANCIAL SERVICES LIMITED	
(a) Not dealt with in the accounts of FMec INTERNATIONAL FINANCIAL SERVICES LIMITED	
(i) for Subsidiaries Company's Financial year ended on March 31, 2012.	Rs. (-)6576
(ii) for the previous Financial year of the Subsidiaries since it became Holding Company's Subsidiaries.	Rs. (-)1965981
(b) Dealt with in the accounts of FMec INTERNATIONAL FINANCIAL SERVICES LIMITED	
(i) for Subsidiaries Company's Financial year ended on March 31, 2012.	NIL
(ii) for the previous Financial year of the Subsidiaries since it became Holding Company's Subsidiaries.	NIL

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Note : As the Financial year of the subsidiary company coincide with the financial year of the  
Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable.

**For and on behalf of Board of Directors**

(Director)

(Director)

Place : New Delhi  
Dated : 03.09.2012

**PROXY**

**FMec INTERNATIONAL FINANCIAL SERVICES LTD.**

Regd. Office:3A, Khan Market, New Delhi – 110003.

I/We..... of  
.....in the district  
..... being a member / members of the  
above named Company, hereby appoint.....  
.....  
.....of.....in the district of.....or failing  
him / her.....of  
.....in the district  
of.....as/ my our proxy to vote for me/ us on my/ our behalf at the  
Nineteenth Annual General Meeting of the Company to be held on Friday, the 29<sup>th</sup>  
September, 2012 and at any adjournment thereof.

Signed this.....day .....2012  
No. of Shares held .....Ref. No. / L.F. No. ....

Signature (s) .....

Affix  
Revenue  
Stamp

Address: .....  
.....  
.....

Note : The Proxy must be deposited at the Registered Office of the Company at 3A, KHAN MARKET, New Delhi - 110003 not less than 48 hours before the time for holding the meeting.

-----TEAR HERE -----

**ATTENDANCE SLIP**

**F Mec INTERNATIONAL FINANCIAL SERVICES LIMITED**

Regd Office : 3A, KHAN MARKET, NEW DELHI - 110003.

I hereby record my presence at the Nineteenth Annual General Meeting being held on Friday, the 29<sup>th</sup> September 2012 at 12.00 Noon at Registered Office 3A, KHAN MARKET, New Delhi - 110003.

Name of Shareholder .....  
(in block letters)  
Reference Folio .....

.....  
Signature of the Shareholder/ Proxy

- Note : 1.Please complete this attendance slip and hand it over at the entrance of the venue of the meeting.  
2.Please bring your copy of Balance Sheet at the time of Annual General Meeting.