
ACME RESOURCES LIMITED

22nd Annual Report 2006 - 2007

BOARD OF DIRECTORS

SRI PRABHAT KUMAR JAIN, *Managing Director*

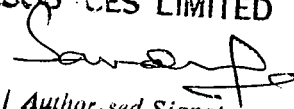
SRI CHANDRA PRAKASH AGARWAL

SRI KULDEEP SALUJA

SRI JITENDRA TIWARI

SRI SANDEEP DEY

ACME RESOURCES LIMITED


Director | Authorised Signatory

SECRETARY

SRI AMITAVA DAS

AUDITORS

H. R. AGARWAL & ASSOCIATES

Chartered Accountants

BANKERS

CANARA BANK

HDFC BANK LTD.

THE HONGKONG & SHANGHAI BANKING CORPN. LTD.

REGISTERED OFFICE

1, CROOKED LANE

ROOM NO. 107

KOLKATA - 700 069

Phone : (033) 2243-7480

Fax : (91-33) 2243-7481

E-mail : info@acmeresources.net

Website : www.acmeresources.net

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **ACME RESOURCES LIMITED** will be held at the Registered Office at 1, Crooked Lane, Room No. 107, Kolkata - 700 069 on Saturday, the 29th September, 2007 at 11.00 A.M. to transact the following ordinary business :-

GENERAL BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Sri Chandra Prakash Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following Resolution as Ordinary Resolution :

“RESOLVED THAT Sri Kuldeep Saluja, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 8th August, 2007 and who holds office in terms of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Sri Kuldeep Saluja as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Registered Office :

1, Crooked Lane, Room No. 107,
Kolkata - 700 069

Dated : The 8th day of August, 2007

By Order of the Board

AMITAVA DAS

Company Secretary

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 NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from 24th September, 2007 to 29th September, 2007 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT, 1956**

ITEM NO. 4

Sri Kuldeep Saluja was appointed as an Additional Director of the Company with effect from 8th August, 2007 and he holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing under section 257 of the Companies Act, 1956 along with deposit of Rs.500/- from a Shareholder of the company intimating his intention to propose Sri Kuldeep Saluja as a candidate for the office of Director of the Company. Sri Kuldeep Saluja has filed his consent pursuant to section 264 of the Act, to act as a Director if appointed.

Sri Kuldeep Saluja is a Commerce graduate. He has vast experience in the field of finance Audit and taxation.

Considering the Knowledge, rich and varied experience of Sri Kuldeep Saluja, it will be in the interest of the company to continue to avail of his contribution to the overall progress of the company.

It is also proposed that Sri Kuldeep Saluja will be liable to retire by rotation. He also holds directorship in Sterling Agro Industries Ltd.

None of the Directors, except Sri Kuldeep Saluja is, in any way concerned or interested in the aforesaid resolution.

The Board recommends this ordinary Resolution for your approval.

Registered Office :

1, Crooked Lane, Room No. 107,
Kolkata - 700 069

Dated : The 8th day of August, 2007

By Order of the Board

AMITAVA DAS
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2007, along with the Auditor's Report thereon.

1. FINANCIAL RESULTS

The Financial results of the Company for the year ended 31st March, 2007 are summarized below :

Turnover and Other Income	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2006 (Rs.)
Profit/(Loss) before Taxation	99,21,752.70	81,23,858.09
Less : Provision for Taxation - Current Tax	41,50,000.00	22,99,116.00
- Deferred Tax	—	4,53,919.00
- Fringe Benefit Tax	1,979.00	682.00
Profit/(Loss) after Taxation	57,69,773.70	53,70,141.09
Less : Transfer to Statutory Reserve Fund	12,47,134.00	10,74,028.00
Add : Balance brought forward from previous year	(50,28,430.50)	(93,24,543.59)
Balance carried to Balance Sheet	(5,05,790.80)	(50,28,430.50)

2. DIVIDEND

Your directors regret their inability to recommend any dividend for the year as they are of the view that the same if ploughed back would result in better profitability.

3. OPERATIONS

The performance of the company during the current year has shown significant growth in comparison to previous year. Your directors are hopeful that the performance of the company will further improve with the strong GDP numbers reported by the country resulted into continuous bullishness in the Stock Market.

4. DIRECTORS

Sri Chandra Prakash Agarwal retires by rotation and being eligible, offers himself for reappointment.

5. DIRECTOR'S RESPONSIBILITIES STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2007,

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 judgements and estimates that were reasonable and prudent so 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 profit 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 the 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 accounts for the financial year ended 31st March 2007 on a going concern basis.

6. AUDITORS REPORT

The Notes on Accounts as per Schedule – “L” referred into Auditor’s Report are self – explanatory and hence do not require any further clarifications.

7. AUDITORS

H.R.Agarwal & Associates, Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

8. PERSONNEL

As per the requirements of section 217(2A) of the Companies Act, 1956 none of the employees were in receipt of remuneration in aggregate of Rs. 24,00,000/- for the whole year or Rs. 2,00,000/- P.M. for part of the year under review.

9. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosures of particulars relating to conservation of energy or technology absorption prescribed by the rules is not applicable.

10. FOREIGN EXCHANGE

The company has no foreign inflow or outflow during the year under review.

11. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis Statement.

12. EMPLOYER EMPLOYEE RELATIONSHIP

The Company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

13. APPRECIATION AND ACKNOWLEDGEMENT

Your directors' place on record their deep appreciation for the support and guidance provided by SEBI, Stock Exchange and all Regulatory bodies. Your Directors also take this opportunity to acknowledge the assistance and co operation received from Banks, Reserve Bank of India and other Government Agencies and Shareholders.

Your directors' place on record their appreciation for the valuable service rendered by employees of the Company and look forward to their continued support in the future as well.

Registered Office :

1, Crooked Lane
Room No. 107,
Kolkata - 700 069

Dated : 30th June, 2007

For and on behalf of the Board

Prabhat Kumar Jain
Managing Director

Sandeep Dey
Director

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance :-

1. CORPORATE GOVERNANCE

Effective Corporate Governance has always been an integral part of the Company's business philosophy. The Company lays lot of importance to issues of Corporate Governance in order to bring in transparency and to increase the stakeholders' wealth. It is the firm belief of the Company that good corporate governance should be an internally driven need and not only compliance of the statutory requirements.

2. BOARD OF DIRECTORS**(a) Composition of the Board**

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive directors. The Board is broad based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors during the financial year ending 31.03.2007 was as follows :

Sr. No.	Name of Director	Executive/ Non Executive	Independent/ Non Independent	NO. OF OTHER		
				Directorships+	Committee++	
					Chairman	Member
1	Shri Prabhat Kumar Jain - <i>Managing Director</i>	Executive	Non Independent	3	—	1
2	Shri Sandeep Dey	Non Executive	Independent	7	1	1
3	Shri Ravi Prakash Jain**	Non Executive	Independent	—	—	—
4	Shri Chandra Prakash Agarwal	Non Executive	Independent	—	—	—
5	Shri Jitendra Tiwari*	Non Executive	Independent	—	—	—

* Appointed w.e.f 25th April, 2006

** Resigned w.e.f. 26th April, 2006

+Excluding Directorship held in Private Limited / Foreign Companies and companies incorporated under section 25 of the Companies Act, 1956.

++Represents Chairmanship/Membership of the Audit Committee, Compensation Committee and Shareholder's/ Investors' Grievance Committee of other Companies.

(b) Changes in the composition of the Board of Directors since the last Annual General Meeting.

Sri Jitendra Tiwari was appointed as an Additional Director of the Company with effect from 25th April 2006 while Sri Ravi Prakash Jain resigned from the Board of Directors on 26th April 2006. Sri Jitendra Tiwari is a Commerce Graduate and has vast experience in the field of Finance & Accounts. His inclusion in the Board will bring in lot of experience along with knowledge, which will enhance the performance of the Company.

ACME RESOURCES LIMITED

(c) Details of sitting fees, remuneration etc. paid to Directors.

No sitting fee was paid to any director during the year. The details of remuneration paid to the Managing Director of the Company during the year 2006-2007 are given below :

Sl. No.	Name of the Director	Salary & Perquisites (Rs.)
1.	Sri Prabhat Kumar Jain - Managing Director	1,20,000

(d) Board Meetings held in the Financial Year 2006-2007 and attendance of Directors :

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and financial results. During the year under review, 13 Board Meetings were held on 25th April 2006, 11th May 2006, 25th May 2006, 13th June 2006, 30th June 2006, 31st July 2006, 19th August 2006, 10th October 2006, 31st October 2006, 22nd November 2006, 31st January 2007, 26th February 2007 & 12th March 2007.

Attendance of each director at the Board of Directors meetings and the last Annual General Meeting:

Directors	No. of Meetings		Attendance at last AGM - Held on 16th September, 2006
	Held	Attended	
Sri Prabhat Kumar Jain - M.D.	13	13	Yes
Sri Sandeep Dey	13	13	Yes
Sri Ravi Prakash Jain *	1	1	No
Sri Chandra Prakash Agarwal	13	13	Yes
Sri Jitendra Tiwari #	12	12	Yes

Details provided from the date of appointment.

* Details provided upto the effective date of resignation.

3. DIRECTORS INTEREST IN THE COMPANY

No director is related to any other director of the Company.

None of the directors received any loan and advances from the Company during the year.

4. COMMITTEES OF DIRECTORS

In accordance with requirements of the Listing Agreement with the Stock Exchanges on Corporate Governance, following 2 committees were operational during the year :

- Audit Committee
- Share Transfer and Investors' Grievance Committee

a. Audit Committee

The present Audit Committee of the Board of Directors fulfills the requirements of section 292A of the Companies Act, 1956 as well as the Listing Agreement. The Audit Committee of the Company consists of 3 directors. During the year under review, 4 Audit Committee Meetings were held on 30th June 2006, 31st July 2006, 31st October 2006 & 31st January 2007.

The composition of the Audit Committee and the attendance of each director at this meeting was as follows :

Sr. No.	Members of Audit Committee	No. of meetings attended
1	Sri Sandeep Dey - Chairman	4
2	Sri Chandra Prakash Agarwal	4
3	Sri Ravi Prakash Jain *	—
4	Sri Jitendra Tiwari **	4

* Resigned w.e.f. 26th April, 2006

** Appointed w.e.f. from 25th April, 2006

Audit Committee is responsible for reviewing with the management the annual financial statement before submission to the Board. The main function of Audit Committee is to supervise the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct.

b. Share Transfer and Investors' Grievance Committee

The Company has set up its **Shareholders' / Investors' Grievance Committee** in 2001. The Committee deals with the various matters relating to :

- transfer / transmission of shares / debentures,
- issue of duplicate share certificate,
- review of shares dematerialised and all other related matters,
- monitors expeditious redressal of investors' grievances,
- all other matters related to shares / debentures.

The Committee met as and when required in the financial year.

The composition of the Committee as at 31st March, 2007 is as under :

S. No.	Members of Share Transfer and Investors Grievances Committee
1	Sri Sandeep Dey – Chairman
2	Sri Chandra Prakash Agarwal
3	Sri Prabhat Kumar Jain

As required by the Listing agreement with the Stock Exchanges, Sri Amitava Das, Company Secretary, has been designated as 'Compliance Officer' to monitor the shares transfer process.

The status of investors' queries/complaints/grievances received during the year is as under :

No. of investors queries / complaints received during the year ended 31st March, 2007	Pending at the end of the year	No. of pending share transfers
NIL	NIL	NIL

REMUNERATION COMMITTEE :

The Company has only one Managing Director on the Board, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the members. In view of this, no Remuneration Committee was constituted.

ACME RESOURCES LIMITED

5. ANNUAL GENERAL MEETING

Location and time, where last three AGMs were held :

Year	Date	Place	Time
2006	16-09-2006	1, Crooked Lane, 1st Floor, R. No. 107 Kolkata- 700 069	10.00 A.M.
2005	16-09-2005	1, Crooked Lane, 1st Floor, R. No. 107 Kolkata- 700 069	1.00 P.M.
2004	15-09-2004	Jhajharia Committee Room Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	1.00 P.M.

Whether special resolution was put through postal ballot last year, details of voting pattern :

No special resolution were put through postal ballot last year, as the situation did not arise.

Whether any special resolution is proposed to be conducted through postal ballot :

No

6. DISCLOSURES

(a) Disclosures on materially significant related party transactions :

There were no materially significant related party transactions during the year having conflict with the interests of the Company.

(b) Details of Non-Compliance by the Company, penalties and stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets :

The Company has complied with all requirements of the listing agreement with the stock exchanges as well as regulations and guidelines of SEBI. The Company has received order from SAT in respect of matter against SEBI orders, reducing the penalty to Rs. 10,000/- and the amount has been paid by the Company.

7. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record un-audited financial results in the proforma prescribed by the stock exchange, within one month of the close of every quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. Shareholders are intimated through print media of quarterly financial results and performance besides significant matters, within time period stipulated from time to time by stock exchanges. The quarterly Un-Audited Financial Results and Audited Financial Results are published in a leading national newspaper and a vernacular language newspaper.

The Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto.

8. GENERAL SHAREHOLDER'S INFORMATION**a. Annual General Meeting :**

Date & Time	29th September, 2007 at 11.00 A.M.
Venue	1, Crooked Lane, Room No. 107, Kolkata - 700 069

b. The profile of Directors retiring by rotation and eligible for Re-appointment and appointment of Directors :**Re-appointment**

Sri Chandra Prakash Agarwal, a commerce graduate having vast experience and knowledge in financial and accounting knowledge retires by rotation and being eligible offers himself for re-appointment. Sri Chandra Prakash Agarwal does not hold Directorship in any other Company.

Appointment

Sri Jitendra Tiwari a post graduate and a company secretary having experience in law & finance was appointed as an Additional Director with effect from 25th April 2006. He does not hold directorship in any other Company.

c. Financial Calendar (Tentative)

Financial reporting for the quarter ending June 30, 2007	End of July 2007
Financial reporting for the quarter ending September 30, 2007	End of October 2007.
Financial reporting for the quarter ending December 31, 2007	End of January 2008
Financial reporting for the quarter/year ending March 31, 2008	End of June 2008
Annual General Meeting for the year ending March 31, 2008	Last Week of September 2008

d. Date of Book closure	24-09-2007 to 29-09-2007 (both days inclusive)
e. Dividend Payment Date	No Dividend has been recommended by the Board
f. Listing on Stock Exchanges at	The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata - 700 001
	The Delhi Stock Exchange Association Ltd. "DSE House", 3/1, Asaf Ali Road, New Delhi-110 002.
g. Listing fees paid	Listing Fees outstanding with CSE and DSE.

h. Stock Code :

Name of the Exchange	Code
The Calcutta Stock Exchange Association Ltd.	10029964
The Delhi Stock Exchange Association Ltd.	19152
ISIN No.	INE636B01011

ACME RESOURCES LIMITED

i. Stock Market Data

★ Market Price Data : High/Low during each month in last financial year :

	Calcutta Stock Exchange (CSE) (in Rs.)		Delhi Stock Exchange (DSE) (in Rs.)	
	High	Low	High	Low
Apr-06	No Trading during the year		No Trading during the year	
May-06				
Jun-06				
Jul-06				
Aug-06				
Sep-06				
Oct-06				
Nov-06				
Dec-06				
Jan-07				
Feb-07				
Mar-07				

j. Registrar and Transfer Agents :

For Physical and Dematerialised Form	Maheswari Datamatics (P) Limited 6, Mangoe Lane, Kolkata - 700 001
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k. Share Transfer System :

The Company's shares being tradable in compulsory dematerialised form and are transferable through the depository system. Further as per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Maheswari Datamatics (P) Limited, 6, Mangoe Lane, Kolkata - 700 001 has been appointed as Registrar for Shares held in physical as well as in Electronic Mode. The Share Transfer Committee of the Company meets as and when required.

l. Investor Services - Complaints received during the year 2006-2007 :

No Investor Complaint was received during the year. There were no outstanding complaints as on 31st March, 2007.

m. Distribution of shareholding as on 31st March, 2007 :

No. of Equity Shares held	No. of shareholders	% age of shareholders	No. of shares	% age of equity capital
1-500	830	59.76	121578	.47
501-1,000	88	6.34	79095	.31
1,001-2,000	92	6.62	164318	.64
2,001-3,000	93	6.70	255400	.99
3,001-4,000	50	3.60	189271	.73
4,001-5,000	83	5.97	406917	1.58
5,001-10,000	92	6.62	704466	2.74
10,001 and above	61	4.39	23822955	92.54
Total	1389	100	25744000	100

n. Categories of shareholding as on 31st March, 2006 :

Category	No. of share Holders	% of Share Holders	No. of Shares held	% share holding
Individuals	1298	93.45	8074494	31.3646
Corporates	90	6.48	17668606	68.6319
Promoters	1	0.07	900	0.0035
Total	1389	100	25744000	100

Note : Both in physical & electronic form.

o. Dematerialisation of Shares and Liquidity :

Trading in the securities of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI).

p. Details of use of public funds obtained in the last three years :

No funds have been raised from the public in the last 3 years.

q. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion data likely impact on equity :

N. A.

r. Plant Locations :

N. A.

s. Investors Correspondence :

For Investors' correspondence and queries, investors can write to the Company's Registered Office	The Company Secretary Acme Resources Limited 1, Crooked Lane, Room No. 107 Kolkata - 700 069
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DECLARATION ON CODE OF CONDUCT

I, **PRABHAT KUMAR JAIN**, Managing Director of **ACME RESOURCES LIMITED** having its Registered Office at 1, Crooked Lane, 1st Floor, Kolkata - 700 069 hereby declare that the Company has formulated a code of conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed compliance of the code for the Financial Year 2006-07.

Sd/-

Prabhat Kumar Jain
Managing Director

Place : Kolkata

Date : 30th June, 2007

**CERTIFICATION BY
MANAGING DIRECTOR AND CHIEF ACCOUNTS OFFICER**

We hereby certify that for the financial year ending 31st March 2007, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations ;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2006-07 which are fraudulent, illegal or violative of the Company's code of conduct ;
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies ;
5. We further certify that :
 - (a) there have been no significant changes in internal control system during this year.
 - (b) there have been no significant changes in accounting policies during this year.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Sd/-
Prabhat Kumar Jain
Managing Director

Sd/-
Vishal Sonthalia
Chief Accounts Officer

Place : Kolkata

Date : 30th June, 2007

AUDITORS' CERTIFICATE

To
The Members of **Acme Resources Limited**

We have examined the compliance of conditions of Corporate Governance by **Acme Resources Limited** for the year ended on March 31, 2007 as stipulated in Clause 49 of the listing agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement.

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

For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants

Shyam Sundar Agarwal
Partner
Membership No. FCA 060033

Place : Kolkata
Date : 30th June, 2007

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development - Overview :

With virtually all finance company business lines coming under greater competitive pressure, defining strategic initiatives and backing each with the necessary resources has become imperative for success. On the consumer side of the business, the ability to compete in various product offerings often is dictated by operational efficiencies and economies of scale. In this respect NBFC's face problems of high cost of funds because they lack the nation wide branch network and have a comparatively lower Tier-I and Tier-II capital base.

The Indian Economy has grown at an average 8.6% in the past four years, touching 9.4% in 2006-07. India's Economy is on the fulcrum of an ever-increasing growth curve. With positive indicators such as a booming capital market with the popular "Sensex" index topping the majestic 15000 mark it is easy to understand the ensuing prosperity touching the capital market in the long run.

Opportunities, threats, risks and concerns

The economy is expected to continue with GDP growth rate in the current year. The increased thrust on the infrastructure sector, including power, roads, telecom etc. will continue to provide excellent investment opportunities in the future. Moreover, the growth of the service sector presents new opportunities for the financial services industry in India.

Your Company faces stiff competition from Nationalised, Foreign and Private Banks due to its ability to grant loan at a considerably low rate of interest.

The Company has its own specific risks that are particular to its business and its environment within which it works including fluctuation of interest rates, economic cycle etc. Your company manages this risk by maintaining prudent and commercial business practices and a comprehensive Risk Management Policy.

Future Outlook

Your Company intends to invest in businesses related to infrastructure, telecommunication, software etc. in the coming years since it sees growth in these areas. It will definitely try to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a better mood than the previous few years and with our efforts we can look forward to a prosperous year for the company.

Internal Control systems and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure:

- * That all assets and resources are used efficiently and are adequately protected;
- * That all internal policies and statutory guidelines are complied within letter & spirit;
- * The accuracy and timing of financial reports and management information.

Financial operational performance.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

Material Development in Human Resources / industrial relations/ number of people employed.

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The Company recognizes the importance and contribution of its Human resources towards its growth and development and is committed to the development of its people.

Cautionary statement

Statement in the Management's Discussion and Analysis describing the Company's projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

AUDITORS' REPORT

TO THE MEMBERS OF
ACME RESOURCES LIMITED

We have audited the attached Balance Sheet of ACME RESOURCES LIMITED as at 31st March, 2007, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 misstatements. 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.

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 Paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. 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 ;
2. 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 ;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
4. In our opinion, the Balance Sheet, Profit and 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 ;
5. On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
6. In our opinion and to the best of our information and according to the 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 :
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2007 ;
 - (b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date ; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For H. R. AGARWAL & ASSOCIATES

Chartered Accountants

Shyam Sundar Agarwal

Partner

Membership No. FCA 060033

Place : Kolkata

Date : 30.06.2007

ANNEXURE TO THE AUDITORS REPORT

- i) The Company is not having any fixed assets, therefore provisions of clause 4 (i) of the Order are not applicable to the company.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
(b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) (a) The Company has not granted any loans secured on unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clauses (b), (c) and (d) of clause (iii) of this order are not applicable.
(b) 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. Accordingly, sub clauses (f) and (g) of clause (iii) of this order are not applicable.
- 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 with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clause (b) of clause (v) of this order is not applicable to the company for the current year.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit under the provisions of Sections 58A, 58AA of the Companies Act, 1956 and the Company's (Acceptance of Deposits) Rules, 1975 framed there under with regard to the deposits accepted from the public and as such the provisions of clause (vi) of this order are not applicable to the Company.
- vii) In our opinion and as per provisions of the clause, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) Pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956, we are of the opinion that the prescribed accounts and records are not required to be made and maintained.
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, Income Tax, Cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears as at 31.03.2007 for a period of more than six months from the date they became payable except deposit of TDS payable relevant to Financial Year 2005-2006 amounting to Rs. 7,419/-.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institution or bank or debenture holders.
- xii) 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's Report) Order, 2003 are not applicable to the Company.
- xiv) The Company has maintained proper records of transactions & contracts in respect of dealing & trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, debentures, and other investments have been held by the Company in its own name except to the extent exemption granted u/sec. 49 of the Act.
- xv) In our opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) During the year covered by our audit report, the Company has not obtained any term loans.
- xvii) According to the information and explanations given to us and on an overall examinations of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act.
- xix) During the year covered by our audit report, the company has not issued any debentures.
- xx) The Company has not raised any money by public issues.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For H. R. AGARWAL & ASSOCIATES
Chartered Accountants

Shyam Sundar Agarwal
Partner

Membership No. FCA 060033

Place : Kolkata

Date : 30.06.2007

BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule	As at 31st March, 2007		As at 31st March, 2006	
		Rs.	P.	Rs.	P.
SOURCES OF FUNDS					
SHAREHOLDERS FUND					
(a) Share Capital	A	25,74,40,000.00		25,74,40,000.00	
(b) Reserve & Surplus	B	5,77,00,000.00		5,64,52,866.00	
TOTAL		31,51,40,000.00		31,38,92,866.00	
APPLICATION OF FUNDS					
CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	C	4,26,02,158.07		4,50,15,098.07	
(b) Sundry Debtors	D	—		11,27,314.00	
(c) Cash & Bank Balances	E	30,88,623.55		8,77,849.52	
(d) Other Current Assets	F	1,78,38,456.08		1,45,38,505.08	
(e) Loans & Advances	G	26,18,70,814.62		25,35,92,485.83	
		32,54,00,052.32		31,51,51,252.50	
Less : CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	H	5,45,838.12		2,18,791.00	
(b) Provisions	I	1,02,20,005.00		60,68,026.00	
		1,07,65,843.12		62,86,817.00	
NET CURRENT ASSETS		31,46,34,209.20		30,88,64,435.50	
PROFIT & LOSS ACCOUNT		5,05,790.80		50,28,430.50	
(As per annexed Account)					
TOTAL		31,51,40,000.00		31,38,92,866.00	
Significant Accounting Policies & Notes on Accounts	L				

As per our Report of even date

For H. R. AGARWAL & ASSOCIATES

Chartered Accountants

Shyam Sundar Agarwal

Partner

Membership No. FCA 060033

Amitava Das
SecretaryVishal Sonthalia
Chief Accounts OfficerPrabhat Kumar Jain
Managing DirectorSandeep Dey
Director

Place : Kolkata

Dated : 30th June, 2007

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

	Schedule	For the year ended 31st March, 2007		For the year ended 31st March, 2006	
		Rs.	P.	Rs.	P.
INCOME					
Sales		24,22,810.00		49,28,106.20	
Interest Received (TDS Rs. 32,99,951/-, previous year Rs.31,55,199/-)		1,52,71,957.79		1,45,65,206.00	
Increase/(Decrease) in Stock	J	(24,12,940.00)		(60,02,699.82)	
		<u>1,52,81,827.79</u>		<u>1,34,90,612.38</u>	
EXPENDITURE					
Purchases		24,22,810.00		47,50,000.00	
Administrative & Other Expenses	K	7,79,951.09		6,16,754.29	
Provision for NP Assets		21,57,314.00		—	
		<u>53,60,075.09</u>		<u>53,66,754.29</u>	
Profit before Taxation		99,21,752.70		81,23,858.09	
Less : Provision for Taxation - Current Tax		41,50,000.00		22,99,116.00	
- Deferred Tax		—		4,53,919.00	
- Fringe Benefit Tax		1,979.00		682.00	
Profit after Taxation		57,69,773.70		53,70,141.09	
Less : Transfer to Statutory Reserve Fund		12,47,134.00		10,74,028.00	
		<u>45,22,639.70</u>		<u>42,96,113.09</u>	
Balance brought forward		(50,28,430.50)		(93,24,543.59)	
Balance Carried to Balance Sheet		(5,05,790.80)		(50,28,430.50)	
Basic Earning per share		0.22		0.21	
Diluted Earning per share		0.22		0.21	
Face value per share		10.00		10.00	

Significant Accounting Policies & Notes on Accounts

L

	As per our Report of even date		
	For H. R. AGARWAL & ASSOCIATES		
	Chartered Accountants		
	Shyam Sundar Agarwal	Amitava Das	Prabhat Kumar Jain
	Partner	Secretary	Managing Director
Place : Kolkata	Membership No. FCA 060033	Vishal Sonthalia	Sandeep Dey
Dated : 30th June, 2007		Chief Accounts Officer	Director

ACME RESOURCES LIMITED

**Schedules 'A' to 'I' and 'L' attached to and forming part of the Balance Sheet
as at 31st March, 2007**

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	P.	Rs.	P.
SCHEDULE - A				
SHARE CAPITAL				
AUTHORISED				
2,60,00,000 Equity Shares of Rs. 10/- each	26,00,00,000.00		26,00,00,000.00	
ISSUED, SUBSCRIBED & PAID UP				
2,57,44,000 Equity Shares of Rs. 10/- each fully paid up in cash	25,74,40,000.00		25,74,40,000.00	
	25,74,40,000.00		25,74,40,000.00	
SCHEDULE - B				
RESERVES & SURPLUS				
Securities Premium	5,00,00,000.00		5,00,00,000.00	
Statutory Reserve Fund (U/s 451C of RBI Act, 1934)	77,00,000.00		64,52,866.00	
	5,77,00,000.00		5,64,52,866.00	

SCHEDULE - C

INVENTORIES - Non Trade

(As Taken, valued & certified by the management)

Name of the Company	As on 31st March, 2007		As on 31st March, 2006	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
QUOTED EQUITY SHARES :				
21st Century (India) Ltd.	1,88,900	20,43,038.32	1,88,900	20,43,038.32
ATN International Ltd.	1,08,400	1,89,700.00	1,08,400	3,08,940.00
Avon Mercantile Ltd.	79,500	1,59,000.00	79,500	1,59,000.00
Blue Chip India Ltd. (F.V. Rs. 2/-)	8,58,200	9,01,110.00	8,58,200	10,29,840.00
CESC Ltd.	760	37,000.00	760	37,000.00
Chemox Securities Ltd.	3,000	10,950.00	3,000	10,950.00
Aastha Broad. Network Ltd. (F.V. Re. 1/-)	48,372	1,15,448.67	48,372	1,15,448.67
CMS Infotech Ltd.	20,01,500	47,03,525.00	20,01,500	47,03,525.00
Ellora International Ltd.	70,000	7,00,000.00	70,000	7,00,000.00
Herald Commerce Ltd.	4,600	16,100.00	4,600	16,100.00

SCHEDULE - C (Continued)

Name of the Company	As on 31st March, 2007		As on 31st March, 2006	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Marson's Limited	1,56,215	1,38,436.08	1,56,215	1,38,436.08
Mather & Platt (I) Ltd.	1,000	36,000.00	1,000	36,000.00
Meenakshi Tea Co. Ltd.	7,400	68,450.00	7,400	68,450.00
Niharika India Ltd.	100	250.00	100	250.00
Orissa synthetics Ltd.	1,500	8,850.00	1,500	11,520.00
Oswal Agro Mills Ltd.	600	870.00	600	870.00
Purvanchal Leasing Ltd.	6,250	12,500.00	6,250	12,500.00
Silicon Valley Infotech Ltd. (F.V. Re. 1/-)	48,34,000	44,95,620.00	48,34,000	54,62,420.00
Sterling Milk Products Ltd.	—	—	93,400	2,00,810.00
Tezapore Tea Co. Ltd.	500	15,000.00	500	32,500.00
Unisys Software & Hold Ind. Ltd.	2,40,000	14,40,000.00	2,40,000	14,40,000.00
Universal Media Network Ltd. (F.V. Rs. 2/-)	4,00,000	1,00,000.00	4,00,000	1,00,000.00
	90,10,797	1,51,91,848.07	91,04,197	1,66,27,598.07

UNQUOTED EQUITY SHARES :

Accord Tracon Ltd.	39,000	12,90,000.00	39,000	12,90,000.00
Abe Infocom Pvt. Ltd.	1,400	70,000.00	1,400	70,000.00
Aminex Projects Pvt. Ltd.	1500	1,50,000.00	1500	1,50,000.00
Aristro Projects Ltd.	400	40,000.00	400	40,000.00
Bullpower Vyapar Ltd.	3,000	3,00,000.00	22,000	22,00,000.00
Bhairav Tradelink Ltd.	25,600	25,60,000.00	10,600	10,60,000.00
Casecade Dealcom Pvt. Ltd.	5,000	50,000.00	5,000	50,000.00
Concourse Info. Tech. Intl. Ltd.	26,000	52,000.00	26,000	52,000.00
Deepmala Dealer Ltd.	1,000	1,00,000.00	1,000	1,00,000.00
Destiny Infotec Pvt. Ltd.	2,500	25,000.00	2,500	25,000.00
Dhansafal Vyapaar Pvt. Ltd.	6,600	66,000.00	6,600	66,000.00
Goldwin Merchandise Pvt. Ltd.	—	—	20,000	10,00,000.00
Gurupath Merchandise Ltd.	59,160	11,46,000.00	53,000	5,30,000.00
Hanurang Projects Pvt. Ltd.	2,000	2,00,000.00	2,000	2,00,000.00
Indo Invest Vision Pvt. Ltd.				
(Formerly : Pratima Commodities Ltd.)	23,800	2,38,000.00	23,800	2,38,000.00
Jeet Vanijya Ltd.	48,000	48,00,000.00	48,000	48,00,000.00
JMD Sounds Ltd.	86,700	8,67,000.00	86,100	8,61,000.00
Mangalmayee Garments Pvt. Ltd.	4,500	4,50,810.00	2,500	2,50,000.00
Network Power Pvt. Ltd.	6,400	6,40,000.00	6,400	6,40,000.00
Nihal Fiscal Services Pvt. Ltd.	1,000	50,000.00	1,000	50,000.00
Noble Power Pvt. Ltd.	18,000	18,00,000.00	18,000	18,00,000.00

ACME RESOURCES LIMITED

SCHEDULE - C (Continued)

Name of the Company	As on 31st March, 2007		As on 31st March, 2006	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Prashant Impex (P) Ltd.	19,000	1,90,000.00	9,000	90,000.00
Radico Trading Ltd.	3,550	35,500.00	3,550	35,500.00
Sabera Tradelink Pvt. Ltd.	39,000	39,00,000.00	39,000	39,00,000.00
Sapience Commodities Ltd.	13,800	1,38,000.00	13,800	1,38,000.00
Sargam Tradelink Ltd.	13,000	13,00,000.00	13,000	13,00,000.00
Savera Traders Ltd.	5,000	50,000.00	5,000	50,000.00
Sheetal Farms Ltd.	10,750	10,75,000.00	10,750	10,75,000.00
Snapshot Tradelink Pvt. Ltd.	54,100	54,10,000.00	54,100	54,10,000.00
Thunder Traders Ltd.	3000	30,000.00	3000	30,000.00
Toplight Tradelink Pvt. Ltd.	—	—	10,000	5,00,000.00
Turnkey Commodities Ltd.	700	70,000.00	700	70,000.00
Weldorf Tradelink Ltd.	4,700	3,17,000.00	4,700	3,17,000.00
	<u>5,28,160</u>	<u>2,74,10,310.00</u>	<u>5,43,400</u>	<u>2,83,87,500.00</u>

Aggregate Book Value of Quoted & Unquoted Shares

4,26,02,158.07 / 4,50,15,098.07

Aggregate Market Value of Quoted Shares

6,87,66,148.78 / 1,72,13,479.00

As at 31st March, 2007		As at 31st March, 2006	
Rs.	P.	Rs.	P.

SCHEDULE - D

SUNDRY DEBTORS

Unsecured Considered Good

Exceeding Six Months	11,27,314.00	4,77,314.00
Others	—	6,50,000.00
	<u>11,27,314.00</u>	<u>11,27,314.00</u>
Less: Provision for NPA	11,27,314.00	—
	<u>—</u>	<u>11,27,314.00</u>

ACME RESOURCES LIMITED

	As at 31st March, 2007	As at 31st March, 2006
	Rs. P.	Rs. P.
SCHEDULE - E		
CASH & BANK BALANCES		
Cash on Hand	90,369.80	14,790.92
(As Certified by the Management)		
Balance with Scheduled Banks		
- On Current Account	29,98,253.75	8,63,058.60
	<u>30,88,623.55</u>	<u>8,77,849.52</u>

SCHEDULE - F

OTHER CURRENT ASSETS

Tax Deducted at Source	1,68,30,996.08	1,35,31,045.08
Advance Income Tax	10,07,460.00	10,07,460.00
	<u>1,78,38,456.08</u>	<u>1,45,38,505.08</u>

SCHEDULE - G

LOANS & ADVANCES

Loans

(Unsecured Considered Good)

To Bodies Corporate	25,47,26,983.62	22,52,66,591.00
To Others	71,43,831.00	2,72,95,894.83

Advances

(Recoverable in Cash or in Kind

or for Value to be received)

	10,30,000.00	10,30,000.00
Less : Provision for NPA	10,30,000.00	—
	—	10,30,000.00
	<u>26,18,70,814.62</u>	<u>25,35,92,485.83</u>

SCHEDULE - H

CURRENT LIABILITIES

TDS Payable	13,206.00	—
Other Liabilities	5,32,632.12	2,18,791.00
	<u>5,45,838.12</u>	<u>2,18,791.00</u>

ACME RESOURCES LIMITED

	As at 31st March, 2007		As at 31st March, 2006	
	Rs.	P.	Rs.	P.
SCHEDULE - I				
Provision for Taxation	1,02,17,344.00		60,67,344.00	
Provision for FBT	2,661.00		682.00	
	<u>1,02,20,005.00</u>		<u>60,68,026.00</u>	

SCHEDULE - J**INCREASE/(DECREASE) IN STOCK**

Closing Stock	4,26,02,158.07	4,50,15,098.07
Less : Closing Stock	4,50,15,098.07	5,10,17,797.89
	<u>(24,12,940.00)</u>	<u>(60,02,699.82)</u>

SCHEDULE - K**ADMINISTRATIVE & OTHER EXPENSES**

Advertising Expenses	3,266.00	5,535.00
Auditors Remuneration	17,946.00	17,157.00
Bank Charges	6,967.85	28,079.16
Custodian charges	562.24	2,149.13
Filing Fees	1,500.00	12,000.00
Listing Fees	62,500.00	62,500.00
Miscellaneous Expenses	16,015.00	12,417.00
Postage & Telegram	8,850.00	6,563.00
Printing & Stationery	3,580.00	2,835.00
Professional Fees	2,35,402.00	72,753.00
Salaries	1,92,400.00	1,77,600.00
Registrar & Depository Fees	80,812.00	79,711.00
Rates & Taxes	750.00	2,440.00
Staff Welfare Expenses	14,450.00	4,880.00
Travelling & Conveyance	14,950.00	10,135.00
Director Remuneration	1,20,000.00	1,20,000.00
	<u>7,79,951.09</u>	<u>6,16,754.29</u>

SCHEDULE - L

**Significant Accounting Policies and Notes on Accounts forming part of accounts
for the year ended 31st March, 2007**

A. SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF ACCOUNTING :**

- a) **General** : The Financial Statements have been prepared under the Historical Cost convention on the basis of going concern concept in accordance with generally accepted accounting principles and the provisions of Companies Act, 1956 as adopted consistently.
- b) **Revenue Recognition** : Items of income & expenditure are accounted for on accrual basis.

2. INVENTORIES :

In case of quoted shares, inventories have been valued at lower of cost (on first-in first-out) basis and market value. Unquoted shares have been valued at lower of cost and break up value.

3. TAXATION :

Provision for current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with provision of the Income Tax Act, 1961. The deferred tax for timing difference between the accounting and tax profit for the year is accounted using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets arising from the timing difference are recognised to the extent that there is reasonable certainty that sufficient future taxable income will be available.

B. NOTES ON ACCOUNTS

1. Provisions for retirement benefits has not been made as there being no employees having served for minimum qualifying period of service for entitlement of the benefits.

2. Quantitative details of goods traded :

	<u>SHARES</u>			<u>SHARES</u>		
	As at 31st March, 2007			As at 31st March, 2006		
	Quantity	Amount		Quantity	Amount	
	(Nos.)	Rs.	P.	(Nos.)	Rs.	P.
Opening Stock	96,47,597	4,50,15,098.07		97,28,670	5,10,17,797.89	
Purchases	33,760	24,22,810.00		1,70,755	47,50,000.00	
Sales	1,42,400	24,22,810.00		2,51,828	49,28,106.20	
Closing Stock	95,38,957	4,26,02,158.07		96,47,597	4,50,15,098.07	

3. Auditors Remuneration :

	<u>31.03.2007</u>	<u>31.03.2006</u>
For Audit Fees	8,979.20	8,979.20
For Tax Audit Fees	2,244.80	2,244.80
In Other Capacities	6,722.00	5,933.00
	<u>17,946.00</u>	<u>17,157.00</u>

4. In terms of Accounting Standard-17 issued by the Institute of Chartered Accountant of India, Segment information has not been given as the entire business constitutes one reportable segment of fund based financial activities.
5. In terms of AS-18 "Related Party Disclosure's" issued by the ICAI are not given as the Company does not have any transaction with related parties and their relatives during the year except as given below :

Remuneration to Mr. Prabhat Kumar Jain - Managing Director : Rs. 1,20,000 (Previous Year : Rs. 1,20,000)
6. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 has been given in Annexure - I.
7. Information pursuant to Paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is given in Annexure - II.
8. Contingent Liabilities not provided for Rs. NIL.
9. Listing fees is outstanding to be payable amounting Rs. 2,58,000 to DSE as well as CSE including Rs. 62,500 for the year.
10. There being no outstanding Sundry Creditors the provisions of Micro, Small and Medium Enterprises Development Act, 2006 are not applicable to the Company. Based on the information available the parties included under Sundry Creditors due to Small Scale Industrial is NIL.
11. Earning and Expenditure in Foreign Currency : Rs. NIL.
12. Previous Year's figures have been regrouped, rearranged and recasted wherever considered necessary.

As per our Report of even date

For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants

Shyam Sundar Agarwal
Partner

Amitava Das
Secretary

Prabhat Kumar Jain
Managing Director

Place : Kolkata

Dated : 30th June, 2007

Membership No. FCA 060033

Vishal Sonthalia
Chief Accounts Officer

Sandeep Dey
Director

ANNEXURE - I

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI OF
COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

Registration No. State Code
Balance Sheet Date

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue Right Issue
Bonus Issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserve & Surplus
Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments
Net Current Assets Miscellaneous Expenditure
Accumulated Losses

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover Total Expenditure
Profit/(Loss) Before Tax Profit/(Loss) After Tax
Earning Per Share (in Rs.) Dividend Rate (%)

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY
(As Per Monetary Terms)**

Item Code No. (ITC Code)

Product Description

As per our Report of even date

For H. R. AGARWAL & ASSOCIATES

Chartered Accountants

Shyam Sundar Agarwal

Partner

Membership No. FCA 060033

Amitava Das
Secretary

Vishal Sonthalia
Chief Accounts Officer

Prabhat Kumar Jain
Managing Director

Sandeep Dey
Director

Place : Kolkata

Dated : 30th June, 2007

CASH FLOW STATEMENT for the year ended 31st March, 2007

<u>DESCRIPTION</u>	<u>Year ended 31st March, 2007 (Rs.)</u>	<u>Year ended 31st March, 2006 (Rs.)</u>
(A) Cash Flow from Operating Activities		
Net Profit before Tax as per Profit and Loss Account	99,21,752.70	81,23,858.09
Adjusted for :		
Provision for NPA	21,57,314.00	—
Operating Profit before Working Capital Changes	1,20,79,066.70	81,23,858.09
Adjusted for :		
Inventories	24,12,940.00	60,02,699.82
Sundry Debtors	—	1,49,340.00
Other Current Assets	(32,99,951.00)	(41,55,199.00)
Loans & Advances	(93,08,328.79)	(4,12,05,924.00)
Trade & Other Payables	3,27,047.12	9,659.00
	(98,68,292.67)	(3,91,99,424.18)
Cash Flow From Operating Activities	22,10,774.03	(3,10,75,566.09)
Cash Flow From Operating Activities (A)	22,10,774.03	(3,10,75,566.09)
(B) Cash Flow From Investing Activities		
	—	—
Cash Flow From Investing Activities (B)	—	—
(C) Cash Flow From Financing Activities		
	—	—
Cash Flow From Financing Activities (C)	—	—
Net Increase in Cash and Cash Equivalents (A+B+C)	22,10,774.03	(3,10,75,566.09)
Opening Balance of Cash and Cash Equivalents	8,77,849.52	3,19,53,415.61
Closing Balance of Cash and Cash Equivalents	30,88,623.55	8,77,849.52

Notes :

1. All figures in brackets are outflow.
2. Cash and Cash Equivalent is Cash and Bank balances as per Balance Sheet.

As per our Report of even date
 For **H. R. AGARWAL & ASSOCIATES**
Chartered Accountants
Shyam Sundar Agarwal
Partner
 Membership No. FCA 060033

Amitava Das
Secretary
Vishal Sonthalia
Chief Accounts Officer

Prabhat Kumar Jain
Managing Director
Sandeep Dey
Director

Place : Kolkata
 Dated : 30th June, 2007

ANNEXURE - II to the
Balance Sheet of a Non Deposit taking Non-Banking Financial Company
 [as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding)
 Companies Prudential Norms (Reserve Bank) Directions, 2007]

(Rs. in lakhs)

Particulars	Amount Outstanding	Amount Overdue
<u>Liabilities Side :</u>		
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	NIL	NIL
Unsecured (other than falling within the meaning of public deposits)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and Borrowings	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans	NIL	NIL
Amount Outstanding		
<u>Assets Side :</u>		
(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :		
(a) Secured	NIL	
(b) Unsecured	2,618.71	
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	NIL	
(b) Operating Lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities :		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	

ACME RESOURCES LIMITED

Particulars	Amount Outstanding
(4) Break-up of Investments :	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	151.92
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
2. Un-Quoted :	
(i) Shares : (a) Equity	274.10
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
2. Un-Quoted :	
(i) Shares : (a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL

(5) Borrower group-wise classification of assets, stock-on-hire and loans and advances :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	2,618.71	2,618.71
Total	NIL	2,618.71	2,618.71

(6) Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :

Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	961.76	426.01
Total	961.76	426.01

(7) Other Information :

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	21.57
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL