

Octal Credit Capital Limited

BOARD OF DIRECTORS

: A. K. AGARWAL (Whole time Director)
D. K. PATNI
K. N. JAIN
S. N. JAJODIA
B. BAGRI

AUDITORS

: JAIN BINOD & ASSOCIATES
1, R. N. MUKHERJEE ROAD,
5TH FLOOR, ROOM NO. 32B
KOLKATA - 700 001

BANKERS

: CITI BANK
ORIENTAL BANK OF COMMERCE

REGISTRARS & SHARE TRANSFER AGENTS

: NICHE TECHNOLOGIES PVT. LTD.
71, B. R. B. BASU ROAD
KOLKATA - 700 001

REGISTERED OFFICE

: 16A, SHAKESPEARE SARANI
UNIT - II, 2ND FLOOR
KOLKATA- 700 071



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General meeting of the Members of **OCTAL CREDIT CAPITAL LIMITED** will be held at its Registered office, 16A, SHAKESPEARE SARANI, UNIT – II, 2ND FLOOR, KOLKATA - 700 071, on Friday, the 28th day of September, 2007 at 11:30 A.M. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March' 2007 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B.Bagri who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Place : Kolkata

A.K. Agarwal

Dated : The 30th Day of June, 2007

Whole Time Director

NOTES :

1. A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a Member of the Company: Proxies, in order to be effective must be received at 16A, Shakespeare Sarani, Unit – II, 2nd Floor, Kolkata – 700 071, not less than forty-eight hours before this Annual General Meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the meeting.
3. The Register of Members & Share Transfer Books of the Company will remain closed from 25th day of September'2007 to 28th day of September'2007 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company's Registered Office.

Place : Kolkata

For and on behalf of the Board

Dated : The 30th Day of June, 2007

A.K. Agarwal

Whole Time Director



DIRECTORS' REPORT

To
THE MEMBERS

Your Directors have pleasure in presenting the 15th Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2007 to the shareholders.

REVIEW OF OPERATION

Some highlights of the performance during the said year are reproduced for your consideration :

	Current Year (Rs.)	Previous Year (Rs.)
PROFIT/(LOSS) BEFORE DEPRECIATION	(23,78,712.80)	47,94,132.80
Less : Depreciation	1,11,146.00	1,37,350.00
PROFIT/(LOSS) BEFORE TAX	(24,89,858.80)	46,56,782.80
Less : Securities Transaction Tax	4,357.00	13,393.00
Less : Provision for Income Tax	1,835.00	3,23,137.00
Less : Income Tax for earlier year	2,197.00	69,409.00
Less : Provision for Fringe Benefit Tax	12,596.00	15,498.00
Add : Deferred Tax	5,785.00	13,979.00
PROFIT/(LOSS) AFTER TAX	(25,05,058.80)	42,49,324.80
Less : Transfer to Statutory Reserve	---	8,50,000.00
	(25,05,058.80)	33,99,324.80
Add : Balance Brought Forward	23,70,135.17	(10,29,189.63)
Balance Carried forward to Balance Sheet	(1,34,923.63)	23,70,135.17

DIVIDEND

In view of Loss during the year under review, your directors regret their inability to recommend any dividend for the year ended 31st March, 2007.

OPERATION

During the Financial Year 2006-2007, the performance of the Company was not satisfactory. The Company has registered a loss of Rs. 25.05 lakhs in the previous year, which was mainly on account of provisioning for Non Performing Assets to the tune of 28.45 Lakhs. The Company faces intense competition from Banks and Financial Institutions but in view of growth in economy your company is optimistic to perform well in the forthcoming years.

PRUDENTIAL NORMS

The Company is consistently complying with all the guidelines issued by the Reserve Bank of India for NBFCs with respect to capital adequacy, asset classification, provisioning and income recognition on non-performing assets.

FIXED DEPOSITS

The Company has not accepted and/or renewed any fixed deposit during the period under review.

DIRECTORS

Sri. B. Bagri retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offers himself for reappointment.

**CORPORATE GOVERNANCE**

Your Company complies with all the requirements pertaining to Corporate Governance in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. A detailed report on Corporate Governance has been included in this report along with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance. Further, a separate Management Discussion and Analysis report is also given in this report

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period.
- iii) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) Your directors have prepared the accompanying Annual Accounts for the year ended 31st, March 2007 on a going concern basis.

AUDITORS

M/S. Jain Binod & Associates, Chartered Accountants, Kolkata, statutory Auditors of your Company hold office until the conclusion of the 15th Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1C) of the Companies Act, 1956.

AUDITORS REPORT

The Auditors Report read together with the notes to account is self explanatory and do not call for any further explanation under section 217(3) of the Companies Act, 1956.

PERSONNEL

During the year, no employee was in receipt of remuneration of or in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956.

STATUTORY INFORMATION

Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 :

1. Part A and B pertaining to conservation and technology absorption are not applicable to the company.
2. Foreign Exchange earnings and outgoes: N I L

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude to the company's clients, Bankers, Shareholders, well wishers and employees, for their valued and timely support.

Place : Kolkata

Dated : The 30th Day of June, 2007

By Order of the Board

A.K. Agarwal - Whole Time Director

D. K. Patni - Director



REPORT ON CORPORATE GOVERNANCE

1. BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to highest level of transparency, accountability and equity in all facets of its operation and all its interaction with stakeholders, lenders, Government and other business associates, proper disclosure of relevant financial and non-financial information and enhancing shareholder value on a continuing basis.

2. BOARD OF DIRECTORS

The Company has optimum combination of Independent and non-executive directors who are experts in different disciplines of corporate working i.e. finance, legal, technical, administrative etc.

During this year the Board had eight meetings on 29.04.2006, 29.07.2006, 21.08.2006, 25.08.2006, 28.09.2006, 31.10.2006, 08.11.2006, 27.01.2007, All relevant information as required under clause 49 of the listing agreement was placed before the Board from time to time.

Name of Director	Type	Executive/ Non-executive	Number of Meeting Attended	Number of other Directorship	Membership in other Committees	Whether Attend Last AGM
Mr. A.K. Agarwal	Non Independent	Executive	8	—	—	Yes
Mr. D.K. Patni	Promoter	Non-executive	8	5	—	Yes
Mr. K. N. Jain	Independent	Non-executive	8	10	—	Yes
Mr. B. Bagri	Independent	Non-executive	2	1	—	No
Mr. S. N. Jajodia	Independent	Non-executive	8	1	—	Yes

3. CODE OF CONDUCT

The Board has adopted the code of conduct for all its Directors and Senior Management. Members of the Board and Senior Management personnel have affirmed Compliance with the Company's code of conduct A declaration signed by the Whole time Director to this effect is annexed with this report.

4. AUDIT COMMITTEE

The Audit Committee at present comprise of three Non-executive Directors. Mr. K. N. Jain is the Chairman of the committee. Other members of the committee are Mr. S.N. Jajodia and Mr. D.K. Patni.

The Audit Committee met five times during the year i.e. on 29.04.2006, 29.07.2006, 25.08.2006, 31.10.2006 and 27.01.2007 which were attended by Mr D.K. Patni (5 meetings), K.N. Jain (5 meetings) and S.N. Jajodia (5 meetings).

The broad terms of reference of the Committee include:-

- To hold periodic discussion with auditors concerning the accounts scope of audit and observations of the auditor/internal auditors.

- To review compliance with internal control system.



- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To review periodically statements of transactions with related parties in the ordinary course of business.
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board.
- To make recommendation to the Board on any matter relating to the financial management of the Company

5. REMUNERATION COMMITTEE

The Remuneration committee comprises of Mr. K. N. Jain, Mr. S. N. Jajodia, and Mr. B. Bagri. Mr. K. N. Jain is the chairman of the committee. The committee is empowered to recommend/fix revise the remuneration packages of the Whole Time Director based on performance.

The committee met once during the year on 21.08.2006, which was attended by Mr. K. N. Jain and Mr. S. N. Jajodia.

Remuneration to Executive Director

The aggregate value of salary paid for the year ended 31st March 2007, to Mr. A.K. Agarwal Rs. 1,00,000/-. No sitting fee was paid to any director for attending any meeting of the Board of Directors of the Company or committee thereof.

The number of shares held in their own name by non-executive Directors in the Company is given below :

<u>Name of the Director</u>	<u>No. of Shares held as on 31.03.2007</u>
Mr. D. K. Patni	16000
Mr. K. N. Jain	11000
Mr. Bijay Bagri	Nil
Mr. S. N. Jajodia	Nil

6. SHAREHOLDERS GRIEVANCE COMMITTEE

The Company has constituted a Shareholder grievance committee to look into the various issues of the investors such as non-receipt of Annual Report, Transfer of Shares, etc. This committee presently comprise of Directors Sri D.K. Patni and Sri A.K. Agarwal. Sri D.K. Patni, Promoter director, is the Chairman of the committee. The meetings of the committee are held to review and resolve only those case which are pending for action for more than normal processing period. The Committee met only once during the year as there were herdly any cases pending for action.



No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending as on 31.03.2007	Nil

The Company has appointed M/s Niche Technologies (P) Ltd. as Registrar and share transfer agent for physical and electronic transfer. The board has delegated the power of approving transfer of shares to the Registrar and Share Transfer Agents. The monthly review of the activities of share transfer agent is undertaken by Mr. A. K. Agarwal, Whole-time Director, who is the compliance officer.

7. CEO CERTIFICATION

The CEO i.e. Whole time Director of the Company has certified to the Board the particulars as stipulated vide Clause 49V of the Listing Agreement.

8. DETAILS OF LAST 3 ANNUAL GENERAL MEETING

A : Information about last three Annual General Meeting

Year	Date	Time	Location of Registered Office
2004	29.09.2004	01:30 P.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071
2005	29.09.2005	11:30 A.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071
2006	28.09.2005	11:30 A.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071

B : No special resolution was passed in the previous 3 years. No special resolution was proposed through postal ballot last year and there are no resolutions which are required to be put through postal ballot at this Annual General Meeting

9. DISCLOSURE

- a). No transaction of material nature has been entered into by the Company with Directors, Management and their relatives etc. that may have potential conflict with the interest of the Company. Transactions with the related parties are disclosed in Clause No. 5 of Schedule 'L' to the accounts in Annual Report.
- b). There is no non-compliance by the Company on any matters related to Capital market. Hence the question of penalties or strictures being imposed by SEBI or The Stock Exchanges does not arise.
- c). The Company has in place mechanism to inform Board Members about the Risk Management and minimization procedure and periodical reviews to ensure that risk is controlled by the Executive Management.
- d). The Company has adopted the mandatory requirement as recommended by clause 49 of the Listing Agreement with the Stock Exchange and is in the process of examining



implementation of some of the non mandatory requirements. However, till date, except for the constitution of the Remuneration Committee of the Board, none of the mandatory requirements of Clause 49 has been adopted or implemented.

10. MEANS OF COMMUNICATION

The un-audited Quarterly results of the Company are regularly submitted to the Stock Exchanges and published in News Papers in accordance with the Listing Agreement.

11. SHAREHOLDER INFORMATION

A. Annual General Meeting

Date - 28th, September' 2007

Time - 11:30 A.M.

Venue- 16A, SHAKESPEARE SARANI, UNIT – II, 2ND FLOOR, KOLKATA - 700 071

B. Financial Calender (April - March)

Financial Reporting:

Quarter ending June 30,2007.	:	On or before 31st July, 2007
Quarter ending September 30,2007.	:	On or before 31st October, 2007
Quarter ending December 31,2007.	:	On or before 31st January,2008
Quarter ending March 31,2008.	:	On or before 30th April, 2008

C. Book Closure

The Register of members and Share Transfer Book will remain closed from 25th September' 2007 to 28th September'2007 (both days inclusive) on account of Annual General Meeting.

D. Dividend

No dividend is recommended for the year.

E. Listing at Stock Exchanges

1. The Calcutta Stock Exchange Association Ltd.
2. The Jaipur Stock Exchange Association Ltd.

The Annual listing fees for the year 2007-08 has been paid.

F. Stock Code

- | | | |
|---|---|-------|
| 1. The Calcutta Stock Exchange Association Ltd. | : | 25062 |
| 2. The Jaipur Stock Exchange Association Ltd. | : | 794 |

G. ISIN Number : INE513C01010

H. Depository Connectivity: NSDL and CDSL



I. STOCK MARKET DATA
 Monthly high & low prices of Equity shares of the Company quoted at The Calcutta Stock Exchange during the year 2006-2007.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April' 06	---	---	---
May' 06	---	---	---
June' 06	---	---	---
July' 06	---	---	---
August' 06	---	---	---
September' 06	---	---	---
October' 06	---	---	---
November' 06	---	---	---
December' 06	---	---	---
January' 07	---	---	---
February' 07	---	---	---
March'07	---	---	---
Total	---	---	---

J. REGISTRAR & TRANSFER AGENTS

<u>Name</u>	<u>Address</u>
Niche Technologies (P) Ltd.	71, Canning Street, Kolkata – 700 001

K. SHARE TRANSFER SYSTEM

Transfer of shares are registered and processed by the Registrar & Share Transfer Agent within 15 days from the date of receipt if the relevant documents are complete in all respect.

L. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2007

No of Equity Shares held	No of Shares Holders	% of Shares Holder	No of Shares Held	% of Share Holding
Upto 500	689	76.0486	110835	2.2163
501 - 1000	14	1.5453	11200	0.2240
1001 - 5000	42	4.6358	160500	3.2094
5001 - 10000	57	6.2914	543350	10.8650
10001 - 50000	90	9.9338	2277675	45.5453
50001 - 100000	7	0.7726	562000	11.2380
100001 & above	7	0.7726	1335340	26.7020
Total	906	100.000	5000900	100.000

**M. SHAREHOLDING PATTERN AS ON 31.03.2007**

Category	No of Shares Held	% of Share Holding
Indian Promoters	2052800	41.049
Institution Investors	337500	6.748
Private Corporate Bodies	706375	14.125
Resident Individuals	1904225	38.078
Clearing Member	—	—
Total	5000900	100.000

N. DEMATERIALIZATION OF SHARES

2559265 shares have been dematerialized upto 31.03.2007.

O. Outstanding GDR's / ADR's / Warrant or any convertible Instruments, conversion date and likely impact on Equity : Not Applicable

P. Plant Locatin : Not Applicable

Q. ADDRESS FOR CORRESPONDANCE**REGISTERED OFFICE :**

16A, SHAKESPEARE SARANI

UNIT - II, 2ND FLOOR

KOLKATA - 700 071

INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below :

- NAME** : Mr. B. Bagri

AGE : 37 Years

QUALIFICATION : Chartered Accountant

EXPERTISE : He is Chartered Accountant and at present working in C & E Ltd. as Vice President (Commercial). He has good knowledge in marketing and trade policies.

OTHER DIRECTORSHIPS : Notex Chem (P) Ltd.

OTHER MEMBERSHIP OF COMMITTEE : Nil

SHARE HOLDING : Nil



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of **OCTAL CREDIT CAPITAL LIMITED** is pleased to present its report analysing the company's operation. The report contains expectation of the Company's business based on the current market trends.

INDUSTRY STRUCTURE AND DEVELOPMENT OPPORTUNITIES AND THREATS, REFERENCE OUTLOOKS AND RISKS AND CONCERN

The Non-Banking Financial Industry in private sector provides a variety of services including fund based and fee based activities and cater to retail and non-retail Market and niche segments. The increased penetration of the banking sector in all segments of the financial services industries and reduced direct cost of borrowing for high quality borrowers have greatly reduced business opportunities for NBFC's. However liberalisation of the economy and GDP growth forecast of 8%-9% per annum over the next several years has created a positive environment for the Financial Services Industry in India.

Company intends to maintain its focus on fund based activity viz. loan financing and Capital Market operations. Company is exposed to specific risk that are particular to its business and the environment within which it operates, like interest rate volatility, market risk and credit risk. Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk Management practice.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal Control System to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and that the transactions are authorised, recorded and reported correctly, and the laws and regulations are properly complied with.

FINANCIAL & OPERATION PERFORMANCE

During the financial year 2006-2007, the performance of the company was not satisfactory. The detail highlights of the performance are produced in the Directors Report.

DEVELOPMENT IN HUMAN RESOURCES

The Company continued with its policy of Human Resources Development and retention. There is constant endeavor to improve the knowledge, skills and attitude of the employees. The Company continued to maintain harmonious and cordial relationship with its employees.

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2007.

Place: Kolkata

Date: The 30th day of June, 2007.

A.K. Agarwal

Whole Time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBER OF
OCTAL CREDIT CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by **OCTAL CREDIT CAPITAL LIMITED** for the year ended March 31, 2007, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied 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 future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Kolkata

Date: The 30th day of June, 2007.

Binod Kumar Jain - (Proprietor)
Membership No. - 55398

AUDITOR'S REPORT

TO
THE MEMBERS OF
OCTAL CREDIT CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **OCTAL CREDIT CAPITAL LIMITED** as at 31st March, 2007 and the Profit and Loss Account and Cash Flow Statement of the Company 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and to the best of our knowledge and according to the information and explanations given to us during the course of the audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in 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 purpose of our audit ;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in 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.
 - e. On the basis of written representations received from the Directors of the Company as at 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 Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant Accounting Policies & Notes on Account attached thereto give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2007
and
in so far as it relates to the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
and
in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Kolkata

Date: The 30th day of June, 2007.

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)
Membership No. - 55398



ANNEXURE TO THE AUDITOR'S REPORT

(This is the Annexure referred to in our Report of even date)

- i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. The fixed assets disposed off during the year do not constitute substantial part of the fixed assets of the company and such disposal has in our opinion, not affected the going concern status of the company.
- ii) The Stock of inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion the procedures of physical verification of inventory followed by the Management are reasonable and adequate to the size of the company and the nature of its business. The Company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stock as compared to book records.
- iii) The Company has neither granted or taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently clauses (b), (c), (d), (f) and (g) of paragraph 4 of the order are not applicable to the Company.
- iv) In our opinion, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control system.
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act 1956 exceeding the value of five lakh rupees in respect of any party during the year.
- vi) The company has not accepted any deposits from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the Companies Act, 1956 for any of its products.
- ix) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There are no undisputed statutory dues as referred to above as at 31st march, 2007 outstanding for a period of more than six months from the date they became payable.
b) According to the records of the Company, there are no statutory dues, which have not been deposited on account of any dispute.
- x) The accumulated losses of the company are not more than 50% of its networth. The company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
- xi) The Company has not taken any loan from bank and financial institution. The Company has no Debenture Holders.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- xiv) Based on our examination of the records and evaluation of the internal control, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other investments in its own name except to the extent of the exemption under section 49 of the Companies Act, 1956.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial Institutions.
- xvi) The Company has not availed any term loan facilities.
- xvii) On an overall examination of the financial statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) According to the records of the Company, the company has not issued any debentures.
- xx) The Company has not raised any money by Public Issue during the year.
- xxi) During the checks carried out by us, any fraud on or by the company has not been noticed or reported during the year under report.

Place: Kolkata

Date: The 30th day of June, 2007.

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS
Binod Kumar Jain - (Proprietor)
Membership No. - 55398

**BALANCE SHEET AS AT 31ST, MARCH 2007**

		2006-2007		2005-2006	
		Rs.	P.	Rs.	P.
SOURCES OF FUNDS					
1) SHARE HOLDERS' FUNDS					
Share Capital	"A"	50,009,000.00		50,009,000.00	
Reserves & Surplus	"B"	912,350.00		3,282,485.17	
2) Deferred Tax Liability		47,537.00		53,322.00	
TOTAL OF 1 TO 2		<u>50,968,887.00</u>		<u>53,344,807.17</u>	
APPLICATION OF FUNDS					
1) FIXED ASSETS "C"					
Gross Block		824,125.00		2,317,725.00	
Less : Depreciation		393,238.00		1,752,560.00	
Net Block		<u>430,887.00</u>		<u>565,165.00</u>	
2) INVESTMENTS "D"					
		11,136,481.16		12,422,481.16	
3) CURRENT ASSETS, LOANS & ADVANCES					
Current Assets	"E"	5,252,487.21		8,572,074.79	
Loans & Advances	"F"	37,657,381.00		33,214,338.00	
(i)		<u>42,909,868.21</u>		<u>41,786,412.79</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	"G"	74,517.00		719,650.78	
Provisions	"H"	3,568,756.00		709,601.00	
(ii)		<u>3,643,273.00</u>		<u>1,429,251.78</u>	
NET CURRENT ASSETS (i) - (ii)		39,266,595.21		40,357,161.01	
4) PROFIT & LOSS A/C.					
(As per annexed Profit & Loss Account)		134,923.63		—	
TOTAL OF 1 TO 4		<u>50,968,887.00</u>		<u>53,344,807.17</u>	

Notes on Accounts "L"

Schedules referred to above form an integral part of the Balance Sheet

As per attached report on even date

JAIN BINOD & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Binod Kumar Jain - (Proprietor)

On behalf of the board
 A. K. Agarwal - Whole-Time Director
 D. K. Patni - Director

Place: Kolkata

Date: The 30th day of June, 2007.



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

	2006-2007		2005-2006	
	Rs.	P.	Rs.	P.
INCOME				
Sales	3,536,543.59		140,742.52	
Income From Financial Activities "I"	3,686,519.60		2,705,054.00	
Profit on Sale of Investment	—		3,381,922.01	
Profit on Commodity Dealings	32,321.47		59,453.25	
Liabilities no longer required w/off	120,000.00		—	
Increase/(Decrease) in Stock "J"	(41,533.20)		733,390.07	
Total (A)	7,333,851.46		7,020,561.85	
EXPENDITURE				
Purchases	6,227,400.00		1,624,752.10	
Loss on sale of Car	6,768.00		—	
Provision for Non Performing Assets	2,844,724.00		—	
Administration & Other Expenses "K"	633,672.26		601,676.95	
Total (B)	9,712,564.26		2,226,429.05	
Profit/(Loss) before Depreciation & Tax [(A) - (B)]	(2,378,712.80)		4,794,132.80	
Less : Depreciation	111,146.00		137,350.00	
Profit/(Loss) before Tax	(2,489,858.80)		4,656,782.80	
Less : Securities Transaction Tax	4,357.00		13,393.00	
Less : Provision for Income Tax	1,835.00		323,137.00	
Less : Income Tax for earlier year	2,197.00		69,409.00	
Less : Provision for Fringe Benefit Tax	12,596.00		15,498.00	
Less / (Add) : Deferred Tax	(5,785.00)		(13,979.00)	
Profit/(Loss) After Tax	(2,505,058.80)		4,249,324.80	
Less : Transfer to Statutory Reserve	—		850,000.00	
	(2,505,058.80)		3,399,324.80	
Add : Balance brought forward	2,370,135.17		(1,029,189.63)	
Balance Carried forward to Balance Sheet	(134,923.63)		2,370,135.17	
Earning per share of Rs. 10/- each (basic/diluted)	(0.50)		0.85	
Notes on Accounts "L"				

Schedules referred to above from an integral part of the Profit & Loss Account

As per attached report on even date

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS
Binod Kumar Jain - (Proprietor)

On behalf of the board
A. K. Agarwal - Whole-Time Director
D. K. Patni - Director

Place: Kolkata

Date: The 30th day of June, 2007.



SCHEDULES TO THE ACCOUNTS

	2006 - 2007		2005 - 2006	
	Rs.	P.	Rs.	P.
SCHEDULE - A				
SHARE CAPITAL				
AUTHORISED:				
55,00,000 Equity Shares of Rs. 10/- Each	55,000,000.00		55,000,000.00	
ISSUED, SUBSCRIBED & PAID-UP :				
50,00,900 Equity Shares of Rs. 10/- each Fully Paid-Up	50,009,000.00		50,009,000.00	
SCHEDULE - B				
RESERVES & SURPLUS:				
Special Reserve (As per the RBI (Amendment) Ordinance, 1997)				
Opening Balance	912,350.00		62,350.00	
Add : During the year	---		850,000.00	
	912,350.00		912,350.00	
Profit & Loss A/c.	---		2,370,135.17	
	912,350.00		3,282,485.17	

SCHEDULE - C

FIXED ASSETS

Own Assets:	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01.04.06	Addition	Deletion		AS AT 31.03.07	AS AT 01.04.06	FOR THE YEAR	Adjulment On Sale / Discard	AS AT 31.03.07	AS AT 31.03.07	AS AT 31.03.06
			Sale	Discarded							
Computer	582,800	38,636	---	274,300	347,136	437,523	46,114	274,300	209,337	137,799	145,277
Computer Equipments	644,343	---	---	644,343	---	644,342	1	644,343	---	---	1
Furniture & fixture	13,900	---	---	---	13,900	8,289	867	---	9,156	4,744	5,611
Motor Car & Scooter	943,832	---	514,843	---	428,989	551,879	61,111	453,075	159,915	269,074	391,953
Generator	21,600	---	---	---	21,600	5,954	1,026	---	6,980	14,620	15,646
Printer	111,250	---	---	98,750	12,500	104,573	2,027	98,750	7,850	4,650	5,677
TOTAL	2,317,725	38,636	514,843	1,017,393	824,125	1,752,560	111,146	1,470,468	393,238	430,887	565,165
Previous Year	2,317,725	---	---	---	2,317,725	1,615,210	137,350	---	1,752,560	565,165	702,515

SCHEDULE - D

INVESTMENTS :

(Long Term, Other Investments)

(As per Annexure II-A)

In Quoted Shares

1,082,481.16

1,082,481.16

In Unquoted Shares

10,054,000.00

11,340,000.00

11,136,481.16

12,422,481.16

Aggregate Market Value of Quoted Shares

1,865,783.00

2,017,062.30



	2006 - 2007		2005 - 2006	
	Rs.	P.	Rs.	P.
SCHEDULE - E				
CURRENT ASSETS :				
Stock in Trade (As per Annexure IIB)	2,679,628.76		2,721,161.96	
Sundry Debtors				
Debts outstanding for a period exceeding 6 months (unsecured, considered doubtful)	500,450.00		500,450.00	
Other Debts	---		---	
Cash & Bank Balance				
Cash in Hand	432,985.66		141,021.93	
Balance with Scheduled Bank				
In Current Account	1,485,289.79		5,055,307.90	
In Fixed Deposit Account	154,133.00		154,133.00	
	<u>5,252,487.21</u>		<u>8,572,074.79</u>	
SCHEDULE - F				
LOANS & ADVANCES :				
Loans(Unsecured, considered good)	27,029,314.00		25,598,046.00	
Loans(Unsecured, considered doubtful)	2,715,240.00		---	
Advances recoverable in cash or in kind or for Value to be received	3,990,080.00		3,988,880.00	
Prepaid Taxes	1,207,747.00		912,412.00	
Avance against Property	2,700,000.00		2,700,000.00	
Deposits	15,000.00		15,000.00	
	<u>37,657,381.00</u>		<u>33,214,338.00</u>	
SCHEDULE - G				
CURRENT LIABILITIES :				
For Goods	---		570,331.78	
For Expenses	24,517.00		69,319.00	
Other Liabilities	50,000.00		80,000.00	
	<u>74,517.00</u>		<u>719,650.78</u>	
SCHEDULE - H				
PROVISIONS :				
Provision for Non Performing Assets	3,215,690.00		370,966.00	
Income Tax	3,24,972.00		323,137.00	
Fringe Benefit Tax	28,094.00		15,498.00	
	<u>35,68,756.00</u>		<u>709,601.00</u>	
SCHEDULE - I				
INCOME FROM FINANCIAL ACTIVITIES :				
Interest on loan (T.D.S. Rs. 720578/- Prev. Yr. Rs. 457130/-)	3,389,150.00		2,232,122.00	
Interest on Income Tax Refund	50,385.00		---	
Interest on Fixed Deposit	---		8,743.00	
Income From Dividend (Including dividend on Long Term, Other Investment Rs. 224080/- Previous Year Rs. 460164/-)	246,984.60		464,189.00	
	<u>3,686,519.60</u>		<u>2,705,054.00</u>	



	2006 - 2007		2005 - 2006	
	Rs.	P.	Rs.	P.
SCHEDULE - J				
INCREASE / (DECREASE) IN STOCK :				
Opening Stock	2,721,161.96		1,987,771.89	
Less : Closing Stock	2,679,628.76		2,721,161.96	
	(41,533.20)		733,390.07	
SCHEDULE - K				
ADMINISTRATION & OTHER EXPENSES :				
Advertisement & Publicity	20,961.74		15,052.03	
Bank Charges	7,234.37		78.45	
Books & Periodicals	1,275.00		746.00	
Demat Charges	2,551.11		6,222.03	
General Expenditures	42,972.48		40,547.20	
Listing Fees & Demat Connectivity Charges	50,448.00		50,163.00	
Motor Car Expenses	104,374.45		122,269.50	
Office Maintenance Charges	35,220.00		54,944.00	
Payment to Registrar of Companies	2,000.00		1,500.00	
Postage & Telegram	7,914.00		3,498.00	
Printing & Stationary	27,783.85		12,018.90	
Professional Service Charges	15,843.00		14,775.00	
Rent, Rates & Taxes	99,553.29		88,262.00	
Staff Payment	166,400.00		133,200.00	
Telephone & Trunkcalls	26,149.97		22,830.00	
Travelling & Conveyance	6,155.00		18,734.84	
Auditor's Remuneration				
As Audit Fees	11,224.00		11,224.00	
For Tax Audit	5,612.00		5,612.00	
	633,672.26		601,676.95	



SCHEDULE - I

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS :

(A) Significant Accounting Policies

1. Accounting Convention & System of Accounting

The accompanying Financial Statements are prepared under the historical cost convention and in accordance with the normally accepted Accounting Principles. The company follows the accrual system of accounting.

2. Fixed Assets

Fixed Assets are stated at cost inclusive of expenses related to acquisition. Fixed assets are valued at cost less depreciation.

3. Depreciation

The Company provides depreciation on Straight Line method in terms of Section 205(2)(b) of the Companies Act'1956.

4. Investments

Investments are long term in nature and are stated at cost of acquisition.

5. Revenue Recognition

Sales

Income from sale of Shares is recognised on the date of transaction.

Dividend Income

Dividend on shares and securities are recognised on actual receipt basis.

Interest Income

Interest on Loan is recognised on a time proportion basis taking into account the outstanding amount and the applicable rate.

Derivatives

Income from trading in commodity derivatives is recognised on the date of squaring up or on the date of expiry of the contract. In respect of open interest contracts as at the year-end, a provision for anticipated loss (if any) is made on the basis of mark to market margin commodity wise, whereas anticipated profit (if any) is shown as current liability and is not recognized as a profit on the ground of prudence at the time of preparation of Financial Statement. There are no unsettled contracts pending at the end of the Current Year.

6. Stock in Trade

Shares and Securities purchased for trading purpose are shown as stock in shares and securities under the head current assets and are valued at lower of cost or market price.

7. Retirement Benefit

Payment of Gratuity Act is not applicable to the company as numbers of employees are less than the minimum required for applicability of Gratuity Act.

(B) Notes on Accounts

1. The Company has complied with the prudential norms as per NBFC's (Reserve Bank) directions 1998 with regard to income recognition, assets classification, accounting standard and provision for bad and doubtful debts as applicable to it.
2. The Company had no dues to small-scale industrial undertakings.
3. Deferred Tax is calculated at current statutory income tax rate and is recognised on timing difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent period. Deferred Tax Assets, subject to consideration of prudence, are not recognised as there is no reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised. Components of Deferred Tax are as under:-



Components	Deferred Tax Liability as at 01.04.2006	Originated / (Reversed) During the year	Deferred Tax Liability as at 31.03.2007
Depreciation	53,322.00	(5,785.00)	47,537.00

4. In terms of Accounting Standard 20, Earning per share has been calculated as under :

	Unit	2006-2007	2005-2006
Profit as per Profit & Loss Account	Rs.	(25,05,058.80)	42,49,324.80
No of Equity Shares	Nos.	50,00,900	50,00,900
Earning per shares (Basic/Diluted)	Rs.	(0.50)	0.85

5. Related Party Disclosure

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outstanding as on	
			2006-07	2005-06	31.03.2007	31.03.2006
Sri A.K. Agarwal	Executive Director	Salary	1,00,000/-	75,000/-	---	---
Smt. Anjana Devi Jain	Director's Relative	Rent	24,000/-	24,000/-	---	---
Smt. Preeti Patni	Director's Relative	Rent	24,000/-	24,000/-	---	---
Smt. Sunita Devi Patni	Director's Relative	Rent	24,000/-	24,000/-	---	---

6. Information about Primary Business Segment

(Rs. in Lacs)

Particulars	Current Year			Previous Year		
	Shares	Loan	Total	Shares	Loan	Total
A: REVENUE						
Total Revenue	37.84	34.39	72.23	39.87	22.41	62.28
B: RESULT						
Segment Result	(26.15)	7.24	(18.91)	30.95	22.41	53.36
Less : Unallocated Corporate Expenses net of unallocated income			6.03			6.79
Operating Profit			(24.94)			46.57
Tax Expenses			0.11			4.07
Net Profit			(25.05)			42.50
C: OTHER INFORMATION						
Segment Assets	143.16	298.98	442.14	156.44	257.52	413.96
Unallocated Corporate Assets			102.62			133.78
Total Assets			544.76			547.74
Segment Liabilities	5.00	27.15	32.15	1.00	---	1.00
Unallocated Corporate Liabilities			4.28			13.82
Total Liabilities			36.43			14.82
Depreciation			1.11			1.37
Non-cash Expenses other than depreciation			---			---



7. **Managerial Remuneration:-**
- | | |
|-------------|--------------------------------|
| Salary | Rs. 100000/- (PY. Rs. 75000/-) |
| Perquisites | Rs. Nil (PY. Rs. Nil) |
8. Management has determined that there was no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2007.
9. Fixed Assets having gross value of Rs. 10,17,393/- have been discarded and deleted from the Gross Block because these are fully depreciated and do not have any disposable value.
10. The quantitative information of opening stock, purchases, sales and closing stock of shares & Securities as per clause 3(i)(a) and 3(ii)(b) of part II of Schedule VI to the companies Act, 1956 has been annexed as Annexure I hereto.
11. A statement as required by schedule VI in respect of Investment and Investments shown under the head "Current Assets" as stock in Shares & Securities has been annexed as Annexure II-A and II-B hereto.
12. A statement as required by schedule VI part IV of the Companies Act 1956 has been annexed as Annexure III hereto.
13. Previous year's figures have been regrouped, reclassified and/or renamed to conform to this year's classification.

Signature to Schedules 'A' to 'L'

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS
Binod Kumar Jain - (Proprietor)

On behalf of the board
A. K. Agarwal - Whole-Time Director
D. K. Patni - Director

Place: Kolkata

Date: The 30th day of June, 2007;

**Annexure - I**

Statement of Quantitative Details for Opening Stock, Purchases, Sales and Closing Stock of Shares & Securities.

Shares & Securities	Current Year		Previous Year	
	Qty (Nos.)	Amount (Rs.)	Qty (Nos.)	Amount (Rs.)
Opening Stock	396,292	2,721,161.96	385,916	1,987,771.89
Purchase/ Conversion	42,000	6,227,400.00	24,196	1,624,752.10
Sales/ Conversion	62,630	3,536,543.59	16,900	140,742.51
Closing Stock	349,215**	2,679,628.76	396,292*	2,721,161.96

** 180 Techno Electric splitted into 900 shares.

On demerger, 200000 shares of Titagarh Inds Ltd. were converted into 140000 shares of Titagarh Inds. Ltd. and 33333 shares of Bhatpara Papers Ltd. 500 Shares of Subhash Projects & Marketing Ltd. Forfeited.

* 4000 shares of Marsons Ltd. and 80 shares of Techno Elect. Engg. Ltd. received as bonus 2000 shares of Spentex Industries Ltd. reduced to 1000 shares on capital reduction

Annexure II -A**Details of Investments**

Name of the company	Face Value	Current Year		Previous Year	
		Qty	Amount	Qty	Amount
<i>In Shares Quoted fully Paid-up</i>					
Ashika Credit Capital Ltd.	10.00	28,000	700,000.00	28,000	700,000.00
Khaitan Chemicals & Fertilizers Ltd.	10.00	4,489	382,481.16	4,489	382,481.16
Total of (A)		32,489	1,082,481.16	32,489	1,082,481.16
<i>In Shares Unquoted fully Paid-up</i>					
Advance Mang. Services Ltd.	100.00	5,750	115,000.00	5,750	115,000.00
Aborik Vyapaar (P) Ltd.	10.00	125,000	250,000.00	---	---
Flicker Mercantiles Pvt. Ltd.	10.00	340,500	681,000.00	---	---
Lilly Exports Pvt. Ltd.	10.00	---	---	20,000	2,000,000.00
Mega Markets Sh. Pvt. Ltd.	10.00	5,000	375,000.00	5,000	375,000.00
M S. Finvests (P) Ltd.	10.00	108,000	333,000.00	25,000	250,000.00
The Manipur Tea Co. Ltd.	100.00	7,000	700,000.00	7,000	700,000.00
Trans Scan Securities Pvt. Ltd.	10.00	760,000	7,600,000.00	760,000	7,600,000.00
Nich Technologies (P) Ltd.	10.00	---	---	15,000	300,000.00
Total of (B)		1,351,250	10,054,000.00	837,750	11,340,000.00
Total of (A) + (B)		1,383,739	11,136,481.16	870,239	12,422,481.16



Annexure - IIB		Stock as on		Stock as on	
Stocks of Shares & Securities (Other Investments)		31.03.2007		31.03.2006	
Name of the Company	Face Value	Qty	Amount	Qty	Amount
1. Arihant Enterprise Ltd.	10.00	10,000	246,000.00	10,000	246,000.00
2. Baid Mercantiles Ltd.	10.00	82,000	164,000.00	82,000	164,000.00
3. Baja Techno Global Ltd.	10.00	200	530.00	300	975.00
4. Balmer Lawrie Investment Ltd.	10.00	300	---	300	---
5. Balmer Lawrie Vanleer Ltd.	10.00	300	2,400.00	300	2,400.00
6. Bentoll Chemicals Ltd.	10.00	100	100.00	100	100.00
7. Brescon Corpo. Advisors Ltd.	10.00	400	1,380.00	400	1,380.00
8. Bhatpara Papers Ltd.	10.00	33,333	---	---	---
9. Checon Ltd.	10.00	1,700	37,400.00	1,700	37,400.00
10. Consortium Vyapaar Ltd.	10.00	500	500.00	500	1,000.00
11. C.R.B. Capital Ltd.	10.00	100	100.00	100	165.00
12. CRB Corporation Ltd.	10.00	2,900	2900.00	2,900	5,365.00
13. Genus Overseas Elect. Ltd.	10.00	300	1,215.00	300	1,215.00
14. GMB Ceramics Ltd.	10.00	300	300.00	300	300.00
15. Goldstar Steel & Alloys Ltd.	10.00	160	80.00	160	80.00
16. Gramech Ltd.	10.00	---	---	1	1.00
17. Grapco Industries Ltd.	10.00	7,000	7,000.00	7,000	7,000.00
18. Gulshan Sugar	10.00	17,287	448,597.65	17,287	735,561.85
19. HEG Ltd.	10.00	---	---	100	2,575.00
20. Hindustan Fin. Mang. Ltd.	10.00	500	1,350.00	500	1,350.00
21. Indian Magnetics Ltd.	10.00	---	---	8,000	8,000.00
22. Indian Petro Chemicals Ltd.	10.00	---	---	100	5,405.00
23. International Construction Ltd.	10.00	6,900	249,000.00	6,900	249,000.00
24. Kusum Gas Ltd.	10.00	4,000	12,400.00	4,000	12,400.00
25. Lords Chemicals Ltd.	10.00	3,600	3,425.00	3,600	3,425.00
26. Marson Ltd.	2.00	8,000	3,200.00	8,000	3,200.00
27. Marson Ltd.(Bonus)	2.00	4,000	---	4,000	---
28. My Fair Lady Ltd.	10.00	1,900	2,546.00	1,900	2,546.00
29. Padmatex Engg. Co. Ltd.	10.00	---	---	249	249.00
30. Precision Fastner Ltd.	10.00	500	500.00	500	500.00
31. Quality Synthetics Ltd.	10.00	6,500	875,550.00	6,500	875,550.00
32. Renox Commercial Ltd.	10.00	---	---	4,000	4,000.00
33. Rusoday Co. Ltd.	10.00	---	---	18,800	31,020.00
34. Shradha Projects Ltd.	10.00	600	8,893.22	600	8,893.22
35. Skyline Npc Ltd.	10.00	1,000	760.00	1,000	760.00
36. Spentex Industries Ltd.	10.00	1,000	3,400.00	1,000	3,400.00
37. Subhash Project & Mrkt. Ltd.	2.00	---	---	500	12,000.00
38. Techno Electric Engg. Ltd.	2.00	500	3,483.89	100	3,483.89
39. Techno Electric Engg. Ltd. (Bonus)	2.00	400	---	80	---
40. Titagarh Industries Ltd.	10.00	151,000	595,400.00	200,000	283,000.00
41. Uniworth (i) Ltd.	10.00	460	368.00	640	512.00
42. Uniworth Textile Ltd.	10.00	75	60.00	75	60.00
43. Varanasi Commercial Ltd.	10.00	1,400	6,790.00	1,400	6,790.00
44. Videcon Narmada Ltd.	10.00	---	---	100	100.00
Total		349,215	2,679,628.76	396,292	2,721,161.96



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MRCH, 2007

	2006-2007 Rs.	2005-2006 Rs.
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items	(2,489,858.80)	4,656,782.80
Add/Less Adjustment for :		
1. Securities Transaction Tax	(4,357.00)	(13,393.00)
2. Depreciation	111,146.00	137,350.00
3. Direct Taxes	(2,197.00)	(69,409.00)
4. Loss on sale of Fixed Assets	6,768.00	---
5. Provision for Non Performing Assets	2,844,724.00	---
6. Profit on Sale of Investments	---	(3,381,922.01)
7. Liabilities no longer required W/Back	<u>(120,000.00)</u>	<u>---</u>
Operating Profit before Working Capital Changes	346,225.20	1,329,408.79
Add/Less Adjustment for:		
1. Trade & Other receivables.	---	---
2. Inventories	41,533.20	(733,390.07)
3. Loan & Advances	(4,443,043.00)	(5,209,598.00)
4. Trade Payables	<u>(525,133.78)</u>	<u>(3,589,997.22)</u>
Net Cash from operating activities	<u>(4,580,418.38)</u>	<u>(8,203,576.50)</u>
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,014,000.00)	(4,344,832.91)
Sale of Investments	2,300,000.00	9,384,580.19
Purchase of Fixed Assets	(38,636.00)	---
Sale of Fixed Assets	<u>55,000.00</u>	<u>---</u>
Net Cash used in Investment Activities	<u>1,302,364.00</u>	<u>5,039,747.28</u>
C: CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Loan Fund	---	<u>(89,705.00)</u>
Net Increase in cash & cash equivalents(A+B+C)	(3,278,054.38)	(3,253,534.22)
Cash and cash equivalents (Opening Balance)	<u>5,350,462.83</u>	<u>8,603,997.05</u>
Cash and cash equivalents (Closing Balance)	<u>2,072,408.45</u>	<u>5,350,462.83</u>

This is the Cash Flow Statement referred to in our report of even date

JAIN BINOD & ASSOCIATES
CHARTERED ACCOUNTANTS
Binod Kumar Jain - (Proprietor)

On behalf of the board
A. K. Agarwal - *Whole-Time Director*
D. K. Patni - *Director*

Place: Kolkata

Date: The 30th day of June, 2007.



	Amount Outstanding	Amount Overdue	
2. <u>Unquoted :</u>			
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		
<u>Long Term Investment :</u>			
1. <u>Quoted :</u>			
i) Shares : a) Equity	10.82		
b) Preference	Nil		
ii) Debentures and Bonds	Nil		
iii) Units of mutual funds	Nil		
iv) Government Securities	Nil		
v) Others	Nil		
2. <u>Unquoted :</u>			
i) Shares : a) Equity	100.54		
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 financed as in (2) and (3) above.			
	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	364.50	364.50
Total	Nil	364.50	364.50
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 : Quoted Shares	91.61		37.62
Unquoted Shares	382.70		100.54
Total	474.31		138.16
7. Other information			
Particulars	Amount		
i) Gross Non-Performing Assets	32.15		
a) Related Parties	5.00		
b) Other than related parties	27.15		
ii) Net Non-Performing Assets	Nil		
a) Related parties	Nil		
b) Other than related parties	Nil		
iii) Assets acquired in satisfaction of debt	Nil		