



AUDITOR'S REPORT

To

THE MEMBERS OF CONFIDENCE TRADING COMPANY LTD

1. We have audited the attached Balance Sheet of Confidence Company Ltd as at 31st March 2008 and the Profit & Loss Account for the period 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 test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

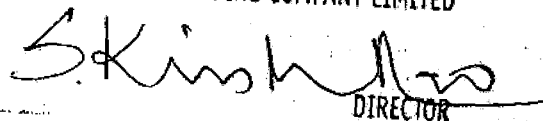
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the company;
- e) On the basis of the written representations received from the Directors of the company as on 31st March 2008, and taken on record by the Board of Directors of the company, we report that none of the directors is disqualified as on 31st March

17, Mooker Nallamuthu Street, First Floor, Chennai-600001.
Phone: +91-44-4356 6754 Cell: +91-99401 11084 E-mail: shabbir_ca@rediffmail.com

For CONFIDENCE TRADING COMPANY LIMITED


DIRECTOR

CA. SHABIR N.K B.Com., A.C.A
Proprietor



SHABIR & ASSOCIATES
CHARTERED ACCOUNTANTS

2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956, in the manner so required the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;

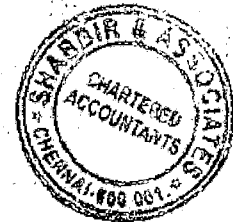
(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008 and

(ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

Date: 01-09-08
Place: Chennai

For Shabir & Associates
Chartered Accountants

Proprietor
Shabir Kakosiwala N
Membership No: 21742

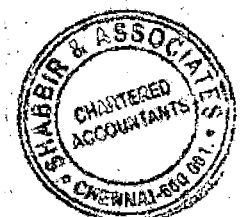


Annexure Referred to in Paragraph 3 our Report of even date to the members of Confidence Trading Company Ltd

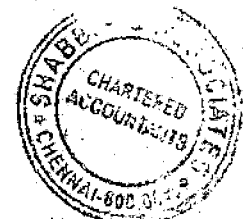
1. (a) The Company does not have any fixed assets. Hence clause relating to Fixed assets are not applicable.
2. (a) The Company does not hold any inventories except shares and hence the clause is not applicable.
3. (a) As informed, the company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(b) As informed, the company has not granted loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, generally there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Hence clause (b) is not applicable.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from "public" attracting the provisions of Section 58A and 58AA of the Companies Act, 1956 or the rules framed there under.
7. In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed the Company under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanation provided to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other applicable statutory dues, with the appropriate authority.

(b) In our opinion and according to the information and explanation given to us, no undisputed amounts payable in respect, income tax, sales tax, wealth tax, customs duty, excise duty, cess were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable.

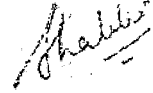


10. In our opinion, the accumulated losses of the company are exceeds the total networth as at the end of the financial year. The company has not incurred cash losses in the current financial year.
11. According to the information and explanations provided to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanations provided to us, the Company has not granted advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
14. The company has been dealing in shares, securities, debenture and other investments for which proper records has been maintained by the company of the transaction and contracts and timely entries have been made therein. As informed to us shares, securities and debentures are generally held by the company in its own name.
15. According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations provided to us the Company has not raised any term loans during the year.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been utilized for long term investment and vice versa.
18. According to the information and explanations provided to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money through public issue during the period covered by our report.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported.



Date: 01-09-2008
Place: Chennai

For Shabbir & Associates
Chartered Accountants



Proprietor
Shabbir Kakosiwala N
Membership No: 217421



Name : M/s. CONFIDENCE TRADING COMPANY LIMITED Asst Year : 2006-2009
 Status : Domestic Company Due date of Filing : 30/09/2009
 Addr. : 85,4TH Floor Park View
 G N chetty Road , T Nagar
 Chennai - 600017
 Tamilnadu : Prev Year : 2007-2008
 P.A.No.: AABCC5629F

STATEMENT OF TOTAL INCOME

SOURCES OF INCOME	Amount(Rs)	Amount(Rs)	Amount(Rs)
1.0 INCOME FROM BUSINESS/PROFESSION			
Business Profits			
1.1 Net Profit as per Profit and Loss A/c		34,366	
Total Profit/Loss from Business		<u>34,366</u>	
Total Income from Business/Profession			34,370
Less: B/f Loss to adjusted			<u>34,370</u>
Total Income from Business/Profession			
GROSS TOTAL INCOME			
TOTAL INCOME			
TAX ON TOTAL INCOME			NIL

Losses to be carried forward to subsequent Years

	A.Y	Amount
Business Loss	2005-06	256,304

MINIMUM ALTERNATE TAX PAYABLE U/S 115JB

Net Profit as per P&L A/c	34,366
Add:	
Income Tax Debited	<u>4,343</u>
Book Profit under section 115JB	38,709
Tax Payable u/s 115JB	3,871
Add: Surcharge @ 10%	387
Tax & Surcharge	<u>4,259</u>
Add: Cess @ 2%	85
Total Tax Payable	<u>4,343</u>
Less: Prepaid Taxes	
143A Tax Paid	<u>4,343</u>

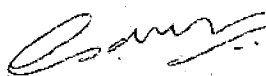


CONFIDENCE TRADING COMPANY LIMITED
BALANCE SHEET AS AT 31.03.2008

	Schedule No.		As at 31.03.2008	As at 31.03.2007
I. SOURCES OF FUNDS				
1. Shareholder's Funds				
a. Share Capital	1	500,000.00	500,000.00	500,000.00
2 Loan Funds				
b. Unsecured Loans	2	344,127.00	344,127.00	344,127.00
TOTAL			844,127.00	844,127.00
 II. APPLICATION OF FUNDS				
3. Current Assets, Loans and Advances				
a. Inventories	3	393,913.33		456,771.32
b. Sundry Debtors	4	125,804.17		42,602.55
c. Cash and Bank Balances	5	199,197.00		180,831.00
d. Loans, Advances and Deposit	6	1,081,000.00		1,081,000.00
			1,799,914.50	1,761,205.37
Less: Current Liabilities and Provisions				
a. Current Liabilities	7	2,772,653.00		2,772,653.00
b. Provisions		8,224.00		3,281.00
			2,780,877.00	
Net Current Assets			(980,962.50)	(1,011,447.63)
4. Miscellaneous Expenditure (to the extent not written off or adjusted)				
Profit & Loss Account			1,825,089.50	1,855,574.33
Notes to Accounts			844,127.00	844,127.00

Schedule referred to above and Notes attached thereto form an integral part of the Balance Sheet.

For CONFIDENCE TRADING COMPANY LIMITED




Director



Director

For Shabbir & Associates
Chartered Accountants



Shabbir Kakosivala N
Membership No: 217421

Place: Chennai

Date: 01-09-2008



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2008

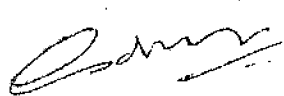
	As At 31.03.2008		As At 31.03.2007	
	Total		Total	
1 SHARE CAPITAL				
AUTHORISED				
1000,000 Equity Shares of Rs.10/- each				
ISSUED & SUBSCRIBED				
50,000 Equity shares of Rs.10/- each				
		500,000.00	500,000.00	
		<u>500,000.00</u>	<u>500,000.00</u>	
2 UNSECURED LOANS				
Unsecured Loans				
		344,127.00	344,127.00	
		<u>344,127.00</u>	<u>344,127.00</u>	
3 INVENTORIES				
Opening Stock	2008	2007		
Name	Qty	Qty		
Indus Ind Bank	100	3,000.00	5,322.51	160,841.40
Mangalore Chemicals	3000	3,000.00	51,376.68	51,376.68
MOCHIP SEMI	3000	3,000.00	124,298.61	124,298.61
Tata Tele	1000	1,000.00	30,115.62	30,115.62
Aheek Ltd	100	-	8,963.75	-
Andhra Cement	100	-	3,924.27	-
Astro Mico	200	-	36,754.70	-
Dhampur Sugar	1,000	-	121,971.13	-
ITI Ltd	500	-	34,972.17	-
MTNL	200	-	39,072.38	-
			<u>456,771.82</u>	<u>366,632.31</u>
Less: Closing Stock				
Name	Qty	Qty		
Indus Ind Bank	-	100	5,322.51	-
Mangalore Chemicals	-	3000	51,376.68	-
MOCHIP SEMI	3000	3000	124,298.61	124,298.61
Tata Tele	-	1000	30,115.62	-
Aheek Ltd	-	100	8,963.75	-
Andhra Cement	-	100	3,924.27	-
Astro Mico	200	200	36,554.85	36,754.70
Dhampur Sugar	1000	1,000	121,971.13	121,971.13
ITI Ltd	-	500	34,972.17	-
MTNL	200	200	39,072.38	39,072.38
Jhagad	200	-	4,660.89	-
Megmani Organics	2400	-	65,599.44	-
Vijay Textiles	200	-	1,646.03	-
			<u>393,913.33</u>	<u>456,771.82</u>
(increase)/Decrease in Inventories			<u>62,858.49</u>	<u>(90,139.51)</u>
4 SUNDRY DEBTORS				
(Unsecured)				
Outstanding for over six months				
- Considered Good				
- Considered Doubtful				
Other Debts - Considered Good				
Kotak security LTD	-	-	3,998.55	-
Prabhakar	-	-	-	-
Saravanan	-	-	-	-
Shankar GRI	-	-	-	38,506.50
				<u>42,502.55</u>
5 CASH AND BANK BALANCES				
Cash on Hand			57,111.60	40,105.80
Bank			142,095.20	140,725.20
			<u>199,197.00</u>	<u>180,831.00</u>
6 LOANS & ADVANCES				
Advances recoverable in cash or in kind			1,045,000.00	1,045,000.00
Deposits			36,000.00	36,000.00
			<u>1,081,000.00</u>	<u>1,081,000.00</u>
7 CURRENT LIABILITIES				
Sundry Creditors			2,769,653.00	2,769,653.00
Outstanding Expenses			3,000.00	3,000.00
			<u>2,772,653.00</u>	<u>2,772,653.00</u>



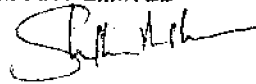
CONFIDENCE TRADING COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2008

	Schedule No.	Year ended 31.3.2008	Year ended 31.3.2007
<u>INCOME</u>			
Sales		1,248,043.56	774,139.31
Dividend Received		1,360.00	1,800.00
Commission & Brokerage			15,000.00
TOTAL A		1,249,403.56	790,939.31
<u>EXPENDITURE</u>			
Purchases		1,126,235.94	853,078.03
Administrative Expenses	9	21,600.00	21,950.00
(Increase)/Decrease in Inventories	3	62,858.49	(90,139.51)
TOTAL B		1,210,694.43	784,888.52
Profit for the year (A-B)		38,709.13	6,050.79
Less: Provision for Tax			
- Current Tax		4,343.00	754.00
Profit after tax		34,366.13	5,296.79
Balance Loss b/f from previous year		(1,859,455.63)	(1,864,752.42)
Balance carried to Balance Sheet		(1,825,089.50)	(1,859,455.63)
EPS		0.69	0.11
Notes to Accounts	8		

For CONFIDENCE TRADING COMPANY LIMITED

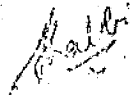


Director



Director

For Shabbir & Associates
Chartered Accountants



Shabbir Kskosiwala N
Membership No: 217421

Place: Chennai

Date: 01-04-2008



SCHEDULES FORMING PART OF THE P&L ACCOUNT FOR THE PERIOD ENDED 31.03.2008

	Year ended 31.03.2008	Year ended 31.03.2007
9 ADMINISTRATIVE EXPENSES		
Audit Fees	3,000.00	3,000.00
Miscellaneous Expenses	600.00	350.00
Professional charges	6,000.00	6,000.00
Salary & Bonus	12,000.00	12,000.00
	<u>21,600.00</u>	<u>21,950.00</u>



Confidence Trading Company Limited

Schedule 8

Notes to Accounts

Significant accounting policies and notes on accounts for the year ended 31-3-2008

1. Significant Accounting policies:

a. Revenue Recognition:

Items of income and expenditure recognised on accrual basis except rates & taxes & filing fees which are accounted for on cash basis.

b. Fixed Asset:

There are no Fixed Asset with the Company.

c. Depreciation of fixed asset:

There is no Depreciation during the year.

d. Investments :

The Investments are stated at cost.

e. Retirement Benefit:

Provision for retirement benefit is not made and accounted on payment basis.

f. Taxation:

Income-tax expenses comprise current tax.

Deferred Tax are not provided.

2. The company is engaged in Share Trading

3. Remuneration to the Auditor:

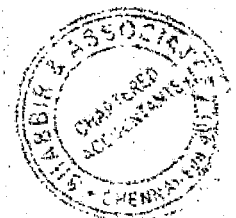
	<u>31.3.2008</u>	<u>31.3.2007</u>
Audit Fees	3,000.00	3000.00

4. Remuneration To Directors:

Nil Nil

5. Segment Reporting

The Company operates in the single business segment. Therefore, the Company is of the opinion that the disclosure requirement of Accounting Standards AS 17 issued by the Institute of Chartered Of India is not applicable to the company.



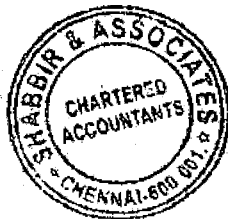
6. Disclosure in respect to related parties to Accounting Standards AS 18
- (i) There are no related parties
 - (ii) During the year under review no transaction were carried out with the related party in the ordinary course of business.
7. Deferred Tax is not provided due to the uncertainty regarding the extent to which the unabsorbed business losses would be available to the Company for set off in the subsequent years profits.
8. Previous year figure wherever necessary have been regrouped, recast, rearranged, to confirm with those of the current year.
9. Contingent liability not provided for : Nil

As per our report of even date.

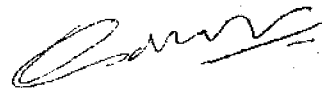
For Shabbir Kakosiwala N
Chartered Accountants



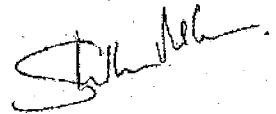
Membership No: 217421
Place: Chennai
Date:



For Confidence Trading Company
Limited.



Director



Director