



**CONTIL INDIA LTD.**

*ANNUAL REPORT*

*2007-2008*



BOARD OF DIRECTORS :-

Mr. Krishna H. Contractor (Chairman & Managing Director)  
Mr. Hiralal A. Contractor  
Mrs. Niranjana H. Contractor  
Mr. Amit H. Nagarsheth  
Mr. Rajiv H. Chokhawala

REGISTERED OFFICE :-

811, Siddharth Complex,  
R.C. Dutt Road, Alkapuri,  
Baroda-390007.

BANKERS :-

HDFC Bank Ltd.  
ICICI Bank Ltd.

LEGAL ADVISORS :-

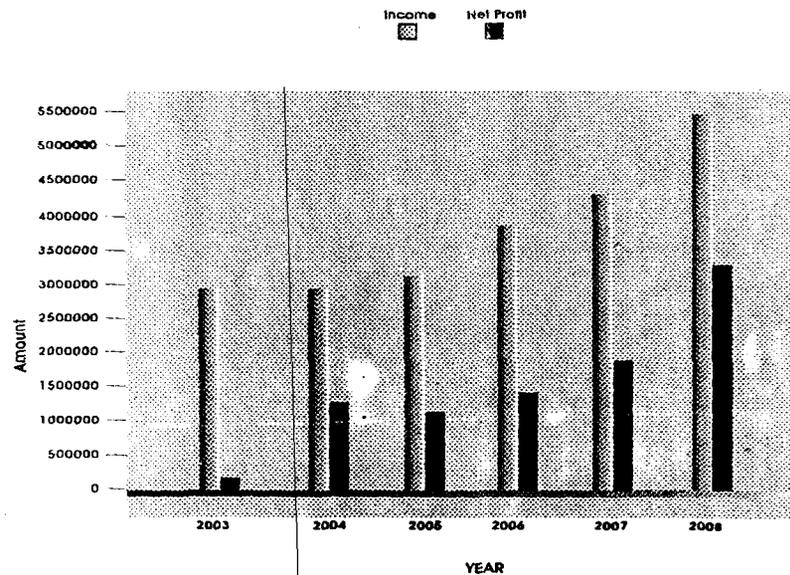
Contractor & Contractor Advocates  
Baroda.

AUDITORS :

Y. M. Shah & Co.  
Chartered Accountants  
Baroda

REGISTRAR & TRANSFER AGENT :

M.C.S. Ltd.  
Neelam Appt.,  
88, Sampatrao Colony, Above Chhapan Bhog,  
Alkapuri, Vadodara-390 007.





## NOTICE

Notice is hereby given that the 14th Annual General Meeting of the company will be held at 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda on 25th Sept., 2008 at 11-00 a.m. to transact the following business.

### ORDINARY BUSINESS :

- the period ended on 31/03/2008, the report of board of directors and auditors thereon.
2. To appoint Directors in place of Mr. Amit H. Nagarsheth & Mr. Rajiv H. Chokhawala who retires by rotation and being eligible offers themselves for re-appointment.
  3. To appoint Auditors and to fix their remuneration.

Regd. Office :  
811, Siddharth Complex,  
R.C. Dutt Road,  
Alkapuri,  
Baroda-390 007.

Place : Baroda  
Date : 1/7/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and the proxy need not be a member.  
An instrument appointing the proxy should be deposited at the Registered Office of the company not less than 48 hours before the time of holding the aforesaid meeting.
2. The Register of Members and share transfer books of the company will remain closed from 19/9/2008 to 24/9/2008 (both day inclusive.)
3. Member desiring any information as regards to accounts are requested to write to the company at least seven days in advance of Annual General Meeting so as to enable the management to keep the information ready.
4. Shareholders are requested to bring their copies of the Annual Report at the meeting.
5. Shareholders are requested to notify change in address, if any, to Registrar of the company, quoting their Folio Number client ID/DPID at an early date.

Regd. Office :  
811, Siddharth Complex,  
R.C. Dutt Road,  
Alkapuri,  
Baroda-390 007.

Place : Baroda  
Date : 1/7/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

**DIRECTOR'S REPORT**

To,  
The Members,  
Contil India Ltd.

Your Director's present the Company's 14th Annual Report together with the Audited Balance Sheet as at and Profit & Loss Account for the period ended on 31st March, 2008.

**1. FINANCIAL RESULT :**

	For the period ended on 31.03.2008 (Rs. in '000)	For the period ended on 31.03.2007 (Rs. in '000)
Income	5413.71	4403.59
Profit before Depreciation & Taxation	3521.20	2671.97
Depreciation	212.01	247.39
Net Profit	2868.08	1785.19
Surplus carried to Balance Sheet	2143.59	1295.06
Provision for Income Tax	441.11	650.00

**2. DIVIDEND :**

Your Directors do not recommend any dividend on equity shares for conserving the financial resources for future.

**3. OPERATIONS :**

During the year under report, the company's income increased from Rs.44.03 lacs to Rs.54.13 lacs and net profit increased from Rs.17.85 lacs to Rs.28.68 lacs as compared to previous year. The Company has carried out capital market operations. Your Directors have undertaken business of commodities trading during the year under review and it has been successful. In augmenting the contribution margin in the profitability. The other business of shares, interest and dividend income has also been good. Your Directors consider the above results satisfactory under the prevailing circumstances.

**4. CHANGE OF NAME OF THE COMPANY**

In terms of Sec.21, of Companies Act, 1956, the name of your company has been changed to CONTIL INDIA LIMITED vide the approval of Central Government accorded for the purpose. However all the liabilities, accountabilities, privileges, benefits by or against the company in the old name i.e. CONTINENTAL CREDIT & INVESTMENTS LIMITED shall continue to be honoured in new name. The Script code reference at BSE has been renamed to facilitate the trading in the shares of your company.

**5. AUDITORS :**

M/s. Y.M. Shah & Co., Chartered Accountants, Baroda, Auditor of the company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received the letter from M/s. Y.M. Shah & Co., to the effect that appointment as Auditors, if made, would be within the limits under section 224(1-B) of the Companies Act, 1956.

**6. FIXED DEPOSITS :**

The Company has not accepted any deposits within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance & Deposits) Rules, 1975.

**7. FOREIGN EXCHANGE EARNING AND OUTGO :**

There is foreign exchange outgo of Rs. 4850737.00 towards the import payments to suppliers. Since the Company does not own any manufacturing facility, the particulars in the Companies (Disclosure of particulars in the Report of the Board of Director) Rules, 1988 are not applicable.

**8. EMPLOYEE PROFILE :**

The Company is having qualified and trained employee who are responsive to Customers' needs and changing economic scenario. Employee relation were cordial and work atmosphere was healthy during the year.



9. PARTICULARS OF EMPLOYEES :

There are no employees covered by section 217 (2A) of the Companies Act, 1956 read with Companies. (Particulars of Employees) Rules, 1975 as amended.

10. BUSINESS PROSPECTS :

During the year your Company has directed its corporate activities into financial sectors, investments banking & Commodity Trading. The corporate operation has generated profit and management has confident to accelerate the progress and horizon of operation in the potentially uncultivated sectors to bring more contribution margin during the current year. The company is taking number of initiative to consolidate and improve margins & return on capital which will enhance the shareholder value.

In furtherance to the present corporate targets, your company has achieved permanent tie ups to import dry pulses from Canada, USA, Brazil, Myanmar and Board is pleased to claim that the name CONTIL is branded reference with tangible increase in the market share and dominance in commodity trading.

11. DIRECTORS :

During the year under view Mr. Rajiv H. Chokhawala & Mr. Amit Nagarsheth will be retiring by rotation at the ensuing Annual General Meeting of members of the company, however being eligible offers themselves for reappointment.

12. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with Stock Exchanges, your Company has complied in all material respects with the features of Code of corporate governance. A report on the same is appended herewith.

13. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that :

- a) in the preparation of the annual accounts the applicable accounting standards have been followed and that there are no material departures;
- b) they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgement 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.
- c) they have taken proper and sufficient care to the best of their knowledge and ability 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;
- d) they have prepared the annual accounts on a going concern basis.

14. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the assistance and cooperation received from the Government authorities, Financial Institutions, Banks, Broking Houses, Customers, Vendors and shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the employees of the Company for its success.

Place : Baroda  
Date : 1/7/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

## MANAGEMENT DISCUSSION AND ANALYSIS :

(1) INTRODUCTION :

Contil India Ltd., is in the business of Non Banking Finance Company registered with Reserve Bank of India. The company has been issued the certificate of registration to carry on business as a Non Banking Finance Company by Reserve Bank of India. Also company has undertaken business of commodities trading.

(2) ECONOMY :

The financial year 2007-08 witnessed a continuation of the bull run on the Indian Stock Exchange for the fifth year in succession. The BSE Sensex increased by about 25% from the start to the end of the year but this figure does not reflect the large fluctuation in the intervening months. The year 2007-08 had record of some the largest daily increase and also the largest daily decline in the history of the BSE.

As in the past for years, the markets reacted favorably to the major positive factors in the Indian economy, namely the continuing high GDP growth rate of over 8%, sustained improvement in corporate quarterly earnings in 2007 and importantly the continuing inflow of large funds from Foreign Institutional Investors.(FIIs).

A fairly large amount of funds both domestic and foreign are now being invested in the real estate sector and this is having a similar effect on real estate values as the large fund inflows have had on our stock markets. This needs to be viewed with some caution as too much money is invested too fast and while real estate values have inevitably shot up.

However, the serious threat to the economic upliftment was ever burning and galloping crude oil price which also has been brought under control. However, the over all productivity growth may be adversely impacted due to the sharp fall in US economic variables.

(3) BUSINESS REVIEW & OUTLOOK :

Contil India Ltd., has in the past, been involved in several areas of financing including ICD, loans, loans against shares and capital market activities like trading in equity, mutual fund, commodities etc. During the year company carried out capital & commodities trading.

A part from this major development, we cannot be immune from the major negative factors such as the very sharp and continuous increase in fuel prices and other major raw material prices, the high rate of inflation resulting from high food and commodity prices, the relatively high domestic rates of interest.

After having seen unprecedented run up in stock prices in 2007 & early 2008 the BSE SENSEX took erratic behavior and has been showing bearish pattern and may firm up in end of 2008. By setting aside stock prices movements, burning crude oil prices lead by world wide depressive economic climate, our economic scenario remained to be improved and general growth oriented.

During the year company has operated in financial sectors like ICD and capital market activities and commodity trading through Import and Export. To develop the commodity trading business company has entered into permanent tie-up with Canadian business house to procurement and selling of agri commodities which is being fruitful in coming years for the company.

However, you company has keeping in view the global and national uncertainty strategically expanded the commodities market trading through its corporate alliance. During the part of the year to mitigate inflation, the export of specified commodities were banned by the Central Government.

(4) CAUTIONARY STATEMENTS :

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

Place : Baroda  
Date : 1/7/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

**(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company has adhered to the principles of corporate governance over the years. The Company believes that the essence of good corporate governance is to conduct the Company's business and deal with its stockholders in ethical and transparent manner. It has been the company's continuous endeavour to build on its values of Quality, Integrity, Leadership and Collaboration to effectively meet its financial, social, environmental and statutory obligations.

**(2) BOARD OF DIRECTORS :**

The management of your company is entrusted to Chairman and M.D. Your Board of Director closely monitor the performance of company and its Management, approve and review strategy and determines remuneration of the management based on its performance. Your Board ensures legal ethical conduct and high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long term health of the Company.

The company, at present, has five Directors of these, Mr. K. H. Contractor, CMD is wholetime Director. Details of the Directors and their attendance at the Board meeting and last AGM.

Name of Directors	Category of Directors	Attendance At		No. of Directorships
		Board Meeting	Last AGM	
Mr. K. H. Contractor	Promoter/Executive	5	Yes	1
Mrs. N. H. Contractor	Promoter/Executive	5	Yes	1
Mr. H. A. Contractor	Non-Executive	5	Yes	1
Mr. A.H. Nagarsheth	Independent Director	5	Yes	1
Mr. R.H. Chokhawala	Independent Director	2	Yes	1

During the period ended March 31, 2007, five Board Meeting were held on 30-6-2007, 28-7-2007, 30-10-2007 and 31-1-2008 & 20-3-2008.

**(3) AUDIT COMMITTEE :**

The terms of reference of the Audit Committee include the following:

- Review of Financial Reporting Process.
- Recommendation to the Board on appointment and remuneration of Statutory Auditor.
- Review of internal control systems.
- Review of other matters.
- Reporting to the Board.

The Audit Committee comprises of two Directors viz Mr. Amit Nagarsheth & Rajiv H. Chokhawala The meeting of the Audit Committee was held on 21st June, 2007, 20th October 2007, and 18th March, 2008 which was attended by Audit Committee Members, Statutory Auditors and other management personnel.

**(4) REMUNERATION COMMITTEE :**

The company's policy on remuneration payable to Executive Directors. The sum of Rs.300000.00 paid to Mr. K. H. Contractor & Niranjan Contractor each including benefits and perquisites during the year 2007-2008. Sitting fees Rs. 8000/- each paid to H.A. Contractor, K.H. Contractor, N.H. Contractor, Amit Nagarsheth and Rajiv Chokhawala.

**(5) INVESTORS GRIEVANCE & SHARE TRANSFER COMMITTEE :**

The scope of redressal of investor's complaints like share transfers, non-receipt of annual reports, issue of duplicate certificates and other allied transaction. Its scope also includes to delegate powers to the Executives of the company to process share transfer etc. The company's Investors Grievance and Share Transfer committee functions under the chairmanship of Mr. K. H. Contractor and other Management personnel. Mr. Ashraf Bhide is the Compliance Officer of the Company. During the year 3 Complaints were received from the shareholders which were resolved satisfactorily within 7 days. There were no shares that are pending for transfer during the year for more than 21 days.

**(6) GENERAL BODY MEETINGS :**

Details of the last three Annual General Meeting held.

<u>Year</u>	<u>Date</u>	<u>Time :</u>
2007	15/09/2007	11.00 a.m.
2006	02/08/2006	11.00 a.m.
2005	08/07/2005	11.00 a.m.

All the meetings were held at 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda-390 007. No postal ballots were used for voting at these meetings.

**(7) DISCLOSURES :**

There were no transactions of the company of material nature with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. The Company has complied with various rules and regulations prescribed by the Stock Exchange, SEBI or any other statutory authority relating to the Capital Markets.

**(8) MEANS OF COMMUNICATIONS :**

The quarterly, half yearly and annual results are published in the newspapers. The company has not got any website for display news, results etc. but company do inform to Stock Exchanges within the 24 hours. The quarterly financial result of the company is published in Business standard Gujarati & English edition. The Management discussion and analysis reports is a part of this Annual Report.

**(9) GENERAL SHAREHOLDER INFORMATION :**

a) The 14th Annual General Meeting of the Company will be held on 25th Sept. 2008 at 11-00 a.m. at 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda-390 007.

b) Financial Calendar :

Financial reporting for the quarter ending June, 2008	-	July 2008 end
Financial reporting for the quarter ending September, 2008	-	October 2008 end
Financial reporting for the quarter ending December, 2008	-	January 2009 end
Financial reporting for the quarter ending March, 2009	-	June 2009 end

c) Book Closure : 19-9-2008 to 24-9-2008 (both days inclusive)

d) Dividend Payment date : N.A.

e) Listing on Stock Exchange : The Company's share are listed on The Stock Exchange, Mumbai. Annual listing fees for the year 2008-09 has been paid to Bombay Stock Exchange.

Stock Code : 531067

f) ISIN No. : INE080G01011

g) Market Price Data Performance :

Market price of equity shares at Bombay Stock Exchange from April 2007 to March 2008:

<u>Month</u>	<u>High</u>	<u>BSE</u>	<u>Low</u>
April	5.99		3.44
May	5.35		3.56
June	5.99		3.36
July	4.40		3.71
August	5.49		4.30
September	6.26		4.50
October	5.33		4.31
November	5.93		4.30
December	9.43		5.45
January	11.73		6.94
February	7.00		4.45
March	11.51		4.90

(Source : www.capitalmarket.com)



## h) Share Transfer System :

The Board has also delegated the power of share transfer to Officers of the Company. The delegated authorities attend to share transfer formalities. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The Board of Directors has appointed Company Secretary and Compliance Officer of the Company to monitor the share transfer process. Share transfers approved by the delegated authorities are placed at the board meeting from time to time.

M/s. MCS Limited, Baroda act as Share Transfer Agent for the equity shares of the Company.

## i) Distribution of Share holding :

Share holding of nominal value of		Share holders		Share Amount	
Rs.	Rs.	Number	% of Total	In. Rs.	% of Total
Upto	- 5000	3474	91.181	4696500	15.177
5,001	- 10,000	168	4.409	1303000	4.211
10,001	- 20,000	84	2.205	1243000	4.017
20,001	- 30,000	18	0.472	440000	1.422
30,001	- 40,000	34	0.892	1229000	3.972
40,001	- 50,000	6	0.157	285000	0.921
50,001	- 1,00,000	13	0.341	987000	3.190
1,00,000 & Above		13	0.341	20760500	67.091
TOTAL		3810	100.00	30944000	100.00

Share holding Pattern as on 31st March, 2008.

Category	No. of Shares	Percentage
Promoters	760802	24.59
Mutual Fund/FI/UTI & Bank	Nil	Nil
Private Corporate Bodies	220319	7.12
Indian Public	2087847	67.47
NRIs/OCBs	21114	0.68
Clearing Member	4318	0.14
TOTAL	3094400	100.00

## j) Dematerialisation of Shares and liquidity :

61.32% of total equity shares have been dematerialised as on 31-3-2008.

## k) Address for correspondence :

811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda-390 007.



## AUDITOR'S CERTIFICATE

To,  
The Members of Contil India Ltd.

We have examined the compliance of conditions of Corporate Governance by CONTIL INDIA LTD. for the year ended on 31st March, 2008 as stipulated in clause 49 of the Listing Agreement entered into the with the stock Exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investors grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For Y. M. Shah & Co.  
Chartered Accountants

Place : Baroda  
Date : 16/6/2008

(Proprietor)



## AUDITOR'S REPORT

To,  
The Members of  
Contil India Ltd.  
Baroda.

We have audited the attached Balance Sheet of Contil India Ltd. as at 31st March, 2008 and also Profit and Loss Account & Cashflow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 statements 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 paragraph 4 and 5 of the said Order, to the extent applicable.

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 accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
- (3) The Balance Sheet and Profit and Loss Account & the cash flow statement dealt with by this report are in agreement with the books of account.
- (4) In our opinion, the Balance Sheet and the Profit and Loss account and the 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 the written representation received from the directors as on 31<sup>st</sup> March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 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, 2008 and
  - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date and,
  - (c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Y. M. Shah & Co.  
Chartered Accountants

Place : Baroda  
Date : 16/6/2008

(Proprietor)



**ANNEXTURE TO THE AUDITOR'S REPORT**

The Annexure referred to in the auditors' report to the members of CONTIL INDIA LTD. for the year ended March 31, 2008. We report that :

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
The Company has physically verified certain assets during the year in accordance with a programmed of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification. In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal during the year.
2. The management at the end of the year has physically verified the inventory.  
The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of company and nature of its business.  
The company is maintaining proper record of inventory the discrepancies noticed on verification between the physical stock and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintain under section 301 of the Companies Act, 1956.
4. 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 regards to purchase of inventory. Fixed Assets and with regard to the sales of good. During the course of audit, we have not observed and continuing failure to correct major weaknesses in internal controls.
5. In our opinion, and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered, and the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
9. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, customs duty, investor education and protection fund, wealth tax any other material statutory dues applicable to it.  
According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales-tax, wealth-tax, customs duty and cess were outstanding at 31, March 2008 for, a period of more than six months from the date they become payable. According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
11. The Company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4(xi) of the order is not applicable.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
14. The company has maintained proper records of all the transactions of shares, securities and other investment.  
According to information & explanation given to us and found from the records that the company is making timely entries in the records.  
In our opinion and according to the information and explanation given to us, the company held the shares, securities, debenture and other securities in the name of the company except to the extent of the exemption granted under section 49 of the Act.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. The Company has not obtained any term loans. Accordingly, clause 4 (xvi) of the order is not applicable.
17. According to the information and explanations given to us, the Company has not raised any funds on short-term basis. All assets have been funded by shareholder's funds.
18. 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. Accordingly, clause 4 (xviii) of the order is not applicable.
19. The Company has not issued any debentures. Accordingly, Clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4 (xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Y. M. Shah & Co.  
Chartered Accountants

Place : Baroda  
Date : 16/6/2008

(Proprietor)

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2008**

Particulars	Schedule	As on 31-3-2008 Rs.	As on 31-3-2007 Rs.
<b>Sources of Funds :</b>			
Share holder's funds :			
Share capital	1	30944000.00	30944000.00
Reserve & Surplus	2	8517890.65	5800677.89
Deffered tax liabilities (Net)		608406.00	617624.00
<b>Loans Funds :</b>			
Unsecured loans	3	70500.00	70500.00
Total Rs.		<u>40140796.65</u>	<u>37432801.89</u>
<b>Application of Funds</b>			
Fixed assets			
Gross block	4	5046484.00	5594339.00
Less : Depreciation		2091359.00	2427200.00
Net block (A)		<u>2955125.00</u>	<u>3167139.00</u>
<b>Investments :</b>	5	12825694.36	8776138.06
<b>Current Assets, Loans &amp; Advances :</b>			
Sundry debtors	6	821815.54	2057413.33
Cash and bank balance	7	537605.24	586102.29
Loans and advances	8	15769095.00	23605010.21
Closing stock (Commodity)		8016074.51	0.00
As valued & certified by directors.			
Total Rs. (B)		<u>37970284.65</u>	<u>35024663.89</u>
Less : <b>Current Liabilities and Provision</b>			
Liabilities & Provisions	9	784613.00	759001.00
Total Rs. (C)		<u>784613.00</u>	<u>759001.00</u>
Total Rs. (A+B-C)		<u>40140796.65</u>	<u>37432801.89</u>

As per our attached Report of even date  
For Y. M. Shah & Co.  
Chartered Accountants.

Y. M. Shah  
(Proprietor)

Place: Baroda  
Date : 16/6/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

Place: Baroda  
Date : 16/6/2008

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2008.**

Particulars	Schedule	As on 31-3-2008 Rs.	As on 31-3-2007 Rs.
<b>Income :</b>			
Sales (Commodities including export)		12015908.66	21455709.93
Income from operations	10	4087974.09	3108536.96
Misc. income	11	328200.00	289050.00
Total.		<u>16432082.75</u>	<u>2483296.89</u>
<b>Expenditure :</b>			
Net of trading A/c. (Commodities)	12	11018362.04	20449701.35
Financial expenses	13	68998.69	56133.73
Administrative expenses	14	571346.26	469053.14
Selling & distribution expenses	15	151153.00	214924.50
Payment to employees	16	1101020.00	991500.00
Depreciation		212014.00	247398.00
Total.		<u>13122893.99</u>	<u>22428710.72</u>
Net Profit Before Tax		3309188.76	2424586.17
Add/Less : Prior period adjustment		0.00	0.00
Profit Before Tax		3309188.76	2424586.17
Add/Less : Differed tax assets / liability		9218.00	26439.00
Less : Provision of taxation		420000.00	650000.00
Less : Provision for fringe benefit tax		30327.00	15829.00
Profit After Tax		2868079.76	1785196.17
Add : Balance brought forward		4547733.89	3252666.99
Less : Transfer to statutory reserve		573616.00	358294.00
Add/Less : Earlier year income tax adjustment		150867.00	131835.27
Less : Carried to balance sheet		6691330.65	4547733.89
Total.		<u>0.00</u>	<u>0.00</u>
Notes to the Accounts	17		

As per our attached Report of even date  
For Y. M. Shah & Co.  
Chartered Accountants.

Y. M. Shah  
(Proprietor)

Place: Baroda  
Date : 16/6/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

Place: Baroda  
Date : 16/6/2008

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Particulars	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
<b><u>SCHEDULE-1 : Share Capital</u></b>		
Authorised :		
32,00000 Equity share of Rs. 10 each	32000000.00	32000000.00
Issued, Subscribed and Paid-up		
30,94400 Equity shares of Rs. 10 each	30944000.00	30944000.00
Total Rs.	<u>30944000.00</u>	<u>30944000.00</u>
<b><u>SCHEDULE-2: Reserve &amp; Surplus</u></b>		
Statutory Reserve		
As per last balance sheet	1252944.00	894650.00
Add : Transfer from Profit & Loss A/c.	573616.00	358294.00
	<u>1826560.00</u>	<u>1252944.00</u>
Surplus balance in Profit & Loss A/c.	6691330.89	4547733.89
Total Rs.	<u>8517890.65</u>	<u>5800677.89</u>
<b><u>SCHEDULE-3: Unsecured Loans :</u></b>		
Kotak Securities Ltd. (SD)	70500.00	70500.00
Total Rs.	<u>70500.00</u>	<u>70500.00</u>
<b><u>SCHEDULE-4 : Fixed Assets (Pl. See on Page No. 17)</u></b>		
<b><u>SCHEDULE-5 : Investments (Pl. See on Page No. 18)</u></b>		
<b><u>SCHEDULE-6 : Sundry Debtors :</u></b>		
Unsecured considered good :		
a. Consider good	821815.54	2057413.33
Outstanding over six months (Rs.) Nil		
b. Other considered good	0.00	0.00
c. Other considered bad & doubtful	0.00	0.00
Total Rs.	<u>821815.54</u>	<u>2057413.33</u>
<b><u>SCHEDULE-7 : Cash &amp; Bank Balances :</u></b>		
Cash on hand	9349.60	7087.00
Balance with schedule bank	528255.64	579015.29
Total Rs.	<u>537605.24</u>	<u>586102.29</u>
<b><u>SCHEDULE-8 :Loans &amp; Advances :</u></b>		
(Unsecured considered good)		
(a) Loans & Advances	13001602.00	4397517.21
(b) Deposits	1650000.00	18090000.00
(c) Advances for building	1117493.00	1117493.00
Total Rs.	<u>15769095.00</u>	<u>23605010.21</u>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Particulars	As on 31-3-2008 Rs.	As on 31-3-2007 Rs.
<b>SCHEDULE-9 : Current Liabilities and Provisions :</b>		
<u>Sundry Creditors</u>	300526.00	85909.00
<b>Liabilities &amp; Provisions</b>		
Telephone exp. payable	3588.00	2996.00
FBT payable	8571.00	0.00
Electricity provision	960.00	0.00
TDS payable	6193.00	0.00
Income tax provision	439605.00	650000.00
Audit & Legal fees payable	25170.00	26629.00
<b>Less : Debit Balance</b>		
Gateway Distriparks Ltd.	0.00	2074.00
United Liner Agencies of India Ltd.	0.00	4459.00
<b>Total Rs.</b>	<b>784613.00</b>	<b>759001.00</b>
<b>SCHEDULE-10: Details of Income :</b>		
<u>Income from Operating Business.</u>		
Interest income	1450744.36	1952149.00
Dividend income	807336.18	323421.84
Profit on trading on securities	1849680.53	832396.12
Loss on commodity F&O	-19786.98	570.00
<b>Total Rs.</b>	<b>4087974.09</b>	<b>3108536.96</b>
<b>SCHEDULE-11 : Details of Misc. Income</b>		
Rent	310200.00	289050.00
Profit on sale of vehicals	18000.00	0.00
<b>Total Rs.</b>	<b>328200.00</b>	<b>289050.00</b>
<b>SCHEDULE-12 :Trading Account (Commodities)</b>		
Opening Stock	0.00	1114668.00
Purchase	17739482.59	16985285.24
Direct exp. (Schedule 12A)	1294953.96	2349748.11
	19034436.55	20449701.35
Less : Closing stock (As valued & certified by directors)	8016074.51	0.00
<b>Total Rs.</b>	<b>11018362.04</b>	<b>20449701.35</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Particulars	As on 31-3-2008 Rs.	As on 31-3-2007 Rs.
<b><u>SCHEDULE-12A : Details of Direct Expenses</u></b>		
Agency charges	85729.00	148278.00
Bank charges/comm. on foreign remittance	23055.15	36605.39
Certification exp.	0.00	5668.12
Custom duty	0.00	449349.00
Expenses for exports	171620.00	0.00
Fumigation charges	19400.00	36900.00
Import permit charges	3262.00	4201.00
PP Bags exp.	0.00	197442.12
Shipping & dock exp.	456802.00	743792.00
Transportation charges	210071.00	315832.00
Tur Dal exp.	0.00	28782.00
Warehouse insurance	7973.00	7415.00
Warehouse/unloading/loading exp.	293365.50	360392.50
Weight/Quality Gain/Loss	23676.31	15090.98
Total Rs.	<u>1294953.96</u>	<u>2349748.11</u>
<b><u>SCHEDULE-13 : Details of Interest &amp; Financial Charges :</u></b>		
Bank charges	25042.38	1621.40
Service tax collected by broker	12281.05	18304.96
Depository charges	6362.52	4230.53
Commodity F&O charges	812.09	1030.75
Interest on TDS	47.00	793.00
Stamp charges	5541.84	8284.87
Transaction charges	2056081	4847.22
Registrar & transfer exp.	16855.00	17021.00
Total Rs.	<u>68998.69</u>	<u>56133.73</u>
<b><u>SCHEDULE-14 : Details of Administrative Expenses :</u></b>		
Audit fees & legal fees	28060.00	28060.00
Books & Periodicals	3607.00	8658.00
Consultancy fees	6200.00	4750.00
Directors fees	40000.00	40000.00
Donation	8001.00	3000.00
Electricity bill	13621.95	14491.77
Insurance	7200.00	5041.00
Legal expenses	45500.00	18500.00
Listing fees	10000.00	10000.00
Maintenance expenses	28840.00	0.00
Office exp.	12971.93	33129.00
Postage & Telegram internet	13279.00	14068.00
Processing fees	25000.00	0.00
Rent, Rates & Taxes	39861.00	14671.00
ROC fees	1500.00	1000.00
Stationery & Printing	10589.00	14795.00

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Particulars	As on 31-3-2008 Rs.	As on 31-3-2007 Rs.
Telephone/Telex/Fax	29913.44	26568.72
Travelling exp.	102706.11	124657.69
Vehicle repairs conveyance & petrol	116131.83	69155.34
Computer exp.	5124.00	3417.00
Misc. exp.	0.00	3482.30
Professional fees / tax	1000.00	1000.00
Repairs & Maintance exp.	7210.00	17713.00
Kasar / Discount A/c.	0.00	47.32
Staff refreshment exp.	15030.00	12848.00
Total Rs.	<u>571346.26</u>	<u>469053.14</u>
<b>SCHEDULE-15 : Details of Selling &amp; Distribution Expenses</b>		
Advertisement expenses	33024.00	20206.00
Brokerage on sale	118129.00	194718.50
Total Rs.	<u>151153.00</u>	<u>214924.50</u>
<b>SCHEDULE-16 : Details of payment made to Employees &amp; Directors:</b>		
Payment to employees	451020.00	401500.00
Director remuneration etc.	650000.00	590000.00
Total Rs.	<u>1101020.00</u>	<u>991500.00</u>

Schedule - 4

Fixed Assets :

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening As At 01-04-07	Addition During the year	Deduction During The year	Closing As At 31-03-08	Opening as at 01-04-07	Provided During The Year	Deduction/ Adjustment	Total Up To 31-03-08	As At 31-03-08	As At 31-03-07
1	Building	2058593.00	0.00	0.00	2058593.00	339454.00	33556.00	0.00	373010.00	1685583.00	1719139.00
2	Furniture & Fixture	973471.00	0.00	0.00	973471.00	722323.00	61620.00	0.00	783943.00	189528.00	251148.00
3	Office Equipments	755904.00	0.00	0.00	755904.00	285807.00	25044.00	0.00	310851.00	445053.00	470097.00
4	Vehicals	1461081.00	0.00	547855.00	913226.00	941171.00	67382.00	547855.00	460698.00	452528.00	519910.00
5	Computer	345290.00	0.00	0.00	345290.00	138445.00	24412.00	0.00	162857.00	182433.00	206845.00
	Total	5594339.00	0.00	547855.00	5046484.00	2427200.00	212014.00	547855.00	2091359.00	2955125.00	3167139.00
	Previous year	5579489.00	14850.00	0.00	5594339.00	2179802.00	247398.00	0.00	2427200.00	3167139.00	3399687.00





Investments :

Schedule-5

PARTICULARS	FACE	AS AT	AS AT	AS AT	AS AT
	VALUE	31-03-2008	31-03-2007	31-03-2008	31-03-2007
	RS.	Nos.	Nos.	RS.	RS.
<b>INVESTMENTS IN LISTED COMPANIES.</b>					
ADLABS FILMS LTD.	5.00	100	0	62910.90	0.00
BALAJI TELEFILMS LTD.	2.00	0	1000	0.00	135220.00
BANK OF RAJASTHAN LTD.	10.00	0	4000	0.00	155768.50
BONGAIGAON REFINERY & PETRO. LTD.	10.00	0	4250	0.00	231585.00
BASF INDIA LTD.	10.00	1414	0	299377.60	0.00
BHEL	10.00	150	0	375747.50	0.00
BPCL	10.00	0	3363	0.00	1114016.14
CASTROL INDIA LTD.	10.00	0	1230	0.00	274090.85
CENTURY ENKA LTD.	10.00	3751	0	462954.51	0.00
CHAMBAL FERTILIZERS LTD.	10.00	2000	0	84955.00	0.00
COLGATE PALMOLIVE(I) LTD. (LAST YEAR F.V. Rs.10)	1.00	300	100	116450.00	33011.00
ELECTROSTEEL CASTING LTD.	10.00	0	900	0.00	361825.25
EXIDE LTD.	1.00	1000	0	83970.00	0.00
GLAXOSMITHKLINE PHARMA LTD.	10.00	88	0	92368.40	0.00
GRASIM INDUSTRIES LTD.	10.00	50	100	141582.50	253125.50
GUJARAT ALKALIES & CHEMICALS LTD.	10.00	500	2000	74100.00	291670.00
GUJARAT STATE PETRONET LTD.	10.00	3000	0	177240.00	0.00
HINDALCO INDUSTRIES LTD.	1.00	2200	6525	418990.55	1052603.45
HINDUSTAN CONSTRUCTION CO.LTD.	1.00	0	1100	0.00	161316.50
HINDUSTAN LEVER LTD.	1.00	1100	3700	236471.00	767990.60
HINDUSTAN ZINC LTD.	10.00	100	0	89384.71	0.00
IOC LTD.	10.00	300	200	224035.50	105634.25
INFOSYS TECHNOLOGIES LTD.	5.00	100	0	154491.00	0.00
INOX LEISURES LTD.	10.00	550	0	126789.75	0.00
ITC LTD.	1.00	1750	1000	360996.75	147246.50
MICO LTD.	10.00	30	0	153209.44	0.00
ONGC LTD.	10.00	300	300	353275.00	274348.50
ORIENT PAPER & INDUS. LTD.	10.00	0	275	0.00	162107.00
PTC INDIA LTD.	10.00	2000	0	253117.35	0.00
RELIANCE INDUSTRIES LTD.	10.00	100	0	246642.50	0.00
RNRL	5.00	1000	2000	110920.00	45050.00
RELIANCE POWER LTD.	10.00	42	0	18900.00	0.00
SRF LTD.	10.00	350	0	46921.50	0.00
STERLITE INDUSTRIES LTD.	2.00	125	0	112767.50	0.00
SUNDARAM CLAYTON LTD.	10.00	0	50	0.00	63562.70
TAJ GVK HOTELS LTD.	2.00	400	0	62852.00	0.00
TATA COFFEE LTD.	10.00	0	357	0.00	108090.53
TATA CHEMICALS LTD.	10.00	1000	0	303885.00	0.00
TATA INVESTMENTS LTD.	10.00	0	544	0.00	216115.77
TATA TEA LTD.	10.00	250	350	201262.50	249047.00
TATA STEEL LTD.	10.00	0	350	0.00	159361.10
TORRENT PHARMA LTD.	5.00	1250	0	243607.75	0.00
WYETH LTD.	10.00	620	0	343306.48	0.00
<b>TOTAL</b>				<b>6033482.69</b>	<b>6442786.14</b>
<b>MUTUAL FUND INVESTMENTS :</b>					
FRANKLIN INDIA BLUECHIP FUND	10.00	5218.644	0.000	300000.00	0.00
HDFC GROWTH FUND (D)	10.00	12637.520	0.000	400000.00	0.00
JM AGRI & INFRA FUND (D)	10.00	15000.000	0.000	150000.00	0.00
JM BASIC FUND (D)	10.00	16314.888	0.000	500000.00	0.00
RELIANCE EQUITY FUND	10.00	40000.000	40000.000	400000.00	400000.00
TEMPLETON INDIA TREASURY MGMT.	10.00	271.772	644.929	411011.67	975351.92
<b>TOTAL</b>				<b>2161011.67</b>	<b>1375351.92</b>
<b>INVESTMENTS : UNLISTED</b>					
CONTIL CANADA LTD. (F.V. IN USD)	2.00	45000	0	3673200.00	0.00
PRECISION GLASS PVT. LTD.	10.00	95800	95800	958000.00	558000.00
<b>TOTAL</b>				<b>4631200.00</b>	<b>958000.00</b>
<b>GRAND TOTAL</b>				<b>12825694.36</b>	<b>8776138.06</b>

## Schedule - 17 :

Forming part of the Balance Sheet as at 31st March 2008 and Profit and Loss Account for the period ended 31st March, 2008.

## Part - (I) Significant Accounting Policies

(A) Basis of Accounting

The financial statements are prepared under historical cost convention on accrual method of accounting and are in accordance with the requirements of the Companies Act, 1956 except for the following

- (1) Investment in shares for long term and short term are valued at cost. Dealing in shares & securities is an ordinary business of the company.
- (2) Tax deducted at source is not accounted on accrual basis and it is accounted on payment basis.
- (3) Lease rental are recognized as income throughout the period of lease on the basis of accruals as per the lease agreement.

(B) Fixed Assets

All Fixed Assets are stated at cost including taxes, freight & other incidental expenses less depreciation.

(C) Valuation of Inventory :

- (1) For investment held as current assets, accounting is effected for their sales and purchase separately and the stock is valued at cost.
- (2) During the year company has engaged in commodity trading through exchange by physical as well as in forward trading & by import. Inventories are valued at cost.

(D) Revenue Recognition :

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

In respect of short term/long term advances, ICD Business, the company recognises income on declining balance basis based on the interest rates implicit to the transaction.

Dividend income is accounted for on its receipt basis or when the right to receive the payment is established.

Profit on sale of long term/current investment is net of expenditure related to sale of shares.

(E) Depreciation :

Depreciation has been calculated on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

(F) Investment : Investment held as current investment is shown at cost of acquisition or market price whichever is lower unless stated otherwise.(G) Provision for Doubtful Debts :

Classification/Adjustments/Provisions for bad and doubtful debts and other income receivable is made on the basis of direction of Reserve Bank of India on non-banking finance companies. During the year some advances are found to be inoperative & hence the management are advised to make suitable steps for recovery.

(H) Contingent Liabilities :

Contingencies which are material and future outcome of which cannot be ascertained with reasonable certainty are treated as contingent liabilities and will be disclosed by way of note in notes on accounts. The company has preferred appeal against the demand amounting Rs. 0.27 lacs which are pending before IT Authority (interest tax). Management does not foresee any tax liability materializing from the same.

(I) Deferred Tax Assets and Liabilities :

The deferred tax for timing difference between the book and tax profit for the year is accounted using tax laws as applicable at the Balance Sheet date.

Current Tax :

Provision for current tax is made on the basis of taxable profit computed for the current accounting period in accordance with the tax rates and tax law as applicable at the Balance Sheet date.

(J) Related Party Disclosure :

Other related parties with whom transactions have taken place during the year and balance outstanding at the closer of the year.

Other related Parties : Contil Canada Ltd. Investment in Equity Rs. 36,73,200/-

(K) Foreign Currency Transaction

Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction, Gain or Loss arising out of transaction/conversion is taken credit for or charged to profit and loss accounts.

**(L) Earning Per Share :**

Earning per share (EPS) the numerators and denominators used to calculate basic and diluted earning per share.

PARTICULARS	31.03.08	31.03.07
- Profit attributable to the equity share holders	2868080.00	1785196.00
- Basic/weighted average number of equity shares outstanding during the year.	3094400	3094400
- Nominal value of equity shares	10.00	10.00
- Basic/Diluted Earning Per Shares	0.93	0.58

**(M) Segment Reporting**

a) The company is in the business of investment activity and trading in commodity by importing the goods. The revenue and results for this segment and main activity are as under.

1) Segment Revenue	31.03.08	31.03.07
Investment activity	44.16	33.98
Commodity trading (Net)	9.98	10.06
Unallocated/Elimination	0.00	0.00
	<u>54.14</u>	<u>44.04</u>
2) Segment Results (PBIT)		
Investment activity	25.92	17.22
Commodity trading (Net)	9.98	10.06
Unallocated/Elimination	0.00	0.00
	<u>35.90</u>	<u>27.28</u>
Less : Depreciation	2.12	2.47
Less : Financial Exp.	0.69	0.56
Total Profit Before Tax	33.09	24.54
Less : Provision of Tax	4.50	6.66
Add/Less : Earlier Adjustment / Diff. Tax	0.09	0.26
Net Profit After Tax	28.68	17.85

**(b) Capital Employed (Segment Assets-Segment Liability)**

	31.03.08	31.03.07
Assets & Liability used by the company can not be directly attributable allocated to the reputable segments, hence capital employed shown above is consolidated figure.	40140796	37432801

**(N) Discloser in respect of Global Venture:**

In terms of the Global Venture integrated as a Corporate Alliance, the company through the Canadian business house viz. Contil Canada Ltd. has embarked upon the development of commodity trading in global arena and has subscribed 43% of the capital of the Contil Canada Ltd.

Name	: Contil Canada Ltd.
Description of interest	: Corporate Alliance.
Description of Job	: To Develop business of commodity trading.
Proportion of Ownership interest	: 43%
Country of Incorporation	: Canada.

Financial Interest (on the basis of unaudited Balance sheet as on 31.03.2008.)

Companies share @ 43% in the Equity shares of the Contil Canada Ltd.

Note : During the year there is no any income received or accrued from the corporate alliance company.

**PART - II Notes on Accounts**

- (1) The company has received the certificate of registration u/s. 45 (I) (A) of RBI Act 1934 to commence the business of Non banking financial institution since 28-5-2001.
- (2) The Company was incorporated on Dt. 27-10-94 in the name of Continental Credit & Investment Ltd. under the provision of Companies Act 1956 with the office of the Registrar of the Companies in the state of Gujarat. The name of the Company has subsequently change to Contil India Ltd. vide the fresh certificate dated 26-12-2007. The registered office of the company is situated at 811, Siddharth Complex, R.C. Dutt Road, Vadodara in the state of Gujarat.
- (3) Company has activity of trading in Commodity through exchange by physical as well as forward trading & majoriy of purchases of commodity by import.
- (4) In the opinion of the management, the provident fund and ESI Act, are not yet applicable hence, no provisions or payment have been made for the same.
- (5) Provision and payment to Auditors Current Year
- |            |          |
|------------|----------|
| Audit Fees | 20,000/- |
| Others     | 8,000/-  |
- (6) As no employees of the Company has put in the qualifying period of services for the entitlement of gratuity benefits, no provision has been made for the same.
- (6) Licensed capacity installed capacity and actual production :  
The company is not engaged in any manufacturing activities, hence the above data are not to be provided.
- (7) Balances in respect of Creditors, Debtors, Loans and Advances including bank are subject to confirmation.

**OTHER INFORMATION :**

- |  | Current Year  | Previous Year |
|--|---------------|---------------|
| (8) Remittance & Expenditure in foreign currency<br>(Travelling & Conference Exp.) | Nil           | Nil           |
| (9) Earning in foreign Currency  | Nil           | Nil           |
| (10) Value of imports of CIF Value   | 1,48,50,737/- | Nil           |
| (11) Remuneration to Directors   | 6,50,000/-    | Rs.5,90,000/- |
- (12) Tax deducted at source (T.D.S.) has been accounted for on the basis of advice received from customers. The same will be accounted as and when the same are received. No entries are passed for non deduction of T.D.S. of companies.
- (13) The tax deducted at source amounting to Rs. 3,79,670.00 during the year.
- (14) Unsecured Loan is by way of advance rent deposit from Kotak Securities Ltd.
- (15) Previous year figures are regrouped whenever necessary.

We confirms that the above Balance Sheet has been correctly extracted from the accounts of the company for the year ended 31st March 2008 audited by us.

As per our attached Report of even date  
For Y. M. Shah & Co.  
Chartered Accountants.

Y. M. Shah  
(Proprietor)

Place: Baroda  
Date : 16/6/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

Place: Baroda  
Date : 16/6/2008



(5)	Break-up of Investments :	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	60.33
	(b) Preference	—
	(ii) Debentures and bonds	—
	(iii) Units of Mutual Funds	21.61
	(iv) Government Securities	—
	(v) Other (please specify)	—
	2. Unquoted :	
	(i) Shares (a) Equity	46.31
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of Mutual Funds	
	(iv) Government Securities	
	(v) Other (please specify)	
	Long Term Investments :	
	1. Quoted :	
	(i) Shares (a) Equity	—
	(b) Preference	
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		
(iv) Government Securities		
(v) Other (please specify)		
2. Unquoted :		
(i) Shares (a) Equity	—	
(b) Preference		
(ii) Debentures and Bonds		
(iii) Units of Mutual Funds		
(iv) Government Securities		
(v) Other (please specify)		
6.	Borrower group-wise classification of all leased assets, stock on hire loans and advances : Please see Note 2 below	
	Category	Amount Net of Provisions
		Secured    Unsecured
	1. Related Parties **	
	(a) Subsidiaries	---            ---
	(b) Companies in the same group	---            ---
	(c) Other related parties	---            ---
	2. Other than related parties	--            157.69
TOTAL	--            157.69	



7.	Investor group wise classifications of all investments (current and long term) in shares and securities (both quoted and unquoted) please see note 3 below	
	Category	Market Value/Book Value (Net Break-up or of Provisions) Fair Value or NAV
	1. Related Parties **	
	(a) Subsidiaries	---
	(b) Companies in the same group	---
	(c) Other related parties	36.73
	2. Other than related parties	91.52
	TOTAL	128.25

\*\* As per Accounting Standard of ICAI (Please see note 3)

(8) Other Information

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

NOTES :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the non-banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our attached Report of even date  
For Y. M. Shah & Co.  
Chartered Accountants.

Y. M. Shah  
(Proprietor)

Place: Baroda  
Date : 16/6/2008

**CASH FLOW STATEMENT FOR THE YEAR 1<sup>ST</sup> APRIL, 2007 TO 31<sup>ST</sup> MARCH, 2008**

Particulars		Amount (Rs. in Lacs)
Sources of Funds :		
Cash and Cash equivalents as on 1-4-2007		5.86
Income from operation (Net)		27.08
Depreciation for the year		2.12
Decrease in Loans & Advances		78.35
	<b>Total of A</b>	<b>113.41</b>
Application of Funds :		
Increase in investments		40.49
Increase in net current assets		
Increase in closing stock	80.16	
Decrease in sundry debtors	-12.35	
Increase in creditors	-0.26	67.55
	<b>Total of B</b>	<b>108.04</b>
Cash & Cash equivalents at 31st March, 2008.	(A-B)	<u>5.37</u>

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Company Act (1 of 1956) Schedule VI Part IV

<b>I Registration Detail :</b>			
Registration No.	23444	State Code	04
Balance Sheet Date	31	03	2008
	Date	Month	Year
<b>II Capital Raised during the year (Amount in Rs. Thousand)</b>			
Public Issue	0	Rights Issue	0
Bonus Issue	0	Private Placement	0
<b>III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>			
Total Liabilities	40141	Total Assets	40141
<b>Sources of Funds</b>			
Paid Up Capital	30944	Reserves & Surplus	9126
Secured Loans	0	Unsecured Loans	71
<b>Application of Funds</b>			
Net Fixed Assets	2955	Investments	12826
Net Current Assets	24360	Misc. Expenditure	0
Accumulated Losses	0		
<b>IV Performance of Company (Amount in Rs. Thousands)</b>			
Turnover	16432	Total Expenses	13123
+ / - Profit/Loss Before Tax		+ / - Profit/Loss after Tax	
+ 3309		+ 2868	
Earning per Share In Rs.	0.93	Dividend @%	0
<b>V Generic Names of Three Principal Products / Services of Company (as per monetary terms)</b>			
Item Code No (ITC Code)			
Product Description			Finance & Investments

As per our attached Report of even date  
For Y. M. Shah & Co.  
Chartered Accountants.

Y. M. Shah  
(Proprietor)

Place: Baroda  
Date : 16/6/2008

For and on behalf of the Board of Directors

Krishna Contractor  
(M.D.)

H. A. Contractor  
(Director)

Place: Baroda  
Date : 16/6/2008



# CONTIL INDIA LTD.

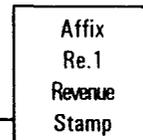
Reg. Off. : 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda-390007.

## PROXY FORM

I/we, ..... of.....  
 being..... a member / members of CONTIL INDIA LTD. hereby appoint  
 of..... or.....  
 him..... of.....  
 as my/our proxy to vote for me / us and on my/our behalf at the 14th Annual General Meeting to be held on 25th  
 September 2008 at 11-00 a.m. or at any adjournment there of.

Signed this.....day of.....2008.

Signature \_\_\_\_\_



Notes : The Proxy form must be returned so as to reach the Regd. Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

TEAR HERE

# CONTIL INDIA LTD.

Reg. Off. : 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda-390007.

## ATTENDANCE SLIP

Please fill in the Attendance slip and hand it over at the entrance of the meeting place. Joint Shareholders may obtain additional slips on request. Please bring your copy of the Annual Report for reference at the meeting.

Name & Address of the Shareholders :

Folio No. / DPID & Client ID :

No. of Shares Held :

I hereby record my presence at 14th Annual General Meeting of the Company to be held on 25th September, 2008 at 11.00 a.m. at 811, Siddharth Complex, R.C. Dutt Road, Alkapuri, Baroda.

Signature of the Shareholders / Proxy  
(Strikeout whichever is not applicable)

Book-Post

TO,	
-----	--

If undelivered Please Return to :  
**CONTIL INDIA LTD.**  
811, Siddharth Complex,  
R.C. Dutt Road, Alkapuri,  
Vadodara-390007.