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# OCTAL CREDIT CAPITAL LIMITED

ANNUAL REPORT

2007-2008 Certified to be true G17

For Octal Credit Capital Ltd

J. M. Senaogi

Director

# JAIN BINOD & ASSOCIATES

Chartered Accountants

1, R. N. MUKHERJEE ROAD

5<sup>TH</sup> FLOOR, ROOM NO. 32-B

KOLKATA - 700 001

## 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, 2008, 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

*Binod Kumar Jain*

Binod Kumar Jain  
(Proprietor)  
Membership No. 55398

Place: Kolkata  
Date: The 30<sup>th</sup> day of June, 2008.



for Octal Credit Capital Limited

*J. M. Sarangi*  
Director

## OCTAL CREDIT CAPITAL LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16<sup>th</sup> Annual General meeting of the Members of OCTAL CREDIT CAPITAL LIMITED will be held at its Registered office, 16A, SHAKESPEARE SARANI, UNIT - II, 2<sup>ND</sup> FLOOR, KOLKATA - 700 071, on Friday, the 26th day of September, 2008 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' 2008 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. D.K.Patni, S.N.Jajodia & J.M.Saraogi who retires by rotation and being eligible offers themselves for reappointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

*Payal Bhutoria*  
Payal Bhutoria  
Company Secretary

Place: Kolkata  
Dated: The 30<sup>th</sup> Day of June, 2008

#### 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, 2<sup>nd</sup> 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 22nd day of September'2008 to 26th day of September'2008 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company's Registered Office.

For and on behalf of the Board

*Payal Bhutoria*  
Payal Bhutoria  
Company Secretary

Place: Kolkata  
Dated: The 30<sup>th</sup> Day of June, 2008

For Octal Credit Capital Ltd.

*J.M. Saraogi*

*Mr. Saraogi*

## OCTAL CREDIT CAPITAL LIMITED

### DIRECTORS' REPORT

To  
THE MEMBERS

Your Directors have pleasure in presenting the 16th Annual report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2008 to the shareholders.

### REVIEW OF OPERATION

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

	<u>Current Year</u>	<u>Previous Year</u>
Profit/(Loss) before Depreciation	(409,141.81)	(23,78,712.80)
Less: Depreciation	102,920.00	1,11,146.00
Profit / (Loss) before Tax	(512,061.81)	(24,89,858.80)
Less: Securities Transaction Tax	7,004.00	4,357.00
Less: Provision for Income Tax	-	1,835.00
Less: Income Tax for earlier year	552.00	2,197.00
Less: Provision for Fringe Benefit Tax	9,551.00	12,596.00
Add: Deferred Tax	57,607.00	5,785.00
Profit / (Loss) after Tax	(471,561.81)	(25,05,058.80)
Less: Transfer to Statutory Reserve	-	-
	(471,561.81)	(25,05,058.80)
Add: Balance Brought Forward	(134,923.63)	23,70,135.17
Balance carried forward to Balance Sheet	(606,485.44)	(1,34,923.63)

### DIVIDEND

In view of loss during the year, your directors regret their inability to recommend any dividend for the year-ended 31<sup>st</sup> March, 2008.

### OPERATION

During the Financial Year 2007 - 2008, the performance of the company was not satisfactory. The Company has incurred a loss of Rs. 4.72 Lakhs in the previous year, which was mainly on account of unstable and unpredictable conditions of Stock Market. 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

Mr. D.K.Patni, S.N.Jajodia & J.M.Saraogi retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offers themselves for reappointment.

For Octal Credit Capital Limited

J. M. Saraogi

Director

## OCTAL CREDIT CAPITAL LIMITED

### **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 2008 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 16th 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: NIL

### **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.

For Octal Credit Capital Ltd

J. M. Saraogi  
Director

Place: Kolkata

Date: The 30<sup>th</sup> Day of June 2008.

For and on behalf of the Board

J. M. Saraogi

Director J. M. Saraogi  
For Octal Credit Capital Ltd

D. K. Patni

Director D. K. Patni

Payal Bhutoria

Company Secretary Director

Payal Bhutoria

## OCTAL CREDIT CAPITAL LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### 1. BREIF 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 nine meetings on 16.04.2007, 08.05.2007, 15.05.2007, 26.06.2007, 30.06.2007, 30.07.2007, 31.10.2007, 22.11.2007 and 31.01.2008 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 outside Committees	Whether Attend Last AGM
Mr. A.K. Agarwal	Non Independent	Executive	9	--	--	Yes
Mr. D.K. Patni	Promoter	Non-executive	9	5	--	Yes
Mr. K.N. Jain	Independent	Non-executive	9	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 16.04.2007, 30.06.2007, 30.07.2007, 29.10.2007 and 31.01.2008, 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.

Octal Credit

J. M. Sarangi

2008

## OCTAL CREDIT CAPITAL LIMITED

- 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 of 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.Bagree. Mr. K.N.Jain is the chairman of the committee. 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 31<sup>st</sup> March 2008, to Mr. A.K.Agarwal Rs. 1,20,000/- 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</u> <u>31.03.2008</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. 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 cases which are pending for action for more than normal processing period. The Committee met only once during the year as there were hardly 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 31.03.2008	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 Payal Bhutoria, Company Secretary, who is the compliance officer.

For Octal Credit Capital Ltd.  
*J. M. Sarangi*  
Director

## OCTAL CREDIT CAPITAL LIMITED

### 7. CEO CERTIFICATION

The CEO i.e. Company Secretary 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
2005	29.09.2005	11:30 P.M.	16A, Shakespeare Sarani, Unit- II, 2 <sup>nd</sup> Floor, Kolkata - 700 071
2006	28.09.2006	11:30 A.M.	16A, Shakespeare Sarani, Unit- II, 2 <sup>nd</sup> Floor, Kolkata - 700 071
2007	28.09.2007	11:30 A.M.	16A, Shakespeare Sarani, Unit- II, 2 <sup>nd</sup> 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 - 26th, September'2008

Time - 11:30 A.M.

Venue- 16A, SHAKESPEARE SARANI, UNIT - II, 2<sup>ND</sup> FLOOR, KOLKATA - 700 071

#### B. Financial Calendar (April - March)

##### Financial Reporting:

Quarter ending June 30,2008. : On or before 31st July, 2008

Quarter ending September 30,2008. : On or before 31st October, 2008

Quarter ending December 31,2008. : On or before 31st January 2009

Quarter ending March 31,2009. : On or before 30th April, 2009

J. M. Sarangi  
Director



## OCTAL CREDIT CAPITAL LIMITED

### C. *Book Closure*

The Register of members and Share Transfer Book will remain closed from 22nd September'2008 to 26th September'2008 (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 fee for the year 2008-09 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 2007-2008.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April'07	---	---	---
May'07	---	---	---
June'07	---	---	---
July'07	---	---	---
August'07	---	---	---
September'07	---	---	---
October'07	---	---	---
November'07	---	---	---
December'07	---	---	---
January'08	---	---	---
February'08	---	---	---
March'08	---	---	---
Total	---	---	---

### J. *REGISTRAR & TRANSFER AGENTS*

Name  
Niche Technologies (P) Ltd.

Address  
71, Canning Street, Kolkata - 700 001

 Octal Credit Capital Limited.

J. M. Sarangi

Director

## OCTAL CREDIT CAPITAL LIMITED

### **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 31.03.2008**

No of Equity Shares held	No of Shares Holders	% of Shares Holders	No of Shares Held	% of Share Holding
Upto 500	689	76.3012	110835	2.2162
501 - 1000	14	1.5504	11200	0.2240
1001 - 5000	41	4.5404	156800	3.1354
5001 - 10000	56	6.2016	536350	10.7251
10001-50000	89	9.8560	2277675	45.5453
50001-100000	7	0.7752	562000	11.2380
100001 & above	7	0.7752	1346040	26.9160
Total	903	100.00	5000900	100.00

### **M. SHAREHOLDING PATTERN AS ON 31.03.2008**

Category	No of Shares Held	% of Share Holding
Indian Promoters	2052800	41.048
Institution Investors	337500	6.749
Private Corporate Bodies	713375	14.265
Resident Individuals	1897225	37.938
Clearing Member	--	--
Total	5000900	100.000

### **N. DEMATERIALIZATION OF SHARES**

2559765 shares have been dematerialized upto 31.03.2008.

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

**P.** Plant Location : Not Applicable

### **Q. ADDRESS FOR CORRESPONDANCE**

REGISTERED OFFICE:  
16A, SHAKESPEARE SARANI  
UNIT - II, 2<sup>ND</sup> FLOOR  
KOLKATA - 700 071

For Octal Credit Capital Ltd.

*J. M. Sarangi*

Director

## OCTAL CREDIT CAPITAL LIMITED

### 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:

1.	NAME	:	Mr. D.K Patni
	AGE	:	40Years
	QUALIFICATION	:	Chartered Accountant
	EXPERTISE	:	He is Chartered Accountant in practice and at present associated with Patni & Co. He has good knowledge in Company Law matters & SEBI Rules & Regulation.
	OTHER DIRECTORSHIPS	:	Transscan Securities (P) Ltd. Bestlock Projects Ltd. Kaliyaganj Agro Trading (P) Ltd. Patni Resources (P) Ltd. Sarla Enclave (P) Ltd.
	OTHER MEMBERSHIP OF COMMITTEE	:	Nil
	SHARE HOLDING	:	Nil
2.	NAME	:	Mr. S.N. Jajodia
	AGE	:	47years
	QUALIFICATION	:	--
	EXPERTISE	:	He has good knowledge in Account, Finance and trade policies.
	OTHER DIRECTORSHIPS	:	Aditya Resources (P) Ltd.
	OTHER MEMBERSHIP OF COMMITTEE	:	--
	SHARE HOLDING	:	--
3.	NAME	:	Mr. Jhumar Mall Saraogi
	AGE	:	56 years
	QUALIFICATION	:	--
	EXPERTISE	:	He has good knowledge in Account, Finance and trade policies.
	OTHER DIRECTORSHIPS	:	--
	OTHER MEMBERSHIP OF COMMITTEE	:	--
	SHARE HOLDING	:	--

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC & INDUSTRY OVERVIEW

India continued to deliver robust economic growth during F.Y. 2007-2008 with GDP growing at 8.4%. There is an increasing consensus that the higher growth trajectory reflects structural changes rather than a cyclical upswing.

Inflation management was high on the RBI's agenda during the F.Y. 2007-2008. To combat inflation and make imports cheaper, the RBI also limited its intervention in forex markets and allowed the Rupee to rise to a 9 - year high against the Dollar.

For Octal Credit Capital Ltd.

*J. M. Saraogi*

Director

## OCTAL CREDIT CAPITAL LIMITED

### INDUSTRY STRUCTURE AND DEVELOPMENT OPPORTUNITIES AND THREATS AND FUTURE OUTLOOK

The Non – Banking Financial Industry in Private sector provide a variety of services including fund based and fee based activities and caters 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 company intends to maintains its focus on fund based activity viz Loan Financing and Capital Market operations.

#### Risk governance

The risk management framework of the company aims to achieve the following:-

- Identification of the diverse risk faced by the company.
- The evolution of appropriate systems and process to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.

Reporting these risk mitigation results to the appropriate managerial levels.

Companies are exposed to specific risk that is particular to its business and the environment within which it operates which are: -

- Credit Risk
- Market Operational Risk
- Interest Rate Risk
- Liquidity Risk

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has invested in adequate internal control systems to ensure that the funds, property and other assets of the company safeguarded against loss or appropriation ; that financial reporting is reliable ; and that business is conducted in compliance with applicable laws and regulations.

### FINANCIAL AND OPERATION PERFORMANCE

During the financial year 2007-2008, the performance of the company was not satisfactory. The detail highlights of the performance are produced in the Directors Report.

### HUMAN RESOURCE

The Company offers its employees comprehensive on going training to increase their competence level and job capability. The training is tailored to the company's evolving business environment and corporate needs with overall objective of improving customer service, employee loyalty and company's profitability. There is a strong focus on teamwork and team building. Employee relations continue to be cordial.

### 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.

For Octal Credit Capital Ltd.

J. M. Sarangi

(Dr. 06/09)

**OCTAL CREDIT CAPITAL LIMITED**

**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, 2008.

Date: 30<sup>th</sup> June.2008.  
Place: Kolkata

*Payal Bhutoria*  
Payal Bhutoria  
Company Secretary

 **Octal Credit Capital Limited**

*J. M. Senapati*

*D. ...*

# JAIN BINOD & ASSOCIATES

Chartered Accountants

1, R. N. MUKHERJEE ROAD  
5<sup>TH</sup> FLOOR, ROOM NO. 32-B  
KOLKATA – 700 001

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## 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, 2008 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, 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 Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Octal Credit Capital Ltd

J. M. Sarangi Page 1 of 4

Director



# JAIN BINOD & ASSOCIATES

Chartered Accountants

1, R. N. MUKHERJEE ROAD  
5<sup>TH</sup> FLOOR, ROOM NO. 32-B  
KOLKATA - 700 001

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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, 2008

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: 30.06.2008

JAIN BINOD & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Binod Kumar Jain*

Binod Kumar Jain  
(Proprietor)  
Membership No. 55398

For Uctal Credit C.

*J.M. Sarangi*  
Director

# JAIN BINOD & ASSOCIATES

Chartered Accountants

1, R. N. MUKHERJEE ROAD

5<sup>TH</sup> FLOOR, ROOM NO. 32-B

KOLKATA - 700 001

## ANNEXURE TO THE AUDITOR'S REPORT

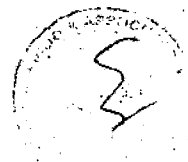
(This is the Annexure referred to in our Report of even date)

- 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 31<sup>st</sup> march, 2008 outstanding for a period of more than six months from the date they became payable.

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J. M. Senapati Page 3 of 4

Director





# JAIN BINOD & ASSOCIATES

Chartered Accountants

1, R. N. MUKHERJEE ROAD  
5<sup>TH</sup> FLOOR, ROOM NO. 32-B  
KOLKATA – 700 001

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- 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 net worth. The company has incurred Rs. 271,709.81/- cash losses in the financial year under report and has not incurred any cash losses 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: 30.06.2008

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J. M. Senapati

Director  
Page 4 of 4

JAIN BINOD & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Binod Kumar Jain*

Binod Kumar Jain  
(Proprietor)

Membership No. 55398

**OCTAL CREDIT CAPITAL LIMITED**

**BALANCE SHEET AS AT 31ST. MARCH 2008**

		2007-2008	2006-2007
		Rs. P.	Rs. P.
<b>SOURCES OF FUNDS</b>			
1) <b>SHARE HOLDERS' FUNDS</b>			
Share Capital	"A"	50,009,000.00	50,009,000.00
Reserves & Surplus	"B"	912,350.00	912,350.00
) Deferred Tax Liability		-	47,537.00
<b>TOTAL OF 1 TO 2</b>		<u>50,921,350.00</u>	<u>50,968,887.00</u>
<b>APPLICATION OF FUNDS</b>			
1) <b>FIXED ASSETS</b>	"C"		
Gross Block		1,051,622.00	824,125.00
Less: Depreciation		333,555.00	393,238.00
Net Block		<u>718,067.00</u>	<u>430,887.00</u>
2) <b>INVESTMENTS</b>	"D"	<u>11,636,481.16</u>	<u>11,136,481.16</u>
3) <b>DEFERRED TAX ASSET</b>		<u>10,070.00</u>	
4) <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Current Assets	"E"	5,352,310.51	5,252,487.21
Loans & Advances	"F"	35,932,266.00	37,657,381.00
(i)		<u>41,284,576.51</u>	<u>42,909,868.21</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"G"	79,160.11	74,517.00
Provisions	"H"	3,255,170.00	3,568,756.00
(ii)		<u>3,334,330.11</u>	<u>3,643,273.00</u>
<b>NET CURRENT ASSETS (i) - (ii)</b>		37,950,246.40	39,266,595.21
5) <b>PROFIT &amp; LOSS A/C.</b>		606,485.44	134,923.63
(As per annexed Profit & Loss Account)			
<b>TOTAL OF 1 TO 5</b>		<u>50,921,350.00</u>	<u>50,968,887.00</u>

Notes on Accounts "L"  
Schedules referred to above form an integral part of the Balance Sheet

As per attached report on even date  
For **JAIN BINOD & ASSOCIATES**  
CHARTERED ACCOUNTANTS

*Binod Kumar Jain*  
Binod Kumar Jain  
(Proprietor)

Place : Kolkata  
Date : The 30th day of June, 2008.

On behalf of the board

For Octal Credit Capital Ltd.  
D.K. Patni *D.K. Patni* Director

For Octal Credit Capital Ltd.  
J.M. Saraogi *J.M. Saraogi* Director

J.M. Saraogi *J.M. Saraogi* Director

*Payal Bhutoria*  
Payal Bhutoria  
Company Secretary

For Octal Credit Capital Ltd.

*J.M. Saraogi*  
Director

**OCTAL CREDIT CAPITAL LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST. MARCH 2008**

		2007-2008	2006-2007
		Rs. P.	Rs. P.
<b>INCOME</b>			
Sales		3,401,368.40	3,536,543.59
Income From Financial Activities	"I"	2,440,740.60	3,686,519.60
Profit on Commodity Dealings		-	32,321.47
Liabilities no longer required w/off		-	120,000.00
Increase/(Decrease) in Stock	"J"	(43,945.28)	(41,533.20)
<b>Total (A)</b>		<u>5,798,163.72</u>	<u>7,333,851.46</u>
<b>EXPENDITURE</b>			
Purchases		5,372,171.60	6,227,400.00
Loss on sale of Car		137,432.00	6,768.00
Provision For Non Performing Assets		-	2,844,724.00
Administration & Other Expenses	"K"	697,701.93	633,672.26
<b>Total (B)</b>		<u>6,207,305.53</u>	<u>9,712,564.26</u>
<b>Profit/(Loss) before Depreciation &amp; Tax [(A) - (B)]</b>		(409,141.81)	(2,378,712.80)
Less: Depreciation		102,920.00	111,146.00
<b>Profit/(Loss) before Tax</b>		(512,061.81)	(2,489,858.80)
Less: Securities Transaction Tax		7,004.00	4,357.00
Less: Provision for Income Tax		-	1,835.00
Less: Income Tax for earlier year		552.00	2,197.00
Less: Provision for Fringe Benefit Tax		9,551.00	12,596.00
Less/(Add): Deferred Tax		(57,607.00)	(5,785.00)
<b>Profit/(Loss) After Tax</b>		<u>(471,561.81)</u>	<u>(2,505,058.80)</u>
Less: Transfer to Statutory Reserve		(471,561.81)	(2,505,058.80)
Add: Balance brought forward		(134,923.63)	2,370,135.17
<b>Balance Carried forward to Balance Sheet</b>		<u>(606,485.44)</u>	<u>(134,923.63)</u>
<b>Earning per share of Rs. 10/- each (basic/diluted)</b>		(0.09)	(0.50)

**Notes on Accounts** "L"

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

As per attached report on even date

For **JAIN BINOD & ASSOCIATES**  
CHARTERED ACCOUNTANTS

*Binod Kumar Jain*  
Binod Kumar Jain  
(Proprietor)

Place : Kolkata  
Date : The 30th day of June, 2008.

On behalf of the board

For Octal Credit Capital Limited  
D.K. Patil *D.K. Patil* Director

For Octal Credit Capital Limited  
J.M. Saraogi *J.M. Saraogi* Director

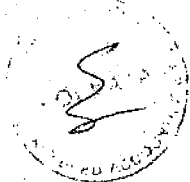
*Payal Bhutoria*  
Payal Bhutoria **Director**  
Company Secretary

For Octal Credit Capital Limited  
*J.M. Saraogi*

**OCTAL CREDIT CAPITAL LIMITED**

**SCHEDULES TO THE ACCOUNTS**

	2007-2008		2006-2007	
	Rs.	P.	Rs.	P.
<b><u>SCHEDULE - A</u></b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED:</b>				
55,00,000 Equity Shares of Rs. 10/- Each	55,000,000.00		55,000,000.00	
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>				
50,00,900 Equity Shares of Rs. 10/- each				
Fully Paid-Up	50,009,000.00		50,009,000.00	
<b><u>SCHEDULE - B</u></b>				
<b>RESERVES &amp; SURPLUS:</b>				
Special Reserve [As per the RBI (Amendment) Ordinance, 1997]				
Opening Balance		912,350.00		912,350.00
Add: During the year		-		-
		912,350.00		912,350.00
<b><u>SCHEDULE - D</u></b>				
<b>INVESTMENTS :</b>				
(Long Term, Other Investments)				
(As per Annexure II-A )				
In Quoted Shares		1,082,481.16		1,082,481.16
In Unquoted Shares		10,554,000.00		10,054,000.00
		11,636,481.16		11,136,481.16
Aggregate Market Value of Quoted Shares		1,887,554.65		1,865,783.00
<b><u>SCHEDULE - E</u></b>				
<b>CURRENT ASSETS :</b>				
Stock In Trade (As per Annexure IIB)		2,635,683.48		2,679,628.76
<b>Sundry Debtors</b>				
Debts outstanding for a period exceeding 6 months (Unsecured, considered doubtful)		500,450.00		500,450.00
Other Debts				
<b>Cash &amp; Bank Balance</b>				
Cash in Hand		286,515.55		432,985.66
Balance with Scheduled Bank				
In Current Account		1,753,588.48		1,485,289.79
In Fixed Deposit Account		176,073.00		154,133.00
		3,352,310.51		5,252,487.21
<b><u>SCHEDULE - F</u></b>				
<b>LOANS &amp; ADVANCES:</b>				
Loans( Unsecured, considered good)		22,789,928.00		27,029,314.00
Loans( Unsecured, considered doubtful)		3,107,303.00		2,715,240.00
Advances recoverable in cash or in kind or for Value to be received		6,093,680.00		3,990,080.00
Prepaid Taxes		1,226,355.00		1,207,747.00
Advance against Property		2,700,000.00		2,700,000.00
Deposits		15,000.00		15,000.00
		35,932,266.00		37,657,381.00



Octal Credit Capital Limited  
**J. M. Sarangi**  
 Director

**OCTAL CREDIT CAPITAL LIMITED**

**SCHEDULE - C  
FIXED ASSETS**

	GROSS BLOCK					DEPRECIATION				NET BLOCK					
	AS	AT	ADDITION	DELETION		AS	AT	AS	AT	FOR THE	ADJUTMENT ON SALE/ DISCARD	AS	AT	AS	AT
	01.04.2007			Sale	Discarded	31.03.2008	01.04.2007					YEAR	31.03.2008	31.03.2008	31.03.2007
<b>Own Assets :</b>															
Computer	347,136	-	-	-	-	347,136	209,337	56,271	-	265,608	81,528	137,799			
Furniture & fixture	13,900	-	-	-	-	13,900	9,156	880	-	10,036	3,864	4,744			
Motor Car	400,035	627,532	400,035	-	-	627,532	133,530	40,149	162,603	11,076	616,456	266,505			
Scooter	28,954	-	-	-	-	28,954	26,385	2,568	-	28,953	1	2,569			
Generator	21,600	-	-	-	-	21,600	6,980	1,026	-	8,006	13,594	14,620			
Printer	12,500	-	-	-	-	12,500	7,850	2,026	-	9,876	2,624	4,650			
<b>TOTAL</b>	<b>824,125</b>	<b>627,532</b>	<b>400,035</b>	<b>-</b>	<b>-</b>	<b>1,051,622</b>	<b>393,238</b>	<b>102,920</b>	<b>162,603</b>	<b>333,555</b>	<b>718,067</b>	<b>430,887</b>			
Previous Year	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				



For Octal Credit Capital Ltd

*J. M. Sarangi*

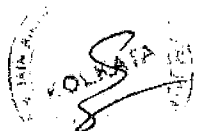
Director

**OCTAL CREDIT CAPITAL LIMITED**

	2007-2008		2006-2007	
	Rs.	P.	Rs.	P.
<b><u>SCHEDULE - G</u></b>				
<b>CURRENT LIABILITIES:</b>				
For Goods				
For Expenses	29,160.11		24,517.00	
Other Liabilities	50,000.00		50,000.00	
	<u>79,160.11</u>		<u>74,517.00</u>	
<b><u>SCHEDULE - H</u></b>				
<b>PROVISIONS :</b>				
Provision for Non Performing Assets	3,215,690.00		3,215,690.00	
Income Tax	1,835.00		324,972.00	
Fringe Benefit Tax	37,645.00		28,094.00	
	<u>3,255,170.00</u>		<u>3,568,756.00</u>	
<b><u>SCHEDULE - I</u></b>				
<b>INCOME FROM FINANCIAL ACTIVITIES :</b>				
Interest on loan (T.D.S. Rs.463218/-, Prev. Yr. Rs. 720578/-)	2,372,417.00		3,389,150.00	
Interest on Income Tax Refund	11,339.00		50,385.00	
Interest on Fixed Deposit (T.D.S Rs 2520/-)	24,460.00			
Income From Dividend (Including dividend on Long Term,Others Investment Rs.8080.20/-, Previous Year Rs 224080/-)	32,524.60		246,984.60	
	<u>2,440,740.60</u>		<u>3,686,519.60</u>	
<b><u>SCHEDULE - J</u></b>				
<b>INCREASE/(DECREASE) IN STOCK :</b>				
Opening Stock	2,679,628.76		2,721,161.96	
Less : Closing Stock	2,635,683.48		2,679,628.76	
	<u>(43,945.28)</u>		<u>(41,533.20)</u>	
<b><u>SCHEDULE - K</u></b>				
<b>ADMINISTRATION &amp; OTHER EXPENSES:</b>				
Advertisement & Publicity	19,433.00		20,961.74	
Bank Charges	11.00		7,234.37	
Books & Periodicals	788.00		1,275.00	
Demat Charges	1,462.46		2,551.11	
General Expenditures	56,675.45		42,972.48	
Listing Fees & Demat Connectivity Charges	63,956.00		50,448.00	
Motor Car Expenses	74,839.39		104,374.45	
Office Maintenance Charges	44,556.00		35,220.00	
Payment to Registrar of Companies	2,500.00		2,000.00	
Postage & Telegram	7,272.00		7,914.00	
Printing & Stationary	32,353.00		27,783.85	
Professional Service Charges	1,750.00		15,843.00	
Rent, Rates & Taxes	94,067.00		99,553.29	
Staff Payment	244,200.00		166,400.00	
Telephone & Trunkcalls	28,570.13		26,149.97	
Travelling & Conveyance	8,414.50		6,155.00	
<b>Auditor's Remuneration</b>				
As Audit Fees	11,236.00		11,224.00	
For Tax Audit	5,618.00		5,612.00	
	<u>697,701.93</u>		<u>633,672.26</u>	

For Octal Credit Capital Ltd.

*J. M. Senapati*  
Director



**OCTAL CREDIT CAPITAL LIMITED**

**SCHEDULE - L**

**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.

**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 on carry forward losses 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 01.04.2007	Originated / (Reversed) During the year	Deferred Tax Asset as at 31.03.2008
Depreciation	47,537.00	(57,607.00)	10,070.00

*Director*

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

	Unit	2007-2008	2006-2007
Profit as per Profit & Loss Account	Rs.	(4,71,561.81)	(25,05,058.80)
No of Equity Shares	Nos.	50,00,900	50,00,900
Earning per shares (Basic/Diluted)	Rs.	(.09)	(0.50)

5. Related Party Disclosure

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outstanding as on	
			2007-08	2006-07	31.03.2008	31.03.2007
Sri A.K. Agarwal	Executive Director	Salary	1,20,000/-	1,00,000/-	---	---
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 Laacs)

Particulars	Current Year			Previous Year		
	Shares	Loan	Total	Shares	Loan	Total
<b>A: REVENUE</b>						
Total Revenue	34.33	24.07	58.40	37.84	34.39	72.23
<b>B: RESULT</b>						
Segment Result	(19.89)	24.07	4.18	(26.15)	7.24	(18.91)
Less: Unallocated Corporate Expenses net of unallocated income			9.37			6.03
Operating Profit			(5.19)			(24.94)
Tax Expenses			.48			0.11
Net Profit			(4.71)			(25.05)
<b>C: OTHER INFORMATION</b>						
Segment Assets	147.73	260.73	408.46	143.16	298.98	442.14
Unallocated Corporate Assets			127.94			102.62
<b>Total Assets</b>			<b>536.40</b>			<b>544.76</b>
Segment Liabilities	5.00	27.15	32.15	5.00	27.15	32.15
Unallocated Corporate Liabilities			1.19			4.28
<b>Total Liabilities</b>			<b>33.34</b>			<b>36.43</b>
Depreciation			1.03			1.11
Non-cash Expenses other than depreciation			--			--

7. Managerial Remuneration:-

Salary Rs.120000/- (PY. Rs.100000/-)  
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, 2008.

J. M. Sarangi  
Director





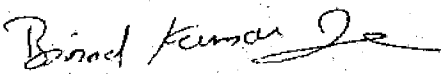
10. The quantitative information of opening stock, purchases, sales and closing stock of shares & Securities as per clause 3(i)(a) and 3(ii)(b) of part II of Schedule VI to the companies Act, 1956 has been annexed as Annexure I hereto.

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.

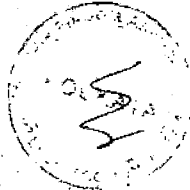
12. A statement as required by schedule VI part IV of the Companies Act 1956 has been annexed as Annexure III hereto.

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

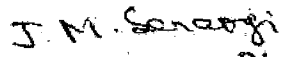
  
Binod Kumar Jain  
(Proprietor)

Place: Kolkata  
Date: The 30<sup>th</sup> day of June, 2008.



On behalf of the Board

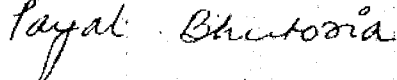
For Octal Credit Capital Ltd

J.M. Saraogi - Director   
Director

For Octal Credit Capital Ltd

D.K. Patni - Director   
Director

Payal Bhutoria - Company Secretary



For Octal Credit Capital Ltd

J.M. Saraogi  
Director

## OCTAL CREDIT CAPITAL LIMITED

### 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	349,215 *	2,679,628.76	396,292	2,721,161.96
Purchase/ Conversion	10,000	5,372,171.60	42,000	6,227,400.00
Sales/ Conversion	22,000	3,401,368.40	62,630	3,536,543.59
Closing Stock	337,215	2,635,683.48	349,215 *	2,679,628.76

\* 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.

### Annexure II - A

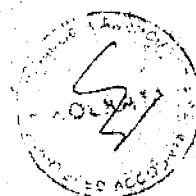
#### Details of Investments

Name of the company	Face Value	Current Year		Previous Year	
		Qty	Amount	Qty	Amount
<u>In Shares Quoted fully Paid-up</u>					
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)		<u>32,489</u>	<u>1,082,481.16</u>	<u>32,489</u>	<u>1,082,481.16</u>
<u>In Shares Unquoted fully Paid-up</u>					
vance 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	125,000	250,000.00
Amber Homes (P) Ltd	10.00	25,000	500,000.00	-	-
Flicker Mercantiles Pvt Ltd.	10.00	-	-	340,500	681,000.00
Mega Markets Sh. 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	108,000	333,000.00
The Manipur Tea Co. Ltd.	100.00	7,000	700,000.00	7,000	700,000.00
Trans Scan Securities Pvt. Ltd. *	10.00	1,611,250	8,281,000.00	760,000	7,600,000.00
Total of (B)		<u>1,887,000</u>	<u>10,554,000.00</u>	<u>1,351,250</u>	<u>10,054,000.00</u>
Total of (A) + (B)		<u>1,919,489</u>	<u>11,636,481.16</u>	<u>1,383,739</u>	<u>11,136,481.16</u>

\* 851250 shares of Trans Scan Sec. (P) Ltd received on merger of Flicker Mercantiles (P) Ltd. with Trans Scan Sec.(P) Ltd.

For Octal Credit Capital Ltd.

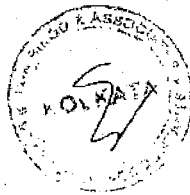
J. M. Sengupta  
Director



**OCTAL CREDIT CAPITAL LTD.**

**ANNEXURE - IIB**

Stock of Shares and Securities (Other than Investments)	Face Value	STOCK AS ON 31.03.2008		STOCK AS ON 31.03.2007	
		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 BALA TECHNO GLOBAL LTD.	10.00	200	530.00	200	530.00
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 CORPORATION ADVISORS LTD.	10.00	400	1,380.00	400	1,380.00
8 CHECON LTD.	10.00	1,700	37,400.00	1,700	37,400.00
9 CONSORTIUM VAYAPAAAR LTD.	10.00	500	500.00	500	500.00
10 C.R.B CAPITAL LTD.	10.00	100	100.00	100	100.00
11 C.R.B CORPORATION LTD.	10.00	2,900	2,900.00	2,900	2,900.00
12 GENUS POWER INFRA. LTD.	10.00	300	1,215.00	300	1,215.00
13 GMB CERAMICS LTD.	10.00	300	300.00	300	300.00
14 GOLDSTAR STEEL & ALLOYS LTD.	10.00	160	80.00	160	80.00
15 GRAPCO INDUSTRIES LTD.	10.00	7,000	7,000.00	7,000	7,000.00
16 GULSHAN SUGAR	10.00	17,287	448,597.65	17,287	448,597.65
17 HINDUSTAN FINANCE MANG. LTD.	10.00	500	1,350.00	500	1,350.00
18 INTERNATIONAL CONSTRUCTION LTD.	10.00	6,900	249,000.00	6,900	249,000.00
19 KUSUM GAS LTD.	10.00	-	-	4,000	12,400.00
20 LORDS CHEMICALS LTD.	10.00	3,600	3,425.00	3,600	3,425.00
21 MARSONS LTD.	10.00	8,000	3,200.00	8,000	3,200.00
22 MARSONS LTD.(BONUS)	10.00	4,000	-	4,000	-
23 MY FAIR LADY LTD.	2.00	1,900	2,546.00	1,900	2,546.00
24 PRECISION FASTNER LTD.	2.00	500	500.00	500	500.00
25 QUALITY SYNTHETICS LTD.	10.00	6,500	875,550.00	6,500	875,550.00
26 SHRADHA PROJECTS LTD.	10.00	600	8,893.22	600	8,893.22
27 SKYLINE NEPC LTD.	10.00	1,000	760.00	1,000	760.00
28 SPENTEX INDUSTRIES LTD.	10.00	1,000	3,400.00	1,000	3,400.00
29 TECHNO ELECTRIC ENGG. LTD.	10.00	500	3,483.89	500	3,483.89
30 TECHNO ELECTRIC ENGG. LTD.(BONUS)	10.00	400	-	400	-
31 TITAGARH INDUSTRIES LTD.	10.00	143,000	563,854.72	151,000	595,400.00
32 UNIWORTH (I) LTD.	10.00	460	368.00	460	368.00
33 UNIWORTH TEXTILE LTD	10.00	75	60.00	75	60.00
34 VARANASI COMMERCIAL LTD.	2.00	1,400	6,790.00	1,400	6,790.00
35 BHATPARA PAPERS LTD.	2.00	33,333	-	33,333	-
<b>GRAND TOTAL</b>		<b>337,215</b>	<b>2,635,683.48</b>	<b>349,215</b>	<b>2,679,628.76</b>



For Octal Credit Cap...

J. M. Sarangi

# OCTAL CREDIT CAPITAL LIMITED

ANNEXURE - III

## STATEMENT PURSUANT TO PART IV OF THE COMPANIES ACT, 1956. BALANCE SHEET ABSTRACT AND A COMPANIES GENERAL BUSINESS PROFILE

A. REGISTRATION DETAILS

REGISTRATION NO: L74140WB1992PLC055931 STATE CODE. 21

BALANCE SHEET DATE: THE 31st DAY OF MARCH 2008

B. CAPITAL RAISED DURING THE YEAR (AMOUNT IN '000)

PUBLIC ISSUE	RIGHTS ISSUE
Rs. NIL	Rs. NIL
BONUS ISSUE	PRIVATE PLACEMENT
Rs. NIL	Rs. NIL

C. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN '000)

TOTAL LIABILITIES	TOTAL ASSETS
Rs. 54,256	Rs. 54,256
<u>SOURCES OF FUNDS</u>	RESERVES & SURPLUS
PAID UP CAPITAL	Rs. 912
Rs. 50,009	

SECURED LOAN	UNSECURED LOAN
Rs. NIL	Rs. NIL

DEFERRED TAX LIABILITY  
Rs. NIL

APPLICATION OF FUNDS

NET FIXED ASSETS	INVESTMENTS
Rs. 718	Rs. 11,636

NET CURRENT ASSETS	DEFERRED TAX ASSETS
Rs. 37,950	Rs. 10

ACCUMULATED LOSSES  
Rs. 606

D. PERFORMANCE OF THE COMPANY (AMOUNT IN '000)

TURNOVER	TOTAL EXPENDITURE
Rs. 5,842	Rs. 6,354

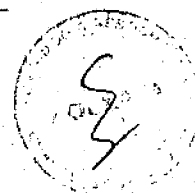
PROFIT & (LOSS) BEFORE TAX	PROFIT & (LOSS) AFTER TAX
Rs. (512)	Rs. (472)

EARNING PER SHARE	DIVIDEND RATE %
Rs. (0.09)	Rs. NIL

E. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF THE COMPANY

ITEM CODE: NIL  
(ITC CODE NO.)  
ITEM DESCRIPTION: Shares & Securities & financing

J. M. Sarvag  
Director



## OCTAL CREDIT CAPITAL LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008.

	2007-2008 Rs.	2006-2007 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items	(512,061.81)	(2,489,858.80)
Add/Less Adjustment for:		
1. Securities Transaction Tax	(7,004.00)	(4,357.00)
2. Depreciation	102,920.00	111,146.00
3. Loss on sale of Fixed Assets	137,432.00	6,768.00
4. Provision for Non Performing Assets	-	2,844,724.00
5. Profit on Sale of Investments	-	-
6. Liabilities no longer required W/Back	-	(120,000.00)
<b>Operating Profit before Working Capital Changes</b>	<b>(278,713.81)</b>	<b>348,422.20</b>
Add/Less Adjustment for:		
1. Trade & Other receivables	-	-
2. Inventories	43,945.28	+1,533.20
3. Loans & Advances	1,725,115.00	(4,443,043.00)
4. Trade Payables	4,643.11	(525,133.78)
<b>Cash Generated from Operation</b>	<b>1,494,989.58</b>	<b>(4,578,221.38)</b>
Direct Taxes Paid (Net of Refunds)	323,689.00	(2,197.00)
	<b>1,171,300.58</b>	<b>(4,580,418.38)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,387,050.00)	(1,014,000.00)
Sale of Investments	887,050.00	2,300,000.00
Purchase of Fixed Assets	(627,532.00)	(38,636.00)
Sale of Fixed Assets	100,000.00	55,000.00
<b>Net Cash used in Investment Activities</b>	<b>(1,027,532.00)</b>	<b>1,302,364.00</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Loan Fund	-	-
<b>Net Increase in cash &amp; cash equivalents(A+B+C)</b>	<b>143,768.58</b>	<b>(3,278,054.38)</b>
Cash and cash equivalents (Opening Balance)	2,072,408.45	5,350,462.83
<b>Cash and cash equivalents (Closing Balance)</b>	<b>2,216,177.03</b>	<b>2,072,408.45</b>

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

For JAIN BINOD & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Binod Kumar Jain*

Binod Kumar Jain  
(Proprietor)

Place : Kolkata

Date : The 30th Day of June, 2008

For Octal Credit Capital Ltd

*J. M. Saraogi*  
Director

For and on Behalf of the Board

D.K. Patni

For Octal Credit Capital Ltd

Director

For Octal Credit Capital Ltd

J.M. Saraogi

Director

*Payal Bhutoria*  
Payal Bhutoria

Company Secretary