



OCTAL CREDIT CAPITAL LIMITED

**ANNUAL REPORT
2011-2012**

Octal Credit Capital Limited

BOARD OF DIRECTORS	:	D. K. PATNI K. N. JAIN S. N. JAJODIA B. BAGRI J. M. SARAOGI (Whole-Time Director)
COMPANY SECRETARY	:	PAYAL BHUTORIA
AUDITORS	:	JAIN BINOD & ASSOCIATES 1, R. N. MUKHERJEE ROAD, 5TH FLOOR, ROOM NO. 32B KOLKATA - 700 001
BANKERS	:	CITI BANK ORIENTAL BANK OF COMMERCE
REGISTRARS & SHARE TRANSFER AGENTS	:	NICHE TECHNOLOGIES PVT. LTD. 71, B. R. B. BASU ROAD KOLKATA - 700 001
REGISTERED OFFICE	:	16A, SHAKESPEARE SARANI UNIT - II, 2ND FLOOR KOLKATA- 700 071

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 20th Annual General Meeting of the Members of OCTAL CREDIT CAPITAL LIMITED will be held on Saturday, September 29, 2012 at 4.00 P.M. at its Registered office, 16A, Shakespeare Sarani, Unit – II, 2ND floor, Kolkata - 700 071 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March' 2012, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.N. Jajodia who retires by rotation and , being eligible , offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT M/s Jain Binod & Associates, Chartered Accountants (Reg. No. 320231E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To re-appoint Mr. Jhumar Mall Saraogi as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Special Resolution**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof , approval of the members be and is hereby accorded to the re-appointment of Mr. Jhumar Mall Saraogi as a Whole-time Director designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 21.04.2013 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Place : Kolkata
Date : 30th May, 2012

Payal Bhutoria
Company Secretary



NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. In terms Section 256 of the Companies Act, 1956, Mr. S.N.Jajodia, Director, retire by rotation at the ensuing Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends his re-appointment.
3. Brief resume of retiring Director is provided in the Report on Corporate Governance forming part of the Annual Report.
4. 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.
5. The Register of Members & Share Transfer Books of the Company will remain closed from 22nd day of September' 2012 to 29th day of September' 2012 (Both days inclusive).
6. Members are requested to notify immediately any change in their address to the Company's Registered Office.

For and on behalf of the Board

Place : Kolkata
Date : 30th May, 2012

Payal Bhutoria
Company Secretary

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

Item No. 4

The Board of Directors of the Company (the 'Board'), at its meeting held on May 30, 2012 has, subject to the approval of Members, re-appointed Mr. Jhumar Mall Saraogi as Whole-time Director designated as Executive Director, for a period of 5 (Five) years from the expiry of his present term, which will expire on 20.04.2013 on the remuneration determined by the remuneration committee of the Board and approved by the Board.

It is proposed to seek Members' approval for the re-appointment of and remuneration payable to, Mr. Jhumar Mall Saraogi as Whole-time Director, designated as Executive Director in terms of the applicable provisions of the Companies Act, 1956 (the "Act").

Board particulars of the terms of re-appointment of and remuneration payable to Mr. Jhumar Mall Saraogi are as under:

- (a) Salary, Perquisites and allowances per annum

Name	Salary & Other allowances
Mr. Jhumar Mall Saraogi	₹ 60,000 (per annum)



(b) General

- (i) The office of Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.
- (ii) The employment of Whole-time Director may be terminated by the Company without notice or payment in lieu of notice:
- if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or
 - in the event of any serious repeated or continuing breach or non-observance by the director of any stipulations contained in the terms of employment with the company; or
 - in the event the Board expresses its loss of confidence in the Director.
- (iii) Upon termination by whatever means of the Whole-time Director's employment:
- The Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office,
 - The Director shall not without consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate company.
- (iv) The Whole-time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all aspects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (v) The Whole-time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.

Mr. Jhumar Mall Saraogi satisfies all the conditions set out in Part - I of the Schedule XIII to the Act for being eligible for the re-appointment. He is not disqualified from being appointed as Directors in terms of Section 274(1) (g) of the Act.

The above may be treated as an abstract of the terms of re-appointment of Mr. Jhumar Mall Saraogi under section 302 of the Act.

Mr. Jhumar Mall Saraogi is interested in the resolution as set out at Item 4 of the Notice which pertains to his re-appointment and remunerations payable to him, none of the other Directors of the company is, in any way, concerned or interested in the resolution.

The Board commends the resolutions as set out at Item No. 4 of the Notice for your approval.

For and on behalf of the Board

Place : Kolkata
Date : 30th May, 2012

Payal Bhutoria
Company Secretary



DIRECTORS' REPORT

To
THE MEMBERS

Your Directors have pleasure in presenting the 20th Annual Report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2012 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 before tax	2,146,666.83	241,167.43
Tax Expense:		---
1) Current tax	14,200.00	
2) Deferred tax	1,065.00	13,524.00
Profit(Loss) for the period	<u>2,131,401.83</u>	<u>227,643.43</u>

DIVIDEND

In view of insufficient profit during the year, your directors regret their inability to recommend any dividend for the year-ended 31st March, 2012.

OPERATION

During the Financial Year 2011 - 2012, the performance of the company was satisfactory. The Company has earned a profit of Rs. 21.31 Lacs in the previous year. In view of growth in economy, your company is optimistic to perform better 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, and 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. S.N. Jajodia retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offer himself for reappointment.

The term of Mr. J.M.Saraogi, Whole Time Director, is due to expire on 20.04.2013. The Board of Directors at its meeting held on 30th May 2012 reappointed Mr. J.M.Saraogi as Whole Time Director for a further period of 5 years with effect from 21.04.2013 subject to the approval of the shareholders. A resolution proposing the re-appointment of Mr. J.M.Saraogi as the Whole Time Director from 21.04.2013 will be placed before the shareholders for approval at the ensuing Annual General Meeting.

Necessary information pursuant to Clause 49 of the listing agreement in respect of the Directors proposed to be reappointed at the ensuing Annual General Meeting are given in Corporate Governance Report.

None of your Directors are dis-qualified for being appointed as directors, as specified in Sec 274 (1) (g) of the Companies Act, 1956.

**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 you're Directors confirm that :

- i) In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii) the 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 as at March 31, 2012 and of the Profit of the company for the year ended on that date ;
- iii) the 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 ; and
- iv) the Directors have prepared the accompanying Annual Accounts for the year ended 31st, March 2012 on a going concern basis.

AUDITORS & AUDITORS REPORT

M/S: Jain Binod & Associates., Chartered Accountants, Kolkata, Statutory Auditors of your Company hold office until the conclusion of the 20th 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.

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

PERSONNEL

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

STATUTORY INFORMATION

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

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

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude to the Company's Clients, Bankers, Shareholders, Well Wishers and Employees, for their valued and timely support.

For and on behalf of the Board

J. M. Saraogi - *Whole Time Director*

D. K. Patni - *Director*

Payal Bhutoria - *Company Secretary*

Place : Kolkata

Date : The 30th Day of May' 2012.



REPORT ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

During this year the Board had eleven meetings on 04.04.2011, 30.05.2011, 09.06.2011, 18.06.2011, 03.08.2011, 29.09.2011, 08.11.2011, 30.12.2011, 31.01.2012, 13.02.2012 & 20.03.2012. 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. J. M. Saraogi	Whole Time Director	Executive	11	4	—	Yes
Mr. D. K. Patni	Promoter	Non-executive	11	2	—	Yes
Mr. K. N. Jain	Independent	Non-executive	8	1	—	Yes
Mr. B. Bagri	Independent	Non-executive	4	2	—	No
Mr. S. N. Jajodia	Independent	Non-executive	8	4	—	Yes

* Other Than Directorship in Private Limited Companies

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 four times during the year i.e. on 30.05.2011, 03.08.2011, 08.11.2011, and 31.01.2012, which were attended by Mr. D.K. Patni (4 meetings), K.N. Jain (4 meetings) and S.N. Jajodia (4 meetings).

The broad terms of reference of the Committee include:-

- To hold periodic discussion with auditors concerning the accounts scope of audit and observations of the auditor/internal auditors.
- To review compliance with internal control system.
- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.



- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To review periodically statements of transactions with related parties in the ordinary course of business.
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board.
- To make recommendation to the Board on any matter relating to the financial management of the Company

5. REMUNERATION COMMITTEE

The Remuneration committee comprises of Mr. K.N.Jain, Mr. S.N.Jajodia, and Mr. B.Bagri. Mr. K.N.Jain is the chairman of the committee. The committee met once during the year on 30.05.2011, which was attended by Mr. K.N.Jain and Mr. S.N.Jajodia.

Remuneration to Executive Director

The aggregate value of salary paid for the year ended 31st March 2012, to Mr. J.M.Saraogi was Rs. 60,000/-. No sitting fee was paid to any director for attending any meeting of the Board of Directors of the company or committee thereof.

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

<u>Name of the Director</u>	<u>No. of Shares held as on 31.03.2012</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 Mr. K.N. Jain (Independent Director), Mr. D.K. Patni (Promoter) & Mr. J.M.Saraogi (Whole Time Director). Mr. K.N. Jain, 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	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending as on 31.03.2012	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 Mrs. Payal Bhutoria, Company Secretary, who is the compliance officer.



7. CEO CERTIFICATION

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

8. DETAILS OF LAST 3 ANNUAL GENERAL MEETING

A : Information about last three Annual General Meeting

Year	Date	Time	Location of Registered Office
2009	29.09.2009	02.00 P.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071
2010	28.09.2010	11.00 A.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071
2011	29.09.2011	03:00 P.M.	16A, Shakespeare Sarani, Unit- II, 2 nd Floor, Kolkata – 700 071

B : No special resolution was passed in the previous year. 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 Notes to Financial Statement 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. GENERAL SHAREHOLDER INFORMATION****A. Annual General Meeting**

Date - 29th, September'2012

Time - 4.00 P.M.

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

B. Financial Calendar (April – March)**Financial Reporting:**

Quarter ending June 30, 2012. : On or before 15th August, 2012

Quarter ending September 30, 2012. : On or before 15th November, 2012

Quarter ending December 31, 2012. : On or before 15th February, 2013

Yearly Financial Results 2012-2013 : On or before 31st May, 2013

C. Date of Book Closure

The Register of members and Share Transfer Book will remain closed from 22nd September'2012 to 29th September' 2012 (both days inclusive) on account of Annual General Meeting.

D. Dividend

No dividend is recommended for the year.

E. Listing on Stock Exchanges

1. The Calcutta Stock Exchange Association Ltd.

2. The Jaipur Stock Exchange Association Ltd.

The Annual listing fee for the year 2012-13 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 2011-2012.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April'11	—	—	—
May'11	—	—	—
June'11	—	—	—
July'11	—	—	—
August'11	—	—	—
September'11	—	—	—
October'11	—	—	—
November'11	—	—	—
December'11	—	—	—
January'12	—	—	—
February'12	—	—	—
March'12	—	—	—
Total	—	—	—

J. REGISTRAR & TRANSFER AGENTS

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

K. SHARE TRANSFER SYSTEM

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

L. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

No of Equity Shares held	No of Shares Holders	% of Shares Holder	No of Shares Held	% of Share Holding
Upto 500	688	78.7186	110085	2.2013
501 - 1000	14	1.6018	10900	0.2180
1001 – 5000	37	4.2334	137800	2.7555
5001 – 10000	41	4.6911	393500	7.8686
10001-50000	76	8.6957	1994575	39.8843
50001-100000	9	1.0297	709850	14.1944
100001 & above	9	1.0297	1644190	32.8779
Total	874	100.00	5000900	100.00

**M. SHAREHOLDING PATTERN AS ON 31.03.2012**

Category	No of Shares Held	% of Share Holding
Indian Promoters	2078300	41.559
Institution Investors	337500	6.749
Private Corporate Bodies	1139625	22.788
Resident Individuals	1445475	28.904
Clearing Member	—	—
Total	5000900	100.000

N. DEMATERIALIZATION OF SHARES

2560565 shares have been dematerialized upto 31.03.2012.

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, 2ND FLOOR, KOLKATA - 700 071

11. COMPLIANCE CERTIFICATE OF AUDITORS

Certificate from the Auditors of the Company, M/s Jain Binod & Associates, confirming compliance with the conditions of Corporate Governance as stipulated under clause 49, is attached to the Directors' Report forming part of the Annual Report.

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, 2012.

Place : Kolkata
Date : 30th May, 2012

J. M. Saraogi
Whole Time Director



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. S.N.Jajodia
	AGE	: 51 Years
	QUALIFICATION	: —
	EXPERTISE	: He has good knowledge in Account, Finance and trade policies.
	OTHER DIRECTORSHIPS	: Kitply Industries Limited, Kamlapur Sugar & Industries Limited , Globe Sugar Refinery Limited & Satapura Properties (P) Limited.
	OTHER MEMBERSHIP OF COMMITTEE	: Nil
	SHARE HOLDING	: Nil
1.	NAME	: Mr. Jhumar Mall Saraogi
	AGE	: 60 Years
	QUALIFICATION	: —
	EXPERTISE	: He has good knowledge in Account, Finance and trade policies.
	OTHER DIRECTORSHIPS	: Tepcon International (India) Limited, Rajshree Offset (P) Limited, Flicker Merchantiles (P) Limited, New View Consultant (P) Limited, Akshita Commercial (P) Limited, Darkin Vincom (P) Limited, Ana Vincom (P) Limited, Shantiniketan Estates Limited & Star Griha Nirman (P) Limited.
	OTHER MEMBERSHIP OF COMMITTEE	: Nil
	SHARE HOLDING	: Nil

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRIAL STRUCTURE AND DEVELOPMENT**

India's GDP is expected to expand by 6.9% in FY 2012. The country's economic condition in the current fiscal was challenging with inflation being the major factor driving economic policy. This had a major impact on economic variables. Policy formulation has become difficult with volatility witnessed in the forex market, where the rupee tended to move downwards. FY 2012 witnessed combating inflation, slowing down of investment, pressure on budget deficit, widening current account balance, depreciating purpose and uncertain capital markets. Going forward, high oil and other commodity prices and the impact of anti-inflationary monetary stance will impact growth. Most business confidence surveys show a decline in business confidence.

The global economic environment was tenuous though the year, turning adverse post-September 2011, against the eurozone crisis and other advanced countries, followed by political unrest, currency wars and recent oil crisis.

Non-Banking Financial Companies (NBFCs) play a crucial role in broadening access to financial services, enhancing competition and diversifying the financial sector. Banks and NBFCs compete for business. Despite strong competition faced by NBFCs, the inner strength of NBFCs local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, cater to the needs of small and medium enterprises in rural and semi-urban areas.

OPPORTUNITIES AND THREATS

A high dependence on NBFCs on bank funding (over 60% of total debt in FY11) is a major sector-wide structural weakness. The significant 55% growth in bank credit to the broad NBFC sector in FY11 (compared to 23% overall credit growth) and the RBI's subsequent revised guidelines, under bank loans to NBFCs are not classified as priority-sector loans from 1 April 2011, reduce the bank's motivation for fresh direct lending to NBFCs. Gaining access to alternate long-term funding is a major challenge for the industry and our Company as well.

OUTLOOK

The outlook of NBFCs could remain sluggish in 2012-13 as regulatory changes could increase the cost of raising fresh capital and reduce profitability. Cyclical headwinds from a moderating economy are affecting the NBFCs asset quality. The Company will continue to focus on better management to maintain competitiveness.

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

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.

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 2011-2012, the performance of the company was 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.

**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, 2012, 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.

For JAIN BINOD & ASSOCIATES
Firm's Reg. No. 320231E
CHARTERED ACCOUNTANTS

Place : Kolkata
Date : The 30th day of May, 2012

Binod Kumar Jain - (Proprietor)
Membership No. 55398



AUDITOR'S REPORT

TO

THE MEMBERS OF

OCTAL CREDIT CAPITAL LIMITED

1. We have audited the attached Balance Sheet of **OCTAL CREDIT CAPITAL LIMITED** as at 31st March, 2012 and the Statement of Profit and Loss 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies & Notes 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, 2012
and
in so far as it relates to the Statement of Profit & Loss, of the Profit 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.

For JAIN BINOD & ASSOCIATES
Firm's Reg. No. 320231E
CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)
Membership No. 55398

Place : Kolkata
Date : 30th May, 2012



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. Substantial parts of fixed assets have not been disposed off during the year, which will affect its status as going concern.
- 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, each of these contracts or arrangements made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the Companies Act, 1956 for any of its products.
- ix) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2012 outstanding for a period of more than six months from the date they became payable.
b) According to the records of the Company, there are no statutory dues, which have not been deposited on account of any dispute.
- x) The company has no accumulated losses. The company has not incurred cash losses in the financial year under report and has incurred ₹ 614,962.57 cash losses in the immediately preceding financial year. In arriving at the accumulated losses and net worth as above, we have considered all qualifications which are quantifiable in the audit reports of the years to which these losses pertain.
- 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.

For JAIN BINOD & ASSOCIATES
Firm's Reg. No. 320231E
CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)
Membership No. 55398

Place : Kolkata
Date : The 30th day of May, 2012.



Octal Credit Capital Limited

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BALANCE SHEET AS AT 31ST, MARCH 2012

(Amount in ₹)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	2.1	50,009,000.00	50,009,000.00
Reserves and Surplus	2.2	1,679,960.01	(451,441.82)
<u>Non-Current Liabilities</u>			
Long term Provisions	2.3	625,835.00	2,773,753.00
Deferred Tax Liability (Net)	2.4	18,124.00	17,059.00
<u>Current Liabilities</u>			
Other Current Liabilities	2.5	2,075,842.00	259,651.00
Short Term Provisions	2.6	95,344.00	60,406.00
Total		54,504,105.01	52,668,427.18
ASSETS			
<u>Non - Current Assets</u>			
Fixed Assets			
Tangible Assets	2.7	456,826.00	540,158.00
Non-Current Investments	2.8	14,034,881.16	12,759,881.16
Long Term Loans and Advances	2.9	3,051,167.00	5,015,649.00
<u>Current Assets</u>			
Inventories	2.10	1,434,857.61	1,652,731.82
Trade Receivables	2.11	500,450.00	500,450.00
Cash and Bank Balances	2.12	2,257,478.52	5,752,645.20
Short-term Loans and advances	2.13	32,768,444.72	26,446,912.00
Total		54,504,105.01	52,668,427.18
Significant Accounting Policies	1	—	—
Notes on Financial Statements	2	—	—

Notes referred to above form an integral part of financial statements

As per attached report on even date

For JAIN BINOD & ASSOCIATES

Firm's Reg. No. 320231E

CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)

M. No. - 55398

Place: Kolkata

Date: The 30th day of May, 2012.

On behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
INCOME			
I. Revenue from Operations	2.14	1,254,190.31	(50,007.00)
II. Other Income	2.15	2,183,963.85	1,180,367.93
III. Total Revenue (I +II)		3,438,154.16	1,130,360.93
IV. EXPENDITURE			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.16	217,874.21	—
Employee Benefit Expense	2.17	327,860.00	343,290.00
Depreciation and Amortization Expense	2.18	83,332.00	83,464.00
Other expenses	2.19	662,421.12	462,439.50
Total Expenses		1,291,487.33	889,193.50
V. Profit before exceptional and extraordinary items and tax (III-IV)		2,146,666.83	241,167.43
VI. Exceptional Items		—	—
VII. Profit before extraordinary items and tax (V - VI)		2,146,666.83	241,167.43
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII - VIII)		2,146,666.83	241,167.43
X. Tax Expense:	2.20		
1) Current tax		14,200.00	—
2) Deferred tax		1,065.00	13,524.00
XI. Profit(Loss) for the period		2,131,401.83	227,643.43
XII. Earning per equity share:	2.21		
1)Basic (Equity Share Face Value ₹ 10/- each)		0.43	0.05
2)Diluted (Equity Share Face Value ₹ 10/- each)		0.43	0.05
Significant Accounting Policies	1		
Notes on Financial Statements	2		

Notes referred to above form an integral part of financial statements

As per attached report on even date

For JAIN BINOD & ASSOCIATES

Firm's Reg. No. 320231E

CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)

M. No. - 55398

Place: Kolkata

Date: The 30th day of May, 2012.

On behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012		
	2011 - 2012 (₹)	2010 - 2011 (₹)
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items	2,146,666.83	241,167.43
Add/Less Adjustment for :		
Depreciation	83,332.00	83,464.00
Dividend on Shares (Investment)	(10,773.60)	(5,386.80)
Provision for Standard Asset	20,738.00	60,406.00
Provision No Longer Required Written Back (Non Performing Assets)	(2,147,918.00)	(1,000,000.00)
Operating Profit before Working Capital Changes	92,045.23	(620,349.37)
Add/Less:- Adjustment for :		
1. Inventories	217,874.21	—
2. Loans & Advances	(4,357,050.72)	2,955,180.00
3. Trade Payables	1,816,191.00	(127,573.00)
4. Trade Receivable	—	1,393,115.89
5. Provisions	14,200.00	—
Cash Generated from Operation	(2,216,740.28)	3,600,373.52
Direct Taxes Paid (Net of Refunds)	14,200.00	14,431.00
	(2,230,940.28)	3,585,942.52
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,500,000.00)	(2,648,600.00)
Sale of Investments	225,000.00	4,375,200.00
Dividend on Shares (Investment)	10,773.60	5,386.80
Purchase of Fixed Assets	—	(30,628.00)
Net Cash used in Investment Activities	(1,264,226.40)	1,701,358.80
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in cash & cash equivalents(A+B+C)	(3,495,166.68)	5,287,301.32
Cash and cash equivalents (Opening Balance)	5,752,645.20	465,343.88
Cash and cash equivalents (Closing Balance)	2,257,478.52	5,752,645.20

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

For JAIN BINOD & ASSOCIATES
Firm's Reg. No. 320231E
CHARTERED ACCOUNTANTS

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

Place: Kolkata
Date: The 30th day of May, 2012.

For & on behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary

**Note No. 1 :- SIGNIFICANT ACCOUNTING POLICIES****A) Method of Accounting**

The accompanying financial Statements are prepared under the historical cost convention on accrual basis of accounting. These are presented in accordance with the normally accepted Accounting Principles in India, provisions of the Companies Act, 1956, and the guidelines issued by the Reserve Bank of India, wherever applicable. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

B) Revenue Recognition**Sales**

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

Interest Income

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

C) Fixed Assets

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

D) Depreciation

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

E) Investments

Investments are long term in nature and are stated at cost of acquisition. In the opinion of the management, decline in the fair market value of investments are of temporary nature, hence no provision has been made.

F) Inventories

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.

G) 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.

H) Taxation

- a) Provision for taxation has been made as per current rules & regulations of the Income Tax Act, 1961.
- b) Deferred tax liabilities or assets are recognized using the future tax rates, to the extent the management feels that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets/liabilities can be realized. Such assets/ liabilities are reviewed as at each Balance Sheet date, to reassess realization.



Notes on Financial Statements for the Year ended 31st March, 2012

	2011 - 2012 (₹)	2010 - 2011 (₹)		
2.1 SHARE CAPITAL				
<u>Auth'orised Share Capital :</u>				
55,00,000 Equity Shares of Rs. 10 each (Prev. Year 55,00,000 Equity Shares of Rs. 10 each.)	55,000,000.00	55,000,000.00		
<u>Issued, Subscribed and Paid-up:</u>				
50,00,900 Equity Shares of Rs. 10 each (Prev. Year 50,00,900 Equity Shares of Rs. 10 each.)	50,009,000.00	50,009,000.00		
2.1.1 Terms attached to Equity shares				
The company has only one class of shares having par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share.				
2.1.2 The reconciliation of the number of shares outstanding is set out below:				
	No. of Shares	No. of Shares		
At the beginning of the period	5,000,900	5,000,900		
Add: Issued during the period	—	—		
Outstanding at the end of reporting date	5,000,900	5,000,900		
2.1.3 The details of Shareholders holding more than 5% shares :				
	No. of Shares	% held	No. of Shares	% held
Oriental Bank of Commerce	337500	6.75	337500	6.75
Patni Resources Private Limited	272300	5.45	272300	5.45
2.2 RESERVES & SURPLUS				
a) Reserve Fund				
Opening Balance	957,878.69		912,350.00	
Add: During the Year	426,280.37		45,528.69	
Closing Balance	<u>1,384,159.06</u>		<u>957,878.69</u>	
b) Surplus / (Deficit)				
Opening Balance	(1,409,320.51)		(1,591,435.25)	
Add: During the Year	2,131,401.83		227,643.43	
	722,081.32		(1,363,791.82)	
Less: Transfer to Reserve Fund	426,280.37		45,528.69	
Closing Balance	<u>295,800.95</u>		<u>(1,409,320.51)</u>	
Total (a+ b)	<u>1,679,960.01</u>		<u>(451,441.82)</u>	
2.2.1	20% of Profit after Tax has been transferred to Reserve as per section 45(IC) of the RBI Act, 1934			
2.3 LONG TERM PROVISIONS				
Provision for NPA	625,835.00		2,773,753.00	
2.4 DEFERRED TAX LIABILITY (Net)				
On Depreciation	18,124.00		17,059.00	



	2011 - 2012 (₹)	2010 - 2011 (₹)
2.5 OTHER CURRENT LIABILITIES		
Sundry Creditor - For Expenses	25,842.00	100,911.00
Payable to Staff	—	108,740.00
Other Payables	2,050,000.00	50,000.00
	<u>2,075,842.00</u>	<u>259,651.00</u>
2.6 SHORT TERM PROVISIONS		
Provision for Tax	14,200.00	—
Contingent Provision Against Standard Assets	81,144.00	60,406.00
	<u>95,344.00</u>	<u>60,406.00</u>

2.6.1 Contingent Provision against Standard Assets have been provided @ 0.25% of Total Standard Assets (Loans)

Note 2.7 - Fixed Assets

Tangible Assets

Gross Block					
Description	Furniture & Fixture	Vehicles	Computer	Generator	Total
Cost/ Valuation					
At 1 April 2010	13,900.00	656,486.00	436,276.00	21,600.00	1,128,262.00
Additions	—	—	30,628.00	—	30,628.00
Disposals	—	—	—	—	—
As at March 2011	<u>13,900.00</u>	<u>656,486.00</u>	<u>466,904.00</u>	<u>21,600.00</u>	<u>1,158,890.00</u>
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
As at March 2012	<u>13,900.00</u>	<u>656,486.00</u>	<u>466,904.00</u>	<u>21,600.00</u>	<u>1,158,890.00</u>
Depreciation					
Description	Furniture & Fixture	Vehicles	Computer	Generator	Total
At 1 April 2010	11,796.00	159,261.00	354,153.00	10,058.00	535,268.00
Charge for the year	880.00	59,616.00	21,942.00	1,026.00	83,464.00
Disposals/Reversal	—	—	—	—	—
As at March 2011	<u>12,676.00</u>	<u>218,877.00</u>	<u>376,095.00</u>	<u>11,084.00</u>	<u>618,732.00</u>
Charge for the year	880.00	59,616.00	21,810.00	1,026.00	83,332.00
Disposals/Reversal	—	—	—	—	—
As at March 2012	<u>13,556.00</u>	<u>278,493.00</u>	<u>397,905.00</u>	<u>12,110.00</u>	<u>702,064.00</u>
NET BLOCK					
As at March 2011	1,224.00	437,609.00	90,809.00	10,516.00	540,158.00
As at March 2012	344.00	377,993.00	68,999.00	9,490.00	456,826.00

On behalf of the board

D. K. Patni
Director

J. M. Saraogi
Whole Time Director

Payal Bhutoria
Company Secretary



Notes on Financial Statements for the Year ended 31st March, 2012

		2011 - 2012 (₹)		2010 - 2011 (₹)	
2.8	NON-CURRENT INVESTMENTS (Non Trade)				
	Investment in Equity Instrument				
a)	Quoted (At Cost less provision for other than temporary diminution)	Quantity	Amount	Quantity	Amount
	Ashika Credit Capital Ltd. (FV ₹ 10/-)	28,000	700,000.00	28,000	700,000.00
	Shradha Projects Ltd. (FV ₹ 10/-)	264,000	264,000.00	—	—
	Khaitan Chem. & Fertilisers Ltd. (FV ₹ 1/-)	44,890	382,481.16	4,489	382,481.16
	Total (a)	336,890	1,346,481.16	32,489	1,082,481.16
b)	Unquoted (At Cost less provision for other than temporary diminution)				
	Advance Mang. Services Ltd. (FV ₹ 100/-)	5,750	115,000.00	5,750	115,000.00
	Amber Homes (P) Ltd. (FV ₹ 10/-)	—	—	11,250	225,000.00
	Captain Vinimay (P) Ltd. (FV ₹ 10/-)	—	—	26,400	264,000.00
	Darkin Vincom (P) Ltd. (FV ₹ 10/-)	484,200	968,400.00	484,200	968,400.00
	M.S. Finvests (P) Ltd. (FV ₹ 10/-)	108,000	333,000.00	108,000	333,000.00
	Mega Markets Sh. Ltd. (FV ₹ 10/-)	5,000	375,000.00	5,000	375,000.00
	New View Consultant (P) Ltd. (FV ₹ 10/-)	558,000	1,116,000.00	558,000	1,116,000.00
	Trans Scan Securities (P) Ltd. (FV ₹ 10/-)	1,611,250	8,281,000.00	1,611,250	8,281,000.00
	Shri Madhopur Cement (P) Ltd. (FV ₹ 10/-)	15,000	1,500,000.00	—	—
	Total (b)	2,787,200	12,688,400.00	2,809,850	11,677,400.00
	TOTAL (a + b)	3,124,090	14,034,881.16	2,842,339	12,759,881.16

2.8.1 During the year Captain Vinimay (P) Ltd. amalgamated into Shradha Projects Ltd. in the ratio (10:1)

2.8.2 Khaitan Chemical & Fertilisers Ltd. (FV changed from ₹ 10/- per share to ₹ 1/- per share)
(The Market Value of Quoted Investments as on 31.3.2012 is ₹ 47,30,492.30 and as on 31.3.2011 is ₹ 1,745,079.90)

**2.9 LONG TERM LOANS AND ADVANCES
(Unsecured , Considered Good)**

Capital Advance	500,000.00	500,000.00
Security Deposits	15,000.00	15,000.00
Other Advances	2,100,000.00	4,088,080.00
Advances with Revenue Authorities	436,167.00	412,569.00
	3,051,167.00	5,015,649.00

2.10 INVENTORIES

In Quoted Shares	Qty.	Amount	Qty.	Amount
ARIHANT ENTERPRISE LTD.	10,000	70,000.00	10,000	70,000.00
BAID MERCANTILES LTD	82,000	164,000.00	82,000	164,000.00
BALA TECHNO GLOBAL LTD.	200	354.00	200	354.00
BALMER LAWRIE INVESTMENT LTD.	300	—	300	—
BALMER LAWRIE VANLEER LTD.	300	2,400.00	300	2,400.00
BENTOLL CHEMICALS LTD.	100	100.00	100	100.00
BRESCON CORPORATION ADVISORS LTD.	400	1,380.00	400	1,380.00



Notes on Financial Statements for the Year ended 31st March, 2012

2.10	INVENTORIES	2011 - 2012 (₹)		2010 - 2011 (₹)	
		Qty.	Amount	Qty.	Amount
	<u>In Quoted Shares</u>				
	CHECON LTD.	1,700	37,400.00	1,700	37,400.00
	CONSORTIUM VAYAPAAR LTD.	500	500.00	500	500.00
	C.R.B CAPITAL LTD.	100	100.00	100	100.00
	C.R.B CORPORATION LTD.	2,900	2,900.00	2,900	2,900.00
	GENUS POWER INFRA. LTD. (FV Rs. 1/-)	3,000	1,215.00	3,000	1,215.00
	GMB CERAMICS LTD.	300	300.00	300	300.00
	GOLDSTAR STEEL & ALLOYS LTD.	160	80.00	160	80.00
	GRAPCO INDUSTRIES LTD.	7,000	7,000.00	7,000	7,000.00
	GULSHAN POLYOLS	—	—	2,881	209,160.60
	HINDUSTAN FINANCE MANG. LTD.	500	500.00	500	1,350.00
	INTERNATIONAL CONSTRUCTION LTD.	6,900	249,000.00	6,900	249,000.00
	LORDS CHEMICALS LTD.	1,000	951.39	3,600	3,425.00
	MARSONS LTD.	1,600	3,200.00	1,600	3,200.00
	MARSONS LTD.(BONUS)	1,400	—	1,400	—
	MY FAIR LADY LTD.	1,900	2,546.00	1,900	2,546.00
	PRECISION FASTNER LTD.	500	500.00	500	500.00
	QUALITY SYNTHETICS LTD.	6,500	875,550.00	6,500	875,550.00
	SHRADHA PROJECTS LTD.	600	8,893.22	600	8,893.22
	SKYLINE NEPC LTD.	1,000	760.00	1,000	760.00
	SPENTEX INDUSTRIES LTD.	1,000	3,400.00	1,000	3,400.00
	UNI WORTH (I) LTD.	460	368.00	460	368.00
	UNI WORTH TEXTILE LTD.	75	60.00	75	60.00
	VARANASI COMMERCIAL LTD.	1,400	1,400.00	1,400	6,790.00
	BHATPARA PAPERS LTD.	33,333	—	33,333	—
			<u>1,434,857.61</u>		<u>1,652,731.82</u>
2.11	TRADE RECEIVABLES				
	<u>(Unsecured , Considered Doubtful)</u>				
	For more than six months		<u>500,450.00</u>		<u>500,450.00</u>
2.12	CASH AND BANK BALANCES				
	<u>Balances with banks</u>				
	On Current Account		2,045,653.22		5,587,442.90
	Cash in Hand		211,825.30		165,202.30
			<u>2,257,478.52</u>		<u>5,752,645.20</u>
2.13	SHORT TERM LOANS AND ADVANCES				
	Loan to Others (Considered Good)		32,457,501.00		24,162,499.00
	Loan to Others (Considered Doubtful)		125,385.00		2,273,303.00
	Prepaid Expenses		9,058.72		6,110.00
	Other Advances (Considered Good)		176,500.00		5,000.00
			<u>32,768,444.72</u>		<u>26,446,912.00</u>



Notes on Financial Statements for the Year ended 31st March, 2012

	2011 - 2012 (₹)	2010 - 2011 (₹)
2.14 REVENUE FROM OPERATIONS		
<u>Sale Of Products</u>		
Sale of Share & Securities	565,038.00	—
<u>Interest</u>		
Interest on Loan	2,755,035.00	2,050,892.00
<u>Other Operating Income</u>		
Profit/(Loss) on Futures & Option Trading	(2,065,882.69)	(2,100,899.00)
	<u>1,254,190.31</u>	<u>(50,007.00)</u>
2.15 OTHER INCOME		
a) <u>Interest Income</u>		
Interest on IT Refund	16,321.00	164,415.00
b) <u>Dividend Income</u>		
Dividend on Stock in Trade	8,951.25	10,481.25
Dividend on Investment	10,773.60	5,386.80
c) <u>Other Non-Operating Income</u>		
Misc. Income	—	84.88
Provision for NPA (Written back)	2,147,918.00	1,000,000.00
	<u>2,183,963.85</u>	<u>1,180,367.93</u>
2.16 (INCREASE)/DECREASE IN THE INVENTORIES		
Inventories at the beginning of the year	1,652,731.82	1,652,731.82
Inventories at the end of the year	1,434,857.61	1,652,731.82
	<u>217,874.21</u>	<u>—</u>
2.17 EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	326,900.00	341,900.00
Staff Welfare	960.00	1,390.00
	<u>327,860.00</u>	<u>343,290.00</u>
2.18 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	83,332.00	83,464.00
	<u>83,332.00</u>	<u>83,464.00</u>



Notes on Financial Statements for the Year ended 31st March, 2012

	2011 - 2012 (₹)	2010 - 2011 (₹)
2.19 OTHER EXPENSES		
a) Rates and taxes, excluding, taxes on income	20,630.00	19,922.00
b) <u>Payment to Auditors</u>		
As Audit Fees	15,000.00	15,000.00
c) Miscellaneous expenses	385,916.12	212,880.50
d) Rent	72,000.00	72,000.00
e) Repair & Maintenance	148,137.00	82,231.00
f) Provision for Standard Asset	20,738.00	60,406.00
	662,421.12	462,439.50
2.20 TAX EXPENSE		
a) <u>Current Tax</u>		
Provision for Taxation	14,200.00	—
b) <u>Deferred Tax</u>		
Deferred Tax Asset	1,065.00	13,524.00
2.21 EARNING PER SHARE (BASIC/DILUTED)		
Net Profit as per Profit & Loss Statement	2,131,401.83	227,643.43
Weighted Average Number of Equity Shares	5,000,900	5,000,900
Earning per Share (Basic/ Diluted)	0.43	0.05

As per attached report on even date

For JAIN BINOD & ASSOCIATES

Firm's Reg. No. 320231E

CHARTERED ACCOUNTANTS

Binod Kumar Jain - (Proprietor)

M. No. - 55398

Place: Kolkata

Date: The 30th day of May, 2012.

On behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary



NOTES ON FINANCIAL STATEMENTS

2.22 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 & Doubtful Debts as applicable to it.

2.23 Provision of Current Tax is made with reference to taxable income computed for the accounting period for which the financial statement are prepared by applying the tax rates as applicable. The deferred tax charge is recognized using the enacted tax rate. Deferred Tax Asset/Liabilities are reviewed as at balance sheet date based on the development during the year and reassess realization/Liabilities in terms of AS-22 Issued by ICAI.

Components	Deferred Tax Liability as at 01.04.2011	Originated / (Reversed) During the year	Deferred Tax Liability as at 31.03.2012
Depreciation	17,059.00	1,065.00	18,124.00

2.24 Related Party Disclosure :

Related party disclosures as required by AS-18 – 'Related Party Disclosure' are given below :

Key Management Personnel (KMP) : Mr. Dilip Kumar Patni & Mr. J.M.Saraogi

b) Transaction with Related Parties

Amount in (₹)

Name of the Party	Relationship	Nature of Transaction	Volume of Transaction		Outsatnding as on	
			2011-12	2010-11	31.03.2012	31.03.2011
Mr. J. M. Saraogi	KMP	Salary	60,000.00	60,000.00	---	---
Mrs. Anjana Devi Jain	Relative of KMP	Rent	24,000.00	24,000.00	---	---
Mrs. Preeti Patni	Relative of KMP	Rent	24,000.00	24,000.00	---	24,000.00
Mrs. Sunita Devi Patni	Relative of KMP	Rent	24,000.00	24,000.00	---	---
Trans Scan Securities (P) Ltd.	KMP having Significant Influence	Brokerage Paid	1,129.72	---	---	---

2.25 Management has determined that there were 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, 2012.



2.26 Information about Primary Business Segment: (₹ in Lacs)						
Particulars	Current Year			Previous Year		
	Shares	Loan	Total	Shares	Loan	Total
A: REVENUE						
Total Revenue	(15.01)	27.55	12.54	(20.85)	20.51	(.34)
B: RESULT						
Segment Result	(15.01)	27.55	12.54	(20.85)	20.51	(.34)
Less : Unallocated Corporate Expenses net of unallocated income	---	---	(8.93)	---	---	(2.76)
Operating Profit	---	---	21.47	---	---	2.41
Tax Expenses	---	---	.16	---	---	.13
Net Profit	---	---	21.31	---	---	2.28
C: OTHER INFORMATION						
Segment Assets	159.70	325.83	485.53	149.13	264.36	413.49
Unallocated Corporate Assets			59.51			113.19
Total Assets			545.04			526.68
Segment Liabilities	---	7.07	7.07	---	28.34	28.34
Unallocated Corporate Liabilities			21.08			2.77
Total Liabilities			28.15			31.11
Depreciation			.83			.83
Non-cash Expenses other than depreciation			.21			.60

2.27 **Presentation and disclosure of financial statements.**

During the year ended 31st March, 2012 the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statement. The adoption of Revised Schedule VI does not impact recognition and measurement of principle followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statement. The company has also reclassified the previous year figures in accordance with the requirement applicable in current year.

As per our report of even date.

For JAIN BINOD & ASSOCIATES
Firm's Reg. No. 320231E
CHARTERED ACCOUNTANTS

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

Place: Kolkata

Date: The 30th day of May, 2012.

On behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary



		Amount Outstanding		
2. <u>Unquoted :</u>				
i) Shares : a) Equity		Nil		
b) Preference		Nil		
ii) Debentures and Bonds		Nil		
iii) Units of Mutual funds		Nil		
iv) Government Securities		Nil		
v) Others		Nil		
<u>Long Term Investment :</u>				
1. <u>Quoted :</u>				
i) Shares : a) Equity		13.46		
b) Preference		Nil		
ii) Debentures and Bonds		Nil		
iii) Units of mutual funds		Nil		
iv) Government Securities		Nil		
v) Others		Nil		
2. Unquoted :				
i) Shares : a) Equity		126.88		
b) Preference		Nil		
ii) Debentures and Bonds		Nil		
iii) Units of Mutual funds		Nil		
iv) Government Securities		Nil		
v) Others		Nil		
5. Borrower group-wise classification of assets financed as in (2) and (3) above.				
		Amount net of provisions		
		Secured	Unsecured	Total
1. Related Parties				
a) Subsidiaries		Nil	Nil	Nil
b) Companies in the same group		Nil	Nil	Nil
c) Other related parties		Nil	Nil	Nil
2. Other than related parties				
		Nil	353.59	353.59
Total		Nil	353.59	353.59
6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
Category		Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)
1. Related Parties				
a) Subsidiaries		Nil		Nil
b) Companies in the same group		Nil		Nil
c) Other related parties		Nil		Nil
2. Other than related parties : Quoted Shares				
		73.48		27.81
Unquoted Shares		126.88		126.88
Total		200.36		154.70
7. Other Information				
Particulars		Amount		
i) Gross Non-Performing Assets				
a) Related Parties		6.26		
b) Other than related parties		---		
ii) Net Non-Performing Assets				
a) Related parties		6.26		
b) Other than related parties		---		
iii) Assets acquired in satisfaction of debt				
		6.26		
		Nil		

OCTAL CREDIT CAPITAL LIMITED

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

PROXY FORM

I/We

of being the member/members of OCTAL CREDIT CAPITAL LIMITED hereby

appoint of or failing him

..... of

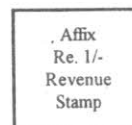
as my/our proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on the 29th day of September, 2012, and at any adjournment thereof.

In witness whereof I/We have signed on this day of 2012.

Folio No.....

DPID No.....

Client ID No.....



Signature of shareholder

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

OCTAL CREDIT CAPITAL LIMITED

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

DPID NO* :	FOLIO NO. :
CLIENT ID NO.*:	NO. OF SHARES HELD :

ATTENDANCE SLIP

(to be handed over at the entrance of the meeting hall)

I/We hereby record my/our presence at 20th Annual General Meeting of the Company held at 16A, SHAKESPEAR SARANI, UNIT-II, 2ND FLOOR, KOLKATA - 700 071, AT 4.00 P.M. on Saturday, the 29th September, 2012 and at any adjournment thereof.

NAME(S) OF THE MEMBER(S) (IN BLOCK LETTERS)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE MEMBER(S)/ PROXY	

NOTES :

Please complete and sign the attendance slip and handover at the entrance of the meeting hall. Only Member or their Proxies with this attendance slip will be allowed entry to meeting.

*Applicable for Investors holding shares in electronic form.