



OCTAL CREDIT CAPITAL LIMITED

**ANNUAL REPORT
2012-2013**

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 21st Annual General Meeting of the Members of OCTAL CREDIT CAPITAL LIMITED will be held on Saturday, September 28, 2013 at 3.00 P.M. at its Registered office, 16A, Shakespeare Sarani, Unit - I, 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' 2013, 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. K.N. Jain 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."

By Order of the Board of Directors

Place : Kolkata
Date : 29th May, 2013

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. K.N. Jain, 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 21st day of September' 2013 to 28th day of September' 2013 (Both days inclusive).
6. Members are requested to notify immediately any change in their address to the Company's Registered Office.

By Order of the Board of Directors

Place : Kolkata
Date : 29th May, 2013

Payal Bhutoria
Company Secretary



DIRECTORS' REPORT

To
THE MEMBERS

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2013 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	(44,805.56)	2,146,666.83
Tax Expense:		
1) Current tax	20,000.00	14,200.00
2) Deferred tax	(71,050.00)	1,065.00
3) Income Tax For Earlier Years	1,920.00	---
Profit(Loss) for the period	<u>4,324.44</u>	<u>2,131,401.83</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, 2013.

OPERATION

During the Financial Year 2012 - 2013, the performance of the company was satisfactory. The Company has incurred a Loss of ₹ 0.45 Lac (before Tax) 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. K.N. Jain retires from office by rotation in accordance with the requirements of Companies Act, 1956 and being eligible, offer himself for reappointment.

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, 2013, 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, 2013 and of the Loss 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 2013 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 21th 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 29th Day of May' 2013.



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 nine meetings on 20.04.2012, 30.05.2012, 11.06.2012, 14.08.2012, 29.09.2012, 15.11.2012, 31.12.2012, 11.02.2013 & 25.03.2013. 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	9	2	—	Yes
Mr. D. K. Patni	Promoter	Non-executive	9	—	—	Yes
Mr. K. N. Jain	Independent	Non-executive	7	—	—	Yes
Mr. B. Bagri	Independent	Non-executive	4	1	—	No
Mr. S. N. Jajodia	Independent	Non-executive	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 30.05.2012, 14.08.2012, 15.11.2012, and 11.02.2013, 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 30.05.2012, 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 2013, to Mr. J.M.Saraogi was ₹ 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 31.03.2013</u>
Mr. D.K. Patni	16,000
Mr. K.N. Jain	11,000
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 31.03.2013	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
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
2012	29.09.2012	04:00 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 - 28th, September'2013

Time - 3.00 P.M.

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

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

Quarter ending June 30, 2013. : On or before 15th August, 2013

Quarter ending September 30, 2013. : On or before 15th November, 2013

Quarter ending December 31, 2013. : On or before 15th February, 2014

Yearly Financial Results 2013-2014 : On or before 30th May, 2014

C. Date of Book Closure

The Register of members and Share Transfer Book will remain closed from 21st September'2013 to 28th September' 2013 (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 2013-14 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 2012-2013.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April'12	—	—	—
May'12	—	—	—
June'12	—	—	—
July'12	—	—	—
August'12	—	—	—
September'12	—	—	—
October'12	—	—	—
November'12	—	—	—
December'12	—	—	—
January'13	—	—	—
February'13	—	—	—
March'13	—	—	—
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 31.03.2013

No of Equity Shares held	No of Shares Holders	% of Shares Holder	No of Shares Held	% of Share Holding
Upto 500	689	78.6530	110085	2.2013
501 - 1000	14	1.5982	10900	0.2180
1001 – 5000	37	4.2237	137800	2.7555
5001 – 10000	42	4.7945	403500	8.0685
10001-50000	77	8.7900	2044575	40.8841
50001-100000	8	0.9132	649850	12.9947
100001 & above	9	1.0274	1644190	32.8779
Total	876	100.0000	5000900	100.0000

**M. SHAREHOLDING PATTERN AS ON 31.03.2012**

Category	No of Shares Held	% of Share Holding
Indian Promoters	2058300	41.159
Institution Investors	337500	6.749
Private Corporate Bodies	1139625	22.788
Resident Individuals	1465475	29.304
Clearing Member	—	—
Total	5000900	100.000

N. DEMATERIALIZATION OF SHARES

2560565 shares have been dematerialized upto 31.03.2013.

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, 2013.

Place : Kolkata
Date : 29th May, 2013

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. K.N. Jain
AGE	: 50 Years
QUALIFICATION	: Chartered Accountant
EXPERTISE	: He is Chartered Accountant in practice and at presently associated with K.N.Jain & Co. He has got extensive experience in investment and finance for more than 23 years.
OTHER DIRECTORSHIPS	: Niche Technologies Pvt. Ltd., Avon Management Pvt. Ltd., Samridhi Insurance Broking Pvt Ltd., Samridhi Business Pvt Ltd., Samridhi Stock Broker Pvt. Ltd., BST Trade & Holdings Pvt Ltd. & Pace Card Pvt. Ltd.
OTHER MEMBERSHIP OF COMMITTEE	: Nil
SHARE HOLDING	: 11,000 Shares

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

India's GDP is expected to expand by 5.5 - 6 % in FY 2013-14. 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 2013 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.

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 is a major sector-wide structural weakness and the RBI's subsequent revised guidelines, under bank loans to NBFCs are not classified as priority-sector loans have reduced 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 2013-14 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 2012-2013, 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, 2013, 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

Binod Kumar Jain - (Proprietor)
Membership No. 55398

Place : Kolkata
Date : The 29th day of May, 2013



AUDITOR'S REPORT

TO
THE MEMBERS OF
OCTAL CREDIT CAPITAL LIMITED

Report of the Financial Statements

We have audited the accompanying financial statements of OCTAL CREDIT CAPITAL LIMITED, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- (b) in the case of Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order , 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this Report are in agreement with books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement 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 as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For JAIN BINOD & ASSOCIATES

Firm's Reg. No. 320231E

CHARTERED ACCOUNTANTS

Place : Kolkata

Date : The 29th day of May, 2013

Binod Kumar Jain - (Proprietor)

Membership No. 55398



ANNEXURE TO THE AUDITOR'S REPORT

In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under: -

- 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 nor 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 and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) As per information and explanations given to us we are of the opinion that the contracts or arrangements that need to be entered into a register required to be maintained in pursuance of section 301 of the Act 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) According to information and explanations given to us, in our opinion, the company has not accepted public deposits upto 31.03.2013.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(1)(d) do not apply to the company. Hence in our opinion, no comment on maintenance of cost records u/s 209(1)(d) is required.
- ix) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty & Cess and any other statutory dues with appropriate authorities applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at the last date of the accounting year for a period of more than six months from the date they became payable. According to records of the company, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess 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 in the immediately preceding financial year
- xi) According to records of the company, the company has not borrowed from financial institutions, banks or issued debentures till 31.03.2013. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
- xii) As informed to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii) The company is not a chit fund, nidhi or mutual benefit fund / society.
- xiv) The company has maintained proper records of the transactions and contracts of dealing in shares, securities, debentures and other investment and we have been informed that timely entries have been made therein. As explained to us, all the shares, securities and other investments have been held by the company in its own name except to the extent of exemption granted u/s 49 of 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 taken any term loans. Hence, comments under the clause are not called for.
- xvii) According to the information and explanation given to us, we report that no funds raised on short-term basis have been used for long term investment by the company and vice versa.
- 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) The company has not issued any debenture.
- xx) The company has not raised any money by public issues during the period covered by our audit report.
- xxi) During the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

For JAIN BINOD & ASSOCIATES

Firm's Reg. No. 320231E

CHARTERED ACCOUNTANTS

Place : Kolkata

Date : The 29th day of May, 2013

Binod Kumar Jain - (Proprietor)

Membership No. 55398



BALANCE SHEET AS AT 31ST, MARCH 2013

(Amount in ₹)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	50,009,000.00	50,009,000.00
Reserves and Surplus	2.2	1,684,284.45	1,679,960.01
Non-Current Liabilities			
Deferred Tax Liability (Net)	2.3	—	18,124.00
Long term Provisions	2.4	727,246.00	625,835.00
Current Liabilities			
Other Current Liabilities	2.5	194,065.00	2,075,842.00
Short Term Provisions	2.6	73,059.00	81,144.00
Total		52,687,654.45	54,489,905.01
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	2.7	234,872.00	456,826.00
Non-Current Investments	2.8	14,034,881.16	14,034,881.16
Deferred Tax Asset (Net)	2.9	52,926.00	—
Long Term Loans and Advances	2.10	3,784,828.00	2,740,385.00
Current Assets			
Inventories	2.11	622,843.81	1,434,857.61
Trade Receivables	2.12	500,450.00	500,450.00
Cash and Bank Balances	2.13	2,812,767.48	2,257,478.52
Short-term Loans and advances	2.14	30,644,086.00	33,065,026.72
Total		52,687,654.45	54,489,905.01
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		On behalf of the board	
Binod Kumar Jain - (Proprietor) M. No. - 55398		D. K. Patni - Director	
Place: Kolkata		J. M. Saraogi - Whole Time Director	
Date: The 29 th May, 2013.		Payal Bhutoria - Company Secretary	



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013			
(Amount in ₹)			
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
INCOME			
I. Revenue from Operations	2.15	4,952,308.99	1,254,190.31
II. Other Income	2.16	32,692.23	2,183,963.85
III. Total Revenue (I +II)		4,985,001.22	3,438,154.16
IV. EXPENDITURE			
Purchase of Stock-in-Trade	2.17	2,971,897.88	—
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.18	812,013.80	217,874.21
Employee Benefit Expense	2.19	354,000.00	326,900.00
Depreciation and Amortization Expense	2.20	36,722.00	83,332.00
Other expenses	2.21	589,268.10	663,381.12
Total Expenses		4,763,901.78	1,291,487.33
V. Profit before exceptional and extraordinary items and tax (III-IV)		221,099.44	2,146,666.83
VI. Exceptional Items	2.22	265,905.00	—
VII. Profit before extraordinary items and tax (V - VI)		(44,805.56)	2,146,666.83
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII - VIII)		(44,805.56)	2,146,666.83
X. Tax Expense:	2.23		
1) Current tax		20,000.00	14,200.00
2) Deferred tax		(71,050.00)	1,065.00
Income Tax For Earlier Year		1,920.00	—
XI. Profit(Loss) for the period		4,324.44	2,131,401.83
XII. Earning per equity share:	2.24		
1) Basic (Equity Share Face Value ₹ 10/- each)		0.01	0.43
2) Diluted (Equity Share Face Value ₹ 10/- each)		0.01	0.43
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		On behalf of the board	
Binod Kumar Jain - (Proprietor) M. No. - 55398		D. K. Patni - Director	
Place: Kolkata		J. M. Saraogi - Whole Time Director	
Date: The 29 th May, 2013.		Payal Bhutoria - Company Secretary	



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013		
	2012 - 2013 (₹)	2011 - 2012 (₹)
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items	(44,805.56)	2,146,666.83
Add/Less Adjustment for :		
Depreciation	36,722.00	83,332.00
Loss on Sale of Fixed Assets	265,905.00	—
Dividend on Shares (Investment)	(10,773.60)	(10,773.60)
Provision for Standard Asset	—	20,738.00
Provision for Non Performing Assets	101,411.00	—
Provision for Standard Asset No Longer Required Written Back	(8,085.00)	—
Provision No Longer Required Written Back (Non Performing Assets)	—	(2,147,918.00)
Operating Profit before Working Capital Changes	340,373.84	92,045.23
Add/Less:- Adjustment for :		
1. Inventories	812,013.80	217,874.21
2. Current & Non Current Loans & Advances	1,376,497.72	(4,357,050.72)
3. Current & Non Current Liabilities	(1,881,777.00)	1,816,191.00
4. Provisions	—	14,200.00
Cash Generated from Operation	647,108.36	(2,216,740.28)
Direct Taxes Paid (Net of Refunds)	21,920.00	14,200.00
	625,188.36	(2,230,940.28)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	—	(1,500,000.00)
Sale of Investments	—	225,000.00
Dividend on Shares (Investment)	10,773.60	10,773.60
Purchase of Fixed Assets	(180,673.00)	—
Sale of Fixed Assets	100,000.00	—
Net Cash used in Investment Activities	(69,899.40)	(1,264,226.40)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in cash & cash equivalents(A+B+C)	555,288.96	(3,495,166.68)
Cash and cash equivalents (Opening Balance)	2,257,478.52	5,752,645.20
Cash and cash equivalents (Closing Balance)	2,812,767.48	2,257,478.52

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, 2013

2.1	SHARE CAPITAL	2012 - 2013 (₹)	2011 - 2012 (₹)															
	Authorised Share Capital :																	
	55,00,000 Equity Shares of Rs. 10 each	55,000,000.00	55,000,000.00															
	Issued, Subscribed and Paid-up:																	
	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:																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">No. of Shares</th> <th style="text-align: right;">No. of Shares</th> </tr> </thead> <tbody> <tr> <td>At the beginning of the period</td> <td style="text-align: right;">5,000,900</td> <td style="text-align: right;">5,000,900</td> </tr> <tr> <td>Add: Issued during the period</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Outstanding at the end of reporting date</td> <td style="text-align: right;">5,000,900</td> <td style="text-align: right;">5,000,900</td> </tr> </tbody> </table>	Particulars	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					
Particulars	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 :																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Shareholder</th> <th style="text-align: right;">No. of Shares</th> <th style="text-align: right;">% held</th> <th style="text-align: right;">No. of Shares</th> <th style="text-align: right;">% held</th> </tr> </thead> <tbody> <tr> <td>Oriental Bank of Commerce</td> <td style="text-align: right;">337500</td> <td style="text-align: right;">6.75</td> <td style="text-align: right;">337500</td> <td style="text-align: right;">6.75</td> </tr> <tr> <td>Patni Resources Private Limited</td> <td style="text-align: right;">272300</td> <td style="text-align: right;">5.45</td> <td style="text-align: right;">272300</td> <td style="text-align: right;">5.45</td> </tr> </tbody> </table>	Name of the Shareholder	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		
Name of the Shareholder	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	1,384,159.06	957,878.69															
	Add: During the Year	865.00	426,280.37															
	Closing Balance	1,385,024.06	1,384,159.06															
b)	Surplus / (Deficit)																	
	Opening Balance	295,800.95	(1,409,320.51)															
	Add: During the Year	4,324.44	2,131,401.83															
		300,125.39	722,081.32															
	Less: Transfer to Reserve Fund	865.00	426,280.37															
	Closing Balance	299,260.39	295,800.95															
	Total (a+ b)	1,684,284.45	1,679,960.01															
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	DEFERRED TAX LIABILITY (Net)																	
	On Depreciation	—	18,124.00															
2.4	LONG TERM PROVISIONS																	
	Provision for NPA	727,246.00	625,835.00															
2.4.1	Loan given to Toorsa Tea Company (₹ 62,568/-) & to East India Transport Agency (₹ 62,817/-) has been considered as Doubtful. Hence 100% provision has been made.																	
2.4.2	Loan given to Sandeep Kapoor (₹ 2,23,347/-) & to Sujeet Kumar Bose (₹ 7,90,756/-) has been considered as Non Performing Asset, Hence 10% provision has been made.																	
2.4.3	Provision on Doubtful Debts of ₹ 5,00,450/- has been made @ 100%.																	



	2012 - 2013 (₹)	2011 - 2012 (₹)
2.5 OTHER CURRENT LIABILITIES		
Sundry Creditor - For Expenses	144,065.00	25,842.00
Other Payables	50,000.00	2,050,000.00
	194,065.00	2,075,842.00
2.6 SHORT TERM PROVISIONS		
Contingent Provision Against Standard Assets	73,059.00	81,144.00
	73,059.00	81,144.00

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	Office Equipments	Total
Cost/Valuation					
At 1 April 2011	13,900.00	656,486.00	466,904.00	21,600.00	1,158,890.00
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
As at March 2012	13,900.00	656,486.00	466,904.00	21,600.00	1,158,890.00
Additions	69,008.00	—	—	111,665.00	180,673.00
Disposals	—	627,532.00	—	—	627,532.00
As at March 2013	82,908.00	28,954.00	466,904.00	133,265.00	712,031.00
Depreciation					
Description	Furniture & Fixture	Vehicles	Computer	Office Equipments	Total
At 1 April 2011	12,676.00	218,877.00	376,095.00	11,084.00	618,732.00
Charge for the year	880.00	59,616.00	21,810.00	1,026.00	83,332.00
Disposals/Reversal	—	—	—	—	—
As at March 2012	13,556.00	278,493.00	397,905.00	12,110.00	702,064.00
Charge for the year	2,672.00	12,087.00	17,396.00	4,567.00	36,722.00
Disposals/Reversal	—	261,627.00	—	—	261,627.00
As at March 2013	16,228.00	28,953.00	415,301.00	16,677.00	477,159.00
NET BLOCK					
As at March 2012	344.00	377,993.00	68,999.00	9,490.00	456,826.00
As at March 2013	66,680.00	1.00	51,603.00	116,588.00	234,872.00

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, 2013

		2012 - 2013 (₹)		2011 - 2012 (₹)	
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	264,000	264,000.00
	Khaitan Chem. & Fertilisers Ltd. (FV ₹ 1/-)	44,890	382,481.16	44,890	382,481.16
	Total (a)	336,890	1,346,481.16	336,890	1,346,481.16
b)	Unquoted (At Cost less provision for other than temporary diminution)				
	In Associates				
	Trans Scan Securities (P) Ltd. (FV ₹ 10/-) (extent of holding - 22.81%)	1,611,250	8,281,000.00	1,611,250	8,281,000.00
	In Others				
	Advance Mang. Services Ltd. (FV ₹ 100/-)	5,750	115,000.00	5,750	115,000.00
	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
	Shri Madhopur Cement (P) Ltd. (FV ₹ 10/-)	15,000	1,500,000.00	15,000	1,500,000.00
	Total (b)	2,787,200	12,688,400.00	2,787,200	12,688,400.00
	TOTAL (a + b)	3,124,090	14,034,881.16	3,124,090	14,034,881.16
	(The Market Value of Quoted Investments as on 31.3.2013 is ₹ 50,58,636. and as on 31.3.2012 is ₹ 47,30,492.30)				
2.9	DEFERRED TAX ASSETS (Net)				
	On Depreciation		52,926.00		—
2.10	LONG TERM LOANS AND ADVANCES				
	(Unsecured, Considered Doubtful)				
	Loan to Others (Refer Note No. 2.4.1 & 2.4.2)		1,139,488.00		125,385.00
	(Unsecured, Considered Good)				
	Security Deposits		45,340.00		15,000.00
	Other Advances		2,600,000.00		2,600,000.00
			3,784,828.00		2,740,385.00
2.11	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
	BHATPARA PAPERS LTD.	33,333	—	33,333	—



Notes on Financial Statements for the Year ended 31st March, 2013					
		2012 - 2013 (₹)		2011 - 2012 (₹)	
2.11	INVENTORIES				
	<u>In Quoted Shares</u>	<u>Qty.</u>	<u>Amount</u>	<u>Qty.</u>	<u>Amount</u>
	BRESCON CORPORATION ADVISORS LTD.	400	1,380.00	400	1,380.00
	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
	CHECONS LTD.	1,700	37,400.00	1,700	37,400.00
	CONSORTIUM VAYAPAAAR LTD.	500	500.00	500	500.00
	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
	HINDUSTAN FINANCE MANG. LTD.	500	500.00	500	500.00
	INTERNATIONAL CONSTRUCTION LTD.	6,900	65,550.00	6,900	249,000.00
	LORDS CHEMICALS LTD.	1,000	951.39	1,000	951.39
	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	247,000.00	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	354.00	460	368.00
	UNI WORTH TEXTILE LTD.	75	60.00	75	60.00
	VARANASI COMMERCIAL LTD.	1,400	1,400.00	1,400	1,400.00
			<u>6,22,843.81</u>		<u>1,434,857.61</u>
2.12	TRADE RECEIVABLES				
	<u>(Unsecured, Considered Doubtful)</u>				
	For more than six months (Refer Note No. 2.4.3)		<u>500,450.00</u>		<u>500,450.00</u>
2.13	CASH AND BANK BALANCES				
	<u>Balances with banks</u>				
	On Current Account		2,287,290.18		2,045,653.22
	Cash in Hand		<u>525,477.30</u>		<u>211,825.30</u>
			<u>2,812,767.48</u>		<u>2,257,478.52</u>
2.14	SHORT TERM LOANS AND ADVANCES				
	Loan to Others (Unsecured, Considered Good)		29,223,446.00		32,457,501.00
	Advances with Revenue Authorities		494,140.00		421,967.00
	Prepaid Expenses		—		9,058.72
	Other Advances (Unsecured, Considered Good)		926,500.00		176,500.00
			<u>30,644,086.00</u>		<u>33,065,026.72</u>



Notes on Financial Statements for the Year ended 31st March, 2013

	<u>2012 - 2013</u> (₹)	<u>2011 - 2012</u> (₹)
2.15 REVENUE FROM OPERATIONS		
<u>Sale Of Products</u>		
Sale of Share & Securities	2,153,008.48	565,038.00
<u>Interest</u>		
Interest on Loan (Tds ₹ 271,483/-, Prev. Year ₹ 256,857/-)	2,799,300.51	2,755,035.00
<u>Other Operating Income</u>		
Profit/(Loss) on Futures & Option Trading	—	(2,065,882.69)
	<u>4,952,308.99</u>	<u>1,254,190.31</u>
2.16 OTHER INCOME		
a) <u>Interest Income</u>		
Interest on IT Refund	8,965.00	16,321.00
b) <u>Dividend Income</u>		
Dividend on Stock in Trade	4,868.63	8,951.25
Dividend on Investment	10,773.60	10,773.60
c) <u>Other Non-Operating Income</u>		
Provision for Standard Assets (Written back)	8,085.00	—
Provision for NPA (Written back)	—	2,147,918.00
	<u>32,692.23</u>	<u>2,183,963.85</u>
2.17 PURCHASE OF STOCK IN TRADE		
Shares & Securities	<u>2,971,897.88</u>	<u>—</u>
2.18 (INCREASE)/DECREASE IN THE INVENTORIES		
Inventories at the beginning of the year	1,434,857.61	1,652,731.82
Inventories at the end of the year	622,843.81	1,434,857.61
	<u>812,013.80</u>	<u>217,874.21</u>
2.19 EMPLOYEE BENEFIT EXPENSES		
Salary & Bonus	354,000.00	326,900.00
	<u>354,000.00</u>	<u>326,900.00</u>
2.20 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	36,722.00	83,332.00
	<u>36,722.00</u>	<u>83,332.00</u>



Notes on Financial Statements for the Year ended 31st March, 2013		
	2012 - 2013 (₹)	2011 - 2012 (₹)
2.21 OTHER EXPENSES		
a) Rates and taxes, excluding, taxes on income	21,707.00	19,922.00
b) <u>Payment to Auditors</u>		
As Audit Fees	15,000.00	15,000.00
c) Miscellaneous expenses	254,476.10	386,876.12
d) Rent	72,000.00	72,000.00
e) Repair & Maintenance	119,185.00	148,137.00
f) Security Transaction Tax	5,489.00	708.00
g) Provision for NPA	101,411.00	—
h) Provision for Standard Asset	—	20,738.00
	589,268.10	663,381.12
2.22 Exceptional Item		
Loss on Sale of Assets	265,905.00	—
2.23 TAX EXPENSE		
a) <u>Current Tax</u>		
Provision for Taxation	20,000.00	14,200.00
b) <u>Deferred Tax</u>		
Deferred Tax Asset	(71,050.00)	1,065.00
2.24 EARNING PER SHARE (BASIC/DILUTED)		
Net Profit as per Profit & Loss Statement	4,324.44	2,131,401.83
Number of Equity Shares	5,000,900	5,000,900
Earning per Share (Basic/ Diluted)	0.01	0.43
As per attached report on even date		
For JAIN BINOD & ASSOCIATES Firm's Reg. No. 320231E CHARTERED ACCOUNTANTS		On behalf of the board
Binod Kumar Jain - (Proprietor) M. No. - 55398		D. K. Patni - Director
Place: Kolkata Date: 29 th May, 2013.		J. M. Saraogi - Whole Time Director
		Payal Bhutoria - Company Secretary

**NOTES ON FINANCIAL STATEMENTS**

2.25 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.

2.26 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 01.04.2012	Originated / (Reversed) During the year	Deferred Tax Liability as at 31.03.2013
Depreciation	18,124.00	(71,050.00)	52,926.00

2.27 **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	
			2012-13	2011-12	31.03.2013	31.03.2012
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	---	---
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	10,540.00	1,129.72	---	---

2.28 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, 2013.



2.29 Information about Primary Business Segment: (₹ in Lacs)						
Particulars	Current Year			Previous Year		
	Shares	Loan	Total	Shares	Loan	Total
A : REVENUE						
Total Revenue	21.53	27.99	49.52	(15.01)	27.55	12.54
B : RESULT						
Segment Result	(16.31)	27.99	11.68	(15.01)	27.55	12.54
Less : Unallocated Corporate Expenses net of unallocated income	---	---	(12.13)	---	---	(8.93)
Operating Profit	---	---	(0.45)	---	---	21.47
Tax Expenses	---	---	(0.49)	---	---	.16
Net Profit	---	---	0.04	---	---	21.31
C : OTHER INFORMATION						
Segment Assets	151.58	303.63	455.21	159.70	325.83	485.53
Unallocated Corporate Assets			71.67			59.37
Total Assets			526.88			544.90
Segment Liabilities	5.00	3.00	8.00	5.00	2.07	7.07
Unallocated Corporate Liabilities			1.94			20.94
Total Liabilities			9.94			28.01
Depreciation			0.37			.83
Non-cash Expenses other than depreciation			1.01			.21

2.30 Previous year figures have been regrouped and/or rearranged wherever necessary.
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 29th day of May, 2013.

On behalf of the board

D. K. Patni - Director

J. M. Saraogi - Whole Time Director

Payal Bhutoria - Company Secretary



Octal Credit Capital Limited

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Annexure to the Balance Sheet of a Non - Deposit taking Non-Banking Financial Company [as required in terms of paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]		
(₹ in lakhs)		
Particulars		
	Amount Outstanding	Amount Overdue
Liabilities Side :		
1. Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
a). Debentures : Secured	Nil	Nil
: Unsecured (Other than falling within the meaning of public deposits)	Nil	Nil
b). Deferred Credits	Nil	Nil
c). Term Loans	Nil	Nil
d). Inter-corporate loans and borrowing	Nil	Nil
e). Commercial Paper	Nil	Nil
f). Other Loans	Nil	Nil
Assets side	Amount Outstanding	
2. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] :		
a) Secured		Nil
b) Unsecured		330.89
3. Break-up of Lesed Assets and stock on hire and hypothecation loans counting towards AFC activities :		
i) Lease assets including lease rentals under sundry debtors.		
a) Financial Lease		Nil
b) Operating Lease		Nil
ii) Stock on hire including hire charges under sundry debtors :		
a) Assets on hire		Nil
b) Repossessed Assets.		Nil
iii) Other loans counting towards AFC activities		
a) Loans where assets have been repossessed		Nil
b) Loans other than (a) above		Nil
4. Break-up of Investments :		
Current Investments :		
1. Quoted :		
i) Shares : a) Equity		6.23
b) Preference		Nil
ii) Debentures and Bonds		Nil
iii) Units of Mutual funds		Nil
iv) Government Securities		Nil
v) Others		Nil



		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. <u>Unquoted</u> :				
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	330.89	330.89
Total		Nil	330.89	330.89
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				
Unquoted Shares		66.44		19.69
		126.88		126.88
Total		193.32		146.57
7. Other Information				
Particulars		Amount		
i) Gross Non-Performing Assets		16.39		
a). Related Parties		---		
b). Other than related parties		16.39		
ii) Net Non-Performing Assets		9.12		
a). Related parties		---		
b). Other than related parties		9.12		
iii) Assets acquired in satisfaction of debt		Nil		

OCTAL CREDIT CAPITAL LIMITED

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at 21st Annual General Meeting of the Company held at 16A, SHAKESPEAR SARANI, UNIT-II, 2ND FLOOR, KOLKATA - 700 071, AT 3.00 P.M. on Saturday, the 28th September, 2013 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:

- 1) Member/Proxy attending the meeting must complete this attendance slip and handover at the entrance. Only Member or their proxies with this attendance slip will be allowed entry to meeting.
 - 2) Shareholders are requested to bring their Annual Reports along with them to the meeting.
- * Applicable for Investors holding shares in electronic form.

OCTAL CREDIT CAPITAL LIMITED

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

PROXY FORM

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

I/We.....

Of being A 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 21st Annual General Meeting of the Company to be held on the 28th day of September, 2013, and at any adjournment thereof.

In witness whereof I/We have signed on this day of.....2013



Signature of shareholder

Signature of Member/ Proxy

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.

GREEN INITIATIVE

The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Members who intend to receive notice/documents including Annual Reports through e-mail are requested to register/update their e-mail addresses for receiving electronic communications.