



OCTAL CREDIT CAPITAL LIMITED

**ANNUAL REPORT
2013-2014**

Octal Credit Capital Limited

BOARD OF DIRECTORS : MR. DILIP KUMAR PATNI – *Chairman & Promoter*
MR. JHUMAR MALL SARAOGI – *Whole Time Director*
MR. KAMAL NAYAN JAIN – *Promoter*
MR. BIJAY KUMAR BAGRI – *Independent Director*
MR. SHAMBHU NATH JAJODIA – *Independent Director*

**COMPANY SECRETARY &
COMPLIANCE OFFICER** : MRS. PAYAL BHUTORIA

AUDITORS : M/S JAIN BINOD & ASSOCIATES
Chartered Accountants
1, R. N. Mukherjee Road,
Martin Burn, 5th Floor, Room No. 32B
Kolkata – 700 001

PRINCIPAL BANKERS : AXIS BANK LIMITED
ORIENTAL BANK OF COMMERCE
CITI BANK

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

CIN NO. : L74140WB1992PLC055931

**REGISTRARS &
SHARE TRANSFER AGENT** : Niche Technologies Private Limited
71, B. R. B. Basu Road,
Kolkata – 700 001



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report on the business and operations of the Company together with Audited statements of accounts for the year ended 31st March 2014 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	1,10,649.79	(44,805.56)
Tax Expense:		
1) Current tax	45,799.00	20,000.00
2) Deferred tax	17,217.00	(71,050.00)
3) Income Tax For Earlier Years	---	1,920.00
Profit (Loss) for the period	47,633.79	4,324.44

DIVIDEND

In view of insufficient profit during the year, your directors regret their inability to recommend any dividend for the year-ended 31stMarch, 2014.

OPERATION

During the Financial Year 2013 - 2014, the performance of the company was satisfactory. The Company has earned a Profit of ₹ 1.11 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. D.K. Patni and 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, 2014, the applicable accounting standards notified under Companies Act, 1956 read with General Circular no 15/2013 dated 13.09.2013, issued by MCA, in respect of section 133 of Companies Act, 2013 have been followed and there is no material departure from the above.
- 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, 2014 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 to the best of their knowledge and ability.
- iv) the Directors have prepared the accompanying Annual Accounts for the year ended 31st, March 2014 on a going concern basis.

AUDITORS & AUDITORS REPORT

M/s Jain Binod & Associates, Chartered Accountants (Firm Reg. No. 320231E) the retiring Auditor of the Company retires at the ensuing Annual General Meeting be and is hereby proposed to be reappointed as Statutory Auditors of the Company for a term of 1 year to hold the office from the conclusion of this Twenty Second Annual General Meeting till the conclusion of Twenty Third Annual General Meeting.

The Company has received a certificate and consent from the Auditors that if re-appointed, they are qualified to act as the Auditors of the Company under Companies Act, 2013.

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

Place: Kolkata

Date : The 30th Day of May' 2014.

Jhumar Mall Saraogi
(Whole Time Director)



CORPORATE GOVERNANCE REPORT

1. BREIF STATEMENT ON THE COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

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

During this year the Board had Eight meetings on 16.04.2013, 29.05.2013, 19.06.2013, 14.08.2013, 28.09.2013, 13.11.2013, 12.02.2014 & 30.03.2013. 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	8	1	—	Yes
Mr. D. K. Patni	Promoter	Non-executive	8	—	—	Yes
Mr. K. N. Jain	Promoter	Non-executive	8	—	—	Yes
Mr. B. Bagri	Independent	Non-executive	4	1	—	No
Mr. S. N. Jajodia	Independent	Non-executive	6	—	—	Yes

* Directorship in Private Limited Companies has been excluded.

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 29.05.2013, 14.08.2013, 13.11.2013, and 12.02.2014, 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 29.05.2013, 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 2014, 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 31.03.2014</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 31.03.2014	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
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
2013	28.09.2012	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 - 24th, September'2014

Time - 11.00 A.M.

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

B. Financial Calendar (April – March)

Financial Reporting:

Quarter ending June 30,2014. : On or before 15th August, 2014

Quarter ending September 30, 2014. : On or before 15th November, 2014

Quarter ending December 31, 2014. : On or before 15th February, 2015

Yearly Financial Results 2014-2015 : On or before 30th May, 2015

C. Date of Book Closure

The Register of members and Share Transfer Book will remain closed from 18th September'2014 to 24th September' 2014 (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 2014-15 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 2013-2014.

Month	Calcutta Stock Exchange Limited		
	High	Low	Volume
April'13	—	—	—
May'13	—	—	—
June'13	—	—	—
July'13	—	—	—
August'13	—	—	—
September'13	—	—	—
October'13	—	—	—
November'13	—	—	—
December'13	—	—	—
January'14	—	—	—
February'14	—	—	—
March'14	—	—	—
Total	—	—	—

J. REGISTRAR & TRANSFER AGENTS

<u>Name</u>	<u>Address</u>
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 31.03.2014

No of Equity Shares held	No of Shares Holders	% of Shares Holder	No of Shares Held	% of Share Holding
Upto 500	687	79.3303	1,09,485	2.1893
501 – 1000	13	1.5012	10,100	0.2020
1001 – 5000	38	4.3880	1,39,200	2.7835
5001 – 10000	41	4.7344	3,93,500	7.8686
10001 – 50000	70	8.0831	17,81,075	35.6151
50001 – 100000	7	0.8083	5,79,600	11.5899
100001 & above	10	1.1547	19,87,940	39.7516
Total	866	100.0000	50,00,900	100.0000



M. SHAREHOLDING PATTERN AS ON 31.03.2014

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 31.03.2014.

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.

Date : 30th May, 2014

Place : Kolkata

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 :

A) Name : **Dilip Kumar Patni**

Date of Birth : 05 August 1968

Date of Appointment : 15 June 1993

Specialised Expertise : Company Law matter & SEBI rules and regulations.

Qualifications : Chartered Accountant

Directorship of Other Companies as on 31st March, 2014 : 6 (Including Private Limited Companies)

Member of committees of the Company as on 31st March, 2014 : 1

Shareholding in the company : 16000

B) Name : **Kamal Nayan Jain**

Date of Birth : 01 February 1964

Date of Appointment : 15 December 1994

Specialised Expertise : Consultancy & Financial sectors.

Qualifications : Chartered Accountant

Directorship of Other Companies as on 31st March, 2014 : 6 (Including Private Limited Companies)

Member of committees of the Company as on 31st March, 2014 : 3

Shareholding in the company : 11000



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL STRUCTURE AND DEVELOPMENT

Global Economy- Overview

Global growth is projected to strengthen from 3% in 2013 to 3.7 % in 2014 and 3.9% in 2015. Advanced economies are projected to grow by 2.2% in 2014, while emerging economies are expected to grow by 5.1%.

The basic reason behind the stronger recovery is that the brakes to the recovery are progressively being loosened. The drag from fiscal consolidation is diminishing, the financial system is gradually healing, and uncertainty in various dimensions, is decreasing. (Source: IMF Report 2014)

Indian Economy-Overview

According to Central Statistics Office (CSO), growth is projected at 4.9% for fiscal year 2013-14 and as per IMF; the growth could pick up to 5.4% in 2014-15 given stronger global growth, improving export competitiveness and a confidence boost from recent policy actions, which would be considered modest growth rebound.

GDP Growth

Financial Year	GDP %
2009-10	8.6%
2010-11	8.9%
2011-12	6.7%
2012-13	4.5%
2013-14	4.9%

(Source: Central Statistics Office)

Non-Banking Finance Companies (NBFC) - Overview

NBFC's historically are involved in providing financial services such as offering of small ticket personal loans, financing of two/three wheelers, truck financing, farm equipment financing, loans for purchase of used commercial vehicles/ machinery, secured/unsecured working capital financial services among others. Further, NBFCs also often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSME) most suitable to their business requirements.

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.

During FY 2014, the Assets under management growth across NBFC space have been robust, ranging between 20-30% y-o-y. However, disbursement growth has witnessed moderation (8-10% in FY 2014 vs. 19% in FY 2013) across segments amid the sluggish capex growth, muted auto industry volume and weak macro sentiment. Retail lending during the year remained firm on the back of good monsoon last year, resulting in higher rural income. As estimated by ICRA, 90 days past due delinquencies on retail loans for NBFCs (the trigger for classifying an asset as a NPA at a bank) have moved up to 4.3% in December 2013 from 3.5% in March 2013.



New Government in the central would provide next wave of growth impetus for NBFCs going forward.

(Source: RBI, January 2014)

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.

KEY DEVELOPMENTS SEEN IN THE NBFC SECTOR

- With rising NPAs, RBI on March 21, 2014 issued a Framework for Revitalising Distressed Assets in the Economy which came into effect from April 1, 2014 under which banks & NBFCs need to recognise early signs of distress, and accordingly prepare the restructuring process by taking quicker distress resolution planning, leverage buyouts, take-out financing, among others.
- Norms released for NBFC by RBI on February, 2014- MFIs titled 'Non-Banking Financial Company- Micro Finance Institutions' (NBFC-MFIs) - Directions- Modifications in "Pricing of Credit". As per the revised notification, MFIs can charge interest rates of the five largest commercial banks by assets multiplied by 2.75, whichever is lower.
- RBI in January, 2014 gave more flexibility to NBFCs to deal with their stressed loans but make it mandatory for them to set aside a substantial amount of provisions that shall go up to 5% in a phased manner by March 2017. The recommendations are on line Mahapatra committee report.
- The RBI in 2013, relaxed norms for non-banking finance companies (NBFCs) in insurance joint ventures by allowing them to hold more than 50% in such companies.

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 2013-2014, 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.

CAUTIONARY STATEMENT

Statements in this report on management discussion and analysis, describing the Company's objectives, estimates, expectations or predictions are all 'forward-looking statements' within the meaning of the applicable securities, laws and regulations. These statements are based on certain assumptions and expectations regarding future events. The Company assumes no responsibility whatsoever to publicly amend, modify or revise any 'forward-looking statements' on the basis of any subsequent information, developments and events.



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, 2014, 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JAIN BINOD & ASSOCIATES**
Firm Reg. No. 320231E
Chartered Accountants

Place : 1, R. N. Mukherjee Road,
Kolkata – 700 001
Date : The 30th Day of May, 2014

Binod Kumar Jain
(Proprietor)
Membership No. 55398



INDEPENDENT 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, 2014, the Statement of Profit and Loss and 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 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") read with the General Circular 15/2013 dated 13th September, 2013 of the ministry of corporate Affairs in respect of Section 133 of the Company Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 Standard 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 be best of our information and according to the explanations given to us the 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, 2014;
- (b) in the case of Statement of Profit and Loss , of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows of the Company 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 appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the ministry of corporate Affairs in respect of Section 133 of the Company Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 Reg. No. 320231E
Chartered Accountants

Place : 1, R. N. Mukherjee Road,
Kolkata – 700 001

Date : The 30th Day of May, 2014

Binod Kumar Jain
(Proprietor)
Membership No. 55398



ANNEXURE TO THE INDEPENDENT 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 fixed assets. The fixed assets of the company were physically verified by the management during the year. We have been informed that no material discrepancies have been 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) Physical verification of inventories has been conducted by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. As informed to us, no discrepancies were found on physical verification of inventories as compared to book records.
- iii) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company, whether reasonable steps for recovery of over dues of such loans are taken does not arise. The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of such loans are prejudicial to the interest of the company does not arise.
- 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 31.03.2014.
- 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 loss in the current financial year and has not incurred any cash loss 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 31.03.2014. 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 Banks 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.
- 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 Reg. No. 320231E
Chartered Accountants

Place : 1, R. N. Mukherjee Road,
Kolkata – 700 001

Date : The 30th Day of May, 2014

Binod Kumar Jain
(Proprietor)
Membership No. 55398



BALANCE SHEET AS AT 31ST. MARCH 2014			
(Amount in ₹)			
Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	2.1	50,009,000.00	50,009,000.00
Reserves and Surplus	2.2	1,731,918.24	1,684,284.45
<u>Non-Current Liabilities</u>			
Long term Provisions	2.3	783,987.00	727,246.00
<u>Current Liabilities</u>			
Trade Payables	2.4	1,296,790.15	---
Other Current Liabilities	2.5	125,546.00	194,065.00
Short Term Provisions	2.6	80,680.00	73,059.00
Total		54,027,921.39	52,687,654.45
ASSETS			
<u>Non - Current Assets</u>			
Fixed Assets			
Tangible Assets	2.7	287,872.00	234,872.00
Non-Current Investments	2.8	14,934,881.16	14,034,881.16
Deferred Tax Asset (Net)	2.9	35,709.00	52,926.00
Long Term Loans and Advances	2.10	1,061,481.00	3,784,828.00
<u>Current Assets</u>			
Inventories	2.11	2,970,214.41	622,843.81
Trade Receivables	2.12	500,450.00	500,450.00
Cash and Bank Balances	2.13	1,412,462.82	2,812,767.48
Short-term Loans and advances	2.14	32,824,851.00	30,644,086.00
Total		54,027,921.39	52,687,654.45
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		K. N. Jain - Director	
Place: Kolkata Date: The 30 th May, 2014.		J. M. Saraogi - Whole Time Director	
		Payal Bhutoria - Company Secretary	



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014			
(Amount in ₹)			
Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
INCOME			
I. Revenue from Operations	2.15	4,411,093.60	4,952,308.99
II. Other Income	2.16	74,497.50	32,692.23
III. Total Revenue (I +II)		4,485,591.10	4,985,001.22
IV. EXPENDITURE			
Purchase of Stock-in-Trade	2.17	5,519,225.02	2,971,897.88
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.18	(2,347,370.60)	812,013.80
Employee Benefit Expense	2.19	413,400.00	354,000.00
Depreciation and Amortization Expense	2.20	33,969.00	36,722.00
Other expenses	2.21	755,717.89	589,268.10
Total Expenses		4,374,941.31	4,763,901.78
V. Profit before exceptional and extraordinary items and tax (III-IV)		110,649.79	221,099.44
VI. Exceptional Items	2.22	—	265,905.00
VII. Profit before extraordinary items and tax (V - VI)		110,649.79	(44,805.56)
VIII. Extraordinary Items		—	—
IX. Profit before tax (VII - VIII)		110,649.79	(44,805.56)
X. Tax Expense:	2.23		
1) Current tax		45,799.00	20,000.00
2) Deferred tax		17,217.00	(71,050.00)
Income Tax For Earlier Year		—	1,920.00
XI. Profit (Loss) for the period		47,633.79	4,324.44
XII. Earning per equity share:	2.24		
1) Basic (Equity Share Face Value ₹ 10/- each)		0.01	0.00
2) Diluted (Equity Share Face Value ₹ 10/- each)		0.01	0.00
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 May, 2014.

On behalf of the board
K. N. Jain - Director
J. M. Saraogi - Whole Time Director
Payal Bhutoria - Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014		
	2013 - 2014 (₹)	2012 - 2013 (₹)
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Adjustment before Tax & Extra Ordinary items	110,649.79	(44,805.56)
<u>Add/Less Adjustment for:</u>		
Depreciation	33,969.00	36,722.00
Loss on Sale of Fixed Assets	---	265,905.00
Dividend on Shares (Investment)	(2,244.50)	(10,773.60)
Provision for Standard Asset	7,621.00	---
Provision for Non Performing Assets	56,741.00	101,411.00
Liabilities No longer Required Written Off	(50,000.00)	---
Provision for Standard Asset No Longer Required Written Back	---	(8,085.00)
Operating Profit before Working Capital Changes	156,736.29	340,373.84
<u>Add/Less:- Adjustment for:</u>		
1. Inventories	(2,347,370.60)	812,013.80
2. Current & Non Current Loans & Advances	542,582.00	1,376,497.72
3. Current - Non Current Liabilities & Provisions	1,278,271.15	(1,881,777.00)
Cash Generated from Operation	(369,781.16)	647,108.36
Direct Taxes Paid (Net of Refunds)	45,799.00	21,920.00
	(415,580.16)	625,188.36
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(900,000.00)	---
Dividend on Shares (Investment)	2,244.50	10,773.60
Purchase of Fixed Assets	(86,969.00)	(180,673.00)
Sale of Fixed Assets	---	100,000.00
Net Cash used in Investment Activities	(984,724.50)	(69,899.40)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in cash & cash equivalents(A+B+C)	(1,400,304.66)	555,288.96
Cash and cash equivalents (Opening Balance)	2,812,767.48	2,257,478.52
Cash and cash equivalents (Closing Balance)	1,412,462.82	2,812,767.48
	---	---

This is the Cash Flow Statement referred to in our report of even date
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, 2014.

On behalf of the board

K. N. Jain - 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 recognizes income and expenditure on accrual basis.

B) Revenue Recognition

Sales

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

Interest Income

Interest on Loan is recognized 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, 2014

2.1	SHARE CAPITAL	2013 - 2014 (₹)	2012 - 2013 (₹)															
	Authorised Share Capital :																	
	55,00,000 Equity Shares of ₹ 10 each	55,000,000.00	55,000,000.00															
	Issued, Subscribed and Paid-up:																	
	50,00,900 Equity Shares of ₹ 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 ₹ 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"><thead><tr><th>Particulars</th><th>No. of Shares</th><th>No. of Shares</th></tr></thead><tbody><tr><td>At the beginning of the period</td><td>5,000,900</td><td>5,000,900</td></tr><tr><td>Add: Issued during the period</td><td>----</td><td>----</td></tr><tr><td>Outstanding at the end of reporting date</td><td>5,000,900</td><td>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"><thead><tr><th>Name of the Shareholder</th><th>No. of Shares</th><th>% held</th><th>No. of Shares</th><th>% held</th></tr></thead><tbody><tr><td>Oriental Bank of Commerce</td><td>337500</td><td>6.75</td><td>337500</td><td>6.75</td></tr><tr><td>Patni Resources Private Limited</td><td>509800</td><td>10.19</td><td>272300</td><td>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	509800	10.19	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	509800	10.19	272300	5.45														
2.2	RESERVES & SURPLUS																	
a)	Reserve Fund																	
	Opening Balance	1,385,024.06	1,384,159.06															
	Add: During the Year	9,527.00	865.00															
	Closing Balance	1,394,551.06	1,385,024.06															
b)	Surplus / (Deficit)																	
	Opening Balance	299,260.39	295,800.95															
	Add: During the Year	47,633.79	4,324.44															
		346,894.18	300,125.39															
	Less: Transfer to Reserve Fund	9,527.00	865.00															
	Closing Balance	337,367.18	299,260.39															
	Total (a+ b)	1,731,918.24	1,684,284.45															
2.2.1	20% of Profit after Tax has been transferred to Reserve Fund as per section 45(IC) of the RBI Act, 1934.																	
2.3	LONG TERM PROVISIONS																	
	Provision for NPA	783,987.00	727,246.00															
2.3.1	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.																	
2.3.2	Loan given to Mr. Sujet Kumar Bose (₹ 7,90,756/-) has been considered as Non Performing Asset. Hence 20% provision has been made.																	
2.3.3	Provision on Doubtful Debts of ₹ 5,00,450/- has been made @ 100%.																	



Octal Credit Capital Limited

23

	2013 - 2014 (₹)	2012 - 2013 (₹)
2.4 TRADE PAYABLES		
Sundry Creditor - For Goods	1,296,790.15	---
2.5 OTHER CURRENT LIABILITIES		
Sundry Creditor - For Expenses	125,546.00	144,065.00
Other Payables	---	50,000.00
	<u>125,546.00</u>	<u>194,065.00</u>
2.6 SHORT TERM PROVISIONS		
Contingent Provision Against Standard Assets	80,680.00	73,059.00
	<u>80,680.00</u>	<u>73,059.00</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	Office Equipments	Total
Cost/ Valuation					
At 1 April 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
Additions	---	---	37,170.00	49,799.00	86,969.00
Disposals	---	---	---	---	---
As at March 2014	82,908.00	28,954.00	504,074.00	183,064.00	799,000.00
Depreciation					
Description	Furniture & Fixture	Vehicles	Computer	Office Equipments	Total
At 1 April 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
Charge for the year	4,368.00	---	21,771.00	7,830.00	33,969.00
Disposals/Reversal	---	---	---	---	---
As at March 2014	20,596.00	28,953.00	437,072.00	24,507.00	511,128.00
NET BLOCK					
As at March 2013	66,680.00	1.00	51,603.00	116,588.00	234,872.00
As at March 2014	62,312.00	1.00	67,002.00	158,557.00	287,872.00

On behalf of the board

K. N. Jain
Director

J. M. Saraogi
Whole Time Director

Payal Bhutoria
Company Secretary

**Notes on Financial Statements for the Year ended 31st March, 2014**

		2013 - 2014		2012 - 2013	
		(₹)		(₹)	
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
	Niche Technologies (P) Ltd. (FV ₹ 10/-)	30,000	900,000.00	---	---
	Shri Madhopur Cement (P) Ltd. (FV ₹ 10/-)	15,000	1,500,000.00	15,000	1,500,000.00
	Total (b)	2,817,200	13,588,400.00	2,787,200	12,688,400.00
	TOTAL (a + b)	3,154,090	14,934,881.16	3,124,090	14,034,881.16
	(The Market Value of Quoted Investments as on 31.3.2014 is ₹ 47,56,540 and as on 31.3.2013 is ₹ 50,58,636)				
2.9	DEFERRED TAX ASSETS (Net)				
	On Depreciation		35,709.00		52,926.00
2.10	LONG TERM LOANS AND ADVANCES				
	(Unsecured , Considered Doubtful)				
	Loan to Others (Refer Note No. 2.3.1 & 2.3.2)		916,141.00		1,139,488.00
	(Unsecured , Considered Good)				
	Security Deposits		45,340.00		45,340.00
	Other Advances		100,000.00		2,600,000.00
			1,061,481.00		3,784,828.00
2.11	INVENTORIES				
	In Quoted Shares	Qty.	Amount (in ₹)	Qty.	Amount (in ₹)
	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



Notes on Financial Statements for the Year ended 31st March, 2014

	2013 - 2014 (₹)		2012 - 2013 (₹)	
	Qty.	Amount (in ₹)	Qty.	Amount (in ₹)
CHEMOX LAB. LTD. (Form :BENTOLL CHEMICALS LTD.	100	100.00	100	100.00
BHATPARA PAPERS LTD.	33,333	---	33,333	---
BRESCON ADVISORS & HOLDINGS LTD. (Form: 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 VAYAPAAR LTD.	500	500.00	500	500.00
GENUS POWER INFRA. LTD. (FV Rs. 1/-) *	3,000	1,215.00	3,000	1,215.00
GENUS PAPER & BOARD LTD. *	3,000	---	---	---
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	65,550.00
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
NCL RESEARCH & FINANCIAL SERVICES	6,300	1,915,200.00	---	---
PRECISION FASTNER LTD.	500	500.00	500	500.00
QUALITY SYNTHETICS LTD.	6,500	247,000.00	6,500	247,000.00
THE SCOTTISH ASSAM (INDIA) LIMITED	21,398	432,239.60	---	---
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	285.20	460	354.20
UNI WORTH TEXTILE LTD.	75	60.00	75	60.00
VARANASI COMMERCIAL LTD.	1,400	1,400.00	1,400	1,400.00
		<u>2,970,214.41</u>		<u>622,843.81</u>
* Received 3000 Shares of Genus Paper & Board Ltd. On Demerger of Genus Power Infrastructure Ltd. (Ratio 1:1)				
2.12	TRADE RECEIVABLES			
	<u>(Unsecured, Considered Doubtful)</u>			
	For more than six months (Refer Note No. 2.3.3)	<u>500,450.00</u>		<u>500,450.00</u>
2.13	CASH AND BANK BALANCES			
	<u>Balances with banks</u>			
	On Current Account	1,205,348.52		2,214,057.18
	Cheques in Hand	67,130.00		73,233.00
	Cash in Hand	139,984.30		525,477.30
		<u>1,412,462.82</u>		<u>2,812,767.48</u>



Notes on Financial Statements for the Year ended 31st March, 2014			
	2013 - 2014	2012 - 2013	
	(₹)	(₹)	
2.14	SHORT TERM LOANS AND ADVANCES		
	Loan to Others (Unsecured, Considered Good)	32,272,024.00	29,223,446.00
	Advances with Revenue Authorities	517,376.00	494,140.00
	Prepaid Expenses	8,951.00	---
	Other Advances (Unsecured, Considered Good)	26,500.00	926,500.00
		<u>32,824,851.00</u>	<u>30,644,086.00</u>
2.15	REVENUE FROM OPERATIONS		
	<u>Sale Of Products</u>		
	Sale of Share & Securities	1,189,283.60	2,153,008.48
	<u>Interest</u>		
	Interest on Loan (Tds ₹ 3,11,692/-, Prev. Year ₹ 271,483/-)	3,221,810.00	2,799,300.51
		<u>4,411,093.60</u>	<u>4,952,308.99</u>
2.16	OTHER INCOME		
	a) <u>Interest Income</u>		
	Interest on IT Refund	17,353.00	8,965.00
	b) <u>Dividend Income</u>		
	Dividend on Stock in Trade	4,900.00	4,868.63
	Dividend on Non Current Investment	2,244.50	10,773.60
	c) <u>Other Non-Operating Income</u>		
	Liability No longer required (Written back)	50,000.00	---
	Provision for Standard Assets (Written back)	---	8,085.00
		<u>74,497.50</u>	<u>32,692.23</u>
2.17	PURCHASE OF STOCK IN TRADE		
	Shares & Securities	<u>5,519,225.02</u>	<u>2,971,897.88</u>
2.18	(INCREASE)/DECREASE IN THE INVENTORIES		
	Inventories at the beginning of the year	622,843.81	1,434,857.61
	Inventories at the end of the year	2,970,214.41	622,843.81
		<u>(2,347,370.60)</u>	<u>812,013.80</u>
2.19	EMPLOYEE BENEFIT EXPENSES		
	Salary & Bonus	413,400.00	354,000.00
		<u>413,400.00</u>	<u>354,000.00</u>



Notes on Financial Statements for the Year ended 31st March, 2014		
	2013 - 2014	2012 - 2013
	(₹)	(₹)
2.20 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation	33,969.00	36,722.00
	<u>33,969.00</u>	<u>36,722.00</u>
2.21 OTHER EXPENSES		
a) Rates and taxes, excluding, taxes on income	50,798.00	21,707.00
b) <u>Payment to Auditors</u> As Audit Fees	15,000.00	15,000.00
c) Miscellaneous expenses	282,855.89	252,726.10
d) Rent	72,000.00	72,000.00
e) Repair & Maintenance	62,294.00	119,185.00
f) Security Transaction Tax	4,658.00	5,489.00
g) Provision for NPA	56,741.00	101,411.00
h) Provision for Standard Asset	7,621.00	---
i) Professional Fees	203,750.00	1,750.00
	<u>755,717.89</u>	<u>589,268.10</u>
2.22 Exceptional Item		
Loss on Sale of Assets	---	265,905.00
	<u>---</u>	<u>265,905.00</u>
2.23 TAX EXPENSE		
a) <u>Current Tax</u> Provision for Taxation	45,799.00	20,000.00
b) <u>Deferred Tax</u> Deferred Tax Asset	17,217.00	(71,050.00)
2.24 EARNING PER SHARE (BASIC/DILUTED)		
Net Profit as per Profit & Loss Statement	47,633.79	4,324.44
Number of Equity Shares	5,000,900	5,000,900
Earning per Share (Basic/ Diluted)	0.01	0.00



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 01.04.2013	Originated / (Reversed) During the year	Deferred Tax Liability as at 31.03.2014
Depreciation	52,926.00	(17,217.00)	35,709.00

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	
			2013-14	2012-13	31.03.2014	31.03.2013
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	9,309.00	10,540.00	---	---

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, 2014.



2.29 Information about Primary Business Segment: (₹ in Lacs)						
Particulars	Current Year			Previous Year		
	Shares	Loan	Total	Shares	Loan	Total
A : REVENUE						
Total Revenue	11.89	32.22	44.11	21.53	27.99	49.52
B : RESULT						
Segment Result	(19.82)	32.22	12.40	(16.31)	27.99	11.68
Less : Unallocated Corporate Expenses net of unallocated income	---	---	11.29	---	---	12.13
Operating Profit	---	---	1.11	---	---	(0.45)
Tax Expenses	---	---	(0.49)	---	---	(0.49)
Net Profit	---	---	0.04	---	---	0.04
C : OTHER INFORMATION						
Segment Assets	184.05	331.88	515.93	151.58	303.63	455.21
Unallocated Corporate Assets			24.35			71.67
Total Assets			540.28			526.88
Segment Liabilities	17.97	3.65	21.62	5.00	3.00	8.00
Unallocated Corporate Liabilities			1.26			1.94
Total Liabilities			22.88			9.94
Depreciation			0.34			0.37
Non-cash Expenses other than depreciation			0.65			1.01
<p>2.30 Previous year figures have been regrouped and/or rearranged wherever necessary. As per our report of even date.</p> <p>For JAIN BINOD & ASSOCIATES Firm's Reg. No. 320231E CHARTERED ACCOUNTANTS</p> <p>Binod Kumar Jain - (Proprietor) M. No. - 55398 Place: Kolkata Date: The 30th day of May, 2014.</p> <p>On behalf of the board K. N. Jain - Director J. M. Saraogi - Whole Time Director Payal Bhutoria - Company Secretary</p>						



		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		135.88		
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	338.15	338.15
Total		Nil	338.15	338.15
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	82.81	82.81		
2. Other than related parties : Quoted Shares	89.54	43.16		
Unquoted Shares	53.07	53.07		
Total	225.42	179.04		
7. Other Information				
Particulars		Amount		
i) Gross Non-Performing Assets		14.17		
a). Related Parties		---		
b). Other than related parties		14.17		
ii) Net Non-Performing Assets		5.52		
a). Related parties		---		
b). Other than related parties		5.52		
iii) Assets acquired in satisfaction of debt		Nil		

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.