

ANNUAL REPORT 2012 – 2013

SCINTILLA COMMERCIAL & CREDIT LIMITED

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Corporate Information

Board of Directors

| | |
|--------------------------|-------------------|
| Sri Navin Kumar Sharma | Managing Director |
| Sri Jitendra Kumar Goyal | Director |
| Sri Amar Nath Singh | Director |
| Sri Manoj Kumar Mudhara | Director |

Bankers

ICICI Bank Limited
R N Mukherjee Road
Kolkata – 700 001

Statutory Auditors

S. K. Rungta & Co.
Chartered Accountants
1, Jagmohan Mullick Lane,
Kolkata-700007

Registrar & Transfer Agent

Niche Technologies Private Limited
D511, Bagree Market, 5th Floor
71, B.R.B. Basu Road, Kolkata – 700001
Phone No. : 91 33 2235 7270/7271
Fax : 91 33 2215 6823
Email : nichetechpl@nichetechpl.com

Registered Office

Mercantile Building,
Block-E, 2nd Floor,
9/12, Lalbazar Street,
Kolkata – 700 001
Tel : 91 33 2248 5664
Fax : 91 33 2243 9601
Website: www.scintilla.co.in

SCINTILLA COMMERCIAL & CREDIT LIMITED

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the 24th Annual General Meeting of the Company will be held at the Registered Office of the Company at Mercantile Building, Block-E, 2nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001, on Monday, the 30th September, 2013 at 10.00 A.M. to transact the following business:

Ordinary Business:

1. To receive and adopt the Audited Accounts of the Company for the year ended 31st March, 2013 along with Director's and Auditor's report thereon.
2. To appoint Director in place of Sri Jitendra Kumar Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint retiring Auditors, M/s S.K. Rungta & Co., Chartered Accountants, Kolkata to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

Special Business:

4. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, approval of the member be and is hereby accorded for the appointment of Ms. Nidhi Sinha as Managing Director of the Company for a period of 3 (three) years, with effect from 30th September, 2013 and to the payment of following remuneration:-

1. Salary – Basic Rs. 20000 p.m.

Resolved further that the pay scale will increase by 10% of basic salary every year and in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary shall be governed under Section II of part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.”

5. To Appoint Mr. Vidhu Bhushan Verma as Director of the Company.

Registered Office:
Mercantile Building, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001
Dated: The 5th September, 2013

By Order of the Board
Scintilla Commercial & Credit Limited

J. K. Goyal
Director

SCINTILLA COMMERCIAL & CREDIT LIMITED

NOTE:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and the proxy need not be a member of the Company. The instrument appointing proxies in order to be effective must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 25th September, 2013 to 30th September, 2013 (both days inclusive).
3. Members holding shares in physical form are requested to intimate changes in their registered office mentioning full address in block letters with Pin Code of the Post Office, Bank particulars and Permanent Account Number (PAN) to the Company's Registrar and the Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.
4. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to collect form (Form 2B) from Company's office and send their request in Form 2B in duplicate to the R & T Agent.
5. Members are requested to send their queries, if any on the accounts or operations of the company, to reach the Compliance Officer at the Company's Registered Office, at least 7 (seven) working days prior to the meeting, so that the information can be complied in advance.
6. Members are requested to mention their Folio Number in all their correspondence with the Company in order to facilitate response to their queries promptly.
7. Members/Proxies are requested to kindly take note of the following:
 - (i) copies of Annual Report will not be distributed at the venue of the meeting;
 - (ii) attendance slip, as sent herewith, is required to be produced at the venue duly filled in and signed, for attending the meeting;
 - (iii) entry to the hall will be strictly on the basis of produce of duly completed and signed Attendance Slips; and
 - (iv) in all correspondences with the company and/or the R&T Agent, Folio No. must be quoted.
8. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holdings in one folio.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

SCINTILLA COMMERCIAL & CREDIT LIMITED

10. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to the following address:
- Niche Technologies Pvt. Ltd.
D-511 Bagree Market
5th Floor
71, B.R.B. Basu Road
Kolkata – 700001
Phone No. : 033 22357270
12. Information about Managing Director and Directors proposed to be appointed and re-appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges

| | | | |
|--|--------------------------------|-------------------------------------|-------------------------------------|
| Name of Director | Mr. Jitendra Kumar Goyal | Ms. Nidhi Sinha | Mr. Vidhu Bhushan Verma |
| Date Of Birth | 3 rd November, 1963 | 31 st January, 1989 | 16 th May, 1962 |
| Date of Appointment | 29 th January, 1990 | - | - |
| Qualification | B.Com | B.Com(Hons) Chartered Accountant | B.Com(Hons) Chartered Accountant |
| Directorship in other public limited Companies | 4 | 2 | 2 |
| Membership of Committees in other public limited companies | 9 | Nil | Nil |
| Shareholding of Director in the Company | 211 Shares | Nil | Nil |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM No. 4:

Appointment of Ms. Nidhi Sinha as Managing Director and fixation of her remuneration. Ms. Nidhi Sinha would be appointed as the Managing Director of the Company with effect from 30th September 2013 for a period of three years by the Board of Directors of the company subject to the approval of the Members of the Company. The said appointment and remuneration are within the stipulations of Sections 198, 269, 309 and 310 of the Act and Schedule XIII thereto. Members of the Company are requested to pass the above resolution as a special resolution. None of the Directors of the Company is in any way concerned or interested in the resolution. Your Directors recommend the resolution for your approval.

ITEM No. 5:

Appointment of Mr. Vidhu Bhushan Verma as a Director on the Board of the Company with effect from 30th September 2013, pursuant to provisions of Section 260 of the Companies Act, 1956. Under Section 257 of the Companies Act 1956, a notice in writing has been received from a member signifying his intention to propose Mr. Vidhu Bhushan Verma, as a Director of the Company along with a deposit of Rs. 500/- as required under the aforesaid Section. None of the Directors of the Company is in any way concerned or interested in the resolution. Your Directors recommend the resolution for your approval.

**Registered Office:
Mercantile Building, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001
Dated: The 5th September, 2013**

**By Order of the Board
Scintilla Commercial & Credit Limited

J. K. Goyal
Director**

SCINTILLA COMMERCIAL & CREDIT LIMITED

DIRECTORS' REPORT

**To
The Members**

Your Directors have pleasure in submitting their 24th Annual Report together with the audited accounts for the year ended on March 31, 2013.

FINANCIAL RESULTS

| | 2012 – 2013 | 2011 – 2012 |
|---|--------------------|-----------------|
| | (Rupees) | (Rupees) |
| Total Income | <u>2859724</u> | <u>296219</u> |
| Less: Total Expenditure | 781246 | 292752 |
| Profit before Tax | <u>2078478</u> | <u>3467</u> |
| Less: Taxation | 396054 | 1072 |
| Profit after Tax | <u>1682424</u> | <u>2395</u> |
| Transfer to Special Reserve | 336485 | 479 |
| Transfer to Contingent Provisions against Standard Assets | 55671 | 42754 |
| Balance brought forward from Previous year | (354572) | (313733) |
| Balance transferred to Balance Sheet | <u>935697</u> | <u>(354572)</u> |

DIVIDEND

Your Directors have decided to retain the profits of the Company and therefore, do not recommend any dividend for the Financial Year ended on March 31, 2013.

OPERATION OF THE COMPANY

During the year under review the Companies Total Income has increased from Rs. 2,96,219/- to Rs.28,59,724/-. Your Directors feel that barring unforeseen circumstances the Capital Market and Money Market should improve and accordingly, the performance of the Company should be better.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The disclosure of above information is not applicable to the Company.

FOREIGN EXCHANGE EARNINGS & OUTGO

There is no foreign exchange earnings and outgo during the year under review

SCINTILLA COMMERCIAL & CREDIT LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- ii) that 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 at the end of the financial year and of the profit or loss of the company for that period;
- iii) that 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;
- iv) that the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Report on the Corporate Governance as prescribed by the Listing Agreement is annexed and forms part of Annual Report. A certificate from Auditors of the Company on compliance of the provisions of Corporate Governance as mentioned in the Listing Agreement is also annexed.

PARTICULARS OF EMPLOYEES:

There is no employee falling under the Provisions of Section 217(2A) of the Companies Act. 1956.

DIRECTORS

Sri Jitendra Kumar Goyal, Director who retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

The Statutory Auditors of the Company, M/s. S. K. Rungta & Co., retire at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment for the next term.

RBI GUIDELINES FOR NON-BANKING FINANCIAL COMPANIES

The Company has observed all the prudential norms prescribed by the Reserve Bank of India. The Schedule as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed herewith.

ACKNOWLEDGEMENT

The Board of Directors would like to thank the Company's Clients, Shareholders, Bankers and all others associated with the Company for their continued Support.

**By Order of the Board of Directors
For Scintilla Commercial & Credit Limited**

Place : Kolkata
Date : 30.05.2013

**Navin Kumar Sharma
Managing Director**

**J. K. Goyal
Director**



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure

The financial year 2012-13 continued to be a challenging year for the Indian economy. The Indian economy further slowed down during the financial year due to higher interest rates, policy constraints, stalling projects and drying of new investments. The high level of Fiscal and Current Account deficit had an equally dampening effect on the Indian economy.

The headline inflation measured by the wholesale price index fell to 6% by the end of the year, however the consumer price index remained in double digit through most of the year.

Reserve Bank of India keeping in view the overall inflation trend revised its policy rates three times between July, 2012 to May, 2013 reducing Repo rates from 8% to 7.25% to revive growth in the industrial sector. In order to redress the liquidity problem, Reserve Bank of India reduced the Cash Reserve Ratio (CRR) by 75 basis points (from 4.75% to 4%) between July, 2012 to May, 2013 and Statutory Liquidity rates by 100 basis points from 24% to 23% in July, 2012.

Opportunities and Threats

The prospect of Indian Economy is uncertain during the current Financial Year. The forecast of GDP growth rate for 2013-14 is between 6.1% to 6.7% as compared to 5% in 2012-13. With the various steps taken by the government to revive investment and growth in the economy the industrial growth is likely to improve from the second half of current financial year which may create new opportunity for the company. However continuing uncertainty in the global market, higher trade deficit, weakening of Rupee vis-à-vis major foreign currency may impact the financial market.

The company is taking various steps to withstand the uncertainty in the Financial Market.

Outlook

The Index of Industrial production has been on a decline. The index of industrial production was lower at 1.1% in this year compared to 2.9% in the previous year.

There is considerable slowdown in growth, moderating inflation and uncertain outlook. However you company will continue to strive for meaningful growth, focusing as always on superior credit quality, a balance portfolio mix and efficient cost management in order to sustain profitability.

The government has taken various steps to kick start investment. Policy rate cuts by Reserve Bank of India and improving business sentiment could also support revival in investment.

Your company is fully aware that the opportunities in the infrastructure and real estate will be many and diverse in nature. While this provides impetus for our sustainable growth, your company is also duly careful that from amongst the multiple choices of attractive businesses available we always make the right choice. Your company's business model and its risk management policies and mechanisms are being constantly reviewed and upgraded to ensure this.

Risks and Concerns

Risks to a varying degree, is inevitable in all business transactions in an organization which is in financial services. Your Company, being in the business of financing and investment has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk.



Hence, strong risk management capabilities are critical for a growing company operating in a rapidly changing environment. The Asset Liability Management Committee reviews and manages the risks at periodic intervals.

The risk management framework of the Company is driven by the following fundamentals:-

- Identification of key risks faced by the company
- Evaluating the probability of their occurrences and their impact.
- Set an appropriate balance between risk and reward in order to maximize share holder return.
- Set tolerance limits and establish adequate review mechanisms to monitor and control the risks.
- Incorporate robust reporting mechanism and adoption of appropriate mitigation processes.

The Company manages credit risk through stringent credit norms established through several years of experience in this line of business and continues to follow the time tested practices of personally assessing every borrower, before committing to a credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the period is put to best use and acts to mitigate credit reeks. Liquidity risk and interest risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity proceeds.

Human Resource Development

The Company continues to give priority to its human assets. The company provides a fair and equitable work environment to all its employees. The Company is working continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

Financial performance

The financial performance of the company for the year under review is discussed in detail in the Directors Report.

**By Order of the Board of Directors
For Scintilla Commercial & Credit Limited**

Place: Kolkata
Date: 30.05.2013

**Navin Kumar Sharma
Managing Director**

**J.K. Goyal
Director**

SCINTILLA COMMERCIAL & CREDIT LIMITED

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essentials character is shaped by the values of transparency, professionalism and accountability. The Company is committed to attain the highest standard of Corporate Governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance all stakeholders' value within the framework of laws and regulations.

We believe in the adoption of most relevant and practical practices for good Corporate Governance in its totality to boost up the image of the Company by adhering to be fair to all the Shareholders. Transparency in day-to-day affairs, full disclosure, independence, long term approach, growth in absolute terms and Social welfare had been the essence of the management of the Company.

BOARD OF DIRECTORS

An active, informed and independent Board is necessary to ensure highest standards of Corporate Governance. The main role of Board is to take right decision to safeguard and enhance shareholders value.

Composition of the Board

The Board of Directors presently consists of four Directors, of which three are non-executive Directors. Management of the Company is headed by Sri Navin Kumar Sharma, Managing Director, subject to general supervision, control and direction of the Board. None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company. During the Year under review Eleven Board Meetings were held and the gap between two meetings did not exceed four months. Dates of the Board Meeting are 02.04.2012, 14.05.2012, 30.06.2012, 14.08.2012, 01.10.2012, 14.11.2012, 10.12.2012, 03.01.2013, 14.02.2013, 20.02.2013 and 30.03.2013.

| Name of the Director | Category | Financial Year 2012-2013 | | Attendance at the Last AGM | No. of Directorship in other Public Limited Companies incorporated in India | Committee Positions held in other Public Companies | |
|---------------------------|-------------------------------|--------------------------|------------------------|----------------------------|---|--|--------|
| | | Board Meeting held | Board Meeting attended | | | Chairman | Member |
| Sri Navin Kumar Sharma | Managing Director | 11 | 11 | Yes | Nil | Nil | Nil |
| Sri Amar Nath Singh | Independent and Non-Executive | 11 | 11 | Yes | Nil | Nil | Nil |
| Sri Jitendra Kumar Goyal | Non-Executive | 11 | 11 | Yes | 04 | 04 | 05 |
| Sri Manoj Kumar Mundhara* | Independent and Non-Executive | N.A | N.A | N.A | 02 | Nil | Nil |

*Sri Manoj Kumar Mundhara was appointed w.e.f. 24th April 2013.

SCINTILLA COMMERCIAL & CREDIT LIMITED

Board Meetings, Board Committee Meetings and Procedures

- **Decision Making Process**

The Board of Directors is the ultimate body constituted by the Shareholders for looking after overall functions of the Company. It provides and evaluates the strategic direction of the Company, Management policies and their effectiveness and ensures that the Long Term interests of the Shareholders are being served. Management Committee has been entrusted with the powers to oversee the functional matters of the Company.

All the relevant information during the Financial Year 2012-2013 as enumerated in Clause 49 of the Listing Agreement has been placed before the Board for its consideration. The draft minutes of each meeting are circulated to all Directors for their comments before being recorded in the minutes book. The important decisions taken at board meetings are communicated to the concerned departments promptly.

- **Scheduling and selection of Agenda Items for Board Meetings**

- i. Minimum four Board Meetings are held every year and in addition, as and when it is required, the same is called and convened by giving due Notice to all the Board Members.
- ii. The meetings are usually held at the Registered Office of the Company.
- iii. The Executive Director in consultation with other Directors finalizes the Agenda and other related matters for the Board Meeting.
- iv. The Board is provided with the sufficient Financial Information as and when required by them by way of Quarterly, half yearly and so on.
- v. All the relevant informations are placed before the Board and / or Committees in compliance of the Listing agreement with the Stock Exchanges as well as other Statutory Requirements.

- **Minutes of Proceeding at Board and Committee Meetings**

The Minutes are prepared for each Board and Committee Meeting. Each member of the Board/Committee receives a draft copy of the Minutes for their comments before its final recording into Minutes Book.

CODE OF CONDUCT

The Code of Conduct in line with the provisions of Clause 49 of the Listing Agreement has been framed /adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. This Code forms an integral part of the Company's Governance Policy. The Company adheres to the highest Standards of business ethics, compliance with the Statutory and Legal requirements and commitment to transparency in business dealings.

Declaration affirming compliance of Code of Conduct

A declaration by the Managing Director affirming compliance of Board members and senior Management Personnel to the Code is mentioned herewith:

Declaration signed by the Managing Director

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

Place: Kolkata
Date: 30.05.2013

For Scintilla Commercial & Credit Limited
Navin Kumar Sharma
Managing Director

SCINTILLA COMMERCIAL & CREDIT LIMITED

COMMITTEES OF THE BOARD

The Board of Directors of the Company has constituted three Committees viz, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The minutes of the Committee Meetings are noted by the Board. The role and Composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

A. Audit Committee

The Board of Directors has in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, constituted an Audit Committee for overseeing the accounting, auditing and overall financial reporting process of the Company. The Committee's purpose is to oversee quality and integrity of accounting, auditing and financial reporting process. The Committee also oversees the appointment, performance and remuneration of the statutory auditors.

Power of Audit Committee

As enumerated in clause 49 of the Listing Agreement, the Audit Committee has following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other independent professional advice
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The terms of reference as stipulated by the Board to the Audit Committee include:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Reviewing with the Management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement in the Directors Report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualification in the draft audit report, if any.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with the management, performance of auditors, and adequacy of internal control systems.
6. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post - audit discussion to ascertain any area of concern.
7. To review the functioning of Whistle Blower Mechanism, in case the same is existing.
8. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.

Mr. Amar Nath Singh, the Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company which held on 29th September, 2012.

SCINTILLA COMMERCIAL & CREDIT LIMITED

During the year under review, four meetings of the committee were held on 14.05.2012, 14.08.2012, 14.11.2012, 14.02.2013. The composition of the committee and attendance at its meeting is given below:

| Name of the Director | Category | No. of Meetings held | No. of Meetings Attended |
|-------------------------------|---------------|----------------------|--------------------------|
| Sri Amar Nath Singh, Chairman | Non-Executive | 4 | 4 |
| Sri Jitendra Kumar Goyal | Non-Executive | 4 | 4 |
| Sri Navin Kumar Sharma | Executive | 4 | 4 |

The Composition of the committee is in conformity with clause 49II(A) of the Listing Agreement. The necessary quorum was present for all the meetings. The Statutory Auditors are regular invitee.

B. Remuneration Committee

The Company has formed Remuneration Committee and the Committee meeting during the year under review held on 30th June, 2012. All the members were present in the meeting.

Sri Jitendra Kumar Goyal was appointed as the Chairman of Remuneration Committee. The other members of the Committee are Sri Navin Kumar Sharma and Sri Amar Nath Singh.

The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the Company.
- To approve the remuneration and commission/incentive payable to the Managing Director for each financial year
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve

Remuneration to the Managing Director:

The Managing Director, Mr. Navin Kumar Sharma is paid a fixed quantum of Salary and perquisites as recommended by the Board of Directors within the overall limits permissible under the Companies Act and as approved by the Shareholders.

Shares held by the Directors as on 31st March, 2013

| Name of the Director | Category | No. of Equity Shares held |
|--------------------------|-----------------|---------------------------|
| Sri Navin Kumar Sharma | Non-Independent | NIL |
| Sri Amar Nath Singh | Independent | NIL |
| Sri Jitendra Kumar Goyal | Independent | 211 |

Sitting fee has been waived and no sitting fee is presently paid to any director or any member of any committee of Directors.

C. Shareholders'/Investors' Grievance Committee

The shareholders'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of dividend etc. The committee is headed by Mr. Amar Nath Singh, as Chairman (non- executive director) and other two members are Mr. Jitendra Kumar Goyal and Mr. Navin Kumar Sharma, Directors. Mr. Navin Kumar Sharma is designated as the Compliance Officer The Committee generally meets once in three months to deal with any complaints or grievances as may be received from the Shareholders. No Complaint has been received during the Financial Year.

SCINTILLA COMMERCIAL & CREDIT LIMITED

SUBSIDIARY COMPANY

The Subsidiaries of the Company are managed by its Board while the Company monitors performance of the subsidiaries in the following manner:-

- The Financial Statements are regularly presented by the subsidiary Companies;
- All major investments/transactions are reviewed on quarterly basis and / or as and when need arises.
- The Financial Statements including particulars of investments made by all the significant transaction of all the unlisted subsidiary companies are reviewed by the audit committee.

The Minutes of the subsidiary companies as well as statement of significant transactions and arrangements entered into by the subsidiary companies are placed before the Board Meeting for their review.

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

| AGM for the Financial Year | Date | Time | Venue |
|----------------------------|------------|-------------|---|
| 2009-2010 | 30.09.2010 | 10.00 A. M. | 3, Mangoe Lane, 4 th Floor, Kolkata – 700 001 |
| 2010-2011 | 30.09.2011 | 10.00 A. M. | Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001 |
| 2011-2012 | 30.09.2012 | 10.00 A. M. | Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001 |

No extra-ordinary general meeting of the shareholders was held during the year.

RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE YEAR

There were two Special Resolutions passed through Postal Ballot in the year 2012-13:

| Effective Date | Matter | Person who conducted the Postal Ballot Exercise |
|---------------------------------|--|---|
| 08 th February, 2013 | To migrate the shares of the company to be listed at SME platform of BSE Limited in accordance with regulation 106T of SEBI (ICDR) Regulation, 2009 thereby delist its shares from the floor of The Calcutta Stock Exchange Limited. | M/s. Ajay M L & Co, Chartered Accountants |
| 08 th February, 2013 | To adopt new set of Articles of Association for the Company. | M/s. Ajay M L & Co, Chartered Accountants |

M/s. Ajay M L & Co, Chartered Accountants was appointed as Scrutinizer for conducting the Postal Ballot Process in fair and transparent manner and to receive and scrutinize the completed Ballot Forms from the members. The Procedure for the postal ballot was as per Section 192A of the Companies Act, 1956 and Rules made there under, namely Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Further none of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special Resolution through Postal Ballot.

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DISCLOSURES

Disclosure on materially significant related party transactions

- a. There were no materially significant related party transactions i.e. transactions of the Company of material nature, which its promoters, the Directors of the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. The related party transactions have been duly disclosed in the “Notes on Accounts” to the Balance Sheet.
- b. There were no cases of non-compliance by the Company and no penalties / strictures imposed on the Company by any Statutory Authority on any matter.
- c. The statutory financial statements of the Company are unqualified.
- d. Reconciliation of Share Capital Audit:
A Qualified Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- e. Code For Prevention Of Insider Trading:
In compliance with the SEBI Regulations on prevention of Insider Trading, the company has framed a comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advices them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

COMPLIANCE CERTIFICATE

Compliance Certificate on Corporate Governance from the Auditors of the Company is annexed with this Report.

MEANS OF COMMUNICATION

The Quarterly and Half Yearly results are published normally in Business Standard and Newz Bangla/Duranta Barta. The results are not sent individually to the shareholders. The Company has its own website <http://www.scintilla.co.in> and all vital information relating to the Company and its performance including financial results and corporate presentations, etc. are regularly posted on the website. There were no presentations made to the institutional investors or analysis during the year.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| Annual General Meeting | |
| Date and Time | : 30th September, 2013 at 10.00 A.M. |
| Venue | : Registered office: Mercantile Building, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001 |
| Financial Calendar | : 2013-2014 (Tentative Dates) First Quarter Results 2nd week of August, 2013 Second Quarter Results 2nd week of November, 2013 Third Quarter Results 2nd week of February, 2014 Fourth Quarter Results Last week of May, 2014 |
| Date of Book Closure | : 25th September, 2013 to 30th September, 2013 (both days inclusive) |
| Dividend payment date | : No dividend is being recommended |
| Listing on Stock Exchanges | : The Calcutta Stock Exchange Ltd. |
| The Company has paid Listing Fees as applicable to the stock exchanges. | |

The ISIN Number of the Company on both NSDL and CDSL is INE 892C01018.

SCINTILLA COMMERCIAL & CREDIT LIMITED

MARKET PRICE DATA

There has been no trading of shares of the company during the Financial Year 2012-2013

REGISTRAR & SHARE TRANSFER AGENT

M/s Niche Technologies Pvt. Ltd.
D-511, Bagri Market, 71, B.R.B.B. Road,
Kolkata – 700 001

SHARE TRANSFER SYSTEM

Company's shares are traded in demat as well as in non-demat mode. For Non-demat shares, transfer of Shares are processed by Share Transfer Agents and approved by Share Transfer Committee which meets at frequent intervals.

SHAREHOLDING PATTERN (AS ON 31ST MARCH 2013)

| Category | No. of Shares | % to Total |
|--------------------|-----------------|---------------|
| Promoters | 1886489 | 18.813 |
| Domestic Companies | 4224453 | 42.128 |
| Indian Public | 3902535 | 38.917 |
| Others | | |
| Trust | 14300 | 0.143 |
| Total | 10027777 | 100.00 |

DISTRIBUTION OF SHAREHOLDINGS

| SRL | No. of Shares | | No. of Shareholders | % to Total | Total Shares | % to Total |
|-----|---------------|--------------|---------------------|-----------------|-----------------|-----------------|
| 1. | UPTO | 500 | 233 | 23.7030 | 74554 | 0.7435 |
| 2. | 501 | 1000 | 190 | 19.3286 | 149706 | 1.4929 |
| 3. | 1001 | 5000 | 326 | 33.1638 | 832796 | 8.3049 |
| 4. | 5001 | 10000 | 90 | 9.1556 | 691334 | 6.8942 |
| 5. | 10001 | 50000 | 112 | 11.3937 | 2722162 | 27.1462 |
| 6. | 50001 | 100000 | 15 | 1.5259 | 1090179 | 10.8716 |
| 7. | 100001 | AND ABOVE | 17 | 1.7294 | 4467046 | 44.5467 |
| | | TOTAL | 983 | 100.0000 | 10027777 | 100.0000 |

DEMATERIALISATION OF SHARES

As on 31st March 2013 the number of shares in dematerialized form is 4316560 representing 43.04 % of the total shares and the balance 5711217 shares representing 56.96 % of the total shares were held in physical form.

ADDRESS FOR CORRESPONDENCE:

For any assistance in respect of status of dematerialization of shares, transfer, transmission, issue of duplicate certificates, change of address, non-receipt of Annual Reports, Investors are requested to write to:

**“Mercantile Building”, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001
Email: info@scintilla.co.in**

SCINTILLA COMMERCIAL & CREDIT LIMITED

CEO / CFO CERTIFICATION

**The Board of Directors
M/s Scintilla Commercial & Credit Limited**

Re: Financial Statement for the Financial Year 2012-2013 – Certification by Managing Director

I, Navin Kumar Sharma, Managing Director of M/s **Scintilla Commercial & Credit Limited** on the review of Financial Statements and Cash Flow Statement for the year ended 31st March, 2013 and to the best of my knowledge and belief, hereby certify that:

1. These statement do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of my knowledge and belief no transactions entered into by the Company during the year ended 31st March, 2013 which is fraudulent, illegal or violative of Company's Code of Conduct.
4. I accept responsibility of establishing and maintaining internal control systems of the Company pertaining the financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies in the design and operation of such internal controls of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
 - i. There have been no significant changes in internal control over financial reporting during the period.
 - ii. There have been no significant changes in accounting policies during the period.
 - iii. There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Kolkata

Date: 30.05.2013

**For and on behalf of the Board
(Navin Kumar Sharma)**

Managing Director

SCINTILLA COMMERCIAL & CREDIT LIMITED

CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of

Scintilla Commercial & Credit Limited

We have examined the compliance of conditions of corporate governance by **Scintilla Commercial & Credit Limited** for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our 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 the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders' Investors' Grievance Committee.

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

**For S. K. Rungta & Co.
Chartered Accountants
FRN.308081E**

**Place: Kolkata
Date: 30.05.2013**

**(S. K. Rungta)
Proprietor
Membership No.: 013860**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Independent Auditor's Report

To

The Members

Scintilla Commercial & Credit Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Scintilla Commercial & Credit Limited (the Company) which comprise the Balance Sheet as at March 31, 2013, 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 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the 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 for the year ended on that date.

SCINTILLA COMMERCIAL & CREDIT LIMITED

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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the 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 subsection (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 director 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 S. K. Rungta & Co.
Chartered Accountants
FRN: 308081E**

**S. K. Rungta
(Proprietor)
Membership No. : 13860**

**Place: Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Scintilla Commercial & Credit Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. Based on our scrutiny of the Company's Books of Accounts and other records and according to the information and explanations received by us from the Management, we are of the opinion that the question of commenting on the maintenance of proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the Company had no fixed assets as on 31.03.2013.
2. Based on our scrutiny of the Company's Books of Accounts and other records and according to the information and explanations received by us from the Management, we are of the opinion that the question of commenting on the maintenance of proper records of inventories, physical verification of inventories and whether adequate procedures have been followed by management for physical verification of inventories thereof does not arise since the Company had no inventories as on 31.03.2013.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of sub-clauses (b),(c) and (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and the information and explanations provided by the Management, we are of the opinion that the Company has not entered into any contract or arrangement referred to in section 301 of the Companies Act, 1956.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds Five Lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations provided by the Management, the provisions of section 209(1)(d) of the Companies Act, 1956 do not apply to the Company.

SCINTILLA COMMERCIAL & CREDIT LIMITED

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit but there was accumulated loss in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not borrowed from Financial Institution, Bank or Debentures.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is dealing in Shares, Securities & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the management.

For S. K. Rungta & Co.
Chartered Accountants
FRN: 308081E

Place: Kolkata
Date: 30/05/2013

S. K. Rungta
(Proprietor)
Membership No. : 013860

SCINTILLA COMMERCIAL & CREDIT LIMITED

Balance Sheet as at 31st March, 2013

| Particulars | Note No. | As at 31.03.2013 | As at 31.03.2012 |
|-----------------------------------|-------------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 100277770 | 100277770 |
| (b) Reserves and Surplus | 2 | 1604182 | (78243) |
| (2) Current Liabilities | | | |
| (a) Trade Payables | | 616150 | - |
| (b) Other current liabilities | 3 | 27538 | 101486 |
| (c) Short-Term Provisions | 4 | 253817 | - |
| Total | | 102779457 | 100301013 |
| II.Assets | | | |
| (1) Non-current assets | | | |
| (a) Non-current investments | 5 | 75385000 | 83179000 |
| (2) Current assets | | | |
| (a) Trade receivables | 6 | 3430750 | - |
| (b) Cash and cash equivalents | 7 | 1695265 | 20583 |
| (c) Short-term loans and advances | 8 | 22268442 | 17101430 |
| Total | | 102779457 | 100301013 |

Significant accounting policies
Notes on Accounts

1-12

The accompanying notes form an integral part of the financial statements

In terms of our attached report of even date.

For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E

For and on behalf of the Board of Directors

(S.K.Rungta)
Proprietor
Membership No. 13860

Navin Kumar Sharma **J. K. Goyal**
Managing Director **Director**

Place : Kolkata
Date: 30/05/2013

SCINTILLA COMMERCIAL & CREDIT LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

| Particulars | Note No. | For the year ended March 31, 2013 | For the year ended March 31, 2012 |
|--|----------|-----------------------------------|-----------------------------------|
| I. Other Income | 9 | 2859724 | 296219 |
| Total Revenue | | 2859724 | 296219 |
| II. Expenses: | | | |
| Employee Benefit Expenses | 10 | 493000 | 90000 |
| Other expenses | 11 | 288246 | 202752 |
| Total Expenses | | 781246 | 292752 |
| III. Profit before tax (I - II) | | 2078478 | 3467 |
| IV. Tax expense: | | | |
| (1) Current tax | | 396054 | 1072 |
| V. Profit(Loss) for the perid (III - IV) | | 1682424 | 2395 |
| VI. Earnings per equity share of face value of Rs.10 each: | | | |
| (1) Basic & Diluted | 12(h) | 0.17 | 0.00 |

Significant accounting policies

Notes on Accounts

1-12

The accompanying notes form an integral part of the financial statements

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

For and on behalf of the Board of Directors

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma J. K. Goyal
Managing Director Director**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Cash Flow Statement for the year ended March 31,2013

| | <u>March 31, 2013</u> (Rupees) | <u>March 31, 2012</u> (Rupees) |
|---|-----------------------------------|-----------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and Extraordinary Items | 2,078,478 | 3,467 |
| Adjustment for : | | |
| Write-offs | - | - |
| (Profit)/Loss on sale of Fixed Assets | - | - |
| | <u>2,078,478</u> | <u>3,467</u> |
| Adjustment for : | | |
| Interest Received | (859,124) | (296,219) |
| Income from Investment | (1,975,600) | - |
| Others | - | - |
| Operating Profit before Working Capital changes | <u>(756,246)</u> | <u>(292,752)</u> |
| Adjustment for : | | |
| Current Assets | (8,597,762) | 6,252,048 |
| Current Liabilities | 796,019 | 13,037 |
| (Increase)/Decrease in Net Current Assets | <u>(7,801,743)</u> | <u>6,265,085</u> |
| Cash generated from Operations | <u>(8,557,989)</u> | 5,972,332 |
| Taxation | <u>(396,054)</u> | (1,072) |
| Cash Flow before extraordinary items | <u>(8,954,043)</u> | 5,971,260 |
| Additional tax adjustments for earlier year | - | - |
| Net Cash from operating activities (A) : | <u>(8,954,043)</u> | <u>5,971,260</u> |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Decrease / (Increase) of Investments | 7,794,000 | (6,354,000) |
| Interest Received | 859,124 | 296,219 |
| Income from Investment | 1,975,600 | - |
| Others | - | - |
| Net Cash used in investing activities (B) : | <u>10,628,724</u> | <u>(6,057,781)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital | - | - |
| Increase /(decrease) in Borrowing | - | - |
| Deferred Expenditure | - | - |
| Net Cash from Financing activities (C) : | <u>-</u> | <u>-</u> |
| Net increase in Cash and Cash equivalents (A+B+C) : | <u>1,674,681</u> | <u>(86,521)</u> |
| Cash and Cash equivalents at the beginning of the year | <u>20,583</u> | <u>107,104</u> |
| Cash and Cash equivalents at the close of the year | <u>1,695,265</u> | <u>20,583</u> |

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

For and on behalf of the Board of Directors

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma J. K. Goyal
Managing Director Director**

Place : Kolkata

Date: 30/05/2013

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to financial statements for the year ended 31st March 2013

1 SHARE CAPITAL

| <u>AUTHORISED:</u> | <u>31st March 2013</u> | <u>31st March 2012</u> |
|---|-------------------------------|-------------------------------|
| 10050000 Equity Shares of Rs 10 Each | <u>100500000</u> | <u>100500000</u> |
| <u>Issued,Subscribed and fully paid-up shares</u> | | |
| 10027777 Equity Shares of Rs 10 Each fully paid up in cash | <u>100277770</u> | <u>100277770</u> |

a.Details of shareholders holding more than 5% shares in the company

| Name of Shareholder | 31st March 2013 | | 31st March 2012 | |
|----------------------------|-----------------|---------------|-----------------|---------------|
| | % of shares | No. of shares | % of shares | No. of shares |
| Centuple Finance Pvt. Ltd. | 18.81 | 1886489 | 18.81 | 1886489 |

b. Reconciliation of share capital at beginning and end of accounting year

| | | |
|----------------------------------|-----------|-----------|
| Opening Balance of Share Capital | 100277770 | 100277770 |
| Closing Balance of Share Capital | 100277770 | 100277770 |

c. Equity shares carry voting rights at the General Meetings of the Company, and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

2 Reserves and Surplus

| | <u>31st March 2013</u> | <u>31st March 2012</u> |
|--|-------------------------------|-------------------------------|
| Profit & Loss A/c | | |
| Opening Balance | (354572) | (313733) |
| Add : Profit For the Year | 1682424 | 2395 |
| Less : Statutory Provision | 55671 | 42754 |
| : Statutory Reserve | <u>336485</u> | <u>479</u> |
| | 935697 | (354572) |
| Reserve & Provisions Asper RBI Guidelines | | |
| Statutory Reserve | | |
| Opening Balance | 176421 | 175942 |
| Add : Transfer from Profit & Loss A/c | <u>336485</u> | <u>479</u> |
| | 512906 | 176421 |
| Statutory Provision | | |
| Opening Balance | 99908 | 57,154 |
| Add : Transfer from Profit & Loss A/c | <u>55671</u> | <u>42754</u> |
| | 155579 | 99908 |
| | <u>1604182</u> | <u>(78243)</u> |

3 Other Current Liabilities

| | | |
|------------------------|---------------------|---------------|
| Advances Received | - | 45000 |
| Liability For Expenses | <u>27538</u> | <u>56486</u> |
| | <u>27538</u> | <u>101486</u> |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to financial statements for the year ended 31st March 2013

| | | |
|---|-------------------------------|-------------------------------|
| 4 <u>Short Term Provisions</u> | <u>31st March 2013</u> | <u>31st March 2012</u> |
| Provision for Taxation (Net of Advance Taxes) | <u>253817</u> | <u>-</u> |

5 Non-Current Investments

| Particulars | Face Value | AS AT 31.03.2013 | | AS AT 31.03.2012 | |
|--|------------|------------------|-------------------------|------------------|------------------------|
| | | No. of Share | Value Rs. | No. of Share | Value Rs. |
| <u>Non-Trade Investments</u> | | | | | |
| <u>Equity - Unquoted</u> | | | | | |
| Ashok Vatika Agro Farms Pvt. Ltd. | 10 | 154500 | 15450000 | 104500 | 10450000 |
| Daulat Vintrade Pvt. Ltd. | 10 | 1500 | 300000 | 1,500 | 300,000 |
| Goldmoon Commotrade Ltd. | 10 | 10000 | 1000000 | 10000 | 1000000 |
| Greenview Vincom Limited | 10 | - | - | 35,650 | 3,349,000 |
| Isha Estates & Investments Pvt. Ltd. | 10 | 62500 | 125000 | 62500 | 125000 |
| Janhit Tracom Ltd. | 10 | 10000 | 1000000 | 10000 | 1000000 |
| Keystar Merchants Pvt. Ltd. | 10 | 3500 | 700000 | 3,500 | 700,000 |
| Littlestar Tracom Limited | 10 | 1500 | 300000 | 1,500 | 300,000 |
| Mayborn Investments Pvt. Ltd. | 10 | 129600 | 12960000 | 321000 | 32100000 |
| Nexus Vinimay Pvt. Ltd. | 10 | 5000 | 50000 | 5000 | 50000 |
| Planet Dealtrade Pvt. Ltd. | 10 | 5000 | 1000000 | 5,000 | 1,000,000 |
| Shreyans Stockinvest Pvt. Ltd. | 100 | 500 | 500000 | 1500 | 1500000 |
| Silverlake Tradelinks Limited | 10 | - | - | 2,500 | 500,000 |
| Skylight Vintrade Pvt. Ltd. | 10 | 10000 | 2000000 | 10,000 | 2,000,000 |
| Success Dealers Pvt. Ltd. | 10 | 5000 | 1000000 | 5,000 | 1,000,000 |
| Sumit Technisch & Engg. Pvt. Ltd. | 10 | - | - | 2000 | 100000 |
| Suncity Dealers Pvt. Ltd. | 10 | 5000 | 1000000 | 5,000 | 1,000,000 |
| Topstar Tie-up Limited | 10 | 7500 | 1500000 | 7,500 | 1,500,000 |
| Twinkle Vintrade Pvt. Ltd. | 10 | 1250 | 250000 | 1,250 | 250,000 |
| Ultra Dealers Pvt. Ltd. | 10 | 3000 | 300000 | 3,000 | 300,000 |
| Yerrow Finance & Investments Pvt. Ltd. | 10 | 94000 | 9400000 | 103000 | 10300000 |
| Zigma Commosales Pvt. Ltd. | 10 | 5000 | 50000 | - | - |
| <u>Preference - Unquoted</u> | | | | | |
| Amiya Comm. & Cons. Co. Pvt. Ltd. | 100 | - | - | 19600 | 9800000 |
| Daffodil Dealtrade Pvt. Ltd. | 10 | 15000 | 3000000 | 15000 | 3000000 |
| Zigma Commosales Pvt. Ltd. | 10 | 7500 | 1500000 | - | - |
| <u>Investments in Subsidiaries</u> | | | | | |
| <u>Unquoted - Equity Shares</u> | | | | | |
| Jaimatarani Merchants Ltd. | 10 | 1100000 | 11000000 | - | - |
| Mericogold Trading Ltd. | 10 | 1100000 | 11000000 | - | - |
| Zigma Commosales Pvt. Ltd. | 10 | - | - | 5,500 | 55,000 |
| <u>Preference - Unquoted</u> | | | | | |
| Zigma Commosales Pvt. Ltd. | 10 | - | - | 7,500 | 1,500,000 |
| | | | <u>75385000</u> | | <u>83179000</u> |
| Break up Values of Unquoted Equity Shares | | | <u>110534963</u> | | <u>55052674</u> |
| Break up Values of Unquoted Preference Shares | | | <u>225000</u> | | <u>2185000</u> |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to financial statements for the year ended 31st March 2013

| 6 <u>Trade Receivables:</u> | <u>31st March 2013</u> | <u>31st March 2012</u> |
|---|-------------------------------|-------------------------------|
| Unsecured Considered good | | |
| More than Six months from the date they become due | 3414600 | - |
| Others | 16150 | - |
| | <u>3430750</u> | <u>-</u> |
| 7 <u>Cash & Cash Equivalents:</u> | | |
| Balances with Banks in Current Accounts | 1583534 | 16203 |
| Cash In Hand (As certified By Management) | 111731 | 4380 |
| | <u>1695265</u> | <u>20583</u> |
| 8 <u>Short Term Loans & Advances:</u> | <u>31st March 2013</u> | <u>31st March 2012</u> |
| Loans (Unsecured but Considered good repayable on demand) | | |
| - Others | 20706082 | 5462152 |
| Advances (Recoverable in cash or in kind or for the value to be received) | 1562360 | 11450000 |
| Income Taxes Refundable net of provisions | - | 189278 |
| | <u>22268442</u> | <u>17101430</u> |
| | 2012 - 2013 | 2011 - 2012 |
| | (Rupees) | (Rupees) |
| 9 <u>Other Income:</u> | | |
| INTEREST | | |
| - On Unsecured Loan (TDS Rs.85186, P.Y. Rs. 29129) | 851851 | 291281 |
| - On Income Tax Refund | 7273 | 4938 |
| Liability No Longer Required Written Back | 25000 | - |
| Net gain on sale of Non-current Investments | 1975600 | - |
| | <u>2859724</u> | <u>296219</u> |
| 10 <u>Employee benefit expenses</u> | | |
| Managing Director's Remuneration | 90000 | 90000 |
| Salaries & Bonus | 403000 | - |
| | <u>493000</u> | <u>90000</u> |
| 11 <u>Other Expenses</u> | | |
| Payment to auditors | | |
| - Statutory Audit Fees | 5000 | 5000 |
| - Others | - | 500 |
| Advertisement | 13098 | 5,500 |
| Bank Charges | 843 | 2412 |
| Conveyance | 9617 | 502 |
| Depository Charges | 67416 | 3048 |
| Filing Fees | 2000 | 24472 |
| General Expenses | 3054 | 2000 |
| Listing Fees | 39326 | 1084 |
| Office Maintenance Expenses | 13716 | 39550 |
| Postage & Telegram | 42677 | 2352 |
| Printing & Stationery | 39743 | 16164 |
| Professional charges | 33920 | 19,440 |
| Professional Tax | 2500 | 72500 |
| Registrar Fees | 11236 | 2500 |
| Trade License Fees | 4100 | 11228 |
| | <u>288246</u> | <u>-</u> |
| | | <u>202752</u> |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to financial statements for the year ended 31st March 2013

12 Other Notes:

- a. The Company's main business is Finance and Investment falling under one business head. Hence, Segmental Reporting as per AS - 17 is not applicable to the company
- b. As required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by RBI, we enclose in the annexure the required Schedule to the Balance Sheet of a Non-Banking Finance Company.
- c. Statutory Reserve has been created @ 20% of Profit after Tax as per RBI guidelines.
- d. Contingent Provisions against Standard assets has been made @ 0.25% of the outstanding standard assets as per RBI directions.
- e. Previous year figures have been regrouped/rearranged wherever considered necessary.
- f. Contingent Liabilities & Contracts on capital account: NIL
- g. Related Party Transactions

Disclosure in relation of Transactions with Related Parties in accordance with AS-18

| Name of the Related Party (Nature of Relationship) | Nature of Transactions | Volume of Transactions | Provisions for doubtful debts due from such parties at that date. | Amounts written off or written back in the period in respect of debts due from or to related parties |
|--|------------------------|------------------------|---|--|
| Navin Kumar Sharma, Managing Director | Remuneration Paid | 90000 | NIL | NIL |

h. Calculation of EPS:-

| | | |
|--------------------------|-----------------|------------------|
| | <u>(Rupees)</u> | <u>(Rupees)</u> |
| Profit after Tax (A) | 1682424 | 2395 |
| No. of Equity Shares (B) | <u>10027777</u> | <u>100277770</u> |
| EPS (A/B) | 0.17 | 0.00 |

Notes 1 -12 form integral part of the financial Statements for the year ended on 31/03/2012
Signatures to Notes 1-12

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

For and on behalf of the Board of Directors

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma
Managing Director**

**J. K. Goyal
Director**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Mercantile Building, Block - E, 2nd Floor
9/12, Lalbazar Street, Kolkata - 700001

Significant Accounting Policies to the financial statements for the year ended on 31st March 2013

a. General :

The Company follows the Mercantile System of Accounting and recognises Income & Expenditure on Accrual Basis.

b. Revenue Recognition:

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognized on receipt basis. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Sales are recognized on passing of ownership in shares.

c. Investments:

Investments have been valued at Cost. Provision for diminutions in the value is not considered unless such short fall is permanent in nature.

d. Taxation:

Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.

Significant accounting policies form integral part of the financial Statements for the year ended on 31/03/2013

Signatures to Significant accounting Policies

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

For and on behalf of the Board of Directors

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma
Managing Director**

**J. K. Goyal
Director**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

SCHEDULE TO THE BALANCE SHEET OF A NON BANKING FINANCIAL COMPANY AS ON 31.03.2013 AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS , 2007

PARTICULARS

(RS IN LACS)

LIABILITIES SIDE

1

| LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID | | <u>AMOUNT OUTSTANDING</u> | <u>AMOUNT OVERDUE</u> |
|---|--|----------------------------------|------------------------------|
| a | DEBENTURES | | |
| | • SECURED | NIL | NIL |
| | • UNSECURED (OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSIT) | NIL | NIL |
| b | DEFERRED CREDITS | NIL | NIL |
| c | TERM LOANS | NIL | NIL |
| d | INTER – CORPORATE LOANS AND BORROWINGS | NIL | NIL |
| e | COMMERCIAL PAPER | NIL | NIL |
| f | PUBLIC DEPOSIT | NIL | NIL |
| g | OTHER LOANS (SPECIFY NATURE) | NIL | NIL |
| | • please see note -1 below | | |

ASSET SIDE

2

| BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN (4) BELOW | | <u>AMOUNT OUTSTANDING</u> |
|--|-------------|----------------------------------|
| | • SECURED | NIL |
| | • UNSECURED | 222.68 |

3

| | | | |
|---|--|-----|-----|
| | BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES | NIL | NIL |
| 1 | LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS | | |
| | • FINANCIAL LEASE | | NIL |
| | • OPERATING LEASE | | NIL |
| 2 | STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS | | |
| | • ASSETS ON HIRE | | NIL |
| | • REPOSSESSED ASSETS | | NIL |
| 3 | HYPOTECATION LOANS COUNTING | | NIL |

| | | |
|--|--|-----|
| | TOWARDS EL / HP ACTIVITIES | |
| | <ul style="list-style-type: none"> • LOANS WHERE ASSETS HAVE BEEN REPOSSESSED | NIL |
| | <ul style="list-style-type: none"> • LOANS OTHER THAN ABOVE | NIL |

BREAK UP OF INVESTMENTS

4

| | | |
|---|---|-----|
| | • CURRENT INVESTMENTS (STOCK IN TRADE) | |
| 1 | QUOTED | |
| | <ul style="list-style-type: none"> • SHARES | |
| | EQUITY | NIL |
| | PREFERENCE | NIL |
| | <ul style="list-style-type: none"> • DEBENTURES AND BONDS | NIL |
| | <ul style="list-style-type: none"> • UNITS OF MUTUAL FUNDS | NIL |
| | <ul style="list-style-type: none"> • GOVERNMENT SECURITIES | NIL |
| | <ul style="list-style-type: none"> • OTHERS | NIL |
| 2 | UNQUOTED | |
| | <ul style="list-style-type: none"> • SHARES | |
| | EQUITY | NIL |
| | PREFERENCE | NIL |
| | <ul style="list-style-type: none"> • DEBENTURES AND BONDS | NIL |
| | <ul style="list-style-type: none"> • UNITS OF MUTUAL FUNDS | NIL |
| | <ul style="list-style-type: none"> • GOVERNMENT SECURITIES | NIL |
| | <ul style="list-style-type: none"> • OTHERS | NIL |

| | | | |
|---|---|--|--------|
| | • LONG TERM INVESTMENTS | | NIL |
| 1 | QUOTED | | |
| | <ul style="list-style-type: none"> • SHARES | | |
| | EQUITY | | NIL |
| | PREFERENCE | | NIL |
| | <ul style="list-style-type: none"> • DEBENTURES AND BONDS | | NIL |
| | <ul style="list-style-type: none"> • UNITS OF MUTUAL FUNDS | | NIL |
| | <ul style="list-style-type: none"> • GOVERNMENT SECURITIES | | NIL |
| | <ul style="list-style-type: none"> • OTHERS | | NIL |
| 2 | UNQUOTED | | |
| | <ul style="list-style-type: none"> • SHARES | | |
| | EQUITY | | 708.85 |
| | PREFERENCE | | 45.00 |
| | <ul style="list-style-type: none"> • DEBENTURES AND BONDS | | NIL |
| | <ul style="list-style-type: none"> • UNITS OF MUTUAL FUNDS | | NIL |
| | <ul style="list-style-type: none"> • GOVERNMENT SECURITIES | | NIL |
| | <ul style="list-style-type: none"> • OTHERS | | NIL |

BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK ON HIRE AND LOANS AND ADVANCES

5

| CATEGORY | | AMOUNT NET OF PROVISIONS | | |
|-----------------|--------------------------------------|---------------------------------|------------------|--------------|
| 1 | RELATED PARTIES | SECURED | UNSECURED | TOTAL |
| | 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 | 222.68 | 222.68 |
| | | TOTAL | NIL | 222.68 | 222.68 |

6

INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED (please see note 3 below) ***

| CATEGORY | | MARKET VALUE /BREAK UP OF FAIR VALUE OR NAV | BOOK VALUE (NET OF PROVISION) |
|-----------------|--------------------------------------|--|--|
| 1 | RELATED PARTIES | | |
| | a SUBSIDIARIES | 217.58 | 220.00 |
| | b COMPANIES IN THE SAME GROUP | NIL | NIL |
| | c OTHER RELATED PARTIES | NIL | NIL |
| 2 | OTHER THAN RELATED PARTIES | 890.02 | 533.85 |
| | TOTAL | 1107.60 | 753.85 |

*** As Per Accounting Standard of ICAI (Please see note – 3)

7.

| OTHER INFORMATION | | AMOUNT |
|--------------------------|---|---------------|
| | PARICULARS | |
| I) | GROSS NON- PERFORMING ASSETS | |
| | A RELATED PARTIES | NIL |
| | B OTHER THAN RELATED PARTIES | NIL |
| II) | NET NON- PERFORMING ASSETS | |
| | A RELATED PARTIES | NIL |
| | B OTHER THAN RELATED PARTIES | NIL |
| III) | ASSETS ACQUIRED IN SATISFACTION OF DEBTS | NIL |

NOTES:

- As defined in paragraph 2 (1) (xii) of the **Non – Banking Financial Companies Acceptance Of Public Deposits (Reserve Bank) Directions, 1998.**
- Provisioning Norms shall be applicable as prescribed in **Non – Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve bank) Direction , 2007**
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other assets as also assets acquired in satisfaction of debts. However , Market value in respect of quoted investment and break – up / fair value/ NAV in respect on unquoted investment should be disclosed irrespective of whether they are classified as long term or current in (4) above .

SCINTILLA COMMERCIAL & CREDIT LIMITED

Independent Auditor's Report on Consolidated Financial Statements

To
The Board of Directors
Scintilla Commercial & Credit Limited

We have audited the accompanying Consolidated Financial Statements of Scintilla Commercial & Credit Limited ('the Company') and its Subsidiaries which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair value of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with 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 consolidated financial statements that give a true and fair value and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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.

SCINTILLA COMMERCIAL & CREDIT LIMITED

Opinion

In our opinion and to the 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 the accounting principles generally accepted in India:

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

**For S. K. Rungta & Co.
Chartered Accountants
FRN: 308081E**

**Place: Kolkata
Date: 30/05/2013**

**S. K. Rungta
(Proprietor)
Membership No. : 13860**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Consolidated Balance Sheet as at 31st March, 2013

| Particulars | Note No. | As at 31.03.2013 | As at 31.03.2012 |
|-----------------------------------|-------------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 100277770 | 100277770 |
| (b) Reserves and Surplus | 2 | 1604182 | 42332917 |
| (2) Minority Interest | | | |
| | | 17803341 | 40035949 |
| (3) Current Liabilities | | | |
| (a) Trade Payables | | 616150 | - |
| (b) Other current liabilities | 3 | 237738 | 199986 |
| (c) Short-Term Provisions | 4 | 253817 | - |
| Total | | 120792997 | 182846623 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Goodwill on Consolidation | | 240362 | - |
| (b) Non-current investments | 5 | 63517480 | 165549000 |
| (2) Current assets | | | |
| (a) Trade receivables | 6 | 3430750 | 23838 |
| (b) Cash and cash equivalents | 7 | 31335964 | 148149 |
| (c) Short-term loans and advances | 8 | 22268442 | 17125636 |
| Total | | 120792997 | 182846623 |

Significant accounting policies

Notes on Accounts

1-14

The accompanying notes form an integral part of the financial statements

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

Managing Director

Director

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

| Particulars | Note No. | For the year ended March 31, 2013 | For the year ended March 31, 2012 |
|---|----------|-----------------------------------|-----------------------------------|
| I. Revenue from Operations | 9 | - | 23,838 |
| II. Other Income | 10 | 2859724 | 296219 |
| III. Total Revenue | | 2859724 | 320057 |
| IV. Expenses: | | | |
| Amortization Expenses | 11 | - | 3,000 |
| Employee Benefit Expenses | 12 | 493000 | 90000 |
| Other expenses | 13 | 725267 | 221023 |
| Total Expenses | | 1218267 | 314023 |
| V. Profit before tax (III - IV) | | 1641457 | 6034 |
| VI. Tax expense: | | | |
| (1) Current tax | | 396054 | 1866 |
| VII. Profit for the year (before adjustment for Minority Interest) (V - VI) | | 1245403 | 4168 |
| VIII. Share of Profit/(Loss) transferred to Minority Interest | | (196659) | 798 |
| IX. Profit for the year (after adjustment for Minority Interest) (VII - VIII) | | 1442063 | 3370 |
| X. Earnings per equity share of face value of Rs.10 each: | | | |
| - Basic & Diluted | | 0.14 | 0.00 |

Significant accounting policies

Notes on Accounts

1-14

The accompanying notes form an integral part of the financial statements

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

Managing Director

Director

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Consolidated Cash Flow Statement for the year 2012-13

| | March 31, 2013 (Rupees) | March 31, 2012 (Rupees) |
|---|----------------------------|----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and Extraordinary Items | - | 6,034 |
| Adjustment for : | | |
| Write-offs | - | - |
| Depreciation | - | - |
| (Profit)/Loss on sale of Fixed Assets | - | - |
| | - | 6,034 |
| Adjustment for : | | |
| Interest Received | (32,273) | (296,219) |
| Income from Investment | (2,859,724) | - |
| Others | - | - |
| Operating Profit before Working Capital changes | (2,891,997) | (290,185) |
| Adjustment for : | | |
| Current Assets | (260,224) | 6,204,004 |
| Current Liabilities | 907,719 | 111,537 |
| (Increase)/Decrease in Net Current Assets | 647,495 | 6,315,541 |
| Cash generated from Operations | (2,244,502) | 6,025,355 |
| Taxation | (396,054) | (1,866) |
| Cash Flow before extraordinary items | (2,640,556) | 6,023,489 |
| Additional tax adjustments for earlier year | - | - |
| Net Cash from operating activities (A) : | (2,640,556) | 6,023,489 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Decrease / (Increase) of Investments | 102,031,520 | (88,724,000) |
| Interest Received | 32,273 | 296,219 |
| Income from Investment | 2,859,724 | - |
| Adjustment on Consolidation | (64,447,109) | 82,445,336 |
| Others | - | - |
| Net Cash (used in) / from investing activities (B) : | 40,476,408 | (5,982,445) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital | - | - |
| Increase /(decrease) in Borrowing | - | - |
| Deferred Expenditure | - | - |
| Dividend paid | - | - |
| Net Cash (used in) / from Financing activities (C) : | - | - |
| Net increase in Cash and Cash equivalents (A+B+C) : | 37,835,852 | 41,045 |
| Cash and Cash equivalents at the beginning of the year | 148,149 | 107,104 |
| Cash and Cash equivalents at the close of the year | 37,984,000 | 148,149 |

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

For and on behalf of the Board of Directors

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma J. K. Goyal
Managing Director Director**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2013

1 SHARE CAPITAL

| AUTHORISED: | 31st March 2013 | 31st March 2012 |
|---|------------------------|------------------|
| 10050000 Equity Shares of Rs 10 Each | <u>100500000</u> | <u>100500000</u> |
| Issued,Subscribed and fully paid-up shares | | |
| 10027777 Equity Shares of Rs 10 Each fully paid up | <u>100277770</u> | <u>100277770</u> |

a.Details of shareholders holding more than 5% shares in the company

| Name of Shareholder | 31st March 2013 | | 31st March 2012 | |
|----------------------------|-----------------|---------------|-----------------|---------------|
| | % of shares | No. of shares | % of shares | No. of shares |
| Centuple Finance Pvt. Ltd. | 18.81 | 1886489 | 18.81 | 1886489 |

b. Reconciliation of share capital at beginning and end of accounting year

| | | |
|----------------------------------|-----------|-----------|
| Opening Balance of Share Capital | 100277770 | 100277770 |
| Closing Balance of Share Capital | 100277770 | 100277770 |

c. Equity shares carry voting rights at the General Meetings of the Company, and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

2 Reserves and Surplus

| | 31st March 2013 | 31st March 2012 |
|--|------------------------|-----------------|
| Capital Reserve | | |
| On Consolidation of Subsidiaries | - | 42410185 |
| Profit & Loss A/c | | |
| Opening Balance | (353596) | (313733) |
| Add : Profit For the Year | 1442063 | 3370 |
| Less: Share of Pre-Acquisition Profit/(Loss) | (240362) | - |
| Less : Elimination on Consolidation | 975 | - |
| Less : Statutory Provision | 55671 | 42754 |
| : Statutory Reserve | <u>336485</u> | <u>479</u> |
| Reserve & Provisions Asper RBI Guidelines | 935697 | (353596) |
| Statutory Reserve | | |
| Opening Balance | 176421 | 175942 |
| Add : Transfer from Profit & Loss A/c | <u>336485</u> | <u>479</u> |
| Statutory Provision | | |
| Opening Balance | 99908 | 57154 |
| Add : Transfer from Profit & Loss A/c | <u>55671</u> | <u>42754</u> |
| | <u>1604182</u> | <u>42332917</u> |

3 Other Current Liabilities

| | | |
|------------------------|----------------------|---------------|
| Advances Received | 200000 | 45000 |
| Liability For Expenses | <u>37738</u> | <u>154986</u> |
| | <u>237738</u> | <u>199986</u> |

4 Short Term Provisions

| | | |
|---|---------------|---|
| Provision for Taxation (Net of Advance Taxes) | <u>253817</u> | - |
|---|---------------|---|

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2013

5 Non-Current Investments

| Particulars | Face Value | AS AT 31.03.2013 | | AS AT 31.03.2012 | |
|--|------------|------------------|-----------------|------------------|------------------|
| | | No. of Share | Value Rs. | No. of Share | Value Rs. |
| Non-Trade Investments | | | | | |
| Quoted - Equity Shares | | | | | |
| Decillion Finance Ltd. | 10 | - | - | 84000 | 420000 |
| Equity - Unquoted | | | | | |
| ABM Finlease Pvt. Ltd. | 10 | - | - | 155000 | 1550000 |
| Ashok Vatika Agro Farms Pvt. Ltd. | 10 | 154500 | 15450000 | 104500 | 10450000 |
| Bholanath Textile Pvt. Ltd. | 10 | 12000 | 60000 | - | - |
| Daulat Vintrade Pvt. Ltd. | 10 | 1500 | 300000 | 1500 | 300000 |
| Equate Suppliers Pvt. Ltd. | 10 | 75000 | 750000 | - | - |
| Fortune Art Electric & Light (P) Ltd. | 10 | - | - | 30000 | 6000000 |
| Goldmoon Commotrade Ltd. | 10 | 10000 | 1000000 | 10000 | 1000000 |
| Greenview Vincom Limited | 10 | - | - | 35650 | 3349000 |
| Harmony Vincom Pvt. Ltd. | 10 | 75000 | 750000 | - | - |
| Isha Estates & Investments Pvt. Ltd. | 10 | 62500 | 125000 | 62500 | 125000 |
| Janhit Tracom Ltd. | 10 | 10000 | 1000000 | 10000 | 1000000 |
| Keystar Merchants Pvt. Ltd. | 10 | 3500 | 700000 | 3500 | 700000 |
| Kuber Trexim Pvt. Ltd. | 10 | 1083000 | 2166000 | - | - |
| Liliygold Mercantile Pvt. Ltd. | 10 | 45000 | 450000 | - | - |
| Lifestyle Vanijya Pvt. Ltd. | 10 | - | - | 10000 | 1000000 |
| Littlestar Tracom Limited | 10 | 1500 | 300000 | 2000 | 400000 |
| Mangalchand Property & Investments Pvt. Ltd. | 10 | - | - | 87000 | 8700000 |
| Mayborn Investments Pvt. Ltd. | 10 | 129600 | 12960000 | 366000 | 36600000 |
| Merit Commosales Ltd. | 10 | - | - | 7500 | 1500000 |
| Nature Dealcom Pvt. Ltd. | 10 | 85000 | 170000 | - | - |
| Navin Textile Marketing Pvt. Ltd. | 10 | 12200 | 61000 | - | - |
| Nexus Vinimay Pvt. Ltd. | 10 | 5000 | 50000 | 5000 | 50000 |
| Pawan Putra Pvt Ltd | 10 | - | - | 90000 | 9000000 |
| Planet Dealtrade Pvt. Ltd. | 10 | 5000 | 1000000 | 5000 | 1000000 |
| Roplas Dealcomm Pvt. Ltd. | 10 | 2405975 | 4811950 | - | - |
| Shreyans Stockinvest Pvt. Ltd. | 100 | 500 | 500000 | 27350 | 32150000 |
| Silverlake Tradelinks Limited | 10 | - | - | 2500 | 500000 |
| Skylight Vintrade Pvt. Ltd. | 10 | 10000 | 2000000 | 10000 | 2000000 |
| Spectrum Pestorgan Pvt. Ltd. | 10 | - | - | 550 | 55000 |
| Success Dealers Pvt. Ltd. | 10 | 5000 | 1000000 | 5000 | 1000000 |
| Sumit Technisch & Engg. Pvt. Ltd. | 10 | - | - | 2000 | 100000 |
| Suncity Dealers Pvt. Ltd. | 10 | 5000 | 1000000 | 5000 | 1000000 |
| Symphony Trading Pvt. Ltd. | 10 | - | - | 300000 | 3000000 |
| Topstar Tie-up Limited | 10 | 7500 | 1500000 | 7500 | 1500000 |
| Twinkle Vintrade Pvt. Ltd. | 10 | 1250 | 250000 | 1250 | 250000 |
| Ultra Dealers Pvt. Ltd. | 10 | 3000 | 300000 | 3000 | 300000 |
| Wallstreet Capital Markets Pvt. Ltd. | 10 | 206765 | 413530 | - | - |
| Wellwisher Distributors Pvt. Ltd. | 10 | 50000 | 500000 | - | - |
| Yerow Finance & Investments Pvt. Ltd. | 10 | 94000 | 9400000 | 103000 | 10300000 |
| Zigma Commosales Pvt. Ltd. | 10 | 5000 | 50000 | - | - |
| Preference - Unquoted | | | | | |
| Amiya Comm. & Cons. Co. Pvt. Ltd. | 100 | - | - | 26600 | 13300000 |
| Daffodil Dealtrade Pvt. Ltd. | 10 | 15000 | 3000000 | 15000 | 3000000 |
| Zigma Commosales Pvt. Ltd. | 10 | 7500 | 1500000 | - | - |
| | | | 63517480 | | 165549000 |
| Market Value of Quoted Equity Shares | | | - | | 2568720 |
| Break up Values of Unquoted Equity Shares | | | 88776963 | | 109115507 |
| Break up Values of Unquoted Preference Shares | | | 225000 | | 2810000 |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2013

| | <u>31st March 2013</u> | <u>31st March 2012</u> |
|---|------------------------|------------------------|
| 6 Trade Receivables: | | |
| Unsecured Considered good | | |
| More than Six months from the date they become due | 3414600 | - |
| Others | 16150 | 23838 |
| | 3430750 | 23838 |
| 7 Cash & Cash Equivalents: | | |
| Balances with Banks in Current Accounts | 31029764 | 102173 |
| Cash In Hand (As certified By Management) | 306200 | 45976 |
| | 31335964 | 148149 |
| 8 Short Term Loans & Advances: | | |
| Loans (Unsecured but Considered good repayable on demand) | | |
| - Others | 20706082 | 5462152 |
| Advances (Recoverable in cash or in kind or for the value to be received) | 1562360 | 11475000 |
| Income Taxes Refundable net of provisions | - | 188484 |
| | 22268442 | 17125636 |
| | 2012 - 2013 | 2011 - 2012 |
| | (Rupees) | (Rupees) |
| 9 Revenue from Operations: | | |
| Income from Derivatives | - | 23838 |
| 10 Other Income: | | |
| INTEREST | | |
| - On Unsecured Loan (TDS Rs.85186, P.Y. Rs. 29129) | 851851 | 291281 |
| - On Income Tax Refund | 7273 | 4938 |
| Liability No Longer Required Written Back | 25000 | - |
| Net gain on sale of Non-current Investments | 1975600 | - |
| | 2859724 | 296219 |
| 11 Amortization Expenses | | |
| Preliminary Expenses written off | - | 3,000 |
| 12 Employee benefit expenses | | |
| Managing Director's Remuneration | 90000 | 90000 |
| Salaries & Bonus | 403000 | - |
| | 493000 | 90000 |
| 13 Other Expenses | | |
| Payment to auditors | | |
| - Statutory Audit Fees | 15200 | 6500 |
| - Others | - | 500 |
| Advertisement | 13098 | 7,000 |
| Bank Charges | 1393 | 2412 |
| Conveyance | 9617 | 2008 |
| Depository Charges | 67416 | 8093 |
| Filing Fees | 2000 | 24472 |
| General Expenses | 8585 | 2400 |
| Listing Fees | 39326 | 2984 |
| Office Expenses | 13716 | 39550 |
| Postage & Telegram | 42677 | 3917 |
| Preliminary Expenses | 420740 | 16414 |
| Printing & Stationery | 39743 | - |
| Professional charges | 33920 | 20,545 |
| Professional Tax | 2500 | 77500 |
| Registrar Fees | 11236 | 2500 |
| Trade License Fees | 4100 | 11228 |
| | 725267 | - |
| | | 221023 |

SCINTILLA COMMERCIAL & CREDIT LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2013

14 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO CONSOLIDATED ACCOUNTS :

A. CONSOLIDATION OF ACCOUNTS:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard(AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered accountants of India. The Consolidated Financial Statements comprise the financial statement of the following subsidiary companies :

| Name of the Subsidiary | Country of Incorporation | Proportion of ownership interest |
|-------------------------------|--------------------------|----------------------------------|
| Jaimatarani Merchants Limited | India | 55.00% |
| Mericogold Trading Limited | India | 55.00% |

B. OTHER SIGNIFICANT ACCOUNTING POLICIES :

These are set out under 'Significant Accounting Policies' as given in the Company's separate financial statements.

C. OTHER NOTES:

a. The Company's main business is Finance and Investment falling under one business head. Hence, Segemental Reporting as per AS - 17 is not applicable to the company

b. As required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by RBI, we enclose in the annexure the required Schedule to the Balance Sheet of a Non-Banking Finance Company.

c. Statutory Reserve has been created @ 20% of Profit after Tax as per RBI guidelines.

d. Contingent Provisions against Standard assets has been made @ 0.25% of the outstanding standard assets as per RBI directions.

e. Previous year figures have been regrouped/rearranged wherever considered necessary.

f. Previous year figures are not comparable for the consolidated financial statements since the holding subsidiary relationship comes into effect only during the current financial year.

g. Contingent Liabilities & Contracts on capital account: NIL

h. Related Party Disclosures:

| Name of the Related Party (Nature of Relationship) | Nature of Transactions | Volume of Transactions |
|--|------------------------|------------------------|
| Navin Kumar Sharma, Managing Director | Remuneration Paid | 90000 |

Notes 1 -14 form integral part of the financial Statements for the year ended on 31/03/2013

Signatures to Notes 1-14

In terms of our attached report of even date.

**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E**

**(S.K.Rungta)
Proprietor
Membership No. 13860**

**Navin Kumar Sharma
Managing Director**

**J. K. Goyal
Director**

**Place : Kolkata
Date: 30/05/2013**

SCINTILLA COMMERCIAL & CREDIT LIMITED**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY FOR THE YEAR ENDED 31.03.2013**

| | Name of the Subsidiary Company | Jaimatarani Merchants Limited | Mericogold Trading Limited |
|---|---|--------------------------------------|-----------------------------------|
| 1 | The Financial Period of the Subsidiary Company ended on:- | 31.03.2013 | 31.03.2013 |
| | Date of Incorporation | 25.09.2012 | 25.09.2012 |
| 2 | Date from which it became Subsidiary | 31.03.2013 | 31.03.2013 |
| 3 | (a) Number of Equity Shares held by Scintilla Commercial & Credit Limited in its subsidiary at the end of the Financial Year | 1,100,000 | 1,100,000 |
| | (b) Nominal Value of Shares (Rs.) | 10/- | 10/- |
| | (c) Extent of interest in percentage terms of Scintilla Commercial & Credit Limited in the Equity Capital of the Subsidiary at the end of the Financial Year. | 55.00 | 55.00 |
| 4 | The Net Aggregate of Subsidiaries Company Profit/(Loss) so far it concerns the members of the Holding Company | | |
| | a. Not dealt with in the Holding Company's Accounts: | | |
| | (i) For the Financial Year Ended 31.03.2013 | NIL | NIL |
| | (ii) For the Previous Financial Years of the Subsidiary Companies since it became the Holding Company's Subsidiary | N.A. | N.A. |
| | b. Dealt with in the Holding Company's Accounts: | | |
| | (i) For the Financial Year Ended 31.03.2013 | NIL | NIL |
| | (ii) For the Previous Financial Years of the Subsidiary Companies since it became the Holding Company's Subsidiary | N.A. | N.A. |

In terms of our attached report of even date.**For S.K.RUNGTA & CO.
CHARTERED ACCOUNTANTS
FRN 308081E****For and on behalf of the Board of Directors****(S.K.Rungta)
Proprietor
Membership No. 13860****Navin Kumar Sharma J. K. Goyal
Managing Director Director****Place : Kolkata
Date: 30/05/2013**