

Company Information

MANAGING DIRECTOR:

Radhey Shyam

DIRECTORS:

Ghanshyam Dass Singal
Sanjiv Kumar Agarwal
Praveen Kumar Bansal

COMPANY SECRETARY:

Anil Kaushal

AUDITORS:

Kanodia Sanyal & Associates
Chartered Accountants

BANKERS:

Axis Bank Limited
Royal Bank of Scotland

REGISTERED OFFICE:

19th K.M. Hapur - Bulandshahr Road
P.O. Gulaothi
Distt-Bulandshahr,
Uttar Pradesh - 245 408

HEAD OFFICE:

11/5-B,
Basement, Pusa Road,
Opposite Telephone Exchange,
New Delhi-110 005

**REGISTRAR &
SHARE TRANSFER AGENT:**

Link Intime India Pvt. Ltd.
A-40, 2nd Floor,
Naraina Industrial Area, Phase-II,
New Delhi 110028

INVESTOR EMAIL ID:

igr_cfhl@jindalgroup.com
compsec_photo@jindalgroup.com

WEBSITE:

www.consofinvest.com

ANNUAL GENERAL MEETING:

25th September 2012, at 11:30 AM
at Registered Office

BOOK CLOSURE:

Tuesday 18th September 2012 to Thursday, 20th September, 2012

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of Consolidated Finvest & Holdings Limited will be held on Tuesday 25th September 2012 at 11:30 A.M. at the Registered Office of the Company at 19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Dist. Bulandshahr, Uttar Pradesh – 245408 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2012 and the Balance Sheet as at that date together with the reports of the Directors and Auditors thereon and statement in respect of Subsidiary Companies under Section 212 of the Companies Act, 1956.
2. To declare dividend for the year ended 31st March 2012 on equity shares of the company @ Rs.0.50 Per share i.e. 5%.
3. To elect a Director in place of Shri Ghanshyam Dass Singal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Kanodia Sanyal & Associates, Chartered Accountants, Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

“RESOLVED that Shri Praveen Bansal, who was appointed by the Board of Directors as an Additional Director pursuant to Article 85 of Articles of Association, and who holds office till the date of ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

“RESOLVED that Shri Sanjiv Kumar Agarwal, who was appointed by the Board of Directors as an Additional Director pursuant to Article 85 of Articles of Association, and who holds office till the date of ensuing Annual General Meeting pursuant

to Section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 316 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956, and subject to such other approvals as may be necessary, the company hereby accords its approval and consent to the appointment of Mr. Radhey Shyam as the Managing Director of the company as per the terms and conditions including remuneration as are set out in the explanatory statement.”

“RESOLVED FURTHER THAT the appointment of Mr. Radhey Shyam, Managing Director is for a period of 5 (five) years commencing on and from 21st December 2011.”

By Order of the Board

For **CONSOLIDATED FINVEST & HOLDINGS LIMITED**

Place: New Delhi
Date: 9th August, 2012

Anil Kaushal
(Company Secretary)

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form in order to be effective must be lodged at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

- 2) The Register of Members of the Company and the Share Transfer Books shall remain closed from **Tuesday, 18th September 2012 to Thursday, 20th September 2012**, (both days inclusive).

- 3) Additional information, pursuant to clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended for appointment/re-appointment at the Annual General Meeting, is annexed hereto.

- 4) Members holding shares in physical form are requested to notify/send the following to the Company or Share Transfer Agent to facilitate better services:-

Any change in their address/mandate/bank details.

- a) Particulars of their bank account, in case the same have not been sent earlier, for printing on dividend warrants to prevent fraudulent encashment, and
 - b) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
- 5) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents can not act on any request received directly from the member holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- 6) The unpaid/unclaimed dividend for the years 2004-05 and onwards will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check and send their claims, if any, for the relevant years from 2004-05 onwards before the respective amounts become due for transfer to the above fund.
- 7) Dividend as recommended by the Directors for the year ended 31st March, 2012, if declared will be payable to those members whose names appear in the Register of Members, as at close of working hours of the company on 17th September 2012. In respect of shares held in demat form, the dividend will be payable on the basis of the statement of beneficial ownership as at close of business on 17th September 2012, furnished by NSDL and CDSL for this purpose.
- 8) As required under sub clause IV (E)(v), of clause 49 of the Listing Agreement, the detail of shareholding of Non-Executive Directors (both owned or held by/for other person on a beneficial basis) seeking

appointment/re-appointment in the forthcoming Annual General Meeting is given below :

| Name of the Non-Executive Director | Number of Shares held |
|---|------------------------------|
| Ghanshyam Dass Singal | NIL |
| Praveen Bansal | NIL |
| Sanjiv Kumar Aggarwal | NIL |

- 9) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- 10) Queries on accounts and operations of the Company if any may please be sent to the Company at least seven days in advance of the Meeting so that the answer may be readily available at the meeting.
- 11) As you all may be aware, the Ministry of Corporate Affairs (MCA) has undertaken a 'Green Initiative in Corporate Governance' allowing paperless compliances by Companies through electronic mode, whereby the companies have been permitted to send notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of Shareholders. Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/DIL/7/2011 dated October 5, 2011, have also, inline with aforesaid MCA circulars, permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered e-mail address for the purpose.

The move by the MCA and SEBI is a welcome measure since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. In view of the Green Initiatives announced as above, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports and any other future communication in electronic form in lieu of physical form, to all those shareholders, whose e-mail address is registered with Depository/ Company. Shareholders are requested to register and/or updated email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address. The Notice of AGM and copies of Audited Financial Statements, Directors' report, Auditors report etc., will also be displayed on the website www.consofinvest.com of the Company.

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

Item no. 5

Shri Praveen Bansal was appointed as the Additional Director on the Board of the company with effect from 21st December 2011. He holds office up to the date of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Praveen Bansal for the office of the Director of the company. Mr. Praveen Bansal is having rich experience in the field of Marketing and Project Management.

None of the Directors except Mr. Praveen Bansal is concerned or interested in the said resolution.

Item no. 6

Shri Sanjiv Kumar Agarwal was appointed as the Additional Director on the Board of the company with effect from 21st December 2011. He holds office up to the date of the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Shri Sanjiv Kumar Agarwal for the office of the Director of the company. Shri Sanjiv Kumar Agarwal is having rich experience in the field of Marketing and Project Management.

None of the Directors except Shri Sanjiv Kumar Aggarwal is concerned or interested in the said resolution.

Item No. 7

Shri Radhey Shyam was appointed as the Managing Director of the company for a period of five years by the Board of Directors in their meeting held on 21st December 2011 subject to approval of the members in general meeting without any remuneration. His appointment needs to be approved in this meeting and in this regard the Board recommends the resolution for your approval. Shri Radhey Shyam is having rich experience in the field of Accounts, Taxation and Administration.

None of the Directors except Shri Radhey Shyam is concerned or interested in the said resolution.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RETIRING BY ROTATION & SEEKING RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT).

Shri Ghanshyam Dass Singal

| | |
|---|--|
| Name of Director | Shri Ghanshyam Dass Singal |
| Date of Birth | 20/08/1971 |
| Date of Appointment | 10/04/2008 |
| Expertise in specific functional area | Accounts, Finance and Taxation |
| Qualification | B.COM, FCA |
| Directorship in other Companies | Agile Properties Limited Jindal Photo Investments Limited Jesmin Investments Limited Passion Tea Private Limited Consolidated Finvest & Investments Limited Cliff Propbuild Limited Global Nonwovens Limited Jindal India Power Ventures Limited Glow Infrabuild Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company | Audit Committee (Chairman) Shareholders/Investors Grievance and Share Transfer Committee. |
| Chairman / Member of the Committee of Director of other Companies in which he is a Director | |
| a) Audit Committee | Jindal Photo Investments Limited (Chairman) |
| b) Shareholder/Investor Grievance Committee | --- |
| c) Remuneration Committee | --- |

Shri Radhey Shyam

| | |
|---------------------------------------|--|
| Name of Director | Shri Radhey Shyam |
| Date of Birth | 18/09/1954 |
| Date of Appointment | 10/04/2008 as Director 21/12/2011 as Managing Director |
| Expertise in specific functional area | Accounts, Finance and Taxation |
| Qualification | B.COM, LLB |
| Directorship in other Companies | Penrose Mercantiles Limited Jindal Photo Investments Limited Jesmin Investments Limited Consolidated Finvest & Investments Limited Vigil Farms Limited |

Consolidated Finvest & Holdings Limited

| | |
|---|--|
| | Jupax Barter Pvt. Limited Opus Propbuild Pvt. Limited Opus Conbuild Pvt. Limited Xeta Properties Pvt. Limited Goldstone Imaging Pvt. Limited Anchor Image & Films Pvt. Limited Soyuz Trading Company Limited Jindal Realtors Limited Glow Infrabuild Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company | Audit Committee Shareholders/Investors Grievance and Share Transfer Committee. |
| Chairman/Member of the Committee of Director of other Companies in which he is a Director | |
| a) Audit Committee | Jindal Photo Investments Limited (Member) |
| b) Shareholder/Investor Grievance Committee | --- |
| c) Remuneration Committee | --- |

Shri Sanjiv Kumar Agarwal

| | |
|---|---|
| Name of Director | Shri Sanjiv Kumar Aggarwal |
| Date of Birth | 16/01/1964 |
| Date of Appointment | 21/12/2011 |
| Expertise in specific functional area | Marketing |
| Qualification | B.Sc, L.L.B, M.B.A |
| Directorship in other Companies | Consolidated Realtors Limited Consolidated Green Finvest Private Limited Consolidated Imaging Limited Consolidated Finvest & Investments Limited Haldia Synthetic Rubber Limited Global Nonwovens Limited Jindal Meadows Limited Glow Infrabuild Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company | Audit Committee Shareholders/Investors Grievance and Share Transfer Committee. |

| | |
|---|-----|
| Chairman/Member of the Committee of Director of other Companies in which he is a Director | |
| a) Audit Committee | --- |
| b) Shareholder/Investor Grievance Committee | --- |
| c) Remuneration Committee | --- |

Shri Praveen Bansal

| | |
|---|---|
| Name of Director | Shri Praveen Bansal |
| Date of Birth | 15/08/1966 |
| Date of Appointment | 21/12/2011 |
| Expertise in specific functional area | Accounts, Marketing and Project Management |
| Qualification | B.COM |
| Directorship in other Companies | Allied Poles India Limited Northern Strips Limited Soyuz Trading Company Limited Jumbo Finance Limited Super Plastic Coats Private Limited Jindal Photo Investments Limited New Age Poly Pack Coats Private Limited Jindal India Power Ventures Limited Agile Properties Limited Global Polyfilms Private Limited Cliff Propbuild Limited Jesmin Investments Limited |
| Chairman/Member of the Committee of the Board of Directors of the Company | Audit Committee Shareholders/ Investors Grievance and Share Transfer Committee. |
| Chairman / Member of the Committee of Director of other Companies in which he is a Director | |
| d) Audit Committee | Jindal Photo Investments Limited (Member) |
| e) Shareholder/Investor Grievance Committee | --- |
| f) Remuneration Committee | --- |

Place : New Delhi

Date : 9th August 2012

Anil Kaushal
(Company Secretary)

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the 26th Annual Report of your company together with the audited accounts of the company for the year ended 31st March 2012.

FINANCIAL RESULTS

| | (Rs. In Lacs) | |
|---|-------------------------|-------------------------|
| | Year ended 31-3-2012 | Year ended 31-3-2011 |
| Income | 531 | 2208 |
| Profit before Interest, Depreciation & Tax | 479 | 1222 |
| Less: | | |
| i) Provision for Depreciation | 5 | 5 |
| ii) Provision for Taxation | 35 | 351 |
| iii) Deferred Tax Liability/(Asset) for the year | 77 | (53) |
| iv) MAT Credit entitlement | - | (269) |
| Profit After Tax | 362 | 1189 |
| Less: Loss from discounting operations | 9 | 10 |
| Add : Taxation related to discounting operations | (1) | (1) |
| Less : Taxation related to earlier period | - | 1 |
| Profit for the Year | 354 | 1179 |
| Add: Previous year profit brought forward | 3916 | 8158 |
| Balance Available for appropriations | 4270 | 9337 |
| Appropriations | | |
| Dividend (Proposed) | 162 | 162 |
| Tax on Dividend | 26 | 26 |
| Transfer to Reserve Fund | 72 | 236 |
| Transfer to General Reserves | 1500 | 4997 |
| Balance Carried to Balance Sheet | 2510 | 3916 |

OPERATIONS

During the year your Company has earned a profit after tax of Rs. 354 lacs as compared to Rs. 1179 lacs in the previous year. The profit earned is mainly on account of Mutual Fund Redemption, dividend and Interest received.

DIVIDEND

Your directors are pleased to recommend a dividend of Re. 0.50 per share i.e. 5% on the paid up equity share capital of the company for the year ended 31st March 2012. The total payout of the company in respect of dividend is Rs.187.85 lacs (inclusive of Dividend Tax).

DEPOSITS

The Company has not accepted any deposit and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

RBI REGULATIONS

Your Company continues to fulfill all the applicable prevailing norms and standard laid down by the Reserve Bank of India (RBI) and regularly filing all the returns.

DIRECTORS

Shri Ghanshyam Dass Singal is retiring by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Shri Praveen Bansal was appointed as the Additional Director of the Company with effect from 21st December 2011, holds office up to the date of the forthcoming Annual General Meeting of the company, being appointed as director.

Shri Sanjiv Kumar Aggarwal was appointed as the Additional Director of the Company with effect from 21st December 2011, holds office up to the date of the

forthcoming Annual General Meeting of the company, being appointed as director.

Shri Radhey Shyam was appointed as Managing Director with effect from 21st December, 2011, subject to approval of share holders at the forthcoming Annual General Meeting of the Company.

Shri Shiv Kumar Mittal has resigned from the Managing directorship on 21st December 2011. The Board wishes to place on record its sincere appreciation for the valuable services rendered by him during his tenure as Managing Director of the Company.

Shri Sanjay Mittal has resigned from the directorship on 21st December 2011. The Board wishes to place on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.

AUDIT COMMITTEE

At present the audit committee comprises of the following Directors:

Shri Ghanshyam Dass Singal (Chairman)

Shri Praveen Bansal

Shri Sanjiv Kumar Agarwal

Shri Radhey Shyam

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in terms of clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with Auditor's Certificate on its compliance.

SUBSIDIARY COMPANIES

Jindal Photo Investments Limited and Consolidated Finvest & Investments Limited are the wholly owned subsidiary of your company and Jesmin Investments Limited is also a subsidiary of the company.

LISTING OF COMPANY'S SHARES ON STOCK EXCHANGES

The Company's shares are listed on "The National Stock Exchange of India Limited" (NSE).

The listing fee up to the year 2012-2013 has already been paid to the stock exchange.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard-21 (Consolidated Financial Statements), the Consolidated Financial Statements form part of this report & accounts.

These Financial Statements have been prepared from the audited financial statements received from Subsidiary Companies, as approved by their respective Boards.

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES

General Exemption Under Section 212(8)

The Ministry of Corporate Affairs, Government of India has allowed general exemption to Companies from complying with Section 212(8) of the Companies Act, 1956, provided such companies to publish audited consolidated financial statements in the Annual report. Your Board has decided to avail the said general exemption from applicability of provisions of Companies Act, 1956 and accordingly, the Annual Accounts of the Subsidiaries of the Company viz. Jindal Photo Investments Limited, Consolidated Finvest & Investments Limited and Jesmin Investments Limited for the financial year ended March 31, 2012 are not being attached with the Annual report of the Company and the specified financial highlights of the said Subsidiary Companies are disclosed in the Annual Report, as part of the Consolidated Financial Statements. The Audited Annual Accounts and related information of the subsidiaries will be made available, upon request and also be open for inspection at the Registered Office, by any Shareholder.

AUDITORS

M/s Kanodia Sanyal & Associates, Chartered Accountants, New Delhi, the auditors of your Company, retire at the ensuing Annual General Meeting and your directors recommend their re-appointment. They have furnished a certificate to this effect that their re-appointment, if made, will be in accordance with sub-Section (1B) of Section 224 of the Companies Act, 1956.

AUDITORS' REPORT

The comments/observations of Auditors are explained in the Notes to the Accounts, forming part of the Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date are self explanatory and, therefore, do not call for any further comment under Section 217(3) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of clause 2(A) (d) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, in so far as it relates to conservation of energy and technology absorption are not applicable, as the company does not have any manufacturing activity.

The Company is also not having any foreign exchange earnings and outgo during the period under review.

PERSONNEL

Your Directors would like to place on record their appreciation of the dedicated and loyal services rendered by the officers and staff of the Company.

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 are not applicable to the Company as there is no employee who has received the remuneration of Rs. 5,00,000 per month and/or above or Rs. 60,00,000 per annum and/or above during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b) That they 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 the year under review;

- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and for preventing and detecting frauds and other irregularities;
- d) That they have prepared the annual accounts on a 'going concern' basis.

ACKNOWLEDGEMENT

The Directors express their gratitude towards the Banks and various other agencies for the cooperation extended to the company. The Directors also take this opportunity to thank the shareholders for the confidence reposed by them in the company.

The employees of the company contributed significantly in achieving the results. The Directors take this opportunity to thank them and hope that they will maintain their commitment towards excellence in the years to come.

For and on behalf of the Board

(Radhey Shyam)
Managing Director

(G.D. Singal)
Director

Place : New Delhi

Dated : 9th August 2012

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

| | Name of Subsidiary | Jindal Photo Investments Limited | Jesmin Investments Limited | Consolidated Finvest & Investments Limited |
|----|--|----------------------------------|-----------------------------|--|
| 1. | Financial Year of the subsidiary ended on | 31 st March 2012 | 31 st March 2012 | 31 st March 2012 |
| 2. | Holding company's interest in the equity share capital | 100 % | 87.67 % | 100 % |
| 3. | Profit/(loss) for the current financial year so far as it concerns the members of the holding company, not dealt with or provided for in the accounts of the holding company. | 7,60,52,898 | 94,80,839 | (667,342) |
| 4. | Net aggregate profits/(losses) for the previous financial years since becoming subsidiary so far as it concerns the members of the holding company, not dealt with or provided for in the accounts of holding company. | 50,36,44,125 | (13,81,58,103) | (752621) |
| 5. | Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the holding company in relevant years. | NIL | NIL | NIL |

For and on behalf of the Board

Place : New Delhi
Date : 9th August, 2012

(Radhey Shyam)
Managing Director

(G.D. Singal)
Director

REPORT ON CORPORATE GOVERNANCE

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company remains committed to laying strong emphasis on providing highest level of transparency, accountability and integrity towards all its stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value. While practicing good Corporate Governance, your Company strives to communicate in a truthful manner, all the material developments and its financial performance in a timely and meaningful manner.

The VISION and VALUES are the main ingredients of the Corporate Philosophy of the Company, which can be summarized as follows:

VISION

“To be an acknowledged leader in terms of maximizing stakeholder value, profitability and growth by being a financially strong, customer friendly, progressive organization.

VALUES

- Mutual Trust and Appreciation
- Integrity and Honesty
- Dedication & commitment
- Creativity and teamwork

- Openness and transparency

- Pursuit of excellence

II. BOARD OF DIRECTORS

The composition of the Board of Directors is governed by the Companies Act, 1956, the Listing Agreement and the Articles of Association of the Company. Board of Directors comprises of a Managing Director and three independent Directors. The Board elects its chairman at its meetings.

During the financial year ended 31st March 2012 Six Board Meetings were held, as follows:

13th May 2011

28th June 2011

29th July 2011

11th August 2011

11th November 2011

13th February 2012

For every Board Meeting the agenda papers along with explanatory notes are distributed well in advance to the Board members. The Company places before the Board the Minutes of Committees of the Board, annual operating plans, budgets, and all other information including those specified under Annexure 1 of clause 49 of the Listing agreement, if any.

Composition of the Board of Directors and other details as on 31st March 2012.

| Name of the Director | Category | No of Meetings attended | Attendance at Last Annual General Meeting | No. of Outside Directorships held | No. of membership/ chairmanship in other Board Committees |
|------------------------------|--|-------------------------|---|-----------------------------------|---|
| Mr. Radhey Shyam* | Managing Director | 6 (Six) | Yes | 14 (fourteen) | 1 (One) |
| Mr. Praveen Bansal** | Director (Non Executive & Independent) | Nil | N.A. | 12 (Twelve) | 1 (One) |
| Mr. Ghanshyam Dass Singal | Director (Non Executive & Independent | 6 (Six) | Yes | 9 (Nine) | 1 (One) |
| Mr. Sanjiv Kumar Aggarwal \$ | Director (Non Executive & Independent) | 1 (One) | N.A. | 8 (Eight) | Nil |
| Mr. Shiv Kumar Mittal # | Managing Director | 5 (Five) | Yes | Nil | Nil |
| Mr. Sanjay Mittal @ | Director (Non Executive & Independent) | 5 (Five) | No | Nil | Nil |

* Appointed as Managing Director w.e.f. 21st December 2011.

** Appointed as Director w.e.f. 21st December 2011.

\$ Appointed as Director w.e.f. 21st December 2011.

Resigned from the post of Managing Director on 21st December 2011

@ Resigned from the post of Director on 21st December 2011.

III AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and interacts with the statutory auditors, internal auditors. Besides, the Committee reviews the observations of the management and internal/ external auditors, interim and annual financial results, Management discussion and analysis of financial condition and results of operations, and related party transactions, Committee comprises of three independent Directors and one Executive Director. Mr. G.D. Singal is the Chairman of the Audit committee, who is having sufficient experience in the field of accounts, finance and related areas. The composition of the Audit Committee is as under:

- i) Mr. G. D. Singal (Chairman)
- ii) Mr. Praveen Bansal
- iii) Mr. Sanjiv Kumar Aggarwal
- iv) Mr. Radhey Shyam

The representative of M/s Kanodia Sanyal & Associates, Chartered Accountants, the statutory auditors is the permanent invitee to the Audit Committee meetings. The quorum of the committee is two members. The minutes of the Audit Committee are placed before the board. Mr. Anil Kaushal, Secretary of the Company is the Secretary of the Audit Committee.

Chairman of the audit committee will be present at the Annual General Meeting of the Company to answer the shareholders queries.

During the financial year ended 31st March 2012 Five meetings of the Audit Committee were held, as follows:

13th May 2011

28th June 2011

11th August 2011

11th November 2011

13th February 2012

The details of the meetings attended by the members of the committee during the year are as under: -

| Name | Designation | Meetings attended |
|------------------------------|-------------|-------------------|
| Mr. Ghanshyam Dass Singal | Chairman | 5 (Five) |
| Mr. Radhey Shyam | Member | 5 (Five) |
| Mr. Praveen Bansal * | Member | 1 (One) |
| Mr. Sanjiv Kumar Aggarwal \$ | Member | 1 (One) |
| Mr. Shiv Kumar Mittal # | Member | 4 (Four) |
| Mr. Sanjay Mittal @ | Member | 4 (Four) |

* Appointed as Member w.e.f. 21st December 2011.

\$ Appointed as Member w.e.f. 21st December 2011.

Resigned on 21st December 2011

@ Resigned on 21st December 2011.

The broad terms of reference of Audit Committee are as under:

- Review of Quarterly/Half Yearly Unaudited Results.
- Review of quarterly Internal Audit Report and internal Control System.
- Review of adequacy of Internal audit function and discuss any significant finding with them, assessing and evaluating the risk and taking measures for mitigating the same.
- Review with Internal Auditors on significant findings and follow up thereon.
- Recommending the appointment/re-appointment of Auditors, fixation of Audit Fees and approval of payment of fees for any other services rendered by them.
- Review of Audited Annual Financial Statements.
- Reviewing the findings of any internal investigations by the internal auditors and the executive
- Management's response on matters where is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing the Company's financial and risk management policies.
- Considering such other matters as may be required by the Board.
- Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

IV. REMUNERATION OF DIRECTORS FOR YEAR 2011-2012

Sitting Fee of Rs 1000/- (Rupees One Thousand Only) per meeting is being paid to every director during the financial year 2011-12 w.e.f 13th February, 2012.

V. SHAREHOLDERS / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Board has constituted a 'Shareholders / Investors Grievance and Share Transfer Committee' which monitors

share transfer, transmission, splits, consolidation and also redressal of shareholders and investors grievances. Investors' grievances are resolved to the extent possible within one week. Committee meets on fortnightly basis to solve the shareholders queries.

At present the committee comprises of the following members:

- i) Mr. G. D. Singal (Chairman)
- ii) Mr. Radhey Shyam
- iii) Mr. Sanjiv Kumar Agarwal

During the year 2011-12 One Hundred One (101) complaints were received directly from shareholders / investors and through Stock Exchanges, SEBI, DCA etc. All the complaints have generally been solved to the satisfaction of the complainants.

All valid requests for transfer have been acted upon and no transfer received during the year 2011-2012 is pending.

VI. GENERAL BODY MEETING

Location and time of the last three Annual General Meetings are as under: -

| Year | Venue | Date | Time |
|------|---|--|----------|
| 2011 | Regd. Off: 19 th K.M. Hapur – Bulandshahr Road, P.O. Gulaothi, Dist. Bulandshahr, Uttar Pradesh | 23 rd September, 2011 | 11:30 AM |
| 2010 | Regd. Off: 19 th K.M. Hapur – Bulandshahr Road, P.O. Gulaothi, Dist. Bulandshahr, Uttar Pradesh | 28 th September, 2010 | 11:30 AM |
| 2009 | Regd. Off: 19 th K.M. Hapur – Bulandshahr Road, P.O. Gulaothi, Dist. Bulandshahr, Uttar Pradesh | 25 th September, 2009 | 11:30 AM |

The following special resolutions were passed in previous three Annual General Meetings.

Year 2010-11 (25th AGM)

No special resolution was passed

Year 2009-10 (24th AGM)

- Investment in the other Body Corporate u/s 372A up to Rs 300 Crores

Year 2008-09 (23rd AGM)

No special resolution was passed

VII. DISCLOSURES

- I. There have been no materially significant transactions with the related parties, pecuniary transactions or relationship other than in the financial statements for the year ended 31.03.2012 (Refer Note no. 32) forming part of the Balance Sheet & Profit & Loss Account). Accordingly the same have not been reproduced here.
- II. The Company has complied with the requirements of Stock Exchanges, SEBI and other Statutory Authorities during the preceding three years on all matters related to capital markets and no penalties / strictures have been imposed on the Company.
- III. The Company has adopted a Code of Conduct applicable to all Directors and Senior Management personnel of the Company. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code. A declaration to this effect from Managing Director of the Company is also given to this effect at the end of this report.
- IV. Risk Assessment and Minimization procedures are in existence and reviewed periodically.
- V. Jindal Photo Investments Limited is only 'Material Non Listed Subsidiary' Company in terms of revised Clause 49 of the Listing Agreement. However, the financial results and the investments (as and when made) are placed before the Audit Committee of the Company for review. Mr. Praveen Bansal and Mr. Ghanshyam Dass Singal, Independent Directors of the Parent Company i.e. Consolidated Finvest & Holdings Limited, are also on the Board of the Jindal Photo Investments Limited.
- VI. The Managing Director and Company Secretary have, as required under clause 49 of the Listing agreement, given their certificate on the review of financial statements, including cash flow, for the year ended 31.03.2012 to the Board of Directors.
- VII. The Company has not adopted Whistle Blower Policy being a Non Mandatory requirement. However no person has been denied to access to the Audit Committee.
- VIII. All the mandatory requirements of Corporate Governance under clause 49 of Listing Agreement are being adhered to/complied with.

CEO.CFO CERTIFICATION

The managing Director and Company Secretary certified to the Board in accordance with Clause 49 (v) of the Listing agreement pertaining to CEO.CFO certification for the financial year ended 31st March, 2012

VIII. MEANS OF COMMUNICATION

This is being done through submission of quarterly results and Annual Results to the stock exchanges in accordance with the listing agreement and publication in the leading newspaper like Financial Express or Business Standard (English) and Jansatta (Hindi) and also at the website of the Company. All other price sensitive and any other information are sent to The National Stock exchange of India Limited (NSE).

Management Discussion and Analysis forms part of this Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date and Time : 25th September 2012 at
11:30 A.M.

Venue : 19th K.M. Hapur-Bulandshahr Road,
P.O. Gulaothi, Dist. Bulandshahr,
Uttar Pradesh – 245408

b. Financial Calendar (tentative)

| | |
|---|---|
| Financial Year. | 1 st April, 2012 to 31 st March, 2013 |
| Unaudited Financial Results for the first quarter ending June 30, 2012. | by 9 th August, 2012 |
| Unaudited Financial Results for the second quarter ending September 30, 2012. | by 14 th November, 2012 |
| Unaudited Financial Results for the third quarter ending December 31, 2012. | by 14 th February, 2013 |
| Unaudited Financial Results for the fourth quarter ending March 31, 2013. | by 14 th May, 2013 |
| Annual Accounts 2012-2013. | June, 2013 |
| Annual General Meeting for the year ending March 31, 2013. | August/September, 2013 |

c. Date of Book Closure

Tuesday, 18th September 2012 to Thursday, 20th September 2012 (both days inclusive).

d. Dividend payment date

Dividend warrants will be dispatched before 24th October 2012, upon approval of the dividend by the shareholders in the Annual General Meeting.

e. Listing on Stock Exchanges

The shares of the Company are listed on the following stock exchanges:

The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot C-1, Block – G Bandra – Kurla Complex, Bandra (East), Mumbai

The Listing fee for the year 2012-2013 has been paid to the Stock Exchanges in time.

f. Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2012-2013 to National Securities Depository Limited and Central Depository Services (India) Limited.

g. Stock Code

NSE : CONSOFINVT
ISIN : INE025A01027

h. Market Price Data

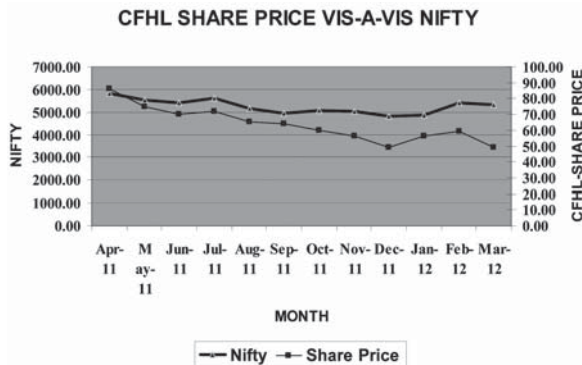
High Low during each month in the last financial year from 1st April 2011 to 31st March 2012 at NSE.

National Stock Exchange of India Limited

| Month | High (Rs.) | Low (Rs.) | Month | High (Rs.) | Low (Rs.) |
|--------------|------------|-----------|----------------|------------|-----------|
| April, 2011 | 92.00 | 79.65 | October 2011 | 64.50 | 56.00 |
| May, 2011 | 82.20 | 67.00 | November, 2011 | 61.65 | 51.00 |
| June, 2011 | 78.00 | 62.50 | December, 2011 | 55.90 | 42.00 |
| July, 2011 | 78.00 | 66.40 | January, 2012 | 67.00 | 44.50 |
| August, 2011 | 73.35 | 57.05 | February, 2012 | 68.40 | 50.10 |
| Sept, 2011 | 71.90 | 57.00 | March, 2012 | 52.25 | 46.00 |

Performance in comparison of NSE

Nifty



i. Registrar and Share Transfer Agent (for both Physical & Electronic)

M/s Link Intime India Private Limited (Unit: Consolidated Finvest & Holdings Limited)
A-40, 2nd Floor Naraina Industrial Area, Phase – II
New Delhi – 110 028 Phone: 011- 41410592-94
Fax: 011-41410591E-mail: delhi@linkintime.co.in

j. Share Transfer System

The Registrar & Share Transfer Agent processes transfers in physical form within 30 days of the receipt of completed documents. Invalid share transfers are returned within 15 days of receipt. The Share Transfer Committee meets on fortnightly basis.

All requests for dematerialization of shares are processed and confirmation / rejection is given to respective depository i.e. NSDL & CDSIL through the Registrar on weekly basis.

k. Distribution of Shareholding as on 31st March 2012

| Shareholding of Nominal Value of Rs. 10 /- each | No. of shareholders | % of shareholders | Value of Shares | % of shareholding |
|---|---------------------|-------------------|------------------|-------------------|
| Up to 5000 | 24564 | 95.609 | 27498090 | 8.506 |
| 5001 to 10000 | 554 | 2.156 | 4234820 | 1.310 |
| 10001 to 20000 | 274 | 1.066 | 4079990 | 1.262 |
| 20001 to 30000 | 91 | 0.354 | 229705 | 0.710 |
| 30001 to 40000 | 42 | 0.163 | 1539670 | 0.476 |
| 40001 to 50000 | 54 | 0.210 | 2542720 | 0.786 |
| 50001 to 100000 | 61 | 0.237 | 4282990 | 1.324 |
| 100001 and above | 52 | 0.202 | 276788330 | 85.623 |
| TOTAL | 25692 | 100.00% | 323263660 | 100.00% |

l. Shareholding Pattern as on 31st March, 2012

| Category | No. of shares held | Percentage of shareholding |
|--|--------------------|----------------------------|
| A. Promoter's Holding | | |
| Promoters | | |
| - Individual | 1735908 | 5.37% |
| - Body Corporate | 21388856 | 66.17% |
| Sub-Total | 23124764 | 71.54% |
| B. Public Shareholding | | |
| 1. Institutional Investors | | |
| - Mutual Funds and UTI | 3192 | 0.01% |
| - Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/Non-government Institutions) | 3754 | 0.01% |
| - Foreign Institutional Investors | 2947215 | 9.12% |
| Sub-Total | 2954161 | 9.14% |
| 2. Non Institutional Investors | | |
| - Private Corporate Bodies | 667257 | 2.06% |
| - Indian Public | 4832512 | 14.95% |
| - NRIs / OCBs | 747672 | 2.31% |
| Sub-Total | 6247441 | 19.32% |
| GRAND TOTAL | 32326366 | 100.00% |

m. Dematerialization of shares and liquidity

As on 31st March, 2012 **3,13,27,674** number of shares representing **96.91%** of total paid-up equity share capital are held in dematerialized form with NSDL & CDSIL. Complete share holding of the promoters' has been de-mated.

n. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity

The Company does not have any outstanding GDR/ADR/Warrants or any other convertible instruments.

o. Address for Correspondence

Registered Office:

Consolidated Finvest & Holdings Limited
19th K.M. Hapur – Bulandshahr Road
P.O. Gulaothi, Distt-Bulandshahr, Uttar Pradesh

Head Office & Share department:

The Company Secretary
Consolidated Finvest & Holdings Limited
11/5-B, Basement, Pusa Road, Opposite Telephone Exchange New Delhi – 110 005
Tel:011-25767000-02,25767005-07
Fax: 011-2576729, 25767022, 25767015
e-mail: compsec_photo@jindalgroup.com / igr_cfh@jindalgroup.com

Website: www.consofinvest.com

p. Securities Dealing Code:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 1992, a Securities Dealing Code for prevention of Insider Trading is in place. The objective of the code is to prevent purchase and/sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this code, Designated Persons (Directors, Advisors, Officers and other concerned employees/persons) are prevented from dealing in the Company's shares during the closure of Trading Window.

Code of Conduct for its Board Members and senior management. We confirm that the Company has in respect of the financial year ended March 31, 2012, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

(Radhey Shyam)
Managing Director

(G. D. Singal)
Director

q. Managing Director's Declaration

This is to confirm that the Company has adopted a

Place : New Delhi

Dated : 9th August, 2012

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

With recent global developments contributing to a significant risk perceptions and appetites, the Indian macroeconomic environment has looked turbulent during the past year. The fiscal year 2011-12 has been challenging for the Indian Economy. The year started on a note of optimism through impressive growth in exports and high levels of foreign exchange inflows, only to moderate as the year progressed through continued monetary tightening and gradually high levels of inflation gave way to a slow down in the growth. While the rest of world has been grappling with the after effects of European debt crises, the Indian economy in 2011-12 has also seen moderation in growth, considerably low of 6.5 per cent as compared to 8.6 per cent achieved in the last year.

During the year, the stock market remained volatile and the index moved in the range of 15175 to 19702 during the year. While the year started well, there have been frequent bouts of sharp volatility and downward trend with a low in December 2011. The company has invested its resources in the various capital market instruments. The management is optimistic about reaping the benefits of the capital market by investing its financial reserves in various financial instruments.

The Management continues to carry the vision of the Company forward by imbibing the values of Integrity and transparency in its operations. Being an investment company, greater emphasis is being given on effective corporate governance and ensuring that the commitment of the management is transformed into higher stakeholder value. The company is keeping up its efforts to improve transparency in its operations and disclosure practices.

OPPORTUNITIES, THREATS & RISKS

The company is mainly exposed to market risk, including liquidity risk due to uncertainty of stock market. However prudent business and risk management practices followed by the company over the years help it to manage the normal industry risk factors, which inter alia include economic/business cycle, fluctuations in the stock prices in the market. The company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business.

However, due to current adverse global circumstances and high inflation GDP growth rate during the year 2011-12 was down to 6.5% as compared to 8.6 % registered last year. However outlook for the fiscal year 2012-13 is also continued to be bleak.

The sheer unpredictable nature of the markets makes investments a risky proposition. Any investment company has to live with a fear of falling markets and movement of the sensx. However, the company hopes to improve its performance on the strength of its long experience and its strong emphasis on the fundamentals. Your management has got ample exposure of the capital markets, which provides us an opportunity to make safer and profitable investments with minimum risks.

PERFORMANCE

During the year, the company has earned profit after tax of 354 Lacs mainly from sale/redemption of Investments, dividend received and interest earned as compared to Rs. 1179 lacs earned by the Company in the last year.

OUTLOOK

The Company as a NBFC is engaged predominantly in the business of investments, the future outlook/business prospects are closely linked with the variations in the stock market and also in the government policy and

world economy. As the rebounding of global economy, in general and clear momentum in recovery of Indian economy, stock markets were no different. There was revival in the stock market due to buoyancy and optimism in the economy. The overall outlook of the Company's management is continuous to be positive guided by investment philosophy that continually balances long-term investments with short term profitability. The company continues to carry on the business as an investment company and for that purpose it plans to invest in, acquire, subscribe for and hold shares, bonds, units, stocks, securities, debentures and/or mutual funds. The Indian Stock Market has already recovered and expected to further improve in the medium to long term and offers an excellent growth potential. The Company with its inherent strength in stock market operations is leveraged to encash the emerging opportunity.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls that all assets are safeguarded and protected against loss from unauthorized use or disposition, and all the transactions are authorised, recorded and reported correctly. Management continuously reviews the internal control systems and procedures to ensure orderly efficient conduct of business. The review included adherence to the management policies and safeguarding the assets of the company.

The company regularly conducts internal audits and checks to ensure that the responsibilities are executed effectively and that adequate systems are in place. The audit findings are reported on a quarterly basis to the Audit committee of the Board headed by a non-executive independent Director.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial performance, which has been given in the Directors' report, needs to be viewed in the above backdrop.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The company is having sufficient industry professionals to carry out its operations and follows good management practices. These are basically its human resources assets and integral to the Company's ongoing success. They have played a significant role and enabled the Company to deliver superior performance year after year. Board of Directors of the Company is also actively involved in the day-to-day functions of the Company.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be a forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

(Radhey Shyam) **(G. D. Singal)**
Managing Director Director

Place : New Delhi

Dated : 9th August 2012

AUDITORS' CERTIFICATE

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the members of Consolidated Finvest & Holdings Limited

We have examined the compliance of conditions of corporate governance by Consolidated Finvest & Holdings Limited, for the year ended on 31st March, 2012, as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s) in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has

complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that in respect of investor grievances received during the year ended 31st March 2012, no investor grievance is pending for a period of 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 Kanodia Sanyal & Associates

**Chartered Accountants
Partner**

Place : New Delhi

Dated : 9th August 2012

R.K. Kanodia

M. No. 16121

AUDITORS' REPORT

To The Members of Consolidated Finvest & Holdings Limited

We have audited the attached Balance Sheet of **M/S CONSOLIDATED FINVEST & HOLDINGS LIMITED** as at 31st March 2012 and also the annexed Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) **We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Other Notes (Note no.1 to 35) give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and,
 - ii. In the case of the Statement of Profit & Loss Account,

of the Profit of the Company for the year ended on that date.

- iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants
Firm Registration No.008396N

(R. K. KANODIA)

Partner

Place : New Delhi

Dated : 30-06-2012

Membership No.016121

ANNEXURE TO AUDITORS' REPORT OF CONSOLIDATED FINVEST & HOLDINGS LIMITED

(Annexure referred to in our report of even date)

1. In respect of fixed assets:

- (a) The company has maintained proper records of its fixed assets showing the full particulars, including quantitative details and situation of fixed assets.
- (b) As per information given to us, the management of the company has physically verified the fixed assets during the year. Discrepancies noticed on such verification, which were not material, have been properly adjusted in the books of account.
- (c) During the year, the Company has not disposed off a major part of the and therefore, paragraph 4(i) (c) of the Companies (Auditor's Report) Order 2003 (hereinafter referred to as Order) is not applicable.

2. In respect of its inventories:

- (a) The stocks of finished goods, WIP, stores, spare parts and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining the proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.

3. (a) The company has granted loans, to four companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 1073.04 lacs and Rs. 909 lacs respectively.

- (b) In our opinion, the rate of interest and other terms and conditions of the above mentioned loans are prima facie not prejudicial to the interest of the company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest.
- (d) In respect of the aforesaid loans, there is no overdue amount as at Balance Sheet date.
- (e) The company has not taken any loan, secured or unsecured, from any Company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems. However, the corrective actions were taken against the minor weaknesses as noticed and informed to them.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, there were no transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956
 (b) Since there are no transactions required to be entered into the register maintained under section 301 of the Act, paragraph 4(v) (b) of the Order is not applicable.
6. According to the information and explanations given to us, the company has not accepted deposits from the public within the provisions of Sec 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 197.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. The maintenance of Cost records has not been prescribed by the Central Government u/s 209(1) (d) of the Companies Act, 1956 in respect of the Company's products.
9. (a) The company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding for a period of more than six months from the date they became payable.
 (b) According to the information and explanation given to us and as per the books and records examined by us, there are no dues of sales tax, income tax, custom tax, wealth tax and cess which have not been deposited on account of any dispute, except as stated below in respect of Sales Tax demands which are shown as contingent liabilities in the Financial Statements:
10. There are no accumulated losses as at the end of the year. There are no cash losses during the financial year and the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions or to the banks.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company does not fall within the category of Chit Fund/ Nidhi/Mutual Fund/ Society and hence the related reporting requirements are not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities debentures and other investments, hence, paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. The company has not raised any term loans during the year. Hence the paragraph 4(xvi) of the Order is not applicable.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the company on short term basis have not been applied for long term investments and vice versa.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the companies Act, 1956.
19. The company does not have any debentures outstanding as on the Balance Sheet date, hence, the paragraph 4(xix) of the Order is not applicable.
20. The company has not raised any money through the public issue during the year. Accordingly, paragraph 4(xx) of the Order is not applicable.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

| Name of the statute | Nature of the Dues | Amount (Rs.lacs) | Period to which amount relates | Forum where dispute is pending |
|-----------------------|--|------------------|--------------------------------|--|
| Central Sales Tax Act | Sales Tax demand against stock transfer rejected | 7.69 | 2001-02 and 2002-03 | In the High Court of Judicator of Allahabad. |
| Income Tax | Capital loss | 45.10 | AY 2007-08,2009-10 and 2010-11 | ITAT |

For **KANODIA SANYAL & ASSOCIATES**
 Chartered Accountants
 Firm Registration No.008396N

(R. K. KANODIA)
PARTNER

Place : New Delhi
Dated : 30-06-2012

Membership No.016121

BALANCE SHEET AS AT 31st MARCH 2012

| Particulars | Notes No. | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|---------------------------------------|-----------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 323,263,660 | 323,263,660 |
| (b) Reserves and Surplus | 3 | 3,122,840,291 | 3,106,239,175 |
| (2) Current Liabilities | | | |
| (a) Other Current Liabilities | 4 | 2,650,941 | 3,327,306 |
| b) Short-Term Provisions | 5 | 83,184,541 | 80,652,700 |
| Total Equity & Liabilities | | 3,531,939,433 | 3,513,482,841 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 6 | | |
| (i) Tangible assets | | 45,462,798 | 46,908,339 |
| (ii) Capital work-in-progress | | 402,800 | 402,800 |
| (b) Non-current investments | 7 | 2,207,144,350 | 2,354,540,110 |
| (c) Deferred tax assets (net) | 8 | 51,480,561 | 59,195,121 |
| (d) Long term loans and advances | 9 | 342,291,507 | 199,496,612 |
| (2) Current Assets | | | |
| (a) Current investments | 10 | 783,830,212 | 704,231,024 |
| (b) Inventories | 11 | - | 174,305 |
| (c) Cash and cash equivalents | 12 | 6,583,386 | 55,805,879 |
| (d) Short-term loans and advances | 13 | 94,743,819 | 92,728,651 |
| Total Assets | | 3,531,939,433 | 3,513,482,841 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 35 | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
(Managing Director)

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30-06-2012

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st MARCH 2012

| Sr. No | Particulars | Notes No. | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|--------|--|-----------|-------------------------------------|-------------------------------------|
| I | Revenue from operations | 14 | 8,805,710 | 3,924,958 |
| II | Other Income | 15 | 44,287,081 | 216,952,633 |
| III | Total Revenue | | 53,092,791 | 220,877,590 |
| IV | Expenses: | | | |
| | Contingent Provision against Standrad Assets | 16 | 732,022 | 119,445 |
| | Provision for Diminution in value of Investments | 17 | - | 91,250,635 |
| | Employee Benefit Expense | 18 | 1,271,625 | 806,615 |
| | Depreciation and Amortization Expense | 19 | 548,677 | 548,677 |
| | Other Administrative Expenses | 20 | 3,183,408 | 6,439,520 |
| | Total Expenses | | 5,735,732 | 99,164,892 |
| V | Profit before exceptional and extraordinary items and tax (III - IV) | | 47,357,059 | 121,712,698 |
| VI | Profit before tax | | 47,357,059 | 121,712,698 |
| VII | Tax expense: | | | |
| | (1) Current tax | | 2,880,000 | 35,028,000 |
| | (2) Deferred tax | | 7,714,560 | (5,352,995) |
| | (3) Wealth tax | | 62,500 | 65,000 |
| | (4) MAT Credit entitlement | | - | (26,923,385) |
| | (5) Income Tax Related to earlier year (net) | | 530,664 | 113,951 |
| VIII | Profit/(Loss) for the period | | 36,169,335 | 118,782,127 |
| IX | Profit /(Loss) from discontinuing operation (before tax) | 21 | (937,964) | (971,545) |
| X | Add/(Less): Tax expense of discontinuing operations | | (155,000) | (153,000) |
| XI | Profit/(Loss) from discontinuing operations | | (782,964) | (818,545) |
| XII | PROFIT /(LOSS) FOR THE YEAR (IX+XII) | | 35,386,371 | 117,963,582 |
| XIII | Earning per equity share: | | | |
| | (1) Basic | | 1.09 | 3.65 |
| | (2) Diluted | | 1.09 | 3.65 |
| | Significant Accounting Policies | 1 | | |
| | Notes on Financial Statements | 2 to 35 | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
(Managing Director)

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30-06-2012

Consolidated Finvest & Holdings Limited

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

| PARTICULARS | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|---|-------------------------------------|-------------------------------------|
| I Cash flow from operating activities: | | |
| Net Profit/(Loss) before extraordinary Items and tax | 46,419,095 | 120,741,153 |
| Adjustments for: | | |
| Depreciation | 1,445,541 | 1,482,662 |
| Provision for Diminution in value of Investments | - | 91,250,635 |
| Loss/(Profit) on Sale of Investments | (1,259,323) | (177,965,127) |
| Provision for Contingent Provision against Standrad Assets | 732,022 | 119,445 |
| Dividend Received | (42,702,274) | (38,663,506) |
| Operating Profit Before Working Capital Changes | 4,635,061 | (3,034,738) |
| Adjustments for: | | |
| Loans & Advances and other assets | (142,051,071) | (194,205,805) |
| Inventories | 174,305 | 215,694 |
| Other Current Liabilities | (676,365) | (226,710) |
| Cash Generated from Operations | (137,918,070) | (197,251,559) |
| Direct Taxes Paid | (3,746,673) | (6,899,812) |
| Cash Flow before Extraordinary Items | (141,664,743) | (204,151,371) |
| Prior Period Adjustments | (530,664) | (113,951) |
| Net Cash from Operating Activities | (142,195,407) | (204,265,322) |
| II Cash flow from Investing Activities: | | |
| Purchase of Investments | (2,069,348,260) | (4,150,054,452) |
| Sale of Investments | 2,138,404,154 | 4,353,338,039 |
| Dividend Received | 42,702,274 | 38,663,506 |
| Net Cash flow from/(Used in) Investing Activities | 111,758,168 | 241,947,093 |
| III Cash Flow from Financing Activities: | | |
| Dividend paid including tax thereon | (18,785,255) | (18,847,686) |
| Net Cash flow from/used in Financing Activities | (18,785,255) | (18,847,686) |
| Net Change in Cash and Cash Equivalentents (I+II+III) | (49,222,494) | 18,834,085 |
| Cash and Cash Equivalentents As At 1st April (Opening Balance) | 55,805,880 | 36,971,795 |
| Cash and Cash Equivalentents As At 31st March (Closing Balance) | <u>6,583,386</u> | <u>55,805,880</u> |
| IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
(Managing Director)

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30-06-2012

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the requirement of the Companies Act, 1956 and Accounting Standards referred to in Section 211(3C) of the Act.

B Fixed Assets

Fixed assets are stated at cost less depreciation. Cost of acquisition and fabrication or construction are inclusive of freight, duties and other incidental expenses during construction period. Incidental expenses includes establishment expenses, interest on fund used for Capital expenditure and other Administrative expenses.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

C) Depreciation

Depreciation on assets other than leased assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of leased out assets, the cost of the same is being amortized fully during the primary period of lease.

D) Revenue Recognition

- i) All revenues, costs, duties, assets & liabilities are accounted for on accrual basis.
- ii) Income from investment is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under income Tax deducted at source. Dividend income when the owner's right to receive its investments payment in shares is established.

E) Borrowing Costs

Borrowing costs attributable to the acquisition and construction of asset are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue/deferred revenue expenditure as considered appropriate by the Management.

F) Investments

Investments are classified as non-current or current, based on the Management intention at the time of purchase. Non-current investments are valued at their acquisition cost. Current investments are stated at lower of cost or net realisable value. The provision for diminution in the value of non-current investments is made only if such a decline is other than temporary in the opinion of the management. Investment in the units of Mutual funds are valued at cost or market value whichever is lower, depreciation, if any is fully provided for and appreciation if any is ignored.

G) Employee Benefits

- i) Short term Employees benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, Wages etc, and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

- ii) Post employment and other long term employees benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other term benefits are charges to the profit and loss account.

H) Inventories

The Method of Inventories valuation has been adopted as follows:

| | |
|------------------|---|
| Raw Material | : At cost (FIFO Basis) |
| Finished Good | : At Cost or Net Realisable Value whichever is lower. |
| Work-in-Process | : At estimated cost |
| Trading Goods | : At Cost or Net Realisable Value whichever is lower. |
| Stores & Spares | : At Cost or Net Realisable Value whichever is lower. |
| Packing Material | : At Cost or Net Realisable Value whichever is lower. |

I) Taxation

The Current tax payable in respect of taxable income for the year has been charged to revenue. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent previous periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Fringe Benefit Tax has been provided for as per the applicable provisions of the Income Tax Act, 1961.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES : 2 SHARE CAPITAL

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|-----------|--|----------------------------|----------------------------|
| a) | AUTHORIZED CAPITAL | | |
| | 32500000 (Previous Year 32,500,000) Equity Shares of Rs. 10/- each. | 325,000,000 | 325,000,000 |
| | 26,000,000 (Previous year 26,000,000) Redeemable Preference Shares of Rs.10 each | 260,000,000 | 260,000,000 |
| | | <u>585,000,000</u> | <u>585,000,000</u> |
| b) | ISSUED , SUBSCRIBED & PAID UP CAPITAL | | |
| | 32,326,366 (Previous year 32,326,366) Equity Shares of Rs. 10/- each | 323,263,660 | 323,263,660 |
| | | - | - |
| | Total | <u>323,263,660</u> | <u>323,263,660</u> |
| I) | RECONCILIATION OF NUMBER OF SHARES | | |
| | Equity Shares | | |
| | Opening Balance (Current year No.32,326,366, Previous Year No.32,326,366) | 323,263,660 | 323,263,660 |
| | Changes During the year (Current year No.Nil, Previous Year No.Nil) | - | - |
| | Closing Balance (Current year No.32,326,366, Previous Year No.32,326,366) | <u>323,263,660</u> | <u>323,263,660</u> |
| II) | RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES | | |
| | Equity Shares | | |

The Company has one class of equity shares having a per value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES : 2 SHARE CAPITAL (Contd.)

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|---|---|----------------------------|----------------------------|
| III) SHARES HELD BY HOLDING COMPANY AND ITS SUBSIDIARIES AND ASSOCIATES | | | |
| N.A. | | | |
| IV) DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY | | | |
| Equity Shares | | | |
| | Consolidated Photo & Finvest Ltd | 10,185,335 31.51% | 10,185,335 31.51% |
| | Soyuz Trading Company Limited | 5,262,242 16.28% | 5,262,242 16.28% |
| | Rishi Trading Company Limited | 4,717,033 14.59% | 4,717,033 14.59% |
| | Acacia Partners LP | 1,618,037 5.01% | 1,618,037 5.01% |
| V) SHARES ALLOTTED AS FULLY PAID UP BY WAY OF BONUS SHARES (DURING 5 YEARS PRECEDING MARCH 31,2012) | | | |
| Nil | | | |
| NOTES : 3 RESERVES AND SURPLUS | | | |
| a) | Capital Reserve | 30,336,340 | 30,336,340 |
| b) | Securities Premium Account | 1,830,904,500 | 1,830,904,500 |
| Other Reserves | | | |
| c) | Statutory reserve pursuant to Section 45-IC of The RBI Act,1934 | | |
| | Balance as per last | 103,340,000 | 79,740,000 |
| | Add:- Transfer from statement of Profit & Loss | 7,240,000 | 23,600,000 |
| | Closing balance | 110,580,000 | 103,340,000 |
| d) | General Reserve | | |
| | Balance as per last | 750,000,000 | 250,268,997 |
| | Add:- Transfer from statement of Profit & Loss | 150,000,000 | 499,731,003 |
| | Closing balance | 900,000,000 | 750,000,000 |
| e) | Surplus in Statement of Profit and Loss | | |
| | Balance as per last | 391,658,335 | 815,811,011 |
| | Add: Profit for the current year | 35,386,371 | 117,963,582 |
| | Less:- Appropriations | | |
| | Transfer to Statutory reserve pursuant to Section 45-IC of The RBI Act,1934 | 7,240,000 | 23,600,000 |
| | Transfer to general reserve | 150,000,000 | 499731003 |
| | Proposed Dividend | 16,163,183 | 16,163,183 |
| | Tax on proposed Dividend | 2,622,072 | 2,622,072 |
| | Net Surplus in Statement of Profit & Loss | 251,019,451 | 391,658,335 |
| | Total reserves and surplus | 3,122,840,291 | 3,106,239,175 |

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES : 4 OTHER CURRENT LIABILITIES

| | | | |
|--------------|----------------------------|------------------|------------------|
| a) | Salaries & Wages Payable | 46,945 | 54,115 |
| b) | Sundry Creditors | 58,602 | 67,017 |
| c) | P.F Payable | 3,330 | 1,560 |
| d) | Dividend Payable | 2,204,783 | 2,822,488 |
| e) | Leave Encashment Payable | 23,258 | 23,352 |
| f) | Sundry Liabilities | 115,068 | 225,103 |
| g) | Imprest Account | 8,000 | - |
| h) | Gratuity Payable | 155,036 | 102,394 |
| i) | TDS-Staff Payable | 11,600 | 3,500 |
| j) | TDS - Contractors Payable | 497 | 406 |
| k) | TDS - Professional Payable | 23,822 | 27,371 |
| Total | | 2,650,941 | 3,327,306 |

NOTES : 5 SHORT TERM PROVISIONS

| | | | |
|--------------|--|-------------------|-------------------|
| a) | Others | | |
| | Direct Tax | 63,547,819 | 61,748,000 |
| | Proposed Dividend | 16,163,183 | 16,163,183 |
| | Tax on Proposed Dividend | 2,622,072 | 2,622,072 |
| | Contingent provision against Standrad Assets | 851,467 | 119,445 |
| Total | | 83,184,541 | 80,652,700 |

NOTES : 6 FIXED ASSET

(a). Fixed Assets

| Sr. No | Particulars | Gross Block | | | | Depreciaton | | | | Net Block | |
|-----------|---|------------------------|--------------------------|---------------------------|--------------------|------------------------|--------------------------|---------------------------|-------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2012 | WDV as on 31.03.2011 |
| i | Tangible Assets | | | | | | | | | | |
| a) | Land | 10,504,065 | - | - | 10,504,065 | - | - | - | - | 10,504,065 | 10,504,065 |
| b) | Factory Shed & Building | 23,676,613 | - | - | 23,676,613 | 15,755,375 | 790,799 | - | 16,546,174 | 7,130,439 | 7,921,238 |
| c) | Flats | 33,661,099 | - | - | 33,661,099 | 8,370,741 | 548,676 | - | 8,919,417 | 24,741,682 | 25,290,358 |
| d) | Plant & Machinery | 59,042,863 | - | - | 59,042,863 | 56,190,746 | 34,933 | - | 56,225,679 | 2,817,184 | 2,852,117 |
| e) | Tubewell | 262,745 | - | - | 262,745 | 249,603 | - | - | 249,603 | 13,142 | 13,142 |
| f) | Office Equipment | 2,282,378 | - | - | 2,282,378 | 2,098,769 | 71,133 | - | 2,169,902 | 112,476 | 183,609 |
| g) | Furniture & Fixtures | 2,852,172 | - | - | 2,852,172 | 2,722,808 | - | - | 2,722,808 | 129,364 | 129,364 |
| h) | Vehicles | 312,632 | - | - | 312,632 | 298,185 | - | - | 298,185 | 14,447 | 14,447 |
| | SUB TOTAL (A) | 132,594,567 | - | - | 132,594,567 | 85,686,227 | 1,445,541 | - | 87,131,768 | 45,462,798 | 46,908,339 |
| ii | Capital Work-in-progress | | | | | | | | | | |
| a) | Plant & Machinery* | 8,056,000 | - | - | 8,056,000 | 7,653,200 | - | - | 7,653,200 | 402,800 | 402,800 |
| | SUB TOTAL (B) | 8,056,000 | - | - | 8,056,000 | 7,653,200 | - | - | 7,653,200 | 402,800 | 402,800 |
| | GRAND TOTAL [A+B] (Current Year) | 140,650,567 | - | - | 140,650,567 | 93,339,427 | 1,445,541 | - | 94,784,968 | 45,865,598 | 47,311,139 |
| | (Previous Year) | 140,650,567 | | | 140,650,567 | 91,856,763 | 1,482,662 | - | 93,339,428 | 47,311,141 | 48,793,803 |

* Note: The Capital Work in progress represents dismantled plant & machinery costing transferred from one unit to another in earlier year

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES : 7 NON-CURRENT INVESTMENTS

Long Term :

| Non-Trade (At Cost) | Face Value Rs. | Shares/ Units 31.03.2012 Nos. | Shares/Units 31.03.2011 Nos. | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|-------------------------------|-------------------|--|------------------------------------|----------------------------|----------------------------|
| Equity Shares - Quoted | | | | | |
| In Associates - | | | | | |
| Jindal Poly Films Limited | 10 | 581,600 | 581,600 | 83,058,714 | 83,058,714 |
| Sub Total (A) | | 581,600 | 581,600 | 83,058,714 | 83,058,714 |
| In Others | | | | | |
| Ester Industries Limited | 5 | 303 | 303 | 13,680 | 13,680 |
| Indo Count Industries Limited | 10 | 587,810 | 587,810 | 7,795,649 | 7,795,649 |
| Jindal Photo Limited | 10 | 50,000 | 50,000 | 500,000 | 500,000 |
| Hindustan Uniliver Limited | 1 | 193,145 | 193,145 | 50,368,160 | 50,368,160 |
| Spentex Industries Limited | 10 | 1,070,507 | 1,070,507 | 18,902,744 | 18,902,744 |
| Pnb Gilts Limited | 10 | 16,400 | 16,400 | 490,770 | 490,770 |
| Coal India Limited | 10 | 144,028 | 144,028 | 35,286,860 | 35,286,860 |
| Sub Total (B) | | 2,062,193 | 2,062,193 | 113,357,863 | 113,357,863 |

Trade (At Cost)

Equity Shares-Unquoted

In Subsidiaries -

| | | | | | |
|---|----|------------|------------|---------------|---------------|
| Consolidated Finvest & Investment Ltd | 10 | 1,786,750 | 1,051,750 | 868,875,000 | 501,375,000 |
| Jindal Photo Investments Limited | 10 | 8,610,000 | 8,610,000 | 1,009,055,600 | 1,009,055,600 |
| Jesmin Investments Limited | 10 | 5,668,053 | 6,770,250 | 224,047,808 | 267,615,647 |
| Total (C) | | 16,064,803 | 16,432,000 | 2,101,978,408 | 1,778,046,247 |
| Provision for Diminution in value of Investments ** | | - | - | 91,250,635 | 91,250,635 |
| Sub Total (C) | | 16,064,803 | 16,432,000 | 2,010,727,773 | 1,686,795,612 |

** The provision of Rs.9.12 Crores* (Previous 9.12Crores) on the investment made by company in quoted and unquoted shares towards diminution in value is sufficient in the opinion of management and hence no further provision is required. *(Rs.8.72 Crores towards Jesmin Investment Ltd, Rs.0.40 Crores towards Spentex Industries Ltd)

In Others

| | | | | | |
|---|----|------------|------------|---------------|---------------|
| Jindal India Power Tech Ltd (Paidup Rs.6/- Per Share) | 10 | - | 78,500,000 | - | 471,327,921 |
| Sub Total (D) | | - | 78,500,000 | - | 471,327,921 |
| Total (A+B+C+D) | | 18,708,596 | 97,575,793 | 2,207,144,350 | 2,354,540,110 |

Rs. in Lacs

| | | |
|--|-----------|-----------|
| Aggregate Value of Quoted Investments | 1,964.17 | 1,964.17 |
| Aggregate Value of Unquoted Investments | 27,945.58 | 28,623.54 |
| Market Value of Quoted Investments | 2590.38 | 3839.03 |
| Break up value of Unquoted Investments | 30456.09 | 31092.59 |

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES :8 DEFERRED TAX

As per Accounting Standard-22 "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantially enacted by the balance sheet date. The Deferred Tax Liability/(Asset) comprises of tax effect of timing difference on account of:

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | For the year Rs. | AS AT 31.03.2011 Rs. |
|----------------------------------|--|----------------------------|-------------------------|----------------------------|
| a) Deferred Tax Liability | | | | |
| | For Depreciation difference as per books and I.Tax Act | 8,757,073 | 3,399,403 | 5,357,670 |
| | | <u>8,757,073</u> | <u>3,399,403</u> | <u>5,357,670</u> |
| b) Deferred Tax Assets | | | | |
| | Carry forward Long Term Capital Loss | 60,135,869 | (4,311,261) | 64,447,130 |
| | Disallowance under Section 43-B of I.Tax Act | 101,766 | (3,896) | 105,662 |
| | | <u>60,237,635</u> | <u>(4,315,157)</u> | <u>64,552,792</u> |
| | Net Deferred Tax Liability/(Assets) (a-b) | <u>(51,480,562)</u> | <u>7,714,560</u> | <u>(59,195,122)</u> |

NOTES :9 LONG TERM LOANS AND ADVANCES

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|--|-------------------------------------|----------------------------|----------------------------|
| I) Unsecured, Considered Good : | | | |
| a) | Unsecured Loans | 249,649,709 | 197,797,885 |
| b) | Security Deposit | 1,698,727 | 1,698,727 |
| c) | Loans & Advances to related parties | 90,943,071 | - |
| | Total | <u>342,291,507</u> | <u>199,496,612</u> |

NOTES : 10 CURRENT INVESTMENTS

| Non-Trade (At Cost) | Face Value | Shares/Units 31.03.2012 | Shares/Units 31.03.2011 | As at 31.03.2012 | As at 31.03.2011 |
|--|------------|----------------------------|----------------------------|---------------------|---------------------|
| In Mutual Funds :- | Rs. | Nos. | Nos. | Rs. | Rs. |
| B332WD Birla Sun Life Savings Fund - INST | 10 | - | 226,380 | - | 2,262,340 |
| 1629 ICICI Prudential Banking and PSU Debt Fund Premium Daily Dividend | 10 | - | 15,073,148 | - | 150,874,678 |
| BBDD ICICI Prudentail Blended Plan B Daily Dividend Option 1 | 10 | - | 3,498,812 | - | 35,014,358 |
| 1524 ICICI Prudential Flexible Income Plan Premium-Daily Dividend | 100 | 1,688,577 | - | 178,541,677 | - |
| DWS Treasury Fund Cash-Institutiobal Plan - Daily Dividend | 10 | - | 5,973,008 | - | 60,026,940 |
| Franklin Templeton - Weekly Dividend | 10 | - | 39,468,054 | - | 398,769,491 |
| Franklin Templeton - Daily Dividend | 10 | 11,197,621 | - | 112,106,111 | - |

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES : 10 CURRENT INVESTMENTS (Contd.)

| Non-Trade (At Cost) | Face Value | Shares/Units 31.03.2012 | Shares/Units 31.03.2011 | As at 31.03.2012 | As at 31.03.2011 |
|--|------------|----------------------------|----------------------------|---------------------|---------------------|
| L235G SBI Debt Fund Series 367 Days 2 Growth | 10 | 900,000 | - | 9,000,000 | - |
| HDFC Cash Management Fund Treasury Advantage Plan -Wholesale Weekly Dividend | 10 | - | - | - | - |
| 2031/HDFC Cash Management Fund Treasury Advantage Plan -Wholesale Daily Dividend | 10 | 24,949,787 | - | 250,283,793 | - |
| HDFC FMP 13M September 2011(1) Growth Series XVIII | 10 | 3,324,808 | - | 33,248,080 | - |
| HDFC FMP 370D July 2011(1) Growth Series XVIII | 10 | 5,651,352 | - | 56,513,520 | - |
| UTI Fixed Income Interval Fund -Annual Interval Plan Series | 10 | 3,603,006 | - | 50,000,000 | - |
| UTI Fixed Income Interval Fund-Annual Interval Plan Series-II | 10 | 8,156,113 | - | 94,137,031 | - |
| UTI Floating Rate Fund | 1000 | - | 55,273 | - | 57,283,217 |
| Total | | 59,471,264 | 64,294,675 | 783,830,212 | 704,231,024 |
| Net Asset value of Investments in Mutual Funds | | | | 7963.70 Lacs | 7046.28 Lacs |

NOTES :11 INVENTORIES

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|--------|------------------|----------------------------|----------------------------|
| a) | Packing Material | - | 45,610 |
| b) | Stores & Spares | - | 128,695 |
| | Total | - | 174,305 |

NOTES :12 CASH & CASH EQUIVALENT

| | | | |
|----|----------------------------|------------------|-------------------|
| a) | Cash-in-Hand | | |
| | Cash Balance | 50,583 | 15,602 |
| | Sub Total (A) | 50,583 | 15,602 |
| b) | Bank Balance | | |
| | Bank Accounts | 4,328,020 | 2,967,789 |
| | Dividend Account | 2,204,783 | 2,822,488 |
| | Sub Total (B) | 6,532,803 | 5,790,277 |
| c) | Cheques on Hand (C) | - | 50,000,000 |
| | Total [A + B + C] | 6,583,386 | 55,805,879 |

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES :13 SHORT TERMS LOANS AND ADVANCES

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|-----------|---|----------------------------|----------------------------|
| a) | Others | | |
| | Advance Recoverable in cash or in kind or for value to be considered good | | |
| | Advance to Suppliers | 29,701 | 27,901 |
| | Advance Income Tax/Refund Due | 68,001,175 | 65,242,183 |
| | Balance with Excise department | 199,285 | 199,285 |
| | MAT Credit entitlement | 26,173,704 | 26,923,385 |
| | Sales Tax Recoverable | 335,897 | 335,897 |
| | Prepaid Expenses | 4,057 | - |
| | Total | 94,743,819 | 92,728,651 |

NOTES : 14 REVENUE FROM OPERATIONS

| | | | |
|----|-------------------|------------------|------------------|
| a) | Interest Received | 8,805,710 | 3,924,958 |
| | Total | 8,805,710 | 3,924,958 |

NOTES :15 OTHER INCOME

| | | | |
|----|------------------------------------|-------------------|--------------------|
| a) | Rent Received | 324,000 | 324,000 |
| b) | Income on Sale of Investment (Net) | 1,259,323 | 177,965,127 |
| c) | Dividend received | 42,702,274 | 38,663,506 |
| d) | Other Receipts | 1,484 | - |
| | Total | 44,287,081 | 216,952,633 |

NOTES :16 PROVISION AGAINST STANDRAD ASSETS

| | | | |
|----|---|----------------|----------------|
| a) | Provision against Standrad Assets as per RBI Notification | 732,022 | 119,445 |
| | Total | 732,022 | 119,445 |

NOTES :17 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT

| | | | |
|----|------------------------------------|----------|-------------------|
| a) | Diminution in value of Investments | - | 91,250,635 |
| | Total | - | 91,250,635 |

NOTES :18 EMPLOYEMENT BENEFIT EXPENSES

| | | | |
|----|--|------------------|----------------|
| a) | Salaries, Wages & other benefits | 1,239,134 | 782,610 |
| b) | Staff Welfare Expenses | 9,481 | 13,365 |
| c) | Contribution to provident & other Fund | 23,010 | 10,640 |
| | Total | 1,271,625 | 806,615 |

NOTES :19 DEPRECIATION & AMORTISED COST

| | | | |
|----|--------------|----------------|----------------|
| a) | Depreciation | 548,677 | 548,677 |
| | Total | 548,677 | 548,677 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTES :20 OTHER ADMINISTRATIVE EXPENSES

| Sr. No | Particulars | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|--------|------------------------------------|-------------------------------------|-------------------------------------|
| a) | Rent | 66,180 | 66,180 |
| b) | Rates & Taxes | 216,169 | 130,097 |
| c) | Security Transaction Tax | - | 1,746,049 |
| d) | Travelling & Conveyance | 88,890 | 69,758 |
| e) | Electricity & Water Charges | - | - |
| f) | Postage, Telegram & Telephones | 479,223 | 664,211 |
| g) | Printing & Stationery | 243,962 | 236,957 |
| h) | Legal & Professional Charges | 1,192,267 | 2,617,840 |
| i) | Repairs & maintenance - Others | 1,492 | - |
| j) | Filing Fees | 237,420 | 103,745 |
| k) | Auditors Remuneration | 188,062 | 198,540 |
| l) | Miscellaneous Expenses | 150,051 | 384,062 |
| m) | Advertisement & Publicity | 124,313 | - |
| n) | Obsolete & dead stocks written off | 174,305 | 215,694 |
| o) | Interest-others & Bank charges | 21,074 | 6,387 |
| | Total | 3,183,408 | 6,439,520 |

NOTE:- 21 DISCONTINUED OPERATION

As per Accounting standard 24 issued by ICAI, Company had discontinued the operations of PCP, Roll Films and PPFY facility at Bhimtal (Uttarakhand) and Gulaothi (Uttar Pradesh) units, as these have been terminated through abandonment.

Following is selected financial information included in loss from discontinued operations for the Bhimtal & Gulaothi units:-

| Particulars | 2011-2012 | | 2010-2011 | |
|--|------------------|------------------|------------------|------------------|
| | Bhimtal | Gulaothi | Bhimtal | Gulaothi |
| Discontinued activities | | | | |
| Total Assets | 7,027,502 | 5,393,200 | 7,539,523 | 5,819,143 |
| Total Liability | - | - | - | - |
| Total Revenue | - | - | - | - |
| Depreciation | 470,921 | 425,943 | 505,305 | 428,681 |
| Other expenses | 41,100 | - | 37,559 | - |
| Total Expenses | 512,021 | 425,943 | 542,864 | 428,681 |
| Profit/(Loss) from Discontinued operation | (512,021) | (425,943) | (542,864) | (428,681) |
| Tax Expenses | (86,000) | (69,000) | (85,000) | (68,000) |
| Profit/(Loss) after tax of discontinuing operations | (426,021) | (356,943) | (457,864) | (360,681) |

22 Contingent Liabilities:

| | | |
|---|------------------|--------------------|
| Variou Sales Tax/Excise Demand, against which Appeals are pending | 769,349 | 769,349 |
| Income tax | 4,510,251 | 11,245,115 |
| Uncalled money pending | - | 314,000,000 |
| | 5,279,600 | 326,014,464 |

23 The Auditors' Remuneration includes the following

| | | |
|---------------------------|----------------|----------------|
| Audit Fee | 110,300 | 110,300 |
| Other Services | 61,217 | 71,695 |
| Reimbursement of Expenses | 16,545 | 16,545 |
| | 188,062 | 198,540 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

24 In the opinion of the Board of Directors, current assets, loans & advances have value on realisation at least equal to the amount at which they are stated, unless stated otherwise.

25 The Fixed Assets which are presently not in the name of the company were acquired / transferred / taken over only through merger/ amalgamation scheme approved by the High Courts and are in the possession of the Company and are being used by it

26 As per Accounting Standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below:-

a) Contribution to Defined Contribution Plan, recognised as expenses for the year is Rs.23010 towards employer's contribution to Provident fund.

b) Defined Benefit Plan

The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

i) Reconciliation of opening and Closing balances of defined benefit obligation for Gratuity (unfunded)

| | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|--|--------------------|--------------------|
| Defined benefit obligation at the beginning of the year | 102394 | 60146 |
| Current service cost | 28715 | 23496 |
| Interest cost | 8703 | 4812 |
| Actuarial (gain)/Loss | 15224 | 13940 |
| Benefits Paid | 0 | 0 |
| Settlement cost | 0 | 0 |
| Defined benefit obligation at the end of the year | 155036 | 102394 |
| ii) Reconciliation of Fair value of assets and obligations | | |
| Present value of obligation | 155036 | 102394 |
| Amount recognised in Balance Sheet | 155036 | 102394 |
| iii) Expense recognised during the year | | |
| Current service cost | 28715 | 23496 |
| Interest cost | 8703 | 4812 |
| Actuarial (Gain)/Loss | 15224 | 13940 |
| Net Cost | 52642 | 42248 |
| iv) Actuarial assumptions | | |
| Discount rate (per annum) | 8.50% | 8.00% |
| Future salary increase (per annum) | 6.00% | 5.50% |

The estimates of rate of future salary increase takes account of inflation, seniority, promotion and other relevant factor on long term basis. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

c) The obligation for leave encashment for Rs.26154/- is recognised, provided for and paid on yearly basis

27 The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and therefore disclosures, as required under the said act has not been given.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

28 The company has made provision of Rs.851,467/- on standard assets as per Reserve Bank of India, DNBS vide notification No.RBI/2010-11/370-DNBS PD.CC.No.207/03.02.002/2010-11, dated .January 17,2011

| | Year Ended 31.03.2012 (Rs.) | Year Ended 31.03.2011 (Rs.) |
|-------------------------------------|-----------------------------------|-----------------------------------|
| 29 Earning Per Share | | |
| Profit After Taxation | 35,386,371 | 117,963,582 |
| Number of Equity Shares outstanding | 32,326,366 | 32,326,366 |
| Face value of per Equity Share | 10.00 | 10.00 |
| Earning per Share (Basic/Diluted) | 1.09 | 3.65 |

30 The Company is mainly engaged in the investments activities and do not qualify for separate reporting as required by AS-17 on "Segment Reporting".

31 Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows :

(A) List of Related Parties

a) Controlling Company

Consolidated Photo & Finvest Ltd.

b) Subsidiaries

Jindal Photo Investments Ltd.

Jesmin Investments Ltd.

Consolidated Finvest & Investment Ltd

c) Associate Company

Universal Foils Ltd.

Rishi Trading Co. Ltd

Jindal Poly Films Ltd.

Consolidated Green Finvest Pvt.Ltd

Rexor Holding SAS

d) Key Management Personnel

Mr. Radhey Shyam

32 DETAILS OF TRANSACTIONS WITH RELATED PARTIES ARE AS FOLLOWS:

| | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| <u>Controlling Company</u> | | |
| Loan Given During the Year | 55,443,071 | - |
| Loan received back | 8,500,000 | - |
| <u>Associates Companies</u> | | |
| Dividend Received | 1,454,000 | 2,908,000 |

Consolidated Finvest & Holdings Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

| | Current Year | Previous Year |
|--|---------------|---------------|
| <u>Subsidiaries</u> | | |
| Loan Given During the Year | 44,000,000 | - |
| Loan received back | - | - |
| Investment in shares | 367,500,000 | |
| Buy back of Shares | 44,087,880 | |
| <u>Outstanding as at year end</u> | | |
| | Current Year | Previous Year |
| <u>Controlling Company</u> | | |
| Loans & Advances Given | 46,943,071 | - |
| Investments | - | - |
| <u>Associates Companies</u> | | |
| Loans & Advances Given | - | - |
| Investments | 83,058,714 | 83,058,714 |
| <u>Subsidiary Companies</u> | | |
| Loans & Advances Given | 44,000,000 | - |
| Investment | 2,101,978,408 | 1,778,046,247 |

Note :- Related party relationship is as identified by the company and relied upon by the auditors

Note :- No amount has been provided as doubtful debts or advances/ written or written back in the year in respect of debts due from or to above related parties

33 Particulars in respect of Loans/Advances/Investments as required under clause 32 of the Listing Agreement.

| | Name of Company | Outstanding Balance | | Maximum outstanding amount during | |
|-----------|--|---------------------|------------|-----------------------------------|------------|
| | | 31.03.2012 | 31.03.2011 | 31.03.2012 | 31.03.2011 |
| a) | Loans & advances in the nature of loans to Subsidiary | 44,000,000 | - | 44,000,000 | - |
| b) | Loans & advances in the nature of loans to where repayment schedule is not specified/is beyond 7 years | 44,000,000 | - | 44,000,000 | - |
| c) | There is no loan/advances as mentioned above in the nature of loans where interest is NIL or below the rate specified U/S.372A of the Companies Act,1956 | 44,000,000 | - | 44,000,000 | - |
| | Note:- Loans and advances shown above to subsidiaries are in the nature of advances where there is no repayment schedule and are repayable on demand. | | | | |
| d) | Investments made in equity share of company by lonee are Nil '(Previous year Nil) | - | - | - | - |

34 Figures for the previous year have been regrouped/ re-arranged/ reclassified/ recasted wherever considered necessary to confirm to this year's classification.

35 All the figures have been rounded off to the nearest rupee.

Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company as required. (As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms Reserve Bank) Directions 2007)

| Particulars | (Rs.in Lacs) | |
|---|--------------------|----------------|
| | Amount Outstanding | Amount Overdue |
| Liabilites side : | | |
| 1 Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid | | |
| (a) Debentures : Secured | - | - |
| Unsecured | - | - |
| (other than falling within the meaning of public deposits*) | - | - |
| (b) Deferred Credits | - | - |
| (c) Term Loans | - | - |
| (d) Inter-corporate loans and borrowing | - | - |
| (e) Commercial Paper | - | - |
| (f) Public deposits | - | - |
| (g) Other Loans | - | - |
| 2 Assets side : | | |
| Break-up of Loans and Advances including Bills receivables (other than those included in (4) below : | - | |
| (a) Secured | - | |
| (b) Unsecured | 3406 | |
| 3 Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFS activities | | |
| (i) Lease Assets including lease rentals under sundry debtors: | - | |
| (a) Financial lease | - | |
| (b) Operating lease | - | |
| (ii) Stock on hire including hire charges under sundry debtors: | | |
| (a) Assets on hire | - | |
| (b) Repossessed Assets | - | |
| (iii) Other loans counting towards AFS activites | | |
| (a) Loans where assets have been repossessed | - | |
| (b) Loans other than (a) above | - | |
| 4 Break-up of investments : | | |
| Current Investments : | | |
| 1. Quoted : | - | |
| (i) Shares (a) Equity | - | |
| (b) Preference | | |
| (ii) Debentures and Bonds | - | |

Consolidated Finvest & Holdings Limited

| | | (Rs.in Lacs) | |
|--|--------------------|--------------------------|------------------|
| Particulars | Amount Outstanding | Amount Overdue | |
| (iii) Units of mutual funds | 7838 | | |
| (iv) Government Securities | - | | |
| (v) Others (please specify) | - | | |
| 2. Unquoted : | | | |
| (i) Shares (a) Equity | - | | |
| (b) Preference | - | | |
| (ii) Debentures and Bonds | - | | |
| (iii) Units of mutual funds | - | | |
| (iv) Government Securities | - | | |
| (v) Others | - | | |
| Long Term Investments : | | | |
| 1. Quoted : | | | |
| (i) Shares (a) Equity | 1964 | | |
| (b) Preference | - | | |
| (ii) Debentures and Bonds | - | | |
| (iii) Units of mutual funds | - | | |
| (iv) Government Securities | - | | |
| (v) Others (please specify) | - | | |
| 2. Unquoted : | | | |
| (i) Shares (a) Equity | 20107 | | |
| (b) Preference | - | | |
| (ii) Debentures and Bonds | - | | |
| (iii) Units of mutual funds | - | | |
| (iv) Government Securities | - | | |
| (v) Others (Share Application given) | - | | |
| 5 Borrower group-wise classification assets finance as in (2) and(3) above : | | (Rs. Lacs) | |
| | | Amount Net of provisions | |
| Category | | Secured | Unsecured |
| 1. Related Parties | | | |
| (a) Subsidiaries | | - | 440 |
| (b) Companies in the same group | | - | - |
| (c) Other related parties | | - | 469 |
| 2. Other than related parties | | - | 2497 |
| Total | | - | 3406 |

| | | (Rs.in Lacs) | |
|---|---|--|--|
| Particulars | Amount Outstanding | Amount Overdue | |
| 6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : | | | |
| 1. Related Parties | Market Value/ Breakup or fair Value or NAV | Book Value (net of Provision) | |
| (a) Subsidiaries | 30457 | 20107 | |
| (b) Companies in the same group | - | - | |
| (c) Other related parties | 1115 | 831 | |
| 2. Other than related parties | 1475 | 1133 | |
| Assets side : | 33047 | 22071 | |
| 7 Other Information | | | |
| Particulars | | | |
| (i) Gross Non-Performing Assets | - | | |
| (a) Related parties | - | | |
| (b) Other than related parties | - | | |
| (ii) Net Non-Performing Assets | - | | |
| (a) Related parties | - | | |
| (b) Other than related parties | - | | |
| (iii) Assets acquired in satisfaction of debt | - | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates

Chartered Accountants

R.K. KANODIA

Partner

M. No. 016121

ANIL KAUSHAL

(Company Secretary)

Radhey Shyam

(Managing Director)

G.D. Singal

(Director)

Place : New Delhi

Date : 30-06-2012

Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company as required in terms of Paragraph 10 (5) of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions 2007)

CAPITAL TO RISK ASSETS RATIO (CRAR)

| Items | Current Year | Previous Year |
|---------------------------------|--------------|---------------|
| i) CRAR (%) | 93.10% | 102.76% |
| ii) CRAR - Tier I Capital (%) | 93.10% | 102.76% |
| iii) CRAR – Tier II Capital (%) | NIL | NIL |

Exposures

Exposure to Real Estate Sector

| Category | Current Year | Previous Year |
|---|--------------|---------------|
| a) Direct exposure | | |
| (i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented . (individual housing loans upto Rs.15 lakh may be shown separately) | NIL | NIL |
| (ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.). Exposure would also include non-fund based (NFB) limits. | NIL | NIL |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures - | | |
| a) Residential | NIL | NIL |
| b) Commercial Real Estate | NIL | NIL |
| b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | NIL | NIL |

Asset Liability Management

Maturity pattern of certain items of assets and liabilities

| | (Rs. In crores) | | | | | | | | |
|-----------------------|---------------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|------------------------|-------------------------|--------------|--------|
| | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 months upto 3 months | Over 3 months to 6 months | Over 6 months to one year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total |
| Liabilities | | | | | | | | | |
| Borrowings from Banks | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Market Borrowings | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Assets | | | | | | | | | |
| Advances | NIL | NIL | 11.21 | 1.20 | 3.00 | 17.80 | NIL | NIL | 34.06 |
| Investments | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 299.10 | 299.10 |

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To The Board of Directors of Consolidated Finvest & Holdings Limited and its subsidiaries

We have audited the attached consolidated Balance Sheet of CONSOLIDATED FINVEST & HOLDINGS LIMITED and its subsidiaries as at 31st March, 2012 and the consolidated Statement of Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date (both annexed thereto). The Consolidated Financial Statement includes investments in an associate company accounted on the equity method in accordance with Accounting Standard 23(Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These consolidated financial statements are the responsibility of the Company's management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statement of Jesmin Investments Ltd. (subsidiary) and Consolidated Finvest & Investments Limited (WOS), whose financial statement reflects total assets of Rs. 12358.35 lacs as at 31st March 2012, and total revenues of Rs. 111.85 lacs and the total cash flow Rs. (12.01) lacs for the period ended 31st March 2012. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
3. The financial statements of an associates company in respect of which the Group's share of profit of Rs. 3586.59 lacs for the year ended 31st March, 2012 is

reflected in the Consolidated Financial Statements on the basis of unaudited published financial information provided by the management of the associates company.

We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", Accounting Standard 23, accounting for investment in Associates in Consolidated Financial Statements as notified under the Companies(Accounting Standards) Rules,2006 and on the basis of the separate financial statements of the Consolidated Finvest & Holdings Limited and its subsidiaries, included in the consolidated financial statements.

4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Consolidated Finvest & Holdings Limited and its subsidiaries, we are of the opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the consolidated balance sheet, the consolidated state of affairs of Consolidated Finvest & Holdings Limited and its subsidiaries as at 31st March, 2012;
 - ii) In the case of the consolidated Statement of Profit & Loss Account, the consolidated results of operations of Consolidated Finvest & Holdings Limited and its subsidiaries for the year ended on that date; and
 - iii) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Consolidated Finvest & Holdings Limited and its subsidiaries for the year ended on that date.

**For KANODIA SANYAL & ASSOCIATES
Chartered Accountants
Firm Registration No.008396 N**

**R.K.KANODIA
(PARTNER)
M. No. 016121**

**Place : New Delhi
Date : 30-06-2012**

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2012

| PARTICULARS | NOTES NO. | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|---------------------------------------|--------------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 323,263,660 | 323,263,660 |
| (b) Reserves and Surplus | 3 | 9,622,430,669 | 8,795,498,470 |
| (c) Minority Interest | | 39,896,854 | 51,416,533 |
| (2) Current Liabilities | | | |
| (a) Trade Payables | 4 | 111,258 | 432,633 |
| (b) Other Current Liabilities | 5 | 2,939,145 | 3,500,876 |
| (c) Short-Term Provisions | 6 | 102,602,874 | 102,640,456 |
| Total Equity & Liabilities | | 10,091,244,460 | 9,276,752,628 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 7 | | |
| (i) Tangible assets | | 45,468,215 | 46,908,339 |
| (ii) Intangible assets | | 185,881,537 | 187,670,743 |
| (iii) Capital work-in-progress | | 402,800 | 402,800 |
| (b) Non-current investments | 8 | 7,386,236,006 | 6,810,977,540 |
| (c) Deferred tax assets (net) | 9 | 249,070,606 | 252,238,828 |
| (d) Long term loans and advances | 10 | 298,291,507 | 199,496,612 |
| (2) Current Assets | | | |
| (a) Current investments | 11 | 1,244,744,685 | 1,542,249,090 |
| (b) Inventories | 12 | - | 174,305 |
| (c) Cash and cash equivalents | 13 | 9,495,681 | 57,537,056 |
| (d) Short-term loans and advances | 14 | 671,653,423 | 178,898,685 |
| (e) Other Current Assets | 15 | - | 198,630 |
| Total Assets | | 10,091,244,460 | 9,276,752,628 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 36 | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
Managing Director

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30.06.2012

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st MARCH 2012

| Sr. No | Particulars | Notes No. | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|--------|--|-----------|-------------------------------------|-------------------------------------|
| I | Revenue from operations | 16 | 28,709,749 | 6,473,574 |
| II | Other Income | 17 | 118,322,262 | 137,757,517 |
| III | Total Revenue | | 147,032,011 | 144,231,091 |
| IV | Expenses: | | | |
| | Contingent Provision against Standrad Assets | 18 | 1,963,199 | 232,702 |
| | Employee Benefit Expense | 19 | 2,470,116 | 1,192,837 |
| | Depreciation and Amortization Expense | 20 | 548,934 | 548,676 |
| | Other Administrative Expenses | 21 | 5,038,149 | 7,522,608 |
| | Total Expenses | | 10,020,398 | 9,496,823 |
| V | Profit before exceptional and extraordinary items and tax (III - IV) | | 137,011,613 | 134,734,268 |
| VI | Profit before tax | | 137,011,613 | 134,734,268 |
| VII | Tax expense: | | | |
| | (1) Current tax | | 9,094,000 | 40,362,900 |
| | (2) Deferred tax | | 3,168,222 | (19,566,065) |
| | (3) Wealth tax | | 62,500 | 65,000 |
| | (4) MAT Credit entitlement | | 1,485,558 | (30,893,437) |
| | (5) Income Tax Related to earlier year (net) | | 832,210 | 113,951 |
| VIII | Profit/(Loss) for the period | | 122,369,123 | 144,651,919 |
| IX | Profit /(Loss) from discontinuing operation (before tax) | 22 | (937,964) | (971,545) |
| X | Add/(Less): Tax expense of discontinuing operations | | (155,000) | (153,000) |
| XI | Profit/(Loss) from discontinuing operations | | (782,964) | (818,545) |
| XII | PROFIT /(LOSS) FOR THE YEAR | | 121,586,159 | 143,833,374 |
| | Add: Share of Profits in Associates | | 379,249,907 | 1,572,564,846 |
| | Less: Minority Interest in Income/(Loss) | | 1,333,043 | (22,385,649) |
| XIII | CONSOLIDATED PROFIT /(LOSS) FOR THE YEAR (IX+XII) | | 499,503,023 | 1,738,783,869 |
| XIV | Earning per equity share: | | | |
| | (1) Basic | | 15.45 | 53.79 |
| | (2) Diluted | | 15.45 | 53.79 |
| | Significant Accounting Policies | 1 | | |
| | Notes on Financial Statements | 2 to 36 | | |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
Managing Director

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30.06.2012

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st MARCH, 2012

| | 2011-12 Rs. | 2010-11 Rs. |
|--|----------------------|----------------------|
| A. Cash Flow Before Tax from Operating Activities: | | |
| Net Profit Before Tax & Extraordinary Items | 136,073,649 | 133,762,723 |
| Adjustments for: | | |
| Depreciation | 1,445,798 | 1,482,664 |
| Loss/(Profit) on Sale of Investments | (5,149,991) | (2,692,890) |
| Public Issue/Preliminary Expenses Written off | 198,630 | 49,657 |
| Preliminary expenses incurred during the year | - | (248,287) |
| Interest Received | - | (6,473,574) |
| Provision for doubtful advances/debts | 730,799 | 113,256 |
| Dividend Received | <u>(112,833,064)</u> | <u>(135,721,900)</u> |
| Operating Profit Before Working Capital Changes | 20,465,821 | (9,728,351) |
| Adjustments for: | | |
| Loans & Advances and Other Receivables | (98,051,071) | (194,205,805) |
| Inventories | 174,305 | 215,694 |
| Trade Payables | <u>(881,883)</u> | <u>(100,882)</u> |
| Cash Generated from Operations | (78,292,828) | (203,819,344) |
| Direct Taxes Paid | (12,585,791) | (41,893,160) |
| MAT Credit entitlement | - | 26,923,385 |
| Interest Received on Income Tax Refund | - | - |
| Income Tax Refund | - | - |
| Cash Flow before Extraordinary Items | <u>(90,878,619)</u> | <u>(218,789,119)</u> |
| Prior Period Adjustments | (530,664) | - |
| Excess Provision written back | - | - |
| Net Cash from Operating Activities | <u>(91,409,283)</u> | <u>(218,789,119)</u> |
| B. Cash flow from Investing Activities: | | |
| Purchase of Investments | (4,254,318,514) | (6,312,073,108) |
| Advance for purchase of land | - | 50,000,000 |
| Sale of Fixed Assets | (5,675) | - |
| Sale of Investments | 4,708,967,986 | 6,609,466,380 |
| Loan given | (492,470,978) | - |
| Interest Received | - | 6,473,574 |
| Dividend Received | <u>112,833,064</u> | <u>135,721,900</u> |
| Net Cash flow from/(Used in) Investing Activities | <u>75,005,883</u> | <u>489,588,746</u> |
| C. Cash Flow from Financing Activities: | | |
| Dividend paid including tax thereon | (18,785,255) | (18,847,686) |
| Proceeds from Share capital | - | - |
| Buyback of Equity Shares | (12,852,720) | (24,251,920) |
| Share application money repaid | - | (180,000,000) |
| Share application money received | - | - |
| Loan received /(paid) | - | (28,248,235) |
| Net Cash flow from/(Used in) Financing Activities | <u>(31,637,975)</u> | <u>(251,347,841)</u> |
| Net Change in Cash and Cash Equivalents (A+B+C) | (48,041,375) | 19,451,786 |
| Cash and Cash Equivalents As At 1st April (Opening Balance) | 57,537,056 | 38,085,270 |
| Cash and Cash Equivalents As At 31st March (Closing Balance) | 9,495,681 | 57,537,056 |

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

S.K. Mittal
Managing Director

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
Company Secretary

G.D. Singal
Director

Place : New Delhi
Date : 30.06.2012

1. SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED ACCOUNTS

A) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the requirement. Act, 1956 of the Companies and Accounting Standards referred to in Section 211(3C) of the Act.

B) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost of acquisition and fabrication or construction are inclusive of freight, duties and other incidental expenses during construction period. Incidental expenses includes establishment expenses, interest on fund used for Capital expenditure and other Administrative expenses.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

C) Depreciation

Depreciation on assets other than leased assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of leased out assets, the cost of the same is being amortized fully during the primary period of lease.

D) Revenue Recognition

- i) All revenues, costs, duties, assets & liabilities are accounted for on accrual basis.
- ii) Income from investment is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under income Tax deducted at source. Dividend income when the owner's right to receive its investments payment in shares is established.

E) Borrowing Costs

Borrowing costs attributable to the acquisition and construction of asset are capitalised as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue/deferred revenue expenditure as considered appropriate by the Management.

F) Investments

Investments are classified as long term or current, based on the Management intention at the time of purchase. Long term investments are valued at their acquisition cost. Current investments are stated at lower of cost or net realisable value. The provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Investment in the units of Mutual funds are valued at cost or market value whichever is lower, depreciation, if any is fully provided for and appreciation if any is ignored.

G) Employee Benefits

- i) Short term Employees benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, Wages etc, and the expected cost of bonus, ex gratia, incentives are recognized in the period during which the employee renders the related service.

- ii) Post employment and other long term employees benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other term benefits are charges to the profit and loss account.

H) Foreign Currency Transaction

Transactions in foreign currencies not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rates ruling at the date of transaction as increased or decreased by the proportionate difference based on life of the contract between the forward rate and exchange rate on the date of transaction.

Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the profit or loss account except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

I) Inventories

The Method of Inventories valuation has been adopted as follows:

| | | |
|------------------|---|---|
| Raw Material | : | At cost (FIFO Basis) |
| Finished Goods | : | At Cost or Net Realisable Value whichever is lower. |
| Work-in-Process | : | At estimated cost |
| Trading Goods | : | At Cost or Net Realisable Value whichever is lower. |
| Stores & Spares | : | At Cost or Net Realisable Value whichever is lower. |
| Packing Material | : | At Cost or Net Realisable Value whichever is lower. |

J) Taxation

The Current tax payable in respect of taxable income for the year has been charged to revenue. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent previous periods. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Fringe Benefit Tax has been provided for as per the applicable provisions of the Income Tax Act, 1961.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES : 2 SHARE CAPITAL

| Sr. No | Particulars | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|-----------|--|----------------------------|----------------------------|
| a) | AUTHORIZED CAPITAL | | |
| | 32500000 (Previous Year 32,500,000) Equity Shares of Rs. 10/- each. | 325,000,000 | 325,000,000 |
| | 26,000,000 (Previous year 26,000,000) | | |
| | Redeemable Preference Shares of Rs.10 each | 260,000,000 | 260,000,000 |
| | | 585,000,000 | 585,000,000 |
| b) | ISSUED , SUBSCRIBED & PAID UP CAPITAL | | |
| | 32,326,366 (Previous year 32,326,366) Equity Shares of Rs. 10/- each | 323,263,660 | 323,263,660 |
| | Total | 323,263,660 | 323,263,660 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Sr. No | Particulars | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|---|--|----------------------------|----------------------------|
| I) RECONCILIATION OF NUMBER OF SHARES | | | |
| Equity Shares | | | |
| | Opening Balance (Current year No. 32,326,366, Previous Year No. 32,326,366) | 323,263,660 | 323,263,660 |
| | Changes During the year (Current year No. Nil, Previous Year No. Nil) | - | - |
| | Closing Balance (Current year No. 32,326,366, Previous Year No. 32,326,366) | <u>323,263,660</u> | <u>323,263,660</u> |
| II) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES | | | |
| Equity Shares | | | |
| The Company has one class of equity shares having a per value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company. | | | |
| III) SHARES HELD BY HOLDING COMPANY AND ITS SUBSIDIARIES AND ASSOCIATES | | | |
| Nil | | | |
| IV) DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY | | | |
| Equity Shares | | | |
| | Consolidated Photo & Finvest Ltd | 10,185,335 31.51% | 10,185,335 31.51% |
| | Soyuz Trading Company Limited | 5,262,242 16.28% | 5,262,242 16.28% |
| | Rishi Trading Company Limited | 4,717,033 14.59% | 4,717,033 14.59% |
| | Acacia Partners LLP | 1,618,037 5.01% | 1,618,037 5.01% |
| V) SHARES ALLOTTED AS FULLY PAID UP BY WAY OF BONUS SHARES (DURING 5 YEARS PRECEDING MARCH 31, 2012) | | | |
| Nil | | | |
| NOTES : 3 RESERVES & SURPLUS | | | |
| a) | Capital Reserve | 30,336,340 | 30,336,340 |
| b) | Capital Reserve due to consolidation of Associates | 120,579,944 | 127,580,567 |
| | As per last year | | |
| | Less: Deduction during the year | - | 7,000,623 |
| | | <u>120,579,944</u> | <u>120,579,944</u> |
| | Add: Addition during the year | <u>346,214,430</u> | - |
| | | 466,794,375 | 120,579,944 |
| c) | Securities Premium Reserves | 1,830,904,500 | 1,830,904,500 |
| Other Reserves | | | |
| d) | Statutory reserve pursuant to Section 45-IC of The RBI Act, 1934 | 260,514,500 | 233,452,500 |
| | Balance as per last account | | |
| | Add:- Transfer from Statement of Profit & Loss | 25,543,000 | 27,062,000 |
| | Closing balance | <u>286,057,500</u> | <u>260,514,500</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| Sr. No | Particulars | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|--|--|-----------------------------|-----------------------------|
| e) | General Reserve | | |
| | Balance as per last Account | 3,351,043,237 | 2,568,675,657 |
| | Add:- Transfer from Statement of Profit & Loss | 190,000,000 | 782,367,580 |
| | Closing balance | <u>3,541,043,237</u> | <u>3,351,043,237</u> |
| f) | INCOME FROM ASSOCIATES | | |
| | Accumulated share of profit in Associates | 279,192,120 | 279,192,120 |
| | Less: Profit on company ceased to be associates | - | - |
| | | <u>279,192,120</u> | <u>279,192,120</u> |
| g) | Surplus in Statement of Profit and Loss | | |
| | Balance as per last account | 2,922,927,829 | 2,256,339,356 |
| | Add: Profit for the current year | 499,503,023 | 1,738,783,869 |
| | Less:- Profit/(Loss) brought forward from previous year related to companies ceased to be subsidiary/associate during the year | - | 243,980,561 |
| | Less:- Appropriations | | |
| | Transfer to Statutory reserve pursuant to Section 45-IC of The RBI Act,1934 | 25,543,000 | 27,062,000 |
| | Transfer to general reserve | 190,000,000 | 782367580 |
| | Proposed Dividend | 16,163,183 | 16,163,183 |
| | Tax on proposed Dividend | 2,622,072 | 2,622,072 |
| | Net surplus Statement of Profit & Loss | <u>3,188,102,597</u> | <u>2,922,927,829</u> |
| | Total reserves and surplus | <u>9,622,430,669</u> | <u>8,795,498,470</u> |
| NOTES : 4 TRADE PAYABLES | | | |
| a) | Sundry Creditors | 111,258 | 432,633 |
| | Total | <u>111,258</u> | <u>432,633</u> |
| NOTES : 5 OTHER CURRENT LIABILITIES | | | |
| b) | Other Liabilities | 734,362 | 678,388 |
| c) | Liability towards Investor Eductaion & Protection Fund under Section 205C of the Companies Act,1956 not Due -Unpaid Dividend | 2,204,783 | 2,822,488 |
| | Total | <u>2,939,145</u> | <u>3,500,876</u> |
| NOTES : 6 SHORT TERM PROVISIONS | | | |
| a) | Others | | |
| | Direct Tax | 81,621,719 | 83,622,500 |
| | Proposed Dividend | 16,163,183 | 16,163,183 |
| | Tax on Proposed Dividend | 2,622,072 | 2,622,072 |
| | Contingent provision against Standrad Assets | 2,195,900 | 232,701 |
| | Total | <u>102,602,874</u> | <u>102,640,456</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES : 7 FIXED ASSET

(a) Fixed Assets

| Sr. No | Particulars | Gross Block | | | | Depreciation | | | | Net Block | |
|------------|--|------------------------|--------------------------|---------------------------|--------------------|------------------------|--------------------------|---------------------------|-------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2012 | WDV as on 31.03.2011 |
| i | Tangible Assets | | | | | | | | | | |
| a) | Land | 10,504,065 | - | - | 10,504,065 | - | - | - | - | 10,504,065 | 10,504,065 |
| b) | Factory Shed & Building | 23,676,613 | - | - | 23,676,613 | 15,749,193 | 790,799 | - | 16,539,992 | 7,136,621 | 7,927,420 |
| c) | Flats | 33,661,099 | - | - | 33,661,099 | 8,376,925 | 548,676 | - | 8,925,601 | 24,735,498 | 25,284,174 |
| d) | Plant & Machinery | 59,042,863 | - | - | 59,042,863 | 56,190,744 | 34,933 | - | 56,225,677 | 2,817,186 | 2,852,119 |
| e) | Tubewell | 262,745 | - | - | 262,745 | 249,604 | - | - | 249,604 | 13,141 | 13,141 |
| f) | Office Equipment | 2,282,378 | - | - | 2,282,378 | 2,098,770 | 71,133 | - | 2,169,903 | 112,475 | 183,608 |
| g) | Furniture & Fixtures | 2,852,172 | 5,675 | - | 2,857,847 | 2,722,808 | 257 | - | 2,723,065 | 134,782 | 129,364 |
| h) | Vehicles | 312,632 | - | - | 312,632 | 298,185 | - | - | 298,185 | 14,447 | 14,447 |
| | SUB TOTAL (i) | 132,594,567 | 5,675 | - | 132,600,242 | 85,686,228 | 1,445,798 | - | 87,132,027 | 45,468,215 | 46,908,339 |
| ii | Intangible Assets | | | | | | | | | | |
| | Goodwill** | 187,670,743 | 520,038 | 2,309,244 | 185,881,537 | - | - | - | - | 185,881,537 | 187,670,743 |
| | SUB TOTAL (ii) | 187,670,743 | 520,038 | 2,309,244 | 185,881,537 | - | - | - | - | 185,881,537 | 187,670,743 |
| iii | Capital Work-in-progress | | | | | | | | | | |
| a) | Plant & Machinery* | 8,056,000 | - | - | 8,056,000 | 7,653,200 | - | - | 7,653,200 | 402,800 | 402,800 |
| | SUB TOTAL (iii) | 8,056,000 | - | - | 8,056,000 | 7,653,200 | - | - | 7,653,200 | 402,800 | 402,800 |
| | GRAND TOTAL [i+ii+iii] (Current Year) | 328,321,310 | 525,713 | 2,309,244 | 326,537,779 | 93,339,428 | 1,445,798 | - | 94,785,227 | 231,752,552 | 234,981,882 |
| | (Previous Year) | 359,490,146 | | 31,168,835 | 328,321,310 | 91,856,765 | 1,482,662 | - | 93,339,427 | 234,981,883 | 267,633,381 |

* Note: The Capital Work in progress represent dismantled plant & machinery transferred from one unit to another in earlier year.

** Represents amount arising on acquisition/sale of shares in Subsidiaries/Associates (refer Note No. 31)

NOTES : 8 NON-CURRENT INVESTMENTS

LONG TERM :

| Non-Trade (At Cost) | Face Value | Shares/Units 31.03.2012 | Shares/Units 31.03.2011 | As At 31.03.2012 | As At 31.03.2011 |
|---------------------|------------|-------------------------|-------------------------|------------------|------------------|
| | Rs. | Nos. | Nos. | Rs. | Rs. |

A. EQUITY SHARES- QUOTED

In Associates-

| | | | | | |
|--|----|-------------------|-------------------|----------------------|----------------------|
| JINDAL POLY FILMS LTD. | 10 | 12,031,902 | 12,031,902 | 1,585,913,318 | 1,312,249,808 |
| Original Cost (Including Capital Reserve of Rs.51,91,30,444 (Previous year Rs. 24,54,66,934 arising on acquisition of share of associates) | | | | | |
| Add: Income from Associates at the beginning of year | | | | 3,024,979,265 | 1,727,756,368 |
| Less: Income at the beginning adjusted due to decrease in holding | | | | - | 246,093,293 |
| Add: Income from Associates for the year | | | | 358,659,310 | 1,543,316,190 |
| Carrying Cost | | | | 4,969,551,893 | 4,337,229,073 |
| SUB TOTAL (A) | | 12,031,902 | 12,031,902 | 4,969,551,893 | 4,337,229,073 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES : 8 NON-CURRENT INVESTMENTS (Contd.)

| Non-Trade (At Cost) | Face Value Rs. | Shares/Units 31.03.2012 Nos. | Shares/Units 31.03.2011 Nos. | As At 31.03.2012 Rs. | As At 31.03.2011 Rs. |
|--|-------------------|------------------------------------|------------------------------------|----------------------------|----------------------------|
| B. EQUITY SHARES- UNQUOTED | | | | | |
| RISHI TRADING CO. LTD. | 10 | 5,385,833 | 5,385,833 | | |
| Original Cost (Net of Goodwill of Rs.13,63,53,734 arising on acquisition of share of associates) | | | | 262,150,972 | 262,150,972 |
| Add: Income from Associates at the beginning of year | | | | 193,776,715 | 164,461,568 |
| Add: Income from Associates for the year | | | | 20,954,236 | 29,315,147 |
| Carrying Cost | | | | 476,881,923 | 455,927,687 |
| CONSOLIDATED GREEN FINVEST PVT. LTD | 10 | 1,230,637 | 1,000,950 | | |
| Original Cost (Gross of Capital Reserve Rs. 14192694 Net of Goodwill of Rs.23,09,244 arising on acquisition of share of associate) | | | | 882,166,894 | 498,165,756 |
| Less: Loss from Associates at the beginning of year | | | | 66,491 | - |
| Less: Loss from Associates for the year | | | | 363,639 | 66,491 |
| Carrying Cost | | | | 881,736,765 | 498,099,265 |
| UNIVERSAL FOILS LTD. | 10 | 2,259,000 | 2,259,000 | | |
| Original Cost (Net of Goodwill of Rs.314,640 previous year Rs.314,640 arising on acquisition of share of associates) | | | | 56,160,360 | 56,160,360 |
| Add: Income from Associates for the year | | | | - | - |
| Carrying Cost | | | | 56,160,360 | 56,160,360 |
| REXOR HOLDING | EURO 1 | 2,963,480 | - | | |
| Original Cost (Gross of Capital Reserve of Rs.583,58,226 previous year Rs. Nil arising on acquisition of share of associates) | | | | 102,300,707 | - |
| Add: Income from Associates for the year | | | | - | - |
| Carrying Cost | | | | 102,300,707 | - |
| Sub Total (B) | | | | 1,517,079,754 | 1,010,187,312 |
| In Others -Quoted | | | | | |
| Ester Industries Ltd. | 5 | 303 | 303 | 13,680 | 13,680 |
| Asian Hotels (East) Ltd | 10 | 693,851 | 693,851 | 239,245,975 | 239,245,975 |
| Asian Hotels (West) Ltd | 10 | 7,526 | 7,526 | 2,593,066 | 2,593,066 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES : 8 NON-CURRENT INVESTMENTS (Contd.)

| Non-Trade (At Cost) | Face | Shares/Units | Shares/Units | As At | As At |
|---|-------------|------------------|-------------------|----------------------|----------------------|
| | Value | 31.03.2012 | 31.03.2011 | 31.03.2012 | 31.03.2011 |
| | Rs. | Nos. | Nos. | Rs. | Rs. |
| Asian Hotels (North) Ltd | 10 | 5 | 5 | 2,120 | 2,120 |
| Britania Industries Ltd | 10 | 1 | 1 | 508 | 508 |
| Gillette India Ltd | 10 | 1 | 1 | 2,278 | 2,278 |
| Indian Hotels Co. Ltd | 1 | 10 | 10 | 266 | 266 |
| ITC Ltd | 1 | 15 | 15 | 626 | 626 |
| Nestle India Ltd | 10 | 1 | 1 | 429 | 429 |
| Proctor & Gamble Hygiene And Healthcare Ltd | 10 | 1 | 1 | 700 | 700 |
| Tata Cofee Ltd | 10 | 100 | 100 | 9,204 | 9,204 |
| Tata Tea Ltd | 10 | 1 | 1 | 562 | 562 |
| Indo Count Industries Ltd. | 10 | 599,044 | 599,044 | 8,037,570 | 8,037,571 |
| Jindal Photo Ltd. | 10 | 316,141 | 316,141 | 42,905,661 | 42,905,661 |
| Hindustan Unilever Ltd | 1 | 193,198 | 193,198 | 50,378,800 | 50,378,800 |
| Spentex Industries Ltd | 10 | 1,149,981 | 1,149,981 | 20,653,442 | 20,653,442 |
| PNB Gilts Ltd. | 10 | 16,400 | 16,400 | 490,770 | 490,770 |
| Coal India Limited | 10 | 266,453 | 266,453 | 65,280,985 | 65,280,985 |
| Sub Total (C) | | 3,243,032 | 3,243,032 | 429,616,643 | 429,616,643 |
| In Others-Unquoted | | | | | |
| Jindal (India) Limited | 100 | 178,300 | 178,300 | 18,024,040 | 18,024,040 |
| Soyuz Trading Co. Ltd. | 10 | 1,705,769 | 1,705,769 | 373,538,410 | 373,538,410 |
| Jindal India Power Tech Ltd (Paidup Rs.6/- Per Share) | 10 | - | 78,500,000 | - | 471,327,921 |
| Sub Total (D) | | 1,884,069 | 80,384,069 | 391,562,450 | 862,890,371 |
| In Mutual Funds | | | | | |
| ICICI Prudential Flexible Income Plan Premium-Daily Dividend | 100 | 702,850 | - | 74,321,133 | - |
| UTI Treasury Advantage Fund Institutional Weekly Dividend Plan-Reinvestment | 1000 | 3,924 | - | 4,104,133 | - |
| UTI Treasury Advantage Fund-Institutional Weekly Dividend Plan-Reinvestment | 1000 | | 27,698 | | 27,831,240 |
| BBDD ICICI Prudential Blended Plan B Daily Dividend Option 1 | 10 | - | 14,311,556 | - | 143,222,901 |
| Sub Total (E) | | 706,774 | 14,339,254 | 78,425,266 | 171,054,141 |
| Total (A+B+C+D+E) | | | | 7,386,236,006 | 6,810,977,540 |

| | <u>Rs. in Lacs</u> | <u>Rs. in Lacs</u> |
|--|--------------------|--------------------|
| Aggregate Value of Quoted Investments | 53,991.69 | 47,668.46 |
| Aggregate Value of Unquoted Investments | 19,086.42 | 18,730.78 |
| Market Value of Quoted Investments | 27596.76 | 52791.46 |
| Break up Value of Unquoted investments | 21138.28 | 15788.53 |
| Net Asset Value of Investments in Mutual Funds | 784.23 | 1710.74 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES :9 DEFERRED TAX

As per Accounting Standard-22 "Accounting for Taxes on Income" and measured at the tax rates that have been enacted or substantially enacted by the balance sheet date. The Deferred Tax Liability/(Asset) comprises of tax effect of timing difference on account of:

| Sr. No | Particulars | As At 31.03.2012 Rs. | For The Year Rs. | As At 31.03.2011 Rs. |
|----------------------------------|--|-----------------------------|-------------------------|-----------------------------|
| a) Deferred Tax Liability | | | | |
| | For Depreciation difference as per books and I.Tax Act | 8,757,073 | 3,399,403 | 5,357,670 |
| | | <u>8,757,073</u> | <u>3,399,403</u> | <u>5,357,670</u> |
| b) Deferred Tax Assets | | | | |
| | Carry forward Long Term Capital Loss | 257,591,913 | 265,518 | 257,326,395 |
| | Unabsorbed Carryforward Loss | 134,000 | (30,442) | 164,442 |
| | Disallowance under Section 43-B of I.Tax Act | 101,766 | (3,895) | 105,661 |
| | | <u>257,827,679</u> | <u>231,181</u> | <u>257,596,498</u> |
| | Net Deferred Tax Liability/(Assets) (a-b) | <u>(249,070,606)</u> | <u>3,168,222</u> | <u>(252,238,828)</u> |

NOTES :10 LONG TERM LOANS AND ADVANCES

| Sr. No | Particulars | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|--------------------------------|----------------------|----------------------------|----------------------------|
| I) Loans & Advances | | | |
| | - To related parties | 90,943,071 | - |
| | - To Others | 205,649,709 | 197,797,885 |
| II) Security Deposit | | <u>1,698,727</u> | <u>1,698,727</u> |
| Total | | <u>298,291,507</u> | <u>199,496,612</u> |

NOTES : 11 CURRENT INVESTMENTS

| NON-TRADE (AT COST) | Face value | Shares/Units 31.03.2012 | Shares/Units 31.03.2011 | As at 31.03.2012 Rs. | As at 31.03.2011 Rs. |
|--|------------|----------------------------|----------------------------|----------------------------|----------------------------|
| IN MUTUAL FUNDS :- | Rs. | NOS. | NOS. | Rs. | Rs. |
| B332WD Birla Sun Life Savings Fund -Inst | 10 | - | 226,380 | - | 2,262,340 |
| 1629 ICICI Prudential Banking and PSU Debt Fund Premium Daily Dividend | 10 | - | 761,592 | - | 7,651,777 |
| BBDD ICICI Prudentail Blended Plan B Daily Dividend Option 1 | 10 | - | 3,498,812 | - | 35,014,358 |
| DWS Treasury Fund Cash-Institutiobal Plan -Daily Dividend | 10 | - | 5,973,008 | - | 60,026,940 |
| Franklin Templeton- Weekly Dividend | 10 | - | 39,468,054 | - | 398,769,491 |
| UTI Floating Rate Fund | 1000 | - | 55,273 | - | 57,283,217 |
| Templeton India Short Term Income Plan Institutional-Growth | 1000 | - | 15,248,029 | - | 153,314,720 |
| HDFC Cash Management Fund Weekly Dividend | 10 | - | 39,766,031 | - | 398,032,981 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES : 11 CURRENT INVESTMENTS (Contd.)

| NON-TRADE (AT COST) | Face value | Shares/Units 31.03.2012 | Shares/Units 31.03.2011 | As at 31.03.2012 | As at 31.03.2011 |
|--|------------|-------------------------|-------------------------|----------------------|----------------------|
| Principal Floating Rate Fund -FMP-Inst. Option-Dividend Reinv. | 10 | | 8,959,510 | | 90,040,410 |
| 1306 ICICI Prudential Fund 11 Quarterly Interval Plan D Inst. | 10 | | 7,900,520 | | 82,204,911 |
| BBDD ICICI Prudential Blended Plan B Daily Dividend Option-1 | 10 | | 25,745,486 | | 257,647,946 |
| HDFC FMP 370D June 2011 | 10 | 35,000,000 | | 350,000,000 | |
| UTI Fixed Income Interval Fund-Annual Interval Series-I-Institutional | 10 | 3,603,006 | | 50,000,000 | |
| Temptation India Short Term Income Plan Institutional Growth | 10 | 6,084,390 | | 60,914,473 | |
| 1524 ICICI Prudential Flexible Income Plan Premium-Daily Dividend | 100 | 1,688,577 | | 178,541,677 | |
| Franklin Templeton- Daily Dividend | 10 | 11,197,621 | | 112,106,111 | |
| L235G SBI Debt Fund Series 367 Days 2 Growth | 10 | 900,000 | | 9,000,000 | |
| 2031/HDFC Cash Management Fund Treasury Advantage Plan -Wholesale Daily Dividend | 10 | 24,949,787 | | 250,283,793 | |
| HDFC FMP 13M September 2011(1) Growth Series XVIII | 10 | 3,324,808 | | 33,248,080 | |
| HDFC FMP 370D July 2011(1) Growth Series XVIII | 10 | 5,651,352 | | 56,513,520 | |
| UTI Fixed Income Interval Fund -Annual Interval Plan Series | 10 | 3,603,006 | | 50,000,000 | |
| UTI FIXED Income Interval Fund-Annual Interval Plan Series - II | 10 | 8,156,113 | | 94,137,031 | |
| Total A | | 104,158,661 | 147,602,695 | 1,244,744,685 | 1,542,249,090 |
| Grand Total (A) | | 104,158,661 | 147,602,695 | 8,630,980,691 | 8,353,226,629 |
| | | | | Rs. in Lacs | Rs. in Lacs |
| Net Asset value Of Investments In Mutual Funds | | | | 12784.40 | 15435.00 |

NOTES :12 INVENTORIES

| | | |
|---------------------|----------|----------------|
| a) Packing Material | - | 45,610 |
| b) Stores & Spares | - | 128,695 |
| Total | - | 174,305 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES :13 CASH & CASH EQUIVALENT

| Sr. No | Particulars | AS AT 31.03.2012 Rs. | AS AT 31.03.2011 Rs. |
|-----------|----------------------------|----------------------------|----------------------------|
| a) | Cash-in-Hand | | |
| | Cash Balance | 67,609 | 30,815 |
| | Sub Total (A) | 67,609 | 30,815 |
| b) | Bank Balance | | |
| | Bank Accounts | 7,223,289 | 4,683,753 |
| | Dividend Account | 2,204,783 | 2,822,488 |
| | Sub Total (B) | 9,428,072 | 7,506,241 |
| c) | Cheques on Hand | - | 50,000,000 |
| | Sub Total (C) | - | 50,000,000 |
| | Total [A + B + C] | 9,495,681 | 57,537,056 |

NOTES :14 SHORT TERMS LOANS AND ADVANCES

| | | | |
|----|---|--------------------|--------------------|
| a) | Short Term Loans | | |
| | To Others | 537,773,217 | 45,302,239 |
| b) | Advance Recoverable in cash or in kind or for value to be considered good to others | | |
| | Advance to Suppliers | 29,701 | 27,901 |
| | Advance Income Tax/Refund Due | 93,426,030 | 90,912,888 |
| | Balance with Excise department | 199,285 | 199,285 |
| | MAT Credit entitlement | 39,885,236 | 42,120,475 |
| | Sales Tax Recoverable | 335,897 | 335,897 |
| | Prepaid Expenses | 4,057 | - |
| | Total | 671,653,423 | 178,898,685 |

NOTES :15 OTHER CURRENT ASSETS

| | | | |
|----|---|----------|----------------|
| a) | Preliminary Expenses (To the extent not written off) | | |
| | Opening Balance | 198,630 | - |
| | Add: Incurred during the year | - | 248,287 |
| | Less: Written off during the year | 198,630 | 49,657 |
| | Total | - | 198,630 |

NOTES : 16 REVENUE FROM OPERATIONS

| Sr. No | Particulars | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|-----------|-------------------|-------------------------------------|-------------------------------------|
| a) | Interest Received | 28,709,749 | 6,473,574 |
| | Total | 28,709,749 | 6,473,574 |

NOTES :17 OTHER INCOME

| | | | |
|----|------------------------------------|--------------------|--------------------|
| a) | Rent Received | 324,000 | 324,000 |
| b) | Income on Sale of Investment (Net) | 5,149,991 | 1,711,618 |
| c) | Dividend received | 112,833,064 | 135,721,899 |
| d) | Other Receipts | 15,207 | - |
| | Total | 118,322,262 | 137,757,517 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES :18 PROVISION AGAINST STANDRAD ASSETS

| Sr. No | Particulars | Year Ended March 31, 2012 Rs. | Year Ended March 31, 2011 Rs. |
|-----------|---------------------------------|-------------------------------------|-------------------------------------|
| a) | <u>0.25% of Standrad Assets</u> | <u>1,963,199</u> | <u>232,702</u> |
| | Total | <u>1,963,199</u> | <u>232,702</u> |

NOTES :19 EMPLOYEMENT BENEFIT EXPENSES

| | | | |
|----|--|-------------------------|-------------------------|
| a) | Salaries, Wages & other benefits | 2,268,251 | 1,068,369 |
| b) | Staff Welfare Expenses | 159,059 | 108,844 |
| c) | Gratuity | 19,796 | 4,984 |
| d) | Contribution to provident & other Fund | 23,010 | 10,640 |
| | Total | <u>2,470,116</u> | <u>1,192,837</u> |

NOTES :20 DEPRECIATION & AMORTISED COST

| | | | |
|----|--------------|-----------------------|-----------------------|
| a) | Depreciation | 548,677 | 548,676 |
| | Total | <u>548,677</u> | <u>548,676</u> |

NOTES :21 OTHER ADMINISTRATIVE EXPENSES

| | | | |
|----|------------------------------------|-------------------------|-------------------------|
| a) | Rent | 92,652 | 92,652 |
| b) | Rates & Taxes | 583,674 | 130,097 |
| c) | Security Transaction Tax | - | 1,800,308 |
| d) | Travelling & Conveyance | 109,278 | 79,048 |
| e) | Electricity & Water Charges | 165,320 | 189,112 |
| f) | Postage, Telegram & Telephones | 517,516 | 692,771 |
| g) | Printing & Stationery | 314,649 | 306,158 |
| h) | Legal & Professional Charges | 1,801,462 | 2,842,271 |
| i) | Repairs & maintenance - Others | 119,407 | 115,989 |
| j) | Filing Fees | 249,930 | 109,695 |
| k) | Auditors Remuneration | 283,993 | 293,472 |
| l) | Miscellaneous Expenses | 213,507 | 378,633 |
| m) | Advertisement & Publicity | 124,313 | - |
| n) | Obsolete & dead stocks written off | 174,305 | 215,694 |
| o) | Incentives | 21,110 | - |
| p) | Director Sitting Fees | 2,000 | - |
| q) | Preliminary expenses written off | 198,630 | 49,657 |
| r) | Interest-others & Bank charges | 66,403 | 227,051 |
| | Total | <u>5,038,149</u> | <u>7,522,608</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE: 22 DISCONTINUED OPERATION

As per Accounting standard 24 issued by ICAI, Company had discontinued the operations of PCP, Roll Films and PPFY facility at Bhimtal (Uttarakhand) and Gulaothi (Uttar Pradesh) units, as these have been terminated through abandonment.

Following is selected financial information included in loss from discontinued operations for the Bhimtal & Gulaothi units:-

| Particulars | 2011-2012 | | 2010-2011 | |
|--|------------------|------------------|------------------|------------------|
| | Bhimtal | Gulaothi | Bhimtal | Gulaothi |
| Discontinued activities | | | | |
| Total Assets | 7,027,502 | 5,393,200 | 7,539,523 | 5,819,143 |
| Total Liability | - | - | - | - |
| Total Revenue | - | - | - | - |
| Depreciation | 470,921 | 425,943 | 505,305 | 428,681 |
| Other expenses | 41,100 | - | 37,559 | - |
| Total Expenses | 512,021 | 425,943 | 542,864 | 428,681 |
| Profit/(Loss) from Discontinued operation | (512,021) | (425,943) | (542,864) | (428,681) |
| Tax Expenses | (86,000) | (69,000) | (85,000) | (68,000) |
| Profit / (Loss) after tax of discontinuing operations | (426,021) | (356,943) | (457,864) | (360,681) |

23 CONTINGENT LIABILITIES:

| | Year Ended 31.03.2012 (Rs.) | Year Ended 31.03.2011 (Rs.) |
|--|-----------------------------------|-----------------------------------|
| Various Sales Tax/Excise Demand, against which Appeals are pending | 769,349 | 769,349 |
| Income tax | 4,510,251 | 11,245,115 |
| Uncalled money pending | - | 314,000,000 |

24 The Auditors' Remuneration includes the following

| | | |
|---------------------------|----------------|----------------|
| Audit Fee | 164,626 | 158,905 |
| Other Services | 102,822 | 114,161 |
| Reimbursement of Expenses | 16,545 | 16,545 |
| | 283,993 | 289,611 |

25 In the opinion of the Board of Directors, current assets, loans & advances have value on realisation at least equal to the amount at which they are stated unless stated otherwise.

26 The Fixed Assets which are presently not in the name of the company were acquired/transferred/taken over only through merger/amalgamation scheme approved by the High Courts and are in the possession of the Company and are being used by it

27 As per Accounting Standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below:-

a) Contribution to Defined Contribution Plan, recognised as expenses for the year is Rs. 23010 (Previous year Rs. 10640) towards employer's contribution to Provident fund.

b) Defined Benefit Plan

The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

i) Reconciliation of opening and Closing balances of defined benefit obligation for Gratuity (unfunded)

| | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|---|--------------------|--------------------|
| Defined benefit obligation at the beginning of the year | 115992 | 68760 |
| Current service cost | 46943 | 27697 |
| Interest cost | 9859 | 5501 |
| Actuarial (gain)/Loss | 15636 | 14034 |
| Benefits Paid | 0 | 0 |
| Settlement cost | 0 | 0 |
| Defined benefit obligation at the end of the year | 188430 | 115992 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

| | | |
|--|-------------------------|------------------|
| ii) Reconciliation of Fair value of assets and obligations | As at 31.03.2012 | As at 31.03.2011 |
| | (Rs.) | (Rs.) |
| Present value of obligation | 188430 | 115992 |
| Amount recognised in Balance Sheet | 188430 | 115992 |
| | 2011-2012 | 2010-2011 |
| | (Rs.) | (Rs.) |
| iii) Expense recognised during the year | | |
| Current service cost | 46943 | 27697 |
| Interest cost | 9859 | 5501 |
| Acturial (Gain)/Loss | 15636 | 14034 |
| Net Cost | 72438 | 47232 |
| iv) Actuarial assumptions | | |
| Discount rate (per annum) | 8.50% | 8.00% |
| Future salary increase (per annum) | 6.00% | 5.50% |

The estimates of rate of future salary increase takes account of inflation, seniority, promotion and other relevant factor on long term basis. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

c) The obligation for leave encashment for Rs.48334/- (previous year Rs.29465) is recognised, provided for and paid on yearly basis

28 The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and therefore disclosures, as required under the said act has not been given.

29 The company has made provision of Rs.2007613/- on standard assets as per Reserve Bank of India, DNBS vide notification No.RBI/2010-11/370-DNBS PD.CC.No.207/03.02.002/2010-11, dt. January 17, 2011

| | | |
|-------------------------------------|--------------------|---------------|
| | Year Ended | Year Ended |
| | 31.03.2012 | 31.03.2011 |
| | (Rs.) | (Rs.) |
| 30 Earning Per Share | | |
| Profit After Taxation | 499,503,023 | 1,738,783,869 |
| Number of Equity Shares outstanding | 32,326,366 | 32,326,366 |
| Face value of per Equity Share | 10.00 | 10.00 |
| Earning per Share (Basic/Diluted) | 15.45 | 53.79 |

31 BASIS OF CONSOLIDATION

a) The Consolidated Financial Statements relates to The Consolidated Finvest and Holdings Ltd. ('the Company') its Subsidiary Companies, Associate Companies as at 31st March, 2012. The Company and its Subsidiaries constitute the Group . The Consolidated Financial Statements have been prepared on the following basis:

-The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like item of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra- group transaction and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, (ICAI).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- Investment in Associate companies have been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the ICAI.
 - The excess of cost to the company of its investments in the subsidiary companies and Associate over the Company's portion of equity is recognised in the financial statements as Goodwill.
 - The excess of Company's portion of equity of the Subsidiaries and associate as at the date of its investments is treated as Capital Reserve.
 - Goodwill/Capital Reserve arising on investments in Associate Companies are retained/adjusted under the head "Investments in Associates Companies" and are disclosed separately.
 - Goodwill arising out of consolidation is not amortised.
 - Minority Interest in the net assets of Subsidiaries consists of:
 - i) the amount of equity attributable to the minorities at the date on which investment in a Subsidiary is made;and
 - ii) the minorities' share of movements in equity since the date of parent-subsidiary relationship came into existence.
- b) The list of Subsidiary and Associate Companies which are included in the Consolidation and the Group's holdings therein are as given below:-

| | Name of the Company | Holding (%) | |
|---------------------------|---|-------------|---------|
| | | 2011-12 | 2010-11 |
| i) Subsidiaries :- | | | |
| | Jindal Photo Investments Ltd. | 100.00% | 100.00% |
| | Consolidated Finvest & Investments Ltd. | 100.00% | 100.00% |
| | Jesmin Investments Ltd.* | 87.67% | 87.67% |
| ii) Associates:- | | | |
| | Rishi Trading Company Ltd* | 39.78% | 39.78% |
| | Jindal Poly Films Ltd* | 27.97% | 26.13% |
| | Universal Foils Ltd.* | 42.74% | 42.74% |
| | Rexor Holding* | 41.00% | 0.00% |
| | Consolidated Green Finvest Pvt. Ltd.* | 44.23% | 44.90% |

* by virtue of holding of the company and its wholly owned subsidiary.

- c) The company has applied AS-23, Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI. In accordance with the disclosure requirement of AS-23 relating to associate companies are given below:- The company recognise those investee entities as associates which are not considered as subsidiaries, but in which it hold directly or indirectly (thru subsidiaries) 20% or more voting power.

| Name of the Associate | % of Voting Power | % of Shareholding | Share in C.Y.Profit |
|--------------------------------------|-------------------|-------------------|---------------------|
| Rishi Trading Company Ltd | 20.39% | 39.78% | 20,954,236 |
| Jindal Poly Films Ltd * | 27.97% | 27.97% | 358,659,310 |
| Consolidated Green Finvest Pvt. Ltd. | 44.23% | 44.23% | (363,639) |
| Universal Foils Ltd. | 42.74% | 42.74% | - |
| Rexor Holding | 41.00% | 41.00% | - |
| | | | 379,249,907 |

*Share in current year profit have been calculated on the basis of unaudited financial results .

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

- 32 The Company is mainly engaged in the investments activities and do not qualify for separate reporting as required by AS-17 on "Segment Reporting".
- 33 Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows :

List of Related Parties

- a) **Controlling Company**
Consolidated Photo & Finvest Ltd.
- b) **Associate Compnay**
Universal Foils Ltd.
Rishi Trading Co. Ltd
Jindal Poly Films Ltd.
Consolidated Green Finvest Pvt.Ltd
Rexor Holding SAS
- c) **Key Management Personnel**
Mr. Radhey Shyam

34 DETAILS OF TRANSACTIONS WITH RELATED PARTIES ARE AS FOLLOWS:

| | <u>Current Year</u> | <u>Previous Year</u> |
|--|---------------------|----------------------|
| <u>Associates Companies</u> | | |
| Dividend Received | 30,079,755 | 14,031,902 |
| Interest Received | - | 1,111 |
| <u>Controlling Companies</u> | | |
| Loan Given During the Year | 55,443,071 | - |
| Loan received back | 8,500,000 | - |
| <u>Outstanding as at year end</u> | | |
| <u>Associates Companies</u> | | |
| Loans & Advances Given | - | - |
| <u>Controlling Companies</u> | | |
| Loans & Advances Given | 46,943,071 | - |

Note :- Related party relationship is as identified by the company and relied upon by the auditors

Note :- No amount has been provided as doubtful debts or advances/ written or written back in the year in respect of debts due from or to above related parties

- 35 Figures for the previous year have been regrouped/ re-arranged/ reclassified/ recasted wherever considered necessary to confirm to this year's classification.
- 36 All the figures have been rounded off to the nearest rupee.

As per our report of even date attached

For and on behalf of the Board

For Kanodia Sanyal & Associates
Chartered Accountants

Radhey Shyam
(Managing Director)

R.K. KANODIA
Partner
M. No. 016121

ANIL KAUSHAL
(Company Secretary)

G.D. Singal
(Director)

Place : New Delhi
Date : 30-06-2012

FINANCIAL INFORMATION OF SUBSIDIARIES

DETAILS PERTAINING TO SUBSIDIARY COMPANIES AS PER THE REQUIREMENT OF PARA (IV) OF THE DIRECTIONS UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956, ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS VIDE GENERAL CIRCULARS NO. 2/2011 DATED FEBRUARY 8, 2011.

(Amount in Lacs)

| S.NO | PARTICULARS | NAME OF SUBSIDIARIES | | |
|-------|---|----------------------------------|--|----------------------------|
| | | JINDAL PHOTO INVESTMENTS LIMITED | CONSOLIDATED FINVEST & INVESTMENTS LIMITED | JESMIN INVESTMENTS LIMITED |
| (a) | Share Capital | 861.00 | 178.67 | 1340.48 |
| (b) | Reserve and Surplus (Including debit balance of Profit & Loss Account) | 19548.64 | 8502.55 | 1896.11 |
| (c) | Total Assets | 20607.28 | 912.56 | 3236.79 |
| (d) | Total Liabilities | 197.64 | 440.33 | 0.20 |
| (e) | Investments (excluding Subsidiaries) | 12869.62 | 9119.17 | 3202.66 |
| (f) | Turnover | 827.54 | NIL | 111.85 |
| (g) | Profit/(Loss)before tax | 794.77 | (6.67) | 108.45 |
| (h) | Provision for tax | (34.24) | NIL | 0.30 |
| (i) | Profit/(Loss) after tax | 760.53 | (6.67) | 108.14 |
| (j) | Proposed Dividend | NIL | NIL | NIL |