

96th
ANNUAL REPORT
2011-2012



**THE INDUSTRIAL & PRUDENTIAL
INVESTMENT COMPANY LIMITED**

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Directors:

A. V. SETALVAD
A. R. BROACHA
V. C. VAIDYA
GAURAV SWARUP
VIKRAM SWARUP

Bankers:

DEUTSCHE BANK
BANK OF INDIA
ICICI BANK LIMITED

Auditors:

V.S. SOMANI & CO.
Chartered Accountants

Registered Office:

125, MAKER CHAMBERS III,
NARIMAN POINT,
MUMBAI - 400 021.
TEL.: 22854243
Web site: <http://www.industrialprudential.com>

Registrars & Transfer Agents:

LINK INTIME INDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BANDUP (WEST),
MUMBAI-400 078.
TEL.: 25946970
Email-Id: rnt.helpdesk@linkintime.co.in

Notice to the Shareholders

NOTICE is hereby given that the Ninety-Sixth Annual General Meeting of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED** will be held at Indian Merchant Chamber, Walchand Hirachand Hall, 4th Floor, IMC Marg, Churchgate, Mumbai-400 020, on August 2, 2012 at 3.30 p.m. to transact the following items of business:

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Statement of the Company for the year ended March 31, 2012, the Board's Report and the Auditors' Report.
2. To declare a dividend.
3. To appoint a Director in place of Mr. V. Swarup, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. Swarup, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) The register of Members and the Share Transfer Books of the Company will remain closed from Monday, July 23, 2012 to Thursday, August 2, 2012 (both days inclusive).
- (c) Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2012, when declared at the Annual General Meeting, will be paid to the members whose names appear:
 - (i) As Beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in demat form;
 - (ii) As members on the Register of Members, as on August 1, 2012, after giving effect to all valid share transfers in physical form that are received by the Company upto closure of business hours on August 1, 2012. And payment will be made on or after 13, August, 2012.
- (d)
 - (i) Pursuant to the provision of Section 205A(5) of the Companies Act, 1956, all dividends which remained unpaid or unclaimed upto the financial year ended March 31, 1994, have been transferred to the General Revenue Account of the Central Government. Concerned members are requested to claim the amount from the office of the Registrar of Companies, Maharashtra, C. G. O. Complex, 2nd Floor, A Wing, CBD – Belapur, Navi Mumbai – 400 614.
 - (ii) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2005 onwards, are requested to make their claims to the Company accordingly, without any delay.

By Order of the Board

A. V. SETALVAD
Chairman

Registered Office:

125, Maker Chambers III,
Nariman Point, Mumbai 400 021.

Mumbai, May 18, 2012.

Board's Report

Your Directors beg to submit their report and audited Balance Sheet and Profit and Loss Statement of the Company for the year ended 31st March 2012.

1. ACCOUNTS:

	2011-2012	Rs. in lacs 2010-2011
Income	559.06	636.00
Expenditure:		
(a) Expenses	45.49	28.61
(b) Adjustments to the carrying amount of current investments	18.88	9.78
Profit before Taxation	494.69	597.61
Provision for Taxation:		
Current Tax		
– for the year	—	1.50
– relating to earlier year	—	(0.16)
Deferred Tax	(0.11)	(0.01)
	(0.11)	1.33
Net Profit	494.80	596.28
Add: Balance brought forward from Balance Sheet	1,070.95	1,026.20
Profit for Appropriation	1,565.75	1,622.48
Appropriation:		
Dividend	319.98	319.98
Tax on Dividend	51.91	51.55
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	100.00	120.00
General Reserve	50.00	60.00
Balance Carried to Balance Sheet	1,043.86	1,070.95
	1,565.75	1,622.48

2. DIVIDEND:

From the profit of the year, your Directors recommend a dividend of Rs. 55.00 per share (previous year Rs.55.00 per Share).

Market conditions have had a bearing on the Company's working for the year.

3. CONSOLIDATED ACCOUNTS:

As per the requirement of SEBI, Consolidated accounts in accordance with Accounting Standard (AS) – 21 have been annexed to this Annual Report.

4. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the the Articles of Association of the Company, Mr. V. Swarup and Mr. G. Swarup retire by rotation and, being eligible, offer themselves for re-appointment.

5. AUDITORS:

You are requested to appoint auditors for the current year and fix their remuneration. The retiring auditors, Messrs V. S. Somani & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from Messrs V. S. Somani & Co. Chartered Accountants to the

Board's Report — contd.

effect that their re-appointment, if made, will be within the prescribed limits in Section 224(1-B) of the Companies Act, 1956.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- accounting policies have been selected and applied consistently and that the judgements and estimates made 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 of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

7 COMPLIANCE CERTIFICATE

A copy of Compliance Certificate U/s.383A of the Companies Act, 1956, received from Ragini Chokshi & Associates, Company Secretaries, is annexed and form part of this report.

8 SUBSIDIARY'S ACCOUNTS:

New Holding And Trading Company Limited's Accounts for the year ended March 31, 2012 are attached.

9 EMPLOYEES:

The Company has no employees covered under Section 217 (2A) of the Companies Act, 1956.

For and on behalf of the Board of Directors

A. V. SETALVAD
Chairman

Mumbai, May 18, 2012.

Registration No of the Company : 11-374
Nominal Capital : Rs. 10,000 (Rs. in Thousand)
Issued & Paid Up Capital : Rs. 5,821 (Rs. in Thousand)

To:

The Members,

M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED.

We have examined the registers, records, books and papers of M/S. THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED (Regd. No. 11-374) (the company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31ST March 2012**. In our opinion and to the best of our information and according to the examinations carried out by us, and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificates, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met Five times respectively on May 23, 2011, August, 05, 2011, August 25, 2011, November, 08, 2011, and February, 08, 2012. In respect of which, meetings proper notices were given and the proceedings were properly recorded, and signed including the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year from August, 18, 2011 to August 25, 2011.
6. The Annual General Meeting for the financial year ended on 31ST March 2011 was held on August 25, 2011. after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors, persons, firms, or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company had not entered into any contract falling within the purview of Section 297, of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act, therefore Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Company issued duplicate share certificate during the financial year.
13. The Company has:
 - (i) Delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Companies Act, 1956.
 - (ii) The Company had paid dividend Rs. 55/- per Share of Rs. 10/- each, for the year ended March 31, 2011, on September 5, 2011, and same amount was deposited with Deutsche Bank within 5 days from the date of declaration of such dividend i.e. on August 29, 2011.
 - (iii) Paid / Posted warrants for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid dividend account of the Company.
 - (iv) Transferred the amounts in unpaid dividend account, application money due for refund and interest

Compliance Certificate

accrued thereon which has remained unpaid or unclaimed for a period of seven years.

(v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted and there was no appointment of additional directors, alternate directors and directors to fill casual vacancies have been made during the year.
15. The Company has not appointed any Managing Director/Whole Time Director/ Manager during the year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board/Regional Director/Registrar/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act, and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating keep in abeyance the rights to dividend, right shares, and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The Company has not made any borrowings during the financial year ended March 31, 2012.
25. The Company has not made loans and advances or given guarantees, or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as securing from its employees during the financial year.
33. The Company is not required to make contribution towards provident fund.

For, Ragini Chokshi & Associates

RAGINI CHOKSHI
Company Secretary

(Proprietor)

C.P.No. 1436

Membership No.: 2390

Date : 5th May, 2012

Place : Mumbai

ANNEXURE 'A'

REGISTERS AS MAINTAINED BY THE COMPANY

1. Registers of Members under Section 150.
2. Register and Returns under Section 163.
3. Minutes Book of Meeting.
4. Books of Account.
5. Register of Directors, Management Director, Manager, and Secretary under Section 303.
6. Fixed Assets Register.
7. Register of Transfer.
8. Register of Investment under Section 49.

OTHER REGISTERS

1. Register of Director Attendance maintained.
2. Register of Shareholder Attendance.

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending March 31, 2012., Under MCA 21.

Sr.	Form No./ Return	Filed under Section	For Year	Date of filing	Whether filing within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form No. 66	383A	2010-2011	16.09.2011	Yes	No
2.	23AC/ACA	220	2010-2011	20.09.2011	Yes	No
3.	Form No. 20 B	159	2010-2011	11.10.2011	Yes	No
4.	Form No. 1	205C	2010-2011	27.09.2011	Yes	No
5.	Form No.23	192	2011-2012	16.09.2011	Yes	No.

Auditors' Report

TO THE MEMBERS OF THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

1. We have audited the attached Balance Sheet of **THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**, as at 31st March 2012, Profit and Loss Statement and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 those books;
 - (c) The Balance Sheet, Profit and Loss Statement 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 Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 as sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director 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 notes thereon 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 the Balance Sheet, of the State of affairs of the Company as at 31st March 2012;
 - (ii) in the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

For V. S. SOMANI & CO.
Chartered Accountants
Firm Registration No.: 117589W

CA. V. S. SOMANI
Proprietor
Membership No.: 102664

Mumbai, May 18, 2012

Annexure referred to in paragraph 3 of our report of even date

Clause No. 4 (ii), 4(viii), 4(x), 4(xvi) of the Order is not applicable to the Company

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year. No material discrepancies were noticed on such verification as compared with the book records.
- (c) The Company has not disposed off substantial part of fixed asset during the year.
- ii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b),(c),(d), (f) and (g) of clause 4(iii) of the Order are not applicable.
- iii. In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- iv. There are no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained in pursuance of section 301. Accordingly, sub-clause (b) is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Company does not have an internal audit system. Considering the nature and scale of operations of the Company and in the context of the close supervision exercised by the Board of Directors, we are informed that an internal audit system is not considered necessary at present.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales - tax, Wealth-tax, Service tax, custom duty, excise, cess and any other statutory dues applicable to it. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the records made available to us and the information and explanations given by the management, there are no dues of sales tax/income tax/custom duty/wealth tax/service tax/excise duty/cess that have not been deposited on account of any dispute.
- viii. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- ix. The Company has no dues payable to banks, financial institutions, or debenture holders. Accordingly, provision of clause 4(xi) is not applicable to the Company.
- x. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xi. The Company is not a chit/ nidhi/mutual benefit fund/society.
- xii. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that in respect of current investments, wherein the Company is dealing in shares, securities and other investments, proper records have been maintained of those transactions and contracts and entries therein have generally been made on timely basis. The Company has held the investments in its own name except as permissible under section 49 of the Act.
- xiii. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xiv. During the year the Company has not raised any funds on short term basis.
- xv. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xvi. During the year the Company has not issued any debentures.
- xvii. The Company has not raised any money by public issue during the year.
- xviii. According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

For V. S. SOMANI & CO.

Chartered Accountants

Firm Registration No.: 117589W

CA. V. S. SOMANI

Proprietor

Membership No.: 102664

Mumbai, May 18, 2012

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Balance Sheet as at 31st March, 2012

		Rs. in Thousand	
	NOTES	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	236,051	223,760
(c) Money received against Share Warrants		—	—
Sub-Total- Shareholders Funds		241,872	229,581
(2) SHARE APPLICATION MONEY Pending allotment			
		—	—
(3) NON - CURRENT LIABILITIES			
(a) Long - term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	11
(c) Other Long Term Liabilities		—	—
(d) Long - term Provisions		—	—
Sub-Total- Non Current Liabilities		—	11
(4) CURRENT LIABILITIES			
(a) Short - term borrowings		—	—
(b) Trade Payables		1,135	1,184
(c) Other Current Liabilities	4	2,284	1,677
(d) Short - term Provisions	5	38,339	38,545
Sub-Total- Current Liabilities		41,758	41,406
TOTAL-I		283,630	270,998
II ASSETS			
(1) NON - CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	6	84	100
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	245,458	229,426
(c) Deferred Tax assets (net)		—	—
(d) Long Term loans and Advances		—	—
(e) Other non-current assets		15	15
Sub-Total — Non Current Assets		245,557	229,541
(2) CURRENT ASSETS			
(a) Current Investments	8	27,701	31,386
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	9	8,171	8,556
(e) Short Term Loan and Advances	10	1,449	1,498
(f) Other Current assets	11	752	17
Sub-Total — Current Assets		38,073	41,457
TOTAL-II		283,630	270,998

See accompanying notes to the financial statements

As per our report attached

For V. S. SOMANI & CO.

Chartered Accountants

CA. V. S. SOMANI

Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD

Chairman

**A. R. BROACHA
V. C. VAIDYA**

Directors

Mumbai, May 18, 2012.

Profit and Loss Statement for the year ended 31st March, 2012

		Rs. in Thousand	
	NOTES	As at 2011-2012	As at 2010-2011
I Revenue from operations - Interest		11	—
II Other Income	14	55,895	63,600
III Total Revenue (I + II)		<u>55,906</u>	<u>63,600</u>
IV Expenses			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		701	549
Finance Cost		—	—
Depreciation and amortisation Expenses		16	18
Other Expenses	15	5,720	3,272
TOTAL EXPENSES		<u>6,437</u>	<u>3,839</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		49,469	59,761
VI Exceptional items		—	—
VII Profit before extraordinary items and tax (V-VI)		49,469	59,761
VIII Extraordinary Items		—	—
IX Profit before Tax (VII - VIII)		49,469	59,761
X Tax Expenses			
(1) Current Tax		—	150
(2) Short/(Excess) provision of earlier year		—	(16)
(3) Deferred Tax		(11)	(1)
		<u>(11)</u>	<u>133</u>
XI Profit for the year from continuing operations		49,480	59,628
XII Profit/(Loss) from discontinuing operations		—	—
XIII Tax Expenses of discontinuing operations		—	—
XIV Profit/(Loss) from discontinuing operations (after Tax)(XII-XIII)		—	—
XV Profit /(Loss) for the year		49,480	59,628
XVI Earning per equity Share			
(1) Basic		85.05	102.49
(2) Diluted		85.05	102.49

See accompanying notes to the financial statements

As per our report attached

For V. S. SOMANI & CO.
Chartered Accountants

CA. V. S. SOMANI
Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Mumbai, May 18, 2012.

Cash Flow for the year ended 31st March, 2012

	As at 31.03.2012	As at 31.03.2011
Rs. in Thousand		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	49,469	59,761
Adjusted for		
Depreciation	16	18
Investment income	(54,841)	(63,601)
Carrying amount of investments (net)	1,888	979
.....	(52,937)	(62,604)
Operating Profit/(Loss) before Working Capital Changes .. Changes in	(3,468)	(2,843)
Trade & Other Receivable	(734)	(20)
Trade and other Payables	(54)	581
NET CASH USED IN OPERATING ACTIVITIES.....	(4,256)	(2,282)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	—	(24)
Purchase of Investments	(216,432)	(236,414)
Sale of Investments	202,141	191,161
Dividend Received	53,498	59,686
Distributable Income from Mutual Fund	1,400	1,375
Cash Generated from Investing Activities.....	40,607	15,784
Direct Taxes Paid	(159)	(350)
NET CASH FROM INVESTING ACTIVITIES	40,448	15,434
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Dividend Paid	(31,386)	(9,141)
Tax on Dividend	(5,191)	(1,546)
NET CASH USED IN FINANCIAL ACTIVITIES	(36,577)	(10,687)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C).....	(385)	2,465
CASH AND CASH EQUIVALENTS - OPENING BALANCE	8,556	6,091
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	8,171	8,556

- NOTES:**
1. All figures in brackets are outflows.
 2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs. 2,158/- (Previous year Rs. 1,546/-).
 3. Previous year figures have been regrouped wherever necessary.

As per our report attached

For V. S. SOMANI & CO.
Chartered Accountants

CA. V. S. SOMANI
Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD Chairman

A. R. BROACHA
V. C. VAIDYA } Directors

Mumbai, May 18, 2012.

Notes Forming Part of the Statement for the year ended 31st March, 2012

NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on historical cost convention and on accrual basis. The financial statements have been prepared in accordance with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and referred to in Section 211 (3C) of the Companies Act, 1956.

(b) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost comprises the cost of acquisition and any attributable costs of bringing the asset to the condition for its intended use.

(c) Depreciation

Depreciation is provided on the written down value method prescribed in Schedule XIV of the Companies Act, 1956.

(d) Investments

- (i) Investments have been categorised as Long Term or Current by the Board of Directors.
- (ii) Long Term Investments are stated at cost plus brokerage and other relevant charges. A Provision for diminution is made to recognise a decline, other than temporary, if any.
- (iii) Current Investments are valued at lower of Cost or Market value.

(e) Revenue Recognition

Dividend Income from Investment is recognised when right to receive the payment is established.

(f) Retirement Benefits

The Company does not have any Retirement Benefits specifically laid down.

(g) Taxes on Income:

- (i) Current Tax
Provision for Income Tax is determined in accordance with the provisions the Income Tax Act, 1961.
- (ii) Deferred Tax
Deferred tax is recognised 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 period(s).

(h) Provisions and Contingent Liabilities:

- (i) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
- (ii) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

Notes Forming Part of the Statement for the year ended 31st March, 2012

Rs. in Thousand

NOTE – 2 — SHARE CAPITAL

Authorised:

10,00,000 Equity Shares of Rs. 10 each

Issued, Subscribed and Paid-up:

5,81,780 Equity Shares of Rs. 10 each

Forefited Shares

As at 31-03-2012	As at 31-03-2011
10,000	10,000
5,818	5,818
3	3
5,821	5,821

(a) Reconciliation of the number of shares

	2011-12		2010-11	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	581,780	5,818	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	581,780	5,818	581,780	5,818

(b) Terms and Rights attached to equity shareholders

The Share holders have all rights as available to Equity Shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(c) Name of the Shareholder holding more than 5 % Equity Shares

Name of the Shareholder	31/03/2012		31/03/2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	248,967	42.79	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Industries Limited	51,600	8.87	51,600	8.87
3. Paharpur Corporation Limited	63,850	10.97	63,850	10.97

Note: As certified by the Management on which Auditors have relied.

Notes Forming Part of the Statement for the year ended 31st March, 2012

	Rs. in Thousand	
	As at 31-03-2012	As at 31-03-2011
NOTE – 3 — RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	65	65
General Reserve		
Balance as per last Balance Sheet	49,600	43,600
Add: Transferred from surplus	5,000	6,000
	54,600	49,600
Special Reserve		
(In terms of Section 45-IC of Reserve Bank of India Act)		
Balance as per last Balance Sheet	67,000	55,000
Add: Transferred from surplus	10,000	12,000
	77,000	67,000
Surplus		
Balance as per last Balance Sheet	107,095	102,620
Add: Profit for the year as per Profit and Loss Statement	49,480	59,628
	156,575	162,248
Less: Appropriations:		
Transferred to:		
Special Reserve	10,000	12,000
General Reserve	5,000	6,000
Proposed Dividend	31,998	31,998
Tax on Dividend	5,191	5,155
	52,189	55,153
	104,386	107,095
TOTAL	236,051	223,760
NOTE – 4 — OTHER CURRENT LIABILITIES		
	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
Unclaimed Dividend	2,158	1,546
Tax Deducted at source payable	126	131
TOTAL	2,284	1,677
NOTE – 5 — SHORT TERM PROVISIONS		
	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
Provision for Income Tax	1,150	1,351
Provision for Fringe Benefit Tax	—	5
Provision for Proposed Dividend	31,998	31,998
Tax on Proposed Dividend	5,191	5,191
TOTAL	38,339	38,545

Notes Forming Part of the Statement for the year ended 31st March, 2012

NOTE – 6 — TANGIBLE FIXED ASSETS

(Rs. in Thousand)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2012	Upto 01.04.2011	For the year	Deductions/ Adjustments during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
1 Office Premises	152	—	—	152	118	2	—	120	32	34
2 Furnitures and Fixtures	380	—	—	380	366	2	—	368	12	14
3 Office Equipments	117	—	—	117	83	5	—	88	29	34
4 Others Computers	450	—	—	450	432	7	—	439	11	18
TOTAL	1,099	—	—	1,099	999	16	—	1,015	84	100
Previous year	1,075	24	—	1,099	981	18	—	999	100	93

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 260/-) being the cost of shares in Co-operative Society.

NOTE – 7 — NON CURRENT INVESTMENTS

Name of the Company	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
I. A. LONG TERM — (NON TRADE) (AT COST)				
(a) Investment in Equity Instruments (Fully Paid)				
3i Infotech Limited.....	10	35,000	1,979	1,979
ACC. Limited.....	10	7,000	438	438
Alstom T. D. India Limited.....	2	50,000	788	1,024
Amara Raja Batteries Limited.....	2	52,500	1,004	1004
Andhra Cements Limited.....	10	40,000	1,553	1,553
BASF India Limited.....	10	7,000	279	279
BEML Limited.....	10	8,500	1,877	1,877
Bharat Electronics Limited.....	10	3,000	1,196	1,196
Bharat Forge Limited.....	2	16,000	1,383	1,383
Bharti Airtel Limited.....	5	17,500	2,274	2,274
Bosch Limited.....	10	2,000	11	11
Century Textile and Industries Limited.....	10	1,000	426	426
Dish TV India Limited.....	1	5,000	71	77
DR. Reddy's Laborateries Limited.....	5	4,000	2,029	2,029
Gail (India) Limited.....	10	28,500	4,322	4,322
Great Offshore Limited.....	10	7,600	1,296	1,296
Hindustan Unilever Limited.....	1	73,000	191	191
IDBI Bank Limited.....	10	15,000	1,170	1,170
Infosys Technologies Limited.....	5	108,000	2,111	2,111
ITC Limited.....	1	18,000	1,127	1,127
KSB Pumps Limited.....	10	7,140,000	17,401	17,401
LIC Housing Finance Limited.....	2	7,500	1,463	1,463
Mahindra Satyam Computers Limited.....	2	25,000	1,869	1,869
Monsanto India Limited.....	10	1,600	673	673
NCC Ltd.....	2	54,000	1,458	1,458
Nestle India Limited.....	10	14,000	178	178
NTPC Limited.....	10	21,000	1,684	1,684
Orient Abrasives Limited.....	1	90,000	862	1,263

Notes Forming Part of the Statement for the year ended 31st March, 2012

NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2012 Nos.	Rs. in Thousand	
			As at 31-03-2012	As at 31-03-2011
Name of the Company				
Orient Refractories Limited	1	90,000	401	—
Piramal Glass Ltd.....	10	12,356	1,128	1,128
Piramal Healthcare Ltd.....	2	20,500	1,557	1,557
Piramal Life Sciences Limited	2	—	—	326
Praj Industries Limited	2	19,000	2,415	2,415
Ranbaxy Laboratories Limited	5	5,000	892	923
Reliance Communications Limited.....	5	—	—	1,083
Reliance Industries Limited.....	10	16,000	1,455	1,455
Schneider Electric Infrastructure Limited	10	50,000	237	—
Seamec Limited	10	8,000	1,507	1,507
Selan Exploration Technology Limited	10	11,000	805	805
Siemens Limited.....	2	25,000	195	195
State Bank of India	10	3,800	2,156	2,156
Tata Consultancy Services Limited	1	14,000	6,671	6,671
Tata Motors Limited	2	20,000	388	388
Tata Motors Limited (DVR).....	2	39,250	3,395	3,395
Tata Power Company Limited.....	1	260,000	780	780
Tata Steel Limited	10	10,800	2,764	2,764
Tata Teleservices (Maharashtra) Limited	10	—	—	2,039
The Federal Bank Limited	10	3,000	1,041	1,041
The Great Eastern Shipping Company Limited	10	30,400	5,057	5,057
The Indian Hotels Company Limited	1	79,200	1,508	1,508
The Karur Vysya Bank Limited.....	10	38,000	3,591	1,923
Titan Industries Limited	1	280,000	2,630	2,630
TV TODAY Network Limited	5	—	—	841
Wire And Wireless (India) Limited	1	—	—	271
Zee Entertainment Enterprises Limited.....	1	20,808	799	799
Zee Learn Ltd.....	1	—	—	18
Zee News Limited	1	—	—	47
Sub-Total – (a)			92,485	95,478
(b) Equity Shares (Partly Paid-up)				
Karur Vysys Bank Limited @ Rs. 6 Paid-up.).....	10	—	—	834
Sub-Total – (b)			—	834
(c) Debenture (Non-convertible Secured):				
RBS Financial Service (India) Pvt. Ltd. - SR-F-20 ..	100,000	—	—	20,400
Dr. Reddy's Laboratories Limited	5	24,000	—	—
(Date of redemption After 36 months from 24.03.2011)				
Deutsche Investments India Pvt. Ltd. SR GRO135 BR NCD				
23SP 13 (Date of redemption 23-09-2013)	100,000	300	30,300	—
Sub-Total – (c)			30,300	20,400
Total – I-A (a + b + c)			122,785	116,712

Notes Forming Part of the Statement for the year ended 31st March, 2012

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
Name of the Company				
I. B. Unquoted Long Term				
(a) Equity Shares (Fully Paid)				
(i) In Subsidiary (Trade)				
New Holding and Trading Company Limited ...	100	5,025	3	3
[Sub Total (i)]			3	3
(ii) Others (Non-Trade)				
Bombay Stock Exchange Limited	1	13,500	3,078	—
Niyuprene Plastics Company Limited	10	1,000	—	—
Siltronics (India) Limited	10	30	—	—
[Sub Total (ii)]			3,078	—
Total a [(i) + (ii)]			3,081	3
(b) Investments In Mutual Fund (Non-Trade)				
BNP Paribas Fixed Term Fund-SER-20 B				
Dividend on Maturity	10	1,000,000	—	10,000
Birla Sunlife Mutual Fund:				
1. Quarterly Interval-Series 4- Dividend Payout .	10	2,000,000	—	20,000
2. Income Plus-Quarterly Dividend Payout	10	482,614	6,000	—
3. Dynamic Board Fund-retail Quarterly Dividend Payout	10	1,209,085	14,000	—
HDFC Mutual Fund:				
1. High Interest Fund-Short Term Plan-Dividend Payout	10	945,085	10,002	—
2. Quarterly Interval Fund-Plan B- Retail Dividend Retail Dividend Payout	10	600,000	6,003	—
3. Income Plan-Long Term Quarterly Dividend ...	10	1,541,325	—	20,001
IDFC Fixed Maturity Plan -Quarterly Series 61- Dividend	10	1,000,000	—	10,000
ICICI Prudential Mutual Fund				
1. Regular Saving Fund Qtrly Dividend	10	963,679	10,000	—
2. Income Plan Institutional Dividend	10	408,844	5,000	—
IL & FS Milestone Fund - II	1000	20,000	20,000	20,000
JM Mutual Fund				
1. Interval Fund Quarterly Plan-Dividend Payout	10	2,037,861	—	20,379
2. Money Manager Super Plus- Daily Dividend .	10	1,154,967	—	11,556
3. Money Manager Super Plan-Daily Dividend ..	10	3,127,518	31,312	—
4. G-Sec Fund- Regular Plan Dividend	10	254,635	4,000	—
Master Plus-1991 Unit Trust of India	10	40,000	775	775
Reliance Regular Saving Fund-Debt Plan Quarterly Dividend Payout	10	605,058	7,500	—
Franklin Templeton Investment-Low Duration Fund Quarterly Dividend Payout	10	477,222	5,000	—
Sub Total b			119,592	112,711
[Total — B (a + b)]			122,673	112,714
TOTAL — I (A + B)			245,458	229,426
Aggregate Cost of Quoted Investments			122,785	116,712
Aggregate Cost of unquoted Investments			122,673	112,714
Market Value of Quoted Investments			2,521,418	2,799,357
Provision for diminution in the value of Investments			—	—

Notes Forming Part of the Statement for the year ended 31st March, 2012

Rs. in Thousand

NOTE – 8 — CURRENT INVESTMENTS, OTHER INVESTMENTS (LOWER OF COST OR MARKET VALUE)	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
Name of the Company				
A. Current Quoted				
(a) Equity Shares (Fully Paid)				
Abbott India Limited	10	1,535	1,982	1,481
Akzo Nobel India Ltd	10	2,138	1,799	—
Axis Bank Limited	10	1,950	2,235	2,519
Bajaj Corp Limited	2	11,365	1,188	1,133
Bharat Heavy Electricals Limited	2	3,925	1,028	1,619
Camlin Limited	1	—	—	965
Eicher Motors Limited	10	1,562	1,992	1,992
Heidelberg Cement India Limited	10	—	—	1,774
IDFC Limited	10	10,855	1,434	3,356
Lupin Limited	2	3,350	370	370
Omnitech Infosolutions Limited	10	10,462	1,325	—
Pantaloon Retail (India) Limited	2	—	—	1,074
Power Grid Corporation of India Ltd.,	10	19,100	2,014	—
Reliance Industries Limited	10	—	—	1,367
State Bank of India	10	1,000	2,100	—
Sterlite Industries (India) Limited	1	7,500	793	1,251
Titan Industries Limited	1	28,500	1,910	1,910
Unichem Laboratories Limited	2	8,750	1,198	1,669
Voltas Limited	1	12,450	1,509	—
Sub Total — a			22,877	22,480
(b) Mutual Fund				
Benchmark Mutual Fund - Liquid Bees (PP)	1000	4,824	4,824	349
Sub Total — b			4,824	349
TOTAL A (a + b)			27,701	22,829
B. Current Unquoted Mutual Fund				
BNP Paribas Short Term Income Fund Institutional Plan - weekly dividend	10		—	8,557
TOTAL B			—	8,557
TOTAL (a + b)			27,701	31,386
Aggregate Cost of Quoted Investments			27,701	22,829
Aggregate Cost of Unquoted Investments			—	8,557
Market Value of Quoted Investments			36,242	28,233
Provision for diminution in the value of Investments			3,839	1,951

Notes Forming Part of the Statement for the year ended 31st March, 2012

	Rs. in Thousand	
	As at 31-03-2012	As at 31-03-2011
NOTE – 9 — CASH AND CASH EQUIVALENTS		
Balance with banks in Current Account	6,009	6,998
Cash in hand	4	12
Earmarked balance with Banks in Dividend Accounts	2,158	1,546
TOTAL	<u>8,171</u>	<u>8,556</u>

	As at 31-03-2012	As at 31-03-2011
NOTE – 10 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Prepaid expenses	14	16
Advance Income Tax	1,435	1,477
Advance Fringe Benefit Tax	—	5
TOTAL	<u>1,449</u>	<u>1,498</u>

	As at 31-03-2012	As at 31-03-2011
NOTE – 11 — OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Dividend Receivable	752	17
TOTAL	<u>752</u>	<u>17</u>

	As at 31-03-2012	As at 31-03-2011
NOTE – 12 — CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities not provided for in respect of:		
(i) Disputed Taxation Matters Rs.Nil (Previous year Rs. NIL).		
(ii) Liability in respect of disputed property tax levied by Brihanmumbai Mahanagarपालिका on the Society where in the company is a member, the amount of which is not ascertainable.		
Commitments:		
(i) Uncalled liability on Shares Partly Paid - up Rs. Nil (Previous year Rs.834/-)		

NOTE – 13

The Board of Directors for the current year recommend a Dividend of Rs. 55 per share (Previous year Rs. 55 per share).

	As at 31-03-2012	As at 31-03-2011
NOTE – 14 — OTHER INCOME		
Dividend on Investments		
Long Term	52,780	59,069
Current	718	616
	<u>53,498</u>	<u>59,685</u>
Distributable Income from Mutual Funds	1,400	1,375
Profit on Sale of Long Term Investments (Net)	997	566
Profit on Sale of Current Investments (Net)	—	1,974
TOTAL	<u>55,895</u>	<u>63,600</u>

Rs. in Thousand

As at
2011-2012 As at
2010-2011

NOTE – 15 — OTHER EXPENSES

Legal and Professional Fees	833	691
Rates and Taxes	315	108
Directors' Sitting Fees	64	82
Travelling Expenses	195	79
Loss on sale of Current Investments (Net)	1,054	—
Auditors' Remuneration:		
Audit Fees	40	40
Certification etc.	33	33
Reimbursement of Expenses	13	8
	86	81
Commission to Directors	900	900
Adjustments to the carrying amounts of current investment (Net)	1,888	979
Miscellaneous Expenses	385	352
TOTAL	5,720	3,272

As at
2011-2012 As at
2010-2011

NOTE – 16

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956:

Profit before tax as per profit and Loss Account	49,469	59,761
Add: Director's Sitting Fees	64	82
Commision to Directors	900	900
	50,433	60,743
Commission payable to non-whole time Directors (restricted to 3% of the net profits)	900	900

NOTE – 17

The investment activity is considered as a single segment in accordance with the Accounting Standard (AS-17) "Segment Reporting."

NOTE – 18

Related Party Disclosures:

A. Name of the related party and nature of relationship where control exists:

Name of the Party	Nature of Relationship
New Holding and Trading Company Limited	Subsidiary Company

Notes Forming Part of the Statement for the year ended 31st March, 2012

B. Related Party Transactions:

(Rs. in Thousand)

Nature of Transactions	Subsidiary Company	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which key Management personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant influence	TOTAL
Directors' Sitting Fees	— (—)	48 (66)	— (—)	16 (16)	— (—)	— (—)	— (—)	64 (82)
Commission	— (—)	360 (360)	— (—)	540 (540)	— (—)	— (—)	— (—)	900 (900)
Dividend paid	— (—)	113 (33)	247 (72)	105 (19)	729 (212)	— (—)	20,043 (5,819)	21,237 (6,155)
Dividend Received	— (—)	— (—)	— (—)	— (—)	— (—)	35,700 (44,625)	— (—)	35,700 (44,625)
Legal and Professional Fees	— (—)	95 (90)	— (—)	— (—)	— (—)	— (—)	— (—)	95 (90)
Amount outstanding at the end of the year - Payable	— (—)	455 (450)	— (—)	540 (540)	— (—)	— (—)	— (—)	995 (990)

- NOTES:
- There is no provision for doubtful debts as at the end of the year in respect of related parties.
 - There are no amounts written off or written back during the year in respect of debts due from or to related parties.
 - Previous Year figures are shown within Brackets.
 - The related parties included in the various categories above, where transactions have taken place are given below:

Subsidiary Company	New Holding And Trading Company Limited
Key Management Personnel	Mr. A. V. Setalvad Mr. A. R. Broacha
Relatives of Key Management Personnel.	Mrs. J. A. Setalvad
Individuals having significant influence over the enterprise.	Mr. V. C. Vaidya Mr. Gaurav Swarup Mr. Vikram Swarup
Relatives of individual having significant influence over the enterprise.	Mr. Mahendra Swarup Mrs. Bindu Swarup Mrs. Gyan Swarup Mrs. Parul Swarup
Enterprise over which key Management Personnel exercise significant influence.	KSB Pumps Limited
Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.	Paharpur Cooling Towers Limited Paharpur Corporation Limited Melvin Powell Vanaspati & Engineering Industries Limited

Notes Forming Part of the Statement for the year ended 31st March, 2012

Rs. in Thousand

NOTE – 19

Components of deferred tax:

On account of timing Difference of	As at March 31, 2012.	As at March 31, 2011.
Depreciation	Nil	11

NOTE – 20

Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 581780.

NOTE – 21

Employee benefits expenses includes Rs. 7 Incurred on staff welfare.

NOTE – 22

Previous year figures have been regrouped wherever necessary to conform current year classification in accordance with revised Schedule VI to the Companies Act, 1956.

Signatures to Note 1 to 22

As per our report attached

For V. S. SOMANI & CO.
Chartered Accountants

CA. V. S. SOMANI
Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Mumbai, May 18, 2012.

Annexure to the Directors' Report

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company — New Holding And Trading Company Limited

(Rs. in Thousand)

1. The Financial Year of the Company ended on	March 31, 2012
2. Shares of the Subsidiary held by The Industrial & Prudential & Investment Company Limited	
Equity —	
Number	5025 fully paid-up
Extent Holding	100%
3. The net aggregate of profits/(losses) of the Subsidiary Company so far as it concerns the members of The Industrial & Prudential Investment Company Limited —	
(a) Not dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the year ended March 31, 2012 amount to —	
(i) for the subsidiary financial year ended as above	2,915
(ii) for the previous financial years of the Subsidiary since it become the Holding Company's subsidiary	29,141
(b) Dealt with in the accounts of The Industrial & Prudential Investment Company Limited for the year ended March 31, 2012 amount to —	
(i) for the Subsidiary's financial year ended as ended as above	Nil
(ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	Nil

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Mumbai, May 18, 2012.

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2012

(Rs. in thousand)

	AMOUNT
i. Paid-up Equity Capital	5,821
ii. Free Reserves	235,986
iii. Total (i + ii)	241,807
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. Total (iv + v + vi)	
viii. Owned Funds (iii - vii)	241,807
ix. Investment in shares of:	
a. Subsidiaries	3
b. Companies in the same Group	—
c. Other non-banking financial companies	2,897
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}	2,900
xii. Amount of item xi in excess of 10% of item viii above.	—
xiii. Net Owned Funds (viii-xii)	241,807

As per our report attached

For V. S. SOMANI & CO.

Chartered Accountants

CA. V. S. SOMANI

Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD

Chairman

A. R. BROACHA

V. C. VAIDYA

}

Directors

Mumbai, May 18, 2012.

Auditors' Report on the Consolidated Financial Statements

To the Board of Directors of
The Industrial & Prudential Investment Company Limited

1. We have audited the attached Consolidated Balance Sheet of The Industrial & Prudential Investment Company Limited (the Company) and its subsidiary, as at 31st March 2012, and also the related Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary, New Holding and Trading Company Limited, whose financial statements reflect total assets of Rs. 325.94 Lacs as at 31st March 2012, the total revenues of Rs.30.01 Lacs and cash inflows amounting to Rs.38.58 lacs for the year then ended. These financial statements and other financial information have been audited by the other auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, prescribed by the Companies (Accounting Standards) Rules,2006 as sub-section (3C) of section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the component, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the State of affairs of the Company and its subsidiary as at 31st March 2012;
 - (b) in the case of the Consolidated Profit and Loss Statement, of the Profit for the year ended on that date;
and

Consolidated Profit and Loss Statement for the year ended 31st March, 2012

(c) in the case of the Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

For V. S. SOMANI & CO.
Chartered Accountants
Firm Registration No.: 117589W

CA. V. S. SOMANI
Proprietor
Membership No.: 102664

Mumbai, May 18, 2012

Consolidated Balance Sheet as at 31st March, 2012

Rs. in Thousand

PARTICULARS	NOTES	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	5,821	5,821
(b) Reserves and Surplus	3	268,607	253,401
(c) Money received against Share Warrants		—	—
Sub-Total- Shareholders Funds		274,428	259,222
(2) SHARE APPLICATION MONEY			
Pending allotment		—	—
(3) NON - CURRENT LIABILITIES			
(a) Long - term borrowings		—	—
(b) Deferred tax Liabilities (Net)		—	11
(c) Other Long Term Liabilities		—	—
(d) Long - term Provisions		—	—
Sub-Total- Non Current Liabilities		—	11
(4) CURRENT LIABILITIES			
(a) Short - term borrowings		—	—
(b) Trade Payables		1,164	1,212
(c) Other Current Liabilities	4	2,284	1,677
(d) Short - term Provisions	5	38,346	38,551
Sub-Total- Current Liabilities		41,794	41,440
TOTAL I		316,222	300,673
II ASSETS			
(1) NON - CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	6	84	100
(ii) Intangible assets		—	—
(iii) Capital work in progress		—	—
(iv) Intangible assets under development		—	—
(b) Non-Current Investments	7	270,747	255,701
(c) Deferred Tax assets (net) assets		—	—
(d) Long Term loans and Advances		—	—
(e) Other non-current assets		15	15
Sub-Total- Non Current Assets		270,846	255,816
(2) CURRENT ASSETS			
(a) Current Investments	8	27,701	31,386
(b) Inventories		—	—
(c) Trade receivables		—	—
(d) Cash and Cash equivalents	9	15,423	11,950
(e) Short Term Loan and Advances	10	1,455	1,504
(f) Other Current assets	11	797	17
Sub-Total- Current Assets		45,376	44,857
TOTAL II		316,222	300,673
See accompanying notes to the financial statements	1		

As per our report attached

For and on behalf of the Board of Directors

For V. S. SOMANI & CO.

Chartered Accountants

A. V. SETALVAD

Chairman

CA. V. S. SOMANI

Proprietor

A. R. BROACHA

V. C. VAIDYA

} Directors

Mumbai, May 18, 2012.

Mumbai, May 18, 2012.

Consolidated Profit and Loss Statement for the year ended 31st March, 2012

		Rs. in Thousand	
	NOTES	As at 31-03-2012	As at 31-03-2011
I Revenue from operations - Interest		11	—
II Other Income	14	58,896	66,013
III Total Revenue (I + II)		<u>58,907</u>	<u>66,013</u>
IV Expenses			
Cost of Materials Consumed		—	—
Purchase of Stock in Trade		—	—
Changes in inventories of finished goods, work in progress and stock in Trade		—	—
Employee benefits Expenses		701	549
Finance Cost		—	—
Depreciation and amortisation Expenses		16	18
Other Expenses	15	5,805	3,348
TOTAL EXPENSES		<u>6,522</u>	<u>3,915</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		52,385	62,098
VI Exceptional items		—	—
VII Profit before extraordinary items and tax (V-VI)		52,385	62,098
VIII Extraordinary Items		—	—
IX Profit before Tax (VII - VIII)		52,385	62,098
X Tax Expenses			
(1) Current Tax		1	150
(2) Short /(Excess) provision of earlier year		—	(16)
(3) Deferred Tax		(11)	(1)
		<u>(10)</u>	<u>133</u>
XI Profit for the year from continuing operations		52,395	61,965
XII Profit/(Loss) from discontinuing operations		—	—
XIII Tax Expenses of discontinuing operations		—	—
XIV Profit/(Loss) from discontinuing operations (after Tax)(XII-XIII)		—	—
XV Profit /(Loss) for the year		52,395	61,965
XVI Earning per equity Share			
(1) Basic		90.05	106.51
(2) Diluted		90.05	106.51

See accompanying notes to the financial statements

1

As per our report attached

For and on behalf of the Board of Directors

For V. S. SOMANI & CO.

Chartered Accountants

A. V. SETALVAD

Chairman

CA. V. S. SOMANI

Proprietor

A. R. BROACHA

V. C. VAIDYA

}

Directors

Mumbai, May 18, 2012.

Mumbai, May 18, 2012.

Consolidated Cash Flow for the year ended 31st March, 2012

	As at 31.03.2012	As at 31.03.2011
Rs. in Thousand		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	52,385	62,098
Adjusted for		
Depreciation	16	18
Investment income	(56,914)	(66,013)
Carrying amount of investments (net)	961	979
.....	(55,937)	(65,016)
Operating Profit/(Loss) before Working Capital Changes ..	(3,552)	(2,918)
Changes in		
Trade & Other Receivable	(779)	(19)
Trade and other Payables	(53)	584
NET CASH USED IN OPERATING ACTIVITIES.....	(4,384)	(2,353)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	—	(24)
Purchase of Investments	(226,320)	(236,454)
Sale of Investments	213,945	191,161
Dividend Received	55,568	62,098
Distributable Income from Mutual Fund	1,400	1,375
Cash Generated from Investing Activities	44,593	18,156
Direct Taxes Paid	(159)	(356)
NET CASH FROM INVESTING ACTIVITIES	44,434	17,800
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Dividend Paid	(31,386)	(9,141)
Tax on Dividend	(5,191)	(1,546)
NET CASH USED IN FINANCIAL ACTIVITIES	(36,577)	(10,687)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C).....	3,473	4,760
CASH AND CASH EQUIVALENTS - OPENING BALANCE	11,950	7,190
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	15,423	11,950

- NOTES:**
1. All figures in brackets are outflows.
 2. Cash and Bank Balances includes balance lying with designated Banks in unclaimed dividend accounts Rs. 2158/- (Previous year Rs. 15,46/-).
 3. Previous year figures have been regrouped wherever necessary.

As per our report attached

For V. S. SOMANI & CO.
Chartered Accountants

CA. V. S. SOMANI
Proprietor

Mumbai, May 18, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD Chairman

A. R. BROACHA
V. C. VAIDYA } Directors

Mumbai, May 18, 2012.

Notes Forming Part of the Statement For the year ended 31st March, 2012

NOTE – 1 — SIGNIFICANT ACCOUNTING POLICIES

- (i) The consolidated Financial Statements are prepared in accordance with Principles of Consolidation prescribed in AS-21 Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 and referred to in Section 211(3C) of the Companies Act, 1956. The Consolidated Financial Statements comprise the financial statement of the Industrial & Prudential Investment Company Limited and its wholly owned subsidiary “New Holding and Trading Company Limited”, which is incorporated in India.”
- (ii) The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.
- (iii) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book value of items of assets, liabilities, income and expenses after eliminating intra-group balance and intra-group transactions resulting in unrealised profits or unrealised cash losses.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements.

Rs. in Thousand

NOTE – 2 — SHARE CAPITAL

Authorised:

10,00,000 Equity Shares of Rs. 10 each

Issued, Subscribed and Paid-up:

5,81,780 Equity Shares of Rs. 10 each
Forefited Shares

	As at 31-03-2012	As at 31-03-2011
	<u>10,000</u>	<u>10,000</u>
	5,818	5,818
	3	3
	<u>5,821</u>	<u>5,821</u>

- (a) Reconciliation of the number of shares

	2011-12		2010-11	
	Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount
Shares outstanding at the beginning of the year	581780	5818	581,780	5,818
Shares Issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	581780	5818	581,780	5,818

CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Notes Forming Part of the Statement For the year ended 31st March, 2012

(b) Terms and Rights attached to equity shareholders:

The Share holders have all rights as available to Equity Shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(c) Name of the Shareholder holding more than 5% Equity Shares

Name of the Shareholder	31/03/2012		31/03/2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1. Paharpur Cooling Towers Ltd.	248,967	42.79	248,967	42.79
2. Melvin Powell Vanaspati & Engineering Industries Limited	51,600	8.87	51,600	8.87
3. Paharpur Corporation Limited	63,850	10.97	63,850	10.97

Note: As certified by the Management on which Auditors have relied.

Rs. in Thousand

NOTE – 3 — RESERVES AND SURPLUS

Capital Reserve

Balance as per last Balance Sheet

65 65

General Reserve

Balance as per last Balance Sheet

61,050 54,800

Add: Transferred from surplus

5,300 6,250

66,350 61,050

Special Reserve

(In terms of Section 45-IC of Reserve Bank of India Act)

Balance as per last Balance Sheet

73,590 61,120

Add: Transferred from surplus

10,585 12,470

84,175 73,590

Surplus

Balance as per last Balance Sheet

118,696 112,604

Add: Profit for the year as per Profit and Loss Statement

52,395 61,965

171,091 174,569

Less: Appropriations:

Transferred to:

Special Reserve

10,585 12,470

General Reserve

5,300 6,250

Proposed Dividend

31,998 31,998

Tax on Dividend

5,191 5,155

53,074 55,873

118,017 118,696

Total

268,607 253,401

Notes Forming Part of the Statement For the year ended 31st March, 2012

NOTE – 4 — OTHER CURRENT LIABILITIES

Rs. in Thousand

	As at 31-03-2012	As at 31-03-2011
Unclaimed Dividend	2,158	1,546
Tax Deducted at source payable	126	131
Total	2,284	1,677

NOTE – 5 — SHORT TERM PROVISIONS

	As at 31-03-2012	As at 31-03-2011
Provision for Income Tax	1,157	1,357
Provision for Fringe Benefit Tax	—	5
Provision for Proposed Dividend	31,998	31,998
Tax on Proposed Dividend	5,191	5,191
Total	38,346	38,551

NOTE – 6 — TANGIBLE FIXED ASSETS

Rs. in Thousand

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions during the year	Deductions/ Adjustments during the year	As at 31.03.2012	As at 01.04.2011	For the year	Deductions/ Adjustments during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
1 Office Premises	152	—	—	152	118	2	—	120	32	34
2 Furnitures and Fixtures	380	—	—	380	366	2	—	368	12	14
3 Office Equipments	117	—	—	117	83	5	—	88	29	34
4 Others, Computers	450	—	—	450	432	7	—	439	11	18
TOTAL	1,099	—	—	1,099	999	16	—	1,015	84	100
Previous year	1,075	24	—	1,099	981	18	—	999	100	93

NOTE: Office Premises includes Rs. 250 (Previous year Rs. 250/-) being the cost of shares in Co-operative Society.

CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Notes Forming Part of the Statement For the year ended 31st March, 2012

					Rs. in Thousand	
NOTE – 7 — NON CURRENT INVESTMENTS	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011		
Name of the Company						
I. A. LONG TERM (NON TRADE) (AT COST)						
(a) INVESTMENT IN EQUITY INSTRUMENTS (FULLY PAID)						
3i Infotech Limited.....	10	35,000	1,979	1,979		
ACC. Limited	10	7,000	438	438		
Alstom T. D. India Limited	2	50,000	788	1,024		
Amara Raja Batteries Limited.....	2	52,500	1,004	1,004		
Andhra Cements Limited	10	40,000	1,553	1,553		
BASF India Limited	10	7,800	1,200	1,200		
BEML Limited	10	8,500	1,877	1,877		
Bharat Electronics Limited	10	3,000	1,196	1,196		
Bharat Forge Limited	2	16,000	1,383	1,383		
Bharti Airtel Limited	5	17,500	2,274	2,274		
Bosch Limited	10	2,000	11	11		
Cambridge Solutions Limited	10	—	—	154		
Century Textile and Industries Limited	10	1,000	426	426		
Dish TV India Limited	1	5,000	71	136		
DR. Reddy's Laboratories Limited	5	4,000	2,029	2,029		
Gail (India) Limited	10	28,500	4,322	4,322		
Glaxo SmithKline Pharmaceuticals Limited	10	1,000	1,100	1,100		
GTL Limited	10	4,000	1,036	1,036		
GTL Infrastructure Limited	10	8,000	182	182		
Great Offshore Limited	10	7,600	1,296	1,296		
Hindustan Unilever Limited.....	1	73,000	191	191		
ICICI Bank Limited	10	6	2	2		
IDBI Bank Limited	10	15,000	1,170	1,170		
Infosys Technologies Limited	5	112,800	5,257	5,257		
ISMT Limited	5	43,750	738	738		
ITC Limited	1	18,000	1,127	1,127		
KSB Pumps Limited	10	7,400,000	28,409	28,409		
LIC Housing Finance Limited	2	7,500	1,463	1,463		
Mahanagar Telephone Nigam Limited	10	7,000	1,435	1,435		
Mahindra Satyam Computers Limited	2	25,000	1,869	1,869		
Monsanto India Limited	10	1,600	673	673		
N C C Ltd.	2	54,000	1,458	1,458		
Nestle India Limited	10	14,000	178	178		
Neyveli lignite Corporation Limited.....	10	—	—	402		
NTPC Limited	10	21,000	1,684	1,684		
Onward Technology Limited	10	—	—	329		
Orient Abrasives Limited	1	90,000	862	1,263		
Orient Refractories Limited	1	90,000	401	—		
Piramal Glass Ltd.	10	12,356	1,128	1,128		
Piramal Healthcare Ltd.	2	20,500	1,557	1,557		
Piramal Life Sciences Limited	2	—	—	326		
PVP Ventures Limited	10	100	154	154		
Praj Industries Limited	2	19,000	2,415	2,415		
Ranbaxy Laboratories Limited	5	5,000	892	923		
Reliance Communications Limited.....	5	—	—	1,083		
Reliance Industries Limited.....	10	16,000	1,455	1,455		
Schneider Electric Infrastructure Limited	10	50,000	237	—		
Seamec Limited	10	8,000	1,507	1,507		

CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Notes Forming Part of the Statement For the year ended 31st March, 2012

		Rs. in Thousand		
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
Name of the Company				
Selan Exploration Technology Limited	10	11,000	805	805
Siemens Limited.....	2	25,000	195	195
State Bank of India	10	7,100	3,947	3,947
Tata Chemicals Limited.....	10	—	—	44
Tata Consultancy Services Limited	1	14,000	6,671	6,671
Tata Motors Limited	2	20,000	388	388
Tata Motors Limited (DVR).....	2	39,250	3,395	3,395
Tata Power Company Limited.....	1	260,000	780	780
Tata Steel Limited	10	17,686	3,743	3,743
Tata Teleservices (Maharashtra) Limited	10	—	—	2,039
The Federal Bank Limited	10	3,000	1,041	1,041
The Great Eastern Shipping Company Limited	10	30,400	5,057	5,057
The Indian Hotels Company Limited	1	79,200	1,508	1,508
The Karur Vysya Bank Limited.....	10	38,000	3,591	1,923
Titan Industries Limited	1	280,000	2,630	2,630
TV TO-DAY Network Limited.....	5	—	—	841
Wire And Wireless (India) Limited	1	—	—	478
Zee Entertainment Enterprises Limited.....	1	20,808	799	1,411
Zee Learn Ltd.....	1	—	—	32
Zee News Limited	1	—	—	83
Sub-Total — (a)			<u>114,977</u>	<u>119,827</u>
(b) Equity Shares (Partly Paid)				
Karur Vysys Bank Limited @ Rs. 6 Paid-up.).....	10		—	834
Sub-Total — (b)			<u>—</u>	<u>834</u>
(c) Debenture (Non-convertible Secured):				
RBS Financial Service (INdia) Pvt. Ltd. - SR-F-20..	100,000	—	—	20,400
Dr. Reddy's Laboratories Limited	5	24,000	—	—
(Date of redemption After 36 months from 24.03.2011)				
Deutsche Investments India Pvt. Ltd. SR GRO135 BR NCD 23SP 13 (Date of redemption 23-09-2013)	100,000	300	30,300	—
Sub-Total — (c)			<u>30,300</u>	<u>20,400</u>
Sub-Total — A (a + b + c) ..			<u>145,277</u>	<u>141,061</u>
B. Unquoted Long Term				
(a) Equity Shares (Fully Paid)				
Others (Non-Trade)				
Bombay Stock Exchange Limited	1	13,500	3,078	—
Niyuprene Plastics Company Limited.....	10	1,000	—	—
Siltronics (India) Limited.....	10	30	—	—
Sub-Total (i)			<u>3,078</u>	<u>—</u>

**CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

Notes Forming Part of the Statement For the year ended 31st March, 2012

			Rs. in Thousand	
NOTE – 7 — NON CURRENT INVESTMENTS — contd.	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
Name of the Company				
(b) Investments In Mutual Fund (Non-Trade)				
BNP Paribas Fixed Term Fund-SER-20 B				
Dividend on Maturity	10	1,000,000	—	10,000
Birla Sunlife Mutual Fund:				
1. Quarterly Interval-Series 4- Dividend Payout .	10	2,000,000	—	20,000
2. Income Plus-Quarterly Dividend Payout.....	10	482,614	6,000	—
3. Dynamic Board Fund-retail Quarterly Dividend Payout	10	1,209,085	14,000	—
Franklin Templeton Investment Low Duration Fund				
Quarterly Dividend Payout	10	477,222	5,000	—
HDFC Mutual Fund:				
1. High Interest Fund-Short Term Plan-Dividend Payout	10	1,410,626	14,946	—
2. Quarterly Interval Fund-Plan B- Retail Dividend Retail Dividend Payout	10	600,000	6,003	—
3. Income Plan-Long Term Quarterly Dividend ...	10	1,541,325	—	25,001
IDFC Fixed Maturity Plan -Quarterly				
Series 61- Dividend	10	1,000,000	—	10,000
ICICI Prudential Mutual Fund				
1. Regular Saving Fund Qtrly Dividend	10	963,679	10,000	—
2. Income Plan Institutional Dividend	10	408,844	5,000	—
IL & FS Milestone Fund - II	1000	20,000	20,000	20,000
JM Mutual Fund				
1. Interval Fund Quarterly Plan-Dividend Payout	10	2,037,861	—	20,379
2. Money Manager Super Plus- Daily Dividend..	10	1,154,967	—	11,556
3. Money Manager Super Plan-Daily Dividend ..	10	3,127,518	31,312	—
4. G-Sec Fund- Regular Plan Dividend	10	254,635	4,000	—
Kotak Contra Option Dividend Payout	10	4,890	50	50
Master Plus - 1991 Unit Trust of India	10	40,000	775	775
Principal Emerging Blue Chips Fund-Regular Dividend	10	9,784	168	168
Reliance Regular Saving Fund-Debt Plan Quarterly Dividend Payout	10	605,058	7,500	—
Sub Total (b)			<u>124,754</u>	<u>117,929</u>
[Total — B (a + b)]			<u>127,832</u>	<u>117,929</u>
TOTAL — I (A + B)			<u>273,109</u>	<u>258,990</u>
Less: Provision for diminution in the value of Investments			<u>2,363</u>	<u>3,289</u>
TOTAL			<u>270,746</u>	<u>255,701</u>
Aggregate Cost of Quoted Investments			<u>145,277</u>	141,061
Aggregate Cost of unquoted Investments			<u>127,832</u>	117,929
Market Value of Quoted Investments			<u>2,613,372</u>	2,910,593
Provision for diminution in the value of Investments			<u>2,363</u>	3,289

Notes Forming Part of the Statement For the year ended 31st March, 2012

Rs. in Thousand

NOTE – 8 — CURRENT INVESTMENTS, OTHER INVESTMENTS (LOWER OF COST OR MARKET VALUE)	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011
Name of the Company				
A. Quoted Current				
(a) Equity Shares (Fully Paid)				
Abbott India Limited	10	1,535	1,982	1,481
Akzo Nobel India Ltd.....	10	2,138	1,799	—
Axis Bank Limited	10	1,950	2,235	2,519
Bajaj Corp Limited	2	11,365	1,188	1,133
Bharat Heavy Electricals Limited	2	3,925	1,028	1,619
Camlin Limited	1	—	—	965
Eicher Motors Limited.....	10	1,562	1,992	1,992
Heidelberg Cement India Limited	10	—	—	1,774
IDFC Limited	10	10,855	1,434	3,356
Lupin Limited.....	2	3,350	370	370
Omnitech Infosolutions Limited.....	10	10,462	1,325	—
Pantaloon Retail (India) Limited.....	2	—	—	1,074
Power Grid Corporation of India Ltd.,.....	10	19,100	2,014	—
Reliance Industries Limited.....	10	—	—	1,367
State Bank of India	10	1,000	2,100	—
Sterlite Industries (India) Limited.....	1	7,500	793	1,251
Titan Industries Limited	1	28,500	1,910	1,910
Unichem Laboratories Limited.....	2	8,750	1,198	1,669
Voltas Limited	1	12,450	1,509	—
Sub Total — A			22,877	22,480
(b) Mutual Fund				
Benchmark Mutual Fund - Liquid Bees (PP)	1000	4,824	4,824	349
Sub Total — B			4,824	349
TOTAL A (a + b)			27,701	22,829
B. Current Unquoted Mutual Fund				
BNP Paribas Short Term Income Fund Institutional Plan - weekly dividend.....	10	—	—	8,557
TOTAL B			—	8,557
TOTAL (A + B)			27,701	31,386
Aggregate Cost of Quoted Investments			27,701	22,829
Aggregate Cost of Unquoted Investments.....			—	8,557
Market Value of Quoted Investments.....			36,242	28,233
Provision for diminution in the value of Investments			3,839	1,951

CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Notes Forming Part of the Statement For the year ended 31st March, 2012

	Rs. in Thousand	
	As at 31-03-2012	As at 31-03-2011
NOTE – 9 — CASH AND CASH EQUIVALENTS		
Balance with banks in Current Account	13,253	10,389
Cash in hand	12	15
Earmarked balance with Banks in Dividend Accounts	2,158	1,546
TOTAL	<u>15,423</u>	<u>11,950</u>
NOTE – 10 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Prepaid expenses	14	16
Advance Income Tax	1,441	1,483
Advance Fringe Benefit Tax	—	5
TOTAL	<u>1,455</u>	<u>1,504</u>
NOTE – 11 — OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Dividend Receivable	797	17
TOTAL	<u>797</u>	<u>17</u>
NOTE – 12 — CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities not provided for in respect of:		
(i) Disputed Taxation Matters Rs.Nil (Previous year Rs. NIL).	—	—
(ii) Liability in respect of disputed property tax levied by Brihanmumbai Mahanagarpalika on the Society where in the company is a member, the amount of which is not ascertainable.	—	—
Commitments:		
(i) Uncalled liability on Shares Partly Paid - up Rs. Nil (Previous year Rs. 834/-)	—	—
NOTE – 13		
The Board of Directors for the current year recommend a Dividend of Rs. 55 per share (Previous year Rs. 55 per share).		
NOTE – 14 — OTHER INCOME		
Dividend on Investments		
Long Term	54,849	61,482
Current	718	616
	<u>55,567</u>	<u>62,098</u>
Distributable Income from Mutual Funds	1,400	1,375
Profit on Sale of Long Term Investments (Net)	1,002	566
Profit on Sale of Current Investments (Net)	—	1,974
Adjustment to the carrying amount of Long Term Investment	927	—
TOTAL	<u>58,896</u>	<u>66,013</u>

Notes Forming Part of the Statement For the year ended 31st March, 2012

	Rs. in Thousand	
	As at 2011-2012	As at 2010-2011
NOTE – 15 — OTHER EXPENSES		
Legal and Professional Fees	833	691
Rates and Taxes	315	108
Directors' Sitting Fees	67	84
Travelling Expenses	195	79
Loss on sale of Current Investments (Net)	1,054	—
Auditors' Remuneration:		
Audit Fees	48	43
Certification etc.	33	33
Reimbursement of Expenses	14	8
	<u>95</u>	<u>84</u>
Commission to Directors	900	900
Adjustments to the carrying amounts of current investment..	1,888	979
Miscellaneous Expenses	458	423
TOTAL	<u>5,805</u>	<u>3,348</u>

NOTE – 16

Related Party Disclosures:

A. Related Party Transactions:

(Rs. in Thousand)

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Individuals having significant influence over the enterprise.	Relatives of Individuals having significant influence over the enterprise.	Enterprise over which key Management personnel exercise significant influence	Enterprise over which Individuals having significant influence over the reporting enterprise exercise significant influence	TOTAL
Directors' Sitting Fees	50 (68)	— (—)	17 (16)	— (—)	— (—)	— (—)	67 (84)
Commission	360 (360)	— (—)	540 (540)	— (—)	— (—)	— (—)	900 (900)
Dividend paid	113 (33)	247 (72)	105 (19)	729 (212)	— (—)	20,043 (5,819)	21,237 (6,155)
Dividend Received	— (—)	— (—)	— (—)	— (—)	37,000 (46,250)	— (—)	37,700 (46,250)
Legal and Professional Fees	95 (91)	— (—)	— (—)	— (—)	— (—)	— (—)	95 (91)
Amount outstanding at the end of the year - Payable	455 (450)	— (—)	540 (540)	— (—)	— (—)	— (—)	995 (990)

- NOTES:
- (i) There is no provision for doubtful debts as at the end of the year in respect of related parties.
 - (ii) There are no amounts written off or written back during the year in respect of debts due from or to related parties.
 - (iii) Previous Year figures are shown within Brackets.
 - (iv) The related parties included in the various categories above, where transactions have taken place are given below: (As certified by the Management).

**CONSOLIDATED
THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED**

Notes Forming Part of the Statement For the year ended 31st March, 2012

Key Management Personnel	Mr. A. V. Setalvad Mr. A. R. Broacha
Relatives of Key Management Personnel.	Mrs. J. A. Setalvad
Individuals having significant influence over the enterprise.	Mr. V. C. Vaidya Mr. Gaurav Swarup Mr. Vikram Swarup
Relatives of individual having significant influence over the enterprise.	Mr. Mahendra Swarup Mrs. Bindu Swarup Mrs. Gyan Swarup Mrs. Parul Swarup
Enterprise over which key Management Personnel exercise significant influence.	KSB Pumps Limited
Enterprises over which Individuals having significant influence over the reporting enterprise exercise significant influence.	Paharpur Cooling Towers Limited Paharpur Corporation Limited Melvin Powell Vanaspati & Engineering Industries Limited

NOTE – 17

Components of deferred tax:

Rs. in Thousand

(a) Diferred tax liability:-

On account of timing Difference of Depreciation	<u>As at March 31, 2012.</u>	<u>As at March 31, 2011.</u>
	Nil	11

NOTE – 18

Earnings per Share

- (a) The amount used as the numerator in calculating basic and diluted earnings per share is the Net Profit for the year disclosed in the Profit and Loss Account.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 581780.

NOTE – 19

Employee benefits expenses includes Rs. 7 Incurred on staff welfare.

NOTE – 20

Previous year figures have been regrouped wherever necessary to conform current year classification in accordance with revised Schedule VI to the Companies Act, 1956.

Signatures to Note 1 to 20

As per our report attached

For and on behalf of the Board of Directors

For V. S. SOMANI & CO.
Chartered Accountants

A. V. SETALVAD *Chairman*

CA. V. S. SOMANI
Proprietor

**A. R. BROACHA
V. C. VAIDYA** } *Directors*

Mumbai, May 18, 2012.

Mumbai, May 18, 2012.

Board's Report

Your Directors beg to submit their report and audited Balance Sheet and Profit and Loss Statement of the the Company for the year ended March 31, 2012.

1. ACCOUNTS:

	2011-2012	Rs. in lacs 2010-2011
Income	30.01	24.13
Expenses	0.85	0.76
Profit / (Loss) before Taxation	29.16	23.37
Less: Provision for Tax:	0.01	—
Net Profit after Tax	29.15	23.37
Add: Balance brought forward from Balance Sheet	116.01	99.84
Profit for Appropriation	145.16	123.21
Appropriation:		
Special Reserve (in terms of Section 45-IC of RBI Act, 1934)	5.85	4.70
General Reserve	3.00	2.50
Balance Carried to Balance Sheet	136.31	116.01
	145.16	123.21

2. DIVIDEND:

The Directors do not recommend any dividend for the year.

3. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A. R. Broacha retire by rotation and, being eligible, offer himself for re-appointment.

4. AUDITORS:

You are requested to appoint auditors for the current year and to fix their remuneration. The retiring auditors, Messrs C. M. Gabhawala & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from Messrs C. M. Gabhawala & Co. to the effect that their re-appointment, if made, will be within the prescribed limits in accordance with Section 224 (1-B) of the Companies Act, 1956.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- accounting policies have been selected and applied consistently and that the judgements and estimates made 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 of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

7. EMPLOYEES:

The Company has no employees covered under Section 217 (2A) of the Companies Act, 1956.

For and on behalf of the Board of Directors

A. V. SETALVAD
Chairman

Mumbai, May 9, 2012.

Auditors' Report to the Members

The Members,

NEW HOLDING AND TRADING COMPANY LIMITED

We have audited the attached Balance Sheet of **NEW HOLDING AND TRADING COMPANY LIMITED** as at **31st March, 2012** and the annexed Profit & Loss Statement of the Company and the annexed Cash Flow Statement for the year ended on that date. 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 have conducted the audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order 2003, issued by the Central government of India under sub section 4A of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order:
2. Further to our comments in paragraph (1) above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of books.
 - (c) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act 1956.
 - (d) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (e) In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2012 from being appointed as directors in term 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 explanation given to us, the accounts 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 the Balance Sheet of state of affairs of the Company as at **31st March 2012**
 - (ii) In the case of the Profit and Loss Statement of the profit for the year ended on that date and
 - (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For C. M. GABHAWALA & CO.
Chartered Accountants
FRN: 102870W

CA. BIREN C. GABHAWALA
Partner
M. NO. 40496

Mumbai, May 9, 2012.

Annexure To Auditor's Report

(Pursuant to the Companies (Auditor's Report) Order, 2003, hereinafter referred to as the 'Order')

- 1 The Company does not have any fixed assets. Accordingly paragraphs 4 (i)(a), (b) and (c) of the Order are not applicable to the Company.
- 2 The Company does not have any inventory, hence sub clause (a), (b) and (c) of clause (ii) of para 4 of the order are not applicable to the Company.
- 3 (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (a), (b), (c), (d) of clause (iii) of para 4 of the Order are not applicable to the Company.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly sub clause (e), (f), (g), of clause (iii) of para 4 of the Order is not applicable to the company.
- 4 According to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business. No major weaknesses have been noticed in the internal control system, during the course of the Audit.
- 5 During the year the Company has not entered into any contracts or arrangements referred to in Section 301 of the Companies Act, 1956. Accordingly sub clause (b) of para 4 of the Order is not applicable to the Company.
- 6 The Company has not accepted any public deposits during the year under review.
- 7 The Company does not require to have formal internal audit system.
- 8 The Central Government has not prescribed any cost records to be maintained by the Company.
- 9 (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were outstanding as on the last day of the financial year for a period exceeding six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of Income tax which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses as at the year end. The Company has not incurred any cash loss during the financial year covered by our audit and also in the immediately preceding financial year.
11. The Company has neither borrowed funds from financial institutions, banks nor issued any debentures, accordingly paragraph 4 (xi) of the Order is not applicable to the Company.
12. The Company has not granted any loans and Advances on the basis of securities by way of pledge of shares, debentures and other securities. Accordingly, clause (xii) of para 4 of the Order is not applicable to the Company.
13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub clause (a), (b), (c), (d) of clause (xiii) of para 4 of the Order, are not applicable to the Company.
14. The Company being an Investment Company, has maintained proper records of the transactions and contracts relating to dealings in shares, securities and other investments and has made timely entries. The shares, securities and other investments are held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. The Company has not given any guarantee for loans taken by others from banks or financial Institutions. Accordingly, provisions of clause (xv) of the Order are not applicable to the Company.
16. The Company has not taken any term loans during the year, accordingly the provisions of clause (xvi) of the Order are not applicable to the Company.
17. The Company has neither raised short term nor long term funds during the year under consideration.
18. The Company has not made any preferential allotment of shares during the year. Accordingly, provisions of clause (xviii) of para 4 of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year and accordingly, the provisions of clause (xix) of para 4 of the Order are not applicable to the Company.
20. The Company has not made any public issues during the year and accordingly the provisions of clause (xx) of para 4 of the Order are not applicable to the Company.
21. Based on the audit procedures performed and according to the information and explanations given to us and representation made by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For C. M. GABHAWALA & CO.

Chartered Accountants

FRN: 102870W

CA. BIREN C. GABHAWALA

Partner

M. NO. 40496

Mumbai, May 9, 2012.

Balance Sheet as at 31st March, 2012

Rs. in Thousand

PARTICULARS	NOTES	As at 31-03-2012	As at 31-03-2011
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	502	502
(b) Reserves and Surplus	2	32,056	29,141
Sub-Total- Shareholders Funds		32,558	29,643
(2) CURRENT LIABILITIES			
(a) Trade Payables		29	28
(b) Short - term Provisions	3	7	6
Sub-Total- Current Liabilities		36	34
TOTAL I		32,594	29,677
II ASSETS			
(1) NON - CURRENT ASSETS			
(a) Non-Current Investments	4	25,291	26,277
Sub-Total- Non Current Assets		25,291	26,277
(2) CURRENT ASSETS			
(a) Cash and Cash equivalents	5	7,252	3,394
(b) Short Term Loan and Advances	6	6	6
(c) Other Current assets	7	45	—
Sub-Total- Current Assets		7,303	3,400
TOTAL II		32,594	29,677
NOTES FORMING PART OF THE ACCOUNTS	10		

As per our report attached

For C. M. GABHAWALA & CO.

Chartered Accountants

FR. NO. 102870W

CA. BIREN C. GABHAWALA

Proprietor

Membership No. 40496

Mumbai, May 9, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Profit and Loss Statement for the year ended 31st March, 2012

		Rs. in Thousand	
	NOTES	2011-2012	2010-2011
I Revenue from operations		—	—
II Other Income	8	3,001	2,413
III Total Revenue (I + II)		<u>3,001</u>	<u>2,413</u>
IV Expenses			
Other Expenses	9	85	76
TOTAL EXPENSES		<u>85</u>	<u>76</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		2,916	2,337
VI Profit before extraordinary items and tax (V-VI)		2,916	2,337
VII Profit before Tax (VII - VIII)		2,916	2,337
VIII Tax Expenses			
(1) Current Tax		1	—
IX Profit for the year from continuing operations		2,915	2,337
XV Profit /(Loss) for the year		2,915	2,337
XVI Earning per equity Share			
(1) Basic		580.07	465.00
(2) Diluted		580.07	465.00
NOTES FORMING PART OF THE ACCOUNTS	10		

Rs. in Thousand

As at	As at
31-03-2012	31-03-2011

As per our report attached

For C. M. GABHAWALA & CO.
Chartered Accountants
FR. NO. 102870W

CA. BIREN C. GABHAWALA
Proprietor
Membership No. 40496

Mumbai, May 9, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Cash Flow for the year ended 31st March, 2012

	As at 31.03.2012	As at 31.03.2011
Rs. in Thousand		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	2,916	2,337
Adjusted for		
Investment income	(2,074)	(2,413)
Provision for diminution in value of investment	(927)	—
	<u>(3,001)</u>	<u>(2,413)</u>
Operating Profit / (Loss) before Working Capital Changes ..	(85)	(76)
Changes in		
Trade & Other Receivable	(45)	—
Trade Payables	1	3
Cash Generated from Operations	(129)	(73)
Direct Tax Paid (Net)	—	—
NET CASH USED IN OPERATING ACTIVITIES	(129)	(149)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(9,888)	(40)
Sale of Investments	11,805	—
Interest Received	—	—
Dividend Received	2,070	2,413
Direct Taxes Paid	—	(6)
NET CASH FROM INVESTING ACTIVITIES	3,987	2,367
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loan Taken	—	—
Loan Repaid	—	—
NET CASH USED IN FINANCIAL ACTIVITIES	—	—
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	3,858	2,218
CASH AND CASH EQUIVALENTS - OPENING BALANCE	3,394	1,100
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	7,252	3,394

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Mumbai, May 9, 2012

AUDITOR'S CERTIFICATE

To
The Board of Directors
NEW HOLDINGS AND TRADING COMPANY LIMITED
125 Makers Chambers III,
Nariman Point, Mumbai- 400 021.

We have examined the attached Cash Flow Statement of New Holding And Trading Company Limited for the year ended 31st March 2012. The Statement has been prepared by the company and in agreement with the books and records of the company and also the Profit & Loss Statement and Balance Sheet of the Company covered by our audit report of even date to the members of the Company.

As per our report of even date
For C. M. GABHAWALA & CO.

Chartered Accountants

FRN: 102870W

CA. BIREN C. GABHAWALA

Partner

M. NO. 40496

Mumbai, May 9, 2012.

Notes Forming Part of the Statement for the year ended 31st March, 2012

		Rs. in Thousand	
		As at 31-03-2012	As at 31-03-2011
NOTE – 1 — SHARE CAPITAL			
Authorised:			
Non-Cumulative Redeemable Preference Shaares of Rs. 100 each		84	84
Equity Shares of Rs. 100 each		903	903
Unclassified Shares of Rs. 100 each		13	13
		<u>1,000</u>	<u>1,000</u>
Issued, Subscribed and Paid-up:			
Equity Shares of Rs. 100 each fully paid		502	502
		<u>502</u>	<u>502</u>
The entire Share capital is held by The Industrial & Prudential Investment Company Limited and its nominees.			
<hr/>			
		As at 31-03-2012	As at 31-03-2011
NOTE – 2 — RESERVES AND SURPLUS			
General Reserve			
Balance as per last Balance Sheet		10,950	10,700
Add: Transferred from Profit and Loss Statement		300	250
		<u>11,250</u>	<u>10,950</u>
Special Reserve			
Balance as per last Balance Sheet		6,590	6,120
Add: Transferred from Profit and Loss Statement		585	470
		<u>7,175</u>	<u>6,590</u>
Profit and Loss Statement			
Balance as per last Balance Sheet		11,601	9,984
Add: Profit for the year as per Profit and Loss Statement		2,915	2,337
		<u>14,516</u>	<u>12,321</u>
Less: Appropriations:			
Transferred to			
Special Reserve		585	470
General Reserve		300	250
		<u>885</u>	<u>720</u>
		<u>13,631</u>	<u>11,601</u>
TOTAL		<u><u>32,056</u></u>	<u><u>29,141</u></u>
<hr/>			
		As at 31-03-2012	As at 31-03-2011
NOTE – 3 — SHORT TERM PROVISIONS			
Provision for Taxation		7	6
TOTAL		<u>7</u>	<u>6</u>

Notes Forming Part of the Statement for the year ended 31st March, 2012

					Rs. in Thousand	
NOTE – 4 — NON-CURRENT INVESTMENTS, OTHER INVESTMENTS (AT COST)	Face Value Rupees	Holding 31-03-2012 Nos.	As at 31-03-2012	As at 31-03-2011		
Name of the Company						
A. Quoted Investments						
(a) Equity Shares (Fully Paid)						
BASF India Limited	10	800	921	921		
Cambridge Solutions Limited	10	—	—	154		
Dish TV India Limited	1	—	—	59		
Glaxo SmithKline Pharmaceuticals Limited	10	1,000	1,100	1,100		
GTL Limited	10	4,000	1,036	1,036		
GTL Infrastructure Limited	10	8,000	182	182		
ICICI Bank Limited	10	6	2	2		
Infosys Technologies Limited	5	4,800	3,146	3,146		
ISMT	5	43,750	738	738		
KSB Pumps Limited	10	260,000	11,008	11,008		
(Bonus received during the Year)						
Mahanagar Telephone Nigam Limited	10	7,000	1,435	1,435		
Neyveli lignite Corporation Limited	10	—	—	402		
Onward Technology Limited	10	—	—	329		
PVP Ventures Limited	10	100	154	154		
State Bank of India	10	3,300	1,791	1,791		
Tata Chemicals Limited	10	—	—	44		
Tata Steel Limited	10	6,886	979	979		
Wire & Wireless (India) Limited	1	—	—	207		
Zee Entertainment Enterprises Limited	1	—	—	612		
Zee Learn Limited	1	—	—	14		
Zee News Limited	—	—	—	36		
Sub-Total — A			22,492	24,349		
B. Unquoted Investments						
Mutual Fund						
HDFC Mutual Fund-Income Plan-Long Term-Qtrly Div.	10		—	5,000		
HDFC Mutual Fund-High Interest Fund-Short Term Plan	10	465,541	4,944	—		
Kotak Contra-Option-Div. Payout	10	4,890	50	50		
Principal Emerging Blue Chips Fund-Regular Dividend	10	9,784	168	168		
Total — B			5,162	5,218		
Total — (A + B)			27,654	29,567		
Less: Provision for diminution in the Value of Investments			2,363	3,290		
TOTAL			25,291	26,277		
Aggregate Cost of Quoted Investments			22,492	24,349		
Aggregate Cost of Unquoted Investments			5,162	5,218		
Market Value of Quoted Investments			91,954	111,236		
Aggregate Provision for diminution in the value of Investments			2,363	3,290		

Notes Forming Part of the Statement for the year ended 31st March, 2012

		Rs. in Thousand	
		As at 31-03-2012	As at 31-03-2011
NOTE – 5 — CASH AND CASH EQUIVALENTS			
Balance with bank		7,244	3,391
Cash in hand		8	3
	TOTAL	<u>7,252</u>	<u>3,394</u>
<hr/>			
NOTE – 6 — SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)			
Advance Income Tax		6	6
	TOTAL	<u>6</u>	<u>6</u>
<hr/>			
NOTE – 7 — OTHER CURRENT ASSETS (Unsecured, Considered Good)			
Dividend Receivable		45	—
	TOTAL	<u>45</u>	<u>—</u>
<hr/>			
NOTE – 8 — OTHER INCOME			
(a) Dividend Income		2,069	2,413
(b) Net gain on Sale of investments		5	—
(c) Adjustment to the carrying amount of investments		927	—
	TOTAL	<u>3,001</u>	<u>2,413</u>
<hr/>			
NOTE – 9 — OTHER EXPENSES			
Directors Fees		3	2
Auditors' Remuneration:			
Audit Fees		8	3
Reimbursement of Expenses		1	—
		<u>9</u>	<u>3</u>
Miscellaneous Expenses		73	71
	Total	<u>85</u>	<u>76</u>

Notes Forming Part of the Statement for the year ended 31st March, 2012

NOTE – 10 — NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

- (i) Fixed Assets
The Company does not have Fixed Assets.
- (ii) Depreciation
There are no fixed asset hence no depreciation has been provided.
- (iii) Investments
Investments are valued of cost of acquisition plus brokerage and stamp charges. The Company in accordance with Accounting Standard 13 has made a provision for permanent diminution in the value of investments to account for a decline in value of long term investments.
- (iv) Inventories
There are no inventories
- (v) System of Accounting
The Company generally adopts accrual system of accounting on a going concern basis. Dividend income from investments is recognised on accrual basis, as and when the owner gets the right to receive payment.
- (vi) Miscellaneous Expenditure
There are no Preliminary Expenses.
- (vii) Gratuity
Payment of Gratuity Act does not apply.
- (viii) Earnings per Share
Earnings per share has been calculated and disclosed as per the accounting Standard 20 “Earnings Per Share” issued by The Institute of Chartered Accountants of India.
- (ix) System of Accounting Taxes on Income:
 - (a) Current Tax
Provisions for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
 - (b) Deferred Tax
Deferred tax is recognised 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 period(s).
- (x) Provisions and Contingent Liabilities:
 - (a) A provision is recognised when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.
 - (b) A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes Forming Part of the Statement for the year ended 31st March, 2012

2. Contingent liability not provided in respect of Shares partly paid-up Rs. Nil/- (Previous year Rs. Nil) .
3. The Company has no activities other than those of an investment Company and accordingly the segment reporting accounting standard is considered not applicable.

4. Related Party Disclosures

(A) Name of the related party and nature of relationship where control exists:

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
(a) The Industrial & Prudential Investment Company Limited	Holding Company
(b) KSB Pumps Limited	Key management personnel exercise Significant influence.
(c) A.V. Setalvad	Key management personnel.
(d) A.R. Broacha	Key management personnel.
(e) V.C. Vaidya	Individual having significant influence over the enterprise.

(B) Related Party Transaction

					(Rs. in Thousand)
<u>Name of the Related Party</u>	<u>Description of Relationship</u>	<u>Nature of Transaction</u>	<u>Amount of Transaction</u>	<u>Previous year Transaction</u>	<u>Amount Outstanding at the end of the year Debit/(Credit)</u>
A. V. Setalvad	Key Management Personnel	Director's Fees	1	1	—
A. R. Broacha	Key Management Personnel	Director fees	1	1	—
V.C. Vaidya	Individual having significant influence over the enterprise	Director fees	1	—	—
KSB Pumps limited	Enterprises over which key management personnel exercise significant influence.	Dividend Received	1,300	1,625	—

NOTE: (i) There is no provision for doubtful debts as at the end of the year in respect of related parties.

(ii) There are no amounts written off or written back during the year in respect of debts due from or to related parties.

5. Break-up of deferred tax asset as at March 31, 2012

Nature of timing Difference

Carry Forward Loss Rs. Nil (Previous Year Rs. Nil).

6. In the opinion of the Board, the Current assets, Loans, & advance have a value on realisation in ordinary course of business and at least equal to the amount stated in the Balance sheet and Provision for all known liabilities have been made and are adequate.

Notes Forming Part of the Statement for the year ended 31st March, 2012

7. Earning per share

	Current Year	Previous Year
Profit after tax (Rs. in Thousand)	2,915	2,337
Weighted Avg. No. of Shares at the beginning of the Year	5,025	5,025
Weighted Avg. No. of Shares at the end of the Year	5,025	5,025
Face value of each Equity Shares	100	100
Basic/Diluted earning per share	580.07	465.00

8. Previous years figures have been regrouped and rearranged wherever necessary.

SIGNATURES TO NOTE 1 TO 8

As per our report attached

For C. M. GABHAWALA & CO.

Chartered Accountants

FR. NO. 102870W

CA. BIREN C. GABHAWALA

Proprietor

Membership No. 40496

Mumbai, May 9, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

Schedule to the Balance Sheet of a Non-Banking Financial Company

as required in terms of Paragraph 9BB of
Non-Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998

Particulars	(Rs. in lakhs)	
	Amount Outstanding	Amount overdue
Liabilities side: (1) Loans and advances availed by the NBFCs 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 (specify nature) * Please see Note 1 below	NIL	NIL
(2) Break-up of (1)(f) above (Outstanding public deptsits inclusive of interest accrued thereon but not paid): (a) In the form of Unsecured debentures (b) In the form of partly secured debentures i;e; debentures where there is a shortfall in the value of security (c) Other public deposits *Please see Note 1 below	NIL	NIL
Assets side: (3) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below): (a) Secured (B) Unsecured	Amount outstanding	
	NIL	
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards (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) Hypothecation loans counting towards EL/HP activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	NIL	
(5) Break-up of investments: Current investments: 1. Quoted: (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (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 (please speicify)	NIL	

Particulars		(Rs. in lakhs)		
Long Term Investments: (AT COST):				
1.	Quoted:			
	(i) Shares:	(a) Equity	224.92	
		(b) Preference	—	
	(ii) Debentures and Bonds		—	
	(iii) Units of Mutual Funds		—	
	(iv) Government Securities		—	
	(v) Others (please specify)		—	
2.	Unquoted:			
	(i) Shares:	(a) Equity	—	
		(b) Preference	—	
	(ii) Debentures and Bonds		—	
	(iii) Units of Mutual Funds		51.62	
	(iv) Government Securities		—	
	(v) Others (please specify)		—	
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and Loans and advances: Please see not 2 below)			
		Amount net of provisions		
	Category	Secured	Unsecured	Total
1.	Related Parties**			
	(a) Subsidiaries			
	(b) Companies in the same group		NIL	
	(c) Other related parties			
2.	Other than related parties			
		TOTAL		
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted: Pleas see note 3 below			
	Category	Market Value/ Breakup or fair Value or NAV	Book Value (Net of Provisions)	
1.	Related Parties**			
	(a) Subsidiaries	—		—
	(b) Companies in the same group	—		—
	(c) Other related parties	640.64		110.08
2.	Other than related parties	330.89		114.84
		TOTAL		
		971.53		224.92
(8)	Other information			
	(i) Gross Non-Performing Assets	NIL		
	(a) Related parties			
	(b) Other than related parties			
	(ii) Net Non-Performing Assets	NIL		
	(a) Related parties			
	(b) Other than related parties			
	(iii) Assets acquired in satisfaction of debt	NIL		

Note:

- As defined in Paragraph 2(1) (xii) of the Non-Banking Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.
- Provisioning norms shall be applicable as prescribes in the Non-Banking Financial Companies Norms (Reserve Bank) Directions 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investment should be disclosed irrespectively of whether they are classified as long term or current in columns (5) above.

NEW HOLDING AND TRADING COMPANY LIMITED

STATEMENT OF NET OWNED FUNDS AS ON MARCH 31, 2012

(Rs. in thousand)

	AMOUNT
i. Paid-up Equity Capital	502
ii. Free Reserves	32,056
iii. Total (i + ii)	32,558
iv. Accumulated balance of loss	—
v. Deferred Revenue Expenditure	—
vi. Other intangible assets	—
vii. Total (iv + v + vi)	32,558
viii. Owned Funds (iii - vii)	—
ix. Investment in shares of:	
a. Subsidiaries	—
b. Companies in the same Group	—
c. Other non-banking financial companies	—
x. The book value of debentures, bonds, outstanding loans and advances made to and deposits with:	
a. Subsidiaries	—
b. Companies in the same Group	—
xi. Total {ix (a) + ix (b) + ix (c) + x (a) + x (b)}	—
xii. Amount of item xi in excess of 10% of item viii above.	—
xiii. Net Owned Funds (viii-xii)	32,558

As per our report attached

For C. M. GABHAWALA & CO.

Chartered Accountants

FR. NO. 102870W

CA. BIREN C. GABHAWALA

Proprietor

Membership No. 40496

Mumbai, May 9, 2012.

For and on behalf of the Board of Directors

A. V. SETALVAD *Chairman*

A. R. BROACHA
V. C. VAIDYA } *Directors*

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

125, MAKER CHAMBERS III,
NARIMAN POINT,
MUMBAI - 400 021
Tel.: 22854243

Dear Sir/Madam

Pursuant to the Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs (MCA) vide Circular dated 21/04/2011 we proposed to send the Notice/Annual Report/documents through electronic mode to our shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

To Support this green initiative in full measure, shareholders who have not registered their e-mail addresses, so far, are requested to do so in respect of electronic holding with the Depository through their concerned Participants. Shareholders who hold shares in physical form are requested to fill and send the 'e-Communication Registration Form' to the Company at its Registered Office or to its Registrar & Transfer Agent: Link Intime India Pvt. Ltd., C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bandup (W), Mumbai - 400 078. Email ID: rnt.helpdesk@linkintime.co.in for sending the future communication through Email.

Please note that, even if you subscribe to the e-mail option, the Company shall furnish, without charge, copy of Notice-Annual Report and other documents upon receipt of a requisition from you, at anytime, as a Shareholder of the Company.

We are sure you would join the Company in making the "Green Initiative" of MCA a grand success.

Thanking You,

For and on behalf of the Company,

A. V. Setalvad
Chairman

Mumbai, May 18, 2012

E-COMMUNICATION REGISTRATION FORM

To,
Link Intime India Private Limited,
Unit: The Industrial & Prudential Investment Co. Ltd.
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bahndup (West),
Mumbai - 400 078.

Dear Sir/Madam,

Re.: Green initiative in Corporate Governance

I agree to receive all documents like notices, annual reports etc. from the Company in electronic mode. Please register my e-mail Id in your records for sending all the notices/documents etc. through e-mail.

Folio No./DPID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

.....

.....

E-Mail ID :

Date:..... Signature of the 1st Shareholder

Note:

- Shareholders are requested to keep Company informed as and when there are any changes in the e-mail address. Unless the e-mail Id given is changed by you, by sending another communication in writing, the Company will continue to send the notices/documents to you on the above mentioned e-mail ID.
- If shares are held electronic mode, kindly register your e-mail ID with your DP.

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

Registered Office:
125, Maker Chambers III, Nariman Point, Mumbai - 400 021.

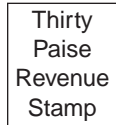
PROXY FORM ANNUAL GENERAL MEETING

I/We.....of in the district ofbeing a member/members of the above named Company, hereby appoint of.....in the district of or failing him.....of in the district ofas my/our proxy to attend and vote for me/us on my/our behalf at the eighty seventh annual general meeting of the Company to be held on, the **2nd August, 2012** at 3.30 p.m. at Indian Merchant Chambers, Walchand Hirachand Hall, 4th floor, IMC Marg, Churchgate, Mumbai-400 020 and at any adjournment thereof.

Signed at.....this.....day of 2012

L. F. No.

Address



.....
Signature

This form is to be used *in favour of/ *against the Resolution. Unless otherwise instructed, the proxy will act as he thinks fit. *Strike out whichever is not required.

Note: The proxy form duly signed across the revenue stamp of 30 paise must reach the Company's Registered Office not less than 48 hours before the time of the meeting.

..... Tear off

THE INDUSTRIAL & PRUDENTIAL INVESTMENT COMPANY LIMITED

ATTENDANCE SLIP

I hereby record my presence at the EIGHTY SEVENTH ANNUAL GENERAL MEETING of the Company on, the 2nd August, 2012 at 3.30 p.m. at Indian Merchant Chambers, Walchand Hirachand Hall, 4th floor, IMC Marg, Churchgate, Mumbai-400 020.

Full name of the Member
(in block letters)

Folio No.

.....
Signature

Full name of Proxy
(in block letters)

.....
Signature

Note: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Hall.