



Growth

Strength

Leadership

Vision

Customers are at the center of everything we do – and that is reflected in Golden Goenka's vision and it is focused on improving our performance for the customers' aspirations. While this vision defines the ultimate destination, it also serves as the roadmap to guide our daily decisions for the benefit of all Golden Goenka stakeholders.

g r o w t h

g | o | b | a | l





The remarkable thing is we have a choice everyday regarding the attitude we will embrace for that day and the way towards our growth we strive for. The only thing we can do is play on the one string we have, and that is our attitude and the result will be a sustained growth.

“Before You Can Multiply, You Must First Learn to Divide.” The idea is that if you want to grow your business, you must learn to partner with others – and give them a slice. This means you take a smaller slice of a bigger pie.”

Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth. Trade has been a cornerstone of our growth and global development. But we will not be able to sustain this growth if it favors the few, and not the many.



Mission

Our roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

- Benefits to our customers to be the first objective of our existence
- To maintain transparency at all levels of our operations
- To achieve pre-defined goals with maximum satisfaction to all the stakeholders
- Aim to be at the top, yet, continue to be humble.

A hand holding a glowing globe over a map with a telescope. The globe is illuminated from below, casting a warm glow. The map is an old-style map with various geographical labels. A telescope is positioned in the foreground, pointing towards the globe. The overall scene is set against a dark, teal background.

any place
any time



big
results

"We agree that a business should make money, but money is not the only thing that a business should make. We are committed to build an organization made up of the finest professionals while respecting our Indian values and ethos."

Dear Golden Goenka | **Shareholders** : On behalf of the members of the board and myself, it brings me great pleasure to welcome you to AGM. I would like to briefly cover the most significant achievements and developments related to your company this year.

India's status as an economic power has been reinforced with the stability with which regulators of the Indian economy have absorbed and managed the global financial crisis; while the entire financial world was on the brink of disaster, India has stood its ground as a resilient economy.

In this era of turmoil Golden Goenka stood firm and 2011-2012 proved to be a year of consolidation and turnaround for us. The company reinvented itself and went on for a new look logo. An exceptional year marked with consolidation and steady growth, market expansions and strategic forays into new business segments. A year, that made excelling a work ethic at Golden Goenka.

At Golden Goenka, the future is chalked out and ready to grow aggressively through market expansions and explore new business segments with innovative strategies, to be amongst the industry leaders in the chosen segments, to move forward and ahead. We are fully aware that the opportunities in the Infrastructure and real estate will be many and diverse in nature.

While this provides impetus for our sustainable growth, your company is also duly careful that from amongst the multiple choices of attractive



businesses available we always make the right choice. Your company's business model and its risk management policies and mechanisms are being constantly reviewed and upgraded to ensure this.

The entire Golden Goenka team is dedicated to make the Golden Goenka brand synonymous with successful infrastructure and real estate financing in India. Golden Goenka signifies this quality of going in quite the same way we have done in our previous forays; while we have faced many highs and lows in our journey so far, we have weathered each storm with grace and grit, coming out stronger after each event. Today, we are poised for growth and are best positioned to capitalize on urban real estate growth which India is witnessing.

I personally believe that what we value most are our invisible assets, perseverance and integrity. Across the Group, we inspire trust, integrity and transparency in all our business



dealings. Our employees are actively encouraged to think, evolve and act, as individual development is the key to our success. Investing in people's ideas adds value, and endows them with the passion to make a difference.

We agree that a business should make money, but money is not the only thing that a business should make. We are committed to build an organization made up of the finest professionals while respecting our Indian values and ethos.

The company's proposed range of retail financial products and excellent services is fairly exhaustive to meet up the coming challenges. The company also emphasizes to develop innovative products and services that attract its Customers, Increase its market share as NBFC and financial services industry by following a disciplined growth strategy focusing on balancing quality and volume growth while delivering high quality customer service, maintain reasonably good standards for asset quality through disciplined credit risk management; and continue to develop products and services that reduce its cost of funds;

and Focus on healthy earnings growth with low volatility.

This year has also been a year focus on strengthening our core. We do believe that the process of strengthening our core will continue well in to the financial year 2012-2013



I personally believe that what we value most are our invisible assets, perseverance and integrity. Across the Group, we inspire trust, integrity and transparency in all our business dealings. Our employees are actively encouraged to think, evolve and act, as individual development is the key to our success. Investing in people's ideas adds value, and endows them with the passion to make a difference.

and perhaps the year after as well. The focus of this initiative is to improve customer service whilst also improving portfolio quality. We are doing this by improving our internal processes, strengthening our technology platform and investing significantly in terms of training our people.

The Company recognizes that talent management is a constantly evolving discipline which needs to engage with a dynamic environment. Built on an entrenched set of core principles, the Company's HR policies are designed to ensure that it remains the employer of choice. Compensation packages have been revised to ensure that superior resources are sufficiently incentivized to join and stay with the company. The Company also offers an unmatched canvas of professional opportunity for growth and development.

We are on the right track with our strategy for **Growth, wealth & Success** for the company, its stakeholders and employees.

At Golden Goenka this turnaround year has provided us with a great learning. When you try to surmount challenges that most believe is impossible, you go beyond what you had hitherto believed it is possible and therein lies the truth of a turnaround.

All our past and future achievements are made possible due to many partners in success; the personnel at Golden Goenka, our shareholders, our customers, affiliated partners and sister companies. We are determined to draw new paths towards constructing of self-sustainable prosperous societies for a better and more comfortable life.

Best Wishes

CA **G L Goenka**

we multiply wealth





“To attract money, you must focus on wealth.

It is impossible to bring more money into your life when you are noticing you do not have enough, because that means you are thinking that you do not have enough.”

“The sun shines on the rich and the poor alike. But when it comes to rain, the rich have better houses.” Now is the time we must take a leap and cross the barriers to crave for wealth. This is the moment when we must build on the wealth that open markets have created, and share its benefits more equitably.

Wealth, like happiness, is never attained when sought after directly. It comes as a by-product of providing a useful service.

Our services are synonym to wealth.



1993 Incorporation as private limited company

1994 Converted into Public Limited Co.

1995 IPO

1998 Regd. As a NBFC

2010 Change in management

2011 Preferential allotment

2011 Approval of Right Issue upto ₹131 crores.

mile stones

great
achievements

2012 Interim Dividend

2012 Issue of Non Convertible Debentures aggregating to ₹ 50 crores.

2012 Issue of 0% optionally convertible debentures for ₹70 crores.

Core Values

Integrity

We at Golden Goenka take the word integrity to heart, to the extent that ethics, honesty and respect are upheld as the most important considerations in the business decisions we make.

Ethics

Golden Goenka is committed to conducting its business in an ethical and lawful manner. The reputation of Golden Goenka is a valuable business asset, ethical and legal conduct at all levels of our business is essential for our continued success.

Transparency

Golden Goenka is geared to express the company's focus on transparent and responsible customer-orientation and its transformation into a national player. Golden Goenka believes in the philosophy of central balance, harmony and unity.

Quality

Quality is the cornerstone of Golden Goenka's promise to customers, and a basic requirement of competitiveness. Our associates are deeply ingrained in quality processes to ensure that customers receive consistent, excellent quality in all we deliver.

Passion

At Golden Goenka we strive to be a winner and to nurture within ourselves the desire to excel.

At Golden Goenka we respect every individual and inspire to achieve high standards in our operations.

Respect & Empowering Work Environments

Our success is dependent upon the collective energy and intelligence of all of our Team Members. We strive to create a work environment where motivated Team Members can flourish and succeed to their highest potential. We appreciate effort and reward results.

Open & Timely Information

We believe knowledge is power and we support our Team Members' right to access information that impacts their jobs. We also recognize everyone's right to be listened to and heard regardless of their point of view.

Su goals ccess



.....◆.....

One secret of success in life is to be ready for opportunity when it comes and the most important single ingredient in the formula of success is knowing how to get along with people.

Goals are the first step to business success. "If you go to work on your goals, your goals will go to work on you. If you go to work on your plan, your plan will go to work on you. Whatever good things we build end up building us."

Success depends above all, upon people Build Relationships, Teams, Partnerships and motivate people to contribute, Cultivate leadership, creativity, excellence, Listen, Seek new ideas and advice. This is what we at Golden Goenka have mastered over the time.

.....◆.....

Board of Directors



CA G. L. Goenka
Chairman & Managing Director



CA CS Shreemohan Kothari
*Non-Independent
Professional Director*



Mr. Dinesh Burman
Executive Director



CA Arun Goenka
Independent Director



Mr. Niranjana Choraria
Independent Director



Mr. Rhythm Arora
Independent Director

Chief Operating Officer



CA Suresh K Vijayvergia

Company Secretary



CS Biswanath Mukherjee

Chief Financial Officer



CA Shiv Kumar Dabriwala

Statutory Auditors

Haribhakti & Co.
Chartered Accountants

Vasudev & Associates
Chartered Accountants

Bankers

HDFC Bank
Standard Chartered Bank
United Bank of India

Internal Auditors

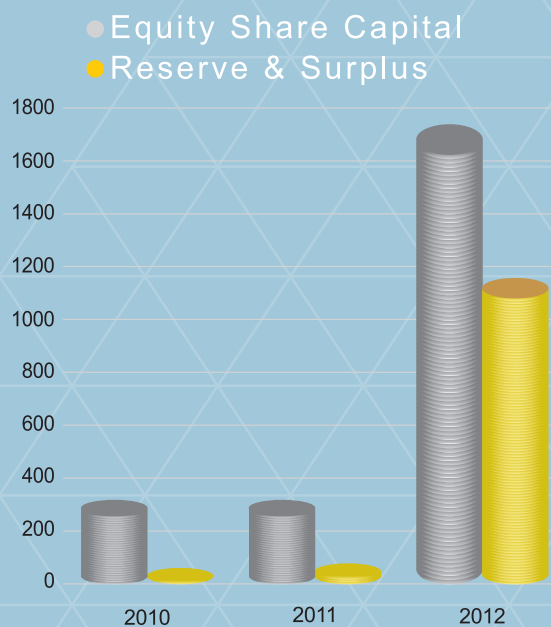
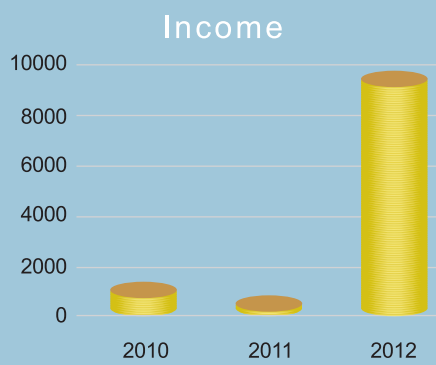
Sharad Mohata & Co.
Chartered Accountants

Registrar & Share Transfer Agents

Niche Technologies Pvt. Ltd.
D511, Bagree Market
71, B.R.B. Basu Road, Kolkata 700 001
Phone No. : 03322357270/7271
Fax: 03322156823
Email : nichetechpl@nichetechpl.com

Financial Highlights

Financial Highlights





Notice

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Golden Goenka Fincorp Limited will be held on Wednesday, the 22nd day of August, 2012 at Manthan (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 at 10.00 A.M. to transact the following businesses:

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare interim dividend as final dividend on equity shares.
3. To appoint Auditors and to authorize the Board of Directors or Committee thereof to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

“RESOLVED THAT M/s Vasudeo & Associates, Chartered Accountants (Registration No. 319299E) and M/s Haribhakti & Co., Chartered Accountants (Registration No. - 103523W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors or committee thereof.”

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :
 “RESOLVED THAT Mr. S. M. Kothari be and is hereby appointed as a Director of the Company liable to retire by rotation.”
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :
 “RESOLVED THAT Mr. Arun Goenka who was appointed a Director of the Company on 27th June, 2012 in casual vacancy caused by resignation of Mr. G.S. Mehta be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals, if any, as may be required, Mr. Dinesh Burman be and is hereby appointed as the Whole-time Director designated as Executive Director of the Company for a period of three years w.e.f 30.05.2012 at a remuneration and on the terms and conditions set out below.”

- A. Basic Salary- ₹ 17000/- per month.
- B. Perquisites & Allowances-
 - i. House Rent Allowance-50% of the Basic Salary.
 - ii. Medical Reimbursement – ₹ 15000/- per annum
 - iii. Leave Travel Concession equal to 1(One) month Basic Salary.
 - iv. Encashment of unavailed leave as per the Rules of the Company at the time of retirement/cessation of service.

The said perquisites and allowances shall be evaluated wherever applicable, as per the Income tax Act, 1961 or any rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force). In absence of any such rules, perquisites and allowances shall be evaluated as per actual.

The term “Family” means the spouse and the dependent children of the Executive Director.

The Executive Director shall not be paid any sitting fees for attending the meetings of the Board of Directors of the Company or any Committees thereof.

The remuneration payable to the Executive Director by way of salary, perquisites and allowances shall not however exceed the ceiling limit as prescribed under Schedule XIII of the Companies Act, 1956.

The Remuneration Committee of Directors is entitled to determine and revise the salary, perquisites and allowances payable to the Executive Director at any time, such that the overall remuneration payable shall not exceed the aggregate limit as prescribed under clause A of Section II of Part II of Schedule XIII of the Companies Act, 1956.

The tenure of employment of Mr. Dinesh Burman as Executive Director of the Company may be terminated by the Company by giving notice of 45 days or payment of Salary (Basic) in lieu thereof. In case, the Executive

Notice (Contd.)

Director does not wish to continue with the Company, he should serve a notice period of 90 days prior to date of leaving or should make payment of salary (basic) in lieu thereof.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, then also he shall be paid salary, allowances and perquisites as specified above as minimum remuneration in accordance with the applicable provisions of the Companies Act, 1956."

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

"RESOLVED THAT in accordance with Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof, for the time being in force), the Authorized Share capital of the Company be and is hereby increased from ₹ 700,000,000/- divided into 140,000,000 equity shares of ₹ 5/- each to ₹ 850,000,000/- divided into 170,000,000 equity shares of ₹ 5/- each ranking pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be altered by substituting the following in place of the existing clause:

V. The Authorized Share Capital of the Company is ₹ 850,000,000/- (Rupees Eighty Five Crores Only) divided into 170,000,000 Equity Shares of ₹ 5/- (Rupees Five) each with the power to increase or reduce the same and to divide the share for the time being into several classes and attach thereto respectively such preferential, qualified or special rights and privileges as may be in accordance with the provisions of the Companies Act, 1956 and any amendments thereto."

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

"RESOLVED THAT in accordance with the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, or rules made there under, the Board of Directors of the Company(Board) be and is hereby authorized to contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amounts the aggregate of

which in any financial year shall not exceeds ₹ 1,000,000 (Rupees Ten Lacs only) or 5% of the company's average net profit as determined in accordance with the provisions of sections 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things as it may, in its absolute discretion deem fit to give effect to the resolution".

By Order of the Board of Directors
BISWANATH MUKHERJEE
Company Secretary

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 4th July, 2012

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- The Register of Members and Share Transfer Books will remain closed from Friday the 17th day of August, 2012 to Wednesday the 22nd day of August, 2012 (both days inclusive).
- Members are requested to notify the change in their addresses to the Registrar and Share Transfer Agents, Niche Technologies Pvt. Ltd., Room No. D-511, Bagree Market, 71, B.R.B Basu Road, Kolkata 700001 or to the Company and always quote their Folio No. in all correspondence.
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is attached to this notice as annexure.



Notice (Contd.)

ANNEXURE TO THE NOTICE

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

Item No. 4

Mr. S. M. Kothari was appointed as Additional Director of the Company w.e.f. 06.10.2011 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in terms of Article 93 of Articles of Association of the Company. According to the provision of Section 260 of the Companies Act, 1956 and Article 93 of Articles of Association of the Company he will hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- signifying his intention to propose Mr. S. M. Kothari as candidate for office of Director of the Company.

None of the Directors of Company except Mr. S M Kothari is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Item No. 5

Mr. Arun Goenka was appointed as Director in Casual Vacancy in lieu of resignation of Mr. G S Mehta w.e.f. 27.06.2012 pursuant to the provisions of Section 262 of the Companies Act, 1956 and in terms of Article 94 of Articles of Association of the Company. According to the provision of Section 262 of the Companies Act, 1956 and Article 94 of Articles of Association of the Company he will hold office up to the unexpired term of Mr. G S Mehta who would have hold the office till the ensuing Annual General Meeting had he not vacated. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- signifying his intention to propose Mr. Arun Goenka as candidate for office of Director of the Company.

None of the Directors of Company except Mr. Arun Goenka is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Item No.6

The Board of Directors of the Company at its meeting held on 30th May, 2012 has appointed Mr. Dinesh Burman as

the Whole time Director designated as Executive Director of the Company w.e.f 30th May, 2012 for a period of three years. Mr. Dinesh Burman is Bachelor of Science and Law Graduate having experience in the field of administrative & general corporate matters and related activities. The Remuneration Committee of Directors at its meeting held on 30th May, 2012 has approved the payment of remuneration to Mr. Dinesh Burman.

The appointment and remuneration payable to Mr. Dinesh Burman require approval of the shareholders in terms of Schedule XIII of the Companies Act.1956.

None of the Directors of Company except Mr. Dinesh Burman is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

A copy of the notice with Explanatory Statement and Minutes of the meeting of the Board of Directors and Remuneration Committee of Directors both held on 30th May, 2012 and a copy of the agreement between the Company and Mr. Dinesh Burman in this connection will be kept open for inspection by shareholders at the registered office of the Company situated at 1st British Indian Street, Room No. B-10, Kolkata-700 069 between 2 PM and 4 PM on any working day of the Company.

Item No. 7

The present Authorized Share Capital of the Company is ₹ 700,000,000 /- (Rupees Seventy Crores) divided into 140,000,000 equity shares of ₹ 5/- each. The Company proposes to expand its activities and for this purpose it is required to inter alia raise resources by way of further issue of equity shares. In view of the above, it is proposed to increase the Authorized Share Capital to ₹ 850,000,000/- (Rupees Eighty Five Crores) divided into 170,000,000 equity shares of ₹ 5/- each and amend the Capital Clause of the Memorandum of Association of the Company accordingly.

The Clause V of the Memorandum of Association of the Company is proposed to be altered accordingly to reflect the alteration in the Authorized Share Capital of the Company.

None of the Directors of the Company is concerned or interested in any way in the resolution.

The Directors recommend the resolution for your approval.

Notice (Contd.)

Item No. 8

Your Company is continuously receiving request for donation for various charitable purposes of public utility, etc and to discharge its social obligations, the Company proposes to make donations for such purposes. Keeping in mind the Corporate Social Responsibility of your Company it is desirable to seek the consent of the shareholders of the company at the ensuing Annual General Meeting to contribute any amounts the aggregate of which in any financial year shall not exceeds ₹ 1,000,000 (Rupees Ten

Lacs only) or 5% of the company's average net profit as determined in accordance with the provisions of sections 349 and 350 of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

None of the Directors of Company is concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

ANNEXURE TO THE NOTICE

Information about Directors proposed to be appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges

Name of Director	Mr. S.M. Kothari	Mr. Arun Goenka	Mr. Dinesh Burman
Date of Birth	18/08/1964	10/06/1957	12/03/1957
Date of appointment	06/10/2011	27/06/2012	30/07/2010
Qualification	B.Com, ACA, FCS	FCA	B.Sc, LL.B
Nature of Expertise	More than 24 years of experience in Corporate Laws, Finance, Laws related to NBFC, Taxation and Corporate Administration	More than 25 years of experience in Takeover, Mergers & Acquisitions, Financial Service Industry and related matter.	Experience in administrative and general corporate matters
Directorship in other Public Limited Companies	NIL	NIL	NIL
Name of committees of other companies in which the director is a member	NIL	NIL	NIL
No. of shares held in the Company	NIL	NIL	NIL
Relationships with other Directors	NIL	NIL	NIL

Registered Office:
1st, British Indian Street
Room No. B-10
Kolkata-700069
Dated: 4th July, 2012

By Order of the Board of Directors
BISWANATH MUKHERJEE
Company Secretary



Directors' Report

To
The Members of
Golden Goenka Fincorp Limited,

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts for the year ended 31st March, 2012

Financial Results

(₹ in Lacs)

Particulars	For the year ended March 31st, 2011-12	For the year ended March 31st, 2010-11
Revenue from Operation	9,584.87	443.18
Profit before Bad Debts, Provisions & Tax	131.03	0.03
Profit before Tax	117.51	46.60
Tax Expense	25.24	(0.01)
Profit after Tax	92.27	46.61
Balance brought forward from previous year	5.91	(31.38)
Amount available for appropriation	98.18	15.23
Appropriations:-		
Interim Dividend including Tax	79.03	NIL
Statutory Reserve	18.45	9.32
Balance carried to Balance Sheet	0.70	5.91

OPERATIONS & BUSINESS ACTIVITIES

During the year ended 31st March, 2012 the Company recorded;

- 288% increase in its profit from its financial & related activities.
- 152% increase in its profit before tax
- Disbursement of 3,343 lacs as loan (net).
- Your Company is taking steps to diversify into real estate business and fee based advisory & consultancy services through its subsidiaries.

Your Company achieved Revenue from Operation of ₹ 9,584.87 lacs as against ₹ 443.18 lacs in the previous year and recorded profit before tax of ₹ 117.51 Lacs as against ₹ 46.60 lacs in the financial year 2010-11.

During the year under review the Company has incurred loss from trading in shares. However with the improvement in Capital Market, the Company expects to earn profit from trading in shares during current financial year.

A detailed Management Discussion Analysis Report forms part of this report as Annexure - I

CHANGE OF NAME

The name of your Company changed to Golden Goenka Fincorp Limited with effect from 21st November, 2011.

DIVIDEND

Your Company has paid interim dividend @ ₹ 0.40 per equity share of ₹ 10/- each for the year ended 31st March, 2012.

Your Directors recommend interim dividend to be final dividend for the year ended 31st March, 2012.

Further your company has declared interim dividend @ ₹ 0.20 per equity share of ₹ 5/- each for the financial year 2012-2013.

FIXED DEPOSIT

The Company is a non deposit taking Non Banking Financial Company and therefore has not accepted any public deposit during the year.

ALLOTMENT/LISTING OF SHARES

As reported in the last Directors' Report your Company has allotted 83,40,000 Equity Shares of ₹ 10/- each to promoter and 56,60,000 Equity Shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per Equity Shares on 19th May, 2011. Pursuant to this the paid up share capital of the Company has increased from ₹ 300.02 lacs to ₹ 1700.02 lacs.

The Company has since received approval from BSE Limited and The Calcutta Stock Exchange Limited for listing and dealing of above said 1,40,00,000 Equity Shares of the Company.

OPEN OFFER

Subsequent to preferential allotment of equity shares to Risewell Credit Private Limited (RCPL), one of the Promoter of the Company, RCPL made open offer for the acquisition of 34,00,040 fully paid up equity share of ₹ 10/ each, representing 20% of the expanded Voting Capital of the Company at

Directors' Report (Contd.)

a price of ₹18/ per share payable in cash, in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 from the existing equity shareholders of the Company. RCPL acquired 1278265 equity shares of ₹10/ each (7.52%) through open offer raising its holding in the Company to 58.31%.

NON-CONVERTIBLE DEBENTURES

On 7th March, 2012, the Company has allotted 500000 12.75% Non Convertible Secured Redeemable Debentures of face value of ₹1000/ each (Debentures) aggregating to ₹ 5000 lacs. The debentures were issued on private placement basis and are redeemable after five year from the date of allotment at a premium of 5%.

AUTHORISED CAPITAL AND SUB DIVISION OF SHARES

During the year under review, the Authorised Share Capital of the Company was increased from ₹ 17,50,00,000 (Rupees Seventeen Crores fifty lacs) to ₹ 70,00,00,000 (Rupees Seventy crores) divided into 7,00,00,000 equity shares of ₹ 10/- each.

The equity shares of your Company of face value of ₹ 10/- each has been subdivided into two equity shares of face value of ₹ 5/- each with effect from 4th May, 2012, the record date fixed for the purpose. Subsequent to sub-division of equity share the Authorized Share Capital of the Company is now ₹ 70,00,00,000 (Rupees Seventy crores) divided into 14,00,00,000 equity shares of ₹ 5/- each .

PREFERENTIAL ISSUE OF OPTIONALLY CONVERTIBLE DEBENTURES

Subsequent to the approval of the shareholders of the Company at the Extraordinary General Meeting held on 23rd May, 2012 the Company has issued and allotted on 4th July, 2012 1,75,00,000 Zero Percent Optionally Convertible Debentures of face value of ₹ 40/ each (OCD) aggregating to ₹ 7000 lacs to the Promoters/Promoter Group and Non-Promoters on preferential basis and each OCD on exercise of conversion option shall entitle the holder of OCD to apply for and get allotted two equity shares of face value of ₹ 5/-each fully paid up at any time within a period of eighteen months from the date of allotment.

RIGHTS ISSUE

During the year, the Company vide resolution dated 16th September, 2011, at Annual General Meeting accorded approval to the Board to offer, issue and allot equity shares of ₹ 10/- each, for cash for a sum up to ₹ 131 crores or such sum as may be prescribed by the Board in this regard in the ratio to be determined by the Board and mentioned in the draft letter of offer to be issued by the Company in respect of rights issue. The Company is in the process of executing the proposed rights issue. The Company in the Extraordinary General Meeting held on 23rd May, 2012, informed the

shareholders that the par value per equity share of ₹ 10/- each as mentioned in the resolution dated 16th September, 2011 stands at ₹ 5/- each.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of the requirement of Section 217(2AA) of the Companies Act, 1956 your Directors confirm;

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
3. that the Directors have taken proper and sufficient care 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 the fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

In terms of Clause 49 of the listing agreements with the Stock Exchanges, Report on Corporate Governance along with certificate of compliance from a practicing company secretary confirming compliances to the condition of the Corporate Governance requirement are attached and form part of the Report as Annexure -2.

CORPORATE SOCIAL RESPONSIBILITY

Your Company wishes to contribute liberally towards the welfare and social upliftment of the community. In the business community Corporate Social Responsibility is alternatively referred to as "Corporate Citizenship". Your director proposes to take appropriate initiatives to make your Company a good corporate citizen.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is a Non Banking Financial Company and therefore information relating to Conservation of Energy and Technology Absorption are not applicable.

The Company has neither earned nor used any foreign exchange during the year under review.

DIRECTORS

Mr. M. P. Srivastawa and Mrs. Nitu Kaur Directors of the Company resigned w.e.f 9th November, 2011. The Board



Directors' Report (Contd.)

places on record its high appreciation of the valuable services rendered by Mr. M. P. Srivastawa and Mrs. Nitu Kaur during their tenure as Directors of the Company.

Mr. Vivek Goenka, Managing Director of the Company resigned w.e.f 23rd November, 2011. The Board places on record its high appreciation of the valuable services rendered by Mr. Vivek Goenka during his tenure as Managing Director of the Company.

Mr. G S Mehta, Director of the Company resigned w.e.f 27th June, 2012. The Board places on record its high appreciation of the valuable services rendered by Mr. G S Mehta during his tenure as Director of the Company.

Mr. S. M. Kothari, was appointed as Additional Director of the Company w.e.f 06th October, 2011.

Mr. N. K. Choraria in place of Mr. M. P. Srivastawa and Mr. Rhythm Arora in place of Mrs. Nitu Kaur were appointed directors in casual vacancy with effect from 9th November, 2011 and 21st November, 2011 respectively.

Mr. Arun Goenka, was appointed as director in casual vacancy with effect from 27th June, 2012 in place of Mr. G. S. Mehta.

Mr. S. M. Kothari holds office till the ensuing Annual General Meeting and is eligible for reappointment.

Mr. Arun Goenka holds office till the ensuing Annual General Meeting and is eligible for reappointment.

Mr. G. L. Goenka was appointed as the Managing Director of the Company w.e.f 23rd November, 2011 for a period of three years. The shareholders of the Company have approved the appointment of Mr. G. L. Goenka as the Managing Director of the Company through postal ballot on 24th March, 2012.

Mr. Dinesh Burman was appointed as the Executive Director of the Company w.e.f 30th May, 2012 for a period of three years.

AUDITORS

M/S Haribhakti & Co., Chartered Accountants, were appointed Joint Auditors of the Company till the conclusion of the forthcoming Annual General Meeting by the shareholders of the Company through postal ballot on 24th March, 2012 and are eligible for reappointment.

M/S Vasudeo & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

AUDITORS' OBSERVATIONS

The observations of the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comments.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was in receipt of remuneration up to or in excess of the amount prescribed

under Section 217(2A) of the Companies Act, 1956 read with (Particulars of Employees) Rules, 1975.

SUBSIDIARIES

Golden Goenka Properties & Construction Private Limited (GGPCPL), Golden Goenka Management Consultancy Services Private Limited (GGMCSPL) and Golden Goenka Financial Advisors Private Limited (GGFAPL) have become wholly owned subsidiaries of the Company. GGPCPL has been incorporated with the object of carrying business inter alia of real estate, GGMCSPL has been incorporated with the object of carrying business inter alia of management consultancy and GGFAPL has been incorporated with the object of carrying business inter alia of financial advisory services.

As per general exemption granted vide Government of India, Ministry of Corporate Affairs' general circular no. 2/2011 dated 8th February, 2011, the Company has not attached the annual accounts of its all the three subsidiaries to this Annual Report. As required by the said circular, the relevant information for each subsidiary has been disclosed in the consolidated financial statements attached to this Annual Report.

The Company will make available the annual accounts of subsidiaries and the related information to any member of the Company who may be interested in obtaining the same. The annual accounts of subsidiaries will also be kept for inspection by any member of the Company at the registered office of the Company and that of respective subsidiaries. The Consolidated financial statements presented by the Company include the financial information of its subsidiaries.

ACKNOWLEDGEMENTS

Your Directors thank the shareholders and customers for the confidence reposed by them in the Company and also wish to record the appreciation for the services and sincere efforts of the Employees, Bankers, Registrar and Share Transfer Agents of the Company.

Kolkata
4th July, 2012

For and on behalf of the Board of Directors
CA G.L. Goenka
 Chairman & Managing Director

Annexure - I to the Directors' Report Management Discussion And Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2011-12 was a challenging year for Indian economy. The Indian economy saw moderation in economic activity during fiscal 2012, following domestic macroeconomic conditions of high interest rates and slowdown in investments. The Indian economy grew by 6.9 per cent in 2011-12., after having grown at the rate of 8.4 per cent in each of the two preceding years. This indicates a slowdown. With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. Inflation was high during most of the last fiscal year, though by the year's end there was a slowdown. Monetary policy was tightened by the Reserve Bank of India during the year to control inflation and curb inflationary expectations. The weak global economic prospects and continuing uncertainties in the international financial markets have had their impact on India. Sovereign risk concerns, particularly in the euro area, affected financial markets for the greater part of the year. The funding constraints in international financial markets could impact both the availability and cost of foreign funding for banks and companies, since the Indian financial system is bank dominated and banks' ability to withstand stress is critical to overall financial stability.

OPPORTUNITIES & THREATS

The Indian economy is expected to improve during the current financial year. The forecast of GDP growth rate for 2012-13 is 7.6% +/- 0.25% as compared to 6.5% in 2011-12. There is indication of reduction in interest rates and inflation. Further industrial growth is likely to improve during the year 2012-13 which augurs well for the Company. However continuing uncertainty in the global market, higher trade deficit, weakening of rupee vis-a- vis major foreign currency may impact the financial market.

The Company has taken decisive steps to withstand the uncertainty of financial market by raising long term funds.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Based on the risks and returns associated with business operations the company is predominantly engaged in 'Trading' and 'Financing & related Services' as primary reportable segments.

Segment wise performance is as under:-

Particulars	(₹ in Lacs)	
	Year ended 31.03.12	Year ended 31.03.11
Net Sales/Income from Segments		
Trading	9,165.43	430.95
Financing & related Services	435.40	12.30
Corporate (Unallocated)	0.05	-
Total	9,600.88	443.25
Profit/(loss) from segments		
Trading	(1.79)	8.19
Financing & related Services	228.70	58.86
Corporate (Unallocated)	(109.40)	(20.45)
Profit before Tax	117.51	46.60
Capital Employed		
Trading	1,496.58	377.70
Financing & related Services	6,712.66	102.97
Corporate (Unallocated)	346.13	49.90
Total	8,555.37	530.57



Annexure - I to the Directors' Report Management Discussion And Analysis Report (Contd.)

OUTLOOK

The Index of Industrial Production has been on a declining trend. The index of industrial production was lower at 2.80% in this year compared to 7.8% in the previous year. The continuing high interest rates and increased input costs over the past year has already started exerting pressure on corporate and retail borrowers alike.

In the expected scenario of low to moderate growth, continuing high inflation and higher interest cost, your Company will continue to strive for meaningful growth, focusing as always on superior credit quality, a balance portfolio mix and efficient cost management, in order to sustain profitability.

Your company's mission is to be sound NBFC among regional players in terms of product offerings, technology, service levels, risk management, audit and compliance etc. The objective is to continue building sound customer /franchises across distinct businesses so as to be a preferred provider of NBFC services for its target retail and customer segments, and to achieve a healthy growth in profitability, consistent with the company's risk appetite. The company's range of retail financial products and excellent services is fairly exhaustive to meet up the coming challenges. The company also emphasizes to develop innovative products and services that attract its Customers, Increase its market share as NBFC and financial services industry by following a disciplined growth strategy focusing on balancing quality and volume growth while delivering high quality customer service, maintain reasonably good standards for asset quality through disciplined credit risk management; and continue to develop products and services that reduce its cost of funds; and focus on healthy earnings growth with low volatility.

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

There are ample opportunities in retail loan segment of business like Housing loan, Education Loan Medical Loan etc. where the Company can enter, sustain and grow because of our unique combination of various resources and expertise. Your Company's well defined systems & procedures would emerge as leader in retail credit.

RISK MANAGEMENT

Risks to a varying degree, is inevitable in all business transactions in an organization which is in financial services. Your Company, being in the business of financing and investment has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk and operational risk. Hence, strong risk management capabilities are critical for a growing company operating in a rapidly changing environment.

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

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

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



Annexure - I to the Directors' Report Management Discussion And Analysis Report (Contd.)

INTERNAL CONTROL SYSTEM

Your Company's internal control system is geared towards ensuring adequate internal controls to meet the increasing size and complexity of business for safeguarding the assets of the company and to meet with the compliances. The Company has established procedures including a clear delegation of authority and standard operating procedures (sop) for all business parts. The internal audit program focuses primarily on checks and controls on systems and processes, monitoring compliances, continuous upgrade of controls and the current business risk assessment. The critical audit observations are shared with the audit committee on a quarterly basis for an effecting monitoring of controls and implementation of recommendations.

FINANCIAL PERFORMANCE

During the year your Company achieved revenue from operations of ₹ 9584.87 lacs as against ₹ 443.18 lacs in the previous year and recorded profit before tax of ₹ 117.51 lacs as against ₹ 46.60 lacs in the financial year 2010-11.

HUMAN RESOURCES

Your Company believes that its greatest assets are its people and training is an investment in long term people development, for organizational excellence. During the year under review, your Company has taken several new initiatives to ensure that the knowledge and wisdom gained over period is handed down to the next generation of employees.

Kolkata

Date, 04th July, 2012

For and on behalf of the Board of Directors

CA G.L. Goenka

Chairman & Managing Director



Annexure - II to the Directors' Report Report On Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of complete transparency and accountability by providing detailed information on various issues concerning the Company's business and financial performance to its shareholders.

The Board of Directors (Board) considers itself as the trustee of its shareholders. During the year under review, the Board continued its pursuit by adopting corporate strategies and prudent business plans. The Company followed adequate monitoring system to safeguard against major risk and to ensure implementation of policies and procedures to satisfy its social, legal and ethical responsibilities.

II. BOARD OF DIRECTORS

(a) Composition of the Board:

The Board of Directors comprises of two Executive Directors and four Non-Executive Directors. Non-Executive Directors constituted more than half of the total number of Directors. Three out of the Six Directors are Independent Directors which duly complied with the requirement of Clause 49 of the Listing Agreement. The Company has an Executive Chairman who is also promoter of the Company.

The information on composition of the Board as on date, category of Directors, Directorships in other Public Limited Companies and Committees of other public Limited Companies of which the Director is a member/chairman, is as under:

Name of the Directors	Category of Directors	No. of Directorships held in other Public Limited Companies	No. of other Board Committee(s) of which he is a Member	No. of other Board Committee(s) of which he is a Chairman
Mr. G. L. Goenka	Chairman & Managing Director - Promoter	NIL	NIL	NIL
Mr. S. M. Kothari	Non Independent Non-Executive	NIL	NIL	NIL
Mr. Dinesh Burman	Executive Non-Independent	NIL	NIL	NIL
Mr. Arun Goenka	Non-Executive Independent	NIL	NIL	NIL
Mr. N. K. Choraria	Non-Executive Independent	NIL	NIL	NIL
Mr. Rhythm Arora	Non-Executive Independent	NIL	NIL	NIL

Report On Corporate Governance (Contd.)

(b) Number of Board Meetings:

During the financial year 2011-12, eleven meetings of the Board of Directors were held on 19.05.2011, 30.05.2011, 04.08.2011, 16.09.2011, 06.10.2011, 09.11.2011, 21.11.2011, 08.12.2011, 04.02.2012, 15.02.2012 and 14.03.2012 respectively.

The information on attendance at Board Meetings held during the year and at the last Annual General Meeting is as under:

Name of the Directors	Board meetings			Attendance at last Annual General Meeting
	Held during the year	Held during the tenure	Attended	
Mr. G. L. Goenka	11	11	10	YES
Mr. S. M. Kothari (w.e.f 06.10.2011)	11	6	6	Not Applicable
Mr. Dinesh Burman	11	11	11	YES
Mr. G. S. Mehta (resigned w.e.f 27.06.2012)	11	11	4	NO
Mr. N. K. Choraria (w.e.f 09.11.2011)	11	5	5	Not Applicable
Mr. Rhythm Arora (w.e.f 21.11.2011)	11	4	1	Not Applicable
Mr. Madhusudan Prasad Srivastawa (resigned w.e.f 09.11.2011)	11	5	3	NO
Mrs. Nitu Kaur (resigned w.e.f 09.11.2011)	11	5	2	NO
Mr. Vivek Goenka (resigned w.e.f 23.11.2011)	11	7	7	YES
Mr. Arun Goenka (w.e.f 27.06.2012)	11	Not Applicable	Not Applicable	Not Applicable

III. AUDIT COMMITTEE

a) The term of reference of Audit Committee includes the matters specified under Clause 49 of the Listing Agreement.

Terms of Reference

The role and power of the Audit Committee includes:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation in respect of appointment, re-appointment and removal of statutory and internal auditors, fixation of audit fees and approval for payment for any other services rendered by statutory & internal auditors.
3. Review of the quarterly and annual financial statements before submission to the Board.
4. Review and discussions with statutory and internal auditors, in respect of the internal control/audit systems, internal audit reports, management letters of internal control, weaknesses, adequacy of internal control systems and improvement therein.
5. Review of finding/observations of the internal auditors into matters of irregularity or suspected fraud and reporting the matter to the Board.



Report On Corporate Governance (Contd.)

6. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, creditors and shareholders (in case of non-payment of declared dividend)
 7. To seek information from any employee, access to records of the Company and investigate any activity relating to financial matters.
 8. To seek outside legal and / or professional advice.
 9. Pre-audit and post-audit discussions with statutory auditors to ascertain the nature, scope and any specific area of concern.
 10. Review of management discussion and analysis of financial condition and results of operations and statements of related party transactions.
- b) During the financial year 2011-12 seven Audit Committee Meetings were held on 30.05.2011, 04.08.2011, 06.10.2011, 08.11.2011, 04.02.2012, 15.02.2012 and 14.03.2012.

The composition of Audit Committee as on date is as under:

Name of the Directors	Positions Held	No of Meetings Held	No of Meeting Attended
Mr. Dinesh Burman (upto 21.11.2011)	Member	7	4
Mr. Madhusudan Prasad Srivastawa (Resigned w.e.f 09.11.2011)	Member	7	4
Mrs. Nitu Kaur (Resigned w.e.f 09.11.2011)	Member	7	4
Mr. N. K. Choraria (w.e.f 09.11.2011)	Chairman	7	3
Mr. S. M. Kothari (w.e.f 09.11.2011)	Member	7	3
Mr. G S Mehta (Resigned w.e.f 27.06.2012)	Member	7	2
Mr. Rhythm Arora (w.e.f 21.11.2011)	Member	7	1
Mr. Arun Goenka (w.e.f 27.06.2012)	Member	7	Not Applicable

Three members of the Audit Committee are Independent Directors. The composition of the committee is in conformity with clause 49II(A) of the Listing Agreement. The Statutory Auditors are regular invitee. The Company Secretary acts as the Secretary of the committee.

IV. NOMINATION COMMITTEE

- a) During the financial year 2011-12 three Nomination Committee Meetings were held on 06.10.2011, 09.11.2011 and 21.11.2011.
- b) The composition of Nomination Committee as on date is as under:

Name of the Directors	Positions Held	No of Meetings Held	No of Meeting Attended
Mr. Dinesh Burman	Chairman	3	3
Mr. G. S. Mehta (Resigned w.e.f 27.06.2012)	Member	3	3
Mr. N. K. Choraria (w.e.f 25.04.2012)	Chairman	3	Not Applicable
Mr. Rhythm Arora (w.e.f 25.04.2012)	Member	3	Not Applicable
Mr. Arun Goenka (w.e.f 27.06.2012)	Member	3	Not Applicable

Report On Corporate Governance (Contd.)

V. REMUNERATION COMMITTEE

The composition of the Remuneration Committee as on the date of report is as follows:

Name of the Directors	Positions Held	No of Meetings Held	No of Meetings Attended
Mr. Dinesh Burman	Chairman (upto 30.11.2011)	1	1
Mr. G. S. Mehta (resigned w.e.f. 27.06.2012)	Chairman (w.e.f. 01.12.2011)	1	1
Mr. N. K. Choraria (w.e.f. 09.11.2011)	Member	1	1
Mr. Rhythm Arora (w.e.f. 01.12.2011)	Member	1	Not Applicable
Mr. Arun Goenka (w.e.f 27.06.2012)	Member	1	Not Applicable

Mr. Dinesh Burman ceased to be member of the committee w.e.f. 1st December, 2011. All members of the Remuneration Committee are Independent Directors. The Company Secretary acts as the Secretary of the Committee.

During the year under review one meeting of the Remuneration Committee was held on 21st November, 2011 for recommending the remuneration of Mr. G. L. Goenka, Managing Director of the Company. The Company pays monthly remuneration to Managing Director. The employment of the Managing Director is contractual in nature and is terminable by the Company by giving notice of 45 days or payment of salary (Basic) in lieu thereof. In case, the Managing Director does not wish to continue with the Company, he should serve a notice period of 90 days prior to date of leaving or should make payment of salary (basic) in lieu thereof.

Apart from making payment of sitting fees for attending the Board meetings and defraying expenses for attending such meetings and other traveling expenses incurred wholly and exclusively in attending to Company's work, no remuneration in any form is paid to Non-Executive Directors.

Remuneration paid to Directors during the financial year ended 31st March, 2012 is as under:

Non- Executive Directors

(Amount in ₹)

Name of the Directors	Sitting fees paid
Mr. Girdhari Lal Goenka (upto 22.11.2011)	35,000
Mr. Dinesh Burman	65,000
Mr. G. S. Mehta	26,000
Mr. Madhusudan Prasad Srivastawa	18,000
Mrs. Nitu Kaur	13,000
Mr. S. M. Kothari	36,000
Mr. N. K. Choraria	29,000
Mr. Rhythm Arora	6,000

Remuneration paid to Executive Directors

(Amount in ₹)

Name of the Directors	Remunerations	
Mr. G. L. Goenka (Managing Director w.e.f 23.11.2011)	Salary	- 5,12,000
	Perquisites	- NIL
	Other Allowances	- 2,56,000
Mr. Vivek Goenka (Managing Director up to 22.11.2011)	Salary	- 2,32,000
	Perquisites	- NIL
	Other Allowances	- NIL



Report On Corporate Governance (Contd.)

VI. SHAREHOLDERS' GRIEVANCES COMMITTEE :

- i) Name of Non Executive Director heading the committee : Mr. S. M. Kothari
- ii) Name & Designation of Compliance Officer: Mr. Biswanath Mukherjee, Company Secretary.
- iii) Number of shareholder's queries received during the year : Four
- iv) Number of pending complaints : Nil

VII. RIGHTS ISSUE COMMITTEE

The composition of the Rights Issue Committee as on the date of report is as follows:

Name of the Directors	Positions Held	No of Meetings Held	No of Meeting Attended
Mr. G. L. Goenka	Chairman	1	1
Mr. S. M. Kothari	Member	1	1
Mr. Vivek Goenka (Resigned w.e.f 23.11.2011)	Member	1	1

VIII. SUBSIDIARY COMPANIES

The Company has three wholly owned non-material non listed Indian subsidiaries.

IX. CEO/CFO CERTIFICATION

As required by Clause 49V of the Listing Agreement, the CEO/CFO Certificate signed by Mr. G. L. Goenka, CEO and Mr. Shiv Kumar Dabriwala, CFO was placed before the Board of Directors at its meeting held on 30th May, 2012.

X. GENERAL BODY MEETING

a) Location and time of the last three AGMs/EGMs held:

AGM/EGM	Date	Venue	Time
18th AGM	16-09-2011	Manthan (Banquet Hall), 3, Waterloo Street, Kolkata- 700069	10.30 AM
17th AGM	27-09-2010	12A, S. N. Roy Road, Kolkata-700038	10.00 AM
16th AGM	23-09-2009	12A, S. N. Roy Road, Kolkata-700038	10.00 AM
EGM	23-05-2012	1st, British Indian Street, 1st Floor, Room No. 109 Kolkata – 700069	10.30 AM
EGM	12-10-2011	Manthan (Banquet Hall), 3, Waterloo Street Kolkata- 700069	10.30 AM
EGM	27-04-2011	1st, British Indian Street, Room No. B-10 Kolkata – 700069	10.00 AM

b) Whether any special resolution was passed in the previous 3 AGMs: Yes

Postal Ballot:

During the year one special resolution was passed through Postal Ballot. Mrs. Sweety Kapoor was appointed as the Scrutinizer for the Postal Ballot process. The results of the Postal Ballot were announced by Mr. G. L. Goenka, Chairman & Managing Director on 24/03/2012 and advertised in the newspapers- The Financial Express and Kalantar on 27th March, 2012.

Report On Corporate Governance (Contd.)

Details of Resolution passed through Postal ballot are as follows:

(a) ORDINARY RESOLUTION for Co-Option of M/s Haribhakti & Co., Chartered Accountants, as Joint Auditors of the Company

Voting Pattern

Voting	No. of Shares	Percentage of Total Votes (%)
Votes in favour	1,58,60,465	99.999
Votes against	3	00.001
Total	1,58,60,468	100.00

(b) ORDINARY RESOLUTION for Sub-division of Company's equity share of Rs. 10/- each into two Equityshares of Rs. 5/- each

Voting Pattern

Voting	No. of Shares	Percentage of Total Votes (%)
Votes in favour	1,58,60,465	99.999
Votes against	3	00.001
Total	1,58,60,468	100.00

(c) ORDINARY RESOLUTION for Amendment of Memorandum of Association of the Company

Voting Pattern

Voting	No. of Shares	Percentage of Total Votes (%)
Votes in favour	1,58,60,465	99.999
Votes against	3	00.001
Total	1,58,60,468	100.00

(d) ORDINARY RESOLUTION for Power to create charge and mortgage

Voting Pattern

Voting	No. of Shares	Percentage of Total Votes (%)
Votes in favour	1,58,60,465	99.999
Votes against	3	00.001
Total	1,58,60,468	100.00

(e) SPECIAL RESOLUTION for Appointment of Mr. G. L. Goenka as Managing Director of the Company

Voting Pattern

Voting	No. of Shares	Percentage of Total Votes (%)
Votes in favour	1,58,60,465	99.999
Votes against	3	00.001
Total	1,58,60,468	100.00

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 have been followed for the Postal Ballot conducted during the year.



Report On Corporate Governance (Contd.)

XI. CODE OF CONDUCT

The Board of Directors has adopted the Code of Ethics and Business Conduct (Code) for Directors and Senior Management. The said Code has been communicated to the Directors and the members of the Senior Management. The Code has been displayed on the Company's website:- www.goldengoenka.com. All the members of the Board and the Senior Management personnel has affirmed compliance with the Code for the year ended 31st March, 2012 and a declaration to this effect signed by Mr. G. L. Goenka, Managing Director, is reproduced here.

To
Board of Directors
Golden Goenka Fincorp Limited
1st British Indian Street
Room No. B-10
Kolkata-700 069

Dear Sir,
Sub: Compliance with the Company's Code of Ethics and Business Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Code of Ethics and Business Conduct of the Company for the Financial Year ended March 31, 2012.

Place: Kolkata
Date: 30.05.2012

For **Golden Goenka Fincorp Limited**
CA G L Goenka
Chairman and Managing Director

CODE OF CONDUCT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992

In compliance with the Securities & Exchange Board of India (Prevention of Insider Trading) Regulations 1992, the Company has framed a Code of Internal Procedures and Conduct and Code of Corporate Disclosures Practices for prevention of Insider Trading by Company Insiders. The code, inter- alia, prohibits purchase and/or sale of shares of the Company by the Directors and Designated Employees while in the possession of unpublished price sensitive information to the Company.

XII. DISCLOSURES

- a) Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its related parties that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transaction with related parties as per requirements of Accounting Standards AS 18 are disclosed in Note No. 35 forming part of the Accounts.
- b) The Company is regular in complying with the requirement of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, for non-compliance of any matter during the last three years.
- c) Although the Company has not formulated Whistle Blower Policy, being a non-mandatory requirement, but no personnel has been denied access to the senior management/Audit Committee.
- d) The Company complies with all the mandatory requirements and one non – mandatory requirements of Clause 49 of the Listing Agreement viz constitution of Remuneration Committee of Directors.

Report On Corporate Governance (Contd.)

XIII. MEANS OF COMMUNICATION

In compliance with Clause 41 of the Listing Agreement, the Company faxes and mail electronically the quarterly/ half yearly/ yearly unaudited / audited financial results to the Stock Exchanges within 15 minutes from the conclusion of the Board Meetings. Information through post is also sent to BSE Limited and hand delivery is made to Calcutta Stock Exchange. Results are published in Business Standard (English) and Kalantar (Bengali) etc. newspapers of Kolkata edition. The Company's financial results and official news releases are displayed on the Company's website www.goldengoenka.com. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

XIV. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT

No shares of the company were required to be transferred to Unclaimed Suspense Account in terms of Clause 5A of the Listing Agreement.

XV. GENERAL SHAREHOLDER INFORMATION

- (i) AGM Date : 22nd August, 2012 at 10.00 A.M. to be held at Manthan (Banquet Hall) at 3 Waterloo Street Kolkata -700069
- (ii) Financial Year ended 31.03.2012 (2011-2012).
- (iii) Date of book closure – 17.08.2012 to 22.08.2012 (both days inclusive).
- (iv) Dividend Payment date – The Company has paid Interim Dividend @ ₹ 0.40 per share on 29th March, 2012. The Board has recommended interim dividend as final dividend.

(v) Listing on Stock Exchange	Stock Code
a. BSE Limited	530579
b. The Calcutta Stock Exchange Limited	10017059
ISIN (The Equity Share of the Company of face value of ₹ 10/- each has been sub-divided into two equity shares of face value of ₹ 5/- each with effect from 4th May, 2012, the record date fixed for the purpose.)	INE152C01017 for Face Value of ₹ 10/- each INE152C01025 for Face Value of ₹ 5/- each

- vi) Market price Data : The Market Price of the Equity Share of the Company during 2011-2012 is given in the table below :

Months	BSE	
	High	Low
April 2011	19.80	15.15
May 2011	18.50	17.00
June 2011	18.50	16.60
July 2011	25.40	17.30
August 2011	34.00	26.05
September 2011	35.20	28.00
October 2011	35.90	32.30
November 2011	34.90	29.00
December 2011	39.80	32.00
January 2012	54.25	38.40
February 2012	51.00	42.00
March 2012	46.20	32.55

- There was no trading of shares at The Calcutta Stock Exchange Limited during the year.



Report On Corporate Governance (Contd.)

vii) Performance in comparison to broad based indices such as BSE Sensex, Crisil Index etc – N.A.

	30.03.2012	30.03.2011	Change (%)
Share Prices of the Company	36.35	16.60	(+) 118.97
BSE Sensex	17,404.20	19,445.22	(-) 10.50

viii) Registrar & Share Transfer Agent: Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001, Telephone- 033-22357270/7271, Email- nichetechpl@nicetechpl.com

ix) Share Transfer System: The transfer of shares is affected by the Registrar and Share Transfer Agents after necessary approvals. The shares sent for physical transfer are generally registered within a period of maximum one month from the date of receipt provided the documents are in order.

x) a) Distribution of share holding as on 31st March, 2012

No. of Shares	No of Share Holders	Percentage to Total (%)	Total Shares	Percentage to total (%)
1 – 500	919	75.33	174,414	1.03
501 – 1000	132	10.82	109,637	0.64
1001 – 5000	116	9.51	284,137	1.67
5001 – 10000	32	2.62	239,480	1.41
10001 – 50000	15	1.23	378,454	2.23
50001 – 100000	2	0.16	153,013	0.90
100001 and above	4	0.33	15,661,065	92.12
Total	1220	100.00	17,000,200	100.00

b) Shareholding Pattern of the Company as on 31st March, 2012

Category	No of Share Holders	Total No of Shares	Percentage to total (%)
Promoters-	2	9,948,565	58.52
Residents (Individual)	1116	873,342	5.13
Non-Resident Individual /OCBs	2	512	0.003
Bodies Corporate	79	6,135,789	36.097
Clearing Corporation/Clearing Member	21	41,992	0.25
Total	1220	17,000,200	100.00

xi) Dematerialization of Shares and Liquidity: Pursuant to a directive from SEBI, the Shares of the Company are included in SEBI's list of shares in which trading in electronic form is compulsory with effect October, 2000. As on 31st March 2012 the number of shares in dematerialized form is 16824471 representing 98.97% of the total shares and the balance 175729 shares representing 1.03 % of the shares were held in physical form.

xii) Outstanding GDRS/WARRANTS or any convertible instruments, conversion data and likely impact on equity – Nil.

xiii) Plant location – The Company is Non Banking Finance Company and there is no plant.

xiv) Address for correspondence: Golden Goenka Fincorp Limited, 1st, British Indian Street, Room No. B-10, Kolkata-700069, Phone- 033-40042424
 Email-contact@goldengoenka.com, Website: www.goldengoenka.com

For and on behalf of the Board of Directors
 For **Golden Goenka Fincorp Limited**
CA G L Goenka
 Chairman & Managing Director

Date: 04th July, 2012
 Place: Kolkata



Certificate on compliance with the conditions of corporate governance under clause 49 of the listing agreement.

To The Members of Golden Goenka Fincorp Limited

I have examined the compliance of the conditions of Corporate Governance by Golden Goenka Fincorp Limited (erstwhile Golden Securities Limited) for the financial year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange (s).

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

In my opinion and based on the relevant records and documents maintained by the Company and furnished to me for the review and information and explanations given to me by the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

Place : Kolkata.

Date : 04th July, 2012

Sweety Kapoor

Practising Company Secretary

Membership No. ACS 11915, CP No.5738



Standalone

Financials

Auditors' Report

To the Members,

Golden Goenka Fincorp Limited

(formerly Golden Securities Limited)

1. We have audited the attached Balance Sheet of GOLDEN GOENKA FINCORP LIMITED (formerly Golden Securities Limited) ("the Company") as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) [the 'Order'], issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. 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;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - iv. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - v. On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, 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 Act;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

Place: Kolkata
Date: 30th May, 2012

For Vasudeo & Associates
Chartered Accountants
(Firm's Registration No. 319299E)

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2012



ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) During the year, the Company has not disposed off any fixed assets.
- (ii) In respect of shares & securities held as "stock for trade":
 - (a) According to the information and explanations given to us, the stock for trade has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of stock for trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of stock for trade and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, 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 Act. Accordingly, the provisions stated in clauses 4 (iii) (a) to (d) of the Order are not applicable to the Company;
- (b) During the year, the Company had taken an unsecured loan from a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 65,127,480/- and the year-end balance was ₹ 65,127,480/- ;
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie, prejudicial to the interest of the Company;
- (d) In respect of the aforesaid loan, the Company is regular in repaying the principal amount and the interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of shares & securities held as stock for trade, fixed assets and with regard to the sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in such internal control system of the Company.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of ₹ five lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Being a Non-Banking Financial Company, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, service tax and other material statutory dues applicable to it. As explained to us, the Company did not have any dues on account of provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, custom duty, excise duty and cess during the year.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax and other material statutory dues, were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax and other material statutory dues which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at the end of the financial year covered by our audit. The Company has not incurred cash losses in the said financial year and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has maintained adequate documents and records in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) In respect of dealing or trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, term loans have been prima facie applied for the purposes for which the loans were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
- (xviii) The company has made preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act. In our opinion and according to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us & the records examined by us, security or charge has been created in respect of debentures issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For Haribhakti & Co.
Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala
Partner
Membership No. 056613

Place: Kolkata
Date: 30th May, 2012

For Vasudeo & Associates
Chartered Accountants
(Firm's Registration No. 319299E)

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2012



Balance Sheet as at 31st March, 2012

(Amount in ₹)

	Note	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	170,002,000	30,002,000
Reserves and Surplus	3	115,724,329	2,742,038
		285,726,329	32,744,038
Share application money pending allotment		-	20,000,000
Non-Current Liabilities			
Long-Term Borrowings	4	500,000,000	-
Other Long-Term Liabilities	5	341,530	-
Long-Term Provisions	6	1,699,700	25,173
		502,041,230	25,173
Current Liabilities			
Short-Term Borrowings	7	65,000,000	-
Other Current Liabilities	8	2,764,222	288,022
Short-Term Provisions	9	5,255	-
		67,769,477	288,022
		855,537,036	53,057,233
ASSETS			
Non-Current Assets			
Fixed Assets			
-Tangible assets	10	1,861,251	513,487
		1,861,251	513,487
Non-Current Investments	11	45,355,319	277,772
Deferred Tax Assets (Net)	12	232,710	-
Long-Term Loans and Advances	13	217,503,126	10,019,233
		263,091,155	10,297,005
Current Assets			
Current Investments	14	60,000,000	-
Stock for Trade	15	102,126,978	31,919,746
Trade Receivables	16	47,530,524	5,849,854
Cash and Bank Balances	17	27,093,276	3,843,502
Short-Term Loans and Advances	18	345,937,112	633,639
Other Current Assets	19	7,896,740	-
		590,584,630	42,246,741
		855,537,036	53,057,233

Significant Accounting Policies and Notes to Financial Statements 1 to 42

The Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

V. D. Agarwal

Partner

Membership No. 054784

CA G L Goenka

Chairman & Managing Director

Dinesh Burman

Executive Director

Place: Kolkata

Date: 30th May, 2012

Place: Kolkata

Date: 30th May, 2012

B N Mukherjee

Company Secretary

S K Dabriwala

Chief Financial Officer

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

(Amount in ₹)

	Note	Year ended 31st March, 2012	Year ended 31st March, 2011
INCOME			
Revenue From Operations	20	958,486,862	44,317,921
Other Income	21	1,601,429	7,527
Total		960,088,291	44,325,448
EXPENSES			
Purchases of Shares, Mutual Fund & Commodities		984,900,200	68,002,173
Changes in Stock-for-Trade		(70,207,232)	(25,902,530)
Employees Benefits Expenses	22	4,441,145	508,259
Finance Cost	23	19,095,025	-
Depreciation and Amortisation Expense	10	154,580	68,310
Other Expenses	24	8,602,060	1,646,016
Total		946,985,778	44,322,228
Profit before Bad Debts, Provisions & Tax		13,102,513	3,220
Bad Debt		-	612,705
Contingent Provisions against Standard Assets	6(a)	1,351,827	25,173
Provision for Non-Performing Assets	31	-	(5,294,388)
		1,351,827	(4,656,510)
Profit Before Tax		11,750,686	4,659,730
Tax Expense:			
Current tax		2,895,180	-
MAT Credit Entitlement		(138,828)	-
Deferred Tax Charge / (Credit)	12	(232,710)	(669)
Total Tax for the Year		2,523,642	(669)
Profit After Tax		9,227,044	4,660,399
Earnings per equity share (Basic and Diluted) (in ₹) (par value ₹ 10/- per Equity Share)	30	0.61	1.55

Significant Accounting Policies and Notes to Financial Statements 1 to 42

The Notes referred to above form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss referred to in our report of even date

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

V. D. Agarwal

Partner

Membership No. 054784

CA G L Goenka

Chairman & Managing Director

Dinesh Burman

Executive Director

Place: Kolkata

Date: 30th May, 2012

Place: Kolkata

Date: 30th May, 2012

B N Mukherjee

Company Secretary

S K Dabriwala

Chief Financial Officer



Statement of Cash Flow for the year ended 31st March, 2012

(Amount in ₹)

	Year ended 31st March, 2012	Year ended 31st March, 2011
A. Cash Flow from Operating Activities		
Net Profit Before Tax	11,750,686	4,659,730
Adjustments for:		
Depreciation and Amortisation	154,580	68,310
Provision for Diminution in value of the Long term investments	222,453	-
Contingent Provisions against Standard Assets	1,351,827	25,173
Provision for Non-Performing Assets	-	(5,294,388)
Loss on sale of Investments (Net)	(739,191)	(326,955)
Dividend income	(2,354)	(7,527)
Interest Income on Investment in Bond	(362,910)	-
Liabilities No Longer Required written back	(1,000)	-
Loss on valuation of Stock for Trade	16,654,482	1,632,109
Operating Profit before Working Capital changes	29,028,573	756,452
Adjustment for:		
Increase / (Decrease) in Liabilities and Provisions	2,264,502	(776,046)
Decrease/(Increase) in Trade Receivables	(41,680,670)	(1,829,357)
Decrease/(Increase) in Stock for Trade	(86,861,715)	(27,534,639)
Decrease /(Increase) in Loans and Advances/ Other Assets	(557,721,304)	3,454,052
Cash Generated from /(used in) Operations	(654,970,614)	(25,929,538)
Direct Taxes paid (Net of refunds)	(5,719,154)	(131,950)
Net Cash (Used in) / Generated by Operating Activities a	(660,689,768)	(26,061,488)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(1,497,344)	(560,167)
Proceeds from Sale of Fixed Assets	-	6,294,855
Purchase of Investments	(113,073,665)	(277,772)
Interest received	362,910	-
Proceeds from Sale of Investments	8,512,856	1,326,955
Dividend Received	2,354	7,527
Net Cash (Used in)/ Generated by Investing Activities b	(105,692,889)	6,791,398
C. Cash Flows from Financing Activities		
Share Application money received	-	40,000,000
Share Application money refunded	-	(20,000,000)
Calls in arrears received	-	3,000
Proceeds from Issuance of Share Capital	232,000,000	-
Proceeds from issue of Secured Redeemable Non-Convertible Debentures	500,000,000	-
Proceeds from Unsecured Long-Term Borrowings	65,000,000	-
Interim Dividends Paid on Equity Shares	(6,264,426)	-
Corporate Dividend Tax Paid	(1,103,143)	-
Net Cash (Used in)/ Generated by Financing Activities c	789,632,431	20,003,000

Statement of Cash Flow for the year ended 31st March, 2012

(Amount in ₹)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Net Increase/(Decrease) in Cash and Cash Equivalents a+b+c	23,249,774	732,910
Cash and Cash Equivalents at the beginning of the year	3,843,502	3,110,592
Cash and Cash Equivalents at the end of the year	27,093,276	3,843,502
Explanations:		
1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.		
2. Cash and Cash Equivalents are represented by:		
Cash on hand	2,022,804	338,822
In Current Accounts	24,534,818	3,504,680
In Unclaimed Dividend Account	535,654	-
Total	27,093,276	3,843,502
3. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.		

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

For Haribhakti & Co.

Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner
Membership No. 056613

Place: Kolkata

Date: 30th May, 2012

For Vasudeo & Associates

Chartered Accountants
(Firm's Registration No. 319299E)

V. D. Agarwal

Partner
Membership No. 054784

Place: Kolkata

Date: 30th May, 2012

For and on behalf of the Board of Directors

CA G L Goenka

Chairman & Managing Director

B N Mukherjee

Company Secretary

Dinesh Burman

Executive Director

S K Dabriwala

Chief Financial Officer



Significant Accounting Policies

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit Accepting or Holding) Company ('NBFC'). The financial statements have been prepared under the historical cost convention, on accrual basis. The accounting policies applied by the Company are consistent with those applied in the previous year except as otherwise stated elsewhere.

Presentation and disclosure in Financial Statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Operating Cycle

As per the revised Schedule VI, "An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents".

For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the company is assumed to have a duration of 12 months.

Current and Non-Current Asset

An asset is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realised within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

Current and Non-Current Liability

A liability is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycles; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

1.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised prospectively in the current and future years.

Significant Accounting Policies (Contd.)

1.3 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which takes substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

b) Depreciation/Amortisation

Depreciation/ Amortisation is provided on the Written Down Value Method ('WDV') as per the rates and in the manner prescribed in Schedule XIV to the Act. Management estimates the useful lives of Fixed Assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation/ Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment of Fixed Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.4 Investments

Investments that are intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Current investments are carried at lower of cost and market price determined category-wise. All Non-Current investments, including investments in Subsidiary Companies are, carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognize a decline, on an individual basis.

1.5 Stock for Trade

Stock for trade is carried at lower of cost and market price.

1.6 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net amount including installments fallen due and are net of unmaturing / unearned finance charges, amounts received, assets not paid for, etc.

1.7 Provisioning / Write-off of assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate.

1.8 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- a) Revenue from sale of stock for trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Interest Income from Loan assets is recognised in the Statement of Profit and Loss on accrual basis as per the



Significant Accounting Policies (Contd.)

term and condition of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the Reserve Bank of India, applicable to NBFCs.

- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instrument (future and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.9 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed separately.

1.10 Retirement and other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss in the year it is earned / incurred and are not deferred.

b) Compensated absences

Compensated absences are a long-term employee benefit and is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short - term compensated absences in the year in which the employee renders services.

c) Provident Fund

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

1.11 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.12 Segment reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Trading' and 'Financing and related Services' as primary reportable segments.

The Accounting policies adopted for segment reporting are in line with the accounting policies used in preparation of the financial statements of the Company, with following additional policies for segment reporting.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of

Significant Accounting Policies (Contd.)

the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Fixed assets used in the Company's business have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

1.13 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

1.14 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the year, attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.15 Cash and Cash Equivalents

Cash and Cash Equivalents in the Cash Flow Statement comprise of cash on hand and at bank, demand deposits with banks, cheques on hand, remittances in transit and short term highly liquid investments with an original maturity of three months or less.

1.16 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.17 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.



Notes to Financial Statements

2 Share Capital

(Amount in ₹)

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Authorised [Refer Note 38] Equity Shares, par value ₹ 10/- per share 70,000,000 (Previous year: 12,500,000), Equity Shares	700,000,000	125,000,000
	700,000,000	125,000,000
Issued, Subscribed and Fully Paid-up Equity Shares, par value ₹ 10/- per share 17,000,200 (Previous year: 3,000,200), Equity Shares	170,002,000	30,002,000
	170,002,000	30,002,000

(a) Reconciliation of Equity Shares outstanding:

Equity	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
At the beginning of the financial year	3,000,200	30,002,000	3,000,200	30,002,000
Add: Number of Shares issued as fully paid-up during the financial year #	14,000,000	140,000,000	-	-
Number of Shares at the end of the financial year	17,000,200	170,002,000	3,000,200	30,002,000

During the year, the Company issued and allotted 8,340,000 equity shares of ₹ 10/- each, fully paid, to the promoter and 5,660,000 equity shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per equity share on 19th May, 2011.

(b) Rights, preferences and restrictions in respect of each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company's authorised capital consist of one class of shares, referred to as equity shares, having par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March, 2012 the Company has paid an interim dividend @ 4% aggregating to ₹ 6,800,080.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity Shares held by the Holding Company or Ultimate Holding Company, including shares held by Subsidiaries or Associates of the Holding Company or the Ultimate Holding Company, in aggregate, are as below:

Name of the Shareholder	Nature of relationship	As at 31st March, 2012		As at 31st March, 2011	
		No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Risewell Credit Private Limited	Holding Company	9,912,565	99,125,650	294,300	2,943,000

(d) Shareholders holding more than 5% equity shares each, are set out below:

Name of the Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Risewell Credit Private Limited	9,912,565	58.31	294,300	9.81
Anchor Vinimay Private Limited	2,400,000	14.12	-	-
Dwarkapati Suppliers Private Limited	1,160,000	6.82	-	-
Vinayaka Finlease Private Limited	2,188,500	12.87	-	-

Notes to Financial Statements (Contd.)

3 Reserves and Surplus

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Securities Premium Reserve		
Opening Balance	-	-
Add: Addition during the year [Refer note (a) below]	112,000,000	-
Less: Utilised for Premium on Redemption of Debentures [Refer note (b) below]	341,530	-
Closing Balance	111,658,470	-
Special Reserve Fund [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934]		
Opening Balance	1,778,331	846,251
Add: Addition during the year	1,845,409	932,080
Closing Balance	3,623,740	1,778,331
General Reserves		
Opening Balance	372,892	372,892
Add: Addition during the year	-	-
Closing Balance	372,892	372,892
Surplus		
Opening balance	590,815	(3,137,504)
Add: Net Profit after tax transferred from Statement of Profit and Loss	9,227,044	4,660,399
Amount available for appropriation	9,817,859	1,522,895
Appropriations:		
Interim Dividends	6,800,080	-
Corporate Dividend Tax on Interim Dividend	1,103,143	-
Special Reserve Fund	1,845,409	932,080
Closing Balance	69,227	590,815
	115,724,329	2,742,038

Note:

- During the year, the Company issued and allotted 8,340,000 equity shares of ₹ 10/- each, fully paid, to the promoter and 5,660,000 equity shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per equity share on 19th May, 2011.
- Pursuant to Section 78 of the Companies Act, 1956, the Company has utilised the balance in Securities Premium Reserve for providing for the premium payable on the redemption of Non-Convertible Redeemable Debentures ('NCDs'), issued during the current financial year, on a proportionate basis over the tenure of debentures.

4 Long-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Secured		
Redeemable Non-Convertible Debentures [Refer note (a), (b) & (c)] 500,000 (Previous Year: ₹ Nil) 12.75 % Debentures of ₹ 1,000/- each	500,000,000	-
	500,000,000	-

Note:

- During the year 500,000 (Previous Year : Nil), 12.75% Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹ 1,000/- each aggregating to ₹ 500,000,000 (Previous Year: Nil) were issued and allotted on private placement basis.
- The NCDs are redeemable at the end of 5 years (from date of allotment i.e. 7th March, 2012) at a premium of 5% of the face value. Interest on these debentures is payable semi-annually on 1st April and 1st October (except in case of first interest payment, being paid on 31st March, 2012). These debentures were rated as CARE BB (-).
- The NCDs are secured by mortgage over the Company's immovable property located in Gujarat, and by hypothecation of stock and trade receivable/ debtors both as agreed between the Company and the Trustee for the Debenture Holders.



Notes to Financial Statements (Contd.)

5 Other Long Term Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Premium payable on redemption of Redeemable Non-Convertible Debentures [Refer note 3(b)]	341,530	-
	341,530	-

6 Long-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for Employees Benefits (Non Current Portion) [Refer note 28]		
-Gratuity	301,153	-
-Leave Encashment	21,547	-
Others		
-Contingent Provisions against Standard Assets [Refer note (a) below]	1,377,000	25,173
	1,699,700	25,173

Note:

(a) The Company creates a general provision at 0.25% of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions year-on-year:

(Amount in ₹)

Particulars	As at 1st April, 2011	Charged to Statement of Profit & Loss during the year	As at 31st March, 2012
Contingent Provisions against Standard Assets	25,173	1,351,827	1,377,000

7 Short-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured		
Loans and advances from related parties [Refer note 35]	65,000,000	-
	65,000,000	-

8 Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unclaimed dividend	535,654	-
Interest accrued and due on borrowings	127,480	-
Other payables		
-Payables for Expenses and Services	34,459	272,992
-Accrual for Staff Benefits	19,424	-
-Accrual for Expenses and Services	845,618	15,030
-Statutory Liabilities	1,201,587	-
	2,764,222	288,022

9 Short-Term Provisions

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for Employees' Benefits (Current Portion) [Refer note 28]		
-Gratuity	1,817	-
-Leave Encashment	3,438	-
	5,255	-

Notes to Financial Statements (Contd.)

10 Fixed Assets

(Amount in ₹)

Particulars	Gross Block/Original Cost			Depreciation/Amortisation and Impairment#				Net Carrying Value	
	As at 1st April, 2011	Additions/ adjustments during the year	Disposals/ adjustments during the year	As at 31st March, 2012	As at 1st April, 2011	Fzr the year	Deductions/ adjustments during theyear	As at 31st March, 2012	As at 31st March, 2011
Tangible Assets :									
Assets for Own Use									
Land-Freehold [Refer Note 4(c)]	-	1,189,000	-	1,189,000	-	-	-	1,189,000	-
Air-conditioner	127,267	-	-	127,267	95,318.00	4,444	-	27,505	31,949
Office Equipment	67,810	102,283	-	170,093	67,810.00	6,815	-	95,468	-
Furniture & Fixtures	35,400	-	-	35,400	35,400.00	-	-	-	-
Motor Vehicles	537,167	-	-	537,167	55,629.00	124,670	-	356,868	481,538
Computers	192,768	211,061	-	403,829	192,768.00	18,651	-	192,410	-
Total	960,412	1,502,344	-	2,462,756	446,925	154,580	-	1,861,251	513,487
Previous year	9,861,720	560,167	9,461,475	960,412	4,239,165	68,310	3,860,550	513,487	

None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.



Notes to Financial Statements (Contd.)

11 Non-Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade Investments (at Cost unless otherwise stated)		
In Equity instruments - Unquoted		
In Subsidiary Companies		
10,000 (Previous year: Nil), equity shares of ₹ 10/- each in Golden Goenka Financial Advisors Private Limited	100,000	-
10,000 (Previous year: Nil), equity shares of ₹ 10/- each in Golden Goenka Management Consultancy Services Private Limited	100,000	-
10,000 (Previous year: Nil), equity shares of ₹ 10/- each in Golden Goenka Properties & Construction Private Limited	100,000	-
In Associate Companies		
90,000 (Previous year: Nil), equity shares of ₹ 10/- each in Aristro Capital Markets Private Limited	45,000,000	-
Other Investments (at Cost unless otherwise stated)		
In Equity instruments - Quoted		
2,354 (Previous year: Nil), equity shares of ₹ 10/- each in Microsec Financial Services Limited [Net of provision for other than temporary diminution aggregating ₹ 222,453 (P.Y. ₹ Nil)]	55,319	277,772
	45,355,319	277,772
Aggregate amount of quoted non-current investments	277,772	277,772
Aggregate market value of quoted non-current investments	55,319	96,985
Aggregate amount of unquoted non-current investments	45,300,000	-
Provision for diminution in the value of Non-current Investments	222,453	-

All Investments mentioned above are fully paid-up.

12 Deferred Tax Assets (Net)

In terms of Accounting Standard 22, the deferred tax assets (DTA) recognised during the year is ₹ 556,299 (Previous year: ₹ Nil) and the deferred tax liabilities recognised during the year is ₹ 323,589 (Previous year: ₹ Nil), consequently, the net DTA as at 31st March, 2012 stands at ₹ 232,710 (Previous year: ₹ Nil).

Deferred taxes comprises the following:

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deferred tax assets		
Depreciation on Fixed asset	3,126	-
Disallowance under Section 43 B	106,405	-
Others	446,768	-
	556,299	-
Deferred tax liabilities		
Debenture issue expenses	(323,589)	-
	232,710	-

Notes to Financial Statements (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
13 Long-Term Loans and Advances		
Unsecured, considered good		
Loan Assets		
-To related parties [Refer note 35]	25,000,000	-
- Others	191,500,000	10,019,233
	216,500,000	10,019,233
Unsecured, considered good		
Security deposits	207,900	-
Other Loans and advances		
Prepaid expenses	795,226	-
	217,503,126	10,019,233
14 Current Investments		
Trade Investments (at lower of cost or Market Price)		
In Equity instruments - Unquoted, Fully paid-up		
In Associate Company		
1,200,000 (Previous year: ₹ Nil), equity shares of ₹ 10/- each in S2 Capital Services Private Limited	60,000,000	-
	60,000,000	-
Aggregate amount of unquoted current investments	60,000,000	-
15 Stock for Trade		
Stock for Trade [Refer Annexure I to Notes to Account] (At lower of cost and net realisable value)	102,126,978	31,919,746
	102,126,978	31,919,746
16 Trade Receivables		
Unsecured, considered good		
Other Debts		
-Considered good	47,530,524	5,849,854
	47,530,524	5,849,854
Trade Receivable stated above include debts due by Private Company in which director is a member:		
-Aristro Capital Market Private Limited [Refer note 35]	46,670,777	5,849,854
17 Cash and Bank Balances		
Cash on Hand	2,022,804	338,822
Balances with Banks		
-In Current Account	24,534,818	3,504,680
-In Unclaimed Dividend Account	535,654	-
	27,093,276	3,843,502
18 Short-Term Loans and Advances		
Secured, Considered good		
Loan Assets		
- Others	102,300,000	-
Unsecured, Considered good		
Loan Assets		
- Others	232,000,000	-
	334,300,000	-
Interest accrued and due on Loan Assets	6,418,516	-
Other loans and advances		
-Other deposits	1,589,103	437,759
-Service tax receivable	252,272	-
-Prepaid expenses	218,539	-
-MAT credit entitlement	138,828	-
-Advance tax and Tax Deducted At Source, (Net of Provision for Tax)	3,019,854	195,880
	345,937,112	633,639



Notes to Financial Statements (Contd.)

19 Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Interest accrued but not due	7,896,740	-
	7,896,740	-

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
20 Revenue From Operations		
Sale of Stock for Trade	914,949,545	43,095,509
Income from Loan Assets	36,075,230	895,457
Other Financial Services	6,359,986	-
Profit on sale of Current Investments	739,191	326,955
Interest on Investment in Tax-Free Bond	362,910	-
	958,486,862	44,317,921
21 Other Income		
Dividend Income From Long Term Investment	2,354	7,527
Dividend Income from Stock for Trade	1,593,854	-
Liabilities no longer required written back	1,000	-
Interest on income tax refund	4,221	-
	1,601,429	7,527
22 Employees Benefits Expenses		
Salaries , Allowances and Bonus	4,047,113	493,206
Contribution to Provident and Other Funds	302,970	-
Staff Welfare Expenses	91,062	15,053
	4,441,145	508,259
23 Finance Cost		
Interest on borrowings	19,095,025	-
	19,095,025	-
24 Other Expenses		
Capital & Commodity Market Expenses	2,030,157	177,144
Corporate Compliance Fees	3,133,165	607,546
Legal & Professional Fees	647,966	382,780
Debenture Issue Expenses	13,254	-
Auditors' Remuneration [Refer note 25]	457,000	19,781
Advertisement, Publicity & Sales Promotion	237,341	40,631
Motor Car Expenses	272,432	-
Provision for Diminution in Value of the Long-term investments	222,453	-
Directors' Sitting Fees	228,000	173,000
Printing and Stationery	177,165	63,516
Rent	104,705	21,000
Rates and taxes	4,644	5,000
Repair and Maintenance		
-Others	56,112	24,996
Communication Expenses	133,717	1,786
Travelling and Conveyance	194,679	58,019
Electricity Charges	40,152	-
Prior period items	213,825	-
Miscellaneous expenses	435,293	70,817
	8,602,060	1,646,016

Notes to Financial Statements (Contd.)

25 Auditors' Remuneration

(Amount in ₹)

Particulars	As at	As at
	31st March, 2012	31st March, 2011#
Statutory Audit Fees (excluding service tax) *	350,000	8,751
Tax Audit Fees (excluding service tax)	15,000	3,309
Other Services	82,500	7,721
Reimbursement of Expenses	9,500	-
	457,000	19,781

*Current year figures represent payment to Joint-Auditors # Paid to Vasudeo & Associates, as Sole Auditor

26 Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at	As at
	31st March, 2012	31st March, 2011#
I Contingent Liabilities	Nil	Nil
II Commitments	Nil	Nil

27 Operating lease-in the capacity of lessee

The Company has a cancellable operating lease arrangement for office space for a period of 3 years and is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year amounted to ₹ 104,705 (Previous year: ₹ 21,000).

28 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Defined Benefit Plan:

(A) **Gratuity benefit** to employees are not funded. The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

Reconciliation of the projected benefit obligations

(Amount in ₹)

Particulars	Gratuity	
	31st March, 2012	31st March, 2011
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	-	-
Interest cost	-	-
Current services cost	86,001	-
Benefits paid	-	-
Actuarial (gains)/losses on obligation	216,969	-
Closing defined benefit obligation	302,970	-
Change in Plan Assets		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at period end, at fair value	-	-
Reconciliation of present value of obligation and fair value of plan assets		
Present value of defined benefit obligation at the end of the period	302,970	-
Fair value of plan assets at the end of the year	-	-
(Asset) /Liability recognised in the balance sheet	302,970	-
Current	1,817	-
Non Current	301,153	-
Amount recognised in the Statement of Profit and Loss account are as follows:-		
Current Service Cost	86,001	-
Interest Cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net Actuarial (gain). Loss recognized in the year	216,969	-
Past services cost	-	-
Net Benefit expense	302,970	-



Notes to Financial Statements (Contd.)

(Amount in ₹)

Particulars	Gratuity	
	31st March, 2012	31st March, 2011
Principal actuarial assumptions at the balance sheet date:		
Retirement age	60 years	-
Future salary rise	4%	-
Rate of discounting	8%	-
Attrition rate	3%	-
Mortality table	LIC (1994 -96)	-
Average balance service	27 years	-

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(B) Leave benefits to employees are not funded. The following table sets out the details of amount recognised in the financial statements:

(Amount in ₹)

Particulars	Leave Encashment	
	31st March, 2012	31st March, 2011
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	-	-
Interest cost	-	-
Current service cost	7,446	-
Benefits paid	-	-
Actuarial (gains)/losses on obligation	17,539	-
Closing defined benefit obligation	24,985	-
Change in Plan Assets	-	-
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at period end, at fair value	-	-
Reconciliation of present value of obligation and fair value of plan assets		
Present value of defined benefit obligation at the end of the period	24,985	-
Fair value of plan assets at the end of the year	-	-
(Asset) /Liability recognised in the balance sheet	24,985	-
Current	3,438	-
Non Current	21,547	-
Amount recognised in the Statement of Profit and Loss account are as follows:		
Current Service Cost	7,446	-
Interest Cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net Actuarial (gain)/ Loss recognised in the year	17,539	-
Past services cost	-	-
Net Benefit expense	24,985	-
Principal actuarial assumptions at the balance sheet date:		
Retirement age	60 years	-
Future salary rise	4%	-
Rate of discounting	8%	-
Attrition rate	3%	-
Mortality table	LIC (1994 -96)	-

Notes to Financial Statements (Contd.)

29 Disclosure pursuant to Accounting Standard (AS) 17- Segment Reporting

- (i) The Company has identified two reportable segment viz. 'Trading' and 'Financing and related services' segment. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns associated with the segments.
- (ii) The Company has identified business segment as the 'primary segment' for the purpose of disclosure. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis. Company Operates in a single Geographical segment. Hence, secondary Geographical segment information disclosure is not required.
- (iii) The accounting policies adopted for segment reporting are in line with the accounting policies used in preparation of the financial statements with following additional policies for segment reporting.

(Amount in ₹)

Particulars	Year ended 31st March, 2012			Year ended 31st March, 2011		
	Trading	Financing and related Services	Total	Trading	Financing and related Services	Total
Segment revenue						
External Sales	916,543,399	43,539,671	960,083,070	43,095,509	1,229,939	44,325,448
Add: Unallocable Income			5,221			-
Total			960,088,291			44,325,448
Segment results	(179,726)	22,870,366	22,690,640	818,722	5,886,449	6,705,171
Add: Unallocable Income			5,221			-
Less : Unallocable administrative expenses			10,945,175			2,045,441
Profit before tax			11,750,686			4,659,730
Segment assets	149,657,502	671,265,801	820,923,303	37,769,600	10,297,005	48,066,605
Add: Unallocable Corporate / other Assets			31,222,341			4,794,748
Add: Advance Income-tax (including tax deducted at source) (net)			3,019,854			195,880
Add: MAT Credit Entitlement			138,828			-
Add: Deferred Tax Asset			232,710			-
Total			855,537,036			53,057,233

Particulars	Year ended 31st March, 2012			Year ended 31st March, 2011		
	Trading	Financing and related Services	Total	Trading	Financing and related Services	Total
Segment liabilities	-	566,718,530	566,718,530	-	25,173	25,173
Add: Unallocable Corporate / other Liabilities			3,092,177			288,022
Add: Provision for income tax (net)			-			-
Total			569,810,707			313,195
Cost incurred to acquire fixed assets (excluding capital advances)	-	-	1,502,344	-	-	560,167
			1,502,344			560,167
Depreciation/amortisation	-	-	-	-	-	-
Add: Unallocated depreciation/amortisation			154,580			68,310
			154,580			68,310
Non cash expenses other than depreciation and amortisation (included in measuring segment results)	16,654,483	1,574,280	18,228,763	1,632,109	25,173	1,657,282

- (iv) The reportable Segments are further described below :
 'Trading' includes dealing in Shares, Securities and commodities. 'Financing and related services' segment includes all loans and advances to individuals & corporates, consultancy & advisory services relating to finance.



Notes to Financial Statements (Contd.)

30 Earnings Per Equity Share

The computation of Earnings Per Equity Share is set out below:-

(Amount in ₹)

Particulars	2011-2012	2010-2011
Profit After Tax attributable to Equity Shareholders (₹)	9,227,044	4,660,399
Weighted average number of Equity Shares (Basic)	15,164,134	3,000,200
Weighted average number of Potential Equity Shares	-	-
Weighted average number of Equity Shares (Diluted)	15,164,134	3,000,200
Nominal Value of Equity per share (₹)	10	10
Earnings per share - Basic and Diluted	0.61	1.55

31 Movement of Provision towards Non-Performing Assets

(Amount in ₹)

Particulars	2011-2012	2010-2011
Gross Non-Performing Asset as on 1st April (Opening Balance)	-	5,294,388
Add: Fresh Non-Performing Asset during the year	-	-
Sub Total (A)	-	5,294,388
Less:		
(i) Recoveries	-	1,800,000
(ii) Write – offs	-	3,494,388
Sub Total (B)	-	5,294,388
Gross Non-Performing Asset as on 31st March (Closing Balance) (A-B)	-	-

32 The Company has not received any memorandum from 'Suppliers' (as required to be filed by the 'Suppliers' with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2012 as micro, small or medium enterprises. Consequently, the amount paid / payable to these parties during the year is ₹ Nil (Previous year: ₹ Nil).

33 Haribhakti & Co. have been appointed as Joint Statutory Auditors pursuant to the approval of the Shareholders vide resolution passed through postal ballot dated 24th March, 2012.

34 The Company has declared an interim dividend @ 4%, amounting to ₹ 6,800,080 during the current financial year ended 31st March, 2012, out of which ₹ 535,654 is unclaimed as of the reporting date.

35 Related Party Disclosures

A. Related Parties:

- | | |
|-----------------------|---|
| i. Holding Company | : Risewell Credit Private Limited
(w.e.f. 19th May, 2011) |
| ii. Subsidiaries | : Golden Goenka Properties & Construction Private Limited
(w.e.f. 9th November, 2011)
: Golden Goenka Financial Advisors Private Limited
(w.e.f. 9th November, 2011)
: Golden Goenka Management Consultancy Services Private Limited (w.e.f. 9th November, 2011) |
| iii. Associate | : Aristro Capital Markets Private Limited
: Mehra Capital Market Limited
(Upto 8th September, 2010)
: S2 Capital Services Private Limited
(w.e.f. 28th December, 2011) |
| iv. Investing Company | : Risewell Credit Private Limited
(Upto 18th May, 2011) |

Notes to Financial Statements (Contd.)

B Key Management Personnel:

- v. Managing Director : Mr. Girdhari Lal Goenka
(w.e.f. 23rd November, 2011)
: Mr. Vivek Goenka
(Upto 22nd November, 2011)

C Relative of Key Management Personnel:

- vi. Wife of Girdhari Lal Goenka , Managing Director : Mrs. Raj Goenka
(w.e.f 23rd November, 2011)

The following is the summary of transactions with related parties:

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2011-12	2010-11
Holding:			
Risewell Credit Private Limited	Loan taken	65,000,000	-
	Interest on Loan (TDS ₹ 14,164/-)	141,644	-
	Balance Payable-Loan: <u>Long-term borrowings</u> Loans and advances from related parties	65,127,480	-
Subsidiaries:			
Golden Goenka Properties & Construction Private Limited	Loan given	25,000,000	-
	Investment made	100,000	-
	Balance Receivable: <u>Long-term loans and advances</u> Loans and advances to related parties Investment in Equity instruments	25,000,000 100,000	- -
Golden Goenka Financial Advisors Private Limited	Investment made	100,000	-
	Investment in Equity instruments	100,000	-
Golden Goenka Management Consultancy Services Private Limited	Investment made	100,000	-
	Investment in Equity instruments	100,000	-
Aristo Capital Markets Private Limited * As a share broker	Investment made	45,000,000	-
	Mark to Market Margin received	313,653	-
	Option Premium Paid	54,958	-
	Direct Expenses on Future & Options	14,399	-
	Security transaction Tax	887,143	-
	Purchase of Shares & Securities*	388,894,312	1,156,059
	Sales of Shares & Securities*	319,117,522	7,042,736
	Direct Expenses on Shares	883,317	10,148
	Share Speculation Profit	528,701	-
	Sale of Investment	948,700	-
	Balance Receivable-Trade	46,670,777	5,849,854
Mehra Capital Market Limited	Purchase of Shares & Securities	-	6,598,121
	Sales of Shares & Securities	-	12,045,283
	Speculation Loss	-	75,859
	Balance:	-	-



Notes to Financial Statements (Contd.)

(Amount in ₹)

Name of related party	Nature of transactions and outstanding balances	2011-12	2010-11
S2 Capital Services Private Limited	Purchase of Equity Shares	60,000,000	-
	Investment in Equity instruments	60,000,000	-
Investing Company:			
Risewell Credit Private Limited	Share Application Money Received	130,120,000	40,000,000
	Share Application Money refunded	-	20,000,000
	Issue of equity shares	150,120,000	-
	Balance: Share application money pending allotment	-	20,000,000
Key Managerial Person:			
Mr. Girdhari Lal Goenka	Managerial remuneration	768,000	-
	Director Sitting fees	35,000	40,000
Mr. Vivek Goenka	Managerial remuneration	232,000	-
Relative of Key Management Personnel			
Mrs. Raj Goenka	Rent	12,000	5,250

36 Previous year's financial statements have been audited by M/s Vasudeo & Associates, Chartered Accountants.

37 During the year, the Company vide resolution dated 16th September, 2011, at Annual General Meeting accorded approval to the Board to offer, issue and allot equity shares of ₹ 10/- each, for cash for a sum up to ₹ 131 crores or such sum as may be prescribed by the Board in this regard in the ratio to be determined by the Board and mentioned in the draft letter of offer to be issued by the Company in respect of rights issue. The Company is in the process of executing the proposed rights issue as of the reporting date. The Company in the Extra-Ordinary General Meeting held on 23rd May, 2012, informed the shareholders that the par value per equity share of ₹ 10/- each as mentioned in the resolution dated 16th September, 2011 stands at ₹ 5/- each [Also refer note 38].

38 Pursuant to the approval of the Shareholders vide resolution passed through postal ballot dated 24th March, 2012, the equity shares of face value of ₹ 10/- each were sub-divided into two equity shares of face value of ₹ 5/- each on record date of 4th May, 2012. Accordingly, authorised Equity Share Capital of the Company comprising of 70,000,000 Equity Shares of ₹ 10/- each stands revised to 140,000,000 Equity Shares of ₹ 5/- each.

39 The Shareholders vide resolution dated 23rd May, 2012, passed in Extra Ordinary General Meeting accorded approval to the Board to offer, issue and allot up to 17,500,000, 0% Optionally Convertible Debentures ("OCDs") of face value of ₹40/- each, aggregating to ₹ 700,000,000 in one or more tranches, to the Promoters/ Promoter Group and Non-Promoters on a preferential basis with an option to convert each OCD held into two equity shares of ₹ 5/- each [Also refer note 38] fully paid-up at any time within 18 months from the date of allotment of OCDs.

Notes to Financial Statements (Contd.)

- 40** As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended 31st March, 2012 are prepared in accordance with the Revised Schedule VI. Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.
- 41** Information as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is furnished vide Annexure – II to the Notes to Financial Statements attached herewith.
- 42** Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

Signatories to Notes 1 to 42.

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala

Partner

Membership No. 056613

Place: Kolkata

Date: 30th May, 2012

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

V. D. Agarwal

Partner

Membership No. 054784

Place: Kolkata

Date: 30th May, 2012

For and on behalf of the Board of Directors

CA G L Goenka

Chairman & Managing Director

B N Mukherjee

Company Secretary

Dinesh Burman

Executive Director

S K Dabriwala

Chief Financial Officer



Notes to Financial Statements (Contd.)

Annexure I to the notes to financial statements [Refer Note 15]

Particulars of stock for trade as on 31st March, 2012

Particulars	Face Value (₹)	Quantity (Nos.)	Cost (Amount in ₹)	Value (Amount in ₹)
Equity Shares: Trade				
Aditya Birla Chemicals (P) Limited	10	15,940	1,521,370	1,331,176
Action Construction Equipment Limited	2	16,550	497,703	515,198
Allahabab Bank Ltd	10	9,000	1,552,874	1,670,682
Andhra Bank Ltd	10	29,500	3,297,403	3,507,016
Archies Limited	2	4,000	113,997	93,789
Alstom T&D India Limited	2	10,000	1,801,482	1,875,770
Assam Company (I) Limited	1	37,500	350,602	260,039
Agro Tech Foods Limited	10	500	220,500	221,875
Bartronics India Limited	10	20,000	732,295	704,412
Bharti Shipyards Limited	10	34,000	3,181,934	2,705,399
Bharat Immunologicals & Biologicals Limited	10	10,000	145,030	81,616
Camson Bio Technologies Limited	10	20,500	1,168,996	1,004,285
Central Bank of India	10	64,500	6,122,808	6,490,189
Cosmo Films Limited	10	18,500	1,656,409	1,613,262
CREW B.O.S. Products Limited	10	32,456	1,681,171	937,487
Deccan Chronicle Holdings Limited	2	59,000	2,300,271	2,027,977
Dena Bank	10	34,000	2,807,461	3,054,811
Diamond Power Infrastructure Limited	10	15,971	1,692,547	1,737,719
Electrotherm (India) Limited	10	16,268	1,660,723	1,021,766
Excel Crop Care Limited	5	36,730	5,918,214	4,361,036
Excel Industries Limited	5	18,372	1,492,333	1,251,984
Finolex Cables Limited	2	17,000	697,248	526,662
Gangotri Iron & Steel Limited	5	15,000	815,151	614,365
G I C Housing Finance Ltd	10	42,582	3,791,396	3,762,152
GTL Limited	10	38,500	1,699,404	1,597,996
HBL Power Systems Limited	1	10,000	207,451	153,654
Hindustan Construction Co. Limited	1	19,500	539,725	500,022
Indiabulls Financial Services Limited	2	25,000	5,962,500	5,165,851
Indraprastha Medical Corp. Limited	10	36,378	1,398,277	1,283,069
Insilco Limited	10	15,000	234,489	209,528
Jain Irrigation Systems Limited – DVR	2	500	-	23,896
Jain Irrigation Systems Limited	2	15,000	1,879,684	1,478,666
Jay Shree Tea & Industries Limited	5	5,000	489,982	439,509
JK Tyre & Industries Limited	10	31,000	2,534,109	2,492,978
Kesoram Industries Limited	10	11,000	1,225,625	1,262,154
Lanco Industries Limited	10	3,000	107,514	79,321
Lanco Infratech Limited	1	5,000	91,725	90,795
Lumax Automotive Systems Limited	10	24,920	945,824	681,272
Lumax Auto Technologies Limited	10	8,873	1,423,965	1,305,380
Lyka Labs Limited	10	51,119	863,973	578,895
Bank of Maharashtra	10	6,500	302,267	355,399
Manali Petrochemical Limited	5	32,564	339,784	329,781
Microsec Financial Services Limited	10	158,449	6,437,875	3,715,174
MIC Electronics Limited	2	35,010	255,130	298,662
Mukand Ltd	10	12,000	450,742	401,694
Nahar Spinning Mills Limited	5	4,090	244,391	198,939
Nitta Gelatin India Limited	10	5,071	537,915	439,425

Notes to Financial Statements (Contd.)

Annexure I to the notes to financial statements [Refer Note 15] (Contd.)

Particulars of stock for trade as on 31st March, 2012

Particulars	Face Value (₹)	Quantity (Nos.)	Cost (Amount in ₹)	Value (Amount in ₹)
Equity Shares: Trade				
NMDC Limited	1	3,000	557,399	481,913
PNB Gilts Limited	10	52,130	1,253,822	1,326,324
Punjab & Sind Bank	10	58,500	5,047,266	4,360,118
Rajshree Sugars & Chemicals Limited	10	9,320	398,350	345,459
Reliance Capital Limited	10	500	229,500	195,759
RSWM Limited	10	25,136	2,309,649	1,815,752
State Bank of Travancore	10	10	7,243	5,828
SIL Investments Limited	10	8,659	908,019	621,181
SJVN Limited	10	30,000	630,481	589,670
Sonata Software Ltd	1	35,000	886,277	632,075
Spicejet Ltd	10	28,000	807,525	657,916
Srei Infrastructure Finance Limited	10	24,500	638,224	635,567
SRF Limited	10	23,000	6,285,538	5,684,282
State Bank of Mysore	10	13,031	7,761,856	6,548,946
Sumedha Fiscal Services Limited	10	9,500	200,368	160,663
Tourism Finance Corporation of India Limited	10	20,000	482,089	483,909
Thermax Limited	2	8,500	4,218,433	3,939,366
Thirumalai Chemicals Limited	10	22,515	1,537,698	990,677
Tamilnadu Petroproducts Limited	10	9,527	153,754	150,663
TTK Prestige Limited	10	50	150,129	146,901
Tube Investments of India Limited	2	100	11,997	13,973
Uniphos Enterprises Limited	2	4,094	110,234	97,626
Universal Cables Limited	10	27,209	1,315,830	1,047,904
Vardhman Acrylics Limited	10	180,000	1,733,314	1,266,145
Visaka Industries Limited	10	8,500	784,596	612,319
West Coast Paper Mills Limited	4	36,518	2,346,594	1,758,029
Zenith Computers Limited	10	32,333	608,718	404,866
Zf Steering Gear (India) Limited	10	3,307	894,473	985,248
			115,661,645	
Less: Provision for diminution			16,654,483	
Total			99,007,162	
Commodities: Trade				
E-SILVER		250	1,431,472	1,434,006
CASTKADI3 (75 Kg per bag)		600	1,688,344	1,754,702
			3,119,816	
Less: Provision for diminution			-	
Total			3,119,816	



Notes to Financial Statements (Contd.)

Annexure II to the notes to financial statements [Refer Note 41]

Disclosure of details as required in terms of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Amount in ₹)

Particulars			Amount Outstanding	Amount Overdue
Liabilities Side:				
(1)		Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a)	Debentures /Bonds:		
		Secured	500,000,000	-
		Unsecured (Other than falling within the meaning of public deposit)	-	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	-	-
	(d)	Inter-corporate loans and borrowing	65,127,480	-
	(e)	Commercial Papers	-	-
	(f)	Other Loans:		
		Working capital facility		
		Public Deposit	-	-

Particulars			Amount Outstanding
Assets Side:			
(2)		Break-up of Loans and Advances including bills receivables [other than those included in (3) below]:	
	(a)	Secured	102,300,000
	(b)	Unsecured	448,500,000
(3)		Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities	
	(a)	Financial assets	-
	(b)	Assets and advance for Operating Lease	-
	(c)	Repossessed Assets	-
(4)		Break up of Investments	
		Current Investments*	
	(1)	Quoted:	-
	(i)	Shares: Equity	99,007,162
	(ii)	Debentures and bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others	3,119,816
	(2)	Unquoted:	
	(i)	Shares: Equity	60,000,000
	(ii)	Debentures and bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others	-

Notes to Financial Statements (Contd.)

(Amount in ₹)

Particulars			Amount Outstanding
Long term investments			
(1)	Quoted:		
(i)	Shares: Equity		55,319
(ii)	Debentures and bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others		-
(2)	Unquoted:		
(i)	Shares: (a) Equity		45,300,000
	(b) Preference		-
(ii)	Debentures, bonds / units		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (Investment in Funds)		-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	25,000,000	25,000,000
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	-	-	-
	Total	-	25,000,000	25,000,000

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category		Market Value / Break up or fair value or NAV	Book Value (net of provisions)
1.	Related Parties		
	(a) Subsidiaries	-	300,000
	(b) Companies in the same group	-	45,000,000
	(c) Other related parties	-	60,000,000
2.	Other than related parties	-	-
	Total	-	105,300,000

(7) Other Information:

Particulars			Total
i.	Gross Non-Performing Assets		
	(a) Related Parties		-
	(b) Other than related Parties		-
ii.	Net Non-Performing Assets		
	(a) Related Parties		-
	(b) Other than related Parties		-
iii.	Assets acquired in satisfaction of debt		-

* Stock for Trade



Consolidated

Financials

Auditors' Report on Consolidated Financial Statements

To The Board of Directors

Golden Goenka Fincorp Limited (formerly Golden Securities Limited)

1. We have audited the attached Consolidated Balance Sheet of GOLDEN GOENKA FINCORP LIMITED (formerly Golden Securities Limited) ("the Company"), its subsidiaries and associate [the Company, its subsidiaries and associate collectively referred to as "the Group"] as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These Consolidated 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 components. Our responsibility is to express an opinion on these Consolidated 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Financial statements of subsidiaries, which reflect total assets (net) of ₹ 25,525,206/- as at 31st March, 2012, total net revenues of ₹ 336,028/- and net cash inflows of ₹ 221,545/- for the year ended on that date, as considered in the Consolidated Financial Statements, have been audited by one of us.
4. We did not audit the financial statements of the associate, in which the share of profit of the Group is ₹ 2,373,049/- for the year ended 31st March, 2012, as considered in the Consolidated Financial Statements. The financial statements of the associate have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of the other auditors.
5. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standards 23, (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and associate, the other financial information of the components 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 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 Group as at 31st March, 2012;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Haribhakti & Co.
Chartered Accountants
(Firm's Registration No. 103523W)

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Kolkata
Date: 30th May, 2012

For Vasudeo & Associates
Chartered Accountants
(Firm's Registration No. 319299E)

V. D. Agarwal
Partner
Membership No. 054784

Place: Kolkata
Date: 30th May, 2012



Consolidated Balance Sheet as at 31st March, 2012

(Amount in ₹)

	Note	As at 31st March, 2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	170,002,000
Reserves and Surplus	3	118,298,604
		288,300,604
Non-Current Liabilities		
Long-Term Borrowings	4	500,000,000
Other Long-Term Liabilities	5	341,530
Long-Term Provisions	6	1,699,700
		502,041,230
Current Liabilities		
Short-Term Borrowings	7	65,000,000
Other Current Liabilities	8	2,777,704
Short-Term Provisions	9	5,255
		67,782,959
		858,124,793
ASSETS		
Non-Current Assets		
Fixed Assets	10	1,916,961
Non-Current Investments	11	47,428,368
Deferred Tax Assets (Net)	12	233,946
Long-Term Loans and Advances	13	217,503,126
		265,165,440
Current Assets		
Current Investments	14	60,000,000
Stock for Trade	15	102,126,978
Trade Receivables	16	47,530,524
Cash and Bank Balances	17	27,314,821
Short-Term Loans and Advances	18	345,870,904
Other Current Assets	19	8,199,165
		591,042,392
		858,124,793

Significant Accounting Policies and Notes to Consolidated Financial Statements 1 to 39

The Notes referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place: Kolkata

Date: 30th May, 2012

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

V. D. Agarwal

Partner

Membership No. 054784

Place: Kolkata

Date: 30th May, 2012

For and on behalf of the Board of Directors

CA G L Goenka

Chairman & Managing Director

B N Mukherjee

Company Secretary

Dinesh Burman

Executive Director

S K Dabriwala

Chief Financial Officer

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

		(Amount in ₹)
		Year ended 31st March, 2012
		Note
INCOME		
Revenue From Operations	20	958,486,862
Other Income	21	4,310,506
Total		962,797,368
EXPENSES		
Purchases of Shares, Mutual Fund & Commodities		984,900,200
Changes in Stock-for-Trade		(70,207,232)
Employee Benefits Expense	22	4,441,145
Finance Cost	23	19,095,025
Depreciation and Amortisation Expense	10	154,580
Other Expenses	24	8,638,287
Total		947,022,005
Profit before Provisions & Tax		15,775,363
Contingent Provisions against Standard Assets		1,351,827
Profit Before Tax		14,423,536
Tax Expense:		
Current tax		2,994,991
MAT Credit Entitlement		(138,828)
Deferred Tax Charge / (Credit)		(233,946)
Total Tax for the Year		2,622,217
Profit After Tax		11,801,319
Earnings per equity share (Basic and Diluted) (in ₹) (par value ₹ 10/- per Equity Share)	31	0.78

Significant Accounting Policies and Notes to Consolidated Financial Statements

1 to 39

The Notes referred to above form an integral part of the Statement of Profit and Loss

This is the Statement of Profit and Loss referred to in our report of even date

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

V. D. Agarwal

Partner

Membership No. 054784

CA G L Goenka

Chairman & Managing Director

Dinesh Burman

Executive Director

Place: Kolkata

Date: 30th May, 2012

Place: Kolkata

Date: 30th May, 2012

B N Mukherjee

Company Secretary

S K Dabriwal

Chief Financial Officer



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

		(Amount in ₹)
		Year ended 31st March, 2012
A. Cash Flow from Operating Activities		
	Net Profit Before Tax	14,423,536
	Adjustments for:	
	Depreciation and Amortisation	154,580
	Provision for Diminution in value of the Long term investments	222,453
	Contingent Provision against Standard Assets	1,351,827
	Loss on sale of Investments (Net)	(739,191)
	Dividend income	(2,354)
	Interest Income on Investment in Bond	(362,910)
	Interest Income on Inter-Corporate Loan	(336,028)
	Liabilities No Longer Required written back	(1,000)
	Loss on valuation of Stock for Trade	16,654,482
	Share in Income of Associates	(2,373,049)
	Operating Profit before Working Capital Changes	28,992,346
	Adjustment for:	
	Increase/(Decrease) in Liabilities and Provisions	2,277,983
	Decrease/(Increase) in Trade Receivables	(41,680,670)
	Decrease/(Increase) in Stock for Trade	(86,861,715)
	Decrease/(Increase) in Loans and Advances/ Other Assets	(532,721,303)
	Cash Generated from /(used in) Operations	(629,993,359)
	Direct Taxes paid (Net of refunds)	(5,719,154)
	Net Cash (Used in) / Generated by Operating Activities	(635,712,513)
	a	
B. Cash Flows from Investing Activities		
	Purchase of Fixed Assets	(1,553,054)
	Loans Given by Subsidiary	(25,000,000)
	Purchase of Investments	(112,773,665)
	Interest Received	362,910
	Proceeds from Sale of Investments	8,512,856
	Dividend Received	2,354
	Net Cash (Used in)/ Generated by Investing Activities	(130,448,599)
	b	
C. Cash Flows from Financing Activities		
	Proceeds from Issuance of Share Capital	232,000,000
	Proceeds from issue of Secured Redeemable Non-Convertible Debentures	500,000,000
	Proceeds from Unsecured Long-Term Borrowings	65,000,000
	Interim Dividends Paid on Equity Shares	(6,264,426)
	Corporate Dividend Tax Paid	(1,103,143)
	Net Cash (Used in)/ Generated by Financing Activities	789,632,431
	c	

Consolidated Statement of Cash Flow for the year ended 31st March, 2012 (Contd.)

(Amount in ₹)

		Year ended 31st March, 2012
Net Increase/(Decrease) in Cash and Cash Equivalents	a+b+c	23,471,319
Cash and Cash Equivalents at the beginning of the year		3,843,502
Cash and Cash Equivalents at the end of the year		27,314,821
Explanations:		
1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 (AS 3) 'Cash Flow Statements' notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.		
2. Cash and Cash Equivalents are represented by:		
Cash on hand		2,033,962
In Current Accounts		24,745,205
In Unclaimed Dividend Account		535,654
Total		27,314,821
3. Current year being the first occasion that Consolidated Financial Statements are presented, hence comparative figures for the previous period have not been presented, in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements."		

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

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

Place: Kolkata

Date: 30th May, 2012

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

V. D. Agarwal

Partner

Membership No. 054784

Place: Kolkata

Date: 30th May, 2012

For and on behalf of the Board of Directors

CA G L Goenka

Chairman & Managing Director

B N Mukherjee

Company Secretary

Dinesh Burman

Executive Director

S K Dabriwala

Chief Financial Officer



Significant Accounting Policies

1 Significant Accounting Policies

1.1 Basis of Preparation

The consolidated financial statements have been prepared in conformity with Generally Accepted Accounting Principles in India, to comply in all material respects with the notified Accounting Standards ('AS') under the Companies Accounting Standard Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit Accepting or Holding) Company ('NBFC'). The consolidated financial statements have been prepared under the historical cost convention, on accrual basis. Golden Goenka Fincorp Limited (the Holding Company, hereinafter referred to as "the Company"), its subsidiaries and associate are collectively referred to as 'the Group'.

Presentation and disclosure in Consolidated Financial Statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Group for preparation and presentation of its financial statements. Except accounting for dividend on investment in subsidiary, the adoption of new Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

Operating Cycle

As per the revised Schedule VI, "An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents".

For the Group, there is generally no clearly identifiable normal operating cycle and hence the normal operating cycle for the Group is assumed to have a duration of 12 months.

Current and Non-Current Asset

An asset is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is expected to be realised within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as 'non-current'.

Current and Non-Current Liability

A liability is classified as 'current' when it satisfies any of the following criteria:

- i. it is expected to be settled in the Group's normal operating cycles; or
- ii. it is held primarily for the purpose of being traded; or
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as 'non-current'.

1.2 Use of estimates

The preparation of consolidated financial statements requires the management to make estimates and assumptions which are considered to arrive at the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported income and expenses during the reporting year. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates are recognised prospectively in the current and future years.

1.3 Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) "Consolidated Financial Statements" and Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Central Government under the Companies (Accounting Standards)

Significant Accounting Policies (Contd.)

Rules, 2006. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Holding Company and its subsidiary companies have been combined on line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- c) The excess of cost of the Holding Company of its investment in the subsidiary over the Holding Company's portion of equity of the subsidiary as at the date of investment is recognised in the consolidated financial statements as Goodwill. It is tested for impairment on a periodic basis and written-off if found impaired.
- d) The excess of Holding Company's portion of equity of the Subsidiary, over cost as at the date of investment, is treated as Capital Reserve.
- e) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.

1.4 Fixed Assets, Depreciation/Amortisation and Impairment

a) Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets, which take substantial period of time to get ready for their intended use, are also capitalised to the extent they relate to the period till such assets are ready to put to use.

b) Depreciation/Amortisation

Depreciation/ Amortisation is provided on the Written Down Value Method ('WDV') as per the rates and in the manner prescribed in Schedule XIV to the Act. Management estimates the useful lives of fixed assets to be in accordance with the useful lives prescribed in the aforementioned Schedule.

Fixed Asset costing upto ₹ 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

Depreciation/ Amortisation on assets purchased / sold during the reporting period is recognised on pro-rata basis.

c) Impairment of Fixed Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

1.5 Investments

Investments that are intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and market price determined category wise. All non-current investments including investments in Subsidiary Companies, are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognise a decline, on an individual basis.

1.6 Stock for Trade

Stock for trade is carried at lower of cost and market price.

1.7 Loan Assets

Loan Assets include loans advanced by the Company, secured by collateral offered by the customers, if applicable.

Loan assets are carried at net investment amount including installments fallen due and are net of unmaturing / unearned finance charges, amounts received, assets not paid for, etc.

1.8 Provisioning / Write-off of assets

The Company makes provision for Standard and Non-Performing Assets as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time. The Company also makes additional provision towards loan assets, to the extent considered necessary, based on the management's best estimate.



Significant Accounting Policies (Contd.)

1.9 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured:

- a) Revenue from sale of stock for trade (shares/securities, commodities and mutual fund) is recognised when a binding obligation has been entered into.
- b) Income from Loan assets is recognised in the Statement of Profit and Loss on accrual basis as per the term and condition of the loan agreement, except in the case of non-performing assets where it is recognised, upon realisation, as per the Prudential Norms / Directions of the RBI, applicable to NBFC.
- c) Fees from consultancy services are recognised pro-rata over the period of the contract as and when services are rendered. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. Other fee based income is accounted for on accrual basis.
- d) Profit/loss from derivative instrument (future and options) are recognised on a marked to market basis.
- e) Dividend income is recognised when the right to receive the dividend is established.
- f) Profit or Loss on sale of investments is recognised when a binding obligation has been entered into.
- g) Interest is recognised using the time proportion basis taking into account the amount outstanding and the interest rate applicable.
- h) All other income is accounted for on accrual basis.

1.10 Prior Period and Extra Ordinary Items

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Group are disclosed separately.

1.11 Retirement and other Employee Benefits

a) Gratuity

Liability for gratuity, which is a defined benefit scheme, is provided for based on an actuarial valuation carried out by an independent actuary as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the Statement of Profit and Loss in the year it is earned / incurred and are not deferred.

b) Compensated absences

Compensated absences are a long-term employee benefit and is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company accrues for the expected cost of short - term compensated absences in the year in which the employee renders services.

c) Provident Fund

The provision of Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) is not applicable to the Company as the number of employees were less than 20 during the year and at year end.

1.12 Borrowing Costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings. Premium payable on redemption of debentures is amortised over the tenure of the debentures. These form part of the borrowing costs.

Borrowing costs also include exchange differences arising from Foreign currency borrowings, to the extent they are regarded as an adjustment to the borrowing costs.

All other costs related to borrowings are recognised as expense in the period in which they are incurred.

1.13 Segment reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard-17 (Segment Reporting), the Group is predominantly engaged in 'Trading' and 'Financing and related Services' as primary reportable segments.

The Accounting policies adopted for segment reporting are in line with the accounting policies used in preparation of the financial statements of the Group, with following additional policies for segment reporting.

Significant Accounting Policies (Contd.)

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Fixed assets used in the Group's business have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

1.14 Leases

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised on a straight-line basis over the lease term.

1.15 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period, attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.16 Cash and Cash Equivalents

Cash and Cash Equivalents in the Cash Flow Statement comprise of cash on hand and cash at bank, demand deposits with banks, cheques on hand, remittances in transit and short term highly liquid investments with an original maturity of three months or less.

1.17 Taxes on Income

Tax expense comprises of current tax [(net of Minimum Alternate Tax (MAT) credit entitlement)] and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

1.18 Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.



Notes to Consolidated Financial Statements

2 Share Capital

(Amount in ₹)

Particulars	As at 31st March, 2012
Authorised [Refer Note 34] Equity Shares, par value ₹ 10/- per share 70,000,000, Equity Shares	700,000,000
	700,000,000
Issued, Subscribed and Fully Paid-up Equity Shares, par value ₹ 10/- per share 17,000,200, Equity Shares#	170,002,000
	170,002,000

During the year, the Company issued and allotted 8,340,000 equity shares of ₹ 10/- each, fully paid, to the promoter and 5,660,000 equity shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per equity share on 19th May, 2011.

3 Reserves and Surplus

(Amount in ₹)

Particulars	As At 31st March, 2012
Securities Premium Reserve Opening Balance*	-
Add: Addition during the year [Refer note (a) below]	112,000,000
Less: Utilised for Premium on Redemption of Debentures [Refer note (b) below]	341,530
Closing Balance	111,658,470
Special Reserve Fund [Reserve Fund as per Section 45-IC of Reserve Bank of India Act, 1934] Opening Balance*	1,778,331
Add: Addition during the year	1,845,409
Closing Balance	3,623,740
General Reserves Opening Balance*	372,892
Add: Addition during the year	-
Closing Balance	372,892
Surplus Opening balance*	590,815
Add: Net Profit after tax transferred from Statement of Profit and Loss	11,801,319
Amount available for appropriation	12,392,134
Appropriations: Interim Dividends	6,800,080
Corporate Dividend Tax on Interim Dividend	1,103,143
Special Reserve Fund	1,845,409
Closing Balance	2,643,502
	118,298,604

* Amount represents figures of Standalone Financial Statements of the Holding Company

Note:

- (a) During the year, the Company issued and allotted 8,340,000 equity shares of ₹ 10/- each, fully paid, to the promoter and 5,660,000 equity shares of ₹ 10/- each to strategic investors not forming part of promoter group on preferential basis at a premium of ₹ 8/- per equity share on 19th May, 2011.
- (b) Pursuant to Section 78 of the Companies Act, 1956, the Company has utilised the balance in Securities Premium Reserve for providing for the premium payable on the redemption of Non-Convertible Redeemable Debentures ('NCDs'), issued during the current financial year, on a proportionate basis over the tenure of debentures.

Notes to Consolidated Financial Statements (Contd.)

4 Long-Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2012
Secured	
Redeemable Non-Convertible Debentures 500,000, 12.75 % Debentures of ₹ 1,000/- each	500,000,000
	500,000,000

Note:

- During the year 500,000, 12.75% Redeemable Non-Convertible Debentures (NCDs) of the face value of ₹1,000/- each aggregating to ₹ 500,000,000 were issued and allotted on private placement basis.
- The NCDs are redeemable at the end of 5 years (from date of allotment i.e. 7th March, 2012) at a premium of 5% of the face value. Interest on these debentures is payable semi-annually on 1st April and 1st October (except in case of first interest payment, being paid on 31st March, 2012). These debentures were rated as CARE BB (-).
- The NCDs are secured by mortgage over the Company's immovable property located in Gujarat, and by hypothecation of stock and trade receivable/ debtors both as agreed between the Company and the Trustee for the Debenture Holders.

(Amount in ₹)

Particulars	As at 31st March, 2012
5 Other Long Term Liabilities	
Premium payable on redemption of Redeemable Non-Convertible Debentures [Refer note 3(b)]	341,530
	341,530
6 Long-Term Provisions	
Provision for Employees Benefits (Non Current Portion) [Refer note 29]	
-Gratuity	301,153
-Leave Encashment	21,547
Others	
-Contingent Provisions against Standard Assets	1,377,000
	1,699,700
7 Short-Term Borrowings	
Unsecured	
Loans and advances from related parties [Refer note 32]	65,000,000
	65,000,000
8 Other Current Liabilities	
Unclaimed dividend	535,654
Interest accrued and due on borrowings	127,480
Other payables	
-Payables for Expenses and Services	34,459
-Accrual for Staff Benefits	19,424
-Accrual for Expenses and Services	859,100
-Statutory Liabilities	1,201,587
	2,777,704
9 Short-Term Provisions	
Provision for Employees' Benefits (Current Portion) [Refer note 29]	
-Gratuity	1,817
-Leave Encashment	3,438
	5,255



Notes to Consolidated Financial Statements (Contd.)

Particulars	Gross Block/Original Cost			Depreciation/Amortisation and Impairment#			Net Carrying Value		
	As at 1st April, 2011*	Additions/adjustments during the year	Disposals/adjustments during the year	As at 31st March, 2012	As at 1st April, 2011*	For the year		Disposals/adjustments during the year	As at 31st March, 2012
Tangible:									
Assets for Own Use									
Land-Freehold [Refer note 4(c)]	-	1,189,000	-	1,189,000	-	-	-	-	1,189,000
Air-conditioner	127,267	-	-	127,267	95,318	4,444	-	99,762	27,505
Office Equipment	67,810	102,283	-	170,093	67,810	6,815	-	74,625	95,468
Furniture & Fixtures	35,400	-	-	35,400	35,400	-	-	35,400	-
Motor Vehicles	537,167	-	-	537,167	55,629	124,670	-	180,299	356,868
Computers	192,768	211,061	-	403,829	192,768	18,651	-	211,419	192,410
Total Fixed Assets	960,412	1,502,344	-	2,462,756	446,925	154,580	-	601,505	1,861,251
Intangible:									
Goodwill@	-	55,710	-	55,710	-	-	-	-	55,710
Total Intangible Assets	-	55,710	-	55,710	-	-	-	-	55,710
Total Fixed Assets	960,412	1,558,054	-	2,518,466	446,925	154,580	-	601,505	1,916,961

* Amount represents figures of Standalone Financial Statements of the Holding Company

None of the Company's Fixed Assets are considered impaired as on the Balance Sheet date.

@ Goodwill arising on consolidation of Subsidiaries.

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2012
11 Non-Current Investments	
In Equity instruments - Unquoted, Fully paid-up (Goodwill ₹ 29,335,701*)	47,373,049
In Equity instruments - Quoted, Fully paid-up	55,319
	47,428,368
*Goodwill on consolidation of Associate.	
12 Deferred Tax Assets (Net)	
Deferred tax assets	
Depreciation on Fixed asset	3,126
Disallowance under Section 43 B	106,405
Others	448,004
	557,535
Deferred tax liabilities	
Debenture issue expenses	(323,589)
	233,946
13 Long-Term Loans and Advances	
<i>Unsecured, considered good</i>	
Loan Assets	
-To related parties [Refer note 32]	25,000,000
- Others	191,500,000
	216,500,000
<i>Unsecured, considered good</i>	
Security deposits	207,900
Other Loans and advances	
- Prepaid expenses	795,226
	217,503,126
14 Current Investments	
In Equity instruments - Unquoted, Fully paid-up	60,000,000
	60,000,000
15 Stock for Trade	
Stock for Trade	102,126,978
	102,126,978
16 Trade Receivables	
<i>Unsecured, Considered Good</i>	
Other Debts	
- Considered Good [Refer note 32]	47,530,524
	47,530,524
17 Cash and Bank Balances	
Cash on Hand	2,033,962
Balances with Banks	
- In Current Accounts	24,745,205
- In Unclaimed Dividend Account	535,654
	27,314,821



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

Particulars	As at 31st March, 2012
18 Short-Term Loans and Advances	
Secured, Considered Good	
Loan Assets	
- Others	102,300,000
Unsecured, Considered Good	
Loan Assets	
- Others	232,000,000
	334,300,000
Interest accrued and due on Loan Assets	6,418,516
Other loans and advances	
-Other deposits	1,589,103
-Service Tax receivable	252,272
-Prepaid expenses	218,539
-MAT Credit Entitlement	138,828
-Advance tax and Tax Deducted at Source, (Net of Provision for Tax)	2,953,646
	345,870,904
19 Other Current Assets	
Interest accrued but not due	8,199,165
	8,199,165
Particulars	Year ended 31st March, 2012
20 Revenue From Operations	
Sale of Stock for Trade	914,949,545
Income from Loan Assets	36,075,230
Other Financial Services	6,359,986
Profit on Sale of Current Investments	739,191
Interest on Investment in Tax-Free Bond	362,910
	958,486,862
21 Other Income	
Dividend Income From Long Term Investment	2,354
Dividend Income from Stock for Trade	1,593,854
Liabilities no longer required written back	1,000
Interest on Income Tax Refund	4,221
Interest Income from Inter-corporate Loan	336,028
Share in Associate	2,373,049
	4,310,506
22 Employees Benefits Expense	
Salaries , Allowances and Bonus	4,047,113
Contribution to Provident and Other Funds	302,970
Staff Welfare Expenses	91,062
	4,441,145
23 Finance Cost	
Interest on Borrowings	19,095,025
	19,095,025

Notes to Consolidated Financial Statements (Contd.)

24 Other Expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2012
Capital & Commodity Market Expenses	2,030,157
Corporate Compliance Fees	3,134,365
Legal & Professional Fees	647,966
Debenture Issue Expenses	13,254
Auditors' Remuneration	470,482
Advertisement, Publicity & Sales Promotion	237,341
Motor Car Expenses	272,432
Provision for Diminution in Value of the Long Term Investments	222,453
Directors' Sitting Fees	228,000
Printing and Stationery	182,545
Rent	104,705
Rates and Taxes	18,309
Repair and Maintenance	
-Others	56,112
Communication Expenses	133,717
Travelling and Conveyance	194,679
Electricity Charges	40,152
Prior Period Items	213,825
Miscellaneous Expenses	437,793
	8,638,287

25 In accordance with Accounting Standard 21 "Consolidated Financial Statements" notified by Central Government under Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements of the Group include the financial statements of the Holding Company and all its subsidiaries which are more than 50% owned and controlled. Enterprises over which the Company exercises significant influence are considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Investments that are acquired and held exclusively with a view to subsequent disposal in the near future are not considered for consolidation.

26 The details of subsidiaries and associates are as follows:-

Name of the Company	Country of Incorporation	% Holding as at 31st March, 2012
Subsidiaries		
Golden Goenka Properties & Construction Private Limited (w.e.f. 9th November 2011)	India	100%
Golden Goenka Financial Advisors Private Limited (w.e.f. 9th November 2011)	India	100%
Golden Goenka Management Consultancy Services Private Limited (w.e.f. 9th November 2011)	India	100%
Associates		
Aristro Capital Markets Private Limited (w.e.f. 21st November, 2011)	India	10.03%
S2 Capital Service Private Limited (w.e.f. 28th December 2011) *	India	24.00%

*Based on information provided by the management and relied upon by the Auditor. This Investment has been acquired and held exclusively with a view to subsequent disposal in the near future, hence not considered for consolidation.

27 Contingent Liabilities and Commitments (to the extent not provided for)

(Amount in ₹)

Particulars	As at 31st March, 2012
I Contingent Liabilities	
Bank Guarantee	1,003,000
II Commitments	-



Notes to Consolidated Financial Statements (Contd.)

28 Operating lease-in the capacity of lessee

The Group has a cancellable operating lease arrangement for office space for a period of 3 years and is renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year amounted to ₹ 104,705

29 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - Employee Benefits

Defined Benefit Plan:

(A) **Gratuity benefit** to employees are not funded. The following table sets out the details of amount recognised in the financial statements in respect of employee benefit schemes:

Reconciliation of the projected benefit obligations

(Amount in ₹)

Particulars	Gratuity
	31st March, 2012
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	-
Interest cost	-
Current services cost	86,001
Benefits paid	-
Actuarial (gains)/losses on obligation	216,969
Closing defined benefit obligation	302,970
Change in Plan Assets:	
Plan assets at period beginning, at fair value	-
Expected return on plan assets	-
Actuarial gain/ (loss)	-
Contributions	-
Benefits paid	-
Plan assets at period end, at fair value	-
Reconciliation of present value of obligation and fair value of plan assets:	
Present value of defined benefit obligation at the end of the period	302,970
Fair value of plan assets at the end of the year	-
(Asset) /Liability recognised in the balance sheet	302,970
Current	1,817
Non Current	301,153
Amount recognised in the Statement of Profit and Loss account are as follows:	
Current Service Cost	86,001
Interest Cost on benefit obligation	-
Expected return on plan assets	-
Net Actuarial (gain)/ Loss recognized in the year	216,969
Past services cost	-
Net Benefit expense	302,970
Principal actuarial assumptions at the balance sheet date:	
Retirement age	60 years
Future salary rise	4%
Rate of discounting	8%
Attrition rate	3%
Mortality table	LIC (1994 -96)
Average balance service	27 years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Notes to Consolidated Financial Statements (Contd.)

(B) Leave benefits to employees are not funded. The following table sets out the details of amount recognised in the financial statements:

Particulars	(Amount in ₹)
	Leave encashment 31st March, 2012
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	-
Interest cost	-
Current service cost	7,446
Benefits paid	-
Actuarial (gains)/losses on obligation	17,539
Closing defined benefit obligation	24,985
Change in Plan Assets:	
Plan assets at period beginning, at fair value	-
Expected return on plan assets	-
Actuarial gain/ (loss)	-
Contributions	-
Benefits paid	-
Plan assets at period end, at fair value	-
Reconciliation of present value of obligation and fair value of plan assets:	
Present value of defined benefit obligation at the end of the period	24,985
Fair value of plan assets at the end of the year	-
(Asset) /Liability recognised in the balance sheet	24,985
Current	3,438
Non Current	21,547
Amount recognised in the Statement of Profit and Loss account are as follows:	
Current Service Cost	7,446
Interest Cost on benefit obligation	-
Expected return on plan assets	-
Net Actuarial (gain)/ Loss recognised in the year	17,539
Past services cost	-
Net Benefit expense	24,985
Principal actuarial assumptions at the balance sheet date:	
Retirement age	60 years
Future salary rise	4%
Rate of discounting	8%
Attrition rate	3%
Mortality table	LIC (1994 -96)



Notes to Consolidated Financial Statements (Contd.)

30 Segment Reporting

- (i) The Group has identified two reportable segment viz. 'Trading' and 'Financing and Related services' segment. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns associated with the segments.
- (ii) The Group has identified business segment as the 'primary segment' for the purpose of disclosure. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each segment and amounts allocated on a reasonable basis. Group operates in a single Geographical segment. Hence, secondary Geographical segment information disclosure is not required.
- (iii) The accounting policies adopted for segment reporting are in line with the accounting policies used in preparation of the financial statements with following additional policies for segment reporting.

(Amount in ₹)

Particulars	2011-2012		
	Trading	Financing and related services	Total
Segment Revenue			
External Sales	916,543,399	45,912,720	962,456,119
Add: Unallocable Income			341,249
Total			962,797,368
Segment Results			
Add: Unallocable Income	(179,726)	26,581,988	26,402,262
Less : Unallocable administrative expenses			12,319,975
Profit before tax			14,423,536

(Amount in ₹)

Particulars	As at 31st March, 2012		
	Trading	Financing and related services	Total
Segment Assets	149,657,502	673,641,275	823,298,777
Add: Unallocable Corporate / other Assets			31,499,596
Add: Advance Income-tax (including tax deducted at source) (net)			2,953,646
Add: MAT Credit Entitlement			138,828
Add: Deferred Tax Asset			233,946
Total			858,124,793
Segment Liabilities	-	566,846,010	566,846,010
Add: Unallocable Corporate / other Liabilities			2,978,179
Total			569,824,189
Cost incurred to acquire fixed assets (excluding capital advances)	-	-	1,558,054
Total			1,558,054
Depreciation/amortisation	-	-	-
Add: Unallocated depreciation/amortisation			154,580
Total			154,580
Non cash expenses other than depreciation and amortisation (included in measuring segment results)	16,654,483	1,574,280	18,228,763

- (iv) The reportable Segments are further described below :
'Trading' includes dealing in Shares, Securities and commodities. 'Financing and related services' segment includes all loans and advances to individuals, firms & corporates, consultancy & advisory services relating to finance.

Notes to Consolidated Financial Statements (Contd.)

31 Earnings per Equity Share

The computation of earnings per share is set out below:-

(Amount in ₹)

Particulars	2011-2012
Profit After Tax attributable to Equity Shareholders (Amount in ₹)	11,801,319
Weighted average number of Equity Shares (Basic)	15,164,134
Weighted average number of Potential Equity Shares	-
Weighted average number of Equity Shares (Diluted)	15,164,134
Nominal Value of Equity per share (₹)	10
Basic earnings per share (₹)	0.78
Diluted earnings per share (₹)	0.78

32 Related Party Disclosures

A. Related Parties:

- i. Holding Company : Risewell Credit Private Limited (w.e.f. 19th May, 2011)
- ii. Associate : Aristro Capital Markets Private Limited
: S2 Capital Services Private Limited
(w.e.f. 28th December, 2011)
- iii. Investing Company : Risewell Credit Private Limited (Upto 18th May, 2011)

B. Key Management Personnel:

- iv. Managing Director : Mr. Girdhari Lal Goenka (w.e.f. 23rd November, 2011)
: Mr. Vivek Goenka (Upto 22nd November, 2011)

C. Relative of Key Management Personnel:

- v. Wife of Girdhari Lal Goenka , Managing Director : Mrs. Raj Goenka (w.e.f. 23rd November, 2011)

The following is the summary of transactions with related parties:

(Amount in ₹)

Name of related party relationship	Nature of transactions and outstanding balances	2011-12
Holding:		
Risewell Credit Private Limited	Loan taken	65,000,000
	Interest on Loan (TDS ₹ 14,164/-)	141,644
	Balance Payable-Loan	65,127,480
Associate:		
Aristro Capital Markets Private Limited * As a share broker	Investment made	45,000,000
	Mark to Market Margin received	313,653
	Option Premium Paid	54,958
	Direct Expenses on Future & Options	14,399
	Security transaction Tax	887,143
	Purchase of Shares & Securities*	388,894,312
	Sales of Shares & Securities*	319,117,522
	Direct Expenses on Shares	883,317
	Share Speculation Profit	528,701
	Sale of Investment	948,700
	Balance Receivable-Trade	46,670,777
S2 Capital Services Private Limited	Purchase of Equity Shares	60,000,000
	Investment in Equity instruments	60,000,000
Investing Company:		
Risewell Credit Private Limited	Share Application Money Received	130,120,000
	Share Application Money refunded	-
	Issue of equity shares	150,120,000
	Balance: Share application money pending allotment	-



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

Name of related party relationship	Nature of transactions and outstanding balances	2011-12
Key Management Personnel:		
Mr. Girdhari Lal Goenka	Managerial remuneration	768,000
	Director Sitting fees	35,000
Mr. Vivek Goenka	Managerial remuneration	232,000
Relative of Key Management Personnel		
Mrs. Raj Goenka	Rent	12,000

- 33** During the year, the Company vide resolution dated 16th September, 2011, at Annual General Meeting accorded approval to the Board to offer, issue and allot equity shares of ₹ 10/- each, for cash for a sum up to ₹ 131 crores or such sum as may be prescribed by the Board in this regard in the ratio to be determined by the Board and mentioned in the draft letter of offer to be issued by the Company in respect of rights issue. The Company is in the process of executing the proposed rights issue as of the reporting date. The Company in the Extra-Ordinary General Meeting held on 23rd May, 2012, informed the shareholders that the par value per equity share of ₹10/- each as mentioned in the resolution dated 16th September, 2011 stands at ₹ 5/- each [Also refer note 34].
- 34** Pursuant to the approval of the Shareholders vide resolution passed through postal ballot dated 24th March, 2012, the equity shares of face value of ₹ 10/- each were sub-divided into two equity shares of face value of ₹ 5/- each on record date of 4th May, 2012. Accordingly, authorised Equity Share Capital of the Company comprising of 70,000,000 Equity Shares of ₹10/- each stands revised to 140,000,000 Equity Shares of ₹ 5/- each.
- 35** The Shareholders vide resolution dated 23rd May, 2012, passed in Extra Ordinary General Meeting accorded approval to the Board to offer, issue and allot up to 17,500,000, 0% Optionally Convertible Debentures (“OCDs”) of face value of ₹ 40/- each, aggregating to ₹ 700,000,000 in one or more tranches, to the Promoters/ Promoter Group and Non-Promoters on a preferential basis with an option to convert each OCD held into two equity shares of ₹ 5/- each [Also refer note 34] fully paid-up at any time within 18 months from the date of allotment of OCDs.
- 36** Haribhakti & Co. have been appointed as Joint Statutory Auditors pursuant to the approval of the Shareholders vide resolution passed through postal ballot dated 24th March, 2012.
- 37** Current year being the first occasion that Consolidated Financial Statement are presented, hence comparative figures for the previous period have not been presented in accordance with Accounting Standard 21 (AS-21) “Consolidated Financial Statements”. Opening balances wherever disclosed represents figures of Standalone Financial Statements of Holding Company.
- 38** As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Act is applicable to the financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the Consolidated Financial Statements for the year ended 31st March, 2012 are prepared in accordance with the Revised Schedule VI.
- 39** The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Act subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

Notes to Consolidated Financial Statements (Contd.)

Information on Subsidiary Companies Pursuant to Direction Under Section 212(8) of the Companies Act, 1956 is given below:

(Amount in ₹)

Sr. No	Particulars	Golden Goenka Financial Advisors Private Limited #	Golden Goenka Management Consultancy Services Private Limited #	Golden Goenka Properties & Construction Private Limited #
1	Financial year ended on	31st March, 2012	31st March, 2012	31st March, 2012
2	Currency	₹	₹	₹
3	Shares of the Subsidiary Company held on the above date and extent of holding			
	a) Number of equity shares	10,000	10,000	10,000
	b) Extent of Holding	100%	100%	100%
4	Share Capital	100,000	100,000	100,000
5	Reserves & Surplus	(30,534)	(30,819)	206,869
6	Total Liabilities	73,960	73,675	25,377,571
7	Total Assets	73,960	73,675	25,377,571
8	Investments	-	-	-
9	Turnover	-	-	336,028
10	Profit/(Loss) before Taxation	(30,534)	(30,819)	305,444
11	Provision for Taxation	-	-	98,575
12	Profit/(Loss) after Tax	(30,534)	(30,819)	206,869
13	Proposed Dividend	-	-	-

w.e.f. 9th November, 2011

Signatories to Notes 1 to 39.

For Haribhakti & Co.

Chartered Accountants

(Firm's Registration No. 103523W)

For Vasudeo & Associates

Chartered Accountants

(Firm's Registration No. 319299E)

For and on behalf of the Board of Directors

Anand Kumar Jhunjunwala

Partner

Membership No. 056613

V. D. Agarwal

Partner

Membership No. 054784

CA G L Goenka

Chairman & Managing Director

Dinesh Burman

Executive Director

Place: Kolkata

Date: 30th May, 2012

Place: Kolkata

Date: 30th May, 2012

B N Mukherjee

Company Secretary

S K Dabriwala

Chief Financial Officer

PROXY FORM

Folio No
 No. of Shares

DP ID No.
 Client ID No.

I/We
 of
 being a Member/Members of M/s. Golden Goenka Fincorp Ltd. hereby appoint
 of or failing him /her
 of as my / our proxy in my/our absence
 to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday,
 22nd August, 2012 at 10.00 A.M. and/or at any adjournment thereof.

Affix
 Revenue
 Stamp

Signed this day of2012
 Signature

Note: The Proxy must be deposited at the Registered Office of the Company at 1st, British Indian Street, Room No- B 10,
 Kolkata – 700 069 not less than 48 hours before the commencement of the meeting.



ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE.

Name of the Shareholder (In Block Letters)
 Register Folio No/DP ID & Client ID No.
 No. of Shares held.....

Name of the Proxy (In Block Letters) in case the Proxy attends instead of the Shareholder(s).

**I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held at Manthan
 (Banquet Hall) at 3, Waterloo Street, Kolkata-700069 on Wednesday, 22nd August, 2012 at 10.00 A.M.**

Signature of the Shareholder or Proxy.....