

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of Jindal Photo Limited will be held as per scheduled given below :-

Day : Saturday

Date : 30th September, 2006

Time : 2:30 PM

Place : at the registered office of the Company at 260/23, Sheetal Industrial Area, Demani Road, Dadra - 396193 (UT of D & NH)

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March 2006 and the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon and statement in respect of the Wholly owned subsidiary company under Section 212 of the Companies Act.
2. To declare a dividend for the year ended 31st March 2006 @ 10% i.e. Rs. 1.00 per share.
3. To elect a Director in place of Mr. Praveen Kumar Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board Of Directors to fix their remuneration.

M/s B.K. Shroff & Company, Chartered Accountants are the retiring auditors.

SPECIAL BUSINESS

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

"RESOLVED That Mr. Umesh Chand Jain, who was appointed as an Additional Director of the Company under Article 138 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED that subject to the provisions of Section 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 and limits laid down therein read with Schedule XIII thereof as amended and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the Board of Directors for the re-appointment of Mr. V. Chinnappen, as Whole-Time Director of the company, as per the terms and conditions set out in the explanatory statement annexed hereto."

"RESOLVED further that the appointment of Mr. V. Chinnappen, Whole-Time Director, is for a period of 5 (five) years commencing on and from 30th October 2006."

"RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to revise the remuneration payable to him as Whole-Time Director, from time to time subject to the ceiling laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration."

"RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to do all such other acts, deeds, matters and things as in its absolute discretion, it may consider necessary to expedient or desirable in order to give effect to the foregoing resolution or otherwise consider it to be in the best interest of the company."

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

"RESOLVED THAT pursuant to section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent of members of the company be and is hereby accorded to the company for making an investment upto Rs. 295.31 Crores by way of subscription in the equity share capital of the Jindal India Thermal Power Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle and decide from time to time the actual amount of

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the investment(s) and all matters arising out of or incidental to the proposed investment(s) and to do all such acts and things as may be necessary to implement this resolution.”

By Order of the Board
For **JINDAL PHOTO LIMITED**

V.K. Gupta
(GM (Accts)-cum-Company Secretary)

Place: New Delhi

Date : 4th September 2006

NOTES:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the company. The proxy form in order to be effective must be lodged at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members of the Company and the Share Transfer Books shall remain closed from **Friday 15th September 2006 to Tuesday 19th September 2006** (both days inclusive).
3. The explanatory statement pursuant of Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Members holding shares in physical form are requested to notify / send the following to the Company or Share transfer agent to facilitate better services:-
 - i) Any change in their address/mandate/bank details.
 - ii) Particulars of their bank account, in case the same have not been sent earlier, for printing on dividend warrants to prevent fraudulent encashment, and
 - iii) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. Members holding shares in electronic form are advised to notify the changes if any in their address /bank details/ mandate to their respective depository participant.
6. Dividend as recommended by the Directors for the year ended 31st March 2006, if declared will be payable to those members whose names appear in the Register of Members as at close of working hours of the company on 14th September 2006. In respect of share held in demat form, the dividend

will be payable on the basis of the statement of beneficial ownership as at the close of business on 14th September 2006, furnished by NSDL and CDSIL for this purpose.

7. Members are requested to bring their copy of the Annual Report to the annual general meeting.
8. The equity shares of the company have been notified for compulsory trading in demat form by all investors and are available for demat on both Depository National Securities Limited (NSDL) and Central Depository Services (India) Limited (CDSIL).
9. As required under sub clause IV (E)(v) of clause 49 of listing agreement, the detail of shareholding of Non-Executive Directors (both owned or held by / for other person on a beneficial basis) seeking appointment / re-appointment in the forthcoming Annual general Meeting is given below :-

Name of the Non-Executive Director	Number of Shares held
Praveen Kumar Bansal	NIL
Umesh Chand Jain	NIL

10. Queries on accounts and operations of the Company if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answer may be made readily available at the meeting.

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

Item no. 5

Mr. Umesh Chand Jain was appointed as an Additional Director on the Board of the Company effective from 4th September 2006. He holds office upto the date of this Annual General Meeting. Notice Under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Umesh Chand Jain for the office of the Director of the Company.

Mr. Umesh Chand Jain aged about 52 years is having good and rich experience of more than 25 years in the areas of project and industrial management, Government liaison etc.

The Board of Directors considers that the continuance of Mr. Umesh Chand Jain on the board of the company and recommends the resolution for your approval.

None of the directors except Mr. Umesh Chand Jain may be considered as concerned or interested in the said resolution.

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Item No. 6

The Board of Directors in their meeting held on 4th September 2006 have re-appointed Mr. V.Chinnappen as Whole-Time Director of the Company for a period of 5 (five) years commencing on and from 30th October 2006. Your Directors consider that his re-appointment on the Board as Whole-Time Director will be beneficial to the Company.

The Principal terms of appointment are as under: -

- 1. SALARY:** Rs. 39,200/- per month (Increment upto Rs. 5800/- p.a. as per the policy of the Company)
- 2. PERQUISITIES:**

Housing

Free residential accommodation to be provided by the company, the monetary value of which will be evaluated as per Rule 3 of the Income Tax Rules, 1962 or House Rent Allowance subject to maximum limit of 50% of salary.

Medical Reimbursement:

Reimbursement of medical expenses actually incurred for self, wife and dependant children. The total cost of such expenses to the company shall not exceed one month's salary in a year to a maximum of three months salary for a period of three year of service.

Provident Fund:

Provident Fund: company's contribution towards Provident Fund, if any made, but not exceeding 12% of the salary as laid down under Income Tax Rules, 1962.

Gratuity:

Not exceeding 15 days salary for each completed year of service, subject to maximum limits prescribed if any in the Payment of Gratuity Act, 1972.

In the event of inadequacy of profits in any year, the salary, as in S. No. 1 only shall be reduced by 10%.

If at any time the appointee ceases to be Director of the Company for any cause whatsoever, he shall cease to be Whole-time Director as the case may be.

The terms and conditions of the said appointment may be altered and varied in such manner as may be agreed to between the Board of Directors and appointee.

In compliance with the provisions of Section 269 and 309 of the Companies Act, 1956 the terms of remuneration specified above are now being placed before the general meeting for your approval.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors of the Company except Sh. V. Chinnappen may be concerned or interested in the said resolution.

Item No. 7

The Board of Directors at their meeting held on 5th June 2006 has unanimously consented to make investment upto Rs. 295.31 crore in the equity share capital of Jindal India Thermal Power Limited (a group company), which is setting up of 500-MW Power Project in the State of Madhya Pradesh at an estimated project cost of Rs. 2250 Crores. The estimated project cost of Rs. 2250 Crores has been proposed to be financed through a mix of Equity and Debt in the ratio of 1:3. M/s Jindal India Thermal Power Limited has approached the Company and appraised with the above referred proposed power project.

Taking into consideration the facts of the tremendous demand of Power in future and availability of temporary surplus funds from time to time the company may invest over and above the limits as prescribed Under Section 372A of the Companies Act, 1956. Therefore, due to proposed investment(s) the limits Under Section 372A may exceed by an amount of Rs. 300 Crores for the proposed investment(s) to be made in the equity share capital of Jindal India Thermal Power Limited, which may be invested from time to time as per the requirement and need of the investee company

The Board shall ensure that adequate safeguards are taken while making investments so as to protect the interest of the company and its members.

Nature of Investment: Investments in the equity share capital by way of subscription or otherwise

Objective: Optimum Utilization of funds.

Source of Funds: Internal accruals as may be generated by the company from time to time and temporary surpluses.

Your Directors recommend the resolution set out in item no. 7 of the notice convening the meeting.

None of the Directors of the company is concerned or interest in this resolution.

By Order of the Board
For **JINDAL PHOTO LIMITED**

V.K. Gupta
(GM (Accts)-cum-Company Secretary)

Place: New Delhi

Date : 4th September 2006

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the 3rd Annual Report together with the audited accounts of the company for the year ended 31st March 2006.

FINANCIAL RESULTS

	(Rs./Lacs)	
	Year Ended	
	31/03/2006	31/03/2005
Sales	43,182	47,770
Profit before Interest, Depreciation, Tax & extra ordinary items	2,842	5,695
Less: i) Extra Ordinary items	-	1,492
ii) Interest & Financial Charges	65	209
iii) Provision for Depreciation	226	197
iv) Provision for Taxation / Fringe Benefit	550	992
v) Deferred Tax Liability/(Asset) for the year	54	(18)
Profit After Tax	1,947	2,823
Balance brought forward	218	(0.11)
Profit Available for appropriations	2,165	2,823
Appropriation		
Provision for Dividend	103	1,846
Tax on Dividend	14	259
Transfer to General Reserves	195	500
Balance Carried to Balance Sheet	1,853	218

OPERATIONS

During the year under review, your company has achieved a total turnover of Rs 431.82 Crores and earned operational profit of Rs. 28.42 Crore. Decrease in turnover is mainly because of lower demand of photo processing equipments (Minilabs) in the country.

The Company has participated in various promotional activities such as FUJI carnival workshops, products contests and workshops to promote new products and technologies and increase awareness about photography.

The Board of Directors are hopeful that in the coming years the Company will further consolidate its position and its market share is likely to be increased.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 1.00 per share, i.e. 10% for the dividend for the year ended March 31, 2006.

ISSUE OF SHARE CAPITAL

There is no further issue of share capital during the year.

DEPOSITS

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

DIRECTORS

Mr. Praveen Kumar Bansal, is retiring by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

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Mr. Umesh Chand Jain has been appointed as an additional director on the board on 4th September 2006 and shall hold office up to the date of forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member indicating his intention to propose the appointment of Mr. Umesh Chand Jain as Director of the Company, liable to retire by rotation.

Mr. V Chinnappen has been re-appointed as Whole-Time Director of the Company for five years w.e.f. 30th October 2006 on remuneration to be approved by the members in the forthcoming Annual General Meeting of the Company.

Mr. Punit Jatia, Director of the Company ceased to be director w.e.f. 30th December 2005. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. Punit Jatia during his tenure as Director of the Company.

Mr. Sumant Singhal, who was appointed as an additional director of the Company w.e.f. 30th December 2005 ceased to be director w.e.f. 4th September 2006. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. Sumant Singhal during his tenure as Director of the Company.

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

The Directors confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and for preventing and detecting frauds and other irregularities;
- d) That they have prepared the annual accounts on a 'going concern' basis.

AUDIT COMMITTEE

At present, the audit committee comprises of the following directors.

Mr. Suresh Chander Sharma, Chairman
Mr. Praveen Kumar Bansal
Mr. Umesh Chand Jain

LISTING OF SHARES

The equity shares of your company are listed on BSE and NSE. The listing fee upto the year 2006-2007 has already been paid to BSE and NSE.

SHIFTING OF THE REGISTERED OFFICE

After confirmation of Company Law Board (Northern Region Bench) New Delhi, the Registered office of the Company has been shifted from UPSIDC Industrial Area, Bhimtal, Distt- Nainital (Uttaranchal) to 260/23, Sheetal Industrial Estate, Demani Road, Dadra (UT of D & NH). w.e.f 3rd August 2006.

CORPORATE GOVERNANCE

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 – Consolidated Financial Statements, the consolidated accounts form part of this report & accounts. These accounts have been prepared from the audited financial statements received from subsidiary Company, as approved by its Board of Directors.

SUBSIDIARY COMPANY

In compliance with the provisions of Section 212 of the Companies Act, 1956, a statement is annexed and forms part of this report. The audited accounts of the subsidiary, Jindal Imaging Limited, for the year ended 31st March, 2006 along with Directors and Auditors Reports are annexed with this annual report.

JINDAL FRANCE SAS

In the Current financial year 2006-2007, your Company has invested in the existing group SPV viz., Jindal France SAS by way of subscription to 2.8 million shares of Euro 1 each in its share capital at a value of Euro 2.8 million

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constituting 38.74% of its increased share capital. The aggregate equity amount of Euro 3.5 million together with loan has been utilized by the said Jindal France SAS for the purpose of acquiring strategic stake in Coheris SA, a company listed in France. Coheris SA is in the business of software publishing in the field of customer relationship management and business intelligence and occupies leadership position in Europe in this area.

SHARE REGISTRY ACTIVITIES

In terms of SEBI circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your company has appointed M/s Intime Spectrum Registry Limited, a Category I, Registrar and Share transfer agent registered with SEBI to handle the work related to share registry.

AUDITORS

M/s B K Shroff & Company, Chartered Accountants, New Delhi, the auditors of your Company are retiring at the ensuing Annual General Meeting and being eligible for re-appointment. We recommend their re-appointment. They have furnished a certificate to the effect that this re-appointment, if made, will be in accordance with the sub-section (1B) of Section 224 of the Companies Act, 1956.

AUDITORS' REPORT

In respect of observation made by the Auditors' in their report, regarding excess valuation of stores, spare & packing material. The company has adopted weighted average method, which has also further explained in note no. 9 of Schedule 'U' Notes to the Accounts.

The others comments / observations of Auditors are explained wherever necessary in the appropriate notes to the accounts which are self-explanatory and do not call for further explanation.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing necessary information, as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

PERSONNEL

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

There is no employee who has received the remuneration of Rs. 2,00,000 per month and/or above or Rs. 24,00,000 per annum and/or above during the year under review.

ISO 9002 ACCREDITATION

Your Company's manufacturing facilities at Dadra & Nager Haveli continues to maintain the prestigious ISO 9002 certification by SGS, a leading international certification company.

Further the company is also in the process to get the ISO 9001:2000 certification for its manufacturing units.

GROUP FOR INTERSE TRANSFER OF SHARES

As required under clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practice Act, 1969) for the purpose of availing exemption from the applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations are given in the annexure attached herewith and forms part of this Annual Report

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation of the whole-hearted support and co-operation of M/s Fuji Photo Films Company Limited, Japan, M/s Fuji Hunt Photographic Chemicals Pte Ltd., Singapore, Banks and various government authorities. The Directors also thank its Agents, Dealers and Customers for their continued patronage of the Company's products.

For and on behalf of the Board

(RATHI BINOD PAL)
Managing Director

(SHAMMI GUPTA)
Executive Director

Place : New Delhi
Dated : 4th September, 2006

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company maintains priority in line with the National objective of continuing efforts for energy conservation.

Further by effective utilization of our equipments we have been able to disconnect one of our voltage stabilizers thereby further reducing the IR losses.

The Electrical Transformer of OLTC type with Razor cutting, stamping used for transferor coil.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Effective measures are continuously taken for over all technological upgradation of plant and machinery in various units and energy efficient devices have been installed wherever and whenever necessary

c) Impact of measures as above for reduction of energy consumption and consequent impact on cost of production of goods:

As stated above energy consumption is very low at operational level and by effective measures being taken continuously, the cost of production of goods is also reduced.

Optimum utilization of DG sets has resulted in lower Diesel consumption.

Optimum utilization of Air conditioning system is achieved by providing air curtains at various points.

By putting OLTC facility, nearly 20% energy consumed by transformer has been reduced.

d) Total energy consumption and energy consumption per unit of production.

Not applicable as the company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION:

a) Research & Development (R&D):

i) Specific areas in which R&D carried out by company:

The research and development efforts of the company are mainly towards quality assurance and productivity.

ii) Benefits derived as a result of the above R&D:

New systems are developed in machines to produce better quality products, reduction of wastage and trouble free operation.

iii) Future plans of action:

Continuous developments of new systems in order to get optimum finished products from jumbo rolls.

iv) Expenditure on R&D:

Expenditure on R&D is not specific. Expenses are incurred in normal course so the figure of expenditure is not ascertainable.

b) Technology absorption, adoption and Innovation:

i) Efforts, in brief, made towards technology absorption, adaptation and innovation:

By modifying the conversion equipment to handle the eco-friendly photographic films.

Specific technical training in Photographic Industry is being regularly provided with the help of Fuji Photo Films Co. Ltd, Tokyo, Japan and their technical experts have also been visiting our factory to facilitate technology absorption.

ii) Benefits derived as a result of the above efforts:

It has resulted in a better quality of product, which has been brought to the International Standards, besides improving the productivity and reducing the wastage.

iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)

Technology imported : NIL

Year of Import : Not Applicable

Has technology been fully absorbed : Not Applicable

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If not fully absorbed, : Not Applicable
areas where this has not
been taken place reasons
therefore and future plans
of action

Latest testing and trouble-shooting
equipments were imported from time to time
from Fuji Photo Films Co., Ltd., Japan and
other countries to have a strict control on
quality and to reduce the downtime of
machines.

Technical personnel were trained at Fuji's
factory at Japan from time to time and have
fully absorbed and implemented effectively the

various techniques used for film and paper
conversion.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company has an
inflow of Foreign Exchange to the value of
Rs. 1,373.50 Lac and foreign exchange outgo to
the value of Rs. 23,296.79 Lac.

For and on behalf of the Board

(RATHI BINOD PAL) (SHAMMI GUPTA)
Managing Director Executive Director

Place : New Delhi
Dated: 4th September, 2006

ANNEXURE TO THE DIRECTORS' REPORT

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

1.	Name of Subsidiary	Jindal Imaging Limited
2.	Financial Year of the subsidiary ended on	31 st March, 2006
3.	Holding company's interest in the equity share capital	100 %
4.	Profit or loss for the current financial year so far as concerns the members of the holding company, not dealt with or provided for in the accounts of the holding company	(Rs. 2.86 Lac)
5.	Net aggregate profits or losses for the previous financial years since becoming subsidiary so far as concern the members of the holding company, not dealt with or provided for in the accounts of holding company	(Rs. 34.76 Lac)
6.	Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the holding company in relevant years	NIL

For and on behalf of the Board

(RATHI BINOD PAL) (SHAMMI GUPTA)
Managing Director Executive Director

Place : New Delhi
Dated : 4th September, 2006

ANNEXURE TO THE DIRECTORS' REPORT

"GROUP" FOR INTER-SE TRANSFER OF SHARES UNDER CLAUSE 3(1) (e) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.

1	Jindal Photo Limited	19	Jupax Barter Private Limited
2	Jindal Imaging Limited	20	Jindal Realtors Limited
3	Consolidated Finvest & Holdings Limited	21	Passion Tea Private Limited
4	Jindal Photo Investments Limited	22	Jindal India Thermal Power Limited
5	Jesmin Investments Limited	23	Indian Software Consultancy Limited
6	Consolidated Buildwell Limited	24	Super Industries Pvt. Ltd., Nepal
7	Consolidated Realtors Limited	25	Jindal (India) Limited
8	Jindal Meadows Limited	26	Flex star Sales Private Limited.
9	Vigil Farms Limited	27	Bazaloni Groups Limited
10	Agile Properties Limited	28	Mr. Shyam Sunder Jindal
11	Rishi Trading Company Limited	29	Mrs. Subhadara Jindal
12	Soyuz Trading Company Limited	30	Ms. Gunjan Jindal
13	Jindal Poly Films Limited	31	Ms. Aakriti Jindal
14	Hindustan Polyester Limited	32	Mr. Bhavesh Jindal
15	Jindal France SAS, France	33	Shyam Sunder Jindal (HUF)
16	Rexor SAS, France	34	Mr. Bhavi Chand Jindal
17	Consolidated Photo & Finvest Limited	35	Mrs. Meena Devi Jindal
18	Jumbo Finance Limited	36	B.C. Jindal and Sons.

REPORT ON CORPORATE GOVERNANCE

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a dynamic concept thriving under constantly changing environment. Your company is firmly of the view that Corporate Governance is not an end in itself but a facilitator in maximizing the objective of shareholder value. The company would like to be known as an 'excellent' company in terms of the quality of governance, the products manufactured and trades, in customers' services, in fair dealings with its stakeholders, and in the standards of individuals and company performances.

The Company has complied with the provisions of the amended clause 49 of the Listing agreement of the Stock Exchange (which came into effect from January 1, 2006), which deals with the compliance of Corporate Governance requirements.

II. BOARD OF DIRECTORS

The Board of Directors of the company comprises of a Managing Director, two executive director and three independent directors as at 31st March 2006.

The board possesses experience in diverse fields and the skills, experience and expertise necessary to guide the company. The Board elects its chairman at its meetings.

During the year under review, the Board of Directors of the company met 8 (eight) times and the period between any two meetings did not exceed four months.

Board Meetings held during the year ended 31st March 2006:

29th April 2005, 11th May 2005, 30th July 2005, 5th September 2005, 29th October 2005, 30th December 2005, 31st January 2006 and 28th February 2006.

For every Board Meeting the agenda papers alongwith explanatory notes are distributed well in advance to the Board members. The company places before the Board the minutes of committees of the Board, annual operating plans, budgets, performance of various units / divisions, and all other information including those specified under annexure 1 of clause 49 of the Listing agreement, if any.

Composition of the Board of Directors and other details as at 31st March 2006.

Name of the Director	Category	No of Meetings attended (total meeting held 8)	Attendance at Last AGM	No. of Outside directorships held	No. of membership / chairmanship in board Committees
Mr. Rathi Binod Pal	Managing Director	8 (Eight)	Yes	8 (Eight)	2 (Two)
Mr. V. Chinnappen	Whole-Time Director	2 (Two)	No.	NIL	NIL
Mr. Shammi Gupta	Executive Director	8 (Eight)	No	5 (Five)	2 (two)
Mr. Praveen Kumar Bansal	Non Executive & Independent	7 (Seven)	No	6 (six)	NIL
Mr. Suresh Chander Sharma	Non Executive & Independent	8 (Eight)	Yes	8 (Eight)	2 (two)
Mr. Punit Jatia ¹	Non Executive & Independent	NIL	No	N.A.	N.A.
Mr. Sumant Singhal ²	Non Executive & Independent	3 (Three)	N.A.	1 (One)	NIL
Mr. Umesh Chand Jain ³	Non Executive & Independent	N.A	N.A.	N.A.	N.A.

1. Ceased to be a director w.e.f. 30th December 2005.

2. Appointed as additional Director w.e.f. 30th December 2005, and ceased to be a director w.e.f. 4th September 2006.

3. Appointed as additional Director w.e.f. 4th September 2006

None of the Directors of the Board serve as members of more than 10 committees nor are the Chairman of more than 5 committees, as per the requirements of the Listing Agreement.

The company has adopted a Code of Conduct for its Board of Directors and all directors have affirmed compliance with the said code.

The Company has not entered into any pecuniary relationship or transaction with Non-Executive Directors. Also the company has not made any payment to Non-Executive Directors during the year.

The board periodically reviews the compliance reports of all laws applicable to the company, prepared by the Company Secretary on the basis of information(s) received from the respective departments and the steps taken by the company to rectify instances of non-compliances.

III AUDIT COMMITTEE

As on 31st March 2006 the audit committee comprises of three independent directors. All the committee members have sound knowledge of finance and accounting. The members are:-

- i) Mr. Suresh Chander Sharma, Chairman of the Committee
- ii) Mr. Praveen Kumar Bansal
- iii) Mr. Punit Jatia ¹
- iv) Mr. Sumant Singhal ²
- v) Mr. Umesh Chand Jain ³

1. Ceased to be a director w.e.f. 30th December 2005.
2. Appointed as additional Director w.e.f 30th December 2005, and ceased to be a director w.e.f. 4th September 2006.
3. Appointed as additional Director w.e.f 4th September 2006.

Mr. Suresh Chander Sharma, is a M.Com degree holder coupled with LLB and has expertise in the area of commercial, legal, auditing and related financial management.

The representative(s) of the statutory auditors and the Internal auditors, the head of accounts & finance department are the permanent invitee to the audit Committee meetings. The internal auditors directly submit their reports to the audit committee. The Quorum of the committee is two members.

Mr. V.K. Gupta, GM (Accts)-cum-Company Secretary acts as the Secretary to the committee.

During the year under review , the Audit Committee met 5 (Five) times on 29th April 2005, 30th July 2005, 5th September 2005, 29th October 2005 and 31st January 2006

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

Name	Designation	Meetings attended
Mr. Suresh Chander Sharma	Chairman	5 (Five)
Mr. Praveen Kumar Bansal	Member	5 (Five)
Mr. Punit Jatia ¹	Member	NIL
Mr. Sumant Singhal ²	Member	1 (One)
Mr. Umesh Chand Jain ³	Member	Not Applicable

1. Ceased to be a director w.e.f. 30th December 2005.
2. Appointed as additional Director w.e.f. 30th December 2005, and ceased to be a director w.e.f. 4th September 2006.
3. Appointed as additional Director w.e.f. 4th September 2006

The Audit Committee is empowered, pursuant to its terms of reference, inter alia :

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

The role of the committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Listing Agreement, Companies Act and other statutes, as amended from time to time.
- The Audit Committee has reviewed the information placed before it as required under sub clause II (E) of clause 49 of listing agreement.

IV. REMUNERATION OF DIRECTORS FOR THE YEAR 2005-2006

The remuneration of Managing Director and Whole Time Directors were approved at the meeting of Board of Directors of the Company.

Details of Remuneration paid to all the Directors for the period from 1st April 2005 to 31st March 2006.

Amount (Rs.)

Name	Designation	Salary	Perquisites, Allowance & benefit(s)	Performance linked incentives	Total
Mr. Rathi Binod Pal	Managing Director	453600	121657	NIL	575257
Mr. V. Chinnappen	Whole-Time Director	446400	27960	NIL	474360
Mr. Shammi Gupta	Executive Director	476125	22610	NIL	498735
Mr. Suresh Chander Sharma	Non Executive Director	NIL	NIL	NIL	NIL
Mr. Punit Jatia	Non Executive Director	NIL	NIL	NIL	NIL
Mr. Praveen Kumar Bansal	Non Executive Director	NIL	NIL	NIL	NIL
Mr. Sumant Singhal	Non Executive Director	NIL	NIL	NIL	NIL
Mr. Umesh Chand Jain	Non Executive Director	NA	NA	NA	NA

1. In case of Mr. Rathi Binod Pal, salary is the Basic salary. The monetary value of perquisites includes perquisite of accommodation, leave encashment, reimbursement of medical expenses incurred for self and family subject to maximum of one month salary and company's contribution to provident fund. The Service contract of Mr. Rathi Binod Pal is five years(s) , beginning from 26th August 2002
2. In case of Mr. V Chinnappen, salary is the Basic salary. The monetary value of perquisites include perquisite of accommodation, reimbursement of medical expenses incurred for self and family subject to maximum of one month salary and company's contribution to provident fund. The Service contract of Mr. V Chinnappen is five years(s), beginning from 30th October 2001.
3. In case of Mr. Shammi Gupta, salary includes Basic salary, House Rent allowance and ex-gratia payment. The monetary value of perquisites includes perquisite of accommodation, leave encashment, reimbursement of medical expenses incurred for self and family subject to maximum of one month salary and company's contribution to provident fund. The Service contract of Mr. Shammi Gupta is five years(s), beginning from 26th August 2002

As on 31st March 2006, none of the Non-executive directors are holding any shares in the company.

V. SHAREHOLDERS / INVESTORS GRIEVANCE / SHARE TRANSFER COMMITTEE

The company has a board committee namely 'Shareholders / investors grievance / Share Transfer Committee' to look into various issues relating to shareholders including the redresses of complaints, and also monitors share transfer, transmission, splits, consolidation, issue of duplicate shares etc.

The meeting of this committee is held frequently to ensure completion of share transfer work within the stipulated period, i.e. on fortnightly basis.

At present the committee comprises of the following directors:

- i) Mr. Suresh Chander Sharma, Chairman
- ii) Mr. Rathi Binod Pal
- iii) Mr. Shammi Gupta

The chairman of the committee is a Independent Director.

Mr. V.K. Gupta, GM (Accts)-cum-Company Secretary, is the Compliance Officer.

During the year 2005-2006, 207 complaints were received directly from shareholders / investors and through Stock Exchanges, SEBI, and DCA etc. All the complaints have generally been solved to the satisfaction of the complainants, except for disputed cases and sub-judice matters, which would be solved on final disposal by the Courts.

All valid requests for transfer have acted upon and no transfer received during the year 2005-2006 is pending as on 31st March 2006.

VI. GENERAL BODY MEETING

The company was incorporated on 15/03/2004, hence only two Annual General Meetings were held as per details given below:-

Date & Time	Venue
29 th September 2004 10:00 AM	Registered Office : UPSIDC Industrial Area, Bhimtal, Distt- Nainital Uttaranchal
30 th September 2005 9:30 AM	Registered Office : UPSIDC Industrial Area, Bhimtal, Distt- Nainital Uttaranchal

The following special resolutions were passed in previous Two Annual General Meetings

Year 2003-2004 (1st AGM)

No Special Resolution(s) was on agenda of the 1st Annual General Meeting

Year 2004-2005 (2nd AGM)

1. Alteration in the Articles of Association – As per the Requirement of Listing Agreement
2. Alteration in the Articles of Association – Passing of Resolutions through postal ballot
3. Authorization to the Company for Commencement of Businesses as set-out in other objects of the Memorandum of Association of the Company.
4. Authorization to the Board of Directors for the payment of sitting fee and other compensation to Non-Executive Directors as per the listing agreement requirement.
5. Investment in the units of Mutual Funds upto Rs. 125 crore.

Details of special resolution(s) passed last year through postal ballot

Special Resolutions were declared passed through postal ballot process in the last financial year (2005-2006).

1. Shifting of registered Office of the Company from the State of Uttaranchal to Union Territory of Dadra & Nagar Haveli.
2. Alteration in the Articles of Association of the Company.

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by the Postal Ballot) Rules, 2001, the Company had sent Postal ballot forms and the relevant explanatory statement for the approval of above mentioned special resolutions.

Mr. Ravi Grover, Partner, Grover Ahuja & Associates, Company Secretaries, was appointed as the scrutinizer for the purpose of conducting the above postal ballot exercise.

The notice of the postal ballot dated 28th February 2006 along with the relevant explanatory statement and the postal ballot form were sent to all the company's shareholders and the shareholders had returned duly completed postal ballot form to the Company by 10th April 2006.

The company has received 420 ballot papers comprising an aggregate of 67,45,455 equity shares of the face value of Rs. 10/- each. Out of them 359 forms comprising of 67,40,789 equity shares of the face value of Rs10/- each (99.98%) were in favour of the resolution and 16 forms comprising of 1,197 equity shares of the face Value of Rs. 10/- each (0.02%) were against the resolution 45 forms comprising of 3,469 equity shares of face value of Rs. 10/- each (0.05%) were found to be invalid.

The results of the postal ballot were announced on 18th April 2006.

The company complied with all the procedural formalities for the conduct of postal ballot.

No special resolution was put through postal ballot in the last AGM and there is no such proposal for this year as there is no such business, which statutorily requires voting through postal ballot in the ensuing Annual General Meeting

VII. DISCLOSURES

Materially significant related party transactions

No transaction of a material nature has been entered into by the company with its promoters, Directors or the Management and their relative's etc, which may have potential conflict with the interest of the company. All the relevant information as required under sub clause IV(A) of the clause 49 of the Listing Agreement has been placed before the audit committee. Transactions with the related parties are

disclosed in the note no. 18 of Schedule 'U' to the Accounts in the annual report.

Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on the matter related to capital markets, during the last three years

The Company has complied with all the requirements of regulatory authorities like Stock Exchanges, SEBI and other Statutory Authorities during the preceding three years and on the matter related to capital market. No penalties / strictures have been imposed on the Company.

Whistle Blower Policy

The Company has not adopted the whistle blower policy mechanism. However no person has been denied to access the Audit committee.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause

The company has complied with all applicable mandatory requirements on the report of corporate governance. The Company has not adopted the non-mandatory requirements as specified in annexure ID of the Listing Agreement.

Code of Conduct

The company has adopted code of conduct for its Directors and Senior Management Personnel. The code has also been posted on the Company's website. The Managing Director of the company has given a declaration that all the Directors and Senior Management Personnel have affirmed the compliance with the Code of Conduct.

Subsidiary Companies

The Company does not have any material non-listed subsidiary company as defined in clause 49 of the Listing agreement. The audit Committee reviews the financial statements of the Company's unlisted subsidiary companies. The minutes of the board meetings of the subsidiary company are periodically placed before and reviewed by the Board of directors of the Company.

Accounting Treatment

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountant of India (ICAI) in the preparation of its financial statements.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



management controls risk and mitigation plans through means of properly defined framework from time to time.

Public, Rights and other Issues

During the year 2005-2006, the company did not make any public, rights or any other issue of securities.

Shareholders

a) Disclosure regarding appointment and re-appointment of Director liable to retire by rotation

Mr. Praveen Kumar Bansal

Date of Birth	15/08/1966
Date of Appointment	23/12/2004
Expertise in specific functional area	Marketing, General Management, Project Management
Qualification	B.Com
Directorship in other Companies	Jindal Photo Investments Limited Jumbo Finance Limited Soyuz Trading Company Limited Northern Strips Limited Allied Poles (India) Ltd Super Plastic Co Limited
Chairman/Member of the Committee* of the Board of Directors of the Company	Audit Committee (Member)
Chairman/Member of the *Committees of Director of other Companies in which he is a director	
a) Audit Committee	Jindal Photo Investments Limited (Member)
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL
No of shares held in Jindal Photo	NIL

Mr. Umesh Chand Jain

Date of Birth	23/03/1954
Date of Appointment	04/09/2006
Expertise in specific functional area	Project & Industrial Management & Government liaison
Qualification	Graduate (Delhi University)
Directorship in other Companies	Consolidated Finvest & Holdings Limited Jindal Photo Investments Limited Consolidated Photo & Finvest Limited Jumbo Finance Limited Jindal India Thermal Power Limited
Chairman/Member of the Committee* of the Board of Directors of the Company	Audit Committee (Member)
Chairman/Member of the *Committees of Director of other Companies in which he is a director	
a) Audit Committee	Consolidated Finvest & Holdings Limited Jindal Photo Investments Limited Consolidated Photo & Finvest Limited
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL
No of shares held in Jindal Photo	NIL

Management

Management Discussion and Analysis forms part of this Annual Report.

No material financial and commercial transaction(s) has been entered into by the Senior management Personnel with the company, which may have potential conflict with the interest of the company

b) Disclosure regarding re-appointment of Mr. V Chinnappen as Whole-Time Director.

The existing services contract with Mr. V Chinnappen Whole-Time Director is valid till 29th October 2006. The Board of Directors has proposed the re-appointment of Mr. V Chinnappen for further period of five years with effect from 30th October 2006.

Date of Birth	06/02/1944
Date of Appointment	07/12/2004
Expertise in specific functional area	38 yrs Technical experience in Photographic industry
Qualification	L M E
Directorship in other Companies	NIL
Chairman/Member of the Committee* of the Board of Directors of the Company	NIL
Chairman/Member of the *Committees of Director of other Companies in which he is a director	
a) Audit Committee	NIL
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL

C) Investor grievances & share transfer

As mentioned before the company has constituted shareholders'/investor grievance committee to look into and redress shareholders and investor complaints like transfer of shares, non receipt of dividend, annual report etc.

The company has outsourced its share transfer function to Ms/ Intime Spectrum Registry Limited, which is a registered with SEBI as a Category I Registrar.

CEO / CFO Certification

The Managing Director and the General Manager (Accounts) –cum-Company Secretary have certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March 2006.

Auditors' Certificate on Corporate governance

As stipulated in clause 49 of the Listing agreement, the auditors' certificate regarding compliance of conditions of corporate governance is annexed to this Annual Report.

VIII. MEANS OF COMMUNICATION

This is being done through submission of quarterly results to the stock exchanges in accordance with the listing agreement and publication in the leading newspaper like Financial Express or Business Standard (English) and Jansatta (Hindi), Sandesh & Financial Express (Gujarati). The Company has also

developed a section dedicated for Investors on Jindal Photo web site (www.jindalphoto.com) to display latest annual, half-yearly & quarterly results. All other price sensitive and any other information are sent to The National Stock exchange of India Limited (NSE) and The Bombay Stock Exchange Ltd (BSE) where shares of the Company are listed.

The Company is also filing the requisite reports under the Electronic Data Information Filing and Retrieval System (EDIFAR) website maintained by National Informatics Centre (NIC) pursuant to Securities & Exchange Board of India (SEBI) regulations. The information can be accessed in the EDIFAR website viz., www.sebiedifar.nic.in.

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General meeting

Date and time : Saturday 30th September, 2006 at 2:30 P:M

Venue : 260/23, Sheetal Industrial Estate, Demani Road, Dadra (UT of DNH)

b. Financial Calendar (tentative)

Financial Year 1st April 2006 to 31st March 2007

Unaudited Results for the first quarter ending June 30, 2006 End July 2006

Unaudited Results for the second quarter ending September 30, 2006 End October, 2006

Unaudited Results for the third quarter ending December 31, 2006 End January, 2007

Unaudited Results for the fourth quarter ending March 31, 2007 End April, 2007

Annual Accounts 2006-2007 July / August 2007

Annual General Meeting for the year ending March 31, 2007 August / September, 2007

c. Date of Book Closure

Friday 15th September, 2006 to Tuesday 19th September, 2006 (both days inclusive)

d. Dividend payment date

Dividend @ 10% (i.e. Rs. 1.00 per share) will be paid by 29th October 2006, if approved by the members in the ensuing Annual General Meeting.

e. Listing on Stock Exchanges

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

1. The Bombay Stock Exchange Limited (BSE) 1st Floor, Rotunda Building, Phiroze Jeejeebhoy Towers, B S Marg, Fort, Mumbai
2. The National Stock Exchange of India Ltd (NSE)

Exchange Plaza, Plot C-1, Block - G Bandra-Kurla Complex, Bandra (East) Mumbai

The Listing fee for the year 2006-2007 has been paid to the above Stock Exchanges in time.

f. Stock Code

BSE : 532624
NSE : JINDALPHOT
ISIN : INE796G01012

g. Market Price Data

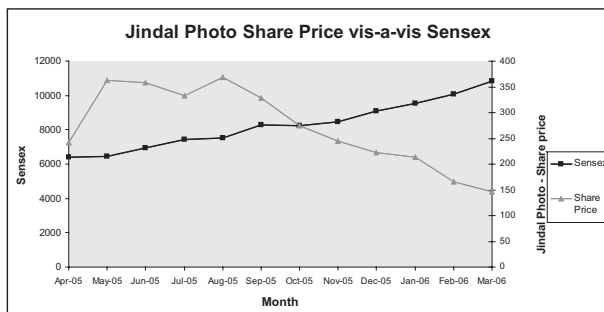
High, Low during each month in the last financial year from 1st April 2005 to 31st March 2006.

(i) The Bombay Stock Exchange Limited (BSE)

Month	High (Rs.)	Low (Rs.)	BSE Sensex	
			High	Low
April, 2005	349.00	136.00	6649.42	6118.42
May, 2005	418.00	306.00	6772.74	6140.97
June, 2005	393.00	322.10	7228.21	6647.36
July, 2005	357.90	308.10	7708.59	7123.11
August, 2005	417.00	321.10	7921.39	7123.11
Sept, 2005	375.00	281.00	8722.17	7818.9
October, 2005	323.00	227.00	8821.84	7656.15
Nov., 2005	259.00	231.00	9033.99	7891.23
Dec, 2005	259.00	231.00	9033.99	7891.23
January, 2006	238.00	207.00	9442.98	8769.56
February, 2006	229.70	197.00	9945.19	9158.44
March, 2006	198.00	132.50	10422.65	9713.51

Source : www.bseindia.com

Performance in comparison to BSE Sensex

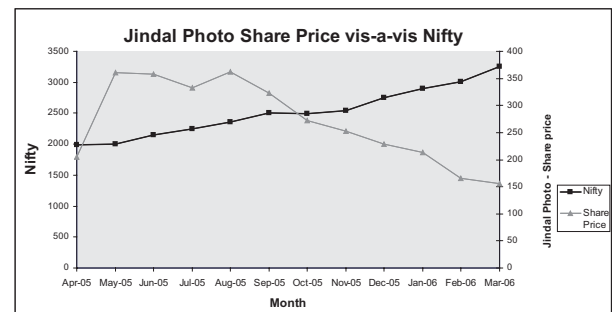


(ii) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	NSE nifty	
			High	Low
April, 2005	349.70	60.00	2084.90	1896.30
May, 2005	418.95	301.10	2099.35	1898.15
June, 2005	392.95	322.00	2226.15	2061.35
July, 2005	357.00	308.00	2332.55	2171.25
August, 2005	416.50	308.00	2426.65	2294.25
Sept, 2005	372.00	275.00	2633.90	2382.90
October, 2005	320.00	225.10	2669.20	2307.45
Nov., 2005	274.00	230.10	2727.05	2366.80
Dec, 2005	274.00	230.10	2727.05	2366.80
January, 2006	249.75	208.00	2857.00	2641.95
February, 2006	229.45	197.00	3005.10	2783.85
March, 2006	200.00	132.10	3090.30	2928.10

Source : www.nseindia.com

Performance in comparison of NSE Nifty



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h. Registrar and Share Transfer Agent (for both physical & Electronic)

M/s Intime Spectrum Registry Limited
(Unit: Jindal Photo Limited)
 3rd Floor, A-31 Near PVR Cinema
 Naraina Industrial Area, Phase – I
 New Delhi – 110 028
 Phone: 011- 41410592-94
 Fax: 011-41410591
 e-mail : delhi@intimespectrum.com

i. Share Transfer System

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

All requests for dematerialization of share are processed and confirmation / rejection are given

to respective depository i.e. NSDL & CDSIL through the Registrar on weekly basis.

j. Distribution of Shareholding as on 31st March, 2006

Shareholding of Nominal Value of Rs. 10 /- each	No. of share-holders	% of share-holders	Share Amount (in Rs.)	% of Total share amount
Up to 2500	34055	96.93%	13847970	13.50 %
2501 to 5000	581	1.65%	2130860	2.07 %
5001 to 10000	283	0.81 %	2074530	2.02 %
10001 to 20000	114	0.33 %	1595070	1.56 %
20001 to 30000	33	0.09 %	840380	0.82 %
30001 to 40000	19	0.05 %	658730	0.64 %
40001 to 50000	14	0.04 %	627630	0.61 %
50001 to 100000	14	0.04 %	1052880	1.03 %
100001 and above	19	0.06 %	79755210	77.75 %
TOTAL	35132	100.00%	102583260	100.00%

k. Shareholding Pattern as on 31st March 2006

Category	No. of shares held	Percentage of shareholding
A. Promoter's Holding		
1 Promoters		
- Indian Promoters	7074985	68.97%
- Foreign Promoters	NIL	NIL
2 Person acting in concert	278141	2.71%
Sub-Total	7353126	71.68 %
B. Non-Promoters Holding		
3 Institutional Investors		
Mutual Funds and UTI	414139	4.04 %
Banks, Financial Institutions, Insurance Companies (Central/state Govt. Institutions/Non-government Institutions)	10610	0.10%
FIIIs	NIL	NIL
Sub-Total	424749	4.14%
4 Others		
Private Corporate bodies	440793	4.29 %
Indian Public	2024878	19.74 %
NRIIs / OCBs	14780	0.15%
Sub-Total	2480451	24.18 %
GRAND TOTAL	10258326	100.00 %

Jindal Photo Limited

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l. Dematerialization of shares and liquidity

The shares of the company are compulsory traded in dematerialized form and are available for trading on both the depository systems in India, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL).

As on 31st March, 2006, 97,97,835 numbers of shares representing 95.51 % of total paid-up equity capital is held in dematerialized form with NSDL & CDSIL.

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

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

n. Plant Locations

1. Sheetal Industrial Estate, Demani Road, Dadra-396 230, Dadra & Nagar Haveli (U.T)
2. Roll Film Unit No. II, Sheetal Industrial Estate, Demani Road, Dadra – 396 230, Dadra & Nagar Haveli (U.T)

3. PPD Unit, Sheetal Industrial Estate, Demani Road, Dadra- 396 230, Dadra & Nagar Haveli (U.T)
4. Photo Chemical Division, Survey no. 178/2, Near Panchsheel Stone Duary, Vill- Sarigam (Bhilad), Taluka- Umbergoan, Distt- Valsad (Gujarat)
5. Samba Unit, J & K SIDCO, IGC, Samba (Jammu) J & K.

o. Address for Correspondence

Registered Office

260/23, Sheetal Industrial Estate,
Demani Road, Dadra (UT of D & NH)
Tel : 0260-2668371, 2668372, 2668308
Fax : 0260-2668354

Head Office & Share department

The Manager (Secretarial)
Jindal Photo Limited
Photo House 56/2, Hanuman Road, Connaught
Place, New Delhi – 110 001
Telephone : 011- 23363055-58, 23366925,
23363284 23347170, 51500122-123 Ext. 138
Fax: 91-11-23369406, 23348655, 23343282
e-mail : secretarial_photo@jindalgroup.com,
website : www.jindalphoto.com

Declaration by the Managing Director

I, Rathi Binod Pal, Managing Director of Jindal Photo Limited, pursuant to clause 49(1) (D) of the Listing Agreement, hereby confirm that:

- The Board of Directors of Jindal Photo Limited has laid down a code of conduct for all board members and senior management personnel of the company. The said code of conduct has also been posted in the investor page in the company's website, viz. www.jindalphoto.com
- All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended Mach 31, 2006.

New Delhi
4th September 2006

(Rathi Binod Pal)
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

(a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The improvement in economic scenario and sustained growth has helped in growth of average per capita income thus leading to increased purchasing power of the all segments. These trends coupled with widespread availability of cameras were major factors in democratizing the practice of photography benefit amateur photography arena. Today, photography has become such an integral part of modern life that it has become difficult to imagine a world without it. As a result, consumers and producers of photographs have become one in the midst of image creation.

Considering the global average consumption rate the prospects of the photographic industry in India is tremendous, as Indian usage still does not match global standards. With the growth in the population size and growing disposable income of the ever-burgeoning middle class, the usage of photo-film is expected to increase further in the near future.

Although analogue products continue to have a good hold over Indian market, yet there is a huge potential for digital cameras and storage devices, which are making a mark in the industry. The accessibility and affordability of quality cameras and films have been the key demand drivers. The color roll film is one of the major constituents of the consumer-imaging segment.

Keeping in mind the above coupled with the fact that products are becoming more affordable due to new technologies being introduced makes the industry outlook bullish.

Fujifilm takes pride in being seen as a high end, technologically superior product that the consumer has come to rely upon. The finest quality is offered at affordable prices, to both amateur and professional photographers. Its position as an imaging innovator is unchallenged in terms of technology and innovation. Its range of digital products and materials is revolutionizing the field of image recording and processing. Shaping up an aggressive marketing strategy, our company is giving utmost importance to consumers.

The company has launched a series of cameras in the Digital segment. The company is also laying emphasis on developing the consumer-friendly retail sector in the amateur film market by opening up

Fujifilm Digital imaging (FDI) throughout the nation. These outlets are equipped with world-class digital Minilabs – the FRONTIER series.

In terms of sales promotional activities the company has conducted many FUJI carnival workshops, exhibitions, products contests and workshops to promote new products and technologies and increase awareness about photography.

Jindal Photo continues to carry forward the legacy of FUJIFILM brand with its commitment towards the Indian consumer. It has been our constant effort to bring to the discerning Indian photographic industry, the best of technology and the latest equipment and products for achieving superb results at affordable prices. We value our brand identity, its value and its association with the consumers in India.

Keeping in line with the global marketing strategy, Today Fujifilm has established itself as a market leader in the photography and imaging industry in India.

(b) OPPORTUNITIES, THREATS & RISKS

The emerging urban and semi-urban consumers from the middle class socio-economic groups now have more disposable income and are turning towards photography in the process creating a vast amateur market. The availability of low-priced cameras in an area near them has also helped in widening the spectrum for the photography industry. Your company has been quick to identify and capitalize on these new marketing opportunities. The spread of Fuji film Labs in every corner of the nation is a positive sign of the future development.

We are already a leader in the professional photography segment and now our focus is clearly on the amateur photography segment and this initiative will enable us to be closer with our customers countrywide.

Attaining technological advances in the field of X-ray films like Digitalized Radiography (Computed Radiography System) and building the brand 'FUJIFILM' have helped the company in becoming one of the foremost vendors to the fast-growing healthcare sector in India.

The Key materials required for the manufacture of photographic products are import-based and

therefore the business is susceptible to the volatility of the exchange rate and government policies. Fierce competition continues to have an impact on the sales prices and the margins are under pressure. However, by creating higher brand equity, this threat has been neutralized to some extent.

The Company's manufacturing plants have been accredited with ISO 9002 certification, which shows company's commitment to quality.

Risk is an inherent aspect of any business. Your Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for minimizing and mitigating such risks.

(c) PERFORMANCE

The company is aggressively pursuing its marketing strategy of increasing market share which is showing results in enhanced sales volume. The company is also pursuing aggressive cost reduction initiatives thus adding to the bottom-line growth.

During the year under review the company has also organized the 'Fujifilm Super-Six' exhibition in various parts of the country. This year's super six exhibitions are third in the series showcasing works of famous photographers on a variety of topics.

Jindal Photo Ltd. has been at the forefront of ushering in photographic revolution in India and we are happy that our initiative – Fujifilm Super Six has entered into its third year. The idea behind organizing such events is to generate interest in amateur photography and we are happy to see over the years the event attracting not only amateurs but serious photography lovers. Through these photo-exhibitions, Fujifilm endeavors to promote photography as an art-form, among the masses and provide all the support, to amateur photographers, for polishing their skills through professional guidance.

In its constant effort to provide an impetus to the photography lovers and bridge the existing gap in formal photographic education, Jindal Photo Limited launched Academy for Photographic Excellence, a photography institute dedicated to the pursuit of imparting photo-education in India. The objective of the School of Photography is to develop technically and aesthetically sound photographers, capable of

successfully entering and competing in the open marketplace.

(d) OUTLOOK

The Photographic industry is perched for significant growth due to constructive and favorable new advances in technological products, the tourism trends and evolving socio-economic conditions in the vast middle class.

Your company is well geared up to meet the increasing demands – by using strategically planned communications and sales promotion activities for the trade as well as the consumers.

Extensive retail oriented marketing programs and advertisement activities mass media vehicles will ensure an increase in the market share of your company's products / services.

Our future plans include the expansion of the retail and dealer network in the country. We are also planning to open up more Fuji Digital Imaging outlets (FDI) in other major centers countrywide.

(e) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The company regularly conducts internal audits, using external and internal resources to monitor the effectiveness of internal controls of the company. The Audit committee of the board of director's deals with significant control issues rose by the internal and external auditors and instructs further areas to be covered.

(f) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



The industrial relations climate of the Company has been cordial during the year and is geared towards improving productivity, quality and safety.

The company recognizes the importance of human resource development and several initiatives are taken aimed at motivating the employees. Training and development of employees continues to be an important focus area of increasing the competency levels in the organization.

The Company also believes in nurturing young talents through its people interventions and

management-training schemes, which strives to develop business managers of tomorrow. These youngsters are equipped with professional degrees and ethics.

The concerned technical and marketing personnel of the company also being regularly attending training programme abroad, which were conducted by the M/s Fuji Photo Films Co. Ltd, Japan and by its subsidiaries from time to time.

The employee strength of the company as on 31st March 2006 was 264.

AUDITORS' CERTIFICATE

TO THE MEMBERS OF JINDAL PHOTO LIMITED

We have examined the compliance of conditions of corporate governance by **JINDAL PHOTO LIMITED** (formerly Consolidated Photo Products Limited) for the year ended on 31st March, 2006, 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. Our examination was limited to 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 opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as mentioned in the above mentioned listing agreement.

As per records maintained by the company which are presented to the share transfer cum shareholders/investors grievance committee, there were no investor grievances pending for a period exceeding one month against the company.

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

For **B. K. SHROFF & CO.,**
Chartered Accountants

(Anil Gupta)
PARTNER

Membership No. 80074

Place : 3/7B, Asaf Ali Road, New Delhi – 110 002

Dated : 4th September, 2006

AUDITORS' REPORT

TO THE MEMBERS OF JINDAL PHOTO LIMITED

1. We have audited the attached Balance Sheet of **JINDAL PHOTO LIMITED** as at 31st March, 2006, and also the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditors' Report) Order, 2003 and the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose 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 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 purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors and taken on record by the board of directors, we report that as on 31.03.2006 none of the directors is disqualified on the said date from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (vi) *We draw attention to Note No.9 on Schedule 'U' regarding valuation of packing material, stores and spares parts on weighted average method instead of FIFO basis followed in earlier years resulting in the profit for the year and inventory to be higher by Rs. 16,54,720.*
- We further report that, had the observation made by us above been considered, the profit for the year would have been Rs.19,30,92,471 (as against the reported figure of Rs.19,47,47,191) and inventory would have been Rs.37,44,95,718 (as against the reported figure of Rs.37,61,50,438).*
- Subject to above
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2006
 - (b) In the case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **B.K. SHROFF & CO.**
Chartered Accountants

(Anil Gupta)

Partner

Place : New Delhi
Dated : 4th Sept., 2006

Membership No : 80074

ANNEXURE 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) All the fixed assets have been physically verified by the management according to a regular programme which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) During the year the company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern concept of the company.
- (ii) (a) Physical verification of inventory (except material in transit and lying with third parties) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.
- (iii) (a) In our opinion and according to the explanations given to us, the company has neither granted nor taken loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The company has neither granted nor taken loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act and as such clauses (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) (a) According to the information and explanations given to us, during the year there were no contracts or arrangements referred to in Section 301 of the Act that need to be 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, no transactions were made during the year in pursuance of such contracts or arrangements which exceeded the value of five lakh rupees in respect of any party at prices which were unreasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956 in respect of the company's products.
- (ix) (a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance investor education and protection fund, income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, sales tax, service tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31.03.2006 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, dues of income tax, sale tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute are as under:-

Name of the statute	Nature of dues	Amount Rs.	Period to which amount relates	Forum where pending
Delhi Sales Tax Act	Ex-parte assessment (rejected export sales)	36,99,918	1992-93	Additional Commissioner Sales Tax, Delhi
Delhi Sales Tax Act	Sales Tax Demand on sales enhancement	5,42,600	1993-94 and 2002-03	Deputy Commissioner Sales Tax, Delhi
Gujarat Sales Tax Act	Sales Tax Difference on Roll Film	48,41,537	1996-97 and 1997-98	Sales Tax Appellate Tribunal- Ahmedabad
Gujarat Sales Tax Act	Sales Tax Difference on Roll Film	2,01,16,106	1998-99 to 2001-02	Dy. Commissioner Sales Tax (Legal), Ahmedabad
Rajasthan Sales Tax Act	Sales Tax Difference on Medical Product	7,42,008	2000-01 and 2004-05	Deputy Commissioner Appeals (Commercial), Jaipur
U.P. Trade Tax Act	Entry Tax on Paper	93,04,490	2002-03	TradeTax Tribunal-Ghaziabad

- (x) The company does not have any accumulated losses at the end of the financial year nor has it incurred any cash loss during the financial year covered by our audit and in 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 a financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause (xiii) of the Order is not applicable to the company.
- (xiv) Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintain of the transaction and contracts and timely entries have been made in those records in respect of dealing or trading in shares, securities, debentures and other investments. We also report that the company has held the shares, securities, debentures and other investmentss in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) In our opinion the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not availed any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year the company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the year the company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **B.K. SHROFF & CO.**
Chartered Accountants

(Anil Gupta)

Partner

Membership No : 80074

Place : New Delhi
Dated : 4th Sept., 2006

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



BALANCE SHEET AS AT 31st MARCH, 2006

PARTICULARS	Schedules	AS AT	
		31.03.2006 Rs.	31.03.2005 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	'A'	102,583,260	102,583,260
Reserves & Surplus	'B'	943,647,433	760,597,298
		1,046,230,693	863,180,558
LOAN FUNDS			
UNSECURED LOANS	'C'	-	2,019,353
DEFERRED TAX LIABILITY(Net)		49,568,530	44,296,464
		1,095,799,223	909,496,375
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'D'	588,776,204	573,596,969
Less : Depreciation		232,774,958	212,308,219
Net Block		356,001,246	361,288,750
Add:-Capital work in progress		26,909,944	5,204,510
		382,911,190	366,493,260
INVESTMENTS	'E'	249,510,000	350,488,060
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'F'	376,150,438	415,664,660
Sundry Debtors	'G'	61,464,617	107,263,087
Cash & Bank Balances	'H'	150,640,520	114,578,968
Loans & Advances	'I'	324,138,866	258,649,795
		912,394,441	896,156,510
LESS:CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	'J'	283,122,778	393,914,576
Provisions	'K'	165,907,056	309,747,018
		449,029,834	703,661,594
NET CURRENT ASSETS		463,364,607	192,494,916
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	'L'	13,426	20,139
		1,095,799,223	909,496,375
NOTES ON ACCOUNTS	'U'		

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

SHAMMI GUPTA
Executive Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2006

PARTICULARS	Schedules	YEAR ENDED	YEAR ENDED
		31.03.2006	31.03.2005
		Rs.	Rs.
INCOME			
Sales (Gross)	'M'	4,308,339,725	4,765,917,922
Less:- Excise Duty		508,428,474	518,177,887
Sales (Net)		3,799,911,251	4,247,740,035
Income from Services rendered		9,850,752	11,107,359
Other Income	'N'	20,257,308	54,082,048
Excise Duty on Decrease/(Decrease) in Stocks		2,693,999	10,786,518
		3,832,713,310	4,323,715,960
EXPENDITURE			
Material consumed, Manufacturing & Other Operating expenses	'O'	2,362,275,713	2,421,605,941
Purchase of Traded goods		649,129,771	790,342,197
Decrease/(Increase) in Stocks	'P'	2,823,195	75,217,578
Personnel expenses	'Q'	64,223,005	57,890,809
Administrative expenses	'R'	72,931,764	79,371,552
Interest & Financial charges	'S'	6,526,267	20,908,020
Selling & Distribution expenses	'T'	397,125,645	329,795,290
Depreciation		22,625,266	19,724,408
		3,577,660,626	3,794,855,795
Profit before Taxation & Extra ordinary Items		255,052,684	528,860,165
Extraordinary Items		-	149,154,810
Provision - Current Tax		52,500,000	99,200,000
- Fringe Benefit Tax		2,500,000	-
- Deferred Tax		5,272,066	(1,843,705)
- Wealth Tax		33,427	-
Profit after Tax		194,747,191	282,349,060
Balance brought forward		21,791,484	(10,558)
Profit Available For Appropriation		216,538,675	282,338,502
APPROPRIATION			
Transfer to General Reserve		19,475,000	50,000,000
Provision for Dividend		10,258,326	-
Provision for Interim Dividend		-	184,649,868
Provision for Tax on Dividend		1,438,730	25,897,150
Balance Carried To Balance Sheet		185,366,619	21,791,484
		216,538,675	282,338,502
Basic/Diluted Earning Per Share (note 15 Schedule U)			
- Excluding extraordinary items		18.98	42.06
- Including extraordinary items		18.98	27.52
NOTES ON ACCOUNTS			
As per our report of even date attached		For and on behalf of the board	
For B.K. Shroff & Co.		RATHI BINOD PAL	
Chartered Accountants		Managing Director	
Anil Gupta		SHAMMI GUPTA	
Partner		Executive Director	
		V.K.GUPTA	
		GM (Accounts) cum	
		Company Secretary	

Place : New Delhi
Date : 4th September, 2006

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

PARTICULARS	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
A. Cash Flow from Operating Activities:		
Net Profit Before Tax & Extraordinary Items	255,052,684	528,860,165
Adjustments for:		
Depreciation	22,625,266	19,724,408
(Profit)/Loss on Sale of Investments	(12,483,147)	(37,360,555)
Preliminary expenses written off	6,713	6,713
Loss on sale of Fixed assets	1,046,989	484,700
Excess depreciation written back	(192,263)	(936,908)
Provision for doubtful advances/debts	180,562	3,050,200
Provision for dimunition in value of investments	-	990,000
Interest income	(1,862,995)	(2,109,001)
Interest charges	1,580,817	14,029,397
Dividend income	(804,228)	(6,540,168)
Operating Profit Before Working Capital Changes	<u>265,150,398</u>	<u>520,198,951</u>
Adjustments for:		
Trade & Other Receivables	57,476,899	(45,581,326)
Inventories	39,514,222	26,223,765
Trade Payables	(110,791,798)	(722,604,182)
Cash generated from Operations	<u>251,349,721</u>	<u>(221,762,792)</u>
Direct Taxes paid	(77,371,490)	(90,417,083)
Net Cash from Operating Activities	<u>173,978,231</u>	<u>(312,179,875)</u>
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets & Other Capital expenditure	(40,115,066)	(107,490,896)
Purchase of Investments	(345,804,228)	(1,221,397,634)
Sale of Fixed Assets	217,145	203,067
Sale of Investments	459,265,435	1,680,780,128
Interest income	1,862,995	2,109,001
Dividend income	804,228	6,540,168
Net Cash flow from/(Used in) Investing Activities	<u>76,230,508</u>	<u>360,743,834</u>
C. Cash Flow from Financing Activities:		
Repayment of unsecured loans	(2,019,353)	-
Proceeds from Increase in unsecured loans	-	2,019,353
Dividend paid including taxes thereon	(210,547,018)	-
Interest charges	(1,580,817)	(14,029,397)
Net Cash flow from/(Used in) Financing Activities	<u>(214,147,188)</u>	<u>(12,010,044)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>36,061,552</u>	<u>(36,553,914)</u>
Cash and Cash Equivalents as at beginning of the year	114,578,968	465,830
Cash and Cash Equivalents acquired as per Scheme of Arrangement	-	77,559,223
Cash and Cash Equivalents as at close of the year	<u>150,640,520</u>	<u>114,578,968</u>

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

SHAMMI GUPTA
Executive Director

SCHEDULE 'A' SHARE CAPITAL

	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
AUTHORISED		
10,550,000 Equity Shares of Rs. 10 each	105,500,000	105,500,000
	105,500,000	105,500,000
ISSUED, SUBSCRIBED AND PAID UP		
10,258,326 Equity Shares of Rs. 10 each	102,583,260	102,583,260
	102,583,260	102,583,260

SCHEDULE 'B' RESERVES AND SURPLUS

GENERAL RESERVE		
Opening balance	738,805,814	-
Additions during the year	-	688,805,814
Add:- Transferred from Profit & loss Account	19,475,000	50,000,000
	758,280,814	738,805,814
PROFIT & LOSS ACCOUNT	185,366,619	21,791,484
	943,647,433	760,597,298

*Represents additions made pursuant to scheme of Arrangement

SCHEDULE 'C' UNSECURED LOANS

Short Term Loan		
- From a Body Corporate (including interest accrued)	-	2,019,353
	-	2,019,353

SCHEDULE 'D' FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2005	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31/03/2006	UPTO 31/03/2005	DEDUCTION/ ADJUSTMENTS\$	FOR THE YEAR*	UP TO 31/03/2006	AS AT 31/03/2006	AS AT 31/03/2005
LAND – Free hold	8,197,833	-	-	8,197,833	-	-	-	-	8,197,833	8,197,833
– Leasehold	5,078,100	2,737,100	-	7,815,200	56,420	-	86,834	143,254	7,671,946	5,021,680
BUILDINGS#	176,307,571	-	-	176,307,571	29,600,488	-	5,105,870	34,706,358	141,601,213	146,707,083
PLANT & MACHINERY @	366,593,869	13,690,795	3,230,397	377,054,267	176,639,957	1,991,399	15,593,816	190,242,374	186,811,893	189,953,913
OFFICE EQUIPMENT	5,338,508	1,039,763	-	6,378,271	1,565,511	20,933	282,544	1,827,122	4,551,149	3,772,997
FURNITURE & FIXTURES	6,266,359	493,974	-	6,760,333	3,541,184	146,196	499,332	3,894,320	2,866,013	2,725,175
VEHICLES	5,814,729	448,000	49,750	6,262,729	904,660	-	1,056,870	1,961,530	4,301,199	4,910,069
	573,596,969	18,409,632	3,280,147	588,776,204	212,308,220	2,158,528	22,625,266	232,774,958	356,001,246	361,288,750
CAPITAL WORK IN PROGRESS	5,204,510	25,517,085	3,811,651	26,909,944	-	-	-	-	26,909,944	5,204,510
TOTAL	5,204,510	25,517,085	3,811,651	26,909,944	-	-	-	-	26,909,944	5,204,510
	578,801,479	43,926,717	7,091,798	615,686,148	212,308,220	2,158,528	22,625,266	232,774,958	382,911,190	366,493,260
PREVIOUS YEAR	472,554,835	107,490,896	1,244,252	578,801,479	194,077,204	1,493,393	19,724,408	212,308,219	366,493,260	

Includes Rs.2500 being cost of shares in a co-operative society.

@ Includes equipment given on lease to customers Rs.7,58,56,405 Net Block Rs.27 (previous year Rs.7,58,56,405 Net BlockRs.27)

\$ Includes excess provision written back to Rs.1,92,263 (previous year Rs. 9,36,908)

* Includes Rs.4,99,043 (previous year Rs. NIL)in respect of earlier years.

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



SCHEDULE 'E' INVESTMENTS

LONG TERM :

NON-TRADE (AT COST)

	FACE VALUE Rs.	SHARES/UNITS 31.03.2006	SHARES/UNITS 31.03.2005	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
EQUITY SHARES-(UNQUOTED)					
In Subsidiaries-					
JINDAL IMAGING LIMITED					
of Rs.10 each fully paid up	10	100000	100000	1,000,000	1,000,000
		Sub Total (A)		1,000,000	1,000,000
UNITS-(UNQUOTED)					
In Mutual Funds-					
Birla Floating Rate Fund Long Term-Growth	10	4510112		50,000,000	-
Deutsche Floating Rate Fund Regular Plan-Growth	10	3602143		40,000,000	-
GFBG Grindlays Floating Rate Fund Short Term-Instalment Plan B-Growth	10	-	12851124	-	135,817,107
GFRF-LT-Plan B - Growth	10	4777648		50,000,000	-
GFRG Grindlays Floating Rate Fund -Short Term Plan-Growth	10	-	483200	-	5,175,743
HDFC Floating Rate Income Fund - Long Term Plan - Growth	10	7156200		80,000,000	-
LIC MF Floating Rate Fund - Short Term Plan-Growth	10	1808793		20,000,000	-
PFRPG Prudential ICICI Floating Rate Plan -Growth	10	-	10327735	-	109,985,210
PLFRAG Prudential ICICI Long Term Floating Rate Plan A-Growth	10	-	3913320	-	40,000,000
Templeton Floating Rate Income Fund Long Term Plan-Growth	10	-	4236167	-	50,000,000
		Sub Total (B)		240,000,000	340,978,060
In Bonds-					
National Bank of Agriculture And Rural Development	10,000	950	950	9,500,000	9,500,000
		Sub Total (C)		9,500,000	9,500,000
Less:- Provision for Diminution in value of Investments				990,000	990,000
		Sub Total (D)		990,000	990,000
		Grand Total (A+B+C-D)		249,510,000	350,488,060

(Net Asset Value of investments in Mutual Funds Rs. 24,81,65,219, Previous year Rs. 35,05,59,072)

The following Mutual Fund units were acquired and sold during the year :-

	FACE VALUE	UNITS	PURCHASE COST Rs.
B512 MD Birla Floating Rate Fund-Long Term-Monthly Dividend-Reinvestment Plan	10	4881753	50,804,228
Templeton Floating Rate Income Fund Long Term Plan Growth	10	2892777	35,000,000
HDFC Floating Rate Income Fund - Long Term Plan-Growth	10	1787214	20,000,000

	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
SCHEDULE 'F' INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials (includes in transit Rs. 412,88,248 Previous year Rs. 915,29,575)	141,789,727	185,865,023
Finished Goods -Manufactured (includes in transit Rs 11,521,736 Previous year Rs. Nil)	75,393,233	90,123,065
-Traded	116,881,279	104,676,571
Work in Progress	11,242,837	9,922,776
Packing Material,Stores & spare parts	30,843,362	25,077,225
	376,150,438	415,664,660
SCHEDULE 'G' SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	38,463,858	87,048,342
Considered doubtful	-	12,404,361
Less:- Provision for doubtful debts	-	12,404,361
	38,463,858	87,048,342
Other debts-Considered good	23,000,759	20,214,745
	61,464,617	107,263,087
SCHEDULE 'H' CASH AND BANK BALANCES		
Cash in hand	1,752,809	2,335,745
Bank balances with scheduled banks:		
In Current Accounts	105,779,860	69,635,974
In Fixed Deposit Accounts *	19,332,305	26,167,589
Cheques in hand	23,775,546	16,439,660
	150,640,520	114,578,968
*(Includes Rs. 180,66,053 previous year Rs.252,42,825 pledged with bank towards Margin Money for bank guarantee/ letter of credit. Rs. 2,86,064 Previous year Rs. 2,86,064 Lodged with Government Authorities)		
SCHEDULE 'I' LOANS & ADVANCES		
(Unsecured, considered good,unless otherwise stated)		
Loans to Others	2,527,517	-
Advances to Subsidiary company		
Considered doubtful	2,103,352	2,011,659
Less:- Provision for doubtful advances	2,103,352	2,011,659
Advances (recoverable in cash or in kind or for value to be received)		
Considered good	131,366,596	105,699,844
Considered doubtful	1,395,516	1,718,666
	132,762,112	107,418,510
Less:- Provision for doubtful advances	1,395,516	1,718,666
Interest receivable on loans and deposits	1,055,606	488,547
Balance with excise authorities	16,354,268	57,262,824
Security deposits	5,069,736	4,781,497
Income tax payments (including income tax deducted at source & fringe benefit tax)	167,765,143	90,417,083
	324,138,866	258,649,795

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	AS AT 31.03.2006 Rs.		AS AT 31.03.2005 Rs.	
SCHEDULE 'J' CURRENT LIABILITIES				
Sundry Creditors				
- Total outstanding dues of Small Scale Industrial Undertakings	-	-	-	-
- Total outstanding dues of other creditors	<u>62,844,518</u>	<u>62,844,518</u>	<u>120,415,730</u>	<u>120,415,730</u>
Other Liabilities		<u>33,889,958</u>		<u>58,689,133</u>
Advances from Customers		<u>153,632,303</u>		<u>181,965,934</u>
Dealers' Security Deposits		<u>32,755,999</u>		<u>32,843,779</u>
		<u>283,122,778</u>		<u>393,914,576</u>
SCHEDULE 'K' PROVISIONS				
for Income Tax		<u>151,700,000</u>		<u>99,200,000</u>
for Fringe Benefit Tax		<u>2,500,000</u>		<u>-</u>
for Weath Tax		<u>10,000</u>		<u>-</u>
for Dividend		<u>10,258,326</u>		<u>184,649,868</u>
for Tax on Dividend		<u>1,438,730</u>		<u>25,897,150</u>
		<u>165,907,056</u>		<u>309,747,018</u>
SCHEDULE 'L' MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses				
As per last Balance Sheet	<u>20,139</u>		<u>26,852</u>	
Less:Written off during the year	<u>6,713</u>	<u>13,426</u>	<u>6,713</u>	<u>20,139</u>
		<u>13,426</u>		<u>20,139</u>
SCHEDULE ' M' SALES				
A. MANUFACTURED GOODS				
Photosensitised goods		<u>3,398,567,971</u>		<u>3,609,415,514</u>
Others		<u>18,046,695</u>		<u>19,502,747</u>
		<u>3,416,614,666</u>		<u>3,628,918,261</u>
B. TRADED GOODS				
Photo Equipment & Others		<u>891,725,059</u>		<u>1,136,999,661</u>
		<u>891,725,059</u>		<u>1,136,999,661</u>
		<u>4,308,339,725</u>		<u>4,765,917,922</u>

	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
SCHEDULE 'N' OTHER INCOME		
Interest received (Gross of TDS of Rs. 381,426 Previous year Rs.343,489)	1,862,995	2,109,001
Dividend received (Including Rs. 804,228 Previous year Rs. 65,40,168 from Current Investments)	804,228	6,540,168
Income from sale of Investments (Net) (Including Rs. 162,261 Previous year Rs.38,11,260 from Current Investments)	12,483,147	37,360,555
Rent received	4,800	43,200
Miscellaneous Receipts	3,472,466	5,843,219
Excess Depreciation Written back	192,263	936,908
Excess Provision/Liabilities no longer required written back (Net)	1,437,409	1,248,997
	<u>20,257,308</u>	<u>54,082,048</u>

SCHEDULE 'O' MATERIALS CONSUMED, MANUFACTURING & OTHER OPERATING EXPENSES

Raw Material consumed		
Opening Stock	277,394,598	95,199,967
Add : Purchases	2,085,316,279	2,362,530,947
	<u>2,362,710,877</u>	<u>2,457,730,914</u>
Less : Closing Stock	141,665,212	185,865,023
	<u>2,221,045,665</u>	<u>2,271,865,891</u>
Add:- Opening work in progress	9,922,776	18,798,014
Less :- Closing work in progress	11,242,837	9,922,776
Raw Material consumed	2,219,725,604	2,280,741,129
Stores,Spare Parts & Chemicals consumed	3,786,882	5,693,849
Packing Material consumed	127,231,369	126,152,713
Power & Fuel	9,395,799	8,707,813
Repairs & Maintenance - Plant & Machinery	87,146	85,556
- Buildings	2,048,913	224,881
	<u>2,362,275,713</u>	<u>2,421,605,941</u>

SCHEDULE 'P' DECREASE/(INCREASE) IN STOCKS

OPENING STOCK :		
Finished Goods -Manufactured	90,123,065	157,100,993
- Traded	104,676,571	112,916,221
	<u>194,799,636</u>	<u>270,017,214</u>
CLOSING STOCK :		
Finished Goods -Manufactured	75,095,162	90,123,065
- Traded	116,881,279	104,676,571
	<u>191,976,441</u>	<u>194,799,636</u>
DECREASE/(INCREASE) IN STOCKS	<u>2,823,195</u>	<u>75,217,578</u>

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	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
SCHEDULE 'Q' PERSONNEL EXPENSES		
Salary, Wages, Allowances and Bonus	53,564,470	47,855,854
Gratuity	2,756,013	2,468,729
Contribution towards Provident and other Funds	2,899,634	2,598,393
Staff Welfare	4,883,588	4,764,617
Staff training and recruitment expenses	119,300	203,216
	<u>64,223,005</u>	<u>57,890,809</u>
SCHEDULE 'R' ADMINISTRATIVE EXPENSES		
Rent	5,628,558	4,978,313
Rates, Taxes & Fees	2,423,470	2,643,231
Insurance	4,899,573	4,854,843
Electricity & Water charges	3,572,474	2,918,882
Travelling & Conveyance	18,922,961	18,110,344
Postage, Telegram & Telephone	8,406,808	7,552,932
Printing & Stationery	2,073,427	2,477,926
Legal & Professional charges	10,229,437	7,405,084
Repairs & maintenance - Others	7,924,081	6,426,195
Directors' Remuneration	1,486,752	1,059,357
Auditors Remuneration	417,500	150,882
Charity & Donation	3,527,331	14,536,405
Miscellaneous Expenses	2,101,931	2,948,490
Irrecoverable Advances Written Off	83,200	812,594
Loss on sale of fixed assets	1,046,989	484,700
Provision for irrecoverable advances	180,562	1,014,661
Provision for diminution in value of investments	-	990,000
Preliminary expenses written off	6,713	6,713
	<u>72,931,764</u>	<u>79,371,522</u>
SCHEDULE 'S' INTEREST AND FINANCIAL CHARGES		
INTEREST		
-On Working Capital Loans	919,893	11,797,745
-On Others	660,924	2,231,652
Bank Charges & Commission	4,945,450	6,878,623
	<u>6,526,267</u>	<u>20,908,020</u>
SCHEDULE 'T' SELLING AND DISTRIBUTION EXPENSES		
Commission, discount, advertisement and business promotion	337,238,052	296,585,659
Carriage Outward	26,593,574	22,420,498
Turnover /Entry /Sales Tax payments	6,434,043	7,841,574
Bad debts written off	37,538,619	-
Less: Provision for doubtful debts in earlier years	12,404,361	-
Add: Provision for doubtful debts	-	2,035,539
Other selling expenses	1,725,718	912,020
	<u>397,125,645</u>	<u>329,795,290</u>

SCHEDULE 'U' NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES:-

a) Method of Accounting

- i) The accounts of the company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to in consistent with generally accepted accounting principles.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and are net of modvat/cenvat wherever applicable. In respect of projects involving construction, related pre-operational expenses are capitalised and form part of the value of the assets capitalised. Fixed assets taken on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as and when accrued.

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

c) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Inventories

Inventories are valued at cost or net realisable value, whichever is lower, Cost is determined on first in first out (FIFO) basis/weighted average basis. Finished goods and work in process include cost of convention and other costs incurred in bringing the inventories to their present location and conditions.

e) Foreign currency transactions

All foreign currency liabilities relating to acquisition of fixed assets are restated at the rates prevailing at the year end and exchange differences arising on such transactions are adjusted in the cost of assets.

Other foreign currency assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

f) Depreciation

Depreciation is calculated on fixed assets (other than leased out assets) on straight line method in accordance with Schedule XIV of Companies Act, 1956. In respect of leased out assets, the cost of the same is being amortized fully during the primary period of the lease.

g) Research & Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

h) Retirement benefits

Provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the Statutory Provident Fund. The company has also set up an Employees' Gratuity Fund through a Group Gratuity and Life Assurance Scheme of the Life Insurance Corporation of India. The contributions to the fund are charged to revenue every year. Leave encashment is being made on yearly basis as per rules.

i) Miscellaneous expenditure

Preliminary expenses are being proportionately written off over a period of five years.

j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense, in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

k) Excise & Other Duties

Whereas Excise duty in respect of finished goods lying in factory premises is provided and included in the valuation of inventory custom duty on goods lying in custom bonded warehouse is accounted on clearance thereof. Modvat benefit is accounted for by reducing the purchase cost of the materials/ fixed assets.

l) Claims and benefits

Claims receivable is accounted on accrual basis to the extent considered receivable.

m) Revenue recognition

Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are accounted for ex-factory on despatch. Sales are net of returns.

n) Income from Investments/Deposits

Income from Investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Income tax deducted at source.

o) Leases

Lease agreements represent agreements entered into prior to 31st March,2001.Assets under lease agreements are transferred in favour of the lessee on receipt of the final instalment as per agreement. Lease rents are recognised on accrual basis over the period of lease agreement. The initial direct cost relating to lease transactions is recognised in the profit & loss account in the year such cost is incurred.

(p) Grant & Subsidies

Grants received from Government agencies against specific assets are adjusted to the cost of the assets and capital grants for the Project Capital Subsidy are credited to Capital Reserve. Revenue Grants for the expenses incurred are reduced from the respective expenses.

q) Taxation

Provision for taxation is based on assessable profits of the company as determined under Income Tax Act, 1961. Deferred taxation is provided using the liability method in respect of taxation effect arising from all material timing difference between accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystalize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only to extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

r) Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the preference share dividend, if any) by the weighted average number of equity shares outstanding during the year.Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

s) Contingent Liabilites

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

2. Contingent Liabilites :

	As at 31.03.2006 (Rs.)	As at 31.03.2005 (Rs.)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,589,114	914,733
b) Outstanding Bank Guarantee	17,646,968	22,882,749
c) Foreign letters of credit outstanding	397,462,080	544,175,273
d) Sales Tax demands disputed in appeals	39,246,659	42,790,436

3. Amounts to be credited to Investor Education and Protection Fund.
- | | As at
31.03.2006
(Rs.) | As at
31.03.2005
(Rs.) |
|--|------------------------------|------------------------------|
| a. Unpaid dividend | Nil | Nil |
| b. Unpaid application money received for allotment of securities and due for refund. | Nil | Nil |
| c. Unpaid matured deposits | Nil | Nil |
| d. Unpaid matured debentures | Nil | Nil |
| e. Interest accrued on (a) to (d) above | Nil | Nil |
4. a) The outstanding of small scale industrial undertaking is in respect of the parties, which could be identified as small scale industrial undertakings on the basis of information available with the company.
- b) There are no claims from suppliers under the "Interest on Delayed payment to small scale Ancillary Industrial Undertakings Act, 1993".
5. Balances of Sundry debtors, Sundry creditors and advances from customers are subject to confirmation and reconciliation. Differences if any shall be accounted for on such reconciliation.
6. In the opinion of the Board of Directors subject to note 5 above, the current assets, loans and advances are expected to realise atleast the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
7. Sundry Debtors include Rs.1,35,26,122 (previous year Rs.1,51,41,480) under litigation, against which legal cases are pending in various Courts for recovery. The same are considered good and realisable in the opinion of the management.
8. Impairment of assets
- The company has examined the carrying cost to identified cash generating units(CGU) by comparing the present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision is required to be made in respect of financial year ended 31st March 2006.
9. The Pursuance of implemmentation of accounting software SAP in the vauation of stocks of packing, stores and spare parts, the company has changed in the method of vauation of stock of packing material, stores and spares from first in first out basis to weighted average method with effect from 01.04.2005. Resulting in the profit for the year and invest to be higher by Rs. 1,654,720.

	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
10. The Auditors' Remuneration		
As Audit Fees	235,000	135,000
As Limited Review Fees	20,000	10,000
As Tax Audit Fees	45,000	-
In Other Capacity	90,000	-
As Certification Fees	27,500	5,882
	<u>417,500</u>	<u>150,882</u>

11. a) Managerial Remuneration

Profit & Loss Account includes remuneration of managing director and whole time directors as under :

	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
Salary	1,299,000	872,587
Perquisites/Allowances	159,672	162,000
Contribution towards Provident Funds	28,080	24,770

Note : The above figure does not include contribution to Gratuity Fund as separate figures are not available

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- b) Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per the provisions of schedule XIII of the Companies Act, 1956.
- c) The company holds an insurance policy on the life of the managing director and whole time directors for a sum of Rs.11,50,000.

12. Advance recoverable in cash or in kind include

a) due from a director of the company	17,044	11,516
b) maximum amount due from a director at any time during the year	1,153,553	184,628

13. Other Liabilities includes Rs.9,200 (previous year Rs.9,000) due to the company secretary of the company.

14. It is management's perception that since the company is exclusively engaged in the activity of manufacture of photographic paper and films which are governed by the same set of risks and returns the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

15. The Net Deferred Tax Liability of Rs.49,568,530 as at 31.03.2006 (including Rs. 44,296,464 for the period upto 31.03.2005) has been recognised in the Profit & Loss Account, as recommended under Accounting Standard (AS)-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The details of deferred tax liability is as under:-

(Amount in Rupees)

	As at 01.04.2005	For the year 2005-2006	As at 31.03.2006
<u>Deferred Tax Assets being tax impact thereon</u>			
(i) Expenses charged in the books, but allowance thereof deferred under Income tax laws	4,768,404	(4,292,614)	475,790
	4,768,404	(4,292,614)	475,790
<u>Deferred Tax Liabilities being tax impact thereon</u>			
(i) Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	49,064,868	979,452	50,044,320
	49,064,868	979,452	50,044,320
Net Deferred Tax Liability	(44,296,464)	(5,272,066)	(49,568,530)

16. Earnings per share (EPS)

	As at 31.03.2006	As at 31.03.2005
a) Basic/Dilluted Earning Per Share before extraordinary items		
Net Profit for the year before extraordinary items (Rs.)	194,797,191	431,503,870
No. of equity shares at the beginning of year	10,258,326	10,258,326
Basic/Dilluted Earning Per Share before extraordinary items (Rs.)	18.98	42.06
b) Basic/Dilluted Earning Per Share after extraordinary items		
Profit after tax as per profit & loss account (Rs.)	194,797,191	282,349,060
No. of equity shares at the beginning of year	10,258,326	10,258,326
Basic/Dilluted Earning Per Share after extraordinary items (Rs.)	18.98	27.52

17. Additional information required under Paras 3 & 4 of Part - II of Schedule VI of the Companies Act, 1956

a) Capacities, production, sales & stocks

CLASS OF GOODS	UNIT	LICENSED CAPACITY QTY.	INSTALLED CAPACITY QTY.	PRODUCTION QTY.	OPENING STOCK		SALES		CLOSING STOCK	
					QTY.	AMT. (Rs.)	QTY.	AMT. (Rs.)	QTY.	AMT. (Rs.)
a) MANUFACTURED GOODS										
PHOTOGRAPHIC PAPER	SQ.MTRS	75,600,000	22,420,000	16,737,882	410,483	34,046,535	16,763,888	1,289,259,115	384,477	30,986,838
		(75,600,000)	(22,420,000)	(15,627,972)	(801,876)	(67,925,174)	(16,019,365)	(1,343,952,227)	(410,483)	(34,046,535)
FILMS	SQ. MTRS	41,909,148	8,242,000	5,165,259	143,481	44,158,757	5,191,305	1,927,629,283	117,435	28,538,922
		(41,909,148)	(8,242,000)	(4,902,315)	(262,076)	(75,550,186)	(5,020,909)	(2,039,847,389)	(143,481)	(44,158,757)
OTHERS						11,917,773		199,726,774		9,495,444
						(13,625,633)		(245,118,645)		(11,917,773)
b) TRADED GOODS										
PHOTO EQUIPMENT & OTHERS					@	104,676,571	@	891,724,533	@	123,253,308
						(112,916,221)		(1,136,999,661)		(104,676,571)
						<u>194,799,636</u>		<u>4,308,339,725</u>		<u>192,274,512</u>
						<u>(270,017,214)</u>		<u>(4,765,917,922)</u>		<u>194,799,636</u>

NOTES :

- No industrial licence is required for manufacture of any of the products, however production capacity covered by industrial entrepreneurs' memorandum (IEMs) in terms of press note no.6 dated 29.07.1993 and press note no.17 dated 28.11.1997 of the Ministry of Commerce and Industry, Secretariate for Industrial Assistance of Government of India
 - Installed capacity has been certified by management and relied upon by the auditors being a technical matter.
- @ It is not possible to furnish details of quantities due to heterogeneity of items involved.

	Unit	Year ended 31-3-2006		Year ended 31-3-2005	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
b) Raw Material Consumed					
Photographic Papers	Sq.Mtrs.	16,884,191	1,050,008,706	15,756,710	1,035,684,871
Films	Sq.Mtrs.	5,184,358	873,944,394	4,939,394	935,490,163
Others			295,772,504		309,566,094
			<u>2,219,725,604</u>		<u>2,280,741,128</u>
c) Purchase of Traded Goods					
			Value (Rs.)		Value (Rs.)
Photo Equipment & Others			649,129,771		790,342,197
			<u>649,129,771</u>		<u>790,342,197</u>
d) Value of Imported and Indigenous Material consumed and Percentage thereof					
		% age	Value (Rs.)	% age	Value (Rs.)
i) RAW MATERIAL					
Indigenous		2.80%	62,202,412	3.81%	86,888,275
Imported		97.20%	2,157,523,192	96.19%	2,193,852,853
		100.00%	<u>2,219,725,604</u>	100.00%	<u>2,280,741,128</u>
ii) STORES & SPARE PARTS					
Indigenous		93.77%	3,550,846	81.37%	4,633,234
Imported		6.23%	236,036	18.63%	1,060,614
		100.00%	<u>3,786,882</u>	100.00%	<u>5,693,848</u>

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



	Year ended 31-3-2006 Rs.	Year ended 31-3-2005 Rs.
e) Expenditure in foreign Currency		
Travelling	762,525	1,695,817
Interest	-	11,709,771
Rates, Taxes & Fees	845,708	1,092,000
For sales promotion	13,378,999	3,378,850
f) CIF Value of Imports		
Raw Material	1,825,042,094	1,794,024,152
Packing Material & Spare Parts	1,017,138	984,583
Capital Goods	574,613	468,038
Finished Goods	488,057,513	605,768,813
g) Earning in Foreign Currency		
Advertisement Subsidy	116,568,718	131,030,904
Export Sales (FOB basis)	18,046,695	11,983,048
Commision	2,733,951	4,589,197
h) Gross income from services rendered	9,850,752	11,107,359

i) remittance in Foreign Currency on account of dividend to non resident shareholders

Current year			Previous year		
No. of Shareholders	Shares held	Net Amount of Dividend(Rs.)	No. of Shareholders	Shares held	Net Amount of Dividend(Rs.)
49	8991	Nil	Nil	Nil	Nil

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

A) Relationship

a) Associate companies

Consolidated Buildwell Ltd.
Consolidated Finvest & Holdings Ltd.
Consolidated Realtors Ltd.
Jindal (India) Ltd.
Jindal Meadows Ltd.
Jindal Photo Investments Ltd.
Jindal Poly Films Ltd.
Hindustan Polyester Ltd.
Jindal India Thermal Power Ltd.
Passion Tea Pvt.Ltd.
Jesmin Investments Ltd.
Agile Properties Ltd.
Vigil Farms Ltd.

c) Subsidiaries

Jindal Imaging Ltd.

d) Key Management Personnel

Shri Rathi Binod Pal
Shri Shammi Gupta
Shri V. Chinnappan

b) Controlling companies/Individuals

Consolidated Photo & Finvest Ltd.
Jindal Realtors Ltd.
Jumbo Finance Ltd.
Jupax Barter Pvt. Ltd.
Rishi Trading Co. Ltd.
Soyuz Trading Co. Ltd.
Shri S.S. Jindal

18. B) The following transactions were carried out with related parties in the ordinary course of business :

(Amount in Rs.)

Sr. No.	Nature of transaction	Referred to in A (a) & (b) above		Referred to in A (c) above		Referred to in A (d) above		Total	
		31.3.2006	31.3.2005	31.3.2006	31.3.2005	31.3.2006	31.3.2005	31.3.2006	31.3.2005
1	Purchase of goods	36,587,610	11,338,859	-	-	-	-	36,587,610	11,338,859
2	Purchase of fixed assets	114,750	12,393,760	-	-	-	-	114,750	12,393,760
3	Remuneration	-	-	-	-	1,486,752	1,059,357	1,486,752	1,059,357
4	Interest paid	-	1,502,486	-	-	-	-	-	1,502,486
5	Interest earned	3,534	1,499,007	-	-	-	-	3,534	1,499,007
6	Rent received	4,800	43,200	-	-	-	-	4,800	43,200
7	Rent paid	945,000	930,000	-	-	-	-	945,000	930,000
8	Expenses reimbursed	1,132,598	2,199,135	408,307	2,610,659	-	-	1,540,905	4,809,794
9	Loan received	-	115,800,000	-	-	-	-	-	115,800,000
10	Loan given back	2,019,353	114,550,000	-	-	-	-	2,019,353	114,550,000
11	Loan granted	21,500,000	150,000,000	-	-	-	-	21,500,000	150,000,000
12	Loan received back	21,500,000	150,000,000	-	-	-	-	21,500,000	150,000,000
13	Advance granted	-	-	500,000	477,602	-	-	500,000	477,602
14	Balance outstanding:-	-	-	-	-	-	-	-	-
	-Investments	-	-	1,000,000	1,000,000	-	-	1,000,000	1,000,000
	-Loans recoverable	-	1,250,000	2,103,552	2,011,659	-	-	2,103,552	3,261,659
	-Sundry debtors	1,309,236	961,061	-	-	-	-	1,309,236	961,061
	-Other Liabilities	1,211,451	12,974,335	-	-	-	-	1,211,451	12,974,335

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

19. Disclosure of loans / advances and investment in its own shares by the company, its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement

Sr. No.	Particulars	Name of Borrower	As at 31.03.2006		As at 31.03.2005	
			Year end balance	Maximum amount outstanding during the year	Year end balance	Maximum amount outstanding during the year
1	Loans and advances in the nature of loans i) to associates ii) to subsidiaries	Jindal Imaging Ltd.	-	-	-	-
2	Loans and advances in the nature of loans where there is i) no repayment schedule or repayment beyond seven years or ii) no interest or interest below section 372A of Companies Act	Jindal Imaging Ltd.	2,103,552	2,103,552	2,011,659	57,413,025
3	Loans and advances in the nature of loans to firms /companies in which directors are interested	Jindal Imaging Ltd.	2,103,552	2,103,552	2,011,659	57,413,025
4	Investments by the loanee in the shares of the company when the company has made a loan or advance in the nature of loan	-	-	-	-	-

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



20. Excise Duty on Decrease in Stock has been computed as below :-

	Year ended 31.03.2006 (Rs.)	Year ended 31.03.2005 (Rs.)
Excise Duty on Opening Stock	7,077,005	17,863,523
Less:- Excise Duty on Closing Stock	4,383,006	7,077,005
	<u>2,693,999</u>	<u>10,786,518</u>

21. Addition to fixed assets and/or Capital work in progress includes preoperative expenditure on expansion schemes:

Professional charges	1,934,734	357,102
Travelling Expenses	339,793	254,975
Power,Water & fuel	-	295,421
Salaries,Wages & Benefits etc.	-	476,885
Printing & Stationery	-	93,315
Vehicle upkeep expenses	-	67,538
Postage, Telegram & Telephone	-	42,051
Other expenses	-	859,332
	<u>2,274,527</u>	<u>2,446,619</u>
Add: Balance brought forward	-	-
	<u>2,274,527</u>	<u>2,446,619</u>
Less: Capitalised by allocation to Fixed Assets	-	2,446,619
	<u>2,274,527</u>	<u>-</u>

22. Expenses under the head commission, discount, advertisement and business promotion are shown net of subsidy received /receivable.

23. In terms of Section 21 of the Companies Act,1956 and Section 23 of the Act the Registrar of Companies, UP and Uttaranchal has given his consent to change the name of the Company from Consolidated Photo Products Limited to Jindal Photo Limited with effect from 13.12.2004.

24. Previous year's figures have been regrouped /re-arranged wherever considered necessary.

25. Figures have been rounded off to the nearest rupee.

26. Schedules 'A' to 'U' are annexed to and form part of Statement of Accounts.

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



27. Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No :	L33209DN2004PLC000198		
Balance Sheet Date	Date	Month	Year
	31	3	2006

II Capital raised during the year (Amount in Rs. '000)

Public Issue	Right Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	Total Assets
1,095,799	1,095,799

Sources of Funds (Amount in Rs. '000)

Paid Up Capital	Reserves & Surplus
102,583	943,648
Secured Loans	Unsecured loans
NIL	NIL
Deffered Tax Liability	
49,569	

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	Investments
382,911	249,510
Net Current Assets	Misc. Expenditure
463,365	13

IV. Performance of Company (Amount in Rs. '000)

Turnover	Total Expenditure
3,832,713	3,577,661
Profit Before Tax after extra ordinary items	Profit After Tax
255,053	194,747
Basic/Diluted EPS before extra ordinary items (Rs.)	Dividend Rate (Equity)
18.98	10%

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code)	3703.10
Product Description	Photographic Color Paper
Item Code No. (ITC Code)	3702.90
Product Description	Amateur Roll Film
Item Code No. (ITC Code)	3702.51
Product Description	Cinematographic Color Film

Signatures to the Schedule 'A' - 'U'

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

SHAMMI GUPTA
Executive Director

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JINDAL PHOTO LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL PHOTO LTD. AND ITS SUBSIDIARY NAMEDLY JINDAL IMAGING LTD.

We have examined the attached Consolidated balance Sheet of Jindal Photo Limited and its subsidiary as at 31st March, 2006 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date.

These financial statements are the responsibility of the Jindal Photo Limited management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance that whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Jindal Imaging Limited, whose financial statements reflect total assets of Rs. 164,492 as at 31st March, 2006 and total revenues of Rs. 52,397 for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the said subsidiary, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jindal Photo Limited, its subsidiary namely Jindal Imaging Limited included in the Consolidated Financial Statements.

On the basis of the information and explanation given to us and on the consideration of separate audit reports on individual audited financial statements of Jindal Photo Limited and its subsidiary, we are of the opinion that:

- a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Jindal Photo Limited and its subsidiary as at 31st March, 2006;
- b) the consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Jindal Photo Limited and its subsidiary for the year then ended; and
- c) The Consolidated Cash Flow statement gives a true and fair view of the Consolidated Cash Flow of Jindal Photo Limited and its subsidiary for the year ended.

For **B.K. Shroff & Co.**
Chartered Accountants

Place : 3/7-B, Asaf Ali Road,
New Delhi-110002

Date : 4th September, 2006

Anil Gupta
Partner
Membership No : 80074

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2006

PARTICULARS	Schedules	AS AT	
		31.03.2006 Rs.	AS AT 31.03.2005 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	'A'	102,583,260	102,583,260
Reserves & Surplus	'B'	946,155,269	1,048,738,529
			763,299,196
			865,882,456
LOAN FUNDS			
UNSECURED LOANS	'C'	-	2,019,353
DEFERRED TAX LIABILITY(Net)		49,568,530	44,296,464
		<u>1,098,307,059</u>	<u>912,198,273</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'D'	591,666,539	576,487,304
Less : Depreciation		232,774,957	212,308,219
Net Block		358,891,582	364,179,085
Add:-Capital work in progress		26,909,944	5,204,510
		<u>385,801,526</u>	369,383,595
INVESTMENTS	'E'	249,500,000	350,478,060
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'F'	376,150,438	415,664,660
Sundry Debtors	'G'	61,464,617	107,263,087
Cash & Bank Balances	'H'	150,789,050	114,894,972
Loans & Advances	'I'	324,154,828	258,684,786
		<u>912,558,933</u>	<u>896,507,505</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	'J'	283,687,832	394,479,086
Provisions	'K'	165,907,056	309,747,018
		<u>449,594,888</u>	<u>704,226,104</u>
NET CURRENT ASSETS		462,964,045	192,281,401
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	'L'	41,488	55,217
		<u>1,098,307,059</u>	<u>912,198,272</u>
NOTES ON ACCOUNTS	'U'		

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

SHAMMI GUPTA
Executive Director

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2006

PARTICULARS	Schedules	YEAR ENDED	YEAR ENDED
		31.03.2006	31.03.2005
		Rs.	Rs.
INCOME			
Sales (Gross)	'M'	4,308,339,725	4,765,917,921
Less:- Excise Duty		508,428,474	518,177,887
Sales (Net)		3,799,911,251	4,247,740,034
Income from Services rendered		9,850,752	11,107,359
Other Income	'N'	20,309,705	54,082,049
Excise Duty on Decrease in Stocks		2,693,999	10,786,518
		3,832,765,707	4,323,715,960
EXPENDITURE			
Material consumed, Manufacturing & Other Operating expenses	'O'	2,362,275,713	2,421,605,941
Purchase of Traded goods		649,129,771	790,342,197
Decrease in Stocks	'P'	2,823,195	75,217,578
Personnel expenses	'Q'	64,223,005	57,890,809
Administrative expenses	'R'	73,177,903	78,679,503
Interest & Financial charges	'S'	6,526,587	20,909,830
Selling & Distribution expenses	'T'	397,125,645	329,795,290
Depreciation		22,625,266	19,724,408
Provision against fixed assets		-	147,143,151
		3,577,907,085	3,941,308,707
Profit before Taxation & Extra ordinary Items		254,858,622	382,407,253
Provision/payment for			
- Current Tax		52,500,000	99,200,000
- Fringe Benefit Tax		2,500,000	-
- Deferred Tax		5,272,066	(1,843,705)
- Wealth Tax		33,427	-
Profit after Tax		194,553,129	285,050,958
Balance brought forward		24,493,382	(10,558)
Profit Available For Appropriation		219,046,511	285,040,400
APPROPRIATION			
Transfer to General Reserve		19,472,000	50,000,000
Provision for Dividend		10,258,326	-
Provision for Interim Dividend		-	184,649,868
Provision for Tax on Dividend		1,438,730	25,897,150
Balance Carried To Balance Sheet		187,877,455	24,493,382
		219,046,511	285,040,400
Basic/Diluted Earning Per Share(note 17 Schedule 'U')		18.97	27.79
NOTES ON ACCOUNTS	'U'		

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

SHAMMI GUPTA
Executive Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

PARTICULARS	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
A. Cash Flow from Operating Activities:		
Net Profit Before Tax & Extraordinary Items	254,858,622	529,550,404
Adjustments for:		
Depreciation	22,625,266	19,724,408
(Profit)/Loss on Sale of Investments	(12,483,147)	(37,360,555)
Preliminary expenses written off	13,729	13,729
Loss on sale of Fixed assets	1,046,989	484,700
Excess depreciation written back	(192,263)	(936,908)
Provision for doubtful advances/debts	88,869	3,050,200
Interest income	(1,862,995)	(2,109,002)
Interest charges	1,580,817	14,029,397
Dividend income	(804,228)	(6,540,168)
Operating Profit Before Working Capital Changes	<u>264,871,659</u>	<u>519,906,205</u>
Adjustments for:		
Trade & Other Receivables	57,587,621	(45,107,902)
Inventories	39,514,222	26,223,765
Trade Payables	(110,791,254)	(722,600,502)
Cash generated from Operations	<u>251,182,248</u>	<u>(221,578,434)</u>
Direct Taxes paid	(77,371,490)	(90,417,083)
Net Cash from Operating Activities	<u>173,810,758</u>	<u>(311,995,517)</u>
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets & Other Capital expenditure	(40,115,066)	(107,490,896)
Purchase of Investments	(345,804,228)	(1,221,397,634)
Sale of Fixed Assets	217,143	203,067
Sale of Investments	459,265,435	1,680,780,128
Interest income	1,862,995	2,109,001
Dividend income	804,228	6,540,168
Net Cash flow from/(Used in) Investing Activities	<u>76,230,508</u>	<u>360,743,834</u>
C. Cash Flow from Financing Activities:		
Repayment of unsecured loans	(2,019,353)	-
Proceeds from Increase in unsecured loans	-	2,019,353
Dividend paid including taxes thereon	(210,547,018)	-
Interest charges	(1,580,817)	(14,029,397)
Net Cash flow from/(Used in) Financing Activities	<u>(214,147,188)</u>	<u>(12,010,044)</u>
Net Increase in Cash and Cash Equivalents(A+B+C)	35,894,077	36,738,273
Cash and Cash Equivalents as at beginning of the year	114,894,972	597,475
Cash and Cash Equivalents acquired as per Scheme of Arrangement	-	77,559,224
Cash and Cash Equivalents as at close of the year	<u>150,789,049</u>	<u>114,894,972</u>

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner
Place : New Delhi
Date : 4th September, 2006

V.K.GUPTA
GM (Accounts) cum
Company Secretary

For and on behalf of the board

RATHI BINOD PAL
Managing Director

SHAMMI GUPTA
Executive Director

SCHEDULE 'A' SHARE CAPITAL

	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
AUTHORISED		
10,550,000 Equity Shares of Rs. 10 each	105,500,000	105,500,000
	105,500,000	105,500,000
ISSUED, SUBSCRIBED AND PAID UP		
10,258,326 Equity Shares of Rs. 10 each	102,583,260	102,583,260
	102,583,260	102,583,260

SCHEDULE 'B' RESERVES AND SURPLUS

GENERAL RESERVE

Opening balance	738,805,814	-
Additions during the year*	-	688,805,814
Add:- Transferred from Profit & loss Account	19,472,000	50,000,000
	758,277,814	738,805,814

PROFIT & LOSS ACCOUNT

	187,877,455	24,493,382
	946,155,269	763,299,196

*Represents additions made pursuant to scheme of Arrangement

SCHEDULE 'C' UNSECURED LOANS

Short Term Loan

-From a Body Corporate (including interest accrued)	-	2,019,353
	-	2,019,353

SCHEDULE 'D' FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2005	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31/03/2006	UPTO 31/03/2005	DEDUCTION/ ADJUSTMENTS\$	FOR THE YEAR*	UP TO 31/03/2006	AS AT 31/03/2006	AS AT 31/03/2005
Goodwill +	2,890,335			2,890,335	-	-	-	-	2,890,335	2,890,335
LAND										
- Free hold	8,197,833	-	-	8,197,833	-	-	-	-	8,197,833	8,197,833
- Leasehold	5,078,100	2,737,100	-	7,815,200	56,420	-	86,834	143,254	7,671,946	5,021,680
BUILDINGS#	176,307,571	-	-	176,307,571	29,600,488	-	5,105,870	34,706,358	141,601,213	146,707,083
PLANT & MACHINERY @	366,593,869	13,690,795	3,230,397	377,054,267	176,639,956	1,991,399	15,593,816	190,242,373	186,811,894	189,953,913
OFFICE EQUIPMENT	5,338,508	1,039,763	-	6,378,271	1,565,511	20,933	282,544	1,827,122	4,551,149	3,772,997
FURNITURE & FIXTURES	6,266,359	493,974	-	6,760,333	3,541,184	146,196	499,332	3,894,320	2,866,013	2,725,175
VEHICLES	5,814,729	448,000	49,750	6,262,729	904,660	-	1,056,870	1,961,530	4,301,199	4,910,069
	576,487,304	18,409,632	3,280,147	591,666,539	212,308,219	2,158,528	22,625,266	232,774,957	358,891,582	364,179,085
CAPITAL WORK IN PROGRESS	5,204,510	25,517,085	3,811,651	26,909,944	-	-	-	-	26,909,944	5,204,510
	5,204,510	25,517,085	3,811,651	26,909,944	-	-	-	-	26,909,944	5,204,510
TOTAL	581,691,814	43,926,717	7,091,798	618,576,483	212,308,219	2,158,528	22,625,266	232,774,957	385,801,526	369,383,595
PREVIOUS YEAR	619,697,986	110,381,231	148,387,403	581,691,814	194,077,204	1,493,393	19,724,408	212,308,219	369,383,595	

Includes Rs.2500 being cost of shares in a co-operative society.

@ Includes equipment given on lease to customers Rs.7,58,56,405 Net Block Rs.27 (previous year Rs.7,58,56,405 Net BlockRs.27)

\$ Includes excess provision written back to Rs.1,92,263 (previous year Rs. 9,36,908)

* Includes Rs.4,99,043 (previous year Rs. NIL) in respect of earlier years.

+ Represents goodwill arising on acquisition of shares in Subsidiary Company Pursuant to scheme of arrangement.

SCHEDULE 'E' INVESTMENTS

LONG TERM :

NON-TRADE (AT COST)

	FACE VALUE Rs.	SHARES/UNITS 31.03.2006	SHARES/UNITS 31.03.2005	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
UNITS-(UNQUOTED)					
In Mutual Funds-					
Birla Floating Rate Fund Long Term-Growth	10	4510112	-	50,000,000	-
Deutsche Floating Rate Fund Regular Plan-Growth	10	3602143	-	40,000,000	-
GFBG Grindlays Floating Rate Fund Short Term-Instalment Plan B-Growth	10	-	12851124	-	135,817,107
GFRF-LT-Plan B -Growth	10	4777648	-	50,000,000	-
GFRG Grindlays Floating Rate Fund- Short Term Plan-Growth	10	-	483200	-	5,175,743
HDFC Floating Rate Income Fund - Long Term Plan - Growth	10	7156200	-	80,000,000	-
LIC MF Floating Rate Fund - Short Term Plan-Growth	10	1808793	-	20,000,000	-
PFRPG Prudential ICICI Floating Rate Plan -Growth	10	-	10327735	-	109,985,210
PLFRAG Prudential ICICI Long Term Floating Rate Plan A-Growth	10	-	3913320	-	40,000,000
Templeton Floating Rate Income Fund Long Term Plan-Growth	10	-	4236167	-	50,000,000
Sub Total (A)				<u>240,000,000</u>	<u>340,978,060</u>
In Bonds-					
National Bank of Agriculture And Rural Development	10,000	950	950	9,500,000	9,500,000
Sub Total (B)				<u>9,500,000</u>	<u>9,500,000</u>
Grand Total (A+B)				<u>249,500,000</u>	<u>350,478,060</u>

(Net Asset Value of investments in Mutual Funds Rs. 24,81,65,219,
Previous year Rs. 35,05,59,072)

The following Mutual Fund units were acquired and sold during the year :-

	FACE VALUE	UNITS	PURCHASE COST Rs.
Birla Floating Rate Fund-Long Term-Monthly Dividend-Reinvestment Plan	10	4881753	50,804,228
Templeton Floating Rate Income Fund Long Term Plan Growth	10	2892777	35,000,000
HDFC Floating Rate Income Fund - Long Term Plan-Growth	10	1787214	20,000,000

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



	AS AT 31.03.2006 Rs.	AS AT 31.03.2005 Rs.
SCHEDULE 'F' INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials (includes in transit Rs. 412,88,248 Previous year Rs. 915,29,575)	141,789,727	185,865,023
Finished Goods -Manufactured (includes in transit Rs 11,521,736 Previous year Rs. Nil)	75,393,233	90,123,065
- Traded	116,881,279	104,676,571
Work in Progress	11,242,837	9,922,776
Packing Material,Stores & spare parts	30,843,362	25,077,225
	<u>376,150,438</u>	<u>415,664,660</u>
SCHEDULE 'G' SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	38,463,858	87,048,342
Considered doubtful	-	12,404,361
Less:- Provision for doubtful debts	-	12,404,361
	<u>38,463,858</u>	<u>87,048,342</u>
Other debts-Considered good	23,000,759	20,214,745
	<u>61,464,617</u>	<u>107,263,087</u>
SCHEDULE 'H' CASH AND BANK BALANCES		
Cash in hand	1,782,615	2,376,739
Bank balances with scheduled banks:		
In Current Accounts	105,898,584	69,910,984
In Fixed Deposit Accounts *	19,332,305	26,167,589
Cheques in hand	23,775,546	16,439,660
	<u>150,789,050</u>	<u>114,894,972</u>
*(Includes Rs. 180,66,053 previous year Rs.252,42,825 pledged with bank towards Margin Money for bank guarantee/letter of credit and Rs. 2,86,064 Previous year Rs. 2,86,064 lodged with Government Authorities).		
SCHEDULE 'I' LOANS & ADVANCES		
(Unsecured, considered good,unless otherwise stated)		
Loans to Others	2,527,517	-
Advances (recoverable in cash or in kind or for value to be received)		
Considered good	131,382,558	105,734,835
Considered doubtful	1,395,516	1,718,666
	<u>132,778,074</u>	<u>107,453,501</u>
Less:- Provision for doubtful advances	1,395,516	1,718,666
Interest receivable on loans and deposits	1,055,606	488,547
Balance with excise authorities	16,354,268	57,262,824
Security deposits	5,069,736	4,781,497
Income tax payments (including income tax deducted at source & fringe benefit tax)	167,765,143	90,417,083
	<u>324,154,828</u>	<u>258,684,786</u>

	AS AT 31.03.2006 Rs.		AS AT 31.03.2005 Rs.	
SCHEDULE 'J' CURRENT LIABILITIES				
Sundry Creditors				
- Total outstanding dues of Small Scale Industrial Undertakings	-	-	-	-
- Total outstanding dues of other creditors	63,144,518	63,144,518	120,674,895	120,674,895
Other Liabilities		34,155,013		58,994,478
Advances from Customers		153,632,303		181,965,934
Dealers' Security Deposits		32,755,999		32,843,779
		283,687,832		394,479,086
SCHEDULE 'K' PROVISIONS				
for Income Tax		151,700,000		99,200,000
for Fringe Benefit Tax		2,500,000		-
for Wealth Tax		10,000		-
for Dividend		10,258,326		184,649,868
for Tax on Dividend		1,438,730		25,897,150
		165,907,056		309,747,018
SCHEDULE 'L' MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses				
As per last Balance Sheet	55,217		68,946	
Less:Written off during the year	13,729	41,488	13,729	55,217
		41,488		55,217
SCHEDULE 'M' SALES				
A. MANUFACTURED GOODS				
Photosensitised goods		3,398,567,971		3,609,415,513
Others		18,046,695		19,502,747
		3,416,614,666		3,628,918,260
B. TRADED GOODS				
Photo Equipment & Others		891,725,059		1,136,999,661
		891,725,059		1,136,999,661
		4,308,339,725		4,765,917,921

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
SCHEDULE 'N' OTHER INCOME		
Interest received (Gross of Tax Deducted at Source of Rs. 381,426 Previous year Rs.343,489)	1,862,995	2,109,002
Dividend received (Including Rs. 804,228 Previous year Rs. 65,40,168 from Current Investments)	804,228	6,540,168
Income from sale of Investments (Net) (Including Rs. 162,261 Previous year Rs.38,11,260 from Current Investments)	12,483,147	37,360,555
Rent received	4,800	43,200
Miscellaneous Receipts	3,472,466	5,843,219
Excess Depreciation Written back	192,263	936,908
Excess Provision/Liabilities no longer required written back (Net)	1,489,806	1,248,997
	<u>20,309,705</u>	<u>54,082,049</u>
SCHEDULE 'O' MATERIALS CONSUMED, MANUFACTURING & OTHER OPERATING EXPENSES		
Raw Material consumed		
Opening Stock	277,394,598	95,199,967
Add : Purchases	2,085,316,279	2,362,530,947
	<u>2,362,710,877</u>	<u>2,457,730,914</u>
Less : Closing Stock	141,665,212	185,865,023
	<u>2,221,045,665</u>	<u>2,271,865,891</u>
Add:- Opening work in progress	9,922,776	18,798,014
Less :- Closing work in progress	11,242,837	9,922,776
Raw Material consumed	2,219,725,604	2,280,741,129
Stores,Spare Parts & Chemicals consumed	3,786,882	5,693,849
Packing Material consumed	127,231,369	126,152,713
Power & Fuel	9,395,799	8,707,813
Repairs & Maintenance - Plant & Machinery	87,146	85,556
- Buildings	2,048,913	224,881
	<u>2,362,275,713</u>	<u>2,421,605,941</u>
SCHEDULE 'P' DECREASE IN STOCKS		
OPENING STOCK :		
Finished Goods -Manufactured	90,123,065	157,100,993
- Traded	104,676,571	112,916,221
	<u>194,799,636</u>	<u>270,017,214</u>
CLOSING STOCK :		
Finished Goods -Manufactured	75,095,162	90,123,065
- Traded	116,881,279	104,676,571
	<u>191,976,441</u>	<u>194,799,636</u>
DECREASE IN STOCKS	<u>2,823,195</u>	<u>75,217,578</u>

	YEAR ENDED 31.03.2006 Rs.	YEAR ENDED 31.03.2005 Rs.
SCHEDULE 'Q' PERSONNEL EXPENSES		
Salary, Wages, Allowances and Bonus	53,564,470	47,855,854
Gratuity	2,756,013	2,468,729
Contribution towards Provident and other Funds	2,899,634	2,598,393
Staff Welfare	4,883,588	4,764,617
Staff training and recruitment expenses	119,300	203,216
	<u>64,223,005</u>	<u>57,890,809</u>
SCHEDULE 'R'-ADMINISTRATIVE EXPENSES		
Rent	5,728,558	5,078,313
Rates, Taxes & Fees	2,423,470	2,643,231
Insurance	4,899,573	4,854,843
Electricity & Water charges	3,572,474	2,918,882
Travelling & Conveyance	18,922,961	18,110,344
Postage, Telegram & Telephone	8,406,940	7,553,879
Printing & Stationery	2,073,590	2,481,402
Legal & Professional charges	10,447,927	7,581,331
Repairs & maintenance - Others	7,924,081	6,426,195
Directors' Remuneration	1,486,752	1,059,357
Auditors Remuneration	425,918	159,147
Charity & Donation	3,527,331	14,536,405
Miscellaneous Expenses	2,105,541	2,950,490
Irrecoverable Advances Written Off	83,200	812,594
Loss on sale of fixed assets	1,046,989	484,700
Provision for irrecoverable advances	88,869	1,014,661
Preliminary expenses written off	13,729	13,729
	<u>73,177,903</u>	<u>78,679,503</u>
SCHEDULE 'S' INTEREST AND FINANCIAL CHARGES		
INTEREST		
-On Working Capital Loans	919,893	11,797,745
-On Others	660,924	2,231,652
Bank Charges & Commission	4,945,770	6,880,433
	<u>6,526,587</u>	<u>20,909,830</u>
SCHEDULE 'T'-SELLING AND DISTRIBUTION EXPENSES		
Commission, discount, advertisement and business promotion	337,238,052	296,585,659
Carriage Outward	26,593,574	22,420,498
Turnover /Entry /Sales Tax payments	6,434,043	7,841,574
Bad debts written off	37,538,619	-
Less: Provision for doubtful debts in earlier years	12,404,361	-
Add: Provision for doubtful debts	-	2,035,539
Other selling expenses	1,725,718	912,020
	<u>397,125,645</u>	<u>329,795,290</u>

SCHEDULE 'U' - NOTES ON CONSOLIDATED ACCOUNTS

1 Basis of Consolidation

- i) The Accounts have been prepared to comply with all material aspects applicable to accounting policies of Jindal Photo Limited. Goodwill arising on investments made in subsidiary company has been treated as intangible asset and capital reserve arising on investments made in subsidiary company is treated as Reserves and Surplus.
- ii) The consolidated Accounts have been prepared based on a line by line consolidation of the profit & loss account and balance sheet of Jindal Photo limited and its' subsidiary. For the purpose of consolidation, adjustments have been made in respect of shareholdings in subsidiary company, amounts owned from/to company within group and in respect of intra group transactions.
- iii) The Financial Statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

- b) The subsidiary company which has been considered for the purposes of Consolidated Results is given below:

Subsidiary Company	Main Activity	Country of Incorporation	% Equity Capital held by Jindal Photo Limited
Jindal Imaging Limited	Photographic Business	India	100

2 Significant accounting policies:-

a) Method of Accounting

- i) The accounts of the company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to in consistent with generally accepted accounting principles.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and are net of modvat/cenvat wherever applicable. In respect of projects involving construction, related pre-operational expenses are capitalised and form part of the value of the assets capitalised. Fixed Assets taken on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as and when accrued.

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

c) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Inventories

Inventories are valued at cost or net realisable value, whichever is lower, Cost is determined on first in first out (FIFO) basis/weighted average basis. Finished goods and work in process include cost of convention and other costs incurred in bringing the inventories to their present location and conditions.

e) Foreign currency transactions

All foreign currency liabilities relating to acquisition of fixed assets are restated at the rates prevailing at the year end and exchange differences arising on such transactions are adjusted in the cost of assets.

Other foreign currency assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

f) Depreciation

Depreciation is calculated on fixed assets (other than leased out assets) on straight line method in accordance with Schedule XIV of Companies Act, 1956. In respect of leased out assets, the cost of the same is being amortized fully during the primary period of the lease.

g) Research & Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

h) Retirement benefits

Provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the Statutory Provident Fund. The company has also set up an Employees' Gratuity Fund through a Group Gratuity and Life Assurance Scheme of the Life Insurance Corporation of India. The contributions to the fund are charged to revenue every year. Leave encashment is being made on yearly basis as per rules.

i) Miscellaneous expenditure

Preliminary expenses are being proportionately written off over a period of five to ten years.

j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense, in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

k) Excise & Other Duties

Whereas Excise duty in respect of finished goods lying in factory premises is provided and included in the valuation of inventory custom duty on goods lying in custom bonded warehouse is accounted on clearance thereof. Modvat benefit is accounted for by reducing the purchase cost of the materials/fixed assets.

l) Claims and benefits

Claims receivable is accounted on accrual basis to the extent considered receivable.

m) Revenue recognition

Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are accounted for ex-factory on despatch. Sales are net of returns.

n) Income from Investments/Deposits

Income from Investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Income tax deducted at source.

o) Leases

Lease agreements represent agreements entered into prior to 31st March, 2001. Assets under lease agreements are transferred in favour of the lessee on receipt of the final instalment as per agreement. Lease rents are recognised on accrual basis over the period of lease agreement. The initial direct cost relating to lease transactions is recognised in the profit & loss account in the year, such cost is incurred.

(p) Grant & Subsidies

Grants received from Government agencies against specific assets are adjusted to the cost of the assets and capital grants for the Project Capital Subsidy are credited to Capital Reserve. Revenue Grants for the expenses incurred are reduced from the respective expenses.

q) Taxation

Provision for taxation is based on assessable profits of the company as determined under Income Tax Act, 1961. Deferred taxation is provided using the liability method in respect of taxation effect arising from all material timing difference between accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only to extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

r) Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the preference share dividend, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profits attributable to

equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

s) Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

3. Contingent Liabilities :

	As at 31.03.2006 (Rs.)	As at 31.03.2005 (Rs.)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,589,114	914,733
b) Outstanding Bank Guarantee	17,646,968	22,882,749
c) Foreign letters of credit outstanding	397,462,080	544,175,273
d) In respect of Custom Duty demand disputed in appeals	-	97,836,106
e) Sales Tax demands disputed in appeals	39,246,659	42,790,436

4. Amounts to be credited to Investor Education and Protection Fund.

	Current year (Rs.)	Previous year (Rs.)
a. Unpaid dividend	Nil	Nil
b. Unpaid application money received for allotment of securities and due for refund.	Nil	Nil
c. Unpaid matured deposits	Nil	Nil
d. Unpaid matured debentures	Nil	Nil
e. Interest accrued on (a) to (d) above	Nil	Nil

5. a) The outstanding of small scale industrial undertaking is in respect of the parties, which could be identified as small scale industrial undertakings on the basis of information available.

b) There are no claims from suppliers under the "Interest on Delayed payment to small scale Ancillary Industrial Undertakings Act, 1993".

6. Balances of Sundry debtors, Sundry creditors and advances from customers are subject to confirmation and reconciliation. Differences if any shall be accounted for on such reconciliation.

7. In addition to note 6 above, the current assets, loans and advances are expected to realise atleast the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.

8. Sundry Debtors include Rs.1,35,26,122 (previous year Rs.1,51,41,480) under litigation, against which legal cases are pending in various Courts for recovery. The same are considered good and realisable in the opinion of the management.

9. Impairment of assets

The company has examined the carrying cost to identified cash generating units (CGU) by comparing the present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on Impairment of Assets, according to which no provision is required to be made in respect of financial year ended 31st March 2006.

10. In pursuance of implementation of accounting software SAP in the valuation of stock of packing material, stores and spare parts, the company has changed the method of valuation of stocks of packing material, stores and spares from first in first out basis to weighted average method with effect from 01.04.2005 Resulting in the profit for the year and inventory to be higher by Rs16,54,720.

	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
11. The Auditors' Remuneration		
As Audit Fees	243,418	143,265
As Limited Review Fees	20,000	-
As Tax Audit Fees	45,000	10,000
In Other Capacity	90,000	-
As Certification Fees	27,500	5,882
	425,918	159,147

12. a) Managerial Remuneration

Profit & Loss Account includes remuneration of managing director and whole time directors as under :

	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
Salary	1,299,000	872,587
Perquisites/Allowances	159,672	162,000
Contribution towards Provident Funds	28,080	24,770

Note : The above figure does not include contribution to Gratuity Fund as separate figures are not available

b) Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per the provisions of schedule XIII of the Companies Act, 1956.

c) An insurance policy on the life of the managing director and whole time directors for a sum of Rs.11,50,000 has been taken.

13. Advance recoverable in cash or in kind include

	Year Ended 31.03.2006 (Rs.)	Year Ended 31.03.2005 (Rs.)
a) due from a director	17,044	11,516
b) maximum amount due from a director at any time during the year	1,153,553	184,628

14. Other Liabilities includes Rs.9,200 (previous year Rs.9,000) due to the company secretary of the company.

15. The business is mainly related to the activity of manufacturing of photographic paper and films which are governed by the same set of risks and returns, the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

16. The Net Deferred Tax Liability of Rs. 49,568,530 as at 31.03.2006 (including Rs. 44,296,464 for the period upto 31.03.2005) has been recognised in the Profit & Loss Account, as recommended under Accounting Standard (AS)-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The details of deferred tax liability is as under:-

(Amount in Rupees)

	As at 01.04.2005	For the year 2005-06	As at 31.03.2006
<u>Deferred Tax Assets being tax impact thereon</u>			
(i) Expenses charged in the books, but allowance thereof deferred under Income tax laws	4,768,404	(4,292,614)	475,790
	4,768,404	(4,292,614)	475,790
<u>Deferred Tax Liabilities being tax impact thereon</u>			
(i) Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	49,064,868	979,452	50,044,320
	49,064,868	979,452	50,044,320
Net Deferred Tax Liability	(44,296,464)	(5,272,066)	(49,568,530)

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In accordance with Accounting Standard 22 issued by ICAI and as a matter of prudence, in view of uncertainty of profits in the future year, Jindal Imaging Limited has not created deferred tax assets in the accounts for the year ended 31.03.2006.

17. Earnings per share (EPS)

	As at 31.03.2006	As at 31.03.2005
a) Basic/Diluted Earning Per Share		
Net Profit for the year (Rs.)	194,553,129	285,050,958
No. of equity shares at the beginning of year	10,258,326	10,258,326
Basic/Diluted Earning Per Share (Rs.)	18.97	27.79

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

A) Relationship

a) Associate companies

Consolidated Buildwell Ltd.
Consolidated Finvest & Holdings Ltd.
Consolidated Realtors Ltd.
Jindal (India) Ltd.
Jindal Meadows Ltd.
Jindal Photo Investments Ltd.
Jindal Poly Films Ltd.
Hindustan Polyester Ltd.
Jindal India Thermal Power Ltd.
Passion Tea Pvt.Ltd.
Jesmin Investments Ltd.
Agile Properties Ltd.
Vigil Farms Ltd.

b) Controlling companies/Individuals

Consolidated Photo & Finvest Ltd.
Jindal Realtors Ltd
Jumbo Finance Ltd.
Jupax Barter Pvt. Ltd.
Rishi Trading Co. Ltd.
Soyuz Trading Co. Ltd.
Shri S.S. Jindal

c) Key Management Personnel

Shri Rathi Binod Pal
Shri Shammi Gupta
Shri V. Chinnappan

18. B) The following transactions were carried out with related parties in the ordinary course of business :
(Amount in Rupees)

Sr. No.	Nature of transaction	Referred to in A (a) & (b) above		Referred to in A (c) above		Total	
		31.3.2006	31.3.2005	31.3.2006	31.3.2005	31.3.2006	31.3.2005
1	Purchase of goods	36,587,610	11,338,859	-	-	36,587,610	11,338,859
2	Purchase of fixed assets	114,750	12,393,760	-	-	114,750	12,393,760
3	Remuneration	-	-	1,486,752	1,059,357	1,486,752	1,059,357
4	Interest paid	-	1,502,486	-	-	-	1,502,486
5	Interest earned	3,534	1,499,007	-	-	3,534	1,499,007
6	Rent received	4,800	43,200	-	-	4,800	43,200
7	Rent paid	945,000	930,000	-	-	945,000	930,000
8	Expenses reimbursed	1,132,598	2,199,135	-	-	1,132,598	2,199,135
9	Loan received	-	115,800,000	-	-	-	115,800,000
10	Loan given back	2,019,353	114,550,000	-	-	2,019,353	114,550,000
11	Loan granted	21,500,000	150,000,000	-	-	21,500,000	150,000,000
12	Loan received back	21,500,000	150,000,000	-	-	21,500,000	150,000,000
13	Balance outstanding:-						
	-Investments	-	-	-	-	-	-
	-Loans recoverable	-	1,250,000	-	-	-	1,250,000
	-Sundry debtors	1,309,236	961,061	-	-	1,309,236	961,061
	-Other Liabilities	1,211,451	12,974,335	-	-	1,211,451	12,974,335

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

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



19. In terms of Section 21 of Companies Act, 1956 and Section 23 of the Act the Registrar of Companies, UP and Uttaranchal has given his consent to change of name of the parent company from Consolidated Photo Products Ltd. (CPPL) to Jindal Photo Ltd.(JPL) with effect from 13.12.2004.

	Year ended 31.03.2006 (Rs.)	Year ended 31.03.2005 (Rs.)
20. Addition to fixed assets and/or Capital work in progress includes preoperative expenditure on expansion schemes:		
Professional charges	1,934,734	357,102
Travelling Expenses	339,793	254,975
Power, Water & fuel	-	295,421
Salaries, Wages & Benefits etc.	-	476,885
Printing & Stationery	-	93,315
Vehicle upkeep expenses	-	67,538
Postage, Telegram & Telephone	-	42,051
Other expenses	-	859,332
	2,274,527	2,446,619
Add: Balance brought forward	-	-
	2,274,527	2,446,619
Less: Capitalised by allocation to Fixed Assets	-	2,446,619
	2,274,527	-
21. Excise Duty on Decrease in Stock has been computed as below :-		
Excise Duty on Opening Stock	7,077,005	17,863,523
Less:- Excise Duty on Closing Stock	4,383,006	7,077,005
	2,693,999	10,786,518

22. Expenses under the head commission, discount, advertisement and business promotion are shown net of subsidy received /receivable.

23. Figures have been rounded off to the nearest rupee.

24. Schedules 'A' to 'U' are annexed to and form part of Statement of Accounts.

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

Anil Gupta
Partner

Place : New Delhi
Date : 4th September, 2006

For and on behalf of the board

RATHI BINOD PAL
Managing Director

SHAMMI GUPTA
Executive Director

V.K.GUPTA
GM (Accounts) cum
Company Secretary

Jindal Imaging Limited

DIRECTORS' REPORT

To the Members,

Your Directors are presenting the Seventh Annual Report of the Company together with Audited statement of Accounts for the financial year ended 31st March 2006.

OPERATIONS

During the year, the company has not carried any business activity.

WHOLLY OWNED SUBSIDIARY

During the year, the company continues to be a wholly owned subsidiary of Jindal Photo Limited.

DIVIDEND

In view of Losses, your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. Sanjeev Aggarwal, Director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed;

- 1) That in preparation of the accounts for the financial year ended 31st March, 2006, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- 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 fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended on 31st March, 2006 on a 'going concern' basis.

AUDITORS

M/s Kanodia Sanyal & Associates, Chartered Accountants, the auditors of your Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The auditors have furnished a certificate regarding their eligibility for re-appointment as Company's Auditors, pursuant to Section 224 (1-B) of the Companies Act, 1956.

AUDITORS' REPORT

In respect of the Auditors' qualification in the Audit Report for the year under review, the Explanations of the Management is as under: -

Regarding "The accounts have been prepared on going Concern Assumption though the net worth of the company has fully eroded". Presently the company is exploring various other viable business options and opportunities and the Board of Directors of the Company are of the considered view that in the coming future, it will start its activities.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

There is no employee covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

The Provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable since company has no manufacturing activity during the year.

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

The certificate dated 17th August 2006 received from M/S Dee Pee Associates, practicing company secretaries regarding compliance with the provisions of the Companies Act, 1956 has been attached to this report pursuant to section 383A of the Companies (Amendment) Act, 2000.

ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and assistance received from all concerned.

For and on behalf of the Board

Place : New Delhi
Dated : 17.08.2006

(B.R. Gupta) (Shammi Gupta)
(Director) (Director)

COMPLIANCE CERTIFICATE

Registration No. of the Company : 55-99183

Nominal Capital : Rs. 1,00,00,000/-

To,

The Members,

JINDAL IMAGING LIMITED

56/2, Hanuman Road,
New Delhi 110 001

I have examined the registers, records, books and papers of JINDAL IMAGING LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company has the minimum prescribed share capital and rest of the provisions under this clause are not applicable to it.
4. The Board of Directors duly met Four times respectively on 23-06-2005, 25-08-2005, 25-11-2005 and 25-03-2006 in respects of which proper notices were given and the proceedings were duly recorded and signed in the minutes book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2005 was held on 26th September 2005 after giving due notice to members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to Directors, etc. as covered under the provisions of section 295 of the Companies Act, 1956 during the financial year.
9. The Company has not entered into any contract/s falling within the purview of section 297 of the Companies Act, 1956.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act during the financial year.
11. As there were no instances of falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or central Government.
12. The Company has not issued any duplicate share Certificates during the financial year.
13. (i) There were no transfers /allotment/transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional directors, alternate directors or directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/whole time Director/ Manager under the provisions of section 269 of the Act during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance

Jindal Imaging Limited

- the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 24. The Company has not made any borrowings during the financial year & hence, do not attract the provisions of section 293 (1) (d) of the Act.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate(s) in compliance to the provisions of the Act.
 26. The company has not altered the provisions of the Memorandum with respect to the situation of the registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year under review.
 31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offenses under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Companies has not deducted any contribution towards provident fund during the financial year as the Company was not subject to PF laws.

**For DEE PEE ASSOCIATES
Company Secretaries**

Place: New Delhi
Date : 17-08-2006

**(D P GUPTA) F.C.S.
C P NO. 1509**

Annexure A

Statutory Registers maintained by the Company

1. Register of Members under section 150.
2. Minutes Books of Board and General Meetings under section 193.
3. Books of Accounts under section 209.
4. Register of Directors etc. under section 303.
5. Register of Directors share holding under section 307.

Other Registers

1. Register of Directors Attendance
2. Register of Shareholders attendance.
3. Register of Fixed Assets
4. Register of documents sealed.

Annexure B

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2006.

S.No.	Form No./Return	Filed under section	For filing	Date of filing	Whether filed within prescribed time	if delay in filing whether requisite additional fee paid
1.	Balance Sheet As at 31.03.2005	220		19.10.2005	Yes	N.A.
2.	Compliance Certificate	383-A		19.10.2005	Yes	N.A.
3.	Annual Return Made upto 26.09.2005	159		22.11.2005	Yes	N.A.

AUDITORS' REPORT

To The Members of Jindal Imaging Limited

We have audited the attached Balance Sheet of **M/S JINDAL IMAGING LIMITED** as at 31st March, 2006 and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit

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

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March, 2006 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) The accounts have been prepared on Going Concern Assumption though the net worth of the company has fully eroded.

Subject to above, and read together with the other notes appearing in the Schedule 'G' of Significant Accounting Policies and Notes on Accounts, 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2006 and,
- ii. In the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(R.K KANODIA)
PARTNER**

Place: New Delhi
Dated: 17.08.2006

Membership No.16121

ANNEXURE TO AUDITORS' REPORT OF JINDAL IMAGING LIMITED (Annexure referred to in our report of even date)

1. The company does not have any fixed assets. Hence the provisions of paragraph 4(i) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as 'Order') are not applicable.
2. The company didn't have any inventory throughout the year and as such, the provisions of paragraph 4(ii) of the Order are not applicable.
3. (a) The company has neither granted nor taken any loan, secured or unsecured, to/from any Company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Since the company has not granted/taken any loans to/from the Companies, firms or parties covered in the register maintained under section 301 of the Act, the clause 4(iii)(b), (c) and (d) of the Order are not applicable.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management,

Jindal Imaging Limited

there were no transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956

- (b) Since there are no transactions required to be entered into the register maintained under section 301 of the Act, paragraph 4(v) (b) of the Order is not applicable.
6. According to the information and explanations given to us, the company has not accepted deposits from the public within the provisions of Sec 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 197.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. The maintenance of Cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.
9. (a) The company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanation given to us and as per the books and records examined by us, there are no dues of sales tax, income tax, custom tax, wealth tax and cess which have not been deposited on account of any dispute..
10. As at 31.03.2006 the accumulated losses of the company are more than hundred percent of its net worth. The Company has also incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
11. The company has not taken any loan from financial institutions, banks or debenture holders; hence the requirements of paragraph 4(xi) of the Order are not applicable.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company does not fall within the category of Chit Fund/Nidhi/Mutual Fund/ Society and hence the related reporting requirements are not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities debentures and other investments, hence, clause 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. The company has not raised any term loans during the year. Hence the clause 4(xvi) of the Order is not applicable.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the company on short term basis have not been applied for long term investments and vice versa.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the companies Act, 1956.
19. The company does not have any debentures outstanding as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
20. The company has not raised any money through the public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K. KANODIA)
PARTNER

Place: New Delhi
Dated: 17.08.2006

Membership No.16121

BALANCE SHEET AS AT 31ST MARCH, 2006

PARTICULAR	SCHEDULES	AS AT	AS AT
		31.03.2006	31.03.2005
		AMOUNT (RS.)	AMOUNT (RS.)
SOURCES OF FUNDS			
Shareholders' Fund			
SHARE CAPITAL	A	1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
CASH & BANK BALANCES	B	148,530	316,003
LOANS & ADVANCES	C	15,962	34,991
		<u>164,492</u>	<u>350,994</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
	D	2,668,407	2,576,169
NET CURRENT ASSETS		<u>(2,503,915)</u>	<u>(2,225,175)</u>
MISCELLANEOUS EXPENDITURE			
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	E	28,062	35,078
PROFIT/ (LOSS) ACCOUNT		3,475,853	3,190,097
		<u>1,000,000</u>	<u>1,000,000</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates For and on behalf of the Board
Chartered Accountants

(R.K. Kanodia) (Shammi Gupta) (B.R. Gupta)
Partner Director Director
Membership No. 16121

Place : New Delhi
Dated : 17.08.2006

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006

PARTICULAR	SCHE- DULES	YEAR ENDED	YEAR ENDED
		31.03.2006	31.03.2005
		AMOUNT (RS.)	AMOUNT (RS.)
INCOME			
LIABILITIES WRITTEN BACK		52,397	-
		<u>52,397</u>	<u>-</u>
EXPENDITURE			
ADMINISTRATIVE EXPENSES	F	338,153	299,762
		<u>338,153</u>	<u>299,762</u>
PROFIT/ (LOSS) FOR THE YEAR BEFORE TAXATION		(285,756)	(299,762)
LESS: PROVISION FOR TAX		-	-
PROFIT/ (LOSS) FOR THE YEAR AFTER TAXATION		<u>(285,756)</u>	<u>(299,762)</u>
PROFIT/ (LOSS) BROUGHT FORWARD FROM EARLIER YEARS		(3,190,097)	(2,890,335)
PROFIT/ (LOSS) CARRIED TO BALANCE SHEET		<u>(3,475,853)</u>	<u>(3,190,097)</u>
EARNING PER SHARE (BASIC/DILUTED)		(2.86)	(3.00)

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates For and on behalf of the Board
Chartered Accountants

(R.K. Kanodia) (Shammi Gupta) (B.R. Gupta)
Partner Director Director
Membership No. 16121

Place : New Delhi
Dated : 17.08.2006

Jindal Imaging Limited

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2006

	2005-2006 Amount (Rs.)	2004-2005 Amount (Rs.)
A Cash Flow from Operating Activities:		
Net Profit before Taxation and Extraordinary items	(285,756)	(299,762)
Adjustments :		
Provisions for Fixed Capital Expenditure	-	147,143,151
Preliminary Expenses written off during the year	7,016	7,016
Operating Profit before working Capital changes	(278,740)	146,850,405
Adjustments :		
Increase/(Decrease) in sundry Liabilities	92,238	(91,260,504)
Decrease/(increase) in current Assets	19,029	(4,178)
Net Cash from Operating Activities	(167,473)	55,585,723
B Cash Flow from Investing Activities:		
Preliminary Expenses incurred during the year	-	-
Purchase of Fixed Assets & other Capital Expenditure	-	-
Net Cash from Investing Activities	-	-
C Cash Flow From Financing Activities:		
Proceeds from issuance of Share Capital	-	-
Loan from Holding Company	-	(55,401,365)
Net Cash from Financing Activities	-	(55,401,365)
Net Change in Cash & Cash Equivalents (A+B+C)	(167,473)	184,358
Cash & Cash equivalents at the beginning of the year (Opening balance)	316,003	131,645
Cash & Cash equivalents at the end of the Year (Closing balance)	148,530	316,003

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates Chartered Accountants

For and on behalf of the Board

(R.K. Kanodia) Partner
(Shammi Gupta) Director
(B.R. Gupta) Director

Membership No. 16121

Place : New Delhi
Dated : 17.08.2006

SCHEDULES

Annexed to and Forming part of the Accounts

	AS AT 31.03.2006 (RS.)	AS AT 31.03.2005 (RS.)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
10,00,000 (10,00,000) EQUITY SHARES OF RS.10/- EACH	<u>10,00,000</u>	<u>10,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
100,000 (100,000) EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
SCHEDULE 'B' - CASH & BANK BALANCES		
CASH IN HAND	29,806	40,994
BANK OF NOVA SCOTIA	111,096	267,382
HDFC BANK LTD.	2,101	2,101
PUNJAB NATIONAL BANK	5,527	5,527
	<u>148,530</u>	<u>316,003</u>
SCHEDULE 'C' - LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
ADVANCE RECOVERABLE IN CASH OR IN KIND FOR VALUE TO BE RECEIVED	<u>15,962</u>	<u>34,991</u>
	<u>15,962</u>	<u>34,991</u>
SCHEDULE 'D' - CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS	2,403,352	2,270,824
OTHER LIABILITIES	265,055	305,345
	<u>2,668,407</u>	<u>2,576,169</u>
SCHEDULE 'E' - MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
PRELIMINARY EXP	35,078	42,094
LESS: WRITTEN OFF DURING THE YEAR	<u>7,016</u>	<u>7,016</u>
	<u>28,062</u>	<u>35,078</u>

YEAR ENDED
31.03.2006
(RS.)

YEAR ENDED
31.03.2005
(RS.)

SCHEDULE 'F' - ADMINISTRATIVE EXPENSES

LEGAL & PROFESSIONAL CHARGES	218,490	176,247
LEASE RENT	100,000	100,000
POSTAGE & TELEGRAM	132	947
FILING FEES	3,500	1,500
PRINTING & STATIONERY	163	3,476
MISC EXPENSES	110	500
BANK CHARGES	324	1,811
AUDIT FEE	8,418	8,265
PRELIMINARY EXPENSES W/OFF	7,016	7,016
	<u>338,153</u>	<u>299,762</u>

SCHEDULE 'G' - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Accounting Policies:

- The financial statements are prepared under the historical cost convention and in accordance with the requirement of the Companies Act, 1956 and accepted Accounting standards referred to in sub-section (3c) of section 211 of that
- Provision for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961.
- As a matter of prudence & in view of uncertainty of profits in future years, deferred tax assets in accordance with Accounting Standard -22 issued by ICAI has not been created in the accounts for the year ended 31/03/2006.
- Miscellaneous Expenditure:** Preliminary expenditure are being written off over a period of ten years.

2. Contingent Liability not Provided for:

Custom duty demand of Rs Nil.(previous year Rs.9,78,36,106) in respect of 100% EOU Project now abandoned.

3. The Auditors' Remuneration represents the following

	Year Ended 31.03.2006	Year Ended 31.03.2005
Audit Fee	8,418.00	8,265.00
	<u>8,418.00</u>	<u>8,265.00</u>

4. Additional information required under Para 3 & 4 of Part -II of Schedule VI of the Companies Act,1956. are not applicable.

5. There is no liability outstanding as on 31.03.2006, due to Small Scale Industrial Unit covered under Small Scale and Ancillary Industrial Undertakings Act,1993.

6. Disclosures pursuant to Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows:

List of Related Parties:

A. Controlling/ Controlled Companies/ Individuals.

- Holding Company**
Jindal Photo Ltd.
- Other Controlling Companies/Individuals**
Consolidated Photo & Finvest Ltd.
Jindal India Ltd.
Jindal Polyfilms Ltd.
Jindal Photo Investments Ltd.
Jindal Thermal Power Ltd.
Jindal Meadows Ltd.
Rishi Trading Company Ltd.
Soyuz Trading Company Ltd.
Jumbo Finance Ltd.
Jupax Barter Pvt. Ltd.
Consolidated Finvest & Holdings Ltd.
Jindal Realtors Ltd.
Hindustan Polysters Ltd.
Consolidated Realtors Ltd.
Consolidated Buildwell Ltd.
Agile Properties Ltd.

Jindal Imaging Limited

Vigil Farms Ltd.
Jesmin Investments Ltd.
Passion Tea Pvt. Ltd.
Sh. Shyam Sunder Jindal

B. Key Management Personnel

1. Mr.B.R.Gupta
2. Mr.Sanjeev Agarwal
3. Mr.Shammi Gupta

Details of Transactions with related parties are as follows:

Controlling Company	Amount(Rs.)	Amount(Rs.)
	31.03.2006	31.03.2005
- Creditors for expenses	91,692	477,602
- Lease rent	100,000	100,000
- Amount outstanding at the end of the year	2,403,352	2,211,660

8. Earning per Share

	Rs.	Rs.
Profit After Taxation	(285756)	(299762)
No. of shares outstanding	100000	100000
Earning per share (Basic/Diluted)	(2.86)	(3.00)

9. Figures for the previous year have been regrouped/re-arranged wherever considered necessary to conform to this year classification.
10. All the figures have been rounded off to the nearest rupee.
11. Schedule 'A' to 'H' are annexed to and form part of Statement of Accounts.
12. **Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act,1956.**

I. Registration Details :

Registration No :	99183	State Code :	55
Balance Sheet Date	Date	Month	Year
	31	3	2006

II. Capital raised during the year (Amount in Rs. '000)

Public Issue	Right Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	Total Assets
1000	1000

Sources of Funds (Amount in Rs. '000)

Paid Up Capital	Reserves & Surplus
1000	NIL
Secured Loans	Unsecured loans
NIL	NIL

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	Investments
NIL	NIL
Net Current Assets	Deferred Tax Asset
-2504	NIL
Misc. Expenditure	Accumulated Losses
28	3476

IV. Performance of Company(Amount in Rs. '000)

Income	Total Expenditure
52	338
Profit/Loss Before Tax	Profit/Loss After Tax
-286	-286
Earning Per Share (Rs.)	Dividend Rate (Equity)
(2.86)	NIL

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code)	3921.90
Product Description	Inkjet Film
Item Code No. (ITC Code)	4811.90
Product Description	Inkjet Paper

As per our report of even date attached

Signatures to the Schedule 'A' - 'G'

For Kanodia Sanyal & Associates For and on behalf of the Board
Chartered Accountants

(R.K. Kanodia)	(Shammi Gupta)	(B.R. Gupta)
Partner	Director	Director
Membership No. 16121		

Place : New Delhi
Dated : 17.08.2006

JINDAL PHOTO LIMITED

(Formerly Consolidated Photo Products Limited)

(Registered Office : 260/23, Sheetal Industrial Estate, Demani Road, Dadra - 396193, Dadra & Nagar Haveli (U.T.))

PROXY FORM

I/We.....of.....
..... in the District of
..... being a member/members of JINDAL PHOTO LIMITED hereby appoint
Mr./Msof.....
..... in the District of
..... or failing
him/her Mr./Ms.....
.....in the District of.....
as my/our proxy to vote for me/us on my/our behalf at the **3rd ANNUAL GENERAL MEETING** of the Company to be held on **Saturday the 30th day of September, 2006 at 2.30 P.M.** and at any adjournment thereof.

Signed this Day of 2006

Folio No.DP-ID:
Client ID:No. of Shares

Affix a Rs. 1 Revenue Stamp

NOTE :The Proxy form duly executed should be deposited at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra D & NH at least forty eight hours of prior meeting.

----- TEAR FROM HERE -----

JINDAL PHOTO LIMITED

(Formerly Consolidated Photo Products Limited)

(Registered Office : 260/23, Sheetal Industrial Estate, Demani Road, Dadra - 396193, Dadra & Nagar Haveli (U.T.))

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the **3rd ANNUAL GENERAL MEETING** of the Company at the Registered Office of the Company on **Saturday the 30th day of September, 2006 at 2.30 P.M.**

.....
Full name of the shareholder **Signature**
(In block letters)

Folio No.DP-ID:
Client ID:No. of Shares

.....
Full name of the shareholder **Signature**
(In block letters)

Jindal Photo Limited

(Formerly Consolidated Photo Products Limited)



BOARD OF DIRECTORS

Mr. Rathi Binod Pal Managing Director
Mr. V Chinnappen Whole-Time Director
Mr. Shammi Gupta Executive Director
Mr. Praveen Kumar Bansal
Mr. Suresh Chander Sharma
Mr. Umesh Chand Jain (w.e.f. Sept. 4, 2006)

GM (Acts)-CUM-COMPANY SECRETARY

Mr. V.K. Gupta

AUDITORS

B.K. Shroff & Company,
Chartered Accountants
3/7-B, Asaf Ali Road
New Delhi - 110 002

BANKERS

The Bank of Nova Scotia
UTI Bank Limited
HDFC Bank Limited
ABN Amro Bank
ICICI Bank Limited

WORKS

Unit NO. I

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

Roll Film Unit No. II

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

PPD Unit

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

Photo Chemical Unit

Survey No. 178/2
Village – Sarigam (Bhilad)
Distt- Valsad (Gujarat)

Samba Unit

J & K SIDCO, IGC Samba
Samba (Jammu) J & K

REGISTERED OFFICE

260/23, Sheetal Industrial Estate,
Demani Road, Dadra - 396193,
Dadra & Nagar Haveli (U.T.)

HEAD OFFICE

Photo House, 56/2 Hanuman Road
Connaught Place, New Delhi – 110 001

REGISTRAR & SHARE TRANSFER AGENT

Intime Spectrum Registry Limited
A-31, 3rd Floor, Naraina Industrial Area, Phase – I
New Delhi – 110 028

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