JAI INFRAPROJECTS LIMITED

DIRECTORS' REPORT

The Directors of your Company are pleased to present the Third Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS:

(Figures in Rupees)

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Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
Total Income	Nil	Nil
Total Expenditure (including Depreciation)	34,966	28,993
Loss for the year before Income-tax	34,966	28,993
Less: Provision for Tax	Nil	Nil
Loss for the year after Income-tax	34,966	28,993

OPERATIONS:

Your Company has received further amount of Rs. 0.30 Lac as interest- free unsecured loans from its holding Company, Jai Corp Limited. During the year under review, your Company has incurred a loss of Rs. 34,966/-

DIVIDEND:

In view of the loss, the Board of Directors does not recommend dividend for the year ended 31st March, 2010.

DIRECTORS:

Shri Gaurav Jain retires by rotation and being eligible, has offered himself for reappointment. Shri Ananjan Datta was appointed as an Additional Director during the year. He will cease to hold office at the conclusion of the ensuing Annual General Meeting. Your Company has received a notice proposing a resolution for appointing Shri Ananjan Datta as a Director at the ensuing Annual General Meeting.

Both of them have intimated to the Company that they are eligible for being re-appointed/appointed as Director.

During the year under review, Shri Rajesh Kumar Mundra resigned a Director. Your Directors place on record their appreciation of the services rendered by Shri Rajesh Kumar Mundra during his tenure as a Director.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2010, applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) that appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2010 and of the loss of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that accounts for the financial year ended 31st March, 2010 have been prepared on a

AUDITORS AND AUDITORS' REPORT:

Messrs Chaturvedi & Shah, Chartered Accountants, Mumbai, hold office as statutory auditors of the Company until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. Pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956 your Company has received a certificate from Messrs Chaturvedi & Shah, Chartered Accountants confirming their eligibility for re-appointment.

DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

NIL

SUBSIDIARY COMPANY:

Your Company has the following wholly-owned subsidiaries:-

- 1. Urban Gas Limited.
- 2. Urban Gas Distribution Limited.
- 3. Urban Gas Suppliers Limited.

Government of India, Ministry of Corporate Affairs vide letter no. 47/447/2010-CL-III dated 17/06/2010 has granted approval that the requirements to attach various documents in respect of the subsidiary companies as contained in Sub-section (1) Section 212 of the Companies Act, 1956 for the financial year ended 31st March, 2010 viz. the Balance Sheet, Profit and Loss Account, Reports of Board of Directors and Auditors of the subsidiaries whose accounts have been consolidated for the year ended 31st March, 2010 need not be attached with the Balance Sheet of the Company. These documents and the related information will be made available, upon request by any member of the Company and/ or any of its subsidiaries interested in obtaining the same. The accounts of the subsidiary companies will also be kept for inspection by any investor in its Registered Office and that of the respective subsidiary companies concerned. These documents will be put on the Jai Corp

		www.	.jaicorpindia	.com.	As directed	by the Central
Government,						

abovementioned Order of the Central Government the consolidated accounts of the subsidiaries have been duly audited and prepared in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India and form part of the Annual Report.

PARTICULARS OF EMPLOYEES:

There are no employees whose remuneration requires disclosure in terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSIT:

The Company has not accepted any fixed deposit during the year under review.

ACKNOWLEDGEMENT:

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Government authorities and Shareholders during the period under review.

For and on behalf of the Board of Directors

Place: Mumbai A. Datta
Date: 28.08.2010 Director

AUDITORS' REPORT

To the Members of Jai Infraprojects Limited

- 1. We have audited the attached Balance Sheet of 'JAI INFRAPROJECTS LIMITED' as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;

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- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in 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 referred to in this report Comply with the mandatory 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 as on 31st March, 2010 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (ii) In the case of Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For CHATURVEDI & SHAH Firm Reg. No.101720W Chartered Accountants

R. KORIA

Partner Membership No. 35629

Place: Mumbai

Dated: 24th May 2010

ANNEXURE TO AUDITOR'S REPORT Referred to in paragraph 3 of our report of even date

- In respect of its fixed assets:
 The Company does not have any fixed assets, hence provisions of the clause 4 (i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- ii. In respect of its inventories:
 The Company does not have any Inventories, hence the provisions of the clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956: -
 - (a) According to the information and explanations given to us, the Company has not given any loan during the year, hence provisions of clause 4 (iii) (a) to clause 4 (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - (b) The Company has taken an unsecured loan from its Holding company. The maximum amount outstanding during the year was Rs.12,30,000 and year-end balance of such loans was Rs. 12,30,000.
 - (c) In our opinion and according to the information and explanations given to us, the aforesaid loan is interest free loan and other terms and conditions of above loan are not, prima facie, prejudicial to the interest of the Company.
 - (d) The above interest free loan is not due for repayment & hence the question of overdue amount does not arise.

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- iv. In our opinion and according to the information and explanations given to us the Company has not purchased any inventory and fixed assets and sold any goods or services during the year, hence the provisions of clause 4 (iv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- v. According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under that section.
- vi. The Company has not accepted any deposits from the public during the year and hence the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii. As the Company is not listed on any stock exchange or the paid up capital and reserves as at the Commencement of the financial year did not exceed Rupees fifty lacs or average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, hence provisions of clause 4 (vii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- viii. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried on by the Company, hence the provisions of the clause 4 (viii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
 - ix. According to the information & explanations given to us in respect of statutory and other dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education & Protection Fund, and Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities during the year.
 - Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues except Rs. 7,500 in respect of Professional tax, as at 31st March, 2010 for a period of more than six months from the date they became payable
- c. According to the information and explanations given to us, there are no dues of sales tax, income tax, Custom duty, Wealth tax, Service tax and Excise Duty, Cess, as applicable, which have not been deposited on account of any dispute.
- x. The Company has been registered for a period of less than five years and hence the provisions of clause 4 (x) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- xi. Based on our audit procedures and on the information and explanations given by the management, the Company has not taken any borrowings from financial institutions, banks or debenture holders, hence the provisions of the clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society, hence provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. The Company has maintained proper records of transactions and contracts in respect of the shares and timely entries have been made therein. The Investments are held by the Company in its own name.
- xv. As per the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge & belief and according to the information & explanations given to us, the Company has not taken any term loan.

xvii. During the year the Company has not raised any short term funds.

xviii. During the year the Company has not made any preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act,1956.

xix. The Company has not issued any Debentures during the year.

xx. The Company has not raised any money by way of Public issue during the year.

xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For CHATURVEDI & SHAH Firm Reg No. - 101720W Chartered Accountants

R. KORIA

Partner Membership No. 35629

Place: Mumbai

Dated: 24th May 2010

Share Capital	A		
Unsecured Loans	В		
	С		
Cash & Bank Balance Loans & Advances	D		
Current Liabilities	Е		
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As	per	our	report	o f	even	date	
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Chartered Accountants

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Place : Mumbai Date: 24.05.2010

			Amount in
			Year Ende
			31.03.20
			-
Filling Fees			7,00
Payment to Auditors			13, 78
Miscellaneous Expenses			4,82
Interest and Finance Charge	s F	-	3, 38
			28, 99
Less: Provision for Income Tax Balance as per last Balance Si Basic & Diluted earning per E Rs. 10 each (Refer Note No. 3 of Schedule		(0.7	(28, 99) (28, 99) (168, 8) (197, 8)
	G		

As per our report	of even da	t e	
Chartered Accounta	nts		
Part ner			

Place : Mumbai Date: 24.05.2010

Cash Flow Statement for the year ended 31st March, 2010 Net Profit / (Loss) before tax as per P & L Account Adjusted for Interest and Finance Charges Operating Profit / (Loss) before Working Capital Changes Adjusted for Trade Payables Cash generated from Operations Direct Taxes Paid Net Cash from / (used in) Operating Activities Net Cash (used in) / From Investing Activities Proceeds of Long term Loans Repayment of Long term Loans Interest Paid Net Cash From / (used in) Financing Activities Net Increase/(Decrease) in Cash and Cash Equivalents (A+BHC) Opening Balance of Cash and Cash Equivalents Closing Balance of Cash and Cash Equivalents Notes: 1 Theabov €ashFlowState menhassbeen preparuend detrhellndin Meedthoda"s se toutin Account Standard-3 "Cash Flow Statement" as notified in the Companies (A 2 Bracket indicates cash outflow. 3 The Previous year's figures have been regrouped, rearranged, res As per our report of even date Chartered Accountants

Partner

Place : Mumbai Date : 24.05.2010

Amount in

		As at 31.0
		4 000
1,00,000 (Previous year 1,00,000) Equity shares of Rs 1		
9,00,000 (Previous year 9,00,000) Redeemable Preferance		KS. 19, Gauji
		10,000,
50,000 (Previous year 50,000) Equity Shares of Rs 10 e	ach fullilly	aid u 5 00,00
(Above shares are held by Jai Corp Limited, the holdi		-
including 6 shares held jointly with nominees.)		
		500,00
Long Term Loan from Holding Company		1,200,0
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		1, 200, 0
Trade Investments In Equity Shares of Subsidiary Companies- Unquoted - Ful	ly Paid Un	
50,000 (Previous year 50,000) Urban Gas Distribution Lt		each500.00
50,000 (Previous year 50,000) Urban Gas Ltd. Of Rs. 10		
50,000 (Previous year 50,000) Urban Gas Supplier Ltd. O		
		1,500,0
Not es:		
1) Aggregate value of investments:-		
Dook valuevalket value		
Unquoted Investments 1,500,000 -		
Balance with Scheduled Banks		
In Current Accounts		16,80
		, , , ,
(Unsecured & Considered Good)		
Income Tax (Net)		177
		16,97
Other Liabilities		14,78
		14,78

Amount in

	Amount in
	Year Ende
	31.03.200
Interest on Others	3, 37
Bank Charges	11
	3, 38

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Statement pursuant to Part IV of Schedule VI to the Companies ${\sf Act}$, 1956 .

Registration No .		State Code					
Balance Sheet Date 🗆 🗆 🗆							
CAPITAL RAISED DURING THE YEA	AR (Amountin	Rs Thousands) :					
Public Issue		Right Issue					
Bonus Issue		Private Placement					
POSITION OF MOBILISATION AND Total Liabilities	DEPLOYEMENT OF	FUNDS (Amount in Rs. Total Assets	Thousands)				
Sources of Funds		Total Assets					
Paid-up Capital		Reserves and Surplus					
Secured Loans		Unsecured Loans					
Application of Funds							
Net Fixed Assets		Invest ments					
Net Current Assets		Misc . Expenditure					
Accumulated Losses							
PERFORMANCE OF COMPANY (Amour	nt in Rs. Thous	and)					
Turnover (Net) & Other Income		Total Expenditure					
Profit before Tax		Profit after Tax					
Earning Per Share in Rs.		Dividend rate %					
GENERIC NAMES OF THREE PRINCI	PAL PRODUCTS /	SERVICES OF THE COMPA	NY (;				

Not Applicable

(Particulars regarding subsidiary companies under Section 212(8) of the Companies Act, 1956 pursuant to letter No. 47/447/2010-CL-III dated 17.0

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1	Urban Gas Distribution Limi	ed INR	5.00	0.5	3) 4.68	0.2	1 4.3	5 -	4.3	5 -	(0.1	0) -	(0.10	0) -
2	Urban Gas Limited	I NR	5.00	0 (0.5	2) 4.69	0.2	1 4.3	5 -	4.3	5 -	(0.1	0) -	(0 . 10	0) -
3	Urban Gas Suppliers Limited	I NR	5.00	0 (0.5	2) 4.69	0.2	1 4.3	5 -	4.3	5 -	(0.1	0) -	(0 . 10	0) -

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Net Cash used in Operating Activities	
	
Net Cash (used in) \ from Investing Activities	
Net Cash from Financing Activities	
= 0.00000000000000000000000000000000000	

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