

TAKING INDIA TO THE WORLD  
BRINGING THE WORLD TO INDIA





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# THE BUSINESS OF INDIA DEVELO

When a billion people dream in concurrence, it takes an organisation with extraordinary vision to realise those dreams.

A vision of unfettered growth. Of increasing employment. Of global opportunities.

A vision that is inclusive in its very inception; one that institutes empowerment as its essential tool and garners growth as a consequence.

It seeks individual, corporate and national growth at levels that will create a groundswell, lifting every citizen to an elevated standard of living.

## **Taking India to the world.**



# IS PMMENT

We, at Jai Corp are engaged in creating world class infrastructure for the emerging world leader - India. We take pride in contributing to the global migration of opportunities to India and enable Indian and global businesses to leverage its unique advantages.

We believe that national growth is the business of every Indian citizen and corporation and the dividends of this growth are truly global.

## **Bringing the world to India.**

## MESSAGE FROM THE CHAIRMAN EMERITUS



**Shri Jai Kumar Jain**  
Chairman Emeritus

The rapid economic development that has made this possible has also thrown open several opportunities for Jai Corp, each of which will lead to the creation of sustainable shareholder value.

**Dear Shareholders,**

I would like to thank you for the support and trust you have instilled in Jai Corp over the years. As Chairman Emeritus, I have been overseeing the rapid strides your company has made and I am delighted to share with you the progress so far and growth trajectory we will pursue going forward.

India is no longer isolated from global events. When the 'Asian Tigers' were hit by a crisis in 1997, India was not very acutely affected by the spill over effect. Today, however the sub-prime crisis in the US and spike in oil prices have engulfed the global economy in a vortex that is not showing any signs of waning. India is no longer on the fringe; it is at the centre of global growth.

We are witnessing a high rate of inflation, which has created a complex situation for the country: commerce and enterprise are getting constrained to pursue policies that can spur and sustain high growth rates that we as a country need and are capable of achieving.

India's strong growth trajectory needs large investments in infrastructure. Fortunately, government policies today are geared towards attracting large foreign investors and the international investor community is looking at India as an attractive investment destination as well.

At Jai Corp, we foresaw and identified this opportunity two years ago and decided to diversify into the infrastructure sector. The senior management team brainstormed about several possible avenues and unanimously agreed that we did not want to be an opportunistic developer seizing and implementing small projects. Instead, we saw an opportunity in carrying out a large initiative that was transformational in nature. One that would place India on the global manufacturing map and would create opportunities for Indian entrepreneurs to service global clients at world-class standards. After much deliberation, this initial thought resulted in our investments in Special Economic Zones and catalyzed a rapid transformation of the organisation. This transformation mirrors that of India, as a country which is no longer a spectator of global events, but a valued participant. The rapid economic development that has made this possible has also thrown open several opportunities for Jai Corp, each of which will lead to the creation of sustainable shareholder value.

Jai Corp's portfolio of business interests now encompass traditional businesses such as spinning, plastic processing and steel to new ventures in venture capital, real estate and creation of urban integrated infrastructure. This diversity of business interests is representative of the

rapid strides we have made in leveraging the growth prospects available to us.

FY 2007-08 has been a record year for shareholder value creation. Our shareholder base has increased over 7 times from 9,652 shareholders on 31st March 2007 to 66,659 on 31st March 2008 to almost 71,800 shareholders as on this date. Also, our shareholders include a number of leading international and domestic investors. This signals towards the increasing acceptance of our vision by a larger number of shareholders, and affords us the confidence and belief in our direction. We stand committed to creating long term value for this extended family of our shareholders.

For me personally this year has been a momentous one. After being Chairman of your Company for over fifteen years, the baton has been passed on to a young and dynamic set of business leaders: Shri Anand Jain has been appointed the Chairman, Shri Virendra Jain the Vice Chairman and Shri Gaurav Jain the Managing Director. I am confident that they have the requisite passion, commitment and aptitude to take the Company to higher levels and enhance shareholders' value.

I am confident that under this new management team, Jai Corp, will accelerate its pace of growth, while always remaining centred around our core philosophy of Honesty, Integrity, Respect, Fairness, Trust, Responsibility, Safety, and Care. These principles are and will continue to be the cornerstone of all our actions.

I am very excited about our future as our achievements in the past year substantially improved upon our achievements in the previous years. I seek your good wishes in transforming Jai Corp and realising its dream of creating world class integrated infrastructure facilities.

I thank all our customers, suppliers, bankers and employees who have demonstrated their continued faith and trust in this organisation. I am certain that they will stand by the new team that will be leading your Company for the years ahead.

I thank our Board of Directors who have given invaluable insights and provided guidance in giving shape to our thoughts. I am extremely grateful to all our shareholders who have stood by us and who I am sure will reap benefits of the Company's growth in the years to come.

With best wishes,

Sincerely,

**J. K. Jain**  
Chairman Emeritus  
July 31, 2008

## MESSAGE FROM THE CHAIRMAN



**Shri Anand Jain**  
Chairman

“The creation of urban integrated infrastructure will act as a catalyst in transforming businesses in India. I am confident that SEZs will help accelerate the growth of Indian businesses by providing them with an environment that will enhance their global competitiveness.”



## Dear Shareholders,

It gives me great pleasure to share with you the strategic business initiatives that Jai Corp has taken over the last year. Your Company has taken a quantum leap in the scope and scale of its operations. Our new business model is focused on creating sustainable value for all our stakeholders over the long term. We are very pleased to have you, our esteemed shareholders, as partners in our journey towards value creation.

While we have continued to focus on improving performance in our existing businesses, our decision to venture in the sunrise sector of integrated urban infrastructure has been vindicated with the Government according its approval to our plans. We are now moving ahead in that area, and making rapid progress as we implement our plans.

Your Company has been a frontrunner in identifying opportunities that will create sustainable shareholder value for all its stakeholders. Jai Corp is a stakeholder in the following Special Economic Zones (SEZs) that are coming up near Mumbai - Navi Mumbai SEZ (NMSEZ), Mumbai SEZ (MSEZ) and Rewas Port SEZ.

Our initiatives towards creating world-scale and world-class integrated urban infrastructure will assist in accelerating the pace of India's economic development. We are committed to participating in creation of globally relevant and contemporary infrastructure that will contribute to the transition of India from a developing nation to a developed one. In addition, these efforts are expected to generate employment, both directly and indirectly, signalling an era of growing empowerment and well-being for our people. The scale of our initiatives shall create and sustain economic momentum of a large magnitude. We shall endeavour to touch every facet of the Indian economy, and make a lasting, positive impact.

The creation of urban integrated infrastructure will act as a catalyst in transforming businesses in India. I am confident that SEZs will help accelerate the growth of Indian businesses by providing them with an environment that will enhance their global competitiveness. India has always been a nation of strong entrepreneurs and we believe our endeavours will help unleash this spirit of enterprise. The SEZs will encompass all other ancillary services such as power, water, IT and telecom, EPC, gas and other infrastructure resources necessary to facilitate an efficient conduct of commerce. Your Company is exploring entering into such services through its subsidiaries/associates.

The infrastructure to be provided by the SEZs will enhance productivity and catalyze creativity. The SEZs will attract companies operating with high Intellectual Property Rights (IPR) and provide businesses a more conducive environment to operate in.

Our new business initiatives will endeavour to create sustainable value for all our stakeholders. This confidence stems from the performance of our venture capital initiative, which has become a frontrunner in the Indian real estate sector. We manage / advise two funds with a corpus about INR 5500 cr (US\$ 1.3 billion). Our strategy of participating at the grass root level has not only helped us capture the entire value chain and deliver superior returns but has also allowed us to build strong relationships with the developers we work with. We have been able to capture both international and domestic interest in the sector by serving as a conduit for investors and providing excellent returns. Going forward these partnerships are expected to offer us myriad opportunities for greater participation in the robust growth we foresee in India.

In our venture capital business, our first fund has addressed the needs of Indians to invest in the real estate sector in India. The second fund has addressed the needs of international investors who wish to invest in the real estate sector in India. I am confident that our team has demonstrated their ability to create value on a global basis.

In our real estate business, two of our subsidiaries have received permission to purchase agriculture land to set up special township projects in Maharashtra. Your Company's foray in the global real estate business is headed by its subsidiary company based in Mauritius.

While our new initiatives are exciting and challenging, our existing businesses of spinning, plastic processing and steel continue to add value to your Company and create a niche for themselves in their industry.

In this period of transformation, there is a commonality that binds all our activities and operations: the global nature of each of our businesses and their linkage and relevance to enterprises internationally. In each of our businesses we will be moving towards taking India to the World and bringing the World to India.

I acknowledge the invaluable contribution of all our customers, suppliers, bankers and employees who have demonstrated their unstinted commitment, which is instrumental to our growth and vision.

I thank our Board of Directors for their continuous guidance in shaping our vision and I am grateful to all our shareholders for reposing their faith in our team to execute this vision.

I am sanguine that our strategic initiatives will ensure robust long-term shareholder value and will go a long way in achieving India's pre-eminence in the global economy.

With best wishes,

Sincerely,

**Anand Jain**  
Chairman  
July 31, 2008

## ABOUT US

Jai Corp Limited (Jai Corp) was established in 1985. Jai Corp, under the leadership of its Chairman Shri Anand Jain, is fast emerging as a leading urban integrated infrastructure company. Traditionally, Jai Corp's business operations have been in manufacture of flexible intermediate bulk containers (FIBC Jumbo bags), woven sacks and fabrics, manmade fibre yarns, and steel coils and sheets. In 2006, Shri Jain's vision saw Jai Corp expanding its businesses to new growth engines such as asset management and urban infrastructure development.

Today, Jai Corp is rapidly transitioning as one of the key builders of modern India, contributing to the nation's growth by creating integrated

urban infrastructure. The company is in the process of building globally relevant centres of excellence in manufacturing and services sector. Jai Corp will provide a range of services spanning from funding and development to management and maintenance of urban integrated infrastructure. Jai Corp is also a leading real estate organisation with a significant funding and development portfolio. The Company is also an Advisor/Manager of some of India's largest real estate funds. Jai Corp has its registered office in Nanded, Maharashtra, and its corporate office in Mumbai. The company has about 71,800 shareholders. Its shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## FINANCIAL PERFORMANCE (2007-08)

Jai Corp recorded total revenues of INR

**461.30** cr

EBIDTA of INR

**154.33** cr



## LOCATIONS

### Woven Sacks Manufacturing Divisions

Murbad (Maharashtra), Khadoli, Athal (Silvassa) and Daman

### Spinning Division

Vasona, Masat (Silvassa) and Sarigam (Gujarat)

### Steel Division

Nanded (Maharashtra)

### SEZs

Navi Mumbai and Mumbai.

### Port

Rewas

### Asset Management Business and Venture Capital

Asset Management Business and Venture Capital fund offices at Mumbai.

Profit after tax of INR

**128.15** cr

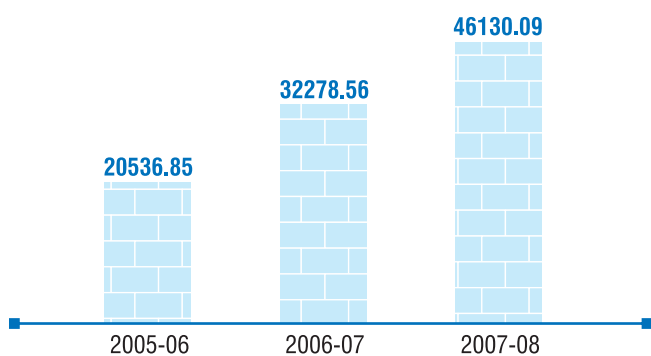
**Valuation:** The company's market capitalisation as on  
31.03.2008 was INR

**9185.61** cr

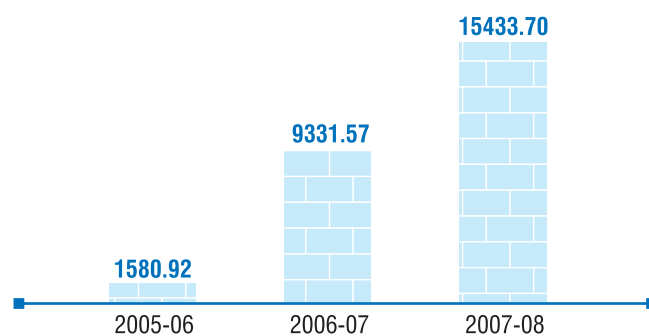


# OUR PERFORMANCE THROUGH NUMBERS

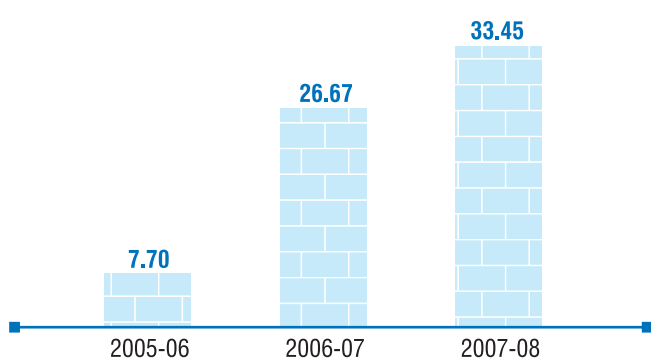
TOTAL REVENUE (INR in Lac)



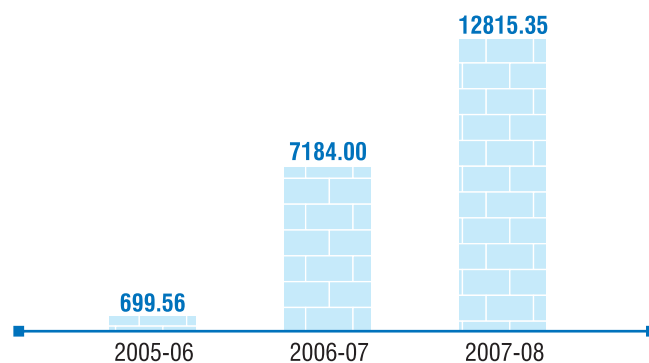
EBIDTA (INR in Lac)



EBIDTA MARGIN (per cent)

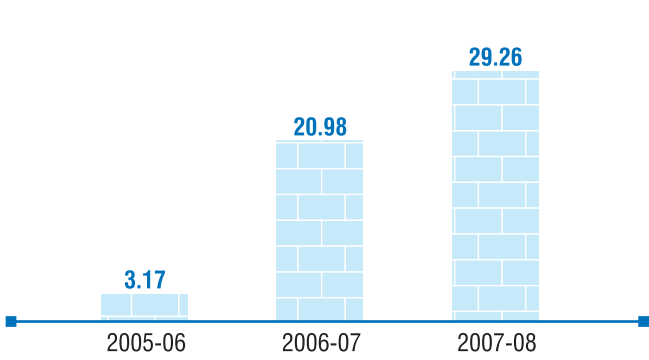


PAT (INR in Lac)

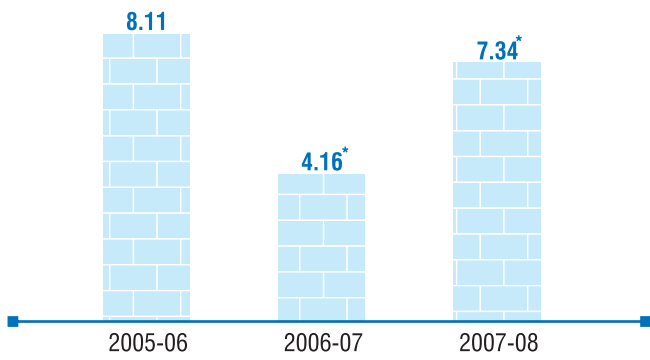




**PAT MARGIN (per cent)**

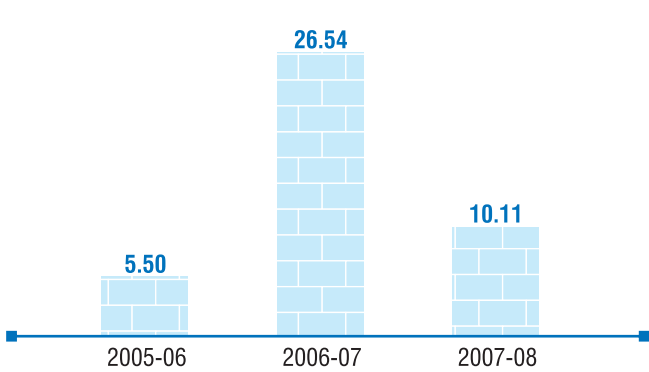


**EPS (INR)**

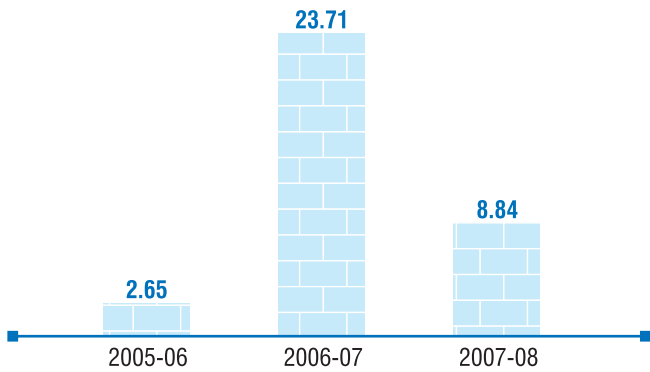


\*Adjusted

**ROCE (per cent)**



**RONW (per cent)**



# What is taking India to the world

# Investments in

Government estimates conclude that India's GDP growth could be two percentage points higher but for the shortcomings in infrastructure.

Historically, the lack of infrastructure was an outcome of dependence on government spending and lack of private participation. The government has since paved the way for greater private sector involvement in funding and development of

infrastructure projects. This has resulted in accelerated investments in infrastructure. India is an inherently attractive destination for both manufacturing and services. A 'business ready' infrastructure will make it a compelling destination.

Freed of the hindrance of poor infrastructure, the brand - Made in India will take on the world.

## INFRASTRUCTURE SECTORS

Economic Infrastructure			Social Infrastructure
Transport	Energy & Utility	Communications	Healthcare facilities
Toll roads	Gas	Cable Networks	Education facilities
Bridges	Distribution	Satellite Systems	Social Housing
Tunnels	Storage		Judicial and
Seaports	Electricity		correctional facilities
Airports	Distribution		
Rail	Generation		
Ferries	Water		
	Treatment		
	Distribution		



# World?

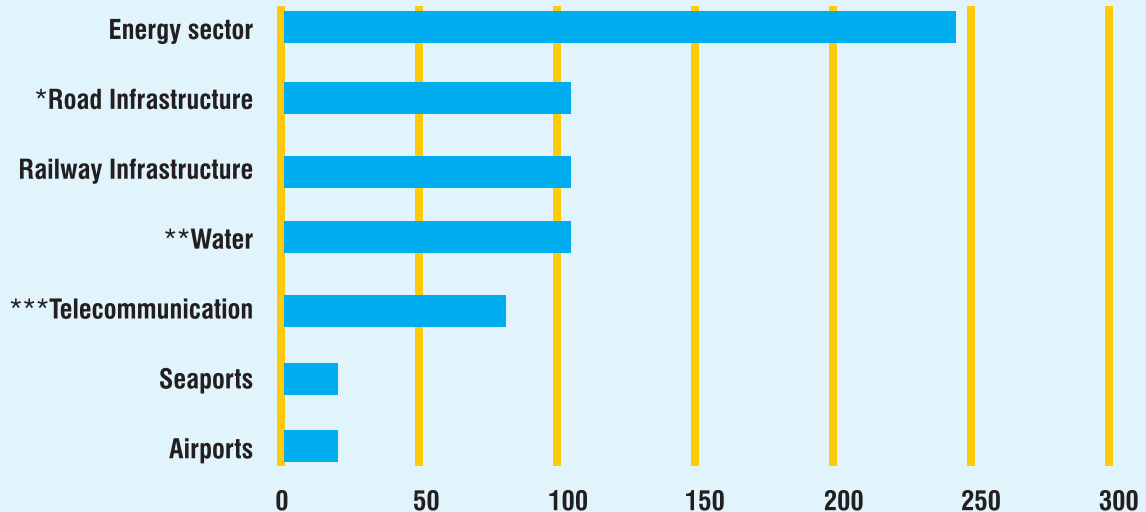
# in basic infrastructure.

The need of the hour for emerging India is a strong and resilient infrastructure that will stimulate growth of industries even as it increases employment opportunities. This 'business ready' infrastructure will have great bearing in accelerating the pace of growth of the Indian economy. Currently more than USD 490 bn

worth of investment is to flow into India's infrastructure by 2012 under the 11th five year plan.

## PLANNED INVESTMENT IN INFRASTRUCTURE IN INDIA TILL 2012

USD (bn) according to 11FYP



\*Cost of National Highway Development Programme till 2015

\*\* Water Supply and Sewage Disposal

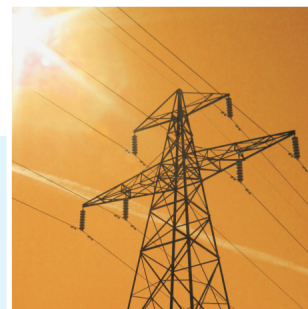
\*\*\*Network, Transmission mast, optical fiber cables; without customer premises equipment

Sources : Government of India, appropriate ministries.

# What is bringing the world to A rich repository of re

In a flat world, taking India to the world and bringing the world to India could be synonymous. Indian strengths in IT and outsourcing have resulted in the country emerging as the back office of the world. The competitiveness of Indian labour combined with the lower cost of living make India an attractive destination to outsource production. The large population of youth as well as the high level of education and skills available with the Indian workforce help.

Until now the lack of infrastructure was the dampner. India's potential is truly limitless when one considers the expansion of business to the smaller cities and towns of India. Empowered with infrastructure they will prove to be an even more cost effective destination for both manufacturing and services.





# India?

## Resources & human capital

Other factors that clinch the case for outsourcing production and services to the country are:

- India's enormous rich mineral resources
- The immense pool of quality human intellect
- A stable political structure.
- Progressive democratic setup.
- Facilities equivalent to the best in the world.

So, bringing the world to India will make India the manufacturing and services hub for the world.

This takes India, its products and services to the world.

Jai Corp, strengthens this unravelling reality that is emerging India by establishing alternate urban centres, and by providing a better quality of life in terms of employment, opportunities and affordability.

At Jai Corp we are proud to open the gateways that will bring the world to India, while simultaneously taking India to the world.



The background of the page is a solid blue color. In the upper half, there is a faint, light blue silhouette of a construction crane's lattice boom extending from the top left towards the right. In the lower left corner, there is a faint, light blue sketch of several skyscrapers. A white line starts from the left edge, goes horizontally to the right, then turns vertically down to a small white square, and then continues horizontally to the right across the page.

# MANAGEMENT DISC AND ANALYSIS

# DISCUSSION



**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**OVERVIEW OF FY 2007-08**

The year 2007-08 was a year of strengthening the foundations for Jai Corp Limited. The year's key achievements can be summarised as follows:

- The total revenues increased by 42.90 per cent from INR 322.78 cr in 2006-07 to INR 461.30 cr in 2007-08
- The total EBIDTA increased by 65.39 per cent from INR 93.32 cr in 2006-07 to INR 154.34 cr in 2007-08
- The total PAT increased by 78.38 per cent from INR 71.84 cr in 2006-07 to INR 128.15 cr in 2007-08
- The Company has raised fresh capital of INR 21.12 cr during the year

# SPECIAL ECONOMIC ZONE


**BUSINESS REVIEW****URBAN INTEGRATED INFRASTRUCTURE****Sector overview**

Globally, SEZs (Special Economic Zones) are growth engines for achieving rapid economic growth that will boost GDP and augment external trade of the country. Many countries have used the SEZ as a strategy to transition from a developing to a developed economy. The SEZs incentivise the concurrent creation of industrial and social infrastructure. The tax incentives offered to SEZs are a way to minimize the cost of constructing such infrastructure. Though the objectives, features, administrative mechanism, regulatory framework and benefits offered in SEZs vary from country to country, the fiscal and tax incentives are almost similar globally

SEZs have offered many countries a set of common benefits: generating employment opportunities, export led industrial growth and attracting Foreign Direct Investments (FDI). SEZs have also led to the creation of world-class infrastructure and enabled the decongestion of cities. They have helped rural and semi-urban cities to become stakeholders and participants in the country's growth. Globally, SEZs 'position attributes' play

a key role in the eventual success of the SEZ. Proximity to logistical linkages and a high level of incentives is a must for the success of any SEZ.

The impact of SEZs in an economy can be well understood with the success of Shenzhen SEZ in China. Established in 1980, this zone attracted USD 3.3 billion in FDI in 2006 and generated exports worth USD 136 billion, i.e. 95 per cent of India's total exports in 2007.

In India, the Special Economic Zone Act, 2005, was introduced to boost investor confidence and signal government commitment to a stable SEZ policy regime. Enabling legislation came into force in 2006. The SEZ scheme has been designed to assist Indian companies overcome various disadvantages as well as high costs factors that inhibit investments and development.

404 SEZs were formally approved and another 168 received in-principle approval from the Government of India till the end of 2007. The area for proposed SEZ development is 2024 km<sup>2</sup> i.e. thrice the size of Singapore.

**The rationale for SEZs in India**

- Lower cost of infrastructure
- Lower funding cost

- Exports
- Development

#### Key Challenges for SEZs in India

- Land acquisition
- Speculative prices in real estate
- Political Sensitivities

#### Outlook for SEZs in India

SEZs are expected to accelerate economic growth and generate significant employment opportunities. Industry estimates indicate that around INR 71,000 cr has been invested in the SEZs and generated around 311,000 employment opportunities across the country during the FY 2007-08.

Total investments in special economic zones (SEZs) across the country are likely to touch around INR 2.84 trillion by December, 2009. These SEZs are expected to create around 2.1 million additional jobs. Exports from the SEZs are likely to touch around INR 1 lac cr. Exports from SEZs increased 78.1 per cent from INR 37,800 cr to INR 67,300 cr as compared to exports from MPEZ-SEZ, which increased 28.6 per cent

#### NMSEZ - location and area

Node	Area (acres)	Type of SEZ	Sectors	Remarks
Dronagiri Node	3,089	Multi Product	Apparel, Logistics, General Industries	Close to JNPT and also MHTL exit Ideal for multi products SEZ
Kalamboli Node	865	Multi Single Product	IT/ITES & Financial Services	Excellent connectivity with various key urban centres close to Mumbai-Pune Expressway and NH-4. Ideal for IT/ITES.
Ulwe Node 1	198	Single Product	IT/ITES & Financial Services	Close to new airport at Navi Mumbai and proposed MTHL, metro rail.
Ulwe Node 2	1,137	Multi Single Product	Gems & Jewellery IT/ITES	Close to upcoming airport at Navi Mumbai
<b>TOTAL</b>	<b>5,289</b>			

#### Industry focus

NMSEZ will cater to specific industries such as:

- Information Technology
- IT Enabled Services
- Diamond Processing
- Fashion Designing
- Animation
- Multimedia
- Film processing

#### Mumbai SEZ (MSEZ)

Mumbai SEZ Limited has obtained the in-principle approval of the Ministry of Commerce for the development of a 5,000 ha SEZ at Khopta, Maharashtra. The MSEZ will be a modern single location mini city over 12,355 acres with 'Walk-to-Work' concept. The SEZ would have world class infrastructure to compete with the best in the world on all key parameters. Currently the land acquisition for the SEZ is in the process and is expected to be completed by next year.

#### Salient features

1. **Comprehensive Integration:** All SEZs will be fully integrated with

from INR 2,462 cr to INR 3,168 cr.

#### Performance overview

Jai Corp Limited is a stakeholder in entities developing two Special Economic Zones in Maharashtra.

#### Navi Mumbai SEZ (NMSEZ)

NMSEZ intends to develop industrial infrastructure, social infrastructure, utility plants, physical infrastructure and transportation. The NMSEZ was initiated by the City and Industrial Corporation of Maharashtra ('CIDCO'), appointed by the Government of Maharashtra to coordinate the development of the project. CIDCO is JV partner in Navi Mumbai SEZ Private Limited. The total size of the NMSEZ is 5,289 acres. This would be developed for various sectors with 50 per cent reserved as a processing zone and the rest for non-processing activities. Long-term lease agreements have already been signed with CIDCO and formal approvals have been received for all the nodes except Ulwe Node 2. The NMSEZ will include four separate areas, and initial plans are being developed with an international infrastructure developer. Navi Mumbai SEZ Private Limited received environmental clearance for 1250 ha of the proposed SEZ in August 2006.

world class amenities, logistics support, infrastructure and connectivity thus making them an extremely attractive destination for industries, services and other sectors.

2. **Large volume employment generation:** These SEZs are planned as self-sufficient towns, and will generate large volumes of employment. The SEZs and townships within, will offer better standards of life to its residents. The well planned scalable and sound infrastructure of these SEZs will make them capable of absorbing manpower in large numbers.

3. **World-class manufacturing base:** The SEZs will offer an environment and infrastructure that will be at par with the best available in the world. Common shared facilities as required by specific industries and the availability of skilled manpower in and near the SEZs will make it an attractive manufacturing destination.

4. **Connectivity:** With convenient rail, sea, road and air linkages, these SEZs are well placed to create high standards of a transshipment hub in Navi Mumbai. The SEZs will have multiple connections to Mumbai through the proposed 23 Km. MTHL (Mumbai Trans Harbour Link) in addition to existing rail, road and water transport. These SEZ are close to the Jawaharlal Nehru Port Trust (JNPT) and the upcoming Rewas Port and is proposed to be well linked with NH 7 and Mumbai-Pune Expressway.

# PORT



# POWER



### Sector overview

The sustained growth of the Indian economy has resulted in added pressure on the existing ports. This is because there is a direct correlation between the tonnage of cargo handled and the expansion of the economy. Ports handle approximately 95 per cent of India's total trade in terms of volume and 70 per cent in terms of value.

According to estimates of the Ministry of Shipping, Road Transport and Highways, the traffic at ports in India is expected to increase from 649 million tonnes per year in fiscal 2007 to 1,009 million tonnes per year by fiscal 2012 and 1,225 million tonnes per year by fiscal 2014. The additional port capacity expected to be built by fiscal 2012 is approximately 763 million tonnes.

As of 2005, no Indian port features in the top 50 ports of the world. Singapore, the world's largest port, handles only slightly lower tonnage than all the major Indian ports accumulatively.

#### Growth drivers

1. Increasing efficiency, larger vessels, deeper drafts at ports and improved equipment and technologies
2. Growth in intermodal logistics and improved infrastructure
3. Consolidation to capture value chain and the introduction of value-added services
4. Changes in types of cargos and customer needs, including increasing containerisation

### Performance overview

#### *Rewas Port & SEZ - India's emerging International shipping hub*

Jai Corp is a stakeholder in the entity developing Rewas Port Project in Maharashtra which had been conceived as a multi cargo, all weather; deep water mega port based SEZ with world class facilities and is expected to cater to large hi-tech manufacturing organisations. The master plan development envisages creating of over 70 deep draught berths to cater to a variety of cargoes. The Rewas Port based SEZ is a green field project and is located near Rewas headland at the confluence of Amba river, Karanja creek and Patalganga river on the West coast of Maharashtra, about 10 km from JNPT. Indian ports have traditionally been shallow and relatively unsuitable for large ships. The efficiency of present ports has been hampered by draught restrictions, therefore resulting in additional top-up cost for cargo. Since the present ports were not equipped to handle large ships, bulk cargoes were also discouraged. With increasing fuel costs, the world has woken up to the need of curbing operational costs thus resorting to bigger fuel efficient vessels. However, the average draft size in existing Indian ports is very low (about 12.5 meters), restricting bigger vessels and therefore increasing costs on account of transshipment. Rewas Port was conceptualised to meet this anomaly. The Rewas port based SEZ is proposed to be developed in three phases, spread over an area of 4155 hectares of land.

The Rewas Port is planned to be a deep draught (20 meters) multi-purpose port and envisages development of 9 berths in the initial phase planned exclusively in the inter tidal zone. Rewas Port will provide port services for: (i) Container cargo, (ii) Dry bulk cargo, (iii) General cargo, (iv) Liquid cargo, and (v) Automobile cargo. The Rewas Port has been planned to accommodate the largest of vessels and to have adequate

cargo handling capacity. The port has been planned in such a manner that it will focus on least turnaround time of the ships calling at the port. There will be sufficient back-up facilities in terms of yards, CFS, transit sheds and logistic parks. The SEZ will be developed to ensure lower logistics and transportation cost for the products manufactured and intended to be exported. Having SEZs in the proximity of the port would boost the business for both the port as well as the SEZs. In addition, the port is expected to be the nodal point for exports from the MSEZ and NMSEZ and is scheduled to be connected with both rail and dedicated road corridors including a separate rail freight line between NMSEZ and MSEZ.

The port is modelled as per the world's best and the Company is confident that on completion, Rewas Port will emerge as the Rotterdam of Asia, with its world class facilities and infrastructure.

### POWER

#### Sector overview

India's installed power generation capacity is currently around 135 gigawatts. Generation capacity has been steadily increasing. The current capacity is 29 per cent higher than what it was in 2002 and 58 per cent higher than capacity in 1997. However, India's installed capacity is only about one-third of China's. The per capita electricity consumption shows a similar picture: China clocks 1900 kWh as compared to India's 650 kWh. There has been a steady widening of the gap between demand and supply over the years.

The main reason for the supply shortfall is the lack of adequate investment in power stations and distribution/transmission grid. A factor that exacerbates the situation is the extremely high transmission and distribution losses which equal about 34 per cent of generation, as per information from India's Ministry of Power. The losses can be attributed in part to the overloading of the network infrastructure, the poor functioning or complete absence of electricity meters at customers' premises as well as theft.

The per capita consumption of electricity in India is extremely low due to the fact that a large proportion of the population experiences a limited or complete lack of access to electricity.

#### Performance overview

Jai Corp has strategized its presence in Power generation, distribution and transmission through its associate companies viz. Urban Energy Generation Private Limited, Urban Energy Distribution Private Limited and Urban Energy Transmission Private Limited.

One of the associate companies, Urban Energy Generation Private Limited has got approvals and environmental clearance for a generating capacity of 2,000 MW at Dronagiri at Navi Mumbai in Maharashtra. The first phase involves the setting up of a 700 MW gas-based power plant for captive use of its upcoming SEZs. This Company has also received two Support Letters from the Government of Maharashtra for setting up of two gas based power plants each having a capacity of 2,100 MW, one of which is proposed to be located at Kondgaon near Nagothane in the District of Raigad and the other at Kalamboli in the District of Thane. The Company proposes to make available power to the other consumers after meeting the needs of the SEZs.

# WATER SUPPLY AND SEWERAGE DISPOSAL



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## ENGINEERING, PROCUREMENT AND COMMISSIONING





## Water Supply and Sewerage Disposal

### Sector overview

Water is an indispensable factor in human life as well as in industrial production. India is a country where the distribution of rainfall is uneven in both regional and seasonal terms.

Seventy five percentage of India's total annual rainfall is concentrated in 4 months during the summer monsoon (June through September). A large part of this rain water is wasted due to inadequate or poor storage and reservoir facilities. Simultaneously, lack of proper drainage and sewerage systems cause high levels of flooding. The total investment proposed for water resource management in the 11th Five Year Plan runs to about INR 2.2 trillion (USD 5,500 cr). The government expects active participation of the private players to ensure proper implementation of the plan and achievement of the goals.

### Performance overview

Jai Corp has strategized its presence in the water distribution and sewerage sector, through one of its associate companies viz. Urban Water Supply Private Limited. The Company plans to execute:

- Water pipeline projects
- Raw water transmission system
- Water treatment
- Water distribution systems
- Water reservoirs
- Water storage systems, and
- Sewerage and sanitation management projects for its proposed SEZs and also other parties.

# TELECOM & IT



### IT and Telecom

Jai Corp has strategized its presence in the IT and Telecom Business through one of its associate companies viz. Urban Infotech Solutions Private Limited

## Engineering, Procurement and Commissioning

### Sector Overview

The rapidly expanding Indian infrastructure industry has resulted in sustained demand for ancillary services. In the construction space, the arrival of mega projects has intensified the demand for outsourcing of engineering, procurement and commissioning activities. This has resulted in the set up of numerous small to mid-sized companies extending EPC management and services. EPC companies undertake projects on a turnkey & design-build basis. They provide a range of specialized construction & operational services. These EPC projects encompass industrial, engineering, designing and construction services.

### Performance overview

Jai Corp has strategized its presence in the EPC through one of its associate companies viz. Urban Infrastructure Construction Private Limited.

Building SEZs requires large volumes of engineering, procurement and commissioning services. Urban Infrastructure Construction Private Limited proposes to execute all the engineering, procurement, construction and commissioning related work in all the SEZs. It also plans to undertake the development of residential, commercial and retail spaces in the SEZs. The Company also plans to generate additional revenue by undertaking outside projects.

# REAL ESTATE



## Gas Distribution and Supply

### *Performance overview*

Jai Corp has strategized its presence in the Gas Distribution and Supply Business through its subsidiaries viz. Urban Gas Limited, Urban Gas Distribution Limited and Urban Gas Suppliers Limited.

Developing the SEZs will involve the building of large residential townships, to house people working within the zones. Simultaneously, the Company proposes to develop townships in other areas. LPG (Liquefied Petroleum Gas) is the most popularly used fuel in Indian households. Creating an LPG gas distribution network in this context becomes a logical extension that adds yet another vital infrastructure link to the integrated project. Going forward, the company will also cater to the LPG requirements of other small cities.



### Sector overview

Sustained economic growth drives commercial real estate by improving rentals, reducing vacancy rates, and increasing demand for further office space. On the other hand, rising income levels fuel demand for residential and retail real estate.

### Relationship between construction and GDP

There is a close and direct relationship between the GDP growth and the real estate market. An increase in GDP translates into growth of the real estate market in close succession. The Indian real estate industry is dominated by the residential sector which accounts for 80 per cent of the total market.

### Key demand drivers for the realty industry

1. India to emerge as the most populous country by 2030
2. Rising disposable incomes amongst Indians
3. Increased urbanisation
4. India a young nation
5. Growth in nuclear families
6. Increased funding options
7. Increase in enabling sectors like IT, BPO, KPO and retail

### Performance overview

The strategic investments in SEZs will create new jobs and will lead to a process of urban renewal and an increasing requirement of housing

infrastructure in the emerging urban centres of India. The Company visualised this opportunity and tapped it by venturing into the promotion as well as development of real estate projects. The Company also aims to build integrated townships having access to all the basic facilities like schools, hospitals, entertainment, shopping centres, etc. The Company aims to urbanise semi-rural or semi-urban areas by providing all the amenities of the established cities within the new urban areas. In the process the Company aims at promoting a better lifestyle, at affordable prices that will be accessible to a larger base of the Indian population. Besides, the Company also believes in strategically investing in upcoming real estate projects across Maharashtra.

The following subsidiary companies have received permission to purchase agriculture land as under:

i. **Novelty Realty and Developers Private Limited** has received permission for purchase of agriculture land totalling to 136.81.00 H.R (hectares). at village Barvai, Bhokarpada, Talegaon in District Raigad and in Khalapur and Panvel Talukas for setting up a special township project under section 63-I(A) of the Mumbai Tenancy & Agriculture Land Act, 1948 and

ii. **Rainbow Infraprojects Private Limited** has received permission for purchase of agriculture land totalling to 120.92.28 H.R. (hectares) at village Aajiwali, Borle, Taluka Panvel District Raigad for setting up special township projects under section 63-I(A) of the Mumbai Tenancy & Agriculture Land Act, 1948.

The said subsidiary companies have initiated steps towards acquiring the lands.

# GAS DISTRIBUTION

### Sector overview

The past years of sustained growth has transformed India into one of the most attractive investment destinations in the world. The Indian real estate market has become one of the most sought after investment sectors. Traditionally, the sector was primarily accessible to construction finance and lease rental securitisation. Investments in the real estate markets are largely by High Net worth Individuals (HNIs) and domestic development companies. With the relaxation of FDI norms, the real estate sector has emerged as a favoured sector to dedicated real estate funds, private equity funds, hedge funds, pension funds, etc. The appetite of domestic retail for real estate has also improved, with domestic funds joining the fray.

### Increased transparency leads to institutional funding

There is increased availability of funds from banks and financial institutions for real estate sector. Increased transparency and corporatisation of the sector has made this possible. With expected introduction of Real Estate Investment Trusts (REITs), the real estate capital market in India is expected to widen further, thereby supporting the increased scale and quality of real estate projects.

### Growth catalysts

- Residential space is expected to grow due to increased urbanisation, increased income, increased disposal income, better financing structure, and coming up of integrated townships.
- Shopping centres and malls will benefit from increased organised retail. The influx of foreign and local giants into the space is coupled with increased disposable income and increasing brands.
- Special Economic Zones to promote and develop new urban clusters
- Office space to increase with increasing demand from mainly IT/ITES sector.
- Hospitality to intensify with increased traffic from businessmen and tourists.

### Performance overview

Jai Corp tapped this exciting growth oriented sector through its wholly owned subsidiary - Urban Infrastructure Venture Capital Limited

(UIVCL). UIVCL is a Venture Capital Management Company It is currently managing Urban Infrastructure Opportunities Fund (UIOF) and advising Urban Infrastructure Real Estate Fund (UIREF), with a total fund corpus of over USD 1.3 billion (INR5,500 cr).

UIVCL is the investment manager to UIOF, a domestic Indian close-ended venture capital fund.

UIVCL is the Indian Advisor to the Investment Manager of UIREF, a Mauritius based offshore fund, for investing in the Indian real estate.

### The Urban Infrastructure Opportunities Fund (UIOF)

The fund was launched in May, 2006 and closed in June, 2006 on being fully subscribed. The fund received great response from the institutional and non-institutional investors. The fund enjoys an investor base of more than 750 investors, institutions and banks. The fund has a corpus of INR 2,221 cr and tenure of 7 years (with an option of a two year extension). In May, 2008 the fund raised additional commitment of INR 1,065 cr and 20 per cent has been drawn down. The overall corpus of the fund now stands at INR 3,286 cr.

### The Urban Infrastructure Real Estate Fund (UIREF)

The off-shore fund was launched in May, 2007 and has raised commitments of USD 555 million (INR 2,422 cr) including investment commitments of USD 55 million (INR 240 cr) by the Company and other domestic investors. UIREF is a Mauritius based offshore fund with a feeder fund in Jersey. The fund has received an overwhelming response from institutional and non-institutional investors based in Europe, United States and the Middle East and has drawn down to the extent of 45 per cent of the fund commitments which has been fully committed.

### Investment avenues

Both the funds are focussed on investments in real estate development projects in India. The investment philosophy is to identify development partners with high growth potential and to invest with them in SPVs for project execution. The intent is to grow the SPVs into large real estate development companies by adding multiple projects. The investment focus is on developing large integrated townships and large multiuse developments.

# ASSET MANAGEMENT

# MANUFACTURING BUSINESSES

## STEEL DIVISION

### Sector overview

Steel prices have increased significantly across global and domestic markets. Further, prices are expected to remain firm in the ensuing year as well. In Asia, steel prices will by and large be impacted by the following factors:

- The rising demand in the US, Europe and China,
- Sustained production discipline in Western Europe and the US,
- Strong raw material prices,
- Redistribution of steel from Asia to Western countries, and
- Global consolidation in steel production.

### Impact of prices of iron ore and coking coal

The unprecedented increase in iron ore and coking coal prices in the last few years has caused an upward shift in cost structures. Iron ore and coking coal contract prices have surpassed all estimates and are up by 65 per cent and 210 per cent respectively, year-on-year (YOY) in 2008. Despite widespread concerns that the US may be slipping into a recession, steel manufacturers, globally, have been able to pass on the incremental costs. On the domestic front, government interventions to check surge in steel prices saw Indian steel manufacturers bearing the brunt of rising inflation.

### Performance Review

Jai Corp manufactures cold rolled coils, galvanized coils and galvanized corrugated sheets at its Nanded unit in Maharashtra. The Company's current capacity of manufacturing cold rolled coils and galvanized coils is 62,500 Metric Tonnes Per Annum (MTPA) and 55,000 MTPA, respectively. In FY 2007-08, the company achieved production (including Job Work) of 28,231 MT of GP/GC, 15,440 MT of HR coils/plates and 27,942 of CR coils.

Cold rolled coils are sold directly to end users, such as auto component manufacturers, etc. Galvanized sheets are sold through distributors in the domestic market under the brand name of SIPTA. For better realisations, the company also exports its products.

Recently, the dynamics of this industry have changed in favour of the integrated steel manufacturer with capabilities of manufacturing hot rolled, cold rolled and also galvanizing of steel. This factor has put the company's operating margins under pressure.

## PLASTIC PROCESSING DIVISION

### Sector overview

Globally, plastic products prices have gone up on account of volatility in crude oil prices. The plastic products industry is largely concentrated to China and USA.

Plastic products sector contributes to around 0.5 per cent of GDP of the

Management Discussion and Analysis

country on the basis of value addition. This sector contributes to around 1 per cent of the country's exports. An estimated 0.4 million people are employed in the sector. There is a large presence of the small scale companies in the industry which account for more than 50 per cent of the industry turnover.

#### **Woven Sacks Scenario**

Jute, High Density Polyethylene (HDPE), Polypropylene (PP) and paper (to a small extent) are used as woven sacks for the packing of fertilisers and cement. Plastic woven sacks are preferred over jute on account of better moisture resistance, lower seepage as also stress and abrasion resistance.

While PP is preferred for packaging of cement on account of its higher serviceability at higher temperatures and low price, HDPE is preferred for packaging of fertilisers on account of higher processor productivity and better moisture resistance.

During the 1990s, the demand for plastic woven sacks (HDPE and PP) increased at the rate of around 15 per cent per annum. Plastic woven sacks are 50 per cent cheaper than jute bags. Further, the use of plastic woven sacks results in lower seepage. Further, stagnant production by the jute industry resulted in a short fall of bags to meet the needs of the packaging industry. This resulted in the Government setting up a committee for the de-reservation of some of the products under Jute Packaging Materials Order JPMO. Based on the committee's recommendations, the government allowed the sugar industry to use plastic woven sacks for 20 per cent of its produce and the cement and fertiliser industries for their entire produce. HDPE woven sacks provided growth momentum to the overall woven sacks industry. Easy availability of PP, thus, resulted in PP substituting HDPE in woven sacks.

#### **Performance overview**

Jai Corp is one of the leading manufacturers of small woven sacks, fabrics and jumbo bags. It is also one of the largest manufacturers PP tape geo-textiles in India. The Plastic Processing Division manufactures woven sacks and fabrics of PP, HDPE and Low Density Polyethylene (LDPE) at units located at Murbad in Maharashtra and Khadoli, (a 100 per cent EOU), Athal (Silvassa) in Dadra & Nagar Haveli, Union Territories and Daman.

The Company's total installed capacity is 57,380 MTPA. During the year, the Company produced 19,563 MT of woven bags and fabrics as against 5,906 MT in 2006-07. The Company has emerged as a strong player in the sector after the acquisition of two manufacturing units in Daman and Athal (Silvassa). The acquired units have added PP, HDPE Woven Sacks and bags, jumbo bags and PP Staple fibres to its product suite. Staple fibre is water resistant fibre and its water absorption is near zero. It is very light in weight. Due to its quality of near zero water absorption, its major use is in carpet, filter fabric and sports apparel fabric. It is used in making needle punched non-woven geo textile, which is used in the road reinforcement, river embankment, erosion control etc. It is also used as reinforcement in concrete, cement pipes and industrial building floorings. Besides, the Company has commenced production of Master batches with a capacity of 2,700 MT, which is mainly used in polymer processing. Master batches are made for colours, fillers and other additives, like UV stabilizer, antioxidants, anti static agents, process aids,

etc. During the year company has achieved production of 1,352 MT.

Geo-textiles are used in the infrastructure industry to improve soil conditions and to enable construction. It also improves the quality and life of roads, bridges, etc. These fabrics are woven on wide-width flat looms and are available in widths of up to 5.4 meters. Geo-textiles are made with high tenacity PP giving the fabric very high tensile strength. The Company sells this product in both the domestic as well as global markets.

### **SPINNING YARN DIVISION**

#### **Sector overview**

China, Pakistan, India, Indonesia, and Bangladesh have been the biggest beneficiaries of the quota removal on textile imports by the US and EU after the expiry of textiles and clothing agreement on January 1, 2005. Global retailers, accounting for the bulk of imports into their countries, are now consolidating their vendor base. They are opting for direct sourcing from vendors with proven delivery capabilities to reduce procurement cost, speed up the order cycle, and ensure a seamless supply chain.

Meeting the clothing needs of increasing Indian population bodes well for the manmade fibre industry. Until a few years ago, synthetics languished in the shadow of natural fibres and could find respectability only in blends. However, the durability, affordability and ease of use of synthetic fabrics, have pushed synthetics into the limelight.

The demand of Partially Oriented Yarn (POY) has increased over the years mainly due to its cost-effectiveness and domestic availability. Domestic availability of cotton also influences POY availability. As per the CRIS INFAC Report, POY demand is expected to grow at nearly 5.6 per cent in the medium term.

#### **Performance overview**

The yarn division has three units located at Sarigam, Masat and Vasona. During the year company has installed a Dyeing Unit at Sarigam to enable better realisation for its yarn.

The Company's spinning divisions located in Silvassa have a total manufacturing capacity of 11,000 MTPA. During 2007-08, the unit produced 1,925 MT of yarn against 4,768 MT in 2006-07.

## HUMAN RESOURCES DEVELOPMENT

The Company presently employs more than 3,170 employees across all locations. The growth and sustained leadership of the company is largely a function of the competence and quality of its human resource. Jai Corp has always aimed to create a workplace where every person can achieve his optimum potential. The company has a performance rewarding culture throughout, enabling it to create leaders out of its own employees. The company has also undertaken various training and development initiatives to hone the skills and expertise of its people.

Being in diversified businesses, the company empowers the inter-departmental and inter-unit movement within deserving individuals, ensuring better retention of talent and at the same time providing newer avenues to its employees.

## INTERNAL CONTROL SYSTEMS

Jai Corp has a proper and adequate system of internal controls, which are designed to assist in the identification and management of risks. The system ensures the integrity of accounting, proper authorization, recording and reporting of all transactions. It monitors and controls against any unauthorized use or disposition of assets, thus safeguarding the Company's assets.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. It ensures the reliability of financial and operational information. The Audit Committee of the Company reviews the adequacy of internal control systems.

## RISK CONCERNS & RISK MANAGEMENT

Jai Corp is exposed to the normal industry risk factors of competition, economic cycle, raw material availability and uncertainties in the international and domestic markets and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

## HEALTH, SAFETY AND ENVIRONMENT

Health, Safety and Environment are high priority issues at Jai Corp. It is the company's constant endeavour to prevent accidents and injuries at its workplace. Jai Corp also strives to maintain a proactive check on environmental compliance in its operations. Some of Jai Corp's initiatives in this regard are as follows:

- 1) Well defined work practices ensure work in a manner that promotes safety and health of our employee as well as that of the environment we operate in.
- 2) Provide training to all concern personnel to maintain health, safety and environment.
- 3) Creating awareness on Health, Safety and Environment and developing the required skill, knowledge and confidence of its personnel so as to enable them to understand their responsibility and accountability.
- 4) Provide all required safety posters, safety equipments, first-aid boxes and facilities, purified drinking water and adequate medical facilities under the aegis of a full time qualified medical practitioner.

- 5) Maintaining excellent housekeeping practices across all locations and premises of the company.
- 6) Maintaining safe, healthy and pollution-free environment work places with suitable safe work systems and methods of work like protective fencing of machinery, periodical testing of hoist and lifts, ropes and chain pulley blocks, testing of pressure vessels'. Periodical and preventive maintenance of compressors and proper arrangement of fire extinguishers at designated places.
- 7) Obtaining a stability certificate of all our factory buildings as per the requirement of the Factory Act, 1948.
- 8) Developing safety awareness in the staff and other concerned workforce.
- 9) Maintaining environmental norms prescribed by State / Central Governments in area of air, water quality, noise, environment etc.
- 10) Cleaning and disposal of waste and effluents, proper ventilation and sustaining pollution free atmosphere.

## SOCIAL RESPONSIBILITY AND COMMUNITY DEVELOPMENT

At Jai Corp, social responsibility and community development extends to its employees and stakeholders. The Company does not believe only in generating greater employment but also in upgrading the standard of living of the neighbouring community.

As an initiative to improve the grassroots of the country, the Company adopted Sindhoni village in Silvassa District. The Company plans to develop the village into a model village, by providing basic infrastructure like roads, electricity, drinking water, educational facilities, health services and Anganwadi within the village.

For development of the adopted village, the company has been catalyst in getting sanction of INR 4.5 cr (over USD 1 million) from the Government Agencies. Jai Corp will be supervising the implementation to ensure judicious and appropriate usage of the corpus. The Company is committed to construct a community hall in the Sindoni Village in Silvassa, Dadra & Nagar Haveli (UT).

# DIRECTORS' REPORT





# PORT



Your Directors are pleased to present the Twenty-third Annual Report and the Audited Accounts for the year ended 31st March, 2008.

Financial Results	(INR in Lac)	
	Year Ended 31-03-2008	Year Ended 31-03-2007
<b>Profit before Depreciation, Interest, Income-tax and adjustments for Prior Period Items</b>	<b>15,433.70</b>	9331.56
Less: Interest & Finance Charges	<b>589.75</b>	506.24
Depreciation	<b>1,483.62</b>	<u>995.87</u>
<b>Profit before Income-tax and adjustments for Prior Period Items</b>	<b>13,360.33</b>	7,829.45
Less: Provision for Taxation:		
Current Tax	<b>1,194.16</b>	790.92
MAT Credit	<b>(736.53)</b>	(425.23)
Fringe Benefit Tax	<b>17.40</b>	14.00
Deferred Tax	<b>69.95</b>	<u>265.76</u>
<b>Profit after Tax but before adjustments for Prior Period Items</b>	<b>12,815.35</b>	7,184.00
Balance brought forward from last year	<b>12,841.74</b>	6,404.71
Add: Prior Period Adjustments (Net)	<b>(3.80)</b>	2.15
Less: Income-tax of earlier years	-	<u>(29.12)</u>
<b>Amount available for Appropriation</b>	<b>25,653.29</b>	<u>13,561.74</u>
<b>Appropriations:</b>		
General Reserve	<b>1,282.00</b>	720.00
Proposed Dividend on Preference Shares	<b>0.52</b>	0.00
Proposed Dividend on Equity Shares	<b>490.17</b>	0.00
Tax on Proposed Dividend	<b>83.39</b>	0.00
Surplus carried to Balance Sheet	<b>23,797.21</b>	<u>12,841.74</u>
<b>Total</b>	<b>25,653.29</b>	<u>13,561.74</u>

## RESULTS OF OPERATIONS

During the year under review, the turnover of the Company's Steel Division marginally decreased to INR 151.63 cr as compared to last year's turnover of INR 156.09 cr.

The Plastic Processing Division of the Company registered a turnover of INR 152.41 cr as compared to last year's turnover of INR 56.88 cr.

The Spinning Division of the Company recorded a turnover of INR 23.87 cr as compared to last year's turnover of INR 57.92 cr.

During the year under review, the Company purchased the manufacturing units of Pet Fibres Limited and Prime Wovens Limited thereby augmenting its capacity of Woven Sacks/ Fabrics from 19,500 MT to 57,380 MT. The Company increased its capacity for Spun Yarn from 7,500 MT to 11,100 MT. The Company set up production facilities for Master Batch and Staple Fibre of 2,700 MT and 3,200 MT respectively during the year.

The Company successfully raised INR 611.75 cr through preferential placement of its Equity Shares and INR 1,500 cr through issue of 1% Non-Cumulative Non-Participating Redeemable Preference Shares.

## DIVIDEND

Your Directors have recommended a dividend at the rate of 1% per annum on 1,50,00,000 Non-Cumulative Non-Participating Redeemable Preference Shares of INR 1/- each for the financial year ended 31st March, 2008 on a pro rata basis. If approved, at the ensuing Annual General Meeting, INR 52,049/- will be payable to those preference shareholders whose names appear on the Register of Members of the Company at close of business on 22nd August, 2008.

Your Directors have also recommended a dividend of INR 1/- (100 per cent) per Equity Share on 4,90,16,610 Equity Shares of INR 1/- each for the financial year ended 31st March, 2008. This will amount to INR 4,90,16,610/- and, if approved at the ensuing Annual General Meeting this dividend will be paid to members whose names appear on the Register of Members of the Company at close of business on 22nd August, 2008. In respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The 'promoters' of your Company have voluntarily and irrevocably waived their entitlement to receive dividend on the equity shares for the financial year 2007-08. Hence, your Directors have not recommended any dividend on 12,94,77,400 Equity Shares held by the 'promoter group'.

## DIRECTORS

Shri Anand Jain was appointed an Additional Director on 24th September, 2007 and as the non- executive Chairman of the Board on 14th October, 2007. Shri Jai Kumar Jain was re-designated as Chairman Emeritus from 14th October, 2007. Previous to this, he was the Non-Executive Chairman of the Company.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 proposing a resolution in the ensuing Annual General Meeting for the appointment of Shri Anand Jain as a Director of the Company.

Shri Virendra Jain, Shri Jai Kumar Jain and Shri Khurshed M. Doongaji retire by rotation and being eligible, have offered themselves for re appointment at the ensuing Annual General Meeting.

Subsequent to year end, Shri Virendra Jain resigned as the Managing Director of the Company. However, he continues to remain a Director and has been appointed the Vice Chairman of the Board. Shri Gaurav Jain was appointed the Managing Director. His appointment & remuneration are subject to your approval at the ensuing Annual General Meeting. Shri Satyapal Jain has resigned as a Director. Your Directors place on record their appreciation of the work and guidance provided by Shri Satyapal Jain during his long association with the Company.

A brief resume of all Directors including those proposed to be appointed and reappointed, nature of their expertise, in specific functional areas and names of public limited companies in which they hold directorships, memberships/ chairmanships of Board Committees as stipulated under Clause 49 of the Listing Agreements are provided in the Report on Corporate Governance forming part of the Annual Report. The Directors who are being re appointed/ appointed have intimated to the Company that they are eligible for being reappointed/ appointed.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is, hereby, confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2008, applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed along with proper explanations relating to material departure(s).
- (ii) That appropriate accounting policies have been selected and applied consistently and judgements and estimates have been made 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, 2008 and of the profit 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, 2008 have been prepared on a 'going concern' basis.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS-21) on Consolidated Financial Statements read with Accounting Standard (AS-23) on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

## 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 reappoint 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 reappointment.

Your Company has received a Special Notice proposing the name of Messrs S. R. Batliboi & Co., Chartered Accountants, Mumbai, as the joint 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 S. R. Batliboi & Co. confirming their eligibility for the proposed appointment.

The Notes to the Accounts referred to in the Auditors' Report are self explanatory &, therefore, do not call for any further explanation.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure-A forming part of this report.

## SUBSIDIARY COMPANIES

During the financial year 2007-08, Urban Infrastructure Venture Capital Limited, Urban Infrastructure Trustees Limited, Jai Corp Finance & Holding Limited, Jai Realty Ventures Limited and Jai Infraprojects Limited became subsidiaries of the Company. In the same period the following became step down subsidiaries of the company.

- (a) Subsidiaries of Jai Realty Ventures Limited:
  1. Ashoka Realty and Developers Private Limited,
  2. Awas Realtors Private Limited,
  3. Dev Realty and Developers Private Limited,
  4. Ekdant Realty & Developers Private Limited,
  5. Hari Darshan Realty Private Limited,
  6. Hill Rock Construction Private Limited,
  7. Hind Agri Properties Private Limited,
  8. Iconic Realtors Private Limited,
  9. Jailaxmi Realty and Developers Private Limited,

10. Krupa Land Private Limited,
11. Krupa Realtors Private Limited,
12. Novelty Realty & Developers Private Limited,
13. Rainbow Infraprojects Private Limited,
14. Rejoice Land Developers Private Limited,
15. Rudradev Developers Private Limited,
16. Samrat Realty and Developers Private Limited,
17. Swar Land Developers Private Limited,
18. Swastik Land Developers Private Limited,
19. Vasant Bahar Realty Private Limited,
20. Yug Developers Private Limited.

#### **(B) SUBSIDIARIES OF JAI INFRAPROJECTS LIMITED**

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

Subsequent to the year end, the following have become step down subsidiaries of the Company, through Jai Realty Ventures Limited:

1. Belle Terre Realty Limited,
2. Multifaced Impex Private Limited,
3. Welldone Real Estate Private Limited.

Ministry of Corporate Affairs, Government of India, vide Order no. 47/164/2008-CL-III dated 9th May, 2008 has granted approval that the requirements to attach various documents viz. copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries whose accounts have been consolidated for the year ended 31st March, 2008 need not be attached with the Balance Sheet of the Company. These documents 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 the Registered Office of the Company and that of the respective subsidiary companies. As directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Details of Subsidiary Companies' forming part of the Annual Report. Further, pursuant to Accounting Standards AS-21, and AS-23, Consolidated Financial Statements presented by your Company include financial results of its subsidiaries.

The Company is carrying on its real estate and infrastructure business mainly through special purpose vehicles in the form of subsidiary companies and step down subsidiary companies. A step down subsidiary company, Novelty Realty & Developers Private Limited, has received permission to purchase of agriculture land totalling to 136.81.00 H.R. at village Barvai, Bhokarpada. Talegaon in District Raigad and in Khalpur & Panvel Talukas for setting up special township projects under section 63-1(A) of the Mumbai Tenancy & Agriculture Land Act, 1948. Another step down subsidiary company, Rainbow Infraprojects Private Limited has received permission for purchase of agriculture

land totalling to 120.92.28 H.R. at village Aajiwali, Barle, Yaluka Panvel District in Raigad for setting up special township projects under section 63-1(A) at the Mumbai Tenancy & Agriculture Land Act, 1948. Necessary notifications to this effect have been issued. Another step down subsidiary company, Belle Terre Realty Limited has been formed in Mauritius to lead the Company's drive to acquire real estate across the globe through the formation of dedicated special purpose vehicles. The full impact of forming subsidiaries/ step down subsidiaries is expected to be felt in the years to come.

#### **FIXED DEPOSIT**

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

#### **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are given in Annexure B forming part of this report.

#### **INDUSTRIAL RELATIONS**

The relations with the employees remained cordial and satisfactory during the year under review.

#### **TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid/ unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain highest standards of corporate governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's corporate governance practices and have implemented all the mandatory requirements. A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges form part of the Annual Report. The Corporate Governance Report dated 10th May 2008, is furnished else where in the Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis portion of the Corporate Governance Report for the year under review, as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges, is presented in a separate section and forms a part of the Directors' Report.

#### **GROUP FOR INTERSE TRANSFER OF SHARES**

Pursuant to an intimation from the promoters, the names of the promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in Annexure-C forming part of this report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

## OUTLOOK

The Company has taken steps to engage in the businesses of creation of essential integrated urban infrastructure. These businesses relate to SEZs, ports, real estates and other ancillary services related to the creation of urban infrastructure, which will contribute to India emerging as a powerful economic force in the world. The Company also intends to focus on its asset management business in order to deploy global capital in the development of the real estate sector in India. In addition, the Company is also taking steps to improve the performance and efficiency of its existing manufacturing businesses. As a result of these factors, your Directors are confident that the Company will continue its endeavour for creation of long term and substantial value, both for the nation and the stakeholders. management business in order to deploy global capital in the development of the real estate sector in India. In addition, the Company is also taking steps to improve the performance

and efficiency of its existing manufacturing businesses. As a result of these factors, your Directors are confident that the Company will continue its endeavour for creation of long term and substantial value, both for the nation and the stakeholders.

## ACKNOWLEDGMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Financial Institutions, Government authorities, customers, vendors and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of your Company.

For and on behalf of the Board of Directors

Mumbai,  
July 31, 2008

**Anand Jain**  
Chairman

## ANNEXURE "A" TO DIRECTORS' REPORT

### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

#### A) CONSERVATION OF ENERGY

- (a) Your Company has taken various steps for minimization of energy consumption by putting continuous efforts towards optimisation of operating and processing activities, up-gradation of plant equipments etc.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods: Due to various steps taken, your Company has been able to conserve energy more effectively.
- (d) **FORM-A**
  - a) Form for Disclosure of Particulars with Respect to Conservation of Energy

	Current Year Ended 31-03-2008	Previous Year Ended 31-03-2007
<b>a) Power and Fuel Consumption:</b>		
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Units	40689423	37796059
Total Amount (INR)	14,45,57,414	13,54,07,375
Average Rate/Unit (INR)	3.55	3.58
<b>(b) Own generation through</b>		
Diesel Generator		
Units	63175	23099
Units/litre of Diesel Oil	2.76	2.24
Average Rate/Unit (INR)	11.56	16.53
<b>2. Others</b>		
<b>(a) HSD/LDO/FO</b>		
Quantity (KL)	4.907	130.364
Total Amount (INR)	1,81,276	28,95,026
Average Rate/Unit (Rs/KL)	36,942.26	22,207.25
<b>(b) LPG</b>		
Qty (KL)	-	133.89
Total Amount (INR)	-	43,39,545
Average Rate (INR/KL)	-	32,411.27

## b) Consumption Per Unit Of Production

Product Spinning	Year Ended 31-03-2008				Year Ended 31-03-2007			
	GP/GC Coils/ Sheets	CR Coil/ Sheets	Woven Sacks/ Fabrics/ Bags/ MB.	Spun Yarn	GP/GC Coils/ Sheets	CR Coil/ Sheets	Woven Sacks/ Fabrics/ Bags	Spun Yarn
Production (MT)	28,231	27,942	21,549	1,925	35,201	34,949	5,906	4,768
Electricity (Units)	243.54	128.97	930	5,292.52	129.31	250.88	3519.12	2848.48
<b>Others</b>								
a) HSD (KL)	-	-	2.12	6.64	-	0.01	-	-
b) LPG (KL)	-	0.02	-	-	0.02	-	-	-

**B) RESEARCH & DEVELOPMENT (R&D)**

In-house Research & Development work is carried out to develop new products and to improve existing products. No significant expenditure is incurred.

**C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Your Company has not imported any technology during last five years from the beginning of the financial year ended 31-03-2008, hence the information required is not applicable to your Company.

**D) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company has exported its products during the year under review and has imported raw materials, stores and capital items, the details of which are as follows:

	(INR in Lac)
1) FOB Value of Exports	5423.65
2) CIF Value of Imports	4484.85
3) Expenditure in Foreign Currency	150.38

**ANNEXURE "B" TO DIRECTORS' REPORT****PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

Employed for financial year and in receipt of remuneration aggregating to not less than INR 2,00,000/- per month.

Name	Age (Years)	Designation/ Nature of Duties	Remuneration per Annum INR	Qualification	Total Experience Years	Date of Employment	Last employment held Designation-period for which post held
Virendra Jain	49	Managing Director	24,00,000	B.Com	31	04.01.2007	Not Applicable
Gaurav Jain	28	Executive Director	26,17,279 B.Sc.(Comp.Sc.)	B.Sc.(Econ)	7	01.10.2006	Not Applicable

**Notes:**

- Remuneration as above includes salary, allowance, bonus, ex-gratia, leave travel assistance, re-imbursement of medical expenses, Company's contribution to provident fund and monetary value of other perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the rules framed there under.
- The nature of employment is contractual.
- Shri Virendra Jain is related to Shri Jai Kumar Jain, Shri Anand Jain and Shri Gaurav Jain, Directors of the Company.
- Shri Gaurav Jain is related to Shri Jai Kumar Jain, Shri Anand Jain and Shri Virendra Jain, Directors of the Company.

**ANNEXURE “C” TO DIRECTORS' REPORT****GROUP FOR INTERSE TRANSFER OF SHARES UNDER CLAUSE 3(1)(e) OF SECURITIES & EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

1. Anand Jain	14. Kasturi Trading Company Private Limited
2. Ankit Jain	15. Mrinalini Trading Company Private Limited
3. Gaurav Jain	16. Navnetra Trading Company Private Limited
4. Harsh Jain	17. Nidhi Polyester Limited
5. Jai Kumar Jain	18. Pet Fibres Limited
6. Laxmi Jain	19. Prime Wovens Limited
7. Rashi Jain	20. Puriya Industrial Packaging Limited
8. Rina Jain	21. Richmond Traders Private Limited
9. Satyapal Jain	22. Ridhi Synthetic Traders Limited
10. Sushma Jain	23. Silvassa Fibres Private Limited
11. Virendra Jain	24. Somerset Trading Private Limited
12. Hide-N-Chic Furniture Private Limited	25. Sparsh Trading Private Limited
13. Jubilant Enterprises Private Limited	

For and on behalf of the Board of Directors

Mumbai,  
July 31, 2008**Anand Jain**  
*Chairman*



REP  
GOV



# REPORT ON CORPORATE GOVERNANCE



In accordance with Clause 49 of the Listing Agreements with the Stock Exchanges on Corporate Governance, the Company submits, hereunder, a report on the matters mentioned in the said Clause and the practice followed by the Company.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company strongly believes in fair, efficient and transparent business operations, proper disclosure of relevant information and to serve the best interests of all the stakeholders, including employees, shareholders, customers, lenders, Government and the society at large. The Company strives towards excellence through adoption of best governance and disclosure practices.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The present strength of the

Board is eleven Directors, out of which three Directors i.e. Managing Director, Executive Director and Director - Works are Executive Directors and eight Directors are Non-Executive Directors out of which five being Independent Directors. As on 31.03.2008 the number of Independent Directors on the Board is in conformity with the requirements of the Listing Agreement.

Eleven Board Meetings were held during the year ended 31st March, 2008. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two Meetings was not more than four months. The dates of the Board Meetings are 29th June, 2007, 31st July, 2007, 9th August, 2007, 14th September, 2007, 24th September, 2007, 14th October, 2007, 19th October, 2007, 30th October, 2007, 14th December, 2007, 21st January, 2008 and 9th February, 2008 as against the minimum requirement of four meetings.

Name of the Director	Category of Directorship & Designation	Attendance of meetings during 2007-08		#No. of Other Directorships Held (in Indian Public Companies)	*No. of Board Committee positions held in other Indian Public Companies
		Board Meetings	Last AGM		
Shri J.K.Jain #1	Promoter Chairman Emeritus (Non-Executive)	10	No	1	NIL
Shri Anand Jain #2	Promoter Chairman (Non-Executive)	6	N.A.	4	NIL
Shri Virendra Jain	Promoter- Managing Director/ CEO (Executive)	11	Yes	7	NIL
Shri S.P.Jain	Promoter- Non-Executive Director	4	No	1	NIL
Shri K. M. Doongaji	Independent, Non-Executive	11	Yes	1	NIL
Shri S.H. Junnarkar	Independent, Non-Executive	9	No	10	6-Member 1-Chairman
Shri D.K. Contractor	Independent, Non-Executive	10	No	5	1-Member 1-Chairman
Shri V. S. Pandit	Non-Promoter, Executive Director	6	Yes	NIL	NIL
Dr. P. P. Shah	Independent, Non-Executive	7	No	5	4-Member 1-Chairman
Shri S N Chaturvedi	Independent, Non-Executive	10	Yes	2	2-Member
Shri Gaurav Jain	Promoter- Executive Director	8	No	6	NIL

\* In accordance with Clause 49, Membership/Chairmanship of only the Audit Committee and Shareholders/Investors Grievance Committee of all Indian Public Limited Companies in which he is director has been considered.

# Excludes Directorship in Foreign Companies, Private Limited Companies and Companies incorporated under Section 25 of the Companies Act, 1956.

#<sup>1</sup> appointed Chairman Emeritus w.e.f. 14<sup>th</sup> October, 2007, prior to that held the post of Non-executive Chairman of the Company

#<sup>2</sup> appointed as an Additional Director on 24<sup>th</sup> September, 2007 and as Non-executive Chairman w.e.f. 14<sup>th</sup> October, 2007.

None of the Directors is a member in more than ten audit/ shareholders' grievance committees and acts as a chairman in more than five audit/ shareholders' grievance committees across all Indian public limited companies in which he is a director.

Equity shares of the Company held by Non- Executive Directors as on 31.03.2008:

Sr. No.	Name of the Non executive director	Equity shares Held
1.	Shri J.K.Jain	4,780
2.	Shri Anand Jain	33,31,840
3.	Shri Satyapal Jain	2,48,07,340
4.	Shri K.M. Doongaji	400
5.	Shri S.H. Junnarkar	Nil
6.	Shri D.K.Contractor	3,000
7.	Dr. P. P. Shah	Nil
8.	Shri S N Chaturvedi	Nil

## DIRECTORS' PROFILE

Brief resume of all the Directors, including those who are proposed to be re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships, memberships/ chairmanships of Board Committees and their shareholding in the Company are provided below

### SHRI JAI KUMAR JAIN

Shri Jai Kumar Jain (77 years) is the Chairman-Emeritus and a promoter Director of the Company. He has been associated with the Company since its inception. He was the Non-executive Chairman of the Company till October, 2007. He started his career in the transport business and was one of the founder members of Indian Roadways Corporation. He has over 50 years of varied experience and was instrumental in setting up manufacturing units catering to the demands of packaging materials like FIBC, HDPE/PP woven sacks/fabrics for various user industries like petrochemicals, cement etc. He is also a Director in Ridhi Synthetics Limited, Hide-N-Chic Furniture Private Limited, Somerset Trading Private Limited, Surela Investment & Trading Private Limited, and Urban Energy Generation Private Limited, Urban Energy Distribution Private Limited, and Urban Telecom Private Limited. As on 31.03.2008, he held 4,780 equity shares of the Company. He is related to the following Directors of the Company: Shri Satyapal Jain, Shri Anand Jain, Shri Virendra Jain and Shri Gaurav Jain.

### SHRI VIRENDRA JAIN

Shri Virendra Jain (49 years) is the Managing Director and a promoter Director of the Company. He has been associated with the Company since its inception. He is a graduate from the University of Mumbai. He has over 25 years' experience in the business of plastic processing. He is also a Director in Pet Fibres Limited, Prime Wovens Limited, Suniti Commercials Limited, Jai Realty Ventures Limited, Jai Infraprojects Limited, Free Press House Limited, Urban Infrastructure Trustee Limited, Sarbags Pty Limited, Adventity BPO India Private Limited, Adventity Financial Services Private Limited, Kasturi Trading Company Private Limited, Mrinalini Trading Company Private Limited, Mulox Sacks Private Limited, Navnirman Mining Private Limited, Shree Om Brokers Private Limited, Synergy Traders Private Limited, Urban Energy Distribution Private Limited, Urban Energy Generation Private Limited, Urban Energy Transmission Private Limited and Urban Telecom Private Limited. As on 31.03.2008, he held 98,71,620 equity shares of the Company. He is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Satyapal Jain, Shri Anand Jain, and Shri Gaurav Jain.

### SHRI SATYAPAL JAIN

Shri Satyapal Jain (53 years) is a promoter Director of the Company. He has been associated with the Company since its inception. He was the Managing Director from 1995 to 2007. He is a commerce graduate from the University of Mumbai. He has over 27 years' experience in the steel industry. He is the ex-chairman of Cold Rolled Steel Manufacturers Association. He is also a Director of Prime Wovens Limited, Ace Real Estate Private Limited, Adventure Realtors and Properties Private Limited, Ajinkya Constructions Private Limited, Ambitious Realtors Private Limited, Chinchwad Yatayat Private Limited, Development Agri Realtors Private Limited, Dynamic Realtors Private Limited, Gaylord Realtors Private Limited, Key Builders Private Limited, Mantra Land Developers Private Limited, Navnetra Trading Private Limited, Pallavi Land Developers Private Limited, Pratik Land Developers Private Limited, Richmond Traders Private Limited, Sreetech Agglomerate Private Limited, Sunrise Computers Private Limited, Supersonic Realtors Private Limited, Synergy Traders Private Limited, Urban Assets Reconstruction Company Private Limited, Urban Energy Distribution Private Limited, Urban Energy Generation Private Limited, Urban Energy Transmission Private Limited and Urban Telecom Private Limited. As on 31.03.2008, he held 2,48,07,340 equity shares of the Company. He is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Virendra Jain, Shri Anand Jain, and Shri Gaurav Jain.

### SHRI DADY KAIKHUSHRU CONTRACTOR

Shri D.K.Contractor (80 years) is a commerce graduate from the University of Mumbai and a Member of Certified Associate and fellow of the Indian Institute of Bankers. He has over 55 years experience in banking and administrative matters. He retired as the Executive Director of Central Bank of India. He has been associated with the Company since 1996 and is a Member of the Audit Committee. He is also a Director of IL&FS Trust Company Limited, Lupin Limited, Mazda Limited, Victoria Mills Limited, Zoroastrian Co-operative Bank Limited, Tufropes Private Limited, Advisory & Analytics India Private Limited, Centre for Promotion of Entrepreneurship. He is a Member of Audit Committee and Chairman of Investors' Grievance Committee of Lupin Limited. As on 31.03.2008,

he held 3,000 equity shares of the Company. He is not related to any other Director of the Company.

#### SHRI KHURSHED MINOCHER DOONGAJI

Shri Khurshed Minocher Doongaji (68 years) holds Bachelors' Degrees in economics and law from the University of Mumbai. He is a Certified Business Manager (CBM). He has over 40 years of experience in project and corporate finance, legal, operations and corporate laws with ICICI Limited. He has been associated with the Company since 1999 and is the Chairman of the Audit Committee. He is also a Director of Balkrishna Industries Limited. As on 31.03.2008, he held 400 equity shares of the Company. He is not related to any other Director of the Company.

#### SHRI SANDEEP HEMENDRA JUNNARKAR

Shri Sandeep Hemendra Junnarkar (57 years) holds Bachelors' Degrees in science and law from the University of Mumbai. He is a solicitor by profession and in practice since 1977. He set up independent practice in 2002 and He is a partner of Junnarkar and Associates, Advocates, Solicitors and Notaries, Mumbai. His area of specialization includes banking laws, corporate laws including monopolies laws, exchange control laws, securities regulations etc. He has been associated with the Company since 1994. He is a Member of the Committee of the Bombay Incorporated Law Society. He is also a Director of Everest Industries Limited, Excel Crop Care Limited, IL&FS Infrastructure Development Corporation Limited, Jai Realty Ventures Limited, Reliance Industrial Infrastructure Limited, Reliance Industrial Investments & Holdings Limited, Reliance Ports and Terminals Limited, Reliance Utilities Limited, Sterlite Industries (India) Limited, Sunshield Chemicals Limited, Tilaknagar Industries Limited. He is a Member of Audit Committees of Everest Industries Limited, Reliance Industrial Infrastructure Limited, Reliance Utilities Limited, Sterlite Industries (India) Limited, Tilaknagar Industries Limited. He is the Chairman of Shareholders'/Investors' Grievance Committee of Sterlite Industries (India) Limited and a Member of Shareholders'/ Investors' Grievance Committee of Reliance Industrial Infrastructure Limited. He is also a Member of the Remuneration Committees of Everest Industries Limited, Excel Crop Care Limited and Reliance Industrial Infrastructure Limited. He does not hold any share in the Company and is not related to any Director of the Company.

#### SHRI SACHIN NATH CHATURVEDI

Shri Sachin Nath Chaturvedi (59 years) holds a Bachelors' Degree with honours in Technology. He is a fellow of the Institute of Chartered Accountants of India and also holds a Masters in Business Administration. He has over 20 years of experience as a Practising Chartered Accountant as a partner of Messrs Chaturvedi & Company, Chartered Accountants. He has varied experience of audit of banks, financial institutions, public sector units and many large companies. He also has valuable experience in monitoring/inspection/investigation of units/companies at the behest of banks/financial institutions/income-tax authorities/High Courts/Company Law authorities/ as well as inspection of mutual funds/ stock exchange brokers/plantation companies on behalf of SEBI. He has been associated with the Company since 2004 and is Member of the Audit Committee. He is also a Director of Balkrishna Industries Limited, N. R. Agarwal Industries Limited, Jai Realty Ventures Limited, Tufropes Private Limited, Valu Del Consultancy

Private Limited. He is a Member of Audit Committees of N.R. Agarwal Industries Limited and Balkrishna Industries Limited. He does not hold any share in the Company and is not related to any Director of the Company.

#### DR. PRAVIN PRANLAL SHAH

Dr. P.P. Shah (63 years) is a Practising Chartered Accountant having over 38 years of professional experience in the areas of financial consultancy, corporate structuring/ restructuring, foreign collaborations, business re-organizations, taxation, valuation, property matters, accounting, auditing, company law and FEMA. He is also a Member of the Taxation Committee of the Indian Merchants' Chamber. He is a partner of Pravin P. Shah & Co., Chartered Accountants. He has been associated with the Company since 2002. He is also a Director of Adani Enterprises Limited, Bhansali Engineering Polymers Limited, Bombay Rayon Fashions Limited, Claris Lifesciences Limited, JM Financial Limited, Adventity BPO India Private Limited, Benchmark Trustee Company Private Limited, Health & Education Foundation, JM Financial Consultants Private Limited, JM Financial & Investment Consultancy Services Private Limited, JM Financial Services Private Limited, Landmark Business Service Private Limited, Landmarke Consultants Private Limited, Macro Investment & Financial Consultants Private Limited, Milestone Capital Advisors Private Limited. He is a Member of Audit Committees of Adani Enterprises Limited, Bhansali Engineering Polymers Limited, Claris Lifesciences Limited, JM Financial Limited, Benchmark Trustee Company Private Limited and Chairman of Audit Committee of Bombay Rayon Fashions Limited. He is Member of Remuneration Committees of Adani Enterprises Limited, Bombay Rayon Fashions Limited, Claris Lifesciences Limited and JM Financial Limited. He is a Member of: Investment Committee of JM Financial & Investment Consultancy Services Private Limited, Strategic and Investment Committee of Claris Lifesciences Limited, Business Performance Review Committee of Claris Lifesciences Limited, Corporate Governance Committee of Claris Lifesciences Limited and Asset Liability Management Committee of JM Financial & Investment Consultancy Services Private Limited. He does not hold any share in the Company and is not related to any Director of the Company.

#### SHRI GAURAV JAIN

Shri Gaurav Jain (28 years) has graduated with dual degrees from The Warton School - Bachelor of Science in Economics with specialisation in finance and School of Engineering and Applied Science - Bachelor of Science in Engineering with major in Computer Science and Engineering from University of Pennsylvania, U.S.A. He is involved in looking after the textile division as well as the Company's real estate business. He was instrumental in setting up Adventity BPO India Private Limited which is a business process outsourcing (BPO) Company. He has been associated with the Company since 2004 and was appointed the Executive Director in 2006. He is also a Director of Jai Infraprojects Limited, Jai Realty Ventures Limited, Pet Fibres Limited, Urban Gas Distribution Limited, Urban Gas Limited, Urban Gas Suppliers Limited, Ample Realtors Private Limited, Aries Agri Properties Private Limited, Ashoka Realty & Developers Private Limited, Awas Realtors Private Limited, Dhruvam Realtors Private Limited, Divyesh Agri Properties Private Limited, Dev Realty and Developers Private Limited, Ekdant Realty & Developers Private Limited, Ganesh Agri Properties Pvt. Ltd., Gausun Properties Pvt.

Ltd., Honest Realtors Pvt. Ltd., Jailaxmi Realty and Developers Private Limited, Jai Maa Ambe Realtors Private Limited, Kamal Agri Properties Private Limited, Lokesh Agri Properties Private Limited, Malhar Developers Private Limited, Mundra Realtors Private Limited, Nandi Agri Realtors Private Limited, Navnirman Real Estate Private Limited, Neo-Spectra Realtors Private Limited, Novelty Realty & Developers Private Limited, Omni Realtors Private Limited, Paradise Agri Properties Private Limited, Pranshu Agri Properties Private Limited, Pukhraj Agri Properties Private Limited, Prashant Realtors Private Limited, Rightway Buildcon Private Limited, Samruddha Realtors Private Limited, Sanjivani Real Estate Private Limited, Shagun Agri Realtors Private Limited, Shreenathji Realty Developers Private Limited, Samrat Realty and Developers Private Limited, Tridev Agri Properties Private Limited, Vibhuti Agri Properties Private Limited, Vijay Agri Realtors Private Limited, Virat Mining Private Limited, Vandan Realtors Private Limited, Welldone Real Estate Private Limited. As on 31.03.2008, he held 1,04,27,200 equity shares of the Company. He is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Satyapal Jain, Shri Virendra Jain and Shri Anand Jain.

#### **SHRI VASUDEO SRINIVAS PANDIT**

Shri Vasudeo Srinivas Pandit (57 years) holds Bachelors' Degree in science and has more than 25 years of experience in the plastic industries with more than 22 years in woven sacks / bags industry and in setting up and operating woven sacks manufacturing units. He has been associated with the Company since 1988 and is a Whole-time Director of the Company since 1997 with the overall responsibility of the manufacturing and export activities of packaging division. He is not a director in any other company and does not hold any share of the Company. He is not related to any other Director of the Company.

#### **BRIEF RESUME OF DIRECTOR WHO IS PROPOSED TO BE APPOINTED**

##### **SHRI ANAND JAIN**

Shri Anand Jain (51 years), holds a degree in Risk Management from London Business School, He has been associated with the Company since its inception. He over 25 years' of experience in various businesses. He was appointed an Additional Director on 24.09.2007 and as the Non-executive Chairman of the Board of Directors on 14.10.2007. He is a Director of Mumbai SEZ Limited, Reliance Haryana SEZ Limited, Rewas Ports Limited, Urban Infrastructure Venture Capital Limited, Navi Mumbai SEZ Private Limited, Tally Solutions Private Limited and The Indian Film Combine Private Limited. He is the Chairman of Navi Mumbai SEZ Private Limited, Mumbai SEZ Limited, Reliance Haryana SEZ Limited and Urban Infrastructure Venture Capital Limited. As on 31.03.2008, he held 33,31,840 equity shares in the Company. He is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Satyapal Jain, Shri Virendra Jain and Shri Gaurav Jain.

##### **CEO/CFO**

Shri Virendra Jain, Managing Director and Shri Rajesh Kumar Mundra, are designated as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company respectively as per the Clause 49 of the Listing Agreements.

Shri Umesh Agrawal erstwhile CFO has resigned with effect from 01.06.2007. Shri Ashok Tak, who was appointed as Acting CFO with effect

from 29.06.2007, resigned as Acting CFO with effect from 05.07.2007, Shri Gaurav Jain, Executive Director who was designated as Acting CFO w.e.f. 05.07.2007, vacated his office as Acting CFO on the appointment of Shri Rajesh Kumar Mundra w.e.f. 03.08.2007.

The Managing Director-cum- Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreements with the Stock Exchanges. The Managing Director-cum- Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreements with the Stock Exchanges.

#### **BOARD MEETINGS**

The Board of Directors meets at least once in every quarter to review performance of the Company along with the financial results. The functions of the Board are effectively and efficiently discharged by briefing each Board Member of development that have taken place.

The Board is given presentation covering Finance, Sales & Marketing and Operations of the Company, before taking on record the quarterly results of Company. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The Company Secretary records/enters the minutes of the proceedings of each Board and Committee Meeting within 30 days from the conclusion of the meeting.

The Minutes of Board Meetings of subsidiaries and step down subsidiaries were placed before the Board.

#### **3. AUDIT COMMITTEE**

The Audit Committee has three Nonexecutive and one executive Director. Majority being Independent Directors. Shri K. M. Doongaji, Independent Director acts as Chairman of the Committee. Shri S N Chaturvedi, Shri D.K. Contractor and Shri Virendra Jain are members. The constitution of Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All the Members of the Audit Committee possess financial/ accounting expertise.

#### **POWERS OF AUDIT COMMITTEE**

The Audit Committee has the following powers:

- (1) To investigate any activity within its terms of reference.
- (2) To seek information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **ROLE OF AUDIT COMMITTEE**

The terms of reference stipulated by the Board to the Audit Committee, are, as contained under Clause 49 of the Listing Agreement, as follows:

- (A) 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.

- (B) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor, and the fixation of audit fee and approval of payment for any other service rendered by the statutory auditor.
- (C) Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to: (i) matters to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956, (ii) any change in accounting policies and practices and the reason for the same, (iii) major accounting entries based on exercise of judgement by management, (iv) significant adjustments made in financial statements arising out of audit findings, (v) compliance with listing and legal requirements relating to financial statements, (vi) disclosure of any related party transactions, (vii) qualifications in the draft audit report, (viii) the going concern assumption, (ix) Compliance with accounting standards.
- (D) Reviewing, with management, the quarterly financial statements before submission to the Board for approval,
- (E) Reviewing, with management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (F) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (G) Reviewing the adequacy of internal audit functions, 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.
- (H) Discussion with internal auditors any significant findings and follow up there on.
- (I) Reviewing the findings of any internal investigation 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.
- (J) Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- (K) Reviewing the company's financial and risk management policies.
- (L) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
- (M) Reviewing the financial statements and in particular investments made by unlisted subsidiary Company.

(N) Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing.

#### **REVIEW OF INFORMATION BY AUDIT COMMITTEE**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letter / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

#### **MEETING OF THE AUDIT COMMITTEE**

The Audit Committee has met four times during the year 2007-2008, on 29th June, 2007, 31st July, 2007, 30th October, 2007 and 21st January, 2008.

The Statutory Auditors were invited and their representatives were present at the Audit Committee Meetings.

#### **Attendance of each Member at the Audit Committee meetings held during the year**

Name of Director	Designation	Meetings Held	Meetings Attended
Shri K.M.Doongaji	Chairman	4	4
Shri S.N.Chaturvedi	Member	4	4
Shri Virendra Jain	Member	4	4
Shri D.K.Contractor	Member	4	4

The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of Audit Committee attended the last Annual General Meeting of the Company.

#### **4. REMUNERATION COMMITTEE & DETAILS OF REMUNERATION TO DIRECTORS**

The Company has not constituted a Remuneration Committee. Presently, there is one Managing Director and two Whole-Time Directors. The remuneration paid to them is subject to the limits laid down under Sections 198, 309 and Schedule XIII to the Companies Act, 1956. The remuneration consists of salary, Company's contribution to provident fund and superannuation fund and other perquisites and allowances in accordance with the rules of the Company, applicable from time to time.

The Managing Director and the two Whole-Time Directors are not paid any sitting fees for attending the Board or Committee meetings. The Non-executive Directors are paid sitting fees @ INR5,000/- per meeting and out-of-pocket expenses to attend the meetings.

The details of remuneration paid to the Directors (including perquisites and allowances) for the year ended 31st March, 2008 are as under:

The terms of the service contract with the Executive Directors are

Name of Director	Sitting Fees (INR)	Salary (INR)	Perquisites (INR)	Total (INR)
Shri J.K.Jain	50,000	NIL	NIL	50,000
Shri Anand Jain	30,000	NIL	NIL	30,000
Shri Virendra Jain	NIL	24,00,000	NIL	24,00,000
Shri S.P. Jain	20,000	NIL	NIL	20,000
Shri K. M. Doongaji	85,000	NIL	NIL	85,000
Shri S. H. Junnarkar	45,000	NIL	NIL	45,000
Shri D.K. Contractor	70,000	NIL	NIL	70,000
Shri V.S. Pandit	NIL	9,85,316	15,000	10,00,316
Dr. P. P. Shah	35,000	NIL	NIL	35,000
Shri S N Chaturvedi	70,000	NIL	NIL	70,000
Shri Gaurav Jain	NIL	24,00,000	2,17,279	26,17,279

Shri Virendra Jain, Managing Director has been appointed for a period of 5 years with effect from 4th January, 2007. The terms of appointment can be terminated by either party by giving a notice of three months. There is no separate provision for payment of severance fee.

Shri V. S. Pandit, Director - Works, has been re-appointed for a further period of 5 years with effect from 1st April, 2007. The terms of appointment can be terminated by either party by giving a notice of three months. There is no separate provision for payment of severance fee.

Shri Gaurav Jain, Executive Director has been appointed for a period of 5 years with effect from 1st October, 2006. The terms of appointment can be terminated by either party by giving a notice of three months. There is no separate provision for payment of severance fee.

During the year, the Company has paid INR 37,83,339/- as professional charges to Pravin P. Shah & Associates, Chartered Accountants where Dr. Pravin P. Shah, Director of the Company is the proprietor and INR 35,000/- to Junnarkar & Associates, Advocates where Shri Sandeep H. Junnarkar is a partner.

## 5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Company has delegated the powers to approve the transfer of shares to the Committee consisting of presently 4 members: (1) Shri. Jai Kumar Jain, Non-executive Chairman, (2) Shri Virendra Jain, (3) Shri S. P. Jain and (4) Shri Gaurav Jain as members.

The Investors' Grievance Committee meets at least once in every quarter to review and to take note of the Compliance Reports submitted to the Stock Exchanges and grievances of the shareholders.

### MEETINGS OF THE INVESTOR GRIEVANCE & SHARE TRANSFER COMMITTEE

During the Financial Year 2007-08 the Investor Grievance & Share Transfer Committee has met 43 times.

### Attendance of each Member at the Investor Grievance Committee meetings held during the year

Name of Director	Designation	Meetings Held	Meetings Attended
Shri Jai Kumar Jain	Chairman	43	43
Shri S. P. Jain	Member	43	16
Shri Virendra Jain	Member	43	43
Shri Gaurav Jain	Member	43	43

**Name and designation of Compliance Officer:** Shri Ananjan Datta, Company Secretary.

2,368 shareholders' complaints received during the year ended 31.03.2008 and all of them have been resolved.

No requests were pending for transfer and/or dematerialization for approval as on 31.03.2008.

### PROCEDURE AT THE COMMITTEE MEETINGS

The procedure of Board Meetings is applicable to the Committee Meetings as far as may be practicable. The minutes of the Committee Meetings are placed before the Board of Directors for their perusal and noting.

### PREVENTION OF INSIDER TRADING

The Board ensures that the Code of Conduct for prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI [Prohibition of Insider Trading] Regulations, 1992 is strictly adhered to.

### CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Statement of Code of Conduct has been approved by the Board in its meeting held on 28th October, 2005. The Code lays down the standards of business conduct, ethics and governance. The same has been posted on the website of the Company. All the Board Members, senior management and employees have affirmed their compliance with the Code. The Code has been circulated to all the members of the Board and management personnel and compliance of the same is affirmed by them annually.

## 6. SUBSIDIARY MONITORING FRAMEWORK

All the subsidiary and step-subsiary companies of the Company are Board managed with their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As the majority shareholder, the Company nominates its representatives on the Board of the subsidiary companies and monitors the performance of such companies, inter alia by the following means:-

- a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed and noted by the Audit Committee of the Company.
- b) All minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.
- c) A statement containing all significant transactions & arrangements entered into by the unlisted subsidiary Companies are placed before the Board.

## 7. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings of the Company:

PARTICULARS	LOCATION	DATE & TIME
22 <sup>nd</sup> Annual General Meeting	Registered Office at A-3, MIDC Industrial Area, Nanded- 431 603 Maharashtra	14 <sup>th</sup> September, 2007 at 2.00 p.m.
21 <sup>st</sup> Annual General Meeting	-do-	24 <sup>th</sup> August, 2006 at 2.00 p.m.
20 <sup>th</sup> Annual General Meeting	-do-	25 <sup>th</sup> August, 2005 at 2.00 p.m.

Special Resolutions were passed in the 22<sup>nd</sup> Annual General Meeting.

b) Details of Extra-ordinary General Meetings held during the year:

PARTICULARS	LOCATION	DATE & TIME
Extra-ordinary General Meeting	Registered Office at A-3, MIDC Industrial Area, Nanded- 431 603 Maharashtra	17 <sup>th</sup> November, 2007 at 12.00 noon.
Extra-ordinary General Meeting	-do-	18 <sup>th</sup> March, 2008 at 12.00 noon.

c) Special Resolutions concerning amendment to the 'Objects Clause' of the Company and commencement of new business were passed through postal ballot on 2<sup>nd</sup> November, 2007.

(i) Voting pattern in the postal ballot:

Description	No. of Postal Ballots Forms Received	No. of Equity Shares of INR 10/- each (Votes)	% of Total Votes Received	% of Total Equity Capital
<b>Resolution No. 1:</b>				
Total Received	462	7451274*	100.00	86.33
Votes Favour	450	7449487	99.99	86.31
Votes Against	1	10	0.00	0.00
Invalid Votes	11	258	0.00	0.00
Result	Carried with requisite majority.			
<b>Resolution No. 2:</b>				
Total Received	462	7451274*	100.00	86.33
Votes in Favour	423	7448753	99.99	86.30
Votes in Against	2	9	0.00	0.00
Invalid Votes	37	993	0.01	0.01
Result	Carried with requisite majority.			

\* Shareholders had short voted to the extent of 1,519 shares.

(ii) Person who conducted postal ballot exercise: Mr. Savita Jyoti, Practising Company Secretary.

(iii) There is no proposal of passing a special resolution that requires to be conducted through postal ballot.



## (iv) Procedure for postal ballot:

Date of Appointment of Scrutinizer Committee of the Company.	17.08.2007
Scrutinizer's Consent.	28.08.2007
Date of Board Meeting -Authorizing the Managing Director/Executive Director/Company Secretary to be responsible for the entire postal ballot process including issue of notice to shareholders; Date of members eligible to receive notice and participate in the postal ballot.	14.09.2007
Submission of Board resolution along with the calendar of events filed with the Registrar of Companies.	21.09.2007
Date of completion of dispatch of postal ballot forms.	27.09.2007
Paper advertisement as to the dispatch of the postal ballot forms.	29.09.2007
Last date for receipt of filled in postal ballot forms.	30.10.2007
Preparation of Scrutinizer's Report.	01.11.2007
Submission of report , returning of ballot paper and other related papers by Scrutinizer;	02.11.2007
Date of declaration of results by the Managing Director Minutes of the resolution to be signed by Managing Director; Results to be displayed on the Notice Board at the Registered Office and at #807, Embassy Centre, Nariman Point; Intimation of the results to the Stock Exchanges.	
Publication of the results in Newspapers	05.11.2007
Filing of the copy of the results with the Registrar of Companies and Filing of the forms with the Registrar of Companies u/s.17	05.11.2007

**8. DISCLOSURES**

A) Materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, the subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Further in compliance to the Accounting Standard, a detailed disclosure of transactions with related parties as laid down under AS-18 has been made in Notes to Accounts 'Schedule "O" forming part of the Annual Report.

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

There has been no instance of non-compliance by the Company on any matter related to capital market during the last three years and, hence, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

c) Management Discussion & Analysis Report is a part of the Directors' Report and is provided elsewhere in the Annual Report.

**9. SECRETARIAL AUDIT**

In compliance with the Circular received from the Stock Exchanges mandating all listed companies to subject themselves to a Secretarial Audit for purpose of reconciliation of the total admitted capital with both the Depositories and the total issued and listed capital, the Company confirms that there exist no discrepancies with regard to its admitted capital. A certified report to this effect by Practicing Company Secretary Messrs Savita Jyoti Associates, is submitted at close of each quarter to the Stock Exchanges.

**10. MEANS OF COMMUNICATION**

(a) **Quarterly Results:** Quarterly results are published in 'The Free Press Journal' and 'Navshakti'.

(b) **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website: [www.jaicorpindia.com](http://www.jaicorpindia.com). Official media releases are sent to the Stock Exchanges.

(c) **Website:** The Company's website: [www.jaicorpindia.com](http://www.jaicorpindia.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

(d) **Annual Report:** Annual Report containing, *inter alia*, audited annual accounts, consolidated financial statements, Directors' Report, Auditors' Report, Corporate Governance Report, Notice of Annual General Meeting and other important information is circulated to the members and other entitled to receive it. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

(e) **Reminder to Investors:** Reminder to investors to cash unclaimed dividend is included in the Notice to the Annual General Meeting.

(f) **SEBI Electronic Data Information Filing and Retrieval System (EDIFAR):** Annual Report, Quarterly Results, Shareholding Pattern, Quarterly Corporate Governance Report etc. of the Company are posted on the SEBI EDIFAR website: [www.sebidifar.nic.in](http://www.sebidifar.nic.in).

(g) **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned and managed by BSE and NSE is a single source to view information filed by listed companies. Filings done by the Company with the Stock Exchanges are also available at this site: [www.corpfiling.co.in](http://www.corpfiling.co.in).

(h) Designated exclusive email-id : The Company has designated the following email id exclusively for investor servicing:  
[cs2@jaicorpindia.com](mailto:cs2@jaicorpindia.com)

## 11. GENERAL SHAREHOLDER INFORMATION

23rd Annual General Meeting: Date, Time and Venue:  
Saturday, 30.08.2008, at 12:00 noon at the Registered Office of the Company at A-3, MIDC Industrial Area, Nanded 431603, Maharashtra.

### FINANCIAL CALENDAR (TENTATIVE)

-Results for the quarter ended June, 2008 : End July, 2008  
-Results for the quarter ended September, 2008 : End October, 2008  
-Results for the quarter ended December, 200 : End January, 2009  
-Results for the quarter ended March, 2009 : End April, 2009 Annual General Meeting End August, 2009

Dates of Book Closure: Saturday 23.08. 2008 to Saturday 30.08.2008 (both days inclusive)

Dividend Payment Date : On or after 30.08.2008.

The Company's shares are listed on the following Stock Exchanges

#### Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

#### National Stock Exchange of India Limited.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai 400 051.

Annual Listing Fee and fee for listing of fresh equity shares issued during the year have been paid to the above stock exchanges for the financial year 2007-08.

### STOCK CODE

Bombay Stock Exchange (BSE): 512237  
National Stock Exchange (NSE): JAICORPLTD  
Demat ISIN for NSDL and CDSL : INE070D01027.

Registration details with Registrar of Companies: The Company is registered in the State of Maharashtra, India. It falls under the jurisdiction of the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs (MCA) L17120MH1985PLC036500.

Registrars and Transfer Agents:

KARVY COMPUTERSHARE PRIVATE LIMITED

Unit: Jai Corp Limited.

"Karvy House", 46, Avenue 4, Street No.

1, Banjara Hills, Hyderabad- 500 034

Tel. Nos. 040 2331 2454/2332 0751/52

Fax: 040-2331 1968/2332 3049

### ADDRESS FOR CORRESPONDENCE

Shareholders' correspondence should be addressed to the Registrar and Share Transfer Agent of the Company at the address mentioned above.

The Shareholders can also contact the Company through  
e-mail: [cs2@jaicorpindia.com](mailto:cs2@jaicorpindia.com), Website : [www.jaicorpindia.com](http://www.jaicorpindia.com)

### Share Transfer System

Presently, the share transfers in physical form are registered and returned within the stipulated period of 10 to 15 days from the receipt, if the documents are clear in all respects.

### Dematerialization of shares

The Equity Shares of the company are traded in compulsory dematerialized form by all the investors' w.e.f. 9th March, 2001.

The Company has entered into agreements with both the depositories viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL), enabling the investors to hold shares of the Company in electronic form through the depository of their choice.

As on 31st March, 2008, the number of dematerialized shares was 17,68,04,808 which represents 99.06 % of the total paid up capital.

## Details of dematerialized and physical shares as on 31<sup>st</sup> March, 2008

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares	% Equity Shares
1.	CDSL	21,870	36,38,123	2.04
2.	NSDL	43,435	17,31,66,685	97.02
	Total Demat Holding	65,305	17,68,04,808	99.06
3.	Physical	1,354	16,89,202	0.94
	Total Shareholding	66,659	17,84,94,010	100.00%

Outstanding GDRs /ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity - Not Applicable as the Company has not issued such instruments.

**PLANT LOCATIONS**

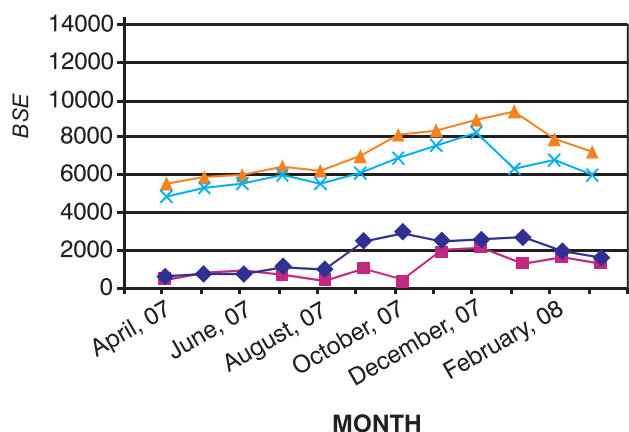
Steel Division	:	Nanded, Maharashtra
Plastic Processing Division	:	Murbad, Maharashtra, Khadoli, Silvassa (Dadra & Nagar Haveli-U.T.) and Daman (Daman & Diu-U.T.)
Spinning Division	:	Vasona, Silvassa (Dadra & Nagar Haveli-U.T.), Masat, Silvassa (Dadra & Nagar Haveli-U.T.), Sarigam, Gujarat.

**Market Price Data during each month in last financial year on the BSE and the NSE**

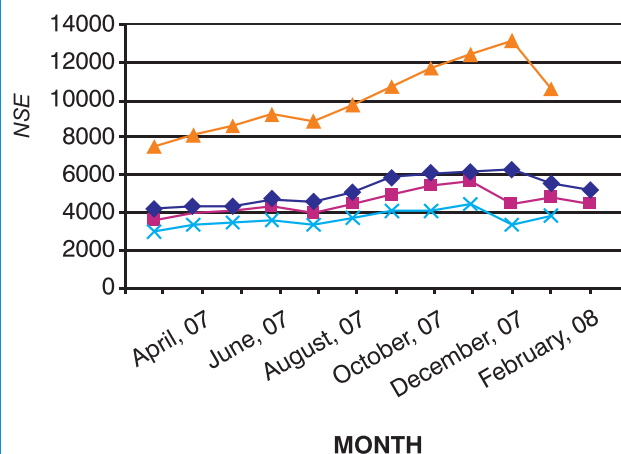
Month	NSE		BSE	
	High (INR)	Low (INR)	High	Low
April, 2007	2560.00	1871.25	2561.00	1905.00
May, 2007	2190.85	1690.05	2189.70	1696.00
June, 2007	3235.60	1835.00	3238.05	1830.50
July, 2007	3768.15	2725.00	3777.20	2730.00
August, 2007	7300.00	3956.60	7298.40	3966.05
September, 2007	13241.80	6800.10	13225.25	6705.00
Up to 4th October, 2007	15329.10	13903.90	15309.80	13886.50
From 5th October, 2007#	1310.95	804.00	1326.30	799.90
November, 2007	1185.00	952.20	1149.00	952.75
December, 2007	1233.05	1000.00	1230.00	1005.00
January, 2008	1449.90	780.30	1450.00	777.30
February, 2008	986.55	779.75	978.00	780.80
March, 2008	865.00	487.95	873.70	488.00

# Shares of INR10/- face value were split into shares of Re.1/- face value and bonus shares in the ratio of 1:1 was issued .

**MARKET STATISTICS 2007-2008**



*In October, 2007 shares of INR10/- face value were split into shares of Re.1/- face value and bonus shares in the ratio of 1:1 was issued. The above chart has been adjusted for the same.*



*In October, 2007 shares of INR10/- face value were split into shares of Re.1/- face value and bonus shares in the ratio of 1:1 was issued. The above chart has been adjusted for the same.*

Distribution of shareholding as on March 31, 2008 is as follows

Sr. No.	Category From - To	No. of Share Holders	Number Of Shares	% Of Holders
1	1- 5000	66,218	82,09,648	99.32
2	5001-10000	207	14,94,368	0.31
3	10001-20000	93	14,19,029	0.14
4	20001-30000	29	7,13,658	0.04
5	30001-40000	14	4,99,197	0.02
6	40001-50000	13	5,90,933	0.02
7	50001-100000	26	19,20,033	0.04
7	100001 And Above	59	16,36,47,144	0.11
	Total	66,659	17,84,94,010	100.00

The Shareholding pattern as on March 31, 2008 is as follows

Sr. No.	Description	No. of Share Holders	Number Of Shares	% Of Holders
1	Promoters(including Directors, their relatives )	18	129477400	72.54
2	Mutual Funds	20	1261636	0.71
3	Financial Institutions and Banks	10	3474109	1.95
4	Bodies Corporate	1498	4418461	2.48
5	NRI / Foreign Nationals/FII Foreign Bodies Corporate	547	22548482	12.63
6	Resident Individuals	64318	17217032	9.64
7	Clearing Members	248	96890	0.05
	Total	66,659	17,84,94,010	100.00

Build up of Equity Share Capital

Sr. No.	Particulars	Year of Allotment	No. of Shares
1.	Subscribers to the Memorandum	1985	70
2.	Further Issue	1985	1,99,930
3.	Public Issue	1985	3,00,000
4.	Rights Issue	1987	3,00,000
5.	Bonus Issue	1994	24,00,000
6.	Public Issue	1994	11,00,000
7.	Amalgamation of Sipta Coated Steels Limited & Comet Steels Limited with the Company	1996	49, 63,522
8.	Cancellation of shares under Scheme of Arrangement	2002	6,32,122
9.	Share Split (1:10)	2007	8,63,14,000
10.	Bonus Shares (1:1 excluding shares forfeited but not cancelled or re-issued)	2007	8,62,69,400
11.	Preferential Offer	2007	59,10,610

Transfer of Unclaimed & Unpaid Dividend Amount to Investor Education & Protection Fund

During the year under review, the Company has credited unclaimed and unpaid dividend amount declared for the year 1999-00, a sum of INR 3,30,111/- to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 and the IEPF (Awareness and Protection of Investors) Rules, 2001.

#### DECLARATION ON CODE OF CONDUCT

As required by Clause 49(1D) of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

Mumbai,  
May 10, 2008.

**Virendra Jain**  
Managing Director & Chief Executive Officer

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of  
JAI CORP LIMITED.**

We have examined the compliance of conditions of Corporate Governance by JAI CORP LIMITED, for the year ended on 31st March, 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has, complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

We 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 CHATURVEDI & SHAH  
Chartered accountant

**R. KORIA**  
*Partner*  
Membership No.35629

Place: Mumbai,  
Date: May 10, 2008

## LIST OF INVESTOR SERVICE CENTRES OF KARVY COMPUTERSHARE PRIVATE LIMITED

S.NO	CITY NAME	STD CODE	Phone Numbers	Fax Number	E-Mail
1	AGRA	0562	2526660/61/62/63	2526663	sandeepagar@karvy.com, agra@karvy.com
2	AHMEDABAD	079	26445235/26445242	26565551	ahmedabad@karvy.com
3	ALIGARH	0571	2509106/07/08	2429272	aligarh@karvy.com, ksblaligarh@karvy.com,
4	ALLAHABAD	0532	2260291/92	2260293	pradeept@karvy.com, allahabad@karvy.com,
5	ANANTAPUR	08554	249601/249607/249608	~	lrajesh@karvy.com, ksblanantpur@karvy.com
6	ANKLESWAR	02646	227348 / 227349	~	jignesh.thakkar@karvy.com, karvyankl@karvy.com
7	AURANGABAD	0240	2363517 / 23 / 24 / 30	~	ksblabad@karvy.com, kranthi.kumar@karvy.com
8	BANGALORE	080	26621192 / 93	51312645	ramapriyanpb@karvy.com, anand@karvy.com
9	BAREILLY	0581	2310470	2476797	bareilly@karvy.com, ksblbareilly@karvy.com
10	BELGAUM	0831	2402544/722/880/3095262	2402933	belgaum@karvy.com, ksblbelgaum@karvy.com
11	BELLARY	08392	254531/32/34/35/395080	254533	bellary@karvy.com, ksblbellary@karvy.com
12	BHARUCH	02642	225207 / 08	~	paresh.pistolwala@karvy.com,
13	BHAVNAGAR	0278	3001004/2390561	30013007	bhavnagar@karvy.com, distbhavnagar@karvy.com
14	BHIMAVARAM	08816	231766 / 67 / 68 / 69	231769	ksblbvaram@karvy.com
15	BHOPAL	0755	2559332/2559337/2574731	~	ksblbhopal@karvy.com, vamseedsnr@karvy.com
16	BHUBANESHWAR	0674	2511011-14, 2547531/32/33	~	ksblbbsr@karvy.com kislbbsr@karvy.com
17	CALICUT (KOZHIKODE)	0495	2760882/2760884/2760883	~	bijesh@karvy.com, ksblcalicut@karvy.com
18	CHANDIGARH	0172	5071726/ 27/ 28/5079702	~	sanjay@karvy.com, chandigarh@karvy.com
19	CHENNAI-REGIONAL OFFICE	044	28155967 / 28153658	~	kmukundan@karvy.com
20	CHILAKALURIPET	08647	257501 / 02/03	257502	ksblchpet@karvy.com
21	COIMBATORE	0422	4291000 – 10	4291020	coimbatoreregionksbl@karvy.com
22	CUTTACK	0671	2335187/188/2332680/81	~	ksblcuttack@karvy.com
23	DEHRADUN	0135	2713351 / 2714046	2714047	abhishkek@karvy.com, dehradun@karvy.com
24	DINDIGUL	0451	2436077 / 177	~	dindigal@karvy.com
25	DURGAPUR	0343	2586375 / 76 / 77	2586375	jagdish@karvy.com, durgapur@karvy.com
26	ELURU	08812	227851 / 52 / 53 / 54	227854	ksbleluru@karvy.com, prabhakar.m@karvy.com
27	ERODE	0424	2225601 / 03 / 15 / 16 / 17 / 24	2216160	erode@karvy.com
28	GHAZIABAD	0120	2701886 / 2701891 / 2700594	~	ghaziabad@karvy.com, ksblghaziabad@karvy.com
29	GOBICHETTIPALAYAM	04285	2226275 / 2226276	~	gobi@karvy.com, ananthakumars@karvy.com
30	GORAKHPUR	0551	2346519/5513297816/17/19	2346519	abhinav@karvy.com, gorakhpur@karvy.com
31	GUNTUR	0863	2326684 / 2326686 / 87 / 85	6641102	ssrikanth@karvy.com
32	HALDIA	03224	276755 / 56 / 57 / 262762	~	joshiss@karvy.com, haldia@karvy.com
33	HUBLI	0836	2353962 / 74 / 75 / 3099098	2353961	vinayak.bhosale@karvy.com, hubli@karvy.com
34	HYDERABAD - (H.O)	040	23312454 / 23320251	23312946	ravi.r@karvy.com
35	INDORE	0731	3014200 - 19	3014209	indore@karvy.com, shilpa@karvy.com
36	JAIPUR	0141	2378703/604/605/2363321	2378703	mbmaheshwari@karvy.com, jaipur@karvy.com
37	JAMNAGAR (PATEL NAGAR)	0288	3299330, 3299332	~	jamnagar2@karvy.com
38	JAMSHEDPUR - K	0657	2487020, 2487045, 2487048	~	jamshedpur@karvy.com, ksbljamshedpur@karvy.com
39	JUNAGADH	0285	2624140 / 2624154	~	junagadh@karvy.com, bharat.polar@karvy.com
40	KADAPA	08562	645507	~	kadapa@karvy.com
41	KADIRI	08494	225599	~	kadiri@karvy.com
42	KAKINADA	0884	2387382/2387383/2387381	2387381	ksblkakinada@karvy.com
43	KANPUR	0512	2330127/2331445/3092333	2331445	kanpur@karvy.com, ksblkanpur@karvy.com

S.NO	CITY NAME	STD CODE	Phone Numbers	Fax Number	E-Mail
44	KARAIKUDI	04565	237192 / 93	~	karaikudi@karvy.com, ramanathanrm@karvy.com
45	KARUR	04324	241892 / 241893 / 241894	241891	kanagarajann@karvy.com, karur@karvy.com
46	KOCHI	0484	2310884 (d)/2322152/2312098	2323104	rganesan@karvy.com, ksblcochin@karvy.com
47	KOLKATA - JATIN DAS ROAD	033	24634787-89/24647231	24634787	ksblcalcutta@karvy.com, calcutta@karvy.com
48	LUCKNOW	0522	2236819-28, 3817001 (rim)	2236826	nitinsaxena@karvy.com, adminlucknow@karvy.com
49	LUDHIANA 0161	4680050	to 4680062 & 4680080	~	ludhiana@karvy.com, naveens@karvy.com
50	MADURAI	0452	2350855 (d) / 2350852 - 854	2350856	madurai@karvy.com, ksblmadurai@karvy.com
51	MANGALORE	0824	2492302 / 2496332 / 2492901	2496352	mangalore@karvy.com, cshetty@karvy.com
52	MUMBAI - ANDHERI	022	26730799/843/311/867/153/292	26730152	pbamlani@karvy.com, mumbaiandheri@karvy.com
53	MUMBAI - FORT	022	66382666 (6 hunting nos)		francisjf@karvy.com, mumbaifort@karvy.com
54	MYSORE	0821	2524292/2524294/2441520	2524293	mysore@karvy.com
55	NADIAD	0268	2563210/2563245/2563248	~	nadiad@karvy.com, bhavik.shah@karvy.com
56	NASIK	0253	2577811/5602542/5602543	3012833	nasik@karvy.com, nvenkat@karvy.com
57	NELLORE	0861	2349935/36/37/39	2349939	ksblnellore@karvy.com
58	NEW DELHI	011	23324401/23353835(d)55305325	23324621	sakulpuri@karvy.com, ksbldelhi@karvy.com
59	PALGHAT	0491	2547143	~	palghat@karvy.com, ksblpalagat@karvy.com
60	PANJIM	0832	2426870 to 74 / 3114185	2426873	panajim@karvy.com, ksblpanajim@karvy.com
61	PATNA	0612	2321354 / 55 / 56 / 57	~	sanjayn@karvy.com, patna@karvy.com,
62	PONDICHERRY	0413	2220636/2220640/2220633	2220659	vipul@karvy.com, ksblpondicherry@karvy.com
63	PRODDATUR	08564	242898/250822/823/250824	~	ksblproddatur@karvy.com, chandrasekhar.k@karvy.com
64	PUNE	020	66048790 (5 LINES) /91/92/93	25456842	anandjaju@karvy.com, pune@karvy.com,
65	RAJAHMUNDRY	0883	2434468/2434469/5566694	2434471	ksblrjm@karvy.com, dcmouli@karvy.com
66	RAJKOT	0281	3291043, 3291042, 2239338	~	rajkot@karvy.com, rajkotfpd@karvy.com
67	RANCHI	0651	2330386, 2330394, 2330320	~	ksblranchi@karvy.com, abhimanyup@karvy.com
68	RENUKOOT	05446	254201	253179	renukoot@karvy.com, krishna.mishra@karvy.com
69	ROURKELA	0661	2510770 /2510771/2510772	~	rourkela@karvy.com, anurag.mishra@karvy.com
70	SALEM	0427	2335700/2335701/705-704	2335705	salem@karvy.com, parvinbanugs@karvy.com
71	SHIMOGA	08182	228795/96/97/227485/226747	226747	shimoga@karvy.com, ksblshimoga@karvy.com
72	SURAT	0261	3067166 / 3067167	8368693	surat@karvy.com, ksblsurat@karvy.com
73	TANJORE	04362	279407 / 279408	~	tanjore@karvy.com, gowrir@karvy.com
74	THENI	04546	261285 / 261108	~	theni@karvy.com
75	TIRUPATI	0877	2252756	~	venkatreddy@karvy.com, ksbltirupati@karvy.com
76	TIRUPUR	0421	2205865 / 5330158	~	tirupur@karvy.com
77	TIRUR	0494	2424252 / 3091999	~	ksbltirur@karvy.com
78	TIRUVELLA	0469	2741017, 2604475	~	ksbltiruvalla@karvy.com, eapen@karvy.com
79	TRICHY	0431	2791322/2798200/2793799	2794132	trichy@karvy.com, prakashkr@karvy.com
80	TRIVANDRUM	0471	2725987, 2725989 - 991	2725987	ksbltvm@karvy.com, csjoy@karvy.com
81	UDUPI	0820	2530962 /63 / 64 / 65	5294050	ksbludupi@karvy.com, udupi@karvy.com
82	VADODARA	0265	6456183 / 6456186 / 6456187	~	keyur@karvy.com, baroda@karvy.com
83	VALLABH-VIDHYANAGAR	02692	248980, 248873, 320394	~	mehul.shah@karvy.com, vvnagar@karvy.com
84	VARANASI	0542	2225365 / 2223814	2223814	ashutosh@karvy.com, varanasi@karvy.com
85	VIJAYAWADA	0866	2495200/400/500/600/700/800	2495300	cchrao@karvy.com, vijayawada@karvy.com
86	VISHAKAPATNAM	0891	2511685, 25116862, 2511681	~	vizag@karvy.com;ksblgajuwaka@karvy.com

# FINANCIAL SECTION





## AUDITORS' REPORT

To the members of  
JAI CORP LIMITED

We have audited the attached Balance Sheet of 'JAI CORP LIMITED' as at 31st March, 2008, 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.

We conducted our audit in accordance with 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956, we give in the Annexure hereto a statement on the matters specified in the paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that: -
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of such books;
  - c) The Balance Sheet and 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 and the Profit and Loss Account and Cash Flow Statement complies with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the 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, 2008;
- II) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- III) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For CHATURVEDI & SHAH**

Chartered Accountants

**R. KORIA**

Partner

Membership No. 35629

Place: Mumbai

Dated: May 10, 2008

**ANNEXURE TO AUDITORS' REPORT**

(Referred to in paragraph 1 of our report of even date)

(i) In respect of its fixed assets: -

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to the book records.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.

(ii) In respect of its inventories: -

- (a) As explained to us, inventories have been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of inventory records, we are of the opinion that the company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of the inventories, as compared to book records and minor discrepancy have been properly dealt with in the books of account.

(iii) The Company has not granted or taken any loan, secured or unsecured, to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence provisions of Clause 4 (iii) of the Companies (Auditor's Report) Order 2003, 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 systems commensurate with the size of the company and the nature of its business for the purchase of inventories and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so

entered.

- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time, except for certain transactions for purchase and sale of goods and materials of specific nature for which alternative quotations are not available and hence we are unable to comment upon.
- (vi) The Company has not accepted any deposits from the public during the year and hence, the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vii) The company has an internal audit system, which in our opinion, needs to be further strengthened to make it commensurate with the size and nature of its business.
- (viii) We are informed by the management that Central Government has prescribed the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956, in respect of one of the products of the company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate.
- (ix) (a) According to the records, undisputed statutory dues including Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2008 for a period of more than six months from the date they became payable;
- (b) The disputed statutory dues aggregating to Rs.125.49 Lac, that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lac)	Period to which the amount relates	Forum where dispute is pending
Central and Bombay Sales	Sales Tax	26.39	2000-01	Dy. commissioner (Appeals)
Central and Bombay Sales Tax Act	Sales Tax	9.61	1993-94 to 1994-95	Maharashtra Sales Tax Tribunal
Central Excise Act, 1944	Excise duty	13.26	2005-06	Dy. commissioner (Appeals)
		75.00		
		1.23	2001-02	Central Excise and Service Tax Appellate Tribunal
<b>Total</b>		<b>125.49</b>		

- (x) The company does not have accumulated losses at the end of the financial year. It has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions or banks.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society, hence the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares and other investments and timely entries have been made therein. The investments are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) To the best of our knowledge & belief and according to the information & explanations given to us, the term loans, which were outstanding at the beginning of the year, were prima facie been applied for the purposes for which they were raised.
- (xvii) On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the Company as at 31st March, 2008, related informations as made available to us and as

represented to us, by the management, we are of the opinion, that funds raised on short term basis have not prima facie been utilized for long term purposes.

- (xviii) During the year 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) The Company has not issued any debentures and hence provisions clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) During the year the company has not raised any monies by way of public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For CHATURVEDI & SHAH**

Chartered Accountants

**R. KORIA**

Partner

Membership No. 35629

Place: Mumbai

Dated: May 10, 2008

**BALANCE SHEET** as at 31st March, 2008

(Rs.in Lac)

Particulars	Schedule	As At	
		31.03.2008	As At 31.03.2007
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	1,934.71	862.91
Reserves & Surplus	B	254,121.32	33,021.12
		<b>256,056.03</b>	<b>33,884.03</b>
<b>Loan Funds</b>			
Secured Loans	C	3,490.00	4,000.00
Unsecured Loans	D	4,654.64	3,207.90
		<b>8,144.64</b>	<b>7,207.90</b>
<b>Deferred Tax Liability (Net)</b> ( Refer Note No. 11 of schedule 'O' )		<b>1,366.12</b>	<b>1,296.17</b>
<b>Total</b>		<b>265,566.79</b>	<b>42,388.10</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	35,605.40	24,166.42
Less: Depreciation		14,365.13	13,151.77
Net Block		21,240.27	11,014.65
Capital Work-in-Progress		2,025.16	1,495.53
		<b>23,265.43</b>	<b>12,510.18</b>
<b>Investments</b>	F	<b>184,390.47</b>	<b>18,979.55</b>
<b>Current Assets, Loans and Advances</b>			
Inventories	G	4,426.29	3,879.86
Sundry Debtors		7,557.16	2,576.36
Cash & Bank Balances		504.15	1,527.14
Other Current Assets		1.58	-
Loans & Advances		49,658.49	4,586.55
		<b>62,147.67</b>	<b>12,569.91</b>
<b>Less: Current Liabilities and Provisions</b>	H	<b>2,258.83</b>	<b>823.08</b>
Current Liabilities		1,977.95	848.46
Provisions		4,236.78	1,671.54
<b>Net Current Assets</b>		<b>57,910.89</b>	<b>10,898.37</b>
<b>Total</b>		<b>265,566.79</b>	<b>42,388.10</b>
<b>Significant Accounting Policies</b>	N		
<b>Notes on Accounts</b>	O		

As per our attached report of even date

For and on behalf of the Board of Directors

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary

**PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2008

Particulars	Schedule	(Rs.in Lac)	
		Year Ended 31.03.2008	Year Ended 31.03.2007
<b>INCOME</b>			
Turnover	I	32,790.54	27,088.90
Less: Excise duty/ Service Tax recovered		1,937.50	751.40
Net Turnover		30,853.04	26,337.50
Other Income	J	12,948.04	7,903.76
Variation In Stocks	K	391.51	(2,714.10)
		44,192.59	31,527.16
<b>EXPENDITURES</b>			
Purchases		8,704.12	6,502.37
Manufacturing and Other Expenses	L	20,054.77	15,693.23
Interest & Finance Charges	M	589.75	506.24
Depreciation		1,483.62	995.87
		30,832.26	23,697.71
<b>Profit for the year before tax</b>		13,360.33	7,829.45
Less : Provision for Taxation :			
Current Tax		1,194.16	790.92
Mat Credit		(736.53)	(425.23)
Fringe Benefit Tax		17.40	14.00
Deferred Tax		69.95	265.76
<b>Profit for the year after tax</b>		12,815.35	7,184.00
Balance brought forward from last year		12,841.74	6,404.71
Prior Period Adjustments (Net)		(3.80)	2.15
Income Tax of earlier years		-	(29.12)
		25,653.29	13,561.74
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			
<b>Appropriation</b>			
General Reserve		1,282.00	720.00
Proposed Dividend on Preference Shares		0.52	-
Proposed Dividend on Equity Shares		490.17	-
Tax on Proposed Dividend		83.39	-
		23,797.21	12,841.74
<b>SURPLUS CARRIED TO BALANCE SHEET</b>			
Basic & Diluted Earning Per Share of Face Value of Re. 1/- each (Refer Note No. 13 of Schedule 'O')		7.34	4.16
<b>Significant Accounting Policies</b>	N		
<b>Notes on Accounts</b>	O		

As per our attached report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

For and on behalf of the Board of Directors

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary

**CASH FLOW STATEMENT** for the year ended 31st March, 2008

(Rs.in Lac)

Particulars	2007-2008	2006-2007
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per Profit and Loss Account	<b>13,360.33</b>	7,829.45
Adjusted for :		
Depreciation	<b>1,483.62</b>	995.87
Wealth Tax	<b>9.00</b>	7.16
Effects of exchange rate change	<b>(159.49)</b>	(36.39)
Sundry Balance written off	<b>(1.82)</b>	(28.49)
Loss / (Profit) on sale of investments ( Net )	<b>(8,500.42)</b>	(6,387.56)
Provision for Diminution in value of Investment	<b>267.16</b>	610.69
Loss / (Profit) on sale/discarding of fixed assets ( Net )	<b>31.97</b>	13.20
Interest and Finance Charges	<b>516.97</b>	448.20
Interest Income	<b>(985.04)</b>	(764.29)
Interest Subsidy	<b>(61.72)</b>	-
Dividend Income	<b>(2,803.07)</b>	(535.92)
Operating Profit before Working Capital Changes	<b>3,157.49</b>	2151.92
Adjusted for :		
Trade & Other Receivables	<b>(2,262.32)</b>	(365.36)
Inventories	<b>569.57</b>	1,079.71
Trade Payables	<b>341.85</b>	(1,473.84)
Cash generated from operations	<b>1,806.59</b>	1,392.43
Direct taxes paid	<b>(1,237.25)</b>	(510.38)
Net Prior period adjustment	<b>(3.80)</b>	2.15
Net Cash from / (used in) Operating Activities	<b>565.54</b>	884.20
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(2,854.93)</b>	(3,253.83)
Sale of Fixed Assets	<b>191.15</b>	204.34
Acquisition/Purchase of Business	<b>(12,500.00)</b>	-
Purchase of Investments	<b>(570,258.15)</b>	(38,881.71)
Sale of Investments	<b>396,589.43</b>	37,704.48
Investment in Equity Shares of Subsidiaries (Net)	<b>(277.79)</b>	-
Movement in Loans	<b>(27,552.77)</b>	(794.45)
Interest Income	<b>922.53</b>	707.56
Dividend Received	<b>2,803.07</b>	535.92
Net Cash (used in) / From Investing Activities	<b>(212,937.46)</b>	(3,777.69)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital including Securities Premium	<b>211,174.81</b>	-
Share issue expenses	<b>(176.74)</b>	-
Proceeds of Long Term Loans	<b>-</b>	4,000.00
Repayment of Long Term Loans	<b>(556.69)</b>	(46.69)
Short Term Loans	<b>1,493.43</b>	742.49
Unclaimed for Buy back of shares	<b>(1.44)</b>	(0.48)
Interest Paid	<b>(581.77)</b>	(448.20)
Dividends Paid	<b>(2.67)</b>	(3.20)
Net Cash From /(used in) Financing Activities	<b>211,348.93</b>	4,243.92
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<b>(1,022.99)</b>	1,350.43
Opening Balance of Cash and Cash Equivalents	<b>1,527.14</b>	176.71
Closing Balance of Cash and Cash Equivalents	<b>504.15</b>	1,527.14

## CASH FLOW STATEMENT for the year ended 31st March, 2008

**Notes :**

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement" .
- 2) Bracket indicates cash outflow.
- 3) Previous year's figures have been regrouped wherever necessary.

*As per our attached report of even date*

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008

*For and on behalf of the Board of Directors*

**Virendra Jain**      Managing Director & CEO

**Gaurav Jain**      Executive Director

**R.K. Mundra**      Chief Financial Officer

**A. Datta**      Company Secretary

**SCHEDULES** forming part of the Balance Sheet

Particulars	(Rs.in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
45,00,00,000 Equity Shares of Re. 1/- each (Previous year 2,00,00,000 Equity Shares of Rs.10/-each)	<b>4,500.00</b>	2,000.00
1,50,00,000 1% Non-Cumulative, Non-Participating Redeemable Preference Shares of Re. 1/- each (Previous year 15,000 1%Non-Cumulative, Non Participating Redeemable Preference Shares of Rs.100/- each)	<b>150.00</b>	15.00
3,50,00,000 Unclassified Shares of Re. 1/- each (Previous year 4,85,000 Unclassified Shares of Rs. 100/- each)	<b>350.00</b>	485.00
	<b>5,000.00</b>	2,500.00
<b>ISSUED AND SUBSCRIBED</b>		
17,84,94,010 Equity Shares of Re. 1/- each (Previous year 86,31,400 Equity Shares of Rs.10/- each)	<b>1,784.94</b>	863.14
1,50,00,000 (Previous Year NIL) 1% Non-Cumulative, Non-Participating Redeemable Preference Shares of Re. 1/- each	<b>150.00</b>	-
	<b>1,934.94</b>	863.14
<b>FULLY PAID UP</b>		
17,84,49,410 Equity Shares of Re. 1/- each (Previous year 86,26,940 Equity Shares of Rs.10/- each)	<b>1,784.49</b>	862.69
1,50,00,000 (Previous Year NIL) 1% Non-Cumulative, Non-Participating Redeemable Preference Shares of Re. 1/- each	<b>150.00</b>	-
Add: Forfeited Shares(Amount Originally Paid up on 4,460 Shares of Rs. 10/- each)	<b>0.22</b>	0.22
	<b>1,934.71</b>	862.91

**Notes :-**

## 1) Of the above Equity Shares

- a) 49,63,522 Equity Shares of Rs.10/- each were allotted, without payment being received in cash, pursuant to the Scheme of Amalgamation of Sipta Coated Steels Limited and Comet Steels Limited with the Company before subdivision and issue of Bonus Shares.
- b) 24,00,000 Equity Shares of Rs. 10/- each were allotted as Bonus Shares by Capitalisation of free reserve before subdivision.
- c) During the year 8,62,69,400 Equity Shares of Re.1/- each have been allotted as fully paid up Bonus Shares by way of capitalisation of Securities Premium.

## 2) During the year, Equity Shares having face value of Rs. 10/- each (fully paid-up) have been subdivided into Re.1/- each (fully paid-up).

## 3) (a) 1% Non-cumulative, Non-Participating Redeemable Preference Share of Re. 1/- each fully paid-up are redeemable at a premium of 6 % p.a. on issue price of Rs. 1,000/- per share on the expiry of two years from the date of allotment i.e. 26th November, 2007 with an option to the Company/shareholders to redeem the same after one year from the date of allotment.

- (b) Redemption premium on Preference Shares as mentioned above will be paid out of the Securities Premium and hence no provision has been considered necessary.



**SCHEDULES** forming part of the Balance Sheet

Particulars	(Rs.in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "B"</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	92.17	92.17
<b>Securities Premium Account</b>		
As per last Balance Sheet	6,068.22	6,068.22
Add: Received during the year	210,965.70	-
	217,033.92	6,068.22
Less: Issue of Fully paid up Bonus Shares	862.69	-
Less: Share issue expenses	1,240.29	-
(Refer Note No.7 of Schedule 'O')	214,930.94	6,068.22
<b>General Reserve</b>		
As per last Balance Sheet	14,019.00	13,299.00
Add : Transferred from Profit and Loss Account	1,282.00	720.00
	15,301.00	14,019.00
<b>Profit and Loss Account</b>	23,797.21	12,841.74
	<b>254,121.32</b>	<b>33,021.12</b>
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS</b>		
Term Loan from Bank	3,490.00	4,000.00
	<b>3,490.00</b>	<b>4,000.00</b>
<b>Note:-</b>		
The term Loan from bank is secured by 'way of Mortgage of immovable assets of the Company situated at Nanded , Vasona & Khadoli (Silvassa) and hypothecation of movable assets of the Company except inventories & book debts and also guaranteed by two of the Directors of the Company in their personal capacity.		
<b>SCHEDULE "D"</b>		
<b>UNSECURED LOANS</b>		
Interest Free Sales-tax Loan	781.59	828.28
Buyer's Credit	3,873.05	2,379.62
	<b>4,654.64</b>	<b>3,207.90</b>
<b>Note :</b>		
Amount repayable within one year Rs. 3933.54 Lac (Previous Year Rs.2426.31 Lac).		

## SCHEDULES forming part of the Balance Sheet

### SCHEDULE "E"

#### FIXED ASSETS

(Rs. in Lac)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2007	Additions	Deductions/ Adjustments	AS AT 31.03.2008	AS AT 01.04.2007	For The Year	Deductions/ Adjustments	UPTO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
<b>TANGIBLE ASSETS</b>										
FREEHOLD LAND	607.56	1,491.73	-	2,099.29	-	-	-	-	2,099.29	607.56
LEASEHOLD LAND	506.88	20.79	-	527.67	6.03	6.34	-	12.37	515.30	500.85
BUILDINGS	3,926.34	2,114.74	7.90	6,033.18	1,060.35	145.82	0.62	1,205.55	4,827.63	2,865.99
PLANT & MACHINERY	18,112.44	8,100.43	482.44	25,730.43	11,508.27	1,255.26	267.14	12,496.39	13,234.04	6,604.17
FURNITURE & FIXTURES	128.34	77.83	-	206.17	105.44	13.05	-	118.49	87.68	22.90
OFFICE EQUIPMENTS	308.78	42.25	0.72	350.31	217.97	18.58	0.72	235.83	114.48	90.81
VEHICLES	510.70	84.59	2.32	592.97	188.33	44.57	1.78	231.12	361.85	322.37
<b>INTANGIBLE ASSETS</b>										
DRAWINGS & DESIGNS*	65.38	-	-	65.38	65.38	-	-	65.38	-	-
<b>TOTAL</b>	<b>24,166.42</b>	<b>11,932.36</b>	<b>493.38</b>	<b>35,605.40</b>	<b>13,151.77</b>	<b>1,483.62</b>	<b>270.26</b>	<b>14,365.13</b>	<b>21,240.27</b>	<b>11,014.65</b>
PREVIOUS YEAR	21,369.15	3,062.01	264.74	24,166.42	12,203.09	995.87	47.20	13,151.77	11,014.65	-
CAPITAL WORK IN PROGRESS									2,025.16	1,495.53

\* Other than internally generated.

## NOTES :-

- Freehold land includes Rs. 131.25 Lac (Previous Year Rs. Nil) in respect of which conveyance deed is yet to be transferred in the name of the Company.
- Leasehold land includes Rs. Nil (Previous Year Rs. 13.97 Lac) in respect of which title is pending for transfer in the name of the Company.
- Building includes Rs.0.01 Lac (Previous Year Rs. 0.01 Lac) being the value of shares in Co operative Housing Society towards ownership of residential flats.
- Capital Work-in-Progress includes :
  - Rs.Nil (Previous Year Rs.22.80 Lac) on account of Pre-Operative Expenditure.
  - Rs. 61.50 Lac (Previous year Rs. 10.09 Lac) on account of cost of construction Material at site.
  - Rs.728.87 Lac ( Previous year Rs.340.77 Lac ) on account of advances made to the suppliers for capital expenditure.
- Plant & Machinery includes Rs. 64.68 Lac (Previous year Rs. 25.40 Lac) and Rs. 33.56 Lac (Previous Year Rs. Nil) being the amount spent for laying Power Line and Water Pipe Line respectively, the ownership of which vests with the respective Government Authorities.
- Addition to Fixed Assets and Capital Work in Progress includes Rs. Nil (Previous Year Rs. 13.69 Lac) on account of Exchange difference (Net).

## SCHEDULES forming part of the Balance Sheet

(Rs. in Lac)

	QUANTITY		Face Value	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007		As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "F"</b>					
<b>INVESTMENTS</b>					
<b>(A) LONG TERM INVESTMENTS</b>					
<b>(I) TRADE INVESTMENTS (UNQUOTED)</b>					
<b>SUBSIDIARY COMPANY</b>					
<b>IN EQUITY SHARES-FULLY PAID UP</b>					
Sarbags Pty Ltd.	50,000	50,000	A\$1	12.34	12.34
Jai Corp Finance & Holding Ltd. (Including 60 Shares of Rs. 10 each fully paid up held jointly with nominees)	1,500,000	-	10	215.00	-
Urban Infrastructure Venture Capital Ltd. (Including 6 Shares of Rs. 10 each fully paid up held jointly with nominees)	1,000,000	500,000	10	100.28	50.00
Urban Infrastructure Trustees Ltd. (Including 6 Shares of Rs. 10 each fully paid up held jointly with nominees)	50,000	25,000	10	5.01	2.50
Jai Realty Ventures Ltd. (Including 6 Shares of Rs. 10 each fully paid up held jointly with nominees)	50,000	-	10	5.00	-
Jai Infraprojects Ltd. (Including 6 Shares of Rs. 10 each fully paid up held jointly with nominees)	50,000	-	10	5.00	-
<b>Total [A]</b>				<b>342.63</b>	<b>64.84</b>
<b>ASSOCIATE COMPANIES</b>					
<b>IN EQUITY SHARES-FULLY PAID UP</b>					
Urban Communication Infrastructure Pvt. Ltd.	4,000	4,000	10	0.40	0.40
Urban Energy Distribution Pvt. Ltd.	4,000	4,000	10	0.40	0.40
Urban Energy Generation Pvt. Ltd.	4,000	4,000	10	0.40	0.40
Urban Energy Transmission Pvt. Ltd.	4,000	4,000	10	0.40	0.40
Urban Infotech Solutions Pvt. Ltd.	4,000	4,000	10	0.40	0.40
Urban Infrastructure Construction Pvt. Ltd.	4,000	-	10	0.40	-
Urban Water Supply Pvt. Ltd.	4,000	-	10	0.40	-
Urban Infrastructure Holding Pvt. Ltd.	32,003,200	1,600	10	3,200.32	0.16
<b>IN DEBENTURES-FULLY PAID UP</b>					
Zero percent Optionally Fully Convertible Debenture of Urban Infrastructure Holding Pvt. Ltd.	727,540	-	100	727.54	-
<b>Total [B]</b>				<b>3,930.66</b>	<b>2.16</b>
<b>OTHERS</b>					
<b>IN EQUITY SHARES-FULLY PAID UP</b>					
Mumbai SEZ Ltd.	105,000,000	15,000,000	10	11,084.94	2,084.94
Urban Assets Reconstruction Pvt. Ltd.	1,800	5,000	10	0.18	0.50
Urban Telecom Pvt. Ltd.	1,800	4,000	10	0.18	0.40
Greenary Power Generation Pvt. Ltd.	1,800	-	10	0.18	-
Spectra Power Distribution Pvt. Ltd.	1,800	-	10	0.18	-
Rewas Ports Ltd.	50,000,000	-	10	5,000.00	-

**SCHEDULES** forming part of the Balance Sheet

(Rs. in Lac)

	QUANTITY		Face Value	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007		As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "F"</b>					
Sterling Urban Infraprojects Pvt. Ltd.	600,000	-	10	60.00	-
Nirmal Infrastructure Pvt. Ltd.	100,000	-	10	10.00	-
Goldbricks Infrastructure Pvt. Ltd.	120,000	-	10	12.00	-
Supernal Realtors Pvt. Ltd.	26,667	-	10	2.67	-
Neelkanth Rice Lands Pvt. Ltd.	80,000	-	10	8.00	-
Ozone Projects Pvt. Ltd.	68,293	-	10	375.03	-
<b>IN EQUITY SHARES-PARTLY PAID UP</b>					
Mumbai SEZ Ltd. (Partly Paid Re. 1/- per Share)	-	65,000,000	10	-	650.00
Rewas Ports Ltd. (Partly Paid Re. 1/- per Share)	-	50,000,000	10	-	500.00
Urban Infrastructure Holding Pvt. Ltd. (Partly Paid Rs. 4.35 per Share)	-	16,000,000	10	-	696.00
Nilayami Realtors Pvt. Ltd. (Partly Paid Rs. 5/- per Share)	106,000	-	10	5.30	-
<b>IN DEBENTURES - FULLY PAID UP</b>					
Zero Percent Fully Compulsorily Convertible Debenture of:					
Neelkanth Rice Lands Pvt. Ltd.	11,200	-	1000	112.00	-
Sterling Urban Infraprojects Pvt. Ltd.	160,000	-	100	160.00	-
Nirmal Infrastructure Pvt. Ltd.	9,000	-	1000	90.00	-
Goldbricks Infrastructure Pvt. Ltd.	128,000	-	100	128.00	-
Ozone Projects Pvt. Ltd.	4,318	-	1000	43.18	-
Supernal Realtors Pvt. Ltd.	14,321	-	1000	143.21	-
9 % Fully Compulsorily Convertible Debenture of Ozone Projects Pvt. Ltd.	457,040	-	10	45.70	-
<b>PARTLY PAID UP</b>					
Zero Percent Fully Compulsorily Convertible Debenture of Nilayami Realtors Pvt. Ltd. (Partly Paid Rs. 10/- each)	8,480	-	1000	0.85	-
<b>Total [C]</b>				<b>17,281.60</b>	<b>3,931.84</b>
<b>Total Trade Investments [D=A+B+C]</b>				<b>21,554.89</b>	<b>3,998.84</b>
<b>(II) NON TRADE INVESTMENTS</b>					
<b>A - UNQUOTED</b>					
<b>IN EQUITY SHARES- FULLY PAID UP</b>					
Adventy BPO India Pvt.Ltd.	-	1,207,205	1	-	1,340.00
Piramal Life Sciences Ltd.	2,500	-	10	-	-
<b>IN UNITS- FULLY PAID UP</b>					
HDFC India Real Estate Fund	99,318	89,318	1000	993.18	893.18
Urban infrastructure Opportunity Fund	3,000	-	100000	3,014.95	-
<b>IN UNITS -PARTLY PAID UP</b>					
Urban infrastructure Opportunity Fund (Partly Paid Rs. 50000/- per unit)	-	19,000	100000	-	9,594.69

## SCHEDULES forming part of the Balance Sheet

(Rs. in Lac)

	QUANTITY		Face Value		
	As At 31.03.2008	As At 31.03.2007		As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "F"</b>					
<b>B - QUOTED</b>					
<b>IN EQUITY SHARES - FULLY PAID UP</b>					
Aditya Birla Nuvo Ltd.	10,000	-	10	205.30	-
Century Textiles & Industries Ltd.	25,000	-	10	277.17	-
Dalmia Cement (Bharat) Ltd.	286,000	-	2	1,438.97	-
Federal Bank Ltd.	270,000	-	10	910.72	-
Grasim Industries Ltd.	20,000	-	10	676.00	-
ICICI Bank Ltd.	75,000	-	10	977.91	-
Infrastructure Development & Finance Co. Ltd.	200,000	-	10	401.52	-
Indiabulls Financial Services Ltd.	100,000	-	2	937.49	-
Indiabulls Securities Ltd.	100,000	-	2	27.37	-
Reliance Industries Ltd.	2,194,513	-	10	61,865.83	-
National Thermal Power Corp. Ltd.	550,000	-	10	1,493.23	-
Nicholas Piramal India Ltd.	25,000	-	2	81.27	-
State Bank of India	678,187	-	10	15,851.30	-
Tata Steel Ltd.	168,493	-	10	1,418.99	-
<b>Total Non Trade Investment [E]</b>				<b>90,571.20</b>	11,827.87
<b>Total Long Term Investment [F=D+E]</b>				<b>112,126.09</b>	15,826.71
<b>(B) CURRENT INVESTMENTS</b>					
<b>NON TRADE INVESTMENT QUOTED</b>					
<b>IN EQUITY SHARES - FULLY PAID UP</b>					
Dalmia Cement (Bharat) Ltd.	-	168,000	2	-	605.59
Lakshmi Machine Works Ltd.	-	1,521	10	-	36.18
Oswal Chemicals & Fertilizers Ltd.	-	414,032	10	-	104.52
Reliance Industries Ltd.	-	222,150	10	-	980.79
Reliance Natural Resources Ltd.	-	1,084,000	5	-	109.53
Rap Media Ltd.	-	350,000	10	-	889.00
Vikrangee Softwares Ltd.	-	100,000	10	-	136.70
<b>IN EQUITY SHARES - PARTLY PAID UP</b>					
Hindalco Industries Ltd. (Partly Paid Rs. 0.50 Per Shares)	-	235,000	1	-	190.24
<b>NON TRADE INVESTMENT (UNQUOTED)</b>					
<b>IN UNITS - FULLY PAID UP</b>					
Prudential ICICI Inst LQ. Plan	-	1,001,109	10	-	100.29
LICMF Index Fund Nifty Dividend Plan	122,712,326	-	10	12,561.20	-
J.M. High Liquidity Fund Super Institutional Plan Daily Dividend	444,884,518	-	10	44,506.69	-
UTI Index Select fund Dividend plan Payout	8,454,106	-	10	1,400.00	-
UTI Nifty Index Fund Dividend plan Payout	8,359,053	-	10	1,271.64	-
DSP Merrill Lynch Liquid Plus Institutional Plan Daily Dividend	950,886	-	1000	9,514.09	-
Fidelity Liquid Plus Super Inst- Daily Dividend	30,102,989	-	10	3,010.76	-
<b>Total Current Investment [G]</b>				<b>72,264.38</b>	3,152.84
<b>TOTAL INVESTMENT [F+G]</b>				<b>184,390.47</b>	18,979.55

## SCHEDULES forming part of the Balance Sheet

### NOTES:

- 1) Aggregate value of Investments :-

	As at 31.03.2008		As at 31.03.2007	
	Book Value	Market Value	Book Value	Market Value
Quoted Investments	86,563.07	66,392.15	3,052.55	5,378.04
Unquoted Investments	97,827.40	-	15,927.00	-

- 2) As per the scheme of demerger of Indiabulls Financial Services Limited (IBFSL) :-

a) The Company was allotted 1,00,000 Shares of Indiabulls Securities Limited (ISL) of face value of Rs. 2/- each, which have been valued at 2.84% of the cost prior to implementation of the scheme of the demerger of Indiabulls Financial Services Limited (IBFSL).

b) The shares of Indiabulls Financial Services Limited (IBFSL) have been valued at 97.16% of the cost of the shares prior to the implementation of the scheme of the demerger.

- 3) As per the Composite scheme of Arrangement as approved by the Hon'ble Bombay High Court. between Nicholas Piramal India Ltd. (NPIL) and Piramal Life Sciences Ltd. (PLSL), the Company has been allotted 1 equity Share of Rs. 10/- each of PLSL for every 10 Equity Shares of Rs. 2/- each held in NPIL.
- 4) The current investments are net off provision for diminution in value of current investment by Rs. 267.16 Lac( Previous Year Rs 610.69 Lac.)
- 5) In the opinion of the management, diminution in the value of Long Term Investments is other than temporary and hence no provision has been considered necessarily.
- 6) **Movements during the year**

(Rs. In Lac)

Purchased and Sold	Face Value	Nos.	Cost
Mahanagar Telephone Nigam Ltd.	10	474,000	779.49
State Bank of India	10	83,189	1,941.96
ONGC	10	2,406,000	27,700.09
Infrastructure Development & Finance Co. Ltd.	10	4,850,000	9,909.69
Grasim Industries Ltd.	10	20,114	714.80
ITC Limited	10	300,000	591.29
Jaiprakash Associates Ltd.	10	100,000	397.22
Sun TV Network Ltd.	10	98,121	375.24
Gokuldas Export	10	200,000	536.61
Century Textile & Industries Ltd.	10	8,186	93.02
Greenery Power Generation Pvt. Ltd.	10	2,200	0.22
Spectra Power Dis.Pvt. Ltd.	10	2,200	0.22
<b>Mutual Fund Units</b>			
Prudential ICICI Liquid Plan -	10	87,983,019	8,806.69
Prudential ICICI 32ISD Liquid Plan -	10	626,955,677	62,698.70
Prudential ICICI 28Q Income Plan	10	284,879,883	30,121.77
Birla Sun Life B332DD Liquid plus	10	443,956,239	44,425.81
Birla Sun Life B503DD Cash plus	10	186,743,284	18,710.74
Fidelity Cash Fund	10	15,002,350	1,500.25
DSP Merrill Lynch Liquid Plus	1,000	4,423,863	44,255.44
DSP Merrill Lynch Cash Plus	1,000	3,360,431	33,607.67
DSP Merrill Lynch Liquid Fund	1,000	501,552	5,016.52
JM High Liquidity Fund	10	469,339,808	47,011.42
JM High Super Plus	10	276,136,784	27,625.00
UTI Mutual fund Daily Dividend	1,000	2,456,098	25,038.58

**SCHEDULES** forming part of the Balance Sheet

	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "G"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
(As taken, Valued and Certified by the Management)		
Stores, Spares, Packing Materials, Fuel, etc.	639.86	519.35
Raw Materials	1,631.25	2,216.87
Work-in-Process	459.57	375.57
Finished Goods	1,633.79	746.97
Scrap	58.88	18.16
Others*	2.94	2.94
	<b>4,426.29</b>	<b>3,879.86</b>
* Includes realisable value of discarded fixed assets Rs. 2.94 lac ( Previous year Rs. 2.94 Lac ).		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good and subject to confirmation)		
For a period of more than six months	18.86	6.69
Others *	7,538.30	2,569.67
	<b>7,557.16</b>	<b>2,576.36</b>
*Includes Rs. 53.41 Lac (Previous Year Rs. 0.96 Lac) due from Sarbags PTY Ltd., a Subsidiary Company.		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	1.97	2.06
Balances with Scheduled Banks		
In Current Accounts	293.77	1,383.98
In Fixed Deposit Accounts *	208.41	141.10
	<b>504.15</b>	<b>1,527.14</b>
* Includes Rs. 208.41 Lac pledged with various Govt. Depts.( Previous year Rs 140.25 Lac.)		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Investments	-	1.58
		-
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good and subject to confirmation)		
Subsidiary Companies	23,587.79	2.75
Advances recoverable in cash or in kind or for value to be received *	23,181.00	3,105.14
Deposits	189.52	184.80
Balance with Customs & Excise Authorities	324.54	92.84
Income Tax (Net)	1,213.88	775.79
MAT Credit	1,161.76	425.23
	<b>49,658.49</b>	<b>4,586.55</b>
	<b>62,147.67</b>	<b>12,569.91</b>

\* Includes Rs. 16780.94 Lac (Previous year Rs. nil) as share and debenture application money and Rs Nil (Previous Year Rs. 404 Lac) being advance paid towards uncalled money

**SCHEDULES** forming part of the Balance Sheet

	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "H"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors *		
(i) Micro and Small Enterprises	25.75	-
(ii) Others	1,337.86	430.33
(Refer Note No. 29 of Schedule 'O')		
Subsidiary Company		12.09
Other Liabilities		810.96
Interest Accrued but not due on Loan		30.38
Unclaimed for Scheme of Arrangements		38.81
Investors Education & Protection Fund #		
Unclaimed Dividend		2.98
		2,258.83
		823.08
<b>PROVISIONS</b>		
Income Tax & Fringe Benefit Tax	1,211.56	790.92
Wealth Tax (Net)	9.94	8.11
Proposed Dividend on Preference Shares	0.52	-
Proposed Dividend on Equity Shares	490.17	-
Tax on Proposed Dividend	83.39	-
Staff Benefit Schemes	89.73	45.68
Forward Contract (MTM)	22.75	-
Other Provision**	69.89	3.75
		1,977.95
		848.46
		4,236.78
		1,671.54

\* Includes Rs. 68.53 Lac ( previous year Rs. 61.46 Lac ) for capital expenditure.

\*\* The Company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March 2007 of Rs. 3.75 Lac as per the estimated pattern of despatches. During the year Rs. 3.75 Lac was utilized for clearance of goods. Liability recognized under this class for the year is Rs. 69.89 Lac, which is outstanding as on 31st March 2008. Actual outflow is expected in the next financial year.

# The amount does not include amount, due & outstanding, to be credited to Investor Education and Protection Fund.

**SCHEDULES** forming part of the Profit and Loss Account

	(Rs. in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>SCHEDULE "I"</b>		
<b>TURNOVER</b>		
Sales	30,803.04	25,034.49
Job work Charges	1,562.12	400.14
Export Incentive	-	813.73
Commission	425.38	840.54
	32,790.54	27,088.90



## SCHEDULES forming part of the Profit and Loss Account

(Rs. in Lac)

Year Ended  
31.03.2008

Year Ended  
31.03.2007

### SCHEDULE "J"

#### OTHER INCOME

Dividend on			
Long Term Investments	391.05	-	
Current Investments	2,412.02	535.92	
Profit on sale of :			
Long Term Investments	4,217.79	-	
Current Investments	4,282.63	6,369.60	
Interest on			
Long Term Investments	1.58	-	
Others	999.01	764.29	
( Tax deducted at Source Rs. 122.30 Lac (Previous year Rs. 127.49 Lac )			
Interest Subsidy (Refer Note No. 8 of Schedule 'O')	61.72	-	
Rent Received	208.32	117.16	
Exchange difference (Net)	159.49	36.39	
Sundry Balances W/Back(Net)	1.82	30.49	
Sales Tax Refund	61.08	-	
Miscellaneous Income	151.53	49.90	
	<b>12,948.04</b>	<b>7,903.75</b>	

### SCHEDULE "K"

#### Variation In Stocks

Closing Stock			
Work-in-Process	459.57		375.57
Finished Goods	1,633.79		746.97
Scrap	58.88		18.16
		2,152.24	1,140.70
Less: Business Purchase			
Work-in-Process	84.35		-
Finished Goods	530.58		-
Scrap	5.10		-
		620.03	-
Less :Opening Stock			
Work-in-Process	375.57		319.98
Finished Goods	746.97		3,461.56
Scrap	18.16		63.80
Others	-		9.46
		1,140.70	3,854.80
		<b>391.51</b>	<b>(2,714.10)</b>

### SCHEDULE "L"

#### MANUFACTURING AND OTHER EXPENSES

##### RAW MATERIALS CONSUMED

Opening Stock	2,216.87		509.28
Less Cost of Goods Sold	15.00		-
Add: Purchases	12,335.53		12,343.48
	14,537.40		12,852.76
Less: Closing Stock	1,631.25		2,216.87
		12,906.15	10,635.89

**SCHEDULES** forming part of the Profit and Loss Account

	(Rs. in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>MANUFACTURING EXPENSES</b>		
Power, Fuel and Water	1,473.97	1,452.72
Stores, Spares and Packing Materials Consumed	892.13	853.52
Excise Duty ( Refer Note No.27 of schedule 'O' )	72.28	(301.29)
Job Work Charges	1,527.85	103.83
Repairs and Maintenance		
Plant & Machinery	61.69	41.72
Buildings	38.77	57.42
	<b>4,066.69</b>	<b>2,207.92</b>
<b>EMPLOYEES' REMUNERATION AND BENEFITS</b>		
Salaries, Wages and Perquisites	1,820.51	1,133.27
Contribution to Provident and Other Funds	81.63	54.24
Staff Welfare & amenities	19.73	11.32
Gratuity	8.50	10.84
	<b>1,930.37</b>	<b>1,209.67</b>
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement, Publicity and Sales Promotion	14.51	13.35
Freight, Handling Charges and Octroi (Net)	175.98	341.14
Brokerage, Commission and Discount	83.36	132.25
	<b>273.85</b>	<b>486.74</b>
<b>ADMINISTRATION &amp; GENERAL EXPENSES</b>		
Rent	27.07	27.33
Rates and Taxes	36.26	41.09
Repair & Maintenance others	20.07	20.97
Insurance	42.30	63.69
Legal, Professional and Consultancy Charges	108.46	58.68
Investment Management Fee	18.92	-
Travelling and Conveyance	131.23	121.24
Payment to Auditors	50.64	19.85
Provision for Diminution in value of Current Investments	267.16	610.69
Directors Sitting Fees	4.05	3.24
Charity and Donation	2.72	0.05
Bad Debts	-	2.00
Loss on Sale of Fixed Assets ( Net )	31.97	13.20
Wealth Tax	9.00	7.17
Other Expenses	127.86	163.81
	<b>877.71</b>	<b>1,153.01</b>
	<b>20,054.77</b>	<b>15,693.23</b>

**SCHEDULE "M"**

<b>INTEREST &amp; FINANCE CHARGES</b>		
Interest on Fixed Loans (Net)	331.41	288.99
Interest on Others	185.56	159.21
Bank Charges	72.78	58.04
	<b>589.75</b>	<b>506.24</b>

As per our attached report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

For and on behalf of the Board of Directors

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

### SCHEDULE "N"

#### SIGNIFICANT ACCOUNTING POLICIES

##### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

##### b. USE OF ESTIMATES

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

##### c. FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction, net of modvat / cenvat, Value Added Tax, less accumulated depreciation. All costs, including trial production and financing costs till commencement of commercial production are capitalised.

##### d. DEPRECIATION

- i) Depreciation has been provided on Fixed Assets on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except acquisition of insurance spares and on additions /extensions forming an integral part of existing plants on which depreciation has been provided over residual life of the respective fixed assets.
- ii) Drawings & Designs are written off on straight line method over a period of ten years.
- iii) The leasehold land has been amortisation over the lease period.
- iv) Fixed assets where ownership vest with the Government / Local authorities are amortised at the rates of depreciation specified in Schedule XIV to the Companies Act, 1956.

##### e. INVESTMENTS

Current Investments are carried at lower of cost and market value/NAV, computed individually. Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management.

##### f. VALUATION OF INVENTORIES

In general, all inventories of Finished Goods, Work-in-Progress etc., are stated at lower of cost or net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw Material and Stores & Spares in respect of Packaging / Spinning Division are stated at cost on FIFO basis and in respect of Steel Division on Average basis. Scrap and trial run products are valued at estimated net realisable value. Inventories of Finished Goods and Scrap includes excise duty wherever applicable.

##### g. CUSTOMS

The liability on account of Customs duty is recognised on clearance of the goods from the bonded warehouse.

##### h. EXPORT INCENTIVES

- i) The benefits in respect of Duty Draw Back and Credit in Duty Entitlement Pass Book scheme is recognised as and when right to receive are established as per the terms of scheme.
- ii) The benefits in respect of Advance Licence received by the Company against the Export made by it are recognised as and when goods are imported against them.

##### i. FOREIGN CURRENCY TRANSACTIONS

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items, which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange rate difference and the premium paid on forward contracts has been recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account.

##### j. TURNOVER

Turnover include sales of goods, services, waste, scrap, commission, export incentive, excise duty and service tax but excludes sales tax / Value Added Tax.

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

### k. EMPLOYEES' BENEFITS

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- iii) Compensated absences are accounted similar to the short term employee benefits.

### l. BORROWING COST

Borrowing costs that are attributable to the acquisition or Construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### m. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

### n. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### o. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

### p. DERIVATIVE TRANSACTIONS

In respect of derivative contract, premium paid, provision for losses on re-statement and gains/losses on settlement are recognised along with underlying transactions and charged to profit & loss account.

## SCHEDULE 'O'

### NOTES ON ACCOUNTS

- 1 In the opinion of the Management, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business.
- 2 The Company has adopted Accounting Standard 15 (Revised 2005) - Employee benefits ("AS - 15") from 1st April, 2007. Pursuant to adoption, the Company has determined the liability for Gratuity in accordance with revised AS - 15. The impact for the same on the financial statements for the year ended 31st March, 2008 is not material.

#### (i) Gratuity - Long Term Defined Benefit Plan :-

In accordance with revised AS - 15, "Employee Benefits", the Company has provided the liability on actuarial basis. As per the actuarial certificate the details of employees, benefits plan - Gratuity are:

Particulars	Gratuity (Rs. In Lac)
Actuarial assumptions	2007-08
Mortality Table (LIC)	1994-96 (ultimate)
Salary growth :-	6%
Discount rate	8%
Expected return on plan assets	8%
<b>Amount recognised in the income statement</b>	
Current service cost	20.98
Interest cost	3.20
Expected Return on Plan Assets	-
Net actuarial (gains)/losses recognised in the period	(14.68)
<b>Total</b>	<b>9.50</b>

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

Particulars	2007-08
<b>Movement in present value of defined benefit obligation</b>	
<b>Particulars</b>	
Obligation at the beginning of the year	40.95
Current service cost	20.98
Interest cost	3.20
Actuarial (gains)/losses on obligation	(14.68)
Benefits paid	(1.93)
<b>Obligation at the end of the year</b>	<b>48.52</b>
<b>Movement in present value of plan assets</b>	
<b>Particulars</b>	
Fair value at the beginning of the year	-
Expected Return on Plan Assets	-
Contribution	1.93
Actuarial gains and losses	-
Benefits paid	(1.93)
<b>Fair value at the end of the year</b>	<b>-</b>
<b>Amount recognised in the balance sheet</b>	
Present value of obligations at the end of the year	-
Less: Fair value of plan assets at the end of the year	-
Funded status	-
<b>Net liability recognised in the balance sheet</b>	<b>48.52</b>
<b>(ii) Defined Contribution Plan :-</b>	
Contribution to Defined Contribution Plan, recognised as expense for the year, are as under:	
Employer's Contribution to Provident Fund	47.33
Employer's Contribution to Pension Scheme	20.83

**Note:** This being the first year of implementation, hence previous year figures have not been given.

### 3 Auditor's Remuneration

(Rs. In Lac )

	2007-08	2006-07
Audit Fees	15.00	10.00
Tax Audit Fees	8.00	3.50
Certification Fees	23.55	3.90
Out of Pocket Expense	4.09	2.45
	<b>50.64</b>	<b>19.85</b>

**4.a)** The Company has been advised that the computation of net Profits for the purpose of Directors' remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956.

### b) Directors' Remuneration

(Rs. In Lac )

	2007-08	2006-07
Salary	57.85	39.28
Perquisites	2.32	2.19
	<b>60.17</b>	<b>41.47</b>

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

### 5 Disclosure of Financial and Derivative Instruments

a Derivative contracts entered into by the Company and outstanding as on 31st March 2008 for Hedging Foreign Currency  
(Rs. In Lac )

	2007-08	2006-07
Forward Contracts (Forecast transaction)	3,574.55	-

b Unhedged foreign currency exposure is as under :-

	2007-08	2006-07
Payable	1,111.74	2,379.62
Receivable	-	632.58

c In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Schedule VI of the Companies Act, 1956, the Company has charged an amount of Rs. 22.75 Lac to the Profit and Loss Account in respect of derivative contracts outstanding as at 31st March, 2008.

d All derivate and Financial instruments acquired by the Company are for hedging purpose only.

6 The Company has acquired the manufacturing units of Pet Fibres Limited situated at Survey No.168/182-191 Dabhel Industrial Co-operative Society, Dabel, Daman (U.T.) engaged in the manufacturing of Packaging items like PP/HDPE wovens sacks and fabric etc., and units of Prime Wovens Limited situated at Survey No.326/1& 326/2/1, Athal (U.T.), engaged in the manufacturing of Packaging items like PP/HDPE, Woven sacks, jumbo bags and PP staple fibre, at lumpsum consideration of Rs. 5500 Lac and Rs. 7000 Lac respectively on dated 24th September, 2007 on going concern basis. The said considerations have been allocated amongst Fixed Assets, Current Assets and Current Liabilities based on value determined on that date.

7 During the year the Company has incurred Issue Expenses amounting to Rs. 1240.29 Lac in connection with Issue of shares on preferential basis and sub-division of existing shares of Rs. 10/- each into Re.1/- each, which has been adjusted against the Securities Premium.

8 During the year the Company has been sanctioned a sum of Rs. 125.89 Lac as the interest subsidy upto 31st March, 2008, under the Technology Upgradation Fund Scheme (TUFS) governed by Ministry of Textiles of India. Out of above interest subsidy of Rs. 64.17 Lac being the amount related to year ended 31st March 2008, has been netted against interest expense of the current year and Rs. 61.72 Lac related to earlier year, has been accounted under the head other Income in "Schedule J" to the Profit and Loss Account.

### 9 The details of Pre-operative expenditure :

(Rs. In Lac)

Particulars	2007-08	2006-07
Employees' Remuneration & Benefits	29.77	10.20
Power, Fuel & Water	10.36	4.34
Rates & Taxes	2.29	1.46
Legal, Professional & Consultancy	2.03	3.44
Travelling & Conveyance	2.95	1.73
Bank Charges	0.13	0.02
Other Expenses	3.47	1.95
Consumable & Stores	2.54	0.34
Repair & Maintenance	0.17	-
Loss on Sale of Plant & Machinery	2.54	2.54
Freight Inward	0.35	0.22
Testing Charges	0.14	0.14
Processing Charges	0.02	-
Total Expenses	56.76	26.38
Less :- Misc. Income	0.75	0.67
Total	56.01	25.71
Less :- allocated During the Year	56.01	2.91
	-	22.80

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

- 10 Advance recoverable in cash or in kind / debtors, includes the following amounts due from Private Companies / Partnership Firms, in which Directors are interested:-

(Rs. In Lac)

Name of the Party	2007-08	2006-07
Poly Plast Agencies (I) Pvt.Ltd.	1.99	7.48
Resin Distributors (P) Ltd.	158.01	2.33
Silvassa Plastic	0.07	-
Daman Plastic	0.03	0.03
<b>Total</b>	<b>160.10</b>	<b>9.84</b>

- 11 The deferred tax liability comprises of the following:

(Rs. In Lac )

	As on 31.03.2008	As on 31.03.2007
<b>(i) Deferred Tax Liability</b>		
Related to fixed assets	1,487.43	1,379.35
	1,487.43	1,379.35
<b>(ii) Deferred Tax Assets</b>		
Provision for diminution in value of current investment	90.81	67.65
Disallowance under the Income Tax Act, 1961	30.50	15.53
<b>Total</b>	<b>121.31</b>	<b>83.18</b>
<b>Deferred tax Liability (net)</b>	<b>1,366.12</b>	<b>1,296.17</b>

- 12 As per Accounting Standard-21 on " Consolidated Financial Statement " and Accounting Standard - 23 on "Accounting for Investment in associates in Consolidated Financial Statement ", the Company has presented Consolidated Financial Statement, including Subsidiaries and Associates. Accordingly Segment Information as required under Accounting Standard - 17 on Segment reporting is included under the notes to Consolidated Financial Statements.

- 13 Basic and Diluted Earnings per Share

(Rs. In Lac )

	2007-08	2006-07
Net Profit after tax	12,815.35	7,184.00
Less :- Dividend on Preference Shares and tax thereon	0.61	-
Profit attributable to equity share holders	12,814.74	7,184.00
Weighted Average no of Equity Shares outstanding during the year	174,583,335	172,538,800
Basic & Diluted Earning Per Share (Rs.)	7.34	4.16
Nominal Value per share	Re.1/-	Re.1/-

**Notes:-**

In compliance with the Accounting standard AS-20 "Earning Per Share", the earning per share for current and previous year has been calculated after considering the increase in outstanding number of Equity Shares due to split of Equity Shares of Rs. 10/- each into Re. 1/- each and issue of Bonus Shares in the ratio of 1:1

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

14 As per Accounting Standard 18, "Related party transaction" disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

**(I) List of related parties and relationship.**

**(i) Subsidiary:**

- 1) Sarbags PTY Ltd.
- 2) Jai Corp Finance & Holding Ltd. (Subsidiary w.e.f. 01.04.2007)
- 3) Urban Infrastructure Trustees Ltd. (Subsidiary w.e.f. 25.09.2007)
- 4) Urban Infrastructure Venture Capital Ltd. (Subsidiary w.e.f.25.09. 2007)
- 5) Jai Infraprojects Ltd. (Subsidiary w.e.f. 01.02.2008)
- 6) Jai Realty Ventures Ltd.(Subsidiary w.e.f. 10.12.2007)
- 7) Hill Rock Construction Pvt. Ltd.(Subsidiary w.e.f. 31.12.2007)
- 8) Ekdant Realty & Developers Pvt. Ltd. (Subsidiary w.e.f. 18.12.2007)
- 9) Hind Agri Properties Pvt. Ltd.(Subsidiary w.e.f. 26.12.2007)
- 10) Iconic Realtors Pvt. Ltd.(Subsidiary w.e.f. 18.12.2007)
- 11) Krupa Realtors Pvt. Ltd.(Subsidiary w.e.f. 18.12.2007)
- 12) Rudradev Developers Pvt. Ltd.(Subsidiary w.e.f. 18.12.2007)
- 13) Yug Developers Pvt. Ltd.(Subsidiary w.e.f. 26.12.2007)
- 14) Vasant Bahar Realty Pvt. Ltd.(Subsidiary w.e.f. 31.12.2007)
- 15) Hari Darshan Realty Pvt. Ltd.(Subsidiary w.e.f. 31.12.2007)
- 16) Rainbow Infraprojects Pvt. Ltd. (Subsidiary w.e.f. 03.01.2008)
- 17) Novelty Realty & Developers Pvt. Ltd.(Subsidiary w.e.f. 15.01.2008)
- 18) Ashoka Realty & Developers Pvt. Ltd (Subsidiary w.e.f. 08.02.2008)
- 19) Dev Realty & Developers Pvt. Ltd. (Subsidiary w.e.f. 08.02.2008)
- 20) Rejoice Land Developers Pvt. Ltd (Subsidiary w.e.f. 08.02.2008)
- 21) Swastik Land Developers Pvt. Ltd. (Subsidiary w.e.f. 08.02.2008)
- 22) Samart Realty & Developers Pvt. Ltd. (Subsidiary w.e.f. 08.02.2008)
- 23) Swar Land Developers Pvt. Ltd.(Subsidiary w.e.f. 17.12.2007)
- 24) Jai Laxmi Realty & Developers Pvt. Ltd.(Subsidiary w.e.f. 25.02.2008)
- 25) Awas Realtors Pvt. Ltd.(Subsidiary w.e.f.10.03.2008)
- 26) Krupa Land Pvt. Ltd. (Subsidiary w.e.f. 19.01.2008)
- 27) Urban Gas Ltd.(Subsidiary w.e.f. 27.02.2008)
- 28) Urban Gas Distribution Ltd.(Subsidiary w.e.f. 27.02.2008)
- 29) Urban Gas Suppliers Ltd.(Subsidiary w.e.f. 27.02.2008)

**(ii) Associates :-**

- 1) Urban Infrastructure Construction Pvt. Ltd. (Associate w.e.f. 30.06.2007)
- 2) Urban Water Supply Pvt. Ltd. (Associate w.e.f. 30.06.2007)
- 3) Urban Infrastructure Holding Pvt. Ltd.(Associate w.e.f. 19.09.2007)
- 4) Urban Energy Distribution Pvt. Ltd.
- 5) Urban Energy Transmission Pvt. Ltd.
- 6) Urban Energy Generation Pvt. Ltd.
- 7) Urban Communication Infrastructure Pvt. Ltd.
- 8) Urban Infotech Solution Pvt. Ltd.
- 9) Urban Telecom Pvt. Ltd. (Associate up to 12.12.2007)
- 10) Urban Assets Reconstruction Pvt. Ltd. (Associate up to 12.12.2007)
- 11) Greenary Power Generation Pvt. Ltd. (Associate from 15.05.2007 to 12.12.2007)
- 12) Spectra Power Distribution Pvt. Ltd. (Associate from 15.05.2007 to 12.12.2007)

**(iii) Key Managerial Personnel :-**

- 1) Shri J. K. Jain
- 2) Shri Anand Jain
- 3) Shri S.P.Jain
- 4) Shri Virendra Jain
- 5) Shri V. S. Pandit
- 6) Shri Gaurav Jain



## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

### (iv ) Relatives of Key Managerial Personnel :-

- |                     |                            |
|---------------------|----------------------------|
| 1) Smt. Laxmi Jain  | Relative of Shri S.P..Jain |
| 2) Smt. Rina Jain   | Relative of Shri V.K.Jain  |
| 3) Smt. Sushma Jain | Relative of Shri A.Jain    |

### (v ) Others :-

- 1) Pet Fibres Ltd.
- 2) Sun Shine Fibres Pvt. Ltd.
- 3) Dotson Steels Ltd.
- 4) Suniti Commercials Ltd.
- 5) Silvassa Plastic
- 6) Silvassa Pipes Pvt. Ltd.
- 7) Resin Distributors Pvt. Ltd.
- 8) Puriya Industrial Packaging Ltd.
- 9) Polyplast Agencies Pvt. Ltd.
- 10) Prime Wovens Ltd.
- 11) Tech Fab India
- 12) Polysil Pipes
- 13) Daman Plastic
- 14) Clean Pet
- 15) Tufropes Pvt. Ltd.
- 16) Adventivity BPO India Pvt. Ltd.
- 17) Polyole Fibres Pvt. Limited
- 18) Poly Resin

### (II) Transactions during the year with related parties :

(Rs. In Lac )

Nature of Transaction	Subsidiary	Associates	Key Managerial Personnel	Other Related Parties	Relatives of Key managerial person	Total
Preference Share						
(a) Capital Issued during the year	-	-	-	-	150,000.00	150,000.00
	(-)	(-)	(-)	(-)	(-)	(-)
Business Purchase						
(a) Acquired during the year	-	-	-	12,500.00	-	12,500.00
	(-)	(-)	(-)	(-)	(-)	(-)
Fixed Assets						
(a) Sold during the year	-	-	-	136.94	-	136.94
	(-)	(-)	(-)	(13.63)	(-)	(13.63)
(b) Purchased during the year	-	-	-	161.19	-	161.19
	(-)	(-)	(-)	(12.21)	(-)	(12.21)
Investments						
(a) Purchased during the year	277.80	2,132.34	-	696.16	-	3,106.30
	(-)	(50.40)	(-)	(-)	(-)	(50.40)
(b) Preference Share Redeemed during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	-
(c) Sale during the year	-	0.98	-	13,500.00	-	13,500.98
	(-)	(-)	(-)	(-)	(-)	(-)
<b>(c) Balance as at 31st March, 2008</b>	<b>342.63</b>	<b>3,930.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,273.29</b>
	(12.34)	(55.40)	(-)	(1,340.00)	(-)	(1,407.74)
<b>Sundry Debtors as at 31st March, 2008</b>	<b>53.41</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>53.51</b>
	(0.96)	(-)	(-)	(0.03)	(-)	(0.96)
Loans & Advances						
(a) Given/adjusted during the year	23,587.79	-	-	-	-	23,587.79
	(-)	(-)	(-)	(172.00)	(-)	(172.00)
(b) Returned during the year	-	-	-	-	-	-
				(172.00)		(172.00)
(c) Share Application Money	-	10,751.45	-	-	-	10,751.45
	(-)	(-)	(-)	-	(-)	-
<b>(d) Balances as at 31st March, 2008</b>	<b>23,587.79</b>	<b>10,751.45</b>	<b>-</b>	<b>160.00</b>	<b>-</b>	<b>34,499.24</b>
	(2.75)	(-)	(-)	(9.81)	(-)	(12.56)
Sundry Creditors as at 31st March, 2008	12.09	-	-	-	-	12.09
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Goods						
(a) Sales	20.98	-	-	947.53	-	968.51
	(21.37)	(-)	(-)	(307.18)	(-)	(328.55)

**SCHEDULES** forming part of the Balance Sheet and Profit and Loss Account

Nature of Transaction	(Rs. In Lac )					
	Subsidiary	Associates	Key Managerial Personnel	Other Related Parties	Relatives of Key managerial person	Total
(b) Services	-	-	-	1,074.91	-	1,074.91
	(-)	(-)	(-)	(3.80)	(-)	(3.80)
Other Income						
(a) Miscellaneous Income	-	-	-	-	-	-
	(-)	(-)	(-)	(4.00)	(-)	(4.00)
Purchase of Goods	-	-	-	342.37	-	342.37
	(-)	(-)	(-)	(204.58)	(-)	(204.58)
Discount on Raw Materials	-	-	-	424.19	-	424.19
( Deducted from Purchases)	(-)	(-)	(-)	(66.99)	(-)	(66.99)
Recovery of Expenses	-	-	-	0.07	-	0.07
	(-)	(-)	(-)	(0.25)	(-)	(0.25)
Dividend on Preference shares	-	-	-	-	0.52	0.52
	(-)	(-)	(-)	(-)	(-)	-
Expenditure						
(a) Directors' Remuneration & Perks	-	-	60.17	-	-	60.17
	(-)	(-)	(41.47)	(-)	(-)	(41.47)
(b) Directors' Sitting Fee	-	-	0.90	-	-	0.90
	(-)	(-)	(1.15)	(-)	(-)	(1.15)
(c) Job work Charges	-	-	-	11.79	-	11.79
	(-)	(-)	(-)	(15.99)	(-)	(15.99)
(d) Rent	-	-	-	7.62	-	7.62
	(-)	(-)	(-)	(12.00)	(-)	(12.00)
(e) Investment Management Fee	18.92	-	-	-	-	18.92
	(-)	(-)	(-)	(-)	(-)	(-)
(f) Other Expenses	-	-	-	0.81	-	0.81
	(-)	(-)	(-)	(0.62)	(-)	(0.62)

**Note:**

Figures in bracket represent previous year's amounts

**Significant transactions with related parties:-**

- i) Preference Share allotted includes Rs. 50,000.00 Lac (Previous Year Rs. Nil) to Sushma Jain, Rs. 55,000.00 Lac (Previous Year Rs. Nil) to Rina Jain and Rs. 45,000.00 Lac (Previous Year Rs. Nil) to Laxmi Jain.
- ii) Business purchased Includes Rs. 5,500.00 Lac (Previous Year Rs. Nil) purchased from Pet Fibers Limited and Rs. 7,000.00 Lac (Previous Year Rs. Nil) purchased from Prime Wovens Limited.
- iii) Fixed Assets Includes Rs. 118.87 Lac (Previous Year Rs. 1.41 Lac) sold to Pet Fibers Limited Rs. 0.42 Lac (Previous Year Rs. 12.18 Lac ) sold to Prime Wovens Limited and Rs. 17.30 Lac (Previous Year Rs. Nil) sold to Adventity BPO India Pvt. Limited.
- iv) Fixed Assets Includes Rs. 155.03 Lac (Previous Year Rs. 1.78 Lac) purchased from Pet Fibers Limited, Rs. 6.16 Lac (Previous Year Rs. 7.75 Lac) purchased from Prime Wovens Limited and Rs. Nil (Previous Year Rs. 2.25 Lac) purchased from Suniti Commercial Limited.
- v) Investment made during the year Rs. 50.28 Lac (Previous Year Rs. 47.50 Lac) in Urban Infrastructure Venture Capital Limited, Rs. 2,131.54 Lac (Previous year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited and Rs. 696.16 Lac (Previous year Rs. Nil) in Pet Fibers Limited
- vi) Investment redeemed during the year Includes Rs. 4,560.00 Lac (Previous Year Rs. Nil) in Pet Fibers Limited and Rs. 8,940.00 Lac (Previous Year Rs. Nil) in Prime Wovens Limited.
- vii) Investment as at 31st March 2008, Includes Rs. 3927.86 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited and Rs. Nil (Previous Year Rs. 1340.00 Lac) in Adventity BPO India Pvt. Limited.
- viii) Debtors as on 31.03.2008 includes Rs. 53.41 Lac (Previous Year Rs. Nil) due from Sarbag PTY Limited.
- ix) Loans and advances Includes Rs. Nil (Previous Year Rs. 112.00 Lac) given to Pet Fibres Limited, Rs. Nil (Previous Year Rs. 60.00 Lac) given to Prime Wovens Limited and Rs. 23567.79 Lac (Previous Year Rs. Nil) given to Jai Realty Venture Limited.

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

- x) Loans and Advances includes Rs. Nil (Previous Year Rs. 112.00 Lac) return by Pet Fibres Limited and Rs. Nil (Previous Year Rs. 60.00 Lac) return by Prime Wovens Limited.
- xi) Share Application Money includes Rs. 8151.45 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited.
- xii) Loans and advances as at 31st March 2008, Includes Rs. 23567.79 Lac (Previous Year Rs. Nil) in Jai Realty Venture Capital Limited and Rs. 8151.45 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited.
- xiii) Creditors as on 31.03.2008 includes Rs. 12.09 Lac (Previous Year Rs. Nil) due to Urban Infrastructure Venture Capital Limited.
- xiv) Sales Includes Rs. 127.69 Lac (Previous Year Rs. 246.36 Lac) sold to Prime Wovens Limited and Rs. 753.89 Lac (Previous Year Rs. 21.92 Lac) sold to Puriya Industrial Packaging Limited.
- xv) Services includes Rs. 1074.35 Lac (Previous Year Rs. 3.80 Lac) provided to Puriya Industrial Packaging Limited.
- xvi) Miscellaneous Income Includes Rs. Nil (Previous Year Rs. 0.63 Lac) received from Prime Wovens Limited, Rs. Nil (Previous Year Rs. 0.45 Lac) received from Tech Feb India and Rs. Nil (Previous Year Rs. 2.91 Lac) from Puriya Industrial Packaging Limited.
- xvii) Purchase of Goods Includes Rs. 140.39 Lac (Previous Year Rs. 190.92 Lac) purchased from Prime Wovens Limited, Rs 39.28 Lac (Previous Year Rs. 8.60 Lac) purchased from Puriya Industrial Packaging Limited, Rs 81.80 Lac (Previous Year Rs. 1.25) purchased from Sun Shine Fiber Pvt. Limited and Rs. 45.48 Lac (Previous Year Rs. Nil) purchased from Tufropes Pvt. Limited.
- xviii) Discount on Raw material includes Rs. 411.14 Lac (Previous Year Rs. 9.66 Lac ) received from Resin Distributors Pvt. Limited and Rs. 13.05 Lac (Previous Year Rs. 57.33 Lac ) received from Polyplast Agencies Pvt. Limited.
- xix) Recovery of Expenses represents Rs. 0.02 Lac (Previous Year Rs. 0.25 Lac) from Prime Wovens Limited and Rs. 0.05 Lac (Previous Year Rs. Nil) from Tech Feb India.
- xx) Dividend on Preference Shares paid includes Rs. 0.17 Lac (Previous Year Rs. Nil) to Sushma Jain, Rs. 0.19 Lac (Previous Year Rs. Nil) to Rina Jain and Rs. 0.16 Lac (Previous Year Rs. Nil) to Laxmi Jain.
- xxi) Director remuneration and perks Includes Rs. Nil (Previous Year Rs. 20.07 Lac) paid to S. P. Jain, Rs. 26.17 Lac (Previous Year Rs. 12.23 Lac) paid to Gaurav Jain , Rs. 10.00 Lac (Previous Year Rs. 9.17 Lac) paid to V. S. Pandit and Rs. 24.00 Lac (Previous Year Rs. Nil) paid to Virendra Jain.
- xxii) Director sitting fees Includes Rs. Nil Lac (Previous Year Rs. 0.45 Lac) paid to Virendra Jain , Rs. Nil (Previous Year Rs. 0.20 Lac) paid to Gaurav Jain, Rs. 0.20 Lac (Previous Year Rs. 0.10 Lac) paid to S.P. Jain, Rs. 0.40 Lac (Previous Year Rs. 0.40 Lac) paid to J.K. Jain and Rs. 0.30 Lac (Previous Year Nil) paid to Anand Jain.
- xxiii) Job work charges Includes Rs. 11.54 Lac (Previous Year Rs. 12.61 Lac) paid to Prime Wovens Limited and Rs. 0.07 Lac (Previous Year Rs. 2.94 Lac) paid to Daman Plastics.
- xxiv) Rent Expenditure Includes Rs. 7.62 Lac (Previous Year Rs. 12.00 Lac) paid to Pet Fibers Limited.
- xxv) Investment Management Fees includes Rs. 18.92 Lac (Previous Year Rs. Nil) paid to Urban Infrastructure Venture Capital Limited.
- xxvi) Other Expenses includes Rs. 0.16 Lac (Previous Year Rs. 0.05 Lac) paid to Pet Fibres Limited, Rs. 0.06 Lac (Previous Year Rs. 0.52 Lac) paid to Prime Wovens Limited, Rs. 0.23 Lac (Previous Year Rs. Nil) paid to Poly Resin, Rs. 0.18 Lac (Previous Year Rs. Nil) paid to Resin Distribution Pvt. Limited and Rs. 0.17 Lac (Previous Year Rs. Nil) paid to Polyole Fibres Pvt. Limited.

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

15 In accordance with the Clause 32 of listing agreement, advance in the nature of loan is/are as under:-

				(Rs. In Lac )
(a) Name of the Company	Relationship	Balance as at 31.03.2008	Balance as at 31.03.2007	Maximum amount outstanding during the year
Jai Corp Finance & Holding Ltd.	Subsidiary	5.00	-	5.00
Jai Infraprojects Ltd.	Subsidiary	15.00	-	17.80
Jai Reality Ventures Ltd	Subsidiary	23,567.79	-	23,567.79

**Note:-**

- (i) The above loans and advances are in the nature of loans where there is no repayment schedule and are free of interest.  
(ii) As per the Company policy loan to employee are not considered in (a) above.

(b) None of the loanees have made, *per se*, investment in the shares of the Company.

**(c) Investment in subsidiaries by:**

(i) Jai Infraprojects Limited

Sr. No.	Name of Company	No. of Shares
1	Urban Gas Ltd.	50000
2	Urban Gas Distribution Ltd.	50000
3	Urban Gas Suppliers Ltd.	50000

(ii) Jai Realty Ventures Limited

Sr. No.	Name of Company	No. of Shares	
		Equity	Preference
1	Ashoka Realty & Developers Pvt. Ltd.	10000	-
2	Awas Realtors Pvt. Ltd.	10000	-
3	Dev Realty & Developers Pvt. Ltd.	10000	-
4	Ekdant Realty & Developers Pvt. Ltd.	10000	-
5	Hari Darshan Realty Pvt. Ltd.	10000	10200
6	Hill Rock Construction Pvt. Ltd.	10000	9550
7	Hind Agri Properties Pvt. Ltd.	10000	-
8	Iconic Realtors Pvt. Ltd.	10000	-
9	Jai Laxmi Realty & Developers Pvt. Ltd.	10000	-
10	Krupa Land Pvt. Ltd.	10000	-
11	Krupa Realtors Pvt. Ltd.	10000	-
12	Novelty Realty & Developers Pvt. Ltd.	10000	-
13	Rainbow Infraprojects Pvt. Ltd.	10000	-
14	Rejoice Land Developers Pvt. Ltd.	10000	-
15	Rudradev Developers Pvt. Ltd.	10000	-
16	Samart Realty & Developers Pvt. Ltd.	10000	-
17	Swar Land Developers Pvt. Ltd.	10000	-
18	Swastik Land Developers Pvt. Ltd.	10000	-
19	Vasant Bahar Realty Pvt. Ltd.	10000	3300
20	Yug Developers Pvt. Ltd.	10000	5000

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

### 16 LICENSED AND INSTALLED CAPACITY (as certified by the Management)

	Unit	Licensed Capacity		Installed Capacity	
		2007-08	2006-07	2007-08	2006-07
(a) CR Coils	MT	N.A.	N.A.	62,500	62,500
(b) GP/GC Coils/Sheets	MT	N.A.	N.A.	55,000	55,000
(c) Woven Sacks/Fabrics	MT	N.A.	N.A.	57,380	19,500
(d) Spinning Yarn	MT	N.A.	N.A.	11,100	7,500
(e) Master Batch	MT	N.A.	N.A.	2,700	-
(f) Staple Fibres	MT	N.A.	N.A.	3,200	-

**Note :**

- Licensed Capacity is not applicable in view of the Company's products have been delicensed.
- In respect of acquired units, the installed capacity of woven sacks/fabric and staple fibre have been considered as a whole year.

### 17 ACTUAL PRODUCTION

	Unit	2007-08	2006-07
(a) CR Coils/Sheets * #	MT	27,942	36,274
(b) GP/GC Coils/Sheets ** #	MT	28,231	35,201
(c) HR Coil/Plates	MT	15,440	-
(d) Woven Sacks/Fabrics #	MT	19,563	5,906
(e) Tape & Liner #	MT	203	-
(f) Spinning Yarn	MT	1,925	4,768
(g) Master Batch ***#	MT	1,352	-
(h) Staple Fibres	MT	431	-

\* Including NIL MT (Previous year 11309 MT) Captive consumption.

\*\* Including NIL MT (Previous year 74 MT) Captive consumption.

\*\*\* Including 561 MT (Previous year NIL) Captive consumption.

# Including the goods manufactured as job processor CR Coils 27942 MT & GP/GC Coils 28231 MT (Previous year CR Coils 24535 MT & GP/CG Coils 24782 MT), Woven Sacks/Fabric 6389 MT. (Previous Year Nil), PP Tape 24 MT (Previous Year Nil), Master batch 5 MT (Previous year Nil).

(Rs. In Lac)

### 18 STOCKS

	2007-08		2006-07	
	Qty. (MT)	Value	Qty. (MT)	Value
<b>OPENING STOCK</b>				
CR Coils/Sheets	-	-	1,895	527.63
GP/GC Coils/Sheets	-	-	5,675	1,970.57
Woven Sacks/Fabrics	737	541.89	1,240	908.20
Spinning Yarn	181	205.08	54	55.16
Others	-	2.94	-	12.41
		749.91		3,473.97
<b>BUSINESS PURCHASE</b>				
Woven Sacks/Fabrics	507	500.21	-	-
Staple Fibres	36	30.37	-	-
		530.58		-
<b>CLOSING STOCK</b>				
Woven Sacks/Fabrics	1,270	1,048.80	737	541.89
Spinning Yarn	423	526.70	181	205.08
Master Batch	65	29.31	-	-
Staple Fibres	31	28.98	-	-
Others	-	2.94	-	2.94
		1,636.73		749.91

**SCHEDULES** forming part of the Balance Sheet and Profit and Loss Account

(Rs. In Lac)

<b>19</b>	<b>TURNOVER</b>	<b>2007-08</b>		<b>2006-07</b>	
	CR Coils/Sheets	-	-	2,325	726.35
	GP/GC Coils/Sheets	-	-	16,565	5,848.83
	H.R. Coils/Plate	15,440	5,218.32	-	-
	Melting Scrap	22,196	3,393.82	52,690	6,382.77
	Iron Spong	9,613	1,764.44	-	-
	Structural Steel	9,676	3,675.93	-	-
	Woven Sacks/Fabrics	13,148	13,205.82	6,409	5,630.35
	Master batch	721	288.27	-	-
	Tape & Liner	179	191.76	-	-
	Staple Fibres	436	406.39	-	-
	Spinning Yarn	1,683	2,339.52	4,641	5,756.17
	PP/Reprocess granules	94	37.75	20	6.94
	PSF/VSF	50	44.46	-	-
	Cr Strip	-	-	28	16.29
	Scrap	656	117.66	1,777	384.59
	Zinc	12	15.00	-	-
	Others	-	103.89	-	254.46
	Export Incentive	-	-	-	813.74
	Job work and Commission	-	1,987.50	-	1,268.41
			<b>32,790.54</b>		<b>27,088.90</b>
<b>20</b>	<b>RAW MATERIALS CONSUMED</b>	<b>2007-08</b>		<b>2006-07</b>	
		<b>Qty.</b>	<b>Value</b>	<b>Qty.</b>	<b>Value</b>
		<b>(MT)</b>		<b>(MT)</b>	
	HR Steel Coils	-	-	11,571	2,739.08
	Melting Scrap	18,085	2,992	-	-
	CR Coil	-	-	18	4.48
	Zinc & other Alloys	-	0.01	407	573.49
	PSF/VSF	1,928	1,526.33	4,923	3,853.37
	HDPE/PP/LDPE/LLDPE	12,877	7,765.58	5,758	3,270.92
	Master Batch	1,584	605.60	292	173.13
	Fabric	23	17.07	31	21.42
			<b>12,906.15</b>		<b>10,635.89</b>
<b>21</b>	<b>PURCHASES (TRADE)</b>	<b>2007-08</b>		<b>2006-07</b>	
		<b>Qty.</b>	<b>Value</b>	<b>Qty.</b>	<b>Value</b>
		<b>(MT)</b>		<b>(MT)</b>	
	H.R. Coils	-	-	545	222.75
	Melting Scrap	22,196	3,327.27	52,690	6,257.61
	Iron Spong	9,613	1,719.72	-	-
	Structural Steel	9,676	3,582.76	-	-
	Zinc	12.25	15.00	-	-
	Cotton /PSF/VSF	50	44.46	-	-
	CR Steel Strip	-	-	28	16.29
	Scrap	-	0.87	-	-
	Others	-	14.04	-	5.72
			<b>8,704.12</b>		<b>6,502.37</b>
<b>22</b>	<b>VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS AND COMPONENTS CONSUMED</b>	<b>2007-08</b>		<b>2006-07</b>	
		<b>Value</b>	<b>% of Total</b>	<b>Value</b>	<b>% of Total</b>
(i)	Raw Materials				
	Indigenous	9,837.32	76.22	10,521.54	98.92
	Imported	3,068.83	23.78	114.35	1.08
		<b>12,906.15</b>	<b>100.00</b>	<b>10,635.89</b>	<b>100.00</b>
(ii)	Spare Parts & Components				
	Indigenous	868.09	97.30	826.84	96.90
	Imported	24.04	2.70	26.68	3.10
		<b>892.13</b>	<b>100.00</b>	<b>853.52</b>	<b>100.00</b>

## SCHEDULES forming part of the Balance Sheet and Profit and Loss Account

		(Rs. In Lac)	
23	VALUE OF IMPORTS ON CIF BASIS	2007-08	2006-07
	Raw Materials	1,079.28	1,687.09
	Stores items	12.37	26.26
	Capital Goods	65.94	1,360.33
	Trading Goods	3,327.27	5,952.91
		<b>4,484.85</b>	<b>9,026.59</b>

		(Rs. In Lac)	
24	EXPENDITURE IN FOREIGN CURRENCY	2007-08	2006-07
	Travelling	13.24	9.31
	Interest and Bank Charges	137.14	138.07
	Others	-	8.93
		<b>150.38</b>	<b>156.31</b>

		(Rs. In Lac)	
25	EARNINGS IN FOREIGN CURRENCY	2007-08	2006-07
	FOB value of Exports *	5,423.65	6,791.48

\*Excluding Export through Export House Rs. Nil Lac (Previous Year Rs. 1836.41 Lac )

		(Rs. In Lac)	
26	Additional Information	As at 31.03.2008	As at 31.03.2007
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advance paid) (Cash outflow is expected on execution of such capital contracts)	1,209.93	169.90
(b)	Uncalled Liability on partly paid up share/ Debenture (net of advance paid towards unpaid calls)	89.25	20,462.80
(c)	Contingent Liabilities		
(i)	Claims against the Company not acknowledged as debts (Disputed liability in appeal)		
	Sales Tax	16.03	94.36
	Excise Duty	89.49	14.49
	Railway Claims	80.66	80.66
	Provident Fund	-	89.25
	Income Tax	-	82.26
	Other Claims	-	15.90
		<b>186.18</b>	<b>376.92</b>
(ii)	Unexpired letter of credit (These are established in favour of suppliers. But material under the aforesaid letter of credit are yet to be received as on year end date. Cash outflow expected on the basis of payment term as mention in Letter Of Credit.)	1,329.04	643.21
(iii)	Bank Guarantee (Bank Guarantee are Provided under contractual/legal obligation. No cash outflow is expected)	63.54	-

		As at 31.03.2008	(Rs. In Lac) As at 31.03.2007
27	Excise duty		
		<b>2007-08</b>	2006-07
a)	Excise duty shown as a reduction from Turnover	<b>1,891.00</b>	751.40
b)	Excise duty charged to Profit & Loss Account		
	i) Difference between closing & opening stock	<b>66.14</b>	(301.29)
	ii) Excise duty paid on Consignment Sale	<b>6.14</b>	-
		<b>72.28</b>	<b>(301.29)</b>

28 The Company has been sanctioned working capital loan facility of Rs. 980 Lac which is secured by hypothecation of the Company's inventories, book debts and movable assets and further secured by way of a negative lien on immovable fixed assets and also guaranteed by two of the Directors of the Company in their personal capacity. There is no balance outstanding against above facilities as on 31.03.2008.

29 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 and Companies Act, 1956 have been determined based on the information available with the Company and the required disclosures are given below:

		(Rs. In Lac) 2007-08
a	Principal amount remaining unpaid as on 31st March, 2008	<b>1363.61</b>
b	Interest due thereon as on 31st March, 2008	-
c	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-
d	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-
e	Interest accrued and remaining unpaid as at 31st March, 2008	-
f	Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-

**Note :-**

Previous year's figures are not included as the above disclosure has become mandatory from current year.

30 During the year's the Company is liable to pay Minimum Alternate Tax ("MAT") under section 115 JB of the Income Tax Act, 1961 ("The Act") and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than section 115 JB of the Act, in next seven years. Based on the future projection of the performances, prepared by the Company, the Company will be liable to pay the income tax computed as per the provisions, other than section 115 JB of the Act. Accordingly, as advised in Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, Rs. 736.53 Lac being the excess of tax payable under section 115 JB of the Act over tax payable as per the provisions other than section 115 JB of the Act has been considered as MAT credit entitlement and credited to profit and loss account.

31 The previous year's figures have been regrouped, rearranged, restated and reclassified wherever necessary.

*As per our attached report of even date*

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

*For and on behalf of the Board of Directors*

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

statement pursuant to part iv to schedule vi to the companies act ,1956.

Registration No . 

3	6	5	0	0
---	---	---	---	---

 State Code 

1	1
---	---

Balance Sheet Date 

3	1	-	0	3	-	2	0	0	8
---	---	---	---	---	---	---	---	---	---

CAPITAL RAISED DURING THE YEAR ( Amount in Rs Thousands ) :

Public Issue 

N	I	L
---	---	---

 Right Issue 

N	I	L
---	---	---

Bonus Issue 

8	6	2	6	9
---	---	---	---	---

 Private Placement  
(Preference Shares) 

1	5	0	0	0
---	---	---	---	---

Preferential Issue  
(Equity Shares) 

5	9	1	1
---	---	---	---

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS ( Amount in Rs. Thousands )

Total Liabilities 

2	6	9	8	0	3	5	7
---	---	---	---	---	---	---	---

 Total Assets 

2	6	9	8	0	3	5	7
---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital 

1	9	3	4	7	1
---	---	---	---	---	---

 Reserves and Surplus 

2	5	4	1	2	1	3	2
---	---	---	---	---	---	---	---

Secured Loans 

3	4	9	0	0	0
---	---	---	---	---	---

 Unsecured Loans 

4	6	5	4	6	4
---	---	---	---	---	---

Application of Funds

Net Fixed Assets 

2	3	2	6	5	4	3
---	---	---	---	---	---	---

 Investments 

1	8	4	3	9	0	4	7
---	---	---	---	---	---	---	---

Net Current Assets 

5	7	9	1	0	8	9
---	---	---	---	---	---	---

 Misc . Expenditure 

N	I	L
---	---	---

PERFORMANCE OF COMPANY (Amount in Rs. Thousand )

Turnover (Net) & Other Income 

4	3	8	0	1	0	8
---	---	---	---	---	---	---

 Total Expenditure 

3	0	8	3	2	2	6
---	---	---	---	---	---	---

Profit before Tax 

1	3	3	6	0	3	3
---	---	---	---	---	---	---

 Profit after Tax 

1	2	8	1	5	3	5
---	---	---	---	---	---	---

Earning Per Share in Rs.  
( Basic & Diluted ) 

7	.	3	4
---	---	---	---

 Dividend rate % 

-----100%-----
----------------

  
Other than Promoters

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY ( as per monetary terms ) :

Product Description 

I	T	C	C	O	D	E
---	---	---	---	---	---	---

Cold Rolled Steel Coil/Sheets 

7	2	0	9
---	---	---	---

Galvanised Plain/Corrugated Coil/Sheet 

7	2	1	0
---	---	---	---

Sacks & Bags 

3	9	2	3
---	---	---	---

Synthetic Yarn 

5	5	0	9
---	---	---	---

## INFORMATION WITH REGARDS TO SUBSIDIARIES

(Furnished as required by the Letter No. 47/164/2008-CL-III dated 04.05.2008 of the Ministry of Corporate Affairs, Government of India exempting the full disclosure of Financial Statements of the Subsidiary Companies under Section 212(8) of the Companies Act, 1956.

Sr. No.	Capital	Capital Reserves	Total Assets	Total Liabilities	Investments			Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
					Total	Sub. Inv.	Inv. In Others					
1	Sarbags Pty Ltd.	12.34	354.35	431.35	64.66	-	-	345.63	92.35	29.33	63.02	-
2	Urban Infrastructure Venture Capital Ltd.	100.00	1,578.30	2,919.27	1,240.97	1,350.07	1,350.07	2,624.59	1,385.47	518.00	867.47	-
3	Urban Infrastructure Trustee Ltd.	5.00	5.91	13.54	2.63	11.03	11.03	4.20	4.35	1.35	3.00	-
4	Jai Corp Finance & Holding Ltd.	150.00	74.73	235.69	5.96	-	-	-	18.31	5.66	12.65	-
5	Jai Realty Venture Ltd.	5.00	(1.36)	23,571.95	23,568.31	300.12	300.12	-	(1.11)	0.25	(1.36)	-
6	Jai Infraprojects Limited	5.00	(1.69)	18.49	15.17	15.00	15.00	-	(1.65)	0.03	(1.69)	-
7	Asoka Realty & Developers Pvt. Ltd.	1.00	(0.33)	1,743.32	1,742.64	-	-	-	(0.32)	0.00	(0.33)	-
8	Awas Realtors Pvt. Ltd.	1.00	(0.53)	205.61	205.14	-	-	-	(0.53)	-	(0.53)	-
9	Dev Realty & Developers Pvt. Ltd.	1.00	(0.24)	5.93	5.17	-	-	-	(0.21)	0.03	(0.24)	-
10	Ekdant Realty & Developers Pvt. Ltd.	1.00	(0.16)	1,100.04	1,099.20	-	-	-	(0.10)	0.06	(0.16)	-
11	Hari Darshan Realty Pvt. Ltd.	2.02	100.43	256.54	154.09	-	-	-	0.03	-	0.03	-
12	Hill Rock Construction Pvt. Ltd.	1.96	93.81	226.38	130.62	-	-	-	(0.39)	(0.39)	(0.43)	-
13	Hind Agri Properties Pvt. Ltd.	1.00	(1.19)	607.52	607.71	0.31	0.31	-	(0.06)	0.03	(0.09)	-
14	Iconic Realtors Pvt. Ltd.	1.00	(0.66)	7,905.37	7,905.03	-	-	-	(0.62)	0.05	(0.66)	-
15	Jai Laxmi Realty & Developers Pvt. Ltd.	1.00	(0.22)	1,300.97	1,300.19	-	-	-	(0.17)	0.05	(0.22)	-
16	Krupa Land Pvt. Ltd.	1.00	(0.19)	947.55	946.74	-	-	-	(0.10)	-	(0.10)	-
17	Krupa Realtors Pvt. Ltd.	1.00	(0.23)	0.94	0.17	-	-	-	(0.20)	0.03	(0.23)	-
18	Novelty Realty & Developers Pvt. Ltd.	1.00	(0.15)	2.05	1.20	-	-	-	0.22	0.06	0.15	-
19	Rainbow Infraprojects Pvt. Ltd.	1.00	(0.21)	1,508.04	1,507.25	-	-	-	(0.15)	0.06	(0.21)	-
20	Rejoice Land Developer Pvt. Ltd.	1.00	(0.42)	36.22	35.64	-	-	-	0.03	-	0.03	-
21	Rudradev Developers Pvt. Ltd.	1.00	(0.12)	1,001.11	1,000.22	-	-	-	(0.03)	0.08	(0.12)	-
22	Smart Realty & Developers Pvt. Ltd.	1.00	(0.25)	19.43	18.68	-	-	-	(0.21)	0.04	(0.25)	-
23	Swar Land Developers Pvt. Ltd.	1.00	(1.55)	43.59	44.14	-	-	-	(1.17)	-	(1.17)	-
24	Swastik Land Developers Pvt. Ltd.	1.00	(0.38)	3,049.76	3,049.14	-	-	-	(0.24)	-	(0.24)	-
25	Urban Gas Distribution Ltd.	5.00	(0.36)	4.78	0.14	-	-	-	(0.36)	-	(0.36)	-
26	Urban Gas Ltd.	5.00	(0.36)	4.78	0.14	-	-	-	(0.36)	-	(0.36)	-
27	Urban Gas Suppliers Ltd.	5.00	(0.36)	4.78	0.14	-	-	-	(0.36)	-	(0.36)	-
28	Vasant Bahar Realty Pvt. Ltd.	1.33	32.01	99.86	66.52	-	-	-	0.06	-	0.06	-
29	Yug Developers Pvt. Ltd.	1.50	48.32	457.20	407.38	-	-	-	0.17	0.02	0.15	-
	Exchange Rate used in Sarbags Pty.Ltd. (as on 31.03.2008) is AUD1 = Rs.36.69											

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

								(Rs.in Lac)
1	Name of the Subsidiary Company	Sarbags Pty Ltd.	Jai Corp Finance & Holding Ltd.	Urban Infrastructure Trustee Ltd.	Urban Infrastructure Venture Capital Ltd.	Jai Realty Ventures Ltd.	Jai Infraprojects Ltd.	Ashoka Realty & Developers Pvt. Ltd.
2	Financial Year Ended of the Subsidiary Company	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008
3	Holding Company's Interest							
a	No. of Shares and Face Value held in Subsidiary Co.							
	Equity Shares (No.)	50000 AUD	1500000	50000	1000000	50000	50000	10000
	Face Value	@1/-	@ 10/-	@ 10/-	@10/-	@ 10/-	@ 10/-	@ 10/-
	Preference Shares (No.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Face Value	-	-	-	-	-	-	-
b	Percentage of Holding (Equity)	100%	100%	100%	100%	100%	100%	100%
c	Percentage of Holding (Preference)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	The net aggregate of Profit/(Loss) of the Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	63.02 Lac AUD \$ 174542.86	12.65	3.00	877.87	(5.92)	(2.78)	(0.33)
5	The net aggregate of Profit/(Loss) of the Subsidiary Company for the previous financial years since it became a Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	268.22 Lac AUD \$ 760955.00	Nil	Nil	Nil	Nil	Nil	Nil
6	Change in the interest of the Company between the end of the financial year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	N.A	N.A	N.A	N.A	N.A	N.A	N.A
7	Material changes between the end of the Financial Year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	----- NA -----						
a	Fixed Assets							
b	Investments							
c	Money Lent							
d	Money borrowed other than those for meeting Current Liabilities							

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

								(Rs.in Lac)
1	Name of the Subsidiary Company	Awas Realtors Pvt. Ltd.	Dev Realty & Developers Pvt. Ltd.	Ekdant Realty & Developers Pvt. Ltd.	Hari Darshan Realty Pvt. Ltd.	Hill Rock Construction Pvt. Ltd.	Hind Agri Properties Pvt. Ltd.	Iconic Realtors Pvt. Ltd.
2	Financial Year Ended of the Subsidiary Company	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008
3	Holding Company's Interest							
a	No. of Shares and Face Value held in Subsidiary Co.							
	Equity Shares (No.)	10000	10000	10000	10000	10000	10000	10000
	Face Value	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-
	Preference Shares (No.)	Nil	Nil	Nil	10200	9550	Nil	Nil
	Face Value	-	-	-	@ 10/-	@ 10/-	-	-
b	Percentage of Holding (Equity)	100%	100%	100%	100%	100%	100%	100%
c	Percentage of Holding (Preference)	Nil	Nil	Nil	100%	100%	Nil	Nil
4	The net aggregate of Profit/ (Loss) of the Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008							
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	(0.53)	(0.24)	(0.16)	0.03	(0.43)	(0.09)	(0.66)
5	The net aggregate of Profit/ (Loss) of the Subsidiary Company for the previous financial years since it became a Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Change in the interest of the Company between the end of the financial year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	N.A	N.A	N.A	N.A	N.A	N.A	N.A
7	Material changes between the end of the Financial Year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	----- NA -----						
a	Fixed Assets							
b	Investments							
c	Money Lent							
d	Money borrowed other than those for meeting Current Liabilities							

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

		(Rs.in Lac)						
1	Name of the Subsidiary Company	Jai Laxmi Realty & Developers Pvt. Ltd.	Krupa Land Pvt. Ltd.	Krupa Realtors Pvt. Ltd.	Novelty Realty & Developers Pvt. Ltd.	Rainbow Infraprojects Pvt. Ltd.	Rejoice Land Developers Pvt. Ltd.	Rudradev Developers Pvt. Ltd.
2	Financial Year Ended of the Subsidiary Company	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008
3	Holding Company's Interest							
a	No. of Shares and Face Value held in Subsidiary Co.							
	Equity Shares (No.)	10000	10000	10000 @	10000	10000	10000	10000
	Face Value	@ 10/-	@ 10/-	10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-
	Preference Shares (No.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Face Value	-	-	-	-	-	-	-
b	Percentage of Holding (Equity)	100%	100%	100%	100%	100%	100%	100%
c	Percentage of Holding (Preference)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	The net aggregate of Profit/(Loss) of the Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008							
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	(0.22)	(0.10)	(0.23)	0.15	(0.21)	0.03	(0.12)
5	The net aggregate of Profit/(Loss) of the Subsidiary Company for the previous financial years since it became a Subsidiary Company so far as they concern the members of the Company							
a	Dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Change in the interest of the Company between the end of the financial year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	N.A	N.A	N.A	N.A	N.A	N.A	N.A
7	Material changes between the end of the Financial Year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	----- NA -----						
a	Fixed Assets							
b	Investments							
c	Money Lent							
d	Money borrowed other than those for meeting Current Liabilities							

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

(Rs.in Lac)

1	Name of the Subsidiary Company	Samart Realty & Developers Pvt. Ltd.	Swar Land Developers Pvt. Ltd.	Swastik Land Developers Pvt. Ltd.	Urban Gas Distribution Ltd.	Urban Gas Ltd.	Urban Gas Suppliers Ltd.	Vasant Bahar Realty Pvt. Ltd.	Yug Developers Pvt. Ltd.
2	Financial Year Ended of the Subsidiary Company	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008	31.03.2008
3	Holding Company's Interest								
a	No. of Shares and Face Value held in Subsidiary Co.								
	Equity Shares (No.)	10000	10000	10000	50000	50000	50000	10000	10000
	Face Value	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-	@ 10/-
	Preference Shares (No.)	Nil	Nil	Nil	Nil	Nil	Nil	3300	5000
	Face Value	-	-	-	-	-	-	@ 10/-	@ 10/-
b	Percentage of Holding (Equity)	100%	100%	100%	100%	100%	100%	100%	100%
c	Percentage of Holding (Preference)	Nil	Nil	Nil	Nil	Nil	Nil	100%	100%
4	The net aggregate of Profit/(Loss) of the Subsidiary Company so far as they concern the members of the Company								
a	Dealt with Accounts of the Company for the year ended 31 March, 2008								
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	(0.25)	(1.17)	(0.24)	(0.36)	(0.36)	(0.36)	0.06	0.15
5	The net aggregate of Profit/(Loss) of the Subsidiary Company for the previous financial years since it became a Subsidiary Company so far as they concern the members of the Company								
a	Dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Not dealt with Accounts of the Company for the year ended 31 March, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Change in the interest of the Company between the end of the financial year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
7	Material changes between the end of the Financial Year of the Subsidiary Company and the Company's Financial year ended 31st March, 2008	----- NA -----							
a	Fixed Assets								
b	Investments								
c	Money Lent								
d	Money borrowed other than those for meeting Current Liabilities								

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS JAI CORP LIMITED

We have audited the attached Consolidated Balance Sheet of Jai Corp Limited ("the Company") and its subsidiaries and its associates, as at 31st March 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 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 twenty one subsidiaries and whose financial statements reflect total assets of Rs. 20945.03 Lac as at 31st March 2008, total revenues of Rs. 360.72 Lac and net cash flows amounting to Rs. 78.76 Lac for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of above subsidiaries, is based solely on the report of the other auditors.

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" and Accounting Standard (AS)-23 "Accounting for Investment in Associates in Consolidated Financial Statements" notified by the Companies ( Accounting Standards) Rules, 2006 .

Based on our audit as aforesaid and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiary as at 31st March, 2008;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profits of the Company and its subsidiary for the year then ended; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year then ended.

#### For CHATURVEDI & SHAH

Chartered Accountants

#### R. KORIA

Partner

Membership No. 35629

Place: Mumbai

Dated: May 10, 2008

**CONSOLIDATED BALANCE SHEET** as at 31st March, 2008

(Rs.in Lac)

Particulars	Schedule	As At 31.03.2008	As At 31.03.2007
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	A	1,934.71	862.91
Reserves & Surplus	B	256,215.93	33,457.09
		<b>258,150.64</b>	34,320.00
<b>Loan Funds</b>			
Secured Loans	C	3,490.00	4,000.00
Unsecured Loans	D	4,654.64	3,207.90
		<b>8,144.64</b>	7,207.90
<b>Net Deferred Tax Liability</b> ( Refer Note No.3 of schedule 'N' )		<b>1,347.25</b>	1,291.48
<b>Total</b>		<b>267,642.53</b>	<b>42,819.38</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	35,773.86	24,231.77
Less: Depreciation		14,393.64	13,168.72
Net Block		21,380.22	11,063.05
Capital Work-in-Progress		2,025.16	1,495.53
		<b>23,405.38</b>	12,558.58
<b>Investments</b>			
In Associates		4,131.87	212.27
In Others		181,458.59	18,911.81
		<b>185,590.46</b>	19,124.08
<b>Current Assets, Loans and Advances</b>			
Inventories	F	8,680.53	3,933.91
Sundry Debtors		7,717.67	2,609.92
Cash & Bank Balances		1,371.42	1,814.70
Other Current Assets		1.58	-
Loans & Advances		46,832.21	4,586.56
		<b>64,603.41</b>	12,945.09
<b>Less:Current Liabilities and Provisions</b>			
Current Liabilities	G	3,165.21	947.31
Provisions		2,791.51	861.06
		<b>5,956.72</b>	1,808.37
<b>Net Current Assets</b>		<b>58,646.69</b>	11,136.72
Total		<b>267,642.53</b>	<b>42,819.38</b>
<b>Significant Accounting Policies</b>	M		
<b>Notes on Accounts</b>	N		

As per our attached report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**

Partner

Place : Mumbai

Dated : May 10, 2008.

For and on behalf of the Board of Directors

**Virendra Jain** Managing Director & CEO**Gaurav Jain** Executive Director**R.K. Mundra** Chief Financial Officer**A. Datta** Company Secretary



**CONSOLIDATED PROFIT AND LOSS ACCOUNT** for the year ended 31st March, 2008

Particulars	Schedule	(Rs. in Lac)	
		Year Ended 31.03.2008	Year Ended 31.03.2007
<b>INCOME</b>			
Turnover	H	35,621.90	27,394.91
Less: Excise duty/ Service Tax recovered		2,208.02	751.40
Net Turnover		33,413.88	26,643.51
Other Income	I	13,160.90	7,925.96
Variation In Stock	J	4,591.69	(2,709.26)
		51,166.47	31,860.21
<b>EXPENDITURES</b>			
Purchases		8,802.25	6,716.48
Manufacturing and Other Expenses	K	25,451.09	15,767.49
Interest & Finance Charges	L	590.38	506.24
Depreciation		1,490.71	999.29
		36,334.43	23,989.50
<b>Profit for the year before tax</b>		14,832.04	7,870.71
Less : Provision for Taxation :			
Current Tax		1,734.07	804.12
Mat Credit		(736.53)	(425.23)
Fringe Benefit Tax		26.78	14.00
Deferred Tax		75.84	265.76
<b>Profit for the year after tax</b>		13,731.88	7,212.06
Add: Share in Profit of Associates		377.61	159.51
Profit for the year after tax (Including Associates)		14,109.49	7,371.57
Balance brought forward from last year		13,266.83	6,642.23
Prior Period Adjustments (Net)		(4.83)	2.15
Transitional Provisional under Accounting Standard-15		11.64	-
Income Tax / Wealth Tax of earlier years		-	(29.12)
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		27,383.13	13,986.83
<b>APPROPRIATIONS</b>			
General Reserve		1,282.00	720.00
Proposed Dividend on Preference Shares		0.52	-
Proposed Dividend on Equity Shares		490.17	-
Tax on Proposed Dividend		83.39	-
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		25,527.05	13,266.83
Basic & Diluted Earning Per Share of Face Value of Re. 1/- each (Refer Note No. 4 of Schedule 'N')		8.08	4.27
<b>Significant Accounting Policies</b>	M		
<b>Notes on Accounts</b>	N		

As per our attached report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

For and on behalf of the Board of Directors

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2008

(Rs.in Lac)

Particulars	2007-2008	2006-2007
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax as per P & L Account	14,832.04	7,870.71
Adjusted for :		
Depreciation	1,490.71	994.56
Wealth Tax	9.00	7.17
Effects of exchange rate change *	(172.53)	(36.39)
Preliminary and Issue expenses written off	8.80	-
Loss / (Profit) on sale of investments ( Net )	(8,530.98)	(6,387.56)
Profit on sale of Futures and Option	(136.11)	-
Provision for diminution in value of Investments	436.35	610.69
Loss on sale of Fixed Assets	31.97	13.20
Interest & Finance Charges	516.99	506.24
Sundry Balances written back	(1.82)	6.25
Interest Income	(993.93)	(767.25)
Interest Subsidy	(61.72)	-
Dividend Income	(2,818.34)	(535.92)
Operating Profit before Working Capital Changes	4,610.43	2281.70
Adjusted for :		
Trade & Other Receivables	(22,247.51)	(369.97)
Inventories	(3,630.62)	1,074.87
Trade Payables	1,203.69	(1,367.71)
Cash generated from operations	(20,064.01)	1,618.89
Direct taxes paid	(1,752.28)	(517.58)
Net Prior period adjustment	(4.83)	2.15
<b>Net Cash from \ (used in) Operating Activities</b>	<b>(21,821.12)</b>	<b>1,103.46</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,951.80)	(3,253.84)
Sale of Fixed Assets	191.27	204.34
Acquisition/Purchase of Business	(12,500.00)	-
Purchase of Investments	(576,027.40)	(38,881.71)
Sale of Investments	401,403.16	37,704.46
Movement in Loans	(3,964.98)	(794.45)
Profit on sale of Futures and Option	136.11	-
Interest Received	931.42	710.52
Dividend Received	2,818.34	535.92
<b>Net Cash ( used in ) \ from Investing Activities</b>	<b>(189,963.88)</b>	<b>(3,774.76)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital including Securities Premium	211,174.81	(0.49)
Preliminary and Issue expenses	(185.54)	-
Proceeds of Long Term Loans	-	4,000.00
Repayment of Long Term Loans	(556.69)	(46.69)
Unclaimed for Buy back of shares	(1.44)	-
Short Term Loans	1,493.43	742.49
Interest paid	(581.17)	(506.24)
Dividends Paid	(2.67)	(3.20)
<b>Net Cash from \ ( used in ) Financing Activities</b>	<b>211,340.73</b>	<b>4,185.87</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(444.27)</b>	<b>1,514.57</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1,814.70</b>	<b>300.13</b>
Add: Upon addition of New Subsidiaries	0.99	-
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,371.42</b>	<b>1,814.70</b>

\* includes exchange difference on account of translation of foreign Subsidiary Company's financial statement.

Notes :

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".
- 2) Bracket indicates cash outflow.
- 3) Previous year's figures have been regrouped wherever necessary.

*As per our attached report of even date*

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

*For and on behalf of the Board of Directors*

**Virendra Jain**      Managing Director & CEO

**Gaurav Jain**      Executive Director

**R.K. Mundra**      Chief Financial Officer

**A. Datta**      Company Secretary

**SCHEDULES** forming part of the Consolidated Balance Sheet

Particulars	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
45,00,00,000 Equity Shares of Re. 1/- each (Previous year 2,00,00,000 Equity Shares of Rs. 10/- each)	4,500.00	2,000.00
1,50,00,000 1% Non-Cumulative, Non-Participating Redeemable Preference Shares of Re. 1/- each (Previous year 15,000 1% Non-Cumulative, Non Participating Redeemable Preference Share of Rs. 100/- each)	150.00	15.00
3,50,00,000 Unclassified Shares of Re. 1/- each (Previous year 4,85,000 Unclassified Share of Rs. 100/- each)	350.00	485.00
	<b>5,000.00</b>	<b>2,500.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
17,84,94,010 Equity Shares of Re. 1/- each (Previous year 86,31,400 Equity Shares of Rs. 10/- each)	1,784.94	863.14
1,50,00,000 (Previous Year NIL) 1% Non-Cumulative, Non Participating Redeemable Preference Shares of Re. 1/- each	150.00	-
	<b>1,934.94</b>	<b>863.14</b>
<b>FULLY PAID UP</b>		
17,84,49,410 Equity Shares of Re. 1/- each (Previous year 86,26,940 Equity Shares of Rs. 10/- each)	1,784.49	862.69
1,50,00,000 (Previous Year NIL) 1% Non-Cumulative, Non-Participating Redeemable Preference Shares of Re. 1/- each	150.00	-
Add: Forfeited Share(Amount Originally Paid up on 4,460 Shares of Rs. 10/- each)	0.22	0.22
	<b>1,934.71</b>	<b>862.91</b>

**Notes :-**

1) Of the above Equity Shares

- a) 49,63,522 Equity Shares of Rs. 10/- each were allotted, without payment being received in cash, pursuant to the Scheme of Amalgamation of Sipta Coated Steels Limited and Comet Steels Limited with the Company before subdivision and issue of Bonus Shares.
- b) 24,00,000 Equity Shares of Rs. 10/- each were allotted as Bonus Shares by capitalisation of free reserve before subdivision.
- c) During the year 8,62,69,400 Equity Shares of Re.1/- each have been allotted as fully paid up Bonus Shares by way of capitalisation of Securities Premium.

2) During the year, Equity Shares having face value of Rs. 10/- each (fully paid-up) have been subdivided into Re.1/- each (fully paid-up).

- 3) (a) 1% Non-cumulative, Non-Participating Redeemable Preference Share of Re. 1/- each fully paid-up are redeemable at a premium of 6 % p.a. on issue price of Rs. 1,000/- per share on the expiry of two years from the date of allotment i.e. 26th November, 2007 with an option to the Company / shareholders to redeem the same after one year from the date of allotment.
- (b) Redemption premium on Preference Shares as mentioned above will be paid out of the Securities Premium and hence no provision has been considered necessary.

**SCHEDULES** forming part of the Consolidated Balance Sheet

Particulars	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "B"</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve		
As per last Balance Sheet	92.17	92.17
Capital Reserve on Consolidation	341.64	-
		92.17
Securities Premium Account		
As per last Balance Sheet	6,068.22	6,068.22
Add: Received during the year	210,965.70	-
	217,033.92	-
Less: Issue of Fully paid up Bonus Shares	862.69	-
Less: Share issue Expenses	1,240.29	-
(Refer Note No.11 of Schedule 'N')		
	214,930.94	6,068.22
Foreign Currency Translation Reserve	23.13	10.87
General Reserve		
As per last Balance Sheet	14,019.00	13,299.00
Add : Transferred from Profit and Loss Account	1,282.00	720.00
	15,301.00	14,019.00
Profit and Loss Account	230,688.88	20,190.26
	25,527.05	13,266.83
	256,215.93	33,457.09

**SCHEDULE "C"****SECURED LOANS**

Term Loan from Bank	3,490.00	4,000.00
	3,490.00	4,000.00

**Note:-**

The term loan from bank is secured by 'way of mortgage of immovable assets of the Company situated at Nanded , Vasona & Khadoli (Silvassa) and hypothecation of movable assets of the Company except inventories & book debts and also guaranteed by two of the Directors of the Company in their personal capacity.

**SCHEDULE "D"****UNSECURED LOANS**

Interest Free Sales-tax Loan	781.59	828.28
Buyer's Credit	3,873.05	2,379.62
	4,654.64	3,207.90

**Note :-**

Amount repayable within one year Rs. 3933.54 Lac (Previous Year Rs. 2426.31 Lac).

## SCHEDULES forming part of the Consolidated Balance Sheet

### SCHEDULE - E

FIXED ASSETS		(Rs. in Lac)										
		GROSSBLOCK					DEPRECIATION					NETBLOCK
PARTICULARS	AS AT 01.04.2007	Addition on account of Acquisition of Subsidiary	Additions	Deductions/ Adjustments	AS AT 31.03.2008	UPTO 01.04.2007	Depreciation on account Acquisition of Subsidiary	For The Year	Deductions/ Adjustments	UPTO 31.03.2008	AS AT 31.03.2008	AS AT 01.04.2007
<b>TANGIBLE ASSETS</b>												
FREEHOLD LAND	607.56	-	1,491.73	-	2,099.29	-	-	-	-	-	2,099.29	607.56
LEASEHOLD LAND	506.88	-	20.79	-	527.67	6.03	-	6.33	-	12.36	515.31	500.85
BUILDINGS	3,926.34	-	2,114.74	7.91	6,033.17	1,060.35	-	145.82	0.63	1,205.54	4,827.62	2,865.99
PLANT & MACHINERY	18,112.44	-	8,100.43	482.44	25,730.43	11,508.27	-	1,255.26	267.14	12,496.39	13,234.03	6,604.17
FURNITURE & FIXTURES	128.34	24.05	101.17	-	253.56	105.44	2.92	14.11	-	122.47	131.09	22.90
OFFICE EQUIPMENTS	311.83	30.23	67.87	0.83	409.10	220.98	3.44	21.20	0.72	244.90	164.21	90.85
VEHICLE	510.70	-	84.58	2.32	592.96	188.33	-	44.59	1.78	231.14	361.82	322.37
<b>INTANGIBLE ASSETS</b>												
GOODWILL	62.30	-	-	-	62.30	13.94	-	1.52	-	15.46	46.85	48.36
DRAWINGS & DESIGNS*	65.38	-	-	-	65.38	65.38	-	-	-	65.38	-	-
TOTAL	24,231.77	54.28	11,981.31	493.50	35,773.86	13,168.72	6.36	1,488.83	270.27	14,393.64	21,380.22	11,063.05
PREVIOUS YEAR	21,434.50		3,062.01	264.74	24,231.77	12,221.43		994.56	47.20	13,168.72	11,063.05	-
CAPITAL WORK IN PROGRESS											2,025.16	1,495.53
* Other than internally generated.												

#### NOTES :-

- 1) Freehold land includes Rs. 131.25 Lac (Previous Year Rs. Nil) in respect of which conveyance deed is yet to be transferred in the name of the Company.
- 2) Leasehold land includes Rs. Nil (Previous Year Rs. 13.97 Lac) in respect of which title is pending for transfer in the name of the Company.
- 3) Building includes Rs. 0.01 Lac (Previous Year Rs. 0.01 Lac) being the value of shares in Co operative Housing Society towards ownership of residential flats.
- 4) Capital Work-in-Progress includes :
  - i) Rs. Nil (Previous Year Rs. 22.80 Lac) on account of Pre-Operative Expenditure.
  - ii) Rs. 61.50 Lac (Previous year Rs. 10.09 Lac) on account of cost of construction Material at site.
  - iii) Rs. 728.87 Lac ( Previous year Rs. 340.77 Lac ) on account of advances made to the suppliers for capital expenditure.

- 5) Plant & Machinery includes Rs. 64.68 Lac (Previous year Rs. 25.40 Lac) and Rs. 33.56 Lac (Previous Year Rs. Nil) being the amount spent for laying Power Line and Water Pipe Line respectively, the ownership of which vests with the respective Government Authorities.
- 6) Addition to Fixed assets and Capital Work in Progress includes Rs. Nil (Previous Year Rs. 13.69 Lac) on account of Exchange difference (Net).

**SCHEDULES** forming part of the Consolidated Balance Sheet

Particulars	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "F"</b>		
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
(As taken, Valued and Certified by the Management)		
Stores, Spares, Packing Materials, Fuel, etc.	639.86	519.35
Raw Materials	1,631.25	2,216.87
Work-in-Process	4,654.96	375.57
Finished Goods	1,692.64	801.02
Scrap	58.88	18.16
Others*	2.94	2.94
	<b>8,680.53</b>	<b>3,933.91</b>
* includes realisable value of discarded fixed assets Rs. 2.94 Lac ( Previous year Rs. 2.94 Lac ).		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good and subject to confirmation)		
For a period of more than six months	18.86	6.69
Others	7,698.81	2,603.23
	<b>7,717.67</b>	<b>2,609.92</b>
<b>CASH AND BANK BALANCES</b>		
Cash on hand	3.46	2.06
Balances with Scheduled Banks		
In Current Accounts	673.45	1,383.98
In Fixed Deposit Accounts*	432.47	141.10
Balance with Others		
In Current Accounts	76.39	287.56
In Fixed Deposit Accounts	185.65	-
	<b>1,371.42</b>	<b>1,814.70</b>
* Includes Rs. 208.41 Lac pledged with various Govt. Depts.( Previous year Rs 140.25 Lac.)		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Investments	1.58	-
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good and subject to confirmation)		
Advances recoverable in cash or in kind or for value to be received *	43,133.09	3,107.89
Deposits	287.23	184.80
Balance with Customs & Excise Authorities	326.26	92.85
Income Tax (Net)	1,923.87	775.79
MAT Credit	1,161.76	425.23
	<b>46,832.21</b>	<b>4,586.56</b>
	<b>64,603.41</b>	<b>12,945.09</b>

\* Includes Rs. 16971.74 Lac (Previous year Rs. nil) as share and debenture application money and Rs Nil (Previous Year Rs. 404 Lac) being advance paid towards uncalled money.

**SCHEDULES** forming part of the Consolidated Balance Sheet

Particulars	(Rs. in Lac)	
	As At 31.03.2008	As At 31.03.2007
<b>SCHEDULE "G"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors *		
(i) Micro and Small Enterprises @	25.75	-
(ii) Others	2,207.14	544.00
Other Liabilities	860.15	357.41
Interest Accrued but not due on Loan	30.38	-
Unclaimed for Scheme of Arrangements	38.81	40.25
Investors Education & Protection Fund # :		
Unclaimed Dividend	2.98	5.65
		947.31
<b>PROVISIONS</b>		
Income Tax & Fringe Benefit Tax	1,955.83	792.00
Wealth Tax (Net)	9.94	8.11
Proposed Dividend on Preference Shares	0.52	-
Proposed Dividend on Equity Shares	490.17	-
Tax on Proposed Dividend	83.39	-
Staff Benefits Schemes	159.02	57.20
Forward Contract (MTM)	22.75	-
Other Provision**	69.89	3.75
	2,791.51	861.06
	5,956.72	1,808.37

\* Includes Rs. 68.53 Lac ( previous year Rs. 61.46 Lac ) for capital expenditure.

\*\* The Company has recognised liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March 2007 of Rs. 3.75 Lac as per the estimated pattern of despatches. During the year Rs. 3.75 Lac was utilized for clearance of goods. Liability recognized under this class for the year is Rs. 69.89 Lac, which is outstanding as on 31st March 2008. Actual outflow is expected in the next financial year.

# The amount does not include amount, due & outstanding, to be credited to Investor Education and Protection Fund.

@ To the extent information available with the Company.

**SCHEDULES** forming part of the Consolidated Profit and Loss account

Particulars	(Rs. in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>SCHEDULE "H"</b>		
<b>TURNOVER</b>		
Sales	31,023.79	25,340.50
Job work Charges	1,562.12	400.14
Services	2,610.61	-
Export Incentive	-	813.73
Commission	425.38	840.54
	35,621.90	27,394.91



**SCHEDULES** forming part of the Consolidated Profit and Loss Account

Particulars	(Rs. in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>SCHEDULE "I"</b>		
<b>OTHER INCOME</b>		
Dividend on		
Long Term Investments	391.05	-
Current Investments	2,427.29	535.92
Profit on Sale of Futures & Option (Net)	136.11	-
Profit on sale of :		
Long Term Investments	4,217.79	-
Current Investments	4,313.19	6,387.56
Interest Received		
Long Term Investments	1.58	-
Others	1,026.90	767.25
Tax deducted at Source Rs. 126.21 Lac (Previous year Rs. 127.49 Lac )		
Interest Subsidy (Refer Note No. 12 of Schedule 'N')	61.72	-
Rent Received	208.32	117.16
Exchange difference (Net)	160.27	37.68
Sundry Balances W/Back(Net)	1.82	30.49
Sales Tax Refund	61.08	-
Miscellaneous Income	153.78	49.90
	<b>13,160.90</b>	<b>7,925.96</b>
<b>SCHEDULE "J"</b>		
<b>Variation In Stocks</b>		
Closing Stock		
Work-in-Process	4,654.97	375.57
Finished Goods	1,692.64	801.02
Scrap	58.88	18.16
Others	-	-
	<b>6,406.49</b>	<b>1,194.75</b>
Less: Business Purchase		
Work-in-Process	84.35	-
Finished Goods	530.58	-
Scrap	5.11	-
	<b>620.04</b>	<b>-</b>
Less :Opening Stock		
Work-in-Process	375.58	319.98
Finished Goods	801.02	3,510.77
Scrap	18.16	63.80
Others	-	9.46
	<b>1,194.76</b>	<b>3,904.01</b>
Variation In Stock	<b>4,591.69</b>	<b>(2,709.26)</b>

**SCHEDULES** forming part of the Consolidated Profit and Loss Account

Particulars	(Rs.in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>SCHEDULE "K"</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
RAW MATERIALS CONSUMED		
Opening Stock	2,216.87	509.28
Less Cost of Goods Sold	15.00	-
Add: Purchases	12,335.53	12,343.48
	<b>14,537.40</b>	12,852.76
Less: Closing Stock	1,631.25	2,216.87
	<b>12,906.15</b>	10,635.89
LAND & DEVELOPMENT EXPENSES*		
	<b>4,167.34</b>	-
* Land of Rs. 1336.62 Lac pending execution conveyance/sale deed.		
MANUFACTURING EXPENSES		
Power, Fuel and Water	1,474.08	1,452.72
Stores, Spares and Packing Materials	892.13	853.52
Excise Duty ( Refer Note No.15 of schedule 'N' )	72.28	(301.29)
Job work Charges	1,527.85	103.83
Repairs and Maintenance :		
Plant & Machinery	61.69	41.72
Buildings	116.92	57.42
	<b>4,144.95</b>	2,207.92
-		
-		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Perquisites	2,299.26	1,171.00
Contribution to Provident and Other Funds	113.22	55.49
Staff Welfare & amenities	27.89	11.32
Gratuity	8.50	13.73
	<b>2,448.87</b>	1,251.54
SELLING & DISTRIBUTION EXPENSES		
Advertisement, Publicity and Sales Promotion	24.14	14.85
Freight, Handling Charges and Octroi (Net)	176.59	341.71
Brokerage, Commission and Discount	83.36	132.25
	<b>284.09</b>	488.81
ADMINISTRATION & GENERAL EXPENSES		
Rent	225.12	27.33
Rates and Taxes	38.08	41.09
Repair & Maintenance Others	20.07	21.00
Insurance	43.83	63.69
Legal, Professional and Consultancy Charges	261.45	58.68
Investment Management Fee	0.75	-
Travelling and Conveyance	149.94	123.12
Payment to Auditors	63.20	24.49
Provision for Diminution in value of Current Investments	436.35	610.70
Directors Sitting Fees	4.05	3.24
Charity and Donation	2.72	0.05
Bad Debts	-	2.00

**SCHEDULES** forming part of the Consolidated Profit and Loss Account

Particulars	(Rs. in Lac)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
<b>SCHEDULE "K"</b>		
Loss on Sale / Discarding of Fixed Assets ( Net )	31.97	13.20
Wealth Tax	9.00	7.17
Preliminary and Issue expenses written off	8.80	-
Other Expenses	204.36	187.57
	<b>1,499.69</b>	<b>1,183.33</b>
	<b>25,451.09</b>	<b>15,767.49</b>
<b>SCHEDULE "L"</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
Interest on Fixed Loans (Net)	331.41	288.99
Interest on Others	185.58	159.21
Bank Charges	73.39	58.04
	<b>590.38</b>	<b>506.24</b>

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "M"

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### 1 Principles of Consolidation

The Consolidated financial statements relate to Jai Corp Ltd.{'The Company'}, its Subsidiary Companies and associate companies. The Consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 "Consolidated Financial Statements".
- (ii) In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign exchange translation reserve.
- (iii) The difference between the cost of Investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statement immediately preceding the date of acquisition in Subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.  
The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of Profit and Loss Account as the profit or loss on disposal of investment in subsidiary.
- (iv) Minority Interest's in share of net profit of Consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (v) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (vi) In case of associate where the Company directly or indirectly through subsidiaries holds more than 20% of equity Investments in associate are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in associates in Consolidated Financial Statements".
- (vii) The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
- (viii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified and separately disclosed in the financial statements as Goodwill or Capital Reserve as the case may be.
- (ix) The Consolidated Financial Statements have been prepared using Uniform Accounting Policies for like transactions and other events in similar circumstances except mentioned in the Note No.2 of Notes on Accounts and are presented to the extent possible, in the same manner as the Company's separate financial statements.

- 2 Investment Other than in Subsidiaries and Associates have been accounted as per Accounting Standard 13 (AS) -13 on "Accounting For Investments".

##### 3 Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of Jai Corp Limited and its subsidiaries.

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N"

#### NOTES ON ACCOUNTS

- 1 The following Subsidiary Companies and associate companies have been considered in the preparation of Consolidated Financial Statements:-

Sr. No.	Name of the Company	Nature of Interest	Country of Incorporation	Proportion of ownership Interest	Remarks
1	Sarbags Pty Ltd.	Subsidiary	Australia	100%	
2	Urban Infrastructure Venture Capital Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 25.09.07
3	Urban Infrastructure Trustee Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 25.09.07
4	Jai Corp Finance & Holding Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 01.04.07
5	Jai Realty Ventures Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 10.12.07
6	Jai Infraprojects Limited	Subsidiary	India	100%	Subsidiary w.e.f. 01.02.08
7	Hill Rock Construction Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 31.12.07
8	Ekdant Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 18.12.07
9	Hind Agri Properties Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 26.12.07
10	Iconic Realtors Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 18.12.07
11	Krupa Realtors Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 18.12.07
12	Rudradev Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 18.12.07
13	Yug Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 26.12.07
14	Vasant Bahar Realty Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 31.12.07
15	Hari Darshan Realty Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 31.12.07
16	Rainbow Infraprojects Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 03.01.08
17	Novelty Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 15.01.08
18	Ashoka Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 08.02.08
19	Dev Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 08.02.08
20	Rejoice Land Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 08.02.08
21	Swastik Land Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 08.02.08
22	Samart Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 08.02.08
23	Swar Land Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 17.12.07
24	Jai Laxmi Realty & Developers Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 25.02.08
25	Awas Realtors Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 10.03.08
26	Krupa Land Pvt. Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 19.01.08
27	Urban Gas Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 27.02.08
28	Urban Gas Distribution Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 27.02.08
29	Urban Gas Suppliers Ltd.	Subsidiary	India	100%	Subsidiary w.e.f. 27.02.08
30	Urban Telecom Pvt. Ltd.	Associate	India	40%	Associate upto 12.12.07
31	Urban Energy Distribution Pvt. Ltd.	Associate	India	26%	
32	Urban Energy Transmission Pvt. Ltd.	Associate	India	26%	
33	Urban Energy Generation Pvt. Ltd.	Associate	India	26%	
33	Urban Assets Reconstruction Pvt. Ltd.	Associate	India	50%	Associate upto 12.12.07
34	Greenary Power Generation Pvt. Ltd.	Associate	India	40%	Associate upto 12.12.07
35	Spectra Power Distribution Pvt. Ltd.	Associate	India	40%	Associate upto 12.12.07
36	Urban Communication Infrastructure P Ltd.	Associate	India	26%	
37	Urban Infotech Solution Pvt. Ltd.	Associate	India	26%	

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

38	Urban Infrastructure Constructions Pvt.Ltd.	Associate	India	26%	Associate w.e.f. 30.06.2007
39	Urban Water Supply Pvt. Ltd.	Associate	India	26%	Associate w.e.f. 30.06.2007
40	Urban Infrastructure Holding Pvt. Ltd.	Associate	India	32%	Associate w.e.f. 19.09.2007

### 2 In respect of following item Accounting Policy followed by Subsidiary Company is different than that of the Company:

Item	Particulars	Amount Cost (Rs. In Lac)	Proportion to the Cost of Fixed Assets
Depreciation	Sarbags Pty.Ltd. has charged depreciation on Office Equipment @ 7.5% & 33.30% as against Schedule XIV rates followed by the Company.	3.05	0.013

### 3 The deferred tax liability as at 31st March 2008 comprises of the following:

	As on 31.03.2008	(Rs. In Lac ) As on 31.03.2007
(i) <b>Deferred Tax Liability</b>		
Related to fixed assets	<b>1,492.19</b>	1,379.35
(ii) <b>Deferred Tax Assets</b>		
Provision for diminution in value of current investment	<b>90.81</b>	67.65
Disallowance under the Income Tax Act, 1961	<b>54.13</b>	20.22
<b>Total</b>	<b>144.94</b>	87.87
<b>Deferred tax Liability (net)</b>	<b>1,347.25</b>	1,291.48

### 4 Basic and Diluted Earnings per Share

	2007-08	(Rs. In Lac ) 2006-07
Net Profit after tax	<b>14,109.49</b>	7,371.57
Less :- Dividend on Preference Shares and tax thereon	<b>0.61</b>	-
Profit attributable to equity share holders	<b>14,108.88</b>	7,371.57
Weighted Average no of Equity Shares outstanding during the year	<b>174,583,335</b>	172,538,800
Basic & Diluted Earning Per Share (Rs.)	<b>8.08</b>	4.27
Nominal Value per shares	<b>Re.1/-</b>	Re.1/-

#### Notes:-

In Compliance with the Accounting standard AS-20 "Earning Per Share", the earning per share for current and previous year has been calculated after considering the increase in outstanding number of Equity Shares due to split of Equity Shares of Rs. 10/- each into Re. 1/- each and issue of Bonus Shares in the ratio of 1:1

### 5 As per Accounting Standard 18, "Related party transaction" disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

#### (A) (I) List of related parties and relationship

##### (i) Associates :-

- 1) Urban Infrastructure Construction Pvt. Ltd. (Associate w.e.f. 30.06.2007)
- 2) Urban Water Supply Pvt. Ltd. (Associate w.e.f. 30.06.2007)
- 3) Urban Infrastructure Holding Pvt. Ltd.(Associate w.e.f. 19.09.2007)
- 4) Urban Energy Distribution Pvt. Ltd.

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

- 
- 5) Urban Energy Transmission Pvt. Ltd.
  - 6) Urban Energy Generation Pvt. Ltd.
  - 7) Urban Communication Infrastructure Pvt. Ltd.
  - 8) Urban Infotech Solution Pvt. Ltd.
  - 9) Urban Telecom Pvt. Ltd. (Associate up to 12.12.2007)
  - 10) Urban Assets Reconstruction Pvt. Ltd. (Associate up to 12.12.2007)
  - 11) Urban Infrastructure Venture Capital Fund
  - 12) Urban Infrastructure Venture Capital Fund II
  - 13) Urban Infrastructure Venture Capital Fund III
  - 14) Greenary Power Generation Pvt. Ltd. (Associate from 15.05.2007 to 12.12.2007)
  - 15) Spectra Power Distribution Pvt. Ltd. (Associate from 15.05.2007 to 12.12.2007)

#### (ii) Key Managerial Personnel :-

- (a) Shri J. K. Jain
- (b) Shri Anand Jain
- (c) Shri S.P.Jain
- (d) Shri Virendra Jain
- (e) Shri V. S. Pandit
- (f) Shri Gaurav Jain
- (g) Shri Parag Parekh
- (h) Shri Dilip Shukla

#### (iii) Relatives of Key Managerial Personnel :-

- |                      |                           |
|----------------------|---------------------------|
| (a) Smt. Laxmi Jain  | Relative of Shri S.P.Jain |
| (b) Smt. Rina Jain   | Relative of Shri V.K.Jain |
| (c) Smt. Sushma Jain | Relative of Shri A.Jain   |

#### (iv) Others :-

- (a) Pet Fibres Ltd.
- (b) Sun Shine Fibres Pvt. Ltd.
- (c) Dotson Steels Ltd.
- (d) Suniti Commercials Ltd.
- (e) Silvassa Plastic
- (f) Silvassa Pipes Pvt. Ltd.
- (g) Resin Distributors Pvt. Ltd.
- (h) Puriya Industrial Packaging Ltd.
- (i) Polyplast Agencies Pvt. Ltd.
- (j) Prime Wovens Ltd.
- (k) Tech Fab India
- (l) Polysil Pipes
- (m) Daman Plastic
- (n) Clean Pet
- (o) Tufropes Pvt. Ltd.
- (p) Adventity BPO India Pvt. Ltd.
- (q) Polyole Fibres Pvt. Limited
- (r) Poly Resin

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

#### (II) Transactions during the year with related parties :

(Rs. In Lac )

Nature of Transaction	Associates	Key Managerial Personnel	Other Related Parties	Relatives of Key managerial person	Total
Preference Share					
(a) Capital Issued during the year	-	-	-	150,000.00	150,000.00
	(-)	(-)	(-)	(-)	(-)
<b>Business Purchase</b>					-
(a) Acquired during the year	-	-	12,500.00	-	12,500.00
	(-)	(-)	(-)	(-)	(-)
<b>Fixed Assets</b>					
(a) Sold during the year	-	-	136.94	-	136.94
	(-)	(-)	(13.63)	(-)	(13.63)
(b) Purchased during the year	-	-	161.19	-	161.19
	(-)	(-)	(12.21)	(-)	(12.21)
<b>Investments</b>					
(a) Purchased during the year	2,132.34	14.46	696.16	-	2,842.96
	(50.40)	(-)	(-)	(-)	(50.40)
(b) Sold During the year	0.98	-	13,500.00	-	13,500.98
	(-)	(-)	(-)	(-)	(-)
(c) Balance as at 31st March, 2008	3,950.66	-	-	-	3,950.66
	(55.40)	(-)	(1,340.00)	(-)	(1,395.40)
<b>Sundry Debtors as at 31st March, 2008</b>	-	-	0.10	-	0.10
	(-)	(-)	(0.03)	(-)	(0.03)
<b>Loans &amp; Advances</b>					
(a) Given/adjusted during the year	7.23	-	-	-	7.23
	(-)	(-)	(172.00)	(-)	(172.00)
(b) Returned during the year	-	-	-	-	-
	(-)	(-)	(172.00)	(-)	(172.00)
(c) Share Application Money	10,751.45	-	-	-	10,751.45
	(-)	(-)	(-)	(-)	(-)
(d) Balances as at 31st March, 2008	10,752.45	-	160.00	-	10,912.45
	(-)	(-)	(9.81)	(-)	(9.81)
<b>Other Liability as at 31st March, 2008</b>	0.20	-	-	-	0.20
	(-)	(-)	(-)	(-)	(-)
<b>Sale of Goods</b>					
(a) Sales	-	-	947.53	-	947.53
	(-)	(-)	(307.18)	(-)	(307.18)
(b) Services	2,628.12	-	1,074.91	-	3,703.03
	(-)	(-)	(3.80)	(-)	(3.80)
<b>Other Income</b>					
(a) Miscellaneous Income	-	-	-	-	-
	(-)	(-)	(4.00)	(-)	(4.00)
<b>Purchase of Goods</b>	-	-	342.37	-	342.37
	(-)	(-)	(204.58)	(-)	(204.58)
<b>Discount on Raw Materials</b>	-	-	424.19	-	424.19
(Deducted from Purchases)	(-)	(-)	(66.99)	(-)	(66.99)
<b>Recovery of Expenses</b>	-	-	0.07	-	0.07
	(-)	(-)	(0.25)	(-)	(0.25)
<b>Dividend on Preference shares</b>	-	-	-	0.52	0.52
	(-)	(-)	(-)	(-)	(-)
<b>Expenditure</b>					
(a) Directors' Remuneration & Perks	-	214.64	-	-	214.64
	(-)	(74.39)	(-)	(-)	(74.39)



## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

					(Rs. In Lac )
Nature of Transaction	Associates	Key Managerial Personnel	Other Related Parties	Relatives of Key managerial person	Total
(b) Directors' Sitting Fee	-	0.90	-	-	0.90
	(-)	(1.15)	(-)	(-)	(1.15)
(c) Job work Charges	-	-	11.79	-	11.79
	(-)	(-)	(15.99)	(-)	(15.99)
(d) Rent	-	137.10	7.62	53.40	198.12
	(-)	(-)	(12.00)	(-)	(12.00)
(e) Reimbursement of Expenses	43.81	-	0.06	-	43.87
	(-)	(-)	(-)	(-)	(-)
(f) Other Expenses	-	-	0.75	-	0.75
	(-)	(-)	(0.62)	(-)	(0.62)

**Note:**

Figures in bracket represent previous year's amounts

#### Significant transactions with related parties:-

- i) Preference Share allotted Includes Rs. 50,000.00 Lac (Previous Year Rs. Nil) to Sushma Jain, Rs. 55,000.00 Lac (Previous Year Rs. Nil) to Rina Jain and Rs. 45,000.00 Lac (Previous Year Rs. Nil) to Laxmi Jain.
- ii) Business Purchase Includes Rs. 5,500.00 Lac (Previous Year Rs. Nil) purchased from Pet Fibers Limited and Rs. 7,000.00 Lac (Previous Year Rs. Nil) purchased from Prime Wovens Limited.
- iii) Fixed Assets Includes Rs. 118.87 Lac (Previous Year Rs. 1.41 Lac) sold to Pet Fibers Limited, Rs. 0.42 Lac (Previous Year Rs. 12.18 Lac ) sold to Prime Wovens Limited and Rs. 17.30 Lac (Previous Year Rs. Nil) sold to Adventity BPO India Pvt. Limited.
- iv) Fixed Assets Includes Rs. 155.03 Lac (Previous Year Rs. 1.78 Lac) purchased from Pet Fibers Limited, Rs. 6.16 Lac (Previous Year Rs. 7.75 Lac) purchased from Prime Wovens Limited and Rs. Nil (Previous Year Rs. 2.25 Lac) purchased from Suniti Commercial Limited.
- v) Investment made during the year Rs. 2,131.54 Lac (Previous year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited and Rs. 696.16 Lac (Previous year Rs. Nil) in Pet Fibers Limited.
- vi) Investment redeemed during the year Includes Rs. 4,560.00 Lac (Previous Year Rs. Nil) in Pet Fibers Limited and Rs. 8,940.00 Lac (Previous Year Rs. Nil) in Prime Wovens Limited.
- vii) Investment as at 31st March 2008, Includes Rs. 3927.86 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited and Rs. Nil (Previous Year Rs. 1340.00 Lac) in Adventity BPO India Pvt. Limited.
- viii) Debtors as on 31.03.2008 includes Rs. 0.03 Lac (Previous Year Rs. Nil) due from Daman Plastics and Rs. 0.07 Lac (Previous Year Rs. Nil ) due from Silvassa Plastics.
- ix) Loans and advances Includes Rs. Nil (Previous Year Rs. 112.00 Lac) given to Pet Fibers Limited, Rs. Nil (Previous Year Rs. 60.00 Lac) given to Prime Wovens Limited and Rs. 7.23 Lac (Previous Year Rs. Nil ) given to Urban Infrastructure Venture Capital Fund.
- x) Loans and Advances includes Rs. Nil (Previous Year Rs. 112.00 Lac) return by Pet Fibers Limited and Rs. Nil (Previous Year Rs. 60.00 Lac) return by Prime Wovens Limited.
- xi) Share Application Money includes Rs. 8151.45 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited.
- xii) Loans and advances as at 31st March 2008, Includes Rs. 8151.45 Lac (Previous Year Rs. Nil) in Urban Infrastructure Holding Pvt. Limited.

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

- xiii) Other Liabilities as on 31.03.2008 includes Rs. 20.00 Lac (Previous Year Rs. Nil) due to Urban Infrastructure Venture Capital Fund.
- xiv) Sales Includes Rs. 127.69 Lac (Previous Year Rs. 246.36 Lac) sold to Prime Wovens Limited and Rs. 753.89 Lac (Previous Year Rs. 21.92 Lac) sold to Puriya Industrial Packaging Limited.
- xv) Services includes Rs. 1074.35 Lac (Previous Year Rs. 3.80 Lac) provided to Puriya Industrial Packaging Limited and Rs. 2628.12 Lac (Previous Year Rs. Nil) provided to Urban Infrastructure Venture Capital Fund.
- xvi) Miscellaneous Income Includes Rs. Nil (Previous Year Rs. 0.63 Lac) received from Prime Wovens Limited, Rs. Nil (Previous Year Rs. 0.45 Lac) received from Tech Feb India and Rs. Nil (Previous Year Rs. 2.91 Lac) from Puriya Industrial Packaging Limited.
- xvii) Purchase of Goods Includes Rs. 140.39 Lac (Previous Year Rs. 190.92 Lac) purchased from Prime Wovens Limited, Rs. 39.28 Lac (Previous Year Rs. 8.60 Lac) purchased from Puriya Industrial Packaging Limited, Rs. 81.80 Lac (Previous Year Rs. 1.25 Lac) purchased from Sun Shine Fibre Pvt. Limited and Rs. 45.48 Lac (Previous Year Rs. Nil) purchased from Tufropes Pvt. Limited.
- xviii) Discount on Raw material includes Rs. 411.14 Lac (Previous Year Rs. 9.66 Lac) received from Resin Distributors Pvt. Limited and Rs. 13.05 Lac (Previous Year Rs. 57.33 Lac) received from Polyplast Agencies Pvt. Limited.
- xix) Recovery of Expenses represents Rs. 0.02 Lac (Previous Year Rs. 0.25 Lac) from Prime Wovens Limited and Rs. 0.05 Lac (Previous Year Rs. Nil) from Tech Feb India.
- xx) Dividend on Preference Shares paid includes Rs. 0.17 Lac (Previous Year Rs. Nil) to Sushma Jain, Rs. 0.19 Lac (Previous Year Rs. Nil) to Rina Jain and Rs. 0.16 Lac (Previous Year Rs. Nil) to Laxmi Jain.
- xxi) Director remuneration and perks Includes Rs. Nil (Previous Year Rs. 20.07 Lac) paid to S. P. Jain, Rs. 26.17 Lac (Previous Year Rs. 12.23 Lac) paid to Gaurav Jain, Rs. 10.00 Lac (Previous Year Rs. 9.17 Lac) paid to V. S. Pandit, Rs. 24.00 Lac (Previous Year Rs. Nil) paid to Virendra Jain, Rs. 32.99 Lac (Previous Year Rs. 32.92 Lac) paid to Dilip Shukla and Rs. 121.48 Lac (Previous Year Rs. Nil) paid to Parag Pareek.
- xxii) Director sitting fees Includes Rs. Nil Lac (Previous Year Rs. 0.45 Lac) paid to Virendra Jain, Rs. Nil (Previous Year Rs. 0.20 Lac) paid to Gaurav Jain, Rs. 0.20 Lac (Previous Year Rs. 0.10 Lac) paid to S.P. Jain, Rs. 0.40 Lac (Previous Year Rs. 0.40 Lac) paid to J.K. Jain and Rs. 0.30 Lac (Previous Year Nil) paid to Anand Jain.
- xxiii) Job work charges Includes Rs. 11.54 Lac (Previous Year Rs. 12.61 Lac) paid to Prime Wovens Limited and Rs. 0.07 Lac (Previous Year Rs. 2.94 Lac) paid to Daman Plastics.
- xxiv) Rent Expenditure Includes Rs. 7.62 Lac (Previous Year Rs. 12.00 Lac) paid to Pet Fibres Limited And Rs. 66.75 Lac (Previous Year Rs. Nil) paid to S.P.Jain, Rs. 70.35 Lac (Previous Year Rs. Nil) paid to Anand Jain and Rs. 53.40 Lac (Previous Year Rs. Nil) paid to Rina Jain.
- xxv) Reimbursement of expenses Rs. 0.06 (Previous Year Rs. 0.40 Lac) Paid to Prime Wovens Limited and Rs. 43.81 Lac (Previous Year Rs. Nil) paid to Urban Infrastructure Venture Capital Fund.
- xxvi) Other Expenses includes Rs. 0.16 Lac (Previous Year Rs. 0.05 Lac) paid to Pet Fibres Limited, Rs. 0.18 Lac (Previous Year Rs. Nil) paid to Resin Distributors Pvt. Limited, Rs. 0.23 Lac (Previous Year Rs. Nil) paid to Poly Resin, Rs. Nil (Previous Year Rs. 0.05 Lac) paid to Puriya Industrial Packaging Limited, Rs. Nil (Previous Year Rs. 0.12 Lac) paid to Prime Wovens Limited and Rs. 0.17 Lac (Previous Year Rs. Nil) paid to Polyole Fibres Pvt. Limited.

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

#### 6 SEGMENT INFORMATION AS PER ACCOUNTING STANDARD – 17 on Segment Reporting for the year ended 31st March 2008.

i) Information about Primary (Product wise) Segments.

(Rs. in Lac)

Particulars	Steel		Plastic Processing		Spinning		Other		Unallocated		Total	
	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07	07-08	06-07
<b>Segment Revenue</b>												
External Turnover	15163.33	15609.46	15461.21	5993.60	2386.75	5,791.85	2,610.61	-	-	-	35621.90	27394.91
Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-	-	-
Gross Turnover	15163.33	15609.46	15461.21	5993.60	2386.75	5791.85	2610.61	-	-	-	35621.90	27394.91
Less : Excise duty recovered	805.01	529.14	1114.20	149.13	18.29	73.13	270.53	-	-	-	2,208.03	751.40
Net Turnover	14358.32	15080.32	14347.01	5844.47	2368.46	5,718.72	2,340.08	-	-	-	33413.87	26643.51
<b>Results</b>												
<b>Segment Results</b>	53.24	761.58	2369.79	464.57	(364.48)	132.53	1,366.46	-	-	-	3425.01	1358.68
Unallocated Corporate Income (Net)	-	-	-	-	-	-	-	-	8258.16	5757.45	8258.16	5757.45
<b>Operating Profit/ (Loss)</b>	53.24	761.58	2369.79	464.57	(364.48)	132.53	1366.46	-	8258.16	5757.45	11683.17	7116.13
Interest Expenses	328.43	196.99	8.32	4.78	253.13	304.46	0.45	-	0.05	0.01	590.38	506.24
Interest/ Dividend/ Rent Income	647.29	515.16	19.94	6.27	102.75	12.05	34.26	-	3312.62	886.85	4116.86	1420.33
Provision for Income Tax	-	-	-	-	-	-	-	-	1100.16	658.65	1100.16	658.65
Net Profit/ (Loss)	372.10	1079.75	2381.41	466.06	(514.86)	(159.88)	1400.27	-	10470.57	5985.64	14109.49	7371.57
<b>Other Information</b>												
<b>Segment Assets</b>	7903.71	8103.41	22377.03	6959.84	5951.27	5,729.35	27,181.70	-	-	-	63413.71	20792.60
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	210185.52	23835.15	210185.52	23835.15
<b>Total Assets</b>	7903.71	8103.41	22377.03	6959.84	5951.27	5729.35	27181.70	-	210185.52	23835.15	273599.23	44627.75
Segment Liabilities	5626.96	4242.22	732.57	429.66	3089.68	3,494.46	1,678.65	-	-	-	11127.86	8166.34
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	4320.75	2141.41	4320.75	2141.41
<b>Total Liabilities</b>	5626.96	4242.22	732.57	429.66	3089.68	3494.46	1678.65	-	4320.75	2141.41	15448.61	10307.75
<b>Capital Expenditure</b>	1.80	34.46	11832.31	841.67	455.92	2,305.62	103.25	-	171.93	77.81	12565.21	3259.56
<b>Depreciation</b>	410.07	436.63	619.17	256.75	391.27	259.03	3.68	-	66.52	46.88	1490.71	999.29
<b>Non - Cash Expenditure</b>	-	-	-	-	-	-	-	-	436.35	610.70	436.35	610.70

#### ii) Notes:

(a) Segments have been identified and reported taking into account, the differing risks and returns, the organization structure and the internal reporting system. These are organized into two main business segment based on products:

**Steel** :- The Company is manufacturing CR/GP/GC Coils/ Sheets at Steel unit located at Nanded ( Maharashtra )

**Plastic Processing**:- The Company is manufacturing Woven sacks/ Fabrics at packaging units which are mainly located at Murbad (Maharashtra), Khadoli, Athal (Silvassa) and Daman

**Spinning** :- The Company is manufacturing spun yarn at its units located at Vasona, Masat '(Silvassa) and Sarigam (Gujarat)

**Others**:- Other includes Real Estate, Asset Management, Trusteeship and Infrastructure Activities

**Unallocated** :- Consists of expenses incurred at the corporate level which relates to the Company as a whole, income from investments of surplus funds, corporate assets includes Investment and ICDs.

(b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Unallocated includes expenses incurred at the corporate level which relates to the Company as a whole.

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

	(Rs. In Lac )	
iii ) Secondary Segment Information (Geographical Segments)	2007-08	2006-07
<b>1. Segment Revenue - External Turnover</b>		
- Within India	29977.50	18435.39
- Outside India	5644.40	8959.52
Total Revenue	<b>35621.90</b>	<b>27394.91</b>
<b>2. Segment Assets</b>		
- Within India	273171.63	44375.15
- Outside India	427.60	252.60
Total Assets	<b>273599.23</b>	<b>44627.75</b>
<b>3. Segment Liability</b>		
- Within India	15387.71	10278.14
- Outside India	60.90	29.61
Total Liability	<b>15448.61</b>	<b>10307.75</b>
<b>4. Capital Expenditure</b>		
- Within India	12565.21	3295.56
- Outside India	-	-
Total Capital Expenditure	<b>12565.21</b>	<b>3295.56</b>
<b>7 Auditor's Remuneration</b>		
Audit Fees	25.66	13.47
Tax Audit Fees	8.75	4.16
Certification Fees	23.77	3.90
Out of Pocket Expenses	4.09	2.45
Other Capacity	0.93	0.51
	<b>63.20</b>	<b>24.49</b>
<b>8 Directors' Remuneration</b>		
Salary	208.74	72.20
Perquisites	5.90	2.19
	<b>214.64</b>	<b>74.39</b>
<b>9 Disclosure of Financial and Derivative instruments</b>		
(i) Derivative contracts entered into by the Company and outstanding as on 31st March 2008 for Hedging Foreign Currency :-		
Forward Contracts (Forecast transaction)	3,574.55	-
(ii) Unhedged foreign currency exposure is as under :-		
Payable	1111.74	2,379.62
Receivable	129.81	631.62
(iii) In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Schedule VI of the Companies Act, 1956, the Company has charged an amount of Rs. 22.75 Lac to the Profit and Loss Account in respect of derivative contracts outstanding as at 31st March, 2008.		
(iv) All derivate and Financial instruments acquired by the Company are for hedging purpose only.		

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

- 10 The Company has acquired the manufacturing units of Pet Fibres Limited situated at Survey No.168/182-191 Dabhel Industrial Co-operative Society, Dabel, Daman (U.T.) engaged in the manufacturing of Packaging items like PP/HDPE wovens sacks and fabric etc., and units of Prime Wovens Limited situated at Survey No.326/1& 326/2/1, Athal (U.T.), engaged in the manufacturing of Packaging items like PP/HDPE, woven sacks, jumbo bags and PP staple fibre, at lumpsum consideration of Rs. 5500 Lac and Rs. 7000 Lac respectively on dated 24th September, 2007 on going concern basis. The said considerations have been allocated amongst Fixed Assets, Current Assets and Current Liabilities based on value determined on that date.
- 11 During the year the Company has incurred Issue Expenses amounting to Rs. 1240.29 Lac in connection with Issue of shares on preferential basis and sub-division of existing share of Rs. 10/- each in to Re.1/- each, which has been adjusted against the Securities Premium. The preliminary and other issue expenses incurred by the Subsidiaries amounting to Rs. 8.80 Lac has been charged to the Profit and Loss Account.
- 12 During the year the Company has been sanctioned a sum of Rs. 125.89 Lac as the interest subsidy upto 31st March, 2008, under the Technology Upgradation Fund Scheme (TUFS) governed by Ministry of Textiles of India. Out of above interest subsidy of Rs. 64.17 Lac being the amount related to year ended 31st March 2008, has been netted against interest expense of the current year and Rs. 61.72 Lac related to earlier year, has been accounted under the head other Income in "Schedule I" to the Profit and Loss Account.

### 13 The details of Pre-operative expenditure :-

(Rs. In Lac )

Particulars	2007-08	2006-07
Employees' Remuneration & Benefits	29.77	10.20
Power, Fuel & Water	10.36	4.34
Rates & Taxes	2.29	1.46
Legal, Professional & Consultancy	2.03	3.44
Travelling & Conveyance	2.95	1.73
Bank Charges	0.13	0.02
Other Expenses	3.47	1.95
Consumable & Stores	2.54	0.34
Repair & Maintenance	0.17	-
Loss on Sale of Plant & Machinery	2.54	2.54
Freight Inward	0.35	0.22
Testing Charges	0.14	0.14
Processing Charges	0.02	-
Total Expenses	56.76	26.38
Less :- Misc. Income	0.75	0.67
Total	56.01	25.71
Less :- allocated During the Year	56.01	2.91
	-	22.80

### 14 Additional Information

(Rs. In Lac)

	As at 31.03.2008	As at 31.03.2007
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advance paid) (Cash outflow is expected on execution of such capital contracts)	1,209.93	169.90
(b) Uncalled Liability on partly paid up share/debenture (net of advance paid towards unpaid calls)	89.25	20,462.80
(c) Contingent Liabilities		

## SCHEDULES forming part of the Consolidated Accounts

### SCHEDULE "N" (cont.)

14 Additional Information	As at 31.03.2008	(Rs. In Lac) As at 31.03.2007
(i) Claims against the Company not acknowledged as debts (Disputed liability in appeal)		
Sales Tax	16.03	94.36
Excise Duty	89.49	14.49
Railway Claims	80.66	80.66
Provident Fund	-	89.25
Income Tax	-	82.26
Other Claims	-	15.90
	<b>186.18</b>	<b>376.92</b>
(ii) Unexpired letter of credit	<b>1,329.04</b>	643.21
(These are established in favour of suppliers. But material under the aforesaid letter of credit are yet to be received as on year end date. Cash outflow expected on the basis of payment terms as mentioned in the Letter of Credit.)		
(iii) Bank Guarantee	<b>63.54</b>	-
(Bank Guarantee are Provided under contractual/legal obligation. No cash outflow is expected)		
<b>15 Excise duty</b>		
a) Excise duty shown as a reduction from Turnover	<b>1,891.00</b>	751.40
b) Excise duty charged to Profit & Loss Account		
i) Difference between closing & opening stock	<b>66.14</b>	(301.29)
ii) Excise duty paid on Consignment Sale	<b>6.14</b>	-
	<b>72.28</b>	<b>(301.29)</b>
16 During the year the Company is liable to pay Minimum Alternate Tax ("MAT") under section 115 JB of the Income Tax Act, 1961 ("The Act") and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than section 115 JB of the Act, in next seven years. Based on the future projection of the performances, prepared by the Company, the Company will be liable to pay the income tax computed as per the provisions, other than section 115 JB of the Act. Accordingly, as advised in Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, Rs. 736.53 Lac being the excess of tax payable under section 115 JB of the Act over tax payable as per the provisions other than section 115 JB of the Act has been considered as MAT credit entitlement and credited to profit and loss account.		
17 The carrying amount of Investment in Associate Companies includes Rs. 39.90 as Capital Reserve arise on the date of acquisition of shares in its associates.		
18 The Previous year's figures have been regrouped, rearranged, restated and reclassified wherever necessary.		

As per our attached report of even date

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. Koria**  
Partner  
Place : Mumbai  
Dated : May 10, 2008.

For and on behalf of the Board of Directors

**Virendra Jain** Managing Director & CEO

**Gaurav Jain** Executive Director

**R.K. Mundra** Chief Financial Officer

**A. Datta** Company Secretary

## Corporate Information

### BOARD OF DIRECTORS

(As on July 31, 2008)

**Jai Kumar Jain**  
Chairman Emeritus

**Anand Jain**  
Chairman

**Virendra Jain**  
Vice Chairman

**Gaurav Jain**  
Managing Director

**K. M. Doongaji**

**S. H. Junnarkar**

**D. K. Contractor**

**Dr. P. P. Shah**

**S. N. Chaturvedi**

**V. S. Pandit**  
Director Works

### CHIEF FINANCIAL OFFICER

Rajesh Kumar Mundra

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ananjan Datta

### BOARD COMMITTEES

#### Audit Committee

K.M Doongaji (Chairman)  
Virendra Jain  
S. N. Chaturvedi  
D. K. Contractor

#### Investors' Grievance and Share Transfer Committee

Jai Kumar Jain (Chairman)  
Virendra Jain  
Gaurav Jain

### AUDITORS

**Chaturvedi & Shah**  
Chartered Accountants

### BANKERS

Axis Bank  
Bank of Baroda  
Bank of India  
Canara Bank  
Development Credit Bank Limited  
HDFC Bank Limited  
South Indian Bank Limited  
State Bank of India  
Union Bank of India

### REGISTERED OFFICE

A-3, MIDC Industrial Area,  
Nanded- 431 603,  
Maharashtra  
[www.jaicorplndia.com](http://www.jaicorplndia.com)

### CORPORATE OFFICE

807, Embassy Centre,  
Nariman Point,  
Mumbai-400021  
Maharashtra, India

### MANUFACTURING FACILITIES

- (i) Plastic Processing Division  
Plot No. A/2,8, MIDC,  
Murbad Dist. Thane,  
Maharashtra  
140/1/1/1 to 140/1/1/9,  
Village Khadoli, Silvassa  
198/182/19, Dabel,  
Daman-396210, U.T. D & D
- (ii) Plastic Processing & Master Batch  
Survey No. 141  
Nani Daman, U.T. D & D
- (iii) Plastic Processing & PSF  
Survey No.326,326/2/1  
Silvassa-396230, U.T. D & NH

### STEEL DIVISION

A-3, MIDC Industrial Area,  
Nanded-431603,  
Maharashtra

### SPINNING YARN DIVISION

- (i) Textile Twisting Division  
Survey No.45-B  
Masat, Silvassa-396230  
U.T. D & NH
- (ii) Textile Deying Division  
Sarigam Unit  
Surat,  
Gujarat
- (iii) Textile Spinning Division  
246, Khanvel Road,  
Vasona, Silvassa-396230  
U.T. D & NH

### REGISTRARS & TRANSFER AGENTS

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46, Avenue 4, Street No.1,  
Banjara Hills,  
Hyderabad 500 034, India  
Tel: +914023312454, 23320251  
2332 0751, 23320752  
Fax: +91 40 23311968  
E- mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)



**Corporate office:** 807, Embassy Centre, Nariman Point, Mumbai - 400021, India

**Registered office:** A-3, MIDC Industrial Area, Nanded-431 603, Maharashtra, India

**[www.jaicorpindia.com](http://www.jaicorpindia.com)**