

Responsible Growth

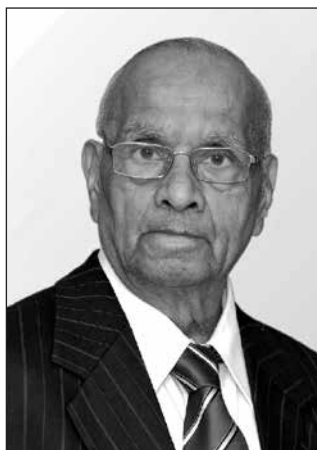


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1. Turmoil continues to rock both the financial and political worlds.
2. Every green shoot has died before the sapling matures.
3. Global political and economic leadership is trying all kind of models to achieve stability and growth, but has not succeeded.
4. Turnaround in US is gathering speed in the last few months, which is good for the global economy.
5. If the momentum is kept on we can hope for a global economic revival in the next three to five years.
6. Japan is also showing signs of waking up from deep slumber.
7. China is trying to achieve a soft landing, which will augur well for the global economy.
8. As India enters election year, we are seeing increased uncertainty.
9. Economic reforms have not kept pace with changing needs.
10. Aspirations of young and increasingly restless Indians have to be met.
11. The emerging India, which is young and vibrant, has to be provided with growth opportunities.
12. At Jai Corp, we realise that responsible growth is the need of the hour.
13. We cannot grow for the sake of growing.
14. We took a breather, consolidated our operations, looked at means of attaining Sustainable Growth and we are now ready with plans that will result in Responsible Growth.
15. We see a tremendous opportunity in the polymer industry.
16. India's low per capita consumption and important role that polymers play in economic growth cannot be disputed.
17. We visualise an exciting phase of growth.
18. Which will lead to increased capacity at competitive costs, offering new products in the market, providing more employment and satisfying millions of consumers.
19. We have a leadership team that can deliver our stated objectives. We are confident of the potential and core strengths of our employees, starting with the talent, dedication and their values.
20. The future of Jai Corp is bright and holds great promise by following the mantra of Responsible Growth.

MESSAGE FROM THE CHAIRMAN-EMERITUS



Dear Fellow Shareowners,

The story of economic recovery from the global financial crisis remains extremely fragile. Continuing risks to economic health include high unemployment, debt and low growth in developed countries and shortage of financing for developing countries. India too has seen policy paralysis which is not good for the long term growth of the economy. We need to infuse dynamism along with quick and radical thinking to bring the economy out of the morass it is stuck in. We have to create millions of jobs and ensure that our youth plays an active role in the growth of our country.

We at Jai Corp are committed to frame our business plans, based on our core competencies that will add more value to our products and services. We always maintain that our performance and growth are intrinsically linked with the sustenance and development of the communities in which we operate. We believe that growth and responsibility go hand-in-hand. We have always given the highest priority to our programmes engaging various sections of the society. We feel that these activities are our humble homage to the society.

We remain committed to safe and efficient operations and to conducting our business in an environmentally sound and socially responsible manner.

I thank all our shareholders who have consistently reinforced their faith and trust in the Company. I am confident that we will strive hard to create sustainable growth for all our stakeholders.

I have served the Board of this Company for 28 years and with my age, I am finding it difficult to play an active role in our Company. Hence I have decided to step down as a member of the Board.

I thank our Board of Directors for their valuable insight, constant support and guidance at every stage. I also thank our stakeholders for their unstinted support.

With best wishes,
Sincerely,

Jai Kumar Jain
Chairman- Emeritus
8th August, 2013

MESSAGE FROM THE CHAIRMAN



Dear Fellow Shareowners,

In the financial year ended 31st March, 2013 your Company's gross turnover increased by about 3.63% from ₹ 653.82 crore to ₹ 677.57 crore, however the net profit decreased by 24.30% from ₹ 98.93 crore to ₹ 74.89 crore.

It was expected that in 2012-13 the Indian economy would be able to continue with its growth. However, a combination of worsening global economy and a difficult domestic environment resulted in a much lower growth rate of around 5%.

The World Bank in its two-yearly Global Economic Prospects Report 2013 has stated that the world economy is set to grow at 2.2 percent, less than the 2.3 percent growth registered last year but it has predicted a higher growth rate for 2014-15. It expects developing countries collectively to expand by 5.1% with India's growth outlook being 5.7%.

The Reserve Bank of India in its First Quarter Review of Monetary Policy 2013-14, *inter alia* mentions that domestic economic activity weakened in the first quarter of 2013-14, lead indicators point to continuing headwinds facing manufacturing and services sector activities. In its May Policy, the Reserve Bank projected GDP growth for 2013-14 of 5.7 per cent, conditional upon a normal monsoon returning agricultural growth to its trend level. The outlook for industrial activity, however, was expected to remain subdued, and growth in services and exports was expected to stay sluggish owing to global growth not improving significantly. Cost of raw material continued to rise whereas sentiments for rise in selling price declined indicating lack of pricing power. The crisis of the last few months has been abetted by falling value of Rupee. It has resulted in making imports costly. More than anything else it has pushed cost of feedstock high and in a low demand scenario, it is difficult to pass the price hike to the reluctant consumer.

The process of reforms in the country has to be accelerated. More investments, faster approvals are the need of the hour. The central government must take the initiative to assuage the sentiments of the investors by having a stable and pragmatic economic policy.

Our traditional business of plastic processing delivered a robust performance. The steel business turned around and posted a profit for the year. The results for the first quarter are also encouraging. The investments in the real estate sector are long-term in nature and are expected to unlock their potential value in the coming years.

Our asset management business showed a good performance. We manage and advise a collective funds of approximately ₹ 3,131 crore. The funds' investments are focused on mix - use development projects including large townships. The funds have collectively distributed approximately ₹ 705 crore to its investors.

Special Economic Zones (SEZs) were envisaged to be engines for rapid economic growth, for increasing India's exports and would have contributed to jump in India's GDP. However global slowdown has put a dampener on this and no SEZs, except a handful in India have been successful. Our SEZs are facing difficult times as approvals and land acquisition are delayed considerably. The future growth of the SEZs will depend on improved business sentiments in the global economy.

While new businesses bring with them a new risk profile and uncertainty, as a prudent strategy, we continued to focus on our core businesses and have gone through a consolidation phase. We are now looking at responsible growth in all our existing businesses.

I strongly believe that your Company's business strategy and operational quality along with the relentless effort of our entire team has helped your Company achieve this performance in a very challenging environment.

Our focus will be to deliver superior performance and achieve sustainable and responsible growth for all our stakeholders.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed their trust in us and extended their constant support.

With best wishes,

Sincerely,

Anand Jain

Chairman

8th August, 2013

ABOUT US:

Jai Corp Limited, established in 1985, under the leadership of the Company's Chairman Shri Anand Jain, is fast emerging as a leading urban integrated infrastructure company.

Traditionally, a manufacturing enterprise, the Company produces flexible intermediate bulk containers (FIBC Jumbo bag), woven sacks and fabrics, manmade fibre yarns, Masterbatch and steel coils and sheets.

In 2006, Shri Jain's vision saw Jai Corp expanding its horizons. Jai Corp is metamorphosing from a manufacturing enterprise to a corporate driven by new growth engine such as asset management and urban infrastructure development.

The Company is in the process of building globally relevant centers of excellence in manufacturing and service sector.

Jai Corp is also a leading real estate organization with a significant funding and development portfolio.

The Company is also advisor and manager to some of India's largest real estate funds.

With its Registered Office at Nanded, Maharashtra, the Company has its Corporate Office in India's financial capital, Mumbai.

The Company has a shareholder family of about 86,000. The Company's shares are listed on the BSE and the National Stock Exchange.

LOCATIONS :

- Woven sacks manufacturing division: Khadoli, Athal (Silvassa) and Daman
- Spinning division: Vasona, Masat (Silvassa) and Sarigam (Gujarat)
- Steel division: Nanded (Maharashtra)
- SEZs: Mumbai and Navi Mumbai
- Port SEZ: Rewas (Maharashtra)
- Asset Management business and Venture Capital Fund Offices: Mumbai.

COMPANY INFORMATION

BOARD OF DIRECTORS

(As on August 08, 2013)

Anand Jain

Chairman

Virendra Jain

Vice Chairman

Gaurav Jain

Managing Director

V.S. Pandit

Director - Works

K. M. Doongaji

S. N. Chaturvedi

S. H. Junnarkar

Anup P. Shah

Directors

CHIEF FINANCIAL OFFICER &
CHIEF ACCOUNTS OFFICER

Pramod Kumar Jaiswal

COMPANY SECRETARY &
COMPLIANCE OFFICER

Ananjan Datta

BOARD COMMITTEES:

Audit Committee

K.M. Doongaji (Chairman)

S.N. Chaturvedi

Virendra Jain

Anup P. Shah

Shareholders/Investors

Grievance Committee

K.M. Doongaji (Chairman)

S.N. Chaturvedi

Virendra Jain

Gaurav Jain

Share Transfer

Committee

Virendra Jain (Chairman)

Gaurav Jain

V.S. Pandit

BANKERS

Axis Bank

Bank of Baroda

Canara Bank

Development Credit Bank Limited

HDFC Bank Limited

South Indian Bank Limited

Union Bank of India

REGISTERED OFFICE

A-3, M.I.D.C. Indl. Area,

Nanded- 431 603, Maharashtra

Website: www.jaicorpindia.com

Tel: +91-22-61155300

Fax:+91-22-22875197

CORPORATE OFFICE

12-B, Mittal Tower,

Nariman Point,

Mumbai-400021

Maharashtra, India.

REGISTRAR &

SHARE TRANSFER AGENT

Karvy Computershare Private Limited

Plot no. 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad 500 081.

Tel: +91-40-44655000

Fax no: + 91-040-23420814

e-mail:einward.ris@karvy.com

Website : www.karvy.com

AUDITORS

Chaturvedi & Shah

Chartered Accountants

MANUFACTURING FACILITIES

(i) Plastic Processing Division

140/1/1/1 to 140/1/1/9,

Village Khadoli, Silvassa (D & N.H)

(100% EOU Unit)

168/182-191, Dabhel Ind.Co-op.Soc.Ltd.,

Dabhel, Daman (Daman & Diu)

Survey No. 148, 149/1 & 2, 180/2 & 3,

Dabhel Ind. Co-op. Soc. Ltd.,,

Dabhel, Daman (Daman & Diu)

Plot No. F-1 & F-2,

Indore SEZ Phase-1, Sector-III

Pithampur (MP) (SEZ Unit)

(ii) Plastic Processing & Master Batch

Survey No.141,Dabhel Ind.Co-op.Soc.Ltd.,

Dabhel, Daman (Daman & Diu)

(iii) Plastic Processing & PSF

Survey No.326/1,326/2/1

Village Athal, Silvassa, (D&NH)

(iv) Steel Division

A-3, M.I.D.C, Indl. Area

Nanded, Maharashtra.

(v) Textile Division- Twisting

Survey No.45-B, Govt. Ind Estate,

Masat, Silvassa (D & NH)

(vi) Textile Division- Dyeing

Plot No.1620, GIDC Sarigam,

Dist. Valsad, Gujarat

(vii) Textile Division- Spinning

Survey No.246, Khanvel Road,

Vasona, Silvassa (D &NH)

NOTICE

NOTICE is hereby given that the Twenty-eighth Annual General Meeting of the Members of Jai Corp Limited will be held on Saturday the 21st day of September, 2013 at 12.00 noon at the Registered Office of the Company at A-3, M.I.D.C. Industrial Area, Nanded-431603, Maharashtra to transact the following businesses:

AS ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Shri Sandeep H. Junnarkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Virendra Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Anand Jain who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Messrs Chaturvedi & Shah, Chartered Accountants, as the Auditor of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

AS SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force, the Company hereby approves of the appointment of Shri Gaurav Jain as the Managing Director of the Company for a further period of 5(five) years with effect from 4th June, 2013 on the terms and conditions, including remuneration and minimum remuneration as set out in the Agreement to be entered into between the Company and Shri Gaurav Jain, a draft whereof is placed before this meeting and is hereby approved with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and

/ or Agreement so long as the same is within the limits specified under Sections 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force, as may be agreed between the Board of Directors and Shri Gaurav Jain;

RESOLVED FURTHER THAT the amount of remuneration to Shri Gaurav Jain in a financial year shall not exceed the ceiling of 5% of the net profits of that financial year and 10% of the net profits to all managerial personnel taken together in that financial year as laid down in Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force;

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, relaxation and / or variation by the Central Government to Schedule XIII or to any of the Sections of the Companies Act, 1956 for the time being in any force, the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limits and the aforesaid Agreement between the Company and Shri Gaurav Jain may be suitably amended to give effect to such amendments, modifications, relaxations and / or variations without any further reference to the members in a general meeting;

RESOLVED FURTHER THAT till such time Shri Gaurav Jain continues to remain the Managing Director he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** Shri Anup P. Shah who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Article 135 of the Articles of Association and Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 80 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force, and Article 8 and all other enabling provisions of the Articles of Association of the Company and the applicable laws, rules, regulations, guidelines, clarifications and approvals issued by any statutory body or regulatory authority and subject to such approvals / consents / permissions / sanctions as may be required in accordance with applicable laws, rules, regulations and guidelines and subject to such conditions which such body or authority may impose at the time of granting their approvals / consents / permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the ‘Board’ which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution), consent of the members be and is hereby accorded to the Board to roll over for a period up to (two) years 83,49,900 (eighty-three lakh forty-nine thousand and nine hundred) 1% non-cumulative non-participating redeemable preference shares of face value ₹ 1/- (Rupee one only) each of the Company issued at a price of ₹ 1,000/- (Rupees one thousand only) each i.e. at a nominal value of ₹ 1/- (Rupee one only) and a premium of ₹ 999/- (Rupees nine hundred and ninety- nine only) per share allotted on 26.11.2007 to certain members of the promoter group and which are presently held by certain members of the promoter group / relative of the promoters, which are due for redemption on 25.11.2013 to the intent that the said 83,49,900 preference shares will be redeemed at a later date as hereafter stated;

RESOLVED FURTHER THAT the said preference shares shall continue to carry a preferential right to dividend of 1% (one per cent) per annum;

RESOLVED FURTHER THAT, as per the terms of issue, the said preference shares shall in respect of capital, on a winding-up or repayment of capital, carry a preferential right for repayment in priority to the equity shares to the Company but shall not carry any further or other right to participate either in the profits or assets of the Company;

RESOLVED FURTHER THAT the said preference shares shall be redeemable on the expiry of 2 (two) years from the date of roll over (i.e. two years from 26.11.2013) with an option to the Company / preference shareholders to redeem the same any time earlier;

RESOLVED FURTHER THAT the redemption of the said preference shares shall be at a premium of 6 percent (six per cent) per annum from the date of allotment over and above the total issue price of ₹1,000/- (Rupees one thousand only) per share and the premium will be proportionate to the period of holding of the said preference shares;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and steps and do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable or expedient to the roll-over of the said shares and to resolve and settle all questions, difficulties or doubts that may arise in regard to such roll over, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

By Order of the Board of Directors

Mumbai
8th August, 2013

A. Datta
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy or Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the aforesaid meeting. Corporate Members are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote at the Meeting.

3. The Register of Members and Share Transfer Books will remain closed from Wednesday, the 11th day of September, 2013 to Saturday, the 21st day of September, 2013 (both days inclusive).
4. The dividend recommended by the Board of Directors, if declared at the Meeting will be payable to those Members whose names are registered in the Register of Members of the Company at close of business on Tuesday 10th September, 2013.
5. Un-paid / un-claimed dividend for the financial years 2007-08, 2008-09, 2009-10 2010-11 and 2011-12 will be transferred to the Investor Education and Protection Fund on or after 01st October, 2015, 29th October, 2016, 6th October, 2017, 22nd October, 2018 and 27th October, 2019 respectively pursuant to the provisions of Section 205A of the Companies Act, 1956. The members who have not cashed their dividend warrant/s are requested to immediately make their claims to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited. It may be noted that once the un-paid dividend is transferred to the aforesaid Fund, no claim shall lie with the Company and / or the Fund in respect of such amount.
6. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private limited details of such folios together with the share certificates for consolidating their holding in one folio. The share certificate will be returned to the Member/s after making requisite changes thereon.
7. The Securities and the Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding securities in the electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited.
8. Non-resident Indian shareholders are requested to inform the Company immediately:-
 - i. Change in residential status on return to India for permanent settlement.
 - ii. Particulars of bank account maintained in Indian with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.
 - iii. Copy of Reserve Bank of India permission.
9. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations in respect of shares held by them in physical form are requested to send the necessary particulars in Form 2B (available on request) to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited.
10. A brief resume of all Directors who are proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of other companies in which they hold directorships and memberships / chairmanships of Committees of the Board, shareholdings and relationships between Directors *inter-se* as required to be provided pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are given elsewhere in the Annual Report.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can expeditiously receive the Annual Report and other communication from the Company electronically.

By Order of the Board of Directors

Mumbai
8th August, 2013

A. Datta
Company Secretary

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

Item No. 8:

The Board of Directors (hereafter "the Board") at their meeting held on 8th May, 2013 re-appointed Shri Gaurav Jain as the Managing Director of the Company for a period of five years commencing from 4th June, 2013 up to 3rd June, 2018. Shri Gaurav Jain was appointed as the Managing Director for the first time on 4th June, 2008. The appointment of Shri Gaurav Jain is subject to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any of the Companies Act, 1956 (hereafter referred to as "the Act") read with Schedule XIII to the Act. The draft Agreement proposed to be entered into with Shri Gaurav Jain, *inter-alia*, contains the following terms: **Salary:** ₹ 2,00,000/- per month. **Commission:** In addition to salary and perquisites, based on the net profits of the Company in a particular financial year computed in the manner laid down in Section 309(5) of the Act, as may be approved by the Board but not exceeding the limits laid down in Section 309(3) of the Act.

Perquisites and Allowances: Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical expenses / re-imbursement for self and his family including dependents, leave travel concession for self and his family including dependents, club fees, medical insurance and such other perquisites and allowances as agreed / authorized by the Board up to ₹ 2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Act. The minimum remuneration payable to Shri Gaurav Jain in the event of loss or inadequacy of profits in any financial year during the period of his appointment will be subject to a maximum ceiling of ₹ 24,00,000/- per annum or up to ₹ 2,00,000/- per month, including the perquisites as set out in Part II Section II of Schedule XIII to the Companies Act, 1956.

The Board commends the passing of this resolution set out at Item No. 8 of the accompanying Notice as an Ordinary Resolution for approval of the members. The draft Agreement proposed to be entered into between the Company and Shri Gaurav Jain is available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 am and 2.00 pm on any working day of the Company, up to the date of the meeting. The above may be treated as an abstract of the Agreement proposed to be entered into between the Company and Shri Gaurav Jain pursuant to Section 302 of the Companies Act, 1956. Other than Shri Gaurav Jain, Shri Anand Jain and Shri

Virendra Jain Directors of the Company, being related to Shri Gaurav Jain, no other Director is in any way, considered concerned or interested in this resolution.

Item No. 9:

The Board of Directors at their Meeting held on 8th May, 2013 had appointed Shri Anup P. Shah as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Shri Anup P. Shah can hold office only up to the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his name as a Director, along with the required deposit amount.

Shri Anup P. Shah is a Chartered Accountant with degrees in law and commerce from the University of Mumbai. He has hands-on experience in legal, financial, and tax consultancy, including business restructuring, transaction structuring, capital markets regulations, foreign investments, private equity investments, business valuations, real estate structuring, corporate governance issues, accounting advisory, etc. He has authored / co-authored several books and regularly gives lectures at seminars and workshops across India. He is also director of Ruby Mills Ltd., Claris Lifesciences Ltd. and several private limited companies.

The Board of Directors is of the opinion that the appointment of Shri Anup P. Shah is in the interests of the Company and accordingly commend the Ordinary Resolution set out in Item no. 9 of the accompanying Notice for approval of the Members.

Other than Shri Anup P. Shah, no other Director is in any way, considered concerned or interested in this resolution.

Item No. 10:

The Company had issued 1,50,00,000 1% non-cumulative, non-participating redeemable preference shares of face value ₹ 1/- each at a price of ₹ 1,000/- each i.e. at a premium of ₹ 999/- per share to certain members of the promoter group. The said preference shares were allotted on 26th November, 2007 for a tenure of 2 years from the date of allotment with an option to the Company / the allottee to redeem the same after a period of 1 year. The rate of dividend payable to the preference shareholders is 1% on the face value of the shares. These preference shares were eligible for redemption at a premium of 6% p.a. over and above the issue price of ₹ 1,000/- per share on 25th November, 2009. At the 24th Annual General Meeting held on 23rd September, 2009 approval of the equity shareholders was obtained to roll over these preference shares for a term of 2 years from the date they were to be due for redemption and the preference shares were rolled over

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for redemption on 25th November, 2011. 50,00,100 preference shares were redeemed on 25th November, 2011 and the remaining 99,99,900 preference shares were rolled over for another term of 2 years for which approval of the equity shareholders was obtained at the 26th Annual General Meeting held on 23rd September, 2011. The Company redeemed another 16,50,000 preference shares on 23rd August, 2012 leaving a balance of 83,49,900 preference due for redemption on 25th November, 2013.

Considering the present economic and capital markets scenario, the Company requested the preference shareholders to rollover these preference shares for a further period up to two years. The preference shareholders have agreed to the roll over the said 83,49,900 preference shares for a further period up to 2 years with an option to the Company / the shareholders to redeem these shares any time earlier. The issue of these preference shares was approved by the equity shareholders at the Extra-ordinary General Meeting held on 17th November, 2007 and their roll overs at the 24th Annual General Meeting held on 23rd September,

2009 and 26th Annual General Meeting held on 23rd September, 2011. The members' approval to the proposed further roll over is being sought as a matter of abundant caution.

The Special Resolution is proposed pursuant to the provisions of Section 80 of the Companies Act, 1956.

The Board of Directors commends the Special Resolution set out at Item No. 10 of the accompanying Notice for approval of the Members.

Shri Anand Jain, Shri Virendra Jain and Shri Gaurav Jain Directors of the Company and constituents of the promoter group are concerned or interested in this resolution to the extent of the preference shares held by their relatives and by one of them. None of the other Directors are concerned or interested in this resolution.

By Order of the Board of Directors

Mumbai
8th August, 2013

A. Datta
Company Secretary

Details of Directors seeking re-appointment / appointment at the 28th Annual General Meeting pursuant to Clause 49 of the Listing Agreement

| Name of the Director | Shri. Sandeep H. Junnarkar | Shri. Virendra Jain | Shri. Anand Jain | Shri. Gaurav Jain | Shri. Anup P. Shah |
|--|--|--|--|--|---|
| Date of Birth | 02.07.1951 | 19.11.1958 | 14.01.1957 | 13.09.1979 | 02.1.1976 |
| Date of Appointment | 19.08.1994 | 31.12.1986 | 24.09.2007 | 04.06.2008 as Managing Director. Director since 12.03.2004. | 08.05.2013 |
| Expertise in specific functional area | Advocate and Solicitor | Entrepreneur with over 25 years' of experience in the business of plastic processing. | Entrepreneur with over 25 years' of experience in various businesses. | Entrepreneur with over 10 years' experience in the business of plastic processing | Chartered Accountant |
| Qualification | B.Sc., LLB. | B.Com. | B.Com. | B.Sc. (Econ.), B.Sc. (Comp. Sc.) | C.A., LLB., B.Com. |
| No. of shares held in the Company | Nil | 98,71,620 equity shares | 36,10,240 equity shares | 1,04,27,200 equity shares & 4,00,000 preference shares | Nil |
| Directorships in other Indian public limited companies | <ol style="list-style-type: none"> Everest Industries Ltd. (Member of Audit Committee & Remuneration Committee) Excel Crop Care Ltd. (Member of Remuneration Committee) IL&FS Infrastructure Development Corporation Ltd. (Member of Remuneration Committee) Jai Realty Ventures Ltd. Reliance Industrial Infrastructure Ltd. (Member of Audit Committee, Shareholders / Investors Grievance Committee & Remuneration Committee) Reliance Industrial Investments & Holdings Ltd. Reliance Ports and Terminals Ltd. Sterlite Industries (India) Ltd. (Member of Audit Committee & Chairman of Shareholders / Investors Grievance Committee) | <ol style="list-style-type: none"> Jai Realty Ventures Ltd. Pet Fibres Ltd. Prime Wovens Ltd. Suniti Commercials Ltd. Techfab (India) Industrial Ltd. | <ol style="list-style-type: none"> Mumbai SEZ Ltd. Rewas Ports Ltd. Urban Infrastructure Venture Capital Ltd. | <ol style="list-style-type: none"> Jailaxmi Realty and Developers Ltd. Jai Realty Ventures Ltd. Novelty Realty & Developers Ltd. Pet Fibres Ltd. Poly-resin Agencies (India) Ltd. Sriniwas Electro Steel Ltd. Welldone Real Estate Ltd. | <ol style="list-style-type: none"> Ruby Mills Ltd. (Chairman of Audit Committee) Claris Lifesciences Ltd. (Chairman of Audit Committee, Member of Shareholders / Investors Grievance Committee & Remuneration / Compensation Committee) |
| Relationship between Directors <i>inter se</i> | None | Is related to Shri Anand Jain and Shri Gaurav Jain | Is related to Shri Virendra Jain and Shri Gaurav Jain | Is related to Shri Anand Jain and Shri Virendra Jain | None |

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENT

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 Financial Year (FY)

A review report published in April 2013 by the Economic Advisory Council to the Prime Minister states *"Growth and, more particularly, industrial growth has slowed. But the decline appears to have bottomed out. Overall economic growth is expected to rise to 6.4 per cent in 2013-14 from 5 per cent in the previous year..."* Under a difficult economic scenario, Jai Corp was able to hold on to its own and has reported a decent financial performance. Key financial performance indicators for FY 2012-13 are as under:

- The gross turnover increased by 3.63 per cent to ₹ 677.57 crore in FY 2012-13 from ₹ 653.82 crore in FY 2011-12.
- The total EBIDTA decreased by 19.28 per cent to ₹ 127.24 crore in FY 2012-13 from ₹ 157.64 crore in FY 2011-12.
- The Net Profit decreased by 24.30 per cent to ₹ 74.89 crore in FY 2012-13 from ₹ 98.93 crore in FY 2011-12.

BUSINESS REVIEW

Urban Integrated Infrastructure

Sector Overview:

According to a United Nations report, India's population currently encompasses about 1.2 billion people and is expected to grow by another 300 million within the next

couple of decades. With cities generating two-thirds of the country's economic output, an increasing number of Indians are leaving rural areas to seek employment in cities, relying on an efficient urban infrastructure. However, some problems continue to dog this sector. The 2013 Economic Survey stated that *"the capital goods sector remained weak for the second consecutive year A large number of major central-sector projects costing ₹ 150 crore and more are delayed with respect to their latest scheduled dates of completion. Delays in land acquisition, municipal permission, supply of materials award of work, operational issues continue to bog down project implementation."* The Finance Minister in his budget speech of 2013 stated: *"While every sector can absorb new investment, it is the infrastructure sector that needs large volumes of investment. The 12th Plan projects an investment of USD 1 trillion or ₹ 55,00,000 crore in infrastructure. The Plan envisages that the private sector will share 47 percent of the investment."*

Special Economic Zones (SEZs)-

Outlook for SEZs in India

The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd June, 2005. The SEZ Act, 2005, supported by SEZ Rules, came into effect on 10th February, 2006, providing for simplification of procedures and for single window clearance on matters relating to central as well as state governments. The SEZ Act 2005 envisages key role for the State Governments in export promotion and creation of related infrastructure. A single window SEZ approval mechanism has been provided through a 19 member inter-ministerial SEZ Board of Approval (BoA). The applications duly recommended by the respective State Governments / UT Administration are considered by this BoA periodically. All decisions of the BoA are with consensus. The SEZ Rules provide for different minimum land requirement for different class of SEZs. Every SEZ is divided into a processing area where the SEZ units would come up and the non-processing area where the supporting infrastructure is to be created.

According to a written reply in the Lok Sabha by the by the Minister of State in the Ministry of Commerce and Industry, *"As on 31st March, 2013, an investment of ₹ 2,36,717 crore approximately has been made in SEZs and the total direct employment in SEZs is over 10,74,904 persons. Physical exports from the SEZs has increased from ₹ 3,64,477.73 crore in 2011-12 to ₹ 4,76,159 crore in 2012-13, registering a growth*

of 31%. There is no reason to believe that these achievements are at the expense of business being carried on non-SEZ area. The GDP growth in recent years suggests that growth has been significant both within and outside SEZs.”

Jai Corp is a stakeholder in entities developing SEZs in Maharashtra.

I- Navi Mumbai SEZ Private Limited (NMSEZ)

Performance Overview:

NMSEZ has commenced horizontal and vertical development of SEZ in a phased manner. NMSEZ is facing the demand constraints due to worldwide recession and financial crisis in many European countries. The Maharashtra SEZ Act is still to be enacted. This bill has been introduced in the Maharashtra Legislature, but is awaiting enactment since quite some time. In the absence of fiscal incentives in the State, it is not very easy to attract the units in the SEZ. The amendments to certain Income-tax provisions are also making the SEZs less attractive. In short SEZs are facing troubled times and the way forward is going to be challenging.

II- Mumbai SEZ Limited (MSEZ)

Performance Overview:

MSEZ has acquired land in Uran, Pen and Panvel areas in the state of Maharashtra. So far, consent award and sale deeds have been executed for around 4,600 acres. The subject land is not contiguous. Once the amendment to Land Acquisition Act 1894, is enacted by the Parliament, MSEZ would attempt to make the land contiguous. The Board of Approvals for SEZs has granted extension of the in-principle approval up to 7th August 2013.

III- Rewas Ports Limited (RPL)

Performance Overview:

All statutory approvals have been obtained. RPL has signed the lease deed for 839 hectares (Ha) of inter tidal land. The Government land of about 167 hectares has been transferred by the Government of Maharashtra to Maharashtra Maritime Board. RPL is likely to sign the lease deed for the same at the time of financial closure. RPL is also in advanced discussions with Indian Railways and Government of Maharashtra in order to firm up the rail and road connectivity of the port with the hinter land. RPL is also in the process of resolving the issues relating to right of way for some portion of the Rewas channel with Mumbai Port Trust with the support and help from Maharashtra Maritime Board and the Government of Maharashtra.

Real Estate

Sector Overview

The real estate sector in India is one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but also foreign investors. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanization. The industry in India contributes about 5 per cent to the country's Gross Domestic Product and, in the next few years, this contribution is expected to rise to 6 per cent. The total revenue generated in fiscal 2011-12 stood at around 314 million USD. The real estate sector plays an important role in the Indian economy, as it is the second largest employer after agriculture. The size of the Indian real estate market is expected to touch 180 billion USD by 2020. In June 2013, the Union Cabinet gave approval to the Real Estate (Regulation and Development) Bill, 2013. The proposed Bill is limited in its applicability to residential real estate i.e. housing and any other independent use ancillary to housing. The proposed Bill *inter alia* provides for establishment of one or more 'Real Estate Regulatory Authority' in each State / Union Territory, mandatory registration of real estate projects and real estate agents who intend to sell any immovable property, with the 'Real Estate Regulatory Authority,' mandatory public disclosure norms for all registered projects, including details of the promoters, project, layout plan, plan of development works, land status, carpet area and number of the apartments booked, status of the statutory approvals and disclosure of proforma agreements, names and addresses of the real estate agents, contractors, architect, structural engineer etc.

Performance Overview:

Certain subsidiaries of Jai Corp have acquired land. The same may be consolidated for the purpose of development subject to the applicable legislations at that point of time. The Company is of the view that any presumed fall in the current valuation of land held by some of the subsidiary companies is a temporary phenomenon. These are long-term investments and in the course of time are expected to realise their fair value.

Asset Management

Sector Overview:

Private Equity (PE) investments grew substantially till 2011 in India. India's strong economic fundamentals coupled with weakness and uncertainty in the developed markets attracted investors to India. As more traditional financing sources dried up because of increased

interest rates and volatile stock market conditions, Indian companies were forthcoming in raising money from PE investors. During the year, Securities and Exchange Board of India (SEBI) enacted Alternative Investment Fund (AIF) Regulations replacing the earlier Venture Capital Fund regulations. SEBI has brought all kind of pooled investments under these regulations, bringing more transparency and accountability in the functioning of the alternate asset industry. It is expected that the new regulations will provide a more conducive environment to the growth of the industry. In last 10 months itself of the new regulations, 47 funds have already registered themselves as AIF.

PE investments in Real Estate sector grew exponentially in the 2006-2008 period attracting more than USD 11 billion in 3 years. Since then the industry has witnessed a sharp decline in fresh investments and continues to struggle against macro head winds in India. The yearly inflows in the sector fell to around USD 1 billion in the 2009-2012 period. Many industry specific factors like delay in land acquisition, approval paralysis, increase in construction cost, tight monetary policy, decline in absorption and negative capital market sentiment has hit the sector adversely. This has resulted into high input cost and consequently high prices resulting into a decline in absorption in last year in spite of a strong underlying demand for housing. All these factors have stretched the cash flows of developers, eventually delaying exits for the private equity players.

Our Business:

Jai Corp is present in this industry through its wholly owned subsidiary - Urban Infrastructure Venture Capital Limited (UIVCL), a venture capital management company. UIVCL is the manager to Urban Infrastructure Opportunities Fund (UIOF), a scheme of Urban India Venture Capital Fund (UIVCF), a SEBI registered fund. UIOF is a close ended India domiciled venture capital fund having raised a corpus of approximately ₹ 2,434 crore.

UIVCL, is also Indian advisor to Urban Infrastructure Capital Advisors (UICA), investment manager to India focused real estate fund Urban Infrastructure Real Estate Fund (UIREF), having a total capital commitment of USD 300 million.

The investments of these Funds' are focused on large townships and mixed-use development projects in Tier-I and Tier-II cities of western and southern India. These Funds have invested in 31 SPVs spread across 14 cities of India.

Performance Overview:

The major source of revenue for UIVCL is the investment management fees from UIOF and advisory fees from

UICA. In FY 2012-13, UIVCL earned an income of ₹ 67.80 crore and profit after tax of ₹ 31.40 crore.

The tenure of UIOF was to originally get completed in June 2013. However, the Trustees based on the recommendation of UIVCL can extend the tenure for two further periods of one (1) year each. Accordingly, the Trustees of UIOF in consultation with UIVCL have decided to extend the tenure of UIOF by a period of 1 year till June 2014. Also, it has been agreed to reduce the investment management fees to one per cent of the fund corpus from the earlier two per cent of the fund corpus with effect from June 2013.

Despite various macroeconomic and industry specific issues, UIOF has refunded ₹ 483 crore to its contributors by way of repurchase of units and return of capital / profits. It is expected that going forward, a softer rate regime, easing liquidity conditions and improvement in sales will help in achieving further exits.

UIVCL increased its authorized share capital from ₹ 1 crore to ₹ 5 crore and has successfully implemented (a) splitting / sub-division of face value of equity share of ₹ 10/- each fully paid-up into 2 equity shares of face value of ₹ 5/- each and (b) issue of bonus shares to its shareholders in the proportion of 4 bonus shares for every 1 existing fully paid-up equity share held (post-split / sub-division).

Steel Division

Sector Overview:

2012-13 was a difficult year not only for the Indian steel industry but also for the world steel industry as well. Hans Jurgen Kerkhoff, Chairman of the Worldsteel Economics Committee said: "2012 was a challenging year for the steel industry with apparent steel use increasing at the slowest rate since 2009 when demand declined by -6.5%. This was mainly due to the Eurozone crisis which persisted throughout 2012 and whose impact was felt further afield. On top of this, corrective macroeconomic measures in major emerging economies also contributed to a concerted slowdown globally". World Steel Association, its short term outlook for 2013 and 2014 has said steel demand is expected to pick up in India and demand is expected to grow by 5.9 per cent to 75.8 million tonne in 2013 following 2.5 per cent growth in 2012. In 2014, growth in steel demand is expected to further accelerate to 7.0 per cent thanks to the reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate

Performance Overview:

Jai Corp manufactures cold rolled coils, galvanized coils and galvanized corrugated sheets at its Nanded

unit in Maharashtra. During 2012-13, there was an improvement in the demand for the Company's products and the Company was able to service higher job work. In FY 2012-13 the Company achieved a production (including job work) of 59,483 Metric Tonne (MT) of coiled rolled coils (CR) and 61,107 MT of galvanized plain and galvanized corrugated steel sheets (GP / GC) sheets as compared to 53,438 MT and 55,734 MT respectively FY 2011-12 an increase of about 11 per cent and 10 per cent respectively. However, the Division reported a loss mainly due to increase in input costs.

Plastic Processing Division

Tape Woven Products

Sector Overview:

The usage of polyethylene (PE) / polypropylene (PP) woven tape products like sacks, bags, Flexible Intermediate Bulk Containers (FIBCs), fabrics, geotextiles etc. has been growing at the rate of about 15% Compounded Annual Growth Rate (CAGR) over the last decade. In recent times, these products have also been used for food grains and sugar. All sugar exports are packed in PP woven bags only. Another usage of these products has emerged in Biaxially-Oriented Polypropylene (BOPP) reverse printed bags, which is also growing exponentially for food packaging. As the production of cement, fertilizers and petrochemicals is increasing in the country, PP / PE woven tape products are having a bright future.

Performance Overview:

The Company produced 39,781 MT in FY 2012-13 as compared to 45,483 MT in 2011-12, a decrease of about 13 per cent. The decrease in production can be attributed mainly to the fire that completely destroyed one of the HDPE / PP Woven sacks units. The net turnover increased by about 3 per cent to ₹ 444.94 crore in FY 2012-13 as compared to last year's net turnover of ₹ 431.99 crore. The Company's exports were 4,838 MT in FY 2012-13 as compared to 4,819 MT in 2011-12 an increase of about 0.39 per cent. The FOB value of the exports increased by about 12 per cent from ₹ 59.51 crore in FY 2011-12 to ₹ 66.37 crore in FY 2012-13.

Masterbatch

Sector Overview:

Masterbatches are used to impart colour and various special properties to the products manufactured from plastics. Though the cost of masterbatches in the final product is very low, its quality is very important for attaining the desired properties of the end product. In general, masterbatch industry, in India, can broadly be

classified into organized sector and small scale sector with more than 250 players. Major operators in the organized sector hold about 50 percent of the market.

Performance Overview:

Jai Corp's products have been well received in the masterbatch and antifibrillation masterbatch segments of the market. The Company produced 13,614 MT in FY 2012-13, as compared to 11,683 MT of 2011-12, an increase of about 17 per cent. The net turnover increased by about 22 per cent from ₹ 36.23 crore in FY 2011-12 to ₹ 44.06 crore in FY 2012-13. The total quantity exported decreased by about 61 per cent from 1,843 MT in FY 2011-12 to 720 MT in 2012-13. The FOB value of exports decreased by about 64 per cent from ₹ 14.18 crore in FY 2011-12 to ₹ 5.10 crore in FY 2012-13. The decrease is mainly attributable to the economic recession in Europe.

Spinning Division

Sector Overview:

As per Annual Report 2012-13 of the Ministry of Textiles, Government of India, the textile industry of the country contributes about 14 per cent to industrial production, 4 per cent to the GDP and 11 per cent to the export earnings. It is the second largest provider of employment after the agricultural sector.

Performance Overview:

The Company produced 8,032 MT in FY 2012-13 as compared to 7,465 MT in 2011-12 an increase of about 8 per cent. The net turnover of this Division increased from ₹ 98.73 crore in FY 2011-12 to ₹ 114.39 crore in FY 2012-13 an increase of about 16 per cent.

Human Resource Development

Jai Corp's most valuable assets are its human resource. With the support of its dedicated human resource it confronted the economic shocks and rapid changes in the business environment last year with the resolve and determination to ensure that the business of the Company continue to enhance value creation.

The Company's talent pool as on 31st March, 2013 was 3,426, which includes highly qualified professionals across its business. The growth and sustained leadership of the Company is largely a function of its human resource. The Company has always aimed to create a workplace where every person can achieve his / her optimum potential. The Company has a performance rewarding culture, enabling it to create leaders out of its employees. The Company has also undertaken various training and development initiatives to hone the skill and expertise of its employees.

With diversified business interests, the Company empowers the inter-departmental and inter - unit movement to deserving individuals, ensuring better retention of talent and at the same time providing avenues to its employees.

Internal Control System

Jai Corp has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The system ensures the integrity of the accounting, recording and reporting of all transactions. It monitors and controls against any unauthorized disposition of assets, thus safeguarding the Company's assets.

Jai Corp ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. This enhances the reliability of financial and operational information. The Company has appointed a reputed firm, Messrs Mahajan & Aibara as the internal auditor. The Audit Committee of the Company periodically reviews, with the management, *inter alia* performance of the internal auditor and adequacy of the internal control systems.

Risk Concerns and Risk Management

Jai Corp is exposed to the normal industry risk of factors of competition, economic cycle, raw material availability and uncertainties in the international and domestic markets and credit risk. The Company has a system-based approach to business risk management. It has a proper and adequate system of controls designated to assist in the identification and management of risks. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies:

- a) Clearly laid down roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from the strategic to the operational, is specified therein. These role definitions, *inter alia*, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation, independent monitoring and reporting by internal audit.
- b) A combination of centrally issued policies and divisionally-evolved procedures to bring strength to the process of ensuring that business risks are effectively addressed.
- c) Appropriate structures are in place to pro-actively monitor and manage the inherent risks in businesses with proper risk profiling.

- d) A professional and independent firm has been appointed as internal auditor to carry out the risk focused audits across divisions, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board of Directors regularly reviews internal auditor's findings and provides strategic guidance on internal controls.
- e) A comprehensive framework of strategic planning and performance management ensures realization of business objectives based on effective strategy implementation. The annual planning exercise requires all divisions to clearly identify their main risks and set out a mitigation plan with agreed time line and accountability.

Health, Safety and Environment

Jai Corp is committed to ensuring the health and safety of its employees, its plants and its surrounding communities at all its operations sites. It's the constant endeavor of the Company to provide safe and hygienic working conditions for its employees. The Company also strives to maintain a pro-active check on environmental compliance in its operations. Some of the initiatives undertaken by the Company in this regard are as follows:

- a) Well defined work practices ensure work in a manner that promotes safety and health of its employees as well as that of the environment they operate in.
- b) Provide training to all concerned personnel to maintain health, safety and environment.
- c) Creating awareness on health, safety, environment and developing the required skill, knowledge and confidence of the personnel so as to enable them to understand their responsibility.
- d) Provide all required safety poster, safety equipment, first-aid box and facility, purified drinking water and adequate medical facility under the aegis of a full time qualified medical practitioner.
- e) Maintaining excellent housekeeping practices across all locations and premises of the Company.
- f) Maintaining safe, healthy and pollution-free environment in the 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.

- g) Obtaining a stability certificate for all the factory buildings as per the requirement of the Factories Act, 1948.
- h) Developing safety awareness among the staff and other concerned workers.
- i) Maintaining environmental norms prescribed by State / Central Governments in the matter of air, water, quality, noise, environment etc.
- j) Cleaning and disposing off of wastes and effluents, proper ventilation and sustaining of pollution-free atmosphere.
- k) Taking suitable insurance policies such as fire, safety, group, personal accident etc.

Social responsibility and community development

The Companies Bill which was passed by the Lok Sabha in December 2012 has introduced, for the first time in India, statutory provision pertaining to Corporate Social Responsibility (CSR). According to the provisions of the Bill, every company having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more in any financial year shall spend in every financial year, at least 2 per cent of the average net profits of the company made during the 3 immediately preceding financial years, in pursuance of its CSR Policy. Companies would be required to submit annual reports documenting their CSR activities or provide a legitimate reason as to why CSR spending is not possible. The Bill has not defined the term 'CSR'. However, it contains the following indicative list of the activities which may be included by companies in their CSR Policies:

- i) eradicating extreme hunger and poverty;
- ii) promotion of education;
- iii) promoting gender equality and empowering women;
- iv) reducing child mortality and improving maternal health;
- v) combating human immunodeficiency virus, acquired immunodeficiency syndrome, malaria and other diseases;
- vi) ensuring environment sustainability;
- vii) employment enhancing vocational skills;
- viii) social business projects; and
- ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and fund for the

welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women; and

- x) such other matters as may be prescribed.

An essential component of Jai Corp's social responsibility is to care for the community. The Company endeavors to make a positive contribution to the under privileged communities by supporting a wide range of socio-economic, educational and health initiatives. Many of the community projects and programmes are driven by active participation from our employees. We, at Jai Corp, have defined a set of core values for ourselves - care, innovation, passion and trust - to guide us in all we do. We have decided to act as a catalyst between the government and the people. We are helping implement the roadmap drafted with the help of the Administration of Dadra & Nagar Haveli (D & NH) and the District Panchayat of D & NH. The Administration of D & NH has encouraged the Company to participate in a private-public initiative to make the village Sindoni in the Mandoni Patelad of the Union Territory D & NH, a 'model village'. The Company is making its resources and volunteers available to the notified schemes. The broad objectives of these schemes are:

- a) Bring about an improvement in the general quality of life in rural areas.
- b) Accelerate sanitation coverage in rural areas to have toilets accessible for all.
- c) Motivate the communities and the panchayati raj institutions promoting sustainable sanitation facilities through awareness creation and health education.
- d) Cover schools and anganwadis in rural areas with sanitation facilities and promote hygiene education and sanitary habits among students.

In continuation of the project to make Sindoni a 'model village,' 50 new houses were constructed with the help of the villagers. The Company provided housing material to these villagers. Individual beneficiaries constructed their own houses with their own labor and by forming self-help groups to help each other.

Where it is not possible even for the electricity department and the local administration to provide electricity in tribal hamlets due to the difficult terrain, unavailability of road and other infrastructures, the Company in association with the Electricity Department of D & NH, has provided 7 solar street light LED poles.

DIRECTORS' REPORT

Your Directors are pleased to present the Twenty-eighth Annual Report and the audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

| | (₹ in Lakh) | |
|---|--------------------------|--------------------------|
| | Year Ended 31-03-2013 | Year Ended 31-03-2012 |
| Profit before Depreciation, Finance Costs, Income - tax and adjustments for Prior Period Items | 12,724.03 | 15,763.85 |
| Less: Finance Costs | 52.71 | 74.77 |
| Depreciation and Amortization Expense | 1,802.41 | 1,730.11 |
| Profit before Income-tax and adjustments for Prior Period Items | 10,868.91 | 13,958.97 |
| Less: Provision for Taxation: | | |
| Current Tax | 3,174.60 | 3,855.00 |
| Deferred Tax Expenses | 205.51 | 210.77 |
| Profit after Tax but before adjustments for Prior Period Items | 7,488.80 | 9,893.20 |
| Prior Period Adjustments (Net) | - | (0.37) |
| Balance brought forward from last year | 47,934.59 | 39,307.25 |
| Amount available for Appropriation | <u>55,423.39</u> | <u>49,200.08</u> |
| Appropriations: | | |
| General Reserve | 748.88 | 989.29 |
| Proposed Dividend on Preference Shares | 0.83 | 1.00 |
| Proposed Dividend on Equity Shares | 240.84 | 240.84 |
| Tax on Proposed Dividend | 32.57 | 34.36 |
| Reversal of proposed dividend on Preference Shares redeemed and tax thereon | (1.82) | - |
| Balance at the end of the year | 54,402.09 | 47,934.59 |
| Total | <u>55,423.39</u> | <u>49,200.08</u> |

RESULTS OF OPERATIONS:

During the year under review, the gross turnover of the Company's Steel Division was ₹ 30.98 crore as compared to last year's gross turnover of ₹ 51.81 crore. The Division reported a loss of ₹ 0.88 crore during the year under review as against a profit of ₹ 1.18 crore last year mainly due to increase in input costs.

The Plastic Processing Division of the Company achieved a gross turnover of ₹ 533.48 crore as compared to last year's gross turnover of ₹ 505.14 crore. The Division reported a profit of ₹ 56.24 crore during the year under review as against a profit of ₹ 57.90 crore last year.

The Spinning Division of the Company achieved a gross turnover of ₹ 114.40 crore as compared to last year's gross turnover of ₹ 98.83 crore. The Division reported a profit of ₹ 10.05 crore during the year under review as against a profit of ₹ 0.55 crore last year.

During the year under review, the production of Plastic Processing Division excluding Masterbatch decreased from 45,483 MT during 2011-12 to 39,781 MT during 2012-13 mainly due to the fire that completely destroyed one of the HDPE / PP Woven sacks units.

The production of Masterbatch increased from 11,683 MT during 2011-12 to 13,614 MT during 2012-13.

The production of the Spinning Division increased from 7,465 MT during 2011-12 to 8,032 MT during 2012-13.

The production of CR coils and sheets and GP / GC coils and sheets increased from 53,438 MT and 55,734 MT respectively during 2011-12 to 59,483 MT to 61,107 MT respectively during 2012-13.

During the year under review, 16,50,000 preference shares were redeemed at a premium in accordance with the terms of issue. After the redemption, 83,49,900 preference shares remain outstanding. The preference shareholders have agreed to roll-over these preference shares for a further period up to two years from the date these shares become due for redemption.

DIVIDEND:

Your Directors have recommended a dividend at the rate of ₹ 0.01 (1 per cent) per preference share be paid on the outstanding 83,49,900 non-cumulative non-participating redeemable preference shares of ₹ 1/- each for the financial year ended 31st March, 2013. If approved at the ensuing 28th Annual General Meeting, ₹ 83,499/- will be payable to those preference shareholders whose names appear on the Register of Members of the Company at close of business on 10th September, 2013.

Your Directors have also recommended a dividend of ₹ 0.50/- (50 per cent) per equity share on 4,81,67,010 equity shares of ₹ 1/- each for the financial year ended 31st March, 2013. This will amount to ₹ 2,40,83,505/- and, if approved at the ensuing 28th Annual General Meeting will be paid to Members whose names appear on the Register of Members of the Company at close of business on 10th September, 2013. In respect of shares held in dematerialized 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 2012-13. Hence your Directors have not recommended any dividend on 13,02,82,400 equity shares held by the 'promoter group'.

DIRECTORS:

Shri Sandeep H. Junnarkar, Shri Virendra Jain and Shri Anand Jain retire by rotation and, being eligible, have offered themselves for the re-appointment at the ensuing Annual General Meeting.

The term of appointment of Shri Gaurav Jain as Managing Director came to an end on 3rd June, 2013. The Board re-appointed Shri Gaurav Jain as Managing Director for a period of five years with effect from 4th June, 2013. His re-appointment and remuneration are subject to the approval of the Members in the ensuing Annual General Meeting.

Shri Anup Shah was appointed as an additional director on 8th May, 2013 and will hold office up to the date of the 28th Annual General Meeting. The Company has received a notice proposing his name as a Director.

During the year under review, Shri Dady K. Contractor resigned as a Director. Your Directors place on record their sincere appreciation of the valuable guidance provided by Shri Contractor during his tenure as a director. Dr. Pravin P. Shah passed away suddenly. Your Directors place on record placed on record their sincere

appreciation of the services and valuable guidance provided by Dr. Shah during his tenure as a Director.

Subsequent to year end, Shri Jai Kumar Jain, tendered his resignation as a Director. However the Board requested him continue as Chairman- Emeritus and be a permanent invitee to all meetings of the Board of the Directors. Your Directors place on record their sincere appreciation of the valuable guidance and leadership provided by Shri Jai Kumar Jain during his long association with the Company

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

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 annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed along with proper explanation relating to material departure(s).
- ii) That appropriate accounting policies have been selected and applied consistently and judgments 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, 2013 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 annual accounts for the financial year ended 31st March, 2013 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 in Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

AUDITORS AND AUDITORS' REPORTS:

It is proposed to appoint Messrs Chaturvedi & Shah as the statutory auditor of the Company. Pursuant to the provisions of Section 224(1B) of the Companies Act, 1956 the Company has received certificate from Messrs Chaturvedi & Shah confirming their eligibility for re-appointment.

The Central Government has approved the appointment of Messrs ABK & Associates as the cost auditor for the financial year 2012-13 for the products of the Company covered by cost audit.

The Auditors have 'draw attention' to certain notes in the 'Independent Auditors' Report on Consolidated Financial Statements' by way of 'emphasis on matter' which are self-explanatory. In respect of the qualified opinion mentioned in that Report, your Directors are of the opinion that the investment is in long-term project and the diminution in value, if any, is temporary, hence no provision is required.

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 as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in **Annexure-A** to the Directors' Report.

SUBSIDIARY COMPANIES:

In accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. These documents will be put up on the Company's website

viz. www.jaicorpindia.com. Financial information of subsidiary companies is disclosed in the Annual Report in compliance with the said Circular. The financial data of the subsidiaries have been furnished under 'Financial Information of Subsidiary Companies' forming part of the Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of the subsidiary companies.

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. The full impact of forming the subsidiaries / step down subsidiaries is expected to be felt in subsequent years.

FIXED DEPOSIT:

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

PARTICULARS OF EMPLOYEES:

There is no employee within the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended. Hence, no information is required to be appended to this Report in this regard.

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 remain 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 forms part of the Annual Report. A certificate from the statutory auditors of the Company regarding compliance of the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

OUTLOOK:

The Company has invested in the businesses pertaining to essential integrated urban infrastructure. These businesses relate to special economic zones, port, real estates etc. The Company also intends to focus on its asset management business. 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 endeavor for creation of long-term responsible and sustainable growth for all stakeholders.

ACKNOWLEDGEMENT:

Your Directors express their grateful appreciation for the assistance and co-operation received from 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 the Company.

For and on behalf of the Board of Directors

Mumbai
8th August, 2013

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) **Energy conservation measures taken:** The Company has taken various steps for minimization of energy consumption by putting continuous efforts towards optimization of operating and processing activities, up-gradation of plant equipment etc.
- b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy:** Nil
- 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, the Company has been able to conserve more effectively.
- d) **Total energy consumption and energy consumption per unit of production as per Form ‘A’ is given below:**

FORM-A

Form for Disclosure of Particulars with Respect to Conservation of Energy.

| | Current Year Ended 31.03.2013 | Previous Year Ended 31.03.2012 |
|--|-------------------------------------|--------------------------------------|
| A. Power and Fuel Consumption: | | |
| 1. Electricity: | | |
| (a) Purchased | | |
| Units | 7,29,59,797 | 6,89,93,026 |
| Total Amount (₹) | 34,79,58,148 | 31,39,38,962 |
| Average Rate / Unit (₹) | 4.77 | 4.55 |
| (b) Own generation | | |
| (i) Through Diesel Generator | | |
| Units | 8,405 | 59,739 |
| Units / litre of diesel oil | 2.01 | 2.21 |
| Average Rate / Unit (₹) | 16.35 | 15.38 |
| (ii) Through steam turbine / generator: | | |
| Units | Nil | Nil |
| Units / litre of diesel oil | - | - |
| Average Rate / Unit (₹) | - | - |
| 2. Coal: | | |
| Quantity (tonnes) | Nil | Nil |
| Total Cost | - | - |
| Average rate | - | - |
| 3. Furnace Oil: | | |
| Quantity (Kilo litres) | Nil | Nil |
| Total Amount (₹) | - | - |
| Average rate / Unit (₹ / KL) | - | - |
| 4. Others / internal generation: | | |
| (a) HSD / LDO / FO | | |
| Quantity (Kilo litres) | 489.37 | 411.01 |
| Total Amount (₹) | 2,66,89,075 | 1,93,78,009 |
| Average rate / Unit (₹ / KL) | 54,538.18 | 47,146.95 |

| | Current Year Ended 31.03.2013 | Previous Year Ended 31.03.2012 |
|--------------------------|-------------------------------------|--------------------------------------|
| (b) LPG | | |
| Quantity (Metric Tonnes) | 1,225.40 | 1,162.40 |
| Total Amount (₹) | 8,02,51,081 | 5,91,95,179 |
| Average Rate (₹ / MT) | 65,490.77 | 50,926.28 |

B. Consumption per unit of Production:

| Product | Year Ended 31 st March, 2013 | | | | Year Ended 31 st March, 2012 | | | |
|------------------------|---|----------------------|---|--------------|---|----------------------|---|--------------|
| | GP / GC / Coils / Sheet | CR / Coil / Sheet | Woven Sacks / Fabrics / Bags / MB & Oths. | Spun Yarn | GP / GC / Coils / Sheet | CR / Coil / Sheet | Woven Sacks / Fabrics / Bags / MB & Oths. | Spun Yarn |
| Actual Production (MT) | 61,107 | 59,483 | 53,395 | 8,032 | 55,734 | 53,438 | 57,166 | 7,465 |
| Electricity (Units) | 77.33 | 145.11 | 1,003.52 | 1,934.45 | 77.33 | 145.16 | 885.51 | 2,230.68 |
| Others | | | | | | | | |
| a) HSD (KL) | - | 0.01 | 2.53 | - | - | 0.01 | 2.98 | - |
| b) LPG (MT) | 0.02 | - | - | - | 0.02 | - | - | - |

B) TECHNOLOGY ABSORPTION:

Efforts made in technology absorption - as per Form 'B' is given below:

FORM-B:

Form for disclosure of particulars with respect to absorption

RESEARCH & DEVELOPMENT (R&D):

- Specific areas in which the research and development (R&D) is being carried out by the Company:**
In-house Research & Development work is carried out to develop new products and to improve existing products.
- Benefits derived as a result of the above R&D:**
Improvement in products.
- Future plan of action:**
The Company will carry on R&D activities to improve existing products and develop new products.
- Expenditure on R&D:**

| Capital | Recurring | Total | Total R&D expenditure as a percentage of total turnover |
|---------|-----------|-------|---|
|---------|-----------|-------|---|

No significant expenditure is incurred.

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION:

- Efforts in brief, made towards technology absorption, adaptation and innovation:**
At the plants, technology has been fully absorbed and the plants are being operated efficiently.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc:**
The Company is producing quality products and is constantly making efforts to reduce cost and develop products so that it leads to import substitution.

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

| Technology Imported | Year of import | Has technology been fully absorbed | If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action |
|---------------------|----------------|------------------------------------|--|
| Not Applicable | | | |

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to export; initiatives to increase exports; development of new export markets for products and services; and Export Plan:

Activities relating to export / import:

The Company has exported its products during the year under review amounting to ₹ 7,146.74 lakh.

It has imported raw materials, stores, capital and trading goods the details of which are follows:

- | | | |
|-----------------------------|---|---------------|
| 1) Raw Material | - | ₹ 977.05 lakh |
| 2) Components & Spare Parts | - | ₹ 331.39 lakh |
| 3) Capital Goods | - | ₹ 513.40 lakh |

Initiatives taken to increase exports:

The Company's exports were 5,558 MT during 2012-13 as compared to export of 6,662 MT during 2011-12, a decrease of about 16.57% mainly due to economic recession in Europe. The FOB value of the exports decreased marginally by about 3.30% from ₹ 73.91 crore during 2011-12 to ₹ 71.47 crore during 2012-13.

Development of new markets for the products and services:

The Company added some of the countries from Africa and Asia as new destinations for export.

Export plans:

The Company expects the demand for its products particularly master batch and tape woven products will increase during 2013-14.

Total foreign exchange used and earned:

| Particulars | (₹ in Lakh) | |
|------------------------------------|--------------------------|--------------------------|
| | Year Ended 31-03-2013 | Year Ended 31-03-2012 |
| 1) FOB Value of Exports | 7,146.74 | 7,391.56 |
| 2) CIF Value of Imports | 1,821.84 | 2,578.30 |
| 3) Expenditure in Foreign Currency | 213.91 | 144.70 |

Details are furnished in the notes to the financial statements in this Annual Report.

For and on behalf of the Board of Directors

Mumbai
8th August, 2013

Anand Jain
Chairman

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges pertaining to Corporate Governance, the Company submits hereunder a report on the matters mentioned in the said Clause *vis-a-vis* the practices 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, viz., employees, shareholders, customers, lenders, the 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 eight directors, of which two directors i.e. Managing Director and Director-Works are executive directors and six directors are non-executive directors of which three are independent directors. Two of the independent directors: Shri D.K. Contractor resigned with effect from 29.11.2012 and Dr. P.P. Shah passed away on 04.12.2012. Pursuant to clause 49(l)(C)(iv), "an independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within a period of not more than 180 days from the day of such resignation or removal, as the case may be". The Company appointed Shri Anup Shah as an independent director w.e.f. 08.05.2013. Shri Jai Kumar Jain resigned as a Director w.e.f. 08.05.2013.

Four Board Meetings were held during the financial year ended 31.03.2013, with a time gap of not more than four months between two consecutive meetings. The dates of the Board Meetings were: 24.05.2012, 08.08.2012, 09.11.2012 and 07.02.2013.

The Composition of the Board, category of directorship, attendance of Directors in Board Meetings, last Annual General Meeting (AGM), number of other directorships and chairmanships / memberships of committees of the board of other Indian public limited companies are as follows:

| Name of the Director | Category of directorship & designation | Attendance of meetings during 2012-13 | | #No. of other directorships held in other Indian public limited companies | *No. of board committee positions held in other Indian public limited companies |
|---------------------------|--|---------------------------------------|----------|---|---|
| | | Board Meetings | Last AGM | | |
| Shri Jai Kumar Jain@ | Promoter, Non-Executive Director & Chairman-Emeritus | 4 | No | 1 | Nil |
| Shri Anand Jain | Promoter, Non-Executive Director & Chairman | 4 | No | 3 | Nil |
| Shri Virendra Jain | Promoter, Non-Executive Director & Vice Chairman | 4 | No | 5 | Nil |
| Shri Gaurav Jain | Promoter, Executive Director & Managing Director / CEO | 4 | No | 7 | Nil |
| Shri Khurshed M. Doongaji | Independent, Non- Executive Director | 4 | Yes | 1 | 1-Member |

| Name of the Director | Category of directorship & designation | Attendance of meetings during 2012-13 | | #No. of other directorships held in other Indian public limited companies | *No. of board committee positions held in other Indian public limited companies |
|--|---|---------------------------------------|----------|---|---|
| | | Board Meetings | Last AGM | | |
| Shri Sandeep H. Junnarkar | Independent, Non- Executive Director | 4 | No | 8 | 5 -Member of which 1 as Chairman |
| Shri Dadi K. Contractor [upto 29.11.2012] | Independent, Non- Executive Director | 2 | No | N.A. | - |
| Shri Sachin N. Chaturvedi | Independent, Non- Executive Director | 4 | Yes | 4 | 2 -Member |
| Dr. Pravin P. Shah [upto 04.12.2012] | Independent, Non- Executive Director | 1 | No | N.A. | - |
| Shri Vasudeo S. Pandit | Non-Promoter, Non-Independent, Executive Director & Director- Works | 3 | Yes | Nil | Nil |

In accordance with Explanation 1 to Clause 49(I)(C) of the Listing Agreement, excludes directorships of all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

* In accordance with Explanation 2 to Clause 49(I)(C) of the Listing Agreement, chairmanship / membership of the Audit Committee and the Shareholders' Grievance Committee of all Indian public limited companies whether listed or not have been considered.

@ resigned as director w.e.f. 08.05.2013.

No director is a member of more than ten Audit Committees and Shareholders' Grievance Committees and as chairman of more than five Audit Committees and Shareholders' Grievance Committees across all Indian public limited companies, whether listed or not, in which he is a director.

3. Equity shares of the Company held by non-executive directors as on 31.03.2013:

| Sr. No. | Name of the Non-Executive Director | No. of Shares |
|---------|------------------------------------|---------------|
| 1. | Shri Jai Kumar Jain | 4,780 |
| 2. | Shri Anand Jain | 36,10,240 |
| 3. | Shri Virendra Jain | 98,71,620 |
| 4. | Shri Khurshed M. Doongaji | 400 |
| 5. | Shri Sandeep H. Junnarkar | Nil |
| 6. | Shri Sachin N. Chaturvedi | Nil |

4. Directors' Profile:

Brief resume of all directors, including Shri S.H. Junnarkar, Shri Virendra Jain and Shri Anand Jain who are proposed to be re-appointed, nature of their expertise in specific functional areas and names of all Indian public limited companies, whether listed or not, in which they hold directorships and names of all Indian public / private limited companies in which they hold memberships / chairmanships of Board Committees, their shareholdings in the Company and relationship between them *inter-se* are furnished below:

Shri Jai Kumar Jain

Shri Jai Kumar Jain (82 years) is the Chairman - Emeritus and a promoter director of the Company. He has been associated with the Company since its inception. He started his career with 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 of Riddhi Synthetics Limited and several private limited companies. As on 31.03.2013, he held 4,780 equity shares of the Company. He is related to the following directors of the Company: Shri Anand Jain, Shri Virendra Jain and Shri Gaurav Jain. He has resigned as director w.e.f. 08.05.2013.

Shri Anand Jain

Shri Anand Jain (56 years) is the Chairman and a promoter director of the Company. He has been associated with the Company since its inception. He graduated from the University of Mumbai and has done a course in Risk Management from the London Business School. He has over 25 years' experience in various business. He is also a director of Mumbai SEZ Limited, Rewas Ports Limited, Urban Infrastructure Venture Capital Limited and several private limited companies. As on 31.03.2013, he held 36,10,240 equity shares of the Company. He is related to the following directors of the Company: Shri Jai Kumar Jain, Shri Virendra Jain and Shri Gaurav Jain.

Shri Virendra Jain

Shri Virendra Jain (54 years) is the Vice Chairman and a promoter director of the Company. He has been associated with the Company since its inception. He graduated from the University of Mumbai. He has over 25 years of experience in the business of plastic processing. He is also a director of Jai Realty Ventures Limited, Pet Fibres Limited, Prime Wovens Limited, Suniti Commercials Limited, Techfab (India) Industrial Limited and several private limited companies. As on 31.03.2013, 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 Anand Jain and Shri Gaurav Jain.

Shri Gaurav Jain

Shri Gaurav Jain (33 years) is the Managing Director / Chief Executive Officer of the Company since 04.06.2008. He 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 the University of Pennsylvania, United States of America. He was instrumental in setting up Adventivity Global Services Private Limited, a business process outsourcing company. He is also a director of Jailaxmi Realty and Developers Limited, Jai Realty Ventures Limited, Novelty Realty & Developers Limited, Pet Fibres Limited, Poly-resin Agencies (India) Limited, Srinivas Electro Steel Limited, Welldone Real Estate Limited and several private limited companies. As on 31.03.2013, he held 1,04,27,200 equity shares of the Company. He is a promoted director related to the following directors of the Company: Shri Jai Kumar Jain, Shri Anand Jain and Shri Virendra Jain.

Shri Khurshed Minocher Doongaji

Shri Khurshed Minocher Doongaji (73 years) holds bachelors' degrees in economics and law from the University of Mumbai. He holds a diploma in Business Management and has varied experience of over 40 years in project and corporate finance, legal, operations and corporate laws with the erstwhile ICICI Limited. He has been associated with the Company since 1999 and is the Chairman of the Audit Committee and Shareholders / Investors Grievance Committee. He is also a director of Balakrishna Industries Limited and a member of the Audit Committee. As on 31.03.2013, he held 400 equity shares of the Company. He is an independent director and is not related to any other director of the Company.

Shri Sandeep Hemendra Junnarkar

Shri Sandeep Hemendra Junnarkar (61 years) holds bachelors' degrees in science and law from the University of Mumbai. He is a solicitor by profession and a partner of Junnarkar and Associates, Advocates, Solicitors and Notary. His area of specialisation include banking laws, corporate laws including competition laws, foreign exchange laws, securities laws and regulations etc. He has been associated with the Company

since 1994. 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, and Sterlite Industries (India) Limited. He is a member of the Audit Committee of Everest Industries Limited, Reliance Industrial Infrastructure Limited and Sterlite Industries (India) Limited and a member of the Shareholders' / Investors' Grievance Committee of Reliance Industrial Infrastructure Limited and the Chairman of Shareholders' / Investors' Grievance Committee of Sterlite Industries (India) Limited. He does not hold any share in the Company. He is an independent director and is not related to any other director of the Company.

Shri Sachin Nath Chaturvedi

Shri Sachin Nath Chaturvedi (62 years) holds a bachelors' degree with honours in technology. He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a master's in business administration. He has over 20 years of experience as a practicing Chartered Accountant. He is a partner of Messrs Chaturvedi & Co., 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 / inspecting / investigating of units / companies at the behest of banks / financial institutions / income-tax authorities / High Courts / Company Law authorities as well as inspection of books of mutual funds / stock exchange brokers / plantation companies on behalf of SEBI. He has been associated with the Company since 2004 and is a member of the Audit Committee and Shareholders / Investors Grievance Committee. He is also a director of Balkrishna Industries Limited, Balkrishna Paper Mills Limited, Jai Realty Ventures Limited, N.R. Agarwal Industries Limited and two private limited companies. He is a member of the Audit Committees of Balkrishna Industries Limited and N.R. Agarwal Industries Limited. He does not hold any share in the Company. He is an independent director and is not related to any other director of the Company.

Shri Vasudeo Srinivas Pandit

Shri Vasudeo Srinivas Pandit (62 years) is an Executive Director (Director-Works) of the Company. He holds bachelors' degree in science and has nearly 40 years of experience in the plastic industries with more than 38 years in woven sacks / bags industry, in setting up and operating woven sacks manufacturing units. He has been associated with the Company since 1988 and has been the Executive Director since 1997 with the overall responsibility of the manufacturing and export activities of the packaging division. He is also a director of Sarbags Pty Limited. He is not a director in any other Indian company and does not hold any share of the Company. He is a non-promoter executive director and is not related to any other director of the Company.

5. CEO / CFO:

Shri Gaurav Jain, Managing Director is designated as Chief Executive Officer (CEO) and Shri Pramod Kumar Jaiswal is designated as Chief Financial Officer (CFO).

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(V) of the Listing Agreement with the Stock Exchanges. The Managing Director-cum-Chief Executive Officer and the Chief Financial Officer also give quarterly certifications in financial results while placing the financial results before the Board in terms of Clause 41(II)(a) and Clause 49(V) of the Listing Agreement with the Stock Exchanges.

6. Board Meetings:

The Board of Directors meets at least once in every quarter to review the performance of the Company along with the financial results. The functions of the Board are effectively and efficiently discharged by briefing each Board Members of the development that have taken place. The agenda and notes to the agenda are circulated to the directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. In situations where it is not practicable to attach any document to the agenda, the same is tabled at the meeting, specific reference to this effect is made in the agenda. In special and exceptional circumstances, additional or supplementary items are permitted to be included in the agenda. The Board is given presentation covering finance, investments, sales, marketing and operations of the Company, before taking on record the quarterly results of the Company. The Board

periodically reviews compliance reports of laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

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 the meetings of the audit committee and other committees of the Board were placed before the Board.

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

7. Board Committees:

Procedure at the Committee Meetings-

The procedure of the Board Meetings is applicable to the meetings of the Committees of the Board as far as practicable. The Minutes of the meetings of the Committees are placed before the Board for perusal and noting.

7.1 Audit Committee-

The Audit Committee has three members out of which two are independent directors. Pursuant to the provisions of Clause 49(II)(A)(iii) of the Listing Agreement with the Stock Exchanges, Shri Khurshed Minocher Doongaji, independent director, has been appointed the Chairman of the Committee. Shri Sachin Nath Chaturvedi, independent director and Shri Virendra Jain are the other members. Shri D. K. Contractor, independent director who was a member of the Audit Committee resigned as a director with effect from 29.11.2012. The Managing Director-cum-Chief Executive Officer, Shri Gaurav Jain attended all the meetings of the Audit Committee. The constitution of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 (II) of the Listing Agreement with the Stock Exchanges. All members of the Audit Committee are financially literate and possess accounting and financial management expertise.

(a) 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.

(b) Role of the Audit Committee :

The terms of reference stipulated by the Board to the Audit Committee are, contained in Clause 49(II) (D) of the Listing Agreement with the Stock Exchanges, as follows-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism.
 14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(c) 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 letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

(d) Meeting of the Audit Committee:

As against the minimum requirement of four meetings during a financial year, six Audit Committee Meetings were held during the financial year ended 31.03.2013, with a time gap of not more than four months between two consecutive meetings. The dates of the Audit Committee meetings were 24.05.2012, 27.06.2012, 01.08.2012, 08.08.2012, 09.11.2012 and 07.02.2013.

Representatives of the statutory auditors, internal auditor, cost auditors were invited and were either present at the Audit Committee Meeting or sought specific leave of absence.

(e) Attendance of each member at the Audit Committee meetings held during 2012-13:

| Name of Director | Designation | No. of Meetings held | No. of Meetings attended |
|---|-------------|----------------------|--------------------------|
| Shri K.M. Doongaji | Chairman | 6 | 6 |
| Shri S.N. Chaturvedi | Member | 6 | 6 |
| Shri D.K. Contractor (upto 29.11.2012) | Member | 5 | 3 |
| Shri Virendra Jain | Member | 6 | 6 |

Shri Ananjan Datta, the Company Secretary acts as the Secretary to the Committee.

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

7.2 Remuneration Committee and details of remuneration to Directors-

The Company has not constituted a remuneration committee. Presently, there is one Managing Director and one Whole-time Director. 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, contribution to provident fund, gratuity, perquisites and allowances in accordance with respective service contracts and rules of the Company, applicable from time to time.

The Managing Director and the Whole-time Director are not paid any sitting fee for attending the Board / Committee meetings. The non-executive directors are paid sitting fees @ ₹ 5,000/- per Board Meeting, Audit Committee and Shareholders / Investors Grievance Committee meetings and out-of-pocket expenses to attend these meetings.

(a) The terms of appointment of the Executive Directors are as under-

| Name of the Director / Designation | Salary | Commission | Perquisites & Allowance* | Service Contract | |
|---|---|--|--|--------------------------------|---------------|
| | | | | Tenure | Notice Period |
| Shri Gaurav Jain / Managing Director | ₹ 2,00,000/- per month | Not exceeding the limits laid down in Section 309(3) of the Companies Act, 1956. | Upto ₹ 2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Companies Act, 1956. | 04.06.2008 to 03.06.2013 | 3 months |
| Shri Vasudeo Pandit / Director-Works | Not exceeding ₹ 3,00,000/- per month | Not exceeding the limits laid down in Section 309(3) of the Companies Act, 1956. | Upto ₹ 2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Companies Act, 1956. | 01.04.2012 to 31.03.2015 | 3 months |

* Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with re-imbursment of expenses or allowances for the utilisation of gas, electricity, water, furnishing and repairs, medical expenses / re-imbursment for self and his family including dependants, leave travel concession for self and his family including dependants, club fees, medical insurance and such other perquisites and allowances as agreed / authorized by the Board.

There is no separate provision for payment of severance fee.

- (b) The details of remuneration paid to the Directors (including perquisites and allowances) for the year ended 31.03.2013 are a under:

| Name of Director | Sitting Fees* (₹) | Salary (₹) | Perquisites (₹) | Total (₹) |
|---------------------------|----------------------|---------------|--------------------|--------------|
| Shri Jai Kumar Jain | 20,000 | Nil | Nil | 20,000 |
| Shri Anand Jain | 20,000 | Nil | Nil | 20,000 |
| Shri Virendra Jain | 70,000 | Nil | Nil | 70,000 |
| Shri Khurshed M. Doongaji | 70,000 | Nil | Nil | 70,000 |
| Shri Sandeep H. Junnarkar | 20,000 | Nil | Nil | 20,000 |
| Shri Dadi K. Contactor | 25,000 | Nil | Nil | 25,000 |
| Shri Sachin N. Chaturvedi | 70,000 | Nil | Nil | 70,000 |
| Dr. Pravin P. Shah | 5,000 | Nil | Nil | 5,000 |
| Shri Gaurav Jain | Nil | 24,00,000 | 4,56,674 | 28,56,674 |
| Shri Vasudeo S. Pandit | Nil | 27,60,000 | Nil | 27,60,000 |

* excluding service tax

The Company has paid ₹ 24,01,133/- as professional charges during the year to Pravin P. Shah & Associates where Dr. Pravin P. Shah, (director of the Company up to 04.12.2012) was the proprietor and ₹ 59,326/- to Junnarkar & Associates, Advocates where Shri Sandeep H. Junnarkar, director of the Company is a partner.

7.3 Shareholders / Investors Grievance Committee:

The Board has delegated *inter alia* the powers to deal with shareholders' / investors' grievance to the Shareholders / Investors Grievance Committee. Pursuant to the provisions of Clause 49(IV)(G)(iii) of the Listing Agreement with the Stock Exchanges, a non-executive director, Shri Khurshed Minocher Doongaji has been appointed the Chairman of the Committee. Shri Sachin Nath Chaturvedi, Shri Virendra Jain and Shri Gaurav Jain are the other members.

The Shareholders / Investors Grievance Committee meet at least once in every quarter to specifically look into redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(a) Meeting of the Shareholders / Investors Grievance Committee-

The Shareholders / Investors Grievance Committee met four times during the financial year ended 31.03.2013. The dates of the meeting were 24.05.2012, 08.08.2012, 09.11.2012 and 07.02.2013.

(b) Attendance of each member at the Shareholders / Investors Grievance Committee meetings held during 2012-13:

| Name of Director | Designation | No. of Meetings held | No. of Meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Shri K.M. Doongaji | Chairman | 4 | 4 |
| Shri S.N. Chaturvedi | Member | 4 | 4 |
| Shri Virendra Jain | Member | 4 | 4 |
| Shri Gaurav Jain | Member | 4 | 4 |

Shri Ananjan Datta, the Company Secretary acts as the Secretary to the Committee.

(c) Investor Complaints Redressal:

1 investor complaint was unresolved at the beginning of the year, 208 investor complaints were received during the financial year ended 31.03.2013 out of which 208 complaints were resolved. As on 31.03.2013, 1 complaint was unresolved.

7.4 Share Transfer Committee:

The Board has delegated *inter alia* the powers to deal with transfer, transmission of shares held in physical form to the Share Transfer Committee. Shri Jai Kumar Jain, is the Chairman, Shri Virendra Jain and Shri Gaurav Jain are the other members of the Committee.

(a) Meeting of the Share Transfer Committee-

The Share Transfer Committee met 6 times during the financial year ended 31.03.2013

(b) Attendance of each member at the Share Transfer Committee meetings held during 2012-13:

| Name of Director | Designation | No. of Meetings held | No. of Meetings attended |
|---------------------|-------------|----------------------|--------------------------|
| Shri Jai Kumar Jain | Chairman | 6 | 6 |
| Shri Virendra Jain | Member | 6 | 6 |
| Shri Gaurav Jain | Member | 6 | 5 |

Shri Ananjan Datta, the Company Secretary acts as the Secretary to the Committee.

8. Prevention of Insider Trading:

The Code of Conduct for Prevention of Insider Trading was approved by the Board at its meeting held on 29.05.2009. Pursuant to this Code, all directors, officers and designated employees have furnished quarterly / annual statements of their shareholdings in the Company.

9. Code of Business Conduct and Ethics for Directors, Senior Management and Employees:

The revised Code of Business Conduct and Ethics for Directors, Senior Management and Employees was approved by the Board at its meeting held on 29.05.2009. The Code lays down the standards of business conduct, ethics and governance. The Code was circulated and is posted in the website of the Company. All directors, senior management and designated employees have affirmed their compliance to the Code annually.

10. Compliance officer:

Shri Ananjan Datta, the Company Secretary, is the Compliance Officer for complying with SEBI Regulations and requirements under the Listing Agreement with the Stock Exchanges.

11. Subsidiary monitoring framework:

All subsidiaries of the Company are Board managed with their respective Boards having rights and obligations to manage such companies in the best interest of their respective stakeholders. As the majority shareholder, the Company has placed two of its independent directors on the Board of a subsidiary company where it has made substantial investments. It monitors the performance of all subsidiary 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.
- (c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Board.

12. General body meetings:

- (i) (a) Location and time of last three Annual General Meetings of the Company and the special resolutions passed in these meetings-

| Year | Date | Day | Time | Location | Special Resolution Passed |
|------|------------|-----------|------------|--|---|
| 2010 | 01.09.2010 | Wednesday | 11:00 a.m. | A-3, M.I.D.C. Industrial Area, Nanded - 431 603. | 1. Approval for placement of securities by way of qualified institutional placement. 2. Approval for follow-on public offer. 3. Approval for offering securities in international market. |
| 2011 | 23.09.2011 | Friday | 10:00 a.m. | -do- | Approval for roll over of preference shares. |
| 2012 | 26.09.2012 | Wednesday | 10:00 a.m. | -do- | None. |

- (b) Location and time of **Extra-ordinary General Meetings** of the Company held during the last three financial years and the special resolutions passed in these meetings-
No Extra-ordinary General Meeting was held in the last three financial years.

- (c) Details of **postal ballots** held during the last three financial years and the special resolutions passed in these meetings-

No postal ballot was held in the last three financial years.

- (ii) **Details of special resolutions passed last year through postal ballot-**

No resolution was passed through postal ballot last year.

- (iii) **Persons who conducted the postal ballot exercise-**

Not Applicable.

- (iv) **Special resolution proposed to be passed through postal ballot-**

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of special resolution by postal ballot.

- (v) **Procedure of postal ballot-**

Not Applicable.

13. Disclosures:

- (i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large-**

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

Further in compliance to the Accounting Standard (AS-18), a detailed disclosure of transactions with related parties has been made in Note 38 of the financial statements.

- (ii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years-**

On a matter concerning allotment *inter alia* to and sale by the Company of equity shares of RAP Media Limited, a listed company, where certain provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992 were allegedly not adhered to, the Company with two other companies acting-in-concert (collectively called

“Noticees”) had made a joint application for consent order to SEBI on 18.09.2008. SEBI accepted the consent application and passed in principle approval for settlement of the issue on a payment of ₹ 15,00,000/- collectively by the Noticees. The said amount was paid and SEBI has passed consent order dated 20.01.2010. The matter was settled without any admission or denial of guilt on the part of the Noticees to the findings of fact or conclusion of law.

(iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee-

The Whistle Blower Policy is posted in the website of the Company. No personnel were denied access to the Audit Committee.

(iv) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause-

All mandatory provisions have been complied with. The Company has adopted the whistle blower policy which is a non-mandatory requirement.

(v) Management Discussion & Analysis Report, 2013 -

The Management Discussion & Analysis Report is a part of the Directors’ Report for the year ended 31.03.2013.

14. Secretarial Audit:

In compliance to SEBI Regulations and Listing Agreement with the Stock Exchanges, the Company subjects itself to secretarial audits as per the frequencies mandated. The Company confirms that there exists no discrepancy with regard to its issued equity share capital, listed equity share capital, equity share capital held in de-materialised form and equity share capital held in physical form. Practicing Company Secretary, Messrs Savita Jyoti Associates conduct the secretarial audits.

15. Means of Communication:

(i) Quarterly Results - The quarterly and annual financial results are published in newspapers, displayed in the Company’s website www.jaicorpindia.com and are available on the portals of BSE and NSE.

(ii) Newspapers wherein results normally published - The financial results are normally published in ‘The Free Press Journal’ and ‘Navshakti’.

(iii) Website where displayed - The financial results, quarterly corporate governance reports, quarterly shareholding pattern, announcements to shareholders, loss of share certificates etc. are displayed in the Company’s website www.jaicorpindia.com.

(iv) Display official news releases, presentation etc.- All news release such as notice of meetings, outcome of board / general meetings, clarifications issued to the Stock Exchanges etc. are displayed in the website of the Company, www.jaicorpindia.com. The website contains a separate dedicated section ‘Investors Relations’ where information of interest to the investors is available.

(v) Other means of communication:

(a) Annual Report -

Annual Report containing, *inter alia*, audited accounts, consolidated financial statements, Directors’ Report, Auditors’ Report, Corporate Governance Report, notice of Annual General Meeting, and other important and relevant information are circulated to the members and others entitled to receive it. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report. Annual Reports are available in the website of the Company.

(b) Reminder to investors -

Reminder to the investors to cash unclaimed dividend, to make nomination etc. are included in the notice to the Annual General Meeting. Individual e-mail was sent to the shareholders reminding them about the “Green Initiative in Corporate Governance” of the Ministry of Corporate Affairs and with a view to obtain their consent to communicate with them through electronic mode.

(c) Designated exclusive e-mail address-

The Company has designated the following e-mail address exclusively for investor servicing: cs2@jaicorpindia.com.

16. General Shareholder Information:

(i) 28th Annual General Meeting: Date, Time and Venue -

Saturday, the 21st day of September, 2013 at 12:00 noon at the Registered Office of the Company at A-3, M.I.D.C. Industrial Area, Nanded - 431 603, Maharashtra.

(ii) Financial Year : 01-04-2013 to 31-03-2014.

(iii) Financial Calendar (Tentative)

- Results for the quarter ended June, 2013 : 2nd week of August, 2013
- Results for the quarter ended September, 2013 : 2nd week of November, 2013
- Results for the quarter ended December, 2013 : 2nd week of February, 2014
- Results for the quarter ended March, 2014 : 3rd week of May, 2014
- 29th Annual General Meeting : 2th week of September, 2014

(iv) Dates of Book Closure : 11-09-2013 to 21-09-2013

(both days inclusive)

(v) Dividend Payment Date : on or after 23-09-2013

(vi) Listing on Stock Exchanges :

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

- a) BSE Limited (BSE)** at 'Phiroze Jeejeebhoy Towers', Dalal Street, Mumbai - 400 001.
- b) National Stock Exchange of India Limited (NSE)** at 'Exchange Plaza', Plot No. C/1, 'G' Block, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051.

Annual Listing fee have been paid to both these Stock Exchanges for the financial years 2012-13 and 2013-14.

(vii) De-materialisation of shares:

The equity shares of the Company are traded in compulsory de-materialisation list with effect from 09.03.2001. The Company has entered into agreements with both the depositories enabling the investors to hold shares of the Company in electronic form through the depository of their choice -

- a) National Securities Depository Limited (NSDL)** at 'Trade World', A Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel (West), Mumbai - 400013.
- b) Central Depository Services (India) Limited (CDSL)** at 17th Floor, 'Phiroze Jeejeebhoy Towers', Dalal Street, Mumbai - 400 001.

(viii) Stock Codes :

- a) BSE : 512237**
- b) NSE : JAICORPLTD**
- c) Demat ISIN for NSDL and CDSL : INE070D01027**

(ix) Registration Details with the 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 at 'Everest Building', #100, Marine Drive, Mumbai - 400 002.

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) - L17120MH1985PLC036500.

(x) Registrar & Share Transfer Agents:

Karvy Computershare Private Limited is the Registrar & Share Transfer Agent of the Company. Contact details of Karvy Computershare Private Limited:

- a) Postal : Unit - Jai Corp Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
- b) Telephone : (91-40) 4465 5000.
- c) Fax : (91-40) 2342 0814.
- d) E-mail : einward.ris@karvy.com

(xi) Address for correspondence:

Investors' correspondence should be addressed to the Registrar & Share Transfer Agent of the Company as per details furnished at 'x' above.

The investors can also contact the Company through the designated e-mail address - cs2@jaicorpindia.com.

(xii) Website of the Company:

Investors can visit the website of the Company at www.jaicorpindia.com for information.

(xiii) Share Transfer System:

a) Shares held in physical form-

Transfers of shares held in physical form are processed and share certificates returned within a period of 10-15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's shares to Share Transfer Committee. A summary of transfer, transmission etc. of shares of the Company so approved by the Committee is placed at every Board meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

b) Shares held in de-materialised form-

For transfer / transmission of shares held in de-materialised form a shareholder has to approach his / her Depository Participant and lodge / follow the prescribed instruction slip / the process required by the Depository Participant.

(xiv) Dematerialization of shares and liquidity :

- a) As at 31.03.2013, 17,72,41,549 equity shares were de-materialised representing 99.30% of the total paid up equity share capital.

b) Details of de-materialised and physical equity shares as on 31.03.2013-

| Sr. No. | Particulars | No. of Equity shareholders | No. of Equity Shares | Percentage of Equity Shares |
|---------|-------------------------------------|----------------------------|----------------------|-----------------------------|
| 1 | CDSL | 33,917 | 1,10,44,012 | 6.19 |
| 2 | NSDL | 53,462 | 16,61,97,537 | 93.11 |
| | Total Dematerialised Holding | 87,379 | 17,72,41,549 | 99.30 |
| 3 | Physical | 1,038 | 12,52,461 | 0.70 |
| | Total | 88,417 | 17,84,94,010 | 100.00 |

c) Liquidity of equity shares -

The number of equity shares of the Company that were traded in BSE and NSE during 01.04.2012 to 31.03.2013 and the value thereof are given below:

| Particulars | BSE | NSE | Total |
|-------------------|--------------|--------------|--------------|
| Shares (nos.) | 17,94,34,342 | 36,31,92,712 | 54,26,27,054 |
| Value (in ₹ Lakh) | 1,17,483.83 | 2,39,306.52 | 3,56,790.35 |

(xv) Distribution of shareholding:

a) The equity shareholding pattern as at 31.03.2013 is as follows-

| Sr. No. | Particulars | No. of Equity shareholders | No. of Equity Shares | Percentage of Equity Shares |
|---------|---|----------------------------|----------------------|-----------------------------|
| 1 | Promoters, Non-promoter Directors and their relatives | 19 | 13,02,82,800 | 72.99 |
| 2 | Mutual Funds | 13 | 2,85,191 | 0.16 |
| 3 | Domestic Financial Institutions & Banks | 10 | 30,02,128 | 1.68 |
| 4 | Domestic Bodies Corporate | 1,419 | 76,85,229 | 4.31 |
| 5 | NRIs / Foreign Nationals / FII's / Foreign Bodies Corporate | 639 | 1,16,92,633 | 6.55 |
| 6 | Resident Individuals / HUF | 86,161 | 2,50,48,099 | 14.03 |
| 7 | Trusts | 3 | 48,300 | 0.03 |
| 8 | Clearing Members | 152 | 4,05,030 | 0.23 |
| 9 | Forfeited Shares | 1 | 44,600 | 0.02 |
| | Total | 88,417 | 17,84,94,010 | 100.00 |

b) Distribution of equity shareholding as at 31.03.2013 is as follows-

| Sr. No. | Particulars | No. of Equity shareholders | No. of Equity Shares | Percentage of Equity Shareholders |
|---------|--------------------|----------------------------|----------------------|-----------------------------------|
| 1 | 1-5,000 | 87,554 | 1,86,58,659 | 99.02 |
| 2 | 5,001-10,000 | 462 | 33,46,305 | 0.52 |
| 3 | 10,001-20,000 | 213 | 30,99,073 | 0.24 |
| 4 | 20,001-30,000 | 73 | 17,70,000 | 0.08 |
| 5 | 30,001-40,000 | 28 | 9,95,125 | 0.03 |
| 6 | 40,001-50,000 | 19 | 8,78,967 | 0.02 |
| 7 | 50,001-1,00,000 | 25 | 19,07,895 | 0.03 |
| 8 | 1,00,001 and above | 43 | 14,78,37,986 | 0.06 |
| | Total | 88,417 | 17,84,94,010 | 100.00 |

(xvi) Performance in comparison of broad based indices of BSE and NSE:

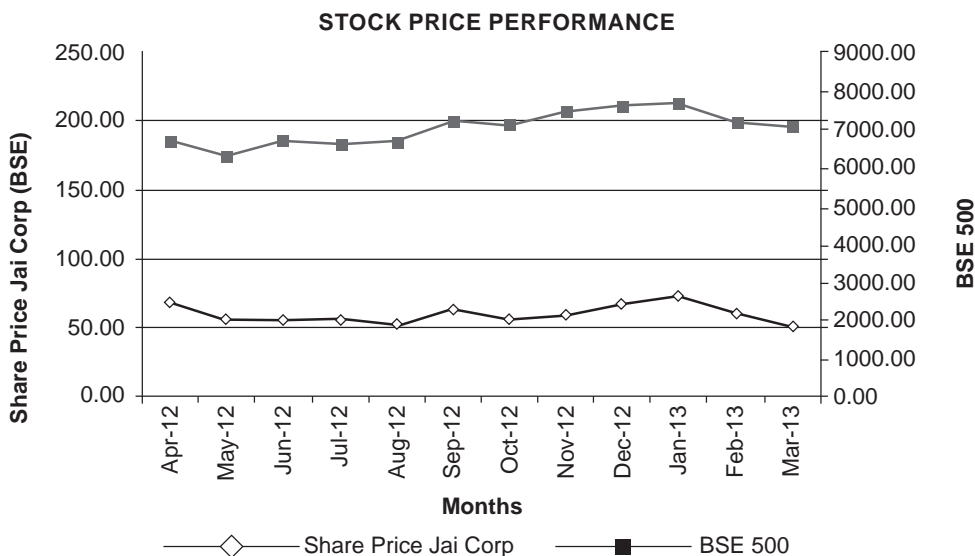
a) Market price data (high and low) during each month of the last financial year on BSE and NSE is given below-

| Month | BSE | | NSE | |
|-----------------|-------------|------------|-------------|------------|
| | High (in ₹) | Low (in ₹) | High (in ₹) | Low (in ₹) |
| April, 2012 | 91.90 | 65.80 | 91.90 | 65.65 |
| May, 2012 | 79.00 | 51.30 | 70.00 | 51.20 |
| June, 2012 | 65.00 | 51.95 | 61.50 | 51.10 |
| July, 2012 | 67.50 | 52.00 | 67.50 | 51.80 |
| August, 2012 | 62.85 | 50.00 | 62.80 | 51.50 |
| September, 2012 | 65.70 | 52.40 | 73.35 | 52.10 |
| October, 2012 | 68.30 | 55.25 | 68.35 | 54.90 |
| November, 2012 | 62.70 | 54.55 | 62.70 | 54.55 |
| December, 2012 | 73.40 | 59.50 | 73.50 | 59.60 |
| January, 2013 | 87.20 | 67.85 | 87.25 | 67.75 |
| February, 2013 | 77.70 | 59.05 | 77.70 | 58.80 |
| March, 2013 | 63.95 | 47.10 | 64.10 | 46.50 |

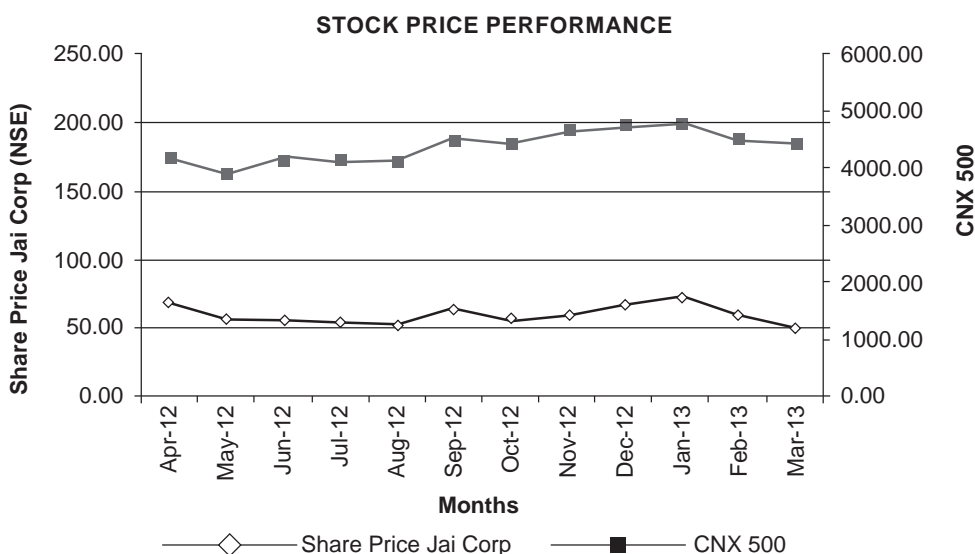
(xvii) Performance in comparison to BSE and NSE indices-

The Company's shares form a part of the BSE 500 index of BSE and S & P CNX 500 index of NSE. The performance of the shares of the Company vis-à-vis these two indices are given below:

a) Company's shares vis-à-vis BSE 500



b) Company's shares vis-à-vis S & P CNX 500



(xviii) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity share capital:

Not applicable as the Company has not issued any such instrument.

(xix) Plant Locations:

The Company's plants vis-à-vis their locations are given division-wise below-

| Sr. No. | Division | Location |
|---------|-------------------------------------|---|
| 1 | Steel | Nanded, Maharashtra |
| 2 | Plastic Processing | Kahdoli, Silvassa (Dadra & Nagar Haveli-UT), Dabhel, Daman (Daman & Diu-UT) - 2 units, Pithampur, Indore (Madhya Pradesh) |
| 3 | Plastic Processing and Master Batch | Dabhel, Daman (Daman & Diu-UT) |
| 4 | Plastic Processing and PSF | Athal, Silvassa, (Dadra & Nagar Haveli-UT) |
| 5 | Textile-Twisting | Masat, Silvassa, (Dadra & Nagar Haveli-UT) |
| 6 | Textile-Dyeing | Sarigam, Valsad, Gujarat |
| 7 | Textile-Spinning | Vasona, Silvassa, (Dadra & Nagar Haveli-UT) |

(xx) Build up of equity share capital:

| Sr. No. | Particulars | Year of Event | No. of Equity Shares |
|---------|---|---------------|----------------------|
| 1 | Subscribers to the Memorandum | 1985 | 70 |
| 2 | Further Issue | -do- | 1,99,930 |
| 3 | Public Issue | -do- | 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 with Sipta Coated Steels Limited and Comet Steels Limited | 1996 | 49,63,522 |
| 8 | Cancellation of shares under the 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)) | -do- | 8,62,69,400 |
| 11 | Preferential Offer | -do- | 59,10,610 |

(xxi) Transfer of Unclaimed and Unpaid Dividend Amount to Investor Education & Protection Fund:

During the year under review, no amount was required to be credited 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 OF CODE OF CONDUCT

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, it is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct of the Company on an annual basis.

Place: Mumbai,

Date: 8th May, 2013

Gaurav Jain

Managing Director and Chief Executive Officer

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Jai Corp Limited

We have examined the compliance of conditions of Corporate Governance by **JAI CORP LIMITED** ("the Company") for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to 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 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 Listing Agreement.

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

For CHATURVEDI & SHAH

Chartered Accountants
Firm Registration No. 101720W

R. Koria

Partner
Membership No. 35629

Place : Mumbai
Date: 8th May, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
Jai Corp Limited

Report on the Financial Statements

We have audited the accompanying financial statements of 'Jai Corp Limited' ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order 2003 (as amended) ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except certain inventory records which have been destroyed due to the fire at a unit as mentioned in Note No.30 on the financial statements;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No. 101720W

R. Koria

Partner
Membership No.: 35629

Place : Mumbai

Date : 8th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Jai Corp Limited on the accounts for the year ended March 31, 2013

- 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.
 - (b) As explained to us, fixed assets at one location have been physically verified during the year by management in accordance with a phased program 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 physical 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 during the year by the management at reasonable intervals.
 - (b) In our opinion, and according to the information and explanations given to us, 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, no material discrepancies were noticed on physical verification of the inventories, as compared to book records maintained.
- iii) In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Act:
 - (a) The Company has granted unsecured loans to two of its wholly-owned subsidiary companies. The maximum amount outstanding at any time during the year was ₹ 39,394.37 lacs and the year-end balance is ₹ 39,398.47 lacs.
 - (b) In our opinion and according to the information and explanations given to us, the aforesaid loans are interest-free and others terms and conditions of such loans, are prima facie, not prejudicial to the interest of the Company.
 - (c) The loans given were not due for repayment at the year end.
 - (d) The loans given were not due for repayment, therefore the question of overdue amounts does not arise.
 - (e) The Company has not taken any loans during the year from companies, firms or other parties covered in the Register maintained under section 301 of the Act. Accordingly, the provisions of sub-clauses (e), (f) and (g) of clause (iii) of paragraph 4 of the said Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and also 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 the transactions made in pursuance of contracts / arrangements that need to be entered in the register maintained under section 301 of the Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made during the year in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs for each party, have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time, other than for certain transactions for purchase of fixed assets, sale of goods and materials of specific nature for which alternative quotations are not available and hence upon which, we are unable to comment.
- vi) The Company has not accepted any deposits from the public and accordingly, the provisions of clause (vi) of paragraph 4 of the said Order are not applicable to the Company.

- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We are informed by the management that the Central Government has prescribed the maintenance of Cost Records pursuant to clause (d) of sub-section (1) of section 209 (as amended) of the Act. 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 and complete.
- ix) (a) According to records of the Company examined by us, the Company has generally been regular during the year in depositing

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 other material statutory dues as applicable 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, 2013 for a period of more than six months from the date they became payable.

- (b) The disputed statutory dues aggregating ₹ 1,721.67 lacs as at the balance sheet date, 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 (₹ in Lacs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|--------------------|--------------------|------------------------------------|---|
| Income-tax Act, 1961 | Income Tax | 165.15* | 2003-04 to 2004-05 | Income Tax Appellate Tribunal |
| | | 1,332.19** | 2007-08 to 2010-11 | Commissioner of Income Tax (Appeal) |
| Bombay Sales Tax Act | Sales Tax | 0.07*** | 2001-02 | High Court |
| Bombay Sales Tax Act | Sales Tax | 26.28 | 2000-01 & 2002-03 | Maharashtra Sales Tax Tribunal |
| Central Excise Act, 1944 | Excise duty | 75.00 | 2005-06 | Commissioner (Appeals) |
| | | 122.98**** | 2004-05 to 2009-10 | Central Excise and Service Tax Appellate Tribunal |
| TOTAL | | 1,721.67 | | |

- (*) Net of amount ₹ 31.20 Lacs deposited under protest.
- (**) Net of amount ₹ 100.00 Lacs deposited under protest.
- (***) Net of amount ₹ 0.50 Lacs deposited under protest.
- (****) Net of amount ₹ 23.04 Lacs deposited under protest.

- x) The Company does not have accumulated losses at the end of the financial year. It has not incurred cash losses in the current and immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. During the year, the Company did not have any loans from financial institutions or by way of debentures.
- xii) Based on our examination of documents and records and according to 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, debentures and other securities.

- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society, and accordingly the provisions of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and others investment. The Company has maintained proper records of transactions and contracts in respect of shares and other securities and timely entries have been made therein. All shares and other investments have been held by the Company in its own name.

- xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us, term loans outstanding during the year were prima facie applied for the purposes for which the loans were obtained.
- xvii) On a review of utilization of funds based on an overall examination of the Balance Sheet of the Company as at March 31, 2013, we report that prima facie, funds raised on short-term basis have not been utilized for long-term investment.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures and accordingly the provisions of clause (xix) of paragraph 4 of the said Order are not applicable to the Company.
- xx) During the year the Company has not raised any monies by way of public issue.
- xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

R. Koria
Partner
Membership No.: 35629

Place : Mumbai
Date : 8th May, 2013

2012-13 RESPONSIBLE GROWTH

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | Note | As At 31 st March, 2013 | As At 31 st March, 2012 |
|--|---------|---------------------------------------|---------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| Share Capital | 2 | 1,868.21 | 1,884.71 |
| Reserves and Surplus | 3 | <u>205,157.76</u> | <u>219,122.63</u> |
| | | 207,025.97 | 221,007.34 |
| 2 Non-Current Liabilities | | | |
| Long-Term Borrowings | 4 | 890.47 | 994.27 |
| Deferred Tax Liabilities (Net) | 5 | <u>2,246.96</u> | <u>2,041.45</u> |
| | | 3,137.43 | 3,035.72 |
| 3 Current Liabilities | | | |
| Short-Term Borrowings | 6 | 183.25 | 52.07 |
| Trade Payables | 7 | 974.37 | 2,800.14 |
| Other Current Liabilities | 8 | 2,256.33 | 3,233.11 |
| Short-Term Provisions | 9 | <u>449.56</u> | <u>645.69</u> |
| | | 3,863.51 | 6,731.01 |
| TOTAL | | <u>214,026.91</u> | <u>230,774.07</u> |
| II. ASSETS | | | |
| 1 Non-Current Assets | | | |
| Fixed Assets | 10 | | |
| (i) Tangible Assets | | 21,218.84 | 21,095.20 |
| (ii) Intangible Assets | | 23.05 | 32.96 |
| (iii) Capital Work-in-progress | | <u>724.06</u> | <u>1,222.30</u> |
| | | 21,965.95 | 22,350.46 |
| Non-Current Investments | 11 | 101,124.24 | 101,696.88 |
| Long-Term Loans and Advances | 12 | 40,329.83 | 39,270.09 |
| Other Non-Current Assets | 13 | <u>1,126.46</u> | <u>559.15</u> |
| | | 164,546.48 | 163,876.58 |
| 2 Current Assets | | | |
| Current Investments | 14 | 6,414.89 | 27,402.08 |
| Inventories | 15 | 7,154.32 | 7,022.14 |
| Trade Receivables | 16 | 10,583.93 | 10,850.72 |
| Cash and Bank Balances | 17 | 425.32 | 851.24 |
| Short-Term Loans and Advances | 18 | 24,395.50 | 20,053.90 |
| Other Current Assets | 19 | <u>506.47</u> | <u>717.41</u> |
| | | 49,480.43 | 66,897.49 |
| TOTAL | | <u>214,026.91</u> | <u>230,774.07</u> |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 40 | | |

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

Gaurav Jain
Managing Director

V.S. Pandit
Director - Works

R. Koria
Partner

Pramod Jaiswal
Chief Financial Officer

A. Datta
Company Secretary

Place : Mumbai

Date : 8th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Lacs)

| Particulars | Note | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
|--|---------|--|--|
| I. Gross Revenue From Operations | 20 | 67,757.36 | 65,381.72 |
| Less : Excise Duty Recovered (Refer Note 33) | | 4,323.45 | 3,590.84 |
| Net Revenue From Operations | | 63,433.91 | 61,790.88 |
| II. Other Income | 21 | 5,546.14 | 10,157.22 |
| III. Total Revenue (I + II) | | 68,980.05 | 71,948.10 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 22 | 41,831.35 | 39,206.24 |
| Purchase of Stock-in-Trade | 23 | 21.02 | 2,506.22 |
| Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade | 24 | (310.96) | 234.20 |
| Employee Benefits Expense | 25 | 4,973.76 | 5,031.99 |
| Finance Costs | 26 | 52.71 | 74.77 |
| Depreciation and Amortization Expense | 10 | 1,802.41 | 1,730.11 |
| Other Expenses | 27 | 9,740.85 | 9,205.60 |
| Total Expenses | | 58,111.14 | 57,989.13 |
| V. Profit Before Tax (III-IV) | | 10,868.91 | 13,958.97 |
| VI. Tax Expense: | | | |
| (i) Current Tax | | 3,174.60 | 3,855.00 |
| (ii) Deferred Tax | | 205.51 | 210.77 |
| VII. Profit After Tax (V-VI) | | 7,488.80 | 9,893.20 |
| VIII. Prior Period Items (Net) | 28 | - | 0.37 |
| IX. Net Profit (VII-VIII) | | 7,488.80 | 9,892.83 |
| X. Earnings per Equity Share: | | | |
| Basic & Diluted (in ₹) | 29 | 4.20 | 5.54 |
| Face Value per Share (in ₹) | | 1.00 | 1.00 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 40 | | |

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
 Chartered Accountants

Gaurav Jain
 Managing Director

V.S. Pandit
 Director - Works

R. Koria
 Partner

Pramod Jaiswal
 Chief Financial Officer

A. Datta
 Company Secretary

Place : Mumbai
Date : 8th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Lacs)

| Particulars | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
|---|--|--|
| A. Cash Flow From Operating Activities | | |
| Net Profit before tax as per Statement of Profit and Loss | 10,868.91 | 13,958.97 |
| Adjusted for : | | |
| Depreciation and Amortization Expense | 1,802.41 | 1,730.11 |
| Wealth Tax | 4.50 | 2.90 |
| Net Loss on foreign currency transaction and translation* | (10.25) | (30.80) |
| Sundry Balances Written Off (Net) | 87.58 | 80.60 |
| Profit on sale of Investments (Net) | (941.57) | (3,866.59) |
| Income from Long-Term Investments | (528.00) | - |
| Loss / (Profit) on sale / discarding of fixed assets (Net) | 64.94 | (335.46) |
| Provision for Diminution in value of Long-Term Investments | - | 460.60 |
| Finance Costs | 52.71 | 74.77 |
| Provision for Doubtful Advances | - | 3.91 |
| Interest Income | (3,347.97) | (4,919.21) |
| Dividend Income | (339.37) | (352.66) |
| Operating Profit before Working Capital Changes | 7,713.89 | 6,807.14 |
| Adjusted for : | | |
| Trade & Other Receivables | (2,758.15) | (1,990.36) |
| Inventories | (132.18) | 966.66 |
| Trade and Other Payables | (2,569.60) | 91.82 |
| Cash generated from operations | 2,253.96 | 5,875.26 |
| Direct taxes paid | (3,227.39) | (4,413.03) |
| Net Prior period adjustment | - | (0.37) |
| Net Cash From / (Used in) Operating Activities | (973.43) | 1,461.86 |
| B. Cash Flow From Investing Activities | | |
| Purchase of Fixed Assets | (1,826.55) | (2,550.11) |
| Sale of Fixed Assets | 767.54 | 484.19 |
| Fixed Deposits with banks having maturity of more than three months (Matured) | - | 800.00 |
| Purchase of Investments including Share Application Money | (68,040.61) | (2,07,989.11) |
| Reduction / Sale of Investments | 90,649.43 | 2,66,607.61 |
| Movement in Loans | (1,492.94) | (379.26) |
| Income from Long-Term Investments | 304.76 | - |
| Interest Income | 1,780.71 | 4,466.13 |
| Dividend Income | 339.37 | 352.66 |
| Net Cash From Investing Activities | 22,481.71 | 61,792.11 |

CASH FLOW STATEMENT (CONTD.)

(₹ in Lacs)

| Particulars | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
|---|--|--|
| C. Cash Flow From Financing Activities | | |
| Redemption of Preference Share Capital including Securities Premium | (21,197.75) | (61,993.02) |
| Proceeds from Long-Term Loans | 384.00 | - |
| Repayment of Long-Term Loans | (923.80) | (688.21) |
| Short-Term Loans (Net) | 131.18 | (73.32) |
| Fixed Deposits / Margin Money with Banks and Government Authorities (Net) | 12.75 | (207.10) |
| Unclaimed for Scheme of Arrangement | (0.01) | (0.01) |
| Finance Costs Paid | (43.42) | (48.26) |
| Dividend Paid | (274.39) | (281.65) |
| Net Cash (used in) Financing Activities | <u>(21,911.44)</u> | <u>(63,291.57)</u> |
| Net (Decrease) in Cash and Cash Equivalents (A+B+C) | (403.16) | (37.60) |
| Opening Balance of Cash and Cash Equivalents | 484.53 | 522.13 |
| Closing Balance of Cash and Cash Equivalents | 81.37 | 484.53 |
| Components of Cash and Cash Equivalents: | | |
| Balances with Banks in Current Accounts | 80.32 | 477.56 |
| Cheques, Drafts in Hand | - | 5.55 |
| Cash on Hand | <u>1.05</u> | <u>1.42</u> |

Notes :

- The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standards) Rules, 2006.
- The Previous year's figures have been regrouped, rearranged, restated and reclassified wherever necessary to conform the current year presentation.
- Bracket indicates cash outflow.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah

Chartered Accountants

Gaurav Jain
 Managing Director

V.S. Pandit
 Director - Works

R. Koria
 Partner

Pramod Jaiswal
 Chief Financial Officer

A. Datta
 Company Secretary

Place : Mumbai

Date : 8th May, 2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

1.2 USE OF ESTIMATES

The preparation of financial statements 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 revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.3 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction, net of MODVAT / CENVAT, Value Added Tax, less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price, borrowing cost if capitalisation criteria are met, and directly attributable cost of bringing the asset to its working conditions for the intended use, including trial production costs, if any till commencement of commercial production.

1.4 DEPRECIATION

- i) Depreciation is 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) Cost of lease-hold land is amortised on straight line method over the lease period.
- iii) Fixed assets where ownership vests with the Government / local authorities are amortised at the rates of depreciation specified in Schedule XIV to the Companies Act, 1956.

1.5 INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer software is amortised over the useful life or period of five years, whichever is less. Drawings and Designs are written off on straight-line method over a period of ten years.

1.6 INVESTMENTS

Current investments are carried at lower of cost and fair value, ascertained 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. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investment. All other investments are classified as long-term investments.

1.7 VALUATION OF INVENTORIES

In general, all inventories of finished goods, work-in-progress etc., are stated at lower of cost and 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 and spares are stated at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined on FIFO basis in respect of Packaging / Spinning Division and on average basis in respect of Steel Division. Scrap and trial run products are valued at estimated net realisable value. Inventories of finished goods and scrap includes excise duty wherever applicable.

1.8 CUSTOMS DUTY

The liability on account of customs duty is recognised in respect of imported goods lying in the bonded warehouse.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1.9 EXPORT INCENTIVES

Export incentives other than advance licence are recognised at the time of exports and the benefit in respect of advance license received by the Company against exports made by it are recognised as and when goods are imported against them.

1.10 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. In case of any items, covered by forward exchange contracts, the difference between the closing rate and rate on the date of the contract is recognized as exchange rate difference and the premium paid on forward contracts not intended for trading or speculation purpose is amortised as expense over the life of the contract.
- iii) Non-monetary items which are carried in term of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

1.11 REVENUE RECOGNITION

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sales of goods, services, scrap, commission, export incentives, excise duty and service-tax but excludes sales tax / Value Added Tax and is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Commission and job-work income are recognised on an accrual basis in accordance with the terms of relevant agreement.

1.12 EMPLOYEE BENEFITS

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for 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 Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.
- iii) Compensated absences are accounted similar to the short term employee benefits.
- iv) Retirement benefits in the form of Provident Fund and other Funds are defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

1.13 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.

1.14 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. A deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that it will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, deferred tax asset is recognised only if there is virtual certainty supported by convincing evidence

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

that it can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date for their appropriateness.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternative Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

1.15 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

1.17 DERIVATIVE TRANSACTIONS

In respect of derivative contracts, premium paid, gain / losses on settlement and losses on restatement are recognised in the Statement of Profit and Loss except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

1.18 SUBSIDY

Subsidy relating to revenue expenditure for the year is adjusted against the related expenses.

1.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity share holders (after deducting preference dividend and attributable tax) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 2 - SHARE CAPITAL

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Authorised Share Capital: | | |
| 450,000,000 Equity Shares of ₹ 1 each (450,000,000) | 4,500.00 | 4,500.00 |
| 15,000,000 1% Non-Cumulative, Non-Participating Redeemable (15,000,000) Preference Shares of ₹ 1 each | 150.00 | 150.00 |
| 35,000,000 Unclassified Shares of ₹ 1 each (35,000,000) | 350.00 | 350.00 |
| TOTAL | 5,000.00 | 5,000.00 |
| Issued and Subscribed Shares | | |
| 178,494,010 Equity Shares of ₹ 1 each (178,494,010) | 1,784.94 | 1,784.94 |
| 8,349,900 1% Non-Cumulative, Non-Participating Redeemable (9,999,900) Preference Shares of ₹ 1 each | 83.50 | 100.00 |
| TOTAL | 1,868.44 | 1,884.94 |
| Paid-Up Shares | | |
| 178,449,410 Equity Shares of ₹ 1 each fully paid up (178,449,410) | 1,784.49 | 1,784.49 |
| 8,349,900 1% Non-Cumulative, Non-Participating Redeemable (9,999,900) Preference Shares of ₹ 1 each fully paid up | 83.50 | 100.00 |
| Add: Forfeited Shares (Amount originally paid on 4,460 (4,460) shares of ₹ 10 each) | 0.22 | 0.22 |
| TOTAL | 1,868.21 | 1,884.71 |

2.1 (i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

| Particulars | 2012-13 | | 2011-12 | |
|---|--------------------|-----------------|-------------|-------------|
| | (in Nos.) | (₹ in Lacs) | (in Nos.) | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 178,449,410 | 1,784.49 | 178,449,410 | 1,784.49 |
| Shares outstanding at the end of the year | 178,449,410 | 1,784.49 | 178,449,410 | 1,784.49 |

(ii) Reconciliation of number of Preference Shares outstanding at the beginning and at the end of the year:

| Particulars | 2012-13 | | 2011-12 | |
|---|------------------|---------------|------------|-------------|
| | (in Nos.) | (₹ in Lacs) | (in Nos.) | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 9,999,900 | 100.00 | 15,000,000 | 150.00 |
| Less : Shares redeemed during the year | 1,650,000 | 16.50 | 5,000,100 | 50.00 |
| Shares outstanding at the end of the year | 8,349,900 | 83.50 | 99,99,900 | 100.00 |

2.2 (i) The terms / rights attached to the Equity Shares:

The holder of equity shares of ₹ 1 each is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(ii) The terms / rights attached to the Preference Shares:

On 27th November, 2007 15,000,000 1% Non - cumulative, Non - Participating Redeemable Preference Shares of ₹ 1 each fully paid-up were allotted. On 26th November, 2011, 5,000,100 preference shares were redeemed at a premium of 6% p.a. from the date of allotment on issue price of ₹ 1,000/- per share and the balance 9,999,900 preference shares were rolled over for a further period of two years with effect from 26th November, 2011 with an option to the Company / the Preference Shareholder(s) to redeem the same earlier. On 23rd August, 2012 a further 1,650,000 preference shares were redeemed and the balance 8,349,900 preference shares are redeemable at a premium of 6 % p.a. from the date of allotment on issue price of ₹ 1,000/- per share. The Preference Shareholders have a preferential right to dividend of 1% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

2.3 Redemption premium on Preference Shares as mentioned above will be paid out of the Securities Premium Account hence no provision has been considered necessary.

2.4 Details of shares in the Company held by each shareholder holding more than 5% shares:

| Name of Shareholder | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|-------------------------------|---------------------------------------|-----------------|---------------------------------------|-----------------|
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| (a) Equity Shares: | | | | |
| (i) Satyapal Jaikumar Jain | 24,461,800 | 13.71 | 24,807,340 | 13.90 |
| (ii) Harsh Jain | 23,151,560 | 12.97 | 23,151,560 | 12.97 |
| (iii) Rina Jain | 17,719,220 | 9.93 | 17,719,220 | 9.93 |
| (iv) Sushma Jain | 16,130,740 | 9.04 | 16,130,740 | 9.04 |
| (v) Ankit Jain | 15,301,700 | 8.57 | 15,054,560 | 8.43 |
| (vi) Gaurav Jain | 10,427,200 | 5.84 | 10,427,200 | 5.84 |
| (vii) Virendra Jain | 9,871,620 | 5.53 | 9,871,620 | 5.53 |
| (b) Preference Shares: | | | | |
| (i) Sushma Jain | 2,783,300 | 33.33 | 3,333,300 | 33.33 |
| (ii) Rina Jain | 2,783,300 | 33.33 | 3,333,300 | 33.33 |
| (iii) Laxmi Jain | 2,783,300 | 33.34 | 3,333,300 | 33.34 |

2.5 Aggregate number of bonus shares allotted during the period of five years immediately preceding 31st March, 2013:

| Particulars | No. of Shares | Year of Allotment |
|--|------------------|----------------------|
| Equity Shares: | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | | |
| Equity Shares allotted as fully paid up by way of bonus shares | 86,269,400 | 2007-2008 |

2.6 Forfeited shares (Amount originally paid up):

| Particulars | ₹ in Lacs | |
|--|-----------|---------|
| | 2012-13 | 2011-12 |
| 44,600 (Previous Year 44,600) Equity Shares of ₹ 1 each (Originally 4,460 Equity Shares of ₹ 10/- each) | 0.22 | 0.22 |

2.7 Figures in bracket represents previous year figures.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 3 - Reserves and Surplus

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Capital Reserve | | |
| Balance at the beginning and at the end of the year | 92.17 | 92.17 |
| Capital Redemption Reserve | | |
| Balance at the beginning of the year | 50.00 | - |
| Add : Transferred from General Reserve on account of redemption of Preference Shares | 16.50 | 50.00 |
| Balance at the end of the year | 66.50 | 50.00 |
| Securities Premium Account | | |
| Balance at the beginning of the year | 152,987.92 | 214,930.94 |
| Less: Premium on Redemption of Preference Shares | 21,181.25 | 61,943.02 |
| Balance at the end of the year | 131,806.67 | 152,987.92 |
| General Reserve | | |
| Balance at the beginning of the year | 18,057.95 | 17,118.66 |
| Add : Transferred from Surplus | 748.88 | 989.29 |
| Less: Transferred to Capital Redemption Reserve | 16.50 | 50.00 |
| Balance at the end of the year | 18,790.33 | 18,057.95 |
| Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 47,934.59 | 39,307.25 |
| Add : Net Profit for the year | 7,488.80 | 9,892.83 |
| Amount available for Appropriations | 55,423.39 | 49,200.08 |
| Appropriations | | |
| Transferred to General Reserve | 748.88 | 989.29 |
| Proposed Dividend on Preference Shares | 0.83 | 1.00 |
| Dividend per Share ₹ 0.01 (Previous Year ₹ 0.01) | | |
| Proposed Dividend on Equity Shares | 240.84 | 240.84 |
| Dividend per Share ₹ 0.50 (Previous Year ₹ 0.50) | | |
| Tax on Proposed Dividends | 32.57 | 34.36 |
| Reversal of Proposed Dividend on Preference Shares redeemed | (0.17) | - |
| Reversal of Tax on Proposed Dividends | (1.65) | - |
| Balance at the end of the year | 54,402.09 | 47,934.59 |
| TOTAL | 205,157.76 | 219,122.63 |

Note 4 - Long-term Borrowings

| Particulars | (₹ in Lacs) | |
|------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Secured | | |
| Term-Loans from a Bank | - | 90.00 |
| Unsecured | | |
| Interest-free Sales-tax loan | 890.47 | 904.27 |
| TOTAL | 890.47 | 994.27 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

4.1 Out of the term-loans referred to above (including current maturities of long-term borrowings in Note 8):

- Loans aggregating ₹ Nil (Previous Year ₹ 256.00 Lacs) were secured by way of first pari passu charge on certain immovable assets of the Company and carried interest at BPLR rate less 3.50% per annum.
- Loans aggregating ₹ Nil (Previous Year ₹ 270.00 Lacs) were secured by way of first pari passu charge on the entire movable fixed assets of the Company and carried interest at BPLR rate less 3.75% per annum.
- They were further secured by a personal guarantee of one the directors and one erstwhile director of the Company.

4.2 An interest-free sales tax loan of ₹ **904.27 Lacs** (Previous Year ₹ 918.07 Lacs) (including current maturities of long-term borrowings in Note 8) is outstanding as at 31st March, 2013. Out of the above, ₹ **13.80 Lacs** is repayable in May, 2013, ₹ **558.60 Lacs** is repayable in equal yearly installment of ₹ **111.72 Lacs** starting from December, 2014 and ending on December, 2018 and ₹ **331.87 Lacs** is repayable in equal yearly installment of ₹ **66.37 Lacs** starting from March, 2020 and ending on March, 2024.

Note 5 - Deferred Tax Liabilities (Net)

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 2,287.07 | 2,125.43 |
| Deferred Tax Assets | | |
| Disallowance Under the Income-tax Act, 1961 | 40.11 | 83.98 |
| TOTAL | <u>2,246.96</u> | <u>2,041.45</u> |

Note 6 - Short - Term Borrowings

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Secured Loans | | |
| Working Capital Loans from a Bank repayable on Demand | 183.25 | 52.07 |
| TOTAL | <u>183.25</u> | <u>52.07</u> |

6.1 The Working Capital Loans to the extent of ₹ **82.74 Lacs** (Previous year ₹ 52.07 Lacs) is secured by hypothecation on whole of current assets including stock and book debts and as collateral security, second charge and negative lien on certain fixed assets of the Company and ₹ **100.51 Lacs** (Previous year ₹ Nil) is secured against pledge of fixed deposits with banks.

Note 7 - Trade Payables

| Particulars | (₹ in Lacs) | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Micro, Small and Medium Enterprises | 35.16 | 63.97 |
| Others | 939.21 | 2,736.17 |
| TOTAL | <u>974.37</u> | <u>2,800.14</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

7.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| a) Principal amount remaining unpaid | 35.16 | 63.97 |
| b) Interest due thereon | - | - |
| c) Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year. | - | - |
| d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) Interest accrued and remaining unpaid | - | - |
| f) Further interest remaining due and payable in the succeeding years. | - | - |

Note 8 - Other Current Liabilities

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Current Maturities of Long-term Borrowings | | |
| Secured Borrowings | - | 436.00 |
| Unsecured Borrowings | <u>13.80</u> | <u>13.80</u> |
| Interest Accrued and Due on Borrowings | - | 6.61 |
| Advances from Customers | 815.42 | 1,433.75 |
| Advance against Sale of Fixed Assets | 50.00 | 11.40 |
| Unpaid Dividends | 23.70 | 17.42 |
| Unclaimed for Scheme of Arrangement | 38.99 | 39.00 |
| Creditors for Capital Expenditure | 27.25 | 39.12 |
| Other Payables | | |
| Salary, Wages and Allowances | 599.11 | 658.47 |
| Power & Fuel | 296.09 | 202.00 |
| Statutory Dues | 98.21 | 77.30 |
| Others | <u>293.76</u> | <u>298.24</u> |
| TOTAL | <u><u>2,256.33</u></u> | <u><u>3,233.11</u></u> |

8.1 Unclaimed Dividends does not include amount, due & outstanding, to be credited to Investor Education & Protection Fund.

8.2 Others Includes Security Deposits from Customers and Liability for expenses etc.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 9 - Short - Term Provisions

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Provisions for Employee Benefits | | |
| Gratuity (Funded) (Refer Note 32) | 13.50 | 162.10 |
| Leave Encashment | 104.50 | 96.73 |
| | 118.00 | 258.83 |
| Others | | |
| Provisions for Wealth Tax | 2.25 | - |
| Proposed Dividend on Preference Shares | 0.83 | 1.00 |
| Proposed Dividend on Equity Shares | 240.84 | 240.84 |
| Tax on Proposed Dividend | 32.57 | 34.36 |
| Provision for Excise Duty | 55.07 | 110.66 |
| | 331.56 | 386.86 |
| TOTAL | 449.56 | 645.69 |

9.1 The Company had recognised liability based on substantial degree of estimation for excise duty payable on the clearance of goods lying in stock as on 31st March, 2012 of ₹ 110.66 Lacs as per the estimated pattern of dispatches. During the year, ₹ 110.66 Lacs was utilised for clearance of goods. Liability recognised under this class for the year is ₹ **55.07 Lacs**, which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 10 - Fixed Assets

| Description | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | | |
|---------------------------------|---|-----------------|-----------------|--|---|-----------------|----------------------------|---|--|--|
| | As at 1 st April, 2012 | Additions | Deductions | As at 31 st March, 2013 | Upto 31 st March, 2012 | For the Year | Deductions/ Adjustments | Upto 31 st March, 2013 | As at 31 st March, 2013 | As At 31 st March, 2012 |
| TANGIBLE ASSETS | | | | | | | | | | |
| Leasehold | | | | | | | | | | |
| Land | 516.86 | - | - | 516.86 | 56.63 | 13.45 | - | 70.08 | 446.78 | 460.23 |
| Owned | | | | | | | | | | |
| Land | 2,004.63 | - | - | 2,004.63 | - | - | - | - | 2,004.63 | 2,004.63 |
| Buildings | 8,320.11 | 407.85 | 7.06 | 8,720.90 | 2,033.82 | 260.00 | 1.47 | 2,292.35 | 6,428.55 | 6,286.29 |
| Plant and Equipments | 28,959.47 | 2,261.45 | 1,261.73 | 29,959.19 | 16,958.39 | 1,463.99 | 526.38 | 17,896.00 | 12,063.19 | 12,001.08 |
| Furniture and Fixtures | 193.97 | 1.96 | - | 195.93 | 133.04 | 6.67 | - | 139.71 | 56.22 | 60.93 |
| Vehicles | 373.77 | 29.37 | 122.00 | 281.14 | 216.81 | 26.51 | 69.52 | 173.80 | 107.34 | 156.96 |
| Office Equipments | 387.70 | 9.39 | 2.59 | 394.50 | 262.62 | 21.88 | 2.13 | 282.37 | 112.13 | 125.08 |
| TOTAL (A) | 40,756.51 | 2,710.02 | 1,393.38 | 42,073.15 | 19,661.31 | 1,792.50 | 599.50 | 20,854.31 | 21,218.84 | 21,095.20 |
| INTANGIBLE ASSETS* | | | | | | | | | | |
| Owned | | | | | | | | | | |
| Computer Software | 46.93 | - | - | 46.93 | 13.97 | 9.91 | - | 23.88 | 23.05 | 32.96 |
| TOTAL (B) | 46.93 | - | - | 46.93 | 13.97 | 9.91 | - | 23.88 | 23.05 | 32.96 |
| TOTAL (A)+(B) | 40,803.44 | 2,710.02 | 1,393.38 | 42,120.08 | 19,675.28 | 1,802.41 | 599.50 | 20,878.19 | 21,241.89 | 21,128.16 |
| Previous Year | 39,788.57 | 1,759.59 | 744.72 | 40,803.44 | 18,381.56 | 1,730.11 | 436.39 | 19,675.28 | 21,128.16 | - |
| Capital Work in Progress | | | | | | | | | 724.06 | 1,222.30 |

* Other than internally generated.

10.1 Building includes ₹ 0.01 Lacs (Previous Year ₹ 0.01 Lacs) being the cost of shares in Co-operative Housing Society towards ownership of residential flats.

10.2 Capital Work-in-Progress includes ₹ 5.65 Lacs (Previous Year ₹ 0.07 Lacs) on account of cost of construction material at site.

10.3 Gross Block of Plant and Equipments includes ₹ 64.68 (Previous Year ₹ 64.68 Lacs) and ₹ 33.56 Lacs (Previous Year ₹ 33.56 Lacs) being the amount spent for laying Power Line and Water Pipe Line respectively, the ownership of which vests with the respective Government Authorities.

10.4 In accordance with the Accounting Standard (AS) 28 on "Impairment of Assets" as notified by Companies (Accounting Standards) Rules, 2006 the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried by the management there was no impairment loss on fixed assets during the year ended 31st March, 2013.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 11 - Non - Current Investments (Refer Note 1.6)

| Particulars | As at 31 st March, 2013 Quantity (Nos.) | As at 31 st March, 2012 Quantity (Nos.) | Face value (₹ Unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|--|--|--|---|---|
| Long-Term Investments | | | | | |
| Trade Investments | | | | | |
| In Equity Instruments | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Subsidiary Companies | | | | | |
| Jai Corp Finance & Holding Ltd. (including 60 Shares of ₹ 10 each fully paid-up held jointly with nominees) | 1,500,000 | 1,500,000 | 10 | 215.00 | 215.00 |
| Jai Realty Ventures Ltd. (including 6 Shares of ₹ 10 each fully paid-up held jointly with nominees) | 50,000 | 50,000 | 10 | 5.00 | 5.00 |
| Sarbags Pty Ltd. (Refer Note 11.5) | 50,000 | 50,000 | AS\$1 | 12.34 | 12.34 |
| Urban Infrastructure Venture Capital Ltd. (including 60 (Previous Year 6) Shares of ₹ 5 (Previous Year ₹ 10)each fully paid-up held jointly with nominees) | 10,000,000 | 1,000,000 | 5 (Previous Year ₹10) | 100.28 | 100.28 |
| Urban Infrastructure Trustees Ltd. (including 6 Shares of ₹ 10 each fully paid-up held jointly with nominees) | 50,000 | 50,000 | 10 | 5.01 | 5.01 |
| Associate Companies | | | | | |
| Urban Infrastructure Holdings Pvt. Ltd. | 113,517,714 | 113,517,714 | 10 | 11,351.77 | 11,351.77 |
| Others | | | | | |
| Greenary Power Generation Pvt. Ltd. (Refer Note 11.2) | - | 1,800 | 10 | - | 0.18 |
| Mumbai SEZ Ltd. | 229,377,346 | 229,377,346 | 10 | 23,522.68 | 23,522.68 |
| Rewas Ports Ltd. | 50,000,000 | 50,000,000 | 10 | 5,000.00 | 5,000.00 |
| Spectra Power Distribution Pvt. Ltd. (Refer Note 11.2) | - | 1,800 | 10 | - | 0.18 |
| Urban Assets Reconstructions Pvt. Ltd. (Refer Note 11.2) | - | 1,800 | 10 | - | 0.18 |
| Urban Telecom Pvt. Ltd. (Refer Note 11.2) | - | 1,800 | 10 | - | 0.18 |
| | | | | 40,212.08 | 40,212.80 |
| Less: Provision for Diminution in the value of Investments (Refer Note 11.6) | | | | - | (0.72) |
| Total Equity Investments (a) | | | | 40,212.08 | 40,212.08 |
| In Preference Shares | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Subsidiary Company | | | | | |
| 1% Optionally Convertible Preference Shares of Jai Realty Ventures Ltd. | 5,000 | 5,000 | 10 | 50.00 | 50.00 |
| Total Preference Shares (b) | | | | 50.00 | 50.00 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos.) | As at 31 st March, 2012 Quantity (Nos.) | Face value (₹ Unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|--|--|--|---|---|
| In Debentures | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Associate Company | | | | | |
| Zero Percent Optionally Fully Convertible | | | | | |
| Debentures of Urban Infrastructure | | | | | |
| Holdings Pvt. Ltd. | | | | | |
| | 727,540 | 727,540 | 100 | 727.54 | 727.54 |
| Total Debentures (c) | | | | 727.54 | 727.54 |
| In Units | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Urban Infrastructure Opportunities Fund | | | | | |
| | 7,619.0 | 7,618.6 | 87,500 (Previous Year ₹ 91,500) | 7,590.36 | 7,909.74 |
| Total Units (d) | | | | 7,590.36 | 7,909.74 |
| Total Trade Investments (i=a+b+c+d) | | | | 48,579.98 | 48,899.36 |
| Other than Trade Investments | | | | | |
| In Equity Instruments | | | | | |
| Quoted Fully Paid-up | | | | | |
| Others | | | | | |
| Reliance Industries Ltd. | | | | | |
| | 3,522,000 | 3,522,000 | 10 | 47,747.75 | 47,747.75 |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Earnest Towers Pvt. Ltd. | | | | | |
| | 1,812,794 | 465,154 | 10 | 913.73 | 241.51 |
| Gold Bricks Infrastructure Pvt. Ltd. | | | | | |
| | 887,700 | 980,000 | 10 | 262.69 | 290.00 |
| Neelkanth Realty Pvt. Ltd. (Refer Note 11.3) | | | | | |
| | 213,333 | 213,333 | 10 | 77.33 | 77.33 |
| Neelkanth Rice Lands Pvt. Ltd. | | | | | |
| | 80,000 | 80,000 | 10 | 8.00 | 8.00 |
| Nirmal Infrastructure Pvt. Ltd. | | | | | |
| | 100,000 | 100,000 | 10 | 10.00 | 10.00 |
| Ozone Projects Pvt. Ltd. | | | | | |
| | 957,133 | 957,133 | 10 | 463.92 | 463.91 |
| Ozone Urbana Infra Developers Pvt. Ltd. | | | | | |
| | 11 | 11 | 10 | 0.06 | 0.06 |
| Sterling Urban Infraprojects Pvt. Ltd. | | | | | |
| | 4,400,000 | 4,400,000 | 10 | 440.00 | 440.00 |
| Supernal Realtors Pvt. Ltd. | | | | | |
| | 26,667 | 26,667 | 10 | 2.67 | 2.67 |
| Vengas Realtors Pvt. Ltd. | | | | | |
| | 26,667 | 26,667 | 10 | 2.67 | 2.67 |
| Unquoted Partly Paid-up | | | | | |
| Others | | | | | |
| Nilayami Realtors Pvt. Ltd. (₹ 5/- paid up each) | | | | | |
| | 106,000 | 106,000 | 10 | 5.30 | 5.30 |
| | | | | 49,934.12 | 49,289.20 |
| Less: Provision for Diminution in the value of Investments (Refer Note 11.6) | | | | | |
| | | | | (5.34) | (5.34) |
| Total Equity Instruments (a) | | | | 49,928.78 | 49,283.86 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos.) | As at 31 st March, 2012 Quantity (Nos.) | Face value (₹ Unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|--|--|--|---|---|
| In Preference Shares | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| 0.01% Compulsorily Convertible Preference Shares of Earnest Towers Pvt. Ltd. | - | 1,742,504 | 10 | - | 871.25 |
| Total Preference Shares (b) | | | | - | 871.25 |
| In Debentures | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Zero Percent Fully Compulsorily Convertible Debentures of: | | | | | |
| Neelkanth Realty Pvt. Ltd. (Refer Note 11.3) | 33,600 | 33,600 | 100 | 33.60 | 33.60 |
| Neelkanth Rice Lands Pvt. Ltd. | 11,200 | 11,200 | 1,000 | 112.00 | 112.00 |
| Nirmal Infrastructure Pvt. Ltd. | 9,000 | 9,000 | 1,000 | 90.00 | 90.00 |
| Supernal Realtors Pvt. Ltd. | 18,721 | 18,721 | 1,000 | 187.21 | 187.21 |
| Vengas Realtors Pvt. Ltd. | 26,733 | 26,733 | 1,000 | 267.33 | 267.33 |
| 14.75% Fully Compulsorily Convertible Debentures of Ozone | | | | | |
| Urbana Infra Developers Pvt. Ltd. | 386,101 | 386,101 | 518 | 2,000.00 | 2,000.00 |
| Unquoted Partly Paid-up | | | | | |
| Others | | | | | |
| Zero Percent Fully Compulsorily Convertible Debentures of Nilayami Realtors Pvt. Ltd. (₹ 10/- paid up each) | | | | | |
| | 8,480 | 8,480 | 1,000 | 0.85 | 0.85 |
| | | | | 2,690.99 | 2,690.99 |
| Less: Provision for Diminution in the value of Investments (Refer Note 11.6) | | | | (454.54) | (454.54) |
| Total Debentures (c) | | | | 2,236.45 | 2,236.45 |
| In Units | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| HDFC India Real Estate Fund | 37,901 | 40,594 | 1,000 | 379.03 | 405.96 |
| Total Others (d) | | | | 379.03 | 405.96 |
| Total Other than Trade Investments (ii=a+b+c+d) | | | | 52,544.26 | 52,797.52 |
| Total Non - Current Investments [iii =i+ii] | | | | 101,124.24 | 101,696.88 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

11.1 Aggregate Value of Non-current Investments

| | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|----------------------|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| | Book Value (₹ in Lacs) | Market Value (₹ in Lacs) | Book Value (₹ in Lacs) | Market Value (₹ in Lacs) |
| Quoted Investments | 47,747.75 | 27,249.71 | 47,747.75 | 26,353.37 |
| Unquoted Investments | 53,376.49 | - | 53,949.13 | - |
| | <u>101,124.24</u> | | <u>101,696.88</u> | |

11.2 Equity Shares of Greenary Power Genration Pvt Ltd., Spectra Power Distribution Pvt. Ltd., Urban Telecom Pvt. Ltd. And Urban Assets Reconstruction Pvt Ltd ₹ 0.72 Lacs (Previous Year ₹ Nil) have been written off during the year.

11.3 Original Share / Debenture Certificates have been misplaced and steps are being taken to obtain duplicate certificates.

11.4 In opinion of the management, diminution in the value of long term investment, except as provided, is temporary in nature, hence no provision has been considered necessary.

11.5 Represents face value in Australian Dollar.

11.6 The details of the provision for diminution in the value of non-current investments is as under

| Name of the Company | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| In Equity Shares | | |
| Greenary Power Generation Pvt. Ltd. | - | 0.18 |
| Spectra Power Distribution Pvt. Ltd. | - | 0.18 |
| Supernal Realtors Pvt. Ltd. | 2.67 | 2.67 |
| Urban Assets Reconstructions Pvt. Ltd. | - | 0.18 |
| Urban Telecom Pvt. Ltd. | - | 0.18 |
| Vengas Realtors Pvt. Ltd. | 2.67 | 2.67 |
| In Debentures | | |
| Supernal Realtors Pvt. Ltd. | 187.21 | 187.21 |
| Vengas Realtors Pvt. Ltd. | 267.33 | 267.33 |
| | <u>459.88</u> | <u>460.60</u> |

Note 12 - Long - Term Loans and Advances

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Capital Advances | 158.79 | 555.89 |
| Security Deposits | 142.74 | 167.64 |
| Advance Income-tax (net) | 1,028.30 | 977.76 |
| Loans and Advances to Related Parties (Refer Note 38) | | |
| Inter-Corporate Deposits | 39,000.00 | 37,500.00 |
| Other receivables | - | 68.80 |
| | <u>39,000.00</u> | <u>37,568.80</u> |
| TOTAL | <u>40,329.83</u> | <u>39,270.09</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 13 - Other Non - Current Assets

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Interest Accrued on Investments | 618.61 | 290.83 |
| Income Receivable from Venture Capital Fund (Refer Note 21.1) | 223.24 | - |
| Fixed Deposits with Banks having more than 12 months maturity | 284.61 | 268.32 |
| TOTAL | 1,126.46 | 559.15 |

13.1 Fixed Deposits with Banks more than 12 Months Maturity include:

| | | |
|---|--------|--------|
| Amount held as Deposit with Electricity Department and Sales-tax Department | 284.61 | 268.32 |
|---|--------|--------|

Note 14 - Current Investments (Refer Note No. 1.6)

| Particulars | As at 31 st March, 2013 Quantity (Nos.) | As at 31 st March, 2012 Quantity (Nos.) | Face Value (₹ Unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|--|--|--|---|---|
| | In Corporate Bonds | | | | |
| Quoted Fully Paid-up | | | | | |
| 8.65% Rural Electrification Corporation Ltd. | 50 | 50 | 1,000,000 | 473.47 | 473.47 |
| 9.5% Mercator Lines Ltd. | - | 100 | 1,000,000 | - | 1,000.00 |
| 8.8 % Power Grid Corporation Ltd. | 40 | 40 | 1,250,000 | 503.46 | 505.76 |
| 11.25% Power Finance Corporation Ltd. | 150 | 150 | 1,000,000 | 1,623.87 | 1,645.73 |
| 11.50% Shriram Transport Finance Ltd. | 1,000 | 1,000 | 100,000 | 1,011.89 | 1,019.59 |
| 10.50% Srei Equipment Finance Pvt. Ltd. | - | 1,000 | 100,000 | - | 1,008.84 |
| Total Corporate Bonds (a) | | | | 3,612.69 | 5,653.39 |
| In Commercial Papers & Certificate of Deposits | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Commercial Papers | | | | | |
| Aditya Birla Finance Ltd. 86D 26 th April, 2012 | - | 500 | 500,000 | - | 2,441.05 |
| Aditya Birla Finance Ltd. 364D 03 rd May, 2012 | - | 500 | 500,000 | - | 2,412.11 |
| IL & FS Financial Services Ltd. 120D 18 th May, 2012 | - | 500 | 500,000 | - | 2,419.66 |
| Morgan Stanley India Capital Pvt. Ltd. 141D 21 st May, 2012 | - | 500 | 500,000 | - | 2,398.98 |
| Tata Capital Ltd. 91D 14 th May, 2012 | - | 500 | 500,000 | - | 2,436.70 |
| Tata Motor Finance Ltd. 128D 30 th May, 2012 | - | 500 | 500,000 | - | 2,414.48 |
| Certificate of Deposits | | | | | |
| Dhanlakhmi Bank Ltd. 4 th May, 2012 | - | 2,500 | 100,000 | - | 2,438.56 |
| Total Commercial Papers & Certificate of Deposits (b) | | | | - | 16,961.54 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at | As at | Face Value (₹ Unless otherwise stated) | As at | As at |
|--|------------------------------|------------------------------|---|------------------------------|------------------------------|
| | 31 st March, 2013 | 31 st March, 2012 | | 31 st March, 2013 | 31 st March, 2012 |
| | Quantity (Nos.) | Quantity (Nos.) | | (₹ in Lacs) | (₹ in Lacs) |
| In Mutual Funds | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Birla Sun Life Floating Rate Fund Short Term Plan | 1,828,660 | 210,868 | 100 | 2,802.20 | 300.00 |
| SBI Magnum Insta Cash Liquid Floater Plan | - | 109,462 | 1,000 | - | 1,987.15 |
| Total Mutual Fund (c) | | | | 2,802.20 | 2,287.15 |
| In Others | | | | | |
| Pass Through Certificate (PTC) Issued by Pioneer Trust 2010. | - | 250 | 1,000,000 | - | 2,500.00 |
| Total Others (d) | | | | - | 2,500.00 |
| Total Current Investments (a+b+c+d) | | | | 6,414.89 | 27,402.08 |

14.1 Aggregate Amount of Current Investments

| Particulars | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|----------------------|------------------------------------|--------------|------------------------------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs) |
| Quoted Investments | 3,612.69 | 3,668.46 | 5,653.39 | 5,653.39 |
| Unquoted Investments | 2,802.20 | - | 21,748.69 | - |
| | 6,414.89 | | 27,402.08 | |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 15 - Inventories (as taken, valued and certified by the management)

| Particulars | (₹ in Lacs) | |
|--------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Raw Materials | | |
| Goods-in-Transit | - | 235.81 |
| Others | <u>3,352.57</u> | <u>2,442.95</u> |
| Work-in-Progress | 552.07 | 596.22 |
| Finished Goods | | |
| Goods-in-Transit | <u>26.57</u> | 83.28 |
| Others | <u>2,296.29</u> | <u>2,690.29</u> |
| Stores and Spares | | |
| Goods-in-Transit | <u>11.72</u> | - |
| Others | <u>866.44</u> | <u>883.66</u> |
| Scrap | <u>48.66</u> | 89.93 |
| TOTAL | <u><u>7,154.32</u></u> | <u><u>7,022.14</u></u> |

15.1 Refer Note 1.7 for mode of valuation of Inventories.

| 15.2 Inventories under Broad Head | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| (a) Work-in-Progress under Broad Head | | |
| Master Batch | - | 38.11 |
| Woven Sacks / Fabrics | 374.86 | 353.46 |
| Synthetics Fiber Twin | 2.64 | 15.31 |
| Spinning Yarn | 174.57 | 189.34 |
| TOTAL | <u>552.07</u> | <u>596.22</u> |
| (b) Finished Goods under Broad Head | | |
| GP / GC Coils / Sheets | - | 16.33 |
| Master Batch | 368.22 | 372.10 |
| Woven Sacks / Fabrics | 771.64 | 1,329.28 |
| Synthetics Fiber Twin | 15.37 | 52.12 |
| Spinning Yarn | 1,128.60 | 985.13 |
| Staple Fibers | 22.21 | 7.11 |
| Liner | 14.21 | 10.45 |
| Others | 2.61 | 1.05 |
| TOTAL | <u>2,322.86</u> | <u>2,773.57</u> |

Note 16 - Trade Receivables

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Debts due for a period exceeding six months | 197.36 | 345.09 |
| Other Debts | 10,386.57 | 10,505.63 |
| TOTAL | <u>10,583.93</u> | <u>10,850.72</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 17 - Cash and Bank Balances

(₹ in Lacs)

| Particulars | As at 31 st March, 2013 | As at 31 st March, 2012 |
|---|---------------------------------------|---------------------------------------|
| Cash and Cash Equivalents | | |
| Balances with Banks in Current Accounts | 80.32 | 477.56 |
| Cheques, Drafts in Hand | - | 5.55 |
| Cash on Hand | 1.05 | 1.42 |
| | 81.37 | 484.53 |
| Other Bank Balances | | |
| Unpaid Dividend Accounts | 23.70 | 17.42 |
| Fixed Deposits with banks more than 3 months maturity | 320.25 | 349.29 |
| | 343.95 | 366.71 |
| TOTAL | 425.32 | 851.24 |

17.1 Fixed Deposits with Banks more than 3 months maturity include:

| | | |
|---|--------|--------|
| Amount Pledged against Bank Overdraft Facility | 300.00 | 300.00 |
| Amount held as Deposit with Electricity Department and Sales-tax Department | 20.25 | 49.29 |

Note 18 - Short - Term Loans and Advances

(₹ in Lacs)

| Particulars | As at 31 st March, 2013 | As at 31 st March, 2012 |
|--|---------------------------------------|---------------------------------------|
| Unsecured, Considered Good : | | |
| Loans and Advances to Related Parties (Refer Note 38) | | |
| Inter-Corporate Deposits | 394.37 | 401.43 |
| Share Application Money | 8,522.71 | 8,522.71 |
| Other Receivables | 378.32 | 195.89 |
| | 9,295.40 | 9,120.03 |
| Others | | |
| Inter-Corporate Deposits | 8,921.00 | 7,620.00 |
| Share Application Money | - | 107.42 |
| Interest Receivable | 1,567.23 | 1,453.55 |
| Balance with Customs & Excise Authorities | 662.12 | 516.69 |
| Other Advances | 3,949.75 | 1,236.21 |
| | 15,100.10 | 10,933.86 |
| (Unsecured and Considered Doubtful) | | |
| Advance to Suppliers | 3.91 | 3.91 |
| Less: Provision for Doubtful Advances | (3.91) | (3.91) |
| | 24,395.50 | 20,053.90 |

18.1 Other Advances mainly includes Insurance Claim Receivables, Advance to Suppliers, Security Deposits, VAT Receivables etc.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 19 - Other Current Assets

| Particulars | (₹ in Lacs) | |
|---------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unbilled Revenue | 329.18 | 253.26 |
| Interest Accrued on Investments | 110.11 | 377.60 |
| Fixed Assets Held for Disposal | 21.84 | 21.84 |
| Export Incentive Receivable | 45.34 | 64.71 |
| TOTAL | 506.47 | 717.41 |

Note 20 - Revenues from Operations

| Particulars | (₹ in Lacs) | |
|--------------------------------------|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Sale of Products | | |
| Finished Goods | 64,503.76 | 60,112.30 |
| Traded Goods | 21.26 | 2,594.04 |
| Sale of Services | 3,063.98 | 2,593.35 |
| Other Operating Revenue | 168.36 | 82.03 |
| Gross Revenue from Operations | 67,757.36 | 65,381.72 |

20.1 Sale of Products under Broad Head

Finished Goods

| | | |
|------------------------|------------------|------------------|
| Master Batch | 4,878.22 | 3,849.62 |
| Woven Sacks / Fabrics | 45,318.45 | 43,753.67 |
| Synthetics Fiber Twin | 171.50 | 237.40 |
| Spinning Yarn | 11,369.04 | 9,819.75 |
| Staple Fibers | 2,485.76 | 2,255.70 |
| Tape & Liner | 85.28 | 63.53 |
| GP / GC Coils / Sheets | 16.98 | - |
| Others | 178.53 | 132.63 |
| TOTAL | 64,503.76 | 60,112.30 |

Traded Goods

| | | |
|--------------|--------------|-----------------|
| HR Coils | - | 2,577.47 |
| PP Granuals | 12.53 | 5.00 |
| Others | 8.73 | 11.57 |
| TOTAL | 21.26 | 2,594.04 |

20.2 Sale of Services under Broad Head

| | | |
|--------------|-----------------|-----------------|
| Job Work | 3,063.98 | 2,593.35 |
| TOTAL | 3,063.98 | 2,593.35 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 21 - Other Income

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Interest Income | | |
| From Long-term Investments | 328.00 | 278.54 |
| From Current Investments | 1,286.04 | 3,122.46 |
| From Inter-Corporate Deposits | 1,704.79 | 1,485.98 |
| From Fixed Deposits | 57.83 | 57.63 |
| From Customers | 104.51 | 131.05 |
| From Others | 5.37 | 6.01 |
| Dividend Income | | |
| From Long-term Investments - Subsidiary | 40.00 | 30.00 |
| From Long-term Investments - Others | 299.37 | 322.66 |
| Profit on Sale of Investments (Net) | | |
| From Long-term Investments | 122.66 | 1,149.62 |
| From Current Investments | 818.91 | 2,716.97 |
| Income from Long-term Investments (Refer Note 21.1) | 528.00 | - |
| Rent Income | 0.12 | 101.54 |
| Profit on Sale of Fixed Assets (Net) | - | 335.46 |
| Net Gain on Foreign Currency Transactions and Translation | 144.10 | 259.31 |
| Miscellaneous Income | 106.44 | 159.99 |
| TOTAL | 5,546.14 | 10,157.22 |

21.1 Income from Long-term Investments includes Company's share in the accrued income of Venture Capital Fund from Venture Capital Undertakings (VCUs) amounting to ₹ 223.24 Lacs for the year ended 31st March, 2013 which is taxable in the hand of the Company under section 115 E of the Income-tax Act, 1961 and the same is outstanding. The income is recognised based on the certificate received from such Venture Capital Fund.

Note 22 - Cost of Materials Consumed

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Consumption of Materials under Broad Heads | | |
| PSF / VSF | 6,880.01 | 6,351.79 |
| HDPE / PP / LDPE / LLDPE | 32,573.12 | 30,682.38 |
| Others | 2,378.22 | 2,172.07 |
| TOTAL | 41,831.35 | 39,206.24 |

22.1 Value of Raw Materials Consumed

| Particulars | 2012-13 | | 2011-12 | |
|--------------|------------------|---------------|------------------|---------------|
| | (₹ in Lacs) | % of Total | (₹ in Lacs) | % of Total |
| Imported | 762.60 | 1.82 | 1,564.66 | 3.99 |
| Indigenous | 41,068.75 | 98.18 | 37,641.58 | 96.01 |
| TOTAL | 41,831.35 | 100.00 | 39,206.24 | 100.00 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 23 - Purchase of Stock - in - Trade

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Purchase of Stock - in - Trade under Broad Heads | | |
| HR Coils | - | 2,489.65 |
| PP Granuales | 12.53 | 5.29 |
| Others | 8.49 | 11.28 |
| TOTAL | 21.02 | 2,506.22 |

Note 24 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

| Particulars | (₹ in Lacs) | |
|--|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| At the end of the Year | | |
| Finished Goods | 2,322.86 | 2,773.57 |
| Work-in-Progress | 552.07 | 596.22 |
| Scrap | 48.66 | 89.93 |
| | 2,923.59 | 3,459.72 |
| Loss Due to Fire | | |
| Finished Goods | 279.54 | - |
| Work-in-Progress | 561.14 | - |
| Scrap | 6.41 | - |
| | 847.09 | - |
| At the beginning of the Year | | |
| Finished Goods | 2,773.57 | 3,013.13 |
| Work-in-Progress | 596.22 | 589.94 |
| Scrap | 89.93 | 90.85 |
| | 3,459.72 | 3,693.92 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (310.96) | 234.20 |

Note 25 - Employee Benefits Expense

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Salaries, Wages and Perquisites | 4,769.64 | 4,689.05 |
| Contribution to Provident, Gratuity and Other Funds | 122.24 | 251.29 |
| Staff Welfare Expenses | 81.88 | 91.65 |
| TOTAL | 4,973.76 | 5,031.99 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 26 - Finance Costs

| Particulars | (₹ in Lacs) | |
|----------------------|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Interest Expenses | 50.11 | 68.77 |
| Other Borrowing Cost | 2.60 | 6.00 |
| TOTAL | 52.71 | 74.77 |

Note 27 - Other Expenses

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Manufacturing Expenses | | |
| Stores, Spare parts and Packing Materials Consumed (Refer Note 27.1) | 2,614.06 | 2,499.29 |
| Power and Fuel | 4,691.48 | 4,125.57 |
| Job Work Charges | 101.08 | 29.86 |
| Excise Duty (Refer Note 33) | (55.59) | 10.51 |
| Repairs to Machinery | 143.09 | 74.46 |
| Repairs to Buildings | 80.15 | 56.99 |
| Selling and Distribution Expenses | | |
| Advertisement, Publicity and Sales Promotion Expenses | 32.81 | 30.14 |
| Brokerage, Discount and Commission | 222.24 | 262.90 |
| Freight Outward, Handling charges and Octroi (Net) | 586.36 | 506.24 |
| Payment to Auditors (Refer Note 27.2) | 136.46 | 85.71 |
| Administrative and General Expenses | | |
| Rent | 19.17 | 20.45 |
| Rates and Taxes | 49.67 | 56.15 |
| Repairs & Maintenance - Others | 38.55 | 28.25 |
| Insurance | 72.16 | 59.28 |
| Legal, Professional and Consultancy Charges | 241.20 | 234.48 |
| Investment Management Fees | 99.51 | 113.82 |
| Travelling and Conveyance | 150.31 | 154.58 |
| Provision for Diminution in Value of Long-Term Investments | - | 460.60 |
| Directors' Sitting Fees | 3.01 | 3.25 |
| Donations | 51.12 | 12.91 |
| Bank Charges | 19.93 | 36.00 |
| Loss on Sale of Fixed assets (Net) | 64.94 | - |
| Provision for Doubtful Advances | - | 3.91 |
| Sundry Balances Written Off (Net) | 87.58 | 80.60 |
| Wealth Tax | 4.50 | 2.90 |
| Other Expenses | 287.06 | 256.75 |
| TOTAL | 9,740.85 | 9,205.60 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

27.1 Stores, Spare parts and Packing Materials Consumed

| Particulars | 2012-13 | | 2011-12 | |
|--------------|-----------------|---------------|-----------------|---------------|
| | (₹ in Lacs) | % of Total | (₹ in Lacs) | % of Total |
| Imported | 365.16 | 13.97 | 332.48 | 13.30 |
| Indigenous | 2,248.90 | 86.03 | 2,166.81 | 86.70 |
| TOTAL | 2,614.06 | 100.00 | 2,499.29 | 100.00 |

27.2 Payment to Auditors

| Particulars | (₹ in Lacs) | |
|---------------------------|--|--|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Audit Fees | 36.00 | 36.00 |
| Tax Audit Fees | 10.00 | 8.00 |
| Certification Charges | 27.02 | 39.47 |
| Tax Matters | 60.00 | - |
| Reimbursement of Expenses | 3.44 | 2.24 |
| | 136.46 | 85.71 |

Note 28 - Prior Period Items

| Particulars | (₹ in Lacs) | |
|-----------------------------------|-------------|-------------|
| | 2012-13 | 2011-12 |
| Other Prior Period Expenses (Net) | - | 0.37 |
| TOTAL | - | 0.37 |

Note 29 - Earnings Per Equity Share

| Particulars | (₹ in Lacs) | |
|--|-------------|-------------|
| | 2012-13 | 2011-12 |
| Net Profit for the year (₹ in Lacs) | 7,488.80 | 9,893.20 |
| Adjustments of Prior Period Items (₹ in Lacs) | - | (0.37) |
| Dividend on Preference Shares and tax thereon (₹ in Lacs) | (0.98) | (1.16) |
| Profit attributable to equity share holders (₹ in Lacs) | 7,487.82 | 9,891.67 |
| Weighted Average Number of equity shares outstanding during the year | 178,449,410 | 178,449,410 |
| Basic and Diluted Earnings Per Share (₹) | 4.20 | 5.54 |
| Face Value per Share (₹) | 1.00 | 1.00 |

Note 30

There was major fire on 11th October, 2012, at one of the Company's HDPE / PP Woven Sacks Unit located at Daman which resulted in major loss of building, plant & machinery and other assets. The Company has replacement insurance policy and accordingly the cost incurred towards reconditioning of assets have been accounted as insurance claim receivables and disclosed under short-term loans and advances. The loss of profit of the Company is also adequately insured and the claim will be accounted for on receipt basis. The claims are under process.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 31 - Contingent Liabilities and Commitments (To the extent not provided for)

| Particulars | (₹ in Lacs) | |
|--|-----------------|---------------|
| | 2012-13 | 2011-12 |
| (A) Contingent Liabilities | | |
| (a) Claims against the Company not acknowledged as debts | | |
| (i) Disputed Liability in Appeal (No cash outflow is expected in the near future) | | |
| - Income-tax (₹ 131.20 Lacs paid under protest) | 1,628.54 | 210.81 |
| - Excise Duty / Service Tax (₹ 23.04 Lacs paid under protest) | 221.02 | 135.28 |
| - Railway Claims | 95.83 | 95.83 |
| - MIDC Service Charges | 7.34 | - |
| - Sales Tax (₹ 0.50 Lacs paid under protest) | 26.85 | 26.85 |
| | 1,979.58 | 468.77 |
| (b) Guarantees | | |
| (i) Bank Guarantees | 18.20 | 15.50 |
| (Bank guarantees are provided under contractual / legal obligations. No cash outflow is probable.) | | |
| (B) Commitments | | |
| (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) | 699.81 | 1,808.64 |
| (b) Uncalled liability on partly paid-up Shares / Debentures | 89.25 | 89.25 |
| (c) The Company is committed to financially supporting its wholly-owned subsidiary companies till such time they attain their respective objectives. | | |

Note 32 - Employee benefits

As per Accounting Standard-15 'Employee Benefits', the disclosure of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Benefit Plan :

The Employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| Particulars | (₹ in Lacs) | |
|---|------------------------------|-----------------------------|
| | Gratuity (Funded) 2012-13 | 2011-12 |
| <u>Actuarial assumptions</u> | | |
| Mortality Table | LIC (1994-96) (Ultimate) | LIC (1994-96) (Ultimate) |
| Salary growth | 6.00% | 6.00% |
| Discount rate | 8.00% | 8.00% |
| <u>Expected returns on plan assets</u> | | |
| <u>Movement in present value of defined benefit obligation</u> | | |
| Obligation at the beginning of the year | 162.10 | 112.18 |
| Current service cost | 55.24 | 60.52 |
| Interest cost | 12.31 | 8.79 |
| Actuarial (gain) on obligation | (37.03) | (14.83) |
| Benefits paid | (16.41) | (4.56) |
| Obligation at the end of the year | 176.21 | 162.10 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| Particulars | Gratuity (Funded) | |
|--|-------------------|--------------|
| | 2012-13 | 2011-12 |
| Amount recognised in the income statement | | |
| Current service cost | 55.24 | 60.52 |
| Interest cost | 12.31 | 8.79 |
| Expected Return on Plan Assets | (4.40) | - |
| Net actuarial (gains) recognized in the year | (85.31) | (14.83) |
| TOTAL | (22.16) | 54.48 |

Movement in present value of plan assets

| | | |
|--|---------------|----------|
| Fair value at the beginning of the year | - | - |
| Expected Return on Plan Assets | 4.40 | - |
| Contribution | 126.44 | - |
| Actuarial gains on Plan Assets | 48.28 | - |
| Benefits paid | (16.41) | - |
| Fair value at the end of the year | 162.71 | - |

Fair Value of assets

| Class of assets | 2012-13 | 2011-12 |
|-------------------------------------|---------------|----------|
| Life Insurance Corporation of India | 162.71 | - |
| TOTAL | 162.71 | - |

Net Liability / (Asset) recognised in the balance sheet

| Amount recognised in the balance sheet | 2012-13 | 2011-12 |
|--|--------------|---------------|
| Present value of obligations at the end of the year | 176.21 | 162.10 |
| Less: Fair value of plan assets at the end of the year | 162.71 | - |
| Net liability recognized in the balance sheet | 13.50 | 162.10 |

Amounts for current and previous four years are as follows :

| Gratuity | 2012-13 | | | | |
|---|---------|---------|---------|---------|--------|
| | 2011-12 | 2010-11 | 2009-10 | 2008-09 | |
| Defined Benefit Obligation | 176.21 | 162.10 | 112.18 | 76.66 | 56.22 |
| Plan Assets | 162.71 | - | - | - | - |
| Surplus / (deficit) | (13.50) | - | - | - | - |
| Experience adjustment on plan Assets | (48.28) | - | - | - | - |
| Experience adjustment on plan Liabilities | (37.03) | (14.83) | (9.12) | (14.88) | (7.79) |

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

(b) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

| Particulars | 2012-13 | |
|--|---------|---------|
| | 2011-12 | 2012-13 |
| Employer's Contribution to Provident and other Funds | 144.40 | 196.81 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 33 - Excise Duty

| Particulars | (₹ in Lacs) | |
|--|-------------|----------|
| | 2012-13 | 2011-12 |
| Excise duty shown as a reduction from Turnover | 4,323.45 | 3,590.84 |
| Excise duty charged to Statement of Profit and Loss: | | - |
| Difference between closing & opening stock | (55.59) | 10.51 |

Note 34 - CIF Value of Imports

| Particulars | (₹ in Lacs) | |
|----------------------------|-----------------|-----------------|
| | 2012-13 | 2011-12 |
| In Respect of : | | |
| Raw Material | 977.05 | 1,358.85 |
| Components and Spare Parts | 331.39 | 361.32 |
| Capital Goods | 513.40 | 88.65 |
| Trading Goods | - | 769.48 |
| TOTAL | 1,821.84 | 2,578.30 |

Note 35 - Expenditure in Foreign Currency

| Particulars | (₹ in Lacs) | |
|--------------|---------------|---------------|
| | 2012-13 | 2011-12 |
| Travelling | 7.44 | 6.79 |
| Bank Charges | 2.31 | 4.73 |
| Freight | 200.88 | 129.32 |
| Others | 3.28 | 3.86 |
| TOTAL | 213.91 | 144.70 |

Note 36 - Earnings in Foreign Currency

| Particulars | (₹ in Lacs) | |
|----------------------|-------------|----------|
| | 2012-13 | 2011-12 |
| FOB Value of exports | 7,146.74 | 7,391.56 |

Note 37 - Financial and Derivative Instruments:

The Company has not entered into any derivative contract during the year and hence outstanding derivative contract is Nil

| Particulars | (₹ in Lacs) | As at | (₹ in Lacs) | As at |
|---|-------------|------------------------------|-------------|------------------------------|
| | | 31 st March, 2013 | | 31 st March, 2012 |
| | | Foreign Exchange | | Foreign Exchange |
| Unhedged Foreign Currency exposure : | | | | |
| Receivables | 75.48 | AUD 0.13 | 24.49 | AUD 0.05 |
| Receivables | 2,291.00 | USD 4.21 | 2,517.67 | USD 4.92 |
| Investment in Foreign Subsidiary | 12.34 | AUD 0.05 | 12.34 | AUD 0.05 |
| Payables | 195.46 | USD 0.36 | 12.19 | USD 0.02 |

37.1 AUD & USD are in millions

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 38 Related Party Disclosure:

As per Accounting Standard 18 "Related party Disclosures", 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:** Ashoka Realty and Developers Limited
Belle Terre Realty Limited
Ekdant Realty & Developers Limited
Hari Darshan Realty Limited
Hill Rock Construction Limited
Hind Agri Properties Limited
Iconic Realtors Limited
Jai Corp Finance & Holding Limited
Jailaxmi Realty and Developers Limited
Jai Realty Ventures Limited
Krupa Land Limited
Krupa Realtors Limited
Multifaced Impex Limited
Novelty Realty & Developers Limited
Oasis Holding FZC
Rainbow Infraprojects Limited
Rudradev Developers Limited
Sarbags Pty Limited
Swar Land Developers Limited
Swastik Land Developers Limited
UI Wealth Advisors Limited
Urban Infrastructure Trustees Limited
Urban Infrastructure Venture Capital Limited
Vasant Bahar Realty Limited
Welldone Real Estate Limited
Yug Developers Limited

- (ii) Associates :** Searock Developers FZC
Urban Infrastructure Holdings Private Limited

(iii) Key Managerial Personnel :

- (a) Shri J. K. Jain
(b) Shri Anand Jain
(c) Shri Virendra Jain
(d) Shri Gaurav Jain
(e) Shri V. S. Pandit

(iv) Relatives of Key Managerial Personnel :

- (a) Smt. Laxmi Jain Relative of Shri Gaurav Jain, Shri J.K.Jain, Shri Anand Jain and Shri Virendra Jain.
(b) Smt. Rina Jain Relative of Shri Virendra Jain, Shri J.K.Jain and Shri Anand Jain
(c) Smt. Sushma Jain Relative of Shri Anand Jain, Shri J.K.Jain and Shri Virendra Jain

(v) Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence:

- (a) Poly-Resin Agencies (India) Limited
(b) Resin Distributors Limited
(c) Techfab (India) Industries Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 38

(II) Transactions during the year with related parties :

(₹ in lacs)

| Nature of Transaction | Subsidiary | Associates | Key Managerial Personnel | Relatives of Key managerial person | Other Related Parties | Total |
|---|------------------|------------------|--------------------------|------------------------------------|-----------------------|------------------|
| | (i) | (ii) | (iii) | (iv) | (v) | |
| Preference Share Capital | | | | | | |
| Balance as at 31 st March, 2013 | - | - | - | 83.50 | - | 83.50 |
| | (-) | (-) | (-) | (100.00) | (-) | (100.00) |
| Redemption of Preference Shares (Including Securities Premium) | - | - | - | 21,197.75 | - | 21,197.75 |
| | (-) | (-) | (-) | (61,993.02) | (-) | (61,993.02) |
| Tangible Assets | | | | | | |
| Purchased during the year | - | - | - | - | 32.89 | 32.89 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Sold during the year | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (13.78) | (13.78) |
| Investments | | | | | | |
| (a) Sale during the year | - | - | - | - | - | - |
| | (-) | (2.80) | (-) | (-) | (-) | (2.80) |
| (b) Refund on Cessation of the Company | - | - | - | - | - | - |
| | (0.68) | (-) | (-) | (-) | (-) | (0.68) |
| (c) Balance as at 31 st March, 2013 | 387.63 | 12,079.31 | - | - | - | 12,466.94 |
| | (387.63) | (12,079.31) | (-) | (-) | (-) | (12,466.94) |
| Trade Receivable as at 31st March, 2013 | 84.86 | - | - | - | 64.78 | 149.64 |
| | (24.49) | (-) | (-) | (-) | (526.21) | (550.70) |
| Loans and Advances | | | | | | |
| (a) Given / adjusted during the year | 1,825.01 | - | - | - | - | 1,825.01 |
| | (1,410.79) | (-) | (-) | (-) | (-) | (1,410.79) |
| (b) Returned / adjusted during the year | 332.07 | - | - | - | - | 332.07 |
| | (611.68) | (2600.00) | (-) | (-) | (-) | (3,211.68) |
| (c) Balance as at 31 st March, 2013 | | | | | | |
| Current | 394.37 | 8,522.71 | - | - | 378.32 | 9,295.40 |
| | (401.43) | (8,522.71) | (-) | (-) | (195.89) | (9,120.03) |
| Non Current | 39,000.00 | - | - | - | - | 39,000.00 |
| | (37,500.00) | (-) | (-) | (-) | (68.80) | (37,568.80) |
| Trade Payable as at 31st March, 2013 | 114.09 | - | - | - | - | 114.09 |
| | (-) | (-) | (-) | (-) | (2.62) | (2.62) |
| Other Current Liability as at 31st March, 2013 | - | - | - | - | - | - |
| | (51.46) | (-) | (-) | (-) | (-) | (51.46) |
| Revenue from Operation | 371.55 | - | - | - | 1,654.45 | 2,026.00 |
| | (195.85) | (-) | (-) | (-) | (1,805.41) | (2,001.26) |
| Dividend Income | 40.00 | - | - | - | - | 40.00 |
| | (30.00) | (-) | (-) | (-) | (-) | (30.00) |
| Purchase of Goods | - | - | - | - | 9.11 | 9.11 |
| | (-) | (-) | (-) | (-) | (3.97) | (3.97) |
| Discount on Raw Materials (Deducted from Purchases) | - | - | - | - | 1,031.76 | 1,031.76 |
| | (-) | (-) | (-) | (-) | (1,022.93) | (1,022.93) |
| Dividend paid on Preference shares | - | - | - | 0.83 | - | 0.83 |
| | (-) | (-) | (-) | (1.50) | (-) | (1.50) |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

| Nature of Transaction | Subsidiary | Associates | Key Managerial Personnel | Relatives of Key managerial person | Other Related Parties | Total |
|--|------------|------------|--------------------------|------------------------------------|-----------------------|----------|
| | (i) | (ii) | (iii) | (iv) | (v) | |
| Expenditure | | | | | | |
| (a) Directors' Remuneration and Perquisite | - | - | 56.17 | - | - | 56.17 |
| (b) Directors' Sitting Fee | (-) | (-) | (50.60) | (-) | (-) | (50.60) |
| (c) Job work Charges | - | - | 1.10 | - | - | 1.10 |
| (d) Investment Management Fee | (-) | (-) | (1.10) | (-) | (-) | (1.10) |
| (e) Sundry Balances Written Off | - | - | - | - | 0.62 | 0.62 |
| (f) Other Expenses | (-) | (-) | (-) | (-) | (1.75) | (1.75) |
| | 99.51 | - | - | - | - | 99.51 |
| | (113.82) | (-) | (-) | (-) | (-) | (113.82) |
| | (0.03) | (-) | (-) | (-) | (7.68) | (7.71) |
| | - | - | - | - | 0.52 | 0.52 |
| | (-) | (-) | (-) | (-) | (0.32) | (0.32) |

Figures in bracket represent previous year's amounts.

Note 38.1

Significant transactions with related parties:-

- i) Preference Share Capital as at 31st March, 2013 includes ₹ **27.84 Lacs** (Previous Year ₹ 33.34 Lacs) of Smt.Laxmi Jain, ₹ **27.83 Lacs** (Previous Year ₹ 33.33 Lacs) of Smt.Sushma Jain, ₹ **27.83 Lacs** (Previous Year ₹ 33.33 Lacs) of Smt.Rina Jain.
- ii) Redemption of Preference Share Capital (including Securities Premium) ₹ **7,065.92 Lacs** (Previous Year ₹ 20,664.34 Lacs) to Smt. Laxmi Jain, ₹ **7,065.92 Lacs** (Previous Year ₹ 20,664.34 Lacs) to Smt. Sushma Jain, ₹ **7,065.91 Lacs** (Previous Year ₹ 20,664.34 Lacs) to Smt. Rina Jain.
- iii) Purchase of Tangible Assets includes ₹ **32.89 Lacs** (Previous Year ₹ Nil) from TechFab (India) Industries Ltd.
- iv) Sales of Tangible Assets includes ₹ **Nil** (Previous Year ₹ 13.78 Lacs) to TechFab (India) Industries Ltd.
- v) Investments sold during the year include ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Communication Infrastructure Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Distribution Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Generation Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Transmission Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Infotech Solution Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Infrastructure Construction Pvt.Ltd. and ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Water Supply Pvt.Ltd.
- vi) Refund of Investment on cessation of the Companies includes ₹ **Nil** (Previous Year ₹ 0.68 Lacs) in Jai Infraprojects Ltd.
- vii) Investments as at 31st March, 2013, include ₹ **12,079.31 Lacs** (Previous Year ₹ 12,079.31 Lacs) in Urban Infrastructure Holdings Pvt.Ltd.
- viii) Trade Receivables as at 31st March, 2013 include ₹ **84.86 Lacs** (Previous Year ₹ 24.49 Lacs) due from Sarbag Pty Ltd., ₹ **64.78 Lacs** (Previous Year ₹ 526.21 Lacs) due from TechFab (India) Industries Ltd.
- ix) Loans & Advances given include ₹ **1,818.76 Lacs** (Previous Year ₹ 1,408.01 Lacs) to Jai Realty Ventures Ltd.
- x) Loans and Advances returned / adjusted include ₹ **327.97 Lacs** (Previous Year ₹ 595.32 Lacs) from Jai Realty Ventures Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Water Supply Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Infrastructure Construction Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Energy Distribution Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Energy Generation Pvt.Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

- x) Loans and Advances as at 31st March, 2013 include ₹ **39,392.22 Lacs** (Previous Year ₹ 37,901.43 Lacs) in Jai Realty Ventures Ltd, ₹ **378.32 Lacs** (Previous Year ₹ 264.69 Lacs) in Resin Distributors Ltd., ₹ **8,522.71 Lacs** (Previous Year ₹ 8,522.71 Lacs) in Urban Infrastructure Holdings Pvt.Ltd.
- xii) Trade Payables as at 31st March,2013 include ₹ **Nil Lacs** (Previous Year ₹ 2.62 Lacs) due to TechFab (India) Industries Ltd., ₹ **114.09 Lacs** (Previous Year ₹ Nil) due to Urban Infrastructure Venture Capital Ltd.
- xiii) Other Current Liabilities as at 31st March, 2013 include ₹ **Nil** (Previous Year ₹ 51.46 Lacs) due to Urban Infrastructure Venture Capital Ltd.
- xiv) Revenue from Operation includes ₹ **371.55 Lacs** (Previous Year ₹ 195.85 Lacs) sold to Sarbags Pty Ltd. and ₹ **1,654.45 Lacs** (Previous Year ₹ 1,803.52 Lacs) sold to TechFab (India) Industries Ltd.
- xv) Dividend Income include ₹ **40.00 Lacs** (Previous Year ₹ 30.00 Lacs) received from Urban Infrastructure Venture Capital Ltd.
- xvi) Purchase of Goods includes ₹ **9.11 Lacs** (Previous Year ₹ 3.97 Lacs) from TechFab (India) Industries Ltd.
- xvii) Discount on Raw Material includes ₹ **1031.76 Lacs** (Previous Year ₹ 1,022.93 Lacs) received from Resin Distributors Ltd.
- xviii) Dividend paid on 1% Non-Cumulative, Non--Participating, Redeemable Preference Shares includes ₹ **0.28 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Laxmi Jain, ₹ **0.28 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Sushma Jain and ₹ **0.27 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Rina Jain.
- xix) Directors' remuneration and perquisites include ₹ **28.57 Lacs** (Previous Year ₹ 26.60 Lacs) paid to Shri Gaurav Jain and ₹ **27.60 Lacs** (Previous Year ₹ 24.00 Lacs) paid to Shri V. S. Pandit.
- xx) Directors' sitting fees include ₹ **0.70 Lacs** (Previous Year ₹ 0.70 Lacs) paid to Shri Virendra Jain, ₹ **0.20 Lacs** (Previous Year ₹ 0.20 Lacs) paid to Shri J.K. Jain and ₹ **0.20 Lacs** (Previous Year ₹ 0.20 Lacs) paid to Shri Anand Jain.
- xxi) Job Work Charges include ₹ **0.62 Lacs** (Previous Year ₹ 1.75 Lacs) paid to TechFab (India) Industries Ltd.
- xxii) Investment Management Fees include ₹ **99.51 Lacs** (Previous Year ₹ 113.82 Lacs) to Urban Infrastructure Venture Capital Ltd.
- xxiii) Sundry Balances Written Off include ₹ **Nil** (Previous Year ₹ 0.03 Lacs) of Jai Infraprojects Ltd., and ₹ **Nil** (Previous Year ₹ 7.68 Lacs) of Resin Distributors Ltd.
- xxiv) Other Expenses include ₹ **Nil** (Previous Year ₹ 0.02 Lacs) paid to Poly Resin Agencies (I) Ltd. and ₹ **0.52 Lacs** (Previous Year ₹ 0.12 Lacs) paid to Resin Distributors Ltd., ₹ **Nil Lacs** (Previous Year ₹ 0.18 Lacs) paid to TechFab (India) Industries Ltd.

38.2 In accordance with the Clause 32 of Listing Agreement, advance in the nature of loans is / are as under :

| (a) | Name of the company | Relationship | Balance as at 31 st March, 2013 | Balance as at 31 st March, 2012 | Maximum amount outstanding during the year |
|-----|---------------------------------|--------------|--|--|--|
| | Jai Corp Finance & Holding Ltd. | Subsidiary | 2.15 | - | 2.15 |
| | Jai Realty Ventures Limited | Subsidiary | 39,392.22 | 37,901.43 | 39,392.22 |

Notes :

- (i) The above loans and advances are free of interest.
- (ii) As per the Company policy, loans to employee are not considered in (a) above.
- (iii) The above loans includes ₹ **394.37 Lacs** (Previous Year ₹ 401.43 Lacs), which is repayable on demand.
- (b) None of the loanees have made, *per se*, investment in the shares of the Company.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(c) Investment in subsidiaries by: Jai Realty Ventures Limited

| S. No. | Name of Company | As at 31 ST March, 2013 | | As at 31 ST March, 2012 | |
|-----------|---|---------------------------------------|------------|---------------------------------------|------------|
| | | No. of Shares | | No. of Shares | |
| | | Equity | Preference | Equity | Preference |
| 1 | Asoka Realty and Developers Limited. | 50,000 | 950,000 | 50,000 | - |
| 2 | Belle Terre Realty Limited. | 9,933 | 22,574,300 | 9,933 | 22,574,300 |
| 3 | Ekdant Realty & Developers Limited. | 50,000 | - | 50,000 | - |
| 4 | Hari Darshan Realty Limited. | 50,000 | 10,200 | 50,000 | 10,200 |
| 5 | Hill Rock Construction Limited. | 50,000 | 9,550 | 50,000 | 9,550 |
| 6 | Hind Agri Properties Limited. | 50,000 | - | 50,000 | - |
| 7 | Iconic Realtors Limited. | 50,000 | - | 50,000 | - |
| 8 | Jailaxmi Realty and Developers Limited. | 50,000 | - | 50,000 | - |
| 9 | Krupa Land Limited. | 50,000 | - | 50,000 | - |
| 10 | Krupa Realtors Limited. | 50,000 | - | 50,000 | - |
| 11 | Multifaced Impex Limited. | 50,000 | 450 | 50,000 | 450 |
| 12 | Novelty Realty & Developers Limited. | 50,000 | - | 50,000 | - |
| 13 | Rainbow Infraprojects Limited. | 50,000 | - | 50,000 | - |
| 14 | Rudradev Developers Limited. | 50,000 | - | 50,000 | - |
| 15 | Swar Land Developers Limited. | 50,000 | - | 50,000 | - |
| 16 | Swastik Land Developers Limited. | 50,000 | 950,000 | 50,000 | - |
| 17 | Vasant Bahar Realty Limited. | 50,000 | 3,300 | 50,000 | 3,300 |
| 18 | Welldone Real Estate Limited. | 50,000 | 7,350 | 50,000 | 7,350 |
| 19 | Yug Developers Limited. | 50,000 | 5,000 | 50,000 | 5,000 |

Note 39

As per Accounting Standard (AS) 21 on "Consolidated Financial Statements" and Accounting Standard (AS) 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", the Company has presented Consolidated Financial Statements, including Subsidiaries and Associates. Accordingly Segment Information as required under Accounting Standard - 17 on "Segment reporting" is included under the Notes on Consolidated Financial Statements.

Note 40

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

Gaurav Jain
Managing Director

V.S. Pandit
Director - Works

R. Koria
Partner

Pramod Jaiswal
Chief Financial Officer

A. Datta
Company Secretary

Place : Mumbai
Date : 8th May, 2013

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars regarding subsidiary companies under Section 212 (8) of the Companies Act, 1956, information pursuant to General Circular No. 2 / 2011 dated 8th February, 2011 issued by the Government of India, Ministry of Corporate Affairs.

| S. No. | Name of Subsidiary | Reporting Currency | Capital | Reserves | Total Assets | Total Liabilities | Investments | | | Revenue from Operation | Profit Before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|--------|--|--------------------|-----------|-----------|--------------|-------------------|-------------|-------------|------------------|------------------------|------------------------|------------------------|-----------------------|-------------------|
| | | | | | | | Total | Sub. Invst. | Invst. In Others | | | | | |
| 1 | Ashoka Realty and Developers Limited | INR | 100.00 | (90.81) | 290.07 | 280.89 | - | - | - | - | (2.56) | - | (2.56) | - |
| 2 | Belle Terre Realty Limited | INR | 12,283.41 | (46.46) | 12,238.69 | 1.74 | 27.79 | 16.67 | 11.11 | - | (6.58) | - | (6.58) | - |
| | | USD | 225.84 | (0.85) | 225.02 | 0.03 | 0.51 | 0.31 | 0.20 | - | (0.12) | - | (0.12) | - |
| 3 | Ekdant Realty and Developers Limited | INR | 5.00 | (1.38) | 1,677.60 | 1,673.98 | - | - | - | - | (0.26) | - | (0.26) | - |
| 4 | Hari Darshan Realty Limited | INR | 6.02 | 100.32 | 675.28 | 568.94 | - | - | 188.18 | 1.19 | 0.25 | 0.94 | 0.94 | - |
| 5 | Hill Rock Construction Limited | INR | 5.96 | 111.37 | 390.96 | 273.63 | - | - | 80.73 | 33.35 | 8.20 | 25.16 | 25.16 | - |
| 6 | Hind Agri Properties Limited | INR | 5.00 | (2.50) | 943.95 | 941.45 | 0.31 | - | 0.31 | (0.26) | - | (0.26) | - | |
| 7 | Iconic Realtors Limited | INR | 5.00 | (4.54) | 11,851.95 | 11,851.49 | - | - | - | (0.84) | - | (0.84) | - | |
| 8 | Jai Corp Finance and Holding Limited | INR | 150.00 | 147.89 | 300.29 | 2.40 | - | - | - | 29.18 | 8.00 | 21.18 | 21.18 | - |
| 9 | Jailaxmi Realty and Developers Limited | INR | 5.00 | (1.41) | 1,944.08 | 1,940.49 | - | - | - | (0.26) | - | (0.26) | - | |
| 10 | Jai Realty Ventures Limited | INR | 5.50 | (200.70) | 39,198.10 | 39,393.31 | 13,142.20 | 11,490.86 | 1,651.34 | (2.68) | - | (2.68) | - | |
| 11 | Krupa Land Limited | INR | 5.00 | (2.63) | 1,969.81 | 1,967.43 | - | - | - | (0.27) | - | (0.27) | - | |
| 12 | Krupa Realtors Limited | INR | 5.00 | (1.41) | 828.04 | 824.45 | - | - | - | (0.26) | - | (0.26) | - | |
| 13 | Multifaced Impex Limited | INR | 5.05 | (4.42) | 99.43 | 98.81 | - | - | - | (0.26) | - | (0.26) | - | |
| 14 | Novelty Realty and Developers Limited | INR | 5.00 | (1.63) | 980.29 | 976.92 | - | - | - | (0.36) | - | (0.36) | - | |
| 15 | Oasis Holding FZC | INR | 22.19 | (29.66) | 4,692.78 | 4,700.25 | 4,669.88 | - | 4,669.88 | (6.30) | - | (6.30) | - | |
| | | AED | 1.50 | (2.00) | 317.20 | 317.70 | 315.65 | - | 315.65 | (0.43) | - | (0.43) | - | |
| 16 | Rainbow Infraprojects Limited | INR | 5.00 | (3.77) | 1,231.14 | 1,229.91 | - | - | - | (0.45) | 0.05 | (0.39) | - | |
| 17 | Rudradev Developers Limited | INR | 5.00 | (1.31) | 1,176.66 | 1,172.97 | - | - | - | (0.26) | - | (0.26) | - | |
| 18 | Sarbags Pty Limited | INR | 12.34 | 782.19 | 894.29 | 99.75 | - | - | 511.68 | 55.93 | 11.37 | 44.56 | 44.56 | |
| | | AUD | 0.50 | 13.55 | 15.82 | 1.76 | - | - | 9.14 | 1.00 | 0.20 | 0.80 | 0.80 | |
| 19 | Swar Land Developers Limited | INR | 5.00 | (4.06) | 426.27 | 425.34 | - | - | - | (0.60) | - | (0.60) | - | |
| 20 | Swastik Land Developers Limited | INR | 100.00 | (96.07) | 843.13 | 839.20 | - | - | - | (2.56) | - | (2.56) | - | |
| 21 | Urban Infrastructure Trustees Limited | INR | 5.00 | 41.11 | 46.62 | 0.50 | 45.53 | - | 45.53 | 8.54 | 1.76 | 6.83 | 6.83 | |
| 22 | Urban Infrastructure Venture Capital Limited | INR | 500.00 | 15,705.88 | 18,802.79 | 2,596.91 | 6,513.23 | 210.00 | 6,303.23 | 5,799.50 | 1,578.48 | 3,154.07 | 3,154.07 | |
| 23 | UI Wealth Advisors Limited | INR | 210.00 | 32.24 | 242.36 | 0.13 | 238.17 | - | 238.17 | 15.77 | 0.88 | 14.32 | 14.32 | |
| 24 | Vasant Bahar Realty Limited | INR | 5.33 | 32.19 | 85.26 | 47.74 | - | - | 3.00 | 1.74 | 0.36 | 1.38 | 1.38 | |
| 25 | Weildome Real Estate Limited | INR | 5.74 | 54.72 | 70.92 | 10.47 | - | - | - | (0.88) | 0.01 | (0.89) | (0.89) | |
| 26 | Yug Developers Limited | INR | 5.50 | 66.18 | 316.79 | 245.10 | - | - | - | (0.38) | - | (0.38) | - | |

Note:

- Exchange rate (as on 31st March, 2013) used in:
 - Sarbags Pty Ltd. AUD 1 = 56.5378
 - Oasis Holding FZC AED 1 = 14.7945
 - Belle Terre Realty Limited USD 1 = 54.3893

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Jai Corp Limited

We have audited the accompanying consolidated financial statements of '**Jai Corp Limited**' ("the Company") and its subsidiaries and associates (collectively referred to as 'the Group') which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules 2006 (as amended). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The auditors of a subsidiary company have qualified their opinion on the financial statements of that subsidiary, with regard to the nature of amounts included in investment in projects and the impairment thereof, as explained in Note 36 of the Consolidated Financial Statements. The impact of these matters has not been quantified by the auditors in their report on the financial statements of the subsidiary company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, *except for the matter described in the Basis for Qualified Opinion paragraph above, the effects of which are currently not ascertainable*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We have draw attention in respect of

- i) Note No. 22.2 on the Consolidated Financial Statements regarding non-receipt of balance confirmations of certain advances given for purchase of land and development rights.
- ii) Note No. 22.3 on the Consolidated Financial Statements regarding Inter-Corporate deposits and interest accrued & due there on aggregating to ₹ 7,961.53 lacs due from three body-corporates

in respect of which a subsidiary Company has filed winding-up petitions and has considered the same good for recovery and no provision for doubtful is necessary, for the reason stated therein.

Other Matter

1. We did not audit the financial statement of certain subsidiary companies, whose financial statements reflect total assets of ₹ 43,869.74 lacs as at March 31, 2013, total revenue of ₹ 833.25 lacs and net cash outflows aggregating ₹ 20.53 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
2. We have relied on the unaudited financial statements of one associate wherein the Group's share of loss for the year ended March 31, 2013 is ₹ 0.40 lacs. These unaudited financial

statements as approved by the Board of Directors of the associate have been furnished to us by the Management and our report, in so far as it relates to the amounts included in respect of the associate is based solely on such approved financial statements.

3. Our opinion is not qualified in respect of above matters.

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

R. KORIA
Partner
Membership No.: 35629

Place : Mumbai
Date : 8th May, 2013

2012-13 RESPONSIBLE GROWTH

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

(₹ in Lacs)

| Particulars | Note | As At 31 st March, 2013 | As At 31 st March, 2012 |
|---|---------|---------------------------------------|---------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| Share Capital | 3 | 1,868.21 | 1,884.71 |
| Reserves and Surplus | 4 | <u>223,711.75</u> | <u>233,797.98</u> |
| | | 225,579.96 | 235,682.69 |
| 2 Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 2,060.26 | 2,114.64 |
| Deferred Tax Liabilities (Net) | 6 | 2,247.67 | 2,012.57 |
| Other Long Term Liabilities | 7 | 0.20 | 0.20 |
| Long-Term Provisions | 8 | <u>64.55</u> | <u>61.60</u> |
| | | 4,372.68 | 4,189.01 |
| 3 Current Liabilities | | | |
| Short-Term Borrowings | 9 | 2,406.74 | 2,379.63 |
| Trade Payables | 10 | 979.17 | 2,915.84 |
| Other Current Liabilities | 11 | 2,354.86 | 3,316.39 |
| Short-Term Provisions | 12 | <u>592.94</u> | <u>759.64</u> |
| | | 6,333.71 | 9,371.50 |
| TOTAL | | <u>236,286.35</u> | <u>249,243.20</u> |
| II. ASSETS | | | |
| 1 Non-Current Assets | | | |
| Fixed Assets | 13 | | |
| Tangible Assets | | 21,337.55 | 21,228.24 |
| Intangible Assets | | 67.67 | 80.15 |
| Capital Work-in-progress | | <u>724.14</u> | <u>1,222.38</u> |
| | | 22,129.36 | 22,530.77 |
| Goodwill on Consolidation | | 855.88 | 855.88 |
| Non-Current Investments | 14 | | |
| In Associates | | 11,669.55 | 11,669.95 |
| In Others | | 98,854.29 | 99,237.94 |
| Deferred Tax Assets (Net) | 15 | 47.93 | 5.48 |
| Long-Term Loans and Advances | 16 | 13,075.19 | 11,252.26 |
| Other Non-Current Assets | 17 | <u>1,129.68</u> | <u>559.15</u> |
| | | 147,761.88 | 146,111.43 |
| 2 Current Assets | | | |
| Current Investments | 18 | 8,888.13 | 30,127.62 |
| Inventories | 19 | 16,979.38 | 17,046.24 |
| Trade Receivables | 20 | 10,860.80 | 11,211.16 |
| Cash and Bank Balances | 21 | 1,673.79 | 1,840.40 |
| Short-Term Loans and Advances | 22 | 48,451.84 | 41,759.41 |
| Other Current Assets | 23 | <u>1,670.53</u> | <u>1,146.94</u> |
| | | 88,524.47 | 103,131.77 |
| TOTAL | | <u>236,286.35</u> | <u>249,243.20</u> |
| Significant Accounting Policies | 1 | | |
| Notes on Consolidated Financial Statements | 2 to 39 | | |

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

Gaurav Jain
Managing Director

V.S. Pandit
Director - Works

R. Koria
Partner

Pramod Jaiswal
Chief Financial Officer

A. Datta
Company Secretary

Place : Mumbai

Date : 8th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Lacs)

| Particulars | Note | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
|--|---------|--|--|
| I. Income | | | |
| Gross Revenue From Operations | 24 | 74,446.66 | 72,323.05 |
| Less : Excise Duty / Service Tax Recovered (Refer Note 35) | | 4,903.56 | 4,071.57 |
| Net Revenue From Operations | | 69,543.10 | 68,251.48 |
| II. Other Income | 25 | 6,568.43 | 12,113.32 |
| III. Total Revenue (I + II) | | 76,111.53 | 80,364.80 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | | 41,877.98 | 39,284.50 |
| Purchase of Stock-in-Trade | | 21.03 | 2,506.22 |
| Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade | 26 | (111.92) | 800.18 |
| Employee Benefits Expense | 27 | 6,170.01 | 6,226.82 |
| Finance Costs | 28 | 290.80 | 269.36 |
| Depreciation and Amortisation Expenses | 13 | 1,824.56 | 1,752.56 |
| Other Expenses | 29 | 10,385.65 | 9,834.78 |
| Total Expenses | | 60,458.11 | 60,674.42 |
| V. Profit Before Tax (III-IV) | | 15,653.42 | 19,690.38 |
| VI. Tax Expense: | | | |
| (i) Current Tax | | 4,795.52 | 5,741.02 |
| (ii) Deferred Tax | | 192.99 | 202.10 |
| (iii) Income Tax for earlier year | | (0.04) | 0.32 |
| VII. Profit After Tax (V-VI) | | 10,664.95 | 13,746.94 |
| VIII. Share in Loss of Associates | | (0.40) | (3.20) |
| IX. Share of Loss transferred to Minority | | - | 1.05 |
| X. Net Profit for the year (VII+VIII+IX) | | 10,664.55 | 13,744.79 |
| (After adjustment to Minority Interest including associates) | | | |
| XI. Prior Period Items (Net) | | - | (0.94) |
| XII. Net Profit (X+XI) | | 10,664.55 | 13,743.85 |
| XIII. Earnings per Equity Share: | | | |
| Basic & Diluted (in ₹) | 30 | 5.98 | 7.70 |
| Face Value per Share (in ₹) | | 1.00 | 1.00 |
| Significant Accounting Policies | 1 | | |
| Notes on Consolidated Financial Statements | 2 to 39 | | |

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
 Chartered Accountants

Gaurav Jain
 Managing Director

V.S. Pandit
 Director - Works

R. Koria
 Partner

Pramod Jaiswal
 Chief Financial Officer

A. Datta
 Company Secretary

Place : Mumbai
Date : 8th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

| | (₹ in Lacs) | |
|--|--|--|
| Particulars | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax as per Statement of Profit and Loss | 15,653.42 | 19,690.38 |
| Adjusted for : | | |
| Depreciation and Amotisation Expense | 1,824.56 | 1,752.56 |
| Wealth Tax | 4.50 | 2.90 |
| Net Loss on foreign currency transaction and translation* | 17.92 | 78.52 |
| Profit on sale of Investments (Net) | (950.18) | (3,825.83) |
| Income from Long-Term Investments | (535.62) | |
| Provision for Doubtful Advances | - | 3.91 |
| Provision for diminution in value of Long-Term Investments | 157.62 | 437.70 |
| Loss / (Profit) on sale of Fixed Assets (Net) | 67.12 | (335.46) |
| Finance Costs | 290.80 | 269.36 |
| Sundry Balances Written Off (Net) | 92.44 | 80.60 |
| Share Issue Expenses | 2.00 | - |
| Interest Income | (4,355.87) | (6,874.41) |
| Dividend Income | (317.45) | (349.11) |
| | <u>(3,702.16)</u> | <u>(8,759.26)</u> |
| Operating Profit before Working Capital Changes | 11,951.26 | 10,931.12 |
| Adjusted for : | | |
| Trade and Other Receivables | (2,882.22) | (2,968.76) |
| Inventories | 66.85 | 1,532.64 |
| Trade and Other Payables | (2,640.93) | 159.76 |
| Cash generated from operations | 6,494.96 | 9,654.76 |
| Direct taxes paid | (6,643.40) | (6,850.70) |
| Cash Flow before prior period adjustments | (148.44) | 2,804.06 |
| Net Prior period adjustment | - | (0.94) |
| Net Cash from / (Used in) Operating Activities | <u>(148.44)</u> | <u>2,803.12</u> |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (1,831.88) | (2,712.95) |
| Sale of Fixed Assets | 768.35 | 646.03 |
| Fixed Deposits with banks having maturity of more than three months (Placed) | (840.32) | (613.46) |
| Fixed Deposit with bank having maturity of more than three months (Matured) | 613.46 | 1,166.53 |
| Purchase of Investments including Share Application Money | (68,079.92) | (214,186.92) |
| Sale of Investments | 90,796.38 | 267,394.10 |
| Movement in Loans (Net) | (2,042.78) | 3,487.86 |
| Income from Long-Term Investments | 309.16 | - |
| Interest Income | 1,996.96 | 4,974.79 |
| Dividend Income | 317.45 | 349.11 |
| Net Cash from Investing Activities | <u>22,006.86</u> | <u>60,505.09</u> |

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Lacs)

| Particulars | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
|---|--|--|
| C. Cash Flow from Financing Activities | | |
| Redemption of Preference Share Capital including Securities Premium | (21,197.75) | (61,993.02) |
| Proceeds of Long-Term Loans | 385.04 | (688.21) |
| Repayment of Long-Term Loans | (923.80) | - |
| Unclaimed for Scheme of Arrangement | (0.01) | (0.01) |
| Short-Term Loans (Net) | 27.10 | (245.75) |
| Fixed Deposits / Margin Money with Banks and Government Authorities (Net) | 12.75 | (207.10) |
| Finance costs paid | (278.56) | (241.89) |
| Share Issue Expenses | (2.00) | - |
| Dividend Paid | (280.87) | (281.65) |
| Net Cash (Used in) Financing Activities | <u>(22,258.10)</u> | <u>(63,657.63)</u> |
| Net (Decrease) in Cash and Cash Equivalents (A+B+C) | (399.68) | (349.42) |
| Opening Balance of Cash and Cash Equivalents | 857.37 | 1,206.79 |
| Closing Balance of Cash and Cash Equivalents | 457.69 | 857.37 |
| Components of Cash and Cash Equivalents | | |
| Balance with Banks in Current Accounts | 456.14 | 849.92 |
| Cheques, Drafts in Hand | - | 5.55 |
| Cash on Hand | <u>1.55</u> | <u>1.90</u> |

* includes exchange difference on account of translation of foreign subsidiary company's financial statements.

Notes :

- 1 The above Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement" as notified in the Companies (Accounting Standards) Rules, 2006.
- 2 The Previous year's figures have been regrouped, rearranged, restated and reclassified wherever necessary to conform to the current year's presentation.
- 3 Bracket indicates cash outflow.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
 Chartered Accountants

Gaurav Jain
 Managing Director

V.S. Pandit
 Director - Works

R. Koria
 Partner

Pramod Jaiswal
 Chief Financial Officer

A. Datta
 Company Secretary

Place : Mumbai
Date : 8th May, 2013

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 1

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:

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

| Item | Particulars | Amount Cost (₹ in Lacs) | Proportion to the Cost of Fixed Assets |
|--------------|---|----------------------------|--|
| Depreciation | Sarbags Pty. Ltd. has charged depreciation on Office Equipment @ 7.5% and 33.30% as against Schedule XIV rates followed by the Company. | 7.30 | 0.017% |

- 1.2 The Audited Financial Statements of foreign subsidiaries, Belle Terre Realty Limited and Oasis Holding (FZC), as at 31st March, 2013 have been prepared in accordance with International Financial Reporting Standards and Sarbags Pty Limited as at 31st March, 2013 has been prepared in accordance with Australian Accounting Standards.

- 1.3 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 (AS) 21 on "Consolidated Financial Statements" as notified.

- 1.4 In case of foreign subsidiaries, 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.

- 1.5 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 as the profit or loss on disposal of investment in subsidiary.

- 1.6 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.

- 1.7 Minority Interest in 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.

- 1.8 In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity investments, accounting is done based on equity method in accordance with Accounting Standard (AS) 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" as notified

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1.9 The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transaction between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.

1.10 The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified and separately disclosed in the Financial Statements as Goodwill or Capital Reserve as the case may be.

1.11 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. 1.1 & 1.2 of Notes on Consolidated Financial Statements and are presented to the extent possible, in the same manner as the Company's separate financial statements.

1.12 Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting For Investments" as notified.

1.13 SIGNIFICANT ACCOUNTING POLICIES

1.13.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared as a going concern under historical cost convention, in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

1.13.2 USE OF ESTIMATES

The preparation of financial statements 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 revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.13.3 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction, net of MODVAT / CENVAT, Value Added Tax, less accumulated depreciation and impairment loss, if any. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working conditions for the intended use, including trial production costs, if any till commencement of commercial production.

1.13.4 DEPRECIATION

- i) Depreciation is 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 and on the fixed assets owned by the foreign subsidiary, on which depreciation is provided as per their respective useful life.
- ii) Cost of lease-hold land is amortised on straight line method over the lease period.
- iii) Fixed assets where ownership vests with the Government / local authorities are amortised at the rates of depreciation specified in Schedule XIV to the Companies Act, 1956.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1.13.5 INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition less accumulated amortisation. Computer software is amortised over the useful life or period of five years, whichever is less. Drawings and Designs are written off on straight-line method over a period of ten years.

1.13.6 INVESTMENTS

Current investments are carried at lower of cost and fair value, ascertained 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. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investment. All other investments are classified as long-term investment.

1.13.7 VALUATION OF INVENTORIES

In general, all inventories of finished goods, work-in-progress etc., are stated at lower of cost and 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. Finance cost generally are not part of the cost of inventories except Real Estate Division. Raw material and stores and spares are stated at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined on FIFO basis in respect of Packaging / Spinning Division and on average basis in respect of Steel Division. Scrap and trial run products are valued at estimated net realisable value. Inventories of finished goods and scrap includes excise duty wherever applicable.

1.13.8 CUSTOMS DUTY

The liability on account of customs duty is recognised in respect of imported goods lying in the bonded warehouse.

1.13.9 EXPORT INCENTIVES

Export incentives other than advance licence are recognised at the time of exports and the benefit in respect of advance license received by the company against exports made by it are recognised as and when goods are imported against them.

1.13.10 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at the closing rates. In case of any items, covered by forward exchange contracts, the difference between the closing rate and rate on the date of the contract is recognized as exchange rate difference and the premium paid on forward contracts not intended for trading or speculation purpose is amortised as expense over the life of the contract.
- iii) Non-monetary items which are carried in term of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

1.13.11 REVENUE RECOGNITION

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations include sales of goods, land, services, scrap, commission, export incentive, excise duty and service tax but excludes sales tax / Value Added Tax and is recognised when significant risk and rewards of ownership of the goods have passed to the buyer. Dividend Income is recognised when right to receive the payment is established by the balance sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Commission, job-work and investment management fees income are recognised on an accrual basis in accordance with the terms of relevant agreement.

1.13.12 EMPLOYEE BENEFITS

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for 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 Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Statement of Profit and Loss.
- iii) Compensated absences are accounted similar to the short-term employee benefits.
- iv) Retirement benefits in the form of Provident Fund and other Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due. There are no obligations other than the contribution payable to the fund.

1.13.13 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.

1.13.14 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. A deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that it will be realized in future. In the case of unabsorbed depreciation and carry forward tax losses, deferred tax asset is recognised only if there is virtual certainty supported by convincing evidence that it can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each balance sheet date for their appropriateness.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternative Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

1.13.15 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.13.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

1.13.17 DERIVATIVE TRANSACTIONS

In respect of derivative contracts, premium paid, gain / losses on settlement and provision for losses for cash flow hedges are recognised in the Statement of Profit and Loss except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

1.13.18 SUBSIDY

Subsidy relating to revenue expenditure for the year is adjusted against the related expenses.

1.13.19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity share holders (after deducting preference dividend and attributable tax) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 2

The audited financial results of the following Subsidiary Companies and Associate Companies as on 31st March, 2013 have been considered in the preparation of Consolidated Financial Statements except in case of Urban Infrastructure Holdings Private Limited, which is approved by the management :

| Name of the Company | Nature of Interest | Country of Incorporation | Proportion of ownership Interest |
|---|--------------------|--------------------------|----------------------------------|
| Ashoka Realty and Developers Limited | Subsidiary | India | 100% |
| Belle Terre Realty Limited | Subsidiary | Mauritius | 100% |
| Ekdant Realty & Developers Limited | Subsidiary | India | 100% |
| Hari Darshan Realty Limited | Subsidiary | India | 100% |
| Hill Rock Construction Limited | Subsidiary | India | 100% |
| Hind Agri Properties Limited | Subsidiary | India | 100% |
| Iconic Realtors Limited | Subsidiary | India | 100% |
| Jai Corp Finance & Holding Limited | Subsidiary | India | 100% |
| Jailaxmi Realty and Developers Limited | Subsidiary | India | 100% |
| Jai Realty Ventures Limited | Subsidiary | India | 100% |
| Krupa Land Limited | Subsidiary | India | 100% |
| Krupa Realtors Limited | Subsidiary | India | 100% |
| Multifaced Impex Limited | Subsidiary | India | 100% |
| Novelty Realty & Developers Limited | Subsidiary | India | 100% |
| Oasis Holding FZC | Subsidiary | Sharjah, UAE | 75% |
| Rainbow Infraprojects Limited | Subsidiary | India | 100% |
| Rudradev Developers Limited | Subsidiary | India | 100% |
| Sarbags Pty Limited | Subsidiary | Australia | 100% |
| Swar Land Developers Limited | Subsidiary | India | 100% |
| Swastik Land Developers Limited | Subsidiary | India | 100% |
| UI Wealth Advisors Limited | Subsidiary | India | 100% |
| Urban Infrastructure Trustees Limited | Subsidiary | India | 100% |
| Urban Infrastructure Venture Capital Limited | Subsidiary | India | 100% |
| Vasant Bahar Realty Limited | Subsidiary | India | 100% |
| Welldone Real Estate Limited | Subsidiary | India | 100% |
| Yug Developers Limited | Subsidiary | India | 100% |
| Searock Developers FZC | Associate | Sharjah, UAE | 50% |
| Urban Infrastructure Holdings Private Limited | Associate | India | 32% |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 3 - Share Capital

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Authorised | | |
| 450,000,000 Equity Shares of ₹ 1 each (450,000,000) | 4,500.00 | 4,500.00 |
| 15,000,000 1% Non-Cumulative, Non-Participating Redeemable (15,000,000) Preference Shares of ₹ 1 each | 150.00 | 150.00 |
| 35,000,000 Unclassified Shares of ₹ 1 each (35,000,000) | 350.00 | 350.00 |
| TOTAL | 5,000.00 | 5,000.00 |
| Issued and Subscribed Shares | | |
| 178,494,010 Equity Shares of ₹ 1 each (178,494,010) | 1,784.94 | 1,784.94 |
| 8,349,900 1% Non-Cumulative, Non-Participating Redeemable (9,999,900) Preference Shares of ₹ 1 each | 83.50 | 100.00 |
| TOTAL | 1,868.44 | 1,884.94 |
| Paid-Up Shares | | |
| 178,449,410 Equity Shares of ₹ 1 each fully paid up (178,449,410) | 1,784.49 | 1,784.49 |
| 8,349,900 1% Non-Cumulative, Non-Participating Redeemable (9,999,900) Preference Shares of ₹ 1 each fully paid up | 83.50 | 100.00 |
| Add: Forfeited Shares (Amount originally paid on 4,460 (4,460) shares of ₹ 10 each) | 0.22 | 0.22 |
| TOTAL | 1,868.21 | 1,884.71 |

3.1 (i) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

| Particulars | 2012-13 | | 2011-12 | |
|---|-------------|-------------|-------------|-------------|
| | (in Nos.) | (₹ in Lacs) | (in Nos.) | (₹ in Lacs) |
| Shares outstanding at the beginning of the year | 178,449,410 | 1,784.49 | 178,449,410 | 1,784.49 |
| Shares outstanding at the end of the year | 178,449,410 | 1,784.49 | 178,449,410 | 1,784.49 |

(ii) Reconciliation of number of Preference Shares outstanding at the beginning and at the end of the year:

| Particulars | 2012-13 | | 2011-12 | |
|--|-----------|-------------|------------|-------------|
| | (in Nos.) | (₹ in Lacs) | (in Nos.) | (₹ in Lacs) |
| Number of Shares outstanding at the beginning of the year | 9,999,900 | 100.00 | 15,000,000 | 150.00 |
| Less : Shares redeemed during the year | 1,650,000 | 16.50 | 5,000,100 | 50.00 |
| Number of Shares outstanding at the end of the year | 8,349,900 | 83.50 | 9,999,900 | 100.00 |

3.2 i) The terms / rights attached to the Equity Shares:

The holder of equity shares of ₹ 1 each is entitled to one vote per share. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(ii) The terms / rights attached to the Preference Shares:

On 27th November, 2007 15,000,000 1% Non - cumulative, Non - Participating Redeemable Preference Shares of ₹ 1 each fully paid-up were allotted. On 26th November, 2011, 5,000,100 preference shares were redeemed at a premium of 6% p.a. from the date of allotment on issue price of ₹ 1,000/- per share and the balance 9,999,900 preference shares were rolled over for a further period of two years with effect from 26th November, 2011 with an option to the Company / the Preference Shareholder(s) to redeem the same earlier. On 23rd August, 2012 a further 1,650,000 preference shares were redeemed and the balance 8,349,900 preference shares are redeemable at a premium of 6 % p.a. from the date of allotment on issue price of ₹ 1,000/- per share. The Preference Shareholders have a preferential right to dividend of 1% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company.

3.3 Redemption premium on Preference Shares as mentioned above will be paid out of the Securities Premium Account hence no provision has been considered necessary.

3.4 Details of shares in the Company held by each shareholder holding more than 5% shares:

| Name of Shareholder | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|-------------------------------|---------------------------------------|--------------|---------------------------------------|--------------|
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| (a) Equity Shares: | | | | |
| (i) Satyapal Jaikumar Jain | 24,461,800 | 13.71 | 24,807,340 | 13.90 |
| (ii) Harsh Jain | 23,151,560 | 12.97 | 23,151,560 | 12.97 |
| (iii) Rina Jain | 17,719,220 | 9.93 | 17,719,220 | 9.93 |
| (iv) Sushma Jain | 16,130,740 | 9.04 | 16,130,740 | 9.04 |
| (v) Ankit Jain | 15,301,700 | 8.57 | 15,054,560 | 8.43 |
| (vi) Gaurav Jain | 10,427,200 | 5.84 | 10,427,200 | 5.84 |
| (vii) Virendra Jain | 9,871,620 | 5.53 | 9,871,620 | 5.53 |
| (b) Preference Shares: | | | | |
| (i) Sushma Jain | 2,783,300 | 33.33 | 3,333,300 | 33.33 |
| (ii) Rina Jain | 2,783,300 | 33.33 | 3,333,300 | 33.33 |
| (iii) Laxmi Jain | 2,783,300 | 33.34 | 3,333,300 | 33.34 |

3.5 Aggregate number of bonus shares allotted during the period of five years immediately preceding March 31, 2013:

| Particulars | No. of Shares | Year of Allotment |
|--|---------------|-------------------|
| Equity Shares: | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | | |
| Equity Shares allotted as fully paid up by way of bonus shares | 86,269,400 | 2007-2008 |

3.6 Forfeited shares (Amount originally paid up):

| Particulars | ₹ in Lacs | |
|--|-----------|---------|
| | 2012-13 | 2011-12 |
| 44,600 (Previous Year 44,600) Equity Shares of ₹ 1 each (Originally 4,460 Equity Shares of ₹ 10/- each) | 0.22 | 0.22 |

3.7 Figures in bracket represents previous year figures

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 4 - Reserves and Surplus

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As At 31 st March, 2013 | As At 31 st March, 2012 |
| Capital Reserve | | |
| Balance as at the beginning and at the end of the year | 92.17 | 92.17 |
| Capital Reserve on Consolidation | 349.95 | 349.95 |
| Capital Redemption Reserve | | |
| Balance as at the beginning of the year | 50.00 | - |
| Add: Transfer from General Reserve on account of redemption of Preference Shares | 16.50 | 50.00 |
| Balance as at the end of the year | 66.50 | 50.00 |
| Securities Premium Account | | |
| Balance as at the beginning of the year | 152,987.92 | 214,930.94 |
| Less: Premium on Redemption of Preference Shares | 21,181.25 | 61,943.02 |
| Balance as at the end of the year | 131,806.67 | 152,987.92 |
| Statutory Reserve Fund | | |
| (Created pursuant to Section 45 IC of RBI Act, 1934) | | |
| Balance as at the beginning of the year | 10.41 | 7.74 |
| Add : Transferred from Surplus | - | 2.67 |
| Balance as at the end of the year | 10.41 | 10.41 |
| General Reserve | | |
| Balance as at the beginning of the year | 25,557.95 | 22,118.66 |
| Add : Transferred from Surplus | 748.88 | 3,489.29 |
| Less: Transferred to Capital Redemption Reserve | 16.50 | 50.00 |
| Balance as at the end of the year | 26,290.33 | 25,557.95 |
| Foreign Currency Translation Reserve | | |
| Balance as at the beginning of the year | 1,761.58 | 132.87 |
| Add : Foreign Currency Translation during the year | 711.39 | 1,628.71 |
| Balance as at the end of the year | 2,472.97 | 1,761.58 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | 52,988.00 | 43,018.80 |
| Add : Net Profit for the year | 10,664.55 | 13,743.85 |
| Amount available for Appropriations | 63,652.55 | 56,762.65 |
| Appropriation | | |
| Transferred to General Reserve | 748.88 | 3,489.29 |
| Transferred to Statutory Reserve Fund | - | 2.67 |
| Proposed Dividend on Preference Shares | 0.83 | 1.00 |
| Dividend per Share ₹ 0.01 (Previous Year ₹ 0.01) | | |
| Proposed Dividend on Equity Shares | 240.84 | 240.84 |
| Dividend per Share ₹ 0.50 (Previous Year ₹ 0.50) | | |
| Tax on Proposed Dividend | 41.07 | 40.85 |
| Reversal of Proposed Dividend on Preference Shares Redeemed | (0.17) | - |
| Reversal of Tax on Proposed Dividends | (1.65) | - |
| Balance as at the end of the year | 62,622.75 | 52,988.00 |
| TOTAL | 223,711.75 | 233,797.98 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 5 - Long-term Borrowings

| Particulars | (₹ in Lacs) | |
|------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Secured | | |
| Term-Loans from a Bank | - | 90.00 |
| Unsecured | | |
| Interest free Sales-tax Loan | 890.47 | 904.27 |
| Loan from Others | 1,169.79 | 1,120.37 |
| TOTAL | <u>2,060.26</u> | <u>2,114.64</u> |

5.1 Out of the term-loans referred to above (including current maturities of long-term borrowings in Note 11):

- Loans aggregating ₹ Nil (Previous Year ₹ 256.00 Lacs) were secured by way of first *pari passu* charge on certain immovable assets of the Company and carried interest at BPLR rate less 3.50% per annum.
- Loans aggregating ₹ Nil (Previous Year ₹ 270.00 Lacs) were secured by way of first *pari passu* charge on the entire movable fixed assets of the Company and carried interest at BPLR rate less 3.75% per annum
- They were further secured by a personal guarantee of one of the directors and one erstwhile director of the Company.

5.2 An interest-free sales tax loan of ₹ 904.27 (₹ 918.07 Lacs)(including current maturities of long-term borrowings in Note 11) is outstanding as at 31st March, 2013. Out of the above, ₹ 13.80 Lacs is repayable in May, 2013, ₹ 558.60 Lacs is repayable in equal yearly installment of ₹ 111.72 Lacs starting from December, 2014 and ending on December, 2018 and ₹ 331.87 Lacs is repayable in equal yearly installment of ₹ 66.37 Lacs starting from March, 2020 and ending on March, 2024.

5.3 The loan from others taken by the Oasis Holding FZC, a subsidiary company, for projects is unsecured, interest-free and is expected to be settled in cash.

Note 6 - Deferred Tax Liabilities (Net)

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 2,287.78 | 2,135.33 |
| Deferred Tax Assets | | |
| Disallowance Under the Income-tax Act, 1961 | 40.11 | 122.76 |
| TOTAL | <u>2,247.67</u> | <u>2,012.57</u> |

Note 7 - Other Long - Term Liabilities

| Particulars | (₹ in Lacs) | |
|----------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Others- Settlers Liability | 0.20 | 0.20 |
| TOTAL | <u>0.20</u> | <u>0.20</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 8 - Long - Term Provisions

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Provisions for Employee Benefits | | |
| Gratuity (Refer Note 32) | 64.55 | 61.60 |
| TOTAL | 64.55 | 61.60 |

Note 9 - Short - Term Borrowings

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Secured Loans | | |
| Working Capital Loans from a Bank repayable on Demand | 183.25 | 52.07 |
| Revolving Term Loan From a Bank | 2,223.49 | 2,327.56 |
| TOTAL | 2,406.74 | 2,379.63 |

9.1 The Working Capital Loans to the extent of ₹ **82.74 Lacs** (Previous year ₹ 52.07 Lacs) is secured by hypothecation on whole of current assets including stock and book debts and as collateral security, second charge and negative lien on certain fixed assets of the Company and ₹ **100.51 Lacs** (Previous year ₹ Nil) is secured against pledge of fixed deposits with banks.

9.2 Revolving Term Loan from a bank is secured by hypothecation of first and exclusive charge on receivable (management fees and advisory fees) from Urban Infrastructure Opportunities Fund and Urban Infrastructure Capital Advisors - Mauritius.

Note 10 - Trade Payables

| Particulars | (₹ in Lacs) | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Micro, Small and Medium Enterprises | 35.16 | 63.97 |
| Others | 944.01 | 2,851.87 |
| TOTAL | 979.17 | 2,915.84 |

10.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| a) Principal amount remaining unpaid | 35.16 | 63.97 |
| b) Interest due thereon | - | - |
| c) Interest paid by the Company in terms of Section 16 of MSMED 2006, alongwith amount of the payment made to the suppliers beyond the appointed day during the year. | - | - |
| d) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED 2006. | - | - |
| e) Interest accrued and remaining unpaid | - | - |
| f) Further interest remaining due and payable in the succeeding years. | - | - |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 11 - Other Current Liabilities

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Current Maturities of Long-term Borrowings | | |
| Secured Borrowings | - | 436.00 |
| Unsecured Borrowings | <u>13.80</u> | <u>13.80</u> |
| Interest Accrued and Due on Borrowings | 25.51 | 29.16 |
| Advances from Customers | 815.42 | 1,433.75 |
| Advance against Sale of Fixed Assets | 50.00 | 11.40 |
| Unpaid Dividends | 23.70 | 17.42 |
| Unclaimed for Scheme of Arrangement | 38.99 | 39.00 |
| Creditors for Capital Expenditure | 27.25 | 39.12 |
| Other Payables | | |
| Salary, Wages and Allowances | 599.11 | 658.47 |
| Power & Fuel | 296.09 | 202.00 |
| Statutory Dues | 105.61 | 116.76 |
| Others | <u>359.38</u> | <u>319.51</u> |
| | 1,360.19 | 1,296.74 |
| TOTAL | <u>2,354.86</u> | <u>3,316.39</u> |

11.1 Unpaid Dividends does not include amount, due & Outstanding, to be credited to Investor Education & Protection Fund.

11.2 Others Includes Security Deposits from Customers and Liability for expenses etc.

Note 12 - Short - Term Provisions

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Provisions for Employee Benefits | | |
| Gratuity (Refer Note 32) | 29.34 | 177.46 |
| Leave Encashment | <u>220.32</u> | <u>188.83</u> |
| | 249.66 | 366.29 |
| Others | | |
| Provision for Income Tax | 3.22 | - |
| Provisions for Wealth Tax | 2.25 | - |
| Provisions for Proposed Dividend on Preference Shares | 0.83 | 1.00 |
| Provisions for Proposed Dividend on Equity Shares | 240.84 | 240.84 |
| Tax on Proposed Dividend | 41.07 | 40.85 |
| Provision for Excise Duty | <u>55.07</u> | <u>110.66</u> |
| | 343.28 | 393.35 |
| TOTAL | <u>592.94</u> | <u>759.64</u> |

12.1 The Company had recognised liability based on substantial degree of estimation for excise duty payable on the clearance of goods lying in stock as on 31st March, 2012 of ₹ 110.66 Lacs as per the estimated pattern of dispatches. During the year, ₹ 110.66 Lacs was utilised for clearance of goods. Liability recognised under this class for the year is ₹ **55.07 Lacs**, which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 13 - FIXED ASSETS

| Description | GROSS BLOCK | | DEPRECIATION / AMORTISATION | | NET BLOCK | | | |
|---------------------------------|-----------------------------------|--------------------------------------|------------------------------------|-----------------------------------|--------------------------|-----------------------------------|------------------------------------|------------------------------------|
| | As at 1 st April, 2012 | Additions / Deductions / Adjustments | As at 31 st March, 2013 | Upto 31 st March, 2012 | Deductions / Adjustments | Upto 31 st March, 2013 | As at 31 st March, 2013 | As at 31 st March, 2012 |
| TANGIBLE ASSETS | | | | | | | | |
| Leasehold Land | 516.86 | - | 516.86 | 56.63 | 13.45 | 70.08 | 446.78 | 460.23 |
| Owned Land | 2,004.63 | - | 2,004.63 | - | - | - | 2,004.63 | 2,004.63 |
| Buildings | 8,320.11 | 407.85 | 8,720.90 | 2,033.82 | 260.00 | 2,292.35 | 6,428.55 | 6,286.29 |
| Plant and Equipments | 28,959.47 | 2,261.45 | 29,959.19 | 16,958.39 | 1,463.99 | 17,896.00 | 12,063.19 | 12,001.08 |
| Furniture and Fixtures | 268.29 | 6.13 | 274.42 | 157.30 | 11.25 | 168.55 | 105.87 | 110.99 |
| Vehicles | 404.41 | 29.37 | 311.78 | 222.70 | 29.43 | 182.61 | 129.17 | 181.71 |
| Office Equipments | 493.14 | 11.01 | 494.86 | 309.83 | 31.51 | 335.50 | 159.36 | 183.31 |
| TOTAL (A) | 40,966.91 | 2,715.81 | 42,282.64 | 19,738.67 | 1,809.63 | 20,945.09 | 21,337.55 | 21,228.24 |
| INTANGIBLE ASSETS | | | | | | | | |
| Goodwill | 103.76 | 6.48 | 110.24 | 56.57 | 9.05 | 65.62 | 44.62 | 47.19 |
| Software * | 46.93 | - | 46.93 | 13.97 | 9.91 | 23.88 | 23.05 | 32.96 |
| TOTAL (B) | 150.69 | 6.48 | 157.17 | 70.54 | 18.96 | 89.50 | 67.67 | 80.15 |
| TOTAL (A)+(B) | 41,117.60 | 2,722.29 | 42,439.81 | 19,809.21 | 1,828.59 | 21,034.59 | 21,405.22 | 21,308.39 |
| Previous Year | 40,057.93 | 1,807.15 | 41,117.60 | 18,456.34 | 1,789.78 | 19,809.21 | 21,308.39 | - |
| CAPITAL WORK IN PROGRESS | | | | | | | 724.14 | 1,222.38 |

* Other than internally generated

13.1 Building includes ₹ 0.01 Lacs (Previous Year ₹ 0.01 Lacs) being the cost of shares in Co operative Housing Societies towards ownership of residential flats.

13.2 Capital Work-in-Progress includes ₹ 5.65 Lacs (Previous year ₹ 0.07 Lacs) on account of cost of construction Material at site.

13.3 Gross Block of Plant and Equipments includes ₹ 64.68 Lacs (Previous year ₹ 64.68 Lacs) and ₹ 33.56 Lacs (Previous Year ₹ 33.56 Lacs) being the amount spent for laying Power Line and Water Pipe Line respectively, the ownership of which vests with the respective Government Authorities.

13.4 Addition to Gross block are inclusive of gain ₹ 6.91 Lacs (Previous year ₹ 43.95 Lacs) and depreciation are inclusive of loss of ₹ 4.03 Lacs (Previous Year ₹ 37.22 Lacs) on account of translation of fixed assets and depreciation to date respectively of foreign subsidiary. The effect of which is considered in foreign currency translation reserve.

13.5 In accordance with the Accounting Standard (AS) 28 on "Impairment of Assets" as notified by Companies (Accounting Standards) Rules, 2006 the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried by the management there was no impairment loss on Fixed Assets during the year ended 31st March, 2013.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 14 Non Current Investments (Refer Note 1.13.6)

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|---|---|---|--|---|---|
| Long-Term Investments | | | | | |
| Trade Investments | | | | | |
| Associate Companies | | | | | |
| Unquoted Fully Paid-up | | | | | |
| In Equity Instruments | | | | | |
| Searock Developers FZC | 50 | 50 | AED1 | - | - |
| Urban Infrastructure Holdings Pvt. Ltd. | 113,517,714 | 113,517,714 | 10 | 10,942.01 | 10,942.41 |
| In Debentures | | | | | |
| Zero percent Optionally Fully Convertible Debentures of Urban Infrastructure Holdings Pvt. Ltd. | 727,540 | 727,540 | 100 | 727.54 | 727.54 |
| Total (i) | | | | <u>11,669.55</u> | <u>11,669.95</u> |
| Others | | | | | |
| Unquoted Fully Paid-up | | | | | |
| In Equity Instruments | | | | | |
| Greenary Power Generation Pvt. Ltd. (Refer Note 14.3) | - | 1,800 | 10 | - | 0.18 |
| Mumbai SEZ Ltd. | 229,377,346 | 229,377,346 | 10 | 23,522.68 | 23,522.68 |
| Rewas Ports Ltd. | 50,000,000 | 50,000,000 | 10 | 5,000.00 | 5,000.00 |
| Spectra Power Distribution Pvt. Ltd. (Refer Note 14.3) | - | 1,800 | 10 | - | 0.18 |
| Urban Assets Reconstruction Pvt. Ltd. (Refer Note 14.3) | - | 1,800 | 10 | - | 0.18 |
| Urban Telecom Pvt. Ltd. (Refer Note 14.3) | - | 1,800 | 10 | - | 0.18 |
| | | | | <u>28,522.68</u> | <u>28,523.40</u> |
| Less: Provision for Diminution in the value of Investments (Refer Note 14.4) | | | | - | (0.72) |
| Total (ii) | | | | <u>28,522.68</u> | <u>28,522.68</u> |
| In Units | | | | | |
| Urban Infrastructure Opportunities Fund | 7,619.0 | 7,618.6 | 87,500 (Previous Year ₹ 91,500) | 7,590.36 | 7,909.74 |
| Total (iii) | | | | <u>7,590.36</u> | <u>7,909.74</u> |
| Total Trade Investments (a = i+ii+iii) | | | | <u>47,782.59</u> | <u>48,102.37</u> |

2012-13 RESPONSIBLE GROWTH

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|---|---|--|---|---|
| Other than Trade Investments | | | | | |
| Others | | | | | |
| Quoted Fully Paid-up In Equity Instruments | | | | | |
| Ajmera Realty & Infra India Ltd. (Current Year ₹ 135/- and Previous Year ₹ 135/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Akruti City Ltd. | 10 | 10 | 10 | 0.04 | 0.04 |
| Alpine Industries Ltd. (Current Year ₹ 26/- and Previous Year ₹ 26/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Anant Raj Industries Ltd. | 5 | 5 | 2 | 0.01 | 0.01 |
| Ansal Buildwell Ltd. | 100 | 100 | 10 | 0.17 | 0.17 |
| Ansal Housing & Construction Ltd. | 100 | 100 | 10 | 0.35 | 0.35 |
| Ansal Properties & Infrastructure Ltd. (Current Year ₹ 278/- and Previous Year ₹ 278/-) | 1 | 1 | 5 | 0.00 | 0.00 |
| Arihant Foundation & Housing Ltd. (Current Year ₹ 308/- and Previous Year ₹ 308/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Asahi Infrastructure & Projects Ltd. (Current Year ₹ 2/- and Previous Year ₹ 2/-) | 1 | 1 | 1 | 0.00 | 0.00 |
| Ashiana Housing Ltd. (Current Year ₹ 190/- and Previous Year ₹ 190/-) | 3 | 3 | 10 | 0.00 | 0.00 |
| Asian Hotels Ltd. (Current Year ₹ 313/- and Previous Year ₹ 313/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| BL Kashyap & Sons Ltd. (Current Year ₹ 352/- and Previous Year ₹ 352/-) | 10 | 10 | 1 | 0.00 | 0.00 |
| Brigade Enterprises Ltd. (Current Year ₹ 117/- and Previous Year ₹ 117/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| BSEL Infrastructure Realty Ltd. | 10 | 10 | 10 | 0.01 | 0.01 |
| DB Realty Ltd. (Current Year ₹ 419/- and Previous Year ₹ 419/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| D.S.Kulkarni Developers Ltd. | 10 | 10 | 10 | 0.02 | 0.02 |
| Diwan Housing and Finance Ltd. (Current Year ₹ 70/- and Previous Year ₹ 70/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| DLF Ltd | 1 | 1 | 2 | 0.01 | 0.01 |
| DMC International Ltd. (Current Year ₹ 8/- and Previous Year ₹ 8/-) | 1 | 1 | 5 | 0.00 | 0.00 |
| EIH Associated Hotels Ltd. (Current Year ₹ 498/- and Previous Year ₹ 98/-) | 5 | 1 | 10 | 0.00 | 0.00 |
| EIH Ltd. (Current Year ₹ 134/- and Previous Year ₹ 134/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| Eldeco Housing & Industries Ltd. (Current Year ₹ 113/- and Previous Year ₹ 113/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| ERA Infra Engineering Ltd. (Current Year ₹ 362/- and Previous Year ₹ 362/-) | 5 | 5 | 2 | 0.00 | 0.00 |
| Ganesh Housing Corporation Ltd. (Current Year ₹ 420/- and Previous Year ₹ 420/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| GIC Housing Finance Ltd. (Current Year ₹ 54/- and Previous Year ₹ 54/-) | 1 | 1 | 10 | 0.00 | 0.00 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|---|---|---|--|---|---|
| Godrej Properties Ltd. | 1 | 1 | 10 | 0.01 | 0.01 |
| Gravis Hospitality Ltd. (Current Year ₹ 25/- Previous Year ₹ 25/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| Gruh Finance Ltd. (Current Year ₹ 180/- and Previous Year ₹ 180/-) | 5 | 1 | 10 | 0.00 | 0.00 |
| HB Estate Developers Ltd. (Current Year ₹ 32/- and Previous Year ₹ 32/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Hindusthan Construction Company Ltd. | 10 | 10 | 1 | 0.01 | 0.01 |
| Hotel Leela Venture Ltd. (Current Year ₹ 32/- and Previous Year ₹ 32/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| Housing Development & Infrastructure Ltd. | 1 | 1 | 5 | 0.01 | 0.01 |
| Housing Development Finance Corporation Ltd. | 5 | 5 | 2 | 0.03 | 0.03 |
| Indiabulls Real Estate Ltd. | 1 | 1 | 2 | 0.01 | 0.01 |
| Indo-Asian Projects Ltd. (Current Year ₹ 39/- and Previous Year ₹ 39/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| IVRCL Assets & Holdings Ltd. (Current Year ₹ 380/- and Previous Year ₹ 380/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| IVRCL Infrastructure & Project Ltd. (Current Year ₹ 362/- and Previous Year ₹ 362/-) | 2 | 2 | 2 | 0.00 | 0.00 |
| Jaypee Infratech Ltd. (Current Year ₹ 84/- and Previous Year ₹ 84/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Kadamb Constructions Ltd. (Current Year ₹ 38/- and Previous Year ₹ 38/-) | 5 | 5 | 2 | 0.00 | 0.00 |
| Kamnawala Housing Constructions Ltd. (Current Year ₹ 29/- and Previous Year ₹ 29/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Kolte Patil Developers Ltd. (Current Year ₹ 45/- and Previous Year ₹ 45/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| KSL & Industries Ltd. | 11 | 11 | 4 | 0.01 | 0.01 |
| Lanco Infratech Ltd. (Current Year ₹ 294/- and Previous Year ₹ 294/-) | 10 | 10 | 1 | 0.00 | 0.00 |
| Lancor Holdings Ltd. (Current Year ₹ 42/- and Previous Year ₹ 42/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| LIC Housing Finance Ltd. (Current Year ₹ 235/- and Previous Year ₹ 235/-) | 5 | 5 | 2 | 0.00 | 0.00 |
| Lok Housing & Construction Ltd. | 5 | 5 | 10 | 0.01 | 0.01 |
| Mahendra Lifespace Developers Ltd. | 100 | 100 | 10 | 0.89 | 0.89 |
| Marg Ltd. (Current Year ₹ 102/- and Previous Year ₹ 102/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Blue Cost Hotel Ltd. (Previous Year Morpel Hotel Ltd.) (Current Year ₹ 205/- Previous Year ₹ 205/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Narendra Properties Ltd. (Current Year ₹ 23/- and Previous Year ₹ 23/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Nila Infrastructure Ltd. (Current Year ₹ 2/- and Previous Year ₹ 2/-) | 1 | 1 | 1 | 0.00 | 0.00 |
| Nitesh Estates Ltd. (Current Year ₹ 39/- and Previous Year ₹ 39/-) | 1 | 1 | 10 | 0.00 | 0.00 |

2012-13 RESPONSIBLE GROWTH

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|---|---|---|--|---|---|
| Oberoi Realty Ltd. (Current Year ₹ 238/- Previous Year ₹ 238/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Omaxe Ltd. | 450 | 450 | 10 | 1.40 | 1.40 |
| Orbit Corporation Ltd. | 10 | 10 | 10 | 0.01 | 0.01 |
| Pantaloon Retail (India) Ltd. (Current Year ₹ 452/- and Previous Year ₹ 452/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| Parsvnath Developers Ltd. | 200 | 200 | 5 | 0.47 | 0.47 |
| Peninsula Land Ltd. | 10 | 10 | 2 | 0.01 | 0.01 |
| Prajay Engineers Syndicate Ltd. | 5 | 5 | 10 | 0.01 | 0.01 |
| Prestige Ltd. (Current Year ₹ 130/- Previous Year ₹ 130/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Prime Property Development Corp. Ltd. (Current Year ₹ 113/- and Previous Year ₹ 113/-) | 1 | 1 | 5 | 0.00 | 0.00 |
| Provogue (India) Ltd. (Current Year ₹ 244/- and Previous Year ₹ 488/-) | 5 | 5 | 1 | 0.00 | 0.00 |
| Purvankara Projects Ltd. (Current Year ₹ 375/- and Previous Year ₹ 375/-) | 1 | 1 | 5 | 0.00 | 0.00 |
| Radhe Developers (India) Ltd. (Current Year ₹ 157/- and Previous Year ₹ 157/-) | 10 | 100 | 10 | 0.00 | 0.00 |
| Prozone Capital Shopping Centres Ltd (Current Year ₹ 244/-) | 5 | - | 2 | 0.00 | - |
| Rainbow Foundations Ltd. (Current Year ₹ 10/- and Previous Year ₹ 10/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Rajeswari Foundations Ltd. (Current Year ₹ 16/- and Previous Year ₹ 16/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Regalia Realty Ltd. (Current Year ₹ 8/- and Previous Year ₹ 8/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Reliance Industries Ltd. | 3,522,000 | 3,522,000 | 10 | 47,747.75 | 47,747.75 |
| SAAG RR Infra Ltd. (Current Year ₹ 22/- and Previous Year ₹ 22/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Shopper's Stop Ltd. | 2 | 2 | 5 | 0.01 | 0.01 |
| Simplex Realty Ltd. (Current Year ₹ 164/- and Previous Year ₹ 164/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Sobha Developers Ltd. | 10 | 10 | 10 | 0.08 | 0.08 |
| Sunteck Realty Ltd. | 5 | 5 | 2 | 0.02 | 0.02 |
| Taj GVK Hotels & Resorts Ltd. (Current Year ₹ 80/- and Previous Year ₹ 80/-) | 1 | 1 | 2 | 0.00 | 0.00 |
| The Phoenix Mills Ltd. | 5 | 5 | 2 | 0.02 | 0.02 |
| The Ruby Mills Ltd. | 2 | 1 | 5 | 0.01 | 0.01 |
| | | | (Previous Year ₹ 10) | | |
| Trent Ltd. | 1 | 1 | 10 | 0.01 | 0.01 |
| Tribhuvan Housing Ltd. (Current Year ₹ 14/- and Previous Year ₹ 14/-) | 5 | 5 | 1 | 0.00 | 0.00 |
| Unitech Ltd. | 200 | 200 | 2 | 0.49 | 0.49 |
| Vijay Shanti Builders Ltd. (Current Year ₹ 27/- and Previous Year ₹ 27/-) | 1 | 1 | 10 | 0.00 | 0.00 |
| Vipul Ltd. | 10 | 10 | 1 | 0.01 | 0.01 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|---|---|--|---|---|
| Unquoted Fully Paid-up | | | | | |
| Earnest Towers Pvt. Ltd. | 1,812,794 | 465,154 | 10 | 913.73 | 241.51 |
| Goldbricks Infrastructure Pvt. Ltd. | 887,700 | 980,000 | 10 | 262.69 | 290.00 |
| Neelkanth Realty Pvt. Ltd. (Refer Note 14.1) | 213,333 | 213,333 | 10 | 77.33 | 77.33 |
| Neelkanth Rice Lands Pvt. Ltd. | 80,000 | 80,000 | 10 | 8.00 | 8.00 |
| Nirmal Infrastructure Pvt. Ltd. | 100,000 | 100,000 | 10 | 10.00 | 10.00 |
| Ozone Projects Pvt. Ltd. | 957,133 | 957,133 | 10 | 463.92 | 463.91 |
| Ozone Urbana Infra Developers Pvt. Ltd. | 11 | 11 | 10 | 0.06 | 0.06 |
| Sterling Urban Infraprojects Pvt. Ltd. | 4,400,000 | 4,400,000 | 10 | 440.00 | 440.00 |
| Sun Infrastructures Pvt. Ltd. | 28,298 | 28,298 | 10 | 2.83 | 2.83 |
| Supernal Realtors Pvt. Ltd. | 26,667 | 26,667 | 10 | 2.67 | 2.67 |
| Vengas Realtors Pvt. Ltd. | 26,667 | 26,667 | 10 | 2.67 | 2.67 |
| Prestige Garden Estates Pvt. Ltd. | 8,007 | 8,007 | 10 | 0.80 | 0.80 |
| Unquoted Partly Paid-up | | | | | |
| Nilayami Realtors Pvt. Ltd. (Partly Paid ₹ 5/- each) | 106,000 | 106,000 | 10 | 5.30 | 5.30 |
| | | | | 49,941.89 | 49,296.93 |
| Less: Provision for Diminution in the value of Investments (Refer Note 14.4) | | | | (8.06) | (8.06) |
| Total (i) | | | | <u>49,933.83</u> | <u>49,288.87</u> |
| Unquoted Fully Paid-up | | | | | |
| In Preference Shares | | | | | |
| 0.01% Compulsorily Convertible Preference Shares of Earnest Towers Pvt. Ltd. | | | | | |
| | - | 1,742,504 | 10 | - | 871.25 |
| Total (ii) | | | | <u>-</u> | <u>871.25</u> |
| Unquoted Fully Paid-up | | | | | |
| In Debentures | | | | | |
| Zero Percent Fully Compulsorily Convertible Debentures of: | | | | | |
| Neelkanth Realty Pvt. Ltd. (Refer Note 14.1) | | | | | |
| | 33,600 | 33,600 | 100 | 33.60 | 33.60 |
| Neelkanth Rice Lands Pvt. Ltd. | 11,200 | 11,200 | 1000 | 112.00 | 112.00 |
| Nirmal Infrastructure Pvt. Ltd. | 9,000 | 9,000 | 1000 | 90.00 | 90.00 |
| Supernal Realtors Pvt. Ltd. | 18,721 | 18,721 | 1000 | 187.21 | 187.21 |
| Vengal Realtors Pvt. Ltd. | 26,733 | 26,733 | 1000 | 267.33 | 267.33 |
| 14% Fully Compulsorily Convertible Debentures of: | | | | | |
| Ozone Propex Pvt. Ltd. | 5,400,000 | 5,400,000 | 100 | 5,400.00 | 5,400.00 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos) | As at 31 st March, 2012 Quantity (Nos) | Face Value (₹ unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|---|---|--|---|---|
| 14.75% Fully Compulsorily Convertible Debentures of: | | | | | |
| Ozone Urbana Infra Developers Pvt. Ltd. | 386,101 | 386,101 | 518 | 2,000.00 | 2,000.00 |
| Unquoted Partly Paid-up Zero Percent Fully Compulsorily Convertible Debentures: | | | | | |
| Nilayami Realtors Pvt. Ltd. (Partly Paid ₹ 10/- each) | 8,480 | 8,480 | 1000 | 0.85 | 0.85 |
| | | | | <u>8,090.99</u> | <u>8,090.99</u> |
| Less: Provision for Diminution in the value of Investments (Refer Note 14.4) | | | | <u>(454.54)</u> | <u>(454.54)</u> |
| Total (iii) | | | | <u>7,636.45</u> | <u>7,636.45</u> |
| Unquoted Fully Paid-up In Units | | | | | |
| HDFC India Real Estate Fund | 37,901 | 40,594 | 1000 | 379.03 | 405.95 |
| Urban Infrastructure Venture Capital Fund - Class B | 20,000 | 20,000 | 100 | 20.00 | 20.00 |
| Urban Infrastructure Opportunities Fund | 110 | 110 | 87,500 (Previous Year ₹ 91,500) | 101.75 | 106.15 |
| IN OTHERS | | | | | |
| Investment in Agriculture Land | | | | 0.31 | 0.31 |
| Investment in Land | | | | 4,669.88 | 4,476.54 |
| Total (iv) | | | | <u>5,170.97</u> | <u>5,008.95</u> |
| Total Other than Trade Investments (b=i+ii+iii+iv) | | | | <u>62,741.25</u> | <u>62,805.52</u> |
| Total Non - Current Investments [c= a+b] | | | | <u>110,523.84</u> | <u>110,907.89</u> |

14.1 Original Share / Debenture Certificates have been misplaced and steps are being taken to obtain Duplicate Certificates.

14.2 In opinion of the management, diminution in the value of long term investment, except as provided, is temporary in nature, hence no provision has been considered necessary.

14.3 Equity Shares of Greenary Power Generation Pvt. Ltd., Spectra Power Distribution Pvt. Ltd., Urban Telecom Pvt. Ltd. And Urban Assets Reconstruction Pvt. Ltd. ₹ 0.72 Lacs (Previous Year ₹ Nil) have been written off during the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

14.4 The details of the provision for diminution in the value of non-current investments is as under

| Name of the Company | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| In Equity Shares | | |
| Greenary Power Generation Pvt. Ltd. | - | 0.18 |
| Spectra Power Distribution Pvt. Ltd. | - | 0.18 |
| Supernal Realtors Pvt. Ltd. | 2.67 | 2.67 |
| Urban Assets Reconstructions Pvt. Ltd. | - | 0.18 |
| Urban Telecom Pvt. Ltd. | - | 0.18 |
| Vengas Realtors Pvt. Ltd. | 2.67 | 2.67 |
| Others in Quoted Equity Shares | 2.72 | 2.72 |
| In Debentures | | |
| Supernal Realtors Pvt. Ltd. | 187.21 | 187.21 |
| Vengas Realtors Pvt. Ltd. | 267.33 | 267.33 |
| | <u>462.60</u> | <u>463.32</u> |

14.5 Aggregate Value of Non-current Investments

| | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|----------------------|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| | Book Value (₹ in Lacs) | Market value (₹ in Lacs) | Book Value (₹ in Lacs) | Market value (₹ in Lacs) |
| | Quoted Investments | 47,749.22 | 27,251.22 | 47,749.22 |
| Unquoted Investments | 62,774.62 | - | 63,158.67 | - |
| | <u>110,523.84</u> | <u>27,251.22</u> | <u>110,907.89</u> | <u>26,354.88</u> |

Note 15 - Deferred Tax Assets

| Name of the Company | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 8.04 | - |
| Deferred Tax Assets | | |
| Disallowance Under the Income-tax Act, 1961 | 50.15 | - |
| Others | 5.82 | 5.48 |
| TOTAL | <u>47.93</u> | <u>5.48</u> |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 16 - Long - Term Loans and Advances

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Capital Advances | 158.79 | 555.89 |
| Security Deposits | 142.80 | 167.70 |
| Advance Income-tax (net) | 4,202.81 | 2,353.96 |
| Loans and Advances to Related Parties (Refer Note 34) | | |
| Inter-corporate Deposits | 8,514.37 | 8,008.29 |
| Other Receivables | 1.00 | 69.80 |
| Staff Advances | 55.42 | 96.62 |
| TOTAL | 13,075.19 | 11,252.26 |

Note 17 - Other Non - Current Assets

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Interest Accrued on Investments | 618.61 | 290.83 |
| Income Receivable from Venture Capital Fund (Refer Note No. 25.1) | 226.46 | - |
| Fixed Deposits with Banks having More than 12 months Maturity | 284.61 | 268.32 |
| TOTAL | 1,129.68 | 559.15 |

17.1 Fixed Deposits with Banks having more than 12 Months Maturity include:

| | | |
|---|--------|--------|
| Amount held as Deposit with Electricity Department and Sales-tax Department | 284.61 | 268.32 |
|---|--------|--------|

Note 18 Current Investments (Refer Note 1.13.6)

| Particulars | As at 31 st March, 2013 | As at 31 st March, 2012 | Face Value (₹ Unless otherwise stated) | As at 31 st March, 2013 | As at 31 st March, 2012 |
|--|--|--|--|--|--|
| | Quantity (Nos.) | Quantity (Nos.) | | (₹ in Lacs) | (₹ in Lacs) |
| In Equity Instruments | | | | | |
| Quoted Fully Paid-up | | | | | |
| Others | | | | | |
| Ansal Properties & Infrastructure Ltd. | 762,608 | 762,608 | 5 | 168.92 | 268.44 |
| Bajaj Finserve Ltd. | 4,500 | 4,500 | 5 | 27.53 | 27.15 |
| Bajaj Holdings & Investment Ltd. | 4,500 | 4,500 | 10 | 41.05 | 36.68 |
| Bombay Dyeing & Mfg.Co. Ltd. | 176,000 | 35,200 | 2 | 154.79 | 204.23 |
| | | | (Previous Year ₹ 10) | | |
| Cinemax Exhibition India Ltd. | 15 | - | 10 | 0.01 | - |
| Cinemax Properties Ltd. | 7,815 | - | 5 | 0.80 | - |
| Cinemax India Ltd. | - | 7,815 | 10 | - | 2.63 |
| Electrotherm (India) Ltd. | 2,500 | 2,500 | 10 | 0.51 | 1.57 |
| Essar Shipping Ltd. | 14,498 | 14,498 | 10 | 2.49 | 3.90 |
| Essar Ports Ltd. | 28,996 | 28,996 | 10 | 5.98 | 5.98 |
| The Indian Hotels Company Ltd. | 194,532 | 194,532 | 1 | 104.17 | 123.92 |
| Tata Communication Ltd. | 58,700 | 58,700 | 10 | 137.33 | 132.60 |
| Total (i) | | | | 643.58 | 807.10 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at 31 st March, 2013 Quantity (Nos.) | As at 31 st March, 2012 Quantity (Nos.) | Face Value (₹ Unless otherwise stated) | As at 31 st March, 2013 (₹ in Lacs) | As at 31 st March, 2012 (₹ in Lacs) |
|--|--|--|--|---|---|
| In Corporate Bonds | | | | | |
| Quoted Fully Paid-up | | | | | |
| Others | | | | | |
| 8.8 % Power Grid Corporation Ltd. | 40 | 40 | 1,250,000 | 503.46 | 505.76 |
| 8.65% Rural Electrification Corporation Ltd. | 50 | 50 | 1,000,000 | 473.47 | 473.47 |
| 11.25% Power Finance Corporation Ltd. | 150 | 150 | 1,000,000 | 1,623.87 | 1,645.73 |
| 9.5% Mercator Lines Ltd. | - | 100 | 1,000,000 | - | 1,000.00 |
| 11.50% Shriram Transport Finance Ltd. | 1,000 | 1,000 | 100,000 | 1,011.89 | 1,019.59 |
| 10.50% Srei Equipment Finance Pvt. Ltd. | - | 1,000 | 100,000 | - | 1,008.84 |
| In Debentures | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Redeemable Optionally Fully Convertible Debentures of Sun Infrastructures Pvt. Ltd. Series - A | 151,000 | 151,000 | 1,000 | 1,510.00 | 1,510.00 |
| In Debentures | | | | | |
| Unquoted Partly Paid-up | | | | | |
| Others | | | | | |
| Redeemable Optionally Fully Convertible Debentures of Sun Infrastructures Pvt. Ltd. Series - B (Partly paid up ₹ 586/- each) | 23,500 | 23,500 | 1000 | 137.71 | 137.71 |
| Total (ii) | | | | <u>5,260.40</u> | <u>7,301.10</u> |
| In Commercial Papers & Certificate of Deposits | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Commercial Papers | | | | | |
| Aditya Birla Finance Ltd. 86D 26 th April, 2012 | - | 500 | 500,000 | - | 2,441.05 |
| Aditya Birla Finance Ltd. 364D 03 rd May, 2012 | - | 500 | 500,000 | - | 2,412.11 |
| IL & FS Financial Services Ltd. 120D 18 th May, 2012 | - | 500 | 500,000 | - | 2,419.66 |
| Morgan Stanley India Capital Pvt. Ltd. 141D 21 st May, 2012 | - | 500 | 500,000 | - | 2,398.98 |
| Tata Capital Ltd. 91D 14 th May, 2012 | - | 500 | 500,000 | - | 2,436.70 |
| Tata Motor Finance Ltd. 128D 30 th May, 2012 | - | 500 | 500,000 | - | 2,414.48 |
| Certificate of Deposits | | | | | |
| Dhanlakhmi Bank Ltd 04 th May, 2012 | - | 2,500 | 100,000 | - | 2,438.56 |
| Total (iii) | | | | <u>-</u> | <u>16,961.54</u> |
| In Mutual Funds | | | | | |
| Unquoted Fully Paid-up | | | | | |
| Others | | | | | |
| Birla Cash Plus Retail - Daily Dividend | - | 23,994 | 10 | - | 39.28 |
| Birla Sunlife Cash Plus - Regular - Daily Dividend | 45,439 | - | 100 | 45.53 | - |
| Birla Sun Life Floating Rate Fund Short Term Plan | 1,828,660 | 210,868 | 100 | 2,802.20 | 300.00 |
| Birla Sunlife Short-Term Opp. Fund-Retail Growth | - | 199,429 | 10 | - | 30.77 |
| Daiwa Liquid Fund - Institutional Plan - Daily Dividend | - | 11,621 | 1,000 | - | 116.27 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | As at | As at | Face Value (₹ Unless otherwise stated) | As at | As at |
|--|------------------------------|------------------------------|---|------------------------------|------------------------------|
| | 31 st March, 2013 | 31 st March, 2012 | | 31 st March, 2013 | 31 st March, 2012 |
| | Quantity (Nos.) | Quantity (Nos.) | | (₹ in Lacs) | (₹ in Lacs) |
| Daiwa Liquid Fund - Regular Plan - Daily Dividend Option | 13,634 | - | 1,000 | 136.42 | - |
| ICICI Prudential Liquid Plan | - | 84,396 | 100 | - | 84.41 |
| SBI Magnum Insta Cash Liquid Floater Plan | - | 109,462 | 1,000 | - | 1,987.15 |
| Total (iv) | | | | 2,984.15 | 2,557.88 |
| In Others | | | | | |
| Pass Through Certificate (PTC) Issued by Pioneer Trust 2010. | - | 250 | 1,000,000 | - | 2,500.00 |
| Total (v) | | | | - | 2,500.00 |
| Total Current Investments (i+ii+iii+iv+v) | | | | 8,888.13 | 30,127.62 |

18.1 The aggregate amount of provision for diminution in value of current investment is ₹ **877.98 Lacs** (Previous Year ₹ 720.36 Lacs).

18.2 Aggregate Value of Non-current Investments

| Particulars | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|----------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | Book Value | Market Value | Book Value | Market Value |
| | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs) | (₹ in Lacs) |
| Quoted Investments | 4,256.27 | 4,338.71 | 6,460.49 | 6,478.79 |
| Unquoted Investments | 4,631.86 | - | 23,667.13 | - |
| | 8,888.13 | 4,338.71 | 30,127.62 | 6,478.79 |

Note 19 - Inventories

| Particulars | (₹ in Lacs) | | | |
|--------------------------|------------------------------------|------------------|------------------------------------|------------------|
| | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
| Raw Materials | | | | |
| Goods-in-Transit | - | | 235.81 | |
| Others | 3,352.57 | 3,352.57 | 2,442.95 | 2,678.76 |
| Work-in-Progress | | 10,362.55 | | 10,620.32 |
| Finished Goods | | | | |
| Goods-in-Transit | 41.15 | | 83.28 | |
| Others | 2,296.29 | 2,337.44 | 2,690.29 | 2,773.57 |
| Stores and Spares | | | | |
| Goods-in-Transit | 11.72 | | - | |
| Others | 866.44 | 878.16 | 883.66 | 883.66 |
| Scrap | | 48.66 | | 89.93 |
| TOTAL | | 16,979.38 | | 17,046.24 |

19.1 Work in Progress includes Land of ₹ **2,277.21 Lacs** (Previous Year ₹ 2,497.20 Lacs) pending execution conveyance / sale deed.

19.2 Refer Note 1.13.7 for mode of valuation of Inventories.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 20 - Trade Receivables

| Particulars | (₹ in Lacs) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unsecured, Considered Good : | | |
| Debts due for a period exceeding six months | 197.36 | 320.61 |
| Other Debts | 10,663.44 | 10,890.55 |
| TOTAL | 10,860.80 | 11,211.16 |

Note 21 - Cash and Bank Balances

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Cash and Cash Equivalents | | |
| Balance with Banks in Current Accounts | 456.14 | 849.92 |
| Cheques, Drafts in Hand | - | 5.55 |
| Cash on Hand | 1.55 | 1.90 |
| Other Bank Balances | | |
| Unpaid Dividend Accounts | 23.70 | 17.42 |
| Fixed Deposits with Banks having more than 3 Months Maturity | 1,192.40 | 965.61 |
| TOTAL | 1,673.79 | 1,840.40 |

21.1 Fixed Deposits with Banks having more than 3 Months Maturity include:

| | | |
|---|--------|--------|
| Amount Pledged against Bank Overdraft Facility | 300.00 | 300.00 |
| Amount held as Deposit with Electricity Department and Sales-tax Department | 20.25 | 49.29 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 22 - Short - Term Loans and Advances

| Particulars | (₹ in Lacs) | | | |
|--|---------------------------------------|------------------|---------------------------------------|------------------|
| | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
| Unsecured, Considered Good : | | | | |
| Loans and Advances to Related Parties (Refer Note 34) | | | | |
| Share Application Money | 8,522.71 | | 8,522.71 | |
| Advance Towards Purchase of Land / Development Rights | 950.95 | | 950.95 | |
| Other Receivables | 394.14 | 9,867.80 | 220.62 | 9,694.28 |
| Other | | | | |
| Inter-Corporate Deposits | 16,960.50 | | 13,616.72 | |
| Share Application Money | 885.65 | | 993.07 | |
| Interest Receivable | 3,664.01 | | 3,493.20 | |
| Balance with Customs & Excise Authorities | 662.98 | | 530.34 | |
| Advance Towards Purchase of Land / Development Rights | 12,365.70 | | 12,078.37 | |
| Other Advances | 4,045.20 | 38,584.04 | 1,353.43 | 32,065.13 |
| Unsecured and Considered Doubtful | | | | |
| Advance to Sundry Creditors | 3.91 | | 3.91 | |
| Less: Provision for Doubtful Advances | (3.91) | - | (3.91) | - |
| TOTAL | | 48,451.84 | | 41,759.41 |

22.1 Other Advances includes Insurance Claim Receivables, Advance to Suppliers, Security Deposits, VAT Receivables etc.

22.2 Inter-Corporate Deposit, interest receivables and advances towards Purchase of Land / Development Rights aggregating to ₹ 16,828.06 Lacs (Previous Year ₹ 16,887.16 Lacs) are subject to confirmation, though management is confident of recovery.

22.3 Inter-Corporate Deposit of ₹ 5,944.00 Lacs, as given by a subsidiary company, alongwith interest receivable on the same amounting to ₹ 2,017.53 Lacs recoverable from Neelkant Devansh Developers Private Limited, Neelkant Kalindi Relators Private Limited, Neelkant Soham Developers Private Limited are overdue. These ICDs were given during the financial year 2009-10 and since then the subsidiary company has neither received the interest nor the repayment of the principal. In order to recover the said dues the subsidiary company has filed winding up petitions Under Sections 433, 434 and 435 of the Companies Act, 1956 against each of the defaulting companies. In view of the pending petitions and following the principle of prudence, the subsidiary company has decided not to recognize the interest on the overdue same for the year ended 31st March, 2013 and to account the same as and when realised or the matter is settled. However, in view of the value of the assets and commitment from the promoters of those defaulting companies, the subsidiary company is of the view that the entire outstanding amount is recoverable and no provision for doubtful advance is necessary.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 23 - Other Current Assets

| Particulars | (₹ in Lacs) | |
|---------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Unbilled Revenue | 329.18 | 253.26 |
| Interest Accrued on Investments | 1,274.17 | 807.13 |
| Fixed Assets Held for Disposal | 21.84 | 21.84 |
| Export Incentive Receivable | 45.34 | 64.71 |
| TOTAL | 1,670.53 | 1,146.94 |

Note 24 - Gross Revenues from Operations

| Particulars | (₹ in Lacs) | |
|--------------------------------------|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Sale of Products | | |
| Finished Goods | 64,891.26 | 60,908.95 |
| Traded Goods | 21.26 | 2,594.04 |
| Sale of Services | 9,352.62 | 8,726.97 |
| Other Operating Revenue | 181.52 | 93.09 |
| Gross Revenue from Operations | 74,446.66 | 72,323.05 |

Note 25 - Other Income

| Particulars | (₹ in Lacs) | |
|--|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Interest Income | | |
| From Long-term Investments | 1,144.14 | 755.80 |
| From Current Investments | 1,286.04 | 3,122.46 |
| From Inter-corporate Deposits | 1,842.08 | 2,928.85 |
| From Fixed Deposits | 112.31 | 92.70 |
| From Customers | 104.51 | 131.05 |
| From Others | 8.63 | 6.07 |
| Dividend Income | | |
| From Long-term Investments | 299.38 | 319.11 |
| From Current Investments | 18.07 | 30.00 |
| Profit on Sale of Investments (Net) | | |
| From Long-term Investments | 127.90 | 1,149.62 |
| From Current Investments | 822.28 | 2,721.03 |
| Income from Long-term Investments (Refer Note 25.1) | 535.62 | - |
| Rent Income | 0.12 | 101.54 |
| Profit on sale of Fixed Assets (Net) | - | 335.46 |
| Net Gain on Foreign Currency Transaction and Translation | 160.91 | 259.31 |
| Miscellaneous Income | 106.44 | 160.32 |
| TOTAL | 6,568.43 | 12,113.32 |

25.1 Income from Long-term Investments includes Company's share in the accrued income of Venture Capital Fund from Venture Capital Undertakings (VCUs) amounting to ₹ 226.46 Lacs for the year ended 31st March, 2013 which is taxable in the hand of the Company under section 115 E of the Income-tax Act, 1961 and the same is outstanding. The income is recognised based on the certificate received from such Venture Capital Fund.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 26 - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

| Particulars | (₹ in Lacs) | |
|--|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| At the end of the Year | | |
| Finished Goods | 2,337.44 | 2,773.57 |
| Work-in-Progress | 10,362.55 | 10,620.32 |
| Scrap | 48.66 | 89.93 |
| | 12,748.65 | 13,483.82 |
| Loss Due to Fire | | |
| Finished Goods | 279.54 | - |
| Work-in-Progress | 561.14 | - |
| Scrap | 6.41 | - |
| | 847.09 | - |
| At the beginning of the Year | | |
| Finished Goods | 2,773.57 | 3,016.15 |
| Work-in-Progress | 10,620.32 | 11,177.00 |
| Scrap | 89.93 | 90.85 |
| | 13,483.82 | 14,284.00 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | (111.92) | 800.18 |

Note 27 - Employee Benefits Expense

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Salaries, Wages and Perquisites | 5,850.20 | 5,767.18 |
| Contribution to Provident, Gratuity and other Funds | 204.54 | 346.93 |
| Staff Welfare Expenses | 115.27 | 112.71 |
| TOTAL | 6,170.01 | 6,226.82 |

Note 28 - Finance Costs

| Particulars | (₹ in Lacs) | |
|----------------------|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Interest Expenses | 287.20 | 263.36 |
| Other Borrowing Cost | 3.60 | 6.00 |
| TOTAL | 290.80 | 269.36 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 29 - Other Expenses

| Particulars | (₹ in Lacs) | |
|---|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Land Development Expenses | 14.18 | 15.86 |
| Manufacturing Expenses | | |
| Stores, Spare parts and Packing Materials Consumed | 2,614.06 | 2,499.29 |
| Power and Fuel | 4,692.04 | 4,125.94 |
| Job Work Charges | 101.08 | 29.86 |
| Excise Duty (Refer Note 35) | (55.59) | 10.51 |
| Repairs to Machinery | 143.75 | 75.80 |
| Repairs to Buildings | 92.48 | 61.98 |
| Selling and Distribution Expenses | | |
| Advertisement, Publicity and Sales Promotion Expenses | 42.28 | 30.52 |
| Brokerage, Discount and Commission | 222.24 | 262.90 |
| Freight Outward, Handling charges and Octroi (Net) | 586.36 | 506.24 |
| Payment to Auditors (Refer Note 29.1) | 156.20 | 100.25 |
| Administrative and General Expenses | | |
| Rent | 216.08 | 216.37 |
| Rates and Taxes | 61.23 | 58.87 |
| Repairs & Maintenance - Others | 42.35 | 30.92 |
| Insurance | 74.71 | 61.51 |
| Legal, Professional and Consultancy Charges | 458.63 | 587.02 |
| Travelling and Conveyance | 153.61 | 160.81 |
| Provision for Diminution in Value of Investments | 157.62 | 437.70 |
| Directors' Sitting Fees | 7.20 | 7.55 |
| Donations | 51.12 | 12.91 |
| Bank Charges | 21.02 | 36.77 |
| Loss on sale of Fixed assets (Net) | 67.12 | - |
| Loss on sale of Long-Term Investments (Associates) | - | 44.82 |
| Bad Debts | - | 3.91 |
| Sundry Balances Written Off (Net) | 92.44 | 80.60 |
| Wealth Tax | 4.50 | 2.90 |
| Other Expenses | 368.94 | 372.97 |
| TOTAL | 10,385.65 | 9,834.78 |

29.1 Payment to Auditors

| Particulars | (₹ in Lacs) | |
|---------------------------|---|---|
| | For the Year Ended 31 st March, 2013 | For the Year Ended 31 st March, 2012 |
| Audit Fees | 53.54 | 48.59 |
| Tax Audit Fees | 11.00 | 9.00 |
| Certification Charges | 28.22 | 40.37 |
| Tax Matters | 60.00 | - |
| Reimbursement of Expenses | 3.44 | 2.29 |
| | 156.20 | 100.25 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 30 - Earnings Per Equity share

| Particulars | ₹ in Lacs | |
|--|---------------------------------------|---------------------------------------|
| | AS AT 31 st March, 2013 | AS AT 31 st March, 2012 |
| Net Profit for the year (₹ in Lacs) | 10,664.55 | 13,744.79 |
| Adjustment of Prior period items (₹ in Lacs) | - | (0.94) |
| Dividend on Preference Shares and tax thereon (₹ in Lacs) | (0.98) | (1.16) |
| Profit attributable to equity share holders (₹ in Lacs) | 10,663.57 | 13,742.69 |
| Weighted Average Number of equity shares outstanding during the year | 178,449,410 | 178,449,410 |
| Basic and Diluted Earnings Per Share (in ₹) | 5.98 | 7.70 |
| Nominal Value per Share (in ₹) | 1.00 | 1.00 |

Note 31 - Contingent Liabilities and Commitments (To the extent not provided for)

| Particulars | ₹ in Lacs | |
|---|---------------------------------------|---------------------------------------|
| | As At 31 st March, 2013 | As At 31 st March, 2012 |
| (A) Contingent Liabilities | | |
| (a) Claims against the Company not acknowledged as debts | | |
| Disputed Liability in Appeal (No cash outflow is expected in the near future) | | |
| - Income-tax (₹ 1,347.60 Lacs paid under protest) | 5,765.87 | 4,330.34 |
| - Excise Duty / Service Tax (₹ 23.04 Lacs paid under protest) | 221.02 | 135.28 |
| - Railway Claims | 95.83 | 95.83 |
| - MIDC Service Charges | 7.34 | - |
| - Sales Tax (₹ 0.50 Lacs paid under protest) | 26.85 | 26.85 |
| (b) Guarantees | | |
| Bank Guarantees | 18.20 | 15.50 |
| (Bank guarantees are provided under contractual / legal obligations. No cash outflow is probable.) | | |
| (B) Commitments | | |
| (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) | 699.81 | 1,808.64 |
| (b) Uncalled liability on partly paid-up Shares / Debentures | 186.54 | 186.54 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 32 - Employee benefits

As per Accounting Standard-15 'Employee Benefits', the disclosure of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Benefit Plan :

The Employees' Gratuity Fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

| Particulars | Gratuity (Funded) | | Gratuity (Unfunded) | |
|--|-----------------------------|-----------------------------|--|--|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| (₹ in Lacs) | | | | |
| Actuarial assumptions | | | | |
| Mortality Table | LIC (1994-96) (Ultimate) | LIC (1994-96) (Ultimate) | LIC (2006-08) (Ultimate) | LIC (1994-96) (Ultimate) |
| Salary growth | 6% | 6% | 10% for the first 2 year & 6% thereafter | 10% for the first 3 year & 6% thereafter |
| Discount rate | 8% | 8% | 7.95% | 8.50% |
| Movement in present value of defined benefit obligation | | | | |
| Obligation at the beginning of the year | 162.10 | 112.18 | 76.96 | 61.39 |
| Current service cost | 55.24 | 60.52 | 7.69 | 6.69 |
| Interest cost | 12.31 | 8.79 | 6.54 | 4.91 |
| Actuarial (gain) / loss on obligation | (37.03) | (14.83) | (4.39) | 10.04 |
| Benefits paid | (16.41) | (4.56) | (6.40) | (6.07) |
| Obligation at the end of the year | 176.21 | 162.10 | 80.41 | 76.96 |
| Amount recognised in the income statement | | | | |
| Current service cost | 55.24 | 60.52 | 7.69 | 6.69 |
| Interest cost | 12.31 | 8.79 | 6.54 | 4.91 |
| Expected Return on Plan Assets | (4.40) | - | - | - |
| Net actuarial (gains) / losses recognized in the year | (85.31) | (14.83) | (4.39) | 10.04 |
| TOTAL | (22.16) | 54.48 | 9.84 | 21.64 |
| Movement in present value of plan assets | | | | |
| Fair value at the beginning of the year | - | - | - | - |
| Expected Return on Plan Assets | 4.40 | - | - | - |
| Contribution | 126.44 | - | - | - |
| Actuarial gains / (losses) on plan assets | 48.28 | - | - | - |
| Benefits paid | (16.41) | - | - | - |
| Fair value at the end of the year | 162.71 | - | - | - |
| Fair Value of assets | | | | |
| Class of assets | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Life Insurance Corporation of India | 162.71 | - | - | - |
| TOTAL | 162.71 | - | - | - |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Net Liability / (Asset) recognised in the balance sheet

| Amount recognised in the balance sheet | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
|---|--------------|---------------|--------------|--------------|
| Present value of obligations at the end of the year | 176.21 | 162.10 | 80.40 | 76.96 |
| Less: Fair value of plan assets at the end of the year | 162.71 | - | - | - |
| Net liability / (Assets) recognized in the balance sheet | 13.50 | 162.10 | 80.40 | 76.96 |
| - Current | 13.50 | 162.10 | 15.85 | 15.36 |
| - Non Current | - | - | 64.55 | 61.60 |
| | 13.50 | 162.10 | 80.40 | 76.96 |

Amounts for current and previous four years are as follows : (Funded)

| Particulars | (₹ in Lacs) | | | | |
|---|-------------|-----------|-----------|-----------|-----------|
| | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
| Defined Benefit Obligation | 176.21 | 162.10 | 112.18 | 76.66 | 56.22 |
| Plan Assets | 162.71 | - | - | - | - |
| Surplus / (deficit) | (13.50) | - | - | - | - |
| Experience adjustment on plan Assets | (48.28) | - | - | - | - |
| Experience adjustment on plan Liabilities | (37.03) | (14.83) | (9.12) | (15.92) | 2.93 |

Amounts for current and previous four years are as follows :(Unfunded)

| Particulars | (₹ in Lacs) | | | | |
|---|-------------|-----------|-----------|-----------|-----------|
| | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
| Defined Benefit Obligation | 80.40 | 76.96 | 61.39 | 29.43 | 27.89 |
| Plan Assets | - | - | - | - | - |
| Surplus / (deficit) | (80.40) | (76.96) | (61.39) | (29.43) | (27.89) |
| Experience adjustment on plan Assets | - | - | - | - | - |
| Experience adjustment on plan Liabilities | (6.40) | 8.60 | 2.76 | (9.40) | 8.78 |

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply & demand in the employment market. The above information is certified by the actuary.

(b) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

| Particulars | (₹ in Lacs) | |
|--|-------------|---------|
| | 2012-13 | 2011-12 |
| Employer's Contribution to Provident and other Funds | 216.86 | 270.81 |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 33

Segment information as per Accounting Standard – 17 on Segment Reporting for the year ended 31st March, 2013

Information about Primary (Product wise) Segments.

| Particulars | Steel | | Plastic Processing | | Spinning | | Real Estate | | Assets Management | | Other | | Unallocated | | Total | |
|---|-------------|-----------|--------------------|-----------|-----------|-----------|-------------|-----------|-------------------|-----------|-----------|-----------|-------------|------------|------------|--|
| | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | |
| | (₹ in lacs) | | | | | | | | | | | | | | | |
| Segment Revenue | | | | | | | | | | | | | | | | |
| External Turnover | 3,098.07 | 5,181.07 | 53,415.61 | 50,560.95 | 11,440.23 | 9,882.85 | 271.91 | 611.09 | 6,280.10 | 6,124.67 | 8.54 | 8.95 | - | 74,514.46 | 72,369.58 | |
| Inter Segment Turnover | | | 67.80 | 46.53 | | | | | | | | | | | | |
| Gross Turnover | 3,098.07 | 5,181.07 | 53,478.81 | 50,514.42 | 11,440.23 | 9,882.85 | 271.91 | 611.09 | 6,280.10 | 6,124.67 | 8.54 | 8.95 | - | 74,446.66* | 72,323.05* | |
| Less : Excise duty recovered | 3.82 | 85.06 | 4,318.69 | 3,495.71 | 0.94 | 10.07 | | | 580.11 | 480.73 | | | | 4,903.56 | 4,071.57 | |
| Net Turnover | 3,094.25 | 5,096.01 | 49,029.12 | 47,018.71 | 11,439.29 | 9,872.78 | 271.91 | 611.09 | 5,699.99 | 5,643.94 | 8.54 | 8.95 | - | 69,543.10 | 68,251.48 | |
| Results | | | | | | | | | | | | | | | | |
| Segment Results | (92.06) | 113.45 | 5,603.75 | 5,748.94 | 908.59 | (19.52) | 10.30 | 4.24 | 3,900.08 | 3,978.97 | 8.59 | 6.23 | - | 10,339.25 | 9,832.31 | |
| Unallocated Corporate Income (Net) | - | - | - | - | - | - | - | - | - | - | - | - | - | 789.29 | 2,639.82 | |
| Operating Profit / (Loss) | (92.06) | 113.45 | 5,603.75 | 5,748.94 | 908.59 | (19.52) | 10.30 | 4.24 | 3,900.08 | 3,978.97 | 8.59 | 6.23 | - | 789.29 | 2,639.82 | |
| Finance Cost | 0.31 | 1.32 | 28.83 | 1.71 | 17.51 | 63.58 | | | 238.09 | 194.59 | | | 6.06 | 8.16 | 269.36 | |
| Interest / Dividend / Rent Income | 4.53 | 5.41 | 49.40 | 42.74 | 113.76 | 137.93 | | | 971.06 | 1,938.62 | 29.18 | 19.62 | - | 3,647.34 | 4,815.27 | |
| Provision for Income Tax | | | | | | | | | | | | | | | | |
| Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,988.46 | 5,943.43 | |
| Net Profit / (Loss) before adjustments for Minority interest and Associates | (87.84) | 117.54 | 5,624.32 | 5,789.97 | 1,004.84 | 54.83 | 10.30 | 4.24 | 4,633.04 | 5,723.00 | 37.77 | 25.85 | - | (557.88) | 2,031.51 | |
| Other Information | | | | | | | | | | | | | | | | |
| Segment Assets | 3,784.33 | 5,222.36 | 35,013.00 | 31,503.32 | 6,757.18 | 6,741.45 | 42,564.00 | 40,352.71 | 18,688.70 | 15,739.53 | 346.91 | 316.70 | - | 129,132.23 | 149,367.13 | |
| Unallocated Corporate Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | 129,132.23 | 149,367.13 | |
| Total Assets | 3,784.33 | 5,222.36 | 35,013.00 | 31,503.32 | 6,757.18 | 6,741.45 | 42,564.00 | 40,352.71 | 18,688.70 | 15,739.53 | 346.91 | 316.70 | - | 129,132.23 | 149,367.13 | |
| Segment Liabilities | 1,957.46 | 4,292.76 | 1,689.82 | 1,902.84 | 484.55 | 1,034.09 | 1,201.63 | 1,149.00 | 2,546.91 | 2,720.69 | 5.06 | 0.72 | - | 7,885.43 | 11,100.10 | |
| Unallocated Corporate Liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,820.96 | 2,460.41 | |
| Total Liabilities | 1,957.46 | 4,292.76 | 1,689.82 | 1,902.84 | 484.55 | 1,034.09 | 1,201.63 | 1,149.00 | 2,546.91 | 2,720.69 | 5.06 | 0.72 | - | 2,820.96 | 2,460.41 | |
| Capital Expenditure | 14.43 | 208.79 | 1,248.23 | 1,432.70 | 551.05 | 557.32 | (0.37) | 5.36 | 3.61 | | | | 0.96 | 4.15 | 1,820.03 | |
| Depreciation | 124.59 | 173.37 | 1,163.32 | 1,121.61 | 471.18 | 386.23 | 1.68 | 1.68 | 14.89 | 15.66 | | | 48.90 | 54.00 | 1,824.56 | |
| Non - Cash Expenditure | - | - | - | - | - | - | - | - | - | - | - | - | - | 250.06 | 518.30 | |

* Total Gross Turnover is after elimination of inter segment turnover of ₹ 67.80 Lacs (Previous Year ₹ 46.53 Lacs)

33.1 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 following main business segment based on products:
Steel
The Company is processing and trading of CR / GP / GC Coils / Sheets at Steel unit located at Nanded (Maharashtra)

Plastic Processing
The Company is manufacturing Woven sacks / Fabrics Jumbo Bags, HDPE Twine, Master Batch, Staple Fibres and Geotextiles at packaging units which are mainly located at Murbad (Maharashtra), Khadioli, Alhal (Silvassa), Daman and Pritampura (Indore).

Spinning
The Company is manufacturing Spun Yarn at its units located at Vasana, Masat (Silvassa) and Sarigam (Gujarat).

Real Estate
The Real Estate Segment includes development of Land and Buildings.

Assets Management
The Assets Management activity Segment includes Investment Advisory Services.

Others
Others include Trusteeship and Infrastructure Activities, Non Banking Finance Activities of Jai Corp Finance & Holdings Ltd.

Unallocated
whose NBFC licence was cancelled by the RBI on 4th January, 2013.
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 investments & ICDs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

33.2 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.

33.3 Secondary Segment Information (Geographical Segments)

| Particulars | (₹ in Lacs) | |
|---|-------------------|-------------------|
| | 2012-2013 | 2011-2012 |
| 1. Segment Revenue - External Turnover | | |
| - Within India | 73,934.98 | 71,878.85 |
| - Outside India | 511.68 | 444.20 |
| Total Revenue | 74,446.66 | 72,323.05 |
| 2. Segment Assets | | |
| - Within India | 221,999.30 | 235,792.76 |
| - Outside India | 14,287.05 | 13,450.44 |
| Total Assets | 236,286.35 | 249,243.19 |
| 3. Segment Liability | | |
| - Within India | 9,467.73 | 12,381.63 |
| - Outside India | 1,238.66 | 1,178.88 |
| Total Liability | 10,706.39 | 13,560.51 |
| 4. Capital Expenditure | | |
| - Within India | 1,820.03 | 2,206.20 |
| - Outside India | - | - |
| Total Capital Expenditure | 1,820.03 | 2,206.20 |

Note 34 - Related Party Disclosures :

As per the Accounting Standard (AS) 18 on "Related Party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

List of related parties and relationship

(i) Associates :

- (a) Searock Developers FZC.
- (b) Urban Infrastructure Holdings Private Limited
- (c) Urban Infrastructure Venture Capital Fund
- (d) Urban Infrastructure Venture Capital Fund II

(ii) Key Managerial Personnel :

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(iii) Relatives of Key Managerial Personnel :

- (a) Smt. Laxmi Jain Relative of Shri Gaurav Jain, Shri J.K.Jain, Shri Anand Jain and Shri Virendra Jain.
- (b) Smt. Rina Jain Relative of Shri Virendra Jain, Shri J.K.Jain and Shri Anand Jain
- (c) Smt. Sushma Jain Relative of Shri Anand Jain, Shri J.K.Jain and Shri Virendra Jain
- (d) Shri Satyapal Jain Relative of Shri Gaurav Jain, Shri J.K.Jain, Shri Anand Jain and Shri Virendra Jain.

(iv) Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence :

- (a) Poly-Resin Agencies (India) Limited
- (b) Resin Distributors Limited
- (c) TechFab (India) Industries Limited

34.1 Transactions during the year with related parties :

(₹ in Lacs)

| Nature of Transaction | Associates | Key Managerial Personnel | Relatives of Key managerial person | Other Related Parties | Total |
|---|-------------|--------------------------|------------------------------------|-----------------------|-------------|
| | (i) | (ii) | (iii) | (iv) | |
| Preference Share | | | | | |
| Balance as at 31 st March, 2013 | - | - | 83.50 | - | 83.50 |
| | (-) | (-) | (100.00) | (-) | (100.00) |
| Redemption of Preference Shares (Including Securities Premium) | | | | | |
| | - | - | 21,197.75 | - | 21,197.75 |
| | (-) | (-) | (61,993.02) | (-) | (61,993.02) |
| Other Long - Term Liabilities | | | | | |
| Balance as at 31 st March, 2013 | 0.20 | - | - | - | 0.20 |
| | (0.20) | (-) | (-) | (-) | (0.20) |
| Tangible Assets | | | | | |
| Purchased during the year | - | - | - | 32.89 | 32.89 |
| | (-) | (-) | (-) | (-) | (-) |
| Sold during the year | - | - | - | - | - |
| | (-) | (-) | (-) | (13.78) | (13.78) |
| Investments | | | | | |
| Sale during the year | - | - | - | - | - |
| | (-) | (2.80) | (-) | (-) | (2.80) |
| Balance as at 31 st March, 2013 | 11,669.55 | - | - | - | 11,669.55 |
| | (11,669.95) | (-) | (-) | (-) | (11,669.95) |
| Trade Receivable as at 31st March, 2013 | | | | | |
| | - | - | - | 64.78 | 64.78 |
| | (-) | (-) | (-) | (526.21) | (526.21) |
| Loans and Advances | | | | | |
| Given / adjusted during the year | 506.07 | - | - | - | 506.07 |
| | (1,029.65) | (-) | (-) | (-) | (1,029.65) |
| Returned / adjusted during the year | - | - | - | - | - |
| | (2,767.37) | (-) | (-) | (-) | (2,767.37) |
| Balance as at 31 st March, 2013 | | | | | - |
| Current | 8,538.53 | 950.95 | - | 378.32 | 9,867.80 |
| | (8,547.44) | (950.95) | (-) | (195.89) | (9,694.28) |
| Non Current | 8,515.37 | - | - | - | 8,515.37 |
| | (8,009.29) | (-) | (-) | (68.8) | (8,078.09) |

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

(₹ in Lacs)

| Nature of Transaction | Associates (i) | Key Managerial Personnel (ii) | Relatives of Key managerial person (iii) | Other Related Parties (iv) | Total |
|--|-------------------------------|--|--|-------------------------------------|-------------------------------|
| Trade Payable as at 31 st March, 2013 | - (-) | - (-) | - (-) | - (2.62) | - (2.62) |
| Revenue from Operation | 5,144.34 (5,043.11) | - (-) | - (-) | 1,654.45 (1,805.41) | 6,798.79 (6,848.52) |
| Purchase of Goods | - (-) | - (-) | - (-) | 9.11 (3.97) | 9.11 (3.97) |
| Discount on Raw Materials (Deducted from Purchases) | - (-) | - (-) | - (-) | 1,031.76 (1,022.93) | 1,031.76 (1,022.93) |
| Dividend on Preference shares | - (-) | - (-) | 0.83 (1.50) | - (-) | 0.83 (1.50) |
| Expenditure | | | | | |
| Directors' Remuneration and Perks | - (-) | 285.58 (263.60) | - (-) | - (-) | 285.58 (263.60) |
| Directors' Sitting Fee | - (-) | 1.45 (1.45) | - (-) | - (-) | 1.45 (1.45) |
| Job work Charges | - (-) | - (-) | - (-) | 0.62 (1.75) | 0.62 (1.75) |
| Rent | - (-) | 70.35 (70.35) | 120.15 (120.15) | - (-) | 190.50 (190.50) |
| Sundry Balances Written Off | - (-) | - (-) | - (-) | - (7.68) | - (7.68) |
| Reimbursement of the Expenditure | 49.04 (44.46) | - (-) | - (-) | - (-) | 49.04 (44.46) |
| Other Expenses | - (-) | - (-) | - (-) | 0.52 (0.32) | 0.52 (0.32) |

Figures in bracket represent Previous Year's amounts

Note 34.2 - SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

- Preference Share Capital as at 31st March, 2013 include ₹ **27.84 Lacs** (Previous Year ₹ 33.34 Lacs) of Smt. Laxmi Jain, ₹ **27.83 Lacs** (Previous Year ₹ 33.33 Lacs) of Smt. Sushma Jain, ₹ **27.83 Lacs** (Previous Year ₹ 33.33 Lacs) of Smt. Rina Jain.
- Redemption of Preference Share Capital (including Securities Premium) include ₹ **7,065.92 Lacs** (Previous Year ₹ 20,664.34 lacs) to Smt. Laxmi Jain, ₹ **7,065.92 Lacs** (Previous Year ₹ 20,664.34 Lacs) to Smt. Sushma Jain, ₹ **7,065.91 Lacs** (Previous Year ₹ 20,664.34) to Smt. Rina Jain.
- Other Long-term Liabilities include ₹ **0.20 Lacs** (Previous Year ₹ 0.20 Lacs) to Urban Infrastructure Venture Capital Fund.
- Purchase of Tangible Assets include ₹ **32.89 Lacs** (Previous Year ₹ Nil) to TechFab (India) Industries Ltd.
- Sales of Tangible Assets include ₹ **Nil** (Previous Year ₹ 13.78 Lacs) to TechFab (India) Industries Ltd.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

- vi) Investments sold during the year include ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Communication Infrastructure Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Distribution Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Generation Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Energy Transmission Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Infotech Solutions Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Infrastructure Construction Pvt.Ltd. and ₹ **Nil** (Previous Year ₹ 0.40 Lacs) in Urban Water Supply Pvt.Ltd.
- vii) Investments as at 31st March, 2013, include ₹ **11,669.55 Lacs** (Previous Year ₹ 11,669.95 Lacs) in Urban Infrastructure Holdings Pvt.Ltd.
- viii) Trade Receivables as at 31st March, 2013 include ₹ **64.78 Lacs** (Previous Year ₹ 526.21 Lacs) due from TechFab (India) Industries Ltd.
- ix) Loans & Advances given / adjusted include ₹ **506.07 Lacs** (Previous Year ₹ 1,029.65 Lacs) to Searock Developers FZC.
- x) Loans and Advances returned / adjusted include ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Water Supply Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Infrastructure Construction Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Energy Distribution Pvt.Ltd., ₹ **Nil** (Previous Year ₹ 500.00 Lacs) from Urban Energy Generation Pvt.Ltd. ₹ **Nil** (Previous Year ₹ 200.00 Lacs) from Urban Infotech Solutions Pvt. Ltd. ₹ **Nil** (Previous Year ₹ 200.00 Lacs) from Urban Communication Infrastructure Pvt. Ltd. ₹ **Nil** (Previous Year ₹ 200.00 Lacs) from Urban Energy Transmission Pvt. Ltd and ₹ **Nil** (Previous Year ₹ 167.37 Lacs) from Searock Developers FZC.
- xi) Loans and Advances as at 31st March, 2013 include ₹ **378.32 Lacs** (Previous Year ₹ 264.69 Lacs) in Resin Distributors Ltd., ₹ **8,522.71 Lacs** (Previous Year ₹ 8,522.71 Lacs) in Urban Infrastructure Holdings Pvt Ltd. ₹ **15.82 Lacs** (Previous Year ₹ 24.73 Lacs) of Urban Infrastructure Venture Capital Fund, ₹ **724.53 Lacs** (Previous Year ₹ 724.53 Lacs) of Shri V. S. Pandit and ₹ **226.42 Lacs** (Previous Year ₹ 226.42 Lacs) of Shri Bijay Kumar Saraf. ₹ **8,514.37 Lacs** (Previous Year ₹ 8,008.29 Lacs) in Searock Developers FZC, ₹ **1.00 Lacs** (Previous Year ₹ 1.00 Lacs) in Urban Infrastructure Venture Capital Fund - II.
- xii) Trade Payables as at 31st March, 2013 include ₹ **Nil** (Previous Year ₹ 2.62 Lacs) due to TechFab (India) Industries Ltd.
- xiii) Revenue from Operation include ₹ **1,654.45 Lacs** (Previous Year ₹ 1,803.52 Lacs) sold to TechFab (India) Industries Ltd., and ₹ **5,135.80 Lacs** (Previous Year ₹ 5,034.16 Lacs) Investment management Fees received from Urban Infrastructure Venture Capital Fund ₹ **8.54 Lacs** (Previous Year ₹ 8.98 Lacs) Trusteeship fees received from Urban Infrastructure Venture Capital Fund.
- xiv) Purchase of Goods include ₹ **9.11 Lacs** (Previous Year ₹ 3.97 Lacs) from TechFab (India) Industries Ltd.
- xv) Discount on Raw material include ₹ **1,031.76 Lacs** (Previous Year ₹ 1,022.93 Lacs) received from Resin Distributors Ltd.
- xvi) Dividend paid on 1% Non-Cumulative, Non-Participating, Redeemable Preference Shares include ₹ **0.28 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Laxmi Jain, ₹ **0.28 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Sushma Jain and ₹ **0.27 Lacs** (Previous Year ₹ 0.50 Lacs) to Smt. Rina Jain.
- xvii) Directors' remuneration and perquisites include ₹ **28.57 Lacs** (Previous Year ₹ 26.60 Lacs) paid to Shri Gaurav Jain, ₹ **27.60 Lacs** (Previous Year ₹ 24.00 Lacs) paid to Shri V. S. Pandit, ₹ **65.37 Lacs** (Previous Year ₹ 61.92 Lacs) paid to Shri Dilip Shukla, ₹ **164.04 Lacs** (Previous Year ₹ 151.08 Lacs) paid to Shri Parag Parikh.
- xviii) Directors' sitting fees Include ₹ **0.90 Lacs** (Previous Year ₹ 0.85 Lac) paid to Shri Virendra Jain, ₹ **0.20 Lacs** (Previous Year ₹ 0.20 Lacs) paid to Shri J.K. Jain, ₹ **0.15** (Previous Year ₹ 0.20 Lacs) to Shri Gaurav Jain and ₹ **0.20 Lacs** (Previous Year ₹ 0.20 Lacs) paid to Shri Anand Jain.
- xix) Job Work Charges include ₹ **0.62 Lacs** (Previous Year ₹ 1.75 Lacs) paid to TechFab (India) Industries Ltd.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

- xx) Rent Expenditure include ₹ **66.75 Lacs** (Previous Year ₹ 66.75 Lacs) paid to Shri S.P Jain, ₹ **70.35 Lacs** (Previous Year ₹ 70.35 Lacs) paid to Shri Anand Jain and ₹ **53.40** (Previous Year ₹ 53.40 Lacs) paid to Smt. Rina Jain.
- xxi) Sundry Balances Written Off include ₹ **Nil** (Previous Year ₹ 7.68 Lacs) of Resin Distributors Ltd.
- xxii) Reimbursement of Expenses include ₹ **49.04 Lacs** (Previsous Year ₹ 44.46 Lacs) Paid to Urban Infrastructure Venture Capital Fund.
- xxiii) Other Expenses include ₹ **Nil** (Previous Year ₹ 0.02 Lacs) paid to Poly-Resin Agencies (India) Ltd. and ₹ **0.52 Lacs** (Previous Year ₹ 0.12 Lacs) paid to Resin Distributors Ltd., ₹ **Nil** (Previous Year ₹ 0.18 Lacs) paid to TechFab (India) Industries Ltd.,

Note 35 - Excise Duty

| Particulars | (₹ in Lacs) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2013 | As at 31 st March, 2012 |
| Excise duty shown as a reduction from Turnover | 4,323.45 | 3,590.84 |
| Excise duty charged to Statement of Profit and Loss | | |
| Difference between closing & opening stock | (55.59) | 10.51 |

Note 36

Oasis Holding (FZC) a subsidiary of the Company has made payment upto 31st March, 2013 of ₹ **3,832.02 Lacs** (Previous year ₹ 3,832.02 Lacs) (AED 31,564,950) (Previous Year AED 31,564,950) for plot of leasehold land to be utilised for construction of labour camp. The leasehold land is situated in Dubai, UAE. The management is of the opinion that in the present market condition, the fair value of plot of land cannot be reasonably determined and therefore, the impairment amount, if any cannot be reasonably assessed. The purchase of one of the plots was terminated in earlier year and the resulting cancellation charges of ₹ **1,020.96 Lacs** (Previous year ₹ 1,020.96 Lacs) (AED 7,200,000) (Previous Year (AED 7,200,000)) were included in the cost of remaining plot of land.

Note 37

Disclosure of Financial and Derivative instruments

The Company has not entered into any derivative contract during the year and hence outstanding derivative contract is **Nil**

| Particulars | As at 31 st March, 2013 | | As at 31 st March, 2012 | |
|---|---------------------------------------|---------------------|---------------------------------------|---------------------|
| | (₹ in Lacs) | Foreign Exchange | (₹ in Lacs) | Foreign Exchange |
| Unhedged foreign currency exposure is as under : | | | | |
| Receivables | 11,066.72 | USD 20.34 | 10,803.84 | USD 21.12 |
| Payables | 195.46 | USD 0.36 | 12.19 | USD 0.02 |

37.1 USD & AUD are in millions

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

Note 38

There was major fire on 11th October, 2012, at one of the Company's HDPE / PP Woven Sacks Unit located at Daman which resulted in major loss of building, plant & machinery and other assets. The Company has replacement insurance policy and accordingly the cost incurred towards reconditioning of assets have been accounted as insurance claim receivables and disclosed under short-term loans and advances. The loss of profit of the Company is also adequately insured and the claim will be accounted for on receipt basis. The claims are under process.

Note 39

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

Gaurav Jain
Managing Director

V.S. Pandit
Director - Works

R. Koria
Partner

Pramod Jaiswal
Chief Financial Officer

A. Datta
Company Secretary

Place : Mumbai
Date : 8th May, 2013



Jai Corp Limited

Regd. Office: A-3, M.I.D.C. Indl. Area, Nanded - 431 603, Maharashtra

ATTENDANCE SLIP

28th ANNUAL GENERAL MEETING, SEPTEMBER 21, 2013

I, hereby, record my presence at the TWENTY- EIGHTH ANNUAL GENERAL MEETING of the Company at A-3, M.I.D.C. Industrial Area, Nanded - 431 603, Maharashtra on Saturday, the 21st day of September, 2013 at 12:00 noon

Table with 2 columns: D.P. ID, Client ID

Table with 2 columns: Folio No., No. of Shares held

Full name of the Shareholder / Proxy (in block letters)

Signature

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



Jai Corp Limited

Regd. Office: A-3, M.I.D.C. Indl. Area, Nanded - 431 603, Maharashtra

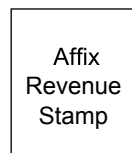
FORM OF PROXY

Table with 2 columns: D.P. ID, Client ID

Table with 2 columns: Folio No., No. of Shares held

I / We of in the district of being a member / members of the above named Company, hereby appoint of in the district of or failing him of in the district of as my / our proxy to vote for me / us on my / our behalf at the TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Company to be held at A-3, M.I.D.C. Indl. Area, Nanded - 431 603, Maharashtra on Saturday, the 21st day of September, 2013 at 12:00 noon and at any adjournment(s) thereof.

Signed this day of 2013



Signature of shareholder _____

- Note: 1. The proxy needs not be a member
2. The Proxy Form duly signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.



Corporate Office:

12 B Mittal Tower, Nariman Point, Mumbai - 400021 India

Tel : +91-22-6115 5300 Fax : +91-22-22875197

Registered Office

A-3, M.I.D.C. Indl. Area, Nanded-431 603, Maharashtra, India

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