



The future of the world lies in the hands that work with Nature.

CORPORATE PHILOSOPHY



Mission

Leave this world better than you found it.

Vision

Establish leadership in whatever we do at home and abroad.

Credo

Serve and strive through strain and stress;
Do our noblest, that's success.

Goal

Achieve continued growth through sustained innovation for total customer satisfaction and fair return to all stakeholders. Meet this objective by producing quality products at optimum cost and marketing them at reasonable prices.

Guiding Principle

Toil and sweat to manage our resources of men, material and money in an integrated, efficient and economic manner. Earn profit, keeping in view commitment to social responsibility and environmental concerns.

Quality Perspective

Make quality a way of life.

Work Culture

Experience : 'Work is life, life is work.'

PROUD MOMENTS...

Nation Honours our Director D. R. Mehta with 'Padma Bhushan' in the social work sector

Citation : Shri Devendra Raj Mehta is the founder and chief patron of Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) Jaipur, set up in 1975. It is now the largest organization for handicapped in the world, providing more than one million handicapped persons with artificial limbs/calipers and other appliances, giving them mobility and dignity.

Born on 25th June 1937, Shri Mehta is an alumnus of Rajasthan University, Jaipur; Royal Institute of Public Administration, London; and Alfred Sloan School of Management M.L.T., Boston, USA. He has evolved an amalgam of social service, value system, management strategy, technical work and financial support for BMVSS. Since its inception, he has been continuously guiding BMVSS. Under his guidance BMVSS has been providing all aids and appliances free of charge to the below poverty line handicapped patients.

Shri Mehta has evolved a special patient-centric management system for BMVSS to ensure fast humane personalized service. BMVSS has an open door policy with the result that any patient can reach its centres anytime and get admission immediately.

BMVSS has held on-the-spot-limb-fitment-camps in 21 countries of Asia, Africa and Latin America. BMVSS has been continuously upgrading its technology. It has a tie up with the Indian Space Research Organization for development of new foot. It is also being supported by Stanford University, MIT etc.

For Shri Mehta's selfless service to the handicapped, he was awarded the prestigious TECH Museum Innovation Award in Silicon Valley in the USA. He also received 'The Indian for Collective Action Award', 'Diwali Behan Award' from Dalai Lama, 'CNBC Award for Social Enterprise' on behalf of BMVSS, and 'Satpal Mittal Award'.



Shri Devendra Raj Mehta, Director of Jain Irrigation Systems Ltd. receiving the 'Padma Bhushan' from the Hon. President of India Smt. Pratibha Devisingh Patil on 5th May 2008 at the Ashoka Hall, Rashtrapati Bhavan, New Delhi.

PROUD MOMENTS...

Nation Honours our Founder Chairman with 'Padma Shri' for services in the science & technology sector — agriculture science and water technology

Citation : Dr. Bhavarlal Hiralal Jain, popularly known as Bhau, is a renowned agri-industrialist who is widely recognized for his pioneering work in propagating micro irrigation in India. He has continually sought for improvement of sustainable agricultural productivity by optimized use and utilization of resources through scientific and technological interventions.

Born on 12th December 1937, Dr. Jain graduated in commerce and law from the University of Bombay. In 1963, he started a small agency for light diesel oil, and later went on to market seeds, fertilizers, pesticides, tractors, farm implements and other agri-inputs. He started his industrial career with an agro-based product, papain. He manufactured and aggressively marketed in rural India innovative, long-lasting PVC pipes which were cost effective and convenient.

Dr. Jain tackled the problem of field distribution losses by ushering in, adapting and upgrading micro irrigation technology. He achieved the goal through numerous educational campaigns and the benefits of micro irrigation were brought home live to the farming community. He evolved an innovative Integrated System Approach to address the problems of the conservative farming community. With the untiring efforts of Dr. Jain, the mere six hundred hectares under micro irrigation in India in 1988 has now swelled to nearly one million hectares. A whole battery of micro irrigation equipment manufacturers has sprung up. India has now become the second largest micro irrigated country in the world, next only to USA.

Dr. Jain's ecological concerns are the very foundation of all his projects. Waste land reclamation, rain water harvesting, watershed development, soil conservation, organic horticulture, bio diesel/fertilizers/pesticides and contract farming figure high in his priorities. Bio-tech, tissue culture, onion dehydration and food processing are some of his hi-tech, research-oriented, long-term, long gestation, high risk investments, generally not undertaken by conventional elite corporates. Dr. Jain has established an agri-research institute and a unique residential public school. He has acquired a global status with manufacturing plants and marketing network in five continents.

Dr. Jain has received numerous awards for his contribution to agriculture/industry, marketing and social marvels. These include "Dealer of the Year" from Zuari Agro, the FIE Foundation Award for "Innovation in Agriculture and Management", Jamnalal Uchit Vyavahar Puraskar, Gandhi-Ambedkar Social Justice Award, and UNESCO-Wes-Net Water Conserver of India Award. The Irrigation Association of USA bestowed on him the Crawford Reid Memorial Award in 1997. The Konkan Krishi Vidyapeeth. and the Maharana Pratap University of Agricultural Technology conferred on him the degree of D.Sc. (Honoris Causa) and the North Maharashtra University, the degree of D.Litt. (Honoris Causa).



Shri Bhavarlal Jain, Founder Chairman of Jain Irrigation Systems Ltd. receiving the 'Padma Shri' from the Hon. President of India Smt. Pratibha Devisingh Patil on 5th May 2008 at the Ashoka Hall, Rashtrapati Bhavan, New Delhi.

PROUD MOMENTS...

Tamil Nadu agricultural university confers the Degree of Doctor of Science (*honoris causa*) on Bhavarlal Jain.

Extraction from Citation : His Excellency the Governor and Chancellor, I deem it an honour to present Mr. Bhavarlal H. Jain, Chairman, Jain Irrigation Systems Ltd, Jalgaon for the award of the Doctor of Science (*Honoris Causa*).

Mr. Jain was born in a family of a small farmer-cum-trader. After graduating in Commerce and Law, he started his business in 1962. True to the family vocation,

a hierarchy of other values evolves. He wants to reach mankind through his work.

Tamil Nadu Agricultural University feels proud to place on record the many achievements of Mr. Bhavarlal H. Jain and is privileged to honour him. In recognition of his contributions, on the recommendations of the Academic Council and Board of Management of this University and with the approval of the Chancellor, His Excellency,



Doctor of Science from Tamil Nadu Agricultural University, Coimbatore - presented by H.H. Shri S.S. Barnala, Governor of T.N., in presence of Shri C. Ramasamy, Vice-Chancellor, TNAU & Shri Virpandi S. Arumugam, Pro-Chancellor, TNAU & Minister of Agriculture, T.N. for outstanding contribution in the field of Agriculture and Micro Irrigation Systems

he identified himself and established his business with the farm and the farmer. He cherished his dream that, 'Agriculture is a profession with a future'. Under his leadership, he started the firm Jain Brothers in 1963 to market agricultural inputs and earned very good reputation.

He believes in the creation of wealth and surpluses as an effective means of contribution to human progress and does not consider creation of surpluses as an end in itself. For him, work is the central value from which

the Governor of Tamil Nadu, I deem it an honour to recommend Mr. Bhavarlal H. Jain for the award of the Doctor of Science (*Honoris Causa*) to which, I pray he may be admitted.

July 25, 2008.
Coimbatore

C. Ramasamy
Vice-Chancellor

PROUD MOMENTS...

MoU signed with Government of Maharashtra for two of the largest mega projects in agri industries; investments worth over Rs. 550 Crore will be made by us in Jalgaon District.



Shri. Aziz Khan, IAS, Principal Secretary (Industries), Govt. of Maharashtra and Shri. Anil Jain, CEO and MD, Jain Irrigation signing the MoU in the presence of Shri. Ashok Chavan, Minister for Industries, GoM, Shri. Vilasrao Deshmukh, Chief Minister, GoM, Shri. Bhavarlal Jain, Founder Chairman, Jain Irrigation and Shri. Suresh Jain, MLA, Jalgaon.

PROUD MOMENTS...

Stamp of approval from different organisations validating our achievements



The 'Number One Export Award' for the year 2005-06 was received by Shri Atul Jain, from Shri Subodh Kant Sahai, Hon'ble Minister of State for Food Processing Industry, Govt. of India.



For good quality work done by Jain Irrigation Tissue Culture Laboratory, it was awarded the 'Rajeev Gandhi National Quality Prize'. The prize was received by Shri K.B. Patil and Shri Anil Patil from Shri Yashwant Bhawe, Secretary, Food and Public Distribution, Govt. of India.



'Indian Exports Excellence Award' instituted by Dun & Bradstreet (D&B) alongwith Export Credit Guarantee Corporation of India Ltd. (ECGC) was received by Shri J. Surendra Babu.



APEDA Certificate was received by Shri V.P. Patil from Shri Kamal Nath, Hon'ble Minister for Commerce & Industries, Govt. of India, in presence of Shri Gopal K. Pillai, Secretary, Ministry of Commerce and Industry, Govt. of India.



The Plex Council Award for the year 2006-07 was received by S/Shri S.M. Bafna, E.J. Mahakal, A.S. Chavale and S.S. Jalamkar of JISL from Shri B.K. Handique, Hon'ble Minister of State for Chemicals and Fertilizers, Govt. of India,

PROUD MOMENTS...

Bhavarlal Jain conferred with the 'Water Conserver of India' award instituted jointly by the UNESCO and West Net for his Yeoman service to the cause of water conservation in India

Citation : Popularly known as **Bade Bhau** - Big Brother or **Bhumiputra** - son of the earth, this man has literally given more than what he took and termed as harbinger of second green revolution. His movement has saved more than Rs. 9000 crores worth of saving through conservation of water & electricity. It was he, who began a movement for creating awareness among farmers

crops or 90,000 crores liters of water per annum. He is none other than

Dr. Bhavarlal Hiralal Jain (b.1937). In 1963, selling kerosene from a pushcart, the young law graduate Bhavarlal Jain, founded the family business in trading. The family formed a partnership with a meager Rs. 7,000 and today that seed capital is spread over 1,000



For model work in Indian rural irrigation and agriculture field by Dr Bhavarlal Jain, UNESCO & Water Digest bestowed on him the 'Water Conserver of India' award. The award was received by Shri RCA Jain, Director, Jain Irrigation, on his behalf, from Smt Minaja Yang, Director of UNESCO for SAARC countries, in the presence of Shri Jaiprakash Yadav, State Minister for Water Conservation Ministry, Govt. of India and Shri David Grey, Chief of Water Experts, World Bank.

and went on organising melas & training camps. Water education was imparted with solutions at farmer's doorstep. From concept to commissioning, a completely scientific drip irrigation method was farmers' best companion. His programme has reached 5 lac farmers and over 10,000 students, researchers, & development officers have learned at his Hi-Tech agri institute. His drip irrigation method saves 45 to 60% of water in various

acre R&D farm with Rs. 1500 crores turnover. India and Indians are proud to have Shri. Jain as the Water Conserver of India.

PROUD MOMENTS...

Our company has been adjudged by Forbes Asia to be the best under a billion in Asia Pacific amongst 24,155 publicly listed companies. Out of the 200 Companies listed, only 22 are from India.



Global Mediacom
INDONESIA
Media company partnered with Nokia Siemens this year to launch a commercially broadcast mobile TV service in Indonesia. Potential market: Over 90 million GSM subscribers.

Gourmet Navigator
JAPAN
Japan's most popular online guide for pubs and restaurants now incorporates travel information such as train schedules and ski conditions.

Indus Motor
PAKISTAN

Anyone driving a Toyota or a Daihatsu through the streets of Islamabad for the past 18 years likely bought it from Indus Motor, a distributorship that's a joint venture between the Japanese automaker and Pakistan's House of Habib.

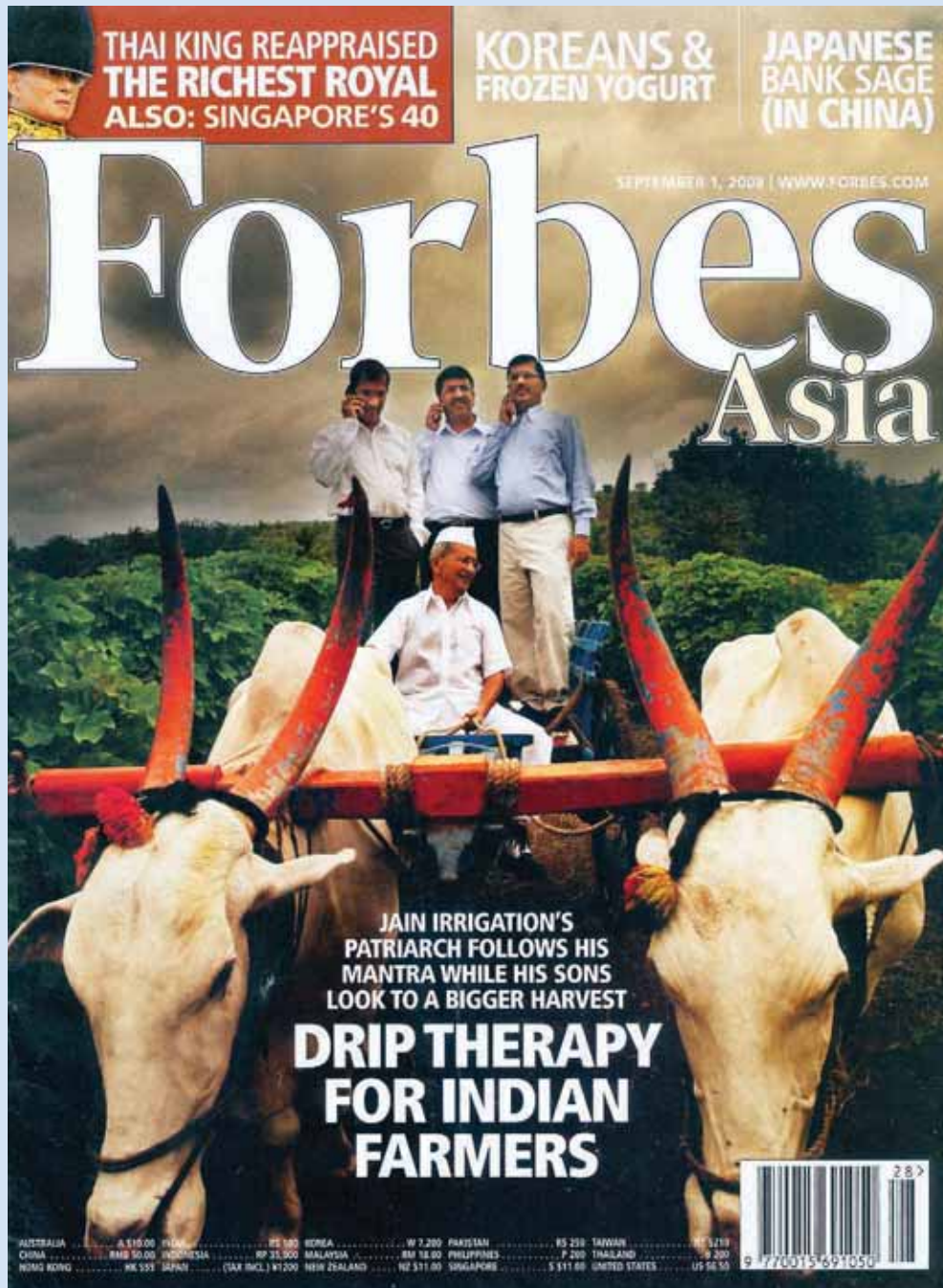


	US \$MIL		
	SALES	NET INCOME	MARKET VALUE
Ashapura Minechem / processor of bentonite, bauxite and other minerals	293	30	214
Blue Dart Express / air and ground transportation of time sensitive packages	206	18	352
Blue Star / air-conditioning machines and refrigeration equipment	547	43	861
Brigade Enterprises / development of hospitality properties in South India	122	25	338
Cords Cable Industries / Industrial tension and power cables	21	2	16
Divi's Laboratories / pharmaceutical ingredients	257	87	2,283
Eclerx Services / data analytics and outsourcing services	30	11	87
Educomp Solutions / new media in-classroom education services (see story p. 47)	71	18	1,490
Geodesic Information Systems / provides publishers with communications platforms	79	37	376
Glenmark Pharmaceuticals / asthma- and diabetes-related pharmaceutical research	493	157	3,888
Jain Irrigation Systems / sprinkler irrigation and solar energy systems	283	19	611
MIC Electronics / media and communication services	67	8	327
Nucleus Software Exports / software development	72	15	127
Omnitech Infosolutions / disaster recovery software	33	6	39
Opto Circuits / medical electronic devices like digital thermometers	58	17	717
Praj Industries / chemical and power plants	184	38	736
Techno Electric & Engineering / design and electrical engineering	106	12	181
Thermax / boilers, heaters, air pollution control equipment and recycling plants	854	72	1,353
Tulip Telecom / IT networking gear and services	195	23	658
Unity Infraprojects / civil construction, transportation engineering and water projects	212	15	138
INDONESIA			
Global Mediacom / content and advertising-based media	486	156	594
Truba Alam Manunggal Engineering / construction, power generation and coal mining	160	23	529
JAPAN			
Axell / semiconductors used in slot and pachinko machines	138	36	418
Eighting / home videogame software	16	2	35
En-japan / Internet employment services	203	37	236
Gourmet Navigator / Internet guide for restaurants and pubs	156	15	586
Information Planning / IT consulting for banks and financial companies	20	4	43
Japan Pure Chemical / circuit board components	113	13	210
Jorudan / software packages and information transfer service for mobile phones	25	3	22
Just Planning / software for food service industry	20	4	36
Macromill / Internet research and analysis	70	11	112
Miraial / silicon wafers for semiconductors	161	30	151
Nichi-iko Pharmaceutical / prescription and generic drugs for circulatory system, health drinks	292	24	852
Nihon M&A Center / consultancy services relating to mergers and acquisitions	34	9	213
Novarese / wedding services	69	6	30
Piped Bits / software for e-mail marketing	8	1	19
Point / retail of casual wear	710	72	914
Power Up / operation of Italian restaurant chain	61	4	13
Prestige International / travel-related overseas claim services and language assistance	135	11	95
Produce / 3-D printing systems	154	12	380
Shoel / helmets for use with motorcycles, construction and jet pilots	118	14	230
Simplex Technology / third-party IT services for banks	81	12	242
System Integrator / develops packaged software	20	1	8
Trend Micro / antivirus software and related Internet security products	892	211	4,911
Wacom / electronic design of CAD software	368	35	783
MALAYSIA			
CB Industrial Product / palm oil equipment and mills	87	14	148
Coastal Contracts / marine transportation vessels and maintenance	88	21	234
Efficient E-Solutions / outsourcing and document processing	17	5	23

Courtesy - Forbes Asia Magazine, September 29, 2008., To read full article please visit www.jains.com

PROUD MOMENTS...

Cover story on our company in one of the world's best known magazines



Dreaming of a better future for India's downtrodden farmers, Bhavarlal Jain Created the world's second-largest micro-irrigation company. — By Naazneen Karmali

Courtesy - Forbes Asia Magazine, September 1, 2008., To read full article please visit www.jains.com

EMPOWERMENT OF FARMERS & KNOWLEDGE TRANSFER

Jain Irrigation Systems has pioneered Micro Irrigation industry in India. The company manufactures complete range of products for precision irrigation (drip and sprinkler systems) and provides all types of pre and post services to the farmers. For farmers to accept a technology, first they need to understand it; internalize it and then see that technology lives up to their expectation of returns. A technology like micro irrigation and fertigation takes a lot of basic preparatory work to popularize the concept among the farmers before the company sells the products to them. Indian farmer especially requires full time or part-time hand holding when high tech inputs are to be introduced in farming. Jains have understood this in the very beginning itself. They established demonstration farms; identified key research areas; employed experts in Agriculture and related sciences and put in place a very effective



Farmers attend a field training programme



Training Centre - 'Gurukul' at Jain Hi Tech Agri Institute - Jain Hill

extension program to reach large numbers of farmers who spoke different languages and followed varying customs. Jains always maintained that it is through private sector players like itself technology advances can be made in agriculture production and processing in India.

Jain's technicians install irrigation systems in the field; provides operational and maintenance support to the farmers. Its Agriculture experts transfer high tech cultivation methods with micro irrigation and fertigation as the two major input components to the farmer and build capabilities for enhanced crop production. At Jains we thus follow a Holistic Approach.

Transfer of technology is attained through training and extension by Jain High Tech Agriculture Institute (JHAI).

Our trainers in Alice, Eastern Cape province, South Africa



INFRASTRUCTURE FOR TRAINING ACTIVITIES AT JHAI

Jain Hi-tech Agri Institute (JHAI) has two large Research Farms, 1200 acre each, in Jalgaon (Maharashtra), in central Semi-arid belt of India and in Coimbatore (Tamil Nadu), in Southern Peninsular part of the country demonstrating all high tech technologies on a large number of crops. These two farms vary a lot in terrain, soil type, rainfall quantum and duration; both together covering a lot of variability associated with crop production. Different irrigation and fertigation, land and soil management technologies are demonstrated “live” in the R&D & Demo farms. JHAI is also provided with state of the art class rooms and multimedia facilities for



Customers being told about Tissue Culture Bananas



Jain Hi-tech Agri Institute, Jain Hill — Farm R&D, Demonstration, Training & Extension Centre

Contract farmers at a demonstration for 'Jain Rainport' on onion



highly interactive learning. Residential accommodation is available for up to 100 participants at a time at JHAI. Training and extension services to the farmers are also supported by well equipped full-fledged laboratories located at Jalgaon and Udumalpet.

- Soil and water analysis
- Tissue Culture production facility
- Bio-pesticides and Bio-manure
- Bio-technology Lab.
- Controlled environment crop production facilities

In addition to programs that are conducted in-house at Jalagaon or Udumalpath R&D farms; Jain experts also visit groups of farmers at their sites and conduct practical training in the field.

National and International Recognition.

JHAI has been recognized as an agriculture training centre by several universities in India and USA and international agencies like FAO, and World Bank as a center of excellence for agriculture and water management technologies.

The faculty includes several experts with higher degrees with specializations in different fields of Agriculture and



Customers looking at Banana Tissue Culture Plants in a green house



Our Chairman addressing a Mega Farmer Meet

Horticulture and Irrigation.

Human Resources availability for training and field extension programs;

Include several Ph.D. Degree Holders; M.Sc/M.Tech. Degree Holders; B.E/B.Tech Degree holders and Visiting faculty from Universities.

Modules of Training and Subjects

In-house training is organized as modules of a week or 2 weeks besides very short one day crash courses for special recipients in following topics.

- Land & soil management.
- Water shed formation and planning
- Water conservation & management
- Irrigation methods- Drip and sprinkler and Pipe conveyance.
- Command Area Irrigation

Customers being told about Jain Fertigation and Filtration System in Micro Irrigation



- Crop Agronomy and management
- Sustainable crop production
- Seed production and plant propagation techniques
- Nursery techniques
- Bio-technology in Agriculture (Tissue culture)
- Green House/Shade House cultivation
- Organic farming.
- Crop protection.
- Post harvest practices
- Farm Management and Record keeping
- Fruit and vegetable processing

Beneficiaries of training program

Training programs are generally targeted for;

- Farmers,
- Trainers training
- Government Department personnel
- Quasi –government personnel,



Visitors to our stall at a farmers exhibition



Farmers from all over India are trained in micro irrigation by our technical engineers

- Private Sector participants
- NGO organizations and their functionaries
- Students

JHAI has been training 20-30,000 Indian farmers and several hundreds of Government department officers every year.

It also trained farmers and specialists and Government officials from Pakistan, Nepal, Sri Lanka, Zimbabwe, Ethiopia, South Africa, Mauritius, Afghanistan, and countries in the Middle East. World Bank sponsored training programs in water management and high tech horticulture is regularly being conducted at JHAI for overseas participants.

As for Indian farmers, Jain irrigation has become a very important and reliable facilitator offering field level implementable solutions for their crop production

The medicinal values of ‘amla’ (the Indian gooseberry) being explained to some customers



problems; be it Apple growers of Himachal; Kinnow growers of Abhoar; Grape growers of Nasik; Cotton growers of Khandesh; Coconut growers of Pollachi; Tea growers of Conoor; Citrus growers of Nalgonda; Ground nut growers of Anantpur; Oil palm growers of West Godavari; Pomegranate growers of Malegaon; Banana growers of Theni; Cardamom growers of Idukki; Flower growers of Kuppam; or Vegetable growers of Dharmapuri or Kancheepuram; Jain reaches out to thousands of farmers of different states a year and empower them with technological know-how through basic training in high-tech cultivation practices and extension of steps -in -technology.

In addition to the general training JHAI also offers specific courses.

(A) 2 month stay –in and work program for final year students from Agriculture engineering faculty from



Some bankers at the company's corporate display

- In post harvest management of fruits and vegetables.
- In drip and Sprinkler irrigation technology.



Farmers during their training, interact with Govt. dignitaries from the Agriculture R&D Centres. The Chairman and Directors of JISL were also present

various Universities.

(B) Short Courses for special user groups- engineers, horticulture officers etc.

- Micro irrigation system –Survey, Design, Installation and Maintenance
- Short Course in Command area Micro irrigation
- Short Course in Survey, Design and Installation of Pipe conveyance system
- Short course on Automation of drip system.
- High tech Horticulture and crop production practices
- Fertigation theory and Practice
- Post harvest, cleaning, storage of Fruits, Vegetables

(C) Postgraduate research leading to Ph.D. in collaboration with Universities.

- In different areas of Soil, Crop and Water management.

- In Micro-propagation and tissue culture
- In the area of bio-fuels and alternate energy sources.

Customers at the Demo Center



INITIATIVES IN COLLABORATIVE RESEARCH IN FIELD OF AGRICULTURE

The company has signed Memorandum of Understanding with the following Universities for Collaborative Research & Field Training.

- Anand Agricultural University, Anand
- Birsa Agricultural University, Ranchi
- CS Azad University of Agriculture & Technology, Kanpur
- Devi Ahilya University, Indore
- Dr. YS Parmar University of Agriculture & Forestry, Solan
- Junagadh Agricultural University, Junagadh
- Maharana Pratap University of Agriculture & Technology, Udaipur
- Mahatma Phule Krishi Vidyapeeth, Rahuri
- ND University of Agriculture & Technology, Faizabad



Farmers from the North East of India undergoing training in Micro Irrigation & Tissue Culture



The Company signing the MOU for collaborative research with S.S. Azad University, Kanpur

- Navsari Agricultural University, Navsari
- North Maharashtra University, Jalgaon
- Punjab Agricultural University, Ludhiana
- Rajendra Agricultural University, Pusa, Samastipur
- Sardarkrushinagar-Dantiwada Agricultural University, Sardarkrushinagar
- Tamil Nadu Agricultural University, Coimbatore
- University of Agricultural Sciences, Dharwad

At Jain Irrigation, we focus on people; we nourish them with knowledge; we enhance their capabilities and empower them. Then we give them technologies to grow with.

The company signing an MOU for collaborative research with Mahatma Phule Krishi Vidyapeeth, Rahuri



CORPORATE SOCIAL RESPONSIBILITY



Independent Report: CSR at JISL

Jain Irrigation Systems' (JISL's) sustainability initiatives have been documented independently by YES Bank Ltd. YES BANK is a private Indian Bank catering to "Emerging India" through a high quality, customer centric, service driven approach.

YES BANK's Corporate Social Responsibility is a core driver and essential element of the Bank's overall business strategy, coined in the value of 'Responsible Banking'. As a specialized internal think tank, we have a prime objective to ensure that the company's view on sustainability is continually expanding, including engagements with like-minded clients like JISL.

JISL is an international company with operations across India and overseas. For the first year of this independent report, we have focused primarily on the facilities and activities that take place in Jalgaon District, Maharashtra. However, the focus on Corporate Social Responsibility (CSR) is company-wide, even as acquisitions occur. Several of the sustainability initiatives cut across these other locations such as energy/water conservation efforts, afforestation (tree planting), and the primary business of drip irrigation manufacturing.

JISL's CSR Philosophy

Over the years, JISL has transformed into a diversified agri-business entity. As we track their growth trajectory, we find that throughout this process, their mission statement has driven the company: "Leave this world better than you found it". In other words, their working philosophy of earning profit is concurrent with the commitment to social responsibility and environmental concerns.

Corporate Social Responsibility (CSR) has been at the core of JISL's business ethos since their inception. This

is reflected throughout the company, from diversified product portfolios, and the way they have engaged with their stakeholders, through their philanthropic activities. This has meant that the company has not only invested in activities pertaining to social welfare viz. supporting schools, adopting villages for community development, encouraging sports, and cultural activities, but also instituting high work standards by incorporating and adhering to the latest environmental, health, safety, and quality standards.

Environment Policy at JISL strongly puts forth the belief that development of mankind and its impacts on environment and, in turn mankind, is impacted

"CSR at our company is a 'part of life'. We have an inexhaustible source of good will. Our vision is to make lasting changes in peoples' lives. For example, there are three nalas and a river in Wakod village. Combining the right vision with technology, we can convert acres of surrounding dry land to farm land, essentially 'creating' 300 farmers who right now subsist as daily wage laborers. This is what we call real change!"

Bhavarlal Jain
Founder Chairman



by the environment. Both are not only inter-related but are also inter-dependent. Jain Irrigation Systems neither advocates maintaining status-quo nor encourages exploitation of natural resources for short term economic objectives. Instead, through sound and sustainable practices, they attempt to establish a creative and symbiotic partnership between development and environment. Increase in green cover, conservation of scarce resources, control of pollution, and promotion of economic progress are important guiding principles JISL follows for nurturing any relationship or business proposition.

Environment Health Safety Management Systems (EHSMS), in accordance with the International Finance Corporation (IFC) performance standards, is implementing procedures for engaging with the community on EHS.

A wide range of JISL products are made of plastics; hence the company has carefully instituted and invested in processes that take into consideration the entire product life cycle. Recycling of waste and energy / water conservation has always topped the priorities to

address industrial threats posed to the environment. For all their processes, JISL has a policy that no manufacturing waste (plastics, food cleaners, etc.) should make it into the ground.

JISL is defining a new realm of agricultural practices through their promotion of Micro Irrigation Systems (MIS) and advanced technologies. In addition, each practice is customised to the Indian context. Developing tissue culture, green house and shade house are redefining Indian agriculture. JISL by virtue of being the largest provider of MIS has proved to be a big contributor towards stakeholder productivity on one hand and environmental enhancement on the other. It has been proven that the use of MIS leads to higher productivity, reduced usage of water, and reduces CO₂ emissions (less electricity is needed). The company has received recognition at various national and international forums for all the efforts made in the sector.

By creating forward and backward linkages for their products, JISL seeks to ensure that they positively impact the triple bottom line (TBL) people, planet and profit. For instance, since the onion dehydrating plant at Jalgaon depends on contract farming for sourcing white onion, JISL provides farmers with quality farm inputs including MIS and advice in order to yield high quality produce, all without compromising on the environmental and food processing standards like HACCP and ISO 14001 and EurepGAP Certification, wherever possible.

CSR activities at JISL

Commitment towards society runs in the DNA of the company. Keeping the environment and social policy in place was just not enough and hence JISL has initiated many socio-environmental initiatives to address: (i) Business activities that help farmers; (ii) Community activities that enable rural, underserved populations get access to health and education; and (iii) Climate Change mitigation activities to be part of a global movement.

Business Activities

Customers, associates and the environment form the key components of business at JISL. They have conceptualized: (i) Marketplace activities to bring out innovative, efficient and eco-friendly products; (ii) Environmental and conservation activities to proactively protect the planet; and (iii) Associate development programs to support the business from within.

Marketplace Activities

Product Responsibility: Since inception, JISL has aspired to develop products that positively increase and



A small farmer at Bhadgaon, Jalgaon District too has installed Jain's micro irrigation for his Banana plantation



Inside the tissue culture lab - growth room

The first hardening of Tissue Culture Banana plants in a Green House



improve the state of agriculture in the country. With this in perspective, the company introduced the concept of MIS in the country in 1987.

MIS is the most efficient irrigation method, applying water and other inputs like fertilizer directly near the root zone, uniformly and as frequently as required. MIS is beneficial for both small and large farms. Research has proven that MIS can help cultivate marginal and otherwise uncultivable land and can help increase yields up to 300%. In summary, MIS is a management tool that helps improve the efficiency of every resource employed in the field of agriculture, whether it is land, physical inputs, technologies, finances, or human resources.

As a natural extension to MIS, JISL has ventured into Food Processing and Tissue Culture. All these advances have provided numerous channels of creating forward



Instant Quick Frozen Alphonso Mango Cubes at the Jain Food Park

Case Study: Rajendra Patil's Story



R. Patil is a farmer in Jalgaon District who comes from a family of seven with only 1.5 bigha land amongst them.

In order to make ends meet, he used to supplement his meagre agricultural income as a teacher in a secondary school, in total earning less than Rs. 8,000 a month to support the family.

Fortunately, for R. Patil, JISL launched a contact programme in Jalgaon. He learned the innovative drip irrigation technique and the new age tissue cultured banana saplings. With a small government subsidy, financing from JISL for the balance, and a dream for a better life, Rambhau took the chance.

This exposure helped him understand the novel way of doing agriculture. Today, the yield has increased nearly three times and there is a visible increase in his standard of living. Now he has planted banana on 45 acres of leased land and is considered amongst the influential people of his village.

"We have gained tremendously through the new techniques introduced to us by JISL. It has been so essential in our growth that we consider them family now. I am planning to organise a Banana Festival in my village to do my part towards raising awareness and ensuring that more people come to know about this way of doing agriculture and making it an activity to live comfortably."

"I am expecting Bade Bhau, the Chairman, to flag off 11 truckloads of banana at one go on 28th August 2008. Bade Bhau has graciously agreed to be with us in the afternoon. You know that is what distinguishes him from the rest of the industrialists, traders, political leaders etc. He does what he wants when the cause is so close to his heart. No inconvenience or criticism, if any, will matter to him."



and backward linkages for their farm produce – supplying high quality yield inputs for contract farming that can be used for the processing plants.

Finally, one of the latest JISL product expansions are Solar Water Heating Systems and Solar Lanterns. This is an inexpensive, safe, reliable and easy to maintain source of energy, keeping in line with JISL's environmental concerns. The water heaters are in use on the JISL campuses as well as their CSR initiatives, which has helped the company to cut down on their operational costs while protecting the environment.

Research & Development: To support their ambitious product roadmap as well as further impact the lives of everyday families, JISL sponsors and conducts extensive and exploratory research focusing on emerging farm technologies. This research is conducted internally and in university research laboratories through industry-academic collaborative consortiums.

Product Information: The company has created a formal grievance redressal forum to hear out and address grievances of contract farmers. Contract farming includes provision of technical and financial support to farmers. For JISL to promote efficient agronomical techniques to the farming sector, they have undertaken several initiatives including development and provision of high yield seeds, package of practices, result demonstration for farmers, and technical assistance / advice for drip irrigation and watershed development.

Environmental Activities

JISL has incorporated a formal Environmental and Social Action Plan to ensure that they follow the best practices in the market. This includes goals in the entire business practice -- plastic division, food processing, and obtaining fair trade certification.

Resource & Energy Use: Strategic concerns of operational costs, margins and reputational security, often define the way resources are employed in the business. JISL is constantly exploring options of using alternative and renewable sources of energy to meet their energy requirements at the various operational locations. For example, they are experimenting with a model Bio Gas Plant with an initial capacity of 1.5 MW with plans to expand it to 25 MW, making the Jalgaon facilities energy self-sufficient. The domestic sewage and process effluents including solid waste generated at the plants' operation site will serve as feedstock for the bio-gas plant.

The company is also working on a blueprint to use wind energy at their Udmalpeth plant in order to supplement



The Vice Chairman and other farmers visit a small prosperous farmer at his micro irrigated farm growing chilli



The Jain Bio.Tech R&D Lab micro-biology section

The environment friendly effluent treatment plant that produces bio-gas for backward integration



the existing energy requirements. Besides this, JISL has also invested in solar energy through the manufacturing of Solar Water Heating Systems and Solar Lanterns (Photo Voltaic Panels) as business activity as well as installing them on their various campuses. JISL has replaced the conventional lighting systems wherever possible, with Solar Photo Voltaic systems and is able to conserve substantial amount of energy in the process. Premier institutes such as TERI have sourced a number of solar devices from JISL.

Additionally, the technology to manufacture various products has been evolved and innovated over the years to improve on the energy efficiency. For instance, the company is using the latest Swiss and German technology to manufacture the range of MIS equipment, boosting the production capacity many folds. Thus saving energy and time. The company is piloting the use of wind energy at their Southern farms and



Jain Solar Water Heaters installed at TERI in New Delhi



Our People, Our Power

Balu joined JISL in the 1970s, starting as a mechanic's helper on a contract basis, earning Rs. 75 per month. This humble position was not seen by JISL management as an end, rather just the beginning! As Balu showed his zeal and aptitude in several areas, he got trained, took on greater responsibility and became a permanent staff. He now runs most of JISL's major events without a fancy education and his salary has increased more than 800 fold!

As Vice Chairman, Mr. Ashok Jain says, "We value human commitment and talent and are able to inspire ordinary people to perform extraordinary tasks. The example of Balu Mechanic reflects this belief. Over the years we have seen so many of our associates grow from strength to strength along with the company and I see this as one of our major contributions."



Jain Solar lamps in use in villages

experimenting with photovoltaic energy sources for irrigation pumps.

JISL is also exploring possibilities of generating Bio Diesel commercially from Jatropha and other plants/crops that they cultivate on their farms. The project is still in its initial phase and the company seeks to use this as an alternative to fuel oil in their furnaces. If it is found to be economical and profitable for farmers, JISL plans to develop it commercially as well.

Pollution & Waste Management: JISL affirms their commitment to continuously improving pollution and waste management throughout their operations. The



company has formulated structured plans to ensure that the waste generated out of their plants is recycled and has minimal environmental impact.

All their food-processing plants have integrated effluent treatment systems. Efforts are made to use all the waste efficiently – for instance after the processing of pomegranate, seeds undergo multiple processes – first to extract cosmetic oil and then as an input to the Bio Gas Plant, organic manure or compost. After processing the remaining waste, is turned into a vermicompost. Use of this fertilizer on the JISL afforestation projects completes the product life cycle.

JISL is the largest manufacturer of HDPE/ MDPE/PVC pipes and PVC/PC sheets in the country. This involves the generation of hazardous as well as non hazardous waste. Hazardous ETP sludge and other hazardous waste are disposed through authorised entities in a secure landfill. Regeneration and recycling of scrap and other non hazardous waste are being processed and segregated for plastics recyclers. This is in keeping with ISO 14001 (2004) requirements as well as current law. Regeneration and recycling of scrap and other non-hazardous waste are being processed, segregated, and sold to registered plastics recyclers. JISL is close to managing the environmental impact of their operations in accordance with ISO 14001 certified Environment Management Systems (EMS).

Associate Development

JISL recognizes the competitive advantage that human capital holds in the current knowledge based economy. Being in the manufacturing space, the company has a significant workforce as associates or associates as well as contract workers. Retaining and developing this workforce is a big challenge that the company seems to be managing effectively. One of the several standards followed is the International Finance Corporation's Performance Standards-2 (PS-2), which ensures proper labour and working conditions. The relationships between the associates and the company as well as the contract staff are seamless.

Training & Development Initiatives: Extensive talent development programmes are organised by JISL to ensure that their workforce is properly trained and remains up to date with the latest technology being used in the plants. Workshops are organised by in-house experts as well as external resource persons throughout the year at the Jain Gurukul (a Training Extension Institute), which has been exclusively developed, for this purpose.



Food Park waste being vermicomposted to make organic fertilizer



Jain HDPE Effluent Sewerage line installed under the sea

The company's Associate Development Programme being attended by Directors and associates



Support Programmes: JISL offers its associates numerous benefits and support to encourage their growth and development. They guarantee loans with local banks. For example, the Vice Chairman, being a Director on the Board of the local Mahavir Cooperative Bank, streamlines the process for associate loans, almost within 24 hours at the company's doorstep. Additionally, JISL believes that access to quality education and sports options are imperative to community development. The company gives scholarships and other financial support to associates' children to pursue higher education and also encourages budding sports talents.

Safe Workplace: JISL places the highest value on the safety of their workforce. Policies for ensuring a safe working environment are in place at all their facilities, as well as the latest in workplace safety equipment.

Community Activities

Besides working on sustainability in the core business, JISL is working on various developmental activities with the community. They are using a part of their profits efficiently to seek social and economic change and give back to the people they are working with.

Funds to initiate and execute such activities come from two sources:

- 3% (proposed to be raised to 5%) of JISL profits are directed towards these activities, of which most are conducted through the Jain Charitable Trust.
- Family and friends have also pooled resources to form a number of Trusts.

Rural Development

The Jain family traces their roots in the village, Wakod. Working on the principle of Public Private Partnership (PPP), they strive to associate themselves with the local administration to improve the quality of life and livelihood of their residents. In a collaborative process, meetings are held amongst all the stakeholders – the local villagers, gram panchayat and JISL – to identify relevant development goals and draw a plan to attain them.

There have been visible changes like the construction of a Public Health Centre (PHC), addition of higher secondary wing to an existing school, creation of concrete roads and a permanent market place, and lining of streets with solar lanterns.

Besides this, surveys have been carried out to understand the socio-economic profile of the village to help design and derive initiatives beneficial to the community. Drives against mores like alcoholism are



Quick loan facilities to associates is offered by the Mahavir Bank

The School built at Wakod, a village adopted by Jains



Concrete roads and drainage are amongst a few of the many social initiatives taken at Wakod by Jains



being carried out on an ongoing basis to educate and increase awareness about its repercussions.

Education

JISL believes education is critical for the human pursuit to develop. A review of various indicators of education, including access to schooling, enrolment, retention and percentage of children completing the education cycle, suggests that while there has been progress, significant challenges persist in ensuring a quality education for all. With different initiatives in the field of Education, JISL seeks to supplement the available resources for better results. *Building Education Systems:* JISL has built institutional capacity through financial support to set up Primary and Secondary Schools, Junior and Senior Colleges. Anubhuti is the shining example, an experiential residential international academy (see separate case study). The company has also provided support to



The entrance to Anubhuti School - built and promoted by Jains



A panoramic view of the Anubhuti School

improve the infrastructure at schools and hostels in several communities. JISL has created a 'Potential Development Academy Trust' which helps spot talent at the high school level and encourages them to appear in the state and national level competitive exams.

The content of education is a second focus area for JISL including book publications. Books, however, cannot provide the entire world of information and hence the company organizes science & technology exhibitions, math competitions, literary seminars, and educational camps. They have also provided technical support through teacher trainings, have distributed educational material and equipment including uniforms, books and notebooks, computers, sports material, and made available mobile science laboratories for schools. Taking students as the centre of all the educational initiatives, JISL also provides direct financial assistance to students and professors aspiring for higher studies

Anubhuti School participated in the Affairs Premier School Exhibition



and participation in conferences. They also provide support to disabled students and their schools to enable equal opportunities.

Supporting Educational Institutions: JISL has also supported the Gandhi Research Foundation at the North Maharashtra University Campus in Jalgaon. This initiative is driven by the strong belief of the company in the Gandhian Philosophy and the desire to promote it. Various activities undertaken include:

- Initiating research activity in Gandhian Philosophy, Rural Development Programmes

**Anubhuti:
The Experiential Residential Academy**

Located 50 kms away from the World Heritage Site of Ajanta Caves, Anubhuti epitomizes heritage, education, and a global vision. It is the dream of JISL's founder and Chairman Mr. B. H. Jain to engender social alignment and environmental consciousness into young people, creating individuals charged with entrepreneurial spirit and a global outlook.

Anubhuti provides a holistic education to the children, helping them learn critical skills and work on real-world projects. There is also a wide array of extra and co-curricular activities, which keeps the children active and healthy. JISL also supports some children with financial assistance and scholarships.

At the core of the lush green premises of over 100 acres is a pool of young, enthusiastic educators. The backbone of the school is an environment friendly premises, using solar and bio power to meet several domestic needs. Recycling forms a significant component for conservation and sustainability in the campus. Academically, Anubhuti houses experimental sites and research facilities. Finally, in typical JISL style, the campus houses numerous plantations that are live example of wasteland reclamation, watershed planning, and micro irrigation.

- Supporting diploma, degree & post graduate courses to fill the gap in ensuring quality and diversity of courses available at the college level
- Funding the Library
- Gandhi Darshan Exhibition
- Supporting Museum of photographs, handwritten scripts, copies of Letters written by Mahatma Gandhi

Health

Health is another key area of concern for JISL. They believe that access to health facilities at optimal costs is a basic requirement of any individual and lack of healthcare impacts the poor largely. Through their support to charitable hospitals and foundations, JISL



A touring science exhibition sponsored by Jains visits small villages in the region

A bronze statue of the Mahatma installed at the proposed Gandhi Research Centre



Photographic exhibition of the Mahatma's letters, photographs, books etc



seeks to fulfil this objective and affect the physical well being of individuals. JISL institutional work on health includes:

- Jain Eye Foundation seeks to develop a specialized eye care hospital for Jalgaon, in partnership with Shri Ganpati Netralaya, Jalna. They have started on an OPD basis with an average daily rate of 35 people.
- Mahavir Charity Hospital is an initiative to make available basic health care to low income families at subsidized rates at two locations in the city.
- JISL has generously contributed to several other health related initiatives. They have arranged specialty and general medical camps while also organizing seminars about traditional medical disciplines such as Naturopathy, Ayurveda, and Homeopathy. The company generously donates calipers and tricycles to people with physical disabilities as well as provides financial assistance for medical treatment. The company also gives donations to voluntary charitable trusts run



Jain Health Care and Eye Clinic



Children sponsored by Jains Sports Academy with the Chairman



The physically handicapped get a helping hand

hospitals for both equipment as well as treatment.

Jain Sports Academy

JISL believes that for the overall development of a child, it is important to include sports in his/her daily regimen of activities. They reinforce the government sports policy that says “sports and physical education are essential components of human resource development, helping to promote good health, comradeship and a spirit of friendly competition, which, in turn, has a positive impact on the overall development of personality of the youth”. The company, through a planned and structured effort, also seeks to support budding athletes in their pursuit to achieve national and international accolades.

In the past are JISL and their affiliated charities have built gymnasias and playgrounds. On an ongoing basis, they conduct coaching classes and courses on health education. JISL is also known for conducting and

Youngsters who swam from the Gateway of India to the Sunk Rock



sponsoring training camps for boys and girls as well

Business with a difference: Plastic Park

Plastic Park at JISL commits to protect and enrich the environment through sound environmental management practices during manufacturing and application of plastic products. The company commits to environmental protection through total compliance to all applicable environmental, legal and other requirements. Top priority is the optimum utilization of all inputs (raw material, energy, etc.) while generating minimal waste. Minimum pollution through dust and sound emissions and maximum recycling is the underlying principle of Plastic Park.

The Park also promotes conservation of natural resources like water and wood. The plastic pipes and micro irrigation systems reduce water waste/usage and Plastic Sheets replace wood in building, construction, advertising, and even the desks at the Anubhuti School.

Aligned with the JISL philosophy, the Park believes in continual improvement of environmental performance by adopting economically viable technologies through active participation of trained and skilled associates.

as organizing competitions in almost all the indoor - outdoor, national and international games. Finally, the company has adopted talented athletes from various fields and prepared them for State and National level tournaments in Chess, Cycling, Swimming, Badminton, Cricket, and Rifle Shooting.

Local Community Events

JISL has been supporting local cultural events frequently at their different locations. They believe that such events help to bind the company to the social fabric of the local community. The company identifies and receives requests for sponsoring events and artists from the community occasionally.

Some important cultural events included organizing dramas, orchestra, folk dances, singing and dancing competitions, Kavi Sammelans etc., on various occasions. JISL also provides financial assistance to the artists through these various events. They have arranged social issue focused programs such as 'Rashtra ka hunkar', 'Jago Hindustani', 'Janata Raja' and various other feature films on issues such as girl child, farmer suicide, and family planning.

Climate Change Activities

In the 21st century, climate change caused by anthropogenic emissions of carbon dioxide from the burning of fossil fuels is the world's most compelling environmental concern. There is no longer a debate over

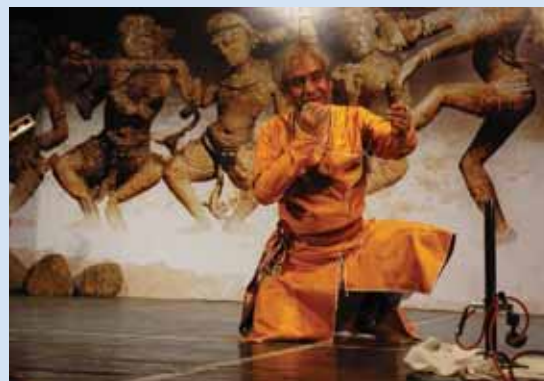


A mentally challenged youngster was sponsored by Jains for the special Olympics in China and returned with a gold medal

The first 'Ranji Trophy' player from a village in Jalgaon district being felicitated



The renowned Kathak exponent, Birju Maharaj at a cultural function sponsored by Jains in Jalgaon



whether or not climate change will lead to catastrophic environmental, economic, and social costs. The question now is how to prevent and mitigate climate change and its various harmful effects like coastal flooding, extreme storms, extinctions, heat waves, droughts, steep declines in agricultural productivity, and mass human migration.

Commitment Towards Mitigation of Climate Change

JISL has been a front-runner in taking up climate change mitigation projects or 'captive green projects' like biogas from waste water treatment, afforestation, solar lighting and heating, vermicompost, and usage of electric vehicles that have led to reduction in emissions of carbon dioxide equivalents. As a part of the company's green strategy, JISL has taken up the progressive initiative of estimating the Carbon Footprint of their Jalgaon operations and activities. This was done to identify the impact of their various manufacturing domains on the environment, gauge the results of their environmentally friendly initiatives, and take up suitable energy efficiency measures and other green initiatives.

Carbon Footprint Report-Jalgaon

Introduction: The Carbon Footprint refers to the impact a certain activity has on the environment in terms of Green House Gas (GHG) emissions. For example, GHG emissions occur when hydrocarbons are burnt to produce heat, staff travel for business, and goods are transported for delivery. Emissions also occur from the production of electricity that powers appliances in an office or other mechanical equipment at a production site. A carbon footprint is thus a measure of the impact human activities have on the environment, measured in units of tons of carbon dioxide equivalents. It is useful for individuals, nations and organizations to conceptualize their impact in contributing to global warming.

If the carbon footprint exceeds the biological capacity, a given population is said to be overstepping its ecological limits. If the footprint is less than or equal to its biological capacity, it is said to be sustainable. Carbon footprint analysis is also used as a measure of carbon intensity – i.e. carbon footprint per unit of production or per unit of value. Used this way, carbon footprint analysis is a way to compare the carbon intensity of various products or production processes. The Carbon Footprint Analysis quantifies the emissions of Carbon Dioxide Equivalents (CO₂e) in a systematic manner.

For the first year of this analysis, we have facilitated the estimation of only the JISL Jalgaon activities, as these constitute 75% of all major activities of organisation. The facilities include:



Waste water recycling for agriculture

A dust suppressor made by Jains for use in coal mines



Cooking on bio-gas



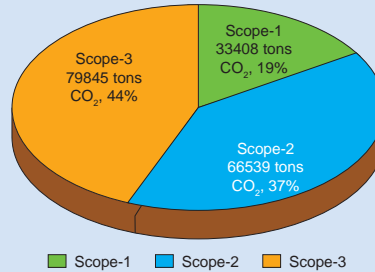
- Plastic Park
- Jain Hills (residential facilities & offices)
- Jain Valley (food processing & solar)
- Anubhuti School and Wakod Village

Carbon Footprint Methodology: The Carbon Footprint Estimation and Analysis included a field survey and understanding of all the activities of JISL, Jalgaon. The relevant field data was provided by the company, estimation of emissions was done using internationally accepted protocols, emission estimations were analyzed, and recommendation of future steps were made. The protocol used for the estimation of emissions is the internationally accepted GHG Protocol developed jointly by the World Resources Institutes (WRI) and the World Business Council for Sustainable Development (WBCSD). Estimates were also made regarding the emission reductions made possible by JISL initiatives like afforestation, biogas from wastewater treatment, vermicomposting, usage of solar energy and electric vehicles. Emissions reductions from the use of JISL products produced in Jalgaon were also estimated. The estimates for emission reduction were calculated using the Clean Development Mechanism (CDM) methodologies approved under United Nations Framework Convention for Climate Change (UNFCCC). **Carbon Footprint Results:** JISL emitted nearly 180,000 tons of Carbon Dioxide Equivalent (CO₂e) in FY 07-08 as tabulated below.

JISL-Jalgaon CO ₂ (e) Emissions		
Scope	Description of Scope	Tons of CO ₂ (e)
Scope 1 Direct	Emissions from heating fuel, gas use, Company owned vehicles	33,408.82
Scope 2 Indirect	Emissions from purchased Electricity	66,539.96
Scope 3 Outside Locations	Business travel via air, road, rail, ship, & rental cars; freight transport; associate commuting	79,845.70
Total JISL-Jalgaon Emissions		179,794.48

JISL has successfully reduced significant emissions, which they have, direct control over, namely Scope 1. The greater challenge is Scope 3 where product transportation is the largest contributor. Scope 2 has been significantly managed with plans of significant energy generation through biogas.

Jalgaon Emissions

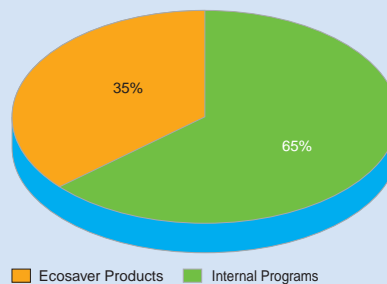


Emission Reduction Projects : As discussed throughout this report, JISL is uniquely committed to protecting the environment, both by the products they produce as well as the manner in which they are manufactured. Using conservative estimates and UNFCCC protocols, there were over 265,000 tons of Carbon Dioxide Equivalent (CO₂e) offsets in FY 07-08 as tabulated below.

JISL-Jalgaon CO ₂ (e) Reductions		
Type	Description	Tons of CO ₂
Internal Programs	• Afforestation	172,124
	• Biogas	
	• Solar	
	• Vermicomposting	
	• Electric vehicles	
EcoSaver Products (Sold Externally)	• Drip irrigation systems	93,232
	• Sprinkler systems	
	• Solar water heaters	
	• Photovoltaic systems	
Total JISL-Jalgaon Reductions		265,356

Equivalent (CO₂e) offsets in FY 07-08 as tabulated below.

Internal Programs and Ecosaver Products



Internal Programs:

- Over 3 lakh trees are planted on huge tracks of land across Jalgaon facilities of JISL. The standard emissions reduction for most trees is 1.18 tons of carbon per year, but since many of the JISL trees are

still young, we have used a conservative estimate of 0.53 tons.

- 100LPD (litres per day) capacity solar water heaters save 1.5 tons of CO₂ per year (as per IREDA) and are installed at JISL facilities

- Complex calculations were also used to estimate emissions reductions from:

- Photovoltaic systems installed across JISL facilities, in Wakod village and at Anubhuti

- Vermicomposting of solid waste produced by food processing plants (organic fertilizer utilized on JISL farms)

- Biogas from waste water treatment

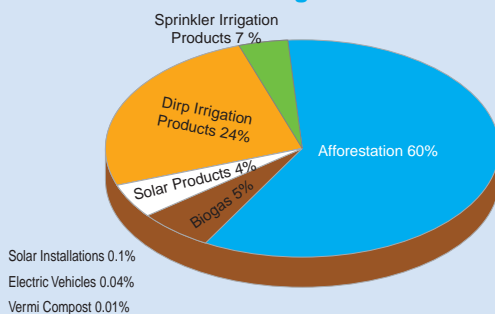
- Electric cars-Reva and electric bikes-Indus used on campuses

Ecosaver Products

The Products which save the ecosystem as a whole, by saving water, preserving ecological balance and saving energy are termed "Ecosaver Products"

- Drip irrigation systems reduce emissions on an average of 500kwh per year per hectare compared to conventional flood irrigation systems
- Sprinklers help save 230kwh per hectare per year compared to the conventional flood irrigation
- 100LPD (litres per day) capacity solar water heaters save 1.5 tons of CO₂ per year
- Photovoltaic systems lead to emissions reductions as well
- The sale of these products which saves energy at the customers' end is thus taken as an external energy saving activity of JISL.

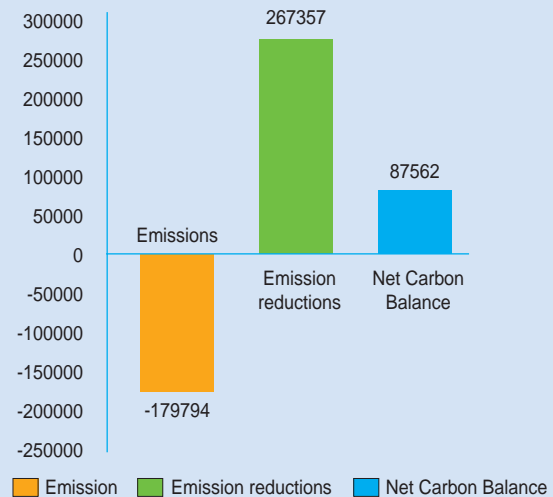
Emission Reduction Jalgaon



"Carbon Positive": With approximately about 180,000 tons of CO₂(e) emitted and over 265,000 tons of CO₂(e) reduced, we find that Jain Irrigation System Limited's operations at Jalgaon are Carbon Positive. The net

positive carbon balance of nearly 90,000 tons of CO₂(e) is almost half their total emissions.

Emission and Emission Reductions of JISL at Jalgaon



Analysis of JISL-Jalgaon Carbon Footprint: JISL has accomplished vast amounts in the area of carbon reduction. With this analysis of the specific areas of carbon emissions, we recommend continuation of several programs and addition of a few more to help reduce the emissions in the future years.

Scope 1 – Direct Emissions:

- Major contributor is the emissions from combustion of furnace oil. Propose complete replacement of furnace oil with coal, with necessary precautions to reduce pollution

Scope 2 – Indirect Emissions:

- Reduce dependence on thermal powered, grid based electricity and increase usage of renewable energy with planned 3MW capacity biogas fired captive power plants by 2011 and increased to 25MW capacity by 2015
- Also reduce grid dependence with planned 5MW photovoltaic system
- Continue adoption of general energy efficiency measures
- Increase usage of solar lighting system and solar heating.

Scope 3 – Outside Location Emissions:

- Freight transport and associate commuting constitute majority of emissions

- Supply chain assessment with increased replacement of road transport with rail will reduce emissions
- Usage of electric cars-Reva and electric bikes-Indus as well as promoting car pooling are proposed for associate commuting

Carbon Offset Activities:

- Increased usage and production of solar photovoltaic systems and solar water heating systems
- Greater sales of drip and sprinkler irrigation which will increase the land coverage and reduce net emissions
- Continuing afforestation (tree planting) programs on barren land while maintaining existing plantations will reduce net emissions

Carbon Footprint Conclusion

JISL has worked diligently on their carbon footprint. In Jalgaon, the company has better offset than the total manufacturing and social operations, resulting in a 'Carbon Positive' status.

The other India operations in Southern and Western India are much smaller than Jalgaon but have similar profiles in terms of emissions and offsetting reductions. For example, there are more than 1 lakh trees planted in Udumalpet, Tamil Nadu. Overseas, the drip irrigation operations are much larger, constituting significant carbon reductions from the product sales. Finally, the US-based onion dehydration plant uses natural gas that emits much lower Green House Gases.

It is our desire that for the next CSR and Sustainability Report, we will be able to cover all JISL operations globally to both paint a complete picture and celebrate the critical efforts of Jain Irrigation Systems.

Water-Related Activities

Only 2.7% of water available on earth is fresh water and out of that only 4% is available in India, which accounts for almost 18% of the world's population. Water will be a critical factor in the entire world's sustainable growth, especially for a fast developing country like India.

Thus, JISL has undertaken number of unique initiatives to conserve, reduce, recycle and harvest water, both at its facilities in Jalgaon as well as through the products they manufacture. Serious efforts are made in all the manufacturing plants to recycle water through the most modern wastewater treatment processes. The effluent concentration in terms of BOD (Biological Oxygen Demand) and COD (Chemical Oxygen Demand) is reduced to much below the standards required for safe disposal of waste water. JISL generates clean electricity from biogas plants that use the wastewater



Extensive tree planting is continuously undertaken to reduce carbon emission

Parabolic Solar reflectors for cooking at Anubhuti School



The Jain Sunwatt Solar Water Heater



as their input. This treated wastewater is used in gardens, horticultural, and ornamental plantations on the Jalgaon campus. Further, by using their own drip and sprinkler irrigation systems, significant quantity of water is also saved. JISL has also installed unique rainwater harvesting structures at Jalgaon and the water conserved per annum here is thought to be more than the water used for all internal operations. Finally, the PVC and PE pipes manufactured by JISL used for water transportation across India help prevent leakage as compared to the conventional water transport mechanisms like channel and furrow and hence help save water

JISL has also researched ways and means of using rainwater-harvesting techniques to convert barren land into lush green spaces. Jain R&D Centre has a technical publication called "A Telling Tale" which propagates this message.

CSR & Sustainability Report Conclusion

JISL is doing very commendable work in the sustainability space. The business aligns perfectly with the kind of initiatives being undertaken with several additional opportunities. JISL is one of the pioneers in the industry that believes in the fact that there is more to a company than profits. Recognizing that both social and environmental domains are imperative, JISL:

- i) facilitates the improvement of livelihoods, reducing poverty;
- ii) accesses the basic facilities for those who are underprivileged;
- iii) develops associates and their families
- iv) maintains a safe environment both at the workplace and beyond;
- v) improves and innovates ways to save and use water;
- vi) undertakes research and development to reduce the threat to external environment; and
- vii) Reduces the carbon footprint and adopts measures towards mitigation of the high intensity of carbon dioxide that is being emitted due to their activities.

Hence, JISL is making a continued effort to benchmark the way in which business is carried with responsibility. JISL truly believes in the philosophy of people-planet-profit and strives to strike the right balance between business as a growing concern and social responsibility as a necessity.



Jain Solar Photovoltaic Street Lights in Villages

Green and clean working environment at Jain Irrigation



Associates' children undergoing an aptitude test



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CORPORATE DIRECTORY

Board of Directors

- a) Non Executive Directors
- Bhavarlal H. Jain – **Chairman**
 - Anirudha R. Barwe – **Director**
 - Vasant V. Warty – **Director** (Nominee SBI)
 - Ramesh C. A. Jain – **Director**
 - Radhika C. Pereira – **Director**
 - D. R. Mehta – **Director** (w.e.f. 26th December 2007)
- b) Executive Directors
- Ashok B. Jain – **Vice Chairman**
 - Anil B. Jain – **Managing Director**
 - Ajit B. Jain – **Joint Managing Director**
 - R. Swaminathan – **Director – Technical** [Plastic Park]

Company Secretary

A.V. Ghodgaonkar

Audit Committee

- Anirudha R. Barwe – **Chairman**
- Ramesh C. A. Jain – **Member**
- Vasant V. Warty – **Member**

Compensation Committee

- Anirudha R. Barwe – **Chairman**
- Ramesh C. A. Jain – **Member**
- Ashok B. Jain – **Member**
- Ajit B. Jain – **Member**
- Vasant V. Warty – **Member**

Bankers

Axis Bank Ltd., Mumbai
Bank of Baroda, Mumbai
Canara Bank, Jalgaon
Dena Bank, Mumbai
Development Credit Bank Ltd., Mumbai
Export Import Bank of India, Mumbai
HDFC Bank Ltd., Mumbai
IDBI Bank Ltd., Jalgaon
Standard Chartered Bank, Mumbai
State Bank of India, Mumbai
State Bank of Indore; Mumbai
Union Bank of India, Mumbai

Auditors

Dalal & Shah, Chartered Accountants, 'The Regency', Office No. 11, First Floor, National Library Road, Bandra (W), Mumbai - 400 050.

Solicitors

Mulla & Mulla & Craigie & Blunt & Caroe, Mulla House, 51, M.G. Road, Fort, Mumbai - 400 001.
Solomon & Company, Calcot House, 3rd Floor, 8/10, M.P.Shetty Marg, (Tamarind Street), Fort, Mumbai - 400023.

Registered Office

Jain Plastic Park, N.H. No.6, P.O.Box 72, Jalgaon. 425001. (India)

Shareholders Grievances Committee

- Vasant V. Warty – **Chairman**
- Ajit B. Jain – **Member**
- Anirudha R. Barwe – **Member**

Operations Review Committee

- Ashok B. Jain – **Chairman**
- Anil B. Jain – **Member**
- Ajit B. Jain – **Member**
- R. Swaminathan – **Member**

BOARD OF DIRECTOR'S



Bhavarlal H. Jain
Founder Chairman



Anirudha R. Barwe
Director



D. R. Mehta
Director



Ramesh C.A. Jain
Director



Radhika C. Pareira
Director



Vasant V. Warty
Director



Ashok B. Jain
Vice Chairman



Anil B. Jain
Managing Director



Ajit B. Jain
Joint Managing Director



Atul B. Jain
Director - Marketing



Rajanikant B. Jain
Director - Technical



R. Swaminathan
Director - Technical



A. V. Ghodgaonkar
Company Secretary



Manoj Lodha
President Banking & Finance

HISTORICAL FINANCIALS (5 YEARS)

	Rs. in Million						
	2004	2005	2006	2007	2007	2008	2008
	Standalone	Standalone	Standalone	Standalone	Consolidated	Standalone	Consolidated
Financial Performance (April-March)							
Total Income (including Operating Income)	3,999	6,092	8,659	12,291	14,152	16,928	22,483
Operating Profit (PBDIT)	658	983	1,445	2,162	2,104	3,519	3,767
Profit Before Tax	117	322	691	1,294	1,005	2,042	1,907
Net Profit after Minority Interest	161	324	671	991	833	1,455	1,324
Equity Dividend (including Dividend Tax)	-	-	120	155	155	186	186
Financial Position As At March 31							
Shareholders Equity (excl. Deferred Tax Assets/ Liabilities)	1,053	1,606	1,897	3,527	2,722	8,875	7,794
Redeemable Preference Share Capital	935	935	911	885	885	885	885
Minority Interest	-	-	-	-	104	-	649
Total Debt (Long Term & Short Term)	3,151	3,322	6,745	7,397	8,590	9,070	12,756
Total Liabilities	5,139	5,863	9,553	11,809	12,301	18,831	22,084
Net Fixed Assets (including CWIP)	3,070	3,218	4,363	5,934	7,257	7,480	10,164
Investment (excl. Liquid Investments)	150	82	826	1,774	200	2,758	237
Net Current Assets (excl. Cash & Cash Equivalent)	1,781	2,451	2,102	3,745	4,400	7,460	10,247
Cash & Cash Equivalent (incl. Liquid Investments)	138	113	2,262	357	443	1,133	1,436
Total Assets	5,139	5,863	9,553	11,809	12,301	18,831	22,084
Ratio Analysis							
Current Ratio (Times)	1.19	1.29	1.41	1.12	1.17	1.45	1.41
Total Debt [^] / Equity (Times)	3.88	2.65	4.04	2.35	3.48	1.12	1.75
Return on Average Net Worth	1.56%	24.35%	27.38%	34.99%	37.76%	23.14%	25.37%
Return on Average Capital Employed*	13.17%	18.29%	22.16%	23.07%	22.19%	24.14%	23.17%
Per Share Data (Rs.)							
Basic EPS	3.05	5.87	10.79	16.19	13.48	21.48	19.49
Diluted EPS	3.02	5.87	10.78	16.19	13.48	21.41	19.42
Basic Cash EPS	7.38	9.85	15.28	21.55	20.65	27.53	27.95
Equity Dividend	-	-	1.80	2.00	2.00	2.20	2.20
Book Value	19.87	27.52	32.50	57.11	44.07	123.17	108.16
Shareholding Related As At March 31							
Number of Shareholder	33,502	29,729	30,273	26,784	26,784	36,335	36,335
Market Capitalization [@] (Rs. in Million)	3,482	7,317	14,632	25,784	25,785	42,657	42,657
Non-Promoter Shareholding	68.99%	69.52%	69.54%	67.72%	67.72%	67.46%	67.46%

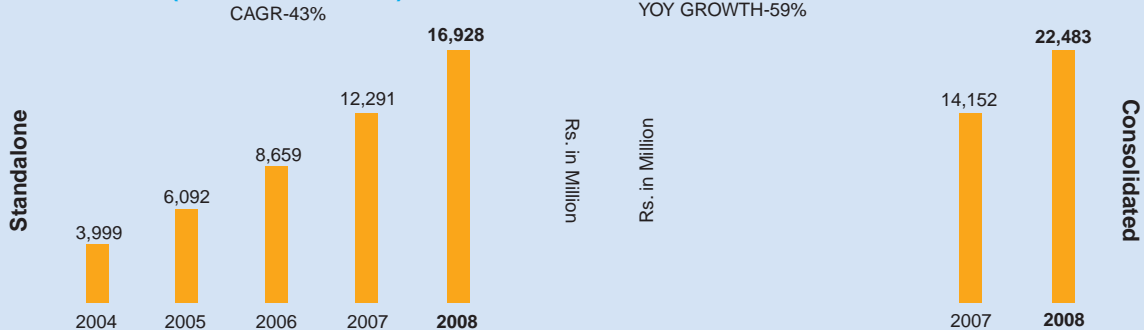
[^] Including Redeemable Preference Shares Capital

* Average Capital Employed (Total Assets less Deferred Tax Assets/Liabilities less Cash & Cash Equivalent)

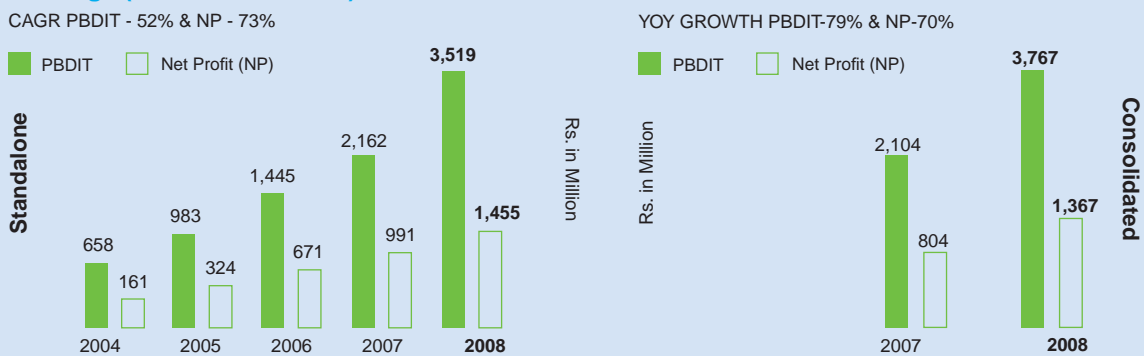
[@] Based on Market Price on National Stock Exchange (NSE)

GRAPHICAL FINANCIAL PRESENTATION (5 YEARS)

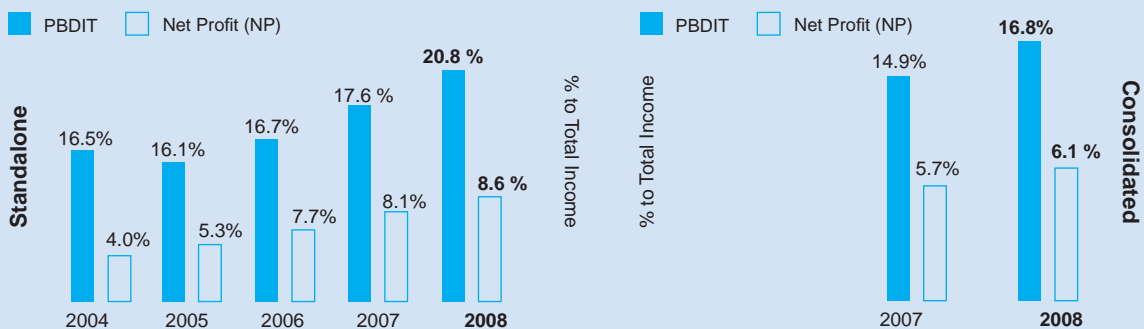
Total Income (Sustained Growth)



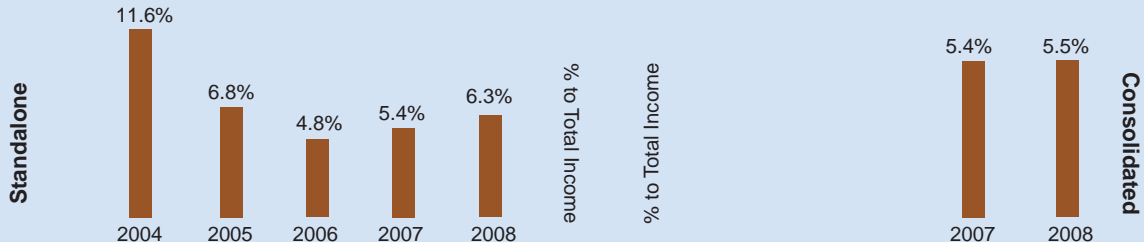
Earnings (Sustained Growth)



Margins (Increasing Profitability)

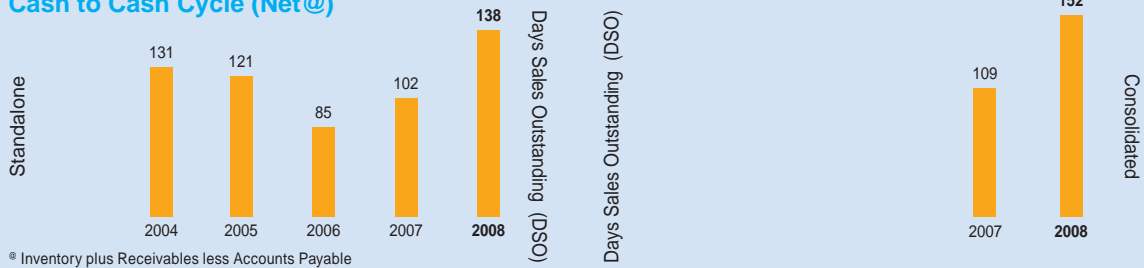


Sustained Interest Cost^s

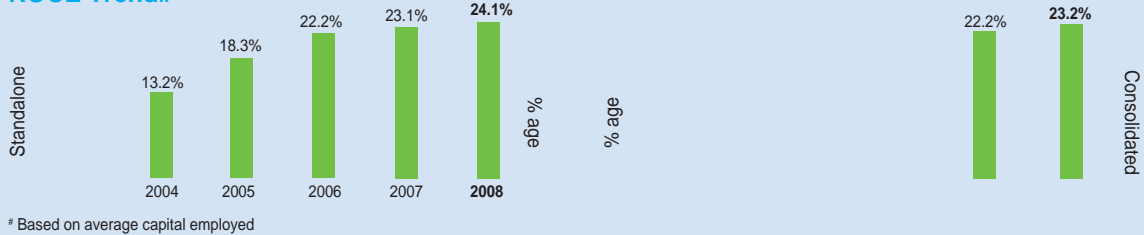


Gross interest excluding interest income & Bank charges^s

Cash to Cash Cycle (Net@)

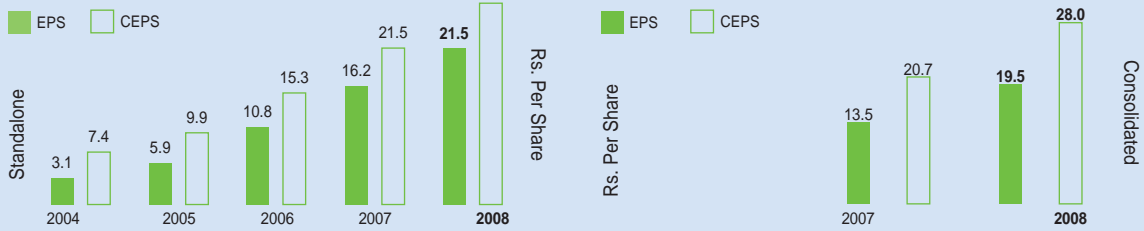


ROCE Trend#

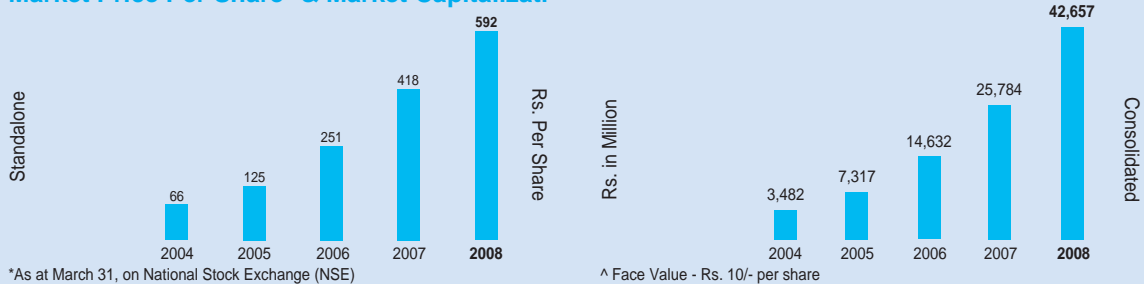


EPS & CEPS[^]

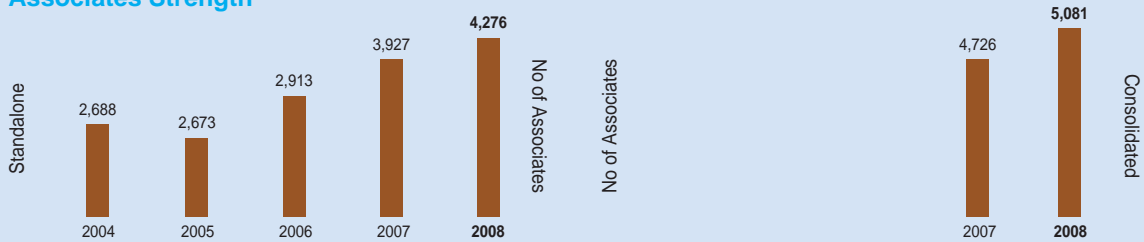
CAGR EPS - 63% & CEPS-39%



Market Price Per Share* & Market Capitalizati



Associates Strength



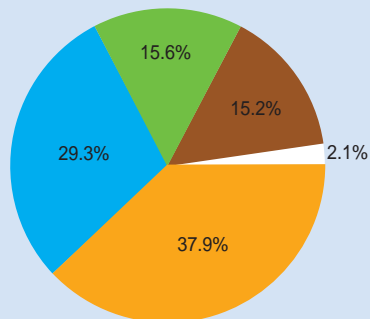
CONSOLIDATED REVENUE SEGMENTATION

Industry

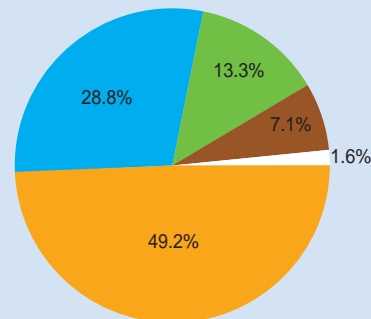
Rs. in Million

Period : April - March	2004	2005	2006	2007	2008	CAGR
Micro Irrigation	906	1,199	2,138	5,499	11,276	88%
Piping Products	1,485	2,272	3,567	4,250	6,599	45%
Agro processed Products	829	1,026	902	2,257	3,037	38%
Plastic Sheets	1,164	1,675	2,031	2,205	1,627	9%
Other Products	101	138	269	299	369	38%
Total	4,485	6,310	8,907	14,510	22,908	50%

Revenue Mix (2007)



Revenue Mix (2008)



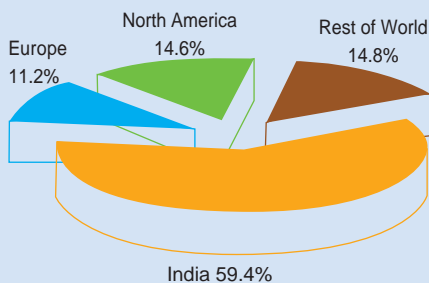
■ Micro Irrigation
 ■ Piping Products
 ■ Agro Processed Products
 ■ Plastic Sheets
 ■ Other Products

Geography

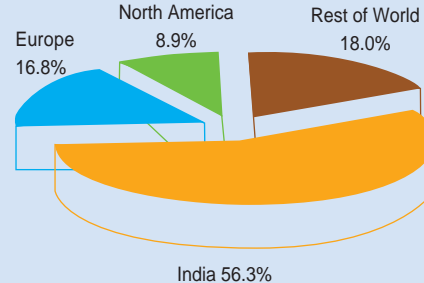
Rs. in Million

Period : April - March	2004	2005	2006	2007	2008	CAGR
India	2,769	4,054	6,200	8,612	12,907	47%
Europe	711	701	1,299	1,631	3,843	52%
North America	757	1,165	952	2,117	2,039	28%
Rest of World	248	390	456	2,149	4,119	102%
Total Net Sales	4,485	6,310	8,907	14,509	22,908	50%

Revenue Mix (2007)



Revenue Mix (2008)



■ India
 ■ Europe
 ■ North America
 ■ Rest of World

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy is on a sustained uptrend with GDP growth rate hovering a little over 9% for the last three years. The 2008-09 growth estimates however hover around 8% or lower due to slowdown in manufacturing sector accentuated by slow growth in agriculture, mining, construction sectors.

The inflation has been rising consistently touching a 12.63% level in August 2008. The RBI has tried to contain the WPI inflation by slew of monetary measures of rate hikes and reduction in liquidity. The external situation is moving fast with US dollar strengthening against all major currencies world over and Rupee breaching the Rs.44 mark against dollar depreciating close to 10% on YoY basis. The Index of Industrial Production (IIP) is hovering just over 5% mark.

Agriculture in 2007-08, according to Government estimates had grown by over 3%. The major reasons for such a poor performance were low investment, low water use efficiency, imbalance in fertilizer use, distorted incentive system and low post harvest value addition. The poor agricultural growth have lead to problems in price stability and supply side concerns in essential commodities. The Economic Survey in the past had called for an inclusive growth in the economy which implies that a large population should participate in the growth. With just under 60% of the population engaged/ dependant on agriculture, they share less than 20% of the output in terms of value, causing a grave imbalance. This imbalance can only be set right by following policies centered around the rural and agriculture population. While there is good intent in the Government to improve rural/agricultural economy, execution is tardy and beneficiaries at the bottom of the pyramid are hardly getting any benefits. Revival of this sector will require significantly higher resource allocation and an integrated development plan which will incorporate a holistic view of all round development.

Overview of Business

Your Company is one of India's leading agri-business companies, operating in diverse but integrated segments of the agri-business value chain. Your Company is one of India's largest manufacturers of irrigation systems, plastic pipes and plastic sheets and now also the largest mango processor and largest onion dehydrator in the country.

The Company's product range includes Micro Irrigation Systems ("MIS") consisting of drip and sprinkler irrigation systems; Piping Systems consisting of PVC pipe and polyethylene ("PE") pipe products- Plastic Sheets consisting of PVC sheet and polycarbonate ("PC")

sheet products; Agro-Processed Products consisting of dehydrated onion and processed fruit purees and concentrates; and other products such as agricultural tissue culture and Solar Water Heater and Solar Lighting Systems.

The Company's overall business prospects are significantly integrated to the agriculture economy generally and horticulture sector in particular. The movements in the overall industrial economy and the external sector also have a significant effect on the business of the Company. Thus, the Company's performance is subject to seasonality in the agriculture sector and also partly dependant on Government policies at both Central and state level. To offset the risks of the agricultural sector the Company has built a diversified portfolio of industrial products.

External events and their impact on business has been increasingly volatile and challenging.

Now days, historical trends do not necessarily provide ready guide to future. Managements must keep constant vigil and respond in dynamic manner to effects of unfolding developments almost on 24 x 7 basis. This must be done while keeping focus on long term strategy and adherence to core values.

Our business during last year has also faced such challenges and has effectively managed them to provide another year of sterling growth and consistant profitability.

Current year seems to more challenging. We are on our guard. Our outlook is more cautions while keeping our convictions on growth intact. We have a task on hand to maintain growth rates near the one's we have achieved over last 5 years.

The Strategy

Your Company's primary business strategy is to play a key role of catalyst in providing value added long lasting solutions through it's products and services to problems of water security, food security and energy security.

This strategy is being implemented by pursuing well co-ordinated initiatives such as increase in product and services portfolio, increase in geographical reach, creation of value added products with help of fundamental research and development and by creating awareness to effect knowledge transfer to farmers.

- *ro ing the business organically and through select strategic partnerships and mergers and ac uisitions*

The aim of the Company is to be among the top three global players in each of its major business segments such as Micro Irrigation Systems, Plastic Sheets and

Agro-Processed Products. In addition to organic growth, the Company will evaluate on a case-by-case basis potential acquisition targets, that offer an opportunity to grow the business, production capacity and/or expand its capabilities or geographic reach. The Company intends to pursue those acquisitions that are related to its key strengths, are synergistic and in its assessment, have manageable integration risks. Your Company may also enter into strategic partnerships with leading overseas manufacturers and distributors of similar products with coverage in markets where the Company is presently under-represented.

- *Focusing on the agri-supply chain* The plan is to sell products and services at various levels of the agri-supply chain, leveraging the existing strong brand in India and established domestic and international distribution networks. For example, for the domestic farming customers the Company plans to provide an integrated “full service” product offering assistance to them at every step of their crop growing cycle with products and services which are synergistic with the current products of the Company. The Company plans to help its customers to improve their crop yield such as, through Micro Irrigation Systems and higher quality planting material like the selected high yielding and hybrid onion varieties presently supplied to its contract farmers.

The Company also plans to work with its customers to take their agricultural projects from conception to completion on a turnkey basis, providing services such as engineering, soil and water analysis, water resource estimation, crop planning, irrigation and fertigation scheduling, marketing assistance and other agronomical support. The Company believes that these activities are also complimentary to and synergistic with the vegetable and fruit dehydration and processing activities downstream in the agri-supply chain. The Company intends to achieve further vertical integration of its activities in the agri-supply chain such as through expanded upstream contract farming arrangements to support the downstream Agro-Processed Products business.

- *Expanding into new products and markets* The Company will continue to expand its product range with new and innovative products in areas such as PVC window and door profiles and other building products made from PVC Sheets which are believed to have a cost advantage over traditional wooden (lumber) products. Your Company also plans to further penetrate the urban and commercial applications for its PVC Piping Systems, focusing on India’s increasing need for housing,

sewerage, water supply, telecommunications and other infrastructure. The Company plans to enhance its distribution reach by adding new dealers and distributors to penetrate into new domestic and international markets, particularly in Africa, the Middle East and the East and West coasts of the US. Furthermore, there are plans to foster strategic alliances with global players so as to have access to their distribution reach for marketing the Company’s products.

Recently company has signed MOU with Mekorot of Israel to expand it's activity in water infrastructure Area.

In case of fruit & vegetable processing company plans to add vegetables other than onion to it's portfolio. It also will increase capacities in IQF fruits.







- *Maintaining cost competitiveness* Your Company seeks to be a cost-competitive high-quality producer and is focused on maintaining its cost competitiveness in the domestic and international markets. There are plans to further increase productivity and production while reducing costs by continuing to invest in new equipment, improving the material management system to minimize wastage and production losses, improving the working capital cycle to reduce the interest costs, refinancing the higher cost debt with lower interest debt and exploring ways to use the solid waste produced by our food processing facilities to generate electricity etc. Since 2004, The Company has engaged in contract farming, whereby it sources the raw materials for its onion dehydration business by buying-back onions at pre-determined prices from over 2,000 farmers, covering approximately 3,000 acres of farm land. The Company provides such farmers with various agricultural inputs and services.

Chairman with a few associates at our Mumbai office



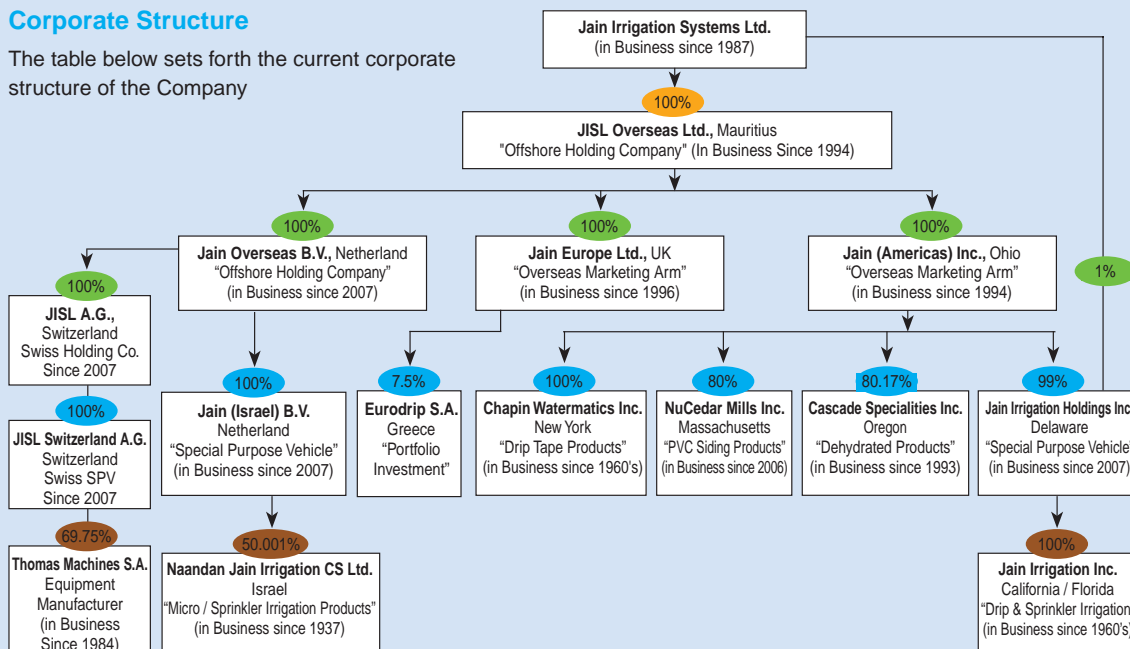
Key Products

A brief synopsis of our products and their application is provided in the table below.

Product	Use and Applications	Brand Name	Logo
Drip Irrigation Systems	Farm Irrigation & Landscape	Jain Drip	
Sprinkler Irrigation Systems	Farm Irrigation & Landscape	Jain Sprinkler	
PVC Pipes	Water Supply, Farm Irrigation, Plumbing, Cable ducting	Jain Pipe	
High Density Polyethylene ("PE") Pipes	Water, Sewerage, Effluents, Cable ducting, Gas distribution	Jain PE Pipe	
PVC Sheets – Free Foam – Integral Foam – Rigid	Trim boards, display boards, sign boards, banners Marine industry, advertising, signs boards, interior designs Industrial applications, partitions, interior designs	Ex-cel	
Poly Carbonate (PC) Sheets – PC Compact – PC Corrugated	Building, construction, transport, advertising Greenhouses, stadium and industrial roofing	Ex-cel	
Dehydrated Onions	Processed food, soups, recipes, salads, retail	Farm Fresh	
Fruit Puree and Concentrates	Juices, baby foods, confectionary	Farm Fresh	
Tissue Culture Plants	Agriculture plantation	Jain Tissue Culture	
Solar Water Heating & Solar Photo-voltaic	Domestic and industrial uses, Hospitals, Dairies	Jain Sun Watt & Jain Jyot	

Corporate Structure

The table below sets forth the current corporate structure of the Company



JISL Overseas Ltd. Is a wholly owned subsidiary of the Company and was incorporated in 1994 under the laws of Mauritius. JISL Overseas Ltd. acts as a holding company for the overseas subsidiaries and all of the overseas subsidiaries are directly held by JISL Overseas Ltd. For the year ended 31st March, 2008, JISL Overseas had share capital of approximately US\$ 64.24 million out of which \$ 24.58 million was infused in the year FY 2007-08. The said Company had a profit of \$97,457 for the year ended 31st March, 2008.

Jain (Americas) Inc. is a wholly owned subsidiary of the Company and was incorporated in 1994, under the laws of Ohio, USA. It is our key marketing and distribution arm in the United States. For the year ended 31st March, 2008, Jain (Americas) Inc. had sales of US\$23.02 million.

Jain (Europe) Ltd. is a wholly owned subsidiary of the Company and was incorporated in 1996, under English laws. Jain (Europe) Ltd. is our key marketing and distribution arm in the UK and other European countries. For the year ended 31st March, 2008, Jain (Europe) Ltd. had sales of GBP 15.04 million.

Chapin Watermatics Inc, USA is a wholly owned subsidiary of the Company thru the Jain Americas Inc. Chapin is engaged in drip tape manufacturing and distribution business based in Watertown near New York. The Company has reported revenue of US\$13.13 million in the 12 months to March 2008.

Cascade Specialities Inc. USA is owned to the extent of 80% by the Company thru the Jain (Americas) Inc. It is engaged in onion and garlic dehydration business with specialization in natural low bacteria and organic dehydrated products. The revenues for 12 months ended in March 2008 were US\$12.89 million. The Company has definite agreement to acquire over the next 4 years remaining ownership from other shareholders at an agreed EBIDTA multiple each year.

NuCedar Mills Inc. USA is a start up venture engaged in the manufacture of PVC sidings thru a patentable product for the home building market in USA. The Company has commenced production in 2007-08 for test marketing reaching Revenue of US\$ 3.23 million.

Erstwhile Aquarius Brands Inc. USA now known as Jain Irrigation Inc. is a California based manufacturer of drip irrigation systems for agriculture landscape and nursery applications and is a wholly owned subsidiary of the Company thru the Jain Irrigation Inc. In first full year of ownership by the Company the said company has achieved a sales level of US\$34.14 million in the 12 month to March, 2008.



Jain Micro-Irrigation Plant at Watertown, USA

Jain Food Processing Plant at USA



Jain Plastic Sheet Plant at Massachusetts, USA



NaanDan Jain Irrigation C.S. Ltd. Israel is owned to the extent of 50.001% by the Company thru Jain (Israel) B.V. It is engaged in the manufacturing of drip /sprinkler irrigation. NaanDan also has manufacturing facilities in USA, Chile, Brazil, Spain & Australia. The Company has reported revenue of NIS349.86 million in the 12 months to March 2008. The Company has a call option to acquire remaining ownership over the next 2-10 years from other shareholders at an agreed fixed price.

Thomas Machines S.A. is a Switzerland based manufacturer of plastic extrusion equipments with laser technology. The Company owns 69.75% of Thomas Machines thru JISL Switzerland A.G. Revenue for the 12 months to December 2007 is CHF12.20 million. The Company has a call option to acquire remaining ownership over the next 3 years from other shareholders at an agreed fixed price.

Competitive Strengths

The Company believes that the following are its principal competitive strengths to successfully execute the earlier mentioned strategy.

- **Strong brand in India** Jain Irrigation is one of India's leading manufacturers of Micro Irrigation Systems, Piping Systems, Plastic Sheets and Agro-Processed Products. Since the Company commenced operations in 1986, it has built an extensive distribution network throughout semi-urban and rural India, selling flagship brands such as Jain Pipe and Jain Drip, which are well-known in the domestic markets. Company's MIS products are customized to assist in meeting the special requirements of its domestic customers. Management believes that the Company's strong brand, leading market position and understanding of the customers' needs, makes it well-placed to capitalize on growth opportunities in the fast growing domestic markets for its products. Formation of Jain Irrigation was preceded with other group companies that dealt with agriculture since 1963. Thus, there is 44 years of a strong relationship and mutual warmth with the larger agricultural community.

- **Flexible and scalable production facilities** Management believes that the flexibility and scalability of the Company's existing production facilities will help it meet increased demand for its products. The scalability of the Company's existing facilities enables it to increase its production capacity through the installation of new equipment and production lines. For example, the Company can increase the capacity to produce our PVC/PE pipes and Plastic Sheets by upgrading critical equipment such as screws/barrels and gear boxes, or



Jain Micro-Irrigation Plant at Fresno, USA

Jain Micro-Irrigation Plant at Naan, Israel



Jain Micro-Irrigation Plant at Jalgaon, India



if greater capacity enhancement is required, by adding new extruders. The Company's flexible manufacturing facilities enable it to produce a wide range of products with different specifications, such as PVC / PE pipes with different diameters and working pressure ranges and processed and dehydrated fruits and vegetables using different organic feedstock. This flexibility assists the Company in meeting the specific demands of its customers and reducing the impact of seasonal changes in production volumes for specific products such as the Agro-Processed Products and Piping Systems. The ability to expand production across product streams is demonstrated by the achievements in the past 48 months in which Company has increased its PE pipe capacity, more than eight times to 81,360 tons as of 31st March, 2008 from 8,676 tons as of 31st March, 2003. It increased the PVC sheet capacity by almost 4 1/2 times to 36,300 tons as of 31st March, 2008 from 7,735 tons as of 31st March, 2003 and it increased the PVC pipe capacity by 2.75 times to 98,010 tons as of 31st March, 2008 from 35,600 tons as of 31st March, 2005. Your Company plans to continue this aggressive capacity build up in current and coming year so as to maintain substantial organic growth across most of the divisions.

- *Cost competitive high quality producer* The Company's modern, large-scale production facilities, the de-centralization of its plastics manufacturing facilities in Jalgaon, Hyderabad and Udumalpet near Coimbatore in India, the increasing de-centralization of the food processing and dehydration facilities throughout India, closer to the growing regions for the raw material and efficient working capital management, make your Company a cost competitive manufacturer of various products. While the Company is committed to maintaining international quality standards for all its products, the success in meeting the quality requirements of the international customers is demonstrated by your Company's increasing export sales. The overall export sales increased by 12% to Rs. 454 crores in fiscal 2008. The Company's plastic processing, onion dehydration, fruit processing activities, tissue culture activities and solar division had achieved ISO 9001 certification. The Company's plastics processing was certified under ISO 14001-2004 Environment Management System certification by TUV NORD Germany in 2005-06.

- *Experienced management & sales teams* With significant experience in the plastics manufacturing, fruit and vegetable dehydration and/or fruit processing industries, the Company's senior management team has deep experience in the industries in which it operates.



Jain Food Processing Plant at Jalgaon, India

Jain Food Processing Plant at Jalgaon, India



Jain Micro-Irrigation & PVC Pipe Plant at Udumalpet, India



The Chairman, Mr. B. H. Jain is the founder and is acknowledged as one of the pioneers of micro irrigation in India. The experience of the Company's management team in international markets will help it increase the penetration of strategically selected countries and expand the range of its product offerings in existing export markets. The management team also has long-standing relationships with many of the major customers, distributors/dealers and suppliers. Further, the Company has a strong local sales force, which together with the management team give the Company a deep understanding of the needs of the domestic customers.

- *Diverse revenue streams* Although the Company's business and its prospects are significantly integrated with the Indian agricultural sector, your Company also derives a significant portion of its revenue from non-agricultural sources, such as from sales of piping systems to commercial, industrial and government customers, and sales of PVC sheets to the home building construction industry. In fiscal 2008, the Company derived a little over 50% of its revenues from non-agricultural sources. The revenues are further diversified across the wide range of products sold. This diversification can help insulate the overall sales and operations from adverse conditions affecting any one of the business segments or products.

Overview of Segments

A High-Tech Agri Input products

The segment comprises of Micro and Sprinkler irrigation systems, PVC Pipes, bio tech tissue culture and other agri inputs. The segment has grown at almost 42% over the previous year at Rs. 6141 million. The main growth engine was the MIS/SIS business at a robust 75% growth. The segment profit has grown by an impressive 75% over the earlier year's level, while the capital employed grew at a little over 62% reflecting the creation of additional capacities during the year.

a) Micro and sprinkler irrigation

i) Industry The industry is broadly divided into the organized and unorganized segments in the country. The Company is the largest player in the organized sector. In view of the involvement of a large number of components in a system, all of which are not available with a single manufacturer, it is difficult to hazard a guess about the exact size of the industry as most of the figures are derived on the basis of information available from different sources. While the Company controls 55% of the Micro Irrigation business in the country, it has a market share of 35% in the Sprinkler irrigation business



Jain PVC Pipe Plant at Hyderabad, India

Jain Food Processing Plant at Chittoor, India



Jain Machineries Plant at Switzerland



in the country. The current estimate of industry size is Rs. 12 bn. and growing rapidly. Currently about 2.0mn Ha of possible 70 mn Ha are covered under the micro and sprinkler irrigation in the country. However, as per Government task force 17mn Ha of land can be easily brought under micro irrigation coverage in the country in the near future, say by 2011-12.

The world over the MIS/SIS industry is undergoing a consolidation phase with M and A activity at its highest in the last 30 years or so. The Company has now got a firm foothold in the mature North American market with two significant acquisitions to gain a 10% market share. The JV with Naandan gives it strategic access to markets the world over, specially in Europe, South America, Australia and ME Asian countries, while it faces a demand explosion in the fastest growing Indian market.

ii) Performance While the tonnage of the business has grown by a respectable 47% compared to the earlier year, 12% increased realizations led to growth in revenue terms at 64%. The business contributes a little over 35% of the Company's turnover. The division has been growing at a CAGR of 66% plus on the back of projects in the States of Andhra Pradesh, Gujarat, Tamil Nadu and the philip provided by Maharashtra continues. The business added 12,690 MT of capacity during the year under review, while Fixed Assets addition was to the tune of Rs. 610 million.

iii) Opportunity & Outlook Almost 60% of the arable land in the country is still rain fed. The Government (Central and State) provide 50% capital subsidy for promoting the use of Micro Irrigation by farmers. While targeting an agriculture growth of 4% per annum the government had also placed higher targets for farm credit and agriculture investments at 2% plus of the GDP for the XI plan period.

State government have also started work on new concept of 'On Demand Irrigation' which will help farmers to do more productive farming. Another initiative called 'No Lift Without Drip' will encourage wide spread use of Micro Irrigation Systems even in crops such as cereal and pulses. Adoption of Micro Irrigation System is becoming more prevalent even in crops such as Cotton, Chillies, Onions, Potatos and other vegetable crops. States from Northern Parts of India are picking up speed especially with Horticulture crops. All in all, outlook for this industry in very positive and opportunity is immense.

Your company is making significant investment in production capacity and in network building so that it can maintain the unprecented compounded annual growth rate of 60-80% in this division going forward as well.



A Jain innovation for dwarf plants - 'Jain' Rain Port Sprinkler

A full range of micro & sprinkler irrigation products



Chairman on a visit to NaandanJain, Israel; June 2007



iv) Risks & Challenges The growth in markets is dependent on Government policies and release of capital subsidy etc in the short term. The growth in industry will need a large pool of trained sales people and a dedicated dealer network in the far flung areas of the country. The uneven distribution of rainfall in the country and fluctuations in the polymer prices are constant threats faced by the industry. Low cost / low quality competition is another threat.

b) PVC Piping

i) Industry Indian Scenario: During the year 2007-08 the Indian industry used 1373 KT of PVC Resin, achieving a growth of 13% over previous year. Out of this about 70% i.e. 972 KT was consumed for pipes & fittings. For the year 2008-09 Indian PVC industry in general looks forward to consume 11% more and looks forward to a CAGR of 10% up to the year 2012-13, matching the Global pace. Jain Irrigation, with a 15% share, is one of the handful major players in the organized market. Rest of the industry, being small and medium scale in nature, is unorganized, fragmented and scattered near the user belts in the country. However, there are 3 major players in the organized sector. Increased micro irrigation spends, push for urban infrastructure by government agencies and Command Area Development Programme will improve the demand situation for the industry.

ii) Performance During the year 2007-08, this business contributed just under 16% revenue for the Company. While the business has grown at a steady 10% in revenues, the realizations have increased by 9%, while the tonnage grew at 1% to reach just under 46,221 MT. The business added 12,995 MT of capacity during the year under review, while the Fixed Assets addition was to the tune of Rs. 107 million.

iii) Opportunity & Outlook While the expansion of capacity undertaken last fiscal year is complete, in view of increased budgetary allocation from government, demand is expected to significantly increase. Hence, the Company has again decided to enhance the capacity by another 15972 MT, the full effect of which will be observed in FY 2008-09. In a full year's operation the investment would generate Rs. 298 mn of incremental revenues.

While the government infrastructure spends are increasing all the time, the government programmes continued for safe drinking water, urban and rural sanitation, Rain-water harvesting and integrated watershed management programme etc. are expected to generate substantial demand for piping products in the coming years. In the year 2007-08 the company



Chairman in discussion with visiting agri experts

A PVC pipe production line the Jalgaon Factory



Complete Range of PVC & P.E. Piping Systems



has started a complete range of PVC SWR pipes and moulded fittings to strengthen the product portfolio. Additionally, during the current year a production centre is established in Tamil Nadu to move closer to the customers' demand centres and company would be establishing two more centres in the north part of country in near future. A large part of the Urban Infrastructure projects in the current five year plan is towards irrigation, drinking water supply & sanitation.

iv) Risks & Challenges Delays in government decision/ spending and prices of PVC resin remain the potential threats to the otherwise rosy picture for the future of the industry. Low cost / low quality manufacturers continue to twist the healthy markets. Increase in price of raw material PVC resin is another dampening factor on demand.

c) Biotech Tissue Culture

i) Industry The industry is broadly divided into two segments- (1) Fruits and vegetables and (2) Leafy Plants and flowering Ornamental Plants.

The industry is not organized although some big names did start forays in this industry in the mid 1990's. Most of the players are engaged in tissue culture for cut flower exports, where the model of business is quite different. The Company started with banana as the main crop for tissue culture and the efforts have really paid off. The industry is still growing at an estimated 25% per annum.

ii) Performance The sales in business crossed Rs. 100 million for the first time during the year, reflecting a 51% growth over the previous year. The quantity increase at 9.4 mn plantlets contributed 47% of the growth while 3% increase in price realization was achieved during the year. Keeping quality of plants as the top priority company had implemented four stage diseases testing program. Unit has also undergone BCIL Certification, certification standard for commercial tissue culture laboratories by Department of Biotechnology, Govt. of India. The Unit has also received "Rajeev Gandhi National Quality award, 2007" for efforts and commitment to quality in the field of Biotechnology industry.

iii) Opportunity & Outlook The outlook continues to be excellent and demand shows improved offtake in the coming season. Now, many State Governments are evincing keen interest in promoting tissue culture. The Company has opportunity to diversify the business & produce fruit & ornamental plants & other fruit plants. To begin with in coming year company has started production of tissue culture pomegranate plants. There is also a export potential to other Asian countries which can be tapped.



Field installation of PVC pipes & fittings at a site in Africa

Banana plantlets in the Tissue Culture Lab - growth room



Associates selecting plants for first hardening in a green house



iv) Risks & Challenges Lack of skilled work force and the risk of legal problems in case of non-performance of the planting material in the farmer's field are the major challenges facing the business.

Industrial roducts

The segment business includes the varied business lines like PVC Sheets, Polycarbonate Sheets, PE pipes for industrial applications, Fruit processing, and onion and vegetable dehydration. Business in this segment has grown at just under 29% over the earlier year's level at Rs. 5948 million. The major growth came from the fruit processing business at a whopping 102% level backed by a good Mango season and an additional revenue from Pomegranate processing. The segment profit has grown by just under 7% over the earlier year's level, while the capital employed grew at a little over 24% reflecting the creation of additional capacities during the year.

a) PVC & PC Sheets

i) Industry The market is divided into two segment; Graphics Market (GM) and Building Materials Market (BMI)

The BMI segment showed the largest growth in using PVC sheets over the last decade. Lumber the traditional building material was being replaced by PVC. The inherent qualities of PVC such as impervious to water absorption; protected against insect attacks and a life term warranty promulgated the product over traditional Lumber. Further, availability of good quality wood was a problem as resources were drying up and cost of processing was escalating.

The basic uses of PVC in BMI was in Trim, used as surrounds for windows and garage doors, Corner Boards, Soffits and interior applications such as Wainscoat and Beadboards. This segment uses sheets 12.5 MM and thicker going up to 30 MM.

The market is serviced by 7 manufacturers and some Chinese imports.

The GM has been using PVC sheets in manufacturing Sign and Graphic boards, Point-of Purchase displays and large print mediums. This industry has stayed with PVC for over 3 decades. However, the sheets properties have been undergoing changes to meet the new technology of printing that is constantly evolving. The sheets used in this industry have to be of a very high quality surface and dimensional tolerances have to be very stringent, Cost though being a factor, the print industry has yet to find a medium that could replace PVC.



A view of the first hardening in a green house

House and Verandah railings and Trim, made from Jain PVC sheets



The Chairman and the Managing Director, with the associates at the Jain office and warehouse at Columbus, Ohio, USA



This segment uses 1 MM to 12 MM thickness. This segment is serviced by 5 manufacturers. Some China products have attempted to penetrate the market.

Polycarbonate Sheets have been traditionally used in Glazings, Roofing, Security windows, some Sign and Display applications in the General Purpose segment. At the high end, Aeronautical applications, Eyeware, Compact Discs have been its niche markets.

ii) Performance

The adverse effect of continued slowdown of American Housing Industry has led to decline in PVC Sheet business revenue by about 36% over the previous year, however it is a decline 31% in terms of volume.

Building Materials Market

The home mortgage crisis in USA has severely impacted the housing industry and consumption of raw material in the Building industry segment fell by 40 %.

New home building has virtually come to a stop in lieu of high inventory levels of unsold homes. Adding to this is the non availability of funds for new home purchases. The area where this segment showed a slight growth was in the remodeling area. Most of the application in this field was towards repairs and replacement.

EX-CEL sheets in the Building Market saw a decline in sales. Some of this decline could be attributed to our losing a major distributor in the Mid Atlantic region of USA. The housing crisis was the major factor in our loss of sales. However, this was the case with all other manufacturers and our decline in sales has been in line with the lesser offtake in the industry as a whole.

Our inventory levels are high and all measures are being taken to reduce the levels but at the same time assuring the market of continued supply. Our quality has been exceptional.

The introduction of NuCedar was well received by the market. However, the housing crisis has been an entry barrier. None the less as a product it is unique and will see it penetrate high end market segment and gain volumes. We have had several main line building products manufacturers contacting us for possible cooperation and or marketing arrangements. This speaks well of the product.

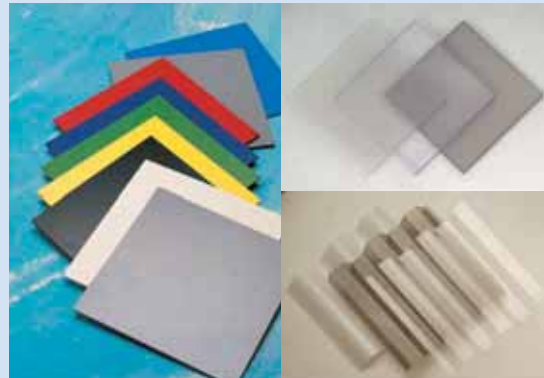
raphics Market

This segment was effected by the credit crunch resultant of the mortgage crisis. However, both in Europe and USA, EX-CEL has held its own. This was achieved by adding manpower, opening new warehousing facilities



Jain Polycarbonate domes at Delhi airport

PVC / PC sheets of myriad hues



The Chairman with associates at the Jain office in London, UK



and maintaining the exceptional quality and services. The economic conditions have resulted in Graphics market cutting back on projects and reducing inventory levels to JIT. The emphasis of this market is to seek out manufacturers who will provide cut to size material and do custom jobs. This is aimed at reducing inventory and cutting back on labour. This market has trended at 5% growth annually and is expected to maintain this level.

The factor that will have an affect is the entry of High Speed Digital printers in place of the Screen print machines used previously. This requires a sheet of exceptional quality with a near pristine surface.

We have introduced the New Digital White which is manufactured to meet the standards required for the high speed digital printers. We expect to make good in roads into this segment. Our broad offering of products has aided in our consolidating the market place. 2 years ago our major market was second tier distributors and regional players. Today we are a major supplier to all 1st tier distributors. This is significant progress given that we do not have any manufacturing facilities outside of India.

The PC Sheet business has grown marginally at 5% over the previous year's level on the back of 12% tonnage growth while the realizations suffered 7% decline in this business due to reduction in PC raw material prices world over.

Polycarbonate product category saw a good growth in the domestic market and we continue to export. Our continued arrangement with Sabic and their increased offtake augurs well for this product line.

iii) Opportunity & Outlook The economic downturn will lead to some players exiting the market and others redefining their basket of offerings. This will create a vacuum of supply that can lead to possible JV's and Cooperations between like minded manufacturers operating in the same market segments and could open up a new vistas leading to a stronger resource pooling and reduction of duplicated costs which ultimately will benefit both the manufacturer and the end user.

The JAIN name has been fore front in publications in Plasticas and Irrigation industry magazines due to the recent acquisitions. This gives the companies a greater exposure for growth.

iv) Risks & Challenges A lot will depend on the price of resin. The fluctuating oil prices do not provide any comfort. The industry as a whole has put through price increases and the reaction of these will be felt in the coming months.



Signboards and signage made from Jain PVC boards

Inside the Jain Irrigation PVC Sheet Plant with Customers



The PVC & PC Sheet Plant



The slow recovery of the housing industry and the credit crunch could further debilitate the levelling of the down markets.

Any slowdown in world economies will have a direct impact on the recovery speed.

A sluggish market is expected over the next 12 months to 18 months.

b) PE Piping

i) Industry The applications of PE pipes are growing at a very fast pace and yet new applications are being developed for the product. In applications like Sewage & Effluent disposal the tougher environmental laws and stricter application of the same by the Govt. departments, the replacement of cement/metal pipes by PE pipes is becoming very relevant. Such possibilities are huge, especially since the larger diameter PE pipes are now indigenously available within the country itself. The Company's presence in gas and cable duct segments of the PE pipe business is commanding and hence the overall industry share is 30%. The Company is operating in all segments of the industry like cable duct, sprinklers, gas distribution, water conveyance, house service connection, Sewage conveyance, Effluent disposal, sand stowing, dust suppression etc.

ii) Performance This business saw a healthy 130% growth in revenues over the last year's level reflecting a phase of consolidation in the industry, while the tonnage increased by 132% over the earlier year's level. However, with all user industries like telecom, gas, water and sewerage having good plans for growth and capital expenditure, the future is very bright for this business. The business added 24036 MT of capacity during the year under review, while Fixed Assets addition was to the tune of Rs. 194 million.

iii) Opportunity & Outlook The Company has successfully continued to get large supply contracts with multinational companies for supply all over the world as a preferred supplier with very encouraging revenues. The massive infrastructure projects undertaken under the Bharat Nirman Yojana, increased investments by telecommunication industry and plans for piped gas in cities, continue to be the potential demand drivers for the industry. All the Gas Distribution companies are continuing their growth plans. The natural gas production is expected to double to 190 mn cubic mtrs per day by 2009 as per the estimates of Ministry of Petroleum and Natural Gas. On the telecom side, in view of the ever expanding market, the government has started releasing additional spectrum for normal as well as 3G



P.E. drinking water pipe being laid

P.E. fibre optic cable installation



HDPE Sewerage Pipe laying in progress



and 4G applications. The demand for next 18 months is expected to be around 250,000 kms of duct pipes. In water transmission and distribution business there are around 200 firms registered with BIS, but the national players are only 5 and Jain Irrigation is the only player to manufacture 1000 mm and above dia pipes up to 1600 mm dia. Jain Irrigation is the only player to manufacture 1000 mm and above dia pipes for sewerage applications. Jain irrigation has become the first company in India to successfully install indigenously manufactured 2 km long 1200mm dia. HDPE pressure pipe-line in Kolkata. The company has also formed a strategic association for Indian market with 'Mekorot' (a Water Management & Treatment expert Israel Govt. company). With this added strength, Jain Irrigation now has developed the capability to provide a complete solution to Water Management, Waste-water Treatment and judicious use of treated water.

iv) Risks & Challenges The unstable raw material prices and business cycles of the end users and delay in implementation of projects remain the major risks faced by the business segment. Lack of awareness about quality needs at the customer end provide significant challenge. Also conversion to HDPE from steel or concrete is still not easy due to unwillingness to change at specification level.

c) Onion and vegetable dehydration

i) Industry Dehydrated Onion industry is lead by USA which accounts for around 60% of world's total production. USA is also the biggest consumer of dehydrated onion in the world followed by EU, Latin America, etc. Total capacity of Indian onion dehydrators is today second to USA. The Company is a large player and accounts for upwards of 40% of share in export of dehydrated vegetables from the country. Most of the domestic industry is unorganized. Unorganized producers supply semi-finished products in crude form, that many buyers in the EU and USA further process to make the finished products. The Company has an edge over unorganized producers because of backward linkages in seed production / distribution, contract farming, and its ability to supply processed finished products, ready to be used in the finished products of customers. Almost all big users of dehydrated onion in the world are the customers of the Company either directly or through distributors, resellers or blenders. With the acquisition of controlling stake in Cascade Specialities Inc, the Company has also established its manufacturing presence in the USA, the world's biggest market for dehydrated onion. As the US market



Onions grown on contract farming with Jain Seeds & Jain Drip

is protected by tariff barriers, having a production base in the country allows the Company to have access to that market as a local producer. The Company is also the only producer in the world that has manufacturing base in two different countries and as a result is able to produce dehydrated onions throughout the year. Due to the location advantage, Cascade Specialities also specializes in production of naturally produced low microbiology laden products, which are in great demand from flavor and seasoning companies. Ability to produce large quantity of low micro products gives the Company an edge over all other competitors in USA and outside, who are unable to produce large quantities of natural low micro products. Cascade Specialities is also the only producer of organic dehydrated onions in the USA.

ii) Performance During the year under review, Company's sale grew by approximately 26% in terms

Washed and cut onion peels being dehydrated



of value and approximately 11% in terms of volume. The Company increased its sales realization on per kilo basis in the year under review. The company achieved this sales growth under the adverse scenarios of bad onion crop, increased raw material cost, appreciating rupee, etc. The Company also faced government's ban on export of onion in the month of October 07, thereby having a very poor 3rd quarter. Company recovered well in the fourth quarter of the year under review and still managed to achieve approximately 25% increase in sales on year on year basis. Company also increased production of value added products like toasted onion to increase realization.

Company's US Operation continued to perform well with increase production of low micro products, increase in sales and realization.

To maintain very important food specific certifications, the Company's two plants at Jalgaon and Baroda secured the renewal of ISO 22000, FSMS, BRC Global Standard food certifications during the year under review.

iii) Opportunity & Outlook Outlook for vegetable dehydration industry in general and dehydrated onion industry in particular looks very good. Large multinational companies with very popular household brands are looking towards consolidating the number of suppliers and trying to align with select few suppliers who can provide better traceability and sustainability. This puts the Company in a very good position due to its backward linkages, relationship with farmers, contract farming programs and sustainability in general.

Worldwide Onion dehydration industry is estimated to be around 180,000mt. The industry is growing globally at 6-8% per annum. The Company now has capacity to produce approximately 25,000mt per annum of finished products between its three plants in two countries. This makes the Company the third largest dehydrated onion producer in the world. The acquisition of controlling stake in Cascade Specialities Inc, USA has further opened up the global customer base for the Company's products. The Company has also made improvements in its plant in the USA by capacity expansion, cold storages for fresh onion storages to increase the season of production and other operational improvements. Demand for naturally produced low micro products and organic dehydrated vegetables continues to grow. The Company estimates that with growing demand of its finished products and general upward movement of food prices globally, the Company will be able to achieve further growth in sale and better realization in the coming year. The Company is also looking at increasing production of value added



Customers from abroad at an onion farm

products like fried onion, frozen onion and other vegetables in the coming year.

iv) Risks & Challenges As the Company experienced in the onion season of 2006-07, uncertain crop patterns continue to be the major risk for such businesses. Company also faces stiff challenge from low cost / low quality producers who can adversely effect the overall market. Rising energy costs and strengthening of the Rupee also pose challenges. Growing interest in bio-fuels have further added pressure on food industry as more and more farm land is now getting used for bio-fuel crops.

d) Fruit processing

i) Industry India is the world's second largest producer of fruits next only to China and has the potential of becoming the largest producer. India also ranks second

Dried onion flakes and a garnished pizza



in the world in the production of fruits and vegetables. Despite the large production of fruits and vegetables, fruit and vegetable processing was limited to only 2% of the production till 2001-02.

This sector has been accorded a very high priority by the Government of India and fruit & vegetable processing industry has been encouraged. Further, with the economic developments taking place in India, increasing health consciousness and with the coming of organized retail trade, the food industry is poised to grow rapidly. The Indian fruit processing industry is growing currently at the rate of 20% p.a. The demand for fruit juices and fruit drinks and other processed fruit products is growing rapidly in India. Further, Indian mango and other processed fruit products are getting popular in developed markets overseas. There are 4,000 fruit processing units in the country with an aggregate capacity of 1.2 mn tonnes per annum. It is estimated that 20% of the output is exported and the rest caters to domestic consumption. Realizing the opportunity and potential of fruit and vegetable processing, the Company established modern plants a decade ago for processing fruits and vegetables. The Company has also added new capacities, acquired a number of plants and also increased the product portfolio. Jain Irrigation is now the largest processor of fruits and vegetables from India. Apart from growth in mango pulp and the concentrate business, the Company has set-up the most modern and largest Pomegranate processing facility at Jalgaon.

The rationalization of manufacturing locations was completed by the Company in the year under review by deciding to process the mangoes in season only at two locations. The IQF and BF fruit products have further diversified the basket of fruits being processed by the Company.

ii) Performance This division forms an important part of the Company's approach to integrated farming model, wherein the Company supplies the farmer with high-tech agri inputs, and is ready to buy back the surplus output to add value and offer the same locally and in International markets, there by completing the agri value chain. The division clocked yearly revenues of Rs. 1,605 Mn. during the year under review. The business grew at 45% with 53% growth in tonnage and with 45% growth in value terms. The division processed 88,455 MT of fruits during the year. The division added new capacities in Aseptic, Frozen and IQF parts of the business.

The division continues to retain its accreditation under various quality standards such as ISO 22000, SGF, Kosher etc. The division is now actively working towards



Production line for mango processing

achieving accreditation under ISO 14000 and OSHAS 18000 standards.

With the increased capacity, improved plant utilization and reduction in raw material transport cost, this division has become cost efficient and a high quality producer of fruit purees and concentrates.

The Company produced 35,063 MT of Mango products, 1,911 MT of Banana products, 804 MT of Pomegranate products, and 2,750 MT of other products like Tomato, Guava, Amla, Papaya etc during the year under review.

iii) Opportunity & Outlook India's Economic development has registered a growth rate of over 8% for the last three consecutive years. Contributing to this flourishing economy is the agriculture sector, where productivity is showing an increasing trend. Keeping pace with the world production of Fruits and Vegetables the

Aseptic packaging for retaining purity



production in India has also grown and now accounts for 15% of worlds vegetable production and 8% of worlds fruit production. The focus has now changed from grains and cereals to fruit and vegetables owing to change in consumption pattern resulting in increase in demand for fruits and vegetables.

The fruit and vegetable processing industry is critical to fruit and vegetable sector. Although the horticulture sector has grown by 7%, only 2% of the produce is processed, resulting in huge post harvest losses. Fruit and vegetable processing establishes the vital linkage between agriculture and industry. In order to sustain the growth in the economy, Govt has realized the need to support this vital link and has been providing support to accelerate growth in the sector. The sector has seen exponential growth with demand for fruit juices, beverages, convenience foods growing by 30% yoy. The demographic profile of the consumers has been changing. With increase in disposable incomes and standard of living, the consumption pattern is shifting from basic foods to more healthy, convenience foods resulting in growing demand for processed food in general and processed fruits and vegetables in particular. There is a marked shift in the International markets with emphasis being laid on wellness products and products having nutritive/therapeutic properties. There is also a shift from the usual products such as Citrus and Apple to more exotic products like Mango, Guava, Pomegranate etc. which are being increasingly being researched for their wellness aspects.

New markets such as China, Russia and Africa are opening up and the existing markets such as middle east are moving up the value and quality chain.

With opening up of US and Japanese markets for fresh Mango, the taste profile is witnessing a change, resulting in opening up of these markets for processed products also.

The demand for tropical fruit purees and concentrates and processed vegetables is growing rapidly within India as well as in International markets. The new format stores have added a different dimension to the distribution and sale of products, opening up opportunities, hitherto non existing. The packaged juices have seen a growth of more than 30% yoy and the consumption of fruits and vegetables as whole has shown an increase of 2.3% CAGR where as that of cereals has decreased.

With a view to offer products with therapeutic values, the Company is working on offering products from Amla and Mangosteen in the International markets.

Company is also working on setting up a processing line



Aseptically packaged products under quarantine

for processing *Mosambi*, the most widely consumed juice in India and also other citrus varieties. The Company was successful in standardizing process and technology for these products, *heather* to not processed in India.

Orange being the largest processed and consumed juice in the world and to be able to meet the growing demand for this juice within the country, the Company has drawn up plans to cultivate the processing variety of Oranges in India.

iv) Risks & Challenges The main risk that the Company perceives in this business is that of securing raw material and to mitigate this risk the company is pro-actively working to expand its sourcing base and is promoting the concept of integrated development of agriculture and establishing backward linkages. The successful model of contract farming in Onion and integrated development

Ice-creams, juices and shakes!



in case of Banana is being extended to other fruit crops such as Mango, Pomegranate and Tomato. However many states still have to amend the laws to permit contract farming and direct supply to the factories.

The other major risk being the ever increasing cost of energy. The spiraling fuel oil prices are not only mounting pressure on the processing costs, but also directly and indirectly increasing the cost of various inputs. The Company is working towards utilizing its bio-waste to generate energy to offset these rising costs.

Fiscal and non fiscal trade barriers in the form of multifarious certifications being put by importing countries adds to cost.

At farm level, low yields and mismatch in quality produced and that required by the processing industry are two critical issues hampering the development of the fruit and vegetable processing industry.

Changing weather patterns is also a cause of worry as this is resulting in peak's and trough's in production. Concern for use of pesticides and excess fertilizer is also mounting and it is a challenge to convince the farmers to desist from using these.

Analysis of the Standalone Financial Performance:

a) Net sales:

Rs. in Million

	2007-08	2006-07	Change	Change %
Micro Irrigation Systems	6,179	3,762	2,417	64.2%
Piping Products	6,601	4,240	2,361	55.7%
Agro processed Products	2,417	1,755	662	37.7%
Plastic Sheets	1,891	2,618	-727	-27.8%
Other Products	373	299	74	24.7%
Total Sales	17,460	12,674	4,786	37.8%
Less: Excise Duty	-879	-663	-216	32.6%
Net sales	16,582	12,011	4,571	38.1%
Domestic	12,045	7,950	4,095	51.5%
Export	4,537	4,061	476	11.7%

Net Sales on corporate basis increased by 38.1% to Rs. 16,582 million as compared to Rs. 12,011 million in previous year. This increase in revenues primarily reflected increased domestic sales of Micro Irrigation Systems, Piping Products and Agro Processed products,

Our total domestic revenue increased by 51.5% in fiscal 2008 to Rs. 12,045 million from Rs 7,950 million in fiscal 2007. The revenues from exports increased by 11.7% in fiscal 2008 to Rs.4,537 million from Rs 4,061 million in fiscal 2007. Export sales accounted for 27.4% corporate sales in fiscal 2008 as compared to 33.8% in fiscal 2007.

i) Micro Irrigation Systems: Revenues from domestic sales of our Micro Irrigation Systems increased by 65.7% in fiscal 2008 to Rs.5,964 million from Rs.3,599 million in fiscal 2007, primarily due to increased retail sales in States like Maharashtra, Karnataka & Madhya Pradesh and project sales in Andhra Pradesh, Tamil Nadu & Gujarat States. During the same period, exports of Micro Irrigation Systems increased by 32.5% to Rs.215 million from Rs.163 million mainly due to project sales in African continent.

ii) Piping Products: Revenues from domestic sales of our Piping Systems increased by 36.9% in fiscal 2008 to Rs.5,396 million from Rs.3,942 million in fiscal 2007. The retail business in Maharashtra & Madhya Pradesh contributed to the increased domestic sales of PVC pipes while demand from telecom duct, water & gas distribution segment led to an increase in domestic sales of our PE pipes. The revenues from export of Piping Products increased by 304.6% in fiscal 2008 to Rs.1,205 million from Rs.298 million in fiscal 2007, mainly on account of increased exports of PE pipes to an MNC for telecom ducting exports to the African continent. During the year, company has operationalized production facilities in Hyderabad, Andhra Pradesh & in Udmalpath, Tamilnadu

iii) Agro-Processed Products: Revenues from domestic sales of our Agro-Processed Products increased by 87.2% in fiscal 2008 to Rs.838 million from Rs.448 million in fiscal 2007, mainly due to higher demand of mango puree by Indian arm of MNC as a result of growing demand for their "Maa a" juice products. Revenue from exports of Agro-Processed Products increased by 20.8% in fiscal 2008 to Rs.1,579 million from Rs.1,307 million in fiscal 2007 mainly on account of higher exports of mango puree and dehydrated onions in the European & US markets.

iv) Plastic Sheets: Revenues from our Plastic Sheets products de-accelerated by 27.8% in fiscal 2008 to Rs. 1,891 million from Rs.2,618 million in fiscal 2007, mainly due to slowdown in housing market in United States of Americas. One of the applications of Plastic sheets is in trim boards and siding products as a replacement of cedar wood in housing segment in USA. The other application of plastic sheet is in signage and advertisement segment, which is growing at 5-8% in Europe & USA.

v) Other products: Other product includes Solar Water Heating systems, Solar Photovoltaic Systems, Tissue Culture Plants and Agricultural products. Revenues from domestic sales of other products increased by 23.9% in fiscal 2008 to Rs.370 million from Rs.299 million in the

fiscal 2007, mainly due to higher sales of tissue culture plants & solar products. Company has also started exporting tissue culture banana plants during the fiscal 2008 with a small beginning of Rs. 3 million.

b) Operating Income Rs. in Million

	2007-08	2006-07	Change	Change %
Export Incentives & Assistance	134	68	66	96.7%

Operating income includes accrued export incentives & assistance under VKYU Scheme & Transport Assistance Scheme of GOI for our agro processed product division.

c) Raw materials consumption Rs. in Million

	2007-08	2006-07	Change	Change %
Polymers, Chemicals & additives, Fruits & Vegetables, Consumables, packing material, etc.	10,808	7,903	2,906	36.8%

Raw materials consumption increased by 36.8% to Rs. 10,808 million as compared to Rs. 7,903 million in the previous year, mainly due to increased higher growth in major segments and also partly due to raw material price increase during the year. During the same period, polymers consumption increased to 133 916 MT from 103, 298 MT representing an increase of 29.6%; however in value terms the increase is 41.2%. Similarly the consumption of fruits and vegetables increased to 166,907 MT from 112,377 MT representing an increase of 48.5%, however in value terms, the increase is 34.6%.

d) Stores Consumed and Repairs to Machinery Rs. in Million

	2007-08	2006-07	Change	Change %
Stores Consumed and Repairs to Machinery	371	251	120	47.6%

Stores consumed and repairs & maintenance costs increased by 47.6% to Rs. 371 million as compared to Rs.251 million in the previous year, mainly due to the increased scale of operations and expenses towards reformation of dryers in agro processed products division.

e) Power and Fuel Rs. in Million

	2007-08	2006-07	Change	Change %
Power & Fuel Cost	664	425	239	56.2%

Power & Fuel cost increased by 56.2% to Rs. 664 million as compared to Rs 425 million in the previous year, mainly due to the increased level of production in all major divisions and higher costs of furnace oil used as fuel in agro processed products division. During last

quarter of current fiscal, company has installed multi-fuel boiler, which is expected to reduce the fuel cost in agro processed product division by 15-20%. Full benefit of change in boiler feed will come in coming years.

f) Other Manufacturing Expenses Rs. in Million

	2007-08	2006-07	Change	Change %
Other Manufacturing Expenses including operating lease rent	360	248	112	45.4%

Other Manufacturing Cost increased by 45.4% to Rs. 360 million as compared to Rs 248 million in the previous year, mainly due to the increased level of production in all major divisions as well as increase in agriculture activities.

g) Payments and Provisions to Associates Rs. in Million

	2007-08	2006-07	Change	Change %
Payments to and provisions for associates	658	462	196	42.3%

Staff costs increased by 42.3% to Rs.658 million as compared to Rs. 462 million in the previous year. The increase is mainly due to increments given to associates, associate compensation expenses including ESOP costs, commission to directors and new employment. During the year a total of 349 new associates joined the Company. Staff Cost as % of Net Sales is 4.0% in current year, as against 3.9% in previous year.

h) Selling & Distribution Expenses Rs. in Million

	2007-08	2006-07	Change	Change %
Selling & Distribution Expenses	1,185	900	285	31.7%

The Selling & Distribution Expenses increased by 31.7% to Rs. 1,185 million as compared to Rs 900 million in the previous year mainly due to increase in outward freight and commission on sales. S&D Expenses as % of Net Sales are 7.1% in current year as against 7.5% in previous year.

i) Interest & Finance Charges Rs. in Million

	2007-08	2006-07	Change	Change %
Interest Expenses	1,071	665	406	61.1%
Bank charges	94	64	30	46.8%
Total	1,165	729	436	59.8%
Less: Interest Income	(30)	(73)	42	-58.1%
Interest & Finance Charges (Net)	1,134	656	478	72.9%

The net interest charges increased by 72.9% to Rs.1134 million as compared to Rs. 656 million in the previous year, mainly due to increase in interest rates, long term loan raised for growth capex, increase in working capital utilization for growth, etc.

j) Fixed Assets Rs. in Million

	2007-08	2006-07	Change	Change %
Gross Block (net of disposal)	9,790	7,991	1,799	22.5%
Less: Depreciation	-3,157	-2,703	-454	16.8%
Net Block	6,633	5,288	1,345	25.4%

Gross block increased by Rs.1,826 million during the year, mainly due to acquisition of fixed asset on merger of Orient Vegetexpo Ltd. (Rs. 123 million) and expansion & modernization plan implemented across all divisions (Rs. 1,703 million). In current year we have increased installed capacities in plastic processing to 255,750 MT as compared to 206,029 MT in previous year and small increase of 3,600 MT in fruit processing division. New Capex has been financed out of long term loans & equity funds raised during the current year.

k) Investments Rs. in Million

	2007-08	2006-07	Change	Change %
Investment in Wholly Owned Subsidiary (WoS)	2,745	1,764	981	55.6%
Other Investments	413	10	403	-

The increase of Rs. 981 million in investments is on account of capital infused in the WoS based in Mauritius. The WoS has in turn invested in second generation subsidiaries in the USA, Israel and Switzerland, and the funds have been ultimately utilized for various acquisitions and/or towards funding the growth in the acquired companies during the year. Others investments includes short term investment of Rs. 400 million in Mutual Fund Units (Liquidity Funds – Growth Option) as a part of treasury management.

l) Inventories Rs. in Million

	2007-08	2006-07	Change	Change %
Inventories	4,844	2,743	2,101	76.6%

The increase in inventory by Rs. 2,101 million during the current year compared to previous year is mainly on account of; increase in inventory of raw material by Rs. 985 million most of which is towards buying inventory of various polymers for plastic processing divisions to take the benefit of lower polymer prices in volatile market.

Similarly the finished goods inventory increased by Rs. 1,037 million during the same period mainly in Micro Irrigation, Piping & Agro processed products division to take advantage of buoyant demand for the products at the market place.

m) Sundry Debtors Rs. in Million

	2007-08	2006-07	Change	Change %
Gross Debtors	5,987	4,436	1,551	35.0%
Less: Provision for Doubtful Debts	-31	-31	-	0%
Net Debtors	5,956	4,405	1,551	35.2%

The increase in debtors is commensurate with increase in sales. Net sales in last quarter were about 36% of total sales for the year. Sundry debtors in terms of number of days sales has slightly gone down to 125 days as compared to 127 days in previous year in spite of change in product mix e.g. higher sales mix of Micro Irrigation in total sales which has longer collection cycle compared to other divisions. Bill Discounting in Micro Irrigation & Piping Division has helped to improve efficiency in receivable management.

n) Loans and Advances Rs. in Million

	2007-08	2006-07	Change	Change %
Loans & Advances	2,254	1,075	1,178	109.6%

Loans & Advances increased by Rs.1,178 million to Rs. 2,254 million in current year from Rs.1,075 million in previous years mainly due to increase in loan to WoS subsidiary (Rs. 207 million), increase in security deposit (Rs.116 million), increase in MAT credit receivable (Rs. 227 million), increase in advance tax (Rs.155 million), increase in incentives & assistance from Gol (Rs. 79 million) and increase in claims receivables (Rs. 67 million).

o) Current Liabilities & Provisions Rs. in Million

	2007-08	2006-07	Change	Change %
Current Liabilities	5,251	4,320	931	21.5%
Provisions	516	259	257	99.0%

Current Liabilities & Provisions increased by Rs.1,188 million to Rs. 5,767 million in current year from Rs.4,579 million in previous years mainly due to increase in sundry creditors for purchases (Rs. 570 million), unrealized derivatives liability (Rs.318 million), increase in provision for income taxes (Rs. 227 million) etc.

p) Secured & Unsecured Loan

Rs. in Million

	2007-08	2006-07	Change	Change %
Secured Term Loan	4,373	1,620	2,754	170.0%
Secured Working Capital Loan	4,164	3,162	1,001	31.7%
Unsecured Loan	534	2,615	-2,082	-79.6%

Company has raised new secured term loan of Rs. 3,425 million towards (1) Foreign currency loan for funding Capex of US\$ 55 million equivalent Rs. 2,204 million (2) Rupee term Loan taken for improving the long term working capital margin of Rs. 1,200 million and (3) Rupee term loan of Rs. 21 million for financing commercial &

agriculture vehicles.

Further, during the current year company has repaid secured term loan of Rs. 586 million and there is decrease in term liability by Rs. 85 million on account of forex fluctuation.

Working capital loan increased by Rs. 1,001 million commensurate to higher scale of operation during the year.

Unsecured loan decreased by Rs.2,082 million during the current year, due to conversion of FCCB into Equity Shares (representing 77.75% of total issue size) by Rs. 2,069 million and decrease in liability by Rs.13 million on account of forex fluctuation.

q) Shareholders' funds

Rs. in Million

	Equity Capital	Preference Capital	Share Premium	Other Reserves	Retained Earnings	Share Warrants	Total
Balance as on 1-Apr-2007	618	885	904	968	1,385	100	4,859
Changes during the year							
• Conversion of FCCB [^]	60		2,010				2,069
• Conversion of Warrants [^]	36		1,487			(152)	1,371
• Subscription towards New Warrants Issue (10%) [^]						411	411
• Adjustment on account of Merger [^]	7			37	(5)		39
• Adjustment for unrealized gain/ loss due to hedging derivatives [^]				(311)			(311)
• Adjustment for ESOPs				17			17
• Premium on Redemption of Preference Shares & Debentures			(34)				(34)
• Profit for the Year					1,455		1,455
• Profit transferred to General Reserve				146	(146)		-
• Dividend (incl. Dividend Tax)					(227)		(227)
Sub Total	103	-	3,463	(111)	1,077	259	4,792
Balance as on 31-Mar-2008	721	885	4,367	857	2,463	358	9,651

[^]Refer Note No. (2), (4), (5) & (16b) of Notes to Accounts Schedule 21 (Part-B)

r) Appropriation

Rs. in Million

	2007-08	2006-07	Change	Change %
Transfer to CRR	-	25	-25	-100.0%
Transfer to Reserves	146	100	46	45.5%

An amount of Rs.146 million has been transferred to the General Reserve during the year.

s) Dividend

Rs. in Million

	2007-08	2006-07	Change	Change %
Preference Dividend	35	36	-1	-2.8%
Equity Dividend	159	132	27	20.2%

The Board has proposed to pay dividend on 4.00% and 1.00% Redeemable Preference Shares at fixed rates, while it is proposed to pay dividend on Equity Shares @ Rs.2.2 per share (22%) to all eligible shareholders, subject to approval of Shareholders at the ensuing AGM. The dividend cash-outgo (including dividend tax) would be Rs. 227 million. The dividend payout (including current year dividend on Preference Shares) as % of Net Profit works out to 16% as compared to 20% in previous year.

Note: The Management cautions that some of statements above are directional and forward looking and does not represent correctness of the underlying projections, as they are dependent on various factors, some of which may be outside control of management.

BOARD'S REPORT

To the Members,

The Directors' present hereby their report on the business and operations of the Company and the financial statements for the year ended 31st March, 2008.

Financial Highlights

Rs. in Million

Particulars	2007-08	2006-07
Domestic Sales	12,923	7,956
Export Sales & Services	4,537	4,061
Other operating Income	134	68
Sales and Operating Income	17,594	12,085
Operating Profit	3,595	2,265
Interest and Finance Charges	1,134	656
Depreciation and Amortisation	398	314
Amounts written off and provisions	7	2
Profit before taxation and exceptional items	2,056	1,294
Exceptional items (Service tax disallowed)	14	-
Provision for Tax		
Deferred Tax (Asset)/Liability	570	283
Current Tax – provision	227	8
MAT Credit	(227)	-
Fringe Benefit	16	12
Profit for the year	1,455	991
Profit b/f from the previous year	1,386	716
Less Loss of Orient Vegetexpo Ltd. FY07	5	-
Balance	2,835	1,707
Out of which the Directors have appropriated as under;		
Proposed Dividend	194	168
Dividend Tax	33	29
General Reserve	145	100
Balance to be carried forward	2,463	1,386
Earnings Per Share		
Basic	21.48	16.19
Diluted	21.41	16.19

Operations

The sales and operating income has grown at 45.6% to Rs.17,594 mn. Thus, for the fifth successive year a 40% plus growth is achieved. The domestic sales grew at an impressive 62% to Rs. 12,923 mn on the back drop of a robust demand in MIS/SIS and PE piping segments. The exports grew at 12% this year at Rs. 4,537 mn despite a major slowdown in the US housing markets. The other operating income almost doubled at Rs.134 mn. The other income declined marginally by about 5% at Rs.293 mn. The operating profit at Rs.3,595 mn improved by 59% reflecting ever improving resource utilization.

After providing for depreciation and amortization of Rs. 398 mn, exceptional write off of Service Tax claimed but disallowed of Rs.14 mn, the interest and finance charges of Rs. 1,134 mn, deferred tax liability of Rs.570 mn and Rs.16 mn of FBT, the profit for the year is higher by about 47% at Rs.1,455 mn than the earlier year.

Dividend

An amount of Rs. 35 mn is payable on the Redeemable Preference Shares issued by the Company as per predetermined coupon rate and an amount of Rs.6 mn is payable as Dividend Distribution Tax on the said dividend. The Board of Directors have recommended to the Shareholders for declaration at the ensuing AGM a dividend of Rs.2.2 per share to the eligible shareholders. The said dividend shall result in a cash outgo of Rs. 159 mn while the outgo on the Dividend Distribution Tax on the said dividend works out to Rs.27 mn.

Rehabilitation of Orient Vegetexpo Limited

Pursuant to approval of Shareholders on 29th September 2006, Scheme of Rehabilitation, including amalgamation, was sanctioned by the Board For Industrial and Financial Reconstruction (BIFR) on the 15th November 2007 and pursuant to it, the Company has allotted 713,316 Equity Shares as per approved share swap ratio in the month of December 2007. This amalgamation has increased the capacity of the vegetable dehydration division by another 1,800 MT per annum.

Warrant Conversion, ZCCB Conversion and use of the proceeds

The 2.5 mn Share Warrants of Rs.398.5 each issued in the previous year to the Promoters' Group under the applicable SEBI(DIP) Guidelines on a preferential basis were exercised for conversion and the subscribers paid the balance amount of Rs. 897 mn on opting for conversion. The Share Capital of the Company has gone up by Rs. 25 mn while the Securities premium reserve has gone up by Rs. 971 mn on this account. The proceeds received on the conversion option being exercised on warrants has augmented the long term resource base of the Company.

5,987,995 Equity Shares of Rs. 10 each were issued to the holders of the 46,650 Zero Coupon Convertible Bonds of \$1,000 each who opted for the conversion in terms of the Offering Circular dated 24th March 2006. Hence, an amount of Rs.59.88 mn has been added to the Share Capital of the Company while an amount of Rs.2.01 bn has been added to the Securities premium reserve of the Company. However, till date, further

340,155 Equity Shares of Rs. 10 each were issued to the holders of the 2,650 Zero Coupon Convertible Bonds of \$1,000 each who opted for the conversion in terms of the Offering Circular dated 24th March 2006. Hence, after FY 08, an amount of Rs.3.4 mn has been added to the Share Capital of the Company while an amount of Rs.114.49 mn has been added to the Securities premium reserve of the Company. Thus far almost 82% of the bondholders have opted for the conversion of ZCCB's into Equity Shares. There was no impact of the conversion of ZCCB's on the cash flows of the Company as money was raised in FY 06 and utilised in FY 07.

As you may be aware, pursuant to approval of Shareholders on the 19th October 2007, the Company allotted 8.6 mn Equity Warrants to the Corporate Entities of the Promoters Group on Preferential basis under the applicable SEBI (DIP) Guidelines. The subscribers have paid an amount of 10% (Rs.411 mn approx) on a price of Rs. 478.15 each. The proceeds of the security deposit received on warrants has augmented the long term resource base of the Company. Out of the above, the subscribers of Equity Warrants have opted for conversion of 1,102,600 warrants and as a result 1,102,600 Equity Shares of Rs.10 each were issued to the holders of the warrants. This has resulted in addition of Rs.11 mn to the Share Capital and Rs.516 mn approx to the Securities premium reserve of the Company. The proceeds received on the conversion option being exercised on warrants has augmented the long term resource base of the Company.

Resource mobilization and capacity expansion

During the year under review, the Company has raised from international financial markets / institutional lenders, External Commercial Borrowings (ECB's) / Foreign Currency Loans based on LIBOR linked rate at competitive pricing. Total amount raised is \$65.5 mn and of which US\$ 55 million have been disbursed during the year under consideration. The loan amounts are being used by the Company and its subsidiaries for the expansion and modernization activities. The unutilized amount of US\$ 7.5 million at the yearend was kept in fixed deposit with overseas banks.

The Company has invested an amount of Rs.610 mn to increase the capacity of the MIS/SIS division by 15221 MTPA. An amount of Rs.301 mn has been spent on capital expenditure for the piping segment adding in excess of over 35,186 MTPA in the segment. An amount of Rs 599 mn has been spent on capital expenditure for the Agro processed division. An amount of Rs. 60 mn. has been spent on capital expenditure for Tissue Culture

division to increase the capacity by 2 mn. plants. An amount of Rs. 20 mn was spent on capital expenditure for Plastic Sheet division. An amount of Rs. 149 mn was spend towards strengthening the common corporate service infrastructure.

MOU on Water Infrastructure Projects

The Company has signed a significant MOU with a leading Israeli State run company for working together on projects related to water infrastructure in our country including water supply systems, municipal water management, waste water treatment, desalination plants, water reclamation projects. Government has strongly recommended that at least 25% of waste water for non domestic uses shall be recycled by all beneficiaries. Many tier I and II cities have activated 24x7 water supply schemes for domestic use. The public private partnership model is being used by Government to promote the concept of 24x7 water. The pace of urbanisation, present obsolete technologies and new stringent environmental norms all provide for huge untapped opportunities in the field of water infrastructure.

Overseas Acquisitions and the operations of subsidiaries

The Company has continued its acquisitions in the period since the last report and has acquired a controlling stake in a Swiss manufacturer. This Company is a specialist in machines and equipments for drip irrigation lines, quality control and automation equipments, laser machines and laser products. The above company holds valuable IPR's and cutting edge technology for irrigation as well as composite pipes business. The acquisition would help our Company to further consolidate capacities and improve the speed to market for new generation drip lines including "precision irrigation" products.

Thomas Machines S.A. 69.75%

Manufacturer of specialist machines including latest generation driplines, automation equipment and laser products.

Benefits

Latest generation technology for high speed machines. Helps Company (JISL) in building its capacities faster. Increases speed to market and access to precision irrigation products. Thomas holds valuable IPR'S and cutting edge technology.

Revenues

Current revenue – CHF 12 mn
Potential – CHF 25 mn

The integration activities with investee companies have begun in earnest and has had a very positive effect on the product development activities of the Company as feedback from various geographic areas are now available for such activities. The availability of a wide spectrum of products in the irrigation segment is making it possible for the Company to serve customers in a complete manner which in the pre- acquisition time resulted in loss of business opportunities.

The Mauritius based direct subsidiary of the Company has earned an income of \$ 858,440 and made a net profit of \$97,457. Summarised Balance Sheet and the Income statement of the said subsidiary is available elsewhere in the Annual Report. The resources of the subsidiary have been further strengthened by infusion of \$13.6 mn as Capital and \$15.42 mn as Loan & Redeemable Preference Shares during the year under review.

The Netherlands based subsidiaries have not only invested monies for acquisition of Naandan Jain in Israel but also incorporated Swiss subsidiaries and acquired controlling stakes in Thomas Machines S.A. These subsidiaries are investment vehicles and shall be used for the acquisitions in European Union. The implementation of plans to revamp and restructure the overseas investment and holding structure is on hold for the time being as the global foot print of the Company is being first finalized and then the plan will be initiated for implementation.

Other Subsidiaries

Information on operations of other subsidiaries including new acquisitions has been covered in Management Discussion and Analysis section.

Associate Stock Option Plan (ESOP)

The implementation of Associates Stock Options and Shares Plan, 2005 (ESOP-2005) has continued during the year under review. Thus two more lots are now issued to eligible associates including whole time directors, and key management personnel. No associate has been issued options entitling such person to subscribe to more than 1% of Equity Share capital of the Company.

Details and disclosures in compliance with the clause 12 of the SEBI (Associate Stock Option Scheme and Associate Stock Purchase Scheme) Guidelines, 1999 are set out in the table on next page:

Directors Retiring And Their Background

Shri R. Swaminathan and Shri D. R. Mehta are retiring by rotation and being eligible offer themselves for reappointment at the ensuing AGM. In terms of the Corporate Governance requirements, given below are the brief resume of each of the retiring directors:

Shri R. Swaminathan: He is Chemical Engineer responsible for manufacturing operations in our Poly-tube, Sprinkler, PVC & PC Sheets and PVC & PE Pipe units. He has 30 years of experience in operation and maintenance activities of plants handling such things as Solvent Extraction, Plastics Extrusion and Injection Moulding. He joined the Jain Group in 1982 and was appointed a full-time Director in 1996.

Shri D. R. Mehta: was appointed on 26.12.2007. He joined Indian Administrative Service in 1961 and held important positions in the Govt. of Rajasthan and later in the Govt. of India. He was the Chairman of Securities and Exchange Board of India (SEBI), an apex regulatory body that oversees the regulation and development of the capital market in India. He has been credited with transforming the Capital Market in India into a modern, efficient, safe, vibrant and a very investor friendly one. His prior prestigious postings include the Deputy Governor of Reserve Bank of India, Director General of Foreign Trade, Ministry of Commerce, and Additional Secretary, Banking, Ministry of Finance.

Born in 1937, he is graduate of Arts and Law from Rajasthan University. He also studied at Royal Institute of Public Administration, London and Alfred Sloan School of Management, MIT, Boston.

There is another side to this sterling personality-humane side. A man of compassion, he set up the Bhagwan Mahavir Viklang Sahayata Samiti in 1975.

	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4 *
Options Granted	5,00,000	5,00,000	5,00,000	5,00,000
Pricing Formula	25% discount on market price on the date preceding the date of grant	10% discount on market price on the date preceding the date of grant	10% discount on market price on the date preceding the date of grant	10% discount on market price on the date preceding the date of grant
Options vested	0	0	0	0
Options exercised	0	0	0	0
The total number of shares arising as a result of exercise of option	0	0	0	0
Options lapsed	0	0	0	0
Variations in terms of options	None	None	None	None
Money realised by exercise of options	0	0	0	0
Total Number of options in force	5,00,000	5,00,000	5,00,000	5,00,000
Associate-wise details of options granted to:				
i. Senior managerial personnel	60,000	1,20,000	1,20,000	1,20,000
ii. Any other associate who receives a grant in any one year of option amounting to 5% or more of option granted during that year	0	0	0	0
iii. Identified associates who were granted option, during any year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	0	0	0	0
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	NA	NA	NA	NA
Where the company has calculated the associate compensation cost using the intrinsic value of the stock options, the difference between the associate compensation cost so computed and the associate compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed (in lakhs)	362.61	634.35	1075	820
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.				
(a) weighted average exercise price	307.76	413.46	568	428.58
(b) weighted average fair value	175.11	174.77	277	211
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:				
	Black Scholes Method		Black Scholes Method	
(1) risk-free interest rate,	7.50%	8.00%	9%	9%
(2) expected life, (in years, average)	4	4.5	5	5
(3) expected volatility, (in months)	6	6	6	6
(4) expected dividends, and	21% in first year with 3% increase per year thereafter		22% in first year and increase on 2% every year thereafter	
(5) the price of the underlying share in market at the time of option grant. Rs. per share	410.35	459.40	630.15	476.20

* Granted on 27th June 2008.

Director's Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed except, to the extent indicated in notes;
- ii) the accounting policies selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008, and, of the profit of the Company for the year ended 31st March, 2008;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Material Developments In Human Resource

The Company is adopting various HR initiatives for overall associate (associate) development as well as for development of a sense of belonging amongst the associates. Some of the activities are directly related to the training of the associates for their individual development and some are related to development of this organization as a large family.

Associate Development

In the present globalised environment, people are the partners in progress and the key to success. Human Resource Development function, therefore, is focusing on enhancing this Intelligence Capital. The efforts are directed for building leadership qualities, increasing synergy, developing associates and preparing workforce for growth.

The Company believes that training, coaching and exposure activities must be undertaken as a matter of routine for development of the skills and the horizons of the individual associate. This helps in realizing their latent potential. Job rotation is also one of the important tasks in that direction because it also adds value to the person. Due importance is given to the development of the associates so as to synchronize the mutual beneficial relationship.

The Human Resources departments have the sole responsibility for training and development of the associates. This is done by planning the training for different categories of associates throughout the year and based on the needs of the situation. This is also one of the important parts of the Quality Management

System. The training programs range from the technical, behavioural to spiritual. Thus, the all round development of the associate forms the important goal of the HRD department.

Various types of in-house programs were conducted this year; related to behaviour management, stress management, interaction with renowned personalities to share their experiences as well as technical developments in various fields, yoga and meditation etc.

Training & Development details from April 2007 to March 2008 are as under;

Sr. No.	Location	Inhouse Facilities			External Facilities			Total Man-hrs.
		No. of Prog.	No. of Associates	Duration (hrs.)	No. of Prog.	No. of Associates	Duration	
1	Agri Park	20	301	1923	4	4	63	2315
2	Plastic Park	326	3803	8138	14	27	308	12616
3	Food Park	336	4318	65522	20	56	777	71029
Total		682	8422	75583	38	87	1148	85960

The Company also deposes its associates for outside training, exhibition, seminar, conference and symposiums in India or abroad. Such trainings/ exhibitions give them good exposure to the external environment along with an insight into the new developments in their fields.

Thus, the HRD department contributes to corporate people philosophy of nurturing genuine concern for multifaceted associate development and value Emotional Quotient (EQ) over Intelligence Quotient (IQ).

Socio-economic Survey

The work of comprehensive socio-economic survey of each associates' household continues. The idea behind this is to assess the primary needs of each household and the priorities the family prefers to assign to those needs. The Company proposes to firstly attend to or meet the educational needs of each household and then switch over to the next of its priority of housing.

Scholarship to the Associates Children

The Company not only takes care of the associates' family needs but also encourages their children for taking higher education by providing scholarships. It is the policy of the Company to award scholarships to the deserving students for their educational needs. The Company has already started the practice of providing educational scholarships to the children of associates on need and merit basis. 116 children of the associates were provided scholarships for their education on regular basis during the year.

Welfare Measures

The Company conducted aptitude and intelligence Quotient (IQ) tests for 350 of children of associates during the year for gauging their competence in higher education field. The Company also distributed woolen sweaters and umbrellas in the season to all its associates. The Company also provided Jalgaon based associates free of charge 100 shares each of a local cooperative bank to 1340 associates during the year.

Sense of Belonging

In order to develop a sense of belonging between the Company and associates, the Company has announced ESOP scheme. The shares of Company are being allotted to all the associates who are working with the Company. The number of shares allotted to everyone depends on his position as well as length of his association with Company. In fact they are being made owners of the Company.

Corporate Social Responsibility

As a part of corporate social responsibility, the Company is supporting following three important projects: (1) Rural Development of Village Wakod, (2) Establishment of Gandhi Research Foundation at North Maharashtra University and (3) Setting up of Anubhuti School – An Experiential Residential International Academy. A complete write up on the sustainability of CSR activities and carbon footprint of the Company is given elsewhere in this annual report.

Environment Health & Safety Performance

Environment

During the FY08, the Company has kept all environmental pollution under control, within the limits of consent issued by the appropriate authorities. Company introduced in-house air quality checking. The Company has strengthened the Effluent Treatment Plant (ETP) for recycling the treated water. The Company has provided acoustic canopies for DG Sets and Air Compressor to reduce noise levels in its plants. The Company has sold 3,954 Kg of Hazardous waste to authorised land filling agent at Taloja near Mumbai. The Company has continued awareness training programme on ISO-14001 an Environmental Management System, with all its associates.

The Company has planted more than 5,000 plants during the FY08 in its premises.

Health & safety

During the FY08 there were No "Reportable Accidents". The Company has trained an experienced person on

industrial safety and has recruited two safety officers.

The Company has purchased a Multipurpose Fire Tender with water, Co2, DCP and Foam facilities to deal with fire related incidents. The Company has recruited a medical Doctor and positioned male nurses for its Medical Inspection room for 24 hours service. Company has organized health check up for all associates and no occupational disease is noticed. Drinking water checks were conducted periodically and ensured safe drinking water to associates. Corrective actions are in place to control the minor accidents / incidents. Company is planning to go for certification of OHSAS-18001.

Internal controls for adequacy and Management Information Systems

The Company has adequate systems of internal control for all important transactions such as:

- i) Purchases of raw materials, consumables, stores & spares and fixed assets,
- ii) Sale of goods, discounts on sales, goods return & customer credit control
- iii) Payroll, other variable & fixed costs
- iv) Borrowing cost, bank charges & commission
- v) Inventory management

In addition to the above commercial transactions, the Company has adequate system of internal controls to provide comfort to all stakeholders on various issues such as safe guarding and protection of assets against loss from unauthorized disposition, recording of authorized and correctly reported transactions, compliance of management guidelines & policies etc.

As stated elsewhere, Company is growing at a very rapid rate over the last few years along with increasing geographical expansion in various parts of India due to the recent various acquisitions. To sustain the growth momentum in future and also integrate the acquired companies, the Board of Directors of the Company had decided to further strengthen the internal control systems and had last year appointed M/s Ernst and Young, Mumbai as an "external" internal auditor to facilitate going beyond the generic inference of a process designed and to provide reasonable assurance that controls are in place for a systematic, disciplined approach aimed at improving the effectiveness of risk management, control and governance process.

The management information system is the main source of the control and decision making mechanism in the Company. The Company operates under decentralized operating controls exercised at various Segment

Business Unit levels. The budgetary mechanism is already in place and annual & rolling budgets are approved by the Board. The actual performance versus budgets is measured for the deviations and timely corrective actions taken.

Project Gaurai

The Company had last year embarked upon an exercise to implement Enterprise Resource Planning (ERP) package to integrate all functional operations of the Company and smoothen the process of management decision making.

It is imperative for the Company to go for a robust and integrated Management Information System (MIS). In line with this thinking, the Company has chosen to implement MySAP ERP ECC 6.0 through Satyam Computer Services Ltd. as an implementation partner. Rightly dedicated to Late Gaurai for the values she has inculcated, this Project Gaurai is ably supported by Satyam, a global IT consulting and services provider who has a dedicated SAP PRACTICE as part of its Enterprises Solutions Group. Satyam was involved in 40 Implementation projects for SAP ECC version. The implementation of Project Gaurai is at advanced stages and will GO LIVE by October 2008.

Scope: The SAP implementation shall cover 5 plants and 28 sales offices. Satyam is using Accelerated SAP (ASAP) methodology with tools, templates, questionnaires and the skills to fully utilize the power of SAP products as Systems.

The main objectives of Implementation of Project Gaurai are;

1. Embrace the best practice business processes for leveraging Jain Irrigations' management performance.
2. Increase the effectiveness and efficiency of Jain Irrigations' management and decision making activities through automation of processes accommodated in a fully integrated application system.
3. Real time financial and management reporting.
4. The solutions in SAP Business Suite are open and flexible, increase company's ability to anticipate market needs and make customer service more responsive.

The implementation is expected to further strengthen the internal control mechanism in the Company and improve resource utilization as well as overall efficiency of various processes.

Fixed Deposits:

The Company, during the year under review, has not accepted nor renewed any deposits from public, under

the Companies (Acceptance of Deposits) Rules, 1975. The Company had no unclaimed / overdue deposits as on 31st March, 2008.

Auditors

The Auditors, M/s. Dalal & Shah, Chartered Accountants, Mumbai have furnished a Certificate under Section 224(1B) of the Companies Act, 1956 that their proposed re-appointment, if made, will be in accordance with the said provision of the Companies Act, 1956.

Promoters Group for the purposes of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

In pursuance to clause 3 (1) (e) (i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 the representative of Promoters Group of the Company has filed the following list of the individual Promoters and Corporate entities of Promoters Group as under:

Sr. No.	Name of Promoters/Corporate entities of Promoters
1	Bhavarlal H Jain
2	Ashok B Jain
3	Jyoti Ashok Jain
4	Arohi Ashok Jain (N/G Ashok B Jain)
5	Aatman Ashok Jain (N/G Ashok B Jain)
6	Anil B. Jain
7	Nisha Anil Jain
8	Athang Anil Jain (N/G Anil B Jain)
9	Amoli Anil Jain (N/G Anil B Jain)
10	Ashuli Anil Jain (N/G Anil B Jain)
11	Ajit B Jain
12	Shobhana Ajit Jain
13	Abhedya Ajit Jain (N/G Ajit B Jain)
14	Abhang Ajit Jain (N/G Ajit B Jain)
15	Atul B. Jain
16	Bhavana Atul Jain
17	Jalgaon Investments Pvt. Ltd.
18	Cosmos Investment & Trading Pvt. Ltd.
19	Jain Investment and Finance B.V. Netherlands
20	Kuppam Foods & Vegetables Processing Pvt. Ltd
21	Jain eAgro.com (India) Pvt. Ltd.
22	Jain Holdings B.V. Netherlands (under Incorporation)
23	Jain Overseas Investments Ltd, Port Louis, Mauritius.
24	JISL Investments Ltd, Port Louis, Mauritius (under Incorporation)
25	Jain Investments A.G. Switzerland (under Incorporation)

Particulars of Associates

As per provisions of Section 217 (2A) of the Companies Act, 1956 only seven of the persons in employment of the Company have drawn remuneration in excess of Rs.200,000/- per month, during the year under review of part thereof as per details in the annexure to this report.

Particulars of energy conservation, technology absorption, research and development, foreign exchange earnings and outgo

(A) ENERGY CONSERVATION

lastic ark- energy conservation

- Introduction of multi cavity moulds has given sizable conservation of electrical energy, along with enhanced productivity and optimum capacity utilization to the Company.
- Extension of AC drives application, and introduction of PLC controls in moulding machines has resulted in additional energy saving.
- Continued efforts, maintaining the power factor very close to unity, has added its share of electrical energy conservation.
- Continuing all the efforts for energy saving, such as Power Factor maintenance, state of the art machinery, process improvement, waste control and reductions. The Company has saved 14,05,688 KWH (Rs. 6.32 mn) of electrical energy during 2007-08 at plastic park.

Agri ark- energy conservation

Jain Tissue Culture Banana plants have increasing demand from the farmers end because of uniformity in age and genetic purity of the plants that gives two and half fold more yield than the conventional planting material. Earlier Company was selling banana plants in few states of the country, where the planting season were restricted to June to October only. Because of limited planting season the tissue culture laboratory required more men, machine space. To utilize the facility cent per cent, the Company has extended the area of marketing in those states where planting seasons are different than above. Team of Agronomist have also achieved big success by developing methods to plant banana round the year that actually saved at least 30% energy because of continuous production in the laboratory.

Tissue culture laboratory requires huge amount of water for glassware washing in the laboratory, plant washing and maintenance of microclimatic conditions in the green house. Team of mechanical engineers & automation engineers have developed semi automated glassware

washing system for laboratory that helped to save more than 40% water and energy. Similarly, automation has also been done in the green houses for maintaining microclimatic conditions that saved more than 30% water and energy.

The efforts are still going on to conserve water and energy by making full automation of operating in laboratory, Green House and Shade House.

The bio-gas plant produced 40,000 m³ of bio-gas which was used for conservation of energy equivalent to 50,000 KWH (Rs. 0.22 mn).

Food Park- energy conservation

- Through installation of capacitors, the power factor has improved closer to unity, and this resulted in a discount of Rs. 0.29 mn from the energy bill for the FY 08.
- By switching over from conventional lighting system to energy efficient system, the Company saved 90,000 KWH (Rs. 0.40 mn) during the year.
- Installation of Variable speed drive for boiler fan has given a substantial energy saving of 1,50,000 KWH (Rs. 0.675 mn) during the year.
- The Fruit Division has installed and commissioned Coal/ Bagasse based boiler, resulting in substantial savings in energy costs. While installing the Coal/Bagasse based boilers, due care has been taken to maximize efficiency and reduce pollution.
- The Fruit Division has initiated a water conservation program to reduce water consumption and also to recycle and reuse water, which is going to be the most scarce resource.

(B) TECHNOLOGY ABSORPTION

lastic ark-Technology Absorption None

Food ark-Technology Absorption None

Agri ark-Technology Absorption None

(C) RESEARCH AND DEVELOPMENT

Food ark- Research and Development

- Using Anaerobic & Aerobic treatment for effluent water, sizable volume of Bio gas is generated, which as given nearly 62,000 KWH (Rs. 0.279 mn) equivalent of energy to run the power generator.
- Efforts for dehydration of onions using solar drier are under way.
- Development work for "Fried Onion" and "Reduction in Bacterial Count" in dehydrated onion are in final stage and shall give benefits shortly.

- Substantial thermal efficiency is achieved through conversion of furnace oil fed Boiler to Coal & Bagasse fed one.
- Company has been working on process to be able to extract, stabilize and produce concentrates of Indian Citrus varieties namely Mosambi.
- Company has carried pilot scale trials on Mosambi, Kinnow and Nagpur Orange and was successful in standardizing the process. The trial samples submitted to customers have been approved and accepted.

lastic ark- Research and Development

- In the production of MIS component and pipe fittings, the Company has achieved substantial increase in productivity and optimum utilization of equipment through the introduction of multi cavity moulds.
- The Company has introduced Reverse Osmosis Technology which has improved quality of input water, thereby resulting in better quality of product and reduction in down time of moulds and machines.
- To foster the quality checking system, the Company has established, state of the art metrological facility at its plastic products division.
- Continued efforts of Research & Development has enhanced spectrum of product range adding nearly 90 new products.
- Development of new product range SWR for pipes and fittings for sewerage and drainage under the brand name **-S RE** has given additional cutting edge to the business of the organization.
- A, low wall thickness tubing with flat emitter is developed under the brand name **Turbo Slim**
- **Rodent deterrent** technology was introduced to protect all plastics products for rodent.
- New generation equipment for high speed extrusion of tubing with round cylindrical emitters was introduced.
- Online socketing of PVC pipes was introduced.
- A self cleaning suction screen filter **Jain roto clean** was introduced which can be used on suction side of the pump.
- New range of filters for higher pressure rating, 10 kg/cm² with trade name **Jain Super ow plus** is introduced with ribbed body construction to teal with water hammer and surges in pipe line.
- The existing range of the plastic filter with flow rate of 25 m³/hr is extended up to 200 m³.
- A completely farmer friendly filter back wash controller **Jain Filto - clean** is developed with features, corrosion

resistant, auto alarm system besides, being operated by solar energy.

- Present **Jain hydro cyclone** filter is hydro dynamically redesigned for increasing operational efficiency to remove fine sand and silt particles.

Agri ark- Research and Development

Jain Irrigation systems Limited have one of the biggest and oldest tissue culture production laboratories in India and also have developed its unique facility for research and development work. Apart from continual improvements made in banana tissue culture, the team of scientists have achieved big success by developing tissue culture protocol to regenerate pomegranate plants. The protocol is now being used to produce pomegranate plantlets on a commercial scale. These plants will be free from disease and Company will buy back the fruits for processing from the growers of these plants. This will help farmers to get assured price for their produce.

Solar Division has developed anti corrosion coating for application inside the tanks, which improved the life of product substantially.

Developed LED based Solar street light system which consumes nearly 50% of power compared to conventional solar light, and supplied to Railways for their Level cross lighting.

Developed Solar Fencing system and is used in Company's own premises.

R & D Expenditure

[Rs. Million]

	2007-08	2006-07
Capital Expenditure	13.35	16.25
Revenue expenditure	18.89	22.69
Total	32.24	38.94
% to revenue	0.19%	0.32%

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

[Rs. Million]

C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency	2007-08	2006-07
a) C.I.F. Value of Imports		
Raw Material, Components and Stores and Spares	2,243.61	2,150.37
Capital Goods	332.55	592.74
Total	2,576.16	2,743.11
b) Expenditure in Foreign Currency (on cash basis)		
Interest and Bank Charges	130.59	4.29
Discount / Commission on Export Sales	2.89	0.87
Travelling Expenses	9.49	10.36
Export Selling / Market Development Expenses	2.55	4.07
Law & Legal Expenses	44.61	13.17
Others	32.01	1.43
Total	222.16	34.20
c) Earnings in Foreign Currency		
FOB Value of Exports (on the basis of bill of lading)	4,082.57	3,727.69
Interest and other Income	36.06	41.47
Total	4,118.63	3,769.16

Acknowledgement

The Directors take this opportunity to place on record their appreciation of wholehearted support received from all stakeholders, customers and the various departments of Central and State Governments, Financial Institutions, Bankers, the Dealers and Suppliers of the Company. The Directors wish to place on record their sense of appreciation for the devoted services of all the associates of the Company.

Mumbai,
27th August, 2008

by order of the Board
Anil B. Jain
Managing Director

Annexure to Directors' report

Statement of particulars of associates pursuant to the provisions of section 217(2A) of the Companies Act, read with Companies (Particulars of Associates) Rules, 1975 as amended upto date.

Sr. No.	Name of Associates	Total Experience (Year)	Designation	Remuneration Gross (Rs.)	Qualification	Commencement of Employment with Company	Particular of last Employment	Last Post	Employer	No. of Years (Previous Employment)	Covered Under 200000/ Category w.e.f.
1	Jain Ashok Bhavarlal	25	Vice Chairman	22,151,950	B.Com	12.01.1987	Own Business	Partner	Jain Brothers Industries	4 years	30.09.2002
2	Jain Anil Bhavarlal	23	Managing Director	27,414,276	B.Com., LLB	12.01.1987	Own Business	Partner	Jain Brothers Industries	2 years	20.08.2002
3	Jain Ajit Bhavarlal	23	Jt. Managing Director	25,042,411	B.E.	11.01.1985	–	–	–	–	30.09.2002
4	Jain Atul Bhavarlal	16	Director - Marketing	20,719,107	B.Com	01.01.1991	–	–	–	–	01.10.2005
5	Jain Rajnikant Birdhichand	30	Director - Technical	2,402,229	B Tech	12.01.1987	–	–	–	–	01.10.2005
6	R. Swaminathan	35	Director - Technical	4,053,218	B Tech (Chem)	15.06.1982	Service	Plant Manager	Flavours & Essence P. Ltd.	2.5 years	01.10.2005
7	Manoj Lodha	15	President - Banking & Finance	2,501,364	CA, CWA, LL.B.	05.11.1998	Service	Mananger	Jain Vanguard Poly-butelene Pvt. Ltd.	5 years	01.05.2006

1) Shri Ashok B. Jain, Shri Anil B. Jain, Shri Ajit B. Jain and Shri Atul B. Jain are related to each other as brothers and sons of Chairman Shri B. H. Jain.

2) Remuneration includes perquisites and commission also.

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of Jain Irrigation Systems Limited, as at 31st March 2008 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.

1) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2) As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a Statement on the matters specified in paragraphs 4 and 5 of the said Order;

3) Further to our comments in Annexure referred to in paragraph 2 above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the Books of the Company;

c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company;

d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.

e) On the basis of the written representations received from the Directors as on 31st. March, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st. March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present 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 the affairs of the Company as at 31st March, 2008,

ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and

iii) In the case of the Cash Flow statement, of the cash flows of the company for the year ended on that date.

For and on behalf of
Dalal & Shah
Chartered Accountants

Mumbai, 28th July, 2008

Ashish Dalal
Partner
Membership No: 33596

STATEMENT REFERRED TO IN PARAGRAPH 2 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF JAIN IRRIGATION SYSTEMS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate, and in terms of information and explanations given to us on our enquiries, we state that:

i) (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 have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in the Books of Account.

(c) As per the information and explanation given to us on our enquiries the disposal of assets during the year were not substantial and would not have an impact on the operations of the company.

ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year and at the close of the year;

(b) The procedures of physical verification of inventories followed by the management as explained to us are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;

(c) According to the records produced to us for our verification, the discrepancies noticed on physical verification of inventories referred to above, as compared to book records, though not material, have been properly dealt with in the books of account;

iii) As per the information and explanation given to us and the records produced to us for our verification the company has not taken any loans secured or unsecured from Companies, Firms and other parties in the register maintained under Section 301 of the Companies Act, 1956. The company has not granted any loan, secured or unsecured to Companies, Firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in the internal controls have been identified by the management of the company during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company;

v) (a) On the basis of the audit procedures performed by us and according to the information and explanations given to us on our enquiries on this behalf and the records produced to us for our verification, the contracts or arrangements required to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.

(b) The transactions so entered, aggregating in excess of Rs.500,000/- in respect of each party during the year, have been, in our opinion, as per the information and explanation given to us, made at prices which are reasonable having regard to prevailing market prices as available with the Company for such transactions or prices at which transactions, if any, for similar goods have been made with other parties at the relevant time;

vi) As explained to us and representation obtained from the management, the Company has not accepted fixed deposit from public therefore compliance of Section 58A & 58AA or any other relevant provisions of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, is at present not applicable;

vii) On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of the internal audit functions is commensurate with the size of the Company and the nature of its business;

viii) As explained to us and the representation obtained from the management the Central Government has not prescribed maintenance of cost records for any of the products manufactured by the company under Section 209(1)(d) of the Companies Act 1956;

ix) (a) According to the records of the Company, the company has been generally regular in depositing undisputed

statutory dues including Provident Fund, Investor Education and Protection Fund, Associates State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and other Statutory dues with the appropriate authorities. There were no dues with respect to these statutory dues outstanding for a period in excess of six months as on 31st March 2008;

(b) According to the records of the Company and the information and explanations given to us upon our enquiries in this regards, disputed dues in respect of Sales Tax, Income-tax, Wealth-tax, Service tax, Customs Duty and Excise Duty, Cess unpaid as at the last day of the financial year, are as follows;

Rs. in Lacs

Statues	Forums before whom pending					Total
	Commissioner Appeals	Tribunal	High Court	Supreme Court		
Custom & Excise Duty	67.43	98.00	551.90	–		717.33

x) According to the records examined by us, Company do not have any accumulated losses at the end of the financial year and also the company has not incurred cash losses in this financial year as well as immediately preceding financial year.;

xi) According to the records examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders;

xii) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions have been made therein;

xiii) According to the information and explanation given to us, representation obtained from the management, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities;

xiv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions except that it has given corporate guarantee on behalf of subsidiaries towards credit facility availed by the later, the terms and conditions whereof are not prima facie prejudicial to the interest of the company;

xv) As per information and explanations given to us, the company has taken term loan of Rs. 41,404.72 Lacs during the year and the same has been applied for which loans were applied;

xvi) As per the information and explanations given to us and on an overall examination of the financial statements of the company and placing reliance on reasonable assumptions made by the company for classification of long term & short term usages of funds, we report that no funds raised on short term basis have been used for long term investments.

xvii) In our opinion and according to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report;

xviii) As per the information and explanations given to us on our enquiries on this behalf there were no frauds on or by the company which have been noticed or reported during the year;

In view of the nature of activities being carried on at present by the company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditors' Report) Order, 2003, and the Companies (Auditors Report) (Amendment) Order 2004, clause (xiii) , (xviii) and (xx) of paragraph 4 of the aforesaid Order, is in our opinion, not applicable to the company.

For and on behalf of
Dalal & Shah
Chartered Accountants

Ashish Dalal
Partner
Membership No: 33596

Mumbai, 28th July, 2008

CEO AND CFO CERTIFICATION (AS PER SUB CLAUSE V OF CLAUSE 49 – CORPORATE GOVERNANCE OF LISTING AGREEMENT)

To,
The Board of Directors
Jain Irrigation Systems Ltd.
Jain Plastic Park, N. H. No. 6,
Bambhori,
Jalgaon – 425001.

Sub : CEO/CFO Certification (As per sub clause V of Clause 49 - Corporate Governance of Listing Agreement)

Dear Sir / Madam,

I, Anil B. Jain, Chief Executive Officer / Managing Director and Manoj L. Lodha, President Finance and Banking of Jain Irrigation Systems Ltd., do hereby jointly declare and certify that:

(a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31st March, 2008 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together with the schedules and notes thereon present a true and fair view of the company's affairs for the year ended 31st March, 2008 and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps we have taken or propose to take action to rectify these deficiencies.

(d) They have indicated to the Statutory Auditors and the Audit Committee:

i. Significant changes in internal control during the year under review;

ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an associate having a significant role in the company's internal control system.



Anil B. Jain
Managing Director
Mumbai, 28th July, 2008



Manoj L. Lodha,
President Finance and Banking

BALANCE SHEET AS AT 31-MARCH-2008

	Schedule	31-March-2008 Rs.	31-March-2007 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,605,869,460	1,502,830,350
Share Warrants	2	358,488,181	99,625,000
Reserves and Surplus	3	<u>7,686,729,021</u>	<u>3,256,895,868</u>
		9,651,086,662	4,859,351,218
Loan Funds			
Secured Loans	4	8,536,891,627	4,781,956,249
Unsecured Loans	5	<u>533,599,500</u>	<u>2,615,400,000</u>
		9,070,491,127	7,397,356,249
	Total	<u>18,721,577,789</u>	<u>12,256,707,467</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	9,789,967,713	7,991,237,254
Less: Accumulated Depreciation		<u>(3,157,021,440)</u>	<u>(2,703,349,785)</u>
Net Block		6,632,946,273	5,287,887,469
Capital Work-in-Progress [including capital advances]	7	846,976,714	645,731,922
Investments	8	3,158,229,570	1,774,411,015
Deferred Tax Assets / (Liability) (Net)		(109,587,062)	447,318,890
Current Assets, Loans & Advances			
a) Inventories		4,843,838,405	2,743,097,581
b) Sundry Debtors		5,956,300,039	4,405,134,521
c) Cash & Bank Balances		732,735,465	356,686,604
d) Other Assets		173,682,223	101,034,268
e) Loans & Advances		<u>2,253,554,667</u>	<u>1,075,196,283</u>
		13,960,110,799	8,681,149,257
Less:			
Current Liabilities & Provisions			
a) Current Liabilities	10	5,250,846,534	4,320,335,001
b) Provisions		<u>516,251,971</u>	<u>259,456,085</u>
		5,767,098,505	4,579,791,086
Net Current Assets		8,193,012,294	4,101,358,171
	Total	<u>18,721,577,789</u>	<u>12,256,707,467</u>
Notes forming part of the Accounts	21		

Signatures to the Schedule 1 to 21
As per our report of even date
For and on behalf of

For and on behalf of the Board of Directors

DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Mumbai, 28th July, 2008

A. V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-MARCH-2008

	Schedule	Rs.	2007-08 Rs.	2006-07 Rs.
Income				
Sales and Operating Income	11	17,589,286,783		12,747,757,627
Less: Excise Duty / Service Tax Recovered		<u>(878,736,623)</u>		<u>(662,892,784)</u>
			16,710,550,160	12,084,864,843
Other Income	12		293,047,931	308,850,641
Increase / (Decrease) in Stock	13		<u>1,028,144,041</u>	<u>372,355,883</u>
			18,031,742,132	12,766,071,367
Expenditure				
Cost of Materials Consumed, Purchases, etc.	14		10,808,377,843	7,902,624,023
Manufacturing Expenses	15		1,395,138,541	924,262,188
Payments To and Provisions for Associates	16		657,989,124	462,435,512
Selling & Distribution Expenses	17		1,184,554,657	899,514,394
Administrative & Other Expenses	18		<u>390,715,133</u>	<u>311,820,386</u>
			14,436,775,298	10,500,656,503
Operating Profit			3,594,966,834	2,265,414,864
Less: Interest & Finance Charges	19		<u>1,134,050,482</u>	<u>655,834,418</u>
Profit before Depreciation, Extra Ordinary Items & Prior Year Expenses			2,460,916,352	1,609,580,446
Less				
a) Amounts Written Off and Provisions	20		7,048,206	67,529,868
Less: Withdrawn from Contingency Reserve			<u>—</u>	<u>(65,652,454)</u>
			7,048,206	1,877,414
b) Depreciation / Amortisation			<u>398,348,740</u>	<u>313,637,218</u>
Profit before Exceptional Items and Taxation			2,055,519,406	1,294,065,814
Less				
Exceptional Items (Net)				
– Service Tax Set-off Disallowed			<u>13,896,663</u>	<u>—</u>
Profit for the year before Taxation			2,041,622,743	1,294,065,814
Add/(Less): Deferred Tax (Ref. Note No.15 of Sch.21: Part B.)			(569,849,107)	(283,021,025)
Less: Provision for Current Tax			(226,759,088)	(8,413,158)
Add: MAT Credit			226,759,088	—
Less: Provision for Wealth Tax			(67,460)	(29,607)
Less: Provision for Fringe Benefit Tax			<u>(16,300,000)</u>	<u>(11,500,000)</u>
Profit for the year			1,455,406,176	991,102,024
Balance in Profit & Loss Account brought forward			1,385,190,332	716,254,403
Loss of Orient Vegetexpo Ltd for FY 2006-07.			<u>(5,187,197)</u>	<u>—</u>
Balance available for Appropriation			2,835,409,311	1,707,356,427
Appropriation				
Transferred to General Reserve			(145,500,000)	(100,000,000)
Transferred to Capital Redemption Reserve			—	(25,000,000)
Proposed Preference Dividend for the year			(35,037,760)	(36,037,760)
Provision for Dividend Tax on Preference Dividend for the year			(5,954,667)	(6,124,617)
Proposed Equity Dividend			(159,227,081)	(132,487,472)
Provision for Dividend Tax on Equity Dividend			(27,060,642)	(22,516,246)
Balance Carried to Balance Sheet			<u>(2,462,629,161)</u>	<u>(1,385,190,332)</u>
			(2,835,409,311)	(1,707,356,427)
Earning Per Share (Ref. Note No. 12 of Sch.21: Part B.)				
Basic EPS (Rs.)			21.48	16.19
Diluted EPS (Rs.)			21.41	16.19
Notes forming part of the Accounts	21			

Signatures to the Schedule 1 to 21

As per our report of even date

For and on behalf of

DALAL & SHAH

Chartered Accountants

Ashish Dalal

Partner

Mumbai, 28th July, 2008

A. V. Ghodgaonkar

Company Secretary

Anil B. Jain

Managing Director

Mumbai, 28th July, 2008

A. R. Barwe

Director

For and on behalf of the Board of Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-MARCH-2008

[Pursuant to Listing Agreement with Stock Exchanges]

	Rs.	2007-08 Rs.	Rs.	2006-07 Rs.
A] Cash Flow From Operating Activities				
Net Profit / (Loss) Before Tax and Extraordinary Items		2,055,519,406		1,294,065,814
Adjustment for :				
Depreciation / Amortisation of Lease Land	398,380,016		313,668,494	
Amounts Written off & Provisions	7,048,206		67,529,868	
Loss / (Surplus) on Assets Sale/Discarded	(4,019,023)		(3,445,861)	
Interest and Finance Charges	1,134,050,482		655,834,418	
Provision for doubtful debts & Advances Written back	(63,379,871)		(95,393,342)	
ESOP Cost	16,809,534		3,710,466	
Sundry Credit balances appropriated	(12,227,416)		(7,591,644)	
Dividend Income	(31,387)		(4,002,098)	
		<u>1,476,630,541</u>		<u>930,310,301</u>
Operating Profit before Working Capital Changes		3,532,149,947		2,224,376,115
Adjustment for :				
Sundry Debtors	(1,552,814,106)		(1,585,821,735)	
Loans & Advances	(1,020,275,752)		(231,873,615)	
Inventories	(2,100,740,824)		(905,765,848)	
Trade Payable	<u>1,077,840,427</u>		<u>1,268,376,919</u>	
		<u>(3,595,990,255)</u>		<u>(1,455,084,279)</u>
Cash Generated from Operations		(63,840,308)		769,291,836
Direct Taxes paid		<u>(171,511,743)</u>		<u>(95,965,036)</u>
Net Cash From Operating Activities		(235,352,051)		673,326,800
B] Cash Flow From Investing Activities				
Purchase of Fixed Assets	(1,960,781,589)		(1,885,293,538)	
Sale of Fixed Assets	20,117,000		4,230,649	
Other Current Assets - Orchards	(75,266,606)		(46,441,885)	
Sale/(Purchase) of Investment [net]	(1,383,818,555)		(948,400,969)	
Loan to Subsidiaries	(207,171,830)		-	
Interest Received	30,494,868		71,245,902	
Dividend Income	<u>31,387</u>		<u>4,002,098</u>	
Net Cash Flow from Investing Activities		(3,576,395,325)		(2,800,657,743)
		<u>(3,811,747,376)</u>		<u>(2,127,330,943)</u>
C] Cash Flow From Financing Activities				
Total Proceeds by way of issue of Shares (Net)	361,902,291		575,475,000	
Redemption of Preference Shares & NCD (including Premium)	(51,203,168)		(52,995,828)	
Adjustments to Reserves (Net)	3,533,705,320		2,706,150	
Total Proceeds from Borrowings	1,673,174,649		654,318,111	
Issue Expenses	-		(1,392,419)	
Dividend Paid	(196,719,415)		(258,908,820)	
Interest and Finance Charges paid	<u>(1,164,585,121)</u>		<u>(730,920,285)</u>	
Net cash used in Financing Activities		4,156,274,556		188,281,909
Net Increase in Cash & Cash Equivalents		344,527,180		(1,939,049,034)
		<u>344,527,180</u>		<u>(1,939,049,034)</u>
Cash & Cash Equivalents (excluding margins) as at the beginning of the yr.		322,892,659		2,261,941,693
Cash & Cash Equivalents (excluding margins) as at end of the yr.		<u>667,419,839</u>		<u>322,892,659</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		344,527,180		(1,939,049,034)
Note: Cash and Cash Equivalents includes				
a) Cash in hand & Current Account Bank Balances		365,424,589		273,751,982
b) Deposit Account Balances		301,995,250		49,140,677
c) Margin Account Balances (including pledged deposits)		<u>65,315,626</u>		<u>33,793,945</u>
		732,735,465		356,686,604

As per our report of even date
For and on behalf of

For and on behalf of the Board of Directors

DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Mumbai, 28th July, 2008

A. V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 1 – Share Capital		
Authorised		
96,500,000 (88,500,000) Equity Shares of Rs. 10/- each	965,000,000	885,000,000
19,630,000 (19,630,000) Redeemable Preference Shares of Rs. 100/- each	1,963,000,000	1,963,000,000
4,500,000 (4,500,000) Unclassified Shares of Rs. 10/- each	45,000,000	45,000,000
(Increased in authorised capital is in terms of the scheme of arrangement including amalgamation)	2,973,000,000	2,893,000,000
Issued, Subscribed and Paid up		
a] Equity Shares:		
61,307,683 (58,180,391) Eq. Shares of Rs. 10/- each fully paid up	613,076,830	581,803,910
– (57,292) Eq. Shares of Rs. 10/- each on Merger of Terra Agro Technologies Ltd.	–	572,920
270,615 – Eq. Shares of Rs. 10/- each on Merger of Eurissko Agro Ltd.	2,706,150	–
713,316 – Eq. Shares of Rs. 10/- each on Merger of Orient Vegetexpo Ltd.	7,133,160	–
3,602,600 (3,070,000) Eq. Shares of Rs. 10/- each fully paid up on conversion of Equity Warrants	36,026,000	30,700,000
5,987,995 – Eq. Shares of Rs. 10/- each fully paid up on conversion of ZCCB	59,879,950	–
172,837 (172,837) Eq. Shares of Rs. 10/- each representing underlying 345,674 (previous year 345,674) European Depository Receipts	1,728,370	1,728,370
Sub Total [a]	720,550,460	614,805,200
b] Equity Shares Suspense Account (Ref. Note No. 2 of Sch.21: Part B.)		
Balance at the beginning of the year	2,706,150	572,920
Add: Addition on merger of Eurissko Agro Ltd.	–	2,706,150
Add: Addition of Equity Share Capital of Orient Vegetexpo Ltd.	70,082,000	–
Less: Reduction in Face Value of Shares from Rs. 10/- to Rs. 1/- as per BIFR order.	(63,073,800)	–
Add: Balance Transfer from Unsecured Loan of Orient Vegetexpo Ltd.	47,000,000	–
Less: Amount transferred to Amalgamation Adjustment Account on issue of shares as per scheme	(46,875,040)	–
Less: Allotted & transferred during the year	(9,839,310)	(572,920)
	–	2,706,150
c] Share Application Money		
Addition on merger of Eurissko Agro Ltd.	–	11,948,320
Less: Settlements & Adjustments as per the Scheme of Merger of Eurissko Agro Ltd	–	(9,834,500)
Less: Repayable balance transfer to Other Liabilities	–	(2,113,820)
	–	–
d] Cumulative Redeemable Preference Shares		
*4% Preference Shares of Rs. 100/- each	–	25,000,000
Less: Redeemed fully during the year	–	(25,000,000)
	–	–
3,104,990 *4% Preference Shares of Rs. 100/- each	310,499,000	310,499,000
*[2,642,348 Preference Shares due for redemption in 2 equal installments on 30-June-2008 and 30-June-2009, at premium of Rs. 16.00 per share]		
*[462,642 Preference Shares due for redemption in 2 equal installments on 30-June- 2009 and on 30-June-2010, at premium of Rs. 16.00 per share]		
5,623,200 *4% Preference Shares of Rs. 100/- each	562,320,000	562,320,000
Balance at the beginning of the year	562,320,000	562,320,000
*[Due for redemption in 2 equal installments on 31-March-2009, and on 31-March-2010 , at premium of Rs. 16.00 per share]		
125,000 *1% Preference Shares of Rs. 100/- each	12,500,000	12,500,000
*[Due for redemption in 2 equal installments on 31-March-2009 and on 31-March-2010 , at premium of Rs. 4.00 per share]		
Sub Total [d]	885,319,000	885,319,000
Total [a to d]	1,605,869,460	1,502,830,350

			31-March-2008 Rs.	31-March-2007 Rs.
Schedule 2 – Equity / Share Warrants (Ref. Note No.4 of Sch.21: Part B.)				
	2500000	3070000		
			99,625,000	47,585,000
	8600000	2500000		
			411,209,000	99,625,000
	(3602600)	(3070000)		
			(152,345,819)	(47,585,000)
# 10% Deposit of 7497400 (Previous year 2500000) Equity Share Warrants of Rs. 478.15 (Previous year Rs. 398.50) each.			<u>358,488,181</u>	<u>99,625,000</u>
Schedule 3 – Reserves and Surplus				
a] General Reserve				
			908,228,103	787,748,519
			145,500,000	100,000,000
			1,418,920	20,479,584
			Sub Total [a]	908,228,103
b] Securities Premium Account				
			904,091,347	488,329,594
			–	445,150,000
			–	(1,392,419)
			1,487,432,190	–
			2,009,514,050	–
			(1,142,686)	(16,185,828)
			(32,656,525)	(11,810,000)
			Sub Total [b]	904,091,347
c] Amalgamation Adjustment Account / Capital Reserve Account				
			–	–
			88,573,021	–
			63,073,800	–
			46,875,040	–
			(161,036,386)	–
			–	65,652,454
			–	(65,652,454)
			Sub Total [c]	–
d] Debenture Redemption Reserve				
			5,675,620	26,155,204
			(1,418,920)	(20,479,584)
			Sub Total [d]	5,675,620
e] Contingency Reserve				
			–	–
			–	65,652,454
			–	(65,652,454)
			Sub Total [e]	–
f] Capital Redemption Reserve				
			50,000,000	25,000,000
			–	25,000,000
			Sub Total [f]	50,000,000
g] Associate Stock Option (Ref. Note No. 6 of Sch.21: Part B.)				
			20,520,000	20,520,000
			–	(16,809,534)
			Sub Total [g]	3,710,466
h] Hedging Reserve (Ref. Note No. 16 [b] of Sch.21: Part B.)				
			(310,547,714)	–
i] Balance of Profit & Loss Account				
			<u>2,462,629,161</u>	<u>1,385,190,332</u>
			Total [a to i]	3,256,895,868

	31-March-2008	1-March-2007
	Rs.	Rs.
Schedule 4 – Secured Loans		
a] Debentures		
Zero Coupon Non Convertible Redeemable Debentures of Rs 100/- each		
Balance at the beginning of the year	–	19,060,664
Less: Redeemed during the year	–	(19,060,664)
	–	–
Zero Coupon Non Convertible Redeemable Debentures of Rs 100/- each		
113,513 * Balance at the beginning of the year	5,675,620	7,094,540
Less: Redeemed (Partly) during the year	(1,418,920)	(1,418,920)
	4,256,700	5,675,620
* [113,513 debentures redeemed Rs.12.50 (previous year Rs.12.50) & balance outstanding Rs. 37.50 (previous year Rs. 50.00) per debenture which are due for Redemption over a period of 8 yrs. commencing from 15-June-2003 & ending on 15-March-2011 including an aggregate balance of premium of Rs. 45.75 per debenture]		
* Amounts due within one year Rs. 1.42 Million		
Sub Total [a]	4,256,700	5,675,620
b] Term Loans		
i) Term Loan From Financial Institutions (Including ECB in USD)		
Balance at the beginning of the year	673,675,605	351,103,623
Add: Addition/revalorisation during the year	3,744,501,686	423,937,616
Less: Repaid during the year	(681,703,858)	(101,365,634)
	3,736,473,433	673,675,605
ii) Term Loan From Banks		
Balance at the beginning of the year	383,492,267	587,089,432
Add: Addition during the year	335,921,663	30,122,415
Less: Repaid during the year	(234,261,482)	(233,719,580)
	485,152,448	383,492,267
iii) Working Capital Term Loan from Banks		
Balance at the beginning of the year	196,676,958	266,996,832
Less: Repaid during the year	(70,632,526)	(70,319,874)
	126,044,432	196,676,958
iv) Foreign Currency Term Loan		
Balance at the beginning of the year	330,561,511	619,250,047
Add/(Less): On account of revalorisation of loan	(26,845,773)	(1,221,730)
Less: Repaid during the year	(303,715,738)	(287,466,806)
	–	330,561,511
v) Deferred Credit from Supplier (ECB in EURO)		
Balance at the beginning of the year	29,713,190	36,878,019
Add/(Less): On account of revalorisation of loan	1,885,550	2,730,200
Add: Interest Accrued and Due on above	–	39,771
Less: Repaid during the year	(10,148,140)	(9,934,800)
	21,450,600	29,713,190
Sub Total [b]	4,369,120,913	1,614,119,531
c] Working Capital Loans		
Consortium of Banks		
Working Capital Demand Loan	188,200,000	72,800,000
Foreign Currency Demand Loan	665,483,242	528,574,287
Cash Credit Account	1,518,736,143	595,254,237
Export Packing Credit (EPC / PCFC)	1,791,094,629	1,965,532,574
Sub Total [c]	4,163,514,014	3,162,161,098
Total [a to c]	8,536,891,627	4,781,956,249

Notes to Schedule No. 4 (Secured Loans)

1. 1,13,513 (P.Y. 1,13,513) Zero Coupon Secured Redeemable Non Convertible Debentures of Rs.100 each

Rs. 4.26 Million (PY Rs. 5.68 Million)

The redemption of the principal amount of debentures, payment of all premiums, remuneration of trustees, all fees, costs, charges, expenses and other monies payable by the company in respect thereof is secured by first mortgage and charge in favour of the trustees on the company's immovable properties located at Mouje- Indrad, Tal. Kadi, Dist. Mehsana (Gujarat) and pari passu basis on immovable properties of the Company located at village Bambhori and Shirsoli, Dist-Jalgaon, in the State of Maharashtra and further secured by second charge on movable properties of the Company.

Note

6,86,712 NCDs have been fully redeemed on 15th March 2007. The satisfaction of charge will be filed after redemption of 1,13,513 NCDs (Redemption starting from 15th June 2003 upto 15th March 2011 with redemption premium of Rs.122.00 each, as per ballooning repayment plan).

2. Export Import Bank of India: Foreign Currency Term Loan

i) Export Product Development Programme	Rs. Nil (PY Rs. 8.56 Million)
ii) Production Equipment Finance Programme	Rs. Nil (PY Rs. 5.71 Million)
iii) Lending Programme for EOU units	Rs. 38.81 Million (PY Rs.63.57 Million)
iv) Production Equipment Finance Programme	Rs.37.95 Million (PY Rs. 63.73 Million)
v) Production Equipment Finance Programme	Rs.141.61 Million (PY Rs. 183.39 Million)
vi) Production Equipment Finance Programme	Rs. 319.76 Million (PY Rs. 348.72 Million)
vii) Production Equipment Finance Programme	Rs. 199.85 Million (PY Rs. Nil)

The loan together with interest, commitment charges, liquidated damages, costs expenses and all other monies payable to EXIM Bank is secured by a first charge on the whole of movable fixed assets of Company both present and future, including its movable plant and machinery, equipments, appliances, furniture, vehicles, machinery spares and stores and accessories whether or not installed and related movables in the course of transit or delivery whether now belonging or which may hereafter belong to the Company or which may be held by any person at any place within or outside India to the order or disposition of the Company and all documents of title including bills of lading, shipping documents, policies of insurance and other instruments and documents relating to such movables together with benefits of all rights thereto. The loans are further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned in these notes.

The loans as above are also personally guaranteed by five Directors including Managing Director of the Company in their personal capacity.

(b) Other Loans

i) Rupee Term Loan of Rs. 52.0 Million;- relates to 1996	Rs. NIL (PY-NIL)
ii) Foreign Currency Loan of US\$ 5 Million WMB Guarantee 3 charges- relates to 1998;	Rs. NIL (PY-NIL)
iii) Guarantee Facility of Rs. 53.8 Million	Rs. NIL (PY-NIL)
iv) Foreign Currency Loan of US\$ 1.3 Million (equivalent to Rs. 46.7 Million) sanctioned to erstwhile Jain Plastics & Chemicals Ltd.	Rs. NIL (PY-NIL)
v) Foreign Currency Loan of US\$ 1.48 Million (equivalent to Rs. 53.3 Million) sanctioned to erstwhile Jain Processed Foods Pvt. Ltd.	Rs. NIL (PY-NIL)

The above loans have been fully satisfied and filing of memorandum of complete satisfaction of charge with the Registrar of Companies, Maharashtra, Mumbai is in process.

3. Exim Bank (assigned by Axis Bank Ltd. formerly known as UTI Bank Ltd)

Rupee Term Loan: Rs. 87.95 Million (PY Rs. 147.95 Million)

The Rupee Term Loan payable to Exim Bank (assigned by Axis Bank Ltd. formerly known as UTI Bank Ltd.) is secured by a first charge on the whole of movable fixed assets of Company both present and future, including its movable plant and machinery, equipments, furniture and other movable fixed assets installed at Company's plant at Jalgaon. The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding assets charged exclusively as mentioned in these notes.

The loan as above is also personally guaranteed by two Directors including Managing Director of the Company in their personal capacity.

The balance of above term loan has been assigned by Axis Bank Ltd. (formerly known as UTI Bank) to Exim Bank as per Deed of Assignment of Debt dated 23rd March 2006 executed between Axis Bank Ltd. (formerly known as UTI Bank) and Export-Import Bank of India. The modification for the said assignment has been filed with the Registrar of Companies, Maharashtra, Mumbai.

4. a) Working Capital Loans: (Including WCTL-I & II, FCTL and FCNRB) Rs. 4201.60 Million (PY Rs.3541.45 Million)

Consortium of Banks (In Alphabetical order) led by State Bank of India, Commercial Branch, Mumbai (including sub limit with State Bank of India, Dana Bazar Branch, Jalgaon,) Axis Bank Ltd, Mumbai, Bank of Baroda, Mumbai, Canara Bank, Jalgaon, Dena Bank, Mumbai, Development Credit Bank Ltd, Mumbai; Export Import Bank of India, Mumbai, HDFC Bank Ltd (Erstwhile Centurion Bank of Punjab Ltd), IDBI Bank Ltd, Jalgaon, State Bank of Indore; Mumbai, Standard Chartered Bank, Mumbai and Union Bank of India, Mumbai.

The working capital loans are secured by a first pari-passu (between consortium members) charge on whole of company's present and future stocks of raw material, finished goods, stocks in process, stores and spares and other raw materials, stored whether raw or in process of manufacture and all articles manufactured there from brought into store or be in or around the company's godowns or factory premises at Jalgaon or elsewhere, including goods in transit or delivery and the Company's present and future book debts, outstanding monies, receivable, claims, bills, contracts, engagements, securities, investments, rights and assets of the Company. The Working Capital Facilities as above are further secured by a second charge (First Charge in case of WCTL-I & II, FCTL, FCNRB) ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding assets charged exclusively as mentioned in these notes.

The working capital loans are also secured by personal guarantee given by four Directors including Managing Director of the Company.

b) State Bank of India: Corporate Loan

Rs. 120.00 Million (PY Rs. 160.00 Million)

The Corporate Loan is secured by second charge ranking pari-passu on all present and future goods, book-debts and all other movable assets including documents of title to the goods, outstanding moneys, receivables including receivables by way of cash assistance and/or cash incentives under the cash incentives scheme or any other scheme, claims including claim by way of refund of custom/excise duties under the Duty Drawback Credit, insurance policies and machinery of the company. The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist.. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned in these notes.

The loans as above are also personally guaranteed by four Directors including Managing Director of the Company in their personal capacity.

c) Bank of Baroda Rupee Term Loan

Rs. Nil (PY Rs. 10.42 Million)

All the tangible movable machinery and plant of the Borrower together with spares, tools, accessories and other movables, both present and future, and the furniture, fixtures and fitting and office equipment whether installed or not and whether lying loose or in cases which are now lying or stored in or about or shall be brought into or be stored or be in or upon or about the Borrower's premises and godowns or wherever else the same may be or any party to the order or disposition of the Borrower (including those on lease or hire purchase) relating or pertaining to the Borrower's work

at the Jain Fields, Bambhori, Jalgaon and Jain Valley, Shirsoli, Jalgaon and other locations. The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of Jain Irrigation Systems Ltd. Viz. all that piece of parcel of land bearing (Gat No.218 and Gat No.260 Hissa No.1 To 10 and formed out of land bearing survey Nos. 115, 109 and 144, admeasuring 3 hectares and 92 acres and Gat No.260 1/B TO 10/1A admeasuring 18 acres (about 8100 Sq. Mtrs.) both at village Bambhori, Paragana Chandsar, Tal- Dharangaon, Dist-Jalgaon, in the State of Maharashtra and Gat No.139, Plot No.2, admeasuring about 4.18 Hectares situate at Shirsoli, Taluka Jalgaon, District Jalgaon in the State of Maharashtra together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future, however excluding the assets charged exclusively as mentioned in these notes.

d) HDFC Bank Ltd (Erstwhile Centurion Bank of Punjab Ltd) Rupee Term Loan: Rs. 16.67 Million (PY Rs. 38.33 Million)
Rupee Term Loan is secured by present and future goods, book-debts and all movable assets of the Company including documents of title to the goods, outstanding monies, receivables etc of the Company. The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposit of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned in these notes.

The loans as above are also personally guaranteed by four Directors including Managing Director of the Company in their personal capacity.

e) Dena Bank Rupee Term Loan: Rs. 105.00 Million (PY Rs. 134.96 Million)
Rupee Term Loan is secured by all tangible movable properties and assets of the Company of whatsoever nature including plant and machinery, tools and accessories, stores and spares relating to the plant and machinery, furniture, articles, office equipments, computers and things belonging to the Company.

The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist.. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned in these notes.

The loans as above are also personally guaranteed by four Directors including Managing Director of the Company in their personal capacity.

5. Cincinnati Extrusion GES.MBH ECB Loan: Rs 21.45 Million (PY Rs. 29.71 Million)
Exclusive charge over Extrusion Line ARGOS 132-PL including other machines, accessories and equipments.

6. Yes Bank Ltd Corporate Loan: Rs. 200.00 Million (PY Rs. Nil)
The loan is secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shirsoli, Dist. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned elsewhere.

The loans as above are also personally guaranteed by four Directors including Managing Director of the Company in their personal capacity.

7. Canara Bank Term Loan: Rs. 4.48 Million (PY. 5.60 Million)
Exclusive charge on the Cold Storages at Chittoor (Andhra Pradesh) plant of the Company.

8. ECB Loan of \$45.50 Million Rs. 1398.95 Million (US\$ 35 Million) (PY Rs. Nil)
ECB Loan shall be secured by hypothecation of movable properties and assets of the Company and further secured by exclusive charge on immovable properties of the Company being Non-Agriculture Lands at Gut No. 215/1 and 220 admeasuring in aggregate 2 Hectares 73 Acres all situate at village Bambhori Tal. Dharangaon, Dist. Jalgaon,
The creation of hypothecation and equitable mortgage on immovable properties of the Company for above loan is in process.

9. ECB Loan of \$15 Million
Rs. 599.55 Million (US\$ 15 Million) (PY Rs. Nil)

The ECB Loan is secured by exclusive charge on fixed assets at both the plants of the Company at Chittoor (2 Plants) which includes but not limited to land, buildings and mango processing and packaging plants.

The creation of hypothecation and equitable mortgage on immovable properties of the Company for above loan was completed on 27.06.08 and 04.07.08 respectively and filing of charge is in process now.

10. IDFC Ltd
Term Loan: Rs. 1000.00 Million (PY Rs. Nil)

The Term Loan is secured by a first charge ranking pari-passu by way of hypothecation of all the Company's movable properties, including movable machinery, machinery spares, tools, accessories, furniture and fixtures. The loan is further secured by First charge ranking Pari-Passu basis by way of equitable mortgage by deposits of title deeds of all immovable properties of the Company situated at Village Bambhori & Shiroli, Dist.. Jalgaon in State of Maharashtra together with all buildings, structures thereon and all plant and machinery attached to earth however excluding the assets charged exclusively as mentioned elsewhere.

The loans as above are also personally guaranteed by four Directors including Managing Director of the Company in their personal capacity.

The creation of equitable mortgage on immovable properties of the Company for above loan is in process.

	31-March-2008	31-March-2007
	Rs.	Rs.
Schedule 5 – Unsecured Loans		
a] Deferred Credit from Supplier (ECB in EURO)		
Balance at the beginning of the year	–	2,192,438
Less: Repaid during the year	–	(2,192,438)
Sub Total [a]	–	–
b] Zero Coupon Bonds [Redeemable] [ZCB] [Series 2006 & 2007]		
Balance at the beginning of the year	–	1,901,235
Less: Repaid during the year	–	(1,901,235)
Sub Total [b]	–	–
c] Zero Coupon Convertible Bonds -2011 (ZCCB) of US\$ 1,000 each (Ref. Note No.5 of Sch.21: Part B.)		
60000 Balance at the beginning of the year	2,615,400,000	2,676,600,000
(46650) Less: Conversion during the period	(2,069,394,000)	–
– Add/(Less): On account of revalorisation of loan	(12,406,500)	(61,200,000)
13350 Sub Total [c]	533,599,500	2,615,400,000
d] Unsecured Loan on Amalgamation / Acquisition		
Addition on Amalgamation / Acquisition	3,804,076	5,534,919
Less: Balance transferred to Other Liabilities	(3,804,076)	(5,534,919)
Sub Total [d]	–	–
Total [a to d]	533,599,500	2,615,400,000

Schedules 6 – Fixed Assets & Depreciation

a) Tangible Assets	Gross Block			Depreciation			Net Block		
	As at 1-Apr-07	Addition on Amalgamation	Adjusted/ Disposal	As at 31-Mar-08	Addition on Amalgamation	Adjusted/ Written Back	For the Year	As at 31-Mar-08	As on 31-Mar-07
Free Hold Land #	557,448,768	3,806,260	1,811,313	623,518,982	-	-	-	623,518,982	557,448,768
Lease Hold Land	2,217,227	-	31,276	2,185,951	-	-	-	2,185,951	2,217,227
Factory Buildings & Godowns \$ ^	1,204,884,494	20,271,389	15,082,581	1,607,493,646	7,571,985	4,235,430	41,756,656	1,250,048,098	892,532,157
Green/Poly/Shed Houses	58,687,561	-	651,513	59,339,074	-	-	3,893,806	38,039,846	24,541,521
Plant & Machinery & Equipments @ &	5,687,940,908	97,341,559	1,167,996,375	6,953,276,842	58,194,523	-	322,460,672	4,479,603,379	3,594,920,640
Furniture, Fixtures & Office Equipments	150,043,162	1,500,362	20,312,886	163,630,035	1,068,739	5,294,090	10,079,867	89,849,817	66,047,861
Vehicles	111,860,851	-	2,490,040	162,366,900	51,690,998	1,982,812	9,241,345	103,417,369	60,169,853
Live Stock	106,270	-	-	106,270	-	-	-	106,270	106,270
Total	7,773,189,241	122,919,570	27,641,585	9,571,919,700	66,835,247	11,512,332	387,432,346	3,017,960,205	5,197,984,297

b) Intangible Assets	Gross Block			Amortisation			Net Block		
	As at 1-Apr-07	Addition on Amalgamation	Recognised / Acquired during the year	As at 31-Mar-08	Addition on Amalgamation	Adjusted/ Written Back	For the Year	As at 31-Mar-08	As on 31-Mar-07
Goodwill	3,540,000	-	-	3,540,000	-	-	-	3,540,000	-
Trade Mark & Development	196,338,013	-	-	196,338,013	106,634,841	-	10,916,394	117,351,235	78,986,778
Computer Software	18,170,000	-	-	18,170,000	18,170,000	-	-	18,170,000	-
TOTAL	218,048,013	-	-	218,048,013	128,144,841	-	10,916,394	139,061,235	89,903,172
Grand Total >>>	7,991,237,254	122,919,570	27,641,585	9,789,967,713	66,835,247	11,512,332	398,348,740	3,157,021,440	5,287,887,469
Previous Year	6,293,018,984	119,469,650	2,503,320	7,991,237,254	43,189,071	1,687,256	313,637,218	2,703,349,785	5,287,887,469

Note: For Addition on amalgamation and additions during the year, Refer Note No. 2 of Sch. 21 - Part B.

Gross Block Includes land & Building pending registration in the name of the Company for Rs. 4.18 Million.

^ Additions to Gross Block is reduced by Capital Subsidy of Rs. 6.57 Million.

\$ Building includes Tenancy Rights gross value Rs. 0.35 million (Previous year Rs. 0.35 million)

& Additions to Plant & Machinery and Equipments includes assets for research & development Rs. 12.09 Million (PY Rs. 3.49 million) for Bio-Tech laboratories.

@ Additions to Plant & Machinery includes Rs. Nil (Previous year Rs. 18.21 million) on account of net increase in Rupee liabilities consequent to fluctuation in the exchange rate due to revaluation of outstanding foreign currency loan as at 31-March-2008.

Schedules 7 – Capital Work in Progress

Assets	As at 01-Apr-07	Addition / Adjustment	Capitalised during the year	As at 31-Mar-08
Free Hold Land & Site Development	11,090,157	48,154,711	39,385,287	19,859,601
Factory Buildings & Godowns	134,547,742	442,423,120	315,912,180	261,058,682
Plant & Machinery and Equipments	164,929,942	1,059,576,864	1,015,913,974	208,592,231
Furniture, Fixtures & Office Equipment	1,910,570	3,432,593	5,251,515	91,648
Vehicles	7,236,759	26,103,367	21,240,575	12,099,552
Pre-Operative Expenses	119,555,185	153,285,348	157,885,277	114,955,256
Capital Goods Advances	206,462,167	153,296,323	129,438,746	230,319,744
Total	645,731,922	1,886,272,327	1,685,027,534	846,976,715

			31-March-2008 Rs.	31-March-2007 Rs.
Schedule 8 – Investments [at cost]				
I] Long Term Investments - Unquoted				
a] Government Securities (pledged)				
		National Saving Certificates	2,944,000	9,000
		Indira Vikas Patra	1,000	1,000
		Sub Total [a]	2,945,000	10,000
b] Other than Trade Investments				
25	25	Shares of Astitwa Co-Op. Housing Society Ltd.	250	250
5	5	Shares of Rs.100 each of Sarjan Members Association	500	500
15	15	Shares of Rs.50 each of Rajdeep Vrundavan Co-Op. Housing Society	750	750
200	200	Shares of Edlabad Sut Girni Co-Operative Society Ltd.	2,000	2,000
20	20	Shares of Rs. 250 each of Shrinathjee Co-Op. Housing Society Ltd.	5,000	5,000
1,849	1,849	Linking Shares of Rs. 25 each of Jalgaon Janta Co-Op. Bank Ltd	46,225	46,225
		Sub Total [b]	54,725	54,725
c] Investments in Wholly Owned Subsidiary Companies				
		Investment in JISL Overseas Ltd. Mauritius.		
41,655,891	30,655,891	Ordinary / Equity Shares of US\$1 each (Refer Note 1 below)	1,804,270,061	1,363,686,236
11,600,000	9,000,000	Non Cumulative Redeemable Preference Shares of US\$1 each (Refer Note 2 below)	506,589,540	400,352,940
10,981,000	–	Non Cumulative Redeemable Preference Shares of US\$1 each (Refer Note 3 below)	434,063,130	–
Note 1: Includes 1,978,113 Pledged with Financial Institution as collateral Security.				
Note 2: With non cumulative coupon rate of 2%, if dividend were to be in arrears on redemption, a redemption premium of 50% payable at the end of 10 yrs.				
Note 3: with non cumulative coupon rate of 6% bullet redemption after 8 years.				
		Investment in Jain Irrigation Holding Inc. USA.		
1	1	Equity Shares of US\$0.001 each	42	42
			2,744,922,773	1,764,039,218
d) Unsecured (Cumulative) Bonds				
252	252	Industrial Investment Bank of India (Pledged with IIBI)	10,200,000	10,200,000
		Sub Total [a to d]	2,758,122,498	1,774,303,943
		Sub Total [I]	2,758,122,498	1,774,303,943
II] Long Term Investments - Quoted				
Other than Trade Investment				
45	45	Eq. Shares of Rs.10 each of Reliance Industries Ltd.	1,485	1,485
45	45	Eq. Shares of Rs.10 each of Reliance Communication Ventures Ltd.	743	743
3	45	Eq. Shares of Rs.10 each of Reliance Energy Ventures Ltd.	1,296	1,296
2	45	Eq. Shares of Rs.10 each of Reliance Capital Ventures Ltd.	1,351	1,351
45	45	Eq. Shares of Rs.10 each of Reliance Natural Resources Ltd.	742	742
75	75	Eq. Shares of Rs.10 each of Finolex Industries Ltd.	1,575	1,575
908	908	Eq. Shares of Rs.10 each of Union Bank of India with Premium of Rs.100/-	99,880	99,880
		Sub Total [II]	107,072	107,072
III] Short Term Investments in Units - Un-quoted				
3,290,2313		Units of Reliance Liquidity Fund - Growth Option (NAV Rs. 12.1603)	400,000,000	–
		Total [I+II+III]	3,158,229,570	1,774,411,015
Aggregate market value of Investments				
		Book Value (Rupees) As At	Market Value (Rupees) As At	
		31-March-08	31-March-07	31-March-08
Quoted - Equity Shares		107,072	107,072	268,441
Unquoted		2,758,122,498	1,774,303,943	–
Unquoted - Units		400,000,000	–	400,101,997
Total		3,158,229,570	1,774,411,015	400,370,438
				183,786

	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 9 - Current Assets, Loans and Advances		
a] Inventories: [As valued and certified by the Management]		
Raw Materials	2,245,098,161	1,260,891,858
Stores and Spares	278,571,523	190,697,044
Stock-in-Process	6,016,708	1,880,163
Finished Goods	2,068,676,127	1,031,776,664
Materials in Transit	245,475,886	257,851,852
Sub Total [a]	4,843,838,405	2,743,097,581
b] Sundry Debtors - Unsecured \$ [As Certified by the Management] Over Six Months ^		
– Good	1,941,113,418	1,015,407,388
Considered Doubtful	30,546,949	30,546,949
Less: Provision for Doubtful Debts	(30,546,949)	(30,546,949)
	–	–
Others Debtors - Considered Good	4,015,186,621	3,389,727,133
Sub Total [b]	5,956,300,039	4,405,134,521
\$ includes receivable from Second Generation Subsidiaries:	Rs. in Million	
	31-March-2008	31-March-2007
Over Six Month - Good	644.54	597.32
Others Debtors - Considered Good	818.49	1,463.19
^ Includes Rs. 40.03 Million where legal action has been initiated for recovery.		
c] Cash & Bank Balances :		
Cash in Hand	14,404,741	6,762,183
Balances with Scheduled Banks		
– In Current Accounts	297,228,898	257,721,119
– In Fixed Deposit Accounts (includes ECB Funds) \$	301,995,250	49,140,677
– In Margin Accounts	65,315,626	33,793,945
Balances with Non -Scheduled Banks #		
– In Current Accounts	53,790,950	9,268,680
Sub Total [c]	732,735,465	356,686,604
# Non -Scheduled Banks	<i>Closing balance</i>	
– Shri Mahavir Sahakari Bank Ltd. (Max. Balance Rs. 62.68 Million (previous yr. Rs. 11.03 Million) @	53,752,337	9,259,258
– Jalgaon Peoples Co-Op. Bank Ltd. (Max. Balance Rs. 0.03 Million (previous yr. Rs. 0.04 Million)	34,382	4,259
– Jalgaon District Central Co-Op Bank Ltd. (Max. Balance Rs. 0.01 Million (previous yr. Rs. 0.01 Million)	4,231	5,163
	53,790,950	9,268,680
@ One of the director is a director in the bank.		
\$ Includes Rs. 0.25 Million pledged with bank		
d] Other Assets		
Orchard Activities:		
Balance at the beginning of the year	101,034,268	57,170,335
Add: Addition During the year	76,726,897	46,441,885
Less: Mortality during the year	(1,460,291)	–
Less: Orchard Amortisation Expenses	(2,618,651)	(2,577,952)
Sub Total [d]	173,682,223	101,034,268

	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 9 - Current Assets, Loans and Advances (Contd...)		
e] Loans & Advances		
[Unsecured, considered good unless otherwise stated]		
Loan to Subsidiaries - JISL Overseas Ltd. Mauritius (Max. Balance Rs. 769.21 Million)	207,171,830	-
Advances Recoverable in Cash or Kind or for value to be received:		
a) For Purchases	279,407,256	271,660,912
b) For Others @ \$	<u>598,837,851</u>	<u>330,742,380</u>
	878,245,107	602,403,292
Less: Provision for Doubtful Advances & Claims	<u>(10,797,737)</u>	<u>(55,414,442)</u>
	867,447,370	546,988,850
Claims Receivables	244,201,593	177,647,912
Sundry Deposits	301,267,775	185,260,094
Advance Tax	239,854,387	84,710,104
MAT Credit Receivable	226,759,088	-
Derivatives Assets	7,345,047	-
Balance with Collectorate of Central Excise and Customs	149,292	836,491
Incentives and Assistance receivable From Government	<u>159,358,285</u>	<u>79,752,832</u>
@ (Includes Bad & Doubtful Rs. 10.80 Million [PY Rs. 55.41 Million])	Sub Total [e]	1,075,196,283
	<u>2,253,554,667</u>	<u>1,075,196,283</u>
	Total [a to e]	8,681,149,257
	<u>13,960,110,799</u>	<u>8,681,149,257</u>
\$ Includes Inter Corporate Deposits of Rs. 48.49 Million (PY Rs. 66.79 Million)		

Schedule 10 - Current Liabilities and Provisions

a] Liabilities		
Sundry Creditors		
- For Supplies ^	4,131,743,690	3,561,586,015
- For Expenses	101,813,446	81,791,348
- Due to Micro, Small and Medium Enterprises (Ref. Note No 17 of Sch.21: Part B.)	<u>5,431,233</u>	<u>34,124,182</u>
	4,238,988,369	3,677,501,545
Advances from Customers	183,681,618	244,383,151
Unclaimed Dividend	808,766	362,086
Outstanding Liabilities for Expenses	122,705,980	134,790,146
Provision for Excise Duty on Year End Inventory of Finished Goods	14,195,343	7,277,165
Security and Dealers Deposits	86,908,933	68,513,696
Derivatives Liability	317,892,761	-
Other Liabilities	<u>285,664,764</u>	<u>187,507,212</u>
^ Includes Rs. 123.28 Million (PY Rs. 69.27 Million) due to Second Generation Subsidiaries (WOS) out of the same Rs. 54.45 Million (PY Rs. 59.39 Million) due, for which permission for set-off against export receivables is under process.	Sub Total [a]	4,320,335,001
	<u>5,250,846,534</u>	<u>4,320,335,001</u>
b] Provisions		
Gratuity	4,066,075	22,829,241
Leave Encashment	14,827,825	12,497,984
Income Tax	235,172,246	8,413,158
Wealth Tax	66,865	29,607
Fringe Benefit Tax	34,838,810	18,520,000
Proposed Preference Dividend	35,037,760	36,037,760
Dividend Tax on Proposed Preference Dividend	5,954,667	6,124,617
Proposed Equity Dividend	159,227,081	132,487,472
Dividend Tax on Proposed Equity Dividend	<u>27,060,642</u>	<u>22,516,246</u>
	Sub Total [b]	259,456,085
	<u>516,251,971</u>	<u>259,456,085</u>
	Total [a+b]	4,579,791,086
	<u>5,767,098,505</u>	<u>4,579,791,086</u>

	Rs.	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 11 – Sales and Operating Income			
a] Sales			
Domestic Sales	15,095,702,609		10,604,461,801
Export Sales	<u>4,532,585,023</u>		<u>4,072,092,891</u>
		19,628,287,632	14,676,554,692
Less: Sales Return @		<u>(217,012,492)</u>	<u>(51,020,836)</u>
		19,411,275,140	14,625,533,856
Less: Trade, Other Discounts and Allowances #		<u>(1,955,982,859)</u>	<u>(1,945,906,138)</u>
		17,455,292,281	12,679,627,718
b] Operating Income			
Export Services	5,096,388		–
Export Incentives & Assistance	<u>128,898,114</u>		<u>68,129,909</u>
@ Includes Export Sales Return of Rs. 0.69 Million (PY Rs. 5.56 Million)		133,994,502	68,129,909
# Includes Discount on Export Sales of Rs. 3.13 Million (PY Rs. 6.72 Million)		<u>17,589,286,783</u>	<u>12,747,757,627</u>
Schedule 12 – Other Income			
Dividend on Long Term Investments		31,387	4,002,098
Sundry Credit balances appropriated		12,227,416	7,591,644
Provisions no longer required		63,379,871	95,393,342
Difference in Exchange (Net)		150,104,853	125,432,909
Profit on sale of Fixed Assets (Net)		4,019,023	3,445,861
Income from Services		27,562,431	22,571,321
Miscellaneous Income		<u>35,722,950</u>	<u>50,413,466</u>
		<u>293,047,931</u>	<u>308,850,641</u>
Schedule 13 – Increase/ [Decrease] in Stock			
Closing Stock			
– Finished Goods	2,068,676,127		1,031,776,664
– Stock in Process	<u>6,016,708</u>		<u>1,880,163</u>
		2,074,692,835	1,033,656,827
Less: Opening Stock			
– Finished Goods	(1,031,776,664)		(652,752,352)
– Stock in Process	<u>(1,880,163)</u>		<u>(2,424,924)</u>
		(1,033,656,827)	(655,177,276)
Add: Increase /(Decrease) in Excise Duty Finished Goods		<u>(12,891,967)</u>	<u>(6,123,668)</u>
		<u>1,028,144,041</u>	<u>372,355,883</u>
Schedule 14 – Cost of Materials Consumed, Purchases, etc.			
Raw Materials			
Opening Stock		1,260,891,858	820,710,835
Add: Opening Stock of Amalgamated Company		–	115,100
Add: Purchases		11,792,584,146	8,342,689,946
Less- Closing Stock		<u>(2,245,098,161)</u>	<u>(1,260,891,858)</u>
		<u>10,808,377,843</u>	<u>7,902,624,023</u>
Schedule 15 – Manufacturing Expenses			
Stores and Spares Parts Consumed	238,680,897	160,603,052	
Repairs & Maintenance			
– Plant & Machinery #	18,731,385		12,782,873
– Buildings	35,729,997		27,311,267
– Others	<u>77,871,993</u>		<u>50,689,248</u>
		132,333,375	90,783,388
Power & Fuel	664,105,274		425,218,774
Lease Rent (Operating)	7,250,000		7,250,000
Other Manufacturing Expenses	<u>352,768,995</u>		<u>240,406,974</u>
		1,024,124,269	672,875,748
# excluding stores consumed for Repairs and Maintenance.		<u>1,395,138,541</u>	<u>924,262,188</u>

	31-March-2008	31-March-2007
	Rs.	Rs.
Schedule 16 – Payments to and provisions for associates		
Salaries, Wages, Bonus, Gratuity etc. (including contractual employment)	493,688,589	360,767,628
Commission /Performance Bonus to Directors (Ref. Note No 8 of Sch.21: Part B.)	67,900,734	41,997,242
Contribution to Provident and Other Funds	40,625,298	30,918,338
Welfare Expenses	38,964,969	25,041,838
Associate Compensation Expenses (ESOP Cost)	16,809,534	3,710,466
	<u>657,989,124</u>	<u>462,435,512</u>
Schedule 17 – Selling & Distribution Expenses		
Commission & Brokerage	97,773,289	69,977,810
Goods Outward Expenses	328,334,359	233,239,035
Export Selling Expenses	538,003,664	421,476,068
Cash Discount	45,014,748	46,477,194
Sales Tax Expenses	2,189,493	16,738,234
Excise Duty on Finished Goods Inventory	14,195,343	7,277,165
Other Selling and Distribution Expenses	159,043,761	104,328,888
	<u>1,184,554,657</u>	<u>899,514,394</u>
Schedule 18 – Administrative & Other Expenses		
Postage, Telephone & Telex	25,827,898	23,670,249
Travelling & Conveyance Expenses	131,074,349	109,639,437
Vehicle Expenses	34,270,367	22,301,604
Legal Charges and Professional Fees	44,536,199	41,415,676
Auditors' Remuneration *	2,865,750	4,016,786
Rent	29,548,961	18,841,221
Rates & Taxes	2,432,766	3,818,493
Insurance Expenses	27,482,777	17,510,593
Directors' Sitting Fees	730,000	390,000
Amalgamation Expenses	1,050,000	4,987,836
Other Administrative Expenses	90,896,066	65,228,491
[includes Rs. 31,276/- [Previous Year Rs.31,276/-] on amortisation of leasehold land]		
	<u>390,715,133</u>	<u>311,820,386</u>
	31-March-2008	31-March-2007
* Auditors Remuneration	Rs.	Rs.
Audit Fee	2,100,000	2,100,000
Tax Audit Fee	300,000	300,000
Certification Work	441,264	1,586,180
Out of Pocket Expenses	24,486	30,606
	<u>2,865,750</u>	<u>4,016,786</u>
Management Services	850,000	500,000
	<u>3,715,750</u>	<u>4,516,786</u>
Schedule 19 – Interest and Finance Charges		
Interest on Term Loans	124,620,234	178,722,220
Interest on Working Capital Loans	692,353,721	354,965,235
Interest on Others	51,269,282	28,985,464
	<u>868,243,237</u>	<u>562,672,919</u>
Less: Interest Income [Includes TDS Rs.0.54 Million (PY Rs. 0.24 Million)]	<u>(30,494,868)</u>	<u>(72,844,241)</u>
	837,748,369	489,828,678
Discounting Charges	202,501,733	102,054,741
Bank Commission and Charges	93,800,380	63,950,999
	<u>296,302,113</u>	<u>166,005,740</u>
	<u>1,134,050,482</u>	<u>655,834,418</u>
Schedule 20 – Amounts Written off and Provisions		
Irrecoverable Claims	2,780,967	53,393,852
Bad Debts	1,648,588	11,258,064
Orchard Amortisation Expenses	2,618,651	2,577,952
Provisions for Doubtful Debts & Advances	-	300,000
	<u>7,048,206</u>	<u>67,529,868</u>

SCHEDULE 21 - NOTES FORMING PART OF THE ACCOUNTS

PART [A]: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements:

- a) The Financial Statement have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of Companies Act, 1956, as adopted and consistently followed by the Company.
- b) The Company follows the mercantile systems of accounting and recognizes income and expenditure on an accrual basis except stated otherwise.

Revenue Recognition:

- a) Export sales are accounted based on the dates of Bill of Lading.
- b) Export incentives and assistance is recognised in the year of exports.

Use of Estimates:

In preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The differences between estimates and actual are recognized in the period in which results are crystallized.

Fixed Assets and Depreciation / Amortisation:

- a) Fixed assets are carried at cost of acquisition / construction, except Leasehold Land which is carried at book value.
- b) Leasehold Land is amortised over the period of lease.
- c) Depreciation:
 - i) Depreciation on all the assets has been provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on Straight Line Method except Green Houses, Shade and Poly-houses depreciated at 10%.
 - ii) Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be.
 - iii) Trade Mark and Development costs are amortised over a period of 18 years beginning from the date of commercial use.
 - iv) Computer Software are amortised over a period of 5 years from the date of acquisition.

Capital Work In Progress:

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended up to the date of balance sheet.

Borrowing Cost:

Borrowing cost attributable to acquisitions and construction of assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

Investments:

Long-term investments are carried at 'cost' less provision for permanent diminution in the value of such investment. Current investments are carried at lower of cost and fair value.

Inventory Valuation:

- a) Raw Materials and Components, Stock in Process, Finished goods are valued at cost or net realisable value whichever is lower. Finished goods at factory premises & depots are valued at inclusive of excise duty.
- b) Stores, Spares and Consumables are valued at cost except certain spares are valued at its fair value.
- c) Goods / Materials in Transit are valued at cost to date.
- d) Cost comprises cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at on weighted average basis.
- e) Stock for Demonstration lying with third parties at sites are valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

Foreign Currency Transactions:

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;

Foreign Currency Derivative contracts:

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, the Company has during the year entered into derivative contracts, viz. forward contracts, option contracts, etc., with a bank. The Company is also in the process of establishing risk management policies for the said purpose.

In absence of any specific accounting treatment prescribed in the applicable accounting standards to such derivative contracts, other than forward contracts, the Company has decided to apply the principles as set out in Accounting Standard 30 – Financial Instruments

- Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with existing accounting standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Accordingly, the Company records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a contract as an effective hedge, management objectively evaluates at the inception of each contract whether the contract is effective in achieving off setting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is immediately recognized in the profit and loss account.

Amortisation / Write off of Other Assets:

Orchard expenditure is amortised over a period of 15 years commencing from the 6th year from the date of planting. Orchard mortality during first two years of planting up to 10% is considered normal and any mortality after second year is charged to Profit & Loss Account.

Associate Benefits:

Short term associate benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Post employment benefits:

- i) Defined contribution plans: Company's contribution to the provident fund scheme, Superannuation, etc are recognised during the year in which the related service is rendered.
- ii) Defined benefit plans: The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses on such valuation are recognised immediately in the Profit and Loss Account. The fair value of the plan assets of the trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

Long Term compensated absences are provided on the basis of an actuarial valuation.

Termination Benefits are charged to Profit and Loss Account in the year in which they are incurred.

Shares/ Bonds/Debentures Issue Expenses and Premium on Redemption:

Shares/ bonds/ debenture issue expenses and premium on redemption of debentures, preference shares and

bonds are adjusted against the balance in "Securities Premium Account" in accordance with provisions of Section 78 of the Companies Act, 1956.

Tax Provision:

Income tax expense comprises of current tax provision (including Minimum Alternate Tax (MAT), if any) and deferred tax charge or credit. The deferred tax asset and/or deferred tax liability; is calculated by applying the applicable tax rate as at Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the managements' assessment of virtual certainty of its realisation, Deferred tax adjustment on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each balance sheet date, carrying amount of deferred asset/ liability is reviewed and the necessary adjustment to asset or liability is made.

Contingency Reserve:

Contingency Reserve created from time to time to mitigate potential losses/diminution in the value of assets is utilized to write-off the said losses/diminution in the value of assets which are of a permanent nature.

Impairment of Assets:

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

Associates Stock Options and Shares Plan (ESOP):

In accordance with SEBI guidelines, the excess of the market price of the shares at the date of grant of options under the ESOP, over the exercise price, is treated as Associate Compensation Expense and amortized on a straight-line basis over the vesting period of options.

PART [B]: OTHER NOTES TO ACCOUNTS

A) Contingent Liabilities not provided for in respect of

[Rs. in Million]

Particulars	31-March-2008	31-March-2007
i) Claims not acknowledged as Debts in respect of:		
- Customs and Excise Duty	71.74	258.74
- Power Charges	126.52	114.54
- Others (Legal)	27.94	33.04
ii) Guarantees given by the Company's Bankers in the normal course of business	428.28	280.70
iii) Bills Discounted with the banks.	180.69	536.40
iv) Export obligation towards duty saved amount under EPCG Scheme	1703.97	209.07
v) Corporate Guarantees given for repayment of indebtedness of Overseas Subsidiaries	919.31	958.98
B) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	284.75	216.25

Amalgamation of Orient Vegetexpo Limited (OVL):

a) Pursuant to the Scheme of Amalgamation of Orient Vegetexpo Ltd. sanctioned by the Board for Industrial and Financial Reconstruction New Delhi (BIFR) vide their order dated 15-November-2007 effective from 1-April-2006, in consideration, the Company has issued and allotted 713316 Equity Shares of Rs. 10/- each fully paid (as per the swap ratio of 7:53) to every member of OVL whose names appear in the Register of Members on the record date i.e. 07-Dec-2007. Since the Order of Amalgamation was received after closing of books of both the companies for the financial year 2006-07, following effects have been given in the annexed accounts.

Amalgamation Adjustment Account	Rs. in Million
1. Balance in Capital Reserve	88.57
2. On account of Equity Shares Swap ratio	46.88
3. Reduction in Equity Share Capital	63.07
	198.52
Less: Debit Balance in Profit & Loss Account as of 01-April-2006	(161.04)
Balance Carried under Reserves & Surplus.	37.48

b) In accordance with Accounting Standard (AS-14) "Accounting for Amalgamations", all the assets and liabilities of OVL have been incorporated in the accounts of the Company under "Pooling of Interest Method" as follows:

- The Assets & Liabilities as at 1-April-2007 have been incorporated in the accounts of the Company at Book Value.
- The Income accruing and expenses incurred (after eliminating the inter Company transactions) during the year 1-April-2007 to 31-March-2008 have been incorporated in the accounts. During this period the erstwhile Orient Vegetexpo Ltd. have carried on the existing business for and on behalf of the Company.

Pursuant to the approval of Shareholders dated 31-January-2006, the Board of the Directors have been empowered to contribute towards rural development in general and in particularly to improve the knowledge, skill, efficiency and self-dependence of community. The amount of such contribution shall not exceed in aggregate 3.00% of the annual net profits of the Company as reflected in the respective profit & loss account adopted by shareholders. Accordingly, an aggregate sum of Rs. 93.54 Million (till PY Rs. 49.88 Million) has been accumulated for this purpose and the same will be accounted as expenses in the year of actual contribution.

a) Pursuant to the approval of Shareholders, 25,00,000 Share Warrants were converted into 25,00,000 Equity Shares of Rs. 10/- each for cash at premium of Rs. 388.50 each. The shares were allotted on 28-March-2008 and

b) During the year, pursuant to the approval of Shareholders in a EGM held on 02-November-2007, a lot of 86,00,000 Equity Warrants were allotted as per SEBI (DIP) Guideline at a price of Rs. 478.15 each, aggregating to Rs. 4112.10 Million. These Warrants are to be converted into Equity Shares as per the terms of issue. A deposit of Rs. 47.815 per Warrant has been paid on the Equity Warrants by subscribers. Out of these, 11,02,600 Equity Warrants upon exercise

of conversion option attached thereof were converted and 1102600 Equity Shares of Rs. 10/- each for cash at premium of Rs. 468.15 each were allotted on 29-Mar-2008.

On 29-March -2006, Company had issued 60,000 Zero Coupon Currency Convertible Bonds (ZCCBs) (due on 30-March-2011) at face value of US\$ 1,000.00 each aggregating to US\$ 60.00 Million at a redemption price of 139.37%. The bondholder has the option to convert the bonds into fully paid Equity Shares of Rs. 10/- each (at a premium of Rs. 335.59 per share) in the ratio of 1:1.283602 on or before 28-February-2011 (with fixed rate of exchange on conversion at Rs. 44.36 to US\$=1). These bonds may be redeemed, in whole but not in part at the option of the Company on or at any time after 29-March-2009 subject to satisfaction of certain conditions. Upon conversion of all ZCCB's into Equity , this will result in increase of Equity Shares capital by 7,701,606 shares and increase in net worth of the Company by Rs. 2661.60 Million. As of the Balance Sheet date, bondholders representing 46,650 (77.75%) bonds have opted for conversion into Equity Shares and 5,987,995 Equity Shares of face value of Rs. 10/- have been allotted (with a premium of Rs. 335.59 per share).

Associates Stock Options and Shares Plan 2005 (ESOP) – Out of 30,71,200 Stock Options, Compensation Committee of the Company has approved/allotted following stock options to the eligible Indian & Foreign associates including working & non executive Directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3
Number of ESOP's Allotted	5,00,000	5,00,000	5,00,000
Date of Issue	27-January-2007	4-June-2007	14-February-2008
Market Price per share (NSE, Mumbai)	410.35	459.40	630.15
Discount Offered as per Terms	25%	10%	10%
Vesting Period	1 Year	3 Years	3 Years
Options Exercised	Nil	Nil	Nil
Options Lapsed	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/amortised in the annexed accounts based on vesting period and as per the accounting policies specified in Schedule 1 of the ESOP Guidelines issued by SEBI. No associate has been issued options entitling such person to subscribe to more than 1% of Equity Share Capital of the Company.

Disclosures in terms of Accounting Standard 15 (AS-15 Revised 2005) "Associates Benefits"

Defined benefit obligation: The Gratuity obligation is managed by a Trust (JISL Gratuity Trust) through ICICI Prudential Life Insurance Company Limited Mumbai.

Actuarial Assumptions : Gratuity		
	Mortality rate Table	LIC (1994-96) Ultimate mortality rates
	Rate of Interest	8% pa
	Salary Growth	4% pa
	Withdrawal rate	1% pa
A]	Change in present value of the defined benefit obligation	Rs. in Million
	Opening Balance	33.25
	Current service cost	4.49
	Interest cost	2.66
	Actuarial loss (gain) on obligation	(1.03)
	Benefits paid	(0.74)
	Closing balance	38.63
B]	Change in fair value of plan assets	
	Opening fair value of plan assets	10.42
	Expected return on plan assets	1.63
	Actuarial gain (loss) on plan assets (balancing figure)	1.18
	Contributions	22.08
	Benefits paid	(0.74)
	Closing fair value of plan assets	34.57
C]	Movement in the net liability recognized in the Balance Sheet	
	Opening net liability	22.83
	Expenses as above	3.32
	Contributions paid	(22.08)
	Closing net liability	4.07
D]	Expenses recognised in Profit and Loss Account	
	Current service cost	4.49
	Interest cost	2.66
	Expected return on plan assets	(1.63)
	Net actuarial (gain) loss recognised in year	(2.20)
	Expenses recognised in profit and loss statement	3.32

Further, contribution to Defined Contribution Plan recognised as expense for the year as under:

- Employers Contribution to Provident Fund Rs. 10.36 Million deposited with concern authority.
- Employers Contribution to Superannuation Fund Rs. 5.57 Million managed by a Trust.
- Employers Contribution to Pension Scheme Rs. 14.80 Million deposited with concern authority.

Managerial Remuneration

a) The details of managerial remuneration paid during the year: [Rs. in Million]

	Managing Director		Jt. Managing Director		Whole time Directors		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Salary	8.22	7.86	6.37	6.07	11.97	11.73	26.56	25.66
Gratuity	0.40	0.38	0.31	0.29	0.58	0.57	1.28	1.24
Provident Fund	0.99	0.94	0.76	0.73	1.44	1.42	3.19	3.09
Perquisites	1.71	1.64	1.51	1.44	3.14	3.14	6.36	6.22
Commission	16.10	9.50	16.10	9.50	32.20	19.00	64.40	38.00
Total	27.41	20.32	25.04	18.03	49.33	35.86	101.78	74.21

CY: Current Year PY: Previous Year

b) Determination of Net Profits in accordance with the provisions of Section 198(1) of the Companies Act, 1956 and percentage of profits being paid to working Directors and Non Executive Directors: Rs. in Million

Profit for the year as per Profit & Loss Account	1,455.41	
Add / (Less): Permissible adjustments U/s 349	691.28	
Profit as per Section 349		2,146.69
Add: Directors Remuneration		
Remuneration	26.56	
Commission	64.40	
Sitting Fees	0.73	
		91.69
Profit Under Section 198		2,055.00

Rs. in Million

Actual Payments made during the year 2007-08	Remuneration	Commission	Total
Managing Director	11.31	16.10	27.41
Joint Managing Director	8.94	16.10	25.04
Whole Time Director	17.13	32.20	49.33
Total	37.38	64.40	101.78
Remuneration and commission as Percentage of Net profits U/s Section 198			4.95%

c) During the year Company has also given commission to Non Executive Directors of Rs. 3.50 Million, which is around 0.17% of profit u/s 198.

Research and Development expenditure:

Expenditure incurred on in-house research and development facility by the Company Rs. in Million

Particulars	2007-08	2006-07
Revenue Expenditure (charged out through the natural heads of account)		
Bio-technology Activities	8.30	8.86
Others R&D Activities	10.59	13.83
Sub total	18.89	22.69
Capital Expenditure		
Bio-technology Activities	12.09	3.49
Others R&D Activities	1.26	12.75
Sub total	13.35	16.25
Total (a+b)	32.24	38.94

Related Party Disclosure as required by the Accounting Standard 18 (AS18)

A] Related parties and their relation

Wholly Owned Subsidiary Companies

JISL Overseas Ltd., Mauritius.

Fellow Subsidiary Companies:

Jain (Europe) Ltd. UK

Jain Overseas BV. Netherland

Nucedar Mills Inc. USA,

Jain Irrigation Holding Corporation Inc. USA

Jain (Americas) Inc. USA,

Chapin Watermatics Inc. USA

Cascade Specialities Inc. USA

Jain Irrigation Inc (Erstwhile Aquarius Brands Inc.) USA

JISL AG. Switzerland
Thomas Machines S.A.,
Naandan Jain Irrigations CS Ltd. Israel

JISL Scheiwz AG. Switzerland
Jain (Israel) BV. Netherland

Companies / Firms in which Director, Director's Relatives are Directors/Partners

Jain Extrusion & Molding Pvt. Ltd.,
Jain Vanguard Polybutelyne Ltd.,
Atlaz Technology Pvt. Ltd,
JAF Products Pvt. Ltd,
Jalgaon Investment Pvt. Ltd
Jain Rotfil Heaters Pvt. Ltd.,
Kantabai Bhavarlal Jain Family Knowledge Institute,
Jain Sons Investments Corporation,
Jain Investments & Finance BV. Netherland
PVC Trading House,
Jain Computer & Allied Services,
Jalgaon Metal & Bricks Manufacturing Co.,
Bhavarlal & Kantabai Jain Multipurpose Foundation,

Pixel Point Pvt. Ltd.,
Labh Subh Securities International Ltd.,
Jain Brothers Industries Pvt. Ltd.,
Cosmos Investment & Trading Pvt. Ltd.,
Stock & Securities (India) Pvt. Ltd.,
Gandhi Research Foundation,
ECP Housing Construction Pvt. Ltd,
Drip & Pipe Suppliers,
Jain Overseas Investments Ltd. Mauritius
Plastic Enterprises,
Jalgaon Udyog,
Bahinabai Chaudhari Memorial Trust.
Anubhuti Scholarship Foundation,

Key Management Personnel & Designation

Bhavarlal H. Jain (Chairman),
Anil B. Jain (Managing Director),
Atul B. Jain (Whole Time Director),
R. Swaminathan (Whole Time Director),

Ashok B. Jain (Vice Chairman),
Ajit B. Jain (Joint Managing Director),
R. B. Jain (Whole Time Director),

B] Transactions with related parties

[Rs in Million]

	[1] *	[2] *	[3] *	[4] *	Total
Purchase of Goods.	-	538.69	-	-	538.69
Sale of Goods.	-	1,936.19	0.82	0.00	1,937.02
Payment for Rent, Lease Rent	-	-	0.47	5.03	5.49
Discount & Sales Promotion Expenses	-	0.66	-	-	0.66
Payment towards Sitting Fees and Travelling.	-	-	-	1.31	1.31
Performance Bonus / Commission	-	-	-	64.40	64.40
Investment during the year	980.88	-	-	-	980.88
Deposit Given	-	-	-	28.50	28.50
Loans & Advances Given	159.84	-	5.57	10.80	176.21
Interest & Expenses charged on Loan Given	47.33	-	-	-	47.33
Subscription to Equity Share Warrants	-	-	1,782.32	-	1,782.32
Net outstanding balances carried to Balance Sheet:	[1] *	[2] *	[3] *	[4] *	Total
Receivable/Payable (net)	2,952.09	1,365.34	13.63	18.02	4,349.09

Note: Personal Guarantees of Promoters given to Consortium Bank and FI's for various credit facilities provided to the Company and counter guaranteed by the Company is amounting to Rs.11,535.47 Million.

[1] * Wholly Owned Subsidiary Companies;

[2] * Fellow Subsidiary Companies

[3] * Companies / Firms in which Director, Directors Relatives are Directors / Partners;

[4] * Key Management Personnel

Leases

The Company has entered into "Operating Lease" as defined in the Accounting Standard 19 (AS-19) issued by the Institute of Chartered Accountants of India. Significant terms of the Lease Agreement are:

a) No transfer of ownership on termination of lease,

b) No compensation for transfer on termination of lease.

c) No renewal of lease on expiry of the lease period

The future Minimum Lease Payments (MLP) under non-cancelable operating lease in the aggregate and for each of the following periods are as under:

[Rs. in Million]

Particulars	2007-08	2006-07
Not later than one year	15.74	16.57
Later than one year and not later than five years	17.33	16.29
Later than five years	4.48	7.67

Earnings per Share (EPS)

Particulars		2007-08	2006-07
Profit/(Loss) after tax (After proposed dividend on preference capital & dividend tax thereon)	[Rs. Million]	1,414.41	948.94
Weighted average Number of Equity Shares for Basic EPS	[Nos.]	65,839,303	58,603,972
Add: Number of Potential Equity Shares under ESOP		172,678	22,603
Add: Number of Shares against Deposit of Equity Share Warrants		51,440	2,648
Weighted average Number of Equity Shares including potential Equity			
Shares for Diluted EPS	[Nos.]	66,063,421	58,629,223
Basic EPS	[Rs.]	21.48	16.19
Diluted EPS	[Rs.]	21.41	16.19

a) Primary Segment Accounting:

Reporting of Segment wise Revenue, Result and Capital Employed:

[Rs. in Million]

Particulars		Year Ended 31-Mar-2008	Year Ended 31-Mar-2007
1. Segment Revenue			
a) Hi-tech Agri Input Products		8,706.90	6,136.30
b) Industrial Products		8,003.65	5,948.57
	Net Sales Income From Operations	16,710.55	12,084.87
2. Segment Results: Profit before Tax.			
a) Hi-tech Agri Input Products		2,340.48	1,305.79
b) Industrial Products		1,252.50	822.58
	Sub Total	3,592.98	2,128.37
Un-allocable expenditure (Net):			
Less: I) Interest (Net)		1,134.05	655.83
ii) Exceptional Items		13.90	-
iii) Others (Net off Income)		403.41	178.47
	Total Profit / (Loss) Before Tax	2,041.62	1,294.07
3. Other Information: 2007-08			
	Hi-tech Agri Input Products	Industrial Products	Others Un-allocable
Capital Assets (Net) Including CWIP & Investments	2,847.89	3,458.70	4,101.25
Current Assets (Net)	7,581.98	4,060.10	1,820.37
Current Liabilities (Net)	2,392.38	1,655.72	991.03
	8,037.49	5,863.08	4,930.59
Other Information: 2006-07			
Capital Assets (Net) Including CWIP & Investments	2,231.40	2,985.82	2,281.72
Current Assets (Net)	5,415.87	3,652.03	923.01
Current Liabilities (Net)	2,025.85	3,206.07	448.55
	5,621.42	3,431.78	2,756.18
			11,809.38

b) Secondary Segment Accounting (Geographical)

Segment Revenue	India	Europe	USA	Rest of the World	Total
a) Hi-tech Agri Input Products	8,349.47	37.57	151.56	168.30	8,706.90
b) Industrial Products	3,825.35	818.45	2,500.70	859.15	8,003.65
	12,174.82	856.02	2,652.26	1,027.45	16,710.55

otes: 1) The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure"

2) The other Information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable"

Remittance in foreign currency for dividend:

The Company has remitted Rs. 0.003 Million (US\$ 79.83) (PY Rs. 0.012 Million [US\$ 269.76] amount on account of dividends during the year to non-resident shareholders and Rs. 73.16 Million (PY Rs. 0.18 Million) are paid on account of dividend payable pertaining to year 2006-07 to the non-resident shareholders on 36,579,289 (PY 97,585) number of ordinary shares held by them.

Deferred Tax

[Rs. in Million]

Particulars	As at 31.03.2007	Credited / Charged For the Year 2007-08	As at 31.03.2008
Depreciation #	(659.98)	(50.54)	(710.52)
Carried Forward Operating Losses	1,065.56	(530.45)	535.11
Carried Forward Capital Losses	–	50.41	50.41
Disallowance Under Section 43B of the IT Act, 1961	12.52	(11.32)	1.20
Other Current Assets/ Liabilities (Net)	29.22	(15.00)	14.22
Net Deferred Tax Assets / (Liability) \$	447.32	(556.91)	(109.59)

Negative figures represents deferred tax liability as at year end & deferred tax expenses for the year.

Deferred tax for the year Includes addition on amalgamation of Orient Vegetexpo Ltd. of Rs. 4.46 Million.

\$ Deferred tax for the year is excluding tax on expenses adjusted against securities premium account for Rs.12.94 Million.

Disclosure of Derivatives:

a) Total Foreign Currency (FC) Exposures as on 31-March-2008

[FC in Million]

	USD	Euro	GBP	Others
Liabilities:				
1. Loans and ZCCB taken	133.36	4.26	1.21	–
2. Import Liabilities and LC Commitments	9.94	2.31	0.04	(0.10)
3. Contingent Liability- Corporate Guarantee	23.00	–	–	–
Sub Total	166.29	6.57	1.25	(0.10)
Assets:				
1. Export Receivables	30.88	9.51	5.04	–
2. Balances with Banks	7.56	0.00	–	–
Sub Total	38.44	9.51	5.04	–
Net Liability/(Asset)	127.85	(2.94)	(3.80)	(0.10)

Rupee Conversion Rate

ote: The FC amount shown in US denomination, converted as of 31-March-

Derivative instruments outstanding:

Forward (Euro / INR)	Euro 0.200 Million
Option Strip (USD / INR) – Long Term	USD 65.35 Million

b) The net un-realised loss aggregating Rs.310.55 Million in respect of derivative instruments which qualify for hedge accounting have been accounted for as a Hedging Reserve to be ultimately recognized in the profit and loss account when the underlying transactions will be matured.

Sundry Creditors : Sundry Creditors in Schedule 10 (a) include;

- Rs. 5.43 Million due to Micro, Small and Medium Enterprises.
- Rs. 4233.56 Million due to others.

The disclosure in (i) above is based on the information available with the Company. Enterprises to whom the Company owes a sum, which is outstanding for more than 30 days is Rs. Nil (PY Rs. Nil) and the interest on the same is Rs. Nil (PY Rs. Nil).

The Company has a system of periodically reconciling outstanding balances of sundry debtors, advances, deposits, etc. and on such reconciliation; the necessary adjustments are made in accounts. Consequently, balances at the end of the year are as per books of accounts.

The previous year's figures are not comparable, due to the merger impact of the "Orient Vegetexpo Limited"

Additional information pursuant to the provision of paragraph in 3 and 4 of Part-II of "Schedule VI" to the Companies Act, 1956, is given in the Annexure "A" to "E"

The previous financial year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956
ANNEXURE – A
A) Details of Installed capacity and Production

Products	Unit	Installed Capacity ^[1]		Production	
		31-Mar-08	31-Mar-07	2007-08	2006-07
Micro Irrigation Systems					
Polytube and Laterals ^[2]	MT	32,880	20,790	17,695	14,451
Injection Moulded Components	MT	7,200	6,600	2,957	2,025
Piping System					
PVC Pipes & Fittings	MT	98,010	85,015	59,838	55,373
HDPE Pipes and fittings ^[2]	MT	81,360	57,324	45,964	19,969
Plastic Sheets ^[3]	MT	36,300	36,300	17,480	23,700
Agro Processing					
Dehydrated Onions & Vegetables	MT	14,860	14,860	10,280	7,008
Fruit Puree & Concentrate	MT	84,600	81,000	41,059	24,495
Solar Systems					
Water Heating Systems	LTR	1,200,000	1,200,000	680,425	627,685
Photovoltaic Products	Set	500,000	500,000	207,965	75,500
Tissue Culture Plants	No's	12,000,000	10,000,000	10,467,185	9,220,947
Slabs / Tiles	Sq. Mtr	45,000	45,000	–	–
Monuments	C. Ft.	15,000	15,000	–	–

Note : As certified by management and accepted by the auditors. The lines of Polytube, Laterals, & HDPE Pipes are synergistic in nature and hence interchangeable depending on demand. Production of 31-Mar-08, MT (Previous year, 31-Mar-07, MT) on lease assets.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956

ANNEXURE – B
Stocks and Turnover

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover				
		1-Apr-07		1-Apr-06		31-Mar-08		31-Mar-07		2007-08		2006-07		
		Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	
Goods Manufactured														
Polytube & Laterals for Irrigation Systems [1&7]	MT	1,939	196,275,881	737	63,228,804	3,581	411,269,672	1,939	196,275,881	16,733	2,919,856,647	13,371	1,952,798,507	
Injection Moulded Components [1&5]	MT	552	107,267,136	269	50,628,614	1,007	205,379,597	552	107,267,136	2,308	824,182,938	1,455	536,937,418	
Filters & Filtration Equipments [1,2&6]		-	46,588,248	-	21,565,967	-	77,672,773	-	46,588,248	-	354,496,607	-	215,131,241	
Components for Irrigation Systems [1&3]		-	161,298,417	-	121,839,362	-	296,490,627	-	161,298,417	-	371,480,591	-	209,939,229	
PE Pipes & Sprinklers for Irrigation Systems [5]	MT	1,727	167,196,013	1,024	85,491,387	2,418	257,359,311	1,727	167,196,013	45,678	5,297,165,274	19,553	2,298,681,252	
PVC Pipes, Fittings and Accessories [7]	MT	1,834	94,484,115	1,065	53,008,419	2,827	161,806,551	1,834	94,484,115	59,368	5,144,535,723	54,671	4,763,658,296	
Plastic Sheets	MT	16	2,119,454	18	1,217,080	59	4,895,269	16	2,119,454	17,437	1,897,348,211	23,702	2,626,589,337	
Dehydrated Onions & Vegetables	MT	834	75,580,746	1,739	118,077,282	2,311	184,732,853	834	75,580,746	8,803	811,708,943	7,913	649,313,496	
Fruit Puree & Concentrate	MT	3,628	152,681,302	4,288	110,307,309	5,665	432,804,802	3,628	152,681,302	39,021	1,607,522,691	25,155	1,109,943,895	
Tissue Culture Plans	Nos.	2,800,404	17,430,381	2,992,439	19,816,549	3,862,236	35,165,071	46,100	5,372,836	9,405,353	122,148,650	9,412,982	123,026,663	
Solar Water Heating Systems [4]	LTR	46,100	5,372,836	15,150	1,849,353	37,775	4,464,639	46,100	5,372,836	690,680	120,772,879	596,735	92,361,552	
Solar Photo voltaic Systems		-	-	-	-	-	-	-	-	207,965	84,236,777	130,279	40,446,766	
Others [6]		-	7,362,299	-	8,147,150	-	2,651,670	-	7,362,299	-	72,831,701	0	57,727,039	
Total			1,033,656,827		655,177,276		2,074,692,835		1,033,656,827		19,628,287,632		14,676,554,692	

Note :

- Micro Irrigation Systems (MIS) consist of Polytube, Injection Moulded Components, Filter and Filtration Equipments and certain Bought-out Components MIS Systems are normally sold on acreage basis in the Domestic market. Since the per acre cost varies depending upon the crop, soil conditions & size of the plot, the unit for sales has been converted into MT, wherever required.
- The Polytube and Injection Moulded Components for export are sold on Meters & Cubic Meters basis, however the same is converted in MT for this statement. Filter and Filtration Equipments consist of various items for which no common unit can be stated. Components for Irrigation Systems includes diverse items, hence, item wise details are not given. The Solar Water Heating Systems has been stated as Litres based on the capacity of the Storage Tank. Turnover includes MT of injection moulding components through Sprinklers and laterals. The stocks of Filter & Fertiliser Tanks Components is including Stock of Material in Process Rs million. Turnover is gross and excludes sales return quantity for polytube MT (P), C Pipes MT (P), Injection Moulding MT, PE Pipes MT, and Solar Ltrs.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956
ANNEXURE – C
Cost of Materials Consumed, Purchases etc.

Major Materials	Unit	2007-08		2006-07	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Raw Materials [including Components] Consumed					
– Resins	MT	133,916	7,679,196,988	103,298	5,439,002,309
– Chemicals and additives	MT	14,663	980,561,714	14,770	835,981,435
– Vegetables	MT	71,651	347,474,641	51,105	308,931,904
– Fruits	MT	95,256	905,751,529	61,272	622,399,280
– Packing Material & Others		-	895,392,971	-	696,309,095
Total			10,808,377,843		7,902,624,023

Note: Consumption is arrived at based on opening stock + Purchases - Sales [including inter division transfers] - Closing stocks.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956
ANNEXURE – D
Value of Imported and Indigenous Raw Materials & Components and Stores & Spares Consumed

Product	2007-08		2006-07	
	%	Amount in Rs.	%	Amount in Rs.
a) Raw Materials [including components]				
– Imported	22%	2,415,819,661	31%	2,415,613,325
– Indigenous	78%	8,392,558,182	69%	5,487,010,698
	100%	10,808,377,843	100%	7,902,624,023
b) Stores & Spares				
– Imported	40%	95,729,656	32%	51,047,285
– Indigenous	60%	142,951,241	68%	109,555,767
	100%	238,680,897	100%	160,603,052

Note: Since The Company is buyer of certain imported raw materials which are also available indigenously and procured from the local market. The classification of imported / indigenous raw material are shown as certified by the management.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956
ANNEXURE – E
C.I.F. Value of Imports, Expenditure and Earnings of Foreign Currency

	2007-08 Rs.	2006-07 Rs.
a) C.I.F. Value of Imports		
Raw Materials, Components and Stores and Spares	2,243,613,814	2,150,371,799
Capital Goods	332,551,227	592,740,571
	2,576,165,041	2,743,112,370
b) Expenditure in Foreign Currency (on accrual basis)		
Interest and Finance Charges	161,431,964	4,290,524
Discount/Commission on Export Sales	3,549,789	868,036
Travelling Expenses	9,493,562	10,572,703
Export Selling / Market Development Expenses	2,549,702	4,075,869
Law & Legal Expenses	46,071,661	14,000,542
Others	382,693	1,446,850
	223,479,371	35,254,524
c) Earnings in Foreign Currency		
FOB Value of Exports (on the basis of bill of lading)	4,082,565,723	3,727,685,958
	4,082,565,723	3,727,685,958

STATUTORY INFORMATION

Part 4 of Schedule 6 of Companies Act,1956 (As Amended)

Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No.	State Code	Balance Sheet Date
42028	11	31-Mar-08

Capital Raised during the year (Rs.in thousand)

Public Issue	Right Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	105,745

Position of Mobilisation and Deployment of Funds (Rs.in thousand)

Total Liabilities	Total Assets
18,721,578	18,721,578

Sources of Funds:

Paid-Up Capital	Reserve & Surplus	Secured Loans	Unsecured Loans
1,964,358	7,686,729	8,536,892	533,600

Application of Funds:

Net Fixed Assets	Investment	Net Current Assets	Deferred Tax Asset
7,479,923	3,158,230	8,193,012	(109,587)
	Misc. Expenditure	Accumulated Losses	

Performance of Company (Rs.in thousand)

Turnover	Total Expenditure	Profit/(Loss) Before Tax	Profit/(Loss) After Tax
17,589,287	15,547,664	2,041,623	1,455,406
Earning Per Share in Rs.		Dividend Rate (%)	
Basic : 21.48		22%	

Generic Names of Three Principal Products/ Services of Company (as per monetary terms):

Item Code No. (ITC Code)	Product Description
842481.00	Micro Irrigation Systems
Item Code No. (ITC Code)	Product Description
392061	Plastic Sheets
Item Code No. (ITC Code)	Product Description
391723.09	Plastic Extruded and Moulded Products such as Pipes, Fittings, Profiles etc.

For and on behalf of the Board of Directors

A. V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director

AUDITORS REPORT TO THE BOARD OF DIRECTORS OF JAIN IRRIGATION SYSTEMS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAIN IRRIGATION SYSTEMS LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of JAIN IRRIGATION SYSTEMS LIMITED and its Subsidiaries as at 31st March, 2008, and also the Consolidated Profit and Loss Account and the Cash Flow statement of the company. These financial statements are the responsibility of the Jain Irrigation Systems Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

a) We did not audit the financial statements of subsidiaries whose financial statements reflect total Assets of Rs. 14,048.67 million and total Revenues of Rs. 8,055.08 million and net cash flows amounting to Rs. 303.50 million for the year then ended and as considered by the Company for the purpose of consolidation, our opinion, so far as it relates to these subsidiaries is based solely on the report of their auditors and further information and explanations provided to us and relied upon by us.

b) Statements of subsidiaries which are for 12 months ending June / December, 2007 were further redrawn by the management of the company, to give effect of significant transactions that occur between the date of financial statement and the date on which the year of parent company ended.

c) In the case of companies acquired during the current financial year Statements of subsidiaries were further drawn by the management of the company, to give effect of significant transactions that occur between the date of acquisition and the date on which the year of parent company ended.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements, as per The Companies Accounting Standard Rules, 2006 and on the basis of separate audited financial statements of Jain Irrigation Systems Limited and its subsidiaries and included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Jain Irrigation systems limited and its subsidiaries, read with other notes thereon, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India;

i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March, 2008,

ii. in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended, and

iii. in the case of the Cash Flow statement, of the cash flow of the company for the year ended on that date.

For and on behalf of
Dalal & Shah
Chartered Accountants

Ashish Dalal
Partner
Membership No: 33596

Mumbai, 28th July, 2008

CONSOLIDATED BALANCE SHEET AS AT 31-MARCH-2008

	Schedule	31-March-2008 Rs.	31-March-2007 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,605,869,460	1,502,830,350
Share Warrants	2	358,488,181	99,625,000
Reserves and Surplus	3	6,793,290,322	2,494,865,075
Accumulated Translation Reserve arising on consolidation		<u>(25,655,131)</u>	<u>45,347,570</u>
		8,731,992,832	4,142,667,995
		649,100,779	104,209,407
Minority Interests			
Loan Funds			
Secured Loans	4	12,146,273,068	5,917,827,512
Unsecured Loans	5	609,881,852	2,671,988,449
		<u>12,756,154,920</u>	<u>8,589,815,961</u>
	Total	<u>22,137,248,531</u>	<u>12,836,693,363</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	12,616,506,423	8,624,826,507
Less: Accumulated Depreciation		<u>(4,856,165,141)</u>	<u>(2,822,796,964)</u>
		7,760,341,282	5,802,029,543
Add: Goodwill on Consolidation		<u>1,201,115,046</u>	<u>663,774,555</u>
Net Block		<u>8,961,456,328</u>	<u>6,465,804,098</u>
Capital Work-in-Progress [including capital advances]	7	1,202,346,958	791,571,923
Investments	8	637,076,524	200,079,644
Deferred Tax Assets / (Liability) (Net)		53,005,367	535,804,585
Current Assets, Loans & Advances	9		
a) Inventories		8,099,424,530	4,696,973,517
b) Sundry Debtors		6,556,492,439	3,584,787,697
c) Cash & Bank Balances		1,036,239,113	443,136,626
d) Other Assets		173,682,223	101,034,268
e) Loans & Advances		<u>2,831,242,154</u>	<u>1,161,667,988</u>
		<u>18,697,080,459</u>	<u>9,987,600,096</u>
Less			
Current Liabilities & Provisions	10		
a) Current Liabilities		6,793,486,657	4,860,778,375
b) Provisions		<u>620,230,448</u>	<u>283,388,608</u>
		<u>7,413,717,105</u>	<u>5,144,166,983</u>
Net Current Assets		<u>11,283,363,354</u>	<u>4,843,433,113</u>
	Total	<u>22,137,248,531</u>	<u>12,836,693,363</u>
Notes forming part of the Accounts	21		

Signatures to the Schedule 1 to 21
As per our report of even date
For and on behalf of

For and on behalf of the Board of Directors

DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Mumbai, 28th July, 2008

A.V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-MARCH-2008

	Schedule	Rs.	2007-08 Rs.	2006-07 Rs.
Income				
Sales and Operating Income	11	23,037,458,584		14,578,774,150
Less: Excise Duty / Service Tax Recovered		(878,736,623)		(657,108,403)
			22,158,721,961	13,921,665,747
Other Income	12		401,266,267	333,225,950
Increase / (Decrease) in Stock	13		2,028,819,175	886,664,136
			24,588,807,403	15,141,555,833
Expenditure				
Cost of Materials Consumed, Purchases, etc.	14		13,832,141,726	8,701,291,391
Manufacturing Expenses	15		1,922,738,591	1,174,705,355
Payments To and Provisions for Associates	16		2,450,142,848	1,248,968,919
Selling & Distribution Expenses	17		1,758,170,584	1,287,077,851
Administrative & Other Expenses	18		782,416,918	522,166,091
			20,745,610,667	12,934,209,607
Operating Profit			3,843,196,736	2,207,346,226
Less: Interest & Finance Charges	19		1,326,946,994	769,316,497
Profit before Depreciation, Extra Ordinary Items & Prior Year Expenses			2,516,249,742	1,438,029,729
Less				
a] Amounts Written Off and Provisions	20		17,329,206	79,019,696
Less: Withdrawn from Contingency Reserve			—	(65,652,454)
			17,329,206	13,367,242
b] Depreciation / Amortisation			557,588,129	419,884,047
Profit before Exceptional Items and Taxation			1,941,332,407	1,004,778,440
Less				
Exceptional Items (Net)			34,038,163	—
Profit for the year before Taxation			1,907,294,244	1,004,778,440
Add/(Less): Deferred Tax			(461,637,656)	(176,644,439)
Less: Provision for Current Tax			(288,847,298)	(12,995,779)
Add: MAT Credit			226,759,088	—
Less: Provision for Wealth Tax			(67,460)	(29,607)
Less: Provision for Fringe Benefit Tax			(16,300,000)	(11,500,000)
Profit / (Loss) for the year before Prior Period Expenses			1,367,200,918	803,608,615
Add / (Less): Prior Period Items			(23,059,319)	—
Profit for the year			1,390,260,237	803,608,615
Less: Pre acquisition Profit / (Loss)			(40,867,532)	32,574,268
Less: Minority Interest			(25,394,435)	(3,653,729)
Profit / (Loss) for the year after Minority interest			1,323,998,270	832,529,154
Balance in Profit & Loss Account brought forward			873,434,524	363,071,465
Loss of Orient Vegetexpo Ltd for FY 2006-07.			(5,187,197)	—
Balance available for Appropriation			2,192,245,597	1,195,600,619
Appropriation				
Transferred to General Reserve			(145,500,000)	(100,000,000)
Transferred to Capital Redemption Reserve			—	(25,000,000)
Proposed Preference Dividend for the year			(35,037,760)	(36,037,760)
Provision for Dividend Tax on Preference Dividend for the year			(5,954,667)	(6,124,617)
Proposed Equity Dividend			(159,227,081)	(132,487,472)
Provision for Dividend Tax on Equity Dividend			(27,060,642)	(22,516,246)
Balance Carried to Balance Sheet			(1,819,465,447)	(873,434,524)
			(2,192,245,597)	(1,195,600,619)
Earning Per Share (Ref. Note No. 10 of Sch.21: Part B.)				
Basic EPS (Rs.)			19.49	13.48
Diluted EPS (Rs.)			19.42	13.48
Notes forming part of the Accounts	21			

Signatures to the Schedule 1 to 21
As per our report of even date
For and on behalf of

For and on behalf of the Board of Directors

DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Mumbai, 28th July, 2008

A.V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-MARCH-2008

[Pursuant to Listing Agreement with Stock Exchanges]

	Rs.	2007-08 Rs.	Rs.	2006-07 Rs.
A] Cash Flow From Operating Activities				
Net Profit / (Loss) Before Tax and Extraordinary Items		1,941,332,407		1,042,002,001
Adjustment for				
Prior Period Items	23,059,319		-	
Pre-acquisition Profit	(40,867,532)		-	
Share of Minority in Profit	(25,394,435)		-	
Depreciation / Amortisation of Lease Land	557,588,129	337,061,968		
Amounts Written off & Provisions	17,329,206		72,156,004	
Withdrawn from Contingency Reserve	-		(65,652,454)	
Loss / (Surplus) on Assets Sale/Discarded	(5,151,289)	(3,445,861)		
Interest and Finance Charges	1,326,946,994		712,495,656	
Provision for doubtful debts & Advances Written back	(64,380,451)		(95,393,342)	
ESOP Cost	16,809,534		3,710,466	
Sundry Credit balances appropriated	(12,227,416)		(7,591,644)	
Dividend Income	(31,387)		(4,540)	
		<u>1,793,680,672</u>		<u>953,336,253</u>
Operating Profit before Working Capital Changes		3,735,013,079		1,995,338,254
Adjustment for				
Sundry Debtors	(1,454,013,145)		(1,433,741,972)	
Loans & Advances	(958,210,213)		(245,701,614)	
Inventories	(2,228,981,101)		(2,010,856,963)	
Trade Payables	(1,063,674,368)		1,944,616,497	
		<u>(5,704,878,827)</u>		<u>(1,745,684,052)</u>
Cash Generated from Operations		(1,969,865,748)		249,654,202
Exceptional Items		(34,038,163)		-
Debit Balance in Profit & Loss Account of Orient Vegetexpo - Limited of FY 2006-07		(5,187,197)		-
Direct Taxes paid		(233,434,503)		(89,115,909)
Net Cash From Operating Activities		(2,242,525,611)		160,538,293
B] Cash Flow From Investing Activities :				
Purchase of Fixed Assets	(2,655,225,200)		(2,563,090,793)	
Sale of Fixed Assets	226,073,997		2,030,138	
Other Current Assets - Orchards	(75,266,606)		(46,441,885)	
Sale/(Purchase) of Investment [net]	(439,598,701)		-	
Acquisition of Business	(485,066,185)		(663,774,232)	
Interest Received	1,358,180		71,245,902	
Dividend Income	31,387		4,540	
Net Cash Flow from Investing Activities		(3,427,693,128)		(3,200,026,330)
		<u>(5,670,218,739)</u>		<u>(3,039,488,036)</u>
C] Cash Flow From Financing Activities				
Total Proceeds by way of issue of Shares (Net)	1,371,251,330		475,850,000	
Issue of Warrants	411,209,000		52,040,000	
Adjustments to Reserves (Net)	(33,517,226)		131,356,149	
Total Proceeds from Borrowings	5,964,567,733		1,534,400,283	
Issue Expenses	-		(1,392,419)	
Dividend Paid	(197,166,095)		(258,908,820)	
Premium paid on Redemption of NCD & Preference Shares adjusted against Share Premium	(39,211,511)		(52,995,828)	
Interest and Finance Charges paid	(1,328,305,174)		(787,581,523)	
Net cash used in Financing Activities		6,148,828,057		1,092,767,842
Net Increase in Cash & Cash Equivalents		478,609,318		(1,946,720,195)
Cash and Cash Equivalents as at the beginning of the year		443,136,626		2,389,856,821
Add: Cash and Cash Equivalents on acquisition of Business		114,493,169		-
Cash and Cash Equivalents as at end of the year		<u>1,036,239,113</u>		<u>443,136,626</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		478,609,318		(1,946,720,195)

As per our report of even date
For and on behalf of

For and on behalf of the Board of Directors

DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Mumbai, 28th July, 2008

A.V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director
Mumbai, 28th July, 2008

A. R. Barwe
Director

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 1 – Share Capital		
Authorised		
96,500,000 (88,500,000) Equity Shares of Rs. 10/- each	965,000,000	885,000,000
19,630,000 (19,630,000) Redeemable Preference Shares of Rs. 100/- each	1,963,000,000	1,963,000,000
4,500,000 (4,500,000) Unclassified Shares of Rs. 10/- each	45,000,000	45,000,000
(Increased in authorised capital is in terms of the scheme of) arrangement including amalgamation	2,973,000,000	2,893,000,000
Issued, Subscribed and Paid up:		
a] Equity Shares		
61,307,683 (58,180,391) Equity Shares of Rs. 10/- each fully paid up	613,076,830	581,803,910
– (57,292) Eq. Shares of Rs. 10/- each on Merger of Terra Agro Technologies Ltd.	–	572,920
270,615 – Eq. Shares of Rs. 10/- each on Merger of Eurissko Agro Ltd.	2,706,150	–
713,316 – Eq. Shares of Rs. 10/- each on Merger of Orient Vegetexpo Ltd.	7,133,160	–
3,602,600 (3,070,000) Eq. Shares of Rs. 10/- each fully paid up on conversion of Equity Warrants	36,026,000	30,700,000
5,987,995 – Eq. Shares of Rs. 10/- each fully paid up on conversion of ZCCB	59,879,950	–
172,837 (172,837) Eq. Shares of Rs. 10/- each representing underlying 345,674 (previous year 345,674) European Depository Receipts	1,728,370	1,728,370
Sub Total [a]	720,550,460	614,805,200
b] Equity Shares Suspense Account (Ref. Note No. 2 of Sch.21: Part B.)		
Balance at the beginning of the year	2,706,150	572,920
Add: Addition on merger of Eurissko Agro Ltd.	–	2,706,150
Add: Addition of Equity Share Capital on merger of Orient Vegetexpo Ltd.	70,082,000	–
Less: Reduction in Face Value of Shares from Rs. 10/- to Rs. 1/- as per BIFR order.	(63,073,800)	–
Add: Balance Transfer from Unsecured Loan of Orient Vegetexpo Ltd.	47,000,000	–
Less: Amount transferred to Amalgamation Adjustment Account on issue of shares as per scheme	(46,875,040)	–
Less: Allotted & transferred during the year	(9,839,310)	(572,920)
Sub Total [b]	–	2,706,150
c] Share Application Money		
Addition on merger of Eurissko Agro Ltd.	–	11,948,320
Less: Settlements & Adjustments as per the Scheme of Merger of Eurissko Agro Ltd.	–	(9,834,500)
Less: Repayable balance transfer to Other Liabilities	–	(2,113,820)
Sub Total [c]	–	–
d] Cumulative Redeemable Preference Shares		
4% Preference Shares of Rs. 100/- each	–	25,000,000
Less: Redeemed fully during the year	–	(25,000,000)
3,104,990 * 4% Preference Shares of Rs. 100/- each	310,499,000	310,499,000
* [2,642,348 Preference Shares due for redemption in 2 equal installments on 30-June-2008 and 30-June-2009, at premium of Rs. 16.00 per share]		
* [462,642 Preference Shares due for redemption in 2 equal installments on 30-June-2009 and on 30-June-2010, at premium of Rs. 16.00 per share]		
5,623,200 * 4% Preference Shares of Rs. 100/- each	562,320,000	562,320,000
Balance at the beginning of the year		
* [Due for redemption in 2 equal installments on 31-March-2009, and on 31-March-2010, at premium of Rs. 16.00 per share]		
125,000 * 1% Preference Shares of Rs. 100/- each	12,500,000	12,500,000
* [Due for redemption in 2 equal installments on 31-March-2009 and on 31-March-2010, at premium of Rs. 4.00 per share]		
Sub Total [d]	885,319,000	885,319,000
Total [a to d]	1,605,869,460	1,502,830,350

		31-March-2008	31-March-2007
	Rs.	Rs.	Rs.
Schedule 2 – Equity / Share Warrants (Ref. Note No.4 of Sch.21: Part B.)			
2,500,000	3,070,000	99,625,000	47,585,000
8,600,000	2,500,000	411,209,000	99,625,000
(3,602,600)	(3,070,000)	(152,345,819)	(47,585,000)
# 10% Deposit of 7,497,400 (Previous year 2,500,000) Equity Warrants of Rs. 478.15 (Previous year Rs. 398.50) each.		<u>358,488,181</u>	<u>99,625,000</u>
Schedule 3 – Reserves and Surplus:			
a] General Reserve			
Balance at the beginning of the year		657,953,118	787,748,519
Add: Transferred from Profit & Loss Account		146,918,920	120,479,584
Less: Utilisation		–	(250,274,985)
	Sub Total [a]	804,872,038	657,953,118
b] Securities Premium Account			
Balance at the beginning of the year		904,091,347	488,329,594
Add: On conversion of Equity Warrants & ZCCB		3,496,946,240	445,150,000
Less: Utilisation		(33,799,211)	(29,388,247)
	Sub Total [b]	4,367,238,376	904,091,347
c] Amalgamation Adjustment Account / Capital Reserve Account (Ref. Note No.2 (a) of Sch.21: Part B.)			
Balance at the beginning of the year		–	–
Add: Balance in Capital Reserve A/c of Orient Vegetexpo Ltd.	88,573,021	–	–
Add: Reduction in Equity Share Capital of Orient Vegetexpo Ltd.	63,073,800	–	–
Add: Amount on issue of Equity Shares to Orient Vegetexpo Ltd.	46,875,040	–	–
Less: Debit Balance in Profit & Loss Account of Orient Vegetexpo Ltd.	(161,036,386)	–	–
Settlements & Adjustments as per the Scheme of Merger of Eurisko Agro Ltd	–	–	65,652,454
Less: Balance Transferred to Contingency Reserve	–	–	(65,652,454)
	Sub Total [c]	37,485,475	–
d] Debenture Redemption Reserve			
Balance at the beginning of the year		5,675,620	26,155,204
Less: Transferred to General Reserve		(1,418,920)	(20,479,584)
	Sub Total [d]	4,256,700	5,675,620
e] Contingency Reserve			
Add: Transferred from Amalgamation Adjustment Account		–	65,652,454
Less: Transferred to Profit & Loss Account		–	(65,652,454)
	Sub Total [e]	–	–
f] Capital Redemption Reserve			
Balance at the beginning of the year		50,000,000	25,000,000
Transferred from Profit & Loss Account		–	25,000,000
	Sub Total [f]	50,000,000	50,000,000
g] Associate Stock Option (Ref. Note No. 6 of Sch.21: Part B.)			
Associate Stock Option (Outstanding)		20,520,000	20,520,000
Less: Deferred Associate Stock Option (Compensation Expense)		–	(16,809,534)
	Sub Total [g]	20,520,000	3,710,466
h] Hedging Reserve (Ref. Note No. 11 of Sch.21: Part B.)			
Unrealised Gain / (Loss) on Cash Flow Hedging derivatives (Net)		(310,547,714)	–
i] Balance of Profit & Loss Account			
		<u>1,819,465,447</u>	<u>873,434,524</u>
	Total [a to i]	6,793,290,322	2,494,865,075

	31-March-2008	31-March-2007
	Rs.	Rs.
Schedule 4 – Secured Loans		
a) Debentures		
Zero Coupon Non Convertible Redeemable Debentures of Rs 100/- each	4,256,700	5,675,620
b) Term Loans (including ECB in USD)	5,376,753,696	2,456,206,341
c) Term Loans (LBO)	598,387,578	–
d) Deferred Credit from Supplier (ECB in EURO)	21,450,600	29,713,190
e) Working Capital Loans	6,145,424,494	3,426,232,361
Total [a to e]	12,146,273,068	5,917,827,512
Schedule 5 – Unsecured Loans		
a) Zero Coupon Convertible Bonds -2011 (ZCCB) of US\$ 1,000 each (Ref. Note No.5 of Sch.21: Part B.)	533,599,500	2,615,400,000
b) Other Unsecured Loan	76,282,352	56,588,449
Total [a to b]	609,881,852	2,671,988,449

Schedules 6 – Fixed Assets & Depreciation

Assets	As at 31-Mar-08			As at 31-Mar-07		
	Fixed Assets	Accumulated Depreciation	Net Block	Fixed Assets	Accumulated Depreciation	Net Block
a) Tangible Assets						
Free Hold Land	626,175,668	–	626,175,668	591,482,870	705,686	590,777,184
Lease Hold Land	2,185,951	–	2,185,951	2,217,227	–	2,217,227
Factory Buildings & Godowns	1,742,591,437	368,397,295	1,374,194,142	1,262,643,380	327,927,611	934,715,769
Green/Poly/Shed Houses	59,339,074	38,039,846	21,299,228	58,687,561	34,146,040	24,541,521
Plant & Machinery and Equipments	9,053,917,887	3,890,840,716	5,163,077,171	6,063,749,242	2,170,665,041	3,893,084,201
Furniture, Fixtures & Office Equipments	395,440,249	273,141,247	122,299,002	188,461,125	100,502,296	87,958,829
Vehicles	227,343,483	91,734,765	135,608,718	115,945,844	54,725,385	61,220,459
Live Stock	106,270	–	106,270	106,270	–	106,270
Lease Hold Improvements	137,075,776	34,911,637	102,164,139	37,860,177	1,291,456	36,568,721
Total	12,244,175,795	4,697,065,506	7,547,110,289	8,321,153,696	2,689,963,515	5,631,190,181
b) Intangible Assets						
Goodwill	3,540,000	3,540,000	–	3,540,000	3,540,000	–
Trade Mark & Development	202,000,523	121,162,574	80,837,949	196,588,672	106,442,711	90,145,961
Computer Software	19,458,019	18,215,806	1,242,213	18,538,946	20,288,958	(1,750,012)
Licensing Agreement	33,030,762	6,606,162	26,424,600	36,022,292	–	36,022,292
Non Compete Fees	33,720,055	8,035,169	25,684,886	36,774,011	2,622,544	34,151,467
Customer List	9,304,776	1,539,924	7,764,852	10,147,473	(60,764)	10,208,237
Relocation Exp	45,602,733	–	45,602,733	–	–	–
Product Development	20,115,640	–	20,115,640	–	–	–
Patents	5,558,120	–	5,558,120	2,061,417	–	2,061,417
Total	372,330,628	159,099,635	213,230,993	303,672,811	132,833,449	170,839,362
Grand Total	12,616,506,423	4,856,165,141	7,760,341,282	8,624,826,507	2,822,796,964	5,802,029,543

Schedules 7 – Capital Work in Progress

Assets	As at 31-Mar-08	As at 31-Mar-07
Free Hold Land & Site Development	19,859,601	11,090,157
Factory Buildings & Godowns	152,359,700	141,391,110
Plant & Machinery & Equipments	271,948,121	217,638,678
Furniture, Fixtures & Office Equipment	91,647	1,910,570
Vehicles	12,099,552	7,236,759
Pre Operative Expenses	229,743,245	119,555,185
Capital Goods Advances	333,970,582	209,681,865
Development Costs	182,274,510	83,067,599
Total	1,202,346,958	791,571,923

			Rs.	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 8 – Investments [at cost]					
I] Long Term Investments – Unquoted					
a] Government Securities (pledged)					
		National Saving Certificates		2,944,000	9,000
		Indira Vikas Patra		1,000	1,000
Sub Total [a]				2,945,000	10,000
b] Other than Trade Investments					
25	25	Shares of Astitwa Co-Op. Housing Society Ltd.		250	250
5	5	Shares of Rs.100 each of Sarjan Members Association		500	500
15	15	Shares of Rs.50 each of Rajdeep Vrundavan Co-Op. Housing Society 750		750	
200	200	Shares of Edlabad Sut Girni Co-Operative Society Ltd.		2,000	2,000
20	20	Shares of Rs. 250 each of Shrinathjee Co-Op. Housing Society Ltd. 5,000		5,000	
1,849	1,849	Linking Shares of Rs. 25 each of Jalgaon Janta Co-Op. Bank Ltd		46,225	46,225
Sub Total [b]				54,725	54,725
c] Investments in Companies other than Wholly Owned Subsidiary Companies					
3,269,250	3,269,250	Equity Shares of Euro 0.60 each of Euro Drip SA		189,707,847	189,707,847
		Shares of Naan USA		34,061,880	–
Sub Total [c]				223,769,727	189,707,847
d) Unsecured (Cumulative) Bonds					
252	252	Industrial Investment Bank of India (Pledged with IIBI)		10,200,000	10,200,000
Sub Total [a to d]				236,969,452	199,972,572
Sub Total [I]				236,969,452	199,972,572
II] Long Term Investments - Quoted					
Other than Trade Investment					
45	45	Equity Shares of Rs.10 each of Reliance Industries Ltd.		1,485	1,485
45	45	Equity Shares of Rs.10 each of Reliance Communication Ventures Ltd.		743	743
3	45	Equity Shares of Rs.10 each of Reliance Energy Ventures Ltd.		1,296	1,296
2	45	Equity Shares of Rs.10 each of Reliance Capital Ventures Ltd.		1,351	1,351
45	45	Equity Shares of Rs.10 each of Reliance Natural Resources Ltd.		742	742
75	75	Equity Shares of Rs.10 each of Finolex Industries Ltd.		1,575	1,575
908	908	Equity Shares of Rs.10 each of Union Bank of India with Premium of Rs. 100/-		99,880	99,880
Sub Total [II]				107,072	107,072
III] Short Term Investments in Units - Un-quoted					
32,902,313	–	Units of Reliance Liquidity Fund - Growth Option (NAV Rs. 12.1603)		400,000,000	–
Total [I+II+III]				637,076,524	200,079,644
Aggregate market value of Investments					
			Book Value (Rupees) As At	Market Value (Rupees) As At	
			31-Mar-08	31-Mar-07	31-Mar-08
Quoted - Equity Shares			107,072	107,072	268,441
Unquoted			236,969,452	199,972,572	–
Unquoted - Units			400,000,000	–	400,101,997
Total			637,076,524	200,079,644	400,370,438
Schedule 9 – Current Assets, Loans and Advances					
a] Inventories: [As valued and certified by the Management]					
		Raw Materials		2,548,035,995	1,405,535,184
		Stores and Spares		311,983,479	258,380,758
		Stock-in-Process		299,922,937	11,587,551
		Finished Goods		4,732,643,133	2,295,888,882
		Materials in Transit		206,838,986	725,581,142
Sub Total [a]				8,099,424,530	4,696,973,517
b] Sundry Debtors - Unsecured					
[As Certified by the Management]					
Over Six Months					
		– Good		2,264,787,800	418,757,447
		– Considered Doubtful		35,153,184	40,190,029
		Less: Provision for Doubtful Debts		(35,153,184)	(40,190,029)
				2,264,787,800	418,757,447
		Others Debtors – Considered Good		4,291,704,639	3,166,030,250
Sub Total [b]				6,556,492,439	3,584,787,697

	Rs.	31-March-2008 Rs.	31-March-2007 Rs.
Schedule 9 – Current Assets, Loans and Advances (Contd...)			
c] Cash & Bank Balances			
Cash in Hand		15,920,159	18,452,849
Balances with Scheduled Banks			
- In Current Accounts		653,008,078	341,749,155
- In Fixed Deposit Accounts		301,995,250	49,140,677
- In Margin Accounts		65,315,626	33,793,945
Sub Total [c]		1,036,239,113	443,136,626
d] Other Assets			
Orchard Activities:			
Balance at the beginning of the year		101,034,268	57,170,335
Add: Addition During the year	76,726,897		46,441,885
Less: Mortality during the year	(1,460,291)		-
Less: Orchard Amortisation Expenses	(2,618,651)		(2,577,952)
		72,647,955	43,863,933
Sub Total [d]		173,682,223	101,034,268
e] Loans & Advances			
[Unsecured, considered good unless otherwise stated]			
Advances Recoverable in Cash or Kind or for value to be received:			
a) For Purchases		279,407,217	271,660,912
b) For Others @		1,289,484,688	404,030,703
		1,568,891,905	675,691,615
Less:- Provision for Doubtful Advances & Claims		(10,797,737)	(55,414,442)
		1,558,094,168	620,277,173
Claims Receivables		284,943,810	177,647,912
Sundry Deposits		306,698,574	190,285,738
Advance Tax (Including FBT)		287,893,890	92,867,842
MAT Credit Receivable		226,759,088	-
Derivatives Assets		7,345,047	-
Balance with Collectorate of Central Excise and Customs		149,292	836,491
Incentives and Assistance receivable From Government		159,358,285	79,752,832
@ (Includes Bad & Doubtful Rs. 10.78 Million [PY Rs. 55.41 Million])		2,831,242,154	1,161,667,988
Sub Total [e]		2,831,242,154	1,161,667,988
Total [a to e]		18,697,080,459	9,987,600,096

Schedule 10 – Current Liabilities and Provisions

a] Liabilities :			
Sundry Creditors		5,134,346,642	4,021,331,183
Advances from Customers		311,231,094	250,985,529
Unclaimed Dividend		808,766	362,086
Outstanding Liabilities for Expenses		306,611,194	224,415,750
Provision for Excise Duty on Year End Inventory of Finished Goods		14,195,343	7,277,165
Security and Dealers Deposits		89,898,689	68,513,696
Derivatives Liability		317,892,761	-
Other Liabilities		618,502,168	287,892,966
Sub Total [a]		6,793,486,657	4,860,778,375
b] Provisions			
Associate Benefits		53,222,215	53,596,579
Income Tax		269,952,181	14,076,327
Wealth Tax		66,865	29,607
Fringe Benefit Tax		34,838,810	18,520,000
Proposed Preference Dividend		35,664,987	36,037,760
Dividend Tax on Proposed Preference Dividend		5,954,667	6,124,617
Proposed Equity Dividend		193,470,081	132,487,472
Dividend Tax on Proposed Equity Dividend		27,060,642	22,516,246
Sub Total [b]		620,230,448	283,388,608
Total [a+b]		7,413,717,105	5,144,166,983

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	2007-08	2006-07
	Rs.	Rs.
Schedule 11 – Sales and Operating Income		
a] Sales		
Sales	25,104,332,314	16,533,185,015
Less: Sales Return	(218,229,975)	(51,020,836)
	24,886,102,339	16,482,164,179
Less: Trade, Other Discounts and Allowances	(1,982,638,257)	(1,971,519,938)
	22,903,464,082	14,510,644,241
b] Operating Income		
Export Incentives & Assistance	133,994,502	68,129,909
	23,037,458,584	14,578,774,150
Schedule 12 – Other Income		
Dividend on Long Term Investments	31,387	4,540
Sundry Credit balances appropriated	12,227,416	7,591,644
Provisions no longer required	64,380,451	95,393,342
Difference in Exchange (Net)	215,431,391	111,411,774
Profit on sale of Fixed Assets (Net)	5,151,289	5,921,248
Income from Services	31,537,993	22,571,321
Miscellaneous Income	72,506,340	90,332,081
	401,266,267	333,225,950
Schedule 13 – Increase/ [Decrease] in Stock		
Closing Stock		
- On acquisition of business	117,067,242	–
- Finished Goods	4,711,179,468	2,295,888,882
- Stock in Process	204,319,360	11,587,551
	5,032,566,070	2,307,476,433
Less: Opening Stock		
- On acquisition of business	(683,378,495)	–
- Finished Goods	(2,295,888,882)	(1,412,263,705)
- Stock in Process	(11,587,551)	(2,424,924)
	(2,990,854,928)	(1,414,688,629)
Add: Increase /(Decrease) in Excise Duty Finished Goods	(12,891,967)	(6,123,668)
	2,028,819,175	886,664,136
Schedule 14 – Cost of Materials Consumed, Purchases, etc.		
Raw Materials		
Opening Stock	1,405,535,184	820,710,835
Add: On acquisition of business	118,058,747	115,100
Add: Purchases	14,856,583,790	9,286,000,640
	16,380,177,721	10,106,826,575
Less- Closing Stock	(2,548,035,995)	(1,405,535,184)
	13,832,141,726	8,701,291,391
Schedule 15 – Manufacturing Expenses		
Stores and Spares Parts Consumed	328,699,970	217,427,612
Repairs & Maintenance	160,446,708	121,090,041
Power & Fuel	763,735,013	541,332,118
Lease Rent (Operating)	62,268,287	43,117,946
Other Manufacturing Expenses	607,588,613	251,737,638
	1,922,738,591	1,174,705,355

	2007-08 Rs.	2006-07 Rs.
Schedule 16 – Payments to and provisions for associates		
Salaries, Wages, Bonus, Gratuity etc. (including contractual employment)	2,200,801,301	1,060,071,184
Commission /Performance Bonus to Directors	67,900,734	41,997,242
Contribution to Provident and Other Funds	46,552,869	35,614,604
Welfare Expenses	118,078,410	107,575,423
Associate Compensation Expenses (ESOP Cost)	16,809,534	3,710,466
	2,450,142,848	1,248,968,919
Schedule 17 – Selling & Distribution Expenses		
Commission & Brokerage	203,917,234	129,334,944
Goods Outward Expenses	564,503,236	447,030,215
Export Selling Expenses	552,387,713	432,832,564
Cash Discount	51,143,027	55,256,664
Sales Tax Expenses	2,189,493	16,738,224
Excise Duty on Finished Goods Inventory	14,195,343	7,277,165
Other Selling and Distribution Expenses	369,834,538	198,608,075
	1,758,170,584	1,287,077,851
Schedule 18 – Administrative & Other Expenses		
Postage, Telephone & Telex	44,397,636	40,694,541
Travelling & Conveyance Expenses	205,493,186	141,211,536
Vehicle Expenses	74,453,203	26,833,847
Legal Charges and Professional Fees	110,348,194	83,395,712
Rent, Rates & Taxes	92,246,443	82,410,024
Insurance Expenses	52,448,979	32,829,047
Directors' Sitting Fees	931,417	390,000
Amalgamation Expenses	1,050,000	4,987,836
Other Administrative Expenses	201,047,860	109,413,548
	782,416,918	522,166,091
Schedule 19 – Interest and Finance Charges		
Interest on Term Loans	237,687,520	190,746,788
Interest on Working Capital Loans	711,335,508	367,372,816
Interest on Others	76,354,810	107,356,009
	1,025,377,838	665,475,613
Less: Interest Income [Includes TDS Rs.0.54 Million (PY Rs. 0.24 Million)]	(1,358,180)	(65,265,659)
	1,024,019,658	600,209,954
Discounting Charges	202,501,733	102,054,741
Bank Commission and Charges	100,425,603	67,051,802
	302,927,336	169,106,543
	1,326,946,994	769,316,497
Schedule 20 – Amounts Written off and Provisions		
Irrecoverable Claims	2,780,966	53,393,852
Bad Debts	1,648,588	19,237,187
Orchard Amortisation Expenses	2,618,651	2,577,952
Assets Discarded	9,790,390	3,510,705
Provisions for Doubtful Debts & Advances	490,611	300,000
	17,329,206	79,019,696

SCHEDULE 21 - NOTES FORMING PART OF THE ACCOUNTS

PART [A]: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements relate to Jain Irrigation Systems Limited ("the Company") and its Subsidiary Companies (the "Subsidiaries").

Basis of preparation of financial statements

a) The Financial Statements have been prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP) and the provisions of The Companies Act, 1956, as adopted and consistently followed by the Company.

b) The Company follows the mercantile systems of accounting and recognizes income and expenditure on an accrual basis except stated otherwise.

Principles of consolidation

The Consolidated Financial Statements have been prepared on the following basis:

a) The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation of Consolidated Financial Statements as laid down under the Accounting Standard (AS-21) on Consolidated Financial Statements as per The Companies (Accounting Standard) Rules, 2006.

b) The financial statements of the subsidiaries forming part of the consolidated financial statements are drawn up to the same reporting date as that of the Company, i.e. year ended 31st March 2008.

c) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after eliminating intra -group balances, intra-group transactions and resulting unrealised gains/losses.

d) The consolidated financial statements have been prepared by applying uniform accounting policies for similar transactions except otherwise stated.

e) The difference between the cost of investment in subsidiaries, over the net assets at the time of acquisition is recognized in the financial statements as Goodwill / Capital Reserve as the case may be.

f) Minority interest in the net assets of consolidated subsidiaries consists of:

i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

ii) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence

g) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified, wherever applicable, and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

h) Subsidiaries

The consolidated Financial Statements present the consolidated accounts of JAIN IRRIGATION SYSTEMS LTD., with its following Subsidiaries;

Name of the subsidiary	Ownership in % either directly or through subsidiaries		Country of incorporation
	2007-08	2006-07	
JISL Overseas Limited	100.00%	100.00%	Mauritius
Jain (Europe) Ltd.	100.00%	100.00%	UK
Jain (Americas) Inc.	100.00%	100.00%	USA
Jain Irrigation Holding Inc. (Erstwhile Jain Irrigation Inc.)	100.00%	100.00%	USA
Chapin Watermatics Inc.	100.00%	100.00%	USA
Cascade Specialties Inc. #	65.00% ^	65.00%	USA
Nu Cedar Inc. #	80.00%	53.79% *	USA
Jain Irrigation Inc. (Erstwhile Aquarius Brands Inc.)	100.00%	100.00%	USA
Jain Overseas B.V. Netherland	100.00%	-	Netherland
Jain (Israel) B.V. Netherland	100.00%	-	Netherland
Naandan Jain Irrigation CS Ltd. #	50.0001%	-	Israel
JISL Ltd. Switzerland	100.00%	-	Switzerland
JISL Switzerland Ltd.	100.00%	-	Switzerland
The Thomas Machines S.A. #	69.75%	-	Switzerland

The company through its step down subsidiaries has the option to buy the balance stake of minority shareholders in this companies at a pre determined price /agreed valuation based on EBIDTA multiple / performance.

*In respect of NuCedar Inc., there is an outstanding associate stock distribution to the extent of 2.79% which will be allocated by the Company in future.

^ Since then increased to 80.17%.

Revenue Recognition

a) Export sales are accounted based on the dates of Bill of Lading.

b) Export incentives and assistance are recognised in the year of exports.

Use of Estimates

The preparation of financial statements in conformity

with GAAP requires the management to make certain estimates and assumptions that affect the reported amounts of assets / liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The differences between estimates and actual, are recognized in the period in which results are crystallized.

Fixed Assets and Depreciation / Amortisation

- a) Fixed assets are stated at cost of acquisition / construction less accumulated depreciation except Leasehold Land which is carried at book value.
- b) Leasehold Land is amortised over the period of lease.
- c) Depreciation
 - i) Depreciation on fixed assets is provided by using straight line method based on the useful life of the assets as estimated by the management of respective subsidiaries included in consolidation.
 - ii) In respect of Jain Irrigation Systems Limited (parent company), depreciation is provided for at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on Straight Line Method except for Green Houses, Shade and Poly-houses which are depreciated at 10%.
 - iii) Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be.
 - iv) Trade Mark and development costs are amortised over a period of 18 years beginning from the date of commercial use.
 - v) Computer Software are amortised over a period of 5 years.
 - vi) Trade Mark and Development Cost is amortised over a period of 18 years. Such cost includes substantial cost towards developing the technical process which is an integral part of 'Extrusion equipment'. The management is of the view that on account of such cost being an integral part of the Extrusion equipment and the life of such equipment being 18 years, such cost should be amortised over the useful life of Extrusion equipment.

a) Capital Work In Progress

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses

are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended up to the date of balance sheet.

b) Development Costs

Research and development costs are expensed in the financial period during in which they are incurred, except for certain development costs which are capitalized when it is probable that a development project will be a success, and certain criteria, including commercial and technological feasibility, have been established. Capitalized development costs are amortised on a systematic basis over their expected useful lives. In process development costs are included under Capital Work in Progress.

Borrowing Cost

Borrowing cost attributable to acquisitions and construction of assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit & Loss Account.

Investments

Long term Investments are carried at 'cost' less provision for permanent diminution in the value of investment. Current investments are carried at lower of cost and fair value.

Inventory Valuation

- a. Raw Materials and Components, Stock in Process, Finished goods are valued at cost or net realisable value whichever is lower. Finished goods at factory premises & depots are valued at inclusive of excise duty.
- b. Stores, Spares and Consumables are valued at cost except certain spares are valued at its fair value.
- c. Goods / Materials in Transit are valued at cost to date.
- d. Cost comprises cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost formula used is weighted average cost. For determining the cost of inventories, all subsidiaries have adopted the weighted average cost formula except for the following subsidiaries:
 - i. Chapin Watermatics Inc which has adopted first-in-first-out (FIFO) method,
 - ii. Jain Irrigation Inc. which has adopted the Standard cost method and
 - iii. Naandan Jain Irrigation C.S. Ltd. which has adopted FIFO method.

e. Stocks for Demonstration lying with third parties at sites are valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

Foreign Currency Transactions

- a) All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- b) Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;
- c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. The exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
- d) In case of foreign subsidiaries that have been identified as integral foreign operations, monetary items are reported using the closing rate. Non-monetary items are reported using the exchange rate at the date of transaction. The exchange difference arising on consolidation is recognised in the statement of profit and loss account.

Foreign Currency Derivative contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, the Company has during the year entered into derivative contracts, viz. forward contracts, option contracts, etc., with a bank. The Company is also in the process of establishing risk management policies for the said purpose.

In absence of any specific accounting treatment prescribed in the applicable accounting standards to such derivative contracts, other than forward contracts, the Company has decided to apply the principles as set out in Accounting Standard 30 – Financial Instruments - Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with existing accounting standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Accordingly, the Company records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a contract as an effective hedge, management objectively evaluates at the inception of each contract whether the contract is effective in achieving off setting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is immediately recognized in the profit and loss account.

Amortisation / Write off of Other Assets

Orchard expenditure is amortised over a period of 15 years commencing from the 6th year from the date of planting. Orchard mortality during first two years of planting up to 10% is considered normal and any mortality after second year is charged to Profit & Loss Account.

Associate Benefits

Short term associate benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Post employment benefits

- i) Defined contribution plans: Company's contribution to the provident fund scheme, Superannuation, etc are recognised during the year in which the related service is rendered.
- ii) Defined benefit plans: The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses on such valuation are recognised immediately in the Profit and Loss Account. The fair value of the plan assets of the trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

Long Term compensated absences are provided on the basis of an actuarial valuation.

Termination Benefits are charged to Profit and Loss Account in the year in which they are incurred.

Shares/ Bonds/Debentures Issue Expenses and Premium on Redemption

Shares/ bonds/ debenture issue expenses and premium on redemption of debentures, preference shares and bonds are adjusted against the balance in "Securities Premium Account" in accordance with provision of Section 78 of the Companies Act, 1956.

Tax Provision

Income tax expense comprises of current tax provision [including Minimum Alternate Tax (MAT), if any] and deferred tax charge or credit. The deferred tax asset and/or deferred tax liability; is calculated by applying the applicable tax rate as at the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the management's assessment of virtual certainty of its realisation. Deferred tax adjustment on account of timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each balance sheet date, carrying amount of deferred asset/liability is reviewed and the necessary adjustment to asset or liability is made.

Contingency Reserve

Contingency Reserve created from time to time to mitigate potential losses/diminution in the value of assets is utilized to write-off the said losses/diminution in the value of assets which are of a permanent nature.

Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and the value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

Associates Stock Options and Shares Plan (ESOP)

In accordance with SEBI guidelines, the excess of the market price of the shares, at the date of grant of options under the ESOP, over the exercise price, is treated as Associate Compensation Expense and amortized on a straight-line basis over the vesting period of options.

PART [B]: OTHER NOTES TO ACCOUNTS

A) Contingent Liabilities not provided for in respect of:

(Rs. in Million)

	31-March-2008	31-March-2007
i) Claims not acknowledged as Debts in respect of:		
- Customs and Excise Duty	71.74	258.74
- Power Charges	126.52	114.54
- Others (Legal)	140.97	33.04
ii) Guarantees given by the Company's Bankers in the normal course of business.	446.58	280.70
iii) Guarantees given by the Company's bankers to shareholders of NaandanJain towards put option for balance 49.999% stake in the ownership	399.70	-
iv) Corporate guarantee given for repayment of indebtedness to lenders	199.85	-
v) Bills Discounted with the banks	204.27	536.40
vi) Export obligation towards duty saved amount under EPCG Scheme	1703.97	209.07

B) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)

Amalgamation of Orient Vegetexpo Limited (OVL):

a) Pursuant to the Scheme of Amalgamation of Orient Vegetexpo Ltd. sanctioned by the Board for Industrial and Financial Reconstruction New Delhi (BIFR) vide their order dated 15-November-2007 effective from 1-April-2006, in consideration, the company has issued and allotted 713316 equity shares of Rs. 10/- each fully paid (as per the swap ratio of 7:53) to every member of OVL whose names appear in the Register of Members on the record date i.e. 07-Dec-2007. Since the Order of Amalgamation was received after closing of books of both the companies for the financial year 2006-07, following effects have been given in the annexed accounts.

Amalgamation Adjustment Account	(Rs. in Million)
Balance in Capital Reserve	88.57
On account of Equity Shares Swap ratio	46.88
Reduction in Equity Share Capital	63.07
	198.52
Less: Debit Balance in Profit & Loss Account as of 01-April-2006	(161.04)
Balance Carried under Reserves & Surplus.	37.48

b) In accordance with Accounting Standard (AS-14) "Accounting for Amalgamations", all the assets and liabilities of OVL have been incorporated in the accounts of the Company under "Pooling of Interest Method" as follows:

i) The Assets & Liabilities as at 1-April-2007 have been incorporated in the accounts of the Company at Book Value.

ii) The Income accruing and expenses incurred (after eliminating the intercompany transactions) during the year 1-April-2007 to 31-March-2008 have been incorporated in the accounts. During this period the erstwhile Orient Vegetexpo Ltd. have carried on the existing business for and on behalf of the company

Pursuant to the approval of Shareholders dated 31-January-2006, the Board of Directors have been empowered to contribute towards rural development in general and in particularly the knowledge, skill, efficiency and self-dependence of community. The amount of such contribution shall not exceed in aggregate 3.00% of the annual net profits of the company as reflected in the respective Profit & Loss account adopted by shareholders. Accordingly, an aggregate sum of Rs. 93.54 million (till PY Rs. 49.88 million) has been accumulated for this purpose and the same will be accounted as expenses in the year of actual contribution.

a) Pursuant to the approval of Shareholders, 2,500,000 Share warrants were converted into 2,500,000 Equity Shares of Rs. 10/- each for cash at premium of Rs. 388.50 each. The shares were allotted on 28-March-2008 and

b) During the year, pursuant to the approval of Shareholders in a EGM held on 02-November-2007, a lot of 8,600,000 Equity Warrants were allotted as per SEBI (DIP) Guideline at a price of Rs. 478.15 each, aggregating to Rs. 4112.10 Million. These warrants are to be converted into equity Shares as per the terms of issue. A deposit of Rs. 47.815 per warrant has been paid on the equity warrants by subscribers. Out of these, 1,102,600 Equity warrants upon exercise of conversion option attached thereof were converted and 1,102,600 Equity Shares of Rs. 10/- each for cash at premium of Rs. 468.15 each were allotted on 29-Mar-2008.

On 29-March-2006, Company has issued 60,000 Zero Coupon Currency Convertible Bonds (ZCCBs) (due on 30-March-2011) at face value of US\$ 1,000.00 each aggregating to US\$ 60.00 Million at a redemption price

of 139.37%. The bondholders has the option to convert the bonds in to fully paid Equity Shares of Rs. 10/- each (at a premium of Rs. 335.59 per share) in the ratio of 1:1.283602 on or before 28-February-2011 (with fixed rate of exchange on conversion at Rs. 44.36 to US\$=1). These bonds may be redeemed, in whole but not in part at the option of the Company on or at any time after 29-March-2009 subject to satisfaction of certain conditions. Upon conversion of all ZCCB's into equity, this will result in increase of equity shares capital by 7,701,606 shares and increase in net worth of the company by 2,661.60 Million. As of the Balance Sheet date, bondholders representing 46,650 (77.75%) bonds have opted for conversion in to equity shares and 5,987,995 Equity Shares of face value of Rs. 10/- have been allotted (with a premium of Rs. 335.59 per share).

Associates Stock Options and Shares Plan 2005 (ESOP) – Out of 3,071,200 Stock Options, Compensation Committee of the Company has approved/allotted following stock options to the eligible Indian & Foreign associates including Working and Non-Executive Directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3
Number of ESOP's Allotted	500,000	500,000	500,000
Date of Issue	27-Jan-2007	4-June-2007	14-Feb-2008
Market Price per share (NSE, Mumbai)	410.35	459.40	630.15
Discount Offered as per Terms	25%	10%	10%
Vesting Period	1 Year	3 Years	3 Years
Options Exercised	Nil	Nil	Nil
Options Lapsed	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/amortised in the annexed accounts based on vesting period and as per the accounting policies specified in schedule 1 of the ESOP Guidelines issued by SEBI. No associate has been issued options entitling such person to subscribe to more than 1% of Equity Share Capital of the Company.

Research and Development expenditure

A) Research Expenditure:

Expenditure incurred on in-house research facility by the company

(Rs. In Million)

Particulars	2007-08	2006-07
a. Revenue Expenditure (charged out through the natural heads of account)		
Bio-technology Activities	8.30	8.86
Others R&D Activities	38.38	14.88
Sub total...	46.68	23.74
b. Capital Expenditure		
Bio-technology Activities	12.09	3.49
Others R&D Activities	1.26	12.75
Sub Total...	13.35	16.24
Total (a+b)	60.03	39.98

B) Development Expenditure

Development expenditure amounting to USD 2.63 Million (P.Y. USD 1.91 Million) has been capitalised and will be amortised over a period on achieving commercial level of production. These expenses are primarily revenue in nature incurred during development phase.

Related Party Disclosure as required by the Accounting Standard 18 (AS18)

A] Related parties and their relation:

i) Companies / Firms in which Director, Director's Relatives are Directors/Partners;

Jain Extrusion & Molding Pvt. Ltd.,	Pixel Point Pvt. Ltd.,
Jain Vanguard Polybutelyne Ltd.,	Labh Subh Securities International Ltd.,
Atlaz Technology Pvt. Ltd,	Jain Brothers Industries Pvt. Ltd.,
JAF Products Pvt. Ltd,	Cosmos Investment & Trading Pvt. Ltd.,
Jalgaon Investment Pvt. Ltd.,	Stock & Securities (India) Pvt. Ltd.,
Jain Rotfil Heaters Pvt. Ltd.,	Gandhi Research Foundation,
Kantabai Bhavarlal Jain Family Knowledge Institute,	EPC Housing Construction Pvt. Ltd,
Jain Sons Investments Corporation,	Drip & Pipe Suppliers,
Jain Investments & Finance BV. Netherland	Jain Overseas Investments Ltd. Mauritius
PVC Trading House,	Plastic Enterprises,
Jain Computer & Allied Services,	Jalgaon Udyog,
Jalgaon Metal & Bricks Manufacturing Co.,	Bahinabai Chaudhari Memorial Trust,
Bhavarlal & Kantabai Jain Multipurpose Foundation,	Anubhuti Scholarship Foundation

ii) Key Management Personnel & Designation:

Bhavarlal H. Jain (Chairman),	Ashok B. Jain (Vice Chairman)
Anil B. Jain (Managing Director),	Ajit B. Jain (Joint Managing Director),
Atul B. Jain (Whole Time Director),	R. B. Jain (Whole Time Director),
R. Swaminathan (Whole Time Director),	

B] Transactions with related parties:

(Rs in Million)

Sr. No.	Transaction	Year Ended 2008			Year Ended 2007		
		[1] *	[2] *	Total	[1] *	[2] *	Total
1	Purchase of Goods	–	–	–	–	0.57	0.57
2	Sale of Goods	0.82	–	0.82	0.49	–	0.49
3	Payment for Rent, Lease Rent	0.47	5.03	5.50	0.47	6.04	6.51
4	Payment towards Sitting Fees & Traveling	–	1.31	1.31	–	27.37	27.37
5	Performance Bonus / Commission	–	64.40	64.40	–	42.00	42.00
6	Deposit given	–	28.50	28.50	–	–	–
7	Loans and Advances given	5.57	10.80	16.37	1.85	–	1.85
8	Interest & expenses charged on loan given	–	–	–	–	2.58	2.58
9	Subscription to Equity Share Warrants	1782.32	–	1782.32	–	–	–
Net outstanding balances carried to Balance Sheet							
1	Receivable/Payable (net)	13.63	18.02	31.65	10.11	16.89	27.00

Note: Personal Guarantees of Promoters given to Consortium Bank and FI's for various credit facilities provided to the Company and counter guaranteed by the Company is amounting to Rs.11535.47 million.

[1] *Companies / Firms in which Director, Directors Relatives are Directors / Partners. [2] * Key Management Personnel.

Leases:

The company has entered into "Operating Lease" as defined in the Accounting Standard 19 (AS-19) issued by the Institute of Chartered Accountants of India. Significant terms of the Lease Agreement are:

- No transfer of ownership on termination of lease,
- No compensation for transfer on termination of lease
- No renewal of lease on expiry of the lease period

The future Minimum Lease Payments (MLP) under non-cancelable operating lease in the aggregate and for each of the following periods is as under:

(Rs. in Million)

Particulars	2007-08	2006-07
Not later than one year	73.61	81.50
Later than one year and not later than five years	137.12	103.65
Later than five years	163.51	49.08

Earnings per Share (EPS)

Particulars	2007-08	2006-07
i) Profit/(Loss) after tax [Rs. In Million] (After proposed dividend on preference capital & dividend tax thereon)	1,283.00	790.37
ii) Weighted average number of Equity Shares for Basic EPS [Nos.]	65,839,303	58,603,972
Add: Number of Potential Equity Shares under ESOP	172,678	22,603
Add: Number of Shares against Deposit of Equity Share Warrants	51,440	2,648
iii) Weighted average number of Equity Shares including potential Equity Shares for Diluted EPS [Nos.]	66,063,421	58,629,223
Basic EPS [Rs.]	19.49	13.48
Diluted EPS [Rs.]	19.42	13.48

Disclosure of Derivatives

The net un-realised loss aggregating Rs.310.55 Million in respect of derivative instruments which qualify for hedge accounting have been accounted for as a Hedging Reserve to be ultimately recognized in the profit and loss account when the underlying transactions will be matured.

a) Primary segment accounting

Reporting of Segment wise Revenue, Result and Capital Employed

(Rs. in Million)

Particulars	Year Ended 31-March-2008	Year Ended 31-March-2007		
1 Segment Revenue				
A] Hi-tech Agri Input Products	13,535.11	7,573.24		
B] Industrial Products	8,623.61	6,348.42		
Net Sales Income From Operations	22,158.72	13,921.66		
2 Segment Result [Profit / (Loss)] before Tax and Interest				
A] Hi-tech Agri Input Products	2,432.20	1,302.49		
B] Industrial Products	1,351.74	650.08		
Sub Total	3,783.94	1,952.57		
Un-allocable expenditure (Net)				
Less: i) Interest (Net)	1,326.95	769.32		
ii) Exceptional Items	34.04	-		
iii) Other (Net off income)	515.66	178.47		
Total Profit / (Loss) Before Tax	1,907.29	1,004.78		
3. Other Information: 2007-08				
	Hi-tech Agri Input Products	Industrial Products	Others Un-allocable	Total
Capital Assets (Net) Including CWIP & Investments	4,252.47	4,418.07	1,900.02	10,570.56
Current Assets (Net)	10,047.44	6,510.13	1,626.05	18,183.62
Current Liabilities (Net)	2,390.04	3,287.46	992.50	6,670.00
Total	11,909.87	7,640.74	2,533.57	22,084.18
Previous Year 2006-2007	6,368.82	4,086.42	1,845.65	12,300.89

b) Secondary Segment Accounting (Geographical)

Segment Revenue	India	Europe	North America	Rest of the World	Total
a) Hi-tech Agri Input Products	8,042.61	1,210.88	3,180.44	1,101.18	13,535.11
b) Industrial Products	3,755.42	825.52	3,183.53	859.15	8,623.61
Total	11,798.03	2,036.40	6,363.97	1,960.33	22,158.72

Notes: 1) The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure". 2).The other information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Unallocable".

Deferred Tax

[Rs. in Million]

Particulars	As at 31.03.2008	As at 31.03.2007
Deferred Tax Liability		
Depreciation #	(745.67)	(702.23)
Deferred Tax Assets		
Carried Forward Operating Losses	674.44	1,171.09
Carried Forward Capital Losses	50.41	-
Inventory Reserve	4.97	18.09
Disallowance Under Sec. 43B of the IT Act, 1961	7.87	18.81
Other Current Assets / (Liabilities)	60.99	30.04
Sub Total (b)	798.68	1,238.03
Net Deferred Tax Assets / (Liabilities) (a+b) \$	53.01	535.80

Deferred tax for the year includes addition on amalgamation of Orient Vegetexpo Ltd. of Rs.4.46 Million.

\$ Deferred tax for the year is excluding tax on expenses adjusted against securities premium account for Rs.12.94 Million.

Exceptional item includes service tax disallowed and settlement expenses towards acquiring distribution rights.

Comparative Figures: Previous year's figures have been reworked, regrouped and reclassified wherever necessary, to conform to current year's classification & presentation. The consolidated financial statements of the current year include the financial statements of the newly acquired subsidiaries The Thomas Machines S.A., Naandan Jain Irrigation CS Ltd., Jain Overseas BV, Jain (Israel) BV, JISL Ltd. Switzerland & JISL Switzerland Ltd. from the dates of their acquisition. Accordingly, the current year figures are not directly comparable with those of the previous year.

SUBSIDIARY STATEMENT

Statement Pursuant To Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Companies

Details	JISL Overseas Ltd. Mauritius
The financial year of the subsidiary company ended on	31st March, 2008
Date from which it became subsidiary	3rd November, 1995
a) No. of shares held by Holding Company with its nominees in the subsidiary at the end of the financial year of the subsidiary	i) 41,655,891 Ordinary Shares of US\$ 1 each fully paid up. ii) 11,600,000 2% preference shares of US\$ 1 each fully paid up. iii) 10,981,000 6% preference shares of US\$ 1 each fully paid up.
b) Extent of interest of holding company at the end of the financial year of the subsidiary	100%
The net aggregate amount of the subsidiary's profit / (loss) so far as it concerns the members	
a) Not dealt with in holding company's accounts	
i) For the financial year of the subsidiary	US\$ 97,457
ii) For the previous financial year of the subsidiary since it became the subsidiary of the company	US\$ 146,271
b) Dealt with in holding company accounts (In consolidated accounts)	
i) For the financial year of the subsidiary	Nil*
ii) For the previous financial year of the subsidiary	Nil*
Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding Company's financial year.	None
Material changes between the end of the financial year of the subsidiary and the end of holding Company's financial year in respect of:	Not Applicable
a) Subsidiary's fixed assets	
b) Its investments	
c) The monies lent by it	
d) The monies borrowed but for any purpose other than meeting current liabilities.	

* Consolidated accounts reflect the effect

For and on Behalf of Board of Directors

Mumbai, 28th August, 2008.

A.V. Ghodgaonkar
Company Secretary

Anil B. Jain
Managing Director

A. R. Barwe
Director

JISL OVERSEAS LTD., MAURITIUS BALANCE SHEET

As at 31st March, 2008

		2008	2007
		USD	USD
Assets			
Non-current assets			
Investments in subsidiary companies		62,434,408	37,336,469
Current assets			
Trade and other receivables		7,221,270	2,462,775
Cash at bank		24,397	7,318
		<u>7,245,667</u>	<u>2,470,093</u>
Total assets	USD	<u>69,680,075</u>	<u>39,806,562</u>
Equity And Liabilities			
Capital and reserves			
Share capital		53,255,891	39,655,891
Retained earnings		243,728	146,271
		<u>53,499,619</u>	<u>39,802,162</u>
Shareholders' interests		53,499,619	39,802,162
Non-current liabilities			
Redeemable preference shares		10,981,000	-
Current liabilities			
Trade and other payable		5,196,377	4,400
Taxation		3,079	-
Total Current liabilities		<u>5,199,456</u>	<u>4,400</u>
Total Liabilities		<u>16,180,456</u>	<u>4,400</u>
Total equity and liabilities	USD	<u>69,680,075</u>	<u>39,806,562</u>

INCOME STATEMENT

For the Year Ended 31st March, 2008

		2008	2007
		USD	USD
Income			
Dividend Income		10,193	-
Interest received		845,869	124,688
Loan waived		-	30,599
Gain on exchange		2,378	-
		<u>858,440</u>	<u>155,287</u>
Expenses			
Licence fees		1,730	1,730
Secretarial fees		1,500	1,250
Professional fees		2,100	1,500
Disbursements		400	300
Accountancy fees		2,000	2,000
Audit fees		2,000	2,000
Interest on loan		743,795	-
Bank charges		3,265	236
		<u>756,790</u>	<u>9,016</u>
Profit Before Taxation		<u>101,650</u>	<u>146,271</u>
Taxation		<u>(4,193)</u>	<u>-</u>
(Loss) / profit For The Year	USD	<u>97,457</u>	<u>146,271</u>

CORPORATE GOVERNANCE REPORT

Corporate Governance

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence standards to achieve the objects of the Company, enhance shareholders value and discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibility and authority to Board of Directors, its committees and the executive management, senior management associates etc.

Company's Philosophy on code of Corporate Governance

The Company acknowledges its responsibilities to its Stakeholders. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholders value by focusing towards all stakeholders. Any good corporate governance provides an appropriate framework for the Board, its committees and the executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders. The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. A code of conduct is framed adopted in its pursuits of excellence in corporate governance.

The Company has three tiers of the governance pyramid

- Shareholders - Board of Directors
- Committees of the Board • Executive Management

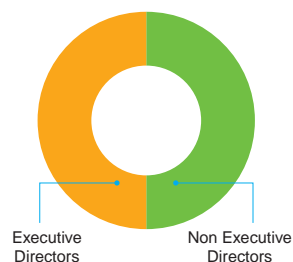
Each of the tiers operates within the given parameter as per prevailing laws and regulations or the practices prevalent in the industry.

Board of Directors

a) Composition

The Board of Directors comprise of Jain Irrigation comprises of Executive and Non Executive Directors. Since the Chairman is a non executive Director the strength of independent Directors is mandated at 1/3 rd of the size. The Board has 5 independent members in strength of 12 at present. The executive Directors are 6 in view of the diverse nature of business of the Company. The independent Directors are professionals in

their field and possess background of financial, legal and agriculture fields. 3 out of the 5 independent directors are with the Company Board for less than 3 years at present. In terms of the Articles of Association the strength of the Board shall not be less than 3 and not more than 13 at present.



The following is the composition of the Board on 31st March, 2008;

As on	Executive Directors	Non Executive Directors	Total No. of Directors
31-March-2008	6	6	12

Shri Bhavarlal H. Jain, the Founder is also the Chairman (non-executive) of the Board.

The table below gives the composition of Jain Irrigation's Board and the number of other Directorships and Committee Memberships as on 31st March, 2008.

Name of Directors	Other Directorship in Ltd. Co.	Other Directorship in Pvt. Ltd. Co.	Membership in Committees (other than JISL)	Membership in Committees JISL
Mr. Bhavarlal H. Jain	Nil	2	Nil	Nil
Mr. Ajit B. Jain	4	4	Nil	3
Mr. Anil B. Jain	14	1	Nil	2
Mr. Anirudha R. Barwe	7	Nil	12	3
Mr. Ashok B. Jain	2	10	Nil	2
Mr. Atul B. Jain	11	12	Nil	1
Mr. D. R. Mehta	2	Nil	Nil	Nil
Mr. R Swaminathan	3	Nil	Nil	1
Mr. Radhika C. Pereira	2	2	6	Nil
Mr. Rajnikant B. Jain	2	1	Nil	1
Mr. Ramesh C. A. Jain	Nil	Nil	Nil	2
Mr. V. V. Warty	Nil	2	1	3

b) The Shareholding of Directors in the Company is as under as on 31.03.2008

Name of Director	No. of Shares	% of total Equity Capital
Mr. Bhavarlal H. Jain	2,956,048	4.10
Mr. Ajit B. Jain	22,18,041	3.08
Mr. Anil B. Jain	9,72,738	1.97
Mr. Anirudha R. Barwe	–	–
Mr. Ashok B. Jain	14,16,497	1.35
Mr. Atul B. Jain	17,69,280	2.46
Mr. D. R. Mehta	–	–
Mr. R Swaminathan	29,952	0.04
Mr. Radhika C. Pereira	–	–
Mr. Rajnikant B. Jain	1,47,371	0.2
Mr. Ramesh C. A. Jain	–	–
Mr. V. V. Warty	–	–
Total	95,09,927	13.20

c) Meetings of Board and its Committees:

Meetings of Board and its Committees are held as and when required. The meetings of the Board and Audit Committee normally last for a day and in some cases are held over two days. The Board of Directors met 11 times, One EGM was held on 19th October, 2007 and AGM was held on 27th September, 2007 in 2007-08. The attendance of Directors is as per details in the following table:

Name of Directors	Designation	Category	Attendance		
			BOD	EGM	AGM
Mr. Bhavarlal H. Jain	Chairman	Promoter Director and Non Executive Director	3	Yes	Yes
Mr. Ajit B. Jain	Joint Managing Director	Promoter Director, Executive Director	10	Yes	Yes
Mr. Anil B. Jain	Managing Director	Promoter Director, Executive Director	11	Yes	Yes
Mr. Anirudha R. Barwe	Director	Non Executive Director and Independent Director	11	No	Yes
Mr. Ashok B. Jain	Vice Chairman	Promoter Director, Executive Director	10	Yes	Yes
Mr. Atul B. Jain	Director- Marketing	Promoter Director, Executive Director	9	Yes	Yes
Mr. D. R. Mehta	Director	Non Executive Director, Independent Director	1	No	No
Mr R. Swaminathan	Director- Technical	Executive Director	8	No	Yes
Mr. Radhika C. Pereira	Director	Non Executive Director	9	No	No
Mr. Rajnikant B. Jain	Director- Technical	Executive Director	7	No	Yes
Mr. Ramesh C. A. Jain	Director	Independent Director	8	No	Yes
Mr. V. V. Warty	Director	Non Executive Director, Independent Director and SBI Nominee Director	8	No	Yes

d) Disclosure regarding appointment or re-appointment of Directors

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
1	Shri Bhavarlal H. Jain Chairman B. Com, LLB	Founder of the Jain group of companies and Chairman of the Company. He began his business in 1963 by trading in agricultural inputs and equipments. In 1978, he acquired a sick unit which he used to manufacture Papain. In 1980, he commenced PVC Pipe manufacturing operations. Post 1986, he pioneered the concept of micro irrigation in India. He has received many awards and accolades for outstanding work in agriculture including the prestigious Crawford Reid Memorial Award instituted by Irrigation Association, U.S.A. for "Significant Contribution to the Irrigation Industry outside the United States". 4 honorary doctorates have been conferred on him from different universities acknowledging path breaking work he has done for improvement of agriculture in India. On 5th May 2008 he was conferred by Padmashree by the Govt. of India at the hands of Hon'ble President of India.	Director of: i) Kantabai Bhavarlal Jain Family Knowledge Institute ii) Gandhi Research Foundation Committee Membership: None Trustee: i) Bhavarlal and Kantabai Jain Multipurpose Foundation ii) Anubhuti Scholarship Foundation iii) Bahinabai Chaudhari Memorial Trust
2	Shri Ashok B. Jain Vice Chairman B. Com	Joined the management team in 1982 and was in charge of marketing and extension services in Maharashtra and other States. In 1993 he became our Director and was responsible for Corporate Administration. Corporate Image and Relationships, Events Management, Personnel/Human Resource Development, Communication, Public Relations, Art and Publicity. At present he also acts as Commercial Chief of the Food Processing Division.	Director of: i) Atlaz Technology Pvt. Ltd ii) Labh Subh Securities International Ltd iii) Timbron India Pvt. Ltd iv) Jain Vanguard Polybutylene Ltd v) JAF Products Pvt. Ltd vi) Jain Brothers Industries Pvt. Ltd vii) Pixel Point Pvt. Ltd viii) Cosmos Investment & Trading Pvt. Ltd ix) Jain Eagro.Com India Pvt. Ltd x) Jalgaon Investment Pvt. Ltd xi) Kantabai Bhavarlal Jain Family Knowledge Institute xii) Gandhi Research Foundation Partner: i) Jain Computer & Allied Services ii) Jalgaon Udhog iii) Jalgaon Metal & Bricks Manufacturing Co. Proprietor – PVC Trading House Trustee: i) Jain Charities ii) Bhavarlal and Kantabai Jain Multipurpose Foundation iii) Anubhuti Scholarship Foundation Committee Membership: None

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
3	Shri Anil B. Jain Managing Director B. Com, LLB	Managing Director of the Company since 1992. He joined management team in 1984 and was in charge of US based marketing operations. He has an extensive background and experience in Finance, Banking, Mergers & Acquisitions, Strategic Planning, Restructuring Operations. Export Marketing, International Business Relations, Collaborations and Joint Ventures.	<p>Director of:</p> <ul style="list-style-type: none"> i) JISL Overseas Ltd ii) Jain (Americas) Inc iii) Cascade Specialties Inc iv) Nucedar Mills, Inc v) Chapin Watermetics, Inc vi) Jain Irrigation Holding Corporation (formerly Jain Irrigation Inc.) vii) Jain Irrigation Inc (formerly Aquarius Brands, Inc.) viii) Central Valley Manufacturing Inc. ix) Jain (Europe) Ltd x) Naandan Jain Irrigation CS Ltd xi) Jain Investment & Finance B V xii) Jain Overseas Investments Ltd xiii) Jain Overseas BV, Netherland xiv) Jain (Israel) BV, Netherland xv) Kantabai Bhavarlal Jain Family Knowledge Institute <p>Proprietor – Drip & Pipe Suppliers</p> <p>Partner</p> <ul style="list-style-type: none"> i) Jalgaon Udhog ii) Jalgaon Metal & Bricks Manufacturing Co. <p>Trustee:</p> <ul style="list-style-type: none"> i) Bhavarlal and Kantabai Jain Multipurpose Foundation ii) Anubhuti Scholarship Foundation <p>Committee Membership: None</p>
4	Shri Ajit B. Jain Joint Managing Director BE. (Mech)	<p>Joint Managing Director of the Company since 1994 and is responsible for the pipe division as well as marketing all plastic products, including drip irrigation, guidance for extension service and development of new applications and products. He joined in 1984 and started his training in production and maintenance in the pipe division.</p> <p>During the period from 1985-1990, he was in charge of establishing our new pipe production plant at Sendhwa (in the state of Madhya Pradesh in India). In 1991 he was appointed Director with the overall responsibility of the pipe manufacturing plant at Jalgaon, including production, maintenance and marketing.</p>	<p>Director of:</p> <ul style="list-style-type: none"> i) Jain Extrusion & Moulding Pvt. Ltd. ii) Jain Rotfil Heaters Pvt. Ltd iii) Cosmos Investment & Trading Pvt. Ltd. iv) Kantabai Bhavarlal Jain Family Knowledge Institute v) Chapin Watermetics, Inc vi) Naandan Jain Irrigation CS Ltd vii) JISL Switzerland A.G. viii) Thomas Machines S.A. <p>Proprietor – Plastic Enterprises</p> <p>Partner – Jalgaon Metal & Bricks Manufacturing Co.</p> <p>Trustee:</p> <ul style="list-style-type: none"> i) Bhavarlal and Kantabai Jain Multipurpose Foundation ii) Anubhuti Scholarship Foundation <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
5	Shri Atul B. Jain Director – Marketing B. Com	He joined the management team in 1992. During the period from 1994-2000, he was in charge of our Europe-based marketing operations and was responsible for developing and maintaining the market for PVC products in India and abroad. Presently, he focuses on marketing products of the Company on a global basis in addition to maintaining the profitability of our piping division.	<p>Director of:</p> <ul style="list-style-type: none"> i) JISL Overseas Ltd ii) Jain (Americas) Inc iii) Cascade Specialties Inc iv) Nucedar Mills, Inc v) Chapin Watermetics, Inc vi) Jain (Europe) Ltd vii) Naandan Jain Irrigation CS Ltd viii) Jain Investment & Finance B V ix) Jain Overseas Investments Ltd x) Atlaz Technology Pvt. Ltd xi) Labh Subh Securities International Ltd xii) Timbron India Pvt. Ltd xiii) Jain Vanguard Polybutylene Ltd xiv) JAF Products Pvt. Ltd xv) Jain Brothers Industries Pvt. Ltd xvi) Pixel Point Pvt. Ltd xvii) Cosmos Investment & Trading Pvt. Ltd xviii) Jain Eagro.Com India Pvt. Ltd xix) Jalgaon Investments Pvt. Ltd xx) Jain Rotfil Heaters Pvt. Ltd xxi) Jain Extrusion & Moulding Pvt. Ltd xxii) Space Tech Plastics Pvt. Ltd xxiii) Kantabai Bhavarlal Jain Family Knowledge Institute <p>Partner:</p> <ul style="list-style-type: none"> i) Jain Computer & Allied Services ii) Jalgaon Udhhyog iii) Jalgaon Metal & Bricks Manufacturing Co. <p>Proprietor – Jain Sons Investments Corporation</p> <p>Trustee:</p> <ul style="list-style-type: none"> i) Bhavarlal and Kantabai Jain Multipurpose Foundation ii) Anubhuti Scholarship Foundation iii) Bahinabai Chaudhari Memorial Trust <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
6.	Shri A R Barwe Director M.Sc (Mathematics)	He is a Director and Chairman of the Audit Committee. He holds a graduate degree in Mathematics and is an associate of the Indian Institute of Bankers in Mumbai. He started his career as a lecturer in Northern Maharashtra in 1960 and was a Probationary Officer of State Bank of India (SBI) in 1961. He held several important positions within State Bank of India and in 1996 was named Managing Director of SBI Capital Markets Limited. He is currently advising a number of entities including foreign bodies in the financial field and is a member Government economic committees and other listed company boards.	Director of: i) ILFS Investsmart Ltd. ii) ILFS Investsmart Securities Ltd iii) IFCI Financial Services Ltd iv) Kotak Mahindra Trustee Co. Ltd v) MSPL Limited vi) Zenith Birla (India) Ltd vii) Sigma Laboratories Ltd Committee Membership: i) ILFS Investsmart Ltd – Chairman of Audit Committee – Chairman of Public Grievance Committee Committee – Chairman of Remuneration Committee Committee ii) ILFS Investsmart Securities Ltd. – Chairman of Audit Committee – Chairman of Public Grievance Committee Committee – Chairman of Remuneration Committee Committee iii) Kotak Mahindra Trustee Co. Ltd. – Member of Audit Committee iv) IFCI Financial Services Ltd. – Member of Audit Committee – Member of Investment Committee v) Kotak Mahindra Trustee Co. Ltd. – Member of Audit Committee vi) MSPL Limited – Chairman of Audit Committee – Chairman of Remuneration Committee Committee vii) Zenith Birla (India) Ltd. – Member of Audit Committee

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
7	Shri D R Mehta	<p>Shri D. R. Mehta was appointed on 26.12.2007. He joined Indian Administrative Service in 1961 and held important positions in the Govt. of Rajasthan and later in Govt. of India. He was the Chairman of Securities and Exchange Board of India (SEBI), an apex regulatory body that deals with the regulation and development of the capital market in India. He has been credited with transforming the Capital Market in India into a modern, efficient, safe, vibrant and a very investor friendly one. His prior prestigious postings include the Deputy Governor of Reserve Bank of India, Director General of Foreign Trade, Ministry of Commerce, and Additional Secretary, Banking, Ministry of Finance.</p> <p>Born in 1937, he is graduate of Arts and Law from Rajasthan University. He also studied at Royal Institute of Public Administration, London and Alfred Sloan School of Management, MIT, Boston.</p> <p>There is another side to this sterling personality-humane side. A man of compassion, he set up the Bhagwan Mahavir Viklang Sahayata Samiti in 1975,</p>	<p>Director of:</p> <ul style="list-style-type: none"> i) Polymedicure Ltd, New Delhi ii) Spice Communications Ltd <p>Committee Membership: None</p>
8.	Shri Rajnikant B. Jain Director – Technical B. Tech (Chemical)	<p>He is in charge of the technical area of the food processing plants. He graduated with a B.Tech (Hons.) from IIT in Chemical Engineering in 1978 and since then he has been associated with the Jain Group. He has been the key person for major technical developments in almost all the industrial ventures. In 1978-1979, he was associated with Papain manufacturing and was responsible for developing the refining process. In 1981, he was in charge of the development of PVC pipes. During the period from 1987 to 1990, he was Managing Director. Since 1994, he has been in charge of Agro Processing Activities.</p>	<p>Director of:</p> <ul style="list-style-type: none"> i) Jain Vanguard Polybutylene Ltd ii) Jain Eagro.Com (India) Pvt. Ltd iii) Cascade Specialties Inc <p>Committee Membership: None</p>
9	Shri R Swaminathan Director – Technical B. Tech (Chemical)	<p>He is Chemical Engineer responsible for manufacturing operations in our Poly-tube, Sprinkler, PVC & PC Sheets and PVC & PE Pipe units. He has 30 years of experience in operation and maintenance activities of plants handling such things as Solvent Extraction, Plastics Extrusion and Injection Moulding. He joined the Jain Group in 1982 and was appointed a full-time Director in 1996.</p>	<p>Director of:</p> <ul style="list-style-type: none"> i) Nucedar Mills, Inc ii) JISL Switzerland A.G. iii) Thomas Machines S.A. <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	Experience and Expertise in specific functional areas	Other Company Directorships and Committee Memberships
10	Shri Ramesh C. A. Jain Director B. A. LLB	He holds a Bachelor of Arts Degree from the University of Rajasthan, a Bachelor of Law Degree from the University of Bombay and a Post-graduate Diploma in Development Administration from the University of Manchester in the United Kingdom. He has 10 years of experience in the industrial development and financial sectors. In 2003 he was Secretary of the Department of Agriculture and Cooperation in the Ministry of Agriculture in New Delhi and was responsible for the formulation and implementation of national policies and programmes for agricultural development. In 2004, before joining the Food and Agriculture Organization of the United Nations as its Country Representative in the Philippines, he held the post of Member Secretary, National Commission on Farmers, established by the Government of India.	Directorship – None Committee Membership: None
11	Smt. Radhika C. Pereira Director B. Sc., LLB, LLM (Cambridge), LLM (Harvard)	She is a graduate of Mumbai University concentrating in science and law, and holds an LLM from Cambridge (England) and Harvard (USA). Currently, she is a Proprietor of Dudhat, Pereira and Associates, Advocates, Mumbai. Over the years she worked with Mulla & Mulla, Cragie, Blunt & Caroe, Advocates and Solicitors, Mumbai, Arthur Anderson & Co, Mumbai, and as a Partner in Udwardia & Udeshi, Advocates, Mumbai.	Director of: i) Tips Industries Ltd ii) Sethi Funds Management Pvt. Ltd iii) Ascent HR Solutions Pvt. Ltd. iv) India Co Ventures Ltd Committee Membership: i) Tips Industries Ltd – Member of Audit Committee – Member of Remuneration Committee Member of Shareholders Grievance Committee ii) India Co. Ventures Ltd – Member of Audit Committee – Member of Compensation Committee – Member of Shareholders Grievance Committee
12	Shri Vasant V Warty Director – Nominee – SBI B.A., LLB	He was appointed on May 13, 2004 by State Bank of India, the lead bank for our consortium of working capital bankers. He is a graduate in arts and law and holds a diploma in Managerial Accounting from Jamnalal Bajaj Institute, in addition to having passed CAIIB. Mr. Warty joined State Bank of India as a Probationary Officer in October 1966 and has held various positions within the field of Branch Management, including International Banking faculty member of State Bank staff college, Zonal Office in Mumbai, GM Commercial Banking and CGM Orissa State.	Director of: i) Lanco Kondapalli Power Pvt. Ltd ii) Ratnagiri Gas Power (P) Ltd Committee Membership: Member of LNG Committee of Ratnagiri Gas Power Pvt. Ltd.

e) Information provided to Board Members:

The structured agenda for the Board Meetings together with appropriate supporting documents is circulated in advance of the meetings. Some bulky documents are placed at the meeting and Power Point presentations are made to explain the details to all the Directors. The Board of Directors decide certain urgent matters by circulation as is permitted under the Companies Act, 1956. The circular resolutions are then confirmed at the next Board Meeting. As a part of Agenda, the Company has circulated notices, circulars, orders on material development, legal and regulatory environment affecting the Company including the following:

- i) Quarterly/annual divisional performance vis a vis the Budget for the financial quarter/year adopted by Board and reasons and details for variations, if any.
- ii) Treasury decisions both Domestic and Foreign exchange related as and when movement takes place but otherwise on a semi-annual basis.
- iii) Internal Audit findings and Statutory Auditors reports (thru the Audit Committee).
- iv) Show cause, demand, prosecution notices, if any from revenue authorities which are materially important and that exceed financial threshold set by the Board.
- v) Default, if any, in payment of interest and redemption of principal on Debentures issued by Company and the dues to major creditors of the Company or Financial Institution, Bank.
- vi) Terms of reference of the Committees appointed by the Board.
- vii) Significant write off's/disposals or incidents of fraud/theft etc.
- viii) Information related to strike, lock outs, retrenchments and fatal accidents etc.
- ix) Any information which could potentially alter/impact the business seriously or which could negatively impact the Company's image in general.

f) Compensation to Directors:

The remuneration paid or payable to the Directors for services rendered during 2007-2008 is given hereunder:

i) Executive Directors:

Sr. No.	Name of Director	Position	Gross Remuneration (Rs.)		
			Remuneration	Commission	Total
1	Mr. Ajit B. Jain	Joint Managing Director	89,42,228.00	1,61,00,183.50	2,50,42,411.50
2	Mr. Anil B. Jain	Managing Director	1,13,14,092.00	1,61,00,183.50	2,74,14,275.50
3	Mr. Ashok B. Jain	Vice Chairman	60,51,766.00	1,61,00,183.50	2,21,51,949.50
4	Mr. Atul B. Jain	Director- Marketing	46,18,923.00	1,61,00,183.50	2,07,19,106.50
5	Mr. R. Swaminathan	Director- Technical	40,53,218.00	–	40,53,218.00
6	Mr. Rajnikant B. Jain	Director- Technical	24,02,229.00	–	24,02,229.00
Total			3,73,82,456.00	6,44,00,734.00	10,17,83,190.00

ii) Non Executive Directors:

Sr. No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)			Total (Rs.)
			Board Meeting	Committee Meetings	Total	
1	Mr. Anirudha R Barwe	10,00,000	110,000	130,000	240,000	12,40,000
2	Mr. D R Mehta	–	10,000	–	10,000	10,000
3	Mrs Radhika C Pereira	500,000	90,000	30,000	120,000	620,000
4	Mr. V V Warty	10,00,000*	80,000	150,000	230,000	12,30,000
5	Mr. Ramesh CA Jain	10,00,000	80,000	50,000	130,000	11,30,000
Total		35,00,000	370,000	360,000	730,000	42,30,000

* Payment subject to SBI approval.

IV) Related Party Transactions:

The details of related party transactions are given in detail in Note No 10 of part (B) of Schedule 21 of the Audited Accounts of the company for the year ended 31st March, 2008.

V) Committees of the Board:

The Committees appointed by the Board carry out functions in specific areas and make recommendations to the board on various matters from time to time.

The decisions and recommendations of the Committees are placed before the Board for information or approval.

Jain Irrigation has following regular Board level committees:

- a) Audit Committee,
- b) Compensation Committee,
- c) Investors Relation and Grievances Committee, and
- d) Operations Review Committee

A) Audit Committee

The Audit Committee meetings are generally organized just before the Board Meeting. The agenda for Audit Committee meetings include following items:

- a) Detailed presentation on matters within the purview of the Committee.
- b) Action taken reports.
- c) Internal Audit Reports
- d) Matters regarding appointment of Statutory Auditors, Internal Auditors etc.
- e) Financial reporting to all Stakeholders

The management is responsible for financial reporting and internal control in the Company. The Statutory Auditors are responsible for performing audit of the Company's financial statements in accordance with the generally accepted audit practices and issue reports based on such audits. The Audit Committee is responsible for supervising the financial reports, statutory audit and internal audit to ensure accurate and appropriate disclosures that maintain and enhance quality of financial reporting. The following are the members of the Audit Committee as on 31st March 2008:

- a) Mr. Anirudha R. Barwe Chairman
- b) Mr. Anil B Jain Member
- c) Mr. Ramesh C A Jain Member
- d) Mr. V V Warty Member

The Company Secretary is the Secretary and Convener of the Committee.

The Statutory Auditors were present in all 6 Audit Committee Meetings held during the year.

b) Presence at Audit Committee Meetings:

Name of Directors	Designation	Category	Total meet-ings
Mr. Anil B. Jain	Managing Director	Promoter Director Executive Director / Non Independent Director	6
Mr. Anirudha R Barwe	Director	Non Executive Director Independent Director	6
Mr. Ramesh C A Jain	Director	Non Executive Director Independent Director	4
Mr. V V Warty	Director	Non Executive Director Independent Director	6

Scope of Audit Committee is as under;

* Supervise the financial reporting numbers, comments.

* Review the quarterly and annual financial results before placing them before the Board 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 judgement 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.

* Review the adequacy of internal control in the Company including a plan, scope and performance of the internal Audit functions.

* Hold discussions with Statutory Auditors on the nature and scope of audit and any views that they have about the financial control and reporting process.

* Ensure compliance with accounting standards and listing requirements with respect to financial statements.

* Recommend the appointment and removal of external Auditors and their fees.

* Ensure that adequate safeguards have been taken for legal compliance both for the Company and its other domestic as well as foreign subsidiaries.

* Review related party transactions.

* Review the financial statements, in particular, the investments made by the unlisted subsidiary company.

* The minutes of the Board meeting of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company. The management periodically brings to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

* 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.

* Review the functioning of the Whistle Blower mechanism, in case the same is existing.

The Audit Committee has recommended to the Board to accept the audited financial statements prepared in accordance with Indian GAAP as true and fair statements of the financial health of the Company.

B) Compensation Committee

Committee consists of following persons as on 31st March, 2008:

- | | |
|----------------------------|----------|
| a) Shri. A. R. Barwe | Chairman |
| b) Shri. Ajit B. Jain | Member |
| c) Shri. Ashok B. Jain | Member |
| d) Shri. Ramesh C. A. Jain | Member |
| e) Shri. V. V. Warty | Member |

The Company Secretary is the Convener of the Committee.

The Compensation Committee considers and recommends the compensation of Executive Directors and selected Executives at the senior level in the Company as also the allotment/devolution of ESOP's under approved ESOP 2005. Two meetings were held on 04.06.07 and 14.02.08 in 2007-08.

D) Shareholders Grievances Committee

The Shareholders Grievances Committee (SGC) is chaired by the Independent and Non-Executive Director and comprises of following as on 31 March, 2008:

- | | |
|-----------------------|----------|
| a) Shri. Ajit B. Jain | Member |
| b) Shri. A R Barwe. | Member |
| c) Shri. V V Warty | Chairman |

The Company Secretary is the Secretary and convener of this Committee.

The scope of the committee is as follows:

* To review Investor complaints,

* To review Corporate action related work,

* Out source investor services like Registrars and Transfer Agents, etc.

Four meetings of SGC were held on 30.04.07, 20.07.07, 23.10.07 and 24.01.08 during the year 2007-08.

However, the transfer sub committee has met 41 times to approve the requests for transfer, transmission, duplicate, split, demat etc.

E) Operations Review Committee

The Board on 30th September, 2005 had formed an Operations Review Committee which undertakes work of approving (within the borrowing powers approved by Board) the individual sanction letters and delegates authority for completing documentation related to such borrowing. The Committee also approves opening and closing of Bank accounts and delegates' authority for security creation or related action for documentation. The Committee consists of the following persons:

- | | |
|---------------------------|----------|
| a) Shri Ajit B. Jain | Member |
| b) Shri Anil B. Jain | Member |
| c) Shri Ashok B. Jain | Chairman |
| d) Shri Atul B. Jain | Member |
| e) Shri R. Swaminathan | Member |
| f) Shri Rajnikant B. Jain | Member |

The Operations Review Committee has met 20 times during the FY 2007-08.

VI) Management analysis and discussion details:

The Annual Report includes a detailed management discussion and analysis.

VII) Information to Shareholders

A) General Information

1	Annual General Meeting Day, Date, Time & Venue	To be held on or before 30.09.2008 at Registered Office of the Company i.e.Jain Plastic Park, N H No. 6, Bambhori, Jalgaon-425001
2	Book Closure Dates	15.09.2008 to 30.09.2008 (both days inclusive)
3	Financial calendar 2007-2008	
	a) Audited results of 2006-2007	on 28th August, 2007
	b) First quarter results declared	on 20th July, 2007
	c) Second quarter results declared	on 23rd October, 2007
	d) Third quarter results declared	on 24th January, 2008
	e) Fourth quarter, and	on 21st April, 2008
	f) Audited results of 2007-2008	on 28th July, 2008
4	Financial calendar 2008-2009	
	a) First quarter results	On 28th July, 2008
	b) Second quarter results	} Third Friday of month followed by end of quarter
	c) Third quarter results	
	d) Fourth quarter and audited Annual Accounts	
5	Registered Office	
6	Listing of Shares on Stock Exchanges	a) The Stock Exchange, Mumbai b) National Stock Exchange of India Ltd., Mumbai c) Bourse De Luxembourg for EDRs d) Singapore Exchange Securities Trading Ltd for FCCB's
7	De-listing of Shares on Stock Exchanges	a) Delhi Stock Exchange Association Ltd. b) The Madras Stock Exchange Ltd c) The Stock Exchange – Ahmedabad. d) Pune Stock Exchange Ltd. e) The Calcutta Stock Exchange Association Ltd
8	Listing Fees	Paid to BSE and NSE Stock Exchanges up the year 2008-2009.
9	Stock Codes	
	a) The Stock Exchange, Mumbai	500219 (Demat & Physical)
	b) National Stock Exchange of India Ltd., Mumbai	JISLJALEQS
10	ISIN No.	INE175A01020
11	Depositories	a) National Securities Depository Ltd. b) Central Depository Services (India) Ltd.

B) General Body Meetings

The details of the location, date and time for last three Annual Meetings are given as below:

Year	Location	Date	Time
2004-2005	Jain Plastic Park, N H No. 6, Bambhori, Jalgaon – 425001	30.09.2005	11.00 AM
2005-2006	Jain Plastic Park, N H No. 6, Bambhori, Jalgaon – 425001	29.09.2006	11.00 AM
2006-2007	Jain Plastic Park, N H No. 6, Bambhori, Jalgaon – 425001	27.09.2007	11.00 AM

C) Postal Ballot

There were no ordinary or special resolutions passed by the Shareholders of the Company through postal ballot during the year ended 31.03.2008.

D) Registrar and Transfer Agents

The Company has appointed Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai 400 072 as Registrar and Transfer Agent and delegated authority to deal with physical transfers as well as dematerialisation/ rematerialisation of Equity Shares of the Company with effect from 30.01.2003.

E) Distribution of Shareholding: As at 31.03.2008

Shareholding of nominal value of	No. of Shareholders	% of total Nos.	Number of shares	Value (Rs. In Lacs)	% to Total Rs.
Upto 5000	36,115	99.39	2,412,736	241.27	3.35
5001-10000	41	0.11	310,500	31.05	0.43
10001-20000	33	0.09	457,468	45.75	0.63
20001-30000	17	0.05	430,959	43.10	0.60
30001- 40000	11	0.03	398,704	39.87	0.55
40001-50000	5	0.01	239,007	23.90	0.33
50001-100000	24	0.07	1,788,438	178.84	2.48
100001 and above	89	0.25	66,017,234	6601.72	91.63
Total	36,335	100.00	72,055,046	7205.50	100.00

F) Shareholding pattern as on 31.03.2008

Category code	Category of Shareholders	Number of Share holders	Total Number of Shares	Number of Shares held in dematerialised form	Total Shareholding as a % of total number of Shares	
					As a % of (A+B)	As a % of (A+B+C)
[A]	Shareholding of promoter and promoter Group					
(1)	Indian					
(a)	Individuals/Hindu Undivided Family	28	12,992,649	12,992,649	18.07	18.03
(b)	Central Govt./State Govts.	—	—	—	—	—
(c)	Bodies Corporate	1	10,455,000	6,852,400	14.51	14.51
(d)	Financial Institutions/Banks	—	—	—	—	—
(e)	Any other	—	—	—	—	—
	Sub Total A(1)	29	23,447,649	19,845,049	32.58	32.54

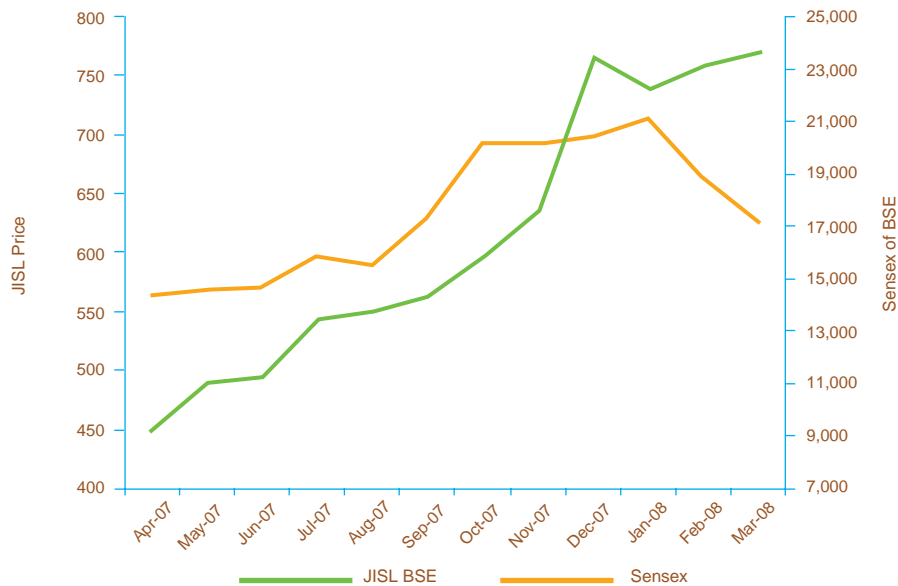
Category code	Category of Shareholders	Number of Share holders	Total Number of Shares	Number of Shares held in dematerialised form	Total Shareholding as a % of total number of Shares	
					As a % of (A+B)	As a % of (A+B+C)
(2)	Foreign					
(a)	Individuals(NRI/Foreign Individual).	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–
(c)	Institutions	–	–	–	–	–
(d)	Any others	–	–	–	–	–
	Sub Total A(2)	–	–	–	–	–
	Total Shareholding of Promoters and Promoters Group (A)(1) + (A)(2)	29	23,447,649	19,845,049	32.58	32.54
[B]	Public Shareholding					
(1)	Institutions					
(a)	Mutual Funds/UTI	52	5,672,368	5,665,512	7.89	7.87
(b)	Financial Institutions/Banks	9	12,921	2,281	0.02	0.02
(c)	Central Govt./State Govt.	–	–	–	–	–
(d)	Venture Capital Funds	–	–	–	–	–
(e)	Insurance Companies	–	–	–	–	–
(d)	Foreign Institutional Investors	101	28,535,116	28,533,216	39.70	39.60
(e)	Foreign Venture Capital Investors	–	–	–	–	–
(f)	Any other	–	–	–	–	–
	Sub Total B(1)	162	34,220,405	34,201,009	47.61	47.49
(2)	Non Institutions					
(a)	Bodies Corporate	597	4,653,325	3,704,921	6.47	6.46
(b)	i. Individuals–shareholders holding nominal Share Capital up to Rs. 1 Lakh	35,066	2,310,223	1,558,987	3.21	3.21
	ii. Individuals–shareholders holding nominal Share Capital excess of Rs. 1 Lakh	31	835,522	794,914	1.16	1.16
(c)	Any other					
	i) NRI	390	94,948	84,396	0.13	0.13
	ii) Non Domestic Company	9	6,300,935	6,299,829	8.77	8.74
	iii) Clearing Members	49	19,202	19,202	0.03	0.03
	Sub Total B(2)	36,142	14,214,155	12,462,249	19.77	19.73
	Total Public Shareholding B(1) + B(2)	36,304	48,434,560	46,663,258	67.38	67.22
	Total (A) + (B)	36,333	71,882,209	66,508,307	100	99.76
[C]	Shares held by Custodians and against which Depository Receipts have been issued	2	172,837	172,287	xxx	0.24
	Grand Total (A) + (B) + (C)	36,335	72,055,046	66,680,594	xxx	100

G) Share Transfer/ Demat data as on 31.03.08

Month	Physical		Demat (NSDL)		Demat (CDSL)	
	No. of Transfer	No. of Shares	No. of Request	No. of Shares	No. of Request	No. of Shares
April 07	64	4,593	46	2,853	41	12,819
May	44	2,889	97	7,347	21	1,183
June	55	3,551	84	69,852	51	3,854
July	29	1,955	73	6,903	43	12,284
August	43	2,647	76	5,162	45	2,808
September	46	5,548	75	6,472	38	3,394
October	28	1,744	71	4,072	31	2,063
November	36	1,855	61	3,940	16	834
December	46	2,474	82	7,734	40	5,857
January 08	25	1,034	80	3,887	38	2,358
February	102	4,041	150	7,374	64	3,479
March	140	2,828	238	4,851	93	7,474
Total	658	35,159	1133	13,0447	521	58,407

H) Physical & Dematerialisation of Shares as on 31.03.08

Particulars	No. of Shares	%
Physical	53,74,452	7.46
Demat		
a) NSDL	5,63,47,036	78.20
b) CDSL	1,03,33,558	14.34
Total Demat	6,66,80,594	92.54
Total Equity	7,20,55,046	100.00

I) Market Price Data


a) Stock Price Data

(Fig. in Rs.)

Month	Bombay Stock Exchange, Mumbai		National Stock Exchange, Mumbai	
	High	Low	High	Low
April, 2007	450.00	400.10	455.00	400.00
May, 2007	489.90	421.00	497.70	412.65
June, 2007	495.00	440.00	499.00	430.00
July, 2007	544.00	471.00	544.00	456.40
August, 2007	549.00	445.10	543.00	446.25
September, 2007	561.85	452.00	563.00	451.00
October, 2007	595.00	498.00	597.00	490.00
November, 2007	635.00	551.00	650.10	530.00
December, 2007	765.95	572.05	765.55	555.20
January, 2008	740.00	530.00	750.00	516.45
February, 2008	759.70	581.00	758.85	590.10
March, 2008	770.00	520.50	767.00	501.10

b) Sensex of BSE

Month	High	Low
April, 2007	14,383.72	12,425.52
May, 2007	14,576.37	13,554.34
June, 2007	14,683.36	13,946.99
July, 2007	15,868.85	14,638.88
August, 2007	15,542.40	13,779.88
September, 2007	17,361.47	15,323.05
October, 2007	20,238.16	17,144.58
November, 2007	20,204.21	18,182.83
December, 2007	20,498.11	18,886.40
January, 2008	21,206.77	15,332.42
February, 2008	18,895.34	16,457.74
March, 2008	17,227.56	14,677.24

c) Trading of Shares

(Rs. in Lacs)

Month	Bombay Stock Exchange, Mumbai			National Stock Exchange, Mumbai		
	No. of Transactions	No. of Shares	Rs. in Lacs	No. of Transactions	No. of Shares	Rs. in Lacs
April, 2007	3,319	1,82,376	762.74	7,008	3,39,150	1,424.29
May, 2007	6,142	19,43,845	8,865.42	11,086	17,02,378	7,772.32
June, 2007	4,698	10,41,135	4,956.82	9,578	12,44,050	5,925.47
July, 2007	6,274	13,49,826	6,749.17	10,029	8,30,574	4,190.84
August, 2007	7,743	7,01,775	3,357.20	14,755	10,11,616	4,844.29
September, 2007	7,581	8,64,491	4,420.79	14,060	37,56,273	18,395.40
October, 2007	5,659	18,53,929	10,357.61	9,739	8,77,043	4,823.53
November, 2007	3,357	4,23,839	2,457.02	6,279	8,53,006	5,004.38
December, 2007	7,096	6,74,912	4,343.47	15,005	10,23,238	6,651.76
January, 2008	7,542	13,02,388	8,542.46	21,613	31,77,392	20,478.40
February, 2008	14,220	13,97,954	9,571.49	23,011	13,00,821	8,894.12
March, 2008	16,452	38,49,826	24,504.55	41,601	29,66,177	18,670.70
Total	90,083	1,55,86,296	88,888.74	1,83,764	1,90,81,718	1,07,075.50

J) Outstanding GDR's/ ADR's /Convertible instruments, conversion date and impact on Equity:

a) Out of a total of 13,48,300 European Depositary Receipts (EDR's) issued by the Company in 1994, represented by underlying Equity Shares all except 1,72,837 EDR's, represented by underlying Equity Shares have been cancelled and converted into underlying Equity Shares of Rs.10 each as on 31.03.2008. However, the conversion into underlying Equity Shares does not impact the Share capital in any manner whatsoever.

The ratio is 2 EDRs = 1 Equity Share.

b) In terms of EGM resolution dated 26th February, 2007 u/s 81(1A) of the Companies Act, 1956 the Company has allotted 25,00,000 Share Warrants of Rs. 10 each to certain persons of Promoters group at a premium of Rs. 388.50 per Share Warrant on preferential basis aggregating to Rs. 99,62,50,000/- on 13th March, 2007. The Company has issued and allotted 25,00,000 Equity Shares in conversion of the said Warrants on 28.03.2008 as per terms of issue of the said warrants.

c) In terms of EGM resolution dated 19th October, 2007 u/s 81(1A) of the Companies Act, 1956 the Company has allotted 86,00,000 Equity Warrants of Rs. 10 each to certain corporate entities of Promoters group at a premium of Rs. 468.15 per Equity Warrant on preferential basis aggregating to Rs. 4,112,090,000/- on 2nd November, 2007. The Equity Warrants shall be convertible at the option of the holder of such Equity Warrants at any time within 18 months from the date of allotment. The Company has issued and allotted 11,02,600 Equity Shares in conversion of 11,02,600 Equity Warrants (out of 86,00,000 Equity warrants) on 29.03.2008 as per terms of issue of the said warrants.

d) In terms of EGM resolution dated 31.01.2006 u/s 81(1A) of the Companies Act, 1956 the Company has issued US\$ 60 million Zero Coupon Convertible Bonds due 2011. The Bonds are convertible at any time and after April 28, 2006 up to the close of business on February 28, 2011 by holders into fully paid Equity Shares at par value of Rs. 10 each at an initial conversion price of Rs. 345.59 per Share.

The Company issued and allotted 5,987,995 Equity Shares of Rs. 10 each at a premium of Rs. 335.59 per share in conversion of 46,650 ZCCB as per Notifications received up to 31st March, 2008.

K) Shareholders queries received and replied during the year ended 31st March, 2008

Sr. No.	Nature of Complaints	Op. Balance	Rece-ived	Reso-lved	Bala-nce
1	Transfer/Transmission of Shares related	-	48	48	-
2	Non payment of dividend	-	24	24	-
	Non payment of Interest	-	1	1	-
3	Demat/Remat of Shares	-	39	39	-
4	Issue of Duplicate Shares	-	8	8	-
5	Non receipt of new Shares	-	34	34	-
6	Others	-	5	5	-
Total		-	159	159	-

L) Compliance

a) Capital Market Compliance: There were no cases of non-compliance during the year with Stock Exchange where the Shares of the Company are listed, SEBI regulations or any other statutory Bodies nor any cases of penalties imposed by them for any non compliance related to the capital market during the last three years.

b) Compliance under Companies Act: There were no cases of non-compliance of applicable provisions of Companies Act, 1956 nor any cases of penalties imposed by Department of Company Affairs or the Registrar of Companies or any other Statutory Bodies for any non compliance related to the Company Law provisions during the last three years.

c) Insider Trading Rules: In terms of provisions of SEBI (Prevention of Insider Trading) Regulations, 2002, as amended, the Company has formulated a 'Code of internal procedure & conduct for prevention of insider trading' in shares of the Company. The code of conduct has been explained and circulated to the associates and is implemented by compliance officer who reports to the Managing Director.

M) Means of Communication

a) Financial Results: All financial results of your Company are forthwith communicated to stock exchanges (where Company's equity shares are listed) as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in leading Marathi newspaper circulated over Jalgaon District and leading financial newspaper published on an all India basis. These results are simultaneously posted on the website of Company and on Electronic Data Information Filing and Retrieval (EDIFAR). The website address of Company is <http://jains.com>

jains.com

b) Website: The website of the Company www.jains.com is regularly updated with the financial results, shareholding patterns and other information.

c) Electronic data information filing and retrieval (EDIFAR)

The Company has been regularly filing the requisite information, statement and report on the EDIFAR website maintained by National Informatics Centre, on line, in the manner and format and within such time as specified by the SEBI.

N) Additional Information

i) Review of business of EGM held on 19th October, 2007

Sr. No.	Resolution No.	Particulars of Resolution	Review
1	1	Issue of Equity Warrants under Preferential allotment	Resolution passed as special resolution
2	2	Amendment of sealing clause of the Articles of Association of the Company	Resolution passed as special resolution

Review of business of 20th Annual General Meeting held on 27th September, 2007:

a) Ordinary Business

Sr. No.	Resolution No.	Particulars of Resolution	Review
1	1	Adoption of audited Accounts for the year ended 31st March, 2007	Resolution passed unanimously
2	2	Declare dividend on various Preference Shares and Equity Shares of the Company	Adopted and Approved
3	3	Appoint a Director in place of Mr. A R Barwe who retire by rotation	Reappointed
4	4	Appoint a Director in place of Shri R B Jain who retire by rotation	Reappointed
5	5	Re-appointment of M/S Dalal & Shah as Statutory Auditors of the Company.	Reappointed

b) Special Business

Sr.No.	Resolution No.	Particulars of Resolution	Review
1	6	Mortgage of immovable properties of the Company	Resolution passed as ordinary resolution
2	7	Increase in Borrowing limits	Resolution passed as ordinary resolution

O) Nomination facility

The Shareholder of the Company who wants to make a nomination may do so by submitting duly filled form No.2B for nomination. The nomination can be made by individuals only applying/holding Shares on their own behalf singly or jointly. A holder of Shares can nominate a minor and in that event the name and address of the guardian shall be given by the holder. The nomination stand cancelled upon transfer of shares.

The intimation regarding nomination/nomination form shall be filed with Company or R & T Agent of the Company i.e. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East) Mumbai – 400072.

P) Unclaimed dividends, Refund and interest amount

As per the provisions of section 205 C of the Companies Act, 1956 the following unclaimed dividends and interest amount have transferred to Investor Education and Protection Fund (IEPF) after FY 1995-96 (11th November 2003)

a) Unclaimed Dividend

The other amounts transferred to IE&PF are as follows;

a) Unclaimed Refund amount of Erstwhile Jain Plastics & Chemicals Ltd.

Sr. No.	Year	Date of declaration	Amount (Rs.)	Date of Transfer to IE&PF
1	1994-95	31.03.1995	177000	27.01.2003

b) Unclaimed Debenture Interest (lastly on 28.06.2007 in respect of interest on PCD's for period ended 07.06.2000)
c) Unclaimed Debenture Redemption Amount

Sr. No.	Redemption No.	Due on	Amount due as on 31.03.2008 (Rs.)	Amount Transfer to IE&PF	Due date for transfer into IE&PF	Date of Transfer into IE&PF
1	1st	07.06.1998	–	4,015,248.00	08.06.2005	20.06.2005
2	2nd	07.06.1999	–	3,770,344.00	08.06.2006	26.06.2006
3	3rd	07.06.2000	–	2,693,328.00	08.06.2007	28.06.2007

d) Unclaimed additional interest amount on PCDs for delayed period

Sr. No.	Due on	Amount due as on 31.03.2008 (Rs.)	Due date for transfer into IE&PF	Date of Transfer into IE&PF
1	20.08.2002	–	19.08.2009	–

VIII) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an annexure to the this Report.

IX) Plant Locations in India

Jalgaon	Jain Plastic Park, Jain Plastic Park, N.H.No. 6, P.O.Box: 72, Village - Bambhori, Taluka - Dharangaon, District - Jalgaon 425001. Maharashtra.
Jain Agri Park,	Jain Hills, Shirsoli Road, District - Jalgaon 425001. Maharashtra.
Jain Food Park,	Jain Valley, Shirsoli Road, District - Jalgaon 425001. Maharashtra.
Bhavnagar	Survey No. 215, JIDC4, At Post: Ghangali, Taluka - Sihor, District - Bhavnagar 364 240.
Chittoor	Food Plant – Unit No.01 100, Gollapali, Gangadhara (Village), Nellore (Mandal) District - Chittoor 517125.
	Food Plant – Unit No.02 Avalkonda Road, Gangadhara (Village), Nellore (Mandal), District - Chittoor 517125.
Nalgonda	Jain Plastic Park, S.No. 587 & 588, Kondamadgu (Village), Bibi Nagar (Mandal), District - Nalgonda 508126. (A.P.)
Udumalpet	Jain Agri Industrial Park, Site No. 248, 2/3 Ellaymuthur Village, Udumalpet 642154. District - Coimbatore. Tamilnadu.
Vadodara	Jain Food Park, Dhobikuva (Village), Post - Muvad, Tal - Padra, District - Vadodra.

X) Demo and Research & Development Farms

Jain Agri Park	Jain Hills, P.O. Box 72, Jalgaon 425 001. (Maharashtra)
Jain River Bank	At - Takarkheda, Post - Kadholi, Taluka - Erandol, District Jalgaon 425001. (Maharashtra)
Kulu	Angora Breeding Farm, Village Pirdi, Tal. Mahol, Dist. Kulu (H.P.)
Udumalpet	Jain Agri Industrial Park, Site No. 248, 2/3, Ellaymuthur Village, Udumalpet 642154, Dist. Coimbatore. (Tamilnadu)
Wardha	“Aarogyadham” Kasturba Nisarga Upchar Kendra, Varud Road, Kasturba Health Society, Sevagram, District - Wardha.

XI) Plants in Overseas

Jain Irrigation Inc. (Micro Irrigation)	2851, East, Florence Avenue, Fresno, California CA.93721.
Chapin Watermatics, Inc. (Micro Irrigation)	740, Water street, Water town, NY 13601.
Cascade Specialities Inc. (Onion Dehydration Plant)	1 Cascade Way (P.O. Box 583) Boardman, Oregon 97818 USA
NuCedar Mills (Building Products-Siding & Trim)	1000, Sheridan Street, Chicopee, Massachusetts. 01022.
NaandanJain (Drip and Sprinkler Irrigation)	Post Naan 76829, Israel.

XII) Address for Correspondence

Jain Plastic Park, N.H.No. 6,
Bambhori, P.O.Box: 72,
Taluka- Dharangaon,
District- Jalgaon – 425001.
(Maharashtra)

CERTIFICATE BY THE AUDITORS ON CORPORATE GOVERNANCE

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31, 2008.

The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange of India.

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

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for our examination and the information and explanations given to us by the Company.

On the Basis of the records maintained by the "Shareholders / Investors Grievance Committee" of the Company, we state that there were no investor grievance pending against the Company for a period exceeding one month.

Based on such examination, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For and on behalf of
DALAL & SHAH
Chartered Accountants

Ashish Dalal
Partner
Membership No. 33596

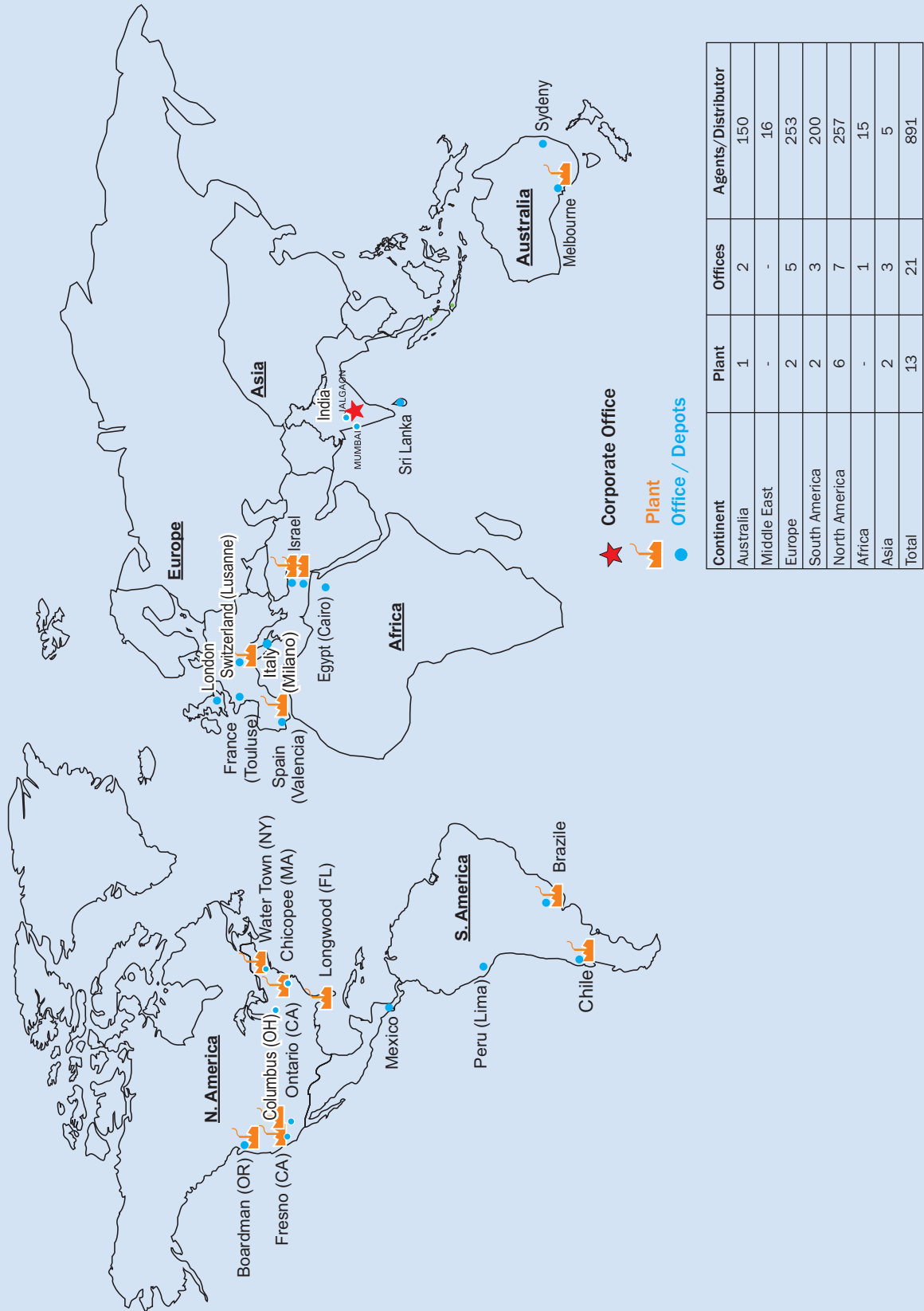
Mumbai, 28th July, 2008



BRAND EQUITY



SALES & SERVICE - WORLDWIDE NETWORK



SALES & SERVICE - INDIA NETWORK





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We revere these elements of our universe. They reflect our ethos.



Yellow, Green, Blue and Brown are colours of Nature and have been embodied in our logo. They encapsulate the conviction of the Founder and the lasting commitment of the Corporation to Agriculture. Jain Irrigation is striving to add value to the entire agri-chain. At the same time, they produce and process a complete range of agri-products for the exacting world markets and growing domestic clientele. The Corporation is poised to grow and attain water, food & energy security.



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