



Our Silver Jubilee celebrations are not just about how far we have come, but also about how much shared value we have created for our stakeholders.



**JAIN**<sup>®</sup>  
Jain Irrigation Systems Ltd.  
Small Ideas. Big Revolutions.<sup>®</sup>  
25th Annual Report 2011-2012





25 years is a small pause to celebrate the history of a corporation that is 'built to last'.

If we have achieved something, it is but a very small beginning.

The world is an open field and we have many crops to sow.

A bountiful harvest awaits all our stakeholders.

# Founder's Conviction



Bhavarlal H. Jain, Founder Chairman

- In India, 70% of over 1 billion people are associated with agriculture. Agriculture symbolizes their culture, not just their economy.
- Transformation of our agrarian society into an industrial society will take centuries.
- In the meantime, there is no escape from taking the help of Science & Technology for agriculture, agri-business and agri-industry.
- Such an approach alone can ensure long-term food security, sustainable & inclusive growth and self-reliance.
- No other sector's progress, howsoever phenomenal, can substitute the development of agriculture.
- There is no gainful agriculture without irrigation. Therefore, availability and management of water holds the key for future agricultural progress –

its production and productivity. “More Crop Per Drop” should become a national priority.

- Availability of water by itself does not guarantee higher productivity or production. Irrigation water has to be pumped right up to the farm boundary and thereafter distributed up to the root zone of the crop.
- Growing population, urbanization, industrialization and cropping intensity will reduce overall availability of water for agriculture and increase the need for energy. Hence, lack of energy, shortage of energy or poor quality of energy will create bottlenecks in future agricultural growth.
- In keeping with our “conservation” theme, we shall promote use of green energy not only for homes or industries but also for agricultural applications.

# 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 other 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.



# Awards & Recognitions



**Inclusive Agri Business Leadership Award-2011** : Jain Irrigation was chosen among 200 IFC clients from 80 countries for inclusive business strategy involving 4.5 million farmers who benefitted from our activities. Dr. Dilip Kulkarni receiving the award from Lars Thunell, Executive Vice President and CEO, IFC.



**PlexConcil Award - 2010 & 2011** : for being the top exporter of drip irrigation systems. Ravi Yeole, Tanuj Sharma, Kishor Gujarathi, Gopal Ostwal, Pramod Masne and Paras Sankhala (from left to right) receiving the awards from Ashok Goel, President, PlastIndia Foundation



**Kriyasheel Global Award-2011** : awarded to Bhavarlal H. Jain, Founder Chairman for his valuable contribution to the fields of agriculture and environment. Anil Jain, CEO & MD, receiving the award on his behalf from Param Pujya Sadguru Yogiraj Sri Sri Mangeshda



**Jivan Gaurav Puraskar-2012** : For his outstanding contributions to the field of agriculture. Bhavarlal H. Jain, Founder Chairman receiving the award from Adv. Ujjwal Nikam, Jalgaon,



**GRIHA-ADaRSH Award-2012** : For exemplary demonstration of low-energy material application in building construction. Ashok Jain, Vice Chairman, receiving the award from Dr. R. K. Pachauri, President, Association for Development and Research of Sustainable Habitats



**Clean Production Majors Award-2011** : In recognition of practising "Cleaner Production Measures". Anil Lodha, receiving the award from S. V. Raju, Minister for Forest and Environment, Andhra Pradesh



**FMB (Managing Globalisation of the Family Business) Award-2012** : Avinash Jain receiving the award from Mitrajit Bhattacharya, President-Publisher, Chitraklexha Group





**Signing the MoU for sustainable development :** Anil Jain, CEO & MD and Dr. Sudhir Kumar Goel, Principal Secretary (Agriculture), Maharashtra signing the MoU for sustainable development for cotton crop in the presence of Radhakrishna Vikhe-Patil, Agriculture Minister, Maharashtra



**Contract Documents for Joint Research :** Atul Jain, Joint MD exchanging documents on propagation of rice by drip irrigation with Dr. Robert Zeigler, Director General, IRRI, Manila, Philippines



**Discussion on developing Hi-tech agriculture in Africa :** Atul Jain, Joint MD, in discussion with Bernard Makuza, Prime Minister, Rwanda



**Wipro Earthian Sustainability Award-2011 :** Anubhūti School students led by Alok Kumar Mohanty receiving cash award of Rs. 2 lakhs from Azim Premji, Chairman, Wipro



# Acquisitions & New Plants



**HiTec Injection Molds & Hortunner Systems** : Protool, Switzerland



**Drip / Sprinkler Irrigation Systems and Plastic Piping** : Jain Plastic Park, Alwar, Rajasthan (India)





**Solar Photovoltaic Module** : Jain Energy Park, Jain Valley, Jalgaon, Maharashtra (India)



**Biogas** : Jain Energy Park, Jain Valley, Jalgaon, Maharashtra (India)



**8.5 Mega Watt Solar Power Project** in 48 acres of wasteland, Jain Valley, Jalgaon, Maharashtra (India)





# Involvement with community



Ashok Jain, Vice Chairman, S. V. Patil, Senior President and Gautam Desarda, Head of Contract Farming at the onion farm of Dagadubhau Khachane, progressive farmer from Nashirabad

At Jain Irrigation, corporate social responsibility is not merely a matter of an obligation to be fulfilled or an account to be presented to society. We firmly believe that we are indebted to society for our existence, survival and success. We have experienced that we have an invisible bond with society. This bond inevitably leads us

to a natural relationship of empathy. It impels the corporation to understand and appreciate social issues and problems. It results in our being part and parcel of society's progression through the process of inclusive growth. We have come to believe that society has, at the least, a pari passu charge on the resources of



the corporation. Such a realization generates confidence in the minds of people and society that can count on the corporation for mitigation of problems, difficulties, and even exceptional calamities that they may face. We continually search for innovative ways and means of creating a bridge between the corporation's objectives and social priorities. This process has enlightened us with grass-roots realities. The more we realize this, the more determined we become to evolve a creative partnership between the corporate growth process and its impact on society. This philosophy is born out of our Mission Statement, formulated twenty-five years ago – "Leave this world better than you found it." We realize that happiness is not a destination. It cannot be travelled to, cannot be earned, loaned or owned. It cannot be worn or consumed. It has to be experienced – and we are experiencing it.

— **Bhavarlal H. Jain,**  
Founder Chairman





Gandhi Teerth at Jain Hills, Jalgaon, Maharashtra (India)

### **Gandhi Research Foundation**

Gandhiji having emerged as our role model for rural development, we decided to preserve for posterity the timeless ideology of the Father of the Nation. The resulting initiative is the Gandhi Research Foundation – GRF and The Gandhi Teerth at Jain Hills. The Hon. President of India, Smt. Pratibha Patil dedicated it to humanity on March 2012. The Gandhi Research Foundation is being developed as an international hub for education and research, according to international standards. An academic collaboration has already been signed with the Gujarat Vidyapeeth, Ahmedabad, North Maharashtra University, Jalgaon and Cytex University, Mexico for conducting joint teaching and research activities from the next academic session focusing on relevance of Gandhian philosophy for present social, economical and political situation. Scholarships are being

provided for needy students. Some of the courses proposed to be offered are : Certificate, Diploma, Degree, Post Graduation, M. Phil, Ph.D. and Post-doctoral (Part time/Full time)

**Gandhinomics** : Rural Development/Outreach Programmes based on Gandhian ideology.

**‘Khoj Gandhiji Ki’ Museum** : A thematic, state-of-the-art, interactive multimedia museum conceived to disseminate Gandhiji’s life-lessons and ideology, as also the saga of Indian independence movement.

**GIRI (Gandhi International Research Institute)** : The academic arm of GRF which will award diplomas, degrees and facilitate research in Gandhian studies.

**GRF Think Tank** : A consortium of scholars who will deliberate on contemporary issues. It can independently study and opine on public policy matters such as peace, ahimsa etc.



**Gandhiana :** Collection, classification, indexing and synopsising of publications by and on Gandhiji.

**Gandhi Archives :** Preservation of archival publications related to Gandhiji and the Indian Freedom Struggle.

### **Gandhi Vichar Sanskar Pariksha:**

To familiarize school and college students with Gandhian thoughts. This exam was conducted at 961 centres in all districts of Maharashtra and in Belgaum district of Karnataka. More than 1,50,000 students have participated.



Unveiling of 15 feet tall Gandhi Statue, 'Ahimsa', sculpted by Ram Vanji Sutar at Gandhi Teerth by the President of India, Smt. Pratibha Patil, From left to right Dalichand Jain, Dr. Devisingh Shekhawat, Bhavarlal H. Jain (Founder), Justice C. S. Dharmadhikari (Chairman), Dr. K. Sankaranarayanan (Governor of Maharashtra), Prof. Smt. Radha Sankaranarayanan and Dr. D. R. Mehta (Trustee)

## Villages and Society (Rural Development)

The Company has adopted six villages namely Wakod, Shirsoli PB, Shirsoli PN, Takarkheda, Mohadi and Kadauli in the Jalgaon district for improving the educational, health and sanitation conditions.

**Medical Camp :** We have arranged medical camps, seminars about traditional medical disciplines such as Naturopathy, Ayurveda and Homeopathy. Awareness regarding the social evil of female foeticide with the active partnership of Jalgaon District Health Association.

**Helping Hand :** The Company regularly provides donation and help with financial assistance to differently abled people for medical treatment and for building educational infrastructure.

**Gramshilpi :** Forty young people from five selected villages (namely Wakod, Jambhol, Mohadi, Takarkheda, and Shirsoli) were identified as prospective “Gramshilpi’s” or village facilitators. A training programme on development issue was organized at Wakod in January 2009 for these Gramshilpi’s. In Phase I, the topic discussed included environmental conservation, water harvesting and empowerment of self-help groups. Information was also provided on various Government Programs. The young villagers were sensitized about important issues like communal harmony, the duties of citizens, the need for people’s participation, etc. In Phase II, the topics included information on types of soils, sub-soils, the quality of water and requirement of water for each crop, the need for arranging gully-plugs in the water canals of the villages, the importance



Distributing tricycles to the disabled : on the 22nd memorial day of Late Hiralal Jain



Blood donation camp on the 6th memorial day of late Kantabai Jain : at Jain Hills, Jalgaon



Solar powered hand pumps : a scene from Shelave, Pandharpur



Participatory rural appraisal programme for tribals : scenes from Takarkheda village



Alternative medicine : scene from the acupressure camp held at Wakod



Environmental conscientisation : Oath taking during the ‘Save Satpuda Campaign’



Spreading the message of Gandhiji : film show ‘Bapu Ne Kaha Tha’ at Z. P. School, Shirsoli



The importance of water conservation : creating a watershed at Takarkheda



Spreading the message of social hygiene : Kadholi village school students in action



and process of vermi-composting for soil-enrichment, nursery preparation for plants, various aspects of village development and conflict resolution.

**Local Community Events :** SATPUDA Forest conservation initiative, Vasundhara International film festival and cultural activities.

### Culture, Literature and Art

JISL has been supporting local cultural events frequently at different locations. We 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. Some important cultural events, dramas, orchestras, folk dances, singing and dancing competitions, Kavi Sammelans (poetry recitations) etc. are organised, on various

occasions. JISL also provides financial assistance to the artists through these events. We have arranged plays like 'Rashtra ka hunkar', 'Jago Hindustani', 'Janata Raja', focusing on social issues. We have supported feature films on issues such as the girl child, farmer suicide, and family planning.

**Bahinabai Memorial Trust :** Bahinabai is known as "Khandesh Kanya". She was not educated but many have obtained doctorates and degrees on her poems and literature. The setting up of the Bahinabai Memorial Trust has been completed. Padma Shri N. D. Mahanor, Shri. Atul Jain and Sau. Jyoti Ashok Jain are actively involved with this Trust. Literary Awards are also bestowed under the aegis of this Bahinabai Memorial Trust and other trusts.



Balgandharva annual music festival January-2012 co-sponsored by BKJMF : Kishori Amonkar performing before a packed audience



Restoring the house of Bahinabai Chaudhari, the illustrious poet of Marathi : work of Bahinabai Chaudhari Memorial Trust



Winners of the Purushottam Karandak Inter Collegiate Dramatic competition with Ashok Jain, Vice Chairman and Nandu Madhav, cine actor



Anubhūti, a co-educational, English medium residential school based on Indian cultural heritage, the principles of inter-dependence and enlightened entrepreneurship, has attracted national attention by winning laurels on the academic, co-curricular and extra curricular fronts. Both the Class 10 batches returned over 90% distinction in the ICSE examinations. First batch of Class 12 being presented in March 2013



Anubhūti-2, the English medium school in Jalgaon city for children of BPL families, has Classes 1, 2 and 3 with 270 children in 9 sections. 22 well qualified teachers have been appointed to ensure personal attention. All students are provided with uniform, food and books free of cost. A three storeyed building with recreational facilities for children in the central court yard has been constructed



## Education

Our thrust on education, particularly rural and agriculture-oriented education, finds an expression in the Anubhūti chain of educational institutions.

The [Anubhūti residential school](#) located at our Divine Park campus is developed for preserving Indian heritage and culture in young minds, while preparing them for global competitiveness and competence. The Anubhūti day school located in the centre of Jalgaon town provides free education, food and uniforms to children

of the most deprived below-the-poverty-line families. Standards 1 and 2 (three sections each) have started functioning since 11 July 2011. Our educational initiatives have brought smiles on the faces of those who lived their lives in abject poverty with no hope to lift themselves out of their state of penury. We have discovered to our joy that among these young minds, there are those who, with this opportunity, can equal, if not better the performance of many a privileged student. In addition, [two rural schools and an agricultural college](#) are established at the village



of Wakod. The proposed private university will focus on sustainable agriculture, clean energy and water for food security.

Under the aegis of [Bhaisaheb Sundarlal Malhara Potential Development Academy](#), we undertake many activities for the development of

student's ability and aptitude to take on challenges in the new world.

[Anubhūti Scholarship Foundation](#)

: scholarships are provided on merit to students of either sex from all sections of society for education in India or abroad.



Development work at the Zilla Parishad School, Kadholi village



Regular coaching for competitive examinations at the BSMPDA



Children of Anubhūti School-2 with the 'methi' (fenugreek) plants that they grew for their school project

## Sports

The Jain Sports Academy is the vehicle that scouts, encourages and improves the performance of sportsmen. This is a dream project of JISL Vice Chairman Ashok Jain. We give an opportunity for sportsmen to develop themselves. The main thrust and idea of the academy is to "Catch them young, nurture and watch them grow". This is not an institution but a movement and it has completed ten years of its existence.

In Jain Sports Academy along with Fitness Program, Mental Toughness Technical Program, Diet Program, Tournaments, Match Practice, Coaching Camps and Seminars, hard work and HUMILITY are practised.

**Main Sports :** Cricket – Turf Wicket (Own Cricket Academy), Table Tennis, Badminton, Swimming, Chess, Taekwondo, Football, Volleyball, Basket Ball, Hockey, Roll Ball etc.

In doing all that is listed above, we have not done anything extraordinary or out-of-the-way. If you give, it comes back in greater measure. However, we must not give in order to get back. We must do it out of a feeling of genuine gratitude. Such gratitude will make the corporation humble in its approach and modest in its claims. India's business history is replete with examples of such humane and salutary practices being followed by many business houses. We are just trying to tread their enlightened path.



**Times Cricket Shield :** Our cricket team won the tournament in the B group. The team with Ashok Jain, Team Manager and coaches



**Jain Women's Hockey Trophy :** Winners from Nasik with Sau. Jyoti Ashok Jain and Prakash Bokhad, Commissioner, JMC



**Table Tennis Training :** players who took part in the district level camp at Anubhūti



**State Senior Badminton Championships -2011 :** sponsored by Jain Irrigation



**Badminton Training :** Players who took part in the summer coaching camp at Anubhūti



**Ku. Vrushali Kolhe :** the shining star of the National Level school Badminton along with Sayed Badshah, the coach and Ashok Jain



**Ku. Bhagyashri Patil :** the National Under 7 chess champion in the lap of Bhavarlal H. Jain, Founder Chairman



## Awards Instituted by JISL., in different fields

### Name of the Award

Jain INCID Micro Irrigation Award  
Jain INCID Agri Irrigation Award  
Padma Shri Late Dr. Appasaheb Pawar Modern Agri Hi-Tech Award  
Best Banana Producer Award  
Banana Lifetime Achievement Award  
Gaurabai Hi-tech Banana Award  
Jain Nedungadu Agri Engg. Award  
Water Conservation Development Award  
Jamnaben Social Work Award  
Godavari Drawing and Sculpture Award  
Rural Poetess Bahinabai Award  
Nature Poet Balkavi Thombre Award  
Rural Poet Mahanor Award  
Hiralalji Jain Talent Award  
18 Gold medals in various graduate & postgraduate studies in NMU  
Natwarya Lotubhau Patil Award  
Approx. outlay till today Rs. 4 crore.

### Field

Micro Irrigation  
Agri & Irrigation  
Hi-Tech Agri.  
Banana Yield  
Lifetime Work on Banana  
Hi-Tech Banana  
Soil Conservation  
Water Conservation  
Gandhian Philosophy  
Fine Art  
Rural Poetry  
New Generation Poet  
Rural Literature  
Educational  
Educational  
Drama



**Literary Awards-2011:** recipients Anuradha Patil, Sadanad Deshmukh and Vasant Abaji Dahake along with Prof. Bhalchandra Nemade, N. D. Mahanor and Bhavarlal H. Jain, Founder Chairman



**Hi-Tech Agri award in memory of Appasaheb Pawar :** Sharad Pawar presenting it to Mrs. Manisha Kunjir, farmer from Junner, Pune



**Jain INCID Agri Award :** recipient farmer Rajesh Vijay along with Dr. P. Soman, chief agronomist and S. K. Makhija, Head, Delhi Office



**Banana Lifetime Achievement Award-2012 :** Parvataneri Bala Gangadhara Rao, Andhra Pradesh receiving the award from Radhakrishna Vikhe-Patil, Agriculture Minister, Maharashtra

### Creating Shared Value with farmers

Corporate social responsibility is imbibed and is a part of our corporate strategy as we work for 'creating shared values' from the very inception of our business. For example, drip irrigation not only solves the water-food-energy nexus problem, but brings prosperity to the farmers. Most of the farmers we work with have small land holdings. These farmers are based at the bottom of the pyramid as per the definition of classical economics. But to work with them and bring prosperity in their lives is more than CSR to us. The happy farmers is our reward. Thus, our strategy of CSR is integrated, interwoven

and inter related to our business for creating a sustainable society of the future. Some steps which we have undertaken towards this direction are given below:

**Harvard Visit of Farmers :** Two successful farmers were invited to Harvard Business School, USA to showcase how technology & innovative cultivation methods transformed their lives. They made a full scale presentation regarding how we 'create shared value' in our business.



**Dhondur Wankhede** : Wakod cotton farmer and beneficiary of Jain Solar Pump system, along with journalists from Japan



**Jumanne Abdallah Maghembe**, Minister for Agriculture, Tanzania in a banana orchard with L. H. Sharma, Rupa Suchak and K. B. Patil



**Mohanrao Jadhav** : farmer from Saundane Village, Malegaon displaying the one and a half year old crop of pomegranate reared under Jain Tissue Culture



**Collaboration :** IFC and Jain are working on a successful project JAINGAP. Coca-Cola India and Jain are working on UNNATI-to cover 50,000 ha. area under ultra high density mango plantation. Similarly we work with IRRI, ICRISAT and other agricultural universities in India.

**Haryali Ganga :** This workshop in co-operation of State Bank of India, is for the awareness of farmers regarding improved agriculture and various policies, scheme of SBI.

**Training, R&D :** At JISL, farmers and other stakeholders are trained at an in-house training facility of the sprawling 2000 acres Jain R&D farms in Jalgaon Maharashtra and R&D

farm at Udumalpeth, Tamil Nadu.

We undertake research trials and demonstration jointly with Agriculture Universities and Innovative Farmers on their farms. Till date more than hundred thousand people have been trained at the R&D and Demonstration Centre, Jain Hills over the last 15 years. This has had a ripple effect on the thought process of farmers and even the policy makers.



**Dagadubhau Khachane :** contract farmer of white onions from Nashirabad, displaying the crop reared under Jain Sprinklers



**Sanjeev Mane :** Progressive farmer in his Sangli sugarcane field along with M. A. Fuke, Area Manager and Dist. Agriculture Officer



**Tribal farmers from Banaskantha District, Gujarat :** beneficiaries of Jain Drip Irrigation Systems meeting Bhavarlal H. Jain, Founder Chairman at IIM, Ahmedabad, the Mecca of Indian management

# Creating Shared Value in Agribusiness



**Dr. Nitin Nohria, Dr. Ray Goldberg and Dr. Kasturi Rangan** jointly inaugurating 'Parishram', the new corporate profile centre

A unique one-day symposium on "Building Shared Value in Agribusiness" was organized by Jain Irrigation and Enterprise Solutions to Poverty (ESP), USA, on the 12th of March at Jain Hills. Dr. Nitin Nohria, Dean of Harvard Business School (HBS), Dr. Ray Goldberg, the father of agri-business programme at HBS and Dr. Kasturi Rangan, Professor (Marketing) HBS, delivered the keynote addresses.



**Bhavarlal H. Jain**, Founder Chairman, delivering the key note : participants at the round tables in the newly inaugurated 'Parishram'

Over 80 agribusiness and banking leaders as well as small farmers deliberated on building innovative aggregation/distribution systems, increasing the supply of productivity enhancing inputs, accelerating the move from flood to drip irrigation, increasing mechanization, farm family incomes, storage, value chain and other post-harvest solutions, as well as increasing access to finance and crop/weather insurance.



**Dr. Nitin Nohria**, the first Indian dean of Harvard Business School addressing the gathering



**Dr. Ray A. Goldberg**, Professor Emeritus (Agribusiness) speaking on the occasion



**Nancy M. Barry**, Chair Person, Enterprise Solutions to Poverty speaking on the occasion



**Ajit B. Jain**, Joint MD, explaining contract farming to Dr. Nitin Nohria and Dr. Kasturi Rangan



# Project Unnati

Coca-Cola India and Jain Irrigation launched “Unnati” – a partnership project with farmers for large scale High-Yield Mango Cultivation

- Project Unnati is set to be a key milestone towards the large scale adoption of Ultra High Density farming Practice (UDHP) leveraging drip irrigation
- Introduction of Ultra High Density Plantation will double the average mango yields

• Project Unnati has the potential to improve the livelihoods of more than 50,000 farmers in the next five years

- Farms under Project Unnati will also be used to showcase and train farmers on Ultra High Density Plantation under a joint capability building program led by Jain Irrigation and Coca-Cola University



Ultra high density mango plantation



**Launching Project Unnati :** Atul Singh, President & CEO, Coca-Cola India and South West Asia and Atul Jain, Joint MD watering a mango sapling to mark the launch

# Worldwide Network



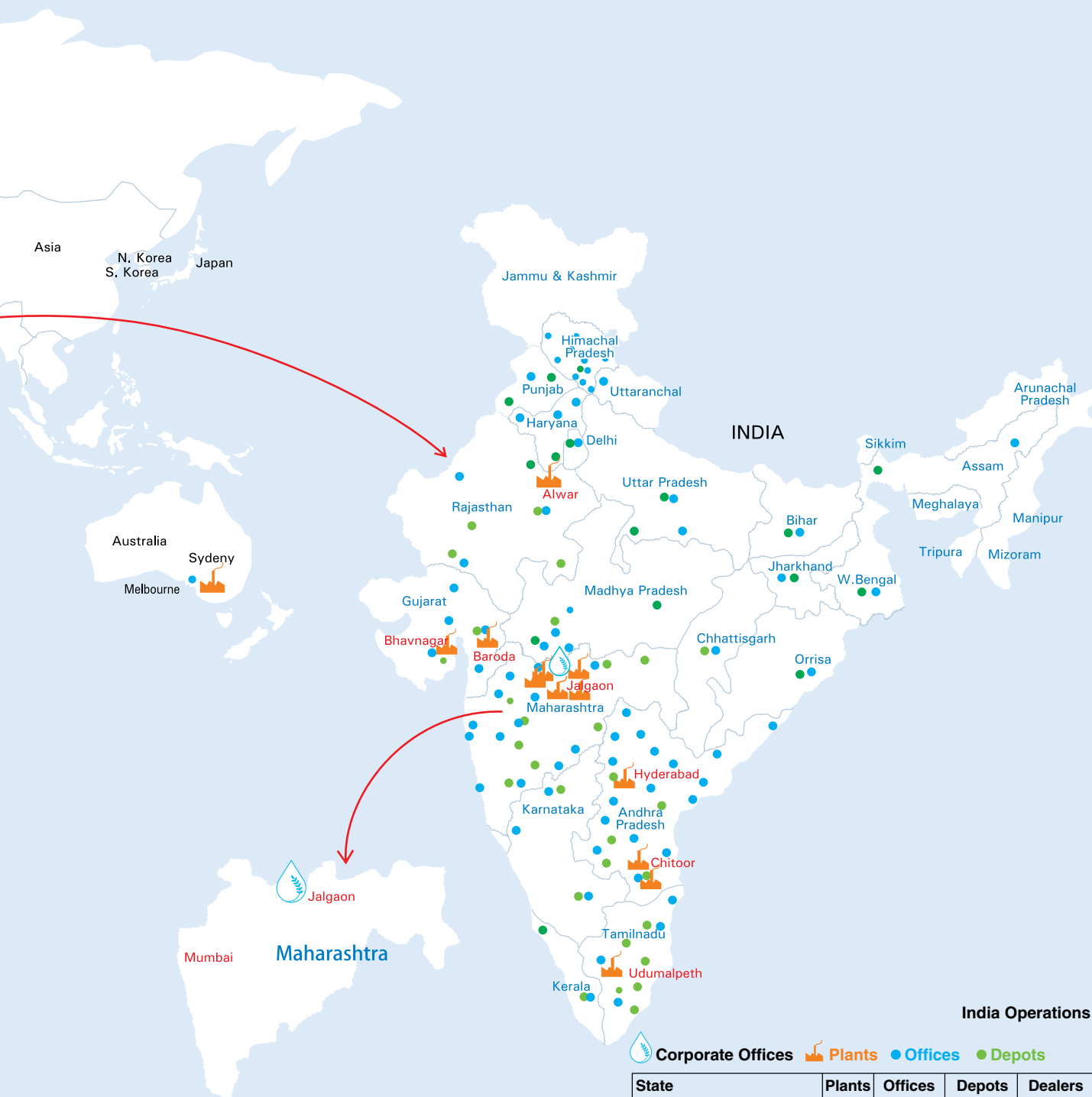
## World Operations

 Corporate Offices  Plants  Warehouses & Sales Offices

Continent	Plants	Warehouses & Sales Offices	Distributors
South & Latin America	2	5	200
North America	5	7	257
Europe	4	9	253
Asia (Other than India)	3	-	26
Australia	1	1	150
Africa	-	-	15
<b>Total</b>	<b>15</b>	<b>22</b>	<b>901</b>

Not to Scale





#### India Operations

Corporate Offices Plants Offices Depots

State	Plants	Offices	Depots	Dealers
Maharashtra	5	18	9	1256
Madhya Pradesh	-	1	3	173
Karnataka	-	5	2	234
Gujarat	2	5	2	242
Tamil Nadu	1	6	3	104
Rajasthan	1	3	4	90
Andhra Pradesh	3	21	5	270
Other State	-	22	12	342
<b>Total</b>	<b>12</b>	<b>81</b>	<b>40</b>	<b>2711</b>

# Impact of JISL's Contribution

## Pioneering Effort : Improved living standard for small farmers

Activity	Direct beneficiaries	General benefits to the society
PVC Piping System	160 lacs	Saving in maintenance cost, consumption of water, long life of system and larger area under irrigation
Micro Irrigation System	30 lacs	Rs. 15,000 additional income of per ha/per year, 50-70% more area under irrigation
Jain Hi-Tech Agri Institute	1.5 lacs	Training, Awareness & Agronomic Support, Empowerment for all the stakeholders
Processing	70,000	Higher farm productivity & farm incomes, assured returns
Banana Tissue culture	56,000	Rs. 50,000 or more income per hectare. Uniform bunches of higher weight and early maturity, Doubling of GDP.
Contract Farmers	13,000	Market or contract price whichever is higher, value addition & higher realization

## Trend Setting : Increased Industrial Activity

PVC Piping Systems	450 entrepreneurs	Profitable self-employment & secondary employment generation with cascading effect
Micro Irrigation System	150 entrepreneurs	
Tissue Culture	40 entrepreneurs	

## Social Commitment : Indirect Employment for Empowerment and self-reliance

Semi-skilled labour	12,000 (PVC Piping) 6,000 (Micro Irrigation)	Direct assured employment in plants and factories.
Technical Manpower	12,000	Assured self-employment
Farm hands	170 lacs	Improved land use and cropping intensity leading to doubling of assured employment in agriculture.

## Meeting National Priority : Water Conservation

Activity	Savings per annum	Total Saving	Monetary Impact
PVC Piping	15% to 20%	44.85 billion litres	Rs. 448 Crores
Micro Irrigation Systems	50% to 100%	1780.00 billion litres	Rs. 17800 Crores
	Total	1824.85 billion liters	Rs. 18248 Crores

## Serving National Need : Energy Conservation

Activity	Savings per annum	Total Saving	Monetary Impact
PVC Piping /Foot Valves	15%	450.00 million kwhrs	Rs. 113.0 Crores
Micro Irrigation Systems	30%	185.00 million kwhrs	Rs. 46.3 Crores
Solar Water Heating	1200 kwh/household	22.60 million kwhrs	Rs. 5.6 Crores
	Total	657.60 million kwhrs	Rs. 164.9 Crores

## Invaluable Contribution : Developing Integrated Agri Value Chain

- \* Rainwater Harvesting & Wasteland Reclamation
- \* Bio-Pesticides, Bio-Fertilizers & Organic Farming
- \* Afforestation & Green Cover for Environment Improvement
- \* Processing & Exports of Fruits & Vegetables
- \* Empowerment of Human Resources.



# The Way We See Ourselves



## In the World

- No.1 — Drip Irrigation with Pipe Production
- No.1 — Tissue Culture Production of Banana & Pomegranate
- No.1 — Mango Processing
- No.3 — Onion & Vegetable Dehydration

# The Way the World Sees Us



**“Crawford Reid Memorial Award”** : Irrigation Association, USA

**“Water Conserver of India”** : UNESCO & West-Net

**“Challengers to the world’s leading blue-chip companies”** : Standard & Poor’s

**“Asia’s 200 Best Under a Billion companies”** : Forbes Asia

**“100 most promising clean technology companies on the planet”** : Global Cleantech & The Guardian

**“Client Leadership Award”** : International Finance Corporation (World Bank)

**“Best Water Company Award”** : Ministry of Water Resources & Water Digest, UNESCO

**“Boldness in Business Award”—Environment** : Financial Times & Arcelor Mittal, London

**“New Sustainability Champion”—One of the 16 from 1000 companies** : World Economic Forum

**“Inclusive Agri Business Leadership Award”** : International Finance Corporation (World Bank)

# Brands



**Jain Irrigation Systems Ltd.**

Small Ideas. Big Revolutions.®

## Micro Irrigation Systems, Equipments & Agri Inputs



## Plastic Products



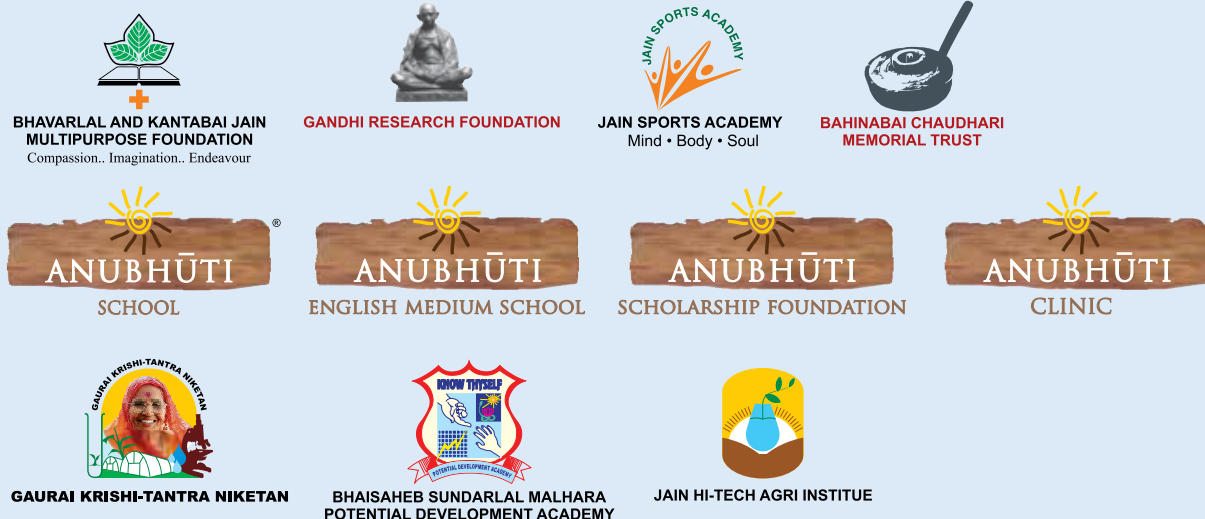
## Green Energy Products



## Food Products



## Social Brands







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# Corporate Directory

## Board of Directors

### Non Executive Directors

Bhavarlal H. Jain	–	<b>Chairman</b>
Devendra Raj Mehta	–	<b>Director</b>
Ghanshyam Dass	–	<b>Director</b>
Ramesh C. A. Jain	–	<b>Director</b>
Radhika Pereira	–	<b>Director</b>
Vasant V. Warty	–	<b>Director</b> (Nominee SBI)
Arunkumar Jain	–	<b>Director</b>

### Executive Directors

Ashok B. Jain	–	<b>Vice Chairman</b>
Anil B. Jain	–	<b>Managing Director</b>
Ajit B. Jain	–	<b>Joint Managing Director</b>
Atul B. Jain	–	<b>Joint Managing Director</b> (w.e.f. 05.09.2011)
R. Swaminathan	–	<b>Director - Technical</b>

## Company Secretary

A.V. Ghodgaonkar

## Audit Committee

Ghanshyam Dass	–	<b>Chairman</b>
Ramesh C. A. Jain	–	<b>Member</b>
Vasant V. Warty	–	<b>Member</b>
Radhika Pereira	–	<b>Member</b>

## Compensation Committee

Ramesh C. A. Jain	–	<b>Chairman</b>
Ashok B. Jain	–	<b>Member</b>
Ajit B. Jain	–	<b>Member</b>
Vasant V. Warty	–	<b>Member</b>
Radhika Pereira	–	<b>Member</b>

## Shareholders Grievances Committee

Vasant V. Warty	–	<b>Chairman</b>
Ajit B. Jain	–	<b>Member</b>
Ramesh C. A. Jain	–	<b>Member</b>

## Operations Review Committee

Ashok B. Jain	–	<b>Chairman</b>
Anil B. Jain	–	<b>Member</b>
Ajit B. Jain	–	<b>Member</b>
Atul B. Jain	–	<b>Member</b>
R. Swaminathan	–	<b>Member</b>

## Bankers

Axis Bank Ltd., Mumbai  
 Bank of Baroda, Mumbai  
 Canara Bank, Jalgaon  
 DBS Bank Ltd., Mumbai  
 Export Import Bank of India, Mumbai  
 HDFC Bank Ltd., Mumbai  
 ICICI Bank Ltd., Mumbai  
 IDBI Bank Ltd., Mumbai / Pune  
 Indian Bank, Mumbai  
 Rabo Bank International, Mumbai  
 Standard Chartered Bank, Mumbai  
 State Bank of India, Mumbai  
 Union Bank of India, Mumbai  
 Yes Bank Ltd., Mumbai

## Auditors

Haribhakti & Co., Chartered Accountants  
 Mumbai- 42, Free Press House, 4th Floor, 215,  
 Nariman Point, Mumbai 400 021.

## Solicitors

Mulla & Mulla & Craigie & Blunt & Caroe, Mulla  
 House, 51, M.G. Road, Fort, Mumbai - 400 001.

Solomon & Company, Calcot House, 3<sup>rd</sup> 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,  
 Bambhori, Jalgaon. 425001. (Maharashtra) India.  
 Tel +91-257-2258011, Fax +91-257-2258111,  
 E-mail: [jisl@jains.com](mailto:jisl@jains.com),  
 Visit us at: [www.jains.com](http://www.jains.com).





# Historical Financials (5 Years)

[ Figures ₹ in Million ]

	2008	2009	2010	2011 <sup>[5]</sup>	2012 <sup>[5]</sup>	2008	2009	2010	2011 <sup>[5]</sup>	2012 <sup>[5]</sup>
	Standalone					Consolidated				
<b>Financial Performance (April-March):</b>										
Revenue from Operations (net)	16,711	21,789	27,229	33,309	37,811	22,158	28,584	34,200	41,528	49,206
Profit before Interest, Depreciation, Taxation and Forex gain/loss (PBDIT)	3,475	4,749	5,936	7,492	8,692	3,660	5,174	6,134	7,933	9,706
Net (gain)/loss on foreign currency transactions and translations	(150)	777	(711)	(102)	1,289	(185)	598	(868)	(279)	1,664
Finance cost (excluding Loss on foreign Currency transaction)	1,164	1,611	1,943	2,364	3,623	1,328	1,845	2,194	2,717	4,157
Depreciation & Amortization and Amounts written off	405	520	781	956	1,054	575	737	1,127	1,400	1,599
Profit before Extra ordinary and Exceptional items and Taxation	2,056	1,842	3,923	4,275	2,726	1,941	1,994	3,681	4,094	2,286
Extra Ordinary & Exceptional Expenses/(Income)	14	—	—	—	—	34	—	—	—	—
<b>Profit Before Tax</b>	<b>2,042</b>	<b>1,842</b>	<b>3,923</b>	<b>4,275</b>	<b>2,726</b>	<b>1,907</b>	<b>1,994</b>	<b>3,681</b>	<b>4,094</b>	<b>2,286</b>
Taxation <i>(including MAT &amp; deferred tax adjustments)</i>	587	636	1,219	1,322	42	540	659	1,203	1,213	4
<b>Profit After Tax</b>	<b>1,455</b>	<b>1,206</b>	<b>2,703</b>	<b>2,953</b>	<b>2,684</b>	<b>1,367</b>	<b>1,335</b>	<b>2,478</b>	<b>2,881</b>	<b>2,282</b>
Prior period items	—	(4)	9	—	(1)	23	(4)	9	—	4
Pre acquisition profit/ (loss) & Minority interest	—	—	—	—	—	(66)	(37)	(12)	(74)	(51)
<b>Net Profit for the year (NP)</b>	<b>1,455</b>	<b>1,202</b>	<b>2,712</b>	<b>2,953</b>	<b>2,683</b>	<b>1,324</b>	<b>1,294</b>	<b>2,476</b>	<b>2,807</b>	<b>2,235</b>
Preference Dividend <i>(including Dividend Tax)</i>	41	36	16	—	—	41	36	16	—	—
Equity Dividend <i>(including Dividend Tax)</i>	186	220	402	450	471	186	220	402	450	471
<b>Financial Position As At March 31,</b>										
<b>Liability</b>										
Shareholders Equity	8,766	9,386	13,406	16,843	19,120	7,847	8,522	12,144	15,558	17,537
Redeemable Preference Share Capital	885	449	23	—	—	885	449	23	—	—
Minority Interest	—	—	—	—	—	649	705	571	524	498
Deferred Tax (Assets)/ Liabilities (net)	110	707	1,024	1,224	1,710	(53)	340	610	662	1,037
Long term liabilities & provisions	—	—	—	94	37	—	—	—	171	82
Long term loans <i>(including current maturities)</i>	4,907	7,503	9,374	9,159	12,441	6,611	9,717	12,702	12,785	16,036
Short term loan	4,164	6,052	8,462	12,966	15,800	6,145	8,452	11,746	17,057	21,950
Other current liabilities	5,767	7,664	9,328	13,391	13,991	7,414	9,636	10,010	16,222	16,990
<b>Total Liabilities</b>	<b>24,598</b>	<b>31,762</b>	<b>41,618</b>	<b>53,677</b>	<b>63,098</b>	<b>29,498</b>	<b>37,821</b>	<b>47,806</b>	<b>62,980</b>	<b>74,130</b>
<b>Assets</b>										
Net Fixed Assets <i>(including CWIP)</i>	7,480	10,510	13,242	15,785	19,633	10,164	14,573	17,923	21,373	25,715
Long term loans and advances & other non-current assets	—	—	—	2,010	2,288	—	—	—	1,310	1,819
Investments <i>(excluding Liquid Investments)</i>	2,758	3,906	3,955	4,033	4,307	237	201	211	211	236
Current assets (excluding cash & cash equivalents)	13,227	16,467	20,033	28,018	34,043	17,661	21,874	24,619	35,942	43,037
Cash & Cash Equivalents <i>(including Liquid Investments)</i>	1,133	879	4,388	3,830	2,827	1,436	1,174	5,053	4,144	3,324
<b>Total Assets</b>	<b>24,598</b>	<b>31,762</b>	<b>41,618</b>	<b>53,677</b>	<b>63,098</b>	<b>29,498</b>	<b>37,821</b>	<b>47,806</b>	<b>62,980</b>	<b>74,130</b>
<b>Ratio Analysis</b>										
Current Ratio (Times)	1.45	1.26	1.37	1.14	1.14	1.41	1.27	1.36	1.12	1.09
Total Debt <sup>[1]</sup> / Equity (Times)	1.14	1.49	1.33	1.31	1.48	1.74	2.18	2.02	1.92	2.17
Net Total Debt <sup>[3]</sup> / PBDIT	2.54	2.76	2.27	2.44	2.92	3.33	3.37	3.17	3.24	3.57
Return on Average Net Worth	20.73%	21.91%	18.26%	19.64%	22.40%	21.12%	23.33%	16.44%	19.58%	24.57%
Return on Average Capital Employed <sup>[2]</sup>	23.84%	23.22%	23.22%	23.28%	21.01%	22.56%	21.74%	20.53%	21.05%	20.13%
<b>Per Share Data (₹) (Face Value ₹ 2 each)</b>										
Basic EPS	4.30	3.22	7.17	7.75	6.62	3.90	3.48	6.54	7.37	5.51
Diluted EPS	4.28	3.21	7.15	7.74	6.62	3.88	3.46	6.53	7.36	5.50
Basic Cash EPS	5.50	4.53	8.99	9.94	9.11	5.59	5.37	9.25	10.56	9.07
Equity Dividend	0.44	0.50	0.90	1.00	1.00	0.44	0.50	0.90	1.00	1.00
Book Value	24.33	25.94	35.27	43.67	47.19	21.78	23.55	31.95	40.33	43.28
<b>Shareholding Related As At March 31,</b>										
Number of Ordinary & DVR Equity shareholders	36,335	37,513	38,968	63,594	161,945	36,335	37,513	38,968	63,594	161,945
Market Capitalization <sup>[4]</sup> (₹ in Million)	42,657	24,760	72,864	69,006	38,916	42,657	24,760	72,864	69,006	38,916
<i>Outstanding Equity Shares</i>	<i>360.27</i>	<i>361.88</i>	<i>380.15</i>	<i>385.73</i>	<i>385.89</i>	<i>360.27</i>	<i>361.88</i>	<i>380.15</i>	<i>385.73</i>	<i>385.89</i>
<i>Outstanding DVR Equity Shares</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>19.30</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>19.30</i>
<i>Market Price as on 31<sup>st</sup> March - Ordinary shares</i>	<i>118.40</i>	<i>68.42</i>	<i>191.67</i>	<i>178.90</i>	<i>98.45</i>	<i>118.40</i>	<i>68.42</i>	<i>191.67</i>	<i>178.90</i>	<i>98.45</i>
<i>Market Price as on 31<sup>st</sup> March - DVR Equity shares</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>47.95</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>47.95</i>
Non-Promoter Shareholding	67.46%	67.53%	69.16%	69.60%	69.65%	67.46%	67.53%	69.16%	69.60%	69.65%

[1] Including Redeemable Preference Shares Capital.

[2] Average Capital Employed (Total Assets less Deferred Tax (Assets)/ Liabilities less Cash & Cash Equivalents).

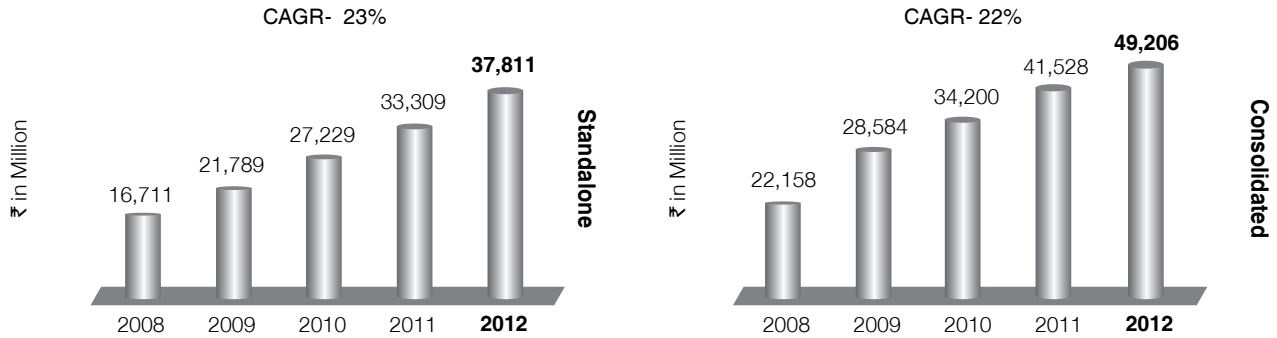
[3] Total Debt less Cash & Cash Equivalents.

[4] Based on Market Price on National Stock Exchange (NSE) ON 31<sup>st</sup> March of the year.

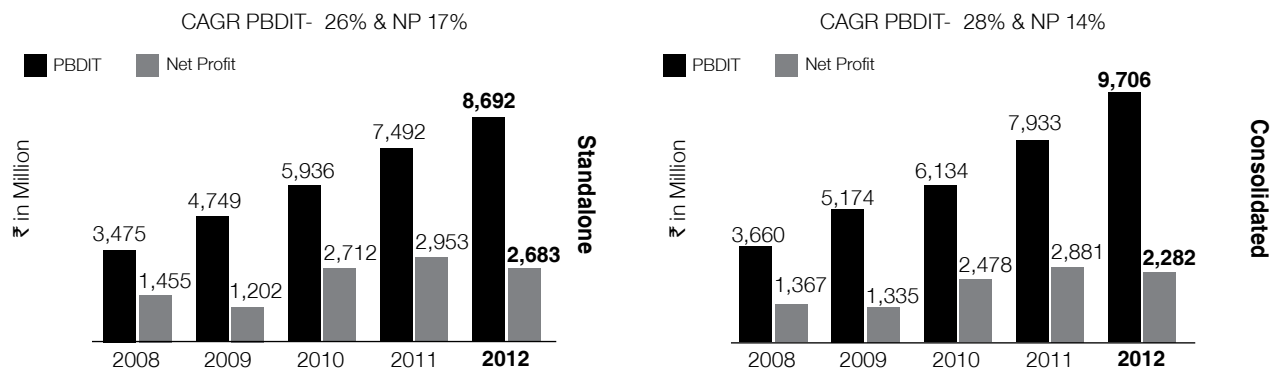
[5] Figures for Financial Year 2011 & 2012 have been arrived based on Revised Schedule VI - as per MCA Notification.

# Graphical Financial Presentation (5 Years)

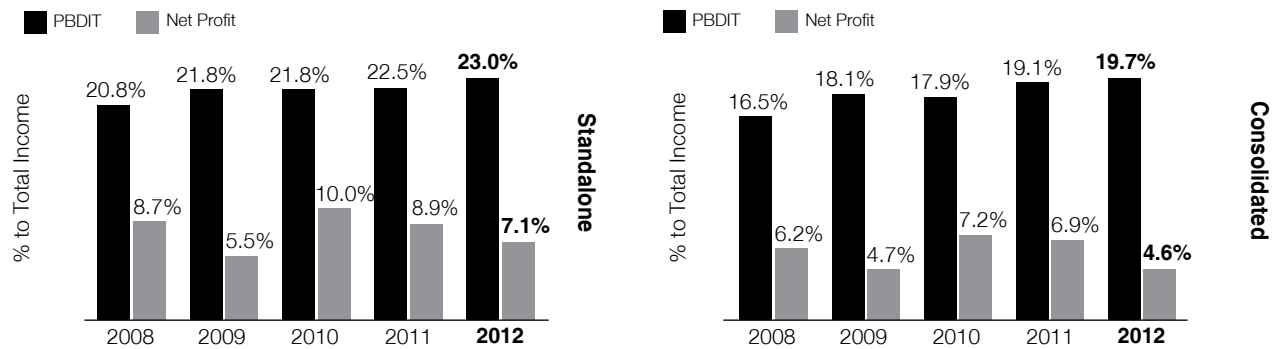
## REVENUE FROM OPERATIONS (Net)



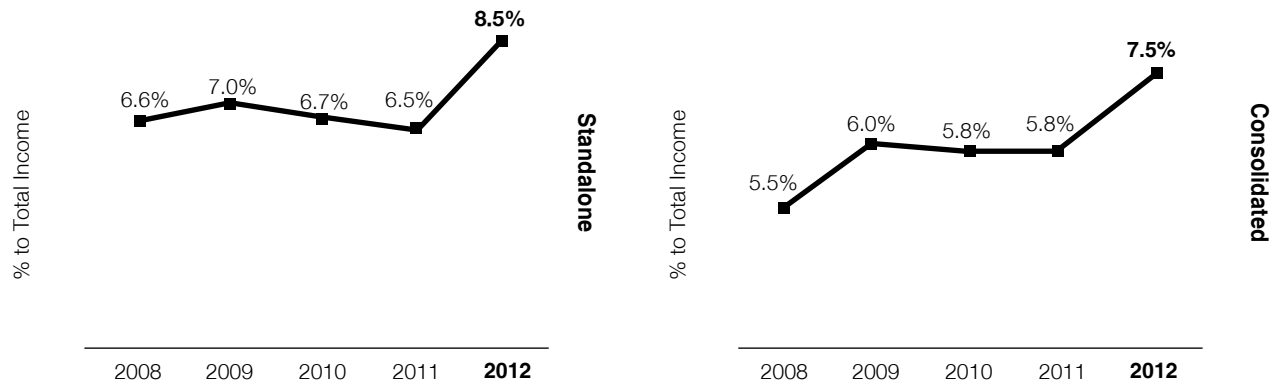
## EARNINGS



## MARGINS



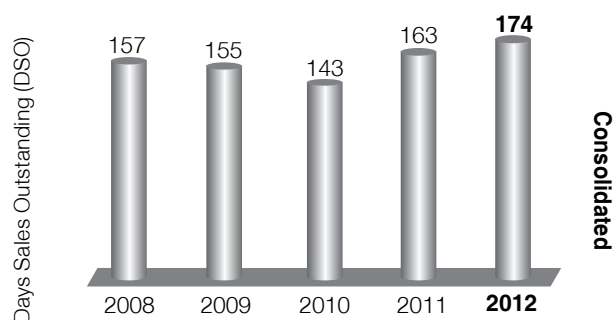
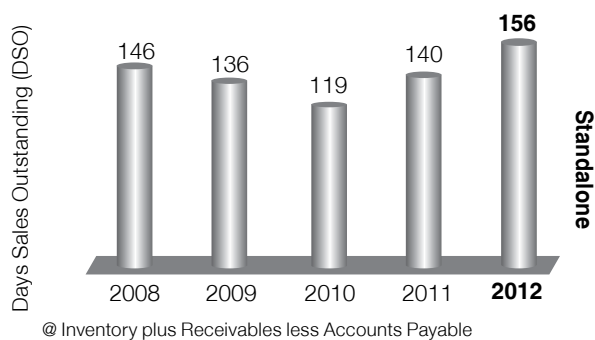
## INTEREST COST<sup>s</sup>



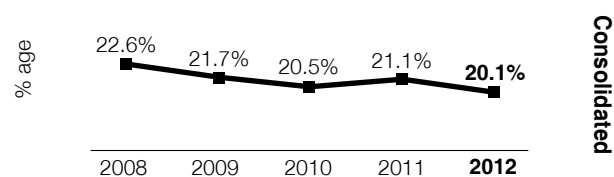
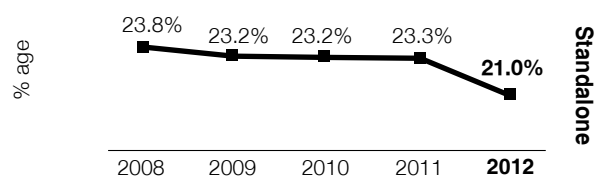
<sup>s</sup> Gross Interest excluding interest Income & Bank Charges



## CASH TO CASH CYCLE (NET®)

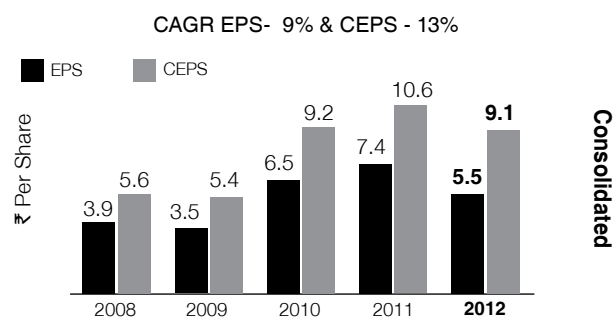
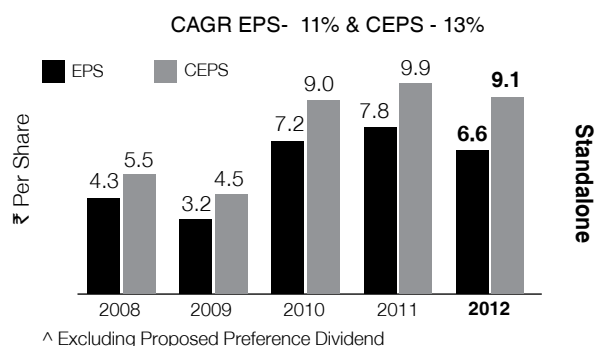


## ROCE TREND#

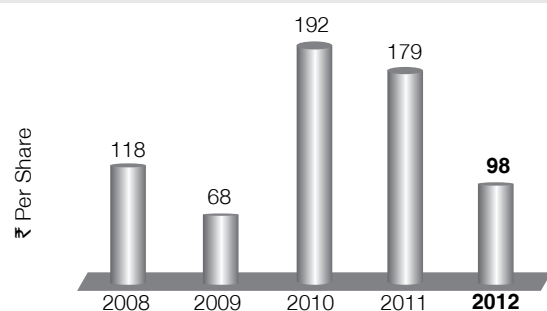


# Based on Average Capital Employed

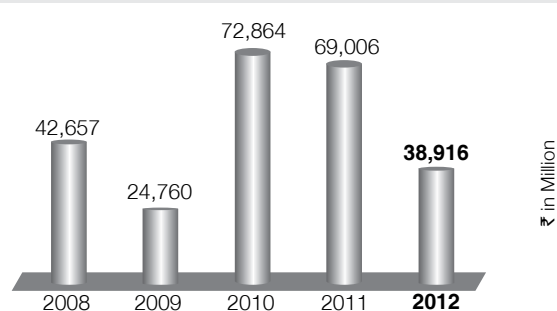
## EPS & CEPS^



## MARKET PRICE PER SHARE\* & MARKET CAPITALIZATION

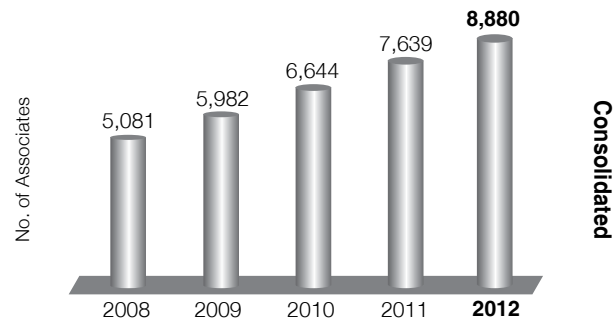
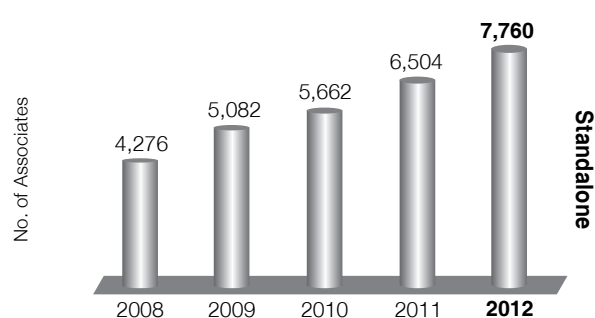


\* As at March 31, on National Stock Exchange (NSE)



Face Value ₹ 2/- per share

## ASSOCIATES STRENGTH



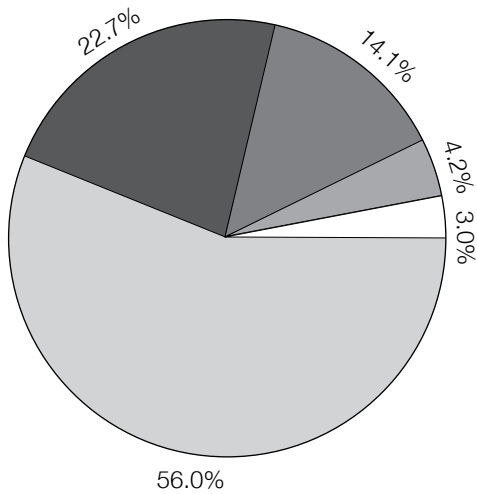
# Consolidated Revenue Segmentation

## INDUSTRY

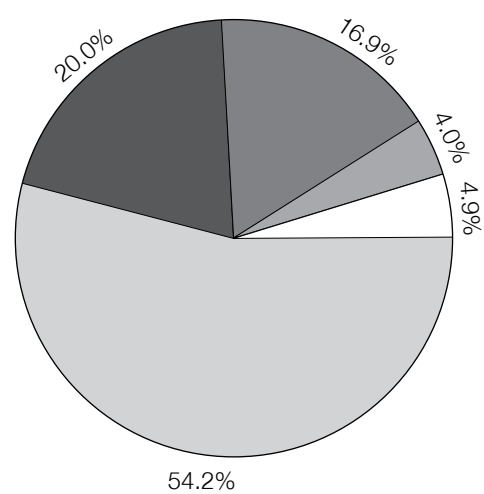
₹ in Million

Period=Apr-Mar	2008	2009	2010	2011	2012	Mix (2012)	CAGR
Micro Irrigation	11,276	15,084	18,722	23,311	26,798	54.2%	24%
Piping Products	6,599	7,425	8,418	9,464	9,855	20.0%	11%
Agro Processed Products	3,037	3,701	5,015	5,875	8,352	16.9%	29%
Plastic Sheets	1,627	2,030	1,768	1,736	1,995	4.0%	5%
Other Products	369	927	656	1,247	2,400	4.9%	60%
<b>Total</b>	<b>22,908</b>	<b>29,167</b>	<b>34,579</b>	<b>41,634</b>	<b>49,400</b>	<b>100.0%</b>	<b>21%</b>

REVENUE MIX (2011)



REVENUE MIX (2012)



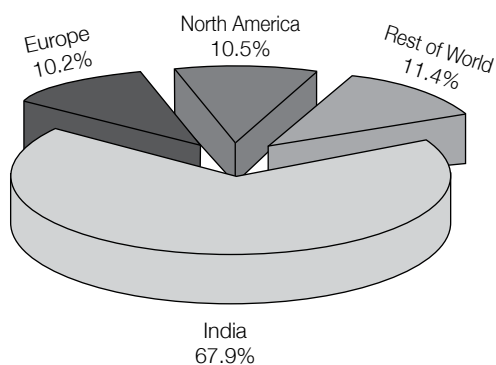
Micro Irrigation
  Piping Products
  Agro Processed Products
  Plastic Sheets
  Other Products

## GEOGRAPHY

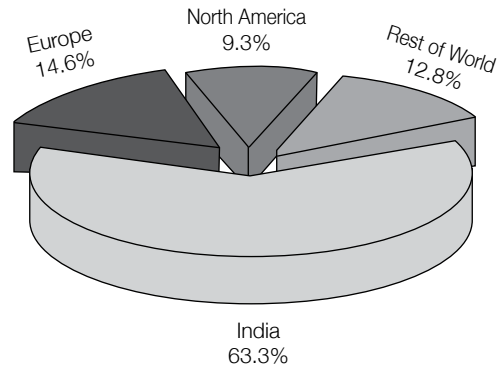
₹ in Million

Period=Apr-Mar	2008	2009	2010	2011	2012	Mix (2012)	CAGR
India	12,907	17,484	22,567	28,263	31,280	63.3%	25%
Europe	3,843	3,258	4,110	4,243	7,222	14.6%	17%
North America	2,039	2,715	3,934	4,389	4,590	9.3%	22%
Rest of World	4,119	5,710	3,968	4,739	6,308	12.8%	11%
<b>Total</b>	<b>22,908</b>	<b>29,167</b>	<b>34,579</b>	<b>41,634</b>	<b>49,400</b>	<b>100.0%</b>	<b>21%</b>

REVENUE MIX (2011)



REVENUE MIX (2012)





# Board's Report

To the Members,

The Directors present their report on the financial performance, business and operations of the Company for the year ended 31<sup>st</sup> March 2012.

## 1. Financial Highlights ₹ in Million (except EPS)

Particulars	2011-12	2010-11
Domestic Sales	30,374	27,349
Export Sales & Services	6,725	5,158
Other Operating Income	712	802
<b>Sales and Operating Income</b>	<b>37,811</b>	<b>33,309</b>
<b>Operating Profit</b>	<b>7,968</b>	<b>8,032</b>
Interest and Finance Charges	4,235	2,917
Depreciation and Amortisation	1,007	840
Profit before taxation & exceptional items	2,726	4,275
Provision for Tax		
Deferred Tax (Asset)/Liability	485	200
Current Tax-Provision	(443)	909
MAT Credit	–	201
Profit for the year before Prior Period Expenses	2,684	2,965
Prior Period Items- Income/ (Expenses)	1	12
<b>Profit for the year</b>	<b>2,683</b>	<b>2,953</b>
Profit b/f from the previous year	6,629	4,449
Balance available for appropriation	9,312	7,402
Out of which the Directors have appropriated as under;		
Proposed Dividend	405	386
Dividend Tax	66	64
General Reserve	500	300
Transfer to CRR	–	23
<b>Balance to be carried forward</b>	<b>8,341</b>	<b>6,629</b>
<b>Earnings Per Share (₹)</b>		
Basic	6.62	7.75
Diluted	6.62	7.74

## 2. Operations

The sales & operating income grew by a little over 14%, even as domestic revenues remained flat at 11.1% YoY, while the exports jumped up by 30.4% YOY. In the domestic revenues the growth was mainly contributed by 11% YOY growth in MIS/SIS, 16% agro processing, 5% Pipes and 127% Green Energy businesses. The 30.4% overall growth in exports was contributed by MIS 62%, PVC Pipe 59.5%, PE Pipe 111%, PVC Sheet 27.8%, Onion 21% and, generally the strong exports trend in 2<sup>nd</sup> half of Financial Year 2012. The actual losses on account of adverse Rupee Dollar movement is ₹145 million out of total largely notional expense on this account of ₹1,289.3 million. The Finance charges are a little over 10% of Revenues and much above the targeted level of 5% mainly due to delays in receivable collection (subsidy receivables from Government). The remedial steps are discussed else where in the report. The profit for the year is ₹2,683 million a decrease of 9.5% over last years level.

## 3. Dividend

Sr. No.	Particulars of Dividend	Amount (₹)
1	50% (₹1/-per share) on 38,8586,085 Ordinary Equity Shares of ₹ 2 each.	385,886,085
2	50% (₹1/- per share) on 192,94,304 DVR Equity Shares of ₹ 2 each.	19,294,304
<b>Total</b>		<b>405,180,389</b>

Sr.No.	Particulars	Amount (₹)
3	Dividend Distribution Tax @ 16.2225%	65,730,389
<b>Total</b>		<b>470,910,778</b>

The Directors propose to the Shareholders a Dividend of ₹1 each on Ordinary & DVR Equity Shares involving an outlay of ₹405.18 million to all eligible shareholders and ₹65.73 million as Dividend Distribution Tax for the year ended 31<sup>st</sup> March 2012.

## 4. Allotment of DVR Equity Shares and Status of QIP

On receipt of approval from SEBI for relaxation from sub rule (7) of Rule 19, read with clause (b) to sub rule (2) of Rule 19, of the Securities Contract (Regulation) Rules, 1957 the Company fixed a Record date in consultation with the Stock Exchanges and completed the allotment of 19,294,304 DVR Equity Shares of ₹ 2 each by capitalising reserves of ₹ 38.59 million on 10<sup>th</sup> November 2011.

The Company had procured Shareholders approval for issue of upto 331 lac Ordinary Equity Shares of ₹ 2 each under Qualified Institutional Placement (QIP) programme but the approval lapsed in March 2012 due to uncertain and unfavourable capital market conditions.

## 5. Capacity Expansion and Capital Expenditure

The Company has been in continuous growth mode and the following table gives the capex incurred for capacity expansion implemented during the year and the resultant capacity addition in Financial Year 2012, as also the revenue growth for last 5 years for each of the segment of business.

Sr. No	Segment name	Unit	Addition in Capacity for FY 2012	Capex Financial Year 2012 (₹ in Mn)	5 Year CAGR% till Financial Year 2012
1	MIS/SIS	Tons	51,410	2,556	39%
2	Piping Systems	Tons	8,350	312	20%
3	Dehydrated Vegetable	Tons	690	154	19%
4	Fruit puree etc	Tons	11,925	44	25%
5	Tissue Culture Plant	No	10,000,000	28	30%
6	Solar (Water Heater System)	Ltr	2,000,000	140	67%

## 6. Significant Awards, accolades & recognitions

The Company has received several awards on International, National and State level during the Financial Year 2012, however significant ones are:

- **G20 Challenge on inclusive award.** Only 15 global Companies have been awarded for their efforts in inclusive business innovation in their respective fields of business (e.g. Agriculture for Jain irrigation) at G20 Leaders Summit at Cabos in Mexico.
- **New Sustainability Champion Award** at World Economic Forum, Switzerland/ China for Sustainable Development of business. Jain Irrigation was awarded (being one of the 16 Companies selected world over from 1,000 Companies) for sustainable development of business.



- **Inclusive Agri Business Leadership Award** Instituted by International Finance Corporation (World Bank Group) Washington, D.C. The International Finance Corporation selected Jain Irrigation among 200 IFC Clients from across 80 countries . The award criteria was the inclusive business strategy (involving 4.5 million farmers who benefitted from the activities of Jain Irrigation).

Some of the other awards / recognition are as under;

#### A) Jain Irrigation Systems Limited – List of Awards Financial Year 2012

Award / Recognition name	Instituted by	Given for
Best Water Company - Certificate & Trophy	Water Digest, New Delhi	Outstanding contribution in the field of Water in India
ICC Sustainability Vision Award	Indian Chamber of Commerce	Outstanding contribution in Sustainable Business models and innovations
Municipal & Industrial Division Project of the Year Award	The Plastic Pipe Institute Inc., USA	"For its river runoff diversion pipeline project at the Marhi Mini Hydel Power Plant in India. "
PLEXCONCIL Award Certificate & Trophy	PLEXCONCIL	Top Exporter of PVC Foam Boards / Sheets
PLEXCONCIL Award Certificate & Trophy	PLEXCONCIL	Top Exporter of Pipes & Hoses of Plastics
PLEXCONCIL Award Certificate & Trophy	PLEXCONCIL	Top Exporter of Drip Irrigation Systems
Clean Production Majors Award	Pollution Control Board Andhra Pradesh	Clean production methods
New Sustainability Champion	World Economic Forum, Switzerland	Sustainable Development of business
Inclusive Agri Business Leadership Award	International Finance Corporation (World Bank Group) Washington, D.C.	Jain Irrigation was chosen among 200 IFC clients from 80 countries. The award criteria was the inclusive business strategy (involving 4.5 million farmers who benefitted from the activities of Jain Irrigation).
FMB (Managing Globalisation of the family business) Award	S. P. Jain Institute of Management and Research	Managing Globalisation of the family business
GRIHA Exemplary Performance Award	Green Rating for Integrated Habitat Assessment (GRIHA)	Exemplary Demonstration of Low-Energy Material Application
Corporate Fellowship Certificate, Citation & Trophy	Confederation of Horticulture Associations of India, New Delhi (CHAI)	For commitment to the furtherance of Horticulture Research and Development
Good Green Governance	Srishti Publications(P) Ltd	Outstanding work to generate Biogas and Electricity from Food Processing wastage material
Polymer in Agriculture and Water Conservation Award Certificate, Citation & Trophy	Ministry of Chemicals & Fertilizers Department of Chemicals & Petrochemicals	Outstanding contribution in the Agriculture and Water Conservation
"Green Business Leaders Trophy"	The Financial Express and Emergent Ventures India	Doff hat to sustainable development
G20 Challenge on Inclusive Business Innovation	G20 Development Working Group	Outstanding contribution in the field of Agri Sector

#### B) Padmashri Bhavarlal H. Jain - Chairman List of New Awards Financial Year 2012

Award / Recognition name	Instituted by	Given for
Sushila Ram Kadam Smruti Sahacharini Kritadnyata Puraskar Citation & Trophy	Shrinath Education Society, Varangaon, Dist. Jalgaon, Maharashtra	"Significant contribution in Marathi Literature by writing 'Ti ani Mi' book"
Lifetime Achievement Award Trophy	Elite Plus Business Services Pvt. Ltd.	"Outstanding contribution to the development of Indian Agriculture"
Jalgaon Ratna	Jalgaon Municipal Corporation, Jalgaon, Maharashtra	"Overall contribution to the upliftment of society in general and the farming community in particular"
Pride of Gujarat-Maharashtra Award	Feelings Multimedia Ltd., Ahmedabad	"Have proved themselves as icons in their respective fields"
Kriyasheel Global Award	Sadguru Mangeshda Kriya Yoga Foundation	For his valuable contribution to the field of Agriculture & Environment
Jivan Gaurav	Bharat Krushak Samaj; Maharashtra	Outstanding contribution in the field of Agri Sector
Man of The Decade	AIPUB, New Delhi	Exceptionally outstanding services rendered to horticultural farmers especially of banana.
Lifetime Achievement Award	Chemicals & Petrochemicals Manufacturers Association of India, CPMA	In recognition of his contribution to Indian Farmers, Farming and to the Plastic Fraternity.



## 7. Other major developments during FY 2012

- The Company has in last few quarters embarked upon the strategy shift in MIS / SIS business by reducing the dependance on subsidy as sales driver for the business. On the other hand focussed approach is initiated to collect all the subsidy based and other overdue receivables. The strategy may result in change in growth trajectory of MIS/SIS business in FY 2013 but, is expected to yield better results for cash flows.
- During the year the Company together with Coca-Cola University launched Project Unnati to train farmers on Ultra High Density Plantation under a joint capability building program . Project Unnati is set to be a key milestone towards the large scale adoption of Ultra High Density farming Practice (UHDP) leveraging drip irrigation. Introduction of Ultra High Density Plantation will double the average mango yields and hence benefit the farmers and assure steady supplies to the Company. Project Unnati has the potential to improve the livelihoods of more than 50,000 farmers in the next five years. In traditional mango cultivation, trees are allowed to grow as high as possible; they are pruned minimally or not at all. In UHDP, canopy is maintained in such a way to attain maximum light interception and canopy volume per unit area in early years of plantation. This leads in the orchard to attain full potential in 3-4 years. The UHDP would allow 600 trees to be planted in an acre instead of just the conventional 40 trees to an acre.
- On 10<sup>th</sup> December 2011, in an unfortunate incident, fire broke out at finished product storage area at plastic manufacturing complex in Jalgaon. The fire was brought under control within 2 hours. No casualties were reported and plant and equipment remained safe. A claim under the fire Insurance Coverage Policy has been filed and is under process with insurance provider at present. The amount of loss is not material in context of overall asset size of the Company.

The commercial operation for Alwar plant has started during Financial Year 2012 and it has helped Company to cater to the Northern market which has large potential for products of the Company.

- A unique one-day international symposium on "Building Shared Value in Agribusiness" was organized by our Company and Enterprise Solutions to Poverty (ESP), USA, at Jalgaon on March 12, 2012. Management experts such as Dr. Nitin Nohria, Dean of Harvard Business School (HBS), Dr. Ray Goldberg, an HBS Emeritus and regarded as the father of agri-business programme at HBS and Dr. Kasturi Rangan, who teaches the Base of the Pyramid course at HBS, delivered the keynote addresses at the symposium. Themes discussed at symposium were as follows:

**Building innovative aggregation models and distribution systems** will be essential to provide efficient, mutually profitable access to inputs, information, advice, finance and markets to many small farmers, using direct engagements of large and small

agribusinesses, competent producer organizations and agro-dealer distribution systems.

**Increasing the supply of productivity enhancing inputs bundled with advice and information** will be important to increase yields and earnings of farmers who have uneven awareness and receptivity to modern methods.

**Accelerating the move from flood to drip irrigation** will produce dramatic benefits in increased yields and water conservation and finding solutions for very small farmers.

**Increasing mechanization** will be needed to respond to the organic consolidation combined with labour shortages occurring in agriculture, as a result of urban migration, agriculture development in states that have been traditional sources of seasonal labour, and unintended consequences of rural poverty subsidies.

**Increasing farm family incomes** - through value chain operations in higher value commodities as well as agri-solutions and agri-finance are needed if ambitious, more highly educated young people are to be induced to stay in and enter agriculture.

**Increasing storage, value chain and other post-harvest solutions** are needed to reduce wastage of agricultural produce.

**Increasing access to finance and crop/weather insurance** need to be combined with inputs, advice and market linkages if productivity and earnings are to increase.

This was historical seminar where large number of senior business leaders from Agri business community across India and Africa had got together to discuss 'ways to create share value in agri business' and to help small farmer prosper.

- Since April 2012, the Cost Audit Branch, Ministry of Corporate Affairs, Government of India has notified a certain set of companies for maintenance of Cost Accounting Records and its Audit as per Cost Accounting Record Rules and relevant provision of the Companies Act, 1956. This measure is applicable to the Company for FY 2013 onwards (although not applicable to all the products or units of Company), and is likely to help in cost control and reduction across the Company.

## 8. Other strategic and major developments post March 2012

- In May 2012 the Company's multi-generation subsidiary signed definitive agreements to acquire balance portion of share capital of Naan Dan Jain Irrigation CS Ltd, Israel from JV shareholder Kibbutz Naan. Naan Dan Jain itself has several operating subsidiaries all over the world together with distribution points across globe. The transaction also opens up markets in various countries for our Company specially in the high potential African continent the eastern European nations and the CIS nations.

- In July 2012, the NBFC promoted by our Company aptly named Sustainable Agro Commercial Finance Ltd. (SAFL) received registration certificate from RBI to operate. The JV NBFC shall be issuing shares to Jain Family entities, IFC-Washington and our Company shortly as per its business plan/budget. SAFL will be a unique and first Indian NBFC to provide agriculture related loans and provide farmers with wide and diverse range of financing options for almost every need of agricultural activity.

Our Company has decided to promote SAFL with an overall objective of serving the small farmers in comprehensive manner. In FY2013 the NBFC SAFL shall open upto 40 offices in Maharashtra and in second phase over 18 months more offices shall be opened across Andhra Pradesh, Gujarat, Madhya Pradesh, Karnataka, Rajasthan & Tamil Nadu. SAFL will leverage on the existing 3,000 strong dealer/ distributor network of our Company for identifying and originating quality business and these dealerships would also be part of the recovery process. In the initial 2 years SAFL shall concentrate on providing loans to cover MIS/SIS business directly to farmers. In the subsequent years it will extend financing to farm equipment and shall give small agri business loans also. Apart from RBI supervision there will be independent Auditors, Board supervision, to ensure Corporate Governance, transparency and professional management of SAFL.

- During the FY 2012, Company has completed all effective actions to build a 8.5 MW Solar Power Project with funding from internal accruals and infrastructure financing institution. The Company can potentially save over 75% of cost of electricity (assuming captive use and investment linked incentives) as also carbon credits for 21 years at almost ₹ 1 per unit over the project life of 25 years. It is run by photo voltaic panels with a 3 phase inverter without battery. The project is estimated to generate over 14 Million units of electricity annually and is expected to be integrated with grid very soon.
- The Board has approved fund raising by way of preferential issue of Ordinary Equity Shares/ Equity Share Warrants, Foreign Currency Convertible Bonds and External Commercial Borrowings, all aggregating upto \$ 210 mn. 2 subcommittees of Board have been constituted to finalize the terms, amount, other details and issue the notice for the Shareholders General Meeting for approving the same. More details about fund raising shall follow in Notice convening the Shareholders General Meeting very soon.

## 9. Directors retiring and their background

### Retiring Directors

Shri. Atul B. Jain and Shri Ramesh C.A Jain are retiring by rotation and being eligible offer themselves for reappointment at the ensuring AGM.

**Atul B. Jain** was appointed on 1st September 2009. He is a Commerce Graduate. He joined the management

team in 1992. He was posted in London office and developed the Food Processing/ distribution business in Europe and helped the Company to maintain the plastic exports to Europe. He was appointed CMO of the Company w.e.f. 20th August, 2002. Besides overall marketing management responsibility he has also handled all India marketing function of Drip Irrigation and PVC pipe products, PE and other speciality pipes and fittings all over the world. He has been involved with development of new applications & products in overseas markets for food and plastic divisions.

**Ramesh C.A. Jain** was appointed on 30<sup>th</sup> September, 2005. 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 at 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.

## 10. The operations of subsidiaries

The Mauritius based direct subsidiary of the Company has earned an income of \$ 430,149 and made a net loss of \$ 811,869. 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 \$0.450 Million. as loan during the year under review. The Netherlands based direct subsidiary of the Company has earned an income of \$1,068,190 and made a net loss of \$312,860. 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 \$5 Million as Equity Capital/ Share premium.

### Other Subsidiaries

Information on operations of other subsidiaries, including new acquisitions has been covered in Management Discussion and Analysis in this annual report.

## 11. Employee Stock Option Plan (ESOP)

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





Details and disclosures in compliance with the Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the table below:

Particulars		Lot No.1	Lot No.2	Lot No.3	Lot No.4
A]	Options Granted (on sub divided Ordinary Equity Shares)	25,00,000	25,00,000	25,00,000	25,00,000
B]	Date of Grant	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
C]	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 the date of grant	10% discount on market price on the date preceding the date the date of grant	10% discount on market price on the date preceding the date the date of grant
D]	Options vested (on sub divided Ordinary Equity Shares)	25,00,000	25,00,000	25,00,000	25,00,000
E]	Options exercised (on sub divided Ordinary Equity Shares)	23,58,050	22,24,625	24,71,250	Nil
F]	The total number of shares arising as a result of exercise of option (on sub divided shares)	23,58,050	22,24,625	24,71,250	Nil
G]	Options lapsed(on sub divided shares)	Nil	Nil	Nil	Nil
H]	Variations in terms of options	None	None	None	None
I]	Money realised by exercise of options (₹ in Million)	145.14	183.96	280.73	Nil
J]	Total Number of options in force (on sub divided Ordinary Equity Shares)	1,41,950	2,75,375	28,750	25,00,000
K]	Employee-wise details of options granted to:				
	i) Senior managerial personnel	3,77,500	2,03,750	4,56,250	4,56,250
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	—	—	—	—
	iii) Identified employees 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	—	—	—	—
L]	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
M]	*Where the Company has calculated the employee Compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee 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 lacs)	NA	NA	NA	NA
N]	Weighted-average exercise price 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 ₹	61.552	82.692	113.6	85.8
	(b) weighted average fair value ₹	35.022	34.954	55.4	42.22
O]	A description of the method and significant assumptions used during the year to estimate the fair values Black Scholes Method Black Scholes Method of options, including the following weighted- average information:				
	(1) risk-free interest rate,	7.50%	8%	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	50% in 2012 and 50% in 2013		50% in 2012 and 50% in 2013	
	(5) the price of the underlying share in market at the time of option grant. ₹ per share (on non sub divided Ordinary Equity Shares)	410.35	459.4	630.15	476.2

The Shareholders and the Board of Directors have approved a new ESOP-2011 with 53,56,000 options through an Employee Trust. The Trustee are independent professionals and shall administer the Scheme under the guidance of Compensation Committee. The Trust has ability to buy the Ordinary and DVR Equity Shares of the Company from the open market, in addition to the grant of options by the Board or its Committee.

## 12. Director's Responsibility Statement

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

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed except, to the extent indicated in notes;
- the accounting policies are selected and applied consistently and are reasonable; 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, 2012, and, of the profit of the Company for the year ended 31st March, 2012;
- 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;
- The Directors have prepared the annual accounts for the Financial Year ending 31st March, 2012 on a 'going concern basis'.

## 13. Material Developments in Human Resource

"TRUST" plays a significant role while working at Jain Irrigation. The Company has an open door and pro-active policy and any associate desirous of addressing his grievance is entertained and is free to approach even the Chairman. This openness helps create an atmosphere of extended family. Resultantly, the operations of all the manufacturing facilities of Jain Irrigation enjoy whole hearted co-operation and the spirit of being "One".

### Associate Engagement

The activities for engaging the associates with their families continue to move ahead. Pilgrim tours continued for the Associates above the age of 45 and their parents and grand parents. Total 12 pilgrim tours of 10 days each involved 576 parents and grandparents of 102 Associates. The initiative launched last year to treat the Associates of Jain Irrigation facing infertility problems has resulted in success. From the Associates who opted to be treated last year, 6 cases could see success which has brought lot of joy of our Associates and their families. Our efforts for coaching / training children of our Associates has started taking strong roots as the second batch taking up SSC examinations

also produced 100% results. These efforts start from class 7th and 105 students benefitted from the same. Apart from the academic coaching, a 15 day residential "Personality Development" camp was organized at Anubhuti School for the children of our Associates for the 2<sup>nd</sup> year wherein eminent speakers from the different faculties had a dialogue with the participating children. 92 children of the Associates benefitted from the program. The practice of providing educational scholarships to the deserving children of Associates on need and merit basis has continued. 432 children of our Associates benefitted with the scholarship. Also special emphasis was given for education for the girl child. The visits of family members of the Associates, to all the locations of the Company giving information about work culture and importance of the job their family member does, is continuing. Total 116 visits involving 4,536 family members of 659 Associates were conducted. This took the total tally to 423 visits covering 18,774 family members of 2,893 Associates, till date.

Additionally this year 611 associates were brought under the umbrella of "Superannuation" benefit. Now the coverage is extended to 3,784 Associates.

### Social Involvement

Now, Blood Banks are banking on Jain Irrigation for their requirement of blood during the crucial times. Once again on demand of the blood banks, a Blood donation camp was organised wherein 635 units of blood was collected for various blood banks.

### Training

Jain Irrigation took the initiative to meet the academic requirements of students opting for "Agricultural Engineering" by providing them 16 week training which is being made mandatory for them by the University. The students were given one month classroom training followed by field practices on "Survey, Design, Installation and Maintenance" of Micro Irrigation Systems. Then they were exposed to the field operations, giving them the real experience for choosing their field of career, and those who chose the field and proved themselves were subsequently absorbed by the Company converting this mandatory training to a "Win Win" situation.

The training and development activities for all our Associates continued within all our locations.

The location and program wise training details are as under.

### Associate Training 2011-12

Sr. No.	Location	In House Facilities			External Institute			Total Duration (Hours)
		No. of Programme	No. of Associates	Duration (Hours)	No. of Programme	No. of Associates	Duration (Hours)	
1	Agri Park	61	462	1785	6	13	259	2,044
2	Plastic Park	443	6,654	21,801	27	124	4,087	25,888
3	Food /Energy Park	135	4762	10,944	18	156	1,267	12,211
4	Orientation	10	398	17,896	–	–	–	17,896
5	Overseas Trg	–	–	–	5	50	4,704	4,704
	<b>Total</b>	<b>649</b>	<b>12,276</b>	<b>52,426</b>	<b>56</b>	<b>343</b>	<b>10,317</b>	<b>62,743</b>



## Agricultural Engineers' Training 2011-12

Sr. No.	Location	No. of Programmes	No. of Associates	Duration (Hours)	No. of Programmes	No. of Students	Duration (Hours)	Total Man hours
1	Engineer Training (One month)	11	239	49,712	11	408	84,864	1,34,576
2	Engineer Field Training (Three months)	–	–	–	–	110	57,056	57,056
	<b>Total</b>	<b>11</b>	<b>239</b>	<b>49,712</b>	<b>11</b>	<b>408</b>	<b>1,41,920</b>	<b>1,91,632</b>

### Recruitment and Manpower Strength

A new plant was inaugurated at Alwar to service northern states in India. The recruitment drive continued throughout the year, looking for the right people which also included on campus selection for Engineering Graduates from agriculture field all over the country and Walk In interviews at various places. The recruitment was done on the basis of demonstrated and potential ability, compatibility with the organisational culture, merit, openness and fitness, with son of the soil empathy. The permanent employee strength of the Company as on 31<sup>st</sup> March 2012 reached to 7,645 after net addition of 1,141 associates.

## 14. Corporate Social Responsibility & Sustainability Report

### Creating Shared Value

Corporate Social responsibility is imbibed and part of our corporate strategy as we work for 'creating shared values' from the inception of our business. For example, drip irrigation not only solves the water food- energy issues also but brings prosperity to the farmers. Most of the farmers we work with are generally having small land holding. These farmers are based at the bottom of pyramid as per the definition of classical economics, but to work with them and bring prosperity in their life is more than CSR to us. Thus, our strategy of CSR is integrated, interwoven and inter-related to our business for creating sustainable society of future. The rural development work is carried out through the group entities Gandhi Research Foundation [GRF] (S. 25 Company under the Companies Act 1956) and Bhavarlal and Kantabai Jain Multipurpose Foundation [BKJMF] (A registered public charitable trust), both recognized for benefit of S. 80G of the Income Tax Act, 1961 and rules made thereunder. During the year under review the above institutions have been given donations of ₹ 12 Million and ₹ 6 Million respectively to meet their objectives. Beside this, our work on CSR is given in the following paragraphs.

### Gandhi Research Foundation

As part of our rural development initiative, Gandhi having emerged as our role model, we decided to preserve for posterity the timeless ideology of the Father of the Nation. The resulting initiative is the Gandhi Research Foundation – GRF The “Gandhi Teerth” is established at Jain Hills. Ex-President of India, Smt. Pratibhatai Patil dedicated it to humanity in March 2012. Activities of GRF are listed as below:

**‘Khoj Gandhiji Ki’ Museum :** A thematic, state-of-art, interactive multimedia museum conceived and commissioned to disseminate Gandhiji's life; lessons and ideology, as also the saga of Indian independence movement.

### GIRI (Gandhi International Research Institute) :

The academic arm of GRF which will award Certificate, M. Phil, Diploma, PhD, Degree, Post-doctoral, Masters, Research, facilitate part-time research in Gandhian studies. Academic collaboration have already been signed with the Gujarat Vidyapeeth, Ahmedabad, North Maharashtra University, Jalgaon and Cytes University, Mexico for the purpose of conducting joint teaching and research activities from the next academic session. Scholarships are being provided to needy students.

**GRF Think Tank:** A consortium of scholars who will deliberate on contemporary issues. It can independently study and opine on public policy matters such as peace, ahimsa etc.

**Gandhiana:** Collection, classification, indexing and synopsis of publications by and on Gandhiji.

**Gandhi Archives :** Preservation of archival publications related to Gandhiji and the Indian Freedom Struggle.

**Gandhinomics:** Rural Development/Outreach Programmes based on Gandhian ideology.

**Gandhi Vichar Sanskar Pariksha:** GRF conducts Gandhi Sanskar Pariksha every year. The objective of conducting this examination is to familiarize school and college student with Gandhian thoughts. The participating students are provided with study material and books on Gandhiji at concessional rate. This exam was conducted over 961 centres in all district of Maharashtra & Belgaum district of Karnataka and more than 1,50,000 students have participated from different schools and colleges.

### Activities of Anubhuti

It is a matter of pleasure to report that ‘Anubhuti’ has been doing well in the co- curricular as well as extracurricular domains such as dramatics and sports at the inter-school level. The students of ‘Anubhuti’ also bring out a monthly newsletter named ‘Anupam’.

### Sustainability Report

Our second Sustainability Report for the reporting year 2011 is ready. This report covers all the information, process and materiality related to Economic, Environment and Social aspects of the organization in the year 2009-10 and 2010-11. This report covers all the operations in India, USA, UK, Switzerland and Turkey. The first sustainability report was published for the year 2008-09 and was limited to Jalgaon facilities. The present report has covered the stakeholder engagement process and policy for sustainable future. The organisational support for the CSR activities for village development, support for development of sports and sportsmen are also reflected in the upcoming sustainability report. The activities of 2011-12 and 2012-13, including NanDanJain facilities will be covered in sustainability report 2013. The current report 2011 is prepared as per the GRI standard and food sector supplement is added in this report. This report will follow the 25th Annual Report.

## 15. Environment, Health and Safety performance

The following steps have been initiated during the year 2011-12

### At Plastic Park

- Jain Irrigation Systems Ltd. is re-certified for integrated management system with integration of ISO 14001, OHSAS 18001 & ISO 9001 Management Systems for its Jalgaon plant and continuation for Hyderabad & Udumalpet Plants. Initial preparation has been done for implementation of integrated management system at Alwar plant.
- Rain water harvesting is done from factory open area as well as from roof top of buildings. Separate pond of 35 Million litres capacity is made for the same and also rain water from roof top of buildings is used for recharging of wells through suitable rain water harvesting structure.
- Certification process for Energy management System & Green House Gas Management systems has started. Energy audit is also planned for Jalgaon plants.
- Fire hydrant system at Plastic Park, Jalgaon has been made fully operational covering additional 6 acres of manufacturing facility.
- Substantial reduction in noise levels (90 to 81 dB) in PVC pipe production is achieved by introduction of latest technology cutter for pipe cutting.
- Air Compressor with Variable Frequency drives has increased life of oil as well as reduction of energy consumption that made them more environment friendly with less waste generation.
- Emergency preparedness plan is revised with the help of National Safety Council for better preparedness to meet emergency situations.

More details about energy and resource conservation are given in Para 20 of the report.

## 16. Internal Controls and Management Information Systems

### **ERP**

The Company has already implemented the transition to a single software platform. By consolidating IT systems, SAP has enabled simplified and standardized work processes across all facets of Company's' complex and diversified businesses, while enhancing the Company's customer service culture and driving operating efficiencies.

### **Internal Controls**

SAP implementation allowed a number of strategies to implement internal control in the business application through process mapping, segregation of duties, authorisations. Independent of the SAP functionality and control check, your Company is proactively identifying the areas for further improvement which shall remain an ongoing process.

### **Future**

The Company has plan to integrate its IT infrastructure by rolling out SAP at foreign subsidiaries to further streamline Manufacturing, Supply Chain, local and global reporting, analysis in a common enterprise wide format. It will provide better collaboration with our worldwide units, transparency and efficiency for global operations.

## 17. 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, 2012.

## 18. Auditors

The Auditors, M/s. Haribhakti and Company, 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. The Audit Committee has recommended that M/s. Haribhakti and Company, a firm of Chartered Accountants, Mumbai be reappointed as Statutory Auditors. The Shareholders may reappoint the Statutory Auditors as per AGM Notice attached separately.

## 19. Particulars of Employees

As per provisions of Section 217 (2A) of the Companies Act, 1956 only six of the persons in employment of the Company have drawn remuneration in excess of ₹ 500,000/- per month, during the year under review or part thereof as per details in the Annexure to this report.

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

### **A) Energy Conservation**

#### **Plastic Park**

Installation of two chilling plants of capacity 200 Ton of TR each in drip line has resulted in substantial saving of water through prevention of evaporation besides an energy saving of 8% compared to old system.

Changes made in the concentration of blend batches in PVC Sheet resulted in reduction of energy consumption of 43% in pigment preparation.

- Auto feeding system of material established in various machines has avoided manual loading operation, enhancing safety of operation. 15 silos for raw material storage are installed for drip tube plant. This has substantially reduced generation of packing material wastage.
- Additional machines of runner less Moulds are installed for inline emitters which has totally eliminated wastage generation.
- Plastic Park uses solar pumps for its entire demo operations and development works, promotes renewable energy uses.
- Tree plantation is a regular activity and the 50% of the factory area is having green cover of trees and lawn area. The tree plantation is also done outside the factory area on road side.
- New Generation chilling plants in dripline manufacturing unit are more environmental friendly eliminating usage of F22, an Ozone depleting gas.
- Installation of 132 KV substation directly form national grid has eliminated the power interruptions thereby reducing waste.
- Continued efforts of installation of Variable Frequency drives, servomotors and rationalization of pumps and various other measures, in all the plastic divisions has achieved a total energy saving of 10,99,000 Kwh during 2011-12.



## Food Park

For improving the existing processes of energy / resource conservation and quality of existing products, following have been carried out

- Improvement in the microbiology quality of Onion Products.
- Improvement in ripening of Mango with the use of hot water system.
- Improvement of color of Onion products.
- By-products made out of waste generated.
- Solid waste being used to generate 1.7 megawatt of electricity.
- Digested solid waste after biogas generation is being sold as soil conditioner.
- Dried Mango seeds being used as fuel in boiler.

## Energy Park

- Energy saving is achieved by replacement of conventional metal halide fittings with electronic ballast 4x55 Watt Compact Fluorescent tube light fittings. This will reduce the power consumption by 10,000 KWH per year.

We have taken various measures for energy conservation at Green Energy Division.

- We have replaced all the mercury lamps by energy efficient CFL lamp.
- As a step forward, we have started replacing the remaining fluorescent tubes & lamps with LED luminaries in our different establishments
- Anubhuti Green Energy Project (BIOGAS): In line with Anubhuti School's Green philosophy we have commissioned 120 kW biogas plant as Green Energy Project at Anubhuti school campus. The biogas generation in this plant is approximately 2000 m<sup>3</sup>/day. Some portion of biogas is utilized for cooking daily meals of Anubhuti students and staff at School Canteen. The remaining portion of biogas is utilized for the generation of electricity. The generated electricity is utilized in Anubhuti School campus. Also, 2 MT/day Bio-fertilizer is produced from this plant.

## B) Resource Conservation

### Plastic Park

**Installation of material storage Silos:** Procurement of bulk packed material has resulted in substantial reduction 40 small bags per ton of material sourced. During Financial Year 2011-12 the Company has reduced generation of 6,26,010 small Polyethylene bags, giving benefits of eliminating material transportation in house.

In sprinkler products, the T-Joints, Elbow joint & service saddles are on-designed to single components, thereby eliminating three separately molded components, three molding operations and three assembly welding process.

Introduction of Excel and Turbo line, Super series Emitter's has yielded polymer saving in product for the same amount of water discharge.

- In house development of blowing agent in PVC Sheet has eliminated import of 150 tons of chemical per year saving foreign exchange.
- Efforts towards addition of high speed all electric injection molding machines, rationalization of pumps and compressors has yielded substantial saving in energy, polymer material and consumables besides conservation of water.

## Food Park

### Biochemical Profile of various Agro-based wastes:

Physical, Chemical and Proximate including macro & micro nutrient analysis of 24 various Agro based waste will be carried out. The expected outcome;

- Determination of concentration of organics in a various waste that can be an-aerobically converted to CH<sub>4</sub>.
- Evaluate potential efficiency of anaerobic process for a specific waste
- Measure residual organic material amenable to further anaerobic treatment.
- Standardized and optimized protocol for isolation of Methanogens.
- Identification of isolated methanogenic in vivo / in vitro cultures
- Library of Methanogenic microbes.
- Library of Non-Methanogenic microbes.
- Substrate specific microbial consortium will be available for enhancement of methane content in biogas.
- Developed inoculums for anaerobic digestion of complex Organic wastes.
- Biogas having more than 60% of absolute Methane.
- Combinations of Waste Ratios with co-digestion substrates for biogas production.

## Energy Park

- Owing to the 132KV, 50MW substation commissioning and integration with the National Grid, the frequency of power failures has substantially reduced, giving benefits of elimination of waste generation due to power failure and recycling need.

## C) Technology Absorption

### Plastic Park

- In Drip line introduction of Plant Management System for analysis of historical data, data logging has improved functionality of general operations of the line.
- Manufacturing Technology of "Logos Filters" is taken from USA, "M/s. Claude Laval Incorporation" for production of state of the art filters in India.
- Manufacturing technology of sand separators under license from "M/s. Claude Laval Incorporation" USA, has been successfully absorbed for state of the art filter manufacture.
- Upgraded version of plant management system has been installed in the Drip line plant, for all machines which has resulted in improved functionality and productivity.

## Food Park

In Food Processing, we undertake innovation in the following 3 categories of activities:

- New product development.
- Improving existing processes & quality of existing products.
- By-products can be made out of waste generated.

Under new product development, the Company has identified 5 focus fruits and vegetables. Following new products have been developed and introduced to customers

- Fried Onions;
- Clarified Juices and Concentrate of Mango, Banana, Guava and Papaya;

- Blended puree products;
- Sweetened pulps and dehydrated products for the retail market.

#### Energy Park

- Solar application R&D equipped with advanced instruments required for electronics R&D has been fully absorbed/ developed.
- We have introduced lacquer coating technique for electronic PCBs manufactured by us. These PCBs are used in the Solar Appliances manufactured by us. This coating is done on both sides of the PCB to ensure no atmospheric contact of tracks & components. This will eliminate / significantly reduce oxidation & ensure longer life of the electronic components as well as the Solar Appliances.
- Belt Press Filter: A belt press filter of 15 m<sup>3</sup>/hr capacity has been procured and installed for the efficient solid liquid separation of digested slurry from biogas power plant. The recovered solid fraction is utilized for making Bio-fertilizer while the liquid fraction is utilized for mixing with raw material for biogas power plant and for irrigation purpose in Company premises.
- Developed Solar Nano Pumps for Agri field as well as household application. This new product is a perennial energy saving in agriculture as well as household applications.

#### Agri Park & Tissue Culture

At R&D laboratory centre few new sophisticated instruments viz. Real-time Polymerase Chain Reaction (PCR), ultra low temperature fridge were added.

### D) Research and Development

#### Plastic Park

- CPVC Pipe recipe developed. Trials are conducted and tooling is obtained for application of hot water CPVC Pipes with more than 110°C Vicate softening temperature.
- Bi-Pipe developed in HDPE has opened new era for Geo Thermal Applications.
- New Sprinkler outlet assembly developed, facilitates direct supply to the sprinkler stand unit using the hollow leg of stand. This is more farmer friendly and reduced number of components and given easy mobility.
- During FY 2011-12 nearly 190 new elements are developed. This has extended the range of existing products and added new treatment for some products.
- Continuing the efforts towards higher productivity 7 high precision and (high speed) low cycle time Moulds were developed amounting increase of productivity by 1200%.
- Drip Line : Design and development of Excel emitters has eliminated the marks on thin wall tubing, thereby improving the quality of product.
- New products developed, Turbo Line Super series and Excel have improved filtration, clogging resistance and reduced the coefficient of variation.
- Disc elements in filtration system are indigenously developed thereby elimination of import.
- Range of Air Release Valves is extended to 2".
- New design filter candle is developed using hot runner moulding process has improved the quality of production.

- Product range of PVC Sheets extended, by introducing 4 new (Color) products to cater for domestic market.
- Disc elements in filtration system are indigenously developed thereby eliminating the need for import.

#### Food Park

- Isolation and characterization (Microbial, biochemical & molecular) of Methanogens from available in house waste sources.
- Isolation and characterization (Microbial, biochemical & molecular) of Non-Methanogens from available in house waste sources.
- Preparation of library of isolated cultures.
- Study of substrate specificity with Methanogens.
- Augmentation of methane with isolated culture.
- Optimization of HRT[Hydraulic Retention Time] at pilot scale.
- Optimization of pH at pilot scale.
- 'BMP', Biochemical Methane Potential of various substrates.
- Biochemical Profile of various Agro-based wastes

#### Isolation and characterization (Microbial, biochemical & molecular) of Methanogens from available in house waste sources:

- In the anaerobic digestion, consortium of bacteria includes aero-tolerant (facultative) anaerobes and strict (obligate) anaerobes. As operational conditions change, concomitantly bacterial species and population also change. These changes are responsible for changes in the types and quantities of substrates which in turn significantly influence the activity of methane-forming bacteria and overall efficiency of the digestion.
- Till date 5 methanogenic strains have been isolated in pure form from anaerobic digestion of MP, BP, Pomegranate Shell and PMC (lab scale). Out of 5, two are from PMC and one each from others.

#### Isolation and characterization (Microbial, biochemical & molecular) of Non-Methanogens from available in house waste sources:

- 10 non-methanogenic strains supportive to Methanogens have been isolated in pure form.
- Out of ten, 1 was sent outside lab and reported as *Propionibacterium acnes*. We have submitted the sequence of this isolate to NCBI (National Centre for Biotechnology Information) and they have accepted this as NEW GENOME SEQUENCE (Accession No. JN937118).

#### Preparation of library of isolated cultures:

A thorough research will be conducted on molecular characterization of efficient Methanogens & Non Methanogens which after 16s RNA profiling will be included in Library for further research.

#### Study of substrate specificity with Methanogens:

Till date Methanogens are known to utilize single 'C carbon compounds but we are doing experiments to see Utilization of other C carbon compounds like Tri Methyl Amine Methanol Acetate , Di Methyl Sulphide, H<sub>2</sub>CO<sub>2</sub> etc..to check substrate specificity.

#### Augmentation of methane with isolated culture:

Methanogens which are highly efficient in terms of Methane Production will be utilized to enhance absolute Methane.

#### Optimization of HRT[Hydraulic Retention Time] at pilot scale:

For Optimization of HRT various experiments will be conducted for 15,18,20 & 22 Days to establish optimum HRT for maximum Biogas production with VFA utilization.

#### Optimization of pH at pilot scale:

For Optimization of pH various experiments will be conducted for pH 5,5.5,6 & 6.5 to establish optimum pH for maximum VFA production.

#### 'BMP', Biochemical Methane Potential of various substrates:

The Methane Potential is the volume of methane biogas produced during anaerobic degradation in the presence of bacteria of a sample initially introduced, expressed under Normal conditions of Temperature and Pressure, in all 24 different agro based substrate BMP will be determined.

#### **Energy Park**

- We have improved our solar energy based luminaries for more efficiency and reliability by operations from micro controller.
- The development of 600W, 1800W and 4000W BLDC Solar pump controller with data logger is completed. Production line is set for manufacturing these controllers in house.
- The development of data logger that will provide information on cell phone by SMS to user as well as to Quality Assurance department.
- Development of Off Grid solar power packs has been started.
- Developed Solar Nano pumps for agri field as well as household application. This new product is a perennial energy saving in agriculture as well as household applications.
- Jain Solar Photovoltaic Modules were developed as per International Standards. National & International Testing Laboratories like Underwriter Laboratories Inc. USA, have tested these modules in their facilities and certified.

Sr. No.	Standard No.	Name of Standard	Test Certificate Date	Testing Lab
1	IEC-61215 (ed. 2)	Crystalline Silicon Terrestrial Photovoltaic (PV) Modules – Design qualification and type approval	16/ 12/ 2011	Under writers Laboratories Inc. (UL), USA
2	IEC-61730	Photovoltaic (PV) module safety qualification	10/ 01/ 2012	Under writers Laboratories Inc. (UL), USA
3	IEC-61701	Salt mist corrosion testing of photovoltaic (PV) modules	17/ 01/ 2012	Underwriters Laboratories (UL), India
4	Mechanical Load Test at 5400 Pa as per IEC-61215 (ed. 2)	Mechanical Load Test at 5400 Pa as per IEC-61215 (ed. 2)	13/ 02/ 2012	Underwriters Laboratories (UL), India

#### Energy Monitoring System For Solar Power Packs :

This is a standalone system designed to monitor all the performance parameters of Solar power packs & send data to Jain server through GPRS. Also data can be downloaded in to pen drive in Excel format & can be viewed on local PC.

**USB Data Logger For Solar Street Light Monitoring:** This system is designed to monitor performance parameters of installed Solar Street Lights. The system is useful to determine the charging-discharging profile of battery and ON- OFF time of Solar Street Light. The data can be downloaded into the pen drive in Excel format.

**LED luminaries:** Different LED luminaries such as garden lights, single & dual LED path lights, dome lights, down lights, LED ceiling lights, tube lights and wall washers were developed. The main objective was to provide energy efficient lighting solutions.

**Pilot Scale R&D plant:** A 2,000 litres capacity pilot scale R&D plant has been designed and commissioned at 1.7 MW biogas Power Plant site. It is small replica prototype of 1.7 MW Plant. The main purpose of this pilot scale plant is to study feasibility of various substrates for biogas generation. Also, to study the various combinations of available substrates for optimizing biogas generation in existing power plant.

#### **Agri Park & Tissue Culture**

- In tissue Culture a new protocol has been developed for the production of citrus which we intend to process down the line. This will be a major event for us as we aim to produce elite planting material which can be ultimately given to growers on contract. This will help us in obtaining quality produce for processing.
- Isolation of methane producing micro organisms (methanogens) : This lab has isolated one of the methanogenic strain (Methanosarcina mazzie). As on date, world-wide, only 18 strains of methanogenic bacteria have been identified and only two are present in India. We have one of them and the search for the other is in progress. Five non-methogenic strains which are in association with methanogens have been isolated in pure form and we have sent them for 16s RNA profiling. Till date, 24 substrates complete with biochemical profile including biochemical methane potential (BMP) have been completed.
- Studies on Erwinia : Our microbiology lab has been successful in identifying and characterizing soft rot causing bacteria in tissue culture banana which is one of the main cause of mortality of TC banana plants (Erwinina chrysanthami).
- Study of molecular mechanism of flowering: Banana improvement through conventional means is very laborious and time consuming and with the intervention of modern bio-technological approaches, this task becomes relatively easier, as we know its crop biology. We have been successful in cloning the FT genes such as FT1, and Terminal Flower (TFL). Functional expression studies are in progress to ascertain as to who among these are crucial for flowering.
- Banana : Year 2011-12 was a remarkable and revolutionary year for Jain Tissue Culture Banana production centre, one for selling highest tissue culture banana saplings in the world i.e. 30.05 million against the target of 30.0 million saplings and second



for introducing a new concept of micro-propagation that offers number of advantages not only for organization but also to the farmers who are direct customers of the product. It is worth mentioning here that the research team has completed their commercial trials with plants produced through new technology that offered farmer a better survival of the saplings after transplantation in the field and almost 20-30% more yield than the earlier planting material. As a result the organization has received unlimited enquiries for the saplings produced through new technology and tremendous response for the booking of the saplings well in advance. The saplings produced with new technology are tolerant to abiotic stresses as a result farmer can now plant the sapling even in the summer (off-season) which was not an ideal season for banana plantation earlier. The off-season plantation offers farmer better returns to its produce because of the unavailability of the fruits in the market and also help to save water minimum by 30%.

- The new technology offers advantages of maximum utilization of man, machine and space to the organization a critical factor earlier because of the limitation of the technology and seasonal demand of the product. This allows organization to set a sale target of 60.0 million saplings for the year 2012-13 which will create its own record in banana tissue culture business. The technology will help to reduce the cost of production and will allow organization to enhance the production. Considering the future plan of expansion, the organization has started mechanizing the activities where in the first phase the robotic transplanting lines are introduced for post laboratory operations that would be the first of its kind in the country for tissue culture business. The mechanization will allow saving tremendous manpower along with improvement in the quality of the product because of machine control.
- Pomegranate : Jain Tissue Culture is popular in farming community for Banana. However, since last couple of years the farmers from other group of crops are also availing the advantages of this technology that include Pomegranate. This was the fifth year after commercializing tissue culture Pomegranate saplings. The activity which was initiated by selling 0.24 million plants in the year 2007-08 is supposed to touch to 5.5 million by the year 2012-13. Farmers are excited with the performance of the Jain Tissue Culture Pomegranate saplings. They receive disease free saplings that they noticed further in the field too and obtained more yield against the conventional planting material.
- Strawberry : Strawberry is one among the important commercial crop even though it is being cultivated on very small area in the country. Presently, the planting material is imported on regular basis in most parts of the country where strawberry is grown. The research team of the Company is working on number of crops for propagating it through tissue culture that are commercially important, strawberry is one among them. The progress of the research work indicates that strawberry would be added in commercial propagation in next couple of years.

## R & D Expenditure

(₹ in Million)

Sr. No.	Particulars	2011-12	2010-11
a.	Capital Expenditure	269.51	197.38
b.	Revenue Expenditure	180.61	102.88
	<b>Total</b>	<b>450.12</b>	<b>300.26</b>
c.	% of Revenue	1.19%	0.90%

## Foreign Exchange Earnings and Outgo (₹ in Million)

Sr. No.	C.I.F. Value of Imports, Expenditure and Earnings of Foreign Currency	2011-12	2010-11
a.	C.I.F. Value of Imports Raw Materials, Components and Stores and Spares and Capital Goods	6,288.91	7,781.15
	<b>Total</b>	<b>6,288.91</b>	<b>7,781.15</b>
Expenditure in Foreign Currency (on Cash basis)			
b.	i) Interest and Finance Charges	450.94	246.07
	ii) Discount/Commission on Export Sales	21.48	2.58
	iii) Export Selling / Market Development	15.69	8.08
	iv) Travelling Expenses	24.73	16.36
	v) Law & Legal/ Professional Consultancy Expenses	31.93	28.95
	vi) Testing Quality & other Charges	90.37	8.62
	<b>Total</b>	<b>635.14</b>	<b>310.66</b>
Earnings in Foreign Currency			
c.	FOB Value of Exports	6,348.29	4,920.47
	Interest and Other Income	—	—

## 21. Acknowledgement

The Directors take this opportunity to place on record their appreciation of whole hearted 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.

by order of the Board

Sd/-  
Anil B. Jain  
Mumbai, 14 August 2012

Sd/-  
Anil B. Jain  
Managing Director

## Annexure to Board's Report - 2011-12

Statement of Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended upto date.

Sr. No.	Name of Employee	Total Experience (Years)	Designation	Remuneration Gross (₹)	Qualification	Commencement of Employment with Company	Particular of last Employment	Last Post	Employer	No. of Yrs. (Previous Employment)	Covered Under ₹500,000 plus Category w.e.f.
1	Shri Ashok B Jain	29	Vice Chairman	52,127,140	B.Com	12.01.1987	Own Business	Partner	Jain Brothers Industries	4	01.04.2010
2	Shri Anil B Jain	27	Managing Director	53,176,498	B.Com., LLB	12.01.1987	Own Business	Partner	Jain Brothers Industries	2	01.04.2010
3	Shri Ajit B Jain	27	Jt. Managing Director	52,127,140	B.E.	11.01.1985	-	-	-	-	01.04.2010
4	Shri Atul B Jain	20	Jt. Managing Director	52,127,140	B.Com	01.01.1991	-	-	-	-	01.04.2010
5	Shri R Swaminathan	39	Director - Technical	7,370,790	B.Tech (Chem)	15.06.1982	Service	Plant Manager	Flavours & Essence P.Ltd.	2.5	01.10.2010
6	Shri Manoj L Lodha	14	President - Banking & Finance	6,007,584	CA	05.11.1998	-	-	-	-	01.06.2010

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

# Management Discussion and Analysis

The global economy is in an almost synchronised slow down after an initial upward momentum seen in early part of CY 2012. Despite slowdown concerns the commodity cycle remains uncertain. Exports from emerging and developing countries have been detained by weak global economic activity. On the domestic front too macro economic indicators are raising concerns about growth which is being revised downward by independent agencies to below 6% per annum. Since last quarter of Financial Year 2011, the GDP growth estimates of 9.2% are now down to 5.3% in last quarter of Financial Year 2012. Domestic interest rates are very high and not conducive to new investment decisions. Meanwhile public atmosphere has been vitiated with constant stream of negative news stretched government finances and pessimistic emerging scenario.

Significant weakness in investment activity is the main cause of slowdown. Monsoon situation continues to worry, monsoon estimates were revised down too and the country is expected to receive around 85% rainfall of long period average. Inflation remains sticky due to primary food inflation and is not expected to improve if drought were to be confirmed by end of Monsoon season in September 2012.

## 1) Overview of Business

Our Company (JISL) is a leading agri-business Company, operating in diverse but integrated segments of the agri-business value chain. It is the second largest micro irrigation Company globally and is largest manufacturer of micro irrigation systems in India. It is also the largest manufacturer of Mango pulp, puree and concentrate in the world and the third largest manufacturer of dehydrated onions. JISL is also India's largest manufacturer of polyethylene pipes, leading PVC pipe manufacture and is furthermore the largest manufacturer of Tissue Culture banana plants in the world. JISL is additionally into hybrid & grafted plants; greenhouses, poly and shade houses, bio-fertilizers, solar water heating systems, solar panels, solar water pumps and wood substitute plastic sheets. JISL renders consultancy for complete or partial project planning and implementation e.g. watershed or wasteland and / or crop selection and rotation.

## 2) The Strategy

Our goal is to leverage our strengths to continue to expand our capacities in the long term while consolidating in the short to medium term in each of our respective business lines and move into complementary product lines to continue our growth in India and to compete in the global market.

The principal elements of our strategy are:

### a) Consolidation of our micro irrigation business in India and focus on receivables collection

We are currently largest suppliers of micro irrigation systems in India. Our strong brand name, extensive agricultural expertise and broad network of dealers has contributed to our aggressive growth in India in last 10 years. We aim to consolidate this growth by focusing on receivables collection in states such as Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu – while continuing work in other states such as Gujarat, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh etc.

We aim to provide farmers an end-to-end water solution by transporting water, creating new water reservoirs, creating irrigation systems and assisting with agronomy through our canal command area projects.

### b) Focus on financial management and synergies of creating an affiliated financing entity

Our largest business is micro irrigation which has a relatively protracted cash collection cycle from the invoice date. It takes between 9 and 12 months after delivery of products to receive the government incentives portion, which makes up at least 65% of the purchase price. We are focused on having sufficient financing facilities in place to fund future growth. Additionally, we continuously plan to monitor interest cost and optimise our borrowing mix in line with changes in market dynamics. The start of a finance entity (NBFC) – SAFL, in which we will have a minority stake will significantly shorten the cash flow cycle by disbursing funds to us at the time of delivery of our products.

### c) Continued focus on agricultural value chain

We will continue to expand our product range with emphasis on the agricultural value chain. We also plan to enhance our distribution reach by adding new dealers and distributors to penetrate the Indian and international markets, particularly in Turkey, Mexico, Africa, the USA and Latin American countries. We plan to add new fruits and vegetables to our vegetable dehydration and fruit processing capabilities, adding to our capabilities in the agricultural value chain and meeting demands for new products and food ingredients from consumers. We believe this will further diversify our revenues and insulate our sales from adverse conditions as food processing is immune to slow down. We are also adding new products in our renewable energy segment, including integrated photo voltaic modules, (which can be used on roof tops and in building), full aperture collectors, hygienic hot air dryers, Solar Water Pumps etc.

### d) Maintaining our cost competitiveness through technology

We seek to be a cost-competitive high-quality producer and are focused on maintaining our cost competitiveness in our domestic and international markets. We have invested and we continue to invest in advanced equipments, which provide us with consistent and cost effective production rapidly while maintaining quality. Due to our backward and forward integration, we have optimised capital investment on a per ton basis for our production facilities. We continue to pursue the one-stop-shop and integrated system approach which allows us to maintain lower sales and distribution costs resulting in cost competitiveness. We have invested in and have evolved our own unique processing technology and special seeds which allows us to improve yields in our food processing division, thereby increasing competitiveness. We buy major polymers which are our raw materials at reduced prices due to our scale. We have automated various processes in our plants so as to reduce manpower costs. We have started new plants in different states in the last three years and we plan to build more such plants across India, specially East India thereby reducing logistics and other costs. Our continuous in-house and on-field research and development has allowed us to optimise our product and system design, thus rendering our end offering to be more cost competitive. In our micro irrigation business,





## A) Overseas Holding Companies

- a) **JISL Overseas Ltd., Mauritius** 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, 2012, JISL Overseas Ltd. had share capital of US\$86.06 million. The said Company had a loss of US\$ 811,869 for the year ended 31st March, 2012.
- b) **Jain International Trading B.V., Netherland** is a wholly owned subsidiary of the Company and is incorporated in 2010 under the laws of Netherland. For the year ended 31st March, 2012, Jain International Trading B.V. had share capital of US\$6.67 million. The said Company had a loss of US\$ 312,860 for the year ended 31st March, 2012.
- c) **Jain Overseas B.V., Netherland** is a wholly owned subsidiary of the JISL Overseas Ltd., Mauritius and was incorporated in 2007 under the laws of Netherland. The said Company had a loss of US\$ 354,974 for the year ended 31st March, 2012.
- d) **Jain (Israel) B.V. Netherland** is a wholly owned subsidiary of the Jain Overseas BV., Netherlands and was incorporated in 2007 under the laws of Netherland. The said Company had a profit of US\$417,672 for the year ended 31st March, 2012.
- e) **JISL Global SA, Switzerland** is a wholly owned subsidiary of the Jain Overseas BV., Netherlands and was incorporated in 2007 under the laws of Switzerland. The said Company had a profit of CHF 4,994 (approx. US\$ 5,736) for the year ended 31st March, 2012.
- f) **JISL Systems SA, Switzerland** is a wholly owned subsidiary of the JISL Global SA., Switzerland and was incorporated in 2007 under the laws of Switzerland. The said Company had a loss of CHF 15,051 (approx. US\$ 17,288) for the year ended 31st March, 2012.
- g) **Jain Irrigation Holdings Inc. Delaware, USA** is a subsidiary of the Jain Americas Inc., USA and was incorporated in 2007 under the laws of USA.

## B) Overseas Marketing Companies

- a) **Jain (Americas) Inc., USA** (Including NuCedar Mills Inc., USA merged w.e.f. 31st Mar 2011) is a wholly owned subsidiary of the Company and was incorporated in 1994, under the laws of Ohio, USA. It is our key marketing, distribution and investment arm in the United States. For the year ended 31st March, 2012, Jain (Americas) Inc. had sales of US\$ 25.40 million.
- b) **Jain (Europe) Ltd., UK** 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, 2012, Jain (Europe) Ltd. had sales of GBP 29.90 million (Equivalent to US\$47.66 million).

## C) Operating Subsidiary Companies

- a) **Jain Irrigation Inc., USA** (Including Chapin Watermatics Inc. merged w.e.f. 1st April 2009 and Point Source Irrigation Inc.) is a wholly owned

subsidiary of the Company through the Jain Americas Inc. Jain Irrigation Inc. is engaged in drip tape manufacturing and distribution business based in California. For the year ended 31st March, 2012, the Company had reported revenue of US\$ 61.55 million.

- b) **Cascade Specialities Inc. USA** is a wholly owned subsidiary of the Company through the Jain (Americas) Inc. It is engaged in onion and garlic dehydration business with specialization in natural low bacteria and organic dehydrated products. For the year ended 31st March, 2012, the Company had reported revenue of US\$ 21.62 million.
- c) **NaanDanJain Irrigation C.S. Ltd. Israel** is owned to the extent of 50.0001% by the Company through Jain (Israel) B.V. It is engaged in the manufacturing of drip / sprinkler irrigation. NaanDanJain also has manufacturing facilities in Chile, Brazil, Spain. For the year ended 31st March, 2012, the Company had reported revenue of NIS 433.76 million (Equivalent to US\$ 121.43 million).
- d) **THE Machines SA, Switzerland** is a wholly owned subsidiary of the Company through the JISL Systems SA. It is a Switzerland based manufacturer of plastic extrusion equipment with laser technology. For the year ended 31st March, 2012, the Company had reported revenue of CHF 27.43 million (Equivalent to US\$31.51 million).
- e) **Jain Sulama Sistemleri San. Tic. A.S., Turkey**, is a Turkey based manufacturer of drip / sprinkler irrigation. The Company is owned to the extent of 100% through Jain Overseas B.V. For the year ended 31st March, 2012, the Company had reported revenue of TRY 37.71 million (Equivalent to US\$ 22.07 million).
- f) **SQF 2009 Ltd., UK** is based in Sleaford town in Lincolnshire County in the East Midlands region of England. The Company is owned to the extent of 85% through Jain (Europe) Ltd., UK.  
The Company had reported revenue of GBP 32.42 million (Equivalent to US\$51.68 million). The Company has a put option to acquire remaining ownership over the next 3 years from other shareholders at an EBIDTA multiple each year.
- g) **Pro Tool AG, Switzerland** is a Switzerland based manufacturer of plastic injection mould. The Company is owned to the extent of 75% through the THE Machine SA. For the post acquisition period, the Company had reported revenue of CHF 1.03 million (Equivalent to US\$1.18 million). The company has a option to acquire remaining ownership over the next 10 years from other share holders at an agreed fixed price.
- h) **Eurodrip S.A. Greece** In February 2006, we acquired 7.39% in Eurodrip through Jain (Europe) Ltd. The Company is one of the largest micro irrigation companies in Europe with its headquarters in Greece.

## 4) Competitive Strengths

We believe that the following are our principal competitive strengths

- a) **Strong brand and leadership position in our businesses in India.**

We are one of India's leading manufacturers of micro irrigation systems, piping systems and agro-processed



products. Our MIS products are customised to assist in meeting the special requirements of our customers in India. We have worked with farmers to provide them training and introduce them to more advanced processes and technology as well as with Indian state governments and international organisations to develop technology and support new initiatives to assist farmers. We have maintained our leadership position with extensive research and development in plant, in lab and on farm to improve our products. We have built an extensive and loyal distribution and dealership network throughout semi-urban and rural India, selling flagship brands such as Jain Drip, Jain Sprinklers, Jain Pipes, Chapin and FarmFresh, which are well known in the Indian and international markets. We believe that our strong brand presence and leading market position and understanding of our customer's needs makes us well-placed to capitalise on growth opportunities in the Indian and international markets for our products.

**b) Total solutions provider across the agricultural value chain.**

We have utilised our agriculture expertise and relationships to participate across the agricultural value chain and diversify our revenue. In addition to our micro and sprinkler irrigation systems, plastic piping and solar pumps which are used in irrigation, we also supply bio-tech tissue cultures which help farmers reduce growing time and create higher crop yields. In addition, we work with our customers on a turnkey basis providing engineering, soil and water analysis, water resource estimation, crop planning, irrigation and fertigation scheduling, marketing assistance and other agronomical and technical support and training. We purchase onions, tomatoes and other vegetables for vegetable dehydration from our contract farmers and others and are a major consumer of mangoes for our fruit processing operations. We believe that being involved across the value chain leverages our knowledge, relationships, brand name and strong distribution network to provide total solutions for farmers.

**c) Diverse revenue streams from different geographies**

We have production and processing facilities across India and our sales have been growing in various states in India and internationally, which makes our sales and production less susceptible to weather or other risks in a particular region. We aim to expand internationally by looking for opportunities for future growth, especially in progressive agriculture markets. Our revenues are further diversified across the wide range of products we sell. Additionally, no single customer accounts for more than 5% of our revenues in Fiscal 2012. This diversification can help insulate our overall sales and operations from adverse conditions affecting any one of our business segments or products, a particular region or a particular customer.

**d) Experienced management and large pool of agriculture professionals.**

Our senior management team has deep experience in the industries in which we operate. We believe that the experience of our management team in the agriculture sector and international markets will help us increase our penetration internationally and expand the range of our product offerings. Our management team also has long-standing relationships with many of our

major customers, distributors/dealers and suppliers. Further, we have one of the largest pools of committed agricultural scientists, technicians and engineers in the private sector in India, comprising over 1000 agricultural scientists, technicians and engineers. Our after sales support, training and other services are one of our main selling points.

**e) Flexible and scalable business model.**

We believe that the flexibility and scalability of our existing production facilities and distribution network will help us meet increased demand for our products. Our presence in India with eleven manufacturing plants provides us a low cost, centralised manufacturing base.

The scalability of our existing facilities enables us to increase our production capacity through the installation of new equipment and production lines. Our manufacturing facilities enable us to produce a wide range of products with different specifications, such as inline tubing, flat dripper tubing, PC emitters, sprinkler pipes, impact sprinklers, PVC/ PE pipes, casing and screen pipes and duct pipes with different diameters and working pressure ranges, and processed and dehydrated fruits and vegetables using different organic feedstocks. This assists us in meeting the specific demands of our customers and reducing the impact of seasonal changes in production volumes for specific products such as our agro-processed products and piping systems.

**f) Wide dealer and distribution network.**

We have over 3,000 dealers in India selling our products exclusively. Most of these dealers come from farming backgrounds and are influential in their respective regions. This strong local sales force gives us a deep understanding of the needs of our customers in India and assists us in providing strong after-sales support and sharing our knowledge with our customers. We can leverage our production facilities to further expand our distribution reach by adding additional dealers in new areas.

**5) Overview of Segment**

**[A] High-Tech Agri Input Products**

This segment comprises of Micro and Sprinkler irrigation systems, PVC Pipes, biotech Tissue Culture and other agri inputs. The segment has grown at almost 12.5% over the previous year at ₹ 25,595 million. The main growth engine was the MIS business at an impressive 11.4% growth. PVC pipes also grew at a growth rate of 13.6%. The segment profit has grown by approximately 7% over the earlier year's level, while the capital employed grew at over 65% reflecting the creation of additional capacities during the year as well as stretched MIS/ SIS receivables.

**a) Micro and sprinkler irrigation**

**i) Industry**

The industry is broadly divided into the organized and unorganized segments in the country. Your 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 in the country. The current estimate of industry size is ₹ 33 bn. and it is growing at a fast pace. Currently only 5 million Ha (7% coverage) of the possible 69 million Ha area is covered under the micro and sprinkler irrigation in the country. However, as per Government task force, 17million Ha of land can be easily brought under micro irrigation coverage in the country by 2012, while by 2030 the extent of MIS/SIS coverage may reach 69.5 mn Ha.

The prospect for global growth of the MIS industry is strong. Experts estimate that by 2025 the majority of developed countries will confront issues resulting from a scarce water supply, with all major economies switching to MIS to mitigate the disruption that such a shortage could cause. Although MIS's popularity continues to grow, high initial costs have hindered its wider application. Despite this, over the last 20 years, there has been a six-fold increase in the area under micro irrigation. North America and Europe have the highest rates of utilization, with the United States being the first country to employ micro irrigation technology in its fields and achieving the highest micro irrigated area. Asia is in the development phase in its use of the technology, with both India and China adopting the technology, albeit with low utilization rates. India and China both represent attractive growth opportunities for the MIS industry.

## ii) Performance

The business contributes approximately 51% of the Company's turnover. The division has been growing at a CAGR of 39% in last five years on the back of projects in the States of Andhra Pradesh, Gujarat, Tamil Nadu and consistent growth in Maharashtra. The business added 51,410 MT of capacity during the year under review, while Fixed Assets addition was to the tune of ₹2,556 million. This division had low growth in the year due to stress on receivables and deliberate policy of Company to reduce sales & improve cash flow.

## iii) Opportunity & Outlook

Almost 50% 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 XII plan period. Recently in 2010 the Cabinet Committee of Economic Affairs approved the "National Mission on Micro Irrigation" (NMMI) during the Eleventh Plan period. This again demonstrates the sustained focus of the government on pushing the micro-irrigation as a tool to conserve the water and address the issue of food security. The Union Budget reflected an overall increase in thrust towards agriculture.

During the year under review, the 23<sup>rd</sup> manufacturing plant worldwide, and 11<sup>th</sup> in India was established at Alwar in Rajasthan. The plant at peak capacity shall have a capacity to manufacture 15,000 MT per annum of MIS/SIS, 25,000 MT per annum of PVC/ PE Pipes & Fittings. It will serve the states of Punjab, Haryana, Himachal Pradesh, Uttar Pradesh,

Jammu and Kashmir apart from Rajasthan and help the Company improve its penetration levels in this important part in north India.

Your Company has continued its training and extension activities for benefit of farmers throughout the country. Thus, during the year under review, the extension activities were carried out in over 165 districts in the country covering over 164,000 farmers in 15 states.

## iv) Risks & Challenges

Government policies and allocation amount towards central subsidy could influence the growth prospects of this business. Delayed cash-flow, could, apart from causing pressure on managing the working capital requirements, also have negative impact on the profitability of this business. With very high working capital requirements causing higher interest cost, the net profit margin of this business remains under pressure for the industry.

The growth in industry requires a large pool of trained sales people on a continuous basis, skilled people are required for implementation of the system and a dedicated dealer network is required in the far flung areas of the country. The uneven distribution of rainfall in the country, consecutive drought like situation for 2/3 years and fluctuations in the polymer prices are constant threats faced by the industry. Due to fragmented land holding in the country, the average farmer holds very small piece of land but irrespective of his size of holding the level of services required are almost the same. This fragmented holding therefore results in high transaction cost for the Company.

There are a large number of players in the industry whose influence is restricted to a small surrounding area, who neither maintain quality of the product nor are able to give any quality service. These players tend to spoil the market due to their practices and may provide backlash against the concept of Micro Irrigation.

Recently, large groups with deep pockets have entered the industry through acquisition or fresh initiatives. It remains to be seen if they have long term view about staying in the business.

Also there has been significant growth of players in unorganized sector. These companies with their low cost and non-system oriented products are taking away certain market share from organized sector, especially in replacement market.

Your Company is well poised to take on competition and maintain leadership with more than 50% market share as it has offering available for customers at different price points without compromising quality of products.

## b) PVC Piping

### i) Industry Indian Scenario

India's plastics industry is projected to grow dramatically in the coming years. The country's plastics processing sector, for example, is expected to grow from 69,000 machines to 150,000 machines in 2020. The PVC industry is integral to the MIS industry. The PVC pipes business is driven in large measure by demand for pipes used in agriculture, including agriculture unrelated to MIS. With agriculture expected to continue its tepid growth

in India, and the positive correlation historically observed between the growth rates of agriculture and PVC, experts project that the PVC sector will grow by around 9% over the next two years.

Jain Irrigation, with a 15% share, is one of the three 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. Increased micro irrigation spends, higher allocation towards rural water infrastructure for potable water, push for urban infrastructure by government agencies and Command Area Development Programme will improve the demand situation for the industry.

## ii) Performance

During the FY 2012, this business contributed 17% revenue for the Company. The business has grown at a steady 16.7 % in revenues over last year. The business added 4,620 MT of capacity during the year under review, while the Fixed Assets addition was to the tune of ₹183 million. Your Company is a clear leader in rural water & irrigation markets, while it has long way to go to build business in urban areas for building & construction sector.

## 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 continue to increase. 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. The Company is considering establishing one more production centre in the eastern part of country in near future. A large part of the Urban Infrastructure projects in the current five year plan towards irrigation, drinking water supply and sanitation, provides ample opportunity to scale up production.

## iv) Risks & Challenges

Delays in government decision/ spending and limited availability of PVC resin in India is the potential threat to the otherwise rosy picture for the future of the industry. Low cost and low quality manufacturers continue to twist healthy markets. Volatility in price of raw material PVC resin is another dampening factor on demand. Due to heavy anti dumping duty, cost of PVC resin has been artificially increased for domestic processors, affecting end product demand.

## c) Biotech Tissue Culture

### i) Industry

The industry is broadly divided into two segments

- 1) Fruits and vegetables
- 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 ₹436 million during the year, reflecting a 61.4% growth over the previous year. The quantity increased to 29.6 million plant-lets. Keeping quality of plants as the top priority. Company had implemented a four stage disease testing program. The unit has also maintained various certification standards for commercial tissue culture laboratories. This division had extra ordinary performance in all respects.

## iii) Opportunity & Outlook

The outlook continues to be excellent and demand shows improved uptake in the coming season. Now, many State Governments are evincing keen interest in promoting tissue culture. The Company has the opportunity to diversify the business, produce fruit, ornamental and other fruit plants. The Company has also started production of tissue culture pomegranate plants, onion and even mango. Research and Development to create Citrus plants has been successful. There is also an export potential to other Asian countries which can be tapped.

## 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.

## [B] Industrial Products

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 40.6% over the earlier year's level at ₹1,747 million. The major growth came from Solar business at 127% growth in revenue terms on a small base.

### a) PE Piping

#### i) Industry

The applications of PE pipes are growing at a fast pace and yet new applications are being developed for the product. In applications like sewage & effluent disposal, due to the tougher environmental laws and stricter application of the same by the Government departments, the replacement of cement/metal pipes by PE pipes is becoming very relevant. Such possibilities are significant 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 market share is in excess of 30%. The Company is operating in all segments of the applications like cable duct, sprinklers, gas distribution, water conveyance, house service connection, Sewage conveyance, Effluent disposal, sand stowing, dust suppression etc.

#### ii) Performance

This business has degrown in FY 2012 by 9.7%. However it is still at ₹2,878 million for Financial Year 2012. However, with all user industries like telecom, gas, water and sewerage having good plans for growth and capital expenditure, the future is bright for this business. While future is bright, in short term, the business is languishing due to stalled infrastructure projects.

### 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 as newer cities are being added every year. The telecom sector in India is growing well, more so, the recent allocations of licence for 3G applications augur well for the telecom sector.

In water transmission and distribution business there are around 200 firms registered with BIS, but the national players are only 3 and Jain Irrigation is the only player to manufacture pipes of up to 1600+ mm dia. 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 old specification at engineering levels.

## b) Onion and vegetable dehydration

### i) Industry

Dehydrated Onion is the largest used general food ingredient. This industry is dominated by supplies from USA, followed by India and Egypt. USA is also the largest consumer of this ingredient followed by Europe, Asia & South America etc. Dehydrated Onion industry uses less than 2% of world's total fresh onion production of approximately 70 million MT. Agro processing in India provides an important link between the country's rural and urban economies by combining food produced in farms and villages with growing demand in the cities for high value, packaged food. As a result, the agro processing industry has expanded, growing at about 14% and contributing to 10% of India's manufacturing GDP and 13% of the country's exports. India's total food market turnover is over US\$69.4 million, of which the "value-added" food market of the agro processing industry now contributes US\$22.2 million. Even accounting for the industry's recent growth, agro processing in India remains underdeveloped. Only 2% of India's total agriculture and food produce is processed. India's dairy industry is the sector with the highest processing rates at 35%, with only 13% processed by the organised sector.

### ii) Performance

During the year under review, this business has grown by 23.5% as compared to previous year. The Company achieved this sales growth under the adverse scenario of bad onion crop, increased raw material cost, volatile rupee, etc. Company also achieved better realization on average sale price per kilo basis therefore showing overall good performance.

In order to maintain its leadership position the Company has upgraded and maintained its quality management system to ISO 22000 apart from other certifications like BRC, GMA SAFE, Kosher, Halal etc. Company's Indian operations have also been certified under ISO 14001 and OSHAS 18001 for Environment and Occupational Health and Safety.

### iii) Opportunity & Outlook

Outlook for vegetable dehydration industry in general and dehydrated onion industry in particular looks positive. 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, ability to supply from two different origins with different seasons and product quality attributes and Company's sustainability in general. Company has seen its business grow with quality oriented large multinationals over last few years.

Worldwide Onion dehydration industry is estimated to be around 180,000 MTPA. The industry is growing globally at 3-5% per annum. The Company now has capacity to produce approximately 28,000 MT 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. Company has also expanded its business by increasing the usage of dehydrated onion in the custom made dry ingredients blends for food industry through its subsidiary in the UK for European market. 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 products like fried onion, frozen onion, dry vegetable ingredients industrial blends and other vegetables in the coming years.

Company has also made good inroads in offering related vegetables like garlic, dehydrated Reels etc., the results of that will be visible during financial year 2013 and onwards.

### iv) Risks & Challenges

The biggest challenge for any agro processing industry is the availability of right quality material at right price and the required quantity. Poor monsoon, changing climate, competing crops pose risk in terms of availability of the raw material itself, which can result in lower production in a particular year. Part of this risk is mitigated by the contract farming program undertaken by the Company, under which the Company secures 100% of its raw material for its US operation and a significant portion of the Company's raw material requirement for its Indian operations. Apart from challenges on raw material availability front, the other challenge is the rising energy and other costs. Company also faces stiff challenge from low cost / low quality producers who can adversely affect the overall market. Dehydrated



onion is viewed as basic ingredient by many food processing companies where switch over to different suppliers is a frequent occurrence. To address this, Company has moved into value added custom blends via its UK based business to create long term association.

### c) Fruit processing

#### i) Industry

The fruit and vegetable processing industry has a huge potential in India, with India ranking 2<sup>nd</sup> in the world in production of fruits and vegetables but is at the lower rung of the value chain in terms of processing. The availability of fruits and vegetables is varied due to diverse agro climatic conditions. Despite the large production of fruits and vegetables, it is estimated that only approximately 6 per cent of total agro output of India is currently processed as against up to 60-80 per cent in some developed countries. India's share in the global food trade is only 1.5%. All of this implies that there is a great potential to grow this industry. An increase from 6% to 20% in terms of processing and increase in value addition from 20% to 30% will translate into quantum jump in the size of the processed fruit and vegetable industry.

The installed capacity of India's fruit and vegetable subsector has increased from 1.1 million tonnes in January 1993 to 2.1 million tonnes in 2006. It is estimated that processing fruits and vegetables accounts for around 2.2% of India's total production. The major items of this subsector include fruit pulps and juices, fruit-based ready-to-serve beverages, canned fruits and vegetables, jams, squashes, pickles, chutneys and dehydrated vegetables. Recent additions to the space include vegetable curries in retortable pouches, canned mushroom and mushroom products, dried fruits and vegetables and fruit juice concentrates. Globally, demand for fruit juices made from exotic fruits like Mango, Peach, Banana, Papaya etc. is growing at rate faster than juices from traditional fruits like Apple, Orange etc.

#### ii) Performance

This unit 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, thereby completing the agri value chain. The unit clocked yearly revenues of ₹3,475 Mn. during the year under review. The business grew at 12.6% in value terms. The unit processed 113,520 MT of fruits during the year. The unit added new capacities in Aseptic, Frozen and IQF part of the business recently. Company processed various fruits like Mango, Pomegranate, Amla, Guava, Banana, Papaya, Tomato, etc in the year under review.

The unit continues to retain its accreditation under various quality standards such as ISO 22000, FSSC 22000, SGF, Kosher etc. The business unit has also achieved accreditation under ISO 14000 and OSHAS 18000 standards.

With the increased capacity, improved plant utilization and reduction in raw material transport

cost; this unit has become cost efficient and a high quality producer of fruit purees and concentrates.

The Company is a strategic supplier to Coca Cola system worldwide for supplying Mango Pulp/Puree and Concentrates. The 'Maaza' brand of Coca Cola Company is a brand leader in the fruit beverages category and continues to clock compounded annual growth rate of upto 30%.

#### iii) Opportunity & Outlook

India's Economic development has registered a growth rate of 8% over 2006-2010. 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 production in India has also grown and now accounts for 15% of world's vegetable production and 8% of world's 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 10%, only just over 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, Government 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 around 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, and Pomegranate etc. which are 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 nonexistent. The packaged juices/ fruit beverages 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 whereas that of cereals has decreased.

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

Company is also working on setting up a processing line 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, hitherto not processed in India.

Orange is the largest processed and consumed juice in the world. 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 biggest challenge in any agri processing business is the availability of required quantity of raw material at the right time and at the right price. The changing climatic conditions are adding uncertainty to the entire agri and horti sector with a year of plenty followed by severe scarcity. 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 in case of Banana is being extended to other fruit crops such as Mango, Pomegranate and Tomato. Company has successfully evolved the concept of 'Ultra High Density' plantation of Mango, which will revolutionise the mango growing, making it one of the most profitable crops for the farmers. The Company has also evolved a basic standard of good agricultural practices in association with IFC, called 'JainGAP', which has been recognised by Global GAP as the intermediary standard and is being implemented by the Company both in its contract farming program for Onion as well as contract farming program of Mangoes. This will result in higher productivity at the farm levels, better availability and price stability for the Company apart from taking in to account the concern of traceability to farm gate and health of the farmer and farm labour.

The other major risk is the ever increasing cost of energy. The spiralling 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 utilizing its bio-waste to generate energy to offset these rising costs.

There are fiscal and non fiscal trade barriers in the form of multifarious certifications and import tariff's being put by importing countries which adds to cost.

#### d) PVC Sheets

##### i) Industry

Major markets for Company's products are Europe and United States of America. The market is divided into two segment; Sign & Graphics (S&G) and Building Materials Market (BMI)

In the BMI segment, Lumber the traditional building material was being replaced by PVC. 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 Bead boards. The inherent qualities of PVC such as impervious to water absorption; protection 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 market is serviced by 7 manufacturers and some Chinese imports.

The S&G market 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.

This segment is serviced by 5 manufacturers. Some China products have attempted to penetrate the market.

##### ii) Performance

This business has grown by 29.5% in current year. It accounted for around 5% of the revenue.

##### iii) Opportunity & Outlook

The economic downturn has resulted into some players exiting the market and others redefining their basket of offerings. This consolidation in the industry will benefit both the manufacturer and the end user. US housing market has started showing sign of recovery and is expected to come back on growth track, while signs are positive, nothing can be certain. We have introduced several new products to the market place: A digital print sheet for optimum print quality, sheet for the environmentally (EFS) conscientious market place which has been received well. We have started to get good response from domestic marketing expect it to grow in robust manner.

##### iv) Risks & Challenges

The economy has been slow and this poses a challenge. The unemployment rate is another factor adding to the uncertainty in the marketplace. However, other indicators such as the US stock markets show a reasonably healthy trend. Major corporations are showing profits and the Detroit car industry has shown a very healthy recovery. The market continues to adopt 'just in time' requirements and this has the manufacturers carrying the inventory burden. Housing statistics show an improvement but has been slow paced. The Company has modified its marketing strategy, which has resulted in current year surpassing several previous results. The trend going forward is cautiously optimistic.

#### 6) Risks and concerns at corporate level

The Company has significant experience in managing risks related to farming, weather, seasonality, global markets, currency fluctuation and impact of government policy. During last few very volatile years, this experience and expertise has helped Company to navigate turbulent times in a smooth manner resulting in sustained growth, improved margins and increasing market share, despite historical financial meltdown and violent disruption of all types of global markets.

The risk management, inter alia, shall provide for periodical review of the procedures to ensure that executive management controls the risks through a

properly defined framework. The Company has identified the risks and their owners within the organisation and the following risks have emerged as the top 5 risks:

- Continuous fund requirement due to long receivables
- Seasonality in agriculture and monsoon
- Currency fluctuations
- Aggressive strategies of competition & mushrooming of many new competitors
- Integration and profitability of acquisitions

**Continuous fund requirement:** Challenges in managing cash to cash cycle (payment for procurement to collection for sales) needs continuous fund infusion. This results in increased long term capital requirements. This risk is especially relevant for a growth oriented Company and the kind of business Company operates in.

**Seasonality in agriculture:** Company's performance is also dependent on the seasonality in agriculture sector.

**Currency fluctuations:** Adverse changes in the exchange rates leading to erosion in export income. Also large amount of Company borrowing is in foreign currency. Therefore, adverse exchange rate movement of Rupee can result into notional profit or notional loss for mark to market accounting treatment.

**Aggressive strategies of competition:** The competition adopts aggressive strategies (large sales force, credits, products offered at multiple price points etc.) and competition from unorganised sector (aggressive pricing) results in pressure on sales/margins.

**Integration of acquisitions:** Inability to capitalize on the opportunities arising from the acquisitions due to sub optimal integration of the people, process and technology from the acquired entities is one of the risks associated with the recently completed acquisitions.

## 7) Analysis of the Standalone Financial Performance

### a) Net sales

₹ in Million

Business	2011-12	2010-11	Change	Change %
Micro Irrigation Systems	18,842	16,914	1,929	11.40%
Piping Systems	9,063	8,630	433	5.00%
Agro processed Products	5,129	4,427	702	15.90%
Plastic Sheets	1,805	1,394	411	29.50%
Other Products	2,259	1,142	1,117	97.80%
<b>Net sales</b>	<b>37,099</b>	<b>32,507</b>	<b>4,592</b>	<b>14.10%</b>
Domestic	30,374	27,349	3,025	11.10%
Export	6,725	5,158	1,567	30.40%
<b>Export to Total</b>	<b>18.10%</b>	<b>15.90%</b>		

Sales excludes incentives

Net Sales on corporate basis has increased by 14.1% to ₹37,099 million vis-à-vis ₹32,507 million in the previous year. This increase in revenues primarily reflected increased sales of Micro Irrigation Systems, Plastic Piping Systems, Agro Processed products & Solar Systems

Our total domestic revenue increased by 11.1% in fiscal 2012 to ₹30,374 million from ₹27,349 million in fiscal 2011. The revenues from exports have increased by 30.4% in fiscal 2012 to ₹6,725 million from ₹5,158 million in fiscal 2011. Export sales accounted for 18.1%

corporate sales in fiscal 2012 as compared to 15.9% in fiscal 2011.

**i) Micro Irrigation Systems :** Revenues from domestic sales of our Micro Irrigation Systems increased by 8.7% in fiscal 2012 to ₹17,436 million from ₹16,047 million in fiscal 2011, primarily due to increased retail sales in States like Maharashtra, Gujarat and project sales in Rajasthan States. During the same period, exports of Micro Irrigation Systems increased by 62.2% to ₹1,407 million from ₹867 million mainly due to project sales in African continent and direct sales to overseas subsidiaries.

**ii) Piping Products :** Revenues from domestic sales of our Piping Systems increased by 2.5% in fiscal 2012 to ₹8,558 million from ₹8,349 million in fiscal 2011. The revenues from export of Piping Products increased by 79.9% in fiscal 2012 to ₹505 million from ₹281 million in fiscal 2011 mainly due to increased sales in African continent.

**iii) Agro-Processed Products :** Revenue from exports of Agro-Processed Products increased by 16.1% in fiscal 2012 to ₹3,117 million from ₹2,684 million in fiscal 2011 mainly on account of higher mango puree demand in our European & Middle East markets and onion dehydration from European market . Revenues from domestic sales of our Agro-Processed Products increased by 15.4% in fiscal 2012 to ₹2,012 million from ₹1,743 million in fiscal 2011.

**iv) Plastic Sheets :** Revenues from our Plastic Sheet products increased by 29.5% in fiscal 2012 to ₹1805 million from ₹1,394 million in fiscal 2011, mainly due to increase in sales in European, USA and local market.

**v) Other products :** Other product includes Solar Water Heating systems, Solar Photovoltaic Systems, Tissue Culture Plants and Agricultural products. Revenues from other products increased by 97.8% in fiscal 2012 to ₹2,259 million from ₹1,142 million in the fiscal 2011, mainly due to higher sales of tissue culture plants & solar products.

### b) Operating Income

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Incentives & Assistance	712	802	(90)	(11.2%)

Operating income includes accrued export incentives & assistance under VKYU Scheme & Transport Assistance Scheme of GOI for our agro processed products division and Mega Project incentive from Maharashtra Government.

### c) Raw materials consumption

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Polymers, Chemicals & additives, Fruits & Vegetables, Consumables, packing material, etc.	20,541	21,281	(740)	(3.5%)

Raw materials consumption decreased by 3.5% to ₹20,541million as compared to ₹21,281 million in the previous year mainly due to lower production in plastic segments. During the same period, polymer



consumption decreased to 199,244 MT from 217,506 MT representing an decrease of 8.4%; however in value terms the decrease is 4%. The consumption of fruits and vegetables has increased to 257,755 MT from 200,171 MT representing an increase of 28.9%, however in value terms, the decrease is 14.2% reflecting significantly the decrease in price.

**d) Other Expenses** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Other Expenses	7,253	5,746	1,507	26.2%

Other Expenses increased by 26.2% to ₹ 7,253 million as compared to ₹ 5,746 million in the previous year, mainly due to the increased power and fuel and miscellaneous expenses.

**e) Employees Benefit Expenses** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Employees Benefit Expenses	1,722	1,503	219	14.6%

Employee costs increased by 14.6% to ₹ 1,722 million as compared to ₹ 1,503 million in the previous year. The increase is mainly due to new employment. During the year 1,174 new associates joined the Company. Employee Cost as % of Net Sales is 4.6 %, the same as previous year.

**f) Finance Costs** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Interest Expense	3,204	2,107	1,097	52.0%
Bank charges	420	257	163	63.8%
Loss on foreign currency translation	611	553	58	10.5%
<b>Total</b>	<b>4,235</b>	<b>2,917</b>	<b>1,318</b>	<b>45.2%</b>
Less: Interest Income	151	80	71	88.75%
Less: Gain on foreign currency translations	58	15	43	286.7%
<b>Interest &amp; Finance Charges (Net)</b>	<b>4,026</b>	<b>2,822</b>	<b>1,204</b>	<b>42.7%</b>

The net Finance Cost increased by 42.7% to ₹ 4,026 million as compared to ₹ 2,822 million in the previous year, mainly due to long term loans raised for growth capex, increase in working capital utilization for growth as well as delay in subsidy disbursement by Government and increase in interest rate and also increase in loss of foreign currency translation. The overall finance cost is 10.9% in of net sales in current year as against 8.7% in previous year.

**g) Fixed Assets** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Gross Block (net of disposal)	24,001	20,081	3,920	19.5%
Less: Depreciation	6,142	5,128	1,014	19.8%
<b>Net Block</b>	<b>17,859</b>	<b>14,953</b>	<b>2,906</b>	<b>19.4%</b>

Gross block increased by ₹ 3,920 million during the year, mainly due to expansion & modernization plan implemented across all divisions. In the current year we

have increased installed capacities in plastic processing to 568,470 MT as compared to 508,700 MT in previous year, in Food processing to 172,404 MT as compared to 159,789 MT in the previous year, substantial increase of 10 million plantlets in Tissue Culture and 2 million ltrs in Solar Water heating systems. New Capex has been financed out of long term loans and internal accruals during the current year.

**h) Investments** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Investment in wholly owned subsidiary (WoS)	4,259	4,009	250	6.2%
Other Investment	48	24	24	100.3%

The increase of ₹250 million in investments is mainly on account of capital/loan infused in the WoS based in Mauritius and Netherlands. Increase in Other Investment is mainly on account of capital /loan to Sustainable Agro Commercial Finance Ltd. (SAFL) the NBFC.

**i) Inventories** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Inventories	8,012	9,149	(1,137)	(12.4%)

The overall inventory has decreased by ₹1,138 million during the current year compared to previous year, is mainly on account of decrease in Finished Goods Inventory by ₹593 million and raw material by ₹613 million.

**j) Trade Receivables** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Gross Receivables	20,458	14,980	5,478	36.6%
Less: Provision Doubtful Debts	172	162	10	6.2%
<b>Net Receivables</b>	<b>20,286</b>	<b>14,818</b>	<b>5,468</b>	<b>36.9%</b>

The increase in net receivable was 36.9% at ₹ 20,286 million compared to ₹ 14,818 million in the previous year mainly due to higher MIS sales and substantially higher than normal subsidy receivable from government.

**k) Loans and Advances** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Loans & Advances	1,721	1,927	(206)	(10.7%)

Loans & Advances decreased by ₹ 206 million in Current year mainly due to decrease in advance for CAPEX

**l) Current Liabilities** ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Current Liabilities	32,253	27,875	4,378	15.7%

Current Liabilities increased by ₹ 3,907 million to ₹31,872 million in current year from ₹ 27,875 million in the previous year mainly due to increase in short term borrowing by ₹2,834 million and trade payable by ₹808 million.



#### m) Long Term Borrowing

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Long Term Borrowing	9,979	7,640	2,339	30.6%

The Long Term Borrowing has increased by ₹2,339 million to ₹9,979 million in the current year from ₹7,640 million in the previous year. This is mainly due to new capital investment in Solar Power project and capital investment for expansion & modernization plan implemented across all divisions.

#### n) Shareholders Funds

₹ in Million

Particulars	Equity Capital	Preference Capital	Share Premium	Other Reserves	Retained Earnings	Share Warrants	Total
Balance as on 1 <sup>st</sup> April 2011	771.45	–	6,206.31	2,888.43	6,628.58	347.93	16,842.70
a) Changes during the year (DVR Equity Shares)	38.59	–	–	(38.59)	–	–	–
b) Conversion of FCCB	–	–	–	–	–	–	–
c) Conversion of Warrants	–	–	–	–	–	–	–
d) Adjustment for unrealized gain/ loss due to hedging derivatives	–	–	–	50.65	–	–	50.65
e) Adjustment for ESOPs	0.32	–	13.83	(0.01)	–	–	14.14
f) Redemption & Redemption Premium on Preference Shares & Debentures	–	–	–	–	–	–	–
g) Profits for the Year	–	–	–	–	2,682.99	–	2,682.99
h) Profit transferred to General Reserve	–	–	–	500.00	(500.00)	–	–
i) Dividend (incl. Dividend Tax)	–	–	–	–	(470.91)	–	(470.91)
<b>Sub Total (a to i)</b>	<b>38.91</b>	<b>–</b>	<b>13.83</b>	<b>512.05</b>	<b>1,712.08</b>	<b>–</b>	<b>2,276.87</b>
<b>Balance as on 31<sup>st</sup> March 2012</b>	<b>810.36</b>	<b>–</b>	<b>6,220.14</b>	<b>3,400.48</b>	<b>8,340.66</b>	<b>347.93</b>	<b>19,119.57</b>

^ Refer Note No. (2), (3) & (13b) of Notes to Accounts Schedule 22 (Part-B)

#### o) Dividend

₹ in Million

The Board has proposed to pay dividend on Ordinary Equity Shares and DVR Equity Shares @ ₹1 per share (50%) to all eligible Shareholders, subject to approval of Shareholders at the ensuing AGM. The dividend cash-outgo (including dividend tax) would be ₹471 million as against ₹450 million in the previous year. The dividend pay-out as percent of Net Profit works out to 17.55% as compared to 15% in previous year.

Particulars	2011-12	2010-11	Change	Change%
Preference Dividend	–	–	–	–
Equity Dividend	405	386	19	4.92

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

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# Auditors' Report

To

The Members of Jain Irrigation Systems Limited

- 1) We have audited the attached Balance Sheet of Jain Irrigation Systems Limited ('the Company') as at March 31, 2012 and also the statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of Sub – section(4A) of section 227 of 'The Companies Act 1956' of India (The 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we given in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the paragraph 3 above, we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii) The balance sheet, statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
    - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For Haribhakti & Co.**

Chartered Accountants

FRN No.103523W

Sd/-

Rakesh Rathi

**Partner,**

Membership No. 45228

Date **August 14, 2012**

Place **Mumbai**





# Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Jain Irrigation Systems Limited on the financial statements for the year ended March 31, 2012

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, some of the fixed assets have been physically verified by the management under the phased programme of physical verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.
- ii) a) The inventory has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) As informed, the Company has not granted/taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (b), (c), (d), (f) and (g) of the Companies (Auditors Report) Order 2003 (as amended) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct weakness in internal control system of the company.
- v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in section 301 of the Act during the year to be entered in the register required to be maintained under that section. Accordingly commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues outstanding of, sales tax, service tax and excise duty on account of any dispute are as follows:

Name of the statute	₹ in Million	Forum where dispute is pending
Central Sales Tax and Local Sales Tax	57.24	Departmental Authorities
Service Tax	2.92	Commissioner – Appeals
Excise Duty	188.32	High Court
	64.99	Appellate Tribunal
	27.73	Departmental Authorities

According to the information and explanation given to us, there are no dues of wealth – tax, income tax and custom duty which have not been deposited on account of any dispute.

- x) The Company has no accumulated losses as at 31st March 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the year.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) According to the information and explanations given to us, and the representation made by the management, the Company has given guarantee for loans taken by its subsidiaries. In our opinion, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi) In our opinion, and according to information and explanations given to us, the term loans have been applied for the purpose for which the loans were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, there are no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Haribhakti & Co.**

Chartered Accountants

FRN No.103523W

Sd/-

Rakesh Rath

**Partner,**

Membership No. 45228

Date **August 14, 2012**

Place **Mumbai**



# 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 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012 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 we are aware and the steps we have taken or propose to take action to rectify these deficiencies.
- d) We 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 employee having a significant role in the Company's internal control system.

Sd/-  
Anil B. Jain  
**Managing Director**

Sd/-  
Manoj L. Lodha  
**President-Finance and Banking**

Date **August 14, 2012**  
Place **Mumbai**





# Balance Sheet as at 31-March-2012

₹ in Million

	Note No.	31-Mar-2012	31-Mar-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	810.36	771.45
Reserves and surplus	3	17,961.28	15,723.32
Money received against share warrants	4	347.93	347.93
		19,119.57	16,842.70
<b>Non-current liabilities</b>			
Long term borrowings	5	9,979.11	7,640.27
Deferred tax liabilities (Net)	6	1,709.87	1,224.25
Other long term liabilities	7	-	54.49
Long term provisions	8	36.66	39.91
		11,725.64	8,958.92
<b>Current liabilities</b>			
Short term borrowings	9	15,800.03	12,966.46
Trade payables	10	11,744.54	10,936.23
Other current liabilities	11	4,198.75	3,484.52
Short term provisions	12	509.85	488.23
		32,253.17	27,875.44
<b>TOTAL</b>		<b>63,098.38</b>	<b>53,677.06</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	13[A]	17,716.90	14,811.09
Intangible assets	13[B]	141.95	141.65
Capital work-in-progress	14	1,773.85	832.60
		19,632.70	15,785.34
<b>Non-current investments</b>	15	4,307.40	4,032.79
<b>Long term loans and advances</b>	16	1,720.85	1,926.68
<b>Other non-current assets</b>	17	567.38	83.10
<b>Current assets</b>			
Inventories	18	8,011.96	9,149.47
Trade receivables	19	20,286.08	14,818.16
Cash and bank balances	20	2,827.43	3,830.30
Short term loans and advances	21	1,747.34	1,809.77
Other current assets	22	3,997.24	2,241.45
		36,870.05	31,849.15
<b>TOTAL</b>		<b>63,098.38</b>	<b>53,677.06</b>

## Notes

31 to 44

Notes 1 to 44 are an integral part of the financial statements  
As per our report of even date

## For Haribhakti & Co.

Firm Registration No: 103523W  
Chartered Accountants

## For and on behalf of the Board of Directors

Sd/-  
Rakesh Rathie  
**Partner:** Membership No: 45228

Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
A. V. Ghodgaonkar  
**Company Secretary**

Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain  
**Managing Director**

Sd/-  
Ghanshyam Dass  
**Director**

# Statement of profit and loss for the year ended 31-March-2012

₹ in Million

	Note No.	2011-12	2010-11
Revenue from operations	23	38,716.90	34,216.81
Less : Excise duty		(905.98)	(907.80)
Revenue from operations (net)		37,810.92	33,309.01
Other income	24	312.99	828.28
<b>Total revenue</b>		<b>38,123.91</b>	<b>34,137.29</b>
<b>Expenses</b>			
Cost of materials consumed	25	20,540.81	21,281.48
Changes in inventories of finished goods and work in progress	26	640.07	(2,425.02)
Employee benefit expenses	27	1,721.86	1,503.21
Finance costs	28	4,234.77	2,916.86
Depreciation and amortisation expense	13	1,007.27	839.72
Other expenses	29	7,253.04	5,746.18
<b>Total expenses</b>		<b>35,397.82</b>	<b>29,862.43</b>
<b>Profit before extraordinary items and tax</b>		<b>2,726.09</b>	<b>4,274.86</b>
<b>Profit before tax</b>		<b>2,726.09</b>	<b>4,274.86</b>
Tax expense			
- Current tax	30	(443.32)	1,122.44
- Deferred tax	6	485.62	199.83
Prior period expense		0.80	—
<b>Profit for the year</b>		<b>2,682.99</b>	<b>2,952.59</b>
Earnings per share: (Face value ₹ 2 per share)	31		
Basic		<b>6.62</b>	<b>7.75</b>
Diluted		<b>6.62</b>	<b>7.74</b>

The notes 1 to 44 are an integral part of the financial statement  
As per our report of even date

**For or Haribhakti & Co.**

Firm Registration No: 103523W  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
Rakesh Rathi

**Partner:** Membership No: 45228

Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
A. V. Ghodgaonkar

**Company Secretary**

Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain

**Managing Director**

Sd/-  
Ghanshyam Dass

**Director**

# Cash Flow Statement for the Year Ended 31-March-2012

₹ in Million

	Note No.	2011-12	2010-11
<b>Cash flow from operating activities</b>			
Net profit before tax		<b>2,726.09</b>	<b>4,274.86</b>
Adjusted for			
Depreciation and amortisation expense	13	1,007.27	839.72
Amounts written off & provisions		46.29	115.27
Profit on sale of fixed assets		(3.94)	(8.82)
Profit on sale of investments		—	(1.68)
Finance costs	28	3,623.44	2,363.63
Provision for wealth tax		1.02	0.22
Provision for doubtful debts and advances written back		(43.83)	(12.98)
Sundry credit balances appropriated		(12.34)	(3.33)
Dividend income		(150.71)	(79.54)
<b>Operating profit before working capital changes</b>		<b>7,193.29</b>	<b>7,487.35</b>
Changes in working capital			
Increase/Decrease trade and other receivables		(5,514.21)	(6,015.61)
Increase/Decrease loans and advances and other assets		(1,220.94)	(1,140.68)
Increase/Decrease inventories		1,137.52	(3,087.95)
Increase/Decrease trade payables, other liabilities and provisions		536.74	5,577.20
<b>Cash generated from operations</b>		<b>2,132.40</b>	<b>2,820.31</b>
Taxes Paid		(862.42)	(783.17)
<b>Net cash from operating activities</b>		<b>1,269.98</b>	<b>2,037.14</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets		(4,352.50)	(3,957.01)
Sale of fixed assets		5.65	21.93
Purchase of investments		(274.61)	(66.45)
Loan to subsidiaries		53.37	(502.18)
Interest received		145.72	77.47
Dividend income		0.01	0.02
<b>Net cash flow from investing activities</b>		<b>(4,422.36)</b>	<b>(4,426.22)</b>
<b>Cash flow from financing activities</b>			
Total proceeds by way of issue of shares		14.13	762.07
Redemption premium on NCD and preference shares		—	(1.73)
Proceeds from term loan		4,880.95	4,358.52
Repayment of term loans		(1,598.61)	(4,921.72)
Proceeds from working capital borrowings (net)		2,833.58	4,504.28
Interest and finance charges paid		(3,534.01)	(2,363.63)
Dividend and dividend distribution tax paid		(448.19)	(415.97)
<b>Net cash from financing activities</b>		<b>2,147.85</b>	<b>1,921.82</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(1,004.53)</b>	<b>(467.26)</b>
Cash and cash equivalents as at the beginning of the year	20	3,810.11	4,277.37
Cash and cash equivalents as at end of the year	20	2,805.58	3,810.11
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(1,004.53)</b>	<b>(467.26)</b>

The notes 1 to 44 are an integral part of the financial statement

As per our report of even date

**For or Haribhakti & Co.**

Firm Registration No: 103523W  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-

Rakesh Rath

**Partner:** Membership No: 45228

Date **August 14, 2012**

Place **Mumbai**

Sd/-

A. V. Ghodgaonkar

**Company Secretary**

Date **August 14, 2012**

Place **Mumbai**

Sd/-

Anil B. Jain

**Managing Director**

Sd/-

Ghanshyam Dass

**Director**



# Notes to the financial statements

## 1. Significant accounting policies

### A. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respect with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006, (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles. The Company follows the mercantile systems of accounting and recognizes income and expenditure on an accrual basis except stated otherwise.

### B. Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Domestic sales are accounted for on dispatch from the point of sale.

Export sales are recognized on the date of the mates receipt shipped on board and initially recorded at the relevant exchange rates prevailing on the date of the transactions.

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

### C. Use of estimates

In preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

### D. Fixed assets and Depreciation / Amortization

Fixed assets are carried at cost of acquisition / construction, except Leasehold Land, which is carried at book value.

Leasehold Land is amortised over the period of lease.

Depreciation:

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%.

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.

Trade Mark and Development costs are amortised over a period of 18 years beginning from the date of commercial use.

### E. Intangibles

Computer Software, Technical Knowhow etc. are amortised over a period of 5 years from the date of acquisition.

Goodwill arising on acquisition of business has been amortised over the period of 5 years from the date of acquisition.

### F. Orchard activities

Orchard expenditure is amortised over a period of 15 years commencing from the 6<sup>th</sup> 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.

### G. 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.

### H. Lease

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

### I. Borrowing cost

Borrowing cost attributable to acquisitions and construction of qualifying assets are capitalized as a part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charged to Profit & Loss Account.





## **J. Investments**

Long-term investments are carried at 'cost'. However, the provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

## **K. Inventory valuation**

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. Stores, spares and consumables are valued at cost except certain spares are valued at cost or its fair value which ever is lower. Goods / Materials in transit are valued at cost to date.

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. 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.

## **L. 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.

## **M. 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 enters into derivative contracts, viz. forward contracts, option contracts, etc., with banks under its risk management policies.

In absence of any specific accounting treatment prescribed in the applicable accounting standards to such derivative contracts, other than forward contracts, the Company is applying 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.

## **N. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Revenue grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

## **O. Employee benefits**

Short term employee 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

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.

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.

## **P. 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.

## Q. Tax provision

Income-tax expense comprises Current Tax and Deferred tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives rise to future economic benefits in the form of adjustment of future Income tax liabilities, is considered as an assets, when there is convincing evidence that the company will pay normal income tax.

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.

## R. Provisions

A provision is recognised when there is present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation. These are reviewed at each year end and adjusted to reflect the best current estimates.

## S. 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.

## T. Employees 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 Employee Compensation Expense and amortized on a straight-line basis over the vesting period of options.

## 2. Share Capital

	Number of shares		₹ in Million	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
<b>Authorised</b>				
Equity shares of ₹ 2 each (PY ₹ 2 each)	926,500,000	926,500,000	1,853.00	1,853.00
Redeemable preference shares of ₹ 100 each (PY ₹ 100 each)	5,000,000	5,000,000	500.00	500.00
Equity shares of ₹ 2 each with differential voting rights (PY ₹ 2 each)	310,000,000	310,000,000	620.00	620.00
<b>Issued, subscribed and fully paid up:</b>				
<b>Equity shares: Face value of ₹ 2 each</b>				
Outstanding as at the beginning of the year	385,724,460	76,030,682	771.45	760.30
Shares issued before shares split	—	206,610	—	2.07
Impact of share split	—	304,949,168	—	—
Issued post shares split	—	4,538,000	—	9.08
Shares issued under ESOP	161,625	—	0.32	—
[A] Sub-total	385,886,085	385,724,460	771.77	771.45
[B] Shares issued under Differential Voting Rights (DVR)	19,294,304	—	38.59	—
Outstanding as at the end of the year [A] + [B]	<b>405,180,389</b>	<b>385,724,460</b>	<b>810.36</b>	<b>771.45</b>
<b>Cumulative redeemable preference shares:</b>				
4% Preference shares of ₹ 100 each				
Outstanding as at the beginning of the year	—	462,642	—	23.13
Redeemed during the year	—	(462,642)	—	(23.13)
Outstanding as at the end of the year	—	—	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>810.36</b>	<b>771.45</b>

### a) Rights, preferences and restrictions attached to equity shares

Each holder of ordinary equity shares is entitled to one vote per share. They have right to receive dividend proposed by the Board of directors and approved by the shareholders in the annual general meeting, right to receive annual report and other quarterly/half yearly/annually reports/notices and right to get new shares proportionately in case of issuance of additional shares by the company.



In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary equity shares held by the shareholders. The company has a first and paramount lien upon all the ordinary equity shares.

**b) Terms of redemption of preference shares**

462,642 Preference shares of ₹ 100 each were redeemed in 2 equal installments on June 30, 2009 and on June 30, 2010 at a premium of ₹ 16 per share.

**c) Terms and conditions of differential voting rights (DVR)**

The DVR equity shareholders have the same rights as the ordinary equity shares of the company except voting rights. Every 10 DVR equity shares have one voting right on poll (on show of hands however they carry 1 vote for every person voting). Any DVR holder holding less 10 DVR equity shares hold fractional voting rights. The DVR equity shares have right to receive full dividend, to receive annual report and other information/correspondence from time to time, to receive bonus and/or rights shares of the same class of shares as and when such an issue is made in respect of ordinary equity shares and in the same ratio and terms.

In case of buy back or reduction of capital of ordinary equity shares, the DVR equity shares have right subject to buyback or reduction on the same terms as ordinary equity shares. Further, in case of issue of ordinary equity shares or any other securities or assets to ordinary equity shares in case of amalgamation/demerger/ re-organisation/ reconstruction, the DVR equity shares have right to receive DVR equity shares and any other securities/assets as issued to ordinary equity shares. They have right to hold separate class meeting if their rights are affected in any manner adversely.

d) Pursuant to the decision of Board on August 9, 2010 and Shareholders' decision dated September 29, 2010 the Company decided to split Equity Shares of ₹ 10 each into Equity Shares of ₹ 2 each. The Company fixed a record date of November 1, 2010 to make effective the split of shares as above.

e) Refer note 33 for disclosure related to employee stock option plan.

**f) Shareholders holding more than 5% of equity share capital/equity share capital with differential voting rights**

(Equity shares of ₹ 2 each)

Name of the Shareholder	31-Mar-2012				31-Mar-2011	
	Ordinary equity shares		DVR		Ordinary equity shares	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Jalgaon Investments Pvt. Ltd	96,605,000	25.03%	4,830,250	25.03%	96,605,000	25.03%
Emerging Markets Growth Fund, Inc.	20,202,102	5.24%	974,450	5.05%	14,188,507	3.68%
Smallcap World Fund, Inc	11,470,000	2.97%	573,500	2.97%	23,537,564	6.10%

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>3. Reserves and Surplus</b>		
<b>Capital reserve</b>		
Balance at the beginning of the year	395.98	395.98
Balance at the end of the year	<b>395.98</b>	<b>395.98</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	935.31	912.19
On conversion of Differential Voting Right (DVR)	(38.59)	23.12
Balance at the end of the year	<b>896.72</b>	<b>935.31</b>
<b>Securities premium account</b>		
Balance at the beginning of the year	6,206.31	5,696.94
On conversion of 1,500 ESOP into equity shares transferred from reserve Account @ ₹ 8.21 each	0.01	—
On conversion of 1,500 ESOP into equity shares @ ₹ 59.552 each	0.09	—
On conversion of 134,200 ESOP into equity shares @ ₹ 80.692 each	10.84	—
On conversion of 25,925 ESOP into equity shares @ ₹ 111.60 each	2.89	—
On conversion of 14,070 ESOP into equity shares @ ₹ 297.76 each	—	4.19
On conversion of 14,070 ESOP into equity shares @ ₹ 41.04 each	—	0.58
On conversion of 2,250 ESOP into equity shares @ ₹ 59.552 each	—	0.13
On conversion of 2,250 ESOP into equity shares @ ₹ 8.208 each	—	0.02
On conversion of 2,090,425 ESOP into equity shares @ ₹ 80.692 each	—	168.68
On conversion of 2,445,325 ESOP into equity shares @ ₹ 111.60 each	—	272.89
On conversion of 1,500 ZCCB into 962,700 Equity shares @ ₹ 67.118 each	—	64.61
Premium on redemption of non-convertible debentures (Net of taxes)	—	(1.73)
Balance at the end of the year	<b>6,220.14</b>	<b>6,206.31</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Notes : Reserves and Surplus (Contd...)</b>		
<b>Debenture redemption reserve</b>		
Balance at the beginning of the year	—	1.42
Transferred to general reserve on redemption of debenture	—	(1.42)
Balance at the end of the year	—	—
<b>Share options outstanding account (refer note 33)</b>		
Employee stock option (outstanding)	1.17	1.77
Transfer to securities premium account on conversion	(0.01)	(0.60)
Balance at the end of the year	<b>1.16</b>	<b>1.17</b>
<b>General Reserve</b>		
Balance at the beginning of the year	1,750.80	1,449.38
Transferred from statement of profit and loss	500.00	300.00
Transferred from debenture redemption reserve	—	1.42
Balance at the end of the year	<b>2,250.80</b>	<b>1,750.80</b>
<b>Hedging Reserve (refer note 36)</b>		
Balance at the beginning of the year	(194.83)	—
Movement during the year	50.65	(194.83)
Balance at the end of the year	<b>(144.18)</b>	<b>(194.83)</b>
<b>Surplus</b>		
Balance at the beginning of the year	6,628.58	4,449.24
Profit for the year	2,682.99	2,952.59
Transferred to general reserve	(500.00)	(300.00)
Transferred to capital redemption reserve	—	(23.12)
Proposed preference dividend for the year (₹ Nil per share) (PY ₹ 0.50 per share)	—	(0.23)
Provision for dividend tax on preference dividend for the year	—	(0.04)
Proposed equity dividend (₹ 1 per share) (PY ₹ 1 per share)	(405.18)	(385.79)
Provision for dividend tax on equity dividend	(65.73)	(64.07)
Balance at the end of the year	<b>8,340.66</b>	<b>6,628.58</b>
<b>TOTAL</b>	<b>17,961.28</b>	<b>15,723.32</b>
<b>4. Money received against share warrants</b>		
Balance at the beginning of the year	347.93	—
Allotted during the year	—	347.93
<b>TOTAL</b>	<b>347.93</b>	<b>347.93</b>

Pursuant to approval of the shareholders at their meeting dated 9 March 2011, 61, 00,000 equity warrants were proposed to be allotted at a price of ₹ 228.15 each aggregating to ₹ 1,391.72 million. These warrants are to be converted to equity shares as per the terms of the issue. A deposit of ₹ 57.0375 per equity warrant amounting to ₹ 347.93 million has been paid by the subscribers. Terms and conditions attached to these share warrants are as under

- Each warrant shall be convertible into one ordinary equity share of nominal value ₹ 2 at a price calculated in accordance with SEBI regulations.
- The holder of share warrants has option of exercising share warrants within 18 months from the date of allotment.
- Ordinary equity shares so allotted on exercise and conversion of the equity warrants shall rank paripassu in all respects with the then existing ordinary shares
- All other terms and conditions of warrants will be same as specified in the SEBI ICDR regulations.

## 5. Long Term Borrowings

₹ in Million

Particulars	Security	Maturity, number and amount of installments	Balance as at	
			31-Mar-2012	31-Mar-2011
<b>Term loans</b>				
<b>From banks</b>				
(Average interest rate for loan under this category is 12.67%)				
Canara Bank	Secured [Refer security details (i) below]	The loan is repayable in 20 quarterly installments of ₹ 0.28 million each starting from the date 27-Jul-2007	—	0.98





# Notes : Long Term Borrowings (Contd...)

₹ in Million

Particulars	Security	Maturity, number and amount of installments	Balance as at	
			31-Mar-2012	31-Mar-2011
Canara Bank	Secured [Refer security details (ii) below]	The loan is repayable in 5 yearly installments of ₹ 2.72 million each starting from the date 30-Sep-10	4.00	8.55
State Bank of India (SBI)	Secured [Refer security details (iii) below]	The loan is repayable in 42 monthly installments of ₹ 15.90 to ₹ 31.80 million each starting from the date 28-Jan-10	333.40	619.00
Central Bank of India	Secured [Refer security details (iv) below]	The loan is repayable in 8 half yearly installments of ₹ 125.0 million each starting from the date 17-Sep-11	750.00	1,000.00
Andhra Bank	Unsecured	The loan is repayable 2 installments one payable after 12 months and another payable after 18 months - ₹ 300 million and ₹ 450 million each starting from the date 09-Dec-12	750.00	—
			<b>1,837.40</b>	<b>1,628.53</b>
Working capital term loan consortium of Banks	Secured [Refer security details (i) of Note no.9]		—	2.57
<b>From financial institutions</b>				
Foreign Currency Term Loan from Export Import Bank of India (Average interest rate for loans under this category is 5.22%)	Secured [Refer security details (v) below]			
FCL- Production Equipment Finance Program		The loan is repayable in 20 quarterly installments of US\$ 0.23 million.	—	31.42
FCL- - Production Equipment Finance Program		The loan is repayable in 10 half-yearly installments of US\$ 0.80 million each starting from the date 03-Sep-09	81.85	142.88
FCL - Import Finance Program		The loan is repayable in 29 quarterly installments of US\$ 0.39 million each starting from the date 09-Mar-13	575.51	502.31
FCL - Import Finance Program		The loan is repayable in 6 half-yearly installments of US\$ 0.18 million each starting from the date 07-Jun-12	56.53	49.35
FCL - Production Equipment Finance Program		The loan is repayable in 10 half-yearly installments of US\$ 0.50 million each starting from the date 02-Dec-09	76.73	111.62
External commercial borrowings – term loan (Average interest rate for loans under this category is 3.83%)				
State Bank of India (SBI) and others	Secured [Refer security details (vi) below]	The loan is repayable in 2 yearly installments of 60% after 60 months and 40% after 72 months starting from the date 30-Apr-13	767.35	669.80
State Bank of India (SBI) and others			1,560.27	1,361.77
International finance corporation (IFC) (Average interest rate for loans under this category is 3.64%)	Secured [Refer point no. (a) of security details (vii) below]	The loan is repayable in 11 half yearly installments of US\$ 1.36 million each starting from the date 15-Oct-10	558.07	654.53
International finance corporation	Secured [Refer point no. (b) of security details (vii) below]	The loan is repayable in 11 half yearly installments of US\$ 1.36 million each starting from the date 15-Oct-10	697.59	654.53

**Notes : Long Term Borrowings (Contd...)**

₹ in Million

Particulars	Security	Maturity, number and amount of installments	Balance as at	
			31-Mar-2012	31-Mar-2011
International finance corporation	Secured [Refer point no. (c) of security details (vii) below]	The loan is repayable in 11 half yearly installments of US\$ 1.36 million each starting from the date 15-Oct-11	697.59	654.53
International finance corporation	Secured [Refer point no. (d) of security details (vii) below]	The loan is repayable in 11 half yearly installments of US\$ 1.36 million each starting from the date 15-Dec-12	767.35	654.52
Rupee term loans (Average interest rate for loans under this category is 12.47%)				
Infrastructure development financial Company Ltd. (IDFC)	Secured [Refer security details (viii) below]	The loan is repayable in 11 half yearly installments of ₹ 60.9 million each starting from the date 15-Dec-12	285.71	571.43
Infrastructure development financial Company Ltd. (IDFC)	Secured [Refer security details (ix) below]	The loan is repayable in 40 quarterly installments starting from the date 15-Oct-12	847.00	–
External commercial borrowings – Deferred credit from supplier (Average interest rate for loans under this category is 0.89%)				
Rabo India Finance Limited	Secured [Refer security details (x) below]	The loan is repayable in 7 quarterly installments starting from the date 30-Sep-13	600.00	–
GE Capital Services India	Secured [Refer security details (xi) below]	The loan is repayable in 10 quarterly installments from starting the date 31-Dec-12	750.00	–
UBS AG*	Unsecured	The loan is repayable in 10 half yearly installments of CHF 0.95 million each starting from the date 03-Jun-10	198.40	328.18
UBS AG	Unsecured	The loan is repayable in 10 half yearly installments of CHF 0.99 million each starting from the date 15-Feb-11	397.66	436.79
UBS AG	Unsecured	The loan is repayable in 14 half yearly installments of CHF 0.66 million each starting from the date 15-Feb-11	446.93	445.46
UBS AG	Unsecured	The loan is repayable in 14 half yearly installments of CHF 0.29 million each starting from the date 12-Dec-11	504.98	197.52
UBS AG	Unsecured	The loan is repayable in 14 half yearly installments of CHF 0.86 million starting from the date 02-Apr-12	693.68	–
Best NV	Unsecured	The loan is repayable in 10 half yearly installments of EUR 0.03 million each starting from the date 01-Jul-09	9.42	13.07
			<b>10,572.62</b>	<b>7,479.71</b>
Vehicle loans (Average interest rate for different loans included here is 9.42%)	Secured [Refer security details (xii) below]		30.94	47.82
Current maturities of long term borrowings (refer note 10)			<b>12,440.96</b>	<b>9,158.63</b>
			(2,461.85)	(1,518.36)
<b>TOTAL</b>			<b>9,979.11</b>	<b>7,640.27</b>

\* Currency swap has been taken against this loan worth CHF 4.76 million at the spot rate ₹ 41.6955 (CHF/INR), hence the loan has not been revalued. (refer note 36 B (II) )



## Notes : Long Term Borrowings (Contd...)

### Security details

#### i. Canara bank : Term loan CY ₹ Nil (PY ₹ 0.98 million)

Exclusive charge on the Green house structure at Chittoor (Andhra Pradesh) units of the company.

#### ii. Canara Bank : Term Loan CY ₹ 4.00 million (PY ₹ 8.55 million)

Exclusive charge on the ripening Chambers & Cold Storage at Chittoor (Andhra Pradesh) Units of the Company.

#### iii. State Bank of India (SBI) : Term Loan CY ₹ 333.40 million (PY ₹ 619.00 million)

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 by way of equitable mortgage by deposits of title deeds of selected 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 loan is further secured by First charge by way of equitable mortgage by deposits of title deeds of selected immovable properties of the Company situated at Village Takarkheda, 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 loan as above is also personally guaranteed by the Managing director and three other directors of the company in their personal capacity.

#### iv. Central Bank of India : Term Loan CY ₹ 750.00 million (PY ₹ 1,000.00 million)

The Term Loan is secured by First charge ranking pari-passu by way of equitable mortgage by deposits of title deeds of selected 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 Term Loan is further secured by way of first pari passu charge on movable assets of the Company.

#### v. Export Import Bank of India (EXIM): Foreign Currency Term Loan

- |  |   |
|--|---|
| i. Production equipment finance programme  | : ₹ Nil (previous year ₹ 31.42 million)             |
| ii. Production equipment finance programme | : ₹ 81.85 million (previous year ₹ 142.88 million)  |
| iii. Import finance programme              | : ₹ 575.51 million (previous year ₹ 502.31 million) |
| iv. Import finance programme               | : ₹ 56.53 million (previous year ₹ 49.35 million)   |
| v. Production equipment finance programme  | : ₹ 76.73 million (previous year ₹ 111.62 million)  |

The loan together with interest, commitment charges, liquidated damages, costs expenses and all other monies payables 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 by way of equitable mortgage by deposit of title deeds of selected 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 loan as per Serial No. i) above is also personally guaranteed by the Managing Director and three other Directors of the Company in their personal capacity.

#### vi. ECB Loan of \$ 45.50 million CY ₹ 2,327.62 million (PY ₹ 2,031.57 million – US\$ 45.50 million) (SBI and others)

ECB Loan is secured by hypothecation of movable properties and assets of the Company purchased out of ECB proceeds 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 Ares) all situate at village Bambhori Tal. Dharangaon, Dist. Jalgaon.

#### vii. ECB Loan– International Finance Corporation (IFC) of \$60 million CY ₹ 2,720.60 million (PY US\$ 60 million equivalent to ₹ 2,618.11 million)

##### a) ECB Loan of US\$ 15 million of IFC

The ECB Loan is secured by exclusive first Charge over entire movable plant, machinery and equipment, including all the spare parts and all other movable fixed assets such as furniture, fixtures, installations, vehicles, office equipments, computers and all other fixed assets of the Company both present and future at both the plants of the Company at Chittoor , Andhra Pradesh and further secured by way of exclusive first ranking charge over the land and other immovable properties together with all building and structure thereon and all other plant and machinery at both the plants of the Company at Chittoor , Andhra Pradesh.



## Notes : Long Term Borrowings (Contd...)

### b) ECB Loan of US\$ 15 million of IFC

Exclusive first Charge over entire movable plant, machinery and equipment, including all the spare parts and all other movable fixed assets such as furniture, fixtures, installations, office equipments, computers and all other fixed assets of the Company both present and future at Company's facilities at Vadodara (Gujarat), Bhavnagar (Gujarat) and Hyderabad (Andhra Pradesh) and further secured by way of exclusive first ranking charge over the land and other immovable properties together with all building and structure thereon and all other plant and machinery at Company's facilities at Vadodara (Gujarat), Bhavnagar (Gujarat) and Hyderabad (Andhra Pradesh)

### c) ECB Loan of US\$ 15 million of IFC

Exclusive first Charge over entire movable plant, machinery and equipment, including all the spare parts and all other movable fixed assets such as furniture, fixtures, installations, office equipments, computers and all other fixed assets of the Company both present and future at Company's facilities at Bambhori, Dist. Jalgaon, Maharashtra and further secured by way of exclusive first ranking charge by deposits of title deeds of selected immovable properties of the Company situated at Village Bambhori, 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 above ECB loan is also personally guaranteed by three Directors including Managing Director of the Company in their personal capacity.

### d) ECB Loan of US\$ 15 million of IFC

Exclusive first Charge over specific movable plant, machinery and equipment of the Company at Company's facilities at Plastic Park, Bambhori, Dist. Jalgaon, Maharashtra and further secured by way of exclusive first ranking charge by deposits of title deeds of selected immovable properties of the Company situated at Village Bambhori, 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 above ECB loan is also personally guaranteed by three Directors including Managing Director of the Company in their personal capacity.

### viii.IDFC Ltd: Term Loan: CY ₹ 285.71 million (PY ₹ 571.43 million)

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 by way of equitable mortgage by deposits of title deeds of selected 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 loan as above is also personally guaranteed by the Managing Director and three other Directors of the Company in their personal capacity.

### ix. IDFC Ltd. : Term Loan : CY ₹ 847.00 million (PY ₹ Nil million)

The Term Loan is secured by a first charge on movable properties including plant & Machinery, machinery spares, vehicles, equipments, all office equipment and furniture and other movable assets pertaining to project and book debts, receivables, commission, revenue of project. The loan is further secured by exclusive charge on movable properties of Wind Power Project.

The loan is further secured by First charge by way of equitable mortgage by deposits of title deeds of selected immovable properties of the Company situated at Village 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. Perfection of security is under process.

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

### x. Rabo India Finance Limited CY ₹ 600 million (PY ₹ Nil)

The Term Loan is secured by exclusive charge by way of hypothecation/mortgage on specific fixed assets of the Company.

The loans as above are also personally guaranteed by the Managing Director and one other Director of the Company in their personal capacity.

Perfection of security is under process.

### xi. GE Capital Services India: Term Loan: CY ₹ 750 million (PY ₹ Nil)

The Term Loan is secured by exclusive charge by way of hypothecation of specific Equipment's of the Company

The loans as above are also personally guaranteed by the Managing Director and one other Director of the Company in their personal capacity. Perfection of security is under process.

### xii. Vehicle Loan : CY ₹ 30.94 million (PY ₹ 47.83 million)

The loan is secured by exclusive charge on specific vehicles





₹ in Million

	31-Mar-2012	31-Mar-2011
<b>6. Deferred tax liability (net)</b>		
Depreciation	1,859.82	1,304.45
Disallowances under section 43B of the Income tax act, 1961	(42.75)	(26.45)
Other current assets/ liabilities	(107.20)	(53.75)
Net deferred tax liability at the end of the year	<b>1,709.87</b>	<b>1,224.25</b>
Net deferred tax liability at the beginning of the year	<b>1,224.25</b>	<b>1,024.42</b>
Deferred tax expense for the year	<b>485.62</b>	<b>199.83</b>
<b>7. Other long term liabilities</b>		
Derivative liability (refer note 36 for disclosure)	–	54.49
<b>TOTAL</b>	<b>–</b>	<b>54.49</b>
<b>8. Long term provisions</b>		
Provision for leave encashment (unfunded)	36.66	39.91
<b>TOTAL</b>	<b>36.66</b>	<b>39.91</b>
<b>9. Short term borrowings</b>		
<b>Particulars</b>	<b>Security</b>	
Loans repayable on demand		
Working capital loans : from consortium of banks (Average interest rate – 12.59%)	Secured [Refer security details (i) below]	
Working capital demand loan		3,109.00
Cash credit account		6,179.41
Export packing credit		1,959.40
		11,247.81
Money market borrowing (Commercial papers)	Unsecured	100.00
Short term loan(Average interest rate – 13.27%)	For security details [Refer (ii) below]	4,452.22
<b>TOTAL</b>		<b>15,800.03</b>
		<b>12,966.46</b>

## Security details

### i. Working capital loans (Including WCTL– I & II, FCTL & FCNRB) : CY ₹ 11,247.81 million (PY ₹ 9,229.03 million)

Consortium of Banks (in Alphabetical order) led by State Bank of India, Corporate Accounts Group (CAG Branch), Mumbai (including erstwhile State Bank of Indore, Mumbai and 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, Export Import Bank of India, Mumbai, HDFC Bank Ltd, Mumbai, IDBI Bank Ltd, Jalgaon & Pune, Indian Bank, Mumbai, Standard Chartered Bank, Mumbai, Union Bank of India, Mumbai and Yes Bank Ltd, 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, receivables, 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 FCTL and FCNRB) ranking Pari-Passu by way of equitable mortgage by deposits of title deeds of selected 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 by the Managing Director and three other Directors of the Company in their personal capacity.

### ii. a) JM Financial Products Ltd: Term Loan: CY ₹ 830 million (PY Nil)

The Term Loan is secured by pledge of Ordinary Equity Shares of the Company held by Promoters Group.

The loans as above are also personally guaranteed by the Managing Director of the Company in his personal capacity.

## Notes : Short Term Borrowings (Contd...)

### b) Kotak Mahindra Prime Ltd: Term Loan: CY ₹ 400 million (PY Nil)

The term loan is secured by pledge of Ordinary Equity Shares of the Company held by Promoters Group.

### c) State Bank of Hyderabad: Short Term Corporate loan: CY ₹ 350 million (PY ₹ 350 million)

The term loan is secured by hypothecation by way of subservient charge on all goods, book debts and machinery and other movable assets of the company.

\* Short term loans other than (a) and (b) above are unsecured loans, against personal guarantee given by directors.

	₹ in Million	
	31-Mar-2012	31-Mar-2011
<b>10. Trade payables</b>		
Dues to micro and small enterprises (refer note 39)	—	—
Dues to others (includes of ₹ 277.13 million second generation subsidiaries for current year (PY ₹ 291.55 million)	11,744.54	10,936.23
<b>TOTAL</b>	<b>11,744.54</b>	<b>10,936.23</b>
<b>11. Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	2,461.85	1,518.37
Interest accrued but not due on borrowings	134.63	45.20
Unpaid dividend	5.08	3.22
Advances from customers	151.20	422.15
Derivative liability (refer note 36 for disclosure)	144.17	140.34
Outstanding liabilities for expenses	300.40	238.82
Security deposits	131.76	99.42
Liability towards employee benefits (includes director's commission)	193.28	231.49
Excise duty on year end finished goods	99.23	75.16
Statutory liabilities	335.20	471.93
Creditors for capital goods	195.40	180.06
Others (includes overdrawn bank balances)	46.55	58.36
<b>TOTAL</b>	<b>4,198.75</b>	<b>3,484.52</b>
<b>12. Short term provisions</b>		
Gratuity (refer note 32)	30.62	33.96
Leave encashment	7.80	4.00
Wealth tax	0.52	0.22
Proposed preference dividend	—	0.23
Dividend tax on proposed preference dividend	—	0.04
Proposed equity dividend	405.18	385.73
Dividend tax on proposed equity dividend	65.73	64.07
<b>TOTAL</b>	<b>509.85</b>	<b>488.23</b>

### 13. [A] Tangible assets

₹ in Million

Particulars	Gross Block			Depreciation/Amortisation				Net Block	
	As at 01-Apr-11	Acquisitions	Adjusted/ disposals	As at 31-Mar-12	As at 01-Apr-11	Adjusted/ Written Back	For the year	As at 31-Mar-12	As at 31-Mar-11
Free hold land <sup>[2]</sup>	1,031.62	413.79	(0.80)	1,444.61	–	–	–	–	1,031.62
Lease hold land	2.12	–	(0.02)	2.10	–	–	–	–	2.12
Factory buildings and godowns <sup>[1]</sup>	3,152.14	681.75	–	3,833.89	575.83	–	107.49	683.32	2,576.31
Green/poly/shed houses	228.78	9.11	–	237.89	77.44	–	25.77	103.21	151.34
Plant and equipments <sup>[3]</sup>	14,496.98	2,711.55	(3.31)	17,205.22	4,027.63	(3.15)	795.79	4,820.27	10,469.35
Furniture and fixtures	112.72	21.87	–	134.59	80.66	–	6.28	86.94	32.06
Office equipment	156.33	25.53	–	181.86	47.85	–	9.16	57.01	108.48
Vehicles	310.21	26.29	(2.32)	334.18	116.98	(1.59)	29.41	144.80	193.23
Orchard activities	251.54	–	–	251.54	5.38	–	8.47	13.85	246.16
Live stock	0.42	–	–	0.42	–	–	–	–	0.42
Total [A]	19,742.86	3,889.89	(6.45)	23,626.30	4,931.77	(4.74)	982.37	5,909.40	14,811.09

### [B] Intangible assets

Particulars	Gross Block			Amortisation				Net Block	
	As at 01-Apr-11	Acquisitions	Adjusted/ disposals	As at 31-Mar-12	As at 01-Apr-11	Adjusted/ Written Back	For the year	As at 31-Mar-12	As at 31-Mar-11
Goodwill	3.54	–	–	3.54	3.54	–	–	3.54	–
Project Development	196.34	–	–	196.34	150.11	–	10.92	161.03	46.23
Computer software	34.22	36.15	–	70.37	20.04	–	6.02	26.06	14.18
Technical knowhow	94.81	–	–	94.81	20.56	–	17.05	37.61	74.25
Non compete fees	9.33	–	–	9.33	2.34	–	1.86	4.20	6.99
Total [B]	338.24	36.15	–	374.39	196.59	–	35.85	232.44	141.65
Grand Total [A+B]	20,081.10	3,926.04	(6.45)	24,000.69	5,128.36	(4.74)	1,018.22	6,141.84	14,952.74
Previous Year	16,561.05	3,538.52	(18.47)	20,081.10	4,288.62	(5.33)	845.07	5,128.36	14,952.74

- 1) Building includes tenancy rights gross value ₹ 42.55 million (PY ₹ 42.55 million)
- 2) Depreciation of ₹ 10.95 million (PY ₹ 10.72 million) on Heavy vehicles being used for site development during the year is capitalised.
- 3) Additions during the year of plant and machinery and building have been reduced by ₹ Nil (PY ₹ 20.64 million) on account of subsidy.
- 4) Interest capitalized during the current year includes ₹ 126.04 million on which depreciation calculated is ₹ 1.87 million (PY ₹ 36.66 million on which depreciation calculated was ₹ 0.12 million)
- 5) Fixed assets addition during the year includes cost of self constructed assets amounting to ₹ 77.14 million (PY ₹ 37.17 million)

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>14. Capital work in progress</b>		
Balance at the beginning of the year	832.60	774.06
Addition during the year	4,402.57	2,932.28
Capitalised during the year	(3,461.32)	(2,873.74)
<b>Balance at the end of the year</b>	<b>1,773.85</b>	<b>832.60</b>

**Note:** Addition in capital work in progress during the year includes cost of self constructed assets amounting to ₹ 724.87 million (PY ₹ 46.70 million)

	Numbers		₹ in Million	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
<b>15. Non-current investments</b>				
<b>Investment in equity instruments (quoted) - (Equity shares of ₹ 10 each) (fully paid)</b>				
Reliance Industries Ltd.	90	90	0.00	0.00
Reliance Communication Ltd.	45	45	0.00	0.00
Reliance Infrastructure Ltd. (formerly Reliance Energy Ltd.)	3	3	0.00	0.00
Reliance Capital Ltd, (Formerly Reliance Capital Ventures Ltd.)	2	2	0.00	0.00
Reliance Power Ltd (formerly Reliance Natural Resources Ltd.)	11	11	0.00	0.00
Finolex Industries Ltd.	75	75	0.00	0.00
Union bank of India	908	908	0.11	0.11
			0.11	0.11
<b>Investments in equity instruments (unquoted) (fully paid)</b>				
Shares of Astitwa Co-Op. Housing Society Ltd.	25	25	0.00	0.00
Shares of ₹ 100 each of Sarjan Members Association	5	5	0.00	0.00
Shares of ₹ 50 each of Rajdeep Vrundavan Co-Op. Housing Society	15	15	0.00	0.00
Shares of Edlabad Sut Girni Co-Operative Society Ltd.	200	200	0.00	0.00
Shares of ₹ 250 each of Shrinathjee Co-Op. Housing Society Ltd.	20	20	0.01	0.01
Sustainable Agro Comm.Fin.Ltd.Equity Shares of ₹ 10/-each fully paid up	2,474,500	24,500	24.75	0.25
Linking Shares of ₹ 25 each of Jalgaon Janta Sahakari Bank Ltd.	1,849	1,849	0.04	0.04
			24.80	0.30
<b>Investments in Subsidiaries - (unquoted) Equity instruments (trade) (fully paid)</b>				
Investment in JISL Overseas Ltd., Mauritius. - US \$ 1 each [refer (a) below]	62,305,891	62,305,891	2,800.96	2,800.96
Investment in Jain International Trading BV, Netherland - Euro 100 each	1,293	1,293	3,24.83	74.72
Investment in Jain Irrigation Holding Inc. USA - US \$ 1 each	1	1	0.00	0.00
			3,125.79	2,875.68
<b>Investment in Subsidiaries - (unquoted) - preference shares (trade) (fully paid)</b>				
Non cum. red. pref. shares of US\$1 each [refer (b) below]	19,250,000	19,250,000	932.36	932.36
Non cum. red. pref. shares of US\$1 each [refer (c) below]	4,500,000	4,500,000	201.19	201.19
			1,133.55	1,133.55
<b>Investment in government or trust securities (unquoted)</b>				
National saving certificates			2.95	2.95
Indira vikas patra			0.00	0.00
			2.95	2.95
<b>Investment in debentures or bonds</b>				
Industrial investment bank of India (Pledged with IIBI)	252	252	10.20	10.20
<b>Investment in mutual funds</b>				
Units of YES Bank - II Tier NC Bond @10 Lacs each	10	10	10.00	10.00
			10.00	10.00
<b>TOTAL</b>			<b>4,307.40</b>	<b>4,032.79</b>
Aggregate amount of quoted investments (Market value ₹ 0.21 million, PY 0.38 million)			0.11	0.11
Aggregate amount of unquoted investments			4,307.29	4,032.68
Please refer note 1(J) for mode of valuation of investments				

- a) Includes 1,978,113 shares pledged with financial institution as collateral security, however loan is since repaid  
b) With non-cumulative coupon rate of 6% bullet redemption after 8 years  
c) With non-cumulative coupon rate of 2% bullet redemption after 8 years



₹ in Million

	31-Mar-2012	31-Mar-2011
<b>16. Long term loans and advances</b>		
Capital advances (unsecured, considered good)	308.62	812.45
Security deposits (unsecured, considered good)		
- To others	186.45	158.85
- To related parties	120.38	132.43
Advance tax (net of provisions)	323.39	3.61
Loans and advances to subsidiaries (unsecured and considered good) [refer (a) below]	705.79	717.87
Prepaid expenses (unsecured and considered good)	76.22	101.47
<b>TOTAL</b>	<b>1,720.85</b>	<b>1,926.68</b>

a) JISL Overseas Ltd. Mauritius (Maximum balance ₹ 1,194.89 million [PY ₹ 1,158.90 million]) repayable after 7 years ₹ Nil at rate of interest 4% to 6% and Jain Irrigation Inc, USA (Maximum balance ₹ 68.88 million [PY ₹ 58.22 million]) at rate of interest 1.195% and Jain International Trading BV Netherland ₹ 97.07 million [PY ₹ 90.34 million] at rate of interest 5%. Further none of the subsidiaries have invested in the shares of the Company.

<b>17. Other non-current assets</b>		
Incentive receivables	74.90	83.10
MAT credit entitlement	492.48	–
<b>TOTAL</b>	<b>567.38</b>	<b>83.10</b>

<b>18. Inventories</b>		
Raw materials and components	1,936.83	2,497.62
Raw material in transit	339.23	391.06
Work-in-progress	28.41	67.41
Finished goods	5,049.83	5,626.82
Finished goods in transit	0.87	14.68
Stores and spares	645.48	543.25
Stores and spares in transit	11.31	8.63
<b>TOTAL</b>	<b>8,011.96</b>	<b>9,149.47</b>

Please refer note 1(K) for mode of valuation of inventory

<b>19. Trade receivables</b>		
<b>Unsecured</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Good	5,144.30	1,053.60
Considered doubtful	172.07	161.63
Less: Provision for doubtful debts	(172.07)	(161.63)
Other trade receivables - considered good	15,141.78	13,764.56
<b>TOTAL</b>	<b>20,286.08</b>	<b>14,818.16</b>

Above includes receivables from second generation subsidiaries ₹ 2,382.68 million (PY ₹ 1,893.30 million)

Above includes ₹ 15.72 million (PY ₹ 29.60 million) where legal action has been initiated for recovery.

Above amount is net of trade receivables discounted/securitized under arrangement with banks ₹ 4,260.57 million (PY ₹ 9,692.34 million)

<b>20. Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	13.21	14.49
Bank balances		
- Current accounts	2,769.38	3,792.39
- Unpaid dividend bank account	5.04	3.23
- Fixed deposits	17.95	–
	2,805.58	3,810.11
<b>Other bank balances</b>		
Fixed deposit*	15.70	–
In margin accounts	6.15	20.19
<b>TOTAL</b>	<b>2,827.43</b>	<b>3,830.30</b>

\* Fixed deposit of ₹ 15.70 million has maturity of more than 12 months

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>21. Short term loans and advances (unsecured)</b>		
Inter-corporate deposits	—	8.63
Advances recoverable in cash or kind or for value to be received:		
Trade purchases	1,287.15	1,354.29
Employee advances	139.89	127.93
Prepaid expenses	280.40	303.83
Others	35.52	13.39
Balance with collectorate of Central Excise and Customs	4.38	1.70
<b>TOTAL</b>	<b>1,747.34</b>	<b>1,809.77</b>
<b>22. Other current assets</b>		
Current portion of loans and advances to subsidiaries (unsecured, considered good)	655.05	589.59
Claims receivables	1,026.09	363.00
Incentive receivables	1,221.84	1,015.95
MAT credit	492.47	—
Interest receivables	20.58	15.60
Other current assets	581.21	257.31
<b>TOTAL</b>	<b>3,997.24</b>	<b>2,241.45</b>
<b>23. Revenue from operations</b>		
Sale of products		
Domestic sales	32,792.16	30,829.29
Export sales	6,622.72	5,160.49
	39,414.88	35,989.78
Sales return*	(309.87)	(302.40)
	39,105.01	35,687.38
Trade, other discounts and allowances**	(3,028.25)	(3,168.52)
	36,076.76	32,518.86
Sale of services:		
Domestic services	1,810.78	894.06
Export services	117.02	1.70
	1,927.80	895.76
Other operating revenues		
Incentives and assistance	712.34	802.19
<b>TOTAL</b>	<b>38,716.90</b>	<b>34,216.81</b>
* Includes export sales return of CY ₹ 0.99 million (PY: ₹ 2.81 million)		
** Includes discount on export sales of CY ₹ 14.17 million (PY: ₹ 1.67 million)		
<b>24. Other income</b>		
Interest on deposits and others [includes TDS ₹ 2.93 million (PY ₹ 2.99 million)]	150.70	79.52
Sundry balances appropriated	12.34	—
Dividend income	0.01	0.02
Provisions no longer required	43.83	12.98
Profit on sale of fixed assets	3.94	8.82
Profit on sale of investments	—	1.68
Income from other services	0.28	12.01
Net gain on foreign currency transactions and translation	—	655.35
Sale of scrap	43.91	42.78
Miscellaneous income	57.98	15.13
<b>TOTAL</b>	<b>312.99</b>	<b>828.29</b>
<b>25. Cost of materials consumed</b>		
<b>Raw Materials (including packaging materials)</b>		
Opening stock	2,497.62	2,122.79
Purchases	19,980.02	21,656.31
Closing stock	(1,936.83)	(2,497.62)
<b>TOTAL</b>	<b>20,540.81</b>	<b>21,281.48</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>26.Changes in inventory of finished goods and work in progress</b>		
Closing stock		
Finished goods	5,049.83	5,626.83
Work in progress	28.41	67.41
	5,078.24	5,694.24
Opening stock		
Finished goods	(5,626.83)	(3,215.79)
Work in progress	(67.41)	(4.85)
	(5,694.24)	(3,220.64)
Increase /(Decrease) in excise duty finished goods	(24.07)	(48.58)
<b>TOTAL</b>	<b>(640.07)</b>	<b>2,425.02</b>
<b>27. Employee benefit expenses</b>		
Salaries, wages, bonus etc.	1,461.91	1,312.20
Contribution to provident and other funds	130.62	107.15
Gratuity expenses	61.53	29.12
Staff welfare expenses	67.80	54.74
<b>TOTAL</b>	<b>1,721.86</b>	<b>1,503.21</b>
<b>28.Finance costs</b>		
Interest on term loans	456.60	439.37
Interest on working capital loans	1,905.65	891.25
Interest on others	28.07	36.21
Discounting charges and interest	813.01	740.27
Bank commission and charges	420.12	256.53
Loss on foreign currency transactions	611.32	553.23
<b>TOTAL</b>	<b>4,234.77</b>	<b>2,916.86</b>
<b>29.Other expenses</b>		
Consumption of stores and spare parts	696.42	663.77
Power & fuel	1,189.79	880.16
Agency charges for installation	467.32	260.63
Project site general expenses	64.45	112.97
Rent	93.35	66.88
Repairs & maintenance		
- Plant & machinery	35.19	35.70
- Buildings	125.30	112.61
- Others	24.26	82.08
Freight	718.57	830.72
Processing charges	287.72	421.22
Export selling expenses	542.27	417.45
Auditor's remuneration*	6.07	5.68
Loss on foreign currency transactions and translation	677.99	-
Legal and professional consultancy fees	180.56	140.78
Travelling & conveyance expenses	330.96	275.51
Communication expenses	46.46	40.18
Commission and brokerage	200.84	157.24
Advertisement and sales promotion expenses	150.47	112.28
Excise duty	-	25.35
Cash discount	165.54	41.80
Irrecoverable claims	1.17	41.82
Bad debts & bad advances	15.12	11.10
Provisions for bad & doubtful debts	30.00	62.35
Donation	1.59	62.82
Insurance	23.02	31.78
Rates and taxes	8.15	7.29
Director's sitting fees	0.40	0.50
Miscellaneous expenses	1,170.06	845.51
<b>TOTAL</b>	<b>7,253.04</b>	<b>5,746.18</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Other expenses (Contd..)</b>		
<b>* Auditor's remuneration</b>		
<b>Payments to auditor – (exclusive of service tax)</b>		
As auditor		
- audit fees	4.75	4.00
- tax audit fees	0.40	0.40
- limited review	0.80	0.60
In other capacity		
- company law matters	–	0.68
- certification and other matters	0.12	–
- out of pocket expenses	–	–
<b>TOTAL</b>	<b>6.07</b>	<b>5.68</b>
<b>30. Current tax</b>		
Current tax	552.34	909.00
MAT credit entitlement / (utilised)	(552.34)	201.00
Net current tax	–	1,110.00
Short/(Excess) provision of income tax (Net)	(443.32)	12.44
<b>TOTAL</b>	<b>(443.32)</b>	<b>1,122.44</b>
<b>31. Earnings per share ( EPS)</b>		
Profit for the year	2,682.99	2,952.59
Proposed dividend on preference capital (including dividend tax )	–	0.27
Prior period income/(expenses)	(0.80)	–
Amount available for equity share holders	2,682.19	2,952.31
Weighted average number of equity shares for basic EPS [nos.]	405,130,930	381,126,589
Number of potential equity shares under ESOP	314,401	3,32,289
Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	405,445,331	38,14,58,878
<b>Basic EPS ₹</b>	<b>6.62</b>	<b>7.75</b>
<b>Diluted EPS ₹</b>	<b>6.62</b>	<b>7.74</b>
<b>32. Employee benefits</b>		
<b>Defined benefit obligation</b>		
The Gratuity obligation is managed by a Trust (JISL Gratuity Trust)		
<b>Actuarial assumptions</b>		
Rate of interest (p.a.)	8.25%	8.25%
Salary growth (p. a.)	4.00%	4.00%
Withdrawal rate (p.a.)	2.00%	1.00%
Mortality rate table ( LIC (1994-96) Utility rates)		
<b>Change in present value of the defined benefit obligation</b>		
Opening balance	105.73	72.93
Current service cost	12.33	9.02
Interest cost	8.72	6.02
Actuarial loss / (gain) on obligation	21.50	18.92
Benefits paid	(6.90)	(1.16)
Closing balance	<b>141.38</b>	<b>105.73</b>
<b>Change in fair value of plan assets</b>		
Opening fair value of plan assets	71.77	66.85
Expected return on plan assets	5.74	5.34
Actuarial gain / (loss) on plan assets	10.16	(0.05)
Contributions	30.00	1.24
Benefits paid	(6.90)	(1.16)
Closing fair value of plan assets #	<b>110.77</b>	<b>71.77</b>
# Planned assets are with ICICI Prudential group gratuity plan in balanced fund which allocates the assets in ratio of 80% debt & 20% equity		
<b>Movement in the net liability recognised in the Balance Sheet</b>		
Changes in present value of defined benefit obligations	141.38	105.73
Changes in fair value of plan assets	110.77	71.77
Closing net liability	<b>30.61</b>	<b>33.96</b>



₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Employee benefits (Contd..)</b>		
<b>Expenses recognized in profit and loss account</b>		
Current service cost	12.34	9.02
Interest cost	8.72	6.02
Expected return on plan assets	(5.74)	(5.34)
Actuarial (gains)/losses	11.34	19.42
	<b>26.66</b>	<b>29.12</b>
<b>Investment details of plan assets</b>		
Government of India assets		—
Corporate bonds		—
Special deposit scheme		—
Equity shares of listed companies		—
Property		—
Insurer managed funds		110.77
Other		—
	<b>TOTAL</b>	<b>110.77</b>
<b>Experience adjustment</b>		
On plan liability (gains)/ losses		29.53
On plan assets (losses)/ gains		10.16

The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

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

- Employers contribution to Provident fund ₹ 36.48 million (PY: ₹ 29.72 million) deposited with concerned authority.
- Employers contribution to Pension scheme ₹ 39.85 million (PY : ₹ 30.93 million) deposited with concerned authority.
- Employers contribution to Superannuation fund ₹ 44.80 million (PY : ₹ 37.05 million) managed by a Trust.

### 33. Employee stock option plan

Employee stock options and shares plan 2005 (ESOP) - out of 15,356,000 stock options, compensation committee of the company has approved/ allotted following options to the eligible employees including working & non-executive directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4
Number of ESOP's allotted (face value of ₹ 2 per equity share)	2,500,000	2,500,000	2,500,000	2,500,000
Date of issue	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
Market price on the date of issue (NSE, Mumbai)	410.35	459.40	630.15	476.20
Discount offered as per terms	25%	10%	10%	10%
Option exercise price	307.76	413.46	568.00	428.58
Post split option exercise price	61.55	82.69	113.60	85.72
Vesting period	1 Year	3 Years	3 Years	3 Years
Options exercised during FY 2011-12	1,500	1,34,200	25,925	Nil
Total options exercised till March 31, 2012	2,358,050	2,224,625	2,471,250	Nil
Balance	1,41,950	275,375	28,750	2,500,000
Options lapsed	Nil	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/ amortized in the annexed accounts based on vesting period and as per the accounting policies specified in Schedule 1 of the ESOP Guidelines issued by the SEBI.

No employee has been issued options entitling such person to subscribe more than 1% of Equity Share Capital of the Company.

Out of the total 10,000,000 ESOPs granted, as of March 31, 2012; 70,53,925 ESOPs have been converted into equity shares of the Company.

### 34. Leases

The Company has entered into "Operating lease for premises" as defined in the Accounting Standard 19 (AS-19). 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 are as under:

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Leases (Contd..)</b>		
Not later than one year	22.85	13.68
Later than one year and not later than five years	25.25	18.37
Later than five years	2.42	1.74
Aggregate amount of operating lease rent debited to profit and loss account during the year is ₹ 93.35 million (PY: ₹ 66.88 million)		

### 35. Segment Information

#### A] Information about business segments

##### 1. Segment revenue

a] Hi-tech agri input products	26,003.96	22,758.16
b] Industrial products	11,716.55	10,449.21
c] Non conventional energy	90.41	101.64

##### Net sales income from operations

**37,810.92**      **33,309.01**

##### 2. Segment results: Profit before Tax

a] Hi-tech agri input products	7,061.67	6,609.70
b] Industrial products	1,747.13	1,244.70
c] Non conventional energy	—	—

**8,808.80**      **7,854.40**

##### Un-allocable expenditure (net)

Less: i) Interest	4,234.76	2,916.86
ii) Taxation (including short provision)	42.30	1,322.49
iii) Others (net of income)	1,848.75	662.46

##### Profit after tax

**2,682.99**      **2,952.59**

##### 3. Other Information

₹ in Million

Paticular	Hi-tech Agri Input Products	Industrial Products	Non conventional energy	Others Un-allocable	Total
<b>2011-12</b>					
Segment assets	34,018.26	16,146.92	2,108.34	—	52,273.52
Unallocated corporate assets	—	—	—	10,824.86	10,824.86
<b>Total assets</b>	<b>34,018.26</b>	<b>16,146.92</b>	<b>2,108.34</b>	<b>10,824.86</b>	<b>63,098.38</b>
Segment liabilities	8,538.01	4,095.06	1,477.19	—	14,110.26
Unallocated corporate liabilities	—	—	—	29,868.55	29,868.55
<b>Total liabilities</b>	<b>8,538.01</b>	<b>4,095.06</b>	<b>1,477.19</b>	<b>29,868.55</b>	<b>43,978.81</b>
Capital expenditure	2,039.64	96.14	1,009.49	472.88	3,618.14
Depreciation/ amortization	500.40	370.05	84.52	52.30	1,007.27
Non cash items	46.29	—	—	—	46.29
<b>2010-11</b>					
Segment assets	23,600.04	17,044.39	1,189.90	—	41,834.33
Unallocated corporate assets	—	—	—	11,842.73	11,842.73
<b>Total assets</b>	<b>23,600.04</b>	<b>17,044.39</b>	<b>1,189.90</b>	<b>11,842.73</b>	<b>53,677.06</b>
Segment liabilities	8,142.33	3,452.52	510.70	—	12,105.55
Unallocated corporate liabilities	—	—	—	24,728.81	24,728.81
<b>Total liabilities</b>	<b>8,142.33</b>	<b>3,452.52</b>	<b>510.70</b>	<b>24,728.81</b>	<b>36,834.36</b>
Capital expenditure	2,180.56	468.70	59.20	463.81	3,172.28
Depreciation/ amortization	264.42	412.47	102.38	60.45	839.72
Non cash items	73.45	41.82	—	—	115.27

## B] Information about geographical segments

₹ in Million

	Hi-tech Agri input products		Industrial products		Non-conventional energy		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
India	24,322.46	22,170.81	6,673.47	5,877.95	90.41	101.64	31,086.34	28,150.40
Europe	582.02	211.03	2,555.46	1,875.82	—	—	3,137.48	2,086.85
USA	338.43	297.25	949.28	929.11	—	—	1,287.71	1,226.36
Rest of the world	761.05	530.34	1,538.34	1,315.06	—	—	2,299.39	1,845.40
<b>Total</b>	<b>26,003.96</b>	<b>23,209.43</b>	<b>11,716.55</b>	<b>9,997.94</b>	<b>90.41</b>	<b>101.64</b>	<b>37,810.92</b>	<b>33,309.01</b>

### Notes :

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business segment as the primary segment and type of products and services in each segment: a) Hi-tech Agri Input Products: Micro & Sprinkler Irrigation, PVC Pipes, Bio-tech Tissue Culture. b) Industrial Products : PVC & PC Sheets, PE Pipes, Onion & vegetable Dehydration, Fruit Processing, Solar. c) Non-conventional energy: Wind energy & bio-gas.
- 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".
- 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".

## 36. Foreign currency exposure

### A] Foreign Currency Exposure Data not hedged by Derivative Instrument

FC in Million

Particulars	USD		Euro		GBP		CHF		Others (equivalent \$)	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>Liabilities</b>										
Long term loans taken	114.14	122.90	0.14	0.21	—	—	40.19	28.58	—	—
Short term loans taken	21.75	43.89	—	—	—	—	0.11	—	—	—
Import liabilities and LC commitments	73.53	145.95	7.52	4.21	—	—	—	18.37	—	—
Import forward cover	—	1.86	—	—	—	—	—	—	—	—
Import liability for capex	—	—	1.14	0.63	—	—	3.05	—	—	—
Contingent liability- corporate guarantee	66.65	72.86	—	—	—	—	—	—	—	—
	<b>276.07</b>	<b>387.46</b>	<b>8.80</b>	<b>5.05</b>	<b>—</b>	<b>—</b>	<b>43.35</b>	<b>46.95</b>	<b>—</b>	<b>—</b>
<b>Assets</b>										
Export receivables	17.43	16.06	12.18	12.48	7.77	8.20	—	—	—	—
Export forward cover	8.50	26.95	—	—	—	—	—	—	—	—
Balances with banks	0.01	0.01	—	—	—	—	—	—	—	—
Loans and advances	25.26	22.44	—	—	—	0.02	1.27	1.18	0.04	0.01
Investment	92.71	87.71	—	—	—	—	—	—	—	—
	<b>143.91</b>	<b>153.17</b>	<b>12.18</b>	<b>12.48</b>	<b>7.77</b>	<b>8.22</b>	<b>1.27</b>	<b>1.18</b>	<b>0.04</b>	<b>0.01</b>
<b>Net liability/(asset)</b>	<b>132.16</b>	<b>234.29</b>	<b>(3.38)</b>	<b>(7.43)</b>	<b>(7.77)</b>	<b>(8.22)</b>	<b>42.08</b>	<b>45.77</b>	<b>(0.04)</b>	<b>(0.01)</b>
Rupee conversion rate (Closing)	51.16	44.65	68.34	63.24	81.80	71.93	56.69	49.27		

Note: Other FC amount (includes AUD, SGD, JPY, NZD etc. shown in US\$ denomination, converted as of 31<sup>st</sup> March 2012 and 31<sup>st</sup> March 2011)

### B] Derivative instruments outstanding

- The Company has Interest Rate Swap (IRS) on foreign Currency Loans - Long term Loan of US\$ 65.05 million (PY: US\$ 69.14 million)
- The Company has Principal only Swap (POS) on foreign currency loans - Long term Loan of CHF 4.76 million (CHF 8.54 million)
- The Company has hedged total exports by derivative instruments under which the outstanding is US\$ 12.50 million (PY: US\$ 42.50 million)

### 37. Related party transactions

#### A] Related parties and their relation

##### [1] Wholly owned subsidiary companies

JISL Overseas Ltd., Mauritius.

Jain International Trading BV, Netherlands

##### [2] Fellow subsidiary companies

Jain (Europe ) Ltd. UK Jain ( Americas ) Inc. USA, Jain Overseas BV. Netherland	Wholly owned subsidiaries of JISL Overseas Ltd., Mauritius.
Cascade Specialties Inc. USA Jain Irrigation Holding Inc. USA	Subsidiaries of Jain (Americas) Inc, USA
Jain Irrigation Inc, USA	Subsidiary of Jain Irrigation Holding Corporation
Point Source Irrigation, Inc., USA	Wholly Owned Subsidiary of Jain Irrigation Inc, USA
JISL Global SA, Switzerland Jain (Israel) BV, Netherland Jain Sulama Sistemleri Sanayi Ve Ticaret Anonim Sirkti, Turkey	Wholly Owned Subsidiaries of Jain Overseas B V, Netherland
JISL Systems SA, Switzerland	Wholly Owned Subsidiaries of JISL Global SA
Naandan Jain Irrigation CS Ltd, Israel	Subsidiary of Jain (Israel) BV, Netherland
THE Machines SA, Switzerland	Subsidiary of JISL Systems SA, Switzerland
SQF 2009 Ltd.w.e.f.2 <sup>nd</sup> Nov.2010	Subsidiary of Jain (Europe ) Ltd. UK.
Pro Tool AG, Switzerland	Subsidiary of THE Machines SA, Switzerland
White Oak Frozen Foods, USA	Subsidiary of Cascade Specialties Inc., USA
NaanDan Agro-Pro Ltd, Israel NaanDanJain France Sarl, France NaanDanJain Australia Pty Ltd, Australia NaanDan Do Brasil Participacoes Ltd., Brazil NaanDanJain Industria E Comercio de Equipmentos Ltd., Brasil NaanDanJain Mexico, S.A. De C.V. Mexico NaanDanJain S.R.L., Italy NaanDanJain Iberica S.C., Spain NaanDanJain Peru S.A.C, Peru NaanDanJain Irrigation Projects S.R.L., Romania	Subsidiaries of Naandan Jain Irrigation CS Ltd, Israel
Sleaford Food Group Ltd, UK Sleaford Quality Foods Ltd, UK Arnolds Quick Dried Foods Ltd, UK	w.e.f. 2 <sup>nd</sup> Nov.2010 Wholly owned subsidiaries of SQF 2009 Ltd
Dansystems S.A., Chile Naan Sprinklers and Irrigation Systems, INC, USA	Joint venture of Naandan Jain Irrigation CS Ltd, Israel Not consolidated in Naandan Jain Irrigation CS Ltd, Israel

##### [3] Companies / Firms in which director, director's relatives are Directors/Partners

###### Companies

Jain Extrusion & Molding Pvt. Ltd.,  
Jain Vanguard Polybutylene Ltd.,  
Atlaz Technology Pvt. Ltd.,  
JAF Products Pvt. Ltd.,  
Jalgaon Investment Pvt. Ltd.,  
Jain Rotfil Heaters Pvt. Ltd.,  
Jain e-agro.com India Pvt. Ltd.,  
Aadhunik Hi Tech Agriculture Pvt. Ltd.,  
(Formerly Gauri Hi Tech Agriculture Pvt. Ltd)  
Kantabai Bhavarlal Jain Family Knowledge Institute

Pixel Point Pvt. Ltd.,  
Labh Subh Securities International Ltd.,  
Jain Brothers Industries Pvt. Ltd.,  
Cosmos Investment & Trading Pvt. Ltd.,  
Stock & Securities (India) Pvt. Ltd.,  
Timbron India Pvt. Ltd.,  
Sustainable Agro-Commercial Finance Ltd.,  
Jain Green Energy Ltd.,  
(Formerly Jain Solar Systems Ltd)  
Gandhi Research Foundation

###### Partnership firms

Jain Computer & Allied Services,  
Jalgaon Metal & Bricks Manufacturing Co.,

Jalgaon Udyog,

###### Proprietorship

PVC Trading House,  
Drip & Pipe Suppliers,

Plastic Enterprises,  
Jain Sons Investments Corporation,





### Trust

Anubhuti Scholarship Foundation,  
Bhavarlal and Kantabai Jain Multipurpose Foundation

### Trust entities

Jain Family Holding Trust  
Jain Family Enterprises Trust  
Jain Family Trust

Jain Family Investment Trust  
Jain Family Investment Management Trust

### Foreign companies

Jain Investments & Finance BV. Netherland

Jain Overseas Investments Ltd. Mauritius

### [4] Key management personnel & designation

Bhavarlal H. Jain (Chairman),  
Anil B. Jain (Managing Director),  
Atul B. Jain (Joint Managing Director)

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

### [5] Relatives of Key management personnel & designation

Jyoti Ashok Jain (Wife of Vice Chairman)  
Shobhana Ajit Jain (Wife of Joint Managing Director)  
Bhamini Swaminathan (Wife of Whole Time Director)  
Ms. Arohi Ashok Jain (Daughter of Vice Chairman)  
Master Athang Anil Jain (Son of Managing Director)  
Ms. Ashuli Anil Jain (Daughter of Managing Director)  
Master Abhang Ajit Jain (Son of Joint Managing Director)  
Ms. Suchitra R. Swaminathan (Daughter of Whole Time Director)

Nisha Anil Jain (Wife of Managing Director)  
Bhavana Atul Jain (Wife of Joint Managing Director)

Master Atman Ashok Jain (Son of Vice Chairman)  
Ms. Amoli Anil Jain (Daughter of Managing Director)  
Master Abhedya Ajit Jain (Son of Joint Managing Director)  
Master Anmay Atul Jain (Son of Joint Managing Director)

## B] Transactions & balances party-wise

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
[1]	<b>Transactions</b>						
	<b>[i] Purchase of goods</b>						
		-	368.54	-	-	-	368.54
		(-)	(313.03)	(-)	(-)	(-)	(313.03)
	Naandan Jain Irrigation CS Ltd	-	211.84	-	-	-	211.84
		(-)	(212.01)	(-)	(-)	(-)	(212.01)
	Jain Sulama Sistemleri Sanayi VeTicaret Anonim Sirkti, Turkey	-	50.47	-	-	-	50.47
		(-)	(-)	(-)	(-)	(-)	(-)
	Jain Irrigation Inc., USA	-	31.12	-	-	-	31.12
		(-)	(83.01)	(-)	(-)	(-)	(83.01)
	Jain (Americas ) Inc., USA	-	36.55	-	-	-	36.55
		(-)	(0.44)	(-)	(-)	(-)	(0.44)
	Jain (Europe ) Ltd., UK	-	0.25	-	-	-	0.25
		(-)	(0.02)	(-)	(-)	(-)	(0.02)
	THE Machine S.A., Switzerland	-	38.31	-	-	-	38.31
		(-)	(16.01)	(-)	(-)	(-)	(16.01)
	NaanDan Jain Peru S.A.C., Peru	-	-	-	-	-	-
		(-)	(1.54)	(-)	(-)	(-)	(1.54)
	<b>[ii] Other expenditure</b>						
		-	119.65	-	-	-	119.65
		(-)	(27.67)	(-)	(-)	(-)	(27.67)
	Jain Irrigation Inc., USA	-	66.53	-	-	-	66.53
		(-)	(27.67)	(-)	(-)	(-)	(27.67)
	Jain Sulama Sistemleri Sanayi VeTicaret Anonim Sirkti, Turkey	-	53.12	-	-	-	53.12
		(-)	(-)	(-)	(-)	(-)	(-)
	<b>[iii] Purchase of capital goods</b>						
		-	1,239.14	-	-	-	1,239.14
		(-)	(951.70)	(-)	(-)	(-)	(951.70)
	THE Machine S.A., Switzerland	-	1,203.65	-	-	-	1,203.65
		(-)	(951.32)	(-)	(-)	(-)	(951.32)
	Naandan Jain Irrigation C S Ltd., Israel	-	18.11	-	-	-	18.11
		(-)	(-)	(-)	(-)	(-)	(-)
	Jain Irrigation Inc., USA	-	17.38	-	-	-	17.38
		(-)	(-)	(-)	(-)	(-)	(-)
	Jain ( Europe ) Ltd., UK	-	-	-	-	-	-
		(-)	(0.38)	(-)	(-)	(-)	(0.38)

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
<b>[iv] Sale of goods</b>		<b>-</b>	<b>4,174.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,174.24</b>
		(-)	(3307.68)	(-)	(-)	(-)	(3307.69)
	Jain (Europe ) Ltd., UK	-	2,044.11	-	-	-	2,044.11
		(-)	(1,530.45)	(-)	(-)	(-)	(1,530.45)
	Jain ( Americas ) Inc., USA	-	935.26	-	-	-	935.26
		(-)	(738.37)	(-)	(-)	(-)	(738.37)
	SQF 2009 Ltd., UK	-	360.35	-	-	-	360.35
		(-)	(278.87)	(-)	(-)	(-)	(278.87)
	Jain Sulama Sistemleri Sanayi Ve Ticaret Anonim Sirkti, Turkey.	-	284.32	-	-	-	284.32
		(-)	(252.07)	(-)	(-)	(-)	(252.07)
	Naandan Jain Irrigation C S Ltd., Israel	-	126.08	-	-	-	126.08
		(-)	(104.78)	(-)	(-)	(-)	(104.78)
	NaanDan Jain Mexico, S.A. De C.V., Mexico	-	125.95	-	-	-	125.95
		(-)	(63.97)	(-)	(-)	(-)	(63.97)
	NaanDan Jain S.R.L.,Italy	-	103.98	-	-	-	103.98
		(-)	(56.91)	(-)	(-)	(-)	(56.91)
	Jain Irrigation Inc., USA	-	95.80	-	-	-	95.80
		(-)	(188.96)	(-)	(-)	(-)	(188.96)
	NaanDan Jain France Sarl., France	-	38.03	-	-	-	38.03
		(-)	(15.92)	(-)	(-)	(-)	(15.92)
	NaanDan Jain Iberica S.C., Spain	-	24.23	-	-	-	24.23
		(-)	(31.33)	(-)	(-)	(-)	(31.33)
	NaanDan Jain Industria E Comercio de Equipmentos Ltd., Brazil	-	18.76	-	-	-	18.76
		(-)	(26.85)	(-)	(-)	(-)	(26.85)
	THE Machine S.A., Switzerland	-	5.31	-	-	-	5.31
		(-)	(10.93)	(-)	(-)	(-)	(10.93)
	NaanDan Jain Australia Pty Ltd., Australia	-	4.40	-	-	-	4.40
		(-)	(4.40)	(-)	(-)	(-)	(4.40)
	NaanDan Jain Irrigation Projects S.R.L., Romania	-	3.87	-	-	-	3.87
		(-)	(1.24)	(-)	(-)	(-)	(1.24)
	NaanDan Jain Peru S.A.C., Peru	-	3.79	-	-	-	3.79
		(-)	(2.63)	(-)	(-)	(-)	(2.63)
<b>[v] Sale of capital goods</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		(-)	(19.75)	(-)	(-)	(-)	(19.75)
	Jain Sulama Sistemleri Sanayi Ve Ticaret Anonim Sirkti, Turkey	-	-	-	-	-	-
		(-)	(7.27)	(-)	(-)	(-)	(7.27)
	Jain Irrigation Inc., California	-	-	-	-	-	-
		(-)	(12.48)	(-)	(-)	(-)	(12.48)
<b>[vi] Rent expenses</b>		<b>-</b>	<b>-</b>	<b>0.79</b>	<b>2.75</b>	<b>3.95</b>	<b>7.49</b>
		(-)	(-)	(0.86)	(4.51)	(3.95)	(9.32)
	B. H. Jain	-	-	-	-	-	-
		(-)	(-)	(-)	( 1.76 )	(-)	( 1.76 )
	Ajit B. Jain	-	-	-	1.69	-	1.69
		(-)	(-)	(-)	(1.69)	(-)	(1.69)
	Ashok B. Jain	-	-	-	1.06	-	1.06
		(-)	(-)	(-)	(1.06)	(-)	(1.06)
	Jyoti Ashok Jain	-	-	-	-	0.71	0.71
		(-)	(-)	(-)	(-)	(0.71)	(0.71)
	Nisha Anil Jain	-	-	-	-	1.82	1.82
		(-)	(-)	(-)	(-)	(1.82)	(1.82)
	Shobhana Ajit Jain	-	-	-	-	0.71	0.71
		(-)	(-)	(-)	(-)	(0.71)	(0.71)
	Bhavana Atul Jain	-	-	-	-	0.71	0.71
		(-)	(-)	(-)	(-)	(0.71)	(0.71)
	Drip & Pipe suppliers	-	-	0.49	-	-	0.49
		(-)	(-)	( 0.54 )	(-)	(-)	(0.54)
	JAF Products Pvt. Ltd.	-	-	0.10	-	-	0.10
		(-)	(-)	(0.10)	(-)	(-)	(0.10)

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
	Jain Brothers Industries Pvt. Ltd.	–	–	0.10	–	–	0.10
		(–)	(–)	(0.10)	(–)	(–)	(0.10)
	Jain Computers & Allied Services	–	–	0.10	–	–	0.10
		(–)	(–)	(0.12)	(–)	(–)	(0.12)
<b>[vii] Donation</b>		–	–	<b>6.00</b>	–	–	<b>6.00</b>
		(–)	(–)	(61.39)	(–)	(–)	(61.39)
	Gandhi Research Foundation	–	–	–	–	–	–
		(–)	(–)	(20.64)	(–)	(–)	(20.64)
	Bhavarlal and Kantabai Jain Multipurpose Foundation	–	–	6.00	–	–	6.00
		(–)	(–)	(40.75)	(–)	(–)	(40.75)
<b>[viii] Remuneration and fees</b>		–	–	–	<b>216.94</b>	–	<b>216.94</b>
		(–)	(–)	(–)	(251.35)	(–)	(251.35)
	Anil B. Jain	–	–	–	53.18	–	53.18
		(–)	(–)	(–)	(65.04)	(–)	(65.04)
	Ajit B. Jain	–	–	–	52.13	–	52.13
		(–)	(–)	(–)	(61.51)	(–)	(61.51)
	Ashok B. Jain	–	–	–	52.13	–	52.13
		(–)	(–)	(–)	(59.12)	(–)	(59.12)
	Atul B. Jain	–	–	–	52.13	–	52.13
		(–)	(–)	(–)	(57.97)	(–)	(57.97)
	Swaminathan R.	–	–	–	7.37	–	7.37
		(–)	(–)	(–)	(7.71)	(–)	(7.71)
<b>[ix] Investment during the year</b>		<b>250.12</b>	–	–	–	–	<b>250.12</b>
		(67.88)	(–)	(–)	(–)	(–)	(67.88)
	Jain International Trading BV	250.12	–	–	–	–	250.12
		(67.88)	(–)	(–)	(–)	(–)	(67.88)
<b>[x] Loans &amp; other advances given</b>		<b>155.15</b>	–	<b>21.60</b>	<b>4.45</b>	–	<b>181.20</b>
		(470.21)	(–)	(0.15)	(12.03)	(–)	(482.39)
	JISL Overseas Ltd., Mauritius	23.98	–	–	–	–	23.98
		(379.95)	(–)	(–)	(–)	(–)	(379.95)
	Jain International Trading B.V., Netherlands	131.16	–	–	–	–	131.16
		(90.26)	(–)	(–)	(–)	(–)	(90.26)
	Bhavarlal and Kantabai Jain Multipurpose Foundation	–	–	21.60	–	–	21.60
		(–)	(–)	(–)	(–)	(–)	(–)
	Anil B. Jain	–	–	–	1.49	–	1.49
		(–)	(–)	(–)	(1.02)	(–)	(1.02)
	Ashok B. Jain	–	–	–	0.49	–	0.49
		(–)	(–)	(–)	(1.55)	(–)	(1.55)
	Ajit B. Jain	–	–	–	0.51	–	0.51
		(–)	(–)	(–)	(7.21)	(–)	(7.21)
	Atul B. Jain	–	–	–	1.31	–	1.31
		(–)	(–)	(–)	(2.05)	(–)	(2.05)
	Swaminathan R.	–	–	–	0.65	–	0.65
		(–)	(–)	(–)	(0.20)	(–)	(0.20)
	Gandhi Research Foundation	–	–	–	–	–	–
		(–)	(–)	(0.15)	(–)	(–)	(0.15)
<b>[xi] Interest and forex loss on loans given</b>		<b>69.49</b>	<b>0.71</b>	–	–	–	<b>70.20</b>
		(41.04)	(0.67)	(–)	(–)	(–)	(41.71)
	JISL Overseas Ltd., Mauritius	60.96	–	–	–	–	60.96
		(40.00)	(–)	(–)	(–)	(–)	(40.00)
	Jain Irrigation Inc., USA	–	0.71	–	–	–	0.71
		(–)	(0.67)	(–)	(–)	(–)	(0.67)
	Jain International Trading B.V., Netherlands	8.53	–	–	–	–	8.53
		(1.04)	(–)	(–)	(–)	(–)	(1.04)

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
	<b>[xii] ESOP allotment</b>	-	-	-	-	-	-
		(-)	(-)	(-)	(4.75)	(-)	(4.75)
	Swaminathan R.	-	-	-	-	-	-
		(-)	(-)	(-)	(4.75)	(-)	(4.75)
	<b>[xiii] Issue of equity share warrants</b>	-	-	-	-	-	-
		(-)	(-)	(195.01)	(152.92)	(-)	(347.93)
	Anil B. Jain	-	-	-	-	-	-
		(-)	(-)	(-)	(76.46)	(-)	(76.46)
	Atul B. Jain	-	-	-	-	-	-
		(-)	(-)	(-)	(76.46)	(-)	(76.46)
	Jain Brothers Industries Pvt. Ltd.	-	-	-	-	-	-
		(-)	(-)	(195.01)	(-)	(-)	(195.01)

**[xiv] Corporate guarantees given for subsidiaries during the Year**

		-	665.03	-	-	-	665.03
		(-)	(776.13)	(-)	(-)	(-)	(776.13)
	Jain ( Europe ) Ltd., UK	-	665.03	-	-	-	665.03
		(-)	(-)	(-)	(-)	(-)	(-)
	Jain ( Americas ) Inc., USA,	-	-	-	-	-	-
		(-)	(102.65)	(-)	(-)	(-)	(102.65)
	Jain Irrigation Inc., USA	-	-	-	-	-	-
		(-)	(104.08)	(-)	(-)	(-)	(104.08)
	Jain Sulama Sistemleri Sanayi Ve Ticaret Anonim Sirkti, Turkey.	-	-	-	-	-	-
		(-)	(212.20)	(-)	(-)	(-)	(212.20)
	Jain (Israel) BV, Netherland	-	-	-	-	-	-
		(-)	(357.20)	(-)	(-)	(-)	(357.20)

**[2] Balances**

**[i] Investment in**

		4,259.34	-	-	-	-	4,259.34
		(4009.23)	(-)	(-)	(-)	(-)	(4009.23)
	JISL Overseas Ltd., Mauritius	3,934.51	-	-	-	-	3,934.51
		(3934.51)	(-)	(-)	(-)	(-)	(3934.51)
	Jain International Trading B.V., Netherlands	324.83	-	-	-	-	324.83
		(74.72)	(-)	(-)	(-)	(-)	(74.72)

**[ii] Loan given to**

		1,291.96	68.88	-	-	-	1,360.84
		(1249.24)	(58.22)	(-)	(-)	(-)	(1307.46)
	JISL Overseas Ltd. Mauritius	1,194.89	-	-	-	-	1,194.89
		(1158.90)	(-)	(-)	(-)	(-)	(1158.90)
	Jain Irrigation Inc., USA	-	68.88	-	-	-	68.88
		(-)	(58.22)	(-)	(-)	(-)	(58.22)
	Jain International Trading B.V., Netherlands	97.07	-	-	-	-	97.07
		(90.34)	(-)	(-)	(-)	(-)	(90.34)

**[iii] Accounts receivable**

		-	2,394.24	0.08	-	-	2,394.32
		(-)	(1911.23)	(0.15)	(-)	(-)	(1911.38)
	Jain (Europe ) Ltd., UK		1,438.44	-	-	-	1,438.44
		(-)	(1200.25)	(-)	(-)	(-)	(1200.25)
	Jain ( Americas ) Inc., USA		323.50	-	-	-	323.50
		(-)	(112.74)	(-)	(-)	(-)	(112.74)
	SQF 2009 Ltd., UK	-	221.47	-	-	-	221.47
		(-)	(273.12)	(-)	(-)	(-)	(273.12)
	NaanDan Jain Mexico, S.A. De C.V., Mexico	-	153.05	-	-	-	153.05
		(-)	(35.33)	(-)	(-)	(-)	(35.33)
	Jain Sulama Sistemleri Sanayi VeTicaret Anonim Sirkti, Turkey	-	131.07	-	-	-	131.07
		(-)	(9.93)	(-)	(-)	(-)	(9.93)
	NaanDan Jain S.R.L., Italy	-	73.58	-	-	-	73.58
		(-)	(41.38)	(-)	(-)	(-)	(41.38)
	NaanDan Jain France Sarl., France	-	23.64	-	-	-	23.64
		(-)	(8.96)	(-)	(-)	(-)	(8.96)
	NaanDan Jain Iberica S.C., Spain	-	6.58	-	-	-	6.58
		(-)	(21.48)	(-)	(-)	(-)	(21.48)



₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
	THE Machine S.A., Switzerland	–	5.60	–	–	–	5.60
		(–)	(10.38)	(–)	(–)	(–)	(10.38)
	NaanDan Jain Australia Pty Ltd., Australia	–	4.91	–	–	–	4.91
		(–)	(1.69)	(–)	(–)	(–)	(1.69)
	NaanDan Jain Irrigation Projects S.R.L., Romania	–	4.10	–	–	–	4.10
		(–)	(1.29)	(–)	(–)	(–)	(1.29)
	NaanDan Jain Peru S.A.C., Peru	–	3.75	–	–	–	3.75
		(–)	(2.63)	(–)	(–)	(–)	(2.63)
	Naandan Jain Irrigation C S Ltd., Israel	–	3.26	–	–	–	3.26
		(–)	(80.55)	(–)	(–)	(–)	(80.55)
	NaanDan Jain Industria E Comercio de Equipmentos Ltd., Brazil	–	1.29	–	–	–	1.29
		(–)	(8.46)	(–)	(–)	(–)	(8.46)
	Jain Irrigation Inc., USA	–	–	–	–	–	–
		(–)	(103.05)	(–)	(–)	(–)	(103.05)
	Gandhi Research Foundation	–	–	0.08	–	–	0.08
		(–)	(–)	(0.15)	(–)	(–)	(0.15)

**[iv] Accounts payable**

	–	<b>433.19</b>	–	<b>134.16</b>	–	<b>567.35</b>
	(–)	(330.34)	(–)	(181.72)	(–)	(512.06)
	THE Machine S.A., Switzerland	–	241.31	–	–	241.31
		(–)	(20.57)	(–)	(–)	(20.57)
	Naandan Jain Irrigation C S Ltd., Israel	–	67.07	–	–	67.07
		(–)	(178.64)	(–)	(–)	(178.64)
	Jain ( Europe ) Ltd., UK	–	63.12	–	–	63.12
		(–)	(54.93)	(–)	(–)	(54.93)
	Jain Irrigation Inc., USA	–	53.77	–	–	53.77
		(–)	(70.92)	(–)	(–)	(70.92)
	Jain ( Americas ) Inc., USA	–	7.92	–	–	7.92
		(–)	(3.75)	(–)	(–)	(3.75)
	NaanDan Jain Peru S.A.C., Peru	–	–	–	–	–
		(–)	(1.53)	(–)	(–)	(1.53)
	Atul B. Jain	–	–	–	33.54	33.54
		(–)	(–)	(–)	(45.43)	(45.43)
	Anil B. Jain	–	–	–	33.54	33.54
		(–)	(–)	(–)	(45.43)	(45.43)
	Ashok B. Jain	–	–	–	33.54	33.54
		(–)	(–)	(–)	(45.43)	(45.43)
	Ajit B. Jain	–	–	–	33.54	33.54
		(–)	(–)	(–)	(45.43)	(45.43)
	Swaminathan R.	–	–	–	0.00	–
		(–)	(–)	(–)	(–)	(–)

**[v] Advance given**

	<b>85.00</b>	–	–	–	–	<b>85.00</b>
	(–)	(–)	(–)	(–)	(–)	(–)
	THE Machine S.A., Switzerland	81.49	–	–	–	81.49
		(–)	(–)	(–)	(–)	(–)
	Protool AG., Switzerland	3.51	–	–	–	3.51
		(–)	(–)	(–)	(–)	(–)

**[vi] Deposit receivables**

	–	–	<b>10.00</b>	<b>56.25</b>	<b>54.13</b>	<b>120.38</b>
	(–)	(–)	(10.00)	(61.20)	(61.23)	(132.43)
	Ajit B. Jain	–	–	27.63	–	27.63
		(–)	(–)	(30.67)	(–)	(30.67)
	Nisha Anil Jain	–	–	–	26.74	26.74
		(–)	(–)	(–)	(30.01)	(30.01)
	Jyoti Ashok Jain	–	–	–	24.35	24.35
		(–)	(–)	(–)	(25.62)	(25.62)
	Atul B. Jain	–	–	24.00	–	24.00
		(–)	(–)	(24.00)	(–)	(24.00)
	Jain Brothers Industries Pvt. Ltd	–	–	8.00	–	8.00
		(–)	(–)	(8.00)	(–)	(8.00)

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	[4]	[5]	Total
	Ashok B. Jain	–	–	–	4.62	–	4.62
		(–)	(–)	(–)	(6.53)	(–)	(6.53)
	Drip & Pipe Suppliar	–	–	2.00	–	–	2.00
		(–)	(–)	(2.00)	(–)	(–)	(2.00)
	Shobhana Ajit Jain	–	–	–	–	1.52	1.52
		(–)	(–)	(–)	(–)	(2.80)	(2.80)
	Bhavana Atul Jain	–	–	–	–	1.52	1.52
		(–)	(–)	(–)	(–)	(2.80)	(2.80)
<b>[vii] Corporate guarantees given for subsidiaries</b>		<b>–</b>	<b>3,409.76</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,409.76</b>
		(–)	(3,253.16)	(–)	(–)	(–)	(3,253.16)
	Jain International Trading B.V., Netherlands	–	1,268.68	–	–	–	1,268.68
		(–)	(1,451.13)	(–)	(–)	(–)	(1,451.13)
	Jain (Europe ) Ltd., UK	–	665.03	–	–	–	665.03
		(–)	(–)	(–)	(–)	(–)	(–)
	Jain ( Americas ) Inc., USA	–	862.55	–	–	–	862.55
		(–)	(774.33)	(–)	(–)	(–)	(774.33)
	Jain (Israel) B.V., Netherlands	–	358.10	–	–	–	358.10
		(–)	(357.10)	(–)	(–)	(–)	(357.10)
	Jain Sulama Sistemleri Sanayi Ve Ticaret Anonim Sirkti, Turkey	–	166.54	–	–	–	166.54
		(–)	(212.20)	(–)	(–)	(–)	(212.20)
	Jain Irrigation Inc., USA	–	88.86	–	–	–	88.86
		(–)	(458.31)	(–)	(–)	(–)	(458.31)

Note: Previous year's figures are given in bracket & italics

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 ₹ 29,569.77 million ( PY ₹ 29,430.94 million).

The Company, in its quest for rural development, has supported through investment in buildings, facility and infrastructure in an initiative by Bhavarlal & Kantabai Jain Multipurpose Foundation to establish a residential school called "Anubhuti School" based upon Indian ethos and values. The company also derives benefit from this investment in the form of usage of these facilities, children of company's associates get priority admission into the school, etc. Company with the help of Trust will make further efforts to get extra gains from this investment as part of its corporate social responsibility initiative commitments.

[1] \* Wholly Owned Subsidiary Companies;

[2] \* Fellow Subsidiary Companies

[3] \* Companies / Firms in which director, director's relatives are Directors / Partners;

[4] \* Key management personnel

[5] \* Relatives of Key management personnel & designation

### 38.Contingent liabilities

₹ in Million

(a)	Contingent liabilities not provided for in respect of	31-Mar-2012	31-Mar-2011
i)	Claims not acknowledged as debts in respect of:		
	- Customs and excise duty	283.97	281.47
	- Other taxes & levies	69.42	73.78
	- Others (legal case)	22.44	52.71
ii)	Guarantees given by the company's bankers in the normal course of business	1,704.30	1,263.65
iii)	Export bills discounted of related party with consortium banks	1,242.43	104.07
iv)	Export obligation towards duty saved amount under EPCG scheme	1,446.10	1,834.10
v)	Corporate guarantees given for repayment of indebtedness of overseas subsidiaries	2,141.08	1,802.04
vi)	SBLC issued by bank for repayment of indebtedness of overseas subsidiaries	1,268.68	1,451.13
In respect of (i) above, the company has taken necessary legal steps to protect its position in respect of these claims, which, in its opinion, based on legal advice, are not expected to devolve. It is not possible to make any further determination of the liabilities, which may arise, or the amounts, which may be refundable in respect of these claims.			
(b)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	831.05	603.58



### 39. Micro, Small and Medium Enterprises

The company has no dues to Micro, Small and Medium Enterprises at the year ended 31<sup>st</sup> March 2012 and 31<sup>st</sup> March 2011

### 40. Research and development expenditure

Expenditure incurred on in-house research & development facility by the company:

Expenditure (charged out through the natural heads of the accounts) in respect of eligible facilities

₹ in Million

	2011-12	2010-11
<b>Revenue expenditure</b>		
Agri Park	68.63	57.62
Energy Park	27.67	17.79
Food Park	23.50	11.07
Plastic Park	60.81	16.40
	<b>180.61</b>	<b>102.88</b>
<b>Capital expenditure</b>		
Agri Park	23.04	41.18
Energy Park	7.74	16.15
Food Park	24.40	15.81
Plastic Park	214.33	124.24
	<b>269.51</b>	<b>197.38</b>
<b>TOTAL</b>	<b>450.12</b>	<b>300.26</b>

### 41. Remittance in foreign currency for dividend

The Company has remitted ₹ 236.35 million (PY: ₹ 200.22 million) on account of dividend payable pertaining to year 2010-11 to the non-resident shareholders on 236,345,125 (PY : 44,493,498) number of ordinary shares held by them.

42. 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.

43. Amounts less than ₹ 5,000 have been shown at actual in brackets since the amounts are rounded off to the nearest million. (One million = Ten Lacs)

44. As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1<sup>st</sup> April, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.

**For and on behalf of the Board of Directors**

Sd/-  
A. V. Ghodgaonkar

**Company Secretary**

Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain

**Managing Director**

Sd/-  
Ghanshyam Dass

**Director**

## Additional Disclosures

### ANNEXURE – A

#### Stocks and turnover

₹ in Million

Particulars	Gross Turnover value*		Closing FG inventory		Opening FG inventory	
Manufactured goods	2011-12	2010-11	31-Mar-2012	31-Mar-2011	01-Apr-2011	01-Apr-2010
Micro irrigation systems	20,031.17	18,449.79	1,825.86	2,573.63	2,573.63	1,611.30
Piping systems	11,840.00	11,389.40	456.54	474.00	474.00	544.68
Plastic sheet	1,859.48	1,424.20	50.75	3.93	3.93	0.80
Dehydrated onions and vegetables	1,654.53	1,342.73	169.27	69.25	69.25	152.31
Fruit puree and concentrate	3,561.18	3,087.80	2,340.67	1,860.92	1,860.92	840.32
Tissue culture plants	457.47	278.10	60.09	56.53	56.53	52.32
Solar water heating systems	450.48	241.94	27.68	14.20	14.20	11.94
Solar photo voltaic system	1,353.99	543.10	118.97	568.29	568.29	-
Others	134.39	128.48	-	6.08	6.08	6.96
<b>TOTAL</b>	<b>41,342.69</b>	<b>36,885.54</b>	<b>5,049.83</b>	<b>5,626.83</b>	<b>5,626.83</b>	<b>3,220.63</b>

\* Gross turnover amount includes export sales and domestic sale of product and services

### ANNEXURE – B

#### Cost of materials consumed, purchases etc

₹ in Million

Major Materials	2011-12	2010-11
Resins	13,194.69	13,758.57
Chemicals and additives	1,426.65	1,699.10
Vegetables	720.18	718.64
Fruits	1,727.57	2,134.88
Packing material and others	3,471.72	2,970.28
<b>TOTAL</b>	<b>20,540.81</b>	<b>21,281.47</b>

### ANNEXURE – C

#### Work in progress

₹ in Million

Particulars	31-Mar-2012	31-Mar-2011
Micro irrigation system	14.47	47.03
Piping and fittings	10.60	17.16
Plastic sheet	2.18	2.25
Solar systems	1.16	0.97
<b>TOTAL</b>	<b>28.41</b>	<b>67.41</b>



## ANNEXURE – D

### Value of imported and indigenous raw materials & components and stores & spares consumed

Product	2011-12		2010-11	
	%	₹ In Million	%	₹ In Million
<b>Raw materials [including components]</b>				
- Imported	27%	5,607.27	35%	7,344.27
- Indigenous	73%	14,933.54	65%	13,937.20
	<b>100%</b>	<b>20,540.81</b>	<b>100%</b>	<b>21,281.47</b>
<b>Stores and spares</b>				
- Imported	5%	34.44	19%	128.63
- Indigenous	95%	661.98	81%	535.14
	<b>100%</b>	<b>696.42</b>	<b>100%</b>	<b>663.77</b>

## ANNEXURE – E

### C.I.F. value of imports, expenditure and earnings of foreign currency

₹ In Million

Particulars	2011-12	2010-11
<b>C.I.F. value of imports</b>		
Raw materials and components	6,288.91	7,781.15
Capital goods	1,858.23	1,787.89
	<b>8,147.14</b>	<b>9,569.04</b>
<b>Expenditure in foreign currency (on accrual basis)</b>		
Interest and finance charges	503.11	279.88
Discount/commission on export sales	21.48	2.58
Export selling / market development expenses	15.69	8.08
Travelling expenses	24.73	16.36
Law and legal/professional consultancy expenses	31.93	28.95
Testing, quality & others charges	90.37	8.62
	<b>687.31</b>	<b>344.47</b>
<b>Earnings in foreign currency</b>		
FOB value of exports (on the basis of bill of lading)	6,348.29	4,920.47
	<b>6,348.29</b>	<b>4,920.47</b>



# Auditors' Report on Consolidated Financial Statements

To

The Board of Directors of Jain Irrigation Systems Limited

1. We have audited the attached Consolidated Balance Sheet of Jain Irrigation Systems Limited ('the Company') and its subsidiaries and jointly controlled entity; hereinafter referred to as the "Group" as at March 31, 2012, the Consolidated Statement Profit and Loss account and the Consolidated Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of any of the subsidiaries and the jointly controlled entity. Financial statements of these subsidiaries reflect total assets of ₹ 35,251.07 millions as at March 31, 2012, total revenue of ₹ 18,726.07 millions, net loss of ₹ 210.41 millions and net cash flows amounting to ₹ 496.43 millions for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of other auditors. The financial statement of one of the subsidiaries which has been audited by another auditor for the year ended December 31, 2011, has been redrawn by the management of the Company, to give effect to significant transactions that have occurred between December 31, 2011 and March 31 2012.
4. We report that the consolidated financial statements have been prepared by Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
  - (b) in the case of the Consolidated Statement of Profit and Loss account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

**For Haribhakti & Co.**

Chartered Accountants

FRN No.103523W

Sd/-

Rakesh Rathi

**Partner**

Membership No. 45228

Date **August 14, 2012**

Place **Mumbai**



# Consolidated Balance Sheet as at 31-March-2012

₹ in Million

	Note No.	31-Mar-2012	31-Mar-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	810.36	771.45
Reserves and surplus	3	16,378.38	14,438.71
Money received against share warrants	4	347.93	347.93
		17,536.67	15,558.09
Minority Interest		497.58	524.24
<b>Non-current liabilities</b>			
Long term borrowings	5	12,326.11	10,175.15
Deferred tax liabilities (net)	6	1,754.90	1,238.99
Other long term liabilities	7	43.75	127.35
Long term provisions	8	38.74	43.89
		14,163.50	11,585.38
<b>Current liabilities</b>			
Short term borrowings	9	21,949.99	17,057.36
Trade payables	10	13,496.73	12,696.38
Other current liabilities	11	6,534.08	5,459.69
Short term provisions	12	669.18	676.05
		42,649.98	35,889.48
<b>TOTAL</b>		<b>74,847.73</b>	<b>63,557.19</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Goodwill on consolidation		1,805.89	1,716.35
Tangible assets	13[A]	21,566.59	18,298.23
Intangible assets	13[B]	362.20	402.87
Capital work-in-progress	13[C]	1,980.02	955.77
		25,714.70	21,373.22
<b>Non-current investments</b>	14	235.57	211.07
<b>Deferred tax assets (net)</b>	6	717.65	577.41
<b>Long term loans and advances</b>	15	1,241.16	1,063.90
<b>Other non-current assets</b>	16	577.44	246.11
<b>Current assets</b>			
Inventories	17	14,613.69	14,864.37
Trade receivables	18	22,711.71	16,924.09
Cash and bank balances	19	3,323.86	4,143.72
Short term loans and advances	20	1,903.76	2,132.47
Other current assets	21	3,808.19	2,020.83
		46,361.21	40,085.48
<b>TOTAL</b>		<b>74,847.73</b>	<b>63,557.19</b>

## Notes

30 to 38

Notes 1 to 38 are an integral part of the financial statements  
As per our report of even date

**For Haribhakti & Co.**

Firm Registration No: 103523W  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
Rakesh Rathi  
**Partner** (Membership No: 45228)  
Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
A. V. Ghodgaonkar  
**Company Secretary**  
Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain  
**Managing Director**

Sd/-  
Ghanshyam Dass  
**Director**



# Consolidated Statement of profit and loss for the year ended 31-March-2012

		₹ in Million	
	Note No.	2011-12	2010-11
Revenue from operations	22	50,111.90	42,436.18
Less: Excise duty		(905.98)	(907.80)
Revenue from operations (net)		49,205.92	41,528.38
Other income	23	340.48	1,105.77
<b>Total revenue</b>		<b>49,546.40</b>	<b>42,634.15</b>
<b>Expenses</b>			
Cost of materials consumed	24	27,343.02	25,846.71
Changes in inventories of finished goods and work in progress	25	(374.30)	(3,221.44)
Employee benefit expenses	26	4,715.70	4,124.61
Finance costs	27	4,767.89	3,269.78
Depreciation and amortisation expense	13	1,440.91	1,221.55
Other expenses	28	10,726.20	8,300.33
Cost of self generated capital equipments		(1,359.31)	(1,001.38)
<b>Total expenses</b>		<b>47,260.11</b>	<b>38,540.16</b>
<b>Profit before extraordinary items and tax</b>		<b>2,286.29</b>	<b>4,093.99</b>
<b>Profit before tax</b>		<b>2,286.29</b>	<b>4,093.99</b>
Tax expense			
- Current tax	29	(418.48)	1,176.85
- Deferred tax		422.41	36.49
Prior period expense		(4.05)	–
<b>Profit for the year before minority interest</b>		<b>2,286.41</b>	<b>2,880.65</b>
Minority interest		(51.45)	(73.53)
<b>Profit for the year</b>		<b>2,234.96</b>	<b>2,807.12</b>
Earnings per share (Face value ₹ 2 per share)	30		
<b>Basic</b>		<b>5.51</b>	<b>7.37</b>
<b>Diluted</b>		<b>5.50</b>	<b>7.36</b>

The notes 1 to 38 are an integral part of the financial statements  
As per our report even date  
**For Haribhakti & Co.**  
Firm Registration No: 103523W  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
Rakesh Rathi  
**Partner** (Membership No: 45228)  
Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
A. V. Ghodgaonkar  
**Company Secretary**  
Date **August 14, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain  
**Managing Director**

Sd/-  
Ghanshyam Dass  
**Director**





# Consolidated Cash Flow Statement

## Year Ended 31-March-2012

₹ in Million

	Note No.	2011-12	2010-11
<b>Cash flow from operating activities</b>			
<b>Net profit before tax</b>		<b>2,286.29</b>	<b>4,093.99</b>
Adjusted for :			
Depreciation and amortisation expense	13	1,440.91	1,221.55
Amounts written off & provisions		158.00	178.94
Wealth tax		1.02	0.22
Loss/(Profit) on assets sale/discarded		(20.40)	20.51
Loss/(Surplus) on sale of investments		—	(1.68)
Finance costs	27	4,156.57	2,716.54
Provision for doubtful debts and advances written back		(46.04)	(12.98)
Sundry credit balances appropriated		(12.34)	(3.33)
Dividend income		(82.99)	(38.84)
<b>Operating profit before working capital changes</b>		<b>7,881.02</b>	<b>8,174.92</b>
<b>Changes in working capital</b>			
Increase/Decrease in trade and other receivables		(5,945.63)	(7,003.93)
Increase/Decrease in loans and advances and other assets		(1,112.68)	(1,266.03)
Increase/Decrease in inventories		250.68	(4,226.86)
Increase/Decrease in trade payables, other liabilities and provisions		713.90	6,427.90
<b>Cash generated from/(used in) operations</b>		<b>1,787.29</b>	<b>2,106.00</b>
Taxes paid		(937.54)	(1,047.00)
<b>Net cash from operating activities</b>		<b>849.75</b>	<b>1,059.00</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets		(5,386.87)	(4,951.66)
Sale of fixed assets		116.81	21.66
Purchase of investment		—	1.68
Acquisition of strategic investment		(114.02)	(141.61)
Dividend to minority		(33.54)	(29.08)
Interest received		78.01	38.82
Dividend income		0.01	0.02
<b>Net cash from investing activities</b>		<b>(5,339.60)</b>	<b>(5,060.17)</b>
<b>Cash flow from financing activities</b>			
Total proceeds by way of issue of shares		14.13	779.91
Redemption premium on NCD and preference shares		—	(1.73)
Proceeds from term loans (net)		3,250.70	4,000.34
Proceeds from working capital borrowings (net)		4,892.63	1,506.50
Interest and finance charges paid		(4,051.23)	(2,716.54)
Dividend and dividend distribution tax paid		(448.19)	(415.98)
<b>Net cash from financing activities</b>		<b>3,658.04</b>	<b>3,152.50</b>
<b>Changes in Translation Reserve arising on consolidation</b>		<b>16.31</b>	<b>22.68</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(815.50)</b>	<b>(825.99)</b>
Cash and cash equivalents as at the beginning of the year	19	4,113.51	4,939.50
Cash and cash equivalents as at end of the year	19	3,298.01	4,113.51
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(815.50)</b>	<b>(825.99)</b>

The notes 1 to 38 are an integral part of the financial statement  
As per our report of even date

**For Haribhakti & Co.**

Firm Registration No: 103523W

Chartered Accountants

Sd/-

Rakesh Rathi

**Partner** (Membership No: 45228)

Date **August 14, 2012**

Place **Mumbai**

Sd/-

A. V. Ghodgaonkar

**Company Secretary**

Date **August 14, 2012**

Place **Mumbai**

Sd/-

Anil B. Jain

**Managing Director**

Sd/-

Ghanshyam Dass

**Director**

**For and on behalf of the Board of Directors**

# Notes to the Consolidated financial statements

## 1. Significant accounting policies

### A. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respect with the Notified Accounting Standards of the Companies (Accounting Standards) Rules, 2006, (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles. The Group follows the mercantile systems of accounting and recognizes income and expenditure on an accrual basis except stated otherwise.

### B. Principles of Consolidation

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

- 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), Consolidated Financial Statements & Accounting Standard (AS-27), Financial Reporting of Interests in Joint Ventures as per the Companies (Accounting Standard) Rules, 2006.
- The financial statements of the subsidiaries and the Joint Venture forming part of the consolidated financial statements are drawn up to the same reporting date as that of the Company. i.e. year ended March 31, 2012.
- 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.
- The consolidated financial statements have been prepared by applying uniform accounting policies for similar transactions except otherwise stated.
- The difference between the costs 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.
- Minority interest in the net assets of consolidated subsidiaries consists of:
  - The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- 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.

### viii. Subsidiaries

The consolidated Financial Statements present the consolidated accounts of Jain irrigation systems Ltd., with its following subsidiaries and the joint venture:

Name of the subsidiary	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2012	2011	
JISL Overseas Limited	100.00%	100.00%	Mauritius
Jain International Trading BV	100.00%	100.00%	Netherlands
Jain ( Europe ) Limited	100.00%	100.00%	United Kingdom
SQF 2009 Limited* #	85.00%	80.00%	United Kingdom
Jain (Americas) Inc.(Nucedar Mills Inc. has been merged with Jain (Americas) Inc.)	100.00%	100.00%	United States of America
Jain Irrigation Holding Inc. (Erstwhile Jain Irrigation Inc.)	100.00%	100.00%	United States of America
Cascade Specialties Inc.**	100.00%	95.10%	United States of America
Jain Irrigation Inc. (Erstwhile Aquarius Brands Inc.)	100.00%	100.00%	United States of America
Jain Overseas B.V. Netherlands	100.00%	100.00%	Netherlands
Jain (Israel) B.V. Netherlands	100.00%	100.00%	Netherlands
Naandan Jain Irrigation CS Ltd. # @	50.0001%	50.0001%	Israel
JISL Global SA	100.00%	100.00%	Switzerland
JISL Systems SA	100.00%	100.00%	Switzerland
Protool AG. #^	75.00%	—	Switzerland
THE Machines SA	100.00%	69.75%	Switzerland
Jain Sulama Sistemleri Sanayi ve Ticaret A.S.	100.00%	100.00%	Turkey
Point Source Irrigation Inc.	100.00%	100.00%	United States of America



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

^ The company has acquired 75% stake in Pro Tool AG, Switzerland during the period July, 2011 through its fellow subsidiary THE Machine SA, Switzerland.

\* Subsidiaries of SQF 2009 Ltd. are as under:

Name of the subsidiaries	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2012	2011	
Sleaford Food Group Limited	100.00%	100.00%	United Kingdom
Sleaford Quality Foods Limited	100.00%	100.00%	United Kingdom
Arnolds Quick Dried Foods Limited	100.00%	100.00%	United Kingdom

\*\* The company has acquired 100% stake in White Oak Frozen Foods, USA during the period May, 2012 through its fellow subsidiary Cascade Specialties Inc., USA.

@ Subsidiaries & Joint Venture of Naandan Jain Irrigation CS Limited, Israel are as under.

Name of the subsidiary & Joint Venture	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2012	2011	
<b>Subsidiaries</b>			
Naan Dan Agro-Pro (Israel Company for Agricultural Applications) Ltd.	100.00%	100.00%	Israel
NaanDan Jain France Sarl	100.00%	100.00%	France
NaanDanJain Mexico, S.A. De C.V.	100.00%	100.00%	Mexico
NaanDan Jain Australia Pty Ltd.	100.00%	100.00%	Australia
NaanDan Jain S.R.L.	100.00%	100.00%	Italy
NaanDan Do Brasil Participacoes Ltda.	100.00%	100.00%	Brasil
NaanDan Jain Industria E Comercio de Equipmentos Ltd.	100.00%	100.00%	Brasil
NaanDan Jain Iberica S.C.	100.00%	100.00%	Spain
NaanDan Jain Peru S.A.C.	100.00%	100.00%	Peru
NaanDanJain Irrigation Projects S.R.L.	100.00%	100.00%	Romania
<b>Joint Venture</b>			
Dansystems S.A.	50.00%	50.00%	Chile

The shares in a Joint Venture Naan Sprinklers and Irrigation System, Inc. USA (50%) has not been consolidated as the group was holding them for disposal and has entered in to an agreement to sell the said shares.

### C. Revenue Recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Domestic sales are accounted for on dispatch from the point of sale.

Export sales are recognized on the date of the mate's receipt shipped on board and initially recorded at the relevant exchange rates prevailing on the date of the transactions.

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Dividend income is recognised when the shareholder's right to receive dividend is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

### D. Use of estimates

In preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

### E. Fixed assets and Depreciation / Amortization

Fixed assets are carried at cost of acquisition / construction, except Leasehold Land, which is carried at book value.

Leasehold Land is amortised over the period of lease.



#### Depreciation

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%.

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.

Trade Mark and Development costs are amortised over a period of 18 years beginning from the date of commercial use.

#### **F. Intangibles**

Computer Software, Technical Knowhow etc. are amortised over a period of 5 years from the date of acquisition. Goodwill arising on acquisition of business has been amortised over the period of 5 years from the date of acquisition.

#### **G. Orchard activities**

Orchard expenditure is amortised over a period of 15 years commencing from the 6<sup>th</sup> 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.

#### **H. 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.

#### **I. Lease**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

#### **J. Borrowing cost**

Borrowing cost attributable to acquisitions and construction of qualifying assets are capitalized as a part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charged to Profit & Loss Account.

#### **K. Investments**

Long-term investments are carried at 'cost'. However, the provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

#### **L. Inventory valuation**

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. Stores, spares and consumables are valued at cost except certain spares are valued at cost or its fair value which ever is lower. Goods / Materials in transit are valued at cost to date.

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 stock for demonstration lying with third parties at sites is valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

#### **M. 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.

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.

In case of foreign subsidiaries that have been identified as integral foreign operations, revenue items are translated at the average monthly exchange rate. 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.

#### **N. 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 enters into derivative contracts, viz. forward contracts, option contracts, etc., with banks under its risk management policies.



In absence of any specific accounting treatment prescribed in the applicable accounting standards to such derivative contracts, other than forward contracts, the Company is applying 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.

#### **O. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Revenue grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

#### **P. Employee benefits**

Short term employee 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

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.

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.

#### **Q. 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.

#### **R. Tax provision**

Income-tax expense comprises Current Tax and Deferred tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives rise to future economic benefits in the form of adjustment of future Income tax liabilities, is considered as an assets, when there is convincing evidence that the company will pay normal income tax.

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.

#### **S. Provisions**

A provision is recognised when there is present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation. These are reviewed at each year end and adjusted to reflect the best current estimates.

#### **T. 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.



## U. Employees 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 Employee Compensation Expense and amortized on a straight-line basis over the vesting period of options.

## 2. Share Capital

	Number of shares		₹ in Million	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
<b>Authorised</b>				
Equity shares of ₹ 2 each (PY ₹ 2 each)	926,500,000	926,500,000	1,853.00	1,853.00
Redeemable preference shares of ₹ 100 each (PY ₹ 100 each)	5,000,000	5,000,000	500.00	500.00
Equity shares of ₹ 2 each with differential voting rights (PY ₹ 2 each)	310,000,000	310,000,000	620.00	620.00
<b>Issued, subscribed and fully paid up:</b>				
<b>Equity shares: Face value of ₹ 2 each</b>				
Outstanding as at the beginning of the year	385,724,460	76,030,682	771.45	760.30
Shares issued before shares split	—	206,610	—	2.07
Impact of share split	—	304,949,168	—	—
Issued post shares split	—	4,538,000	—	9.08
Shares issued under ESOP	161,625	—	0.32	—
[A] Sub-total	385,886,085	385,724,460	771.77	771.45
[B] Shares issued under Differential Voting Rights (DVR)	19,294,304	—	38.59	—
Outstanding as at the end of the year [A] + [B]	<b>405,180,389</b>	<b>385,724,460</b>	<b>810.36</b>	<b>771.45</b>
<b>Cumulative redeemable preference shares</b>				
4% Preference shares of ₹ 100 each				
Outstanding as at the beginning of the year	—	462,642	—	23.13
Redeemed during the year	—	(462,642)	—	(23.13)
Outstanding as at the end of the year	—	—	—	—
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>810.36</b>	<b>771.45</b>

### a) Rights, preferences and restrictions attached to equity shares

Each holder of ordinary equity shares is entitled to one vote per share. They have right to receive dividend proposed by the Board of directors and approved by the shareholders in the annual general meeting, right to receive annual report and other quarterly/half yearly/annually reports/notices and right to get new shares proportionately in case of issuance of additional shares by the company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary equity shares held by the shareholders. The company has a first and paramount lien upon all the ordinary equity shares.

### b) Terms of redemption of preference shares

462,642 Preference shares of ₹ 100 each were redeemed in 2 equal instalments on June 30, 2009 and on June 30, 2010 at a premium of ₹ 16 per share.

### c) Terms and conditions of differential voting rights (DVR).

The DVR equity shareholders have the same rights as the ordinary equity shares of the company except voting rights. Every 10 DVR equity shares have one voting right on poll (on show of hands however they carry 1 vote for every person voting). Any DVR holder holding less than 10 DVR equity shares hold fractional voting rights. The DVR equity shares have right to receive full dividend, to receive annual report and other information/correspondence from time to time, to receive bonus and/or rights shares of the same class of shares as and when such an issue is made in respect of ordinary equity shares and in the same ratio and terms.

In case of buy back or reduction of capital of ordinary equity shares, the DVR equity shares have right subject to buyback or reduction on the same terms as ordinary equity shares. Further, in case of issue of ordinary equity shares or any other securities or assets to ordinary equity shares in case of amalgamation/demerger/ re-organisation/ reconstruction, the DVR equity shares have right to receive DVR equity shares and any other securities/assets as issued to ordinary equity shares. They have right to hold separate class meeting if their rights are affected in any manner adversely.

- d) Pursuant to the decision of Board on August 9, 2010 and Shareholders' decision dated September 29, 2010 the Company decided to split Equity Shares of ₹ 10 each into Equity Shares of ₹ 2 each. The Company fixed a record date of November 1, 2010 to make effective the split of shares as above.
- e) Refer note 31 for disclosure related to employee stock option plan.
- f) Shareholders holding more than 5% of equity share capital/equity share capital with differential voting rights (Equity shares of ₹ 2 each).

Name of the shareholder	31-Mar-2012				31-Mar-2011	
	Ordinary equity shares		DVR		Ordinary equity shares	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Jalgaon Investments Pvt. Ltd .	96,605,000	25.03%	4,830,250	25.03%	96,605,000	25.03%
Emerging Markets Growth Fund, Inc.	20,202,102	5.24%	974,450	5.05%	14,188,507	3.68%
Smallcap World Fund, Inc.	11,470,000	2.97%	573,500	2.97%	23,537,564	6.10%

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>3. Reserves and Surplus</b>		
<b>Capital reserve</b>		
Balance at the beginning of the year	395.97	395.97
Balance at the end of the year	<b>395.97</b>	<b>395.97</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	935.31	912.19
On conversion of Differential Voting Right (DVR)	(38.59)	23.12
Balance at the end of the year	<b>896.72</b>	<b>935.31</b>
<b>Securities premium account</b>		
Balance at the beginning of the year	6,206.31	5,696.94
On conversion of 1,500 ESOP into equity shares transferred from reserve Account @ ₹ 8.21 each	0.01	—
On conversion of 1,500 ESOP into equity shares @ ₹ 59.552 each	0.09	—
On conversion of 134,200 ESOP into equity shares @ ₹ 80.692 each	10.84	—
On conversion of 25,925 ESOP into equity shares @ ₹ 111.60 each	2.89	—
On conversion of 14,070 ESOP into equity shares @ ₹ 297.76 each	—	4.19
On conversion of 14,070 ESOP into equity shares @ ₹ 41.04 each	—	0.58
On conversion of 2,250 ESOP into equity shares @ ₹ 59.552 each	—	0.13
On conversion of 2,250 ESOP into equity shares @ ₹ 8.208 each	—	0.02
On conversion of 2,090,425 ESOP into equity shares @ ₹ 80.692 each	—	168.68
On conversion of 2,445,325 ESOP into equity shares @ ₹ 111.60 each	—	272.89
On conversion of 1,500 ZCCB into 962700 Equity shares @ ₹ 67.118 each	—	64.61
Premium on redemption of non-convertible debentures (Net of taxes)	—	(1.73)
Balance at the end of the year	<b>6,220.14</b>	<b>6,206.31</b>
<b>Debenture redemption reserve</b>		
Balance at the beginning of the year	—	1.42
Transferred to general reserve on redemption of debenture	—	(1.42)
Balance at the end of the year	—	—
<b>Share options outstanding account</b> (refer note 31)		
Employee stock option (outstanding)	1.17	1.77
Transfer to securities premium account on conversion	(0.01)	(0.60)
Balance at the end of the year	<b>1.16</b>	<b>1.17</b>
<b>General Reserve</b>		
Balance at the beginning of the year	1,500.53	1,199.11
Transferred from statement of profit and loss	500.00	300.00
Transferred from debenture redemption reserve	—	1.42
Balance at the end of the year	<b>2,000.53</b>	<b>1,500.53</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Notes : Reserves and Surplus (Contd...)</b>		
<b>Hedging Reserve</b>		
Balance at the beginning of the year	(194.83)	—
Movement during the year	50.65	(194.83)
Balance at the end of the year	<b>(144.18)</b>	<b>(194.83)</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(101.77)	(224.87)
Movement during the year	149.74	123.10
Balance at the end of the year	<b>47.97</b>	<b>(101.77)</b>
<b>Surplus</b>		
Balance at the beginning of the year	5,696.02	3,662.17
Profit for the year	2,234.96	2,807.12
Transferred to general reserve	(500.00)	(300.00)
Transferred to capital redemption reserve	—	(23.13)
Proposed preference dividend for the year (₹ Nil per share) (PY ₹ 0.50 per share)	—	(0.23)
Provision for dividend tax on preference dividend for the year	—	(0.04)
Proposed equity dividend (₹ 1 per share) (PY ₹ 1 per share)	(405.18)	(385.79)
Provision for dividend tax on equity dividend	(65.73)	(64.08)
Balance at the end of the year	<b>6,960.07</b>	<b>5,696.02</b>
<b>TOTAL</b>	<b>16,378.38</b>	<b>14,438.71</b>
<b>4. Money received against share warrants</b>		
Balance at the beginning of the year	347.93	—
Allotted during the year	—	347.93
<b>TOTAL</b>	<b>347.93</b>	<b>347.93</b>

Pursuant to approval of the shareholders at their meeting dated March 9, 2011, 61, 00,000 equity warrants were proposed to be allotted at a price of ₹ 228.15 each aggregating to ₹ 1,391.72 million. These warrants are to be converted to equity shares as per the terms of the issue. A deposit of ₹ 57.0375 per equity warrant amounting to ₹ 347.93 million has been paid by the subscribers. Terms and conditions attached to these share warrants are as under

- Each warrant shall be convertible into one ordinary equity share of nominal value ₹ 2 at a price calculated in accordance with SEBI regulations.
- The holder of share warrants has option of exercising share warrants within 18 months from the date of allotment.
- Ordinary equity shares so allotted on exercise and conversion of the equity warrants shall rank paripassu in all respects with the existing ordinary shares.
- All other terms and conditions of warrants will be same as specified in the SEBI ICDR Regulations.

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>5. Long term borrowings</b>		
Term Loans (secured)		
- From banks	5,281.76	4,269.80
- From others	7,632.77	6,879.43
Deferred credit from supplier (unsecured)	3,001.08	1,421.01
Other loans (unsecured)	120.07	214.74
Current maturities of long term borrowings (refer note 11)	(3,709.57)	(2,609.83)
<b>TOTAL</b>	<b>12,326.11</b>	<b>10,175.15</b>
<b>6. Deferred tax asset and liability</b>		
<b>Deferred tax liability (Net)</b>		
Depreciation	1,908.66	1,319.41
Disallowance under section 43B of the IT Act, 1961	(42.75)	(26.45)
Other current assets/ liabilities	(111.01)	(53.97)
<b>TOTAL</b>	<b>1,754.90</b>	<b>1,238.99</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>Notes : Deferred tax asset and liability (Contd...)</b>		
<b>Deferred tax asset (Net)</b>		
Depreciation	(168.52)	(11.18)
Carried forward business losses	790.48	569.75
Other current assets/ liabilities	95.69	18.84
<b>TOTAL</b>	<b>717.65</b>	<b>577.41</b>
<b>7. Other long term liabilities</b>		
Long term trade payables	–	25.89
Derivative liability	–	54.49
Other liabilities	43.75	46.97
<b>TOTAL</b>	<b>43.75</b>	<b>127.35</b>
<b>8. Long term provisions</b>		
Provision for leave encashment (unfunded)	38.74	43.89
<b>TOTAL</b>	<b>38.74</b>	<b>43.89</b>
<b>9. Short term borrowings</b>		
Working capital loan (secured)	16,775.82	13,317.36
Money market borrowing (unsecured)	100.00	150.00
Other loans (unsecured)	4,515.06	3,590.00
Bank overdraft	559.11	–
<b>TOTAL</b>	<b>21,949.99</b>	<b>17,057.36</b>
<b>10. Trade payables</b>		
Trade payables	13,496.73	12,696.38
<b>TOTAL</b>	<b>13,496.73</b>	<b>12,696.38</b>
<b>11. Other current liabilities</b>		
Current maturities of long term borrowings (refer note 5)	3,709.57	2,609.83
Current maturities of long term liabilities	11.29	10.27
Interest accrued but not due on borrowings	155.63	50.29
Unpaid dividend	5.08	3.22
Advances from customers	540.43	778.30
Derivative liability	144.17	140.34
Outstanding liability for expenses	615.43	567.32
Security deposits	131.76	99.42
Statutory liabilities	352.62	484.41
Liability towards employee benefits (includes director's commission)	399.73	402.23
Excise duty on year end finished goods	99.23	75.16
Creditors for Capital goods	195.40	180.06
Income received in advance	21.98	–
Others	151.76	58.84
<b>TOTAL</b>	<b>6,534.08</b>	<b>5,459.69</b>
<b>12. Short term provisions</b>		
Gratuity and other employee benefits (including leave encashment)	135.70	114.25
Income tax - current tax	62.05	111.53
Wealth tax	0.52	0.22
Proposed preference dividend	–	0.23
Dividend tax on proposed preference dividend	–	0.04
Proposed equity dividend	405.18	385.72
Dividend tax on proposed equity dividend	65.73	64.06
<b>TOTAL</b>	<b>669.18</b>	<b>676.05</b>

### 13. [A] Tangible assets

₹ In Million

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As at 01-Apr-11	Acquisition	Adjusted /disposal difference	As at 31-Mar-12	Adjusted/ Written Back	For the Translation difference	As at 31-Mar-12	As at 31-Mar-11
Free hold land <sup>[2]</sup>	1,154.91	343.14	(0.80)	1,503.66	—	—	1,503.66	1,154.91
Lease hold land	2.12	—	(0.02)	2.10	—	—	2.10	2.12
Factory buildings and godowns <sup>[1] &amp; [4]</sup>	3,744.52	779.99	—	4,592.24	635.70	—	3,818.11	3,108.82
Green/poly/shed houses	228.78	9.11	—	237.89	77.45	—	134.67	151.33
Plant and equipments <sup>[3] &amp; [4]</sup>	19,222.05	3,434.25	(121.57)	22,808.31	6,294.50	288.68	15,158.64	12,927.55
Furniture and fixtures	411.86	36.43	(3.15)	439.19	334.87	(4.10)	87.67	76.99
Vehicles	458.65	38.85	(22.69)	484.34	198.51	12.76	233.14	260.14
Office equipment	241.31	32.38	(5.95)	278.59	110.67	8.43	146.10	130.64
Live stock	0.42	—	—	0.42	—	—	0.42	0.42
Orchard activities	251.54	—	—	251.54	—	—	237.69	246.16
Leasehold improvements	334.06	15.40	—	369.57	94.91	11.22	244.39	239.15
<b>Total [A]</b>	<b>26,050.22</b>	<b>4,689.55</b>	<b>(154.18)</b>	<b>30,967.85</b>	<b>7,751.99</b>	<b>(39.33)</b>	<b>21,566.59</b>	<b>18,298.23</b>

### [B] Intangible assets

Particulars	Gross Block			Amortisation			Net Block	
	As at 01-Apr-11	Acquisition	Adjusted /disposal difference	As at 31-Mar-12	Adjusted/ Written Back	For the Translation difference	As at 31-Mar-12	As at 31-Mar-11
Goodwill	13.82	—	1.82	15.64	3.71	—	9.85	10.11
Trademarks	32.86	0.44	—	37.30	20.10	2.64	12.18	12.76
Computer software	80.07	58.04	—	151.51	29.50	2.88	93.26	50.57
Technical knowhow	12.76	—	—	12.76	0.05	—	12.08	12.71
Patents	27.85	2.36	—	33.24	2.65	0.39	28.23	25.20
Licensing agreement	39.07	—	—	44.76	27.02	4.32	7.83	12.05
Non Compete fees	66.46	—	—	72.87	33.16	5.41	18.31	33.30
Product development	427.61	—	(45.04)	382.57	(16.62)	2.46	180.46	246.17
<b>Total [B]</b>	<b>700.50</b>	<b>60.84</b>	<b>1.82</b>	<b>750.65</b>	<b>297.63</b>	<b>88.02</b>	<b>362.20</b>	<b>402.87</b>
<b>Grand Total [A+B]</b>	<b>26,750.72</b>	<b>4,750.39</b>	<b>(152.36)</b>	<b>31,718.50</b>	<b>8,049.62</b>	<b>344.18</b>	<b>21,928.79</b>	<b>18,701.10</b>
<b>Previous Year</b>	<b>21,852.05</b>	<b>4,822.73</b>	<b>(101.76)</b>	<b>26,750.72</b>	<b>6,667.42</b>	<b>62.32</b>	<b>18,701.10</b>	<b>955.77</b>

### [C] Capital work in progress

- 1) Building includes Tenancy Rights gross value ₹ 42.55 million (PY ₹ 42.55 million)
- 2) Depreciation of ₹ 10.95 million (PY ₹ 10.72 million) on Heavy vehicles being used for site development during the year is capitalised.
- 3) Depreciation of ₹ Nil million (PY ₹ 5.10 million) on Plant & Machinery etc. being used for product development during the year is capitalised.
- 4) Additions during the year of Plant and Machinery and Building have been reduced by ₹ Nil (PY ₹ 20.64 million) on account of subsidy.
- 5) Interest capitalized during the current year includes ₹ 126.04 million on which depreciation calculated is ₹ 1.87 million.  
(Previous year ₹ 36.66 million on which depreciation calculated was ₹ 0.12 million)
- 6) Fixed assets addition during the year includes cost of self constructed assets amounting to ₹ 1,436.45 million (PY ₹ 1,038.55 million)
- 7) Addition of fixed assets (Gross block - Plant & Machinery) include ₹ 9.58 million (Previous year ₹ 476.67 million) of addition on acquisition.
- 8) Addition of fixed assets (Accumulated depreciation - Plant & Machinery) include ₹ Nil (Previous year ₹ 141.76 million) of addition on acquisition.



	Number		₹ in Million	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
<b>14. Non-current investments</b>				
<b>Investment in equity instruments – fully paid (quoted)</b>				
Euro Drip SA	3,269,250	3,269,250	187.47	187.47
Reliance Industries Ltd.	90	90	0.00	0.00
Reliance Communication Ltd.	45	45	0.00	0.00
Reliance Infrastructure Ltd. (formerly Reliance Energy Ltd.)	3	3	0.00	0.00
Reliance Capital Ltd. (formerly Reliance Capital Ventures Ltd.)	2	2	0.00	0.00
Reliance Power Ltd (formerly Reliance Natural Resources Ltd.)	11	11	0.00	0.00
Finolex Industries Ltd.	75	75	0.00	0.00
Union bank of India	908	908	0.10	0.10
			187.57	187.57
<b>Investments in equity instruments – fully paid (unquoted)</b>				
Shares of Astitwa Co-Op. Housing Society Ltd.	25	25	0.00	0.00
Shares of ₹ 100 each of Sarjan Members Association	5	5	0.00	0.00
Shares of ₹ 50 each of Rajdeep Vrundavan Co-Op. Housing Society	15	15	0.00	0.00
Shares of Edlabad Sut Girni Co-Operative Society Ltd.	200	200	0.00	0.00
Shares of ₹ 250 each of Shrinathjee Co-Op. Housing Society Ltd.	20	20	0.01	0.01
Sustainable Agro Comm.Fin.Ltd.Equity Shares of ₹ 10/-each fully paid up	2,474,500	24,500	24.75	0.25
Linking Shares of ₹ 25 each of Jalgaon Janta Sahakari Bank Ltd.	1,849	1,849	0.04	0.04
Investment in Naan USA			0.05	0.05
			24.85	0.35
<b>Investment in government or trust securities(unquoted)</b>				
National saving certificates			2.95	2.95
Indira vikas patra			0.00	0.00
			2.95	2.95
<b>Investment in debentures or bonds</b>				
Industrial investment bank of India (Pledged with IIBI)	252	252	10.20	10.20
<b>Investment in mutual funds</b>				
Units of YES Bank - II Tier NC Bond @10 Lacs each	10	10	10.00	10.00
<b>TOTAL</b>			<b>235.57</b>	<b>211.07</b>
Aggregate amount of quoted investments (Market value ₹170.01 million, PY ₹ 260.88 million)			187.57	187.57
Aggregate amount of unquoted investments			48.00	23.50

Please refer note 1(K) for mode of valuation of investments

	₹ in Million	
	31-Mar-2012	31-Mar-2011
<b>15. Long term loans and advances (unsecured, considered good)</b>		
Capital Advances	295.08	655.36
Security Deposits	326.23	298.26
Advance tax (net of provisions)	329.38	8.81
Advances recoverable in cash or kind or for value to be received		
- Trade purchases	–	–
Prepaid expenses	143.84	101.47
Others	146.63	–
<b>TOTAL</b>	<b>1,241.16</b>	<b>1,063.90</b>
<b>16. Other non-current assets</b>		
Claims receivables	10.06	–
Incentive receivables	74.90	83.10
MAT credit entitlement	492.48	–
Others	–	163.01
<b>TOTAL</b>	<b>577.44</b>	<b>246.11</b>

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>17. Inventories</b>		
Raw materials and components	2,614.58	3,373.14
Raw material in transit	373.82	313.02
Work-in-Progress	389.34	379.67
Finished goods	10,545.14	10,148.62
Finished goods in transit	32.28	14.68
Stores and spares	658.53	626.61
Stores and spares in transit	—	8.63
<b>TOTAL</b>	<b>14,613.69</b>	<b>14,864.37</b>

Please refer note 1(L) for mode of valuation of inventory

The cost of Raw Materials in case of Naandan Jain Irrigation C.S. Ltd., Israel is determined on first-in-first-out (FIFO) basis. Value of stock is ₹ 242.38 million. The cost of finished goods in case of Jain Irrigation Inc. USA is determined on standard cost basis and the value of stock is ₹ 598.00 million. The management considers it impracticable to use a uniform accounting policy for the valuation and to quantify the impact of the difference between such accounting policies. There is no material impact on the financial statement presented as a Group.

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>18. Trade receivables</b>		
<b>Unsecured</b>		
Good	22,711.71	16,924.09
Considered doubtful	321.02	250.48
Less: Provision for doubtful debts	(321.02)	(250.48)
<b>TOTAL</b>	<b>22,711.71</b>	<b>16,924.09</b>

#### 19. Cash and bank balances

##### Cash and cash equivalents

Cash on hand	33.26	38.56
Bank balances		
- Current accounts	3,241.76	4,071.72
- Unpaid dividend bank account	5.04	3.23
- Fixed deposits	17.95	—
	3,298.01	4,113.51

##### Other bank balances

Fixed deposit*	15.70	10.02
In margin accounts	10.15	20.19

**TOTAL** **3,323.86** **4,143.72**

\* Fixed deposit of ₹ 15.70 million has maturity of more than 12 months

#### 20. Short term loans and advances

Security deposits	—	10.29
Advances recoverable in cash or kind or for value to be received:		
Trade purchases	1,278.26	1,518.48
Others (including prepaid expenses, employee advances etc.)	621.12	602.00
Balance with collectorate of Central Excise and Customs	4.38	1.70

**TOTAL** **1,903.76** **2,132.47**

#### 21. Other current assets

Claims receivables	1,115.19	501.37
Incentive receivable	1,283.77	1,102.38
MAT credit	492.47	—
Interest receivable	20.58	15.60
Other current assets	896.18	401.48

**TOTAL** **3,808.19** **2,020.83**

₹ in Million

	2011-12	2010-11
<b>22. Revenue from operations</b>		
Sale of products	51,027.87	44,311.01
Sales return	(349.88)	(303.02)
	50,677.99	44,007.99
Trade, other discounts and allowance	(3,206.22)	(3,269.76)
	47,471.77	40,738.23
Sale of services	1,927.79	895.76
	49,399.56	41,633.99
Other operating revenues:		
Incentives and assistances	712.34	802.19
<b>TOTAL</b>	<b>50,111.90</b>	<b>42,436.18</b>
<b>23. Other income</b>		
Dividend income	0.01	0.02
Interest on deposits and others	82.98	38.82
Profit on sale of assets	20.40	—
Profit on sale of investments	—	1.68
Sundry balances appropriated	12.34	3.33
Provisions no longer required	46.04	12.98
Income from other services	0.28	12.01
Net gain on foreign currency transactions	—	831.76
Miscellaneous income	178.43	205.17
<b>TOTAL</b>	<b>340.48</b>	<b>1,105.77</b>
<b>24. Cost of materials consumed</b>		
<b>Raw Materials</b> (including packaging materials)		
Opening stock	3,373.14	2,617.91
Addition on acquisition of business	—	197.71
Purchases	26,584.46	26,404.23
	29,957.60	29,219.85
Closing stock	(2,614.58)	(3,373.14)
<b>TOTAL</b>	<b>27,343.02</b>	<b>25,846.71</b>
<b>25. Changes in inventories of finished goods and work in progress</b>		
<b>Closing stock</b>		
- Finished goods	10,545.14	10,148.62
- Work in process	389.34	379.67
	10,934.48	10,528.29
<b>Opening stock</b>		
- Finished goods on acquisition of business	(3.44)	(19.99)
- Finished goods	(10,148.62)	(6,983.02)
- Work in progress on acquisition of business	(4.38)	(3.46)
- Work in process	(379.67)	(251.80)
	(10,536.11)	(7,258.27)
Increase /(Decrease) in excise duty finished goods	(24.07)	(48.58)
<b>TOTAL</b>	<b>374.30</b>	<b>3,221.44</b>
<b>26. Employee benefit expenses</b>		
Salaries, wages, bonus, gratuity etc.	4,426.42	3,871.66
Contribution to provident and other funds	151.81	124.89
Staff welfare expenses	137.47	128.06
<b>TOTAL</b>	<b>4,715.70</b>	<b>4,124.61</b>

	2011-12	2010-11
<b>27. Finance costs</b>		
Interest on term loans	757.79	580.80
Interest on working capital loans	2,047.96	1,050.99
Interest on others	42.43	37.47
Discounting charges and interest	824.05	747.04
Bank commission and charges	484.34	300.24
Loss on foreign currency transactions	611.32	553.24
<b>TOTAL</b>	<b>4,767.89</b>	<b>3,269.78</b>
<b>28. Other expenses</b>		
Consumption of stores and spare parts	742.12	778.77
Power & fuel	1,431.12	1,022.70
Agency charges for installation	468.10	260.63
Project site general expenses	64.45	112.97
Rent	344.88	302.02
Repairs & maintenance	260.20	306.70
Freight	1,333.89	1,363.27
Processing charges	449.18	421.43
Export selling expenses	542.27	418.65
Loss on foreign currency transactions and translation	1,052.95	–
Legal and professional consultancy fees	371.10	246.87
Travelling & conveyance expenses	538.06	420.20
Communication expenses	103.37	86.71
Commission and brokerage	349.97	287.72
Advertisement and sales promotion expenses	204.75	120.99
Excise duty	–	25.35
Cash discount	178.86	54.01
Irrecoverable claims	64.51	41.82
Bad debts & bad advances	48.83	64.50
Provisions for bad & doubtful debts	44.66	72.62
Donation	1.59	62.88
Insurance	90.77	76.40
Loss on sale of fixed assets	–	20.51
Rates and taxes	33.31	41.83
Director's sitting fees	0.95	1.29
Vehicle expenses	187.14	115.04
Miscellaneous expenses	1,819.17	1,574.45
<b>TOTAL</b>	<b>10,726.20</b>	<b>8,300.33</b>
<b>29. Current tax</b>		
Current tax	566.26	963.41
MAT credit entitlement/(utilised)	(552.34)	201.00
Net current tax	13.92	1,164.41
Short / (Excess) provision of income tax (net)	(432.40)	12.44
<b>TOTAL</b>	<b>(418.48)</b>	<b>1,176.85</b>
<b>30. Consolidated earnings per share (EPS)</b>		
Profit for the year	2,234.96	2,807.12
Proposed dividend on preference capital (including dividend tax)	–	0.27
Prior period income/(expenses)	(4.05)	–
Amount available for equity share holders	2,230.91	2,806.85
Weighted average number of equity shares for basic EPS [nos.]	405,130,930	381,126,589
Number of potential equity shares under ESOP	314,401	3,32,289
Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	405,445,331	38,14,58,878
<b>Basic EPS ₹</b>	<b>5.51</b>	<b>7.37</b>
<b>Diluted EPS ₹</b>	<b>5.50</b>	<b>7.36</b>

### 31. Employee stock option plan

Employee stock options and shares plan 2005 (ESOP) - out of 15,356,000 stock options, compensation committee of the company has approved/ allotted following options to the eligible employees including working & non-executive directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4
Number of ESOP's allotted (Face Value ₹ 2 Per Equity Share)	2,500,000	2,500,000	2,500,000	2,500,000
Date of issue	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
Market price on the date of issue (NSE, Mumbai)	410.35	459.40	630.15	476.20
Discount offered as per terms	25%	10%	10%	10%
Option exercise price	307.76	413.46	568.00	428.58
Post split option exercise price	61.55	82.69	113.60	85.72
Vesting period	1 Year	3 Years	3 Years	3 Years
Options exercised during FY 2011-12	1,500	1,34,200	25,925	Nil
Total options exercised till March 31, 2012	2,358,050	2,224,625	2,471,250	Nil
Balance	1,41,950	275,375	28,750	2,500,000
Options lapsed	Nil	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/ amortized in the annexed accounts based on vesting period and as per the accounting policies specified in Schedule 1 of the ESOP Guidelines issued by the SEBI.

No employee has been issued options entitling such person to subscribe more than 1% of Equity Share Capital of the Company.

Out of the total 10,000,000 ESOPs granted, as of March 31, 2012 70,53,925 ESOPs have been converted into equity shares of the Company.

### 32. Leases

The company has entered into "Operating lease for premises" as defined in the Accounting Standard 19 (AS-19). 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 are as under

Particulars	₹ in Million	
	31-Mar-2012	31-Mar-2011
Not later than one year	103.40	67.06
Later than one year and not later than five years	162.55	136.48
Later than five years	181.78	173.32
Aggregate amount of operating lease rent debited to Profit and loss account during the year is ₹ 344.88 million. (PY ₹ 109.73 million)		
	<b>2011-12</b>	<b>2010-11</b>

### 33. Segment Information

#### A) Information about business segments

##### 1) Segment revenue

a) Hi-tech agri input products	33,888.42	29,524.82
b) Industrial products	15,227.09	11,901.92
c) Non conventional energy	90.41	101.64

##### Net sales income from operations

**49,205.92**      **41,528.38**

##### 2) Segment results : Profit before Tax

a) Hi-tech agri input products	7,360.53	5,807.82
b) Industrial products	1,709.56	599.63
c) Non conventional energy	—	—

**9,070.09**      **6,407.45**

##### Un-allocable expenditure (net)

Less: i) Interest	4,767.89	3,269.78
ii) Taxation (including short provision)	3.93	1,213.34
iii) Others (net of income)	2,063.31	(882.79)

##### Profit after tax

**2,234.96**      **2,807.12**



### 3) Other information

₹ in Million

Particulars	Hi-tech Agri Input Products	Industrial Products	Non conventional energy	Others Un-allocable	Total
<b>2011-12</b>					
Segment assets	44,484.27	22,276.81	2,108.34	–	68,869.42
Unallocated corporate assets	–	–	–	5,978.31	5,978.31
<b>Total assets</b>	<b>44,484.27</b>	<b>22,276.81</b>	<b>2,108.34</b>	<b>5,978.31</b>	<b>74,847.73</b>
Segment liabilities	15,820.80	8,213.53	1,477.19	–	25,511.52
Unallocated corporate liabilities	–	–	–	31,799.54	31,799.54
<b>Total liabilities</b>	<b>15,820.80</b>	<b>8,213.53</b>	<b>1,477.19</b>	<b>31,799.54</b>	<b>57,311.06</b>
Capital expenditure	2,616.17	312.33	1,009.49	67.71	4,005.70
Depreciation/ amortization	786.88	517.21	84.52	52.30	1,440.91
Non cash items	139.96	18.04	–	–	158.00
<b>2010-11</b>					
Segment assets	33,223.81	21,720.96	1,189.90	–	56,134.67
Unallocated corporate assets	–	–	–	7,422.52	7,422.52
<b>Total assets</b>	<b>33,223.81</b>	<b>21,720.96</b>	<b>1,189.90</b>	<b>7,422.52</b>	<b>63,557.19</b>
Segment liabilities	10,677.68	4,290.28	510.70	–	15,478.66
Unallocated corporate liabilities	–	–	–	32,520.44	32,520.44
<b>Total liabilities</b>	<b>10,677.68</b>	<b>4,290.28</b>	<b>510.70</b>	<b>32,520.44</b>	<b>47,999.10</b>
Capital expenditure	1,752.63	1,473.60	59.20	568.54	3,853.97
Depreciation/ amortization	512.84	545.88	102.38	60.45	1,221.55
Non cash items	129.35	70.10	–	–	199.45

### B) Information about geographical segments

₹ in Million

	Hi-tech agri input products		Industrial products		Non-conventional energy		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
India	24,322.49	22,177.40	6,673.44	5,877.69	90.41	101.64	31,086.34	28,156.73
Europe	2,299.78	1,595.33	4,922.28	2,648.06	–	–	7,222.06	4,243.39
USA	2,496.54	2,328.37	2,093.02	2,061.11	–	–	4,589.56	4,389.48
Rest of the world	4,769.61	3,423.72	1,538.35	1,315.06	–	–	6,307.96	4,738.78
<b>Total</b>	<b>33,888.42</b>	<b>29,524.82</b>	<b>15,227.09</b>	<b>11,901.92</b>	<b>90.41</b>	<b>101.64</b>	<b>49,205.92</b>	<b>41,528.38</b>

#### Notes

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business segment as the primary segment and type of products and services in each segment: a) Hi-tech Agri Input Products: Micro & Sprinkler Irrigation, PVC Pipes, Bio-tech Tissue Culture. b) Industrial Products : PVC & PC Sheets, PE Pipes, Onion & vegetable Dehydration, Fruit Processing, Solar. c) Non-conventional energy: Wind energy and Bio-gas.
- 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”.
- 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”.

### 34. Related party transactions

#### [1] Companies / Firms in which director, director's relatives are Directors/Partners

##### Companies

Jain Extrusion & Molding Pvt. Ltd.,

Jain Vanguard Polybutylene Ltd.,

Atlaz Technology Pvt. Ltd.,

JAF Products Pvt. Ltd.,

Jalgaon Investment Pvt. Ltd.

Jain Rotfil Heaters Pvt. Ltd.,

Jain e-agro.com India Pvt. Ltd.,

Aadhunik Hi Tech Agriculture Pvt. Ltd.,

(Formerly Gauri Hi Tech Agriculture Pvt. Ltd.),

Jain Green Energy Ltd (Formerly Jain Solar Systems Ltd.).

Pixel Point Pvt. Ltd.,

Labh Subh Securities International Ltd.,

Jain Brothers Industries Pvt. Ltd.,

Cosmos Investment & Trading Pvt. Ltd.,

Stock & Securities (India) Pvt. Ltd.,

Timbron India Pvt. Ltd.,

Sustainable Agro-Commercial Finance Ltd.,

Gandhi Research Foundation.,

Kantabai Bhavarlal Jain Family Knowledge Institute.,

##### Partnership firms

Jain Computer & Allied Services,

Jalgaon Metal & Bricks Manufacturing Co.,

Jalgaon Udyog,

##### Proprietorship

PVC Trading House,

Drip & Pipe Suppliers,

Plastic Enterprises,

Jain Sons Investments Corporation,

##### Trust

Anubhuti Scholarship Foundation,

Bhavarlal and Kantabai Jain Multipurpose Foundation

##### Trust entities

Jain Family Holding Trust

Jain Family Enterprises Trust

Jain Family Trust

Jain Family Investment Trust

Jain Family Investment Management Trust

##### Foreign companies

Jain Investments & Finance BV. Netherland

Jain Overseas Investments Ltd. Mauritius

#### [2] Key management personnel & designation

Bhavarlal H. Jain (Chairman),

Anil B. Jain (Managing Director),

Atul B. Jain (Joint Managing Director)

Ashok B. Jain (Vice Chairman),

Ajit B. Jain (Joint Managing Director),

R. Swaminathan (Whole Time Director),

#### [3] Relatives of Key management personnel & designation

Jyoti Ashok Jain (Wife of Vice Chairman)

Shobhana Ajit Jain (Wife of Joint Managing Director)

Bhamini Swaminathan (Wife of Whole Time Director)

Ms. Arohi Ashok Jain (Daughter of Vice Chairman)

Master Athang Anil Jain (Son of Managing Director)

Ms. Ashuli Anil Jain (Daughter of Managing Director)

Master Abhang Ajit Jain (Son of Joint Managing Director)

Ms. Suchitra R. Swaminathan (Daughter of Whole Time Director)

Nisha Anil Jain (Wife of Managing Director)

Bhavana Atul Jain (Wife of Joint Managing Director)

Master Atman Ashok Jain (Son of Vice Chairman)

Ms. Amoli Anil Jain (Daughter of Managing Director)

Master Abhedya Ajit Jain (Son of Joint Managing Director)

Master Anmay Atul Jain (Son of Joint Managing Director)

## B] Transactions & balances party-wise

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	Total
<b>[1]</b>	<b>Transactions</b>				
	<b>[i] Rent expenses</b>	<b>0.79</b>	<b>2.75</b>	<b>3.95</b>	<b>7.49</b>
		(0.86)	(4.51)	(3.95)	(9.32)
	B. H. Jain	—	—	—	—
		(—)	(1.76)	(—)	(1.76)
	Ajit B. Jain	(—)	1.69	—	1.69
		(—)	(1.69)	(—)	(1.69)
	Ashok B. Jain	(—)	1.06	—	1.06
		(—)	(1.06)	(—)	(1.06)
	Jyoti Ashok Jain	(—)	—	0.71	0.71
		(—)	(—)	(0.71)	(0.71)
	Nisha Anil Jain	(—)	—	1.82	1.82
		(—)	(—)	(1.82)	(1.82)
	Shobhana Ajit Jain	(—)	—	0.71	0.71
		(—)	(—)	(0.71)	(0.71)
	Bhavana Atul Jain	(—)	—	0.71	0.71
		(—)	(—)	(0.71)	(0.71)
	Drip & Pipe suppliers	0.49	—	—	0.49
		(0.54)	(—)	(—)	(0.54)
	JAF Products Pvt. Ltd.	0.10	—	—	0.10
		(0.10)	(—)	(—)	(0.10)
	Jain Brothers Industries Pvt. Ltd.	0.10	—	—	0.10
		(0.10)	(—)	(—)	(0.10)
	Jain Computers & Allied Services	0.10	—	—	0.10
		(0.12)	(—)	(—)	(0.12)
	<b>[ii] Donation</b>	<b>6.00</b>	<b>—</b>	<b>—</b>	<b>6.00</b>
		(61.39)	(—)	(—)	(61.39)
	Gandhi Research Foundation	—	—	—	—
		(20.64)	(—)	(—)	(20.64)
	Bhavarlal and Kantabai Jain Multipurpose Foundation	6.00	—	—	6.00
		(40.75)	(—)	(—)	(40.75)
	<b>[iii] Remuneration and fees</b>	<b>—</b>	<b>216.94</b>	<b>—</b>	<b>216.94</b>
		(—)	(251.35)	(—)	(251.35)
	Anil B. Jain	—	53.18	—	53.18
		(—)	(65.04)	(—)	(65.04)
	Ajit B. Jain	—	52.13	—	52.13
		(—)	(61.51)	(—)	(61.51)
	Ashok B. Jain	—	52.13	—	52.13
		(—)	(59.12)	(—)	(59.12)
	Atul B. Jain	—	52.13	—	52.13
		(—)	(57.97)	(—)	(57.97)
	Swaminathan R.	—	7.37	—	7.37
		(—)	(7.71)	(—)	(7.71)
	<b>[iv] Loans &amp; other advances given</b>	<b>21.60</b>	<b>4.45</b>	<b>—</b>	<b>26.05</b>
		(0.15)	(12.03)	(—)	(12.18)
	Swaminathan R.	—	0.65	—	0.65

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	Total
		(-)	(0.20)	(-)	(0.20)
	Anil B. Jain	-	1.49	-	1.49
		(-)	(1.02)	(-)	(1.02)
	Ashok B. Jain	-	0.49	-	0.49
		(-)	(1.55)	(-)	(1.55)
	Ajit B. Jain	-	0.51	-	0.51
		(-)	(7.21)	(-)	(7.21)
	Atul B. Jain	-	1.31	-	1.31
		(-)	(2.05)	(-)	(2.05)
	Bhavarlal and Kantabai Jain Multipurpose Foundation	21.60	-	-	21.60
		(-)	(-)	(-)	(-)
	Gandhi Research Foundation	-	-	-	-
		(0.15)	(-)	(-)	(-)
	<b>[v] ESOP Allotment</b>	-	-	-	-
		(-)	(4.75)	(-)	(4.75)
	Swaminathan R.	-	-	-	-
		(-)	(4.75)	(-)	(4.75)
	<b>[vi] Issue of equity share warrants</b>	-	-	-	-
		(195.01)	(152.92)	(-)	(347.93)
	Anil B. Jain	-	-	-	-
		(-)	(76.46)	(-)	(76.46)
	Atul B. Jain	-	-	-	-
		(-)	(76.46)	(-)	(76.46)
	Jain Brothers Industries Pvt. Ltd.	-	-	-	-
		(195.01)	(-)	(-)	(195.01)

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	Total
<b>[2] Balances</b>					
<b>[i] Accounts receivable</b>		<b>0.08</b>	<b>-</b>	<b>-</b>	<b>0.08</b>
		(0.15)	(-)	(-)	(0.15)
	Gandhi Research Foundation	0.08	-	-	0.08
		(0.15)	(-)	(-)	(0.15)
<b>[ii] Accounts payable</b>		<b>-</b>	<b>134.16</b>	<b>-</b>	<b>134.16</b>
		(-)	(181.72)	(-)	(181.72)
	Atul B. Jain	-	33.54	-	33.54
		(-)	(45.43)	(-)	(45.43)
	Anil B. Jain	-	33.54	-	33.54
		(-)	(45.43)	(-)	(45.43)
	Ashok B Jain	-	33.54	-	33.54
		(-)	(45.43)	(-)	(45.43)
	Ajit B. Jain	-	33.54	-	33.54
		(-)	(45.43)	(-)	(45.43)

₹ in Million

Sr.No.	Particulars	[1]	[2]	[3]	Total
	<b>[iii] Deposit receivable</b>	<b>10.00</b>	<b>56.25</b>	<b>54.13</b>	<b>120.38</b>
		(10.00)	(61.20)	(61.23)	(132.43)
	Ajit B. Jain	–	27.63	–	27.63
		(–)	(30.67)	(–)	(30.67)
	Nisha Anil Jain	–	–	26.74	26.74
		(–)	(–)	(30.01)	(30.01)
	Jyoti Ashok Jain	–	–	24.35	24.35
		(–)	(–)	(25.62)	(25.62)
	Atul B. Jain	–	24.00	–	24.00
		(–)	(24.00)	(–)	(24.00)
	Jain Brothers Industries Pvt. Ltd	8.00	–	–	8.00
		(8.00)	(–)	(–)	(8.00)
	Ashok B. Jain	–	4.62	–	4.62
		(–)	(6.53)	(–)	(6.53)
	Drip & Pipe Supplier	2.00	–	–	2.00
		(2.00)	(–)	(–)	(2.00)
	Shobhana Ajit Jain	–	–	1.52	1.52
		(–)	(–)	(2.80)	(2.80)
	Bhavana Atul Jain	–	–	1.52	1.52
		(–)	(–)	(2.80)	(2.80)

Note: Previous year's figures are given in bracket & italics

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 ₹ 29,569.77 million ( PY ₹ 29,430.94 million).

The Company, in its quest for rural development, has supported through investment in buildings, facility and infrastructure in an initiative by Bhavarlal & Kantabai Jain Multipurpose Foundation to establish a residential school called "Anubhuti School" based upon Indian ethos and values. The Company also derives benefit from this investment in the form of usage of these facilities; children of Company's associates get priority admission into the school, etc. Company with the help of trust will make further efforts to get extra gains from this investment as part of its corporate social responsibility initiative commitment.

[1] \* Companies / Firms in which director, director's relatives are Directors / Partners;

[2] \* Key management personnel

[3] \* Relatives of Key management personnel

₹ in Million

	31-Mar-2012	31-Mar-2011
<b>35.Contingent liabilities</b>		
<b>[A] Contingent liabilities not provided for in respect of</b>		
i) Claims not acknowledged as debts in respect of:		
- Customs and excise duty	283.97	281.47
- Other taxes & levies	69.42	73.78
- Others (legal case)	22.44	52.71
ii) Guarantees given by the company's bankers in the normal course of business	1,704.30	1,263.65
iii) Bills discounted with the banks	1,242.43	468.07
iv) Export obligation towards duty saved amount under EPCG scheme	1,446.10	1,834.10
v) In case of one of our subsidiary, NaanDanJain Irrigation C.S. Ltd. ("the C.S.") is committed to pay royalties to the Israeli government based on the sales proceeds from products for which the government participated in financing their research and development. The royalty rate is 2%. The future cumulative royalties expected to be paid in the future will not exceed 100% of the amount of the Government's participation (excluding interest), linked to the exchange rate of the U.S. dollar. The liability balance as on March 31, 2012 amounted ₹ 14.68 million. (PY ₹ Nil)		
vi) In 2006, one of our subsidiary NaanDanJain Irrigation C.S. Ltd. ("the C.S.") filed a claim against one of its customer		





(the company and the individual), in the amount of approx NIS 150,000. The customer filed a counterclaim in the amount of NIS 2,500,000 for alleged breach of contract and damages caused to him with respect to his commercial activities. Mediation failed. Parties are the midst of filing arguments with respect to the C.S. preliminary request to reject the strike the claim. Only if this request fails, will the claim proceed to stages whereby the parties will file their evidence regarding the claimed damages.

In March 2010, a claim was filed against the C.S. by one of its customers in the amount of about NIS 1,200,000. The C.S. filed a third party notice against one of its suppliers and in response the third party filed a counterclaim. The C.S. assumes a contingent liability of NIS 220,000 as on March 31, 2012 ₹ 3.09 million. (PY ₹ Nil)

In respect of (i) above, the company has taken necessary legal steps to protect its position in respect of these claims, which, in its opinion, based on legal advice, are not expected to devolve. It is not possible to make any further determination of the liabilities which may arise or the amounts which may be refundable in respect of these claims.

## [B] Commitments

		₹ in Million	
		31-Mar-2012	31-Mar-2011
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	831.05	603.58
(ii)	Other commitments		
(a)	Commitments given to other organisations	1.02	1.02
(b)	In case of one of our subsidiary, NaanDanJain Irrigation C.S. Ltd. ("the C.S.") has entered into a financing agreement with a leasing company. Pursuant to the agreement, customers interested in purchasing irrigation equipment produced or marketed by the C.S. under a financing lease, are referred to the leasing company. The leasing company sends the sales proceeds to the C.S. in cash. The C.S. has undertaken to pay to the leasing company (instead of the lessees) amounts past due, if any. The amount of credit given by the leasing company at the balance sheet date are specified.	25.66	11.29

**36.** On May 14, 2012 the company has exercised call option to acquire the remaining shares (49.999%) of Naandan Jain Irrigation C.S. Ltd., Israel for an amount of USD 34 million. The amount of USD 34 million is payable in six yearly installments up to June, 2017. USD 7 million is to be paid by August 15, 2012 and remaining deferred payment of USD 27 million would be secured by bank guarantee.

**37.** Amounts less than ₹ 5,000 have been shown at actual in brackets since the amounts are rounded off to the nearest million. (One million = Ten Lacs)

**38.** As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.

**For and on behalf of the Board of Directors**

Sd/-  
A. V. Ghodgaonkar

**Company Secretary**

Date **August 14, 2012**

Place **Mumbai**

Sd/-  
Anil B. Jain

**Managing Director**

Sd/-  
Ghanshyam Dass

**Director**

# Subsidiary Statement

**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in the Subsidiary Companies.**

Sr.No.	Details	JISL Overseas Ltd. Mauritius	Jain International Trading B.V. Netherland
1	The financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2012
2	Date from which it became subsidiary	3 <sup>rd</sup> November 1995	24 <sup>th</sup> March 2010
3	a) No. of shares held by Holding Company with its nominees in the subsidiary at the end of the financial year of the subsidiary  b) Extent of interest of holding Company at the end of the financial year of the subsidiary	i) 62,305,891 Ordinary Shares of US\$ 1 each fully paid up ii) 45,00,000 2% preference shares of US\$ 1 each fully paid up. iii) 19,250,000 6% preference shares of US\$ 1 each fully paid up.  100%	1293 Ordinary Shares of Euro 100 each     100%
4	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 ii) For the previous financial year of the subsidiary since it became the subsidiary of the Company b) Dealt with in holding Company accounts (In consolidated accounts) i) For the financial year of the subsidiary ii) For the previous financial year of the subsidiary	  US\$ (811,869) US\$ (810,782)  Fully  Nil* Nil*	  US\$ (312,860) US\$ (388,047)  Fully  Nil* Nil*
5	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.	Not Applicable	Not Applicable
6	Material changes between the end of the financial year of the subsidiary and the end of holding Company's financial year in respect of: 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	Not Applicable	Not Applicable

**\* Consolidated accounts reflect the effect fully.**

**For and on behalf of the Board of Directors**

Date **14<sup>th</sup> August, 2012**  
Place **Mumbai**

sd/-  
A.V. Ghodgaonkar  
**Company Secretary**

sd/-  
Anil B. Jain  
**Managing Director**

sd/-  
Ghanshyam Dass  
**Director**

# JISL Overseas Ltd., Mauritius

## Balance Sheet

As at 31<sup>st</sup> March, 2012

	2012 USD	2011 USD
<b>Assets</b>		
<b>Non-current assets</b>		
Investments in subsidiary companies	101,192,200	101,192,200
<b>Current assets</b>		
Loans to subsidiaries	4,950,000	8,500,000
Trade and other receivables	271,617	110,407
Cash at bank	21,998	42,820
	<u>5,243,615</u>	<u>8,653,227</u>
<b>Total Assets</b>	<b>106,435,815</b>	<b>109,845,427</b>
<b>Equity And Liabilities</b>		
<b>Capital and Reserves</b>		
Share capital	62,305,891	62,305,891
Retained earnings	(2,983,121)	(2,171,252)
<b>Shareholders' interests</b>	<b>59,322,770</b>	<b>60,134,639</b>
<b>Non-current liabilities</b>		
Redeemable preference shares	23,750,000	23,750,000
Loan from Holding Company	13,129,388	15,689,388
	<u>36,879,388</u>	<u>39,439,388</u>
<b>Current liabilities</b>		
Loan from Holding Company	9,935,000	9,500,000
Trade and other payable	298,657	771,400
<b>Total Current Liabilities</b>	<b>10,233,657</b>	<b>10,271,400</b>
<b>Total Liabilities</b>	<b>47,113,045</b>	<b>49,710,788</b>
<b>Total Equity and Liabilities</b>	<b>106,435,815</b>	<b>109,845,427</b>

## Income Statement

For the Year Ended 31<sup>st</sup> March, 2012

	2012 USD	2011 USD
<b>Revenue</b>		
Interest on loan	430,149	116,066
Bank Interests	45	60
	<u>430,194</u>	<u>116,126</u>
<b>Expenses</b>		
Interest expenses	1,230,697	895,861
Accountancy fees	2,000	5,000
Professional fees	3,400	3,200
Licence fees	1,740	1,740
Secretarial fees	1,500	1,500
Audit fees	2,156	1,269
Bank charges	470	962
Disbursements	100	75
	<u>1,242,063</u>	<u>909,607</u>
<b>(Loss)/ Profit from operating activities</b>	<b>(811,869)</b>	<b>(793,481)</b>
Other (losses)/ gains	—	(17,301)
<b>Loss before tax</b>	<b>(811,869)</b>	<b>(810,782)</b>
Income tax expense	—	—
<b>Loss For The Year</b>	<b>(811,869)</b>	<b>(810,782)</b>



# Jain International Trading B.V., Netherland

## Balance Sheet

As at 31<sup>st</sup> March, 2012

	2012 USD	2011 USD
<b>Fixed Assets</b>		
Financial Fixed Assets	21,422,500	28,428,000
<b>Total Fixed Assets</b>	<b>21,422,500</b>	<b>28,428,000</b>
<b>Current Assets</b>		
Loan receivable	14,111,500	8,996,000
Interest receivable	1,193,062	905,713
Current Account	211,919	–
Cash and cash equivalents	2,744,541	252,762
<b>Total Current Assets</b>	<b>18,261,022</b>	<b>10,154,475</b>
<b>Total Assets</b>	<b>39,683,522</b>	<b>38,582,475</b>
<b>Equity and Liabilities</b>		
<b>Shareholders' Equity</b>		
Paid up share capital	174,143	174,143
Share premium	65,00,000	1,500,000
Other reserves	(412,190)	(24,143)
Unappropriated result	(312,860)	(388,047)
<b>Total Shareholders' Equity</b>	<b>5,949,093</b>	<b>1,261,953</b>
<b>Long Term Liabilities</b>		
Credit institutions	15,000,000	25,000,000
Loan from shareholder	500,000	2,000,000
<b>Total Long Term Liabilities</b>	<b>15,500,000</b>	<b>27,000,000</b>
<b>Current Liabilities</b>		
Current accounts	18,197,535	10,296,218
Other payables and accrued expenses	36,894	24,304
<b>Total Current Liabilities</b>	<b>18,234,429</b>	<b>10,320,522</b>
<b>Total Equity and Liabilities</b>	<b>39,683,522</b>	<b>38,582,475</b>

## Profit and Loss Account

For the year ended 31<sup>st</sup> March 2012

	2012 USD	2011 USD
Interest Income and similar Income	1,068,190	939,000
Interest Expense and Similar Expenses	(1,306,149)	(1,221,875)
<b>Operating Income / (Expenses)</b>	<b>(237,959)</b>	<b>(282,875)</b>
General and Administrative Expenses	(74,901)	(105,172)
<b>Ordinary Result before Tax</b>	<b>(312,860)</b>	<b>(388,047)</b>
Corporate Tax	–	–
<b>Result after Taxation</b>	<b>(312,860)</b>	<b>(388,047)</b>

# Corporate Governance Report

## I) Corporate Governance

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to the standards to achieve the objects of the Company, enhance stakeholder 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 employees etc.

## II) 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 stakeholder value by focusing towards all stakeholders. The core values of the Company are based on integrity, emphasis on product quality and transparency in its dealings with 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 committed to meeting the aspirations of all of its stakeholders.

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 and adopted in and the pursuit of excellence in corporate governance. An Ethics Code is being discussed at all levels in the Company to be put in place soon hereafter.

The Company has three tiers of the governance pyramid:

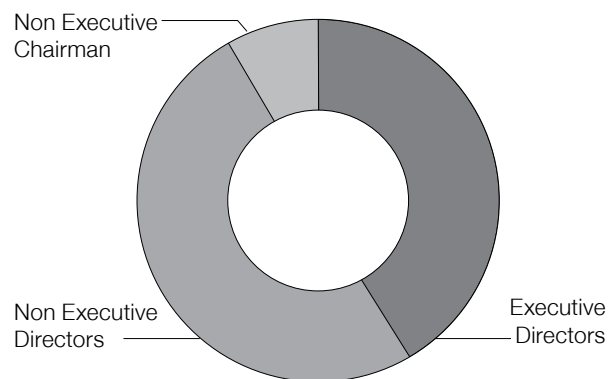
- Shareholders - Board of Directors
- Committees of the Board
- Executive Management

Each of the tier operates within the given parameters as per prevailing laws and regulations or the practices prevalent in the industry.

## 1. Board of Directors

### a) Composition

The Board of Directors of Jain Irrigation comprises of Executive and Non Executive Directors. Since the Chairman is from the Promoters Group but Non Executive, the strength of independent Directors is mandated at one half of the strength of the Board. The Board has 6 independent members in total strength of 12 at present. The executive Directors are 5 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. 5 independent directors out of the 12 Directors are with the Company Board for less than average 6 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 14 at present.



The following is the composition of the Board on 31<sup>st</sup> March, 2012

As on	Non Executive Chairman	Executive Directors	Non Executive Directors	Total Directors
31-March-2012	1	5	6	12

Mr. Bhavarlal H. Jain, the Founder is the Non-Executive Chairman of the Board.

The table below gives the composition of Jain Irrigation's Board and the number of other Directorships and Committee Memberships held by the Directors as on 31<sup>st</sup> March, 2012.

Name of Directors	Other Directorship in Ltd. Co.	Other Directorship in Pvt. Ltd. Co.	Membership in Committees (other than JISL)	Membership in Committees at JISL
Mr. Bhavarlal H. Jain	3	Nil	Nil	Nil
Mr. Ashok B. Jain	3	8	Nil	2
Mr. Anil B. Jain	18*	4	Nil	1
Mr. Ajit B. Jain	6*	6	Nil	3
Mr. Atul B. Jain	11	10	Nil	1
Mr. D. R. Mehta	7	2	Nil	Nil
Mr. R. Swaminathan	1*	Nil	Nil	1
Mr. Ghanshyam Dass	3	3	4	1
Mrs. Radhika C. Pereira	3	1	5	2
Mr. Ramesh C. A. Jain	Nil	Nil	Nil	3
Mr. V. V. Warty	Nil	Nil	Nil	3
Dr. Arun Kumar Jain	Nil	Nil	Nil	Nil

\* Including foreign Subsidiary Companies in group.



**b) The Shareholding of Directors in the Company is as under as on 31.03.2012**

Name of Director	No. of Ordinary Equity Shares	% of Total Ordinary Equity Capital	No. of DVR Equity Shares	% of Total DVR Equity Capital
Mr. Bhavarlal H. Jain	2,655,240	0.69	132,762	0.69
Mr. Ashok B. Jain	1,857,485	0.48	92,873	0.48
Mr. Anil B. Jain	113,690	0.03	5,684	0.03
Mr. Ajit B. Jain	9,340,205	2.42	467,010	2.42
Mr. Atul B. Jain	108,730	0.03	5,436	0.03
Mr. D. R. Mehta	25,000	0.01	1,250	0.01
Mr. R. Swaminathan	177,260	0.05	8,863	0.05
Mr. Ghanshyam Dass	–	–	–	–
Mr. Radhika C. Pereira	25,000	0.01	1,250	0.01
Mr. Ramesh C. A. Jain	25,000	0.01	1,250	0.01
Mr. V. V. Warty	–	–	–	–
Dr. Arun Kumar Jain	–	–	–	–
<b>Total</b>	<b>14,327,610</b>	<b>3.73</b>	<b>716,378</b>	<b>3.73</b>

**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 held for a day and in some cases are held over two days. The Board of Directors met 5 times and AGM was held on 30<sup>th</sup> September, 2011 during the year. The attendance details are as follows:

Name of Directors	Designation	Category	BOD	AGM
Mr. Bhavarlal H. Jain	Chairman	Promoter Director	3	Yes
Mr. Ashok B. Jain	Vice Chairman	Promoter Director	5	Yes
Mr. Anil B. Jain	Managing Director	Promoter Director	5	Yes
Mr. Ajit B. Jain	Joint Managing Director	Promoter Director	4	Yes
Mr. Atul B. Jain	Joint Managing Director	Promoter Director	5	Yes
Mr. D. R. Mehta	Director	Independent Director	3	No
Mr. R. Swaminathan	Director - Technical	Executive Director	3	No
Mr. Ghanshyam Dass	Director	Independent Director	3	Yes
Mrs. Radhika C. Pereira	Director	Independent Director	3	No
Mr. Ramesh C. A. Jain	Director	Independent Director	3	Yes
Mr. V. V. Warty	Director	Independent Director	4	No
Dr. Arun Kumar Jain	Director	SBI Nominee Director		
		Independent Director	5	No

**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, Committee Memberships, Trustee, Proprietor, Partner etc.
1	Mr. 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 to 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 iii) Sustainable Agro-Commercial Finance Limited  Trustee i) Bhavarlal and Kantabai Jain Multipurpose Foundation ii) Anubhuti Scholarship Foundation iii) Bahinabai Chaudhari Memorial Trust iv) Jain Family Holding Trust v) Jain Family Investment Trust vi) Jain Family Enterprises Trust vii) Jain Family Investment Management Trust viii) Jain Family Trust  Committee Membership None

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
2	Mr. 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 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.	<p>Director of:</p> <ul style="list-style-type: none"> <li>i) Atlaz Technology Pvt. Ltd.</li> <li>ii) Cosmos Investment &amp; Trading Pvt. Ltd.</li> <li>iii) Gandhi Research Foundation</li> <li>iv) Jain Vanguard Polybutylene Ltd.</li> <li>v) JAF Products Pvt. Ltd.</li> <li>vi) Jain Brothers Industries Pvt. Ltd.</li> <li>vii) Jain Eagro.Com India Pvt. Ltd.</li> <li>viii) Jalgaon Investments Pvt. Ltd.</li> <li>ix) Kantabai Bhavarlal Jain Family Knowledge Institute</li> <li>x) Pixel Point Pvt. Ltd.</li> <li>xi) Timbron India Pvt. Ltd.</li> </ul> <p>Partner:</p> <ul style="list-style-type: none"> <li>i) Jain Computer &amp; Allied Services</li> <li>ii) Jalgaon Udhog</li> <li>iii) Jalgaon Metal &amp; Bricks Mfg. Co.</li> </ul> <p>Proprietor:</p> <ul style="list-style-type: none"> <li>i) PVC Trading House</li> </ul> <p>Trustee:</p> <ul style="list-style-type: none"> <li>i) Anubhuti Scholarship Foundation</li> <li>ii) Jain Family Holding Trust</li> <li>iii) Jain Family Investment Trust</li> <li>iv) Jain Family Enterprises Trust</li> <li>v) Jain Family Investment Management Trust</li> <li>vi) Jain Family Trust</li> </ul> <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
3	Mr. 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"> <li>i) JISL Overseas Ltd.</li> <li>ii) Jain (Americas) Inc.</li> <li>iii) Cascade Specialities Inc.</li> <li>iv) Jain International Trading B V</li> <li>v) Jain Irrigation Holding Corporation</li> <li>vi) Jain Irrigation Inc.</li> <li>vii) Jain Sulama Sistemleri San Ve Tic A S</li> <li>viii) Jain (Europe) Ltd.</li> <li>ix) Naandan Jain Irrigation CS Ltd.</li> <li>x) Jain Investment &amp; Finance B V</li> <li>xi) Jain Overseas Investments Ltd.</li> <li>xii) Jain Overseas BV. Netherland</li> <li>xiii) Jain (Israel) BV, Netherland</li> <li>xiv) Sleaford Quality Foods Ltd.</li> <li>xv) Sleaford Food Group Ltd.</li> <li>xvi) Arnolds Quick Dried Foods Ltd.</li> <li>xvii) Point Source Irrigation, Inc.</li> <li>xviii) Sustainable Agro-Commercial Finance Limited</li> <li>ix) Cosmos Investment and Trading Pvt. Ltd</li> <li>xx) JAF Products Pvt. Ltd.</li> <li>xxi) Jain Brothers Industries Pvt. Ltd.</li> <li>xxii) Jalgaon Investments Pvt. Ltd.</li> </ul> <p>Proprietor:</p> <ul style="list-style-type: none"> <li>i) Drip &amp; Pipe Suppliers</li> </ul> <p>Partner:</p> <ul style="list-style-type: none"> <li>i) Jalgaon Udhyog</li> <li>ii) Jalgaon Metal &amp; Bricks Mfg. Co.</li> </ul> <p>Trustee:</p> <ul style="list-style-type: none"> <li>i) Anubhuti Scholarship Foundation</li> <li>ii) Jain Family Holding Trust</li> <li>iii) Jain Family Investment Trust</li> <li>iv) Jain Family Enterprises Trust</li> <li>v) Jain Family Investment Management Trust</li> <li>vi) Jain Family Trust</li> </ul> <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
4	Mr. Ajit B. Jain Joint Managing Director BE.(Mech.)	Joint Managing Director of the Company since 1994 and is responsible for the pipe division as well as marketing of 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. 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>Director of:</p> <ul style="list-style-type: none"> <li>i) Jain Extrusion &amp; Moulding Pvt. Ltd.</li> <li>ii) Jain Rotfil Heaters Pvt. Ltd.</li> <li>iii) Cosmos Investment &amp; Trading Pvt. Ltd.</li> <li>iv) Jain Brothers Industries Pvt. Ltd.</li> <li>v) Jalgaon Investments Pvt. Ltd.</li> <li>vi) JAF Products Pvt. Ltd.</li> <li>vii) JISL Global S.A.</li> <li>viii) NaandanJain Irrigation CS Ltd.</li> <li>ix) JISL Systems S.A.</li> <li>x) Thomas Machines Ltd.</li> <li>xi) Jain Sulama Sistemleri San Ve Tic A S</li> <li>xii) Sustainable Agro-Commercial Finance Limited</li> </ul> <p>Proprietor:</p> <ul style="list-style-type: none"> <li>i) Plastic Enterprises</li> </ul> <p>Partner:</p> <ul style="list-style-type: none"> <li>i) Jalgaon Metal &amp; Bricks Manufacturing Co.</li> </ul> <p>Trustee:</p> <ul style="list-style-type: none"> <li>i) Anubhuti Scholarship Foundation</li> <li>ii) Jain Family Holding Trust</li> <li>iii) Jain Family Investment Trust</li> <li>iv) Jain Family Enterprises Trust</li> <li>v) Jain Family Investment Management Trust</li> <li>vi) Jain Family Trust</li> </ul> <p>Committee Membership: None</p>

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
5	Mr. Atul B. Jain Joint Managing Director B.Com.	He is a Commerce Graduate. He joined the management team in 1992. He was posted in London office and developed the Food Processing distribution business in Europe and helped the Company to maintain the plastic exports to Europe. He was appointed CMO of the Company w.e.f. 20th August, 2002. Besides overall marketing management responsibility he has also handled all India marketing function of Drip Irrigation and PVC pipe products, PE and other speciality pipes and fittings all over the world. He has been involved with development of new applications & products in overseas markets for food and plastic sheet divisions.	<p>Director of:</p> <ul style="list-style-type: none"> <li>i) Atlaz Technology Pvt. Ltd.</li> <li>ii) Cosmos Investment &amp; Trading Pvt. Ltd.</li> <li>iii) JAF Products Pvt. Ltd.</li> <li>iv) Jain Brothers Industries Pvt. Ltd.</li> <li>v) Jain Eagro.Com India Pvt. Ltd.</li> <li>vi) Jain Extrusion &amp; Moulding Pvt. Ltd.</li> <li>vii) Jain Rotfil Heaters Pvt. Ltd.</li> <li>viii) Jain Vanguard Polybutylene Ltd.</li> <li>ix) Jalgaon Investments Pvt. Ltd.</li> <li>x) Pixel Point Pvt. Ltd.</li> <li>xi) Timbron India Pvt. Ltd.</li> <li>xii) JISL Overseas Ltd.</li> <li>xiii) Cascade Specialities Inc.</li> <li>xiv) Jain (Americas) Inc.</li> <li>xv) Jain (Europe) Ltd.</li> <li>xvi) Jain Overseas Investments Ltd.</li> <li>xvii) Jain Investment &amp; Finance BV</li> <li>xviii) Jain Sulama Sistemleri San Ve Tic A S</li> <li>xix) Sleaford Quality Foods Ltd</li> <li>xx) Sleaford Food Group Ltd</li> <li>xxi) Arnolds Quick Dried Foods Ltd.</li> </ul> <p>Proprietor: Jain Sons Investments Corporation</p> <p>Partner:</p> <ul style="list-style-type: none"> <li>i) Jalgaon Udhog</li> <li>ii) Jain Computer &amp; Allied Services</li> <li>iii) Jalgaon Metal &amp; Bricks Manufacturing Co.</li> </ul> <p>Trustee:</p> <ul style="list-style-type: none"> <li>i) Anubhuti Scholarship Foundation</li> <li>ii) Bahinabai Chaudhary Memorial Trust</li> <li>iii) Jain Family Holding Trust</li> <li>iv) Jain Family Investment Trust</li> <li>v) Jain Family Enterprises Trust</li> <li>vi) Jain Family Investment Management Trust</li> <li>vii) Jain Family Trust</li> </ul> <p>Committee Membership: None</p>



Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
6	Mr. D. R. Mehta Director	<p>Mr. D. R. Mehta was appointed as Director on 26.12.2007. He joined Indian Administrative Service in 1961 and held important positions in the Government of Rajasthan and later in Government 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 a 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, famous for Jaipur foot.</p>	<p>Director of:</p> <ul style="list-style-type: none"> <li>i) Polymedicare Ltd.</li> <li>ii) SPICE Retail. Ltd.</li> <li>iii) SPICE Mobility Ltd.</li> <li>iv) JMC Projects (India) Ltd.</li> <li>v) Glenmark Generics Ltd.</li> <li>vi) Atul Rajasthan Date Palms Pvt. Ltd.</li> <li>vii) Glenmark Pharmaceuticals Ltd.</li> <li>viii) G.M. Modi Hospital Corp. Pvt. Ltd.</li> <li>ix) Gandhi Research Foundation</li> </ul> <p>Committee Membership: None</p>
7	Mr. R. Swaminathan Director – Technical B.Tech. (Chemical)	<p>He is Chemical Engineer responsible for manufacturing operations in our Poly-tube, Sprinkler, PVC &amp; PC Sheets and PVC &amp; PE Pipe units. He has 32 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"> <li>ii) Thomas Machines Ltd.</li> </ul> <p>Committee Membership : None</p>

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
8	<p>Mr. Ghanshyam Dass</p> <p>Director</p> <p>Bachelor's degree with Honours in Economics, Master in Linguistics.</p>	<p>Ghanshyam Dass has had an outstanding career in domestic, international banking and Capital Markets for over 32 years, during which he developed a firm understanding of the complexities of international markets. He is thoroughly familiar with the regulatory and business environment in USA, European Union, South East Asia, The Middle East, India and other major money-center locations. He is also regularly invited to speak, lead and participate at various seminars and panel discussions organized by industry associations, leading institutions and regulatory bodies. Ghanshyam has been a strong advocate of sound corporate governance and high standards of transparency to the corporate sector in the region.</p> <p>Dass joined NASDAQ OMX Group in 2000 and up until February 2009, he was Managing Director – Asia Pacific, prior to which he was the General Manager and Chief Executive of Majan International Bank (a subsidiary of Commerz Bank A. G., Frankfurt, Germany) in the Sultanate of Oman. He also worked on several assignments, including the British Bank of the Middle East for two years as the Chief Executive Officer for its India operations, and with the Hongkong and Shanghai Banking Corporation for ten years as Manager – South Asia &amp; Middle East, Financial Institutions Group amongst other assignments.</p> <p>He holds Masters in Linguistics (an Inter Disciplinary Course) from Jawaharlal Nehru University, New Delhi, Bachelor's degree with Honours in Economics from Delhi University, New Delhi, India.</p> <p>Underwent intensive training programmes at Wells Fargo Bank N. A. and Marine Midland Bank N. A. to learn US Banking Operations; Attended BOOT Camp – Boston and Investment Banking and Transactional Finance Training Programme conducted by Harvard Business School; Customer Service, Marketing and Negotiation Skills – An Intra Group Training Programme at New Jersey, New York; Management of People &amp; Change, HSBC Bank, Hong Kong; Advanced Management Skills, HSBC Bank, London; Assets and Liabilities Management Programme, HSBC Bank and Media Training Programs at NASDAQ Stock Market Inc., New York.</p>	<p>Independent Director:</p> <ul style="list-style-type: none"> <li>i) Jain Irrigation Systems Ltd,</li> <li>ii) Jubilant Industries Ltd.,</li> <li>iii) Mayar Infrastructure Development Pvt. Ltd.,</li> <li>iv) Powerica Ltd.,</li> <li>v) Estel Technologies Ltd.</li> <li>vi) Online Recharge Services Pvt. Ltd.</li> </ul> <p>Member :</p> <ul style="list-style-type: none"> <li>i) Brickwork Ratings (A Credit Rating Agency),</li> <li>ii) Academic Council – Union Bank School of Management,</li> <li>iii) The Indus Entrepreneurs (TIE),</li> <li>iv) Association of Biotech Led Enterprises (ABLE),</li> </ul> <p>Founder Member :</p> <ul style="list-style-type: none"> <li>i) Association of Outsourcing Professionals (AOP),</li> </ul> <p>Vice President :</p> <ul style="list-style-type: none"> <li>i) Karnataka Athletics Association,</li> </ul> <p>Organizing Secretary:</p> <ul style="list-style-type: none"> <li>i) Grand Prix2010,</li> </ul> <p>Working President – Masters:</p> <ul style="list-style-type: none"> <li>i) Athletics Association of India</li> <li>ii) Mentoring Carbon Clean Solutions Pvt. Ltd.</li> </ul> <p>(developing pre &amp; post combustion tech solutions)</p> <p>Coordinator:</p> <ul style="list-style-type: none"> <li>i) Team KPMG in preparation of National Level Report on Agriculture Sector,</li> </ul> <p>Senior Advisor :</p> <ul style="list-style-type: none"> <li>i) NASDAQOMX Group and Special Advisor for STJ Advisors LLP, India</li> </ul>

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
9	Mr. 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
10	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) Geodesic Ltd. iv) India SME Asset Reconstruction Co. Ltd. (ISARC)  Committee Membership: i) Tips Industries Ltd. – a) Member of Audit Committee. b) Chairman of Remuneration Committee. c) Chairman of Share Transfer and Shareholders/Investors Grievance Committee.  ii) Geodesic Ltd. a) Chairman of Investors Grievance Committee. b) Member of Remuneration Committee.
11	Mr. 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.	Other Directorship : None Committee Membership: None

Sr. No.	Name, Designation and Qualification	"Experience and Expertise in specific functional areas"	Other Company Directorships, Committee Memberships, Trustee, Proprietor, Partner etc.
12	Dr. Arun Kumar Jain Director Gold-medalist Mechanical Engineer Ph.D. from IIM-Ahmedabad	He was appointed on 4th April, 2011 as Non-Executive and Independent Director. He is one of India's best known strategy scholars and author. Widely traveled, he has taught at leading Universities in USA, UK, Greece, France, Germany, and Singapore. He holds honorary chairs as Distinguished Professor of Corporate Governance and Strategy at SP Jain Center for Management, Singapore & Dubai, and Affiliated Professor of Strategy, International Business and Corporate Governance at EM Strasbourg School of Business, Strasbourg (France's largest University) and previously Research Chair Professor at German Graduate School of Business and Law (Germany) and Chairman & President of Center for Accelerated Learning, Innovation, and Competitiveness (Germany). His research has been published in international journals including Harvard Business Review. All his books on general management, viz. Competitive Excellence; Corporate Excellence; and Managing Global Competition have received India's Best Book Awards. His two textbooks, Crafting and Executing Strategy (running in 16th edition) and International Business (in 6th edition) are standard MBA texts in India and abroad. Dr. Jain is a gold-medalist mechanical engineer (having received the 'All-Round Best Student' award), Ph.D. from Indian Institute of Management-Ahmedabad (having received IFCI Outstanding Doctoral Research Award), and an alumnus of IFC-World Bank. Before joining full-time Indian Institute of Management-Lucknow (India), he was a faculty at IIM-Bangalore.	Other Directorship: None Committee Membership: Non

#### 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, and orders on material development, legal and regulatory environment affecting the Company including the following:

- 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.
- Treasury decisions both Domestic and Foreign exchange related as and when movement takes place but otherwise on a quarterly/semi-annual basis.
- Internal Audit findings and Statutory Auditors reports (thru the Audit Committee).
- Show cause, demand, prosecution notices, if any from revenue authorities which are materially important and that exceed financial threshold set by the Board.
- 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 etc.
- Constitution and Terms of reference of the Committees appointed by the Board.
- Significant write off's/disposals or incidents of fraud/theft etc.
- Information related to strike, lock outs, retrenchments and fatal accidents etc.
- 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 2011-2012 is given hereunder:

### i) Executive Directors

Sr. No.	Name of Director	Position	Gross Remuneration (₹)		
			Remuneration	Commission	Total
1	Mr. Ashok B. Jain	Vice Chairman	18,583,734	33,543,406	52,127,140
2	Mr. Anil B. Jain	Managing Director	19,633,092	33,543,406	53,176,498
3	Mr. Ajit B. Jain	Joint Managing Director	18,583,734	33,543,406	52,127,140
4	Mr. Atul B. Jain	Joint Managing Director	18,583,734	33,543,406	52,127,140
5	Mr. R. Swaminathan	Director - Technical	7,370,790	–	7,370,790
<b>Total</b>			<b>82,755,084</b>	<b>134,173,624</b>	<b>216,928,708</b>

### ii) Non Executive Directors

Sr. No.	Name of Director	Commission (₹)	Perquisites* (₹)	Sitting Fees (₹)			Total (₹)
				Board Meeting	Committee Meetings	Total	
1	Mr. Ramesh CA Jain	1,000,000	–	30,000	80,000	110,000	1,110,000
2	Mr. V. V. Warty	–	–	40,000	70,000	110,000	110,000
3	Mrs. Radhika C. Pereira	1,000,000	–	30,000	10,000	40,000	1,040,000
4	Mr. D. R. Mehta	1,000,000	–	30,000	–	30,000	1,030,000
5	Mr. Ghanshyam Dass	1,000,000	–	30,000	30,000	60,000	1,060,000
6	Dr. Arun Kumar Jain	1,000,000	–	50,000	–	50,000	1,050,000
<b>Total</b>		<b>5,000,000</b>	<b>–</b>	<b>2,10,000</b>	<b>190,000</b>	<b>400,000</b>	<b>5,400,000</b>

## II. Audit Committee

The Audit Committee meetings are generally organized just before the Board Meeting. The terms of the reference of the Audit Committee includes following items:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor/ internal auditor/ cost auditor and the fixation of their audit fees.
- Review Internal Audit Reports and discussion with internal auditors regarding any significant findings and follow up there on.
- Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
  - Change, if any, in accounting policies and practices and reasons for the same.
  - Compliance with listing and other legal requirement relating to financial statements.
  - Qualifications in the draft audit report.
  - Disclosure of any related party transactions.
  - Statutory liabilities (Direct/indirect taxes) of the Company.
- 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, Cost 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 2012:

a)	Mr. Ghanshyam Dass	Chairman
b)	Mr. Ramesh C A Jain	Member
c)	Mr. V. V. Warty	Member
d)	Mrs. Radhika C Pereira	Member

Mr. Anil B Jain, Managing Director is permanent invitee and the Company Secretary is the Secretary and Convener of the Committee.

The Statutory Auditors were present in all 4 Audit Committee Meetings held during the year 2011-12.

### b) Presence at Audit Committee Meetings

Name of Directors	Designation	Category	Total meetings	Meetings Attended
Mr. Ghanshyam Dass	Chairman	Independent Director	4	3
Mr. Ramesh C. A Jain	Member	Independent Director	4	3
Mr. V. V. Warty	Member	Independent Director	4	3
Mrs. Radhika C. Pereira	Member	Independent Director	–*	–*

\* Appointed on 11.02.2012 to committee



### III. Subsidiary Companies

The Company has the following wholly owned subsidiaries:

- JISL Overseas Ltd, Mauritius
- Jain International Trading BV, Netherlands

The audit committee reviewed the financial statements and investment made by these subsidiary companies regularly.

### IV. Compensation Committee

The Compensation Committee considers and recommends the compensation of Executive Directors/ Commission to Non Executive Directors and selected Executives at the senior level in the Company as also the allotment/devolution of ESOP's under approved ESOP Scheme 2005 and ESOP 2011. Two meetings were held on 5<sup>th</sup> August 2011 and 30<sup>th</sup> September 2011 in FY 2011-12.

Committee consists of following persons as on 31<sup>st</sup> March, 2012

a)	Mr. Ramesh C A Jain	Chairman
b)	Mr. Ashok B. Jain	Member
c)	Mr. Ajit B. Jain	Member
d)	Mr. V. V. Warty	Member
e)	Mrs. Radhika C Pereira	Member

The Company Secretary is the Convener of the Committee.

### V. Shareholders Grievances Committee

Committee's scope of work is to look into the shareholders complaints and to redress the same expeditiously like transfer of shares, non- receipt of new Ordinary Equity Shares/DVR Equity shares, non- receipt of Annual Report, non-receipt of declared dividend etc. The committee also reviews the issuance of duplicate share certificates, issue of certificate after split/consolidation/transmission of shares, done by the Share Transfer Sub-Committee.

Shareholders Grievances Committee (SGC) is chaired by the Independent and Non-Executive Director and comprises of following as on 31<sup>st</sup> March, 2012:

a)	Mr. V V Warty	Chairman
b)	Mr. Ajit B. Jain	Member
c)	Mr. R.C.A. Jain	Member

The Company Secretary is the Secretary and convenor 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 Registrar and Transfer Agents, etc.

Four meetings of SGC were held on 29.04.2011, 05.08.2011, 07.11.2011 and 11.02.2012 during the year 2011-12. However, the transfer sub committee has met 51 times to approve the requests for transfer, transmission, duplicate, split, demat of Shares etc.

### VI. Operations Review Committee

The Board on 28<sup>th</sup> January 2010 reconstituted 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, opening and closing of Bank accounts , review the operational areas, delegation of authority for some more areas in view of increase in the size of operations, timely decisions for operational efficiency and effectiveness.

The Committee consists of the following persons as on 31<sup>st</sup> March, 2012.

a)	Mr. Ashok B. Jain	Chairman
b)	Mr. Anil B. Jain	Member
c)	Mr. Ajit B. Jain	Member
d)	Mr. Atul B. Jain	Member
e)	Mr. R. Swaminathan	Member

The Company Secretary is the Secretary and convenor of this Committee.

The Operations Review Committee has met 40 times during the FY 2011-12.

## VII. Disclosures

### a. Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis.

### b. Basis of Related Party transaction

All related party transactions are being placed before Audit Committee. The details of related party transactions are given in detail in Note No. 38 of the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### c. Accounting Treatment

The Company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

### d. Details of non-compliance by the Company:

- i) Capital Market Compliance: There were no cases of non-compliance during the year with Stock Exchanges 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 compliances during the last three years.
- ii) 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 Corporate 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.
- iii) 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 employees and is implemented by compliance officer who reports to the Managing Director.

## VIII) Shareholders Information

### A) General Information

1	Annual General Meeting Day, Date, Time & Venue	Friday 21 <sup>st</sup> September, 2012 11 AM Registered Office at Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon-425001
2	Book Closure Dates	Monday, 10 <sup>th</sup> September, 2012 to, Friday 21 <sup>st</sup> September, 2012 (Both days inclusive)
3	Financial calendar 2011-2012 Audited results of 2010-2011 First quarter results declared Second quarter results declared Third quarter results declared Fourth quarter, and Audited results of 2011-2012	on 5 <sup>th</sup> August, 2011 on 5 <sup>th</sup> August, 2011 on 7 <sup>th</sup> November, 2011 on 11 <sup>th</sup> February, 2012 on 10 <sup>th</sup> May, 2012 14 <sup>th</sup> August 2012
4	Financial calendar 2012-2013 First quarter results Second quarter results Third quarter results Fourth quarter and audited Annual Accounts	] ] During fifth/sixth week of month followed by end of the quarter ]
5	Registered Office	Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon - 425001
6	Listing of Shares on Stock Exchanges	The Stock Exchange, Mumbai National Stock Exchange of India Ltd., Mumbai Bourse De Luxembourg (for EDRs)
7	De-listing of shares on Stock Exchanges	Not Applicable
8	Listing Fees	Paid to BSE and NSE up to the year 2012-2013.
9	Stock Codes	Ordinary Equity Shares DVR Equity Shares
	The Stock Exchange, Mumbai National Stock Exchange of India Ltd., Mumbai	500219 JISLJALEQS 570004 JISLDVREQS
10	ISIN No.	INE175A01038 IN9175A01010
11	Depositories	National Securities Depository Ltd. Central Depository Services (India) Ltd.
12	Depository Charges	Paid to NSDL and CDSL up to the year 2012-13

## 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
2008-2009	Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon – 425001	30.09.2009	11.00 AM
2009-2010	Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon – 425001	29.09.2010	11.00 AM
2010-2011	Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon – 425001	30.09.2011	11.00 AM

## C) Postal Ballot

No resolutions passed by the Shareholders of the Company through postal ballot during the year 2011-12.

## 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 31.03.2012

### i) Ordinary Equity Shares

Shareholding of nominal value of ₹	No. of Shareholders	% of Total Nos.	Number of shares	Value (₹)	% to Total ₹
Upto 5000	85,652	89.93	10,429,287	20,858,574	2.70
5,001 - 10,000	5,259	5.52	4,106,473	8,212,946	1.07
10,001 - 20,000	2,057	2.16	3,061,191	6,122,382	0.79
20,001 - 30,000	728	0.76	1,862,625	3,725,250	0.48
30,001 - 40,000	295	0.31	1,058,409	2,116,818	0.27
40,001 - 50,000	235	0.25	1,111,327	2,222,654	0.29
50,001 - 1,00,000	382	0.40	2,771,663	5,543,326	0.72
1,00,001 & Above	636	0.67	361,485,110	722,970,220	93.68
<b>** TOTAL **</b>	<b>95,244</b>	<b>100.00</b>	<b>385,886,085</b>	<b>771,772,170</b>	<b>100.00</b>

### ii) DVR Equity Shares

Shareholding of nominal value of ₹	No. of Shareholders	% of Total Nos.	Number of shares	Value (₹)	% to Total ₹
Upto 5000	65,453	98.13	1,477,688	2,955,376	7.66
5,001 - 10,000	517	0.78	410,344	820,688	2.12
10,001 - 20,000	283	0.42	422,061	844,122	2.19
20,001 - 30,000	112	0.17	286,732	573,464	1.49
30,001 - 40,000	54	0.08	193,110	386,220	1.00
40,001 - 50,000	59	0.09	276,324	552,648	1.43
50,001 - 1,00,000	82	0.12	589,657	1,179,314	3.06
1,00,001 & Above	141	0.21	15,638,388	31,276,776	81.05
<b>** TOTAL **</b>	<b>66,701</b>	<b>100</b>	<b>19,294,304</b>	<b>38,588,608</b>	<b>100.00</b>

**F) Shareholding Pattern as on 31.03.2012**

## i) Ordinary Equity Shares

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		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a % of (IX)=(VIII) / (IV)*100
[A]	Shareholding of promoter and promoter Group							
[1]	Indian							
(a)	Individuals/Hindu Undivided Family	30	20,520,575	20,520,575	5.34	5.32	8,396,605	40.92
(b)	Central/State Governments	—	—	—	—	—	—	—
(c)	Bodies Corporate	5	96,605,000	96,605,000	25.15	25.03	38,200,000	39.54
(d)	Financial Institutions/Banks	—	—	—	—	—	—	—
(e)	Any Other	—	—	—	—	—	—	—
	Sub Total (A)(1)	35	117,125,575	117,125,575	30.49	30.35	46,596,605	39.78
[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)=(A) (1)+(A)(2)	35	117,125,575	117,125,575	30.49	30.35	46,596,605	39.78
[B]	Public Shareholding							
[1]	Institutions						NA	NA
(a)	Mutual Funds/UTI	35	3,819,999	3,808,154	0.99	0.99	—	—
(b)	Financial Institutions/Banks	8	29,500	26,075	0.01	0.01	—	—
(c)	Central Govt./State Govt.	—	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—	—
(e)	Insurance Companies	1	250	250	—	—	—	—
(f)	Foreign Institutional Investors	193	204,466,973	204,458,473	53.23	52.99	—	—
(g)	Foreign Venture Capital Investors	—	—	—	—	—	—	—
(h)	Any other	—	—	—	—	—	—	—
	Sub Total (B)(1)	237	208,316,722	208,292,952	54.24	53.98	—	—
[2]	Non Institutions							
(a)	Bodies Corporate	1,279	6,587,917	6,523,012	1.72	1.71	—	—
(b)	i. Individuals-shareholders holding nominal Share Capital up to ₹ 1 Lakh	90,197	23,304,263	20,771,508	6.07	6.04	—	—
	ii. Individuals-shareholders holding nominal Share Capital in excess of ₹ 1 Lakh	48	6,610,627	6,460,087	1.72	1.71	—	—
(c)	Any other							
	i) Employees	1,954	2,861,406	2,599,431	0.74	0.74	—	—
	ii) NRI	1,222	1,822,404	1,778,609	0.47	0.47	—	—
	iii) Non Domestic Company	4	15,477,492	15,477,492	4.03	4.01	—	—
	iv) Clearing Members	260	1,968,921	1,968,921	0.51	0.51	—	—
	v) Trust	6	8,625	8,625	—	—	—	—
	Sub Total B(2)	94,970	58,641,655	55,587,685	15.27	15.20	—	—
	Total Public Shareholding B(1)+ B(2)	95,207	266,958,377	263,880,637	69.51	69.18	—	—
	Total (A) + (B)	95,242	384,083,952	381,006,212	100	99.53	46,596,605	39.78
[C]	Shares held by Custodians and against which Depository Receipts have been issued							
[1]	Promoter and promoters Group	—	—	—	—	—	—	—
[2]	Public	2	1,802,133	1,799,383	—	0.47	—	—
	Grand Total (A) + (B) + (C)	95,244	385,886,085	382,805,595	—	100.00	46,596,605	12.08

## ii) DVR Equity Shares

Category code	Category of Shareholders	Number of Shareholders	Total Number of Shares	Number of Shares held in dematerialised form	Total Shareholding as a % of total number of Shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of Shares	As a % of (IX)=(VIII) / (IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>(A)</b>	<b>Shareholding of promoter and promoter Group</b>							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	30	1,026,024	1,026,024	5.32	5.32	559,830	54.56
(b)	Central/State Governments	–	–	–	–	–	–	–
(c)	Bodies Corporate	3	4,830,250	4,830,250	25.03	25.03	110,000	2.28
(d)	Financial Institutions/Banks	–	–	–	–	–	–	–
(e)	Any Other	–	–	–	–	–	–	–
	<b>Sub Total (A)(1)</b>	<b>33</b>	<b>5,856,274</b>	<b>5,856,274</b>	<b>30.35</b>	<b>30.35</b>	<b>669,830</b>	<b>11.44</b>
(2)	Foreign							
(a)	Individuals (NRI/Foreign Individual)	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–
(d)	Any others	–	–	–	–	–	–	–
	<b>Sub Total (A)(2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total Shareholding of Promoters and Promoters Group (A)=(A)(1)+(A)(2)</b>	<b>33</b>	<b>5,856,274</b>	<b>5,856,274</b>	<b>30.35</b>	<b>30.35</b>	<b>669,830</b>	<b>11.44</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>						NA	NA
(a)	Mutual Funds/UTI	28	109,964	109,380	0.57	0.57	–	–
(b)	Financial Institutions/Banks	7	739	570	–	–	–	–
(c)	Central Govt./State Govt.	–	–	–	–	–	–	–
(d)	Venture Capital Funds	–	–	–	–	–	–	–
(e)	Insurance Companies	1	12	12	–	–	–	–
(f)	Foreign Institutional Investors	134	7,265,355	7,264,932	37.66	37.66	–	–
(g)	Foreign Venture Capital Investors	–	–	–	–	–	–	–
(h)	Any other	–	–	–	–	–	–	–
	<b>Sub Total (B) (1)</b>	<b>170</b>	<b>7,376,070</b>	<b>7,374,894</b>	<b>38.23</b>	<b>38.23</b>	<b>–</b>	<b>–</b>
<b>(2)</b>	<b>Non Institutions</b>						NA	NA
(a)	Bodies Corporate	1,010	1,140,432	1,137,207	5.91	5.91	–	–
(b)	i. Individuals-shareholders holding nominal Share Capital up to ₹ 1 Lakh	62,487	3,357,543	3,229,561	17.40	17.40	–	–
	ii. Individuals-shareholders holding nominal Share Capital in excess of ₹ 1 Lakh	4	430,000	430,000	2.23	2.23	–	–
(c)	Any other							
	i) Employees	1,934	142,240	128,477	0.74	0.74	–	–
	ii) NRI	952	115,471	113,322	0.60	0.60	–	–
	iii) Non Domestic Company	3	767,943	767,943	3.98	3.98	–	–
	iv) Clearing Members	104	108,024	108,024	0.56	0.56	–	–
	v) Trust	3	170	170	–	–	–	–
	<b>Sub Total B(2)</b>	<b>66,497</b>	<b>6,061,823</b>	<b>5,914,704</b>	<b>31.42</b>	<b>31.42</b>	<b>–</b>	<b>–</b>
	<b>Total Public Shareholding B(1)+ B(2)</b>	<b>66,667</b>	<b>13,437,893</b>	<b>13,289,598</b>	<b>69.65</b>	<b>69.65</b>	<b>–</b>	<b>–</b>
	<b>Total (A) + (B)</b>	<b>66,700</b>	<b>19,294,167</b>	<b>19,145,872</b>	<b>100.00</b>	<b>100.00</b>	<b>669,830</b>	<b>11.44</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>							
(1)	Promoter and promoters Group	–	–	–	–	–	–	–
(2)	Public	1	137	–	–	–	–	–
	<b>Grand Total (A) + (B) + (C)</b>	<b>66,701</b>	<b>19,294,304</b>	<b>19,145,872</b>	<b>–</b>	<b>100</b>	<b>669,830</b>	<b>3.47</b>



### G) Evolution of Capital – Ordinary Equity Shares

Sr. No.	Particulars	Allotment Date	No. of Shares	Cumulative (No. of Shares)
1	Subscribers to Memorandum	Dec-86	70	70
2	Maiden Issue	Dec-88	3,018,050	3,018,120
3	Right Issue	Dec-92	7,243,488	10,261,608
4	Euro Issue	Mar-94	2,696,600	12,958,208
5	Shareholders of Jain Plastics & Chemicals Ltd, Jain Rahan Biotech Ltd and Jain Kemira Fertilizers Ltd (Merged with the Company)	02-Jul-98	7,285,952	202,244,160
	<b>Total</b>		<b>20,244,160</b>	

#### Post Reduction

1	Reduction of Capital	01-Jan-01	10,122,080	10,122,080
2	Conversion of Optionally Fully Convertible Debentures	Oct-01	12,676,055	22,798,135
3	Conversion of Optionally Fully Convertible Debentures	July-02	1,432,334	24,230,469
4	Preferential Allotment	20-Aug-02	23,655,834	47,886,303
5	Preferential Allotment to Promoters	Dec-03	2,500,000	50,386,303
6	Preferential Allotment	Dec-03	1,987,281	52,373,584
7	Preferential Allotment to Promoters	Jan-04	630,500	53,004,084
8	Conversion of Fully Convertible Debentures	Apr-04	1,349,144	54,353,228
9	Preferential Allotment	Jan-05	4,000,000	58,353,228
10	Shareholders of Terra Agro Technologies Ltd (Merged with the Company)	07-Jul-06	57,292	58,410,520
11	Conversion of Zero Coupon Convertible Bonds	21-May-07	577,620	58,988,140
12	Conversion of Zero Coupon Convertible Bonds	26-May-07	468,514	59,456,654
13	Conversion of Zero Coupon Convertible Bonds	01-Jun-07	667,472	60,124,126
14	Conversion of Zero Coupon Convertible Bonds	14-Jun-07	513,440	60,637,566
15	Conversion of Zero Coupon Convertible Bonds,,	27-Jun-07	1,411,961	62,049,527
16	Conversion of Zero Coupon Convertible Bonds	06-Jul-07	160,450	62,209,977
17	Shareholders of Eurisko Agro Ltd. (Merged with the Company)	30-Jul-07	270,615	62,480,592
18	Conversion of Zero Coupon Convertible Bonds	20-Jul-07	128,360	62,608,952
19	Conversion of Zero Coupon Convertible Bonds	27-Jul-07	282,392	62,891,344
20	Conversion of Zero Coupon Convertible Bonds	13-Aug-07	57,762	62,949,106
21	Conversion of Zero Coupon Convertible Bonds	22-Aug-07	224,630	63,173,736
22	Preferential Allotment to Promoters	09-Mar-07	3,070,000	66,243,736
23	Conversion of Zero Coupon Convertible Bonds	23-Oct-07	436,424	66,680,160
24	Conversion of Zero Coupon Convertible Bonds	02-Nov-07	256,720	66,936,880
25	Shareholders of Orient Vegetex Ltd. (Merged with the Company)	07-Dec-07	713,316	67,650,196
26	Conversion of Zero Coupon Convertible Bonds	24-Jan-08	417,170	68,067,366
27	Conversion of Zero Coupon Convertible Bonds	07-Mar-08	385,080	68,452,446
28	Preferential Allotment to Promoters	28-Mar-08	2,500,000	70,952,446
29	Preferential Allotment to Promoters	29-Mar-08	1,102,600	72,055,046
30	Conversion of Zero Coupon Convertible Bonds	21-Apr-08	64,180	72,119,226
31	Conversion of Zero Coupon Convertible Bonds	08-May-08	64,180	72,183,406
32	Conversion of Zero Coupon Convertible Bonds	14-Jul-08	192,540	72,375,946
33	Preferential Allotment to IFC	09-Apr-09	1,997,780	74,373,726
34	Conversion of Zero Coupon Convertible Bonds	23-May-09	128,360	74,502,086
35	Conversion of Zero Coupon Convertible Bonds	12-Jun-09	385,080	74,887,166
36	Conversion of Zero Coupon Convertible Bonds	30-Jul-09	430,006	75,317,172
37	Conversion of Zero Coupon Convertible Bonds	28-Aug-09	125,151	75,442,323
38	Conversion of Zero Coupon Convertible Bonds	01-Oct-09	67,389	75,509,712
39	Conversion of Zero Coupon Convertible Bonds	01-Jan-10	64,180	75,573,892
40	ESOP- Allotment	23-Jan-10	437,670	76,011,562
41	ESOP Allotment	31-Mar-10	19,120	76,030,682
42	Conversion of Zero Coupon Convertible Bonds	01-May-10	128,360	76,159,042
43	Conversion of Zero Coupon Convertible Bonds	02-Jun-10	64,180	76,223,222
44	ESOP Allotment	10-Sep-10	14,070	76,237,292
	<b>Total</b>		<b>76,237,292</b>	

#### Post Split

1	Split (Face value from ₹10 to ₹ 2 each)	01-Nov-10	381,186,460	381,186,460
2	ESOP Allotment	25-Mar-11	3,865,500	385,051,960
3	ESOP Allotment	31-Mar-11	672,500	385,724,460
4	ESOP Allotment	22-Jul-11	161,625	385,886,085
	<b>Total Equity Shares as on March 31, 2012</b>		<b>385,886,085</b>	

### Evolution of Capital – DVR Equity Shares

Sr. No.	Particulars	Allotment Date	No. of Shares
1	Bonus Allotment in ratio of 1 for 20	10-Nov-11	19,294,304

### H) Share Transfer/ Demat data for year ended 31.03.2012

#### i) Ordinary Equity Shares

Month	Physical		Demat (NSDL)		Demat (CDSL)	
	No. of Transfer	No. of Shares	No. of Requests	No. of Shares	No. of Requests	No. of Shares
Apr-11	9	5,940	59	25,650	29	9,135
May-11	51	8,415	355	127,425	174	58,610
Jun-11	83	15,515	236	61,340	123	38,330
Jul-11	78	28,875	105	31,010	87	23,340
Aug-11	64	9,970	103	36,220	68	19,500
Sep-11	55	7,160	137	38,450	76	15,565
Oct-11	34	8,390	63	69,750	40	12,155
Nov-11	21	3,825	82	12,880	34	10,490
Dec-11	22	9,050	67	47,700	26	10,570
Jan-12	13	1,965	36	18,970	26	7,075
Feb-12	13	2,930	45	9,490	19	2,425
Mar-12	11	1,720	35	16,750	22	3,510
<b>Total</b>	<b>454</b>	<b>103,755</b>	<b>1,323</b>	<b>495,635</b>	<b>724</b>	<b>210,705</b>

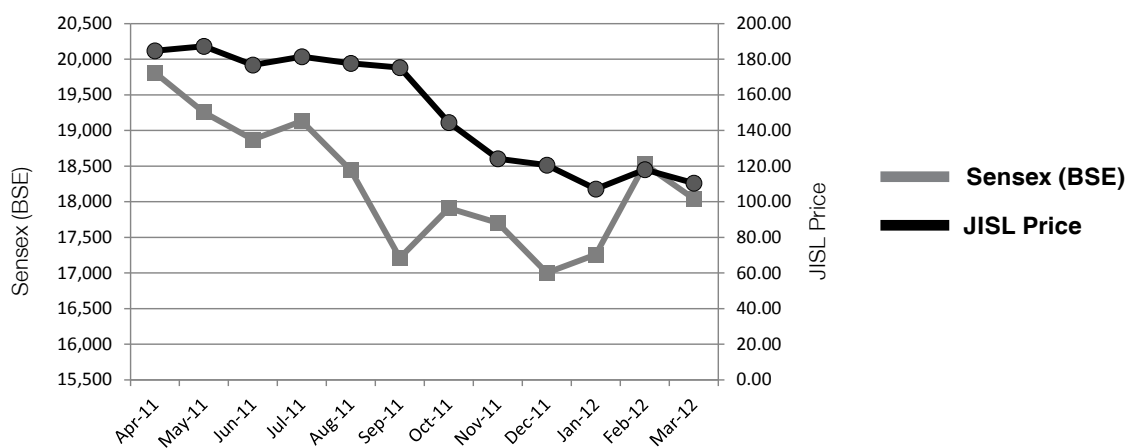
#### ii) DVR Equity Shares

Month	Physical		Demat (NSDL)		Demat (CDSL)	
	No. of Transfer	No. of Shares	No. of Requests	No. of Shares	No. of Requests	No. of Shares
Apr-11	–	–	–	–	–	–
May-11	–	–	–	–	–	–
Jun-11	–	–	–	–	–	–
Jul-11	–	–	–	–	–	–
Aug-11	–	–	–	–	–	–
Sep-11	–	–	–	–	–	–
Oct-11	–	–	–	–	–	–
Nov-11	–	–	–	–	–	–
Dec-11	4	269	17	361	5	109
Jan-12	4	48	34	3,036	10	1,550
Feb-12	5	100	24	617	10	220
Mar-12	5	43	28	496	6	90
<b>Total</b>	<b>18</b>	<b>460</b>	<b>103</b>	<b>4,510</b>	<b>31</b>	<b>1,969</b>

### I) Physical & Dematerialisation Shares as on 31.03.2012

Particulars	No. of Ordinary Equity Shares	%	No. of DVR Equity Shares	%
Physical	3,080,490	0.80	148,432	0.77
<b>Demat</b>				
NSDL	360,724,471	93.48	16,815,658	87.15
CDSL	22,081,124	5.72	2,330,214	12.08
<b>Total Demat</b>	<b>382,805,595</b>	<b>99.20</b>	<b>19,145,872</b>	<b>99.23</b>
<b>Total Equity</b>	<b>385,886,085</b>	<b>100.00</b>	<b>19,294,304</b>	<b>100.00</b>

### J) Market Price Data (₹) [Ordinary Equity Shares]





i) Ordinary Equity Shares quotations

Month	Stock Exchange, Mumbai				National Stock Exchange			
	Date	High (₹)	Date	Low (₹)	Date	High (₹)	Date	Low (₹)
Apr-11	04.04.11	184.70	19.04.11	175.00	04.04.11	184.85	18.04.11	175.15
May-11	09.05.11	187.25	26.05.11	155.55	09.05.11	186.95	26.05.11	155.10
Jun-11	29.06.11	176.70	20.06.11	135.75	29.06.11	176.70	20.06.11	136.00
Jul-11	11.07.11	181.40	21.07.11	165.75	11.07.11	181.45	21.07.11	165.75
Aug-11	24.08.11	177.65	09.08.11	152.40	24.08.11	178.00	09.08.11	152.25
Sep-11	12.09.11	175.30	26.09.11	143.30	12.09.11	175.25	26.09.11	143.20
Oct-11	03.10.11	144.45	25.10.11	115.45	03.10.11	144.05	25.10.11	115.10
Nov-11	22.11.11	124.10	04.11.11	110.85	22.11.11	124.55	04.11.11	111.10
Dec-11	07.12.11	120.50	20.12.11	76.15	05.12.11	120.35	20.12.11	76.15
Jan-12	24.01.12	107.10	09.01.12	87.15	24.01.12	107.05	09.01.12	87.10
Feb-12	21.02.12	118.00	01.02.12	94.95	21.02.12	118.00	01.02.12	95.00
Mar-12	14.03.12	110.40	29.03.12	91.15	14.03.12	110.55	29.03.12	90.65

ii) DVR Equity Shares quotations\*

Month	Stock Exchange, Mumbai				National Stock Exchange			
	Date	High (₹)	Date	Low (₹)	Date	High (₹)	Date	Low (₹)
Apr-11	–	–	–	–	–	–	–	–
May-11	–	–	–	–	–	–	–	–
Jun-11	–	–	–	–	–	–	–	–
Jul-11	–	–	–	–	–	–	–	–
Aug-11	–	–	–	–	–	–	–	–
Sep-11	–	–	–	–	–	–	–	–
Oct-11	–	–	–	–	–	–	–	–
Nov-11	30.11.11	95.50	30.11.11	95.45	30.11.11	114.90	30.11.11	95.55
Dec-11	01.12.11	76.40	26.12.11	33.45	01.12.11	76.45	26.12.11	33.55
Jan-12	24.01.12	39.20	06.01.12	35.55	27.01.12	39.25	06.01.12	35.30
Feb-12	21.02.12	46.75	01.02.12	35.65	21.02.12	46.70	01.02.12	35.70
Mar-12	15.03.12	59.00	07.03.12	44.65	14.03.12	59.05	07.03.12	44.70

\*Listed on 30.11.2011

iii) Sensex (BSE)

Month	High	Low
Apr-11	19,811	18,976
May-11	19,254	17,786
Jun-11	18,873	17,314
Jul-11	19,132	18,132
Aug-11	18,440	15,766
Sep-11	17,212	15,801
Oct-11	17,908	15,745
Nov-11	17,702	15,479
Dec-11	17,004	15,136
Jan-12	17,259	15,358
Feb-12	18,524	17,062
Mar-12	18,041	16,921

K) Trading of Shares

(value ₹ in Lacs)

i) Ordinary Equity shares

Month	Stock Exchange, Mumbai			National Stock Exchange		
	No. of Transactions	No. of Shares	value ₹ in Lacs	No. of Transactions	No. of Shares	value ₹ in Lacs
Apr-11	92,366	6,538,080	11,896		26,417,966	47,970
May-11	70,148	5,518,403	9,538	320,434	25,168,989	43,027
Jun-11	138,884	12,130,508	18,792	612,386	53,543,096	83,346
Jul-11	49,558	3,215,354	5,600	257,947	19,063,545	32,942
Aug-11	60,447	5,924,476	9,590	353,463	30,637,858	50,338
Sep-11	58,153	3,434,298	5,725	255,260	22,248,034	36,840
Oct-11	72,696	4,940,076	6,420	435,973	32,003,401	42,003
Nov-11	136,648	10,843,063	12,798	551,318	50,070,007	59,377
Dec-11	183,755	16,718,361	15,141	596,339	56,385,663	51,792



Month	Stock Exchange, Mumbai			National Stock Exchange		
	No. of Transactions	No. of Shares	value ₹ in Lacs	No. of Transactions	No. of Shares	value ₹ in Lacs
Jan-12	139,624	13,727,485	13,354	467,408	43,557,761	42,563
Feb-12	206,750	24,608,962	25,833	642,412	76,544,588	80,531
Mar-12	155,942	16,097,513	16,668	486,041	57,073,235	59,065
<b>Total</b>	<b>1,364,971</b>	<b>123,696,579</b>	<b>151,354</b>	<b>4,978,981</b>	<b>492,714,143</b>	<b>629,794</b>

ii) DVR Equity Shares\*

(Value ₹ in Lacs)

Month	Stock Exchange, Mumbai			National Stock Exchange		
	No. of Transactions	No. of Shares	₹ in Lacs	No. of Transactions	No. of Shares	₹ in Lacs
Apr-11	–	–	–	–	–	–
May-11	–	–	–	–	–	–
Jun-11	–	–	–	–	–	–
Jul-11	–	–	–	–	–	–
Aug-11	–	–	–	–	–	–
Sep-11	–	–	–	–	–	–
Oct-11	–	–	–	–	–	–
Nov-11	38	1,979	2	109	4,678	4
Dec-11	10,456	995,782	486	49,030	4,810,755	2,245
Jan-12	2,362	283,461	107	15,483	2,797,477	1,046
Feb-12	2,624	397,086	168	11,388	1,811,463	748
Mar-12	15,058	1,682,129	931	52,956	6,454,312	3,553
<b>Total</b>	<b>30,538</b>	<b>3,360,437</b>	<b>1,694</b>	<b>128,966</b>	<b>15,878,685</b>	<b>7,596</b>

\*Listed on 30.11.2011

#### L) Outstanding GDR's/ ADR's /Convertible instruments, conversion date and impact on Equity:

- a) Out of a total of 13,48,300 (post Split 67,41,500) European Depositary Receipts (EDR's) issued by the Company in 1994, represented by underlying Equity Shares, all except 18,02,133 EDR's, represented by underlying Equity Shares have been cancelled and converted into underlying Equity Shares of ₹2 each as on 31.03.2012. 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 the AGM resolution dated 30.09.2005 Company has issued 1,53,56,000 (pre Split 30,71,200) ESOP's entitling the ESOP holders upon vesting to exercise the right to convert ESOP into Equity Share of ₹ 2 each on payment of the exercise price. The Company has issued and allotted Shares as per details given below out of 1,53,56,000 (pre Split 31,71,200) ESOP's as at 31-03-2012.

Particulars	ESOP 1	ESOP 2	ESOP 3	ESOP 4	Total
No. of ESOPs	25,00,000	25,00,000	25,00,000	25,00,000	1,00,00,000
Allotted on 23.01.2010	21,88,350	–	–	–	21,88,350
Allotted on 31.03.2010	95,600	–	–	–	95,600
Allotted on 10.09.2010	70,350	–	–	–	70,350
Allotted on 25.03.2011	2,250	17,52,400	21,10,850	–	38,65,500
Allotted on 31.03.2011	–	3,38,025	3,34,475	–	6,72,500
Allotted on 22.07.2011	1,500	134,200	25,925	–	161,625
<b>Total Allotment</b>	<b>23,58,050</b>	<b>22,24,625</b>	<b>24,71,250</b>	<b>–</b>	<b>70,53,925</b>
<b>Balance</b>	<b>141,950</b>	<b>275,375</b>	<b>28,750</b>	<b>25,00,000</b>	<b>29,46,075</b>

- c) The Shareholders of the Company approved in the 24th AGM held on 30th September, 2011 a new Employees Stock Option Plan as per the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the 'SEBI Guidelines'), the Companies Act, 1956 (the 'Act') and other applicable law and in order to issue options and Ordinary Equity Shares to whole-time directors and permanent employees of the Company and its subsidiaries (in India and abroad) 'Eligible Employees' so as to ensure commitment, retain and attract good talent through ownership and financial motivation.

- a. A total number of options that may in the aggregate be granted to the Eligible Employees of the Company shall be 43,56,000 Ordinary Equity Shares of face value ₹ 2 each.
- b. A total number of options that may in the aggregate be granted to the Eligible Employees of the subsidiaries of the Company shall be 10,00,000 Ordinary Equity Shares of face value ₹ 2 each.

- d) In terms of EGM resolution dated 9th March, 2011 u/s 81(1A) of the Companies Act, 1956 the Company has allotted 61,00,000 Equity Warrants of ₹ 228.15 each to certain corporate entity/individuals of Promoters group on preferential basis aggregating to ₹ 1,39,17,15,000/- on 24th March, 2011. 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.

**M) Shareholders queries received and replied during the year ended 31<sup>st</sup> March, 2012**

Sr. No.	Nature of Complaints	Op. Balance	Received	Resolved	Balance
1	Transfer/Transmission of Shares	–	1	1	–
2	Non receipt of dividend	–	6	6	–
3	Dematerialisation of Shares	–	5	5	–
4	Issue of Duplicate Shares	–	2	2	–
5	Loss of Share Certificates	–	–	–	–
5	Non receipt of reduced/split Share Certificates	–	21	21	–
6	Others	–	–	–	–
	<b>Total</b>	<b>–</b>	<b>35</b>	<b>35</b>	<b>–</b>

**N) Compliance**

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliances of requirements of corporate governance under para VI (ii) of clause 49 of the Listing Agreement.

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement.

**O) Means of Communication**

i) **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 newspapers published on an all India basis. These results are simultaneously posted on the website of Company, the website address of Company is <http://www.jains.com>.

ii) **Website:** The website of the Company [www.jains.com](http://www.jains.com) is regularly updated with the financial results, shareholding patterns and other information.

**P) Additional Information**

Review of business of 24<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2011:

i) Ordinary Business

Sr. No.	Resolution No.	Particulars of Resolution	Review
1	1	Adoption of Audited Accounts for the year ended 31st March, 2011	Resolution passed unanimously
2	2	Declare dividend on various Preference Shares and Equity Shares of the Company	Resolution passed unanimously
3	3	Appoint a Director in place of Mr. D R Mehta who retire by rotation	Reappointed
4	4	Appoint a Director in place of Mr. Ghanshyam Dass who retire by rotation	Reappointed
5	5	Appointment of M/s Haribhakti and Company as Statutory Auditors of the Company.	Reappointed

ii) Special Business

Sr. No.	Resolution No.	Particulars of Resolution	Review
1	6	Appointment of Dr Arun Kumar Jain as Director	Resolution passed as ordinary resolution
2	7	Increase in FII sub limits	Resolution passed as special resolution
3	8	Employee Stock Option Plan of the Company	Resolution passed as special resolution

**Q) 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.



## R) Unclaimed Dividend amount

**Unclaimed Dividend:** The details of unclaimed dividend are as follows.

Sr. No.	Year	Date of declaration	Unclaimed amount as on 31.03.2011 (₹)	Due date for transfer to IE&PF
1	2005-06	29.09.2006	277,567.20	29.10.2013
2	2006-07	27.09.2007	427,448.00	27.10.2014
3	2007-08	30.09.2008	579,811.00	30.10.2015
4	2008-09	30.09.2009	639,795.00	30.10.2016
5	2009-10	29.09.2010	1,200,532.50	29.10.2017
6	2010-11	30.09.2011	1,914,929.00	30.10.2018
		<b>Total</b>	<b>5,040,082.70</b>	

**Members who have not yet encashed their dividend warrant(s) are requested to lodge their claims to the Company immediately.**

## VIII) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an Annexure to this Report.

## IX) Plant Locations in India

<b>Jalgaon</b>	Jain Plastic Park, N.H.No. 6, P.O.Box: 72, Village – Bambhori, Taluka – Dharangaon, District – Jalgaon - 425001. Maharashtra.
<b>Jain Agri Park,</b>	Jain Hills, Jain Agri Park, Jain Hills, Shirsoli Road, District- Jalgaon- 425001, Maharashtra.
<b>Jain Food Park,</b>	Jain Valley, Jain Food Park, Jain Valley, Shirsoli Road, District- Jalgaon 425001, Maharashtra.
<b>Bhavnagar</b>	Survey No. 215, JIDC4, At Post Ghangali, Taluka Sihor, Dist. Bhavnagar - 364 240.
<b>Chittoor</b>	Food Plant - Unit No.01 100,Gollapali, Gangadhara Village, Nellore (Mandal) Dist. Chittoor- 517 125. Food Plant - Unit No.02 Avalkonda Road, Gangadhara Village, Nellore (Mandal), Dist. Chittoor- 517 125.
<b>Kondamadgu</b>	S.No.587 & 588, Kondamadgu (Village), Bibi Nagar (Mandal), Nalgonda Dist. (A.P)- 508 126.
<b>Udumalpet</b>	S.F. No 248/2, 3, Ellayamuthur village, Udumalpet, Tirupur district, Tamilnadu – 642154 India
<b>Vadodara</b>	Jain Food Park, Village - Dhobikuva, Post: Muvad, Tal. Padra, Dist.: Vadodra.
<b>Alwar</b>	Plot No. SP-1, Matsya Industrial Area, Alwar- 301001 (Rajasthan)

## X) Demo and Research & Development Farms

<b>Jain Agri Park,</b>	Jain Hills, P.O.Box: 72, Jalgaon- 425 001.
<b>Jain River Bank,</b>	At. Takarkheda, Post. Kadholi, Tal. Erandol, Dist.Jalgaon- 425001

<b>Kulu</b>	Angora Breeding Farm, Village Pirdi, Tal. Mahol, Dist. Kulu (H.P.)
<b>Udumalpet</b>	Site No. 258-90, Ellayamuthur Village, Udumalpet-642 154, Dist. Coimbatore, Tamilnadu.
<b>Wardha</b>	“Aarogyadham”Kasturba Nisarga Upchar Kendra, Varud Road, Kasturba Health Society, Sevagram, Wardha.

## XI) Plants Overseas

### Jain Irrigation Inc.

2851, East, Florence Avenue, (Micro Irrigation) Fresno, California CA.93721

### Chapin Watermatics, Inc.

740, Water street, Water town, (Micro Irrigation) NY 13601.

### Cascade Specialities Inc.

1 Cascade Way, Boardman, (Onion Dehydration Plant) Oregon 97818, USA

### NuCedar Mills, Inc.

Tom Lopar, President & CEO, (Building Products- 1000 Sheridan Siding & Trim) Street, Chicopee, Massachusetts.01022

### NaanDanJain Irrigation System Ltd. [Israel]

Post Naan 76829, (Drip and Sprinkler Irrigation) Israel.

### NaanDanJain Irrigation System Ltd. [Australia]

214-216 Hammond Road Dandenong, Victoria 3175

### NaanDanJain Irrigation System Ltd. [Brazil]-

Rua Biazo Vicentin No. 260, Bairro Cidade Jardim, P.O.Box 175 Leme SP - CEP 13614-330.

### NaanDanJain Irrigation System Ltd. [Spain]

P.I. La Redonda, c/XIV nº 26 04710 Santa Maria del Águila – El Ejido Almería – ESPAÑA

## XII) Address for correspondence

Jain Plastic Park, N H No. 6, Bambhori, P.O.Box No. 72, Taluka- Dharangaon, District- Jalgaon-425001. (Maharashtra)

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# Declaration from the Managing Director (Under Clause 49(D) (II) of the Listing Agreement)

To,

The Members of Jain Irrigation Systems Ltd.

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's code of conduct for the year ended 31<sup>st</sup> March, 2012.

For Jain Irrigation Systems Ltd.

Date **14<sup>th</sup> August, 2012**  
Place **Mumbai**

Sd/-  
Anil B. Jain  
**Managing Director**

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## Auditor's Certificate Regarding Compliance of Conditions of Corporate Governance

To the Members of

JAIN IRRIGATION SYSTEMS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jain Irrigation Systems Limited, for the year ended 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Haribhakti & Co.**

Firm Registration No: 103523 W  
Chartered Accountants

Date **14<sup>th</sup> August, 2012**  
Place **Mumbai**

Sd/-  
Rakesh Rathni  
**Partner**, Membership No. 45228

## Plants in India

### Maharashtra

**Jain Plastic Park - Jalgaon** (Regd. Office)  
Tel: 0257-2258011/22 / 6600800, Fax: 0257-2258111/22, E-mail: plasticpark@jains.com, jisl@jains.com

**Jain Agri Park** (Jain Hills) - Jalgaon  
Tel: 0257-2260011/22, 2260288, Fax: 0257-2261111/22/ E-mail: agripark@jains.com

**Jain Food Park** (Jain Valley) - Jalgaon  
Tel: 0257-2260033/44, 2260288 / 6630666, Fax: 0257-2261144, E-mail: foodpark@jains.com

### Gujarat

**Bhavnagar:** Tel: 02846-294222/225503, Fax: 02846-225506,

**Vadodara:** Tel: 02662-267281, 267400.

Telefax: 02662-267363, E-mail: jainbaroda@jains.com

### Andhra Pradesh

**Chittoor:** (Food Plant) - Unit No.01  
Tel: 08572-202022,273703, Fax: 273663, E-mail: foodchittoor1@jains.com

**Chittoor:** ( Food Plant) - Unit No.02;  
Tel: 08572-273185, 202033, Fax: 08572-273136, E-mail: foodchittoor2@jains.com

**Kondamadgu - Dist. Nalgonda:**  
Tel: 08685-277302,3. Fax: -277305, E-mail: hyderabadplant@jains.com

### Tamilnadu

**Udumalpet - Coimbatore**  
Tel: 04252-278401/2, Telefax: 04252-278403, E-mail: jainudumalpet@jains.com

### Rajasthan

**Alwar:** Tel: 0144-2881173,74,75,99/2882211; E-mail: jainalwar@jains.com

## Offices in India

### Maharashtra

**Ahmednagar:** Tel: 0241-2415481, Fax: 0241-2415480;

E-mail: jainahmednagar@jains.com

**Amravati:** Tel: 0721-2674737, 2671486; Fax: 2670363 (PP),

E-mail: jainamravati@jains.com

**Aurangabad:** Tel: 0240-2345136. Fax: 0240-2335846 pp, E-mail: jainaurangabad@jains.com

**Buldhana :** Tel: 07262-244801,

E-mail: jainbuldhana@jains.com

**Jalgaon - Jain Shop**  
Tel: 0257-2220077, Fax: 2221177.

**Latur:** Ph.:02382-224098,

E-mail: dawande.sudarshan@jains.com

**Mumbai:** Tel: 022-22109090, 22610011, 22620011, 22670011, Fax: 022-22621177, 22641177, E-mail: jainmumbai@jains.com.

**Nagpur:** Tel: 07104-645025, Telefax: 07104-222132 PP, E-mail: jainnagpur@jains.com.

**Nanded:** Tel: 02462-274046, Fax:02462-223952 (PP), E-mail: jainnanded@jains.com

**Nasik:** Tel:0253-2620101, 2620252; Fax: 2501373, E-mail: jainnasik@jains.com

**Pandharpur:** Tel: 02186-227328; Mobile: 94227 73390

**Pune:** Tel: 020-26057777,78, Fax: 020-26057779, E-mail: jainpune@jains.com

**Ratnagiri:** [Shinde Sagar- 9422774913]

Tel : 02352-230033, Telefax: 02352-229461, E-mail: jainratnagiri@jains.com

**Sangli:** Tel: 0233-2422100, Fax: 0233-2422200, E-mail: jainsangli@jains.com

**Solapur:** Tel: 0217-2357395, Telefax: 0217-2357220, E-mail: jainsolapur@jains.com

**Thane:** Tel: 022-25443992, Telefax: 022-25443976, E-mail: jainthane@jains.com

### Andhra Pradesh

**Adilabad:** Tel: 9440797805, E-mail:jainadilabad@jains.com

**Anantapur:** Tel:08554-274226, Fax:08554-274227, E-mail:jainanantapur@jains.com

**Chittoor:** Tel: 08572-226562, 213108,

226561, E-mail:jainchittoor@jains.com

**East Godavari:** Tel: 9440797845,

E-mail: jaineastgodavari@jains.com

**Guntur:** Tel: 9440797839,

E-mail:jainguntur@jains.com

**Hyderabad:** Tel: 040- 27611706, 27612593,

Fax: 040- 27616696,

E-mail: jainhyderabad@jains.com

**Karimnagar:** Tel: 9440797808,

E-mail: jainkarimnagar@jains.com

**Khammam:** Tel: 9440797816, 9440797818,

E-mail: jainkhammam@jains.com

**Kurnool:** Tel: 9440797821,

E-mail:jainkurnool@jains.com

**Kadapah:** Tel: 08562-254334, 9440797829

**Mahaboobnagar:** Tel: 9440797820,

E-mail:jainmahabubnagar@jains.com

**Medak:** Tel: 9440797811,

E-mail:jainmedak@jains.com

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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 and energy security.





