

ANNUAL REPORT 2007-2008

JINDAL POLY FILMS LIMITED

JINDAL POLY FILMS LIMITED

DIRECTORS	:	A. C. WADHAWAN RASHID JILANI JOGESH BANSAL R. K. PANDEY DR. SUDHIR KAPUR (DEG Nominee) SANJAY MITTAL, WHOLE TIME DIRECTOR (ACCOUNTS) SAMIR BANERJEE, WHOLE TIME DIRECTOR (MARKETING) SUMANT SINGHAL, WHOLE TIME DIRECTOR & COO
VICE PRESIDENT (FINANCE) & SECRETARY	:	L. P. SONI
AUDITORS	:	KANODIA SANYAL & ASSOCIATES, CHARTERED ACCOUNTANTS
BANKERS	:	PUNJAB NATIONAL BANK STATE BANK OF INDIA STATE BANK OF PATIALA AXIS BANK LIMITED HONGKONG & SHANGHAI BANKING CORP. LIMITED THE BANK OF NOVA SCOTIA DBS BANK LIMITED COOPERATIVE CENTRALE RAIFFEISEN- BOERENLEENBANK B.A. (SINGAPORE) AKA AUSFUHRKREDIT-GESELLSCHAFT MBH FRANKFURT, GERMANY COMMERZBANK AKTIENGESELLSCHAFT FRANKFURT, GERMANY
REGISTERED OFFICE	:	19TH K.M. HAPUR-BULANDSHAHR ROAD P.O. GULAOTHI DISTT. BULANDSHAHR (U.P)
WORKS	:	(1) 19TH K.M., HAPUR- BULANDHSHAHR ROAD, P.O. GULAOTHI DISTT. BULANDSHAHR (U.P.) (2) 28TH K.M. NASIK-BOMBAY HIGHWAY, VILLAGE: MUNDEGAON, IGATPURI, DISTT. NASHIK, MAHARASHTRA (3) 160/1/7, AMBOLI ROAD, VILL. KALA, KHANVEL, SILVASSA (UT OF D&N)
HEAD & CORPORATE OFFICE	:	PLOT NO. 12, SECTOR B-1, LOCAL SHOPPING COMPLEX VASANT KUNJ NEW DELHI- 110070
REGISTRAR & SHARE TRANSFER AGENTS	:	KARVY COMPUTERSHARE PVT. LTD (UNIT: JINDAL POLY FILMS LTD.) PLOT NO 17-24 VITTAL RAO NAGAR MADHAPUR, HYDERABAD- 500 081

34th Annual Report 2007-2008

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JINDAL POLY FILMS LIMITED

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of JINDAL POLY FILMS LIMITED will be held as scheduled below :-

Date : Tuesday, 30th September, 2008
Time : 11:30 A.M.
Venue : Company's Registered Office at :
19th K.M., Hapur-Bulandshahr Road, P.O.-Gulaothi, Distt-Bulandshahr (U.P)

To transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. Jogesh Bansal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sumant Singhal, who retires by rotation and being eligible offers himself for re-appointment
5. To appoint M/s Kanodia Sanyal & Associates, Chartered Accountants as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:
Resolved that due notice in writing signifying the intention of a member to propose Mr. R.K.Pandey as a Director having been received pursuant to section 257 of the Companies Act, 1956. Mr. R.K.Pandey be and is hereby appointed as a Director of the Company liable to retire by rotation.
7. To pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:
Resolved that due notice in writing signifying the intention of a member to propose Dr. Sudhir Kapur as a Director having been received pursuant to section 257 of the Companies Act, 1956. Dr. Sudhir Kapur be and is hereby appointed as a Director of the Company liable to retire by rotation.
8. To consider and, if thought fit to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT due notice in writing signifying the intention of a member to propose Mr. Sanjay Mittal as a Director having been received pursuant to Section 257 of the Companies Act, 1956. Mr. Sanjay Mittal be and is hereby appointed as a Director of the Company liable to retire by rotation."
9. To consider and, if thought fit to pass, with or without modification, the following resolution as a **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Section 198 and 309 of the Companies Act, 1956, read with schedule XIII of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for appointment of and payment of remuneration to Mr. Sanjay Mittal as Whole-Time Director of the Company for a period of 5 years w.e.f. 28th July, 2008 designated as Director (Accounts), as may be admissible within the overall limits prescribed under the Act and as the Board may consider appropriate from time to time, as set out in the explanatory statement attached hereto."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised from time to time amend, alter or otherwise vary the terms and conditions of the Mr. Sanjay Mittal including remuneration provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits specified in Schedule XIII of the companies Act, 1956, as existing or as amended, modified or re-enactment from time to time as the Board may deem fit."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interest of the Company."

By order of the Board
For Jindal Poly Films Limited

Place : New Delhi
Dated : 3rd September, 2008

(L.P.Soni)
Vice President (Finance) & Secretary

NOTES :

1. Explanatory Statement in respect of item no. 6 to 9 of the notice as required Under Section 173 of the Companies Act, 1956 is annexed herewith.
2. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and the proxy(ies) need not be member(s) of the Company.
3. The proxy form(s) duly completed and signed should reach the company's registered office at Gulaothi (U.P) at least 48 hours before the time fixed for the meeting.
4. The Register of Members and Share transfer books of the Company will remain closed from Monday, 22nd September, 2008 to Tuesday, 30th September, 2008 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their request at the registered office and / or head office of the Company atleast 7 days before the date of the meeting, so that the information required may be made available at the meeting.
6. Members are requested to claim from the Company their unclaimed dividends, if any, in respect of financial years 2000-2001 or for any subsequent year at the earliest.
7. a) Members are requested to notify to the company change of address, if any, with pincode, quoting reference of their folio number.
b) In case the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
c) Members who are holding shares in Demat Mode are requested to notify any change in their residential address or Bank A/c details immediately to their respective Depository Participants.
8. Details under clause 49 of the listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting, is separately annexed hereto.

EXPLANTORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT,1956

Item no. 6 & 7

Mr. R.K. Pandey has been appointed as a Director of the Company on 30/01/2007, to fill the casual vacancy caused due to resignation of Mr. S.J. Khaitan. Dr. Sudhir Kapur has been appointed as a Director of the Company on 30/01/2007, to fill the casual vacancy caused due to resignation of Mr. R. Chander. The office of Mr. R.K. Pandey and Dr. Sudhir Kapur expires at the forthcoming Annual General Meeting i.e. on 30/09/2008, the date upto when Mr. S.J. Khaitan and Mr. R. Chander would have held the office of Director, if it had not been vacated. The Company has received notices under section 257 of the Companies Act, 1956 from member(s) of the Company proposing the appointment of Mr. R.K.Pandey and Dr. Sudhir Kapur as Director(s) of the Company whose period of office will be liable to retire by rotation.

Mr. R.K. Pandey, aged 68 years is M.Com, L.LB and FCS and is having more than 40 years of experience in the matters of Corporate Affairs. Dr. Sudhir Kapur, aged 63 years is B.Tech, M.S, Phd. and is having more than 35 years of experience in the matters of Management and Industry. It is expected that the appointment of Mr. R.K. Pandey and Dr. Sudhir Kapur will be beneficial to the Company.

The Board recommends the resolution for your approval.

None of the Directors except Mr. R.K. Pandey and Dr. Sudhir Kapur may be considered as concerned or interested in passing of the proposed resolutions given at item no. 6 & 7.

Item No. 8 & 9

Pursuant to the provisions of Articles of Association of the Company read with section 260 of the Companies Act, 1956, the Board of Directors in their meeting held on 28th July, 2008 have appointed Mr. Sanjay Mittal, as an Additional Director of the Company. He will hold office upto the date of the ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. Sanjay Mittal as Director of the Company liable to retire by rotation.

Further, the Board of Directors in their meeting held on 28th July, 2008 appointed Mr. Sanjay Mittal as Whole Time Director of the company designated as Director (Accounts) for a period of 5 (Five) years w.e.f. 28th July, 2008. Mr. Sanjay Mittal aged 43 years, is a B Com and C.A. (Inter) and has 23 years of experience in Accounts and Direct Taxation .

Your Directors therefore, consider that his appointment on the Board as Director (Accounts) will be beneficial to the company.

The principal terms of appointment are as under :-

1. Salary: Rs. 36,445/- P.M. with an annual increment as per the policy of the company subject to maximum of Rs. 4,000/- per month for a year.
2. (A) Perquisites and Allowances
 - (i) House Rent Allowance: Rs. 5,000/- per month and with an increase therein as per the rules of the Company.
 - (ii) Special Allowance of Rs. 22,000/- per month.
 - (iii) Ex- Gratia payment for each year as per policy of the company subject to a maximum of 20 percent of the salary earned during the preceding year.
 - (iv) Leave Travel Allowance for self and family subject to a ceiling of one month's salary in an year in accordance with the rules of the company.
 - (v) Medical reimbursement for the expenses incurred for self and family subject to a ceiling of one month's salary in an year.

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- (B) The perquisites as above shall be evaluated as per Income-tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. Provision for use of Company's Car for official duties and Telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites.
- (C) Company's contribution to provident fund to the extent, the same is not taxable under the Income-Tax, Gratuity payable as per the rules of the Company and Encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
3. Notwithstanding anything to the contrary herein contained where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.
4. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Whole-Time Director as the case may be.
5. The terms and conditions of the said appointment may be altered and varied in such manner as may be agreed to between the Board of Directors and appointee.
6. In compliance with the provisions of Section 269 and 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the General Meeting for your approval

The Board recommends the resolution for your approval.

None of the Directors except Mr. Sanjay Mittal may be considered as concerned or interested in passing of the proposed resolution

Details of the Directors seeking Appointment / reappointment in Annual General Meeting fixed on 30th September, 2008

Name of the Director	Mr. Jogesh Bansal	Mr. Sumant Singhal	Mr. R. K. Pandey	Dr. Sudhir Kapur	Mr. Sanjay Mittal
Date of Birth	03-04-1952	26-08-1976	20-01-1940	08-07-1945	17-10-1964
Date of Appointment	08-09-2006	29-07-2006	30-01-2007	30-01-2007	28-07-2008
Expertise in specific functional area	Industry	Commercial	Corporate matters	Management	Accounts & Taxation
Qualification	B.Com	FCA	M.Com, LLB, FCS	B.Tech, M.S, Phd.	B.Com, C.A. (Inter)
List of outside Directorship	1. International Technotex Pvt. Ltd. 2. Sarthak India Pvt. Ltd. 3. South West Probuild Pvt. Ltd. Hindustan Zinc Limited .	1. Rishi Trading Company Limited 2. Jindal packaging Films Limited 3. Ritu Marketing Pvt. Ltd.	1. PTC Industries Limited. 2. Precise Lab. Pvt. Limited 3. Green Vally Product Pvt. Ltd. 4. British Health Care Product Ltd. 5. Spice Mobile Limited 6. Welcure Drugs & Pharma. Ltd. 7. Shree Rajasthan Syntex Limited. 8. Hanug toys & Industries Ltd. 9. Amar Ujala Publication Ltd. 10. A.K. Lab. Ltd. 11. Ricoh India Limited	1. Country Strategy Business Consultancies Pvt. Ltd. 2. Country Strategy Engineering Pvt. Ltd. 3. Stromag India Pvt. Limited.	1. Consolidated Finvest & Holdings Limited 2. Jindal Photo Investments Limited 3. Jesmine Investments Pvt. Limited
Committee Membership of the Company	1. Audit Committee	Nil	Nil	NIL	Shareholders Committee
Committee Membership of other companies,	NIL	Nil	1. Welcure Drugs & Pharma. Ltd.: Chairman – Audit Committee, Remuneration Committee & Investor services Committee 2. Spice Mobiles Limited.: Chairman – Investor services Committee Member- Audit Committee & Remuneration Committee 3. Amar Ujala Publication Ltd.: Member- Audit Committee Chairman - Remuneration Committee 4. Ricoh India Limited : Member- Audit Committee & Remuneration Committee 5. Hanug toys & Industries Ltd. Chairman – Audit Committee	NIL	1. Consolidated Finvest & Holdings Limited: Member – Audit Committee & Share Transfer Committee 2. Jindal Photo Investments Limited: Member – Audit Committee
Shareholding in the Company	NIL	Nil	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

Your company has complied in all material respects with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

The Status of the Corporate Governance Code of the Listing Agreement by Jindal Poly Films Ltd (JPFL) is given below:-

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

The foremost principles of the Corporate Philosophy of JPFL can be summarised as follows:-

Vision

"To be an acknowledged Leader in terms of maximizing stakeholder value, profitability and growth by being a financially strong, customer friendly, progressive Organisation."

Values

Openness and transparency
Integrity and Honesty
Dedication & Commitment
Creativity and teamwork
Mutual Trust & Appreciation
Pursuit of Excellence

2. Board of Directors

JPFL has a broad based Board of Directors with three Non-promoter Executive Directors and five Non-promoter & Non-Executive Independent Directors. The Board elects its Chairman at its meetings.

The members of the Board possess adequate experience, expertise and skills necessary to manage the affairs of the company in the most efficient manner.

The constitution of the Board as on 3rd September, 2008 is given below:-

Director	Executive/Non Executive	No. of Total Directorship	Membership of total Board Committee
Mr. Sanjay Mittal	Executive	4	4
Mr. Samir Banerjee	Executive	3	1
Mr. Sumant Singhal	Executive	4	1
Mr. A.C. Wadhawan	Non-Executive & Independent	5	7
Mr. Rashid Jilani	Non-Executive & Independent	2	2
Mr. R.K. Pandey	Non-Executive & Independent	12	11
Mr. Jogesh Bansal	Non-Executive & Independent	4	1
Dr. Sudhir Kapur	Non-Executive & Independent	4	-

3. Attendance of Directors at the Board Meetings and Annual General Meeting

The Board of Directors of the Company met seven times during the financial year 2007-08 on the following dates:

30/04/2007; 30/07/2007; 31/08/2007; 31/10/2007; 24/01/2008; 29/02/2008; 31/03/2008.

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For every Board Meeting the agenda papers along with explanatory notes are distributed well in advance to the Board Members. The Company place before the Board the Minutes of Committees of the Board, annual operating plans, budgets and all other information including those specified under clause 49 of the Listing agreement.

The attendance of the Board members at the Board Meetings as above and in the last AGM were as under:

Name of Director	Attendance		
	No. of Meetings held during the Financial year		Last AGM attended
	Held	Attended	
Mr. Punit Gupta	7 (Seven)	4 (Four)	No
Mr. A.C. Wadhawan	7 (Seven)	7 (Seven)	No
Mr. R.K. Pandey	7 (Seven)	6 (Six)	No
Mr. Samir Banerjee	7 (Seven)	6 (Six)	Yes
Mr. Jogesh Bansal	7 (Seven)	1 (One)	No
Dr. Sudhir Kapur	7 (Seven)	7 (Seven)	Yes
Mr. Rashid Jilani	7 (Seven)	7 (Seven)	Yes
Mr. Sumant Singhal	7 (Seven)	5(Five)	Yes
Mr. Sandeep Bansal	7 (Seven)	2(Two)	No

Changes after Financial Year

Effective from 28th July, 2008, Mr. Sanjay Mittal has been appointed as Director (Accounts) and Mr. Punit Gupta, Director (Films) has resigned from the Board. Mr. Sandeep Bansal, Director has resigned w.e.f. 3rd September, 2008.

4. Committee of Directors

The following Sub-Committees of the Board of Directors of the company have been constituted.

a) Audit Committee

The Audit Committee consists of three independent Directors viz.

- i) Mr. A.C. Wadhawan, Chairman
- ii) Mr. Jogesh Bansal, Member
- iii) Mr. Rashid Jilani, Member

Mr. Sandeep Bansal has resigned from Directorship w.e.f. 03.09.2008, therefore he also ceases to be a member of Audit Committee w.e.f. 03.09.2008.

Mr. L.P. Soni, Vice President (Finance) & Secretary acts as Secretary to the Committee. The broad terms of reference of Audit Committee are as under:-

- Review of Quarterly/Half Yearly Unaudited /Annual Results
- Review of Quarterly Internal Audit Report and Internal Control Systems.
- Review with Internal Auditors and significant findings and follow up thereon.
- Recommending the appointment/re-appointment of Auditors, fixation of Audit Fees.
- Review of Annual Financial Statements.

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During the year, the meetings of the Audit Committee were held on :

30/04/2007; 30/07/2007; 31/08/2007; 31/10/2007; 08/01/2008; 24/01/2008; 31/03/2008.

The details of the meeting attended by the members of the committee are as under:

Name	Designation	Profession	Committee Meetings attended
Mr. A.C. Wadhawan	Chairman	Consultant	7 (Seven)
Mr. Rashid Jilani	Member	Consultant	7(Seven)
Mr. Jogesh Bansal	Member	Business	1 (One)
Mr. Sandeep Bansal	Member	Business	2 (Two)

b) Shareholders Committee

The Board has constituted a Shareholders Committee which monitors share transfers, transmissions, splits, consolidation and also redressal of shareholders and investor grievances. All shares are transferred within 15 days from the date of receipt. Investor grievances are resolved to the extent possible within one week. The committee consists of-

- i) Mr. A.C. Wadhawan, Chairman
- ii) Mr. Rashid Jilani, Member
- iii) Mr. Sanjay Mittal, Member

Mr. L.P. Soni, Vice President (Finance) & Secretary, is the Compliance Officer.

The total number of shares transferred during the year 2007-08 were 5,900 Equity Shares and as on 31/03/2008 there were 800 Equity shares pending share transfers.

The total number of complaints received during the year 2007-08 were 140 and as on 31/03/2008, there were NIL complaint pending.

c) Remuneration of Directors

The Non-Executive Directors are paid sitting fees for attending the meetings of Board of Directors and Audit Committee. The Company do not pay sitting fees for other committee meetings.

The remuneration of Executive/Whole Time Directors are approved at the meetings of Board of Directors of the Company, and by shareholders.

Details of Remuneration paid to all the Directors for the period 1st April 2007 to 31st March, 2008 :

Name of the Director	Salary & Perquisites (Rs.)	Sitting fees (Rs.)
Mr. Punit Gupta	6,78,100	-
Mr. A.C. Wadhawan	-	10,500
Mr. R.K. Pandey	-	9,000
Mr. Samir Banerjee	12,41,935	-
Mr. Jogesh Bansal	-	1,500
Dr. Sudhir Kapur	-	10,500
Mr. Rashid Jilani	-	10,500
Mr. Sumant Singhal	6,49,180	-
Mr. Sandeep Bansal	-	3,000

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General Body Meetings

The locations and time of the Annual General Meetings held during the last 3 years are as follows:-

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions Passed
31 st AGM	16/11/2005	11.00 AM	19 th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	1 (One)
32 nd AGM	08/09/2006	11.30 AM	19 th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil
33 rd AGM	29/09/2007	11.30 AM	19 th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil

Disclosure on materially significant related party transactions

No transaction of material nature has been entered into by the company with Directors or Management and their relatives etc. that may have a potential conflict with the interest of the company. The Register of contracts containing transactions, if any, in which Directors are interested, is placed before the Board regularly.

Transactions with the related parties are disclosed in the notes to the accounts in this Annual Report.

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

There has been no instances of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

Whistle Blower Policy

The company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Further, no personnel has been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

The Company has complied with all the mandatory requirements on the report of corporate governance. The Company has not adopted the non-mandatory requirements as specified in annexure ID of the Listing agreement.

Code of Conduct for Directors and Senior Executives

In line with the amended clause 49 of the listing agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The Code has also been posted on the Company's website.

Certificate of code of conduct

Declaration

This is to certify that the Company has laid down a code of conduct (the code) for all Board Members and senior management personnel of the Company and a copy of the code is put on the web site of the Company viz. www.jindalpoly.com.

It is certified further that the Directors and senior Management have affirmed their compliance with the code for the year ended 31st March, 2008.

Date : 3rd September, 2008

S. Singhal
Whole Time Director & COO

Certification on Financial Statements and Internal Controls

A certificate duly signed by the whole Time Director designated as Chief Operating Officer and Vice President (Finance) & Secretary relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in amended clause 49 of the listing agreement was placed before the Board, and is given in this Annual Report.

Accounting Treatment

The company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of its financial statements.

Risk Management

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Utilisation of Proceeds from Public Issue

During the Financial year 2005-06 the company has made public issue and details of fund utilization till 31st March 2008 is as under:

	Rs./ Crores
Fund raised through Public issue	300.00
Less: Issue Expenses	16.34
Net Fund raised	283.66
Less: Fund utilized for the purpose stated in the Prospectus	230.95
Funds remaining unutilized,	
Invested in Mutual Funds (Debt Scheme)	52.71

Means of Communication

This is being done through submission of quarterly results to the stock exchanges in accordance with the listing agreement and publication in the leading newspapers like Business Standard, Economic Times, Financial Express, Jansatta (Hindi) and Nav Bharat Times (Hindi). Press releases are also issued time to time. The quarterly financial result and press release about the Performance of the Company are also filed with stock exchanges and displayed on company's website www.jindalpoly.com.

Management discussion and Analysis Form part of this Annual Report

General Shareholder Information

a) Annual General Meeting

- Date and Time Tuesday, 30th September 2008 at 11.30 AM.
- Venue 19th K.M. Hapur-Bulandshahr Road,
P.O. Gulaothi, Distt. Bulandshahr, U.P.

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b) Financial Calendar

i) Quarterly Financial Reporting
(Tentative & subject to change)

Quarter ended June 30, 2008

Qtly. result already published on 29/7/2008

Quarter ending September 30, 2008

Last week of October, 2008

Quarter ending December 31, 2008

Last week of January, 2009

Quarter ending March 31, 2009

Last week of April 2009*

*Instead of publishing unaudited quarterly financial results for the last quarter by 30th April 2009, the company may publish audited results for the full financial year by 30th June, 2009.

ii) Annual General Meeting

(For the year ending March 31, 2009)

In August/September 2009.

c) Date of Book Closure

Monday, 22nd September, 2008 to Tuesday, 30th September, 2008 (both days inclusive).

d) Listing on Stock Exchange & Stock Code

i) The National Stock Exchange of India Ltd., Mumbai (JINDALPOLY)

ii) The Bombay Stock Exchange Limited, Mumbai (500227)

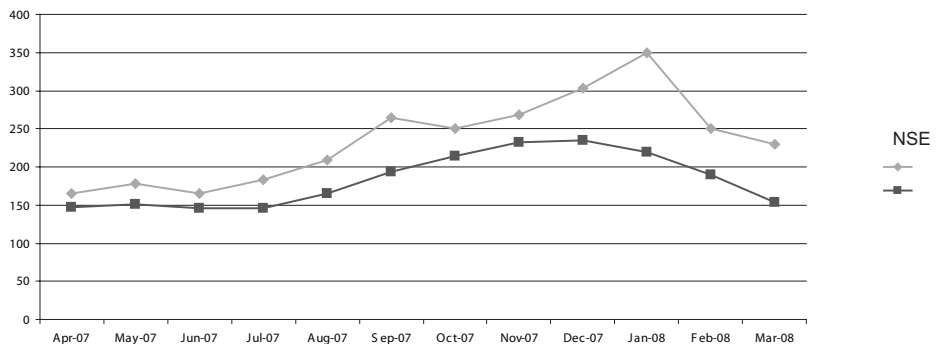
e) Listing Fee

The company has paid in full the listing fees to the Stock Exchanges for the year 2007-08.

f) Stock Market Data (on NSE)

National Stock Exchange, Mumbai

Month	High(Rs.)	Low(Rs.)	No. of shares traded
Apr-07	165.00	147.05	29,471
May-07	175.00	151.50	1,05,284
Jun-07	164.95	146.00	1,04,947
Jul-07	183.60	143.00	1,28,394
Aug-07	208.45	165.50	3,85,917
Sep-07	265.00	193.00	2,00,834
Oct-07	250.00	215.00	1,34,631
Nov-07	267.90	230.00	1,41,461
Dec-07	303.20	235.00	2,20,835
Jan-08	350.00	220.00	2,28,420
Feb-08	255.00	190.00	80,702
Mar-08	229.90	154.05	1,64,263



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g) Registrar and share transfer Agents

In Physical and Electronic Mode

Karvy Computershare Pvt. Ltd.
(Unit: Jindal Poly Films Ltd)
Plot Number 17-24 Vittal Rao Nagar,
Madhapur, Hyderabad 500081
Tel. No.040-2342 0815-820
Fax 040-23420814
Email: einward.risk@karvy.com

h) Share Transfer System

The shares sent for physical transfer are registered within a period of 15 days from the date of receipt, provided the documents are clear in all respects. The shareholders committee meets after every 15 days or as often as required.

i) Distribution of Shareholding as on 31st March, 2008

Slab of Shareholding	No. of Cases	% of Cases	No of Shares	% of Shares
Upto - 5000	29415	98.31	1895886	6.75
5001 - 10000	252	0.84	195970	0.70
10001 - 20000	122	0.41	177842	0.63
20001 - 30000	24	0.08	61153	0.22
30001 - 100000	68	0.23	369709	1.32
100001-and above	40	0.13	25395320	90.39
Total	29921	100	28095880	100

j) Dematerialisation of Shares

As on 31st March, 2008 2,14,29,490 shares (76.27 % of the total number of shares) are in dematerialized form. The company's share are compulsorily traded in dematerialized form.

k) Plant Locations

1. 19th K.M. Hapur-Bulandshahr Road,
P.O. Gulaothi, Distt. Bulandshahr U.P
2. 28th K.M., Nasik-Mumbai Highway,
Vill. Mundegaon, Igatpuri
Distt. Nasik, Maharashtra.
3. 160/17, Amboli Road
Vill. Kala, Khanvel
Silvassa (UT of D&N)

l) Address for Correspondence

Mr. L.P. Soni
Vice President (Finance) & Secretary
Plot No. 12, Sector B-1, Vasant Kunj
Local Shopping Complex
New Delhi - 110070.
Tel : 91-11-26139256
Fax : 91-11-26125739
e-mail : secretarial_polyester@jindalgroup.com
Website : www.jindalpoly.com

JINDAL POLY FILMS LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF JINDAL POLY FILMS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jindal Poly Films Limited, for the year ended on 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange (s).

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, no investor grievances are pending against the Company for a period exceeding one month.

We further 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 Kanodia Sanyal & Associates
Chartered Accountants**

Place : New Delhi
Dated : 3rd September, 2008

**(R.K.Kanodia)
Partner**

CHIEF OPERATING OFFICER (COO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Sumant Singhal, Whole Time Director & COO and L.P. Soni, CFO designated as Vice President (Finance) & Secretary of Jindal Poly Films Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and all its schedules and notes to accounts, as well as the cash flow statements and the Directors' Report for the financial year 2007-2008.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company, and we have:
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c) disclosed in this report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's auditors and the Audit Committee of the Company's Board of Directors;
 - a) deficiencies in the design or operation on internal controls and steps taken / proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this report.
 - c) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements and
 - d) instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Place : New Delhi
Date : 3rd September, 2008

S. Singhal
Whole Time Director & COO

L.P. Soni
Vice President (Finance) & Secretary

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Jindal Poly Films Limited (JPFL) is a leading producer of flexible packaging films. The Company operates the world's largest single location facility for flexible packaging films at Nashik, Maharashtra and employs modern technology to produce high quality products .

INDUSTRY, STRUCTURE & DEVELOPMENTS

Flexible Packaging Film

Flexible packaging typically includes materials such as plastic films, paper and aluminium foil. Over the years, BOPET Film and BOPP Film (forms of plastic-based flexible packaging film) have become the preferred choice for packaging consumer articles including food and clothing. Besides such films, Jindal Poly Films also offers a range of metallised and coated film products to its customers.

Jindal Poly Films is the leading producer of flexible packaging films in the country. The Company also maintains a strong presence as a key exporter to several countries. Flexible packaging film follows a business-to-business model, supplying base film to key converters/processors - who in turn sell the value added product to customers.

BOPET Film

BOPET Film is a versatile product broadly classified according to thickness of the film. Thick Films (50-350 microns in thickness) find application in photographic/X-ray, electronics, printing, textile, pre-press and office supplies, motor insulations and document lamination. Thin Films (10-36 microns in thickness) are used in metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, labels, decorative ribbons and labels.

Jindal Poly Films has a capacity to manufacture 86,000 TPA of BOPET Film.

BOPP Film

Better moisture retention properties render BOPP Film more suitable for food products like snack foods, biscuits, pasta, dried foods and meat. Further, BOPP Film also finds application in wrapping cigarette cartons, ready-made garment bags, adhesive tapes and print lamination.

The market for BOPP Film in India, unlike the rest of the world is underdeveloped. There exists a popular low quality, cheap alternative in the form of TQPP (Tubular Quenched Polypropylene Film). Growing preference for premium and sophisticated packaging however is driving growth in Asian economies such as India and China with increased availability of BOPP, TQPP is being fast replaced by BOPP.

The Company has presently three lines in operation for BOPP Film at Nashik, Maharashtra:

- 13,000 TPA, 6.6-meter wide, three layer line
- 32,000 TPA, 8.2 meter wide, five-layer line
- 45,000 TPA, 8.2 meter wide, three-layer line

Metallised Films

Vacuum deposition of Aluminium on Pet and BOPP films increase the barrier properties of such films. Besides flexible packaging metallised Pet films is used for metallised yarn. Metallised BOPP is widely used for gift wrapping. The Company has a total metallising capacity of 40000 tpa. Two new Metallizers with a combined capacity of 14,000 tpa have been commissioned during the year.

Coated Films

PVDC coated BOPP and Pet films are used in the flexible packaging industry. Jindal Poly Films is the only company in India to offer this product. The Company has a capacity of 4500 tpa to manufacture PVDC, Acrylic and LTS coated films.

Polyester Chips

Jindal Poly Films has the in-house ability to manufacture polyester (PET) chips as per the product requirement, for its BOPET Film business. The Company has installed capacity of 93,800 TPA at Nashik, Maharashtra to produce PET chips.

Polyester Yarn

The Company has a Partially Oriented Yarn (POY) facility at Gulaothi, Uttar Pradesh. This business has witnessed continued weakness in margins and the operations has been suspended.

OPPORTUNITIES AND THREAT

BOPET Film

A perceptible volume shift in the consumption of BOPET film has been noticed in the high consumption areas of USA, Europe and Japan. Converting operation from these high cost areas are shifting to Asia in general and China and India in particular. Whereas production capacities in the matured markets of USA, Europe and Japan are declining, large growths are being witnessed in Asia where capacity increase is continuing.

In the short term, growth of the business will be export driven with Asian producers encashing on the declining capacities in the developed world. However, the long term scenario would indicate that the domestic growths in Asia would dominate polyester film usage with major shift in converting operation to Asia.

BOPP Films

The global BOPP industry is dominated by China which accounts for nearly 40% of the global capacity and consumption. The capacity utilization in China has been around 70% for the last few years. The Chinese market itself is growing at an average rate of around 8% p.a.

It is also observed that Chinese cost is increasing compared to previous years largely due to reduction in subsidies. This has allowed prices of JPFL's products to increase both in the domestic and international market.

The domestic market is enjoying good growth mainly driven by the fast replacement of TQPP by BOPP and aided by the growth of the flexible packaging.

SEGMENT PERFORMANCE

Flexible Packaging Film

The flexible packaging business continues to expand with FY2008 segmental revenues of Rs. 1409.35 crores (Rs. 1121.26 crores last year). In value terms, the domestic sales grew by 25.7% . Demand visibility particularly in BOPET Films remains intact with prices demonstrating signs of increase. Trends in the BOPP Film and High value added Film market also remain healthy.

OUTLOOK

Flexible Packaging Film

India continues to lag the world in usage of flexible packaging film with one of the lowest per capita consumption rates globally. Nevertheless, the momentum from applications in packaging continues to be strong driving growth in both BOPET Film and BOPP Film markets. The growth is also driven by an increase in the export of flexible packaging laminates from India as converting operations are shifting from Europe and USA to India.

BOPET Films

As much as 80% of the sales of BOPET Film can be attributed to applications in packaging. Rapid economic growth being witnessed in India & China is creating larger opportunities for the use of flexible packaging film in consumer products, hot stamping foils, metallic yarns, telecom and other electrical applications. The Asian region is expected to account for 60% of worldwide BOPET Film sales over the next two years expanding at a rate of 12%. Meanwhile, estimated growth for thin films in the global markets is at 7%.

BOPP Films

The BOPP Film market in India is increasing mainly on account of greater prevalence of modern format retailing and higher preference for hygienically packed, convenient forms of food articles amongst customers. Moreover, the replacement of TQPP Film is expected to intensify with lowering of cost differentials with BOPP Film, better availability of superior quality BOPP Film and creation of novel application areas for BOPP Film. Growth in Indian demand for BOPP Film over the next few years is being projected at 20% compared to 7.5% globally.

RISKS & CONCERNS

Input costs

The largest component of costs involved in making flexible packaging film is attributable to raw materials. The PET chips used to make BOPET Film as well as the polymers that go into producing BOPP Film are derived from petroleum.

Given the continued hardening trend in crude oil and demand for polymers for competing applications the pressure on input costs can be expected to continue. Flexible packaging film makers have thus far been able to pass down these costs to end consumers and are expected to do so in the foreseeable future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Jindal Poly Films employs stringent controls to ensure the safety of its asset base against loss and misuse. Further, enterprise wide adherence to corporate governance best practices is achieved through a combination of internal audits, management reviews audit committee and marketing committee wherever applicable. The Company is thus able to secure and validate its business transactions on an ongoing basis and thereby maintain the accuracy of its financial records and the safety of its property.

FINANCIAL PERFORMANCE

Jindal Poly Films reported a 25% increase in gross revenues from Rs. 1129.31 crores to Rs. 1409.35 crores driven exclusively by its flexible packaging films business. Other income during the period was at Rs. 19.64 crores.

Sales in the domestic market improved 36.5% to Rs. 1045.18 crores. The Company continues to develop the BOPP Film market. Exports during FY2008 were at Rs. 364.18 crores as against exports of Rs. 363.94 crores in last year.

Despite increase in the rate of interest in general, interest cost were lower at Rs. 14.08 crores (Rs. 17.55 crores in FY 2007) due to better working capital management. The Profit Before Tax stood at Rs. 193.91 crores. Jindal Poly Films had Net Profits of Rs. 132.58 crores in FY2008 giving an EPS of Rs. 47.19.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Today, intense competition between products and services of uniformly high quality is the norm of the day. Even the latest and modern machinery with most competent technical backup does not ensure success against fierce competition. That is precisely why we have built our growth plans on the premises that our manpower resources are our most valuable assets. All other resource have to be acted upon by this resource for their value to be realized.

All our efforts in human resource development need to focus on developing a keener perception and a superior performance in servicing the needs of the customer at a lower cost and in a shorter time frame. Therefore, our emphasis have been on developing competent leadership and team building with focus on customer satisfaction. It is well recognized by us that customer is our prime reason for existence and the entire team must focus on this critical fact that he needs to be well satisfied. Only then will this objective find basis in reality and only then will all other aspects of HRD - communication, problem solving, stress management etc. will have a measuring scale.

Our aim in the coming year would be to build ourself as a "Learning Organisation" - an organization that continuously anticipates changing environments and uses change proactively to actualize its strategic business plan more rigorously. Your company has excellent industrial relations which induces the right culture for an efficient working, Besides, your company also provides a large number of welfare measures for the employees and their families in the units. This ensures that there is a sense of belonging to the company, which goes a long way in forging an excellent environment in the workforce.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. The future being uncertain, there cannot be any guarantee that the assumptions and expectations made will be realized. Actual results, performance or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events. The management discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

JINDAL POLY FILMS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 34th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2008.

The Financial results of the year under review are as given below:-

FINANCIAL RESULTS

	(Rs. / Crores)	
	<u>2007-08</u>	<u>2006-07</u>
Profit from Operations (EBITDA)	270.55	168.41
Less: Interest	14.08	17.55
Profit Before Depreciation and Tax	256.47	150.86
Less: Depreciation	62.56	60.55
Profit before Tax	193.91	90.31
Less: Income Tax for the year	54.75	12.77
Deferred Tax	6.59	12.57
Profit After Tax	132.57	64.97
Add: Balance brought forward	55.40	47.18
Less: Taxes for the earlier years	NIL	0.18
Balance available for appropriation	187.97	111.97
APPROPRIATIONS		
Dividend on Equity Shares	5.62	5.62
Tax on Dividend	0.95	0.95
Transfer to General Reserve	50.00	50.00
Balance carried forward	131.40	55.40

PERFORMANCE HIGHLIGHTS

- There is improvement in Operating Profit margins during the year under review to 21.48% from 16.51 % in the last year.
- Gross Sales increased to Rs. 1409.35 crores in the financial year 2007-08, up 24.8% from Rs. 1129.31 crores the year before.
- Exports for the year 2007-2008 stood at Rs. 364.18 crores as compared to Rs. 363.94 crores in the last year.
- The operating profit of the company was Rs. 270.55 crores as against Rs. 168.41 crores last year – growth of 60.65%.

DIVIDEND

Your Directors have pleasure to recommend Dividend of 20% on 280,95,880 Equity share capital of Rs. 10 each.

The total dividend would absorb a sum of Rs. 5.62 crores and tax thereon of Rs. 0.95 crores. The dividend will be free of tax in the hands of recipients.

NEW PROJECTS

The Company's 2 new wide width Metallizers with a combined capacity of 14,000 tpa have commenced commercial production from March, 2008. The total capacity of Metallizers is now 40,000 tpa. The implementation of 2 new BOPP Lines (Line 4 & 5) with capacity of 45000 tpa each is proceeding as per schedule and shall be operational during the current financial year i.e. 2008-09.

JINDAL POLY FILMS LIMITED

With the growing demand of BOPP, the Company has decided to further expand the capacity of the BOPP by installing 1 (one) more new BOPP Line (Line 6) with a total capacity of 40,000 tpa. The Company has also decided to install one more Polyester Film line (BOPET) with a capacity of 25,000 tpa alongwith Metallisers and Coating Film Line. These expansion projects will have the capital outlay of Rs. 500 crores approx. which shall be financed by way of ECB, Term Loans and internal accruals. After all the expansion plans are implemented, the Company will have BOPP capacity of 2,20,000 tpa and Polyester Film (BOPET) capacity of 1,11,000 tpa. The expanded capacity will be operational in a phased manner in next 2-3 years.

MANAGEMENT DISCUSSION AND ANALYSIS

The MD&A has been included in the annual report as a separate note.

DIRECTORS

- Mr. Jogesh Bansal and Mr. Sumant Singhal retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. Brief resumes of above directors, names of other company's in which they hold/held directorship, membership of committees of the Board and their shareholdings are given in the Notice to the Shareholders.
- Mr. R.K. Pandey was appointed as a Director of the Company on 30/01/2007, to fill the casual vacancy caused due to resignation of Mr. S.J.Khaitan. Dr. Sudhir Kapur was appointed as a Director of the Company on 30/01/2007, to fill the casual vacancy caused due to resignation of Mr. R. Chander. The office of Mr. R.K.Pandey and Dr. Sudhir Kapur expires at the forthcoming Annual General Meeting i.e. on 30/09/2008, the date upto when Mr. S.J. Khaitan and Mr. R. Chander would have held the office of Director, if it had not been vacated. The Company has received notices under section 257 of the Companies Act, 1956 from member(s) of the Company proposing the appointment of Mr. R.K.Pandey and Dr. Sudhir Kapur as Director(s) of the Company whose period of office will be liable to retire by rotation. Brief resumes of above directors, names of other company's in which they hold/held directorship, membership of committees of the Board and their shareholdings are given in the Notice to the Shareholders.
- Mr. Sanjay Mittal who was appointed as Director (Accounts) by the Board of Directors w.e.f. 28th July, 2008 for a period of 5(five) years and subject to approval of shareholders in ensuing Annual General Meeting. Brief resumes of Mr. Sanjay Mittal, names of other company's in which he is holding directorship, membership of committees of the Board and shareholdings are giving in the Notice to the Shareholders. The Company has received a notice under section 257 of the companies Act, 1956 from a member of the company proposing the appointment of Mr. Sanjay Mittal as Director of the company.
- Mr. Punit Gupta, Director (Films) resigned w.e.f. 28th July, 2008 and Mr. Sandeep Bansal, Director resigned w.e.f. 3rd September, 2008. The Board places on record its sincere appreciation of the valuable services rendered by Mr. Punit Gupta and Mr. Sandeep Bansal during their tenure as Directors of the Company.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

There is no employee who has received the remuneration of Rs. 2,00,000 per month or Rs. 24,00,000 per annum during the year under review.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Auditor's Report on its compliance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed;

- That in preparation of the accounts for the financial year ended 31st March, 2008 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

JINDAL POLY FILMS LIMITED

- That the Directors have prepared the accounts for the financial year ended on 31st March, 2008 on a 'going concern' basis.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS – 21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on accounting for investments in Associates, Your Directors have pleasure in attaching the Consolidated Financial Statements which form part of this Annual Report and Accounts.

In terms of approval granted by Central Government under section 212 (8) of the Companies Act, 1956 vide letter no. 47/387/2008-CL-III dated 25/06/2008, the Balance Sheet, Profit & Loss Account, report of Board of Directors and Auditors of the subsidiary Companies have not been attached to the accounts of the Company. The Annual reports shall be made available upon request to any member of the Company interested in obtaining the same.

AUDITORS

M/s Kanodia Sanyal & Associates, Chartered Accountants retire and being eligible, offer themselves for re-appointment. The auditors have furnished certificate regarding their eligibility for re-appointment as Company's Auditors, pursuant to Section 224 (1-B) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and the provisions of section 58-A of the Companies Act, 1956 are not applicable to the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EARNING & OUTGO

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of Energy, technology absorption, foreign exchange earnings and outgo is given in the 'Annexure I' forming part of this report.

GROUP FOR INTERSE TRANSFER OF SHARES

Details of persons constituting "group" as required under clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 is given in 'Annexure II' and forms part of this Annual Report.

ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and assistance received from the financial institutions, Banks and various Government authorities during the year.

The Directors also wish to place on record their appreciation of the contribution made by the Employees at all levels.

For and on behalf of the Board

Place: New Delhi
Dated: 3rd September, 2008

(S. Singhal)
Whole Time Director & COO

(S. Banerjee)
Whole Time Director (Marketing)

ANNEXURE TO DIRECTORS' REPORT

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

1. CONSERVATION OF ENERGY

A. ENERGY CONSERVATION MEASURES TAKEN

1. Installation of APH for Thermic Fluid Heater – 2 in Film Utility resulted in fuel saving 325 kgs/day, in value terms as 1.56 Lacs/month (approx.)
2. Conversion of dryer column heating (in PET line) from electrical to santotherm resulted in saving 2250 units/day, in value terms as 2.35 lacs/month (approx.)
3. Screw chiller installation in place of VAC in Poly Plant resulted in fuel saving 2420 kgs/day, in value terms as Rs. 10.89 Lacs/month (approx.).
4. Replacement of Steam ejectors with Glycol ejectors in 3 lines, resulted in fuel saving 4400 kgs/day in value terms as Rs. 19.80 Lacs/month (approx.).

B. ADDITIONAL INVESTMENT AND PROPOSAL, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

1. Line E & A filter preheating station to be converted to oil heating from electrical heating in film plant, which will result in energy saving 840 units/day in value terms as Rs. 1.01 lacs/month (approx.).
2. Stoppage of 6 nos. secondary pump in Poly plant, which will result in energy saving 1400 units/day in value terms as Rs. 1.68 lacs/month (approx.)
3. Line A & B Tempering Unit conversion from electric to hot oil which will result in energy saving 1800 units/day, in value terms as Rs. 1.08 lacs/month (approx.)
4. Line A feeding system to be shifted and clubbed with Line B/E feeding system which will result in energy saving 500 units/day, in value terms as Rs. 0.6 lacs / month (approx.)
5. Line A, B & C column heating conversion from electrical to hot oil heating which will result in energy saving 2250 units/day, in value terms as Rs. 1.35 lacs/month (approx.)
6. Installation of 2 X 1000 TR Centri Chiller (7 lines) for film plant to stop V.A.C. which will result in fuel saving 12000 kgs/day, in value terms as Rs. 87 lacs/month (approx.).

C. IMPACT OF ABOVE MEASURES

Implementation of Energy Conservation measures have resulted -

- 1) In reduction of energy cost and thereby production cost.
- 2) In the increase of awareness in the employees.

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy:

POWER AND FUEL CONSUMPTION

(including polymer production used for captive consumption)

	Current Year	Previous Year
	31.3.2008	31.3.2007
1. Electricity		
(a) Purchased from Electricity Board		
Total Units	66812400	64934686
Total Amount (Rs)	334918088	282865616
Rate per unit (Rs/units)	5.01	4.36
(b) Own Generation		
Total Units	97502520	68097606
HSD/F.Oil/LSHS & LDO (Ltrs.)	21817310	15776123
Units/Ltrs. of HSD/F.Oil/LSHS & LDO	4.47	4.32
Cost of HSD/F.Oil/LSHS & LDO (Rs)	382837444	238469417
Rate per unit (Rs/Units)	3.93	3.50

JINDAL POLY FILMS LIMITED

2. Furnace Oil/LSHS/LDO/HSD Qty. (Ltrs.)		
Total Amount (Rs.)	294904140	266318970
Total Quantity (Ltrs.)	18269845	18775808
Average Rate (Rs/Ltrs)	16.14	14.18
3. Consumption Per Unit of Production		
Electricity units per M.T. of Production	689	707
F. Oil/LSHSLDO/HSD (Ltrs.) per M.T. of production	77	100

FORM 'B'

Form for Disclosure of Particulars with respect to :

A) RESEARCH AND DEVELOPMENT (R&D)

Company has been giving thrust on R&D activities in following areas :

- New product development
- Increased efficiencies
- Energy conservation
- Improving yields
- Improving quality

B) BENEFITS DERIVED AS THE RESULT OF THE ABOVE R&D

Following new products developed during last financial year

1. High heat seal strength plain & metallised films (OPP).
2. Low COF pearl film (OPP).
3. Very High Barrier Metallised Film (OPP).
4. Both side Metallised Polyester Film (PET).

C) FUTURE PLAN OF ACTION

Steps are continuously taken for upgradation of technology which results in development of new products at lower costs, improvement of production yields and improvement in quality.

D) EXPENDITURE ON R&D

No specific account is kept.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts in brief made towards technology absorption, adaptation and innovation

As company is setting up ultra modern oriented film lines, emphasis is always given on absorption of new technology.

b) Benefits derived as result of the above efforts.

Benefits derived from these efforts are improved product quality and higher efficiencies.

c) Export activities and Foreign Exchange earnings and outgo.

- 1) The Company has been continuously focusing on growth in increasing capacity of flexible packaging films with special emphasis on exports.
- 2) The Company has developed new markets in South America, East Europe, Bangladesh, Middle East and Australia.
- 3) Foreign Exchange earnings (on FOB basis) and outgo

	Rs/Crores	
	2007-08	2006-07
Earnings	352.46	352.22
Outgo	191.64	342.21

JINDAL POLY FILMS LIMITED

ANNEXURE-II

“Group” for inter-se transfer of shares under clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

1	Jindal Photo Limited	25	Jindal (India) Limited
2	Jindal Imaging Limited	26	Jindal India Power Tech Limited
3	Consolidated Finvest & Holdings Limited	27	Jindal India Finvest & Holdings Limited
4	Jindal Photo Investments Limited	28	Jindal India Hydro Limited
5	Jesmin Investments Limited	29	Jindal Buildmart Limited
6	Consolidated Buildwell Limited	30	Jindal Realmart Private Limited
7	Consolidated Realtors Limited	31	Jindal India Power Ventures Limited
8	Jindal Meadows Limited	32	Hindustan Powergen Limited
9	Vigil Farms Limited	33	Hindustan Thermal Power Generation Ltd
10	Agile Properties Limited	34	Universal Foils Limited
11	Rishi Trading Company Limited	35	Jindal Society of Int Edu & Research
12	Soyuz Trading Company Limited	36	Shekhwati Vanijya Vikash Private Limited
13	Jindal Poly Films Limited	37	India Fincap Limited
14	Hanuman Coke Plant Private Limited	38	Flex star Sales Private Limited.
15	Jindal France SAS, France	39	Bazaloni Groups Limited
16	Rexor SAS, France	40	Mr. Shyam Sunder Jindal
17	Consolidated Photo & Finvest Limited	41	Mrs. Subhadara Jindal
18	Jumbo Finance Limited	42	Ms. Gunjan Poddar
19	Jupax Barter Private Limited	43	Ms. Aakriti Jindal
20	Jindal Realtors Limited	44	Mr. Bhavesh Jindal
21	Passion Tea Private Limited	45	Shyam Sunder Jindal (HUF)
22	Jindal India Thermal Power Limited	46	Mr. Bhavi Chand Jindal
23	Indian Software Consultancy Limited	47	Mrs. Meena Devi Jindal
24	AXL Resources Pvt Ltd	48	B.C. Jindal and Sons.

AUDITORS' REPORT

To The Members of Jindal Poly Films Limited

We have audited the attached Balance Sheet of M/S JINDAL POLY FILMS LIMITED as at 31st March, 2008 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March, 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and notes thereon in Schedule '18' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and,
 - ii. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: New Delhi
Dated: 03.09.2008

(R.K KANODIA)
PARTNER
Membership No. 016121

ANNEXURE TO AUDITORS' REPORT OF JINDAL POLY FILMS LIMITED (Annexure referred to in our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the management during the year has physically verified all the fixed assets of the Company and no material discrepancies between the book records and the physical verification were noticed on such verification.
(c) Fixed assets disposed off during the year, were not substantial and, therefore, it does not affect the going concern assumption.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) The company has neither granted nor taken loan, secured or unsecured, to / from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems. However, the corrective actions were taken against the minor weaknesses as noticed and informed to them.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act have been so entered.
(b) As per the audit procedures applied by us and as per the information and explanations given to us, with respect to the transactions as entered in the register maintained under section 301, exceeding the value of five lac rupees in respect to any party during the financial year, the prices at which these have been made are reasonable having regard to the prevailing, market prices at that time.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records, u/s 209(1)(d) of the Companies Act, 1956 and are of opinion that prima –facie the prescribed records and accounts have been maintained by the company. However, we have not made a detailed examination of these records to verify whether they are accurate or complete.
9. (a) The company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2008 for a period of more than six months from the date of becoming payable.

JINDAL POLY FILMS LIMITED

(b) According to the information and explanation given to us, details of dues of income tax, sales tax, excise, customs, wealth tax and service tax which have not been deposited on account of any dispute are given below:

Nature of the Statute	Nature of the dues	Amount Disputed (Rs/Lacs)	Forum where dispute is pending
1. Income Tax Act	Income Tax demand	419.70	CIT(A) F.Y.1998-99
	Income Tax demand	4.00	CIT(A) F.Y.2003-04
	Income Tax demand	11.60	ITAT F.Y.1994-95
	Income Tax demand	65.40	ITAT F.Y.2000-2001
	Income Tax demand	5.26	CIT(A) F.Y 1997-98
	Income Tax demand	2.40	CIT(A) F.Y 2002-03
2. Excise Act	Excise Demand	273.02	CESTAT
3. Sales Tax Act	Sales Tax Demand	82.31	Sales Tax Tribunal
4. Custom Law Act	Demand	317.86	Asst. Commissioner

- The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions or to the banks or to the debenture holders.
- According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion, the company is not a Chit Fund/Nidhi/Mutual Fund/ Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments timely entries have been made therein. All shares, debentures, and other investments have been held by the Company in its own name.
- According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
- In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where such end use has been stipulated by the lenders.
- According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the company on short-term basis have not been applied for long-term investments and vice versa.
- The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- The company does not have any debentures outstanding as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
- We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
- According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 03.09.2008

(R.K KANODIA)
PARTNER
M. No. 016121

JINDAL POLY FILMS LIMITED

BALANCE SHEET AS AT 31 st MARCH 2008

	SCHEDULE	31.03.2008		31.03.2007	
		Rs.		Rs.	
SOURCES OF FUNDS					
SHAREHOLDER'S FUNDS					
Share Capital	1	280,958,800		280,958,800	
Reserves & surplus	2	8,847,668,740	9,128,627,540	7,587,661,949	7,868,620,749
LOAN FUNDS					
Secured Loans	3	1,705,910,969		2,371,101,985	
Unsecured Loans	4	2,120,799	1,708,031,768	2,176,001	2,373,277,986
Deferred Tax Liability (Net)	8B		1,298,490,537		1,232,619,537
			12,135,149,845		11,474,518,272
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	12,743,736,547		12,397,937,866	
Less: Depreciation		4,413,416,644		3,840,251,303	
Net Block		8,330,319,903		8,557,686,563	
Add: Capital Work in Progress		949,649,211	9,279,969,114	452,982,281	9,010,668,844
INVESTMENTS	6		1,010,373,909		932,543,440
CURRENT ASSETS,	7				
LOANS & ADVANCES					
Inventories		1,064,467,982		1,062,197,509	
Sundry Debtors		925,433,349		872,520,533	
Cash & Bank Balances		76,373,941		77,343,231	
Loans & Advances		877,382,556		522,859,182	
		2,943,657,828		2,534,920,455	
LESS: CURRENT LIABILITIES	8A				
& PROVISIONS					
Current Liabilities		982,148,351		886,121,485	
Provisions		116,750,868		117,589,408	
		1,098,899,219		1,003,710,893	
Net Current Assets			1,844,758,609		1,531,209,562
Miscellaneous Expenditure	9		48,212		96,426
(To the extent not written off or adjusted)					
			12,135,149,845		11,474,518,272
Notes on Accounts	18				
As per our report of even date annexed					

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)
Partner
M No : 016121

(S. BANERJEE)
Whole Time Director (Marketing)

(S. SINGHAL)
Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008

(S. MITTAL)
Whole Time Director (Accounts)

(L.P. SONI)
Vice President (Fin.) & Secretary

JINDAL POLY FILMS LIMITED

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

	SCHEDULE	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
INCOME			
Sales		14,093,534,873	11,293,149,766
Less :Excise Duty		1,500,681,254	1,095,063,971
NET SALES		<u>12,592,853,619</u>	<u>10,198,085,795</u>
Other Income	10	196,436,021	123,725,220
Accretion/(Decretion) in Stock	11	(26,947,069)	(88,809,346)
		<u>12,762,342,572</u>	<u>10,233,001,669</u>
EXPENDITURE			
Raw Material Consumed	12	8,032,205,913	6,712,711,732
Manufacturing Expenses	13	1,476,358,617	1,253,776,124
Excise on Increase/(Decrease) in Stock		(7,662,178)	(5,868,055)
Personnel Expenses	14	137,059,164	122,975,704
Interest & Financial charges	15	140,766,923	175,464,617
Selling & Distribution Expenses	16	316,060,877	360,300,558
Other Expenses	17	102,785,486	104,975,720
Depreciation	5	625,648,429	605,551,820
		<u>10,823,223,230</u>	<u>9,329,888,221</u>
PROFIT FOR THE YEAR		<u>1,939,119,341</u>	<u>903,113,448</u>
Less :- Provision for Taxation			
-Current tax (Including FBT)		547,500,000	127,700,000
-Deferred tax		65,871,000	125,705,000
PROFIT AFTER TAX		<u>1,325,748,341</u>	<u>649,708,448</u>
Add: Balance as per last Balance Sheet		553,923,971	471,824,346
Less: Income tax for earlier years		-	1,867,273
		<u>1,879,672,312</u>	<u>1,119,665,521</u>
APPROPRIATIONS			
Proposed Dividend			
-Equity Shares		56,191,760	56,191,760
-Tax on Proposed Dividend		9,549,790	9,549,790
Transfer to General Reserve		500,000,000	500,000,000
Balance carried forward		1,313,930,762	553,923,971
		<u>1,879,672,312</u>	<u>1,119,665,521</u>
Earning per Share(Basic and Diluted)		<u>47.19</u>	<u>23.12</u>

Notes on Accounts

18

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M No : 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008

(S. MITTAL)

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

JINDAL POLY FILMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2008

	Year ended 31/03/2008		Year ended 31/03/2007
A. Cash Flow from Operating activities:			
Net Profit before tax and extraordinary items	1,939,119,341		903,113,448
Adjustment for:			
Depreciation	625,648,429	605,551,820	
(Profit)/Loss on sale of Assets (net)	23,465	(1,538,008)	
(Profit)/Loss on sale of Investment (net)	(49,314,305)	(90,247,935)	
Interest Income	(2,133,026)	(1,200,946)	
Dividend Income	(1,026,844)	(7,641,904)	
Interest on Borrowings	118,550,509	155,988,776	
Miscellaneous Expenditure amortised	48,214	48,214	660,960,017
	<u>2,630,915,783</u>		<u>1,564,073,466</u>
Operating Profit before Working Capital changes			
Adjustments for:			
Inventories	(2,270,473)	92,133,204	
Trade receivables	(52,912,816)	(333,637,264)	
Loans & Advances	(354,523,374)	(145,768)	
Trade Payables and Other Liabilities	88,364,688	(390,271,088)	(631,920,917)
Cash Generated from Operations	<u>2,309,573,808</u>		<u>932,152,549</u>
Direct Taxes paid	(540,676,363)		(86,483,670)
Net Cash from Operating Activities (A)	<u>1,768,897,445</u>		<u>845,668,879</u>
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(895,012,163)		(1,093,348,547)
Sale of Fixed Assets	40,000		2,000,000
Purchase of Investments	(903,917,816)		(967,048,781)
Sale of Investments	875,401,651		1,781,634,303
Interest Received	2,133,026		1,200,946
Dividend Received	1,026,844		7,641,904
Net Cash used in Investment Activities (B)	<u>(920,328,458)</u>		<u>(267,920,175)</u>
C. Cash Flow from Financing Activities:			
Repayment of Borrowings	(665,246,218)		(372,093,838)
Dividend paid	(65,741,550)		(73,612,747)
Interest Paid	(118,550,509)		(155,988,776)
Net Cash from Financing Activities (C)	<u>(849,538,277)</u>		<u>(601,695,361)</u>
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	<u>(969,290)</u>		<u>(23,946,657)</u>
Cash and Cash equivalents as at 1st April (Opening Balance)	<u>77,343,231</u>		<u>101,289,888</u>
Cash and Cash equivalents as at period end (Closing Balance)	<u>76,373,941</u>		<u>77,343,231</u>

Notes on Accounts

18

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M No : 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008

(S. MITTAL)

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2008 Rs.	31.03.2007 Rs.
1 SHARE CAPITAL		
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/-	300,000,000	300,000,000
each 175,000,000 (175,000,000) Preference Shares of Rs.10/- each	1,750,000,000	1,750,000,000
	<u>2,050,000,000</u>	<u>2,050,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
28,095,880 (28,095,880) Equity Shares of Rs. 10/- each	280,958,800	280,958,800
	<u>280,958,800</u>	<u>280,958,800</u>

Notes on Share capital :-

- 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
- 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves.

	31.03.2008 Rs.	31.03.2007 Rs.
2. RESERVES & SURPLUS		
CAPITAL RESERVE		
As per last Balance sheet	1,090,000	1,090,000
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	4,188,200,360	4,188,200,360
EXPORT PROFIT RESERVE		
As per last Balance sheet	60,000	60,000
AMALGAMATION RESERVE		
As per last Balance sheet	422,832,200	422,832,200
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	1,291,400,000	1,291,400,000
GENERAL RESERVE		
As per last Balance sheet	1,130,155,418	630,155,418
Add : Transferred from Profit & Loss account	500,000,000	500,000,000
	<u>1,630,155,418</u>	<u>1,130,155,418</u>
BALANCE CARRIED FORWARD IN PROFIT & LOSS ACCOUNT	1,313,930,762	553,923,971
	<u>8,847,668,740</u>	<u>7,587,661,949</u>

3. SECURED LOANS

(A) TERM LOANS FROM BANKS

Foreign Currency Loans	1,229,286,357	1,712,389,354
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(B) WORKING CAPITAL LOANS FROM BANK

(Includes bill discounting of Rs. Nil, Previous year Rs 4999.64 lacs)	476,624,613	658,712,631
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	<u>1,705,910,969</u>	<u>2,371,101,985</u>
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JINDAL POLY FILMS LIMITED

SCHEDULES

Notes on Secured Loans :

- (i) Term loans from banks are secured by first pari-pasu equitable mortgage of immovable properties of the company situated at Gulaothi (U.P.) & Nasik (Maharashtra) and hypothecation of all movable assets (save and except book debts) subject to prior charge of the banks for working capital requirements.
- (ii) Working Capital Loans from banks are secured by way of hypothecation of all stocks of raw materials, semi finished goods, finished goods, goods in transit, stores and spares and book debts of the company These are further secured by way of second pari-pasu charge on immovable properties of the company situated at Gulaothi (U P) & Nasik (Maharashtra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

	31.03.2008 Rs.	31.03.2007 Rs.
4. UNSECURED LOANS		
Security Deposits	2,120,799	2,176,001
	2,120,799	2,176,001

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2007	ADDITIONS	SALE/ ADJUSTMENT	TOTAL 31.03.08	AS AT 01.04.2007	FOR THE YEAR	SALE/ ADJUSTMENT	TOTAL 31.03.08	AS AT 31.03.08	AS AT 31.03.2007
Land (Freehold)	42,694,265	8,764,342	-	51,458,607	-	-	-	-	51,458,607	42,694,265
Factory Buildings	1,266,584,564	4,469,467	-	1,271,054,031	266,228,868	42,326,827	-	308,555,694	962,498,337	1,000,355,696
Other Buildings	208,152,304	1,314,277	-	209,466,581	29,541,536	3,399,456	-	32,940,992	176,525,588	178,610,767
Plant & Machinery	10,767,446,010	375,378,633	63,788,044	11,079,036,599	3,474,563,955	570,911,696	52,472,552	3,993,003,099	7,086,033,499	7,292,882,055
Furniture & Fixture	15,409,840	4,947,871	-	20,357,711	10,989,134	987,689	-	11,976,823	8,380,887	4,420,705
Office Equipments	27,330,698	1,190,043	74,000	28,446,740	10,766,820	1,286,144	10,535	12,042,429	16,404,311	16,563,878
Computers	38,080,690	4,389,476	-	42,470,166	29,249,080	3,598,599	-	32,847,678	9,622,487	8,831,610
Vehicles	32,239,497	9,206,616	-	41,446,113	18,911,910	3,138,018	-	22,049,928	19,396,186	13,327,587
TOTAL	12,397,937,867	409,660,725	63,862,044	12,743,736,547	3,840,251,303	625,648,429	52,483,087	4,413,416,644	8,330,319,903	8,557,686,565
Capital work in Progress	452,982,281	871,371,872	374,704,941	949,649,211	-	-	-	-	949,649,211	452,982,281
GRAND TOTAL	12,850,920,147	1,281,032,596	438,566,985	13,693,385,758	3,840,251,303	625,648,429	52,483,087	4,413,416,644	9,279,969,114	9,010,668,845

Addition to Plant & Machinery has been adjusted by Rs.Nil (Net), Previous Year Rs.47,407,988/- (Net) being the amount of foreign exchange fluctuation arising on Foreign Currency Loans taken for Plant & Machinery.

6. INVESTMENTS

	VALUE Rs.	FACE NUMBER OF SHARES/UNITS		VALUE Rs.	
		31.03.2008	31.03.2007		
A) LONG TERM INVESTMENTS					
(I) Non Trade					
(i) Equity Shares (Quoted)					
Phil Corporation Ltd.	10	300	300	8,450	8,450
India Foils Ltd.	10	100	100	12,500	12,500
Garware Polyester Ltd.	10	100	100	11,850	11,850
Ester Industries Ltd.	5	500	500	4,375	4,375
(ii) Equity Shares (Un Quoted)					
Jindal France SAS	EURO 1	-	3563000	-	210,698,348
Jindal Buildmart Limited	10	330,000	-	33,000,000	-
Jindal India Power Tech Limited (Rupee 1 partly paid up)	10	10,000,000	-	10,000,000	-
(iii) Equity shares warrant					
Garware Polyester Ltd.		11	11	121	121
				43,037,296	210,735,644
(II) Trade					
(a) Equity Shares (Quoted)					
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	30,367,898	30,367,898
				30,367,898	30,367,898

JINDAL POLY FILMS LIMITED

SCHEDULES

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS		FACE VALUE Rs.	
		31.03.2008	31.03.2007	31.03.2008	31.03.2007
(III) In Subsidiaries					
(a) Equity Shares (Un Quoted)					
Hindustan Thermal Power Generation Limited (Formerly Hindustan Polyesters Ltd.)	10	50000	50000	500,000	500,000
Jindal France SAS	EURO 1	7063000	-	409,323,348	-
				409,823,348	500,000
				483,228,542	241,603,542
TOTAL 'A'					
INVESTMENT OF UNUTILISED IPO MONEY					
B) CURRENT INVESTMENTS					
(I) UTI Floating Rate Fund-Short Term Plan (Growth Option)	1000	-	26,222	-	30,000,000
(II) DSPML Floating Rate Fund -Regular Plan- Growth	10	-	2,581,733	-	30,000,000
(III) TFRSIG Tata Floating Rate Short Term Inst. Plan- Growth	10	-	9,122,218	-	100,000,000
(IV) LICMF Floating Rate Fund-Short Term Plan- Growth Plan	10	1,047,336	13,318,491	11,859,095	150,000,000
(V) FRPCG ICICI Prudential Floating Rate Plan C- Growth	10	-	21,059,206	-	220,939,898
(VI) UTI Fixed Maturity Plan Yearly Series YFMP/0307 -Growth Plan	10	5,000,000	5,000,000	50,000,000	50,000,000
(VII) B836G Birla FTP-Instl-Series-T- Growth	10	6,000,000	6,000,000	60,000,000	60,000,000
(VIII) Franklin Templeton Fixed Tenure Fund Series VII 370days plan Growth	10	5,000,000	5,000,000	50,000,000	50,000,000
(IX) Templeton Floating Rate INCOME FUND Short Term Plan Institutional Option Growth	10	3,180,864	-	35,286,273	-
(X) UTI Fixed Maturity Plan Yearly Series YFMP/0407 Institutional Growth Plan	10	10,000,000	-	100,000,000	-
(XI) HSBC Fixed Term Series 28-Inst. Growth UCC-MFH5BC0039	10	10,000,000	-	100,000,000	-
(XII) 1811G ICICI Prudential FMP-Series 38- One Year Plan A - Institutional Growth	10	4,000,000	-	40,000,000	-
(XIII) Templeton Fixed Horizon Fund Series II- Plan A - Institutional- GROWTH	10	8,000,000	-	80,000,000	-
				527,145,368	690,939,898
TOTAL 'B'					
(Net Asset Value of Mutual Funds is Rs. 5754.29 lacs (Previous Year Rs.7377.70 lacs))					
TOTAL (A+B)					
				1,010,373,910	932,543,440
Aggregate value of quoted Investments				30,405,073	30,405,073
Aggregate value of unquoted Investments				979,968,837	902,138,367
Market Value of Quoted Investments				71,604,456	30,317,635

MOVEMENT DURING THE YEAR (Purchased and Sold)	FACE VALUE	NO. OF UNITS	Cost in Rs.
Mutual Fund Units			
i) Templeton Floating Rate INCOME FUND Short Term Plan Institutional Option Growth	10	2,227,807	24,713,727
ii) HDFC Cash Management Fund- Saving Plus Plan- Wholesale-Daily Dividend Option Reinvest	10	9,000,637	90,289,887
iii) B47 Birla Sunlife Cash Manager-IP-Daily Dividend- Reinvestment	10	8,004,741	80,063,418
iv) UTI Liquid Cash Plan iv) Institutional- Daily Income Option-Reinvestment	1000	98,171	100,080,416

SCHEDULES

	31.03.2008 Rs.			31.03.2007 Rs.
7. CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS				
STOCK IN TRADE				
(As per Inventories taken, valued and certified by the Management)				
Finished Goods	226,496,369		258,434,144	
Raw Material (Including in Transit Rs. 5,84,02,788, Previous Year Rs 6,46,40,550)	592,983,606		584,987,061	
Scrap	7,784,539		2,793,833	
Store, Spares and Tools	237,203,468	1,064,467,982	215,982,472	1,062,197,509
SUNDRY DEBTORS				
(Unsecured, considered Good)				
Debts exceeding six months	22,353,616		26,018,602	
Other Debts	903,079,733	925,433,349	846,501,931	872,520,533
CASH & BANK BALANCES				
Cash & stamps in hand (including Drafts/ Cheques)	509,227		128,174	
Balance with Schedule Banks				
In Current Accounts	69,815,965		48,061,308	
In Fixed deposit Accounts	6,048,749	76,373,941	29,153,749	77,343,231
(Fixed Deposits of Rs. 60,48,749/-pledged as Margin Money with appropriate authority Previous Year Rs 2,90,64,649)				
B. LOANS AND ADVANCES				
(Unsecured -considered Good)				
Advances (Recoverable in cash or in kind or for value to be received)	538,225,182		447,837,680	
Capital Advances	224,623,301		-	
Security Deposits	14,864,671		28,826,907	
Balance with Central Excise	99,669,402		46,194,595	
Advance Income Tax (Including Tax deducted at source)	-	877,382,556	-	522,859,182
	<u>2,943,657,828</u>		<u>2,534,920,455</u>	
8.A CURRENT LIABILITIES AND PROVISIONS				
(1) CURRENT LIABILITIES				
Sundry Creditors				
For Capital Goods	119,779,532		111,739,246	
Others	464,229,930		447,139,497	
Other Liabilities	139,045,689		175,487,640	
Advance from customers	247,160,431		133,704,032	
Unclaimed dividend	2,098,004		2,328,063	
Interest on Loans accrued but not due	9,834,766	982,148,351	15,723,008	886,121,485
(2) PROVISIONS				
Provision of Excise Duty on Finished Goods	29,513,681		37,175,859	
Proposed dividend	56,191,760		56,191,760	
Tax on Proposed dividend	9,549,790		9,549,790	
Provision for Taxation (Net of Advance Tax Rs 69,37,19,226 Previous year Rs. 15,30,42,866 including tax deducted at source)	21,495,637	116,750,868	14,671,999	117,589,408
	<u>1,098,899,219</u>		<u>1,003,710,893</u>	
8.B DEFERRED TAX				
DEFERRED TAX LIABILITY				
Difference between book and tax depreciation	1,232,619,537		1,106,914,537	
Current year change	65,871,000	1,298,490,537	125,705,000	1,232,619,537
	<u>1,298,490,537</u>		<u>1,232,619,537</u>	

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2008 Rs.		31.03.2007 Rs.
9 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PRELIMINARY EXPENSES			
As per last Balance Sheet	96,426		144,640
Less: Written off during the year	48,214	48,212	48,214
DEFERRED REVENUE EXPENDITURE			
As per last Balance Sheet	-		112,355
Less: Written off during the year	-	-	112,355
	48,212		96,426
10 OTHER INCOME			
Dividend :			
On Current Investments	433,721		7,048,781
On Long Term Investments	593,123	1,026,844	593,123
Profit on sales of short term Investment		49,314,305	90,247,935
Profit on sales of Fixed Assets		-	1,538,008
Miscellaneous Receipts		1,924,311	10,171,230
Lease Rent		100,000	100,000
Foreign exchange fluctuation (Net)		140,971,168	9,921,094
Claims Received		966,367	2,904,103
Interest Received		2,133,026	1,200,946
(Including TDS Rs. 378,962 Previous year Rs. 123,323)			
	196,436,021		123,725,220
11 ACCRETION/(DECRETION) IN STOCK			
OPENING STOCK			
Finished Goods	258,434,144		344,945,375
Scrap	2,793,833	261,227,977	5,091,948
CLOSING STOCK			
Finished Goods	226,496,369		258,434,144
Scrap	7,784,539	234,280,908	2,793,833
Accretion/(Decretion)		(26,947,069)	(88,809,346)
12 RAW MATERIAL CONSUMED			
Opening stock		520,346,511	441,521,462
Add: Purchases		8,154,579,523	6,777,735,879
		8,674,926,034	7,219,257,341
Less: Sales		-	2,274,386
Less:- Loss on sale/devaluation of Raw Materials		2,512,963	970,093
Less/(Add): Cost Benefits (refer note no.12)		105,626,340	(17,420,731)
		8,566,786,731	7,233,433,593
Less:- Material Used for Trial Run		-	375,350
Less: Closing Stock		534,580,818	520,346,511
		8,032,205,913	6,713,087,082

SCHEDULES

	31.03.2008 Rs.	31.03.2007 Rs.
13 MANUFACTURING EXPENSES		
Stores and Spare parts consumed	116,109,894	99,133,117
Power and Fuel	1,012,659,672	787,654,003
Carriage Inwards	27,124,092	25,988,976
Water charges	2,760,348	2,049,975
Job Work Charges	74,604	374,017
Repairs to Machinery	12,360,319	8,022,304
Repairs to Buildings	2,171,127	5,106,897
Packing Material consumed	303,098,561	325,446,835
	<u>1,476,358,617</u>	<u>1,253,776,124</u>
14 PERSONNEL EXPENSES		
Salaries, Wages & Bonus	116,575,844	104,058,044
Gratuity	3,385,829	3,855,079
Contribution to Provident Fund & other Funds	4,917,728	5,144,194
Staff & Workmen Welfare Expenses	10,727,517	8,899,165
Staff Recruitment & Development	1,452,246	1,019,222
	<u>137,059,164</u>	<u>122,975,704</u>
15 INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	86,321,356	123,382,647
On Bank Borrowings	32,229,153	32,606,129
Financial charges	22,216,414	19,475,841
	<u>140,766,923</u>	<u>175,464,617</u>
16 SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	273,338,870	292,801,960
Commission	35,621,272	59,684,004
Others	7,100,735	7,814,594
	<u>316,060,877</u>	<u>360,300,558</u>
17 OTHER EXPENSES		
Rent ,Rates & Taxes	5,532,366	2,621,403
Travelling & Conveyance	27,248,791	24,200,254
Charity & Donation	50,500	611,000
Postage, & Telephone charges	5,513,854	6,788,834
Legal & Retainership Charges	19,458,931	15,480,146
Vehicle upkeep & Maintenance	6,518,336	6,847,006
Water & Electricity Charges	1,138,511	840,208
Repair and Maintenance others	9,892,022	6,564,438
Insurance	12,999,066	18,749,282
Auditors' Remuneration	650,000	810,000
Printing & Stationery	1,900,020	3,567,664
Licence, Inspection and Testing Fees	3,054,834	2,845,133
Miscellaneous expenses	6,186,614	5,350,997
Directors Sitting Fees	57,000	31,500
Loss on sale/devaluation of Raw Materials	2,512,963	9,619,642
Loss On sale of Fixed Assets	23,465	-
Miscellaneous Expenditure written off	48,214	48,214
	<u>102,785,486</u>	<u>104,975,720</u>

SCHEDULES

18. NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i. Recognition of Income and Expenditure

All revenues and expenditures are accounted for on accrual basis except wherever stated otherwise.

ii. Sales

Sales, other than export sales, are inclusive of Excise Duty and shown net of returns and discounts.

The Company is engaged in the business of manufacturing & sales of various types of films of various dimensions and grades. As per the company's usual policy, the low grades / surplus of films are sold at special discounted prices and such discounts are adjusted in unit sale price.

iii. Fixed Assets

Fixed Assets are stated at cost less depreciation.

iv. Depreciation

Depreciation on fixed assets has been calculated on Straight Line method on pro-rata basis at the rates specified in Schedule-XIV of the Companies Act, 1956. However in case of plant and machineries where ever applicable, higher depreciation rates has been charged based upon residual useful life.

v. Investments

Current Investments are valued at acquisition cost or market value whichever is lower. Long-term investments are valued at acquisition cost. Diminution in value of Long-term investment is provided only if such a diminution is other than temporary in the opinion of the management

vi. Inventories

Raw materials, stores, spares & tools are valued at cost (Cost formula FIFO basis).

Scrap is valued at estimated realisable value.

Finished goods are valued at lower of cost and net realisable value.

Stock of material sold by one unit to other is valued at transfer price.

vii. Excise Duty

Excise duty is accounted for and included in the closing stock of finished goods.

viii. Foreign Currency Transactions

Exchange difference arising on repayment of foreign currency liabilities taken for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are recognized as income or expenses for the year as the case may be.

Exchange difference arising due to reinstatement of outstanding foreign currency of loans taken for acquiring the fixed assets, by applying the closing rate of such foreign currency or the rate as per forward exchange contract if any, are recognized as income or expenses for the year as the case may be.

Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets, are recognised as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognised as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

ix. Export Benefits

Export incentives in the form of Duty Entitlement Passbook Scheme (DEPB) are accounted for on accrual basis and is credited to the raw material cost.

Advance licenses obtained against actual export made are being accounted on accrual basis based upon difference between domestic vs. imported raw material prices prevailing at the end of the period and is adjusted to raw material cost.

x. Employee Benefits

Short-term employee benefits are being done on yearly basis.

Long term employee benefits which are payable at the time of retirement are measured on a discounted basis by the projected unit credit method on the basis of annual third party actuarial valuation.

The actuarial valuation of the accrued liability for retirement gratuities payable to employees up to year ended has been funded and is held in a trustees administered approved fund, which is separate from the Company's finances.

xi. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of assets has been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use. All other borrowing costs are charged to revenue in the period when they are incurred.

SCHEDULES

xii. Taxation

a) Current Year Charge

Provision for Income-tax/Fringe benefit tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

b) Deferred Tax

The company provides for deferred tax using the liability method, based on the tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

xiii Earnings per share

Earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference shares dividend) by the weighted average number of equity shares outstanding during the year.

xiv. Miscellaneous Expenditure

Preliminary expenditure/ share issue expenses are being written off over a period of five years.

xv. Expenses during construction period

Expenses incurred during construction period have been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use, except where some expenditure paid during subsequent year pertaining to already installed Asset.

xvi. Impairment of Assets

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Impairment Loss is charged to Profit & Loss A/c in the year in which impairment is identified.

xvii. Contingent Liability

Contingent Liabilities, if material, are disclosed by way of notes.

	31.03.08	31.03.07
	Rs.	Rs.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	239,329,374	274,004,980
3. Contingent Liabilities:		
a. Bank Guarantees	73,851,107	239,684,631
b. Outstanding Letters of Credit (Including Capital Goods)	2072,793,360	464,961,758
c. Claims against Company, not acknowledged as debts	67,337,000	22,437,000
d. Demands raised by authorities against which, Company has filed appeals: -		
i) Income Tax	508,36,173	508,36,173
ii) Excise Duties	273,02,000	497,44,000
iii) Sales Tax	82,30,691	33,04,472
iv) Custom Duties	317,86,000	282,54,000
4. A sum of Rs. Nil (previous year Rs. 215976) of unpaid dividend remains to be deposited with Investor Education and Protection Fund.		
5. Remuneration to Whole Time Directors		
Salary	23,00,466	19,85,266
Provident Fund Contribution	28,080	24,960
Perquisites	2,58,255	1,74,353
	25,86,801	2,184,579
6. Remuneration to Auditors comprises:		
Audit Fee	5,00,000	4,50,000
Tax Audit Fees	1,00,000	1,00,000
In Other Capacities	50,000	2,60,000
	6,50,000	8,10,000
7. Computation of Net Profit under section 198 of the Companies Act, 1956 for the purpose of remuneration payable to Whole Time Directors has not been enumerated as no commission is payable to them.		
8. Employee Benefit		
Define Plan- Gratuity Scheme		
a) Liability Recognised in the Balance sheet date: -		

JINDAL POLY FILMS LIMITED

SCHEDULES

Present Value of obligation as at the beginning of the period	128,17,462
Interest Cost	10,25,397
Current Service Cost	25,60,792
Benefits Paid	(11,84,498)
Actuarial (gain)/loss on obligation	(958,623)
Present Value of Obligation as at the end of period (31.03.2008)	142,60,530
b) Fair Value of assets as on Balance Sheet date	114,86,284
Fair value of plan assets at the beginning of the period	10,74,056
Actual Return of plan assets	16,13,813
Contribution during the year	(11,84,498)
Benefits paid	129,89,655
Fair value of plan assets at the end of the period	(12,70,875)
c) Net Assets/(Liability) recognized in the Balance Sheet as provision	8.00%
d) Principal Actuarial Assumptions	9.25%
Rate of Discounting	5.50%
Expected rate of Return on Plan Assets	
Rate of increase in salary	

Note: This being the first year in which the Company has adopted the Revised Accounting Standard 15 on Employee Benefits, comparatives have not been included.

9. Preoperative expenditure capitalized to respective fixed assets are as under:		
Raw Material (Trial Run)	-	375,350
Salary	-	3742,647
Power & Fuel	-	5724,198
Total	-	<u>9842,195</u>

10. Term Loan installments due within one year is amounting to Rs 3111.21 Lacs. (Previous year Rs 3859.47 lacs).
11. Pursuant to the adoption of Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no. G.S.R.739 (E) dated December 7, 2006 and as required by Accounting Standard-11 on "The Effect of Change in Foreign Exchange Rates", the notional gain of Rs. 1067.17 lacs for the year ended 31st March, 2008 being exchange rate difference arising due to reinstatement of outstanding Foreign Currency Loans, and Rs 288.64 arising due to repayment of Foreign Currency Loans, taken for the acquisition of fixed assets have been recognized as other income in the profit and loss account.
12. Duty Benefit on raw material, under advance licences obtained, against which export already made, amount to Rs. 1,85,69,017 (whereas, in previous year Rs. 1, 74,20,731 on account of advance licenses excess utilized over exports made) has been adjusted in the cost of raw material.
Export Incentive under Duty Entitlement Pass Book Scheme (DEPB) amount to Rs. 8,70,57,323 (Previous year Rs. Nil) has been credited in the account of raw material.
13. Advance receivable in cash or in kind includes Rs. 2, 82,54,173 being the amount of custom duty deposited against import of capital goods assessed under provisional assessments.
14. 600 shares of Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyester Ltd.) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.
Jindal France S.A.S, has become subsidiary of the Company w.e.f. 17.12.2007 by acquiring additional 35,00,000 equity share @ Euro 1. Further, Rexor S.A.S is the subsidiary of Jindal France S.A.S.
Jindal Packaging Films Limited has been subsidiary of the Company w.e.f. 18.06.2008.
15. Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.
16. Pending full utilisation of funds raised through public offering, the balance funds have been deployed temporarily in short term investments.
17. In the opinion of the Board and to the best of their knowledge and belief, the realizable value of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
18. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant & machinery and sheds & building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.
19. a) There is no overdue outstanding as on 31.03.2008, due to small scale Industrial units covered under Small Scale and Ancillary Industrial Undertakings Act, 1993.

JINDAL POLY FILMS LIMITED

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- b) There Company has not received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
20. The Export obligation undertaken by the company for import of capital equipments under EPCG/100% EOU scheme of the Central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.
21. During the year one 100% EOU unit of the company at Nasik was debonded and allowed to operate as DTA unit under the EPCG scheme on fulfillment of the prescribed conditions. The consequent financial implications have been duly accounted for.
22. a) As per Accounting Standard 28 issued by ICAI, impairment loss on Assets at Khanvel (Being one of the unit Manufacturing PET Films of the company) was provided by the company during the year ended 31st March 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been suspended.
- b) There is no operation during the year in respect of Company's units at Gulaothi and carrying cost of these units are reflected at historical cost. The management is of view that there is no loss on account of impairment of assets as required by AS 28 issued by ICAI as the realisable value of these assets are higher than the carrying cost.
23. Previous year's figures have been regrouped and/or rearranged wherever required.
24. Additional information pursuant to the provision of the part II of Schedule II of the Companies Act, 1956 (as certified & classified by the Management)

a) Particulars of capacities and production (in MT)

Class of Goods	*Licensed Capacity	*Installed Capacity	Actual Production
i) Polyester Filament Yarn**	54,000 (54,000)	54,000 (54,000)	- -
ii) Polymer Chips	131,000 (131,000)	121,175 (121,175)	79,640.85 (69,745.93)
iii) Biaxially Oriented Polyester/ Polypropylene Film	176,000 (176,000)	176,000 (176,000)	158,706.12 (118,384.09)

*As certified by the management but not verified by the Auditors, being the technical matter.

** Refer note no. 13(b)

b) Particulars of Stock & Turnover of Goods Produced (in MT)

Class of Goods	Opening Stock		Closing Stock		Turnover	
	Qty(MT)	Value (Rs.)	Qty(MT)	Value (Rs.)	Qty(MT)	Value (Rs.)
i) Polyester Filament Yarn	-	-	-	-	-	-
	(1,003.920)	(72,656,205)	-	-	(1,003.920)	(75,201,602)
ii) Polymer Chips	1,023.742	77,500,260	763.935	51,340,623	79,900.661	4,295,962,828
	(246.355)	(18,361,842)	(1,023.742)	(77,500,260)	(68,968.539)	(4,000,927,752)
iii) Biaxially Oriented Polyester/ Polypropylene Film & Metallized	2,256.775	177,933,449	2,417.351	175,155,746	158,545.548	14,015,730,598
	(3,232.714)	(253,815,977)	(2,256.775)	(177,933,449)	(119,360.025)	(11,163,301,855)
iv) Others		6,141,301		7,784,539		78,484,870
		(5,203,299)		(6,141,301)		(71,458,129)
						18,390,178,296
						(15,310,889,338)
Less:- Inter Unit Transfer of 79900.661 MT (68968.539 MT) Polymer Chips						4,295,962,828 (4,000,927,752)
Less:- BOPP/PET Film lying under stock of raw material sent for metallizing /Coating 13.040 MT (246.304 MT)						680,595 (16,811,820)
						14,093,534,873 (11,293,149,766)

JINDAL POLY FILMS LIMITED

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c) Details of Consumption of Raw Material

Class of Goods	Quantity (MT)		Amount (Rs.)	
DMT/PTA	68055.129	(60,151.193)	2,593,827,386	(2,561,105,020)
MEG	27027.839	(24,253.901)	1,294,366,957	(1,100,139,128)
POLYMER CHIPS	86672.101	(68,942.922)	4,360,123,106	(4,002,102,480)
PP CHIPS & HOMO/CO POLYMER	67419.18	(46,248.242)	3,915,393,947	(2,758,904,701)
OTHERS			279,916,515	(241,532,647)
			12,443,627,911	(10,663,783,976)
Less:- Inter Unit Transfer Polymer Chips 79900.661 MT (68968.539 MT)			(4,288,374,926)	4,000,927,752
Less:- Sales of MEG/DMT/Additives Nil (6.000 MT)			-	547,050
Less:- Sale of Chips MT Nil (107.519 MT)			-	1,732,572
Less:- Transfer for trial run			-	375,350
Add:- Opening Export Benefits			(17,420,732)	(35,089,748)
Less Closing Export Benefits (Refer Note No-15)			(105,626,340)	(17,420,732)
(Consumption in value is net of modvat)			8,032,205,913	(6,712,711,732)

d) Details of regarding imported and indigenous material consumed

PARTICULARS	IMPORTED		INDIGENOUS		TOTAL	
	Value (Rs.)	%	Value (Rs.)	%	Value (Rs.)	%
Raw Material	1,310,868,675	16	6,721,337,238	84	8,032,205,913	100
	(2,118,724,226)	(32)	(4,593,987,506)	(68)	(6,712,711,732)	(100)
Stores & spares	67,245,236	58	48,864,658	42	116,109,894	100
	(54,794,112)	(55)	(44,339,005)	(45)	(99,133,117)	(100)
			2008		2007	
			(Rs.)		(Rs.)	

e) Details of imports calculated on CIF basis

Raw Material	1,342,309,925	(2,157,062,355)
Stores & spares	73,515,459	(53,529,118)
Capital Goods	395,894,118	(1,064,372,980)

f) Details of Expenditure in Foreign Currency

Foreign Travelling	2,410,421	(3,106,539)
Interest	86,321,356	(137,228,845)
Commission	5,265,535	(3,949,264)
Others	10,723,977	(2,881,603)

g) Earning in Foreign Currency

FOB Value of Exports	3,524,569,210	(3,522,207,306)
----------------------	----------------------	-----------------

h) Dividend Paid to Non resident Share holder in Foreign Currency

(i) Number of share holders	2	(2)
(ii) Dividend remitted	5,544,000	(5,544,000)

i) Other Additional Information

Nil Nil

j) Previous Year's figures have been given in brackets.

25 Earning Per Share

Profit after Tax and all Preference dividends in Rs.	1,325,748,341	649,708,448
Weighted average no. of Equity shares outstanding	28,095,880	28,095,880
Basic and Diluted earnings per share in Rupees	47.19	23.12

26 No loans & advances have been given during the year and there is no outstanding at the year end of the company which is required to be disclosed under clause 32 in terms of listing agreement

27 Segment Reporting Policies

i) Primary Segment

Business Segment : The Company's operating business are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

SCHEDULES

ii) Secondary Segment

Geographical Segment : The analysis of geographical segment is based on the geographical location of the customers.

iii) Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

PRIMARY SEGMENT	31st March,2008	Rs./Lacs 31st March,2007
Segment revenue		
a) Polyester Yarn/Chips Division	-	806
b) PET/OPP Film Division	183,895	152,135
c) Other Revenue	1,964	1,237
Total	185,859	154,178
Less:- Inter Segment revenue	42,960	40,009
Total revenue	142,900	114,169
Segment profit before interest & tax		
a) Polyester Yarn/Chips Division	(742)	(956)
b) PET/OPP Film Division	19,577	10,504
c) Other Revenue	1,964	1,237
Total	20,799	10,785
Less:- Interest	1,408	1,755
Less:-Unallocable Expenditure	0	0
Profit before tax	19,391	9,030
Capital Employed		
a) Polyester Yarn/Chips Division	3,056	3,940
b) PET/OPP Film Division	109,064	102,283
c) Others	9,231	8,521
Total	121,351	114,744
SECONDARY SEGMENT		
Sales in Domestic market	104,518	76,537
Sales in Overseas market	36,418	36,394
	140,935	112,931

The company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for capital employed can not be furnished.

28 As required by Accounting Standard-18 "Related party disclosure" issued by the Institute of Chartered Accountants of India are as follows:-

List of Related parties

A. Companies/Individuals/Associates

- 1 Sh. B.C.Jindal
- 2 Sh. S.S.Jindal
- 3 Smt. Subhadra Jindal
- 4 Miss Akriti Jindal
- 5 Agile Properties Ltd.
- 6 Bajaloni Group Ltd.
- 7 Consolidated Finvest & Holdings Ltd.
- 8 Consolidated Buildwell Ltd.
- 9 Consolidated Photo & Finvest Ltd.
- 10 Consolidated Realtors Ltd.
- 11 Jesmine Investment Ltd.
- 12 Jindal Imaging Ltd.
- 13 Jindal India Ltd
- 14 Jindal Meadows Ltd.
- 15 Jindal Photo Investments Ltd

JINDAL POLY FILMS LIMITED

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- 16 Jindal Photo Ltd
- 17 Jindal Realtors Ltd
- 18 Jindal India Thermal Power Ltd.
- 19 Jumbo Finance Ltd
- 20 Jupax Barter Pvt..Ltd
- 21 Pasion Tea Private Ltd.
- 22 Rishi Trading Co. Ltd
- 23 Soyuz Trading Co. Ltd
- 24 Vigil Farms Ltd.
- 25 Jindal India Finvest & Holdings Limited
- 26 Mandakini Coal Company Limited
- 27 Jindal India Power Tech Limited
- 28 Jindal India Power Ventures Limited
- 29 Jindal Buildmart Limited
- 30 Jindal Realmart Private Limited
- 31 Hindustan Powergen Limited
- 32 Indian Software Consultancy Limited
- 33 Hanuman Coke Plant Pvt. Ltd.
- 34 Shekhavati Vanijya Vikas Pvt. Ltd.

B. Subsidiary Companies

- 1 Hindustan Thermal Power Generation Limited
(Formerly Hindustan Polyesters Ltd.)
- 2 Jindal France SAS
- 3 Rexor SAS

C. Key Management personnels

- 1 Sh. Sameer Banerjee
- 2 Sh. Sumant Singhal
- 3 Sh. Punit Gupta

Details of Transactions with related parties are as follows :

	31st March,2008	Rs/Lacs 31st March,2007
1 <u>Sales and other Income</u>		
Subsidiary Companies	1,865.83	Nil
Companies/Individuals	5.73	3,982.76
2 <u>Remuneration/Sitting fees</u>		
Key Management personnel	25.87	21.84
3 <u>Purchases and other services</u>		
Companies/Individuals	144.11	126.12
Subsidiary Companies	Nil	Nil
Key Management personnels	Nil	Nil
4 <u>Shares subscribed by the company</u>		
Companies/Individuals	430.00	Nil
5 <u>Outstanding at the year end</u>		
i. <u>Due to company</u>		
Subsidiary Companies	130.99	Nil
Companies/Individuals	57.90	216.78
Key Management personnels	Nil	Nil
ii. <u>Payable by the company</u>		
Subsidiary Companies	29.78	Nil
Companies/Individuals	1.05	11.81
Key Management personnels	Nil	Nil
6 Neither any advance is doubtful nor any written off during the year.		

SCHEDULES

29. Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. State Code
 Balance Sheet Date

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue <input type="text" value="NIL"/>	Rights Issue <input type="text" value="NIL"/>
Bonus Issue <input type="text" value="NIL"/>	Private Placement <input type="text" value="NIL"/>

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities <input type="text" value="12135150"/>	Total Assets <input type="text" value="12135150"/>
Sources of Funds	Reserves & Surplus
Paid-up Capital <input type="text" value="280959"/>	<input type="text" value="8847669"/>
Secured Loans <input type="text" value="1705911"/>	Unsecured Loans <input type="text" value="21211"/>
Deferred Tax Liability <input type="text" value="1298491"/>	
Application of Funds	Investment
Net Fixed Assets <input type="text" value="9279969"/>	<input type="text" value="1010374"/>
Net Current Assets <input type="text" value="1844759"/>	Misc. Expenditure <input type="text" value="48"/>
Accumulated Losses <input type="text" value="NIL"/>	

IV Performance of Company (Amount in Rs. Thousands)

Turnover <input type="text" value="12762343"/>	Total Expenditure <input type="text" value="10823223"/>
Profit before tax <input type="text" value="1939119"/>	Profit after tax <input type="text" value="1325748"/>
Earning Per Share (in Rs.) <input type="text" value="47.19"/>	Dividend rate % <input type="text" value="20"/>

V Generic Names of Three Principal products/services of the Company

Item Code No. (ITC code)	Product Description
<input type="text" value="390700.00"/>	<input type="text" value="POLYESTER CHIPS"/>
<input type="text" value="392069.00"/>	<input type="text" value="BIAXIALLY ORIENTED"/>
<input type="text" value="392099.00"/>	<input type="text" value="POLYESTER FILM"/>
	<input type="text" value="BIAXIALLY ORIENTED"/>
	<input type="text" value="POLYPROPYLENE FILM"/>

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M No : 016121

Place: New Delhi
Date: 03.09.2008

(S. BANERJEE)

Whole Time Director (Marketing)

(S. MITTAL)

Whole Time Director (Accounts)

(S. SINGHAL)

Whole Time Director & COO

(L.P. SONI)

Vice President (Fin.) & Secretary

JINDAL POLY FILMS LIMITED

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1. Name of the Subsidiary	JINDAL FRANCE S.A.S.	REXOR S.A.S.	HINDUSTAN THERMAL POWER GENERATION LTD.
2. Financial Year of the Subsidiary	31 st March, 2008	31 st March, 2008	31 st March, 2008
3. Holding Company's interest as on 31.3.2008	Holding of 7063000 Equity Shares of Euro 1/- each out of total subscribed Equity Share Capital of 7228000 Shares.	Holding of 39,000 Equity Shares of Euro 35.06/- each being the total issued and subscribed Equity Share Capital by Jindal France S.A.S.	Holder of 50,000 Equity Shares of Rs. 10/- each being the total issued, subscribed and paid up Equity Share Capital.
4. Net aggregate amount of the Subsidiary's profit/(Loss) so far as they concern members of Holding Company and not dealt with in the Holding Company's accounts :-			
1. For Subsidiary's Period ended 31 st March, 2008 since it became subsidiary.	Profit 423.74 Lacs	Profit Rs. 114.11 Lacs	N.A.
2. For Subsidiary's previous Financial Year	N.A.	N.A.	N.A.
3. Net aggregate amount of the Subsidiary's profit/(Loss) so far as they concern members of Holding Company and dealt with in the Holding Company's accounts :-			
1. For Subsidiary's Period ended 31 st March, 2008 since it became subsidiary.	Nil	Nil	Nil
2. For Subsidiary's previous Financial Year	Nil	Nil	Nil

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M. No. 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi

Date: 03.09.2008

(S. MITTAL)

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

Details of Subsidiary Companies

PARTICULARS	JINDAL FRANCE S.A.S (Rs.)	REXOR S.A.S (Rs.)	HINDUSTAN THERMAL POWER GENERATION LIMITED (Rs.)
A) CAPITAL	452,237,890	85,561,056	500,000
B) RESERVES	(243,200)	380,842,741	-
C) TOTAL ASSETS	708,291,692	1,109,710,882	761,453
D) TOTAL LIABILITIES	256,297,002	643,307,085	261,453
E) DETAILS OF INVESTMENTS (Except in case of investment in the subsidiaries)	132,103,080	-	-
F) TURNOVER	63,568,641	525,642,877	-
G) PROFIT BEFORE TAXATION	3,212,355	9,725,685	-
H) PROVISION FOR TAXATION	(39,161,191)	(1,685,422)	-
I) PROFIT AFTER TAXATION	42,373,547	11,411,108	-
J) PROPOSED DIVIDEND	-	-	-

Note- 1). The financial statements of foreign subsidiaries have been converted into Indian Rupees at an appropriate exchange rate.

2). The above details have been annexed in terms of letter no. 47/387/2008-CL-III dated 25th June, 2008 Issued by Govt. of India, Ministry of Corporate Affairs U/s 212(8) of the companies Act, 1956.

Auditors' Report on Consolidated Financial Statement

To The Board of Directors of Jindal Poly Films Limited

We have audited the annexed consolidated Balance Sheet of M/S JINDAL POLY FILMS LIMITED and its subsidiary as at 31st March 2008, and consolidated Profit & Loss Account and the Consolidated Cash Flow Statement, both annexed there to, for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statement of subsidiaries viz., Jindal France S.A.S. and Rexor S.A.S., whose financial statement reflects total assets of Rs. 12,635.55 lakhs as at 31st March 2008, and total revenues of Rs. 5026.60 lakhs for the year ended 31st March 2008. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that consolidated that financial statements have been prepared by the company in accordance with the requirements of accounting standard 21, "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India and on the basis of the separated financial statements of Jindal Poly Films Ltd. and its subsidiary included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Jindal Poly Films Limited and its subsidiaries, we are of the opinion that the said financial statements give a true and fair view in conformity with the accounting principal generally accepted in India:

- i) In the case of the consolidated balance sheet, the consolidated state of affairs of Jindal Poly Films Limited and its subsidiary as at 31st March 2008.
- ii) In the case of the consolidated Profit & Loss Account, the consolidated results of operations of Jindal Poly Films Limited and its subsidiary for the year ended 31st March 2008.
- iii) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Jindal Poly Films Ltd. and its subsidiary for the year ended 31st March 2008.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: New Delhi
Date : 03.09.2008

R.K.KANODIA
(PARTNER)
M. No. 016121

CONSOLIDATED BALANCE SHEET AS AT 31 st MARCH 2008

	SCHEDULE	31.03.2008		31.03.2007	
		Rs.		Rs.	
SOURCES OF FUNDS					
SHAREHOLDER'S FUNDS					
Share Capital	1	280,958,800		280,958,800	
Reserves & surplus	2	8,862,741,886	9,143,700,686	7,614,804,689	7,895,763,489
Minority Interest			8,692,967		-
LOAN FUNDS					
Secured Loans	3	2,116,795,996		2,371,101,985	
Unsecured Loans	4	118,922,371	2,235,718,367	2,176,001	2,373,277,986
Deferred Tax Liability (Net)	8B		1,292,011,800		1,232,619,537
			12,680,123,820		11,501,661,012
APPLICATION OF FUNDS					
FIXED ASSETS					
Goodwill on consolidation	5	52,955,086		-	
Gross Block		14,193,501,041		12,397,937,866	
Less: Depreciation		5,604,311,842		3,840,251,303	
Net Block		8,642,144,286		8,557,686,563	
Add: Capital Work in Progress		969,512,077	9,611,656,363	452,982,281	9,010,668,844
INVESTMENTS	6		731,192,947		959,186,180
CURRENT ASSETS, LOANS & ADVANCES					
Inventories		1,417,218,917		1,062,197,509	
Sundry Debtors		1,377,311,928		872,520,533	
Cash & Bank Balances		88,002,803		77,830,927	
Loans & Advances		898,046,411		522,735,312	
		3,780,580,059		2,535,284,281	
LESS: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	8A	1,327,084,477		886,127,103	
Provisions		116,750,868		117,589,408	
		1,443,835,345		1,003,716,511	
Net Current Assets			2,336,744,714		1,531,567,769
Miscellaneous Expenditure	9		529,797		238,219
(To the extent not written off or adjusted)					
			12,680,123,820		11,501,661,012
Notes on Accounts	18				

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M No : 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008**(S. MITTAL)**

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

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

	SCHEDULE	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
INCOME			
Sales		14,410,835,004	11,293,149,766
Less :Excise Duty		1,500,681,254	1,095,063,971
NET SALES		12,910,153,750	10,198,085,795
Other Income	10	234,646,962	123,725,220
Accretion/(Decretion) in Stock	11	(66,380,729)	(88,809,346)
		13,078,419,982	10,233,001,669
EXPENDITURE			
Raw Material Consumed	12	8,050,094,489	6,712,711,732
Manufacturing Expenses	13	1,520,964,519	1,253,776,124
Excise on Increase/(Decrease) in Stock		(7,662,178)	(5,868,055)
Personnel Expenses	14	268,542,047	122,975,704
Interest & Financial charges	15	194,591,470	175,464,617
Selling & Distribution Expenses	16	336,779,991	360,300,558
Other Expenses	17	161,958,260	104,975,720
Depreciation	5	640,203,675	605,551,820
		11,165,472,272	9,329,888,221
PROFIT FOR THE YEAR		1,912,947,710	903,113,448
<u>Less :- Provision for Taxation</u>			
-Current tax (Including FBT)		513,132,124	127,700,000
-Deferred tax		59,392,263	125,705,000
Share of Profit/(Loss) of Minority		367,785	-
PROFIT AFTER TAX		1,340,055,538	649,708,448
Less:- Share of Loss in Associates		162,876	5,621,796
		1,339,892,662	644,086,652
Add: Balance as per last Balance Sheet		553,923,971	471,824,346
Less: Income tax for earlier years		-	1,867,273
		1,893,816,633	1,114,043,725
APPROPRIATIONS			
<u>Proposed Dividend</u>			
-Equity Shares		56,191,760	56,191,760
-Tax on Proposed Dividend		9,549,790	9,549,790
Transfer to General Reserve		500,000,000	500,000,000
Balance carried forward		1,328,075,083	548,302,175
		1,893,816,633	1,114,043,725
Earning per Share(Basic and Diluted)		47.69	22.92
Notes on Accounts	18		

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M No : 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008**(S. MITTAL)**

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31/03/2008	Year ended 31/03/2007
A. Cash Flow from Operating activities:		
Net Profit before tax and extraordinary items	1,912,947,710	903,113,448
Adjustment for:		
Depreciation	640,203,675	605,551,820
(Profit)/Loss on sale of Assets (net)	23,465	(1,538,008)
(Profit)/Loss on sale of Investment (net)	(49,314,305)	(90,247,935)
Interest Income	(2,133,026)	(1,200,946)
Dividend Income	(1,026,844)	(7,641,904)
Interest on Borrowings	171,166,584	155,988,776
Miscellaneous Expenditure amortised	48,214	48,214
	758,967,762	660,960,017
	2,671,915,472	1,564,073,466
Operating Profit before Working Capital changes		
Adjustments for:		
Inventories	(355,021,408)	92,133,204
Trade receivables	(504,791,395)	(333,637,264)
Loans & Advances	(375,311,099)	(145,768)
Trade Payables and Other Liabilities	433,295,196	(390,271,082)
	(801,828,706)	(631,920,910)
Cash Generated from Operations	1,870,086,766	932,152,556
Direct Taxes paid	(540,676,363)	(86,483,670)
Net Cash from Operating Activities (A)	1,329,410,403	845,668,886
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(919,114,688)	(1,093,348,547)
Sale of Fixed Assets	40,000	2,000,000
Purchase of Investments	(903,917,816)	(967,048,781)
Sale of Investments	875,401,651	1,781,634,303
Pre-operative Expenditure Incurred	(339,792)	(6,618)
Interest Received	2,133,026	1,200,946
Dividend Received	1,026,844	7,641,904
	(944,770,775)	(267,926,793)
Net Cash used in Investment Activities (B)		
C. Cash Flow from Financing Activities:		
Repayment of Borrowings	(137,559,618)	(372,093,838)
Dividend paid	(65,741,550)	(73,612,747)
Interest Paid	(171,166,584)	(155,988,776)
	(374,467,752)	(601,695,361)
Net Cash from Financing Activities (C)		
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	10,171,876	(23,953,268)
Cash and Cash equivalents as at 1st April (Opening Balance)	77,830,927	101,784,195
Cash and Cash equivalents as at period end (Closing Balance)	88,002,803	77,830,927
Notes on Accounts	18	

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M No : 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008**(S. MITTAL)**

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

SCHEDULES**1 SHARE CAPITAL**

	31.03.2008 Rs.	31.03.2007 Rs.
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/- each	300,000,000	300,000,000
175,000,000 (175,000,000) Preference Shares of Rs.10/- each	1,750,000,000	1,750,000,000
	<u>2,050,000,000</u>	<u>2,050,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
28,095,880 (28,095,880) Equity Shares of Rs. 10/- each	280,958,800	280,958,800
	<u>280,958,800</u>	<u>280,958,800</u>

Notes on Share capital :-

- 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
- 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves.

2. RESERVES & SURPLUS

	31.03.2008 Rs.	31.03.2007 Rs.
CAPITAL RESERVE		
As per last Balance sheet	1,090,000	1,090,000
Capital Reserve/(Goodwill) due to consolidation of Associates	(1,297,819)	32,764,536
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	4,188,200,360	4,188,200,360
EXPORT PROFIT RESERVE		
As per last Balance sheet	60,000	60,000
AMALGAMATION RESERVE		
As per last Balance sheet	422,832,200	422,832,200
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	1,291,400,000	1,291,400,000
Foreign Currency Translation Reserve	2,226,644	
GENERAL RESERVE		
As per last Balance sheet	1,130,155,418	630,155,418
Add : Transferred from Profit & Loss account	500,000,000	500,000,000
	<u>1,630,155,418</u>	<u>1,130,155,418</u>
BALANCE CARRIED FORWARD IN PROFIT & LOSS ACCOUNT		
	1,328,075,083	548,302,175
	<u>8,862,741,886</u>	<u>7,614,804,689</u>

3. SECURED LOANS**(A) TERM LOANS FROM BANKS**

Foreign Currency Loans	1,638,682,152	1,712,389,354
------------------------	---------------	---------------

(B) WORKING CAPITAL LOANS FROM BANK

(Includes bill discounting of Rs. Nil, Previous year Rs 4999.64 lacs)	478,113,844	658,712,631
--	-------------	-------------

	<u>2,116,795,996</u>	<u>2,371,101,985</u>
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SCHEDULES

Notes on Secured Loans :

- (i) Term loans from banks are secured by first pari-pasu equitable mortgage of immovable properties of the company situated at Gulaothi (U.P). & Nasik (Maharastra) and hypothecation of all movable assets (save and except book debts) subject to prior charge of the banks for working capital requirements.
- (ii) Working Capital Loans from banks are secured by way of hypothecation of all stocks of raw materials, semi finished goods, finished goods, goods in transit, stores and spares and book debts of the company. These are further secured by way of second pari-pasu charge on immovable properties of the company situated at Gulaothi (U P) & Nasik (Maharastra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

4. UNSECURED LOANS

Bank	116,801,572	-
Security Deposits	2,120,799	2,176,001
	118,922,371	2,176,001

SCHEDULE 5

FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS AT 01.04.2007	Transferred at 17.12.2007	ADDITIONS	SALE/ ADJUSTMENT	TOTAL 31.03.08	AS AT 01.04.2007	Transferred at 17.12.2007	FOR THE YEAR	SALE/ ADJUSTMENT	TOTAL 31.03.08	AS AT 31.03.08	AS AT 31.03.2007
Land (Freehold)	42,694,265	11,679,788	8,764,342	-	63,138,395	-	3,007,244	-	-	3,007,244	60,131,151	42,694,265
Intangible Assets	-	19,962,036	4,709,643	451,800	24,219,879	-	17,687,895	901,924	-	18,589,819	5,630,061	-
Factory Buildings	1,266,584,564	326,187,402	10,449,481	1,772,475	1,601,448,973	266,228,868	202,475,187	45,921,243	-	514,625,298	1,086,823,675	1,000,355,696
Other Buildings	208,152,304	-	1,314,277	-	209,466,581	29,541,536	-	3,399,456	-	32,940,992	176,525,588	178,610,767
Plant & Machinery	10,767,446,010	863,449,081	380,369,079	82,588,764	11,928,675,406	3,474,563,955	768,558,022	577,155,407	52,472,552	4,767,804,832	7,160,870,574	7,292,882,055
Furniture & Fixture	15,409,840	200,203,236	6,698,259	579,750	221,731,585	10,989,134	161,400,312	4,068,853	-	176,458,299	45,273,285	4,420,705
Office Equipments	27,330,698	30,167,483	3,724,965	754,547	60,468,599	10,766,820	22,775,946	2,020,176	10,535	35,552,407	24,916,192	16,563,878
Computers	38,080,690	-	4,389,476	-	42,470,166	29,249,080	-	3,598,599	-	32,847,678	9,622,487	8,831,610
Vehicles	32,239,497	435,345	9,206,616	-	41,881,458	18,911,910	435,345	3,138,018	-	22,485,272	19,396,186	13,327,587
TOTAL	12,397,937,867	1,452,084,372	429,626,139	86,147,336	14,193,501,041	3,840,251,303	1,176,339,952	640,203,675	52,483,087	5,604,311,842	8,589,189,200	8,557,686,564
Capital work in Progress	452,982,281	19,862,866	871,371,872	374,704,941	969,512,077	-	-	-	-	-	969,512,077	452,982,281
GRAND TOTAL	12,850,920,147	1,471,947,238	1,300,998,011	460,852,277	15,163,013,118	3,840,251,303	1,176,339,952	640,203,675	52,483,087	5,604,311,842	9,558,701,277	9,010,668,844
PREVIOUS YEAR	10,852,182,404	-	1,793,361,175	878,732,147	11,766,811,431	2,649,679,602	-	594,690,323	892,603	3,243,477,322	8,523,334,109	8,202,502,802

Addition to Plant & Machinery has been adjusted by Rs.Nil (Net), Previous Year Rs.47,407,988/- (Net) being the amount of foreign exchange fluctuation arising on Foreign Currency Loans taken for Plant & Machinery.

6. INVESTMENTS

A) LONG TERM INVESTMENTS	FACE VALUE Rs.	NUMBER OF SHARES/UNITS		31.03.2008		31.03.2007	
		31.03.2008	31.03.2007	Rs.	Rs.		
(I) Non Trade							
(i) Equity Shares (Quoted)							
Phil Corporation Ltd.	10	300	300	8,450		8,450	
India Foils Ltd.	10	100	100	12,500		12,500	
Garware Polyester Ltd.	10	100	100	11,850		11,850	
Ester Industries Ltd.	5	500	500	4,375		4,375	
Coheris	EURO 1	683291	-	275,843,027		-	
LESS: Provision for Devaluation in market value				(143,739,947)		-	
(ii) Equity Shares (Un Quoted)							
Jindal France SAS	EURO 1	-	3563000	-		237,841,088	
Last Year Original Cost (including Capital Reserve of Rs.327,64,536)						243,462,884	
Less:- Loss from Associates in 2006-07						5,621,796	
Jindal Buildmart Limited	10	330,000	-	31,539,305		-	
Original Cost (including Goodwill of Rs.12,97,819)				31,702,181		-	
Less:- Loss from Associates in 2007-08				162,876		-	
Jindal India Power Tech Limited (Rupee 1 partly paid up)	10	10,000,000	-	10,000,000		-	

SCHEDULES

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS		FACE VALUE	
		31.03.2008	31.03.2007	31.03.2008 Rs.	31.03.2007 Rs.
(iii) Equity shares warrant					
Garware Polyester Ltd.		11	11	121	121
				173,679,681	237,878,384
(II) Trade					
(a) Equity Shares (Quoted)					
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	30,367,898	30,367,898
				30,367,898	30,367,898
TOTAL 'A'				204,047,579	268,246,282
INVESTMENT OF UNUTILISED IPO MONEY					
B) CURRENT INVESTMENTS					
(I) UTI Floating Rate Fund-Short Term Plan (Growth Option)	1000	-	26,222	-	30,000,000
(II) DSPML Floating Rate Fund -Regular Plan-Growth	10	-	2,581,733	-	30,000,000
(III) TFRSIG Tata Floating Rate Short Term Inst.Plan-Growth	10	-	9,122,218	-	100,000,000
(IV) LICMF Floating Rate Fund-Short Term Plan-Growth Plan	10	1,047,336	13,318,491	11,859,095	150,000,000
(V) FRPCG ICICI Prudential Floating Rate Plan C-Growth	10	-	21,059,206	-	220,939,898
(VI) UTI Fixed Maturity Plan Yearly Series YFMP/0307-Growth Plan	10	5,000,000	5,000,000	50,000,000	50,000,000
(VII) B836G Birla FTP-Instl-Series-T- Growth	10	6,000,000	6,000,000	60,000,000	60,000,000
(VIII) Franklin Templeton Fixed Tenure Fund Series VII 370days plan Growth	10	5,000,000	5,000,000	50,000,000	50,000,000
(IX) Templeton Floating Rate INCOME FUND Short Term Plan Institutional Option Growth	10	3,180,864	-	35,286,273	-
(X) UTI Fixed Maturity Plan Yearly Series YFMP/0407 Institutional Growth Plan	10	10,000,000	-	100,000,000	-
(XI) HSBC Fixed Term Series 28-Inst. Growth UCC-MFHSBC0039	10	10,000,000	-	100,000,000	-
(XII) 1811G ICICI Prudential FMP-Series 38- One Year Plan A - Institutional Growth	10	4,000,000	-	40,000,000	-
(XIII) Templeton Fixed Horizon Fund Series II- Plan A - Institutional- GROWTH	10	8,000,000	-	80,000,000	-
TOTAL 'B'				527,145,368	690,939,898
(Net Asset Value of Mutual Funds is Rs. 5754.29 lacs (Previous Year Rs.7377.70 lacs))					
TOTAL (A+B)				731,192,947	959,186,180
Aggregate value of quoted Investments				30,405,073	30,405,073
Aggregate value of unquoted Investments				700,787,874	928,781,107
Market Value of Quoted Investments				71,604,456	30,317,635

MOVEMENT DURING THE YEAR

	FACE VALUE	NO. OF UNITS	Cost in Rs.
(Purchased and Sold)			
Mutual Fund Units			
i) Templeton Floating Rate INCOME FUND Short Term Plan Institutional Option Growth	10	2,227,807	24,713,727
ii) HDFC Cash Management Fund- Saving Plus Plan- Wholesale- Daily Dividend Option Reinvest	10	9,000,637	90,289,887
iii) B47 Birla Sunlife Cash Manager-IP-Daily Dividend-Reinvestment	10	8,004,741	80,063,418
iv) UTI Liquid Cash Plan Institutional- Daily Income Option-Reinvestment	1000	98,171	100,080,416

SCHEDULES

7. CURRENT ASSETS, LOANS AND ADVANCES	31.03.2008		31.03.2007	
	Rs.		Rs.	
A. CURRENT ASSETS				
STOCK IN TRADE				
(As per Inventories taken, valued and certified by the Management)				
Finished Goods	432,250,219		258,434,144	
Raw Material (Including in Transit Rs.5,84,02,788, Previous Year Rs 6,46,40,550)	689,215,799		584,987,061	
Scrap	7,784,539		2,793,833	
Store, Spares and Tools	287,968,360	1,417,218,917	215,982,472	1,062,197,509
SUNDRY DEBTORS				
(Unsecured, considered Good)				
Debts exceeding six months	22,353,616		26,018,602	
Other Debts	1,354,958,312	1,377,311,928	846,501,931	872,520,533
CASH & BANK BALANCES				
Cash & stamps in hand (including Drafts/ Cheques)	6,311,974		128,174	
Balance with Schedule Banks				
In Current Accounts	75,642,080		48,549,004	
In Fixed deposit Accounts (Fixed Deposits of Rs.60,48,749/-pledged as Margin Money with appropriate authority Previous Year Rs 2,90,64,649)	6,048,749	88,002,803	29,153,749	77,830,927
B. LOANS AND ADVANCES				
(Unsecured -considered Good)				
Advances (Recoverable in cash or in kind or for value to be received)	558,533,779		447,713,810	
Capital Advances	224,623,301		-	
Security Deposits	15,219,929		28,826,907	
Balance with Central Excise	99,669,402		46,194,595	
Advance Income Tax (Including Tax deducted at source)	-	898,046,411	-	522,735,312
		3,780,580,059		2,535,284,281
8.A CURRENT LIABILITIES AND PROVISIONS				
(1) CURRENT LIABILITIES				
Sundry Creditors				
For Capital Goods	134,626,737		111,739,246	
Others	628,869,250		447,139,497	
Other Liabilities	301,322,679		175,493,258	
Advance from customers	247,160,431		133,704,032	
Unclaimed dividend	2,098,004		2,328,063	
Interest on Loans accrued but not due	13,007,376	1,327,084,477	15,723,008	886,127,103
(2) PROVISIONS				
Provision of Excise Duty on Finished Goods	29,513,681		37,175,859	
Proposed dividend	56,191,760		56,191,760	
Tax on Proposed dividend	9,549,790		9,549,790	
Provision for Taxation (Net of Advance Tax Rs.69,37,19,226 Previous year Rs.15,30,42,866 including tax deducted at source)	21,495,637	116,750,868	14,671,999	117,589,408
		1,443,835,345		1,003,716,511
8.B DEFERRED TAX				
DEFERRED TAX LIABILITY				
Difference between book and tax depreciation	1,232,619,537		1,106,914,537	
Current year change	59,392,263	1,292,011,800	125,705,000	1,232,619,537
		1,292,011,800		1,232,619,537

SCHEDULES

	31.03.2008 Rs.		31.03.2007 Rs.	
9 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
PRELIMINARY EXPENSES				
As per last Balance Sheet	218,296		266,510	
Less: Written off during the year	48,214	170,082	48,214	218,296
PREOPERATIVE EXPENSES				
As per last Balance Sheet	19,923		13,305	
Add: During the year	339,792	359,715	6,618	19,923
DEFERRED REVENUE EXPENDITURE				
As per last Balance Sheet	-		112,355	
Less: Written off during the year	-	-	112,355	-
	529,797		238,219	
10 OTHER INCOME				
Dividend :				
On Current Investments	433,721		7,048,781	
On Long Term Investments	593,123	1,026,844	593,123	7,641,904
Profit on sales of short term Investment		49,314,305		90,247,935
Profit on sales of Fixed Assets		-		1,538,008
Miscellaneous Receipts		25,526,150		10,171,230
Lease Rent		100,000		100,000
Recoveries on provisions of stock		15,253,374		-
Foreign exchange fluctuation (Net)		140,326,896		9,921,094
Claims Received		966,367		2,904,103
Interest Received		2,133,026		1,200,946
(Including TDS Rs. 378,962 Previous year Rs. 123,323)				
	234,646,962		123,725,220	
11 ACCRETION/(DECRETION) IN STOCK				
OPENING STOCK				
Finished Goods	258,434,144		344,945,375	
Stock of Subsidiary Company	226,845,846			
Scrap	2,793,833	488,073,823	5,091,948	350,037,323
CLOSING STOCK				
Finished Goods	413,908,554		258,434,144	
Scrap	7,784,539	421,693,093	2,793,833	261,227,977
Accretion/(Decretion)		(66,380,729)		(88,809,346)
12 RAW MATERIAL CONSUMED				
Opening stock		520,346,511		441,521,462
Stock of Subsidiary Company		152,576,705		
Add: Purchases		8,158,255,363		6,777,735,879
		8,831,178,579		7,219,257,341
Less: Sales		-		2,274,386
Less:- Loss on sale/devaluation of Raw Materials		2,512,963		970,093
Less/(Add): Cost Benefits (refer note no.11)		105,626,340		(17,420,731)
		8,723,039,276		7,233,433,593
Less:- Material Used for Trial Run		-		375,350
Less: Closing Stock		672,944,787		520,346,511
		8,050,094,489		6,713,087,082

SCHEDULES

	31.03.2008	31.03.2007
	Rs.	Rs.
13 MANUFACTURING EXPENSES		
Stores and Spare parts consumed	135,394,911	99,133,117
Power and Fuel	1,019,857,509	787,654,003
Carriage Inwards	27,124,092	25,988,976
Water charges	2,842,015	2,049,975
Job Work Charges	74,604	374,017
Repairs to Machinery	16,616,389	8,022,304
Repairs to Buildings	5,361,883	5,106,897
Packing Material consumed	313,693,116	325,446,835
	1,520,964,519	1,253,776,124
14 PERSONNEL EXPENSES		
Salaries, Wages & Bonus	246,566,900	104,058,044
Gratuity	3,385,829	3,855,079
Contribution to Provident Fund & other Funds	4,917,728	5,144,194
Staff & Workmen Welfare Expenses	10,727,517	8,899,165
Staff Recruitment & Development	2,944,073	1,019,222
	268,542,047	122,975,704
15 INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	93,630,551	123,382,647
On Bank Borrowings	32,229,153	32,606,129
Others	45,306,879	-
Financial charges	23,424,887	19,475,841
	194,591,470	175,464,617
16 SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	286,892,517	292,801,960
Commission	40,870,450	59,684,004
Others	9,017,024	7,814,594
	336,779,991	360,300,558
17 OTHER EXPENSES		
Rent ,Rates & Taxes	20,317,225	2,621,403
Travelling & Conveyance	33,924,771	24,200,254
Charity & Donation	52,837	611,000
Postage, & Telephone charges	6,864,460	6,788,834
Legal & Retainership Charges	19,458,931	15,480,146
Vehicle upkeep & Maintenance	6,518,336	6,847,006
Water & Electricity Charges	1,138,511	840,208
Repair and Maintenance others	13,279,165	6,564,438
Insurance	15,694,921	18,749,282
Auditors' Remuneration	1,172,940	810,000
Printing & Stationery	2,920,939	3,567,664
Licence, Inspection and Testing Fees	3,054,834	2,845,133
General Outsourcing	10,504,226	-
Wastage Removal	1,831,488	-
Miscellaneous expenses	19,653,977	5,350,997
Provision for possible loss	2,929,058	-
Directors Sitting Fees	57,000	31,500
Loss on sale/devaluation of Raw Materials	2,512,963	9,619,642
Loss On sale of Fixed Assets	23,465	-
Miscellaneous Expenditure written off	48,214	48,214
	161,958,260	104,975,720

SCHEDULES**SCHEDULE-18****SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT****1) Principles of consolidation**

- i. The consolidated financial statements relates to Jindal Poly Films Limited, its Subsidiary and Associate Company as at 31st March, 2008. Same have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- ii. The Financial Statements of the Subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra group balances/transactions, resulting in unrealized profits or losses.
- iii. Investment in Associate Companies has been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the ICAI.
- iv. Capital reserve arising on investments in Associate Companies is retained under the head "Investments in Associate Company" and is disclosed separately.
- v. The details of Subsidiary & Associate companies whose financial statements are consolidated are as under:-

S. No	Name of Companies	Country of Incorporation	Percentage of Voting Power	Percentage of ownership	Main Activity of the Subsidiary
1	Subsidiaries Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyesters Ltd.)	India	100%	100%	Generation, transmission of Power.
2	Jindal France S.A.S, La Feydeliere, 38850 Paladru, France.	France	97.72%	97.72%	Management Company
3	REXOR S.A.S,* La Feydeliere, 38850 Paladru, France.	France	97.72%	97.72%	Metaliser and coating of polyester film, hot stamping foil films, Lamination, etc.
4	Associate Jindal Buildmart Ltd., Plot No-12, Sector B1 LSC Vasant Kunj-Delhi.	India	28.70%	28.70%	Property Developments

* Subsidiary of Jindal France S.A.S., France

- vi. The consolidated financial statements are based, in so far they relate to audited accounts included in respect of subsidiary (audited by their auditors) for the period from 1st April, 2007 to 31st March, 2008 except for the period 17th December, 2007 to 31st March in respect of Jindal France S.A.S and Rexor S.A.S. are prepared for consolidation in accordance with the requirement of AS- 21.
- vii. Minority Interest's share being profit/(loss) for the year is identified and adjusted against the income in the Profit & Loss account in order to arrive at the net income attributable to the shareholders of the Company.
- viii. 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.
- ix. The company has applied AS-23, Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI. In accordance with the disclosure requirement of AS-23 relating to associate company are given below :-
The company recognizes the investee entity as associate which is not considered as subsidiary, but in which it holds directly or indirectly (through subsidiary) 20% or more voting power
2. Other significant accounting policies are set out under "Significant Accounting Policies "as given in the Unconsolidated Financial Statements of Jindal Poly Films Limited and its subsidiaries.

NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	31.03.08	31.03.07
	Rs.	Rs.
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	239,329,374	274,004,980
2. Contingent Liabilities:		
a. Bank Guarantees	73,851,107	239,684,631
b. Outstanding Letters of Credit (Including Capital Goods)	2072,793,360	464,961,758
c. Claims against Company, not acknowledged as debts	67,337,000	22,437,000
d. Demands raised by authorities against which, Company has filed appeals:-		
i) Income Tax	508,36,173	508,36,173
ii) Excise Duties	273,02,000	497,44,000
iii) Sales Tax	82,30,691	33,04,472
iv) Custom Duties	317,86,000	282,54,000
3. A sum of Rs. Nil (previous year Rs.215976) of unpaid dividend remains to be deposited with Investor Education and Protection Fund.		

SCHEDULES

4.	Remuneration to Whole Time Directors		
	Salary	23,00,466	19,85,266
	Provident Fund Contribution	28,080	24,960
	Perquisites	2,58,255	1,74,353
		<u>25,86,801</u>	<u>2,184,579</u>
5.	Remuneration to Auditors comprises:		
	Audit Fee	10,22,940	4,50,000
	Tax Audit Fees	1,00,000	1,00,000
	In Other Capacities	50,000	2,60,000
		<u>11,72,940</u>	<u>8,10,000</u>
6.	Computation of Net Profit under section 198 of the Companies Act, 1956 for the purpose of remuneration payable to Whole Time Directors has not been enumerated as no commission is payable to them.		
7.	Employee Benefit		
	Define Plan- Gratuity Scheme		
a)	Liability Recognised in the Balance sheet date: -		
	Present Value of obligation as at the beginning of the period		128,17,462
	Interest Cost		10,25,397
	Current Service Cost		25,60,792
	Benefits Paid		(11,84,498)
	Actuarial (gain)/loss on obligation		(958,623)
	Present Value of Obligation as at the end of period (31.03.2008)		142,60,530
b)	Fair Value of assets as on Balance Sheet date		
	Fair value of plan assets at the beginning of the period		114,86,284
	Actual Return of plan assets		10,74,056
	Contribution during the year		16,13,813
	Benefits paid		(11,84,498)
	Fair value of plan assets at the end of the period		129,89,655
c)	Net Assets/(Liability) recognized in the Balance Sheet as provision		(12,70,875)
d)	Principal Actuarial Assumptions		8.00%
	Rate of Discounting		9.25%
	Expected rate of Return on Plan Assets		5.50%
	Rate of increase in salary		
	Note: This being the first year in which the Company has adopted the Revised Accounting Standard 15 on Employee Benefits, comparatives have not been included.		
8.	Preoperative expenditure capitalized to respective fixed assets are as under:		
	Raw Material (Trial Run)		
	Salary	-	375,350
	Power & Fuel	-	3742,647
	Total	<u>-</u>	<u>5724,198</u>
		<u>-</u>	<u>9842,195</u>
9.	Term Loan installments due within one year is amounting to Rs 3926.81 Lacs. (Rs 3859.47 lacs).		
10.	Pursuant to the adoption of Accounting Standards as prescribed by Companies (Accounting Standards) Rules,2006 issued by Ministry of Corporate Affairs vide notification no.G.S.R.739 (E) dated December 7, 2006 and as required by Accounting Standard-11 on "The Effect of Change in Foreign Exchange Rates", the notional gain of Rs. 1067.17 lacs for the year ended 31st March, 2008 being exchange rate difference arising due to reinstatement of outstanding Foreign Currency Loans, and Rs 288.64 arising due to repayment of Foreign Currency Loans, taken for the acquisition of fixed assets have been recognized as other income in the profit and loss account.		
11.	Duty Benefit on raw material, under advance licences obtained, against which export already made, amount to Rs.1,85,69,017 (whereas, in previous year Rs.1, 74,20,731 on account of advance licenses excess utilized over exports made) has been adjusted in the cost of raw material.		
	Export Incentive under Duty Entitlement Pass Book Scheme (DEPB) amount to Rs. 8,70,57,323 (Previous year Rs. Nil) has been credited in the account of raw material.		
12.	Advance receivable in cash or in kind includes Rs.2, 82,54,173 being the amount of custom duty deposited against import of capital goods assessed under provisional assessments.		
13.	600 shares of Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyester Ltd.) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.		
	Jindal France S.A.S, has become subsidiary of the Company w.e.f. 17.12.2007 by acquiring additional 35,00,000 equity share @ Euro 1. Further, Rexor S.A.S is the subsidiary of Jindal France S.A.S.		
	Jindal Packaging Films Limited has been subsidiary of the Company w.e.f. 18.06.2008.		
14.	Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.		
15.	Pending full utilisation of funds raised through public offering, the balance funds have been deployed temporarily in short term investments.		

SCHEDULES

16. In the opinion of the Board and to the best of their knowledge and belief, the realizable value of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
17. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant & machinery and sheds & building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.
18. a) There is no overdue outstanding as on 31.03.2008, due to small scale Industrial units covered under Small Scale and Ancillary Industrial Undertakings Act, 1993.
b) There Company has not received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
19. The Export obligation undertaken by the company for import of capital equipments under EPCG/100% EOU scheme of the Central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.
20. During the year one 100% EOU unit of the company at Nasik was debonded and allowed to operate as DTA unit under the EPCG scheme on fulfillment of the prescribed conditions. The consequent financial implications have been duly accounted for.
21. a) As per Accounting Standard 28 issued by ICAI, impairment loss on Assets at Khanvel (Being one of the unit Manufacturing PET Films of the company) was provided by the company during the year ended 31st March 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been suspended.
b) There is no operation during the year in respect of Company's units at Gulaothi and carrying cost of these units are reflected at historical cost. The management is of view that there is no loss on account of impairment of assets as required by AS 28 issued by ICAI as the realisable value of these assets are higher than the carrying cost.
22. Previous year's figures are not comparable as there was consolidation of Rexor S.A.S. and Jindal France S.A.S in the current year, as these Companies became subsidiaries w.e.f. 17.12.2007. Previous year's figures have been regrouped and/or rearranged wherever required.

23 Earning Per Share

Profit after Tax and all Preference dividends in Rs.	1,339,892,662	644,086,652
Weighted average no. of Equity shares outstanding	28,095,880	28,095,880
Basic and Diluted earnings per share in Rupees	47.69	22.92

24. No loans & advances have been given during the year and there is no outstanding at the year end of the company which is required to be disclosed under clause 32 in terms of listing agreement

25 Segment Reporting Policiesi) **Primary Segment**

Business Segment : The Company's operating business are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

ii) **Secondary Segment**

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

- iii) Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

PRIMARY SEGMENT**Segment revenue**

	31st March, 2008	Rs./Lacs 31st March, 2007
a) Polyester Yarn/Chips Division	-	806
b) PET/OPP Film Division	187,068	152,135
c) Other Revenue	2,346	1,237
Total	189,414	154,178
Less:- Inter Segment revenue	42,960	40,009
Total revenue	146,455	114,169

Segment profit before interest & tax

a) Polyester Yarn/Chips Division	(742)	(956)
b) PET/OPP Film Division	19,237	10,504
c) Other Revenue	2,346	1,237
Total	20,841	10,785
Less:- Interest	1,712	1,755
Less:- Unallocable Expenditure	0	0
Profit before tax	19,129	9,030

Capital Employed

a) Polyester Yarn/Chips Division	3,056	3,940
b) PET/OPP Film Division	117,086	102,191
c) Others	6,655	8,883
Total	126,796	115,014

SECONDARY SEGMENT

Sales in Domestic market	109,557	76,537
Sales in Overseas market	34,552	36,394
Total	144,108	112,931

The company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for capital employed can not be furnished.

SCHEDULES

26 As required by Accounting Standard-18 "Related party disclosure" issued by the Institute of Chartered Accountants of India are as follows:-

List of Related parties**A. Companies/Individuals/Associates**

1 Sh. B.C.Jindal	13 Jindal India Ltd	25 Jindal India Finvest & Holdings Limited
2 Sh. S.S.Jindal	14 Jindal Meadows Ltd.	26 Mandakini Coal Company Limited
3 Smt. Subhadra Jindal	15 Jindal Photo Investments Ltd	27 Jindal India Power Tech Limited
4 Miss Akriti Jindal	16 Jindal Photo Ltd	28 Jindal India Power Ventures Limited
5 Agile Properties Ltd.	17 Jindal Realtors Ltd	29 Jindal Buildmart Limited
6 Bajaloni Group Ltd.	18 Jindal India Thermal Power Ltd.	30 Jindal Realmart Private Limited
7 Consolidated Finvest & Holdings Ltd.	19 Jumbo Finance Ltd	31 Hindustan Powergen Limited
8 Consolidated Buildwell Ltd.	20 Jupax Barter Pvt. Ltd	32 Indian Software Consultancy Limited
9 Consolidated Photo & Finvest Ltd.	21 Pasion Tea Private Ltd.	33 Hanuman Coke Plant Pvt. Ltd.
10 Consolidated Realtors Ltd.	22 Rishi Trading Co. Ltd	34 Shekhavati Vanijya Pvt. Ltd.
11 Jesmine Investment Ltd.	23 Soyuz Trading Co. Ltd	
12 Jindal Imaging ltd	24 Vigil Farms Ltd.	

B. Key Management personnels

- 1 Sh. Sameer Banerjee
- 2 Sh. Sumant Singhal
- 3 Sh. Punit Gupta

Details of Transactions with related parties are as follows:

	31st March,2008	Rs/Lacs 31st March,2007
1 <u>Sales and other Income</u> Companies/Individuals	5.73	3,982.76
2 <u>Remuneration/Sitting fees</u> Key Management personnels	25.87	21.84
3 <u>Purchases and other services</u> Companies/Individuals	144.11	126.12
Key Management personnels	Nil	Nil
4 <u>Shares subscribed by the company</u> Companies/Individuals	430.00	Nil
5 <u>Outstanding at the year end</u>		
i. <u>Due to company</u>		
Companies/Individuals	57.90	216.78
Key Management personnels	Nil	Nil
ii. <u>Payable by the company</u>		
Companies/Individuals	1.05	11.81
Key Management personnels	Nil	Nil
6 Neither any advance is doubtful nor any written off during the year.		

As per our report of even date annexed
For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M No : 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place: New Delhi
Date: 03.09.2008

(S. MITTAL)

Whole Time Director (Accounts)

(L.P. SONI)

Vice President (Fin.) & Secretary

JINDAL POLY FILMS LIMITED

Registered Office : 19th K.M., Hapur-Bulandshahr Road
P.O. Gulaothi, Distt. Bulandshahr (U.P.)

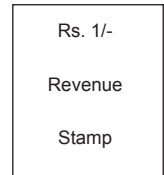
PROXY

I/We.....of
..... being a Member/Members of JINDAL POLY FILMS LIMITED
hereby appoint
of.....or failing him/her.....
of.....
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on 30th September, 2008 at any adjournment thereof.

Signed..... day of2008.

* Regd. Folio/Client I.D. No. No. of Shares

Signed by the said



NOTES:

1. The proxy need not be a member of the Company.
2. The proxy to be valid should be duly stamped and reach the Company's Registered Office at least 48 hours before the time of the meeting.

JINDAL POLY FILMS LIMITED

Registered Office : 19th K.M., Hapur-Bulandshahr Road
P.O. Gulaothi, Distt. Bulandshahr (U.P.)

ATTENDANCE SLIP

For the Thirty Fourth Annual General Meeting to be held on Tuesday, the 30th day of September, 2008 at 11:30 a.m.

Name of the Shareholder/Proxyholder.....

* Regd. Folio/Client I.D. No. No. of Shares

I hereby record my presence at the Thirty Fourth Annual General Meeting of the Company held at 19th K.M. Hapur-Bulandshahr Road, Gulaothi, Distt., Bulandshahr (U.P.).

*Member's/Proxy's Signature

Note: Shareholders are requested to bring this slip at the meeting duly filled in including folio number/ Client I.D. NO.
*Strike out whichever is not applicable.

BOOK-POST

Annual Report 2007-2008

JINDAL

if undelivered, please return to :

JINDAL POLY FILMS LIMITED

Corporate Office : Plot No. 12, Sector B-1, Local Shopping Complex,
Vasant Kunj, New Delhi-110 070