



FUJIFILM

5th
ANNUAL REPORT 2007-08

JINDAL PHOTO LIMITED

BOARD OF DIRECTORS

Mr. Shammi Gupta	Managing Director <i>w.e.f. 01/09/08</i>
Mr. Rath Binod Pal	Managing Director <i>upto 31/08/08</i>
Mr. Krishnasamy Ramaswamy	Whole-Time Director <i>w.e.f 01/08/08</i>
Mr. V Chinnappen	Whole-Time Director <i>upto 31/07/08</i>
Mr. Praveen Kumar Bansal	
Mr. Suresh Chander Sharma	
Mr. Umesh Chand Jain	

GM (Accts)-CUM-COMPANY SECRETARY

Mr. V.K. Gupta

AUDITORS

B.K. Shroff & Company,
Chartered Accountants

BANKERS

Bank of Nova Scotia
AXIS Bank Limited
HDFC Bank Limited
ABN Amro Bank
ICICI Bank Limited

WORKS

Unit NO. I

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

Roll Film Unit No. II

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

PPD Unit

Sheetal Industrial Estate
Demani Road, Dadra – 396193
Dadra & Nagar Haveli (U.T.)

Photo Chemical Unit

Survey No. 178/2
Village – Sarigam (Bhilad)
Distt- Valsad (Gujarat)

Samba Unit

J & K SIDCO, IGC Samba
Samba (Jammu) J & K

REGISTERED OFFICE

260/23, Sheetal Industrial Estate,
Demani Road, Dadra - 396193,
Dadra & Nagar Haveli (U.T.)

HEAD OFFICE

25-28 Rajendra Bhawan,
Rajendra Place,
New Delhi – 110 008

REGISTRAR & SHARE TRANSFER AGENT

Intime Spectrum Registry Limited
A-40, 2nd Floor,
Naraina Industrial Area, Phase – II
New Delhi – 110 028

INVESTOR EMAIL ID

igr_photo@jindalgroup.com

ANNUAL GENERAL MEETING

25th September 2008, at 2:30 PM at Regd off

WEBSITE

www.jindalphoto.com

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NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the members of Jindal Photo Limited will be held as per scheduled given below:-

Day : Thursday
Date : 25th September, 2008
Time : 2:30 PM
Place : at the registered office of the Company at 260/23, Sheetal Industrial Area, Demani Road, Dadra - 396193 (UT of D N & H) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March 2008 and the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon and statement in respect of the subsidiary companies under Section 212 of the Companies Act, 1956.
2. To declare a dividend for the year ended 31st March 2008 @ 10 % i.e. Rs 1/- per share.
3. To elect a Director in place of Mr. Suresh Chander Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board Of Directors to fix their remuneration.
M/s B.K. Shroff & Company, Chartered Accountants are the retiring auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) , the following resolution as an **ORDINARY RESOLUTION:-**
"RESOLVED That Mr. Krishnasamy Ramaswamy, who was appointed as an Additional Director of the Company under Article 138 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s) , the following resolution as an **ORDINARY RESOLUTION:-**
"RESOLVED That Mr. Shammi Gupta, who was appointed as an Additional Director of the Company under Article 138 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director, be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s) , the following resolution as an **ORDINARY**

RESOLUTION:-

"RESOLVED that subject to the provisions of Section 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 and limits laid down therein read with Schedule XIII thereof as amended and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the Board of Directors for the appointment of Mr. Krishnasamy Ramaswamy, as Whole-Time Director of the company, as per the terms and conditions set out in the explanatory statement annexed hereto.

RESOLVED further that the appointment of Mr. Krishnasamy Ramaswamy, as Whole-Time Director, is for a period of 5 (five) years commencing on and from 1st August 2008.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to revise the remuneration payable to him as Whole-Time Director, from time to time subject to the ceiling laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to do all such other acts, deeds, matters and things as in its absolute discretion, it may consider necessary to expedient or desirable in order to give effect to the foregoing resolution or otherwise consider it to be in the best interest of the company."

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

"RESOLVED that subject to the provisions of Section 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 and limits laid down therein read with Schedule XIII thereof as amended and subject to such other approvals as may be necessary, the approval of the members be and is hereby accorded to the Board of Directors for the appointment of Mr. Shammi Gupta, as Managing Director of the company, as per the terms and conditions set out in the explanatory statement annexed hereto.

RESOLVED further that the appointment of Mr. Shammi Gupta, as Managing Director, is for a period of 5 (five) years commencing on and from 1st September 2008.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to revise the remuneration payable to him as Managing Director, from time to time subject to the ceiling laid down in Section 198, 309 and Schedule XIII of the Companies Act, 1956, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to do all such other acts, deeds, matters and things as in its absolute discretion, it may consider necessary to expedient or

desirable in order to give effect to the foregoing resolution or otherwise consider it to be in the best interest of the company."

9. To consider and if thought fit, to pass with or without modification(s) , the following resolution as a **SPECIAL RESOLUTION:-**

"RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with the Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ("the Board") or any Committee/person(s) authorized by the Board, consent be and is hereby accorded to delist the company's securities voluntarily from Bombay Stock Exchange Ltd."

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

"RESOLVED THAT in supersession of earlier resolution passed in the second Annual General Meeting held on 30th September 2005, and pursuant to section 372A and other applicable provisions, and if any, of the Companies Act, 1956, the consent of members of the company be and is hereby accorded to invest a sum upto Rs. 175 Crores in the units of various schemes of mutual funds such as Birla Sunlife, Tata, HSBC, Templeton, ICICI Prudential, LIC, Principal, HDFC, DWS, Reliance, JP Morgan India etc, over and above the limits as prescribed Under Section 372A of the Companies Act, 1956. The aforesaid sum of Rs. 175 Crores will include the existing investments in such instruments."

RESOLVED THAT the Board of Directors of the Company may from time to time decide the actual sum of the investments and the scheme in which the amount to be invested and all matters arising out of or incidental to the proposed investment(s) and to do all such acts and things as may be necessary to implement this resolution."

By Order of the Board
For **JINDAL PHOTO LIMITED**

V.K. Gupta
(GM (Accts)-cum-Company Secretary)

Place: New Delhi
Date : 26th August 2008

NOTES:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the company. The proxy form in order to be effective must be lodged at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members of the Company and the Share

Transfer Books shall remain closed from Friday 19th September 2008 to Thursday 24th September 2008 (both days inclusive).

3. The explanatory statement pursuant of Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. Members holding shares in physical form are requested to notify / send the following to the Company or Share transfer agent to facilitate better services:-
 - i) Any change in their address/mandate/bank details.
 - ii) Particulars of their bank account, in case the same have not been sent earlier, for printing on dividend warrants to prevent fraudulent encashment, and
 - iii) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. Members holding shares in electronic form are advised to notify the changes if any in their address /bank details/ mandate to their respective depository participant.
6. Dividend as recommended by the Directors for the year ended 31st March 2008, if declared will be payable to those members whose names appear in the Register of Members as at close of working hours of the company on 24th September 2008. In respect of share held in demat form, the dividend will be payable on the basis of the statement of beneficial ownership as at the close of business on 24th September 2008, furnished by NSDL and CDSIL for this purpose.
7. If payment of dividend is approved by the members at the annual general meeting, the same will be paid to the members on or before 24th October 2008.
8. Members are advised to avail of the facility for receipt of future dividends through Electronic Clearing Services (ECS), which is available at specified locations. Members holding shares in dematerialized form are requested to contact their respective depository participants for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company or RTA for details.
9. Members are requested to bring their copy of the Annual Report to the annual general meeting.
10. The equity shares of the company have been notified for compulsory trading in demat form by all investors and are available for demat on both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL).
11. As required under sub clause IV (E)(v), the detail of shareholding of Non –Executive Directors (both owned or held by / for other person on a beneficial basis) seeking appointment / re-appointment in the forthcoming Annual General Meeting is given below:-

Name of the Non-Executive Director	Number of Shares held
Suresh Chander Sharma	NIL

12. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven

days in advance of the Meeting so that the answer may be made readily available at the meeting.

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

Item No. 5

Mr. Krishnasamy Ramaswamy was appointed as an Additional Director on the Board of the Company effective from 31st July 2008. He holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Krishnasamy Ramaswamy for the office of the Director of the Company.

Mr. Krishnasamy Ramaswamy aged about 51 years is B.E (Mechanical) and having about 26 years experience in photographic conversion area. He has started his career with public sector company Hindustan Photo Films Limited and has undergone various trainings at abroad. Mr Krishnasamy Ramaswamy has been associated with the company for last 15 years.

The Board of Directors considers that the continuance of Mr. Krishnasamy Ramaswamy on the board of the company and recommends the resolution for your approval.

None of the directors except Mr. Krishnasamy Ramaswamy may be considered as concerned or interested in the said resolution.

Item No. 6

Mr. Shammi Gupta was appointed as an Additional Director on the Board of the Company effective from 31st July 2008. He holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Mr. Shammi Gupta for the office of the Director of the Company.

Mr. Shammi Gupta aged about 36 years is a Chartered Accountant and having about 14 years experience in the area Marketing, Finance & Accounts, Administration and general management etc

The Board of Directors considers that the continuance of Mr. Shammi Gupta on the board of the company and recommends the resolution for your approval.

None of the directors except Mr. Shammi Gupta may be considered as concerned or interested in the said resolution.

Item No. 7

The Board of Directors of the Company at their meeting held on 31st July 2008 has appointed Mr Krishnasamy Ramaswamy, as Whole-Time Director, with effect from 1st August 2008, for five years. Mr. Krishnasamy Ramaswamy is looking after the technical aspect of the production process of the Company. Your Directors therefore, consider that his appointment on the Board as Whole-Time Director will be beneficial to the Company.

The Principal terms of appointment are as under:-

1. **BASIC SALARY:** Upto Rs. 37500/- per month, with an annual increment as per the policy of the Company subject to a maximum of Rs. 5000/- per month or Rs. 60,000/- in a year.
2. **PERQUISITES & ALLOWANCES:-**
 - (i) **Special Allowance:** Upto Rs. 21500/- per month

(ii) Extra-Gratia Payment:-

Ex-Gratia payment for each year as per policy of the company subject to a maximum of twenty percent of the basic salary earned during the preceding year.

(iii) Contribution towards provident fund and payment of gratuity and such other perquisites in accordance with the Company's rules.

The perquisites as above shall be evaluated as per Income-Tax Rules, 1962 wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

In addition to the above, Mr Krishnasamy Ramaswamy will also be entitled to the following benefits

- (i) Use of Company's Car and mobile phone (including internet facility and any other means of communication facility) for official purpose. Use of company car for private purposes and personal long distance calls, if any shall be billed by the Company to the appointee.
- (ii) Encashment of un-availed leave as per the rules of the Company.

If at any time the appointee ceases to be Director of the Company for any cause whatsoever, he shall cease to be Whole-Time Director as the case may be.

Any further increase or variation in future, in the remuneration payable to Mr Krishnasamy Ramaswamy, shall be finalized by the Board of Directors and shall also be subject to the overall ceilings prescribed under the Companies Act, 1956.

Where in any financial year, during the tenure of Mr Krishnasamy Ramaswamy as Whole-Time Director, the Company has no profits or its profits are inadequate, the aforesaid remuneration including perquisites shall be minimum remuneration subject to such approval(s), as may be required.

In compliance with the provisions of Section 269 and 309 of the Companies Act, 1956 the terms of appointment and remuneration payable as 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 of the Company except Sh. Krishnasamy Ramaswamy may be concerned or interested in the said resolution.

Item No. 8

The Board of Directors of the Company at their meeting held on 26th August 2008 has appointed Mr Shammi Gupta, as Managing Director, with effect from 1st September 2008, for five years. Mr. Shammi Gupta shall look after overall affairs of the Company. Your Directors, consider that his appointment on the Board as Managing Director will be beneficial to the Company.

The Principal terms of appointment are as under:-

1. **BASIC SALARY:** Upto Rs. 110,000/- per month, with an annual increment as per the policy of the Company subject to a maximum of Rs 7,000/- per month or Rs. 84,000/- in a year.
2. **PERQUISITES AND ALLOWANCES**
 - (i) **Housing Rent Allowance:** Upto Rs. 50,000/- per month
 - (ii) **Extra-Gratia Payment:-**
Ex-Gratia payment for each year as per policy of the

company subject to a maximum of twenty percent of the basic salary earned during the preceding year.

(iii) Medical Reimbursement:-

Medical Benefits for self, wife and dependant children. Reimbursement of expenses actually incurred. The total cost of such expenses to the company shall not exceed one-month salary in a year.

(iv) Contribution towards provident fund and payment of gratuity and such other perquisites in accordance with the Company's rules

The perquisites as above shall be evaluated as per Income-Tax Rules, 1962 wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

In addition to the above, Mr Shammi Gupta will also be entitled to the following benefits

Encashment of un-availed leave as per the rules of the Company.

Reimbursement of car & telephone expenses

The reimbursement of expenses by the company on hiring of car for official duties and mobile phone/telephone at residence (including payment of local call and long distance official calls) shall not be included in the computation of perquisites.

If at any time the appointee ceases to be Director of the Company for any cause whatsoever, he shall cease to be Managing Director as the case may be.

Any further increase or variation in future, in the remuneration payable to Mr Shammi Gupta, shall be finalized by the Board of Directors and shall also be subject to the overall ceilings prescribed under the Companies Act, 1956.

Where in any financial year, during the tenure of Mr Shammi Gupta as Managing Director, the Company has no profits or its profits are inadequate, the aforesaid remuneration including perquisites shall be minimum remuneration subject to such approval(s), as may be required.

In compliance with the provisions of Section 269 and 309 of the Companies Act, 1956 in the terms of remuneration specified above are now being placed before the general meeting for your approval.

The above statement may also be treated as an abstract of the terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

The Board recommends the resolution for your approval.

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

Item No. 9

Presently the Equity shares of the Company are listed at National Stock Exchange of India Ltd and Bombay Stock Exchange Limited. For the purpose of administrative convenience and to reduce costs, the company intends to delist Equity shares of the Company from Bombay Stock Exchange Limited as per SEBI guidelines for voluntary delisting of securities.

As per Regulation 5 of SEBI (Delisting of Securities) Guidelines 2003, a company may de-list its securities from a stock exchange where they are listed, provided they have been listed for a minimum period of 3 years on any stock exchange. The

Regulation further stipulates that the delisting can be done without giving an exit opportunity to the investors if the securities continue to be listed on a stock exchange having nationwide trading terminals. An explanation to Regulation 5 of the said guidelines includes, Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE) as stock exchanges having nationwide trading terminals.

The securities of the Company have been, inter alia, listed on the National Stock Exchange of India Limited and will continue to be listed on NSE, where frequent trading in the company's securities takes place providing adequate liquidity to the investors.

The Board, therefore, recommends this resolution for the approval of the members.

None of the directors is, in any way, interested or concerned in this resolution.

Item No. 10

The Board of directors of the company ("the board") has been investing from time to time surplus funds of the company in shares, units of mutual funds and other securities within the limits prescribed under Section 372A of the Companies Act, 1956.

In view of better liquidity position and availability of temporary surplus funds from time to time the company may need to invest over and above the limits as prescribed Under Section 372A of the Companies Act, 1956. Therefore, due to proposed investments the limits Under Section 372 A may exceed by an amount of Rs. 175 Crores for an investments to be made in the units of the scheme of various mutual funds, which may be from time to time as per the need and together which already exist.

The Board at their meeting held on 26th August 2008 has unanimously consented to make investments in the units of the scheme of various mutual funds.

The Board shall ensure that adequate safeguards are taken while making investments so as to protect the interest of the company and its members.

Nature of Investment: Investments in units of scheme of various Mutual Funds such as Birla Sunlife, Tata, HSBC, Templeton, ICICI Prudential, LIC, Principal, HDFC, DWS, Reliance, JP Morgan India etc .

Objective: Optimum Utilization of surplus funds and safety.

Source of Funds: Internal accruals as may be generated by the company from time to time and temporary surpluses.

Your Directors recommend the resolution set out in item no. 10 of the notice convening the meeting.

None of the Directors of the company is concerned or interest in this resolution.

By Order of the Board
For **JINDAL PHOTO LIMITED**

V.K. Gupta
(GM (Accts)-cum-Company Secretary)

Place : New Delhi
Date : 26th August 2008

DIRECTORS' REPORT

To the members,

Your Directors have pleasure in presenting the 5th Annual Report together with the audited accounts of the company for the year ended 31st March 2008.

	FINANCIAL RESULTS	
	(Rs./Lac)	
	Year Ended	
	31/03/2008	31/03/2007
Sales	40,655	41,185
Profit before Interest, Depreciation & Tax	6,150	4,120
Less: i) Interest & Financial charges	89	166
ii) Provision for Depreciation	374	542
iii) Provision for Taxation / Fringe Benefit	1,022	779
iv) Deferred Tax Liability/(Asset) for the year	(28)	(112)
Profit After Tax	4,693	2,745
Balance Brought Forward	4,204	1,853
Profit Available for appropriations	8,897	4,598
Appropriation		
Provision for Dividend	103	103
Tax on Dividend	17	17
Transfer to General Reserves	469	274
Balance Carried to Balance Sheet	8,308	4,204

OPERATIONS

During the year under review, your company has achieved a total turnover of Rs 406.55 Crores and earned operational profit of Rs. 61.50 Crore. Due to digitalization, there has been continuous low demand pressure on the sale of color roll films, however the Company has captured sizable market share of medical equipment and imaging films business and hence the total turnover is only marginally low, which can be attributed to currency fluctuation as there was downward trend in US dollar through out the year. In spite of lower turnover, the profitability during the year has improved because of downward trend in dollar and increase of medical equipment business which provide better profitability,

As a part of business strategies to further capture the medical equipment & imaging films business, the company is bringing Fujifilm extensive line up of medical imaging solutions. And in terms of sales promotional efforts your company is regularly conducting many workshops exhibitions, organizing various road shows and continued its efforts in reaching out to amateur consumer by holding super six photography exhibitions all over India.

Your Directors are hopeful that in the future years the company will further consolidate its position and its market share is likely to be further increased.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 1/- per share, i.e. 10% for the dividend for the year ended March 31, 2008.

ISSUE OF SHARE CAPITAL

There is no further issue of share capital during the year.

DEPOSITS

The Company has not accepted any deposit and the provisions of Section 58 A of the Companies Act, 1956 are not applicable to the Company.

DIRECTORS

Mr. Suresh Chander Sharma is retiring by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. Krishnasamy Ramaswamy has been appointed as an additional director on the board on 31st July 2008 and shall hold office up to the date of forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member indicting his intention to propose the appointment of Mr. Krishnasamy Ramaswamy as Director of the Company.

Further Mr. Krishnasamy Ramaswamy has been appointed as Whole-Time Director of the Company for five years w.e.f. 1st

August 2008 subject to the approval by the members in the forthcoming Annual General Meeting of the Company.

Mr. Shammi Gupta has been appointed as an additional director on the board on 31st July 2008 and shall hold office up to the date of forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member indicating his intention to propose the appointment of Mr. Shammi Gupta as Director of the Company.

Further Mr. Shammi Gupta has been appointed as Managing Director of the Company for five years w.e.f. 1st September 2008, subject to the approval by the members in the forthcoming Annual General Meeting of the Company

Mr. Rath Binod Pal, presently the Managing Director of the Company, shall hold office of the Managing Director upto 31st August 2008, and w.e.f. 1st September 2008, Mr. Rath Binod Pal, shall act as Non Executive Director on the board. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. Rath Binod Pal during his tenure as Managing Director of the Company.

Mr. V. Chinnappen, Whole-Time Director of the Company ceased to be director w.e.f. 31st July 2008. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. V. Chinnappen during his long tenure as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 or loss of the company for the year under review;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, and for preventing and detecting frauds and other irregularities;
- That they have prepared the annual accounts on a 'going concern' basis.

AUDIT COMMITTEE

At present, the audit committee comprises of the following directors.

Mr. Suresh Chander Sharma, Chairman
Mr. Praveen Kumar Bansal
Mr. Umesh Chand Jain

LISTING OF SHARES

The equity shares of your company are listed on BSE and NSE. The listing fee upto the year 2008-2009 has already been paid to BSE and NSE.

Your Directors propose to voluntary delist the equity shares of the company from Bombay Stock Exchange Limited (BSE) , in

view of administrative convenience and to reduce costs, as per SEBI guidelines for voluntary delisting of securities.

The Equity shares shall continue to be listed on National Stock Exchange of India Limited.

CORPORATE GOVERNANCE

The Company has complied with all the mandatory provisions of Corporate Governance as prescribed in terms of clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with Auditor's Certificate on its compliance.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21- Consolidated Financial Statements, the consolidated accounts form part of this report & accounts. These accounts have been prepared from the audited financial statements received from subsidiary Companies, as approved by its Board of Directors.

SUBSIDIARY COMPANIES

During the year under review the company has incorporated/subscribed in the equity shares of the following subsidiary Companies

- Jindal India Thermal Power Limited, a wholly owned subsidiary
- Jindal India Power Ventures Limited, a wholly owned subsidiary
- Hindustan Powergen Limited, now subsidiary of Jindal India Thermal Power Limited

In compliance with the provisions of Section 212 of the Companies Act, 1956, a statement is annexed and forms part of this report. The audited accounts of the subsidiary, Jindal Imaging Limited, Jindal India Thermal Power Limited, Jindal India Power Ventures Limited & Hindustan Powergen Limited for the year ended 31st March, 2008 along with Directors and Auditors Reports are annexed with this annual report.

INVESTMENT IN JINDAL INDIA POWERTECH LIMITED

During the year under review, your Company has invested Rs. 23.50 crore in the equity share capital of Jindal India Powertech Limited, the holding company for various upcoming power project(s).

JOINT VENTURE

As per the directive of Ministry of Coal, Govt of India, the Company has entered into a Joint Venture Agreement with Tata Power Company Ltd & Monnet Ispat & Energy Limited, for the purposes captive mining of coal from the Mandakani non-coking coal block in the state of Orissa. Accordingly, a company in the name of Mandakani Coal Company Limited has been incorporated, in which all the three allottee(s) are having equal stake.

POWER PROJECT AT ANGUL (ORISSA)

As per MOU between the company and the Government of Orissa, the company is in the process of setting-up a thermal power plant in the state of Orissa for 1200 MW in two phases. During the year under review, the board of directors has decided to execute the power project through its subsidiary Company namely Jindal India Thermal Power Limited.

SHARE REGISTRY ACTIVITIES

In terms of SEBI circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your company has appointed M/s Intime Spectrum Registry Limited, a Category I, Registrar and Share transfer agent registered with SEBI to handle the work related to share registry.

AUDITORS

M/s B K Shroff & Company, Chartered Accountants, New Delhi, the auditors of your Company are retiring at the ensuing Annual General Meeting and being eligible, we recommend their re-appointment. They have furnished a certificate to the effect that this re-appointment, if made, will be in accordance with the sub-section (1B) of Section 224 of the Companies Act, 1956.

AUDITORS' REPORT

The comments / observations of Auditors are explained wherever necessary in the appropriate notes to the accounts which are self-explanatory and do not call for further explanation.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing necessary information, as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

PERSONNEL

Your directors would like to place on record their appreciation of the dedicated and loyal services rendered by the officers, staff and workers of the Company.

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

ISO 9001:2000 ACCREDITATION

Your Company's manufacturing facilities at Dadra & Nager Haveli continues to maintain the prestigious ISO 9001:2000 certification by SGS, a leading international certification company.

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 annexed herewith and forms part of this Annual Report

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation of the whole-hearted support and co-operation of M/s Fujifilm Corporation, Japan, M/s Fuji Hunt Photographic Chemicals Pte Ltd., Singapore, Banks and various government authorities. The Directors also thank its Agents, Dealers and Customers for their continued patronage of the Company's products.

For and on behalf of the Board

(Rathi Binod Pal)
Managing Director

(Shammi Gupta)
Director

Place : New Delhi
Dated : 26th August 2008

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Reorientation of certain production activities was carried out and thereby Air Conditioning of the main plant was stopped and due to this orientation, a lot of energy is being saved.

The Company maintains priority in line with the National objective of continuing efforts for energy conservation.

Further by effective utilization of our equipments we have been able to disconnect one of our voltage stabilizers thereby further reducing the IR losses.

The Electrical Transformer of OLTC type with Razor cutting, stamping used for transferor coil.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Effective measures are continuously taken for over all technological up gradation of plant and machinery in various units and energy efficient devices has been installed wherever and whenever necessary.

c) Impact of measures as above for reduction of energy consumption and consequent impact on cost of production of goods:

As stated above energy consumption is very low at operational level and by effective measures being taken continuously, the cost of production of goods is also reduced.

Optimum utilization of DG sets has resulted in lower Diesel consumption.

Optimum utilization of Air conditioning system is achieved by providing air curtains at various points.

By putting OLTC facility, nearly 20% energy consumed by transformer has been reduced.

d) Total energy consumption and energy consumption per unit of production.

Not applicable as the company is not covered under the list of specified industries.

B. TECHNOLOGY ABSORPTION:

a) Research & Development (R&D):

i) Specific areas in which R&D carried out by company:

The research and development efforts of the company are mainly towards quality assurance and productivity.

ii) Benefits derived as a result of the above R&D.

New systems are developed in machines to produce better quality products, reduction of wastage and trouble free operation.

iii) Future plans of action:

Continuous developments of new systems in order to get optimum finished products from jumbo rolls.

iv) Expenditure on R&D

Expenditure on R&D is not specific. Expenses are incurred in normal course so the figure of expenditure is not ascertainable.

b) Technology absorption, adaptation and Innovation:

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

By modifying the conversion equipment to handle the eco-friendly photographic films.

Specific technical training in Photographic Industry is being regularly provided with the help of Fuji Film Corporation, Japan and their technical experts have also been visiting our factory to facilitate technology absorption.

ii) Benefits derived as a result of the above efforts:

It has resulted in a better quality of product, which has been brought to the International Standards, besides improving the productivity and reducing the wastage.

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

Technology imported : NIL
Year of Import : Not Applicable
Has technology been fully absorbed : Not Applicable
If not fully absorbed, : Not Applicable
areas where this has not been taken place
reasons therefore and
future plans of action

Latest testing and trouble-shooting equipments were imported from time to time from Fujifilm Corporation, Japan and other countries to have a strict control on quality and to reduce the downtime of machines.

Technical personnel were trained at Fuji's factory at Japan from time to time and have fully absorbed and implemented effectively the various techniques used for film and paper conversion.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company has an inflow of Foreign Exchange to the value of Rs. 586.39 .Lac and had foreign exchange outgo to the value of Rs. 22705.74 Lac.

For and on behalf of the Board

(Rathi Binod Pal)
Managing Director

(Shammi Gupta)
Director

Place : New Delhi
Dated: 26th August 2008

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

S. No.	Name of Subsidiary	Jindal Imaging Limited	Jindal India Thermal Power Limited	Jindal India Power Ventures Limited	Hindustan Powergen Limited
1.	Financial Year of the subsidiary ended on	31 st March, 2008	31 st March, 2008	31 st March, 2008	31 st March, 2008
2.	Holding company's interest in the equity share capital	100 %	100 %	100%	100%
3.	Profit or loss for the current financial year so far as concerns the members of the holding company, not dealt with or provided for in the accounts of the holding company.	Rs. (0.33) Lac	N.A	Rs. (0.24) Lac	Rs. (0.45) Lac
4.	Net aggregate profits or losses for the previous financial years since becoming subsidiary so far as concern the members of the holding company, not dealt with or provided for in the accounts of holding company.	Rs. (44.58) Lac	N.A	Rs. (0.24) Lac	Rs. (0.45) Lac
5.	Net aggregate amounts received as dividends for previous financial years since becoming subsidiary dealt with in the accounts of the holding company in relevant years.	NIL	N.A	NIL	NIL

For and on behalf of the Board

(Rathi Binod Pal)
Managing Director

(Shammi Gupta)
Director

Place : New Delhi
Dated : 26th August 2008

ANNEXURE TO THE DIRECTORS' REPORT

"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 Powertech 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.

REPORT ON CORPORATE GOVERNANCE

I. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a dynamic concept thriving under constantly changing environment. Your company is firmly of the view that Corporate Governance is not an end in itself but a facilitator in maximizing the objective of shareholder value. The company would like to be known as an 'excellent' company in terms of the quality of governance, the products manufactured and trades, in customers' services, in fair dealings with its stakeholders, and in the standards of individuals and company performances. The Company aims at achieving this objective by ensuring transparency in its functioning by truthful and complete communication to all its stakeholders and by inculcating a culture of ethical business in all its operations. Beyond merely complying with mandatory requirements, the Board of Directors, management and employees, are committed to preserving trust and interest of all stakeholders including the society at large.

II. BOARD OF DIRECTORS

The Board of Directors of the company comprises of a Managing Director, one Whole-Time Director and

three independent directors as at 31st March 2008. The board possesses experience in diverse fields and the skills, experience and expertise necessary to guide the company. The Board elects its chairman at its meetings.

During the year under review, the Board of Directors of the company met 10 (Ten) times and the period between any two meetings did not exceed four months.

Board Meetings held during the year ended 31st March 2008:

30th April 2007, 31st July 2007, 22nd August 2007, 3rd September 2007, 31st October 2007, 16th November 2007, 29th November 2007, 24th December 2007, 31st January 2008 & 26th February 2008.

For every Board Meeting the agenda papers alongwith explanatory notes are distributed well in advance to the Board members. The company places before the Board the minutes of committees of the Board, annual operating plans, budgets, performance of various units / divisions, and all other information including those specified under annexure 1 of clause 49 of the Listing agreement, if any.

Composition of the Board of Directors and other details as at 31st March 2008.

Name	Category	No of Meetings attended (total meeting held - ten)	Attendance at Last AGM	No. of Outside directorships held	No. of membership / chairmanship in board Committees
Mr. Rathi Binod Pal	Managing Director	10 (Ten)	Yes	8 (Eight)	1 (One)
Mr. V.Chinnappen	Whole-Time Director	5 (Five)	Yes	NIL	NIL
Mr. Praveen Kumar Bansal	Non Executive & Independent	10 (Ten)	No	9 (Nine)	1 (One)
Mr. Suresh Chander Sharma	Non Executive & Independent	10 (Ten)	Yes	8 (Eight)	3 (Three)
Mr. Umesh Chand Jain	Non Executive & Independent	10 (Ten)	No	6 (Six)	2(Two)

None of the Directors of the Board serve as members of more than 10 committees or are the Chairman of more than 5 committees, as per the requirements of the Listing Agreement.

The company has adopted a Code of Conduct for its Board of Directors and all directors have affirmed compliance with the said code.

The Company has not entered into any pecuniary relationship or transaction with Non-Executive Directors. Also the company has not made any payment to Non-Executive Directors during the year.

The board periodically reviews the compliance reports of all laws applicable to the company, prepared by the Company Secretary on the basis of information(s) received from the respective departments and the steps taken by the company to rectify instances of non-compliances.

III. AUDIT COMMITTEE

As on 31st March 2008 the audit committee comprises of three independent directors. All the committee members

have sound knowledge of finance and accounting. The members are:-

- i) Mr. Suresh Chander Sharma, Chairman of the Committee
- ii) Mr. Praveen Kumar Bansal
- iii) Mr. Umesh Chand Jain

Mr. Suresh Chander Sharma is a M. Com degree holder coupled with LLB and has expertise in the area of commercial, legal, auditing and related financial management.

The representative(s) of the statutory auditors and the Internal auditors, the head of accounts & finance department are the permanent invitee to the audit Committee meetings. The internal auditors directly submit their reports to the audit committee. The Quorum of the committee is two members.

Mr. V.K. Gupta, GM (Accts)-cum-Company Secretary acts as the Secretary to the committee.

During the year under review, the Audit Committee met 5 (Five) times on 30th April 2007, 31st July 2007, 3rd September 2007, 31st October 2007 and 31st January 2008.

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

Name	Designation	Meetings attended
Mr. Suresh Chander Sharma	Chairman	5 (Five)
Mr. Praveen Kumar Bansal	Member	5 (Five)
Mr. Umesh Chand Jain	Member	5 (Five)

The Audit Committee is empowered, pursuant to its terms of reference, inter alia:

- To Investigate any activity within its terms of reference
- To seek any information it required from any employee;
- To obtain legal or other independent professional advice
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report, if any
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Listing Agreement, Companies Act and other statutes, as amended from time to time.

The Audit Committee has reviewed the information placed before it as required under sub clause II (E) of clause 49 of listing agreement.

IV. REMUNERATION OF DIRECTORS FOR THE YEAR 2007-2008

The remuneration of Managing Director, Whole-time Director and Executive Director were approved at the meeting of Board of Directors of the Company.

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

1. In case of Mr. Rathi Binod Pal, salary is the Basic salary. The monetary value of perquisites includes, leave encashment, reimbursement of medical expenses incurred for self and family subject to maximum of one month salary and company contribution to provident fund.
2. In case of Mr. V Chinnappen, salary is the Basic salary. The monetary value of perquisites includes contribution to provident fund.

As on 31st March 2008, none of the Non-executive directors are holding any shares in the company.

Amt (Rs.)

Name	Designation	Salary	Perquisites , Allowance & benefit(s)	Performance linked incentives	Total
Mr. Rathi Binod Pal	Managing Director	513600	21400	NIL	535000
Mr. V. Chinnappen	Whole-Time Director	522500	NIL	NIL	522500

V. SHAREHOLDERS / INVESTORS GRIEVANCE / SHARE TRANSFER COMMITTEE

The company has a board committee namely 'Shareholders / investors grievance / Share Transfer Committee' to look into various issues relating to shareholders including the redressal of complaints, and also monitors share transfer, transmission, splits, consolidation, issue of duplicate shares etc.

The meeting of this committee is held frequently to ensure completion of share transfer work within the stipulated period, i.e. on fortnightly basis.

At present the committee comprises of the following directors:

- i) Mr. Suresh Chander Sharma, Chairman
- ii) Mr. Rathi Binod Pal
- iii) Mr. Umesh Chand Jain

The chairman of the committee is a Independent Director.

Mr. V.K. Gupta, GM (Accts)-cum-Company Secretary, is the Compliance Officer.

During the year 2007-2008, 107 complaints were received directly from shareholders / investors and through Stock Exchanges, SEBI, and DCA etc. All the complaints have generally been solved to the satisfaction of the complainants, except for disputed cases and sub-judice matters, which would be solved on final disposal by the Courts.

All valid requests for transfer have acted upon and no transfer received during the year 2007-2008 is pending as on 31st March 2008.

VI. GENERAL BODY MEETING

Last three Annual General Meetings were held as per details given below:-

Date & Time	Venue
29 th September 2007 2:30 PM	Registered Office : 260/23, Sheetal Industrial Area, Demani Road, Dadra UT of DN & H
30 th September 2006 2:30 PM	Registered Office : 260/23, Sheetal Industrial Area, Demani Road, Dadra UT of DN & H
30 th September 2005 9:30 AM	Registered Office : UPSIDC Industrial Area, Bhimtal, Distt- Nainital Uttaranchal

The following special resolutions were passed in previous three Annual General Meetings

Year 2006-2007 (4th AGM)

No special resolution was passed in the last Annual General Meeting

Year 2005-2006 (3rd AGM)

Investment in the equity shares of Jindal India Thermal Power Limited upto Rs. 295.31 crore.

Year 2004-2005 (2nd AGM)

1. Alteration in the Articles of Association – As per the Requirement of Listing Agreement

2. Alteration in the Articles of Association – Passing of Resolution(s) through postal ballot
3. Authorization to the Company for Commencement of Businesses as set-out in other objects of the Memorandum of Association of the Company.
4. Authorization to the Board of Directors for the payment of sitting fee and other compensation to Non-Executive Directors as per the listing agreement requirement.
5. Investment in the units of Mutual Funds upto Rs. 125 crore.

No special resolution was put through postal ballot in the last AGM and there is no such proposal for this year as there is no such business, which statutorily requires voting through postal ballot in the ensuing Annual General Meeting

EXTRA ORDINARY GENERAL MEETING

An Extra Ordinary General Meeting was held on 27th March 2008 at the registered office of the company at 260/23 Sheetal Industrial estate, Demani Road, Dadra (UT of D & NH) at 2.30 pm., to transact the following special business:-

For making investment upto Rs. 300 crores in equity shares of Jindal India Powertech Limited.

VII. DISCLOSURES

Materially significant related party transactions

No transaction of a material nature has been entered into by the company with its promoters, Directors or the Management and their relative's etc, which may have potential conflict with the interest of the company. All the relevant information as required under sub clause IV (A) of the clause 49 of the Listing Agreement has been placed before the audit committee. Transactions with the related parties are disclosed in the note no. 22 of Schedule 'T' to the Accounts in the 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

The Company has complied with all the requirements of regulatory authorities like Stock Exchanges, SEBI and other Statutory Authorities during the preceding three years and on the matter related to capital market. No penalties / strictures have been imposed on the Company.

Whistle Blower Policy

The Company has not adopted the whistle blower policy mechanism. However no person has been denied to access 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 applicable 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

The company has adopted code of conduct for its Directors and Senior Management Personnel. The code has also been posted on the Company's website. The Managing Director of the company has given a declaration that all the Directors and Senior Management personnel have affirmed the compliance with the Code of Conduct.

Subsidiary Companies

The Company does not have any material non-listed subsidiary company as defined in clause 49 of the Listing agreement. The audit Committee reviews the financial statements of the Company's unlisted subsidiary company. The minutes of the board meetings of the subsidiary companies are periodically placed before and reviewed by the Board of directors of the Company.

Accounting Treatment

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountant 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 and mitigation plans through means of properly defined framework from time to time.

Public, Rights and other Issues

During the year 2007-2008, the company did not make any public, rights or any other issue of securities.

Management

Management Discussion and Analysis forms part of this Annual Report.

No material financial and commercial transaction(s) has been entered into by the senior management Personnel with the company, which may have potential conflict with the interest of the company

Shareholders

a) Disclosure regarding re-appointment of Director liable to retire by rotation

Mr. Suresh Chander Sharma

Date of Birth	1 st August 1955
Date of Appointment	15 th March 2004
Expertise in specific functional area	Labour Laws, Commercial , Accounts, Audit & Legal
Qualification	M.Com, LLB
Directorship in other Companies	Rishi Trading Company Limited Vigil Farms Limited Jindal India Finvest & Holdings Limited AXL Resources Pvt Limited Jindal India Power Ventures Limited Jindal India Powertech Limited Jindal Buildmart Limited Shekhwati Vanijya Vikash Pvt Ltd
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee (Chairman) Shareholders Investor Grievance and Share transfer committee (Chairman)
Chairman / Member of the Committees of Director of other Companies in which he is a director	
a) Audit Committee	Rishi Trading Company Limited (Member)
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL
No of shares held in Jindal Photo Ltd	NIL

b) Disclosure regarding appointment of as Directors

Mr. Shammi Gupta

Date of Birth	20 th September 1972
Date of Appointment	31 st July 2008
Expertise in specific functional area	Marketing, Accounts, Administration, General Management
Qualification	B.Com , FCA, PGDMS
Directorship in other Companies	Jindal India Powertech Limited Consolidated Buildwell Limited
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Chairman/Member of the Committees of Director of other Companies in which he is a director	
a) Audit Committee	NIL
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL
No of shares held in Jindal Photo Ltd	NIL

Mr. Krishnasamy Ramaswamy

Date of Birth	15 th February 1957
Date of Appointment	31 st July 2008
Expertise in specific functional area	Photographic – Conversion Industries
Qualification	B.E (Mechanical)
Directorship in other Companies	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Chairman/Member of the Committees of Director of other Companies in which he is a director	
a) Audit Committee	NIL
b) Shareholder/Investor Grievance Committee	NIL
c) Remuneration Committee	NIL
No of shares held in Jindal Photo Ltd	NIL

C) Investor grievances & share transfer

As mentioned before the company has constituted shareholders'/investor grievance committee to look into and redress shareholders and investor complaints like transfer of shares, non receipt of dividend, annual report etc.

The company has outsourced its share transfer functions to M/s Intime Spectrum Registry Limited, Which is a registered with SEBI as a Category I Registrar.

CEO / CFO Certification

The Managing Director and the General Manager (Accounts) –cum-Company Secretary have certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March 2008.

Auditors' Certificate on Corporate governance

As stipulated in clause 49 of the Listing agreement, the auditors' certificate regarding compliance of conditions of corporate governance is annexed to this Annual Report.

VIII. 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 newspaper like Financial Express or Business Standard (English) and Sandesh & Financial Express (Gujarati). The Company has also developed a section dedicated for Investors on Jindal Photo web site

(www.jindalphoto.com) to display latest annual, half-yearly & quarterly results. All other price sensitive and any other information are sent to The National Stock exchange of India Limited (NSE) and The Bombay Stock Exchange Ltd (BSE) where shares of the Company are listed.

The Company is also filing the requisite reports under the Electronic Data Information Filing and Retrieval System (EDIFAR) website maintained by National Informatics Centre (NIC) pursuant to Securities & Exchange Board of India (SEBI) regulations. The information can be accessed in the EDIFAR website viz., www.sebidifar.nic.in.

IX. GENERAL SHAREHOLDER INFORMATION

a. Annual General meeting

Date and time : 25th September, 2008
at 2:30 P: M

Venue : 260/23, Sheetal Industrial Estate, Demani Road, Dadra (UT of DNH)

b. Financial Calendar (tentative)

Financial Year : 1st April 2008 to
31st March 2009

Unaudited Results for the first quarter ending June 30, 2008 : End July 2008

Unaudited Results for the second quarter ending September 30, 2008 : End October, 2008

Unaudited Results for End January, 2009
the third quarter ending
December 31, 2008

Unaudited Results for End April, 2009
the fourth quarter ending
March 31, 2009

Annual Accounts July / August 2009
2008-2009

Annual General Meeting Aug /
for the year ending September, 2009
March 31, 2009

c. Date of Book Closure

Friday 19th September 2008 to Thursday 24th
September 2008 (both days inclusive)

d. Dividend payment date

Dividend @10 % (i.e. Rs 1.00 per share) will
be paid by 24th October 2008, if approved by
the members in the ensuing Annual General
Meeting.

e. Listing on Stock Exchanges

The shares of the Company are listed on the
following stock exchanges

1. The Bombay Stock Exchange Limited(BSE)
1st Floor, Rotunda Building,
Phiroze Jeejeebhoy Towers,
B S Marg, Fort, Mumbai
2. The National Stock Exchange of
India Ltd (NSE)
Exchange Plaza, Plot C-1, Block – G
Bandra – Kurla Complex,
Bandra (East) Mumbai

The Listing fee for the year 2008-2009 has
been paid to the above Stock Exchanges in
time.

f. Stock Code

BSE : 532624

NSE : JINDALPHOT

ISIN: INE796G01012

g. Market Price Data

High, Low during each month in the last
financial year from 1st April 2007 to 31st March
2008.

(i) The Bombay Stock Exchange Limited (BSE)

Month	High (Rs.)	Low (Rs.)	BSE Sensex	
			High	Low
April, 2007	101.00	82.70	14383.72	12425.52
May, 2007	122.70	93.15	14576.37	13554.34
June, 2007	127.90	107.00	14683.36	13946.99
July, 2007	123.30	108.00	15868.85	14638.88
August 2007	141.00	110.00	15542.40	13779.88
Sept 2007	179.00	116.00	17361.47	15323.05
October 2007	184.80	130.25	20238.16	17144.58
Nov 2007	311.35	174.00	20204.21	18182.83
Dec 2007	362.75	243.00	20498.11	18886.40
January 2008	428.85	243.20	15332.42	18269.60
February 2008	272.75	188.00	16457.74	17646.54
March 2008	204.85	123.00	14677.24	15952.40

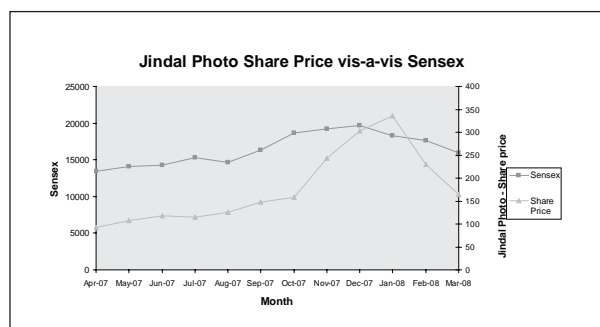
Source : www.bseindia.com

(ii) National Stock Exchange of India Limited

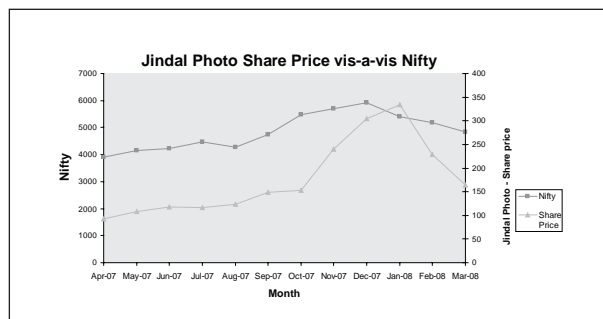
Month	High (Rs.)	Low (Rs.)	NSE nifty	
			High	Low
April, 2007	101.00	83.00	4217.90	3617.00
May, 2007	123.90	92.00	4306.75	3981.15
June, 2007	128.00	106.40	4362.95	4100.80
July, 2007	124.85	107.25	4647.95	4304.00
August 2007	141.00	105.50	4532.90	4002.20
Sept 2007	179.00	118.05	5055.80	4445.55
October 2007	184.90	121.00	5976.00	5000.95
Nov' 2007	310.05	170.00	6011.95	5394.35
Dec 2007	362.20	247.00	6185.40	5676.70
January 2008	426.00	242.30	6357.10	4448.50
February 2008	272.90	185.60	5545.20	4803.60
March 2008	206.10	123.00	5222.80	4468.55

Source : www.nseindia.com

Performance in comparison to BSE Sensex



Performance in comparison of NSE Nifty



h. Registrar and Share Transfer Agent (for both physical & Electronic)

M/s Intime Spectrum Registry Limited
(Unit: Jindal Photo Limited)
 2nd Floor, A- 40
 Naraina Industrial Area, Phase – II
 New Delhi – 110 028
 Phone: 011- 41410592-94
 Fax: 011-41410591
 e-mail : delhi@intimespectrum.com

i. Share Transfer System

The Registrar & Share Transfer Agent processes transfers in physical form within 30 days of

the receipt of completed documents. Invalid share transfers are returned within 15 days of receipt. The Share transfer committee meets on fortnightly basis.

All requests for dematerialization of share are processed and confirmation / rejection are given to respective depository i.e. NSDL & CDSL through the Registrar on weekly basis.

j. Distribution of Shareholding as on 31st March 2008

Shareholding of Nominal Value of Rs. 10 /- each Rs.	No. of share-holders	% to total number of share-holders	Share Amount (in Rs.)	% of Total Share amount
Up to 2500	28715	95.95 %	12103680	11.80 %
2501 to 5000	644	2.15 %	2404950	2.35 %
5001 to 10000	289	0.97 %	2202940	2.15 %
10001 to 20000	155	0.52 %	2249270	2.19 %
20001 to 30000	41	0.13 %	1002330	0.98 %
30001 to 40000	21	0.07 %	761410	0.74 %
40001 to 50000	14	0.05 %	650480	0.63 %
50001 to 100000	26	0.09 %	1857170	1.81 %
100001 and above	22	0.07 %	79351030	77.35 %
TOTAL	29927	100.00%	102583260	100.00 %

k. Shareholding Pattern as on 31st March 2008

	Category	No. of shares held	Percentage of shareholding
A	Promoter & Promoter Group		
1	Indian		
	- Individuals	54480	0.53%
	- Bodies Corporate	7278783	70.95%
2	Foreign	NIL	NIL
	Sub-Total	7333263	71.48%
B.	Public Shareholding		
3	Institutions	238408	2.33 %
4	Non-Institutions		
	- Bodies Corporate	554208	5.40 %
	- Individuals	2014678	19.64 %
	- Others	117769	1.15 %
	Sub-Total	2925063	28.52 %
	GRAND TOTAL	10258326	100.00 %

l. Dematerialization of shares and liquidity

The shares of the company are compulsory traded in dematerialized form and are available for trading on both the depository systems in India, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2008, 98, 96,243 numbers of shares representing 96.47 % of total paid-up equity capital is held in dematerialized form with NSDL & CDSL.

m. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity

The Company does not have any outstanding GDR/ADR/Warrants or any other convertible instruments.

n. Plant Locations

1. Sheetal Industrial Estate, Demani Road, Dadra – 396 230, Dadra & Nagar Haveli(U.T)
2. Roll Film Unit No. II, Sheetal Industrial Estate, Demani Road, Dadra – 396 230, Dadra & Nagar Haveli (U.T)
3. PPD Unit, Sheetal Industrial Estate, Demani Road, Dadra- 396 230, Dadra & Nagar Haveli (U.T)

4. Photo Chemical Division, Survey no. 178/2, Near Panchsheel Stone Duary, Vill – Sarigam (Bhilad), Taluka- Umbergoan, Distt- Valsad (Gujarat)

5. Samba Unit, J & K SIDCO, IGC, Samba (Jammu) J & K.

o. Address for Correspondence

Registered Office

260/23, Sheetal Industrial Estate, Demani Road, Dadra (UT of D &NH)

Tel : 0260-2668371, 2668372, 2668308

Fax : 0260-2668354

Head Office & Share department

The Manager (Secretarial)

Jindal Photo Limited

25-28 Rajendra Bhawan, Rajendra Place,

Pusa Road, New Delhi – 110 008

Telephone: 011- 25767000-002, 25767005-007

Extn. 141

Fax: 91-11-25767029, 25767022,

e-mail : secretarial_photo@jindalgroup.com,

igr_photo@jindalgroup.com

website : www.jindalphoto.com

DECLARATION BY THE MANAGING DIRECTOR

I, Rathi Binod Pal, Managing Director of Jindal Photo Limited, pursuant to clause 49(1) (D) of the Listing Agreement hereby confirm, that:

- The Board of Directors of Jindal Photo Limited has laid down a code of conduct for all board members and senior management personnel of the company. The said code of conduct has also been posted in the investor page in the company's website, viz. www.jindalphoto.com
- All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2008.

New Delhi
26th August 2008

(Rathi Binod Pal)
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

(a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The continuous improvement in economic scenario and sustained growth has helped in growth of average per capita income thus leading to increased purchasing power of all segments. These trends coupled with widespread availability of cameras are major factors in democratizing the practice of photography benefit to amateur photography arena. Today, photography has become such an integral part of modern life that it has become difficult to imagine a world without it.

Considering the global average consumption rate the prospects of the photographic industry in India is very high, as Indian usage still does not match global standards. With the substantial increase in the disposable income of the ever-burgeoning middle class, the usage of digital photography technology has replaced the conventional roll film consumption to a great extent.

Although analogue products still have a reasonable hold over Indian market, yet digital cameras and storage devices' market is fast expanding, which are making a mark in the industry. The accessibility and affordability of digital cameras and films have been the key demand drivers.

Keeping in mind the above coupled with the fact that products are becoming more affordable due to new technologies, the industry outlook is bullish.

Fujifilm takes pride in being seen as a high end, technologically superior product that the consumer has come to rely upon. The finest quality is offered at affordable prices, to both amateur and professional photographers. Its position as an imaging innovator is unchallenged in terms of technology. Its range of digital processing equipments, photographic color paper and other media products are revolutionizing the field of image recording and reproduction. Shaping up an aggressive marketing strategy, our company is giving utmost importance to consumers.

As a part of its business strategy to capture the medical imaging business, the company is marketing Fuji Computed Radiography systems (CRs) and Dry Imagers (Drypix) in India.

The Company is also bringing Fuji film's various medical imaging solutions and fulfilling the needs of today and tomorrow's healthcare facilities. The

Company is organizing various road shows across the country to create the awareness of newly launched Fuji Medical Imaging systems with advance facilities.

JPL commands more than 45% market share in Medical Imaging business (MXR films, Computed Radiography systems & Dry Imagers) and continue upgrading sales and service network all over the country

The company has recently launched a new digital minilab – Frontier 5500 in the photo processing segment.

In terms of sales promotional activities the company has conducted many workshops, exhibitions, and continued their efforts in reaching out to amateur consumer by holding Super Six photography exhibition all over India, where work of top Indian Photographers are exhibited. This has helped in promoting new products and technologies and increase awareness about photography.

Jindal Photo continues to carry forward the legacy of FUJIFILM brand with its commitment towards the Indian consumer. It has been our constant effort to bring to the discerning Indian photographic industry, the best of technology and the latest equipment and products for achieving superb results at affordable prices. We value our brand identity, its value and its association with the consumers in India.

Keeping in line with the global marketing strategy, today Fujifilm has established itself as a market leader in the photography and imaging industry in India.

(b) OPPORTUNITIES, THREATS & RISKS

The emerging urban and semi-urban consumers from the middle class socio-economic groups now have more disposable income and are turning towards photography in the process of creating a vast amateur market. The availability of digital cameras in an area near them has also helped in widening the spectrum for the photography industry. Being no consumables for taking images by digital cameras, the number of prints has been increased drastically resulting increase in demand of color paper. Your company has been quick to identify and capitalize on these new marketing opportunities. The spread

of Fuji film Labs in every corner of the nation is a positive sign of the future development.

We are already a leader in the professional photography segment and now our focus is clearly on the amateur segment and this initiative will enable us to be closer with our customers countrywide.

Attaining technological advances in the field of digital radiography (Computed Radiography System) and building the brand 'FUJIFILM' have helped the company in becoming one of the foremost vendors to the fast-growing healthcare sector in India. With growing economy and increased awareness towards health, more people now afford X-rays, resulting an increase in X-ray consumables demand with Govt of India focusing more on healthcare sector, the sales of medical products has increased significantly and has big potential in future

The Key materials required for the manufacture of photographic products are import-based and therefore the business is susceptible to the volatility of the exchange rate and government policies. Fierce competition continues to have an impact on the sales prices and the margins are under pressure. Moreover digitalization in photographic segment is happening very rapidly which is affecting the sale of roll films. However, by creating higher brand equity, this threat has been neutralized to some extent.

The Company's manufacturing plants have been accredited with the prestigious ISO 9001:2000 certification by SGS, a leading international certification company

Risk is an inherent aspect of any business. Your Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measures for minimizing and mitigating such risks.

(c) PERFORMANCE

The company is aggressively pursuing its marketing strategy of increasing market share which is showing results in enhanced sales volume. The company is also pursuing aggressive cost reduction initiatives thus adding to the bottom-line growth.

During the year under review the company has also organized the 'Fujifilm Super-Six' exhibition in various parts of the country. This year's super six exhibitions are third in the series showcasing works of famous photographers on a variety of topics.

Jindal Photo Ltd. has been at the forefront of ushering in photographic revolution in India and we are happy that our initiative – Fujifilm Super Six has entered into its fourth year. The idea behind organizing such events is to generate interest in amateur photography and we are happy to see over the years the event attracting not only amateurs but serious photography lovers. Through these photo-exhibitions, Fujifilm endeavors to promote photography as an art-form, among the masses and provide all the support, to amateur photographers, for polishing their skills through professional guidance.

In its constant effort to provide an impetus to the photography lovers and bridge the existing gap in formal photographic education, Jindal Photo Limited launched Academy for Photographic Excellence, a photography institute dedicated to the pursuit of imparting photo-education in India. The objective of the School of Photography is to develop technically and aesthetically sound photographers, capable of successfully entering and competing in the open marketplace.

(d) OUTLOOK

The Photographic industry is perched for significant growth due to constructive and favorable new advances in technological products, the tourism trends and evolving socio-economic conditions in the vast middle class.

Your company is well geared up to meet the increasing demands – by using strategically planned communications and sales promotion activities for the trade as well as the consumers.

Extensive retail oriented marketing programs and advertisement activities mass media vehicles will ensure an increase in the market share of your company's products / services.

Our future plans include the expansion of the retail and dealer network in the country. We are also planning to open up more Fuji Digital Imaging outlets (FDi) in other major centers countrywide.

(e) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls that all assets are safeguarded and protected against loss from unauthorized use or disposition, and all the transactions are authorised, recorded and reported correctly. Management

continuously reviews the internal control systems and procedures to ensure orderly efficient conduct of business. The review included adherence to the management policies and safeguarding the assets of the company.

The company regularly conducts internal audits, using external and internal resources to monitor the effectiveness of internal controls of the company. The Audit committee of the board of director's deals with significant control issues rose by the internal and external auditors and instructs further areas to be covered.

(f) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial performance, which has been given in the Directors' report, needs to be viewed in the above backdrop.

(g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The industrial relations climate of the Company has

been cordial during the year and is geared towards improving productivity, quality and safety.

The company recognizes the importance of human resource development and several initiatives are taken aimed at motivating the employees. Training and development of employees continues to be an important focus area of increasing the competency levels in the organization.

The Company also believes in nurturing young talents through its people interventions and management-training schemes, which strives to develop business managers of tomorrow. These youngsters are equipped with professional degrees and ethics.

The concerned technical and marketing personnel of the company also being regularly attending training programme abroad, which were conducted by the M/s Fujifilm Corporation, Japan and by its subsidiaries from time to time.

The employee strength of the company as on 31st March 2008 was 236.

AUDITORS' CERTIFICATE

TO THE MEMBERS OF JINDAL PHOTO LIMITED

We have examined the compliance of conditions of corporate governance by **JINDAL PHOTO 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 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 corporate governance. It is neither an audit nor an expression of opinion on the financial statement 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 mentioned in the above mentioned listing agreement.

As per records maintained by the company which are presented to the share transfer cum shareholders/investors grievance committee, there were no investor grievances pending for a period exceeding one month against the company.

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 **B. K. SHROFF & CO.,**
Chartered Accountants

(Anil Gupta)
PARTNER

Membership No. 80074

Place : 3/7B, Asaf Ali Road, New Delhi – 110 002

Dated : 26th August, 2008

AUDITORS' REPORT

TO THE MEMBERS OF JINDAL PHOTO LIMITED

1. We have audited the attached Balance Sheet of **JINDAL PHOTO LIMITED** as at 31st March, 2008, and also the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors and taken on record by the board of directors, we report that as on 31.03.2008 none of the directors is disqualified on the said date from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008
 - (b) In the case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **B.K. SHROFF & CO.**
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 31st July, 2008

(Anil Gupta)
Partner
Membership No: 80074

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have been physically verified by the management according to a regular programme which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
 - (c) During the year the company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern concept of the company.

- (ii) (a) Physical verification of inventory (except material in transit and lying with third parties) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.
- (iii) (a) In our opinion and according to the explanations given to us, the company has not taken loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) On the basis of records of the company, the following are the particulars of loans granted by the company to companies, firms and other parties covered in the registers maintained under section 301 of the Companies Act, 1956.
- contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, no transactions were made during the year in pursuance of such contracts or arrangements which exceeded the value of five lakh rupees in respect of any party at prices which were unreasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Act.
- (vii) In our opinion, the company has an adequate Internal Audit System commensurate with the size and the nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956 in respect of the company's products.

Name of the Party	Relationship with Company	Maximum amount (Rs.)	Year end balance
Consolidated Finvest & Holdings Limited	Controlling Company	20,00,000	Nil
Rishi Trading Company Limited	Controlling Company	2,71,91,250	Nil
Jindal India Thermal Power Limited	Wholly Owned Subsidiary	6,01,41,900	5,91,41,900

- (c) In our opinion the rate of interest and other terms and conditions on which loans, have granted to firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956 are prima facie, not prejudicial to the interest of company.
- (d) In our opinion and according to information and explanation given to us, the loans granted are repayable on demand and no demanded amount is outstanding. In view of (iii) (c) above, in our opinion, there is no overdue amount in respect of payment of the principal and interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) (a) According to the information and explanations given to us, during the year there were no
- (ix) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance investor education and protection fund, income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, sales tax, service tax, wealth tax, customs duty, excise duty and cess were outstanding as at 31.03.2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, dues of income tax, sale tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute are as under:-

Name of the statue	Nature of dues	Amount Rs.	Period to which amount relates	Forum where pending
Delhi Sales Tax Act	Ex-parte assessment (rejected export sales)	36,99,918	1992-93	Additional Commissioner Sales Tax, Delhi
Delhi Sales Tax Act	Sales Tax Demand on sales enhancement	5,42,600	1993-94 and 2002-03	Deputy Commissioner Sales Tax, Delhi
Rajasthan Sales Tax Act	Sales Tax Difference on Medical Product	9,32,008	2000-01 and 2004-05	Deputy Commissioner Appeals (Commercial), Jaipur
Kerala Value added Tax Act	Tax rate difference and price difference on minilab, Roll Film Camera.	2,46,72,022	2005-06	Deputy Commissioner Appeals VAT Cochin
Central Sales Tax Act	Toll Tax	77483	16.06.06-12.10.06	Commissioner Excise.Jammu
Income Tax Act, 1961	Income Tax Demands	1,13,30,963	For A.Y. 2005-06	Commissioner of Income Tax Appeals), Delhi

- (x) The company does not have any accumulated losses at the end of the financial year nor has it incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) According to the information and explanations given to us the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is neither a chit fund nor nidhi / mutual benefit fund / society and hence clause (xiii) of the Order is not applicable to the company.
- (xiv) Based on our examination of records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records in respect of dealing or trading in shares, securities, debentures and other investments. We also report that the company has held the shares, securities, debentures and other investments in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) In our opinion the company has not given guarantee for loans taken by others from banks or financial institutions.

- (xvi) The company has not availed any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us during the year the company had not issued any debentures.
- (xix) According to the information and explanations given to us, during the year the company has not raised any money by public issue.
- (xx) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For **B.K. SHROFF & CO.**
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 31st July, 2008

(Anil Gupta)
Partner
Membership No: 80074

BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	Schedules	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	'A'	102,583,260	102,583,260
Reserves & Surplus	'B'	1,665,410,475	1,767,993,735
			1,209,157,152
			1,311,740,412
DEFERRED TAX LIABILITY (Net)		34,971,818	38,274,700
		1,802,965,553	1,350,015,112
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'C'	558,654,334	625,373,765
Less : Depreciation		246,509,670	286,451,057
Net Block		312,144,664	338,922,708
Add:- Capital work in progress		3,884,694	316,029,358
			8,574,623
			347,497,331
INVESTMENTS	'D'	894,820,541	447,136,492
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'E'	464,539,700	357,488,077
Sundry Debtors	'F'	71,364,277	58,674,932
Cash & Bank Balances	'G'	127,119,306	178,114,825
Loans & Advances	'H'	358,588,996	489,207,664
		1,021,612,279	1,083,485,498
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	'I'	230,991,332	283,971,593
Provisions	'J'	198,505,293	244,139,329
		429,496,625	528,110,922
NET CURRENT ASSETS		592,115,654	555,374,576
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	'K'	-	6,713
		1,802,965,553	1,350,015,112
NOTES ON ACCOUNTS	'T'		

As per our report of even date attached

For and on behalf of the Board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

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

PARTICULARS	Schedules	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
INCOME			
Sales (Gross)	'L'	4,063,497,435	4,110,827,879
Less:- Excise Duty		456,442,689	500,390,141
Sales(Net)		3,607,054,746	3,610,437,738
Income from Services rendered		1,971,104	7,641,158
Other Income	'M'	25,106,135	28,352,033
		3,634,131,985	3,646,430,929
EXPENDITURE			
Material consumed, Manufacturing & Other Operating expenses	'N'	2,165,619,416	2,392,033,067
Purchase of Traded goods		622,619,761	458,027,804
(Increase) /Decrease in Stocks	'O'	(70,908,776)	235,745
Excise Duty on (Increase)/Decrease in Stocks		3,802,833	2,860,538
Personnel expenses	'P'	61,207,119	61,757,462
Administrative expenses	'Q'	67,990,904	72,115,798
Interest & Financial charges	'R'	8,881,962	16,639,915
Selling & Distribution expenses	'S'	168,885,578	247,331,096
Depreciation		37,358,686	54,228,843
		3,065,457,483	3,305,230,268
Profit before Taxation		568,674,502	341,200,661
Provision/payment for			
- Current Tax		100,500,000	75,500,000
- Fringe Benefit Tax		1,649,000	2,421,000
- Deferred Tax		(2,741,542)	(11,293,830)
- Wealth Tax		25,200	22,600
Taxation related to earlier years (net)		(103,354)	39,443
Profit after Tax		469,345,198	274,511,448
Balance brought forward		420,424,338	185,366,619
Profit Available For Appropriation		889,769,536	459,878,067
APPROPRIATION			
Transfer to General Reserve		46,935,000	27,452,000
Provision for Dividend		10,258,326	10,258,326
Provision for Tax on Dividend		1,743,403	1,743,403
Balance Carried To Balance Sheet		830,832,807	420,424,338
		889,769,536	459,878,067
Basic/Diluted Earning Per Share (note 20, Schedule T)		45.75	26.76
NOTES ON ACCOUNTS	'T'		

As per our report of even date attached

For and on behalf of the Board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

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

	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
A. Cash Flow from Operating Activities:		
Net Profit Before Tax & Extraordinary Items	568,674,502	341,200,661
Adjustments for:		
Depreciation	37,358,686	54,228,843
Profit on Sale of Investments	(2,254,116)	(12,269,398)
Preliminary expenses written off	6,713	6,713
Loss on sale of Fixed assets	101,510	364,458
Excess depreciation written back	-	(85,602)
Provision for doubtful advances/debts	-	5,230,290
Interest income	(3,465,194)	(9,557,519)
Interest charges	5,044,072	11,441,664
Dividend income	(3,003,488)	(1,797,010)
Operating Profit Before Working Capital Changes	602,462,685	388,763,100
Adjustments for:		
Trade & Other Receivables	84,374,077	(105,488,063)
Inventories	(107,051,623)	18,662,362
Trade Payables	(50,739,984)	848,815
Cash generated from Operations	529,045,155	302,786,214
Direct Taxes paid	(118,041,401)	(62,076,783)
Net Cash from Operating Activities	411,003,754	240,709,431
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets & Other Capital expenditure	(6,404,058)	(23,824,566)
Purchase of Investments	(999,768,437)	(515,181,410)
Sale of Fixed Assets	411,835	4,730,726
Sale of Investments	554,338,506	329,824,317
Interest income	3,465,194	9,557,519
Dividend income	3,003,488	1,797,010
Net Cash flow from/(Used in) Investing Activities	(444,953,472)	(193,096,404)
C. Cash Flow from Financing Activities:		
Proceeds from capital investment subsidy	-	3,000,000
Dividend paid including taxes thereon	(12,001,729)	(11,697,056)
Interest charges	(5,044,072)	(11,441,664)
Net Cash flow from/(Used in) Financing Activities	(17,045,801)	(20,138,720)
Net Increase in Cash and Cash Equivalents (A+B+C)	(50,995,519)	27,474,305
Cash and Cash Equivalents as at beginning of the year	178,114,825	150,640,520
Cash and Cash Equivalents as at close of the year	127,119,306	178,114,825

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

ANIL GUPTA
Partner

For and on behalf of the Board

RATHI BINOD PAL
Managing Director

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

SCHEDULE 'A' SHARE CAPITAL

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
AUTHORISED		
10,550,000 Equity Shares of Rs. 10 each	105,500,000	105,500,000
	105,500,000	105,500,000
ISSUED, SUBSCRIBED AND PAID UP		
10,258,326 Equity Shares of Rs. 10 each	102,583,260	102,583,260
	102,583,260	102,583,260

SCHEDULE 'B' RESERVES AND SURPLUS CAPITAL RESERVE

Capital investment subsidy				
Balance as per last balance sheet	3,000,000	-		
Add :- Received during the year	-	3,000,000	3,000,000	3,000,000
GENERAL RESERVE				
Balance as per last balance sheet	785,732,814	758,280,814		
Add:- Transferred from Profit & loss Account	46,935,000	27,452,000		
	832,667,814	785,732,814		
Less: Charge on account of transitional provisions under accounting standard 15 (refer note no. 18a schedule T)	1,090,146	831,577,668	-	785,732,814
PROFIT & LOSS ACCOUNT		830,832,807		420,424,338
		1,665,410,475		1,209,157,152

SCHEDULE 'C' - FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2007	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31.03.2008	UPTO 31.03.2007	DEDUCTION/ ADJUSTMENTS	FOR THE YEAR **	UP TO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
LAND - Free hold	8,197,833	-	-	8,197,833	-	-	-	-	8,197,833	8,197,833
- Leasehold	7,815,200	-	-	7,815,200	230,087	-	86,988	317,075	7,498,125	7,585,113
BUILDINGS#	158,394,073	3,484,866	-	161,878,939	34,104,042	-	5,346,867	39,450,909	122,428,030	124,290,031
Residential Building	43,489,180	-	-	43,489,180	5,982,409	-	699,674	6,682,083	36,807,097	37,506,771
PLANT & MACHINERY	386,325,523	3,157,653	75,954,805 @	313,528,371	236,874,146	75,903,920 @	28,393,510	189,363,736	124,164,635	149,451,377
OFFICE EQUIPMENT	6,528,475	407,121	122,104	6,813,492	2,150,159	51,443	328,466	2,427,182	4,386,310	4,378,316
FURNITURE & FIXTURES	7,955,099	1,373,176	7,640	9,320,635	4,539,749	6,079	517,808	5,051,478	4,269,157	3,415,350
VEHICLES	6,668,382	1,347,955	405,653	7,610,684	2,570,465	15,415	662,157	3,217,207	4,393,477	4,097,917
TOTAL (A)	625,373,765	9,770,771	76,490,202	558,654,334	286,451,057	75,976,857	36,035,470	246,509,670	312,144,664	338,922,708
CAPITAL WORK IN PROGRESS	8,574,623	2,936,377	6,303,090	5,207,910	-	-	1,323,216	1,323,216	3,884,694	8,574,623
TOTAL (B)	8,574,623	2,936,377	6,303,090	5,207,910	-	-	1,323,216	1,323,216	3,884,694	8,574,623
TOTAL (A+B)	633,948,388	12,707,148	82,793,292	563,862,244	286,451,057	75,976,857	37,358,686	247,832,886	316,029,358	347,497,331
PREVIOUS YEAR	615,686,148	43,961,458	25,699,218	633,948,388	232,774,958	552,744 \$	54,228,843	286,451,057	347,497,331	-

Includes Rs. 2,500 being cost of shares in a co-operative society.

@ Includes leased assets costing Rs. 75,856,405 having WDV of Rs. 75,856,378 transferred in favour of lessees on expiry/termination of lease agreements.

\$ Includes excess provision written back Rs. 85,602.

** Includes Rs. 17,422,004 (previous year Rs. 31,432,834) due to impairment of asset as per note no. 8.

SCHEDULE 'D' INVESTMENTS

LONG TERM :

NON-TRADE (AT COST)

	FACE VALUE Rs.	SHARES/ UNITS 31.03.2008	SHARES/ UNITS 31.03.2007	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
EQUITY SHARES-(UNQUOTED)-FULLY PAID					
In Subsidiary-					
Jindal imaging Limited	10	100000	100000	1,000,000	1,000,000
Jindal India Thermal Power Limited	10	1866250	-	18,709,190	-
Hindustan Powerzen Limited	10	50000	-	501,257	-
Jindal India Power Ventures Limited	10	50000	-	500,000	-
Others-					
Jindal France SAS	Euro 1	-	2800000	-	162,372,000
Vigil Farms Limited	10	-	330000	-	36,300,000
Jindal India Powertech Limited	10	100000	-	1,000,000	-
Mandakini Coal Company Limited	10	2000000	-	20,000,000	-
Jindal India Buildmart Limited	10	490000	-	44,500,000	-
EQUITY SHARES-(UNQUOTED)-PARTLY PAID UP					
Jindal India Powertech Limited (Rupee 1 paid up)	10	235000000	-	235,112,500	-
Sub Total (A)				<u>321,322,947</u>	<u>199,672,000</u>
UNITS-(UNQUOTED)					
In Mutual Funds-					
Birla FTP-Instl series W Growth	10	3,114,203	-	31,142,032	-
Birla Sun Life Cash Manager IP-Weekly Dividend - Reinvestment	10	-	3035174	-	30,390,173
Birla Floating Rate Fund-Short term-Weekly Dividend- Reinvestment	10	-	6316774	-	65,588,131
Deutsche Floating Rate Fund Regular Plan-Growth	10	-	220188	-	2,445,079
HDFC FMP 367D April 2007(5)-Wholesale Plan Growth	10	4,000,000	-	40,000,000	-
HDFC FMP 367D May 2007(5)-Wholesale Plan Growth	10	5000000	-	50,000,000	-
HSBC Fixed Term Series 28-Inst-Growth	10	8,500,000	-	85,000,000	-
ICICI Prudential FMP Series 34-one year-Plan B Institutional Growth	10	5000000	-	50,000,000	-
ICICI Prudential Institutional Short Term Plan - Cumulative Option	10	9137989	-	140,000,000	-
ICICI Prudential FMP Series 35-Three Months Plan C- Retail-Dividend	10	-	4000000	-	40,000,000
ICICI Prudential Floating Rate Plan D-growth	10	4655351	-	51,436,504	-
LIC MF Floating Rate Fund-Short Term Plan- Dividend Plan	10	-	4978149	-	50,531,109
Prudential FMP 11.05%	10	-	5000000	-	50,000,000
Templeton India Short Term Income Plan Institutional -Growth	1,000	108,500	-	126,909,058	-
Sub Total (B)				<u>574,487,594</u>	<u>238,954,492</u>
In Bonds-					
National Bank of Agriculture And Rural Development	10,000	-	950	-	9,500,000
Sub Total (C)				<u>-</u>	<u>9,500,000</u>
Less:- Provision for Diminution in value of Investments				<u>990,000</u>	<u>990,000</u>
Sub Total (D)				<u>990,000</u>	<u>990,000</u>
Grand Total (A+B+C-D)				<u>894,820,541</u>	<u>447,136,492</u>

(Net Asset Value of investments in Mutual Funds Rs. 61,00,48,211, Previous year Rs. 23,91,18,681)

The following Mutual Fund units were acquired and sold during the year :-

	FACE VALUE	UNITS	PURCHASE COST Rs.
OCIDD-HSBC-Cash Fund -Institutional Plan-Daily Dividend	10	1915690	20,000,000
Templeton India Short term Income Plan Institutional -Growth	10	1866693	236,654,438
Birla Sunlife Short term Fund -Growth	10	6996631	100,000,000

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE 'E' INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials (includes in transit Rs. 72,569,753 Previous year Rs. 12,348,554)	168,953,410	123,936,043
Finished Goods -Manufactured (includes in transit Rs. 3,573,004 Previous year Rs. 8,754,097)	99,532,269	72,179,445
-Traded (includes in transit Rs. 18,213,731 Previous year Rs. Nil)	163,117,203	119,561,251
Work in Progress	6,995,668	9,403,701
Packing Material, Stores & spare parts	25,941,150	32,407,637
(includes in transit Rs. Nil previous year Rs. 876,320)	464,539,700	357,488,077
SCHEDULE 'F' SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	14,381,811	24,428,626
Considered doubtful	-	4,107,885
Less:- Provision for doubtful debts	-	4,107,885
	14,381,811	24,428,626
Other debts-Considered good	56,982,466	34,246,306
	71,364,277	58,674,932
SCHEDULE 'G' CASH AND BANK BALANCES		
Cash in hand	1,696,853	1,591,046
Bank balances with scheduled banks:		
In Current Accounts	76,023,016	87,594,782
In Cash Credit Accounts	39,218,959	62,707,708
In Fixed Deposit Accounts *	10,180,478	24,983,556
Cheques in hand	-	1,237,733
	127,119,306	178,114,825
*(Includes Rs. 6,535,014 (previous year Rs. 22,822,992) pledged with bank towards Margin Money for bank guarantee/letter of credit and Rs. 1,545,064 (previous year Rs. 523,064) lodged with government authorities)		
SCHEDULE 'H' LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loans - to a body corporate	-	64,920,783
- to others	2,500,000	8,000,000
Advances to Subsidiary company		
Considered good	59,141,900	
Considered doubtful	1,094,705	1,094,705
	60,236,605	1,094,705
Less:- Provision for doubtful advances	1,094,705	1,094,705
Advances (recoverable in cash or in kind or for value to be received)		
Considered good	78,926,245	155,957,224
Considered doubtful	-	1,374,213
	78,926,245	157,331,437
Less:- Provision for doubtful advances	-	1,374,213
Interest receivable on loans and deposits	335,775	965,035
Balance with excise authorities	9,828,733	22,709,387
Security deposits	11,625,103	6,868,750
Income tax payments (including income tax deducted at source & fringe benefit tax)	196,231,240	229,786,485
	358,588,996	489,207,664

	AS AT 31.03.2008 Rs.		AS AT 31.03.2007 Rs.	
SCHEDULE 'T' CURRENT LIABILITIES				
Sundry Creditors				
- Total outstanding dues of Small Scale Industrial Undertakings	5,539,325		-	
- Total outstanding dues of other creditors	50,140,671	55,679,996	43,694,664	43,694,664
Other Liabilities		52,401,258		46,077,532
Advances from Customers		107,119,739		161,119,526
Dealers' Security Deposits		15,790,339		32,321,873
		230,991,332		283,213,595
SCHEDULE 'J' PROVISIONS				
for Gratuity		1,014,435		-
for Leave encashment		654,426		757,998
for Warranties		2,222,903		-
for Income Tax		176,000,000		227,200,000
for Fringe Benefit Tax		6,570,000		4,921,000
for Wealth Tax		41,800		16,600
for Dividend		10,258,326		10,258,326
for Tax on Dividend		1,743,403		1,743,403
		198,505,293		244,897,327
SCHEDULE 'K' MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary Expenses				
As per last Balance Sheet	6,713		13,426	
Less: Written off during the year	6,713	-	6,713	6,713
		-		6,713
		YEAR ENDED 31.03.2008		YEAR ENDED 31.03.2007
SCHEDULE 'L' SALES				
A. MANUFACTURED GOODS				
Photosensitised goods	3,282,377,974		3,498,392,102	
Others	22,747,588		22,990,056	
	3,305,125,562		3,521,382,158	
B. TRADED GOODS				
Photo Equipment & Others	758,371,873		589,445,721	
	758,371,873		589,445,721	
	4,063,497,435		4,110,827,879	

	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
SCHEDULE 'M' OTHER INCOME		
Interest received		
- from banks	900,860	1,384,515
(Gross of Tax Deducted at Source of Rs. 181,041 Previous year Rs. 249,802)		
- from others	2,564,334	8,173,004
(Gross of Tax Deducted at Source of Rs. 80,235 Previous year Rs. 156,390)		
Dividend received	3,003,488	1,797,010
(Including Rs. 26,485 Previous year Rs. Nil from Current Investments)		
Income from sale of Investments(Net)	2,254,116	12,269,398
(Including Rs. 2,772,556 Previous year Rs. 356,000 from Current Investments)		
Claim received	729,301	1,256,606
Commission received	2,226,451	1,524,909
Miscellaneous Receipts	1,234,462	703,822
Excess Depreciation Written back	-	85,602
Excess Provision/Liabilities no longer required written back (Net)	12,193,123	1,157,167
	25,106,135	28,352,033
SCHEDULE 'N' MATERIALS CONSUMED, MANUFACTURING & OTHER OPERATING EXPENSES		
Raw Material consumed		
Opening Stock	123,936,043	141,665,212
Add : Purchases	2,061,628,422	2,218,239,675
	2,185,564,465	2,359,904,887
Less : Closing Stock	168,953,410	123,936,043
	2,016,611,055	2,235,968,844
Add:- Opening work in progress	9,403,701	11,242,837
Less :- Closing work in progress	6,995,668	9,403,701
	2,019,019,088	2,237,807,980
Raw Material consumed		
Stores, Spare Parts & Chemicals consumed	7,048,620	5,707,572
Packing Material consumed	127,109,164	135,617,784
Power & Fuel	11,817,889	11,198,587
Repairs & Maintenance - Plant & Machinery	95,466	30,494
- Buildings	529,189	1,670,650
	2,165,619,416	2,392,033,067
SCHEDULE 'O' - (INCREASE)/DECREASE IN STOCKS		
OPENING STOCK :		
Finished Goods - Manufactured	72,179,445	75,095,162
- Traded	119,561,251	116,881,279
	191,740,696	191,976,441
CLOSING STOCK :		
Finished Goods -Manufactured	99,532,269	72,179,445
-Traded	163,117,203	119,561,251
	262,649,472	191,740,696
(INCREASE)/DECREASE IN STOCKS	(70,908,776)	235,745

	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
SCHEDULE 'P' PERSONNEL EXPENSES		
Salary, Wages, Allowances and Bonus	52,683,602	52,425,442
Gratuity	1,704,862	2,463,550
Contribution towards Provident and other Funds	2,410,359	2,582,708
Staff Welfare	4,253,419	4,204,440
Staff training and recruitment expenses	154,877	81,322
	<u>61,207,119</u>	<u>61,757,462</u>
SCHEDULE 'Q'- ADMINISTRATIVE EXPENSES		
Rent (including Lease Rent)	11,419,970	5,608,431
Rates, Taxes & Fees	2,317,272	3,561,587
Insurance	3,557,328	3,807,667
Electricity & Water charges	2,501,994	3,329,206
Travelling & Conveyance	15,286,067	16,063,047
Postage, Telegram & Telephone	6,502,861	8,319,949
Printing & Stationery	2,292,789	2,172,691
Legal & Professional charges	6,471,684	8,545,839
Repairs & maintenance - Others	8,621,407	7,422,126
Directors' Remuneration	1,015,200	1,584,881
Auditors Remuneration	412,500	377,806
Charity & Donation	5,457,188	7,803,928
Miscellaneous expenses	1,851,435	1,991,743
Irrecoverable Advances written off	1,473,749	2,185,676
Less: Provision for doubtful advances in earlier years	<u>1,298,763</u>	<u>2,152,355</u>
	174,986	33,321
Add: Provision for doubtful advances	-	<u>1,122,405</u>
Loss on sale of fixed assets	101,510	364,458
Preliminary expenses written off	6,713	6,713
	<u>67,990,904</u>	<u>72,115,798</u>
SCHEDULE 'R' INTEREST AND FINANCIAL CHARGES		
INTEREST		
-On Working Capital Loans	149,368	1,202,938
-On Others	4,894,704	10,238,725
Bank Charges & Commission	3,837,890	5,198,252
	<u>8,881,962</u>	<u>16,639,915</u>
SCHEDULE 'S'- SELLING AND DISTRIBUTION EXPENSES		
Commission, discount, advertisement and business promotion	119,853,502	209,005,052
Installation and Service Charges	10,371,478	3,921,274
Carriage Outward	30,312,846	28,550,766
Turnover /Entry /Sales Tax payments	1,224,511	743,618
Bad debts written off	10,821,720	2,840
Less: Provision for doubtful debts in earlier years	<u>4,107,885</u>	-
	6,713,835	2,840
Add: Provision for doubtful debts	-	<u>4,107,885</u>
Other selling expenses	409,406	999,661
	<u>168,885,578</u>	<u>247,331,096</u>

SCHEDULE 'T'-NOTES ON ACCOUNTS

1 Significant accounting policies:-

a) Method of Accounting

- i) The accounts of the company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to are in consistence with the generally accepted accounting principles.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and are net of modvat/cenvat wherever applicable. In respect of projects involving construction, related pre-operational expenses are capitalised and form part of the value of the assets capitalised. Fixed assets other than leasehold land acquired on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as and when accrued. The company capitalises software where it is reasonably estimated that the software has an enduring useful life.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of its estimated future cash flows expected to arise from the continuing use of an asset from its disposal at the end of its useful life.

c) Investments

Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Inventories

Inventories are valued at cost or net realisable value, whichever is lower, Cost is determined on first in first out (FIFO) basis/Weighted Average basis. Finished goods and work in process include cost of convention and other costs incurred in bringing the inventories to their present location and conditions.

e) Foreign currency transactions

All foreign currency liabilities relating to acquisition of fixed assets are restated at the rates ruling at the year end and exchange differences arising on such transactions are dealt with in the profit & loss account.

Investments in foreign currency are reported using the exchange rate at the date of transaction.

Other foreign currency assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

f) Depreciation

Depreciation is calculated on fixed assets (other than leased out assets) on straight line method in accordance with Schedule XIV of Companies Act, 1956. In respect of leased assets, the cost of the same is being amortized fully during the primary period of the lease.

Software is depreciated on straight line method at the rates specified in schedule XIV of the companies Act.

g) Research & Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

h) Retirement benefits

i) Short term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, incentives are recognised in the period during which the employee renders the related service.

ii) Post employment Benefits

a) **Defined Contribution Plans**

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognised in the profit & loss account during the period during which the employee renders the related service.

b) **Defined Benefit Plans**

The employee Gratuity Fund Scheme managed by a trust is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation under the projected unit credit method which recognises each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balancesheet date, having maturity periods approximated to the returns of related obligations.

Actuarial gains and losses are recognised immediately in the profit & loss account.

In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on net basis.

c) The obligation for leave encashment is provided for and paid on yearly basis.

i) **Miscellaneous expenditure**

Preliminary expenses are being proportionately written off over a period of five years.

j) **Accounting for interest in Joint ventures :-**

Interest in Joint ventures are accounted as follows

Type of Joint Venture

Accounting Treatment

Jointly Controlled Entities

i) **Integrated Joint Ventures :**

- a) Company's share in profits or losses of integrated ventures is accounted on determination of profit and losses by Joint ventures.
- b) Investments in integrated Joint ventures are carried at net of company's share in recognised profit or loss.

ii) **Incorporated jointly controlled Entities**

- a) Income on investments in incorporated Jointly controlled entities is recognised when the right to receive the same is established.
- b) Investment in such joint ventures is carried at original cost providing for any permanent diminution in value.

k) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense, in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

l) **Excise & Other Duties**

Whereas Excise duty in respect of finished goods lying in factory premises is provided and included in the valuation of inventory custom duty on goods lying in custom bonded warehouse is accounted on clearance thereof. Modvat benefit is accounted for by reducing the purchase cost of the materials/fixed assets.

m) **Claims and benefits**

Claims receivable is accounted on accrual basis to the extent considered receivable.

n) **Revenue recognition**

Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are accounted for ex-factory on despatch. Sales are net of returns.

o) **Income from Investments/Deposits**

Income from Investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Income tax deducted at source.

p) Revenue from Maintenance contracts

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

q) Product warranties

The company gives warranties on certain products and services undertaking to repair or replace the items that fails to perform satisfactorily during the warranty period. Provisions are made towards expected cost of meeting such obligations of rectification/replacement.

Warranty provisions are made for expected future cash outflows and computed on total sales made during the year, based on past experience. Provision has been computed on the total sales made during the year, based on past experience.

r) Leases

Lease agreements represent agreements entered into prior to 31st March, 2001. Assets under lease agreements are transferred in favour of the lessee on receipt of the final installment as per agreement. Lease rents are recognised on accrual basis over the period of lease agreement. The initial direct cost relating to lease transactions is recognised in the profit & loss account in the year such cost is incurred.

s) Grant & Subsidies

Grants received from Government agencies against specific assets are adjusted to the cost of the assets and capital grants for the Project Capital Subsidy are credited to Capital Reserve. Revenue Grants for the expenses incurred are reduced from the respective expenses.

t) Taxation

Provision for taxation is based on assessable profits of the company as determined under Income Tax Act, 1961.

Deferred taxation is provided using the liability method in respect of taxation effect arising from all material timing difference between accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystalize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only to extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

u) Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the preference share dividend, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

v) Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

2. Contingent Liabilities :

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	320,155
b. Outstanding Bank Guarantee	24,049,400	21,100,715
c. Foreign letters of credit outstanding	269,137,886	409,577,418
d. Sales Tax/Income tax demands disputed in appeals	41,254,994	279,750,894
e. Uncalled liability of Partly Paid shares	2,115,000,000	-

3 Amounts to be credited to Investor Education and Protection Fund.

	Nil	Nil
a. Unpaid dividend	Nil	Nil
b. Unpaid application money received for allotment of securities and due for refund.	Nil	Nil
c. Unpaid matured deposits	Nil	Nil
d. Unpaid matured debentures	Nil	Nil
e. Interest accrued on (a) to (d) above	Nil	Nil

4. a) The names of small scale Industrial undertaking together with interest outstanding for more than 30 days are as under
Robertsons Leggurd Co.
Wonder Plymers Private Limited
Abhishek Packaging Industries
International Print O Pack Limited

Payments against supplies from small scale industries are made in accordance with agreed terms. Besides, no interest payment has been made during the year on outstandings at the end of the year.

- b) There are no specific claims from suppliers under the "Interest on Delayed payment to small scale Ancillary Industrial Undertakings.
- c) The company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore ,disclosure under this act have not been given. The management does not envisage any material impact on the fianncials in this regard.
5. Balances of Sundry debtors, Sundry creditors and advances from customers are subject to confirmation and reconciliation. Differences if any shall be accounted for on such reconciliation.
6. In the opinion of the Board of Directors subject to note 5 above, the current assets, loans and advances are expected to realise atleast the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
7. Sundry Debtors include Rs. 14,45,915 (previous year Rs. 1,29,61,285) under litigation, against which legal cases are pending in various Courts for recovery. The same are considered good and realisable in the opinion of the management.

8. Impairment of assets

In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. The Company has identified Fixed Assets of one unit as impaired, mainly on account of economic performance and alternatively viability of such assets, and accordingly, an impairment loss of Rs. 1,74,22,004 has been charged to the Profit and Loss Account at the year end.

9. Auditors' Remuneration

	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
As Audit Fees	280,000	280,000
As Limited Review Fees	20,000	20,000
As Tax Audit Fees	60,000	45,000
As Certification Fees	52,500	32,806
	412,500	377,806

10. a) Effective 24.09.2007 the company subscribed to 100% share capital of Jindal India Thermal Power Limited
- b) Effective 20.12.2007 the company subscribed to 100% share capital of Jindal India Power Ventures Limited
- c) Effective 05.03.2008 the company subscribed to 100% share capital of Hindustan Powergen Limited
11. In terms of a joint venture agreement dated 3rd March 2008 between Jindal Photo Limited.Monnet Ispat and Energy Limited and Tata Power Company Limited, a joint venture company under the name and style of Mandakini Coal Company Limited(MCCL) was incorporated in India on 14.03.2008 for the purpose of joint development of Mandakani Coal Block in Angul District in Orissa for meeting the proportionate share of their requirement of coal for their respective power plants. All the three joint venture investors shall respectively hold 33.33% each in the shareholding of the joint venture company. As at 31.03.2008 the company had subscribed Rs. 2,00,00,000*

in the equity share capital of the joint venture company. As the first accounting year of MCCL shall close on 31.03.2009, the financial results/estimates as on 31.03.2008 are not available

*The cheque for Rs. 2,00,00,000 issued on 18.03.2008 was encashed on 05.05.2008

12. In terms of Memorandum of Understanding between the company and the Government of Orissa, the company was granted licence to set up a thermal power plant of 1000 MW capacity in the state of Orissa with an estimated investment of Rs. 4525 crores. Subsequently the company decided to execute the project through its subsidiary company namely Jindal India Thermal Power Limited. Accordingly a supplemental deed of Memorandum of Understanding was executed on 14.05.2008 whereby, the name of the company was substituted with the name of Jindal India Thermal Power Limited. Accordingly, all incomes and expenditures together with all assets acquired and liabilities incurred on the thermal power project upto 31.03.2008 have been transferred to Jindal India Thermal power limited as under:

Particulars	Amount (Rs.)
Fixed Assets	75,1917
Current Assets, Loans and Advances	43,002,816
Preoperative expenditure	15,711,419
	<u>59,466,152</u>
Less : Current Liabilities	<u>32,4252</u>
	<u>59,141,900</u>

13. Working Capital limits from banks are secured by first charge by way of hypothecation of stocks of raw material semi finished and finished goods and consumable stores, spares and book debts and receivables both present and future, ranking pari passu with working capital loans sanctioned by other participating banks.

14. a) Managerial Remuneration

Profit & Loss Account includes remuneration of managing director and whole time directors as under :

	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
Salary	1,015,200	1,513,251
Perquisites/Allowances	42,300	43,550
Contribution towards Provident Funds	18,720	28,080

Note : The above figure does not include contribution to Gratuity Fund as separate figures are not available for the managerial personnel

- b) Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per the provisions of schedule XIII of the Companies Act, 1956.
- c) The company holds an insurance policy on the life of the managing director for a sum of Rs. 8,00,000 .

15. Advance recoverable in cash or in kind include:

a) due from a director of the company	17,498	17,064
b) i. maximum amount due from a director at any time during the year	964,714	171,797
ii. maximum amount due from company secretary at any time during the years	14720	30,200

16. Other Liabilities includes Rs. 10,024 (previous year Rs. 11,000) due to the company secretary of the company.
17. It is management's perception that since the company is exclusively engaged in the activity of manufacture of photographic paper and films which are governed by the same set of risks and returns the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

18. a) Pursuant to the transitional provisions of accounting standards (AS)15 (Revised on "Employee Benefits" an amount of Rs. 1090146 (net of tax Rs. 561340) has been debited to General Reserve. The said amount represents the difference between the liability in respect of employee benefits determined under AS-15 (Revised) as on April 1,2007 and the liability that existed as on that date as per AS-15 prior to the revision.

- b) During the year, the following contributions have been made under defined contribution plans.

	2007-08	2006-07
	Rs.	Rs.
Employer's Contribution to provident Fund	780,471	799,950
Employer's Contribution to Employees Pension Scheme	1,347,767	1,474,095
c) The liability for leave encashment (Non-funded)	654,426	757,998

- d.i) Reconciliation of opening and Closing balances of defined benefit obligation for Gratuity (funded)

Defined benefit obligation at the beginning of the year	11,289,334	10,777,767
Current service cost	1,083,610	1,106,443
Interest cost	903,147	862,221
Acturial (gain)/Loss on obligation	601,838	1,303,921
Benefits Paid	(2,478,235)	(2,761,018)
Defined benefit obligation at the end of the year	11,399,694	11,289,334

- ii) Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at the beginning of the year	9,637,848	9,157,023
Expected return on plan assets	881,863	814,975
Employers' Contributions	2,341,913	2,359,810
Benefits paid	(2,478,235)	(2,761,018)
Acturial gain/(loss) on plan assets	1,870	67,058
Fair value of plan assets at the end of the year	10,385,259	9,637,848
Actual return on plan asset	883,733	882,033

- iii) Reconciliation of Fair value of assets and obligations

	as at	as at
	31.03.2008	31.03.2007
	Rs.	Rs.
Fair value of plan assets	10,385,259	9,637,848
Present value of obligation	11,399,694	11,289,334
Amount recognised in Balance Sheet	(1,014,435)	(1,651,486)

- iv) Expense recognised during the year

	2007-08	2006-07
	Rs.	Rs.
Current service cost	1,083,610	1,106,443
Interest cost	903,147	862,221
Expected Return on Plan Assets	(881,863)	(814,975)
Acturial (gain)/loss recognised in the period	599,968	1,236,863
Net Cost	1,704,862	2,390,552

- v) Actuarial assumptions

	1994-96 (duly modified)	1994-96 (duly modified)
Mortality Table (LIC)		
Discount rate (per annum)	8.00%	8.00%
Rate of Increase in Salaries	5.50%	5.50%
Expected rate of return on plan assets	9.15%	8.90%

The estimates of rate of future salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

19. The Net Deferred Tax Liability of Rs. 34,971,818 as at 31.03.2008 (including Rs. 3,82,74,700 for the period upto 31.03.2007) has been recognised in the Profit & Loss Account, as recommended under Accounting Standard (AS)-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The details of deferred tax liability is as under:-

	(Amount in Rupees)		
	As at 01.04.2007	For the year 2007-2008	As at 31.03.2008
<u>Deferred Tax Assets being tax impact thereon</u>			
(i) Expenses charged in the books, but allowance thereof deferred under Income tax laws	2,720,948	(2,578,484) *	703,804
	2,720,948	(2,578,484)	703,804
<u>Deferred Tax Liabilities being tax impact thereon</u>			
(i) Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	40,995,648	(5,320,026)	35,675,623
	40,995,648	(5,320,026)	35,675,623
Net Deferred Tax Liability	(38,274,700)	2,741,542	(34,971,818)

* includes Rs. 5,61,340 deferred tax asset on transitional charge under revised AS-15 as referred to note no.18(a)

20. Earnings per share (EPS)

	31.03.2008	31.03.2007
Basic/Dilluted Earning Per Share		
Net Profit/(Loss) for the year (Rs.)	469,345,198	274,511,448
No. of equity shares at the beginning of year	10,258,326	10,258,326
Basic/Dilluted Earning Per Share (Rs.)	45.75	26.76

21. Warranty Provisions

	Year ended 31.03.2008(Rs.)	Year ended 31.03.2007(Rs.)
Opening balance	-	-
Additions during the year	2222903	-
Amount used during the year	-	-
Closing Balance	2222903	-

22. Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as under:-

A) Relationship

a) Associate companies

Jindal Poly Films Ltd.	AXL Resources Private Limited
Consolidated Buildwell Ltd.	Hanuman Coke Plant P Limited
Jindal Buildmart Limited	Hindustan Thermal Power Generation Limited
Rexor SAS, France	Jindal Meadows Ltd.
Jindal India Hydro Limited	Vigil Farms Ltd.
Jindal India Powertech Limited	Jindal Realtors Ltd.
Bazaloni Groups Limited	Passion Tea Pvt Ltd.
Indian Software Consultancy Limited	Jindal Realmart Private Limited

Universal Foils Limited
Jindal France SAS, France
Agile Properties Ltd.
Jupax Barter Pvt. Ltd.
Consolidated Realtors Limited

Jumbo Finance Ltd.
Shekhawati Vanijya Vikash Pvt. Limited
Jindal India Finvest & Holdings Limited

b) Joint Venture Company
Mandakini Coal Company Limited

c) Controlling companies/Individuals
Consolidated Photo & Finvest Ltd.
Consolidated Finvest & Holdings Limited
Jindal (India) Ltd.
Jindal Photo Investments Ltd.
Rishi Trading Co. Ltd.
Soyuz Trading Co. Ltd.
Shri S.S. Jindal

d) Subsidiaries
Jindal Imaging Ltd.
Jindal India Thermal Power Limited
Jindal India Power Ventures Limited
Hindustan Powergen Limited

e) Key Management Personnel
Shri Rathi Binod Pal
Shri Shammi Gupta (upto 30.04.2007)
Shri V. Chinnappan

22.B) The following transactions were carried out with related parties in the ordinary course of business :

(Amount in Rs.)

Sr. No.	Nature of transaction	Referred to in A (a) , (b) & (c) above		Referred to in A (d) above		Referred to in A (e) above		Total	
		31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
1	Purchase of goods	483,186	341,706	-	-	-	-	483,186	341,706
2	Purchase of fixed assets	-	30,000	-	-	-	-	-	30,000
3	Sale of Investments	158,900,000	-	-	-	-	-	158,900,000	-
4	Remuneration	-	-	-	-	1,076,220	1,584,881	1,076,220	1,584,881
5	Interest paid	-	5,103,288	-	-	-	-	-	5,103,288
6	Interest earned	798,575	7,678,693	-	-	-	-	798,575	7,678,693
7	Rent received	-	-	-	-	-	-	-	-
8	Purchase of Investments	100,455,500	198,672,000	-	-	-	-	100,455,500	198,672,000
9	Investments made	255,500,000	-	500,000	-	-	-	256,000,000	-
10	Rent paid	1,206,000	1,370,500	-	-	-	-	1,206,000	1,370,500
11	Expenses reimbursed	215,693	1,083,241	-	144,705	-	-	215,693	1,227,946
12	Donation	2,700,000	6,500,000	-	-	-	-	2,700,000	6,500,000
13	Loan received	-	135,000,000	-	-	-	-	-	135,000,000
14	Loan given back	-	135,000,000	-	-	-	-	-	135,000,000
15	Loan granted	31,441,250	249,822,500	1,000,000	-	-	-	32,441,250	249,822,500
16	Loan received back	96,362,033	181,530,000	1,000,000	-	-	-	97,362,033	181,530,000
17	Transfer of Fixed Assets	-	-	751,917	-	-	-	751,917	-
18	Transfer of Preoperative Expenses	-	-	15,711,419	-	-	-	15,711,419	-
19	Advance granted	-	-	42,678,564	950,000	-	-	42,678,564	950,000
20	Balance outstanding:-	-	-	-	-	-	-	-	-
	-Investments	300,612,500	198,672,000	20,710,447	1,000,000	-	-	321,322,947	199,672,000
	-Loans recoverable	2,500,000	72,920,783	-	-	-	-	2,500,000	72,920,783
	-Advances recoverable	1,004,364	1,639,265	60,236,605	1,094,705	-	-	61,240,969	2,733,970
	-Sundry debtors	-	-	-	-	-	-	-	-
	-Sundry Creditors	-	-	-	-	-	-	-	-
	-Other Liabilities	-	114,775	-	-	-	-	-	114,775

Note : Related party relationship is as identified by the company and relied upon by the auditors

23 Disclosure of loans / advances and investment in its own shares by the company, its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement:

Name of Company	Balance as at		Maximum outstanding amount during	
	31.03.2008	31.03.2007	2007-08	2006-07
A Loans and advances in the nature of loans given to subsidiaries Jindal India Thermal Power Limited Jindal Imaging Ltd.	59141900 1,094,705	- 1,094,705	59,141,900 1,094,705	- 3,198,257
B Loans and advances in the nature of loans given to associates Jindal France S.A.S.	-	64,920,783	64,920,783	174,922,500
C Loans and advances in the nature of loans given to joint venture company Mandakini Coal Company Limited	527799	-	527799	-
D Loans and advances in the nature of loans where repayment schedule is not specified /is beyond 7 years Jindal Imaging Limited	1094705	1,094,705	1094705	3198257
E Loans and advances in the nature of loans where interest not charged or charged below bank rate Jindal Imaging Ltd. * Jindal India Thermal Power Limited ** Mandakini Coal Company Limited ***	1094705 59141900 527799	1,094,705 - -	1094705 59141900 527799	3198257 - -
Note: Loans and advances shown above to subsidiaries and joint venture companies are in the nature of advances where there is no repayment schedule and are repayable on demand. *The amount has been considered as doubtful and necessary provision was also been made in earlier years. ** The loanee is 100% subsidiary of the company and amount represents recoverable on transfer of expenditure on thermal power project ***The loanee is joint venture company as stated in note no. 11 and the amount represents incorporation expenses recoverable				
F Investments made in equity share of company by a lonee are Nil (Previous Year Nil)				

24. Additional information required under Paras 3 & 4 of Part - II of Schedule VI of the Companies Act, 1956

a) Capacities, production, sales & stocks

	Unit	Licensed Capacity Qty.	Installed Capacity Qty.	Production Quantity	Opening Stock		Sales		Closing Stock	
					Qty.	Amount (Rs.)	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
CLASS OF GOODS										
a) MANUFACTURED GOODS										
PHOTOGRAPHIC PAPER	SQ. MTRS	75,600,000 (75,600,000)	22,420,000 (22,420,000)	19,693,059 (16,612,315)	158,903 (384,477)	12,434,249 (30,986,838)	19,392,467 (16,837,889)	1,450,477,466 (1,313,956,284)	459,495 (158,903)	33,532,151 (12,434,249)
FILMS	SQ. MTRS	41,909,148 (41,909,148)	8,313,006 (8,313,006)	5,515,123 (5,910,567)	212,692 (117,435)	53,596,139 (28,538,922)	5,533,208 (5,815,311)	1,715,488,275 (2,036,102,600)	194,607 (212,692)	62,758,589 (53,596,139)
OTHERS						6,149,057 (9,495,444)		139,159,282 (172,780,599)		3,241,529 (6,149,057)
b) TRADED GOODS										
PHOTO EQUIPMENT & OTHERS					@	119,561,251 (123,253,308) 191,740,696 (192,274,512)	@	758,372,412 (587,988,396) 4,063,497,435 (4,110,827,879)	@	163,117,203 (119,561,251) 262,649,472 (191,740,696)

NOTES :

- No industrial licence is required for manufacture of any of the products, however production capacity covered by industrial entrepreneurs' memorandum (IEMs) in terms of press note no.6 dated 29.07.1993 and press note no.17 dated 28.11.1997 of the Ministry of Commerce and Industry, Secretariat for Industrial Assistance of Government of India
 - Installed capacity has been certified by management and relied upon by the auditors being a technical matter.
- @/ It is not possible to furnish details of quantities due to heterogeneity of items involved.

		Year ended 31.03.2008		Year ended 31.03.2007	
	Unit	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
b) Raw Material Consumed					
Photographic Papers	Sq.Mtrs.	19,872,019	1,086,549,262	16,762,725	1,042,366,015
Films	Sq.Mtrs.	5,527,119	754,565,738	5,928,880	935,239,606
Others			177,904,088		260,202,359
			2,019,019,088		2,237,807,980
c) Purchase of Traded Goods					
			Amount(Rs.)		Amount(Rs.)
Photo Equipment & Others			622,619,761		458,027,804
			622,619,761		458,027,804
d) Value of Imported and Indigenous Material consumed and Percentage thereof					
		%	Amount(Rs.)	%	Amount(Rs.)
i) RAW MATERIAL					
Indigenous		2.17	43,853,792	2.07	46,338,418
Imported		97.83	1,975,165,296	97.93	2,191,469,562
		100.00	2,019,019,088	100.00	2,237,807,980
ii) STORES & SPARE PARTS					
Indigenous		79.08	5,573,888	99.30	5,667,874
Imported		20.92	1,474,732	0.70	39,698
		100.00	7,048,620	100.00	5,707,572
			Year ended 31.3.2008		Year ended 31.3.2007
			Rs.		Rs.
e) Expenditure in foreign Currency					
Travelling			1,414,116		1,271,324
Testing Expenses			196,779		110,695
Rates, Taxes & Fees			456,013		1,176,721
For sales promotion			-		8,971,297
f) CIF Value of Imports					
Raw Material			1,800,613,578		1,909,581,706
Packing Material & Spare Parts			807,708		1,713,909
Capital Goods			854,700		3,070,400
Finished Goods			466,230,646		385,832,598
g) Earning in Foreign Currency					
Advertisement Subsidy			39,483,380		83,812,870
Export Sales (FOB basis)			16,484,611		16,678,031
Interest Received			444,494		7,006,083.00
Commission			2,226,451		1,711,557
h) Income from services rendered					
Annual Maintenance Contract			746,043		1,025,582
Service Charges			1,225,061		6,615,576
Commission Received			2,226,451		1,524,909
i) remittance in Foreign Currency on account of dividend to non resident shareholders					

Current year			Previous year		
No. of Shareholders	Shares held	Net Amount of Dividend(Rs.)	No. of Shareholders	Shares held	Net Amount of Dividend(Rs.)
53	53260	Nil	51	27955	Nil

25 Excise Duty on Decrease in Stock has been computed as under :-

	Year ended 31.3.2008 Rs	Year ended 31.3.2007 Rs.
Excise Duty on Opening Stock	7,243,544	4,383,006
Less:- Excise Duty on Closing Stock	11,046,377	7,243,544
	<u>(3,802,833)</u>	<u>(2,860,538)</u>

26 Addition to fixed assets and/or Capital work in progress includes preoperative expenditure on expansion schemes/new projects:

Professional charges	2,883,604	1,372,577
Stores & Spares consumed	-	140,026
Power & Fuel consumed	-	70,138
Salary, Wages, Allowances and Bonus	-	269,878
Contribution towards Provident and other Funds	-	17,887
Staff Welfare	-	24,483
Staff training and recruitment expenses	-	54
Rent	-	57,280
Rates, Taxes & Fees	3,500	150,000
Postage, Telegram & Telephone	-	16,870
Miscellaneous expenses	-	6,366
Travelling & Conveyance expenses	49,273	254,723
	<u>2,936,377</u>	<u>2,380,282</u>
Add: Balance brought forward	4,110,495	2,394,527
	<u>7,046,872</u>	<u>4,774,809</u>
Less; Capitalised during the year	-	664,314
Less: transferred to wholly owned subsidiary	3,231,821	-
	<u>3,815,051</u>	<u>4,110,495</u>

27 Expenses under the head commission, discount, advertisement and business promotion are shown net of subsidy received /receivable.

28 Previous year's figures have been regrouped /re-arranged wherever considered necessary.

29 Figures have been rounded off to the nearest rupee.

30 Schedules 'A' to 'T' are annexed to and form part of Statement of Accounts.

31. Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No :	L33209DN2004PLC000198		
Balance Sheet Date	Date	Month	Year
	31	3	2008

II Capital raised during the year (Amount in Rs. '000)

Public Issue	Right Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	Total Assets
1,802,966	1,802,966
Sources of Funds (Amount in Rs. '000)	
Paid Up Capital	Reserves & Surplus
102,583	1,665,411
Secured Loans	Unsecured loans
NIL	NIL
Deferred Tax Liability	
34,972	

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	Investments
316,029	894,821
Net Current Assets	Misc. Expenditure
592,116	-

IV. Performance of Company (Amount in Rs. '000)

Turnover	Total Expenditure
3,634,132	3,065,457
Profit Before Tax after extra ordinary items	Profit After Tax
568,675	469,345
Basic/Diluted Earning per Share before extra ordinary items (Rs.)	Dividend Rate (Equity)
45.75	10%

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code)	3703.10
Product Description	Photographic Color Paper
Item Code No. (ITC Code)	3702.90
Product Description	Amateur Roll Film
Item Code No. (ITC Code)	3702.51
Product Description	Cinematographic Color Film

As per our report of even date attached

Signatures to the Schedule 'A' - 'T'

For and on behalf of the Board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

**CONSOLIDATED
FINANCIAL STATEMENTS
&
AUDITED ACCOUNTS OF SUBSIDIARIES**

AUDITORS'S REPORT TO THE BOARD OF DIRECTORS OF JINDAL PHOTO LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached consolidated balance Sheet of Jindal Photo Limited and its subsidiaries and its associate as at 31st March, 2008 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date.

As the first accounting year of the joint venture company namely Mandakini Coal Company Limited shall end on 31.03.2009, financial statements/estimates for the period from 14.03.2008 (i.e. date of incorporation) to 31.03.2008 are not available and have not been considered in consolidation of accounts of Jindal Photo Limited.

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

In respect of the financial statements of subsidiaries and associate, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries and associate is based solely on the reports of other auditors. The details of assets and revenues in respect of the subsidiaries and the net carrying cost of investment and current year share of loss in respect of the associate, to the extent to which they are reflected in the consolidated financial statements are given below.

Audited by other auditors

Name of Indian Subsidiaries	Total Assets Rs.	Total Revenue Rs.
a) Jindal Imaging Limited`	1,000,000	Nil
b) Jindal India Thermal Power Limited	820,925,000	Nil
c) Jindal India Power Ventures Limited	500,000	Nil
d) Hindustan Powergen Limited	500,000	Nil
Name of Associate	Net carrying Cost of Investment Rs.	Current year share of loss Rs.
a) Jindal India Powertech Limited	231,020,767	4,246,266
b) Jindal Buildmart Limited	4,658,154	171,975

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard (AS)23 'Accounting for investment in associates in consolidated financial statements' and Accounting Standard (AS)27 'Financial Reporting of Interest in joint ventures' issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of Jindal Photo Limited, its subsidiary and associate included in the Consolidated Financial Statements.

We report that on the basis of the information and explanation given to us and on the consideration of separate audit reports on individual audited financial statements of Jindal Photo Limited, its subsidiaries and associate, we are of the opinion that the said financial statement read together with significant accounting policies in schedule T and notes appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of consolidated Balance Sheet, the state of affairs of Jindal Photo Limited, its subsidiaries and associate as at 31st March, 2008,
- in the case of the consolidated Profit & Loss Account, the consolidated results of operations of Jindal Photo Limited, its subsidiaries and associate for the year ended on that date; and
- in case of the Consolidated Cash Flow statement, of the Consolidated Cash Flow of Jindal Photo Limited, its subsidiaries and associate for the year ended on that date.

For **B.K. Shroff & Co.**
Chartered Accountants

Place : 3/7-B, Asaf Ali Road,
New Delhi-110002
Date : 31st July, 2008

Anil Gupta
Partner
Membership No : 80074

Consolidated Financial Statements



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	Schedules	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	'A'	102,583,260	102,583,260
Reserves & Surplus	'B'	1,663,523,508	1,236,487,139
DEFERRED TAX LIABILITY (Net)		34,971,818	38,274,700
		1,801,078,586	1,377,345,099
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	'C'	604,863,517	628,264,100
Less : Depreciation		246,669,418	286,451,056
Net Block		358,194,099	341,813,044
Add:- Capital work in progress		110,870,271	8,574,623
INVESTMENTS	'D'	830,166,515	471,836,826
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	'E'	464,539,700	357,488,077
Sundry Debtors	'F'	71,364,277	58,674,932
Cash & Bank Balances	'G'	890,699,469	178,269,679
Loans & Advances	'H'	317,887,563	489,207,664
		1,744,491,009	1,083,640,352
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	'I'	1,038,311,707	283,650,178
Provisions	'J'	204,774,260	244,897,327
		1,243,085,967	528,547,505
NET CURRENT ASSETS		501,405,042	555,092,847
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	'K'	442,659	27,759
		1,801,078,586	1,377,345,099
NOTES ON ACCOUNTS	'T'		

As per our report of even date attached

For and on behalf of the board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

Consolidated Financial Statements



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

PARTICULARS	Schedules	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
INCOME			
Sales (Gross)	'L'	4,063,497,435	4,110,827,879
Less:- Excise Duty		456,442,689	500,390,141
Sales (Net)		3,607,054,746	3,610,437,738
Income from Services rendered		1,971,104	7,641,158
Other Income	'M'	25,106,135	28,352,033
		3,634,131,985	3,646,430,929
EXPENDITURE			
Material consumed, Manufacturing & Other Operating expenses	'N'	2,165,619,416	2,392,033,067
Purchase of Traded goods		622,619,761	458,027,804
(Increase) /Decrease in Stocks	'O'	(70,908,776)	235,745
Excise Duty on (Increase)/Decrease in Stocks		3,802,833	2,860,538
Personnel expenses	'P'	61,207,119	61,757,462
Administrative expenses	'Q'	68,091,356	72,000,657
Interest & Financial charges	'R'	8,882,993	16,643,239
Selling & Distribution expenses	'S'	168,885,578	247,331,096
Depreciation		37,358,686	54,228,843
		3,065,558,966	3,305,118,451
Profit before Taxation		568,573,019	341,312,477
Provision/payment for - Current Tax		100,500,000	75,500,000
- Fringe Benefit Tax		1,649,000	2,421,000
- Deferred Tax		(2,741,542)	(11,293,830)
- Wealth Tax		25,200	22,600
Taxation related to earlier years (net)		(103,354)	39,443
Profit after Tax		469,243,715	274,623,264
Less: Share of Loss in Associate		4,418,241	4,673,333
		464,825,474	269,949,931
Balance brought forward		418,209,658	187,877,455
		883,035,132	457,827,386
Add: Balance of profit & loss Account brought forward from previous year relating to companies ceasing to be associate/subsidiary during the year		4,673,333	-
Add : Share in loss of subsidiary for pre acquisition period		13,104	-
Profit Available For Appropriation		887,721,569	457,827,386
APPROPRIATION			
Transfer to General Reserve		46,935,000	27,616,000
Provision for Dividend		10,258,326	10,258,326
Provision for Tax on Dividend		1,743,403	1,743,403
Balance Carried To Balance Sheet		828,784,840	418,209,658
		887,721,569	457,827,386
Basic/Diluted Earning Per Share (note 21, Schedule T)		45.31	26.32
NOTES ON ACCOUNTS	'T'		

As per our report of even date attached

For and on behalf of the board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.07.2008

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

	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
A. Cash Flow from Operating Activities:		
Net Profit Before Tax & Extraordinary Items	568,573,019	341,312,478
Adjustments for:		
Depreciation	37,358,686	54,228,843
Profit on Sale of Investments	(2,254,116)	(12,269,398)
Preliminary expenses written off	48,056	13,729
Loss on sale of Fixed assets	101,510	364,458
Excess depreciation written back	-	(85,602)
Provision for doubtful advances/debts	-	4,135,585
Interest income	(3,465,194)	(9,557,519)
Interest charges	5,044,072	11,441,664
Dividend income	(3,003,488)	(1,797,010)
Operating Profit Before Working Capital Changes	602,402,545	387,787,228
Adjustments for:		
Trade & Other Receivables	69,937,138	(104,377,396)
Inventories	(34,788,544)	18,662,362
Trade Payables	(50,718,819)	720,344
Cash generated from Operations	586,832,320	302,792,538
Direct Taxes paid	(122,041,406)	(62,076,783)
Net Cash from Operating Activities	464,790,914	240,715,755
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets & Other Capital expenditure	(11,409,019)	(23,824,567)
Preliminary Expenses incurred	(171,636)	-
Preoperative Expenditure (including Capital Advances)	(85,818,792)	-
Purchase of Investments	(999,768,437)	(515,181,410)
Sale of Fixed Assets	411,835	4,730,726
Sale of Investments	554,338,506	329,824,317
Interest income	3,465,194	9,557,519
Dividend income	3,003,488	1,797,010
Net Cash flow from/(Used in) Investing Activities	(535,948,861)	(193,096,405)
C. Cash Flow from Financing Activities:		
Loan repaid	(510,213)	-
Proceeds from capital investment subsidy	-	3,000,000
Proceeds from issuance of Share Capital	1,000,000	-
Advance share application money received (see note 17)	800,000,000	-
Dividend paid including taxes thereon	(12,001,729)	(11,697,056)
Interest charges	(5,044,072)	(11,441,664)
Net Cash flow from/(Used in) Financing Activities	783,443,986	(20,138,720)
Net Increase in Cash and Cash Equivalents (A+B+C)	712,286,039	27,480,630
Cash and Cash Equivalents as at beginning of the year	178,269,679	150,789,049
Cash and Cash Equivalents as at beginning of the year of subsidiaries acquired during the year	143,751	-
Cash and Cash Equivalents as at close of the year	890,699,469	178,269,679

As per our report of even date attached

For and on behalf of the board

For B.K. Shroff & Co.
Chartered Accountants

RATHI BINOD PAL
Managing Director

ANIL GUPTA
Partner

V.K.GUPTA
GM (Accounts) cum Company Secretary

S.C. SHARMA
Director

Place : New Delhi
Date : 31.7.2008

Consolidated Financial Statements



SCHEDULE 'A' SHARE CAPITAL

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
AUTHORISED		
10,550,000 Equity Shares of Rs. 10 each	105,500,000	105,500,000
	<u>105,500,000</u>	<u>105,500,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
10,258,326 Equity Shares of Rs. 10 each	102,583,260	102,583,260
	<u>102,583,260</u>	<u>102,583,260</u>
SCHEDULE 'B' RESERVES AND SURPLUS		
CAPITAL RESERVE		
Capital investment subsidy		
Balance as per last balancesheet	3,000,000	-
Add:- Received during the year	-	3,000,000
Capital Reserve due to consolidation of Associate	-	29,383,666
GENERAL RESERVE		
Balance as per last balance sheet	785,893,814	758,277,814
Add:- Transferred from Profit & loss Account	46,935,000	27,616,000
	<u>832,828,814</u>	<u>785,893,814</u>
Less: Charge on account of transitional provisions under accounting standard 15 (refer note no.18a schedule T)	1,090,146	831,738,668
PROFIT & LOSS ACCOUNT	828,784,840	418,209,659
	<u>1,663,523,508</u>	<u>1,236,487,139</u>

SCHEDULE 'C' - FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01/04/2007	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31/03/2008	UPTO 31/03/2007	DEDUCTION/ ADJUSTMENTS	FOR THE YEAR **	UP TO 31/03/2008	AS AT 31/03/2008	AS AT 31/03/2007
Goodwill on consolidation +	2,890,335	40,529,699	2,215,810	41,204,224	-	-	-	-	41,204,224	2,890,335
LAND -Free hold	8,197,833	-	-	8,197,833	-	-	-	-	8,197,833	8,197,833
-Leasehold	7,815,200	-	-	7,815,200	230,087	-	86,988	317,075	7,498,125	7,585,113
BUILDINGS#	158,394,073	3,484,866		161,878,939	39,386,777	-	5,346,867	44,733,644	117,145,295	119,007,296
Residential Building	43,489,180			43,489,180	699,674		699,674	1,399,348	42,089,832	42,789,506
PLANT & MACHINERY	386,325,523	5,171,385	76,076,909 @	315,419,999	236,874,145	75,955,363 @	28,453,080	189,371,862	126,048,137	149,451,378
OFFICE EQUIPMENT	6,528,475	698,350	-	7,226,825	2,150,159	-	332,999	2,483,158	4,743,667	4,378,316
FURNITURE & FIXTURES	7,955,099	1,705,959	7,640	9,653,418	4,539,749	6,079	571,013	5,104,683	4,548,735	3,415,350
VEHICLES	6,668,382	3,715,170	405,653	9,977,899	2,570,465	15,415	704,598	3,259,648	6,718,251	4,097,917
	<u>628,264,100</u>	<u>55,305,429</u>	<u>78,706,012</u>	<u>604,863,517</u>	<u>286,451,055</u>	<u>75,976,857</u>	<u>36,195,219</u>	<u>246,669,418</u>	<u>358,194,099</u>	<u>341,813,045</u>
CAPITAL WORK IN PROGRESS	29,581,658 +	88,914,919	6,303,090	112,193,487	-	-	1,323,216	1,323,216	110,870,271	29,581,658
TOTAL	<u>29,581,658</u>	<u>88,914,919</u>	<u>6,303,090</u>	<u>112,193,487</u>	<u>-</u>	<u>-</u>	<u>1,323,216</u>	<u>1,323,216</u>	<u>110,870,271</u>	<u>29,581,658</u>
	<u>657,845,758</u>	<u>144,220,348</u>	<u>85,009,102</u>	<u>717,057,004</u>	<u>286,451,055</u>	<u>75,976,857</u>	<u>37,518,435</u>	<u>247,992,634</u>	<u>469,064,370</u>	<u>371,394,703</u>
PREVIOUS YEAR	<u>618,576,483</u>	<u>43,961,458</u>	<u>25,699,218</u>	<u>636,838,723</u>	<u>232,774,957</u>	<u>552,744 \$</u>	<u>54,228,743</u>	<u>286,451,056</u>	<u>350,387,667</u>	

Includes Rs. 2,500 being cost of shares in a co-operative society.

@ Includes leased assets costing Rs. 75,856,405 having WDV of Rs. 75,856,378 transferred in favour of lessees on expiry/termination of lease agreements.

\$ Includes excess provision written back to Rs. 85,602

+ Includes capital work in progress of Rs. 21,007,035 on acquisition of subsidiary

+ represents goodwill arising on acquisition of shares in subsidiary companies/associates.

** Includes Rs.17,422,004 (previous year Rs. 31,432,834) due to impairment of asset as per note no. 9.

Consolidated Financial Statements



SCHEDULE 'D' INVESTMENTS

LONG TERM :

NON-TRADE (AT COST)

	FACE VALUE Rs.	SHARES/ UNITS 31.03.2008	SHARES/ UNITS 31.03.2007	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
EQUITY SHARES-(UNQUOTED)-FULLY PAID					
In Associates-					
Jindal France SAS	Euro 1	-	2,800,000	-	191,755,666
Original Cost (Including capital reserve of Rs. 29,383,666)				-	4,673,333
Less: Loss from Associate for the year				-	187,082,333
Jindal India Powertech Limited	10	100,000	-	1,000,000	-
Original Cost (Including capital reserve/Goodwill of Rs. Nil)				2,118	-
Less: Loss from Associate for the year				997,882	-
Jindal India Buildmart Limited	10	490,000	-	4,830,129	-
Original Cost (Including capital reserve/Goodwill of Rs. 39,669,871)				171,975	-
Less: Loss from Associate for the year				4,658,154	-
In Joint Venture					
Mandakini Coal Company Limited	10	2,000,000	-	20,000,000	-
In Others					
Vigil Farms Limited	10	-	330,000	-	36,300,000
EQUITY SHARES-(UNQUOTED)-PARTLY PAID UP					
Jindal India Powertech Limited (Rupee 1 paid up)	10	235,000,000	-	234,267,033	-
Original Cost (Including capital reserve/Goodwill of Rs. 845,467)				4,244,148	-
Less: Loss from Associate for the year				230,022,885	-
Sub Total (A)				255,678,921	223,382,333
UNITS-(UNQUOTED)					
In Mutual Funds-					
Birla FTP-Instl series W Growth	10	3,114,203	-	31,142,032	-
Birla Sun Life Cash Manager IP-Weekly Dividend -Reinvestment	10	-	3,035,174	-	30,390,173
Birla Floating Rate Fund-Short term-Weekly Dividend-Reinvestment	10	-	6,316,774	-	65,588,131
Deutsche Floating Rate Fund Regular Plan-Growth	10	-	220188	-	2,445,079
HDFC FMP 367D April 2007(5)-Wholesale Plan Growth	10	4,000,000	-	40,000,000	-
HDFC FMP 367D May 2007(5)-Wholesale Plan Growth	10	5,000,000	-	50,000,000	-
HSBC Fixed Term Series 28-Inst-Growth	10	8,500,000	-	85,000,000	-
ICICI Prudential FMP Series 34-one year-Plan B Institutional Growth	10	5,000,000	-	50,000,000	-
ICICI Prudential Institutional Short Term Plan -Cumulative Option	10	9,137,989	-	140,000,000	-
ICICI Prudential FMP Series 35-Three Months Plan C-Retail-Dividend	10	-	4,000,000	-	40,000,000
ICICI Prudential Floating Rate Plan D-growth	10	4,655,351	-	51,436,504	-
LIC MF Floating Rate Fund-Short Term Plan-Dividend Plan	10	-	4,978,149	-	50,531,110
Prudential FMP 11.05%	10	-	5,000,000	-	50,000,000
Templeton India Short Term Income Plan Institutional -Growth	1,000	108,500	-	126,909,058	-
Sub Total (B)				574,487,594	238,954,493
In Bonds-					
National Bank of Agriculture And Rural Development	10,000	-	950	-	9,500,000
Sub Total (C)				-	9,500,000
Grand Total (A+B+C)				830,166,515	471,836,826

(Net Asset Value of investments in Mutual Funds Rs. 610,048,211, Previous year Rs. 239,118,681)

The following Mutual Fund units were acquired and sold during the year :-

	FACE VALUE	UNITS	PURCHASE COST Rs.
OCIDD-HSBC-Cash Fund -Institutional Plan-Daily Dividend	10	1915690	20,000,000
Templeton India Short term Income Plan Institutional -Growth	10	1866693	236,654,438
Birla Sunlife Short term Fund -Growth	10	6996631	100,000,000

Consolidated Financial Statements

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE 'E' INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials (includes in transit Rs. 72,569,753 Previous year Rs. 12,348,554)	168,953,410	123,936,043
Finished Goods -Manufactured(includes in transit Rs. 3,573,004 Previous year Rs. 8,754,097) -Traded (includes in transit Rs 18,213,731 Previous year Rs. nil)	99,532,269 163,117,203	72,179,445 119,561,251
Work in Progress	6,995,668	9,403,701
Packing Material, Stores & spare parts (includes in transit Rs. nil previous year Rs. 876,320)	25,941,150 464,539,700	32,407,637 357,488,077
SCHEDULE 'F' SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	14,381,811	24,428,626
Considered doubtful	-	4,107,885
Less:- Provision for doubtful debts	-	4,107,885
	14,381,811	24,428,626
Other debts-Considered good	56,982,466	34,246,306
	71,364,277	58,674,932
SCHEDULE 'G' CASH AND BANK BALANCES		
Cash in hand	1,747,480	1,618,423
Bank balances with scheduled banks:		
In Current Accounts	89,052,552	87,722,259
In Cash Credit Accounts	39,218,959	62,707,708
In Fixed Deposit Accounts *	760,680,478	24,983,556
Cheques in hand	-	1,237,733
	890,699,469	178,269,679
*(Includes Rs. 6,535,014 (previous year Rs. 22,822,992) pledged with bank towards Margin Money for bank guarantee/letter of credit and Rs. 1,545,604 (previous year Rs. 523,064) lodged with government authorities)		
SCHEDULE 'H' LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loans to Others		
-to a body corporate	-	64,920,783
-to others	4,610,000	8,000,000
Advances (recoverable in cash or in kind or for value to be received)		
Considered good	91,256,707	155,957,224
Considered doubtful	-	1,374,213
	91,256,707	157,331,437
Less:- Provision for doubtful advances	-	1,374,213
Interest receivable on loans and deposits	335,775	965,035
Balance with excise authorities	9,828,733	22,709,387
Security deposits	11,625,103	6,868,750
Income tax payments (including income tax deducted at source & fringe benefit tax)	200,231,245	229,786,485
	317,887,563	489,207,664

Consolidated Financial Statements



	AS AT 31.03.2008 Rs.		AS AT 31.03.2007 Rs.	
SCHEDULE 'I' CURRENT LIABILITIES				
Sundry Creditors				
- Total outstanding dues of Small Scale Industrial Undertakings	5,539,325		-	
- Total outstanding dues of other creditors	51,335,504	56,874,829	44,094,664	44,094,664
Other Liabilities		58,526,800		46,114,115
Advance Share application money received		800,000,000		-
Advances from Customers		107,119,739		161,119,526
Dealers' Security Deposits		15,790,339		32,321,873
		<u>1,038,311,707</u>		<u>283,650,178</u>
SCHEDULE 'J' PROVISIONS				
for Gratuity		1,366,689		-
for Leave encashment		654,426		757,998
for Warranties		2,222,903		-
for Income Tax		181,916,713		227,200,000
for Fringe Benefit Tax		6,570,000		4,921,000
for Wealth Tax		41,800		16,600
for Dividend		10,258,326		10,258,326
for Tax on Dividend		1,743,403		1,743,403
		<u>204,774,260</u>		<u>244,897,327</u>
SCHEDULE 'K' MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary Expenses				
As per last year	27,759		41,488	
Add: Incurred during the year	462,956 *		-	
	490,715		41,488	
Less: Written off during the year	48,056	442,659	13,729	27,759
		<u>442,659</u>		<u>27,759</u>
*Includes Rs. 291,320 acquired on consolidation.				
	YEAR ENDED 31.03.2008		YEAR ENDED 31.03.2007	
SCHEDULE 'L' SALES				
A. MANUFACTURED GOODS				
Photosensitised goods		3,282,377,974		3,498,392,102
Others		22,747,588		22,990,056
		<u>3,305,125,562</u>		<u>3,521,382,158</u>
B. TRADED GOODS				
Photo Equipment & Others		758,371,873		589,445,721
		<u>758,371,873</u>		<u>589,445,721</u>
		<u>4,063,497,435</u>		<u>4,110,827,879</u>

Consolidated Financial Statements



	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
SCHEDULE 'M' OTHER INCOME		
Interest received		
-from banks	900,860	1,384,515
(Gross of Tax Deducted at Source of Rs. 181,041 Previous year Rs. 249,802)		
-from others	2,564,334	8,173,004
(Gross of Tax Deducted at Source of Rs. 80,235 Previous year Rs. 156,390)		
Dividend received	3,003,488	1,797,010
(Including Rs. 24,685 Previous year Rs. nil from Current Investments)		
Income from sale of Investments (Net)	2,254,116	12,269,398
(Including Rs. 2,772,556 Previous year Rs. 356,000 from Current Investments)		
Claim received	729,301	1,256,606
Commission received	2,226,451	1,524,909
Miscellaneous Receipts	1,234,462	703,822
Excess Depreciation Written back	-	85,602
Excess Provision/Liabilities no longer required written back (Net)	12,193,123	1,157,167
	25,106,134	28,352,033

SCHEDULE 'N' MATERIALS CONSUMED, MANUFACTURING & OTHER OPERATING EXPENSES

Raw Material consumed		
Opening Stock	123,936,043	141,665,212
Add : Purchases	2,061,628,421	2,218,239,675
	2,185,564,465	2,359,904,887
Less : Closing Stock	168,953,410	123,936,043
	2,016,611,054	2,235,968,844
Add:- Opening work in progress	9,403,701	11,242,837
Less :- Closing work in progress	6,995,668	9,403,701
Raw Material consumed	2,019,019,087	2,237,807,980
Stores, Spare Parts & Chemicals consumed	7,048,620	5,707,572
Packing Material consumed	127,109,164	135,617,784
Power & Fuel	11,817,889	11,198,587
Repairs & Maintenance - Plant & Machinery	95,466	30,494
- Buildings	529,189	1,670,650
	2,165,619,416	2,392,033,067

Consolidated Financial Statements



	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
SCHEDULE 'O' - (INCREASE)/DECREASE IN STOCKS		
OPENING STOCK :		
Finished Goods - Manufactured	72,179,445	75,095,162
- Traded	119,561,251	116,881,279
	<u>191,740,696</u>	<u>191,976,441</u>
CLOSING STOCK :		
Finished Goods - Manufactured	99,532,269	72,179,445
- Traded	163,117,203	119,561,251
	<u>262,649,472</u>	<u>191,740,696</u>
(INCREASE)/DECREASE IN STOCKS	<u>(70,908,776)</u>	<u>235,745</u>
SCHEDULE 'P' PERSONNEL EXPENSES		
Salary, Wages, Allowances and Bonus	52,683,602	52,425,442
Gratuity	1,704,862	2,463,550
Contribution towards Provident and other Funds	2,410,359	2,582,708
Staff Welfare	4,253,419	4,204,440
Staff training and recruitment expenses	154,877	81,322
	<u>61,207,119</u>	<u>61,757,462</u>
SCHEDULE 'Q'- ADMINISTRATIVE EXPENSES		
Rent	11,419,970	5,708,431
Rates, Taxes & Fees	2,325,510	3,563,943
Insurance	3,557,328	3,807,667
Electricity & Water charges	2,501,994	3,329,206
Travelling & Conveyance	15,286,067	16,063,047
Postage, Telegram & Telephone	6,502,861	8,319,949
Printing & Stationery	2,295,384	2,172,736
Legal & Professional charges	6,492,994	9,407,559
Repairs & maintenance - Others	8,621,407	7,422,126
Directors' Remuneration	1,015,200	1,593,308
Auditors Remuneration	439,467	377,806
Charity & Donation	5,457,188	7,803,928
Miscellaneous expenses	1,851,434	1,991,743
Irrecoverable Advances written off	1,473,749	82,324
Less: Provision for doubtful advances in earlier years	1,298,763	49,003
	<u>174,986</u>	<u>33,321</u>
Add: Provision for doubtful advances	-	27,700
Loss on sale of fixed assets	101,510	364,458
Preliminary expenses written off	48,056	13,729
	<u>68,091,356</u>	<u>72,000,657</u>

	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
SCHEDULE 'R' INTEREST AND FINANCIAL CHARGES		
INTEREST		
- On Working Capital Loans	149,368	1,202,938
- On Others	4,894,704	10,238,725
Bank Charges & Commission	3,838,921	5,201,576
	<u>8,882,993</u>	<u>16,643,239</u>
SCHEDULE 'S'- SELLING AND DISTRIBUTION EXPENSES		
Commission, discount, advertisement and business promotion	119,853,502	208,878,778
Installation & Service Charges	10,371,478	3,921,274
Carriage Outward	30,312,846	28,550,766
Turnover /Entry /Sales Tax payments	1,224,511	743,618
Bad debts written off	10,821,720	2,840
Less: Provision for doubtful debts in earlier years	<u>4,107,885</u>	-
	<u>6,713,835</u>	<u>2,840</u>
Add: Provision for doubtful debts	-	4,107,885
Other selling expenses	409,406	1,125,935
	<u>168,885,578</u>	<u>247,331,096</u>

SCHEDULE 'T'- NOTES ON ACCOUNTS

1 Basis of Consolidation

A. Subsidiary

- The Accounts have been prepared to comply with all material aspects applicable to accounting policies of Jindal Photo Limited. Goodwill arising on investments made in subsidiary companies has been treated as intangible asset and capital reserve arising on investments made in subsidiary companies has been treated as Reserves and Surplus.
- The consolidated Accounts have been prepared based on a line by line consolidation of the profit & loss account and balance sheet of Jindal photo limited and its' subsidiary companies. For the purpose of consolidation, adjustments have been made in respect of intra group transactions.
- For the purpose of consolidation, adjustments have been made in respect of shareholdings in subsidiary companies and amounts owned from/to Company within the group.
- The subsidiary companies which have been considered for the purposes of Consolidated Results are given below:

Subsidiary Company	Main Activity	Country of Incorporation	% Equity Capital held by Jindal Photo Limited	
			as on 31.03.2008	as on 31.03.2007
Jindal Imaging Limited	Photographic Business	India	100	100
Hindustan Powergen Limited	Power Generation	India	100	-
Jindal India Power Ventures Limited	Power Generation	India	100	-
Jindal India Thermal Power Limited	Power Generation	India	100	-

- v) Comparative figures do not include the figures of newly acquired subsidiaries namely, Jindal India Thermal Power Limited, Jindal India Power Ventures Limited and Hindustan Powergen Limited.
- vi) a) On 24.09.2007, the parent company acquired 100% stake in Jindal India Thermal Power Limited by way of purchasing 1866250 equity of shares at a consideration of Rs. 18709190. Excess of net asset value of the investee entity over the consideration money amounting to Rs. 2215810 has been accounted as adjustment from Goodwill on consolidation
- b) On 20.12.2007, the parent company acquired 100% stake in Jindal India Power Ventures Limited by way of subscribing 50000 equity of shares at a consideration of Rs. 500000.
- c) On 05.03.2008, the parent company acquired 100% stake in Hindustan Powergen Limited by way of acquiring 50000 equity of shares at a consideration of Rs. 501257. Excess of consideration money over the net asset value of the investee entity amounting to Rs. 14,361 has been accounted as adjustment from Goodwill on consolidation

B. Associates

- i) Investment in Associate has been accounted for under the equity method from the date on which the investee fall within the definition of an associate. On acquisition, as the case may be, the difference between the cost of acquisition and the share of Jindal Photo Limited in the equity of the associate has been described as goodwill or capital reserve and included in the carrying amount of the investment in the associates. The carrying amount in investment is adjusted thereafter for the post acquisition change in the investor share of net assets of the investee. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture
- ii) The details of investment in associate made by Jindal Photo Limited is as given below:

Associate Company	Main Activities	Country of Incorporation	Ownership Interest & Voting Power	Original cost of investment Rs. lacs	Amount of capital reserve/ (-) goodwill included in original cost Rs. lacs	Accumulated Profit/(-) loss at the year end Rs. lacs	Carrying amount of investment at the year end Rs. lacs
Jindal France SAS	Management Company	France	-	-	-	-	-
			(38.74%)	(1,623.72)	(291.32)	(44.22)	(1,870.82)
Jindal India Powertech Limited	Holding Shares in power/mining Companies	India	26.27%	2,361.12	-8.45	-42.46	2,310.21
			(-)	(-)	(-)	(-)	(-)
Jindal Buildmart Limited	Real Estate Business	India	42.61%	445.00	-396.70	-1.72	46.58
			(-)	(-)	(-)	(-)	(-)

Note: Previous year figure are in brackets.

C. Joint Venture

Interest in a Jointly controlled entity(Incorporated Joint ventures) i.e. Mandakini Coal Company Limited(MCCL) is reported using the proportionate method.

However, as the first accounting year of MCCL shall close on 31.03.2009, the financial results/estimates of MCCL are not available for consolidation and hence not considered.

2 Significant accounting policies:-

a) Method of Accounting

- i) The accounts of the company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies not significantly referred to are in consistence with the generally accepted accounting principles.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and are net of modvat/cenvat wherever applicable. In respect of projects

involving construction, related pre-operational expenses are capitalised and form part of the value of the assets capitalised. Fixed assets other than leasehold land acquired on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as and when accrued.

The company capitalises software where it is reasonably estimated that the software has an enduring useful life. Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of its estimated future cash flows expected to arise from the continuing use of an asset from its disposal at the end of its useful life.

c) **Investments**

Long term investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

d) **Inventories**

Inventories are valued at cost or net realisable value, whichever is lower, Cost is determined on first in first out (FIFO) basis/Weighted Average basis. Finished goods and work in process include cost of convention and other costs incurred in bringing the inventories to their present location and conditions.

e) **Foreign currency transactions**

All foreign currency liabilities relating to acquisition of fixed assets are restated at the rates ruling at the year end and exchange differences arising on such transactions are dealt with in the profit & loss account. Investments in foreign currency are reported using the exchange rate at the date of transaction. Other foreign currency assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

f) **Depreciation**

Depreciation is calculated on fixed assets (other than leased out assets) on straight line method in accordance with Schedule XIV of Companies Act, 1956. In respect of leased assets, the cost of the same is being amortized fully during the primary period of the lease.

Software is depreciated on straight line method at the rates specified in schedule XIV of the companies Act.

g) **Research & Development**

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

h) **Retirement benefits**

i) **Short term Employee Benefits**

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, incentives are recognised in the period during which the employee renders the related service.

ii) **Post employment Benefits**

a) **Defined Contribution Plans**

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognised in the profit & loss account during the period during which the employee renders the related service.

b) **Defined Benefit Plans**

The employee Gratuity Fund Scheme managed by a trust is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation under the projected unit credit method which recognises each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of future cash flows. The discount rates used for

determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the returns of related obligations.

Actuarial gains and losses are recognised immediately in the profit & loss account.

In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on net basis.

c) The obligation for leave encashment is provided for and paid on yearly basis.

i) **Miscellaneous expenditure**

Preliminary expenses are being proportionately written off over a period of five to ten years.

j) **Accounting for interest in Joint ventures :-**

Interest in Joint ventures are accounted as follows

Type of Joint Venture	Accounting Treatment
Jointly Controlled Entities	<p>i) Integrated Joint Ventures :</p> <p>a) Company's share in profits or losses of integrated ventures is accounted on determination of profit and losses by Joint ventures.</p> <p>b) Investments in integrated Joint ventures are carried at net of company's share in recognised profit or loss.</p> <p>ii) Incorporated jointly controlled Entities</p> <p>a) Income on investments in incorporated Jointly controlled entities is recognised when the right to receive the same is established.</p> <p>b) Investment in such joint ventures is carried at original cost providing for any permanent diminution in value.</p>

k) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense, in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

l) **Excise & Other Duties**

Whereas Excise duty in respect of finished goods lying in factory premises is provided and included in the valuation of inventory custom duty on goods lying in custom bonded warehouse is accounted on clearance thereof. Modvat benefit is accounted for by reducing the purchase cost of the materials/fixed assets.

m) **Claims and benefits**

Claims receivable is accounted on accrual basis to the extent considered receivable.

n) **Revenue recognition**

Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are accounted for ex-factory on despatch. Sales are net of returns.

o) **Income from Investments/Deposits**

Income from Investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Income tax deducted at source.

p) **Revenue from Maintenance contracts**

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

q) **Product warranties**

The company gives warranties on certain products and services undertaking to repair or replace the items that fails to perform satisfactorily during the warranty period. Provisions are made towards expected cost of meeting such obligations of rectification/replacement.

Warranty provisions are made for expected future cash outflows and computed on total sales made during the year, based on past experience. Provision has been computed on the total sales made during the year, based on past experience.

r) Leases

Lease agreements represent agreements entered into prior to 31st March, 2001. Assets under lease agreements are transferred in favour of the lessee on receipt of the final installment as per agreement. Lease rents are recognised on accrual basis over the period of lease agreement. The initial direct cost relating to lease transactions is recognised in the profit & loss account in the year such cost is incurred.

s) Grant & Subsidies

Grants received from Government agencies against specific assets are adjusted to the cost of the assets and capital grants for the Project Capital Subsidy are credited to Capital Reserve. Revenue Grants for the expenses incurred are reduced from the respective expenses.

t) Taxation

Provision for taxation is based on assessable profits of the company as determined under Income Tax Act, 1961. Deferred taxation is provided using the liability method in respect of taxation effect arising from all material timing difference between accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystalize in the foreseeable future. Deferred tax benefits are recognized in the financial statements only to extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

u) Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the preference share dividend, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

v) Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

3. Contingent Liabilities :

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	21,543,800,000	320,155
b) Outstanding Bank Guarantee	24,049,400	21,100,715
c) Foreign letters of credit outstanding	269,137,886	409,577,418
d) Sales Tax/Income tax demands disputed in appeals	41,254,994	279,750,894
e) Uncalled liability of Partly Paid shares in associate	2,115,000,000	-

4. Amounts to be credited to Investor Education and Protection Fund.

a. Unpaid dividend	Nil	Nil
b. Unpaid application money received for allotment of securities and due for refund.	Nil	Nil
c. Unpaid matured deposits	Nil	Nil
d. Unpaid matured debentures	Nil	Nil
e. Interest accrued on (a) to (d) above	Nil	Nil

5. a) The names of small scale Industrial undertaking together with interest outstanding for more than 30 days are as under
Robertsons Leggurd Co.
Wonder Plymers Private Limited
Abhishek Packaging Industries
International PrintO Pack Limited
Payments against supplies from small scale industries are made in accordance with agreed terms.
Besides, no interest payment has been made during the year on outstandings at the end of the year.
- b) There are no specific claims from suppliers under the "Interest on Delayed payment to small scale Ancillary Industrial Undertakings.
- c) The company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore ,disclosure under this act have not been given.
The management does not envisage any material impact on the fianncials in this regard.
6. Balances of Sundry debtors, Sundry creditors and advances from customers are subject to confirmation and reconciliation. Differences if any shall be accounted for on such reconciliation.
7. In the opinion of the Board of Directors subject to note 5 above, the current assets, loans and advances are expected to realise atleast the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities has been adequately made in the accounts.
8. Sundry Debtors include Rs. 1,445,915 (previous year Rs. 12,961,285) under litigation, against which legal cases are pending in various Courts for recovery. The same are considered good and realisable in the opinion of the management.

9. Impairment of assets

In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. The Company has identified Fixed Assets of one unit as impaired, mainly on account of economic performance and alternatively viability of such assets, and accordingly, an impairment loss of Rs. 17,422,004 has been charged to the Profit and Loss Account at the year end.

10. Auditors' Remuneration

	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
As Audit Fees	306,967	280,000
As Limited Review Fees	20,000	20,000
As Tax Audit Fees	60,000	45,000
As Certification Fees	52,500	32,806
	439,467	377,806

11. In terms of a joint venture agreement dated 3rd March 2008 between Jindal Photo Limited (JPL). Monnet Ispat and Energy Limited and Tata Power Company Limited, a joint venture company under the name and style of Mandakini Coal Company Limited (MCCL) was incorporated in India on 14.03.2008 for the purpose of joint development of Mandakani Coal Block in Angul District in Orissa for meeting the proportionate share of their requirement of coal for their respective power plants. All the three joint venture investors shall respectively hold 33.33% each in the shareholding of the joint venture company. As at 31.03.2008 JPL had subscribed Rs. 20,000,000* in the equity share capital of the joint venture company. As the first accounting year of MCCL shall close on 31.03.2009, the financial results/estimates as on 31.03.2008 are not available.

*The cheque for Rs. 20,000,000 issued on 18.03.2008 was encashed on 05.05.2008

12. Working Capital limits from banks are secured by first charge by way of hypothecation of stocks of raw material semi finished and finished goods and consumable stores, spares and book debts and receivables both present and future, ranking paripassu with working capital loans sanctioned by other participating banks.

13. a) Managerial Remuneration

Profit & Loss Account includes remuneration of managing director and whole time directors as under :

	Year Ended 31.03.2008 (Rs.)	Year Ended 31.03.2007 (Rs.)
Salary	1,015,200	1,513,251
Perquisites/Allowances	42,300	43,550
Contribution towards Provident Funds	18,720	28,080

Note : The above figure does not include contribution to Gratuity Fund as separate figures are not available for the managerial personnel

b) Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per the provisions of schedule XIII of the Companies Act, 1956.

c) The company holds an insurance policy on the life of the managing director for a sum of Rs. 800,000 .

14. Advance recoverable in cash or in kind include :

a) due from a director of the company	17,498	17,064
b) i. maximum amount due from a director at any time during the year	964,714	171,797
ii. maximum amount due from company secretary at any time during the year	14,720	30,200

15 Other Liabilities includes Rs. 10,024 (previous year Rs. 11,000) due to the company secretary of the company.

16 It is management's perception that since the company is exclusively engaged in the activity of manufacture of photographic paper and films which are governed by the same set of risks and returns the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

17 Current Liabilities includes Rs. 800,000,000 received as share application money received by Jindal India Thermal Power Limited (Subsidiary Company) from Jindal India Powertech Limited (Associate Company) for which allotment is yet to be made. After such allotment JITPL may cease to be the subsidiary of Jindal photo Limited.

18 a) Pursuant to the transitional provisions of accounting standards (AS)15 (Revised on "Employee Benefits" an amount of Rs. 1090146 (net of tax Rs. 561340) has been debited to General Reserve. The said amount represents the difference between the liability in respect of employee benefits determined under AS-15 (Revised) as on April 1,2007 and the liability that existed as on that date as per AS-15 prior to the revision.

b) During the year, the following contributions have been made under defined contribution plans.

	2007-08 Rs.	2006-07 Rs.
Employer's Contribution to provident Fund	792,483	799,950
Employer's Contribution to Employees Pension Scheme	1,368,511	1,474,095

c) The liability for leave encashment (Non-funded)

	654,426	757,998
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di) Reconciliation of opening and Closing balances of defined benefit obligation for Gratuity

	2007-08		2006-07
	funded	unfunded	
Defined benefit obligation at the beginning of the year	11,289,334		10,777,767
Current service cost	1,083,610	123,082	1,106,443
Interest cost	903,147		862,221
Actuarial (gain)/Loss on obligation	601,838	229,172	1,303,921
Benefits Paid	(2,478,235)		(2,761,018)
Defined benefit obligation at the end of the year	11,399,694	352,254	11,289,334

ii) Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at the beginning of the year	9,637,848		9,157,023
Expected return on plan assets	881,863		814,975
Employers' Contributions	2,341,913		2,359,810
Benefits paid	(2,478,235)		(2,761,018)
Actuarial gain/(loss) on plan assets	1,870		67,058
Fair value of plan assets at the end of the year	10,385,259		9,637,848
Actual return on plan asset	883,733		882,033

iii) Reconciliation of Fair value of assets and obligations

	as at 31.03.2008		as at 31.03.2007
	Rs.		Rs.
Fair value of plan assets	10,385,259		9637848.00
Present value of obligation	11,399,694	352,254	11289334.00
Amount recognised in Balance Sheet	(1,014,435)	352,254	(1,651,486)

iv) Expense recognised during the year

	2007-08		2006-07
	Rs.		Rs.
Current service cost	1,083,610	123,082	1,106,443
Interest cost	903,147		862,221
Expected Return on Plan Assets	(881,863)		(814,975)
Actuarial (gain)/loss recognised in the period	599,968	229,172	1,236,863
Net Cost	1,704,862	352,254	2,390,552

v) Actuarial assumptions

Mortality Table (LIC)	1994-96 (duly modified)		1994-96 (duly modified)
Discount rate (per annum)	8.00%	8.00%	8.00%
Rate of Increase in Salaries	5.50%	5.50%	5.50%
Expected rate of return on plan assets	9.15%		8.90%

The estimates of rate of future salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

19 Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as under:-

A) Relationship

a) Associate companies

Jindal Poly Films Ltd.	AXL Resources Private Limited
Consolidated Buildwell Ltd.	Hanuman Coke Plant P Limited
Jindal Buildmart Limited	Hindustan Thermal Power Generation Limited
Rexor SAS, France	Jindal Meadows Ltd.
Jindal India Hydro Limited	Vigil Farms Ltd.
Jindal India Powertech Limited	Jindal Realtors Ltd.
Bazaloni Groups Limited	Passion Tea Pvt Ltd.
Indian Software Consultancy Limited	Jindal Realmart Private Limited
Universal Foils Limited	Jumbo Finance Ltd.
Jindal France SAS, France	Shekhawati Vanijya Vikash Pvt. Limited
Agile Properties Ltd.	Jindal India Finvest & Holdings Limited
Jupax Barter Pvt. Ltd.	
Consolidated Realtors Limited	

b) Joint Venture Company

Mandakini Coal Company Limited

c) Controlling companies/Individuals

Consolidated Photo & Finvest Ltd.	Jindal Photo Investments Ltd.
Consolidated Finvest & Holdings Limited	Rishi Trading Co. Ltd.
Jindal (India) Ltd.	Soyuz Trading Co. Ltd.
	Shri S.S. Jindal

d) Key Management Personnel

Shri Rathi Binod Pal
Shri Shammi Gupta (upto30.04.2007)
Shri V. Chinnappan

B) The following transactions were carried out with related parties in the ordinary course of business : (Amount in Rs.)

Sr. No.	Nature of transaction	Referred to in A (a) (b) & (c) above		Referred to in A (d) above		Total	
		31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
1	Purchase of goods	483,186	341,706	-	-	483,186	341,706
2	Purchase of fixed assets	-	30,000	-	-	-	30,000
3	Sale of Investments	158,900,000	-	-	-	158,900,000	-
4	Share Application Money received	80,00,00,000	-	-	-	80,00,00,000	-
5	Remuneration	-	-	1,076,220	1,584,881	1,076,220	1,584,881
6	Interest paid	-	5,103,288	-	-	-	5,103,288
7	Interest earned	798,575	7,678,693	-	-	798,575	7,678,693
8	Rent received	-	-	-	-	-	-
9	Purchase of Investments	100,455,500	198,672,000	-	-	100,455,500	198,672,000
10	Investments made	255,500,000	-	-	-	255,500,000	-
11	Rent paid	1,206,000	1,370,500	-	-	1,206,000	1,370,500
12	Expenses reimbursed	215,693	1,083,241	-	-	215,693	1,083,241
13	Consultancy Fees	2,022,480	-	-	-	2,022,480	-
14	Donation	2,700,000	6,500,000	-	-	2,700,000	6,500,000
15	Loan received	-	135,000,000	-	-	-	135,000,000
16	Loan given back	-	135,000,000	-	-	-	135,000,000
17	Loan granted	31,441,250	249,822,500	-	-	31,441,250	249,822,500
18	Loan received back	96,362,033	181,530,000	-	-	96,362,033	181,530,000
19	Transfer of Fixed Assets	-	-	-	-	-	-
20	Transfer of Preoperative Expenses	-	-	-	-	-	-
21	Advance granted	-	-	-	-	-	-
22	Balance outstanding:-	-	-	-	-	-	-
	-Investments	300,612,500	198,672,000	-	-	300,612,500	198,672,000
	-Loans recoverable	2,500,000	72,920,783	-	-	2,500,000	72,920,783
	-Advances recoverable	1,004,364	1,639,265	-	-	1,004,364	1,639,265
	-Sundry debtors	-	-	-	-	-	-
	-Sundry Creditors	793,333	-	-	-	793,333	-
	-Other Liabilities	-	114,775	-	-	-	114,775

Note : Related party relationship is as identified by the company and relied upon by the auditors

- 20 The Net Deferred Tax Liability of Rs. 34,971,818 as at 31.03.2008 (including Rs. 38,274,700 for the period upto 31.03.2007) has been recognised in the Profit & Loss Account, as recommended under Accounting Standard (AS)-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The details of deferred tax liability is as under:-

	(Amount in Rupees)		
	As at 01.04.2007	For the year 2007-2008	As at 31.03.2008
<u>Deferred Tax Assets being tax impact thereon</u>			
(i) Expenses charged in the books, but allowance thereof deferred under Income tax laws	2,720,948	(2,578,484)	703,804
	2,720,948	(2,578,484)	703,804
<u>Deferred Tax Liabilities being tax impact thereon</u>			
(i) Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	40,995,648	(5,320,026)	35,675,623
	40,995,648	(5,320,026)	35,675,623
Net Deferred Tax Liability	(38,274,700)	2,741,542	(34,971,818)

* includes Rs. 5,61,340 deferred tax asset on transitional charge under revised AS-15 as referred to note no.18(a)

21 Earnings per share (EPS)

	31.03.2008	31.03.2007
Basic/Diluted Earning Per Share		
Net Profit/(Loss) for the year (Rs.)	464,825,473	269,949,931
No. of equity shares at the beginning of year	10,258,326	10,258,326
Basic/Diluted Earning Per Share (Rs.)	45.31	26.32
	Year ended 31.03.2008	Year ended 31.03.2007

22 Warranty Provisions

Opening balance	-	-
Additions during the year	2,222,903	-
Amount used during the year	-	-
Closing Balance	2,222,903	

23 Excise Duty on Decrease in Stock has been computed as under :

Excise Duty on Opening Stock	7,243,544	4,383,006
Less:- Excise Duty on Closing Stock	11,046,377	7,243,544
	(3,802,833)	(2,860,538)

- 24** Addition to fixed assets and/or Capital work in progress includes preoperative expenditure on expansion schemes/ new projects:

	Year ended <u>31.03.2008 (Rs.)</u>	Year ended <u>31.03.2007 (Rs.)</u>
Professional charges	31,845,339	1,372,577
Stores & Spares consumed	-	140,026
Power & Fuel consumed	-	70,138
Salary, Wages, Allowances and Bonus	4,627,124	269,878
Gratuity	352,254	-
Contribution towards Provident and other Funds	32,756	17,887
Staff Welfare	242,411	24,483
Staff training and recruitment expenses	268,225	54
Advertisement & Publicity	1,644,481	-
Printing & Stationery	153,745	-
Auditors remuneration	8,989	-
Books & Periodicals	130,889	-
Repair & maintenance-others	178,418	-
Business Promotion	1,162,149	-
Project Application Fees	1,608,000	-
Bank Charges	29,157	-
Interest to others	18,927	-
Depreciation	159,749	-
Capital Advances	42,033,544	-
Rent	81,000	57,280
Rates, Taxes & Fees	6,452,003	150,000
Postage, Telegram & Telephone	112,132	16,870
Miscellaneous expenses	156,269	6,366
Travelling & Conveyance expenses	4,384,453	254,723
	<u>95,682,014</u>	<u>2,380,282</u>
Less: Interest on Fixed Deposit	15,915,630	-
	<u>79,766,384</u>	<u>2,380,282</u>
Add : Provision for Tax		
Current Tax	5,573,000	-
Fringe Benige Tax	338,000	-
Wealth Tax	5,713	-
	<u>5,916,713</u>	<u>-</u>
	85,683,097	2,380,282
Add: Balance brought forward	4,110,495	2,394,527
	89,793,592	4,774,809
Less: Capitalised during the year	-	664,314
	<u>89,793,592</u>	<u>4,110,495</u>

- 25** Expenses under the head commission, discount, advertisement and business promotion are shown net of subsidy received/receivable.
- 26** Previous year's figures have been regrouped/re-arranged wherever considered necessary.
- 27** Since following companies has become subsidiary of Jindal Photo Limited during the year, previous year figure are not comparable with current year.
Jindal India Thermal Power Limited, Jindal India Power Ventures Limited and Hindustan Powergen Limited.
- 28** Figures have been rounded off to the nearest rupee.
- 29** Schedules 'A' to 'T' are annexed to and form part of Statement of Accounts.

As per our report of even date attached

For B.K. Shroff & Co.
Chartered Accountants

ANIL GUPTA
Partner

Place : New Delhi
Date : 31.07.2008

V.K.GUPTA
GM (Accounts) cum Company Secretary

For and on behalf of the board

RATHI BINOD PAL
Managing Director

S.C. SHARMA
Director

Jindal Imaging Limited

DIRECTORS' REPORT

To the Members,

Your Directors are presenting the Ninth Annual Report of the Company together with Audited statement of Accounts for the financial year ended 31st March 2008.

OPERATIONS

During the year, the company has not carried any business activity.

WHOLLY OWNED SUBSIDIARY

During the year, the company continues to be a wholly owned subsidiary of Jindal Photo Limited.

DIVIDEND

In view of Losses, your Directors do not recommend any dividend for the year.

SHIFTING OF REGISTERED OFFICE

During the year under review, the registered office of the Company has been changed from 56/2 Hanuman Road, New Delhi to Plot No 12, Local Shopping Complex, Sector – B I, Vasant Kunj, New Delhi-110 070.

DIRECTORS

Mr. Sanjiv Kumar Aggarwal, Director of the company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Rajeev Aggarwal has been appointed as an additional director on the board on 15th April 2008 and shall hold office up to the date of forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member indicting his intention to propose the appointment of Mr. Rajeev Aggarwal as Director of the Company liable to retire by rotation.

Mr. Arjun Singh, Director of the Company ceased to be Director w.e.f. 15th April 2008. The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr Arjun Singh during his tenure as Director of the Company.

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;

- 1) That in preparation of the accounts for the financial year ended 31st March, 2008, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- 2) 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 or loss of the company for the year under review;
- 3) 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;
- 4) That the Directors have prepared the accounts for the financial year ended on 31st March, 2008 on a 'going concern' basis.

AUDITORS

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

AUDITORS' REPORT

In respect of the Auditors' qualification in the Audit Report for the year under review, the Explanations of the Board of Directors is as under: -

Regarding "The accounts have been prepared on going Concern Assumption though the net worth of the company has fully eroded". Presently the company is exploring various other viable business options and opportunities and the Board of Directors of the Company are of the considered view that in the coming future, it will start its activities.

FIXED DEPOSITS

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

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

There is no employee covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

The Provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable since company has no manufacturing activity during the year.

CERTIFICATE FROM PRACTISING COMPANY SECRETARY

The certificate dated 15th July, 2008 received from M/s Dee Pee Associates, practicing company secretaries regarding compliance with the provisions of the Companies Act, 1956 has been attached to this report pursuant to section 383A of the Companies (Amendment) Act, 2000.

ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and assistance received from all concerned.

For and on behalf of the Board

Place : New Delhi

(Rajeev Aggarwal)
(Director)

(Sanjiv K Agarwal)
(Director)

Dated : 15.7.2008

COMPLIANCE CERTIFICATE

Registration No. of the Company : 55-99183

Nominal Capital : Rs. 1,00,00,000/-

To,

The Members,

JINDAL IMAGING LIMITED

Plot No. 12, Sector-B-1,

Vasant Kunj,

New Delhi 110 070

I have examined the registers, records, books and papers of JINDAL IMAGING LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company has the minimum prescribed share capital and rest of the provisions under this clause are not applicable to it.
4. The Board of Directors duly met Seven times respectively on 30-04-2007, 16-07-2007, 20-07-2007, 24-08-2007, 24-09-2007, 24-12-2007 and 07-02-2008 in respects of which proper notices were given and the proceedings were duly recorded and signed in the minute's book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st March 2007 was held on 28th September 2007 after giving due notice to members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to Directors, etc. as covered under the provisions of section 295 of the Companies Act, 1956 during the financial year.
9. The Company has not entered into any contract/s falling within the purview of section 297 of the Companies Act, 1956.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act during the financial year.
11. As there were no instances of falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or central Government.
12. The Company has not issued any duplicate share Certificates during the financial year.
13. (i) The Company has delivered the certificates of the securities lodged for transfer thereof and there were no allotment/transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors or directors to fill casual vacancies during the financial year have been duly made.
15. The Company has not appointed any Managing Director/whole time Director/ Manager under the provisions of section 269 of the Act during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.

Jindal Imaging Limited

17. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year & hence, do not attract the provisions of section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate(s) in compliance to the provisions of the Act.
26. The company has not altered the provisions of the Memorandum with respect to the situation of the registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Companies has not deducted any contribution towards provident fund during the financial year as the Company was not subject to PF laws.

**For SGS ASSOCIATES
Company Secretaries
(D P GUPTA) F.C.S. 2411
C P NO. 1509**

Place: New Delhi
Date : 15-07-2008

Annexure A

Statutory Registers maintained by the Company

1. Register of Members under section 150.
2. Minutes Books of Board and General Meetings under section 193.
3. Books of Accounts under section 209.
4. Register of Directors etc. under section 303.
5. Register of Directors share holding under section 307.

Other Registers

1. Register of Directors Attendance
2. Register of Shareholders attendance.
3. Register of Fixed Assets
4. Register of documents sealed.

Annexure B

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2008.

S. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time	if delay in filing whether requisite additional fee paid
1.	DIN-3	266	Particulars of the existing Directors	27-07-07	Late	Yes
2.	Form 32	303	Changes in directors	01-08-07	Yes	N.A.
3.	FORM 23AC And 23ACA	220	Balance sheet for the year ended 31-03-2007	20-10-07	Yes	N.A.
4.	Form 66	383-A	Compliance Certificate	20-10-07	Yes	N.A.
5.	Form 32	303	Changes in designation of Directors	24-10-07	Yes	N.A.
6.	Form 20-B	159	Annual Return made up to 28-09-07	26-11-07	Yes	N.A.
7.	Form 18 dated 07-02-08	146	Change of registered office	03-03-08	Yes	N.A.

AUDITORS' REPORT

To The Members of Jindal Imaging Limited

We have audited the attached Balance Sheet of M/S JINDAL IMAGING LIMITED as at 31st March, 2008 and also the annexed Profit and Loss Account and 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 statements 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) *The accounts have been prepared on Going Concern Assumption though the net worth of the company has fully eroded.*

Subject to above, and read together with the other notes appearing in the Schedule 'F' of Significant Accounting Policies and Notes on Accounts, in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, 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 Loss of the Company for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS
(PALLAV VAISH)
PARTNER**

Place: New Delhi
Dated: 15.07.2008

Membership No.508751

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

1. The company does not have any fixed assets. Hence the provisions of paragraph 4(i) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as 'Order') are not applicable.
2. The company didn't have any inventory throughout the year and as such, the provisions of paragraph 4(ii) of the Order are not applicable.
3. (a) The company has neither granted nor taken any loan, secured or unsecured, to/from any Company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Since the company has not granted/taken any loans to/from the Companies, firms or parties covered in the register maintained under section 301 of the Act, the clause 4(iii)(b), (c) and (d) of the Order are not applicable.
4. In our opinion, 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

Jindal Imaging Limited

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.

5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, there were no transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956
- (b) Since there are no transactions required to be entered into the register maintained under section 301 of the Act, paragraph 4(v) (b) of the Order is not applicable.
6. According to the information and explanations given to us, the company has not accepted deposits from the public within the provisions of Sec 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 197.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. The maintenance of Cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.
9. (a) The company has been 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 with the appropriate authorities during the year.
- (b) According to the information and explanation given to us and as per the books and records examined by us, there are no dues of sales tax, income tax, custom tax, wealth tax and cess which have not been deposited on account of any dispute..
10. *As at 31.03.2008 the accumulated losses of the company are more than hundred percent of its net worth. The Company has also incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.*
11. The company has not taken any loan from financial institutions, banks or debenture holders; hence the requirements of paragraph 4(xi) of the Order are not applicable.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company does not fall within the category of Chit Fund/Nidhi/Mutual Fund/ Society and hence the related reporting requirements are not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities debentures and other investments, hence, clause 4(xiv) of the Order is not applicable.
15. 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.
16. The company has not raised any term loans during the year. Hence the clause 4(xvi) of the Order is not applicable.
17. 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.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the companies Act, 1956.
19. 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.
20. The company has not raised any money through the public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. 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

(PALLAV VAISH)
PARTNER

Membership No.508751

Place: New Delhi
Dated: 15.07.2008

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULAR	SCHEDULES	AS AT 31.03.2008 AMOUNT (RS.)	AS AT 31.03.2007 AMOUNT (RS.)
------------	-----------	-------------------------------------	-------------------------------------

SOURCES OF FUNDS

SHAREHOLDERS' FUNDS

SHARE CAPITAL	A	1,000,000	1,000,000
		1,000,000	1,000,000

APPLICATION OF FUNDS

CURRENT ASSETS, LOANS & ADVANCES

CASH & BANK BALANCES	B	129,248	154,854
		129,248	154,854

LESS: CURRENT LIABILITIES & PROVISIONS

	C	3,635,202	3,634,640
--	---	-----------	-----------

NET CURRENT ASSETS

		(3,505,954)	(3,479,786)
--	--	-------------	-------------

MISCELLANEOUS EXPENDITURE

	D	14,030	21,046
--	---	--------	--------

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

PROFIT/ (LOSS) ACCOUNT		4,491,924	4,458,740
		1,000,000	1,000,000

SIGNIFICANT ACCOUNTING POLICIES F & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates
Chartered Accountants

For and on behalf of the Board

(Pallav Vaish) (Rajeev Aggarwal) (S.K. Aggarwal)
Partner Director Director

Membership No. 508751

Place : New Delhi
Dated : 15.07.2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULAR	SCHEDULES	YEAR ENDED 31.03.2008 AMOUNT (RS.)	YEAR ENDED 31.03.2007 AMOUNT (RS.)
------------	-----------	--	--

INCOME

		-	-
		-	-

EXPENDITURE

ADMINISTRATIVE EXPENSES	E	33,184	982,887
		33,184	982,887

PROFIT/ (LOSS) FOR THE YEAR BEFORE TAXATION (33,184) (982,887)

LESS: PROVISION FOR TAX - -

PROFIT/ (LOSS) FOR THE YEAR AFTER TAXATION (33,184) (982,887)

PROFIT/ (LOSS) BROUGHT FORWARD FROM EARLIER YEARS (4,458,740) (3,475,853)

PROFIT/ (LOSS) CARRIED TO BALANCE SHEET (4,491,924) (4,458,740)

EARNING PER SHARE (BASIC/DILUTED) (0.33) (9.83)

SIGNIFICANT ACCOUNTING POLICIES F & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates
Chartered Accountants

For and on behalf of the Board

(Pallav Vaish) (Rajeev Aggarwal) (S.K. Aggarwal)
Partner Director Director

Membership No. 508751

Place : New Delhi
Dated : 15.07.2008

Jindal Imaging Limited

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

	2007-2008 Amount (Rs.)	2006-2007 Amount (Rs.)
A Cash Flow from Operating Activities:		
Net Profit before Taxation and Extraordinary items	(33,184)	(982,887)
Adjustments :		
Provisions for Fixed Capital Expenditure	-	-
Preliminary Expenses written off during the year	7,016	7,016
Operating Profit before working Capital changes	(26,168)	(975,871)
Adjustments :		
Increase/(Decrease) in sundry Liabilities	562	966,233
Decrease/(increase) in current Assets	-	15,962
Net Cash from Operating Activities	(25,606)	6,324
B Cash Flow from Investing Activities:		
Preliminary Expenses incurred during the year	-	-
Purchase of Fixed Assets & other Capital Expenditure	-	-
Net Cash from Investing Activities	-	-
C Cash Flow from Financing Activities:		
Proceeds from issuance of Share Capital	-	-
Loan from Holding Company	-	-
Net Cash from Financing Activities	-	-
Net Change in Cash & Cash Equivalents (A+B+C)	(25,606)	6,324
Cash & Cash equivalents at the beginning of the year (Opening balance)	154,854	148,530
Cash & Cash equivalents at the end of the Year (Closing balance)	129,248	154,854

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates

For and on behalf of the Board

Chartered Accountants

(Pallav Vaish)

(Rajeev Aggarwal)

(S.K. Aggarwal)

Partner

Director

Director

Membership No. 508751

Place : New Delhi

Dated : 15.07.2008

SCHEDULES

Annexed to and Forming part of the Accounts

	AS AT 31.03.2008 (RS.)	AS AT 31.03.2007 (RS.)
--	------------------------------	------------------------------

SCHEDULE 'A' - SHARE CAPITAL

AUTHORISED

10,00,000(10,00,000) EQUITY SHARES OF RS. 10/- EACH	10,00,000	10,00,000
---	-----------	-----------

ISSUED, SUBSCRIBED & PAID UP

100,000(100,000) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	1,000,000	1,000,000
	1,000,000	1,000,000

SCHEDULE 'B' - CASH & BANK BALANCES

CASH IN HAND	15,925	27,377
BANK OF NOVA SCOTIA	105,795	119,849
HDFC BANK LTD.	2,101	2,101
PUNJAB NATIONAL BANK	5,427	5,527
	129,248	154,854

SCHEDULE 'C' -CURRENT LIABILITIES & PROVISIONS

SUNDRY CREDITORS	3,598,057	3,598,057
OTHER LIABILITIES	37,145	36,583
	3,635,202	3,634,640

SCHEDULE 'D' -MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

PRELIMINARY EXP	21,046	28,062
LESS: WRITTEN OFF DURING THE YEAR	7,016	7,016
	14,030	21,046

	YEAR ENDED 31.03.2008 (RS.)	YEAR ENDED 31.03.2007 (RS.)
SCHEDULE 'E' -ADMINISTRATIVE EXPENSES		
RATES ,TAXES & FEES	28	2,356
LEGAL &PROFESSIONAL CHARGES	10,441	861,720
LEASE RENT	-	100,000
PRINTING & STATIONERY	-	45
BANK CHARGES	100	3,323
FILING FEES	6,610	-
AUDIT FEE	8,989	8,427
PRELIMINARY EXPENSES W/OFF	7,016	7,016
	33,184	982,887

SCHEDULE 'F'- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Accounting Policies:

- The financial statements are prepared under the historical cost convention and in accordance with the requirement of the Companies Act, 1956 and accepted Accounting standards referred to in sub-section (3c) of section 211 of that
- All revenue ,costs, duties, assets and liabilities are accounted for on accrual basis.
- Provision for Income Tax is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961.
- As a matter of prudence & in view of uncertainty of profits in future years, deferred tax assets in accordance with Accounting Standard -22 issued by ICAI has not been created in the accounts for the year ended 31/03/2008.

(iv) Miscellaneous Expenditure

Preliminary expenditure are being written off over a period of ten years.

2. Contingent Liability not Provided for: Rs Nil. (previous year Rs. Nil)

- Based on the information available with the company regarding the status of the suppliers as defined under the Interest on delayed payment to small scale and ancillary Industrial undertaking Act, 1993, there are no amount due to small scale and /or ancillary industrial suppliers on account of principal and/or interest as at the close of the year.
- The company has not received any intimation from suppliers regarding their status under the Micro, small and medium enterprises development Act 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid /payable as required under the said act have not been given.

4 The Auditors' Remuneration represents the following

	Year Ended 31.03.2008	Year Ended 31.03.2007
Audit Fee	8,989	8,427
	8,989	8,427

- Additional information required under Para 3& 4 of Part -II of Schedule VI of the Companies Act, 1956 are not applicable.
- Administrative expenses includes Rs. Nil (Previous year Rs. 7,79,988) being professional fee & expenses paid to a party outside India towards research for new business possibilities outside India.
- Disclosures pursuant to Accounting Standard-18 " Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows:

List of Related Parties:

A. Controlling/ Controlled Companies/ Individuals.

a) Holding Company

Jindal Photo Ltd.

b) Fellow Subsidiaries

Hindustan Powergen Limited
Jindal India Thermal Power Ltd.
Jindal India Power Ventures Limited

c) Other Controlling Companies/Individuals

Consolidated Photo & Finvest Ltd.
AXL Resources Private Limited

Jindal Imaging Limited

Soyuz Trading Co. Ltd.
Hanuman Coke Plant P Limited
Rishi Trading Co. Ltd.
Hindustan Thermal Power Generation Limited
Jindal Poly Films Ltd.
Jindal Meadows Ltd.
Jumbo Finance Ltd.
Vigil Farms Ltd.
Jupax Barter Pvt. Ltd.
Jindal (India) Ltd.
Jindal India Finvest and Holdings Limited
Passion Tea Pvt Ltd.
Consolidated Buildwell Ltd.
Jindal Realtors Ltd.
Jindal Buildmart Limited
Jindal Realmart Private Limited
Rexor SAS, France
Shekhawati Vanijya Vikash Pvt. Limited
Jindal India Hydro Limited
Consolidated Finvest & Holdings Limited
Jindal India Powertech Limited
Mr Shyam Sunder Jindal
Bazaloni Groups Limited
Indian Software Consultancy Limited
Universal Foils Limited
Jindal France SAS, France
Agile Properties Ltd.
Jindal Photo Investments Ltd.
Consolidated Realtors Limited

d) Key Management Personnel

Rajeev Aggarwal
Sanjeev Aggarwal

Details of Transactions with related parties are as follows:

Controlling Company	Amount(Rs.) 31.03.2008	Amount(Rs.) 31.03.2007
- Expenses Reimbursed	-	144,705
- Lease rent	-	100,000
- Advance received	-	950,000
- Amount outstanding at the end of the year	3,598,057	3,598,057

8. Earning per Share	Rs.	Rs.
Profit After Taxation	(33184)	(982887)
No. of shares outstanding	100000	100000
Earning per share(Basic/Diluted)	(0.33)	(9.83)

9. Expenditure in Foreign Currency	
Professional Charges	779788

10. Figures for the previous year have been regrouped/re-arranged wherever considered necessary to conform to this year classification.
11. All the figures have been rounded off to the nearest rupee.
12. Schedule `A` to `F` are annexed to and form part of Statement of Accounts.

13. Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No :	99183	State Code :	55
Balance Sheet Date	Date	Month	Year
	31	3	2008

II. Capital raised during the year (Amount in Rs. '000)

Public Issue	Right Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	Total Assets
1000	1000
Sources of Funds (Amount in Rs. '000)	
Paid Up Capital	Reserves & Surplus
1000	NIL
Secured Loans	Unsecured loans
NIL	NIL

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	Investments
NIL	NIL
Net Current Assets	Deferred Tax Asset
-3506	-
Misc. Expenditure	Accumulated Losses
14	4492

IV. Performance of Company (Amount in Rs. '000)

Income	Total Expenditure
0	33
Profit/Loss Before Tax	Profit/Loss After Tax
-33	-33
Earning Per Share (Rs.) (0.33)	Dividend Rate (Equity)
	NIL

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code)	3921.90
Product Description	Inkjet Film
Item Code No. (ITC Code)	4811.90
Product Description	Inkjet Paper

AS PER OUR REPORT OF EVEN DATE ANNEXED

For Kanodia Sanyal & Associates
Chartered Accountants

For and on behalf of the Board

(Pallav Vaish)	(Rajeev Aggarwal)	(S.K. Aggarwal)
Partner	Director	Director

Membership No. 508751

Place : New Delhi
Dated : 15.07.2008

Jindal India Thermal Power Limited

DIRECTORS' REPORT

To the Members,

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

OPERATIONS

Power Project

A Memorandum of Standing (MoU) with Government of Orissa was signed on 26.9.2006 for setting up a 1200 MW Thermal Power Plant in Distt. Angul, Orissa by Jindal Photo Limited. Subsequently, the name has been changed to Jindal India Thermal Power Ltd. as per Supplementary Deed to the MoU signed on 14.5.2008.

The said power project will now be set-up by your Company at a cost of about Rs.6,000 crores.

The Company has made significant progress in Land acquisition, Water availability, Coal Linkage, Environmental clearance, Financial Closure, Main Plant ordering, Sale of Power and appointment of various consultants for site specific studies. The Financial assistance for the first phase of the project has been tied up and the first phase is proceeding towards financial closure.

DIVIDEND

There being no profits, no dividend can be recommended.

DIRECTORS

- Mr. Punit Gupta and Mr. D.P. Bagchi who were appointed as Additional Directors w.e.f. 6th November, 2007 and 18th December, 2007 respectively retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.
- Mr. U.C.Jain have resigned from the Board w.e.f. 11th January, 2008. The Board places on record its sincere appreciation on the co-operation received from Mr. U.C.Jain during his tenure as Director of the Company.
- Mr. Vasdev Aggarwal, a Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as Director whose period of office will be liable to retire by rotation.

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.

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, if any;
- 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 period and of the Profit or Loss of the company for the period 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.
- That the Directors have prepared the accounts for the financial period ended on 31st March, 2008 on a 'going concern' basis.

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

The provisions in respect 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 are not applicable on the Company since Company has no manufacturing activity during the period.

The details of Foreign exchange earnings and outgo during the period under review is given in the Annexure to this 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 : 4th July, 2008

(Punit Gupta)
Director

(Vasdev Aggarwal)
Director

ANNEXURE TO DIRECTOR REPORT

	31st March, 2008	31st March, 2007
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	359,652	NIL

COMPLIANCE CERTIFICATE

Registration No. of the Company : 55-109103

Nominal Capital : Rs. 1,00,00,00,000/-

To,

The Members,
JINDAL INDIA THERMAL POWER LIMITED
(Formerly JINDAL THERMAL POWER LIMITED)
Plot No. 12, Sector-B-1,
Vasant Kunj,
New Delhi 110 070

I have examined the registers, records, books and papers of JINDAL INDIA THERMAL POWER LIMITED (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

- The Company has maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure "B" to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, within the time prescribed under the Act and the rules made there under.
- The Company being a public limited company has the minimum prescribed share capital and rest of the provisions under this clause are not applicable to it.
- The Board of Directors duly met Eleven times respectively on 30-04-2007, 16-07-2007, 24-08-2007, 24-09-2007, 06-11-2007, 18-12-2007, 11-01-2008, 21-01-2008, 06-02-2008, 07-02-2008 and 28-02-2008 in respects of which proper notices were given and the proceedings were duly recorded and signed in the minute's book maintained for the purpose.
- The Company has not closed its Register of Members during the financial year.
- The Annual General Meeting for the financial year ended 31st March 2007 was held on 28th September 2007 after giving due notice to members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- One Extra-ordinary General Meeting was held on 28-12-2007 during the financial year ended 31st March 2008 after giving due notice to members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- The Company has not advanced any loan to Directors, etc. as covered under the provisions of section 295 of the Companies Act, 1956 during the financial year.
- The Company has not entered into any contract/s falling within the purview of section 297 of the Companies Act, 1956.
- The Company was not required to make any entries in the register maintained under section 301 of the Act during the financial year.
- As there were no instances of falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or central Government.
- The Company has not issued any duplicate share Certificates during the financial year.
- (i) The Company has delivered the certificate of securities in respect of the transfers and further there were no transmissions or allotment of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company has duly complied with the requirements of section 217 of the Act.
- The Board of Directors of the Company is duly constituted and that appointments of directors, additional directors, alternate directors or directors to fill casual vacancies have been duly made during the financial year.
- The Company has not appointed any Managing Director/whole time Director/Manager under the provisions of section 269 of the Act during the financial year.

Jindal India Thermal Power Limited

16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government during the financial year ended 31st March 2008.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year & hence, do not attract the provisions of section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate(s) in compliance to the provisions of the Act.
26. The company has not altered the provisions of the Memorandum with respect to the situation of the registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The company has altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny and has made the necessary compliances.
30. The Company has not altered its Articles of Association during the financial year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offenses under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Companies has deducted contribution towards provident fund during the financial year.

For SGS ASSOCIATES
Company Secretaries
(D P GUPTA) F.C.S. 2411
C P NO. 1509

Place: New Delhi
Date : 04-07-2008

Annexure A

Statutory Registers maintained by the Company

1. Register of Members under section 150.
2. Minutes Books of Board and General Meetings under section 193.
3. Books of Accounts under section 209.
4. Register of Directors etc. under section 303.
5. Register of Directors share holding under section 307.

Other Registers

1. Register of Directors Attendance
2. Register of Shareholders attendance.
3. Register of Fixed Assets
4. Register of documents sealed.
5. Register of Share Transfers

Annexure B

Forms and Returns as filed by the Company with the Registrar of companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2008.

S. No.	Form No./ Return	Filed under section	For	Date of filing	Whether filed within prescribed time	if delay in filing whether requisite additional fee paid
1	DIN-3	266	Particulars of existing Directors	31-07-07	Late	Yes
2	Form 32	303	Change in Directors	18-09-07	Yes	N.A.
3	FORM 23AC And 23ACA	220	Balance sheet for the year ended 31-03-2007	20-10-07	Yes	N.A.
4	Form 66	383-A	Compliance Certificate	20-10-07	Yes	N.A.
5	Form 32	303	Change in Directors	24-10-07	Yes	N.A.
6	Form 32	303	Change in Directors	26-11-07	Yes	N.A.
7	Form 20-B	159	Annual Return made up to 28-09-07	26-11-07	Yes	N.A.
8	Form 32	303	Change in Directors	29-12-07	Yes	N.A.
9	Form 23	372A	Increase in Limits for investments etc	17-01-08	Yes	N.A.
10	Form 5	97	Increase in share capital	19-01-08	Yes	N.A.
11	Form 32	303	Change in Directors	22-01-08	Yes	N.A.
12	Form 18	146	Change of registered Office	03-03-08	Yes	N.A.

AUDITORS' REPORT

To The Members of Jindal India Thermal Power Limited

We have audited the attached Balance Sheet of M/S JINDAL INDIA THERMAL POWER LIMITED as at 31st March, 2008 .In respect of Profit and loss account the company has yet to commence operation and all the expenditure has been shown under Preoperative Expenditure (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 statements 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 dealt with by this report is in agreement with the books of account.
- d. In our opinion, the Balance Sheet dealt with by this report has 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.

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 'I' 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. this clause is not applicable to the company
- iii. in case of Cash Flow Statement, of the cash flow for the year ended on that date.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K.Kanodia)
PARTNER

Place: New Delhi
Dated: 04-07-2008

Membership No.016121

ANNEXURE TO AUDITORS' REPORT OF JINDAL INDIA THERMAL POWER 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. The company does not have any inventory; hence the requirements of paragraph 4(ii) of the 'Order' are not applicable.
3. The company has neither granted nor taken any loan, secured or unsecured, to/from any Company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956. Since the company has not

Jindal India Thermal Power Limited

granted/taken any loans to/from the Companies, firms or parties covered in the register maintained under section 301 of the Act, the requirements of paragraph 4(iii)(b), (c) and (d) of the 'Order' are not applicable.

4. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase/construction of stores, components, plant and machinery, equipment and other assets and for availing of services. Other requirements of the internal control as mentioned in the 'Order' are not applicable as the company has not commenced any business and is yet in the process of setting up the project. 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 of the existence of major weaknesses in the internal control procedures and systems.
5. As per the audit procedures applied by us, and according to the information and explanations given to us by the management, there were no transactions, which were required to be entered in the register maintained under section 301 of the Act. As there were no transactions required to be entered in the register maintained under section 301 of the Act, the paragraph 4(v) (b) of the 'Order' is not applicable.
6. According to the information and explanations given to us, the company has not accepted deposits from the public within the provisions of Sec 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 197.
7. The internal audit requirements are not mandatory for the company.
8. The maintenance of Cost records has not been prescribed by the Central Government u/s 209(1)(d) of the Companies Act, 1956.
9. (a) The company has deposited all the statutory dues on timely basis with the appropriate authorities during the year.
(b) According to the information and explanation given to us and as per the books and records examined by us, there are no dues of sales tax, income tax, custom duty, wealth tax and cess which have not been deposited on account of any dispute.
10. The requirements of paragraph 4(x) of the 'Order' are not applicable, as the company has not commenced any business and is yet in the process of setting up the project
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not taken any loan from any financial institution or banks; hence the requirements of paragraph 4(xi) of the 'Order' are not applicable.
12. 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.
13. The company does not fall within the category of Chit Fund/Nidhi/Mutual Fund/ Society and hence the related reporting requirements are not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities debentures and other investments, hence, paragraph 4(xiv) of the 'Order' is not applicable.
15. 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.
16. The company has not raised any term loans during the year. Hence the paragraph 4(xvi) of the 'Order' is not applicable.
17. According to the information and explanations given to us and as per the books and records examined by us, the funds raised by the company on short term basis have not been applied for long term investments and vice versa.
18. 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
19. The company does not have any debentures outstanding as on the Balance Sheet date, hence, the paragraph 4(xix) of the 'Order' is not applicable.
20. The company has not raised any money through the public issue during the year. Accordingly, paragraph 4(xx) of the 'Order' is not applicable.
21. 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

(R.K.Kanodia)
PARTNER

Membership No.016121

Place: New Delhi
Dated: 04-07-2008

BALANCE SHEET AS AT 31ST MARCH 2008

PARTICULARS	SCHEDULE	AS AT 31.03.2008 AMOUNT (Rs)	AS AT 31.03.2007 AMOUNT (Rs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	18,662,500	18,662,500
SHARE APPLICATION MONEY (pending allotment)		800,000,000	-
RESERVE & SURPLUS	B	2,262,500	2,262,500
LOAN FUNDS			
UNSECURED LOANS	C	-	510,213
		<u>820,925,000</u>	<u>21,435,213</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	5,004,959	-
Less: Depreciation		159,749	-
		<u>4,845,210</u>	-
Capital Work in Progress		106,985,577	21,007,035
		<u>111,830,786</u>	<u>21,007,035</u>
CURRENT ASSETS, LOANS& ADVANCES			
CASH & BANK BALANCES	E	762,635,922	143,751
LOANS & ADVANCES	F	18,440,467	3,523
		<u>781,076,389</u>	<u>147,274</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
NET CURRENT ASSETS	G	72,273,495	10,416
MISCELLANEOUS EXPENDITURE	H	708,802,894	136,858
		<u>291,320</u>	<u>291,320</u>
		<u>820,925,000</u>	<u>21,435,213</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ANNEXED

For **Kanodia Sanyal & Associates**
Chartered Accountants

(R. K. Kanodia)
Partner
Membership no-16121

(VASDEV AGARWAL)
Director

(PUNIT GUPTA)
Director

Place : New Delhi
Dated : 04.07.2008

For and on behalf of the Board

CASH FLOW STATEMENT FOR THE YAEER ENDED 31st MARCH 2008

	As at 31.3.08	As at 31.3.07
A. CASH FLOW BEFORE TAX FROM OPERATING ACTIVITIES:		
Operating Profit/ (Loss) before Working capital Changes	-	-
Adjustment for :		
Trade & Other Receivable	(14,436,939)	500,000
Trade & Other Payable	72,263,079	404
Cash generated from Operations	57,826,140	500,404
Advance Tax Paid	(4,000,005)	(3,523)
Net cash from Operating activities	53,826,135	496,881
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,004,959)	
Preoperative Expenditures (including Capital Advances)	(85,818,792)	(610,143)
Loans Repaid	(510,213)	(95,294)
Net Cash used in Financing Activities	(91,333,964)	(705,437)
C. Cash Flow from Financing Activities		
Share Application Money Received	800,000,000	
Net Cash used in Financing Activities	800,000,000	-
Net change in Cash & Cash Equivalents (A+B+C)	762,492,171	(208,556)
Cash & Cash Equivalents As At 1st April (Opening Balance)	143,751	352,307
Cash & Cash Equivalents As At 31st March (Closing Balance)	762,635,922	143,751

AS PER OUR REPORT OF EVEN DATE ANNEXED

For **Kanodia Sanyal & Associates**
Chartered Accountants

(R. K. Kanodia)
Partner
Membership no-16121

(VASDEV AGARWAL)
Director

(PUNIT GUPTA)
Director

Place : New Delhi
Dated : 04.07.2008

For and on behalf of the Board

Jindal India Thermal Power Limited

Schedule 'A' to 'J' forming part of statement of Accounts

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED		
10,000,000 (2,500,000) EQUITY SHARES OF RS. 10/- EACH	1,000,000,000	25,000,000
ISSUED, SUBSCRIBED & PAID UP		
1,866,250 (1,866,250) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	18,662,500	18,662,500
	18,662,500	18,662,500
SCHEDULE 'B' - RESERVE & SURPLUS		
SHARE PREMIUM ACCOUNT	2,262,500	2,262,500
	2,262,500	2,262,500
SCHEDULE 'C' - UNSECURED LOANS		
JINDAL PHOTO LTD	-	510,213
	-	510,213

SCHEDULE 'D' - FIXED ASSETS

Description	Gross Block (at Cost)				Depreciation				Net Block	
	As at 01.04.2007	Additions	Deductions/ Adjustments	As at 31.03.2008	As at 31.03.2007	For the year	Deductions/ Adjustments	upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Furniture & Fixtures	-	332783		332,783	-	53205		53,205	279,578	-
Computers	-	2013732		2,013,732	-	59570		59,570	1,954,162	-
Office Equipment	-	291229		291,229	-	4533		4,533	286,696	-
Vehicles	-	2367215		2,367,215	-	42441		42,441	2,324,774	-
Total	-	5,004,959	-	5,004,959	-	159,749	-	159,749	4,845,210	-
Previous Year	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress*	21007035	85978542		106985577					106985577	21007035

* preoperative expenditure (including capital advances) pending allocation refer note no.7 Schedule I

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE 'E' - CASH & BANK BALANCES		
CASH IN HAND	23,474	573
Balance with Schedule banks		
In current account	12,112,448	143,178
In Fixed Deposit Account	750,500,000	-
	762,635,922	143,751
SCHEDULE 'F' - LOANS & ADVANCES		
Loan to Staff	2110000	-
Advances recoverable in cash or in kind or for value to be received	12,330,462	-
Advance Income Tax (Tax deducted at Source)	4,000,005	3,523
	18,440,467	3,523
SCHEDULE 'G' - CURRENT LIABILITIES & PROVISIONS		
Current liabilities		
Sundry Creditors		
due to Small scale Industrial undertaking	-	-
due to others	793,333	-
Other Liabilities	65,211,195	10,416
Provisions		
Provision For Tax	5,916,713	-
Provision for Gratuity	352,254	-
	72,273,495	10,416
SCHEDULE 'H' - MISCELLANEOUS EXPENDITURE		
PRELIMINARY EXPENDITURE	291,320	291,320
	291,320	291,320

SCHEDULES 'I' - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Accounting Policies:

- The financial statements are prepared under the historical cost convention and in accordance with the requirement of the Companies Act, 1956 and the accepted Accounting standards
- Treatment of expenditure during the period of implementation of project is shown as pre-operative expenditure under the head Fixed Capital Expenditure and the same is allocated to the respective fixed assets on completion of project.
- Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense, in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

iv) Employee Benefits

- Short term Employee benefits are recognised as an expense at the undiscounted amount in the profit and loss of the year in which the related services is rendered.
- Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial

valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

- The current tax payable in respect of taxable income for the year is charged to revenue. The deferred tax if any on timing differences between taxable income and accounting income subject to consideration of prudence has been provided/created. Fringe Benefit Tax has been provided for as per the applicable provisions of the Income Tax Act, 1961.

- Accounting Policies not significantly referred to in are consistent with generally accepted accounting principles.

2. Contingent Liabilities :

	2007-08 Rs.	2006-07 Rs.
Capital commitment (estimated)	21,543,800,000	-

- Based on the information available with the company regarding the status of the suppliers as defined under the Interest on delayed payment to small scale and ancillary Industrial undertaking Act, 1993, there are no amount due to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year.

- The company has not received any intimation from suppliers regarding their status under the Micro, small and medium enterprises development Act 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid /payable as required under the said act have not been given.

4. The Auditors' Remuneration represents the following

	Year Ended 31.03.2008	Year Ended 31.03.2007
Audit Fee	Rs. 8989/-	Rs. 8427/-

- In terms of Memorandum of Understanding between Jindal Photo Limited (JPL, Holding Company) and the Government of Orissa, the JPL was granted licence to set up a thermal power plant of 1000 MW capacity in the state of Orissa with an estimated investment of Rs. 4525 crores.

Jindal India Thermal Power Limited

Subsequently JPL decided to execute the project in the company being the wholly owned subsidiary of JPL.

Accordingly a supplemental deed of Memorandum of Understanding was executed on 14.05.2008 whereby, the name of JPL was substituted with the name of Company.

Accordingly, all incomes and expenditures together with all assets acquired and liabilities incurred by JPL on the thermal power project upto 31.03.2008 have been transferred to the company as under:

Particulars	Amount (Rs.)
Fixed Assets	751917
Current Assets, Loans and Advances	43002816
Preoperative expenditure	15711419
	59466152
Less : Current Liabilities	324252
	59141900

Further, JPL has also requested to the government for transfer of assurance letter for coal linkage of 250 MW in the name of the company and the company has applied for its balance coal linkage requirements.

However, the rights related to coal block lies with JPL jointventure company (Mandakini Coal Company Limited) and the government formalities, if any required, in this regard will be completed in due course.

6. Share Application Money (pending allotment) amount to Rs. 80,00,00,000 represents amount received from a company other than holding company for which allotment is yet to be made. After such allotment company may cease to be the subsidiary of Jindal photo Limited.
- 7a. Statement of pre-operative expenses pending allocation

PARTICULARS	OPENING AS ON 01.04.2007 Amount(Rs.)	ADDITIONS DURING THE YEAR Amount(Rs.)	PENDING FOR ALLOCATION AS AT 31.03.2008 Amount(Rs.)
SALARIES	470,256	3,211,477	3,681,733
CONTRIBUTION TO PROVIDENT FUND		32,756	32,756
HOUSE RENT ALLOWANCE	138,627	1,128,326	1,266,953
STAFF MEDICAL REIMBURSEMENT	31,714	86,062	117,776
STAFF MEDICAL ALLOWANCE	2,564	109,883	112,447
GRATUITY		352,254	352,254
STAFF WELFARE	615	242,411	243,026
STAFF REC. & DEVELOPMENT	74,231	268,225	342,456
LEAVE ENCASHMENT	8,372	91,376	99,748
EX-GRATIA	104,722	-	104,722
TELEPHONE AND TELEX EXPENSES	7,996	112,132	120,128
CONVEYANCE	58,164	820,269	878,433
TRAVELLING EXPENSES	91,081	4,048,095	4,139,176
ELECTRICITY & WATER CHARGES		8454	8,454
CONSULTANCY CHARGES	18,572,222	2528637	21,100,859
ADVERTISEMENT & PUBLICITY		1,644,481	1,644,481
PRINTING & STATIONERY	44,220	153,745	197,965
SUBSCRIPTION	14,139	900	15,039
BOOK & PERIODICALS	6,495	130,889	137,384
FILLING FEE	22,737	4,910,840	4,933,577
RATES & TAXES	-	1,707,663	1,707,663
LEGAL & PROFESSIONAL CHARGES	22,638	28,961,735	28,984,373
RENT	10,200	81,000	91,200
OFFICE MAINTENANCE EXPENSES	8,857	-	8,857
MEETING & TRAINING		74,279	74,279
REPAIR & MAINTENANCE OTHERS		53,043	53,043
GENERAL EXPENSES	5,575	72,636	78,211
VEHICLE UPKEEP & MAINTENANCE EXPENSES		125,375	125,375
FREIGHT & CARTAGE	21,500	-	21,500
BUSINESS PROMOTION		1,162,149	1,162,149
AUDIT FEE	49,185	8,989	58,174
PROJECT APPLICATION FEES	150,000	1,608,000	1,758,000
PRELIMINARY EXP WRITTEN OFF	-		0
BANK CHARGES	57,129	29,157	86,286
BANK GUARANTEE CHARGES	1,020,100	-	1,020,100
INTEREST -OTHERS	45,402	18,927	64,329
DEPRECIATION		159,749	159,749

PARTICULARS	OPENING AS ON 01.04.2007 Amount(Rs.)	ADDITIONS DURING THE YEAR Amount(Rs.)	PENDING FOR ALLOCATION AS AT 31.03.2008 Amount(Rs.)
CAPITAL ADVANCES	-	42,033,544	42,033,544
	21,038,741	95,977,458	117,016,200
LESS: INTEREST ON FIXED DEPOSIT	31,706	15,915,630	15,947,336
	21,007,035	80,061,828	101,068,864
Add: Provision for Tax			
Current Tax		5,573,000	5,573,000
Fringe Benefit Tax		338,000	338,000
Wealth Tax		5,713	5,713
	-	5,916,713	5,916,713
	21,007,035	85,978,542	106,985,577

7b. Expenditure in Foreign Currency

	2007-08 Rs.	2006-07 Rs.
Travelling	289,969	-
Consultancy Fees	69,683	-

8. As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the accounting Standard are given below:

- a) Contribution to Defined Contribution Plan, recognised as expenses for the year is Rs. 32,756 towards employer's contribution to Provident fund.
- b) Defined Benefit Plan

The present value of obligation for gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- i) Reconciliation of opening and Closing balances of defined benefit obligation for Gratuity (unfunded)

	2007-08 Rs.
Defined benefit obligation at the beginning of the year	
Current service cost	123,082
Interest cost	-
Actuarial (gain)/Loss	229,172
Benefits Paid	-
Settlement cost	-
Defined benefit obligation at the end of the year	352,254

- ii) Reconciliation of Fair value of assets and obligations

	as at 31.03.2008 Rs.
Present value of obligation	352,254
Amount recognised in Balance Sheet	352,254

- iii) Expense recognised during the year

	2007-08 Rs.
Current service cost	123,082
Interest cost	0
Actuarial (gain)/loss	229,172
Net Cost	352,254

- iv) Actuarial assumptions

Discount rate (per annum)	8.00%
Future salary increase (per annum)	5.50%

The estimates of rate of future salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

The obligation for leave encashment for Rs. 91376 is recognised, provided for and paid on yearly basis.

Jindal India Thermal Power Limited

9. Disclosures 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) Holding Company

Jindal Photo Limited*
*w.e.f. 24.09.2007

b) Fellow Subsidiaries

Jindal Imaging Ltd.
Hindustan Powergen Limited
Jindal India Power Ventures Limited

c) Controlling Companies / Individuals

Consolidated Photo & Finvest Ltd.
AXL Resources Private Limited
Soyuz Trading Co. Ltd.
Hanuman Coke Plant P Limited
Rishi Trading Co. Ltd.
Hindustan Thermal Power Generation Limited
Jindal Poly Films Ltd.
Jindal Meadows Ltd.
Jumbo Finance Ltd.
Vigil Farms Ltd.
Jupax Barter Pvt. Ltd.
Jindal (India) Ltd.
Consolidated Buildwell Ltd.
Passion Tea Pvt Ltd.
Jindal Buildmart Limited
Jindal Realtors Ltd.
Rexor SAS, France
Jindal Realmart Private Limited
Jindal India Hydro Limited
Consolidated Finvest & Holdings Limited
Jindal India Powertech Limited
Shekhawati Vanijya Vikash Pvt. Limited
Bazaloni Groups Limited
Jindal India Finvest & Holdings Limited
Indian Software Consultancy Limited
Mr Shyam Sunder Jindal
Universal Foils Limited
Jindal France SAS, France
Agile Properties Ltd.
Jindal Photo Investments Ltd.
Consolidated Realtors Limited

d) Key Management Personnel

Vasdev Aggarwal
Punit Gupta
V.K. Gupta

e) Details of Transactions with related parties are as follows:

Transactions	Referred to in (a & b) above	Referred to in (c) above	Referred to in (d) above	Total
Share Application money received	800,000,000		-	800,000,000
Advances	59,141,900	-	-	59,141,900
Expenses		2,022,480	-	2,022,480
Balances as at year end				
Loans and advances	59,141,900		-	-
S. Creditors		793,333	-	793,333

10. Since the company has not commenced revenue operations profit and loss account for the period has not been prepared.
11. In the absence of any manufacturing activities information as required under para 3 & 4 part II of schedule VI of the Companies Act, 1956 are not furnished.

12. All the figures have been rounded off to the nearest rupee.

13. Schedule 'A' to 'I' are annexed to and form part of Statement of Accounts.

14. Balance Sheet abstract and company's general business profile as required by Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No :	109103	State Code :	55
	Date	Month	Year
Balance Sheet Date	31	3	2008

II. Capital raised during the period (Amount in Rs. '000)

Public Issue	Right Issue
NIL	NIL
Bonus Shares	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	Total Assets
820925	820925

Sources of Funds (Amount in Rs. '000)

Paid Up Capital	Reserves & Surplus
18663	2,263
Share Application Money	
800000	

Secured Loans	Unsecured loans
NIL	0

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	Investments
111831	NIL
Net Current Assets	Misc. Expenditure
708803	291
Accumulated Losses	
-	

IV. Performance of Company (Amount in Rs. '000)

Turnover	Total Expenditure
NIL	NIL
Profit/Loss Before Tax	Profit/Loss After Tax
NIL	NIL
Earning Per Share (Rs.)	Dividend Rate (Equity)
NIL	NIL

V. Generic names of three principal products/services of Company

Item Code No. (ITC Code)	980100.13
Product Description	Power Project

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

Signatures to the Schedule 'A' - 'I'
For and on behalf of the Board

(R.K.Kanodia)
Partner

(VASDEV AGARWAL)
Director

(PUNIT GUPTA)
Director

Membership No-016121

Place : New Delhi
Dated : 04.07.2008

Jindal India Power Ventures Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 1st Annual Report of the Company together with Audited Accounts for the period ended 31st March, 2008.

OPERATIONS

The Company was incorporated on 13th December, 2007 with the purpose of setting up of Power and related projects. The Company is exploring various options in this direction.

DIVIDEND

There being no profits, no dividend can be recommended.

DIRECTORS

- Mr. G.D. Singhal who was appointed as Additional Director on the Board w.e.f. 31st March, 2008 retire at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as Director whose period of office will be liable to retire by rotation.
- Mr. S.C.Sharma and Mr. Praveen Bansal who were appointed as first Directors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Directors whose period of office will be liable to retire by rotation.
- Mr. Rathi Binod Pal who was appointed as first Director of the Company resigned w.e.f. 31st March, 2008. The Board places on record its sincere appreciation on the co-operation received from Rathi Binod Pal.

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.

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, if any;
- 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 period and of the Profit or Loss of the company for the period 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.
- That the Directors have prepared the accounts for the financial period ended on 31st March, 2008 on a 'going concern' basis.

SUBSIDIARY COMPANY

The Company was incorporated as a Wholly owned subsidiary of Jindal Photo Limited and as on the date of this report continues to be as a Wholly owned subsidiary of Jindal Photo Limited.

STATUTORY MEETING

As required under section 165 of the Companies Act, 1956, the Statutory Meeting of the Company was held on 23rd June, 2008 and Members of the Company have unanimously considered and adopted Statutory Report as on 26th May, 2008.

AUDITORS

M/s UBS & Company, 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

The provisions in respect 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 are not applicable on the Company since Company has no manufacturing activity during the period.

The Company also does not have any Foreign exchange earnings and outgo during the period under review.

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 all concerned at all levels.

For and on behalf of the Board

(S.C.Sharma)
Director

(G.D. Singhal)
Director

Place : New Delhi

Dated : 15th July, 2008

AUDITORS REPORT

To,

The Members of Jindal India Power Ventures Ltd.,

- We have audited the attached Balance Sheet of JINDAL INDIA POWER VENTURES LIMITED as at 31st March 2008 and the Profit & Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto (together read 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 Govt. of India in terms of Sec. 227 (4A) of the Companies Act, 1956, we give in the Annexure hereto a statement on the matter specified in paragraphs 4 & 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph above, we report that: -
 - We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purposes of audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - The Balance Sheet and Profit & Loss Account and the Cash Flow Statements referred to in this report are in agreement with the books of accounts.
 - In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - On the basis of written representations received from directors as on 31st March 2008 and taken on the Board of directors, we report that none of the directors is disqualified as on 31st March 2008, from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
 - In our opinion & to the best of our knowledge & information & according to the explanations given to us, the said Accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required & give a true & fair view in conformity with accounting principles generally accepted in India.
 - In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008 and
 - In the case of Profit & Loss Account of the Loss of the Company for the period ended on that date.
 - In the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For UBS & COMPANY
Chartered Accountants

(Bhimraj Agarwal)
Partner
M.No. 090909

Place: - New Delhi

Date:- 15.07.2008

Jindal India Power Ventures Limited

ANNEXURE TO AUDITORS REPORT OF JINDAL INDIA POWER VENTURES LTD.

(Referred to in paragraph 3 of our report of even date)

1. The Company has no fixed assets, hence clauses 4(ia), (b) & (c) of the Order are not applicable to the Company.
2. The Company has no inventories, hence, the provisions of clauses 4(ia), (b) & (c) of the Order are not applicable to the Company.
3. a. The Company has not granted loan to any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 4(iiib), (c) and (d) of the Order are not applicable to the Company.
b. The company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 4(iiif) and (g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control/ procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, there is no such transaction that need to be entered into the register maintained under section 301 of the Companies Act and hence provisions of clause 4(v) of this Order is not applicable to the Company.
6. As per explanations and information given to us, the Company has not accepted or renewed deposits from public during the year, hence the provisions of clause 4(vi) of this Order is not applicable to the Company.
7. As the Company does not have paid up capital and reserves exceeding Rs. 50 lacs or average turnover exceeding Rs.5 crores during the preceding three consecutive financial years, hence clause 4(vii) of the Order regarding internal audit system is not applicable to the Company.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the industries the Company belong to.
9. According to the information and explanations given to us, in respect of statutory dues and other dues
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident fund, investor education protection fund, employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, cess and other material statutory dues applicable to it.
 - b. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears as on 31, March 2008 for period of more than six months from the date they became payable.
 - c. According to the information and explanation given to us, there are no disputed statutory dues, which have not been deposited.
10. In our opinion, there is no accumulated loss in the Company. The Company has incurred cash loss during the financial year covered by our audit.
11. The Company has not borrowed monies from any financial institution, bank or debenture holder; hence the clause 4(xi) of the Order is not applicable to the Company.
12. The company has not granted loan or advances to any person; as such the clause is not applicable.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of Companies that proper records have been (Auditors' report) Order, 2003 are not applicable to the company.
15. We have been informed that the company has not given any guarantee for loans taken by others from bank or financial institution; as such the clause 4(xv) is not applicable.
16. We have been informed that the company has not obtained term loans; as such the clause 4(xvi) is not applicable.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made preferential allotment of equity shares to any person during the year.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
20. The company has not made any public issue; as such the clause 4(xx) is not applicable.

21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For UBS & COMPANY,
Chartered Accountants

(Bhimraj Agarwal)
Partner
M.N. 090909

Place: New Delhi
Date : 15.07.2008

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULAR	SCHEDULES	AS AT 31.03.2008 AMOUNT (RS.)
I. Sources of Funds		(Rs.)
1. Shareholders Fund		
Share Capital	' 1 '	500,000
		500,000
II. Application of Funds		
2. Current Assets, Loans and advances	' 2 '	452,522
3. Current Liabilities & Provisions	' 3 '	8,989
Net Current Assets		443,533
4. (a) Miscellaneous Expenditure (To the extent not written off)		
Preliminary Expenses	' 4 '	32,720
(b) Profit & Loss Account		23,747
Total		500,000
Notes to the Accounts & Significant Accounting Policies	' 5 '	

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company
Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)
Partner
Membership No. 090909

(G.D. Singhal)
Director

(S.C. Sharma)
Director

Place : New Delhi
Dated : 15.07.2008

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

PARTICULAR	SCHEDULES	PERIOD ENDED 31.03.2008 (RS.)
I. INCOME		-
Total		-
II. EXPENDITURE		
Bank Charges		706
Legal Charges		177
Professional Charges		4,000
Filling Fees		600
Printing & Stationery		1,095
Auditors Remuneration-as audit fees		8,989
Preliminary Expenses W/off		8,180
Total		23,747
Profit/(Loss) for the period		(23,747)
Less: Provision for taxation		-
Profit/(Loss) after Tax		(23,747)
Balance Carried to Balance Sheet		(23,747)
Earning Per Share (Basic/Diluted)		(0.47)
Notes to the Accounts & Significant Accounting Policies	' 5 '	

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company
Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)
Partner
Membership No. 090909

(G.D. Singhal)
Director

(S.C. Sharma)
Director

Place : New Delhi
Dated : 15.07.2008

Jindal India Power Ventures Limited

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

PARTICULAR	PERIOD ENDED 31.03.2008 AMOUNT (RS.)
A Cash Flow from Operating Activities	
Net Profit before Taxation and Extraordinary items	(23,747)
Adjustments :	-
Preliminary expenses written off	8,180
Operating Profit before working Capital changes	(15,567)
Increase/(Decrease) in Current Liabilities	8,989
Net Cash from Operating Activities	(6,578)
Cash Flow from Investing Activities	
Preliminary Expenses incurred during the year(40,900)	
Net Cash from Investing Activities	(40,900)
Cash Flow From Financing Activities	
Proceeds from issuance of Share Capital	500,000
Share Application Money received from Parent Company	-
Net Cash from Financing Activities	500,000
Net Change in Cash & Cash Equivalents (A+B+C)	452,522
Cash & Cash equivalents as at 13.12.2007 (Opening Balance)	-
Cash & Cash equivalents as at 31st March (Closing Balance)	452,522

AS PER OUR REPORT OF EVEN DATE ANNEXED

For **UBS & Company** Chartered Accountants For and on behalf of the Board

(Bhimraj Agarwal) (G.D. Singhal) (S.C. Sharma)
Partner Director Director

Membership No. 090909

Place : New Delhi

Dated : 15.07.2008

SCHEDULES '1' TO '5'	AS AT
ANNEXED TO AND FORMING PART OF THE ACCOUNTS	31.03.2008
	(RS.)

SCHEDULE-1-	
SHARE CAPITAL	
AUTHORISED	
100000 Equity Shares of Rs. 10/- each	1,000,000
	1,000,000
ISSUED, SUBSCRIBED AND PAID UP	
50000 Equity Shares of Rs. 10/- each fully paid up	500,000
	500,000

SCHEDULE-2	
CURRENT ASSETS, LOANS & ADVANCES	
CURRENT ASSETS	
Cash & Bank Balances	
I) Cash in Hand	11,228
ii) Bank Balance with Punjab National Bank	441,294
	452,522

SCHEDULE-3	
CURRENT LIABILITIES & PROVISIONS	
A. Current Liabilities	
Audit Fees Payable	8,989
B. Provisions	-
	8,989

SCHEDULE-4	
MISCELLANEOUS EXPENDITURE	
TO THE EXTENT NOT WRITTEN OFF)	
Preliminary Expenses	
Incurred During the year	40,900
Less: Written off	8,180
	32,720

SCHEDULE '5'- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Accounting Policies:

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and the Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

b) Revenue Recognition

All revenues, costs, duties, assets & liabilities are accounted for on accrual basis.

c) Taxation

The current tax payable in respect of taxable income for the year is charged to revenue. The deferred tax if any on timing differences between taxable income and accounting income subject to consideration of prudence has been provided/created

d) Miscellaneous Expenditure

Preliminary expenditures are being written off over a period of five years.

e) Other accounting Policies are in accordance with generally accepted accounting principles.

2) Contingent Liabilities : Nil

3) There is no liability outstanding as on 31.03.2008 due to Small Scale and medium enterprises as defined under The Micro Small and Medium Enterprises Act 2006.

4) Disclosures 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) Holding Company

Jindal Photo Limited

b) Fellow Subsidiaries

Jindal Imaging Limited
Hindustan Powergen Limited
Jindal India Thermal Power Ltd.

c) Controlling Companies / Individuals

Consolidated Photo & Finvest Ltd.
AXL Resources Private Limited
Soyuz Trading Co. Ltd.
Hanuman Coke Plant P Limited
Rishi Trading Co. Ltd.
Hindustan Thermal Power Generation Limited
Jindal Poly Films Ltd.
Indian Software Consultancy Limited
Jumbo Finance Ltd.
Jindal Meadows Ltd.
Jupax Barter Pvt. Ltd.
Vigil Farms Ltd.
Consolidated Buildwell Ltd.
Jindal (India) Ltd.
Jindal Buildmart Limited
Passion Tea Pvt Ltd.
Rexor SAS, France
Jindal Realtors Ltd.
Jindal India Hydro Limited
Jindal Realmart Private Limited
Jindal India Powertech Limited
Consolidated Finvest & Holdings Limited
Bazaloni Groups Limited
Shekhawati Vanija Vikash Pvt. Limited
Universal Foils Limited
Mr Shyam Sunder Jindal
Jindal France SAS, France
Jindal India Finvest & Holdings Limited
Agile Properties Ltd.
Jesmin Investments Ltd.
Jindal Photo Investments Ltd.
Consolidated Realtors Limited

Jindal India Power Ventures Limited

b) Key Management Personnel

G.D. Singhal
S.C. Sharma
Praveen Bansal

c) Details of Transactions with related parties are as follows:

Transactions	Referred to in (a) above	Referred to in (b, c & d) above	Total
Share Capital received	500,000	-	500,000

5) Calculation of Earning per share

Profit/(loss) after Tax (23,747)
Weighted average number of Equity Shares 50000
Basic /Diluted Earning per Share (0.47)

- 6) The Company was incorporated on 13th December 2007. Current year Profit and loss account has been prepared for the period 13.12.2007 to 31.03.2008. Being the First Year, Previous year figures have not been given.
- 7) Additional Information required under para 3 & 4 of Part-II of Schedule VI of Companies Act, 1956 are not applicable.
- 8) Figures have been rounded off to nearest rupee.

9. Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No : U14290WB2007PLC121054
Balance Sheet Date 31st March, 2008

II. Capital raised during the year (Amount in Rs. '000)

Public Issue Right Issue
NIL NIL
Bonus Shares Private Placement
NIL 500

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities 500
Total Assets 500

Sources of Funds (Amount in Rs. '000)

Paid Up Capital 500
Reserves & Surplus NIL
Share Application Money
NIL

Secured Loans
NIL

Unsecured loans
NIL

Application of Funds (Amount in Rs. '000)

Net Fixed Assets Investments
NIL NIL
Net Current Assets Misc. Expenditure
444 33
Accumulated Losses Deferred Tax Asset
24 NIL

IV. Performance of Company (Amount in Rs. '000)

Total Income Total Expenditure
0 24
Profit/Loss Before Tax Profit/Loss After Tax
(24) (24)
Earning Per Share (Rs.) Dividend Rate (Equity)
(0.47) NIL

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code) 980100.13
Product Description Power Project

- 10) Schedules '1' to '5' are annexed to and form part of Statement of Accounts.

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company
Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)
Partner

(G.D. Singhal)
Director

(S.C. Sharma)
Director

Membership No. 090909

Place : New Delhi
Dated : 15.07.2008

Hindustan Powergen Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 1st Annual Report of the Company together with Audited Accounts for the period ended 31st March, 2008.

OPERATIONS

The Company has applied to Government of Chhatisgarh for change of the name in its favour in the Memorandum of Understanding (MOU) entered into by Jindal India Thermal Power Limited with the Government of Chhatisgarh for setting up a Thermal power Project at Lohakhan, Distt. Raigarh, Chhatisgarh of a capacity of 1200MW.

DIVIDEND

There being no profits, no dividend can be recommended.

DIRECTORS

- Mr. Punit Gupta, Mr. D.P. Bagchi, Mr. Vasdev Aggarwal and Mr. V.K. Gupta were appointed as Additional Directors on the Board w.e.f. 5th March, 2008 and retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.
- Mr. U.C.Jain, Mr. S.C.Sharma and Mr. R.B.Pal were appointed as first Directors of the Company and have resigned w.e.f. 5th March, 2008, 5th March, 2008 and 6th March, 2008 respectively. The Board places on record its sincere appreciation on the co-operation received from Mr. U.C.Jain, Mr. S.C.Sharma and Mr. R.B.Pal.

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.

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, if any;
- 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 period and of the Profit or Loss of the company for the period 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.
- That the Directors have prepared the accounts for the financial period ended on 31st March, 2008 on a 'going concern' basis.

SUBSIDIARY COMPANY

The Company was incorporated as a Wholly owned subsidiary of Jindal Photo Limited. Subsequently, certain changes in the shareholding pattern have taken place and as on the date of this report, your company is a subsidiary (60% holding) of Jindal India Thermal Power Limited.

STATUTORY MEETING

As required under section 165 of the Companies Act, 1956, the Statutory Meeting of the Company was held on 10th July, 2008 and Members of the Company have unanimously considered and adopted Statutory Report as on 10th June, 2008.

AUDITORS

M/s UBS & Company, 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

The provisions in respect 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 are not applicable on the Company since Company has no manufacturing activity during the period.

The Company also does not have any Foreign exchange earnings and outgo during the period under review.

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 : 15th July, 2008

(Punit Gupta)
Director

(Vasdev Aggarwal)
Director

AUDITORS' REPORT

The Members of Hindustan Powergen Ltd.,

- We have audited the attached Balance Sheet of HINDUSTAN POWERGEN LIMITED as at 31st March 2008 and the Profit & Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto (together read 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 Govt. of India in terms of Sec. 227 (4A) of the Companies Act, 1956, we give in the Annexure hereto a statement on the matter specified in paragraphs 4 & 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph above, we report that:-
 - We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purposes of audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - In our opinion, the Balance Sheet and the Profit & Loss Account and the Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - On the basis of written representations received from directors as on 31st March 2008 and taken on the Board of directors, we report that none of the directors is disqualified as on 31st March 2008, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - In our opinion & to the best of our knowledge & information & according to the explanations given to us, the said Accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required & give a true & fair view in conformity with accounting principles generally accepted in India.
 - In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008 and
 - In the case of Profit & Loss Account of the Loss of the Company for the period ended on that date.
 - In the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For UBS & COMPANY,
Chartered Accountants

(Bhimraj Agarwal)
Partner
M.N. 090909

Place: New Delhi
Date: 15.07.2008

Hindustan Powergen Limited

ANNEXURE TO AUDITORS REPORT OF HINDUSTAN POWERGEN LTD.

(Referred to in paragraph 3 of our report of even date)

- The Company has no fixed assets, hence clauses 4(ia), (b) & (c) of the Order are not applicable to the Company.
- The Company has no inventories, hence, the provisions of clauses 4(ia), (b) & (c) of the Order are not applicable to the Company.
- The Company has not granted loan to any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 4(iiiib), (c) and (d) of the Order are not applicable to the Company.
 - The company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 4(iiiif) and (g) of the Order are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there are adequate internal control/ procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- According to the information and explanations given to us, there is no such transaction that need to be entered into the register maintained under section 301 of the Companies Act and hence provisions of clause 4(v) of this Order is not applicable to the Company.
- As per explanations and information given to us, the Company has not accepted or renewed deposits from public during the year, hence the provisions of clause 4(vi) of this Order is not applicable to the Company.
- As the Company does not have paid up capital and reserves exceeding Rs. 50 lacs or average turnover exceeding Rs. 5 crores during the preceding three consecutive financial years, hence clause 4(vii) of the Order regarding internal audit system is not applicable to the Company.
- The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the industries the Company belong to.
- According to the information and explanations given to us, in respect of statutory dues and other dues
 - The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident fund, investor education protection fund, employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, cess and other material statutory dues applicable to it.
 - No undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears as on 31, March 2008 for period of more than six months from the date they became payable.
 - According to the information and explanation given to us, there are no disputed statutory dues, which have not been deposited.
- In our opinion, there is no accumulated loss in the Company. The Company has incurred cash loss during the financial year covered by our audit.
- The Company has not borrowed monies from any financial institution, bank or debenture holder; hence the clause 4(xi) of the Order is not applicable to the Company.
- The company has not granted loan or advances to any person; as such the clause is not applicable.
- In our opinion, the company is not a chit fund or a nidhi mutual benefit fund society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of Companies that proper records have been (Auditors' report) Order, 2003 are not applicable to the company.
- We have been informed that the company has not given any guarantee for loans taken by others from bank or financial institution; as such the clause 4(xv) is not applicable.
- We have been informed that the company has not obtained term loans; as such the clause 4(xvi) is not applicable.
- According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- The Company has not made preferential allotment of equity shares to any person during the year.
- According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- The company has not made any public issue; as such the clause 4(xx) is not applicable.
- According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For UBS & COMPANY,
Chartered Accountants

(Bhimraj Agarwal)
Partner
M.N. 090909

Place: New Delhi
Date: 15.07.2008

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULAR	SCHEDULES	AS AT 31.03.2007 AMOUNT (RS.)
I. Sources of Funds		(Rs.)
1. Shareholders Fund		
Share Capital	' 1 '	500,000
		500,000
II. Application of Funds		
2. Current Assets, Loans and advances	' 2 '	362,471
3. Current liabilities	' 3 '	11,613
Net Current Assets		350,858
4. (a) Miscellaneous Expenditure		
(To the extent not written off)		
Preliminary Expenses	' 4 '	104,589
(b) Profit & Loss Account		44,553
Total		500,000
Notes to the Accounts & Significant Accounting Policies	' 5 '	

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company
Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)	(Vasdev Aggarwal)	(Punit Gupta)
Partner	Director	Director
Membership No. 090909		

Place : New Delhi
Dated : 15.07.2008

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008

PARTICULAR	SCHEDULES	PERIOD ENDED AMOUNT (RS.)
I. INCOME		-
Total		-
II. EXPENDITURE		
Bank Charges		225
Auditor's remuneration-as audit fees		8,989
Professional Charges		6,692
Filing Fees		1,000
Printing & Stationery		1,500
Preliminary Expenses W/off		26,147
Total		44,553
Profit/(Loss) for the Period		(44,553)
Less: Provision for taxation		-
Profit/(Loss) after Tax		(44,553)
Balance Carried to Balance Sheet		(44,553)
Earning Per Share (Basic/Diluted)		(0.89)
Notes to the Accounts & Significant Accounting Policies	' 5 '	

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company
Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)	(Vasdev Aggarwal)	(Punit Gupta)
Partner	Director	Director
Membership No. 090909		

Place : New Delhi
Dated : 15.07.2008

Hindustan Powergen Limited

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

PARTICULAR	PERIOD ENDED 31.03.2008 AMOUNT (RS.)
A Cash Flow from Operating Activities	
Net Profit before Taxation and Extraordinary items	(44,553)
Adjustments :	-
Preliminary expenses written off	26,147
Operating Profit before working Capital changes	(18,406)
Increase/(Decrease) in Current Liabilities	11,613
Net Cash from Operating Activities	(6,793)
B Cash Flow from Investing Activities	
Preliminary Expenses incurred during the year	(130,736)
Net Cash from Investing Activities	(130,736)
C Cash Flow from Financing Activities	
Proceeds from issuance of Share Capital	500,000
Share Application Money received from Parent Company	-
Net Cash from Financing Activities	500,000
Net Change in Cash & Cash Equivalents (A+B+C)	362,471
Cash & Cash equivalents as at 25.02.2008 (Opening Balance)	-
Cash & Cash equivalents as at 31st March (Closing Balance)	362,471

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company Chartered Accountants For and on behalf of the Board

(Bhimraj Agarwal) (Vasdev Aggarwal) (Punit Gupta)
Partner Director Director

Membership No. 090909

Place : New Delhi
Dated : 15.07.2008

SCHEDULES '1' TO '5' AS AT ANNEXED TO AND FORMING PART OF THE ACCOUNTS 31.03.2008 (RS.)

SCHEDULE-1- SHARE CAPITAL	
AUTHORISED	
500000 Equity Shares of Rs. 10/- each	5,000,000
	5,000,000
ISSUED, SUBSCRIBED AND PAID UP	
50000 Equity Shares of Rs. 10/- each fully paid up	500,000
	500,000

SCHEDULE-2	
CURRENT ASSETS, LOANS & ADVANCES	
CURRENT ASSETS	
Cash & Bank Balances	
I) Cash in Hand	-
ii) Bank Balance with Punjab National Bank	362,471
	362,471

SCHEDULE-3	
CURRENT LIABILITIES & PROVISIONS	
A. Current Liabilities	
Sundry creditors	1,500
Sundry Liabilities	10,113
B. Provisions	-
	11,613

SCHEDULE-4	
MISCELLANEOUS EXPENDITURE	
TO THE EXTENT NOT WRITTEN OFF)	
Preliminary Expenses	
Incurred During the year	130,736
Less: Written off	26,147
	104,589

SCHEDULE '5'- SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

- Accounting Policies:**
 - Basis of Accounting**
The Financial Statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and the Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - Revenue Recognition**
All revenues, costs, duties, assets & liabilities are accounted for on accrual basis.
 - Taxation**
The current tax payable in respect of taxable income for the year is charged to revenue. The deferred tax if any on timing differences between taxable income and accounting income subject to consideration of prudence has been provided/created
 - Miscellaneous Expenditure**
Preliminary expenditures are being written off over a period of five years.
 - Other accounting Policies** are in accordance with generally accepted accounting principles.
- Contingent Liabilities : Nil**
- There is no liability outstanding as on 31.03.2008 due to Small Scale and medium enterprises as defined under The Micro Small and Medium Enterprises Act 2006.
- Disclosures 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) Holding Company

Jindal Photo Limited

b) Fellow Subsidiaries

Jindal Imaging Ltd.
Jindal India Power Ventures limited
Jindal India Thermal Power Ltd.

a) Controlling Companies / Individuals

Consolidated Photo & Finvest Ltd.
AXL Resources Private Limited
Soyuz Trading Co. Ltd.
Hanuman Coke Plant P Limited
Rishi Trading Co. Ltd.
Hindustan Thermal Power Generation Limited
Jindal Poly Films Ltd.
Indian Software Consultancy Limited
Jumbo Finance Ltd.
Jindal Meadows Ltd.
Jupax Barter Pvt. Ltd.
Vigil Farms Ltd.
Consolidated Buildwell Ltd.
Jindal (India) Ltd.
Jindal Buildmart Limited
Passion Tea Pvt Ltd.
Rexor SAS, France
Jindal Realtors Ltd.
Jindal India Hydro Limited
Jindal Realmart Private Limited
Jindal India Powertech Limited
Consolidated Finvest & Holdings Limited
Bazaloni Groups Limited
Shekhawati Vanija Vikash Pvt. Limited
Universal Foils Limited
Mr Shyam Sunder Jindal
Jindal France SAS, France
Jindal India Finvest & Holdings Limited
Agile Properties Ltd.
Jesmin Investments Ltd.
Jindal Photo Investments Ltd.
Consolidated Realtors Limited

Hindustan Powergen Limited

b) Key Management Personnel

Punit Gupta
Vasdev Aggarwal

c) Details of Transactions with related parties are as follows:

Transactions	Referred to in (a) above	Referred to in (b) above	Total
Share Capital received	500,000	-	500,000

5) Calculation of Earning per share

Profit/(loss) after Tax (44,553)
Weighted average number of Equity Shares 50000
Basic /Diluted Earning per Share (0.89)

6) The Company was incorporated on 25th February 2008. Current year Profit and loss account has been prepared for the period 25.02.2007 to 31.03.2008. Being the First Year, Previous year figures have not been given.

7) Additional Information required under para 3 & 4 of Part-II of Schedule VI of Companies Act, 1956 are not applicable.

8) Figures have been rounded off to nearest rupee.

9. Balance Sheet abstract and company's general business profile as required by Part IV Schedule VI of the Companies Act, 1956.

I. Registration Details :

Registration No : U67120DL2008PLC174488
Balance Sheet Date 31st March, 2008

II. Capital raised during the year (Amount in Rs. '000)

Public Issue Right Issue
NIL NIL
Bonus Shares Private Placement
NIL 500

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities 500
Total Assets 500

Sources of Funds (Amount in Rs. '000)

Paid Up Capital 500
Reserves & Surplus NIL

Share Application Money

NIL

Unsecured loans

NIL

Application of Funds (Amount in Rs. '000)

Net Fixed Assets Investments
NIL NIL
Net Current Assets Misc. Expenditure
351 105
Accumulated Losses Deferred Tax Asset
45 NIL

IV. Performance of Company (Amount in Rs. '000)

Total Income Total Expenditure
0 45
Profit (Loss) Before Tax Profit (Loss) After Tax
(45) (45)
Earning Per Share (Rs.) Dividend Rate (Equity)
(0.89) NIL

V. Generic names of three principal products/ services of Company

Item Code No. (ITC Code) 980100.13
Product Description Power Project

10) Schedules '1' to '6' are annexed to and form part of Statement of Accounts.

AS PER OUR REPORT OF EVEN DATE ANNEXED

For UBS & Company

Chartered Accountants

For and on behalf of the Board

(Bhimraj Agarwal)

Partner

(Vasdev Aggarwal)

Director

(Punit Gupta)

Director

Membership No. 090909

Place : New Delhi

Dated : 15.07.2008

JINDAL PHOTO LIMITED

(Registered Office : 260/23, Sheetal Industrial Estate, Demani Road, Dadra - 396193, Dadra & Nagar Haveli (U.T.))

PROXY FORM

I/We.....of.....
..... in the District of
..... being a member/members of JINDAL PHOTO LIMITED hereby appoint
Mr./Msof.....
..... in the District of
..... or failing
him/her Mr./Ms.....
.....in the District of.....
as my/our proxy to vote for me/us on my/our behalf at the **5th ANNUAL GENERAL MEETING** of the Company to be
held on **Thursday the 25th day of September, 2008 at 2.30 P.M.** and at any adjournment thereof.

Signed this Day of 2008

Folio No.DP-ID:
Client ID:No. of Shares

Affix a
Rs. 1
Revenue
Stamp

NOTE : The Proxy form duly executed should be deposited at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra D & NH at least forty eight hours of prior meeting.

----- TEAR FROM HERE -----

JINDAL PHOTO LIMITED

(Registered Office : 260/23, Sheetal Industrial Estate, Demani Road, Dadra - 396193, Dadra & Nagar Haveli (U.T.))

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the **5th ANNUAL GENERAL MEETING** of the Company at the Registered Office of the Company on **Thursday the 25th day of September, 2008 at 2.30 P.M.**

Folio No.DP-ID:
Client ID:No. of Shares

.....
**Full name of the shareholder
(In block letters)**

.....
Signature

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JINDAL PHOTO

25-28 Rajendra Bhawan, Rajendra Place,
Pusa Road, New Delhi-110 008