

LIMITED REVIEW REPORT

**Review Report to
The Board of Directors
JAI BALAJI INDUSTRIES LIMITED**

We have reviewed the accompanying statement of unaudited financial results of **Jai Balaji Industries Limited** ("the Company"), for the quarter ended 31st March, 2012 ("the Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from the disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The Company through its Promoter director had filed a petition in an earlier quarter u/s 132(4) of Income tax Act 1961 ("the Act") subsequent to the search and seizure u/s 133A carried out by the Income Tax Department in June '11. The Company vide the aforesaid petition, in order to buy peace and avoid litigation has, without admitting any irregularities, surrendered an Income of Rs.3805.5 lacs. The resultant tax liability of Rs. 1228 lacs had been taken into account in an earlier quarter. The Income tax authorities are yet to complete assessment proceedings in respect of search and seizure operations. Hence, we are unable to comment on the possible consequential tax effects on the accompanying statements of unaudited financial results of the company.

Based on our review conducted as above and except for the possible effect of our comments in above paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" [notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended)] and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For U.Narain & Co.
Chartered Accountants
FRN - 000935C



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CA R R Modi
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Dated: 15th day of May 2012

For Rashmi & Co.
Chartered Accountants
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Dated: 15th day of May 2012