



SCHEDULE 20 – NOTES FORMING PART OF THE ACCOUNTS

PART [A]: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1) **Basis of preparation of financial statements:**

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

2) **Revenue Recognition:**

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

3) **Use of Estimates:**

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

4) **Fixed Assets and Depreciation / Amortisation:**

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

5) **Capital Work In Progress:**

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

6) **Borrowing Cost:**

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

7) **Investments:**

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

8) **Inventory Valuation:**

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

9) **Foreign Currency Transactions:**

Foreign currency loans are recorded at the exchange rate prevailing on the date of transaction and are translated at forward cover rate, if applicable or yearend exchange rate. Exchange rate difference is adjusted to the cost of assets if it relate to acquisition of asset or is carried to profit & loss account in other cases.

10) **Amortisation / Write off of Other Assets:**

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

11) **Retirement Benefits:**

- a) The Company is providing gratuity liability on the basis of actuarial valuation and in case of certain contractual appointments, the gratuity liability is provided in accordance with the terms of appointment.



- b) Contribution to superannuation fund is made as per policy of the company.
- c) Contributions towards Provident Fund, Family Pension Scheme and ESIC are deposited with respective Government Authorities.
- d) Leave Encashment is payable only on retirement and liability for the same has been provided on the basis of actuarial valuation.

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

Shares/ bonds/ debentures issue expenses and premium on redemption of debentures, preference shares and bonds are adjusted against the balance in "Securities Premium Account" in accordance with provisions of Section 78 of the Companies Act, 1956.

13) Tax Provision:

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

14) Contingency Reserve:

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

15) Impairment of Assets:

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

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

16) Employees Stock Options and Shares Plan (ESOP):

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

PART [B]: Other Notes to Accounts:

1) Contingent Liabilities not provided for in respect of:

[Rs. in Million]

Particulars	31-March-2007	31-March-2006
a) Claims not acknowledged as Debts in respect of:		
– Customs and Excise Duty	258.74	68.31
– Power Charges	114.54	101.95
– Others (Legal)	33.04	40.49
b) Guarantees given by the Company's Bankers in the normal course of business	280.70	349.09
c) Bills Discounted with the banks.	536.40	391.87
d) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances)	216.25	220.63
e) Export obligation towards duty saved amount under EPCG Scheme	209.07	84.40
f) Corporate Guarantees given for repayment of indebtedness of Overseas Subsidiaries	958.98	–

2) Amalgamation of Eurisko Agro Ltd. Pune (EAL):

- a) Pursuant to the Scheme of Amalgamation of Eurisko Agro Ltd. Pune sanctioned by the Honorable High Court of Judicature at Bombay vide their order dated 4-May-2007 effective from 1-April-2006, in consideration, the company shall issue and allot 270,615 equity shares of Rs. 10/- each fully paid (as per the swap ratio of 2:49) to every member of EAL whose names appear in the Register of Members on the record date and following effects have been given in the annexed accounts.

Amalgamation Adjustment Account (EAL)	Rs. in Million
i) On account of Equity Shares Swap ratio	63.59
ii) Transfer from Capital Reserves	71.60
iii) Waivers of Share Application Money	9.84
	145.03
Less: Premium on Redemption of Existing Preference Shares	6.58
Less: Debit Balance in Profit & Loss Account	72.80
Balance Carried to Contingency Reserve	65.65



- b) In accordance with Accounting Standard (AS-14) "Accounting for Amalgamations", all the assets and liabilities of Eurisko Agro Ltd. have been incorporated in the accounts of the Company under "Pooling of Interest Method" as follows.
- The Assets & Liabilities as at 1-April-2006 have been incorporated in the accounts the Company at Book Value.
 - The Income accruing and expenses incurred (after eliminating the inter company transactions) by Eurisko Agro Ltd. during the year 1-April-2006 to 31-March-2007 have been incorporated in the accounts by adjusting against the contingency reserve created under the scheme. During this period the erstwhile Eurisko Agro Ltd. have carried on the existing business for and on behalf of the company.
- 3) During the year, the company has acquired undertakings of Dehydrated Vegetables Manufacturing company Asian Vegpro Industries Ltd under "Slump Sale" agreement with consideration of Rs. 17.69 million. The respective assets and liabilities acquired are allocated under natural heads in the accounts based on management estimates and valuation report.
- 4) Pursuant to the approval of Shareholders dated 31-January-2006, the board of the directors has been empowered to contribute monies towards rural development in general and in particularly the knowledge, skill, efficiency and self-dependence of community. The amount of such contribution shall not exceed in aggregate 3.00% of the annual net profits of the company as reflected in the respective profit & loss account adopted by shareholders. Accordingly, an aggregate sum of Rs. 49.88 million (including Rs. 20.15 million pertaining to year 2005-06) will be accumulated for this purpose and the same will be accounted as expenses in the year of actual contribution.
- 5) a) Pursuant to the approval of Shareholders, 30,70,000 Equity Share warrants were converted into Equity Share Capital and on conversion 30,70,000 Equity Shares of Rs. 10/- (at share premium of Rs. 145/- per share) were allotted on 9-March-2007 and
- b) During the year, pursuant to the Shareholders approval in their meeting held on 26-February-2007 additional 25,00,000 Equity Share Warrants were allotted as per the preferential allotment guideline of SEBI, at Rs. 398.50 per warrants aggregating to Rs. 996.25 million. These warrants shall get converted into Equity Shares in the ratio of 1:1 at a premium of Rs. 388.50 per share on or before 26-August-2009.
- 6) Employees Stock Options and Shares Plan 2005 (ESOP) - On 27-January-2007, Compensation Committee of the Company has approved stock options upto 5,00,000 Equity Shares (out of maximum of 30,71,200 options available) to 2825 employees at a discount of 25% based on the closing price, as of 25-January-2007 on the National Stock Exchange, Mumbai (i.e. Rs. 410.35 per share) with a vesting period of one year. No options have been exercised till date. The discount to market price on above ESOP has been accounted/amortised in the annexed accounts based on vesting period and as per the accounting policies specified in schedule 1 of the ESOP Guidelines issued by SEBI.
- 7) a) On 27-March-2007, "JISL Gratuity Trust" was created to secure the gratuity benefits for the eligible employees. The initial contribution is to be made in five annual installments; accordingly, an amount of Rs. 10.42 million were paid to ICICI Prudential Life Insurance Company Limited. An application has been filed with the Commissioner of Income Tax for approval of the said scheme under Part C of Schedule 4 of Income Tax Act, 1961.
- b) Similarly, on the same date "JISL Management Superannuation Trust" has been created for the eligible employees to secure the benefits over the future years of service and the necessary contribution was made to ICICI Prudential Life Insurance Company Limited. An application has been filed with The Commissioner of Income Tax for approval under Part B of the Schedule 4 of Income Tax Act, 1961.
- 8) Pursuant to the approval of Shareholders, Scheme of Rehabilitation (including amalgamation) was filed by the Orient Vegetexpo Limited, Dindori, Nasik before the Hon. Bench of BIFR at New Delhi for sanctioning the scheme between the two companies w.e.f. 1-April-2006. BIFR has circulated the Scheme and conveyed the meeting for final hearing on 15-October-2007. Upon sanction of the scheme, impact of the merger to the accounts will give to the opening net worth in next financial year 2007-08.
- 9) On 29-March -2006, Company has issued 60,000 Zero Coupon Convertible Bonds (ZCCBs) (due on 30-March-2011) at face value of US\$ 1,000.00 each aggregating to US\$ 60.00 million at a redemption price of 139.37%. The bondholders has the option to convert these bonds in to fully paid Equity Shares of Rs. 10/- each (at a premium of Rs. 335.59 per share) in the ratio of 1:1.283602 on or before 28-February-2011 (with fixed rate of exchange on conversion at Rs. 44.36 to US\$ = 1). These bonds may be redeemed, in whole but not in part at the option of the Company on or at any time after 29-March-2009 subject to satisfaction of certain conditions. Upon conversion of all ZCCB's into equity, this will result in increase of equity shares capital by 7,701,606 shares and increase in net worth of the company by Rs. 2,661.60 million.

10) Managerial Remuneration:

- a) The details of managerial remuneration paid (as minimum remuneration) during the year: (Rs.in Million)

	Managing Director		Jt. Managing Director		Whole time Directors *		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Salary	7.86	6.24	6.07	4.81	11.73	6.11	25.66	17.16
Gratuity	0.38	0.30	0.29	0.23	0.57	0.29	1.24	0.83
Provident Fund	0.94	0.75	0.73	0.58	1.42	0.73	3.09	2.06
Perquisites	1.64	0.85	1.44	0.85	3.14	1.18	6.22	2.88
Commission	9.50	4.12	9.50	1.19	19.00	2.37	38.00	7.68
Total	20.32	12.26	18.03	7.65	35.86	10.69	74.21	30.60

CY: Current Year PY: Previous Year



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

Profit for the year as per Profit & Loss Account	991.10
Add / (Less): Permissible adjustments U/s 349	275.47
Profit as per Section 349	1,266.58
Add: Directors Remuneration	
1) Remuneration	25.66
2) Commission	38.00
3) Sitting Fees	0.39
	64.04
Profit Under Section 198	1,330.62

[Rs. in Million]

Actual Payments made during the year 2006-07	Remuneration	Commission	Total
Managing Director	10.82	9.50	20.32
Joint Managing Director	8.53	9.50	18.03
Whole Time Director	16.86	19.00	35.86
Total	36.21	38.00	74.21
Remuneration and commission as Percentage of Net profits U/s Section 198.			5.74%
During the year Company has also given commission to Non Executive Directors of Rs. 4.00 Million, which is around 0.31% of profit U/s 198.			

11) Research and Development expenditure:

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

[Rs. in Million]

Particulars	2006-07	2005-06
a) Revenue Expenditure (charged out through the natural heads of account)		
Bio-technology Activities	8.86	–
Others R&D Activities	13.83	4.94
Sub total	22.69	4.94
b. Capital Expenditure:		
Bio-technology Activities	3.49	–
Others R&D Activities	12.75	10.00
Sub total	16.25	10.00
Total (a+b)	38.94	14.94

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

A) Related parties and their relation:

- 1) Wholly Owned Subsidiary Companies: JISL Overseas Ltd., Mauritius.
- 2) Fellow Subsidiary Companies: Jain (Europe) Ltd. UK and Jain (Americas) Inc., USA., Chapin Watermatics Inc, USA, Nucedar Mills, Inc. USA, Cascade Specialties Inc. USA, Jain Irrigation Inc. USA, and Aquareius Brands Inc, USA.
- 3) Companies / Firms in which Director, Director's Relatives are Directors/Partners: Jain Extrusion & Molding Pvt. Ltd., Pixel Point Pvt. Ltd., Jain Vanguard Polybutelyne Ltd., Labh Subh Securities International Ltd., Jain Brothers Industries Pvt. Ltd., Atlaz Technology Pvt. Ltd, Cosmos Investment & Trading Pvt. Ltd., Stock & Securities (India) Pvt. Ltd., Jain Rotfil Heaters Pvt. Ltd., JAF Products Pvt. Ltd, Gandhi Research Foundation, KBJ Family Institute of Knowledge, EPC Housing Construction Pvt. Ltd, Drip & Pipe Suppliers, Jain Computer & Allied Services, Jain Sons Invest. Corporation, PVC Trading House, Plastic Enterprises, Jalgaon Udyog, and Jalgaon Metal & Bricks Manufacturing Co.
- 4) Key Management Personnel: Bhavarlal H. Jain (Chairman), Ashok B. Jain (Vice Chairman), Anil B. Jain (Managing Director), Ajit B. Jain (Joint Managing Director), Atul B. Jain (Whole Time Director), R. B. Jain (Whole Time Director), R. Swaminathan (Whole Time Director), Shri A R Barwe (Director) , Shri Ramesh C A Jain (Director), Radhika C Pereira (Director), V V Warty (Director).


B) Transactions with related parties:

[Rs in Million]

Sr. No.	Transactions	[1] *	[2] *	[3] *	[4] *	Total
1.	Purchase of Goods	–	29.48	–	0.57	30.05
2.	Sale of Goods	–	2,785.00	0.49	0.01	2,785.49
3.	Payment for Rent, Lease Rent	–	–	0.47	6.04	6.51
4.	Payment towards Remuneration, Sitting Fees, etc.	–	–	–	27.37	27.37
5.	Dividend Received	4.00	–	–	–	4.00
6.	Advances Given	–	–	1.85	–	1.85
7.	Investment during the year	972.65	–	–	–	972.65
8.	Interest on Loan, Rent Payable and Deposits	–	–	–	2.58	2.58
9.	Commission/performance Bonus payable	–	–	–	42.00	42.00
Net outstanding balances carried to Balance Sheet:		[1] *	[2] *	[3] *	[4] *	Total
1.	Receivable/Payable (net)	–	1,991.03	10.11	16.89	2,018.02

Note: Personal Guarantees of Promoters given to Consortium Bank and FI's for various credit facilities provided to the Company and counter guaranteed by the Company is amounting to Rs. 8,358.97 Million.

[1] * Wholly Owned Subsidiary Companies;

[2] * Fellow Subsidiary Companies

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

[4] * Key Management Personnel

13) Leases:

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

- No transfer of ownership on termination of lease,
- No compensation for transfer on termination of lease
- No renewal of lease on expiry of the lease period

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

[Rs. in Million]

Particulars	2006-07	2005-06
Not later than one year (i.e. upto 31-March-2008)	16.57	16.53
Later than one year and not later than five years (i.e. from 1-April-2008 to 31-March-2012)	16.29	22.96
Later than five years (i.e. after 1-April-2012)	7.67	10.71

14) Earnings per Share (EPS):

Particulars		2006-07	2005-06
i) Profit/(Loss) after tax (After proposed dividend on preference capital & dividend tax thereon)	[Rs. Million]	948.94	629.38
ii) Weighted average Number of Equity Shares for Basic EPS	[Nos.]	58,603,972	58,353,228
Add: Number of Potential Equity Shares under ESOP		22,603	–
Add: Number of Shares against Deposit of Equity Share Warrants		2,648	–
Add: Number of Shares under Equity Suspense Account		–	57,292
iii) Weighted average Number of Equity Shares including potential Equity Shares for Diluted EPS [Nos.]		58,629,223	58,410,520
	Basic EPS [Rs.]	16.19	10.79
	Diluted EPS [Rs.]	16.19	10.78

15) Segment Accounting:

Reporting of Segment wise Revenue, Result and Capital Employed:

[Rs. in Million]

Particulars	Year Ended 31-Mar-2007	Year Ended 31-Mar-2006
1) Segment Revenue:		
a) Hi-tech Agri Input Products	6,136.30	3,964.91
b) Industrial Products	5,948.57	4,625.20
Net Sales Income From Operations	12,084.87	8,590.11
2) Segment Result [Profit / (Loss)] before Tax and Interest:		
a) Hi-tech Agri Input Products	1,305.79	747.40
b) Industrial Products	822.58	769.42
Sub Total	2,128.37	1,516.82
Less: I) Interest	655.83	471.14
ii) Other un-allocable expenditure (Net off un-allocable income)	178.47	406.15
Total Profit / (Loss) Before Tax:	1,294.07	639.53
3) Capital Employed: (Segment Assets – Segment Liabilities)		
a) Hi-tech Agri Input Products	5,621.43	3,463.77
b) Industrial Products	3,431.78	2,758.74
c) Others	2,756.18	3,330.34
Total Capital Employed	11,809.39	9,552.85

Notes:

- The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure".
- The Capital Employed figures given above are directly identifiable to respective segments and Capital Employed for corporate services for head office and investments related to acquisitions have been shown as "Others".

16 Deferred Tax:

[Rs. in Million]

Particulars	At the Beginning	For the Year 2006-07	At the Closing
i) Deferred Tax Liability			
Depreciation	(681.99)	22.02	(659.98)
ii) Deferred Tax Assets			
Carried Forward Losses	1,349.19	(283.63)	1,065.56
Disallowance Under Section 43B of the IT Act, 1961	12.56	(0.04)	12.52
Provision for Doubtful Loans and Advances	50.28	(31.44)	18.84
Provision for Doubtful Interest Receivable	0.30	10.08	10.38
Sub Total	1,412.33	(305.03)	1,107.30
Net Deferred Tax Assets [i + ii]	730.34	(283.01)	447.32

17. Remittance in foreign currency for dividend:

The Company has not remitted any amount in foreign currency on account of dividends during the year and does not have information to the extent to which the remittances, if any, in foreign currencies on account of dividend has been made by/on behalf of non-resident shareholders. Rs. 0.18 Million are paid on account of dividend payable pertaining to year 2005-06 to the non-resident shareholders on 97,585 number of ordinary shares held by them.



18. Disclosure of Derivatives:

Total Foreign Currency (FC) Exposures as on 31st March, 2007

[FC in Million]

Liabilities	USD	Euro	GBP	Others
1. Loans and ZCCB taken	120.05	9.54	0.38	-
2. Import Liabilities and LC Commitments	16.72	5.70	0.01	(1.09)
3. Contingent Liability- Corporate Guarantee	22.00	-	-	-
Sub Total	158.77	15.24	0.39	(1.09)
Assets:				
1. Export Receivables	40.34	7.05	3.12	-
2. Balances with Banks	1.07	0.02	-	-
Sub Total	41.41	7.07	3.12	-
Net Liability/(Asset)	117.36	8.17	(2.73)	(1.09)
Covered Foreign Currency Exposures: (Hedged / Forward)				
1. Liability of Loans taken	7.14	-	-	-
2. Import Liabilities	2.09	-	-	-
Sub Total	9.23	-	-	-
Net Uncovered FC Exposure Liability/(Asset)	108.13	8.17	(2.73)	(1.09)
Rupee Conversion Rate	@ 43.59	@ 58.14	@85.53	-

Note: Other FC amount shown in US\$ denomination, converted as of 31st March 2007.

19) Sundry Creditors:

a. Sundry Creditors in Schedule 9 (a) include;

- i) Rs. 34.12 million (Previous Year Rs 35.11 million) due to SSIUs,
- ii) Rs. 3,643.38 million (Previous Year Rs.2,567.32 million) due to others.

The disclosure in (i) above is based on the information available with the Company regarding the status of suppliers under the 'Industries (Development and Regulation) Act, 1951. Names of SSIUs to whom the Company owes a sum, which is outstanding for more than 30 days is Rs. 18.01 million (Previous Year Rs.17.43 million) and the interest on the same is Rs. 0.61 million are given below:

Acmevac Sales P.Ltd., Bombay; Akshay Heater, Aurangabad; Asha Enterprises, Nasik; Belcon Engineers, Mumbai; Boxkraft Packagers P. Ltd, Aurangabad; Box-N-Board. Jalgaon; Chemical & Mineral Ind.P. Ltd.; Chhajer Pkg.& Plastics P.L, Jalgaon ; Courser Paints & Chemicals, Jalgaon; Flexible Hose Co. Mumbai; Flexobraid (India) , Mumbai; Garnet Tools, Devas; Gira Industries, Jalgaon; Global Packaging Ind. Nasik; Image Engravers Die Makers, Nashik; Indo Plast Industries, N.Delhi; Jade Rubber Products P.Ltd, Mumbai; Jainsons Industries, Jallundur; Jaydeep Polycolours P.Ltd, Baroda; Kamal Dies & Engg.Works, Jalgaon ; Mahavir Chemo Plast Pigments, Bombay; Mayur Hi-Tech Industries, Jalgaon; Meters India Corporation, Mumbai; Navrang Plastics Pvt.Ltd, Jalgaon; Patkar Extrusions Ltd, Ankleshwar; Perfect Engineering Works, Nashik; Plasticemix Industries, Baroda; Prochem Industries, Bombay; Quartz India, Godhra; R.D.Enterprise, Calcutta; Rane Elastomer Processors, Mumbai; Real Hydrofit & Co., Bombay.; Spectrum Electroplaters, Jalgaon; Statlec India Electricals, Jalgaon; Tirupati Fabricators(P)Ltd Jalgaon; Tools Engineering Company, Bangalore.

b) In the absence of information with the Company relating to registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

20) In the absence of taxable income, Company has not made current tax provision, however provision for MAT liability is made U/s 115JB of Income Tax Act 1961.

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

22) The previous years figures are not comparable, due to the merger impact of the "Eurisskko Agro Ltd. (EAL)"

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

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



Additional Information Pursuant to the Part-II of Schedule VI of the Companies Act, 1956:

ANNEXURE-A

A) Details of Installed capacity and Production:

Products	Unit	Installed Capacity [1]		Production	
		31-Mar-07	31-Mar-06	2006-07	2005-06
Micro Irrigation Systems					
Polytube and Laterals ^[2]	MT	20,790	15,400	14,451	9,216
Injection Moulded Components	MT	6,600	2,805	2,025	1,324
Piping System:					
PVC Pipes & Fittings	MT	85,015	52,150	55,373	41,171
HDPE Pipes and fittings ^[2]	MT	57,324	41,120	19,969	19,485
Plastic Sheets:					
PVC Sheets	MT	36,300	28,000	21,017	17,973
PC Sheets	MT	–	–	[3] 2,683	2,382
Agro Processing:					
Dehydrated Onions & Vegetables	MT	14,860	7,800	7,008	5,866
Fruit Puree & Concentrate	MT	81,000	48,500	24,495	16,181
Solar Systems:					
Water Heating Systems	LTR	1,200,000	1,200,000	627,685	462,805
Photovoltaic Products	Set	500,000	500,000	75,500	31,397
Tissue Culture Plants	No's	10,000,000	10,000,000	9,220,947	6,588,661
Slabs / Tiles	Sq. Mtr	45,000	45,000	–	–
Monuments	C. Ft.	15,000	15,000	–	–

Note :

[1] As certified by management and accepted by the auditors.

[2] The lines of Polytube, Laterals, & HDPE Pipes are synergic/swing lines and hence interchangeable depending on demand.

[3] Production on leased assets

ANNEXURE-B

Stocks and Turnover :

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover			
		1-Apr-06		1-Apr-05		31-Mar-07		31-Mar-06		2006-07		2005-06	
		Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.	Quantity	Value in Rs.
Goods Manufactured:													
Polytube and Laterals for Irrigation Systems ^[1 & 7]	MT	737	63,228,804	623	54,067,636	1,939	196,275,881	737	63,228,804	13,371	1,952,798,507	8,901	1,173,258,729
Injection Moulded Components ^[1 & 5]	MT	269	50,628,614	735	144,999,689	552	107,267,136	269	50,628,614	1,455	536,937,418	1,311	356,220,618
Filters & Filtration Equipments ^[1, 2& 6]	-	-	21,565,967	-	15,174,696	-	46,588,248	-	21,565,967	-	215,131,241	-	131,461,940
Components for Irrigation Systems ^[1& 3]	-	-	121,839,362	-	114,809,392	-	161,298,417	-	121,839,362	-	209,939,229	-	128,670,929
PE Pipes & Sprinklers for Irrigation Systems ^[5]	MT	1,024	85,491,387	449	36,456,790	1,727	167,196,013	1024	85,491,387	19,553	2,298,681,252	18,992	2,024,701,645
PVC Pipes, Fittings and Accessories ^[7]	MT	1,065	53,008,419	962	52,766,647	1,834	94,484,115	1065	53,008,419	54,671	4,763,658,296	40,631	3,450,913,923
PVC Sheets	MT	18	1,141,771	200	13,311,564	6	386,690	18	1,141,771	21,029	2,081,701,387	18,155	1,698,206,782
PC Sheets	MT	0	75,309	14	1,924,123	10	1,732,765	0	75,309	2,673	544,887,950	2,396	508,370,020
Dehydrated Onions & Vegetables	MT	1,739	118,077,282	1,907	133,594,912	834	75,580,746	1739	118,077,282	7,913	649,313,496	6,034	466,536,987
Fruit Puree & Concentrate	MT	4,288	110,307,309	1,202	39,663,094	3,628	152,681,302	4288	110,307,309	25,155	1,109,943,895	13,095	554,237,889
Tissue Culture Plants	Nos.	2,992,439	19,816,549	2,809,303	20,261,022	2,800,404	17,430,381	2992439	19,816,549	9,412,982	123,026,663	6,405,525	81,069,553
Solar Water Heating Systems ^[4]	LTR	15,150	1,849,353	28,330	3,487,251	46,100	5,372,836	15150	1,849,353	596,735	92,361,552	475,985	66,221,172
Solar Photo voltaic Systems	-	-	-	-	-	-	-	-	-	130,279	40,446,766	31,397	11,817,430
Others ^[6]	-	-	8,147,150	-	7,561,359	-	7,362,299	-	8,147,150	-	51,943,184	-	17,307,668
Sub total goods manufactured:	-	-	655,177,276	-	638,078,175	-	1,033,656,827	-	655,177,276	-	14,670,770,837	-	10,668,995,286
Goods Traded in:													
Extruded and Moulded Plastic Products	MT	-	-	-	-	-	-	-	-	8,242	436,840,208	4,462	262,008,187
		-	-	-	-	-	-	-	-	-	436,840,208	-	262,008,187
Total	-	-	655,177,276	-	638,078,175	-	1,033,656,827	-	655,177,276	-	15,107,611,045	-	10,931,003,473

Note:

- [1] a) Micro Irrigation Systems (MIS) consist of Polytube, Injection Moulded Components, Filter and Filtration Equipments and certain Bought-out Components. MIS Systems are normally sold on acreage basis in the Domestic market. Since the per acre cost varies depending upon the crop, soil conditions & size of the plot, the unit for sales has been converted into MT, wherever required.
b) The Polytube and Injection Moulded Components for export are sold on Meters & Numbers basis, however the same is converted in MT for this statement.
- [2] Filter and Filtration Equipments consist of various items for which no common unit can be stated.
- [3] Components for Irrigation Systems includes diverse items, hence, itemwise details are not given.
- [4] The Solar Water Heating Systems has been stated as "Litres" based on the capacity of the Storage Tank.
- [5] Turnover includes 287 MT of injection moulding components through Sprinkler.
- [6] The stocks of Filter & Fertilizer Tanks Components is including Stock of Material in Process Rs.1.82 Million (Qty 14.92 MT) [PY Rs. 2.37 Million (Qty 23.05 MT)] and The Stock of Others is including Stock of Material in Process of Granites for Rs. 0.06 Million.
- [7] Turnover is gross and excludes sales return quantity for polytube 122 MT (PY 105 MT), PVC Pipes 67 MT (PY Nil).

ANNEXURE-C

Cost of Materials Consumed, Purchases etc. :

Major materials	Unit	2006-07		2005-06	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Raw Materials (including Components) Consumed					
Resins	MT	103,298	5,439,002,309	79,507	4,047,426,532
Chemicals and additives	MT	14,770	835,981,435	9,733	814,835,970
Vegetables	MT	51,105	308,931,904	44,197	220,703,254
Fruits	MT	158,035	682,417,612	26,995	416,448,449
Packing Material & Others	-	-	636,290,763	-	49,357,355
Total			7,902,624,023		5,548,771,560

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

ANNEXURE-D

Value of Imported and Indigenous Raw Materials & Components and Stores & Spares Consumed :

Product	2006-07		2005-06	
	%	Amount in Rs.	%	Amount in Rs.
a) Raw Materials (including components):				
- Imported	31%	2,415,613,325	35%	1,943,690,487
- Indigenous	69%	5,487,010,698	65%	3,605,081,073
	100%	7,902,624,023	100%	5,548,771,560
b) Stores & Spares:				
- Imported	32%	51,047,285	30%	35,827,157
- Indigenous	68%	109,555,767	70%	81,709,047
	100%	160,603,052	100%	117,536,204

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

ANNEXURE-E

C.I.F. Value of Imports, Expenditure and Earnings of Foreign Currency:

	2006-07	2005-06
	Rs.	Rs.
a) C.I.F. Value of Imports :		
Raw Materials, Components and Stores and Spares	2,150,371,799	1,864,531,122
Capital Goods	592,740,571	258,804,877
	2,743,112,370	2,123,335,999
b) Expenditure in Foreign Currency (on accrual basis):		
ZCCB Issue Expenses	-	94,239,656
Interest and Bank Charges	4,290,524	104,863,759
Discount/Commission on Export Sales	868,036	22,673,535
Travelling Expenses	10,572,703	4,215,542
Export Selling / Market Development Expenses	4,075,869	14,976,368
Law & Legal Expenses	14,000,542	1,179,590
Others	1,446,850	4,341,782
	35,254,524	246,490,232
c) Earnings in Foreign Currency :		
FOB Value of Exports (on the basis of bill of lading)	3,727,685,958	2,690,774,720
	3,727,685,958	2,690,774,720