

BOARD'S REPORT

To the members,

The Directors present their report on the financial performance, business and operations of the Company for the year ended 31st March 2011.

1. Financial Highlights

₹ in Million (except EPS)

Particulars	2010-11	2009-10
Domestic Sales	27,349	21,735
Export Sales & Services	5,158	5,209
Other Operating Income	802	285
Sales and Operating Income	33,309	27,229
Operating Profit	7,594	6,647
Interest and Finance Charges	2,364	1,943
Depreciation and Amortisation	834	686
Amounts written off and provisions	121	96
Profit before taxation & exceptional items	4,275	3,922
Provision for Tax		
Deferred Tax (Asset)/Liability	200	317
Current Tax-Provision	909	670
MAT Credit	201	232
Profit for the year before Prior Period Expenses	2,965	2,703
Prior Period Items- Income/ (Expenses)	-12	9
Profit for the year	2,953	2712
Profit b/f from the previous year	4,449	2,851
Balance available for appropriation	7,402	5,563
Out of which the Directors have appropriated as under;		
Proposed Dividend	386	357
Dividend Tax	64	61
General Reserve	300	271
Transfer to CRR	23	425
Balance to be carried forward	6,629	4,449
Earnings Per Share		
Basic	7.75	7.17
Diluted	7.74	7.15

2. Operations

The net sales have increased by 22.3% on YoY basis, since exports remained flat at ₹ 5,158 Mn while the domestic sales improved by an impressive 25.6% at ₹27,349 Mn backed by growth in MIS/SIS (32%), Agro processing (10%) and Pipes(9%). The MIS/SIS growth was primarily due to increased retail sales in States like Maharashtra, Andhra Pradesh, Gujarat, and Punjab and project sales in Karnataka, & Rajasthan. The growth in Agro processing sales were mainly on account of higher demand for mango puree in our European & Middle East markets while growth in Domestic business was on account of continuing robust off-take from MNC beverage company. The pipe growth was due to increased retail business in Maharashtra, Madhya Pradesh, Karnataka, Gujarat and Rajasthan while the Duct distribution, Gas distribution & water distribution pipes, all three segments contributed to the increased domestic sales of the PE pipes.

The operating income includes ₹554.03 Mn (₹142.39 related to 2009-10) due from Government of Maharashtra under eligibility certificate issued under the Industrial Promotion Scheme from DIC, GoM. The EC is valid for a period of 7 years from 30th September 2009 or till the amount of benefit gets exhausted, whichever is earlier.

Due to changes in foreign currency rates, the notional gain was lower by over 85% YoY basis at ₹102.1 Mn. Even though the tighter monetary regime resulted in an increase of ₹420 Mn. in finance charges on absolute basis, the impact on cost of sales was flat at little over 7%. The profit for the year was at ₹2965 Mn. (as against ₹2703 Mn. last year), an increase of 10%.

3. Dividend

₹ in Million

Proposed Dividend on Preference Shares (4%)	0.23
Dividend Tax-Preference Shares	0.04
Proposed Dividend on Equity Shares (50%) ₹ 1/- per Share	385.89
Dividend Tax- Equity Shares	64.07

Besides small Preference Dividend payable for partial year (3 months) as above; the Directors propose to the Shareholders a Dividend of ₹1 per share, on Ordinary Equity Shares of ₹2 each involving an out go of ₹385.89 Mn. to all eligible Shareholders and ₹64.07 Mn. as Dividend Distribution Tax for the year ended 31st March 2011.

4. Sub Division of Equity Shares, Preferential Issue, ESOP related Shares allotment, DVR's

As the Members may be aware the Company had announced a sub division of Equity Shares of ₹10 each into Ordinary Equity Shares of ₹2 each on 9th August 2010. The sub division became effective on 1st November 2010 and the new ISIN number for Equity Shares is *INE 175A01038*.

In terms of the Shareholder's approval of 9th March 2011, the Board of Directors have allotted on a preferential basis as per applicable SEBI (ICDR) Guidelines 2009 6.1 Mn Equity Warrants of ₹228.15 each aggregating to ₹1,391.72 Mn against deposit of ₹ 347.93 Mn (being 25% of issue price) by the select Individuals and entities of the Promoter's Group. The Equity Warrants carry an option for request for allotment of Equity Shares of ₹2 each for cash at a premium of ₹226.15 each by paying the balance 75% money anytime within 24th September 2012.

During the year under review Associates holding ESOP's equivalent to 45,38,000 opted to exercise the option attached to the their options and applied for 4,538,000 Equity Shares of ₹2 each at an exercise price of ₹ 61.55 each (2,250 Equity Shares), ₹82.69 each (2,090,425 Equity Shares) and ₹113.60 each (2,445,325 Equity Shares). This resulted in an increase in paid up capital by ₹9.08 Mn and securities premium account by ₹441.71 Mn.

While after 31st March 2011 Associates holding ESOP's dividend equivalent to 161,625 opted to exercise the option attached to the their ESOP's and applied for 161,625 Equity Shares of ₹2 each at an exercise price of ₹61.55 each (1,500 Equity Shares), ₹82.69 each (134,200 Equity Shares) and ₹113.60 each (25,925 Equity Shares). This resulted in an increase in paid up capital by ₹0.32Mn and securities premium account by ₹13.81 Mn.

The proceeds of deposit amount of Equity Warrants and the Equity Shares allotted against ESOP options exercised have augmented the long term resource base of the Company and hence the Directors confirm having used the funds as per the objects of the said issues.

On the 27th January 2011, the Board Of Directors announced the decision to capitalize reserves and allot Equity Shares of ₹2 each with Differential Voting Rights (DVR's) and as per requirements of Companies (Passing of Resolutions by Postal ballot) Rules, 2001, the members have passed with requisite majority the resolutions to amend the Capital Clause in the Articles of Association to enable the Company to issue such DVR Equity Shares. Since then the Company has applied on 15th February 2011 through the designated Stock Exchange (i.e. The Bombay Stock Exchange,) the necessary exemption under the under sub-rule (7) of rule 19 of Securities Contracts (Regulation) Rules, 1957 for relaxing strict enforcement of clauses (b) to sub-rule(2) of Rule 19 thereof in respect of proposed Bonus Issue of DVR Equity Shares. The exemption applied for above is still awaited and Company shall fix a "Record Date" soon after the SEBI exemption is received and the SE's give "in Principle" permission for listing of the DVR bonus Shares. Thereafter the process of allotment and issue of DVR Equity Shares shall be completed expeditiously.

5. Resource mobilization and capacity expansion

During the year under review, the Company has raised from international financial markets / institutional lenders, further Buyers Credit/ Foreign Currency unsecured Loans based on LIBOR linked rate at competitive pricing. Total amount sanctioned and disbursed is CHF 17.75Mn (equivalent to ₹826.5 Mn). The loan amounts are being used by the Company for the expansion and modernization activities in MIS/SIS business. The Company has invested an amount of ₹3,594 Mn on capital expenditure to increase the capacity in various divisions. An amount of ₹1,962 Mn has been spent on capital expenditure for the MIS/SIS

division by increasing the capacity of 53,060 MTPA. ₹321 Mn has been spent on capital expenditure for the piping segment adding in excess of 33,645 MTPA in the segment. ₹647Mn has been spent on capital expenditure for the Agro processed division. An amount of ₹15 Mn has been spent on capital expenditure for Tissue Culture segment to increase the capacity by 5 Mn plantlets. The Company has spent an amount of ₹141 Mn in Green Energy/Solar business while it has started a Solar PV manufacturing facility at an initial cost of ₹122 Mn during the year under review. An amount of ₹385 Mn was spent towards strengthening the common corporate service infrastructure.

6. Significant Awards, Accolades & recognitions

The Company has received several awards on International and National, State level during the year under review, however significant amongst them are:

- IFC's (part of World Bank Group) Client Leadership Award for "pioneering work to promote sustainable agriculture and raise farmers' incomes through the efficient use of water, energy and fertilisers"
- The Financial Times London and Arcelor Mittal Boldness in Business Award in Environment category for 2010 for "For pioneering drip irrigation in India, it worked tirelessly and drove the growth of this simple yet highly effective technology. It multiplied yields at considerably lower water usage. Wastelands could now be cultivated and greened. More Crop Per Drop made real difference to environment. Jain Irrigation went beyond offsetting its carbon footprint and achieved sustainability on a more fundamental level".
- Recently, the Company was granted US Patent 7963569 titled 'locking pipe joint and method of making the same'.

List of New Awards

Award / Recognition name	Instituted by	Given for
Best Water Company Certificate & Trophy	Water Digest, New Delhi	Outstanding contribution in the field of Water in India
ICC Sustainability Vision Award	Indian Chamber of Commerce, Calcutta	Outstanding contribution in Sustainable Business models and innovations
Israel-Asia Chamber of Commerce Award	Israel-Asia Chamber of Commerce, Israel	"Outstanding Activities in Israel & Largest Investment by an Asian Company in Israel
Best Corporate Award	Dun & Brad Street	Leadership in Plastic & Plastic Product Sector
Padma Jagruti Award	Lt. Amit Singh Memorial Foundation, New Delhi	"Significant contribution in Agriculture Sector"
6th Social & Corporate Governance Award-2010 Certificate & Trophy	Bombay Stock Exchange Limited, Mumbai	Organization that offers The Best Return to Consumers
6th Social & Corporate Governance Award-2010 Certificate & Trophy	Bombay Stock Exchange Limited, Mumbai	Organization that offers The Best Return to Investors
APEDA Export Award Certificate & Gold Trophy	APEDA	Significant Contributions in Quality & Exports of Agriculture & Processed Food Products
Podar Ratna Trophy	Shikshan Prasarak Mandal's R.A. Podar College of Commerce & Economics Alumni Association, Mumbai	"You have spread the light of knowledge far and wide — in the field of Industry"
Felicitation Trophy	DOW Chemicals International Pvt. Ltd.	"In appreciation of Partnership in Innovations for a Sustainable World"
India's Top 100 R&D Spenders-2010	The Economic Times, Mumbai	Selected from companies all over India for highest spending on R&D
100 Biggest Wealth Creators-2010	Motilal Oswal Financial Services Ltd., Mumbai	Selected from companies all over India for Biggest Wealth Creation — 2005-2010
100 Fastest Wealth Creators-2010	Motilal Oswal Financial Services Ltd., Mumbai	Selected from companies all over India for Fastest Wealth Creation — 2005-2010

7. Other developments during FY 2011

Sleaford acquisition

In November 2010, the Company acquired 80% stake in holding Company SQF 2009 Limited, that owns its trading arm Sleaford Quality Foods Limited (SQFL).

SQFL is engaged in the business of food ingredients, trading, blending custom packaging and fruit & vegetable food ingredients, mainly in dry form. SQFL was started in 1968 by Arnold family and was the first ever customer of dehydrated

onion for Jain Irrigation Systems Limited in 1996. This acquisition gives JISL a possibility of addition of many more products in its Food Division product range. It brings JISL one step closer to the market. The Company received a prestigious Food Manufacturing Excellence Award after acquisition. SQFL has started Juice Trading Division for which Juices are procured from different parts of the world.

Harvard visit of farmers

Two small but successful farmers who started small time but are shining examples of how technology & innovative cultivation methods transformed lives of farmers in the country were part of an invited delegation at Harvard Business School. The farmers made a full scale presentation the delegates at Harvard School and also faced some questions-answers from those present. These farmers have used your Company's product & technology and are proud customers.

THE Machines acquires PRO-TOOL AG

Recently, THE Machines, a multi-generation subsidiary of the Company has acquired 75% stake in Pro-Tool Ag, Wynau, Switzerland, a Swiss Corporation active in Plastic Injection Mould manufacturing, engineering and tool manufacturing. The Company has ability to acquire balance 25% based on prefixed valuation of the Company in next 10 years. By this acquisition the engineering capabilities of the group get further enhanced specially in the field of plastic mould making.

8. Other strategic and major developments post March 2011

We have been engaged in solar business for more than 17 years and we believe solar energy systems and products are a large potential business. The Government of India, Ministry of Non Conventional Energy has also launched the Solar Mission under which it has targeted:

- to create an enabling policy framework for deployment of 20,000 MW of solar power by the year 2022;
- to achieve 15 million square meters of solar thermal collector area by 2017 and 20 million square meters by 2022;
- to deploy 20 million solar lighting systems for rural areas by 2022; and
- to achieve these objectives through the private sector making focused efforts in the solar thermal and energy areas.

Our solar division had income of ₹358.5 million for the year ended March 31, 2011. As a small division, we believe it could not get the desired attention of a business having huge potential. We aim to focus on this business as a separate and standalone entity and to exploit non-conventional sources of energy mainly through "solar systems applications". In FY 2012 we will transfer the assets of our solar business to a 100% owned Indian subsidiary. Our solar business comprises of manufacturing, installation, and operation of solar water heating systems, solar photovoltaic appliances and solar pumps. We believe that consolidating this business within a single subsidiary will help us focus on this business, which we believe will have strong growth in the future.

Company has not yet launched the proposed issue of 331 Mn Equity shares of ₹2 each under Qualified Institutional Placement / FCCB/ EDR/ GDR due to uncertain market conditions. The Board shall take decision at an appropriate time and keep the Shareholders informed

through websites of BSE/ NSE for any development on the subject.

In it's pursuit to become a global leader around its core domain of agri-business, your Company has acquired a rich pool of tacit and direct knowledge on the customer base (small farmers) through its strong dealer network. One of the key observations that Company has developed over its long establishment period is the inadequacy of and/or untimely credit that the small farmer segment is delivered for his agricultural needs. In this context, your Company has promoted a NBFC namely *Sustainable Agro Commercial Finance Limited* - with the overall objective of serving the small farmer and rural constituency in bridging the current gap. This will help the Company to reduce receivables in the balance sheet and significantly improve working capital cycle for the Micro Irrigation business. Company has made an application to Reserve Bank of India for license. IFC (World Bank Group) has agreed to become 10% share holder of proposed NBFC.

In Karnataka new Micro Irrigation Corporation namely *Anthara Gange Sukshama Niravari Nigam* has been launched by State Government to promote the spread of MIS/SIS in the state. After Andhra Pradesh, Gujarat and Tamil Nadu this is the fourth state to have started a special corporation for spread of MIS/SIS in state with central assistance. This will help to channelize the funds systematically into the development of MIS/SIS in the Karnataka State and the potential to cover larger areas under the MIS/SIS is enhanced with this recent development.

At the new proposed location in Alwar, Rajasthan the Company has commenced activities to install following capacities for products as under:

Product	Capacity per annum
MIS	17,200 MT
Pipes	42,200 MT
Fittings (GH/PH/Nur./Shade H.)	16 lac sq. mtr.
Tissue Culture	50 lac plants
Dehydrated Vegetable	3,000 MT
Solar	10 lac nos.

and hope to commence commercial operations for plastics business at above location from October 2011 onwards. The plant will generally serve the Northern Indian market which has exhibited a large growth potential.

9. The operations of subsidiaries

The Mauritius based direct subsidiary of the Company has earned an income of \$ 116,066 and made a net loss of \$ 810,872. Summarised Balance Sheet and the Income statement of the said subsidiary is available elsewhere in the Annual Report. The resources of the subsidiary have been further strengthened by infusion of \$8.5 Mn. as loan during the year under review. The Netherlands based direct subsidiary of the Company has earned an income of \$939,000 and made a net loss of \$388,047. Summarised Balance Sheet and the Income statement of the said subsidiary is available elsewhere in the Annual Report. The resources of the subsidiary have been further strengthened by infusion of \$1.5Mn as Equity Capital/Share premium and loan of \$2 Mn during the year under review.

Other Subsidiaries

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

10. Employee Stock Option Plan (ESOP)

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

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

Particulars		Lot No.1	Lot No.2	Lot No.3	Lot No.4
A]	Options Granted (on sub divided shares)	25,00,000	25,00,000	25,00,000	25,00,000
B]	Date of Grant	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
C]	Pricing Formula	25% discount on market price on the date preceding the date of grant	10% discount on market price on the date preceding the date the date of grant	10% discount on market price on the date preceding the date the date of grant	10% discount on market price on the date preceding the date the date of grant
D]	Options vested(on sub divided shares)	25,00,000	25,00,000	25,00,000	25,00,000
E]	Options exercised(on sub divided shares)	23,58,050	22,24,625	24,71,250	Nil
F]	The total number of shares arising as a result of exercise of option(on sub divided shares)	23,58,050	22,24,625	24,71,250	Nil
G]	Options lapsed(on sub divided shares)	Nil	Nil	Nil	Nil
H]	Variations in terms of options	None	None	None	None
I]	Money realised by exercise of options (₹ in Mn)	145.14	183.96	280.73	Nil
J]	Total Number of options in force (on sub divided shares)	1,41,950	2,75,375	28,750	25,00,000
K]	Employee-wise details of options granted to:				
	i) Senior managerial personnel	3,77,500	2,03,750	4,56,250	4,56,250
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	0	0	0	0
	iii) Identified employees who were granted option, during any year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	0	0	0	0
L]	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	NA	NA	NA	NA
M]	*Where the Company has calculated the employee Compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed (in lakhs)	NA	NA	NA	NA
N]	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.				
	(a) weighted average exercise price	61.552	82.692	113.6	85.8
	(b) weighted average fair value	35.022	34.954	55.40	42.22
O]	A description of the method and significant assumptions used during the year to estimate the fair values Black Scholes Method Black Scholes Method of options, including the following weighted-average information:				
	(1) risk-free interest rate,	7.5%	8%	9%	9%
	(2) expected life, (in years, average)	4	4.5	5	5
	(3) expected volatility, (in months)	6	6	6	6
	(4) expected dividends, and	25% in 2009 and 45% in 2010		25% in 2009 and 45% in 2010	
	(5) the price of the underlying share in market at the time of option grant. ₹ per share (on non sub divided shares)	410.35	459.4	630.15	476.2

11. Directors retiring and their background

Retiring Directors

Shri. D.R. Mehta and Shri. Ghanshyam Dass are retiring by rotation and being eligible offer themselves for reappointment at the ensuing AGM. Dr. Arun Kumar Jain, Additional Director retires at the ensuing AGM. The Company has received a proposal to appoint him as Director liable to retire by rotation and it shall be placed before the meeting for Members decision on appointment.

On 5th October 2010 of Shri. A.R. Barwe the then Chairman of Audit Committee and an Independent Director on Board of the Company died. He had been with the Company as a Director since August 2002 and had played important part as Audit Committee Chairman in difficult times in the early part of decade. The Board of Directors wish to place on record their deep appreciation of the invaluable services rendered by him as an Independent Director and Chairman of the Audit Committee of the Company for a period of above 8 years.

In terms of the Corporate governance requirements, given below are the brief resume of each of the retiring directors:

Shri D.R. Mehta was appointed on 26th December 2007. He joined Indian Administrative Service in 1961 and held important positions in the Govt. of Rajasthan and later in Govt. of India. He was the Chairman of Securities and Exchange Board of India (SEBI), an apex regulatory body that deals with the regulation and development of the capital market in India. He has been credited with transforming the Capital Market in India into a modern, efficient, safe, vibrant and a very investor friendly one. His prior prestigious postings include the Deputy Governor of Reserve Bank of India, Director General of Foreign Trade, Ministry of Commerce, and Additional Secretary, Banking, Ministry of Finance. Born in 1937, he is a graduate of Arts and Law from Rajasthan University. He also studied at Royal Institute of Public Administration, London and Alfred Sloan School of Management, MIT, Boston. There is another side to this sterling personality-human side. A man of compassion, he set up the Bhagwan Mahavir Viklang Sahayata Samiti in 1975. He was conferred the Padma Bhushan civilian award on 5th May 2008 for Social sector Work.

Shri. Ghanshyam Dass was appointed on 25th August 2009. He has had an outstanding career in domestic, international banking and Capital Markets for over 32 years, during which he developed a firm understanding of the complexities of international markets. He is thoroughly familiar with the regulatory and business environment in USA, European Union, South East Asia, The Middle East, India and other major money-center locations. Mr. Dass is an Advisor to Intel Capital, Task Force, Founder Member Association of Outsourcing Professionals (AOP), Member Academic Council – Union Bank School of Management, Member of the CII National Council on Corporate Governance and Regulatory Framework and CII National Committee on Capital Markets and Government Nominee on the Governing Council of The Institute of Company Secretaries of India (ICSI). Mr. Dass is a member of Brickwork Ratings Committee (A Credit Rating Agency) and Vice President Karnataka Athletics Association.

Dr. Arun Kumar Jain was appointed as an Additional Director on 4th April 2011 He is one of India's best known strategy scholars and author. Widely traveled, he has

taught at leading Universities in USA, UK, Greece, France, Germany, and Singapore. He holds honorary chairs as Distinguished Professor of Corporate Governance and Strategy at SP Jain Center for Management, Singapore & Dubai, and Affiliated Professor of Strategy, International Business and Corporate Governance at EM Strasbourg School of Business, Strasbourg (France's largest University) and previously Research Chair Professor at German Graduate School of Business and Law (Germany) and Chairman & President of Center for Accelerated Learning, Innovation, and Competitiveness (Germany). His research has been published in international journals including Harvard Business Review. All his books on general management, viz. Competitive Excellence; Corporate Excellence; and Managing Global Competition have received India's Best Book Awards. His two textbooks, Crafting and Executing Strategy (running in 16th edition) and International Business (in 6th edition) are standard MBA texts in India and abroad.

Dr. Jain is a gold-medalist mechanical engineer (having received the 'All-Round Best Student' award), Ph.D. from Indian Institute of Management-Ahmedabad (having received IFCI Outstanding Doctoral Research Award), and an alumnus of IFC-World Bank. Before joining full-time Indian Institute of Management–Lucknow (India), he was a faculty at IIM-Bangalore. Professor Jain has presented delivered keynotes at Council of Europe (Strasbourg), Global Corporate Governance Forum at Washington, World Bank/IFC, Bundesbank (Germany), Global Forum for International Investment (Paris), OECD at Paris and Copenhagen, UNCTAD, MITI (Japan), European Union (Brussels), Commonwealth Secretariat (UK), India-Germany Business Forum (Germany), etc.

12. Director's Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed except, to the extent indicated in notes;
- ii) the accounting policies are selected and applied consistently and are reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011, and, of the profit of the Company for the year ended 31st March, 2011;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the financial year ending 31st March, 2011 on a 'going concern basis'.

13. Material Developments in Human Resource

i] Associate Engagement

Apart from the overall development of our associates, the Company is adopting various HR initiatives for bringing in the feel of "organization as a large family" amongst not only the associates but also the families of the associates in a systematic manner.

Pilgrim tours were undertaken for the associates above the age of 45 and their parents and grandparents. Total 7 pilgrim tours of 10 days each involved 137 associates and 189 parents and grandparents.

People in general find it awkward to discuss about the issue of infertility and it leads them to not taking proper guidance / treatment for the same. 29 Associates having infertility issues were identified and counseling and proper medical treatment, all expenses paid, was initiated for them.

Our efforts which started with conducting Intelligence Quotient and Aptitude Test and the special coaching to the children of our associates yielded good results and first batch taking up SSC examinations produced 100% result.

Apart from the academic coaching, a 15 day residential “Personality Development” camp was organized for the children of our associates. 113 children of the associates benefited from the program.

The practice of providing educational scholarships to the children of associates on need and merit basis continued. 261 children of our associates benefited with the scholarship amounting to ₹3.86 Mn.

Initiative for the visits of family members of the associates to all the Jalgaon plant locations of the Company, giving them information about work culture and importance of the job their family member is being continued. Total 115 visits involving 4,537 family members of 984 associates were conducted.

As a recognition of the performance and the long service, 47 more Tata Nano cars were presented to the deserving associates on the occasion of “Bhaubeej” (Diwali) in 2010.

Apart from the then limited coverage, the Company has decided to cover all the associates who have completed more than two years of service under the umbrella of “Superannuation”. Total 3,523 associates were benefited.

a) Social Involvement :

Once again on demand of the blood banks, a Blood donation camp was organised wherein 588 units of blood was collected.

b) Training :

The Training and Development details are as under,

Location	In House Facilities			External Facilities			Total Man Hrs.
	No. of Programs	No. of Associates	Duration (Hrs)	No. of Programs	No. of Associates	Duration (Hrs)	
Agri Park	44	509	1352	7	11	154	1506
Plastic Park	395	5178	16627	12	36	742	17369
Food Park	97	3732	8529	22	45	1064	9593
Orientation	9	327	13080	-	-	-	13080
Engineer Training	8	418	86944	-	-	-	86944
Overseas Training	6	53	3844	-	-	-	3844
Total	559	10217	130376	41	92	1960	132336

ii] Recruitment

The recruitment drive continued throughout the year looking for the right people which also included the on Campus selection for Engineering Graduates from agriculture field all over the country. The recruitment was done on the basis of demonstrated and potential ability, compatibility with the organizational culture, merit, openness and fitness with son of the soil empathy. The tally reached to 1,504 gross additions during the year under review.

The permanent employee strength of the Company as on 31st March 2011 was 6,504.

14. Corporate Social Responsibility & Sustainability Report

The rural development work is carried out through the group entities Gandhi Research Foundation [GRF]

(a S. 25 Company under the Companies Act 1956) and Bhavarlal and Kantabai Jain Multipurpose Foundation [BKJMF] (A registered public charitable trust) both recognized for benefit of S. 80G of the Income Tax Act 1961 and rules made thereunder. During the year under review the above institutions have been given donations of ₹41 Mn and ₹ 21 Mn respectively to meet their objectives. A brief of their significant contribution is given below :

Activities of GRF

GRF has adopted following objects :

- Dissemination of Gandhiji’s teachings for welfare of humanity.
- Establishment of international research and study center for the dissemination of Gandhiji’s teachings.
- Collecting and preserving all Gandhiji resource material under one roof.
- Carry out Rural Development Programmes.

A 60,000 sq. feet building is planned to house a Museum, Library, Class Rooms. While lots of books, periodicals, photographs, films, voice recordings, stamps, artifacts, memorabilia etc have been collected for the above museum. To disseminate thoughts of Gandhiji a scheme of approaching young minds in schools an examination is run under the name Gandhi Vichar Sanskar Pariksha in 22 districts and 31,480 students participated. An exhibition ‘Mohan to Mahatma’ and ‘Satyagraha’ is taken regularly to schools, colleges and other educational places to educate children on Gandhiji’s thoughts.

6 villages – Wakod, Shirkoli PB, Shirkoli PN, Takarkheda, Mohadi and Kadauli- in the Jalgaon district have been adopted for educational, health and sanitation work.

Activities of Anubhuti

Run by BKJMF, the Anubhuti school has been recognized and has won Green School of the Year in change makers category for the year 2010. The annual awards are held under the aegis of Centre for Science and Environment (CSE). Over 5,000 schools from all over the country participated and 600 were shortlisted and the award winners were then selected for 1,2,3 positions. The first batch of Standard X students did the school proud by producing spectacular results at the 2011 Board Examinations.

A new School, Anubhuti-2 has been established for below poverty line (BPL) students. Standard 1 and 2 (3 sections each) have started functioning since July 11, 2011. The necessary infrastructure is in place. Standard 3 and 4 are planned for academic year 2012-13 and 2013-14 respectively.

Sustainability Efforts

Sustainability is ingrained in the philosophy of Jain Irrigation. We create value not only to the stakeholder in the terms of prosperity, but, we care for nature and environment. Our each and every step is to strike the balance between the developmental needs and caring for the nature and our human resources. We are proud to enter into first 100 of the global

Cleantech companies. The Global awards “Boldness in Business” in Environment Category by Arcelor Mittal Group. The ‘best water company award by UNESCO, Ministry of Water Resources and WATER magazine are the epitome of the “sustainable” success of the organization. The Indian Chambers of Commerce, Kolkata bestowed upon us the “Sustainability Vision Award 2010” for sustainable business model. In 2009 we came up with first sustainability report as per GRI and also worked on the concept of Water Foot Printing on onion supply chain. This was unique as it had included the sustainable strategy part for the first time devised by water foot printing network of which we are member. Both of these reports are available online. Jain Irrigation’s sustainability team is working to get its four CDM projects through the validation process. The work of biodiversity indexing of the Jain Hills watershed has been completed and will be published soon. The new concept of “sustainability accounting and reporting” is on anvil, which is hardwiring the sustainability in the economic and financial aspects of the Company. To streamline our effort towards corporate sustainability we are now members of the TERI-BCSD (Business Council for Sustainable Development). We are working speedily and expanding our horizon on the concept of JAINGAP. We are presently under implementation stage for the EN 16000 for Energy Management Systems, ISO 14064 for Green House Gas Management Systems and SA 8000 for Social Accountability. This is beyond the present ISO systems standards of 9000, 14000 and 2200 family, and OSHAS 18000. Now, we are under the process of preparation of our second Sustainability report which will cover all the information, process and materiality related to Economic, Environment and Social aspects of the organization in the year 2009-10 and 2010-11. The report will be published in mid of Dec-2011. This will cover all the plants and operations in India and USA. Our first report was published for the year 2008-09. This report will also cover the stakeholder engagement process and policy for sustainable future is under process and will be reflected in the report of 2011. The organizational support for the CSR activities for Rural Village Development, Gandhi Research Foundation, support for development of sports and sportsmen are also reflected in the upcoming sustainability report.

15. Environment Health and Safety performance

The following steps have been initiated during the year 2010-11 :

- Jain Irrigation Systems Ltd. is certified for OHSAS 18001, an Occupational Health and Safety Management System now for its Jalgaon, Hyderabad and Udumalpet Plants.
- The Company has integrated the Quality Management Systems (9001), Environmental Management System (14001) and Occupational Health and Safety Management System in all its certified plants.
- Plastic Park Bambhori has installed Fire Hydrant system for its manufacturing units with 6,00,000 liters of water storage, nearly 9,000 meters of pipeline, and 179 hydrant points covering 128 acres of manufacturing facility.
- Substantial reduction in noise levels (90 to 79 dB) in casing pipe production is achieved by incorporating noise absorbers in blower system.
- Auto feeding system of material established in various machines has avoided manual loading operation, enhancing safety of operation.

- Air Compressor with AC drives has increased life of oil that made them more environment friendly with less waste generation.
- Introduction of runnerless Moulds for inline emitters has totally eliminated wastage generation.
- Plastic park uses solar pumps for its entire demo operations and development works, promotion renewable energy uses.
- Manufacturing plants in new buildings capture the rainwater and use it for processing.
- Introduction of new Take Up mechanism in dripline has eliminated human interaction and eliminated the risk.
- New Generation chilling plants in dripline manufacturing unit are more environmental friendly eliminating usage of F22, an Ozone Depleting Gas.

16. Internal Controls and Management Information Systems

Background

The Company has been actively working on the transition to a single software platform. The Company studied the various SAP implementation strategies used by Micro Irrigation / Pipe / Food and Energy businesses and began communicating with several Implementation Partners of SAP. After developing a thorough understanding of best practices, the Company decided to leverage its operating structure through a SAP implementation.

By consolidating IT systems, SAP will enable simplified and standardized work processes across all facets of Company’s’ complex and diversified businesses, while enhancing the Company’s customer service culture and driving operating efficiencies.

Implementation

The Company engaged 60 associates to identify the functionality required in the Company processes. This group of associates has complemented an experienced full-time project with the team of more than 40 SAP consultants from our implementation partner, Wipro India Ltd and 10 SAP consultants from our SAP advisory partner - KPMG advisory Services and a cross-functional group of Jain Irrigation Systems Limited’s business leaders.

The Company continued with the standard design, configuration and implementation of its SAP system, however based on the business requirement certain processes were customised.

The Company has Implemented SAP (Leading ERP business solution software) to support its strategy of unifying business processes, information, and IT systems across its manufacturing operations and depots in India.

We are glad to share that we successfully went live on Finance and Controlling, Sales and Distributions, Material Management, Production Planning and Quality Management and Plant Maintenance Module on August 15, 2010. SAP has now replaced legacy systems at all manufacturing units, depots and offices across India. As is expected Company did face some issues in initial period most of which have been resolved.

Economic Benefits

The Company has identified the areas having substantial potential economic benefits – Inventory Management, price management and administrative and operating efficiencies. The Company is highly confident that these benefits can be realized.

Internal Controls

SAP implementation allows a number of strategies to implement internal control in the business application through process mapping, segregation of duties, authorisations. Your company has done the review of SAP functionality and controls check from Ernst and Young Pvt Ltd. Their suggestions are being implemented. Independent of a SAP functionality and control check, your Company is proactively identifying the areas for further improvement which shall remain an ongoing process.

Future Plan

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

17.Fixed Deposits

The Company, during the year under review, has not accepted nor renewed any deposits from public, under the Companies (Acceptance of Deposits) Rules, 1975. The Company had no unclaimed / overdue deposits as on 31st March, 2011.

18. Auditors

The Auditors, M/s.Haribhakti and Company, Chartered Accountants, Mumbai have furnished a Certificate under Section 224(1B) of the Companies Act, 1956 that their proposed re appointment, if made, will be in accordance with the said provision of the Companies Act, 1956. The Audit Committee has recommended that m/s Haribhakti and Company, a firm of Chartered Accountants, Mumbai to be reappointed as Statutory Auditors. The Shareholders may reappoint the Statutory Auditors as per AGM Notice attached separately.

19.Promoters Group for the purposes of SEBI(Substantial Acquisition of Shares and Takeover)Regulations, 1997

In pursuance to clause 3 (1) (e) (i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 the representative of Promoters' Group of the Company has filed the following list of the individual Promoters and Corporate entities of Promoters Group as under:

A. Individuals

Sr. No.	Name of Promoter
1	Shri Bhavarlal H. Jain
2	Shri Ashok B. Jain
3	Smt. Jyoti Ashok Jain
4	Arohi Ashok Jain (N/G Ashok B Jain)
5	Aatman Ashok Jain (N/G Ashok B Jain)
6	Shri Anil B. Jain
7	Smt. Nisha A. Jain
8	Athang Anil Jain
9	Amoli Anil Jain (N/G Anil B. Jain)
10	Ashuli Anil Jain (N/G Anil B. Jain)
11	Shri Ajit B. Jain
12	Smt. Shobhana Ajit Jain

Sr. No.	Name of Promoter
13	Abhedya Ajit Jain (N/G Ajit B. Jain)
14	Abhang Ajit Jain (N/G Ajit B. Jain)
15	Shri Atul B. Jain
16	Dr. Bhavana Atul Jain
17	Anmay Atul Jain (N/G Atul B. Jain)

B. Corporate Entities

Sr. No.	Name of Corporate Entity
1	Atlaz Technology Pvt. Ltd
2	Cosmos Investment & Trading Pvt. Ltd.
3	Jalgaon Investments Pvt. Ltd.
4	Jain Brothers Industries Pvt. Ltd.
5	JAF Products Private Ltd.
6	Jain Extrusion &Moulding Pvt. Ltd.
7	Jain Green Energy Ltd. (Formerly Jain Solar Systems Limited)
8	Labh Subh Securities International Ltd.
9	Pixel Point Pvt. Ltd.
10	Stock & Securities India Pvt. Ltd.
11	Adhunik Hi Tech Agriculture Pvt. Ltd. (Formerly Gauri Hi Tech Agriculture Pvt. Ltd.)
12	Jain Investments & Finance BV, Netherlands
13	Jain Overseas Investment Ltd., Mauritius
14	Jain investments A.G., Switzerland

C. Trust Entities

Sr.No.	Name of Trust Entity
1	Jain Family Holding Trust
2	Jain Family Investment Trust
3	Jain Family Entrepriase Trust
4	Jain Family Investment Management Trust
5	Jain Family Trust

20.Particulars of Employees

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

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

A) Energy Conservation

Plastic Park

The following steps have been initiated during the year 2010-11:

- Introduction of all electric injection molding machines has given 40% of energy saving compared to conventional injection moulding machines.
- Continuing the productivity improvement JISL developed nearly 80 new moulds of multi cavity inhouse and 45 moulds from outsourcing, which has enhanced productivity and saved nearly 25% of energy compared to single cavity moulds.
- State of the art injection moulding machines with servo motor drives installed, consumes nearly 30% less energy compared to conventional Injection Moulding Machines.

- Introduction of variable frequency drives with pressure regulation in air compressor units in injection moulding and MIS pipe have resulted yield 30% reduction in energy consumption.
- For all PVC Pipe production all the socketing operations are made online. This has given 10% energy conservation.
- Energy monitoring is streamlined with incorporation of energy meters at all critical consumption points.
- New generation chilling plants introduced in dripline production are saving 10% energy compared to conventional cooling tower.
- Various efforts in all departments at plastic park have resulted in total saving of 26,77,193 kWh of electrical energy during 2010-11.

B) Resource Conservation

Plastic Park

The following steps have been initiated during the year 2010-11:

- In dripline manufacturing a state of the art recycling machines facilitate direct “Waste to Granules” at single station, thereby eliminating grinding operations as well as facilitates complete utilisation of rework material.
- Introduction of online socketing operations in pipe production eliminated 84,000 Kms of tractor movement saving 8,400 litres of diesel during 2010–11.
- All Electric injection moulding machines reduced 500 liters of hydraulic oil per machine reducing waste generation.

Agri Park & Tissue Culture

During the year the measures taken for reduce energy consumption are as follows :

- Instrumentation : The lab has in place an instrumentation facility which includes general instrumentation and centralized instrumentation. By adopting the centralized instrumentation, we are able to reduce energy consumption by about 30%.
- The innovative process developed for micro-propagation of banana has enabled us to save 25% electrical energy.
- At banana hardening center nine solar power operated pumps totalling 75 HP has been installed to replace one 63 kva power generator and to fulfill increased power demand.
- 10 numbers of solar based water pump have been installed for irrigation to substitute electrical energy at our research farm.

Food Park

30% of the energy requirement of the division is now met through the renewable resources, post commissioning of the Bio-gas plant last year. Apart from generating electricity, the project is now utilising the waste heat to run vapour absorption system thereby resulting in 15% reduction in refrigeration load.

The division is now in the process of installing a Bio-mass/Bio-gas boiler, which will result in 20% of the steam requirement being met by renewable resources.

Solar/Green Energy

The 1.7mw Bio Gas Plant becoming fully operational has resulted in substantial energy conservation during the year.

C) Technology Absorption

Plastic Park

- Company has imported and established Rapid Prototyping technology. This has facilitated Company to develop the new products First Time Right and reduced the product development time giving full security to in-house design.
- Technology of high precision, high speed, low cycle time injection moulding is imported from Europe and established. This technology absorption with high cavitation moulds enhanced productivity by 1200%.
- First of its kind in the country, high capacity extrusion machines are established with 1500 kg/hr of through put.
- Company has established ERP (Enterprise Recourse Planning) SAP system for its entire business operations, thereby integrating various island activities and obtained real time business project status.

Agri Park & Tissue Culture

- At R&D laboratory center few new sophisticated instruments viz. Real-time Polymerase Chain Reaction (PCR), fluorescence spectroscopy, auto titrator and lyophilizer were added.
- The new process developed for micro propagation of banana has been taken up for production with better efficiency.
- A new approach has been developed for soil analysis and fertilizer recommendation for sustainable farming by introducing a Soil Health Card which addresses the soil nutrient status and provides scope for recommendation of nutrients for various crops in question.

Food Park

The technology for unloading and pre-treatment of fruits developed in-house by the Company few years back has now been fully commercialised in all the plants.

Energy Park

Solar application R&D equipped with advanced instruments required for electronics R&D has been fully absorbed/ developed.

D) Research and Development

Agri Park & Tissue Culture :

- In tissue Culture a new protocol has been developed for producing micro tubers of Potato. This work had been initiated after the enquiries received from few of our domestic and international customers associated with fruit & vegetable processing. The achievement will attract potato processor / farmers in propagating their valuable planting material through tissue culture while organization will get a benefit to increase the business.
- An innovative process has been developed for micropropagation of banana with reduced energy, increased work efficiency and less space requirement. This will help organization to increase the production capacity minimum by two fold.
- Onion : During the last year we could release a new hybrid of high solid onion variety for contract farming.
- Isolation of methane producing micro organisms (methanogens): The biotech lab has standardized and optimized protocol for isolation of Methanogens through its identification in in vivo / in vitro cultures.

- Study of Molecular mechanism of Flowering : Flowering is a very important biological phenomenon. Banana improvement through conventional means is very laborious and time consuming and with the intervention of modern bio-technological approaches, this task becomes relatively easier, as we know its crop biology. To understand how the flowering is regulated in Musa, at the molecular level, this research becomes pertinent. The full length FT3 gene has been cloned and the sequence has been submitted to National Centre for Biotechnology Information (NCBI) data base.
- Cloning & Sequencing of Jatropha Mosaic Virus (JMV) : Jatropha is infected by Mosaic Virus (Jatropha Mosaic Virus, JMV), resulting in to serious damage to crop. We tried to characterize the JMV. It has been found out that there are two components of DNA in JMV of approximately 2.7kb. Both the components were cloned and sequenced. Both these sequenced DNAs have been submitted to NCBI database.
- Rice Cultivation under Drip Irrigation : As reported earlier this project has entered into new phase of adoption and now the technology we are demonstrating it at farmers field.

Food Park

Following projects were initiated in the year and few of the projects have since been completed.

1. Conservation of Water and improving microbiology of Onions.
2. Improving quality of stored Onions to avoid wastage in storage and processing.
3. Improving quality of the Dehydrated Onions.
4. Modification in the pre-treatment process of Mangoes to improve quality.

Green Energy/Solar Park

Following projects were initiated in the year and few of the projects have since been completed

- LED & CFL street light, home light, lantern developed as per Ministry of Non Conventional and Renewable Energy (MNRE) Specification & approved from by the MNRE.
- Enclosure developed for Luminary products.
- Solar Pump controller development has started.
- SMS Data logger development has started.
- Technological study of grid tie and off grid Inverters .

New Products Developed (R&D)

Plastic Park

- In the area of MIS & SIS nearly 65 new elements are developed. This has extended the range of some of existing products and added new features to some products.
- Company has developed manufacturing process for production Total Lead and Tin Free casing pipes, column pipes & plumbing pipes, thereby making the product more environmental friendly.
- New pump connector developed in Sprinkler system has eliminated additional top pump connector, resulting in reduction of inventory.
- Development of Single Metal Clamp Plus has eliminated metallic ring in the assembly there by conserving natural resources and energy required for its production.

R & D Expenditure

(₹ in Million)

Sr. No.	Particulars	2010-11	2009-10
a.	Capital Expenditure	197.38	146.52
b.	Revenue Expenditure	102.88	48.48
c.	Total	300.26	195.00
d.	% of Revenue	0.90%	0.72%

Foreign Exchange Earning and Outgo (₹ in Million)

Sr. No.	C.I.F. Value of Imports, Expenditure and Earnings of Foreign Currency	2010-11	2009-10
a.	C.I.F. Value of Imports		
	Raw Materials, Components and Stores and Spares and Capital Goods	7,781.15	6796.71
	Total	7,781.15	6,796.71
b.	Expenditure in Foreign Currency (on Cash basis)		
i)	Interest and Finance Charges	246.07	162.13
ii)	Discount/Commission on Export Sales	2.58	1.37
iii)	Export Selling / Market Development Expenses	8.08	26.54
iv)	Travelling Expenses		
v)	Law & Legal/ Professional Consultancy Expenses	16.36	8.86
vi)	Others	28.95	27.66
		8.62	12.92
	Total	310.66	239.48
c.	Earnings in Foreign Currency		
	FOB Value of Exports (on the basis of bill of lading)	4,920.47	4,889.57
	Interest and Other Income	-	77.53
	Total	4,920.47	4,967.10

22. Acknowledgement

The Directors take this opportunity to place on record their appreciation of whole hearted support received from all stakeholders, customers and the various departments of Central and State Governments, Financial Institutions, Bankers, the Dealers and Suppliers of the Company. The Directors wish to place on record their sense of appreciation for the devoted services of all the associates of the Company.

by order of the Board

Sd/-

Anil B. Jain

Mumbai, 5th September 2011

Managing Director

Annexure to Directors' Report - 2010-11

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

Sr. No.	Name of Employee	Total Experience (Years)	Designation	Remuneration Gross (₹)	Qualification	Commencement of Employment with Company	Particular of last Employment	Last Post	Employer	No. of Yrs. (Previous Employment)	Covered Under 500000/ Category w.e.f.
1	Shri Ashok B Jain	28	Vice Chairman	59,117,868	B.Com	12.01.87	Own Business	Partner	Jain Brothers Industries	4	01.04.10
2	Shri Anil B Jain	26	Managing Director	65,042,732	B.Com., LLB	12.01.87	Own Business	Partner	Jain Brothers Industries	2	01.04.10
3	Shri Ajit B Jain	26	Jt. Managing Director	61,510,705	B.E.	11.01.85	-	-	-	-	01.04.10
4	Shri Atul B Jain	19	Director-Marketing	57,969,683	B.Com	01.01.91	-	-	-	-	01.04.10
5	Shri R Swaminathan*	38	Director - Technical	11,408,401	B Tech (Chem)	15.06.82	Service	Plant Manager	Flavours & Essence P.Ltd.	2.5	01.10.10
6	Shri Abhay K Jain*	20	President- Marketing	8,756,622	B Com	01.01.91	-	-	-	-	25.03.11
7	Shri Manoj L Lodha*	13	President -Banking & Finance	13,117,412	CA	05.11.98	-	-	-	-	01.06.10
8	Shri Anilkumar Kataria*	26	President	7,348,164	B.E.	09.09.89	Own Business	Partner	Family Business	4	25.03.11

1] Shri Ashok B. Jain, Shri Anil B. Jain, Shri Ajit B. Jain and Shri Atul B. Jain are related to each other as brothers and sons of Chairman Shri B H Jain.

2] Remuneration includes perquisites and commission

3*] Remuneration includes perquisite value of ESOP



CEO AND CFO CERTIFICATION

(As per sub clause V of Clause 49 Corporate Governance of Listing Agreement)

To,
The Board of Directors,
Jain Irrigation Systems Ltd.,
Jain Plastic Park,
N.H.No.6, Bambhori,
Jalgaon-425001

Sub : CEO/ CFO Certification (As per sub clause V of Clause 49 – Corporate Governance of Listing Agreement)

Dear Sir / Madam,

I, Anil B. Jain Chief Executive Officer / Managing Director and Manoj L. Lodha, President -Finance and Banking of Jain Irrigation Systems Ltd., do hereby jointly declare and certify that:

- a) We have reviewed financial statements and the cash flow statement of the Company for the year ended 31st March, 2011 and that to the best of our knowledge and belief.
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together with the schedules and notes thereon present a true and fair view of the Company's affairs for the year ended 31st March, 2011 and are in compliance with existing accounting standards, application laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company and we have disclosed to the auditors and we and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take action to rectify these deficiencies.
- d) We have indicated to the Statutory Auditors and the Audit Committee;
 - i) Significant changes in internal control during the year under review;
 - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-

Anil B. Jain

Managing Director

Jalgaon, 5th August, 2011

Sd/-

Manoj L Lodha

President-Finance and Banking