



SCHEDULE 21 - 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 is recognised in the year of exports.

3) Use of Estimates:

In preparation of financial statements requires estimates and assumptions to be made which affect 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:

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year;



10) Foreign Currency Derivative contracts:

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, the Company has during the year entered into derivative contracts, viz. forward contracts, option contracts, etc., with a bank. The Company is also in the process of establishing risk management policies for the said purpose.

In absence of any specific accounting treatment prescribed in the applicable accounting standards to such derivative contracts, other than forward contracts, the Company has decided to apply the principles as set out in Accounting Standard 30 – Financial Instruments - Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with existing accounting standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Accordingly, the Company records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a contract as an effective hedge, management objectively evaluates at the inception of each contract whether the contract is effective in achieving off setting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is immediately recognized in the profit and loss account.

11) 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.

12) Employee Benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

Post employment benefits:

- i) Defined contribution plans: Company's contribution to the provident fund scheme, Superannuation, etc are recognised during the year in which the related service is rendered.
- ii) Defined benefit plans: The present value of the obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses on such valuation are recognised immediately in the Profit and Loss Account. The fair value of the plan assets of the trust administered by the Company, is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on a net basis.

Long Term compensated absences are provided on the basis of an actuarial valuation.

Termination Benefits are charged to Profit and Loss Account in the year in which they are incurred.

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

Shares/ bonds/ debenture 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.

14) 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.

15) 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.

16) 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.

17) 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) A) Contingent Liabilities not provided for in respect of

[Rs. in Million]

Particulars	31-March-2008	31-March-2007
i) Claims not acknowledged as Debts in respect of:		
- Customs and Excise Duty	71.74	258.74
- Power Charges	126.52	114.54
- Others (Legal)	27.94	33.04
ii) Guarantees given by the Company's Bankers in the normal course of business	428.28	280.70
iii) Bills Discounted with the banks.	180.69	536.40
iv) Export obligation towards duty saved amount under EPCG Scheme	1703.97	209.07
v) Corporate Guarantees given for repayment of indebtedness of Overseas Subsidiaries	919.31	958.98

B) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) 284.75 216.25

2) Amalgamation of Orient Vegetexpo Limited (OVL):

a) Pursuant to the Scheme of Amalgamation of Orient Vegetexpo Ltd. sanctioned by the Board for Industrial and Financial Reconstruction New Delhi (BIFR) vide their order dated 15-November-2007 effective from 1-April-2006, in consideration, the Company has issued and allotted 713316 Equity Shares of Rs. 10/- each fully paid (as per the swap ratio of 7:53) to every member of OVL whose names appear in the Register of Members on the record date i.e. 07-Dec-2007. Since the Order of Amalgamation was received after closing of books of both the companies for the financial year 2006-07, following effects have been given in the annexed accounts.

Amalgamation Adjustment Account	Rs. in Million
1. Balance in Capital Reserve	88.57
2. On account of Equity Shares Swap ratio	46.88
3. Reduction in Equity Share Capital	63.07
	198.52
Less: Debit Balance in Profit & Loss Account as of 01-April-2006	(161.04)
Balance Carried under Reserves & Surplus.	37.48

b) In accordance with Accounting Standard (AS-14) "Accounting for Amalgamations", all the assets and liabilities of OVL have been incorporated in the accounts of the Company under "Pooling of Interest Method" as follows:

- The Assets & Liabilities as at 1-April-2007 have been incorporated in the accounts of the Company at Book Value.
- The Income accruing and expenses incurred (after eliminating the inter Company transactions) during the year 1-April-2007 to 31-March-2008 have been incorporated in the accounts. During this period the erstwhile Orient Vegetexpo Ltd. have carried on the existing business for and on behalf of the Company.

- Pursuant to the approval of Shareholders dated 31-January-2006, the Board of the Directors have been empowered to contribute towards rural development in general and in particularly to improve 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. 93.54 Million (till PY Rs. 49.88 Million) has been accumulated for this purpose and the same will be accounted as expenses in the year of actual contribution.
- Pursuant to the approval of Shareholders, 25,00,000 Share Warrants were converted into 25,00,000 Equity Shares of Rs. 10/- each for cash at premium of Rs. 388.50 each. The shares were allotted on 28-March-2008 and
 - During the year, pursuant to the approval of Shareholders in a EGM held on 02-November-2007, a lot of 86,00,000 Equity Warrants were allotted as per SEBI (DIP) Guideline at a price of Rs. 478.15 each, aggregating to Rs. 4112.10 Million. These Warrants are to be converted into Equity Shares as per the terms of issue. A deposit of Rs. 47.815 per Warrant has been paid on the Equity Warrants by subscribers. Out of these, 11,02,600 Equity Warrants upon exercise of conversion option attached thereof were converted and 1102600 Equity Shares of Rs. 10/- each for cash at premium of Rs. 468.15 each were allotted on 29-Mar-2008.
- On 29-March -2006, Company had issued 60,000 Zero Coupon Currency 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 bondholder has the option to convert the bonds into 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. 2661.60 Million. As of the Balance Sheet date, bondholders representing 46,650 (77.75%) bonds have opted for conversion into Equity Shares and 5,987,995 Equity Shares of face value of Rs. 10/- have been allotted (with a premium of Rs. 335.59 per share).

- 6) Employees Stock Options and Shares Plan 2005 (ESOP) – Out of 30,71,200 Stock Options, Compensation Committee of the Company has approved/allotted following stock options to the eligible Indian & Foreign employees including working & non executive Directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3
a) Number of ESOP's Allotted	5,00,000	5,00,000	5,00,000
b) Date of Issue	27-January-2007	4-June-2007	14-February-2008
c) Market Price per share (NSE, Mumbai)	410.35	459.40	630.15
d) Discount Offered as per Terms	25%	10%	10%
e) Vesting Period	1 Year	3 Years	3 Years
f) Options Exercised	Nil	Nil	Nil
g) Options Lapsed	Nil	Nil	Nil

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. No employee has been issued options entitling such person to subscribe to more than 1% of Equity Share Capital of the Company.

- 7) Disclosures in terms of Accounting Standard 15 (AS-15 Revised 2005) "Employees Benefits"

Defined benefit obligation: The Gratuity obligation is managed by a Trust (JISL Gratuity Trust) through ICICI Prudential Life Insurance Company Limited Mumbai.

Actuarial Assumptions : Gratuity		
	Mortality rate Table	LIC (1994-96) Ultimate mortality rates
	Rate of Interest	8% pa
	Salary Growth	4% pa
	Withdrawal rate	1% pa
A]	Change in present value of the defined benefit obligation	Rs. in Million
	Opening Balance	33.25
	Current service cost	4.49
	Interest cost	2.66
	Actuarial loss (gain) on obligation	(1.03)
	Benefits paid	(0.74)
	Closing balance	38.63
B]	Change in fair value of plan assets	
	Opening fair value of plan assets	10.42
	Expected return on plan assets	1.63
	Actuarial gain (loss) on plan assets (balancing figure)	1.18
	Contributions	22.08
	Benefits paid	(0.74)
	Closing fair value of plan assets	34.57
C]	Movement in the net liability recognized in the Balance Sheet	
	Opening net liability	22.83
	Expenses as above	3.32
	Contributions paid	(22.08)
	Closing net liability	4.07
D]	Expenses recognised in Profit and Loss Account	
	Current service cost	4.49
	Interest cost	2.66
	Expected return on plan assets	(1.63)
	Net actuarial (gain) loss recognised in year	(2.20)
	Expenses recognised in profit and loss statement	3.32



Further, contribution to Defined Contribution Plan recognised as expense for the year as under:

- Employers Contribution to Provident Fund Rs. 10.36 Million deposited with concern authority.
- Employers Contribution to Superannuation Fund Rs. 5.57 Million managed by a Trust.
- Employers Contribution to Pension Scheme Rs. 14.80 Million deposited with concern authority.

8) Managerial Remuneration

- a) The details of managerial remuneration paid during the year: [Rs. in Million]

	Managing Director		Jt. Managing Director		Whole time Directors		Total	
	CY	PY	CY	PY	CY	PY	CY	PY
Salary	8.22	7.86	6.37	6.07	11.97	11.73	26.56	25.66
Gratuity	0.40	0.38	0.31	0.29	0.58	0.57	1.28	1.24
Provident Fund	0.99	0.94	0.76	0.73	1.44	1.42	3.19	3.09
Perquisites	1.71	1.64	1.51	1.44	3.14	3.14	6.36	6.22
Commission	16.10	9.50	16.10	9.50	32.20	19.00	64.40	38.00
Total	27.41	20.32	25.04	18.03	49.33	35.86	101.78	74.21

CY: Current Year PY: Previous Year

- b) 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	1,455.41	
Add / (Less): Permissible adjustments U/s 349	691.28	
Profit as per Section 349		2,146.69
Add: Directors Remuneration		
1) Remuneration	26.56	
2) Commission	64.40	
3) Sitting Fees	0.73	
		91.69
Profit Under Section 198		2,055.00

Rs. in Million

Actual Payments made during the year 2007-08	Remuneration	Commission	Total
Managing Director	11.31	16.10	27.41
Joint Managing Director	8.94	16.10	25.04
Whole Time Director	17.13	32.20	49.33
Total	37.38	64.40	101.78
Remuneration and commission as Percentage of Net profits U/s Section 198			4.95%

- c) During the year Company has also given commission to Non Executive Directors of Rs. 3.50 Million, which is around 0.17% of profit u/s 198.

9) Research and Development expenditure:

Expenditure incurred on in-house research and development facility by the Company Rs. in Million

Particulars	2007-08	2006-07
a. Revenue Expenditure (charged out through the natural heads of account)		
Bio-technology Activities	8.30	8.86
Others R&D Activities	10.59	13.83
Sub total	18.89	22.69
b. Capital Expenditure		
Bio-technology Activities	12.09	3.49
Others R&D Activities	1.26	12.75
Sub total	13.35	16.25
Total (a+b)	32.24	38.94

10) 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	Jain (Americas) Inc. USA,
Jain Overseas BV. Netherland	Chapin Watermatics Inc. USA
Nucedar Mills Inc. USA,	Cascade Specialities Inc. USA
Jain Irrigation Holding Corporation Inc. USA	Jain Irrigation Inc (Erstwhile Aquarius Brands Inc.) USA
JISL AG. Switzerland	JISL Scheiwz AG. Switzerland
Thomas Machines S.A.,	Jain (Israel) BV. Netherland
Naandan Jain Irrigations CS Ltd. Israel	

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.,
Atlas Technology Pvt. Ltd,	Jain Brothers Industries Pvt. Ltd.,
JAF Products Pvt. Ltd,	Cosmos Investment & Trading Pvt. Ltd.,
Jalgaon Investment Pvt. Ltd	Stock & Securities (India) Pvt. Ltd.,
Jain Rotfil Heaters Pvt. Ltd.,	Gandhi Research Foundation,
Kantabai Bhavarlal Jain Family Knowledge Institute,	ECP Housing Construction Pvt. Ltd,
Jain Sons Investments Corporation,	Drip & Pipe Suppliers,
Jain Investments & Finance BV. Netherland	Jain Overseas Investments Ltd. Mauritius
PVC Trading House,	Plastic Enterprises,
Jain Computer & Allied Services,	Jalgaon Udyog,
Jalgaon Metal & Bricks Manufacturing Co.,	Bahinabai Chaudhari Memorial Trust.
Bhavarlal & Kantabai Jain Multipurpose Foundation,	Anubhuti Scholarship Foundation,

4) Key Management Personnel & Designation

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),	

B] Transactions with related parties

[Rs in Million]

	[1] *	[2] *	[3] *	[4] *	Total
1 Purchase of Goods.	–	538.69	–	–	538.69
2 Sale of Goods.	–	1,936.19	0.82	0.00	1,937.02
3 Payment for Rent, Lease Rent	–	–	0.47	5.03	5.49
4 Discount & Sales Promotion Expenses	–	0.66	–	–	0.66
5 Payment towards Sitting Fees and Travelling.	–	–	–	1.31	1.31
6 Performance Bonus / Commission	–	–	–	64.40	64.40
7 Investment during the year	980.88	–	–	–	980.88
8 Deposit Given	–	–	–	28.50	28.50
9 Loans & Advances Given	159.84	–	5.57	10.80	176.21
10 Interest & Expenses charged on Loan Given	47.33	–	–	–	47.33
11 Subscription to Equity Share Warrants	–	–	1,782.32	–	1,782.32
Net outstanding balances carried to Balance Sheet:	[1] *	[2] *	[3] *	[4] *	Total
Receivable/Payable (net)	2,952.09	1,365.34	13.63	18.02	4,349.09

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.11,535.47 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

11) 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	2007-08	2006-07
Not later than one year	15.74	16.57
Later than one year and not later than five years	17.33	16.29
Later than five years	4.48	7.67



12) Earnings per Share (EPS)

Particulars		2007-08	2006-07
i)	Profit/(Loss) after tax (After proposed dividend on preference capital & dividend tax thereon) [Rs. Million]	1,414.41	948.94
ii)	Weighted average Number of Equity Shares for Basic EPS [Nos.]	65,839,303	58,603,972
	Add: Number of Potential Equity Shares under ESOP	172,678	22,603
	Add: Number of Shares against Deposit of Equity Share Warrants	51,440	2,648
iii)	Weighted average Number of Equity Shares including potential Equity Shares for Diluted EPS [Nos.]	66,063,421	58,629,223
	Basic EPS [Rs.]	21.48	16.19
	Diluted EPS [Rs.]	21.41	16.19

13) a) Primary Segment Accounting:

Reporting of Segment wise Revenue, Result and Capital Employed:

[Rs. in Million]

Particulars		Year Ended 31-Mar-2008	Year Ended 31-Mar-2007		
1. Segment Revenue					
a)	Hi-tech Agri Input Products	8,706.90	6,136.30		
b)	Industrial Products	8,003.65	5,948.57		
	Net Sales Income From Operations	16,710.55	12,084.87		
2. Segment Results: Profit before Tax.					
a)	Hi-tech Agri Input Products	2,340.48	1,305.79		
b)	Industrial Products	1,252.50	822.58		
	Sub Total	3,592.98	2,128.37		
	Un-allocable expenditure (Net):				
	Less: I) Interest (Net)	1,134.05	655.83		
	ii) Exceptional Items	13.90	–		
	iii) Others (Net off Income)	403.41	178.47		
	Total Profit / (Loss) Before Tax	2,041.62	1,294.07		
3. Other Information: 2007-08					
		Hi-tech Agri Input Products	Industrial Products	Others Un-allocable	Total
	Capital Assets (Net) Including CWIP & Investments	2,847.89	3,458.70	4,101.25	10,407.84
	Current Assets (Net)	7,581.98	4,060.10	1,820.37	13,462.45
	Current Liabilities (Net)	2,392.38	1,655.72	991.03	5,039.13
		8,037.49	5,863.08	4,930.59	18,831.16
	Other Information: 2006-07				
	Capital Assets (Net) Including CWIP & Investments	2,231.40	2,985.82	2,281.72	7,498.94
	Current Assets (Net)	5,415.87	3,652.03	923.01	9,990.91
	Current Liabilities (Net)	2,025.85	3,206.07	448.55	5,680.47
		5,621.42	3,431.78	2,756.18	11,809.38

b) Secondary Segment Accounting (Geographical)

Segment Revenue	India	Europe	USA	Rest of the World	Total
a) Hi-tech Agri Input Products	8,349.47	37.57	151.56	168.30	8,706.90
b) Industrial Products	3,825.35	818.45	2,500.70	859.15	8,003.65
	12,174.82	856.02	2,652.26	1,027.45	16,710.55

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 Other Information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable".



14) Remittance in foreign currency for dividend:

The Company has remitted Rs. 0.003 Million (US\$ 79.83) (PY Rs. 0.012 Million [US\$ 269.76] amount on account of dividends during the year to non-resident shareholders and Rs. 73.16 Million (PY Rs. 0.18 Million) are paid on account of dividend payable pertaining to year 2006-07 to the non-resident shareholders on 36,579,289 (PY 97,585) number of ordinary shares held by them.

15) Deferred Tax

[Rs. in Million]

Particulars	As at 31.03.2007	Credited / Charged For the Year 2007-08	As at 31.03.2008
Depreciation #	(659.98)	(50.54)	(710.52)
Carried Forward Operating Losses	1,065.56	(530.45)	535.11
Carried Forward Capital Losses	–	50.41	50.41
Disallowance Under Section 43B of the IT Act, 1961	12.52	(11.32)	1.20
Other Current Assets/ Liabilities (Net)	29.22	(15.00)	14.22
Net Deferred Tax Assets / (Liability) \$	447.32	(556.91)	(109.59)

Negative figures represents deferred tax liability as at year end & deferred tax expenses for the year.

Deferred tax for the year Includes addition on amalgamation of Orient Vegetexpo Ltd. of Rs. 4.46 Million.

\$ Deferred tax for the year is excluding tax on expenses adjusted against securities premium account for Rs.12.94 Million.

16) Disclosure of Derivatives:

a) Total Foreign Currency (FC) Exposures as on 31-March-2008

[FC in Million]

	USD	Euro	GBP	Others
Liabilities:				
1. Loans and ZCCB taken	133.36	4.26	1.21	–
2. Import Liabilities and LC Commitments	9.94	2.31	0.04	(0.10)
3. Contingent Liability- Corporate Guarantee	23.00	–	–	–
Sub Total	166.29	6.57	1.25	(0.10)
Assets:				
1. Export Receivables	30.88	9.51	5.04	–
2. Balances with Banks	7.56	0.00	–	–
Sub Total	38.44	9.51	5.04	–
Net Liability/(Asset)	127.85	(2.94)	(3.80)	(0.10)
<i>Rupee Conversion Rate</i>	<i>@39.97</i>	<i>@ 63.09</i>	<i>@79.53</i>	

Note: Other FC amount shown in US\$ denomination, converted as of 31-March-2008.

Derivative instruments outstanding:

Forward (Euro / INR) Euro 0.200 Million

Option Strip (USD / INR) – Long Term USD 65.35 Million

b) The net un-realised loss aggregating Rs.310.55 Million in respect of derivative instruments which qualify for hedge accounting have been accounted for as a Hedging Reserve to be ultimately recognized in the profit and loss account when the underlying transactions will be matured.

17) Sundry Creditors : Sundry Creditors in Schedule 10 (a) include;

i) Rs. 5.43 Million due to Micro, Small and Medium Enterprises.

ii) Rs. 4233.56 Million due to others.

The disclosure in (i) above is based on the information available with the Company. Enterprises to whom the Company owes a sum, which is outstanding for more than 30 days is Rs. Nil (PY Rs. Nil) and the interest on the same is Rs. Nil (PY Rs. Nil).

18) 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.

19) The previous year's figures are not comparable, due to the merger impact of the "Orient Vegetexpo Limited"

20) 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"

21) 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-08	31-Mar-07	2007-08	2006-07
Micro Irrigation Systems					
Polytube and Laterals ^[2]	MT	32,880	20,790	17,695	14,451
Injection Moulded Components	MT	7,200	6,600	2,957	2,025
Piping System					
PVC Pipes & Fittings	MT	98,010	85,015	59,838	55,373
HDPE Pipes and fittings ^[2]	MT	81,360	57,324	45,964	19,969
Plastic Sheets ^[3]	MT	36,300	36,300	17,480	23,700
Agro Processing					
Dehydrated Onions & Vegetables	MT	14,860	14,860	10,280	7,008
Fruit Puree & Concentrate	MT	84,600	81,000	41,059	24,495
Solar Systems					
Water Heating Systems	LTR	1,200,000	1,200,000	680,425	627,685
Photovoltaic Products	Set	500,000	500,000	207,965	75,500
Tissue Culture Plants	No's	12,000,000	10,000,000	10,467,185	9,220,947
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 of 3,003MT (Previous Year 2,683MT) on lease assets

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956

ANNEXURE – B

Stocks and Turnover

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover			
		1-Apr-07		1-Apr-06		31-Mar-08		31-Mar-07		2007-08		2006-07	
		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 & Laterals for Irrigation Systems [1&7]	MT	1,939	196,275,881	737	63,228,804	3,581	411,269,672	1,939	196,275,881	16,733	2,919,856,647	13,371	1,952,798,507
Injection Moulded Components [1&5]	MT	552	107,267,136	269	50,628,614	1,007	205,379,597	552	107,267,136	2,308	824,182,938	1,455	536,937,418
Filters & Filtration Equipments [1,2&6]		-	46,588,248	-	21,565,967	-	77,672,773	-	46,588,248	-	354,496,607	-	215,131,241
Components for Irrigation Systems [1&3]		-	161,298,417	-	121,839,362	-	296,490,627	-	161,298,417	-	371,480,591	-	209,939,229
PE Pipes & Sprinklers for Irrigation Systems [5]	MT	1,727	167,196,013	1,024	85,491,387	2,418	257,359,311	1,727	167,196,013	45,678	5,297,165,274	19,553	2,298,681,252
PVC Pipes, Fittings and Accessories [7]	MT	1,834	94,484,115	1,065	53,008,419	2,827	161,806,551	1,834	94,484,115	59,368	5,144,535,723	54,671	4,763,658,296
Plastic Sheets	MT	16	2,119,454	18	1,217,080	59	4,895,269	16	2,119,454	17,437	1,897,348,211	23,702	2,626,589,337
Dehydrated Onions & Vegetables	MT	834	75,580,746	1,739	118,077,282	2,311	184,732,853	834	75,580,746	8,803	811,708,943	7,913	649,313,496
Fruit Puree & Concentrate	MT	3,628	152,681,302	4,288	110,307,309	5,665	432,804,802	3,628	152,681,302	39,021	1,607,522,691	25,155	1,109,943,895
Tissue Culture Plants	Nos.	2,800,404	17,430,381	2,992,439	19,816,549	3,862,236	35,165,071	2,800,404	17,430,381	9,405,353	122,148,650	9,412,982	123,026,663
Solar Water Heating Systems [4]	LTR	46,100	5,372,836	15,150	1,849,353	37,775	4,464,639	46,100	5,372,836	690,680	120,772,879	596,735	92,361,552
Solar Photo voltaic Systems		-	-	-	-	-	-	-	-	207,965	84,236,777	130,279	40,446,766
Others [6]			7,362,299		8,147,150		2,651,670		7,362,299		72,831,701	0	57,727,039
Total			1,033,656,827		655,177,276		2,074,692,835		1,033,656,827		19,628,287,632		14,676,554,692

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 203 MT of injection moulding components through Sprinklers and 148 MT through Polytube & laterals.

[6] The stocks of Filter & Fertilizer Tanks Components is including Stock of Material in Process Rs.5.99 million (Qty 46.32 MT) [PY Rs.1.82 million (Qty 14.92 MT)] and The Stock of Others is including Stock of Material in Process of Granites for Rs. 0.53 million.

[7] Turnover is gross and excludes sales return quantity for polytube 532 MT (PY 122 MT), PVC Pipes 523 MT (PY 67 MT), Injection Moulding 157 MT, PE Pipes 202 MT, and Solar 1930 Ltrs.



Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956

ANNEXURE – C

Cost of Materials Consumed, Purchases etc.

Major Materials	Unit	2007-08		2006-07	
		Quantity	Value in Rs.	Quantity	Value in Rs.
Raw Materials [including Components] Consumed					
– Resins	MT	133,916	7,679,196,988	103,298	5,439,002,309
– Chemicals and additives	MT	14,663	980,561,714	14,770	835,981,435
– Vegetables	MT	71,651	347,474,641	51,105	308,931,904
– Fruits	MT	95,256	905,751,529	61,272	622,399,280
– Packing Material & Others		-	895,392,971	-	696,309,095
Total			10,808,377,843		7,902,624,023

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

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956

ANNEXURE – D

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

Product	2007-08		2006-07	
	%	Amount in Rs.	%	Amount in Rs.
a] Raw Materials [including components]				
– Imported	22%	2,415,819,661	31%	2,415,613,325
– Indigenous	78%	8,392,558,182	69%	5,487,010,698
	100%	10,808,377,843	100%	7,902,624,023
b] Stores & Spares				
– Imported	40%	95,729,656	32%	51,047,285
– Indigenous	60%	142,951,241	68%	109,555,767
	100%	238,680,897	100%	160,603,052

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.

Additional Information pursuant to the Part II of Schedule VI of the Companies Act, 1956

ANNEXURE – E

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

	2007-08 Rs.	2006-07 Rs.
a] C.I.F. Value of Imports		
Raw Materials, Components and Stores and Spares	2,243,613,814	2,150,371,799
Capital Goods	332,551,227	592,740,571
	2,576,165,041	2,743,112,370
b] Expenditure in Foreign Currency (on accrual basis)		
Interest and Finance Charges	161,431,964	4,290,524
Discount/Commission on Export Sales	3,549,789	868,036
Travelling Expenses	9,493,562	10,572,703
Export Selling / Market Development Expenses	2,549,702	4,075,869
Law & Legal Expenses	46,071,661	14,000,542
Others	382,693	1,446,850
	223,479,371	35,254,524
c] Earnings in Foreign Currency		
FOB Value of Exports (on the basis of bill of lading)	4,082,565,723	3,727,685,958
	4,082,565,723	3,727,685,958