



Board's Report

To the Members,

The Directors' present hereby their report on the business and operations of the Company and the financial statements for the year ended 31st March, 2008.

1. Financial Highlights

Rs. in Million

Particulars	2007-08	2006-07
Domestic Sales	12,923	7,956
Export Sales & Services	4,537	4,061
Other operating Income	134	68
Sales and Operating Income	17,594	12,085
Operating Profit	3,595	2,265
Interest and Finance Charges	1,134	656
Depreciation and Amortisation	398	314
Amounts written off and provisions	7	2
Profit before taxation and exceptional items	2,056	1,294
Exceptional items (Service tax disallowed)	14	–
Provision for Tax		
Deferred Tax (Asset)/Liability	570	283
Current Tax – provision	227	8
MAT Credit	(227)	–
Fringe Benefit	16	12
Profit for the year	1,455	991
Profit b/f from the previous year	1,386	716
Less Loss of Orient Vegetexpo Ltd. FY07	5	–
Balance	2,835	1,707
Out of which the Directors have appropriated as under;		
Proposed Dividend	194	168
Dividend Tax	33	29
General Reserve	145	100
Balance to be carried forward	2,463	1,386
Earnings Per Share		
Basic	21.48	16.19
Diluted	21.41	16.19

2. Operations

The sales and operating income has grown at 45.6% to Rs.17,594 mn. Thus, a fifth successive year of 40% plus growth is achieved. The domestic sales grew at an impressive 62% to Rs. 12,923 mn on the back drop of a robust demand in MIS/SIS and PE piping segments. The exports grew at 12% this year at Rs. 4,537 mn despite a major slowdown in the US housing markets. The other operating income almost doubled at Rs.134 mn. The other income declined marginally by about 5% at Rs.293 mn. The operating profit at Rs.3,595 mn improved by 59% reflecting ever improving resource utilization.

After providing for depreciation and amortization of Rs. 398 mn, exceptional write off of Service Tax claimed but disallowed of Rs.14 mn, the interest and finance charges of Rs. 1,134 mn, deferred tax liability of Rs.570 mn and Rs.16 mn of FBT, the profit for the year is higher by about 47% at Rs.1,455 mn than the earlier year.

3. Dividend

An amount of Rs. 35 mn is payable on the Redeemable Preference Shares issued by the Company as per predetermined coupon rate and an amount of Rs.6 mn is payable as Dividend Distribution Tax on the said dividend. The Board of Directors have recommended to the Shareholders for declaration at the ensuing AGM a dividend of Rs.2.2 per share to the eligible shareholders. The said dividend shall result in a cash outgo of Rs. 159 mn while the outgo on the Dividend Distribution Tax on the said dividend works out to Rs.27 mn.

4. Rehabilitation of Orient Vegetexpo Limited

Pursuant to approval of Shareholders on 29th September 2006, Scheme of Rehabilitation, including amalgamation, was sanctioned by the Board For Industrial and Financial Reconstruction (BIFR) on the 15th November 2007 and pursuant to it, the Company has allotted 713,316 Equity Shares as per approved share swap ratio in the month of December 2007. This amalgamation has increased the capacity of the vegetable dehydration division by another 1,800 MT per annum.

5. Warrant Conversion, ZCCB Conversion and use of the proceeds

The 2.5 mn Share Warrants of Rs.398.5 each issued in the previous year to the Promoters' Group under the applicable SEBI(DIP) Guidelines on a preferential basis were exercised for conversion and the subscribers paid the balance amount of Rs. 897 mn on opting for conversion. The Share Capital of the Company has gone up by Rs. 25 mn while the Securities premium reserve has gone up by Rs. 971 mn on this account. The proceeds received on the conversion option being exercised on warrants has augmented the long term resource base of the Company.

5,987,995 Equity Shares of Rs. 10 each were issued to the holders of the 46,650 Zero Coupon Convertible Bonds of \$1,000 each who opted for the conversion in terms of the Offering Circular dated 24th March 2006. Hence an amount of Rs.59.88 mn has been added to the Share Capital of the Company while an amount of Rs.2.01 bn has been added to the Securities premium reserve of the Company. However, till date, further 340,155 Equity Shares of Rs. 10 each were issued to the holders of the 2,650 Zero Coupon Convertible Bonds of \$1,000 each who opted for the conversion in terms of the Offering Circular dated 24th March 2006. Hence after FY 08, an amount of Rs.3.4 mn has been added to the Share Capital of the Company while an amount of Rs.114.49 mn has been added to the Securities premium reserve of the Company. Thus far almost 82% of the bondholders have opted for the conversion of ZCCB's into Equity Shares. There was no impact of the conversion of ZCCB's on the cash flows of the Company as money was raised in FY 06 and utilised in FY 07.

As you may be aware, pursuant to approval of Shareholders on the 19th October 2007, the Company allotted 8.6 mn



Equity Warrants to the Corporate Entities of the Promoters Group on Preferential basis under the applicable SEBI (DIP) Guidelines. The subscribers have paid an amount of 10% (Rs.411 mn approx) at a price of Rs. 478.15 each. The proceeds of the security deposit received on warrants has augmented the long term resource base of the Company. Out of the above, the subscribers of Equity Warrants have opted for conversion of 1,102,600 warrants and as a result 1,102,600 Equity Shares of Rs.10 each were issued to the holders of the warrants. This has resulted in addition of Rs.11 mn to the Share Capital and Rs.516 mn approx to the Securities premium reserve of the Company. The proceeds received on the conversion option being exercised on warrants has augmented the long term resource base of the Company.

6. Resource mobilization and capacity expansion

During the year under review, the Company has raised from international financial markets / institutional lenders, External Commercial Borrowings (ECB's) / Foreign Currency Loans based on LIBOR linked rate at competitive pricing. Total amount raised is \$65.5 mn and of which US\$ 55 million have been disbursed during the year under consideration. The loan amounts are being used by the Company and its subsidiaries for the expansion and modernization activities. The unutilized amount of US\$ 7.5 million at the yearend was kept in fixed deposit with overseas banks.

The Company has invested an amount of Rs.610 mn to increase the capacity of the MIS/SIS division by 15221 MTPA. An amount of Rs.301 mn has been spent on capital expenditure for the piping segment adding in excess of over 35,186 MTPA in the segment. An amount of Rs 599 mn has been spent on capital expenditure for the Agro processed division. An amount of Rs. 60 mn. has been spent on capital expenditure for Tissue Culture division to increase the capacity by 2 mn. plants. An amount of Rs. 20 mn was spent on capital expenditure for Plastic Sheet division. An amount of Rs. 149 mn was spend towards strengthening the common corporate service infrastructure.

7. MOU on Water Infrastructure Projects

The Company has signed a significant MOU with a leading Israeli State run company for working together on projects related to water infrastructure in our country including water supply systems, municipal water management, waste water treatment, desalination plants, water reclamation projects. Government has strongly recommended that at least 25% of waste water for non domestic uses shall be recycled by all beneficiaries. Many tier I and II cities have activated 24x7 water supply schemes for domestic use. The public private partnership model is being used by Government to promote the concept of 24x7 water. The pace of urbanisation, present obsolete technologies and new stringent environmental norms all provide for huge untapped opportunities in the field of water infrastructure.

8. Overseas Acquisitions and the operations of subsidiaries

The Company has continued its acquisitions in the period since the last report and has acquired a controlling stake

in a Swiss manufacturer. This Company is a specialist in machines and equipments for drip irrigation lines, quality control and automation equipments, laser machines and laser products. The above company holds valuable IPR's and cutting edge technology for irrigation as well as composite pipes business. The acquisition would help our Company to further consolidate capacities and improve the speed to market for new generation drip lines including "precision irrigation" products.

Thomas Machines S.A.
69.75%
Manufacturer of specialist machines including latest generation driplines, automation equipment and laser products.
Benefits <ul style="list-style-type: none"> • Latest generation technology for high speed machines. • Helps Company (JISL) in building its capacities faster. • Increases speed to market and access to precision irrigation products. • Thomas holds valuable IPR'S and cutting edge technology.
Revenues <ul style="list-style-type: none"> • Current revenue – CHF 12 mn • Potential – CHF 25 mn

The integration activities with investee companies have begun in earnest and has had a very positive effect on the product development activities of the Company as feedback from various geographic areas are now available for such activities. The availability of a wide spectrum of products in the irrigation segment is making it possible for the Company to serve customers in a complete manner which in the pre-acquisition time resulted in loss of business opportunities.

The Mauritius based direct subsidiary of the Company has earned an income of \$ 858,440 and made a net profit of \$97,457. 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 \$13.6 mn as Capital and \$15.42 mn as Loan & Redeemable Preference Shares during the year under review.

The Netherlands based subsidiaries have not only invested monies for acquisition of Naandan Jain in Israel but also incorporated Swiss subsidiaries and acquired controlling stakes in Thomas Machines S.A. These subsidiaries are investment vehicles and shall be used for the acquisitions in European Union. The implementation of plans to revamp and restructure the overseas investment and holding structure is on hold for the time being as the global foot foray of the Company is being first finalized and then the plan will be initiated for implementation.

Other Subsidiaries

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



9. 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 two more 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:

	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4 *
A] Options Granted	5,00,000	5,00,000	5,00,000	5,00,000
B] 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 of grant	10% discount on market price on the date preceding the date of grant	10% discount on market price on the date preceding the date of grant
C] Options vested	0	0	0	0
D] Options exercised	0	0	0	0
E] The total number of shares arising as a result of exercise of option	0	0	0	0
F] Options lapsed	0	0	0	0
G] Variations in terms of options	None	None	None	None
H] Money realised by exercise of options	0	0	0	0
I] Total Number of options in force	5,00,000	5,00,000	5,00,000	5,00,000
J] Employee-wise details of options granted to:				
i. Senior managerial personnel	60,000	1,20,000	1,20,000	1,20,000
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
K] 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
L] 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)	362.61	634.35	1075	820
M] 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	307.76	413.46	568	428.58
(b) weighted average fair value	175.11	174.77	277	211
N] A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black Scholes Method		Black Scholes Method	
(1) risk-free interest rate,	7.50%	8.00%	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	21% in first year with 3% increase per year thereafter		22% in first year and increase on 2% every year thereafter	
(5) the price of the underlying share in market at the time of option grant. Rs. per share	410.35	459.40	630.15	476.20

* Granted on 27th June 2008.



9. Directors Retiring And Their Background

Shri R. Swaminathan and Shri D. R. Mehta are retiring by rotation and being eligible offer themselves for reappointment at the ensuing AGM. In terms of the Corporate Governance requirements, given below are the brief resume of each of the retiring directors:

Shri R. Swaminathan: He is Chemical Engineer responsible for manufacturing operations in our Poly-tube, Sprinkler, PVC & PC Sheets and PVC & PE Pipe units. He has 30 years of experience in operation and maintenance activities of plants handling such things as Solvent Extraction, Plastics Extrusion and Injection Moulding. He joined the Jain Group in 1982 and was appointed a full-time Director in 1996.

Shri D. R. Mehta: was appointed on 26.12.2007. He joined Indian Administrative Service in 1961 and held important positions in the Govt. of Rajasthan and later in the Govt. of India. He was the Chairman of Securities and Exchange Board of India (SEBI), an apex regulatory body that oversees 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 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-humane side. A man of compassion, he set up the Bhagwan Mahavir Viklang Sahayata Samiti in 1975.

10. Director's Responsibility Statement

- In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors State that :
- in the preparation of the annual accounts, the applicable accounting standards have been followed except, to the extent indicated in notes;
- the accounting policies selected and applied consistently and 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, 2008, and, of the profit of the Company for the year ended 31st March, 2008;
- 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;

11. Material Developments In Human Resource

The Company is adopting various HR initiatives for overall employee (associate) development as well as for development of a sense of belonging amongst the associates. Some of the activities are directly related to the training of the associates for their individual development and some are related to development of this organization as a large family.

Employee Development

In the present globalised environment, people are the partners in progress and the key to success. Human

Resource Development function, therefore, is focusing on enhancing this Intelligence Capital. The efforts are directed for building leadership qualities, increasing synergy, developing associates and preparing workforce for growth.

The Company believes that training, coaching and exposure activities must be undertaken as a matter of routine for development of the skills and the horizons of the individual associate. This helps in realizing their latent potential. Job rotation is also one of the important tasks in that direction because it also adds value to the person. Due importance is given to the development of the associates so as to synchronize the mutual beneficial relationship.

The Human Resources departments have the sole responsibility for training and development of the associates. This is done by planning the training for different categories of associates throughout the year and based on the needs of the situation. This is also one of the important parts of the Quality Management System. The training programs range from the technical, behavioural to spiritual. Thus, the all round development of the associate forms the important goal of the HRD department.

Various types of in-house programs were conducted this year; related to behaviour management, stress management, interaction with renowned personalities to share their experiences as well as technical developments in various fields, yoga and meditation etc.

Training & Development details from April 2007 to March 2008 are as under;

Sr. No.	Location	Inhouse Faculties			External Faculties			Total Man-hrs.
		No. of Prog.	No. of Associates	Duration (hrs.)	No. of Prog.	No. of Associates	Duration	
1	Agri Park	20	301	1923	4	4	63	2315
2	Plastic Park	326	3803	8138	14	27	308	12616
3	Food Park	336	4318	65522	20	56	777	71029
Total		682	8422	75583	38	87	1148	85960

The Company also deposes its associates for outside training, exhibition, seminar, conference and symposiums in India or abroad. Such trainings/ exhibitions give them good exposure to the external environment along with an insight into the new developments in their fields.

Thus, the HRD department contributes to corporate people philosophy of nurturing genuine concern for multifaceted associate development and value Emotional Quotient (EQ) over Intelligence Quotient (IQ).

Socio-economic Survey

The work of comprehensive socio-economic survey of each associates' household continues. The idea behind this is to assess the primary needs of each household and the priorities the family prefers to assign to those needs. The Company proposes to firstly attend to or meet the educational needs of each household and then switch over to the next of its priority of housing.

Scholarship to the Associates Children

The Company not only takes care of the associates' family needs but also encourages their children for taking higher education by providing scholarships. It is the policy of the Company to award scholarships to the deserving students for their educational needs. The Company has already started the practice of providing educational scholarships



to the children of associates on need and merit basis. 116 children of the associates were provided scholarships for their education on regular basis during the year.

Welfare Measures

The Company conducted aptitude and interlegence Quotient (IQ) tests for 350 of children of associates during the year for gauging their competance in higher education field. The Company also distributed woolen sweaters and umbrellas in the season to all its associates. The Company also provided Jalgaon based associates free of charge 100 shares each of a local cooperative bank to 1340 associates during the year.

Sense of Belonging

In order to develop a sense of belonging between the Company and associates, the Company has announced ESOP scheme. The shares of Company are being allotted to all the associates who are working with the Company. The number of shares allotted to everyone depends on his position as well as length of his association with Company. In fact they are being made owners of the Company.

12. Corporate Social Responsibility

As a part of corporate social responsibility, the Company is supporting following three important projects: (1) Rural Development of Village Wakod, (2) Establishment of Gandhi Research Foundation at North Maharashtra University and (3) Setting up of Anubhuti School – An Experiential Residential International Academy. A complete pull out on the sustainability of CSR activities and carbon footprint of the Company is given elsewhere in this report.

13. Environment Health & Safety Performance

Environment

During the FY08, the Company has kept all environmental pollution under control, within the limits of consent issued by the appropriate authorities. Company introduced in-house air quality checking. The Company has strengthened the Effluent Treatment Plant (ETP) for recycling the treated water. The Company has provided acoustic canopies for DG Sets and Air Compressor to reduce noise levels in its plants. The Company has sold 3,954 Kg of Hazardous waste to authorised land filling agent at Taloja near Mumbai. The Company has continued awareness training programme on ISO-14001 an Environmental Management System, with all its employees.

The Company has planted more than 5,000 plants during the FY08 in its premises.

Health & safety

During the FY08 there were No "Reportable Accidents". The Company has trained an experienced person on industrial safety and has recruited two safety officers. The Company has purchased a Multipurpose Fire Tender with water Co2, DCP and Foam facilities to deal with fire related incidents. The Company has recruited a medical Doctor and positioned male nurses for its Medical Inspection room for 24 hours service. Company has organized Health check up to all employees and no occupational disease is noticed. Drinking water checks were conducted periodically and ensured safe drinking water to employees. Corrective actions are in place to control the minor accidents / incidents. Company is planning to go for certification of OHSAS-18001.

14. Internal controls for adequacy and Management Information Systems

The Company has adequate systems of internal control for all important transactions such as:

- i) Purchases of raw materials, consumables, stores & spares and fixed assets,
- ii) Sale of goods, discounts on sales, goods return & customer credit control
- iii) Payroll, other variable & fixed costs
- iv) Borrowing cost, bank charges & commission
- v) Inventory management

In addition to the above commercial transactions, the Company has adequate system of internal controls to provide comfort to all stakeholders on various issues such as safe guarding and protection of assets against loss from unauthorized disposition, recording of authorized and correctly reported transactions, compliance of management guidelines & policies etc.

As stated elsewhere, Company is growing at a very rapid rate over the last few years along with increasing geographical expansion in various parts of India due to the recent various acquisitions. To sustain the growth momentum in future and also integrate the acquired companies, the Board of Directors of the Company had decided to further strengthen the internal control systems and had last year appointed M/s Ernst and Young, Mumbai as an "external" internal auditor to facilitate going beyond the generic inference of a process designed and to provide reasonable assurance that controls are in place for a systematic, disciplined approach aimed at improving the effectiveness of risk management, control and governance process.

The management information system is the main source of the control and decision making mechanism in the Company. The Company operates under decentralized operating controls exercised at various Segment Business Unit levels. The budgetary mechanism is already in place and annual & rolling budgets are approved by the Board. The actual performance versus budgets is measured for the deviations and timely corrective actions taken.

Project Gaurai

The Company had last year embarked upon an exercise to implement Enterprise Resource Planning (ERP) package to integrate all functional operations of the Company and smoothen the process of management decision making.

It is imperative for the Company to go for a robust and integrated Management Information System (MIS). In line with this thinking, the Company has chosen to implement MySAP ERP ECC 6.0 through Satyam Computer Services Ltd. as an implementation partner. Rightly dedicated to Late *Gaura bai* for the values she has inculcated, this Project Gaurai is ably supported by Satyam, a global IT consulting and services provider who has a dedicated SAP PRACTICE as part of its Enterprises Solutions Group. Satyam was involved in 40 Implementation projects for SAP ECC version. The implementation of Project Gaurai is at advanced stages and will GO LIVE by October 2008.

Scope: The SAP implementation shall cover 5 plants and 28 sales offices. Satyam is using Accelerated SAP (ASAP) methodology with tools, templates, questionnaires and the skills to fully utilize the power of SAP products as Systems.

The main objectives of Implementation of Project Gaurai are;



1. Embrace the best practice business processes for leveraging Jain Irrigations' management performance.
2. Increase the effectiveness and efficiency of Jain Irrigations' management and decision making activities through automation of processes accommodated in a fully integrated application system.
3. Real time financial and management reporting.
4. The solutions in SAP Business Suite are open and flexible, increase company's ability to anticipate market needs and make customer service more responsive.

The implementation is expected to further strengthen the internal control mechanism in the Company and improve resource utilization as well as overall efficiency of various processes.

15. 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, 2008.

16. Auditors

The Auditors, M/s. Dalal & Shah, 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.

17. 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:

Sr. No.	Name of Promoters/Corporate entities of Promoters
1	Bhavarlal H Jain
2	Ashok B Jain
3	Jyoti Ashok Jain
4	Arohi Ashok Jain (N/G Ashok B Jain)
5	Aatman Ashok Jain (N/G Ashok B Jain)
6	Anil B. Jain
7	Nisha Anil Jain
8	Athang Anil Jain (N/G Anil B Jain)
9	Amoli Anil Jain (N/G Anil B Jain)
10	Ashuli Anil Jain (N/G Anil B Jain)
11	Ajit B Jain
12	Shobhana Ajit Jain
13	Abhedya Ajit Jain (N/G Ajit B Jain)
14	Abhang Ajit Jain (N/G Ajit B Jain)
15	Atul B. Jain
16	Bhavana Atul Jain
17	Jalgaon Investments Pvt. Ltd.
18	Cosmos Investment & Trading Pvt. Ltd.
19	Jain Investment and Finance B.V. Netherlands

Sr. No.	Name of Promoters/Corporate entities of Promoters
20	Kuppam Foods & Vegetables Processing Pvt. Ltd
21	Jain eAgro.com (India) Pvt. Ltd.
22	Jain Holdings B.V. Netherlands (under Incorporation)
23	Jain Overseas Investments Ltd, Port Louis, Mauritius.
24	JISL Investments Ltd, Port Louis, Mauritius (under Incorporation)
25	Jain Investments A.G. Switzerland (under Incorporation)

17. Particulars of Employees

As per provisions of Section 217 (2A) of the Companies Act, 1956 only seven of the persons in employment of the Company have drawn remuneration in excess of Rs.200,000/- per month, during the year under review of part thereof as per details in the annexure to this report.

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

A) ENERGY CONSERVATION

Plastic Park- energy conservation

- Introduction of multi cavity moulds has given sizable conservation of electrical energy, along with enhanced productivity and optimum capacity utilization to the Company.
- Extension of AC drives application, and introduction of PLC controls in moulding machines has resulted in additional energy saving.
- Continued efforts, maintaining the power factor very closed the unity, has added its share of electrical energy conservation.
- Continuing all the efforts for energy saving, such as Power Factor Maintenance, state of the art machinery, process improvement, waste control and reductions. The Company has saved 14,05,688 KWH (Rs. 6.32 mn) of electrical energy during 2007-08 at plastic park.

Agri Park- energy conservation

Jain Tissue Culture Banana plants have increasing demand from the farmers end because of uniformity in age and genetic purity of the plants that gives two and half fold more yield than the conventional planting material. Earlier Company was selling banana plants in few states of the country, where the planting season were restricted to June to October only. Because of limited planting season the tissue culture laboratory required more Man, Machine and Space. To utilize the facility cent per cent, the Company has extended the area of marketing in those states where planting seasons are different than above. Team of Agronomist have also achieved big success by developing methods to plant banana round the year that actually saved at least 30% energy because of continuous production in the laboratory.

Tissue culture laboratory requires huge amount of water for glassware washing in the laboratory, plant washing and maintenance of microclimatic conditions in the green house. Team of mechanical engineers & automation engineers have developed semi automated glassware washing system for laboratory that helped to save more than 40% water and energy. Similarly, automation has also been done in the



green houses for maintaining microclimatic conditions that saved more than 30% water and energy.

The efforts are still going on to conserve water and energy by making full automation of operating in laboratory, Green House and Shade House.

The bio-gas plant produced 40,000 m³ of bio-gas which was used for conservation of energy equivalent to 50,000 KWH (Rs. 0.22 mn).

Food Park- energy conservation

- Through installation of capacitors, the power factor has improved closer to unity, and this resulted in a discount of Rs. 0.29 mn from the energy bill for the FY 08.
- By switching over from conventional lighting system to energy efficient system, the Company saved 90,000 KWH (Rs. 0.40 mn) during the year.
- Installation of Variable speed drive for boiler fan has given a substantial energy saving of 1,50,000 KWH (Rs. 0.675 mn) during the year.
- The Fruit Division has installed and commissioned Coal/Bagasse based boiler, resulting in substantial savings in energy costs. While installing the Coal/Bagasse based boilers, due care has been taken to maximize efficiency and reduce pollution.
- The Fruit Division has initiated a water conservation program to reduce water consumption and also to recycle and reuse water, which is going to be the most scarce resource.

B) TECHNOLOGY ABSORPTION

Plastic Park-Technology Absorption None

Food Park-Technology Absorption None

Agri Park-Technology Absorption None

C) RESEARCH AND DEVELOPMENT

Food Park- Research and Development

- Using Anaerobic & Aerobic treatment for effluent water, sizable volume of Bio gas is generated, which as given nearly 62,000 KWH (Rs. 0.279 mn) equivalent of energy to run the power generator.
- Efforts for dehydration of onions using solar drier are under way.
- Development work for “Fried Onion” and “Reduction in Bacterial Count” in dehydrated onion are in final stage and shall give benefits shortly.
- Substantial thermal efficiency is achieved through conversion of furnace oil fed Boiler to Coal & Bagasse fed one.
- Company has been working on process to be able to extract, stabilize and produce concentrates of Indian Citrus varieties namely *Mosambi*.
- Company has carried pilot scale trials on *Mosambi*, *Kinnow* and Nagpur Orange and was successful in standardizing the process. The trial samples submitted to customers have been approved and accepted.

Plastic Park- Research and Development

- In the production of MIS component and pipe fittings, the Company has achieved substantial increase in productivity and optimum utilization of equipment through the introduction of multi cavity moulds.

- The Company has introduced Reverse Osmosis Technology which has improved quality of input water, thereby resulting in better quality of product and reduction in down time of moulds and machines.
- To foster the quality checking system, the Company has established, state of the art metrological facility at its plastic products division.
- Continued efforts of Research & Development has enhanced spectrum of product range adding nearly 90 new products.
- Development of new product range SWR for pipes and fittings for sewerage and drainage under the brand name “**B-SURE**” has given additional cutting edge to the business of the organization.
- A, low wall thickness tubing with flat emitter is developed under the brand name “**Turbo Slim**”.
- “**Rodent deterrent**” technology was introduced to protect all plastics products for rodent.
- New generation equipment for high speed extrusion of tubing with round cylindrical emitters was introduced.
- Online socketing of PVC pipes was introduced.
- A self cleaning suction screen filter “**Jain roto clean**” was introduced which can be used on suction side of the pump.
- New range of filters for higher pressure rating, 10 kg/cm² with trade name “**Jain Super flow plus**” is introduced with ribbed body construction to water hammer and surges in pipe line.
- The existing range of the plastic filter with flow rate of 25 m³/hr is extended up to 200 m³.
- A completely farmer friendly filter back wash controller “**Jain Filto - clean**” is developed with features, corrosion resistant, auto alarm system besides, being operated by solar energy.
- Present Jain hydro cyclone filter is hydro dynamically redesigned for increasing operational efficiency to remove fine sand and silt particles.

Agri Park- Research and Development

Jain Irrigation systems Limited have one of the biggest and oldest tissue culture production laboratories in India and also have developed its unique facility for research and development work. Apart from continual improvements made in banana tissue culture, the team of scientists have achieved big success by developing tissue culture protocol to regenerate pomegranate plants. The protocol is now being used to produce pomegranate plantlets on a commercial scale. These plants will be free from disease and Company will buy back the fruits for processing from the growers of these plants. This will help farmers to get assured price for their produce.

Solar Division has developed anti corrosion coating for application inside the tanks, which improved the life of product substantially.

Developed LED based Solar street light system which consumes nearly 50% of power compared to conventional solar light, and Supplied to Railways for their Level cross lighting.

Developed Solar Fencing system and is used in Company's own premises.



R & D Expenditure

[Rs. Million]

	2007-08	2006-07
Capital Expenditure	13.35	16.25
Revenue expenditure	18.89	22.69
Total	32.24	38.94
% to revenue	0.19%	0.32%

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

[RS. MILLION]

C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency	2007-08	2006-07
a) C.I.F. Value of Imports		
Raw Material, Components and Stores and Spares	2,243.61	2,150.37
Capital Goods	332.55	592.74
Total	2,576.16	2,743.11
b) Expenditure in Foreign Currency (on cash basis)		
Interest and Bank Charges	130.59	4.29
Discount / Commission on Export Sales	2.89	0.87
Travelling Expenses	9.49	10.36
Export Selling / Market Development Expenses	2.55	4.07
Law & Legal Expenses	44.61	13.17
Others	32.01	1.43
Total	222.16	34.20
c) Earnings in Foreign Currency		
FOB Value of Exports (on the basis of bill of lading)	4,082.57	3,727.69
Interest and other Income	36.06	41.47
Total	4,118.63	3,769.16

18. Acknowledgement

The Directors take this opportunity to place on record their appreciation of wholehearted 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

Mumbai,
27th August, 2008

Anil B. Jain
Managing Director

Annexure to Directors' report

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 upto date.

Sr. No.	Name of Employees	Total Experience (Year)	Designation	Remuneration Gross (Rs.)	Qualification	Commencement of Employment with Company	Particular of last Employment	Last Post	Employer	No. of Years (Previous Employment)	Covered Under 200000/Category w.e.f.
1	Jain Ashok Bhavarlal	25	Vice Chairman	22,151,950	B.Com	12.01.1987	Own Business	Partner	Jain Brothers Industries	4 years	30.09.2002
2	Jain Anil Bhavarlal	23	Managing Director	27,414,276	B.Com., LLB	12.01.1987	Own Business	Partner	Jain Brothers Industries	2 years	20.08.2002
3	Jain Ajit Bhavarlal	23	Jt. Managing Director	25,042,411	B.E.	11.01.1985	-	-	-	-	30.09.2002
4	Jain Atul Bhavarlal	16	Director - Marketing	20,719,107	B.Com	01.01.1991	-	-	-	-	01.10.2005
5	Jain Rajnikant Birdhichand	30	Director - Technical	2,402,229	B Tech	12.01.1987	-	-	-	-	01.10.2005
6	R. Swaminathan	35	Director - Technical	4,053,218	B Tech (Chem)	15.06.1982	Service	Plant Manager	Flavours & Essence P. Ltd.	2.5 years	01.10.2005
7	Manoj Lodha	15	President - Banking & Finance	2,501,364	CA, CWA, LL.B.	05.11.1998	Service	Mananger	Jain Vanguard Poly-butelene Pvt. Ltd.	5 years	01.05.2006

- 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 also.