

ANNUAL REPORT 2006-2007

JINDAL POLY FILMS LIMITED

JINDAL POLY FILMS LIMITED

DIRECTORS	:	A. C. WADHAWAN RASHID JILANI SANDEEP BANSAL JOGESH BANSAL R. K. PANDEY DR. S. KAPUR (DEG Nominee) P. GUPTA, WHOLETIME DIRECTOR (FILMS) S. BANARJEE, WHOLETIME DIRECTOR (MARKETING) S. SINGHAL, WHOLE TIME DIRECTOR & COO
VICE PRESIDENT (FINANCE) & COMPANY SECRETARY	:	L. P. SONI
AUDITORS	:	KANODIA SANYAL & ASSOCIATES, CHARTERED ACCOUNTANTS
BANKERS	:	PUNJAB NATIONAL BANK STATE BANK OF INDIA STATE BANK OF PATIALA AXIS BANK LIMITED ABN AMRO BANK N.V. THE BANK OF NOVA SCOTIA COOPERATIEVE CENTRALE RAIFFEISEN- BOEREN LEEN BANK B.A. (SINGAPORE) AKA,AUSFUHRKREDIT-GESELLSCHAFT MBH FRANKFURT, GERMANY COMMERZBANK, AKTIENGESELLSCHAFT FRANKFURT, GERMANY
REGISTERED OFFICE	:	19TH K.M. HAPUR-BULANDSHAHR ROAD P.O. GULAOTHI DISTT. BULANDSHAHR (U.P)
WORKS	:	(1) 19TH K.M., HAPUR- BULANDHSHAHR ROAD, P.O. GULAOTHI DISTT. BULANDSHAHR (U.P.) (2) 28TH K.M. NASIK-BOMBAY HIGHWAY, (3) 160/1/7, AMBOLI ROAD, VILL. KALA, KHANVEL, SILVASSA (UT OF D&N)
HEAD OFFICE	:	PLOT NO. 12, SECTOR B-1, VASANT KUNJ LOCAL SHOPPING COMPLEX NEW DELHI- 110 070
REGISTRAR & SHARE TRANSFER AGENTS	:	KARVY COMPUTERSHARE PVT. LTD (UNIT: JINDAL POLY FILMS LTD.) PLOT NO 17-24 VITTAL RAO NAGAR MADHAPUR, HYDERABAD- 500 081

**33rd
Annual Report
2006-2007**

Sl. No.	Contents	Page No.
1.	Notice of Annual General Meeting	2-4
2.	Corporate Governance & Shareholder Information	5-12
3.	Management Discussion & Analysis	13-16
4.	Directors' Report with Annexure	17-21
5.	Auditors' Report/Annexure to Auditors' Report	22-24
6.	Balance Sheet	25
7.	Profit & Loss Account	26
8.	Cash Flow Statement	27
9.	Schedules forming part of Balance Sheet and Profit & Loss Account	28-33
10.	Notes on Accounts	34-40
11.	Balance Sheet Abstract and Company's General Business Profile	41
12.	Statement under section 212 of the Company Act, 1956	42
13.	Auditors' Report on Consolidated Financial Statements	43
14.	Consolidated Balance Sheet	44
15.	Consolidated Profit & Loss Account	45
16.	Consolidated Cash Flow Statement, Schedules forming part of Consolidated Balance Sheet, P&L Account, & Notes on Consolidated Accounts	46-56
17.	<u>SUBSIDIARY COMPANY</u> HINDUSTAN POLYESTER LIMITED	
	1. Director' Report	57
	2. Auditors' Report	58
	3. Statement of Accounts	59-62
18.	Proxy Form and Attendance Slip	63

JINDAL POLY FILMS LIMITED

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the members of JINDAL POLY FILMS LIMITED will be held as scheduled below :-

Date : Saturday, 29th September, 2007
Time : 11:30 A.M.
Venue : Company's Registered Office at :
19th K.M., Hapur-Bulandshahr Road, P.O.-Gulaothi, Distt-Bulandshahr (U.P)

To transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity shares.
3. To appoint a Director in place of Mr. A.C. Wadhawan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. Jilani, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. S.Banerjee, who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint M/s Kanodia Sanyal & Associates, Chartered Accountants as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit to pass, with or without modifications, the following resolution as an **ORDINARY**

RESOLUTION :

"RESOLVED THAT the consent of the Company be and is hereby accorded under section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage on second charge basis by the Board of Directors of the Company of all of its immovable properties situated at Nasik (Maharashtra) & Gulaothi (U.P.) in favour of Punjab National Bank (PNB), State Bank of India (SBI), State Bank of Patiala (SBOP), AXIS Bank Ltd. (formerly UTI Bank Ltd) (AXIS), The Bank of Nova Scotia (BNS) and ABN Amro Bank (ABN) (hereinafter referred to as PNB Consortium) to secure working capital facilities / limits as under :-

- (a) Fund based limits of Rs. 2800 Lacs and non fund based limits of Rs. 6000 lacs sanctioned by PNB.
- (b) Fund based limits of Rs. 1200 Lacs and non fund based limits of Rs. 650 lacs sanctioned by SBI.
- (c) Fund based limits of Rs. 1750 Lacs and non fund based limits of Rs. 3500 lacs sanctioned by SBOP.
- (d) Fund based limits of Rs. 1000 Lacs and non fund based limits of Rs. 1000 lacs sanctioned by AXIS.
- (e) Fund based limits of Rs. 750 Lacs and non fund based limits of Rs. 1850 lacs sanctioned by BNS.
- (f) Fund based limits of Rs. 500 Lacs and non fund based limits of Rs. 1000 lacs sanctioned by ABN.

together with interest, costs, charges, expenses and other money payable by the Company to PNB Consortium in terms of the Working Capital Consortium Agreement entered into by the Company in respect of the aforesaid working capital facilities / limits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with PNB Consortium, documents for creating aforesaid mortgage on second charge basis and to do all such acts and things as may be necessary for giving effect to the above resolutions.

By order of the Board
For Jindal Poly Films Limited

Place : New Delhi
Dated : 31.8.2007

(L.P.Soni)
Vice President (Finance) & Company Secretary

JINDAL POLY FILMS LIMITED

NOTES :

1. Explanatory Statement in respect of item no. 8 of the notice as required Under Section 173 of the Companies Act, 1956 is annexed herewith.
2. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and the proxy(ies) need not be member(s) of the Company.
3. The proxy form(s) duly completed and signed should reach the company's registered office at Gulaothi (U.P) at least 48 hours before the time fixed for the meeting.
4. The Register of Members and Share transfer books of the Company will remain closed from Thursday, 27th September, 2007 to Saturday, 29th September, 2007 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their request at the registered office and / or head office of the Company atleast 7 days before the date of the meeting, so that the information required may be made available at the meeting.
6. Members are requested to claim from the Company their unclaimed dividends, if any, in respect of financial years 1999-2000 or for any subsequent year at the earliest.
7.
 - a) Members are requested to notify to the company change of address, if any, with pincode, quoting reference of their folio number.
 - b) In case the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
 - c) Members who are holding shares in Demat Mode are requested to notify any change in their residential address or Bank A/c. details immediately to their respective Depository Participants.
8. Details under clause 49 of the listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting , is separately annexed hereto.

EXPLANTORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT,1956

Item no. 8

The Company has been sanctioned working capital facilities / limits aggregating Rs. 22000 Lacs from consortium of bankers consisting of Punjab National Bank, State Bank of India, State Bank of Patiala, AXIS Bank Ltd, The Bank of Nova Scotia and ABN Amro Bank. The said working capital facilities / limits is to be secured, inter-alia, by way of second charge on immovable properties of the Company situated at Nasik (Maharashtra) and Gulaothi. (U.P.).

Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of Directors of public limited company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Since the mortgaging by the Company of its immovable properties as aforesaid in favour of the banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956.

Accordingly, approval of members is being sought for creating the second charge in favour of Punjab National Bank, State Bank of India, State Bank of Patiala, AXIS Bank Ltd, The Bank of Nova Scotia and ABN Amro Bank.

Copies of the letters of sanction received from banks and copies of the relevant documents/correspondence between the said banks and the Company are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the meeting.

Board recommend the resolution for approval. None of the Directors of the Company is interested in this resolution.

JINDAL POLY FILMS LIMITED

Details of the Directors seeking Appointment / reappointment in Annual General Meeting fixed on 29th September, 2007

Name of the Director	Mr. A.C. Wadhawan	Mr. R. Jilani	Mr. P. Gupta	Mr. S. Banerjee
Date of Birth	27.01.1938	08.10.1941	30.08.1966	10.07.1951
Date of Appointment	16.11.2005	16.11.2005	16.08.2004	16.08.2004
Expertise in specific functional area	Management and Administration	Banking, Finance and Working Capital Management	New Projects	Domestic and International Marketing
Qualification	B.Sc, B.Tech (Hons)	M.Com, C.A.I.I.B.,	B.Sc, MBA	B.Sc, MBA
List of outside Directorship	<ol style="list-style-type: none"> 1. Transweigh (India) Ltd 2. Reliance Cellulose Product Ltd. 3. Hindustan Zinc Limited. 4. Tata Metalic Ltd. 5. Rajasthan Mines & Minerals Ltd. 	NIL	1. Hindustan Polyester Ltd.	1. Jupax Barter Limited.
Committee Membership of the Company	<ol style="list-style-type: none"> 1. Audit Committee 2. Shareholders Committee 3. Management Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Shareholders Committee 3. Management Committee 	<ol style="list-style-type: none"> 1. Shareholders Committee 2. Management Committee 	<ol style="list-style-type: none"> 1. Management Committee
Committee of Membership of other companies,	NIL	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

Your company has complied in all material respects with the features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges.

The Status of the Corporate Governance Code of the Listing Agreement by Jindal Poly Films Ltd (JPFL) is given below:-

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

The foremost principles of the Corporate Philosophy of JPFL can be summarised as follows:-

Vision

To be an acknowledged Leader in terms of maximizing stakeholder value, profitability and growth by being a financially strong, customer friendly, progressive Organisation.

Values

Openness and transparency
Integrity and Honesty
Dedication & Commitment
Creativity and teamwork
Mutual Trust & Appreciation
Pursuit of Excellence

2. Board of Directors

JPFL has a broad based Board of Directors with three Non-promoter Executive Directors and six Non-promoter Non-Executive Independent Directors. The Board elects its Chairman at its meetings.

The members of the Board possess adequate experience, expertise and skills necessary to manage the affairs of the company in the most efficient manner.

The constitution of the Board is given below:-

Director	Executive/Non Executive	No. of Total Directorship	Membership of total Board Committee
Mr. P. Gupta	Executive	2	2
Mr. Samir Banerjee	Executive	2	1
Mr. S. Singhal (w.e.f. 29/7/2006)	Executive	2	1
Mr. A.C. Wadhawan	Non-Executive & Independent	6	7
Mr. R. Jilani	Non-Executive & Independent	1	3
Mr. S.S. Jindal (upto 12/7/2006)	Non-Executive Promoter	NA	NA
Mr. S.J. Khaitan (upto 30/1/2007)	Non-Executive & Independent	NA	NA
Mr. R.K. Pandey (w.e.f. 30/1/2007)	Non-Executive & Independent	11	-
Mr. J. Bansal	Non-Executive & Independent	4	1
Mr. S. Bansal	Non-Executive & Independent	1	1
Mr. R. Chander (upto 30/1/2007)	Non-Executive & Independent	NA	NA
Dr. Sudhir Kapur (w.e.f. 30/1/2007)	Non-Executive & Independent	3	-
Mr. Ravi Adusumalli (up to the last AGM i.e. 8/9/2006)	Non-Executive & Independent	NA	NA
Mr. Mohit Jain (upto 29/7/2006)	Non-Executive & Independent	NA	NA
Mr. Y.V.Rao (upto 13/4/2006)	Non-Executive & Independent	NA	NA

JINDAL POLY FILMS LIMITED

3. Attendance of Directors at the Board Meetings and Annual General Meeting

The Board of Directors of the Company met seven times during the financial year 2006-07 on the following dates:

20/04/2006; 05/06/2006; 29/06/2006; 12/07/2006; 29/07/2006; 30/10/2006; 30/01/2007.

For every Board Meeting the agenda papers along with explanatory notes are distributed well in advance to the Board Members. The Company place before the Board the Minutes of Committees of the Board, annual operating plans, budgets, performance of various units/divisions, and all other information including those specified under clause 49 of the Listing agreement.

The attendance of the Board members at the Board Meetings as above and in the last AGM were as under :

Name of Director Attendance

Name of Director	Attendance		
	No. of Meetings held during the tenure of Directors		Last AGM attended
	Held	Attended	
Mr. Punit Gupta	7 (Seven)	6 (Six)	Yes
Mr. A.C. Wadhawan	7 (Seven)	5 (Five)	Yes
Mr. S.J. Khaitan	6 (Six)	Nil	No
Mr. R.K. Pandey	1 (one)	1 (one)	No
Mr. S. Banerjee	7 (Seven)	7 (Seven)	No
Mr. J. Bansal	7 (Seven)	2 (Two)	No
Mr. R. Chander	6 (Six)	4 (Four)	No
Dr. Sudhir Kapur	1 (one)	1 (one)	No
Mr. R. Jilani	7 (Seven)	7 (Seven)	Yes
Mr. S. Singhal	3 (Three)	3 (Three)	No
Mr. R. Adusumalli	2 (Two)	Nil	No
Mr. Y.V. Rao	1 (one)	Nil	No
Mr. S.S. Jindal	4 (Four)	Nil	No
Mr. Mohit Jain	5 (Five)	Nil	No
Mr. S. Bansal	2 (Two)	1 (one)	No

Changes after F.Y.

There is no change in the Directors after Financial Year ending till date of report.

4. Committee of Directors

The following Sub-Committees of the Board of Directors of the company have been constituted.

a) Audit Committee

The Audit Committee consists of four independent Directors viz.

- i) Mr. A.C. Wadhawan, Chairman
- ii) Mr. J. Bansal, Member
- iii) Mr. R. Jilani, Member
- iv) Mr. S. Bansal, Member

JINDAL POLY FILMS LIMITED

Mr. L.P. Soni, Vice President (Finance) & Company Secretary acts as Secretary to the Committee. The broad terms of reference of Audit Committee are as under:-

- Review of Quarterly/Half Yearly Unaudited/Annual Results
- Review of Quarterly Internal Audit Report and Internal Control Systems.
- Review with Internal Auditors and significant findings and follow up thereon.
- Recommending the appointment/re-appointment of Auditors, fixation of Audit Fees.
- Review of Annual Financial Statements.

During the year, the meetings of the Audit Committee were held on :

29/04/2006; 29/07/2006; 30/10/2006; 30/01/2007.

The details of the meeting attended by the members of the committee are as under:

Name	Designation	Profession	Committee Meetings attended
Mr. A.C. Wadhawan	Chairman	Consultant	4 (Four)
Mr. R. Jilani	Member	Consultant	4 (Four)
Mr. M. Jain (upto 29/7/06)	Member	Business	Nil
Mr. J. Bansal	Member	Business	Nil
Mr. S. Bansal (w.e.f. 29/7/06)	Member	Business	1 (One)

b) Shareholders Committee

The Board has constituted a Shareholders Committee which monitors share transfers, transmissions, splits, consolidation and also redressal of shareholders and investor grievances. All shares are transferred within 15 days from the date of receipt. Investor grievances are resolved to the extent possible within one week. The committee consists of-

- Mr. A.C. Wadhawan, Chairman
- Mr. R. Jilani, Member
- Mr. P. Gupta, Member

Mr. L.P. Soni, Vice President (Finance) & Company Secretary, is the Compliance Officer.

The total number of shares transferred during the year 2006-07 were 5,800 Equity Shares and as on 31/03/2007 there were 300 Equity shares pending share transfers.

The total number of complaints received during the year 2006-07 were 132 and as on 31/03/2007, there were Seven complaints pending.

c) Management Committee

The Board has constituted a Management Committee which will take up matters relating to strategic planning, review of working and such other matters which need guidance and advice for the growth of the company, etc. The Committee consists of

- Mr. A.C. Wadhawan - Director
- Mr. R. Jilani - Director
- Mr. P. Gupta - Director
- Mr. S. Banerjee - Director
- Mr. S. Singhal – Director & Chief Operating Officer

d) Remuneration of Directors

The Non-Executive Directors are paid sitting fees for attending the meetings of Board of Directors. The Company do not pay sitting fees for any committee meetings.

The remuneration of Executive/Whole Time Directors are approved at the meetings of Board of Directors of the Company, and by shareholders.

JINDAL POLY FILMS LIMITED

Details of Remuneration paid to all the Directors for the period 1st April 2006 to 31st March, 2007 :

Name of the Director	Remuneration paid (Rs.)	Sitting fees paid (Rs.)
Mr. Punit Gupta	6,65,240	-
Mr. A.C. Wadhawan	-	7,500
Mr. S.J. Khaitan	-	Nil
Mr. R.K. Pandey	-	1,500
Mr. S. Banerjee	10,93,613	-
Mr. J. Bansal	-	3,000
Mr. R. Chander	-	6,000
Dr. Sudhir Kapur	-	1,500
Mr. R. Jilani	-	10,500
Mr. S. Singhal	4,25,726	-
Mr. R. Adusumalli	-	Nil
Mr. Y.V. Rao	-	Nil
Mr. S.S. Jindal	-	Nil
Mr. Mohit Jain	-	Nil
Mr. S. Bansal	-	1,500

General Body Meetings

The locations and time of the Annual General Meetings held during the last 3 years are as follows:-

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions Passed
30th AGM	16/08/2004	11.00 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil
31st AGM	16/11/2005	11.00 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	1 (One)
32nd AGM	08/09/2006	11.30 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil

No Special resolution was put through Postal Ballot in the last AGM and there is no such proposal for this year as there is no such business, which statutorily requires voting through postal ballot in the ensuing AGM.

Disclosure on materially significant related party transactions

No transaction of material nature has been entered into by the company with Directors or Management and their relatives etc. that may have a potential conflict with the interest of the company. The Register of contracts containing transactions, if any, in which Directors are interest, is placed before the Board regularly.

Transactions with the related parties are disclosed in the notes to the accounts in this Annual Report.

Details of non compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on the matter related to capital markets, during the last three years.

JINDAL POLY FILMS LIMITED

There has been no instances of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

Whistle Blower Policy

The company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Further, no personnel has been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

The Company has complied with all the mandatory requirements on the report of corporate governance. The Company has not adopted the non-mandatory requirements as specified in annexure ID of the Listing agreement.

Code of Conduct for Directors and Senior Executives

In line with the amended clause 49 of the listing agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The Code has also been posted on the Company's website.

Certification on Financial Statements and Internal Controls

A certificate duly signed by the whole Time Director designated as Chief Operating Officer and Vice President (Finance) & Secretary relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in amended clause 49 of the listing agreement was placed before the Board, who took the same on record.

Accounting Treatment

The company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of its financial statements.

Risk Management

The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Utilisation of Proceeds from Public Issue

During the Financial year 2005-06 the company has made public issue and details of fund utilization till 31st March 2007 is as under:

	Rs./ Crores
Fund raised through Public issue	300.00
Less: Fund utilized for the purpose stated in the Prospectus	<u>230.91</u>
Funds remaining unutilized, invested in Mutual Funds (Debt Scheme)	<u><u>69.09</u></u>

Means of Communication

This is being done through submission of quarterly results to the stock exchanges in accordance with the listing agreement and publication in the leading newspapers like Business Standard, Financial Express and Jansatta (Hindi). Press releases are also issued time to time. The quarterly financial result and press release about the Performance of the Company are also filed with stock exchanges and displayed on company's website www.jindalpoly.com.

Management discussion and Analysis Form part of this Annual Report

General Shareholder Information

a) Annual General Meeting

- Date and Time	Saturday 29th September 2007 at 11.30 A.M.
- Venue	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P

JINDAL POLY FILMS LIMITED

b) Financial Calendar

i) Quarterly Financial Reporting
(Tentative & subject to change)

Quarter ended June 30, 2007

Quarter ending September 30, 2007

Quarter ending December 31, 2007

Quarter ending March 31, 2008

Qtly. result already published on 30/7/2007

Last week of October, 2007

Last week of January, 2008

Last week of April 2008*

*Instead of publishing unaudited quarterly financial results for the last quarter by 30th April 2008, the company may publish audited results for the full financial year by 30th April, 2008.

ii) Annual General Meeting

(For the year ending March 31, 2008)

In August/September 2008.

c) Date of Book Closure

Thursday 27/09/2007 to Saturday 29/09/2007
(both days inclusive)

d) Listing on Stock Exchange & Stock Code

i) The National Stock Exchange of India Ltd.,
Mumbai (JINDALPOLY)

ii) The Bombay Stock Exchange Limited, Mumbai (500227)

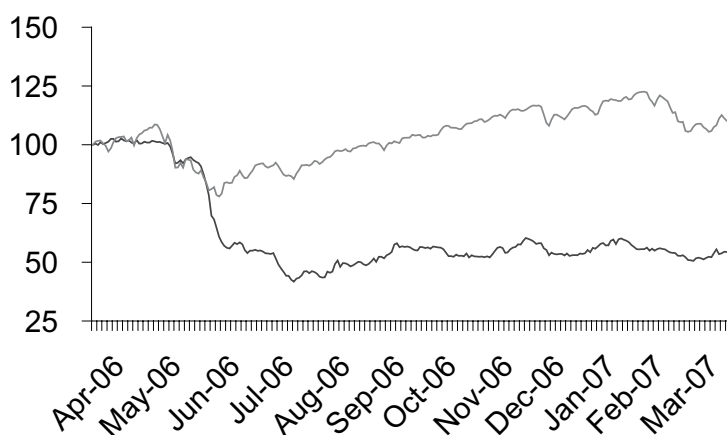
e) Listing Fee

The company has paid in full the listing fees to the Stock Exchange for the year 2006-07.

f) Stock Market Data (on NSE)

National Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)
Apr-06	298.60	283.55
May-06	295.00	255.00
Jun-06	272.00	149.10
Jul-06	161.00	116.50
Aug-06	150.90	121.65
Sep-06	170.90	138.50
Oct-06	165.00	142.00
Nov-06	175.70	147.60
Dec-06	175.00	150.00
Jan-07	174.00	151.15
Feb-07	168.70	149.05
Mar-07	165.90	140.00



— Jindal Poly Films — S&P CNX Nifty

JINDAL POLY FILMS LIMITED

g) Registrar and share transfer Agents

In Physical and Electronic Mode
Karvy Computershare Pvt. Ltd.
(Unit: Jindal Poly Films Ltd)
Plot Number 17-24 Vittal Rao Nagar,
Madhapur, Hyderabad 500081
Tel. No.040-2342 0815-820
Fax 040-23420814
Email: einward.risk@karvy.com

h) Share Transfer System

The shares sent for physical transfer are registered within a period of 15 days from the date of receipt, provided the documents are clear in all respects. The shareholders committee meets after every 15 days or as often as required.

i) Distribution of Shareholding as on 31st March, 2007

Slab of Shareholding	No. of Cases	% of Cases	No of Shares	% of Shares
Upto - 5000	35035	99.84	2455727	8.74
5001 – 10000	17	0.05	114946	0.41
10001 – 20000	10	0.03	141810	0.50
20001 – 30000	3	0.01	75998	0.27
30001 – 100000	1	0.00	88019	0.31
100001–and above	24	0.07	25219380	89.76
Total	35090	100	28095880	100

j) Dematerialisation of Shares

As on 17th August 2007 : 2,14,16,090 shares (76.22% of the total number of shares) are in dematerialized form. The company's share are compulsorily traded in dematerialized form.

j) Plant Locations

- 19th K.M. Hapur-Bulandshahr Road,
P.O. Gulaothi, Distt. Bulandshahr U.P
- 28th K.M., Nasik-Mumbai Highway,
Vill. Mundegaon, Igatpuri
Distt. Nasik, Maharashtra.
- 160/17, Amboli Road
Vill. Kala, Khanvel
Silvassa (UT of D&N)

k) Address for Correspondance

Mr. L.P. Soni
Vice President (Finance) & Company Secretary
Plot No. 12, Sector B-1, Vasant Kunj
Local Shopping Complex
New Delhi – 110070.
Tel : 91-11-26139256
Fax : 91-11-26125739
e-mail : secretarial_polyester@jindalgroup.com
Website : www.jindalpoly.com

JINDAL POLY FILMS LIMITED

AUDTORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF JINDAL POLY FILMS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jindal Poly Films Limited, for the year ended on 31st March 2007, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange (s).]

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, no investor grievances are pending against the Company for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.Kanodia)
Partner

Place : New Delhi
Dated : 31.08.2007

Membership No. 016121

CHIEF OPERATING OFFICER (COO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Sumant Singhal, Whole Time Director & COO and L.P. Soni, Vice President (Finance) & Company Secretary of Jindal Poly Films Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, and all its schedules and notes to accounts, as well as the cash flow statements and the Directors' Report for the financial year 2006-2007.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the Company, and we have;
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and
 - c) disclosed in this report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's auditors and the Audit Committee of the Company's Board of Directors;
 - a) deficiencies in the design or operation on internal controls and steps taken / proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this report.
 - c) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements and
 - d) instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Place : New Delhi
Date : 31st August, 2007

Sumant Singhal
Whole Time Director & COO

L.P. Soni
Vice President (Finance) & Company Secretary

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Jindal Poly Films Limited (JPFL) is a leading producer of flexible packaging films. The Company operates the world's largest single location facility for flexible packaging films at Nasik, Maharashtra and employs modern technology to produce high quality products at lower cost .

INDUSTRY, STRUCTURE & DEVELOPMENTS

Flexible Packaging Film

Flexible packaging typically includes materials such as plastic films, paper and aluminium foil. Over the years, BOPET Film and BOPP Film (forms of plastic-based flexible packaging film) have become the preferred choice for packaging consumer articles including food and clothing. Besides such films, Jindal Poly Films also offers a range of metallised and coated film products to its customers.

Jindal Poly Films is the leading producer of flexible packaging films in the country. The Company also maintains a strong presence as a key exporter to several countries; dominating the exports of BOPET Film to Europe. Flexible packaging film follows a business-to-business model, supplying base film to key converters/processors - who in turn sell the value added product to customers.

BOPET Film

BOPET Film is a versatile product broadly classified according to thickness of the film. Thick Films (50-350 microns in thickness) find application in photographic/X-ray, electronics, printing, textile, pre-press and office supplies, motor insulations and document lamination. Thin Films (10-36 microns in thickness) are used in metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, decorative ribbons and labels.

Jindal Poly Films has a capacity to manufacture 86,000 TPA of BOPET Film.

BOPP Film

Better moisture retention properties render BOPP Film more suitable for food products like snack foods, biscuits, pasta, dried foods and meat. Further, BOPP Film also finds application in wrapping cigarette cartons, ready-made garment bags, adhesive tapes and print lamination.

The market for BOPP Film in India, unlike the rest of the world is underdeveloped. There exists a popular low quality, cheap alternative in the form of TQPP (Tubular Quenched Polypropylene Film). Growing preference for premium and sophisticated packaging however is driving growth in Asian economies such as India and China with increased availability of BOPP, TQPP is being fast replaced by BOPP.

The Company has presently three lines in operation for BOPP Film at Nasik, Maharashtra:

- 13,000 TPA, 6.6-meter wide, three layer line
- 32,000 TPA, 8.2 meter wide, five-layer line
- 45,000 TPA, 8.2 meter wide, three-layer line

Metallised Films

Vacuum deposition of Aluminium on Pet and BOPP films increase the barrier properties of such films. Besides flexible packaging metallised Pet films is used for metallised yarn. Metallised BOPP is widely used for gift wrapping. The Company has a total metallising capacity of 26000 tpa.

Coated Films

PVDC coated BOPP and Pet films are used in the flexible packaging industry. Jindal Poly Films is the only company in India to offer this product. The Company has a capacity of 4500 tpa to manufacture PVDC, Acrylic and LTS coated films.

Polyester Chips

Jindal Poly Films has the in-house ability to manufacture polyester (PET) chips as per requirement, for its BOPET Film business. The Company has installed capacities of 27,375 TPA and 93,800 TPA at Gulaothi, Uttar Pradesh and at Nasik, Maharashtra respectively to produce PET chips.

Polyester Yarn

The Company has a Partially Oriented Yarn (POY) facility at Gulaothi, Uttar Pradesh. This business has witnessed continued weakness in margins and the operations have been temporarily closed down.

OPPORTUNITIES AND THREAT

BOPET Film

A perceptible volume shift in the consumption of BOPET film has been noticed in the high consumption areas of USA, Europe and Japan. Converting operation from these high cost areas are shifting to Asia in general and China and India in particular. Whereas production capacities in the matured markets of USA, Europe and Japan are declining, large growths are being witnessed in Asia where capacity increase is continuing.

In the short term, growth of the business will be export driven with Asian producers encashing on the declining capacities in the developed world. However, the long term scenario would indicate that the domestic growths in Asia would dominate polyester film usage with major shift in converting operation to Asia.

BOPP Films

The global BOPP industry is dominated by China which accounts for nearly 40% of the global capacity consumption. The capacity utilization in China has been below 70% for the last many years. However, Chinese producers could export commodity grades of BOPP film at low prices owing to subsidies provided by the Chinese Government.

Since the last one year these subsidies have been reducing. Late last year, the power subsidy was withdrawn. From April '07, the export subsidy is also being reduced from 16% to nil by Sept. '07. As a result of these withdrawal of subsidies, prices of Chinese BOPP have increased. This has allowed prices of JPFL's products to increase both in the domestic and international market.

The domestic market is enjoying good growth mainly driven by the fast replacement of TQPP by BOPP and aided by the growth of the flexible packaging. With the growth in demand foreseen for the next few years JPFL has decided to double its BOPP capacity to 180000 tpa by the end of 2008. About 20% - 25% of the total capacity is being targeted for the export market.

SEGMENT PERFORMANCE

Flexible Packaging Film

The flexible packaging business continues to expand with FY 2007 segmental revenues of Rs. 1521.35 crores (Rs. 1210.94 crores last year). In value terms, the domestic sales and export sales grew by 31.56% and 36.57% respectively. The volume growth was substantial to the tune of about 24%.

Demand visibility particularly in BOPET Films remains intact with prices demonstrating signs of stabilisation. Trends in the BOPP Film and High value added Film market also remain healthy.

Polyester Yarn/Chips

There was no production of POY due to adverse marketing conditions. Sales of Rs. 7.52 crores of POY represents liquidation of stocks.

OUTLOOK

Flexible Packaging Film

India continues to lag the world in usage of flexible packaging film with one of the lowest per capita consumption rates globally. Nevertheless, the momentum from applications in packaging continues to be strong driving growth in both BOPET Film and BOPP Film markets. The growth is also driven by an increase in the export of flexible packaging laminates from India as converting operations are shifting from Europe and USA to India.

BOPET Films

As much as 80% of the sales of BOPET Film can be attributed to applications in packaging. Rapid economic growth being witnessed in India & China is creating larger opportunities for the use of flexible packaging film in consumer products, hot stamping foils, metallic yarns, telecom and other electrical applications. The Asian region is expected to account for 40% of worldwide BOPET Film sales over the next two years expanding at a rate of 15%. Meanwhile, estimated growth for thin films in the global markets is at 9%.

BOPP Films

The BOPP Film market in India is increasing mainly on account of greater prevalence of modern format retailing and higher preference for hygienically packed, convenient forms of food articles amongst customers. Moreover, the replacement of TQPP Film is expected to intensify with lowering of cost differentials with BOPP Film, better availability of superior quality BOPP Film and creation of novel application areas for BOPP Film. Growth in Indian demand for BOPP Film over the next few years is being projected at 20% compared to 7.5% globally.

RISKS & CONCERNS

Input costs

The largest component of costs involved in making flexible packaging film is attributable to raw materials. The PET chips used to make BOPET Film as well as the polymers that go into producing BOPP Film are derived from petroleum.

Given the hardening trend in crude oil and demand for polymers for competing applications the pressure on input costs can be expected to continue. Flexible packaging film makers have thus far been able to pass down these costs to end consumers.

JPFL on its part has adopted some strategic measures to mitigate the rise in this cost. It retains the ability to swing between PTA and DMT as inputs with MEG while making PET chips, it enters into long term supply contracts with suppliers with options to determine prices on a monthly/fortnightly basis and lastly it uses its export commitments to choose between local and foreign sources of raw materials.

Surplus capacities

The buoyancy in demand for BOPET Film and BOPP Film on account of packaging applications can be expected to track the economic growth in the country. This could spur a fresh round of capacity additions across the industry, further impacting margins.

Demand visibility in the sector though is strong and is expected to absorb surplus capacities. The BOPET Film sector which was affected on this account is demonstrating signs of revival.

Import duties

Key domestic producers of flexible packaging film have significant exposure to global markets. Further they continue to be exposed to trade barriers in the form of anti-dumping and anti-subsidy duties across the E.U. and U.S.A. In the event that there is an upward revision in applicable duties, capacity utilisation levels across Indian industry could be hampered. Anti subsidy duty in EU is under upward revision on JPFL and may affect JPFL's export competitiveness and margins.

Jindal Poly Films portfolio of products in the export markets includes high value products which are moderate subject to moderate duties. Further, prudent pricing policies have ensured that applicable duties on Company are one of the lowest in the industry. The Company operates one of the lowest cost manufacturing lines in the country and is thus able to balance pressure on its realisation in the foreign markets.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Jindal Poly Films employs stringent controls to ensure the safety of its asset base against loss and misuse. Further, enterprise wide adherence to corporate governance best practices is achieved through a combination of internal audits, management reviews and audit committee. The Company is thus able to secure and validate its business transactions on an ongoing basis and thereby maintain the accuracy of its financial records and the safety of its property.

FINANCIAL PERFORMANCE

Jindal Poly Films reported a 21.93% increase in gross revenues from Rs. 926.15 crores to Rs. 1129.31 crores driven exclusively by its flexible packaging films business. Other income during the period was at Rs. 12.37 crores.

Sales in the domestic market improved 16.03% to Rs. 765.37 crores. The Company continues to develop the BOPP Film market. Exports during FY 2007 (on CIF basis) were at Rs. 363.94 crores as against exports of Rs. 266.50 crores in last year showing a growth of 36%. There is negligible sales of Rs. 7.52 crores of POY, which is basically liquidation of old stocks. Company's POY segment is not working due to adverse market conditions.

Given JPFL's ongoing expansion initiative and increase in the rate of interest in general (including LIBOR), interest costs were higher at Rs. Rs. 17.55 crores (Rs. 15.72 crores in FY 2006). The Profit Before Tax stood at Rs. 90.31 crores. Jindal Poly Films had Net Profits of Rs. 64.97 crores in FY 2007 giving an EPS of Rs. 23.12.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

Today, intense competition between products and services of uniformly high quality is the norm of the day. Even the latest and modern machinery with most competent technical backup does not ensure success against fierce competition. That is precisely why we have built our growth plans on the premises that our manpower resources are our most valuable assets. All other resources have to be acted upon by this resource for their value to be realized.

All our efforts in human resource development need to focus on developing a keener perception and a superior performance in servicing the needs of the customer at a lower cost and in a shorter time frame. Therefore, our emphasis has been on developing competent leadership and team building with focus on customer satisfaction. It is well recognized by us that customer is our prime reason for existence and the entire team must focus on this critical fact that he needs to be well satisfied. Only then will this objective find basis in reality and only then will all other aspects of HRD - communication, problem solving, stress management etc. will have a measuring scale.

Our aim in the coming year would be to build ourselves as a "Learning Organisation" - an organization that continuously anticipates changing environments and uses change proactively to actualize its strategic business plan more rigorously. Your company has excellent industrial relations which induces the right culture for an efficient working. Besides, your company also provides a large number of welfare measures for the employees and their families in the units. This ensures that there is a sense of belonging to the company, which goes a long way in forging an excellent environment in the workforce.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc. may be forward looking within the meaning of applicable laws and regulations. The future being uncertain, there cannot be any guarantee that the assumptions and expectations made will be realized. Actual results, performance or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events. The management discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2007.

The Financial results of the year under review are as given below:-

FINANCIAL RESULTS

(Rs. / Crores)

	<u>2006-07</u>	<u>2005-06</u>
Profit from Operations (EBITDA)	168.41	128.22
Less: Interest	17.55	15.72
Profit Before Depreciation and Tax	150.86	112.50
Less: Depreciation	60.55	59.47
Profit before Tax	90.31	53.03
Less: Income Tax for the year	12.77	3.95
Deferred Tax	12.57	2.37
Profit After Tax	64.97	46.71
Add: Balance brought forward	47.18	12.34
Less: Taxes for the earlier years	0.18	1.00
Balance available for appropriation	111.97	58.05
APPROPRIATIONS		
Dividend on Equity Shares	5.62	5.62
Dividend on Preference Shares	--	0.84
Tax on Dividend	0.95	0.91
Transfer to General Reserves	50.00	3.50
Balance carried forward	55.40	47.18

PERFORMANCE HIGHLIGHTS

- There is improvement in Operating Profit margins during the year under review to 16.51% from 15.42% in the last year.
- Gross Sales/Turnover increased to Rs.1129.31 crores in the financial year 2006-07, up 21.93% from Rs.926.15 crores the year before.
- Exports for the year 2006-2007 stood at Rs. 363.94 crores as compared to Rs.266.50 crores in the last year – growth of 36%.
- The operating profit of the company was Rs.168.41 crores as against Rs.128.22 crores last year – growth of 31%

DIVIDEND

Your Directors have pleasure to recommend Dividend of 20% on 280,95,880 Equity Shares of Rs. 10 each.

The total dividend would absorb a sum of Rs. 5.62 crores and tax thereon of Rs.0.95 crores. The dividend will be free of tax in the hands of recipients.

NEW PROJECTS

The Company's new BOPP Film Line (Line-3) with a capacity of 45,000 tpa commenced commercial production from September, 2006. The new line is operating efficiently and the entire production of the new BOPP line is being fully marketed. The total capacity of BOPP stands at 90000 tpa as on 31st March, 2007.

JINDAL POLY FILMS LIMITED

With the growing demand of BOPP, the Company has decided to double the capacity of the BOPP Line by installing 2 new BOPP Lines with capacity of 45000 tpa each. Along with BOPP Lines, the Company is also installing 2 new Metallisers with total capacity of 14000 tpa. The expansion projects will have the capital outlay of Rs. 343 crores, which shall be financed by way of ECB and internal accruals / FPO proceeds. After the expansions, the Company will have BOPP capacity of 180000 tpa and Metalliser capacity of 40000 tpa. The entire expanded capacity will be operational by Financial Year 2008-09.

MANAGEMENT DISCUSSION AND ANALYSIS

The MD&A has been included in the annual report as a separate note.

DIRECTORS

- During the year Mr. S.J. Khaitan resigned from the Board of Directors and in his place Mr. R.K. Pandey was appointed as a director of the Company to fill the casual vacancy. DEG nominated Dr. Sudhir Kapur as their nominee on the Board of the Company in place of Mr. R. Chander who has resigned from the Board.

The Board place on record its deep appreciation for the valuable contribution made by Mr. S.J. Khaitan and Mr. R. Chander during their tenure as directors of the Company.

- Mr. A.C. Wadhawan, Mr. R. Jilani, Mr. P. Gupta and Mr. S. Banerjee retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. Brief resumes of above directors, names of other company's in which they hold/held directorship, membership of committees of the Board and their shareholdings are giving in the Notice to the Shareholders.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

There is no employee who has received the remuneration of Rs. 2,00,000 per month or Rs. 24,00,000 per annum during the year under review.

COPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report along with the Auditor's Report on its compliance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed;

- That in preparation of the accounts for the financial year ended 31st March, 2007 the applicable accounting standards have been followed along with proper explanations relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended on 31st March, 2007 on a 'going concern' basis.

CONSOLIDATED FINANCIAL STATEMETNS

In accordance with the Accounting Standard AS – 21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on accounting for investments in Associates, Your Directors have pleasure in attaching the Consolidated Financial Statements which form part of this Annual Report and Accounts.

AUDITORS

M/s Kanodia Sanyal & Associates, Chartered Accountants retire and being eligible, offer themselves for re-appointment. The auditors have furnished certificate regarding their eligibility for re-appointment as Company's Auditors, pursuant to Section 224 (1-B) of the Companies Act, 1956.

JINDAL POLY FILMS LIMITED

FIXED DEPOSITS

The Company has not accepted any fixed deposits and the provisions of section 58-A of the Companies Act, 1956 are not applicable to the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EARNING & OUTGO

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of Energy, technology absorption, foreign exchange earnings and outgo is given in the 'Annexure 1' forming part of this report.

ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and assistance received from the Financial institutions, Banks and various Government authorities during the year.

The Directors also wish to place on record their appreciation of the contribution made by the Employees at all levels.

For and on behalf of the Board

Place : New Delhi
Dated : 31st August, 2007

(S. Singhal)
Whole Time Director & COO

(S. Banerjee)
Whole Time Director (Marketing)

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

1. CONSERVATION OF ENERGY

A. ENERGY CONSERVATION MEASURES TAKEN

- 1) Installation of Hot Water Chiller for 3 nos. DG Sets resulted in saving of 8100 units/day and in value terms Rs. 7.29 lacs/month (approx.)
- 2) EG recovery stopped in Poly plant resulting in:-
 - (a) Fuel saving of 1666 kg / day, in value terms of Rs. 7.5 lacs/month (approx.)
 - (b) MEG saving of 1000 kgs/day, in value terms of Rs. 12.9 lacs/month (approx.)
- 3) Use of cooling water instead of chilled water for cooling of DM water, which is used for chips cutting with fuel saving 2500 kg/day, in value terms Rs. 11.25 lacs/month (approx.)
- 4) One Erema stopped which resulted in saving of 2800 units/day, in value terms of Rs. 2.52 lacs/month (approx.)

B. ADDITIONAL INVESTMENT AND PROPOSAL, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

- 1) Installation of APH for Thermic Fluid Heater-2 in Film Utility, which will result in fuel saving of 325 kgs/day, in value terms Rs. 1.56 lacs/month (approx.).
- 2) Stoppage of steam boilers in Poly plant which will result in fuel saving of 6000 kgs/day, in value terms Rs. 25.90 lacs/month (approx.).
- 3) Conservation of dryer column heating (in PET line) from electrical to santotherm, which will result in saving 2250 units/day, in value terms Rs. 2.35 lacs/month (approx.)
- 4) Installation of coal fired thermic fluid heater for Poly plant, which will result in fuel cost saving, in value terms Rs. 42.80 lacs/month (approx.).

C. IMPACT OF ABOVE MEASURES

Implementation of Energy Conservation measures have resulted -

- 1) In reduction of energy cost and thereby production cost.
- 2) In the increase of awareness in the employees.

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy:

POWER AND FUEL CONSUMPTION

(including polymer production used for captive consumption)

	Current Year	Previous Year
1. Electricity		
(a) Purchased from Electricity Board	<u>31.3.2007</u>	<u>31.3.2006</u>
Total Units	64934686	54222252
Total Amount (Rs/Crores)	28.14	19.20
Rate per unit (Rs/units)	4.30	3.54
(b) Own Generation		
Total Units	68097606	89689596
HSD/F.Oil/LSHS & LDO (Ltrs.)	15776123	21394125
Units/Ltrs. of HSD/F.Oil/LSHS & LDO	4.32	4.19
Cost of HSD/F.Oil/LSHS & LDO (Rs/Crores)	23.85	30.29
Rate per unit (Rs/Units)	3.50	3.38
2. Furnance Oil/LSHS/LDO/HSD Qty. (Ltrs.)		
Total Amount (Rs/Crores)	26.63	29.45
Total Quantity (Ltrs.)	18775808	20875867
Average Rate (Rs/Ltrs)	14.18	14.11
3. Consumption Per Unit of Production		
Electricity units per M.T. of Production	707.13	806.35
F. Oil/LSHSLDO/HSD (Ltrs.) per M.T. of production	99.80	116.97

FORM 'B'

Form for Disclosure of Particulars with respect to :

A) RESEARCH AND DEVELOPMENT (R&D)

Company has been giving thrust on R&D activities in following areas :

- New product development
- Increased efficiencies
- Energy conservation
- Improving yields
- Improving quality

B) BENEFITS DERIVED AS THE RESULT OF THE ABOVE R&D

Following new products developed during last financial year

1) Balance Shrinkage Film (PET)

Specifically developed for thermal lamination coating.

2) Film for retort packing (PET)

Specifically developed for hot filling application.

3) Anti Fog Films (OPP)

Basically used for flower, vegetable packing and storage of food items at low temperature. Clarity of film is not affected by breathing of packed items and hence shelf life is increased.

4) Metallised Thick Films

Specifically developed for garment decorative applications and has very good sales potential.

C) FUTURE PLAN OF ACTION

Steps are continuously taken for upgradation of technology which results in development of new products at lower costs, improvement of production yields and improvement in quality.

D) EXPENDITURE ON R&D

No specific account is kept.

2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

a) Efforts in brief made towards technology absorption, adaptation and innovation

As company is setting up ultra modern oriented film lines, emphasis is always given on absorption of new technology.

b) Benefits derived as result of the above efforts.

Benefits derived from this efforts are improved product quality and higher efficiencies.

c) Export activities and Foreign Exchange earnings and outgo.

- 1) The Company has been continuously focusing on growth in increasing capacity of flexible packaging films with special emphasis on exports.
- 2) The Company has developed new markets in South America, East Europe, Bangladesh and Middle East.
- 3) Foreign Exchange earnings (on FOB basis) and outgo

	Rs/Crores	
	2006-07	2005-06
Earnings	352.22	249.58
Outgo	342.21	253.84

JINDAL POLY FILMS LIMITED

AUDITORS' REPORT

To The Members of Jindal Poly Films Limited

We have audited the attached Balance Sheet of M/S JINDAL POLY FILMS LIMITED as at 31st March, 2007 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March, 2007 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and notes thereon in Schedule '18' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007 and,
 - ii. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 31.08.2007

(R.K KANODIA)
PARTNER
Membership No.016121

ANNEXURE TO AUDITORS' REPORT OF JINDAL POLY FILMS LIMITED

(Annexure referred to in our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the management during the year has physically verified all the fixed assets of the Company and no material discrepancies between the book records and the physical verification were noticed on such verification.
(c) Fixed assets disposed off during the year, were not substantial and, therefore, it does not affect the going concern assumption.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) The company has neither granted nor taken loan, secured or unsecured, to / from Companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not required.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems. However, the corrective actions were taken against the minor weaknesses as noticed and informed to them.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act have been so entered.
(b) As per the audit procedures applied by us and as per the information and explanations given to us, with respect to the transactions as entered in the register maintained under section 301, exceeding the value of five lac rupees in respect to any party during the financial year, the prices at which these have been made are reasonable having regard to the prevailing, market prices at that time.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause(vi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records, u/s 209(1)(d) of the Companies Act, 1956 and are of opinion that prima –facie the prescribed records and accounts have been maintained by the company. However, we have not made a detailed examination of these records to verify whether they are accurate or complete.
9. (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2007 for a period of more than six months from the date of becoming payable.

JINDAL POLY FILMS LIMITED

(b) According to the information and explanation given to us, details of dues of income tax, sales tax, excise, customs, wealth tax and service tax which have not been deposited on account of any dispute are given below:

Nature of the Statute	Nature of the dues	Amount Disputed (Rs/Lacs)	Forum where dispute is pending
1. Income Tax Act	Income Tax demand	419.70	CIT(A) F.Y.1998-99
	Income Tax demand	11.60	ITAT F.Y.1994-95
	Income Tax demand	65.40	ITAT F.Y.2000-2001
	Income Tax demand	5.26	CIT(A) F.Y 1997-98
	Income Tax demand	2.40	CIT(A) F.Y 2002-03
	Income Tax demand	4.0	CIT(A) F.Y. 2003-04
2. Excise Act	Excise Demand	497.44	CESTAT
3. Sales Tax Act	Sales Tax Demand	33.04	Sales Tax Tribunal
4. Custom Law Act	Demand	282.54	Asst. Commissioner

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions or to the banks or to the debenture holders.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund/Nidhi/Mutual Fund/ Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments timely entries have been made therein. All shares, debentures, and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees against loans taken by others from banks & financial institutions.
16. The company has not raised any term loans during the year. Hence the paragraph 4(xvi) of the order is not applicable.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the company on short-term basis have not been applied for long-term investments and vice versa.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company does not have any debentures outstanding as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
20. We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 31.08.2007

(R.K KANODIA)
PARTNER
M. No. 016121

JINDAL POLY FILMS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2007

	SCHEDULE		31.03.2007 Rs./Crores		31.03.2006 Rs./Crores
SOURCES OF FUNDS					
SHAREHOLDER'S FUNDS					
Share Capital	1	28.10		28.10	
Reserves & surplus	2	<u>758.78</u>	786.88	<u>700.56</u>	728.66
LOAN FUNDS					
Secured Loans	3	237.11		273.74	
Unsecured Loans	4	<u>0.22</u>	237.33	<u>0.79</u>	274.53
Deferred Tax Liability (Net)	8B		<u>123.26</u>		110.69
			<u>1,147.47</u>		<u>1,113.88</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	1,239.80		1,126.74	
Less: Depreciation		<u>384.02</u>		<u>324.35</u>	
Net Block		855.78		802.39	
Add: Capital Work in Progress (Including Capital Advances)		<u>45.30</u>	901.08	<u>49.95</u>	852.34
INVESTMENTS	6		93.25		165.69
CURRENT ASSETS, LOANS & ADVANCES	7				
Inventories		106.22		115.43	
Sundry Debtors		87.25		53.89	
Cash & Bank Balances		7.74		10.12	
Loans & Advances		<u>52.28</u>		<u>55.11</u>	
		<u>253.49</u>		<u>234.55</u>	
LESS: CURRENT LIABILITIES & PROVISIONS	8A				
Current Liabilities		88.61		127.05	
Provisions		<u>11.75</u>		<u>11.66</u>	
		<u>100.36</u>		<u>138.71</u>	
Net Current Assets			153.13		95.84
Miscellaneous Expenditure (To the extent not written off or adjusted)	9		0.01		0.01
			<u>1,147.47</u>		<u>1,113.88</u>
Notes on Accounts	18				
As per our report of even date annexed					

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M. No. 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007

(L.P. SONI)

Vice President (Fin.) & Company Secretary

JINDAL POLY FILMS LIMITED

PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2007

	SCHEDULE	Year Ended 31.03.2007 Rs./Crores	Year Ended 31.03.2006 Rs./Crores
INCOME			
Sales		1,129.31	926.15
Less :Excise Duty		109.50	94.66
NET SALES		1,019.81	831.49
Other Income	10	12.37	16.96
Accretion/(Decretion) in Stock	11	(8.88)	10.48
		1,023.30	858.93
EXPENDITURE			
Raw Material Consumed	12	671.27	553.85
Manufacturing Expenses	13	125.23	116.32
Excise on Increase/(Decrease) in Stock		(0.59)	1.34
Personnel Expenses	14	12.30	11.41
Interest & Financial charges	15	17.55	15.72
Selling & Distribution Expenses	16	36.03	38.44
Other Expenses	17	10.65	9.35
Depreciation	5	60.55	59.47
		932.99	805.90
PROFIT FOR THE YEAR		90.31	53.03
Less :- Provision for Taxation			
-Current tax (Including FBT)		12.77	3.95
-Deferred tax		12.57	2.37
PROFIT AFTER TAX		64.97	46.71
Add: Balance as per last Balance Sheet		47.18	12.34
Less: Income tax for earlier years		0.18	1.00
		111.97	58.05
APPROPRIATIONS			
Proposed Dividend			
-Preference Shares		-	0.84
-Equity Shares		5.62	5.62
-Tax on Proposed Dividend		0.95	0.91
Transfer to General Reserve		50.00	3.50
Balance carried forward		55.40	47.18
		111.97	58.05
Earning per Share (Basic & Diluted) (Rs.)		23.12	17.52

Notes on Accounts 18
As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)
Partner
M. No. 016121

(S. BANERJEE)
Whole Time Director (Marketing)

(S. SINGHAL)
Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007

(L.P. SONI)
Vice President (Fin.) & Company Secretary

JINDAL POLY FILMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	Year Ended 31.03.2007 Rs./Crores	Year Ended 31.03.2006 Rs./Crores
A. Cash Flow from Operating activities:		
Net Profit before tax and extraordinary items	90.31	53.03
Adjustment for:		
Depreciation	60.55	59.47
(Profit)/Loss on sale of Assets (net)	(0.15)	0.02
(Profit)/Loss on sale of Investment (net)	(9.03)	(12.31)
Interest Income	(0.12)	(0.78)
Dividend Income	(0.76)	(3.64)
Interest on Borrowings	15.60	13.41
Miscellaneous Expenditure amortised	-	0.03
	66.09	0.03
	156.40	109.23
Operating Profit before Working Capital changes		
Adjustments for:		
Inventories	9.21	(3.84)
Trade receivables	(33.36)	17.31
Loans & Advances	(0.01)	10.59
Trade Payables and Other Liabilities	(39.02)	(69.15)
	(63.18)	(69.15)
Cash Generated from Operations	93.22	64.14
Direct Taxes paid	(8.65)	(7.31)
Net Cash from Operating Activities (A)	84.57	56.83
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(109.33)	(91.60)
Sale of Fixed Assets	0.20	0.02
Purchase of Investments	(96.70)	(312.24)
Sale of Investments	178.16	185.07
Interest Received	0.12	0.78
Dividend Received	0.76	3.64
	(26.79)	(214.33)
Net Cash used in Investment Activities (B)		
C. Cash Flow from Financing Activities:		
Proceeds from issue of Share Capital	-	283.99
Proceeds of Borrowings	(37.20)	(34.49)
Redemption of Redeemable Preference Shares	-	(66.00)
Dividend paid	(7.36)	(20.18)
Interest Paid	(15.60)	(13.41)
	(60.16)	149.91
Net Cash from Financing Activities (C)		
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	(2.38)	(7.59)
Cash and Cash equivalents as at 1st April (Opening Balance)	10.12	17.71
Cash and Cash equivalents as at period end (Closing Balance)	7.74	10.12

Notes on Accounts 18
As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)

Partner
M. No. 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007

(L.P. SONI)
Vice President (Fin.) & Company Secretary

JINDAL POLY FILMS LIMITED

SCHEDULES

1. SHARE CAPITAL	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/- each	30.00	30.00
175,000,000 (175,000,000) Preference Shares of Rs.10/- each	175.00	175.00
	<u>205.00</u>	<u>205.00</u>
ISSUED, SUBSCRIBED & PAID UP		
28,095,880 (28,095,880) Equity Shares of Rs. 10/- each	28.10	28.10
	<u>28.10</u>	<u>28.10</u>

Notes on Share capital :-

- 1 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
- 2 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves.

2. RESERVES & SURPLUS	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
CAPITAL RESERVE		
As per last Balance sheet	0.11	0.11
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	418.82	143.49
Add : Received during the year	-	291.67
Less :Expenses Incurred on Public Issue	-	16.34
	<u>418.82</u>	<u>418.82</u>
EXPORT PROFIT RESERVE		
As per last Balance sheet	0.01	0.01
AMALGAMATION RESERVE		
As per last Balance sheet	42.28	42.28
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	129.14	63.14
Add : Transferred from General Reserve	-	66.00
	<u>129.14</u>	<u>129.14</u>
GENERAL RESERVE		
As per last Balance sheet	63.02	125.52
Less : Utilised for transfer to Capital Redemption Reserve	-	66.00
Add : Transferred from Profit & Loss account	50.00	3.50
	<u>113.02</u>	<u>63.02</u>
BALANCE CARRIED FORWARD IN PROFIT & LOSS ACCOUNT		
	55.40	47.18
	<u>758.78</u>	<u>700.56</u>

3. SECURED LOANS

(A) TERM LOANS FROM BANKS		
Foreign Currency Loans	171.24	215.96
(B) WORKING CAPITAL LOANS FROM BANK		
(Includes bill discounting of Rs. 50.00 Crores, Previous year Rs 20.86 Crores)	65.87	57.78
	<u>237.11</u>	<u>273.74</u>

SCHEDULES

Notes on Secured Loans :

- (i) Term loans from banks are secured by first pari-pasu equitable mortgage of immovable properties of the company situated at Gulaothi (U.P). & Nasik (Maharashtra) and hypothecation of all movable assets (save and except book debts) subject to prior charge of the banks for working capital requirements.
- (ii) Working Capital Loans from banks are secured by way of hypothecation of all stocks of raw materials, semi finished goods, finished goods, goods in transit, stores and spares and book debts of the company These are further secured by way of second pari-pasu charge on immovable properties of the company situated at Gulaothi (U P) & Nasik (Maharashtra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

4. UNSECURED LOANS

Security Deposits

31.03.2007
Rs./Crores

0.22

0.22

31.03.2006
Rs./Crores

0.79

0.79

5. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At	Additions	Sale/	Total	As At	For the	Sale/	Total	As At	As At
	01.04.2006		adustment	31.03.2007	01.04.2006	Year	Adustment	31.03.2007	31.03.2007	31.03.2006
Land (Freehold)	4.27	-	-	4.27	-	-	-	-	4.27	4.27
Factory Buildings	112.22	14.44	-	126.66	22.64	3.98	-	26.62	100.04	89.58
Other Buildings	20.80	0.02	-	20.82	2.62	0.34	-	2.96	17.86	18.18
Plant & Machinery	979.38	99.22	1.85	1,076.75	292.90	55.42	0.88	347.44	729.31	686.48
Furniture & Fixture	1.40	0.14	-	1.54	1.01	0.09	-	1.10	0.44	0.39
Office Equipments	2.25	0.48	-	2.73	0.97	0.12	-	1.09	1.64	1.28
Computers	3.34	0.47	-	3.81	2.61	0.31	-	2.92	0.89	0.73
Vehicles	3.08	0.14	-	3.22	1.60	0.29	-	1.89	1.33	1.48
TOTAL	1,126.74	114.91	1.85	1,239.80	324.35	60.55	0.88	384.02	855.78	802.39
Capital work in Progress	49.95	112.25	116.90	45.30	-	-	-	-	45.30	49.95
GRAND TOTAL	1,176.69	227.16	118.75	1,285.10	324.35	60.55	0.88	384.02	901.08	852.34
PREVIOUS YEAR	1,085.22	179.34	87.87	1,176.69	264.97	59.47	0.09	324.35	852.34	820.25

Addition to Plant & Machinery has been adjusted by Rs.4.74 Cr.(Net), Previous Year Rs.7.62 Cr. (Net) being the amount of foreign exchange fluctuation arising on Foreign Currency Loans taken for Plant & Machinery.

6. INVESTMENT-LONG TERM

	FACE VALUE	NUMBER OF SHARES			
		31.03.2007	31.03.2006	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
(I) Non Trade					
(i) Equity Shares (Quoted)					
Phil Corporation Ltd.	10	300	300	-	-
India Foils Ltd.	10	100	100	-	-
Garware Polyester Ltd.	10	100	100	-	-
Ester Industries Ltd.	5	500	500	-	-
(ii) Equity Shares (Un Quoted)					
Jindal France SAS	EURO 1	3563000	-	21.07	-
(iii) Equity shares warrant					
Garware Polyester Ltd.		11	11	-	-
				21.07	-
(II) Trade					
(a) Equity Shares (Quoted)					
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	3.04	3.04
				3.04	3.04
(III) In Subsidiaries					
(a) Equity Shares (Un Quoted)					
Hindustan Polyesters Ltd.	10	50000	50000	0.05	0.05
Jindal France SAS	EURO 1	-	3563000	-	21.07
				0.05	21.12
TOTAL 'A'				24.16	24.16

JINDAL POLY FILMS LIMITED

SCHEDULES

INVESTMENT OF UNUTILISED IPO MONEY NUMBER OF SHARES

B) CURRENT INVESTMENTS	FACE VALUE	NUMBER OF SHARES			
		31.03.2007	31.03.2006	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
(I) UTI Floating Rate Fund-Short Term Plan (Growth Option)	1000	26,222	-	3.00	-
(II) DSPML Floating Rate Fund -Regular Plan-Growth	10	2,581,733	-	3.00	-
(III) TFRSIG Tata Floating Rate Short Term Inst.Plan- Growth	10	9,122,218	-	10.00	-
(IV) LICMF Floating Rate Fund-Short Term Plan-Growth Plan	10	13,318,491	-	15.00	-
(V) FRPCG ICICI Prudential Floating Rate Plan C-Growth	10	21,059,206	-	22.09	-
(VI) UTI Fixed Maturity Plan Yearly Series YFMP/0307-Growth Plan	10	5,000,000	-	5.00	-
(VII) B836G Birla FTP-Instl-Series-T- Growth	10	6,000,000	-	6.00	-
(VIII) Franklin Templeton Fixed Tenure Fund Series VII 370days plan Growth	10	5,000,000	-	5.00	-
(IX) Grindlays Floating Rate - ST- Super Inst Plan C Growth	10	-	18,787,457	-	20.00
(X) HDFC Floting Rate Income Fund Short Term Plan Growth	10	-	22,074,753	-	25.00
(XI) Principal Floating Rate Fund SMP Insti. Option- Dividend Reinvestment Weekly	10	-	12,004,747	-	12.01
(XII) Prudential ICICI Floating Rate Plan C Growth	10	-	28,579,866	-	30.00
(XIII) UTI Floating Rate Fund- Short Term Plan Weekly Dividend Option	1000	-	243,166	-	24.52
(XIV) LIC Mutual Fund Floating Rate Fund-Short Term Plan -Growth Plan	10	-	5,429,423	-	6.00
(XV) Principal Floating Rate Fund SMP INSTI OPTION-GROWTH PLAN	10	-	4,611,185	-	5.00
(XVI) Birla Floating Rate Fund Short term Growth	10	-	17,166,606	-	19.00
TOTAL 'B'				69.09	141.53
(Net Asset Value of Mutual Funds is Rs. 73.78 Crores (Previous Year Rs.145.47 Crores))					
TOTAL (A+B)				93.25	165.69
Aggregate value of quoted Investments				3.04	3.04
Aggregate value of unquoted Investments				90.21	162.65
Market Value of Quoted Investments				3.03	4.66

MOVEMENT DURING THE YEAR (Purchased and Sold)

Mutual Fund Units

	FACE VALUE	NO. OF UNITS	Cost in Rs./Cr.
i) Principal Floating Rate Fund SMP Insti. Option- Dividend Reinvestment Weekly	10	224,323	0.22
ii) UTI Floating Rate Fund- Short Term Plan (Dividend Option) Weekly Dividend Option	1000	4,675	0.47
iii) LICMF Floating Rate Fund -Short Term Plan-Growth Plan	10	8,770,048	10.00
iv) B46 Birla Sunlife Cash Manager -Institutional Plan-Growth	10	8,152,218	10.00
v) B45 Birla Sunlife Cash Manager -IP-Weekly Dividend-Reinvestment	10	1,002,217	1.00
vi) B47 Birla Sunlife Cash Manager -IP-Daily Dividend-Reinvestment	10	3,004,112	3.00
vii) PFRDG Prudential ICICI Floating Rate Plan D-Growth	10	2,779,940	2.91

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2007 Rs./Crores		31.03.2006 Rs./Crores
7. CURRENT ASSETS, LOANS AND ADVANCES			
A. CURRENT ASSETS			
STOCK IN TRADE (As per Inventories taken, valued and certified by the Management)			
Finished Goods	25.84		34.49
Raw Material (Including in Transit Rs.6.46 Crores, Previous Year Rs 10.57 Crores)	58.50		54.53
Scrap	0.28		0.51
Store, Spares and Tools	21.60	106.22	25.90
SUNDRY DEBTORS (Unsecured, considered Good)			
Debts exceeding six months	2.60		2.77
Other Debts	84.65	87.25	51.12
CASH & BANK BALANCES			
Cash & stamps in hand (including Drafts/ Cheques)	0.01		0.02
Balance with Schedule Banks			
In Current Accounts	4.81		9.75
In Fixed deposit Accounts (Fixed Deposits of Rs.2.90 Crore pledged as Margin Money with appropriate authority Previous Year Rs 0.34 Crore)	2.92	7.74	0.35
B. LOANS AND ADVANCES (Unsecured -considered Good)			
Advances (Recoverable in cash or in kind or for value to be received)	44.78		37.03
Security Deposits	2.88		4.21
Balance with Central Excise	4.62		11.03
Advance Income Tax (net of provision previous year Rs. 13.71Crores) (Including Tax deducted at source)	-	52.28	2.84
		253.49	234.55
8.A CURRENT LIABILITIES AND PROVISIONS			
(1) CURRENT LIABILITIES			
Sundry Creditors			
- For Capital Goods	11.17		16.75
- Others	44.72		72.38
Other Liabilities	17.55		14.40
Advance from customers	13.37		21.69
Unclaimed dividend	0.23		0.21
Interest on Loans accrued but not due	1.57	88.61	1.62
(2) PROVISIONS			
Provision of Excise Duty on Finished Goods	3.72		4.30
Proposed dividend	5.62		6.45
Tax on Proposed dividend	0.95		0.91
Provision for Taxation (Net of Advance Tax Rs. 15.30 crore, including Tax deducted at source)	1.46	11.75	-
		100.36	138.71
8.B DEFERRED TAX			
DEFERED TAX LIABILITY			
Difference between book and Tax depreciation	110.69		108.32
Current year change	12.57	123.26	2.37
		123.26	110.69

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2007		31.03.2006	
(To the extent not written off or adjusted)	Rs./Crores		Rs./Crores	
9 MISCELLANEOUS EXPENDITURE				
PRELIMINARY EXPENSES				
As per last Balance Sheet	0.01		0.03	
Less: Written off during the year	-	0.01	0.02	0.01
DEFERRED REVENUE EXPENDITURE				
As per last Balance Sheet	-		0.01	
Less: Written off during the year	-	-	0.01	-
		0.01		0.01
10 OTHER INCOME				
Dividend :				
On Current Investments	0.70		2.24	
On Long Term Investments	0.06	0.76	1.40	3.64
Profit on sales of short term Investment		9.03		12.31
Profit on sales of Fixed Assets		0.15		-
Miscellaneous Receipts		1.02		0.13
Lease Rent		0.01		0.01
Foreign exchange fluctuation (Net)		0.99		-
Claims Received		0.29		0.09
Interest Received		0.12		0.78
(Including TDS Rs. 0.01 Crores, Previous year Rs. 0.08 Crores)		12.37		16.96
11 ACCRETION/(DECRETION) IN STOCK				
OPENING STOCK				
Finished Goods	34.49		23.09	
Scrap	0.51	35.00	1.43	24.52
CLOSING STOCK				
Finished Goods	25.84		34.49	
Scrap	0.28	26.12	0.51	35.00
Accretion/(Decretion)		(8.88)		10.48
12 RAW MATERIAL CONSUMED				
Opening stock		44.15		51.35
Add: Purchases		677.78		550.16
		721.93		601.51
Less: Sales		0.23		-
Less:- Loss on sale of Raw Materials		0.10		-
Less/(Add): Cost Benefits (refer note no.15)		(1.74)		3.51
		723.34		598.00
Less:- Material Used for Trial Run		0.04		-
Less: Closing Stock		52.03		44.15
		671.27		553.85

SCHEDULES

	31.03.2007	31.03.2006
	Rs./Crores	Rs./Crores
13 MANUFACTURING EXPENSES		
Stores and Spare parts consumed	9.91	7.89
Power and Fuel	78.62	78.94
Carriage Inwards	2.60	4.83
Water charges	0.21	0.35
Job Work Charges	0.04	0.03
Repairs to Machinery	0.80	0.40
Repairs to Buildings	0.51	0.05
Packing Material consumed	32.54	23.83
	125.23	116.32
14 PERSONNEL EXPENSES		
Salaries, Wages & Bonus	10.41	9.09
Gratuity	0.39	0.47
Contribution to Provident Fund & other Funds	0.51	0.51
Staff & Workmen Welfare Expenses	0.89	1.26
Staff Recruitment & Development	0.10	0.08
	12.30	11.41
15 INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	12.34	9.39
On Bank Borrowings	3.26	4.02
Financial charges	1.95	2.31
	17.55	15.72
16 SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	29.28	29.31
Commission	5.97	8.47
Others	0.78	0.66
	36.03	38.44
17 OTHER EXPENSES		
Rent, Rates & Taxes	0.26	0.35
Travelling & Conveyance	2.42	1.76
Charity & Donation	0.06	-
Postage, & Telephone charges	0.68	0.80
Legal & Retainership Charges	1.55	1.55
Vehicle upkeep & Maintenance	0.69	0.68
Water & Electricity Charges	0.23	0.10
Repair and Maintenance others	0.66	0.73
Insurance	1.88	2.15
Auditors' Remuneration	0.08	0.08
Printing & Stationery	0.36	0.32
Licence, Inspection and Testing Fees	0.28	0.18
Miscellaneous expenses	0.54	0.50
Directors Sitting Fees	-	-
Foreign exchange fluctuation (Net)	-	0.10
Loss on sale of Raw Materials	0.96	-
Loss On sale of Fixed Assets	-	0.02
Miscellaneous Expenditure written off	-	0.03
	10.65	9.35

SCHEDULES

18. NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- i. Recognition of Income and Expenditure
All revenues and expenditures are accounted for on accrual basis except wherever stated otherwise.
- ii. Sales
Sales, other than export sales, are inclusive of Excise Duty and shown net of returns and discounts.
- iii. Fixed Assets
Fixed Assets are stated at cost less depreciation.
- iv. Depreciation
Depreciation on fixed assets has been calculated on Straight Line method on pro-rata basis at the rates specified in Schedule-XIV of the Companies Act, 1956. However in case of plant and machineries where ever applicable, higher depreciation rates have been charged based upon residual useful life.
- v. Investments
Current Investments are valued at acquisition cost or market value whichever is lower. Long term investments are valued at acquisition cost. Diminution in value of Long term investment is provided only if such a diminution is other than temporary in the opinion of the management
- vi. Inventories
Raw materials, stores, spares & tools are valued at cost (Cost formula FIFO basis). Scrap is valued at estimated realisable value. Finished goods are valued at lower of cost and net realizable value. Stock of material sold by one unit to other is valued at transfer price.
- vii. Excise Duty
Excise duty is accounted for and included in the closing stock of finished goods.
- viii. Foreign Currency Transactions
Exchange difference arising on repayment of foreign exchange liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are adjusted in the carrying amount of respective fixed assets.
The carrying amount of such fixed assets against which the liabilities in any foreign currency are outstanding is also adjusted to account for any increase or decrease in such liability by applying the closing rate or the rate as per forward exchange contract, if any.
In case of any profit or loss arising on cancellation or renewal of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, such profit or loss is adjusted in the carrying amount of the respective fixed assets.
Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets, are recognised as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognised as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.
- ix. Export Benefits
Advance licenses obtained against actual export made are being accounted on accrual basis based upon difference between domestic vs. imported raw material prices prevailing at the end of the period and is adjusted to raw material cost.
- x. Retirement Benefits
The actuarial valuation of the accrued liability for retirement gratuities payable to employees up to year ended has been funded and is held in a trustees administered approved fund which is separate from the Company's finances. Encashment of Leaves is being done on yearly basis.
- xi. Borrowing Costs
Borrowing cost that is directly attributable to the acquisition of assets has been Capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use. All other borrowing cost are charged to revenue in the period when they are incurred.
- xii. Taxation
 - (a) Current Year Charge
Provision for Income-tax/Fringe benefit tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

SCHEDULES

(b) Deferred Tax

The company provides for deferred tax using the liability method, based on the tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

xiii Earnings per share

Earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference shares dividend) by the weighted average number of equity shares outstanding during the year.

xiv. Miscellaneous Expenditure

Preliminary expenditure/ share issue expenses are being written off over a period of five years.

xv. Expenses during construction period

Expenses incurred during construction period have been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use, except where some expenditure paid during subsequent year pertaining to already installed Asset.

xvi. Impairment of Assets

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Impairment Loss is charged to Profit & Loss A/c in the year in which impairment is identified.

xvii. Contingent Liability

Contingent Liabilities, if material, are disclosed by way of notes.

	31.03.07	31.03.06
	Rs./Crore	Rs./Crore
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	27.40	1,14.78
3. Contingent Liabilities :		
a. Bank Guarantees	23.97	11.41
b. Outstanding Letters of Credit (Including Capital Goods)	46.50	1,48.36
c. Claims against Company, not acknowledged as debts	2.24	1.55
d. Demands raised by authorities against which, Company has filed appeals:-		
i) Income Tax	5.08	5.38
ii) Excise Duties	4.97	3.39
iii) Sales Tax	0.33	0.32
iv) Custom Duties	2.83	2.83
4. In the opinion of the Board and to the best of their knowledge and belief, the realizable value of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.		
5. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant & machinery and sheds & building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.		
6. A sum of Rs. 0.02 Crore of unpaid dividend remains to be deposited with Investor Education and Protection Fund.		
7. Remuneration to Whole Time Directors		
	31.03.07	31.03.06
	Rs./Crore	Rs./Crore
Salary	0.20	0.22
Provident Fund Contribution	0.00	0.00
Perquisites	0.02	0.03
	0.22	0.25
8. Remuneration to Auditors comprises:		
Audit Fee	0.04	0.04
Tax Audit Fees	0.01	0.01
In Other Capacities	0.03	0.08
(Last year figures are inclusive of amount debited to Public Issue Expenditures)		
	0.08	0.13

JINDAL POLY FILMS LIMITED

SCHEDULES

9. Computation of Net Profit under section 198 of the Companies Act, 1956 for the purpose of remuneration payable to Whole Time Directors has not been enumerated as no commission is payable to them.
10. Biaxially Oriented Polypropylene Film unit was commercially commissioned in the current year. Preoperative expenditure capitalized to respective fixed assets are as under:

	31.03.07 Rs./Crore	31.03.06 Rs./Crore
Raw Material (Trial Run)	0.04	-
Salary	0.37	-
Power & Fuel	0.57	-
Total	0.98	-

11. a) There is no overdue outstanding as on 31.03.2007, due to small scale Industrial units covered under Small Scale and Ancillary Industrial Undertakings Act, 1993.
- b) There Company has not received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
12. The Export obligation undertaken by the company for import of capital equipments under EPCG/100% EOU scheme of the Central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.
13. a) As per Accounting Standard 28 issued by ICAI, impairment loss on Assets at Khanvel (Being one of the unit Manufacturing PET Films of the company) was provided by the company during the year ended 31st March, 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been suspended.
- b) There is no operation during the year in respect of Company's 2 units at Gulaothi Unit-I and Gulaothi Unit-2 and carrying cost of these units are reflected at historical cost. The management is of view that there is no loss on account of impairment of assets as required by AS 28 issued by ICAI as the realisable value of these assets are higher than the carrying cost.
14. Term Loan installments due within one year is amounting to Rs 38.59 Crore (Previous Year Rs 39.76 Crore).
15. A sum of Rs.1.74 Crore being the difference between domestic vs. imported material prices prevailing at the end of the period ended 31st March 2007 on account of advance licenses excess utilized over exports made, whereas, in previous year Rs.3.51 Crore on account of advance licenses obtained but not utilized on account of exports already made, has been adjusted in the cost of raw material.
16. Advance receivable in cash or in kind includes Rs.2.83 Crore being the amount of custom duty deposited against import of capital goods assessed under provisional assessments.
17. 600 shares of Hindustan Polyester Ltd. of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.
18. Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.
19. Pending full utilisation of funds raised through public offering, the balance funds have been deployed temporarily in short term investments.
20. Jindal France S.A.S has ceased to be subsidiary of the Company due to increase in its issued and paid up share capital.
21. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

JINDAL POLY FILMS LIMITED

SCHEDULES

22. Additional information pursuant to the provision of the part II of Schedule II of the Companies Act, 1956 (as certified & classified by the Management)

a) **Particulars of capacities and production (in MT)**

Class of Goods	*Licenced Capacity	*Installed Capacity	Actual Production
i) Polyester Filament Yarn**	54,000 (54,000)	54,000 (54,000)	- (10,406)
ii) Polymer Chips	131,000 (131,000)	121,175 (121,175)	69,746 (70,367)
iii) Biaxially Oriented Polyester/ Polypropylene Film	176,000 (131,000)	176,000 (131,000)	118,384 (97,702)

*As certified by the management but not verified by the Auditors, being the technical matter.

**Refer Note No. -13(B)

b) **Particulars of Stock & Turnover of Goods Produced (in MT)**

Class of Goods	Opening Stock		Closing Stock		Turnover	
	Qty(MT)	Value (Rs/ Cr.)	Qty(MT)	Value (Rs/ Cr.)	Qty(MT)	Value (Rs/ Cr.)
i) Polyester Filament Yarn	1,003.920 (556.681)	7.27 (4.67)	-	-	1,003.920 (9,958.441)	7.52 (83.59)
ii) Polymer Chips	246.355 (582.735)	1.84 (4.26)	1,023.742 (246.355)	7.75 (1.84)	68,968.539 (70,703.100)	400.09 (375.50)
iii) Biaxially Oriented Polyester/ Polypropylene Film & Metalized	3,232.714 (1,871.246)	25.38 (14.15)	2,256.775 (3,232.714)	17.79 (25.38)	119,360.025 (96,340.951)	1,116.33 (804.98)
iv) Others		0.52 (1.43)		0.61 (0.52)		7.15 (38.76)
						1,531.09 (1,302.83)
Less:- Inter Unit Transfer of 68968.539 MT (70449.190 MT) Polymer Chips						400.09 (374.81)
Less:-BOPP /PET Film lying under stock of raw material sent for metalizing /Coating 246.304 MT (277.568 MT)						1.68 (1.87)
						1,129.31 (926.15)

c) **Details of Consumption of Raw Material**

Class of Goods	Quantity (MT)		Amount (Rs/Cr.)	
DMT/PTA	60151.193	(70,171.744)	256.11	(249.26)
MEG	24253.901	(24,391.734)	110.01	(95.88)
POLYMER CHIPS	68942.922	(70,752.244)	400.21	(372.50)
PP CHIPS & HOMO/CO POLYMER	46248.242	(33,032.626)	275.89	(173.91)
OTHERS			24.15	(20.70)
			1,066.37	(912.25)
Less:- Inter Unit Transfer Polymer Chips 68968.539 MT (70449.190 MT)			(400.09)	(365.69)
Less:- Sales of MEG/DMT/Additives 6.000 MT (0.460 MT)			(0.05)	(0.00)
Less:- Sale of Chips MT 107.519 (57.395 MT)			(0.17)	(0.13)
Less:- Transfer for trial run			(0.04)	-
Add:- Opening Export Benefits			3.51	(10.93)
Less:- Closing Export Benefits (Refer to Note No. 15) (Consumption in value is net of modvat)			1.74	(3.51)
			671.27	(553.85)

JINDAL POLY FILMS LIMITED

SCHEDULES

d) Details of regarding imported and indigeneous material consumed

PARTICULARS	IMPORTED		INDIGENEOUS		TOTAL	
	Value (Rs/Cr.)	%	Value (Rs/Cr.)	%	Value (Rs/Cr.)	%
Raw Material	211.87	32	459.40	68	671.27	100
	(169.28)	(31)	(384.57)	(69)	(553.85)	(100)
Stores & spares	5.48	55	4.43	45	9.91	100
	(2.36)	(30)	(5.53)	(70)	(7.89)	(100)
			2007			2006
			(Rs/Cr.)			(Rs/Cr.)

e) Details of imports calculated on CIF basis

Raw Material	215.71	(166.91)
Stores & spares	5.35	(5.09)
Capital Goods	106.44	(41.44)

f) Details of Expenditure in Foreign Currency

Foreign Travelling	0.31	(0.12)
Interest	13.72	(38.89)
Commission	0.39	(0.95)
Others	0.29	(0.46)

g) Earning in Foreign Currency

FOB Value of Exports	352.22	(249.58)
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h) Dividend paid to Non residence Share holder in Foreign Currency

i. No. of share holder	265	411
ii. Dividend remitted	0.01	0.16

i) Other Additional Information

Nil	Nil
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j) Previous Year's figures have been given in brackets.

23. Earning Per Share

Profit after Tax and all Preference dividends in Rs./Crores	64.97	45.75
Weighted average no. of Equity shares outstanding	28,095,880	26,109,581
Basic and Diluted earnings per share in Rupees	23.12	17.52

24. No loans & advances have been given during the year and there is no outstanding at the year end of the company which is required to be disclosed under clause 32 in terms of listing agreement

25. Segment Reporting Policies

i) Primary Segment

Business Segment : The Company's operating business are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

ii) Secondary Segment

Geographical Segment : The analysis of geographical segment is based on the geographical location of the customers.

iii) Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

PRIMARY SEGMENT

Rs./Crores

Segment revenue

31st March, 2007

31st March, 2006

a) Polyester Yarn/Chips Division	8.06	90.03
b) PET/OPP Film Division	1,521.35	1,210.94
c) Other Revenue	12.37	16.96
Total	1,541.78	1,317.93
Less:- Inter Segment revenue	400.10	374.82
Total revenue	1,141.68	943.11

JINDAL POLY FILMS LIMITED

SCHEDULES

Segment profit before interest & tax

a) Polyester Yarn/Chips Division	(9.56)	12.75
b) PET/OPP Film Division	105.05	64.57
c) Other Revenue	12.37	16.96
Total	107.86	68.78
Less:- Interest	17.55	15.72
Less:-Unallocable Expenditure	0.00	0.03
Profit before tax	90.31	53.03

Capital Employed

a) Polyester Yarn/Chips Division	39.40	60.87
b) PET/OPP Film Division	1,022.84	891.83
c) Others	85.21	161.17
Total	1,147.45	1,113.87

SECONDARY SEGMENT

Sales in Domestic market	765.37	659.65
Sales in Overseas market	363.94	266.50
	1,129.31	926.15

The company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for capital employed can not be furnished.

26. As required by Accounting Standard-18 "Related party disclosure" issued by the Institute of Chartered Accountants of India are as follows:-

List of Related parties

A. Companies/Individuals

- 1 Sh. B.C.Jindal
- 2 Sh. S.S.Jindal
- 3 Smt. Subhadra Jindal
- 4 Miss Akriti Jindal
- 5 Consolidated Photo & Finvest Ltd.
- 6 Jumbo Finance Ltd
- 7 Jupax Barter Pvt..Ltd
- 8 Rishi Trading Co. Ltd
- 9 Jindal Photo Ltd
- 10 Soyuz Trading Co. Ltd
- 11 Jindal Photo Investments Ltd
- 12 Jindal Imaging ltd
- 13 Jindal Realtors Ltd
- 14 Jindal India Ltd
- 15 Consolidated Realtors Ltd.
- 16 Jindal Meadows Ltd.
- 17 Conslidated Finvest & Holdings Ltd.
- 18 Consolidated Buildwell Ltd.
- 19 Agile Properties Ltd.
- 20 Vigile Farms Ltd.
- 21 Jindal Thermal Power Ltd.
- 22 Jasmine Investment Ltd.
- 23 Pasion Tea Private Ltd.
- 24 Bajaloni Group Ltd.
- 25 Jindal France SAS
- 26 Rexor SAS

JINDAL POLY FILMS LIMITED

SCHEDULES

B. Subsidiary Company

- 1 Hindustan Polyesters Ltd.

C. Key Management personnels

- 1 Sh. Sameer Banerjee
- 2 Sh. Sumant Singhal
- 3 Sh. Punit Gupta

Details of Transactions with related parties are as follows :

	31st March, 2007	Rs/Crores 31st March,2006
1 <u>Sales and other Income</u>		
Subsidiary Company	Nil	40.74
Companies/Individuals	39.83	0.25
2 <u>Remuneration/Sitting fees</u>		
Key Management personnel	0.22	0.25
3 <u>Purchases and other services</u>		
Companies/Individuals	1.26	0.75
Subsidiary Companies	Nil	1.54
Key Management personnels	Nil	Nil
4 <u>Outstanding at the year end</u>		
i. <u>Due to company</u>		
Subsidiary Companies	Nil	1.76
Companies/Individuals	2.17	0.01
Key Management personnels	Nil	Nil
ii. <u>Payable by the company</u>		
Subsidiary Companies	Nil	Nil
Companies/Individuals	0.12	0.14
Key Management personnels	Nil	0.01
5 <u>Redemption of Preference Shares</u>		
Companies/Individuals	Nil	66.00
6 Neither any advance is doubtful nor any written off during the year.		

JINDAL POLY FILMS LIMITED

Statement Pursuant to Section 212 of The Companies Act,1956 Relating to Subsidiary Companies

1	Name of the Subsidiary	:	Hindustan Polyester Ltd
2	Financial Year of the Subsidiary	:	31st March.2007
3	Holding Company's interest as on 31.03.07	:	Holder of 50,000 Equity Shares of Rs.10/-each being the total Issued, subscribed and paid up Equity Share Capital.
4	Net aggregate of the Subsidiary's profit/(Loss)so far as they concern members of Holding Company and not dealt with in the Holding Company's accounts:-		
	I)	For Subsidiary's period ended 31st March,2007	N.A
	II)	For Subsidiary's previous Financial Years since it became Subsidiary.	N.A
5	Net aggregate amount of the Subsidiary's profit/(Loss)so far as they concern members of Holding Company and dealt with in the Holding Company's accounts:-		
	I)	For Subsidiary's period ended 31st March,2007	Nil
	II)	For Subsidiary's previous Financial Years since it became Subsidiary.	Nil

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K.KANODIA)
Partner
M. No. 016121

(S. BANERJEE)
Whole Time Director (Marketing)

(S. SINGHAL)
Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007

(L.P. SONI)
Vice President (Fin.) & Company Secretary

Auditors' Report on Consolidated Financial Statement

To The Board of Directors of Jindal Poly Films Limited

We have audited the annexed consolidated Balance Sheet of M/S JINDAL POLY FILMS LIMITED and its subsidiary as at 31st March 2007, and consolidated Profit & Loss Account and the Consolidated Cash Flow Statement, both annexed there to, for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that consolidated that financial statements have been prepared by the company in accordance with the requirements of accounting standard 21, "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India and on the basis of the separated financial statements of Jindal Poly Films Ltd. and its subsidiary included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Jindal Poly Films Limited and its subsidiary Hindustan Polyester Limited, we are of the opinion that the said financial statements give a true and fair view in conformity with the accounting principal generally accepted in India:

- i) In the case of the consolidated balance sheet, the consolidated state of affairs of Jindal Poly Films Limited and its subsidiary as at 31st March 2007.
- ii) In the case of the consolidated Profit & Loss Account, the consolidated results of operations of Jindal Poly Films Limited and its subsidiary for the year ended 31st March 2007.
- iii) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Jindal Poly Films Ltd. and its subsidiary for the year ended 31st March 2007.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 31-08-2007

R.K.KANODIA
(PARTNER)
M. No. 016121

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2007

	SCHEDULE	Year Ended 31.03.2007 Rs./Crores		Year Ended 31.03.2006 Rs./Crores
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
Share Capital	1	28.10		28.10
Reserves & surplus	2	761.48	789.58	698.82
Minority Interest			-	0.81
LOAN FUNDS				
Secured Loans	3	237.11		306.98
Unsecured Loans	4	0.22	237.33	7.80
Deferred Tax Liability (Net)	8B		123.26	111.46
			1,150.17	1,153.97
APPLICATION OF FUNDS				
FIXED ASSETS				
Goodwill on Consolidation	5	-		7.00
Gross Block		1,239.80		1,243.38
Less: Depreciation		384.02		418.94
Net Block		855.78		831.44
Add: Capital Work in Progress (Including Capital Advances)		45.30	901.08	50.08
INVESTMENTS	6		95.92	144.57
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	7	106.22		147.65
Sundry Debtors		87.25		91.04
Cash & Bank Balances		7.78		10.36
Loans & Advances		52.27		55.86
		253.52		304.91
LESS: CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	8A	88.61		160.45
Provisions		11.76		16.61
		100.37		177.06
Net Current Assets			153.15	127.85
Miscellaneous Expenditure (To the extent not written off or adjusted)	9		0.02	0.03
			1,150.17	1,153.97
Notes on Accounts	18			

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M. No. 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007**(L.P. SONI)**
Vice President (Fin.) & Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2007

	SCHEDULE	Year Ended 31.03.2007 Rs./Crores	Year Ended 31.03.2006 Rs./Crores
INCOME			
Sales		1,129.31	1,051.99
Less :Excise Duty		109.50	94.67
NET SALES		1,019.81	957.32
Other Income	10	12.37	20.95
Accretion/(Decretion) in Stock	11	(8.88)	8.88
		1,023.30	987.15
EXPENDITURE			
Raw Material Consumed	12	671.27	598.12
Manufacturing Expenses	13	125.23	130.57
Excise on Increase/(Decrease) in Stock		(0.59)	1.34
Personnel Expenses	14	12.30	52.58
Interest & Financial charges	15	17.55	17.97
Selling & Distribution Expenses	16	36.03	45.21
Other Expenses	17	10.65	21.12
Depreciation	5	60.55	65.58
		932.99	932.49
PROFIT FOR THE YEAR			
		90.31	54.66
Less :- Provision for Taxation			
- Current tax (Including FBT)		12.77	5.54
- Deferred tax		12.57	3.14
Share of Profit/(Loss) of Minority		-	0.12
PROFIT AFTER TAX		64.97	45.86
Less:- Share of Loss in Associates		0.56	-
		64.41	45.86
Add: Balance as per last Balance Sheet		47.18	14.14
Less: Income tax for earlier years		0.19	1.00
		111.40	59.00
APPROPRIATIONS			
Proposed Dividend			
- Preference Shares		-	0.84
- Equity Shares		5.62	5.62
- Tax on Proposed Dividend		0.95	0.91
Transfer to General Reserve		50.00	3.50
Balance carried forward		54.83	48.13
		111.40	59.00
Earning per Share (Basic and Diluted Rs.)			
		22.92	17.20

Notes on Accounts 18

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M. No. 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007**(L.P. SONI)**
Vice President (Fin.) & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

	Year Ended 31.03.2007 Rs./Crores	Year Ended 31.03.2006 Rs./Crores
A. Cash Flow from Operating activities:		
Net Profit before tax and extraordinary items	90.31	54.66
Adjustment for:		
Depreciation	60.55	65.58
(Profit)/Loss on sale of Assets (net)	(0.15)	0.02
(Profit)/Loss on sale of Investment (net)	(9.03)	(12.31)
Effect of exchange rate fluctuation	-	(1.27)
Interest Income	(0.12)	(0.78)
Change of Miority Interest	-	0.09
Dividend Income	(0.76)	(3.64)
Interest on Borrowings	15.60	15.22
Miscellaneous Expenditure amortised	-	0.03
	<u>66.09</u>	<u>0.03</u>
	156.40	117.60
Operating Profit before Working Capital changes		
Adjustments for:		
Inventories	9.21	(2.46)
Trade receivables	(33.36)	9.97
Loans & Advances	(0.01)	9.28
Trade Payables and Other Liabilities	(39.03)	(60.96)
	<u>(63.19)</u>	<u>(44.17)</u>
Cash Generated from Operations	93.21	73.43
Direct Taxes paid	(8.65)	(10.54)
Net Cash from Operating Activities (A)	84.56	62.89
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(109.33)	(93.67)
Sale of Fixed Assets	0.20	2.08
Purchase of Investments	(96.70)	(312.24)
Sale of Investments	178.16	185.07
Pre-operative Expenditure Incurred	-	-
Interest Received	0.12	0.78
Dividend Received	0.76	3.64
	<u>(26.79)</u>	<u>(214.34)</u>
Net Cash used in Investment Activities (B)	(26.79)	(214.34)
C. Cash Flow from Financing Activities:		
Procceds from issue of Share Capital	-	283.99
Procceds of Borrowings	(37.21)	(38.59)
Redemption of Redeemable Preference Shares	-	(66.00)
Dividend paid	(7.36)	(20.18)
Interest Paid	(15.60)	(15.22)
	<u>(60.17)</u>	<u>144.00</u>
Net Cash from Financing Activities (C)	(60.17)	144.00
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	(2.40)	(7.45)
Cash and Cash equivalents as at 1st April (Opening Balance)	10.18	17.81
Cash and Cash equivalents as at period end (Closing Balance)	7.78	10.36

Notes on Accounts

18

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants**(R.K.KANODIA)**Partner
M. No. 016121**(S. BANERJEE)**

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007**(L.P. SONI)**

Vice President (Fin.) & Company Secretary

SCHEDULES

1. SHARE CAPITAL	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/- each	30.00	30.00
175,000,000 (175,000,000) Preference Shares of Rs.10/- each	175.00	175.00
	<u>205.00</u>	<u>205.00</u>
ISSUED, SUBSCRIBED & PAID UP		
28,095,880 (28,095,880) Equity Shares of Rs. 10/- each	28.10	28.10
	<u>28.10</u>	<u>28.10</u>

Notes on Share capital :-

- 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.
- 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves.

2. RESERVES & SURPLUS	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
CAPITAL RESERVE		
As per last Balance sheet	0.11	0.11
Capital Reserve due to consolidation of Associates	3.27	-
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	418.82	143.49
Add : Received during the year	-	291.67
Less :Expenses Incurred on Public Issue	-	16.34
	<u>418.82</u>	<u>418.82</u>
EXPORT PROFIT RESERVE		
As per last Balance sheet	0.01	0.01
AMALGAMATION RESERVE		
As per last Balance sheet	42.28	42.28
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	129.14	63.14
Add : Transferred from General Reserve	-	66.00
	<u>129.14</u>	<u>129.14</u>
GENERAL RESERVE		
As per last Balance sheet	63.02	125.52
Less : Utilised for transfer to Capital Redemption Reserve	-	66.00
Add : Transferred from Profit & Loss account50.00	113.02	63.02
	<u>3.50</u>	<u>63.02</u>
BALANCE CARRIED FORWARD IN PROFIT & LOSS ACCOUNT		
	54.83	48.13
FOREIGN CURRENCY TRANSACTION RESERVE ON CONSOLIDATION		
	-	(2.69)
	<u>761.48</u>	<u>698.82</u>
3. SECURED LOANS		
(A) TERM LOANS FROM BANKS		
Foreign Currency Loans	171.24	249.13
(B) WORKING CAPITAL LOANS FROM BANK		
(Includes bill discounting of Rs. 50.00 Crores, Previous year Rs 20.86 Crores)	65.87	57.85
	<u>237.11</u>	<u>306.98</u>

SCHEDULES**Notes on Secured Loans :**

- (i) Term loans from banks are secured by first pari-pasu equitable mortgage of immovable properties of the company situated at Gulaothi (U.P). & Nasik (Maharashtra) and hypothecation of all movable assets (save and except book debts) subject to prior charge of the banks for working capital requirements..
- (ii) Working Capital Loans from banks are secured by way of hypothecation of all stocks of raw materials, semi finished goods, finished goods, goods in transit, stores and spares and book debts of the company These are further secured by way of second pari-pasu charge on immovable properties of the company situated at Gulaothi (U P) & Nasik (Maharashtra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

4. UNSECURED LOANS

	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
From Banks	-	7.01
Security Deposits	0.22	0.79
	0.22	7.80

5. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2006	Additions	Sale/ adjustment	Total 31.03.2007	As At 01.04.2006	For the Year	Sale/ Adjustment	Total 31.03.2007	As At 31.03.2007	As At 31.03.2006
Intangible Assets	-	-	-	-	-	-	-	-	-	0.20
Land (Freehold)	4.27	-	-	4.27	-	-	-	-	4.27	5.24
Factory Buildings	112.22	14.44	-	126.66	22.64	3.98	-	26.62	100.04	97.56
Other Buildings	20.80	0.02	-	20.82	2.62	0.34	-	2.96	17.86	18.18
Plant & Machinery	979.38	99.22	1.85	1,076.75	292.90	55.42	0.88	347.44	729.31	699.10
Furniture & Fixture	1.40	0.14	-	1.54	1.01	0.09	-	1.10	0.44	0.64
Office Equipments	2.25	0.48	-	2.73	0.97	0.12	-	1.09	1.64	1.28
Computers	3.34	0.47	-	3.81	2.61	0.31	-	2.92	0.89	0.72
Vehicles	3.08	0.14	-	3.22	1.60	0.29	-	1.89	1.33	1.52
TOTAL	1,126.74	114.91	1.85	1,239.80	324.35	60.55	0.88	384.02	855.78	824.44
Capital work in Progress	49.95	112.25	116.90	45.30	-	-	-	-	45.30	50.08
GRAND TOTAL	1,176.69	227.16	118.75	1,285.10	324.35	60.55	0.88	384.02	901.08	874.52
PREVIOUS YEAR	1,205.21	184.91	96.66	1,293.46	358.64	65.58	5.03	418.94	874.52	846.57

Addition to Plant & Machinery has been adjusted by Rs.4.74 Cr.(Net), Previous Year Rs.7.62 Cr. (Net) being the amount of foreign exchange fluctuation arising on Foreign Currency

Loans taken for Plant & Machinery.

6. INVESTMENT-LONG TERM

	FACE VALUE	NUMBER OF SHARES		31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
		31.03.2007	31.03.2006		
(I) Non Trade					
(i) Equity Shares (Quoted)					
Phil Corporation Ltd.	10	300	300	-	-
India Foils Ltd.	10	100	100	-	-
Garware Polyester Ltd.	10	100	100	-	-
Ester Industries Ltd.	5	500	500	-	-
(ii) Equity Shares (Un Quoted)					
Jindal France SAS	EURO 1	3563000	-	-	-
Original Cost (including Capital Reserve of Rs.3.28 Crore)				24.35	-
Less:- Loss from Associates in 2006-07				0.56	-
				23.79	-
(iii) Equity shares warrant					
Garware Polyester Ltd.		11	11	-	-
				23.79	-
(II) Trade					
(a) Equity Shares (Quoted)					
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	3.04	3.04
				3.04	3.04
TOTAL 'A'				26.83	3.04

SCHEDULES

INVESTMENT OF UNUTILISED IPO MONEY

B)	CURRENT INVESTMENTS	FACE VALUE	NUMBER OF SHARES		31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
			31.03.2007	31.03.2006		
(I)	UTI Floating Rate Fund-Short Term Plan (Growth Option)	1000	26,222	-	3.00	-
(II)	DSPML Floating Rate Fund -Regular Plan-Growth	10	2,581,733	-	3.00	-
(III)	TFRSIG Tata Floating Rate Short Term Inst.Plan- Growth	10	9,122,218	-	10.00	-
(IV)	LICMF Floating Rate Fund-Short Term Plan-Growth Plan	10	13,318,491	-	15.00	-
(V)	FRPCG ICICI Prudential Floating Rate Plan C-Growth	10	21,059,206	-	22.09	-
(VI)	UTI Fixed Maturity Plan Yearly Series YFMP/0307-Growth Plan	10	5,000,000	-	5.00	-
(VII)	B836G Birla FTP-Instl-Series-T- Growth	10	6,000,000	-	6.00	-
(VIII)	Franklin Templeton Fixed Tenure Fund Series VII 370days plan Growth	10	5,000,000	-	5.00	-
(IX)	Grindlays Floating Rate - ST- Super Inst Plan C Growth	10	-	18,787,457	-	20.00
(X)	HDFC Floing Rate Income Fund Short Term Plan Growth	10	-	22,074,753	-	25.00
(XI)	Principal Floating Rate Fund SMP Insti. Option- Dividend Reinvestment Weekly	10	-	12,004,747	-	12.01
(XII)	Prudential ICICI Floating Rate Plan C Growth	10	-	28,579,866	-	30.00
(XIII)	UTI Floating Rate Fund- Short Term Plan Weekly Dividend Option	1000	-	243,166	-	24.52
(XIV)	LIC Mutual Fund Floating Rate Fund-Short Term Plan -Growth Plan	10	-	5,429,423	-	6.00
(XV)	Principal Floating Rate Fund SMP INSTI OPTION-GROWTH PLAN	10	-	4,611,185	-	5.00
(XVI)	Birla Floating Rate Fund Short term Growth	10	-	17,166,606	-	19.00
TOTAL 'B'					69.09	141.53
(Net Asset Value of Mutual Funds is Rs. 73.78 Crores (Previous Year Rs.145.47 Crores))						
TOTAL (A+B)					95.92	144.57
Aggregate value of quoted Investments					3.04	3.04
Aggregate value of unquoted Investments					92.88	141.53
Market Value of Quoted Investments					3.03	4.66
MOVEMENT DURING THE YEAR (Purchased and Sold)		FACE VALUE	NO. OF UNITS		Cost in Rs./Cr.	
Mutual Fund Units						
i)	Principal Floating Rate Fund SMP Insti. Option- Dividend Reinvestment Weekly	10	224,323		0.22	
ii)	UTI Floating Rate Fund- Short Term Plan (Dividend Option) Weekly Dividend Option	1000	4,675		0.47	
iii)	LICMF Floating Rate Fund -Short Term Plan-Growth Plan	10	8,770,048		10.00	
iv)	B46 Birla Sunlife Cash Manager -Institutional Plan-Growth	10	8,152,218		10.00	
v)	B45 Birla Sunlife Cash Manager -IP-Weekly Dividend-Reinvestment	10	1,002,217		1.00	
vi)	B47 Birla Sunlife Cash Manager -IP-Daily Dividend-Reinvestment	10	3,004,112		3.00	
vii)	PFRDG Prudential ICICI Floating Rate Plan D-Growth	10	2,779,940		2.91	

SCHEDULES

7. CURRENT ASSETS, LOANS AND ADVANCES	31.03.2007 Rs./Crores		31.03.2006 Rs./Crores	
A. CURRENT ASSETS				
STOCK IN TRADE				
(As per Inventories taken, valued and certified by the Management)				
Finished Goods	25.84		49.38	
Raw Material (Including in Transit Rs.6.46 Crore, Previous Year Rs 10.57 Crore)	58.50		71.02	
Scrap	0.28		0.51	
Store, Spares and Tools	21.60	106.22	26.74	147.65
SUNDRY DEBTORS				
(Unsecured, considered Good)				
Debts exceeding six months	2.60		2.72	
Other Debts	84.65	87.25	88.32	91.04
CASH & BANK BALANCES				
Cash & stamps in hand (including Drafts/ Cheques) Balance with Schedule Banks	0.06		0.02	
In Current Accounts	4.81		9.99	
In Fixed deposit Accounts (Fixed Deposit of Rs. 2.91 Crore pledged as Margin Money with appropriate authority Previous year Rs. 0.34 Crore)	2.91	7.78	0.35	10.36
B. LOANS AND ADVANCES				
(Unsecured -considered Good)				
Advances (Recoverable in cash or in kind or for value to be received)	44.77		40.58	
Security Deposits	2.88		4.25	
Balance with Central Excise	4.62		11.03	
Advance Income Tax (Previous Year net of provision Rs. 13.71 Crores) (Including Tax deducted at source)	-	52.27	-	55.86
	253.52		304.91	
8.A CURRENT LIABILITIES AND PROVISIONS				
(1) CURRENT LIABILITIES				
Sundry Creditors				
- For Capital Goods	11.17		18.84	
- Others	44.72		88.67	
Other Liabilities	17.55		29.27	
Advance from customers	13.37		21.69	
Unclaimed dividend	0.23		0.21	
Interest on Loans accrued but not due	1.57	88.61	1.77	160.45
(2) PROVISIONS				
Provision of Excise Duty on Finished Goods	3.72		4.30	
Proposed dividend	5.62		6.46	
Tax on Proposed dividend	0.95		0.91	
Provision for Taxation (Net of Advance Tax deducted Rs 15.30 Crores including tax deducted at source)	1.47	11.76	4.94	16.61
	100.37		177.06	
8.B DEFERRED TAX				
DEFERRED TAX LIABILITY				
Deference between book and tax depreciation	110.69		108.32	
Current year change	12.57	123.26	3.14	111.46
	123.26		111.46	

SCHEDULES

9 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	31.03.2007 Rs./Crores		31.03.2006 Rs./Crores	
PRELIMINARY EXPENSES				
As per last Balance Sheet	0.03		0.05	
Less: Written off during the year	0.01	0.02	0.02	0.03
DEFERRED REVENUE EXPENDITURE				
As per last Balance Sheet	-		0.01	
Less: Written off during the year	-	-	0.01	-
PRE-OPERATIVE EXPENDITURES				
As per last Balance Sheet	-		-	
Add:- Addition during the year	-	-	-	-
	<u>0.02</u>		<u>0.03</u>	
10 OTHER INCOME				
Dividend :				
On Current Investments	0.70		2.24	
On Long Term Investments	0.06	0.76	1.40	3.64
Profit on sales of short term Investment		9.03		12.31
Profit on sales of Fixed Assets		0.15		-
Miscellaneous Receipts		1.02		0.13
Lease Rent		0.01		0.01
Foreign exchange fluctuation (Net)		0.99		1.27
Claims Received		0.29		0.09
Interest Received		0.12		0.78
(Including TDS Rs. 0.01 Crores, Previous year Rs. 0.08 Crores)		-		-
Recoveries on provisions of stock		-		2.72
		<u>12.37</u>		<u>20.95</u>
11 ACCRETION/(DECRETION) IN STOCK				
OPENING STOCK				
Finished Goods	34.49		39.58	
Scrap	0.51	35.00	1.43	41.01
CLOSING STOCK				
Finished Goods	25.84		49.38	
Scrap	0.28	26.12	0.51	49.89
Accretion/(Decretion)		<u>(8.88)</u>		<u>8.88</u>
12 RAW MATERIAL CONSUMED				
Opening stock		44.15		67.21
Add: Purchases		677.78		595.06
		<u>721.93</u>		<u>662.27</u>
Less: Sales		0.23		-
Less:- Loss on sale of Raw Materials		0.10		-
Less/(Add): Cost Benefits (refer note no.14)		(1.74)		3.51
		<u>723.34</u>		<u>658.76</u>
Less:- Material Used for Trial Run		0.04		-
Less: Closing Stock		52.03		60.64
		<u>671.27</u>		<u>598.12</u>

SCHEDULES

	31.03.2007 Rs./Crores	31.03.2006 Rs./Crores
13 MANUFACTURING EXPENSES		
Stores and Spare parts consumed	9.91	12.21
Power and Fuel	78.62	80.69
Carriage Inwards	2.60	4.83
Water charges	0.21	0.35
Job Work Charges	0.04	1.30
Wastage Removals	-	0.51
Duty Conversion	-	0.07
Repairs to Machinery	0.80	2.11
Repairs to Buildings	0.51	0.65
Packing Material consumed	32.54	27.85
	125.23	130.57
14 PERSONNEL EXPENSES		
Salaries, Wages & Bonus	10.41	48.93
Gratuity	0.39	0.47
Contribution to Provident Fund & other Funds	0.51	0.51
Temporary Workers	-	0.78
Staff & Workmen Welfare Expenses	0.89	1.26
Staff Recruitment & Development	0.10	0.63
	12.30	52.58
15 INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	12.34	10.52
On Bank Borrowings	3.26	4.70
Financial charges	1.95	2.75
	17.55	17.97
16 SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	29.28	34.02
Commission	5.97	10.10
Others	0.78	1.09
	36.03	45.21
17 OTHER EXPENSES		
Rent ,Rates & Taxes	0.26	5.69
Travelling & Conveyance	2.42	4.34
Charity & Donation	0.06	0.05
Postage, & Telephone charges	0.68	1.15
Legal & Retainership Charges	1.55	1.54
Vehicle upkeep & Maintenance	0.69	0.68
Water & Electricity Charges	0.23	0.10
Repair and Maintenance others	0.66	2.06
Insurance	1.88	2.93
Auditors' Remuneration	0.08	0.25
Printing & Stationery	0.36	0.62
Licence, Inspection and Testing Fees	0.28	0.18
Miscellaneous expenses	0.54	1.20
Directors Sitting Fees	-	-
Foreign exchange fluctuation (Net)	-	0.28
Loss on sale of Raw Materials	0.96	-
Loss On sale of Fixed Assets	-	0.02
Miscellaneous Expenditure written off	-	0.03
	10.65	21.12

SCHEDULES**18. NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT****1) Principles of consolidation**

- i. The consolidated financial statements relates to Jindal Poly Films Limited, its Subsidiary and Associate Company as at 31st March, 2007. Same have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- ii. The Financial Statements of the Subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra group balances/ transactions, resulting in unrealized profits or losses.
- iii. Investment in Associate Companies has been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the ICAI.
- iv. Capital reserve arising on investments in Associate Companies is retained under the head "Investments in Associate Company" and is disclosed separately.
- v. The details of Subsidiary & Associate companies whose financial statements are consolidated is as under :-

S. No	Name of Companies	Country of Incorporation	Percentage of Voting Power	Percentage of ownership	Main Activity of the Subsidiary
1	Subsidiary Hindustan Polyesters Ltd.	India	100%	100%	Manufacturing of Polyester Yarn.
2	Associate Jindal France S.A., La Feydeliere, 38850 Paladru, France.	France	49.29%	49.29%	Management Company

- vi. The consolidated financial statements are based, in so far they relate to audited accounts included in respect of subsidiary (audited by their auditors) for the period from 1st April,2006 to 31st March, 2007 are prepared for consolidation in accordance with the requirement of AS- 21.
- vii. The company has applied AS-23, Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI. In accordance with the disclosure requirement of AS-23 relating to associate company are given below :-

The company recognizes the investee entity as associate which is not considered as subsidiary, but in which it holds directly or indirectly (through subsidiary) 20% or more voting power.

2. Other significant accounting policies are set out under "Significant Accounting Policies "as given in the Unconsolidated Financial Statements of Jindal Poly Films Limited and its subsidiary.

NOTES ON ACCOUNTS TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	31.03.07 Rs./Crore	31.03.06 Rs./Crore
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	27.40	1,14.78
2. Contingent Liabilities :		
a. Bank Guarantees	23.97	11.41
b. Outstanding Letters of Credit (Including Capital Goods)	46.50	1,48.36
c. Claims against Company, not acknowledged as debts	2.24	1.55
d. Demands raised by authorities against which, Company has filed appeals:-		
i) Income Tax	5.08	5.38
ii) Excise Duties	4.97	3.39
iii) Sales Tax	0.33	0.32
iv) Custom Duties	2.83	2.83
3. In the opinion of the Board and to the best of their knowledge and belief, the realizable value of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.		

SCHEDULES

4. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant & machinery and sheds & building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.

5. A sum of Rs. 0.02 Crore of unpaid dividend remains to be deposited with Investor Education and Protection Fund.

6. Remuneration to Whole Time Directors

	31.03.2007	31.03.2006
	Rs./Crore	Rs./Crore
Salary	0.20	0.22
Provident Fund Contribution	0.00	0.00
Perquisites	0.02	0.03
	0.22	0.25

7. Remuneration to Auditors comprises:

	31.03.2007	31.03.2006
	Rs./Crore	Rs./Crore
Audit Fee	0.04	0.21
Tax Audit Fees	0.01	0.01
In Other Capacities	0.03	0.07
(Last year figures are inclusive of amount debited to Public Issue Expenditures)	0.08	0.29

8. Computation of Net Profit under section 198 of the Companies Act, 1956 for the purpose of remuneration payable to Whole Time Directors has not been enumerated as no commission is payable to them.

9. Biaxially Oriented Polypropylene Film unit was commercially commissioned in the current year. Preoperative expenditure capitalized to respective fixed assets are as under:

	31.03.2007	31.03.2006
	Rs./Crore	Rs./Crore
Raw Material (Trial Run)	0.04	-
Salary	0.37	-
Power & Fuel	0.57	-
Total	0.98	-

10. a) There is no overdue outstanding as on 31.03.2007, due to small scale Industrial units covered under Small Scale and Ancillary Industrial Undertakings Act, 1993.

b) There Company has not received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

11. The Export obligation undertaken by the company for import of capital equipments under EPCG/100% EOU scheme of the Central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.

12. a) As per Accounting Standard 28 issued by ICAI, impairment loss on Assets at Khanvel (Being one of the unit Manufacturing PET Films of the company) was provided by the company during the year ended 31st March, 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been discontinued.

b) There is no operation during the year in respect of Company's 2 units at Gulaothi Unit-I and Gulaothi Unit-2 and carrying cost of these units is reflected at historical cost. The management is of view that there is no loss on account of impairment of assets as required by AS 28 issued by ICAI as the realizable value of these assets are higher than the carrying cost.

13. Term Loan installments due within one year is amounting to Rs 38.59 Crore. (Previous Year Rs 39.76 Crore).

14. A sum of Rs.1.74 Crore being the difference between domestic vs. imported material prices prevailing at the end of the period ended 31st March 2007 on account of advance licenses excess utilized over exports made, whereas, in previous year Rs.3.51 Crore on account of advance licenses obtained but not utilized on account of exports already made, has been adjusted in the cost of raw material.

15. Advance receivable in cash or in kind includes Rs.2.83 Crore being the amount of custom duty deposited against import of capital goods assessed under provisional assessments.

16. Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.

17. Pending full utilisation of funds raised through public offering, the balance funds have been deployed temporarily in short term investments.

18. Previous year's figures are not comparable as there was consolidation of Rexor S.A.S. and Jindal France S.A. also in last year.

SCHEDULES

19 Earning Per Share	31.03.2007	31.03.2006
Profit after Tax and all Preference dividends in Rs./Crore	64.41	45.75
Weighted average no. of Equity shares outstanding	28,095,880	26,109,581
Basic and Diluted earnings per share in Rupees	22.92	17.52

20 No loans & advances have been given during the year and there is no outstanding at the year end of the company which is required to be disclosed under clause 32 in terms of listing agreement

21 Segment Reporting Policies**i) Primary Segment**

Business Segment : The Company's operating business are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

ii) Secondary Segment

Geographical Segment : The analysis of geographical segment is based on the geographical location of the customers.

iii) Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

PRIMARY SEGMENT**Segment revenue**

	31st March, 2007	Rs./Crore 31st March, 2006
a) Polyester Yarn/Chips Division	8.06	90.02
b) PET/OPP Film Division	1,521.35	1,371.40
c) Other Revenue	12.37	16.96
Total	1,541.78	1,478.38
Less:- Inter Segment revenue	400.10	405.44
Total revenue	1,141.68	1,072.94

Segment profit before interest & tax

a) Polyester Yarn/Chips Division	(9.56)	(12.75)
b) PET/OPP Film Division	105.05	68.45
c) Other Revenue	12.37	16.96
Total	107.86	72.66
Less:- Interest	17.55	17.97
Less:- Unallocable Expenditure	0.00	0.03
Profit before tax	90.31	54.66

Capital Employed

a) Polyester Yarn/Chips Division	39.40	60.87
b) PET/OPP Film Division	1,021.92	960.80
c) Others	88.83	132.27
Total	1,150.15	1,153.94

SECONDARY SEGMENT

Sales in Domestic market	765.37	752.14
Sales in Overseas market	363.94	299.85
	1,129.31	1,051.99

The company has common fixed assets for producing goods for domestic and overseas markets. Hence, separate figures for capital employed can not be furnished.

SCHEDULES

22 As required by Accounting Standard-18 "Related party disclosure" issued by the Institute of Chartered Accountants of India are as follows:-

List of Related parties**A. Companies/Individuals**

1	Sh. B.C.Jindal	14	Jindal India Ltd
2	Sh. S.S.Jindal	15	Consolidated Realtors Ltd.
3	Smt. Subhadra Jindal	16	Jindal Meadows Ltd.
4	Miss Akriti Jindal	17	Consolidated Finvest & Holdings Ltd.
5	Consolidated Photo & Finvest Ltd.	18	Consolidated Buildwell Ltd.
6	Jumbo Finance Ltd	19	Agile Properties Ltd.
7	Jupax Barter Pvt..Ltd	20	Vigile Farms Ltd.
8	Rishi Trading Co. Ltd	21	Jindal Thermal Power Ltd.
9	Jindal Photo Ltd	22	Jasmine Investment Ltd.
10	Soyuz Trading Co. Ltd	23	Pasion Tea Private Ltd.
11	Jindal Photo Investments Ltd	24	Bajaloni Group Ltd.
12	Jindal Imaging Ltd	25	Jindal France SAS
13	Jindal Realtors Ltd	26	Rexor SAS

B. Key Management personnels

1	Sh. S. K. Mittal
2	Sh. Sameer Banerjee
3	Sh. Sumant Singhal
4	Sh. Punit Gupta

Details of Transactions with related parties are as follows :

	31st March, 2007	Rs/Crore 31st March, 2006
1 <u>Sales and other Income</u> Companies/Individuals	39.83	0.25
2 <u>Remuneration/Sitting fees</u> Key Management personnel	0.22	0.25
3 <u>Purchases and other services</u> Companies/Individuals	1.26	1.54
Key Management personnels	Nil	Nil
4 <u>Outstanding at the year end</u>		
i. <u>Due to company</u>		
Companies/Individuals	2.17	0.01
Key Management personnels	Nil	Nil
ii. <u>Payable by the company</u>		
Companies/Individuals	0.12	0.14
Key Management personnels	Nil	0.01
5 <u>Redemption of Preference Shares</u> Companies/Individuals	Nil	66.00
6 Neither any advance is doubtful nor any written off during the year.		

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

(R.K. KANODIA)

Partner
M. No. 016121

(S. BANERJEE)

Whole Time Director (Marketing)

(S. SINGHAL)

Whole Time Director & COO

Place : New Delhi
Date : 31.08.2007

(L.P. SONI)
Vice President (Fin.) & Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the III rd Annual Report of the Company together with Audited statement for the financial year ended 31st March, 2007.

OPERATIONS

The Company was incorporated with the main object of trading and manufacturing of Yarn business. During the year, the company has not carried any business activity.

DIVIDEND

In absence of any distributable profits, your Directors do not recommend any dividend for the year.

DIRECTORS

Mr. Punit Gupta retires at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed;

- i) That in preparation of the accounts for the financial year ended 31st March, 2007, the applicable accounting standard have been followed along with proper explanations relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended on 31st March, 2007 on a 'going concern' basis.

AUDITORS

M/s Kanodia Sanyal & Associates, Chartered Accountants, the auditors of your Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The auditors have furnished a certificate regarding their eligibility for re-appointment as Company's Auditors, pursuant to Section 224(1-B) of the Companies Act, 1956.

AUDITORS' REPORT

The comments in Auditors' Report read with notes to Accounts are self-explanation and do not call for further explanation.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and the provision of Section 58-A of the Companies Act, 1956 are not applicable to the Company.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

There is no employee under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The Provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are not applicable since company has not manufacturing activity during the year.

ACKNOWLEDGEMENT

Yours Directors acknowledge the co-operations and assistance received from all concerned.

For and on behalf of the Board

Place : New Delhi
Dated : 31.08.2007

(S.K. Mittal)
(Director)

(Punit Gupta)
(Director)

HINDUSTAN POLYESTER LTD.

AUDITORS' REPORT

To The Members of Hindustan Polyester Limited

We have audited the attached Balance Sheet of M/S HINDUSTAN POLYESTER LIMITED as at 31st March 2007 (there is no profit and loss account for the year ended on that date) (hereinafter referred to as 'financial statement'). This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet dealt with by this report is in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report has been prepared in compliance with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors is disqualified as on 31st March 2007 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said financial statement read together with significant accounting policies and notes thereon in Schedule 'B' gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
2. In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended 31st March 2007.
3. This clause not applicable to the company.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K KANODIA)
PARTNER
Membership No. 016121

Place : New Delhi
Dated : 31.08.2007

HINDUSTAN POLYESTER LTD.

BALANCE SHEET AS AT 31st MARCH 2007

LIABILITIES	SCH.	AMOUNT (In Rs.)		ASSETS	SCH.	AMOUNT (In Rs.)	
		Current Year	Previous Year			Current Year	Previous Year
AUTHORISED SHARE CAPITAL				FIXED ASSETS			
5,000,000 Equity Shares of Rs. 10/-each		<u>5,000,000.00</u>	<u>5,000,000.00</u>	Cash & Bank Balance		-	-
				Cash in Hand			
				Cash at Bank		-	-
				- In Current Account		487,695.50	494,307.50
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL				PRELIMINARY EXPENDITURE		121,870.00	121,870.00
50,000 Equity Shares of Rs. 10/- each		500,000.00	500,000.00	(To the extent not written off)			
CURRENT LIABILITIES				PREOPERATIVE EXPENDITURE			
-Sundry Creditors		-	-	(Pending Allocation)			
- Current Liabilities		129,488.00	129,482.00				
					A	19,922.50	13,304.5
		<u>629,488.00</u>	<u>629,482.00</u>			<u>629,488.00</u>	<u>629,482.00</u>

Notes on Account 'B'

As per our report of even date annexed
For Kanodia Sanyal & Associates
Chartered Accountants

(R.K. Kanodia)
Partner
M. No. 016121

(S.K. MITTAL)
Director

(P. GUPTA)
Director

Place : New Delhi
Dated : 31.08.02007

HINDUSTAN POLYESTER LTD.

SCHEDULE 'A'

DETAILS OF PRE-OPERATIVE EXPENDITURES AS AT 31.03.2007

PARTICULARS	SCH.	AMOUNT (In Rs.)	
		Current Year	Previous Year
Opening Balance		13,304.50	6,080.00
Addition during the year			
Filing Fees		1,000.00	1,500.00
Bank Charges		-	112.50
Auditors' Remuneration			
- for Audit Fee		5,618.00	5,612.00
		<u>19,922.50</u>	<u>13,304.50</u>

Notes on Account

'B'

As per our report of even date annexed
For Kanodia Sanyal & Associates
Chartered Accountants

(R.K. Kanodia)
Partner
M. No. 016121

(S.K. MITTAL)
Director

(P. GUPTA)
Director

Place : New Delhi
Dated: 31.08.2007

SCHEDULE 'B'

NOTES ON ACCOUNTS

1. ACCOUNTING POLICIES :

- The financial statements are prepared under historical cost convention and in accordance with the requirement of the Companies Act, 1956 and accepted accounting standards.
- The Company is wholly owned subsidiary of Jindal Poly Films Ltd.
- CONTINGENT LIABILITIES - Nil
- During the year the Company was not engaged in any activity, therefore profit & loss account has not been prepared.
- In the absence of any manufacturing activities information as required under para 3 & 4 Part II of schedule VI to the Companies Act, 1956 are not furnished.

HINDUSTAN POLYESTER LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2007

		Year ended 31/03/2007		Year ended 31/03/2006
A. Cash Flow from Operating activities:				
Net Profit before tax and extraordinary items	-		-	
Adjustment for:				
Depreciation	-		-	
(Profit)/Loss on sale of Assets (net)	-		-	
(Profit)/Loss on sale of Investment (net)	-		-	
Interest Income	-		-	
Dividend Income	-		-	
Interest on Borrowings	-		-	
Miscellaneous Expenditure amortised	-	-	-	-
	-		-	
Operating Profit before Working Capital changes				
Adjustments for:				
Inventories	-		-	
Trade receivables	-		-	
Loans & Advances	-		-	
Trade Payables and Other Liabilities	6	6	1,602	1,602
Cash Generated from Operations	<u>6</u>	<u>6</u>		<u>1,602</u>
Direct Taxes paid	-	-		-
Net Cash from Operating Activities (A)		<u>6</u>		<u>1,602</u>
B. Cash Flow from Investing Activities:				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Preliminary/Preoperative Expenditure Incurred	-	(6,618)		(7,225)
Interest Received	-		-	
Dividend Received	-		-	
Net Cash used in Investment Activities (B)		<u>(6,618)</u>		<u>(7,225)</u>
C. Cash Flow from Financing Activities:				
Proceeds from issue of Share Capital	-		-	
Proceeds of Borrowings	-		-	
Dividend paid	-		-	
Interest Paid	-		-	
Net Cash from Financing Activities (C)		<u>-</u>		<u>-</u>
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)		(6,612)		(5,623)
Cash and Cash equivalents as at 1st April (Opening Balance)		494,308		499,930
Cash and Cash equivalents as at period end (Closing Balance)		487,696		494,308

Note: Figures in brackets represent outflows

Notes on Account 'B'

As per our report of even date annexed
For Kanodia Sanyal & Associates
Chartered Accountants

(R.K. Kanodia)
Partner
M. No. 016121

(S.K. MITTAL)
Director

(P. GUPTA)
Director

Place : New Delhi
Dated: 31.08.2007

JINDAL POLY FILMS LIMITED

Registered Office : 19th K.M., Hapur-Bulandshahr Road
P.O. Gulaothi, Distt. Bulandshahr (U.P.)

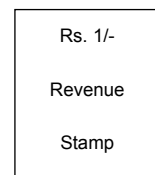
PROXY

I/We.....of
..... being a Member/Members of JINDAL POLY FILMS LIMITED
hereby appoint
of.....or failing him/her.....
of.....
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on 29th September, 2007 at any adjournment thereof.

Signed..... day of2007.

* Regd. Folio/Client I.D. No. No. of Shares

Signed by the said



NOTES:

1. The proxy need not be a member of the Company.
2. The proxy to be valid should be duly stamped and reach the Company's Registered Office at least 48 hours before the time of the meeting.

JINDAL POLY FILMS LIMITED

Registered Office : 19th K.M., Hapur-Bulandshahr Road
P.O. Gulaothi, Distt. Bulandshahr (U.P.)

ATTENDANCE SLIP

For the Thirty Third Annual General Meeting to be held on Saturday, the 29th day of September, 2007 at 11:30 a.m.

Name of the Shareholder/Proxyholder.....

* Regd. Folio/Client I.D. No. No. of Shares

I hereby record my presence at the Thirty Third Annual General Meeting of the Company held at 19th K.M. Hapur-Bulandshahr Road, Gulaothi, Distt., Bulandshahr (U.P.).

*Member's/Proxy's Signature

Note: Shareholders are requested to bring this slip at the meeting duly filled in including folio number/ Client I.D. NO.
*Strike out whichever is not applicable.

BOOK-POST

Annual Report 2006-2007

JINDAL

if undelivered, please return to :

JINDAL POLY FILMS LIMITED

Corporate Office : Plot No. 12, Sector B-1, Vasant Kunj,
Local Shopping Complex, New Delhi-110 070