

ANNUAL REPORT 2009-2010

JINDAL POLY FILMS LIMITED

JINDAL POLY FILMS LIMITED

DIRECTORS	:	A. C. WADHAWAN RASHID JILANI JOGESH BANSAL R. K. PANDEY VINOD KUMAR GUPTA SAMIR BANERJEE, WHOLE TIME DIRECTOR (MARKETING) RATHI BINOD PAL, WHOLE TIME DIRECTOR
COMPANY SECRETARY	:	AJIT MISHRA
AUDITORS	:	KANODIA SANYAL & ASSOCIATES, CHARTERED ACCOUNTANTS
BANKERS	:	PUNJAB NATIONAL BANK STATE BANK OF INDIA STATE BANK OF PATIALA AXIS BANK LIMITED HONGKONG & SHANGHAI BANKING CORP. LIMITED THE BANK OF NOVA SCOTIA DBS BANK LIMITED COOPERATIEVE CENTRALE RAIFFEISEN- BOEREN LEEN BANK B.A. (SINGAPORE) AKA,AUSFUHRKREDIT-GESELLSCHAFT MBH FRANKFURT, GERMANY COMMERZBANK, AKTIENGESELLSCHAFT FRANKFURT, GERMANY STANDARD CHARTERED BANK
REGISTERED OFFICE	:	19TH K.M. HAPUR-BULANDSHAHR ROAD P.O. GULAOTHI, DISTT. BULANDSHAHR (U.P)
WORKS	:	(1) 28TH K.M. NASIK-BOMBAY HIGHWAY, VILLAGE MUNDEGAON, IGATPURI, DISTT. NASHIK, MAHARASHTRA (2) 19TH K.M., HAPUR- BULANDHSHAHR ROAD, P.O. GULAOTHI, DISTT. BULANDSHAHR (U.P.) (3) 160/1/7, AMBOLI ROAD, VILL. KALA, KHANVEL, SILVASSA (UT OF D&N)
HEAD & CORPORATE OFFICE	:	PLOT NO. 12, SECTOR B-1, LOCAL SHOPING COMPLEX, VASANT KUNJ NEW DELHI- 110070
REGISTRAR & SHARE TRANSFER AGENTS	:	KARVY COMPUTERSHARE PVT. LTD (UNIT: JINDAL POLY FILMS LTD.) PLOT NO 17-24 VITTAL RAO NAGAR MADHAPUR, HYDERABAD- 500 081

36th Annual Report 2009-2010

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JINDAL POLY FILMS LIMITED

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of **JINDAL POLY FILMS LIMITED** will be held as scheduled below :-

Date : Thursday, 30th September, 2010
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, 2010 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. Rashid Jilani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Samir Banerjee, who retires by rotation and being eligible offers himself for re-appointment
5. To appoint M/s Kanodia Sanyal & Associates, Chartered Accountants as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT due notice in writing signifying the intention of a member to propose Mr. Rathi Binod Pal as a Director having been received pursuant to section 257 of the Companies Act, 1956, Mr. Rathi Binod Pal be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits laid down in Section 198 and 309 of the Companies Act, 1956, read with schedule XIII of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for appointment of and payment of remuneration to Mr. Rathi Binod Pal as Whole-Time Director of the Company, for a period of 5 years w.e.f. 17th December, 2009, as may be admissible within the overall limits prescribed under the act and as the Board may consider appropriate from time to time, as set out in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised from time to time amend, alter or otherwise vary the terms and conditions of the appointment of Mr. Rathi Binod Pal including remuneration provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits specified in Schedule XIII of the companies Act, 1956, as existing or as amended, modified or re-enactment from time to time as the Board may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interest of the Company."

8. To consider and, if thought fit to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED that, the Buy-back proposal of 22,00,000 Equity Shares of the Company at a maximum price of Rs. 450/- per share as approved by the shareholders by special resolution by way of postal ballot on 8th March, 2010 be and is hereby withdrawn and that the company will not undertake any action under the said buy-back program.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including signing of all deeds, documents and writings and with power on behalf of the Company to settle any questions or difficulties that may arise in this regard, as it may, in its absolute discretion, deem fit."

9. To consider and if thought to pass the following resolution as a **SPECIAL RESOLUTION**:

Resolved that pursuant to the provisions of section 94(1)(e) of the Companies Act, 1956 and Article 3 of the Articles of Association of the Company and such other applicable provisions and guidelines, if any, consent of the Company be and

is hereby accorded to the cancellation of 7,50,00,000 (seven crores and fifty lacs) Preference Shares of Rs. 10/- each aggregating to Rs. 75,00,00,000/- (Rupees seventy five crores) lying unissued and consequently the Authorised Preference Share Capital of the Company be and is hereby diminished from Rs. 175,00,00,000 (Rupees one hundred seventy five crores) divided into 17,50,00,000 (seventeen crores fifty lacs) Preference Shares of Rs. 10/- each to Rs. 100,00,00,000 (Rupees one hundred crores) divided into 10,00,00,000 (ten crore) Preference Shares of Rs. 10/- each.

Resolved further that consequent and subject to the passing of the resolution for cancellation of the unissued Preference Share Capital of the Company and pursuant to the provisions of section 94(1)(a) of the Companies Act, 1956 and Articles 8, 74 and 75 of the Articles of Association of the Company and such other applicable provisions and guidelines, if any, consent of the Company be and is hereby accorded to the increase in the Authorised Equity Share Capital by creation of 7,50,00,000 (seven crore fifty Lacs) Equity shares of Rs. 10/- each aggregating to Rs. 75,00,00,000/- (Rupees seventy five crores) i.e. increase corresponding to the extent of cancellation of unissued Preference Share Capital of Rs. 75,00,00,000 (Rupees seventy five crores).

Resolved further that subject to passing of the aforesaid resolutions for cancellation of Authorised Preference Share Capital and simultaneous increase in the Authorised Equity share Capital of the Company, clause VI of the Memorandum of Association and clause 8 of the Articles of Association of the company be and is hereby amended to read as-

“The Authorised share capital of the company shall be Rs. 205,00,00,000 (Rupees two hundred five crores) divided into 10,50,00,000 Equity Shares of Rs. 10/- each and 10,00,00,000 Preference shares of Rs. 10/- each with the power to increase or reduce the capital of the Company and divide the share capital for the time being into different classes and to attach thereto respectively such preferential/qualified or special rights or privileges or conditions including detachable, tradeable and/or untradeable warrants as may be determined or in accordance with the regulations of the Company and with power to modify or abrogate any such right, privileges or conditions in such manner as may for the time being provided by the regulations of the company and subject to the provisions of the Companies Act, 1956.”

Resolved further that the Board of Directors of the Company be and is hereby authorised to execute all such deeds and to do all such acts as may be necessary to give effect to this resolution.

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

- (a) that in accordance with applicable provisions of the Companies Act, 1956, or any amendment or re-enactment thereof and the provisions of the Articles of Association of the Company and recommendation of the Board of Directors and subject to the Guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, consent of Members, be and is hereby accorded to the Board of Directors of the Company ('the Board'), which term shall be deemed to include any Committee thereof) for capitalization of Rs. 23,02,11,380/- standing to the credit of the Capital redemption Reserves of the Company for the purpose of issue of Bonus Equity Shares of Rs.10/- (Rupees Ten) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board for the purpose, in the proportion of 1 (One) Bonus Equity Share of Rs. 10/- (Rupees Ten) each for every 1 (One) fully paid-up Equity Share of Rs. 10/- (Rupees Ten) each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income;
- (b) that the Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company;
- (c) that the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company;
- (d) that no letter of allotment shall be issued in respect of the Bonus Shares in the case of Members who hold Equity Shares (or opt to receive the Bonus Shares) in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities;
- (e) that the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors be subject to the approval of the Reserve Bank of India, as may be necessary;
- (f) that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts/ deeds, matters and things and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

11. To consider and, if thought fit to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION** :

“RESOLVED that in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) (‘the Act’) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme 1993, the Listing Agreements entered into by the Company with Stock Exchanges on which the Company’s shares are listed and the rules/regulations/guidelines, notifications, circulars and clarifications, if any, issued by the Government of India(GOI), the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any Director thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in one or more tranches whether denominated in rupees or in foreign currency, in the course of domestic and/or international offerings, Equity shares and/or Preference Shares and/or Cumulative Convertible Preference Shares (CCPS) and/or Convertible Debentures (fully or partly) and/or Non Convertible Debentures, all or any of the aforesaid with or without detachable or non detachable warrants and/or warrants of any nature, and/or secured premium notes, and/or floating rate notes/bonds , Foreign Currency Convertible Bonds, Depository Receipts, including American Depository Receipts/ Global Depository Receipts (ADRs/ GDRs)/other depository receipts and/or any other financial instruments (hereinafter collectively referred to as “Securities”) whether through a follow on Public Issue, Rights Issue, Qualified Institutions Placement as provided under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, (SEBI ICDR Regulations 2009), or a combination thereof, such that the total amount raised through the aforesaid Securities should not exceed Rs. 2,000 crores (with or without green shoe option) to any domestic/foreign institutions, individuals, resident Indians, non-resident Indians, corporate bodies, mutual funds, banks, insurance companies, pension funds, trusts, stabilizing agents, or otherwise, whether shareholders of the Company or not, and Securities to Qualified Institution Buyers pursuant to a Qualified Institutions Placement as provided under Chapter VIII of SEBI ICDR Regulations 2009, (collectively called ‘Investors’) at such price or prices, and on such terms and conditions including security, rate of interest, etc. as per the terms and conditions that the Board may in its absolute discretion deem fit and appropriate at the time of issue and where necessary, in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary.

RESOLVED FURTHER that in accordance with the provisions of section 81(1A) and other applicable provisions, if any, of the Act, the provisions of the Memorandum and Articles of Association of the Company and the provisions of Chapter VIII of the SEBI ICDR Regulations 2009, the provisions of FEMA and Requisite Approvals from Appropriate Authorities, consent of the Company be and is hereby accorded to the Board to offer, issue and allot equity shares/fully convertible debentures/ partly convertible debentures, non convertible debentures with warrants or any securities other than warrants, which are convertible into or exchangeable with equity shares (collectively referred to as “QIP Securities”, and reference to Securities in this resolution shall be deemed to include reference to QIP Securities, unless the context otherwise requires) on such date as may be determined by the Board at its absolute discretion but not later than 60 months from the date of allotment, to be subscribed on the basis of placement documents for an amount which shall not in the aggregate exceed Rs. 2000 crore (Rupees two thousand crore only) inclusive of such premium as may be determined by the Board in accordance with SEBI ICDR Regulations 2009, provided that the aggregate of funds to be raised under the authority of this resolution, by way of issue of Securities shall not exceed Rs. 2000 crore (Rupees two thousand crore only).

RESOLVED FURTHER that in the event that the Securities convertible into Equity Shares are issued under Chapter VIII of the SEBI ICDR Regulations, 2009, the relevant date for the purpose of the pricing of the securities shall be the meeting in which the Board decides to open the issue.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number Securities as may be required to be issued and allotted, including issue and allotment of Securities upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer or any subsequent amendment to the terms of the offer as the Board may decide subsequent to the offer; all such shares shall rank *pari passu inter se* and with the then existing Equity Shares of the Company, as the case may be.

RESOLVED FURTHER that without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with International practice to provide for the tradability and

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free transferability thereof as per the prevailing practices and regulations in the capital market including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Securities or variation of the conversion price of the securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner and on such terms as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form and terms of the issue(s), in accordance with applicable regulations, prevalent market practices, including but not limited to the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or abroad as the Board, in its absolute discretion may deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle any questions or difficulties that may arise in regard to the issue(s), as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER that the Board be and is hereby authorised in terms of section 293 (1) (A) of the Companies Act, 1956 , subject to requisite approvals, if any , as may be required from any of the concerned Authorities to secure, if required, the entire or any part of the issue of securities by creation of Mortgage(s) and / or Charge(s) as may be required on all or any of the Company's immovable and movable properties, present and future, as the Board may determine in consultation with the trustees, such charge to rank second, subsequent, subservient and subordinate to all the mortgage(s) and / or charge(s) created/ to be created by the company for all existing and future borrowings and facilities whatsoever.

RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officer of the Company.”

By order of the Board
For **Jindal Poly Films Limited**

Place : New Delhi
Dated : 3rd September, 2010

(Ajit Mishra)
Company Secretary

NOTES:

1. Explanatory Statement in respect of item no. 6 to 11 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 Monday, 20TH September, 2010 to Thursday, 23rd September, 2010 (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 at least 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 2002-2003 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.

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

Item no. 6 and 7

Pursuant to the provisions of Article 120 of Articles of Association of the Company read with section 260 of the Companies Act, 1956, the Board of Directors in their meeting held on 17th December, 2009 have appointed Mr. Rathi Binod Pal, as an Additional Director of the Company. He will hold office upto the date of the ensuing Annual General Meeting. Notice under section 257 of the Companies Act, 1956 together with requisite deposit has been received from a member proposing the appointment of Mr. Rathi Binod Pal as Director of the Company liable to retire by rotation.

Further the Board of Directors in their meeting held on 17th December, 2009 appointed Mr. Rathi Binod Pal as Whole Time Director of the Company for a period of 5 (Five) years w.e.f. 17th December, 2009. Mr. Rathi Binod Pal, aged 41 years is B.Com, CA (inter) and is having more than 18 years of experience in the matters of Commercial, Management and Accounts, etc. It is expected that the appointment of Mr. Rathi Binod Pal will be beneficial to the Company.

The principal terms of appointment are as under:-

1. **Salary:** Rs. 81,000/- P.M. with an annual increment as per the policy of the company subject to maximum of Rs. 4,000/- per month for a year.
2. (A) **Perquisites and Allowances**
 - (i) House Rent Allowance: Rs. 50,000/- per month and with an increase therein as per the rules of the Company.
 - (ii) Ex- Gratia payment for each year as per policy of the company subject to a maximum of 20 percent of the salary earned during the preceding year.
 - (iv) Leave Travel Allowance for self and family subject to a ceiling of one month's salary in an year in accordance with the rules of the Company.
 - (v) Medical reimbursement for the expenses incurred for self and family subject to a ceiling of one month's salary in an year.
 - (vi) Payment, if any, upto Rs. 12,00,000 (Rs. Twelve lacs only) in a financial year on account of performance based incentive as per policy of the Company.

(B) The perquisites as above shall be evaluated as per Income-tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost. Provision for use of Company's Car for official duties and Telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites.

C) Company's contribution to provident fund to the extent, the same is not taxable under the Income-Tax, Gratuity payable as per the rules of the Company and Encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
3. Notwithstanding anything to the contrary herein contained where in any financial year, during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.
4. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Whole –Time Director as the case may be.
5. The term and condition of said appointment may be altered and varied in such manner as may be agreed to between the Board of Directors and appointee.
6. In compliance with the provisions of Section 269 and 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the General Meeting for your approval.

The Board recommends the resolution for your approval.

None of the Directors except Mr. Rathi Binod Pal may be considered as concerned or interested in passing of the proposed resolutions given at item no. 6 and 7

ITEM NO. 8

The members may note that the buy back of the Equity Shares by the Company which was approved by the shareholders on 8th March, 2010 was subject to Promoters receiving the exemption under Section 4(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997. Accordingly Jindal Photo Investments Limited on behalf of other Promoters of the Company had applied to SEBI under Section 4(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 on 8th February, 2010 and subsequently submitted the details related to shareholders approval on 8th March, 2010. The

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Company has also presented its case in the hearing to the Whole Time Member of SEBI on July 1, 2010. Finally, the Securities and Exchange Board of India (SEBI) vide its order no. WTM/KMA/CFD/290/08/2010 dated 10th August, 2010 given its approval for the exemption under Section 4(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997.

The members may further note that at the time of SEBI's order, the Equity Share Price of the Company has already crossed Rs. 450/- per share which was maximum permissible buy-back price. Further, every buy-back is required to be completed within 12 (twelve) months of passing of special resolution. The special resolution has been passed on 8th March, 2010, thus leaving about 6 months with the Company for undertaking the buyback.

Accordingly, your Directors are of the view that buy-back at the approved price and within the time left, seems unachievable and propose to withdraw the buy-back proposal which was approved by the shareholders by way of postal ballot on 8th March, 2010.

The Board recommends the resolution for your approval. None of the Directors is interested in the proposed resolution.

ITEM NO. 9

Members are aware that at present the Authorised Share Capital of the Company is Rs 205,00,00,000 (Rupees two hundred five crores) comprising of 3,00,00,000 equity shares of Rs 10 each aggregating to Rs 30,00,00,000 (Rupees thirty crores) and 17,50,00,000 Preference Shares of Rs 10/- each aggregating to Rs 175,00,00,000 (Rupees one hundred seventy five crores). Out of the total authorized Preference capital, the issued and subscribed preference share capital of the company is nil and out of the total authorized Equity capital of Rs. 30 crores, the issued, subscribed and paid-up equity share capital is Rs. 23.02 crores, thus leaving a little cushion for further increase in the equity share capital.

The issue of proposed Bonus equity Shares and further fund raising under section 81(1A) of the Companies Act, 1956 would entail the issue of additional Equity and/or preference shares. Therefore, it is proposed that out of the unissued Preference Share Capital of Rs 175 crores, Preference Capital of Rs 75 crores divided into Rs 7,50,00,000 Preference Shares of Rs 10/- each be cancelled under the provisions of section 94(1)(e) of the Companies Act, 1956.

In the simultaneous resolution, it is proposed to increase the Authorised Equity Share Capital of the Company in terms of the provisions of section 94(1)(a) by Rs. 75 crores which would be by way of setting off of the amount equivalent to the amount of authorised Preference Share Capital cancelled.

In terms of circular no.8/13(94)/59-PR dated 12.3.60 issued by the Department of Company Affairs, such cancellation in the unissued Preference Share Capital and simultaneous increase in the Authorized Equity Share Capital of the Company and consequent amendment in the Memorandum and Articles of Association of the Company would require approval of the shareholders by way of a special resolution and there would not be requirement of any fees to be paid to the appropriate authorities.

Accordingly, your directors recommend and place before you the proposed resolution for your consideration to be passed. None of the Directors is interested in the proposed resolution.

ITEM NO. 10

Considering the healthy Reserves & Surplus position of your Company, your Directors have pleasure in proposing the issue of shares by way of bonus Equity shares by increasing the Issued, Subscribed and Paid-up Equity Share Capital of the Company in the ratio of 1:1. Such Fully Paid-up Bonus Equity Shares shall be distributed to such Members whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company, (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Equity Shares, in the proportion of one new equity share for every one existing equity share held by them respectively on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company. Directors of your Company may be deemed to be interested in this resolution to the extent of their respective shareholding in the Company, if any.

The Board of Directors commends the resolution for approval of the shareholders.

ITEM NO. 11

The Company has growth plans for expansion of its product capacities. As a part of its future growth strategy for the domestic and international markets, the Company plans to make large investments in the next 2-3 years towards product development, capital expenditure for capacity enhancement, plant renewal, modernization and other meaningful growth opportunities like acquisitions in India and/or abroad.

While it is envisaged that the internal generation of funds would partially fund the above capital expenditure programme, it is thought prudent at this stage for the Company to meet a part of this fund requirement for the said capital expenditure, product development, long term working capital as well as for such corporate purposes including acquisitions in India and/or abroad, investments including subsidiary companies in India or overseas for their business growth and other requirement, as may be

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permitted under applicable laws through issue of Securities as defined in the resolution at Item No.11 of the Notice. In view of the good performance of the Company and positive outlook of the Flexible Packaging Film industry globally as also Company's fund requirements, it is thought prudent to raise resources at an opportune time.

It is, therefore, proposed to issue the said Securities for an amount not exceeding Rs. 2,000 crores, in one or more tranches, in such form, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of Investors in the domestic and/or international market as set out in the Resolution at Item No.11 of the Notice.

While the fund raising programme may be through a mix of equity/debt/equity related instruments, to the extent that any part of the above mentioned capital raising plan includes issue of securities linked to or convertible into Equity shares of the Company, Members' approval is being sought. Section 81 of the Act, provides, *inter alia* that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on that date unless shareholders in General Meeting decide otherwise.

In the event of the issue of QIP Securities as aforesaid by way of Qualified Institutions Placements, it will be ensured that:-

- a) the relevant date for the purpose of pricing of the QIP Securities would, pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI ICDR Regulations") and/or other applicable regulations, be the date of the meeting in which the Board decides to open the proposed issue of the specified securities, subsequent to the receipt of Members' approval in terms of Section 81(1A) and other applicable provisions, if any of the Act, and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of securities;
- b) the issue and allotment of QIP Securities shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of the SEBI ICDR Regulations and such securities shall be fully paid up on its allotment, which shall be completed within 12 months of the date of passing this Resolution;
- c) the total amount raised in such manner, including the over allotment option as per the terms of the issue of securities, would not exceed 5 times of the Company's networth as per the audited balance sheet of the previous financial year; and
- d) the QIP Securities shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.

The proposed offer is in the interest of the Company and your Directors commend the resolution for approval. None of the Directors is interested in the proposed resolution.

Details of the Directors seeking Appointment / reappointment in Annual General Meeting fixed on 30th September, 2010

Name of the Director	Mr. Rashid Jilani	Mr. Samir Banerjee	Mr. Rathi Binod Pal
Date of Birth	08-10-1941	10-07-1951	18-03-1969
Date of Appointment	29-09-2007	25-08-2008	17-12-2009
Expertise in specific functional area	Banking, Finance and Working Capital Management.	Domestic and International Marketing	Commercial, Accounts and Management
Qualification	M.Com., C.A. I.I.B.,	B.Sc, M.B.A.	B.Com, C.A. (Inter)
List of outside Directorship	1. Jindal India Powertech Limited	1. Hindustan Thermal Power Generation Ltd. 2. Jindal Solar Rajasthan Ltd. 3. Jindal Solar Powertech Ltd.	1. Rishi Trading Company Ltd. 2. Consolidated Buildwell Ltd. 3. Vigil Farms Ltd. 4. Lucky Holding Pvt. Ltd. 5. Sagar Fintrade Ltd. 6. Canton Traders Ltd.
Committee Membership of the Company	1. Audit Committee 2. Shareholders Committee	NIL	NIL
Committee Membership of other companies,	NIL	NIL	NIL
Shareholding in the Company	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 two Non-promoter Executive Directors and five 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 as on 3rd September 2010 is given below:-

Director	Executive/Non Executive	No. of Total Directorship	Membership of total Board Committee
Mr. Samir Banerjee	Executive	5	0
Mr. Rathi Binod Pal	Executive	7	-
Mr. V. K. Gupta	Non-Executive & Independent	8	0
Mr. A.C. Wadhawan	Non-Executive & Independent	5	5
Mr. Rashid Jilani	Non-Executive & Independent	2	2
Mr. R.K. Pandey	Non-Executive & Independent	13	6
Mr. Jogesh Bansal	Non-Executive & Independent	3	1

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

The Board of Directors of the Company met nine times during the financial year 2009-10 on the following dates:

27/04/2009, 31/07/2009, 03/09/2009, 31/10/2009, 08/12/2009, 17/12/2009, 19/12/2009, 20/01/2010, 29/01/2010,

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 and all other information including those specified under clause 49 of the Listing agreement.

JINDAL POLY FILMS LIMITED

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

Name of Directors	Attendance		
	No. of Meetings held during the tenure of Directors		Last AGM attended
	Held	Attended	
Mr. A.C. Wadhawan	9 (Nine)	9 (Nine)	No
Mr. R.K. Pandey	9 (Nine)	7 (Seven)	Yes
Mr. Samir Banerjee	9 (Nine)	9 (Nine)	Yes
Mr. Jogesh Bansal	9 (Nine)	NIL	No
Dr. Sudhir Kapur	9 (Nine)	8 (Eight)	Yes
Mr. Rashid Jilani	9 (Nine)	9 (Nine)	Yes
Mr. Sumant Singhal (upto. 20/01/2010)	8(Eight)	6 (Six)	No
Mr. Sanjay Mittal (upto. 31/07/2009)	2 (Two)	2 (Two)	No
Mr. Vinod Kumar Gupta (w.e.f. 31/07/2009)	8(Eight)	8 (Eight)	No
Mr. Rathi Binod Pal (w.e.f.17/12/2009)	4(Four)	3 (Three)	No

Changes after Financial Year

DEG has withdrawn the nomination of its nominee, Dr. Sudhir Kapur vide its letter dated 19th July, 2010.

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 three independent Directors viz.

- i) Mr. A.C. Wadhawan, Chairman
- ii) Mr. Jogesh Bansal, Member
- iii) Mr. Rashid Jilani, Member

Mr. Ajit Mishra, 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 financial year, the meetings of the Audit Committee were held on :

27/04/2009, 31/07/2009, 03/09/2009, 31/10/2009, 29/01/2010.

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	5 (Five)
Mr. Rashid Jilani	Member	Consultant	5(Five)
Mr. Jogesh Bansal	Member	Business	NIL

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-

JINDAL POLY FILMS LIMITED

- i) Mr. A.C. Wadhawan, Chairman
- ii) Mr. Rashid Jilani, Member
- iii) Mr. Vinod Kumar Gupta, Member

Mr. Ajit Mishra, Company Secretary, is the Compliance Officer.

The total number of shares transferred during the year 2009-10 were 1900 Equity Shares and rejection for transfers were 2200 Equity Shares.

The total number of complaints received during the year 2009-10 were 158 and as on 31/03/2010, there was NIL complaint pending.

c) Remuneration of Directors

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

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

Details of Remuneration paid to all the Directors for the period 1st April 2009 to 31st March, 2010:

Name of the Director	Salary & Perquisites (Rs.)	Sitting fees (Rs.)
Mr. A.C. Wadhawan	-	21,000
Mr. R.K. Pandey	-	10,500
Mr. Samir Banerjee	14,86,167	-
Mr. Jogesh Bansal	-	-
Dr. Sudhir Kapur	-	12,000
Mr. Rashid Jilani	-	21,000
Mr. Sumant Singhal	9,32,964	-
Mr. Sanjay Mittal	1,98,376	-
Mr. Vinod Kumar Gupta	-	-
Mr. Rathi Binod PaL	5,05,231	-

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
33rd AGM	29/09/2007	11.30 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil
34th AGM	30/09/2008	11.30 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil
35th AGM	30/09/2009	11.30 AM	19th K.M. Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, U.P.	Nil

Note:

- 1) One Special resolution was passed on 29th August, 2008 by way of postal ballot approving the Buy-back of Equity Shares by the Company.
- 2) One Special resolution was passed on 08th March, 2010 by way of postal ballot approving the Buy-back of Equity Shares by the Company.

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 interested, 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.

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 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.

Certificate of code of conduct

Declaration

This is to certify that the Company has laid down a code of conduct (the code) for all Board Members and senior management personnel of the Company and a copy of the code is put on the web site of the Company viz. www.jindalpoly.com.

It is certified further that the Directors and senior Management have affirmed their compliance with the code for the year ended 31st March, 2010.

Place : New Delhi
Date: 3rd September, 2010

Sd/-
Rathi Binod Pal
Whole Time Director

Certification on Financial Statements and Internal Controls

A certificate duly signed by the Whole Time Director and General Manager (Accounts & Taxation) 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 and is given in this Annual Report.

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.

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, 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 Thursday, 30th September 2010 at 11.30 AM.
- Venue 19th K.M. Hapur-Bulandshahr Road,
P.O. Gulaothi, Distt. Bulandshahr, U.P.

b) Financial Calendar

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

Quarter ended June 30, 2010	Qtly. result already published on 11/08/2010
Quarter ending September 30, 2010	Second week of November, 2010
Quarter ending December 31, 2010	Second week of February, 2011
Quarter ending March 31, 2011	Second week of May 2011*

*Instead of publishing unaudited quarterly financial results for the last quarter by Second week of May 2011, the company may publish audited results for the full financial year by 30th May, 2011.

ii) Annual General Meeting

(For the year ending March 31, 2011) In August/September 2011.

c) Date of Book Closure

Monday, 20th September, 2010 to Thursday, 23rd September, 2010
(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

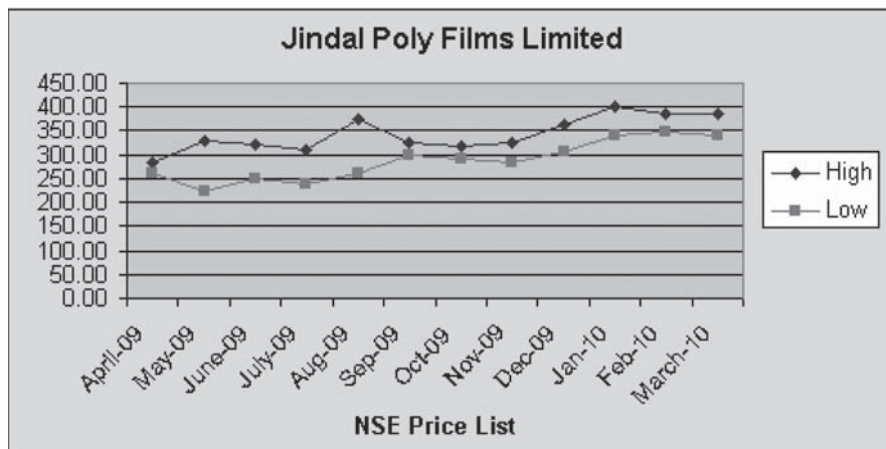
The company has paid in full the listing fees to the Stock Exchanges for the year 2009-10.

f) Stock Market Data (on NSE)

National Stock Exchange, Mumbai

Jindal Poly Films Limited			
NSE PRICE LIST From 01.04.2009 to 31.03.2010			
Month	High Price	Low Price	Total Traded Quantity
April-09	285.00	260.10	957133
May-09	330.00	223.00	204804
June-09	319.90	250.10	73694
July-09	308.80	240.00	67632
Aug-09	375.00	260.50	415234
Sep-09	325.00	300.05	163962
Oct-09	318.00	291.10	107775
Nov-09	326.00	285.00	1665175
Dec-09	364.00	306.00	583599
Jan-10	399.00	340.10	1204210
Feb-10	384.90	347.40	368100
March-10	383.85	342.20	449449

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, 2010

Slab of Shareholding	No. of holders	% of holders	No of Shares	% of Shares
Upto - 5000	23323	99.74	2071194	9.00
5001 – 10000	22	0.09	158636	0.69
10001 – 20000	15	0.06	208384	0.91
20001 – 30000	5	0.02	120017	0.52
30001 – 100000	4	0.02	197058	0.85
100001–and above	17	0.07	20265849	88.03
Total	23386	100	23021138	100

j) Dematerialisation of Shares

As on 31st March, 2010 1,72,67,443 shares (75.01 % of the total number of shares) are in dematerialized form. The company's share are compulsorily traded in dematerialized form.

k) Plant Locations

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

l) Address for Correspondence

Mr. Ajit Mishra
 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

AUDITORS' 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 2010, 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
Firm Registration No.008396N

(R.K.Kanodia)
Partner

Membership No. 016121

Place: New Delhi
Dated: 03-09-2010

CERTIFICATION

We, Rathi Binod Pal, Whole Time Director and Sanjay Mittal, General Manager (Account & Taxation) 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 2009-10.
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 the 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 : 3rd September, 2010

(Rathi Binod Pal)
Whole Time Director

(Sanjay Mittal)
General Manager(Accounts & Taxation)

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 Nashik, Maharashtra and employs modern technology to produce high quality products .

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, JPFL also offers a range of metallised and coated film products to its customers.

JPFL 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. 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 back up films for photo voltaic cells used for generating solar power and office supplies, motor insulations and document lamination. Thin Films (10-36 microns in thickness) are used in flexible packaging metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, decorative ribbons and labels.

JPFL has a capacity to manufacture 1,27,000 TPA of BOPET Film, in the Current financial year 2010-11

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. Due to existence of popular low quality, cheap alternative in the form of TQPP (Tubular Quenched Polypropylene Film) which is being replaced by BOPP. Growing preference for premium and sophisticated packaging however is driving growth in India with increased availability of BOPP, TQPP is being fast replaced by BOPP.

The Company has presently five lines in operation for BOPP Film at Nashik, Maharashtra with a combined capacity of 1,80,000 tpa

Metallised Films

Vacuum deposition of Aluminium on BOPET and BOPP films increase the barrier properties of such films. Besides flexible packaging metallised BOPET films is used for metallic yarn. Metallised BOPP is widely used for gift wrapping. The Company has a total metallising capacity of 32,400 tpa. Two new Metallizers with a combined capacity of 21,200 tpa will be commissioned during the current financial year 2010-11.

Coated Films

PVDC coated BOPP and BOPET films are used in the flexible packaging industry. JPFL 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. During the current financial year, The Company has a plan to start silicon coating also.

Polyester Chips

JPFL has the in-house ability to manufacture polyester (BOPET) chips as per the product requirement, for its BOPET Film business. The Company has installed capacity of 1,11,600 tpa at Nashik, Maharashtra to produce BOPET chips which is being enhanced to 1,76,400 tpa in the current financial year 2010-11

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 THREATS

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. There is a strong demand growth experienced in BOPET film driven by high growth in the electronic segment, acceptance of BOPET films in the solar power generation and continuing high growth in flexible packaging mainly in China and India.

BOPP Films

The global BOPP industry is dominated by China which accounts for nearly 40% of the global capacity and consumption. The capacity utilization in China has been around 70% for the last few years. The Chinese market itself is growing at an average rate of around 8% p.a it is also observed that Chinese cost is increasing compared to previous years largely due to reduction in subsidies. 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.

SEGMENT PERFORMANCE

Flexible Packaging Film

The flexible packaging business continues to expand in 2009-10 with segmental revenues of Rs. 1702.22 crores (Rs 1562.51 crores last year). In value terms, the sales grew by 9 % .

OUTLOOK

Flexible Packaging Film

India continues to lag behind 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, electronics and other electrical applications. The Asian region is expected to account for 60% of worldwide BOPET Film sales over the next two years expanding at a rate of 12%. Meanwhile, estimated growth for thin films in the global markets is at 8%.

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 15% compared to 6% globally.

RISKS & CONCERNS

Input costs

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

Given the volatile trend in crude oil and demand for polymers for competing applications the pressure on input costs can be expected to fluctuate. Flexible packaging film makers have thus far been able to pass on these costs to end consumers and are expected to do so in the foreseeable future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

JPFL 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 8.94% increase in gross revenues from Rs.1562.51 crores to Rs.1702.22 crores driven exclusively by its flexible packaging films business. Other income during the period was at Rs.46.19 crores.

Sales in the domestic market improved 14.35% to Rs.1383.45 crores. The Company continues to develop the BOPP Film market. Exports during FY2010 were at Rs. 318.77 crores as against exports of Rs. 352.70 crores in last year.

The Profit After Tax stood at Rs. 208.38 crores (last year 126.49 crore) giving an EPS of Rs. 85.45 (last year was 45.15)

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 completion. That is precisely why we have built our growth plans on the premises that our manpower resources are our most valuable assets. All other resource 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 have been on developing competent leadership and team building with focus on customer satisfaction. It is well recongnized 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 ourself 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 inforging 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 36th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2010.

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

FINANCIAL RESULTS

(Rs. / Crores)

	2009-10	2008-09
Profit from Operations (EBITDA)	363.54	339.27
Less / (Add) exceptional items	(46.49)	62.38
Less: Interest	28.09	19.65
Profit Before Depreciation and Tax	381.94	257.24
Less: Depreciation	80.44	68.82
Profit before Tax	301.50	188.42
Less: Income Tax for the year	64.02	54.30
Deferred Tax	29.10	7.62
Profit After Tax	208.38	126.49
Add: Balance brought forward	202.07	131.40
Less: Taxes for the earlier years	NIL	NIL
Balance available for appropriation	410.45	257.89
APPROPRIATIONS		
Dividend on Equity Shares	23.02	4.97
Tax on Dividend	3.82	0.85
Transfer to General Reserve	50.00	50.00
Balance carried forward	333.61	202.07

PERFORMANCE HIGHLIGHTS

- Gross Sales/Turnover increased to Rs. 1702.22 crores in the financial year 2009-10, up 8.94% from Rs. 1562.51 crores the year before.
- Exports for the year 2009-2010 stood marginally lower at Rs. 318.77 crores as compared to Rs. 352.70 crores in the last year, however, due to increase in domestic turnover overall turnover is higher
- The operating profit before exceptional item of the company was Rs. 363.54 crores as against Rs. 339.27 crores last year giving a growth of 7.15%.

DIVIDEND

Your Directors have pleasure to recommend Dividend of 100% on 2, 30, 21,138 Equity shares Capital of Rs. 10/- each.

The total dividend would absorb a sum of Rs. 23.02 crore and tax thereon of Rs. 3.82 crore the dividend will be free of tax in the hands of recipients.

WITHDRAWAL OF BUY-BACK OF EQUITY SHARES

Your Directors are of the view that buy-back of equity shares which was approved by the shareholders by postal ballot on 8th March, 2010 at the maximum price of Rs. 450/- per share seems unachievable and propose to withdraw the said buy-back proposal. A detailed statement of reasons have been given in the explanatory statement no. 8 of the notice sent with this Annual report.

ISSUE OF BONUS SHARES

Considering the comfortable free reserves position, present net-worth and future earning potential of the Company, It is proposed to capitalize a sum of Rs. 23,02,11,380 to be applied for the issue of 2,30,21,138 fully paid-up Bonus Equity Shares in the ratio of one Equity Share for every one Equity Share of the Company.

FUNDS RAISING OPTION BY THE COMPANY

The Company plans to make large investments towards product development, capital expenditure for capacity enhancement, plant renewal, modernization and other meaningful growth opportunities like acquisitions in India and/or abroad. It is, therefore, proposed to issue Securities for an amount upto Rs.2,000 crores, in one or more tranches, in such form, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of Investors in the domestic and/or international market.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS

- Mr. Rashid Jilani and Mr. Samir Banerjee retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.
- Mr. Rathi Binod Pal was appointed as an additional Director of the Company on 17/12/2009, The office of Mr. Rathi Binod Pal will expire at the forthcoming Annual General Meeting i.e. on 30/09/2010. The Company has received a notice under section 257 of the Companies Act, 1956 from a member of the Company proposing the appointment of Mr. Rathi Binod Pal as Director of the Company whose period of office will be liable to retire by rotation.

Brief resumes of above directors, names of other company(ies) in which they hold directorship, membership of committees of the Board and their shareholdings are given in the Notice to the Shareholders.

- Mr. Sumant Singhal, Whole Time Director and CEO resigned w.e.f. 21st January, 2010. The Board places on record its sincere appreciation of the valuable services rendered by Mr. Sumant Singhal during his tenure as Director and CEO of the Company.
- The office of Dr. Sudhir Kapur, Director (DEG Nominee) was vacated w.e.f. 19th July, 2010. The Board places on record its sincere appreciation of the valuable services rendered by Dr. Sudhir Kapur during his tenure as Director of the Company.

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.

CORPORATE 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, 2010 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, 2010 on a 'going concern' basis.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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.

In terms of approval granted by Central Government under section 212 (8) of the Companies Act, 1956 vide letter no. 47/630/2010-CL-III dated 16/07/2010, the Balance Sheet, Profit & Loss Account, report of Board of Directors and Auditors of the subsidiary Companies have not been attached to the accounts of the Company. The Annual reports shall be made available upon request to any member of the Company interested in obtaining the same.

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.

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 I' forming part of this report.

GROUP FOR INTERSE TRANSFER OF SHARES

Details of persons constituting "group" as required under clause 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 is given in 'Annexure II' and forms part of this Annual 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: 3rd September, 2010

(Rathi Binod Pal)
Whole Time Director

(Samir 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. Installed coal fired thermic fluid heater.
2. Connection of OPP 1,2 & 3 line HTM heater with OPP 4 & 5.
3. Replacement of old pumps to high efficiency pumps
4. Modification in water chiller system.

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

1. Installation of coal fired thermic fluid heater in place of F.O. fired Thermic fluid heater.
2. Modification in chill roll cooling system in film lines which will result in significant energy savings.

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)

	<u>Current Year 31.3.2010</u>	<u>Previous Year 31.3.2009</u>
1. Electricity		
(a) Purchased from Electricity Board		
Total Units	163772400	105585600
Rate per unit (Rs/units)	5.62	3.95
(b) Own Generation		
(i) Through diesel generator		
Total Units	48155830	73960638
Units/Ltrs. of HSD/F.Oil/LSHS & LDO	4.36	4.45
Rate per unit (Rs/Units)	5.17	5.30
(ii) Through Steam turbine / generator		
Total Units	—	—
Units/Ltrs. of fuel oil /gas	—	—
Rate per unit (Rs/Units)	—	—
2. Furnace Oil/LSHS/LDO/HSD Qty. (Ltrs.)		
Total Amount (Rs.)	322882865	411814959
Total Quantity (Ltrs.)	16117168	19323235
Average Rate (Rs/Ltrs)	20.03	21.31

JINDAL POLY FILMS LIMITED

	Current Year 31.3.2010	Previous Year 31.3.2009
3. Coal		
Total Amount (Rs)	58865117	—
Total Quantity (Kg)	15278750	—
Average Rate	3.85	
4. Consumption Per Unit of Production (Polymer Chips, Biaxially Oriented Polyester/ Polypropylene Films)		
Electricity units per M.T. of Production	771.67	761.39
F. Oil/LSHSLDO/HSD (Ltrs.) per M.T. of production	58.69	81.94
Coal (Kg) unit per MT of Production	55.63	—

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. High hottack antifog films.
2. Very low seal temperature broad seal range plain and metallised film.
3. Ultra low seal high density cavitated film.
4. Transparent wrap around label film.
5. Retort grade PET film.

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, ADAPTATION 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.

Benefits derived as result of the above efforts.

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

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 further developed new customer base in by addition of new markets like Africa and more countries in South America and Middle East.

3) Foreign Exchange earnings (on FOB basis) and outgo

	Rs/Crores	
	2009-10	2008-09
Earnings	308.16	337.33
Outgo	490.28	465.35

JINDAL POLY FILMS LIMITED

ANNEXURE- II

“Group” for inter-se transfer of shares under clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

1	Jindal Photo Limited	15	Hindustan Powergen Limited
2	Jindal Imaging Limited	16	Hindustan Thermal Power Generation Limited
3	Consolidated Finvest & Holdings Limited	17	Jindal India Power Ventures Limited
4	Jindal Photo Investments Limited	18	Lucky Holdings Private Limited
5	Jesmin Investments Limited	19	Mr. Shyam Sunder Jindal
6	Rishi Trading Company Limited	20	Mrs. Subhadara Jindal
7	Soyuz Trading Company Limited	21	Ms. Aakriti Jindal
8	Jindal Poly Films Limited	22	Mr. Bhavesh Jindal
9	Consolidated Photo & Finvest Limited	23	Aakriti Trust
10	Jindal (India) Limited	24	Gunjan Trust
11	Jindal India Finvest & Holdings Limited	25	Bhavesh Trust
12	Consolidated Imaging Limited	26	SSJ Trust
13	Jindal India Thermal Power Limited	27	Shyam Sunder Jindal HUF
14	Jindal India Powertech 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, 2010 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, 2010 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, 2010 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
Firm Registration No.008396N

Place: New Delhi
Dated: 03-09-2010

(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. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
(a) The company has granted loans to one company during the year. The maximum amount involved during the year was Rs.19, 406,168/- the year end balance of loan granted to such companies was Rs. 19, 406,168/-. The company has not taken any loans during the year secured or unsecured to any Company, firm or party covered in register maintained under section 301 of the companies act, 1956.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company
(c) In respect of loans granted by the company the interest payments are regular and the principal amounts are being received /renewed on the due dates. In respect of loans taken by the company, the interest payments are regular and the principal amount is repayable on demand.
(d) There is no overdue amount in respect of the above loans.
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.

JINDAL POLY FILMS LIMITED

9. (a) The company is 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 2010 for a period of more than six months from the date of becoming payable.
- (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	391.45	CIT(A) F.Y.1998-99
	Income Tax demand	351.62	CIT(A) F.Y.2004-05
	Income Tax demand	14.14	ITAT F.Y.1994-95
	Income Tax demand	2.44	ITAT F.Y.2000-2001
	Income Tax demand	15.51	CIT(A) F.Y 1997-98
	Income Tax demand	0.70	CIT(A) F.Y 2005-06
	Income Tax demand	0.87	CIT(A) F.Y 2000-01
2. Excise Act	Excise Demand	270.32	CESTAT
3. Sales Tax Act	Sales Tax Demand	224.93	Sales Tax Tribunal
4. Custom Law Act	Demand	81.60	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. In our opinion and according to the information and explanations given to us, 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
Firm Registration No.008396N**

**(R.K KANODIA)
PARTNER**

Membership No. 016121

**Place: New Delhi
Dated: 03-09-2010**

JINDAL POLY FILMS LIMITED

BALANCE SHEET AS AT 31 st MARCH 2010

SOURCES OF FUNDS	SCHEDULE	31.03.2010		31.03.2009
		Rs.		Rs.
SHAREHOLDER'S FUNDS				
Share Capital	1	230,211,380		258,241,450
Reserves & surplus	2	<u>10,462,145,615</u>	10,692,356,995	<u>9,472,566,207</u> 9,730,807,657
LOAN FUNDS				
Secured Loans	3	4,253,934,895		4,413,686,570
Unsecured Loans	4	<u>504,302,482</u>	4,758,237,377	<u>372,113,204</u> 4,785,799,774
Deferred Tax Liability (Net)	8B		<u>1,665,735,537</u>	<u>1,374,714,537</u>
			<u>17,116,329,909</u>	<u>15,891,321,968</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	18,021,212,350		16,101,441,360
Less: Depreciation		<u>5,884,154,796</u>		<u>5,097,448,518</u>
Net Block		12,137,057,554		11,003,992,843
Add: Capital Work in Progress		<u>680,986,884</u>	12,818,044,438	<u>537,819,190</u> 11,541,812,033
INVESTMENTS	6		1,756,332,856	1,887,910,958
CURRENT ASSETS, LOANS & ADVANCES				
Inventories		2,007,791,912		1,182,082,266
Sundry Debtors		611,119,387		514,996,043
Cash & Bank Balances		899,223,674		1,261,747,638
Loans & Advances		<u>1,145,089,167</u>		<u>972,117,496</u>
		<u>4,663,224,139</u>		<u>3,930,943,443</u>
LESS: CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	8A	1,784,433,743		1,343,291,784
Provisions		<u>336,837,782</u>		<u>126,052,682</u>
		<u>2,121,271,525</u>		<u>1,469,344,466</u>
Net Current Assets			2,541,952,615	2,461,598,977
Miscellaneous Expenditure	9		-	-
(To the extent not written off or adjusted)				
			<u>17,116,329,909</u>	<u>15,891,321,968</u>
Notes forming part of accounts	18			

Schedules referred to above form an integral part of accounts
As per our report of even date annexed hereto

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

JINDAL POLY FILMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 st MARCH 2010

	SCHEDULE	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME			
Sales		17,022,247,198	15,625,114,592
Less :Excise Duty		<u>1,112,297,977</u>	<u>1,416,195,452</u>
NET SALES		15,909,949,221	14,208,919,140
Other Income	10	461,866,845	307,839,259
Accretion/(Decretion) in Stock	11	<u>186,834,167</u>	<u>38,933,920</u>
		16,558,650,234	14,555,692,319
EXPENDITURE			
Raw Material Consumed	12	10,303,558,121	8,631,898,561
Manufacturing Expenses	13	2,092,207,824	1,594,822,953
Excise on Increase/(Decrease) in Stock		10,335,263	(8,719,866)
Personnel Expenses	14	173,176,375	158,959,246
Interest & Financial charges	15	280,949,293	196,500,240
Selling & Distribution Expenses	16	154,989,819	254,430,288
Other Expenses	17	188,948,363	531,613,644
Depreciation	5	<u>804,369,531</u>	<u>688,247,136</u>
		14,008,534,589	12,047,752,203
PROFIT BEFORE EXCEPTIONAL ITEM FOR THE YEAR		2,550,115,645	2,507,940,116
Less/ (Add) :- Exceptional Items		<u>(464,940,998)</u>	<u>623,783,099</u>
PROFIT BEFORE TAX		3,015,056,643	1,884,157,017
<u>Less :- Provision for Taxation</u>			
- Current tax (Including FBT)		640,200,000	543,000,000
- Deferred tax		<u>291,021,000</u>	<u>76,224,000</u>
PROFIT AFTER TAX		2,083,835,643	1,264,933,017
Add: Amount brought forward		<u>2,020,690,617</u>	<u>1,313,930,762</u>
		4,104,526,260	2,578,863,779
APPROPRIATIONS			
<u>Proposed Dividend</u>			
- Equity Shares		230,211,380	49,722,776
- Tax on Proposed Dividend		38,235,233	8,450,386
Transfer to General Reserve		500,000,000	500,000,000
Balance carried forward		<u>3,336,079,648</u>	<u>2,020,690,617</u>
		4,104,526,260	2,578,863,779
Earning per Share(Basic) before exceptional items		66.38	67.42
Earning per Share (Diluted) before exceptional items		66.38	67.42
Earning per Share (Basic) after exceptional Items		85.45	45.15
Earning per Share (Diluted) after exceptional Items		85.45	45.15

Notes forming part of accounts 18

As per our report of even date annexed hereto
Schedules referred to above form an integral part of accounts

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

JINDAL POLY FILMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2010

	Year ended 31/03/2010	Year ended 31/03/2009
A. Cash Flow from Operating activities:		
Net Profit before tax and extraordinary items	3,015,056,643	1,884,157,017
Adjustment for:		
Depreciation	804,369,531	688,247,136
(Profit)/Loss on sale of Assets (net)	778,667	246,288
(Profit)/Loss on sale of Investment (net)	459,783	(79,056,440)
Interest Income	(95,982,327)	(28,721,127)
Dividend Income	(13,391,057)	(16,780,803)
Interest on Borrowings	250,638,309	178,500,092
Miscellaneous Expenditure amortised	-	48,212
	946,872,906	742,483,357
	3,961,929,549	2,626,640,375
Operating Profit before Working Capital changes		
Adjustments for:		
Inventories	(825,709,646)	(117,614,284)
Trade receivables	(96,123,344)	410,437,306
Loans & Advances	(172,971,670)	(94,734,940)
Trade Payables and Other Liabilities	451,477,222	352,262,567
	(643,327,438)	550,350,649
Cash Generated from Operations	3,318,602,111	3,176,991,024
Direct Taxes paid	(650,023,614)	(517,409,933)
Net Cash from Operating Activities (A)	2,668,578,497	2,659,581,091
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(2,088,567,259)	(2,951,586,342)
Sale of Fixed Assets	7,186,657	1,250,000
Purchase of Investments	(273,258,015)	(3,206,390,016)
Sale of Investments	404,376,334	2,407,909,408
Interest Received	95,982,327	28,721,127
Dividend Received	13,391,057	16,780,803
	(1,840,888,900)	(3,703,315,019)
Net Cash used in Investment Activities (B)	(1,840,888,900)	(3,703,315,019)
C. Cash Flow from Financing Activities:		
Increase/(Repayment) of Borrowings	(27,562,397)	3,077,929,006
Shares Buyback	(853,839,693)	(604,579,738)
Dividend paid	(58,173,162)	(65,741,550)
Interest Paid	(250,638,309)	(178,500,092)
	(1,190,213,561)	2,229,107,626
Net Cash from Financing Activities (C)	(1,190,213,561)	2,229,107,626
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(362,523,964)	1,185,373,697
Cash and Cash equivalents as at 1st April (Opening Balance)	1,261,747,638	76,373,941
Cash and Cash equivalents as at period end (Closing Balance)	899,223,674	1,261,747,638
Notes forming part of accounts	18	

As per our report of even date annexed hereto

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

SCHEDULES

	31.03.2010 Rs.	31.03.2009 Rs.
1 SHARE CAPITAL		
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/- each	300,000,000	300,000,000
175,000,000 (175,000,000) Preference Shares of Rs.10/- each	1,750,000,000	1,750,000,000
	<u>2,050,000,000</u>	<u>2,050,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
23,021,138 (25,824,145) Equity Shares of Rs. 10/- each	230,211,380	258,241,450
	<u>230,211,380</u>	<u>258,241,450</u>

Notes on Share capital :-

1 Buyback-I

Pursuant to the approval of the Board of Directors and Shares holders of the Company, for buyback of equity shares U/s 77A of the Companies Act, 1956 upto 25% of Paid up capital and free reserve, during the financial year 2009-10 Company has bought back 962,757 equity shares and extinguished the same.

2 Buyback -II

Pursuant to the approval of the Board of Directors of the Company, for buyback of equity shares U/s 77A of the Companies Act, 1956 less then 10% of Paid up capital and free reserve, during the financial year 2009-10 Company has bought back 1,840,250 equity shares and extinguished the same.

A total of 2,803,007 equity shares buyback and extinguished during the year ended 31st March 2010 through open market for an aggregate amount of Rs. 853,839,693 by utilizing the security premium and general reserve to the extent of Rs. 825,809,623 and Rs. 28,030,070 respectively. The Capital redemption reserve has been credited out of general reserve for Rs 28,030,070 being the nominal value of the share bought back U/s. 77A of the Companies act, 1956.

3 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash in 1974.

4 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves in 1995-96 and 2004-2005.

	31.03.2010 Rs.	31.03.2009 Rs.
2. RESERVES & SURPLUS		
CAPITAL RESERVE		
As per last Balance sheet	1,090,000	1,090,000
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	3,606,337,972	4,188,200,360
Less: premium on equity shares bought back	<u>825,809,623</u>	<u>581,862,388</u>
	2,780,528,349	3,606,337,972
EXPORT PROFIT RESERVE		
As per last Balance sheet	60,000	60,000
AMALGAMATION RESERVE		
As per last Balance sheet	422,832,200	422,832,200
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	1,314,117,350	1,291,400,000
Add: Transferred from General Reserve	<u>28,030,070</u>	<u>22,717,350</u>
	1,342,147,420	1,314,117,350
GENERAL RESERVE		
As per last Balance sheet	2,107,438,068	1,630,155,418
Less: Transfer to Capital Redemption Reserve	<u>(28,030,070)</u>	<u>(22,717,350)</u>
Add : Transfer from Profit & Loss account	<u>500,000,000</u>	<u>500,000,000</u>
	2,579,407,998	2,107,438,068
PROFIT & LOSS ACCOUNT	<u>3,336,079,648</u>	<u>2,020,690,617</u>
	<u>10,462,145,615</u>	<u>9,472,566,207</u>

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2010 Rs.	31.03.2009 Rs.
3. SECURED LOANS		
(A) TERM LOANS FROM BANKS		
Foreign Currency Loans	3,406,733,667	4,226,518,707
(B) WORKING CAPITAL LOANS FROM BANKS	847,201,228	187,167,863
(Includes bill discounting of Rs.Nil, Previous year Rs. 2207.86 Lacs)	4,253,934,895	4,413,686,570

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 (Maharastra) 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 (Maharastra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

4. UNSECURED LOANS

Working Capital Loans from Banks	504,302,482	372,113,204
	504,302,482	372,113,204

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS	SALE/ ADJUSTMENT	TOTAL 31.03.2010	AS AT 01.04.2009	FOR THE YEAR	SALE/ ADJUSTMENT	TOTAL 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Land (Freehold)	52,337,727	1,190,476	-	53,528,203	-	-	-	-	53,528,203	52,337,727
Factory Buildings	1,666,765,507	219,720,223	-	1,886,485,730	357,746,582	61,732,498	-	419,479,080	1,467,006,650	1,309,018,925
Other Buildings	209,466,581	5,464,157	-	214,930,738	36,355,298	3,456,961	-	39,812,259	175,118,479	173,111,283
Plant & Machinery	14,020,927,788	1,691,397,239	22,548,509	15,689,776,519	4,623,186,992	727,704,180	15,959,852	5,334,931,320	10,354,845,199	9,397,740,797
Furniture & Fixture	20,518,889	6,570,861	-	27,089,750	13,150,104	1,080,321	-	14,230,425	12,859,325	7,368,784
Office Equipments	29,176,031	2,934,381	-	32,110,412	13,283,174	1,426,530	-	14,709,704	17,400,707	15,892,856
Computers	47,607,180	10,804,659	-	58,411,839	33,483,642	4,338,487	-	37,822,129	20,589,710	14,123,537
Vehicles	54,641,658	7,317,569	3,080,067	58,879,160	20,242,725	4,630,555	1,703,400	23,169,879	35,709,281	34,398,934
TOTAL	16,101,411,360	1,945,399,565	25,628,576	18,021,212,350	5,097,448,518	804,369,531	17,663,252	5,884,154,796	12,137,057,554	11,003,992,843
Capital work in Progress	590,291,742	2,045,702,326	1,887,138,746	748,855,322	52,472,552	-	15,395,886	67,868,438	680,986,884	537,819,190
GRAND TOTAL	16,691,733,103	3,991,101,891	1,912,767,322	18,770,067,672	5,149,921,070	804,369,531	33,059,138	5,952,023,234	12,818,044,438	11,541,812,033
PREVIOUS YEAR	13,693,385,759	6,289,189,007	3,290,841,664	16,691,733,103	4,413,416,644	688,247,136	56,687,815	5,149,921,070	11,541,812,033	9,279,969,116

Addition to Plant & Machinery has been adjusted by Rs.52,105,113/- Previous Year Rs.64,004,279/- being the amount of interest and Financial charges

6. INVESTMENTS

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS		31.03.2010 Rs.	31.03.2009 Rs.
		31.03.2010	31.03.2009		
A) LONG TERM INVESTMENTS					
(I) Non Trade					
(i) Equity Shares (Quoted)					
Phil Corporation Ltd.	10	300	300	8,450	8,450
India Foils Ltd. (Last Year face value of Rs.10/-)	1	100	100	12,500	12,500
Garware Polyester Ltd.	10	100	100	11,850	11,850
Ester Industries Ltd.	5	500	500	4,375	4,375
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	30,367,898	30,367,898
Non Trade- Equity Shares (Unquoted)				30,405,073	30,405,073

SCHEDULES

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS		31.03.2010 Rs.	31.03.2009 Rs.
		31.03.2010	31.03.2009		
(ii) Equity shares					
Hindustan Powergen Limited*	10	65000	-	500,000	-
(iii) Equity shares warrant					
Garware Polyester Ltd.		11	11	121	121
(iv) In Associates					
Jindal Buildmart Limited	10	330,000	330,000	33,000,000	33,000,000
Jindal India Powertech Limited(Rupee 4 partly paid up)	10	214,000,000	214,000,000	857,020,000	857,020,000
Jindal India Powertech Limited(Rupee 1 partly paid up)	10	225,000,000	-	225,562,500	-
				1,116,082,621	890,020,121
II) In Subsidiaries					
(a) Equity Shares (Un Quoted)					
Hindustan Thermal Power Generation Limited (Formerly Hindustan Polysters Ltd.)	10	50000	50000	500,000	500,000
Jindal Packaging Films Limited*	10	0	50000	-	500,000
Jindal France SAS	EURO 1	7063000	7063000	409,323,348	409,323,348
*During the year Jindal Packaging Films Ltd (JPFL) merged with Hindustan Powergen Ltd (HPL) and the Company was allotted 65,000 equity share of HPL in lieu of equity shares of JPFL.				409,823,348	410,323,348
TOTAL 'A'				1,556,311,042	1,330,748,542
B) CURRENT INVESTMENTS					
(I) Principal Floating Rate Fund FMP-Inst. Option- Dividend Reinvestment Weekly	10	20,000,781	15,207,356	200,021,814	152,326,299
(II) 28 ICICI Prudential Flexible Income Plan Premium-Weekly Dividend	10	-	24,016,575	-	253,314,492
(III) TFLW Tata Floater Fund-Weekly Dividend	10	-	10,023,950	-	101,241,129
(IV) Templeton India Ultra Short Bond Fund Super Institutional Plan-Weekly Dividend Plan	10	-	4,974,306	-	50,280,496
TOTAL 'B'				200,021,814	557,162,416
(Net Asset Value of investment in Mutual Funds is Rs. 2000.22 lacs (Previous Year Rs.5567.12 lacs))					
TOTAL (A+B)				1,756,332,856	1,887,910,958
Aggregate value of quoted Investments				30,405,073	30,405,073
Aggregate value of unquoted Investments				1,725,927,783	1,857,505,885
Market Value of Quoted Investments				76,888,871	33,702,116

MOVEMENT DURING THE YEAR (Purchased and Sold)	FACE VALUE	NO. OF UNITS	Cost in Rs.
Mutual Fund Units			
i) 28 ICICI Prudential Flexible Income Plan Premium-Weekly Dividend	10	1,319,777	13,917,850
ii) TFLW Tata Floater Fund-Weekly Dividend	10	20,195,824	202,614,835
iii) Templeton India Ultra Short Bond Fund Super Institutional Plan-Weekly Dividend Plan	10	29,992,641	303,000,312
iv) Principal Floating Rate Fund FMP-Inst. Option-Dividend Reinvestment Weekly	10	324,190	3,242,773
v) Principal Cash Management Fund-Liquid Option Instl. Prem. Plan Dividend Reinvestment Weekly	10	20,000,781	200,021,816

JINDAL POLY FILMS LIMITED

SCHEDULES

7. CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

INVENTORIES

(As per Inventories taken, valued and certified by the Management)

Finished Goods	451,496,443		263,897,663	
Raw Material (Including in Transit Rs.21,84,83,068, Previous Year Rs 6,33,55,995)	1,214,427,849		590,063,363	
Scrap	8,552,553		9,317,166	
Store, Spares and Tools	<u>333,315,067</u>	2,007,791,912	<u>318,804,075</u>	1,182,082,266

SUNDRY DEBTORS

(Unsecured, considered Good)

Debts exceeding six months	30,795,652		40,401,239	
Other Debts	<u>580,323,735</u>	611,119,387	<u>474,594,804</u>	514,996,043

CASH & BANK BALANCES

Cash & stamps in hand (including Drafts/ Cheques)

Balance with Schedule Banks	137,413		91,423	
In Current Accounts	179,577,773		79,376,537	
In Fixed deposit Accounts	<u>719,508,488</u>	899,223,674	<u>1,182,279,678</u>	1,261,747,638

(Fixed Deposits of Rs.67,08,488/-pledged as Margin Money with appropriate authority Previous Year Rs 59,79,678/-)

B. LOANS AND ADVANCES

(Unsecured -considered Good)

Advances (Recoverable in cash or in kind or for value to be received)	1,033,821,415		667,522,178	
Loans to Subsidiary companies	19,406,168		56,794,548	
Advance for Capital Goods	37,010,546		163,110,211	
Security Deposits	19,736,368		17,364,368	
Balance with Central Excise	<u>35,114,670</u>	1,145,089,167	<u>67,326,192</u>	972,117,496
	<u>4,663,224,139</u>		<u>3,930,943,443</u>	

8.A CURRENT LIABILITIES AND PROVISIONS

(1) CURRENT LIABILITIES

Sundry Creditors

For Capital Goods	226,927,707		115,450,932	
For Others	747,329,503		511,646,635	
Other Liabilities	470,768,495		395,405,383	
Advance from customers	303,930,122		277,164,049	
Unclaimed dividend	2,044,978		2,083,053	
Interest on Loans accrued but not due	<u>33,432,937</u>	1,784,433,743	<u>41,541,733</u>	1,343,291,784

(2) PROVISIONS

Provision of Excise Duty on Finished Goods	31,129,078		20,793,815	
Proposed dividend on equity shares	230,211,380		49,722,776	
Tax on Proposed dividend	38,235,233		8,450,386	
Provision for Taxation (Net of Advance Tax Rs 186,11,52,772 Previous year Rs.121,11,29,158 including tax deducted at source)	<u>37,262,091</u>	336,837,782	<u>47,085,705</u>	126,052,682
	<u>2,121,271,525</u>		<u>1,469,344,466</u>	

8.B DEFERRED TAX

DEFERRED TAX LIABILITY

Opening Balance	1,374,714,537		1,298,490,537	
Addition during the year	<u>291,021,000</u>	1,665,735,537	<u>76,224,000</u>	1,374,714,537
	<u>1,665,735,537</u>		<u>1,374,714,537</u>	

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2010 Rs.		31.03.2009 Rs.	
9. MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
PRELIMINARY EXPENSES				
As per last Balance Sheet	-		48,212	
Less: Written off during the year	-		48,212	-
	-		-	-
10. OTHER INCOME				
Dividend :				
On Current Investments	12,797,584		16,187,430	
On Long Term Investments	593,473	13,391,057	593,373	16,780,803
Profit on sale of current Investment- Non Trade		-		79,056,440
Miscellaneous Receipt		6,352,534		301,452
Industrial Promotion Subsidy under Mega Project		273,237,356		89,168,202
Rent Received (Land)		100,000		100,000
Foreign exchange fluctuation		71,255,449		91,154,495
Claims Received		1,548,123		2,556,739
Interest Received		95,982,327		28,721,127
(Including TDS Rs. 159,32,663 Previous year Rs. 64,05,560)				
		461,866,845		307,839,259
11. ACCRETION/(DECRETION) IN STOCK				
OPENING STOCK (Including Excise Duty)				
Finished Goods	263,897,663		226,496,369	
Scrap	9,317,166	273,214,828	7,784,539	234,280,908
CLOSING STOCK (Including Excise Duty)				
Finished Goods	451,496,443		263,897,663	
Scrap	8,552,553	460,048,996	9,317,166	273,214,828
Accretion/(Decretion) in stock		186,834,167		38,933,920
12. RAW MATERIAL CONSUMED				
Opening stock		526,707,368		534,580,818
Add: Purchases		10,917,985,608		8,760,580,398
		11,444,692,975		9,295,161,216
Less: Sales		440,489		-
Less:-Provision for Obsolescence		600,419		623,583
Less/(Add): Cost Benefits (refer note no.11of Schedule 18)		140,582,924		135,058,185
		11,303,069,143		9,159,479,448
Less:- Material Used for Trial Run		458,334		873,519
Less: Closing Stock		999,052,688		526,707,368
		10,303,558,121		8,631,898,561

JINDAL POLY FILMS LIMITED

SCHEDULES

	31.03.2010	31.03.2009
	Rs.	Rs.
13. MANUFACTURING EXPENSES		
Stores and Spares consumed	133,442,498	106,460,517
Power and Fuel	1,549,115,292	1,215,044,508
Carriage Inwards	21,170,555	23,449,058
Water charges	2,905,632	2,869,311
Repairs to Plant & Machinery	11,440,678	9,372,543
Repairs to Buildings	126,749	523,467
Insurance	6,209,444	5,185,629
Packing Material	367,796,976	231,917,921
	<u>2,092,207,824</u>	<u>1,594,822,953</u>
14. PERSONNEL EXPENSES		
Salaries, Wages, Bonus & Other Benefits	148,724,950	133,973,748
Gratuity	5,449,780	5,986,842
Contribution to Provident Fund	5,101,297	5,254,835
Staff & Workmen Welfare Expenses	12,856,584	12,303,821
Staff Recruitment & Development	1,043,764	1,440,000
	<u>173,176,375</u>	<u>158,959,246</u>
15. INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	212,054,811	105,845,998
On Bank Borrowings	38,583,498	72,654,094
Financial charges/Bank Charges	30,310,984	18,000,149
	<u>280,949,293</u>	<u>196,500,240</u>
16. SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	134,366,132	203,957,819
Commission	17,282,066	37,017,846
Others	3,341,621	13,454,623
	<u>154,989,819</u>	<u>254,430,288</u>
17. OTHER EXPENSES		
Rent	20,728,256	10,407,698
Rates & Taxes	5,058,371	4,987,699
Travelling & Conveyance	33,007,034	37,561,801
Charity & Donation	113,679	798,637
Social welfare expenses	152,700	583,066
Postage & Telephone charges	6,084,560	6,464,138
Legal & Retainership Charges	44,986,871	23,727,272
Vehicle upkeep & Maintenance	8,551,212	7,165,284
Water & Electricity Charges	3,480,119	1,732,429
Repair and Maintenance others	15,056,425	8,971,111
Insurance	2,140,246	2,521,178
Auditors' Remuneration	995,000	930,000
Printing & Stationery	1,859,519	1,843,670
Licence, Inspection and Testing Fees	1,919,528	3,285,497
Miscellaneous expenses	4,959,055	6,161,598
Commission	1,279,727	907,855
Directors Meeting Fees	64,500	82,500
Foreign exchange fluctuation	36,672,692	412,564,128
Provision for Obsolescence	600,419	623,583
Loss on sale of Investments- Non Trade	459,783	-
Loss on sale of Fixed Assets	778,667	246,288
Miscellaneous Expenditure written off	-	48,212
	<u>188,948,363</u>	<u>531,613,644</u>

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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.

The Company is engaged in the business of manufacturing & sales of various types of films of various dimensions and grades. As per the company's usual policy, the low graded/surplus stock of films are sold at special discounted prices and such discounts are adjusted in unit sale price.

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 are 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

Inventories are valued at cost or net realizable value, whichever is lower, Cost is determined on first in first out (FIFO) basis/ weighted average basis. Finished goods and work in progress include cost of conversion and other cost incurred in bringing the inventories to their present location and conditions.

vii. Excise Duty

Excise duty is accounted for and included in the closing stock valuation of finished goods.

viii. Foreign Currency Transactions

Exchange difference arising on repayment of foreign currency liabilities taken for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are recognized as income or expenses for the year as the case may be.

Exchange difference arising due to reinstatement of outstanding foreign currency loans taken for acquiring the fixed assets, by applying the closing rate of such foreign currency or the rate as per forward exchange contract if any, are recognized as income or expenses for the year as the case may be.

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

Export incentives in the form of Duty Entitlement Passbook Scheme (DEPB) are accounted for on accrual basis and is credited to the raw material cost.

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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. Employee Benefits

i. Short term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, incentives are recognized in the period during which the employee renders the related service.

ii. Post employment Benefits

(a) Defined Contribution Plans

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit & loss account during the period during which the employee renders the related service.

(b) Defined Benefit Plans

The employee Gratuity Fund Scheme managed by a trust is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the returns of related obligations.

Actuarial gains and losses are recognized immediately in the profit & loss account.

In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

(c) The obligation for leave encashment is provided for and paid on yearly basis.

xi. Borrowing Costs

Borrowing costs that are 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 costs are charged to revenue in the period when they are incurred.

xii. Taxation

a) Current Year Charge

Provision for Income-tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

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 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.

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xv. Expenses during construction period

Expenses incurred during construction period are 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. Income from investments/Deposit

Income from investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for Under Income tax deducted at source. Dividend income when the owner's right to receive its investments payment in shares established.

xviii. Contingent Liability

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

	31.03.10	31.03.09
	Rs.	Rs.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	61,016,528	143,035,496
3. Contingent Liabilities:		
a. Bank Guarantees	128,897,507	90,689,607
b. Outstanding Letters of Credit (Including Capital Goods)	444,994,483	1,222,201,138
c. Claims against Company, not acknowledged as debts	9,369,284	94,931,000
d. Uncalled liability of partly paid shares	3,309,000,000	1,284,000,000
e. Demands raised by authorities against which, Company has filed appeals: -		
i) Income Tax	77,673,397	445,38,332
ii) Excise Duties	27,032,000	274,61,000
iii) Sales Tax	22,493,097	224,93,097
iv) Custom Duties	8,160,000	388,22,000
4. Remuneration to Whole Time Directors		
Salary	2,946,724	2,531,336
Provident Fund Contribution	23,410	28,644
Perquisites	181,014	216,583
	3,151,148	2,776,563
5. Remuneration to Auditors' comprises:		
Audit Fee	600,000	500,000
Tax Audit Fees	100,000	100,000
In Other Capacities	295,000	330,000
	995,000	930,000

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6. 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.

7. Employee Benefit
Define Plan- Gratuity Scheme

a) Liabilities Recognised at the Balance sheet date: -		
Present Value of obligation as at the beginning of the period	16,832,469	12,817,462
Interest Cost	1,262,435	998,237
Current Service Cost	3,497,779	2,926,007
Benefits Paid	(44,031)	-
Actuarial (gain)/loss on obligation	(113,053)	(1,352,305)
Present Value of Obligation as at the end of period (31.03.2010)	21,435,599	16,832,469
b) Fair Value of assets as on Balance Sheet date		
Fair value of plan assets at the beginning of the period	16,766,741	12,989,655
Actual Return of plan assets	1,550,924	1,201,543
Contribution during the year	4,081,976	2,438,945
Benefits paid	(44,031)	-
Actuarial (gain)/loss on obligation	180,306	136,598
Fair value of plan assets at the end of the period	22,535,916	16,766,741
c) Net Assets/(Liability) recognized in the Balance Sheet as provision	1,100,317	(65,728)
d) Principal Actuarial Assumptions		
Rate of Discounting	7.50%	7.00%
Expected rate of Return on Plan Assets	9.25%	9.25%
Rate of increase in salary	5.00%	4.50%

8. Preoperative expenditure amounting to Rs.55,126,527,(previous year Rs.72,080,945) capitalized to respective fixed assets during the year, details are as under:

Raw Material (Trial Run)	458,334	873,519
Salary	799,762	671,664
Power & Fuel	1,763,318	6,531,483
Interest & Financial Charges	52,105,113	64,004,279
	55,126,527	72,080,945

9. Term Loan installments due within next one year is amounting to Rs 2979.91 Lacs. (Rs 3812.99 lacs).

10. Pursuant to the adoption of Accounting Standards as prescribed by Companies (Accounting Standards) Rules,2006 issued by Ministry of Corporate Affairs vide notificaton no.G.S.R.739 (E) dated December 7, 2006 and as required by Accounting Standard 11 –

- a) Loss of Rs 4649.40 lacs (previous year Rs 6237.83 lacs) on translation/settlement of foreign currency monetary items including borrowings have been shown as exceptional items in the profit and loss account.
- b) Gain/(Loss) on account of hedging against export exposures amounting to Rs 50.90 lacs, (previous year loss of Rs 1400.55 lacs) have been accounted under the head other income/(other expenses) in the profit & loss account.

11. A sum of Rs.12,394,101 (previous year Rs.14,972,861) being the difference between domestic vs. imported material prices prevailing at the end of the period ended 31st March 2010 on account of advance licences excess utilized for which exports are yet to be made, has been adjusted in the cost of raw material.

Export Incentive under Duty Entitlement Pass Book Scheme (DEPB) amount to Rs. 152,977,025 (Previous year Rs. 150,031,046) has been credited in the account of raw material.

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12. Advance receivable in cash or in kind includes Rs. 28,254,173 (Previous Year Rs. 28,254,173) being the amount of custom duty deposited against import of capital goods assessed under provisional assessments in earlier year.
13. (a) 600 shares of Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyester Ltd.) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.
 (b) 6 shares of Jindal Packaging Films Ltd.(Under amalgamation with Hindustan Powergen Ltd) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.
14. Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.
15. Under the Packaging Scheme of Incentive approved by the Government of Maharashtra, the Company is entitled to industrial promotion subsidy to the extent of 100% of the fixed capital investment or the extent of taxes paid to the State Government within a period of 7 years, whichever is lower. During the year, the Company is entitled for an amount of Rs. 273,237,356, (previous year Rs. 89,168,202), under that scheme and the same has been shown as income, under the head of other income.
16. 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.
17. 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 wherever separation is not ascertainable.
18. The 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.
19. 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.
20. 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) Operations in respect of Company's units at Gulaothi were lying suspended. However 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.
21. Previous year's figures have been regrouped and/or rearranged wherever required.
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)	- -
ii) Polymer Chips	131,000 (131,000)	121,175 (121,175)	89,989.928 (81,848.561)
iii) Biaxially Oriented Polyester/ Polypropylene Film	296,000 (266,000)	296,000 (266,000)	184,645.754 (153,964.996)

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

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

Class of Goods	Opening Stock		Closing Stock		Turnover	
	Qty(MT)	Value (Rs.)	Qty(MT)	Value (Rs.)	Qty(MT)	Value (Rs.)
i) Polyester Filament Yarn	-	-	-	-	-	-
ii) Polymer Chips	646.453	43,618,300	2,298.339	126,695,856	88,338.042	4,778,513,528
	(763.935)	(51,340,623)	(646.453)	(43,618,300)	(81,966.043)	(4,501,064,095)
iii) Biaxially Oriented Polyester/ Polypropylene Film & Metalized	2,917.446	219,715,133	4,167.649	324,800,587	183,395.550	16,983,041,354
	(2,417.351)	(175,155,746)	(2,917.446)	(219,715,133)	(153,464.901)	(15,588,466,989)
iv) Others		9,329,774		8,552,553		62,313,933
		(7,784,539)		(9,329,774)		(66,772,585)
						21,823,868,815
						(20,156,303,668)
Less:- Inter Unit Transfer of 88338.042 MT (81966.043 MT) Polymer Chips						4,778,513,528
						(4,501,064,095)
Less:-BOPP /PET Film lying under stock of raw material sent for metalizing /Coating 322.127 MT (408.996 MT)						23,108,088
						(30,124,982)
						17,022,247,198
						(15,625,114,592)

c) Details of Consumption of Raw Material

Class of Goods	Quantity (MT)		Amount (Rs.)	
DMT/PTA	76854.015	(69,768.096)	3,386,263,829	(2,912,393,715)
MEG	30682.018	(27,960.369)	1,107,255,283	(1,096,473,173)
POLYMER CHIPS/FILMS	87399.340	(82,440.813)	4,777,289,034	(4,546,302,707)
PP CHIPS & HOMO/CO POLYMER	96125.864	(71,009.220)	5,630,836,005	(4,348,962,650)
OTHERS			336,441,616	(311,163,456)
			15,238,085,768	(13,215,295,701)
Less:- Inter Unit Transfer Polymer Chips 88338.042 MT (81966.043 MT)			4,778,513,528	(4,501,064,095)
Less:- Transfer for trial run			458,334	(873,519)
Less/(Add):- Opening Export Benefits			14,972,861	(18,569,017)
Less Closing Export Benefits			140,582,924	(135,058,185)
(Consumption in value is net of cenvat)			10,303,558,121	8,596,868,919

d) Details of regarding imported and indigeneous material consumed

PARTICULARS	IMPORTED		INDIGENEOUS		TOTAL	
	Value (Rs.)	%	Value (Rs.)	%	Value (Rs.)	%
Raw Material	3,171,053,250	31	7,132,504,871	69	10,303,558,121	100
	(2,017,420,079)	(23)	(6,579,448,840)	(77)	(8,596,868,919)	(100)
Stores & spares	74,488,843	56	58,953,655	44	133,442,498	100
	(15,738,238)	(15)	(90,722,279)	(85)	(106,460,517)	(100)

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	2010 (Rs.)	(Rs.)
e) Details of imports calculated on CIF basis		
Raw Material	3,243,535,523	(2,137,005,590)
Stores & spares	78,235,961	(49,067,807)
Capital Goods	1,389,571,474	(2,347,189,017)
f) Details of Expenditure in Foreign Currency		(3,141,066)
Foreign Travelling	1,870,322	(95,110,704)
Interest	173,537,101	(8,460,436)
Commission	10,188,422	(13,489,550)
Others	5,889,853	
g) Earning in Foreign Currency		(3,373,258,636)
FOB Value of Exports	3,081,640,457	
h) Dividend Paid to Non resident Share holder in Foreign Currency		
(i) Number of share holders	Nil	(2)
(ii) Dividend remitted	Nil	(5,544,000)
i) Other Additional Information	Nil	Nil
j) Previous Year's figures have been given in brackets.		

23. The Net Deferred Tax Liability recognised in the Profit & Loss Account as recommended under Accounting Standard (AS)-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India is as under

	<u>As at 01.04.09</u> Rs in Lacs	<u>For the Year</u> 2009-2010 Rs in Lacs	<u>As at 31.03.10</u> Rs in Lacs
Deferred Tax Liability being tax impact thereon			
Difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts	16408.89	1402.65	17811.55
Deferred Tax Assets being tax impact there on			
Expenses charged in the books, but allowances thereof deferred under income tax	-2661.75	1507.56	-1154.19
Net Deferred Tax Liability	13747.15	2910.21	16657.36

24 a) Earning Per Share before exceptional items

Profit after Tax in Rs.	1,618,894,645	1,888,716,116
Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
Basic earning per share in Rupees	66.38	67.42
Profit after Tax in Rs.	1,618,894,645	1,888,716,116
Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
Diluted earning per share in Rupees	66.38	67.42

b) Earning Per Share after exceptional items

Profit after Tax in Rs.	2,083,835,643	1,264,933,017
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Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
Basic earning per share in Rupees	85.45	45.15
Profit after Tax in Rs.	2,083,835,643	1,264,933,017
Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
Diluted earning per share in Rupees	85.45	45.15

25. Loans & advances outstanding at the year end and maximum amount outstanding during the year, which are required to be disclosed under clause 32 of the listing agreement are as under:-

	Name	Amount out standing at the year end		Maximum amount during the year	
		Current Year	Preious Year	Current Year	Preious Year
		a) Loan to Subsidiaries	Jindal France SAS	19,406,168	56,794,548

26. Segment Reporting Policies

i) Primary Segment

Business Segment : The Company's operating business are organised and managed separately according to the nature of 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

	31st March, 2010	Rs./Lacs 31st March,2009
Segment revenue		
a) PET/OPP Film Division	218,008	201,252
b) Other Revenue	4,619	2,177
Total	222,626	203,429
Less:- Inter Segment revenue	47,785	45,011
Total revenue	174,841	158,418
Segment profit before interest & tax and after exceptional item		
a) PET/OPP Film Division	28,639	18,965
b) Other Revenue	4,320	1,842
Total	32,959	20,806
Less:- Interest	2,809	1,965
Less:-Unallocable Expenditure	-	-
Profit before tax	30,150	18,841
Capital Employed		
a) PET/OPP Film Division	154,115	138,546
b) Others	17,048	20,368
Total	171,163	158,915
SECONDARY SEGMENT		
Sales in Domestic market	138,345	120,981
Sales in Overseas market	31,877	35,270
	170,222	156,251

The company has common fixed assets for producing goods for domestic and overseas markets.

Hence, separate figures for capital employed can not be furnished.

27 A) 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/Associates

- 1 Sh. B.C.Jindal
- 2 Sh. S.S.Jindal
- 3 Smt. Subhadra Jindal
- 4 Miss Akriti Jindal
- 5 Agile Properties Ltd.
- 6 Bajaloni Group Ltd.
- 7 Consolidated Finvest & Holdings Ltd.
- 8 Consolidated Buildwell Ltd.
- 9 Consolidated Photo & Finvest Ltd.
- 10 Consolidated Realtors Ltd.
- 11 Jesmine Investment Ltd.
- 12 Jindal Imaging Ltd
- 13 Jindal India Ltd
- 14 Jindal Meadows Ltd.
- 15 Jindal Photo Investments Ltd
- 16 Jindal Photo Ltd
- 17 Jindal Realtors Ltd
- 18 Jindal India Thermal Power Ltd.
- 19 Jumbo Finance Ltd
- 20 Jupax Barter Pvt..Ltd
- 21 Pasion Tea Private Ltd.
- 22 Rishi Trading Co. Ltd
- 23 Soyuz Trading Co. Ltd
- 24 Vigile Farms Ltd.
- 25 Jindal India Finvest & Holdings Limited
- 26 Mandakini Coalmines Limited
- 27 Jindal India Powertech Limited
- 28 Jindal India Powerventures Limited
- 29 Jindal Buildmart Limited
- 30 Jindal Realmart Private Limited
- 31 Hindustan Powergen Limited
- 32 Indian Software Consultancy Limited

b. Subsidiary Companies

- 1 Hindustan Thermal Power Generation Limited (Formerly Hindustan Polysters Ltd.)
- 2 Jindal Packagings Limited (up to 23.09.2009)
- 3 Jindal France SAS

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- 4 Rexor SAS
- 5 Jindal Solar Rajasthan Limited (w.e.f. 10.02.2010)
- 6 Jindal Solar Powertech Limited (w.e.f. 11.02.2010)

c. Key Management personnels

- 1 Sh. Sameer Banerjee
- 2 Sh. Sumant Singhal (up to 20.01.2010)
- 3 Sh. Sanjay Mittal (up to 31.07.2009)
- 4 Sh. R.B. Pal (w.e.f. 17.12.2009)

27. B) The following transactions were carried out with related parties in the ordinary course of business:

Sr No	Nature of Transactions (From)	Referred to in- (a)		Referred to in- (b)		Referred to in -(c)	
		31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
1	Purchase of Goods a(13) & a(16)	2,148,959	8,844,162	-	-	-	-
2	Sale of Goods a(13) & a(16)	320,995	53,005,426	43,396,100	105,634,782	-	-
3	Rent Paid a (9) & a(29)	20,649,756	10,296,756	-	-	-	-
4	Rent received a(12)	100,000	-	-	100,000	-	-
5	Professional Service a(23)	28,000,000	12,928,227	-	-	-	-
6	Expenses reimbursed a(23) & a(16)	8,025,981	1,198,355	-	-	-	-
7	Interest earned b(3)	-	-	1,752,606	2,135,748	-	-
8	Remuneration c(1,2,3,4)	-	-	-	-	3,151,148	2,776,563
9	Shares Subscribed by the company a(27)	225,562,500	438,000,000	-	-	-	-
10	Balance Outstanding	-	-	-	-	-	-
	- Loans recoverable b(3)	-	-	19,406,168	-	-	-
	- Advances recoverable b(1)	-	-	4,696,034	-	-	-
	- Sundry Debtors a(12,16,7) & b(4)	710,000	-	13,184,308	-	-	-
	- Sundry Creditors a (16,18,13,23)	2,924,010	-	-	-	-	-

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Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Name of the Subsidiary	JINDAL FRANCE S.A.S.	REXOR S.A.S	HINDUSTAN THERMAL POWER GENERATION LTD.	Jindal Solar Rajasthan Limited (w.e.f.10.02.2010)	Jindal Solar Powertech Limited (w.e.f. 11.02.2010)
2	Financial Year of the Subsidiary	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
3	Holding Company's interest as on 31.3.2009	Holding of 7063000 Equity Shares of Euro 1/- each out of total subscribed Equity Share Capital of 7228000 Shares.	Holding of 39,000 Equity Shares of Euro 35.06/-each being the total issued and subscribed Equity Share Capital by Jindal France S.A.S.	Holder of 50,000 Equity Shares of 10/- each being the total issued, subscribed and paid up Equity Share Capital.	Holder of 50,000 Equity Shares of 10/-each being the total issued, subscribed and paid up Equity Share Capital through Hindustan Thermal Power Generation Ltd	Holder of 50,000 Equity Shares of 10/-each being the total issued, subscribed and paid up Equity Share Capital through Hindustan Thermal Power Generation Ltd
4	Net aggregate amount 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 :-					
1	For Subsidiary's Period ended 31st March, 2010 since it became subsidiary.	Loss Rs. 1915.78 Lacs	Loss Rs. 678.22 Lacs	N.A.	N.A.	N.A.
2	For Subsidiary's previous Financial Year	Loss Rs. 420.12 Lacs	Loss Rs. 1294.64 Lacs	N.A.	N.A.	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:-					
1	For Subsidiary's Period ended 31st March, 2010 since it became subsidiary.	Nil	Nil	Nil	Nil	Nil
2	For Subsidiary's previous Financial Year.	Nil	Nil	Nil	Nil	Nil

As per our report of even date annexed

For Kanodia Sanyal & Associates
Chartered Accountants

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

Place: New Delhi
Date: 03.09.2010

(R. B. Pal)
Whole Time
Director

(Ajit Mishra)
Company Secretary

(S. Banerjee)
Whole Time
Director (Marketing)

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

INFORMATION FOR EACH SUBSIDIARY OF THE CONSOLIDATED BALANCE SHEET AS PER APPROVAL NO. 47/630/2010-CL-III UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR ENDED 31.03.2010.

PARTICULARS	JINDAL FRANCE S.A.S	REXOR S.A.S	HINDUSTAN THERMAL POWER GENERATION LIMITED	JINDAL SOLAR RAJASTHAN LIMITED	JINDAL SOLAR POWERTECH LIMITED
A) CAPITAL	437,727,680	82,815,800	500,000	500,000	500,000
B) RESERVES	(212,249,113)	125,826,542	-	-	-
C) TOTAL ASSETS	304,997,662	653,160,251	5,433,424	500,000	500,000
D) TOTAL LIABILITIES	79,519,095	444,517,909	4,933,424	-	-
E) DETAILS OF INVESTMENTS (Except in case of investment in the subsidiaries)	-	-	-	-	-
F) TURNOVER	61,100,220	1,206,227,127	-	-	-
G) PROFIT BEFORE TAXATION	(191,578,065)	(71,446,103)	-	-	-
H) PROVISION FOR TAXATION	-	(3,624,601)	-	-	-
I) PROFIT AFTER TAXATION	(191,578,065)	(67,821,502)	-	-	-
J) PROPOSED DIVIDEND	-	-	-	-	-

- Note- 1) The financial statements of foreign subsidiaries have been converted in to Indian Rupees at an appropriate exchange rate
2) The above details have been annexed in terms of letter no. 47/630/2010-CL-III dated 16th July 2010 issued by Govt. of India, Ministry of Corporate affairs U/S 212(8) of the companies Act,1956

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 2010, 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 did not audit the financial statement of subsidiaries viz., Jindal France S.A.S. and Rexor S.A.S., whose financial statement reflects total assets of Rs. 6474.21 lakhs as at 31st March 2010, and total revenues of Rs. 12317.75 lakhs for the year ended 31st March 2010. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

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 subsidiaries, 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 2010.
- 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 2010.
- 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 2010.

For KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.00839N

Place: New Delhi
Date: 03-09-2010

R.K.KANODIA
(PARTNER)

CONSOLIDATED BALANCE SHEET AS AT 31 st MARCH 2010

	SCHEDULE	31.03.2010		31.03.2009
		Rs.		Rs.
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
Share Capital	1	230,211,380		258,241,450
Reserves & surplus	2	<u>10,236,171,930</u>	10,466,383,310	<u>9,287,689,785</u>
Minority Interest			2,960,195	4,236,747
LOAN FUNDS				
Secured Loans	3	4,487,418,464		5,129,392,317
Unsecured Loans	4	<u>603,436,598</u>	5,090,855,062	<u>144,454,844</u>
Deferred Tax Liability (Net)	8B		<u>1,651,021,841</u>	<u>1,363,625,442</u>
			<u>17,211,220,408</u>	<u>16,187,640,585</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Goodwill on consolidation	5	63,471,901		61,518,796
Gross Block		19,462,328,214		17,547,498,314
Less: Depreciation		<u>7,104,750,276</u>		<u>6,285,512,411</u>
Net Block		<u>12,421,049,839</u>		<u>11,323,504,699</u>
Add: Capital Work in Progress		<u>680,986,884</u>	13,102,036,723	<u>537,995,321</u>
INVESTMENTS	6		1,338,819,506	1,576,216,237
CURRENT ASSETS, LOANS & ADVANCES				
Inventories		2,189,763,992		1,439,957,551
Sundry Debtors		813,200,928		758,078,132
Cash & Bank Balances		901,978,576		1,265,159,805
Loans & Advances		<u>1,159,669,199</u>		<u>942,359,038</u>
		<u>5,064,612,696</u>		<u>4,405,554,526</u>
LESS: CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	8A	1,961,403,651		1,530,164,068
Provisions		<u>336,837,782</u>		<u>126,052,682</u>
		<u>2,298,241,433</u>		<u>1,656,216,750</u>
Net Current Assets			2,766,371,263	2,749,337,776
Miscellaneous Expenditure (To the extent not written off or adjusted)	9		3,992,916	586,552
			<u>17,211,220,408</u>	<u>16,187,640,585</u>

Notes forming part of accounts

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Schedules referred to above form an integral part of accounts
As per our report of even date annexed hereto

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 st MARCH 2010

	SCHEDULE	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
INCOME			
Sales		18,147,853,185	16,935,323,341
Less: Excise Duty		1,112,297,977	1,416,195,452
NET SALES		17,035,555,208	15,519,127,889
Other Income	10	522,887,099	358,014,492
Accretion/(Decretion) in Stock	11	165,752,060	16,075,486
		17,724,194,367	15,893,217,867
EXPENDITURE			
Raw Material Consumed	12	10,707,822,682	9,110,199,083
Manufacturing Expenses	13	2,203,383,600	1,741,911,438
Excise on Increase/(Decrease) in Stock		10,335,263	(8,719,866)
Personnel Expenses	14	547,975,209	630,999,961
Interest & Financial charges	15	298,477,961	235,237,684
Selling & Distribution Expenses	16	196,938,096	316,980,038
Other Expenses	17	400,762,448	829,198,047
Depreciation	5	853,919,380	750,227,407
		15,219,614,639	13,606,033,793
PROFIT BEFORE EXCEPTIONAL ITEM FOR THE YEAR		2,504,579,728	2,287,184,074
Less/ (Add) :- Exceptional Items		(464,940,998)	623,783,099
PROFIT BEFORE TAX		2,969,520,726	1,663,400,975
Less :- Provision for Taxation			
-Current tax (Including FBT)		640,200,000	543,000,000
-Deferred tax		287,396,399	71,613,642
Share of Profit/(Loss) of Minority		(956,747)	(5,082,199)
PROFIT AFTER TAX		2,042,881,074	1,053,869,532
Add/(Less) :- Subsidies received/(paid)		1,646,384	(149,292)
Add/Less:- Share of Profit/(Loss) in Associates		1,778,945	890,939
		2,046,306,403	1,054,611,179
Add: Balance as per last Balance Sheet		1,824,513,100	1,328,075,083
Less: Income tax for earlier years		-	-
		3,870,819,503	2,382,686,262
APPROPRIATIONS			
Proposed Dividend			
-Equity Shares		230,211,380	49,722,776
-Tax on Proposed Dividend		38,235,233	8,450,386
Transfer to General Reserve		500,000,000	500,000,000
Balance carried forward		3,102,372,890	1,824,513,100
		3,870,819,503	2,382,686,262
Earning per Share(Basic and Diluted) before exceptional items		64.84	59.91
Earning per Share(Basic and Diluted) after exceptional items		83.91	37.65
Notes forming part of accounts	18		
Schedules referred to above form an integral part of accounts As per our report of even date annexed hereto			

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31/03/2010	Year ended 31/03/2009
A. Cash Flow from Operating activities:		
Net Profit before tax and extraordinary items	2,969,520,726	1,663,400,975
Adjustment for:		
Depreciation	853,919,380	750,227,407
(Profit)/Loss on sale of Assets (net)	778,667	246,288
(Profit)/Loss on sale of Investment (net)	(24,771,822)	(79,056,440)
Interest Income	(94,229,721)	(26,585,379)
Provision on devaluation of investments	-	76,714,096
Dividend Income	(13,707,272)	(16,780,803)
Interest on Borrowings	265,272,408	213,788,610
Miscellaneous Expenditure amortised	-	48,212
	<u>987,261,640</u>	<u>918,601,991</u>
Operating Profit before Working Capital changes	3,956,782,366	2,582,002,966
Adjustments for:		
Inventories	(749,806,442)	(22,738,634)
Trade receivables	(55,122,796)	619,233,796
Loans & Advances	(217,310,161)	(44,312,627)
Trade Payables and Other Liabilities	441,574,846	194,359,725
	<u>(580,664,552)</u>	<u>746,542,260</u>
Cash Generated from Operations	3,376,117,813	3,328,545,226
Direct Taxes paid	(650,023,614)	(517,409,933)
Net Cash from Operating Activities (A)	<u>2,726,094,199</u>	<u>2,811,135,293</u>
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(2,102,607,985)	(2,983,480,426)
Sale of Fixed Assets	7,186,657	1,250,000
Purchase of Investments	(273,758,015)	(3,256,965,371)
Sale of Investments	536,072,213	2,407,909,408
Pre-operative Expenditure Incurred	(3,490,314)	(76,980)
Preliminary Expenditure related to Company ceased to be subsidiary	83,950	-
Interest Received	94,229,721	26,585,379
Dividend Received	13,707,272	16,780,803
Net Cash used in Investment Activities (B)	<u>(1,728,576,501)</u>	<u>(3,787,997,186)</u>
C. Cash Flow from Financing Activities:		
Increase/(Repayment) of Borrowings	(182,992,099)	3,038,128,794
Shares Buyback	(853,839,693)	(604,579,738)
Dividend paid	(58,173,162)	(65,741,550)
Interest Paid	(265,272,408)	(213,788,610)
Net Cash from Financing Activities (C)	<u>(1,360,277,362)</u>	<u>2,154,018,895</u>
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	(362,759,664)	1,177,157,002
Cash and Cash equivalents as at 1st April (Opening Balance)	1,265,159,805	88,002,803
Less: Cash and cash equivalents of the Company ceased to be subsidiary	(421,565)	-
Cash and Cash equivalents as at period end (Closing Balance)	901,978,576	1,265,159,805
Notes forming part of accounts	18	
As per our report of even date annexed hereto		

For Kanodia Sanyal & Associates
Chartered Accountants

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

(R. B. Pal)
Whole Time
Director

(S. Banerjee)
Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(Ajit Mishra)
Company Secretary

(Sanjay Mittal)
General Manager
(Accounts & Taxation)

SCHEDULES

	31.03.2010 Rs.	31.03.2009 Rs.
1 SHARE CAPITAL		
AUTHORISED		
30,000,000 (30,000,000) Equity Shares of Rs.10/- each	300,000,000	300,000,000
175,000,000 (175,000,000) Preference Shares of Rs.10/- each	1,750,000,000	1,750,000,000
	<u>2,050,000,000</u>	<u>2,050,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
23,021,138 (25,824,145) Equity Shares of Rs. 10/- each	230,211,380	258,241,450
	<u>230,211,380</u>	<u>258,241,450</u>

Notes on Share capital :-**1 Buyback-I**

Pursuant to the approval of the Board of Directors and Shares holders of the Company, for buyback of equity shares U/s 77A of the Companies Act, 1956 upto 25% of Paid up capital and free reserve, during the financial year 2009-10 Company has bought back 962,757 equity shares and extinguished the same.

2 Buyback -II

Pursuant to the approval of the Board of Directors of the Company, for buyback of equity shares U/s 77A of the Companies Act, 1956 less then 10% of Paid up capital and free reserve, during the financial year 2009-10 Company has bought back 1,840,250 equity shares and extinguished the same.

A total of 2,803,007 equity shares buyback and extinguished during the year ended 31st March 2010 through open market for an aggregate amount of Rs. 853,839,693 by utilizing the security premium and general reserve to the extent of Rs. 825,809,623 and Rs. 28,030,070 respectively. The Capital redemption reserve has been credited out of general reserve for Rs 28,030,070 being the nominal value of the share bought back U/s. 77A of the Companies act, 1956.

3 30,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash in 1974.

4 10,378,400 Equity Shares were issued as Bonus Shares by Capitalisation of Reserves in 1995-96 and 2004-2005.

	31.03.2010 Rs.	31.03.2009 Rs.
2. RESERVES & SURPLUS		
CAPITAL RESERVE		
As per last Balance sheet	1,090,000	1,090,000
SHARE PREMIUM ACCOUNT		
As per last Balance sheet	3,606,337,972	4,188,200,360
Less: premium on equity shares bought back	<u>825,809,623</u>	<u>581,862,388</u>
	2,780,528,349	3,606,337,972
EXPORT PROFIT RESERVE		
As per last Balance sheet	60,000	60,000
AMALGAMATION RESERVE		
As per last Balance sheet	422,832,200	422,832,200
CAPITAL REDEMPTION RESERVE		
As per last Balance sheet	1,314,117,350	1,291,400,000
Add: Transferred from General Reserve	<u>28,030,070</u>	<u>22,717,350</u>
	1,342,147,420	1,314,117,350
Foreign Currency Translation Reserve	7,733,073	11,301,096
GENERAL RESERVE		
As per last Balance sheet	2,107,438,068	1,630,155,418
Less: Transfer to Capital Redemption Reserve	<u>(28,030,070)</u>	<u>(22,717,350)</u>
Add : Transfer from Profit & Loss account	<u>500,000,000</u>	<u>500,000,000</u>
	2,579,407,998	2,107,438,068
PROFIT & LOSS ACCOUNT	<u>3,102,372,890</u>	<u>1,824,513,100</u>
	<u>10,236,171,930</u>	<u>9,287,689,785</u>
3. SECURED LOANS		
(A) TERM LOANS FROM BANKS		
Foreign Currency Loans	3,628,576,211	4,569,615,668
(B) WORKING CAPITAL LOANS FROM BANK	858,842,253	559,776,649
(Includes bill discounting of Rs.Nil, Previous year Rs. 2207.86 Lacs)	<u>4,487,418,464</u>	<u>5,129,392,317</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 (Maharastra) 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 (Maharastra).
- (iii) Foreign currency term loans from AKA Ausfuhrkredit-Gesellschaft mbh Germany and Commerzbank Germany are guaranteed by HERMES Kreditversicherungs-Aktiengesellschaft Germany.

4. UNSECURED LOANS

Working Capital Loans from Banks	603,436,598	144,454,844
	603,436,598	144,454,844

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS	SALE/ ADJUSTMENT	TOTAL 31.03.2010	AS AT 01.04.2009	FOR THE YEAR	SALE/ ADJUSTMENT	TOTAL 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Land (Freehold)	52,337,727	1,190,476	-	53,528,203	-	-	-	-	53,528,203	52,337,727
Land (Leasehold)	19,702,703	-	-	19,702,703	3,007,244	-	-	3,007,244	16,695,459	16,695,459
Intangible Assets	26,299,432	441,482	786,614	25,954,300	25,108,408	1,076,567	871,302	25,313,673	640,628	1,191,024
Factory Buildings	2,004,835,531	220,914,224	260,226	2,225,489,529	576,815,581	75,620,876	288,243	652,148,213	1,573,341,315	1,428,019,950
Other Buildings	209,466,581	5,464,157	-	214,930,738	36,355,298	3,456,961	-	39,812,259	175,118,479	173,111,283
Plant & Machinery	14,842,796,349	1,700,702,162	32,932,672	16,510,565,840	5,369,334,581	747,252,633	26,924,078	6,089,663,136	10,420,902,703	9,473,461,768
Furniture & Fixture	234,435,768	6,697,795	3,976,127	237,157,435	188,847,362	12,550,128	4,095,100	197,302,391	39,855,044	45,588,406
Office Equipments	54,940,041	3,054,774	721,694	57,273,122	31,882,225	4,993,173	799,392	36,076,006	21,197,116	23,057,816
Computers	47,607,180	10,804,659	-	58,411,839	33,483,642	4,338,487	-	37,822,129	20,589,710	14,123,537
Vehicles	55,077,003	7,317,569	3,080,067	59,314,505	20,678,070	4,630,555	1,703,400	23,605,224	35,709,281	34,398,934
TOTAL	17,547,498,314	1,956,587,298	41,757,400	19,462,328,214	6,285,512,411	853,919,380	34,681,516	7,104,750,276	12,357,577,938	11,261,985,903
Capital work in Progress	590,467,873	2,045,702,326	1,887,314,877	748,855,322	52,472,552	-	15,395,886	67,868,438	680,986,884	537,995,321
GRAND TOTAL	18,137,966,187	4,002,289,625	1,929,072,277	20,211,183,536	6,337,984,963	853,919,380	50,077,402	7,172,618,714	13,038,564,822	11,799,981,224
PREVIOUS YEAR	15,163,013,118	6,365,186,051	3,390,232,983	18,137,966,187	5,604,311,843	750,227,407	16,554,288	6,337,984,963	11,799,981,224	9,558,701,276

Addition to Plant & Machinery has been adjusted by Rs. 52,105,113 /, Previous Year Rs. 64,004,279/- being the amount of interest and Financial charges

6. INVESTMENTS

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS			31.03.2009 Rs.
		31.03.2010	31.03.2009	31.03.2010 Rs.	
A) LONG TERM INVESTMENTS					
(I) Non Trade					
(i) Equity Shares (Quoted)					
Phil Corporation Ltd.	10	300	300	8,450	8,450
India Foils Ltd. (Last Year face value of Rs.10/-)	1	100	100	12,500	12,500
Garware Polyester Ltd.	10	100	100	11,850	11,850
Ester Industries Ltd.	5	500	500	4,375	4,375
Consolidated Finvest & Holdings Ltd.	10	1186246	1186246	30,367,898	30,367,898
Coeharis	Euro 1	-	921169	-	326,918,382
Less: Provision for Devaluation in market value				-	(220,454,108)
				30,405,073	136,869,347
Non Trade- Equity Shares (Unquoted)					
(ii) Equity shares					
Hindustan Powergen Limited	10	65000	-	500,000	-
In Associates					

SCHEDULES

	FACE VALUE Rs.	NUMBER OF SHARES/UNITS			
		31.03.2010	31.03.2009	31.03.2010 Rs.	31.03.2009 Rs.
(iii) Equity Shares (Un Quoted)					
Jindal Buildmart Limited	10	330,000	330,000		
Original Cost (including Goodwill of Rs.12,97,819)				31,702,181	31,702,181
Add/(Less):- Profit/(Loss) from Associates in the beginning of the year				(775,263)	(162,876)
Add/(Less):- Profit/(Loss) from Associates for the year				1,581,236	(612,387)
Jindal India Powertech Limited(Rs. 4 (Previous year Re.4)partly paid up)	10	214,000,000	214,000,000	850,015,761	849,754,109
Original Cost (including Goodwill of Rs.67,42,610 previous year Rs.72,65,891)					
Rs.1 (previous year nil) partly paid up	10	225,000,000	-	223,667,548	-
Original Cost (including Goodwill of Rs.18,94,952)					
Add/(Less):- Profit/(Loss) from Associates in the beginning of the year				1,503,326	-
Add/(Less):- Profit/(Loss) from Associates for the year				197,709	1,503,326
				1,108,392,498	882,184,353
(iv) Equity shares warrant					
Garware Polyester Ltd.		11	11	121	121
TOTAL 'A'				1,138,797,692	1,019,053,821
B) CURRENT INVESTMENTS					
(I) Principal Floating Rate Fund FMP-Inst. Option-Dividend Reinvestment Weekly	10	20,000,781	15,207,356	200,021,814	152,326,299
(II) 28 ICICI Prudential Flexible Income Plan Premium- Weekly Dividend	10	-	24,016,575	-	253,314,492
(III) TFLW Tata Floater Fund-Weekly Dividend	10	-	10,023,950	-	101,241,129
(IV) Templeton India Ultra Short Bond Fund Super Institutional Plan-Weekly Dividend Plan	10	-	4,974,306	-	50,280,496
TOTAL 'B'				200,021,814	557,162,416
(Net Asset Value of investment in Mutual Funds is Rs. 2000.22 lacs (Previous Year Rs.5567.12 lacs))					
TOTAL (A+B)				1,338,819,506	1,576,216,237
Aggregate value of quoted Investments				30,405,073	136,869,347
Aggregate value of unquoted Investments				1,308,414,433	1,439,346,890
Market Value of Quoted Investments				76,888,871	140,166,390

MOVEMENT DURING THE YEAR

(Purchased and Sold)

Mutual Fund Units

Mutual Fund Units

	FACE VALUE	NO. OF UNITS	Cost in Rs.
i) 28 ICICI Prudential Flexible Income Plan Premium-Weekly Dividend	10	1,319,777	13,917,850
ii) TFLW Tata Floater Fund-Weekly Dividend	10	20,195,824	202,614,835
iii) Templeton India Ultra Short Bond Fund Super Institutional Plan-Weekly Dividend Plan	10	29,992,641	303,000,312
iv) Principal Floating Rate Fund FMP-Inst. Option-Dividend Reinvestment Weekly	10	324,190	3,242,773
v) Principal Cash Management Fund-Liquid Option Instl. Prem. Plan Dividend Reinvestment Weekly	10	20,000,781	200,021,816

SCHEDULES

	31.03.2010		31.03.2009	
	Rs.		Rs.	
7. CURRENT ASSETS, LOANS AND ADVANCES				
A. CURRENT ASSETS				
INVENTORIES				
(As per Inventories taken, valued and certified by the Management)				
Finished Goods	581,023,019		433,388,833	
Raw Material (Including in Transit Rs.21,84,83,068, Previous Year Rs 6,33,55,995)	1,227,808,218		634,613,687	
Scrap	8,552,553		9,317,166	
Store, Spares and Tools	372,380,203	2,189,763,992	362,637,865	1,439,957,551
SUNDRY DEBTORS				
(Unsecured, considered Good)				
Debts exceeding six months	30,795,652		40,401,239	
Other Debts	782,405,276	813,200,928	717,676,893	758,078,132
CASH & BANK BALANCES				
Cash & stamps in hand (including Drafts/ Cheques)	1,192,005		2,081,669	
Balance with Schedule Banks				
In Current Accounts	180,278,083		80,798,458	
In Fixed deposit Accounts	719,508,488		1,182,279,678	
Cheques in hand	1,000,000	901,978,576	-	1,265,159,805
(Fixed Deposits of Rs.67,08,488/-pledged as Margin Money with appropriate authority Previous Year Rs 59,79,678/-)				
B. LOANS AND ADVANCES				
(Unsecured -considered Good)				
Advances (Recoverable in cash or in kind or for value to be received)	1,067,039,836		693,942,513	
Advances for Capital Goods	37,010,546		163,110,211	
Security Deposits	20,504,148		17,980,122	
Balance with Central Excise	35,114,670	1,159,669,199	67,326,192	942,359,038
		5,064,612,696		4,405,554,526
8.A CURRENT LIABILITIES AND PROVISIONS				
(1) CURRENT LIABILITIES				
Sundry Creditors				
For Capital Goods	230,036,797		117,985,204	
For Others	845,087,664		605,880,566	
Other Liabilities	546,443,297		484,636,289	
Advance from customers	303,930,122		277,003,049	
Unclaimed dividend	2,044,978		2,083,053	
Interest on Loans accrued but not due	33,860,794	1,961,403,651	42,575,907	1,530,164,068
(2) PROVISIONS				
Provision of Excise Duty on Finished Goods	31,129,078		20,793,815	
Proposed dividend on equity shares	230,211,380		49,722,776	
Tax on Proposed dividend	38,235,233		8,450,386	
Provision for Taxation (Net of Advance Tax Rs 186,11,52,772 Previous year Rs.121,11,29,158 including tax deducted at source)	37,262,091	336,837,782	47,085,705	126,052,682
		2,298,241,433		1,656,216,750
8.B DEFERRED TAX				
DEFERED TAX LIABILITY				
Opening Balance	1,363,625,442		1,292,011,800	
Additon during the year	287,396,399	1,651,021,841	71,613,642	1,363,625,442
		1,651,021,841		1,363,625,442

SCHEDULES

	31.03.2010		31.03.2009	
	Rs.		Rs.	
9. MISCELLANEOUS EXPENDITURES				
(To the extent not written off or adjusted)				
PRELIMINARY EXPENSES				
As per last Balance Sheet	205,820		170,082	
Add: During the year	-		83,950	
Less: deletion on ceased to be subsidiary	83,950	121,870	48,212	205,820
PREOPERATIVE EXPENSES				
As per last Balance Sheet	380,732		359,715	
Add: During the year	3,490,314	3,871,046	21,017	380,732
	3,992,916		586,552	
10. OTHER INCOME				
Dividend :				
On Current Investments	12,797,584		16,187,430	
On Long Term Investments	909,688	13,707,272	593,373	16,780,803
Profit on sales of current Investment		-		79,056,440
Profit on sales of longterm Investment		25,231,605		-
Miscellaneous Receipts		43,120,826		52,612,433
Mega Project Refund		273,237,356		89,168,202
Lease Rent		100,000		100,000
Foreign exchange fluctuation		71,712,197		91,154,496
Claims Received		1,548,123		2,556,739
Interest Received		94,229,721		26,585,379
(Including TDS Rs. 159,32,663 Previous year Rs. 64,05,560)				
	522,887,099		358,014,492	
11. ACCRETION/(DECRETION) IN STOCK				
OPENING STOCK (Including Excise Duty)				
Finished Goods	428,451,413		413,908,554	
Scrap	9,317,166	437,768,579	7,784,539	421,693,093
CLOSING STOCK (Including Excise Duty)				
Finished Goods	594,968,086		428,451,413	
Scrap	8,552,553	603,520,639	9,317,166	437,768,579
Accretion/(Decretion) in Stock		165,752,060		16,075,486
12. RAW MATERIAL CONSUMED				
Opening stock		631,622,408		672,944,787
Add: Purchases		11,277,213,285		9,205,431,991
		11,908,835,693		9,878,376,778
Less: Sales		440,489		-
Less:-Provision for Obsolescence		600,419		623,583
Less/(Add): Cost Benefits (refer note no.10 of schedule-18)		140,582,924		135,058,185
		11,767,211,861		9,742,695,010
Less:- Material Used for Trial Run		458,334		873,519
Less: Closing Stock		1,058,930,845		631,622,408
	10,707,822,682		9,110,199,083	

SCHEDULES

	31.03.2010	31.03.2009
	Rs.	Rs.
13. MANUFACTURING EXPENSES		
Stores and Spares consumed	179,469,574	162,398,720
Power and Fuel	1,568,731,631	1,233,405,228
Carriage Inwards	21,170,555	23,449,058
Water charges	3,599,373	3,491,295
Repairs to Plant & Machinery	30,131,917	40,743,015
Repairs to Buildings	5,266,486	8,431,163
Insurance	6,209,444	5,185,629
Packing Material consumed	388,804,621	264,807,330
	2,203,383,600	1,741,911,438
14. PERSONNEL EXPENSES		
Salaries, Wages, Bonus & Other benefits	519,161,505	598,619,377
Gratuity	5,449,780	5,986,842
Contribution to Provident Fund	5,101,297	5,254,835
Staff & Workmen Welfare Expenses	12,856,584	12,303,821
Staff Recruitment & Development	5,406,043	8,835,086
	547,975,209	630,999,961
15. INTEREST AND FINANCIAL CHARGES		
Interest		
On Term Loans	224,067,698	129,848,744
On Bank Borrowings	38,583,498	72,654,094
Others	2,621,211	11,285,773
Financial charges/Bank Charges	33,205,553	21,449,074
	298,477,961	235,237,684
16. SELLING AND DISTRIBUTION EXPENSES		
Freight, Cartage & Octroi	163,156,264	244,822,608
Commission	26,508,719	51,793,688
Others	7,273,113	20,363,743
	196,938,096	316,980,038
17. OTHER EXPENSES		
Rent	95,610,398	68,728,958
Rates & Taxes	5,058,371	4,987,699
Travelling & Conveyance	49,178,010	60,107,235
Charity & Donation	113,679	924,688
Social welfare expenses	152,700	583,066
Postage & Telephone charges	9,630,074	11,065,637
Legal & Retainership Charges	44,986,871	29,614,691
Vehicle upkeep & Maintenance	8,551,212	7,165,284
Water & Electricity Charges	3,480,119	1,732,429
Repair and Maintenance others	25,485,621	8,971,111
Insurance	9,415,676	12,809,391
Auditors' Remuneration	6,980,414	2,470,369
Printing & Stationery	2,581,904	4,524,561
Licence, Inspection and Testing Fees	1,919,528	3,285,497
General Outsourcing	12,534,636	21,190,853
Wastage Removal	5,616,340	4,967,146
Miscellaneous expenses	67,429,720	18,580,504
Commission	1,279,727	907,855
Provision for devaluation of investments	-	76,714,096
Provision for possible losses	5,720,381	28,867,813
Directors Meeting Fees	64,500	82,500
Foreign exchange fluctuation	43,133,700	459,998,581
Provision for Obsolescence	600,419	623,583
Loss on sale of Investments- Non Trade	459,783	-
Loss on sale of Fixed Assets	778,667	246,288
Miscellaneous Expenditure written off	-	48,212
	400,762,448	829,198,047

SCHEDULES**SCHEDULE-18****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 Subsidiaries and Associate Companies as at 31st March, 2010. 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 audited Financial Statements of the Subsidiary companies 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. Goodwill/Capital reserve arising on investments in Associate Companies is retained under the head "Goodwill/Investments in Associate Company" and is disclosed separately.
- v. The details of Subsidiaries & Associate companies whose financial statements are consolidated are as under: -

S. No.	Name of Companies	Country of Incorporation	Percentage of Voting Power	Percentage of ownership	Main Activity of the Subsidiary
1	Subsidiaries Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyesters Ltd.)	India	100%	100%	Generation, transmission of Power.
2	Jindal Solar Rajasthan Limited*	India	100%	100%	Generation, transmission of Power.
3	Jindal Solar Powertech Limited*	India	100%	100%	Generation, transmission of Power.
4	Jindal France S.A.S, La Feydeliere, 38850 Paladru, France.	France	97.72%	97.72%	Management Company
5	REXOR S.A.S,** La Feydeliere, 38850 Paladru, France.	France	97.72%	97.72%	Metaliser and coating of polyester film, hot stamping foil films, Lamination, etc.
6	Associates Jindal Buildmart Ltd., Plot No-12, Sector B1 LSC VasantKunj-Delhi.	India	28.70%	28.70%	Property Developments
7	Jindal India Powertech Ltd. Plot No-12, Sector B1 LSC VasantKunj-Delhi.	India	44.85%	49.05%	Holding share in power/ mining company

* These Companies were incorporated by Hindustan Thermal Power Generation Ltd on 10.02.2010 & 11.02.2010 respectively and Jindal Polyfilms Ltd is ultimate holding Company.

** Subsidiary of Jindal France S.A.S., France

- vi. The consolidated financial statements are based, in so far they relate to audited accounts included in respect of subsidiaries (audited by their auditors) for the period from 1st April, 2009 to 31st March, 2010, which are prepared for consolidation in accordance with the requirement of AS- 21.
- vii. Minority Interest's share being profit/(loss) for the year is identified and adjusted against the income in the Profit & Loss account in order to arrive at the net income attributable to the shareholders of the Company.
- viii. Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- ix. 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 :-

SCHEDULES

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 subsidiaries.

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

	31.03.10	31.03.09
	Rs.	Rs.
1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	61,016,528	143,035,496
2. Contingent Liabilities:		
a. Bank Guarantees	128,897,507	90,689,607
b. Outstanding Letters of Credit (Including Capital Goods)	444,994,483	1,222,201,138
c. Claims against Company, not acknowledged as debts	9,369,284	94,931,000
d. Uncalled liability of partly paid shares	3,309,000,000	1,284,000,000
e. Demands raised by authorities against which, Company has filed appeals: -		
i) Income Tax	77,673,397	44,538,332
ii) Excise Duties	27,032,000	27,461,000
iii) Sales Tax	22,493,097	22,493,097
iv) Custom Duties	8,160,000	38,822,000
3. Remuneration to Whole Time Directors		
Salary	2,946,724	2,531,336
Provident Fund Contribution	23,410	28,644
Perquisites	181,014	216,583
	3,151,148	2,776,563
4. Remuneration to Auditors comprises:		
Audit Fee	6,585,414	2,040,369
Tax Audit Fees	100,000	100,000
In Other Capacities	295,000	330,000
	6,980,414	2,470,369
5. 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.		
6. Employee Benefit		
Define Plan- Gratuity Scheme		
a) Liability Recognised in the Balance sheet date: -		
Present Value of obligation as at the beginning of the period	16,832,469	12,817,462
Interest Cost		
Current Service Cost	1,262,435	998,237
Benefits Paid	3,497,779	2,926,007
Actuarial (gain)/loss on obligation	(44,031)	-
Present Value of Obligation as at the end of period (31.03.2010)	(113,053)	(1,352,305)
	21,435,599	16,832,469
b) Fair Value of assets as on Balance Sheet date		
Fair value of plan assets at the beginning of the period		
Actual Return of plan assets	16,766,741	12,989,655
Contribution during the year	1,550,924	1,201,543
Benefits paid	4,081,976	2,438,945
Actuarial (gain)/loss on obligation	(44,031)	-
Fair value of plan assets at the end of the period	180,306	136,598
	22,535,916	16,766,741
c) Net Assets/(Liability) recognized in the Balance Sheet as provision	1,100,317	(65,728)
d) Principal Actuarial Assumptions		
Rate of Discounting	7.50%	7.00%
Expected rate of Return on Plan Assets	9.25%	9.25%
Rate of increase in salary	5.00%	4.50%

SCHEDULES

7. Preoperative expenditure amounting to Rs. 5,51,26,527, (previous year Rs.7,20,80,945) capitalized to respective fixed assets during the year, details are as under:

Raw Material (Trial Run)	458,334	873,519
Salary	799,762	671,664
Power & Fuel	1,763,318	6,531,483
Interest & Financial Charges	52,105,113	64,004,279

8. Term Loan installments due within one year is amounting to Rs. 2979.91Lacs. (Rs. 3812.99 lacs).
9. Pursuant to the adoption of Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no.G.S.R.739 (E) dated December 7, 2006 and as required by Accounting Standard-11 –
- a) Loss of Rs.4649.40 lacs (previous year Rs. 6237.83 lacs) on translation/settlement of foreign currency monetary items including borrowings have been shown as exceptional items in the profit and loss account.
- b) Gain/(Loss) on account of hedging against export exposures amounting to Rs. 50.90 lacs (previous year loss Rs 1400.55 lacs) have been accounted under the head other income/(other expenses) in the profit & loss account.
10. A sum of Rs. 123,94,101 (previous year Rs.149,72,861) being the difference between domestic vs. imported material prices prevailing at the end of the period ended 31st March 2010 on account of advance licences excess utilized for which exports are yet to be made has been adjusted in the cost of raw material.
- Export Incentive under Duty Entitlement Pass Book Scheme (DEPB) amount to Rs. 152,977,025 (Previous year Rs. 150,031,046) has been credited in the account of raw material.
11. Advance receivable in cash or in kind includes Rs.2,82,54,173 (Previous year Rs 2,82,54,173), being the amount of custom duty deposited against import of capital goods assessed under provisional assessments.
12. 600 shares of Hindustan Thermal Power Generation Ltd. (Formerly Hindustan Polyester Ltd.) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity. 6 shares of Hindustan Powergen Ltd. (previous year of Jindal Packaging Ltd, since merged in Hindustan Powergen Ltd.) of which the Company is beneficial owner are held by certain individuals in fiduciary capacity.
13. Certain old balances of sundry debtors and sundry creditors are subject to reconciliation and confirmation.
14. Under the Packaging Scheme of Incentive approved by the Government of Maharashtra, the Company is entitled to industrial promotion subsidy to the extent of 100% of the fixed capital investment or the extent of taxes paid to the State Government within a period of 7 years, whichever is lower. During the year, the Company is entitled for an amount of Rs.273,237,356 (previous year Rs.8,91,68,202), which has been shown as income, under the head of other income.
15. 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.
16. 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.
17. The 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.
18. 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.
19. 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) Operations in respect of Company's units at Gulaothi were lying suspended. However 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.
20. Previous year's figures have been regrouped and/or rearranged wherever required.

SCHEDULES

21 a)	Earning Per Share before exceptional items		
	Profit after Tax in Rs.	1,581,365,405	1,678,394,278
	Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
	Basic earning per share in Rupees	64.84	59.91
	Earning Per Share before exceptional items		
	Profit after Tax in Rs.	1,581,365,405	1,678,394,278
	Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
	Diluted earning per share in Rupees	64.84	59.91
b)	Earning Per Share after exceptional items		
	Profit after Tax in Rs.	2,046,306,403	1,054,611,179
	Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
	Basic earning per share in Rupees	83.91	37.65
	Earning Per Share after exceptional items		
	Profit after Tax in Rs.	2,046,306,403	1,054,611,179
	Weighted average no. of Equity shares outstanding	24,387,333	28,013,983
	Diluted earning per share in Rupees	83.91	37.65

22 Segment Reporting Policies

- i) Primary Segment
Business Segment : The Company's operating business are organised and managed separately according to the nature of 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

	31st March,2010	Rs./Lacs 31st March,2009
Segment revenue		
a) PET/OPP Film Division	218,141	200,192
b) Other Revenue	5,229	2,678
Total	223,370	202,871
Less:- Inter Segment revenue	47,785	45,011
Total revenue	175,584	157,860
Segment profit before interest & tax		
a) PET/OPP Film Division	27,417	16,407
b) Other Revenue	4,930	2,344
Total	32,348	18,751
Less:- Interest	2,653	2,138
Less:-Unallocable Expenditure	-	-
Profit before tax	29,695	16,613

Capital Employed

a) PET/OPP Film Division	161,741	147,161
b) Others	10,331	14,710
Total	172,072	161,871
SECONDARY SEGMENT		
Sales in Domestic market	138,912	120,978
Sales in Overseas market	31,443	34,213
	170,356	155,191

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

23. 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/ Associates**

1 Sh. B.C.Jindal	11 Jesmine Investment Ltd.	23 Soyuz Trading Co. Ltd
2 Sh. S.S.Jindal	12 Jindal Imaging ltd	24 Vigile Farms Ltd.
3 Smt. Subhadra Jindal	13 Jindal India Ltd	25 Jindal India Finvest & Holdings Limited
4 Miss Akriti Jindal	14 Jindal Meadows Ltd.	26 Mandakini Coalmines Limited
5 Agile Properties Ltd.	15 Jindal Photo Investments Ltd	27 Jindal India Powertech Limited
6 Bajaloni Group Ltd.	16 Jindal Photo Ltd	28 Jindal India Powerventures Limited
7 Conslidated Finvest & Holdings Ltd.	17 Jindal Realtors Ltd	29 Jindal Buildmart Limited
8 Consolidated Buildwell Ltd.	18 Jindal India Thermal Power Ltd.	30 Jindal Realmart Private Limited
9 Consolidated Photo & Finvest Ltd.	19 Jumbo Finance Ltd	31 Hindustan Powergen Limited
10 Consolidated Realtors Ltd.	20 Jupax Barter Pvt. .Ltd	32 Indian Software Consultancy Limited
	21 Pasion Tea Private Ltd.	
	22 Rishi Trading Co. Ltd	

B. Key Management personnels

- 1 Sh. Sameer Banerjee
- 2 Sh. Sumant Singhal (up to 20.01.2010)
- 3 Sh. Sanjay Mittal (up to 31.07.2009)
- 4 Sh. R.B. Pal (w.e.f. 17.12.2009)

The following transactions were carried out with related parties in the ordinary course business:

Sr No	Nature of Transactions (From)	Referred to in - (a)		Referred to in - (b)	
		31.03.10	31.03.09	31.03.10	31.03.09
1	Purchase of Goods a(13) & a(16)	2,148,959	8,844,162	-	-
2	Sale of Goods a(13) & a(16)	320,995	53,005,426	-	-
3	Rent Paid a (9) & a(29)	20,649,756	10,296,756	-	-
4	Rent received a(12)	100,000	-	-	-
5	Professional Service a(23)	28,000,000	12,928,227	-	-
6	Expenses reimbursed a(23) & a(16)	8,025,981	1,198,355	-	-
7	Interest earned	-	-	-	-
8	Remuneration b(1,2,3,4)	-	-	3,151,148	2,776,563
9	Shares Subscribed by the company a(27)	225,562,500	438,000,000	-	-
10	Balance Outstanding	-	-	-	-
	- Loans recoverable	-	-	-	-
	- Advances recoverable	-	-	-	-
	- Sundry Debtors a(12,16,7)	710,000	-	-	-
	- Sundry Creditors a (16,18,13,23)	2,924,010	-	-	-

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

(R.K.KANODIA)

Partner
M No : 016121

(R.B. PAL)

Whole Time Director

(S. BANERJEE)

Whole Time
Director (Marketing)

Place: New Delhi
Date: 03.09.2010

(AJIT MISHRA)

Company Secretary

(SANJAY MITTAL)

General Manager
(Accounts & Taxation)

Notes

JINDAL

JINDAL POLY FILMS LIMITED

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

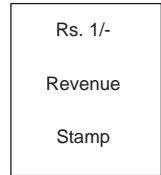
PROXY FORM

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 36th Annual General Meeting of the Company to be held on 30th September, 2010, and at any adjournment thereof.

Signed this day of2010.

* 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 Sixth Annual General Meeting to be held on Thursday, the 30th day of September, 2010 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 Sixth 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 2009-2010

JINDAL

if undelivered, please return to :

JINDAL POLY FILMS LIMITED

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