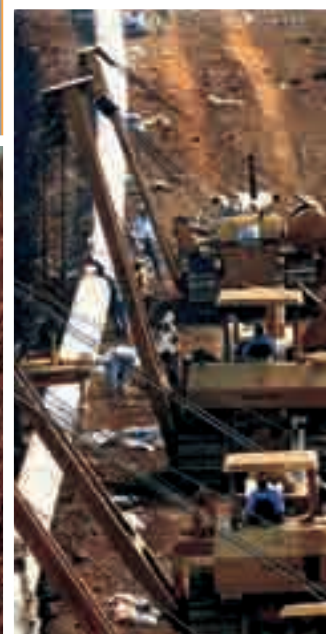




Jaihind

PROJECTS LIMITED



CHAIRMAN'S MESSAGE

"The profit before interest, depreciation and tax has been enhanced by 83.72% from Rs. 4451.17 in (FY) 2008-09 to Rs. 8177.95 Lacs in FY 2009-10."

Dear Shareholders,

It gives me immense pleasure to extend a warm welcome to all the members of the company at the 24th Annual General Meeting. I am very pleased and elated to note the keen level of interest in Jaihind Projects Limited, India's one of the fastest growing construction companies.

Before I share with you the highlights of JPL's performance in the financial year 2009-10, let me convey some of the noteworthy and remarkable events that have taken place. There has been expansion in avenues of business in the domestic as well as international fronts. Your company is venturing into foreign lands and is on its way to establishing its presence on an international level.

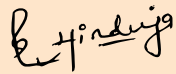
In year marked with challenges and opportunities, your Company has achieved sound financial results. I take great pleasure in presenting before you the performance of JPL for the year 2009-10. The Company has achieved consolidated 26.35% growth in revenue from Rs. 32709.88 Lacs in financial year (FY) 2008-09 to Rs. 41331.25 Lacs in the FY 2009-10. The profit before interest, depreciation and tax has been enhanced by 83.72% from Rs. 4451.17 in (FY) 2008-09 to Rs. 8177.95 Lacs in FY 2009-10.

Our persistent endeavors towards growth have been rewarding that can be supported by the increase in the profit before tax (PBT) by 92.27% from Rs. 2017.68 Lacs in FY 2008-09 to Rs. 3879.40 Lacs in FY 2009-10 and also the Profit After Tax (PAT) has shot up by 134.15% from Rs. 1053.05 Lacs in FY 2008-09 to Rs. 2465.81 Lacs in FY 2009-10.

I take this opportunity to express gratitude for all the support, co-operation extended by Banks, Government and Statutory Auditors, shareholders, suppliers and all our valuable clients. I wish to appreciate and thank all the Executives, Employees and consultants of the company for rendering impeccable services.

Thank you very much.

Yours truly,



Prakash L. Hinduja

(Chairman & Managing Director)

*We Have The Power,
Failure Is Not An Option!*



Corporate Information

BOARD OF DIRECTORS

Prakash L. Hinduja

Chairman & Managing Director

Lallan R. Pandey

Whole Time Director

Harish G. Chandwani

Whole Time Director

Mukesh C. Keswani

Whole Time Director (App. 02.03.2010)

Akhilesh B. Negi

Director

Dinkar M. Rawal

Director

Manoj K. Kapoor

Director

COMPANY SECRETARY

Vinodini P. Rao

AUDIT COMMITTEE

Manoj K. Kapoor

Chairman

Dinkar M. Rawal

Member

Lallan R. Pandey

Member

AUDITORS

Deloitte Haskins & Sells

“Heritage” 3rd Floor,

Nr. Gujarat Vidhyapith,

Ahmedabad - 380014.

PRINCIPLE BANKERS

Canara Bank

IDBI Bank

State Bank of India

Indian Bank

Standard Chartered Bank

Development Credit Bank

Axis Bank

Bank of Baroda

REGISTERED & CORPORATE OFFICE

5th Floor, “Shanti Arcade”,
Nr. Saptak Party Plot, 132 Ft. Ring Road,
Ahmedabad - 380 013.

BRANCH OFFICES

DELHI OFFICE

17/15 2nd Floor, Old Rajendra Nagar,
Bara Golchakra, Nr. Agarwal Sweets,
New Delhi - 110060.

PUNE OFFICE

A/10, Fifth Floor, Flat-502/503,
Pimpri Saudagar, Pune - 411 027.

UAE OFFICE

P.O. Box 61849, Abu Dhabi, UAE

SHARE TRANSFER AGENT

M/s. Link Intime India Pvt. Ltd.

211, Sudarshan Complex,

Mithakhali Under Bridge,

Ahmedabad - 380 009.

Tel, 079-26465179

www.jpl.co.in

CONTENTS

Corporate Information	02
Notice	03
Management Discussion and Analysis	09
Directors’ Report	12
Report on Corporate Governance	17
Auditors’ Report	27
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedules Forming Part of the Accounts	33
Notes on Accounts	38
Consolidated Auditors’ Report	48
Consolidated Balance Sheet.....	49
Consolidated Profit & Loss Account	50
Consolidated Cash Flow Statement	51
Consolidated Schedules Forming Part of the Accounts	52
Consolidated Notes on Accounts	57

Notice

NOTICE is hereby given that the TWENTY FOURTH Annual General Meeting of the members of Company will be held on Tuesday, 7th September, 2010 at Venus Atlantis, 3rd floor, Nr. Reliance Petrol Pump, Near Prahladnagar Garden, Anandnagar Road, Ahmedabad-380015 at 03.00 P.M. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To declare dividend on Equity Shares.
3. To re – appoint Mr. Manoj K. Kapoor as a Director of the Company who retires by rotation and being eligible offers himself for re – appointment.
4. To re – appoint Mr. Dinker M. Rawal as a Director of the Company who retires by rotation and being eligible offers himself for re – appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit to pass with or/without modification the following resolution as a Ordinary resolution.:
RESOLVED THAT Mr. Mukesh C. Keswani be and is hereby appointed as a Director of the Company.
7. To consider and if thought fit to pass with or/without modification the following resolution as a Ordinary resolution.:
RESOLVED THAT Mr. Gaurav P. Hinduja be and is hereby appointed as Director under Section 255 of the Companies Act, 1956 whose term of office shall be liable to retire by rotation.
8. To consider and if thought fit to pass with or/without modification the following resolution as a Special Resolution.:
RESOLVED THAT in accordance with the provision of section 198, 269,309, and 310 read with Schedule XIII (Part II 1(B) and other applicable provisions if any, of the Companies Act, 1956. Mr. Mukesh C. Keswani be and is hereby appointed as the Whole Time Director of the Company for the period of Five years commencing from 2nd March, 2010 on terms and conditions with regards to his remuneration as specified in the explanatory statement attached here to with any authority to Board of Directors to alter and / or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Mukesh C. Keswani so as not to exceed the limits specified in Schedule XIII (Part II 1(B) of the Companies Act, 1956 or any amendments there to.
9. To consider and if thought fit to pass with or/without modification the following resolution as a Special Resolution.:
RESOLVED THAT in accordance with the provision of section 198, 269,309, and 310 read with Schedule XIII (Part II 1(B) and other applicable provisions if any, of the Companies Act, 1956. Mr. Gaurav P. Hinduja be and is hereby appointed as the Whole Time Director of the Company for the period of Five years commencing w.e.f. 7th September, 2010 on terms and conditions with regards to his remuneration as specified in the explanatory statement attached here to with any authority to Board of Directors to alter and / or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Gaurav P. Hinduja so as not to exceed the limits specified in Schedule XIII (Part II 1(B) of the Companies Act, 1956 or any amendments there
10. To consider and if thought fit to pass with or/without modification the following resolution as a Special resolution.:
RESOLVED THAT in partial modification of the terms of appointment the remuneration of the Managing Director of the Company Mr. Prakash L. Hinduja be and is hereby fixed as under:
Salary:
Rs. 10,00,000 p.m. including perquisites like medical re- reimbursement, HRA, CLA, Children education allowance, entertainment expenses etc.
Contributions :
Towards provident Funds, Superannuation of Annuity Fund to the extent these are singly or put together not taxable under the Income Tax Act, 1961.
Period:
From 01.04.2010 to 31.03.2015

Notice (Contd...)

11. To consider and if thought fit to pass with or/without modification the following resolution as a Special resolution.:

RESOLVED THAT in partial modification of the terms of appointment the remuneration of the Whole Time Director of the Company Mr. Lallan R. Pandey be and is hereby fixed as under:

Salary:

Rs. 2,10,000 p.m. including perquisites like medical re- reimbursement, HRA, CLA, Children education allowance, entertainment expenses etc.

Contributions :

Towards provident Funds, Superannuation of Annuity Fund to the extent these are singly or put together not taxable under the Income Tax Act, 1961.

Period:

From 01.06.2010 to 31.03.2014

12. To consider and if thought fit to pass with or/without modification the following resolution as a Special resolution.:

RESOLVED THAT in partial modification of the terms of appointment the remuneration of the Whole Time Director of the Company Mr. Harish G. Chandwani be and is hereby fixed as under:

Salary:

Rs. 1,30,000 p.m. including perquisites like medical re- reimbursement, HRA, CLA, Children education allowance, entertainment expenses etc.

Contributions :

Towards provident Funds, Superannuation of Annuity Fund to the extent these are singly or put together not taxable under the Income Tax Act, 1961.

Period:

From 01.06.2010 to 31.03.2014

13. To consider and if thought fit to pass with or/without modification the following resolution as a Ordinary Resolution.:

"RESOLVED THAT in accordance with provision of Section 94 and read with 16 and all other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification(s) or enactments thereof, for the time being in force) the authorised capital of the company be and hereby increased from 10,00,00,000/-(Rupees Ten Crores only) divided into 1,00,00,000(One Crore) Equity Shares of Rs. 10/-(Rupees Ten only) each to Rs. 25,00,00,000/-(Rupees Twenty Five Crores only) by addition of 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs. 10/-(Ten only) each and that the clause V of the Memorandum of Association of the company is be and hereby is amended as follows:

- V. The Authorised Share Capital of the company is Rs. 25,00,00,000/-(Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10/-(Rupees Ten only) each.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they deem fit necessary in order to give effect to the aforesaid resolution.

14. To consider and if thought fit to pass with or/without modification the following resolution as a Special Resolution.:

"RESOLVED THAT in accordance with provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the authorised capital of the company be increased and the clause 4 of the Articles of Association of the company is be and hereby is amended as follows:

4. The company may, from time to time by ordinary resolution, increase the share capital by such sum to be divided in to shares of such amount as may be specified in the resolution.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as they deem fit necessary in order to give effect to the aforesaid resolution.

On Behalf of Board of Directors

Sd/-

Prakash L. Hinduja

Chairman cum Managing Director

Place : Ahmedabad
Date : 31.07.2010

Notice (Contd...)

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.
2. Members are requested to notify immediately any change in their addresses to the Company's Registered Office.
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. The Members / Proxies should bring the Attendance Slip sent herewith duly filled for attending the meeting.
5. The Register of Members and Share Transfer Book of Company will remain closed from 01.09.2010 to 07.09.2010 (Both days inclusive) for the purpose of Annual General Meeting.
6. All documents referred to the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday and Sunday between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
7. Members holding Shares in Physical mode are requested to notify the change in their Address / Bank Account to Registrar and Share Transfer Agent of the Company Link Time India Pvt. Ltd. 211, Sudarshan Complex, Mithakhali Under Bridge, Ahmedabad – 380 009.
8. Members holding shares in De-mat mode are requested to notify the change in their address / bank account to their respective Depository Participant(s) (DPs)
9. Members must quote their Folio Number / De-mat Account No. in all correspondence with the Company/ R&T Agent.
10. No gift will be distributed at the Annual General Meeting.
11. Annual Listing Fee for the year 2010-11 has been paid to all Stock Exchange wherein Shares of the Company are Listed.
12. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a Certified copy of Board Resolution authorizing their representative to attend and vote on their behalf in the Meeting.

EXPLANATORY STATEMENTS UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING

ITEM No. 6

Mukesh C. Keswani was appointed as an Additional Director by the Board of Director of the Company ("the Board") during the year.

Pursuant to Section 260 of the Companies Act, 1956 ("the Act") Mukesh C. Keswani shall hold office upto the date of ensuing Annual General Meeting of the Company. Due notices and deposit under Section 257 of the Act has been received from member proposing the appointment of Mukesh C. Keswani as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. The Board have expressed no hesitation in recommending his appointment.

None of the Directors except the Appointee is interested in the resolution set out in item no. 6 of the Notice.

ITEM No. 7

A notice has been received from a member along with a deposit of rupees five hundred as required by section 257 of the Companies Act, 1956, proposing Mr. Gaurav P. Hinduja as a candidate for the office of Director liable to retire by rotation.

As required under the Act, the Company has also received the consent in writing from Mr. Gaurav P. Hinduja to act as director, if appointed.

None of the Directors except the Appointee and Mr. Prakash L. Hinduja is interested in the resolution set out in item no. 7 of the Notice.

Notice (Contd...)

ITEM NO. 8 to 9

The tenure of Mr. Mukesh C. Keswani & Mr. Gaurav P. Hinduja as Executive Directors would be w.e.f. 02.03.2010 and 07.09.2010 respectively. The Board of Directors of the Company will subject to the approval of Shareholders Mr. Mukesh C. Keswani & Mr. Gaurav P. Hinduja be appointed as Executive Directors w.e.f 02.03.2010 and 07.09.2010 respectively for the period of 5 years.

(A) Salary

Sr. No.	Name of Director	Designation	Remuneration	Effective from	Tenure	Remarks	Competitive Remuneration in similar Company
01	Mukesh C. Keswani	Whole Time Director Designated as Director Finance	Rs. 200000/- per month	02.03.2010	5 Years from the date of appointment 02.03.2010	Liabie to retire by rotation. Remuneration as per Schedule XIII	At par with other similar Company.
02	Gaurav P. Hinduja	Whole Time Director	Rs. 1,25,000/- per month	07.09.2010	5 Years from the date of appointment 07.09.2010	Liabie to retire by rotation. Remuneration as per Schedule XIII.	At par with other similar Company.

(B) General Conditions

- 1) The total remuneration payable to the Executive Directors shall not exceed the maximum limits as permissible in the Schedule XIII of the Companies Act, 1956.
- 2) They shall be entitled to such other privileges, facilities and amenities in accordance with the rules and regulations of the Company, as may be applicable to the senior management of the Company within the overall limits prescribed in the Companies Act, 1956.

(C) Minimum Remuneration:

In the event of absence or inadequacy of profits during their office, the remuneration payable to them shall not exceed the maximum limits as permissible under Schedule XIII of the Act.

None of the Directors except the Appointees and Mr. Prakash L. Hinduja are interested in the resolution set out in item no. 8 to 9 of the Notice.

ITEM NO. 10 to12

Subject to the approval of the shareholders under Section 310 of the Companies Act, 1956 thought is given by the management to increase the remuneration of Mr. Prakash L. Hinduja, Managing Director, Mr. Lallan R. Pandey, Whole Time Director of the Company and Mr. Harish G. Chandwani, Whole Time Director w.e.f. 01.04.2010 and 01.06.2010 respectively to the extent permissible as minimum remuneration under Section 269 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of Shareholders. For this purpose the resolutions are proposed and your Directors recommend the same and request to consider and pass the resolution as Special Resolution.

Sr. No.	Name of Director	Designation	Scale	From	Remarks
1	Prakash L. Hinduja	Managing Director	1000000	01.04.2010	Not liable to retire by rotation
2.	Lallan R. Pandey	Whole Time Director	210000	01.06.2010	Liabie to retire by rotation
3.	Harish G. Chandwani	Whole Time Director	130000	01.06.2010	Liabie to retire by rotation

2. Perquisites:

Following perquisites will be provided subject to condition that the total amount of perquisites will not exceed an amount equal to annual salary.

Category A

(a) Medical Reimbursement:

Reimbursement of medical expenses incurred in connection with the medical treatment of self and family members not exceeding an amount equal to One Month's salary in a year.

Notice (Contd...)

(b) Leave Travel Concession(LTC):

Reimbursement of traveling expenses for self and family members once every year.

(c) Club fees:

Membership fees not more than 2 Clubs. However admission fees shall not be admissible.

(d) Insurance Premium:

Insurance premium for the personal accident for self and dependents shall be as per the company norms.

Category B

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included In the computation of the ceilings of the perquisites.

To the extent these either singly or put together are not taxable under Income Tax Act.

Privileged Leave: as per the rules of the Company Unclaimed Privileged Leave be encashed at the end of the year i.e. 31st March.

Encashment of Leave at the end of tenure will not be included in the computation of ceiling on perquisites.

Category C

Provision of car with Chauffeur for the use Company's business and telephone at residence will not be considered as perquisites.

That in the event of loss or inadequacy of profits the aforesaid remuneration shall be paid to these Directors as minimum remuneration.

None of the Directors except Mr. Prakash L. Hinduja, Mr. Lallan R. Pandey, Mr. Harish G. Chandwani and Mr. Gaurav P. Hinduja are interested in the resolution set out in the item No. 10 to 12 of the notice.

A) General Conditions:

- 1) The total remuneration payable to the Managing Director and Whole Time Director shall not exceed the maximum limits as permissible in the Schedule XIII of the Companies Act, 1956.(Part II 1(B))
- 2) They shall be entitled to such other privileges, facilities and amenities in accordance with the rules and regulations of the Company, as may be applicable to the senior management of the Company within the overall limits prescribed in the Companies Act, 1956.

B) Minimum Remuneration:

In the event of absence or inadequacy of profits during their term of office, the remuneration payable to them shall not exceed the maximum limits as permissible under Schedule-XIII of the Act.(Part II 1(B))

Statement under Para (B) Part 1 of section II of Part II

I. General Information & Commencement of Commercial Productions

- (a) Nature of Industry: - The Company is engaged in laying of pipelines and doing job as contractor. Since inception it has been carrying out these activities and has grown and expanded with time.
- (b) The company is making profits since its inception and it has issued prospectus and also borrowed from financial Institutions.
- (c) Export performance: The Company has no export.
- (d) There is no foreign Investment.

Notice (Contd...)

II Information about appointee

Sr.No.	Name of Appointee	Designation	Qualification	Experience	Achievements	Job Profile	Remuneration Proposed	Competitive Remuneration in similar company
01	Prakash L.Hinduja	Chairman & Managing Director	Diploma in Mechanical Engineering.	30 Years	In this Industry Since incorporation of the Company.	Wide Experience in the Company since inception	1,20,00,000 p.a.	At par with other similar Company
02	Lallan R. Pandey	Whole Time Director	Mechanical Engineer	45 Years	Associated with the Company for past many years.	Wide experience in field of Mechanical Engineering.	25,20,000 p.a.	At par with other similar Company.
03	Harish G. Chandwani	Whole Time Director	Civil Engineer	45 Years	Associated with the company for past many years.	Wide experience in field of Civil Construction, Mechanical, electrical etc.	Rs. 15,60,000 p.a.	At par with other similar Company.

All aforesaid Directors will receive the remuneration within the limit prescribed under Part II section I of Schedule XIII of the Companies Act, 1956.

ITEM NO. 13

In order to meet the long term funds requirement of the company by issue of capital, directors propose to increase the authorised capital of the company from Rs. 10 Crores to Rs. 25 Crores. As per provisions of section 94 read with section 16 of the Companies Act, 1956, an approval of members by ordinary resolution is required to increase the capital and to modify the capital clause of the Memorandum of Association. Hence the said resolution has been proposed as Ordinary Resolution.

None of the Directors are interested in the resolution set out in item no. 13 of the Notice.

ITEM NO. 14

In view of alteration in capital clause it is proposed to alter Article No. 4 of the Articles of Association of the Company in terms of Section 31 of the Companies Act, 1956.

The Board recommends the special resolution set out in Item No. 14 of the notice.

None of the Directors are interested in the resolution set out in item no. 14 of the Notice.

INSPECTION OF DOCUMENTS

Copies of Memorandum of Association & Articles of Association will be available for inspection on working days between 10.00 A.M. to 1.30 P.M. upto the date of Annual General Meeting.

Registered Office

5th Floor, Shanti Arcade,
Nr. Saptak Party Plot, 132 FT. Ring Road,
Naranpura, Ahmedabad 380013.
Date : 31.07.2010

On Behalf of the Board of Directors

Prakash L. Hinduja
Chairman & Managing Director

Management Discussion and Analysis

EVALUATING PERFORMANCE

New Projects, New Opportunities

Company presents its performance for year 2009-10 and outlook for future based on current business environment.

Economic Scenario

The Indian economy is back on track and poised to grow by 7.2% in 2009-10, higher than 6.7% in the previous year. The strong industrial recovery and continuing momentum in services sector is the key underlying strength behind the higher growth. Industrial production and trade posted double-digit growth, consumer confidence continued to improve, and employment growth resumed in advanced economies.

Industry showed a marked improvement and is expected to grow by 8.8% in 2009-10 against 3.1% in 2008-09. The growth in manufacturing was the reason for the robust performance during the year. Apart from manufacturing, mining and electricity also contributed to higher industrial growth. Mining is projected to grow by 8.7% in 2009-10 against 1.6% in the previous year while electricity is likely to grow by 8.2% against 3.9% in the previous year.

Against this background, the IMF's GDP growth forecasts for Asia have been revised upward for 2010, from about 7% in April to about 7.3%. For 2011, when the inventory cycle will have run its full course and the stimulus is withdrawn in several countries, Asia's GDP growth overall is expected to settle to a more moderate but also more sustainable rate of about 6.8%. Revival in the domestic and global economy was reflected in net capital inflows. In particular, net FII inflows were a robust US \$29 bn in 2009-10 as against net outflow of US \$15 bn in 2008-09.

Inflation emerged as a major concern during the third and the fourth quarters of 2009-10. Increase in WPI inflation to 9.9% YoY in March 2010 from 1.2% YoY in March 2009 was largely driven by supply side factors particularly in case of food items.

In India, with the economy firmly on the recovery path towards the second half of the year, the policy emphasis shifted from managing the crisis to managing the recovery. During 2010-11, efforts in advanced economies will be to further improve the financial conditions and strengthen the growth impulses, while the endeavor in EMEs including India will be to strengthen the recovery process without compromising on price stability.

Industry Scenario

The global economic meltdown has resulted in decreased demand for oil and petroleum products. This, in turn, has affected investments in oil and gas infrastructure, particularly the construction of new transmission pipelines. However, it is a widely held belief that with construction costs and other related costs likely to shoot up in near future, investing in new pipeline infrastructure will best serve the interest of oil and gas companies once demand and prices of oil and gas reach higher levels.

An emerging trend is the installation of integrated management systems for ensuring efficient maintenance and operation of pipelines. Pipeline operating companies are investing in new technologies, such as ultrasound and satellite monitoring, for the inspection and maintenance of their assets.

Jaihind's presence in the Middle East:

The global economic crisis of 2008-09 impacted the financial performance of companies in the Middle East quite severely. Consequently, oil companies deferred their investment plans which in turn impaired business opportunities in the region. However from the FY. 2009-10, the economic scenario has undergone a reasonable change and subsequently a lot of potential is available for EPC players in this particular region. Your company by virtue of its high performance level in construction sector has been proactive enough to grasp this opportunity and taken a stepping stone towards establishing its presence in the Gulf countries.

Demand-driven investments

Although there has been a fall in global energy demand up till the third quarter of 2009 it is expected to pick up soon in months to come. Developing countries such as India and China have shown high energy demand and are importing huge amounts of crude oil and natural gas for their domestic consumption and industrial usage.

The Middle East and China are also boosting their domestic production of petroleum products through the use of new refineries, and expanding existing capacities. Such developments have resulted in the setting up of new pipeline transmission infrastructures, and investments made for expanding existing ones

Management Discussion and Analysis (Contd...)

Natural gas effect

Increased usage of natural gas will ensure steady investments in gas pipeline infrastructure. Natural gas accounts for 68% of the world's pipelines. Despite the level of low investments in new pipeline infrastructure, construction of new gas pipelines will continue because most had started before the global economic slowdown had set in. The three major natural gas-consuming markets are North America, Europe and Asia-Pacific (mainly Far East Asian countries).

In the USA, natural gas will dominate investments and construction work in transmission pipelines

Pipeline transportation of natural gas is less capital intensive and complex compared with LNG projects. While the key parameters that determine pipeline construction costs are diameter, operating pressures and length, for LNG transportation, costs are largely a function of the distance between liquefaction and regasification terminals.

However, while gas pipelines can run across various national borders and can easily connect to existing national transmission grids, for LNG, further investments are required to transport natural gas to the domestic transmission grid. Over moderate distances, costs incurred from natural gas pipelines are lower than those of LNG

Low costs and the environment

The world pipeline industry is driven by its lower cost per unit of commodity transported and feasibility to transport higher capacities. As its energy consumption is low, its environmental impact is also low.

With oil and gas production moving to remote areas, away from consumption centres, there has been a surge in demand for greater pipeline capacity to bring these supplies to market. India is currently the third largest oil consumer in the Asia-Pacific region after China and Japan. Demand for petroleum, in absolute terms, is expected to be 190 million tons for the next financial year. Pipelines transport only 30% of the petroleum products consumed by Indian industry vis-à-vis the global transport network, wherein 70% of the transportation is through pipelines. As per the emerging trends, the current scenario in India is expected to be reversed wherein the transportation of Rail and Road : Pipes would be 30 : 70.

Business Performance

Your company achieved satisfactory growth in order inflow during 2009-10. The engineering and construction segment was able to garner project orders not only in traditional sector such as Hydrocarbon but were also successful in bagging order in the water (Sewerage System) in domestic as well as international locations.

During the year company's topline has shown a growth of 26.35% whereas bottom line has given a growth of 134%. The EPS of the company has shoot up by 130% and net worth has increased by 54.61%. The Company has recorded a healthy increase in the profitability driven by improved margins demonstrating the company's superior project execution capabilities and a comprehensive risk mitigation framework, complemented by focused organization structure. The company's profitability was protected from input cost volatility due to efficient contract structuring.

OPPORTUNITIES AND THREATS

Opportunities

The Government increase spending in the infrastructure (pipelines) to carry oil & gas will open up major growth opportunities for the industry. The Eleventh Five Year Plan (2007-2012) foresees an investment of US\$ 320 billion in infrastructure sector. The Indian construction industry is estimated to grow annually at the rate of 7 to 8%, and is anticipated to reach US\$ 150 billion by 2020.

- GAIL to Invest Rs 15000 Crore by 2013 to lay pipelines
- GSPL plans to spend approximately Rs 1300 Crore over the next two years for capital expansion activities. The expanded pipeline will help the company to take the benefit of increasing gas demand in various parts of Gujarat.
- ONGC is looking for a CAPEX of Rs 26500 Crores till 2011-12. Investment of Rs 25000 Crore in Krishna-Godavari Basin in next five years.

Threats

Pipeline construction costs are expected to rise. Stringent safety norms and environmental regulations have made it difficult to construct new pipelines. New regulatory norms on pipeline safety and security mandate huge investments for the maintenance and inspection of existing systems.

Management Discussion and Analysis (Contd...)

It is estimated that 20% of total investments in pipelines in the next decade will be spent on maintaining and upgrading existing pipelines and compressor stations.

Greater overlapping demand for land use, scrutiny from public agencies and governments, and the growing complexity of approving agencies will only increase the costs for future development of pipelines.

Geopolitical issues play a critical role in the global pipelines industry. Transnational pipelines, which supply oil and natural gas to various countries worldwide, encounter challenges in terms of political instability, transit tariff rates, border issues and route selection. For example, the Iran-Pakistan-India (IPI) Gas Pipeline and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline projects are being challenged by volatile political situations.

Oil and gas assets of some of the private players have also been confiscated by the state. This has reduced foreign investments in the oil and gas industry in South and Central America – a region where most countries have limited capital and technological expertise to exploit and market their reserves. As a result, capital infusion in the pipeline industry in the region has been hit

Risks & Concerns

Each enterprise has its own risk and can't remain isolated to the fullest extent except properly managing the risk. The company foresees following areas of risks, concerns and threats:

- The company is exposed to variation in prices of commodities, foreign exchange and interest rate.
- The project execution always largely depends upon skilled and unskilled manpower. Hence deployment, retention and competency growth of employees is also an area of concern.
- The company is exposed to risk of delay in execution due to external factors like right of way, shortage of skilled/semi skilled manpower, etc.
- The company business is exposed to unpredicted risk of change in policies of Government and countries where it operates.

These risks are managed with proper mix of orders across various countries, timely and adequate hedging of commodity and exchange exposure, optimization of working capital limits and efficient limits and efficient inventory management. The management keeps close watch on global development and keeps on reviewing the risk and addresses the concerns for appropriate actions from time to time.

Highlights of Infrastructure Sector

- Rs 1,73,552 crore provided for infrastructure development which accounts for over 46 per cent of the total plan allocation.
- Allocation for road transport increased by over 13 per cent from Rs. 17,520 crore to Rs 19,894 crore.
- Rs 16,752 crore provided for Railways, which is about Rs.950 crore more than last year.

Government Initiatives for Infrastructure Development

- Project import status to 'Monorail projects for urban transport' at a concessional basic duty of 5 per cent granted.
- To allow resale of specified machinery for road construction projects on payment of import duty at depreciated value.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations. As forward looking statements are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.

Directors' Report

Dear Members,

Your directors have pleasure in presenting this 24th Annual Report and the Audited Accounts for the financial year ended on 31st March 2010.

FINANCIAL RESULTS

Particulars	(Rupees in lacs)	
	Current Year	Previous Year
Total Income	41331.25	32709.88
Less : Expenditure	33153.30	28258.71
Profit before Interest and Depreciation	8177.95	4451.17
Less : Interest	3807.01	2070.77
Less : Depreciation	491.54	362.72
Profit Before Tax	3879.40	2017.68
Less : Provision for Taxation	1068.31	587.42
Fringe benefit tax	—	28.79
Less : Transfer to deferred Tax Liability	277.50	73.26
Short provision of income tax in earlier years	67.77	275.14
Profit After Tax	2465.82	1053.07
Appropriation of Profit	184.62	—
Balance brought forward	2469.56	1416.49
Balance carried to Balance-Sheet	4750.76	2469.56

DIVIDEND

The Board Members are pleased to recommend the payment of dividend of 10% of total paid-up capital for F.Y. 2009-10. The payment of dividend will absorb Rs. 84.62 Lacs (inclusive of the Dividend Tax) will be appropriated from the profits of 2009-10.

OPERATIONS

Total revenue of your Company has increased by 26.35% from Rs. 32709.88 Lacs in financial year (FY) 2008-09 to Rs. 41331.25 Lacs in the FY 2009-10. The profit before interest, depreciation and tax has enhanced by 83.72% from Rs. 4451.17 in (FY) 2008-09 to Rs. 8177.95 Lacs in FY 2009-10.

The profit before tax (PBT) has risen to Rs.3879.40 Lacs in comparison to profits of Rs. 2017.68 Lacs in previous year showing an increase of 92.27% and Profit After Tax (PAT) has increased by 134.15% from Rs. **1053.07 Lacs** in FY 2008-09 to Rs. **2465.82 Lacs** in FY 2009-10.

During the year, our Company has bagged various contracts worth over Rs. 67569.84 Lacs as under:

Brahamani River Pellets Limited	2800.00	Laying of Pipeline 475mm tailing & reclaimed from Tanto to nalda For 18 km and Tanto to Baitarani for 25 km in state of orrisa
Indian Oil Corporation of India-Radhanpur	968.47	Augmentation (Combined Work of Erection of Equipment, Station Piping , Mechanical) in state of Gujarat
GAIL-Khera	297.69	Interconnection of DVPL-I with HVJ at Khera state of Madhya Pradesh
Banglore Water Supply & Sewarage Board Byataranapura	5548.00	Laying of Pipeline Providing Sewerage System to erstwhile - Bytarayanapura CMC Area (Zone 2 A) under KMRP-GBS-2A

Directors' Report (Contd...)

GSPC-Umargaon	418.92	Laying of steel Pipeline Network & Station piping alongwith civil as mechanical work for connectivity of Umargaon town.
HPCL Vizag-48"	1235.65	Laying of onshore pipeline for single point mooring system project at Vizag
MJP-Satara	310.02	Headworks, Piping Machinery, Water Purification and other related activities
BPCL-Chennai(Kochi)	1405.23	Cross country pipe laying and other associated works from Kochi Refinery to Cochin AFS.
GSPL-Spur-Ajanta	347.02	Laying of Pipeline at Ajanta Spurline – Morbi Mundra Spurline Project
GGCL-Dumas, Sultanbad, Bhimpor	719.00	Laying of Pipeline for Natural Gas distribution project at Dumas, Sultanabad & Bhimpore village in Gujarat.
GAIL-Bawana Nangal	10064.00	Laying of onshore reglassified liquid natural gas (RLNG) alongwith spurlines Bawana tap off at Gauna (U.P.) to Ludhiana, Nangal & Bhatinda in punjab
BGL-Hyderabad CGD	2435.08	Laying of under Ground Steel Pipeline Network & Associated Works for CNG & City Gas Project
SWCC-Saudi Arabia	30000.00	Laying of Pipeline from Al Taif to Al Baha in Saudi Arabia
GSFC-Sikka Connectivity(Jamnagar) Project	2191.76	Laying of Pipeline in Jamnagar
Banglore Water Supply and Sewarage Board-(JV with KBREC)-	5109.00	Laying of Pipeline and Providing Sewerage System to erstwhile R.R. Nagar R.R. Nagar CMC Area (Zone 5B) under KMRP-GBS-5B
GAIL-Firozabad	791.00	Laying of Pipeline in Agra-Ferozabad Area
GSPL-Sumangal	229.00	Laying of Pipeline at Sumangal Spurline – Morbi Mundra Spurline Project
GSPL-Electrotherm	745.00	Laying of Pipeline at Electrotherm Spurline – Morbi Mundra Spurline Project
Hindustan Zinc Limited	848.00	Slope Correction & lining of fifth phase of tailing dam at Rampura Agucha Mines, Dist. Bhilawara, Rajasthan.
GSPC gas Limited	739.00	Laying of Steel Pipeline Network Construction for Anjar, Adipur and Gandhidham CGD Project.
IOCL-Sanganer	368.00	Equipment erection, station piping, mechanical, civil, Electrical & Instrumentation Works at Sanganer
TOTAL	67569.84	

FUTURE PLANS & DIVERSIFICATIONS

Your company is continuing to improve its performance because of its management's total focus on key strategic initiatives and it's fully poised to enter into other disciplines of energy-sector as part of its diversification plan. Apart from this, the management has been aggressively examining the process by taking full advantage of technology to drive down costs across the organization to generate additional funds to fuel growth. The initiative has been successfully implemented by outstanding work force of the company to which the Board acknowledges its appreciation and gratitude.

PREFERENTIAL ISSUE OF SHARE

In the previous year the Company has issued and allotted 148843 Equity Shares of Rs. 10/- each at a premium of Rs. 150/- per share on preferential basis as per SEBI guidelines. The Company has also received in-principal approval for issuance of 25 lacs convertible warrants from Bombay Stock Exchange Limited & Ahmedabad Stock Exchange on preferential basis. Accordingly convertible warrants were issued on 26th February, 2010.

DCom Systems Limited Company belonging to promoter group has subscribed for 24, 90,000 convertible warrants. The subscription amount of 25% of the total amount on warrants have been received in financial year 2009-10. On conversion of these warrants the enhancement of holding by DCom Systems Limited will attract Regulation 11(2) of The Securities Exchange Board Of India(Substantial Acquisition Of Shares And Take Over Regulation 1997). However an application has been made by said promoter group under regulation 4 of The Securities Exchange Board Of India(Substantial Acquisition Of Shares And Take Over Regulation 1997)seeking an exemption for holding the voting rights in excess of the limits prescribed under regulation 11 of The Securities Exchange Board Of India(Substantial Acquisition Of Shares And Take Over Regulation 1997).

Directors' Report (Contd...)

The proceeds of said subscription have been utilized for purpose for which the convertible warrants are issued. On receipt the necessary approval from SEBI, the networth and book value of the Company would enhance the company would be in a comfortable position to get the tenders of high value from Government, Semi-government and other bodies.

PERSONNEL

The list of employees drawing remuneration as mentioned under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is provided in Annexure A to the Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADOPTION & FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The particulars of Section 217(1)(e) with respect to conservation of energy, technology absorption, adoption & foreign exchange inflow and outflow pursuant to Company (Disclosure of Particulars in Report of Board of Director) Rules, 1988 are provided in Annexure B to the Report.

DIRECTORS

During the year the term of Managing Director, Mr. Prakash L. Hinduja has expired on 28.02.2010. With prior approval of shareholders in the previous Annual General Meeting held on 07.09.2009 the shareholders have re-appointed him as Managing Director for a further period of 5 (five years) w.e.f 01.03.2010. An increase in the remuneration payable to Mr. Prakash L. Hinduja has been made as permissible under Section 269 read with Schedule XIII of the Companies Act, 1956 in anticipation of the approval of shareholders. The management has proposed an increase in remuneration of Mr. Prakash L. Hinduja, Chairman & Managing Director, Mr. Lallan R. Pandey, Whole Time Director and Mr. Harish G. Chandwani, Executive Director w.e.f. 01.04.2010 and 01.06.2010 respectively which is within the limits prescribed under Section 198 of the Companies Act, 1956. The Board recommends the increase in remuneration of Mr. Prakash L. Hinduja, Chairman & Managing Director, Mr. Lallan R. Pandey, Whole Time Director and Mr. Harish G. Chandwani, Executive Director.

Mr. Manoj K. Kapoor and Mr. Dinker M. Rawal retire by rotation at this annual general meeting and being eligible offer themselves for re-appointment.

Mr. Prabhakar M. Jakkal and Mr. Dinesh L. Hinduja resigned w.e.f. 30.09.2009 and 30.01.2010 respectively. Directors express their deep sense of gratitude for the valuable contribution made by them during their tenure of their office.

Pursuant to section 260 of the Companies Act, 1956 Mr. Mukesh C. Keswani holds the office upto the date of the Annual General Meeting. The Company has received notice under section 257 of Companies Act, 1956 from the shareholders alongwith requisite deposit recommending his appointment as an Executive Director. The Board recommends that he may be appointed as a Director liable to retire by rotation. Necessary particulars as required under Clause 49 of the Listing Agreement is given in Corporate Governance attached to this report.

Pursuant to Section 255 Mr. Gaurav P. Hinduja has been proposed by shareholder to occupy the position of director in terms of appointment of Director under Section 255 of the Companies Act, 1956. The Board recommends his appointment as Director as specified in notice convening the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors' Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review,
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

LISTING AGREEMENT

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange(s). A certificate from the Company Secretary in Practice in line with clause 49 is annexed to and forms part of the Director's Report.

Pursuant to clause 43 of Listing Agreement, funds availed by issue and allotment of Equity Shares on preferential basis has been utilized for providing money for availing fund based/ non fund based facilities from various banks obtained for the purpose of providing working capital for various projects implemented by the Company.

There was a family arrangement between Mr. Prakash L. Hinduja, Chairman & Managing Director and Mr. Dinesh L. Hinduja pursuant to said arrangement Mr. Dinesh L. Hinduja has ceased to be the promoter under regulation 2(1)(h)(b) of SEBI Acquisition and Takeover) Regulation, 1997. The promoter holding therefore reduces to about 44.52%.

Directors' Report (Contd...)

FIXED DEPOSITS

The Company has accepted short term deposit from director, bodies corporate to meet the short term working capital requirement to comply with terms and conditions of availing financial facilities by various banks.

AUDITORS

The retiring auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants to the effect that their re-appointment, if made, will be within the prescribed limits specified in Section 224(1-B) of the Companies Act, 1956. You are requested to appoint the auditors for the current year and to fix their remuneration.

AUDITORS REPORT

The observations of the Auditors are explained wherever necessary in the appropriate notes annexed to the accounts. The explanations contained in the notes may be treated as information/explanations submitted by the Board as contemplated U/s.217(3) of the Companies Act, 1956.

SUBSIDIARY

The Company has formed two subsidiary companies on 22nd April, 2010 and 10th May, 2010 mentioned as under:

1. Jaihind Infratech Projects Private Limited
2. Newtonne Machinery Private Limited

As the abovementioned companies are incorporated after 31st March, 2010 statements under Section 212 of the Companies Act, 1956 are not attached.

The Company is exploring overseas projects through its subsidiaries. Besides this the company will also carry out its operations on back to back basis through its subsidiaries. The arrangement would ease the company to carry on its operations smoothly.

ACKNOWLEDGEMENT

Your directors take this opportunity to express their sincere gratitude for the assistance and continued support and co-operation extended by Banks, Government and Statutory Authorities, shareholders, Suppliers and our valued clients GAIL, PDIL, ONGCL, IOCL, IGL, BPCL, GAEL, GSPL, EIL, MJP, CMWSSB, GWSSB, TWAD, KUWS&DB, EPIL, BARC, SWCC, BWSSB, HPCL, GSFC,GGCL, GSPL, BRPL etc. and our Joint Venture Partners within India and abroad.

Your Directors wish to appreciate and thank all the Executives, Employees and consultants of the company for rendering impeccable service to ever constituent of the company's clientele, their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Date : 31.07.2010
Place : Ahmedabad

Prakash L. Hinduja
Chairman & Managing Director

Annexures to Directors Report Annexure A

Statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended to 31st March, 2010.

(A) Employed throughout the year and was in receipt of remuneration which is in aggregate not less than 24,00,000/- p.a.

Sr. No.	Name	Age	Qualification	Date of Commencement of Employment	Designation/ Nature of Duties	Experience in Years	Remuneration	Last Employment
1.	Prakash L. Hinduja	50	Diploma in Mechanical Engineering	07.02.1989	Chairman & Managing Director	25	6,00,000/- p.m.	N.A.
2.	Dinesh L. Hinduja	37	M.B.A.	01.08.1994	Vice-Chairman & Whole Time Director	16	4,00,000/- p.m.	N.A.

Notes.:

1. The remuneration includes salary and allowances
2. Mr. Prakash L. Hinduja holds 1044740 Equity Shares which constitutes 14.39% of the paid up capital of the company.

Directors' Report (Contd...)

Annexure - B

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

(a) Conservation of Energy :

Care is taken for economic consumption of energy in all the project sites/ workshops of the Company. Company had consumed electricity and the cost of power fuel is reasonable. Company has maintained various power generators/ DG sets periodically to achieve maximum efficiency with minimum fuel consumption. Company has successfully worked out effective and efficient design of the lighting and energy devices in the offices of site working areas.

(b) Technology Absorption :

Research & Development (R & D)

(i) Specific areas in which R & D is carried out by the Company.

(a) Improvement of Product Quality for pipe lining/ coaltar coating

(b) Process Optimization.

(c) Process development/ modification

(ii) Benefits derived as result of above R & D

Lower cost due to higher quality and better process Optimization

(iii) Future plan of action

The Company efforts will continue in the above area of R & D.

(c) Technology absorption, adoption & innovation:

(1) Effort, in brief, towards technology absorption, adoptions and Innovations :

The Company has instituted state of the art machinery at various sites, workshops, which operate under excellent technological parameters.

(2) Benefits derived as result of the above ;

Enabled the Company to execute projects demonstrating quality workmanship and delivering the same as per schedule.

(3) Future Plans :

The Company will continue its efforts in the right direction that will enable it to improve the product quality and productivity by carrying out various process/ quality improvements through indigenous technology.

(d) Foreign Exchange Earning & Outgo :

Additional information pursuant to the provisions of Part-II Schedule VI of the Companies Act, 1956 (wherever applicable)

(Rs. In lacs)

Sr. No.	Particulars	2009-10	2008-09
1.	Value of Imports calculated on CIF basisPurchase of Raw Material Goods	17.40	21.47
2.	Purchase of Fixed Assets	667.75	2099.25
3.	Expenditure in foreign currencies	52.81	23.85

For and on behalf of the Board of Directors

Date : 31.07.2010
Place : Ahmedabad

Prakash L. Hinduja
Chairman & Managing Director

Report on Corporate Governance

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines, and to promote ethical conduct throughout the organization with primary objective of enhancing shareholders value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executives management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders aspirations. The Company is committed to attain the highest standards of Corporate Governance.

2. BOARD OF DIRECTORS

Composition

The total strength of the Board as on 31st March, 2010 was 9 Directors as detailed herein below:

Sr. No.	Name	Designation	Category (Promoter/ Executive/Independent)
1	Prakash L. Hinduja	Chairman & Managing Director	Promoter
2	Lallan R. Pandey	Wholetime Director	Executive
3	Harish G. Chandwani	Wholetime Director	Executive
4	Manoj K. Kapoor	Director	Independent
5	Dinker M. Rawal	Director	Independent
6	Akhilesh Negi	Director	Independent
7	Prabhakkar M. Jakkal(Ceased w.e.f. 30.09.2009)	Director	Independent
8	Dinesh L. Hinduja(Ceased w.e.f. 30.01.2010)	Vice Chairman & Whole Time Director	Promoter
9	Mukesh C. Keswani(Appointed w.e.f. 02.03.2010)	Wholetime Director	Executive

Board Meetings

During the year, 14 Board Meetings were held as under:

24.04.2009, 11.05.2009, 22.05.2009, 12.06.2009, 30.06.2009, 31.07.2009, 23.09.2009, 30.09.2009, 31.10.2009, 27.11.2009, 30.01.2010, 26.02.2010, 02.03.2010 & 31.03.2010. The attendance of each Director in the Board Meeting and the last Annual General Meeting is detailed herein below:

Name of Directors	Designation	Number of Board Meetings held during the year 2009-2010	Number of Board Meetings attended during the year 2009-2010	Attendance at last Annual General Meeting held on 07.09.2009
Executive Directors				
Prakash L. Hinduja	Chairman & Managing Director	14	14	Yes
Dinesh L. Hinduja	Vice Chairman & Whole Time Director	14	4	No
Lallan R. Pandey	Whole Time Director	14	14	Yes
Harish G. Chandwani	Whole Time Director	14	14	No
Mukesh C. Keswani	Executive Director	14	1	Yes
Non Executive Directors				
Manoj K. Kapoor	Independent Director	14	11	Yes
Dinker M. Rawal	Independent Director	14	11	Yes
Akhilesh Negi	Independent Director	14	11	Yes
Prabhakkar.M. Jakkal	Independent Director	14	6	Yes

Report on Corporate Governance (Contd...)

Details of Directorship and Membership/ Chairmanship of Committees of the Board of other Companies as on 31.03.2010

Particular	No. of other Companies in which Directorship/ Chairmanship is held (including JPL)		No. of Membership / Chairmanship held in Committees of Board of other Companies	
	Directorship	Chairmanship	Membership	Chairmanship
Prakash L. Hinduja	Nil	Nil	Nil	Nil
Lallan R. Pandey	Nil	Nil	Nil	Nil
Harish G. Chandwani	One	Nil	Nil	Nil
Manoj Kapoor	Two	Nil	Nil	Nil
Dinker M. Rawal	Nil	Nil	Nil	Nil
Akhilesh Negi	Nil	Nil	Nil	Nil
Mukesh Keswani	Nil	Nil	Nil	Nil

Brief Biography of Directors proposed to be Appointed/Reappointed as required in terms of Listing Agreement

Manoj K. Kapoor

Mr. Manoj K. Kapoor aged about 50 years and is a Post Graduate & an MBA and has also acquired diploma in Electrical Engineering. He has vast experience of 25 years in areas of Marketing, Execution etc.

Dinker M. Rawal

Mr. Dinker M. Rawal is about 74 years and is Civil Engineer by profession. He has vast experience in the field of Civil & Mechanical Engineering.

Mukesh C. Keswani

Mr. Mukesh C. Keswani is about 42 years and is a Post Graduate & an MBA Finance. He has vast experience of 17 years in area of finance and management.

Gaurav P. Hinduja

Mr. Gaurav P. Hinduja is about 24 years and has graduated in B.E.(Instrumentation) and has also postgraduated in M.E. Petroleum.

Remuneration paid to Managing Director, Whole-time Director and Non-executive Directors during the year ended 31st March, 2010

Remuneration to Managing Director & Whole-time Director is being paid as per terms of their appointment. The Company pays remuneration by way salary, perquisites and allowances to Managing Director and Whole-time Director.

The details of remuneration paid to the Managing Director and Whole-time Directors during the year are stated below:

Sr. No.	Name of Director	Designation	Remuneration paid during the year (Rs.)
1.	Prakash L. Hinduja	Chairman & Managing Director	72,00,000
2.	Dinesh L. Hinduja	Vice Chairman & Whole time Director	40,00,000
3.	Lallan Pandey	Whole Time Director	12,00,000
4.	Harish Chandwani	Whole Time Director	7,80,000

1. Mr. Prakash L. Hinduja is re-appointed as Managing Director w.e.f. 1st March, 2010 for a period of five years and the same has been approved by the members at the Annual General Meeting held on 7th September, 2009.

Sitting Fees:

The Company pays no sitting fees to Independent Director for attending the meetings of Board of Directors and Committees.

Terms of Appointment of Managing and Whole-time Directors.

Presently, the Company has the following Managing and Whole-time Directors:

1. Prakash L. Hinduja, Chairman and Managing Director.
2. Lallan R. Pandey, Whole-time Director
3. Harish G. Chandwani, Whole-time Director
4. Mukesh C. Keswani, Whole-time Director

Report on Corporate Governance (Contd...)

The initial tenure of Managing and Whole-time Director is for a period of five years w.e.f. their respective date of appointment. However, the tenure of Managing Director and Whole-time Director may further be extended by re-appointing them, subject to approval by Members in the General Meeting.

Note:-

As per Clause 49 the above details are required to be disclosed only for the following three committee:

1. Audit Committee
2. Shareholders/Investors Grievance Committee
3. Remuneration Committee.

Other committees of the companies are:

1. Project Committee
2. Banking and Finance Committee
3. Risk Assessment and Minimization Committee.
4. Administration Committee.

3. COMMITTEES OF THE BOARD

I) Audit Committee

(a) Terms of Reference

The Audit Committee provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors, and the Board of Directors. The Broad terms of reference of the Audit Committee are to review with the Management and / or Internal Auditors and / or Statutory Auditors in the following areas.

The terms of reference of the Audit Committee include the following as has been mandated in Clause 49 of the Listing Agreement and Section 292A of the Companies, Act, 1956

- i. Overview of Company's financial reporting process and financial information disclosures.
- ii. Review with Management, external and internal audits, the adequacy of internal control systems.
- iii. Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the company's policies and applicable laws and regulations.
- iv. Review with Management, the Annual financial statement before submission to the Board.
- v. Recommending the appointment / removal of external and internal auditors, fixation of Audit fees.

(b) Composition, name of members and Chairman

There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009.

The Audit Committee of the Company comprises three members. The names of the members of the Audit Committee are as follows:

- | | |
|-----------------------|------------|
| 1. Shri Manoj Kapoor | (Chairman) |
| 2. Shri Dinker Rawal | Member |
| 3. Shri Lallan Pandey | Member |

Meetings and Attendance during the Year

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Shri Dinesh L. Hinduja	04	Nil
Shri Prabhakkar M. Jakkal	04	02
Shri Manoj K. Kapoor	04	02
Shri Dinker M. Rawal	04	02
Shri Lallan R. Pandey	04	02

The members of the Audit Committee have adequate accounting knowledge to review the accounting practices / standards followed by the Company; adequacy of internal control / audit systems and functions; un-audited Quarterly / Half - Yearly financial statements.

II) Shareholders / Investors Grievance Committee

As a measure of Good corporate Governance and to focus on the shareholder's grievances and towards strengthening investor relations, an investor's Grievance Committee has been constituted as sub committee of the Board.

Report on Corporate Governance (Contd...)

- a) The functions of the Committee include :
- To specifically look into redressing investor's grievances pertaining to;
1. Transfer of shares
 2. Dividend
 3. Dematerialization of Shares
 4. Replacement of lost / stolen / mutilated Share certificates.
 5. Non-receipt of rights / bonus / split share certificates
 6. Any other related issues
- b) Constitution and composition
- There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009.
- The committee was constituted with Two Members under the Chairmanship of Non executive Director as follow.
- | | |
|---------------------------|----------|
| 1. Mr. Prakash L. Hinduja | Chairman |
| 2. Mr. Lallan R. Pandey | Member |
| 3. Ms. Neeta Tharani | Member |
- c) Others:
- Name and Designation of Company Secretary & Compliance Officer: Ms. Vinodini P. Rao

Investor Complaints Received and resolved during the year

Nature of Complaints 2009-2010

17(Seventeen) complaints were received during the year and the same were resolved. No complaints are pending as on 31.03.2010.

III) REMUNERATION COMMITTEE:

The Remuneration Committee was constituted by the Board to determine the Remuneration Package for Executive Directors.

There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009 the committee members shall be as follows:

Following Directors are the Members of the Remuneration Committee:

1. Manoj K. Kapoor
2. Dinker M. Rawal

One Meeting of the Remuneration Committee was held on 30th June, 2009 which was attended by Prabhakar M. Jakkal and Dinker M. Rawal.

IV) PROJECT COMMITTEE

The Project Committee was constituted by the board for the purpose of executing any agreement with joint venture to carry on the projects in the joint venture.

Functions of the Committee:

1. To enter into agreement jointly with any party for bidding the tenders.
2. To control all technical matters of the projects
3. To formulate the technical and maintenance plan for the project and ensure its adherence.
4. To render advice on technical matters to the Board of Directors.
5. To advice on the procurement of Capital equipments for the project.
6. To advice on capacity additions or modifications from time to time.

There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009 the committee members shall be as follows:

Board of Project Committee consists of:

- | | |
|-------------------------|----------|
| 1. Mr. Lallan R. Pandey | Chairman |
| 2. Mr. Sanjay Pandey | Member |
| 3. Mr. Sudip Shah | Member |

V) BANKING & FINANCE COMMITTEE

The Banking & Finance Committee was constituted by the Board for the meeting the Working Capital requirements of the Company, for availing Banking facilities, to borrow moneys for the purpose of the Company's business not exceeding the

Report on Corporate Governance (Contd...)

overall limit upto which the Board of Directors of the Company authorised/to be authorised under section 293(1)(d) of the Companies Act, 1956, to Invest the funds of the company in Government Securities, National Savings Securities, Postal Saving Certificates, Shares, Debentures, Bonds of Companies, Securities of Municipal and Local Bodies and in fixed term deposits with the Banks, Companies, Corporation etc. and to vary investments and deal with securities and investments and to do all acts, deeds and things provided that the aggregate of all such investments outstanding at any time does not exceed the limit prescribed under Section 372A of the Companies Act, 1956.

And further to open current/cash credit/overdraft/fixed deposit or other account(s) with any scheduled bank and authorize the officials to operate the same and to vary the existing authorization to operate accounts of the Company with its Bankers.

FUNCTIONS OF COMMITTEE

- To utilize the idle funds of the company.
- To provide temporary financial accommodation.
- To enable borrowers to fulfill their obligation towards the company.

There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009 the committee members shall be as follows:

The committee was constituted with Two Members under the Chairmanship of Non executive Director as follows:

- | | |
|----------------------------|----------|
| 1. Mr. Harish G. Chandwani | Chairman |
| 2. Mr. Dinker M. Rawal | Member |
| 3. Mr. Rajesh Tiwari | Member |

VI) RISK ASSESSMENT & MINIMIZATION PROCEDURE

The Company has laid down procedures to inform the Members of the Board about the risk assessment and minimization procedure. A Risk Management Committee consisting Managing and Whole-time Director periodically reviews the procedure to ensure that Executive Management controls risk through properly defined framework. The risk assessment framework encompassed, inter alia, methodology for assessing risks on ongoing basis, risk prioritization, risk mitigation plan and comprehensive reporting system.

VII) ADMINISTRATIVE COMMITTEE

The Administrative Committee shall assist the Board in the effective discharge of its responsibilities for corporate governance compliance of statutory laws, fixing remuneration of senior executives excluding whole time directors and corporate control.

There has been change in the composition of the committee members and with effect from Board Meeting held on 30th September, 2009.

Following are the Members of the Committee:

- | | |
|----------------------------|----------|
| 1. Mr. Prakash L. Hinduja | Chairman |
| 2. Mr. Harish G. Chandwani | Member |
| 3. Mr. Ghanshyam Prasad | Member |

4. GENERAL BODY MEETINGS

- a) Particulars of last three Annual General Meetings:

Venue	Date	Time	No. of Special Resolutions
4th Floor, Shanti Arcade, Naranpura, Ahmedabad	01.09.2007	03.00 P.M	3
5th Floor, Shanti Arcade, Naranpura, Ahmedabad	25.09.2008	04.00 P.M	3
4th Floor, Shanti Arcade, Naranpura, Ahmedabad	07.09.2009	03.30 P.M	6

- b) Particulars of last two Extraordinary General Meetings

Purpose	Venue	Date	Time
Issuance of 25 lacs convertible Warrants of Rs. 10/- each at a Premium of Rs. 50/- each	5th Floor, Shanti Arcade, Naranpura, Ahmedabad	22.06.2009	3.00
Appointment of Auditor	5th Floor, Shanti Arcade, Naranpura, Ahmedabad	27.12.2009	3.00

*The Company has not been required to pass any resolution by means of postal ballot during the financial year 2009-10.

Report on Corporate Governance (Contd...)

5. DISCLOSURES

During the year no material transactions with the Directors or the Management, or relatives etc. have taken place, which have potential conflict with the interest of the Company.

1. Compliance

There has been no non-compliance of the provisions/requirements of Stock Exchanges/SEBI. No penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to Capital Market.

2. Related Party Transactions

The details of all significant transaction with related parties are periodically placed before Audit Committee.

3. Secretarial Audit

A qualified practicing Company Secretary carried out a Secretarial Audit on quarterly basis to reconcile the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL & CDSL.

4. Accounting Treatment

The Company has followed accounting treatment as prescribed in the Accounting Standards applicable to the Company.

5. Risk Management

The Company has laid down procedures to inform the Members of the Board about the risk assessment and minimization procedure. A Risk Management Committee for the risk assessment, methodology for assessing risks on ongoing basis, risk prioritization, risk mitigation plan and comprehensive reporting system. The working of this committee is periodically reviewed by the Board.

6. Legal Compliance Reporting

As required under Clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

7. Listing Agreement

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange(s). A certificate from the Company Secretary in Practice in line with clause 49 is annexed to and forms part of the Director's Report.

Pursuant to clause 43 of Listing Agreement, funds availed by issue and allotment of Equity Shares on preferential basis has been utilized for providing money for availing fund based/ non fund based facilities from various banks obtained for the purpose of providing working capital for various projects implemented by the Company.

8. CEO/CFO CERTIFICATION

A certificate from the Managing Director & CEO and Director (Finance & Commercial) on the Financial Statement of the Company in terms of Clause 49 of Listing Agreement was placed before the Board, who took the same on record and enclosed as per Annexure A to the Report.

9. General Shareholders Information

(a) Annual General Meeting (AGM)

Day & Date	7th September, 2010
Time	03.00 p.m.
Date of Book Closure	01.09.2010 to 07.09.2010
Venue	Venus Atlantis, 3rd Floor, Nr. Reliance Petrol Pump, Near Prahlanagar Garden, Anandnagar Road, Ahmedabad - 15

(b) Financial Calendar

Jaihind Projects Ltd. follows the financial year from April to March. The Un-audited Financial Results for the first three quarters and the Audited Financial Results for the year ended 31st March, 2010 were taken on record and approved by the Board in its meeting(s) held on the following dates:

Quarter Ended	Date of Board Meeting
April – June, 2009	31.07.2009
July – September, 2009	31.10.2009
October – December, 2009	30.01.2010
Year Ended	
31st March, 2010	31.05.2010

Report on Corporate Governance (Contd...)

(c) Listing on Stock Exchange(s)

The Equity shares of the company are listed on the following stock exchanges in India:

1. Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.
2. Ahmedabad Stock Exchange Limited (ASE)
Kamdhenu Complex, Panjarapole, Ahmedabad – 380015.

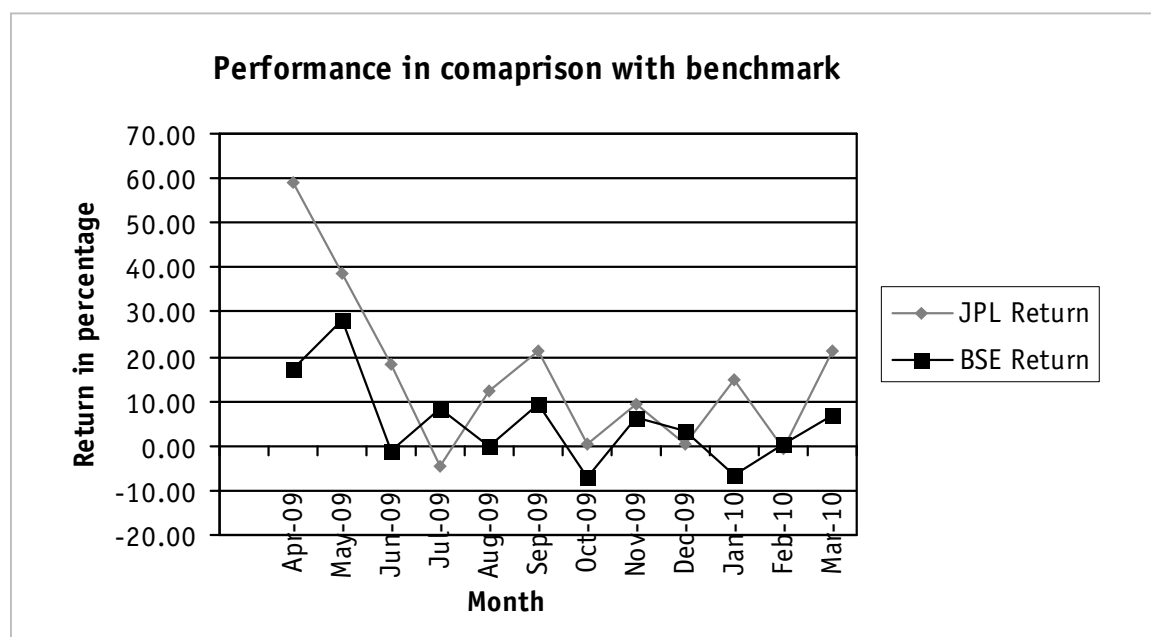
(d) Stock Codes:

Name on Stock Exchanges	Stock Code
The Stock Exchange, Mumbai (BSE)	531339
The Ahmedabad Stock Exchange (ASE)	27456

International Security Identification Number (ISIN) for Equity Shares held in Demat form with NSDL and CDSL.
INE343D01010

(e) Market Price Data: High and Low during each month in last financial year.

Month	BSE (in Rs.)		BSE Sensex	
	High	Low	High	Low
April, 2009	63.65	38.95	11492.1	9546.29
May, 2009	84.00	50.10	14930.54	11621.30
June, 2009	111.90	81.85	15600.30	14016.95
July, 2009	118.85	83.00	15732.81	13219.99
August, 2009	111.95	88.15	16002.46	14684.45
September, 2009	145.00	100.00	17142.52	15356.72
October, 2009	170.00	119.00	17457.26	15805.20
November, 2009	154.00	121.30	17290.48	15330.56
December, 2009	154.45	135.35	17530.94	16577.78
January, 2010	189.90	142.60	17790.33	15982.08
February, 2010	184.00	146.10	16669.25	15651.99
March, 2010	208.00	156.60	17793.01	16438.45



Report on Corporate Governance (Contd...)

(f) Distribution Schedule as on 31.03.10

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
Upto – 500	5418	87.97	869696	8696960	12.23
501 – 1000	373	6.06	295033	2950330	4.15
1001 – 2000	173	2.81	270131	2701310	3.80
2001 – 3000	68	1.10	175428	1754280	2.47
3001 – 4000	21	0.34	74100	741000	1.04
4001 – 5000	21	0.34	97487	974870	1.37
5001 – 10000	39	0.63	278358	2783580	3.92
10001 & Above	46	0.75	5048367	50483670	71.02
Total	6159	100.00	7108600	71086000	100.00

(g) Shareholding Pattern of the Company as on 31.03.2010

Category	No. of Shares Held	% of Shareholding
A Promoter's holding		
1 Promoters		
- Indian Promoters	3365018	46.37
- Foreign Promoters	0	0
Sub- Total	3365018	46.37
B Non – Promoter's holding		
2 Institutional Investors		
A Mutual Funds and UTI	0	
B Banks , Financial Institutions	0	
C Insurance Companies / Central / State Govt. Institutions / Non-government Institution / Venture Capitals Funds	1000	0.014
D FII'S (Including ADB holding)		
Sub-Total	1000	0.014
3 Others		
A Private Corporate Bodies	1170419	16.13
B Indian Public	2371414	32.67
C NRI's / OCB's (Including GDFI)	97569	1.35
D Any other (Clearing Members & Trusts)	252023	3.47
Sub-Total	3891425	53.62
GRAND TOTAL	7257443	100

(h) List of Shareholders holding more than 1% of Equity Capital as on 31.03.2010

Name	No. of Shares Held	% of Shareholding
Promoter's Holding		
ASE Capital Market Ltd	100660	1.39
Shah Bahubali Shantilal	72379	1.00
Micado Foods Pvt. Ltd.	254165	3.50
Karnavati Capital Market Ltd.	293738	4.05
Shree Ram Lease Finance Ltd.	178810	2.46
Prime Corporate Services Ltd.	105190	1.45
Deepak Rohatlal Chand	112343	1.55

(i) Book Closure Date:

The Share Transfer Book and the Register of Members will remain closed from 1st September, 2010 to 7th September, 2010. (Both days inclusive.)

Report on Corporate Governance (Contd...)

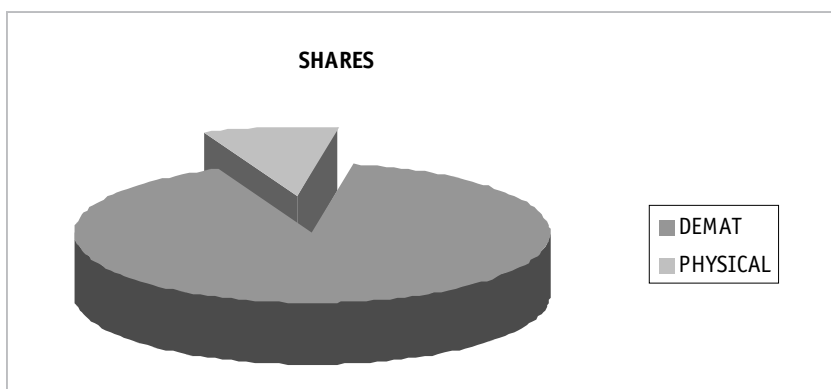
(j) Dividend Payment date:

The Dividend for the year ended March 31, 2010 will be paid to the members whose name will appear on the Register of Members of the Company at the end of Business Hours on 7th September, 2010.

(k) Dematerialization of Shares:

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in Demat form as on 31.03.2010 is 6448000 shares aggregating to 90.90% and 660600 shares held in Physical form aggregating to 9.10%.

	Demat	Physical	Total
Shares	6448000	660600	7108600
Percentage	90.90	9.10	100



7. CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT PERSONAL

The Board of Directors of the Company approved Code of Conduct for Board Members & Senior Management Personnel and the same was made effective from 1st April, 2006. Copy of the same has also been posted/placed at the website of the Company i.e. www.jpl.co.in.

All the Board Members and Senior Management personnel have affirmed compliances with the said Code for the year ended 31st March, 2010.

8. MEANS OF COMMUNICATION TO SHAREHOLDERS:

(a) Quarterly/Annual results

The quarterly/annual results and notices as required under Clause 41 of the listing agreement are normally published in the Leading Daily Newspapers in English & Local Language i.e. Gujarati editions.

(b) Posting of information on the website of the Company

The annual/quarterly results of the Company shareholding pattern, Code of Conduct for the Board and senior management and other news releases are posted on the website www.jpl.co.in

9. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion Analysis Report is provided in the Directors Report.

10. ADDRESS FOR CORRESPONDENCE:

(a) Registered & Corporate Office

5th Floor, Shanti Arcade, 132 FT Ring Rd., Nr. Saptak Party Plot, Naranpura, Ahmedabad 380013.

(b) Registrar & Share Transfer Agent

M/s. LINK INTIME INDIA PVT LIMITED

211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Mithakhali, Ahmedabad – 380009.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 31.07.2010

Prakash L. Hinduja
Chairman & Managing Director

Report on Corporate Governance (Contd...)

Annexures to the Report

Annexure A

CERTIFICATION UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

The Board of Directors
Jaihind Projects Limited

I Prakash L. Hinduja, Managing Director of Jaihind Projects Limited appointed in terms of Companies Act, 1956 certify to the Board that :

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31.03.2010 and that to the best of my knowledge and belief :
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee
 - (i) Significant changes in internal control over financial reporting during the Year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR, JAIHIND PROJECTS LIMITED

Place : Ahmedabad
Date : 31.07.2010

Sd/-
Chairman & Managing Director

Company Secretary in Practice Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreements

To the Shareholders of Jaihind Projects Limited

1. We have examined the compliance of conditions of Corporate Governance by Jaihind Projects Limited ("the Company") for the year ended March 31st, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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.
4. 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 D.N. Motwani & Co
Company Secretaries

Place : Ahmedabad
Date : 31.07.2010

D.N.Motwani
Mem No.: 5016

Auditors' Report

TO THE MEMBERS OF JAIHIND PROJECTS LIMITED

1. We have audited the attached Balance Sheet of **JAIHIND PROJECTS LIMITED** ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government 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 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, May 31, 2010

Annexure to Auditors' Report (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (xiii) and (xiv) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (v) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) During the year, the Company has not taken loans from any such party. At the year-end, outstanding balance of such loans taken during earlier period from two such parties aggregated to Rs. 1.06 lacs and the maximum amount involved during the year was Rs. 27.90 lacs.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
- (vi) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vii) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (viii) *In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to rate of interest, submission statement in lieu of advertisement and filing of annual return of deposits.* According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (ix) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (x) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

Annexure to Auditors' Report (Referred to in paragraph 3 of our report of even date) (Contd...)

- (xi) According to the information and explanations given to us in respect of statutory dues:
- the Company has been regular in depositing with appropriate authorities undisputed dues, except for certain instance of delay in payment, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it. As explained to us, the Company did not have any dues on account of Excise Duty.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
 - Details of dues of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act	Income Tax	Income Tax Appellate Tribunal	Assessment Year 2005-06	4.72
Service Tax Act	Service Tax	Supreme Court, New Delhi	June 16, 2005 to September 2006	223.58
Service Tax Act	Service Tax	CESTAT, Ahmedabad	October 2006 to September 2007	212.79
Service Tax Act	Service tax	CESTAT, Ahmedabad	October 2007 to March 2008	177.37

- The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- In our opinion, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 at a price which is *prima facie* not prejudicial to the interests of the Company.
- According to the information and explanations given to us, during the period covered by our audit report, no debentures have been issued by the Company and hence the question of creating the securities or charges in respect thereof does not arise.
- During the year, the Company has not made any public issues of shares.
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, May 31, 2010

Balance Sheet As At 31st March, 2010

		(Rs. in Lacs)	
Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS :			
SHARE HOLDERS' FUND			
Share Capital	1	725.74	710.86
Share Warrants (Refer Note 2 of Schedule 20 B)		615.00	392.50
Reserves and Surplus	2	7,141.80	4,382.98
		8,482.54	5,486.34
LOAN FUNDS			
Secured Loans	3	15,157.67	7,782.69
Unsecured Loans	4	6,036.42	242.89
DEFERRED TAX LIABILITY (NET) (Refer Note No. 11 of Schedule 20 B)		667.44	389.93
	Total	30,344.07	13,901.85
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	10,378.47	8,423.46
Less: Depreciation / Amortisation		1,568.52	1,198.50
Net Block		8,809.95	7,224.96
Add: Capital Work-In-Progress		1,624.97	—
		10,434.92	7,224.96
INVESTMENTS	6	734.31	670.66
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	1,682.39	1,448.87
Sundry Debtors	8	15,367.88	8,397.19
Cash & Bank Balance	9	5,771.23	6,873.14
Loan & Advances	10	5,897.35	3,573.23
		28,718.85	20,292.43
LESS : CURRENT LIABILITIES & PROVISIONS	11		
Current Liabilities		8,378.24	14,058.85
Provisions		1,165.77	227.35
		9,544.01	14,286.20
NET CURRENT ASSETS		19,174.84	6,006.23
	Total	30,344.07	13,901.85
Significant Accounting Policies & Notes on Accounts	20		

As per our report of even date
 For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
 (Membership No. : 35701)
 Place : Ahmedabad
 Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
 Date : May 31, 2010

Profit & Loss Account for the Year Ended On 31st March, 2010

		(Rs. in Lacs)	
Particulars	Schedule	2009-2010	2008-2009
INCOME			
Operating Income	12	40,990.38	24,288.59
Other Income	13	337.94	272.93
	Total	41,328.32	24,561.52
EXPENDITURE			
Materials and Components	14	15,414.71	13,174.84
Payment to Subcontractors		9,690.58	3,785.36
Employment Cost	15	1,756.36	981.66
Administrative Expenses	16	1,181.26	1,024.19
Selling Expenses	17	2,502.30	193.86
General & Other Expenses	18	2,674.86	1,422.54
Financial Expenses	19	3,772.98	1,788.86
Depreciation		491.54	362.71
	Total	37,484.59	22,734.03
PROFIT FOR THE YEAR BEFORE TAX		3,843.73	1,827.49
Provision for Tax			
Current Tax		1,032.65	400.00
Fringe Benefit Tax		—	26.00
Deferred Tax		277.50	73.26
Short provision of income tax in earlier years		67.76	275.16
PROFIT AFTER TAX		2,465.82	1,053.07
Balance of Profit Brought Forward		2,469.56	1,416.49
AMOUNT AVAILABLE FOR APPROPRIATIONS		4,935.38	2,469.56
APPROPRIATIONS			
General Reserve		100.00	—
Proposed Dividend		72.57	—
Corporate Dividend Tax		12.05	—
BALANCE CARRIED TO THE BALANCE SHEET		4,750.76	2,469.56
Earnings Per Share (In Rs.)			
Basic		34.15	14.81
Diluted		27.92	14.81
(Face Value of Rs 10/- each)			
(Refer Note No.10 of Schedule 20 B)			
Significant Accounting Policies & Notes on Accounts	20		

As per our report of even date
For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
(Membership No. : 35701)
Place : Ahmedabad
Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
Date : May 31, 2010

Cash Flow Statement for the Year Ended On 31st March, 2010

		(Rs. In Lacs)	
Sr. No.	Particulars	2009-2010	2008-2009
A	Cash flow from Operating Activities		
	Net profit before tax and extra ordinary items	3,843.73	1,827.49
	Adjustments for :		
	Profit from Joint Venture	(62.22)	(351.37)
	Depreciation/ Amortization	491.54	362.73
	Interest received	(273.91)	(264.65)
	Unrealised Foreign Exchange Losses/ (Gain)	(3.97)	—
	Credit Balances Written Back	(31.51)	9.73
	Financial Expense Paid	3,772.98	1,404.32
	Provision for Diminution in the value of Investments	3.57	—
	Bad Debt Written Off	1,239.72	—
	Provision for Doubtful Debt	59.01	—
	Loss/Profit on Sale of Fixed Assets	160.00	(24.34)
	Operating Profit before Working Capital Changes	9,198.94	2,963.91
	Adjustments for :		
	Trade & other receivables	(7,029.71)	(6,341.01)
	Inventories	(233.52)	(1,333.44)
	Loan, Advance & Others	(2,324.11)	(391.83)
	Trade Payable & Others	(5,680.60)	10,167.86
	Cash generated from Operations	(6,069.00)	5,065.49
	Direct taxes Paid (including Tax deducted at Source)	(643.32)	(65.14)
	Cash flow before Extra Ordinary Items	(6,712.32)	5,000.35
	Prior Period & Extra ordinary Items	—	(158.41)
	Net Cash from Operating Activities	(6,712.32)	4,841.94
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(1,490.82)	(2,875.64)
	Capital Under Construction	(1,624.97)	—
	Interest received	273.91	264.65
	Sale of Fixed Assets	98.15	225.46
	Investment in Units of Axis Bank	(5.00)	—
	Increase in investment in Joint Venture	(62.22)	667.09
	Net Cash Used in Investing Activities	(2,810.95)	(1,718.44)
C	Cash flow from Financing Activities		
	Proceeds from Borrowings	13,168.51	3,942.14
	Repayments of Borrowings	(1,641.13)	(478.62)
	Interest & Financial Charges Paid	(3,721.02)	(1,404.32)
	Proceeds from Preferential Allotment of Warrants	615.00	392.50
	Net Cash flow from Financing Activities	8,421.36	2,451.70
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,101.91)	5,575.20
	Cash & Cash Equivalents at the beginning of the year	6,873.14	1,297.94
	Cash & Cash Equivalents at the end of the year	5,771.23	6,873.14

- Notes:
1. Cash and Cash Equivalents represents Cash and Bank Balances. (Refer Schedule-9)
 2. Fixed Deposit of Rs.5,181.25 Lacs (Previous Year Rs.4,314.27 Lacs) are pledged with banks towards Letters of Credit / Bank Guarantees.
 3. The Previous year's figures have been regrouped / rearranged wherever necessary.
 4. The Cash Flow Statement has been prepared under the "indirect method" as set out in AS-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our report of even date
 For, **Deloitte Haskins & Sells**
 Chartered Accountants

(Gaurav J. Shah)
 Partner
 (Membership No. : 35701)
 Place : Ahmedabad
 Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
 Managing Director

Lallan R. Pandey
 Director

Vinodini Rao
 Company Secretary

Place : Ahmedabad
 Date : May 31, 2010

Schedules to the Financial Statements

	(Rs. in Lacs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
72,57,443 (Previous Year - 71,08,600) Equity Shares of Rs.10 each (Refer Note No. 2 of Schedule 20 B)	725.74	710.86
Total	725.74	710.86
SCHEDULE - 2 : RESERVES & SURPLUS		
GENERAL RESERVE		
Balance as per last Balance Sheet	22.99	22.99
Add : Transferred from Profit & Loss Account	100.00	—
	122.99	22.99
CAPITAL RESERVE		
Balance as per last Balance Sheet	—	—
Add : Consequent to forfeiture of warrants (Refer Note No. 2 of Schedule 20 B)	154.35	—
	154.35	—
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	1,890.43	1,890.43
Add : On issue of equity shares (Refer Note No. 2 of Schedule 20 B)	223.27	—
	2,113.70	1,890.43
PROFIT & LOSS ACCOUNT		
	4,750.76	2,469.56
Total	7,141.80	4,382.98
SCHEDULE - 3 : SECURED LOANS		
From Banks		
Term Loans (Refer Note (i) given below) (Due within next twelve months Rs. 732.41 Lacs)	944.28	4,366.93
Cash Credit / OD / LC Facilities (Refer Note (ii) below)	10,510.26	3,285.01
From Financial Institution		
Term Loan (Refer Note (iii) given below) (Due within next twelve months Rs. 1,250.26 Lacs)	3,703.14	130.75
Notes:		
(i) Secured by Plant & Machinery, Vehicles acquired / to be acquired out of these loans.		
(ii) Secured by way of first pari passu charge on entire unencumbered machinery/ equipment/ vehicles, hypothecation of materials & entire receivables, pledge of KDRs, equitable mortgage of properties and personal guarantee of directors.		
(iii) Secured by way of hypothecation of respective assets purchased.		
Total	15,157.67	7,782.69
SCHEDULE- 4 : UNSECURED LOANS		
Short Term		
a) From Director	5.00	—
b) From Banks (Due within Twelve Months - Rs. 5,500 Lacs)	5,502.18	—
c) From Others Public Deposits	529.24	242.89
Total	6,036.42	242.89

Schedules to the Financial Statements (Contd...)

(Rs. in Lacs)											
SCHEDULE - 5 : FIXED ASSETS											
Sr. No.	Asset	Gross Block (At Cost)			Depreciation/Amortisation				Net Block		
		As At 01-04-09	Addition	Deduction	As At 31-03-10	As At 01-04-09	For the Year	Deduction	As At 31-03-10	As At 31-03-10	As At 31-03-09
A. TANGIBLES											
1	Land	22.28	—	—	22.28	—	—	—	—	22.28	22.28
2	Buildings	77.55	—	—	77.55	8.90	1.26	—	10.16	67.39	68.65
3	Plant & Machinery	7,110.34	1,992.07	319.26	8,783.15	733.72	370.69	83.26	1,021.15	7,762.00	6,376.62
4	Construction & Other Vehicles	842.17	241.72	56.40	1,027.48	274.81	81.81	34.25	322.37	705.12	567.35
5	Furniture & Fixtures	168.08	42.05	4.01	206.13	71.26	11.72	4.01	78.98	127.15	96.82
6	Computers	139.71	52.96	0.00	192.67	90.85	12.56	—	103.41	89.26	48.86
	Sub Total	8,360.13	2,328.79	379.67	10,309.25	1,179.55	478.03	121.52	1,536.07	8,773.19	7,180.57
B. INTANGIBLES											
1	Software	63.33	5.89	—	69.23	18.94	13.51	—	32.45	36.77	44.39
	Sub Total	63.33	5.89	—	69.23	18.94	13.51	—	32.45	36.77	44.39
	Total (A+B)	8,423.46	2,334.69	379.67	10,378.47	1,198.50	491.54	121.52	1,568.52	8,809.95	7,224.96
Capital Work in Progress (Includes Advances)		—	—	—	—	—	—	—	—	1,624.97	—
Grand Total		8,423.46	2,334.69	379.67	10,378.47	1,198.50	491.54	121.52	1,568.52	10,434.92	7,224.96
Previous Year		5,103.29	3,521.22	201.04	8,423.46	872.70	362.72	36.91	1,198.50	7,224.96	4,222.05

(Rs. in Lacs)		
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 6 : INVESTMENTS		
Long Term Investment - Other than Trade		
a) Quoted		
AXIS Equity Fund (No of Units-50,000 - Market Value - Rs. 5.20 Lacs)	5.00	—
b) Unquoted		
Progro Management Consultants Pvt. Ltd. (35,700 Equity Shares of Rs. 10/- each)	3.57	3.57
Less : Provision for Diminution in the value of investments	(3.57)	—
Tehran Jonoob - Jaihind Consortium (Joint Venture)	729.31	667.09
Total	734.31	670.66
SCHEDULE - 7 : INVENTORIES		
Material & Components	1,682.39	1,448.87
Total	1,682.39	1,448.87
SCHEDULE- 8 : SUNDRY DEBTORS (Unsecured)		
Outstanding over six months		
Considered good	1,942.84	601.17
Considered doubtful	59.01	—
Less : Provision	(59.01)	—
	1,942.84	601.17
Others - Considered good	13,425.04	7,796.02
Total	15,367.88	8,397.19

Schedules to the Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	57.90	38.51
Balances with Scheduled banks		
In Current Accounts	492.10	2,502.09
In Fixed/Term Deposit *	5,221.16	4,332.47
* {Under Lien with banks for Bank Guarantees in respect of contracts and Letter of Credit facilities granted by Banks of Rs.5,181.25 Lacs (Previous Year: Rs.4,314.27)}		
Balances with Other banks		
In Current Accounts		
- The Kapadvanj People's Co.Op. Bank Ltd. [Maximum Balance Outstanding during the year Rs. 0.07 Lacs (Previous Year Rs. 0.07 Lacs)]	0.07	0.07
Total	5,771.23	6,873.14
SCHEDULE - 10 : LOANS AND ADVANCES (Unsecured & Considered Good)		
Advances recoverable in cash or in kind or for value to be received	839.56	377.92
Balance with Excise Authority	—	47.17
Deposits and Retention Money	5,057.79	3,148.14
Total	5,897.35	3,573.23
SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	5,611.93	11,953.48
Due to Tehran Jonoob - Jaihind Consortium (JV)	823.86	667.09
Advance Payment from customers	1,839.68	1,306.30
Deposit & Retention Money	102.76	131.98
	8,378.24	14,058.85
Provisions		
For Taxation (Net Off Advance Tax and TDS)	1,032.49	201.35
For Fringe Benefit tax	—	26.00
For Proposed Dividend	72.57	—
For Tax on Dividend	12.05	—
For Employee Benefit Schemes	48.65	—
	1,165.77	227.35
Total	9,544.01	14,286.20

Schedules to the Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	2009-2010	2008-2009
SCHEDULE 12 : OPERATING INCOME		
Contract & Sales Revenue	40,928.16	23,937.22
Profit from Joint Venture	62.22	351.37
Total	40,990.38	24,288.59
SCHEDULE - 13 : OTHER INCOME		
Interest Received (Gross)	273.91	264.65
{Tax deducted at source from Interest Rs.36.86 Lacs (P.Y. : Rs.54.05 Lacs)}		
Sundry Balances Written Back	31.51	(9.73)
Miscellaneous Income	15.61	7.00
Foreign exchange gain	3.97	—
Profit on Sale of Fixed Assets	—	8.62
Kasar/Vatav	11.00	—
Scrap Sale	1.95	2.39
Total	337.94	272.93
SCHEDULE - 14 : MATERIAL AND COMPONENTS		
Opening Stock	1,448.87	115.43
Add : Purchases during the year	15,648.23	14,508.28
	17,097.10	14,623.71
Less: Closing Stock	1,682.39	1,448.87
Total	15,414.71	13,174.84
SCHEDULE - 15 : EMPLOYMENT COST		
Salaries, Wages and Bonus	1,630.29	909.38
Contribution to P.F, Gratuity, and Other Funds	30.33	30.49
Staff Welfare Expenses	95.73	41.79
Total	1,756.36	981.66
SCHEDULE 16 : ADMINISTRATIVE EXPENSES		
Rent	280.93	120.34
Travelling Expenses	152.18	100.34
Insurance charges	113.03	70.95
Professional charges	92.12	87.42
Rate, Duties & Taxes	75.89	352.03
Telephone Expenses	71.09	43.80
Electric Expenses	55.23	23.06
Legal Fees	38.46	31.47
Stationery & Printing Expenses	38.20	25.94
Tender Fees	10.28	5.63
Auditor's Fees.	7.50	4.00
Membership Fees	6.94	5.21
Postage Expenses	6.82	5.61
Provision for Diminution in value of Investment	3.57	—
Listing Fees	2.24	0.18
Donation	10.39	2.63
Loss on Sale of Assets	160.00	—
Miscellaneous Expenses	56.39	145.58
Total	1,181.26	1,024.19

Schedules to the Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	2009-2010	2008-2009
SCHEDULE 17 : SELLING EXPENSES		
Brokerage & Commissions	1,098.47	0.21
Bad Debts/Advances/Deposit Written Off	1,239.72	—
Provision For Doubtful Debts	59.01	—
Advertisement & Sales Promotions	54.95	38.75
Discount/Rebate	50.15	154.90
Total	2,502.30	193.86
SCHEDULE - 18 : GENERAL AND OTHER EXPENSES		
Site Expenses	1,307.27	583.92
Machinery Rent-Hire Charges	754.04	123.78
Transport Expenses	320.21	65.73
Petrol, Diesel, Motor Vehicle Running & Maintenance	156.56	547.36
Material testing Fee	13.32	8.82
Repairs & Maintenance to:-		
Building	20.00	35.56
Plant and Machinery	35.93	32.79
Others	67.53	24.59
Total	2,674.86	1,422.54
SCHEDULE 19 : FINANCIAL EXPENSES		
Interest		
To Banks	2,227.63	793.09
To Financial Institutions	713.57	437.44
To Others	260.49	173.80
Finance Charges		
Bank Commission & Charges	571.30	384.54
Total	3,772.98	1,788.86

Notes On Accounts

Schedule - 20 : Significant accounting policies and notes on accounts

A. SIGNIFICANT ACCOUNTING POLICIES:

1. General:

The financial statements are prepared on accrual basis under the historical cost convention and to comply in all material aspects with applicable accounting principles in India, the accounting standards and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Differences between the actual results and estimates are recognized in the period in which the results are known/materialize.

3. Fixed Assets:

- (i) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes and levies, freight and other incidental expenses related to acquisition and installation of the respective assets. Assets acquired on hire purchase basis are stated at their cash values less accumulated depreciation.
- (ii) Certain computer software costs are capitalized and recognised as intangible assets in terms of Accounting Standard - 26 on intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow there from for a period longer than 1 year. Capitalized cost includes direct cost of implementation and expenses directly attributable to the implementation.
- (iii) Capital work-in-progress includes the cost of fixed assets that are not ready for intended use at the Balance Sheet date and advances paid to acquire capital assets before the Balance Sheet date.

4. Depreciation and Amortization:

- (i) Depreciation on fixed assets is provided on Straight Line Method in accordance with Section 205 (2) (b) of the Companies Act, 1956 at the rate and in the manner prescribed in schedule XIV of the said Act. Assets costing individually Rs. 5000 or less are charged to profit and loss account.
- (ii) Computer software costs capitalized are amortized using the Straight Line Method over estimated useful life of 3 to 5 years, as estimated at the time of capitalization.

5. Investments:

- (i) Long Term investments are stated at cost and provision is made to recognize any diminution in value, other than that of temporary nature.
- (ii) Current investments are carried at lower of cost and market value. Diminution in value is charged to the profit and loss account.

6. Inventories:

Stock of Construction Material, Operating Supplies, Consumable Stores and Spares at sites are valued at lower of moving weighted average cost and net realizable value.

7. Security Deposit/Retention monies:

Amounts retained by the clients, as per terms of contract, until satisfactory completion of the contract(s) are recognised in the financial statements as security deposits and retention monies with clients. As per terms of Contract, client deducts security deposit at the rate of 10% against each bill raised to them. The security deposit shall be released along with the pre-final bill, which is to be put-up only on mechanical completion, pre-commissioning of pipeline system and material reconciliation.

8. Revenue Recognition:

(a) Contract Revenue and Expenses

- (i) The Company follows percentage completion method for accounting of construction contracts. The revenue under a contract is recognised when the outcome of a constructions contract can be estimated reliably and with reference to the stage of completion of the contract activity at the end of each accounting period. The stage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Provision is made for foreseeable losses, if any, in respect of incomplete contracts, as estimated by the management.

Notes On Accounts (Contd...)

- (ii) Variations in contracts and amount in respect thereof are recognized only when it is probable, that the customer(s) will approve them and amounts can be measured reliably.
 - (iii) Claims and amounts in respect thereof are recognized only when negotiations have advanced to a stage where it is probable that the customer(s) will accept them and amounts can be measured reliably.
 - (iv) Revenue is recognized only when no significant uncertainties exist regarding the amount of consideration and it is reasonably certain that the ultimate collection will be made.
- (b) Hiring service revenue:
Revenue from hiring services is recognised as the related services are performed.
- (c) Revenue from Contracts executed under Joint Venture:
In respect of contracts executed by jointly controlled entity, the profit / Loss from the Joint Venture is accounted for when determined.

9. Foreign Currency Transactions:

- (i) Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.
- (ii) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or Loss arising out of translation/conversion is taken credit for or charged to the Profit and Loss Account.

10. Mobilization Advance Received:

Mobilization advances received from clients towards construction contracts, which in terms of the contract are to be adjusted over the period of contract as and when bills are to be raised are classified as "Current liabilities".

11. Employee Benefits:

- (i) Defined Contribution Plan:
The Company's contributions paid / payable for the year to Provident Fund are recognised in the profit and loss accounts.
- (ii) Defined benefit Plan:
The Company's liabilities towards gratuity are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

12. Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized in the period in which they are incurred.

13. Taxation:

- (i) Income taxes are accounted for in accordance with Accounting Standard (AS) – 22 "Accounting for taxes on income". Income tax comprises both current and deferred tax.
- (ii) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- (iii) The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.
- (iv) The Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.

Notes On Accounts (Contd...)

14. Earnings per share:

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

15. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

B NOTES ON ACCOUNTS

1. Contingent Liabilities not provided for :

Particulars	(Rs. in lacs)	
	As At 31.03.2010	As At 31.03.2009
Disputed Service Tax demand	613.74	2351.37
Disputed demand of Income Tax Authority	4.72	12.81
Guarantees given by bankers on behalf of the Company	17119.62	9263.78

2. Share Warrants :

A. In the financial year 2008-09, the Company issued 11,00,000 share warrants each of face value of Rs. 160. Share warrant holders, holding 1,48,843 share warrants, fully paid the face value of Rs. 160 per share warrants aggregating to Rs. 2,38,14,880. During the year, as per the terms of the issue of the share warrants, the Company has converted such fully paid up 1,48,843 share warrants into equal number of equity shares of the Company of face value of Rs. 10 each at a premium of Rs. 150 per equity share resulting into increase in the paid up Equity Share Capital of the Company by Rs. 14,88,430 and increase in Securities Premium by Rs. 2,23,26,450. The holders of remaining 9,51,157 share warrants did not pay full amount on the share warrants held by them. Under the circumstances, during the year, as per the terms of the issue of the share warrants, the Company has forfeited such share warrants and the amount of Rs. 1,54,35,120 received on such share warrants has been transferred to Capital Reserve.

B. During the year, the Company has issued 25,00,000 share warrants of face value of Rs. 60 each on preferential basis, of which 24,90,000 share warrants have been issued to persons acting in concert with the Promoters and relatives of the promoters (i.e. the Promoter Group) and 10,000 share warrants have been issued to another acquirer. As per the terms of the issue of these share warrants, 25% of the face value i.e. Rs. 15 per share warrants, aggregating to Rs. 3,75,00,000, has been received by the Company. Further, holders of 20,00,000 share warrants have additionally paid Rs. 12 per share warrants aggregating to Rs. 2,40,00,000. The share warrants are convertible into equal number of equity shares of the Company of face value of Rs. 10 each at a premium of Rs. 50 per equity share, at the sole option of the warrant holders at anytime within 18 months from the date of allotment of the share warrants (i.e. 26th February, 2010).

3. Interest in Joint Venture :

Sr. No.	Name of joint venture	Description of interest	Proportion of ownership interest	Country of Residence
1	Tehran Jonoob - Jaihind Consortium	Laying of pipelines contract entered with GAIL for Dabhol -Panvel pipeline project.	98%	India

Notes On Accounts (Contd...)

The company's proportionate share in the assets, liabilities, income and expenses etc. in the said joint venture company is given below:

Particulars	(Rs. in lacs)	
	As At 31.03.2010	As At 31.03.2009
Net Fixed Assets	—	—
Net Current Assets	14.59	6670.86
Loans & Borrowings	—	—
Income	65.15	8329.74
Expenses (including depreciation & taxation)	232.45	7791.96
Contingent Liabilities	—	—
Capital Commitments (estimated amount of contracts remaining to be executed)	—	—

4. Managerial Remuneration :

Remuneration paid to Managing Director for the year and two Whole Time Directors for the year and one Whole Time Director for the period from 1st April, 2009 to 31st January, 2010 :

Particulars	(Rs. in lacs)	
	2009-10	2008-09
Managing Director:		
Salary including allowances	72.00	60.00
Contribution to Provident Fund	1.23	1.08
Whole Time Directors:		
Salary including allowances	58.00	65.00
Contribution to Provident Fund	0.72	1.44
Total *	131.95	127.52

* Minimum remuneration paid in terms of Schedule XIII to the Companies Act, 1956.

In absence of commission to the Managerial Personnel, the computation of net profit has not been disclosed.

5. Auditors' remuneration:

Particulars	(Rs. in lacs)	
	2009-10	2008-09
For Statutory Audit	8.27	4.41

6. There are no dues to Micro & Small Enterprises as at March 31, 2010. This information is required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7. Employee Benefits :

The disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised is charged off the year are as under:

Employer's Contribution to Provident Fund Rs.19.39 Lacs

Defined Benefit Plan

The Company has defined benefit plans for gratuity to eligible employees. The details of these defined benefit plans recognised in the financial statements are as under:

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

Notes On Accounts (Contd...)

Status of gratuity plan as required under AS 15 (Revised):

Particulars	(Rs. in Lacs)	
	Gratuity	
	2009-2010	2008-2009
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2010		
Current service cost	7.99	5.70
Interest Cost	3.73	2.68
Expected return on plan assets	—	—
Net actuarial losses (gains)	(3.76)	3.61
Total Expenses	7.95	11.99
ii Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2009	45.18	33.54
Service cost	7.99	5.70
Interest cost	3.73	2.68
Actuarial losses (gains)	(3.76)	3.61
Losses (gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits paid	(4.49)	(0.34)
Closing defined benefit obligation as at March 31, 2010	48.65	45.19
iii Reconciliation of Opening and Closing balances of changes in fair value of plan assets		
Opening fair value of plan assets as at April 1, 2009	—	—
Expected return on plan assets	—	—
Actuarial gains and (losses)	—	—
Assets distributed on settlements	—	—
Contributions by employer	—	—
Benefits paid	—	—
Closing balance of fair value of plan assets as at March 31, 2010	—	—
iv Net Liability recognized in the Balance Sheet as at March 31, 2010		
Defined Benefit Obligation as at March 31, 2010	48.65	45.19
Fair Value of plan assets as at March 31, 2010	—	—
Present Value of unfunded obligation recognized as liability as at March 31, 2010	48.65	45.19
v Actual Return On Plan Assets	—	—
vi Actuarial Assumptions		
Discount Rate	8.25%	8%
Expected rate of return on plan assets	N.A.	N.A.
Expected rate of salary increase	6.50%	6.50%
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	5% at younger ages reducing to 1% at older age	
Retirement Age	60 Years	
Actuarial Valuation Method	Projected Unit Credit Method	

Notes On Accounts (Contd...)

8. Segment Reporting:

The company operates in a single business segment i.e. "Laying of Pipes". In the context of Accounting Standard 17, on Segment Reporting issued by Institute of Chartered Accountants of India, is considered to constitute one single primary segment.

9. Related Party Disclosures :

(I) Name of the party and relationships

a) Companies and firms in which Directors/Directors' Relatives exercise Control / significant influence.

DCOM Systems Ltd
Laltech Engineering Projects Ltd
Keswani & Associates

b) Key management personnel

Mr. Prakash L Hinduja
Mr. Lallan R. Pandey
Mr. Harish Chandwani
Mr. Mukesh Keswani

c) Relatives of key management personnel

Prakash L Hinduja (HUF)
Mrs. R L Hinduja
Mrs. Nita P Hinduja
Mr. Vashist L. Pandey
Mr. Gaurav P Hinduja
Mr. Sanjay L Pandey
Mrs. Uma Keswani
Mrs. Maya Pandey
Mrs. Renu Pandey

d) Joint venture

Tehran Jonoob Jaihind Consortium

(II) Transactions carried out with related parties referred in (I) above, in ordinary course of business and their year ended balances.

Particulars	(Rs in Lacs)				Total
	Related Referred in I(a) above	Related Referred in I(b) above	Related Referred in I(c) above	Related Referred in I(d) above	
Part 1 : Volume of Transactions					
a) Service Received					
Laltech Engineering Projects Limited	-	-	-	-	-
Keswani & Associates	0.63	-	-	-	0.63
b) Service Rendered					
DCOM Systems Limited	3,443.21 (2,323.60)	-	-	-	3,443.21 (2,323.60)
Tehran Jonoob Jaihind Consortium	-	-	-	1,571.71	1,571.71
c) Commission Payment					
Tehran Jonoob Jaihind Consortium	-	-	-	1,182.37	1,182.37

Notes On Accounts (Contd...)

Particulars	(Rs in Lacs)				Total
	Related Referred in I(a) above	Related Referred in I(b) above	Related Referred in I(c) above	Related Referred in I(d) above	
d) Loan taken					
Mr. Prakash L. Hinduja	-	35.00	-	-	35.00
	-	(95.66)	-	-	(95.66)
Mr. Lallan R. Pandey	-	2.50	-	-	2.50
	-	(4.20)	-	-	(4.20)
Mr. Prakash L. Hinduja(HUF)	-	-	-	-	-
	-	-	(12.50)	-	(12.50)
Mrs. R.L.Hinduja	-	-	-	-	-
	-	-	(0.37)	-	(0.37)
Mrs. Nita P. Hinduja	-	-	-	-	-
	-	-	(54.90)	-	(54.90)
e) Remuneration					
Mr. Prakash Hinduja	-	72.00	-	-	72.00
	-	(60.00)	-	-	(60.00)
Mr. Lallan R. Pandey	-	10.20	-	-	10.20
	-	(9.63)	-	-	(9.63)
Mr. Harish Chandwani	-	7.80	-	-	7.80
	-	(7.80)	-	-	(7.80)
Mrs.Nita P. Hinduja	-	-	4.20	-	4.20
	-	-	(2.23)	-	(2.23)
Mr. Vashist L. Pandey	-	-	5.76	-	5.76
	-	-	-	-	-
Mr. Sanjay L. Pandey	-	-	7.24	-	7.24
	-	-	(6.04)	-	(6.04)
Mrs.Uma Keswani	-	-	4.30	-	4.30
	-	-	-	-	-
Mrs.Renu Pandey	-	-	1.80	-	1.80
	-	-	-	-	-
Mrs.Maya Pandey	-	-	0.72	-	0.72
	-	-	-	-	-
Mr.Gaurav P.Hinduja	-	-	3.00	-	3.00
	-	-	(1.80)	-	(1.80)
f) Loan given					
Mrs.Nita P. Hinduja	-	-	25.00	-	25.00
	-	-	-	-	-
Mr.Gaurav P.Hinduja	-	-	-	-	-
	-	-	(0.12)	-	(0.12)
g) Advances for Expenses					
Mr.Prakash L.Hinduja	-	2.54	-	-	2.54
	-	(2.92)	-	-	(2.92)
Mr.Lallan R. Pandey	-	10.12	-	-	10.12
	-	(4.41)	-	-	(4.41)
Mr.Harish Chandwani	-	8.03	-	-	8.03
	-	(4.82)	-	-	(4.82)
Mr.Vashist L. Pandey	-	-	0.05	-	0.05
	-	-	-	-	-
Mr.Sanjay L. Pandey	-	-	7.33	-	7.33
	-	-	(1.59)	-	(1.59)

Notes On Accounts (Contd...)

(Rs in Lacs)					
Particulars	Related Referred in I(a) above	Related Referred in I(b) above	Related Referred in I(c) above	Related Referred in I(d) above	Total
Part 2 : Balance at the end of the period					
a) Service Received					
Laltech Engineering Projects Limited	256.13	-	-	-	256.13
	(256.13)	-	-	-	(256.13)
Keswani & Associates	0.63	-	-	-	0.63
	-	-	-	-	-
DCOM Systems Limited	220.80	-	-	-	220.80
	(650.03)	-	-	-	(650.03)
Tehran Jonoob Jaihind Consortium	-	-	-	94.55	94.55
	-	-	-	(1,305.48)	(1,305.48)
c) Loan taken					
Mr Prakash L Hinduja	-	5.00	-	-	5.00
	-	-	-	-	-
Mr.Lallan R. Pandey	-	2.00	-	-	2.00
	-	-	-	-	-
Mr. Prakash L Hinduja(HUF)	-	-	0.15	-	0.15
	-	-	(0.15)	-	(0.15)
Mrs.R.L.Hinduja	-	-	-	-	-
	-	-	(0.37)	-	(0.37)
Mrs.Nita P. Hinduja	-	-	0.89	-	0.89
	-	-	(27.89)	-	(27.89)
d) Loan given					
Mr.Gaurav P.Hinduja	-	-	-	-	-
	-	-	(0.11)	-	(0.11)
e) Advance for Expenses					
Mr. Prakash L. Hinduja	-	1.15	-	-	1.15
	-	-	-	-	-
Mr Lallan R. Pandey	-	0.03	-	-	0.03
	-	(4.82)	-	-	(4.82)
Mr.Harish Chandwani	-	0.98	-	-	0.98
	-	(2.28)	-	-	(2.28)
Mr.Sanjay L. Pandey	-	-	0.18	-	0.18
	-	-	(0.72)	-	(0.72)

Figures in brackets are in respect of the previous year.

10. Earnings per Share : (Rs. in lacs)

		As At 31.03.2010	As At 31.03.2009
Basic and Diluted :			
Earnings for the purpose of basic and diluted earnings per share (net profit/(loss) for the year) (Rs.)	A	2465.82	1053.07
Number of Equity Shares Outstanding at the Beginning of the year		7108600	7108600
Number of Equity Shares issued during the year		148843	—
Number of Equity Shares at the end of the year		7257443	7108600
Weighted average number of Equity Shares outstanding during the year for computing basic earnings per share	B	7220742	7108600
Add: effect of dilutive issue of shares/options		1609918	—
Weighted average number of Equity Shares outstanding during the year for computing dilutive earnings per share	C	8830660	7108600
Nominal value per equity share (Rs.)		10	10
Basic earnings per share (Rs.)	A/B	34.15	14.81
Dilutive earnings per share (Rs.)	A/C	27.92	14.81

Notes On Accounts (Contd...)

11. The components of Deferred Tax Assets and Liabilities are as under:

Particulars	(Rs. in lacs)	
	2009-10	2008-09
Deferred Tax Assets		
Provision for gratuity	1.18	15.36
Provision for bonus	8.01	5.22
Loss on sale of fixed asset	54.39	25.93
Disallowance of 40(a)	—	47.50
(A)	63.58	94.01
Deferred Tax Liabilities		
Opening Balance	389.93	316.67
Difference in depreciation	218.54	167.27
Disallowance of Sec 43B	5.23	—
Disallowance of 40(a)	117.31	—
(B)	731.02	483.94
Net Deferred Tax Liabilities (B-A)	667.44	389.93

12. Disclosures in respect of incomplete contracts in accordance with Accounting Standard-7 (Revised):

Particulars	(Rs. in lacs)	
	2009-10	2008-09
(a) Contract revenues	6309.36	19384.21
(b) Aggregate costs incurred and recognized profits (less recognized losses) to date for contract in progress	4970.69	17555.30
(c) Advances received	2870.93	2691.46
(d) Retention Money	65.79	1066.75
(e) Gross amount due from customers for contract work	3401.07	3359.17
(f) Gross amount due to customers for contract work	651.15	1292.82

13. The Company is engaged in the business of laying of Pipelines for Supply of LPG, Oil & Gas, Crude Oil, all other activities and Corrosion Coating. Hence, it is not possible to give the quantitative details and certain information as required under paragraphs 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

14. Expenses in foreign currency and CIF Value of Imports :

Particulars	(Rs. in lacs)	
	2009-10	2008-09
a) CIF Value of Imports:		
Purchase of Raw Materials	17.40	21.47
Purchase of Fixed Assets	667.65	2099.25
b) Expenditure in Foreign Currencies:		
Traveling & Other Expenses	52.81	23.85

15. Previous year's figures have been regrouped and reclassified wherever necessary, so as to make them comparable.

As per our report of even date
For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
(Membership No. : 35701)
Place : Ahmedabad
Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
Date : May 31, 2010

Balance Sheet Abstract

(Rs. in Lacs)

Balance Sheet Abstract And Company's Business Profile As Per Schedule VI of the Companies Act, 1956.

1. REGISTRATION DETAILS:

Registration No.	8 3 3 8	State Code	0 4
Balance Sheet Date	3 1 0 3 1 0		

2. CAPITAL RAISED DURING THE YEAR:

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L
Preferential Allotment	1 4 . 8 8		

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

Total Liabilities	3 0 3 4 4 . 0 7	Total Assets	3 0 3 4 4 . 0 7
-------------------	-----------------	--------------	-----------------

SOURCES OF FUND

Paid up Capital	7 2 5 . 7 4	Share Warrants	6 1 5 . 0 0
Secured Loans	1 5 1 5 7 . 6 7	Total Reserve & Surplus	7 1 4 1 . 8 0
Deferred tax Liability	6 6 7 . 4 4	Unsecured Loans	6 0 3 6 . 4 2

APPLICATION OF FUNDS

Net Fixed Assets	1 0 4 3 4 . 9 2	Investments	7 3 4 . 3 1
Net Current Assets	1 9 1 7 4 . 8 4	Misc. Expenditure	N I L

4. PERFORMANCE OF COMPANY:

Total Turnover	4 1 3 2 8 . 3 2	Total Expenditure	3 7 4 8 4 . 5 9
Profit Before Tax	3 8 4 3 . 7 3	Profit after tax	2 4 6 5 . 8 2
Dividend	1 0 %	Earning Per share (in Rs.)	3 4 . 1 5

5. GENERIC NAMES OF PRODUCTS OF COMPANY:

Item Code No (ITC Code)	: 99930009
Product Description	: Laying of pipeline for supply of LPG, OIL & Gas, Crude Oil, all other activities and Corrosion coating.

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
Date : May 31, 2010

Consolidated Auditors' Report

TO THE BOARD OF DIRECTORS OF JAIHIND PROJECTS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **JAIHIND PROJECTS LIMITED** ("the Company"), and its jointly controlled entity (the Company, and its jointly controlled entity constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include jointly controlled entity accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.
3. We did not audit the financial statements of joint venture, whose financial statements reflect total assets of Rs. 1694.50 Lacs as at 31st March, 2010, total revenues of Rs. 481.16 Lacs and net cash inflows amounting to Rs. 1044.41 Lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this joint venture is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid joint venture and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010:
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
(Membership No. 35701)

AHMEDABAD, May 31, 2010

Consolidated Balance Sheet As At 31st March, 2010

		(Rs. in Lacs)	
Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS :			
SHARE HOLDERS' FUND			
Share Capital	1	725.74	710.86
Share Warrants (Refer Note 2 of Schedule 20 B)		615.00	392.50
Reserves and Surplus	2	7,141.80	4,382.98
Minority Interest		—	13.61
		8,482.54	5,499.95
LOAN FUNDS			
Secured Loans	3	15,157.67	7,782.69
Unsecured Loans	4	6,036.42	242.89
DEFERRED TAX LIABILITY (NET) (Refer Note No. 9 of Schedule 20 B)		667.44	389.94
	Total	30,344.07	13,915.47
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	10,378.47	8,423.46
Less: Depreciation / Amortisation		1,568.52	1,198.50
Net Block		8,809.95	7,224.96
Add: Capital Work-In-Progress		1,624.97	—
		10,434.92	7,224.96
INVESTMENTS	6	5.00	3.57
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	1,682.39	1,448.87
Sundry Debtors	8	15,367.88	11,432.54
Cash & Bank Balance	9	5,773.18	5,715.68
Loan & Advances	10	6,376.13	4,051.19
		29,199.58	22,648.28
LESS : CURRENT LIABILITIES & PROVISIONS	11		
Current Liabilities		7,802.68	15,088.84
Provisions		1,492.75	872.50
		9,295.43	15,961.34
NET CURRENT ASSETS		19,904.15	6,686.94
	Total	30,344.07	13,915.47
Significant Accounting Policies & Notes on Accounts	20		

As per our report of even date
 For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
 (Membership No. : 35701)
 Place : Ahmedabad
 Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
 Date : May 31, 2010

Consolidated Profit & Loss Account for the Year Ended On 31st March, 2010

		(Rs. in Lacs)	
Particulars	Schedule	2009-2010	2008-2009
INCOME			
Operating Income	12	40,928.16	32,308.20
Other Income	13	403.09	401.68
	Total	41,331.25	32,709.88
EXPENDITURE			
Materials and Components	14	15,438.96	13,819.41
Payment to Subcontractors		9,805.03	8,933.64
Employment Cost	15	1,773.31	1,210.40
Administrative Expenses	16	1,195.98	1,095.59
Selling Expenses	17	2,238.20	250.91
General & Other Expenses	18	2,701.82	2,948.76
Financial Expenses	19	3,807.01	2,070.77
Depreciation		491.54	362.72
	Total	37,451.85	30,692.20
PROFIT FOR THE YEAR BEFORE TAX		3,879.40	2,017.68
Provision for Tax			
Current Tax		1,068.31	587.42
Fringe Benefit Tax		—	28.79
Deferred Tax		277.50	73.26
Short provision of income tax in earlier years		67.77	275.14
PROFIT AFTER TAX		2,465.82	1,053.07
Balance of Profit Brought Forward		2,469.56	1,416.49
AMOUNT AVAILABLE FOR APPROPRIATIONS		4,935.38	2,469.56
APPROPRIATIONS			
General Reserve		100.00	—
Proposed Dividend		72.57	—
Corporate Dividend Tax		12.05	—
BALANCE CARRIED TO THE BALANCE SHEET		4,750.76	2,469.56
Earnings Per Share (In Rs.)			
Basic		34.15	14.81
Diluted		27.92	14.81
(Face Value of Rs 10/- each)			
(Refer Note No.8 of Schedule 20 B)			
Significant Accounting Policies & Notes on Accounts	20		

As per our report of even date
 For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
 (Membership No. : 35701)
 Place : Ahmedabad
 Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
 Date : May 31, 2010

Consolidated Cash Flow Statement for the Year Ended On 31st March, 2010

		(Rs. In Lacs)	
Sr. No.	Particulars	2009-2010	2008-2009
A	Cash flow from Operating Activities		
	Net profit before tax and extra ordinary items	3879.40	2017.69
	Adjustments for :		
	Depreciation/ Amortization	491.54	362.73
	Interest received	(273.91)	(264.65)
	Unrealised Foreign Exchange Losses/ (Gain)	(63.60)	—
	Credit Balances Written Back	(31.51)	—
	Financial Expense Paid	3,807.01	1,622.31
	Provision for Diminution in value of Investment	3.57	—
	Bad Debt Written Off	1,239.72	—
	Provision for Doubtful Debt	59.01	—
	Loss/Profit on Sale of Fixed Assets	160.00	(24.34)
	Operating Profit before Working Capital Changes	9,271.23	3,713.74
	Adjustments for :		
	Trade & other receivables	(4,137.00)	(4,576.65)
	Inventories	(233.52)	(1,333.44)
	Loan, Advance & Others	(2,324.94)	(4,648.36)
	Trade Payable & Others	(7,286.16)	10,532.16
	Cash generated from Operations	(4,710.39)	3,687.45
	Direct taxes Paid (including Tax deducted at Source)	(819.03)	(408.36)
	Cash flow before Extra Ordinary Items	(5,529.42)	3,279.09
	Prior Period & Extra ordinary Items	—	(158.41)
	Net Cash from Operating Activities	(5,529.42)	3,120.68
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(1,490.82)	(2,533.60)
	Capital Under Construction	(1,624.97)	—
	Interest received	273.91	264.65
	Sale of Fixed Assets	98.15	225.46
	Investment in Units of Axis Bank	(5.00)	—
	Net Cash Used in Investing Activities	(2,748.73)	(2,043.49)
C	Cash flow from Financing Activities		
	Proceeds from Borrowings	13,168.51	3,942.14
	Repayments of Borrowings	(1,641.13)	—
	Interest & Financial Charges Paid	(3,805.15)	(1,618.20)
	Proceeds from Preferential Allotment of Warrants	615.00	392.50
	Net Cash flow from Financing Activities	8,337.23	2,716.44
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	57.50	3,793.63
	Cash & Cash Equivalents at the beginning of the year	5,715.68	1,922.05
	Cash & Cash Equivalents at the end of the year	5,773.18	5,715.68

- Notes :
- Cash and Cash Equivalents represents Cash and Bank Balances. (Refer Schedule-9)
 - Fixed Deposit of Rs.5,181.25 Lacs (Previous Year Rs.4,314.27 Lacs) are pledged with banks towards Letters of Credit / Bank Guarantees.
 - The Previous year's figures have been regrouped / rearranged wherever necessary.
 - The Cash Flow Statement has been prepared under the "indirect method" as set out in AS-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

As per our report of even date
 For, **Deloitte Haskins & Sells**
 Chartered Accountants

(Gaurav J. Shah)
 Partner
 (Membership No. : 35701)
 Place : Ahmedabad
 Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
 Managing Director

Lallan R. Pandey
 Director

Vinodini Rao
 Company Secretary

Place : Ahmedabad
 Date : May 31, 2010

Schedules to the Consolidated Financial Statements

	(Rs. in Lacs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
72,57,443 (Previous Year - 71,08,600) Equity Shares of Rs.10 each (Refer Note No. 2 of Schedule 20 B)	725.74	710.86
Total	725.74	710.86
SCHEDULE - 2 : RESERVES & SURPLUS		
GENERAL RESERVE		
Balance as per last Balance Sheet	22.99	22.99
Add : Transferred from Profit & Loss Account	100.00	—
	122.99	22.99
CAPITAL RESERVE		
Balance as per last Balance Sheet	—	—
Add : Consequent to forfeiture of warrants (Refer Note No. 2 of Schedule 20 B)	154.35	—
	154.35	—
SECURITIES PREMIUM ACCOUNT		
Balance as per last Balance Sheet	1,890.43	1,890.43
Add : on issue of equity shares (Refer Note No. 2 of Schedule 20 B)	223.27	—
	2,113.70	1,890.43
PROFIT & LOSS ACCOUNT		
	4,750.76	2,469.56
Total	7,141.80	4,382.98
SCHEDULE - 3 : SECURED LOANS		
From Banks		
Term Loans (Refer Note (i) given below) (Due within twelve months Rs. 732.41 Lacs)	944.28	4,366.93
Cash Credit / OD / LC Facilities with Bank (Refer Note (ii) below)	10,510.26	3,285.01
From Financial Institution		
Term Loan (Refer Note (iii) given below) (Due within twelve months Rs. 1,250.26 Lacs)	3,703.14	130.75
Notes:		
(i) Secured by Plant & Machinery, Vehicles acquired / to be acquired out of these loans.		
(ii) Secured by way of first pari passu charge on entire unencumbered machinery/ equipment/ vehicles, hypothecation of materials, & entire receivables, pledge of KDRs, equitable mortgage of properties and personal guarantee of directors.		
(iii) Secured by way of hypothecation of respective assets purchased.		
Total	15,157.67	7,782.69
SCHEDULE- 4 : UNSECURED LOANS		
Short Term		
a) From Director	5.00	—
b) From Banks (Due within Twelve months - Rs. 5,500 Lacs)	5,502.18	—
c) From Others		
Public Deposits	529.24	242.89
Total	6,036.42	242.89

Schedules to the Consolidated Financial Statements (Contd...)

(Rs. in Lacs)											
Schedule - 5 : FIXED ASSETS											
Sr. No.	Asset	Gross Block (At Cost)			Depreciation/Amortisation				Net Block		
		As At 01-04-09	Addition	Deduction	As At 31-03-10	As At 01-04-09	For the Year	Deduction	As At 31-03-10	As At 31-03-10	As At 31-03-09
A.	TANGIBLES										
1	Land	22.28	—	—	22.28	—	—	—	—	22.28	22.28
2	Buildings	77.55	—	—	77.55	8.90	1.26	—	10.16	67.39	68.65
3	Plant & Machinery	7,110.34	1,992.07	319.26	8,783.15	733.72	370.69	83.26	1,021.15	7,762.00	6,376.62
4	Construction & Other Vehicles	842.17	241.72	56.40	1,027.48	274.81	81.81	34.25	322.37	705.12	567.35
5	Furniture & Fixtures	168.08	42.05	4.01	206.13	71.26	11.72	4.01	78.98	127.15	96.82
6	Computers	139.71	52.96	0.00	192.67	90.85	12.56	—	103.41	89.26	48.86
	Sub Total	8,360.13	2,328.79	379.67	10,309.25	1,179.55	478.03	121.52	1,536.07	8,773.19	7,180.57
B.	INTANGIBLES										
1	Software	63.33	5.89	—	69.23	18.94	13.51	—	32.45	36.77	44.39
	Sub Total	63.33	5.89	—	69.23	18.94	13.51	—	32.45	36.77	44.39
	Total (A+B)	8,423.46	2,334.69	379.67	10,378.47	1,198.50	491.54	121.52	1,568.52	8,809.95	7,224.96
	Capital Work in Progress (Includes Advances)	—	—	—	—	—	—	—	—	1,624.97	—
	Grand Total	8,423.46	2,334.69	379.67	10,378.47	1,198.50	491.54	121.52	1,568.52	10,434.92	7,224.96
	Previous Year	5,103.29	3,521.22	201.04	8,423.46	872.70	362.72	36.91	1,198.50	7,224.96	4,222.05

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 6 : INVESTMENTS		
Long Term Investment - Other than Trade		
a) Quoted		
AXIS Equity Fund (No of Units-50,000 - Market Value - Rs. 5.20 Lacs)	5.00	—
b) Unquoted		
Progro Management Consultants Pvt. Ltd. (35,700 Equity Shares of Rs. 10/- each)	3.57	3.57
Less : Provision for Diminution in the value of investments	(3.57)	—
Total	5.00	3.57
SCHEDULE - 7 : INVENTORIES		
Material & Components	1,682.39	1,448.87
Total	1,682.39	1,448.87
SCHEDULE- 8 : SUNDRY DEBTORS (Unsecured)		
Outstanding over six months		
Considered good	1,942.84	—
Considered doubtful	59.01	—
Less : Provision	(59.01)	—
	1,942.84	—
Others - Considered good	13,425.04	11,432.54
Total	15,367.88	11,432.54

Schedules to the Consolidated Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 9 : CASH AND BANK BALANCES		
Cash on hand	58.05	39.21
Balances with Scheduled banks		
In Current Accounts	493.90	1,343.92
In Fixed/Term Deposit *	5,221.16	4,332.47
* {Under Lien with banks for Bank Guarantees in respect of contracts and Letter of Credit facilities granted by Banks of Rs.5,181.25 Lacs (Previous Year: Rs.4,314.27)}		
Balances with Other banks		
In Current Accounts		
- The Kapadvanj People's Co.Op. Bank Ltd. [Maximum Balance Outstanding during the year Rs. 0.07 Lacs (Previous Year Rs. 0.07 Lacs)]	0.07	0.07
Total	5,773.18	5,715.68
SCHEDULE - 10 : LOANS AND ADVANCES (Unsecured & Considered Good)		
Advances recoverable in cash or in kind or for value to be received	885.12	558.25
Balance with Excise Authority	—	47.17
Deposits and Retention Money	5,491.01	3,445.77
Total	6,376.13	4,051.19
SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	5,805.14	13,612.73
Due to Tehran Jonoob Jaihind Consortium (JV)	16.48	—
Advance Payment from customers	1,839.67	1,306.30
Deposit & Retention Money	141.39	169.81
	7,802.68	15,088.84
Provisions		
For Taxation (Net Off Advance Tax and TDS)	1,359.48	587.04
For Fringe Benefit tax	—	28.79
For Proposed Dividend	72.57	—
For Tax on Dividend	12.05	—
For Employee Benefit Schemes	48.65	—
For Provision for exp.	—	256.67
	1,492.75	872.50
Total	9,295.43	15,961.34

Schedules to the Consolidated Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	2009-2010	2008-2009
SCHEDULE 12 : OPERATING INCOME		
Contract & Sales Revenue	40,928.16	32,308.20
Total	40,928.16	32,308.20
SCHEDULE - 13 : OTHER INCOME		
Interest Received (Gross)	273.91	264.65
{Tax deducted at source from Interest Rs.36.86 Lacs (P.Y.: Rs.54.05 Lacs)}		
Sundry Balances Written Back	31.51	(9.73)
Miscellaneous Income	15.61	7.00
Foreign exchange gain	63.60	121.47
Profit on Sale of Fixed Assets	—	8.62
Kasar/Vatav	13.45	4.99
Scrap Sale	5.01	4.68
Total	403.09	401.68
SCHEDULE - 14 : MATERIAL AND COMPONENTS		
Opening Stock	1,448.87	115.43
Add : Purchases during the year	15,672.48	15,152.85
	17,121.35	15,268.28
Less: Closing Stock	1,682.39	1,448.87
Total	15,438.96	13,819.41
SCHEDULE - 15 : EMPLOYMENT COST		
Salaries, Wages and Bonus	1,630.29	1,123.69
Contribution to P.F, Gratuity, and Other Funds	30.33	30.49
Staff Welfare Expenses	112.69	56.22
Total	1,773.31	1,210.40
SCHEDULE 16 : ADMINISTRATIVE EXPENSES		
Rent	279.85	120.34
Travelling Expenses	153.54	113.49
Insurance charges	113.03	80.67
Professional charges	97.41	87.42
Rate, Duties & Taxes	77.45	363.09
Telephone Expenses	72.17	59.08
Electric Expenses	55.67	29.15
Legal Fees	38.46	31.75
Stationery & Printing Expenses	40.36	31.12
Tender Fees	10.28	5.63
Auditor's Fees.	9.95	6.50
Membership Fees	6.94	5.21
Postage Expenses	6.91	6.02
Provision for Diminution in value of Investment	3.57	—
Listing Fees	2.24	0.18
Donation	10.40	3.92
Loss on Sale of Assets	160.00	—
Misc Expenses	57.76	152.02
Total	1,195.98	1,095.59

Schedules to the Consolidated Financial Statements (Contd...)

	(Rs. in Lacs)	
Particulars	2009-2010	2008-2009
SCHEDULE 17 : SELLING EXPENSES		
Brokerage & Commissions	41.08	—
Bad Debts/Advances/Deposit Written Off	2,078.79	172.32
Provision For Doubtful Debts	59.01	—
Advertisement & Sales Promotions	54.45	45.04
Discount/Rebate	4.87	33.55
Total	2,238.20	250.91
SCHEDULE - 18 : GENERAL AND OTHER EXPENSES		
Site Expenses	1,317.16	822.28
Machinery Rent-Hire Charges	761.38	692.03
Transport Expenses	321.93	344.15
Petrol, Diesel, Motor Vehicle Running & Maintenance	163.83	1,016.00
Material testing Fee	13.64	8.82
Repairs & Maintenance to:-		
Building	20.00	—
Plant and Machinery	36.35	65.47
Others	67.53	—
Total	2,701.82	2,948.76
SCHEDULE 19 : FINANCIAL EXPENSES		
Interest		
To Banks	2,227.63	1,075.00
To Financial Institutions	713.57	437.44
To Others	260.48	173.80
Finance Charges		
Bank Commission & Charges	605.33	384.54
Total	3,807.01	2,070.77

Consolidated Notes on Accounts

Schedule - 20 : Significant accounting policies and notes on accounts to the Consolidated Financial Statements

A. SIGNIFICANT ACCOUNTING POLICIES:

1. General:

The financial statements are prepared on accrual basis under the historical cost convention and to comply in all material aspects with applicable accounting principles in India, the accounting standards and the relevant provisions of the Companies Act, 1956.

2. Principles of Proportionate Consolidation

The proportionate consolidated Financial Statements relate to the Jaihind Projects Ltd and have been accounted for in accordance with AS 27 (Financial Reporting of Interests in Joint Ventures) issued by the Institute of Chartered Accountants of India. The proportionate consolidated financial statements are prepared on the following basis:

Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits/losses are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

3. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Stand-alone Financial Statements of Jaihind Projects Limited.

B NOTES ON ACCOUNTS TO CONSOLIDATED BALANCESHEET AND PROFIT & LOSS ACCOUNT

1. Contingent Liabilities not provided for :

Particulars	(Rs. in lacs)	
	As At 31.03.2010	As At 31.03.2009
Disputed Service Tax demand	613.74	2351.37
Disputed demand of Income Tax Authority	4.72	12.81
Guarantees given by bankers on behalf of the Company	17119.62	9263.78

2. Share Warrants :

A. In the financial year 2008-09, the Company issued 11,00,000 share warrants each of face value of Rs. 160. Share warrant holders, holding 1,48,843 share warrants, fully paid the face value of Rs. 160 per share warrants aggregating to Rs. 2,38,14,880. During the year, as per the terms of the issue of the share warrants, the Company has converted such fully paid up 1,48,843 share warrants into equal number of equity shares of the Company of face value of Rs. 10 each at a premium of Rs. 150 per equity share resulting into increase in the paid up Equity Share Capital of the Company by Rs. 14,88,430 and increase in Securities Premium by Rs. 2,23,26,450. The holders of remaining 9,51,157 share warrants did not pay full amount on the share warrants held by them. Under the circumstances, during the year, as per the terms of the issue of the share warrants, the Company has forfeited such share warrants and the amount of Rs. 1,54,35,120 received on such share warrants has been transferred to Capital Reserve.

B. During the year, the Company has issued 25,00,000 share warrants of face value of Rs. 60 each on preferential basis, of which 24,90,000 share warrants have been issued to persons acting in concert with the Promoters and relatives of the promoters (i.e. the Promoter Group) and 10,000 share warrants have been issued to another acquirer. As per the terms of the issue of these share warrants, 25% of the face value i.e. Rs. 15 per share warrants, aggregating to Rs. 3,75,00,000, has been received by the Company. Further, holders of 20,00,000 share warrants have additionally paid Rs. 12 per share warrants aggregating to Rs. 2,40,00,000. The share warrants are convertible into equal number of equity shares of the Company of face value of Rs. 10 each at a premium of Rs. 50 per equity share, at the sole option of the warrant holders at anytime within 18 months from the date of allotment of the share warrants (i.e. 26th February, 2010).

3. Interest in Joint Venture :

Sr. No.	Name of joint venture	Description of interest	Proportion of ownership interest	Country of Residence
1	Tehran Jonoob - Jaihind Consortium	Laying of pipelines contract entered with GAIL for Dabhol -Panvel pipeline project.	98%	India

Consolidated Notes on Accounts (Contd...)

4. Managerial Remuneration :

Remuneration paid to Managing Director for the year and two Whole Time Directors for the year and one Whole Time Director for the period from 1st April, 2009 to 31st January, 2010 : (Rs. in lacs)

Particulars	2009-10	2008-09
Managing Director:		
Salary including allowances	72.00	60.00
Contribution to Provident Fund	1.23	1.08
Whole Time Directors:		
Salary including allowances	58.00	65.00
Contribution to Provident Fund	0.72	1.44
Total *	131.95	127.52

* Minimum remuneration paid in terms of Schedule XIII to the Companies Act, 1956.

In absence of commission to the Managerial Personnel, the computation of net profit has not been disclosed.

5. Auditors' remuneration:

(Rs. in lacs)

Particulars	2009-10	2008-09
For Statutory Audit	10.97	7.17

6. Employee Benefits :

The disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006 are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised is charged off the year are as under:

Employer's Contribution to Provident Fund Rs.19.39 Lacs

Defined Benefit Plan

The Company has defined benefit plans for gratuity to eligible employees. The details of these defined benefit plans recognised in the financial statements are as under:

General Description of the Plan:

The Company operates a defined benefit plan (the Gratuity Plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment.

Status of gratuity plan as required under AS 15 (Revised): (Rs. in Lacs)

Particulars	Gratuity	
	2009-2010	2008-2009
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2010		
Current service cost	7.99	5.70
Interest Cost	3.73	2.68
Expected return on plan assets	—	—
Net actuarial losses (gains)	(3.76)	3.61
Total Expenses	7.95	11.99

Consolidated Notes on Accounts (Contd...)

Particulars	(Rs. in Lacs)	
	Gratuity	
	2009-2010	2008-2009
ii Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2009	45.18	33.54
Service cost	7.99	5.70
Interest cost	3.73	2.68
Actuarial losses (gains)	(3.76)	3.61
Losses (gains) on curtailments	—	—
Liabilities extinguished on settlements	—	—
Benefits paid	(4.49)	(0.34)
Closing defined benefit obligation as at March 31, 2010	48.65	45.19
iii Reconciliation of Opening and Closing balances of changes in fair value of plan assets		
Opening fair value of plan assets as at April 1, 2009	—	—
Expected return on plan assets	—	—
Actuarial gains and (losses)	—	—
Assets distributed on settlements	—	—
Contributions by employer	—	—
Benefits paid	—	—
Closing balance of fair value of plan assets as at March 31, 2010	—	—
iv Net Liability recognized in the Balance Sheet as at March 31,2010	—	—
Defined Benefit Obligation as at March 31, 2010	48.65	45.19
Fair Value of plan assets as at March 31, 2010	—	—
Present Value of unfunded obligation recognized as liability as at March 31, 2010	48.65	45.19
v Actual Return On Plan Assets	—	—
vi Actuarial Assumptions		
Discount Rate	8.25%	8%
Expected rate of return on plan assets	N.A.	N.A.
Expected rate of salary increase	6.50%	6.50%
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	5% at younger ages reducing to 1% at older age	
Retirement Age	60 Years	
Actuarial Valuation Method	Projected Unit Credit Method	

7. Related Party Disclosures :

(I) Name of the party and relationships

- a) Companies and firms in which Directors/Directors' Relatives exercise Control / significant influence.

DCOM Systems Ltd	Laltech Engineering Projects Ltd
Keswani & Associates	
- b) Key management personnel

Mr. Prakash L Hinduja	Mr. Lallan R. Pandey
Mr. Harish Chandwani	Mr. Mukesh Keswani
- c) Relatives of key management personnel

Prakash L Hinduja (HUF)	Mrs. R L Hinduja
Mrs. Nita P Hinduja	Mr. Vashist L. Pandey
Mr. Gaurav P Hinduja	Mr. Sanjay L Pandey
Mrs. Uma Keswani	Mrs. Maya Pandey
Mrs. Renu Pandey	
- d) Joint venture

Tehran Jonoob Jaihind Consortium	
----------------------------------	--

Consolidated Notes on Accounts (Contd...)

(II) Transactions carried out with related parties referred in (I) above, in ordinary course of business and their year ended balances.

Particulars	(Rs in Lacs)				Total
	Related Referred in I(a) above	Related Referred in I(b) above	Related Referred in I(c) above	Related Referred in I(d) above	
Part 1 : Volume of Transactions					
a) Service Received					
Laltech Engineering Projects Limited	-	-	-	-	-
Keswani & Associates	0.63	-	-	-	0.63
b) Service Rendered					
DCOM Systems Limited	3,443.21 (2,323.60)	-	-	-	3,443.21 (2,323.60)
Tehran Jonoob Jaihind Consortium	-	-	-	1,571.71	1,571.71
c) Commission Payment					
Tehran Jonoob Jaihind Consortium	-	-	-	1,182.37	1,182.37
d) Loan taken					
Mr. Prakash L. Hinduja	-	35.00 (95.66)	-	-	35.00 (95.66)
Mr. Lallan R. Pandey	-	2.50 (4.20)	-	-	2.50 (4.20)
Mr. Prakash L. Hinduja(HUF)	-	-	(12.50)	-	(12.50)
Mrs. R.L.Hinduja	-	-	(0.37)	-	(0.37)
Mrs. Nita P. Hinduja	-	-	(54.90)	-	(54.90)
e) Remuneration					
Mr. Prakash Hinduja	-	72.00 (60.00)	-	-	72.00 (60.00)
Mr. Lallan R. Pandey	-	10.20 (9.63)	-	-	10.20 (9.63)
Mr. Harish Chandwani	-	7.80 (7.80)	-	-	7.80 (7.80)
Mrs.Nita P. Hinduja	-	-	4.20 (2.23)	-	4.20 (2.23)
Mr. Vashist L. Pandey	-	-	5.76	-	5.76
Mr. Sanjay L. Pandey	-	-	7.24 (6.04)	-	7.24 (6.04)
Mrs.Uma Keswani	-	-	4.30	-	4.30
Mrs.Renu Pandey	-	-	1.80	-	1.80
Mrs.Maya Pandey	-	-	0.72	-	0.72
Mr.Gaurav P.Hinduja	-	-	3.00 (1.80)	-	3.00 (1.80)

Consolidated Notes on Accounts (Contd...)

(Rs in Lacs)					
Particulars	Related Referred in I(a) above	Related Referred in I(b) above	Related Referred in I(c) above	Related Referred in I(d) above	Total
f) Loan given					
Mrs.Nita P. Hinduja	-	-	25.00	-	25.00
	-	-	-	-	-
Mr.Gaurav P.Hinduja	-	-	-	-	-
	-	-	(0.12)	-	(0.12)
g) Advances for Expenses					
Mr.Prakash L.Hinduja	-	2.54	-	-	2.54
	-	(2.92)	-	-	(2.92)
Mr.Lallan R. Pandey	-	10.12	-	-	10.12
	-	(4.41)	-	-	(4.41)
Mr.Harish Chandwani	-	8.03	-	-	8.03
	-	(4.82)	-	-	(4.82)
Mr.Vashist L. Pandey	-	-	0.05	-	0.05
	-	-	-	-	-
Mr.Sanjay L. Pandey	-	-	7.33	-	7.33
	-	-	(1.59)	-	(1.59)
Part 2 : Balance at the end of the period					
a) Service Received					
Laltech Engineering Projects Limited	256.13	-	-	-	256.13
	(256.13)	-	-	-	(256.13)
Keswani & Associates	0.63	-	-	-	0.63
	-	-	-	-	-
DCOM Systems Limited	220.80	-	-	-	220.80
	(650.03)	-	-	-	(650.03)
Tehran Jonoob Jaihind Consortium	-	-	-	94.55	94.55
	-	-	-	(1,305.48)	(1,305.48)
c) Loan taken					
Mr Prakash L Hinduja	-	5.00	-	-	5.00
	-	-	-	-	-
Mr.Lallan R. Pandey	-	2.00	-	-	2.00
	-	-	-	-	-
Mr. Prakash L Hinduja(HUF)	-	-	0.15	-	0.15
	-	-	(0.15)	-	(0.15)
Mrs.R.L.Hinduja	-	-	-	-	-
	-	-	(0.37)	-	(0.37)
Mrs.Nita P. Hinduja	-	-	0.89	-	0.89
	-	-	(27.89)	-	(27.89)
d) Loan given					
Mr.Gaurav P.Hinduja	-	-	-	-	-
	-	-	(0.11)	-	(0.11)
e) Advance for Expenses					
Mr. Prakash L. Hinduja	-	1.15	-	-	1.15
	-	-	-	-	-
Mr Lallan R. Pandey	-	0.03	-	-	0.03
	-	(4.82)	-	-	(4.82)
Mr.Harish Chandwani	-	0.98	-	-	0.98
	-	(2.28)	-	-	(2.28)
Mr.Sanjay L. Pandey	-	-	0.18	-	0.18
	-	-	(0.72)	-	(0.72)

Figures in brackets are in respect of the previous year.

Consolidated Notes on Accounts (Contd...)

8. Earnings per Share : (Rs. in lacs)

		As At 31.03.2010	As At 31.03.2009
Basic and Diluted :			
Earnings for the purpose of basic and diluted earnings per share (net profit/(loss) for the year) (Rs.)	A	2465.82	1053.07
Number of Equity Shares Outstanding at the Beginning of the year		7108600	7108600
Number of Equity Shares issued during the year		148843	—
Number of Equity Shares at the end of the year		7257443	7108600
Weighted average number of Equity Shares outstanding during the year for computing basic earnings per share	B	7220742	7108600
Add: effect of dilutive issue of shares/options		1609918	—
Weighted average number of Equity Shares outstanding during the year for computing dilutive earnings per share	C	8830660	7108600
Nominal value per equity share (Rs.)		10	10
Basic earnings per share (Rs.)	A/B	34.15	14.81
Dilutive earnings per share (Rs.)	A/C	27.92	14.81

9. The components of Deferred Tax Assets and Liabilities are as under: (Rs. in lacs)

Particulars		2009-10	2008-09
Deferred Tax Assets			
Provision for gratuity		1.18	15.36
Provision for bonus		8.01	5.22
Loss on sale of fixed asset		54.39	25.93
Disallowance of 40(a)		—	47.50
(A)		63.58	94.01
Deferred Tax Liabilities			
Opening Balance		389.93	316.67
Difference in depreciation		218.54	167.27
Disallowance of Sec 43B		5.23	—
Disallowance of 40(a)		117.31	—
(B)		731.02	483.94
Net Deferred Tax Liabilities (B-A)		667.44	389.93

10. Disclosures in respect of incomplete contracts in accordance with Accounting Standard-7 (Revised): (Rs. in lacs)

Particulars		2009-10	2008-09
(a) Contract revenues		6309.36	19384.21
(b) Aggregate costs incurred and recognized profits (less recognized losses) to date for contract in progress		4970.69	17555.30
(c) Advances received		2870.93	2691.46
(d) Retention Money		65.79	1066.75
(e) Gross amount due from customers for contract work		3401.07	3359.17
(f) Gross amount due to customers for contract work		651.15	1292.82

11. The Company is engaged in the business of laying of Pipelines for Supply of LPG, Oil & Gas, Crude Oil, all other activities and Corrosion Coating. Hence, it is not possible to give the quantitative details and certain information as required under paragraphs 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

12. Previous year's figures have been regrouped and reclassified wherever necessary, so as to make them comparable.

As per our report of even date
For, **Deloitte Haskins & Sells**
Chartered Accountants

(Gaurav J. Shah)
Partner
(Membership No. : 35701)
Place : Ahmedabad
Date : May 31, 2010

For and on Behalf of the Board

Prakash L. Hinduja
Managing Director

Lallan R. Pandey
Director

Vinodini Rao
Company Secretary

Place : Ahmedabad
Date : May 31, 2010

Attendance Slip & Proxy Form

JAIHIND PROJECTS LIMITED

Registered Office : 4th Floor, "Shanti Arcade",
Nr. Saptak Party Plot, 132 Ft. Ring Road, Ahmedabad.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at 24th Annual General Meeting of JAIHIND PROJECTS LIMITED held on Tuesday, 7th September, 2010 at 03:00 PM at Venus Atlantis, 3rd floor, Nr. Reliance Petrol Pump, Near Prahladnagar Garden, Anandnagar Road, Ahmedabad-380015.

Folio No. : _____

DP ID No. : _____

Client ID No. : _____

Name of Shareholder /s : _____

Signature of Share Holders or proxy : _____

JAIHIND PROJECTS LIMITED

Registered Office : 4th Floor, "Shanti Arcade",
Nr. Saptak Party Plot, 132 Ft. Ring Road, Ahmedabad.

PROXY FROM

Folio No. : _____ DP ID. : _____ Client ID. : _____

I / We _____

of _____ being a member / Members

of JAIHIND PROJECTS LIMITED hereby appoint of (or failing him) _____

of _____

as my / our proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of JAIHIND PROJECTS LIMITED to be held on Tuesday the 7th September, 2010 at 03:00 PM at Venus Atlantis, 3rd floor, Nr. Reliance Petrol Pump, Near Prahladnagar Garden, Anandnagar Road, Ahmedabad-380015.

AS WITNESS my hand / our hands _____ this day of _____ 2010.

Signed by the said _____

Affix
Revenue
Stamp

OUR VALUABLE PATRONS



Rajkot Municipal Corporation



NIGERIAN GAS COMPANY LIMITED



Brahmani River Pellets Limited





jaihind
PROJECTS LIMITED

5th Floor, Shanti Arcade, 132' Ring Road,
AEC Crossing, Naranpura, Ahmedabad-380013. India
Tel.: +91 79 2749 8175, +91 79 2746 1256, +91 79 2743 6091
Fax.: +91 79 2743 6169, +91 79 6607 7555
email : info@jpl.co.in
www.jpl.co.in