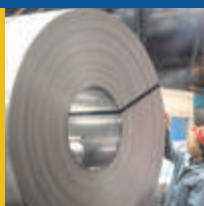


Sustainable Growth



2011-12
ANNUAL REPORT

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SUSTAINABLE GROWTH

The World continues to move from one crisis to another

No sooner are we seeing resolution of a crisis, a new one pops up

Countries that were considered advanced and developed are in trouble

There is lack of coherent economic policy across the world

We need a new order to be developed and new ideas to be generated

Domestically too, we have a golden opportunity to buck the trend, but we need strong conviction

India has an opportunity today to be the beacon of growth

We need to have a steadfast resolve and faith in ourselves

We are passing through trying time

Only those with firm resolve and a strong plan can come out winner

We believe that we have in us what it takes to ride this tide

We are unwavering in our long term vision, while fine tuning to meet the reality of the present

We promised last year to consolidate and be ready for the next phase of growth

We are seeing numerous growth opportunities, but not rushing to chase them

We are not only growing our existing profitable businesses we are doing so at lower cost

We have cut down cost and that is reflected in our numbers

We will build on this momentum and increase capacity competitively

Growth for the sake of growth can work only in the short term

In the long run we have to embrace sustainable growth.

2012 – 13 will see increased capacity in past growing polymer business reflecting sustainable growth

Our core strength lies in our people. Time and events cannot erode that. They have stood with us in tough times and shall reap the benefits as we prosper ... reason for sustainable growth

We will create value for all our stakeholders ... on a sustainable basis..... Sustainable Growth

MESSAGE FROM THE CHAIRMAN-EMERITUS



Dear Fellow Shareowners,

The story of economic recovery from the global financial crisis remains extremely fragile. Continuing risks to economic health include high unemployment, debt and low growth in developed countries and shortage of financing for developing countries.

We at Jai Corp will continue to frame our business plans, based on our core competencies that will add more value to our products and services. We always maintain that our performance and growth are intrinsically linked with the sustenance and development of the communities in which we operate. We have always given the highest priority to our programmes engaging various sections of the society. We feel that these activities are our humble homage to the society.

We remain committed to safe and efficient operations and to conducting our business in an environmentally sound and socially responsible manner.

I thank all our shareholders who have consistently reinforced their faith and trust in the Company. I am confident that we will strive hard to create sustainable growth for all our stakeholders.

I thank our Board of Directors for their valuable insight, constant support and guidance at every stage. I also thank our stakeholders for their unstinted support.

With best wishes,

Sincerely,

Jai Kumar Jain

Chairman- Emeritus

11th August, 2012

SUSTAINABLE GROWTH

MESSAGE FROM THE CHAIRMAN



Dear Fellow Shareowners,

In the financial year ended 31st March, 2012 your Company's turnover increased by 27.43% from 513.09 crore in 2010-11 to 653.82 crore and the net profit increased by 6.97% from 92.48 crore in 2010-11 to 98.93 crore.

It was expected that in 2011-12 the Indian economy would be able to continue with its above 8% growth. However, a combination of worsening international conditions and a difficult domestic environment resulted in a much lower growth rate of around 7%.

The Organisation for Economic Co-operation and Development (OECD) Secretary-General Angel Gurría said during the launch of the 2012 OECD Economic Outlook: "With slow growth, high unemployment and limited room for manoeuvre regarding macroeconomic policy space, structural reforms are the short-run remedy to spur growth and boost confidence". It is expected that weak recovery to resume in the major advanced economies and activity is likely remain relatively stable in most emerging and developing economies.

The Reserve Bank of India in its Monthly Bulletin for August 2012 has found that the results for the first quarter of 2012-13 showed a reversal of the marginal improvement in business sentiments of manufacturing sector observed in the fourth quarter of 2011-12. Index of Industrial Production (IIP) data show a drop of 1.8% in June, with capital goods slumping 28% & manufacturing 3.2%.

The process of reforms in the country has to be accelerated. More investments, faster approvals are the need of the hour. The central government must take the initiative to assuage the sentiments of the investors by having a stable and pragmatic economic policy.

Our traditional business of plastic processing delivered a robust performance. The steel business turned around and posted a profit for the year. The results for the first quarter are also encouraging. The investments in the real estate sector are long-term in nature and are expected to unlock their potential value in the coming years.

Our asset management business showed a good performance. We manage and advise a collective corpus of approximately 2,434 crore. The funds' investments are focused on and mix – use development projects including large townships. The Urban Infrastructure Opportunities Fund has refunded 322 crore to its investors by way of repurchase of units and return of capital.

Special Economic Zones (SEZs) were envisaged to be engines for rapid economic growth, for increasing India's exports and would have contributed to India becoming a super power. However global slowdown has put a dampener on this and no SEZs, except a handful in India have been successful. Our SEZs are not operational as approvals have been slow and land acquisitions have not been very smooth. The future growth of the SEZs will depend on improved business sentiments in the general global economy.

As a prudent strategy, we continue to focus on our core business and have gone through a consolidation phase. We are now looking at a sustainable growth in all our existing businesses.

I strongly believe that your Company's business strategy and operational quality along with the relentless effort of our entire team has helped your Company achieve this performance in a very challenging environment.

Our focus will be to deliver superior performance and achieve sustainable growth for all our stakeholders.

I am grateful to the Board of Directors for their unwavering support and guidance. I also take this opportunity to express my gratitude to all our stakeholders, who have reposed their trust in us and extended their constant support.

With best wishes,

Sincerely,

Anand Jain

Chairman

11th August, 2012

ABOUT US:

Jai Corp Limited, established in 1985, under the leadership of the Company's Chairman Shri Anand Jain, is fast emerging as a leading urban integrated infrastructure company.

Traditionally, a manufacturing enterprise, the Company produces flexible intermediate bulk containers (FIBC Jumbo bag), woven sacks and fabrics, manmade fibre yarns, Masterbatch and steel coils and sheets.

In 2006, Shri Jain's vision saw Jai Corp expanding its horizons. Jai Corp is metamorphosing from a manufacturing enterprise to a corporate driven by new growth engine such as asset management and urban infrastructure development.

Jai Corp is looking at playing a catalyst role of being one of the key builders of modern India, by creating integrated urban infrastructure. Thus, contributing to the India growth story.

The Company is in the process of building globally relevant centers of excellence in manufacturing and service sector.

Jai Corp is also a leading real estate organization with a significant funding and development portfolio.

The Company is also advisor and manager to some of India's largest real estate funds.

With its Registered Office at Nanded, Maharashtra, the Company has its Corporate Office in India's financial capital, Mumbai.

The Company has a shareholder family of about 91,000. The Company's shares are listed on the Bombay Stock Exchange and the National Stock Exchange.

LOCATIONS :

- Woven sacks manufacturing division: Khadoli, Athal (Silvassa) and Daman
- Spinning division: Vasona, Masat (Silvassa) and Sarigam (Gujarat)
- Steel division: Nanded (Maharashtra)
- SEZs: Mumbai and Navi Mumbai
- Port SEZ: Rewas (Maharashtra)
- Asset Management business and Venture Capital Fund Offices: Mumbai.

BOARD OF DIRECTORS

Jai Kumar Jain
Chairman-Emeritus

Anand Jain
Chairman

Virendra Jain
Vice Chairman

Gaurav Jain
Managing Director

V.S. Pandit
Director - Works

S. N. Chaturvedi

D.K. Contractor

K .M. Doongaji

S.H. Junnarkar

P.P. Shah
Directors

CHIEF FINANCIAL OFFICER
& CHIEF ACCOUNTS OFFICER
Pramod Kumar Jaiswal

COMPANY SECRETARY &
COMPLAINEE OFFICER
Ananjan Datta

BOARD COMMITTEES:
Audit Committee

K.M Doongaji(Chairman)

S.N.Chaturvedi

D.K.Contractor

Virendra Jain

**Shareholders/Investors
Grievance Committee**

K.M.Doongaji (Chairman)

S.N.Chaturvedi

Virendra Jain

Gaurav Jain

Share Transfer Committee

Jai Kumar Jain (Chairman)

Virendra Jain

Gaurav Jain

BANKERS

Axis Bank

Bank of Baroda

Canara Bank

Development Credit Bank Limited

HDFC Bank Limited

South Indian Bank Limited

Union Bank of India

REGISTERED OFFICE

A-3, M.I.D.C. Indl. Area,

Nanded- 431 603, Maharashtra

Website: www.jaicorpindia.com

Tel: +91-22-61155300

Fax:+91-22--22875197

CORPORATE OFFICE

12-B, Mittal Tower,

Nariman Point,

Mumbai-400 021

Maharashtra, India.

MANUFACTURING FACILITIES

- (i) Plastic processing Division
140/1/1/1 to 140/1/1/9,
Village Khadoli, Silvassa (D & N.H)
(100% EOU Unit)
168/182-191, Dabhel Ind. Co-op. Soc.
Ltd.,
Dabhel, Daman (Daman & Diu)
Survey No. 148, 149/1 &2, 180/2 &3,
Dabhel Ind. Co-op. Soc. Ltd.,
Dabhel, Daman (Daman & Diu)
Plot No. F-1 & F-2,
Indore SEZ Phase-1, Sector-III
Pithampur (MP) (SEZ Unit)
- (ii) Plastic Processing & Master Batch
Survey No.141,Dabhel Ind. Co-op.
Soc.Ltd.,
Dabhel, Daman (Daman & Diu)

(iii) Plastic Processing & PSF
Survey No.326/1,326/2/1
Village Athal, Silvassa,
(D&NH)

(iv) Steel Division
A-3, M.I.D.C, Indl. Area
Nanded, Maharashtra.

(v) Textile Division- Twisting
Survey No.45-B, Govt. Indl.
Estate,
Masat, Silvassa (D & NH)

(vi) Textile Division- Dyeing
Plot No.1620, GIDC Sarigam,
Dist. Valsad, Gujarat

(vii) Textile Division- Spinning
Survey No.246, Khanvel Road,
Vasona, Silvassa (D &NH)

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private
Limited

Plot no. 17-24 , Vittal Rao Nagar,
Madhapur, Hyderabad 500 081.

Tel: +91-40-44655000

Fax no: + 91-040-23420814

e- mail: einward.ris@karvy.com

Website : www.karvy.com

AUDITORS

Chaturvedi & Shah,
Chartered Accountants
S.R.Batliboi & Co.,
Chartered Accountants

NOTICE

NOTICE

NOTICE is hereby given that the Twenty-seventh Annual General Meeting of the Members of Jai Corp Limited will be held on Wednesday the 26th day of September, 2012 at 10.00 am at the Registered Office of the Company at A-3, M.I.D.C. Industrial Area, Nanded-431603, Maharashtra to transact the following businesses:

AS ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Shri Vasudeo Srinivas Pandit, who retires by rotation and being eligible, offers him for re-appointment.
5. To appoint a Director in place of Shri Dady Kaikhushru Contractor, who retires by rotation and being eligible, offers him for re-appointment.
6. To appoint a Director in place of Shri Sachin Nath Chaturvedi who retires by rotation and being eligible, offers him for re-appointment.
7. To appoint Messrs Chaturvedi & Shah, Chartered Accountants, as the Auditor of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

AS SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the appointment of Shri Vasudeo Srinivas Pandit as the Director – Works of the Company for a further period of 3(three) years with effect from 1st April, 2012 upon the terms and further conditions, including remuneration and minimum remuneration as set out in the Agreement to be entered into between the Company and Shri Vasudeo Srinivas Pandit, a draft whereof is placed before this meeting and

is hereby approved with the authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement so long as the same is within the limits specified under Sections 198,269,309,310 and Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof, for the time being in any force, as may be agreed between the Board of Directors and Shri Vasudeo Srinivas Pandit;

RESOLVED FURTHER THAT the amount of remuneration to Shri Vasudeo Srinivas Pandit in a financial year shall not exceed the ceiling of 5% of the net profits of that financial year and 10% of the net profits to all such managerial personnel taken together in that financial as laid down in Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT in the event of any statutory amendment, modification, and/or relaxation by the Central Government to the Schedule XIII or to any of the Sections of the Companies Act, 1956 the Board Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit and the aforesaid Agreement between the Company and Shri Vasudeo Srinivas Pandit be suitably amended to give effect to such amendments, modifications, relaxations and/or variation without any further reference to the members in a general meeting;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Mumbai
8th August, 2012

A. Datta
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy or

Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the aforesaid meeting. Corporate Members are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

3. The Register of Members and Share Transfer Books will remain closed from Tuesday, the 18th day of September, 2012 to Wednesday, the 26th day of September, 2012 (both days inclusive).
4. The dividend recommended by the Board of Directors, if declared at the Meeting will be payable to those Members whose names are registered in the Register of Members of the Company at close of business on 17th September, 2012.
5. Un-paid/ un-claimed dividend for the financial years 2007-08, 2008-09, 2009-10 and 2010-11 will be transferred to the Investor Education and Protection Fund on or after 01st October, 2015, 29th October, 2016, 06th October, 2017 and 22nd October, 2018 respectively pursuant to the provisions of Section 205A of the Companies Act, 1956. The members who have not cashed their dividend warrant/s are requested to immediately make their claims to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited. It may be noted that once the un-paid dividend is transferred to the aforesaid Fund, no claim shall lie with the Company and/or the Fund in respect of such amount.
6. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited details of such folios together with the share certificates for consolidating their holding in one folio. The share certificate will be returned to the Member/s after making requisite changes thereon.
7. Non-resident Indian shareholders are requested to inform the Company immediately:-

- i. Change in residential status on return to India for permanent settlement.

- ii. Particulars of bank account maintained in India with complete name, branch, branch code, account type, account number and address of bank, if not furnished earlier.

- iii. Copy of Reserve Bank of India permission.

8. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations in respect of shares held by them in physical form are requested to send the necessary particulars in Form 2B (available on request) to the Company's Registrar and Share Transfer Agent, Messrs Karvy Computershare Private Limited.
9. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of other companies in which they hold directorships and memberships/ chairmanships of Committees of the Board, shareholdings and relationships between Directors *inter se* as required to be provided pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance provided elsewhere in the Annual Report.
10. Messrs S.R. Batliboi & Co., Chartered Accountants, (Registration No. 301003E issued by the Institute of Chartered Accountants of India) were the joint auditors of the Company along with Messrs Chaturvedi & Shah, Chartered Accountants, (Registration No. 101720 W issued by the Institute of Chartered Accountants of India). Messrs S.R. Batliboi & Co. has given to the Company a notice in writing expressing their unwillingness to be re-appointed and stating that they will not seek re-appointment due to other commitments. The Board of Directors places on record its sincere appreciation of the services rendered by Messrs S.R. Batliboi & Co.

The Board of Directors, on recommendation of the Audit Committee, has proposed to appoint Messrs Chaturvedi & Shah as the auditor of the Company.

By Order of the Board of Directors

Mumbai
8th August, 2012

A. Datta
Company Secretary