

**17th
Annual
Report
2007-2008**

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JAINCO

PROJECTS (INDIA) LTD.

BOARD OF DIRECTORS

SRI S. K. BHANSALI	:	Chairman
SMT. K. SARASWATI	:	Director
SRI AJIT KUMAR BAID	:	Director
SRI S. M. GUNecha	:	Director

AUDIT COMMITTEE

SRI AJIT KUMAR BAID
SRI S. M. GUNecha
MS. K. SARASWATI

AUDITORS

SARKAR GURUMURTHY & ASSOCIATES
Chartered Accountants
35, C. R. Avenue, Kolkata - 700 012.

BANKERS

UCO Bank
Standard Chartered Bank

REGISTRAR & SHARE TRANSFER AGENTS

R & D INFOTECH (P) LTD.
22/4, Nakuleshwar Bhattacharjee Lane,
Kolkata - 700 026

REGISTERED OFFICE

2, Clive Ghat Street
4th Floor, Room No. 4A,
Kolkata - 700 001

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JAINCO PROJECTS (INDIA) LIMITED**NOTICE****17th ANNUAL REPORT 2007 - 2008**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th day of September, 2008 at 10.00 A.M. at Shyamal Smriti Parisad, 30, Dr. Nagen Ghosh Lane, Kolkata - 700 031 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account for the year ended as on that date along with Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Miss K. Saraswati who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution with or without modification:

RESOLVED THAT pursuant to the provisions of section 224 of the Companies Act, 1956, M/s. Sarkar Gurumurthy & Associates, the retiring auditors of the Company be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be decided mutually between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and also give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate including setting any queries that may arise in this respect.

Place : Kolkata
Date : 4th September, 2008

By order of the Board
Miss K. SARASWATI
Director

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not a member.
2. The Proxy Form duly completed must be lodged at the registered office of the Company not later than 48 hours before the time fixed for the Meeting.
3. The register of members and Share Transfer Book of the Company will remain closed from 19th September, 2008 to 30th September, 2008 (both days inclusive).
4. The Equity shares of the Company shall continue to be listed in The Calcutta Stock Exchange Association Limited and Bombay Stock Exchange Ltd. However the De-listing of Shares in Jaipur and Ahmedabad Stock Exchanges are still under progress.
5. Members / proxies are requested to bring attendance slip alongwith copies of Annual Report for attending the Meeting.

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6. Members desiring any information as regards the Accounts are requested to write to the Company well in advance of the Meeting so as to enable the Management to reply at the Meeting.
7. The Shares of the Company has been dematerialised and the ISIN no. is INE966C01010.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

it was observed that the core business of the Company was not in consistent with the expectation of the Board during past couple of years inspite of sustained efforts of the management. In view of this critical situation the Board of directors of the Company previewed the performance wise position vis-a-vis state of affairs of the Company for past few years in the Board Meeting held on 31st July, 2008 wherein decision was taken to diversify it's business which can suitably be pursued in course of time to improve the performance level of the Company.

NONE OF THE DIRECTORS ARE CONCERNED OR INTERESTED IN THIS RESOLUTION.

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JAINCO PROJECTS (INDIA) LIMITED**DIRECTORS' REPORT TO THE MEMBERS :**

Your Directors have pleasure in presenting the Seventeenth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

PERFORMANCE IN FINANCIAL TERMS

	<u>Year Ended</u> <u>31st March, 2008</u> Rs. In lakh	<u>Year Ended</u> <u>31st March, 2007</u> Rs. In lakh
Profit/(Loss) before interest and depreciation	11.57	9.77
Less : Interest and Depreciation	10.21	9.39
Profit/(Loss) before tax.	1.36	0.38
Less : Provision for tax :		
Current Tax	0.92	0.76
Deferred Tax for current year	Nil	Nil
Adjustment for Prior period	0.01	Nil
Fringe Benefit Tax	0.07	0.08
Net Profit / (Loss) after tax	0.36	(0.47)
Add : Balance brought forward From last year	(0.02)	0.45
Balance of Profit/(Loss)		
Carried to the Balance sheet	0.34	(0.02)

REVIEW OF OPERATION

During the year under review the Company has achieved sales to the tune of Rs.44.61 lakhs against Rs.102.96 lakhs in the previous year. However this performance is not at par with our expectation because of many unforeseen reasons. The major amongst which were increase in both fixed and variable costs in one hand and also stiff competition in the market.

PROSPECT IN THE CURRENT YEAR

During the course of current financial year, your Board has made strategic business plan to upgrade the performance of the Company and accordingly it is expected that the current year will show better results. The Management has also taken some positive steps in this regard to achieve the desired result.

However, your Board of Director has been considering to launch few diversified activities keeping in view the basic objectives of the Company which may improve the state of affairs in course of time.

DIVIDEND

The Board did not recommend any dividend for the Financial Year 2007—2008 in view of inadequate profit earned by your Company.

DIRECTORS' REPORT (Contd.)**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that :

- A. in the preparation of the annual accounts all applicable accounting standards had been followed along with proper explanation relating to material departures.
- B. the Directors had selected such accounting policies and applied them consistently and made judgements 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 the profit or loss of the Company.
- C. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- D. The Directors had prepared the annual accounts on a going concern basis.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

In accordance with the requirement of revised Clause 49 of the Listing Agreement, your Board of Directors has laid down and adopted the Code of Conduct for all its Members and Senior Management Personnel of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS.

Pursuant to Clause 49 of the Listing Agreement a separate report on Management Discussion and Analysis, forming part of this Annual Report, is attached.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Compliance certificate duly signed by the Auditors of the Company, forming part of this report, is annexed with this report. The Auditor's Certificate and the Corporate Governance Report on compliance with Clause 49 are self explanatory and do not require further elucidation.

DE-LISTING OF EQUITY SHARES

Your Company has initiated necessary action to delist its Equity Shares from the Ahmedabad and Jaipur Stock Exchanges pursuant to the resolution passed at the Sixth Annual General Meeting of the Company held on 27th September, 2001 and the same is still under process.

However, the Shares of your company will continue to be listed in the Calcutta Stock Exchange Association Ltd and Bombay Stock Exchange Ltd.

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

None of the employees of the Company is drawing remuneration exceeding prescribed limit specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules made thereof.

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The disclosure, as required under the provisions of Section 217(1) (e) of the Companies Act, 1956, your Company does not come under the purview of this section.

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DIRECTORS' REPORT (Contd.)

However your Board declares that the Company has neither any Foreign Exchange earnings nor any Outgo during the year under review.

DIRECTORS

Miss K. Saraswati retires at this Annual General Meeting and being eligible offer herself for re-appointment.

AUDITORS AND AUDITOR'S REPORT

Your Directors have no comments on the Auditor's Report since the Report itself is self explanatory. It is stated that M/s. Sarkar Gurmurthy & Associates will retire at the conclusion of this Annual General Meeting and being eligible as per Section 224B of the Companies Act, 1956, they have expressed their willingness for re-appointment.

ADEQUACY OF INTERNAL CONTROLS

Your Company has installed adequate internal control systems in combination with delegation of powers. The control system is also supported by internal audits and Management reviews with documented policies and procedures.

SUBSIDIARY

It is reported that the Company has no Subsidiary within the meaning of Secion 4 of the Companies Act, 1956.

APPRECIATION

Your Board records it's sincere appreciation for the valuable support extended by the Company's Bankers, Financial Institutions and the Government Agencies. Your Board also wishes to thanks all it's customers / dealers / sub- dealers and all those associated with the Company.

Your Board further conveys cordial thanks to all the employees for their sincere works and take this opportunity to thank shareholders for their continued confidence reposed in the Management of the Company.

Kolkata
Date : 4th September,2008

For and on Behalf of the Board
Miss K. SARASWATI
Director

ANNUAL REPORT 2007-2008**ANNEXURE TO THE DIRECTOR'S REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE & DEVELOPMENTS**

Industries in the Construction Sector is principally dependent on Government's initiative for expanding necessary infrastructure facilities. With the development of Modern Technology coupled with Industrial Growth, the requirement has been multiplied and accordingly the Company has to rise on the occasion even in the phase of stiff competition. Therefore the Company has to give importance for maintaining suitable combination of technical know-how to reap the advantages of the growing market condition in the Construction Sector.

OPPORTUNITIES AND THREAT

There has been a radical change in global economics particularly in the developing countries like India which has raised hope for excellent business opportunities as a whole.

The major threats are higher cost of various inputs, higher transportation cost including increase in fixed cost from time to time. The strategies are constantly re-worked to minimize adverse implications, if any.

OUTLOOK

In view of the undergoing economic reforms the prospect of the Industry seems certain. The Management of the Company has been keeping close watch to take this opportunity even at the risk of more investment in this respect.

MANAGEMENT OF RISK & CONCERNS

The Management has taken steps to keep its position intact in the market which is predominated with stiff competition. Close and constant touch is being maintained with all the customers while trying to develop new customer base also. The Company has also been trying for certain need-based relief from its Bankers.

INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has its own independent Internal Control Systems which is commensurate with the size of the Company and it is periodically reviewed to confirm adequacy of the system.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCES

A critical appraisal is made by the Audit Committee before drawing Quarterly Statement of Accounts and the Board also reviewed the same on each occasion.

SOCIAL COMMITMENT

The aspects of Social Responsibility are carefully looked after by the Company.

ENVIRONMENTAL EFFORTS

The Company is quite alert in providing clean environment on a continuous basis.

INDUSTRIAL RELATIONS

The Management takes sufficient care in maintaining good relations with the employees of the Company.

CAUTIONARY STATEMENT

The foregoing discussion and analysis may differ with actual achievements due to any change in key factors of the economy which is beyond the control of the Management.

For and on Behalf of the Board
Miss K. SARASWATI
Director

Kolkata
Date : 4th September, 2008

JAINCO PROJECTS (INDIA) LIMITED**REPORT ON CORPORATE GOVERNANCE****A. MANDATORY REQUIREMENTS****1. Company's philosophy on code of Governance**

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company to create and adhere to a Corporate culture of conscience and consciousness in the efficient conduct of its business and to continuously strive to attain high levels of accountability transparency, responsibility, capabilities & fairness in all aspects of its operations. Your Company with a view to achieve these objectives, adopted corporate strategies, prudent business plans and monitoring of performance and to set high standards of corporate, towards its employees, stakeholders conduct and society.

Clause 49 of the Listing Agreement with Stock Exchanges sets up norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause vide this report.

2. Board of Directors

The present strength of board is 4 Directors. The Board comprises of Executive Director and Non-Executive Directors. The Board meets the requirement of not less than 50% being non-executive Directors.

During the year under review six Board meetings were held.

The composition of Directors and their attendance at the Board Meeting during the year and the last Annual General Meeting as also number of other directorships, committee memberships and chairmanships held by them are given below :-

Directors	Category	Attendance Particulars Board Meetings	Last AGM	No. of other Director- ship and Committee Membership/ Chair- manship held		
				Director ship	Committee Member- ship	Committee Chairman- ship
1	2	3	4	5	6	7
Mr. S. K. Bhansali	Chairman	6	Yes	9	2	—
Miss K. Saraswati	Director	5	Yes	4	2	1
Mr. Ajit Kr. Baid	Non-Executive Director	4	Yes	—	3	1
Mr. S. M. Gunecha	Non-Executive Director	4	Yes	2	3	—

3. Audit Committee

Terms of reference of the Audit Committee are as per section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) that interalia include a review of financial reporting process, draft financial statements and Auditor's Report (before submission to the board), accounting policies and practices internal controls and internal Audit Systems, risk management policies and practices, related party transactions, internal audit reports and adequacy of internal audit function.