

18th  
Annual  
Report  
2008-2009

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 **JAINCO**  
**PROJECTS (INDIA) LTD.**

**BOARD OF DIRECTORS**

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

**AUDITORS**

SARKAR GURUMURTHY & ASSOCIATES  
Chartered Accountants  
35, C.R.Avenue  
Kolkata – 700012

**BANKERS**

UCO Bank

**REGISTRAR & SHARE TRANSFER AGENTS**

R&D INFOTECH (P) LTD.  
22/4, Nakuleshwar Bhattacharjee Lane,  
Kolkata – 700026

**REGISTERED OFFICE**

2, Clive Ghat Street  
4<sup>th</sup> Floor , Room No 4A  
Kolkata – 700001

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

Your Directors have pleasure in presenting the Eighteenth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2009.

**PERFORMANCE IN FINANCIAL TERMS**

	<b>Year Ended 31<sup>st</sup> March, 2009 Rs. In lakh</b>	<b>Year Ended 31<sup>st</sup> March, 2008 Rs. In lakh.</b>
Profit / ( Loss ) before interest and depreciation	17.61	11.57
Less Interest and Depreciation	12.52	10.21
Profit / ( Loss ) before tax.	5.09	1.36
Less Provision for tax :		
Current Tax	2.14	0.92
Deferred Tax for current year	NIL	NIL
Adjustment for prior period	NIL	0.01
Fringe Benefit Tax	0.32	0.07
	—	—
Net Profit / ( Loss ) after tax.	2.63	0.36
Add Balance brought forward from last year.	0.34	(0.02)
Balance of Profit / ( Loss ) Carried to the Balance sheet.	2.97	0.34

**REVIEW OF OPERATION**

During the year under review the Company has achieved sales to the tune of Rs. 33.37 lakhs against Rs. 40.60/- lakhs in the previous year. However this marginal improvement 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 launching 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 2008-2009 in view of inadequate profit earned by your Company.

**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.

**JAINCO PROJECTS (INDIA) LTD.****DIRECTORS' REPORT (Continue)**

- B. the Directors had selected such accounting policies and applied them consisting 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 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 it's 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 it's 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 27<sup>th</sup> 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 OUT GO.**

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.

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

**DIRECTORS**

Shri A.K. BAID retires at this Annual General Meeting and being eligible offer himself for re-appointment.

**JAINCO PROJECTS (INDIA) LTD.****DIRECTORS' REPORT (Continue)****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 Gurumurthy & 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 Section 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 thank 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 takes this opportunity to thank Shareholders for their continued confidence reposed in the Management of the Company.

Kolkata  
Date: 30<sup>th</sup> June, 2009.

For and on behalf of the Board  
Ms. K. Saraswati  
Director

**ANNEXURE TO DIRECTOR'S REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE & DEVELOPMENTS**

Industries in the Construction Sector are 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 face 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 economies 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 it's 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 it's Bankers.

**JAINCO PROJECTS (INDIA) LTD.****ANNEXURE TO DIRECTOR'S REPORT (Continue)****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.

Kolkata  
Date: 30<sup>th</sup> June, 2009.

For and on behalf of the Board  
Ms. K. Saraswati  
Director

**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.

**JAINCO PROJECTS (INDIA) LTD.****ANNEXURE TO DIRECTOR'S REPORT (Continue)**

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		No. of other Directorship & Committee Member/Chairman		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. S.K. Bhansali	Chairman	6	YES	4	1	1
Ms. K. Saraswati	Director	6	YES	-	-	-
Mr. Ajit Kr. Baid	Non-Executive Director	4	YES	-	-	-
Mr. S.M. Gunecha	Non-Executive Director	4	YES	1	1	1

**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 inter alia 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.

The role of the audit committee includes recommending the appointment and removal of external auditor, discussion of audit plan, fixation of audit fees and also approval for payment of any other services.

The Audit committee had four meetings during the year 2008-09. The composition of audit committee and attendance of its meetings is given hereunder:

Member	Position	No. of meetings	
		Held	Attended
Ajit Kumar Baid	Chairman	4	4
S.M. Gunecha	Member	4	4
K.Saraswati	Member	4	4

Mr. Ajit Kumar Baid is a professional and has expertise in the field of taxation, Accounting and Corporate laws.

Name and Designation of Compliance Officer - Mr. Manik Pal - Senior Executive

The audit committee meetings are held at the registered office and are attended by the Internal Auditors and the Finance head. A representative of the Statutory Auditors is invited, as required. Mr. Dilip Kumar Sarawogi, practicing company secretary acts as the secretary of the Audit committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

**4. Remuneration to Directors**

There is no remuneration committee as there is no remuneration paid to the directors (executive and non executive). No sitting fees were paid to independent directors for the year 2008-2009.

The company does not have stock option scheme for grant of options either to the Directors or employees.

**JAINCO PROJECTS (INDIA) LTD.****ANNEXURE TO DIRECTOR'S REPORT (Continue)****5. Investors'/Shareholders Grievance Committee:**

The terms of reference of the Committee are to look into redressal of Shareholders/Investor's Complaints relating to non-receipt of notices, share certificates, annual reports, dividends, transfer of shares, dematerialisation of shares and other grievances. The composition of Investors/Shareholders Grievance committee and attendance at its meeting is given hereunder:

Member	Position	No. of meetings	
		Held	Attended
Ms. K. Saraswati	Chairman	4	4
Mr. Ajit Kumar Baid	Member	4	4
Mr. S.M. Gunecha	Member	4	4

Details of Complaints received from Shareholders/Investors is as follows:

Pending at the beginning of the year	-	Nil
Received during the year	-	04
Redressed/Replied during the year	-	04
Pending at the year end	-	Nil

**6. General Body Meetings:**

Location and time of last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2007-08	Sep30, 2008	10.00 AM	Shyamal Smriti Parisad 30, Dr. Nagen Ghosh Lane Dhakuria, Kolkata- 700 031
2006-07	Sep29, 2007	10.00 AM	60 A & 60 B, Chowringhee Road Kolkata - 700 020
2005-06	Sep27, 2006	10.00 AM	-Do-

No resolution was required to be put through postal ballot last year.

6A. Notes on Directors seeking appointment/re-appointment as required under clause 49VI(A) of the Listing Agreement entered into with Stock Exchanges.

Mr. A.K.Baid who retires by rotation as director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment.

**7. Disclosures**

Disclosure on materially significant related party transactions i.e., transactions of the company of material nature with its promoters, the Directors or the management, their subsidiaries relatives etc that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

**8. Means of Communication**

(I) The Half-yearly results are published in the newspapers having wide circulation and not sent to the Shareholders.