PROSPECTUS
Dated: June 18, 2005
100% Book Built Issue

JINDAL POLY FILMS LIMITED

(For details of the changes in name and registered office, please refer to the section titled "History and Certain Corporate Matters" beginning on page 68 of this Prospectus)

Registered Office: 19th K.M., Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, Uttar Pradesh, India.
Tel: +91 122 2333 287; Fax +91 122 2333 344
Contact Person: Mr. Sunit Maheshwari; Tel: +91 11 2334 9270~74
E-mail: jpfl_fpo@jindalpoly.com; Website: www.jindalpoly.com

Public issue of 8,333,325 equity shares of Rs. 10 each ("Equity Shares") of Jindal Poly Films Limited (the "Company"), at a price of Rs. 360 per Equity Share for cash aggregating upto Rs. 3,000 million (the "Issue"). The Issue would constitute 29.66% of the fully diluted post-issue paid-up capital of the Company.

THE ISSUE PRICE OF RS.360 PER EQUITY SHARE OF FACE VALUE OF RS.10

ISSUE PRICE IS 36 TIMES THE FACE VALUE OF THE EQUITY SHARES.

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated on a discretionary basis to Qualified Institutional Buyers. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE ISSUE

The Issue Price (as determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of book-building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares allotted pursuant to the Issue are listed. The market price of the existing Equity Shares of Jindal Poly Films Limited could affect the price discovery through book building and vice versa. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing of the Equity Shares allotted pursuant to the Issue.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to section titled "Risk Factors" beginning on page ix of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on The Stock Exchange, Mumbai and National Stock Exchange of India Limited, where the existing Equity Shares of our Company are listed. We have applied to the Calcutta Stock Exchange Association Limited for delisting and await an approval from the same. We have received in-principle approvals from The Stock Exchange, Mumbai and National Stock Exchange of India Limited for the listing of the Equity Shares to be allotted pursuant to the Issue, pursuant to letters dated May 4, 2005 and May 11, 2005, respectively. The Stock Exchange, Mumbai is the designated stock exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: jpfl_fpo@isecltd.com Website : www.iseconline.com	*JM MORGAN STANLEY* **JM Morgan Stanley Private Limited** 141, Maker Chambers III Nariman Point, Mumbai 400 021 Tel: +91 22 5630 3030 Fax: +91 22 2202 8224 Email: jpfl_fpo@jmmorganstanley.com Website : www.jmmorganstanley.com	Karvy Computershare Private Limited **Karvy Computershare Private Limited** Karvy House, 46, Avenue 4 Street No.1 Banjara Hills, Hyderabad 500 034 Tel.: +91 40 2331 2454 Fax: +91 40 2331 1968 Email: jpfl_fpo@karvy.com Website: www.karvy.com

ISSUE PROGRAMME

BID / ISSUE OPENED ON	:	**THURSDAY,**	**JUNE 9, 2005**
BID / ISSUE CLOSED ON	:	**WEDNESDAY,**	**JUNE 15, 2005**

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DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
"JPFL" or "the Company" or "our Company" or "Jindal Poly Films Limited"	Jindal Poly Films Limited, a public limited company incorporated under the Companies Act.
"we" or "us" or "our"	Jindal Poly Films Limited and, where the context requires, its subsidiaries namely Hindustan Polyester Limited, Rexor S.A.S. and Jindal France S.A.S.

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Articles/Articles of Association	Articles of Association of our Company.
Auditors	Kanodia Sanyal & Associates, Chartered Accountants.
Banker(s) to the Issue	ICICI Bank Limited, Citibank N.A., UTI Bank Limited and HDFC Bank Limited.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Closing Date / Issue Closing Date	The date after which the Syndicate did not accept any Bids for the Issue, which was notified in an English national newspaper and Hindi national newspaper, with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder made an offer to subscribe to the Equity Shares and which was considered as the application for issue of the Equity Shares pursuant to the terms of the Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding Period / Issue Period	The period between the Bid Opening Date/Issue Opening Date and the Bid Closing Date/Issue Closing Date inclusive of both days and during which prospective Bidders submitted their Bids at such times and in such manner as is set forth in the Red Herring Prospectus.
Bid Opening Date/ Issue Opening Date	The date on which the Syndicate started accepting Bids for the Issue, which was notified in an English national newspaper and a Hindi national newspaper, with wide circulation.
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof.
Book Building Process	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being ICICI Securities Limited and JM Morgan Stanley Private Limited.
BSE	The Stock Exchange, Mumbai.

CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price has not been finalised and above which no Bids were accepted.
Companies Act	The Companies Act, 1956, as amended from time to time.
CSE	The Calcutta Stock Exchange Association Limited.
Cut-off Price	Any price within the Price Band finalised by us in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account of the Company, which in no event shall be earlier than the date on which the Prospectus is filed with the RoC.
Designated Stock Exchange	The Stock Exchange, Mumbai.
Director(s)	Director(s) of Jindal Poly Films Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated March 31, 2005 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. It was filed with the RoC at least three days before the Bid Opening Date/Issue Opening Date and became the Red Herring Prospectus and subsequently this Prospectus upon filing with RoC after the pricing.
Equity Shares	Equity shares of the Company of face value of Rs. 10 each.
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement dated May 25, 2005 entered into among the Company, the Registrar, the Escrow Collection Bank(s), and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened in this case being ICICI Bank Limited, Citibank N.A., UTI Bank Limited and HDFC Bank Limited.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995), as amended from time to time, registered with SEBI under applicable laws in India.
Financial year /fiscal / FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated.

First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price has not been finalised and below which no Bids were accepted.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
Issue	Public issue of 8,333,325 Equity Shares, at a price of Rs. 360 each for cash, aggregating upto Rs. 3,000 million.
Issue Price	The final price at which Equity Shares will be allotted in terms of this Prospectus, as determined by us in consultation with the BRLMs, being Rs. 360 per Equity Share.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account on the Designated Date.
Jindal France	Our subsidiary, Jindal France S.A.S.
MAPIN Regulations	SEBI (Central Database of Market Participants) Regulations, 2003 as amended.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 0% to 100% of the Bid Amount.
Memorandum / Memorandum of Association	The memorandum of association of our Company.
NSE	National Stock Exchange of India Limited.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being at least 1,249,998 Equity Shares available for allocation to Non-Institutional Bidders, subject to valid bids being received at or above the Issue Price.
Non-Residents	Non-Resident is a person resident outside India, as defined under FEMA.
NRI / Non-Resident Indian	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
Pay-in Date	Bid Closing Date/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date/Issue Opening Date and extending until the Bid Closing Date/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.

Preference Shares	Preference shares issued by our Company from time to time.
Price Band	The price band with a minimum price (Floor Price) of Rs. 360 and the maximum price (Cap Price) of Rs. 400, which was advertised at least one day prior to the Bid Opening Date/Issue Opening Date in The Business Standard (all editions), an English language newspaper with wide circulation, Jan Satta (all editions), a Hindi language newspaper with wide circulation and Amar Ujala (Kanpur edition), a Hindi language newspaper and includes revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLMs finalised the Issue Price.
Promoters	Mr. Shyam Sunder Jindal, Soyuz Trading Company Limited, Rishi Trading Company Limited, Consolidated Photo and Finvest Limited and Jindal Photo Investments Limited.
Prospectus	This prospectus, filed with the RoC after pricing containing, inter alia, the Issue Price that has been determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million.
QIB Portion	The portion of the Issue being up to 4,166,662 Equity Shares available for allocation to QIBs.
Registered Office of the Company	19th K.M., Hapur-Bulandshahr Road, P.O. Gulaothi, Distt – Bulandshahr, Uttar Pradesh.
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited.
Retail Individual Bidders	Bidders who apply or bid for Equity Shares of or for a value of not more than Rs. 100,000.
Retail Portion	The portion of the Issue being at least 2,916,665 Equity Shares available for allocation to Retail Individual Bidder(s), subject to valid bids being received at or above the Issue Price.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
Rexor	Our subsidiary, Rexor S.A.S., formerly known as Rexor S.A.
RHP or Red Herring Prospectus	The Red Herring Prospectus dated May 25, 2005 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered. The Red Herring Prospectus was filed with the RoC at least three days before the Bid Opening Date/Issue Opening Date and is a Prospectus after filing with the RoC after pricing.
RoC	Registrar of Companies, Uttar Pradesh and Uttaranchal, located at Kanpur.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.

SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	BSE and NSE.
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement dated May 25, 2005 entered into among the Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	ICICI Brokerage Services Limited and JM Morgan Stanley Retail Services Private Limited.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement dated June 17, 2005 among the members of the Syndicate and the Company.

Industry Related Terms

Abbreviations	**Full Form**
BOPET	Biaxially Oriented PET
BOPP	Biaxially Oriented Polypropylene
DMT	Dimethyl Terephthalate
EVOH	Ethylene Vinyl Alcohol
Ktpa	1,000 Tonnes per Annum
KWh	Kilowatt Hour
LTS	Low Thermal Sealing
MEG	Monoethylene Glycol
MW	Megawatt
PET	Polyethylene Terephthalate or Polyester
POY	Partially Oriented Yarn
PPCP	Polypropylene Co-polymer
PPHP	Polypropylene Homopolymer
PTA	Purified Terephthalic Acid
PVC	Polyvinyl Chloride
PVDC	Polyvinylidene Chloride
Tpa	Tonnes per Annum
Tpm	Tonnes per Month
TQPP	Tubular Quenched Polypropylene

Abbreviations

Abbreviation	**Full Form**
Allahabad High Court	High Court of Judicature at Allahabad
Gujarat High Court	High Court of Judicature at Ahmedabad
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
Bombay High Court	High Court of Judicature at Bombay
CAGR	Compound Annual Growth Rate
CCPS	Convertible Cumulative Preference Shares
CDSL	Central Depository Services (India) Limited
Chennai High Court	High Court of Judicature at Chennai
DEG	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH
Delhi High Court	High Court of Judicature at Delhi
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPCG	Export Promotion Capital Goods
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY	Financial year/ Fiscal year
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
I-SEC	ICICI Securities Limited
JMMS	JM Morgan Stanley Private Limited
LC	Letters of credit
LIBOR	London Interbank Offered Rate
N.A.	Not Applicable
NAV	Net Asset Value
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCPS	Optionally Convertible Preference Shares
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RCPS	Redeemable Cumulative Preference Shares
RoNW	Return on Net Worth
SSA	Share Subscription Agreement dated January 6, 2005 between DEG and the Company.
WTO	World Trade Organisation
USA	The United States of America

PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data in this Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Prospectus. Unless indicated otherwise, the operational data in this Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Indian GAAP. For a summary of significanty differences between Indian GAAP and U.S. GAAP see the section titled "Summary of Significant Differences Between Indian GAAP and U.S. GAAP" begining on page 141 of this Prospectus. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "U.S. Dollar" or "US Dollars" are to United States Dollars, the official currency of the United States of America. All references to "€" or "Euros" are to the official currency of the European Union. All references to Nepali Rupees are to the Nepali Rupee, the official currency of Nepal.

For the convenience of the reader, this Prospectus contains translations of some U.S. Dollar or Euro amounts into Indian Rupees which should not be construed as a representation that those Indian Rupee or Euro or U.S. Dollar amounts could have been, or could be, converted into Euros or Indian Rupees, as the case may be, at any particular rate, the rate stated below or at all.

Further, except as otherwise stated in this Prospectus, all translations from Rupees to Euros and from Euros to Rupees contained in this Prospectus is as per the RBI Reference Rate on May 17, 2005, which was Rs. 54.85 = € 1.00. Except as otherwise stated in this Prospectus, all translations from Rupees to U.S. Dollars and from U.S. Dollars to Rupees contained in this Prospectus is as per the RBI Reference Rate on May 17, 2005, which was Rs. 43.43 = US$ 1.00.

Market Data

Unless stated otherwise, industry data used throughout this Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Prospectus is reliable, it has not been verified by any independent sources.

FORWARD-LOOKING STATEMENTS

We have included statements in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward-looking statements".

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the flexible packaging films and POY industries in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, our ability to manage operational risks, our inability to procure machinery or supplies at acceptable rates, technological changes, our exposure to market risks, general economic and political conditions in India and our overseas markets, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see "Risk Factors" beginning on page ix of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. Any of the following risks as well as the other risks and uncertainties discussed in this Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment

Internal Risks

We have been impleaded in a criminal case, which is pending against us.

In 2000, a criminal complaint bearing no. 1023/9 of 1999-2000 was filed by one of our shareholders, Mr. Piyush Agarwal, before the Additional Chief Magistrate, Muzzaffar Nagar, Uttar Pradesh, alleging cheating and forgery in respect of 100 Equity Shares of our Company. In connection with this matter, we received a letter dated July 28, 1995 from one Ms. Sushma Bansal requesting that a duplicate share certificate be issued. We subsequently issued a share certificate for 100 Equity Shares to Ms. Sushma Bansal. The last date of hearing was May 19, 2001 and the matter is currently pending disposal. The amount in dispute is not ascertainable. For further details, see the section titled "Outstanding Litigation and Material Developments" on page 162 of this Prospectus.

There are certain criminal cases pending against some of our Directors.

There are two criminal complaints pending against Mr. Shyam Sunder Jindal, our Promoter director, filed by Mr. Vimal Swarup in the Court of Judicial Magistrate, Bhopal. The complainant has alleged that Jindal Photo Films Limited (currently known as Consolidated Finvest and Holdings Limited) had not supplied certain materials for which an aggregate amount of Rs. 0.28 million had been paid to the company. The complaints were filed under sections 409 and 420 of Indian Penal Code, 1860 against Mr. Jindal and certain directors/officers of Jindal Photo Films Limited. Mr. Jindal had filed two petitions before the Jabalpur High Court. The Jabalpur High Court has stayed the proceedings in both the complaints before the Court of Judicial Magistrate, Bhopal.

There are two criminal proceedings pending against Mr. S.J. Khaitan, our director, under the provisions of the Negotiable Instruments Act, 1881, in his capacity as a director of Rajadhiraj Industries Limited. The aggregate value of the allegedly dishonoured cheques is approximately Rs. 5.36 million and the matters are pending before the Judicial Magistrate, Nagpur. For further details, see the section titled "Outstanding Litigation and Material Developments" beginning on page 162 of this Prospectus.

Financial information as of and for the year ended March 31, 2005 included in this Prospectus has not been audited. There may be material changes or omissions between the information included in these unaudited financial statements and the information in our audited financial statements as of and for the fiscal year ended March 31, 2005 which will be available only after the completion of the Issue.

In this Prospectus, in addition to the audited financial statements as of and for the nine months ended December 31, 2004, we have included the unaudited unconsolidated statement of assets and liabilities of the Company as of March 31, 2005 and the related unconsolidated statements of profit and loss and cash flows for the fiscal year ended March 31, 2005. This unaudited financial information has been disclosed by us to the Stock Exchanges in compliance with the listing agreements with the Stock Exchanges. These financial statements have not been restated in accordance with SEBI Guidelines and do not include any information on a consolidated basis. Also, these unaudited unconsolidated financial information do not include complete information as may be disclosed in our audited financial statements, such as additional detail in the statement of assets and liabilities, statement of profit and loss, statement of cash flows and the notes to the financial statements.

These unaudited financial statements, together with the review report dated May 19, 2005 prepared by Kanodia Sanyal & Associates, Chartered Accountants, are included on page 135 of this Prospectus. These financial statements have been prepared by the Company in accordance with Indian GAAP and a limited review has been conducted by Kanodia Sanyal & Associates, Chartered Accountants, in accordance with the "Guidance Note on Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. The procedures prescribed under the "Guidance Note on Engagements to Review Financial Statements" do not constitute an audit conducted in accordance with Indian GAAP and under the auditing standards prescribed by the Institute of Chartered Accountants of India. Further these procedures would not necessarily reveal matters of material significance with respect to the information contained in these unaudited financial statements or omitted therefrom. There can be no assurance that there will not be any changes or omissions, material or otherwise, in the information disclosed in these unaudited financial statements included in this Prospectus and the information in our audited financial statements as of and for the fiscal year ended March 31, 2005, which will be available only after the completion of the Issue.

Should a material deviation exist between these unaudited financial statements and the audited financial statements as of and for the fiscal year ended March 31, 2005, which will be subsequently issued, it could have a material adverse effect on the market price of our Equity Shares.

Introduction of alternative packaging materials caused by changes in technology or consumer habits may reduce demand for our existing products and may adversely affect our profitability and business prospects.

Our products are used by printing and packaging converters (who produce packaging materials for food products, toiletries and other hygiene products and labels) and by manufacturing companies, like cigarette and garment manufacturers who require packaging materials.

Demand for our biaxially oriented polyester ("BOPET") and biaxially oriented polypropylene ("BOPP") film will reduce in the event that our customers decide to seek alternative packaging materials. This, coupled with the development of more alternatives, will adversely affect our business and profitability if we are not able to respond to these changes. Our ability to anticipate changes in technology and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance and delays in product development.

Further, any substantial change in the spending habits of consumers who are end users of our products will affect our customers' businesses and, in turn, will affect the demand for our products. Any failure on our part to forecast and/or meet the changing demands of printing and packaging businesses and manufacturing companies will have an adverse effect on our business, profitability and growth prospects.

We have recently undertaken a significant acquisition, and may in the future make further acquisitions, which may prove to be difficult to manage or may not be successful.

In November 2003, we acquired Rexor S.A.S. (formerly Rexor S.A.) ("Rexor"), now our subsidiary, a leading metallised and coated film producer in France. This is a significant acquisition and for the nine months ended December 31, 2004, sales of Rexor S.A.S. comprised approximately 16.4% of our sales on a consolidated basis. In addition, the acquisition of Rexor S.A.S. has strengthened our European distribution network and provides us with access to advanced production technologies. There can be no assurance that we will successfully integrate this acquisition with our existing production facilities and operations. As part of this integration process, we may effect certain product line rationalisation for our facilities.

Part of our growth strategy includes pursuing strategic acquisitions and alliances. We cannot assure you that we will be able to consummate acquisitions or alliances in the future on terms acceptable to us, or at all. In addition, we cannot assure you that the integration of any future acquisitions will be successful or that the expected strategic benefits of any future acquisitions or alliances will be realised. Acquisitions or alliances may involve a number of special risks, including, but not limited to:

- adverse short-term effects on our reported operating results;
- diversion of management's attention;
- difficulties assimilating and integrating the operations of the acquired company with our own; and
- unanticipated liabilities or contingencies relating to the acquired company.

As of the date of this Prospectus, we have not signed any letter of intent or entered into any definitive commitment or agreement for any material acquisition, strategic alliance or strategic investment.

An inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced high growth in recent years and expect our business to grow significantly as a result of the acquisition of Rexor S.A.S. and our plan for capacity expansion. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of customer satisfaction;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- adhering to quality and process execution standards that meet customer expectations;
- preserving a uniform culture, values and work environment in operations within and outside India; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business and financial results.

Our expansion plans require significant expenditure and if we are unable to obtain the necessary funds for expansion, our business may be adversely affected.

We will need significant additional capital to finance our business plans and in particular, our plan for capacity expansions as referred to in the section titled "Objects of the Issue" on page 30 of this Prospectus. A significant portion of our proposed capital expenditure is to be funded through debt. Due to various factors including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs, borrowing or lending restrictions, if any, or our inability to obtain financing on acceptable terms, we may not be able to finance our capital expenditure plans or finance them on competitive terms, which would in turn adversely affect our business and growth prospects.

Covenants with institutional lenders may restrict our operations and expansion ability, which may hurt our business and results of operations and financial condition.

Certain covenants in our financing agreements require us to obtain approval from the financial institutions before undertaking new projects or substantial expansion of the existing facilities, making any investments, issuing new securities (debt or equity), making changes to our capital structure or our senior management or declaring dividends in certain circumstances. Although we have generally not encountered difficulties in obtaining consent from the financial institutions for desired actions in the past, no assurance can be given that such consent will be granted in the future. Pursuant to the terms of a term loan obtained from ICICI Bank Limited that was subsequently assigned to UTI Bank Limited, in the event that we commit a default in payment or repayment of two consecutive instalments of principal amounts of the loan and/or interest thereon, UTI Bank Limited shall have the right to convert at its option the whole or part of the outstanding amount of the loan (whether then due and payable or not), into fully paid-up equity shares of our Company at par. As of February 28, 2005, the outstanding amount under such loan was Rs. 60.8 million.

Certain lenders are also entitled to appoint additional nominee directors on our Board of Directors.

For further details, please refer to the sections titled "Capital Structure – Notes to the Capital Structure" and "Our Business – Financial Indebtedness" on pages 22 and 62, respectively, of this Prospectus.

Our expansion plans are subject to the risk of cost and time overruns.

Our plan for capacity expansion as referred to in the section titled "Objects of the Issue" on page 30 of this Prospectus contains project costs and implementation schedules estimated by us. We intend to utilise the net proceeds of the Issue to increase the production capacity at some of our facilities. Our proposed capacity expansion plans have not been appraised by any financial institution. Our expansion plans are subject to a number of contingencies, including foreign exchange fluctuations, changes in laws and regulations, governmental action, delays in obtaining permits or approvals, inability to obtain machinery and other supplies at quoted or at acceptable rates, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond our control. There have been delays in the past in meeting our project timelines. For example, in connection with the BOPP film production line expansion which was finally commissioned in February 2005, there was a delay of three months on account of damage to one of the machines during transportation from the port to our facility at Nasik and the late arrival of a shipping vessel in the case of another machine. No assurance can be made that similar delays will not occur in the future.

Although we have completed similar projects earlier within parameters estimated by us, we cannot assure you that the actual costs incurred, the production capacity added or time taken for implementation of these plans will not vary from our estimated parameters. For details of our expansion plans including orders yet to be placed, see the section titled "Our Business – Our Expansion Plans" on page 59 of this Prospectus.

Our ability to export BOPET film, especially to the European Union and the United States, may be adversely affected by the imposition of, or increase in the rate of, anti-subsidy and anti-dumping duties.

During the nine-month period ended December 31, 2004, approximately 55% of our sales of BOPET film were exported, mainly to the European Union ("EU") and, to a lesser extent, to the United States. Sales of our BOPET films are subject to a 7% anti-subsidy duty but are not subject to any anti-dumping duty in the EU. This anti-subsidy duty, which was due to expire on December 6, 2004, continues to apply to us for a further period of 15 months as a result of certain review petitions filed by EU producers of BOPET films, unless the applicable regulatory authorities determine otherwise, prior to such period. In this connection, EU regulatory authorities are presently carrying out investigations to review the rate of anti-subsidy duty applicable to us. In the event these investigations result in the imposition of anti-subsidy duty at a higher rate, it could have a material adverse effect on our results of operations.

Recently, EU regulatory authorities had, on the basis of petitions filed by EU producers, initiated proceedings to determine whether any anti-dumping duty should be imposed on us. These proceedings were determined in our favour by the European Commission in March 2005, and no anti-dumping duty was imposed on us. For further information on proceedings relating to anti-subsidy and anti-dumping duties applicable to our Company, please see the section titled "Outstanding Litigation and Material Developments" beginning on page 162 of this Prospectus.

In the United States, our BOPET film products are subject to an anti-subsidy (countervailing) duty of 20.40% and an anti-dumping duty of 6.28%. Any increase in these duties could adversely affect our ability to export BOPET films to the United States and could result in a loss or decline in profitability of our export sales. We have recently initiated proceedings with the Department of Commerce of the United States government to reduce the applicable anti-subsidy (countervailing) duty.

Our current ability to export BOPET films to the EU without imposition of anti-dumping duties gives us an advantage over those of our competitors who are liable to pay anti-dumping duties. Any change in the duty structure that reduces our relative advantage *vis-à-vis* such competitors could result in our exports to the EU, and therefore our revenue, being adversely affected.

Currently, export of BOPP film as well as value added BOPET film based products such as metallised and coated films are not subject to any anti-dumping or anti-subsidy duties except in the case of export of metallised BOPET films to the EU. However, exports of such value added products from both existing and proposed metallising and coating lines could be significantly affected if such duties were imposed in the future in any of our target export markets.

Changes in current customs duty regulations applying to the import of BOPET film and BOPP film could adversely affect our overall performance.

The Indian flexible packaging film industry has been, and still is, protected against competition from imported goods through import duties that are levied by the Indian government. However, the import duties on BOPET film and BOPP film have been reduced in the past and may be subject to further reductions, including as a result of commitments made by India under the World Trade Organisation regime. The Government of India budget for fiscal 2006 has reduced the customs duties on BOPET and BOPP films from 20% to 15%. We cannot assure you that any future change in the import duty regulations will not have an adverse impact on our financial condition and results of operations.

Our ability to avail of certain concessional customs duties depends on our ability to maintain certain levels of exports.

We propose to import capital goods under the Indian Government's EPCG Scheme under which capital goods may be imported at a concessional customs duty rate of 5%. We have provided a legal undertaking to the Indian government in this regard to meet certain export obligations over specified periods of time in order to be eligible for the concessional rate. For further details of these export obligations, please refer to the section titled "Our Business - Export Obligations" at page 57 of this Prospectus. Our failure to achieve the level of exports required in the course of the agreed time period will make us liable to pay the higher rates of customs duties which would have originally applied to us, together with interest which could have a material adverse effect on our results of operations.

Environmental regulation imposes additional costs and may affect the results of our operations.

While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations, additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business. We, like other flexible packaging films and polyester yarn producers, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require us to investigate and remediate contamination at our properties, including contamination that was caused in whole or in part by previous owners of our properties. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

In addition to potential clean up liability, we may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may result in the closure or temporary suspension of our operations or impose adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. This could have a material adverse effect on our results of operations.

Our business is dependent on our manufacturing facilities. The loss of or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

We currently conduct our operations at our manufacturing facilities at Nasik and Gulaothi in India and in Paladru, France. Our facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We are required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. We also shut down plants for capacity expansion and equipment upgrades.

Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

The shortage or non-availability of electricity may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.

Our manufacturing processes require a substantial amount of electricity. In order to have an efficient and reliable electricity supply and reduce production losses, we maintain power generators as our primary source and use the high voltage state electricity supply as our backup source. However, we have experienced some minor power interruptions in the past and cannot assure you that in the future our results of operations or financial condition will not be adversely affected by power interruptions.

We are dependent on third-party transportation providers for the supply of raw materials and delivery of products.

We typically use third-party transportation providers for the supply of most of our raw materials and for deliveries of our products to our customers. Transportation strikes by members of various Indian truckers' unions have had in the past, and could in the future, an adverse effect on our receipt of supplies and our ability to deliver our products. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs may have an adverse effect on our business and results of operations.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

As of March 31, 2005, we had 551 full-time employees in India, including 297 at our facility at Nasik, 145 in our facility at Gulaothi and 109 at our corporate office in New Delhi. The number of our employees is likely to increase with our proposed expansion plans. Currently, employees in our Indian operations are not represented by any labour unions. As of March 31, 2005, we had 164 employees at our facilities in Paladru, France. Rexor personnel are represented by a works council consisting of elected members from among our personnel and our delegate appointed to the General Workers Confederation, a union in France.

While we consider our current labour relations at all our facilities to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

Our success depends in large part upon our senior management, Directors and key personnel and our ability to attract and retain them.

We are highly dependent on our senior management, our Directors and our other key personnel. Our future performance will depend upon the continued services of these persons. Competition for senior management in our industry is intense, and we may not be able to retain our senior management personnel or attract and retain new senior management personnel in the future. Although we maintain key man insurance for some of our Directors and key personnel, the loss of any of these Directors or key personnel may adversely affect our business and results of operations.

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

Our significant insurance policies consist of a comprehensive coverage for risks relating to physical loss or damage as well as business interruption loss. In addition, we have obtained separate insurance coverage for personnel related risks, motor vehicle risks and loss of movable assets risks. For details of our insurance policies see the section titled "Our Business - Insurance" on page 62 of this Prospectus. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, or the insurance policy covering such risk is not honoured, our results of operations and cash flow may be adversely affected.

Members of our Promoter group will continue to retain majority control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, members of our Promoter group will beneficially own approximately 55.20% of our post-Issue equity share capital. As a result, the Promoter group will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. As a consequence of its post-issue shareholding of 55.20%, the promoter group will also have the ability to influence the outcome of any shareholder action or approval requiring a majority vote, except where they are required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

Another shareholder, DEG, also has rights to control our Company. We have also entered into a shareholders agreement in connection with the acquisition of Rexor.

In February 2005, 1,300,000 Equity Shares (the "DEG Subscription Shares") were acquired by Deutsche Investitions und Entwicklungs-Gesellschaft mbH ("DEG") pursuant to a preferential allotment made by our Company. Subsequently, on March 22, 2005, certain cumulative convertible preference shares acquired by DEG from certain of our Promoters were converted into 572,000 Equity Shares. DEG currently holds approximately 9.5% of our equity share capital. The Company has entered into a share subscription agreement dated January 6, 2005 between our Company and DEG (the "SSA"). Under the terms of the SSA, some of which have been incorporated in our Articles of Association:

- DEG has a right to appoint one director to our Board (the "DEG Director") until such time as DEG sells any of the shares in our Company so that at any time it holds less than 988,000 Equity Shares (or such changed number of equity shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation fund or any stock split/consolidation in respect of the 988,000 Equity Shares), on a fully diluted basis;
- Our Company shall, simultaneously with any public offer or issue of American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs") or any rights issue by our Company, whichever is earlier, convert all the convertible instruments issued by our Company outstanding on the date of such public offer or ADR/GDR issue or rights;
- If permissible under applicable laws, and subject to compliance with applicable laws, our Company shall not have any objection to DEG listing the DEG Subscription Shares as ADRs or GDRs;
- We require DEG's prior written positive assent for, among other matters, (a) any change in our Memorandum or Articles of Association; (b) change in the nature of our business; (c) change in our Financial Year; (d) to incur any capital expenditure exceeding US $ 5 million in a Financial Year for tax planning not within the ordinary course of business; (e) to incur expenditure for fixed or non current assets in any Financial Year exceeding US $ 10 million, and (f) to make or hold any investment in shares or equity related securities exceeding US $ 5 million (other than investments in group companies and subsidiaries of our Company held as on date of the SSA).
- Unless DEG otherwise agrees, the aggregate long term debt to equity ratio of our Company shall not exceed 1.3:1, provided that during the implementation phase of the publicly disclosed expansion program of our Company, the long term debt to equity ratio may go up to 1.5:1.
- Our Board shall not, without the positive assent of the DEG Director, accord an approval to our Company's annual business plan, starting with Financial Year 2005-06.

In addition, we have covenanted that we shall, on a best efforts basis, *inter alia*, achieve the following in consultation with DEG:

- Increase the Company's Free Float (the equity share capital of our Company on a fully diluted basis, calculated in the manner prescribed in the SSA) through a primary issue to the general public within 18 months of DEG subscription such that a Free Float of at least 28% is achieved.
- Endeavour to maximize our annual dividend payouts. The dividend policy shall be conducive to increasing the share price of our Company. Targeted dividend payout shall be linked to the net profits of our Company on a best efforts basis subject to availability of funds to meet our Company's internal requirements.

From the date after (i) our Company's Free Float reaches a level of 28% or (ii) DEG sells any of its shares in our Company so that at any time it holds less than 988,000 shares (or such changed number of shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation fund or any stock split/consolidation in respect of the 988,000 shares), on a fully diluted basis, certain of the rights available to DEG under the SSA will not continue to be applicable.

In connection with the acquisition of Rexor, we have also entered into a shareholders agreement with Mr. Jean-Paul Rouselette dated October 14, 2003.

For further information relating to the SSA and the shareholders agreement in connection with the acquisition of Rexor, see the section titled "History and Certain Corporate Matters – Shareholder Agreements" on page 74 of this Prospectus.

There were deviations in the performance vis-à-vis projections made by us and Jindal Photo Films Limited (now known as Consolidated Finvest and Holdings Limited), one of our Promoter group companies, in previous issues.

We made our initial public offering in August 1994 to raise Rs. 302.25 million and in the offering document we made certain projections relating to expected sales, net profits and earnings per share for the three years following the initial public offering. The table below sets forth our actual results for the three-year period as compared to the projections that were then made:

(Rs. in million, unless otherwise indicated)

	Projections			Performance		
	FY 1995	**FY 1996**	**FY 1997**	**FY 1995**	**FY 1996**	**FY 1997**
Capacity Utilisation (%)	89	89	89	100	100	100
Sales	2,334.80	2,754.00	2,754.00	2,521.70	3,252.90	2,944.40
Profit before depreciation, interest and tax	425.00	505.40	501.70	437.71	368.58	357.15
Depreciation	47.30	51.90	55.90	44.68	54.87	145.94
Interest	62.30	40.80	23.50	49.95	45.17	191.18
Profit before tax	315.40	412.70	422.30	343.07	268.54	20.02
Profit after tax	225.60	275.40	281.20	241.07	268.54	17.40
Profit after tax and dividend on preference shares	220.70	270.50	276.30	223.85	262.20	(14.58)
Earning Per Share (Rs.)	35.76	43.84	44.78	38.45	42.49	1.71
Net cash accruals	257.20	306.10	315.90	268.53	301.63	131.36
Book value (Rs.)	119.40	160.24	202.02	159.40	200.59	99.10
Equity capital	61.70	61.70	61.70	61.70	61.70	123.40
Preference capital	81.40	81.40	81.40	110.28	110.28	110.28
Reserves	675.00	927.00	1,184.80	947.85	1,200.50	1,121.02
Dividend (%)						
Equity	25	30	30	25	25	25
Preference	6	6	6	6	6	6

We cannot assure you that our plans disclosed in this Prospectus which are based on our estimates and projections for the future, will materialise.

One of our Promoter group companies, Jindal Photo Films Limited (now known as Consolidated Finvest and Holdings Limited) had made a composite offer (rights offer cum public offer) of equity shares and cumulative convertible preference shares in January- February 1995 aggregating to Rs. 1,915.60 million. In the offering document for that issuance, the company made certain projections for five financial years. However, the actual performance of the company did not meet the projections that were made. Further, the funds raised from the said issue were not fully utilized by Jindal Photo Films Limited for the purposes disclosed in the offer document.

For further details, see the sections titled "Promise vs. Performance – Last Three Issues" and "Promise vs. Performance – Last Issue of Group/Associate Companies" on page 184 of this Prospectus.

If we are not able to renew or maintain our statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.

We require certain statutory and regulatory permits and approvals to operate our business. For example, we are yet to receive the following material statutory approvals which have expired and for which renewal applications have been made:

- Licences under the Factories Act, 1948, for our facilities at Gulaothi and Nasik;
- Licence under the Petroleum Act, 1934 for our facility at Nasik;
- Licence under the Poisons Act, 1919 for our facility at Gulaothi;
- Consents under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 for our facilities at Gulaothi, Nasik and Khanvel;

- Authorisation under the Hazardous Waste (Management and Handling) Rules, 1989 for our facilities at Gulaothi, Nasik and Khanvel.

In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for our proposed operations. While we believe that we will be able to renew or obtain such permits and approvals at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals, including those set forth above, may result in the interruption of our operations or delay or prevent our expansion plans at Nasik and Khanvel and may have a material adverse effect on our business, financial condition and results of operations. For further information, please refer to the section titled "Government and Other Approvals" on page 176 of this Prospectus.

We are involved in a number of legal and regulatory proceedings that, if determined against us, could have a material adverse impact on us.

The following legal and regulatory proceedings are currently pending against our Company:

- A winding up petition filed in September 1999 by one of our contractors before the Allahabad High Court, where the contractor has alleged that he is yet to be paid approximately Rs. 1.90 million for work done.
- Two cases relating to immovable properties in connection with alleged unauthorized construction, misuse and possession of certain immovable properties. The claims against us in these cases aggregate to approximately Rs. 44.94 million.
- A labour related case pending against us before the Allahabad High Court. The claim against us in this case is approximately Rs. 0.13 million.
- Two consumer matters, where one of the cases has been filed by an investor who had applied for 100 equity shares of our Company and the other case has been filed by another shareholder of our Company. The claims against us in this case aggregate to approximately Rs. 0.07 million.
- An arbitration matter instituted by one of our contractors. The claim against us in this matter is approximately Rs. 34.20 million.
- There are six recovery suits pending against us. The claims against us in these cases aggregate to approximately Rs. 5.27 million.

All the above legal proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. For further details on the above cases, see the section titled "Outstanding Litigation and Material Developments" on page 162 of this Prospectus.

We are involved in a number of cases relating to excise duty, customs duty, sales tax, income tax, service tax and other statutory dues which if determined against us could have a material adverse impact on us.

There are 19 disputes relating to excise duty pending against our Company. The disputed excise duty in these cases aggregates to approximately Rs. 113.08 million.

There are five disputes relating to customs duty pending against our Company. The disputed customs duty in these cases aggregates to approximately Rs. 133.36 million.

There are disputes relating to sales tax assessments for the financial years 1987-88; 1991-92; 1997-98; 1998-99; 2002-03; 2003-04 and 2004-05 pending against our Company. The disputed sales tax in these cases aggregates to approximately Rs. 3.20 million.

There are disputes relating to income tax assessments for the financial years 1989-90; 1990-91; 1991-92; 1992-93; 1994-95; 1995-96; 1996-97; 1997-98; 1998-99; and 2000-2001 pending against our Company. The income tax liability in dispute aggregates to approximately Rs. 148.01 million.

There is one dispute relating to service tax pending against us. The claim in this case is approximately Rs. 0.89 million.

In addition, there are eight pending cases relating to demands raised by the statutory authorities against us. The amounts under dispute aggregate to approximately Rs. 24.83 million. There are also certain proceedings pending against us in relation to EU and U.S. anti-subsidy and anti-dumpting duties.

All the above legal proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. If any, all or some of these cases are determined against us, our results of operations could be adversely affected. For further details on the above cases, please see the section titled "Outstanding Litigation and Material Developments" beginning on page 162 of this Prospectus.

We have contingent liabilities under Indian Accounting Standards, which may adversely affect our financial condition.

As on December 31, 2004, the contingent liabilities appearing in our restated unconsolidated financial statements were:

- Bank guarantees amounting to Rs. 117.10 million provided by banks on behalf of our Company; and
- Outstanding letters of credit amounting to Rs. 646.17 million.

There are a number of legal proceedings against our Directors, our Promoters and group companies.

Our Directors, Promoters and group companies are parties to certain legal proceedings initiated by or against such parties. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. For more information regarding legal proceedings against the Directors, Promoters and group companies, see the section titled "Outstanding Litigation and Material Developments" beginning on page 162 of this Prospectus.

Some of our subsidiaries and group/associate companies have incurred losses in recent fiscal periods.

Some of our subsidiaries and group/associate companies have incurred losses as per their financial statements for the last three fiscal years ended March 31, 2004.

The details of these losses are set out in the table below:

Subsidiary/Group or Associate Company		Loss	
	Fiscal 2002	**Fiscal 2003**	**Fiscal 2004**
Subsidiaries (Euros million)			
Jindal France S.A.S.	Not applicable	Not applicable	(0.08)#
Group/Associate Companies (Rs. million)			
Jupex Baxter Private Limited	(0.45)	(0.46)	(0.48)
Super Industries (P) Limited	(0.86)	(0.95)	(0.85)
Jumbo Finance Limited	(0.45)	(0.22)	(0.21)
Bazaloni Group Limited	(1.60)	—	(1.12)
Jindal Realtors Limited	—	—	(0.11)

Equivalent of Rs. 4.39 million, calculated at the exchange rate of Rs. 54.85 = Euro 1.00 (the RBI Reference Rate on May 17, 2005)

Jindal France S.A.S. ("Jindal France"), which was incorporated in October 2003, is the holding company of Rexor S.A.S. and its main income stream is receipt of dividend. The loss in fiscal 2004 was due to general administrative expenses and the absence of any dividend income during such period.

These group/associate companies, except Bazaloni Group Limited, do not generate any revenue. The losses are primarily due to general administrative expenses. Bazaloni Group Limited is in the tea business and has incurred losses due to low realisations. Although these losses are currently insignificant, future losses in these subsidiaries and group/associate companies may adversely affect our business.

We have in the last 12 months issued Equity Shares at a price which was equal to or lower than the Issue Price.

We have in the last 12 months made the following issuances of Equity Shares:

Date of Allotment & Date on which fully paid-up	**Number of Equity Shares (of face value of Rs. 10)**	**Issue Price (Rs.)**	**Consideration (cash, bonus, consideration other than cash)**	**Reasons for allotment**
February 11, 2005	1,300,000	360	Cash	Preferential Allotment to DEG
March 22, 2005	2,888,400	10	Conversion of Preference Shares	Conversion of preference shares of our Company (Series II) into Equity Shares in the ratio of 1:1
March 22, 2005	2,888,400	10	Bonus (1:1)	Bonus to holders of preference shares of our Company (Series II) in the ratio of 1:1
March 22, 2005	345,755	360	Conversion	Conversion of preference shares of our Company (Series III) into Equity Shares in the ratio of 1:36
Total	**7,422,555**			

Out of the 7,422,555 Equity Shares specified above, 1,300,000 Equity Shares have been issued to DEG, 4,938,746 Equity Shares to the Promoters and 1,183,809 Equity Shares to other individuals/corporates.

External Risks

Further expansions in the flexible packaging films industry may result in excess capacity, which may affect our financial condition.

Our current expansion plan contemplates substantial increase in the capacity of our existing BOPET film and BOPP film manufacturing businesses.

The high growth rate and prospects for profitability in the BOPET film and BOPP film manufacturing businesses could lead to other companies increasing their production capacity in these segments. This could result in excess capacity in the market. Although our products have so far been able to compete in terms of quality and price, in domestic and international markets, no assurance can be given that we will be able to fully utilise our increased capacity and sell our increased production on competitive terms/terms acceptable to us or at all.

An increase in the prices of raw materials will raise our manufacturing costs and could adversely affect our profitability.

The main raw materials that we use in the production of BOPET film, BOPP film and POY are dimethyl terephthalate, monoethylene glycol, purified terephthalic acid and polypropylene homopolymers and copolymers. Raw material costs account for the single largest component of our expense base and constituted approximately 58% of net sales during the nine-month period ended December 31, 2004. The prices of most of our raw materials are impacted by changes in the international price of crude oil. Any significant increase in the prices of raw materials due to increases in crude oil prices or any other reasons may increase our manufacturing costs and adversely affect our profitability.

Historically, we have been able to successfully pass on most of the raw material price increases to our customers of BOPET film and BOPP film. However, we can give no assurance that we will be able to continue to do so in the future.

Our operations may be adversely affected by a shortage of raw materials.

Our business depends on the adequate supply of high quality raw materials obtained at reasonable prices on a timely basis. This makes our operations vulnerable to interruptions or other changes in the raw material supply.

Though our Company has multiple suppliers for all key raw materials with cumulative capacities significantly higher than our requirements, we cannot assure you that all our raw material requirements will continue to be satisfied by these suppliers.

Our inability to obtain high-quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

We face substantial competition in the flexible packaging films business, both from Indian and international companies, which may hurt our revenues.

The Indian flexible packaging films industry is highly competitive both in the BOPET film segment and in the BOPP film segment. Garware Polyester Limited is currently our largest competitor in the BOPET film segment, while in the BOPP film segment where we are relatively a new entrant, existing players such as Cosmo Films Limited and Flex Industries Limited are our main competitors. Internationally, our Company faces competition from large vertically integrated and diversified companies in South Korea, Japan and Taiwan, large chemical companies in the United States and Western Europe, low cost producers in China and various small companies specializing in limited segments of the market. A number of our international competitors are larger than us and have greater financial resources. We also may face competition from new companies that are emerging, especially in China, who would then attempt to obtain a share of our existing markets.

Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have a material adverse effect on our business, results of operations and financial condition. We cannot be certain that we will continue to compete successfully against either current or potential competitors in the future.

Changes in economic conditions may adversely affect our sales.

We operate in the plastics and polyester industries. Some of our products are commodity grade and are to a large extent fungible with our competitors' products. Demand for our products is sensitive to changes in industry capacity and output levels, cyclical changes in regional and global economic conditions and changes in consumer demand. For example:

- Prices for POY have declined significantly in recent years, reflecting reduced demand as a result of the global economic downturn and excess capacity.
- Demand for certain applications of BOPET film, such as magnetic media and thick films for imaging, has also declined significantly, reflecting the rising acceptance of digital media in photographic and electronic applications.

In addition, our performance, sales and results of operations are dependent upon the economies of several countries where we have significant sales, including India and certain countries of the EU and South East Asia.

Due to the above factors, there can be no assurance that sales of our products will continue to improve or be maintained at current levels. A downturn in any of these markets can have a significant impact on the selling prices of our products and on our results of operations.

Taxes and other levies imposed by the Government of India or other state governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time.

The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Currently we enjoy certain tax benefits, which result in a decrease in the effective tax rate compared to the tax rates that we estimate would have been applicable if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

Several state governments in India have recently introduced a value added tax regime. The impact of the introduction of the value added tax regime on our business and operations will depend on a range of factors including the rates applicable and the exemptions available to our facilities. Currently, we are unable to ascertain the impact of the value added tax regime on our business and operations.

The Government of India has recently introduced a fringe benefit tax payable in connection with certain expenditures incurred by the Company which is likely to increase the tax liability of the Company.

We face foreign exchange risks, which may adversely affect our cash flows and results of operations.

We expect to import our proposed production lines from certain countries including Germany. As these new production lines will have to be paid for in foreign currencies, adverse changes in the foreign currency exchange rates will increase our machinery costs, affect our cash flow adversely and will also affect our profitability on account of an additional depreciation charge. We will face foreign exchange risks in the future if we decide to purchase new machinery or equipment from outside India. As on December 31, 2004, we had U.S. Dollar denominated borrowings of approximately US$ 46.51 million. Any depreciation of the Rupee against the U.S. Dollar will increase our Rupee cost of servicing and repaying our foreign currency borrowings.

We are a large exporter of BOPET films to many countries, and for the nine-months ended December 31, 2004, nearly 60% of our revenue from exports were denominated in U.S. Dollars and 35% were denominated in Euros. However, a significant portion of our unconsolidated sales are denominated in Rupees. Though the foreign exchange earned from export sales offsets to some extent the debt repayment risk resulting from any potential depreciation of the Rupee against the U.S. Dollar and the Euro, there can be no assurance that the foreign exchange earned from export sales will be sufficient to pay all of our obligations under our U.S. Dollar denominated borrowings. In addition, any changes in exchange rates may adversely affect the profitability of our export sales.

We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. Our exposure to interest rate risk relates primarily to US$ LIBOR linked loans taken from Commerzbank Aktiengesellschaft and AKA Ausfuhrkredit-Gesellschaft mbH, Germany, State Bank of India and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Singapore Branch. We have not hedged our LIBOR rate-linked interest exposures.

We are exposed to interest rate risk on our floating rate debt and on additional debt financing that may be periodically needed for the capital expenditures associated with our future acquisitions or expansion plans. Upward fluctuations in interest rates increase the cost of both existing and new debt. The interest rate that we will be able to secure in a future debt financing will depend on market conditions at the time, and may differ from the rates on our existing debt. This may adversely impact our results of operations, planned capital expenditures and cash flows. Although we may in the future enter into hedging arrangements against interest rate risks, there can be no assurance that these arrangements will successfully protect us from losses due to fluctuations in interest rates.

Any further issuance of Equity Shares by us or sales of our Equity Shares by our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any significant shareholder, including our Promoters, may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Our Company has, subject to certain exceptions, agreed with the BRLMs that for a period of 180 days commencing from the date of listing of the Equity Shares allotted pursuant to the Issue, our Company and its subsidiaries shall not, and shall not announce any intention to, without the prior written consent of the BRLMs, directly or indirectly, (1) issue, offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any equity or equity-linked securities of the Company or (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such securities, whether any such transaction described in (1) and (2) herein is to be settled by delivery of any securities of the Company, in cash or otherwise.

Further, our Promoters and certain of our shareholders belonging to the Promoter group (each a “Lock-up Entity”) have agreed that, without the prior written consent of the BRLMs on behalf of the Underwriters, they will not (and will not publicly announce any intention to), until 180 days from the date of listing of the Equity Shares issued in the Issue (the “Lock-Up Period”), (1) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any other securities convertible into or exercisable or exchangeable for Equity Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares, or any other securities convertible into or exercisable or exchangeable for Equity Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise. The foregoing restrictions, however, will not apply to (a) any *inter se* sale, transfer or disposition of Equity Shares among the Lock-up Entities or (b) any sale, transfer or disposition by a Lock-up Entity to any person or entity that is not a Lock-up Entity, to the extent that such sale, transfer or disposition does not, either individually or collectively with any sale, transfer or disposition effected during the Lock-up Period by any other Lock-up Entity, result in or may result in the transfer, directly or indirectly, of Equity Shares in excess of an aggregate of 2% of the Company's paid up Equity Share capital following the Issue.

The 1.3 million Equity Shares issued to DEG on February 11, 2005 pursuant to a preferential allotment are subject to a statutory lock-up for a period of one year from February 11, 2005. In addition, we have undertaken to the BSE that 25% of the 6,122,555 Equity Shares allotted on March 22, 2005 pursuant to the conversion of certain of our cumulative convertible preference shares will be locked-up for a period of three years from May 12, 2005, the date that such Equity Shares were listed on the BSE. For further information, please see footnote to Note 1 of "Capital Structure - Notes to Capital Structure" on page 22 of this Prospectus.

Terrorist attacks or war or other serious conflicts involving India or other countries could adversely affect business sentiment and the financial markets and adversely affect our business.

Incidents such as the terrorist attacks of September 11, 2001 in New York and Washington D.C. may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability.

India has from time to time experienced, and continues to experience, social and civil unrest, hostilities and armed conflicts, which could also adversely affect the Indian economy, as a whole, and our business, in particular.

Notes:

- The net worth of our Company as on December 31, 2004 was Rs. 4,879.80 million.
- Public issue of 8,333,325 Equity Shares of Rs. 10 each at a price of Rs. 360 per Equity Share for cash aggregating upto Rs. 3,000 million.
- The average cost of acquisition of Equity Shares by our Promoters is Rs. 62.40 per Equity Share and the book value per Equity Share as on December 31, 2004 was Rs. 244.10 per Equity Share.
- Investors may contact the BRLMs for any complaints, information or clarifications pertaining to the Issue.
- Investors are advised to see the section titled "Basis for Issue Price" on page 33 of this Prospectus.
- The Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue will be allocated on a discretionary basis to QIBs. Further at least 15% of the Issue will be made available for allotment on a proportionate basis to Non Institutional Bidders and at least 35% of the Issue will be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- The name of our Company was changed from Jindal Polyester Limited to Jindal Poly Films Limited on April 19, 2004. Our Company has major expansion plans in the flexible packaging films business. Also, the share of flexible packaging films business in our Company's sales has also increased steadily. In light of the aforesaid factors and the acquisition of Rexor, our Company changed its name to Jindal Poly Films Limited so as to reflect the focus on flexible packaging films business. Since the objects clause of the memorandum of association of our Company permitted carrying on of activities reflected by the new name, there was no amendment to the objects clause pursuant to the change of name.
- Except as disclosed in Note 7 of the section titled "Capital Structure – Notes to the Capital Structure" beginning on page 22 of this Prospectus, our Directors, our Promoters or directors of our Promoter companies have not purchased or sold any securities of the Company during a period of six months preceding the date of the filing of the Red Herring Prospectus.
- Refer to note 7 in Annexure III (B) of the section titled "Financial Statements" on page 100 of this Prospectus for the related party transactions with subsidiary companies, related companies and individuals. Our Promoter, Soyuz Trading Company Limited, provides consultancy services to our Company under an agreement dated May 16, 2005 which is valid until March 31, 2007. For further details of the same, please refer to the section titled "History and Certain Corporate Matters – Other Agreements" on page 76 of this Prospectus. Investors should note that in case of oversubscription in the Issue, Allotment will be made on a proportionate basis to Retail Individual Bidders and Non-Institutional Bidders. For details please refer to the section titled "Basis of Allocation" beginning on page 205 of this Prospectus.
- Investors may contact the BRLMs for any clarification or information that they may require in connection with this Issue.

SUMMARY

This is only a summary and does not contain all information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information on "Risk Factors" and our financial statements and related notes appearing elsewhere in this Prospectus, before deciding to invest in our Equity Shares.

Overview of the Flexible Packaging Films Industry

Flexible packaging generally involves the use of light weight, durable and flexible materials, such as plastic films, paper and aluminium foil (rather than traditional materials such as paper board, glass or tin), to package and label products. Applications for flexible packaging include labels, adhesive tapes and wrappings for food, tobacco, textiles and consumer products. The principal substrates currently used by the flexible packaging industry are BOPET films and BOPP films. These films ensure moisture and aroma retention and facilitate printing.

Historically, paper board, glass and other rigid materials dominated the packaging industry. Growing consumer awareness and competition in consumer goods, such as processed foods and personal care products, have created increasing demand for more creative and durable packaging solutions. Concurrently, improved technology has enabled production of superior quality plastic-based flexible packaging materials which can improve the aesthetic appeal and shelf life of the packaged products at a competitive price. Plastic flexible packaging materials are durable, water resistant and can be moulded. As they are thinner and lighter than conventional packaging materials, their use has reduced packaging, transportation and warehousing costs.

The consumption of flexible packaging films in India is currently low relative to international markets. According to PCI Films Consulting Limited - Polyester Films Quarterly Business Report no. 33 – Quarter Four 2002, India's per capita annual consumption of flexible packaging of approximately € 2 (Rs. 109.70), compared to approximately € 40 (Rs. 2,194.00) in North America, approximately € 25 (Rs. 1,371.25) in Western Europe and approximately € 15 (Rs. 822.75) in Taiwan and South Korea, suggests potential for future growth. Factors which may impact growth in the flexible packaging sector in India include:

- Increase in plastic packaged processed and fresh food due to increasing hygiene consciousness amongst consumers;
- Increasing industrialisation and expected emergence of the organized retail industry;
- Increasing use of small flex pack pouches for shampoo, tooth powder, tea and other such products;
- Increasing export of ready made garments due to the relaxation of textile quotas internationally; these garments are generally required to be packaged in plastic bags; and
- Entry of multinational food and retailing companies, which are expected to increase the demand for sophisticated plastic-based flexible packaging products.

Overview of our Business

We are India's largest manufacturer of flexible packaging films.[1] We manufacture and sell BOPET films, BOPP films and metallised films. We also manufacture and sell POY and manufacture polyester chips for captive consumption. Our films are used in labels, adhesive tapes, food packaging and wrapping for tobacco, consumer products and textile products. End-users of our films include several Fortune 500 companies.

We acquired Rexor S.A.S., our French subsidiary, in November 2003, and consequently gained access to a broad range of advanced metallised and coated film production technologies that we can use in our cost-efficient Indian production facilities. The acquisition also strengthened our European distribution network which gives us a significant advantage over our competitors.

DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH, one of Europe's largest development finance institutions, has recently invested in our Company, and currently holds approximately 9.5% of our equity share capital.

We are promoted, among others, by Mr. Shyam Sunder Jindal, son of Mr. B.C. Jindal. We form part of the Rs. 15,000 million B.C. Jindal group, a 50 year old industrial group offering a wide range of products. Jindal Photo Limited, a Promoter group company, has a technical and marketing alliance with Fuji Photo Films, Japan and is a leading Indian manufacturer of photographic films, X-ray films and photographic paper. Another Promoter group company, Jindal (India) Limited, is involved in the manufacturing of steel pipes, tubes, cold-rolled and galvanised coils and sheets.

In fiscal 2004, we had unconsolidated net sales of Rs. 5,422 million and unconsolidated net profit before taxes of Rs. 801 million. BOPET films (including metallised films) and BOPP films accounted for approximately 47% and 14%, respectively, of our net sales and approximately 72% and 14%, respectively, of our net profit before taxes for that year. Polyester yarn and other products represented 39% of our net sales and 14% of our net profit before taxes for that year. The profit margins are higher in BOPET films due to higher

[1] Source: Information derived from PCI Films Consulting Limited – A Statistical Review of the World Polyester Film Market (September 2004) and AMI Consulting – The Global Market for BOPP Films (December 2004).

margins from the sale of value added products and exports to the European Union. Domestic sales accounted for 78% and exports accounted for 22% of our net sales during the same fiscal year.

Our focus is on being an integrated packaging films solutions company. We are competitively positioned and offer a full range of thin and thick BOPET film and BOPP film products required by large flexible packaging converters (who buy and process our products for distribution to end-users) making us a "one-stop-shop" supplier. From being a producer of only polyester yarn in 1985, we diversified into BOPET film production in 1996. In 2003, we commenced production of BOPP films and metallised films. We plan to commence production of coated film products at our plant at Nasik by July 2005. Our capabilities to produce value added products were strengthened by our acquisition of Rexor S.A.S, which produces metallised and coated films for applications such as tear tapes, hot stamping foils, security threads and other high-value products for specialised technical applications.

Our plant at Nasik, Maharashtra is the largest single location plant in India for the manufacture of flexible packaging films and, we believe, among the largest in the world. Our plant at Nasik currently has the capacity to produce 86,000 tonnes per annum of BOPET film, 45,000 tonnes per annum of BOPP film, 12,000 tonnes per annum of metallised film and 93,800 tonnes per annum of polyester chips. Following the installation of our new BOPET film line in March 2005, we have the fifth largest BOPET film manufacturing capacity in the world, based on information derived from PCI Consulting Limited – Statistical Review of the World Polyester Film Market (September 2004).

We are one of India's largest exporters of BOPET films with exports of more than Rs. 1,800 million during the nine-month period ended December 31, 2004. We accounted for a majority of the total BOPET film exports from India to EU during such period. We are not subject to anti-dumping duties on BOPET film exports to EU that EU regulators impose on our competitors in India. This gives us an advantage over our domestic competitors in exporting BOPET film to the EU, where the realisations on such film are among the highest in the world. Through Rexor S.A.S. and our distributor relationships in over 40 countries, we have a well-established international marketing network.

We completed our initial public offering of shares in India in 1994. Our Equity Shares are traded on the BSE and NSE.

Our Business Strategy

Our business strategy is to:

- Increase domestic market share by focusing our business on flexible packaging films, develop our business into a "one-stop-shop" for customers, develop new products and applications and enhance our capacity ahead of our competitors to meet future expected increases in demand for flexible packaging films;
- Expand into international markets by leveraging high-quality products manufactured at lower cost in India and gain increased access to global markets through our strong distributor networks and Rexor;
- Export value-added products, such as metallised films and coated films, developed by Rexor or using Rexor's technologies, which command higher prices and are more profitable and which minimize the impact of duties;
- Be cost-competitive by increasing our capacity to benefit from economies of scale, establishing our production facilities closer to our raw material suppliers and labour source, employing new technologies to improve product quality, lowering wastage and providing flexibility to respond to market demands, manufacturing polyester chips for internal manufacturing consumption and minimizing overhead costs through improved operational efficiency;
- Be competitive with Chinese flexible packaging film producers by increasing operational efficiency and producing high-quality products at affordable prices. We view our ability to offer integrated packaging solutions to be a key differentiating factor in this regard; and
- Expand through acquisitions of foreign operations engaged in the manufacture and distribution of value added products. Our acquisition of Rexor in France is a good example of this strategy.

Our Competitive Strengths

Our competitive strengths as a participant in the flexible packaging films industry include:

- *Diverse product portfolio:* Our acquisition of Rexor in France makes us one of the few players globally to be able to offer a full range of thin and thick BOPET film and BOPP film products required by large flexible packaging converters and end-users. Our new production facilities in India have significantly enhanced our capability to produce speciality BOPET and BOPP films, such as specialised hot stamping foils, isotropic films, pinhole free yarn grade films, low oligomer milky white films, flame treated five-layer films and high speed tobacco overwrapping films.
- *Global scale:* We are the largest manufacturer of flexible packaging films in India. Our plant at Nasik, Maharashtra is the largest single location plant in India for the manufacture of flexible packaging films and, we believe, among the largest in the world. Following

the installation of our new BOPET film line in March 2005, we have the fifth largest BOPET film manufacturing capacity in the world.

- *International market reach:* We have a well developed marketing network in over 40 countries, covering the majority of the world market for BOPET film. In addition, our acquisition of Rexor has further enhanced our presence in Europe.
- *Demonstrated export track record:* We are the largest Indian exporter of BOPET films, accounting for a majority of Indian exports of BOPET film to the EU. We are currently the only Indian manufacturer exporting BOPET films not subject to anti-dumping duties that are otherwise imposed on other Indian manufacturers by the EU.
- *State of the art manufacturing facilities:* Most of the production lines installed at our production facilities use state-of-the-art German technology and equipment. We were the first plastic film manufacturer in India to employ an 8.7 metre width BOPET line and an 8.2 metre width BOPP line. The flame treatment facility and our capability to produce five-layer BOPP films on our recently installed 32,000 tonnes per annum BOPP film line are also the first of their kind in India. Our new 45,000 tonnes per annum BOPP production line, when installed next year, will be the largest BOPP film production line supplied by Bruckner, a leading supplier of BOPP film production lines.
- *Research and development capabilities:* We have developed specific products to meet niche market requirements. Our acquisition of Rexor in France provides us access to advanced research and development capabilities for customised products and new applications and enhances our ability to respond to the latest market developments.
- *Competitive cost structure:* We enjoy economies of scale and our facilities are located close to our raw materials suppliers and to our customers. Additionally, we believe our labour and overhead costs are significantly lower than those of our direct competitors. The proximity of our Nasik facilities to the port of Mumbai and raw material sources gives us a competitive advantage in terms of lower transportation costs and shorter lead time for exports.
- *Financial flexibility:* We strive to utilize an optimal mix of debt and internal accruals to meet our fund requirements. Our lower leverage, especially as compared to most of our domestic competitors, reduces our cost of debt funds and gives us flexibility to access debt markets without straining our financial position.

THE ISSUE

Equity Shares offered by the Company	8,333,325 Equity Shares
Of which:	
Qualified Institutional Buyers Portion	Up to 4,166,662 Equity Shares (Allocation on a discretionary basis)
Non-Institutional Portion	At least 1,249,998 Equity Shares (Allocation on a proportionate basis)
Retail Portion	At least 2,916,665 Equity Shares (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	19,762,555 Equity Shares
Equity Shares outstanding after the Issue	28,095,880
Objects of the Issue	Please see the section titled "Objects of the Issue" beginning on page 30 of this Prospectus.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary financial and operating information is derived from (i) our restated unconsolidated financial statements as of March 31, 2000, 2001, 2002, 2003 and 2004 and the nine-month period ended December 31, 2004 and our restated consolidated financial statements for the nine-month period ended December 31, 2004, as described in the Auditors Report in the section titled "Financial Statements" beginning on page 100 of this Prospectus and (ii) our unconsolidated financial statements for the nine-month period ended December 31, 2003 extracted from the audit report for such period prepared by our independent auditors, which report is not included as part of this Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and have been restated as required under the SEBI Guidelines. The unconsolidated financial statements for the nine-month period ended December 31, 2003 have not been restated pursuant to SEBI Guidelines.

The summary financial and operating information presented below should be read in conjunction with the financial statements, the notes thereto included in the sections titled "Financial Statements" and the section titled "Recent Developments" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 100, 8 and 146, respectively, of this Prospectus. Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see "Summary of Significant Differences between Indian GAAP and U.S. GAAP", which appears on page 141 of this Prospectus.

Summary of Restated Profit and Loss Account

(Rs. million)

	Consolidated	**Unconsolidated**						
	For the nine months ended	**For the nine months ended**		**For the year ended March 31,**				
Particulars	**2004**	**2004**	**2003**	**2004**	**2003**	**2002**	**2001**	**2000**
Income								
Net Sales	6,379	5,311	3,852	5,422	3,989	3,686	3,482	3,078
Other Income	125	46	12	62	28	38	55	47
Increase/ (Decrease) in inventories	(61)	(34)	(61)	27	151	(57)	(52)	57
Total Income	**6,443**	**5,323**	**3,803**	**5,511**	**4,168**	**3,666**	**3,486**	**3,182**
Purchase of Goods	40	–	–	–	–	–	–	–
Raw Material Consumed	3,448	3,111	2,079	3,059	2,200	1,894	1,870	1,726
Personnel expenses	410	80	66	89	70	72	73	67
Manufacturing expenses	793	704	547	824	764	662	753	710
Other expenses	250	57	48	83	96	64	72	83
Selling & Distribution expenses	248	186	121	176	137	113	126	127
Diminution in value of capital work in progress	–	–	–	–	66	–	–	–
EBITDA[1]	**1,256**	**1,185**	**943**	**1,280**	**836**	**862**	**591**	**471**
Depreciation	374	330	263	357	309	299	273	187
EBIT[1]	**882**	**855**	**680**	**923**	**527**	**563**	**318**	**284**
Interest & Finance Charges	87	69	86	122	118	155	184	198
Net profit before tax	**795**	**786**	**594**	**801**	**409**	**408**	**134**	**86**
Less : Taxation								
Current tax	91	85	46	61	30	29	11	4
Deferred tax	154	154	136	182	71	50	-	-
Profit after tax	**550**	**547**	**411**	**559**	**307**	**329**	**123**	**82**
Adjustment[2]	–	–	N.A.	–	–	–	–	–
Profit after tax as restated	**550**	**547**	**411**	**559**	**307**	**329**	**123**	**82**

[1] EBITDA is defined as profit before interest, taxation, depreciation and amortization, excluding any adjustments to profit as required under SEBI Guidelines. EBIT is defined as profit before interest and taxation excluding any adjustments to profit as required under SEBI Guidelines. The Company believes that EBITDA and EBIT provide useful information but should not be considered as an indication of, or as an alternative to, profit attributable to shareholders or as an alternative to cash flow as a measure of liquidity. Other companies may calculate EBITDA and EBIT in a different manner.

[2] Adjustment as per SEBI Guidelines have been made in relation to tax in the years to which it pertains, the effect of which is not material.

Per Share Data

(Rs.)

	For the nine months ended Decmber 31,		For the year ended March 31,				
Particulars	**2004**	**2003**	**2004**	**2003**	**2002**	**2001**	**2000**
Earnings per share							
Basic	41.67	32.25	42.52	22.41	25.22	8.74	6.01
Diluted	28.28	9.13	15.56	8.57	6.94	1.85	1.74
Net asset value per share	244.10	195.15	199.76	161.49	157.39	166.88	133.88

Summary of Restated Assets and Liabilities

(Rs. million)

	Consoli-dated	**Unconsolidated**						
As of	**Decem-ber 31,**	**Decem-ber 31,**	**Decem-ber 31,**	**March 31,**				
Particulars	**2004**	**2004**	**2003**	**2004**	**2003**	**2002**	**2001**	**2000**
A. Fixed Assets								
Gross Block	9,272	7,839	6,181	7,728	6,081	5,147	5,076	4,451
Less : Depreciation	3,618	2,544	2,140	2,233	1,878	1,570	1,335	1,063
Net Block	5,654	5,295	4,041	5,495	4,203	3,577	3,741	3,388
Add :Capital work in progress	1,693	1,688	1,415	383	500	325	316	377
Sub Total (A)	**7,347**	**6,982**	**5,456**	**5,878**	**4,703**	**3,902**	**4,057**	**3,764**
B. Investments (B)	**79**	**291**	**413**	**857**	**181**	**175**	**175**	**175**
C. Current Assets, Loans and Advances								
Inventories	1,272	882	739	972	816	562	674	756
Sundry Debtors	1,091	771	303	317	224	249	209	187
Cash & Bank Balances	320	319	49	174	11	29	26	34
Loans & Advances	425	315	398	460	251	230	420	407
Sub Total (C)	**3,108**	**2,287**	**1,488**	**1,923**	**1,301**	**1,069**	**1,328**	**1,384**
D. Liabilities and Provisions								
Secured Loans	3,116	2,788	1,078	1,920	1,271	871	1,740	1,407
Unsecured Loans	146	16	27	22	20	73	50	1,186
Deferred tax Liabilities	1,045	1,045	846	891	709	451	-	-
Current liabilities & Provision	1,346	830	1,133	1,492	475	293	393	421
Share Application Money	-	-	-	-	200	-	-	-
Sub Total (D)	**5,653**	**4,680**	**3,083**	**4,325**	**2,675**	**1,687**	**2,183**	**3,014**
Net Worth (A) + (B) + (C) – (D)	**4,882**	**4,880**	**4,274**	**4,333**	**3,510**	**3,460**	**3,377**	**2,310**

Represented by								
Equity Share Capital	123	123	123	123	123	123	123	123
Preference Share Capital	1,445	1,445	1,445	1,445	1,095	1,095	895	235
Add: Reserves & Surplus (excluding Amalgamation reserve)	3,314	2,889	2,285	2,342	1,873	1,826	1,947	1,543
Add: Amalgamation reserve	–	423	423	423	423	423	423	423
Less: Miscellaneous Expenditure	1	0	2	1	4	8	11	14
Net Worth	**4,882**	**4,880**	**4,274**	**4,333**	**3,510**	**3,460**	**3,377**	**2,310**

Summary Operating Data

(in metric tonnes)

Production Details	**For the nine months ended December 31,**		**For the year ended March 31,**				
	2004	**2003**	**2004**	**2003**	**2002**	**2001**	**2000**
BOPET	33,144	19,519	26,574	25,847	22,015	17,728	12,656
BOPP	10,109	7,684	11,035	9	—	—	—
POY	16,499	17,954	27,568	28,930	28,383	26,078	30,988

Note: Adjustments as per SEBI guidelines have been made in relation to tax in the years to which they pertain, the effect of which is not material.

RECENT DEVELOPMENTS

Set forth below is certain financial information derived from the unaudited unconsolidated statement of assets and liabilities of the Company as of March 31, 2005 and the related unconsolidated statements of profit and loss and cash flows for the fiscal year ended March 31, 2005. These unaudited financial statements, together with the review report dated May 19, 2005 prepared by Kanodia Sanyal & Associates, Chartered Accountants, are included on page 135 of this Prospectus. These financial statements have not been restated in accordance with SEBI Guidelines and do not include any information on a consolidated basis. Also, these unaudited unconsolidated financial statements do not include complete information as may be disclosed in our audited financial statements, such as additional detail in the statement of assets and liabilities, statement of profit and loss, statement of cash flows and the notes to the financial statements.

These financial statements have been prepared by the Company in accordance with Indian GAAP and a limited review has been conducted by Kanodia Sanyal & Associates, Chartered Accountants, in accordance with the "Guidance Note on Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. The procedures prescribed under the "Guidance Note on Engagements to Review Financial Statements" do not constitute an audit conducted in accordance with Indian GAAP and under the auditing standards prescribed by the Institute of Chartered Accountants of India for an audit. Also these procedures would not necessarily reveal matters of significance with respect to the information contained in these unaudited financial statements or omitted therefrom. There can be no assurance that there will not be any changes or omissions, material or otherwise, in the information disclosed in these unaudited financial statements included in this Prospectus and the information in our audited financial statements as of and for the fiscal year ended March 31, 2005, which will be available only after the completion of the Issue. Should a material deviation exist between these unaudited financial statements and our audited financial statements as of and for the fiscal year ended March 31, 2005, it could have a material adverse effect on the market price of the Equity Shares.

The financial information presented below should be read in conjunction with the financial statements and the notes thereto included in the sections titled "Financial Statements", "Summary Financial and Operating Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 100, 5 and 146, respectively, of this Prospectus. Indian GAAP differs in certain significant respects from U.S. GAAP. For information on these differences, see the section titled "Summary of Significant Differences between Indian GAAP and U.S. GAAP", which appears on page 141 of this Prospectus.

JINDAL

JINDAL POLY FILMS LIMITED

CONDENSED BALANCE SHEET AS OF MARCH 31, 2005

(Rs. millions)

I.	**Sources of Funds**				
	1	Shareholders' Funds			
		a.	Share Capital		
			Equity Share Capital	197.63	
			Preference Share Capital	660.00	857.63
		b.	Reserve and Surplus		4,019.71
	2	Loan Funds:			
		a	Secured Loans	3,092.37	
		b.	Unsecured Loans	13.00	3,105.37
	3	Deferred Tax Liability (Net)			1,080.77
					9,063.46
I.	**Application Of Funds**				
	1	Fixed Assets:			
		a.	Gross Block	10,189.36	
			Less: Depreciation	2,564.29	
			Net Block	7,625.07	
			Add: Capital Work in Progress	409.62	8,034.70
	2	Investments			262.13
	3	Current Assets, Loans and Advances			
		a.	Inventories	1,146.02	
		b.	Sundry Debtors	664.29	
		c.	Cash and Bank Balances	197.67	
		d.	Loans and Advances	612.63	
				2,620.60	
		Less: Current Liabilities & Provisions			
		a.	Current liabilities	1,738.21	
		b.	Provisions	116.18	
				1,854.39	766.21
		Net Current Assets			
	4	Miscellaneous Expenditure (To the extent not written off or adjusted)			0.43
					9063.46

Explanatory notes to accounts as per Annexure - I.

As per attached review report of even date.

JINDAL POLY FILMS LIMITED

CONDENSED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

(Rs. millions)

Income	
Gross Sales	7,938.65
Less: Excise Duty	908.81
Net Sales	7,029.85
Other Income	122.45
Accretion / (Decretion) in stock	-103.84
	7,048.46
Expenditure	
Raw Material Consumed	4,074.29
Power and Fuel expenses	532.47
Personnel Expenses	116.50
Interest and Financial Charges	88.85
Other Expenditure	702.35
Depreciation	448.78
	5,963.24
Profit for the Year	1,085.22
Less: Provision for Taxation	
- Current Tax	137.40
- Deferred Tax	189.62
Profit after Tax	758.20
Add : Balance as per Last Balance Sheet	278.55
Less: Transfer to Capital Redemption Reserve Account	631.40
Less: Premium paid on redemption of CCPs	10.00
Profit Available for Appropriation	395.35
Proposed Dividend	
- Preference Shares	36.32
- Equity Shares	
- Tax on Preference Dividend	4.82
- Tax on Equity Dividend	
Transfer to General Reserve	
Balance Carried Forward	354.21
	395.35
Earning Per Share - Basic	56.54
Earning Per Share - Diluted	36.27

Explanatory notes to accounts as per Annexure - I.

As per attached review report of even date.

JINDAL POLY FILMS LIMITED

CONDENSED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2005

(Rs. millions)

		Year ended March 31, 2005
A.	Cash Flow from Operating Activities	942.48
B.	Cash Flow from Investing Activities	-1,786.72
C.	Cash Flows from Financing Activities	867.85
D.	Net Increase / (Decrease) in cash (A+B+C)	23.61
E.	Cash and cash equivalents at beginning of the year	174.05
F.	Cash and cash equivalents at end of the year	197.67

As per review report of even date.

GENERAL INFORMATION

Registered Office of our Company

Jindal Poly Films Limited
19th K.M., Hapur-Bulandshahr Road
P.O. Gulaothi, Bulandshahr
Uttar Pradesh
Registration Number: 3979 of 1974

Our Company is registered at the Registrar of Companies, Uttar Pradesh and Uttaranchal situated at West Cott Road, M.G. Road, Kanpur, Uttar Pradesh.

Board of Directors

The following persons constitute our Board of Directors:

1. Mr. S.K. Mittal
2. Mr. Punit Gupta
3. Mr. Y.V. Rao
4. Mr. Samir Banerjee
5. Mr. A.C. Wadhawan
6. Mr. S.S. Jindal
7. Mr. S.J. Khaitan
8. Mr. Jogesh Bansal
9. Mr. Mohit Jain

For further details of our Chairman, Managing Director and whole-time Directors, see the section titled "Our Management" beginning on page 77 of this Prospectus.

Company Secretary and Compliance Officer

Mr. Sunit Maheshwari
56 – Hanuman Road
New Delhi – 110 001
Tel: +91 11 2334 9270~74
Fax: +91 11 2374 8209
Email: jpfl_fpo@jindalpoly.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refund orders etc.

Legal Advisors to the Issue

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

Amarchand Towers
216, Okhla Industrial Estate, Phase - III
New Delhi - 110 020
Tel. : +91 11 2692 0500
Fax. : +91 11 2692 4900
E-mail: am.delhi_corp@amarchand.com

International Legal Counsel to the Company

(Advising on matters pertaining to the laws of the State of New York and the Federal law of the United States of America)

Mayer, Brown, Rowe & Maw LLP
190 South La Salle Street
Chicago, Illinois 60603-3441
Tel: + 1 312 782 0600
Fax: +1 312 701 7711
E-mail: london@mayerbrownrowe.com

Domestic Legal Counsel to the BRLMs
P&A Law Offices
1st Floor, Dr. Gopaldass Bhawan
28, Barakhamba Road
New Delhi - 110 001
Tel: +91 11 2373 8793
Fax: +91 11 2335 3761

International Legal Counsel to the BRLMs

(Advising on matters pertaining to the laws of the State of New York and the Federal law of the United States of America)

Jones Day

31/F Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong
Tel: +852 2526 6895
Fax: +852 2868 5871

Bankers to the Company

Punjab National Bank
A-9, Large Corporate Branch
Connaught Circus
New Delhi-110 001
Tel: +91 11 2372 1373
Fax: +91 11 2371 2518

UTI Bank Limited
Statesman House
148, Barakhamba Road
New Delhi-110 001
Tel: +91 11 2331 1047
Fax: +91 11 2331 1054

State Bank of Patiala
Commercial Branch
Ist Floor, Chandralok Building
Janpath
New Delhi-110 001
Tel: +91 11 2331 9563
Fax: +91 11 2335 4365

The Bank of Nova Scotia
Dr. Gopal Das Bhawan
Barakhamba Road
New Delhi-110 001
Tel: +91 11 23351522~29
Fax: +91 11 2331 2847

State Bank of India
Industrial Finance Branch
Jawahar Vyapar Bhawan
14th Floor, Tolstoy Marg
New Delhi-110 001
Tel: +91 11 2337 4602
Fax: +91 11 2372 1041

ABN AMRO Bank
DLF Centre, 4th Floor, Sansad Marg
New Delhi-110 001
Tel: +91 11 2375 5407
Fax: +91 11 2375 5401

Aka, Ausfuhrkredit – Gesellschaft Mbh
Grosse Gallusstrasse 1-760311
Frankfurt (Main)
Germany
Tel: +4 9692 9891 00
Fax: +4 9692 9891 200

Commerzbank, Aktiengesellschaft
60261, Frankfurt am Main
Germany
Tel: +4 9691 3623 742
Fax: +4 9691 3623 742

Cooperatieve Centrale Raiffeisin-Boerenleenbank B.A.
77, Robinson Road # 09-00
SIA Building
Singapore 068896
Tel: +65 6230 6730
Fax: +65 6438 4706

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020.
Tel: + 91 22 2288 2460
Fax: + 91 22 2282 6580
E-mail : jpfl_fpo@isecltd.com
Website: www.iseconline.com
Contact Person: Mr. Aneesh Matapurkar

JM Morgan Stanley Private Limited

141, Maker Chambers III,
Nariman Point
Mumbai - 400 021
Tel: + 91 22 5630 3030
Fax: + 91 22 2202 8224
E-mail: jpfl_fpo@jmmorganstanley.com
Website:www.jmmorganstanley.com
Contact Person: Mr. Hrishikesh Patil

Syndicate Members

ICICI Brokerage Services Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: + 91 22 2288 2460
Fax: + 91 22 2282 6580
E-mail : jpfl_fpo@isecltd.com
Website: www.iseconline.com
Contact Person: Mr. Anil Mokashi

JM Morgan Stanley Retail Services Private Limited
Apeejay Business Centre
Apeejay House, 3 Dinsha Vachha Road
Churchgate, Mumbai 400 020
Tel: + 91 22 5504 0404
Fax: + 91 22 5630 1694
E-mail: jpfl_fpo@jmmorganstanley.com
Website: www.jmmorganstanley.com
Contact Person: Mr. Deepak Vaidya

Registrar to the Issue

Karvy Computershare Private Limited
Karvy House, 46, Avenue 4, Street no.1
Banjara Hills
Hyderabad, 500034
Tel: +91 40 2331 2454
Fax: +91 40 2331 1968
E-mail: jpfl_fpo@karvy.com
Website: www.karvy.com
Contact Person: Mr. K. R. Menon

Bankers to the Issue and Escrow Collection Banks

ICICI Bank Limited
30, Mumbai Samachar Marg, Fort
Mumbai 400 001
Tel: + 91 22 2265 5284
Fax: +91 22 2261 1138
E-mail: Sidhartha.routray@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Sidhartha Routray

Citibank N.A.
Bombay Mutual Building
293 D.N. Road, Fort
Mumbai 400 001
Tel: + 91 22 2269 1713
Fax: + 91 22 2269 1715
E-mail: Ketki.shroff@citigroup.com
Website: www.citibank.co.in
Contact Person: Ms. Ketki Shroff

UTI Bank Limited
Statesman House
148, Barakhamba Road
New Delhi 110 001
Tel: +91 11 5152 1956
Fax: +91 11 5152 9153
E-mail: rajkumar.khosa@utibank.co.in
Website: www.utibank.com
Contact Person: Mr. Raj Khosa

HDFC Bank Limited
BTI Operations, New Building,
2nd Floor, 26-A Narayan Properties (off Saki Vihar Road),
Chandivali, Andheri East,
Mumbai 400 072
Tel: +91 22 2856 9228
+91 22 28569009
Fax: +91 22 2856 9272
+91 22 2856 9245
E-mail: viral.kothari@hdfcbank.com
clayton.mendoca@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Anand Somiah or Mr. Sumit Agarwal

Auditors

Kanodia Sanyal & Associates
Chartered Accountants
L-28 (L.G.F.), Kailash Colony
New Delhi 110 048
Tel: +91 11 2621 2543
Fax: +91 11 2642 7693
E-mail: rkanodia@kansons.com

Statement of Inter se Allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and coordination for various activities among the BRLMs:

Activity	Responsibility	Coordination
Capital structuring with the relative components and formalities such as type of instruments etc.	I-Sec JMMS	I-Sec
Due diligence of the Company's operations/management/ business plans/legal etc.	I-Sec	I-Sec
Drafting and design of Red Herring Prospectus and of statutory and non-statutory advertisement including memorandum containing salient features of the Prospectus and any other publicity material. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of the Prospectus and filing with the Stock Exchanges/RoC.	JMMS	
Appointment of other intermediaries viz. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	JMMS I-Sec	JMMS
Retail and Non-Institutional marketing strategy, which will cover inter alia: ● Formulating marketing strategies, preparation of publicity budget; ● Finalising media and public relations strategy; ● Finalising centers for holding conferences for press and brokers; ● Finalising collection centers; and ● Follow-up on distribution of publicity and issue material; including form, prospectus and deciding on the quantum of the Issue material.	I-Sec JMMS	I-Sec
Institutional marketing strategy, which will cover inter alia: ● Finalising the list and division of investors for one-on-one meetings; ● Managing the book, co-ordination with Stock Exchanges & pricing and institutional allocation in consultation with the Company and the BRLMs; and ● Finalising roadshow presentations.	JMMS I-Sec	JMMS
The post bidding activities including management of Escrow Accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The Post-Issue activities will involve essential follow up steps, including finalisation of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.	JMMS I-Sec	JMMS

Credit Rating

As the Issue is of equity shares, credit rating is not required.

Trustees

As the Issue is of equity shares, the appointment of Trustees is not required.

Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date/Issue Closing Date.

The principal parties involved in the Book Building Process are:

(1) The Company;

(2) Book Running Lead Managers;

(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs; and

(4) Registrar to the Issue.

SEBI through its guidelines has permitted an issue of securities to the public through 100% Book Building Process, wherein: (i) upto 50% of the Issue shall be allocated on a discretionary basis to QIBs, (ii) at least 15% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid Closing Date/Issue Closing Date. For further details please refer to the section titled "Terms of the Issue" beginning on page 190 of this Prospectus.

Our Company shall comply with guidelines issued by SEBI for this Issue. In this regard, our Company has appointed ICICI Securities Limited and JM Morgan Stanley Private Limited as the BRLMs to manage the Issue and to procure subscription to the Issue.

Illustration of Book Building and Price Discovery Process (Investors may note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 40 to Rs. 48 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com). The illustrative book as shown below, shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of equity shares bid for	Bid Price (Rs.)	Cumulative equity shares bid	Subscription
500	48	500	8.33%
700	47	1,200	20.00%
1,000	46	2,200	36.67%
400	45	2,600	43.33%
500	44	3,100	51.67%
200	43	3,300	55.00%
2,800	42	6,100	101.67%
800	41	6,900	115.00%
1,200	40	8,100	135.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42 in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut off price i.e. at or below Rs. 42. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

The process of Book Building under DIP Guidelines is relatively new and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Steps to be taken for bidding:

1. Check eligibility for bidding (see "Issue Procedure - Who Can Bid" on page 192 of the Red Herring Prospectus);
2. Ensure that the Bidder has a demat account; and
3. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date/ Issue Opening Date but before Allotment, without assigning any reason therefor.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENED ON : Thursday, June 9, 2005

BID/ISSUE CLOSED ON : Wednesday, June 15, 2005

The Price Band was decided by our Company in consultation with the BRLMs and announced and advertised at least one day prior to the Bid Opening Date/Issue Opening Date. The Price Band was advertised at least one day prior to the Bid Opening Date/Issue Opening Date in The Business Standard (all editions), an English language newspaper with wide circulation and in Jan Satta (all editions), a Hindi language newspaper with wide circulation and Amar Ujala (Kanpur Edition) a Hindi language newspaper.. The announcement on the Price Band was made available on the websites of the BRLMs and at the terminals of the Syndicate.

The Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid Opening Date/Issue Opening Date.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020.Tel: + 91 22 2288 2460 Fax: + 91 22 2282 6580 E-mail : jpfl_fpo@isecltd.com	4,166,563	1,499.96
JM Morgan Stanley Private Limited 141, Maker Chambers III Nariman Point Mumbai - 400 021 Tel: + 91 22 5630 3030 Fax: + 91 22 2202 8224 E-mail: jpfl_fpo@jmmorganstanley.com	4,166,562	1,499.96

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
Syndicate Members		
ICICI Brokerage Services Limited ICICI Centre, 163, Backbay Reclamation H.T. Parekh Marg Mumbai, 400 020 Tel: + 91 22 2288 2460 Fax: + 91 22 2282 6580 E-mail : jpfl_fpo@isecltd.com	100	0.036
JM Morgan Stanley Retail Services Private Limited Apeejay Business Centre Apeejay House, 3 Dinsha Vachha Road Churchgate, Mumbai 400 020 Tel: + 91 22 5504 0404 Fax: + 91 22 5630 1694 E-mail: jpfl_fpo@jmmorganstanley.com	100	0.036

The above mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated June 17, 2005.

In the opinion of the Board of Directors (based on a certificate dated June 17, 2005 given to them by BRLMs and the Syndicate Members), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter, in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount. Allocation to QIBs is discretionary as per the terms of the Red Herring Prospectus and this Prospectus may not be proportionate in any way and the patterns of allocation to the QIBs could be different for the various Underwriters. The allocation to QIBs to be made by us in consultation with BRLMs would be based on various factors, such as quality of the Bidder, size, price and date of the Bid.

CAPITAL STRUCTURE

Our share capital as at the date of this Prospectus is set forth below:

(Rs. millions)

		Aggregate nominal value	Aggregate Value at Issue Price
A	**Authorised Capital** [1]		
	30,000,000 Equity Shares of Rs. 10 each	300.00	
	175,000,000 Preference Shares of Rs. 10 each	1,750.00	
B.	**Issued, Subscribed and Paid-Up Capital before the Issue**		
	19,762,555 Equity Shares of Rs.10 each fully paid-up	197.63	
	66,000,000 2% Redeemable Cumulative Preference Shares of		
	Rs. 10 each (RCP Series I) fully paid-up	660.00	
C.	**Present Issue to public in terms of this Prospectus Issue of:**		
	8,333,325 Equity Shares of Rs. 10 each fully paid-up	83.33	3,000.00
D.	**Equity Capital after the Issue**		
	28,095,880 Equity Shares of Rs. 10 each fully paid-up	280.96	10,114.52
E.	**Share Premium Account**		
	Before the Issue	1,434.96	
	After the Issue	4,351.62	

[1]The authorized share capital of our Company was increased from Rs. 0.3 million to Rs. 6 million on September 25, 1974, from Rs. 6 million to Rs. 10 million on August 8, 1980, from Rs. 10 million to Rs. 20 million on April 26, 1982, Rs. 20 million to Rs. 30 million on October 29, 1983, Rs. 30 million to Rs. 150 million on November 25, 1993 and Rs. 150 million to Rs. 300 million on February 26, 1994. Further, the authorised share capital was increased from Rs. 300 million to Rs. 900 million on March 27, 1995, from Rs. 900 million to Rs. 1150 million on May 8, 1995, from Rs. 1150 million to Rs. 1500 million on August 25, 1995, from Rs. 1500 million to Rs. 1580 million on March 11, 2003, from Rs. 1580 million to Rs. 1900 million on September 22, 2003 and to Rs. 2050 million on March 3, 2004.

Pursuant to an EGM of our shareholders on October 15, 1979, unclassified shares (i.e. shares not classified into equity or preference shares) of Rs. 0.9 million were converted into Equity Shares. On November 30, 2000, Rs. 400 million was cancelled from the authorised equity share capital and the same was transferred to the authorised preference share capital of the Company. On September 29, 2001, Rs. 250 million was cancelled from the authorised equity share capital and the same was transferred to the authorised preference share capital of the Company. On March 11, 2003, Rs. 220 million was cancelled from the authorised equity share capital and the same was transferred to the authorised preference share capital of the Company. On March 3, 2004, Rs. 250 million was cancelled from the authorised equity share capital and the same was transferred to the authorised preference share capital of the Company. On January 31, 2005, 100 million was cancelled from the authorised preference share capital and the same was transferred to the authorised equity share capital of the Company. The cancellations from the authorised equity share capital and the consequent transfer to the authorised preference share capital and vice versa, as disclosed above, were made in accordance with the needs of the Company from time to time.

Notes to the Capital Structure

1. Share Capital History of our Company:

The following is the history of the equity share capital of our Company:

Date of Allotment & Date on which fully paid-up	Number of Equity Shares (of face value of Rs. 10)	Issue Price (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Capital (Rs. in Million)
September 9, 1974	30,000	10	The subscribers to the Memorandum of Association of our Company were allotted these shares in consideration for the transfer of business of Hindustan Tube Company to Hindustan Pipe Udyog Limited.	Initial Allotment	0.3
December 12, 1974	40,000	10	Cash	Expansion of capital base	0.7
March 5, 1975	21,150	10	Cash	Expansion of capital base	0.91
June 28, 1975	34,575	10	Cash	Expansion of capital base	1.25
December 9, 1975	10,000	10	Cash	Expansion of capital base	1.35
December 30, 1975	39,360	10	Cash	Expansion of capital base	1.75
April 3, 1976	14,900	10	Cash	Expansion of capital base	1.9
April 26, 1976	5,000	10	Cash	Expansion of capital base	1.95
July 29, 1976	3,000	10	Cash	Expansion of capital base	1.98
September 30, 1978	67,400	10	Cash	Expansion of capital base	2.65
December 29, 1978	37,000	10	Cash	Expansion of capital base	3.02
December 24, 1979	83,000	10	Cash	Expansion of capital base	3.85
December 13, 1980	283,230	10	Cash	Expansion of capital base	6.68
November 13, 1981	270,500	10	Cash	Expansion of capital base	9.38
March 21, 1983	291,500	10	Cash	Expansion of capital base	12.30
November 20, 1984	466,646	10	Cash	Expansion of capital base	16.97
June 30, 1988	613,000	10	Cash	Expansion of capital base	23.10
September 30, 1993	627,500	10	Cash	Expansion of capital base	29.38
February 25, 1994	362,239	10	Cash	Expansion of capital base	33.00
June 6, 1994	1,320,000	10	Bonus (2:5)	Bonus Issue	46.20
October 20, 1994 & November 30, 1994	1,550,000 [1]	195	Cash	Initial Public Offer	61.70
August 8, 1996	6,170,000	10	Bonus (1:1)	Bonus Issue	123.40
February 11, 2005	1,300,000	360	Cash	Preferential Allotment to DEG	136.40
March 22, 2005	2,888,400	10	Conversion of Preference Shares	Conversion of Preference Shares of our Company (Series II) into Equity Shares in the ratio of 1:1	165.28
March 22, 2005	2,888,400	10	Bonus (1:1)	Bonus to holders of Preference Shares of our Company (Series II) in the ratio of 1:1	194.17
March 22, 2005	345,755	360	Conversion	Conversion of Preference Shares of our Company (Series III) into Equity Shares in the ratio of 1:36	197.63
Total	**19,762,555**				**197.63**

[1] Of these, 2,000 Equity Shares were forfeited for non-payment of allotment money on February 12, 1996 and were reissued to Indian Thermoplastics Private Limited on February 12, 1996.

The following is the history of the preference share capital of our Company:

Preference Shares Redeemed:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
December 12, 1974	5,000 (11% redeemable cumulative preference shares)	100	100	Cash	• These preference shares have been redeemed.
March 21, 1994	9,900,000 (6% convertible cumulative preference shares – Series I)	10	10	Cash	• Out of this 1,760,000 CCPS were redeemed on May 31, 1994. • On March 11, 1996 the terms were changed and the conversion period was extended to 10 years. • On March 3, 2004 terms were further changed and the conversion period was further extended from 10 years to 13 years. • On May 3, 2004 the terms were further changed and these CCPS were reclassified as RCPS. • On February 24, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
December 24, 2001	20,000,000 (7% redeemable cumulative preference shares – Series II)	10	10	Cash	• On March 11, 2003 the terms were changed and made as OCPS and conversion price was fixed at Rs. 120 per share. • On March 3, 2004 the terms were further changed and these OCPS were reclassified as 2% RCPS which will be redeemed with 5% redemption premium on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
April 30, 2003	20,000,000 (5% optionally convertible preference shares – Series III)	10	10	Cash	• On March 3, 2004 the terms were changed and these OCPS were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
June 5, 2003	15,000,000 (5% optionally convertible preference shares – Series III)	10	10	Cash	• On March 3, 2004 the terms were changed and these OCPS were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.

Preference Shares Converted:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
May 29, 1995	2,888,400 [2] (6% convertible cumulative preference shares – Series II)	10	10	Amalgamation of Northern Plastics & Finance Company Limited with our Company.	• On March 11, 1996 the terms were changed and the conversion period was extended to 10 years. • On March 3, 2004 terms were further changed and the conversion period was further extended from 10 years to 13 years. • On February 24, 2005 the Board passed a resolution for conversion of these CCPS subject to necessary compliances. • After obtaining necessary approvals/consents, on March 22, 2005 these CCPS were converted into 5,776,800 Equity Shares including a bonus issue in the ration of 1:1 to each of these CCPS holders.
March 22, 2000	12,447,163 [2] (6% convertible cumulative preference shares – Series III)	10	10	Amalgamation of India Polyfilms Limited & Patel Poly Products Limited with our Company	• On March 11, 2003 the terms were changed and the conversion price was increased from Rs. 10 to Rs. 120 per Equity Share to be compulsorily convertible within 6 years of allotment. • On March 3, 2004 terms were further changed and the conversion price was further increased from Rs. 120 to Rs. 360 per Equity Share. • On February 24, 2005 the Board passed a resolution for conversion of these CCPS subject to necessary compliances. • After obtaining necessary approvals/consents, on March 22, 2005 these CCPS have converted into 345,755 Equity Shares.

[2] We had applied for an in-principle approval from BSE and NSE vide letters dated March 2, 2005 and March 7, 2005 respectively for listing of 6,122,555 Equity Shares proposed to be allotted upon conversion of the aforesaid CCPS. In response to our application, BSE instructed us vide letter dated March 8, 2005 to certify inter alia that the proposed allotment did not violate Clause 40 A of the Listing Agreement and to undertake that 25% of the newly issued capital would be kept locked in for three years from the date of its listing with BSE as per the norms of BSE for merger of unlisted companies with a listed company. We provided these certifications and undertakings by our letters dated March 9, 2005 and March 15, 2005, where we specifically stated that after making the allotment of the Equity Shares but before applying for trading permission, we will either file the Draft Red Herring Prospectus for a follow on public offer or otherwise reduce the Promoters holding to less than 75% of the fully diluted share capital of the Company. We further undertook that if the public offer does not materialise after filing the Draft Red Herring Prospectus as mentioned above, the Promoters' holding shall be diluted below 75% through other means, including divestment by the Promoters. We have received in-principle approvals dated March 16, 2005 and March 21, 2005 from BSE and NSE respectively, for issue and allotment of 6,122,555 Equity Shares proposed to be allotted upon conversion of the CCPS, subject to certain conditions stated therein and taking note of our correspondence in this regard. We have received in-principle approvals dated April 29, 2005 from the BSE and the NSE (including two separate approvals from NSE on the same day) for the listing of 6,122,555 Equity Shares proposed to be allotted upon conversion of the CCPS, subject to certain conditions stated therein and taking note of our correspondence in this regard. We have also received trading permission for these 6,122,555 Equity Shares by letters dated May 11, 2005 from BSE and NSE. Pursuant to these letters, 15,30,639 Equity Shares belonging to the Promoters are locked-up for a period of three years commencing from May 12, 2005. Copies of the in-principle approvals for issue and allotment and for listing and trading mentioned

above are available for public inspection and have been mentioned in the section titled “Material Contracts and Documents for Inspection” begining on page 222 of this Prospectus.

Preference Shares outstanding:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
December 30, 2000	66,000,000 (0% optionally convertible cumulative preference shares – Series I)	10	15	In satisfaction of advances of Jindal Photo Limited	• On March 11, 2003 the terms were changed and the conversion price was increased from Rs. 33 per share to Rs. 120 per share. • On March 3, 2004 the terms were further changed and these OCPS were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008.

We confirm that due procedures in terms of applicable statutes have been followed and necessary approvals have been obtained in respect of changes in the terms of preference shares referred to above.

2. Promoters’ Contribution and Lock-in

As the Equity Shares of our Company have been listed for more than three years and we have made dividend payments for the three years immediately preceding this Issue, the requirement for promoter’s contribution is not applicable to this Issue in accordance with the exemption from the requirement for Promoters’ contribution under Clause 4.10.1(a) of the SEBI Guidelines.

Shareholding of the Promoters, Promoter group and the Directors of our Promoter companies in our Company:

Name	Date of Allotment / Acquisition and date when made fully paid up	Consideration (Rs. million)	No of Equity Shares	% of Pre Issue paid-up equity capital	% of Post-Issue paid-up equity capital
Mr. Shyam Sunder Jindal	June 5, 1994	Nil (Bonus)	5,000		
	August 8, 1996	Nil (Bonus)	35,000		
	November 30, 1999	0.63	166,600		
	March 22, 2005	0.10 (Conversion of Preference Shares)	240,000		
	Sub-Total	**0.73**	**446,600**	**2.26 %**	**1.59 %**
Soyuz Trading Company Limited	Prior to March 31, 1994	1.73	173,070		
	Prior to March 31, 1994	0.00	100		
	June 5, 1994	Nil (Bonus)	162,200		
	August 8, 1996	Nil (Bonus)	69,200		
	June 15, 1998	Nil (Bonus)	3,095,580		
	June 15, 1998	7.70	769,600		
	June 15, 1998	44.02	1,321,550		
	August 7, 2000	0.15	3,100		
	July 23, 2001	0.75	21,400		
	March 22, 2005	136.50	58,333		
	Sub-Total	**190.85**	**5,674,133**	**28.71 %**	**20.20 %**
Rishi Trading Company Limited	June 5, 1994	Nil (Bonus)	102,400		
	August 8, 1996	Nil (Bonus)	125,600		
	November 19, 1997	88.10	185,200		
	November 19, 1997	0.50	1,100		
	February 23, 1999	0.016	16,000		
	November 30, 1999	Nil (Bonus)	1,115,000		

Name	Date of Allotment / Acquisition and date when made fully paid up	Consideration (Rs. million)	No of Equity Shares	% of Pre Issue paid-up equity capital	% of Post-Issue paid-up equity capital
	November 30, 1999	72.47	667,700		
	March 22, 2005	57.10	36,528		
	Sub-Total	**218.19**	**2,249,528**	**11.38 %**	**8.01 %**
Jindal Photo Investments Limited	March 27, 2000	46.02	1,121,000		
	March 27, 2000	45.55	1,110,000		
	March 22, 2005	72.19	3,317,600		
	March 22, 2005	127.42	176,551		
	Sub-Total	**291.18**	**5,725,151**	**28.97 %**	**20.38 %**
Consolidated Photo & Finvest Limited	February 23, 2001	0.016	480		
	July 30, 1998	0.005	100		
	March 22, 2005	5.27	47,200		
	March 22, 2005	0.00	1,000		
	March 22, 2005	181.02	74,334		
	Sub-Total	**186.31**	**123,114**	**0.62 %**	**0.44 %**
Mrs. Subhadra Jindal	June 5, 1994	Nil (Bonus)	12,800		
	August 8, 1996	Nil (Bonus)	58,800		
	November 30, 1999	0.32	84,000		
	March 22, 2005	0.10	240,000		
	Sub-Total	**0.42**	**395,600**	**2.00 %**	**1.40 %**
Miss Gunjan Jindal	June 5, 1994	Nil (Bonus)	3,000		
	August 8, 1996	Nil (Bonus)	35,000		
	Sub-Total	**0.00**	**38,000**	**0.19 %**	**0.13 %**
Miss Aakriti Jindal	June 5, 1994	Nil (Bonus)	7,000		
	August 8, 1996	Nil (Bonus)	49,000		
	March 22, 2005	0.20	480,000		
	Sub-Total	**0.20**	**536,000**	**2.71 %**	**1.91 %**
Mr. Bhavesh Jindal	1992-1993	0.22	20,000		
	June 5, 1994	Nil (Bonus)	6,000		
	August 8, 1996	Nil (Bonus)	28,000		
	March 22, 2005	0.10	240,000		
	Sub-Total	**0.32**	**294,000**	**1.49 %**	**1.05 %**
Mr. Shyam Sunder Jindal (HUF)	March 22, 2005	0.14	27,200		
	Sub-Total	**0.14**	**27,200**	**0.14 %**	**0.09 %**
Total		**888.34**	**15,509,326**	**78.48 %**	**55.20 %**

The Promoters will not participate in the Issue. There is no lock-in on the shareholding of the Promoters other than 1,530,639 Equity Shares held by the Promoters, being 25% of the 6,122,555 shares issued on conversion of CCPS (Series II and III) as described in footnote 2 of Note 1 of “Capital Structure - Notes to the Capital Structure” on page 22 of this Prospectus will be locked in for three years from May 12, 2005, the date of listing on BSE.

Other Restrictions

Our Company has agreed with the BRLMs that for a period of 180 days commencing from the date of listing of the Equity Shares allotted pursuant to this Issue, our Company and its subsidiaries shall not, and shall not announce any intention to, without the prior written consent of the BRLMs, directly or indirectly, (1) issue, offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any equity or equity-linked securities of our Company or (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such securities, whether any such transaction described in (1) and (2) herein is to be settled by delivery of any securities of our Company, in cash or otherwise. However, the restriction contained in the preceding sentence shall not apply to the pledge of securities of our Company for availing of financial facilities from banks/ financial institutions as may be permitted by relevant SEBI guidelines.

Further, our Promoters and certain of our shareholders belonging to the Promoter group (each a Lock-up Entity) have agreed that, without the prior written consent of the BRLMs on behalf of the Underwriters, they will not (and will not publicly announce any intention to), until 180 days from the date of listing of the Equity Shares issued in the Issue (the Lock-Up Period), (1) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any other securities convertible into or exercisable or exchangeable for Equity Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Equity Shares, or any other securities convertible into or exercisable or exchangeable for Equity Shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise. The foregoing restrictions, however, will not apply to (a) any inter se sale, transfer or disposition of Equity Shares among the Lock-up Entities or (b) any sale, transfer or disposition by a Lock-up Entity to any person or entity that is not a Lock-up Entity, to the extent that such sale, transfer or disposition does not, either individually or collectively with any sale, transfer or disposition effected during the Lock-up Period by any other Lock-up Entity, result in or may result in the transfer, directly or indirectly, of Equity Shares in excess of an aggregate of 2% of the Company's paid up Equity Share capital following the Issue.

A preferential allotment of 1,300,000 Equity Shares of Rs. 10 each at a price of Rs. 360 has been made to DEG. The shares issued on this basis are statutorily locked in for a period of one year from February 11, 2005.

3. Shareholding Pattern of our Company

Shareholding pattern of our Company before and after the Issue:

Name of Shareholders	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Promoters and Promoter Group				
Mr. Shyam Sunder Jindal	446,600	2.26	446,600	1.59
Soyuz Trading Company Limited	5,674,133	28.71	5,674,133	20.20
Rishi Trading Company Limited	2,249,528	11.38	2,249,528	8.01
Jindal Photo Investments Limited	5,725,151	28.97	5,725,151	20.38
Consolidated Photo & Finvest Limited	123,114	0.62	123,114	0.44
Mrs. Subhadara Jindal	395,600	2.00	395,600	1.40
Ms. Aakriti Jindal	536,000	2.71	536,000	1.91
Mr. Bhavesh Jindal	294,000	1.49	294,000	1.05
Ms. Gunjan Jindal	38,000	0.19	38,000	0.13
Shyam Sunder Jindal (HUF)	27,200	0.14	27,200	0.09
Total (A)	**15,509,326**	**78.48**	**15,509,326**	**55.20**

Name of Shareholders	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Others				
DEG	1,872,000	9.47	1,872,000	6.66
Public and others	2,381,229	12.05	10,714,554	38.14
Total (B)	**4,253,229**	**21.52**	**12,586,554**	**44.80**
Grand Total (A + B)	**19,762,555**	**100.00**	**28,095,880**	**100.00**

4. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
5. In the case of over-subscription in all categories, up to 50% of the Issue shall be available for allocation on a discretionary basis to Qualified Institutional Buyers, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least of 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLMs.
6. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) Top ten shareholders of our Company as on June 10, 2005 are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1	Jindal Photo Investments Ltd.	5725151
2	Soyuz Trading Co. Ltd.	5674133
3	Rishi Trading Co. Ltd.	2249528
4	DEG-Deutsche Investitions	1872000
5	Farrington Holdings Ltd.	900000
6	Akriti Jindal	536000
7	Shyam Sunder Jindal	446600
8	Subhadra Jindal	395600
9	Forex Finance Ltd.	307207
10	Bhavesh Jindal	294000

(b) Top ten shareholders of our Company as on June 17, 2005 are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1	Jindal Photo Investments Ltd.	5725151
2	Soyuz Trading Co. Ltd.	5674133
3	Rishi Trading Co. Ltd.	2249528
4	DEG-Deutsche Investitions	1872000
5	Farrington Holdings Ltd.	900000
6	Akriti Jindal	536000
7	Shyam Sunder Jindal	446600
8	Subhadra Jindal	395600
9	Forex Finance Ltd.	307207
10	Bhavesh Jindal	294000

(c) Top ten shareholders as on June 20, 2003 are as follows:

Sr. No.	Name of Shareholders	Number of Equity Shares
1.	Soyuz Trading Co. Ltd.	5615800
2	Rishi Trading Co. Ltd.	2265100
3	Jindal Photo Investments Ltd.	2231000
4	Farrington Holdings Ltd.	300000
5	Shyam Sunder Jindal	206600
6	R.S. Saraf	199056
7	Subhadra Jindal	155600
8	Akriti Jindal	56000
9	Bhavesh Jindal	54000
10	Gunjan Jindal	38000

7. Except as disclosed below, our Promoter group, or the directors of our Promoter companies or our Directors have not purchased or sold any securities of our Company, during a period of six months preceding the date on which this Prospectus is filed with RoC:

Number of Securities	**Sale/Purchase**	**Minimum Price** ***(Rs. per security)***	**Maximum Price** ***(Rs. per security)***
Directors of Promoters			
500 Equity Shares	Sale	468.39 (January 6, 2005)	504.11 (January 18, 2005)
500 Equity Shares	Purchase	355.50 (December 16, 2004)	369.50 (December 31, 2004)
Promoter Group			
286,000 CCPS (Series II)	Sale	288.00 (December 29, 2004)	288.00 (December 29, 2004)

8. Our Company has not granted any options or issued any shares under any employees stock option or employees stock purchase scheme.
9. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
10. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
11. We presently do not intend or propose to alter our capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
12. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
13. As of June 17, 2005, the total number of holders of Equity Shares was 3,589.
14. The Company has not raised any bridge loans against the proceeds of the Issue.
15. Except as disclosed in Note 1 of the sections titled "Capital Structure – Notes to the Capital Structure" and "Other Regulatory and Statutory Disclosures - Issues otherwise than for Cash" on pages 22 and 183 of this Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
16. We confirm that the guidelines relating to preferential allotments and bonus issues as prescribed by SEBI have been complied with, including obtaining a certificate from the statutory auditors of our Company.
17. In relation to a term loan from ICICI Bank Limited, subsequently assigned to UTI Bank Limited, in case there is a default in payment or repayment of two consecutive instalments of principal amounts of the loan and/or interest thereon, then UTI Bank Limited shall have the right to convert at its option the whole or part of the outstanding amount of the loan (whether then due and payable or not), into fully paid-up Equity Shares of our Company at par. For details on the risk arising from the same see "Risk Factors - Covenants with institutional lenders may restrict our operations and expansion ability, which may hurt our business and results of operations and financial condition" on page xi of this Prospectus.
18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares except as disclosed under paragraph 17 above.

OBJECTS OF THE ISSUE

The net proceeds of the Issue after deducting underwriting and management fees, selling commissions, and all other Issue expenses payable by us are estimated at approximately Rs. 2,809.00 million. For details of the Issue expenses, see the section titled "Other Regulatory and Statutory Disclosures - Expenses of the Issue" on page 183 of this Prospectus.

We intend to utilize the proceeds of the Issue for expansion of production capacity of our plants at Nasik and Khanvel, and for meeting the expenses of the Issue. We plan to expand our existing capacity to capitalize on the opportunity presented by an expected increase in the demand for flexible packaging films in India and abroad.

The Issue would also increase liquidity of the shares of our Company. Under the terms of the shareholders agreement with DEG, we are required, on a best efforts basis, to increase our Free Float (as defined therein) to at least 28% through a primary issue to the general public within 18 months of DEG's subscription pursuant to the Share Subscription Agreement dated January 6, 2005 between our Company and DEG.

The main object clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enable us to undertake our existing activities and activities for which the funds are being raised by us in the Issue.

Funds Requirement for the Expansion Project

The funds requirement for expansion of the production capacity in our plants at Nasik and Khanvel is detailed below:

Sr. No	Plant Description	Proposed Capacity Expansion	Location	Capital Cost (Rs. in million)	Targeted Month & Year of Completion
1	8.7 metre wide BOPET film line	25,000 tpa	Nasik	1,476	Production commenced in March 2005
2	Power Generation Set	8 MW	Nasik	180	May 2005
3	3rd and 4th Metallizer lines	14,000 tpa	Nasik	270	July and August 2005
4	Two Coating lines for PVDC, acrylic and LTS coated films	9,000 tpa	Nasik	379	July and December 2005
5	Two Coating lines for PVDC, acrylic and LTS coated films	9,000 tpa	Nasik	450	March 2006
6	Poly-condensation plant	50,000 tpa	Nasik	300	September 2006
7	8.7 metre wide BOPET film line	25,000 tpa	Khanvel	1,550	September 2006
8	8.2 metre wide BOPP film line	45,000 tpa	Khanvel	1,600	September 2006
9	5th and 6th Metallising Line	14,000 tpa	Khanvel	300	September 2006
	Total Cost for Expansion (A)			**6,505**	

Means of Finance

Above expansions are proposed to be funded by a combination of internally generated cash accruals, proceeds of the Issue and debt.

(Rs. millions)

	Particulars	Capital Cost
Equity	Proceeds of the Issue	3,000
	Less: Issue Expenses	191
	Net Proceeds of the Issue (a)	2,809
	Internal Accruals (already used towards the aforesaid objects until March 31, 2005) (b)	358
	Total Equity (c) = (a) + (b)	3,167
Debt	***Amounts tied up (Debt arranged)***	
	AKA Ausfuhrkredit-Gesellschaft mbH and Commerzbank Aktiengesellschaft (€ 11.30 million)*	620
	Punjab National Bank (Rupee loan)	250
	Rabo Bank (External Commercial Borrowing of US$ 35 million)*	1,520
	Sub-total (d)	2,390
	Amounts to be tied up (Debt to be arranged) (e)	948
	Total Debt (f) = (d) +(e)	**3,338**
Total Equity and Debt	**Total (g) = (c) + (f)**	**6,505**

* Solely for convenience translation, at an exchange rate of Rs.54.85 = Euro 1.00 and Rs.43.43 = US$ 1.00 (RBI Reference Rate as of May 17, 2005). Such translation should not be considered as a representation that such Euro and US$ amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated, or at all.

We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Issue, have been made. We have firm arrangements for Rs. 2,747 million (including Rs. 358 million from internal accruals already used towards project implementation as specified in (b) above and Rs. 2,390 million from debt arranged as specified in (d) above) out of Rs. 3,505 million (Rs. 6,505 million as specified in (g) above less Rs. 3,000 million from the present Issue). We are yet to enter into firm debt arrangements for the balance of Rs. 948 million as specified in (e) above.

Project Implementation

The status of project implementation is given as under:

Description	Supplier	Status
8.7 metre wide BOPET film line	Dornier, Germany and Kampf, Germany	Machinery received. Civil construction over. Production commenced on March 29, 2005.
3rd and 4th Metallizer lines	Applied Films GmbH, Germany.	Orders placed in October 2004. Machinery expected in June 2005.
Two Coating lines for PVDC, acrylic and LTS coated films	Kontrelmec S.l., Spain and Pagendarm, Germany	Order placed for one line in July 2004 and machinery received in April 2005. For the second line, order placed in March 2005 and machinery is likely to be delivered in October 2005.
Power Generation Set	Toyo Denki, Japan	Machinery received. Civil construction over. Erection and commissioning in progress.
8.7 metre wide BOPET film line, 8.2 metre wide BOPP film line, 5th and 6th Metallising line, Two Coating lines for PVDC, acrylic and LTS coated films and poly-condensation plant.	Land available at Khanvel and Nasik. Civil construction to be started. We are negotiating with suppliers for finalizing the supply contracts. Discussions are on with various suppliers including Applied Films, Dornier, Bruckner and Kampf of Germany. The cost of this plant and machinery is expected to be Rs. 4,200 million, which is approximately 65% of the total estimated cost of Rs. 6,505 million. These estimates are based on the costs incurred by us on similar plant and machinery in the last one year.	

Year wise break up of the expenditure proposed to be incurred on the project is as follows:

(Rs. millions)

Actual	Estimated		Total
Incurred till April 25, 2005	FY 2006*	FY 2007	
411.30	3,000.00	3,147.50	6,505.00

*Excluding Rs. 53.80 million which was spent between April 1, 2005 and April 25, 2005

Funds Deployed

Based on the letter dated June 17, 2005 from Kanodia Sanyal & Associates, Auditors of the Company, the expenditure incurred by the Company till April 25, 2005 on the expansion projects at Nasik is given below:

Utilisation of Funds

Project Name	*(Rs. millions)*
BOPET film (8.7 meter) line B	236.4
Coating line 1 & 2	53.2
8 MW Captive Power Project	87.2
Metalliser lines 3 & 4	34.5
Total	**411.3**

Sources of Funds

Particulars	*(Rs. millions)*
Internal Accruals (as certified by the management)	**357.5**

The expenditure incurred as above has been verified from the books of accounts of the Company and other relevant documents including the invoices and bills of entry produced before the Auditors for checking and verification.

Interim Use of Proceeds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, for the necessary duration or for reducing overdraft. Such investments would be in accordance with investment policies approved by our Board of Directors from time to time.

Shortfall of funds

The shortfall in funds, if any, shall be met by internally generated cash accruals and/or debt financing. As of December 31, 2004 our Company had a cash and bank balance of Rs. 319.39 million; reserves and surplus of Rs. 3,312.15 million. The debt:equity ratio of our Company as on December 31, 2004 was 0.47:1.

Monitoring of Utilisation of Funds

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our Balance Sheet for FY 2006 clearly specifying the purpose for which such proceeds have been utilized. We will also, in our Balance Sheet for FY 2006, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

No part of the Issue proceeds will be paid by us as consideration to our Promoters, our Directors, key management personnel or companies promoted by our Promoters except in the usual course of business.

BASIS FOR ISSUE PRICE

The Price Band for the Issue Price was decided by us in consultation with the BRLMs and was advertised at least one day prior to the Bid Opening Date/Issue Opening Date in The Business Standard (all editions), an English language newspaper with wide circulation, Jan Satta (all editions), a Hindi language newspaper with wide circulation and Amar Ujala (Kanpur edition), a Hindi language newspaper. The Issue Price was determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is 36 times the face value of the Equity Shares.

QUALITATIVE FACTORS

Factors external to us

- The demand for BOPET film in India is expected to grow at an annual average growth rate of 14.3% from 2003 to 2008. *(Source: PCI Films Consulting Limited - Statistical Review of the World Polyester Film Market (September 2004)).*
- Increasing application of plastics (including BOPET and BOPP films) as a flexible packaging material vis-à-vis paper, aluminium foil, etc.
- Cost considerations are resulting in a shift of the manufacturing base for flexible packaging films from Western Europe and North America to India and China.
- Low per capita consumption of flexible packaging in India of approximately € 2 per annum compared to approximately € 40 in North America, approximately € 25 in Western Europe and approximately € 15 in Taiwan and South Korea, suggests potential for future growth.

Factors internal to us

- *Diverse product portfolio:* Our acquisition of Rexor in France makes us one of the few players globally to be able to offer a full range of thin and thick BOPET film and BOPP film products required by large flexible packaging converters and end-users. Our new production facilities in India have significantly enhanced our capability to produce speciality BOPET and BOPP films, such as specialised hot stamping foils, isotropic films, pinhole free yarn grade films, low oligomer milky white films, flame treated five-layer films and high speed tobacco overwrapping films.
- *Global scale:* We are the largest manufacturer of flexible packaging films in India. Our plant at Nasik, Maharashtra is the largest single location plant in India for the manufacture of flexible packaging films and, we believe, among the largest in the world. Following the installation of our new BOPET film line in March 2005, we have the fifth largest BOPET film manufacturing capacity in the world.
- *International market reach:* We have a well developed marketing network in over 40 countries, covering majority of the world market for BOPET film. In addition, our acquisition of Rexor has further enhanced our presence in Europe.
- *Demonstrated export track record:* We are the largest Indian exporter of BOPET films, accounting for a majority of Indian exports of BOPET film to the EU. We are currently the only Indian manufacturer exporting BOPET films not subject to anti-dumping duties that are otherwise imposed on other Indian manufacturers by the EU.
- *State of the art manufacturing facilities:* Most of the production lines installed at our production facilities use state-of-the-art German technology and equipment. We were the first plastic film manufacturer in India to employ an 8.7 metre width BOPET line and an 8.2 metre width BOPP line. The flame treatment facility and our capability to produce five-layer BOPP films on our recently installed 32,000 tonnes per annum BOPP film line are also the first of their kind in India. Our new 45,000 tonnes per annum BOPP production line, when installed next year, will be the largest BOPP film production line supplied by Bruckner, a leading supplier of BOPP film production lines.
- *Research and development capabilities:* We have developed specific products to meet niche market requirements. Our acquisition of Rexor in France provides us access to advanced research and development capabilities for customised products and new applications and enhances our ability to respond to the latest market developments.
- *Competitive cost structure:* We enjoy economies of scale and our facilities are located close to our raw materials suppliers and to our customers. Additionally, we believe our labour and overhead costs are significantly lower than those of our direct competitors. The proximity of our Nasik facilities to the port of Mumbai and raw material sources gives us a competitive advantage in terms of lower transportation costs and shorter lead time for exports.

- *Financial flexibility:* We strive to utilize an optimal mix of debt and internal accruals to meet our fund requirements. Our lower leverage, especially as compared to most of our domestic competitors, reduces our cost of debt funds and gives us flexibility to access debt markets without straining our financial position.

For detailed discussion on the above factors, see the section titled "Our Business – Our Competitive Strengths" on page 53 of this Prospectus.

QUANTITATIVE FACTORS

We have had convertible preference shares during the financial years 2002, 2003 and 2004. The diluted figures are provided after considering the effect of all outstanding convertibles during a particular financial year as per Accounting Standard 20 (AS-20) of the Institute of Chartered Accountants of India (ICAI). The terms of the convertible preference shares had thereafter been modified and as on the date of this Prospectus, our Company has converted all outstanding convertible preference shares into Equity Shares or redeemable cumulative preference chares. For details please refer to the section titled "Capital Structure" beginning on page 21 of this Prospectus. Hence, we have also provided corresponding 'Adjusted' figures for the various accounting ratios, as explained below, to reflect the impact of changed terms of the convertible instruments on the equity share capital of our Company in each fiscal.

Information presented in this section is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which may form the basis for computing the price, are as follows:

1. Earning Per Share (EPS) of face value of Rs.10

Year	Diluted EPS (Rs.)[a]	Adjusted EPS (Rs.)[b]	Weight
FY 2002	6.94	17.82	1
FY 2003	8.57	16.65	2
FY 2004	15.56	30.26	3
Weighted Average	**11.80**	**23.65**	

[a]Diluted EPS for the fiscals 2002, 2003 and 2004 is based on fully diluted equity share capital computed assuming conversion of all the convertible instruments issued by the Company and outstanding during that particular fiscal.

[b]Adjusted EPS has been arrived at after taking into account the eventual conversion of convertible instruments into Equity Shares or redeemable preference share capital. Accordingly, the computation is based on the equity share capital comprising of 18,462,555 equity shares, subsequent to the conversion of CCPS (Series II and Series III) into 3,234,155 equity shares on March 22, 2005 and further, bonus of 2,888,400 Equity Shares on 2,888,400 Equity Shares upon conversion in the ration of 1:1. The net profit after tax figure for each of the respective years has been considered to arrive at the Adjusted EPS figure. Adjusted EPS is Rs. 29.62 (not annualised) for the nine month period ended December 31, 2004. Since the DEG investment was made in February 2005 and there was no corresponding instrument outstanding in any of the periods above, the preferential allotment of 1,300,000 Equity Shares to DEG has not been considered while calculating the Adjusted EPS.

EPS calculations have been done in accordance with Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.

The weighted average of diluted and adjusted EPS for these fiscal years have been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31, 2002, 2003 and 2004 respectively.

2. **Price/Earning (P/E) ratio** in relation to Issue Price of Rs. 360

   a. Based on year ended March 31, 2004 Diluted EPS of Rs.15.56 – 23.14

   b. Based on year ended March 31, 2004 Adjusted EPS of Rs.30.26 – 11.90

   c. Industry P/E

   There is no separate classification of packaging film industry; therefore Industry P/E has not been given.

3. **Average Return on Net Worth** ("RoNW")

Year	RoNW (%)[c]	Adjusted RoNW (%)[d]	Weight
FY 2002	16.02	15.70	1
FY 2003	13.88	14.32	2
FY 2004	21.28	21.33	3
Weighted Average	**17.94**	**18.06**	

[c] Net worth represents the equity shareholders fund (i.e., Net Worth as shown in Annexure II to the Report on the Restated Financial Statements less preference share capital and the amalgamation reserve).

Net profit is net profit after tax and preference dividend as attributable to the equity shareholders.

[d] Adjusted RoNW is based on the equity share capital comprising 18,462,555 equity shares as mentioned in [b] above. The adjusted net worth figure for fiscals 2002, 2003 and 2004 has been arrived at after adding Rs. 153.35 million to the net worth for respective fiscals as follows:

Particulars	**Rs. million**
Issuance of 2,888,400 Equity Shares on Conversion of CCPS (Series II)	28.88
Bonus of 2,888,400 Equity Shares on Conversion of CCPS (Series II)	28.88
Utilisation of Reserves and Surplus on Bonus Issue as above – CCPS (Series II)	(28.88)
Issue of 345,755 Equity Shares on conversion of CCPS (Series III)	3.46
Addition to Share Premium on above conversion of CCPS (Series III)	121.01
Total Adjustment to Net Worth	**153.35**

Adjusted RoNW = (Net profit after tax) / (Adjusted net worth). The weighted average of Return on Net Worth (%) and adjusted Return on Net Worth (%) for these fiscal years have been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31, 2002, 2003 and 2004 respectively.

4. **Minimum Return on Increased Net Worth** required to maintain pre-Issue diliuted EPS of Rs. 15.56 and adjusted EPS of Rs.30.26 is 8.00% and 15.56% respectively.

5. **Net Asset Value per share** (“NAV”)

	NAV	**Adjusted NAV[e]**
As of March 31, 2004	199.76	141.82
As of December 31, 2004	244.10	171.46
After the Issue (based on December 31, 2004 Net worth)	213.99	

[e] Adjusted Net worth has been taken as in [d] above and the number of shares has been taken as 18,462,555 as mentioned in [b] above.

6. **Comparison with Industry Peers**

Particulars	**Fiscal Year Ended**	**EPS (Rs.)**	**P/E (times)**	**NAV (Rs.)**
Jindal Poly Films Limited	March 31, 2005 (Unaudited)	38.4	12.8	208.9
Cosmo Films Limited	March 31, 2005	5.4	11.7	66.0
Flex Industries Limited	March 31, 2005 (Unaudited)	6.1	7.1	74.9
Garware Polyester Limited	March 31, 2005 (Unaudited)	9.4	5.1	56.5
Polyplex Corporation Limited	March 31, 2004	16.6	14.6	76.3

Market price as on May 5, 2005 has been considered to arrive at the P/E ratio. We are not strictly comparable to our competitors, since we are also engaged in the POY business.

(Source: Capital Market Vol. XX/05, May 9 - 22, 2005. The figures for our Company have also been taken from the same source and may not match with figures in the section titled “Financial Statements” beginning on page 100 of this Prospectus due to changes in classification and restatement.)

STATEMENT OF TAX BENEFITS

The Board of Directors

Jindal Poly Films Limited

19th K.M., Hapur-Bulandshahr Road

P.O.-Gulaothi, Distt. Bulandshahr (U.P.)

Dear Sirs,

We hereby certify that the enclosed annexure states the tax benefits available to Jindal Poly Films Limited (the “Company”) and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other direct and indirect tax laws presently in force.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

A shareholder is advised to consider in his/her/its own case, the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

For KANODIA SANYAL AND ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K. KANODIA)

Partner

Membership No.: 16121

Place: New Delhi
Date: May 19, 2005

STATEMENT OF TAX BENEFITS

The following tax benefits shall be available to the Company and the prospective shareholders under Indian direct and indirect tax laws.

A. To the Company

A1. Under the Income-tax Act, 1961 ("IT Act")

1. The 8.7 metre BOPET film line of the Company (capacity – 25,000 tonnes per annum) is set up as an 100% EOU. By virtue of Section 10B of the IT Act, 90% of the profits of 100% EOU unit of the Company shall be exempted in the same proportion as the export sales turnover bears to the total turnover of the said unit up to the financial year 2008-2009.
2. By virtue of Section 10(34) of the IT Act, income earned by way of dividend income referred to in Section 115O of the IT Act, from another domestic company is exempt from tax.
3. Under Section 115JAA (1A) credit shall be allowed of any MAT paid under Section 115JB of the Act for any A.Y. commencing on or after April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income-tax Act. Such MAT credit shall be available for set –off upto 5 years succeeding the year in which the MAT credit initially arose.
4. The corporate tax rate shall be 30% and surcharge on tax shall be 10%.
5. Under Section 32 the rates of depreciation on plant and machinery would normally be 15% and those on furniture and fittings 10% and motor cars 15%. Initial depreciation on plant and machinery would be 20%.
6. In additional to income tax, a fringe benefit tax at the rate of 30% (plus surcharge and education cess) would be payable in respect of fringe benefits provided/deemed to be provided to the employees.

A2. Under the Sales Tax Act

7. Under the Bombay Sales Tax Act, 1959, the Company is exempted from payment of sales tax on its purchases and sales. The said benefit is by virtue of exemption granted under the 1993 package scheme of incentive notified under Government of Maharashtra resolution No. IDL-1093 / (8889) / IND 8 dated May 7, 1993 read with clause VI of Government resolution No. IDL-1093 / (9378) / IND 8 dated July 6, 1994 of Government of Maharashtra by way of exemption of sales tax liability. The said exemption is upto the period ending May 26, 2011 subject to a limit of Rs. 24.28 million.

A3. Under the Customs Tariff

8. In terms of Notification No. 43/2002-CUS dated April 19, 2002, materials imported against Advance License for use in the manufacture of export products are exempted from payment of whole of the customs duty, additional duty, safeguard duty and anti-dumping duty.
9. In terms of Notification No. 55/2003-CUS dated April 1, 2003, capital goods and spares imported against EPCG license issued under Export Import policy are exempted from payment of customs duty, subject to fulfillment of export obligation.
10. Notification No. 52/2003-CUS dated March 31, 2003 exempts capital goods, raw materials, consumables, etc. imported for use in Export Oriented Unit from the whole of customs duty and additional duty subject to fulfillment of certain conditions.

A4. Under the Central Excise Tariff

11. In terms of Notification No. 22/2003-CE dated March 31, 2003 as amended, issued under Central Excise Tariff, specific raw materials, consumables and capital goods, etc. procured by 100% Export Oriented Unit are exempted from payment of duty.
12. In terms of Notification No. 23/2003-CE dated March 31, 2003, Domestic Tariff Area (DTA) sale made by 100% Export Oriented Unit as per the permission granted by the concerned Development Commissioner under Export Import Policy partially exempted from payment of Excise duty. In case of goods manufactured out of imported material, the exemption is to the extent of 50% of duty payable on like goods if imported into India. In case of goods manufactured wholly from indigenous raw material, excise duty as applicable on the like goods if manufactured in DTA unit in India is applicable.

A5. Benefits under Export Import Policy:

13. Duty-free imports under Advance License Scheme for manufacture of export products.
14. Import of capital goods under Export Promotion Capital Goods scheme (EPCG scheme) at concessional rate of duty.
15. Duty-free import of raw materials, consumables and capital goods in 100% Export Oriented Unit for use in the export products.

B. To the Members of the Company

B1. Under the Income Tax Act, 1961

Resident Members

1. By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from domestic Company referred to in Section 115O of the IT Act, are exempt from tax in the hands of the shareholders.
2. In terms of section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being an equity shares in a Company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
   a) The transaction of sale of such equity share is entered into on or after 10th September, 2004
   b) The transaction is chargeable to such securities transaction tax as explained below.
3. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a Company through the recognized stock exchange is liable to securities transaction tax at the rate of 0.075% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.015% of the value payable by the seller.
4. The securities transaction tax will be charged from the assessment year 2006-07as under:-
   (i) delivery based purchase and sale of equity shares will be liable to Securities Transaction tax at the rate of 0.10%, and
   (ii) non-delivery based sale transactions will be liable to securities transaction tax at the rate of 0.02%.
5. Certain transactions have been specifically excluded from the definition of a speculative transaction by Finance Act, 2005. Now an eligible transaction (a transaction which, inter-alia, is carried out electronically on a recognized stock exchange) in derivatives will not be regarded as a speculative transaction. Consequently gain/ loss thereof will not be regarded as speculation gain/loss.
6. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
7. In terms of section 10(23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including dividend from their investments in the shares of the Company.
8. Under section 48 of the Act, if the Company's shares are sold after being held for more than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
9 Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by:
   a) National Bank for Agriculture and Rural Development established under section 3 of The National Bank for Agriculture and Rural Development Act, 1981;
   b) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
   c) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;
   d) National Housing Bank established under section 3(1) of the National Housing Bank Act, 1987; and
   e) Small Industries Development Bank of India established under section 3(1) of the Small Industries Development Bank of India Act, 1989
10. Under section 54ED of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) on the transfer of shares of the Company, as and when it is listed, will be exempt from capital gains tax if the capital gains are invested in shares of an Indian Company forming part of an eligible public

issue, within a period of 6 months after the date of such transfer and held for a period of at least one year. Eligible public issue means issue of equity shares which satisfies the following conditions, namely -

a) the issue is made by a public company formed and registered in India;

b) the shares forming part of the issue are offered for subscription to the public.

11. Under section 54F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

12. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however, be limited to 10% (plus applicable surcharge) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

13. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of shares in the Company on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge).

Non-Resident Indians/Non-Resident Shareholders (Other than FIIs)

Apart from benefits as mentioned in points 1, 2, 3, 4,5,6, 9,10 and 11 of B above

14. Under section 115-I of the Act, the non-resident Indian shareholder has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:-

a) Under section 115E of the Act, where shares in the Company are acquired or subscribed for in convertible Foreign Exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months on a recognized stock exchange, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge) (without indexation benefit but with protection against foreign exchange fluctuation).

b) Under provisions of section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

Foreign Institutional Investors (FIIs)

Apart from benefits as mentioned in points 1, 2, 3, 4, 9 and 10 of B. above

15. The income by way of short term capital gain or long term capital gains (not covered under section 10(38) of the Act) realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961.

a) Short term capital gains – 30% (plus applicable surcharge)

b) Long term capital gains – 10% (without cost indexation plus applicable surcharge).

(shares held in the Company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).

B2. Under the Wealth Tax Act, 1957

16. Shares held in a Company will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957; hence Wealth Tax Act will not be applicable.

B3. Under the Gift Tax Act, 1958

17. Gift made after 1st October, 1998 is not liable for any gift tax and hence gift of shares of the Company would not be liable for any gift tax.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance (No.2) Act, 2005. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

INDUSTRY

The financial and statistical data used in this section is derived from, among other sources, PCI Films Consulting Limited - Statistical Review of the World Polyester Film Market (September 2004), PCI Films Consulting Limited - Polyester Films quarterly business reports, PCI Films Consulting Limited - Polypropylene Films quarterly business reports, PCI Films Consulting Limited - European Flexible Packaging quarterly business reports, Association of Manufacturers of Polyester Film ("AMPEF") market data, AMI Consulting – The Global Market for BOPP Films (December 2004) and our estimates. The data from the above sources may have been re-classified, regrouped and used for calculations such as historical growth rates and capacity utilizations for the purposes of presentation. Past trends may not be reflective of future performance.

Flexible Packaging Films

Flexible packaging generally involves the use of light weight, durable and flexible materials, such as plastic films, paper and aluminium foil (rather than traditional materials such as paper board, glass or tin), to package and label products. Applications for flexible packaging include labels, adhesive tapes and wrappings for food, tobacco, textiles and consumer products. The principal substrates currently used by the flexible packaging industry are BOPET films and BOPP films. These films ensure moisture and aroma retention and facilitate printing.

Historically, paper board, glass and other rigid materials dominated the packaging industry. Growing consumer awareness and competition in consumer goods, such as processed foods and personal care products, have contributed to creating increased demand for more creative and durable packaging solutions. Concurrently, improved technology has enabled production of superior quality plastic-based flexible packaging materials which improves the aesthetic appeal and shelf life of the packaged products at a competitive price. Plastic flexible packaging materials are durable, water resistant and can be moulded. As they are thinner and lighter than conventional packaging materials, their use has reduced packaging, transportation and warehousing costs.

The consumption of flexible packaging films in India is currently low relative to international markets. According to PCI Films Consulting Limited - Polyester Films quarterly business report (Quarter Four 2002), India's per capita annual consumption of flexible packaging of approximately € 2 (Rs. 109.70), compared to approximately € 40 (Rs. 2194.00) in North America, approximately € 25 (Rs. 1371.25) in Western Europe and approximately € 15 (Rs. 822.75) in Taiwan and South Korea, suggests potential for future growth. Factors which may impact growth in the flexible packaging sector in India include:

- Increase in plastic packaged processed and fresh food due to increasing hygiene consciousness amongst consumers.
- Increasing industrialisation and expected emergence of the organized retail industry.
- Increasing use of small flex pack pouches for shampoo, tooth powder, tea and other such products.
- Increasing export of ready made garments due to the relaxation of textile quotas internationally; these garments are generally required to be packaged in plastic bags.
- Entry of multinational food and retailing companies, which are expected to increase the demand for sophisticated plastic-based flexible packaging products.

Value chain for flexible packaging films

The producers of substrates, such as BOPET film and BOPP film, are at the upstream end of the flexible packaging industry value chain. These substrates may be metallised and/or coated to enhance their properties and then slit to required sizes. These operations are either carried out by independent metallisers, coaters and slitters or performed in-house by the substrate producers. Subsequently, these substrates are sold to flexible packaging converters and printers, who convert and print on these substrates to provide packaging solutions for end customers.

The end customers are either national players, who mainly source their packaging requirements from local converters, or large multinational players, who are increasingly looking to source their requirements from a reduced number of converters in low cost locations. As a result, global converters are looking to set up converting facilities at low cost locations and develop preferred vendor relationships with reliable producers who can offer a full range of substrates.

Comparison of primary flexible packaging substrates

BOPET films and BOPP films are superior to traditional packaging materials, such as TQPP films, paper, cellophane and aluminium foil and are increasingly displacing them. A comparison of their properties is provided below:

	Enhanced Graphics	Machinable	Barrier	Durable	Clarity	Low Cost
BOPET/Polyester	Strong	Strong	Strong	Strong	Strong	Weak
BOPP	Strong	Medium	Strong	Strong	Strong	Strong
TQPP	Medium	Medium	Weak	Medium	Weak	Strong
PVC	Medium	Medium	Medium	Medium	Medium	Weak
Polyethylene	Weak	Weak	Weak	Medium	Medium	Weak
Cellophane	Medium	Strong	Weak	Weak	Weak	Medium
Aluminum Foil	Medium	Strong	Strong	Strong	Weak	Weak
Textile	Weak	Strong	Weak	Weak	Weak	Strong
Paper	Strong	Strong	Weak	Weak	Weak	Strong

Strong Medium Weak

Source: Company

The choice of the substrate used depends upon the specific requirement of the application. For applications in flexible packaging, there are currently no suitable substitutes for BOPET film or BOPP film that offer the same superior product properties. BOPET films and BOPP films can be substituted for one another in only a small percentage of their respective applications. A comparison of properties between BOPET films and BOPP films is as follows:

BOPET Films	**BOPP Films**
• Costlier on the basis of usage area	• Cheaper than BOPET films
• Better machinability in terms of higher speed in production runs	• Lower machinability but not a constraint with the improved packing machines
• Better printability but lamination is essential	• Lower print quality but lamination is not required
• Higher gas retention properties make it suitable for packaging spices and other strongly flavoured food products	• Lower gas retention properties • Higher moisture retention properties have helped to replace wax paper for applications such as biscuit wrappers
• Lower moisture retention properties	• Heat sealable BOPP has been developed which can be sealed directly
• Cannot be heat sealed unless it is laminated	• Lower tensile strength
• Higher tensile strength	• Easier to recycle
• Difficult to recycle	

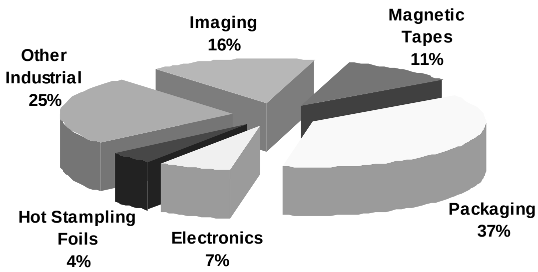
Source: Company

BOPET Film

Applications for BOPET film

BOPET film is used in a wide range of applications. Its barrier properties, high tensile and dielectric strength, thermal and chemical stability and toughness make it suitable for a multitude of applications. The film provides a strong barrier to moisture and odour, which makes it especially suitable for use in food packaging, electric insulation, office supplies, graphic arts, imaging and industrial applications. Its dimensional stability and high tensile strength makes this film suitable for critical applications such as audio, video and other magnetic tape applications. BOPET film's transparency, smooth surface and resistance to abrasion, along with its inherent ability to retain surface tension, makes it appropriate for all types of coating and printing inks, including non-polluting solvents, such as water and alcohol.

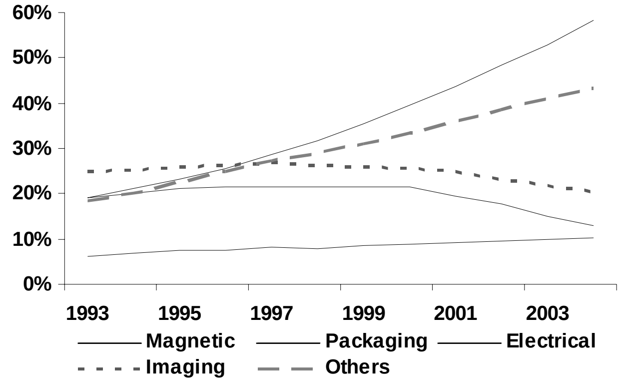
BOPET films are broadly classified as thick films and thin films. Thick BOPET films (50-350 microns) are primarily used in imaging media such as photographic films and X-ray films, for applications in LCD and flatscreen televisions, for printing, prepress and office supplies, for motor insulations and for laminating cards. Thin BOPET films (10-36 microns) have applications in flexible packaging (in plain, metallised, treated, coated and co-extruded forms), in electrical products such as cables, transformers, capacitors and thermal tape, in magnetic media such as audio tapes, video tapes, floppy discs and cartridge tapes, in hot stamping foils and release films, in labels and in decorative ribbons.



Source: PCI Films Consulting Limited, A Statistical Review of the World Polyester Film Market (September 2004)

Global market scenario

The BOPET film industry enjoyed a boom until the mid-1990s due to growth in demand of its applications, including imaging products and magnetic media, which accounted for 26% and 21% of the global consumption of BOPET films, respectively. During late 1990s, demand for imaging products and magnetic media started declining due to substitution by digital media.



Source: PCI Films Consulting Limited – A Statistical Review of the World Polyester Film Market (September 2004)

Large global manufacturers had significant exposure to magnetic media and imaging applications, which led to a sharp decline in the profitability of their BOPET film businesses and forced them to close their smaller and non-competitive manufacturing plants. The BOPET film industry underwent major restructuring in 1998-1999 leading to realignment around five major players who accounted for 65% of global BOPET film capacity in 2002 – Dupont-Teijin, Toray Plastics, Mitsubishi Polyester, SKC and Kolon. Most of the large global manufacturers are a part of diversified corporate groups. Many producers shifted their focus to other products and industries and have not invested in expanding their BOPET film capacities.

A majority of the large global manufacturers' capacities are located in North America, Western Europe and Japan. The presence of uneconomic old production lines and cost disadvantages in North America, Western Europe and Japan are leading to closures of manufacturing lines in those regions and emergence of new capacities in cost efficient manufacturing bases, such as India and China.

In 2003, the global demand for BOPET films was 1,543 kilo tonnes as described below:

(kilo tonnes)

Global	**1997**	**2003**
Thin films	560	909
Magnetic tapes	236	165
Thick films	443	469
Total	**1,239**	**1,543**

Source: PCI Films Consulting Limited, Statistical Review of the World Polyester Film Market (September 2004).

The demand for thin films grew at a rate of approximately 8.4% per annum from 1997 - 2003 and is expected to grow at an average rate of approximately 8.6% per annum from 2003 - 2008. India is expected to account for approximately 22% of the increase in demand from 2003 – 2008. Applications in packaging are expected to account for approximately 78% of the increase in demand from 2003 – 2008.

Growth in capacities has kept pace with demand, achieving capacity utilisation rates of 85% in 2004. During 1998-2003, new installations and switching of inefficient low-width magnetic tape lines to thin film lines increased capacities by approximately 217,000 tonnes per annum. Additional capacities of approximately 565,000 tonnes per annum are estimated to be installed from 2003-2008, with India and China accounting for over two-thirds of the new installed capacity. The expected trend in global capacity utilisation rates during the period 2004-2008 is as follows:

Capacity Utilisation

Year	**%**
2004	87
2005	78
2006	79
2007	83
2008	85

Source: PCI Films Consulting Limited – Polyester Films, Quarterly Business Report

(Quarter One, 2004)

Demand for thick films was approximately 452,000 tonnes per annum in 2002 against capacities of approximately 510,000 tonnes per annum. Thick films are being increasingly used for new applications in electronics such as flat-screen televisions, laptop screens, computer monitors and liquid crystal displays. However, their use in imaging applications has been declining.

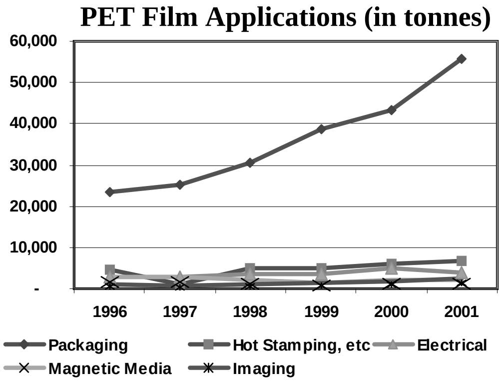
Domestic market scenario

In India, the BOPET film demand was approximately 110,000 tonnes in 2003, an increase of 29.4% over the demand of approximately 85,000 tonnes in 2002. The demand for BOPET films in India is expected to grow at an annual average growth rate of approximately 14.3% from 2003 - 2008. Future growth is expected to be driven by:

- High GDP growth of the Indian economy;
- High growth of flexible packaging applications, such as in the consumer products industry;

- Growth of other applications such as hot stamping foil and metallic yarns; and
- Growth in telecom and other industrial applications.

Growth in the domestic BOPET film industry is linked to growth in the flexible packaging industry. In 2001, flexible packaging applications accounted for approximately 76% of domestic BOPET film consumption and are continuing to garner further share.



Source : AMPEF estimated market size data (May, 2002)

In 2003, BOPET film exports from India were approximately 30,000 tonnes. Generally, the net price realisations on exports and domestic sales of BOPET base films are similar as the ability to charge higher prices in export markets is offset by the greater transportation costs and applicable duties in those markets. As a result, domestic producers have historically sought to export only that part of production which is in excess of domestic demand.

India's BOPET film exports should exhibit strong growth in the future due to:

- Increasing recognition of quality of Indian BOPET film products;
- Entry of Indian players into value added products;
- Cost competitiveness of Indian BOPET film manufacturers; and
- The shifting focus of large global manufacturers to other industries and new applications and closure of their BOPET film plants in North America and Western Europe due to their higher manufacturing costs and older, inefficient capacities.

As capacities in India increase to cater to world demand, India is expected to emerge as a leading global supplier with its high quality products and cost competitiveness. For example, subsequent to the installation of our new 25,000 tonnes per annum BOPET film line in March 2004, we exported more than 70% of total production from that line during its first nine months of operation upto December 31, 2004.

Subsequent to the industry downturn in the mid-1990s, no Indian producer, except our Company, expanded its BOPET film capacity until 2003. However, in 2004, Flex Industries Limited and SRF Limited invested in new capacities due to the tightening domestic market for BOPET films. Other than us, no Indian producer has announced plans for further increasing their domestic capacity. Some Indian producers are installing additional capacities outside India. Currently, we have no plans to install capacities abroad, as no anti-dumping duties are imposed on us by the European Union, our biggest export market.

Anti-Dumping and Anti-Subsidy Duties

Anti-dumping duties are designed to allow countries to take action in situations where imports cause or threaten to cause material injury to the domestic industry, including in situations where trading partners are found to be exporting goods at prices lower than their cost of production.

Anti-subsidy measures are designed to allow importing countries to take action against certain kinds of subsidised imports. Subsidies are generally defined as financial assistance from a government to a corporation or a group of corporations. Countervailing duties may be imposed by importing countries to counter the effect of subsidies.

Upon ascertaining the circumstances, the appropriate governmental authority imposes these duties in accordance with the trade policies prevalent at that time. In Europe, these investigations are carried out by the European Commission and in the United States, the Department of Commerce conducts such investigations and imposes applicable duties.

The following table provides the prevailing anti-dumping and anti-subsidy duty rates imposed by the European Union and the United States on Indian producers:

Company	EU[1]			USA[2]		
	Anti Subsidy	Anti Dumping	Total	Anti Subsidy	Anti Dumping	Total
Jindal Poly Films Limited	7.00%	0.00%	7.00%	20.40%	6.28%	26.68%
Garware Polyester Limited	3.80%	60.70%	64.50%	24.48%	5.71%	30.19%
Flex Industries Limited	12.50%	30.40%	42.90%	20.40%	5.71%	26.11%
Polyplex Corporation Limited	19.10%	28.30%	47.40%	18.66%	0.00%	18.66%
Ester Industries Limited	12.00%	52.50%	64.50%	18.43%	5.71%	24.14%

Source: Information derived from Official Journal of European Commission, Brussels; Official website of Federal Register Notices of Department of Commerce, USA; current as of March 31, 2005.

[1] These duties are applied on CIF (cost insurance freight) basis.

[2] These duties are applied on FOB (free on board) basis.

Currently, export of value added products such as metallised and coated films are not subject to any anti-dumping or anti-subsidy duties except in the case of export of metallised BOPET films to the European Union.

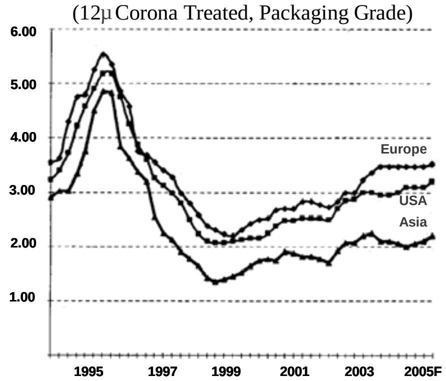
Domestic demand for BOPET film is predominantly satisfied by domestic production with very small quantities of imports. BOPET film imports into India are currently subject to a customs duty of 15% of their assessable value.

BOPET film price trends

World BOPET film prices fell sharply in the mid-1990s due to the downturn in the industry. However, with the recent narrowing of the global supply-demand gap, BOPET film prices have firmed up as is illustrated in the following chart:

World PET Film Price Trend (US$/Kg)

(12μ Corona Treated, Packaging Grade)



Source : PCI Films Consulting Ltd., Quarterly Business Report 'Polyester Films', Report No. 37

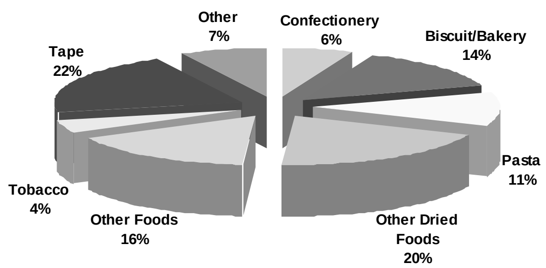
Regional BOPET film prices generally exhibit a similar trend. Europe and the United States have higher gross realisations than Asia primarily due to protective duties imposed by them on imports. Global prices of BOPET films are, to a large degree, linked to raw material prices. Historically, increases and decreases in raw material prices have generally been passed on to the customers. The primary raw materials for BOPET film are MEG and either DMT or PTA, all of which are petroleum-based products.

BOPP Film

Applications for BOPP film

BOPP film is primarily used for food packaging applications. It has dimensional stability, high tensile strength, good stiffness, good clarity, excellent printability and, most importantly, heat sealability. BOPP film also provides barrier protection against moisture and gas.

BOPP film is primarily used for applications in packaging food products such as confectionery, biscuits, bakery, pasta, dried foods, meats, etc. It is used in the form of over-wraps, crimp seal packs and pouches. BOPP film is also widely used in wrapping cigarette cartons and tobacco-related products, bags for ready made garments, adhesive tapes and print lamination. The film has high gloss and transparency and provides a strong moisture barrier, making it suitable for packing many types of consumer products.



Source: AMI Consulting (December 2004)

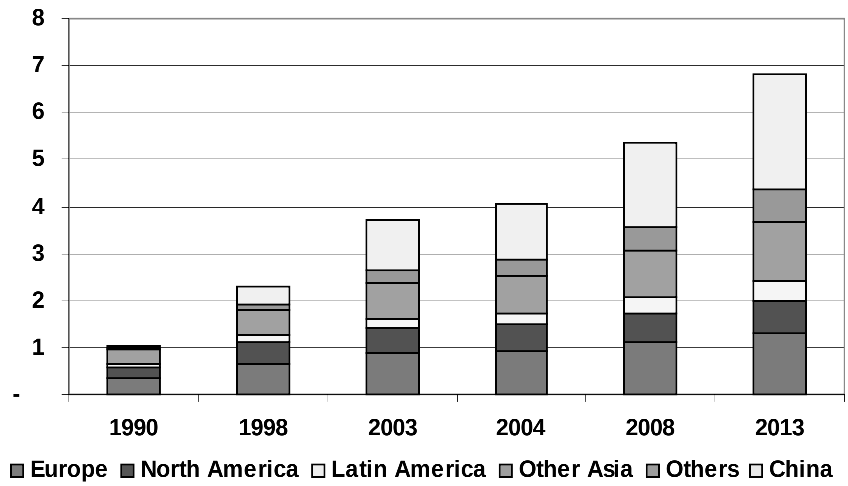
Global market scenario

BOPP film was introduced in the early 1960s as a replacement for cellulose film. While BOPP film consumption has grown to more than four million tonnes in 2004, cellulose film consumption has dropped from 498,000 tonnes per annum in 1978 to 25,000 tonnes in 2003.

The global demand for BOPP films has grown significantly since 1990 with approximately three-quarters of the current demand being added during this period. Currently, demand for BOPP film is nearly three times larger than that for BOPET film.

The estimated global demand for BOPP film (historical and projected) are as follows:

(in million tonnes)



Source: AMI Consulting - The Global Market for BOPP Films (December 2004).

The global demand for BOPP films is expected to grow at a compound annual growth rate of approximately 7% during the period 2004-2008. The growth of BOPP film demand in emerging economies, especially those in Asia, is expected to increase at a compound annual growth rate of more than 10%, driven by the increasing usage in the flexible packaging industry. In 1990, Western Europe, North America and Japan together accounted for 68% of the global BOPP film demand while China accounted for only 6%. By 2004, the combined share of Western Europe, North America and Japan decreased to 38% and China's share increased to 30%. By 2013, China is expected to account for 36% of the global BOPP film demand, while Europe, North America and Japan are together expected to account for only 29%.

The global installed capacity for BOPP films was estimated at 5.9 million tonnes per annum in 2004 with an average capacity utilisation of approximately 70%. An estimated 2.1 million tonnes of capacity was added during 2002 to 2004, of which, China acconted for approximately 70%. Greater increases in demand relative to future capacity addition is expected to lead to higher global capacity utilisations of 76% by 2008 and 90% by 2013. An analysis of the global demand and supply, by regions, is presented below:

(in '000 tonnes)

	2004 Estimated			2008 Estimated			2013 Estimated		
Region	**Capacity**	**Production**	**Demand**	**Capacity**	**Production**	**Demand**	**Capacity**	**Production**	**Demand**
Europe	1,044	903	921	1,249	1,050	1,109	1,279	1,187	1,297
N. America	665	598	558	802	654	631	807	713	711
Japan	348	256	251	348	271	267	348	291	287
China	2,373	1,197	1,211	2,524	1,754	1,799	2,724	2,500	2,478
Other Asia & Australia	874	642	571	1,099	853	756	1,153	1,039	984
Other World	620	524	559	882	697	799	930	830	1,073
Total	**5,923**	**4,119**	**4,070**	**6,902**	**5,278**	**5,361**	**7,239**	**6,560**	**6,829**

Source: AMI Consulting - The Global Market for BOPP Films (December 2004)

The global BOPP film industry has not witnessed consolidation. In fact, in recent years, it has become more fragmented with the emergence of many new entrants. The top ten producers accounted for 32% of global production in 2003, compared with 40% in 2001 and 45% in 1990. In 2003, there were only two manufacturers in the world with BOPP film production in excess of 200,000 tonnes, with no other manufacturer producing more than 120,000 tonnes.

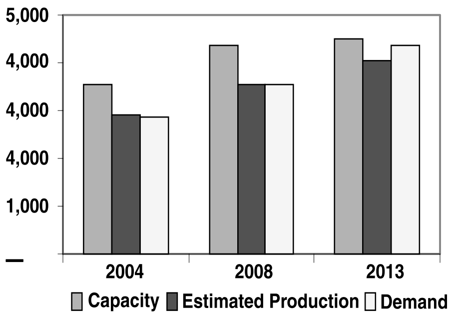
Unlike in the case of BOPET film, European and U.S. BOPP film manufacturers have continued to invest in production capacities. However, as in the case of BOPET films, their manufacturing costs are higher than those of emerging economies such as India and China. As producers in cost competitive, emerging economies start producing high quality products, capacities are expected to shift from North America and Western Europe, where the large producers currently have a majority of their capacities located, to such emerging economies. It was recently reported that one of the top five global BOPP film producers filed for protection under Chapter 11 of the U.S. Bankruptcy Code in December 2004.

Chinese BOPP film industry

The Chinese BOPP film industry is fragmented with small and inefficient production facilities serving the local demand for commodity films. Many of the producers currently lack the resources and skill required to penetrate the export markets and operate their plants below nominal capacity. This is reflected by the 50% average capacity utilisation in China in 2004. During the same year, market prices for BOPP film decreased in China even though they increased globally. A shakeout is expected and many Chinese producers have already shut-down their manufacturing lines and have put their expansion plans on hold.

China has not been able to effectively utilise its excess BOPP film capacity for exports. Despite overcapacity in the domestic market, China was a net importer of BOPP films in 2004 with imports of approximately 100,000 tonnes versus exports of approximately 70,000 tonnes. Excluding China from the global demand and supply comparison results in a higher average global capacity utilisation of 82% in 2004, as shown below:

Global Scenario Excluding China



Source: AMI Consulting - The Global Market or BOPP Films (December 2004)

Although, some large producers have also emerged in China with capacities in excess of 100,000 tonnes per annum, they are new entrants into the BOPP film industry. They may have resources to penetrate the export markets, but they are not expected to export sufficient quantities of BOPP films in the near future to materially affect the global demand and supply balance.

The competitive threat posed by Chinese producers is further mitigated by the rapidly increasing demand in China for BOPP films. Domestic consumption of BOPP films in China is expected to absorb more than 90% of China's production capacity by 2013, including anticipated additions to capacity.

Domestic market scenario

Indian market demand for BOPP films during 2004 was estimated at approximately 84,000 tonnes. The domestic demand for BOPP films is less than that for BOPET films, whereas, globally, the demand for BOPP films is nearly three times that for BOPET films. This difference is primarily due to the late entry of BOPP films in the Indian market in 1980. By that time, BOPET films had been produced and marketed in India for nearly ten years and downstream operators, such as slitters, converters and printers, had already invested in machinery required for slitting, converting and printing on BOPET films. The lower machinability of BOPP film required advanced equipment which had higher capital costs than BOPET film equipment. These factors delayed the growth of the BOPP films market in India.

The unavailability of BOPP films led to the rapid growth of TQPP films, a cheaper, low-quality substitute requiring lower capital investments. The TQPP film industry in India is largely unorganised and fragmented. The market for TQPP films in India was estimated to have reached 250,000 tonnes by 2003.

Domestic demand for BOPP film grew by 29% from approximately 65,000 tonnes in 2003 to approximately 84,000 tonnes in 2004. The relatively low market penetration of BOPP films in India and its superiority to TQPP films as a packaging material suggest a high potential for growth of the domestic BOPP film market in the future.

The key growth drivers for the domestic BOPP film industry are:

- Availability of the world class BOPP film production technologies in India;
- Production of international quality BOPP films at low cost;
- Growth in consumption of western-style snack products, confectionery and baked goods, together with increasing hygiene consciousness amongst the population, resulting in even traditional food manufacturers using flexible packaging;
- Displacement of TQPP films, a low quality substitute, which is not widely used outside of India. The greater versatility and attractiveness of BOPP films as a flexible packaging material as well as decreasing cost differentials between TQPP films and BOPP films should result in BOPP films displacing TQPP films to a significant extent; and
- Increase in new BOPP film applications, such as labels and ink jet and laser printable films.

The total BOPP film capacity in India was approximately 125,000 tonnes per annum in 2004. Our new BOPP film production lines possess the latest technology. Currently, most of the operational BOPP film lines in India are running at high capacity utilisations. We believe no new capacity expansions have been announced to date, except by us.

BOPP film price trends

The primary raw materials for BOPP films are polypropylene homopolymers and copolymers, which are petroleum based products. The fluctuation in prices of raw materials have generally been passed on to the customers.

Metallised Film

Metallisation involves application of a thin layer of aluminium to a BOPET film or BOPP film substrate. The result is a film that is visually more attractive and also considerably more resistant to gas and water vapour transmission. Metallised film is used in a wide variety of flexible packaging applications where moisture and aroma retention are especially important, such as snack foods and wrapping for tobacco products, or where durability is required, such as in industrial applications. Metallised film's attractive appearance leads to its use in the packaging of luxury products, gift wrapping and other decorative applications.

Coated Film

BOPET films and BOPP films are coated to improve their barrier properties and enable them to be heat-sealed. PVDC, acrylic and LTS coated films are used in the packaging of meat products, seafood, agricultural produce, frozen foods, luxury foods and box-wrapping.

Polyester Yarn Industry

The domestic polyester yarn market is expected to grow at a compound annual growth rate of approximately 8% in the medium term due to rising demand in China and India and limited availability of cotton in global markets. The relaxation of textile quotas under the international multi-fibre agreement is also likely to enhance the market potential due to an increase in India's export of polyester yarns and fabrics.

The polyester yarn market is dominated by Reliance Industries Limited and Indo Rama Synthetics Limited. In its budget for fiscal 2006, the Government of India reduced the basic excise duty on polyester yarns from 24% to 16%.

OUR BUSINESS

Our Company

We are India's largest manufacturer of flexible packaging films.[2] We manufacture and sell BOPET films, BOPP films and metallised films. We also manufacture and sell POY and manufacture polyester chips for captive consumption. Our films are used in labels, adhesive tapes, food packaging and wrapping for tobacco, consumer products and textile products. End-users of our films include several Fortune 500 companies.

We acquired Rexor S.A.S., our French subsidiary, in November 2003, and gained access to a broad range of advanced metallised and coated film production technologies that we can use in our cost-efficient Indian production facilities. The acquisition also strengthened our European distribution network which gives us a significant advantage over our competitors.

DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH, one of Europe's largest development finance institutions, has recently invested in our Company, and currently holds approximately 9.5% of our equity share capital.

We are promoted, among others, by Mr. Shyam Sunder Jindal, son of Mr. B.C. Jindal. We form part of the Rs. 15,000 million B.C. Jindal group, a 50 year old industrial group offering a wide range of products. Jindal Photo Limited, a Promoter group company, has a technical and marketing alliance with Fuji Photo Films, Japan and is a leading Indian manufacturer of photographic films, X-ray films and photographic paper. Another Promoter group company, Jindal (India) Limited, is involved in the manufacturing of steel pipes, tubes, cold-rolled and galvanised coils and sheets.

In fiscal 2004, we had unconsolidated net sales of Rs. 5,422 million and unconsolidated net profit before taxes of Rs. 801 million. BOPET films (including metallised films) and BOPP films accounted for approximately 47% and 14%, respectively, of our net sales and approximately 72% and 14%, respectively, of our net profit before taxes for that year. Polyester yarn and other products represented 39% of our net sales and 14% of our net profit before taxes for that year. The profit margins are higher in BOPET films due to higher margins from the sale of value added products and exports to the European Union. Domestic sales accounted for 78% and exports accounted for 22% of our net sales during the same fiscal year.

Our Equity Shares are traded on the BSE and NSE.

Business Overview

Our focus is on being an integrated packaging films solutions company. We are competitively positioned and offer a full range of thin and thick BOPET film and BOPP film products required by large flexible packaging converters (who buy and process our products for distribution to end-users) making us a "one-stop-shop" supplier. From being a producer of only polyester yarn in 1985, we diversified into BOPET film production in 1996. In 2003, we commenced production of BOPP films and metallised films. We plan to commence production of coated film products at our plant at Nasik by July 2005. Our capabilities to produce value added products were strengthened by our acquisition of Rexor S.A.S, which produces metallised and coated films for applications such as tear tapes, hot stamping foils, security threads and other high-value products for specialised technical applications.

Our plant at Nasik, Maharashtra is the largest single location plant in India for the manufacture of flexible packaging films and, we believe, among the largest in the world. Our plant at Nasik currently has the capacity to produce 86,000 tonnes per annum of BOPET film, 45,000 tonnes per annum of BOPP film, 12,000 tonnes per annum of metallised film and 93,800 tonnes per annum of polyester chips. Following the installation of our new BOPET film line in March 2005, we have the fifth largest BOPET film manufacturing capacity in the world, based on information derived from PCI Consulting Limited – Statistical Review of the World Polyester Film Market (September 2004).

We are one of India's largest exporters of BOPET films with exports of more than Rs. 1,800 million during the nine-month period ended December 31, 2004. We accounted for a majority of the total BOPET film exports from India to EU during such period. We are not subject to anti-dumping duties on BOPET film exports to EU that EU regulators impose on our competitors in India. This gives us an advantage over our domestic competitors in exporting BOPET film to the EU, where the realisations on such film are among the highest in the world. Through Rexor S.A.S. and our distributor relationships in over 40 countries, we have a well-established international marketing network.

We produce polyester yarn at our manufacturing facility at Gulaothi, Uttar Pradesh. This facility currently has the capacity to produce 54,000 tonnes per annum of polyester yarn and 27,375 tonnes per annum of polyester chips. We expect the polyester yarn market to grow in the medium term due to rising demand in China and India and limited availability of cotton in global markets. The relaxation of textile quotas under the international multi-fibre agreement is likely to enhance our market potential by increasing the ability of Indian manufacturers to export polyester yarns and fabrics.

[2] *Source: Information derived from PCI Films Consulting Limited – A Statistical Review of the World Polyester Film Market (September 2004) and AMI Consulting – The Global Market for BOPP Films (December 2004).*

The polyester yarn market in India is dominated by Reliance Industries Limited and Indo Rama Synthetics Limited. Our share of the Indian polyester yarn market is insignificant. We will either continue to operate this business if we can achieve acceptable returns for our shareholders or, alternatively, exit this business at the appropriate time.

Our History

Our corporate origins can be traced back to 1974 with the incorporation of Hindustan Pipe Udyog Limited, which manufactured galvanized electric resistance welded pipes in Ghaziabad, Uttar Pradesh. In 1985, we began manufacturing polyester yarn and in 1992, we began producing polyester chips for captive consumption. In mid-1990, we hived off our pipes division to Jindal Pipes Limited and changed the name of our company to Jindal Polyester Limited. We commenced manufacturing of BOPET films at our plant at Nasik, Maharashtra, in 1996. In 2000, India Polyfilms Limited and Patel Poly Products Limited amalgamated with our Company. We increased our product portfolio by starting production of BOPP films and metallised films at our Nasik facility in 2003. In the same year, we acquired Rexor, our French subsidiary. We adopted our current name, Jindal Poly Films Limited, in 2004 to reflect our current focus on the flexible packaging films business.

We completed our initial public offering of shares in India in 1994.

Our Products

Our products include the following:

- BOPET films;
- BOPP films;
- Metallised BOPET and BOPP films;
- Polyester yarn; and
- Polyester chips (for captive consumption, as a raw material for BOPET films and polyester yarn).

Flexible packaging generally involves the use of light weight, durable and flexible materials, such as plastic films, paper and aluminium foil (rather than traditional materials such as paper board, glass or tin), to package and label products. Applications for flexible packaging include labels, adhesive tapes and wrappings for food, tobacco, consumer products and textiles.

The principal base or raw material substrates used in producing flexible packaging are BOPET films and BOPP films. Each film has different qualities making it suitable for different applications. Metallising and coating BOPET and BOPP films enhances their barrier properties besides imparting them with other desirable properties, such as better appearance and heat sealability.

BOPET film

BOPET film is highly versatile. Its barrier properties, high tensile and dielectric strength, thermal and chemical stability and toughness make it suitable for a multitude of applications. The film provides a strong barrier to moisture and odour, which makes it especially suitable for use in flexible packaging, electric insulation, office supplies, graphic arts, magnetic media, imaging and industrial applications.

BOPP film

BOPP film is widely used for packaging food and other products and for adhesive tapes. BOPP film has dimensional stability, high tensile strength, good stiffness, good clarity, excellent printability and, most importantly, heat sealability. BOPP film also provides reasonable barrier protection against moisture and gas.

Metallised film

Metallising BOPET and BOPP films enhances the barrier properties of these films, making them suitable for uses where moisture and aroma retention are especially important, such as snack foods, and where durability is important, such as in industrial applications. Due to their attractive appearance, metallised BOPET and BOPP films are also used for gift wrapping and other decorative applications.

Coated film

We propose to manufacture polyvinylidene chloride (“PVDC”), acrylic and low thermal sealing (“LTS”) coated films using BOPET and BOPP films as the main raw material. Coating is mainly used to improve the barrier properties of plastic films and enable them to be heat-sealed. PVDC, acrylic and LTS coatings are used in the packaging of meat products, seafood, agricultural produce, frozen foods, luxury foods and box-wrapping.

Polyester yarn

Our polyester yarn, which includes specialty polyester yarns such as dyed and coloured yarns, are sold to weavers and ultimately used in connection with the manufacture of shirts, sarees and other garments.

Acquisition of Rexor S.A.S., France

In November 2003, we acquired 95.57% effective shareholding in Rexor S.A.S. (formerly Rexor S.A.), France, for a total cash consideration of € 8.5 million. We acquired Rexor from a group of financial investors who had earlier acquired the business from the Rhone-Poulenc group in a management buyout. The Chairman of Rexor holds the remaining 4.43% effective shareholding.

Rexor specializes in complex BOPET film coating technologies and in metallising, demetallising and micro-slitting BOPET films. Apart from manufacturing and selling a broad range of metallised and coated BOPET films for preserving food products, Rexor is a leading producer of "tear tapes" for easy opening of cheese portions and hot stamping foils and laminating films used in the packaging of luxury products, such as cosmetics and perfumes. Rexor is also a leading producer of security threads for bank notes and also produces films for decoration, insulation, aeronautics and sun protection. Rexor holds proprietary technologies for laser demetallisation of security threads and other bank note security applications and for slitting films into widths as short as 0.20 millimetres. Rexor's sales were approximately € 18 million and its earnings (before interest, taxes, depreciation and amortisation) were approximately € 2 million during the nine-month period ended December 31, 2004. We supplied Rexor with 69% of its requirement for base BOPET films during that period.

Rexor provides us with leading film-related technologies, a portfolio of "high end" film products, a European distribution network for selling the BOPET films and BOPP films we manufacture in India and an innovative research and development facility for developing new products. We intend to apply some of Rexor's technologies for manufacturing coated and metallised films in India, where our cost base is lower than in France.

Our Business Strategy

Our business strategy is to:

- Increase domestic market share by focusing our business on flexible packaging films, developing our business into a "one-stop-shop" for customers, developing new products and applications and enhancing our capacity ahead of our competitors to meet future expected increases in demand for flexible packaging films.
- Expand into international markets by leveraging high-quality products manufactured at lower cost in India and gain increased access to global markets through our strong distributor networks and Rexor.
- Export value-added products, such as metallised films and coated films, developed by Rexor or using Rexor's technologies, which command higher prices and are more profitable and which minimize the impact of duties.
- Be cost-competitive by increasing our capacity to benefit from economies of scale, establishing our production facilities closer to our raw material suppliers and labour source, employing new technologies to improve product quality, lowering wastage and providing flexibility to respond to market demands, manufacturing polyester chips for internal manufacturing consumption and minimizing overhead costs through improved operational efficiency.
- Be competitive with Chinese flexible packaging film producers by increasing operational efficiency and producing high-quality products at affordable prices. We view our ability to offer integrated packaging solutions to be a key differentiating factor in this regard.
- Expand through acquisitions of foreign operations engaged in the manufacture and distribution of value added products. Our acquisition of Rexor in France is a good example of this strategy.

Our Competitive Strengths

Our competitive strengths as a participant in the flexible packaging films industry include:

- *Diverse product portfolio:* Our acquisition of Rexor in France makes us one of the few players globally to be able to offer a full range of thin and thick BOPET film and BOPP film products required by large flexible packaging converters and end-users. Our new production facilities in India have significantly enhanced our capability to produce speciality BOPET and BOPP films, such as specialised hot stamping foils, isotropic films, pinhole free yarn grade films, low oligomer milky white films, flame treated five-layer films and high speed tobacco overwrapping films.
- *Global scale:* We are the largest manufacturer of flexible packaging films in India. Our plant at Nasik, Maharashtra is the largest single location plant in India for the manufacture of flexible packaging films and, we believe, among the largest in the world. Following the installation of our new BOPET film line in March 2005, we have the fifth largest BOPET film manufacturing capacity in the world.
- *International market reach:* We have a well developed marketing network in over 40 countries, covering majority of the world market for BOPET film. In addition, our acquisition of Rexor has further enhanced our presence in Europe.
- *Demonstrated export track record:* We are the largest Indian exporter of BOPET films, accounting for a majority of Indian exports of BOPET film to the EU. We are currently the only Indian manufacturer exporting BOPET films not subject to anti-dumping duties that are otherwise imposed on other Indian manufacturers by the EU.

- *State of the art manufacturing facilities:* Most of the production lines installed at our production facilities use state-of-the-art German technology and equipment. We were the first plastic film manufacturer in India to employ an 8.7 metre width BOPET line and an 8.2 metre width BOPP line. The flame treatment facility and our capability to produce five-layer BOPP films on our recently installed 32,000 tonnes per annum BOPP film line are also the first of their kind in India. Our new 45,000 tonnes per annum BOPP production line, when installed next year, will be the largest BOPP film production line supplied by Bruckner, a leading supplier of BOPP film production lines.
- *Research and development capabilities:* We have developed specific products to meet niche market requirements. Our acquisition of Rexor in France provides us access to advanced research and development capabilities for customised products and new applications and enhances our ability to respond to the latest market developments.
- *Competitive cost structure:* We enjoy economies of scale and our facilities are located close to our raw materials suppliers and to our customers. Additionally, we believe our labour and overhead costs are significantly lower than those of our direct competitors. The proximity of our Nasik facilities to the port of Mumbai and raw material sources gives us a competitive advantage in terms of lower transportation costs and shorter lead time for exports.
- *Financial flexibility:* We strive to utilize an optimal mix of debt and internal accruals to meet our fund requirements. Our lower leverage, especially as compared to most of our domestic competitors, reduces our cost of debt funds and gives us flexibility to access debt markets without straining our financial position.

The Production Process

BOPET film

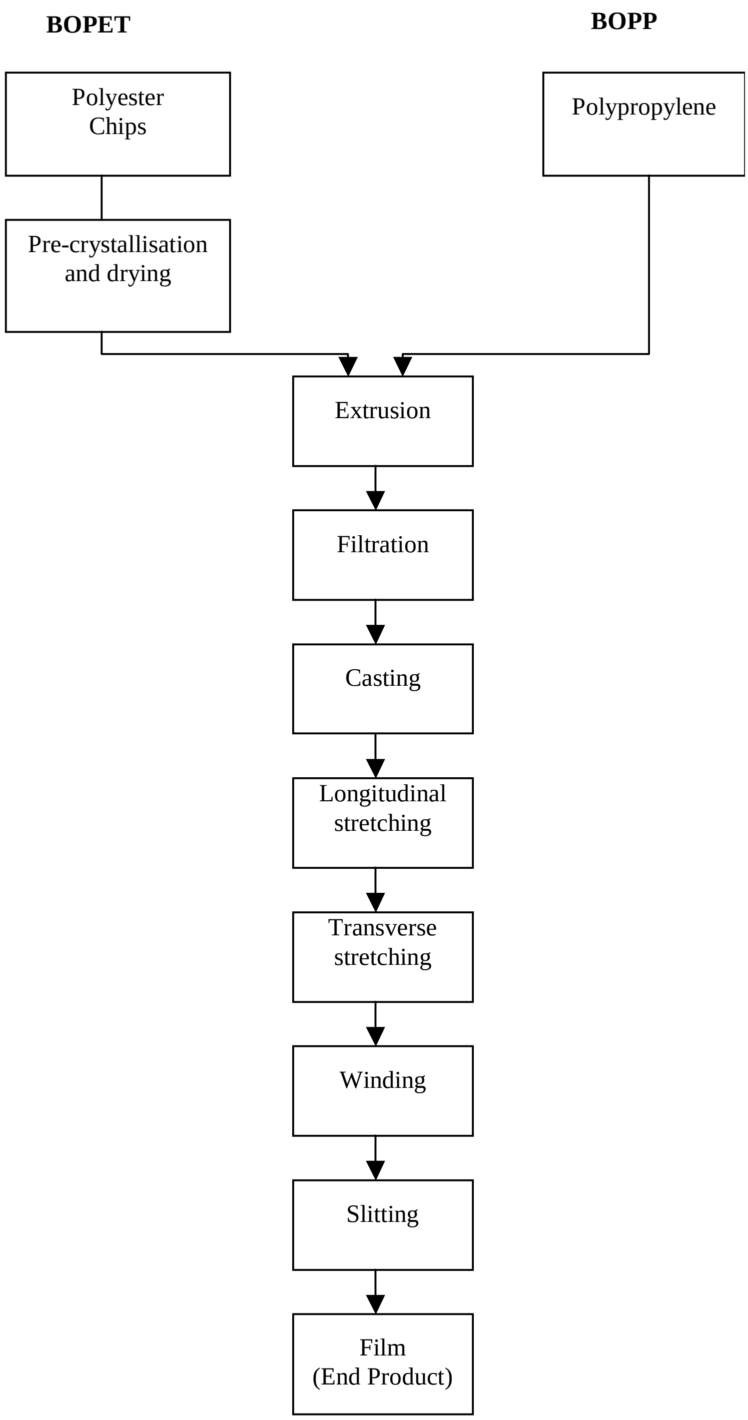
BOPET film is a thermoplastic film made from polyester chips. The chips are, in turn, made from MEG and either DMT or PTA. In the production process:

- Polyester chips are mixed and fed into a pre-crystallising unit where they are heated to transform them into a sticky state and then blow dried to remove impurities that may be present.
- The dried chips are discharged into an extruder, where the chips are melted.
- The molten polyester chips are then filtered into a sheet die where the desired thickness and width of the polyester sheet are set.
- From the sheet die, the polyester melt is poured onto a cooled casting drum where, after casting, the solidified film is pulled onto a take off unit at the correct tension level.
- The polyester sheet is then stretched (or oriented) on heated rollers. The sheet is first stretched lengthways (longitudinal stretching) and then widthways (transverse stretching).
- The edges of the sheet are trimmed and the sheet is wound onto a steel jumbo core.
- The jumbo roll of polyester film is then cut (or slit) into the desired width before shipping.

BOPP film

The production process for the manufacture of BOPP film is similar to that for the production of BOPET film, except that the basic raw materials (i.e. PPHP and PPCP) do not need to be subjected to the initial pre-crystallisation and drying process required for polyester chips.

The following chart illustrates the process for manufacturing BOPET and BOPP films:



Metallised film

Metallising uses a high vacuum process. Aluminium is vaporised and deposited onto the plastic film substrate by passing the film through the aluminium vapour. This operation is conducted in a closed vacuum chamber and the film is chilled for proper deposition of aluminium on the film's surface.

Coated films

Film coating involves loading BOPET film or BOPP film onto a coating machine and steadily unwinding the roll of film. The film is first treated in order to increase the surface tension of the film to allow for better bonding. A primer coating is applied to the film before a PVDC, acrylic or LTS coating is applied. This enhances the adhesion of the coating to the film. The primer is dried in a hot air tunnel, and PVDC, acrylic or LTS coating is dispersed onto the primed film and dried through a hot air tunnel.

Polyester Yarn

Polyester yarn is made from polyester chips. The polyester chips are, in turn, made from MEG and either DMT or PTA and certain additives based on the properties desired. In the production process:

- Polyester chips are fed into chips dryers through a conveying system and dried until the desired moisture level is achieved.
- The dried chips are discharged into an extruder, where the chips are melted, and then passed through continuous polymer filters into the melt lines.
- The molten polyester then enters spinning metering pumps which pump the polyester into spin packs. The spin packs consist of filtering media and spinnerets, which have different numbers of holes based on the number of filaments required in the yarn.
- Polyester filaments obtained from the spinnerets are cooled in a quench chamber and then bundled on to spin finish applicators and wound on paper tubes to obtain the desired polyester yarn.
- After the full bobbin size is obtained on the paper tubes, the bobbins are quality tested and packed before shipping.

Polyester chips

Polyester chips are used in the production of BOPET films and polyester yarn. To produce polyester chips, MEG and either DMT or PTA are charged in an "esterification" reactor and certain catalysts are added. A dulling agent is added and the product is filtered and condensed in a polycondensation reactor which is equipped with a heating and agitating system. Glycol is condensed and collected in a catch pot. Nitrogen is introduced and pressure applied to force the molten polyester to pass through an extrusion dye head to form strands. These strands are fed into a water cutter which solidifies and chops them into regular size chips. In case DMT is used as a raw material for polyester chips, methanol is obtained as a by-product.

We have the technology for producing special polyester chips required in the manufacture of speciality BOPET films such as opaque white and matte films.

Sales and Distribution

BOPET films (including metallised films) and BOPP films accounted for approximately 47% and 14%, respectively, of our unconsolidated net sales in fiscal 2004, with polyester yarn and other products representing 39% of our unconsolidated net sales for that period. BOPET films (including metallised films) and BOPP films accounted for approximately 61% and 12%, respectively, of our unconsolidated net sales in the nine-month period ended December 31, 2004, with polyester yarn and other products representing 27% of our unconsolidated net sales for that period. Domestic sales accounted for 78% and exports accounted for 22% of our unconsolidated net sales in fiscal 2004 and 66% and 34%, respectively, of our unconsolidated net sales in the nine-month period ended December 31, 2004.

We commenced production of BOPP films in 2003 with sales predominantly in the domestic market. Exports, on the other hand, accounted for 46% of our BOPET film business in fiscal 2004 and 55% in the nine-month period ended December 31, 2004. We have distribution arrangements in over 40 countries that covers the majority of the global market for BOPET films.

Sixty-one percent of our total BOPET film exports during the nine-month period ended December 31, 2004 were to the EU, where we have distributors in all major countries, including the United Kingdom, Germany, France, Netherlands, Belgium, Spain, Portugal, Switzerland, Poland, Italy and Turkey. Our target segments in the EU include metallisers, silicon coaters and slitter distributors, hot stamping foil and cable manufacturers and packaging converters. Our French subsidiary Rexor provides us with enhanced market access and knowledge of the latest market trends.

Twenty-eight percent of our total BOPET film exports during the nine-month period ended December 31, 2004 were made to Southeast and West Asia. We have distributors and selling agents in Indonesia, Malaysia, Taiwan, China, Singapore, Thailand, UAE, Oman, Saudi Arabia, Israel and Iran.

South America accounted for approximately nine percent of our total BOPET film exports during the nine-month period ended December 31, 2004. We have distribution arrangements in Brazil, Argentina, Peru and Columbia.

The United States accounted for approximately two percent of our total BOPET film exports during the nine-month period ended December 31, 2004. We operate in the United States through distributors in New York and South Carolina. Our exports to the United States are not as substantial as those to Western Europe because of comparatively lower realisations, higher transportation costs and longer lead times. Further, the anti-subsidy and anti-dumping duties imposed on us by U.S. regulatory authorities make exports to the United States less attractive for us.

In the domestic market, our customers for BOPET films and BOPP films consist of:

- Flexible packaging "converters" (who acquire the film for ultimate sale to end users and convert it through printing, laminating or other processes).
- Distributors and dealers who stock and sell material to fragmented users.
- Metallisers.
- Other converters, such as coaters, laminators and extrusion coaters who process the film for end uses other than packaging.

More than 60% of our BOPET film distribution network is also used for BOPP film distribution. Separate distribution channels are used to serve the market for specific BOPP film applications, such as adhesive tapes, garment bags and gift wrapping.

Our regional marketing offices are located in Delhi, Mumbai and Surat. Our main distributors are in Delhi, Kanpur, Bangalore, Chennai, Hyderabad, Daman, Ahmedabad and Calcutta.

The following table sets forth for the periods indicated, the percentage breakdown of our unconsolidated net sales by geographic segments for each of our product categories:

	Year ended March 31,			Nine-months ended
Product and Market	**2002**	**2003**	**2004**	**December 31, 2004**
BOPET film and metallised film				
India	71 %	55 %	54 %	45 %
Rest of Asia	6 %	8 %	15 %	16 %
Europe	19 %	34 %	28 %	33 %
North America	3 %	2 %	2 %	1 %
South America	1 %	1 %	1%	5 %
Total	**100 %**	**100 %**	**100 %**	**100 %**
BOPP film				
India	-	100 %	100 %	98 %
Rest of Asia		0 %	0 %	2 %
Total	**-**	**100 %**	**100 %**	**100 %**
Polyester yarn				
India	100 %	100 %	100 %	100 %

Export Obligations

We propose to import capital goods under the Indian government's EPCG Scheme under which capital goods may be imported at a concessional customs duty rate of 5%. We have provided legal undertakings to the Indian government, as a condition of the EPCG licenses issued to us by the government, to meet certain export obligations over specified periods of time in order to be eligible for the concessional rate. We have undertaken that, to qualify for duty exemptions from import of capital goods of an aggregate CIF value of Rs. 2,752.60 million, we would export goods like polyester chips, PET films, plastic metallised film, BOPP films, BOPET films etc. of an aggregate value of Rs. 16,486.50 million or US$ 356.44 million (such amounts as specified in the EPCG licenses) within specified time periods ranging from April 2007 to April 2013. The respective EPCG licenses set out the value of the exports and the total CIF value of the imports. Based on the Company's current export projections, it expects to meet its export obligations in accordance with the EPCG license requirements.

Duties

Exports of BOPET film by Indian producers to the United States and European Union are generally subject to anti-subsidy and anti-dumping duties. However, our BOPET film exports are not subject to anti-dumping duty in the European Union as we have sold our BOPET films in Europe at prices above our manufacturing costs. We expect to maintain similarly high price levels for BOPP film exports. Our exports account for a majority of BOPET film exports from India to the EU.

The following table gives the prevailing anti-dumping and anti-subsidy duty rates that apply to us and our main competitors in India:

	EU[1]			USA[2]		
Company	**Anti Subsidy**	**Anti Dumping**	**Total**	**Anti Subsidy**	**Anti Dumping**	**Total**
Jindal Poly Films	7.00%	0.00%	7.00%	20.40%	6.28%	26.68%
Garware Polyester	3.80%	60.70%	64.50%	24.48%	5.71%	30.19%
Flex Industries	12.50%	30.40%	42.90%	20.40%	5.71%	26.11%
Polyplex	19.10%	28.30%	47.40%	18.66%	0.00%	18.66%
Ester Industries	12.00%	52.50%	64.50%	18.43%	5.71%	24.14%

Source: Information derived from Official Journal of European Commission, Brussels; Official website of Federal Register Notices of Department of Commerce, USA; current as of March 31, 2005.

[1]These are applied on CIF (cost insurance freight) basis

[2] These are applied on FOB (free on board) basis.

We intend to export value added products, such as metallised films and coated films, to the EU, the United States and other markets. Currently, export of value added products, such as metallised and coated films, are not subject to any anti-dumping or anti-subsidy duties, except in the case of export of metallised BOPET films to the EU.

The import of BOPET film and BOPP film into India is currently subject to a customs duty of 15% of the assessable value. In the case of imported raw materials that are to be processed for re-export, exemptions from import duties can be obtained by subscribing to the “advance license scheme” of the Indian Government. Similarly, imported capital goods that are generally subject to customs duty of 15% of their assessable value can be imported at reduced or nil rates of duty provided they are used to manufacture products, a specified proportion of which are exported.

Our Production Facilities

Our main production facility is located at Nasik, Maharashtra, and is the largest single location plant for the manufacture of flexible packaging films in India and, we believe, in the world. Our plant at Nasik produces BOPET films, BOPP films, metallised films and polyester chips. The existing capacity at our Nasik plant is 86,000 tonnes per annum of BOPET film, 45,000 tonnes per annum of BOPP film, 12,000 tonnes per annum of metallised film and 93,800 tonnes per annum of polyester chips. Our BOPET film production lines are sourced from Dornier, a leading global supplier of BOPET film machinery based in Germany. Our BOPP film production lines are sourced from Bruckner, a leading German-based global supplier of BOPP film machinery.

We have recently installed an 8.2 metre wide, five-layer BOPP film production line with an annual capacity of 32,000 tonnes. There was a delay of three months in the commissioning of this BOPP line on account of damage to one of the machines during transportation from the port to our facility at Nasik and late arrival of shipping vessel in case of another machine. The project was completed in February 2005.

We have recently installed a new 8.7 metre wide, thin BOPET film production line with an annual capacity of 25,000 tonnes. We have placed orders for two metallising lines, each with a capacity of 7,000 tonnes per annum, which we expect to commission by July 2005 and August 2005, respectively. We are also in the process of installing two coating lines, with a capacity of 4,500 tonnes per annum each, for producing PVDC, acrylic and LTS coated films by July 2005 and December 2005. These metallising and coating lines will enable us to produce value-added products that are currently not subject to anti-dumping duties in the EU and the United States.

Our plant at Gulaothi, Uttar Pradesh, produces polyester yarn and polyester chips. The existing capacity at our Gulaothi plant is 54,000 tonnes per annum of polyester yarn and 27,375 tonnes per annum of polyester chips. At present, we do not have any expansion plans for our plant at Gulaothi.

Rexor has a modern industrial building in the Business Zone of La Feydeliere, Paladru, built over an area of 40,000 square metres, with a production area of 16,300 square metres, including 900 square metres of offices. The facility consists of a lacquer shop, a glue shop, administrative offices, warehouse, production building with an integrated laboratory, and has high performance machines for coating (five coating lines, having a capacity of more than 4,000 tonnes), vaccum metallization (capacity of more than 3,500 tonnes per annum), demetallisation and slitting (processing more than 3,000 tonnes annually).

Our Expansion Plans

We are planning further expansion of our production capacities for BOPET film, BOPP film and metallised film at our plant at Khanvel, Dadra and Nagar Haveli, and for coated film and polyester chips at our plant at Nasik. Specifically, by September 2006, we plan to install an 8.7 metre wide BOPET film line with a capacity of 25,000 tonnes per annum, an 8.2 metre wide BOPP film line with a capacity of 45,000 tonnes per annum and two metallising lines with a capacity of 7,000 tonnes per annum each, at our Khanvel facility.

In addition, by March 2006, we expect to install two additional coating lines, each with a 4,500 tonne per annum capacity, at our Nasik facility. We are also considering the installation of an additional polycondensation plant to produce polyester chips for captive consumption with a capacity of 50,000 tonnes per annum at our Nasik facility, by September 2006.

The following table summarizes our current capacity and our planned capacity after completion of our proposed expansions plans:

(tonnes per annum)

Location	**BOPET Film**	**BOPP Film**	**Metalliser Plant**	**Polyester Chips**	**POY**	**Coating Plant**
Gulaothi, U.P.	-	-	-	27,375	54,000	-
Nasik, Maharashtra	36,000	13,000	5,000	43,800	-	-
Expansions at Nasik in 2004-March 2005	50,000	32,000	7,000	50,000	-	-
Total Existing Capacity	**86,000**	**45,000**	**12,000**	**121,175**	**54,000**	**-**
Expansions to be completed in April -December 2005	-	-	14,000	-	-	9,000
Total Expected Capacity in December 2005	**86,000**	**45,000**	**26,000**	**121,175**	**54,000**	**9,000**
Proposed expansions to be completed by September 2006	25,000	45,000	14,000	50,000	-	9,000
Total Expected Capacity in September 2006	**111,000**	**90,000**	**40,000**	**171,175**	**54,000**	**18,000**

The Nasik plant will have the following production lines for flexible packaging films after completion of the current expansions by December 2005:

BOPET film

- A 6.6 metre wide thin film line of 16,000 tonnes per annum capacity
- Two thin film lines of 4,000 tonnes per annum capacity each
- A 3.2 metre wide thick film line of 12,000 tonnes per annum capacity
- Two 8.7 metre wide thin film lines of 25,000 tonnes per annum capacity each

BOPP film

- A 6.6 metre wide, three-layer line of 13,000 tonnes per annum capacity
- An 8.2 metre wide, five-layer line of 32,000 tonnes per annum capacity

Metallised film

- A wide width line of 5,000 tonnes per annum capacity
- Three wide width lines of 7,000 tonnes per annum capacity each

All our metallising lines are equipped with a built-in plasma treatment facility which enhances the shelf life of the product.

Coated film

- Two lines of 4,500 tonnes per annum capacity each, for manufacturing PVDC, acrylic and LTS coated BOPET and BOPP films

The actual capacity utilisation for BOPET film, BOPP film and POY is as given below:

Fiscal Year	Location	BOPET Film	BOPP Film	POY
2002	Nasik	61%	N.A.	N.A.
	Gulaothi	N.A.	N.A.	68%
2003	Nasik	72%	N.A.	N.A.
	Gulaothi	N.A.	N.A.	67%
2004	Nasik	71%	82%	N.A.
	Gulaothi	N.A.	N.A.	51%
2005	Nasik	74%	93%	N.A.
	Gulaothi	N.A.	N.A.	36%

Fiscal Period	Location	BOPET Film	BOPP Film	POY
Nine months ended December 31, 2004	Nasik Gulaothi	72% N.A.	104% N.A.	N.A. 41%

The estimated capacity utilisation is as follows:

Fiscal Year	Location	BOPET Film	BOPP Film	POY
2006	Nasik	78%	80%	N.A.
	Gulaothi	N.A.	N.A.	37%
2007	Nasik	85%	85%	N.A.
	Gulaothi	N.A.	N.A.	37%
	Khanvel	77%	57%	N.A.
2008	Nasik	85%	85%	N.A.
	Gulaothi	N.A.	N.A.	37%
	Khanvel	85%	75%	N.A.

The capacity utilization rates specified above have been calculated by dividing the actual production during the fiscal by the aggregate of monthly capacity available at the beginning of each month.

The estimated capacity utilization rates for fiscals 2006, 2007 and 2008 indicated above is based on numerous factors, including our assessment of the market demand for our products and the timely implementation of our capacity expansion plans. There can be no assurance that we will be able to meet the capacity utilization rates as specified above.

Decrease in capacity utilisation seen above in some cases is due to installation of new manufacturing lines, which generally operate at lower utilisation rates in the initial stages of commercial production.

Competition

We believe that we have an advantage over our European, American and Japanese competitors because of our lower cost base and our presence in the large, growing Indian market. We also benefit from the increasing presence of large converters in India and transfers of the flexible packaging operations of multinational food and consumer products companies to India.

In case of BOPET films, we have made, and continue to make, considerable investments in state-of-the-art production machinery which enhances our position against our competitors in North America, Western Europe and Japan, whose investment in new BOPET film production capacity has been relatively static.

Also, our cost advantage vis-à-vis these competitors enhances our position in the global market. Our acquisition of Rexor provides us access to specialised technology which should allow us to offer value-added products, such as coated and metallised films, and further enhance our competitiveness with Chinese competitors.

In the case of BOPP films, where our focus is largely on the domestic market, our large capacity and technologically advanced machinery differentiate us from our Indian competitors. We are the only Indian manufacturer with the capability to produce five-layer BOPP film and our unique flame treatment facility enhances the shelf life of our product. Our wide portfolio of products gives us a competitive advantage, as large converters find it advantageous to buy from producers who can serve as a one-stop shop.

Chinese manufacturers of BOPP films may present a competitive challenge to us in the international markets because of their equally low cost base and, in certain cases, their large capacity production facilities. Chinese producers, however, export limited quantities of BOPP film and have not been able to significantly increase their share of exports. The BOPP film industry in China is highly fragmented with low capacity utilisations and weakening realisations.

Raw Materials

The principal raw materials for the production of BOPET films and polyester yarn are polyester chips. We currently produce our entire requirement for polyester chips used for manufacturing BOPET films and polyester yarn. The principal raw materials for polyester chips are MEG and either DMT or PTA. Our plants have dual feed capability allowing us to choose between DMT and PTA based on prevailing market prices.

The principal raw materials for the production of BOPP film are PPHP and PPCP.

Raw material costs accounted for approximately 58% of net sales during the nine-month period ended December 31, 2004. Primary raw material prices are subject to volatility, but our prices for BOPET films and BOPP films generally move in line with them.

PPHP is readily available in India. PPCP is currently only available from foreign sources, but we are not required to pay import duties on these items to the extent that they are used for production of goods to be exported. In 2004, mainly as a result of increased crude oil prices, PTA and DMT prices increased by 17% and MEG prices increased by 29%. The cost of PPHP, which accounts for 96% of the total cost of raw materials for BOPP film, increased by 14% during 2004.

Our raw material suppliers include:

- Bombay Dyeing & Manufacturing Company Limited in India, Dubai Gulf Center Trading in Dubai and Balli Trading Company in Iran for DMT.
- Mitsubishi Chemicals Corporation in India for PTA.
- India Glycols Limited and Reliance Industries Limited in India and Mitsui in Kuwait for MEG.
- Haldia Petrochemicals Limited and Reliance Industries Limited in India for PPHP.
- Bassel, Belgium and B.P. Chemicals, Belgium for PPCP.

We have annual supply contracts with Haldia Petrochemicals Limited, India Glycols Limited, Reliance Industries Limited and Mitsui. We negotiate prices with these suppliers on a monthly basis. We have the flexibility to choose between local and foreign suppliers.

Infrastructure Facilities

Water

Water for our factory at Nasik is sourced from a nearby dam, situated approximately two kilometres from the factory, and is collected in our own water reservoir. It is circulated from the reservoir to the entire plant through pipelines. For our factory at Gulaothi, the water requirements are met through bore wells.

Electricity

For our factories at Nasik and Gulaothi, four heavy fuel-based power generation plants of four megawatts each are the main source of electricity to which all critical loads of the plants are connected. The alternate supplies for these factories are provided by 132 kilovolt and 33 kilovolt lines provided by their respective state electricity boards. We are also in the process of commissioning an eight megawatt generation plant for our future requirements at Nasik.

Research and Development

Our research and development division, with support from our French subsidiary, Rexor, is responsible for product improvement, product range diversification and development of innovative products. The division is also responsible for quality control and inspection of products at the various stages of production and for improved capacity utilization, cost reduction and waste minimization.

The division also has a process to handle and recycle mixed plastic waste arising during the course of manufacturing packaging material. Generally, the industry disposes of such waste by incineration or landfill.

We keep our research and development staff up-to-date with scientific developments in the industry through in-house training programs and national and international seminars, conferences and exhibitions.

Products which have been developed and are being manufactured by us include speciality BOPET and BOPP films, such as opaque white films, pinhole free yarn grade films, chemical coated films, matte films, ultra clear films, thermally stable films and plasma treated films. Products under development include specialised hot stamping foils, isotropic films, low oligomer milky white films, flame treated five-layer films, high-speed tobacco overwrapping films and thick BOPET films for applications in liquid crystal displays and flat-screen televisions. These specialised products obtain higher price realisations and face lower market competition.

Rexor has recently developed PVDC, acrylic and LTS coated BOPP films, insulation films and security blankets.

Compliance with Environmental and other Regulations applicable to our Business

We are in compliance with all existing environmental and other regulations applicable to our business, other than such non-compliance that would not result in a material adverse effect to our business, financial condition and results of operations.

Intellectual Property

We have developed the technology and know-how used by us in the manufacture of our products. The technology and knowhow of our French subsidiary, Rexor, is not patented in any jurisdiction except for one patent registered in France for a demetallising machine.

Insurance

We maintain insurance which we consider reasonably adequate to cover all normal risks associated with the operation of our business. All assets and stock of the Company at Nasik and Gulaothi are insured under standard fire and special perils policy. The fixed assets and stock at Nasik are also covered for earthquake risk and loss and expenses caused due to fire and allied perils, stock lying at warehouses (at Dadra, Daman and Surat) are covered for fire and burglary risks, the boilers and surrounding properties (at both Nasik and Gulaothi) are covered by a pressure vessels policy. The Company has also obtained public liability insurance under the Public Liability Insurance Act, 1991, in connection with its Nasik and Gulaothi facilities.

Employees

As of March 31, 2005, we had 551 full-time employees in India, including 297 at our facility at Nasik, 145 in our facility at Gulaothi and 109 at our corporate office in New Delhi. The number of our employees will increase with our proposed expansion plans. Currently, employees in our Indian operations are not represented by any labour unions. As of March 31, 2005, we had 164 employees at our facilities in Paladru, France. Rexor personnel are represented by a works council consisting of elected members from among our personnel and our delegate appointed to the General Workers Confederation, a union in France.

While we consider our current labour relations at all our facilities to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

Corporate Social Responsibility

We provide social benefits to our employees. At our manufacturing plants, we have developed housing colonies with recreation facilities. We provide free medical assistance, subsidised food, electricity and safe drinking water to all our employees.

Properties

We own all the properties that are material to our business. Our manufacturing facilities are located at the following properties:

Property	Area (in hectares)
Igatpuri in Nasik, Maharashtra	100.719
Gulaothi, Uttar Pradesh	9.965
Khanvel, Dadra and Nagar Haveli	8.290

Our Financial Indebtedness

Set forth below is a brief summary of our aggregate outstanding secured borrowings of approximately Rs. 440,864,000.00 and US$ 44,575,255.57 as of April 30, 2005, together with a brief description of certain significant terms of such financing agreements:

Name of the Lender	Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created
TERM LOANS					
UTI Bank [(1)(2) (10)(14)(15)(16)(17)]	Rupee Loan Facility Agreementdated January 25, 2000	Rs.60,803,000.00	8.10%	Repayment in quarterly instalments of Rs. 20,300,000 each ending in November 2005.	Secured by first pari passu charge on the fixed assets.
State Bank of India [(3)(4)]	Foreign Currency Term Loan Agreement dated January 31, 2003	US$3,080,000.00	LIBOR + 2.25% p.a.	Repayment in 15 quarterly instalments starting from June 2004. The first 14 instalments of US$275,000 each and the last instalment of US$330,000.	Secured by first pari passu charge on the fixed assets of our Company.
AKA Ausfuhrkredit-Gesellschaft mbH and assets. Commerzbank Aktiengesellschaft	Loan agreement dated June 5, 2003	US$6,061,120.36	LIBOR + 0.80% p.a.	Repayment in 16 semi annual instalments of US$505,093.37 each, starting from September 30, 2003.	Secured by first pari passu charge on the fixed assets of our Company.
AKA Ausfuhrkredit-Gesellschaft mbH and assets. Commerzbank Aktiengesellschaft [(5)]	Loan agreement dated November 3, 2003	US$16,196,005.00	LIBOR + 0.70% p.a.	Repayment in 16 semi annual instalments of US$1,156,857.61 each, starting from August 29, 2004.	Secured by first pari passu charge on the fixed assets of our Company.
Cooperatieve Centrale Raiffeisen-Boerenleenbank and B.A., Singapore Branch	Credit facility letter dated January 6, 2004	US$5,000,000.00	LIBOR + 1.50% p.a.	Repayment in 17 quarterly instalments of US$294,117.65 each, starting from November 2, 2005.	Secured by first pari passu charge on the movable and immovable fixed assets of our Company.
AKA Ausfuhrkredit-Gesellschaft mbH and assets. Commerzbank Aktiengesellschaft [(5)]	Loan agreement dated July 16, 2004	US$14,238,130.21	LIBOR + 0.65% p.a.	Repayment in 16 semi annual instalments of US$889,883.14 each, starting from May 1, 2005.	Secured by first pari passu charge on the fixed assets of our Company.
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Singapore Branch [(4)(7)(13)]	Credit facility letter dated March 2, 2005	Nil [(6)]	LIBOR + 2% p.a.	Repayment in 11 equal semi-annual instalments commencing at the end of the 24th month from date of first drawdown.	No security has been created as of the date.
Punjab National Bank [(7)(8)]	Term loan facility letter dated January 14, 2003 and letter dated February 23, 2005	Nil [(6)]	3.75% below BPLR +term premia of 0.5% i.e.7.5%	Repayment in 24 quarterly instalments starting from quarter ending June 2005 and ending in March 2011	No security has been created as of the date.
AKA Ausfuhrkredit-Gesellschaft mbH and Commerzbank Aktiengesellschaft	Loan facility letter dated September 21, 2004	Nil [(6)]	LIBOR + 0.57% p.a.	Repayment in 16 semi annual instalments.	No security has been created as of the date.

WORKING CAPITAL FACILITIES

Name of the Lender	Loan Documentation	Amount Outstanding	Interest Rate	Repayment Schedule	Security Created
Punjab National Bank	Sanction letter dated June 19, 2003	Rs. 200,061,000.00	7.00% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of minimum of 7 days.	Secured by first pari passu charge on current assets and second pari passu charge on the fixed assets.
		Nil	12.00% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a specified loan period.	
State Bank of Patalia	Sanction letter dated August 14, 2003	Rs. 50,000,000.00	6.275% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of minimum of 91 days.	Secured by first pari passu charge on current assets and second pari passu charge on the fixed assets.
		Rs. 50,000,000.00	6.25% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of minimum of 91 days.	
		Nil	12.10% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a specified loan period.	
State Bank of India	Letter dated October 28, 2002	Rs. 50,000,000.00	5.95% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of minimum of 91 days.	Secured by first pari passu charge on current assets and second pari passu charge on the fixed assets.
		Nil	11.75% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a specified loan period.	
ABN AMRO Bank	Sanction letter dated September 14, 2004	Nil [(6)]	PLR	The said loan is a working capital facility on an ongoing/running basis.	Secured by first pari passu charge on current assets. Second pari passu charge on fixed assets yet to be created.
Bank of Nova Scotia	Sanction letter dated November 27, 2003	Nil [(6)]	PLR	The said loan is a working capital facility on an ongoing/running basis.	Secured by first pari passu charge on current assets and second pari passu charge on the fixed assets.

UTI Bank	Letter dated August 27, 2003	Nil [6]	PLR	The said loan is a working capital facility on an ongoing/running basis.	Secured by first pari passu charge on current assets and second pari passu charge on the fixed assets.

Set forth below is a brief summary of our aggregate outstanding unsecured borrowings of approximately Rs. 195,648,843.00 as of April 30, 2005:

Name of the Lender	Loan Documentation	Amount Outstanding (in Rs.)	Interest Rate	Repayment Schedule
ABN AMRO Bank	Sanction letter dated January 20, 2005 and transaction indemnity letter dated January 31, 2005	20,045,153.00	7.50% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of maximum of 180 days.
ICICI Bank [9] [10][11][12]	Credit facility agreement dated September 3, 2004	78,095,283.00	7% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of minimum of 7 days.
UTI Bank	Sanction letter dated December 29, 2004	97,508,407.00	PLR – 5% p.a.	The said loan is a working capital facility on an ongoing/running basis subject to a loan period of maximum of 180 days.

(1) The loan was initially extended by ICICI Limited. However, pursuant to deed of assignment of debt dated April 4, 2003, the loan was assigned by ICICI Limited to UTI Bank Limited.

(2) Under the loan documentation, we have been obligated not to, without the prior consent of the lender, undertake any new project or expansion or make any investment or take assets on lease.

(3) Under the loan documentation, we have been obligated not to, without the prior consent of the lender:

(a) Effect any change in the capital structure of our Company;

(b) Implement any scheme of expansion, modernisation, diversification, renovation or acquire fixed assets;

(c) Formulate any scheme of amalgamation or re-construction;

(d) Invest by way of share capital in, or lend or advance funds to, or place deposits with any concerns;

(e) Enter into borrowing arrangements, either secured or unsecured, with any other person;

(f) Undertake guarantee obligations on behalf of any other person;

(g) Make any drastic changes in the management set-up;

(h) Change the remuneration payable to the Directors, either in form of sitting fees or otherwise;

(i) Create any further charge, lien or encumbrance over the assets and properties charge on which has been created under the said loan agreement; and

(j) Undertake any trading activities other than the sale of products arising out of manufacturing operations of our Company.

(4) Under the loan documentation, we have been obligated to ensure that certain financial ratios as specified in the loan agreement are maintained by us.

(5) Under the loan documentation, we have been obligated not to, without the prior consent of the lender, sell, transfer, lease or otherwise dispose of specified equipment.

(6) We have not drawn down any part of the sanctioned amount in relation to the loan documentation.

(7) Under the loan documentation, we have been obligated not to, without the prior consent of the lender, undertake any new projects, further expansion or major modification.

(8) Under the loan documentation, we have been obligated not to, without the prior consent of the lender, make any further investments in the group companies, associates or subsidiaries.

(9) Under the loan documentation, the lender shall be entitled to appoint one nominee director on our Board at any time during the currency of the loan documentation.

(10) Under the loan documentation, we have been obligated to bring in additional funds by way of capital, deposits or otherwise as may be required by the lender and not to withdraw, divert or use for any purpose such funds or assets except with the prior consent of the lender.

(11) Under the loan documentation, we have been obligated to carry out such changes to our Memorandum and Articles of Association as may be required by the lender.

(12) Under the loan documentation, we have been obligated not to, without the prior consent of the lender:

(a) Undertake any new project, diversification or modernisation;

(b) Issue debentures or share capital, raise any loans, change capital structure, create any charges on our assets, give any guarantees, borrow or obtain credit facilities or enter into any hire-purchase arrangement during subsistence of the liability of our Company to the lender;

(c) Undertake any merger, consolidation, reorganisation, scheme or arrangement or compromise with the Company's creditors or shareholders or effect any scheme of amalgamation or reconstruction;

(d) Invest by way of share capital in, or lend or advance funds to, or place deposits with any concerns so long as any monies are due and payable by our Company to the lender;

(e) Register or recognise any transfer of shares in our Company's capital made or to be made by our Promoters, their friends or associates except as may be specified by the lender; and

(f) Create any encumbrance over our moveable and immoveable assets.

(13) Under the loan documentation, any change in our ownership structure, other than with an intention to repay the lender, would be deemed to be an event of default.

(14) Under the loan documentation, we have been obligated not to, without the prior consent of the lender:

(a) Undertake any new project, diversification or modernisation;

(b) Contract, create, incur, assume or suffer to exist any indebtedness in any manner;

(c) Prepay any indebtedness incurred by our Company;

(d) Create any subsidiary or permit any company to become our subsidiary;

(e) Undertake any merger, de-merger, consolidation, reorganisation, scheme or arrangement or compromise with our creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(f) Make any investments whether by way of deposits, loans, or investments in share capital otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except loans and advances granted in the ordinary course of business;

(g) Create or permit to subsist any encumbrance on any of our assets or sell, transfer, grant lease or otherwise dispose of or deal with our assets;

(h) Declare or pay any dividend or make any distribution to our shareholders (i) unless we have paid all the dues in respect of the loan or have made satisfactory provisions therefor, or (ii) if such dividend or distribution would give rise to an event of default;

(i) Buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of share capital of our Company or set aside any funds for the foregoing purposes, or issue any further share capital or change the capital structure of our Company;

(j) Amend or modify our Memorandum and Articles of Association; and

(k) Appoint/re-appoint/remove any persons, by whatever name called, who exercise substantial powers of management of the affairs of our Company.

(15) Under the loan documentation, the following would constitute an event of default on part of our Company:

(a) Proceedings under any bankruptcy or insolvency law against or dissolution of our Company;

(b) Cessation or change in our business;

(c) Any person(s) acquires control of our Company or of any other person who controls our Company, without the approval of the lender;

(d) Cross default.

(16) Under the loan documentation, the lender shall have the right to review the management set up or organisation of our Company and to require us to restructure it as may be considered necessary by the lender.

(17) Under the loan documentation, in the event we commit a default in payment or repayment of two consecutive instalments of principal amounts of the loan and/or interest thereon, then the lender shall have the right to convert at its option the whole or part of the outstanding amount of the loan (whether then due and payable or not), into fully paid-up equity shares of our Company at par. We are also required to obtain the consent of the bank for the distribution of dividends at a rate higher than 30%.

REGULATIONS AND POLICIES IN INDIA

There is no specific regulation in India governing the manufacturing of flexible packaging films or the partially oriented yarn industry.

The following regulations and legislations are the significant laws which broadly govern this industry in India:

Foreign Investment Regulations

The new industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently, the industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. In subsequent years, the Government has further liberalized the foreign investment regime.

At present, investments in companies manufacturing packaging and yarn materials fall under the RBI automatic approval route for Foreign Direct Investment/NRI investment upto 100%.

Fiscal Regulations

Under the Foreign Trade (Development and Regulation) Act, 1992, the Central Government is empowered to periodically formulate the Export Import Policy ("EXIM Policy") and amend it thereafter whenever it deems fit. All exports and imports have to be in compliance with such EXIM Policy. The relaxations of the duty exemption scheme, the EPCG scheme and the EOU scheme have also been afforded to the plastic and packaging materials industry in the EXIM policy.

On January 28, 2004, the Government of India amended the EXIM Policy. Particularly, norms for obtaining a licence for availing duty exemption have been relaxed. Certain norms have also been introduced pertaining to the tenure of the recognition of an export-oriented unit under the EOU scheme. One significant amendment has been deeming of exports effected pursuant to certain specified activities as not being exports for the purposes of the EXIM policy, in order to prevent the practice of some entities seeking to increase their export turnover by taking credits for the export of others without themselves undertaking any efforts to increase the exports of products manufactured by them. This amendment would affect the entitlement of duty credit and would apply only to exports made on or after April 1, 2003.

Further, the EXIM policy prescribes input and output norms for plastic products, which include polyfilms and packaging materials.

Excise Regulations

The Central Excise Act, 1944 seeks to impose an excise duty on specified excisable goods which are produced or manufactured in India. However, the Government has the power to exempt certain specified goods from excise duty, by notification. The rate at which the said duty is sought to be imposed is contained in the Central Excise Tariff Act. Accordingly, packaging and other plastic films are classified under Chapter 39 of the Central Excise Tariff Act and presently attract an excise duty at the rate of 16% of the value of the goods calculated in accordance with the said Act. An additional 2% education cess has been levied and therefore, the aggregate excise duty is 16.32% ad valorem.

Polyester yarn is classified under Chapter 55 of the Central Excise Tariff Act and excise duty is currently levied at the rate of 16% of the value of the goods calculated in accordance with the Central Excise Tariff Act. An additional 2% education cess has been levied along with a 1% National Calamity Contigent Duty and therefore, the aggregate excise duty is 17.32% ad valorem.

Customs Regulations

All imports to the country or exports from the country are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Government has the power to exempt certain specified goods from excise duty, by notification. Plastics and packaging and other plastic films are classified under Chapter 39 of the Customs Tariff Act, 1975 and an import duty of 15% is levied on the value of the goods calculated in accordance with the Customs Tariff Act, 1975. An additional 2% education cess has been levied on the customs duty plus additional countervailing duty.

Polyester yarn is classified under Chapter 55 of the Customs Tariff Act, 1975 and a customs duty of 15% is levied on the value of the goods calculated in accordance with the said Act. An additional 2% education cess has been levied on the customs duty plus additional countervailing duty.

Environmental and Other Regulations

We have to comply with the provisions of the Environment Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 the Hazardous Waste (Management and Handling) Rules, 1989 and the Hazardous Chemicals Rules, 1989. Companies manufacturing polyfilms and packaging materials also frequently obtain approvals under various other legislations including the Petroleum Act, 1934 and the Poisons Act, 1919.

There are other legislations such as the Factories Act, 1948 and various other labour legislations which are also applicable to manufacturing companies such as our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on September 9, 1974 under the Companies Act as Hindustan Pipe Udyog Limited and obtained its certificate of commencement of business on September 21, 1974. On April 10, 1992, the name of our Company was changed to Jindal Polyester and Steel Limited. Subsequently, the name of our Company was changed to Jindal Polyester Limited on January 17, 1995 and thereafter, to Jindal Poly Films Limited on April 19, 2004. Prior to incorporation, the business of our Company was carried out as a copartnership business in the name of Hindustan Tube Company.

The registered office of our Company was shifted from 22nd Mile, Delhi-Hapur Road, P.O. Jindal Nagar, Ghaziabad, Uttar Pradesh to 19th K.M., Hapur-Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, Uttar Pradesh by shareholder's resolution dated December 20, 1994.

The steel business of our Company was transferred to Jindal Pipes Limited with effect from April 1, 1993 pursuant to a scheme of arrangement between our Company and Jindal Pipes Limited that was approved by the High Court of Allahabad on April 19, 1994.

Further, Northern Plastics & Finance Company Limited merged with our Company pursuant to orders of the Allahabad High Court and the Delhi High Court dated March 30, 1995 and May 5, 1995 respectively. 2,888,400 6% CCPS of Rs. 10 each, fully paid up were allotted to the shareholders of erstwhile Northern Plastics & Finance Company Limited in 1995. Northern Plastics & Finance Company Limited merged with our Company since our Company had surplus investible funds and was desirous of expanding and diversifying its business.

Subsequently, India Poly Films Limited and Patel Poly Products Limited were merged with our Company pursuant to orders of the Allahabad High Court, the Gujarat High Court and the Delhi High Court dated October 11, 1999, November 4, 1999 and February 4, 2000 respectively, in order to enable the revival of these companies and facilitate the pooling of their resources towards a common advantage. 12,447,163 CCPS (Series-III) of Rs. 10 each fully paid up were allotted on March 22, 2000 to the shareholders and debentureholders of the erstwhile Patel Poly Products Private Limited and India Polyfilms Limited pursuant to the aforesaid High Court orders of the High Court.

Major Events:

Year	Event
1974	● Incorporated as Hindustan Pipe Udyog Limited with facility for manufacture of galvanized electric resistance welding pipes at Ghaziabad, U.P.
1985	● Commenced manufacturing of POY at Gulaothi, Bulandshahr, U.P.
1991	● Achieved a gross sale turnover of approximately Rs. 1,000 million in Fiscal 1991.
1993	● Backward integration into manufacturing of Polyester Chips for captive consumption.
1994	● The pipes division was hived off to Jindal Pipes Limited.
	● Initial public offering at a price of Rs. 195 per Equity Share and listing of the Equity Shares on various stock exchanges in India.
1995	● Our Company's name was changed to Jindal Polyester Limited
1996	● Diversified into manufacturing BOPET films at Nasik. The BOPET film line was set up as a 100% EOU but was subsequently converted under the EPCG scheme.
2000	● India Polyfilms Limited and Patel Poly Products Limited were amalgamated with our Company to augment BOPET film manufacturing facilities.
	● Installed a new thick BOPET film manufacturing facility.
2003	● Diversified into manufacturing BOPP by commissioning a 13,000 tpa three layer line and metallised films at Nasik.
	● Acquired Rexor, France in November 2003 for Euro 8.5 million.
	● Achieved a gross exports turnover of approximately Rs. 1,000 million in Fiscal 2003.
2004	● Name changed to Jindal Poly Films Limited to reflect our Company's renewed focus on the flexible packaging films business.
	● Commissioned a 25,000 tpa 8.7 metre wide three layer BOPET film line.
	● Achieved a gross sales turnover of approximately Rs. 5,000 million in Fiscal 2004.
2005	● A preferential allotment of 1,300,000 Equity Shares of Rs. 10 each at a price of Rs. 360 made to DEG.
	● Commissioned a 32,000 tpa 8.2 metre wide 5 layer BOPP film line.
	● Commissioned a 8.7 metre wide B film line.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To carry on business as manufactures, importers, exporters of and dealers in polymers, monomers, elastomers and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granuales, films sheets, tubes, pipes, fibres, laminates or as processed goods and including specifically polyesthelene, polypropylene, polymethyl, ploystyrene, ployvinyle-acetate, methacrylate, expoxy resins, alkide resins melamin, polyesters such as ployethelene, terephthallate and polyethelene, isophthallate, or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other products or resulting from any process.
2. To carry on the business of manufacturers, spinners, weavers, doublers, ginners, pressers, packers, balers, importers, exporters, buyers, sellers and dealers of polyester resins/chips, polyproplene resin/chips, nylon chips/moulding powder, polyester yarn of all kinds, polypropylene yarn of all kinds, nylon yarn of all kinds, polymers, chemical and synthetic fibres, staple fibre, and any other man made fibre, rayon yarn namely viscose, filament rayon, continuous filament yarn or artificial silk yarn, acrylic fibre or alcohol fibre, synthetic and/or natural fibres and fibrous materials and the production thereof and all by-products of substances and the business of bleaching, printing, dyeing, combing, knitting, cleaning and dealing in yarn, fabric cloth, linen and other goods, and fabrics whether textile, netted or looped and other goods or merchandise made therefrom, and to transact all manufacturing or curing, finishing and preparing process in connection therewith.
3. To carry on the business of manufacturing, producing, processing, buying, selling, importing, exporting, distributing and otherwise dealing in all kinds of films, tapes, discs, cassettes and other electronic products including but not limited to Audio, Video and Computer tapes, floppy discs, U-Matic tapes/Cassettes and to carry on the processes of metallising, lacquering, coating, laminating, printing, micro-slitting, substraction, conversion and develop various accessories equipment and allied products including all ancillaries and auxiliaries concerning the aforesaid activities and all types, grades, kinds, sizes and descriptions of photographic products like colour/ black and white photographic papers, roll films, cinema film, X-ray film, graphic art film, other film and allied products like photographic chemicals, reagents, substances, equipments, instruments, raw materials, image and document production colour photo machines, colour photo lab equipments and machines and all kind of spares, parts, accessories, components, tools, equipments, and apparatuses.
4. To promote, establish, acquire and run or otherwise carry on the business of plastic industry or business of manufactures, processors and finishers and dealers of plastic products arid materials, thermoplastic and thermosetting and other articles of things and similar or allied products or processes and to sell, purchase or otherwise acquire or deal in materials or things in connection with such trade, industry or manufacture and to do all things as are usual or necessary in relation to or in connection with business or industry or manufacture.
5. To carry on the business as manufacturers, processors, refiners, smelters, makers, converters, furnishers, rerollers, importers, exporters, agents, merchants, buyers, sellers or dealers in all kind of Steel including mild, high carbon, spring, high speed, tool, alloy steel, stainless and special steels, strips, sheets, coils, wires, flats, plates, blooms, bars, slabs, squares, structurals, tubes, poles, pipes, castings, ingots, pillets, billets and other materials made wholly or partly of steel, steel alloys and metals.
6. To purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify and pump for mine, bore, extract, process, buy, market, distribute, exchange, supply, sell and otherwise dispose off, import, export and trade and generally deal in all kinds of petroleum and other mineral oils, whether crude or refined, petroleum products, petrochemicals, gases and other volatile substances, sulphur, asphalt, clays, bitumen, bituminous substances, carbon, carbon black and all other hydrocarbon and mineral substances, hutylenes, propylenes, ethylenes, Liquified Petroleum Gases, Aromatic Hydrocarbons, lubricating oils and waxes, butadience, phosphates, nitrates, coal ores and minerals and in general sub oil products and subsurface deposits of every nature and description and the products or the bye products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom or therewith and substances obtained by mixing any of the foregoing with other substances.
7. To carry on the business of manufactures or processors and/or importers, exporters, buyers, sellers, stockists and distributors of and/or dealers in Styrene Butadiene Rubber (SBR), Poly Sutadiene Rubber (PBR), Acrylonitrile Butadiene Copolymer Rubber (NER), Elastomers including Thermo Plastic Elastomers (TPE), natural rubber, latexes, chemicals, raw materials, intermediates, wastes and recycle streams required for manufacture of SBR, PBR, NBR, TPE and all other type of synthetic rubber including carbon black master batches and carbon black, all kinds of articles and merchandise manufactured from synthetic rubber and chemicals including tyres, conveyor belts, transmission belts, rubber moulded products, rubber based footwear, microcellur sheets plantation of natural rubber, port facilities of storage and handling of styrene, Butadine, Acrylonitrile and all other chemicals and liquid petroleum gases; all kinds of plant and machinery utilities, equipments required for manufacture of one or more types of synthetic rubber and products thereof.

8. (a) To establish, operate and maintain power generating stations and tie Lines, sub-stations and main transmission lines connected therewith and/or to carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply, and/or to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power at such place or places as may be permitted by law.

(b) To operate and maintain such generating stations, tie Lines, sub-stations and main transmission Lines as assigned to it by the competent Government or Governments.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendment
Company Law Board's order dated January 29, 1997	Insertion of the following main objects: 1. To carry on business as manufactures, importers, exporters of and dealers in polymers,monomers, elastomers and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granuales, films sheets, tubes, pipes, fibres, laminates or as processed goods and including specifically polyesthelene, polypropylene, polymethyl, ploystyrene, ployvinyle-acetate, methacrylate, expoxy resins, alkide resins melamin, polyesters such as ployethelene, terephthallate and polyethelene, isophthallate, or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other products or resulting from any process. 2. To carry on the business of manufacturers, spinners, weavers, doublers, ginners, pressers, packers, balers, importers, exporters, buyers, sellers and dealers of polyester resins/chips, polyproplene resin/chips, nylon chips/moulding powder, polyester yarn of all kinds, polypropylene yarn of all kinds, nylon yarn of all kinds, polymers, chemical and synthetic fibres, staple fibre, and any other man made fibre, rayon yarn namely viscose, filament rayon, continuous filament yarn or artificial silk yarn, acrylic fibre or alcohol fibre, synthetic and/or natural fibres and fibrous materials and the production thereof and all by-products of substances and the business of bleaching, printing, dyeing, combing, knitting, cleaning and dealing in yarn, fabric cloth, linen and other goods, and fabrics whether textile, netted or looped and other goods or merchandise made therefrom, and to transact all manufacturing or curing, finishing and preparing process in connection therewith. 3. To carry on the business of manufacturing, producing, processing, buying, selling, importing, exporting, distributing and otherwise dealing in all kinds of films, tapes, discs, cassettes and other electronic products including but not limited to Audio, Video and Computer tapes, floppy discs, U-Matic tapes/Cassettes and to carry on the processes of metallising, lacquering, coating, laminating, printing, micro-slitting, substraction, conversion and develop various accessories equipment and allied products including all ancillaries and auxiliaries concerning the aforesaid activities and all types, grades, kinds, sizes and descriptions of photographic products like colour/black and white photographic papers, roll films, cinema film, X-ray film, graphic art film, other film and allied products like photographic chemicals, reagents, substances, equipments, instruments, raw materials, image and document production colour photo machines, colour photo lab equipments and machines and all kind of spares, parts, accessories, components, tools, equipments, and apparatuses. 4. To promote, establish, acquire and run or otherwise carry on the business of plastic industry or business of manufactures, processors and finishers and dealers of plastic products arid materials, thermoplastic and thermosetting and other articles of things and similar or allied products or processes and to sell, purchase or otherwise acquire or deal in materials or things in connection with such trade, industry or manufacture and to

do all things as are usual or necessary in relation to or in connection with business or industry or manufacture.

5. To carry on the business as manufacturers, processors, refiners, smelters, makers, converters, furnishers, rerollers, importers, exporters, agents, merchants, buyers, sellers or dealers in all kind of Steel including mild, high carbon, spring, high speed, tool, alloy steel, stainless and special steels, strips, sheets, coils, wires, flats, plates, blooms, bars, slabs, squares, structurals, tubes, poles, pipes, castings, ingots, pillets, billets and other materials made wholly or partly of steel, steel alloys and metals.

6. To purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify and pump for mine, bore, extract, process, buy, market, distribute, exchange, supply, sell and otherwise dispose off, import, export and trade and generally deal in all kinds of petroleum and other mineral oils, whether crude or refined, petroleum products, petrochemicals, gases and other volatile substances, sulphur, asphalt, clays, bitumen, bituminous substances, carbon, carbon black and all other hydrocarbon and mineral substances, hutylenes, propylenes, ethylenes, Liquified Petroleum Gases, Aromatic Hydrocarbons, lubricating oils and waxes, butadience, phosphates, nitrates, coal ores and minerals and in general sub oil products and subsurface deposits of every nature and description and the products or the bye products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom or therewith and substances obtained by mixing any of the foregoing with other substances.

7. To carry on the business of manufactures or processors and/or importers, exporters, buyers, sellers, stockists and distributors of and/or dealers in Styrene Butadiene Rubber (SBR), Poly Sutadiene Rubber (PBR), Acrylonitrile Butadiene Copolymer Rubber (NER), Elastomers including Thermo Plastic Elastomers (TPE), natural rubber, latexes, chemicals, raw materials, intermediates, wastes and recycle streams required for manufacture of SBR, PBR, NBR, TPE and all other type of synthetic rubber including carbon black master batches and carbon black, all kinds of articles and merchandise manufactured from synthetic rubber and chemicals including tyers, conveyor belts, transmission belts, rubber moulded products, rubber based footwear, microcellur sheets plantation of natural rubber, port facilities of storage and handling of styrene, Butadine, Acrylonitrile and all other chemicals and liquid petroleum gases; all kinds of plant and machinery utilities, equipments required for manufacture of one or more types of synthetic rubber and products thereof.

April 30, 2001

Insertion of the following in the main objects:

“8. (a) To establish, operate and maintain power generating stations and tie Lines, sub-stations and main transmission lines connected therewith and/or to carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply, and/or to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power at such place or places as may be permitted by law.

(b) To operate and maintain such generating stations, tie Lines, sub-stations and main transmission Lines as assigned to it by the competent Government or Governments.”

Subsidiaries

We have three subsidiaries, namely Hindustan Polyester Limited, Jindal France S.A.S. and Rexor S.A.S.

The financial information of our subsidiaries presented below is based on the audited accounts of such companies included in this Prospectus:

Hindustan Polyester Limited ("HPL")

HPL was incorporated on April 27, 2004 and obtained its certificate of commencement of business on April 30, 2004. It is yet to commence its operations.

Shareholding Pattern

Name of Shareholder	Number of Equity Shares
Jindal Poly Films Limited	49,400
Mr. J.P. Mohta (beneficial ownership held by JPFL)	100
Mr. S.K. Mittal (beneficial ownership held by JPFL)	100
Mr. K.K. Jain (beneficial ownership held by JPFL)	100
Mr. Punit Gupta (beneficial ownership held by JPFL)	100
Mr. Sunit Maheshwari (beneficial ownership held by JPFL)	100
Mr. Sanjay Mittal (beneficial ownership held by JPFL)	100

Board of Directors

The Board of Directors of HPL comprises of Mr. S.K. Mittal, Mr. Punit Gupta and Mr. Samir Banerjee.

Financial Performance

(Rs. million unless otherwise stated)

	For the period ending December 31, 2004
Equity Share Capital	0.50
Reserves	
(excluding revaluation reserves)	Nil
Income/Sales	Nil
Profit (Loss) after Tax	Nil
Earnings per share (Rs.)	Nil
Net Asset Value (NAV) per share(Rs.)	7.54

Jindal France S.A.S.

Jindal France is a simplified joint-stock company in France and has a share capital of • 3,728,000 with its registered office at La Feydelière, Paladru (38850) registered at RCS Bourgoin Jallieu, France. It was incorporated on October 7, 2003 and its registry number is 432, 063, 931. It is managed and represented by Mr. Satya Parkash Agnihotri and two managers, Mr. Jean-Paul Rousselet (Chief Financial Officer and Sales Manager) and Mr. Maurice Amourous (Industrial Manager). Jindal France holds 100% shares of Rexor S.A.S. and provides management consultancy services to Rexor S.A.S.

Shareholding Pattern

Our Company holds 95.57% of the share capital in Jindal France and the remaining 4.43% of the share capital is held by Mr. Jean-Paul Rousselet.

Management Committee

The management committee of Jindal France comprises:

1. Mr. Satya Parkash Agnihotri (President)
2. Mr Jean-Paul Rousselet (Manager)
3. Mr Maurice Amourous (Manager)

Financial Performance

	Fiscal 2004 Euros	Fiscal 2004 Rs. million[1]
Equity Share Capital	3,728,000	204.5
Reserves (excluding revaluation reserves)	0	-
Income/Sales	141,469	7.8
Profit (Loss) after Tax	(69,527)	(3.8)
	Euros	**Rs.**
Earnings per share	(0.02)	(1)
Net Asset Value (NAV) per share	141,469	7,759,575

[1] Solely for convenience translation, at an exchange rate of Rs.54.85 = Euro 1.00 (RBI Reference rate as of May 17, 2005). These financial statements of Jindal France have been translated into Rupees for each period presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. Investors should not rely on such translated amounts. The translation should not be considered as a representation that such Euro amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated, or at all.

Rexor S.A.S.

Rexor, is a simplified joint-stock company in France and is a 100% subsidiary of Jindal France . It has its corporate headquarters and production site in La Feydeliere in the commune of Paladru (Isere), France.

It was incorporated in 1954 and its registry number is 542,020,854. Its registered office is situated at La Feydelière, Paladru (38850), France. It was bought by a set of financial investors from Rhone-Poulenc group (PET films manufacturer) in a management buyout. Our Company, through our subsidiary, Jindal France, acquired a 100% shareholding in Rexor in November 2003. The operations of Rexor S.A.S. are presently managed by Mr. Jean-Paul Rousselet (Chairman) and Mr. Maurice Amourous (General Manager). Rexor specializes in the design and manufacture of metallised and coated plastic threads and packaging films.

Shareholding Pattern

100% of the share capital of Rexoris held by Jindal France.

Management Committee

1. Mr. Jean-Paul Rousselet (President)
2. Mr. Maurice Amourous (Manager)
3. Ms. Corinne Heiter
4. Ms. Marie-Claude Legendre
5. Ms. Valerie Robin
6. Mr. Jean Jacques Dombes
7. Mr. Frederic Kern
8. Mr. Regis Garoutte

Financial Performance

	Calendar Year 2002#		Calendar Year 2003		For the period January 1, 2004 to March 31, 2004	
	Euros	**Rs. million[1]**	**In Euros**	**in Rs. million[1]**	**Euros**	**Rs. million[1]**
Income/Sales	28,274,388	1,550.0	27,534,585	1,510.3	6,752,142	370.4
Profit (Loss) after Tax	567,459	31.1	56,520	3.1	170,402	9.4
Equity Share Capital	1,367,500	75.0	1,367,500	75.0	1,367,500	75.0
Reserves (excluding revaluation reserves)	5,461,822	299.6	6,029,281	330.7	6,085,801	333.8
	Euros	**Rs.**	**Euros**	**Rs.**	**Euros**	**Rs.**
Earnings per share	14.55	798.1	1.45	79.5	4.37	239.7
Net Asset Value per share	189.66	10,402.9	191.11	10,482.4	195.48	10,722.1

[1] Solely for convenience translation, at an exchange rate of Rs.54.85 = Euro 1.00 (RBI Reference rate as of May 17, 2005). These financial statements of Rexor have been translated into Rupees for each period presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. Investors should not rely on such translated amounts. The translation should not be considered as a representation that such Euro amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated, or at all.

Until March 31, 2004, the accounting year of Rexor was January to December in any given year. However, from April 1, 2004, the accounting year of Rexor was changed to April 1 through March 31 in any given year.

Shareholder Agreements

Our Company has entered into two shareholders agreements. The details are as follows:

(a) *Share Subscription Agreement dated January 6, 2005 between our Company and DEG – Deutsche Investitions – und Entwicklungs-Gesellschaft mbh, Belvederestrasse 40, 50933 Koln, Federal Republic of Germany ("SSA")*

Our Company recently executed a share subscription agreement with DEG wherein DEG agreed to subscribe and pay for in full for the DEG Subscription Shares, consisting of 1,300,000 Equity Shares at a price of Rs. 360 per share aggregating Rs. 468,000,000.

The key provisions of the SSA are as follows:

(i) Our Company shall, simultaneously with any public offer or issue of American Depository Receipts/Global Depository Receipts or any rights issue by our Company, whichever is earlier, convert all the convertible instruments issued by our Company outstanding on the date of such public offer or ADR/GDR issue or rights.

(ii) DEG shall have a right to appoint one director ("DEG Director") on our Board, to dismiss the DEG Director appointed by it and to reappoint one director in place of the DEG Director so removed. The DEG Director shall not be liable to retire by rotation. DEG shall have a right to appoint the DEG Director and an observer until such time as DEG sells any of the shares in our Company so that at any time it holds less than 988,000 Equity Shares (or such changed number of equity shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation fund or any stock split/consolidation in respect of the 988,000 Equity Shares), on a fully diluted basis.

(iii) Our Board shall not, without the positive assent of the DEG Director, accord an approval to our Company's annual business plan, starting with Financial Year 2005-06. However, in case the DEG Director or his alternate director fails to attend two consecutive meetings of the Board, in spite of having been sent a notice of the Board meeting setting out approval of the annual business plan as an agenda item, the positive assent of the DEG Director shall be deemed to have been given.

(iv) Our Company shall not, without the prior written positive assent of DEG:

- change its Memorandum and Articles of Association;
- change the nature of its business;
- change its financial year;
- change its authorized or issued share capital; however, consent of DEG shall not be required for any bonus issue by our Company;

- change class rights, if any, attached to the shares issued by our Company (directly or indirectly);
- grant an option to subscribe to any further new shares/instruments to any specific party;
- undertake listing / de-listing of our Company's shares on any stock exchanges;
- change its legal status in any manner whatsoever, viz, public company to private company;
- create a new subsidiary, other than subsidiaries that are fully owned by our Company, or at least 95% owned by our Company with the balance up to 5% being held by the management as part of any management incentive scheme. The remaining 5% share under the management incentive scheme shall not be issued to the Promoters or their related parties;
- expand or develop its business through acquisitions except by itself or through a subsidiary, of which at least 75% share capital is owned by our Company and the balance shareholding of up to 25% is not held by the Promoters or their related parties;
- give any guarantees or make any loans (other than in the ordinary course of business);
- pass any resolution for winding up or voluntary liquidation;
- dispose of all or a substantial part of its business exceeding US $ 10 million;
- make a substantial business acquisition exceeding US $ 10 million, being the amount invested by our Company, either in form of equity or debt;
- incur any capital expenditure exceeding US $ 5 million in a Financial year for tax planning not within the ordinary course of business;
- incur expenditure for fixed or non current assets in any Financial year exceeding US $ 10 million;
- make or hold any investment in shares or equity related securities exceeding US $ 5 million (other than investments in group companies and subsidiaries of our Company held as on date of the SSA);
- enter into or offer a service or any other agreement with any director or related party, or materially change such an agreement, excluding transactions with such parties done on arm's length basis aggregating US$ 500,000 in a Financial year;
- appoint a merchant banker for the purpose of a floatation of our Company, other than from a list of at least five reputed merchant bankers agreed to by DEG; or
- allow the remuneration of the Promoter Directors to exceed Rupees 10 million in a Financial year.

(v) Unless DEG otherwise agrees, the aggregate long term debt to equity ratio of our Company shall not exceed 1.3:1, provided that during the implementation phase of the publicly disclosed expansion program of our Company, the long term debt to equity ratio may go up to 1.5:1.

(vi) The Company shall, on a best efforts basis, achieve the following in consultation with DEG, inter alia, :

- increase its Free Float (the equity share capital of our Company on a fully diluted basis, calculated in the manner prescribed in the SSA) through a primary issue to the general public within 18 months of DEG subscription such that the Free Float of at least 28% is achieved; and
- endeavor to maximize its annual dividend payouts. The dividend policy shall be conducive to increasing the share price of our Company. Targeted dividend payout shall be linked to the net profits of our Company on a best efforts basis subject to availability of funds to meet our Company's internal requirements.

(vii) Our Company shall appoint a firm of international repute as its auditors from the financial year 2005-06.

(viii) From the date after (i) our Company's Free Float reaches a level of 28% or (ii) DEG sells any of its shares in our Company so that at any time it holds less than 988,000 shares, (or such changed number of shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation fund or any stock split/consolidation in respect of the 988,000 shares), on a fully diluted basis, all the rights available to DEG under the SSA in relation to affirmative voting rights, debt equity ratio, notice for general meetings, change in auditors, arm's length transactions and certain other key covenants shall fall away except that our Company shall be required to seek a prior written positive assent from DEG only for the following matters:

- any change in the Memorandum and Articles of Association of our Company;
- change in the nature of the business of our Company;
- change in its Financial year;
- listing/de-listing of our Company's shares on any stock exchanges or change in its legal status, viz, public company to private company, etc.; and
- passing of any resolution for winding up or voluntary liquidation.

(ix) Tenure of the SSA:

- If DEG shall have sold all its shares in our Company, the SSA shall be terminated (for the purpose of this clause, shares of DEG include DEG Subscription Shares, any shares acquired or to be acquired by DEG pursuant to conversion of any convertible instruments issued by our Company as may be held by DEG on the date of the SSA and any shares acquired by DEG as a result of distributions from any revaluation fund, share splits, share sub-divisions or share/stock dividends (bonus shares) or any rights share or shares received in exchange for, replacement or substitution of DEG Subscription Shares or shares acquired or to be acquired by DEG through conversion of convertible instruments as may be held as on date of the SSA).
- The SSA shall terminate on expiry of 72 months from the date of execution of the SSA, if at any time before the end of 60 months from the date of execution of the SSA, the Free Float of our Company has reached 28%.

(b) Shareholders' Agreement between Mr. Jean-Paul Rousselet and our Company dated October 14, 2003 ("Shareholders Agreement")

Our Company entered into this Shareholders Agreement with Mr. Jean-Paul Rousselet when we acquired Rexor Technologies S.A.S., (which was the holding company of Rexor and was subsequently merged with Jindal France) and pursuant to this Shareholders Agreement, Mr. Jean-Paul Rousselet undertook to subscribe to 165,000 shares and to pay entirely the corresponding sum, i.e. • 165,000.

The key terms of the Shareholders Agreement are as follows:

(i) Our Company has undertaken not to transfer any or part of the shares that it holds in Jindal France without providing Mr. Jean-Paul Rousselet with a priority right to transfer the shares that he holds in Jindal France, under the same terms and conditions. Any proposed transfer to a third party in good faith, as well as the transfer price and the terms and conditions thereof, shall be notified by our Company to Mr. Jean-Paul Rousselet. In the event Mr. Jean-Paul Rousselet notifies our Company of his decision to sell all or part of the shares that he holds in Jindal France, our Company may not sell its shares to the third party/parties until the number of shares that Mr. Jean-Paul Rousselet has notified that he is willing to sell has effectively been sold in the manner prescribed in the Shareholders Agreement. This clause however will not bind our Company in the event the third-party transferee to which the transfer is being envisaged is a legal entity in which our Company holds, either directly or indirectly, more than 50% of the shares and voting rights and in the manner further prescribed in the Shareholders Agreement.

(ii) In the event Mr. Jean-Paul Rousselet is not in employment of Jindal France, then he is under an obligation to transfer his then shareholding in Jindal France to our Company, at the option of our Company. The time period and mechanism for this transfer has been prescribed in the Shareholders Agreement.

(iii) Our Company is under an obligation to purchase Mr. Jean-Paul Rousselet's shareholding in Jindal France at the time of termination of his employment, in the event Mr. Rousselet exercises this option within the time period prescribed in the Shareholders Agreement. The mechanism for this transfer has been prescribed in the Shareholders Agreement.

(iv) Mr. Jean-Paul Rousselet undertakes not to compete in France with our Company or any of our subsidiaries till such time as Mr. Rousselet remains a shareholder of Jindal France or at any time within 3 (three) years of the transfer of his shareholding in Jindal France.

(v) The Shareholders Agreement shall remain in force so long as one or the other parties to the Shareholders Agreement hold shares in Jindal France and shall be automatically terminated in the event that all the shares of Jindal France have been transferred to one or the other party to the Shareholders Agreement.

(vi) The Shareholders Agreement is governed by French law.

Other Agreements

(a) Our Company has executed an agreement with Soyuz Trading Company Limited ("STCL") on May 16, 2005. The key terms of this agreement are as follows:

(i) STCL will provide management consultancy and advisory services to our Company in the field of finance, corporate planning, marketing (domestic and export) and other commercial matters that may be mutually discussed from time to time, in consideration of payment of a consultancy fee of Rs. 175,000 per month to STCL.

(ii) STCL undertakes not to take up any consultancy assignments from our competitors or from organizations having business similar to that of our Company.

(iii) The agreement between our Company and STCL is valid till March 31, 2007.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we cannot have fewer than three directors or more than 12 directors. We currently have nine directors. The following table sets forth current details regarding our Board of Directors:

Name, Designation and Occupation	**Age and Father's Name**	**Address**	**Other Directorships**
Mr. Shiv Kumar Mittal Managing Director Whole-Time Director	60 years Late Mr. Brij Mohan Lal Mittal	B/FH-131, Shalimar Bagh, Delhi 110 088	● Consolidated Photo&Finvest Limited ● Soyuz Trading Company Limited ● Hindustan Polyester Limited
Mr. Punit Gupta Director (Films) Whole-Time Director	38 years MR. H.K. Gupta	Block-C4B, House No. 84, Janak Puri, New Delhi 110 058	● Jupax Barter (P) Limited ● Hindustan Polyester Limited
Mr. Yedlapalli Venkateswara Rao Director (Technical) Whole-Time Director	44 years Mr. Swamy Yedlapalli	Rustumbada, Near S.D.A. School, Narsapur, West Godavari District Andhra Pradesh 534 271	Nil
Mr. Samir Banerjee Director (Marketing) Whole-Time Director	54 years Late Mr. K.P. Banerjee	S-39, Greater Kailash II New Delhi 110 048	● Hindustan Polyester Limited
Mr. Avinash Chandra Wadhawan Independent Director Consultant	67 years Late Mr. M.R. Wadhawan	3, Kautilya Marg Chanakya Puri New Delhi 110 021	● Transweigh (India) Limited ● Rajasthan State Mines and Minerals Limited ● Reliance Cellulose Products Limited ● Hindustan Zinc Limited ● Tata Metaliks Limited
Mr. Shyam Sunder Jindal Promoter Director Industrialist	49 years Mr. B.C. Jindal	12A, Green Avenue, Sector D Pocket III Vasant Kunj New Delhi 110 070	● Rishi Trading Company Limited ● Jumbo Finance Limited
Mr. Suman Jyoti Khaitan Independent Director Lawyer	45 years Mr. Nil Ratan Khaitan	W-13, Greater Kailash, Part II New Delhi 110 048	● Hindustan Vidyut Products Limited ● Jindal Stainless Limited ● KPL International Limited ● Lumax Industries Limited ● Oriental Carbon & Chemicals Limited ● Rameswara Transport Ltd.
Mr. Jogesh Kumar Bansal Independent Director Business	52 years Late Mr. K.L. Bansal	Mani Prabha Farm House Sector D4, Vasant Kunj New Delhi 110 070	● International Techno Tax (P) Limited ● Sarthak India (P) Limited
Mr. Mohit Kumar Jain Independent Director Business	28 years Mr. Anil Kumar Jain	FRH 5, Grand Paradi Apartments, August Kranti Marg, Mumbai 400 036	● Indo Count Industries Limited ● Indo Count Textiles Ventures Private Limited ● Yarntex Exports Private Ltd

In addition, pursuant to the terms of our agreement with DEG, DEG has the right to appoint one director to our Board of Directors, as long as they hold 988,000 or more Equity Shares on a fully diluted basis (as adjusted for events such as bonus or rights issues). Under the terms of certain of our loan agreements, the lenders have similar rights. However, neither DEG nor any lender has exercised this right as of date.

Details of Directors

Mr. S.K. Mittal, B.Com, L.L.B, F.C.S. has about 42 years experience in accounts, finance, taxation and commercial matters. He joined the B.C. Jindal Group of companies in October, 1994 and has been the Managing Director of our Company since September, 2002. In addition to other key responsibilities, he oversees the accounting and financial aspects of our Company.

Mr. Punit Gupta, B.Sc., M.B.A. has about 16 years experience in marketing of polyester film, implementation of new projects and commercial aspects of functions such as production and quality. He joined Jindal Photo Limited in 1990 and our Company in 1996 as the Manager, Imports and MIS. His role in our Company is significant in setting up of new projects, and handling imports and raw materials.

Mr. Y.V. Rao, B.Sc., B.Tech (Chemical Engineering) has about 20 years technical experience in polyester and nylon chips and yarn manufacturing. He has worked with Century Enka Limited, Pune and Modipon Fibres. He is trained in total quality management, ISO 9002 implementation and is a member of the Institution of Engineers (India). He is in charge of the Gulaothi plant and responsible for all technical matters relating to the plant.

Mr. Samir Banerjee, B.Sc., M.B.A. has about 25 years experience in marketing of flexible packaging materials like aluminium foil and films in India and overseas. He has been in domestic and international marketing of flexible packaging products since 1981, starting with India Foils and Cosmo Films. He also has seven years of international marketing experience with Shriram Group. He is involved in the marketing of BOPET and BOPP films manufactured by our Company.

Mr. A.C. Wadhawan, B.Sc., B.Tech (Hons) has about 37 years of experience in a number of companies and organisations. He was former Chairman and Managing Director of Hindustan Zinc Limited, guest faculty to Indian Institute of Management and advisor to Pricewaterhouse Coopers. He has received numerous awards including the Rajiv Gandhi Excellence Award and published over 30 articles in various publications in India and abroad. He is an independent director of our Company.

Mr. Shyam Sunder Jindal, B.Com (Hons.) has about 28 years experience in marketing, exports and managing industrial companies. He has vast experience in entrepreneurial ventures and managing different manufacturing and marketing companies in steel, polyester yarn, polyester film, photographic and related fields and also in setting up and management of new projects in the aforesaid areas. He is a Promoter director of our Company.

Mr. S.J. Khaitan, B.A. Eco (Hons), L.L.B. has about 17 years experience in legal affairs and also a director in numerous other companies. He has practiced as an advocate at Kolkata and New Delhi. He has been active in the chambers of commerce and has served on various chambers of commerce including ASSOCHAM, and is also a nominee of ICC India on certain commissions of the ICC International, Paris. He is an independent director of our Company.

Mr. Jogesh Kumar Bansal, B.Com. has over 33 years work experience in entrepreneurial activities. He has been involved with the steel tubes trading business since 1971. He is at present the chairman at International Techno Tex Private Limited and is an independent director in our Company.

Mr. Mohit Jain, B.Sc. has over seven years experience in managing a textile company and marketing its products. He has specialized in the fields of marketing, international finance, corporate financial planning and is a proprietor of M/s Unic Consultants, an agency involved in providing services to Indian exporters. He is an independent director in our Company.

Borrowing Powers of the Directors in our Company

Pursuant to a resolution passed by our shareholders in accordance with provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with/without security as the Board of Directors may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the company’s bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 11,000 million.

Details of Appointment and Compensation of our Directors

Name of Directors	Contract/Appointment Letter/Resolution	Details of Remuneration	Term
Mr. S.K. Mittal	AGM Resolution dated September 29, 2001 as amended vide AGM resolution dated September 2, 2002	Salary: Rs. 33,000 per month with annual increment upto Rs. 4,000 per month for a year. House Rent Allowance: Rs. 5,500 per month. Ex-Gratia payment upto a maximum of 20 percent of the salary earned during the preceding year. Leave Travel Allowance and Medical reimbursements for self and family with a ceiling of one month's salary each in a year.	Upto September 3, 2006
Mr. Punit Gupta	AGM Resolution dated November 30, 2000 as amended vide AGM resolution dated September 2, 2002	Salary: Rs. 34,100 per month with annual increment upto Rs. 4,000 per month for a year. House Rent Allowance: Rs. 2,000 per month. Ex-Gratia payment upto a maximum of 20 percent of the salary earned during the preceding year. Leave Travel Allowance and Medical reimbursements with a ceiling of one month's salary each in a year.	Upto March 31, 2005. Pursuant to Board resolution dated March 31, 2005, the term of appointment has been extended upto March 31, 2010
Mr. Y.V. Rao	AGM Resolution dated August 16, 2004	Salary: Rs. 27,745 per month with annual increment upto Rs. 4,000 per month for a year. Ex-Gratia payment upto a maximum of 20 percent of the salary earned during the preceding year.	Upto March 3, 2009
Mr. Samir Banerjee	AGM Resolution dated September 22, 2003	Salary: Rs. 50,100 per month with annual increment upto Rs. 4,000 per month for a year. House Rent Allowance: Rs. 18,000 per month. Ex-Gratia payment upto a maximum of 20 percent of the salary earned during the preceding year. Leave Travel Allowance and Medical reimbursements with a ceiling of one month's salary each in a year.	Upto August 24, 2008
Mr. A.C. Wadhawan	AGM resolution dated September 22, 2003	A sitting fee of Rs. 1,500 for every Board meeting attended by him.	Liable to retire by rotation at the third annual general meeting from his appointment.
Mr. S.S. Jindal	AGM resolution dated August 16, 2004	A sitting fee of Rs. 1,500 for every Board meeting attended by him.	Liable to retire by rotation at the third annual general meeting from his appointment.
Mr. S.J. Khaitan	AGM resolution dated August 16, 2004	A sitting fee of Rs. 1,500 for every Board meeting attended by him.	Liable to retire by rotation at the third annual general meeting from his appointment.

Name of Directors	Contract/Appointment Letter/Resolution	Details of Remuneration	Term
Mr.Jogesh Bansal	AGM resolution dated August 16, 2004	A sitting fee of Rs. 1,500 for every Board meeting attended by him.	Liable to retire by rotation at the third annual general meeting from his appointment.
Mr. Mohit Jain	AGM resolution dated September 22, 2003	A sitting fee of Rs. 1,500 for every Board meeting attended by him.	Liable to retire by rotation at the third annual general meeting from his appointment.

Except whole-time Directors who are entitled to statutory benefits upon termination of their employment in our Company, no other Director is entitled to any benefit upon termination of his employment in our Company.

Remuneration of Whole-Time Directors

The following table sets forth the details of the remuneration for the whole-time Directors for the fiscal year ended March 31, 2005.

(Amounts in Rupees, unless otherwise stated)

S. No.	Name	Basic Salary	House Rent Allowance	Ex Gratia	Provident Fund	Medical	Leave Travel Allowance	Perquisites	Total
1.	Mr. S. K. Mittal	396,000	66,000	73,200	9,360	33,000	-	14,400	591,960
2.	Mr. Samir Banerjee	601,200	216,000	114,240	9,360	501,00	-	14,400	1,005,300
3.	Mr. Punit Gupta	409,200	24,000	75,840	9,360	34,100	68,200	14,400	635,100
4.	Mr. Y. V. Rao	332,940	-	65,428	9,360	-	-	-	407,728
	Total	1,739,340	306,000	328,708	37,440	117,200	68,200	43,200	2,640,088

Corporate Governance

We made an initial public offering of 1,550,000 Equity Shares in 1994 and are currently listed on the Stock Exchanges. We have applied for delisting to the CSE and await an approval from the same. We are in compliance with the provisions of the listing agreements with the Stock Exchanges, especially relating to corporate governance, broad basing of management and setting up necessary committees like the Audit Committee and the Shareholders' Committee.

We have complied with SEBI Guidelines in respect of corporate governance, especially with respect to broad basing of board, constituting the committees such as the audit committee and the shareholders' committee, details of which are provided hereinbelow. We shall comply with the requirements of SEBI circular bearing number SEBI/CFD/DIL/CG/1/2004 dated October 29, 2004, which notifies revised corporate governance guidelines, by the required date (currently notified as December 31, 2005) for listed entities like our Company.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

(a) Audit Committee; and

(b) Shareholders' Committee.

We have not formed a remuneration committee. Our Board of Directors decides the remuneration of our Directors, subject to the approval of our shareholders, if required.

Audit Committee

The audit committee comprises three independent non-executive Directors, namely, Mr. A.C. Wadhawan, Mr. Mohit Jain and Mr. Jogesh Bansal. Mr. A.C. Wadhawan is the chairman of the audit committee. Mr. Sunit Maheshwari, Company Secretary, acts as the secretary to the audit committee, as required under the listing agreements. The broad terms of reference of the audit committee inter alia include the following:

- Review of quarterly/half yearly unaudited/annual results;
- Review of quarterly internal audit report and internal control systems;
- Review with auditors of significant findings and follow up thereon;
- Recommending the appointment/re-appointment of auditors, fixation of audit fees; and
- Review of annual financial statements.

Shareholders' Committee

This committee of the Board of Directors monitors share transfers, transmissions, splits, consolidation and also redressal of shareholders' grievances. It comprises three Directors namely, Mr. A.C. Wadhawan, Mr. S.K. Mittal and Mr. Punit Gupta. Mr. A.C. Wadhawan is the chairman of the shareholders committee. Our Board of Directors has nominated Mr. Sunit Maheshwari, Company Secretary, as the compliance officer in terms of Clause 47 of the listing agreements with the Stock Exchanges.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any Equity Shares. The following table details the shareholding of our Directors:

Name of Directors	Number of Equity Shares (Pre-Issue)
Mr. S.K.Mittal	Nil
Mr. Punit Gupta	200
Mr. Y.V. Rao	Nil
Mr. Samir Banerjee	Nil
Mr. A.C.Wadhawan	Nil
Mr. S.S. Jindal	446,600
Mr. S.J. Khaitan	Nil
Mr. Jogesh Bansal	Nil
Mr. Mohit Jain	Nil

Interest of our Directors

All our Directors, including independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association. The executive directors are interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or that may be subscribed for and allotted to them, out of the present Issue in terms of the Red Herring Prospectus and the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent Directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees.

Mr. Shyam Sunder Jindal is one of our Promoters. For further details, please see "Our Promoters and Group Companies" on page 85 of this Prospectus.

Mr. Suman Jyoti Khaitan, one of our Directors is also a partner in Suman Khaitan and Co., which provides legal services to our Company from time to time.

Our Promoter, Soyuz Trading Company Limited, provides consultancy services to our Company under an agreement dated May 16, 2005 which is valid until March 31, 2007. For further details of the same, please refer to the section titled "History and Certain Corporate Matters – Other Agreements" on page 76 of this Prospectus.

Changes in our Board of Directors during the last three years

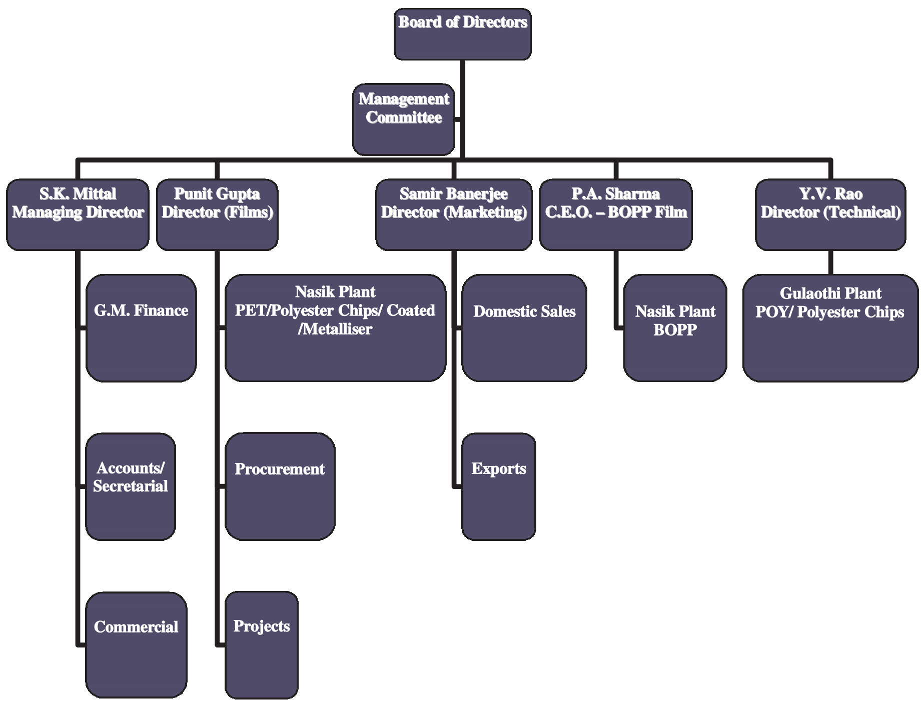
The changes in our Board of Directors during the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. NVPKS R Murthy	-	June 26, 2002	Resignation
Mr. Kedar Deshpande	June 26, 2002	-	Appointment
Mr. S.S. Jindal	July 29, 2002	-	Appointment
Mr. S.K. Mittal	July 29, 2002	-	Appointment
Mr. Punit Gupta	July 29, 2002	-	Appointment
Mr. Anil Goyal	-	January 28, 2003	Resignation
Mr. J.P. Mohta	-	January 28, 2003	Resignation

Name	Date of Appointment	Date of Cessation	Reason
Mr. Sushil Mittal	April 30, 2003	-	Appointment
Mr. Samir Banerjee	August 25, 2003	-	Appointment
Mr. Kedar Deshpande	-	January 13, 2004	Resignation
Mr. Y.V. Rao	March 4, 2004	-	Appointment
Mr. Sushil Mittal	-	June 29, 2004	Resignation
Mr. Jogesh Bansal	June 29, 2004	-	Appointment
Mr. Sopan Agarwal	-	February 4, 2005	Death

Management Organisation Structure

Our management organisation structure is set forth below:



Key Managerial Employees

Mr. A.K. Goyal, aged 50 years, joined our Company in August, 1991 and is currently the General Manager (Polyplant). He holds a B.E. (Mech.) degree from Vikram University, Ujjain. He has 25 years of work experience and was working with Sreeram Synthetics before joining our Company.

Mr. Mohan B. Vipra, aged 40 years, joined our Company in December 2001 and is currently the General Manager – Production (Films). He holds a B.E. (Mech.) degree from College of Engineering, Pune. He has 19 years of work experience in various polyester companies and was working for Flex Industries Limited before joining our Company.

Mr. Mukesh Jain, aged 44 years, joined our Company in May, 2004 and is currently the Chief Executive Officer, Gulaothi (POY). He holds a M.Com. degree from Rajasthan University. He has about 23 years of work experience in numerous companies including Rishab Synthetics Limited and was working for the Parasrampuria Group before joining our Company.

Mr. P.A. Sharma, aged 57 years, joined our Company in January, 2002 and is currently the Chief Executive Officer (BOPP Films). He holds a B.Tech (Hons.) degree in chemical engineering from Indian Institute of Technology, Kharagpur. He has 34 years of work experience in various polyfilm companies and was working for Al-Khaleej, Oman before joining our Company.

Mr. P.K. Gupta, aged 44 years, joined our Company in December, 2002 and is currently the Senior General Manager – Marketing (BOPP Film). He holds a M.Sc. degree from Jabalpur University and a diploma in marketing management. He has about 18 years of work experience in a number of companies including Cosmo Films Limited and Sitaram Jaipuria Medical Center and was working for Cosmo Films Limited before joining our Company.

Mr. Sanjeev Aggarwal, aged 37 years, joined the B.C. Jindal group of companies in October 1992 and subsequently joined our Company. He is currently the General Manager – Finance of our Company. He holds a B.Com (Hons) degree from Delhi University and is a qualified Chartered Accountant. He has 14 years of work experience and was working for Northgate Lithotripters Limited before joining the B.C. Jindal group of companies.

Mr. Sumant Singhal, aged 29 years, joined our Company in February, 2003 and is currently the executive assistant for co-ordination of the Nasik plant. He holds a Chartered Accountant's degree from the Institute of Chartered Accountants of India. He has six years of work experience in an audit firm and various other companies. He was working for Telstra Vishesh Communications Private Limited before joining our Company.

Mr. Sunit Maheshwari, aged 41 years, joined our Company in February, 1994 and is currently the Company Secretary. He holds a B.Com (Hons) degree from Delhi University and is a qualified company secretary. He has 15 years of work experience and was working for BSM Limited before joining our Company.

Mr. Tulsidas L. Patel, aged 51 years, joined our Company in October, 2003 and is currently the Senior General Manager – Maintenance and Projects (Films). He holds a B.E. (Mech.) degree from Sardar Vallabhbhai Regional College of Engineering and Technology, Surat. He has 27 years of work experience in various polyester and rayon companies and was working for Garware Polyester Limited before joining our Company.

Mr. V.D. Kasar, aged 58 years, joined our Company in April, 2004 and is currently the Chief Executive – Technical (Films). He holds a B.E. (Mech.) degree from Marathwada University, Aurangabad. He has 35 years of work experience and was working for Forbes and Campbell before joining our Company.

All our key managerial employees are permanent employees of our Company and none of them are related to each other or to any Director in our Company or to any Promoter.

Shareholding of the Key Managerial Employees

The following table details the shareholding of our key managerial employees as on date:

Name	Number of Equity Shares (Pre-Issue)
Mr. A.K. Goyal	200
Mr. Mohan B. Vipra	Nil
Mr. Mukesh Jain	Nil
Mr. P.A. Sharma	Nil
Mr. P.K. Gupta	Nil
Mr. Sanjeev Aggarwal	Nil
Mr. Sumant Singhal	Nil
Mr. Sunit Maheshwari	200
Mr. Tulsidas L. Patel	Nil
Mr. V.D. Kasar	Nil

Bonus or Profit Sharing Plan for our Key Managerial Employees

Our Company has been paying an ex-gratia bonus of 20% of the basic salary to the key managerial employees of our Company.

Changes in our Key Managerial Employees during the last three years

The changes in our key managerial employees during the last three years are as follows:

Name	Date of appointment as Key Managerial Employees	Whether continuing, if not, date of cessation	Reason
Mr. Sushil Jindal	February 1, 2003	March 18, 2004	Resignation
Mr. Deepak Gupta	February 14, 2003	September 13, 2004	Resignation
Mr. J.K. Agarwal	January 19, 2004	September 11, 2004	Resignation
Mr. Pradeep Sarkar	April 15, 2004	September 20, 2004	Resignation
Mr. P.K. Gupta	December 28, 2002	-	Promotion
Mr. Sumant Singhal	February 26, 2003	-	Promotion
Mr. Mukesh Jain	May 29, 2004	-	Promotion

Details of Remuneration of Key Managerial Employees for Fiscal 2005

The details of the remuneration of the key managerial personnel for the fiscal year ending March 31, 2005:

(Rs. millions, unless otherwise stated)

S. No	Name	Total Remuneration (For the fiscal year ending March 31, 2005)
1.	Mr. A.K. Goyal	0.43
2.	Mr. Mohan B. Vipra	0.91
3.	Mr. Mukesh Jain	0.96
4.	Mr. P.A. Sharma	1.32
5.	Mr. P.K. Gupta	1.12
6.	Mr. Sanjeev Aggarwal	0.65
7.	Mr. Sumant Singhal	0.44
8.	Mr. Sunit Maheshwari	0.42
9.	Mr. Tulsidas L. Patel	1.02
10.	Mr. V.D. Kasar	1.45

Employees Share Purchase Scheme/Employee Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Payment or benefit to officers of our Company

In the last two years, we have paid an aggregate sum of Rs. 3.63 million to the officers of our Company as monetary incentives. No other amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

OUR PROMOTERS AND GROUP COMPANIES

The present promoters of our Company are Mr. Shyam Sunder Jindal (son of Mr. B.C. Jindal), Soyuz Trading Company Limited, Rishi Trading Company Limited, Consolidated Photo and Finvest Limited and Jindal Photo Investments Limited. Our Promoters and promoter group companies, as disclosed in this Prospectus, form part of the Rs. 15,000 million B.C. Jindal group, a 50 year old industrial group offering a wide range of products.

Mr. Shyam Sunder Jindal, 49 years, (Passport Number: Z052887, Voter ID/Driving License Number: Not Available), a resident Indian national, is a Promoter director in our Company. Mr. Jindal received a B.Com (Hons.) degree from the Shriram College of Commerce, Delhi University. He has about 28 years experience in marketing, exports and managing industrial companies. He has vast experience in entrepreneurial ventures and managing different manufacturing and marketing companies in steel, polyester yarn, polyester film, photographic and related fields and also in setting up of new projects in the aforesaid areas and managing the same. He has experience in acquisition of companies in India and abroad.

We confirm that the permanent account number, bank account number and passport number of Mr. Shyam Sunder Jindal were submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

Soyuz Trading Company Limited ("STCL")

STCL was incorporated on February 18, 1981 with the objects of dealing/trading in corporate shares, securities etc. It obtained its certificate of commencement of business on April 30, 1981. Its registered office is situated on 16B, Shakespeare Sarani, Kolkata, West Bengal. The company has uniformly grown its investment business since its inception and in the process, had acquired several other investment companies pursuant to amalgamation schemes approved by the High Court. Further, STCL has extended its activities to photographic films and related business in Nepal through its subsidiary M/s. Super Industries (P) Limited. It has been promoted by Consolidated Photo and Finvest Limited. STCL has filed an application for delisting at the CSE dated May 20, 2002. It is registered as a non-banking financial company with the RBI vide registration no. 05.01207 dated March 23, 1998.

Shareholding Pattern

The following is the shareholding of STCL as on June 17, 2005:

Name of Shareholder	Number of Class "A" shares	Number of Class "B" shares	Percentage of Shareholding (%)	Percentage of Voting rights (%)
Jindal Photo Investments Limited	1,705,769		39.90	20.71
Consolidated Photo & Finvest Limited	1,704,236		39.86	20.69
Rishi Trading Company Limited	604,250		14.13	7.34
Shyam Sunder Jindal HUF	3,466	2,500	0.14	3.08
Shyam Sunder Jindal	20,000	10,000	0.70	12.39
Subhadra Jindal	84,099	12,500	2.26	16.20
Aakriti Jindal	63,482	7,500	1.66	9.88
Bhavesh Jindal	49,772	7,500	1.34	9.71
Sitaram Sharma	10		0.00	0.00
Joydeep Banerjee	10		0.00	0.00
Total	**4,235,094**	**40,000**	**100**	**100**

Board of Directors

The board of directors of STCL as on June 17, 2005 comprises Mr. S.K. Mittal, Mr. V.K.Gupta, Mr. Praveen Bansal and Mr. Jagdish Garodia.

Financial Performance

The unconsolidated financial results of STCL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Equity Capital	42.75	42.35	42.35
Reserves (excluding revaluation reserve)	772.51	717.60	706.47
Income/Sales	58.95	31.61	26.36
Profit after Tax (PAT)	53.70	21.72	24.77
Earnings per share (Rs.)	11.52	5.13	5.89
Net Asset Value (NAV) per share (Rs.)	187.82	176.54	173.91

Status of Investor Grievances

There are currently no investor grievances pending against STCL.

Stock Market Data

The shares of STCL have not been traded on the CSE for the last six months.

Change in Capital Structure

There has been no change in the capital structure of STCL over the last six months.

Rishi Trading Company Limited ("RTCL")

RTCL was incorporated on April 18, 1980, with the object of dealing/trading in corporate shares, securities etc. It obtained its certificate of commencement of business on May 28, 1980. Its registered office is situated on 16B, Shakespeare Sarani, Kolkata, West Bengal. The company has uniformly grown its investment business since its inception and in the process had acquired several other investment companies in accordance with numerous amalgamation schemes approved by various High Courts and enlarged its capital base and investment activities. RTCL has been promoted by Consolidated Photo and Finvest Limited. RTCL has filed an application for delisting at the CSE dated May 20, 2002. It is registered as a non-banking financial company with the RBI vide registration no. 05.00643 dated March 5, 1998.

Shareholding Pattern

The following is the shareholding of RTCL as on June 17, 2005:

Name of Shareholder	**Number of Class "A" shares**	**Number of Class "B" shares**	**Percentage of Shareholding (%)**	**Percentage of Voting Rights (%)**
Jindal Photo Investments Limited	5,385,833		39.78	20.39
Consolidated Photo & Finvest Limited	5,417,321		40.02	20.51
Soyuz Trading Co. Limited	2,087,990		15.42	7.91
Shyam Sunder Jindal HUF	11,166	10,000	0.16	3.83
Shyam Sunder Jindal	94,566	35,000	0.96	13.61
Subhadra Jindal	227,950	35,000	1.94	14.12
Aakriti Jindal	99,483	25,000	0.92	9.84
Bhavesh Jindal	83,400	25,000	0.80	9.78
Jindal (India) Limited	75		0.00	0.00
Bazaloni Group Limited	75		0.00	0.00
Total	13,407,859	130,000	100	100

Board of Directors

The board of directors of RTCL as on June 17, 2005 comprises Mr. S.C.Sharma, Mr. Shyam S. Jindal, Mr. Sumant Singhal and Mr. Bimal Kumar Saraf.

Financial Performance

The unconsolidated financial results of RTCL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	135.38	134.08	134.08
Reserves (excluding revaluation reserve)	749.15	717.20	715.53
Income/Sales	33.23	18.14	12.91
Profit after Tax (PAT)	30.66	15.09	11.94
Earnings per share (Rs.)	1.10	1.13	0.89
Net Asset Value (NAV) per share(Rs.)	40	37.56	37.80

Status of Investor Grievances

There are currently no investor grievances pending against RTCL.

Stock Market Data

The shares of RTCL have not been traded on the CSE in the last six months.

Changes in Capital Structure in the Last Six Months

There has been no change in the capital structure of RTCL in the last six months.

Consolidated Photo and Finvest Limited ("CPFL")

CPFL was incorporated as a public company on September 2, 1996 and obtained its certificate of commencement of business on October 3, 1996. Its primary object is undertaking investment and finance business. Mr. Shyam Sunder Jindal is the promoter of CPFL. Its registered office is situated at 56/2, Hanuman Road, Connaught Place, New Delhi 110 001. Its registered with the RBI as a non-banking financial company and it registration number is N-14-02894.

Shareholding Pattern

The shareholding pattern of CPFL as on June 17, 2005 is as follows:

Name of Shareholders	Number of Class "A" shares	Number of Class "B" shares	Percentage of Shareholding (%)	Percentage of Voting Rights (%)
Jindal Photo Investments Limited	5,663,500		39.68	19.45
Rishi Trading Company Limited	4,029,300		28.23	13.84
Soyuz Trading Company Limited	4,145,600		29.05	14.24
Shyam Sunder Jindal HUF	7,250	100,000	0.75	34.36
Shyam Sunder Jindal	144,250	5,000	1.05	2.21
Subhadra Jindal	130,000	7,500	0.96	3.02
Aakriti Jindal		12,500	0.09	4.29
Bhavesh Jindal		25,000	0.18	8.58
Others	2,135		0.01	0.01
Total	**14,122,035**	**150,000**	**100.00**	**100.00**

Board of Directors

The board of directors of CPFL as on June 17, 2005 comprises Mr. Umesh Chand Jain, Mr. S.K. Mittal and Mr. Satyavrat Agarwal.

Financial Performance

The unconsolidated financial results of CPFL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Equity Capital	142.72	142.72	142.72
Reserves (excluding revaluation reserve)	1304.43	1304.43	1276.72
Income/Sales	35.70	37.60	24.95
Profit after Tax (PAT)	(208.35)	24.89	(35.92)
Earnings per share (Rs.)	(14.60)	1.74	(2.48)
Net Asset Value (NAV) per share(Rs.)	85.79	100.14	100.51

Jindal Photo Investments Limited ("JPIL")

JPIL was incorporated as a public company on August 16, 1999 and obtained its certificate of commencement of business on February 7, 2000. It was incorporated with the purpose of undertaking investment and finance business. It is promoted by Consolidated Finvest and Holdings Limited. Its registered office is situated at 56/2, Hanuman Road, Connaught Place, New Delhi – 110 001. It is registered as a non-banking financial company with the RBI vide registration number N-14.01598.

Shareholding Pattern

The shareholding pattern of JPIL as on June 17, 2005 is as follows:

Name of the Shareholders	**Number of shares**	**Percentage of share capital (%)**
Consolidated Finvest & Holdings Limited ("CFHL")	8,609,400	99.99
J P Mohta (Beneficiary of CFHL)	100	0.001
R B Pal (Beneficiary of CFHL)	100	0.001
Shammi Gupta (Beneficiary of CFHL)	100	0.001
S C Sharma (Beneficiary of CFHL)	100	0.001
S K Mittal (Beneficiary of CFHL)	100	0.001
K K Jain (Beneficiary of CFHL)	100	0.001
Total	**8,610,000**	**100.00**

Board of Directors

The board of directors of JPIL as on June 17, 2005 comprises Mr. Rathi Binod Pal, Mr. Shammi Gupta, Mr. Suresh Chander Sharma and Mr. Praveen Kumar Bansal.

Financial Performance

The unconsolidated financial results of JPIL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Equity Capital	86.1	86.1	86.1
Reserves (excluding revaluation reserve)	1,073.80	997.83	980.87
Income/Sales	80.64	70.80	45.89
Profit after Tax (PAT)	76.13	60.04	47.02
Earnings per share (Rs.)	8.84	6.97	5.46
Net Asset Value (NAV) per share (Rs.)	134.71	125.88	123.91

We confirm that the permanent account numbers, bank account numbers, registration numbers and the addresses of the concerned Registrar of Companies of each of the Promoter companies were submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

Change in Management of Promoter Companies

The current management acquired management control of RTCL and STCL in the 1980s for cash. There has been no subsequent change in the management control of these companies.

Promoter Group Companies and other entities

1. Jindal Realtors Limited
2. Jupax Barter Private Limited
3. Jumbo Finance Limited
4. Passion Tea Private Limited
5. Jindal Thermal Power Limited
6. Jindal (India) Limited
7. Jindal Photo Limited
8. Consolidated Finvest and Holdings Limited
9. Super Industries Private Limited, Nepal
10. Flexstar Sales Private Limited
11. Bazaloni Group Limited
12. Shyam S. Jindal (HUF)
13. B.C. Jindal and Sons (HUF)

Jindal Realtors Limited ("JRL")

JRL was incorporated on August 21, 2003 and obtained its certificate of commencement of business on December 3, 2003. Its registered office is situated at 56/2, Hanuman Road, Connaught Place, New Delhi 110 001. It is primarily involved in the business of real estate.

Shareholding Pattern

The shareholding pattern of JRL as on June 17, 2005 is as follows:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Mr. Shyam Sunder Jindal	100,000	32.15
Ms. Subhadra Jindal	20,000	6.43
Shyam Sunder Jindal (HUF)	11,900	3.83
Ms. Aakriti Jindal	50,000	16.08
Mr. Bhavesh Jindal	67,500	21.70
Consolidated Photo and Finvest Limited	61,000	19.61
Mr. R.B. Pal	100	0.03
Mr. Shammi Gupta	100	0.03
Mr. S.C. Sharma	100	0.03
Mr. V.K.Gupta	100	0.03
Mr. Pramod Kumar	100	0.03
Mr. K.K. Jain	100	0.03
Total	**311,000**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 are Mr. Rathi Binod Pal, Mr. Shammi Gupta and Mr. Suresh Chander Sharma.

Financial Performance

The unconsolidated financial results of JRL for the year ended March 31, 2004 is set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March, 2004
Equity Capital	2.5
Reserves (excluding revaluation reserve)	Nil
Income/Sales	Nil
Profit after Tax (PAT)	(0.11)
Earnings per share (Rs.)	(1.98)
Net Asset Value (NAV) per share(Rs.)	9.25

Jupax Barter Private Limited ("JBL")

JBL was incorporated on July 6, 1995 and its registered office is located at 16A, Ist Floor, Shakespeare Sarani, Kolkata. It is involved in the real estate business.

Shareholding Pattern

The shareholding pattern of JBL as on June 17, 2005 is as follows:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Ms. Subhadra Jindal	150,000	21.35
Mr. Shyam Sunder Jindal	90,000	12.81
Shyam Sunder Jindal (HUF)	55,000	7.83
Mr. Bhavesh Jindal	180,000	25.62
Ms. Aakriti Jindal	90,000	12.81
Soyuz Trading Company Limited	50,000	7.12
Rishi Trading Company Limited	24,800	3.53
Consolidated Photo & Finvest Limited	62,500	8.90
Mr. Ravindra Kumar Gupta	100	0.01
Mr. Balram Agarwal	100	0.01
Total	**702,500**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. Jagdish Prasad Mohta, Mr. Punit Gupta and Mr. Ram Avtar Aggarwal.

Financial Performance

The unconsolidated financial results of JBL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	7.03	6.40	6.40
Reserves (excluding revaluation reserve)	32.95	17.95	17.95
Income/Sales	0.26	0.30	0.24
Profit after Tax (PAT)	(0.48)	(0.46)	(0.46)
Earnings per share (Rs.)	(0.75)	(0.73)	(0.72)
Net Asset Value per share (Rs.)	50.89	32.20	32.92

Jumbo Finance Limited ("JFL")

JFL is incorporated on January 15, 1996 and it obtained its certificate of commencement of business on February 8, 1996. Its registered office is located at 15-C, Hemant Basu Sarani, 2nd Floor, Kolkata, West Bengal. It is primarily involved in the real estate business.

Shareholding Pattern

The shareholding pattern of the company as on June 17, 2005 is as follows:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Mr. Shyam Sunder Jindal	2,400	0.48
Shyam Sunder Jindal (HUF)	107,300	21.55
Mr. Bhavesh Jindal	86,200	17.31
Ms. Aakriti Jindal	167,900	33.71
Mrs. Subhadra Jindal	28,100	5.64
Consolidated Photo & Finvest Limited	27,300	5.48
Soyuz Trading Company Limited	65,900	13.23
Rishi Trading Company Limited	12,600	2.53
Mr. Debasish Bhattcharya	100	0.02
Mr. Samarjit Das	100	0.02
Mr. Joydeep Banerjee	100	0.02
Total	**498,000**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. Shyam Sunder Jindal, Mr. Umesh Chand Jain and Mr. Praveen Kumar Bansal.

Financial Performance

The unconsolidated financial results of JFL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	4.98	4.98	4.98
Reserves (excluding revaluation reserve)	23.52	23.52	13.68
Income/Sales	0.15	0.14	0.12
Profit after Tax (PAT)	(0.21)	(0.22)	(0.45)
Earnings per share (Rs.)	(0.42)	(0.44)	(0.94)
Net Asset Value per share (Rs.)	52.18	52.60	36.36

Passion Tea Private Limited ("PTPL")

PTPL was incorporated on May 14, 2004 with the primary purpose of maintaining a beverage, tea retail chain which provides different flavours of tea. Its registered office is situated at 56, Hanuman Road, New Delhi 110 001.

Shareholding Pattern

The following is the shareholding of PTPL as on June 17, 2005:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Miss Gunjan Jindal	9,000	90.00
Mr. Naveen Goel	500	5.00
Mr. Amber Paintal	500	5.00
Total	**10,000**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. Naveen Goel and Mr. Amber Paintal.

Financial Performance

There are no financial results of PTPL available at present.

Jindal Thermal Power Limited ("JTPL")

JTPL was incorporated as Indian Zinc Limited on January 5, 2001 and subsequently it changed its name to Jindal Hydro Electric Company Limited on August 7, 2001 and to Jindal Thermal Power Limited on November 19, 2004. It obtained its certificate of commencement of business on January 22, 2001 and its registered office is located at 56, Hanuman Road, New Delhi 110 001. Its primary object is to set up a project for generation of power.

Shareholding Pattern

The following is the shareholding of JTPL as on June 17, 2005:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Consolidated Finvest and Holdings Limited	649,700	39.62
Rishi Trading Company Limited	639,800	39.01
Consolidated Photo & Finvest Limited	349,800	21.33
Mr. R.B. Pal	100	0.01
Mr. Punit Gupta	100	0.01
Mr. J.P. Mohta	100	0.01
Mr. S.C. Sharma	100	0.01
Mr. V.K. Gupta	100	0.01
Mr. Sanjay Mittal	100	0.01
Mr. Sunit Maheshwari	100	0.01
Total	**1,640,000**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. J.P. Mohta, Mr. Umesh Jain and Mr. V.K. Gupta.

Financial Performance

The unconsolidated financial results of JTPL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	16.40	16.40	0.50
Reserves (excluding revaluation reserve)	Nil	Nil	Nil
Income/Sales	Nil	Nil	Nil
Profit after Tax (PAT)	Nil	Nil	Nil
Earnings per share (Rs.)	Nil	Nil	Nil
Net Asset Value per share (Rs.)	9.82	9.92	8.08

Jindal (India) Limited ("JIL")

JIL was incorporated on January 14, 1952 as a private company under the Indian Companies Act, 1913. Its name was changed to Jindal (India) Limited on April 1, 1982. The registered office is located on 2/1, Ahmend Mamuji Street, Liluah – 711204, Howrah, West Bengal. JIL is involved in the manufacture of MS pipes black and galvanised and cold rolled coils and galvanised plain and corrugated sheets.

Shareholding Pattern

The following is the shareholding of JIL as on June 17, 2005:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Meena Devi Jindal	90,235	6.52
B.C. Jindal	86,550	6.25
Sunita Jatia	74,200	5.36
Punit Jatia	18,275	1.32
Subhadra Jindal	2,935	0.21
Shyam Sunder Jindal	500	0.04
Shyam Sunder Jindal (HUF)	400	0.03
Soyuz Trading Company Limited	196,413	14.18
Consolidated Photo & Finvest Limited	190,000	13.72
Jindal Photo Investment Limited	178,300	12.87
Penrose Mercantiles Limited	140,000	10.11
Rishi Trading Company Limited	125,242	9.04
Safe Holding (P) Limited	88,950	6.42
Flexstar Sales Private Limited	95,000	6.86
Bazaloni Group Limited	75,000	5.42
Total	**1,385,000**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. B.C. Jindal, Mr. P.D. Bhoot, Mr. R.P. Agarwal, Mr. Punit Jatia and Mr. J.P. Mohta.

Financial Performance

The unconsolidated financial results of JIL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	123.3	116.7	110
Reserves (excluding revaluation reserves)	436.99	351.41	280.2
Income/Sales	3216.54	2362.63	2279.76
Profit after Tax (PAT)	57.68	48.67	14.71
Earnings per share (Rs.)	49.43	43.37	14.88
Net Asset Value (NAV) per share (Rs.)	451.58	399.41	352.92
Face Value of the equity share	100	100	100

Jindal Photo Limited ("JPL")

JPL was incorporated as Consolidated Photo Products Limited on March 15, 2004 and obtained its certificate of commencement of business on March 26, 2004. It changed its name to Jindal Photo Limited on December 13, 2004. It was incorporated with the primary business of manufacturing, trading and import of photographic products and its registered office is situated at UPSIDC Industrial Area, Bhimtal 263136, Uttaranchal. Recently, Consolidated Finvest and Holdings Limited has transferred its photographic business to JPL vide scheme of arrangement approved by the High Court of Uttranchal vide order dated November 1, 2004. The shares of JPL were listed with effect from April 7, 2005 on the BSE and the NSE.

Shareholding Pattern

The following is the shareholding of JPL as on June 17, 2005:

Category of Shareholders	Number of shares	Percentage of share capital (%)
Promoter's Holding	7,434,498	72.47
Mutual Funds and UTI	1,176	0.01
Banks, Financial Institutions, Insurance Companies (Central/state Govt. Institutions/Non-government Institutions)	5,520	0.05
Private Corporate bodies	444,180	4.33
Indian Public	23,639,612	23.04
NRIs / OCBs	8,991	0.08
Total	**10,258,326**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. Rathi Binod Pal, Mr. Shammi Gupta, Mr. V.Chinnaappen, Mr. Suresh Chander Sharma, Mr. Praveen Kumar Bansal and Mr. Punit Jatia.

Financial Performance

The unconsolidated financial results of JPL for the years ended March 31, 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March, 2004
Equity Capital	0.50
Reserves (excluding revaluation reserve)	Nil
Income/Sales	Nil
Profit after Tax (PAT)	(0.011)
Earnings per share (Rs.)	(0.21)
Net Asset Value (NAV) per share (Rs.)	9.78

Stock Market Data

The following table sets forth, for the periods indicated, the high and low and average of daily closing prices of the equity shares of JPL on the NSE, unless otherwise mentioned.

(Rs.)

Period	High	Low
November 2004 through March 2005*	N.A.	N.A.
April 2005	349.00	60.00
May 2005	418.95	24.10

* No data available since the shares of JPL were listed with effect from April 7, 2005 on the BSE and the NSE.

The market price of the equity shares of JPL as on June 16, 2005 was Rs.354.05 at the NSE.

Change in Capital Structure

Pursuant to the scheme of de-merger sanctioned by the High Court of Uttaranchal the issued and paid up share capital of JPL was increased on December 31, 2004 from Rs. 50,000 to Rs. 10,258,326.

Status of Investor Grievances

There are currently no investor grievances pending against JPL.

Consolidated Finvest and Holdings Limited ("CFHL")

CFHL was incorporated on May 1, 1986 as Konica Photo Films Private Limited. Subsequently, it changed its name to Bhimtal Photo Films Private Limited on July 17, 1986. Thereafter, the company became a public company on December 5, 1988 and subsequently, the name of the company was changed to Jindal Photo Films Limited on November 27, 1990. The company took the name Jindal Photo Limited on November 13, 2003 and pursuant to a scheme of arrangement, the company's name was changed to Consolidated Finvest and Holdings Limited. Its registered office is situated at UPSIDC Industrial Area, Bhimtal, Nainital, Uttranchal. The company is presently in the business of investments in securities etc.

The shares of CFHL are listed on BSE and NSE. The trading in the shares of the company, temporarily suspended on account of the scheme of demerger, was resumed on March 29, 2005. The high and low prices of the shares were Rs. 48.05 (on March 29, 2005) and Rs. 40.20 (on March 31, 2005) respectively.

Shareholding Pattern

The following is the shareholding of CFHL as on June 17, 2005:

Category of Shareholders	Number of shares	Percentage of share capital (%)
Promoter's Holding	21,820,342	67.50
Mutual Funds and UTI	3,724	0.01
Banks, Financial Institutions, Insurance Companies (Central/state Govt. Institutions/Non-government Institutions)	17,480	0.05
Private Corporate bodies	2,723,090	8.42
Indian Public	7,732,256	23.92
NRIs / OCBs	29,474	0.09
Total	**32,326,366**	**100.00**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. Shammi Gupta, Mr. Rathi Binod Pal, Mr. Umesh Chand Jain and Mr. Sanjeev Aggarwal.

Financial Performance

The unconsolidated financial results of CFHL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March31 , 2002
Equity Capital	427.12	427.12	427.12
Reserves (excluding revaluation reserve)	3301.01	3168.50	2856.32
Income/Sales	4733.53	4426.6	3988.9
Profit after Tax (PAT)	180.35	260.20	208.60
Earnings per share (Rs.)	4.24	8.47	4.90
Net Asset Value per share (Rs.)	86.95	85.08	78.08

Stock Market Data

The following table sets forth, for the periods indicated, the high and low and average of daily closing prices of the equity shares of CFHL on the NSE, unless otherwise mentioned.

(Rs.)

Period	High	Low
November 2004	68.00	53.20
December 2004*	76.40	60.25
January 2005*	N.A.	N.A.
February 2005*	N.A.	N.A.
March 2005*	88.00	17.50
April 2005	45.45	27.00
May 2005	41.20	24.10

* The listing of the shares of CFHL was suspended with effect from December 22, 2004 on account for implementation of scheme of arrangement for de-merger sanctioned by the High Court of Uttaranchal by its order dated November 1, 2004. The listing of company shares has again resumed with effect from from March 29, 2005.

The market price of the equity shares of CFHL as on June 16, 2005 was Rs. 50.55 at the NSE.

Change in Capital Structure in Last Six Months

Pursuant to the scheme of demerger sanctioned by the High Court of Uttaranchal the issued and paid up share capital of CFHL was decreased on December 31, 2004 from Rs. 42,534,692 to Rs. 32,326,366.

Status of Investor Grievances

As of April 30, 2005, there are 14 investor complaints pending against CFHL, none of which is pending for more than one month.

Super Industries Private Limited, Nepal ("SIPL")

SIPL was incorporated on January 15, 1997 and has its registered office Balaji Industrial District, Kathmandu, Nepal. It has been incorporated to set an export oriented unit to manufacture Polypropylene Compound Chips and PVC Compound with an installed capacity of 5000 tonnes per annum and PVC pipes and fittings with an installed capacity of 1,000 tonnes per annum. However, SIPL still awaits legal clearances and has thus not commenced manufacturing as yet.

Shareholding Pattern

The following is the shareholding of SIPL as on June 17, 2005:

Name of the Shareholders	Number of shares	Percentage of share capital (%)
Soyuz Trading Company Limited	95000	95
Mr. B.K. Srestha	5000	5
Total	**100000**	**100**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. B.R. Gupta, Mr. Sunit Maheshwari and Mr. B.K.Srestha.

Financial Performance

The unconsolidated financial results of SIPL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Nepali Rs. millions, unless otherwise stated)

	For the year ended March 31 , 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	10	10	10
Reserves (excluding revaluation reserve)	Nil	Nil	Nil
Income/Sales	1.30	Nil	Nil
Profit after Tax (PAT)	(1.35)	(1.52)	(1.36)
Earnings per share (Rs.)	(13.47)	(15.24)	(13.61)
Net Asset Value (NAV) per share (Rs.)	(28.35)	(14.89)	0.33
Face Value of the equity share	100	100	100

Flexstar Sales Private Limited ("FSPL")

FSPL was incorporated on March 16, 1995 and its registered office is located at 89, N.S. Road, 3rd Floor, Kolkata – 700 001. It was incorporated with the object of dealing as a trader, buyer, and seller for various items including shares.

Shareholding Pattern

The following is the shareholding of FSPL as on June 17, 2005:

Name of Shareholders	Number of shares	Percentage of share capital (%)
Swarni Vanijya (P) Limited	175,300	10.65
Pansari Iron and Steel (P) Limited	123,900	7.52
Pansari Trading and Finvest (P) Limited	120,000	7.29
Epson Marketing (P) Limited	160,800	9.76
Soyuz Trading Company Limited	392,500	23.84
Tushar Fiscal Services (P) Limited	153,000	9.29
Bindal Mercantile (P) Limited	83,200	5.05
Bindal Finvest (P) Limited	119,000	7.23
Arindam Traders (P) Limited	100,000	6.07
Bindal Brothers (P) Limited	106,000	6.44
Bindal Lefin (P) Limited	113,000	6.86
Total	**1,646,700**	**100**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. M.L. Agarwal and Mr. Manish K. Kayal.

Financial Performance

The unconsolidated financial results of FSPL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	For the year ended March 31, 2003	For the year ended March 31, 2002
Equity Capital	16.47	16.47	16.47
Reserves (excluding revaluation reserve)	33.78	33.76	33.76
Income/Sales	3.51	4.64	63.49
Profit after Tax (PAT)	0.01	(0.00)	0.02
Earnings per share (Rs.)	0.0080	0.001	0.01
Net Asset Value (NAV) per share (Rs.)	30.51	30.50	30.50

Bazaloni Group Limited ("BGL")

BGL was incorporated on June 30, 1977 and obtained its certificate of commencement of business on August 20, 1977. Its registered office is located at Bazaloni Tea Estate, P.O. Makum Junction, Tinsukia, Assam. It owns two tea estates in Assam where it grows premium quality of black tea.

Shareholding Pattern

The following is the shareholding of BGL as on June 17, 2005:

Name of Shareholders	Number of shares	Percentage of share capital (%)
Mrs. R.D. Saraf	204,965	6.56
Mr. Shyam Sunder Saraf	320,205	10.25
Mrs. Darshana Saraf	375,145	12.00
Rishi Trading Company Limited	510,200	16.33
Soyuz Trading Company Limited	325,815	10.43
Mr. S.S. Jindal	10,000	0.32
Miss Gunjan Jindal	10,000	0.32
Mrs. Subhadra Jindal	8,000	0.26
Master H.V. Saraf	194,710	6.23
Jindal (India) Limited	984,885	31.52
Mrs. Darshana Saraf (HUF)	154,975	4.96
Mr. Ghanshyam Sugla	100	0.01
Mr. Bhavesh Jindal	26,000	0.82
Total	**3,125,000**	**100**

Board of Directors

The board of directors of the company as on June 17, 2005 comprises Mr. S.S. Saraf, Mrs. D. Saraf, Mr. P.D. Bhoot, Mr. P. Jatia and Mr. R.R. Agarwal.

Financial Performance

The unconsolidated financial results of BGL for the years ended March 31, 2002, 2003 and 2004 are set forth below:

(Rs. millions, unless otherwise stated)

	For the year ended March 31, 2004	**For the year ended March 31, 2003**	**For the year ended March 31, 2002**
Equity Capital	37.50	37.50	37.50
Reserves (excluding revaluation reserve)	77.21	78.32	79.25
Income/Sales	162.72	166.63	177
Profit after Tax (PAT)	(1.12)	0.40	(1.60)
Earnings per share (Rs.)	(0.30)	0.11	(0.43)
Net Asset Value (NAV) per share (Rs.)	30.59	30.89	31.14

Related Party Transactions

For details on related party transactions, please refer to the section titled "Financial Statements" beginning on page 100 of this Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The dividend paid by our Company during the last five fiscal years is presented below.

Particulars	FY2000	FY2001	FY2002	FY2003	FY2004
Number of Equity Shares of face value of Rs. 10 (million)	12.34	12.34	12.34	12.34	12.34
Rate of Dividend on Equity (%)					
Interim	25%	-	-	-	-
Final	-	25%	25%	30%	40%
Amount of Dividend on Equity (Rs. million)					
Interim	30.9	-	-	-	-
Final	-	30.9	30.9	37.0	49.4
Corporate Dividend Tax (Rs. million)	3.4	3.2	-	4.7	6.3

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Dividends are paid in our Company through issuance of dividend warrants.

Pursuant to the terms of a term loan obtained from ICICI Bank Limited, which was subsequently assigned to UTI Bank Limited, we are required to obtain the consent of UTI Bank Limited for the distribution of dividends at a rate higher than 30%.

FINANCIAL STATEMENTS

AUDITORS' REPORT

The Board of Directors
Jindal Poly Films Limited
19th K.M., Hapur- Bulandshahr Road
P.O.-Gulaothi, Distt. Bulandshahr (U.P.)

Dear Sirs,

We were engaged to report on the annexed restated statements of Assets and Liabilities of the Company for the five consecutive financial years ended on March 31, 2004 and further, for a period of nine months ended on December 31, 2004 and the annexed restated statements of Profit & Loss accounts for each of the financial years ended on those dates and further, for a period of nine months ended on those dates. The financial information is based on the accounts audited by us.

The preparation and presentation of financial information is the responsibility of the Company's management. The financial information has been prepared for the purpose of incorporation in the offer document proposed to be issued by the company in connection with the ensuing public issue of equity shares.

We have performed such tests and procedures, which, in our opinion, were necessary for information the examination. These procedures, which include comparison of the attached financial with the Company's audited financial statements.

Our audit of the financial statements for the periods referred to above of this report, comprises audit tests and procedures deemed necessary for the purpose of expressing opinion on such financial statements taken as a whole. For none of the aforesaid years did we perform audit tests for the purpose of expressing opinion on individual balances of accounts or summaries of selected transactions such as those enumerated above and accordingly we express no opinion there on.

As required by part II of Schedule II of the Companies Act, 1956 and Guidelines titled Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('Guidelines') issued by the Securities and Exchange Board of India (SEBI) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992, and request dated January 27, 2005 made to us, we have examined and found correct the financial information contained in the statements annexed to this report which is proposed to be included in the Offer Document of Jindal Poly Films Limited ("the Company") in connection with the proposed Public Issue and we confirm as under :

1. We have examined the 'Statement of restated Profits and Losses' of the Company for each of the financial years ending March 31, 2000, 2001, 2002, 2003 and 2004 and nine months ending on December 31, 2004, and the 'Statement of restated Assets and Liabilities' as at those dates attached as **Annexure I & Annexure II** respectively to this report and confirm that:
   i. These statements reflect the profits and losses and assets and liabilities for each of the relevant periods as extracted from the Profit and Loss Account for the accounting years ending March 31, 2000, 2001, 2002, 2003 and 2004 and nine months ending on December 31, 2004 and the Balance Sheets as at March 31, 2000, 2001, 2002, 2003 and 2004 and December 31, 2004 audited by us, after making therein the disclosures and adjustments required to be made in accordance with the provisions of paragraph 6.10.2.7 of the Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000;
   ii. The Significant Accounting Policies adopted by the Company are attached as **Annexure III (A)** to this report
   iii. The Notes to the 'Statement of restated Profits and Losses' and 'Statement of restated Assets and Liabilities' are attached as **Annexure III (B)** to this report
   iv. We have examined the accompanying 'Statement of Segment wise Results' for the years ended March 31, 2002, 2003 and 2004 and nine months ended December 31, 2004, attached as **Annexure III (B) (6)** to this report and confirm that statement has been prepared in accordance with Accounting Standard – 17 (Segment Reporting) issued by The Institute of Chartered Accountants of India.
   v. We have examined the accompanying 'Statement of Related Party Disclosure' for the years ended March 31, 2002, 2003 and 2004 and nine months ended December 31, 2004, attached as **Annexure III (B) (7)** to this report and confirm that the relationships and transactions between the Company and its related parties have been appropriately reported in accordance with 'AS – 18 Related Party Disclosures' issued by The Institute of Chartered Accountants of India.
2. We have examined the 'Statement of dividends paid' by the Company in respect of each of the years ended March 31, 2000, 2001, 2002, 2003 and 2004, on the shares of the Company, attached as **Annexure IV** to this report and confirm that it correctly records the dividend paid in respect of each of those years.

3. We have checked the 'Statement of Other Income' and report that it correctly records the matters stated therein attached as **Annexure V.**

4. We have examined the 'Statement of Accounting Ratios' of the Company for each of the financial years ended March 31, 2000, 2001, 2002, 2003 and 2004 and nine months ended December 31, 2004, attached as **Annexure VI** to this report and confirm that they have been correctly computed from the figures as stated in the 'Statements of Restated Profits and Losses' and 'Statement of Restated Assets and Liabilities' of the Company referred to in paragraph 1 above and read with the notes appended in **Annexure III.**

5. We have examined the 'Capitalisation Statement' attached as **Annexure VII** to this report and report that it correctly records the matters stated therein.

6. We have checked the 'Statement of Secured and Unsecured Loans' as at December 31, 2004 and report that it correctly records the matters stated therein attached as **Annexure VIII.**

7. We have examined the 'Statement of Tax Shelter' for the years ended March 31, 2000, 2001, 2002, 2003 and 2004 attached as **Annexure IX** to this report and report that, in our opinion it correctly reflects the 'Tax Shelter' for each of those years.

8. We have checked the 'Break up of ageing schedule of Sundry Debtors' and 'Loans and Advances' (separately showing break up of amount due from promoters/ promoters group/ group companies in each case) as at March 31, 2004 and December 31, 2004 and aggregate book value and market value of quoted investments as at March 31, 2004 and December 31, 2004. The same has been attached as **Annexure X.**

9. We have checked the relevant accounting and secretarial records of the Company and found that there were no loans and advances made to persons/companies in which Directors are interested.

10. We have examined the 'Cash Flow Statement' in respect of each of the years ended March 31, 2000, 2001, 2002, 2003 and 2004 and nine months ended December 31, 2004 attached as **Annexure XI** to this report and confirm that, in our opinion, these statements have been prepared by the Company in accordance with the requirement of Accounting Standards - 3 (Cash Flow Statements) issued by the Institute of Chartered Accountants of India.

11. We have examined the 'Consolidated Statement of Restated Profits and Losses' and the 'Consolidated Restated Cash Flow Statements' of the Company and its subsidiaries Jindal France S.A.S, Rexor S.A., Rexor Technologies S.A., Hindustan Polyester Limited ("the Group") for the financial year ending March 31, 2004 and nine months ended December 31, 2004 and the accompanying 'Consolidated Statement of Restated Assets and Liabilities' of the Group as at those dates attached in **Annexure XII**. The Financial Statements of Jindal France S.A.S, Rexor S.A., Rexor Technologies S.A. have been audited by other auditors whose reports have been furnished to us, and in our opinion, in so far as they relate to the amounts included in respect of these subsidiaries, are based solely on the basis of these reports. Rexor Technologies S.A., has subsequently merged with Jindal France S.A. in April 2004. We confirm that the consolidated financial statements have been prepared by the Company in consideration of and in accordance with the requirements of Accounting Standard - 21 (Consolidated Financial Statements), issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries.

12. We have also examined the 'Statements of Profits and Losses' of each subsidiary and 'Statement of Assets and Liabilities' from the year in which they became subsidiaries, attached as **Annexure XIII** to this report and confirm that

    i. These statements reflect the profits and losses and assets and liabilities of the subsidiaries for each of the relevant periods read together with the Notes thereon as extracted, after making therein the disclosures and adjustments required to be made in accordance with the provisions of paragraph 6.10.2.3 and 6.10.2.7 of the SEBI Guidelines, from the Profit and Loss Accounts and Balance Sheets of those subsidiaries for the relevant periods, as audited by us / the under mentioned firms of auditors:

Subsidiary	**Period/Year Ended**	**Auditors**
Jindal France S.A.S	March 2004 and December 2004	KPMG S.A., France
Rexor S.A.	March 2004	Pricewater House Coopers, France
Rexor S.A.	December 2004	Deloitte Touche Tohmatsu, France
Rexor Technologies S.A.	March 2004	Pricewater House Coopers, France
Hindustan Polyester Limited	December 2004	Kanodia Sanyal & Associates, India

Note: Rexor Technologies S.A. has been merged with Jindal France S.A.S in April 2004.

14. The material changes as per Accounting Standard - 4 (Contingencies and Events occurring after the balance sheet date) occurring in the capital structure of the Company after December 31, 2004 are as follows:

i. Preferential allotment on February 11, 2005 of 1,300,000 equity shares of Rs.10 each to DEG- DEUTSCHE INVESTITIONS-UND ENTWICKLUNGS-GESELLSCHAFT MBH, Germany, at a premium of Rs. 350 per share for a total consideration of Rs 468 million.

ii. Conversion of 2,888,400 6% Convertible Cumulative Preference Shares (CCPS) (Series II) of Rs. 10 each into 2,888,400 Equity Shares of Rs. 10 each and further bonus of 2,888,400 Equity Shares of Rs. 10 each to the shareholders of these shares on March 22, 2005.

iii. Conversion of 12,447,163 numbers of 6% Convertible Cumulative Preference Shares (Series III) of Rs. 10 each, into 345,755 Equity Shares of Rs. 10 each as on March 22, 2005.

iv. Redemption of 20,000,000 numbers of 2% Redeemable Cumulative Preference Shares (Series II) of Rs 10 each at a premium of 5% pursuant to a resolution dated February 3, 2005. These have been redeemed in February 2005.

v. Redemption of 35,000,000 numbers of 2% Redeemable Cumulative Preference Shares (Series III) of Rs 10 each pursuant to a Board resolution dated February 3, 2005. These have been redeemed in February 2005.

vi. Redemption of 8,140,000 numbers of 6% Redeemable Cumulative Preference Shares (Series IV) of Rs. 10 each at par pursuant to a Board resolution dated February 24, 2005. These have been redeemed in March 2005.

This report is intended solely for your information for inclusion in the Offer Document in connection with the proposed Public Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of,

Kanodia Sanyal & Associates
Chartered Accountants

(R. K. Kanodia)
Partner
Membership No. 16121

Place : New Delhi
Date : March 31, 2005

Annexure I

Statement of Restated Profits and Losses

(Rs. in million)

	December 31,	For the year ended March 31,				
	2004*	**2004**	**2003**	**2002**	**2001**	**2000**
Income						
Net Sales	5,311	5,422	3,989	3,686	3,482	3,078
Other Income	46	62	28	38	55	47
Increase/ (Decrease) in inventories	(34)	27	151	(57)	(52)	57
Total Income	**5,323**	**5,511**	**4,168**	**3,666**	**3,486**	**3,182**
Expenditure						
Raw Material Consumed	3,111	3,059	2,200	1,894	1,870	1,726
Personnel expenses	80	89	70	72	73	67
Manufacturing expenses	704	824	764	662	753	710
Other expenses	57	83	96	64	72	83
Selling & Distribution expenses	186	176	137	113	126	127
Interest & Finance Charges	69	122	118	155	184	198
Depreciation	330	357	309	299	273	187
Diminution in value of capital work in progress	-	-	66	-	-	-
Total Expenditure	**4,537**	**4,709**	**3,760**	**3,259**	**3,351**	**3,097**
Net profit before tax	**786**	**801**	**409**	**408**	**134**	**86**
Less : Taxation						
Current tax	85	61	30	29	11	4
Deferred tax	154	182	71	50	-	-
Profit after tax	**547**	**559**	**307**	**329**	**123**	**82**
Adjustment: refer note no.11	-	-	-	-	-	-
Profit after tax as restated	**547**	**559**	**307**	**329**	**123**	**82**
Add:						
Balance as per last Balance Sheet	278	89	75	77	43	29
Amount withdrawn from General Reserve	-	-	-	-	-	63
Excess Income-Tax provision for earlier years written back	-	-	-	-	-	13
Transferred from investment allowance Reserve	-	-	-	18	-	-
Amount withdrawn from Debenture Redemption Reserve	-	20	-	-	-	-
Less:						
Loss of amalgamating Company	-	-	-	-	-	92
Dividend & Tax thereon	-	90	73	49	50	42
General Reserve	-	300	200	300	40	10
Debenture Redemption Reserve	-	-	20	-	-	-
Balance carried to Balance-Sheet as restated	**825**	**278**	**89**	**75**	**77**	**43**

* nine month period ended December 31, 2004

Annexure II

Statement of Restated Assets and Liabilities

(Rs. in million)

As at	As at December 31, 2004*	As at March 31, 2004	2003	2002	2001	2000
A. Fixed Assets						
Gross Block	7,839	7,728	6,081	5,147	5,076	4,451
Less : Depreciation	2,544	2,233	1,878	1,570	1,335	1,063
Net Block	**5,295**	**5,495**	**4,203**	**3,577**	**3,741**	**3,388**
Add :Capital work in progress	1,688	383	500	325	316	377
Sub Total (A)	**6,982**	**5,878**	**4,703**	**3,902**	**4,057**	**3,764**
B. Investments (B)	**291**	**857**	**181**	**175**	**175**	**175**
C. Current Assets, Loans & Advances						
Inventories	882	972	816	562	674	756
Sundry Debtors	771	317	224	249	209	187
Cash & Bank Balances	319	174	11	29	26	34
Loans & Advances	315	460	251	230	420	407
Sub Total (C)	**2,287**	**1,923**	**1,301**	**1,069**	**1,328**	**1,384**
D. Liabilities and Provisions						
Secured Loans	2,788	1,920	1,271	871	1,740	1,407
Unsecured Loans	16	22	20	73	50	1,186
Deferred tax Liabilities	1,045	891	709	451	-	-
Current liabilities & Provision	830	1,492	475	293	393	421
Share Application Money (for Preference shares)	-	-	200	-	-	-
Sub Total (D)	**4,680**	**4,325**	**2,675**	**1,687**	**2,183**	**3,014**
Net Worth (A) + (B) + (C) – (D)	**4,880**	**4,333**	**3,510**	**3,460**	**3,377**	**2,310**
Represented by						
Equity Share Capital	123	123	123	123	123	123
Preference Share Capital	1,445	1,445	1,095	1,095	895	235
Add: Reserves & Surplus (excluding Amalgamation Reserve)	2,889	2,342	1,874	1,826	1,947	1,543
Amalgamation Reserve	423	423	423	423	423	423
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	0	1	4	8	11	14
Net Worth	**4,880**	**4,333**	**3,510**	**3,460**	**3,377**	**2,310**

Annexure III

A. Significant Accounting Policies

i. Recognition of Income and Expenditure

All revenues and expenditures are accounted for on accrual basis except wherever stated otherwise.

ii. Sales

Sales, other than export sales, are inclusive of Excise Duty and shown net of returns and discounts.

iii. Fixed Assets

Fixed Assets are stated at cost less depreciation.

iv. Depreciation

Depreciation on fixed assets has been calculated on straight line method on pro-rata basis at the rates specified in Schedule-XIV of the Companies Act, 1956. However in case of plant and machineries higher depreciation rates have been charged based upon residual useful life.

v. Investments

Current investments are valued at acquisition cost or market value whichever is lower. Long term investments are valued at acquisition cost. Diminution in value of long term investment is provided only if such a diminution is other than temporary in the opinion of the management.

vi. Inventories

Raw materials, stores, spares & tools are valued at cost (cost formula FIFO basis).

Scrap is valued at estimated realisable value.

Finished goods are valued at lower of cost and realisable value.

Stock of material sold by one unit to other is valued at transfer price.

vii. Excise Duty

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

viii. Foreign Currency Transactions

Exchange difference arising on repayment of foreign exchange liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are adjusted in the carrying amount of the respective fixed assets.

The carrying amount of such fixed assets against which the liabilities in any foreign currency are outstanding is also adjusted to account for any increase or decrease in such liability by applying the closing rate or the rate as per forward exchange contract, if any.

In case of any profit or loss arising on cancellation or renewal of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, such profit or loss is adjusted in the carrying amount of the respective fixed assets.

Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets, are recognised as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognised as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

ix. Export Incentive

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

Unutilised advance licences obtained against actual export made are being accounted on accrual basis based upon difference between domestic versus imported raw material prices prevailing at the end of the period and is adjusted to raw material cost.

x. Retirement Benefits

The actuarial valuation of the accrued liability for retirement gratuities payable to employees up to December 31, 2004 has been funded and is held in a trustees administered approved fund which is separate from the Company's finances. Encashment of leaves is being done on yearly basis.

xi. Borrowing Costs

Borrowing cost that are directly attributable to the acquisition of assets has been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use. All other borrowing cost are charged to revenue in the period when they are incurred.

xii. Taxation

Current Year Charge

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

Deferred Tax

The Company provides for deferred tax using the liability method, based on the tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

The Company expects to generate taxable income in the coming years, which will enable it to utilize the carry forward unabsorbed depreciation/loss.

xiii Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference shares dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to the equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

xiv. Miscellaneous Expenditure

Preliminary expenditure/share issue expenses are being written off over a period of ten years.

xv. Expenses during construction period

Expenses incurred during construction period have been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use.

B. Material Notes to the Accounts

(Rs. million)

		As at December 31,	**As at March 31,**				
		2004	**2004**	**2003**	**2002**	**2001**	**2000**
1.	The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,133	690	752	352	1	222
2.	Contingent Liabilities :						
	a. Bank Guarantees	117	103	88	88	88	189
	b. Outstanding Letters of Credit	646	945	209	25	39	335

3. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant and machinery and sheds and building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.

4. The export obligation undertaken by the Company for import of capital equipments under EPCG/100% EOU scheme of the Central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.

5. In case of receivable and payables in foreign currency as on December 31, 2004 the exchange rates taken are as below:

Receivable in Dollars	Bill buying rate: Rs 43.37
Receivable in Euro	Bill buying rate: Rs. 58.85
Receivable in Yen 100	Bill buying rate: Rs.41.97
Payables in Dollars	Bill selling rate: Rs. 43.92
Payables in Euro	Bill selling rate: Rs 60.00
Payables in Yen 100	Bill selling rate: Rs.42.93

6. Statement of Segment wise Results

   i) Primary Segment

   Business Segment: The Company's operating business are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

   ii) Secondary Segment

   Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

   iii) Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

i) Primary Segment

(Rs. Million)

	December 31,	For the year ended March 31,		
	2004*	**2004**	**2003**	**2002**
1. Segment Revenue				
a. Polyester Yarn /Chips Division	4,478	5,507	5,068	4,796
b. PET/OPP Film Division	4,411	3,664	2,372	1,812
c. Other Revenue	39	54	6	5
Total	8,928	9,226	7,445	6,613
Less: Inter Segment revenue	2,873	2,812	2,620	2,047
Total Revenue	**6,055**	**6,414**	**4,825**	**4,566**

ii) Segment Profit Before Tax

(Rs. million)

	December 31,	For the year ended March 31,		
	2004*	**2004**	**2003**	**2002**
a. Polyester Yarn /Chips Division	-100	73	52	196
b. PET/OPP Film Division	916	796	469	362
c. Other Revenue	39	54	6	5
Total	855	923	527	563
Less: Interest	68	122	118	155
Net Profit Before Tax	**786**	**801**	**409**	**408**

iii) Capital Employed

(Rs. million)

	December 31,	For the year ended March 31,		
	2004*	**2004**	**2003**	**2002**
a. Polyester Yarn /Chips Division**	1,635	1,732	1,730	1,639
b. BOPET/BOPP Film Division**	6,815	4,654	3,871	3,082
c. Others**	280	780	110	133
	8,730	**7,166**	**5,711**	**4,854**
ii. Secondary Segment				
Sales in Domestic Market	4,177	5,168	3,758	4,000
Sales in Overseas Market	1,832	1,184	1,039	529
	6,009	**6,352**	**4,797**	**4,529**

* nine month period ended December 31, 2004
** As at relevant date

The Company has common fixed assets for producing goods for domestic and overseas markets. Hence separate figures for capital employed cannot be furnished.

7. Statement of Related Party Disclosures

List of Related Parties as required by Accounting Standard – 18 (Related Party Disclosure) issued by the Institute of Chartered Accountants of India are as follows:-

A. Related Companies/ Individuals

1. Mr. S. S. Jindal
2. Mrs. Subhadra Jindal
3. Ms. Gunjan Jindal
4. Consolidated Photo & Finvest Limited
5. Jumbo Finance Limited
6. Jupax Barter Private Limited
7. Rishi Trading Company Limited
8. Jindal Photo Limited (Formerly Consolidated Photo Products Limited)
9. Soyuz Trading Company Limited
10. Jindal Photo Investments Limited
11. Jindal Imaging Limited
12. Jindal Realtors Limited
13. Jindal India Limited
14. Consolidated Realtors Limited
15. Jindal Meadows Limited
16. Consolidated Finvest & Holdings Limited (Formerly Jindal Photo Limited)
17. Consolidated Buildwell Limited
18. Jindal Thermal Power Limited
19. Passion Tea Private Limited
20. Super Industries Private Limited, Nepal
21. Bazloni Group Limited
22. Flexstar Sales Private Limited
23. Shyam Sunder Jindal (HUF)

B. Subsidiary Companies

1. Hindustan Polyester Ltd.
2. Jindal France S.A.S.
3. Rexor S.A.S.

C. Key Management Personnel

1. Mr. S. K. Mittal
2. Mr. P. Gupta
3. Mr. S. Banerjee
4. Mr. Y.V. Rao

Details of Transactions with related parties are as follows:

(Rs. million)

		9 months period ended Dec 04	Year ended Mar 04	Year ended Mar 03	Year ended Mar 02
1.	Sales and other Income				
	Subsidiary Companies	170.34	Nil	Nil	Nil
	Related Companies/ Individuals	58.63	157.19	141.72	245.60
2.	Remuneration/Sitting fees				
	Key Management Personnel	2.06	2.31	1.94	2.22
3.	Purchases and other Services				
	Related Companies / Individuals	6.28	1.41	0.90	2.07
	Subsidiary Companies	Nil	Nil	Nil	0.97
	Key Management personnel	Nil	Nil	Nil	1.42
4.	Loan taken				
	Related Companies/Individuals	150.00	Nil	Nil	Nil
5.	Preference Share Capital Contribution				
	Related Companies	Nil	350.00	Nil	200.00
6.	Outstanding at the year end				
	Due to Company				
	Subsidiary Companies	72.82	3.82	15.19	41.78
	Related Companies / Individuals	1.62	0.21	0.10	Nil
	Key Management personnel	Nil	Nil	Nil	Nil
7.	Payable by the Company				
	Subsidiary Companies	Nil	Nil	Nil	9
	Related Companies / Individuals	0.15	0.52	Nil	Nil
	Key management personnel	Nil	Nil	Nil	Nil

8. No advance is doubtful nor has any advance been written off during the year

9. A sum of Rs. 89,970,458 being the difference between domestic and imported raw material prices prevailing at the end of period ended December 31, 2004, on account of advance licenses obtained but not utilised yet, however export have already been made, has been adjusted in the cost of raw material.

10. Based upon valuation report of Chartered Engineer as at March 31, 2003, Impairment loss on the assets at Khanvel (Being one of the units of the Company) was provided by the Company during the year ended March 31, 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been discontinued, as per Accounting Standard - 28 issued by Institute of Chartered Accountants of India.

11. Notes on Adjustment to Summary Profit & Loss Account and Assets & Liabilities Statements

    Adjustment as per SEBI guidelines have been made in relation to tax in the years to which it pertains, the effect of which is not material.

Annexure IV

Statement of Dividends paid

	For the year ended March 31,				
	2004	**2003**	**2002**	**2001**	**2000**
Equity Share Capital (Rs. million)	123.4	123.4	123.4	123.4	123.4
Face Value (Rs.)	10	10	10	10	10
Nos. (million)	12.34	12.34	12.34	12.34	12.34
Preference Share Capital					
23,475,563 6% Convertible Cumulative					
Preference shares of Rs. 10 each (Rs. million)	234.76	234.76	234.76	234.76	234.76
121,000,000 2% Redeemable Cumulative					
Preference shares of Rs. 10 each (Rs. million)	1,210.00	-	-	-	-
86,000,000 Optionally convertible Preference Shares of Rs. 10/- each (Rs. million)	-	860.00	-	-	-
20,000,000 7% Redeemable Cumulative Preference shares of Rs. 10 each (Rs. million)	-	-	200.00	-	-
66,000,000 Zero percent Optionally Convertible Preference shares of Rs. 10 each (Rs. million)	- -	- -	660.00	660.00	-
Rate of Dividend (%)					
Equity - Interim	-	-	-	-	25%
- Final	40%	30%	25%	25%	-
Preference - Interim	-	-	-	-	6%
- Final	As per terms of Preference Shares				
Amount of Dividend (Rs. million)					
Equity - Interim	-	-	-	-	30.85
- Final	49.36	37.02	30.85	30.85	-
Preference - Interim	-	-	-	-	6.82
- Final	29.99	27.28	17.84	14.09	-
Corporate Dividend Tax (Rs. million)	10.37	8.24	-	4.58	4.14

Annexure V

Statement of Other Income

(Rs .in million)

	December 31, 2004*	For the year ended March 31, 2004	2003	2002	2001	2000
Dividend on current investments	7	3	-	-	-	-
Dividend on long term investments	-	5	6	5	7	7
Profit on sale of investment	31	47	0	4	-	-
Profit on sale of DEPB	-	-	1	4	4	-
Miscellaneous receipts	1	0	0	1	0	0
Lease Rent	-	0	0	0	0	-
Foreign exchange fluctuation	4	-	11	8	9	6
Sundry balance adjustments (Net)	-	0	0	0	0	0
Claims received	1	3	5	5	5	5
Interest received from Income-Tax Department	-	1	-	-	21	17
Interest received from body corporates	-	2	3	0	4	0
Interest received from others	1	1	1	9	5	12
Profit on sale of vehicle	-	-	-	-	-	0
Total	**46**	**62**	**28**	**38**	**55**	**47**

* nine month period ended December 31, 2004

Annexure VI

Statement of Accounting Ratios

		December 31, 2004 *	For the year ended March 31, 2004	2003	2002	2001	2000
a)	Earning per share (Rs.)						
	Basic	41.67	42.52	22.41	25.22	8.74	6.01
	Diluted	28.28	15.56	8.57	6.94	1.85	1.74
b)	Return on Net Worth (%)	18.15	21.28	13.88	16.02	5.24	4.49
c)	Net Asset Value per share (Rs.)	244.10	199.76	161.49	157.39	166.88	133.88

* nine month period ended December 31, 2004

Basic Earning per share (Rs.) = $\frac{\text{Net profit after tax attributable to equity shareholders}}{\text{Weighted average no. of equity shares outstanding during the year}}$

Diluted Earning per share (Rs.) = $\frac{\text{Net profit after tax attributable to equity shareholders}}{\text{Weighted average no. of equity shares outstanding during the year (adjusted for the effects of dilutive options)}}$

Return on Net Worth (%) = $\frac{\text{Net profit after tax attributable to equity shareholders}}{\text{Net worth (excluding amalgamation reserve)}}$

Net Asset Value per share (Rs.) = $\frac{\text{Net worth (excluding amalgamation reserve)}}{\text{No. of equity shares outstanding at end of the year}}$

Note:

1. Net Worth has been considered above excluding Amalgamation Reserve of Rs. 423 million for all the periods given above.
2. Net Worth excludes Preference share capital
3. Earnings per share calculations have been done in accordance with Accounting Standard 20 – (Earnings per share) issued by the Institute of Chartered Accountants of India.

Annexure VII

Capitalisation Statement

(Rs. million)

	Pre issue as at December 31, 2004	As adjusted for the Issue
Long Term Debts		
Secured loans	2,788.49	2,788.49
Add: Unsecured loans	16.17	16.17
Total Debts	2,804.66	2,804.66
Less: Short term debts	(983.87)	(983.87)
Total long term debts (A)	**1,820.80**	**1,820.80**
Shareholder's Funds		
Equity share capital	123.40	206.73
Add: Reserve & Surplus (excluding Amalgamation Reserve)	2,889.32	5805.98
Preference share capital	813.36	813.36
Less: Miscellaneous expenditure	0.50	0.50
Total Shareholders Funds (excluding Amalgamation Reserve) (B)	**3825.57**	**6825.57**
Long Term Debt / Equity Ratio [(A)/ (B) (times)]	**0.48**	**0.27**

Note: Since December 31, 2004 (the last date till which financial statements have been prepared), following changes have taken place in the capital structure:

1. Preference Share Capital of Rs. 631,400,000 which has been redeemed upto March 15, 2005 has been excluded from total share holders fund while arriving at the above ratio. The same includes redemption of 20,000,000 2% Redeemable Cumulative Preference Shares (Series II) of Rs. 10 each at a premium of 5%, redemption of 35,000,000 2% Redeemable Cumulative Preference Shares (Series III) of Rs. 10 each at par and the redemption of 6% 8,140,000 Redeemable Cumulative Preference Shares (Series I) of Rs. 10 each at par.
2. Conversion of 2,888,400 6% Convertible Cumulative Preference Shares (CCPS) (Series II) of Rs. 10 each into 2,888,400 Equity Shares of Rs. 10 each and further bonus of 2,888,400 Equity Shares of Rs. 10 each to the shareholders of these shares on March 22, 2005.
3. Conversion of 12,447,163 6% Convertible Cumulative Preference Shares (CCPS) (Series III) of Rs. 10 each into 345,755 Equity Shares of Rs. 10 each at a premium of Rs. 350 per share on March 22, 2005.
4. The Company issued 1,300,000 Equity Shares of Rs. 10 each to DEG in February 2005 for Rs. 468 million at a premium of Rs. 350 per share.

Details of Preference Share Capital as on December 31, 2004

Preference Shares Redeemed:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
December 12, 1974	5,000 (11% redeemable cumulative preference shares)	100	100	Cash	• These Preference Shares have been redeemed.
March 21, 1994	9,900,000 (6% convertible cumulative preference shares – Series I)	10	10	Cash	• Out of this 1,760,000 cumulative convertible preference shares ("CCPS") were redeemed on May 31, 1994. • On March 11, 1996 the terms were changed and the conversion period was extended to 10 years. • On March 3, 2004 terms were further changed and the conversion period was further extended from 10 years to 13 years. • On May 3, 2004 the terms were further changed and these CCPS were reclassified as redeemable convertible preference shares ("RCPS"). • On February 24, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
December 24, 2001	20,000,000 (7% redeemable cumulative preference shares – Series II)	10	10	Cash	• On March 11, 2003 the terms were changed and made as OCPS and conversion price was fixed at Rs. 120 per share. • On March 3, 2004 the terms were further changed and these OCPS were reclassified as 2% RCPS which will be redeemed with 5% redemption premium on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
April 30, 2003	20,000,000 (5% optionally convertible preference shares – Series III)	10	10	Cash	• On March 3, 2004 the terms were changed and these OCPS were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.
June 5, 2003	15,000,000 (5% optionally convertible preference shares – Series III)	10	10	Cash	• On March 3, 2004 the terms were changed and these OCPS were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008. • On February 3, 2005 the Board passed a resolution for redemption of these RCPS and as on date these RCPS have been redeemed and paid in full.

Preference Shares Converted:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
May 29, 1995	2,888,400 (6% convertible cumulative preference shares – Series II)	10	10	Amalgamation of Northern Plastics & Finance Company limited	• On March 11, 1996 the terms were changed and the conversion period was extended to 10 years. • On March 3, 2004 terms were further changed and the conversion period was further extended from 10 years to 13 years. • On February 24, 2005 the Board passed a resolution for conversion of these CCPS subject to necessary compliances. • After obtaining necessary approvals/consents, on March 22, 2005 these CCPS were converted into 5,776,800 Equity Shares including a bonus issue in the ration of 1:1 to each of these CCPS holders.
March 22, 2000	12,447,163 (6% convertible cumulative preference shares – Series III)	10	10	Amalgamation of India Polyfilms Limited & Patel Poly products Limited with our Company	• On March 11, 2003 the terms were changed and the conversion price was increased from Rs. 10 to Rs. 120 per Equity Share to be compulsorily convertible within 6 years of allotment. • On March 3, 2004 terms were further changed and the conversion price was further increased from Rs. 120 to Rs. 360 per Equity Share. • On February 24, 2005 the Board passed a resolution for conversion of these CCPS subject to necessary compliances. • After obtaining necessary approvals/consents, on March 22, 2005 these CCPS have converted into 345,755 Equity Shares.

Preference Shares outstanding:

Date of Allotment and date on which fully paid up	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks
December 30, 2000	66,000,000 (0% optionally convertible cumulative preference shares – Series I)	10	15	In satisfaction of advances of Jindal Photo Limited	• On March 11, 2003 the terms were changed and the conversion price was increased from Rs. 33 per share to Rs. 120 per share. • On March 3, 2004 the terms were further changed and these optionally convertible preference shares ("OCPS") were reclassified as 2% RCPS which will be redeemed on or before December 31, 2008.

Annexure VIII

Statement of Secured and Unsecured Loans as at December 31, 2004

Secured Loans

	Amount (US$)	Repayment Schedule	Installment Amount (US$)
Foreign currency Term Loans [1]			
AKA Ausfuhrkredit - Gesellschaft mbH and Commerz Bank Aktiengesellschaft	6,566,214	Half yearly in March and September	505,093
AKA Ausfuhrkredit - Gesellschaft mbH and Commerz Bank Aktiengesellschaft	17,352,863	Half yearly in February and August	1,156,858
AKA Ausfuhrkredit - Gesellschaft mbH and Commerz Bank Aktiengesellschaft	14,238,130	Half yearly in May and November	889,883
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.	5,000,000	Quarterly starting from November 2005	294,118
State Bank of India	3,355,000	Quarterly March, June, September and December	275,000

[1] US$ = Rs.43.92 (The bill selling rate as on December 31, 2004)

Statement of Secured and Unsecured Loans as at December 31, 2004

Secured Loans

Rupee Term Loans[1]	Rupees	Repayment Schedule	Rupees
UTI Bank Ltd.	81,155,378	Quarterly February, May, August and November	20,299,667
Working Capital Loans[2]			
From Banks	679,681,324	Repayable on demand	

Notes:

1. Secured by pari-pasu equitable mortgage of immovable properties of the Company situated at Gulaothi (U.P.) & Nasik (Maharashtra) and hypothecation of all moveable assets (save and except book debts) subject to prior charge of the banks for working capital requirements. Foreign currency term loans from AKA Ausfuhrkredit - Gesellschaft mbh, Germany and Commerz Bank, Germany are guaranteed by Hermes Kreditversicherungs Aktiengesellschaft, Germany.

2. Secured by way of hypothecation of all stocks of raw materials, semi finished goods, goods in transit, stores and spares and book debts of the Company. These are further secured by way of second pari-pasu charge on immovable properties of the company situated at Gulaothi (Uttar Pradesh) & Nasik (Maharashtra)

Break up of unsecured loans separately showing loans from promoters/promoter group / group companies:

(Rs. million)

Particulars	As at December 31, 2004	As at March 31, 2004
Security Deposits from Agents	16.17	21.58
Unsecured loans from Promoters/Promoter Group/Group Companies	Nil	Nil

Note: The security deposits from agents are repayable on cessation of agency

Annexure IX

Statement of Tax Shelter

(Rs. million, unless otherwise indicated)

	For the year ended March 31,				
	2004	**2003**	**2002**	**2001**	**2000**
Profit before tax	**801.42**	**408.61**	**407.81**	**134.39**	**85.59**
Tax rate (including surcharge)	35.875%	36.75%	35.70%	39.55%	38.50%
Tax at Notional rate on profit	287.51	150.16	145.59	53.15	32.95
Adjustments					
Permanent differences					
Dividend received	(7.68)	-	(5.10)	(6.54)	(7.46)
Donation paid	0.01	2.03	1.41	0.17	1.57
Diminution in value of CWIP	-	66.09	-	-	-
Interest paid on Income Tax	-	3.29	-	-	-
Profit/Loss on sale of Investments	(46.88)	0.24	-	-	-
Others	0.11	-	-	-	-
Timing differences					
Difference between book depreciation & I.T. depreciation	(279.91)	(192.92)	(136.01)	(172.35)	(212.68)
Profit /Loss on sale of assets	1.01	0.35	(2.96)	1.13	0.33
43B items	(1.68)	(0.07)	1.45	1.32	0.03
Fees paid to ROC	2.35	-	-	-	-
Brought forward loss adjusted	(208.22)	(287.62)	(266.58)	-	-
Net adjustments	**(540.89)**	**(408.61)**	**(407.81)**	**(176.27)**	**(218.21)**
Tax shelter	**194.05**	**150.16**	**145.59**	**53.15**	**32.95**
Total taxation*	**93.46**	**-**	**-**	**-**	**-**

* Does not include MAT paid under provisions of Section 115 JA/115JB of the Income-tax Act, 1961

Annexure X

Break up ageing schedule of Sundry Debtors separately showing break up of Receivables from Promoters/Promoter Group/ Group Companies:

(Rs. million)

Particulars	As at December 31, 2004	As at March 31, 2004
Debts exceeding six months	13.57	11.86
Other Debts	757.36	305.16
Amount due from Promoters/Promoter Group/Group Companies	Nil	Nil
Total	**770.93**	**317.02**

* Note all debts are considered good

Break up of Loans and Advances separately showing loans/advances to Promoters/Promoter Group/ Group Companies:

(Rs million)

Particulars	As at December 31, 2004	As at March 31, 2004
To Promoters/Promoter Group/ Group Companies	1.62	4.04
To subsidiary Companies	72.82	Nil
Others		
Balances with Central Excise	67.96	48.73
Security Deposits	23.75	23.68
Other Loans and Advances	243.39	370.44
Advance tax (net of provisions)	Nil	13.06
Total	**409.54**	**459.95**

Statement of aggregate book value and market value of quoted investment

(Rs million)

Particulars	As at December 31, 2004	As at March 31, 2004
Book value of quoted investment	0.08	99.93
Market value of quoted investment	0.14	721.18

Note: As at March 31, 2004 book value of quoted investment included investment of Rs. 99.85 million in Jindal Photo Limited, a quoted company, having market value of Rs. 220.85 million. Subsequently in December 2004, Jindal Photo Limited has been demerged and delisted and hence the same has not been taken into account as on December 31, 2004 under the quoted investment.

Annexure XI

Cash Flow Statement

(Rs. in million)

	December 31, 2004*	For the year ended March 31,				
		2004	2003	2002	2001	2000
Cash Flow from Operating Activities						
Net profit before tax and extra ordinary items	786	801	409	408	134	86
Adjustments for :						
Depreciation	330	357	309	299	273	187
Profit/(Loss) on sale of assets (net)	-	1	0	(3)	1	0
Profit/(Loss) on sale of Investments (net)	(31)	(47)	-	-	-	-
Interest income	(1)	(4)	(4)	(9)	(31)	(29)
Dividend income	(7)	(8)	(6)	(5)	(7)	(7)
Interest on Borrowings	52	85	92	133	159	187
Diminution in value of CWIP	-	-	66	-	-	-
Miscellaneous expenditure amortized	0	3	3	3	3	3
Operating profit before working capital changes	**1,129**	**1,189**	**869**	**826**	**534**	**427**
Adjustments for :						
Inventories	90	(156)	(228)	98	70	(27)
Trade receivables	(454)	(93)	25	(40)	(21)	156
Loan & advances	145	(197)	(26)	77	7	(22)
Trade payables and other liabilities	(602)	1,000	134	(76)	(27)	(103)
Cash Generated from Operations	309	1,742	775	883	563	431
Interest paid	(52)	(85)	(91)	(141)	(159)	(187)
Direct taxes Paid	(66)	(73)	(28)	84	(7)	(36)
Net Cash from Operating Activities (A)	**191**	**1,584**	**656**	**826**	**397**	**208**
Cash Flow from Investing Activities	-	-	-	-	-	-
Purchase of fixed assets	(1,435)	(1,533)	(1,177)	(155)	(568)	(378)
Sale of fixed assets	-	1	0	15	1	0
Purchase of investments	(1)	(711)	(6)	(0)	-	(2)
Sale of Investments	598	82	0	-	0	-
Interest received	1	4	4	9	9	12
Dividend received	7	8	6	5	7	7
Net Cash used in Investing activities (B)	(828)	(2,149)	(1,173)	(127)	(551)	(360)
Cash Flow from Financing Activities	-	-	-	-	-	-
Proceeds from issue of share capital	-	150	200	200	990	-
Proceeds of borrowings	863	651	348	(847)	(802)	195
Dividend paid	(79)	(73)	(49)	(50)	(42)	(42)
Net Cash from Financing Activities (C)	783	728	499	(696)	146	153
Net increase/ (decrease) in cash & cash equivalents (A + B + C)	**145**	**163**	**(17)**	**3**	**(8)**	**2**
Opening Cash & Cash equivalents	**174**	**11**	**29**	**26**	**34**	**32**
Closing Cash & Cash equivalents	**319**	**174**	**11**	**29**	**26**	**34**

*For the nine month period ended December 31, 2004

Annexure XII

Consolidated Financial Statements

Consolidated Statement of Restated Assets and Liabilities

(Rs. in million)

	As at December 31, 2004	As at March 31, 2004
A. Fixed Assets		
Gross Block	9,272	9,025
Less: Depreciation	3,618	3,140
Net Block	**5,654**	**5,885**
Add: Capital work in progress	1,693	384
Sub Total (A)	**7,347**	**6,269**
B. Investments (B)	**79**	**646**
C. Current Assets, Loans & Advances		
Inventories	1,272	1,273
Sundry debtors	1,091	625
Cash & bank balances	320	175
Loans & advances	425	474
Sub Total (C)	**3,108**	**2,547**
D. Liabilities & Provisions		
Secured loans	3,116	2,295
Unsecured loans	146	22
Deferred tax liabilities	1,045	891
Current liabilities & provision	1,346	1,923
Sub Total (D)	**5,653**	**5,131**
Net Worth (A) + (B) + (C) – (D)	4,882	4,332
Represented by		
Equity share capital	123	123
Preference share capital	1,445	1,445
Add: Reserves & Surplus	3,314	2,765
Less: Miscellaneous expenditure (to the extent not written off or adjusted)	1	1
Net Worth	**4,882**	**4,332**

Consolidated Statement of Restated Profits and Losses

(Rs. in million)

	December 31, 2004*	For the year ended March 31, 2004
Income		
Net Sales		
Trading goods	63	35
Manufactured goods	6,316	5,827
	6,379	5,862
Other Income	125	80
Increase/ (Decrease) in inventories	(61)	9
Total Income	**6,443**	**5,951**
Expenditure		
Purchase of goods	40	23
Raw material consumed	3,448	3,162
Personnel expenses	410	224
Manufacturing expenses	793	910
Other expenses	250	127
Selling & distribution expenses	248	194
Interest & finance charges	87	130
Depreciation	374	380
Total Expenditure	**5,648**	**5,150**
Profit before tax	**795**	**801**
Less: Share of Minority	0	0
Net Profit before tax	**795**	**801**
Less: Taxation		
Current tax	91	61
Deferred tax	154	182
Profit after tax	**550**	**558**
Add:		
Balance as per last Balance sheet	278	89
Amount withdrawn from Debenture Redemption Reserve	-	20
Less:		
Dividend & Tax thereon	-	90
General Reserve	-	300
Balance carried to Balance-Sheet	**828**	**278**

* nine month period ended December 31, 2004

Consolidated Significant Accounting Policies, Material Notes on Accounts and Statement of Adjustments

Basis of Consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

The Financial Statements of the Parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating intra group balances/transactions, resulting in unrealized profits or losses.

The excess of cost to the company of its investments in a subsidiary company over the company's portion of equity of the subsidiary at the date on which investment in subsidiary/subsidiary of subsidiary is made is recognised in the financial statement as goodwill.

The details of subsidiary companies whose financial statements are consolidated are as under:-

S. No	Name of Subsidiary	Country of Incorporation	Name of Parent Company	Percentage of ownership	Main Activity of the Subsidiary
1	Jindal France S.A., La Feydeliere, 38850 Paladru, France.	France	Jindal Poly Films Limited	95.58%	Management Company
2	Rexor S.A.* La Feydeliere, 38850 Paladru, France.	France	Jindal France S.A.	100%	Metalizer and coating of polyester film, hot stamping foil films, lamination, etc.
3	Hindustan Polyester Limited.	India	Jindal Poly Films Limited	100%	Manufacturing of Polyester Yarn.

* Subsidiary of Jindal France S.A., France

The consolidated financial statements are based, in so far they relate to audited accounts included in respect of all subsidiaries (audited by their respective auditors) for the period from April 1, 2004 to December 31, 2004 except Hindustan Polyester Limited for the period from April 27, 2004 to December 31, 2004 are prepared for consolidation in accordance with the requirement of Accounting Standard - 21.

Minority interest's share being loss for the year is identified and adjusted against the income in the profit & loss account in order to arrive at the net income attributable to shareholders of the Company.

A) Significant Accounting Policies

i. Recognition of Income and Expenditure

All revenues and expenditures are accounted for on accrual basis except wherever stated otherwise.

ii. Sales

Sales, other than export sales, are inclusive of Excise Duty wherever applicable and shown net of returns and discounts.

iii. Fixed Assets

Fixed Assets are stated at cost less depreciation.

iv. Depreciation

Depreciation on fixed assets in the case of parent company has been calculated on straight line method on pro-rata basis at the rates specified in Schedule XIV of the Companies Act, 1956. However in case of plant and machineries higher depreciation rates have been charged, based upon residual useful life. In case of depreciation on fixed assets of the subsidiary companies, the same is calculated on diminishing value method. The estimated useful life of these assets has been considered as under:-

Layout and development of land	10 years
Construction	20 years
Layout and development of constructions	10 years
Industrial machines and tooling	8.5 years
Industrial installations	8.5 years
Transport machinery	4 years
Computer equipment	4 years
Office furniture	8 years

v. Investments

Current investments are valued at acquisition cost or market value whichever is lower. Long term investments are valued at acquisition cost. Diminution in value of long term investment is provided only if such a diminution is other than temporary in the opinion of the management.

vi. Inventories

Raw materials, stores, spares and tools in the case of parent company are valued at cost (cost formula FIFO basis). While in the case of subsidiary company the same are valued on weighted average cost. Scrap is valued at estimated realisable value. Finished goods are valued at lower of cost and realisable value. Stock of material sold by one unit to other is valued at transfer price.

vii. Excise Duty

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

viii. Foreign Currency Transactions

Exchange difference arising on repayment of foreign exchange liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are adjusted in the carrying amount of the respective fixed assets.

The carrying amount of such fixed assets against which the liabilities in any foreign currency are outstanding is also adjusted to account for any increase or decrease in such liability by applying the closing rate or the rate as per forward exchange contract, if any.

In case of any profit or loss arising on cancellation or renewal of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, such profit or loss is adjusted in the carrying amount of the respective fixed assets.

Exchange difference arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets, are recognised as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognised as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

ix. Export Incentive

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

Unutilised advance licences obtained against actual export made are being accounted on accrual basis based upon difference between domestic versus imported raw material prices prevailing at the end of the period and is adjusted to raw material cost.

x. Retirement Benefits

The actuarial valuation of the accrued liability for retirement gratuities payable to employees of the parent company has been funded and is held in a trustees administered approved fund which is separate from the Company’s finances. Encashment of leaves is being done on yearly basis.

However in case of subsidiary company, the provision for employees’ retirement benefits is made in accordance with their local laws and regulations. The unaccounted amount for liability on such account was Rs. 41.82 million based on the following assumptions:-

- Rate of inflation: 2.0%
- Rate of growth in salaries: 1% for the officers and 0.5% for the non officers
- Rate of discount: 2.5%
- Expected age for retirement: 63 years for officers and 60 years for non officers.

xi. Borrowing Costs

Borrowing cost that are directly attributable to the acquisition of assets has been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use. All other borrowing cost are charged to revenue in the period when they are incurred.

xii. Taxation

Current Year Charge

The Provision for income-tax as ascertained is made in accordance with the prevailing laws of the countries where the companies are situated.

Deferred Tax

The Company provides for deferred tax using the liability method, based on the tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

The Company expects to generate taxable income in the coming years, which will enable it to utilize the carry forward unabsorbed depreciation/loss.

xiii Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting Preference Shares dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to the equity shareholders (after deducting dividend on Redeemable Preference Shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

xiv. Miscellaneous Expenditure

Preliminary expenditure/share issue expenses are being written off over a period of ten years.

xv. Expenses during construction period

Expenses incurred during construction period have been capitalised as part of the cost of that asset up to the date of such asset is ready for its intended use.

B) Material Notes on Accounts

(Rs. million)

	As at December 31, 2004	**As at March 31, 2004**
1. The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,133	690
2. Contingent Liabilities :		
a. Bank Guarantees	117	103
b. Outstanding Letters of Credit	646	945

3. Stores and spares consumed and salaries and wages incurred during the year for repair and maintenance of plant and machinery and sheds and building have been charged to the former accounts and not allocated separately as the amount is not ascertainable.

4. The Export obligation undertaken by the Company for import of capital equipments under EPCG/100% EOU scheme of the central government at the concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within their respective due dates/extended due dates.

5. The exchange rate for amounts in Euro in case of French subsidiaries has been taken to be Rs. 58.89 being the T.T. Selling rate on December 31, 2004 to convert these into Indian currency for the purpose of consolidation. In case of receivable and payables in foreign currency as at December 31, 2004 in case of the parent company, the exchange rates taken are as below:

Receivable in Dollars	Bill buying rate: Rs. 43.37
Receivable in Euro	Bill buying rate: Rs. 58.85
Receivable in Yen 100	Bill buying rate: Rs. 41.97
Payables in Dollars	Bill selling rate: Rs. 43.92
Payables in Euro	Bill selling rate: Rs. 60.00
Payables in Yen 100	Bill selling rate: Rs. 42.93

6. Statement of Segment wise results

i) Primary Segment

Business Segment: The Company's operating business are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products.

ii) Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

Corporate income and expenses are considered as part of unallocable income and expense, which are not identifiable to any business segment.

i) Primary Segment (Rs. Million)

	Nine month ended December 31, 2004	Year ended March 31, 2004
1. Segment Revenue		
a. Polyester Yarn /Chips Division	4,478	5,508
b. BOPET/BOPP Film Division	5,588	4,123
c. Other Revenue	39	54
Total	10,105	9,685
Less: Inter Segment revenue	2,872	2,812
Total Revenue	**7,233**	**6,873**
2. Segment Profit before tax		
a. Polyester Yarn /Chips Division	-100	73
b. BOPET/BOPP Film Division	925	804
c. Other Revenue	39	54
Total	864	931
Less: Interest	69	130
Net profit before tax	**795**	**801**
3. Capital Employed		
a. Polyester Yarn /Chips Division	1,635	1,732
b. BOPET/BOPP Film Division	7,485	5,238
c. Others	69	570
	9,189	**7,540**
ii) Secondary Segment		
a. Sales in Domestic Market	4,177	5,452
b. Sales in Overseas Market	3,009	1,340
	7,186	**6,792**

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

Hence separate figures for capital employed cannot be furnished.

7. Statement of Related Party Disclosure

List of Related Parties as required by Accounting Standard – 18 (Related party disclosure) issued by the Institute of Chartered Accountants of India are as follows:

A. Related Companies/ Individuals

1) Mr. S. S. Jindal
2) Ms. Subhadra Jindal
3) Ms. Gunjan Jindal
4) Consolidated Photo & Finvest Limited
5) Jumbo Finance Limited
6) Jupax Barter Private Limited
7) Rishi Trading Company Limited
8) Jindal Photo Limited (Formerly Consolidated Photo Products Limited)
9) Soyuz Trading Company Limited
10) Jindal Photo Investments Limited
11) Jindal Imaging Limited
12) Jindal Realtors Limited
13) Jindal India Limited
14) Consolidated Realtors Limited
15) Jindal Meadows Limited
16) Consolidated Finvest & Holdings Limited (Formerly Jindal Photo Limited)
17) Consolidated Buildwell Limited
18) Jindal Thermal Power Limited
19) Passion Tea Private Limited
20) Super Industries Private Limited, Nepal
21) Bazloni Group Limited
22) Flexstar Sales Private Limited
23) Shyam Sunder Jindal(HUF)

B. Key Management Personnel

1) Mr. S. K. Mittal
2) Mr. P. Gupta
3) Mr. Sameer Banerjee
4) Mr. Y.V. Rao
5) Mr. Rousselet J. P.
6) Mr. Amourous M.

Details of Transactions with related parties are as follows:

(Rs. in Million)

		Nine month period ended December 31, 2004	Year ended March 31, 2004
1.	**Sales and other Income**		
	Related Companies/ Individuals	58.63	157.19
2.	**Remuneration/Sitting fees**		
	Key Management Personnel	21.83	8.75
3.	**Purchases and other Services**		
	Related Companies / Individual	6.28	1.41
	Key Management personnel	Nil	Nil
4.	**Loans Taken**		
	Related Companies	150.00	Nil
5.	**Outstanding at the year end**		
Due to Company			
	Related Companies / Individuals	1.62	0.22
	Key Management personnel	Nil	Nil
6.	**Payable by the Company**		
	Controlling Companies / Individuals	0.15	0.52
	Key Management personnel	Nil	Nil

8. No advance is doubtful nor has any advance been any written off during the year.

9. A sum of Rs. 89,970,458 being the difference between domestic and imported raw material prices prevailing at the end of period ended December 31, 2004, on account of advance licenses obtained but not utilised yet, however export have already been made, has been adjusted in the cost of raw material.

10. Based upon valuation report of Chartered Engineer as at March 31, 2003, impairment loss on the assets at Khanvel (Being one of the Units of the Company) was provided by the Company during the year ended March 31, 2003. Now in the opinion of the management, there is no further loss on account of impairment of assets, lying at Khanvel in which operations have been discontinued as per Accounting Standard 28 issued by Institute of Chartered Accountants of India.

Consolidated Restated Cash Flow Statement

(Rs. million)

		December 31, 2004*	For the year ended 31st March, 2004
A.	**Cash Flow from Operating Activities**		
	Net profit before tax and extra ordinary items	**795**	**801**
	Adjustments for :		
	Depreciation	374	369
	Profit/(Loss) on sale of assets (net)	-	1
	Profit/(Loss) on sale of Investments (net)	(31)	(47)
	Interest income	(1)	(4)
	Dividend income	(7)	(8)
	Interest on borrowings	68	85
	Exchange Fluctuation Reserve	(1)	-
	Minority share	(0)	0
	Preliminary expenses incurred during the period	(0)	-
	Miscellaneous expenditure amortized	0	3
	Operating profit before working capital changes	**1,196**	**1,201**
	Adjustments for:		
	Inventories	1	(136)
	Trade receivables	(465)	(50)
	Loan & Advances	49	(225)
	Trade Payables and other liabilities	(516)	730
	Cash Generated from Operations	**265**	**1,519**
	Interest paid	(68)	(85)
	Direct taxes paid	(73)	(73)
	Net Cash from Operating Activities (A)	**125**	**1,361**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(1,452)	(1,504)
	Sale of fixed assets	-	1
	Purchase of investments	-	(711)
	Sale of investments	598	82
	Interest received	1	4
	Dividend received	7	8
	Net Cash used in Investing activities (B)	**(845)**	**(2,121)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of share capital	-	150
	Proceeds of borrowings	945	841
	Dividend paid	(79)	(73)
	Net Cash from Financing Activities (C)	**865**	**918**
	Net increase/ (decrease) in cash & cash equivalents(A+B+C)	**145**	**158**
	Opening Cash & Cash equivalents	**175**	**17**
	Closing Cash & Cash equivalents	**320**	**175**

* nine months period ended December 31, 2004

Note: Figures in brackets represent out flows.

Annexure XIII

Financial Statements of Subsidiaries

(A) Rexor S.A.

Rexor S.A. (Rexor) was a 100% subsidiary of Rexor Technologies S.A. which was acquired by Jindal Poly Films Limited as of December 1, 2003. Rexor Technologies S.A. was merged with Jindal France S.A.S. as of April 1, 2004. Rexor S.A. is now 100% subsidiary of Jindal France S.A.S.

Balance Sheet

(Figures in Euros)

As at	December 31, 2004	March 31, 2004
Fixed Assets		
Gross block	23,479,397	23,594,422
Less: Depreciation	18,230,049	17,432,742
Net block	5,249,348	6,161,680
Add: Capital work in progress	91,673	22,450
Sub Total (A)	**5,341,021**	**6,184,130**
Investments		
Current Assets, Loans & Advances		
Inventories	6,627,413	5,789,460
Sundry debtors	5,388,617	5,634,302
Cash & bank balances	282	11,265
Loans & advances	259,827	736,013
Sub Total (B)	**12,276,138**	**12,171,041**
Less: Liabilities & Provisions		
Secured loans	1,425,526	2,396,488
Unsecured loans	2,167,338	-
Current liabilities and provisions	7,760,729	8,191,753
Sub Total (C)	**11,353,594**	**10,588,241**
Net Worth (A) + (B) – (C)	**6,263,565**	**7,766,929**
Represented by		
Equity share capital	1,367,500	1,367,500
Reserves & Surplus	4,896,065	6,399,429
Net Worth	**6,263,565**	**7,766,929**

Profit and Loss Account

(Figures in Euros)

	December 31, 2004*	For the year ended March 31, 2004
Income		
Sales- Trading goods	1,070,554	669,174
Manufactured goods	17,069,691	7,790,611
Other Income	1,843,236	154,397
Accretion/(Decretion) in stock	(451,649)	(356,555)
Total Income	**19,531,832**	**8,257,628**
Expenditure		
Purchase of finished goods	675,067	438,232
Raw material consumed	5,723,673	1,983,073
Manufacturing expenses	1,503,793	1,646,090
Employees remuneration & benefits	5,264,901	2,459,808
Interest & financial charges	678,639	72,764
Selling & distribution expenses	1,045,603	353,974
Other expenses	3,599,162	783,551
Depreciation	741,454	451,003
Total Expenditure	**19,232,292**	**8,188,494**
Profit for the period	299,541	69,134
Add: Balance as per last Balance Sheet	5,633,310	5,564,176
	5,932,851	**5,633,310**
Less:		
Taxation	102,905	-
Dividend	1,700,000	-
Balance carried to Balance Sheet	**4,129,946**	**5,633,310**

* nine month period ended December 31, 2004

Material Notes to Accounts for Rexor S. A.

Rules and Accounting Methods

The accounting principles are: the principle of conservatism, the continuity or going concern assumption the consistency principle the time period or accounting period assumption in accordance with the general rules of establishment and presentation of the annual statements in the respect of the French General Accounts Norms of 1999.

We use the historical cost principle: the initial price paid for the acquisition of assets is the one that is recorded in accounts.

The others principles are:

Fixed Assets

For fixed assets also we used the historical cost principle. We do not include the interest of loans cost. The depreciation rate depends on lifespan (in years) as below:

Layout and maintenance of land and of buildings	10 years
Construction of buildings	20 years
Machinery and spares and installations	8.5 years
Transport vehicles and IT equipment	4 years
Furniture	8 years

Since 1999 we practised accelerated depreciation on respective equipment.

Participations and Other Titles

The gross amount is consisted of the cost of purchase except incidental expenses. When the stocktaking value is lower than the gross amount a provision for depreciation is considered of the amount of the difference.

Stocks

For in house production we use the weighted average cost. Regarding trading goods the gross value includes inward freight.

The cost price includes raw material consumption manufacturing expenses and machinery depreciation. We do not consider any unutilised capacity impact in the value of the stocks.

We calculate two kinds of provision:

- When the gross cost value is higher than the probable sales price we make a provision of the difference.
- The other provision depends on the turnover of all the stocks

Receivable

We consider the receivables at their nominal value, reduced by, if necessary, a provision to reach the net market value.

The amount of the provision depends on the age of the receivable and on the client capacity to pay on a case to case basis.

Investment Stocks

Not applicable

Regulated Provisions

Regulated provisions refers to a number of special provisions, which are granted as deductions for income taxes but which generally do not correspond to actual accounting losses or expenses. These provisions must also be claimed on financial statements. They appear in the equity section of the balance sheet although they may later be subjected to income taxes.

Foreign Currency

The sales and purchases in foreign currency "out" are registered for their actual value at the date of transaction.

The debts, receivables, availability in foreign currency appear in the balance sheet for their actual value during the end of fiscal year. The difference resulting from discounting of debts and receivables in foreign currency at the actual rate is carried to the balance sheet as "conversion difference".

Retirement Benefits

To evaluate the amount of the retirement benefits we have applied the collective agreements and we have also considered the age of the employees the wage increases the turnover of the employees and the mortality tables.

There are no provisions of the retirement benefits in accounts but there is only a mention of the same in this present report. The benefits are recorded in accounts only when they are actually paid

The estimated cost for retirement benefits is 654,684 Euros as at March 31, 2004.

And the estimated cost for retirement benefits as at December 31, 2004 is 587 499 Euros

For calculating this cost the following has been considered:

Inflation rate	:	2.0%
Increment in salaries	:	1% for executives and 0.5% for the others
Discount rate	:	2.5%
Estimated age of retirement	:	63 years for the executives and 60 years for others

Change in Method of Evaluation

No notable change in the method of evaluation has taken place during the fiscal year.

Tax Integration

Since 2004, Rexor S.A.S. accounts have been fiscally consolidated with accounts of Jindal France S.A.S.

(B) Jindal France S.A.S.

Jindal France S.A.S. (Jindal France) became a subsidiary of the Company on October 7, 2003. Jindal Poly Films Limited holds 95.58% of the shares of Jindal France. Jindal Technologies S.A. became a 100% subsidiary of Jindal France on December 1, 2003 and was merged with Jindal France S.A.S on April 1, 2004.

Balance Sheet

(Figures in Euros)

As at	December 31, 2004	March 31, 2004
Fixed Assets	-	-
Investments (A)	**8,592,222**	**8,500,000**
Current Assets, Loans & Advances		
Sundry Debtors	45,003	
Cash & Bank Balances	851	8,716
Loans & Advances	961,185	124,301
Sub Total (B)	**1,007,039**	**133,016**
Less: Liabilities & Provisions		
Secured Loans	4,128,890	4,800,000
Unsecured Loans	28,791	-
Current Liabilities	231,105	185,794
Sub Total (C)	**4,388,786**	**4,985,794**
Net Worth (A) + (B) -(C)		
Equity Share capital	3,728,000	3,728,000
Reserves & Surplus	1,482,475	(80,777)
Net Worth	**5,210,475**	**3,647,223**

Profit and Loss Account

(Figures in Euros)

	December 31, 2004*	March 31, 2004
Income		
Management fees	450,000	141,469
Dividend received	1,700,000	-
Other Incomes	10	-
Total Income	**2,150,010**	**141,469**
Expenditure		
Employees remuneration & benefits	335,667	94,470
Interest & financial charges	132,258	70,000
Other expenses	130,083	57,776
Total Expenditure	**598,007**	**222,247**
Profit for the year (before taxation)	1,552,003	(80,777)
Add: Balance as per last Balance Sheet	(80,777)	-
Income tax provision written back	11,250	-
Balance carried to Balance Sheet	**1,482,475**	**(80,777)**

*nine month period ended December 31, 2004

Material Notes to Accounts of Jindal France S. A.

Rules and Accounting Methods

The accounting principles are: the principle of conservatism, the continuity or going concern assumption the consistency principle the time period or accounting period assumption in accordance with the general rules of establishment and presentation of the annual statements in the respect of the French General Accounts Norms of 1999.

We use the historical cost principle: the initial price paid for the acquisition of assets is the one that is recorded in accounts.

The others principles are:

Participations and Other Titles

The gross amount is consisted of the cost of purchase except incidental expenses. When the stocktaking value is lower than the gross amount a provision for depreciation is considered of the amount of the difference.

Tax Integration

Jindal France becomes the head of the Fiscal Group for the tax integration for the year ended March 2004 and the March 2005. Tax integration relates to the accounts of the companies Rexor S.A and Rexor Technologies S.A. for the year ended March 2004 and the Rexor S.A.S. for the year ended March 2005.

Salaries of the Managers

The disclosure of this information would result in disclosing the individual salaries that is why we do not indicate any amount.

Retirement Benefits

Jindal France starts operations from January 1, 2004 with two employees

To evaluate the amount of the retirement benefits we have applied the collective agreements and we have also considered the age of the employees the wage increases the turnover of the employees and the mortality tables.

There are no provisions of the retirement benefits in accounts but there is only a mention of the same in this present report. The benefits are recorded in accounts only when they are actually paid

The estimated cost for retirement benefits is 75,403 Euros as at March 31, 2004 and as at December 31, 2004.

For calculating this cost the following has been considered:

Inflation rate	:	2.0%
Increment in salaries	:	1%
Discount rate	:	2.5%
Estimated age of retirement	:	63 years

(C) Hindustan Polyester Limited (HPL)

Hindustan Polyester Limited was incorporated on April 27, 2004. HPL has not yet commenced operations and hence no Profit and Loss account has been prepared for HPL.

(Rs.)

	As at December 31, 2004
A. Fixed Assets	-
B. Investments	-
C. Current Assets, Loans & Advances	
Cash & bank balances	500,000
D. Liabilities & Provisions	
Current liabilities & provision	122,832
E. Net Worth (A) + (B) + (C) – (D)	**377,168**
Represented by	
Equity share capital	500,000
Less: Miscellaneous expenditure (to the extent not written off or adjusted)	122,832
Net Worth	**377,168**

Notes on Accounts of HPL

1. Accounting Policies

   The financial statements are prepared under historical cost convention and in accordance with the requirement of the Companies Act, 1965 and accepted accounting standards.

2. The Company is wholly owned subsidiary of Jindal Poly Films Ltd.
3. Contingent Liabilities - Nil
4. The Company was incorporated on April 27, 2004 and this being the first financial year of the company, previous year figures are not applicable.
5. During the year the Company was not engaged in any activity, therefore profit & loss account has not been prepared.
6. In the absence of any manufacturing activities information as required under para 3 & 4 Part II of schedule VI to The Companies Act 1956 are not furnished.

REVIEW REPORT

The Board of Directors
Jindal Poly Films Limited
19th K.M. Hapur- Bulandshahr Road
P.O.- Gulaothi, Distt. Bulandshahr (U.P.)

We have reviewed the accompanying condensed balance sheet of Jindal Poly Films Limited as of March 31, 2005 and the related condensed statement of profits and losses and the condensed cash flow statement for the year ended March 31, 2005. These condensed financial statements, prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, have been approved by the board of directors of the company and are the responsibility of the company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the "Guidance Note on Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Guidance Note requires that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review as aforesaid, nothing has come to our attention that causes us to believe that the accompanying condensed financial statements prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies, contain any material misstatement.

FOR KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

(R.K. KANODIA)
PARTNER
M. No. 16121

PLACE : NEW DELHI

DATE : May 19, 2005

JINDAL POLY FILMS LIMITED

CONDENSED BALANCE SHEET AS AT MARCH 31,2005

March 31, 2005

(Rs. in million)

I.	**Sources of Funds**				
	1	Shareholders' Funds			
		a.	Share Capital		
			Equity Share Capital	197.63	
			Preference Share Capital	660.00	857.63
		b.	Reserve and Surplus		4019.71
2	Loan Funds:				
	a	Secured Loans		3092.37	
	b.	Unsecured Loans		13.00	3105.37
3	Deferred Tax Liability (Net)				1080.77
					9063.46
I.	**Application of Funds**				
	1	Fixed Assets:			
		a.	Gross Block	10189.36	
			Less: Depreciation	2564.29	
			Net Block	7625.07	
			Add: Capital Work in Progress	409.62	8034.70
	2	Investments			262.13
	3	Current Assets, Loans And Advances			
		a.	Inventories	1146.02	
		b.	Sundry Debtors	664.29	
		c.	Cash and Bank Balances	197.67	
		d.	Loans and Advances	612.63	
				2620.60	
		Less : Current Liabilities & Provisions			
		a.	Current liabilities	1738.21	
		b.	Provisions	116.18	
				1854.39	766.21
	Net Current Assets				
4	Miscellaneous Expenditure (To the extent not written off or adjusted)				0.43
					9063.46

Explanatory Notes to Accounts as per Annexure - I

As per attached review report of even date.

FOR KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(R .K. KANODIA)
Partner (Membership No : 16121)

(S.K. MITTAL)
Managing Director

(SAMIR BANERJEE)
Director (Marketing)

S.MAHESHWARI)
Company Secretary

Place : New Delhi

Dated : May 19, 2005

JINDAL POLY FILMS LIMITED

CONDENSED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2005

(Rs. in million)

Income	
Gross Sales	7938.65
Less: Excise Duty	908.81
Net Sales	7029.85
Other Income	122.45
Accretion / (Decretion) in stock	-103.84
	7,048.46
Expenditure	
Raw Material Consumed	4,074.29
Power and Fuel expenses	532.47
Personnel Expenses	116.50
Interest and Financial Charges	88.85
Other Expenditure	702.35
Depreciation	448.78
	5,963.24
Profit For the Year	1085.22
Less: Provision for Taxation	
- Current Tax	137.40
- Deferred Tax	189.62
Profit After Tax	**758.20**
Add : Balance as per Last Balance Sheet	278.55
Less: Transfer to Capital Redemption Reserve Account	631.40
Less: Premium paid on redemption of CCPs	10.00
Profit Available for Appropriation	**395.35**
Proposed Dividend	
- Preference Shares	36.32
- Equity Shares	
- Tax on Preference Dividend	4.82
- Tax on Equity Dividend	
Transfer to General Reserve	
Balance Carried Forward	354.21
	395.35
Earning Per Share - Basic	56.54
Earning Per Share - Diluted	36.27

Explanatory Notes to Accounts as per Annexure - I

As per attached review report of even date.

FOR KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(R .K. KANODIA)
Partner (Membership No : 16121)

(S.K. MITTAL)
Managing Director

(SAMIR BANERJEE)
Director (Marketing)

S.MAHESHWARI)
Company Secretary

Place : New Delhi

Dated : May 19, 2005

JINDAL POLY FILMS LIMITED

CONDENSED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2005

		Year ended March 31, 2005 (Rs. in million)
A.	Cash Flow from Operating Activities	942.48
B.	Cash Flow from Investing Activties	-1786.72
C.	Cash Flows from Financing Activities	867.85
D.	Net Increase / (Decrease) in cash (A+B+C)	23.61
E.	Cash and cash equivalents at beginning of the year	174.05
F.	Cash and Cash equivalents at end of the year	197.67

As per attached review report of even date.

FOR KANODIA SANYAL & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(R .K. KANODIA)
Partner (Membership No : 16121)

(S.K. MITTAL)
Managing Director

(SAMIR BANERJEE)
Director (Marketing)

S.MAHESHWARI)
Company Secretary

Place : New Delhi

Dated : May 19, 2005

Annexure-1

Select Explanatory Notes to Condensed Financial Statements for the year ended March 31, 2005.

1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies.

2. Accounting Policies

The same accounting policies have been followed in these financial statements as are applied in the annual financial statements for the year ended March 31, 2004 which are also disclosed in the financial statements for the nine months ended December 31, 2004.

		March 31, 2005 Rs. in Million
3.	**Capital Commitments not provided for**	
	The estimated amount of contracts remaining to be executed as of March 31, 2005 on capital account and not provided for (net of advances)	255.67
4.	**Contingent Liabilities**	
	a. Bank Guarantees	117.35
	b. Outstanding Letters of Credit	464.68

5. Advance Licences

A sum of Rs 109.90 million, being the difference between domestic and imported raw material prices prevailing at the end of the fiscal year ended March 31, 2005 on account of advance licences obtained (for exports already made) but not utilized yet, have been reduced from the cost of raw material.

6. Impairment Loss

Based upon a valuation report of a Chartered Engineer engaged by the Company, impairment loss on the assets at the Company's Khanvel plant was provided by the Company during the year ended March 31, 2003. Now in the opinion of the management, as per accounting standard 28 issued by the ICAI, there is no further loss on account of impairment of assets lying at Khanvel unit in which operations have been discontinued, value of assets being Rs 429.90 million.

7. Realisation of Current Assets etc.

In the opinion of the board of directors of the Company, and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet. Certain Sundry creditors and advances are subject to reconciliation and confirmation.

8. Other Income

Other income for the period includes profit of Rs 99.77 million on sale of shares held as investments.

9. Changes in Capital Structure

Changes in Capital Structure during the fiscal year ended March 31, 2005 were as follows:-

a. 13,00,000 Equity Shares of Rs 10/- each for cash at a premium of Rs 350/- per share aggregating to Rs 468 million were allotted to Deutsche Investitions- und Entwicklungsgesellschaft mbH,

b. 61,22,555 Equity Shares of Rs 10/- each fully paid up were allotted on conversion of 6% Convertible Cumulative Preference shares (Series II & III).

c. The paid up Equity Share capital has now increased to Rs 197.63 million

d. 6,31,40,000 Redeemable Cumulative Preference Shares (Series II, III & IV) of Rs 10/- each were redeemed as per their respective terms.

10. Expansion Projects

BOPP Film and BOPET Film expansion projects were commissioned and started production in the month of February/March 2005

FOR KANODIA SANYAL & ASSOCIATES		FOR AND ON BEHALF OF THE BOARD	
CHARTERED ACCOUNTANTS			
(R .K. KANODIA)	(S.K. MITTAL)	(SAMIR BANERJEE)	S.MAHESHWARI)
Partner (Membership No : 16121)	*Managing Director*	*Director (Marketing)*	*Company Secretary*

Place : New Delhi

Dated : May 19, 2005

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

The following is a general summary of certain significant differences between Indian GAAP and U.S. GAAP.

The differences identified below are limited to those significant differences that are appropriate to our financial statements. However, they should not be construed as exhaustive.

We have not prepared financial statements in accordance with U.S. GAAP. Accordingly, there can be no assurance that the table below is complete or that the differences described would give rise to the most material differences between Indian and U.S. GAAP. In addition, the Company cannot presently estimate the net effect of applying U.S. GAAP on its results of operations or financial position.

Sr. No	Particulars	Indian GAAP	U.S. GAAP
1.	Content and Form of Financial Statements	● Companies are required to present financial statements following the requirements of the Companies Act, 1956.	● No specific format is mandated. Financial Statements are to comply with the disclosure requirements of US Accounting Standards.
2.	Valuation of Inventories	● LIFO method not permitted for valuation.	● LIFO method permitted for valuation.
3.	Prior period items and changes in accounting policies	● Impact of change in accounting policies and prior period items are reported on a prospective basis beginning with year of change.	● Prior period items are accounted by adjusting to prior years and retained profits.
4.	Depreciation	● Depreciation is generally charged at rates prescribed by the Companies Act, 1956 or higher rate. ● Revaluation of fixed assets is permitted. ● Purchased goodwill is capitalized and amortized over the expected period of benefit or charged against available capital reserve ● All direct and indirect expenses incurred prior to commencement of business are treated as preoperative expenses and capitalized to the cost of fixed assets.	● Depreciation is provided in a systematic and rational manner over the useful economic life of the assets. ● Revaluation of fixed assets is prohibited except in cases of quasi – reorganizations. ● Goodwill is treated as any other intangible asset, and is capitalized and amortized. The maximum carry forward period is 40 years. ● All direct and indirect expenses are expensed unless they are capital in nature.
5.	Foreign exchange	● Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary items are restated at year-end exchange rates. Exchange differences arising on transactions of monetary items are recognized as income or expense in the year in which they arise, except in respect of liabilities for the acquisition of fixed assets, where such exchange difference is adjusted in the carrying cost of the fixed assets. ● Gains and losses resulting from the translations of financial statements into a reporting currency should be recognized as income or expense for the period.	● All gains and losses arising from foreign currency transaction are included in determining net income. ● Gains or losses resulting from the translation of financial statements into a reporting currency are reported of a separate component of shareholders' equity in the balance sheet.

Sr. No	Particulars	Indian GAAP	U.S. GAAP
6.	Investments in securities	● Investments are classified as long-term or current. ● Current investments are readily realizable, not intended to be held for more than one year from the date of purchase and are carried at the lower of cost or fair market value. Unrealized losses are charged to the income statement; unrealized gains are not recorded except to restore previously recorded unrealized gains that may have reversed. ● A long- term investment is an investment other than a current investment and is valued at cost, subject to a write down for impairment on permanent diminution in value. ● Investments are further classified as trade and others. ● Investments in own shares are prohibited except in cases of buy back of own securities.	● Investments in marketable equity securities and all debt securities are classified according to management's holding intent, into one of the following categories: trading, available-for-sale, or held-to-maturity. ● Trading securities are marked to fair value, with the resulting unrealized gain or loss recognized currently in the income statement. ● Available-for-sale securities are marked to fair value, with the resulting unrealized gain or loss recorded directly in a separate component of equity until realized, at which time the gain or loss is reported in income. ● Held on maturity debt securities are carried at amortized cost. ● Investments in own shares is permitted and is shown as a reduction from shareholders equity.
7.	Retirement Benefits	● The liability for retirement benefit plans like gratuity and pension and leave encashment are measured and are recognized immediately in the Profit & Loss account.	● The liability of defined benefit scheme is determined using the projected unit actuarial method. The discount rate for obligations is based on market yields of high quality corporate bonds. The plan assets are measured using fair value or using discounted cash flows if market prices are unavailable. The actuarial gains or losses are not recognized immediately in the statement of income. As a minimum, amortization of an unrecognized net gain or loss is included as a component of net pension cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds 10% of the greater of the projected benefit obligation or the market- related value of plan assets. The balance, if any, is amortized over the average remaining service period of active employees expected to receive benefits under the plan. ● Leave salary benefit is provided on actual basis.
8.	Borrowing costs and interest capitalized	● Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a cost of that asset. Other borrowings cost are recognized as an expense in the period in which they are incurred.	● Interest cost is capitalized as part of the cost of an asset that is constructed or produced for an enterprise's own use. The capitalization period begins when activities commence to make ready of the assets, and ends when the asset is ready for use. The capitalized interest is expensed over the estimated useful life of the asset as part of the depreciation charge.

Sr. No	Particulars	Indian GAAP	U.S. GAAP
		• Foreign exchange gains or losses relating to borrowings incurred to construct fixed assets are treated as a part of borrowing costs during the construction period.	• All foreign exchange gains and losses are included in net income. • Origination or commitment fees incurred to obtain borrowings are treated as a deferred charge and amortised using the effective interest method over the life of the debt.
9.	Segments	• Specified segment disclosures are provided which could either be business segment or geographical segments.	• Segments information is provided for reportable segments based on the segments for which the chief operating decision maker allocates resources and measures a performance. The amount to be disclosed correspond to the measures or performance used by the chief operating decision maker.
10.	Leases	• Classification as operating or capital lease is more a matter of judgment based on substantial transfer of risks and rewards of ownership.	• Detailed rules based on four specific tests decide classification whether as operating or capital lease.
11.	Investment in Subsidiaries	• Consolidation of financial statements is not mandatory. In accordance with Section 212 of Companies Act, 1956, Subsidiary Company's accounts are attached to annual reports of holding company. However company shall be required to publish consolidated financial statements on listing of its shares in terms of clause 32 of the listing agreement. • In separate financial statements of holding company, equity shares of subsidiary companies are accounted as Investments.	• Consolidated Financial Statements are required to be presented.
12.	Deferred taxes	• Deferred tax liability or asset is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.	• A deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carry forwards. A valuation allowance is raised against a deferred asset where it is more likely than not that some portion of deferred tax assets will not be realized.
13.	Investments in associates or affiliates	• If companies are required to prepare consolidated financial statements, the equity method of accounting for investments in associates is required. Associates are presumed when the investment is more than 20% in an undertaking.	• Investments over which the investor can exert significant influence, generally presumed when the investor owns between 20% and 50% of the voting stock, are required to be accounted for using the equity method.

Sr. No	Particulars	Indian GAAP	U.S. GAAP
14.	Intangible Assets	● Intangible items and intangible assets, whereby intangible items are expenses and intangible assets should be recognized if, and only if (a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise, and (b) the cost of the asset can be measured reliably.	● Purchased intangibles are capitalized at their fair value. Costs relating to internally developed intangible assets are expensed when incurred. ● Intangible assets with definite lives are amortized over the expected period of benefit. Intangible assets with indefinite lives are not amortized but are subject to an annual impairment test, or more frequently in the event of a triggering event.
15.	Interest in Joint Ventures or jointly controlled assets	● Interests in jointly controlled operations of a venture to be recognized in its separate and consolidated financial statements on a proportionate consolidation basis.	● A joint venture is treated as either a subsidiary or affiliate, depending on the level of control of the Joint venture, and consolidated or accounted for using the equity method, respectively. ● The SEC, as an accommodation, permits foreign companies that use proportional consolidation under home country GAAP for joint ventures that would be equity accounted (but not those that are consolidated) under US GAAP to continue this basis of accounting, provided summarized footnote disclosure of the amounts proportionately consolidated are disclosed.
16.	Asset impairment	● Companies must assess whether there is any indication that an asset (cash generating unit) is impaired at each balance sheet date. If such an indication exists, the company is required to estimate the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets should be reduced to its recoverable amount and reported as an impairment loss.	● SFAS No. 144 develops one accounting model for long-lived asset other than goodwill that is to be deposed of by the sale, as well as addresses the principal implementation issues. ● SFAS No.144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. ● The impairment Review is based on undiscounted cash flows at the lowest level of independent cash flows. If the undiscounted cash flows are less than the carrying amount, the impairment loss must be measured using discounted cash flows.
17.	Off-balance sheet items	● Enterprises should disclose for each class of contingent liability at balance sheet date giving a brief description of the nature of the contingent liability. Amount of capital commitment is also to be disclosed.	● SEC registrants are required to provide extensive disclosures of material off-balance sheet items, contingent liabilities and financial guarantees. Commitments and contingencies are required to be disclosed. · FASB interpretation No. 45 (or FIN 45), guarantor's accounting and disclosure requirements for guarantees, including indirect guarantees of indebt ness of others, requires that at the time a company issues a guarantee, the company must recognize an initial liability for the fair value, market value, of the obligations it assumes under that guarantee. FIN 45 applicable on a prospective basis to guarantees issued or modified after December 31, 2002.

Sr. No	Particulars	Indian GAAP	U.S. GAAP
18.	Proposed dividend	• Proposed dividends are reflected in the financial statements of the year to which they relate even though proposed or declared after the year end.	• Dividends are charged to retained earnings at the point of time they are formally declared by the Board of Directors.
19.	Assets & Liabilities	• No mandatory disclosure of current and long term components.	• Mandatory disclosures about current and long term components separately. Current component normally refers to one year of the period of the operating cycle.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited restated unconsolidated financial statements for and as of the fiscal years ended March 31, 2002, 2003 and 2004, and our audited restated unconsolidated financial statements for and as of the nine-month periods ended December 31, 2004, including the significant accounting policies and notes thereto and reports thereon which appear elsewhere in this Prospectus. Our audited unconsolidated financial statements for and as of the nine-month period ended December 31, 2003 have been extracted from the audit report for such period prepared by our independent auditors, which report is not included as part of this Prospectus. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and, except for the financial statements for the nine-month period ended December 31, 2003, have been restated as required under the SEBI Guidelines. Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see the section entitled "Summary of Significant Differences between Indian GAAP and U.S. GAAP" on page 141 of this Prospectus.

Unless indicated otherwise, the financial data in this section is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Prospectus.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly under "Risk Factors" beginning on page ix of this Prospectus.

OVERVIEW

We are principally engaged in the manufacture and sale of BOPET film, BOPP film, metallised film and POY. We shifted our focus in the mid-1990s from POY production to the more profitable BOPET film segment and, more recently, to BOPP film and metallised film production. We have emerged in India as the leading BOPET film producer and the leading exporter of BOPET film to Europe, accounting for nearly 70% of India's exports of BOPET film to Europe. We exported 55% and 46% of our BOPET production for the nine-month period ended December 31, 2004 and fiscal 2004, respectively.

BOPET film, BOPP film and POY accounted for 46.90%, 13.80% and 39.40%, respectively, of our net sales for fiscal 2004 and 60.60%, 12.00% and 27.40%, respectively, of our net sales for the nine-month period ended December 31, 2004. These figures reflect the increasing importance of the high growth BOPET and BOPP film segments to our business.

Our film products are used primarily in the flexible packaging of food products, tobacco, consumer products and ready-made clothing and for tapes and packaging labels. BOPET film and BOPP film have different characteristics that make them suitable for different applications. There are similarities in the production processes and skill requirements of both these films and we benefit from being able to use the same distribution channels for selling each of them.

We acquired Rexor S.A.S., a French manufacturer of metallised and coated BOPET film products, in November 2003. In 2003, we also installed production facilities that metallise our plastic film products, which makes them suitable for higher value uses, such as in the manufacture of thermal insulation products and the packaging of luxury goods. We are currently undertaking significant expansion of our BOPET and BOPP film production capacities and are installing additional coating and metallising lines. We expect the first phase of our expansion plans to be completed by December 2005, with additional expansion planned in 2006. We are also expanding our capacity for polyester chips by 50,000 tonnes to cater to the additional requirements of the new BOPET film line.

Generally, we secure orders for our film products from (1) existing customers, generally converters and distributors, and (2) new customers through direct marketing and referrals by existing customers. Factors considered by customers when deciding to purchase film products include the track record and reputation of suppliers and cost, quality, delivery time and credit terms offered by the suppliers. Our ability to offer a full range of BOPET and BOPP film products enables us to service large flexible packaging converters who prefer to purchase multiple products from a single source.

MATERIAL DEVELOPMENTS SINCE THE LAST AUDITED BALANCE SHEET DATE

Private Placement

In February 2005, we made a preferential allotment of 1.30 million equity shares for Rs. 468 million (approximately € 8 million) to DEG in Germany. DEG is one of Europe's largest development finance institutions. As part of this investment, DEG entered into a subscription agreement with us pursuant to which we have agreed to appoint a director of DEG and seek their approval for corporate actions proposed to be undertaken by us. See "History and Certain Corporate Matters" on page 68 of this Prospectus for a more detailed discussion.

DEG is a part of the AAA rated, KfW Banking Group, which has total assets of more than € 300 billion. DEG has been financing and structuring investments of private companies in developing countries for more than 40 years. It invests in profitable projects that contribute to sustainable development in all sectors of the company. DEG's portfolio at the end of 2003 was € 2.40 billion, with new investments of € 500 million in 2003. Its risk capital investments account for nearly 18% of the portfolio (€ 430 million). In India, DEG committed financing of € 62 million in 2004 in the textile, paper, agriculture, telecommunications and other industries.

Conversion of CCPS

On February 24, 2005, our Board of Directors approved the conversion of the outstanding CCPS (Series II) and CCPS (Series III) into Equity Shares. Consequently, 6,122,555 Equity Shares were issued by us on March 22, 2005. Please refer to "Capital Structure - Notes to the Capital Structure" on page 22 of this Prospectus.

Redemption of Preference Shares

In February 2005, we redeemed 35,000,000 of our 2% Redeemable Cumulative Preference Shares (Series III) of Rs. 10 each. In March 2005, we redeemed 20,000,000 of our 2% Redeemable Cumulative Preference Shares (Series II) of Rs. 10 each at a premium of 5% and 8,140,000 of our 6% Redeemable Cumulative Preference Shares (Series IV) of Rs. 10 each.

In the opinion of our Board of Directors, other than as disclosed in this Prospectus, there have not arisen any circumstances since December 31, 2004 which materially and adversely affect, or are likely to materially and adversely affect, the trading or profitability of our Company, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

Capitalization of Assets

During the three months ended March 31, 2005, the Company has made additions of Rs. 1,071 million to the fixed assets which has been funded through fresh issue of equity shares to DEG in an aggregate amount of Rs. 468 million, an increase in liabilities in an amount of Rs. 592 million and the balance through internal accruals. We also had capital work in progress of Rs. 1,688 million as of December 31, 2004. A substantial part of these additions to the fixed assets and capital work in progress was applied towards the capitalisation of a BOPP line and BOPET line commissioned in February 2005 and March 2005, respectively.

Other Significant Developments

For information on other material developments, please refer to the unaudited unconsolidated financial statements of the Company as of and for the year ended March 31, 2005 and the notes thereto included in the section titled "Financial Statements" the review report dated May 19, 2005 of Kanodia Sanyal & Associates, Chartered Accountants.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors including the following:

General economic and business conditions: The demand for our products is dependent on general economic conditions in India, Europe, Southeast Asia and, to a lesser extent, the United States, where our customers are primarily located. Our manufacturing operations, which are currently in India and France, will be affected by changes in business conditions in these countries.

Demand: The demand for our products is a derived demand, meaning that it is dependent upon the production and sale of other products. We have diversified our customer base by introducing high value added products, as well as through the development of new applications for our products in different industries, to reduce dependence on any major application or industry. We have also sought to expand our customer base throughout the world. The prospects and earnings growth of the customers and industries we serve will have an impact on our ability to generate sales.

Competition: Selling prices of our products may be affected if competition intensifies, including as a result of increased capacity of BOPET and BOPP films, or our competitors adopt aggressive pricing strategies in order to gain market share or new competitors enter the markets we serve.

Alternate Packaging Material: Currently, BOPET and BOPP film are widely used in the flexible packaging industry. India currently has a low per capita annual consumption of flexible packaging products (including BOPET and BOPP films) of € 2, compared to approximately € 40 in North America, approximately € 25 in Western Europe and approximately € 15 in Taiwan and South Korea, indicating a high potential for growth. The demand for our products may be affected by the emergence of alternative packaging materials, if any.

Capacity: We are currently expanding our capacity to produce BOPET film, BOPP film and metallised film. We are also setting up facilities to manufacture PVDC, acrylic and LTS coated films. These new facilities are being set up based on the high growth in demand currently seen for such films in India and abroad. The table below illustrates our current expansion plans through September 2006.

(tonnes per annum)

Location	BOPET Film	BOPP Film	Metalliser Plant	Polyester Chips	POY	Coating Plant
Gulaothi, U.P.	-	-	-	27,375	54,000	-
Nasik, Maharashtra	36,000	13,000	5,000	43,800	-	-
Expansions at Nasik in 2004-March 2005	50,000	32,000	7,000	50,000	-	-
Total Existing Capacity	**86,000**	**45,000**	**12,000**	**121,175**	**54,000**	**-**
Expansions to be completed in April -December 2005	-	-	14,000	-	-	9,000
Total Expected Capacity in December 2005	**86,000**	**45,000**	**26,000**	**121,175**	**54,000**	**9,000**
Proposed expansions to be completed by September 2006	25,000	45,000	14,000	50,000	-	9,000
Total Expected Capacity in September 2006	**111,000**	**90,000**	**40,000**	**171,175**	**54,000**	**18,000**

Our ability to fulfill larger orders will depend upon our ability to complete our expansion plans as scheduled. We believe that the scale of our production, and lower per unit operating costs due to economies of scale, give us an edge over our competitors.

We are not planning to make any capital investments in our polyester yarn business.

Anti-dumping and Anti-subsidy Duties: Exports of Indian manufactured BOPET film to the EU and the United States are currently subject to anti-subsidy and anti-dumping duties. However, currently we are not subject to any such anti-dumping duty in the EU as we have maintained price levels that are above our manufacturing costs. Changes in anti-dumping and anti-subsidy rates applicable to us or to our competitors may affect our sales and profitability.

Raw Material Prices: Raw materials constitute a major portion of our total expenses. Since most of our raw materials are petroleum based, their prices are dependent upon, and may fluctuate with, crude oil prices. Fluctuations in crude oil prices may alter our cost structure and affect profitability. Historically, we have been able to pass on increases in raw material costs to our customers of BOPET and BOPP films. On the other hand, in case of POY, we have not been able to fully pass on increases in raw material costs to our customers.

Other Factors: Our results of operations are dependent upon our success in managing our inventories. Most of our production of BOPP film and BOPET film is commenced only after receipt of confirmed purchase orders from customers. We follow a “cash and carry” sales policy and all payments from customers are either received in advance, on delivery or backed by letters of credit. In addition, we have not experienced any major changes in the production technology relating to BOPET film or BOPP film during any of the last three fiscal years or during the nine-month period ended December 31, 2004.

SIGNIFICANT ACCOUNTING POLICIES

Some of our significant accounting policies are as follows:

Recognition of Income and Expenditure

All revenues and expenditures are accounted for on an accrual basis, except wherever stated otherwise.

Sales

Sales, other than export sales, are inclusive of Excise Duty and shown net of returns and discounts.

Fixed Assets

Fixed assets are stated at cost less depreciation.

Depreciation

Depreciation on fixed assets has been calculated on a straight-line method on a pro-rata basis at the rates specified in Schedule-XIV of the Companies Act, 1956. However, in the case of plant and machineries, higher depreciation rates have been charged based upon residual useful life.

Inventories

- Raw materials, stores, spares & tools are valued at cost (cost formula FIFO basis).
- Scrap is valued at estimated realisable value.
- Finished goods are valued at lower of cost and realisable value.
- Stock of material sold by one unit to another is valued at the transfer price.

Foreign Currency Transactions

Exchange differences arising on repayment of foreign exchange liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, are adjusted in the carrying amount of the respective fixed assets.

The carrying amount of such fixed assets against which the liabilities in any foreign currency are outstanding is also adjusted to account for any increase or decrease in such liability by applying the closing rate or the rate as per forward exchange contract, if any.

In case of any profit or loss arising on cancellation or renewal of a forward exchange contract relating to liabilities incurred for acquiring fixed assets, such profit or loss is adjusted in the carrying amount of the respective fixed assets.

Exchange differences arising on foreign currency transactions other than those relating to liabilities incurred for the purpose of acquiring fixed assets, are recognised as income or expenses for the year as the case may be. Any profit or loss arising on cancellation or renewal of a forward exchange contract in those cases is also recognised as income or expense for the year. All current assets and current liabilities in any foreign currency outstanding at the end of the year are translated by applying the closing rate or the rate as per forward exchange contract, if any.

Export Incentive

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

Unutilised advance licences obtained against actual exports made are being accounted on an accrual basis based upon the differences between domestic versus imported raw material prices prevailing at the end of the period and is adjusted to raw material cost.

Taxation

Current Year Charge

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

Deferred Tax

We provide for deferred tax using the liability method, based on the tax effect of timing difference resulting from the recognition of items in the financial statements and in estimating our current income tax provision.

We expect to generate taxable income in the coming years, which will enable us to utilize the carry forward unabsorbed depreciation/loss.

Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the dividends on preference shares) by the weighted average number of Equity Shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to the equity shareholders (after deducting the dividends on redeemable preference shares) by the weighted average number of Equity Shares outstanding during the year (adjusted for the effects of dilutive options).

RESULTS OF OPERATIONS

Sales

The increasing demand for BOPET film in the Indian and international markets and for BOPP film in the domestic market has been the key reason for our increased sales in recent years. We have been able to meet the increasing demand for flexible packaging films because of a significant increase in our production capacities. Please refer to "Our Business" on page 51 of this Prospectus for details of production capacities. Net sales increased at a compound annual growth rate (CAGR) of 21.30% from fiscal 2002 to fiscal 2004.

Our sales are primarily derived from the sale of BOPET film, BOPP film, metallised film and polyester yarn. Sales are recognized upon delivery of goods to customers.

The most significant trend shown by our sales is the growing importance of film products (principally those used in flexible packaging) vis-à-vis polyester yarn. The contribution to net sales from film products increased from 43.40% in fiscal 2002 to 60.70% in fiscal 2004. For the nine-month period ended December 31, 2004, the contribution to net sales from film products increased further to 72.60%. BOPET film sales have increased at a CAGR of 26% from fiscal 2002 to fiscal 2004. The margins commanded by the film products segments are higher than those of the polyester yarn segment. We believe that sales of both BOPET film products and BOPP film products will contribute significantly to our growth over the next few years.

The breakdown of net sales by product category is as given below:

(Rs. in millions)

	FY 2002		FY 2003		FY 2004		9 mths ended Dec 03		9 mths ended Dec 04	
Particulars	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
BOPET*	1,600	43.4	2,158	54.1	2,540	46.8	1,912	49.6	3,219	60.6
BOPP	-	0	1	0	745	13.7	524	13.6	637	12.0
POY/Others	2,086	56.6	1,831	45.9	2,137	39.4	1,416	36.8	1,455	27.4
Total	**3,686**	**100**	**3,989**	**100**	**5,422**	**100**	**3,852**	**100**	**5,311**	**100**

*****BOPET film includes matallised films

Our competitive cost structure and quality products have helped us gain recognition and capitalize on opportunities in the international market. We have focused on high value added products like speciality and metallised films. Details of the increase in our production capacity for metallising film are provided under "Our Business" beginning on page 51 of this Prospectus. We have also focused on the high growth export market for BOPET films which increased from 46% of our BOPET film sales in fiscal 2004 to 55% in the nine-month period ended December 31, 2004.

The breakdown of net sales in exports and the domestic markets is as given below:

(Rs. in millions)

	FY 2002		FY 2003		FY 2004		9 mths ended Dec 03		9 mths ended Dec 04	
Particulars	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Exports	529	14.4	1,039	26.0	1,184	21.8	863	22.4	1,832	34.5
Domestic	3,157	85.6	2,950	74.0	4,238	78.2	2,989	77.6	3,479	65.5
Total	**3,686**	**100**	**3,989**	**100**	**5,422**	**100**	**3,852**	**100**	**5,311**	**100**

The increase in the value of exports was also aided by the appreciation of the Euro against the Indian rupee. For the nine-month period ended December 31, 2004, approximately 35% of exports were denominated in Euro, which has appreciated 23.80%, from Rs. 42.90 per Euro as of April 2, 2002 to Rs. 53.10 per Euro as of March 31, 2004 (Source: RBI website).

Expenses

Our expenses mainly consist of the cost of raw material consumed, manufacturing expenses, depreciation, selling and distribution expenses, interest and financial charges and personnel expenses. The following table shows our various expenses for fiscal years 2002 through 2004 and for the nine-month periods ended December 31, 2003 and 2004, and shows those expenses as a percentage of total expenses:

	FY 2002		FY 2003		FY 2004		9 months ended December 31, 2003		9 months ended December 31, 2004	
% of Total Expenses	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Raw Material Consumed	1,894	58.1	2,200	59.0	3,059	64.9	2,079	64.5	3,111	68.5
Manufacturing Expenses	662	20.3	764	20.5	824	17.5	547	17.0	704	15.5
Depreciation	299	9.2	309	8.3	357	7.6	263	8.2	330	7.3
Selling & Distribution Exp	113	3.5	137	3.7	176	3.7	121	3.8	186	4.1
Personnel Exp	72	2.2	70	1.9	89	1.9	66	2.0	80	1.8
Interest & Financial chg	155	4.7	118	3.2	122	2.6	86	2.7	69	1.5
Other Exp	64	2.0	67	1.8	85	1.8	64	2.0	65	1.4
Diminution in value of CWIP	-	0.0	66	1.8	-	0.0	-	0.0	-	0.0
Total	**3,259**	**100**	**3,730**	**100**	**4,712**	**100**	**3,226**	**100**	**4,545**	**100**

The following table shows our various expenses for fiscal years 2002 through 2004 and for the nine-month periods ended December 31, 2003 and 2004, and shows those expenses as a percentage of net sales:

(Rs. in millions)

	FY 2002		FY 2003		FY 2004		9 months ended December 31, 2003		9 months ended December 31, 2004	
% of Net Sales	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Raw Material Consumed	1,894	51.4	2,200	55.1	3,059	56.4	2,079	54.0	3,111	58.6
Manufacturing Expenses	662	18.0	764	19.1	824	15.2	547	14.2	704	13.3
Depreciation	299	8.1	309	7.7	357	6.6	263	6.8	330	6.2
Selling & Distribution Exp	113	3.1	137	3.4	176	3.2	121	3.1	186	3.5
Personnel Exp	72	2.0	70	1.8	89	1.6	66	1.7	80	1.5
Interest & Financial chg	155	4.2	118	3.0	122	2.3	86	2.2	69	1.3
Other Exp	64	1.7	67	1.7	85	1.6	64	1.7	65	1.2
Dimunition in calue of CWIP	-	0.0	66	1.7	-	0.0	-	0.0	-	0.0
Total Expenses	**3,259**	**88.4**	**3,730**	**93.5**	**4,712**	**86.9**	**3,226**	**83.7**	**4,545**	**85.6**
Margins	427	11.6	259	6.5	710	13.1	627	16.3	766	14.4
Net Sales	**3,686**	**100**	**3,989**	**100**	**5,422**	**100**	**3,852**	**100**	**5,311**	**100**

Our margins have increased from 11.60% in fiscal 2002 to approximately 14.40% for the nine-month period ended December 31, 2004. Although increased raw material costs put downward pressure on our margins, the cumulative effect of decreases in manufacturing costs, interest and finance costs and depreciation more than offset the effects of the increased raw material costs and resulted in an increase in our profit margins.

Raw Material Consumed

Raw materials as a percentage of total expenses have increased significantly from 58.1% in fiscal 2002 to 68.5% for the nine-month period ended December 2004. Our principal raw materials for the production of BOPET film and polyester yarn are polyester chips, which we manufacture for our own use. We have a production capacity of 121,175 tonnes of polyester chips, which is used entirely for captive consumption. The prices of our primary raw materials, including DMT, MEG, PTA, PPHP and PPCP, are linked to petroleum prices. The increase in raw material costs as a percentage of total expenses during the periods specified above can be partly attributed to an increase in crude oil prices during the same period. In addition, our increased production of high value added products requires higher quality and more costly raw materials.

Depending on the type of product manufactured, the proportion of petroleum based raw materials as a percentage of raw materials used usually ranges from 94% to 95%, with the balance being additives. The costs of these raw materials are also dependent upon the prevailing petroleum prices, which increased significantly from fiscal 2003 to the first half of fiscal 2005. In that period, PTA and DMT prices increased at a CAGR of 17%, and MEG prices increased at a CAGR of 29%. The cost of PPHP, which accounts for 96% of the total cost of raw materials for BOPP film, increased by 14% in the first half of fiscal 2005.

Our increased production, resulting from increased capacity and sales, has strengthened our negotiating position with our suppliers and has enabled us to get higher quantity discounts and other favorable terms. Wastage in production has also decreased due to increased automation and higher width production lines leading to relatively lower raw material requirements.

We have entered into annual supply contracts with some of our largest raw material suppliers, such as Reliance Industries Limited, Haldia Petrochemicals Limited and India Glycols Limited, with prices being negotiated on a monthly basis. We have the flexibility to choose between local and foreign suppliers depending upon the prices offered. We also have the flexibility to use DMT or PTA as raw material due to the dual feed system used by us.

Manufacturing Expenses

The principal manufacturing expenses are power and fuel, packaging material consumed and stores and spare parts. Manufacturing expenses form the second largest component of total expenses (15.5% for the nine-month period ended December 31, 2004). These expense items accounted for 56.4%, 19.8% and 14.8% of manufacturing expenses in fiscal 2004, respectively, and 58.4%, 21.1% and 13.3% of manufacturing expenses for the nine-month period ended December 31, 2004, respectively. Manufacturing expenses also include water charges, repairs to buildings and machinery and carriage inward of raw materials to our production facilities. Manufacturing expenses as a percentage of total expenses have declined due to the economies of scale that we have achieved through increased capacities. This is due to the fact that, once production reaches a certain minimum level, the power and labour requirements necessary to produce additional output do not increase proportionately with increases in output. Therefore, the cost per ton of output declines as capacity increases. The use of wider and faster high capacity production lines has enabled us to decrease the per rupee cost of output. We have also taken several energy saving measures such as installing waste heat recovery boilers and switching over from electrical heating to more efficient oil heating. Removing bottlenecks in the production process and installing balancing equipment have led to further production efficiencies. With further increases in our capacities and high capacity utilization, we expect manufacturing expenses as a proportion of total expenses to decrease in the medium term.

We use our own power generation facilities to meet approximately 85% of our electricity requirements. Our captive power cost of Rs. 2.46 per kilowatt hour ("KWh") in fiscal 2004 was about half the cost of electricity purchased from State Electricity Boards. The amount of electricity we consume per tonne of production has declined steadily from 1,014 KWh per tonne in fiscal year 2001 to 808 KWh per tonne in fiscal 2004.

Packaging material costs are a part of our manufacturing expenses. We have introduced several innovations in packing design which have led to savings in packaging cost. Since goods to be exported require more packing, an increase in exports increases packaging costs.

Depreciation

Our depreciation expense when expressed as a percentage of expenses for fiscal 2004 and the nine-month period ended December 31, 2004 was 7.6% and 7.3%, respectively. Depreciation is affected by capital expenditures for fixed assets used in production. Our recent and continuing capital expenditure on new production facilities will result in a significant increase in depreciation expense in absolute terms. For details of our expansion plans, refer to "Our Business – Our Expansion Plans" on page 59 of this Prospectus. The increase in sales has been proportionately higher than the increase in depreciation and hence depreciation expense as a percentage of sales for the nine-month period ended December 31, 2004 is 6.2%, as compared to 8.1% in fiscal 2002.

Selling and Distribution Expenses

Selling and distribution expenses consist largely of transportation costs and commissions paid to our sales agents and representatives. Transportation costs and commissions accounted for 76.4% and 22.8%, respectively, of selling and distribution expenses in fiscal 2004 and 80.3% and 17.7%, respectively, of selling and distribution expenses for the nine-month period ended December 31, 2004. Selling and distribution expenses account for less than 4% of total net sales and have increased only marginally since the beginning of fiscal 2002 due to effective cost management and economies of scale. However, an increase in exports also increases transportation costs.

Personnel Expenses

Personnel expenses consist of salaries, wages and bonus, contribution to employee benefit schemes, employee welfare charges and staff recruitment and training. Salaries, wages and bonuses accounted for 80.4% of personnel expenses in fiscal 2004 and 82.1% of personnel expenses in the nine-month period ended December 31, 2004. Personnel expenses have remained relatively constant since fiscal 2002. Automation and wider production lines has led to economies of scale and, consequently, reduced our manpower requirements per ton of output.

Interest and Finance Charges

Interest and finance charges represent expenses incurred in respect of our short-term and long-term bank loans, debentures and customer deposits and fees and other charges incurred by us in respect of letters of credit and other financing arrangements and facilities. The average cost of debt has reduced from 11% per annum in fiscal 2002 to 5% per annum for the nine-month period ended December 31, 2004. The reduction in interest and finance charges is partly due to general reduction of interest rates in India (the ten-year yield on government debt securities declined from 10.36% on April 2, 2001 to 7.16% on May 17, 2005) and partly on account of retirement of high cost debt.

We have used structured finance solutions that reduce our financing costs. For instance, we have used foreign currency loans backed by export credit agencies (Hermes, Germany) for new projects. We have financed most of our imports through the issuance of letters of credit, which have lower finance costs.

Taxation

Provision for income tax accounted for 4.48% of net sales, in fiscal 2004 and 4.50% of net sales for the nine-month period ended December 31, 2004. Tax liability for the nine-month period ended December 31, 2004 is based upon the estimated tax computation for fiscal 2005 and any excess or shortfall will be adjusted at the end of the year.

Our 8.7 metre BOPET unit is classified as an Export Oriented Unit ("EOU") under Indian taxation laws. Consequently, the export income generated by the unit is exempt from income taxation. Our second 8.7 metre BOPET line being commissioned in March 2005 is also expected to be set up as an EOU. Taxation benefits for an EOU are available through fiscal 2009.

The benefits available for export income under section 80 HHC of the Income Tax Act, 1961 have been phased out. We availed of benefits of carry forward losses in fiscal 2002 and fiscal 2003 and have paid Minimum Alternate Tax ("MAT") under Indian taxation laws. MAT involves the payment of tax on a company's book profits in the event that the tax payable in accordance with the tax laws is less than a certain limit.

A depreciation tax shield would be available in the future due to our incurrence of significant capital expenditures.

Inflation

We do not consider the impact of inflation on our financial performance over the periods under review to be significant.

Adjustments

The financial information for fiscal 2000, 2001, 2002, 2003 and 2004 and the nine months ended December 31, 2004 has been restated in compliance with SEBI guidelines. In accordance with Indian GAAP, the effects of restatement are shown as a cumulative effect on our adjusted profit after tax rather than as restatements of individual line items in our statement of profit and loss. The financial information for the nine months ended December 31, 2003 has not been restated. Adjustment as per SEBI guidelines have been made in relation to tax in the years to which it pertains, the effect of which is not material.

REVIEW OF RESULTS OF OPERATIONS

Nine-Month Period Ended December 31, 2004 Compared to Nine-Month Period Ended December 31, 2003

Net sales

Our net sales increased from Rs. 3852.1 million for the nine-month period ended December 31, 2003 by approximately Rs. 1458.9 million, or 37.9%, to Rs. 5,310.6 million for the nine-month period ended December 31, 2004. The increase was primarily due to an increase in sales supported by capacity expansion (commissioning of 8.7 meter BOPET line in March, 2004 and 2nd metalliser line in April, 2004).

Other income

Other income increased from Rs. 12 million for the nine-month period ended December 31, 2003 by approximately Rs. 34.3 million, or 285.8%, to Rs. 46.3 million for the nine-month period ended December 31, 2004. The increase was primarily due to profit on sale of investments in shares.

Raw material consumed

Our raw material consumed increased from Rs. 2,124.4 million for the nine-month period ended December 31, 2003 by approximately Rs. 1,012.4 million, or 47.7%, to Rs. 3,136.9 million for the nine-month period ended December 31, 2004. The increase in production and, consequently, sales led to a corresponding increase in absolute amount of raw materials consumed. As a percentage of net sales, our raw materials costs increased from 54.0% for the nine-month period ended December 31, 2004 to 58.6% for the nine-month period ended December 31, 2004, primarily as a result of higher unit costs for our raw materials.

Manufacturing expenses

Our manufacturing expenses increased from Rs. 546.8 million for the nine-month period ended December 31, 2003 by approximately Rs. 157.4 million, or 28.8%, to Rs. 704.2 million for the nine-month period ended, December 31, 2004. The increase was primarily due to an increase in packing cost, power, fuel and stores consumption as a result of the higher scale of production.

Selling and distribution expenses

Our selling and distribution expenses increased from Rs. 121.1 million for the nine-month period ended December 31, 2003 by approximately Rs. 65.1 million, or 53.8%, to Rs. 186.2 million for the nine-month period ended December 31, 2004. The increase was primarily due to increased production and higher levels of exports.

Personnel expenses

Personnel expenses increased from Rs. 65.6 million for the nine-month period ended December 31, 2003 by approximately Rs. 14.5 million, or 22.1%, to Rs. 80.1 million for the nine-month period ended December 31, 2004. The increase was primarily due to a general increase in salaries and wages of 7% to 10% and increased manpower requirements for the new BOPET film line.

Other operating expenses

Our other operating expenses increased from Rs. 63.5 million for the nine-month period ended December 31, 2003 by approximately Rs. 1.5 million, or 2.4%, to Rs. 65.0 million for the nine-month period ended December 31, 2004. The increase was primarily due to an increase in production and sales volumes.

Interest and finance charges

Our interest & finance charge decreased from Rs. 86.1 million for the nine-month period ended December 31, 2003 by approximately Rs. 17.6 million, or 20.4%, to Rs. 68.5 million for the nine-month period ended December 31, 2004. The decrease was primarily due to restructuring of old loans and financing by new loans at lower interest rates.

Depreciation

Our depreciation expense increased from Rs. 263.1 million for the nine-month period ended December 31, 2003 by approximately Rs. 66.8 million, or 25.4%, to Rs. 329.3 million for the nine-month period ended December 31, 2004. The increase was primarily due an increase in fixed assets on installation of new capacities as mentioned above.

Net profit before taxes

Our net profit before taxes increased from Rs. 593.5 million for the nine-month period ended December 31, 2003 by approximately Rs. 192.6 million, or 32.5%, to Rs. 786.1 million for the nine-month period ended December 31, 2004. The increase in our net profit is due to the factors discussed above.

Taxes

Our taxes increased from Rs. 182.4 million for the nine-month period ended December 31, 2003 by approximately Rs. 57.1 million, or 31.3%, to Rs. 239.5 million for the nine-month period ended December 31, 2004. The increase was primarily due to higher profits due to higher volume and higher export sales.

Net profit

Our net profit increased from Rs. 411.1 million for the nine-month period ended December 31, 2003 by approximately Rs. 135.5 million, or 33%, to Rs. 546.6 million for the nine-month period ended December 31, 2004. All the above factors culminated in this high growth in our net profit.

Fiscal 2004 as Compared to Fiscal 2003

Net sales

Our net sales increased from Rs. 3,989.4 million for fiscal 2003 by Rs. 1,432.5 million, to Rs. 5,421.9 million for fiscal 2004, which is a rise of 35.9%. The increase was primarily due to higher demand for BOPET and BOPP film and other high value added products, supported by an increase in capacity through commissioning of a new BOPP line and metalliser unit.

Other income

Other income increased from Rs. 28.0 million for fiscal 2003 by Rs. 33.5 million, to Rs. 61.5 million for fiscal 2004, which represents a rise of 119.6%. The increase was primarily due to profits on sales of investments in equity shares.

Raw material consumed

The raw material consumed increased from Rs. 2,078.5 million for fiscal 2003 by Rs. 951.4 million, to Rs. 3,029.9 million for fiscal 2004, which is a rise of 45.8%. The increase was primarily due to increased production and sales of films. Other factors include increases in raw material prices. As a percentage of net sales, our raw materials costs remained relatively constant, increasing from 55.1% for fiscal 2003 to 56.4% for fiscal 2004.

Manufacturing expenses

Our manufacturing expenses increased from Rs. 763.5 million for fiscal 2003 by Rs. 60.7 million, to Rs. 824.2 million for fiscal 2004, which is a rise of 35.9%. The increase was primarily due to an increase in power and fuel cost and packing cost due to increased production. As a percentage of net sales, manufacturing expenses actually decreased by 3.9% over the prior-year period.

Selling and distribution expenses

Our selling and distribution expenses increased from Rs. 136.9 million for fiscal 2003 by Rs. 38.7 million, to Rs. 175.6 million for fiscal 2004, which is a rise of 28.3%. Besides an increase in sales volumes, the increase was primarily due to increase in export sales by approximately 14% which requires relatively higher marketing expenses.

Personnel expenses

Our personnel expenses increased from Rs. 70.2 million for fiscal 2003 by Rs. 18.6 million, to Rs. 88.8 million for fiscal 2004, which is a rise of 26.5%. The increase was primarily due to a general increase in salaries and wages of 7 to 10% and an increase in manpower requirements for the new BOPP line and metalliser unit.

Other operating expenses

Our other operating expenses increased from Rs. 66.6 million for fiscal 2003 by Rs. 18.2 million, or 27.3% to Rs. 84.8 million for fiscal 2004. The increase was primarily due to an increase in insurance, travelling expenses and legal and professional fees.

Interest and finance charges

Our interest and finance charges increased from Rs. 118.1 million for fiscal 2003 by approximately Rs. 4.0 million, or 3.4%, to Rs. 122.1 million for fiscal 2004.

Depreciation

Our depreciation expense decreased from Rs. 375.0 million for fiscal 2003 by approximately Rs. 18.4 million, or 4.9% to Rs. 356.6 million for fiscal 2004. The decrease in fiscal 2003 was primarily due to Rs. 63 million charged for the diminution in the value of unutilised assets at Khanvel.

Net profit before taxes

All the above factors culminated in an increase in net profit before taxes from Rs. 408.6 million for fiscal 2003 by approximately Rs. 392.8 million, or 96.1%, to Rs. 801.4 million for fiscal 2004.

Taxes

Our tax expense increased from Rs. 101.2 million for fiscal 2003 by approximately Rs. 141.6 million, or 139.9%, to Rs. 242.8 million for fiscal 2004. The increase was primarily due to increased profits.

Net profit

Consequently, our net profit increased from Rs. 307.4 million for fiscal 2003 by approximately Rs. 251.20 million, or 81.70%, to Rs. 558.60 million for fiscal 2004.

Fiscal 2003 as Compared to Fiscal 2002

Net sales

Our net sales increased from Rs. 3,686.0 million for fiscal 2002 by approximately Rs. 303.4 million, or 8.2%, to Rs. 3,989.4 million for fiscal 2003. The increase was primarily due to an increase in production and sales of BOPET films.

Other income

Other income decreased from Rs. 37.5 million for fiscal 2002 by approximately Rs. 9.5 million, or 25.3%, to Rs. 28.0 million for fiscal 2003. The decrease was primarily due to reduced profit on sales of investments and lower DEPB credit.

Raw material consumed

Our raw material consumed increased from Rs. 1951.0 million for fiscal 2002 by approximately Rs. 127.5 million, or 6.5%, to Rs. 2078.5 million for fiscal 2003. The increase was primarily due to increased volumes.

Manufacturing expenses

Our manufacturing expenses increased from Rs. 662.0 million for fiscal 2002 by approximately Rs. 101.5 million, or 15.3%, to Rs. 763.5 million for fiscal 2003. The increase was primarily due to an increase in packing cost for exports. Export increased by 80% from 6,393 tons for the fiscal 2003 to 11,486 tons for the fiscal 2004.

Selling and distribution expenses

Our selling and distribution expenses increased from Rs. 112.9 million for fiscal 2002 by approximately Rs. 24.0 million, or 21.3%, to Rs. 136.9 million for fiscal 2003. The increase was primarily due to an increase in freight due to an increase in exports.

Personnel expenses

Our personnel expenses decreased from Rs. 72.1 million for fiscal 2002 by approximately Rs. 1.9 million, or 2.6%, to Rs. 70.2 million for fiscal 2003. The decrease was primarily due to cost control.

Other operating expenses

Our other operating expenses increased from Rs. 64.4 million for fiscal 2002 by approximately Rs. 2.2 million, or 3.41%, to Rs. 66.6 million for fiscal 2003. The increase was primarily due to an increase in variable costs due to increased production.

Interest and finance charges

Our interest and finance charges decreased from Rs. 154.6 million for fiscal 2002 by approximately Rs. 36.5 million, or 23.6%, to Rs. 118.1 million for fiscal 2003. The decrease was primarily due to restructuring of old loans.

Depreciation

Our depreciation expense increased from Rs. 298.7 million for fiscal 2002 by approximately Rs. 76.4 million, or 25.6%, to Rs. 375.1 million for fiscal 2003. The increase was primarily due to diminutions in the value of assets by Rs. 66 million in fiscal 2003.

Net profit before taxes

Our net profit before taxes increased from Rs. 407.8 million for fiscal 2002 by approximately Rs. 0.8 million, or 0.2%, to Rs. 408.6 million for fiscal 2003. The increase was primarily due to increased exports.

Taxes

Our tax expense increased from Rs. 78.7 million for fiscal 2002 by approximately Rs. 22.5 million, or 28.6%, to Rs. 101.2 million for fiscal 2003. The increase was primarily due to an increase in deferred tax due to the installation of a new BOPP line in March 2003.

Net profit

Our net profit decreased from Rs. 329.1 million for fiscal 2002 by approximately Rs. 21.7 million, or 6.6%, to Rs. 307.4 million for fiscal 2003. The decrease was primarily due to higher deferred tax and higher depreciation.

REVIEW OF FINANCIAL POSITION

Fixed Assets

Fixed assets are comprised mainly of land and buildings, plant and machinery, furniture and fixtures, office equipment, computers, vehicles and capital work in progress (in respect of the factory premises of our new production lines and metallisers).

We have invested significant amounts over the past three years to increase our production capacity for BOPET and BOPP films. We have purchased production lines offering the latest technology from Bruckner and Dornier, Germany. The global trend in film production is towards production lines that have a width of 6.2 metres or more and a capacity of more than 12,000 tonnes per annum. Some of the benefits of wider width lines are lower capital cost, low power/fuel consumption, reduced manpower requirements, reduced recyclable waste, reduced non-usable waste and the possibility of production of speciality films.

We installed a 6.6 metre BOPP film line in March 2003 with a capacity of 13,000 tonnes per annum and commenced production on a new 8.2 metre BOPP film line in February 2005 with a capacity of 32,000 tonnes per annum. We also installed an 8.7 metre BOPET film line with a capacity of 25,000 tonnes per annum in March 2004 at Nasik. Our investments in machines with the latest technology enable us to have a lower investment cost per unit of output and lower operating costs.

Fixed assets increased by Rs. 1,526 million, or 28.0%, from Rs. 5,456 million as of December 31, 2003 to Rs. 6,982 million as of December 31, 2004. This was due to net additions to fixed assets of Rs. 1,254 million and increased capital in progress of Rs. 272 million. The net additions to fixed assets in this period largely relate to the addition of new production lines at our facility in Nasik, Maharashtra.

Fixed assets increased by Rs. 1,174 million, or 25.0%, from Rs. 4,703 million as at March 31, 2003 to Rs. 5,878 million as at March 31, 2004. During this period, there were net additions of fixed assets of Rs. 1,174 million, consisting of purchased plant and equipment and other fixed assets of Rs. 1,646 million, offset by a decrease in capital work in progress of Rs. 117 million and an increase in the depreciation charge of Rs. 335 million.

Fixed assets increased by Rs. 801 million, or 20.5%, from Rs. 3,902 million as at March 31, 2002 to Rs. 4,703 million as at March 31, 2003. During this period, additions to fixed assets were mainly made of purchases of plant and equipment of Rs. 625 million and increases in capital work in progress of Rs. 176 million.

Investments

We acquired a 95.57% stake in Rexor for a cash consideration of € 8.5 million in November 2003 through Jindal France, a special purpose vehicle ("SPV"). The acquisition was financed by our equity investment in the SPV of € 3.6 million and € 4.9 million of debt raised by the SPV. For calendar year 2004, Rexor's sales were € 24 million and EBITDA was € 2.33 million.

Rexor possesses high-performance environmental friendly manufacturing equipment and has complex BOPET and BOPP film coating technologies, in addition to expertise in metallisation, demetallisation and cutting of such films

Current Assets

Current assets consist of inventories, trade and other debtors, cash and bank balances, loans and advances and other receivables. Except for a decline in current assets in fiscal 2002 attributable to a reduction of inventories of Rs. 112 million and the refund of Rs.113 million from Income Tax Department, current assets have generally increased in line with the growth of our business activities.

Current assets increased by Rs. 893 million, or 60%, from Rs. 1,488 million as at December 31, 2003 to Rs. 2,381 million as at December 31, 2004, due to increases in inventories (Rs. 143.0 million), debtors (Rs. 468.3 million), cash and bank balances (Rs. 270.6 million) and loans and advances (Rs. 11.6 million).

Inventories made up 37.0% of total current assets as at December 31, 2004. Inventories comprise mainly MEG, DMT, PTA, PPHP, PPCP and additives. The increase in inventories from Rs. 738.7 million as at December 31, 2003 to Rs. 881.6 million as at December 31, 2004 was to cater for our higher level of production activity. Inventories turnover period decreased marginally from 60 days to 54 days.

Debtors accounted for 32.4% of total current assets as at December 31, 2004. Debtors increased from Rs. 302.6 million as at December 31, 2003 to Rs. 770.9 million as at December 31, 2004, mainly due to increased sales. Debtors turnover increased from 25 days to 47 days.

Cash and bank balances accounted for 13.4% of total current assets as at December 31, 2004. Cash and bank balances increased from Rs. 48.8 million as at December 31, 2003 to Rs. 319.4 million as at December 31, 2004 due to increased sales and cash collections from debtors (kept as fixed deposits with banks in the amount of Rs. 280 million). Loans and advances accounted for 17.2% of total current assets as at December 31, 2004. Loans and advances increased from Rs. 398 million as at December 31, 2003 to Rs. 409 million as at December 31, 2004, due to advance to suppliers of raw material.

Current assets increased by Rs. 622 million, or 47.8%, from Rs. 1,301 million as at March 31, 2003 to Rs. 1,923 million as at March 31, 2004 due to increases in inventories of Rs. 156 million, debtors of Rs. 83 million, cash and bank balances of Rs. 163 million and loans and advances of Rs. 209 million.

Inventories made up 50.5% of total current assets as at March 31, 2004. The increase in inventories from Rs. 816 million as at March 31, 2003 to Rs. 971 million as at March 31, 2004 was attributable to the increase in production output to meet increased demand for our BOPET and BOPP film products, offset by a decline in demand for our polyester yarn products. Our inventories turnover period decreased from 75 days to 60 days.

Debtors accounted for 16.5% of total current assets as at March 31, 2004. Debtors increased from Rs. 224 million as at March 31, 2003 to Rs. 317 million as at March 31, 2004 due to the increase in sales. Debtors turnover increased from 20 days to 21 days. Cash and bank balances accounted for 9.1% of total current assets as at March 31, 2004. Cash and bank balances increased from Rs. 11 million as at March 31, 2003 to Rs. 174 million as at March 31, 2004 due to increased sales and cash collection from debtors.

Loans and advances accounted for 23.9% of total current assets as at March 31, 2004. Loans and advances increased from Rs. 251 million as at March 31, 2003 to Rs. 460 million as at March 31, 2004 due to an increase in advances to suppliers and other prepayments associated with increased sales.

Current assets increased by Rs. 232 million, or 21.7%, from Rs. 1,069 million as at March 31, 2002 to Rs. 1,301 million as at March 31, 2003 due to increases in inventories of Rs. 254 million and loans and advances of Rs. 17 million, offset by decreases in debtors of Rs. 15 million and cash and bank balances of Rs. 163 million.

Inventories made up 62.7% of total current assets as at March 31, 2003. The increase in inventories from Rs. 562 million as at March 31, 2002 to Rs. 816 million as at March 31, 2003 was attributable to the increase in production output to meet increased demand for our BOPET film products, offset by declining demand for our polyester yarn products. Our inventories turnover period increased from 56 days to 75 days. Debtors accounted for 17.2% of total current assets as at March 31, 2003. Debtors decreased from Rs. 249 million as at March 31, 2002 to Rs. 223 million as at March 31, 2003 due to effective working capital management policies. Debtors turnover decreased from 25 days to 20 days.

Cash and bank balances accounted for 0.9% of total current assets as at March 31, 2003. Cash and bank balances decreased from Rs. 28 million as at March 31, 2002 to Rs. 11 million as at March 31, 2003 due to increased working capital requirements associated with increased sales. Loans and advances accounted for 19.3% of total current assets as at March 31, 2003. Loans and advances increased from Rs. 230 million as at March 31, 2002 to Rs. 251 million as at March 31, 2003 due to an increase in advances to suppliers and other prepayments associated with increased sales.

Current Liabilities and Provisions

Current liabilities comprise accounts payable, other payables, deposits received and accrued liabilities, tax payable and dividend payable. Current liabilities have generally increased in line with the growth in our business activities.

Current liabilities and provisions decreased by 18.4% from Rs. 1,133 million as at December 31, 2003 to Rs. 925 million as at December 31, 2004 due to payment of account payables and creditors of capital goods.

Current liabilities and provisions increased by Rs. 1,017 million, or 214.1%, from Rs. 475 million as at March 31, 2003 to Rs. 1,492 million as at March 31, 2004 due to increase in accounts payable of Rs. 689 million associated with the construction of new polyester chip production facilities, the construction of a new BOPP film production line and the commencement of production of BOPP film. Further, Rs. 175 million associated with the import of raw material under a letter of credit, Rs. 117 million associated with an advance from customers and Rs. 17 million associated with increasing the annual dividend from 30% in 2003 to 40% in 2004, also impacted current liabilities at March 31, 2004.

Current liabilities and provisions increased by Rs. 182 million, or 62.1%, from Rs. 293 million as at March 31, 2002 to Rs. 475 million as at March 31, 2003 due to increases in accounts payable associated with increased sales, Rs. 172 million associated with the purchase of raw material under letters of credit, provision of excise duty on closing stock and increasing the annual dividend from 25% to 30%.

Non-Current Liabilities

Non-current liabilities consist of long-term secured loans, long-term unsecured loans and deferred tax liabilities.

Non-current liabilities increased by Rs. 1,700 million, or 53.9%, from Rs. 1,105 million as at December 31, 2003 to Rs. 2,805 million as at December 31, 2004 mainly attributable to increases in long-term secured loans of Rs. 1,710 million from Rs. 1,078 million as at December 31, 2003 to Rs. 2,788 million as at December 31, 2004 and increases in deferred tax liabilities of Rs. 199 million from Rs. 846 million as at December 31, 2003 to Rs. 1,045 million as at December 31, 2004.

Non-current liabilities increased by Rs. 833 million, or 41.6%, from Rs. 2,000 million as at March 31, 2003 to Rs. 2,833 million as at March 31, 2004 due principally to increases in long-term secured loans of Rs. 649 million, unsecured loans of Rs. 2 million and deferred tax liabilities of Rs. 182 million during that period.

Non-current liabilities increased by Rs. 606 million, or 43.5%, from Rs. 1,394 million as at March 31, 2002 to Rs. 2,000 million as at March 31, 2003 due to increases in long-term secured loans of Rs. 401 million and increases in deferred tax liabilities of Rs. 274 million, offset by decreases in unsecured loans of Rs. 53 million.

Net Worth

Net worth increased by Rs. 606 million, or 14.2%, from Rs. 4,274 million as at December 31, 2003 to Rs. 4,880 million as at December 31, 2004.

Net worth increased by Rs. 822 million, or 23.5%, from Rs. 3,510 million as at March 31, 2003 to Rs. 4,333 million as at March 31, 2004 due to the profit during this period of Rs. 560 million and an increase in preference share capital of Rs. 350 million, offset by a dividend declared of Rs. 89 million.

Net worth increased by Rs. 50 million, or 1.4%, from Rs. 3,460 million as at March 31, 2002 to Rs. 3,510 million as at March 31, 2003 due to the profit during the period of Rs. 122 million, offset by a dividend declared of Rs. 72 million.

Capital Expenditures and Capital Commitments

Our capital expenditures for the fiscal years ended March 31, 2002, 2003 and 2004 and the nine-month periods ended December 31, 2003 and 2004 are as follows:

(Rs. millions)

Particulars	FY2002	FY2003	FY2004	Dec 03*	Dec 04*
Land	-	-	-		3
Leasehold building	21	102	153	-	-
Plant and machinery **	51	829	1,366	93	106
Motor vehicles	1	1	7	7	-
Capital work in progress (inc adv)	9	176	-	915	1,305
Other	7	3	7	4	2
Total	**89**	**1,111**	**1,533**	**1,019**	**1,416**

* nine month period

** Includes foreign exchange fluctuation arising on term loan taken for plant and machinery at the time of repayments at year end and interest on term loan borrowing up to the date of capitalization of plant and machinery.

Note: Deposits made are included in Capital Work in Progress

Our capital expenditures from January 1, 2005 through January 31, 2005 were Rs. 95 million, which consisted mainly of plant and machinery.

Over the years, we have invested substantially in manufacturing plant and equipment in order to upgrade and enhance our production capacities and product range in our effort to provide quality products to our clients at competitive prices.

Our capital commitments as of March 31, 2002, 2003 and 2004 and December 31, 2003 and 2004 are as follows:

(Rs. millions)

Particulars	2002	2003	2004	December 31, 2003	December 31, 2004
Contracted, but not provided for in respect of acquisition of :					
Plant and machinery	352	752	642	602	1,133
Construction of buildings	-	-	48	-	-
Total	**352**	**752**	**690**	**602**	**1,133**

**nine month period*

Please see section titled “Objects of the Issue” on page 30 of this Prospectus for details on expansion projects and its financing.

Liquidity and Capital Resources

We have financed our operations and growth and expansion through our shareholder’s equity, retained profits, external borrowings from financial institutions and cash generated from operations. Our principal uses of cash have been to fund our capital expenditures, purchase raw materials, fund operating expenses and more recently, acquisitions.

(Rs. millions)

Particulars	FY2002	FY2003	FY2004	December 31, 2003	December 31, 2004
Net cash from operating activities	826	656	1,584	1,241	191
Net cash used in investing activities	(127)	(1,173)	(2,149)	(1,239)	(829)
Net cash (used in)/from financing activities	(696)	499	728	36	783
Net increase/(decrease) in cash and cash equivalents	**3**	**(18)**	**163**	**38**	**145**
Cash and cash equivalents at the beginning of period	26	29	11	11	174
Cash and cash equivalents at the end of period	29	11	174	49	319

* nine month period

Net cash generated from operating activities

Cash generated from operating activities was mainly from the production and sale of BOPET film and BOPP film. We have recorded positive operating cash flows in each of the three fiscals ended March 31, 2002, 2003 and 2004 and the nine-month periods ended December 31, 2003 and December 31, 2004.

For the nine-month period ended December 31, 2004, the cash generated from operating activities before working capital changes was Rs. 1,129.0 million compared to Rs. 915 million for the nine-month period ended December 31, 2003. During the period, there was a decrease in inventories of Rs. 90.3 million, an increase in trade receivables of Rs. 453.9 million, a decrease in loans and advances of Rs. 144.9 million and a decrease in trade payables and other short-term liabilities of Rs. 601.7 million. Taking into account these adjustments, net cash provided from operating activities decreased from Rs. 1,241 million for the nine-month period ended December 31, 2003 to Rs. 190.7 million for the nine-month period ended December 31, 2004.

In fiscal 2004, the cash generated from operating activities before working capital changes was Rs. 1,189.0 million compared to Rs. 869.2 million in fiscal 2002. During the period, there was an increase in inventories of Rs. 156.0 million, an increase in trade receivables of Rs. 93.4 million, an increase in loans and advances of Rs. 197.1 million and an increase in trade payables and other short-term liabilities of Rs. 999.8 million. Taking into account these adjustments, net cash provided from operating activities increased from Rs. 656.2 million in fiscal 2003 to Rs. 1,583.8 million in fiscal 2004.

In fiscal 2003, the cash generated from operating activities before working capital changes was Rs. 869.2 million compared to Rs. 825.6 million in fiscal 2002. During the period, there was an increase in inventories of Rs. 227.8 million, a decrease in trade receivables of Rs. 25.1 million, an increase in loans and advances of Rs. 25.8 million and an increase in trade payables and other short-term liabilities of Rs. 134.1 million. Taking into account these adjustments, net cash provided from operating activities decreased from Rs. 826.0 million in fiscal 2002 to Rs. 656.2 million in fiscal 2003.

Net cash used in investing activities

Our capital expenditures for the last three fiscals from fiscal 2002 to fiscal 2004 and the financial periods ended December 31, 2003 and December 31, 2004 related mainly to the upgrading and/or purchase of new fixed assets in order to improve and/or expand our production facilities.

For the nine-month period ended December 31, 2004, net cash used in investing activities decreased by Rs. 410.6 million from Rs. 1,239.1 million for the nine-month period ended December 31, 2003 to Rs. 828.5 million for the nine-month period ended December 31, 2004. Aggregate purchases of fixed assets increased by Rs. 416.5 million from Rs. 1,018.1 million for the nine-month period ended December 31, 2003 to Rs. 1,434.6 million for the nine-month period ended December 31, 2004. During the nine-month period ended December 31, 2003, fixed assets increased due to the installation of a new EOU line and BOPET expansion, which were shown under capital work in progress and were capitalized in the last quarter of fiscal year 2004. During the nine-month period ended December 31, 2004, fixed assets increased due to the installation of a BOPP line and a BOPET line, which were shown under capital work in progress. During the nine-month period ended December 31, 2003 the investments were increased by Rs. 231.6 mainly due to the acquisition of Rexor. During the nine-month period ended December 31, 2004, investments decreased by Rs. 597.9 million mainly due to the sale of mutual fund units.

In fiscal 2004, net cash used in investing activities increased by Rs. 976.4 million from Rs. 1,172.8 million in fiscal 2003 to Rs. 2,149.2 million in fiscal 2004. Aggregate purchases of fixed assets increased by Rs. 356.0 million from Rs. 1,177.0 million in fiscal 2003 to Rs. 1,533.0 million in fiscal 2004. The increase in purchases of fixed assets was due to the commissioning of an 8.7 metre EOU plant at Nasik and expansion of capacities in the BOPET plant and metalliser at Nasik. Purchase of investments increased by Rs. 704.8 million from Rs. 6.3 million in fiscal 2003 to Rs. 711.1 million in fiscal 2004, primarily due to the purchase of Rexor, France in November 2003.

In fiscal 2003, net cash used in investing activities increased by Rs. 1,045.9 million from Rs. 126.9 million in fiscal 2002 to Rs. 1,172.8 million in fiscal 2003. Aggregate purchases of fixed assets increased by Rs. 1,021.6 million from Rs. 155.4 million in fiscal 2002 to Rs. 1,177.0 million in fiscal 2003. The increase in purchases of fixed assets was due to the commissioning of a BOPP plant at Nasik.

In fiscal 2002, net cash used in investing activities amounted to Rs. 126.9 million due primarily to the purchase of fixed assets Rs. 155.4 million, partially offset by the sale of fixed assets and investment income Rs. 28.5 million. The purchases of fixed assets were made in respect of additional machinery for our power generation plants.

Net cash generated from/used in financing activities

For the nine-month period ended December 31, 2004, net cash generated by financing activities increased by Rs. 747.3 million from Rs. 35.9 million for the nine-month period ended December 31, 2003 to Rs. 783.2 million for the nine-month period ended December 31, 2004. The cash inflows included proceeds from borrowings of Rs. 862.7 million (Rs. 186.4 million payment for the nine-month period ended December 31, 2003). The cash inflows were partially offset by the payment of dividends of Rs. 79.5 million (Rs. 72.3 million for the nine-month period ended December 31, 2003).

In fiscal 2004, net cash generated by financing activities increased by Rs. 228.8 million from Rs. 499.3 million in fiscal 2003 to Rs. 728.1 million in fiscal 2004. The cash inflows included proceeds from borrowings of Rs. 650.7 million (Rs. 347.9 million in fiscal 2003) and proceeds from the issuance of additional preference shares of Rs. 150.0 million (Rs. 200.0 million in fiscal 2003). The cash inflows were partially offset by the payment of dividends of Rs. 72.5 million (Rs. 48.6 million in fiscal 2003).

In fiscal 2003, financing activities generated net cash of Rs. 499.3 million compared to a use of net cash of Rs. 696.3 million in fiscal 2002. The cash inflows included proceeds from borrowings of Rs. 347.9 million (net reductions in borrows of Rs. 846.8 in fiscal 2002) and proceeds from the issuance of additional capital shares of Rs. 200.0 million (Rs. 200.0 in fiscal 2002). The cash inflows were partially offset by the payment of dividends of Rs. 48.6 million (Rs. 49.5 million in fiscal 2002).

As of December 31, 2004, we had outstanding borrowings of Rs. 2,788 million. Based on our net worth of Rs. 4,879.8 million and outstanding borrowings as of December 31, 2004, our debt to equity ratio was 0.57.

As of February 28, 2005, we had cash and bank balances of approximately Rs. 290 million and a portion of the bank limits was unutilized. We also generated Rs. 468 million in net cash from financing activities as result of the investment by DEG.

As of December 31, 2004, we had contingent liabilities as follows: bank guarantees – Rs. 117 million and outstanding letters of credit – Rs. 646 million. Taking into account the amount of unutilized banking facilities and our cash and bank balances, we believe that we have sufficient working capital for our present requirements.

Contractual Obligations

The following table is a summary of our loan obligations (excluding interest) as of December 31, 2004:

(Rs. millions)

	Payments due in				
	Total	**Fiscal 2005 (3 months)**	**Fiscal 2006**	**Fiscal 2007**	**After Fiscal 2007**
Loans	2,177.8	119.0	357.5	322.4	1,378.9

QUANTITATIVE AND QUALITATIVE DISCUSSION OF MARKET RISK

We are exposed to various market risks such as fluctuating interest rates and changes in foreign currency rates. As a policy, we use simple forward booking techniques to hedge the foreign currency risks.

Currency Exchange Rates

For the nine-month period ended December 31, 2004, approximately 35% of our unconsolidated export sales were denominated in Euro, and approximately 60% in U.S. Dollars, while the majority of our operating costs were denominated in Indian Rupees with the remaining portion in Euros and other foreign currencies.

Currency Translation

The results of operation of our French subsidiary are translated into Indian Rupees at the prevailing exchange rate of foreign currency as at December 31, 2004. This translation has no impact on our cash flow or income statement. The balance sheet of our French subsidiary is translated into Indian Rupees at the prevailing exchange rate of foreign currency as at December 31, 2004. As at December 31, 2004, assets of our foreign subsidiaries constituted approximately 10.4% of our total assets. Our foreign currency translation risk exposure is primarily with respect to the Euro.

Interest Rates

Our exposure to interest rate risk relates primarily to USD LIBOR linked loans taken from Commerzbank Aktiengesellschaft and AKA Ausfuhrkredit-Gesellschaft mbH, Germany, State Bank of India and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Singapore Branch. We have not hedged our LIBOR rate-linked interest exposures.

We are exposed to interest rate risk on our floating rate debt and on additional debt financing that may be periodically needed for the capital expenditures associated with our future acquisitions or expansion plans. Upward fluctuations in interest rates increase the cost of both existing and new debt. The interest rate that we will be able to secure in a future debt financing will depend on market conditions at the time, and may differ from the rates on our existing debt. An increase in interest rate of 1% on our existing floating rate debt would increase our annual interest charge by Rs. 28 million, based upon the total loans and working capital outstanding as of December 31, 2004.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors and our subsidiaries that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company or Directors or our subsidiaries. Please note that in relation to the outstanding litigation described below, the details of the next date of hearing have been provided only in such proceedings where such dates have been fixed.

I. LITIGATION AGAINST OUR COMPANY

A. Contingent liabilities not provided for as of December 31, 2004

(Rs. in million)

Sr. No.	Category	December 31, 2004	December 31, 2003
1.	Bank Guarantees	117.10	102.60
2.	Outstanding letters of credit	646.20	825.87
	TOTAL	**763.30**	**928.47**

B. PENDING LITIGATION AGAINST OUR COMPANY

1. *Criminal Cases*

In 2000, a criminal complaint, no. 1023/9 of 1999-2000, was filed by Mr. Piyush Agarwal, a shareholder of our Company, before the Additional Chief Magistrate, Muzzaffar Nagar, alleging cheating and forgery in respect of 100 Equity Shares. In connection with this matter, we had received a letter dated July 28, 1995 from one Ms. Sushma Bansal requesting that a duplicate shares certificate be issued. We had subsequently issued a share certificate for 100 Equity Shares to Ms. Sushma Bansal. The last date of hearing was on May 19, 2001 and the matter is currently pending disposal. The amount in dispute is not ascertainable.

2. *Winding up Petition*

In September 1999, a winding up petition, CP No. 97 of 1999, was filed by a contractor of our Company against us before the Allahabad High Court. The contractor was awarded the contract for insulation work at our facilities in Nasik and Gulaothi and a dispute had arisen between the parties in relation thereto. In the said petition, the contractor has alleged that he is an unpaid creditor to the extent of approximately Rs. 1.90 million, out of which we have admitted liability to the extent of Rs. 0.60 million. The petition was dismissed in our favour. However, the same was restored on an application by the contractor. The matter is currently pending before the Allahabad High Court.

3. *Cases Relating to Statutory Authorities/Dues*

3.1 Anti-Dumping and Anti - Subsidy Proceedings

(a) As a result of an investigation initiated in 2001 against PET film manufacturers in India, certain Indian companies were part of a sampling conducted by the Department of Commerce (“Department”) of the United States Government. Our Company was not included in the companies sampled and in June 2002, a weighted average dumping margin of 5.71% was imposed upon us for the period from December 21, 2001 through June 30, 2003. In July 2004, we had applied for an anti-dumping duty administrative review to be conducted by the Department, International Trade Administration of the United States Government. The Department conducted the administrative review in accordance with Section 751 of the Tariff Act of 1930, as amended (“Tariff Act”). By an order dated August 12, 2004, the Department published the preliminary results of the administrative review. Subsequently, interested parties were given the opportunity to comment on the preliminary results of the review and by an order dated February 17, 2005, the Department has determined the weighted-average dumping margin for our Company at 6.28% for the period from December 21, 2001 through June 30, 2003 and for entries subsequent to the date of the order. We intend to apply for further review of the existing duty.

(b) As a result of an investigation initiated in May 2000 against Indian exporters of PET film, certain Indian companies were part of a sampling conducted by the European Commission. Our Company was included in the companies sampled and on August 23, 2001, the Council of the European Union imposed definitive anti-dumping duties ranging from 0% to 62.6% on PET film originating from India. However, the duty imposed on us was 0%. Subsequently, a request for a partial interim review in connection with dumping by our Company was lodged by certain Community producers. The European Commission initiated a partial interim review on February 19, 2004 for the period from January 1, 2003 through December 31, 2003. Subsequently by an order dated March 7, 2005, the Council concluded that the review investigation should be terminated and the anti-dumping duty of 0% should be maintained.

(c) As a result of an investigation initiated in 1998 against Indian PET film exporters, certain companies were part of a sampling conducted by the European Commission. Our Company was included in the companies sampled and in December 1999 the results of this investigation were published and a countervailing duty of 7% was imposed upon us. This duty was applicable for a period of five years and was due to expire on December 6, 2004. Subsequently, the European Commission decided to initiate an investigation pursuant to the request for an expiry or sunset review under Article 18 of Council Regulation (EC) No. 2026/97 of October 6, 1997. The European Commission sent us a notice of initiation for the investigation period from October 1, 2003 through September 30, 2004. A questionnaire was sent to us and we have responded to the same. The case continues to remain under investigation. In this connection, EU regulatory authorities are presently carrying out investigations to examine the rate of anti-subsidy duty applicable to us. Until the results of the investigation are announced, the countervailing duty of 7% remains in force.

(d) As a result of an investigation initiated in 2001 against PET film manufacturers in India, certain companies were part of a sampling conducted by the Department. Our Company was not included in the companies sampled and on July 1, 2002 the results of this investigation were published and a countervailing duty of 20.4% was imposed upon us. Subsequently, we had applied for an administrative review. Pursuant to our request for a review, the Department of Commerce, Import Administration of the United States Government decided to conduct the review as required by the Tariff Act. A questionnaire was sent to us for the period of review from January 1, 2003 through December 31, 2003 and we have responded to the same. The case continues to remain under investigation.

3.2 Excise Duty

There are 19 pending disputes relating to excise duty against us. The aggregate amount of excise duty in dispute in these cases is approximately Rs. 113.08 million. A brief summary of the said cases is as follows:

(a) We were operating a 100% export oriented facility at Khanvel ("100% EOU"), which was subsequently de-bonded. In relation to the 100% EOU, the Excise Duty Department ("ED Department") has issued a notice dated August 6, 2004 to us demanding explanation as to why a sum of approximately Rs. 52.75 million should not be recovered from us on the following three counts; (i) approximately Rs. 19.56 million on account of differential duty on domestic tariff areas sales for not achieving the minimum value addition; (ii) approximately Rs. 17.59 million in relation to non-submission of certificate for residual life of the second hand imported capital goods; and (iii) approximately Rs. 15.80 million in relation to depreciation claimed by us. The matter is pending before the Commissioner, Vapi.

(b) We had imported certain plant and machinery on which 50% of Central Value Added Tax ("CENVAT") formerly known as Modified Value Added Tax ("MODVAT") credit could have been claimed in the year of purchase and the balance CENVAT credit could have been claimed in the subsequent years when the plant was operational. We had claimed 50% of CENVAT credit in the year of purchase (i.e. 2002). The ED Department had issued a show cause notice dated July 14, 2004 stating that although we had imported the plant and machinery but the same had not been installed. In the show cause notice, the ED Department had asked as to why the already availed CENVAT credit should not be recovered from us. The Commissioner by an order dated December 30, 2004 confirmed demand of the excise duty amounting to approximately Rs. 8.58 million and has imposed penalty amounting to approximately Rs. 11.09 million. We have filed an appeal against the said order before the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") (formerly known as, CEGAT). A stay upon the payment of the duty and the penalty was granted by the CESTAT on March 28, 2005. The matter is listed for hearing on June 9, 2005.

(c) There are five pending disputes with respect to MODVAT credit on furnace oil. The ED Department has stated in its notices to us that MODVAT credit on furnace oil could be allowed to the extent of 10% of the value of the goods as against 15% of the value of the goods paid by us to the supplier as claimed by us. The aggregate amount of differential customs duty and penalty is approximately Rs. 10.02 million. One of these disputes is pending before the CESTAT, while the other four are pending before the Supreme Court of India.

(d) On March 5, 1997, a team of officers of the ED Department conducted a search on the premises of our Company. Subsequently, a show cause notice dated February 3, 1999 was issued to us on two counts. Firstly, it was alleged that we had taken double benefit i.e. MODVAT credit on full quantity as shown in the invoices as also claimed insurance. Secondly, MODVAT credit on 622 MT of polyester chips was disallowed, since it was alleged that the same were not usable. The Commissioner of Central Excise, Meerut in his order dated March 9, 2000 confirmed the allegations made in the show cause notice and demanded duty and, in addition, imposed equivalent penalty. Our Company filed an appeal before the Customs Excise and Gold (Control) Appellate Tribunal ("CEGAT"). The CEGAT allowed appeal in our favour. The ED Department has filed an appeal before the Supreme Court of India. The amount in dispute is approximately Rs. 7.68 million and the matter is pending disposal.

(e) We had claimed MODVAT on high-speed diesel oil used for the purpose of generating electricity. The ED Department had disallowed the same and imposed penalty on us. We had filed an appeal before the CEGAT, which had disallowed the MODVAT credit but waived off the penalty imposed on us. The ED Department has filed a reference application before the Allahabad High Court in relation to whether setting aside of penalty is proper when disallowance of MODVAT credit has been confirmed by the CEGAT. The amount in dispute is approximately Rs. 6.88 million and the matter is pending disposal.

(f) At the time of de-bonding of our 100% EOU, we had claimed depreciation on the capital goods. The ED Department had vide notice dated September 16, 1998 disallowed depreciation on the ground that since quantity of goods produced by us during the relevant financial year was small, such quantity produced could not be termed as commercial production. We had appealed before the CEGAT, which passed an order in our favour. The ED Department has filed a reference application before the Mumbai High Court. The amount in dispute is approximately Rs. 4.81 million and the matter is pending disposal.

(g) The Commissioner had issued two show cause notices to us in relation to the issue that a job worker (i.e. our polyester chips facility at Gulaothi) is not entitled to MODVAT credit on fuel etc. used for job work purpose. We had filed an appeal before CEGAT, which allowed the appeal in our favour. The ED Department has filed an appeal before the Supreme Court of India. The aggregate amount in dispute is approximately Rs. 4.49 million and the matter is pending disposal.

(h) Pursuant to a fire accident in our factory on June 6, 1998, 236 MT of polyester spinning hard waste was burnt. We had applied for remission of excise duty on such goods. The Commissioner had rejected our remission application and a consequential demand of Rs. 2.71 million was confirmed against us. We had filed an appeal before the CEGAT against the decision of the Commissioner. The CEGAT allowed our appeal. The ED Department has filed a reference application before the Allahabad High Court in relation to the order of the CEGAT. The matter is pending disposal.

(i) The ED Department has issued a show cause notice dated November 12, 2004 to us demanding penalty amounting approximately to Rs. 1.83 million on the amount of CENVAT credit, which has already been reversed/discharged by us. We have filed a reply to the show cause notice. The matter is currently pending before the Joint Commissioner.

(j) There are two pending disputes with respect to MODVAT credit on capital goods against us. The aggregate amount of excise duty demanded by the ED Department is approximately Rs. 0.87 million. One of the said disputes is pending before the CESTAT, while the other two are pending before the Additional Commissioner.

(k) We had claimed MODVAT credit on imported MEG utilized by our facilities at Gulaothi and Nasik on a common bill of entry. The Deputy Commissioner had disallowed the MODVAT credit on the ground that the bill of entry was not produced along with the monthly return. We had filed an appeal before the Commissioner (Appeals), who had reverted the matter to Assistant Commissioner after holding that the delay may be condoned. The amount in dispute is approximately Rs. 0.89 million and the matter is pending before the Assistant Commissioner for further orders.

(l) The ED Department has issued a show cause notice dated April 19, 2004 to us stating that interest is leviable on the amount of excise duty allegedly paid late by us. The amount in dispute is approximately Rs. 0.50 million and the matter is currently pending before the Assistant Commissioner.

3.3 Customs Duty

There are five pending disputes relating to customs duty against our Company. The aggregate amount of customs duty in dispute in these cases is approximately Rs. 133.36 million. A brief summary of the said cases is as follows:

(a) The Customs Department ("CD Department") has issued a show cause notice dated August 25, 2001 alleging that since we had failed to furnish the reconciliation statement in time, the contract is liable to deregistration and goods may be assessed on merits. Hence, the CD Department has asked us to show cause as to why the bond amount of approximately Rs. 83.34 million should not be enforced towards the payment of differential duty. In terms of the clause 7 of the Project Imports Regulations, 1986 the importers are required to submit a reconciliation statement within three months from the date of clearance for home consumption of the last consignment of the goods. The matter is currently pending before the Deputy Commissioner (Customs), Mumbai.

(b) The CD Department had disputed value of a second hand plant imported by us. Pursuant to the provisional assessment order dated December 13, 2002, we have paid full customs duty amounting to approximately Rs. 46.50 million as demanded by the CD Department and are seeking refund of the same. The matter is pending before the Assistant Commissioner (Customs), Mumbai.

(c) In December 2003, the CD Department has issued a show cause notice demanding us to explain as to why the carnet value of the special roll slitting and winding machine should not be loaded with insurance and freight charges. The differential customs duty demanded by the CD Department is approximately Rs. 2.23 million. The last hearing was held on April 13, 2005, and the order is awaited.

(d) The CD Department vide a notice dated October 31, 2003 has alleged that the DEPB licence, under which we had imported certain goods, was obtained by wrongful declaration of facts. We had bought the DEPB licence from the open market. The CD Department has demanded customs duty in respect of goods imported under the said DEPB licence. The amount of customs duty demanded is approximately Rs. 1.29 million. The matter is pending for adjudication before the Commissioner (Customs), New Delhi.

(e) The CD Department has issued a show cause notice dated September 24, 2003 to us as to why penalty should not be imposed on us for having not filed the annual performance report for the period subsequent to the debonding of our 100% EOU. The amount in relation to the said disputed is not ascertainable. The matter is pending before the Assistant Development Commissioner, Mumbai.

3.4 **Sales Tax**

There are pending disputes against us relating to sales tax assessments for the financial years 1987-88; 1991-92; 1997-98; 1998-99; 2002-03; 2003-04 and 2004-05. The aggregate amount of sales tax in dispute in these cases is approximately Rs. 3.20 million. A brief summary of the said disputes is as follows:

(a) Financial year 1987-88:

The Sales Tax Department ("ST Department") had, vide rectification order issued in July 1999, claimed tax differential (i.e. difference between the concessional sales tax paid by us and sales tax otherwise applicable) for purchase of high-speed diesel using sales tax concessional forms, as the same was not mentioned in the registration certificate. The amount of sales tax demanded by the ST Department is approximately Rs. 0.29 million. We have filed an appeal, no. 389 dated August 16, 1999, before the Sales Tax Tribunal ("STT") and deposited the said amount.

(b) Financial year 1991-92:

The ST Department had alleged that there were no high sea sales in relation to certain imported raw materials as claimed by us. Hence, the ST Department had raised a claim of sales tax amounting to approximately Rs. 0.50 million on the grounds that the said raw materials should be treated as taxable sales. We have filed an appeal, no. 250/99, before the STT and deposited the said amount.

(c) Financial year 1997-98:

Upon completion of assessment, the ST Department had sent certain concessional forms submitted by us for verification to the respective issuing departments in other states. The concerned state departments had denied issuance of some such forms. Based thereupon, the Assessing Officer passed a rectification order dated September 30, 2004 and demanded additional sales tax amounting to approximately Rs 0.65 million. We have filed an appeal, no. 782/04, pending before the Joint Commissioner (Appeals). In addition, another notice has been served in relation to certain other concessional forms and the ST Department has demanded additional sales tax amounting to approximately Rs 0.66 million.

(d) Financial year 1998-99:

(i) The ST Department had imposed penalty against us for non-submission of sales tax concessional forms on time. The amount of penalty in this regard is approximately Rs. 0.04 million. We have filed an appeal before the STT and deposited the said amount.

(ii) Upon completion of assessment, the ST Department had sent certain concessional forms submitted by us for verification to the respective issuing departments in other states. The concerned state departments had denied issuance of some such forms. Based thereupon, the Assessing Officer has issued notice dated February 14, 2005 and demanded additional sales tax amounting to approximately Rs 0.33 million.

(e) Financial Year 2002-03

The Deputy Commissioner vide order dated March 31, 2005 has raised a demand of additional sales tax amounting to approximately 0.61 million on the grounds of non-submission of concessional forms.

(f) Financial Year 2003-04

The Deputy Commissioner vide order dated March 31, 2005 has raised a demand of additional sales tax amounting to approximately 0.11 million on the grounds of non-submission of concessional forms.

(g) Financial Year 2004-05

The trade tax officer had rejected our declaration form at the border check post, when our goods were being transported between two states. The trade tax officer had also levied a penalty of approximately Rs. 0.01 million. We have filed an appeal before the Joint Commissioner (Appeals), before which the matter is currently pending.

3.5 **Income Tax**

There are pending disputes against us relating to income tax assessments for the financial years 1989-90; 1990-91; 1991-92; 1992-93; 1994-95; 1995-96; 1997-98; 1998-99; and 2000-2001. The aggregate tax liability under dispute is approximately Rs. 148.01 million. A brief summary of the said disputes is as follows:

(a) Financial year 1989-90:

The Income Tax Department ("IT Department") has disallowed depreciation at the rate claimed by us and, thus, increased book profit for charge of income tax and consequent charge of interest. The tax liability in dispute is approximately Rs. 2.24 million and the appeal, ITA No. 2288/D/93, filed by the IT Department is pending before the Allahabad High Court.

(b) Financial year 1990-91:

The IT Department had demanded an additional tax amounting to approximately Rs. 3.34 million in relation to a dispute regarding deduction under section 80I of the Income Tax Act, 1961 ("IT Act") on balance profits computed after deduction under section 80 HH of the IT Act and disallowance of deduction under section 80HH of the IT Act on the interest income received from customer. The appeal, ITA No. 45/D/94, filed by the IT Department is pending before the Allahabad High Court.

(c) Financial year 1991-92:

The IT Department had demanded an additional tax amounting to approximately Rs. 2.24 million in relation to a dispute regarding deduction under section 80I of the IT Act on balance profits computed after deduction under section 80 HH of the IT Act and disallowance of deduction under section 80HH of the IT Act on the interest income received from customer. The appeal, ITA No. 2718/D/94, filed by the IT Department is pending before the Allahabad High Court.

(d) Financial year 1992-93:

(i) The IT Department had demanded an additional tax amounting to approximately Rs. 3.37 million in relation to disallowance of interest paid to banks against funds utilised by us for giving certain advances. The appeal, ITA No. 2521/D/97, filed by us is pending before the Income Tax Appellate Tribunal ("ITAT") and the next date of hearing is scheduled for June 29, 2005.

(ii) The IT Department had demanded an additional tax amounting to approximately Rs. 6.69 million in relation to disallowance of commission paid to Maharashtra Seamless Limited and disputes the deduction under section 80I of the IT Act on balance profits computed after deduction under section 80 HH of the IT Act. The appeal, ITA No. 3044/D/97, filed by the IT Department is pending before the ITAT and the next date of hearing is scheduled for June 29, 2005.

(e) Financial year 1994-95:

The IT Department had demanded an additional tax amounting to approximately Rs. 1.16 million in relation to a dispute regarding deduction under 80 HH of the IT Act on interest received by us on loan given to our group companies and certain other issues. The appeal filed by us is pending before the ITAT.

(f) Financial year 1995-96:

The IT Department had demanded an additional tax amounting to approximately Rs. 75.69 million in relation to a dispute regarding disallowance of a claim of depreciation on the plant and machinery installed at our facility at Nasik on the ground of non commissioning of the plant and machinery in the relevant year. In addition, certain other disallowances were also made by the IT Department.

We preferred an appeal before the Commissioner of Income Tax (Appeal) ("CIT (A)") against the order of the Assessing Officer. The CIT(A) passed an order in our favour. The IT Department filed an appeal, 2308/D/1, before the ITAT against the order of the CIT(A). The matter is pending disposal and is listed to be heard on July 5, 2005.

(g) Financial Year 1996-97

The IT Department had demanded an additional tax amounting to approximately Rs. 1.18 million upon disallowing expenditure on stores and spares in view of earlier dispute (in financial year 1995-96) regarding non commissioning of the plant and machinery at our unit in Nasik. The IT Department has filed an appeal, ITA No. 763/D/04, which is pending before the ITAT.

(h) Financial year 1997-98:

The IT Department had demanded an additional tax amounting to approximately Rs. 3.59 million in relation to a dispute regarding disallowance of depreciation on customs duty paid for conversion of assets under the 100% export oriented unit scheme to the EPCG and certain other matters. The appeal, ITA No. 4020/D/01, filed by the IT Department, is pending before the ITAT and the next date of hearing is fixed for July 6, 2005.

(i) Financial year 1998-99:

The IT Department had demanded an additional tax amounting to approximately Rs. 41.97 million in relation to a dispute regarding closing stock and other disallowances. The appeal, 182A/02-03 filed by us is pending before the CIT(A).

(j) Financial year 2000-2001:

The IT Department had demanded an additional tax amounting to approximately Rs. 6.54 million in relation to disallowance of expenditure on purchase of a computer software and depreciation on customs duty paid for conversion of assets under the 100% export oriented unit scheme to the export promotion capital goods scheme and certain other matters. The appeal, 587/03-04, filed by us is pending before the CIT(A).

3.6 **Service Tax**

The Assistant Commissioner has issued a notice dated July 22, 2003 alleging that we had paid an amount of approximately Rs. 17.81 million to goods transport operator towards transport and freight charges, but had allegedly not deposited the service tax. The amount of service tax in dispute is approximately Rs. 0.89 million out of which we have already deposited Rs. 0.51 million. We have sought details in relation to the computation of the amount demanded by the Service Tax Department.

3.7 **Other Cases Relating to Statutory Authorities**

In addition, there are eight pending cases relating to demands raised by the statutory authorities against us. The aggregate amount in dispute in these cases is approximately Rs. 24.83 million. A brief summary of the said cases is as follows:

(a) The Uttar Pradesh Power Corporation Limited (“UPPCL”) conducted a surprise check on our facility at Gulaothi on March 16, 1994 and installed a meter to check the accuracy of the meter installed at our premises. Thereafter, the UPPCL had issued a notice whereby it was stated that the regular meter installed at our premises was faulty and was running slow. In 1995, we had filed a writ petition before the Allahabad High Court against the said notice and for refund of approximately Rs. 14.80 million. The said writ petition was disposed of with the direction to hear our appeal and decide the same within two months. Subsequently, the concerned chief inspector gave the report in our favour, which was later confirmed in our favour in an appeal before the Special Secretary, Department of Energy, Government of Uttar Pradesh. The UPPCL filed an appeal, CW No. 28638 of 2000, before the Allahabad High Court. The Allahabad High Court has granted a stay of the refund payable to us as per the order of the Special Secretary. The matter is currently pending before the Allahabad High Court.

(b) Pursuant to a notification dated April 4, 2001 issued by the State Government of Maharashtra, exemption from applicability of electricity duty on captive power plants was withdrawn. A notice dated January 31, 2002 was issued by the Electrical Engineer, Nasik to us demanding payment of electricity duty amounting to approximately Rs. 3.22 million. In May 2002, we had filed a civil writ petition, CWP No. 3132 of 2002, before the Bombay High Court in this regard. The Bombay High Court has granted stay of demand of Rs. 3.22 million and the matter is pending disposal.

(c) The Panchayat Samiti, Igatpuri, Maharashtra vide an order dated August 19, 1998 directed us to pay property tax retrospectively at the rate of Rupee 0.50 per Rs. 100 of the capital value of the factory amounting to approximately Rs. 4.02 million. In July 1999, we had filed a civil writ petition, CWP No. 4189 of 1999, before the Bombay High Court challenging the said order. The Bombay High Court has granted stay of demand on payment by us of approximately Rs. 2.01 million to the Panchayat Samiti, Igatpuri and furnishing a bank guarantee for an equal amount. The matter is pending disposal before the Bombay High Court.

(d) There are three pending cases involving us in relation to a dispute with Uttar Pradesh Pollution Control Board (“UPPCB”) regarding cess on ground water. In 2001, UPPPCB had vide three assessment orders dated October 11, 2001 demanded cess aggregating to approximately Rs. 0.59 million on the ground water used by our facility at Gulaothi. We have filed appeals in all the three cases before the Appellate Authority, Uttar Pradesh Pollution Control Board.

(e) In 2001, two orders were issued by the Commissioner of Stamps, Meerut demanding additional stamp duty amounting to approximately Rs. 0.20 million. The additional stamp duty was levied on the basis that the factory land at our facility at Gulaothi was industrial land at the time of conveyance and not agricultural land as contended by us. In February 2001, we had filed two civil writ petitions namely, CW No. 39921 of 2001 and CW No. 39211 of 2001, before the Allahabad High Court and deposited 50% of the additional stamp duty as demanded. The matter is currently pending before the Allahabad High Court.

4. ***Immovable Property Related Cases***

There are two cases relating to immovable properties pending against us. The aggregate value of the claims against us in these cases is approximately Rs. 44.94 million. A brief summary of the said cases is as follows:

(a) The Land and Development Office, Ministry of Urban Development and Poverty Alleviation, Government of India has issued a letter dated August 19, 2002 to Jindal India Limited alleging misuse and certain unauthorized construction of the property situated at 56, Hanuman Road, New Delhi. Further, a penalty of Rs. 44.14 million has been imposed. We have acquired a portion of the immovable property in question from Jindal India Limited.

(b) The District Magistrate, Bulandshahr, vide a notice dated December 27, 2003, has alleged that we are in unauthorized possession of certain Government land and has directed us to vacate possession on the same. The matter is pending before the District Magistrate for further orders and the amount in dispute is approximately Rs. 0.80 million.

5. ***Labour Disputes***

On April 12, 1993, Mr. Bhanwar Singh, a casual employee of our Company, died. The widow and legal heirs of the deceased had moved the Commissioner under the Workmen's Compensation Act for compensation under the said Act of amount of approximately Rs. 0.13 million. The Commissioner passed an order in our favour. Subsequently, in 1996, the claimants filed an appeal, FAF No. 27/1996, before the Allahabad High Court before which the matter is currently pending.

6. ***Consumer Cases***

There are two consumer cases pending against us before the District Consumer Redressal Forums. One of the said cases namely, Complaint No. 316/99, has been filed by an investor who had applied for 100 Equity Shares and the other case namely, Complaint No. 121/97, has been filed by a shareholder of our Company. The aggregate amount claimed against us under the said cases is approximately Rs. 0.07 million.

7. ***Arbitration Proceedings***

In February 1998, Ray Construction Limited, a contractor of our Company, had instituted arbitration proceedings against us and had appointed an arbitrator on its own, which we had challenged before the Delhi High Court in 1999. The Delhi High Court had set aside the appointment of the said arbitrator and appointed an independent arbitrator in 2002. Ray Construction Limited has claimed a sum of approximately Rs. 34.20 million as unpaid amount towards the work done as per the agreement executed with us. We have disputed the said claim and have also filed a counter claim. The next date of hearing has been fixed for May 4, 2005.

8. ***Other Civil Cases***

In addition, there are six civil cases pending against us. The aggregate amount in dispute in these cases is approximately Rs. 5.27 million. A brief summary of the said cases is as follows:

(a) There are three recovery suits, namely Suit No. 124/03, Suit No. 125/03 and Suit No. 126/03, pending against us in relation to lease of an office space used by us till November 2001. Upon vacation of the said property in February 2002, we had filed cases before the District Court, Delhi against the owners of the property for refund of security deposit aggregating to approximately Rs. 2.08 million. In October 2003, the owners of the said property filed three recovery suits before the District Court, Delhi against us claiming an aggregate sum of Rs. 3.64 million towards the increased/enhanced rent on the said property. The matter is currently pending before the District Court, Delhi and the next date of hearing has been scheduled for May 26, 2005.

(b) In July 2003, Modi Transport, a transport contractor of our Company, had filed a recovery suit before the District Court, Delhi against us claiming a sum of approximately Rs. 0.50 million. The District Court passed an order in favour of the claimant. We had filed an appeal, RFA No. 179 of 2004, before the Delhi High Court. We have deposited Rs. 0.19 million with the Delhi High Court and have furnished a bank guarantee for the balance of the amount claimed. The matter is currently pending before the Delhi High Court and the next date of hearing has been scheduled for September 29, 2005.

(c) In 1997, I.W.L. Limited filed a recovery suit against us before the City Civil Court, Chennai. I.W.L. Limited had claimed an amount of approximately Rs. 0.38 million towards unpaid amount on supply of certain water proofing material to us. In 2001, the Additional Judge, City Civil Court, Chennai had passed an order against us. We have filed an appeal, SR No. 9202 of 2003, before the Chennai High Court. The matter is pending adjudication.

(d) In March 2003, Mr. Rahul Jaura, our insurance consultant, filed a recovery suit namely, S-37 of 2004, before the District Court, Delhi against us. Mr. Rahul Jaura has alleged that certain monies are due from us to him. The amount in dispute is approximately Rs. 0.75 million and the next date of hearing has been scheduled for May 5, 2005.

II. LITIGATION AGAINST OUR DIRECTORS

Our Directors have no outstanding litigation towards tax liabilities, criminal/civil prosecution for any offences (irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act), disputes, defaults, non payment of statutory dues, proceedings initiated for economic offences, in their individual capacity or in connection with our Company and other companies with which the Directors are associated, except as below:

Mr. Punit Gupta, Director (Films)

In one case relating to excise duty against our Company, the Commissioner, ED Department had confirmed demand against us and also imposed a penalty of Rs. 0.20 million on Mr. Punit Gupta, Director (Films). Mr. Punit Gupta has filed an appeal before the CESTAT against the order of the Commissioner. A stay from payment of the penalty was granted by the CESTAT on March 28, 2005.

Mr. Shyam Sunder Jindal, Director

There are two criminal complaints pending against Mr. Shyam Sunder Jindal, Director, filed by Mr. Vimal Swarup in the Court of Judicial Magistrate, Bhopal. The complainant has alleged that Jindal Photo Films Limited (now known as Consolidated Finvest and Holdings Limited) had not supplied certain materials for which an aggregate amount of Rs. 0.28 million had been paid to the company. The complaints were filed under sections 409 and 420 of Indian Penal Code, 1860 against Mr. Jindal and certain directors/officers of Jindal Photo Films Limited. Mr. Jindal had filed two petitions before the Jabalpur High Court. The Jabalpur High Court has stayed the proceedings in both the complaints before the Court of Judicial Magistrate, Bhopal.

Mr. S.J.Khaitan, Director

There are two criminal proceedings pending against Mr. S.J.Khaitan, Director, under the provisions of the Negotiable Instruments Act, 1881, as a director of Rajadhiraj Industries Ltd. The aggregate value of dishonoured cheques is approximately Rs. 5.36 million and one of the matters is pending before the Supreme Court of India and the other is pending before the Judicial Magistrate, Nagpur.

There is an execution petition pending against Universal Conveyor Beltings Ltd., as defendant/judgment debtor for a sum of approximately Rs. 0.08 million along with interest at the rate of 15% per annum. The plaintiff/decree holder has alleged that some of the assets of the defendant are in possession of Mr. Khaitan, who was an independent director of the defendant company. The matter is pending before the District Court, Delhi.

In addition, there is a pending suit against Mr. Khaitan for injunction, declaration and possession with regard to dispute relating to ownership of land purchased by Mr. Khaitan. The matter is pending before the Court of Sub-Divisional Magistrate, Mehrauli, New Delhi.

III. LITIGATION AGAINST OUR SUBSIDIARIES

1. Hindustan Polyester Limited
   - A. Contingent liabilities not provided for as of December 31, 2004: NIL
   - B. Litigation against Hindustan Polyester Limited as on April 30, 2005 : NIL
2. Jindal France S.A.S., France
   - A. Contingent liabilities not provided for as of December 31, 2004: Approximately € 0.08 million
   - B. Litigation against Jindal France S.A.S. as on April 30, 2005: NIL
3. Rexor S.A.S., France
   - A. Contingent liabilities not provided for as of December 31, 2004: Approximately € 0.65 million
   - B. Litigation against: The details of outstanding litigation against Rexor S.A.S., as on April 30, 2005 , are as follows:
     - (a) There is one pending litigation against Rexor S.A.S. whereby an employee of the company has filed a complaint for moral harassment. The matter is pending before the Court of Appeal in France and the amount claimed against the company is approximately € 5,000.
     - (b) There is one pending litigation against Rexor S.A.S. in relation to immovable property. The amount in dispute is approximately € 1,000 and the matter is pending before the High Court of Justice in France.
     - (c) In addition, there are four disputes involving Rexor S.A.S. in relation to the quality of the products supplied by Rexor S.A.S. The said disputes are pending in France and the aggregate amount in dispute is approximately € 20,000.

IV. LITIGATION AGAINST OUR PROMOTERS

1. *Mr. Shyam Sunder Jindal*

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Mr. Shyam Sunder Jindal, as on April 30, 2005 are as follows:

There are two criminal complaints pending against Mr. Shyam Sunder Jindal, Director, filed by Mr. Vimal Swarup in the Court of Judicial Magistrate, Bhopal. The complainant has alleged that Jindal Photo Films Limited (now known as Consolidated Finvest and Holdings Limited) had not supplied certain materials for which an aggregate amount of Rs. 0.28 million had been paid to the company. The complaints were filed under sections 409 and 420 of Indian Penal Code, 1860 against Mr. Jindal and certain directors/officers of Jindal Photo Films Limited. Mr. Jindal had filed two petitions before the Jabalpur High Court. The Jabalpur High Court has stayed the proceedings in both the complaints before the Court of Judicial Magistrate, Bhopal.

2. *Soyuz Trading Company Limited*

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against Soyuz Trading Company Limited as on April 30, 2005: NIL

3. *Rishi Trading Company Limited*

A. Contingent liabilities not provided for as of March 31, 2004: Approximately Rs. 0.49 million

B. Litigation against Rishi Trading Company Limited as on April 30, 2005: NIL

4. *Consolidated Photo & Finvest Limited*

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Consolidated Photo and Finvest Limited, as on April 30, 2005, are as follows:

(a) Income Tax Cases

(Rs. millions)

Assessment Year	Authority/ Forum	Description	Amount in Dispute
1988-89	CIT (A)	Dispute in relation to investment in certain shares.	1.80
1989-90	CIT (A)	Dispute in relation to expenses on foreign travel and unaccounted stock.	0.30
1994-95	ITAT	Dispute in relation to rental income. The next date of hearing is July 4, 2005	1.80
1996-97	ITAT	Dispute in relation to investment allowance, service charges and commission. The next date of hearing is June 14, 2005	8.50

(b) Sales Tax Cases

(Rs. millions)

Assessment Year	Authority/ Forum	Description	Amount in Dispute
1982-83	Allahabad High Court	Dispute in relation to raw materials from Jindal Pipe Limited	0.13
1983-84 1984-85	Joint Commi-ssioner	Dispute in relation to certain compliance requirements pertaining to ST-1 forms.	1.30
1984-85	Delhi High Court	Dispute in relation to certain compliance requirements pertaining to ST-1 forms.	1.20
1991-92 1992-93	Allahabad High Court	Dispute in relation to certain exemptions and lease of immovable properties.	Not ascertainable
1993-94	Sales Tax Tribunal	Dispute in relation to rate of tax on packaging material.	0.03

(c) **Customs and Excise Duty Cases**

(Rs. millions)

Forum/Authority	Description	Amount in Dispute
Supreme Court of India	Dispute in relation to customs duty on imported machinery.	1.24
Mumbai High Court	Dispute in relation to exemption from special additional duty.	97.68
Collector of Customs	Dispute in relation to re-assessment of 16 bills of entry.	5.00
Assistant Collector	Dispute in relation to remission of customs duty on certain imported goods.	1.44
Commissioner (Appeals)	Dispute in relation to differential duty on jumbo rolls.	3.18
Commissioner (Appeals)	Dispute in relation to differential duty on jumbo rolls.	0.10

(d) In addition, there is one pending civil case, Company Petition No. 2/111/2005-CLB, against the company. The company has received a notice from the Company Law Board, New Delhi. The petition has been filed by Asian Hotels Limited against the company under section 111A of the Companies Act.

5. Jindal Photo Investments Limited

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Jindal Photo Investments Limited, as on April 30, 2005, is as below:

There is one pending civil case, Company Petition No. 2/111/2005-CLB, against the company. The company has received a notice from the Company Law Board, New Delhi. The petition has been filed by Asian Hotels Limited against the company under section 111A of the Companies Act.

V. Litigation against Promoter Group Companies and other entities

1. *Jindal Realtors Limited*

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against Jindal Realtors Limited as on April 30, 2005: NIL

2. *Jupax Barter Private Limited*

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Jupax Barter Private Limited, as on April 30, 2005 are as follows:

(Rs. millions)

Title	Authority/Forum	Description	Amount in Dispute
Gaon Sabha Mehrauli vs. Jumbo Finance Ltd	Sub-Divisional Magistrate	Illegal construction on the farm land	Not ascertainable

3. Jumbo Finance Limited

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Jumbo Finance Limited, as on April 30, 2005, are as follows:

(Rs. millions)

Title	Authority/Forum	Description	Amount in Dispute
Gaon Sabha Mehrau li vs. Jumbo Finance Ltd	Sub-Divisional Magistrate	Illegal construction on the farm land	Not ascertainable

4. Passion Tea Private Limited

A. Contingent liabilities not provided for as of December 31, 2004: NIL

B. Litigation against Passion Tea Private Limited as on April 30, 2005: NIL

5. Jindal Thermal Power Limited

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Jindal Thermal Power Limited, as on April 30, 2005 are as follows:

There is one pending civil case, Suit No. 26/04, against Jindal Thermal Power Limited. The amount in dispute is approximately Rs. 0.16 million. The matter is pending before the District Court, Delhi.

6. Jindal (India) Limited

A. Contingent liabilities not provided for as of April 25, 2005: Approximately Rs. 999.90 million

B. Litigation against: The details of outstanding litigation against Jindal (India) Limited, as on April 25, 2005, are as follows:

(a) Sales Tax Cases

(Rs. millions)

Assessment Year	**Authority/Forum**	**Description**	**Net Amount in Dispute**
1998-99	W. B. Commercial Taxes Appellate and Revisional Board	Dispute in relation to taxability of manufacture of cold reolled strips from hot rolled strips.	7.55
2000-01	Deputy Commissioner	Dispute in relation to taxability of manufacture of cold reolled strips from hot rolled strips.	9.84
2001-02	Deputy Commissioner	Dispute in relation to taxability of manufacture of cold reolled strips from hot rolled strips.	7.37

(b) Excise Duty Case

(Rs. millions)

Forum/ Authority	**Description**	**Net Amount in Dispute**
Commissioner (Appeals)	Dispute in relation to disallowance of MODVAT credit on oil circuit breaker.	0.04

7. Jindal Photo Limited

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against: The details of outstanding litigation against Jindal Photo Limited, as on April 30, 2005, are as follows:

(a) Income Tax Cases

(Rs. millions)

Assessment Year	**Forum/ Authority**	**Description**	**Amount in Dispute**
1993-94	Delhi High Court	Interest income not to be part of industrial profit, hence deduction u/s 80HH & 80I is disputed.	2.50
1994-95	ITAT	Dispute relating to deduction under section 80I of the IT Act. The next date of the hearing is scheduled for July 13, 2005.	Not ascertainable
1997-98	ITAT	Dispute in relation to deduction under section 80I of the IT Act.	2.80
1999-00	ITAT	Dispute in relation to tax deductible at source and packing material. The next date of the hearing is scheduled for May 25, 2005.	0.30

(b) Sales Tax Cases

(Rs. millions)

Assessment Year	Forum/ Authority	Description	Amount in Dispute
1992-93 1993-94	Additional Commissioner	Ex-party case relating to certain exports.	4.20
1996-97 1997-98	Sales Tax Tribunal	Dispute regarding rate of tax charged roll film.	4.84
1998-99 1999-00 2000-01 2001-02	Deputy Commissioner	Dispute regarding rate of tax charged roll film.	20.10
1998-99 1999-00	Sales Tax Department, Kolkata	Ex-parte decision on seized records.	7.40
1999-00	Appellate Tribunal	Dispute regarding non-submission of certain forms in relation to transfer of stocks.	1.12
2001-02 2002-03	Trade Tax Tribunal	Dispute regarding entry tax on certain categories of paper.	12.1
2002-03	Joint Commissioner on enhanced sale.	Dispute in relation to interest liability	0.39
2003-04	Assistant Commissioner	Disputes in relation to certain issues arising out of the local sales tax.	Not ascertainable.

(c) Customs and Excise Duty Cases

(Rs. millions)

Forum/ Authority	Description	Amount in Dispute
Bombay High Court	Dispute in relation to exemption from special additional duty.	5.00
Commissioner (Appeals)	Dispute in relation to excise duty payable on reducing the price of certain goods.	2.90
Commissioner (Appeals)	Dispute in relation to differential duty on photographic colour paper.	1.23
CESTAT	Dispute in relation to excise duty on stock cleared from depots.	0.28
Assistant Commissioner	Dispute in relation to differential duty on sigma signing machine.	0.44
Commissioner (Appeals)	Two disputes in relation to whether the process of slitting and cutting of imported inkjet paper and film tantamount to manufacture.	1.23

(d) Other Cases Relating to Statutory Dues

(Rs. millions)

Forum/ Authority	Description	Amount in Dispute
Navi Mumbai Municipal Corporation	Dispute in relation to disallowance of certain sales and transfers of stocks.	1.12
Inspector of Legal Metrology	Dispute in relation to insufficient details on packaging cartons and maximum retail price.	Not ascertainable

8. *Consolidated Finvest and Holdings Limited*

A. Contingent liabilities not provided for as of March 31, 2004: Approximately Rs. 483.96 million.

B. Litigation against: The details of outstanding litigation against Consolidated Finvest and Holdings Limited, as on April 30, 2005 are as follows:

(a) Sales Tax Cases

(Rs. millions)

Forum/ Authority	**Description**	**Amount in Dispute**
Assistant Commissioner	Dispute in relation to sales tax liability of stock transfer for assessment years 2001-02 and 2002-03.	0.77
Uttaranchal High Court	Dispute in relation to sales tax demand raised upon seizure of certain goods in transit.	0.07

(b) Other Civil Cases

(Rs. millions)

Title	**Forum**	**Description**	**Amount involved**
Bajranj Lal Agarwal Vs JPFL	Additional Civil Judge	Dispute in relation to non-receipt of share certificate.	Not ascertainable
JPFL Vs Deepa Ahuja	State Consumer Redressal Forum	Dispute in relation to non-receipt of dividend.	Not ascertainable
Abhay Shanker Agarwal Vs JPFL	District Consumer Redressal Forum	Dispute in relation to demat of shares.	Not ascertainable
Manoj Agarwal Vs JPFL	Civil Court of equity shares.	Dispute in relation to transfer	Not ascertainable
Hazari Lal Gupta Vs JPFL	District Consumer Redressal Forum	Dispute in relation to demat of shares.	Not ascertainable
Prakash Datey Vs Jindal Photo Ltd & Ors.	Bombay High Court	Dispute in relation to bonus equity shares issued in 1994.	Not ascertainable
Asian Hotels Limited Vs Jindal Photo Investments Limited & Others	Company Law Board	The company has received a notice from the Company Law Board, New Delhi. The petition has been filed by Asian Hotels Limited against the company under section 111A of the Companies Act.	Not known.

9. ***Super Industries Private Limited, Nepal***

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against Super Industries Private Limited as on April 30, 2005: NIL

10. ***Flexstar Sales Private Limited***

A. Contingent liabilities not provided for as of March 31, 2004: NIL

B. Litigation against Flexstar Sales Private Limited as on April 30, 2005: NIL

11. ***Bazaloni Group Limited***

A. Contingent liabilities not provided for as of March 31, 2004: Approximately Rs. 1.27 million.

B. Litigation against Bazaloni Group Limited as on April 30, 2005: NIL

12. ***Shyam Jindal (HUF)***

    A. Contingent liabilities not provided for as of March 31, 2004: NIL

    B. Litigation against Shyam Jindal (HUF) as on April 30, 2005: NIL

13. ***B.C. Jindal (HUF)***

    A. Contingent liabilities not provided for as of March 31, 2004: NIL

    B. Litigation against B.C. Jindal (HUF) as on April 30, 2005: NIL

VI. Material Developments after December 31, 2004

Except as stated in the sections titled “Recent Developments”, “Management’s Discussion and Analysis of Financial Statements and Results of Operations-Material Developments since the Last Audited Balance Sheet Date” and “Financial Statements” on pages 8, 146 and 100, respectively, of this Prospectus, no material developments have taken place after December 31, 2004, the date of the latest balance sheet, that would materially adversely affect the performance or prospects of our Company and its subsidiaries taken as a whole.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

We have received the following Government and other approvals pertaining to our business:

1. Facility at Gulaothi, Uttar Pradesh

Description	Reference/Licence No.	Issue Date	Expiry Date
Factory site plan approval and certificate for polyester facility	1058	10.06.2004	Not applicable
Factory site plan approval and certificate for polymer facility	1060	10.06.2004	Not applicable
Licence issued by Controller of Explosives to import and store class B petroleum (290 K.L.) under the Petroleum Act, 1934	UP 3431	25.04.2003	31.12.2005
Licence issued by Controller of Explosives to import and store class B petroleum (100 K.L.) and Class C (340 K.L.) under the Petroleum Act, 1934	UP 3459	04.11.2003	31.12.2005
Licence issued by Controller of Explosives to import and store class A petroleum (570 K.L.) under the Petroleum Act, 1934	UP 3460	04.11.2003	31.12.2005
Licence for storage/use of furnace oil/light diesel oil issued by District Supplier Officer, Bulandshahr under the Solvent, Refinate and Slop (Acquisition, Sale, Storage and Prevention of Juice for Automobile) Order, 2000	05	21.12.2001	31.03.2005
Certificate of registration under the Central Excise Rules for polyester facility	AAACJ7650EXM002	13.05.2004	Not applicable
Certificate of registration under the Central Excise Rules for polymer facility	AAACJ7650EXM003	13.05.2004	Not applicable
Certificate of registration under the Central Sales Tax Act, 1957	HP 5036572	1.10.1974	Until cancelled
Certificate of registration under the Uttar Pradesh Sales Tax Act	HP 0062383	1.10.1974	Until cancelled

Consents/Licences for which renewals have been applied:

a) Licence number BUL 120 dated 10.6.2004 under the Factories Act, 1948 (“Factories Act”), for polyester facility had expired on 31.12.2004. A renewal application for the same has been filed.

b) Licence number BUL 470 dated 10.6.2004 under the Factories Act, for polymer facility had expired on 31.12.2004. A renewal application for the same has been filed.

c) Licence number 1(L/99/M.U./22.02.99) dated 22.02.1999 under the Poisons Act, 1919 had expired on 30.09.2004. A renewal application for the same has been filed.

d) Consent number F 34453/C-4/Water/40/2004 dated 15.07.2004 issued by U.P. State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) had expired on 31.12.2004. A renewal application for the same has been filed.

e) Consent number 458/40/04 dated 07.01.2004 issued by U.P. State Pollution Control Board under the Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) had expired on 31.12.2004. A renewal application for the same has been filed.

f) Authorisation number 97/Haz/Auth/6/2003 dated 16.12.2003 issued by U.P. State Pollution Control Board under the Hazardous Waste (Management and Handling) Rules, 1989 (“Hazardous Waste Rules”) had expired on 16.12.2004. A renewal application for the same has been filed.

2. Facility at Nasik, Maharashtra.

Description	Reference/Licence No.	Issue Date	Expiry Date
Green Card issued by Department of Special Economic Zone, Ministry of Commerce declaring the facility as a unit in an export promotion zone	Green Card No. 0001312	08.05.2003	07.05.2006
Permission to set up a 100% export oriented unit for the production of 24,000 MT under the EOU Scheme	01(2003)/SEEPZ/ EOU/05/03-04/263	08.05.2003	07.05.2006
Approval for revision in the export and import projections from Development Commissioner, Santacruz Electronic Export Promotion Zone	SEEPZ-SEZ/EOU-01/ 2002-03/3572	18.05.2004	Not applicable
Registration of generating sets under Bombay Electricity Duty Rules, 1962 for industrial purposes	C.E. (Elec.)/ Desk – 5(4)/ 361/2003	23.07.2003	Not applicable
Registration of generating sets under Bombay Electricity Duty Rules, 1962 for captive generation industry	CE/(E)/Desk-5/40	21.01.1998	Not applicable
Consent under Electricity (Supply) Act 1948 by Superintendent Engineer, Maharashtra State Electricty Board for installation of diesel generating set of 3.94 MW as captive power plant	Cell/Cap.Gen/502944	15.01.1996	Not applicable
Certificate issued for the use of Boiler MR/12972 under Indian Boilers Act, 1923	No. 32	28.06.2004	27.06.2005
Certificate issued for the use of Boiler MR/12973 under Indian Boilers Act, 1923	No. 46	07.07.2004	06.07.2005
Certificate issued for the use of Boiler MR/12571 under Indian Boilers Act, 1923	No. 82	28.07.2004	27.07.2005
Certificate issued for the use of Boiler MR/12484 under Indian Boilers Act, 1923	No. 83	07.08.2004	06.08.2005
Certificate issued for the use of Boiler MR/12485 under Indian Boilers Act, 1923	No. 84	26.08.2004	25.08.2005
Provisional order issued under Indian Boilers Act, 1923 for the use of Boiler MR/13502	No. 4	13.08.2004	12.08.2005
Licence issued by the Chief Controller of Explosives, to import and store 712 KL of petroleum under the Petroleum Act, 1934	P-12(7) 4073	18.01.1999	31.12.2007
Licence issued by the Chief Controller of Explosives, to import and store 1361 KL of petroleum under the Petroleum Act, 1934	P-12(7) 3975/MR/NK/312	11.03.1996	31.12.2005
Consent issued by Maharashtra Pollution Control Board to establish/ operate, granted under the Water Act, the Air Act and the Hazardous Wastes Rules	BO/RONK/NASHIK – 92/R/CC-226	01.01.2002	31.12.2005
Licence for 50 ton weigh bridge	0885534/0980518	27.03.2004	27.3.2006
Licence for 60 ton weigh bridge	1029053	16.12.2004	15.12.2005
Certificate of registration under the Finance Act, 1994	AAACJ7650EST001	21.01.2005	Not applicable
Certificate of registration under the Bombay Sales Tax Act, 1959	422403-S-166	14.03.1995	Not applicable
Certificate of registration under the Central Sales Tax Act, 1957	422403-C-39	14.03.1994	Not applicable
Certificate of entitlement under the Bombay Sales Tax Act, 1959	422403/S/166/E-3/LM/1746	16.04.1996	15.04.2007

Certificate of entitlement under Bombay Sales Tax, Act, 1959	422403-S-166/136/LM/1008	22.01.2003	26.05.2011
Eligibility certificate under the Bombay Sales Tax Act, 1959	FINC(1)/1993/Exemption/EC-4491	24.01.2003	26.05.2011
Certificate of registration as employer under the Professions, Trades, Callings and Employments Act, 1975	PT/R/1/5/12/163	11.11.1994	Not applicable
Certificate of registration for enrollment and payment of tax under the Professions, Trades, Callings and Employments Act, 1975	PT/E/1/5/12/17/6	28.04.2004	Not applicable
Certificate of registration under the Central Excise Rules, 2002	AAACJ7650EXM001	01.09.2004	Valid till company carries on the specified activity.
Certificate of registration under the Central Excise Rules, 2002 for operating a 100% export oriented unit	AAACJ7650EXM004	19.11.2003	Not applicable

Consents/Licences for which renewals have been applied:

a) Licence number Nasik/ 302/93-A dated 09.05.1990 under the Factories Act, 1948, for unit-1 at Nasik had expired on 31.12.2004. A renewal application for the same has been filed.

b) Licence number Nasik/ 393/22-A dated 13.03.1996 under the Factories Act, 1948, for unit-2 at Nasik had expired on 31.12.2004. A renewal application for the same has been filed.

c) Consent number BO/RONK/NASHIK – 30/61-04/O/CC-74 dated 01.04.2004 issued by Maharashtra Pollution Control Board to operate, granted under the Water Act, the Air Act and the Hazardous Wastes Rules had expired on 28.02.2005. A renewal application for the same has been filed.

3. Facility at Khanvel, Dadra & Nagar Haveli.

Description	Reference/Licence No.	Issue Date	Expiry Date
License under the Factories Act	369	11.09.1995	31.12.2005
License issued by the Chief Controller of Explosives, to import and store 450 KL of petroleum under the Petroleum Act, 1934	P-12(9) 122 SIL-24	22.05.1996	31.12.2006
Registration of generating set	No WRIO/J-6580/ 96-97/DD/1351	09.08.1996	Not applicable
Certificate of registration under the Dadra & Nagar Haveli Sales Tax Act, 1983 for manufacturing activities	DNH/ST/1686	21.07.1995	Not applicable
Certificate of exemption from sales tax under the Dadra & Nagar Haveli Sales Tax Act, 1983 for manufacturing activities	ADM/DNH/EXEMPT/ ST/99/594	09.09.1996	08.09.2011
Certificate of registration under the Dadra & Nagar Haveli Sales Tax Act, 1983 for trading activities	DNH/ST/1686	21.07.1995	Not applicable
Certificate of registration under the Central Sales Tax Act, 1957 for manufacturing activities	DNH/CST/1617	21.07.1995	Not applicable
Certificate of registration under the Central Sales Tax Act, 1957 for trading activities	DNH/CST/1617	21.07.1995	Not applicable
Certificate of registration under the Central Excise Rules, 2002 for manufacturing activities	AAACI0813JXM 001	08.06.2004	Not applicable
Certificate of registration under the Central Excise Rules, 2002 for trading activities	AAACJ7650EX D005	07.09.2004	Not applicable

Consents/Licences for which renewals have been applied:

a) Consent number PCC/DDD/o-383/KV/WA/95-96/598 dated 23.11.1995 issued by Daman Diu & Dadra & Nagar Haveli Pollution Control Board to operate, granted under the Water Act, the Air Act and the Hazardous Wastes Rules had expired on 31.07.2001. A renewal application for the same has been filed.

b) Consent number PCC/DDD/o-383/KV/WA/95-96/761 issued by Daman Diu & Dadra & Nagar Haveli Pollution Control Board to establish/operate, granted under the Water Act, the Air Act and the Hazardous Wastes Rules, 1989 had expired on 30.09.2001. A renewal application for the same has been filed.

4. Sales Depots at (i) Dadra, Dadra & Nagar Haveli; (ii) Daman & Diu; and (iii) Surat, Gujarat

Description	**Reference/Licence No.**	**Issue Date**	**Expiry Date**
Certificate of registration under the Central Sales Tax Act, 1957 for the sales depot at Dadra	DNH/CST/821	23.04.1991	Until cancelled
Certificate of registration under the Dadra & Nagar Haveli Sales Tax Act, 1983 for the sales depot at Dadra	DNH/ ST/ 869	23.04.1991	Until cancelled
Certificate of registration under the Central Sales Tax Act, 1957 for the sales depot at Daman	DA/ CST/ 3369	15.12.1994	Until cancelled
Certificate of registration under the Sales Tax Rules, 1964 for the sales depot at Daman	DA/ 3875	15.12.1994	Until cancelled
Certificate of registration under the Central Sales Tax Act, 1957 for the sales depot at Surat	Guj-16-C-3274	05.04.1986	Until cancelled
Certificate of registration under the Gujarat Sales Tax Act for the sales depot at Surat	2216017129	01.07.2002	Until cancelled

5. RBI Approvals

We have received an approval numbered EC.CO.OID.2519/19.33.01/2003-04 dated October 14, 2003 from the RBI for acquiring Rexor Technologies, France (now merged with Jindal France S.A.S.) and Rexor SA (now known as Rexor S.A.S.) through a special purpose vehicle to be set up in France with an investment of Euro 3.66 million.

6. Other Approvals

We have received the following approvals relating to the Issue:

- Pursuant to the subscription agreement dated January 6, 2005 with DEG, we are required to take its positive assent for the Issue. The positive assent of DEG, vide letter dated February 23, 2005, has been obtained in this regard.
- Pursuant to the foreign currency term loan agreement dated January 31, 2003 with the State Bank of India, we are required to take its consent for the Issue. The consent of State Bank of India, vide letter dated February 16, 2005, has been obtained in this regard.
- Pursuant to the credit facility agreement dated September 3, 2004 with the ICICI Bank Limited, we are required to take its consent for the Issue. The consent of ICICI Bank Limited, vide letter dated February 18, 2005, has been obtained in this regard.
- Pursuant to the letter of intent dated January 27, 1999 and deed of assignment dated April 3, 2003 with the UTI Bank Limited, we are required to take its consent for the Issue. The consent of UTI Bank Limited, vide letter dated February 14, 2005, has been obtained in this regard.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on January 6, 2005, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

Our shareholders have authorised the Issue by a special resolution in accordance with section 81(1A) of the Companies Act, passed at the extra ordinary general meeting of our Company held on January 31, 2005 at Gulaothi, Uttar Pradesh.

We have also obtained all necessary contractual consents required for the Issue. For further information, please see the section titled "Government and Other Approvals" on page 176 of this Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, directors or the person(s) in control of our Promoters, our subsidiaries, our affiliates and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the Promoters, their relatives, the Company or the Promoter group companies are detained as wilful defaulters by RBI/ government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Eligibility for the Issue

We are eligible for the Issue as per Clause 2.3.1 of the SEBI Guidelines and as more particularly explained under:

- The Issue size of upto Rs. 3,000 million alongwith the previous issues of Equity Shares in this Financial Year 2004-2005 (i.e. issue of 1,300,000 Equity Shares at Rs. 360 per Equity Share aggregating Rs. 468 million to DEG and issue of 6,122,556 Equity Shares upon conversion of CCPS (Series – II) and CCPS (Series – III) for Rs. 153.35 million) aggregates to Rs. 3,621.35 million. The said aggregate, i.e. Rs. 3,621.35 million, does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2004 (i.e. 5 x Rs. 4,332.78 million = Rs. 21,663.90 million);
- Our Company has changed its name with effect from April 19, 2004 (i.e. in the last one year). The revenue accounted for by our poly films segment (which is the activity suggested by our new name) was approximately Rs. 3,639.55 million out of total revenue of approximately Rs. 6,352.36 million as per the audited accounts for the year ended March 31, 2004. Hence, the revenue accounted for by our poly films segment was more than 50% of our total revenue as per the audited accounts for the year ended March 31, 2004.

Disclaimer Clause

AS REQUIRED, A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND JM MORGAN STANLEY PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND JM MORGAN STANLEY PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 17, 2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.

WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS."

All legal requirements pertaining to the Issue have been complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the issue have been complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

The filing of the Prospectus does not, however, absolve the Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Prospectus.

Disclaimer from our Company and the BRLMs

Our Company, our Directors, and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.jindalpoly.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLMs and us dated March 31, 2005 and the Underwriting Agreement entered into among the Underwriters and us.

All information shall be made available by us and BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted Non-Residents including NRIs, FIIs and eligible foreign investors. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been filed with SEBI for observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares are only being offered or sold in the United States to "Qualified Institutional Buyers" as defined in Rule 144A under the US Securities Act, 1933 ("Securities Act"), and outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Disclaimer clause of the BSE

As required, a copy of this Prospectus has been submitted to the BSE. BSE has given by its letter dated May 4, 2005, permission to the Company to use BSE's name in this Prospectus as one of the stock exchanges on which this Company's further securities are proposed to be listed. BSE has scrutinised this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Prospectus has been cleared or approved by BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this Prospectus has been submitted to NSE. NSE has given by its letter NSE/LIST/13066-9 dated May 11, 2005, permission to us to use NSE's name in this Prospectus as one of the stock exchanges on which our further securities are proposed to be listed. The NSE has scrutinised this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that this Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 021.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act has been delivered for registration with RoC situated at West Cott Road, M.G. Road, Kanpur, Uttar Pradesh.

Listing

Our existing Equity Shares are listed on the BSE and the NSE. We had applied for voluntary delisting of our Equity Shares from the Uttar Pradesh Stock Exchange Association Limited, the Delhi Stock Exchange Association Limited, the Stock Exchange, Ahmedabad, and the Calcutta Stock Exchange Association Limited.

The Uttar Pradesh Stock Exchange Association Limited has delisted the securities of our Company with effect from January 30, 2004 vide notice dated February 5, 2004.

The Delhi Stock Exchange Association Limited has delisted the securities of our Company with effect from February 11, 2004 pursuant to letter dated February 10, 2004.

The Stock Exchange, Ahmedabad has delisted the securities of our Company with effect from March 31, 2004 pursuant to letter dated April 8, 2004.

We have applied for delisting of our securities at the Calcutta Stock Exchange Association Limited by our letters dated November 25, 2003 and January 7, 2004. We await the delisting approval from Calcutta Stock Exchange Association Limited.

Applications have been made to the BSE and the NSE for permission for listing of our Equity Shares being offered through the Red Herring Prospectus and this Prospectus.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the date of Bid Closing Date/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalisation of the basis of allotment for the Issue.

Consents

Consents in writing of: (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to the Issue; and (b) the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

Kanodia Sanyal & Associates, Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

Expert Opinion

Except as stated in the sections titled “Objects of the Issue” , “Statement of Tax Benefits” and “Financial Statements” beginning on pages 30, 36 and 100 respectively, of the Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

(Rs. in million, unless otherwise stated)

Activity	**Expense**	**% of Total Issue Expenses**	**% of Total Issue Size**
Lead management, underwriting and selling commission	upto 108	upto 56.54	upto 3.60
Advertisement & Marketing expenses	41	21.47	1.37
Printing, stationery including transportation of the same	26	13.61	0.87
Others (Registrar’s fees, Legal fees, listing fees, etc.)	16	8.38	0.53
Total estimated Issue expenses	**191**	**100**	**6.37**

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the corporate office of our Company and reimbursement of their out of pocket expenses.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with our Company, a copy of which is available for inspection at the corporate office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Issues otherwise than for Cash

We have not issued any Equity Shares for consideration otherwise than for cash, except as below:

- At the time of incorporation of our Company on September 9, 1974, we had issued and allotted 30,000 Equity Shares to the subscribers to our Memorandum of Association in lieu of certain assets situated at 22nd Mile, Delhi-Hapur Road, P.O. Jindal Nagar, Ghaziabad, Uttar Pradesh transferred by such subscribers in favour of our Company.
- We had issued and allotted 2,888,400 CCPS (Series-II) of Rs. 10 each fully paid up on May 29, 1995 to the shareholders of the erstwhile Northern Plastics & Finance Company Limited pursuant to a scheme of amalgamation approved by the Allahabad High Court and the Delhi High Court. The CCPS (Series-II) have been converted into 5,776,800 Equity Shares, which have been issued and allotted on March 22, 2005.
- We had issued and allotted 12,447,163 CCPS (Series-III) of Rs. 10 each fully paid up on March 22, 2000 to the shareholders and debenture holders of the erstwhile Patel Poly Products Private Limited and India Polyfilms Limited pursuant to a scheme of amalgamation approved by the Allahabad High Court and the Delhi High Court and the Ahmedabad High Court. The CCPS (Series-III) have been converted into 345,755 Equity Shares, which have been issued and allotted on March 22, 2005.

For details of bonus issues made by us, see Note 1 of section titled "Capital Structure - Notes to the Capital Structure" on page 22 of this Prospectus.

Commission and Brokerage paid on Previous Issues of our Equity Shares

Name of issue	Month and Year	Commission and Brokerage (Rs. in million)
Public Issue of Equity Shares	August 1994	12.09

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Promise vs. Performance – Last Three Issues

We had made an initial public offering in August 1994 for a sum of Rs. 302.25 million. In the offer document for the purpose of the said issue, following projections were made.

(Rs. millions, unless otherwise indicated)

	Projections			Performance		
	1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
Capacity Utilisation (%)	89	89	89	100	100	100
Sales	2,334.80	2,754.00	2,754.00	2,521.70	3,252.90	2,944.40
Profit before depreciation, interest and tax	425.00	505.40	501.70	437.71	368.58	357.15
Depreciation	47.30	51.90	55.90	44.68	54.87	145.94
Interest	62.30	40.80	23.50	49.95	45.17	191.18
Profit before tax	315.40	412.70	422.30	343.07	268.54	20.02
Profit after tax	225.60	275.40	281.20	241.10	268.50	17.40
Profit after tax and dividend on preference shares	220.70	270.50	276.30	223.85	262.20	(-)14.58
Earning Per Share (Rs.)	35.76	43.84	44.78	38.45	42.49	1.71
Net cash accruals	257.20	306.10	315.90	268.53	301.63	131.36
Book value (Rs.)	119.40	160.24	202.02	159.40	200.59	99.10
Equity capital	61.70	61.70	61.70	61.70	61.70	123.40
Preference capital	81.40	81.40	81.40	110.28	110.28	110.28
Reserves	675.00	927.00	118.48	947.85	1,200.50	1,121.02
Dividend (%)						
Equity	25	30	30	25	25	25
Preference	6	6	6	6	6	6

In the year 1995-96, we could not achieve some of the projections due to unprecedented rise in major raw material prices. As a result the profit margin during the year was comparatively low. In the year 1996-97, although our Company achieved volume wise growth, we could not achieve some of the projections due to sharp reduction in selling prices.

The funds raised from the said capital issue were utilized towards the objects of the issue as mentioned in the offer document.

Promise vs. Performance – Last Issue of Group/Associate Companies

Consolidated Finvest and Holdings Limited:

Jindal Photo Films Limited (now known as Consolidated Finvest and Holdings Limited) had made a composite offer (rights offer cum public offer) of equity shares and cumulative convertible preference shares in January-February 1995 aggregating Rs. 1,915.60 million. In the offer document for such issuance, the company had made certain projections for five financial years. The table below sets forth actual results for the indicated periods as compared to the projections:

	Projections					Performance				
	1994-95	**1995-96**	**1996-97**	**1997-98**	**1998-99**	**1994-95**	**1995-96**	**1996-97**	**1997-98**	**1998-99**
Installed Capacity (Quantity in million)										
Photographic Color /Black & White/Coated Art Paper (Square Meters)	30.40	30.40	30.40	30.40	30.40	20.80	20.80	20.80	20.80	22.60
Color Roll Film/ X-ray films /Graphic Art Film/Cine Color positive Films (Square. Meter.)	16.10	16.10	16.10	16.10	16.10	6.00	6.00	6.00	7.73	12.23
Spools (Nos.)	-	-	43.20	43.20	43.20	Please refer to the Note below				
Cassettes (Nos.)	-	-	44.00	44.00	44.00					
Camera (Nos.)	-	-	0.25	0.25	0.25					
Photochemicals (Litres)	-	0.20	0.20	0.20	0.20					
Capacity Utilization (%)										
Photographic Color /Black & White/Coated Art Paper (Square Meters)	34.26	43.50	51.00	59.22	59.22	51.20	47.50	52.31	56.35	56.33
Color Roll Film/ X-ray films/Graphic Art Film /Cine Color positive Films (Square Meter)	36.05	48.78	60.46	67.72	67.72	54.83	60.17	57.17	50.19	32.71
Spools	-	-	72.22	84.50	84.50	Please refer to the Note below				
Cassettes	-	-	70.91	82.96	82.96					
Camera	-	-	50.00	60.00	70.00					
Photochemicals	-	37.50	80.00	85.00	85.00					
						(Rs. in million, unless otherwise indicated)				
Total Income	3309.90	4399.90	5463.50	6208.40	6228.40	2646.90	2834.22	3391.72	3505.30	3737.98
Profit before Interest & Depreciation	424.20	562.90	739.40	829.60	817.00	420.07	410.96	497.46	482.40	397.92
Interest	33.50	-	-	-	-	-	8.86	-	-	44.13
Depreciation	16.20	37.60	72.40	72.40	72.40	14.11	23.53	43.33	46.30	48.03
Operating Profit	374.50	525.30	667.00	757.20	744.60	405.96	378.57	454.13	436.10	305.76
Taxation	10.40	8.20	5.60	10.80	13.30	47.00	-	-	3.50	13.50
Net Profit	364.10	517.10	661.40	746.40	731.30	358.96	378.57	454.13	432.60	292.26
Equity Capital	144.70	170.00	170.00	428.90	428.90	113.44	168.93	168.94	427.12	427.12
CCPS Capital	243.70	258.90	258.90	-	-	-	258.15	258.17	-	-
Earning per Equity Share (Rs.)	32	29	37	17	17	32	9	11	10	7
Dividend on Convertible Preference Shares	-	10%	10%	10%	-	NA	10%	10%	10% (pro-rata)	NA
Dividend on Equity Shares	20%	25%	30%	30%	30%	20%	12%	12%	12%	11%

Note: Funds raised from the said issue were not fully utilized by the company for the purposes as mentioned in the offer document due to change in market conditions for photographic products, which resulted in possibilities of cheaper sourcing through imports rather than manufacturing in India and certain other commercial considerations. A major part of the issue proceeds was, therefore, used for investments in liquid instruments and in buying shares in group companies. Actual utilization of the issue proceeds by the company is given below. The information under clause 43 of the Listing agreement regarding projections vs. performance was also reported in the directors' report forming part of annual reports of the company till fiscal year 1998.

(Rs. millions)

Name of Project	Cost of Project as per Offer Document	Actual Amount Incurred
Dadra Project	417.50	277.90
Spool & Cassette	333.40	-
Camera	114.30	-
Photo Finish Labs	227.00	93.10
Photo Chemical	37.70	68.60
Marketing Offices/Warehouse	70.00	33.50
Working Capital	293.70	293.70
Preoperative Expenses	30.00	Actual amount incurred is included in above projects
Preliminary and Public Issue Expenses	81.90	61.30
Contingencies	90.00	Actual amount incurred is included in above projects
Investments in New Projects	220.00	29.90
Investments	-	1057.60
Total	**1,915.60**	**1,915.60**

2. *Soyuz Trading Company Limited*

   Soyuz Trading Company Limited had made initial public offer of equity shares in December 1981 aggregating Rs. 2 million. Soyuz Trading Company Limited had not made any projections in the offer document for the said public issue. The funds raised from the said capital issue were utilized by the company for its business as mentioned in the offer document.

3. *Rishi Trading Company Limited*

   Rishi Trading Company Limited had made initial public offer of equity shares in August 1980 aggregating Rs. 2 million. Rishi Trading Company Limited had not made any projections in the offer document for the said public issue. The funds raised from the said capital issue were utilized by the company for its business as mentioned in the offer document.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds.

Outstanding Preference Shares

Nature of Preference Shares	Face Value (Rs.)	Number of Preference Shares	Date of Redemption
2% Redeemable cumulative preference shares (Series I)	10	66,000,000	On or prior to December 31, 2008

Stock Market Data of our Equity Shares

The following table sets forth, for the periods indicated, the high and low and average of daily closing prices of our Equity Shares on the NSE, unless otherwise mentioned.

(Rs.)

Period	High	Low	Average[(1)]
Fiscal year 2003	123.90	56.10	99.10
Fiscal year 2004	368.00	102.30	230.83
Fiscal Year 2005	561.50	296.00	385.70
December 2004	356.90	335.70	349.80
January 2005	510.50	392.60	487.30
February 2005	545.00	504.10	526.30
March 2005	523.00	472.00	498.95
April 2005	548.80	473.00	497.21
May 2005	525.00	450.00	487.50

(1) Average of the daily closing price of our Equity Shares for the period

The following table sets forth the number of Equity Shares traded on the days high and low prices of our Equity Shares was recorded on the NSE, unless otherwise mentioned, for the fiscal years 2003, 2004 and 2005.

Fiscal Year	High Date	Number of Equity Shares Traded	Low Date	Number of Equity Shares Traded
2003	August 9, 2002	1,390	April 1, 2002	2,048
2004	January 8, 2004	51,511	May 30, 2003	7,068
2005	February 23, 2005	24,960	May 17, 2004	1,300

The following table sets forth the number of Equity Shares traded on the days high and low prices of our Equity Shares was recorded on the NSE for the last six months preceding the date of filing of this Prospectus with SEBI.

Month	High Date	Number of Equity Shares Traded	Low Date	Number of Equity Shares Traded
December 2004	December 30, 2004	9,083	December 6, 2004	11,625
January 2005	January 14, 2005	11,013	January 3, 2005	1,976
February 2005	February 23, 2005	24,960	February 1, 2005	22,210
March 2005	March 11, 2005	23,444	March 31, 2005	31,852
April 2005	April 19, 2005	33,571	April 1, 2005	26,801
May 2005	May 30, 2005	38,758	May 27, 2005	38,083

The following table sets forth the total volume of Equity Shares traded and the volume of business transacted on the NSE, unless otherwise mentioned, during the fiscal years 2003, 2004 and 2005:

(Rs. millions)

Fiscal Year	Number of Equity Shares Traded	Volume of Business Transacted
2003	530,054	51.47
2004	3,949,792	1,304.72
2005	3,079,882	1279.43

The following table sets forth total volume of Equity Shares traded and the volume of business transacted on the NSE during the six months preceding the date of filing of this Prospectus with SEBI.

(Rs. millions)

Month	Number of Equity Shares Traded	Volume of Business Transacted
December 2004	251,985	88.89
January 2005	323,231	160.38
February 2005	498,194	261.25
March 2005	434,819	217.25
April 2005	701,400	348.22
May 2005	793,869	389.19

Other Disclosures

The closing market price of our Equity Shares on January 7, 2005, the day after the day our Board approved the Issue, was Rs. 487.80 per Equity Share.

Our Equity Shares are actively traded on the BSE and the NSE.

Except as disclosed on page 29 of this Prospectus, our Promoter group, or the directors of our Promoter companies or our Directors have not purchased or sold any securities of the Company during a period of six months preceding the date on which this Prospectus is filed with SEBI.

Mechanism for Redressal of Investor Grievances by our Company

The Memorandum of Understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances by our Company

We have 4 investor grievances pending against us as on May 30, 2005. No investor grievance is pending for over one month.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Sunit Maheshwari, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Jindal Poly Films Limited
56, Hanuman Road
New Delhi- 110 001
Tel: +91 11 2334 9270-74
Fax: +91 11 2374 8209
E-Mail: jpfl_fpo@jindalpoly.com

Mechanism for Redressal of Investor Grievances by Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act.

Changes in Auditors

There have been no changes of the auditors in the last three years.

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time during last five years, except for the bonus issue of 2,888,400 Equity Shares amounting to Rs. 28.88 million out of the share premium account pursuant to conversion of CCPS (Series-II) in March 2005.

Revaluation of Assets

We have not revalued our assets in the past five years.

ISSUE STRUCTURE

The present Issue of 8,333,325 Equity Shares at a price of Rs. 360 per Equity Share for cash aggregating upto Rs. 3,000 million is being made through a book building process.

	QIBs	Non-Institutional Bidders	Retail Institutional Bidders
Number of Equity Shares*	Up to 4,166,662 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Minimum of 1,249,998 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders	Minimum of 2,916,665 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for allocation	Up to 50% of Issue or Issue less allocation to Non Institutional Bidders and Retail Individual Bidders	Minimum 15% of Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders	Minimum 35% of Issue or Issue less allocation to QIB Bidders and Non Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Discretionary	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares	15 Equity Shares and in multiples of 15 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits	Such number of Equity Shares not exceeding the Issue subject to applicable limits	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 Million and pension funds with minimum corpus of Rs. 250 Million in accordance with applicable law	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions societies and trusts	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate
Margin Amount	Nil	Full Bid Amount on bidding	Full Bid Amount on bidding

* Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spillover from any other categories at the discretion of our Company, in consultation with the BRLMs.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by our Company after the date of allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act. We pay dividend through issue of dividend warrants.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this Prospectus at a total price of Rs. 360 per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see the section titled "Main Provisions of Articles of Association of the Company" beginning on page 209 of this Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 15 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount payable on application, including devolvement of Underwriters, within 60 days from the Bid Closing Date/Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount (i.e. 60 days from the Bid Closing Date/Issue Closing Date), we shall pay interest prescribed under Section 73 of the Companies Act.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be available for allocation on a discretionary basis to QIBs. Further, not less than 35% shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, without assigning any reason therefor. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs applying on a non-repatriation basis	White
Non-Residents, NRIs or FIIs applying on a repatriation basis	Blue

Who can Bid

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
2. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
3. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
4. As permitted by the applicable laws, provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
5. Pension funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to invest in equity shares;
6. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
7. Indian mutual funds registered with SEBI;
8. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
9. Multilateral and bilateral development financial institutions;
10. State Industrial Development Corporations;
11. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
12. Eligible Non-Residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws; and
13. Scientific and/or industrial research organisations authorised to invest in equity shares.

Note: The BRLMs, Syndicate Members and any associate of the BRLMs and Syndicate Members (except asset management companies on behalf of mutual funds, Indian financial institutions and public sector banks) cannot participate in that portion of the Issue where allocation is discretionary, unless specifically permitted by SEBI. Further, the BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. SEBI has, however, pursuant to its letter dated November 25, 2004, permitted certain associates of ICICI Securities Limited, namely ICICI Bank Limited, ICICI Lombard General Insurance Company Limited and ICICI Prudential Life Insurance Company Limited, associates of ICICI Securities Limited, to participate in the portion of public offerings managed by ICICI Securities Limited where allocation is discretionary.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (i.e. Non-Institutional Bidders and QIB Bidders):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid Closing Date/Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Information for the Bidders:

(a) Our Company has filed the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLMs shall declare the Bid Opening Date/Issue Opening Date and the Bid Closing Date/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper. This advertisement shall contain the salient features of the Red Herring Prospectus as specified under Form 2A of the Companies Act and shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing to our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in two national newspapers (one each in English and Hindi) and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details see section titled "Issue Procedure - Bids at Different Price Levels" on page 194) of the Red Herring Prospectus within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Issue Procedure - Build up of the Book and Revision of Bids" on page 197 of the Red Herring Prospectus.

(f) The Syndicate Members will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of Payment and Payment into the Escrow Account" on page 195 of the Red Herring Prospectus.

Bids at Different Price Levels

(a) The Price Band was advertised at least one day prior to the Bid Opening Date/Issue Opening Date in The Business Standard (all editions), an English language newspaper with wide circulation, Jan Satta (all editions), a Hindi language newspaper with wide circulation and Amar Ujala (Kanpur edition), a Hindi language newspaper. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.

(b) In accordance with the SEBI Guidelines, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid Opening Date/Issue Opening Date in The Business Standard (all editions), an English language newspaper with wide circulation, Jan Satta (all editions), a Hindi language newspaper with wide circulation and Amar Ujala (Kanpur edition), a Hindi language newspaper.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

(d) We, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

(f) Retail Individual Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 15 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs. 7,000.

Application in the Issue

Equity Shares being issued through this Prospectus can be applied for in the dematerialized form only.

Bids by Mutual Funds

Multiple Bids

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by NRIs

NRI Bidders to comply with the following:

1. Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office, our corporate office, members of the Syndicate or the Registrar to the Issue.
2. NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color).

Escrow Mechanism

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, who is required to pay Margin Amount greater than 0% shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph titled "Issue Procedure - Payment Instructions" on page 201 of the Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account of the Company with the Banker(s) to the Issue. The balance amount after transfer to the Issue Account shall be held for the benefit of the Bidders who are entitled to refunds on the Designated Date, and no later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Bank(s) shall refund all monies to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled “Issue Structure” on page 189 of the Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she or it had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid Closing Date/Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The Syndicate Members will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Members and their authorised agents during the Bidding Period. The Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date/Issue Closing Date, the Syndicate Members shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor
- Investor category – individual, corporate, NRI, FII, or mutual fund etc.
- Numbers of Equity Shares bid for
- Bid price
- Bid cum Application Form number
- Whether payment is made upon submission of Bid cum Application Form
- Depository participant identification no. and client identification no. of the beneficiary account of the Bidder

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder’s responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) Consequently, the member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason therefor, in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed elsewhere in the Red Herring Prospectus and this Prospectus.

(h) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(i) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders through the Syndicate Members shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding Period/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid Closing Date/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company in consultation with the BRLMs, shall finalise the “Issue Price”, the number of Equity Shares to be allotted in each category and the allocation to successful QIB Bidders. The allocation will be decided based, inter alia, on the quality of the Bidder, size, price and time of the Bid.

(c) The allocation for QIBs for up to 50% of the Issue would be discretionary. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue, respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines and the Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) Undersubscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLMs.

(e) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(f) Allocation to Non-Residents applying on repatriation basis will be subject to the applicable law.

(g) We reserve the right to cancel the Issue any time after the Bid Opening Date/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

(h) In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date/Issue Closing Date.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLMs and the Syndicate Members have entered into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we have updated and filed the updated Red Herring Prospectus with the RoC, which then is termed 'Prospectus'. The Prospectus has details of the Issue Price and Issue size and is complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates of the Company between the date of Red Herring Prospectus and the date of this Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) The BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue.

(b) The BRLMs or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees within two working days of the date of Allotment.

(b) As per the SEBI Guidelines, **Equity Shares will be issued and allotted only in the dematerialised form to the allottees**. Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) Read all the instructions carefully and complete the Bid cum Application Form (white or blue in colour) as the case may be;

c) Ensure that the details about your Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;

d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS; and

g) Where Bid(s) is/are for Rs. 50,000 or more, you or in the case of a Bid in joint names, each of the Bidders, should mention your/

his/her Permanent Account Number (PAN) allotted under the IT Act. The copy of the PAN card or PAN allotment letter should be submitted with the application form.

h) If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof .

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit Bid accompanied with Stockinvest.

(i) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White or Blue colour).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. **These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.** Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advices and printing of bank particulars on the refund orders.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, the Bidder would deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Bank nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLMs may deem fit.

We, in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the

Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non-Residents, NRIs and FIIs on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three).
3. NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non-Resident Bidders for a minimum of such number of Equity Shares and in multiples of 15 thereafter that the Bid Amount exceeds Rs. 100,000. For further details see "Issue Procedure - Maximum and Minimum Bid Size" on page 193 of the Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FII applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

PAYMENT INSTRUCTIONS

We shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

(i) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

(ii) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

(iii) The payment instruments for payment into the Escrow Account should be drawn in favour of:

  (a) In case of Resident Bidders: **"Escrow Account – JPFL Public Issue"**

  (b) In case of Non-Resident Bidders: **"Escrow Account – JPFL Public Issue - NR"**

  - In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.
  - In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

(iv) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.

(v) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

(vi) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.

(vii) No later than 15 days from the Bid Closing Date/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the IT Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the sole/first Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/first Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration card (b) Passport (c) Driving licence (d) Identity card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.**

Unique Identification Number ("UIN")

Under the SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time **("MAPIN Regulations"),** and SEBI notifications dated November 25, 2003, July 30, 2004 and August 17, 2004, and press release dated December 31, 2004, no specified investor being a body corporate shall subscribe to securities which are proposed to be listed on any recognized stock exchange unless such specified investor and its promoters and directors have been allotted unique identification numbers or UINs, except (i) those promoters or directors who are persons resident outside India (such promoters or directors are required to obtain their UINs by December 31, 2005) and (ii) where such specified investor being a body corporate has applied for allotment of a UIN before December 31, 2004 and has not yet been allotted the UIN until disposal of its application, or where it has filed an appeal, until disposal of the appeal, as the case may be.

The SEBI press release dated December 31, 2004 further clarified that wherever the President of India/ Central Government/ State Government is a promoter, it is exempted from the requirement of obtaining a UIN under regulation 6(2) of the MAPIN Regulations.

Previously SEBI required that all resident investors not being bodies corporate who enter into any securities market transaction (including any transaction in units of mutual funds or collective investment schemes) of the value of Rs. 100,000 or more would be required to obtain a UIN by March 31, 2005. Subsequently, by a press release dated February 24, 2005, SEBI has announced that the date for obtaining the UIN has been extended from March 31, 2005 to December 31, 2005 for such specified investors.

In terms of the above, it shall be compulsory for an investor being a body corporate making an application in this Issue to provide its UIN. In cases where a body corporate has made an application for such a number before December 31, 2004 but the number has not been allotted, or where an appeal has been filed but not disposed off, the investor shall provide such information in the Bid cum Application Form. A Bid cum Application Form from a specified investor being a body corporate that does not provide a UIN or UIN application status (in cases where an application for a UIN has been made before December 31, 2004, is liable to be rejected.

Right to Reject Bids

We and the BRLMs reserve the right to reject any Bid without assigning any reason therefor in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;
4. NRIs, except eligible NRIs and Non-Residents;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
6. **PAN not stated if Bid is for Rs. 50,000 or more and GIR number given instead of PAN;**
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of 15;
12. Category not ticked;
13. Multiple Bids as defined in the Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Members;
18. Bid cum Application Form does not have the Bidder's depository account details;

19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form, Bid Opening Date/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in "Issue Procedure – Bids at Different Price Levels" at page 194 of the Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act; and
24. Bids by specified investors being body corporates who do not provide their UIN or UIN application status in cases where applications have been made for such UIN before December 31, 2004.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) an agreement dated April 28, 2005 between NSDL, us and Registrar to the Issue;

b) an agreement dated April 20, 2004 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST-ISSUE RELATED PROBLEMS

We have appointed Mr. Sunit Maheshwari, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Jindal Poly Films Limited
56, Hanuman Road
New Delhi- 110 001
Tel: +91 11 2334 9270-74
Fax: +91 11 2374 8209
E-Mail: jpfl_fpo@jindalpoly.com

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

We shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid Closing Date/Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid Closing Date/Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allocation

A. *For Retail Individual Bidders*

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,916,665 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 2,916,665 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. *For Non-Institutional Bidders*

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,249,998 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 1,249,998 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. *For QIBs*

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- The allocation would be decided by us in consultation with the BRLMs and would be at our sole discretion, based on various factors, such as quality of the Bidder, size, price and date of the Bid.
- Except for any shares allocated to QIB Bidders due to undersubscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall not be more than 4,166,662 Equity Shares.

Method of Proportionate basis of allocation in the Retail and Non Institutional categories

Bidders will be categorized according to the number of Equity Shares applied for by them.

(a) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than 15 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 15 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
- Each successful Bidder shall be allotted a minimum of 15 Equity Shares.

If the proportionate allotment to a Bidder is a number that is more than 15 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the finalisation of basis of allocation. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid Closing Date/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid Closing Date/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

Undertaking by our Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign direct investment in companies in manufacture of flexible packaging films and POY sector is permitted up to 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 49% of the total issued share capital.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of our Company (i.e., 10% of 28,095,880 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

As of now, pursuant to the approval of our Board vide resolution dated January 6, 2005 and the special resolution dated January 31, 2005, the aggregate FII holding in our Company cannot exceed 49% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however till date no such resolution has been recommended to our shareholders for approval.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting as detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

DEG POSITIVE ASSENT

7B(1). After DEG Subscription has been made and DEG Subscription Shares have been issued to DEG and until the termination of the Subscription Agreement, the Company agrees that it shall not, without the prior written positive assent of DEG:

(i) change its Charter;

(ii) change the nature of its business;

(iii) change its Financial Year;

(iv) change its authorized or issued share capital. However, the consent of DEG shall not be required for any bonus issue by the company;

(v) change class rights, if any, attached to the shares issued by the Company (directly or indirectly);

(vi) grant an option to subscribe to any further new shares / instruments to any specific party;

(vii) undertake listing / de-listing of the Company's shares on any stock exchanges;

(viii) change its legal status in any manner whatsoever, viz. public company to private company;

(ix) create a new subsidiary, other than subsidiaries that are fully owned by the Company, or at least 95% owned by the Company with the balance up to 5% being held by the management as part of any management incentive scheme. The remaining 5% share under the management incentive scheme shall not be issued to the promoters of the Company or their related parties;

(x) expand or develop its business through acquisitions except by itself or through a subsidiary, of which at least 75% share capital is owned by the Company and the balance share holding of up to 25% is not held by the promoters or their related parties;

(xi) give any guarantees or make any loans (other than in the ordinary course of business);

(xii) pass any resolution for winding up or voluntary liquidation;

(xiii) dispose of all or a substantial part of its business exceeding US $ 10 million; or

(xiv) make a substantial business acquisition exceeding US $ 10 million, being the amount invested by the Company, either in form of equity or debt.

7B(2). However, from the date after (i) the Company's Free Float reaches a level of 28% or (ii) DEG sells any of its shares in the Company so that at any time it holds less than 988000 shares, (or such changed number of shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation fund or any stock split/consolidation in respect of the 988,000 shares), on a fully diluted basis, the requirement of prior written positive assent from DEG under Article 7B(1) shall fall away except that the Company shall be required to seek a prior written positive assent from DEG only for the following matters

(i) any change in the Charter;

(ii) change in the nature of the business of the Company;

(iii) change its Financial Year;

(iv) listing / de-listing of the Company's shares on any stock exchanges or change in its legal status, viz. public company to private company, etc.; and

(v) passing of any resolution for winding up or voluntary liquidation.

7C. DEG shall respond to any request for its prior written positive assent within fifteen (15) Business Days of receipt of request from the Company and in case no response is received by the Company from DEG within 15 Business Days, assent shall be deemed to have been given by DEG.

7D. On termination/expiry of the Subscription Agreement for any reason, Articles 7A to 7D, 121 A, 147A and the definitions from "Affiliate" to "Subscription Agreement" in Article 1, shall automatically stand deleted from these Articles.

SHARES

8. The Authorised Share Capital of the Company shall be Rs. 205,00,00,000 (Rupees Two Hundred Five Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10 each and 17,50,00,000 (Seventeen Crores Fifty Lacs) Preference Shares of Rs. 10 each with power to increase or reduce the capital of the Company and divide the shares in capital for the time being into different classes and to attach thereto respectively such preferential, qualified or special rights or privileges or conditions including Detachable tradeable and/or Non tradeable warrants as may be determined by or in accordance with the regulations of the Company and with power to vary, modify or abrogate any such rights, privileges or conditions in such manners as may for the time being provided by the regulations of the Company and subject to the provisions of the Companies Act, 1956.

9. (a) Subject to the provision of Section 81 of the Act, and these Articles, any unclassified shares (whether forming part of the original share capital or of any increased share capital of the Company) may be issued either with the sanction of the Company in general meeting or by the Board and upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting sanctioning the issue of such shares may direct and, if no such direction be given and in all other cases, as the Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company.

(b) The Directors may from time to time issue such non-voting equity shares upon such terms and conditions with such rights and privileges (including with regard to dividend) as may be thought fit subject to and to the extent permissible in accordance with the applicable provisions of the Companies Act, 1956 (including any statutory modification or amendment to or reenactment thereof) or guidelines issued by any statutory authorities.

10. Subject to the provisions of the Companies Act, 1956 or any modification or enactment thereof, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, at such times, either at par or at premium, and for such consideration as the Board thinks fit. Provided that option or right to call of shares shall not be given to any person except with the sanction of the company be given to any person in General Meeting, Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81 (1A) of the Act. The Board shall issue such shares in the manner set out in Section 81 (1) of the Act.

13. Subject to the provisions of these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner as may be provided in these Articles and the Board while issuing the Preference Shares, shall decide the rate of dividend, whether cumulative or non-Cumulative, Convertibility into Equity Shares and other terms and conditions including rights attached to these shares.

14. Directors may issue and allot shares in the capital of the Company as partly or fully paid up in consideration of any property sold or goods transferred or machinery supplied or services rendered to the Company in the conduct of its business or for dues from the Company and shares which may be so allotted, may be issued as fully or partly paid-up shares, and if so issued shall be deemed to be fully or partly paid-up shares as the case may be.

26. If any share stands in the names of two more persons the person first named in the register shall, as regards receipt of dividends or bonus, service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of share be deemed the sole-holders thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and cells due in respect of such share, and for all incidents thereof according to the Company's regulations.

27. The Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these present otherwise expressly provided) any other right in respect of a share than an absolute right thereof to, in accordance with these presents, in the person from time to time registered as the holder thereof, but the Board shall be at liberty, at their sole discretion, to register any share in the joint names of any two or more persons or the survivors or survivor of them.

CERTIFICATES

28. The certificate of title to shares and duplicates thereof where necessary shall be issued under the Seal of the Company which shall be affixed in presence of:

(i) two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two persons acting as attorneys of two Directors as aforesaid and

(ii) the Secretary or such other person appointed by the Board for the purpose and signed by them in the manner laid down in the Companies (issue of share Certificates) Rules, 1960.

29. The issue of share certificates and duplicates and the issue of new share certificates which are surrendered for cancellation due to their being defaced torn, old, decrepit or worm out or the cages for recording transfers having been utilised or of share certificates which are lot or destroyed shall be in accordance with the provisions of the Companies (Issue of Share Certificates), Rules, 1960 or any statutory modification re-enactment thereof. If any share certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors think fit being given a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate.

30. Every member shall be entitled free of charge to one or more certificate(s) in the marketable lot for all the shares of each class registered in his name or, if the Directors so approve to several certificates each for one of more of such shares but, in respect of each additional certificate, the Company shall be entitled to charge such fee as the Board may determine. Unless the conditions of issue of any shares otherwise provide the Company shall, within two months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares) complete and have ready for delivery the certificates of such shares. In respect of any share held jointly by several persons, the company shall not be bound to issue more than one or more certificate(s) into marketable lot and delivery of a certificate to one or several joint holders shall be sufficient delivery to all such holders. For every certificate issued in replacement of an existing certificate save for those which are issued on splitting or consolidation of share certificates into lots of the market unit or which are old, decrepit or worm out or where the cages on the reverse for recording transfers have been fully utilized, and for every duplicate certificate there shall be paid to the Company the sum of Re. 1.00 or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence as the Directors may determine.

CALL

32. The Board may, from time to time, with the sanction of the company in general meeting, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every calls so made to him to the persons and at the times and places appointed by the Board. Unless otherwise determined by the Board, no call shall exceed one-fourth of the nominal amount of the share or be made payable within one month after the last preceding call was payable. Not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

35. The joint holders of a share shall jointly and severally be liable to pay all calls in respect thereof.

36. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereon from the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at a rate to be determined by the Directors.

(ii) The Directors shall be at liberty to waive payment of any such interest wholly or in part in the case of any person liable to pay any such interest on calls.

41. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 percent per annum as the member paying such sum in advance and the Board agrees upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice in writing.

FORFEITURE AND LIEN

42. If any member fails to pay any call or instalment of call on or before the day appointed for the payment of the same the Board may, at any time on such member or his legal representative or if none than by way of advertisement requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

44. If the requisitions of any such notice as aforesaid be not complied with any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect where upon the holder of such share shall cease to have any interest therein and his name (so holder of such shares) shall be removed from the register. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actuary paid before the forfeiture.

46. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

48. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls instalments, interest, expenses and any other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding nine percent per annum as the Directors may determine and the Directors may enforce the payment thereof if they think fit.

52. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of any member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 19 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall operate as waives, of the Company's lien, if any on such share.

SURRENDER OF SHARES

58. Subject to the provisions of Sections 100 to 104 of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as may be agreed.

TRANSMISSION AND TRANSFER

59. Except in the case where the Directors have declined to register the transfer of a share in terms of Articles 65, the transfer or transmission of shares shall be registered by the Company within 30 days after the application for the registration of the transfer or transmission of shares, supported by the necessary documents referred to in these Articles, is submitted to the Company and the Company shall deliver the share certificate to the transferee or the person to whom the shares have been transmitted within 30 days from the date of submission of application for registration as aforesaid.

60. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any modification thereof for the time being shall be complied with in respect of all transfer of shares and registration thereof.

65. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities (Contracts) Regulation Act, 1956 the Directors may at their discretion refuse transfer and for transmission by operation of law, of any share or interest of a member in shares or debentures, in the company. However, the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other, person or persons indebted to the company on any account whatsoever, except a lien on the share(s).

66A. Where any instrument of transfer of shares has been received by the Company for registration, and the transfer of such shares has not been registered by the company for any reason whatsoever, the company shall transfer the dividend in relation to such shares to the special account unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee and will keep in abeyance any offer of rights shares and/or bonus shares in relation to such shares.

70. In the case of the death of any one or more of the persons named in the register as the joint-holders of any share, the survivors or survivor shall be only persons recognised by the company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder(s) from any liability on shares held by him or them jointly with any other person.

71. The executors or administrators of deceased member (whether European, Hindu, Mohamedan, Parsi or otherwise, not being one of the two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained probate or letters of administration, as the case may be, from a competent Court in India, provided that, in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or letters of administration and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

ALTERATION OF CAPITAL

74. The Company in general meeting may, from time to time, increase its capital by the creation of new shares of such amount as may be deemed expedient.

76. Before the issue of any new share, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount, in default of any such provisions or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 7.

78. The Company may (subject to the provisions of Section 100 to 104 of the Act) from time to time by Special Resolution, reduce its capital and any Capital redemption Reserve Fund or Share Premium Account in any manner and with, and subject to any incident authorised and consent required by law.

79. The Company in general meeting may from time to time.

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in subdivision the proportion between the amount paid and the amount if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.

(c) cancel any share which, at the date of the passing of resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(d) convert all or any of fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination.

RIGHTS OF STOCK HOLDERS

81. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as and subject to which the shares from the stock arose might previously to conversion, have been transferred, or as near thereof as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

82. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares have conferred that privilege or advantage.

83. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words ‘Share’ and ‘Shareholder’ therein shall include ‘Stock’ and ‘Stockholder’

MODIFICATION OF RIGHTS

84. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three fourths of the issue shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting the provisions of these Articles relating to general meeting shall apply; but so that the necessary quorum shall be five person present in person and if a fewer number than it shall be at least two persons holding or representing by proxy one fifth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

BORROWING POWERS

85. (i) The Board of Directors may from time to time at its discretion subject to the provisions of Section 292, 293 and 370 of the Act raise or borrow, either from the Directors or from any person secure the payment or any sum or sums of money for the purposes of the Company.

(ii) The Board of Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonus, perpetual or redeemable debentures or debenture-stock or any mortgage or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

87. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending at General Meeting, appointment of Directors and otherwise. The power to issue debenture stock or other securities on condition that they shall be convertible into shares of any denomination shall only be exercised by the Company in the General Meeting.

GENERAL MEETINGS

89. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act, and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the company other than Annual General Meeting shall be called an Extra-ordinary General Meeting.

90. The Board may, whenever it thinks fit call an Extra-ordinary General Meeting and it shall on the requisition of the members in accordance with Section 169 of the Act, proceed to call an Extra-ordinary General Meeting. The requisitionists may, in default of the Board convening the same, convene the Extra-ordinary General Meeting as provided by Section 169 of the Act.

PROCEEDINGS AT GENERAL MEETINGS

93. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business.

94. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

100. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

101. At any general meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by either the Chairman of his own motion, or by at least five members having the right to vote on the resolution in question and present in person or by proxy or by any member or members present in person or by proxy and having not less than one tenth or the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding snares in the company conferring a right to vote on such resolution being shares on which an aggregate sum has been paid up which is not less than one tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof on the number or proportion of the votes cast in favour of, or against the resolution.

Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or proxy and holding shares, in the company which confer a power to vote on the resolution, not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than Rs. 50.000 has been paid up.

VOTES OF MEMBERS

103. No member shall exercise any voting right in respect of any shares registered in his name on which any call or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

104. (i) Save as hereinafter provided, on a show of hands every member present in person and being a holder of equity shares shall have one vote.

(ii) Save as hereinafter provided, on a poll the voting rights of equity shares shall be specified in Section 87 of the Act.

(iii) The holders of preference shares shall not be entitled to vote at general meetings of the Company except as provided for in Section 87 of the Act.

Provided that no body corporate shall vote by proxy so long as resolution of its Board of Directors under the provisions of Section 187 of the Act, is in force and representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

108. On a poll, votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he used in the same way.

DIRECTORS

116. Until otherwise determined by a General Meeting the number of Directors be not less than three and not more than twelve.

118. Not less than two thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

120. The Board shall have power, at any time and from time to time to appoint person as a Director, as an addition to the Board but so that the total number of directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

121. It shall not be necessary for a Director to hold any qualification share.

121A. DEG shall have a right to appoint one director ("DEG Director") in the Board of Directors of the Company, to dismiss the DEG Director appointed by it and to reappoint one director in place of the DEG Director so removed. The DEG Director shall not be liable to retire by rotation. The Company shall bear all expenses incurred by the DEG Director in attending board meeting, etc. subject to the limit of Rs. 600,000 per year. DEG shall have the right to appoint the DEG Director, only (i) until such time as DEG sells any of the shares in the Company so that at any time it holds less than 988000 shares (or such changed number of shares obtained after suitably adjusting for any bonus or rights issue or any distributions from revaluation funds or any stock split/consolidation, in respect of the 988,000 shares), on a fully diluted basis; or (ii) termination of Subscription Agreement. On the happening of either of the events specified in (i) and (ii) above, the DEG Director shall ipso facto vacate the office of Director immediately.

122. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body, out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTJ or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "The Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the company remains outstanding, the corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-while time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

124. If any Directors being willing shall be called upon to perform extra services or to make any special exertion in going or residing away from his usual place of residence for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to the Sections 198, 309, 310 and 314 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

127. (1) The office of a Director shall ipso facto becomes vacant if:

(a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles of the Company; or

(b) he is found to be of unsound mind by a Court of competent jurisdiction and finding is in force; or

(c) he applies to be adjudicated as an insolvent and his application is pending; or

(d) he is an undischarged insolvent; or

(e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of sentence; or

(f) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazette, removed the disqualification incurred by such failure; or

(g) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the Director; or

(h) he (whether himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the company in contravention of Section 295 of the Act; of

(i) he acts in contravention of Section 299 of the Act; or

(j) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(k) he is removed in pursuance of Section 284 of the Act; or

(l) having been appointed a Director by virtue of his holding any office or other employment in the company, he ceases to hold such office or other employment in the Company; or

(m) he or any firm of which he or his relative is a partner or any private company of which he is a Director or member or any Director, or manager of such private company without the prior sanction of the Company in general meeting by a special resolution holds any office or place of profit under the Company or under any of its subsidiaries; or

(n) he notifies to the company his resignation in writing.

(2) Notwithstanding any matter or thing in sub-clauses (d), (e), (j) of Clause (1) the disqualification referred to in those sub-clauses shall not take effect:

(a) for thirty days from the date of adjudication, sentence or order; or

(b) where an appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or

(c) where within seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

APPOINTMENT AND RETIREMENT OF DIRECTORS

132. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Neither an ex-officio Director nor an additional Director appointed by the board under Article 120 hereof shall be liable to retire by rotation within the meaning of this Article.

133. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall, in default of and subject to any agreement among themselves be determined by lot.

134. The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 284 of the Act, and may subject to the provisions of section 262 of the Act, appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under Article 135.

ALTERNATE DIRECTORS

137. The Board may in accordance with and subject to the provisions of Section 313 of the Act, appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

PROCEEDINGS OF DIRECTORS

138. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit: provided that atleast four meetings shall be held in a year. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Directors.

139. A Director may at any time, and the Secretary or any other officer authorised by the Board shall, upon the request of a Director made at any time convene a meeting of the Board.

140. The Directors may elect a Chairman and determine the period for which he is to hold office. The Directors may also elect a Vice-Chairman and determine the period for which he is to hold office. If no Chairman or Vice-Chairman be, elected or if at any meeting of the Board, the Chairman or Vice-Chairman be not present at the time for holding the same, or being present decline to take the chair, then the Directors present shall choose one of their number to be the Chairman of such meeting.

141. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

146. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have determined.

147A. So long as DEG has the right to appoint a Director, the Board of Directors of the Company shall not, without the positive assent of the DEG Director, accord an approval to the Company's annual business plan, starting with Financial Year 2005-06. However, in case the DEG Director or his alternate director fails to attend two consecutive meetings of the Board, in spite of having been sent a notice of the Board meeting setting out approval of the annual business plan as an agenda item, the positive assent of the DEG Director shall be deemed to have been given.

POWER OF DIRECTORS

149. Subject to the provisions of the Act, the business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in general meeting subject nevertheless to any regulations, of these Articles and to such regulations being not inconsistent with the aforesaid regulation or the Act.

150. Without prejudice to the general powers conferred by the last proceeding Article and to any other powers, authorities or discretions conferred by these presents on the Directors it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:

(i) To purchase, take on lease or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such prices and generally on such terms and conditions as they think fit and subject to the provisions of Section 293 of the Act to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

(ii) At their discretion to pay for any property, rights, privileges acquired by or services rendered to the Company either wholly or partly in cash or in shares subject to Section 81 of the Act, bonds, debentures or other securities of the Company and any such shares may be used either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(iii) To secure the fulfilment of any contracts, agreements of engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.

(iv) To appoint at their discretion, remove or suspend agents, manager, secretaries, officers, clerks, and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and for such amount as they think fit.

(v) To appoint any person or persons (whether incorporated or not) to accept or hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(vi) To institute, prosecute, conduct, defend, compromise, compound withdraw or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 and 295 of the Act, to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

(vii) To refer any claims or demands by or against the Company to arbitration and observe and performs the awards.

(viii) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

(ix) To act as trustees in composition of the Company's debtors.

(x) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(xi) To determine who shall be entitled to draw, sign, accept endorse and negotiate on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, drafts, securities, releases, contracts and documents.

(xii) From time to time to provide for the management of the affairs of the Company either in different parts of India or elsewhere in such manner as they think fit, and in particular to establish branch offices and to appoint any persons to be the Attorneys of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

(xiii) Subject to the provisions of Sections 77, 292, 295, 369, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such security or securities (not being shares in this Company) and in such manner as they may think fit and from time to time vary of realise such investments.

(xiv) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, convenants and provisions as shall be agreed on.

(xv) From time to time make, vary and repeal bye laws or regulation of the business of the Company, its officers and employees.

(xvi) To enter into and carry out all such negotiations, arrangements and contracts and to rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(xvii) To give to an officer or any other person employed or not employed by the Company commission on the profits of any particular business or transaction or share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.

(xviii) Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or depreciation fund, reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures, stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Directors, in their absolute discretion think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as are required to be invested upon such investments (other than shares of the Company or of any other company in the same group except to the extent and in accordance with the provisions of Section 372 of the Act) as they may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors in their absolute discretion think conducive to the interest of the company notwithstanding that the matters to which the Directors apply for or upon which they expend the same or any part thereof, may be matters to or upon which the capital money of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as they may think fit and to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayments of the debenture or debenture stock and that without being bound to keep the same separate from the other assets and without being found to pay interest on the same, with power, however to the Directors at their discretion to pay or allow to the credit of such funds, interests at such rate as the Directors may think proper.

(xix) To act jointly and severally in all or any of the powers conferred on them by the Board of Directors.

(xx) To establish, maintain, support and subscribe to any institution, society or club which may be for the benefit of the Company or its employees or subject to Section 293 (1) (e) and Section 293 (B) of the Act, contribute for any other charitable or public objects; to give pensions, allowances, donations, gratuities or charitable and to any person or persons who have served or are serving the company or a company subsidiary to it or the wives, children or dependents of such person that may appear to the Directors just or proper, whether any such person his widow, children or dependents have or have not a legal claim upon the Company.

(xxi) To open and deal with the current accounts, overdrafts accounts and any other accounts with any bank or bankers for carrying on any business of the Company.

(xxii)Subject to the provisions of Section 293 (1) (a) of the Act, to sell, lease or otherwise dispose of any of the properties of the Company to any person in consideration of cash payment in lump sum or by instalments or in return for any other service rendered to the Company.

(xxiii)To get insured any or all of the properties of the Company and or all of the employees and their dependents against any oral) risks for which the insurance Companies carry on any business.

(xxiv)To revalue the assets of the company and provide for the same in the accounts and books of the company.

(xxv)To issue and allot shares, debentures and other securities to the promoters, FIIs, Foreign Nationals, NRIs and any other person, by Private placement subject to the provisions of Section 81 and 81 (1A) of the Act, and other applicable provisions or regulations as may be applicable from time to time.

MANAGING DIRECTOR

153. Subject to the provisions of sections 269, 309, 316 and 317 of the Act, the Board may, from time to time, appoint one or more. Directors to be Managing Director or Managing Directors of the Company, for a fixed term not exceeding five years at a time and may, from time to time (subject to the provisions of any contract between him or them and the company) remove of dismiss him or them from office and appoint another or others in his or their place or places.

154. Subject to the provisions of Section 255 of the Act, Managing Director shall not, while he continues to hold that office, be subject to retirement or Directors by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Director or in fixing the number of Directors to retire, but (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.

155. Subject to the provisions of sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles receive such additional remuneration as may, from time to time, be sanctioned by the company. The Managing Director and whole time Director shall not be entitled to any sitting fee for attending the Board or committee meeting.

RESERVES

160. The Board may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company as its thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalisation of dividends, for repairing improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company, and may subject to the provisions of Section 372 of the Act, invest several sums so set aside upon such investment (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for and benefit of the Company, and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserves or any parts thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

161. All money carried to the reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may subject to the provisions of Section 370 to 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any bank or deposit or otherwise as the Board may, from time to time think proper.

CAPITALISATION OF RESERVES

162. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled hereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholder in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as full paid bonus shares.

DIVIDENDS

165. Subject to the rights of members entitled to shares (if any) with preferential rights attached thereto, the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid up share only entitles the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in profits.

Subject to law of the land for the time being in force.

166. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act, fix the time for payment.

167. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

168. The Board may, from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

169. The Board nay deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls otherwise in relation to the share of the Company.

171. No dividend shall be payable except in cash. Provided that nothing in foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of the issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the share held by members of the Company.

172. A transfer of shares does not pass the rights to any dividend declared thereon before the registration of the transfer by the Company.

BALANCE SHEET AND ACCOUNTS

183. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Act, so far as they are applicable to the Company, but save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than if may deem expedient.

184. There shall be attached to every Balance Sheet laid before the Board complying with section 217 of the Act.

185. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors, Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such members, debenture-holders, trustees and other persons to whom the same is required to be sent by the said Section.

AUDITORS

188. Once atleast in every year the books of accounts of the Company shall be examined by one or more Auditors.

189. The appointment, powers, rights, remuneration and duties of the Auditors shall be regulated by Section 224 to 231 of the Act.

WINDING-UP

Subject to law of the land for the time being in force.

197. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the said paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the share held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

198. If the company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, or any other sanction required by law, divide among the contributories, species or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the Contributories or any of them as the liquidators, with the like sanction shall think fit.

ARBITRATION

201. Whenever any difference shall arise between the Company on the one hand, and any of the members, their executors, administrators, or assigns on the other hand, touching the true intent or construction, or the incidents consequences of these presents, or of the statutes or enactments of the legislature or touching anything then or thereafter done, executed, omitted, suffered in pursuance of these statutes or enactments or touching breach of alleged breach of these presents, or any claim on account of any such breach or alleged breach or otherwise relating to these presents, every such difference shall be referred to the arbitration of two arbitrators, one to be appointed by each party or in the event of the disagreement of the arbitrators, of one Umpire appointed by them (i.e. the arbitrators) before entering on the reference or failing such agreement by the Court, or to the arbitration of a single arbitrator if the parties to the difference agree to such reference. The Arbitration Act, 1940 shall apply to such arbitration proceedings.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Prospectus, delivered to the Registrar of Companies, Uttar Pradesh for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at Jindal Poly Films Limited, 56, Hanuman Road, New Delhi- 110 001 from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid Closing Date/Issue Closing Date.

Material Contracts

1. Engagement Letter dated March 31, 2005 for appointment of ICICI Securities Limited and JM Morgan Stanley Private Limited as BRLMs.
2. Memorandum of Understanding dated March 31, 2005 amongst our Company and the BRLMs.
3. Memorandum of Understanding dated March 15, 2005 executed by our Company with Registrar to the Issue.
4. Escrow Agreement dated May 25, 2005 between us, the BRLMs, Escrow Collection Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated May 25, 2005 between us and the BRLMs and Syndicate Members.
6. Underwriting Agreement dated June 17, 2005 between us and the BRLMs and Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Our certification of incorporation amended for change of name, dated April 19, 2004.
3. Shareholders' resolutions dated January 31, 2005 in relation to this Issue and other related matters.
4. Resolutions of the Board dated January 6, 2005 authorising the Issue.
5. Resolutions of the general body for appointment and remuneration of our whole-time Directors.
6. Reports of the Auditors, Kanodia Sanyal & Associates, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Prospectus dated March 31, 2005 and May 19, 2005 and letter dated May 19, 2005.
7. Copies of annual reports of our Company and our subsidiaries for the past five financial years ended March 31, 2004.
8. Consents of the Auditors, being Kanodia Sanyal & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Prospectus.
9. General Powers of Attorney executed by the Directors of our Company in favour of person(s) for signing and making necessary changes to this Prospectus and other related documents.
10. Consents of Auditors, Bankers to the Company, BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Banker to the Issue, Domestic Legal Counsel to the Company, International Legal Counsel to the Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
11. Listing agreements dated October 20, 1994 and March 7, 2001 with the BSE and the NSE respectively.
12. In-principle approvals dated March 16, 2005 and March 21, 2005 from the BSE and the NSE respectively for the issue and allotment of 6,122,555 Equity Shares proposed to be allotted upon conversion of the CCPS.
13. In-principle approvals dated April 29, 2005 from the BSE and the NSE (including two separate approvals from NSE on the same day) for the listing of 6,122,555 Equity Shares proposed to be allotted upon conversion of the CCPS.
14. Applications dated April 4, 2005 for in-principle listing approval from the BSE and the NSE.
15. In-principle listing approvals pursuant to letters dated May 4, 2005 and May 11, 2005 from the BSE and the NSE respectively.
16. Trading permission for Equity Shares issued upon conversion of CCPS vide letters dated May 11, 2005 from both BSE and NSE.
17. Agreement between NSDL, our Company and the Registrar to the Issue dated April 28, 2005.
18. Agreement between CDSL, our Company and the Registrar to the Issue dated April 20, 2004.
19. Due diligence certificate dated April 4, 2005 to SEBI from ICICI Securities Limited and JM Morgan Stanley Private Limited.

20. SEBI observation letter CFD/DIL/UR/40442/2005 dated May 12, 2005.
21. Share subscription agreement dated January 6, 2005 between our Company and DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH.
22. Shareholders' agreement dated October 14, 2003 between Mr. Jean-Paul Rousselet and our Company.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by all Directors

Mr. Shiv Kumar Mittal

Mr. Punit Gupta

Mr. Yedlapalli Venkateswara Rao*

Mr. Samir Banerjee

Mr. Avinash Chandra Wadhawan*

Mr. Shyam Sunder Jindal

Mr. Suman Jyoti Khaitan*

Mr. Jogesh Kumar Bansal*

Mr. Mohit Kumar Jain*

* Through their constituted attorney Mr. Sunit Maheshwari

Signed by Managing Director

Mr. Shiv Kumar Mittal

Signed by General Manager (Finance)

Mr. Sanjeev Aggarwal

Date: June 18, 2005
Place: New Delhi

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