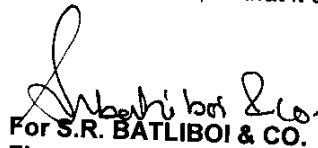


LIMITED REVIEW REPORT

**Review Report to
The Board of Directors
Jai Balaji Industries Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Jai Balaji Industries Limited ('the Company') for the quarter ended September 30, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. On 9 June 2011, the Income Tax Department had carried out Search, Seizure and Survey under section 133A of the Income Tax Act, 1961 ('the Act') at the premises of the Company and various other locations. Subsequent to the aforesaid, the promoter director of the Company has filed a petition to Income Tax Department whereby to buy peace and avoid litigation, the Company without admitting any irregularities, has surrendered an income of Rs. 3805.50 lacs under section 132(4) of the Act. Accordingly, the management has not accounted for the aforesaid income, however, accounted for consequential tax liability of Rs.1228 lacs by reversal of deferred tax liability during the quarter. In view of above we are unable to comment on the possible consequential effects of the above on the accompanying statement of unaudited financial results of the Company.
4. Based on our review conducted as above and subject to the possible effect of our comments in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.


For S.R. BATLIBOI & CO.

Firm registration number: 301003E
Chartered Accountants


per Sanjoy K. Gupta
Partner

Membership No.: 54968

Place : Kolkata

Date : November 14, 2011

