

## NOTICE

### JINDAL RAIL INFRASTRUCTURE LIMITED

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting of the shareholders of the Company will be held on **Tuesday, the 25<sup>th</sup> day of September 2012 at 11.00 AM** at the Registered Office of the Company to transact the following business:

#### **AS ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet of the Company for the Financial Year ended on 31<sup>st</sup> March, 2012 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. D.P. Tripathi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Indresh Batra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company. The retiring auditors M/s. N.C. Aggarwal & Company, Chartered Accountants, are eligible for reappointment.

#### **AS SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof, for the time being in force) and subject to consent and approvals of Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 or any other Statute, or authorities, if required and or in accordance with the guidelines and notifications issued by Government, etc. and such other approvals/ permissions as may be necessary under any other Statute for time being in force and subject to the approval/consent of such appropriate authorities, if any, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to make further loans or investment, in one or more tranches by subscription, purchase or otherwise in subsidiary(ies)/ any body/ bodies corporate in India or abroad (existing or which may be promoted/incorporated), in any kind of securities, or by providing of guarantee or security in connection with a loan made by any other person to any subsidiary(ies)/ any body/ bodies corporate in India or abroad (existing or which may be promoted/incorporated) for global business expansion and other growth initiatives in excess of the limits prescribed in Section 372A of the Companies Act, 1956 but subject to a maximum limit of Rs.200 Crores (Rupees Two Hundred Crores only)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate and finalise the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company as it may deem fit in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to be signed, on behalf of the

Company, in connection with such investments, loans, guarantees and provision of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.”

**BY ORDER OF THE BOARD OF DIRECTORS**



**MEGHA GUPTA  
COMPANY SECRETARY**

**Place: New Delhi**

**Date: 25<sup>th</sup> May, 2012**

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Explanatory Statement under Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting is annexed hereto.

**EXPLANATORY STATEMENT**

**(Pursuant to Section 173(2) of the Companies Act, 1956)**

**ITEM NO.4:**

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries/ joint ventures/associate companies/bodies India or abroad (existing or which may be promoted) and would, therefore, be required to provide financial support by way of loan(s)/ and/or guarantee(s) and/or security(ies)/investment in securities of its subsidiaries/ joint ventures/associate companies/bodies corporate, in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of such companies. Your company may be also required to extend corporate guarantee for securing the credit facilities proposed to be taken by Subsidiary/Associate Companies.

It is, therefore, proposed that the overall limit to make loans/investments or give guarantee or provide security may be fixed to Rs. 200 Crore.

Pursuant to Section 372A of the Companies Act, 1956, a company cannot, except with the permission of the Shareholders, make investment, give loan or guarantee or provide any security in excess of the limits set out therein.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**BY ORDER OF THE BOARD OF DIRECTORS**



**MEGHA GUPTA  
COMPANY SECRETARY**

**Place: New Delhi**

**Date: 25<sup>th</sup> May, 2012**

## JINDAL RAIL INFRASTRUCTURE LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 5<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts comprising of Balance Sheet as at 31<sup>st</sup> March, 2011.

#### Financial Results

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital	191,503,000	65,403,000
Share application money, pending allotment	200,000	178,000,000
Reserves & Surplus	382,006,000	129,806,000
Fixed Assets	1,327,125,056	888,258,666
Current Assets	349,397,040	64,990,350
Current Liabilities	320,034,521	91,555,174

#### Dividend

No dividend is being declared or paid during the financial year under review.

#### Fixed Deposits

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

#### Directors

In terms of the provisions of Section 256 of the Companies Act, 1956, Mr. D.P. Tripathi & Mr. Indresh Batra shall retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

#### Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the Financial Year 2010-2011 ended 31<sup>st</sup> March, 2012, your Directors report as under:-

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures (if any);
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.**

i) Foreign Exchange Earning and Outgo

The particulars regarding foreign exchange outgo and Earning during the year are as under:

**Expenditure in Foreign Currency**

**Figures in Rs.**

Particulars	Current Year	Previous Year
Traveling Expenses (Capitalized to Pre-operative expenditure, pending allocation)	21,807	283,133
Subscription fees	Nil	Nil
Bank Charges	Nil	70,998
Professional Fees	Nil	54,37894

ii) Conservation of Energy and Technology Absorption

The Company is conscious of the need to keep all the cost elements at the barest minimum level including the energy cost. It is also aware of the responsibility to conserve energy in an overall energy shortage situation.

**Auditors**

M/s. N.C. Aggarwal & Company, Chartered Accountants, Auditors of the Company will retire at the forthcoming Annual General Meeting, and are eligible for re-appointment.

**Particulars of Employees**

None of the employees of the Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.


**Acknowledgement**

The Board of Directors of the Company wish to place on record their thanks and appreciation to all the staff members and executives for their contribution to the operations of the company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

**On behalf of the Board of Directors  
Jindal Rail Infrastructure Limited**

  
R. N. Aga

Whole-time Director

  
Sunil Kumar Jain  
Director


Place: New Delhi  
Dated: 25<sup>th</sup> May, 2012

## AUDITORS' REPORT

To  
The Members of Jindal Rail Infrastructure Limited

1. We have audited the attached Balance Sheet of JINDAL RAIL INFRASTRUCTURE LIMITED as at 31<sup>st</sup> March, 2012, and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the company.
4. Further as required under section 227(4A) of the Companies Act, 1956, we report as follows:-
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - iii) The Balance Sheet and Cash Flow Statement dealt with by this report is in agreement with the books of accounts;
  - iv) In our opinion, the Balance Sheet and Cash Flow Statement complies with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India;
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012.
    - b) In the case of Cash Flow Statement, of the cash flows for the year ended 31<sup>st</sup> March 2012.

For N.C. Aggarwal & Co.  
Chartered Accountants  
Firm Registration No. 003273N

  
G. K. Aggarwal  
Partner  
Membership No. 086622  
New Delhi  
Date: 25<sup>th</sup> May, 2012



**Annexure referred to in paragraph 3 of our report of even date**

**Re: JINDAL RAIL INFRASTRUCTURE LIMITED**

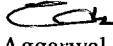
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the year .
- (ii) (a) As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanation given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining records of the inventories. There have been no discrepancies noticed during physical verification of inventories.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs (iii) (b), (c) and (d) of the Order, are not applicable.
- (e) The Company has not taken any loans from parties listed under the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, having regards to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations provided by the management, during the year, no contracts or arrangements with the parties referred to in section 301 of the Act have been entered into. Accordingly, paragraph (v) (b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of the business. However the same needs to be enlarged.
- (viii) To the best of our knowledge and as explained, since production of the products of the Company has not been started as yet, the question of maintenance of cost records does not arise.
- (ix) (a) To the best of our knowledge and as explained, the Company is regular in depositing with the appropriate authorities all statutory dues including provident fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, Cess etc where there is applicable. There are no arrears as at 31<sup>st</sup> March, 2012 for a year of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues in respect of statutory dues, which have not been deposited on account of any dispute.
- (x) The Company's accumulated losses at the year end, i.e. as at March 31, 2012 is not more than fifty per cent of its net worth. Since the operational activity of the Company has not been commenced and hence no profit and loss account is prepared. Consequently no cash loss has been incurred during the financial year ended March 31, 2012 and in the immediately preceding financial year i.e. March 31, 2011.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to the bank.



**N.C. AGGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the records of the Company examined by us and the information and explanations given to us, the Company, during the year, has not dealt with/traded in shares, securities and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanation furnished to us, the term loan taken from bank have been applied for the purpose for which they were received, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No Debentures have been issued during the year; hence clause (xix) of Order is not applicable.
- (xx) The company has not made any public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For N.C. Aggarwal & Co.  
Chartered Accountants  
Firm Registration No. 003273N

  
G. K. Aggarwal  
Partner  
Membership No. 086623  
New Delhi  
Date: 25<sup>th</sup> May, 2012



**Jindal Rail Infrastructure Limited**  
**Balance Sheet as at 31st March, 2012**

(Amount in Rs.)

Particulars	Note No	As at 31st March 2012	As at 31st March 2011
<b>i. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	191,503,000	65,403,000
(b) Reserves and Surplus	2	382,006,000	129,806,000
<b>(2) Share Application money pending allotment</b>	3	200,000	178,000,000
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	983,401,851	636,532,471
(b) Long-term provisions	5	2,592,553	989,925
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	97,906,797	-
(b) Trade payables	7	51,901,563	1,735,229
(c) Other current liabilities	8	170,135,164	89,793,666
(d) Short-term provisions	9	90,997	26,279
<b>Total Equity and Liabilities</b>		<b>1,879,737,925</b>	<b>1,102,286,570</b>
<b>ii. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		183,939,920	153,620,350
(ii) Capital work-in-progress		1,143,185,136	734,638,316
(b) Non-current investments	11	100,000,000	100,000,000
(c) Long-term loans and advances	12	102,755,829	48,577,554
(d) Other non-current assets	13	460,000	460,000
<b>(2) Current assets</b>			
(a) Current investments	14	12,325,137	-
(b) Inventories	15	142,004,054	-
(c) Cash and Bank Balances	16	58,443,082	49,063,304
(d) Short-term loans and advances	17	135,954,204	15,569,159
(e) Other current assets	18	670,563	357,887
<b>Total Assets</b>		<b>1,879,737,925</b>	<b>1,102,286,570</b>

See accompanying notes to the financial statements

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In terms of our report of even date annexed hereto

For N.C. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

  
G.K. AGGARWAL  
Partner


M.No.086622

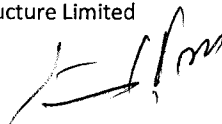
Place: New Delhi


Dated: 25th May, 2012



For and on behalf of the Board Of Directors of  
Jindal Rail Infrastructure Limited

  
R.N. Aga  
Whole Time Director

  
Sunil Kumar Jain  
Director

  
Megha Gupta  
Company Secretary

**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
1	<b>SHARE CAPITAL</b>		
(a)	<b>AUTHORISED SHARE CAPITAL</b> 21,600,000 (Previous Year 6,600,000 ) Equity Shares of Rs.10/- each	216,000,000	66,000,000
(b)	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 19,150,300 (Previous Year 6,540,300 ) Equity Shares of Rs.10/- each	191,503,000	65,403,000
(c)	<b>RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR</b> Shares outstanding at the beginning of the year Add: Shares issued during the year	6,540,300 12,610,000	6,540,300 -
	<b>Shares outstanding at the end of the year</b>	<b>19,150,300</b>	<b>6,540,300</b>

(d)	SHARE OF THE COMPANY HELD BY :-	No of Shares	No of Shares
	Jindal ITF Limited	19,150,300	6,539,600

(e)	SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDEF:-	As at 31st March 2012		As at 31st March 2011	
	Name of the Shareholder	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
	Jindal ITF Limited*	19,150,300	100%	6,539,600	99.98%

\* Including 700 Shares (Previous year Nil) held by Person/companies as nominee of Jindal ITF Ltd.

(f)	Terms/Rights attached to Equity Shares
	The Company has only one class of equity shares having a par value of Rs.10/- per equity share. Each equity shareholder is entitled to one vote per share.

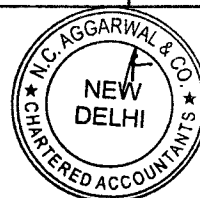
	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
2	<b>RESERVES AND SURPLUS</b>		
	SECURITIES PREMIUM ACCOUNT As per last account Add:Received during the year	129,806,000 252,200,000	129,806,000
	<b>Closing Balance</b>	<b>382,006,000</b>	<b>129,806,000</b>
	<b>Total Reserve and Surplus</b>	<b>382,006,000</b>	<b>129,806,000</b>

3	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b> (6,667 Equity shares at a premium of Rs.20/-per share to be allotted till the end of next year. )	200,000	178,000,000
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	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
4	<b>LONG-TERM BORROWINGS</b>		
	<b>SECURED LONG TERM BORROWINGS</b>		
	TERM LOAN FROM BANKS RUPEE TERM LOAN*	983,401,851	636,532,471
	<b>Total Long Term Borrowings</b>	<b>983,401,851</b>	<b>636,532,471</b>

\*Term loan from Punjab National Bank of Rs.110.19 crore carries interest@14.25% repayable in 28 quarterly equal installments from september 2012 Secured by way of equitable mortgage of land and building, Hypothecation of movable fixed assets both , present or future, pari-passu charges on book debts, receivables, and corporate gurantee of Jindal ITF Limited

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
5	<b>LONG TERM PROVISIONS</b>		
	For Employee Benefits Gratuity (unfunded) Leave Encashment (unfunded)	379,440 2,213,113	- 989,925
	<b>Total Long Term Provisions</b>	<b>2,592,553</b>	<b>989,925</b>



**Indal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
6	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED SHORT TERM BORROWINGS</b>		
	Working Capital Facility from Bank*	97,906,797	-
	<b>Total Short Term Borrowings</b>	<b>97,906,797</b>	<b>-</b>
<p>*Secured by hypothecation of current assets , comprising of stocks of raw materials, stores and spares, consumables, stock in process, finished goods etc, present and future, lying at its works, godowns, elsewhere as acceptable to bank, including stock in transit, cash and credit balances in their loan/other accounts and all present and future book debts / receivables as also clean or documentary bills , domestic or export, whther accepted or otherwise and the cheques/ drafts / instruments etc drawn in its favour.</p>			

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
7	<b>TRADE PAYABLES*</b>		
	Trade Payable		
	Dues to other than Micro and Small enterprises	51,901,563	1,735,229
	<b>Total Trade Payables</b>	<b>51,901,563</b>	<b>1,735,229</b>

\*There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding for more than 45 days as at 31st March 2012. This Information as Required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been Determined to the extent such Parties have been Identified on the basis of information available with the Company.

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
8	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long term debt.	118,060,713	
	Other Payables		
	Statutory Dues	633,157	1,512,542
	Due to others	5,307,736	3,566,533
	Capex Creditors	46,133,558	84,714,591
	<b>Total Other Current Liabilities</b>	<b>170,135,164</b>	<b>89,793,666</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
9	<b>SHORT TERM PROVISIONS</b>		
	For Employee Benefits		
	Gratuity (unfunded)	7,204	-
	Leave Encashment (unfunded)	83,793	26,279
	<b>Total Short Term Provisions</b>	<b>90,997</b>	<b>26,279</b>



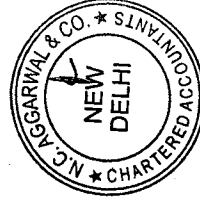
**Jindal Rail Infrastructure Limited**

**Notes forming part of Balance sheet and Statement of Profit and Loss**

**Note-10**

**Fixed Assets**

	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
		Balance as at 1st April 2011	Additions/ (Disposals)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011	
A	<b>Tangible Assets</b>									
	Land	146,696,869	27,375,680	174,072,549					146,696,869	
	Plant and Equipment	292,324	-	292,324	13,265	13,885	27,151	265,173	279,059	
	Furniture and Fixtures	38,611	210,494	249,105	511	44,765	45,276	203,829	38,100	
	Vehicles	2,064,951	1,648,664	3,713,615	101,871	293,226	395,098	3,318,517	1,963,080	
	Office equipment	4,811,851	1,974,009	6,785,860	168,609	537,399	706,008	6,079,852	4,643,242	
	<b>Total</b>	<b>153,904,606</b>	<b>31,208,847</b>	<b>185,113,453</b>	<b>284,256</b>	<b>889,276</b>	<b>1,173,533</b>	<b>183,939,920</b>	<b>153,620,350</b>	
B	<b>Capital Work In Progress</b>									
		734,638,316	408,546,821	1,143,185,136				1,143,185,136	734,638,316	
	<b>Total</b>	<b>734,638,316</b>	<b>408,546,821</b>	<b>1,143,185,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,143,185,136</b>	<b>734,638,316</b>	
	<b>Previous Year</b>	<b>146,006,699</b>	<b>7,897,907</b>	<b>153,904,606</b>	<b>8,197</b>	<b>276,058</b>	<b>284,256</b>	<b>153,620,350</b>	<b>-</b>	



**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
11	<b>Non-Current Investments</b> ( At Cost Less Provision ) Equity Shares Fully Paid Up -Unquoted Bharuch Dahej Railway Company Limited 10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each	100,000,000	100,000,000
	<b>Total Non Current Investments</b>	<b>100,000,000</b>	<b>100,000,000</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
12	<b>Long-term loans and advances</b>		
(a)	<b>Capital Advances</b> Unsecured, Considered good	88,821,241	15,900,745
	<b>Sub Total- Capital Advances</b>	<b>88,821,241</b>	<b>15,900,745</b>
(b)	<b>Security Deposits</b> Unsecured, Considered good	3,800,612	2,276,631
	<b>Sub Total-Security Deposits</b>	<b>3,800,612</b>	<b>2,276,631</b>
(c)	<b>Other Loan and advances</b> Advances recoverable in cash or in kind Unsecured, Considered good	10,133,976	30,400,178
	<b>Total Long Term Loans and Advances (a+b+c)</b>	<b>102,755,829</b>	<b>48,577,554</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
13	<b>Other Non Current Assets</b> Miscellaneous Expenditure to the extent not written off	460,000	460,000
	<b>Total Other Non Current Assets</b>	<b>460,000</b>	<b>460,000</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
14	<b>Current Investments - Non Trade</b> ( At Cost Less Provision ) Mutual Funds Principal Mutual Fund 12324.274 Units (Previous Year NIL) of Rs.1000.07 each	12,325,137	-
	<b>Total Current Investments</b>	<b>12,325,137</b>	<b>-</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
15	<b>Inventories</b> Raw Materials	136,672,337	-
	Store and Spares	5,331,717	-
	<b>Total Inventories</b>	<b>142,004,054</b>	<b>-</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
16	<b>Cash and Bank Balances</b>		
A.	<b>Cash and Cash Equivalents</b> <b>Balances with Banks</b> -In current Accounts	49,480,717	48,890,380
	Cash on Hand	424,510	17,924
B.	<b>Other Bank Balances</b> Deposits with original maturity of more than three month but less than 12 months*	8,537,855	155,000
	<b>Total Cash and Bank Balances (A+B)</b>	<b>58,443,082</b>	<b>49,063,304</b>

\*Out of this Pledged with bank Rs.3,245,750 Previous year (Nil)



**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
17	<b>Short-term loans and advances</b>		
(A)	<b>Loan and Advances to related parties</b>		
	Unsecured, Considered good		
	JITF Shipyard Limited	15,000,000	-
	JITF Water Infrastructure Limited	40,000,000	-
	<b>Sub Total- Loan and Advances to Related Parties</b>	<b>55,000,000</b>	<b>-</b>
(B)	<b>Other</b>		
	Unsecured, Considered good		
	Advance Recoverable in Cash or in kind	80,898,182	15,569,159
	TDS Receivable	56,022	-
	<b>Sub Total -Other Short Term Loans and Advances</b>	<b>80,954,204</b>	<b>15,569,159</b>
	<b>Total -Short Term Loans and Advances (A+B)</b>	<b>135,954,204</b>	<b>15,569,159</b>

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
18	<b>Other Current Assets</b>		
(a)	Interest accrued on Investment /Fixed Deposit	396,646	5,753
(b)	Others	273,917	352,134
	<b>Total Other Current Assets (a+b)</b>	<b>670,563</b>	<b>357,887</b>



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

**1. Nature of Operations**

Jindal Rail Infrastructure Limited is a Company incorporated on 25th May, 2007 with the main object to carry on the business in Rail infrastructure in and outside India.

**2. Statement of Significant Accounting Policies**

**(a) Basis of preparation**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

**(b) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and attributable cost of bringing the asset to its working condition for its intended use. All revenue expenditure direct and indirect inclusive of borrowing costs incurred till the date of completion of the project is carried to the pre-operative expenditure.

**(c) Investments**

Long-term investments are stated at cost which inter-alias includes brokerage, commission, stamp duty etc. When there is a decline in their value except temporary decline, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments. Current Investment is valued at lower of cost or market value.

**(d) Foreign Exchange Transactions**

Foreign currency transaction during the year recorded at the rate of exchange prevailing at the date of transaction. Current assets, loan other than for financing fixed assets and current liabilities in foreign currency, outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in profit and loss account of the year except (a) in cases where they are covered by specific forward foreign exchange contracts in which cases these are translated at contracted rate of exchange and resultant gains/losses recognized in profit and loss account over the life of contract .

Gain or loss on reinstatement on the forward exchange transaction or on cancellation of forward exchange contracts, if any, is reflected in the profit and loss account.

**(e) Retirement Benefits**

**(i)** Liabilities in respect of gratuity to the employees are accounted for on for on actuarial valuation basis as per determined at the Year end.

**(ii)** Liabilities in respect of accumulated earn leaves to the credit of employees are accounted for on actuarial valuation basis as per determined at the year end.

**(f) Miscellaneous Expenditure**

Preliminary Expenses i.e initial share issue expenses will be amortized in five years after the Commencement of Business.

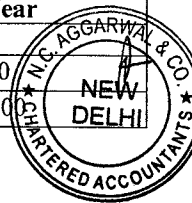
**(g) Taxation**

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws

Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one Year and are capable of reversal in one or more subsequent Years. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit

**3. Contingent Liabilities**

Particulars	Current Year	Previous Year
Bank Guarantees	304,80,750	155,000
Letter of Credit Outstanding	47,88,000	8,129,910
Corporate Guarantees issued to lenders of fellow subsidiary	22,20,00,000	22,00,00,000



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

**4. Related Parties Transactions**

List of Related Parties & Relationship (As identified by the Management)

**Holding Company**

Jindal Saw Limited ( Ultimate Holding)

Jindal ITF Limited (Direct holding )

**Fellow Subsidiary Companies**

- JITF Water Infrastructure Limited
- JITF Waterways Limited
- JITF Urban Infrastructure Services Limited
- JITF Urban Infrastructure Limited
- JITF Shipyard Limited
- JITF Infralogistics Limited
- Jindal Intellicom Limited
- JITF ES IPL CETP (Sitarganj) Limited (Indirect)
- Timarpur-Okhla Waste Management Company Private Limited (Indirect)
- JITF Water Infra (Naya Raipur) Limited (Indirect)
- JITF Coal Logistics Limited ( w.e.f.16th Dec 2011 )
- Jindal ITF Kobelco Eco Limited (Indirect) ( w.e.f. 12th Sep 2011 )
- JITF Shipping & Logistics (Singapore) Pte Ltd (Indirect) ( w.e.f. 24th May 2011 )
- JITF Global Water Holding Pte. Ltd (Indirect) ( w.e.f.31st August 2011 )
- JITF Water Infra (Rajkot) Limited (Indirect) ( w.e.f. 23rd May 2011)
- JITF Urban Waste Management (Bathinda ) Limited (Indirect) ( w.e.f. 23rd August 2011)
- JITF Urban Waste Management (Ferozepur ) Limited (Indirect) ( w.e.f.10th Oct 2011 )
- JITF Urban Waste Management (Jalandhar ) Limited (Indirect) ( w.e.f. 23rd August,2011 )
- JITF Manila Water Dev. Company Limited (Indirect) ( Subsidiary w.e.f.27<sup>th</sup> Feb 2012 )
- IUP Jindal Metals & Alloys Limited (Indirect)
- SV Trading Limited (Indirect)
- Jindal Saw USA, LLC (Indirect)
- Jindal Saw Holding FZE (Indirect)
- Jindal Saw Middle East FZC (Indirect)
- Jindal Saw Gulf LLC (Indirect)
- Intellicom Insurance Advisors Limited (Indirect)
- Ralael Holding Limited (Indirect)
- Jindal Saw Italia S.P.A (Indirect)
- Jindal Fittings Ltd. ( w.e.f. 12th May 2011 )
- Quality Iron & steel Ltd. ( w.e.f. 24th June 2011 )
- Green Ray Holdings( w.e.f.24th June 2011)
- Derwant Sand SARL(Indirect)( w.e.f.24th June 2011 )

**Key Management Personnel**

1. Mr. R. N. Aga (Whole Time Director)
2. Mr. A. K. Khosla (Chief Operating Officer)



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

Description	Holding Company		Fellow Subsidiaries	
	Current Year	Previous Year	Current Year	Previous Year
Share Capital including share premium received during the year	378,300,000	Nil	Nil	Nil
Share application money received during the year	200,500,000	135,500,000	Nil	Nil
Advance Payable JITF Shipyards Ltd	Nil	Nil	15,000,000	Nil
JITF Water Infra Structures Ltd.	Nil	Nil	40,000,000	Nil
Reimbursement of expense to: Jindal ITF Ltd	102,435	Nil	Nil	Nil
Consultancy Charges Paid JITF Water Infra Ltd.	Nil	Nil	27575000	Nil
Remuneration paid to A.K.Khosla	Nil	Nil	5,815,305	4,818,508
<b>Balance as on 31.3.2012</b>				
Share application money	200,000	178,000,000	Nil	Nil
Share Capital including share premium	573,509,000	195,202,000	Nil	Nil
Advance Payable JITF Shipyards Ltd	Nil	Nil	15,000,000	Nil
JITF Water Infra Structures Ltd.	Nil	Nil	40,000,000	Nil
Amount Payable Jindal ITF Ltd	102,435	Nil	Nil	Nil

5. The disclosure regarding employee benefits as per AS-15 on "Employee Benefits" (Revised 2005) are as under:-

**Defined Contribution Plan:**

Company's contribution to Provident Fund Rs. 15,81,340/- (Previous year Rs. 928,535)

**Defined Benefits Plan:**

**Gratuity and leave encashment**

Actuarial Assumptions	Gratuity (Funded)		Leave Encashment (Non-Funded)	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate (per annum)	0.085	0.080	0.085	0.080
Future salary increase	0.060	0.055	0.060	0.055
Expect return on plan assets	0.090	0.090	0.000	0.000
Mortality rate	LIC (1994-96) Ultimate Mortality Table		LIC (1994-96) Ultimate Mortality Table	

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reconciliation of present value of obligation	Gratuity (Funded)		Leave Encashment (Non-Funded)	
	Current Year	Previous Year	Current Year	Previous Year
	(Amount in Rs.)		(Amount in Rs.)	
Present value of Gratuity				



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

obligation at the beginning of the Year	390,700	63,978	671,724	340,497
Current Service Cost	491,793	249,300	905,131	460,331
Interest Cost	33,210	5,118	57,097	27,240
Past Service Cost	Nil	Nil	Nil	Nil
Actuarial (gain)/ loss	(54,553)	(72,304)	207,801	(141,779)
Benefits paid	Nil	Nil	(55,356)	(14,565)
Present value of obligation at the end of the Year	970,255	390,700	17,86,397	671,724
<b>Net (Asset)/Liability recognized in the Balance Sheet as at Year end</b>	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Non-Funded)</b>	
	<b>(Amount in Rs.)</b>		<b>(Amount in Rs.)</b>	
Present value of obligation at the end of the Year	970,255	390,700	17,86,397	671,724
Fair value of plan assets at end of the Year	583,611	573,201	Nil	Nil
Funded Status/Difference	26,949	182,501		
Excess of actual over estimated	7,625	21,204	Nil	Nil
Net present value of funded obligation recognized as (asset)/liability in the Balance Sheet	386,644	(182,501)	17,86,397	671,724
<b>Expenses recognised in the Profit and Loss Account</b>	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Non-Funded)</b>	
	<b>(Amount in Rs.)</b>		<b>(Amount in Rs.)</b>	
Current Service Cost	491,793	249,300	905,131	460,331
Interest Cost	33,210	5,118	57,097	27,240
Actual return on plan assets	(59,213)	(25,015)	Nil	Nil
Actuarial (gain)/loss recognised in the year	46,928	51,100	207,801	(141,779)
Past Service Cost	Nil	Nil	Nil	Nil
Benefit Paid	Nil	Nil	(55,356)	(14,565)
Total expenses recognised in the Profit and Loss Account for the Year	520,342	301,707	11,70,029	345,792

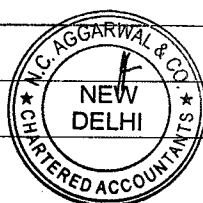
\*Does not include sick leave liability of Rs. 500,509/- (Previous Period Rs.344,480/-)

<b>6. CIF Value of Import</b>	<b>Current Year</b>	<b>Previous Year</b>
Capital Goods	187,433,776	4,835,750
Raw Material	50,753,252	Nil

**7. Expenditure in Foreign Currency**

**Figures in Rs.**

	<b>Current Year</b>	<b>Previous Year</b>
Traveling Expenses (Capitalized to Pre-operative expenditure, pending allocation)	21,807	283,133
Bank Charges	Nil	70,998
Professional Fees	Nil	5,437,894



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

8. **Capital Work in progress includes following Pre operative expenses Pending allocation**

<b>Detail of Pre-operative Expenses</b>	<b>AS AT 31.03.2012 Rs.</b>	<b>AS AT 31.03.2011 Rs.</b>
<b>Opening Balance</b>	140,787,658	43,256,124
Consultancy charges towards design and drawing & Other Professional Service	4,500,562	12,378,768
Business Promotion	211,368	155,444
Travelling and Conveyance Exp.	1,997,735	4,916,289
Communication Expenses	488,676	301,261
Interest on Term Loan	116,456,841	47,284,800
Depreciation	889,276	276,059
Rates and Taxes	488,401	44,387
Rent	922,200	959,400
Repair and Maintenance	269,549	1,941,382
Electricity	3,452,675	2,820,918
Salary and Allowances	31,144,953	18,345,618
- Audit Fees	20,000	18,000
Bank Charges	2,420,161	913,598
Charity and Donation	855,000	500
Miscellaneous (Includes reversal of cenvat related to various head of expenses of Rs. 29,752,943 previous year NIL)	43,943,831	7,605,610
<b>Total</b>	<b>348,848,886</b>	<b>141,218,158</b>
Less : Dividend on Current Investments	2,495,947	430,500
Scrap Sales	1,749,245	-
Interest on deposits	557,103	-
<b>Total</b>	<b>344,046,591</b>	<b>140,787,658</b>

9. **Capital Commitments**

Capital commitment Rs. 40,620,905/- (net of Capital advances) as at March 31, 2012 (Previous year Rs. 261,730,389/-)



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:19**

10. Till the year ended 31 March 2011, pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements was applicable to the company. During the year ended 31st March 2012, The revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

As per our report of even date.

For N. C. Aggarwal & Co.  
Chartered Accountants

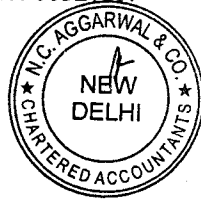
Firm Registration No: 003273N



G. K. Aggarwal

Partner

Membership No. 086622



Place: New Delhi

Dated: 25<sup>th</sup> May, 2012

For and on behalf of the Board of Directors of  
Jindal Rail Infrastructure Limited

  
R.N. Aga

Whole Time Director

  
Sunil Kumar Jain

Director



Megha Gupta

Company Secretary

**Jindal Rail Infrastructure Limited**  
**Cash Flow Statement for the year ended March 31, 2012**

	For the year ended March 31, 2012	For the Year ended March 31, 2011
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating profit before working capital changes (a)	-	-
Adjustment for:		
Loans & Advances	(174,563,320)	-
Other Current Assets	(312,676)	1,473,734
Inventories	(142,004,054)	-
Current Liabilities & Provision	112,021,262	21,701,789
<b>Cash earned from change in working capital (b)</b>	<b>(204,858,787)</b>	<b>23,175,522</b>
<b>Net cash Inflow/(Outflow) from operating activities (a+b)</b>	<b>(204,858,787)</b>	<b>23,175,522</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	557,103	-
Dividend Received	2,495,948	430,500
Purchase of fixed assets(net)	(441,919,442)	(514,699,018)
Investments	(12,325,137)	4,003,156
<b>Net cash Inflow/(Outflow) from investing activities</b>	<b>(451,191,528)</b>	<b>(510,265,362)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Shares (Including Security Premium)	378,300,000	-
Proceeds from Share Application Money	(177,800,000)	135,500,000
Proceeds from Loan received	464,930,093	404,630,265
Interest and finance charges	-	(47,284,800)
<b>Net cash Inflow/(Outflow) from financing activities</b>	<b>665,430,093</b>	<b>492,845,465</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,379,778</b>	<b>5,755,625</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>49,063,304</b>	<b>43,307,679</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>58,443,082</b>	<b>49,063,304</b>


As per our report of even date


**For N. C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No: 003273N


  
**G.K. Aggarwal**  
Partner  
Membership No. 086622  
Place: New Delhi  
Dated: 25th May, 2012



For and on behalf of the Board of Directors of  
Jindal Rail Infrastructure Limited

  
**R.N. Aga**  
Whole Time Director

  
**Sunil Kumar Jain**  
Director

  
**Megha Gupta**  
Company Secretary