

## NOTICE

### JITF WATERWAYS LIMITED

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting of the shareholders of the Company will be held on **Wednesday, 26<sup>th</sup> September, 2012 at 02.00 PM** 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 Profit and Loss account ended on that date together with Schedules and Notes on Accounts and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Indresh Batra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Sminu Jindal who retires by rotation and being eligible offers herself 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:**

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Jai Singh Khurana who was appointed as an Additional Director with effect from 30.03.2012 by the Board under section 260 of the Companies Act, 1956 and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing, under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company."

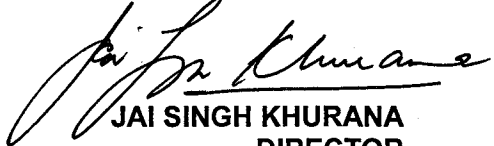
6. To consider and if thought fit, to pass with or without modifications, the following Resolution as Special Resolution:

**"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.1000 Crores (Rupees One Thousand 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**

  
**JAI SINGH KHURANA**  
**DIRECTOR**

**Place: New Delhi**

**Dated: 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. 5:**

The Board of Directors of the Company had appointed Mr. Jai Singh Khurana as an Additional Director as per section 260 of the Companies Act, 1956 w.e.f. 30.03.2012 and as such he holds office upto the date of this Annual General Meeting. A notice under Section 257 of Companies Act, 1956 has been received by the Company from a member signifying his intention to propose the candidature of Mr. Jai Singh Khurana for appointment as Director in this behalf.

None of the Directors except Mr. Jai Singh Khurana is concerned or interested in the Resolution.

The Board of Directors recommends passing of the proposed resolution as an Ordinary Resolution.

**ITEM NO. 6:**

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. 1000 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**

  
**JAI SINGH KHURANA**  
**DIRECTOR**

**Place: New Delhi**

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

## JITF WATERWAYS 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 for the Financial Year 2011-12.

#### Financial Results

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital	1,224,133,330	584,133,330
Share application money pending allotment	663,000,010	3,692,000,010
Reserves and Surplus	1,122,596,567	(2,927,365)
Fixed Assets	2,851,523,065	3,323,118,680
Deferred Tax Assets	677,103,623	563,624,439
Current Assets	1,569,341,974	2,584,362,216
Current Liabilities	763,982,052	185,147,633
Profit/ (Loss) before taxation	(267,955,251)	(477,732,280 )

#### Market Potential

Indian logistics market is likely to cross the \$ 200 billion figure by 2020, fueled by the consistent growth of the economy and key industries such as automotive, engineering, pharmaceuticals, and food processing. Coastal Container Shipping is expected from a current level of around 500 Crores to 2565 Crores in 2015 and your Company already has a significant presence on the west coast of India. Currently the volume for coastal container movement is about 6000 Units per month, however with the saturation of rail and road transport, the volume is expected to raise up to 20000 containers a month and Coastal Transportation is definitely going to be the way ahead.

There is tremendous business potential in Inland Water Transport for transportation of coal on National Waterways-1 for transportation of Coal for power plants on the banks of Ganges.

#### 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. Indresh Batra & Ms. Sminu Jindal shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year Mr. Jai Singh Khurana has been appointed by the Board as the additional Director of the company w.e.f. 30<sup>th</sup> March, 2012. Also notice under section 257 from a member has been received proposing to appoint Mr. Jai Singh Khurana as directors of the Company. The resolutions for the same are embodied in the notice convening the ensuing Annual General Meeting.

### **Subsidiary**

During the year under review your company incorporated an overseas wholly owned Subsidiary by the name of JITF Shipping & Logistics (Singapore) Pte. Ltd. in Singapore.

The main line of business of the Company is chartering of vessels.

### **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:

Description	Current Year	Previous Period
	Amount (Rs.)	Amount (Rs.)
Oil and Fuel Expenses	73,853,120	44,857,697
Port Dues Charges	73,875,464	74,302,476
Store, spares, repair & maintenance for vessel & survey fees	14,706,009	58,594,433
Traveling Expenses	-	56,980
Insurance	24,192,506	19,450,964
Legal & Professional	1,098,952	1,853,513
Communication	3,843,581	3,783,724
Commission to Cargo/Vessels Agents	826,283	-
Chartering Hire Charges	311,444,874	4,519,049
Crane Charges	2,107,152	981,058
Dry Dock Charges for vessels	43,212,121	50,281,108
Others	1,431,306	711,003
<b>Total</b>	<b>550,591,368</b>	<b>259,392,005</b>

#### Revenue in Foreign Exchange

Description	Current Year	Previous Period
	Amount (Rs.)	Amount (Rs.)
<b>Cargo freight Revenue</b>	<b>639,326,511</b>	<b>339,145,103</b>

### **Conservation of Energy and Technology Absorption**

Your Company has installed Invertor based welding sets for conservation of energy. Company is also providing training to workforce and staff on taking basic steps to conserve energy.

### **Directors Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the Financial Year 2011-12, 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.

### **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**

During the year under review none of the employees falls under the ambit of Section 217(2A) of the Companies Act, 1956 as amended up to date.

### **Acknowledgement**

Your Directors express their grateful appreciation to concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. 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  
JITF Waterways Limited

  
Indresh Batra  
Director

  
Jai Singh Khurana  
Director


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

## AUDITORS' REPORT

To  
The Members of JITF Waterways Limited

1. We have audited the attached Balance Sheet of JITF WATERWAYS LIMITED as at 31st March, 2012 and Statement of Profit and Loss and also the 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, Statement of Profit and Loss and the Cash flow statement dealt with by this report is in agreement with the books of accounts;
  - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and the 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 31st March, 2012.
    - b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date.
    - c) In the case of Cash flow statement, of cash flows for the year ended on that date.

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: JTF WATERWAYS 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 substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (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) 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, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (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, investor education and protection 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. The Company has incurred cash loss during the financial year ended March 31, 2012 and in the immediately preceding financial year.




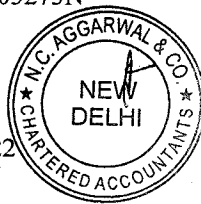
According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks and financial institutions.

**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 given guarantee for loans taken by its wholly owned subsidiary company JITF Shipping and Logistics (Singapore) Pte. Ltd. favouring banks, the terms and conditions of which is prime facie not prejudicial to the intent of the company.
- (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. 086622  
New Delhi  
Date: 25<sup>th</sup> May, 2012



**JITF WATERWAYS 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.</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
(1)	<b><u>Shareholders' Funds</u></b>			
	(a) Share Capital	1	1,224,133,330	584,133,330
	(b) Reserves and Surplus	2	1,122,596,567	(2,927,365)
(2)	<b><u>Share Application money pending allotment</u></b>	3	663,000,010	3,692,000,010
(3)	<b><u>Non-current liabilities</u></b>			
	(a) Long-term borrowings	4	1,820,395,543	2,306,996,553
	(b) Long-term provisions	5	1,376,724	842,003
(4)	<b><u>Current liabilities</u></b>			
	(a) Short-term borrowings	6	95,665,333	48,256,501
	(b) Trade payables	7	527,991,585	80,714,419
	(c) Other current liabilities	8	139,772,379	55,623,958
	(d) Short-term provisions	9	552,755	552,755
	<b>Total Equity and Liabilities</b>		<b>5,595,484,226</b>	<b>6,766,192,164</b>
<b>II.</b>	<b><u>ASSETS</u></b>			
(1)	<b><u>Non-current assets</u></b>			
	(a) <b><u>Fixed Assets</u></b>	10		
	(i) Tangible assets		2,699,829,507	3,294,980,145
	(ii) Intangible assets		4,491,127	3,070,823
	(iii) Capital work-in-progress		147,202,431	25,067,712
	(b) Non-current investments	11	229,293,776	-
	(c) Deferred tax assets (net)	12	677,103,623	563,624,439
	(d) Long-term loans and advances	13	267,821,787	294,193,663
	(e) Other non-current assets	14	400,001	893,166
(2)	<b><u>Current assets</u></b>			
	(a) Current investments	15	310,116,939	1,806,552,217
	(b) Inventories	16	121,385,919	145,421,515
	(c) Trade receivables	17	625,303,827	310,175,284
	(d) Cash and Bank Balances	18	100,017,201	26,440,630
	(e) Short-term loans and advances	19	406,466,763	295,500,052
	(f) Other current assets	20	6,051,325	272,518
	<b>Total Assets</b>		<b>5,595,484,226</b>	<b>6,766,192,164</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  
 JITF Waterways Limited

Indresh Batra  
 Director

Jai Singh Khurana  
 Director

**JITF WATERWAYS LIMITED****Statement of Profit and Loss for the year ended 31st March, 2012**

(Amount in Rs.)

Particulars		Note No.	Year ended 31st March 2012	Year ended 31st March 2011
(I)	Revenue from operations (Gross)	21	1,742,942,594	983,993,869
(II)	Other income	22	123,419,946	38,565,412
(III)	<b>Total Revenue (I+II)</b>		<b>1,866,362,540</b>	<b>1,022,559,281</b>
(IV)	<b>Expenses:</b>			
	Employee benefits expense	23	13,121,567	206,619,049
	Finance costs	24	261,979,450	264,083,584
	Depreciation and amortization expense	25	180,141,488	172,341,609
	Operational Expenses	26	1,647,363,243	813,191,278
	Other Expenses	27	31,712,043	35,713,305
	<b>Total Expenses</b>		<b>2,134,317,791</b>	<b>1,491,948,825</b>
(V)	Profit before exceptional and extraordinary items and tax (III-IV)		(267,955,251)	(469,389,544)
(VI)	Exceptional items		-	8,342,736
(VII)	Profit before extraordinary items and tax (V-VI)		(267,955,251)	(477,732,280)
(VIII)	Extraordinary items		-	-
(IX)	<b>Profit before tax (VII-VIII)</b>		<b>(267,955,251)</b>	<b>(477,732,280)</b>
(X)	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(113,479,184)	(147,556,951)
(XI)	Profit/(Loss) for the year (IX-X)		(154,476,068)	(330,175,329)
(XII)	Earnings per equity share:			
	(1) Basic		(2.63)	(5.65)
	(2) Diluted		(2.63)	(5.65)

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 &amp; 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

JITF Waterways Limited

Indresh Batra

Director

Jai Singh Khurana

Director

**JITF WATERWAYS LIMITED**
**Notes forming part of Balance sheet and Statement of Profit and Loss**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
1	<b>SHARE CAPITAL</b>		
(a)	<b>AUTHORISED SHARE CAPITAL</b> 160,000,000 (Previous Year 60,000,000) Equity Shares of ` 10/- each	1,600,000,000	600,000,000
(b)	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 122,413,333 (Previous Year 58,413,333) Equity Shares of ` 10/-each fully paid up	1,224,133,330	584,133,330
(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	58,413,333	58,413,333
	Shares issued during the year	64,000,000	-
(d)	<b>Shares outstanding at the end of the year</b>	<b>122,413,333</b>	<b>58,413,333</b>

(e)	SHARE OF THE COMPANY HELD BY :-	No of Shares	No of Shares
	Its Holding Company Jindal ITF Limited	122,413,333	58,412,633

(f)	SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:					
	Name of the Shareholder	As at 31st March 2012		As at 31st March 2011		
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	
	Jindal ITF Limited*	122,413,333	100%	58,412,633	99.99%	

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

(g)	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>		
(a)	Securities Premium Account As per last account Add:- During the year	1,167,266,660 1,280,000,000	1,167,266,660 -
	<b>Closing Balance</b>	<b>2,447,266,660</b>	<b>1,167,266,660</b>
(b)	<b>PROFIT AND LOSS ACCOUNT</b>		
	Profit/(Loss) Brought Forward	(1,170,194,025)	(840,018,696)
	Add:-Profit/(Loss) after tax for the year	(154,476,068)	(330,175,329)
	<b>Closing Balance</b>	<b>(1,324,670,093)</b>	<b>(1,170,194,025)</b>
	<b>Total Reserve and Surplus (a+b)</b>	<b>1,122,596,567</b>	<b>(2,927,365)</b>
3	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b> (2,21,00,000 Equity shares at a premium of Rs.20/-per share to be allotted till the end of next year.)	<b>663,000,010</b>	<b>3,692,000,010</b>



**JITF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	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	1,820,395,543	2,306,996,553
	<b>Total Long Term Borrowings</b>	<b>1,820,395,543</b>	<b>2,306,996,553</b>

Term Loan Secured against mortgage of Vessels by first charge in favour of Banks for term loan of Rs.125.46 crore(excluding current maturity of loan) .Term loan from ICICI Bank of Rs.132.05 crore carries interest@11.50% repayable in 34 quarterly structured installments as follows: F.Y2013-14 to 2014-15 Rs.6.60 crores each year,F.Y 2015-16 to F.Y 2017-18 Rs.13.21 crores each year,F.Y 2018-19 Rs.19.81 crores,F.Y2019-20 to F.Y 2020-21 Rs.26.41 crores each year

Another Term loan from ICICI Bank of Rs.56.59 crore carries interest@11.50% repayable in 15 quarterly structured installments as follows: F.Y2017-18 to 2019-20 Rs.15.09 crores each year,F.Y 2020-21 Rs.11.32 crores

(Loan is guaranteed by way of pledge of 51% equity of holding company Jindal ITF Limited. Loan is also supported by letter of undertaking of ultimate holding company )

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
5	<b>LONG TERM PROVISIONS</b>		
	For Employee Benefits		
	Gratuity (unfunded)	583,814	-
	Leave Encashment (unfunded)	792,910	842,003
	<b>Total Long Term Provisions</b>	<b>1,376,724</b>	<b>842,003</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
6	<b>SHORT TERM BORROWINGS</b> <b>SECURED SHORT TERM BORROWINGS</b>		
	Loan repayable on Demand		
	Working Capital Facility from Bank (Working Capital loan Secured against first charge on working capital of the Company.)	95,665,333	48,256,501
	<b>TOTAL SHORT TERM BORROWINGS</b>	<b>95,665,333</b>	<b>48,256,501</b>

Working Capital Facilities are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material , work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand and carries interest @15% .

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
7	<b>TRADE PAYABLES</b>		
	Sundry Creditors*		
	Dues to other than Micro and Small enterprises	527,991,585	80,714,419
	<b>Total Trade Payables</b>	<b>527,991,585</b>	<b>80,714,419</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.



**JITF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
8	<b>OTHER CURRENT LIABILITIES</b>		
(a)	Current maturities of Long term debt.	66,000,000	-
(b)	Other payable		
	Due to Customer and others	1,152,730	8,929,326
	Other Outstanding Liabilities	72,619,649	46,694,632
	<b>Total Other Current Liabilities</b>	<b>139,772,379</b>	<b>55,623,958</b>

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
9	<b>SHORT TERM PROVISIONS</b>		
	Provision for Fringe Benefit Tax	552,755	552,755
	<b>Total Short Term Provisions</b>	<b>552,755</b>	<b>552,755</b>



**JITE WATERWAYS LIMITED**

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

**Note-10**

**FIXED ASSETS**

(Amount in Rs.)

	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1st April 2011	Additions	Deduction	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
<b>A</b>										
<b>Tangible Assets</b>										
Leasehold Improvements	786,907	-	-	786,907	786,907	-	-	786,907	-	-
Vessels	3,434,407,583	249,854,338	804,286,446	2,879,975,475	363,255,343	167,668,416	137,491,780	393,431,979	2,486,543,496	3,071,152,240
Barge	44,760,723	2,442,143	-	47,202,866	4,726,173	1,495,232	-	6,221,405	40,981,461	40,034,550
Containers	196,075,371	-	-	196,075,371	19,213,409	9,313,580	-	28,526,989	167,548,382	176,861,962
Computers	2,582,891	-	-	2,582,891	964,240	404,795	-	1,369,135	1,213,756	1,618,551
Office Equipments	2,544,987	50,340	24,500	2,570,827	326,954	126,574	2,535	450,994	2,119,833	2,218,033
Furniture and Fixtures	1,279,977	13,800	-	1,293,777	271,895	81,304	-	353,199	940,578	1,008,082
Vehicles	2,297,912	-	1,750,109	547,803	214,185	130,400	284,783	65,802	482,001	2,086,727
<b>Total</b>	<b>3,684,736,351</b>	<b>252,360,621</b>	<b>806,061,055</b>	<b>3,131,035,917</b>	<b>389,756,206</b>	<b>179,229,301</b>	<b>137,779,098</b>	<b>431,206,410</b>	<b>2,699,829,507</b>	<b>3,294,980,145</b>
<b>B</b>										
<b>Intangible Assets</b>										
Computer Software	4,336,578	2,332,490	-	6,669,068	1,265,755	912,187	-	2,177,941	4,491,127	3,070,823
<b>Total</b>	<b>4,336,578</b>	<b>2,332,490</b>	<b>-</b>	<b>6,669,068</b>	<b>1,265,755</b>	<b>912,187</b>	<b>-</b>	<b>2,177,941</b>	<b>4,491,127</b>	<b>3,070,823</b>
<b>C</b>										
<b>Capital Work In Progress</b>										
<b>Total (A+B)</b>	<b>3,689,072,929</b>	<b>254,693,111</b>	<b>806,061,055</b>	<b>3,137,704,985</b>	<b>391,021,961</b>	<b>180,141,488</b>	<b>137,779,098</b>	<b>433,384,351</b>	<b>2,704,320,634</b>	<b>3,298,050,968</b>
<b>Total</b>	<b>25,067,712</b>	<b>122,134,719</b>	<b>-</b>	<b>147,202,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,202,431</b>	<b>25,067,712</b>
<b>Total</b>	<b>25,067,712</b>	<b>122,134,719</b>	<b>-</b>	<b>147,202,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,202,431</b>	<b>25,067,712</b>
<b>Previous Year</b>	<b>3,369,151,326</b>	<b>320,788,575</b>	<b>866,972</b>	<b>3,689,072,929</b>	<b>218,741,167</b>	<b>172,341,609</b>	<b>60,816</b>	<b>391,021,961</b>	<b>3,298,050,968</b>	<b>-</b>



**JITF WATERWAYS LIMITED**

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

**Note 11**

**NON CURRENT INVESTMENTS**

DETAILS OF INVESTMENTS		As at 31st March 2012			As at 31st March 2011		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs.)	Nos.	Face Value (Rs.)	Amount (Rs.)
	<b>Non-Current Investments</b>						
	<b>Equity Shares Fully Paid Up of Subsidiary Company - Unquoted</b>						
1	JITF Shipping and Logistics (Singapore) Pte Ltd	1	1 US \$	46			-
2	JITF Shipping and Logistics (Singapore) Pte Ltd	549,999	1 US \$	24,513,455			-
3	JITF Shipping and Logistics (Singapore) Pte Ltd	3,449,000	1 US \$	169,932,230			-
	<b>Total</b>			<b>194,445,731</b>			
	<b>Investment in Share Application Money</b>						
	JITF Shipping and Logistics (Singapore) Pte Ltd			34,848,045			-
	<b>Total</b>			<b>34,848,045</b>			
	<b>Total-Aggregate value of unquoted investments</b>			<b>229,293,776</b>			

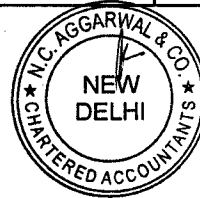


**JTF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<b>DESCRIPTION</b>	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>
12	<b>DEFERRED TAX ASSETS</b>		
A	<b>Deferred Tax Liability</b>		
	Difference on Account of WDV of Assets	405,851,272	357,431,884
B	<b>Deferred Tax Assets</b>		
	Carried forward losses	1,082,508,216	920,783,135
	Disallowance under Income Tax Act, 1961	446,678	273,188
	Total Deferred Tax assets	1,082,954,895	921,056,323
	<b>Net Deferred Tax Asset (Liability) (B-A)</b>	<b>677,103,623</b>	<b>563,624,439</b>

	<b>DESCRIPTION</b>	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>
13	<b>Long-term loans and advances</b>		
(a)	<b>Capital Advances</b>		
	Unsecured, Considered good	255,117,787	281,981,483
	<b>Sub Total- Capital Advances</b>	<b>255,117,787</b>	<b>281,981,483</b>
(b)	<b>Security Deposits</b>		
	Unsecured, Considered good	12,704,000	12,212,180
	<b>Sub Total-Security Deposits</b>	<b>12,704,000</b>	<b>12,212,180</b>
	<b>Total Long Term Loans and Advances (a+b)</b>	<b>267,821,787</b>	<b>294,193,663</b>

	<b>DESCRIPTION</b>	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>
14	<b>Other Non Current Assets</b>		
	Miscellaneous Expenditure to the extent not written off	400,001	893,166
	<b>Total Other Non Current Assets</b>	<b>400,001</b>	<b>893,166</b>



**JITF WATERWAYS LIMITED**

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

**Note 15**

**CURRENT INVESTMENTS**

DETAILS OF INVESTMENTS		As at 31st March 2012			As at 31st March 2011		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs.)	Nos.	Face Value (Rs.)	Amount (Rs.)
	<b>Current Investments</b> <b>(At Cost Less Provision)</b>						
	<b>Mutual Funds</b>						
	Reliance Fixed Horizon Fund - XXI - Series 3- Growth Plan	7,500,000	10	75,000,000	7,000,000	10	71,885,100
	Reliance Liquidity Fund - Growth Option	22,081	16	355,221	4,212,043	15	64,391,183
	Reliance Monthly Interval Fund - Series I - Institutional Growth Plan	6,895,315	15	100,000,000	6,967,331	10	69,726,261
	Reliance Liquid Fund-Treasury Plan-Institutional Daily Dividend Option	-	-	-	1,598,358	1,001	1,600,549,673
	Birla Sun Life Dynamic Bond Fund - Retail Growth Fund	2,917,510	17	50,000,000			
	Fidelity Short Term Income Fund - Growth	146,754	11	1,576,134			
	Birla Sun Life Monthly Income Plan II - Saving 5 Plan - Growth	548,531	18	10,000,000			
	ICI Prudential Short Term Plan - Growth	1,541,365	22	33,185,564			
	Birla Sun Life Income Plus - Growth	846,884	47	40,000,000			
	<b>Total-Aggregate value of current investments</b>	<b>20,418,439</b>		<b>310,116,939</b>	<b>19,777,731</b>		<b>1,806,552,217</b>



**JITF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
16	<b>Inventories</b>		
	Store and Spares	44,356,353	60,400,159
	Fuel and Lubricants	77,029,566	85,021,356
	<b>Total Inventories</b>	<b>121,385,919</b>	<b>145,421,515</b>

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
17	<b>Trade Receivables</b>		
A	<b>Outstanding Exceeding Six Months</b>		
	Unsecured, Considered good	158,126,705	26,701,559
	<b>Sub Total-Outstanding Exceeding Six Months</b>	<b>158,126,705</b>	<b>26,701,559</b>
B	<b>Outstanding Less than Six Months</b>		
	Unsecured, Considered good	467,177,122	283,473,725
	<b>Sub Total-Outstanding Less than Six Months</b>	<b>467,177,122</b>	<b>283,473,725</b>
	<b>Total Trade Receivables (A+B)</b>	<b>625,303,827</b>	<b>310,175,284</b>

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
18	<b>Cash and Bank Balances</b>		
A.	<b>Cash and Cash Equivalents</b>		
	<b>Balances with Banks</b>		
	Current Accounts	34,463,267	23,808,350
	Deposits with original maturity of less than three months	1,811,571	-
	<b>Cash on Hand</b>	21,434	14,780
B.	<b>Other Bank Balances</b>		
	Deposits with original maturity of more than three month but less than 12 months*	63,620,929	415,000
	Fixed Deposits with original maturity of more than 12 months	100,000	2,202,500
	<b>Total Cash and Bank Balances (A+B)</b>	<b>100,017,201</b>	<b>26,440,630</b>

\*Out of this Pledged with bank Rs.2,617,500 Previous year (Nil)

	<u>DESCRIPTION</u>	As at 31st March 2012	As at 31st March 2011
19	<b>Short-term loans and advances</b>		
(A)	<b>Loan and Advances to related parties</b>		
	Unsecured, Considered good		
	JITF Shipping & Logistics (Singapore) Pte.Ltd.	26,134,845	-
	<b>Sub Total- Loan and Advances to Related Parties</b>	<b>26,134,845</b>	<b>-</b>
(B)	<b>Other</b>		
	<b>Unsecured, Considered good</b>		
	Advance Recoverable in Cash or in kind		
	- Advance Income tax/Tax deducted at source	43,969,852	25,914,414
	- Others	336,362,066	269,585,638
	<b>Sub Total -Other Short Term Loans and Advances</b>	<b>380,331,918</b>	<b>295,500,052</b>
	<b>Total -Short Term Loans and Advances (A+B)</b>	<b>406,466,763</b>	<b>295,500,052</b>



**JITF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<b>DESCRIPTION</b>	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>
20	<b>Other Current Assets</b>		
	Interest accrued on Investment /Fixed Deposit	6,051,325	272,518
	<b>Total Other Current Assets</b>	<b>6,051,325</b>	<b>272,518</b>

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
21	<b>Revenue from Operation</b>		
	<b>Sale of Services</b>		
	Cargo Freight Revenue	1,732,995,350	980,793,879
	<b>Other Operating Revenue</b>		
	Ground rent recovery	9,369,646	-
	Other Receipt	577,598	3,199,990
	<b>Net Revenue from Operation</b>	<b>1,742,942,594</b>	<b>983,993,869</b>

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
22	<b>Other Income</b>		
	Interest Income on Fixed Deposit	6,200,993	299,835
	Others	455,503	-
	Dividend Income on current investment	94,901,019	11,052,217
	<b>Other non-operating income (Net of expenses)</b>		
	Miscellaneous Income	305,182	3,346,095
	Provision no longer required written back	21,173	23,867,265
	Profit on Sale of Fixed Assets	4,434,504	-
	Applicable net gain on foreign currency transactions and translation	17,101,572	-
	<b>Total</b>	<b>123,419,946</b>	<b>38,565,412</b>

(Out of profit on sale of Fixed assets Rs. 43,32,793 (Previous year Rs. Nil) relate to vessels sold to related party-JITF Shipping and Logistics Pte (Singapore Ltd.)

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
23	<b>Employee Benefits Expenses</b>		
	Salaries and Wages	11,706,721	202,682,902
	Contribution to provident and other funds	1,056,000	3,130,439
	Staff Welfare Expenses	358,846	805,708
	<b>Total</b>	<b>13,121,567</b>	<b>206,619,049</b>



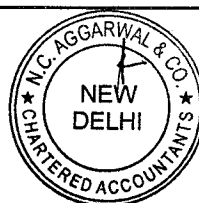
**JITF WATERWAYS LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
24	<b>Finance Costs</b>		
	Interest Expenses		
	- on term loan from Banks	227,336,532	247,901,315
	- on CC Limit from Banks	11,848,483	7,070,836
	- on term loan from Financial Institution	971,387	3,694,671
	Processing Fees and Other Bank Charges	21,823,048	5,123,372
	Applicable net loss on foreign currency transactions and translation	-	293,390
	<b>Total</b>	<b>261,979,450</b>	<b>264,083,584</b>

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
25	<b>Depreciation and amortisation expense</b>		
	Depreciation on Fixed Assets	179,229,301	171,548,527
	Amortization of Intangible assets	912,187	693,082
	<b>TOTAL</b>	<b>180,141,488</b>	<b>172,341,609</b>

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
26	<b>Operational Expenses</b>		
	Fuel Consumption	468,104,301	272,722,473
	Ship Management Charges	254,441,295	55,059,549
	Vessel and Containers Related Port Charges	361,724,943	289,881,174
	Insurance Expenses	29,360,717	25,346,367
	Commission to Cargo/Vessels Agents	35,110,107	24,306,885
	Transportation Charges	30,589,977	38,783,195
	Vessel and Other Equipments Hiring Charges	384,894,783	44,466,710
	Repair & Maintenance Charges	83,137,120	62,624,925
	<b>Total</b>	<b>1,647,363,243</b>	<b>813,191,278</b>

	<b>DESCRIPTION</b>	<b>Year ended 31st March 2012</b>	<b>Year ended 31st March 2011</b>
27	<b>Other Expenses</b>		
	Water and Electricity Charges	207,150	1,073,546
	Rent	1,599,491	2,917,706
	Rates and Taxes	1,992,903	3,176,827
	Legal and Professional Charges	12,270,158	6,591,923
	Auditor's Remuneration:		
	-As Audit Fees	150,000	108,613
	-As Tax Audit Fees	60,000	40,000
	Donation	50,000	-
	Printing and Stationery	170,550	1,370,416
	Communication Expenses	1,266,955	1,977,908
	Travelling and Conveyance	6,347,208	9,597,249
	General Repair and Maintenance	1,713,305	5,212,983
	Loss on Sale of Fixed Assets	315,093	286,053
	Miscellaneous Expenses	5,076,066	2,866,913
	Miscellaneous Expenses Written off	493,164	493,168
	<b>Total</b>	<b>31,712,043</b>	<b>35,713,305</b>



**JITF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:28**

**1. Nature of Operations**

JITF Waterways Limited is a Company incorporated on 24<sup>th</sup> January, 2007 with the main object to carry on the business to establish, build, maintain, operate barrages, jetties, ports, terminals, canals, water ways, for transportation by water, cargo, goods, material, passengers, shipping for the purpose of establishing and providing of necessary infrastructure / support /logistics on its own or otherwise 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) Revenue Recognition**

Freight and demurrage earnings are recognized on completed voyage basis/ upon loading of the Vessel depending upon the risk and rewards transferred. Time Charter earning are recognized on accrual basis except where the charter party agreements have not been renewed/ finalized, in which case it is recognized on provisional bases.

**(c) Fixed Assets**

**(i) Valuation of Fixed Assets**

a) Tangible Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying assets are capitalized as a part of the respective assets, up to the date of acquisition/ completion of construction.

b) Software which is not an integral part of related hardware is classified as an Intangible asset and is stated at cost.

**(ii) Depreciation**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher

**(iii) Expenditure during construction period for new projects /expansion cum modernization projects**

Expenditures which are directly attributable to identified assets and incurred during the construction period are included under capital work-in-progress, till the completion of the project. Expenditures which are not directly attributable to an identified asset forming part of a project, including interest on borrowed funds, are carried to pre-operative expenses, till the completion of the project. On completion of the project, capital work in progress along with pre-operative expenses is carried to respective fixed assets.

**(d) Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss is recognized in prior accounting period is reversed if there has been a change in the estimation of recoverable amount.

**(e) Inventory Valuation**

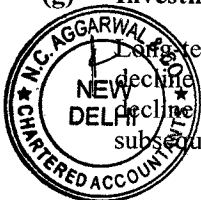
Inventories of fuel oil are carried at cost or net realisable value whichever is lower. Cost is determined on first in first out basis.

**(f) Foreign Exchange Transaction**

Foreign currency during the period is recorded at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at the period end rate. All exchange differences are dealt with in the Profit & Loss Account.

**(g) 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 the 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.



**JITF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:28**

**(h) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

**(i) Provision, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note. Contingent assets are neither recognized nor disclosed in the financial statement.

**(j) Retirement Benefits**

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

**(k) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and the estimates are recognized in the year in which the results are know/materialized.

**(l) Miscellaneous Expenditure**

Preliminary Expenses i.e. Share issue expenses on incorporation are amortized in five years after the Commencement of Business.

**(m) Taxation**

- (i) Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- (ii) 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.

**3. Contingent liabilities**

Description	As at 31.03.2012	As at 31.03.2011
Bank Guarantees Outstanding	37,042,500	35,542,500
Corporate Guarantees issued to lenders of subsidiary	548,191,000	Nil

4. The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

5. Certain balances of Sundry Debtors, Creditors and other advances are subject to confirmation and/or reconciliation. The effect of the same, if any, which are not likely to be material, will be adjusted at the time of confirmation.

**6. Capital Commitments**

Capital commitment Rs. 19,300,612/- (net of Capital advances) as at March 31, 2012 (Previous year is Rs. 48,858,665/-)



**JITF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
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**7. Segment Reporting**

Information about business segment. Company operates in a single primary segment (Business Segment) i.e. Transportation by water ways.

**8. Related Parties Transaction**

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

**(i) Holding Company**

Jindal ITF Limited (Direct holding)

Jindal Saw Limited (Indirect holding through Jindal ITF Limited)

**(ii) Subsidiary Company**

JITF Shipping & Logistics (Singapore) Pte. Ltd. ( w.e.f. 24th May 2011 )

**(iii) Fellow Subsidiary Companies:**

- JITF Water Infrastructure Limited
- JITF Urban Infrastructure Services Limited
- JITF Urban Infrastructure Limited
- JITF Shipyard Limited
- Jindal Rail Infrastructure Limited
- JITF Infralogistics Limited
- Jindal Intellicom Limited
- JITF ESIPL 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 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. Indresh Batra



**JITF WATERWAYS LIMITED**
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**
**NOTE:28**
**(b). Transactions**

Description	Holding Company		Fellow Subsidiary Company		Total	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
<b>Amount received as share application money:</b>						
Jindal ITF Limited	250,000,000	3,103,000,000	Nil	Nil	250,000,000	3,103,000,000
<b>Share Capital issued including share premium</b>						
Jindal ITF Limited	1,920,000,000	Nil	Nil	Nil	1,920,000,000	Nil
<b>Share application money Returned:</b>						
Jindal ITF Ltd.	1,359,000,000	Nil	Nil	Nil	1,359,000,000	Nil
<b>Advance Given to:</b>						
JITF Shipyard Limited	Nil	Nil	15,000,000	25,000,000	15,000,000	25,000,000
<b>Reimbursement of expenses to :</b>						
Jindal ITF Limited	110,457,500	Nil	Nil	Nil	110,457,500	Nil
<b>Reimbursement of expenses from :</b>						
Jindal ITF Ltd.	46,226,889	Nil	Nil	Nil	46,226,889	Nil
<b>Reimbursement of expenses from :</b>						
JITF Shipping & Logistics (Singapore) Pte.Ltd.	Nil	NIL	12,939,020	Nil	12,939,020	Nil
<b>Amount paid on behalf of:</b>						
JITF Shipping & Logistics (Singapore) Pte.Ltd.	Nil	Nil	4,999,389	Nil	4,999,389	Nil
<b>Sale of Vessels :</b>						
JITF Shipping & Logistics (Singapore) Pte.Ltd.	Nil	Nil	671,127,459	Nil	671,127,459	Nil
<b>Investments in Shares of:</b>						
JITF Shipping and Logistics (Singapore) Pte Ltd		Nil	194,445,731	Nil	194,445,731	Nil



**JITF WATERWAYS LIMITED****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS****NOTE:28**

<b>Investments in Shares application money of:</b>							
JITF Shipping and Logistics (Singapore) Pte Ltd.	Nil	Nil	34,848,045	Nil	34,848,045	Nil	
<b>Balance as on 31.3.2012</b>							
<b>Investments in Shares of:</b>							
JITF Shipping and Logistics (Singapore) Pte Ltd.	Nil	Nil	194,445,731	Nil	194,445,731	Nil	
<b>Investments in Shares application money of:</b>							
JITF Shipping and Logistics (Singapore) Pte Ltd.	Nil	Nil	34,848,045	Nil	34,848,045	Nil	
<b>Amount receivable:</b>							
JITF Shipping and Logistics (Singapore) Pte Ltd.	Nil	Nil	26,134,845	Nil	26,134,845	Nil	
<b>Share Application Money:</b>	663,000,010	3,692,000,010	Nil	Nil	663,000,010	3,692,000,010	
Jindal ITF Ltd.							
<b>Share Capital Including share premium:</b>	3671399990	1751392990	Nil	Nil	3671399990	1751392990	
Jindal ITF Ltd.							
<b>Amount payable to:</b>							
Jindal ITF Ltd.	56,509,611	Nil	Nil	Nil	56,509,611	Nil	
<b>Capital Advance:</b>							
JITF Shipyard Limited	Nil	Nil	142,000,000	127,000,000	142,000,000	127,000,000	



**JTF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
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9. 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. 958,574/- (Previous Year Rs. 1,871,393/-)

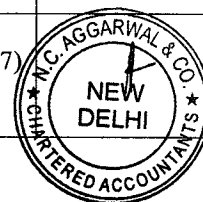
**Defined Benefits Plan:**

**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	0.08	0.085	0.08
Future salary increase	0.06	0.055	0.060	0.05
Expect return on plan assets	0.09	0.09	0.00	0.00
Mortality rate	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table	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 obligation at the beginning of the Year	349345	450,406	582901	787,379
Current Service Cost	591122	189,524	349823	325,935
Past Service Cost				
Interest Cost	91865	36,032	49547	62,990
Benefits paid			(632459)	(10,85,752)
Actuarial (gain)/ loss	616139	(326,527)	246507	492,349
Present value of obligation at the end of the Year	1648471	349,435	596319	582,901
	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	(Amount in Rs.)		(Amount in Rs.)	
Present value of obligation at the end of the Period	1648471	349,435	596319	582901
Fair value of plan assets at end of the Year	1064657	10,77,652		-
Funded Status/Difference		728217		-
Excess of actual over estimated	-	20215		-
Net present value of funded obligation recognized as (asset)/liability in the Balance Sheet	583814	(728217)	5,96,319	5,82,901



**JTF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:28**

Expenses recognised in the Profit and Loss Account	Gratuity (Un-Funded) (Amount in Rs.)		Leave Encashment (Un-Funded) (Amount in Rs.)	
Current Service Cost	1,91,122	189,524	349823	325,935
Interest Cost	29702	36,032	49547	62,990
Expect return on plan assets	(96989)	(65822)		
Actuarial (gain)/loss recognised in the Year	(216139)	(346,742)	246507	492,349
Past Service Cost				
Benefit Paid				
Total expenses recognised in the Profit and Loss Account for the Year	(92304)	(187,008)	645877	881,274

\*Does not include Sick leave liability of Rs.1,96,591 /- (Previous Period Rs.2,59,107/-)

10. Based on intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosures is given below\*:

Particulars	Current Year	Previous Year
Principal amount outstanding as at end of the year /period	-	-
Interest due on (1 ) above and unpaid	-	-
Interest paid to the supplier	-	-
Payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

\* To the extent information available with the company

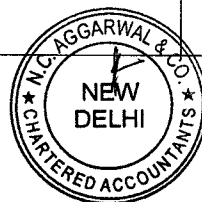


**JITF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:28**

11. Additional information pursuant to Paragraph 3 & 4 Part II of the Schedule VI of the Companies Act, 1956.

**A. Expenditure in Foreign Exchange including expenditure for capital goods**

Description	Current Year	Previous Period
	Amount (Rs.)	Amount (Rs.)
Oil and Fuel Expenses	73,853,120	44,857,697
Port Dues Charges	73,875,464	74,302,476
Store, spares, repair & maintenance for vessel & survey fees	14,706,009	58,594,433
Traveling Expenses	-	56,980
Insurance	24,192,506	19,450,964
Legal & Professional	1,098,952	1,853,513
Communication	3,843,581	3,783,724
Commission to Cargo/Vessels Agents	826,283	-
Chartering Hire Charges	311,444,874	4,519,049
Crane Charges	2,107,152	981,058
Dry Dock Charges for vessels	43,212,121	50,281,108
Others	1,431,306	711,003
<b>Total</b>	<b>550,591,368</b>	<b>259,392,005</b>



**JITF WATERWAYS LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:28**

**B. Revenue in Foreign Exchange**

Description	Current Year	Previous Period
	Amount (Rs.)	Amount (Rs.)
Cargo freight Revenue	639,326,511	339,145,103
<b>Total</b>	<b>639,326,511</b>	<b>339,145,103</b>

**12 Earning per share (EPS) :**

Description	Year ended 31st March, 2012	Year ended 31st March, 2011
<u>Basic and Diluted</u>		
Loss for the year after Tax	(154,476,068)	(330,175,329)
No.of shares outstanding at the end of year	122,413,333	58,413,333
Weighted Average No of Shares outstanding for calculating EPS	58,763,060	58,413,333
Basic and Diluted Earning per share	(2.63)	(5.65)

- 13** 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 31 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.*

**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  
JITF Waterways Limited

*Indresh Batra*  
**Indresh Batra**  
Director


*Jai Singh Khurana*  
**Jai Singh Khurana**  
Director

**JITF Waterways 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 OPEARTING ACTIVITIES:</b>		
Net Profit/(loss) Before Income taxes	(267,955,251)	(477,732,280)
Adjustment for:		
Depreciation	180,141,486	172,341,609
Miscellaneous expenditure written off	493,164	493,168
Loss on Sale of Assets	315,093	286,053
Profit on Sale of Assets	(4,434,504)	
Foreign Exchange Fluctuation	(17,101,572)	
Interest Income	(6,200,993)	(299,835)
Dividend Income	(94,901,019)	(11,052,217)
Interest and finance charges	228,307,919	258,666,822
Operating profit before working capital changes	<u>18,664,323</u>	<u>(57,296,678)</u>
Adjustment for:		
(Increase)/ decrease in debtors	(298,026,971)	(164,571,120)
(Increase)/ decrease in Inventories	24,035,596	(84,473,971)
(Increase) /decrease in Other Assets	(66,539,396)	(44,961,474)
Increase/(decrease) in Trade and other Payables	531,960,307	(46,407,626)
Cash earned from operations	<u>210,093,859</u>	<u>(397,710,869)</u>
Direct taxes paid	(18,055,438)	(10,133,929)
Net cash earned from/ (used in) operating activities	<u>192,038,421</u>	<u>(407,844,797)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	422,186	299,835
Dividend Received	94,901,019	11,052,217
Purchase of fixed assets	(376,827,828)	(388,382,337)
Sale of Fixed assets	672,401,369	494,175
Investment in subsidiary	(229,293,776)	-
Investment In Mutual Funds	1,496,435,278	(1,806,552,217)
Net cash earned from/ (used in) investing activities	<u>1,658,038,248</u>	<u>(2,183,088,327)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Shares	1,920,000,000	-
Proceeds/ (Repayment) from Share Application Money	(3,029,000,000)	3,103,000,000
Proceeds/ (Repayment) from secured loans	(439,192,178)	(233,339,804)
Interest and finance charges	(228,307,919)	(283,734,534)
Net cash from/(used in) financing activities	<u>(1,776,500,098)</u>	<u>2,585,925,662</u>
Net increase in cash and cash equivalents	<u>73,576,571</u>	<u>(5,007,462)</u>
Cash and cash cquivalents (opening balance)	26,440,630	31,448,092
Cash and cash equivalents (closing balance)	<u>100,017,201</u>	<u>26,440,630</u>
	<u>73,576,571</u>	<u>(5,007,462)</u>


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  
JITF Waterways Limited

  
**Indresh Batra**  
Director

  
**Jai Singh Khurana**  
Director