

**NOTICE**

**JITF WATER INFRA (NAYA RAIPUR) LIMITED**

**Notice** is hereby given that the **3<sup>rd</sup> Annual General Meeting** of the shareholders of the Company will be held on Monday, the 24<sup>th</sup> day of September, 2012 at 11:00 AM at the Registered Office of the Company at Jindal ITF Centre, 28, Shivaji Marg, New Delhi – 110 015 to transact the following business :

**AS ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 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. A.K. Nayyar who retires by rotation and being eligible offers himself for re-appointment.
3. 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 an Ordinary Resolution:

**“RESOLVED THAT** Mr. Sunil Kumar Trehan who was appointed as an Additional Director on 15.05.2012 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.”

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

**“RESOLVED THAT** Mr. Ashhu Garg who was appointed as an Additional Director on 07.05.2012 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.”

**BY ORDER OF THE BOARD OF DIRECTORS**

  
**A.K. NAYYAR**  
**DIRECTOR**

**Place: New Delhi**  
**Dated: 28/05/2012**

**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 Board of Directors of the Company had appointed Mr. Sunil Kumar Trehan as an Additional Director as per section 260 of the Companies Act, 1956 w.e.f. 15.05.2012 and as such he holds office upto the date of this Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from a member signifying his intention to propose the candidature of Mr. Sunil Kumar Trehan for appointment as Director in this behalf.

None of the Directors except Mr. Sunil Kumar Trehan is concerned or interested in the Resolution.

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

**ITEM NO. 5:**

The Board of Directors of the Company had appointed Mr. Ashhu Garg as an Additional Director as per section 260 of the Companies Act, 1956 w.e.f. 07.05.2012 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. Ashhu Garg for appointment as Director in this behalf.

None of the Directors except Mr. Ashhu Garg is concerned or interested in the Resolution.

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

**BY ORDER OF THE BOARD OF DIRECTORS**

  
**A.K. NAYYAR**  
**DIRECTOR**

**Place: New Delhi**  
**Dated: 28/05/2012**

## JITF WATER INFRA (NAYA RAIPUR) LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 3<sup>rd</sup> Annual Report of the Company together with the Audited Statement of Accounts comprising of Balance Sheet as at 31<sup>st</sup> March, 2012.

#### **Financial Results**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital	500,000	500,000
Share application money pending allotment	-	-
Fixed Assets	207,500,496	102,221,504
Current Assets, Loans & Advances	1,98,069,929	98,545,430
Current Liabilities	23,241,620	287,224

#### **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.

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

i) Foreign Exchange Earning and Outgo

The Company has neither earned nor expended any foreign exchange during the Financial Year ended on 31<sup>st</sup> March 2012.

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.

#### **Directors**

In terms of the provisions of Section 256 of the Companies Act, 1956, Mr. A.K. Nayyar shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year Mr. Sunil Trehan and Mr. Ashhu Garg have been appointed by the Board as the additional Director of the company w.e.f. 15<sup>th</sup> May, 2012 and 7<sup>th</sup> May, 2012 respectively. Also notice under section 257 from a member has been received proposing to appoint Mr. Sunil Trehan and Mr. Ashhu Garg as directors of the Company. The resolutions for the same are embodied in the notice convening the ensuing Annual General Meeting.

#### **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.

### **Directors Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the Financial Year 2011-2012 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.

### **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.

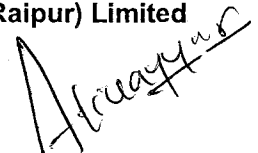
### **Acknowledgement**

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  
JITF Water Infra (Naya Raipur) Limited



Sunil Trehan  
Director



A.K. Nayyar  
Director


Place : New Delhi  
Dated: 28<sup>th</sup> May, 2012

## AUDITORS' REPORT

To  
The Members of JTF Water Infra (Naya Raipur) Limited

1. We have audited the attached Balance Sheet of JTF WATER INFRA (NAYA RAIPUR) LIMITED as at 31st March, 2012 and 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 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 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 cash flow statement of the 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: 28<sup>th</sup> May, 2012



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

**Re: JTF Water Infra (Naya Raipur) 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) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. Accordingly, paragraphs (ii) (b) and (c) of the Order are not applicable.
- (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.
- (b) 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) To the best of our knowledge and as explained, the Company, during the year, is not required to have an internal audit system commensurate with the size and nature of its business, as the Capital and the turnover does not exceed the limit prescribed in this regard at the commencement of the financial year concerned.
- (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) To the best of our knowledge and as explained, no 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 were arise during the year where they are applicable to the Company. Accordingly, paragraphs (ix) (b) and (c) of the Order are not applicable.
- (x) The company is in existence for less than five years. Hence Para (x) of the order is not applicable to the company.
- (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 banks and financial institutions.
- (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.



N.C. AGGARWAL & CO.  
CHARTERED ACCOUNTANTS

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- (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) Based on information and explanations given to us by the management, the Company, during the year, has not taken any term loan.
- (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. Hence para (xvi) of the order is not applicable.
- (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.*

G. K. Aggarwal  
Partner  
Membership No. 086622  
New Delhi  
Date: 28<sup>th</sup> May, 2012



**JITF Water Infra (Naya Raipur) Ltd**  
**Balance Sheet as at 31st March, 2012**

Particulars		Note No	As at 31st March 2012	As at 31st March 2011
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>Shareholders' Funds</b>			
	Share Capital	1	500,000	500,000
(2)	<b>Current liabilities</b>			
	(a) Short-term borrowings	2	222,000,000	200,000,000
	(b) Trade payables	3	159,842,332	-
	(c) Other current liabilities	4	23,241,620	287,224
	<b>Total Equity and Liabilities</b>		<b>405,583,952</b>	<b>200,787,224</b>
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) <b>Fixed Assets</b>	5		
	(i) Tangible assets		1,029,704	1,126,444
	(ii) Capital work-in-progress		206,470,792	101,095,060
	(b) Other non-current assets	6	13,527	20,290
(2)	<b>Current assets</b>			
	(a) Cash and Bank Balances	7	190,001,728	89,013,280
	(b) Short-term loans and advances	8	169,402	9,449,756
	(c) Other current assets	9	7,898,799	82,394
	<b>Total Assets</b>		<b>405,583,952</b>	<b>200,787,224</b>

See accompanying notes to the financial statements 10

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:28th May,2012



For and on behalf of the Board Of Directors of  
JITF Water Infra (Naya Raipur) Ltd

Sunil Trehan  
Director

A.K.Nayyar  
Director

**JITF WATER INFRA (NAYA RAIPUR) LIMITED**
**Notes forming part of Balance sheet**

DESCRIPTION		As at 31st March 2012	As at 31st March 2011			
<b>1</b>	<b>SHARE CAPITAL</b>					
(a)	<b>AUTHORISED SHARE CAPITAL</b>					
	50,000 ( Previous Year 50,000 ) Equity Shares of Rs.10/- each	500,000	500,000			
(b)	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>					
	50,000 Equity Shares of Rs.10/-each fully paid up	500,000	500,000			
	(Out of above, 40,000 equity shares of Rs. 10 each are held by JITF Water Infrastructure Limited, the Holding Company and 5,000 equity shares of Rs. 10 each are held by Jindal ITF Limited, indirect Holding Company .)					
(c)	<b>RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD</b>					
		<b>No of Shares</b>	<b>No of Shares</b>			
	Shares outstanding at the beginning of the year	50,000	50,000			
	Add: Shares issued during the year	-	-			
	Shares outstanding at the end of the year	50,000	50,000			
(d)	<b>SHARE OF THE COMPANY HELD BY :-</b>	<b>No of Shares</b>	<b>No of Shares</b>			
	JITF Water Infrastructure Limited, Holding Company	40000	40000			
	Jindal ITF Limited, Ultimate Holding Company	5000	5000			
	East Coast Construction & Industries Limited	5000	5000			
(e)	<b>SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:</b>					
	<b>Name of the Shareholder</b>	<b>As at 31st March 2012</b>		<b>As at 31st March 2011</b>		
		<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>Held</b>	<b>% of Holding</b>
	JITF Water Infrastructure Limited, Holding Company*	40,000	80%	40,000		80%
	Jindal ITF Limited, Ultimate Holding Company	5,000	10%	5,000		10%
	East Coast Construction & Industries Limited	5,000	10%	5,000		10%

\* Including 4 Shares held by Person/Companies as nominee of JITF Water Infrastructure Ltd.

(f)	<b>Terms/Rights attached to Equity Shares</b>
	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
<b>2</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED SHORT TERM BORROWINGS</b>		
	WORKING CAPITAL LOAN FROM BANK :	222,000,000	200,000,000
	<b>TOTAL SHORT TERM BORROWINGS</b>	<b>222,000,000</b>	<b>200,000,000</b>

(Secured against hypothecation of movable fixed assets of the company, both present and future, and charge on books debts, receivables and corporate guarantee by holding company, JITF Water Infrastructure Limited and Jindal ITF Limited)

DESCRIPTION		As at 31st March 2012	As at 31st March 2011
<b>3</b>	<b>TRADE PAYABLES*</b>		
	Dues to other than Micro and Small enterprises-Related Party JITF Water Infrastructure Ltd.	159,842,332	-
	<b>TOTAL TRADE PAYABLES</b>	<b>159,842,332</b>	<b>-</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 WATER INFRA (NAYA RAIPUR) LIMITED**  
**Notes forming part of Balance sheet**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
4	<b>OTHER CURRENT LIABILITIES</b>		
	Interest Payable- Loan from Punjab National Bank	124,383	-
	<b>Other payables</b>		
	Statutory Dues	8,055,670	6,268
	Other Liabilities	15,061,567	280,956
	<b>Total Other Current Liabilities</b>	<b>23,241,620</b>	<b>287,224</b>



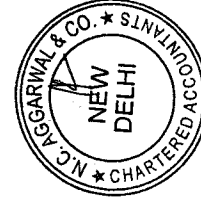
**JITF WATER INFRA (NAYA RAIPUR) LIMITED**

**Notes forming part of Balance sheet**

**Note-5**

**FIXED ASSETS**

	Fixed Assets	Gross Block				Accumulated Depreciation			Net Block		(Amount in Rs.)
		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	On disposals	Balance as at 31st March 2012	Balance as at 31st March 2011		
A	<b>Tangible Assets</b>										
	Computer	673,310	-	673,310	106,634	109,144	-	215,777	457,533	566,671	
	Printer	321,700	11,950	333,650	15,019	15,473	-	30,492	303,158	306,681	
	Furniture & Fixtures	26,945	-	26,945	1,988	1,706	-	3,694	23,251	24,951	
	Mobile	71,200	5,200	76,400	3,726	3,495	-	7,220	69,180	67,471	
	Office Equipment	210,190	24,650	234,840	49,535	8,723	-	58,258	176,582	160,651	
	<b>Total</b>	<b>1,303,345</b>	<b>41,800</b>	<b>1,345,145</b>	<b>176,901</b>	<b>138,540</b>	<b>-</b>	<b>315,441</b>	<b>1,029,704</b>	<b>1,126,444</b>	
B	<b>Capital Work In Progress</b>	101,095,060	105,375,732	206,470,792					206,470,792	101,095,060	
	<b>Total</b>	<b>101,095,060</b>	<b>105,375,732</b>	<b>206,470,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,470,792</b>	<b>101,095,060</b>	
	<b>Previous Year</b>	<b>390,095</b>	<b>913,250</b>	<b>1,303,345</b>	<b>28,682</b>	<b>148,219</b>	<b>-</b>	<b>176,901</b>	<b>1,126,444</b>	<b>-</b>	



**JITF WATER INFRA (NAYA RAIPUR) LIMITED**  
**Notes forming part of Balance sheet**

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
6	<b>Other Non - Current Assets</b>		
	Miscellaneous Expenditure (to the extent not written off or adjusted)		
	Preliminary Expenses	20,290	27,053
	Less: Preliminary Expenses Written off	(6,763)	(6,763)
	<b>Total Other Non Current Assets</b>	<b>13,527</b>	<b>20,290</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
7	<b>Cash and Bank Balances</b>		
A	<b>Cash and Cash Equivalents</b>		
	Balances with Banks		
	Current Accounts	189,948,241	88,957,660
	Cash on Hand	3,487	5,620
B	<b>Other Bank Balances</b>		
	Deposits with original maturity of more than three month but less than 12 months	50,000	-
	Deposits with original maturity of More than 12 Months	-	50,000
	<b>Total Cash and Bank Balances (A+B)</b>	<b>190,001,728</b>	<b>89,013,280</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
6	<b>Short-term loans and advances</b>		
(A)	<b>Loan and Advances to related parties</b>		
	Unsecured, Considered good		
	JITF Water Infrastructure Limited	-	9,322,589
	<b>Sub Total- Loan and Advances to Related Parties</b>	<b>-</b>	<b>9,322,589</b>
(B)	<b>Other</b>		
	Advance Recoverable in Cash or in kind		
	Unsecured, Considered good	169,402	127,167
	<b>Sub Total -Other Short Term Loans and Advances</b>	<b>169,402</b>	<b>127,167</b>
	<b>Total -Short Term Loans and Advances (A+B)</b>	<b>169,402</b>	<b>9,449,756</b>

	DESCRIPTION	As at 31st March 2012	As at 31st March 2011
9	<b>Other Current Assets</b>		
	Retention With Naya Raipur Development Authority	5,000,000	-
	Others	2,890,740	78,135
	Interest Accrued on Fixed deposit	8,059	4,259
	<b>Total Other Current Assets</b>	<b>7,898,799</b>	<b>82,394</b>



**JITF WATER INFRA (NAYA RAIPUR) LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

**NOTE :10**

**1 Nature of Operations**

JITF Water Infra (Naya Raipur) Limited is a Company incorporated on 29<sup>th</sup> September, 2009 with the main object to carry the business to provide water for human consumption or industrial purpose for any industry, municipality & residential area, to set up water/waste treatment plants and distribution system.

**2 Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the companies (Accounting Standards) Rules,2006,(as amended) and the relevant provisions of the companies Act,1956. The financial statements have been prepared on accrual basis and under the historical cost convention.

**3 Statement of Significant Accounting Policies**

**(a) Change in accounting policy**

**Presentation and disclosure of financial statements**

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements.

**(b) Use of Estimates**

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

**(c) Tangible fixed assets**

Fixed Assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebate are deducted in arriving at the purchase price.

**(d) Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on straight line basis using the rates prescribed under the Schedule XIV to the Companies Act, 1956, as amended up to date. The company has used the following rates to provide depreciation on its fixed assets.

**(e) Expenditure during the construction period**

All expenditure during the construction period in respect to BOT project including interest on borrowed loans are carried to pre-operative expenditure pending allocation on the completion of the project. All expenditure incurred during the construction/development period direct, incidental and ancillary are included under capital work- in- progress.

**(f) Intangible Assets**

Expenditure incurred on the rights/properties, where benefit is expected to follow in future, is disclosed as intangible assets and include following items:-

- (i) Expenditure incurred on Build, Operate and Transfer Project (BOT Project) which does not represent Company's own assets is classified as BOT PROJECT EXPENDITURE and will be amortized/written off over the concession period after start of commercial operation date.
- (ii) Expenditure incurred on cost of acquisition of new software is amortized over the period.
- (iii) When the grant or subsidy relates to an asset( including intangible assets on BOT Project), its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of related assets.

**(g) 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 year.

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.

**(h) Taxation**

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



**NOTE :10**

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.

**(i) 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.

**4 Grants Received**

The money received from Naya Raipur Development Authority against the concessionaire agreement towards the financial assistance of Rs.70,50,00,000 for capital project for build operate and transfer is considered as Grant and is therefore, deducted from total cost of expenditure so incurred.

**5 Related party disclosures****(a) List of Related Parties & Relationship (As identified by the Management)****(i) Holding Company**

- JITF Water Infrastructure Limited ( Direct Holding )
- Jindal ITF Limited ( Indirect holding through JITF Water Infrastructure Limited )
- Jindal Saw Limited ( Indirect holding through Jindal ITF Limited )

**(ii) Fellow Subsidiary Companies**

- JITF Waterways Limited
- JITF Shipyards Limited
- JITF Urban Infrastructure Limited
- JITF Infralogistics Limited
- Jindal Intellicom Limited
- JITF Coal Logistics Ltd. ( w.e.f.16th Dec 2011 )
- JITF ESIPL CETP (Sitarganj) Limited
- Timarpur-Okhla Waste Management Company Private Limited (Indirect)
- Jindal Rail Infrastructure Limited (Indirect)
- JITF Urban Waste Management (Bathinda) Limited (Indirect)( w.e.f. 23rd August 2011)
- JITF Urban Waste Management (Jalandhar) Limited (Indirect) ( w.e.f. 23rd August,2011 )
- JITF Urban Waste Management (Ferozpur) Limited (Indirect)( w.e.f.10th Oct 2011 )
- JITF Water Infra (Rajkot) Ltd. ( w.e.f. 23rd May 2011)
- JITF Global Water Holding Pte. Ltd ( w.e.f.31st August 2011 )
- JITF Manila Water Development Co Ltd ( Subsidiary w.e.f.27th Feb 2012 )
- Jindal ITF Kobelco Eco Ltd. ( w.e.f. 12th Sep 2011 )
- JITF Urban Infrastructure Services Limited (Indirect)
- 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 SPA(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 )
- JITF Shipping & Logistics ( Singapore) PTE. Ltd. ( w.e.f. 24th May 2011 )

**III Key Management Personnel**

Mr Sunil Trehan



**JITF WATER INFRA (NAYA RAIPUR) LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE :10**

**(b) Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**(i) Purchase of Goods & Services**

	<u>Year Ended</u> <u>31st March 2012</u>	<u>Year Ended</u> <u>31st March 2011</u>
	Fig. in Rs.	Fig. in Rs.
<b><u>JITF Water Infrastructure Ltd</u></b>		
<b><u>(Holding Company)</u></b>		
Purchased of Pipe	173,966,195	275,964,243
Erection & Commissioning	402,540,330	-
Security Deposit received during the year	14,800,000	-

**(ii) Balances as on year end**

	<u>As At</u> <u>31st March 2012</u>	<u>As At</u> <u>31st March 2011</u>
	Fig. in Rs.	Fig. in Rs.
<b><u>Share Capital</u></b>		
JITF Water Infrastructure Ltd (Holding Company)	400,000	400,000
Jindal ITF Ltd, (Ultimate Holding Company)	50,000	50,000
	<u>450,000</u>	<u>450,000</u>

**Amount Receivable / (Payable)**

JITF Water Infrastructure Ltd (Holding Company)	(159,842,332)	(9,322,589)
Security Deposit Payable	(14,800,000)	-

6	DESCRIPTION	31.03.2012	31.03.2011
	<b><u>PRE OPERATIVE EXPENDITURE, PENDING ALLOCATION</u></b>		
	Opening Balance	4,773,417	1,464,893
	Consultancy charges towards design and drawing & Other Professional Service	218,808	359,238
	Travelling & Conveyance Exp.	1,858,054	1,681,617
	Business Promotion	-	254,413
	Rent	329,649	305,000
	Depreciation	138,540	148,219
	Donation	50,000	-
	Rates & Taxes	2,133	8,388
	Communication Expenses	168,664	60,915
	Office Maintenance Expenses	1,251,295	244,542
	Auditors' Remuneration:		
	- Audit Fees	22,472	10,000
	Bank Charges	21,597,831	118,852
	Miscellaneous Expenses	1,774,424	120,978
		32,185,287	4,777,055
	Less: Interest Income	(3,800)	(3,638)
	<b>Total</b>	<b>32,181,487</b>	<b>4,773,417</b>

**7 Capital and other commitments**

At 31st March 2012, the company has commitments of Rs.30,33,17,024/- ( 31st March 2011 ; Rs.40,36,04,986/-) related to the completion of Build, Operate and Transfer Project (BOT Project).



**JITF WATER INFRA (NAYA RAIPUR) LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE :10**

**8 Previous year figures**

Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. 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 attached

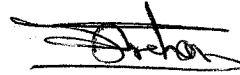
**For N.C.Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No: 003273N



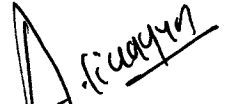
**G.K.Aggarwal**  
Partner  
Membership No. 086622  
Place: New Delhi  
Dated: 28th May,2012



For and on behalf of the Board of Directors of  
JITF Water Infra (Naya Raipur) Ltd



**Sunil Trehan**  
Director



**A.K.Nayyar**  
Director

**JITF Water Infra (Naya Raipur) 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 CHANGE IN WORKING CAPITAL:</b>		
Operating profit before working capital changes	-	-
Adjustment for:		
Loans & Advances	9,280,354	(9,381,059)
Other Current Assets	(7,809,642)	-
Current Liabilities	182,796,727	(281,181)
<b>Cash earned from change in working capital</b>	<b>184,267,440</b>	<b>(9,662,240)</b>
Direct taxes paid	-	-
<b>Net cash earned from/ (used in) operating activities</b>	<b>184,267,440</b>	<b>(9,662,240)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	3,800	-
Purchase of fixed assets(net)	(105,282,792)	(100,119,026)
<b>Net cash (used in) investing activities</b>	<b>(105,278,992)</b>	<b>(100,119,026)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Application Money	-	(1,400,000)
Proceeds from Loan received	22,000,000	200,000,000
<b>Net cash from financing activities</b>	<b>22,000,000</b>	<b>198,600,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>100,988,448</b>	<b>88,818,734</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>89,013,280</b>	<b>194,546</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>190,001,728</b>	<b>89,013,280</b>
	<b>100,988,448</b>	<b>88,818,734</b>

As per our report of even date

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

For and on behalf of the Board of Directors of  
JITF Water Infra (Naya Raipur) Limited

  
**G.K. Aggarwal**  
Partner  
Membership No. 086622  
Place: New Delhi  
Dated:28th May,2012



  
**Sunil Trehan**  
Director

  
**A.K. Nayyar**  
Director