

## N O T I C E

### JINDAL ITF KOBELCO ECO LIMITED

Notice is hereby given that the **First Annual General Meeting** of the shareholders of the Jindal ITF Kobelco Eco Limited will be held on Monday, the 24<sup>th</sup> day of September, 2012 at 12:00 Noon at the Registered Office of the Company at 28, Shivaji Marg, New Delhi – 110015 to transact the following business:

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

1. To consider and adopt the Audited Balance Sheet of the Company for the period starting from 28<sup>th</sup> February, 2012 ended on 31<sup>st</sup> March, 2012 and the Profit and Loss Account of the Company for the said period ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint Auditors of the Company. The retiring auditors M/s. N.C. Aggarwal & Company, Chartered Accountants, are eligible for reappointment.

#### **AS SPECIAL BUSINESS**

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

**"RESOLVED THAT** Mr. Indresh Batra, who was appointed as First Director of the Company on 28<sup>th</sup> February, 2011 and who vacates his office at this Annual General Meeting be and is hereby appointed as the Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Toshinori Nii, who was appointed as First Director of the Company on 28<sup>th</sup> February, 2011 and who vacates his office at this Annual General Meeting be and is hereby appointed as the Director of the Company liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Sunil Trehan who was appointed as an Additional Director w.e.f. 22.09.2011 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 an Ordinary Resolution:

**"RESOLVED THAT** Mr. Hiroshi Okabe who was appointed as an Additional Director w.e.f 15.04.2011 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."

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

**"RESOLVED THAT** Mr. Kazue Onishi who was appointed as an Additional Director w.e.f. 15.04.2011 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**



**SUNIL TREHAN  
DIRECTOR**

Place: New Delhi

Dated: 28<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. 3**

Mr. Indresh Batra has been appointed as the First Director w.e.f. 28<sup>th</sup> February, 2011 as per section 256 of the Companies Act, 1956 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. Indresh Batra for appointment as Director in this behalf.

None of the Directors except Mr. Indresh Batra himself is concerned or interested in the Resolution.

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

### **ITEM NO. 4**

Mr. Toshinori Nii has been appointed as the First Director w.e.f. 28<sup>th</sup> February, 2011 as per section 256 of the Companies Act, 1956 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. Toshinori Nii for appointment as Director in this behalf.

None of the Directors except Mr. Toshinori Nii himself is concerned or interested in the Resolution.

### **ITEM NO. 5**

The Board of Directors of the Company had appointed Mr. Sunil Trehan as an Additional Director w.e.f 22<sup>nd</sup> September, 2012, as per section 260 of the Companies Act, 1956 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. Sunil Trehan for appointment as Director in this behalf.

None of the Directors except Mr. Sunil Trehan himself 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 Board of Directors of the Company had appointed Mr. Hiroshi Okabe as an Additional Director w.e.f 15<sup>th</sup> April, 2012, as per section 260 of the Companies Act, 1956 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. Hiroshi Okabe for appointment as Director in this behalf.

None of the Directors except Mr. Hiroshi Okabe himself is concerned or interested in the Resolution.

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

**ITEM NO. 7**

The Board of Directors of the Company had appointed Mr. Kazue Onishi as an Additional Director w.e.f 15<sup>th</sup> April, 2012, as per section 260 of the Companies Act, 1956 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. Kazue Onishi for appointment as Director in this behalf.

None of the Directors except Mr. Kazue Onishi himself 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**



**SUNIL TREHAN  
DIRECTOR**

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

## JINDAL ITF KOBELCO ECO LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **First Annual Report** of the Company on the affairs of the company for the financial Year ended on 31<sup>st</sup> March, 2012.

#### Financial Results

Particulars	Current Year (Rs.)
Paid up Capital	22,500,000
Current Assets	25,819,028
Current Liabilities	12,768,547
Net Loss	99,13,582
EPS	(13.51)

#### Dividend

Commercial operations have not yet been started, therefore, no dividend is being recommended.

#### 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 & Mr. Toshinori Nii, being the First Directors shall retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

During the year Mr. Sunil Trehan, Mr. Hiroshi Okabe and Mr. Kazue Onishi have been appointed by the Board as the additional Director of the company w.e.f. 22<sup>nd</sup> September, 2011, 15<sup>th</sup> April, 2011 and 15<sup>th</sup> April, 2011 respectively. Also notice under section 257 from a member has been received proposing to appoint Mr. Sunil Trehan, Mr. Hiroshi Okabe and Mr. Kazue Onishi as directors of the Company. The resolutions for the same are embodied in the notice convening the ensuing Annual General Meeting.

#### Directors Responsibility Statement

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

### Conservation of Energy, Technology Absorption, Foreign Exchange Earning and outgo

#### Conservation of Energy:

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.

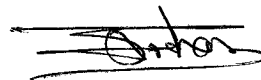
### Particulars of Employees

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

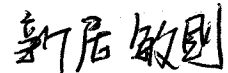
### Acknowledgement

The Board of Directors of the Company wish to place on record their thanks and appreciation to all the staff members and executives for their contribution to the operations of the company. The Directors are thankful to the Delhi Government, Municipal Corporation of Delhi, New Delhi Municipal Council, Bankers. 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 of  
Jindal ITF Kobelco Eco Limited



Sunil Trehan  
Director



Toshinori Nii  
Director

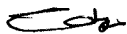
Place: New Delhi  
Dated: 28<sup>th</sup> May, 2012

## AUDITORS' REPORT

To  
The Members of Jindal ITF Kobelco Eco Limited

1. We have audited the attached Balance Sheet of JINDAL ITF KOBELCO ECO LIMITED as at 31<sup>st</sup> March, 2012 and Statement of Profit and Loss and the Cash flow statement for the period 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, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report is in agreement with the books of accounts;
  - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement complies with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - v) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India;
    - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012.
    - b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the period ended on that date.
    - c) In the case of Cash flow statement, of the cash flows for the period 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: JINDAL ITF KOBELCO ECO LIMITED**

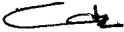
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable having regard 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 period.
- (ii) (a) 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) (a) According to the information and explanations provided by the management, during the period, 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, 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 period 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 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 taken loans from banks and financial institutions or issued any debentures. Therefore, Para (xi) of the order with respect to default of repayment is not applicable to the company.
- (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.



N.C. AGGARWAL & CO.  
CHARTERED ACCOUNTANTS

- (xiv) According to the records of the Company examined by us and the information and explanations given to us, the Company, during the period, has not dealt with/traded in shares, securities and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, the Company 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.
- (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 period; 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: 28<sup>th</sup> May, 2012



**JINDAL ITF KOBELCO ECO LIMITED**  
**Balance Sheet as at 31st March, 2012**

(Amount in Rs.)

Particulars	Note No	As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' Funds</b>		
(a) Share Capital	1	22,500,000
(b) Reserves and Surplus	2	(9,913,582)
<b>(2) Share Application money pending allotment</b>	3	5,000,000
<b>(3) Current liabilities</b>		
Other current liabilities	4	12,768,547
<b>Total Equity and Liabilities</b>		<b>30,354,965</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Fixed Assets	5	
Tangible assets		1,169,811
(b) Other non-current assets	6	420,210
(c) Long-term loans and advances	7	2,945,916
<b>(2) Current assets</b>		
(a) Cash and Cash Equivalents	8	24,807,098
(b) Short-term loans and advances	9	1,011,930
<b>Total Assets</b>		<b>30,354,965</b>

See accompanying notes to the financial statements

15

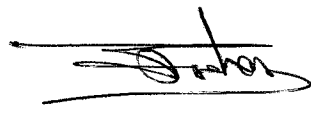
In terms of our report of even date annexed hereto

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

For and on behalf of Board of Directors of  
Jindal ITF Kobelco Eco Limited

  
**G.K. AGGARWAL**  
Partner  
M.No.086622  
Place: New Delhi  
Dated:28thMay,2012





**Sunil Trehan**  
Director



**Toshinori Nii**  
Director

# JINDAL ITF KOBELCO ECO LIMITED

## Statement of Profit and Loss for the period ended 31st March, 2012

(Amount in Rs.)

Particulars		Note No.	Period ended 31st March, 2012
(I)	Other income	10	597,591
	<b>Total Revenue</b>		<b>597,591</b>
(II)	<b>Expenses:</b>		
	Employee benefits expense	11	5,848,543
	Depreciation and amortization expense	12	71,395
	Finance Costs	13	17,812
	Other Expenses	14	4,573,423
	<b>Total Expenses</b>		<b>10,511,173</b>
(III)	Loss before tax for the Period (I-II)		(9,913,582)
(IV)	Provision for Income tax		-
(V)	Loss after tax		(9,913,582)
(VI)	Earnings per equity share of Rs.10/-each		
	Basic & Diluted		(13.51)

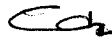
See accompanying notes to the financial statements

15

In terms of our report of even date annexed hereto

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

For and on behalf of Board of Directors of  
Jindal ITF Kobelco Eco Limited

  
**G.K.AGGARWAL**  
Partner  
M.No.086622  
Place: New Delhi  
Dated:28thMay,2012



  
**Sunil Trehan**  
Director

  
**Toshinori Nii**  
Director

**JINDAL ITF KOBELCO ECO LIMITED**

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

	DESCRIPTION	As at 31st March 2012
1	<b>SHARE CAPITAL</b>	
(a)	<b>AUTHORISED SHARE CAPITAL</b> 4,800,000 Equity shares of Rs.10/- each.	48,000,000
(b)	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b> 2,250,000 Equity shares of Rs. 10/- each	22,500,000
(c)	<b>RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD</b>	
	Shares outstanding at the beginning of the Period	-
	Shares issued during the Period	2,250,000
	<b>Shares outstanding at the end of the Period</b>	<b>2,250,000</b>

(d)	SHARE OF THE COMPANY HELD BY HOLDING COMPANY :-	No of Shares
	JITF Water Infrastructure Limited	1,147,500

(e)	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	
		No. of Shares Held	% of Holding
	JITF Water Infrastructure Limited*	1,147,500	51%
	Kobelco Eco Solutions Co. Ltd**	1,102,500	49%

\* Including 3 Shares held by Person/Companies as nominee of JITF Water Infrastructure Ltd.

\*\* Including 3 Shares held by Person/Companies as nominee of Jindal ITF Kobelco Eco Ltd

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

	DESCRIPTION	As at 31st March 2012
2	<b>RESERVES AND SURPLUS</b>	
	<b>PROFIT AND LOSS ACCOUNT</b>	
	Profit Brought Forward	-
	Add:-Profit/(Loss) after tax for the year	(9,913,582)
	<b>Closing Balance</b>	<b>(9,913,582)</b>
	<b>Total Reserve and Surplus</b>	<b>(9,913,582)</b>

3	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b> (1,66,667 Equity shares at a premium of Rs.20/-per share to be allotted till the end of next year)	5,000,000
---	--	-----------



**JINDAL ITF KOBELCO ECO LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<b>DESCRIPTION</b>	<b>As at 31st March 2012</b>
4	<b>OTHER CURRENT LIABILITIES</b>	
	Other payable	
	Due to Customer and others	10,500,000
	TDS Payable	877,389
	Other Current Liabilities	1,391,158
	<b>Total Other Current Liabilities</b>	<b>12,768,547</b>



**JINDAL ITF KOBELCO ECO LIMITED**

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

**Note-5**

**FIXED ASSETS**

	(Amount in Rs.)						
	Gross Block			Accumulated Depreciation		Net Block	
Fixed Assets	Balance as at 1st April, 2011	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Depreciation charge for the Period	On disposals	Balance as at 31st March, 2012	Balance as at 31st March, 2011
<u>Tangible Assets</u>							
Vehicle	-	1,241,206	1,241,206	71,395		1,169,811	-
Total	-	1,241,206	1,241,206	71,395	-	1,169,811	-



**JINDAL ITF KOBELCO ECO LIMITED**

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

	<u>DESCRIPTION</u>	As at 31st March 2012
6	<b>Other Non Current Assets</b>	
	Miscellaneous Expenditure to the extent not written off	420,210
	<b>Total Other Non Current Assets</b>	<b>420,210</b>

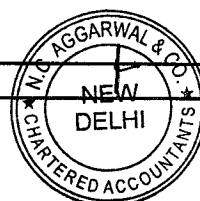
	<u>DESCRIPTION</u>	As at 31st March 2012
7	<b>Long-term loans and advances</b>	
	Unsecured, Considered good	
	Security Deposits	1,080,000
	Advance Recoverable in Cash or in kind	1,865,916
	<b>Total Long term loans and Advances</b>	<b>2,945,916</b>

	<u>DESCRIPTION</u>	As at 31st March 2012
8	<b>Cash and Cash Equivalents</b>	
	<b>Balances with Banks</b>	
	-In Current Accounts	24,792,173
	<b>Cash on Hand</b>	14,925
	<b>Total Cash and Cash Equivalents</b>	<b>24,807,098</b>

	<u>DESCRIPTION</u>	As at 31st March 2012
9	<b>Short-term loans and advances</b>	
	Advance Recoverable in Cash or in kind	
	Unsecured, Considered good	1,011,930
	<b>Total Short Term Loans and Advances</b>	<b>1,011,930</b>

	<u>DESCRIPTION</u>	Period ended 31st March 2012
10	<b>Other Income</b>	
	Interest Income on Fixed Deposit	597,591
	<b>TOTAL</b>	<b>597,591</b>

	<u>DESCRIPTION</u>	Period ended 31st March 2012
11	<b>Employee Benefits Expenses</b>	
	Salaries and Wages	5,749,381
	Staff welfare Expenses	99,162
	<b>TOTAL</b>	<b>5,848,543</b>



**JINDAL ITF KOBELCO ECO LIMITED****Notes forming part of Balance sheet and Statement of Profit and Loss**

	<u>DESCRIPTION</u>	Period ended 31st March 2012
12	<u>Depreciation and amortization expense</u>	
	Depreciation on Fixed Assets	71,395
	<b>TOTAL</b>	<b>71,395</b>

	<u>DESCRIPTION</u>	Period ended 31st March 2012
13	<u>Finance Costs</u>	
	Bank Charges	17,812
	<b>TOTAL</b>	<b>17,812</b>

	<u>DESCRIPTION</u>	Period ended 31st March 2012
14	<u>Other Expenses</u>	
	Legal and Professional	48,765
	Printing and Stationary	11,223
	Travelling and Conveyance	461,469
	Postage and Telegram	4,269
	Subscription Fees	46,000
	Auditor's Remuneration	
	- As audit Fees	20,000
	Rent	3,799,566
	Business Promotion	160,134
	Rates and Taxes	8,440
	Miscellaneous Expenses	13,557
	<b>TOTAL</b>	<b>4,573,423</b>



**JINDAL ITF KOBELCO ECO LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:15**

**1. Nature of Operations**

Jindal ITF Kobelco Eco Limited is a Company incorporated on 28<sup>th</sup> February, 2011 with the main object to carry on the business of Engineering, Procurement and Construction, as well as Operation and Maintenance, of water and wastewater treatment plants for steel industry and/or electric power industry in the Republic of India, and for that purpose to carry out all activities such as marketing, technical and commercial feasibility study, designing of plant concept and layout, engineering, construction, building, erection, commissioning, construction management, supervision, operation and maintenance of such plants and machinery thereto

**2. Statement of Significant Accounting Policies**

**(a) Basis of preparation**

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

**(b) Fixed Assets**

**(i) Valuation of Fixed Assets**

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.

**(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

**(c) 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.

**(d) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

**(e) 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 period and are capable of reversal in one or more subsequent periods. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

**3.** 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.

**4. Related Parties Transaction**

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

**(i) Holding Company**

Jindal Saw Limited ( Ultimate Holding)

Jindal ITF Limited (Indirect holding through JITF Water Infrastructure Limited )

JITF Water Infrastructure Limited (Direct Holding)

**(ii). Fellow Subsidiary Companies**

- JITF Waterways Limited
- JITF Urban Infrastructure Services Limited



**JINDAL ITF KOBELCO ECO LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:15**

- JITF Urban Infrastructure Limited
- JITF Shipyard Limited
- Jindal Rail Infrastructure Limited
- Jindal Intellicom Limited
- JITF ESIPL CETP (Sitarganj) Limited (Direct)
- Timarpur-Okhla Waste Management Company Private Limited
- JITF Water Infra (Naya Raipur) Limited (Direct)
- JITF Coal Logistics Limited ( w.e.f.16th Dec 2011 )
- JITF Manila Water Development Co.Limited
- JITF Shipping & Logistics (Singapore) Pte Ltd ( w.e.f. 24th May 2011 )
- JITF Global Water Holding Pte. Ltd ( w.e.f.31st August 2011 )
- JITF Water Infra (Rajkot) Limited(Direct) ( w.e.f. 23rd May 2011)
- JITF Urban Waste Management (Bathinda ) Limited ( w.e.f. 23rd August 2011)
- JITF Urban Waste Management (Ferozepur ) Limited ( w.e.f.10th Oct 2011 )
- JITF Urban Waste Management (Jalandhar ) Limited ( w.e.f. 23rd August,2011 )
- JITF Infralogistics Limited
- IUP Jindal Metals & Alloys Limited
- SV Trading Limited
- Jindal Saw USA, LLC
- Jindal Saw Holding FZE
- Jindal Saw Middle East FZC
- Jindal Saw Gulf LLC
- Intellicom Insurance Advisors Limited
- Ralael Holding Limited
- Jindal Saw Italia S.P.A
- 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( w.e.f.24th June 2011 )

(b). **Transactions**

Description	Current Period
Share Capital received during the year from JITF Water Infrastructure Limited	11,475,000
Share Application money received during the year from JITF Water Infrastructure Limited	2,550,000
Expenses Reimbursement to JITF Water Infrastructure Limited	1,355,994
<b>Balance as on 31.3.2012</b>	
Share Capital received during the year from JITF Water Infrastructure Limited	11,475,000
Share application money received from JITF Water Infrastructure Limited	2,550,000



**JINDAL ITF KOBELCO ECO LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**  
**NOTE:15**

5. **Earning per share (EPS) :**

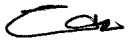
Description	Period ended 31st March, 2012
<b><u>Basic and Diluted</u></b>	
Loss for the Period after Tax	(9,913,582)
No.of shares outstanding at the end of Period	2,250,000
Weighted Average No of Shares outstanding for calculating EPS	733,607
Basic and Diluted Earning per share	(13.51)

6. No deferred tax asset is created in the view of virtual certainty, supported by convincing evidence of sufficient taxable profit in future.
7. Since this is the first year of incorporation of company (28th February, 2011) and commencement of business is from 30th April, 2011, hence there are no previous year figures. Profit and loss account is also for the period from 30th April, 2011 to 31st March, 2012.


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  
 Jindal ITF Kobelco Eco Limited

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



  
**Sunil Trehan**  
 Director

  
**Toshinori Nii**  
 Director

**JINDAL ITF KOBELCO ECO LIMITED**  
**Cash Flow Statement for the period ended March 31, 2012**

	For the Period ended March 31, 2012
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net Profit/(loss) Before Income taxes	(9,913,582)
Adjustment for:	
Depreciation	71,395
Interest Income	(597,591)
<b>Operating profit before working capital changes</b>	<b>(10,439,778)</b>
Adjustment for:	
Current Liabilities	12,768,547
Loans & advances	(3,957,846)
Other Current Assets	(420,210)
<b>Cash earned from operations</b>	<b>(2,049,287)</b>
Direct taxes paid	-
<b>Net cash earned from/ (used in) operating activities</b>	<b>(2,049,287)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	597,591
Purchase of fixed assets(net)	(1,241,206)
<b>Net cash (used in) investing activities</b>	<b>(643,615)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from Issue of Shares	22,500,000
Proceeds from Share Application Money	5,000,000
<b>Net cash from financing activities</b>	<b>27,500,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,807,098</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>-</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>24,807,098</b>

As per our report of even date

**For N. C. Aggarwal & Co.**

Chartered Accountants

Firm Registration No. 003273N



**G.K. Aggarwal**

Partner

Membership No. 086622

Place: New Delhi

Dated:28thMay,2012

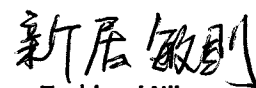


For and on behalf of Board of Directors of  
 Jindal ITF Kobelco Eco Limited



**Sunil Trehan**

Director



**Toshinori Nii**

Director