

AUDITORS' REPORT

To
The Members' of JITF WATER INFRA (RAJKOT) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JITF WATER INFRA (RAJKOT) LIMITED, which comprise the Balance Sheet as at January 29, 2013, Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

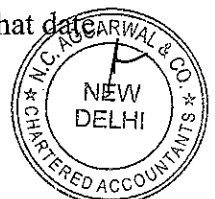
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and 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 January 29, 2013,;
- b) In the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.



Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, so far as applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of profit and loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on January 29, 2013,, and taken on record by the Board of Directors, none of the directors is disqualified as on January 29, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



G. K. Aggarwal
Partner
Membership No.086622
Date: 29th January, 2013
Place: New Delhi



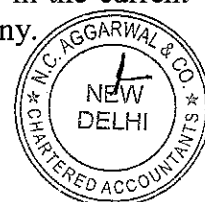
Annexure to Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. As the Company has incurred only preoperative expenses and other expenses for acquisition of project. Therefore, para(i) of the order related to fixed assets is not applicable to the Company.
2. (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.
3. (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.
4. There are no purchase of fixed assets, inventories and sale of services during the period. Accordingly, paragraph (iv) of the Order is not applicable.
5. (a) According to the information and explanations provided to us 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, paragraphs (v) (b) of the Order are not applicable.
6. The Company has not accepted any deposits from the public to which the provisions of Section 58A, 58AA or any other relevant provisions of the companies Act, 1956 and the companies (Acceptance of Deposit) Rules, 1975 apply.
7. To the best of our knowledge and as explained, the Company, during the period, 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.
8. As the company has not yet commenced operations, therefore, para(viii) of the order with regard to maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 is not applicable to the Company.
9. (a) To the best of our knowledge and as explained, the Company is generally regular in depositing with the appropriate authorities all statutory dues including provident fund, income-tax, wealth-tax, service tax, excise duty, Cess etc. where there are applicable. There are no arrears as at 29th January, 2013 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 provident fund, excise duty, Service tax, entry tax, income tax, which have not been deposited on account of any dispute.
10. The company is in existence for less than five years. Hence, Para (x) of the order with regard to accumulated losses of the Company more than fifty percent of net worth and losses in the current financial year and immediately preceding financial year is not applicable to the company.




N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS

11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. Based on information and explanations given to us by the management, the Company has not taken any term loan.
17. 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.
18. 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.
19. The company has not issued any debentures. Hence, clause (xix) of order is not applicable.
20. The company has not made any public issue during the period.
21. 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
M.No. 086622

Place: New Delhi
Date: 29th January, 2013

JITF WATER INFRA (RAJKOT) LIMITED
Balance Sheet as at 29th January, 2013

(Amount in Rs.)

Particulars	Note No	As at 29th January 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	5,00,000	5,00,000
(b) Reserves & Surplus	2	(5,00,000)	-
(2) Current liabilities			
Other current liabilities	3	-	51,39,759
Total Equity and Liabilities		-	56,39,759
II. ASSETS			
(1) Non-current assets			
(a) Capital work in Progress	4	-	51,11,420
(b) Other non-current assets	5	-	31,787
(2) Current assets			
Cash and Cash Equivalents	6	-	4,96,552
Total Assets		-	56,39,759

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: 29th January,2013



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


Anuj Kumar
Director


Alok Kumar
Director

JITF WATER INFRA (RAJKOT) LIMITED**Statement of Profit and Loss for the period ended 29th January, 2013**

(Amount in Rs.)

Particulars		Note No.	For the period ended 29th January 2013	For the year ended 31st March 2012
I	Expenses:			
	Preliminary expenses written off		31,787	-
	Pre- operative expenses written off		4,68,213	-
(I)	Total Expenses		5,00,000	-
(II)	Profit/(Loss) for the period		(5,00,000)	-
(III)	Earnings per equity share of Face value of Rs.10/-each			
	(1) Basic		(10.00)	-
	(2) Diluted		(10.00)	-

See accompanying notes to the financial statements

7

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: 29th January,2013



For and on behalf of the Board Of Directors of JITF Water Infra (Rajkot)Limited

Anuj Kumar
Director**Alok Kumar**
Director

JITF WATER INFRA (RAJKOT) LIMITED**Cash Flow Statement for the Period ended 29th January, 2013****(Amount in Rs.)**

	For the Period ended January 29, 2013	For the year ended March 31, 2012
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating profit before working capital changes	-	-
Adjustment for:		
Current Liabilities	(4,94,011)	51,39,759
Other Assets	(2,541)	-
Cash earned from operations	(4,96,552)	51,39,759
Net cash earned from operating activities	(4,96,552)	51,39,759
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Expenditure	-	(51,11,420)
Net cash (used in) investing activities	-	(51,11,420)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	-	5,00,000
Preliminary Expenditure incurred	-	(31,787)
Net cash from financing activities	-	4,68,213
Net increase/(decrease) in cash and cash equivalents	(4,96,552)	4,96,552
Cash and cash equivalents (opening balance)	4,96,552	-
Cash and cash equivalents (closing balance)	4,96,552	4,96,552

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: 29th January, 2013



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



Anuj Kumar
 Director



Alok Kumar
 Director

JITF WATER INFRA (RAJKOT) LIMITED
Notes forming part of Balance sheet

(Amount in Rs.)

DESCRIPTION		As at 29th January 2013	As at 31st March 2012		
1	SHARE CAPITAL				
(a)	AUTHORISED SHARE CAPITAL 50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000		
(b)	ISSUED, SUBSCRIBED AND PAID UP CAPITAL 50,000 Equity Shares of Rs.10/-each fully paid up (Above, 50,000 equity shares of Rs. 10 each are held by JITF Water Infrastructure Limited the Holding Company)	5,00,000	5,00,000		
(c)	RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD	No of Shares	No of Shares		
	Shares outstanding at the beginning of the period	50,000	-		
	Add: Shares issued during the period	-	50,000		
	Shares outstanding at the end of the period	50,000	50,000		
(d)	SHARE OF THE COMPANY HELD BY :-	No of Shares	No of Shares		
	JITF Water Infrastructure Limited, Holding Company	50,000	50,000		
(e)	SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:				
	Name of the Shareholder	As at 29th January 2013		As at 31st March 2012	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
	JITF Water Infrastructure Limited, Holding Company*	50,000	100%	50,000	100%

* Including 6 Shares held by Person/Companies as nominee of JITF Water Infrastructure 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.

RESERVES AND SURPLUS		As at 29th January 2013	As at 31st March 2012
2	PROFIT AND LOSS ACCOUNT		
	Loss for the period	(5,00,000)	-
	Total Reserves and Surplus	(5,00,000)	-



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

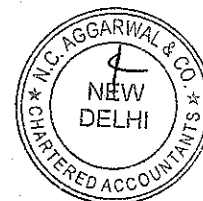
(Amount in Rs.)

	<u>DESCRIPTION</u>	As at 29th January 2013	As at 31st March 2012
3	<u>OTHER CURRENT LIABILITIES</u>		
	Other Outstanding Liabilities	-	21,236
	Payable to Related Party JITF Water Infrastructure Ltd -Holding Company	-	51,18,523
	Total Other Current Liabilities	-	51,39,759

	<u>DESCRIPTION</u>	As at 29th January 2013	As at 31st March 2012
4	<u>Capital work in Progress</u>		
	Pre Operative Expenditure Pending Allocation		
	Upfront Charges	-	51,00,000
	Rates and Taxes	-	184
	Audit Fee	-	11,236
	Total Capital work in Progress	-	51,11,420

	<u>DESCRIPTION</u>	As at 29th January 2013	As at 31st March 2012
5	<u>Other Non Current Assets</u>		
	Miscellaneous Expenditure to the extent not written off	-	31,787
	Total Other Non Current Assets	-	31,787

	<u>DESCRIPTION</u>	As at 29th January 2013	As at 31st March 2012
6	<u>Cash and Cash Equivalents</u>		
	Balances with Banks		
	-In current Accounts	-	4,85,000
	Cash on Hand	-	11,552
	Total Cash and Cash Equivalents	-	4,96,552



1 Nature of Operations

JITF Water Infra (Rajkot) Limited is a Company incorporated on 13th May, 2011 with the main object to carry on the business to set up water treatment plants, sewerage treatment plants, desalination plants, reverse osmosis system, laying of pipelines, build, operate and construct booster stations, pumping stations, collection and disposal system/drainage system and reprocess the same for consumption/disposal for various purposes, operation and maintenance of water infrastructure projects and other allied activities. The management believes that project operation is unviable and therefore management has decided to discontinue the operations and close the company.

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) 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.

(b) Expenditure during the construction period

All expenditure during the construction period in respect to BOOT 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.

(c) 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 (BOOT Project) which does not represent Company's own assets is classified as BOOT PROJECT
- (ii) Expenditure incurred on cost of acquisition of new software is amortized over the period.

(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

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

(e) Taxation

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 periods. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

(f) Cash & Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

4 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 (Indirect)
- JITF Shipyards Limited (Indirect)
- JITF Urban Infrastructure Limited (Indirect)
- JITF Infralogistics Limited (Indirect)
- Jindal Intellicom Limited (Indirect)
- JITF Water Infra (Naya Raipur) Ltd.
- Timarpur-Okhla Waste Management Company Private Limited (Indirect)
- JITF Coal Logistics Ltd.
- Jindal Rail Infrastructure Limited (Indirect)
- JITF Urban Waste Management (Bathinda) Limited (Indirect)
- JITF Urban Waste Management (Jalandhar) Limited (Indirect)
- JITF Urban Waste Management (Ferozepur) Limited (Indirect)
- JITF Global Water Holding Pte. Ltd *
- JITF Water Development Company Ltd
- Jindal ITF Kobelco Eco Ltd. (Upto 31st Oct 2012)



JITF WATER INFRA (RAJKOT) LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29th JANUARY 2013
NOTE 7

- JITF Urban Infrastructure Services Limited (Indirect)
- IUP Jindal Metals & Alloys Limited (Indirect)
- S.V. 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 Holdings Limited (Indirect)
- Jindal Saw Italia S.P.A. (Indirect)
- Jindal Fittings Ltd (Indirect)
- Quality Iron & Steel Ltd. (Indirect)
- Green Ray Holdings (Indirect)
- Derwent Sand SARRL (Indirect)
- JITF Shipping & Logistics (Singapore) PTE. Ltd. (Indirect)
- JITF Industrial Infrastructure Development Company Limited (w.e.f. 2nd May 2012)
- Universal Tube Accessories Pvt. Limited (Indirect) (w.e.f.30th August 2012)

*Strike off application for closure is filed on 3rd January,2013 with Accounting and Corporate Regulatory Authority, Singapore. Closure action is awaited.

(iii) Joint Venture

- JWIL-SSIL JV(w.e.f.28th February,2012)
- SMC-JWIL JV(w.e.f.24th December,2012)
- JWIL-RANHILL JV(w.e.f.27th November,2012)

(b) Related party transactions

Balance as at year end

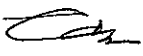
	As at 29th January,2013	As at 31st March,2012
Share Capital		
JITF Water Infrastructure Ltd (Holding Company)	-	5,00,000
	-	<u>5,00,000</u>

5 The Company has not carried out any business operations and therefore, board of directors of the Company decided to strike out the name of the Company under 'Fast Track Exit' (FTE) mode for defunct companies under section 560 of the Companies Act,1956. The Company has therefore, prepared Statement of Assets and Liabilities as on 29th January,2013 in line with the Guidelines for FTE. Profit and loss account for the period is therefore, prepared from 1st April,2012 to 29th January,2013 (i.e. upto the date of closure of Company).

6 Previous year figures have been regrouped/rearranged wherever considered necessary.

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: 29th January,2013



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


Anuj Kumar
Director


Alok Kumar
Director