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Annual Report  
2009-2010  
(15 months)

**JINDAL URBAN  
INFRASTRUCTURE LIMITED**

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## NOTICE

### JINDAL URBAN INFRASTRUCTURE LIMITED

Notice is hereby given that the *Third Annual General Meeting* of the shareholders of the Company Jindal Urban Infrastructure Limited will be held at the Registered Office of the Company at 28, Shivaji Marg, New Delhi – 110 015 on Saturday, the 24<sup>th</sup> July, 2010 at 11.30 AM to transact the following business :

#### AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company for the fifteen months period ended at 31<sup>st</sup> March, 2010 and the Profit and Loss Account of the Company for the fifteen months period ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Ms. Sminu Jindal who retires by rotation and being eligible offers herself 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.

BY ORDER OF THE BOARD OF DIRECTORS

SD/-

INDRESH BATRA  
DIRECTOR

NEW DELHI  
16<sup>th</sup> July, 2010

#### NOTE:

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.

## JINDAL URBAN INFRASTRUCTURE LIMITED

### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Third Annual Report of the Company together with the Audited Statement of Accounts for the fifteen months period ended as at 31<sup>st</sup> March, 2010.

#### Financial Results

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital	67,033,330	62,800,000
Share application money	61,000,010	10,000,000
Reserves & Surplus	70,766,660	62,300,000
Investments	189,258,283	126,406,893
Cash & Bank Balance	5,159,662	4,682,638
Loans & Advances	1,354,714	845,012
Current Liabilities	17,786	42,084
Miscellaneous Expenses (to the extent not written off)	186,335	302,793
Profit/ (Loss) carried to balance-sheet	(2,858,792)	(2,904,748)

#### **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, Ms. Sminu Jindal shall retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

#### **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 fifteen month period ended on 31<sup>st</sup> March 2010.

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 Responsibility Statement**

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

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

**Auditors**

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

**Particulars of Employees**

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

**Acknowledgement**

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

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

SD/-

SD/-

**Sunil Kumar Jain**  
Director

**Indresh Batra**  
Director

New Delhi  
July 16, 2010

**AUDITORS' REPORT**

**To**  
**The Members of Jindal Urban Infrastructure Limited**

1. We have audited the attached Balance Sheet of JINDAL URBAN INFRASTRUCTURE LIMITED as at 31<sup>st</sup> March, 2010 and also the Profit and Loss account 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 Profit and Loss Account 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, the Profit and Loss Account 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 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 2010.

# N. C. AGGARWAL & CO.

- b) In the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flow for the period ended on that date.

For N.C. Aggarwal & Co.  
Chartered Accountants  
Firm Registration No. 003273N  
SD/-  
per G. K. Aggarwal  
Partner  
Membership No. 086622

Place: New Delhi  
Date: 16<sup>th</sup> July, 2010

# N. C. AGGARWAL & CO.

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

Re: JINDAL URBAN INFRASTRUCTURE LIMITED

- (i) The Company, during the period, does not own any fixed assets. Accordingly, paragraphs (i)(a),(b) and (c) of the Order are not applicable.
- (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)(a),(b),(c) and (d) of the Order, are not applicable.  
(e) As informed, 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) There are no purchase of fixed assets, inventories and sale of services during the period. Accordingly, paragraph (iv) of the Order is not applicable.
- (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, paragraphs (v)(b) of the Order is not applicable.
- (vi) According to the information and explanation given to us, the Company has not accepted any deposits from the public during the period.
- (vii) To the best of our knowledge and as explained, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) To the best of our knowledge and as explained, the Company is regular in depositing with the appropriate authorities all statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess etc. There are no arrears as at 31<sup>st</sup> March, 2010 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' accumulated losses at the period end, i.e. as at March 31, 2010 are not more than fifty per cent of its net worth. The Company has not incurred cash loss during the financial period ended March 31, 2010. In the immediately preceding financial period it has incurred cash loss.
- (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.
- (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.

- (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 or debenture. However, Company has made investment in its subsidiary Company and in mutual funds, which have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by subsidiaries of the company, the terms and conditions of which are prima facie, not prejudicial to the interest of the company.
- (xvi) Based on information and explanations given to us by the management, the Company, during the period, 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, we report that the Company has not obtained any short term loan. Hence para (xvii) of the order is not applicable.
- (xviii) The Company has made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act 1956, the term and conditions of allotments are not prime facie, prejudicial to the interest of the company.
- (xix) No Debentures have been issued during the period; hence clause (xix) of Order is not applicable.
- (xx) There has not been any public issue made during the period, hence clause (xx) of Order is not applicable.
- (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  
SD/-

per G. K. Aggarwal  
Partner  
Membership No. 086622

Place: New Delhi  
Date: 16<sup>th</sup> July, 2010

**Balance Sheet and Profit and Loss Account**  
**Jindal Urban Infrastructure Limited**  
**Balance Sheet as at March 31, 2010**

	Schedule	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	67,033,330	62,800,000
Share Application Money, pending allotment		61,000,010	10,000,000
Reserves and Surplus	2	70,766,660	62,300,000
<b>Total</b>		<b>198,800,000</b>	<b>135,100,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>	3	<b>189,258,283</b>	<b>126,406,893</b>
<b>Current Assets, Loans and Advances</b>			
Cash and Bank Balances	4	5,159,662	4,682,638
Loans and advances	5	1,354,714	845,012
<b>Less : Current Liabilities</b>			
<b>Liabilities</b>	6	<b>17,786</b>	<b>42,084</b>
<b>Net Current Assets</b>		<b>6,496,590</b>	<b>5,485,566</b>
<b>Miscellaneous Expenditure</b>			
(to the extent not written off or adjusted)	7	186,335	302,793
		186,335	302,793
Debit balance in profit and loss account		2,858,792	2,904,748
<b>Total</b>		<b>198,800,000</b>	<b>135,100,000</b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	12		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For N. C. Aggarwal & Co.  
Chartered Accountants

SD/-  
per G.K. Aggarwal  
Partner  
Membership No. 086622  
Place: New Delhi  
Date: 16th July, 2010

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

SD/-  
Indresh Batra  
Director

SD/-  
Sunil Kumar Jain  
Director

**Balance Sheet and Profit and Loss Account****Jindal Urban Infrastructure Limited****Profit and Loss Account for the period ended March 31, 2010**

	Schedule	For the period Ended 31.03.2010 Rs.	For the period Ended 31.12.2008 Rs.
<b>INCOME</b>			
Other Incomes	8	698,407	520,508
<b>Total</b>		<b>698,407</b>	<b>520,508</b>
<b>EXPENDITURE</b>			
Administrative and other expenses	9	486,942	1,631,224
Financial expenses	10	49,051	359,674
Preliminary Expenses Written off	7	116,458	69,876
<b>Total</b>		<b>652,451</b>	<b>2,060,774</b>
<b>Profit / (Loss) for the period</b>		<b>45,956</b>	<b>(1,540,266)</b>
<b>Profit/ (Loss) Brought Forward from previous period</b>		<b>(2,904,748)</b>	<b>(1,364,482)</b>
<b>Loss carried to Balance Sheet</b>		<b>(2,858,792)</b>	<b>(2,904,748)</b>
<b>Earning per share:</b>	11		
Basic and Diluted (Nominal value of shares Rs. 10)		0.01	(3.73)
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	12		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For N. C. Aggarwal & Co.  
Chartered Accountants

SD/-  
per G.K. Aggarwal  
Partner  
Membership No. 086622  
Place: New Delhi  
Date: 16th July, 2010

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

SD/-  
Indresh Batra  
Director

SD/-  
Sunil Kumar Jain  
Director

**Jindal Urban Infrastructure Limited**  
**Cash Flow Statement for the period ended March 31, 2010**

	For the period ended March 31, 2010 Rs.	For the period ended December 31, 2008 Rs.
<b>A. CASH FLOWS FROM OPEARTING ACTIVITIES:</b>		
Net Profit/(loss) Before Income taxes	45,956	(1,540,266)
Adjustment for:		
Miscellaneous expenditure written off	116,458	69,876
Interest Income	(497,017)	(513,615)
Dividend Received.	(201,390)	(6,893)
<b>Operating profit before working capital changes</b>	<b>(535,993)</b>	<b>(1,990,898)</b>
Adjustment for:		
Decrease/(Increase) in Loan and Advances	(141,207)	(785,176)
Increase/(Decrease) in Trade and other Payables	(24,298)	(562,761)
<b>Cash earned from operations</b>	<b>(701,498)</b>	<b>(3,338,834)</b>
Direct taxes paid	(64,261)	-
<b>Net cash earned from/ (used in) operating activities</b>	<b>(637,237)</b>	<b>(3,338,834)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	64,261	513,615
Dividend Received	201,390	6,893
Investment in Equity Shares of Subsidiary Company	-	(48,600,000)
Share application money in Subsidiary Company	(63,650,000)	(10,500,000)
Investment in Principal Mutual Fund	798,610	(4,006,893)
<b>Net cash (used in) investing activities</b>	<b>(62,585,739)</b>	<b>(62,586,385)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of Shares(Including Share Premium)	12,699,990	53,100,000
Proceeds from Share Application Money	51,000,010	10,000,000
<b>Net cash from financing activities</b>	<b>63,700,000</b>	<b>63,100,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>477,024</b>	<b>(2,825,220)</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>4,682,638</b>	<b>7,507,858</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>5,159,662</b>	<b>4,682,638</b>
	<b>477,024</b>	<b>(2,825,220)</b>

As per our report of even date

For N. C. Aggarwal & Co.

Chartered Accountants

SD/-  
per G.K. Aggarwal  
Partner  
Membership No. 086622  
Place: New Delhi  
Date: 16th July, 2010

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

SD/-  
Indresh Batra  
Director

SD/-  
Sunil Kumar Jain  
Director

**Balance Sheet and Profit and Loss Account****Jindal Urban Infrastructure Limited****Schedules to the Accounts**

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
<b>Schedule 1: Share Capital</b>		
<b>Authorised</b>		
25,000,000 equity shares of Rs. 10/- each	250,000,000	250,000,000
<b>Subscribed, issued and paid up</b>		
6703333 (Previous period 62,80,000) equity shares of Rs. 10/- each fully paid up (Out of above, 67,02,633 (Previous period 62,79,300) equity shares of Rs. 10 each are held by Jindal ITF Limited, the Holding Company.)	67,033,330	62,800,000
<b>Schedule 2: Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
As per Last Balance Sheet	62,300,000	-
Received during the period	8,466,660	62,300,000
	70,766,660	62,300,000

**Balance Sheet and Profit and Loss Account**

**Jindal Urban Infrastructure Limited**

**Schedules to the Accounts**

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
<b>Schedule 3: Investments</b>		
<b>LONG TERM - TRADE ( AT COST)</b>		
<b>A) Investment in Equity Shares of Subsidiary Company</b>		
<b>Unquoted- Trade</b>		
1,11,90,000 Equity Shares of Rs. 10 each fully paid up in Timarpur Okhla Waste Management Company Private Limited. (33,57,000 equity share of Rs. 10/- each has been pledged for financial assistance taken by Timarpur Okhla Waste Management Company Private Limited.)	111,900,000	111,900,000
Share application money in Timarpur Okhla Waste Management Company Private Limited	74,150,000	10,500,000
<b>Aggregate value of unquoted investment</b>	<b>186,050,000</b>	<b>122,400,000</b>
<b>B) Current Investment( At lower of cost or market value)</b>		
<b>Investment in Principal Mutual Fund</b>	<b>3,208,283</b>	<b>-</b>
320437.349 (Previous period Nil) units, including 14524.605 (Previous period Nil) units received as dividend, Par value Rs. 10.0122 of Principal Floating Rate Fund FMP-Regular Option-Daily Dividend Reinvestment		
Nil (Previous period 400601.14 ) units, including Nil (Previous period 689.121) units received as dividend, Par value Rs. 10.0022 of Principal Cash Management Fund -Liquid plus option-Daily Dividend Reinvestment	-	4,006,893
<b>Aggregate value of current investment</b>	<b>3,208,283</b>	<b>4,006,893</b>
	<b>189,258,283</b>	<b>126,406,893</b>
<b>The following investments were purchased and sold during the period.</b>		
402395.945 (Previous period Nil) units, including 2483.926 (Previous period Nil) units received as dividend, Par value Rs. 10.0022 of Principal Cash Management Fund -Liquid plus option-Daily Dividend Reinvestment were sold during the period.		
404733.933 (Previous period Nil) units, including 3106.002 (Previous period Nil) units received as dividend, Par value Rs. 10.0200 of Principal Ultra Short Term Fund -Daily Dividend Reinvestment were purchased and sold during the period.		
<b>Schedule 4: Cash and Bank Balances</b>		
Cash on hand	24,346	4,850
<b>Balance With Scheduled Banks</b>		
- On current accounts	635,316	677,788
- Fixed Deposits	4,500,000	4,000,000
<b>( Pledged with Bank for Bank Guarantee)</b>	<b>5,159,662</b>	<b>4,682,638</b>
<b>Schedule 5: Loans and Advances</b>		
<b>(Unsecured, Considered good)</b>		
Advances recoverable in cash or in kind or which for value to be received	512,685	-
Tax Deducted at Source	180,387	116,126
Interest Accrued but not due	661,642	228,886
Deposits	-	500,000
	<b>1,354,714</b>	<b>845,012</b>
<b>Schedule 6: Liabilities</b>		
Sundry creditors	14,891	42,084
Other Liabilities	2,895	-
	<b>17,786</b>	<b>42,084</b>
Dues to micro and small scale industrial undertakings included in Sundry Creditors	-	-
Dues to other than micro and small scale industrial undertakings included in Sundry Creditors	14,891	42,084
<b>Schedule 7: Miscellaneous Expenditure</b>		
<b>(to the extent not written off or adjusted)</b>		
Opening Balance	302,793	372,669
Less: Written off during the period	116,458	69,876
	<b>186,335</b>	<b>302,793</b>

## Jindal Urban Infrastructure Limited

## Schedules to the Accounts

	For the period Ended 31.03.10 Rs.	For the period Ended 31.12.08 Rs.
<b>Schedule 8: Other Incomes</b>		
Interest received from bank (Tax Deducted at Source Rs.64,261/- (Previous year Rs.97,170/-))	497,017	513,615
Dividend on Current Investments	201,390	6,893
	<b>698,407</b>	<b>520,508</b>
<b>Schedule 9: Administrative and Other Expenses</b>		
Business Promotion	141,999	-
Conveyance Expenses	12,623	51,898
Legal & Professional Fee	58,193	44,742
Tender Fees	165,000	157,000
Rate and Taxes	5,392	1,315,033
<u>Auditors' Remuneration:</u>		
- Audit Fees	6,618	6,742
- For Certification Fee	-	3,371
Miscellaneous Expenses	97,117	52,438
	<b>486,942</b>	<b>1,631,224</b>
<b>Schedule 10: Financial Expenses</b>		
Bank charges	49,051	359,674
	<b>49,051</b>	<b>359,674</b>
<b>Schedule 11: Earnings per share (EPS)</b>		
Profit/(Loss) for the year	45,956	(1,540,266)
Weighted average number of equity shares in calculating basic loss per share:		
Number of shares outstanding for 455 days	6,280,000	-
Number of shares outstanding for 2 days	423,333	-
Number of shares outstanding for 275 days	-	50,000
Number of shares outstanding for 16 days	-	6,230,000
Weighted average number of equity shares in calculating Basic EPS	<b>6,281,861</b>	<b>412,473</b>
<b>Basic and Diluted Profit/(loss) per share</b>	<b>0.01</b>	<b>(3.73)</b>

**SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**1. Nature of Operations**

Jindal Urban Infrastructure Limited is a Company incorporated on 28<sup>th</sup> March, 2007 with the main object to carry on the business of urban infrastructure development in and outside India.

**2. Statement of Significant Accounting Policies**

**(a) Basis of preparation**

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

**(b) Investments**

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

Current investments are stated at cost or market value, whichever is less.

**(c) 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 period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the 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.

**(d) Miscellaneous Expenditure**

Preliminary Expenses i.e initial Share issue expenses are amortized in five years from the Commencement of Business.

**(e) Taxation**

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 made investments by way of share capital in a wholly owned subsidiary company i.e. Timarpur Okhla Waste Management Company Private Limited (TOWMCL). The TOWMCL has entered into a concessional agreement with New Delhi Municipal Council Limited, Delhi Municipal Corporation and Delhi Power Company Limited for use of land for the purpose of construction of waste treatment power plant. According to the agreements the plant will be implemented by June 30, 2010.

**4. Contingent Liabilities**

1. Bank Guarantee Outstanding Rs. 4,00,00,000/-.(Previous period Rs. 4,00,00,000)

5. The previous period figures of Profit and Loss account are not comparable with current period figures as previous period figures are for the period from April 01, 2008 to December 31, 2008 as compared to the current period of fifteenth months from January 1, 2009 to March 31, 2010.

6. The Company has provided irrevocable corporate guarantee to ICICI bank, Hong Kong in the event of default, for financial assistance of Rs 2685.09 lacs availed by its wholly owned subsidiary Company namely Timarpur Okhla Waste Management Company Private Limited and also to indemnify the loss if any occurred by the bank on demand.

# JINDAL URBAN INFRASTRUCTURE LIMITED

## SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

### 7. Related Parties Transactions

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

##### (I). Holding Company

Jindal ITF Limited (Direct holding)

Jindal Saw Limited (Indirect Through Jindal ITF Limited)

##### (ii) Subsidiary Company

Timarpur-Okhla Waste Management Company Private Limited

##### (II). Fellow Subsidiary Companies

- Jindal Waterways Limited
- Jindal Water Infrastructure Limited
- Jindal Shipyards Limited
- Jindal Infralogistics Limited
- Jindal Rail Infrastructure Limited
- Jindal Intellicom Limited
- Hexa Securities & Finance Company Limited (Indirect)
- IUP Jindal Metals & Alloys Limited (Indirect)
- Highgate Consultants Limited (Indirect) (upto August 12, 2009)
- Jindal ES IPL, CETP (SITARGANJ) Limited (Indirect)
- SV Trading Limited (Indirect)
- Jindal Saw USA, LLC (Indirect)
- Jindal Saw Holdings FZE (Indirect)
- Jindal Water Infra (Naya Raipur) Limited (Indirect)
- Jindal Saw Middle Est FZC (Indirect)
- Jindal Saw Gulf LLC (Indirect)

#### (B). Transactions

Figures in '000'

Description	Holding Company		Subsidiary Company		Total	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Share application money received during the period						
Jindal ITF Limited	51,000	10,000	Nil	Nil	51,000	10,000

**SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

Share Capital Subscribe during the period including share premium							
Jindal ITF Limited	12,700	53,100	Nil	Nil	12,700	53,100	
Investment in Share Capital during the period							
Timarpur-Okhla Waste Management Company Private Limited	Nil	Nil	Nil	48,600	Nil	48,600	
Investment as Share application money during the period							
Timarpur-Okhla Waste Management Company Private Limited	Nil	Nil	63,650	10,500	63,650	10,500	
Reimbursement of expenses	Nil	Nil	652	Nil	652	Nil	
Balance as at 31.03.2010							
Share application money							
Jindal ITF Limited	61,000	10,000	Nil	Nil	61,000	10,000	
Share Capital including premium							
Jindal ITF Limited	137,800	125,100	Nil	Nil	137,800	125,100	
Investment in Share Capital							
Timarpur-Okhla Waste Management Company Private Limited	Nil	Nil	1,11,900	1,11,900	1,11,900	1,11,900	
Investment as Share application money							
Timarpur-Okhla Waste Management Company Private Limited	Nil	Nil	74,150	10,500	74,150	10,500	
Amount Recoverable/(Payable)	Nil	Nil	511	Nil	511	Nil	

8. Additional information required to be given pursuant to Para 4 Part II of Schedule VI of the Companies Act, 1956 has not been given as there is no such information to be given.

**SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

9. Previous period figures have been regrouped/ re- arranged to make them comparable with the Current Period's figures

As per our report of even date.

For N. C. Aggarwal & Co.  
Chartered Accountants

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

SD/-

per G. K. Aggarwal  
Partner

Membership No.086622

Place: New Delhi

Date: 16<sup>th</sup> July, 2010

SD/-

Indresh Batra  
Director

SD/-

Sunil Kumar Jain  
Director

# JINDAL URBAN INFRASTRUCTURE LIMITED

## SCHEDULE 12: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

### Balance Sheet Abstract and Company's General Business Profile

I	<i>Registration Details</i>			
	Registration No :	161216	State Code:	55
	Balance Sheet Date:	31/03/2010		
II	<b>Capital Raised During The Period (Amount in Rs. Thousands)</b>			
	Public Issue	-	Rights Issue	-
	Bonus Issue	-	Private Placement	12,700
	Share Application money	51000		
III	<b>Position of Mobilisation And Deployment of Funds (Amount in Rs. Thousands)</b>			
	Total Liabilities	198,800	Total Assets	198,800
	<i>Sources of Funds</i>			
	Paid-Up Capital	67,033	Reserves and Surplus	70,767
	Secured Loans	-	Unsecured Loans	-
	Share Application Money	61,000		
	<i>Application of Funds</i>			
	Net Fixed Assets	-	Investments	189,258
	Net Current Assets	6,497	Miscellaneous Expenditure	186
	Accumulated Losses	2,859		
IV	<b>Performance of Company (Amount in Rs. Thousands)</b>			
	Turnover (Sales and other income)	698	Total Expenditure	652
	Profit Before Tax	46	Profit After Tax	46
	Earnings Per Share - Basic Rs.	0.01	Dividend Rate %	-
	Earnings Per Share - Diluted Rs.	0.01		
V	<b>Generic names of principal products/services of the Company (As per monetary Terms)*</b>			
	Item Code No. (ITC Code)	NA	Product Description	NA

*\*Not applicable as the Company has yet to recognize sales.*

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

SD/-

Indresh Batra

Director

Place: New Delhi

Date: 16<sup>th</sup> July, 2010

SD/-

Sunil Kumar Jain

Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

Sl. No.	Name of the Subsidiary Company	Financial Year of the Subsidiary Company ended on	Interest of the Company in the subsidiaries company at the end of their respective financial years		Net aggregate of profit/(loss) of the subsidiary company so far as it concerns the members of Jindal Urban Infrastructure Limited which are:										
			Shareholding (no. of shares)	Extent of Holding (%)											
1	Timarpur-Okhla Waste Management Company Pvt. Ltd	31.03.2010	1,11,90,000 equity share of Rs. 10 each	100	<table border="1"> <tr> <td>Dealt with in the accounts of the company amounted to (Rupees in Lakhs)</td> <td>Not dealt with in the accounts of the company amounted to (Rupees in Lakhs)</td> </tr> <tr> <td>For sub-sidiary's financial year ended on 31.03.10</td> <td>For sub-sidiary's financial year ended on 31.03.10</td> </tr> <tr> <td>NIL</td> <td>(22.92)</td> </tr> <tr> <td>For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.</td> <td>For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.</td> </tr> <tr> <td>NIL</td> <td>25.52</td> </tr> </table>	Dealt with in the accounts of the company amounted to (Rupees in Lakhs)	Not dealt with in the accounts of the company amounted to (Rupees in Lakhs)	For sub-sidiary's financial year ended on 31.03.10	For sub-sidiary's financial year ended on 31.03.10	NIL	(22.92)	For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.	For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.	NIL	25.52
Dealt with in the accounts of the company amounted to (Rupees in Lakhs)	Not dealt with in the accounts of the company amounted to (Rupees in Lakhs)														
For sub-sidiary's financial year ended on 31.03.10	For sub-sidiary's financial year ended on 31.03.10														
NIL	(22.92)														
For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.	For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Urban Infrastructure Ltd.														
NIL	25.52														

For and on behalf of Board of Directors of  
Jindal Urban Infrastructure Limited

SD/-

SD/-

**Indresh Batra**  
Director

**Sunil Kumar Jain**  
Director