
Annual Report
2009-2010
(15 months)

**JINDAL WATER
INFRASTRUCTURE LIMITED**

NOTICE

JINDAL WATER INFRASTRUCTURE LIMITED

Notice is hereby given that the *Fourth Annual General Meeting* of the shareholders of the Company Jindal Water Infrastructure Limited will be held at the Registered Office of the Company at 28, Shivaji Marg, New Delhi – 110 015 on Monday, the 26th July, 2010 at 3.00 P.M. 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 on 31st March, 2010 and Profit and Loss account for the period ended on that date together with Schedules and Notes on Accounts and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Savitri 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
1st July, 2010

NOTE :

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.

JINDAL WATER INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

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

Business Overview

The Company is nearing completion of its Raw water piping EPC project of Rs. 315.00 Cr. It is currently implementing Rs. 20 Cr. CETP in Sitarganj, Uttaranchal in a SPV along with an EPC for supplying water in Angul, Orissa valuing approx. Rs. 240.00 Cr.

In the current financial year, the Company has bagged two STP projects in Bhavnagar, and Rajkot of approx Rs. 100.00 Crore and Rs. 85.00 Crore respectively alongwith a water supply project of Rs. 115.00 Crore in Naya Raipur, Chattisgarh. It is also on the verge of starting a Rs. 25 crore project at Bhilwara for water supply to Iron ore mines. Your Company has also been pre qualified for multiple projects both in Municipal as well as the industrial sectors.

Financial Results

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital	33,240,130	10,500,000
Reserves & Surplus	158,469,075	68,587,113
Fixed Assets	15,438,724	3,224,988
Investment	205,319,797	13,662,235
Current Assets	1,063,560,668	903,633,374
Current Liabilities	1,085,054,580	776,446,157
Depreciation on fixed assets	1,574,458	464,675
Profit/ (Loss) before taxation	67,206,467	52,216,920

Fixed Deposits

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

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

As the Company is not engaged in the manufacturing activity, hence the particulars regarding disclosure of conservation of energy and technology absorption under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company for the period under review.

Directors

Smt. Savitri Devi Jindal shall retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the fifteen months ended 31st 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

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 as amended up to date and forming part of the Director's Report for the fifteen month period ended 31st March, 2010 are:

S. No.	Name	Age (in years)	Qualification	Designation	Date of Commencement of Employment	Yrs. of Experience	Gross Remunerati on (in Rs.)	Particulars of Last Employment
1	A. MURUGIAH	49	B.E.(CIVIL), M.TECH(CIVIL STRUC.)	VICE PRESIDENT - EPC	18.08.2008	25	3,625,014	Degremont
2	SUDHIR SOOD	53	M.B.A. (PM)	HEAD H.R.	01.12.2008	28	3,144,000	Indorama

Persons employed for part of the fifteen month period ended 31st March, 2010 who were in receipt of remuneration for any part of the financial year, which in aggregate was not less than Rs. 2 lacs per month:-

S. No.	Name	Age (in years)	Qualification	Designation	Date of Commencement of Employment	Yrs. of Experience	Gross Remuneration (Rs. per month)	Particulars of Last Employment
1	SUDESH PAUL VATSA	62	B.SC.(CIVIL)	PRESIDENT	18.01.2010	39	333,334	Punj Lyod
2	SUDHIR MALHOTRA	59	MBA	V. P. - BUSINESS DEVELOPMENT	27.05.2009	30	283,339	Doshian
3	SANDEEP SHAW	42	C.A.	FINANCIAL CONTROLLER - A/C	01.10.2009	18	216,666	DLF
4	VIVEK AGRAWAL	49	DIP(COMP.), M.SC.(MATH)	G.M. - I.T.	29.06.2009	20	200,000	Ranbaxy
5	ANANT MISHRA	42	MECH. ENG. CERT. IN B.O.E.	G.M. - PROJECTS (JUIL)	05.11.2009	18	206,250	DSCL Sugar
6	SANJAY VERMA	54	B.COM, C.A., C.S.(FINAL)	SR. GM (FINANCE & ACCOUNTS)	08.09.2009	29	200,001	Arcelor Mittal Temirtau
7	S.K. CHOPRA	63	B.TECH(CHEMICAL)	BUSINESS HEAD	01.01.2008	39	3,57,471	Nuchem Wier

Notes:

1. Remuneration includes salary, allowances, Co's contribution to the Provident Fund, Superannuation, Gratuity Funds and value of other perquisites on the basis of the Income Tax Act, 1961.
2. The employees referred aforesaid, are not the relative of any director or manager of the Company.
3. All the appointments in relation to the aforesaid employee is Non-contractual.
4. The employees referred aforesaid; do not hold any equity share whether directly or indirectly in the company.
5. Mr. S.K. Chopra, Mr. Sanjay Verma and Mr. Sudhir Malhotra have resigned w.e.f. 27.2.2009, 11.9.2009 and 31.5.2010 respectively.

Acknowledgement

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

On behalf of the Board of Directors of
Jindal Water Infrastructure Limited

SD/-

**Indresh Batra
Director**

SD/-

**Sminu Jindal
Director**

New Delhi
July 01, 2010

AUDITORS' REPORT

To
The Members of Jindal Water Infrastructure Limited

1. We have audited the attached Balance Sheet of JINDAL WATER INFRASTRUCTURE LIMITED as at 31st March, 2010 and 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, 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, 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 31st 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 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
SD/-

per G. K. Aggarwal
Partner
Membership No. 086622

Place: New Delhi
Date: 1st July, 2010

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

Re: JINDAL WATER INFRASTRUCTURE 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 substantial part of fixed assets during the period and the going concern status of the Company is not affected.
- (ii) (a) As explained to us, the management during the period has physically verified inventories. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanation given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining records of the inventories. There have been no discrepancies noticed during physical verification of inventories.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs (iii) (a), (b), (c) and (d) of the Order, are not applicable.
- (e) The Company has not taken any loans from parties listed under the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs (iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, having regards to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transaction with parties with whom transactions exceeds the value of Rupees five lacs have been entered during the financial period are at prices, which are reasonable, having regards to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the 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 31st 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 has no accumulated losses at the period end of the financial year and has not incurred any cash losses in the current period and in the immediately preceding previous period.
- (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.
- (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, 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, during the period, has not raised money by way of public issue.
- (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) 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: 1st July, 2010

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

	Schedules	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	33,240,130	10,500,000
Share application money pending allotment		15	56,220,405
Reserves and surplus	2	158,469,075	68,587,113
Total		191,709,220	135,307,518
APPLICATION OF FUNDS			
Fixed assets			
Gross block	3	15,438,724	3,224,988
Less : Depreciation		1,574,458	464,675
Net block		13,864,266	2,760,313
Investments	4	205,319,797	13,662,235
Deferred Tax Assets		175,577	6,030,689
Current Assets, Loans and Advances			
Inventories	5	1,541,701	2,395,234
Sundry Debtors	6	917,526,428	819,499,058
Cash and bank balances	7	49,549,258	1,176,960
Loans & Advances	8	94,943,281	80,562,121
		1,063,560,668	903,633,374
Less:			
Current Liabilities	9	1,085,054,580	776,446,157
Provisions	10	6,350,788	14,648,639
Net Current Assets		(27,844,700)	112,538,578
Miscellaneous Expenditure			
(to the extent not written off or adjusted)	11	194,280	315,703
		194,280	315,703
Total		191,709,220	135,307,518
Significant Accounting Polices & Notes to Accounts	18		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.
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
Water Infrastructure Limited

SD/-
per G.K. Aggarwal
Partner
Membership No. 086622
Place: New Delhi
Date: 1st July, 2010

SD/-
Indresh Batra
Director

SD/-
Sminu Jindal
Director

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

	Schedules	For the Period Ended 31.03.10 Rs.	For the Period Ended 31.12.2008 Rs.
INCOME			
Sale of Goods		1,024,730,650	1,819,551,129
Erection & Commission		296,952,001	98,952,466
Other income	12	4,823,194	1,180,139
Total		1,326,505,845	1,919,683,734
EXPENDITURE			
Purchase of goods for resale		794,556,872	1,648,117,998
Sub Contract and project Expenses	13	284,459,762	139,418,996
Personnel Expenses	14	84,944,173	34,744,500
Administrative, & Other Expenses	15	100,862,721	16,180,530
Financial Expenses	16	10,244,644	11,705,555
Depreciation		1,109,782	226,380
Preliminary expenses written off		121,423	72,855
Provision towards estimated loss on project activity to be undertaken in future		(17,000,000)	17,000,000
Total		1,259,299,377	1,867,466,814
Profit for the period before taxation		67,206,467	52,216,920
Provision for:			
Fringe Benefit Tax		149,653	335,347
Current Tax		16,800,000	24,000,000
Deferred Tax Liabilities/ (Assets)		5,855,112	(5,786,784)
Total Tax (Income)/Expenses		22,804,765	18,548,563
Profit for the period after Taxation		44,401,702	33,668,357
Profit brought forward from previous period		48,587,113	14,918,756
Profit carried to Balance Sheet		92,988,815	48,587,113
Earning per share:	17		
Basic (Normal value of shares Rs. 10)		42.09	111.89
Diluted (Nominal value of shares Rs. 10)		42.09	30.96

Significant Accounting Policies & Notes to Accounts

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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

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

SD/-
per G.K. Aggarwal
Partner
Membership No. 086622
Place: New Delhi
Date: 1st July, 2010

SD/-
Indresh Batra
Director

SD/-
Sminu Jindal
Director

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.
A. CASH FLOWS FROM OPEARTING ACTIVITIES:		
Net Profit/(loss) Before extraordinary item and Income tax	67,206,467	52,216,920
Adjustment for:		
Depreciation	1,109,783	226,380
Miscellaneous expenditure written off	121,423	72,855
Interest Income	(59,497)	-
Dividend Received	(4,698,193)	(1,141,296)
Interest and finance charges	10,244,644	11,705,555
Operating profit before working capital changes	73,924,627	63,080,414
Adjustment for:		
(Increase) in inventories	853,533	(1,936,656)
(Increase) in receivables	(112,344,243)	(429,023,184)
Increase in Trade and other Payables	310,116,190	245,259,298
Cash earned from operations	272,550,107	(122,620,128)
Direct taxes paid	(26,765,619)	(18,282,033)
Net cash earned from/ (used in) operating activities	245,784,488	(140,902,161)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	5,558	-
Dividend Received	4,698,193	1,141,296
Purchase of fixed assets(net)	(12,213,736)	(2,206,612)
Investments made	(191,657,561)	105,475,453
Net cash (used in) investing activities	(199,167,546)	104,410,137
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Share Application Money	12,000,000	47,820,405
Interest and finance charges	(10,244,644)	(11,705,555)
Net cash from financing activities	1,755,356	36,114,850
Net increase in cash and cash equivalents	48,372,298	(377,174)
Cash and cash equivalents (opening balance)	1,176,960	1,554,134
Cash and cash equivalents (closing balance)	49,549,258	1,176,960
	48,372,298	(377,174)

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: 1st July, 2010

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

SD/-
Indresh Batra
Director

SD/-
Sminu Jindal
Director

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
Schedule 1: Share Capital		
Authorised		
5,000,000 equity shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
Subscribed & Paid up		
33,24,013 (Previous period 10,50,000) equity shares of Rs. 10/- each fully paid up	33,240,130	10,500,000
(Out of above, 33,23,313 (Previous period 10,49,300) equity shares of Rs. 10 each are held by Jindal ITF Limited, the Holding Company.)		
Schedule 2: Reserves and Surplus		
Securities Premium Account		
As per Last Balance Sheet	20,000,000	-
Received During the period	45,480,260	20,000,000
	<u>65,480,260</u>	<u>20,000,000</u>
Profit and Loss Account		
	92,988,815	48,587,113
	<u>158,469,075</u>	<u>68,587,113</u>

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
Schedule 4 : Investments		
A. Long Term Investments (At Cost)		
a). Investment in Equity shares of a Subsidiary Company		
Unquoted-Trade		
1. Jindal ESIPL CETP (SITARGANJ) Limited 372,438 (Previous period 25,500) Equity Shares of Rs. 10/- each Investment as share application money- In Subsidiary Company -Jindal ESIPL CETP (Sitarganj) Limited	10,663,140 7,367,265	255,000 13,275,405
2. Jindal Water Infra (Naya Raipur) Ltd 40,000 (Previous period Nil) Equity Shares of Rs. 10/- each Investment as share application money- In Subsidiary Company -Jindal Water Infra (Nayaraipur) Ltd	400,000 1,400,000	- -
B. Current Investment (At lower of cost or market value)-Unquoted Non-Trade		
Investment with Reliance Money Manager Fund 185241.372 (previous period Nil) units including 4565.935 units received as dividend par value Rs. 1001.3389 of Reliance Money Manager Fund - Institutional fund - daily dividend option Nil (Previous period 131.680) units including (Previous period 3.278) units received as dividend par value Rs. 1001.1364 of Reliance Liquid - plus fund - Institutional fund - daily dividend option	185,489,392 -	- 131,830
Aggregated value of Unquoted Investments	205,319,797	13,662,235
The following investments were purchased and sold during the period		
4546958.328 (Previous period 34,35,119.226) units, including 671.238 (Previous period 873.582) units received as dividend at par value of Rs. 15.2872 each of Reliance Liquid- plus fund -Treasury Plan- Institutional fund - daily dividend option were purchased and sold 1059406.519 (Previous period 35,77,316.122) units, including 6452.535 (Previous period 8,059.678) units received as dividend at par value of Rs. 17.0955 each of Reliance Medium Term Fund- daily dividend option were purchased and sold 2432926.501 (Previous period 24,99,711.963) units, including 557.155 (Previous period 486.743) units received as dividend at par value of Rs. 10.0031 each of Reliance Liquidity Fund- daily dividend option were purchased and sold		
Schedule 5 : Inventories		
(As taken, valued and certified by the management)		
Project work in progress	1,541,701	2,395,234
	1,541,701	2,395,234
Schedule 6 : Sundry Debtors		
(Unsecured, considered good)		
Exceeding six months	69,859,860	-
Others	847,666,568	819,499,058
	917,526,428	819,499,058
Schedule 7 : Cash and Bank Balances		
Cash in hand	40,195	12,743
Balances with scheduled banks:		
- in current accounts	29,259,063	1,164,217
- Fixed Deposits	20,250,000	-
	49,549,258	1,176,960

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
Schedule 8 : Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or which for value to be received	78,756,698	62,461,468
Deposits	15,309,500	18,096,000
Interest accrued but not due on deposits	53,939	-
Advance Fringe Benefit Tax (Net of Provision)	15,000	4,653
Advance for Group Gratuity Scheme	808,144	-
	94,943,281	80,562,121
Schedule 9 : Current Liabilities		
Sundry Creditors	926,164,991	697,320,734
Provision towards estimated loss on project activity to be undertaken in future periods	-	17,000,000
Advance received from Customers	147,764,580	58,994,169
Other Liabilities	11,125,009	3,131,255
	1,085,054,580	776,446,157
Dues to small scale industrial undertakings included in Sundry Creditors	-	-
Dues to other than small scale industrial undertakings included in Sundry Creditors	926,164,991	697,320,734
Schedule 10: Provisions		
Provisions for:		
-Gratuity	-	342,831
- Leave Encashment	3,129,956	1,279,357
- Income Tax (Net to Advances)	3,220,832	13,026,451
	6,350,788	14,648,639
Schedule 11: Miscellaneous Expenditure		
Opening Balance	315,703	388,558
Less : Written off during the period	121,423	72,855
Closing Balance	194,280	315,703

Schedules to the Accounts as on 31.03.2010

	For the Period Ended 31.03.2010	For the Period Ended 31.12.2008
	Rs.	Rs.
Schedule 12 : Other income		
Dividend on Current Investments	4,698,193	1,141,296
Interest Received on fixed deposits (Tax deducted at Source Rs.5558/-, Previous period Nil)	59,497	-
Miscellaneous Income	65,504	38,843
	4,823,194	1,180,139
Schedule 13: Sub Contract and project Expenses		
Sub Contract Expenses	284,024,762	139,052,015
Design, Drawing and Survey fees	435,000	366,981
	284,459,762	139,418,996
Schedule 14 : Personnel Expenses		
Salary, Wages & Allowances	75,707,512	30,146,591
Contribution to Provident Fund	4,406,408	1,792,183
Staff Welfare	3,397,397	1,124,688
Recruitment & Skill Development Expenses	1,432,856	1,681,038
	84,944,173	34,744,500
Schedule 15 : Administrative, Selling & Other Expenses		
Travelling & Conveyance	17,371,378	8,033,636
Donation	20,201	25,001
Water & Electricity Charges	1,725,978	790,162
Insurance	1,013,544	332,983
Legal & Professional Charges	67,938,503	2,490,530
Auditors' Remuneration:		
Audit fees	120,000	50,000
Tax Audit fees	50,000	-
Communication Expenses	1,968,942	938,040
Rates & Taxes	97,792	22,242
Rent	710,350	301,981
General Repair & Maintenance	3,660,575	1,309,553
Miscellaneous Expenses	6,185,458	1,886,403
	100,862,721	16,180,530
Schedule 16: Financial Expenses		
Interest:		
- to Others	991,665	611
Bank Guarantee Commission & Other Bank Charges	9,242,403	1,805,493
Foreign Exchange Fluctuation	10,576	9,899,451
	10,244,644	11,705,555

	For the Period Ended 31.03.2010 Rs.	For the Period Ended 31.12.2008 Rs.
Schedule 17: Earning per share (EPS)		
Profit / (Loss) for the period	44,401,702	33,668,357
Weighted average number of equity shares in calculating basic earning/ (loss) per share:		
Number of shares outstanding for 455 days	1,050,000	-
Number of shares outstanding for 1 days	2,274,013.00	-
Number of shares outstanding for 275 days	-	50,000
Number of shares outstanding for 69 days	-	1,000,000
Weighted average number of equity shares in calculating basic EPS	1,054,998	300,909
	42.09	111.89
Weighted average number of equity shares in calculating dilutive loss per share:		
Weighted average number of equity shares in calculating Basic EPS	1,054,998	300,909
Number of shares outstanding for 275 days	-	16,667
Number of shares outstanding for 275 days	-	63,333
Number of shares outstanding for 275 days	-	200,000
Number of shares outstanding for 108 days	-	333,333
Number of shares outstanding for 106 days	-	333,333
Number of shares outstanding for 103 days	-	66,667
Number of shares outstanding for 71 days	-	860,680
Weighted average number of equity shares in calculating Dilutive EPS	1,054,998	1,087,485
Dilutive earning per share	42.09	30.96

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**1. Nature of Operations**

Jindal Water Infrastructure Limited is a Company incorporated on 27th October, 2006 with the main object to carry on the business in water infrastructure 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) Sales

(i) The sales are inclusive of Excise Duty but net of Sales Tax.

(ii) Materials returned/ rejected are accounted for in the period of return/ rejection.

(iii) Revenue in respect of Service/ Works Contracts is recognized based on the Work performed and invoiced as per the terms of specific Contracts. Contract revenue in respect of erection and commissioning is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future periods is provided for.

(iv) Revenue in respect of sale goods is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods.

(v) Incentive on exports and other Government Grants are recognized in books after due consideration of certainty of utilization/ receipt of such incentive/ grant.

(c) Fixed Assets**(i) Valuation of Fixed Assets**

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

(d) Inventory Valuation

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. The cost is computed on FIFO / Weighted Average Basis. Finished goods and work in progress includes cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

(e) 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.

(f) 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.

(g) 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.

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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.

(h) Provision, Contingent Liabilities and Contingent Assets

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

(i) Retirement Benefits

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

(j) Miscellaneous Expenditure

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

(k) 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.
- (iii) Fringe Benefit Tax is accounted for in accordance with provisions of the Income Tax Act, 1961.

3. Contingent liabilities

(Amount in Rs.)

Description	As at 31.03.2010	As at 31.12.2008
Bank Guarantees Outstanding	912,467,100	168,642,092

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

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

6. The previous period figures 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.

7. Segment Reporting

Information about business segment.

Company operates in a single primary segment (Business Segment) i.e. Water Infrastructure.

8. Related Parties Transaction

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

(i) Holding Company

Jindal ITF Limited (Direct holding)

Jindal Saw Limited (Indirect holding through Jindal ITF Limited)

(ii) Subsidiary Company

Jindal ESIPL CETP (SITARGANJ) Limited

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Jindal Water Infra (Naya Raipur) Limited

(ii) Fellow Subsidiary Companies:

- Jindal Waterways Limited
- Jindal Shipyards Limited
- Jindal Urban Infrastructure Limited
- Jindal Rail Infrastructure Limited
- Jindal Infralogistics Limited
- Timarpur-Okhla Waste Management Company Private Limited (Indirect)
- Jindal Intellicom Limited (Indirect)
- Highgate Consultants Limited (Indirect) (upto August 12, 2009)
- Hexa Securities & Finance Company Limited (Indirect)
- IUP Jindal Metals & Alloys Limited (Indirect)
- SV Trading Limited (Indirect)
- Jindal Saw USA, LLC (Indirect)
- Jindal Saw Holding FZE (Indirect)
- Jindal Saw Middle East FZC (Indirect)
- Jindal Saw Gulf LLC (Indirect)

(b). Transactions

(Amount in Rs.)

Description	Holding Company		Subsidiary/Fellow Company		Total	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Amount received as share application money						
Jindal ITF Limited	Nil	47,820,405	Nil	Nil	Nil	47,820,405
Share Capital						
Jindal ITF Limited including Share premium	68,220,390	30,000,000	Nil	Nil	68,220,390	30,000,000
Investment as share capital						
Jindal ESIPL CETP (SITARGANJ) Limited	Nil	Nil	1,04,08,140	Nil	1,04,08,140	Nil
Jindal Water Infra (Naya Raipur) Limited	Nil	Nil	4,00,000	Nil	4,00,000	Nil
Investment as Share application money						
Jindal ESIPL CETP (SITARGANJ) Limited	Nil	Nil	4,500,000	10,920,405	4,500,000	10,920,405
Jindal Water Infra (Naya Raipur) Limited	Nil	Nil	14,00,000	Nil	14,00,000	Nil

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Purchases of pipes							
Jindal Saw Limited	606,196,867	641,576,996	Nil	Nil	606,196,867	641,576,996	
Basic and CST							
Sales							
Jindal ESIPL CETP (Sitarganj) Limited	Nil	Nil	33,547,525	4,150,000	33,547,525	4,150,000	
Erection and Commission							
Jindal ESIPL CETP (Sitarganj) Limited	Nil	Nil	25,113,554	7,264,362	25,113,554	7,264,362	
Reimbursement of expenses paid on our behalf							
Jindal Saw Limited	1,705,261	783,967	Nil		1,705,261	783,967	
Jindal Intellicom Limited	Nil	Nil	618,207	Nil	618,207	Nil	
Jindal waterways Limited	Nil	Nil	1,827,347	Nil	1,827,347	Nil	
Jindal ESIPL CETP (Sitarganj) Limited	Nil	Nil	939,701	Nil	939,701	Nil	
Reimbursement of expenses received							
Jindal ESIPL CETP (Sitarganj) Limited	Nil	Nil	274,092	Nil	274,092	Nil	
Jindal Saw Limited	69,572	Nil	Nil	Nil	69,572	Nil	

Net Balance as on 31.03.2010

(Amount in Rs.)

Description	Holding Company		Subsidiary Company		Total	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Amount Payable						
Jindal Saw Limited	789,476,298	876,930,142	Nil	Nil	789,476,298	876,930,142
Jindal ESIPL CETP (Sitarganj) Limited	Nil	Nil	62,73,847	90,14,412	62,73,847	90,14,412
Share application money						
Jindal ITF Limited	15	55,720,405	Nil	Nil	15	55,720,405
Share Capital						
Jindal ITF Limited including Share premium	98,713,390	30,493,000	Nil	Nil	98,713,390	30,493,000
Investment as share capital						
Jindal ESIPL CETP (SITARGANJ) Limited	Nil	Nil	10,663,140	255,000	10,663,140	255,000
Jindal Water Infra (Naya Raipur) Limited	Nil	Nil	4,00,000	Nil	4,00,000	Nil
Investment as Share application money						

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Jindal ESIPL CETP (SITARGANJ) Limited	Nil	Nil	7,367,265	13,275,405	7,367,265	13,275,405
Jindal Water Infra (Naya Raipur) Limited	Nil	Nil	14,00,000	Nil	14,00,000	Nil

9. Gratuity and leave encashment

The disclosure regarding employee benefits as per AS-15 on "Employee Benefits" (Revised 2005) are as under:- (Rs.)					
i)	Defined Contribution Plan:	Current Period		Current Period	
	Company's contribution to Provident Fund	Rs. 4,406,408		Rs. 1,792,183	
ii)	Defined Benefits Plan:				
a)	Actuarial Assumptions	Gratuity (Funded)		Leave Encashment (Non-Funded)	
		Current Period	Previous Period	Current Period	Previous Period
	Discount Rate (per annum)	0.07	0.06	0.07	0.06
	Future salary increase	0.05	0.04	0.05	0.04
	Expect return on plan assets	0.09	0.00	0.00	0.00
	Mortality rate	LIC (1994-96) Ultimate Mortality Table		LIC (1994-96) Ultimate Mortality Table	
	The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.				
b)	Reconciliation of present value of obligation	Gratuity (Funded)		Leave Encashment (Funded)	
		(Amount in Rs.)		(Amount in Rs.)	
		Current Period	Previous Period	Current Period	Previous Period
	Present value of Gratuity obligation at the beginning of the period	693,634	302,940	1279,357	769,247
	Current Service Cost	960420	376,466	2,569,237	756,650
	Interest Cost	42024	13,632	99,344	31,252
	Actuarial (gain)/ loss	(344695)	596	427,941	(59,261)
	Benefits paid	Nil	Nil	(902,901)	(218,531)
	Present value of obligation at the end of the period	1,351,383	693,634	3,129,956	12,79,357
c)	Net (Asset)/Liability recognised in the Balance Sheet as at period end	Gratuity (Funded)		Leave Encashment (Funded)	
		(Amount in Rs.)		(Amount in Rs.)	
		Current Period	Previous Period	Current Period	Previous Period
	Present value of obligation at the end of the period	1,351,383	693,634	3,129,956	1279,357
	Fair value of plan assets at end of the period	2,333,512	350,803	Nil	Nil
	Funded status /Difference	(173,985)	Nil	Nil	Nil
	Excess of actual over estimated	Nil	Nil	Nil	Nil
	Net present value of funded obligation recognised as (asset) / liability in the Balance Sheet	(808,144)	342,831	3,129,956	1279,357

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

d)	Expenses recognised in the Profit and Loss Account	Gratuity (Funded)		Leave Encashment (Funded)	
		(Amount in Rs.)		(Amount in Rs.)	
		Current Period	Previous Period	Current Period	Previous Period
	Current Service Cost	960,420	376,466	2,569,237	756,650
	Interest Cost	42,024	13,632	99,344	31,252
	Expect return on plan assets	(133,217)	Nil	Nil	Nil
	Actuarial (gain)/loss recognised in the period	(344,695)	596	427,941	(59,261)
	Past Service Cost	Nil	Nil	Nil	Nil
	Total expenses recognised in the Profit and Loss Account for the period	524,532	390,694	3,096,522	728,641
	Actual Return on Plan Asset	Nil	Nil	Nil	Nil

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

A. Purchase:

Description	Current Period		Previous Period	
	Quantity (Mts)	Amount (Rs.)	Quantity (Mts)	Amount (Rs.)
Pipes and Gas Kit	39,020	60,65,04,668	1,31,502	141,05,73,137
Coating Material	-	37,67,995	-	17,33,02,680
Others	-	18,42,84,209	-	642,42,181
Total	39,020	79,45,56,872	1,31,502	164,81,17,998

Quantitative information of coating material has not been given since their unit of measurement is different.

B. Sales:

Description	Current Period		Previous Period	
	Quantity (Mts)	Amount (Rs.)	Quantity (Mts)	Amount (Rs.)
Pipes and Gas Kit	39,020	77,70,49,337	1,31,502	180,37,76,347
Others	Nil	24,76,81,313	Nil	157,74,782
Total	39,020	102,47,30,650	1,31,502	181,95,51,129

C. Expenditure in Foreign Exchange

	Current Period	Previous Period
	Amount (Rs.)	Amount (Rs.)
Purchase	Nil	53,62,46,145
Traveling	288,459	---
Subscription Fee	Nil	60,600
Conference and Seminar	762,111	---
Total	1,050,570	53,63,06,745

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

11. 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 Water Infrastructure Limited

SD/-

per G. K. Aggarwal

Partner

Membership No. 86622

Place: New Delhi

Date: 1st July, 2010

SD/-

Indresh Batra

Director

SD/-

Sminu Jindal

Director

SCHEDULE 18: 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 :	154995	State Code:	55
	Balance Sheet Date:	31/03/2010		
II	Capital Raised During The Period (Amount in Rs. Thousands)			
	Public Issue	-	Rights Issue	-
	Bonus Issue	-	Private Placement	68,220
	Share Application money	12,000		
III	Position of Mobilisation And Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities	1,91,709	Total Assets	1,91,709
	<i>Sources of Funds</i>			
	Paid-Up Capital	33,240	Reserves and Surplus	1,58,469
	Secured Loans	-	Unsecured Loans	-
	Share Application Money	-		
	<i>Application of Funds</i>			
	Net Fixed Assets	13,864	Investments	2,05,320
	Net Current Assets	(27,845)	Miscellaneous Expenditure	194
	Deferred Tax Assets	176		
IV	Performance of Company (Amount in Rs. Thousands)			
	Turnover (Sales and other income)	13,26,506	Total Expenditure	12,76,299
	Profit Before Tax	67,206	Profit After Tax	44,402
	Earnings Per Share - Basic Rs.	42	Dividend Rate %	-
	Earnings Per Share - Diluted Rs.	-		
V	Generic names of principal products/services of the Company (As per monetary Terms)*			
	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 Water Infrastructure Limited

SD/-

Indresh Batra

Director

Place: New Delhi

Dated: 1st July, 2010

SD/-

Sminu Jindal

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 Water Infrastructure Limited which are:			
			Shareholding (no. of shares)	Extent of Holding (%)	Dealt with in the accounts of the company amounting to (Rupees in Lakhs)	For sub-sidiary's financial year ended on 31.03.10	For previous financial years of the sub-sidiary since it became sub-sidiary of Jindal Water Infrastructure Ltd.	For sub-sidiary's financial year ended on 31.03.10
1	Jindal ESIPL CETP (Sitarganj) Ltd	31.03.2010	372438 equity share of Rs.10 each	51.00	NIL	NIL	(0.81)	(0.59)
2.	Jindal Water Infra (Naya Raipur) Ltd.	31.03.2010	40000 equity shares of Rs.10 each	80.00	NIL	NIL	NIL	NIL

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

SD/-

Indresh Batra
Director

SD/-

Sminu Jindal
Director