
Annual Report
2009-2010
(15 months)

**JINDAL WATERWAYS
LIMITED**

NOTICE

JINDAL WATERWAYS LIMITED

Notice is hereby given that the *Third Annual General Meeting* of the shareholders of the Company Jindal Waterways Limited will be held at the Registered Office of the Company at 28, Shivaji Marg, New Delhi – 110 015 on Saturday, the 24th 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 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/-

ALOK KUMAR
COMPANY SECRETARY

New Delhi
30th June, 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 WATERWAYS 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 31st March, 2010.

Business Analysis

The company has already acquired 5 ships primarily for domestic inter-modal terminal operations and during the Previous Year 2009-2010, the Company has acquired 2 more ships and has further plans to acquire more big ships to cover the international routes also. The Company is operating its ships between select terminals and ports having adequate cargo potential. Company's bulk services include dedicated coastal and inland services operated on a turnkey basis for major bulk shippers.

Financial Results

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Paid up Capital		279,933,330
Share application money pending allotment		20,000,010
Reserves and Surplus		558,866,660
Secured Loans		1,381,557,970
Fixed Assets		1,825,204,525
Depreciation on fixed assets		61,519,977
Capital Work in Progress		62,659,414
Current Assets		165,044,978
Current Liabilities		51,701,840
Profit/ (Loss) before taxation		(198,064,621)

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

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.

Mr. Yogesh Verma has resigned w.e.f. 17.09.2009 and Mr. Satyamurti Ramasundar was appointed as the Whole Time Director of the Company w.e.f. 17.08.2009

Increase of Authorized Capital

In order to mobilize funds for making investments in various infrastructure development companies, the Company has raised its Authorized to Rs.60 crores from Rs. 35 crores w.e.f. 31st March 2010.

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 Remuneration (in Rs.)	Particulars of Last Employment
1	Mr. Sushil Srivastava	49	PG in Shipping	AVP(Operation)	16.12.2008	16	3,199,998	Ben Line Agencies (I) Pvt. Ltd.

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	Capt. Ashwin Advani	45	Master Mariner	VP (Business Development)	01.07.2009	25	3,50,000	Transworld Group of Industries
2	Mr. Jai Singh Khurana	38	B.Tech (Mining), MBA(Mrkt.)	Sr. GM(Logistics)	02.02.2010	15	2,33,335	Tata Martrade Intl. Logistics Ltd.
3	Capt. A.K. Shrivastava	51	Master(FG)	Business Head	01.06.2007	30	3,90,174	HMM
4	Mr. Hawaldar Singh	58	Marine Engineer	VP-Technical	16.08.2008	35	2,25,423	Varun Shipping
5	Mr. Deepak Arora	55	Chief Engineer (Marine)	GM-Technical	02.03.2009	25	2,08,333	Max Healthcare Institute Ltd.
6	Mr. Suresh Kamath	53	1 st Class MOT(Motor) Certificate	VP-Technical	27.07.2009	20	3,50,002	Thai Pacific Maritime Ltd.
7	Capt. C.S. Verma	54	Master Mariner	CEO	21.12.2009	35	833,336	Consultant

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. Capt. AK Shrivastava, Mr. Hawaldar Singh, Mr. Deeaok Arora, Mr. Suresh Kamath and Capt. C.S. Verma have resigned w.e.f. 30.11.2009, 12.06.2009, 23.11.2009, 18.03.2010 and 25.05.2010 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 Waterways Limited

SD/-

SD/-

Sminu Jindal
Director

Indresh Batra
Director

New Delhi
June 30, 2010

N. C. AGGARWAL & CO.

CHARTERED ACCOUNTANTS

102, Harsha house, Karampura Commercial Complex,
New Delhi – 110 015. Ph: (O) 25920555-56 (R) 25410561

E-Mail: nc.a@rediffmail.com, nc.aggarwal@gmail.com

AUDITORS' REPORT

To
The Members of Jindal Waterways Limited

1. We have audited the attached Balance Sheet of JINDAL WATERWAYS LIMITED as at 31st March, 2010 and Profit and Loss account and also 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 December 31, 2008 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.

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

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

SD/-
per G. K. Aggarwal
Partner
Membership No. 086622

New Delhi
30th June, 2010

N. C. AGGARWAL & CO.

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

Re: JINDAL WATERWAYSE 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) (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)	As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions which are required to be entered in the register maintained under section 301 of the Act have been so entered.
	(b)	In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rupees five lacs have been entered into during the financial year are at prices, which are reasonable, having regard 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

N. C. AGGARWAL & CO.

		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 December, 2008 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 accumulated losses at the year end of the financial period amount to Rs. 84,00,18,696/- and has incurred cash losses of Rs. 79,80,40,360/- in the current period and Rs. 17,33,73,487/- 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 defaulted in repayment of dues to the banks and financial institutions.
	(xii)	According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
	(xiii)	In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
	(xiv)	According to the records of the Company examined by us and the information and explanations given to us, the Company, during the 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)	In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
	(xvii)	According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
	(xviii)	The Company has 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

New Delhi
30th June, 2010

B.O. 73-N, MODEL TOWN, HISAR PHONE: OFFICE: 247797 RESIDENCE: 248757

Balance Sheet and Profit and Loss Account
Jindal Waterways 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	584,133,330	279,933,330
Share application money pending allotment		589,000,010	20,000,010
Reserves and Surplus	2	1,167,266,660	558,866,660
		<u>2,340,400,000</u>	<u>858,800,000</u>
Loans			
Secured loans	3	2,588,592,858	1,381,557,970
		<u>2,588,592,858</u>	<u>1,381,557,970</u>
		<u>4,928,992,858</u>	<u>2,240,357,970</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	3,369,151,326	1,825,204,525
Less : Depreciation		218,741,167	61,519,977
Net block		<u>3,150,410,159</u>	<u>1,763,684,548</u>
Capital Work in Progress (including Capital Advances)		214,361,800	62,659,414
		<u>3,364,771,959</u>	<u>1,826,343,962</u>
Deferred Tax Assets	5	416,067,481	101,930,744
Current Assets, Loans and Advances			
Inventories	6	60,947,543	17,242,745
Sundry Debtors	7	145,604,164	51,766,863
Cash and bank balances	8	31,448,093	6,389,937
Loans & Advances	9	252,889,347	89,645,433
		<u>490,889,147</u>	<u>165,044,978</u>
Less: Current Liability and Provisions			
Current Liabilities	10	182,329,702	51,701,840
Provisions		1,811,058	1,327,289
Net Current Assets		<u>306,748,387</u>	<u>112,015,849</u>
Miscellaneous expenditure (to the extent not written off or adjusted)	11	1,386,334	2,002,794
		<u>1,386,334</u>	<u>2,002,794</u>
Debit balance in profit and loss account		840,018,696	198,064,621
Total		<u>4,928,992,858</u>	<u>2,240,357,970</u>
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 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: 30th June, 2010

For and on behalf of the Board of Directors of
Jindal Waterways Limited

SD/-

Indresh Batra
Director

SD/-

Sminu Jindal
Director

SD/-

Alok Kumar
Company Secretary

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

	Schedules	For the Period Ended 31.03.2010 Rs.	For the Period Ended 31.12.2008 Rs.
INCOME			
Income from Operations	12	607,387,456	448,878,322
Other income	13	4,509,426	1,144,995
Total		611,896,882	450,023,317
EXPENDITURE			
Operational Expenses	14	923,042,040	492,619,058
Personnel Expenses	15	170,567,473	14,931,193
Administrative and other Expenses	16	42,361,454	12,604,462
Financial Expenses	17	273,706,580	104,235,158
Depreciation		157,261,238	53,033,862
Preliminary Expenses written off		616,460	369,876
Total		1,567,555,245	677,793,609
Loss for the period before prior period adjustments		955,658,363	227,770,292
Prior Period Adjustments		259,695	(993,067)
Loss after prior period adjustments but before taxation		955,918,058	226,777,225
Provision for Fringe Benefit Tax		172,755	250,000
Deferred Tax Income		(314,136,737)	(77,081,579)
Total Tax (Income)/Expenses		(313,963,982)	(76,831,579)
Loss for the period		641,954,075	149,945,646
Loss brought forward of previous year		198,064,621	48,118,975
Loss carried to Balance Sheet		840,018,696	198,064,621
Earning per share:	18		
Basic (Nominal value of shares Rs. 10)		(22.88)	(14.67)
Diluted (Nominal value of shares Rs. 10)		(22.88)	(14.67)

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

SD/-
per G.K. Aggarwal
Partner
Membership No. 086622
Place: New Delhi
Date:30th June, 2010

For and on behalf of the Board of Directors of
Jindal Waterways Limited

SD/-
Indresh Batra
Director

SD/-
Sminu Jindal
Director

SD/-
Alok Kumar
Company Secretary

Jindal Waterways 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
A. CASH FLOWS FROM OPEARTING ACTIVITIES:		
Net Profit/(loss) Before Income taxes	(955,918,058)	(226,777,225)
Adjustment for:		
Depreciation	157,261,238	53,033,862
Preliminary expenses written off	616,460	369,876
Loss on Sale of Assets	11,099	-
Interest Income	(234,990)	-
Dividend Received	(41,941)	(156,315)
Interest and finance charges	256,502,636	96,670,381
Operating profit before working capital changes	(541,803,556)	(76,859,421)
Adjustment for:		
(Increase) in debtors	(93,837,301)	(35,987,626)
(Increase) in Inventories	(43,704,798)	(10,730,791)
(Increase) in Other Assets	(155,204,034)	(70,417,272)
Increase in Trade and other Payables	131,111,631	12,842,120
Cash earned from operations	(703,438,058)	(181,152,989)
Direct taxes paid	(8,212,635)	(7,478,492)
Net cash earned from/ (used in) operating activities	(711,650,693)	(188,631,481)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	234,990	-
Dividend Received	41,941	156,315
Preliminary Expenses incurred	-	(2,000,000)
Purchase of fixed assets	(1,679,924,980)	(234,692,894)
Sale of Fixed assets	680,566	-
Net cash (used in) investing activities	(1,678,967,483)	(236,536,579)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Shares	912,600,000	413,299,990
Proceeds from Share Application Money	569,000,000	20,000,010
Proceeds from secured loans	1,207,034,888	84,895,490
Interest and finance charges	(272,958,556)	(96,670,381)
Net cash from financing activities	2,415,676,332	421,525,109
Net increase in cash and cash equivalents	25,058,156	(3,642,951)
Cash and cash equivalents (opening balance) cash and bank balances	6,389,937	10,032,888
Cash and cash equivalents (closing balance) cash and bank balances	31,448,093	6,389,937
	25,058,156	(3,642,951)

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: 30th June, 2010

For and on behalf of the Board of Directors of
Jindal Waterways Limited

SD/-
Indresh Batra
Director

SD/-
Alok Kumar
Company Secretary

SD/-
Sminu Jindal
Director

Jindal Waterways Limited
Schedules to the Accounts as on March 31, 2010

	AS AT 31.03.2010 Rs.	AS AT 31.12.2008 Rs.
Schedule 1: Share Capital		
Authorised		
60,000,000 (Previous year 3,50,00,000)equity shares of Rs. 10/- each	<u>600,000,000</u>	<u>350,000,000</u>
	<u>600,000,000</u>	<u>350,000,000</u>
Issued		
58,413,333 (Previous Year 2,79,93,333) equity shares of Rs. 10/- each	<u>584,133,330</u>	<u>279,933,330</u>
	<u>584,133,330</u>	<u>279,933,330</u>
Subscribed & Paid up		
58,413,333 (Previous Year 2,79,93,333) equity shares of Rs. 10/- each fully paid up	<u>584,133,330</u>	<u>279,933,330</u>
	<u>584,133,330</u>	<u>279,933,330</u>
Schedule 2: Reserves and Surplus		
Share Premium Account	558,866,660	-
Received during the year	608,400,000	558,866,660
	<u>1,167,266,660</u>	<u>558,866,660</u>
Schedule 3: Secured Loans		
Term Loan		
From Banks	2,561,334,073	1,367,294,574
From Financial Institutions	26,230,377	14,263,396
Working Capital Loan		
From Banks	1,028,408	-
	<u>2,588,592,858</u>	<u>1,381,557,970</u>

Term Loan Secured against mortgage of Vessels by first parri-passu charge in favour of Banks for term loan of Rs 2309526788/- and second pari-passu charge in favour of banks and financial institutions for term loan of Rs. 278037662/- . The loan is secured by second charge by hypothecation of working capital of the Company.

(Loan is guaranteed by way of pledge of 51% equity of holding company Jindal ITF Limited. Loan is also supported by letter of undertaking of ultimate holding company)

Working Capital loan Secured agaisnt first charge on working capital of the Company.

**Balance Sheet and Profit and Loss Account
Jindal Waterways Limited
Schedules to the Accounts as on 31st March, 2010**

(In Rs.)

Schedule 4: Fixed Assets as per Co. Shedule

DESCRIPTION	Gross Block			Depreciation			Net Block		
	As on 01.01.2009	Additions	Deductions	As at 31.03.2010	As on 01.01.2009	Additions	Deductions	As at 31.03.2010	As on 01.01.2009
Leasehold Improvements	786,907	-	-	786,907	196,727	590,180	-	786,907	590,180
Vessels	1,679,615,225	1,435,726,209	-	3,115,341,434	58,354,088	144,852,450	-	2,03,206,538	1,621,261,137
Barge	44,745,333	15,390	-	44,760,723	1,427,250	1,803,915	-	3,231,165	43,318,083
Containers	96,811,697	99,263,674	-	196,075,371	1,368,707	8,531,123	-	9,899,830	95,442,990
Computers	1,118,413	1,434,078	38,000	2,514,491	115,423	457,291	7,864	564,850	1,002,990
Office Equipments	675,534	2,025,411	49,990	2,650,955	16,542	189,846	2,697	203,691	658,992
Furniture and Fixtures	807,693	586,659	-	1,394,352	33,198	164,346	-	197,544	774,495
Vehicle	643,723	1,450,515	643,723	1,450,515	8,042	99,415	29,487	77,970	635,681
Intangible Assets	-	4,176,578	-	4,176,578	-	572,672	-	572,672	-
Total	1,825,204,525	1,544,678,514	731,713	3,369,151,326	61,519,977	157,261,238	40,048	218,741,167	1,763,684,548
Previous Year	704,657,682	1,120,546,843	-	1,825,204,525	8,486,115	53,033,862	-	61,519,977	1,763,684,548

Note:

1. Additions to Vessels includes Rs.15,887,510/- (Previous year Rs. 20,942,095) on account of capitalisation of financial cost including interest on loan taken for acquisition of a vessel for the period to the date of its put to use.
2. Additions to container includes Rs.5,68,410/- (Previous year Rs. Nil) on account of capitalisation of financial cost including interest on loan taken for acquisition of a Container for the period to the date of its put to use.
3. Additions to Barge includes Rs.Nil/- (Previous year Rs. 3,140,220) on account of capitalisation of financial cost including interest on loan taken for acquisition of a Container for the period to the date of its put to use.

Deferred Tax (Liability)		
Difference on account of Written Down Value	254,405,806	69,252,859

Deferred Tax Asset

Carried Forward Losses	669,905,698	170,861,619
Dissallowance under Income Tax Act,1961	567,590	321,984
	<u>670,473,287</u>	<u>171,183,603</u>

Net Deffered Tax Asset(Liability)	416,067,481	101,930,744
--	--------------------	--------------------

Schedule 6 : Inventories (At lower of cost and net realisable value)

- Fuel oils	27,911,584	17,242,745
- Spares	33,035,959	-
	<u>60,947,543</u>	<u>17,242,745</u>

Schedule 7 : Sundry Debtors

(Unsecured , considered good)

Exceeding six months		-
-Considered Good	13,165,924	-
Others	132,438,240	51,766,863
	<u>145,604,164</u>	<u>51,766,863</u>

Schedule 8 : Cash and Bank Balances

Cash in Hand	12,279	76,391
Balances with scheduled banks:		
- On current accounts	26,357,749	6,313,546
- Fixed Deposit account *	5,078,065	-
	<u>31,448,093</u>	<u>6,389,937</u>

*Pledged with bank against bank guarantee

Schedule 9 : Loans and Advances

Advances recoverable in cash or in kind or for value to be received	226,662,682	77,854,828
Security Deposits	10,446,180	4,050,000
Advance Income tax/tax deducted at source	15,780,485	7,740,605
	<u>252,889,347</u>	<u>89,645,433</u>

Schedule 10 : Current Liabilities & Provisions

Sundry Creditors	170,221,296	47,962,766
Advance from Customers	127,753	928,301
Other Liabilities	11,980,653	3,100,605
	<u>182,329,702</u>	<u>51,991,673</u>

Due to micro and small scale industrial undertakings included in Sundry Creditors

	-	-
Due to other than micro and small scale industrial undertakings included in Sundry Creditors	170,221,296	47,962,766

Provisions

Provision for Leave Encashment	1,258,303	657,457
Provision for Fringe Benefit Tax	552,755	380,000
	<u>1,811,058</u>	<u>1,037,457</u>

Schedule 11: Miscellaneous expenditure

Preliminary Expenses

Opening Balance	2,002,794	372,669
Add: Incurred during the year	-	2,000,000
Total	2,002,794	2,372,669
Less: Amortised during the year	616,460	369,876
	<u>1,386,334</u>	<u>2,002,794</u>

	For the period Ended 31.3.2010 Rs.	For the period Ended 31.12.2008 Rs.
Schedule 12 : Income from Operations		
Cargo Freight Charges collected	607,387,456	369,838,864
Time Charter Charges received	0	79,039,458
	607,387,456	448,878,322
Schedule 13: Other income		
Dividend Received	41,941	156,315
Interest Received:		
From Bank	234,990	-
Excess Liabilities Written Back	2,325,021	633,591
Foreign Exchange Fluctuation	(980,784)	347,088
Profit On Sale of Assets	4,037	-
Other Income	2,884,221	8,000
	4,509,426	1,144,994
Schedule 14 : Operational Expenses		
Fuel Consumption	263,304,981	171,999,144
Ship Management Charges	78,777,585	112,035,779
Vessel and Containers Related Port Charges	249,719,766	120,465,646
Insurance Expenses	29,057,027	7,154,150
Commission to Cargo/Vessels Agents	17,085,061	8,395,549
Transportation Charges	45,303,521	9,027,840
Hiring Charges including containers	46,810,888	21,210,422
Loss on Workman Compensation	-	229,479
Repair & Maintenance Charges	192,983,211	42,101,049
	923,042,040	492,619,057
Schedule 15 : Personnel Expenses		
Salary & Allowances	165,824,702	13,549,570
Contribution to Provident Fund	3,627,496	847,538
Staff Welfare	1,115,275	534,085
	170,567,473	14,931,193
Schedule 16 : Administrative & Other Expenses		
Water & Electricity Charges	1,130,166	130,018
Rent,Rates & Taxes	7,404,832	97,019
Legal & Professional Charges	6,213,309	3,542,981
Donation	-	26,801
Auditors' Remuneration:		
Audit fees	209,187	56,180
Printing & Stationery	1,747,693	-
Communication Expenses	3,278,607	2,004,869
Travelling & Conveyance	13,518,429	4,316,663
General Repair & Maintenance	6,159,065	299,263
Loss on Sale of Assets	15,136	-
Miscellaneous Expenses	2,685,030	2,130,668
	42,361,454	12,604,460
Schedule 17 : Financial Expenses		
Interest:		
- on term loan to Banks	253,229,173	78,097,960
- on term loan to Financial Institution	3,273,463	18,572,421
Processing Fees & Other Bank Charges	17,203,944	7,564,776
	273,706,580	104,235,157
Schedule 18: Earning per share (EPS)		
Loss for the year	641,954,075	149,945,646
Weighted average number of equity shares in calculating basic earning/ (loss) per share:		
Number of shares outstanding for 275 days	0	50,000
Number of shares outstanding for 258 days	0	9,735,000
Number of shares outstanding for 15 days	0	19,068,333
Number of shares outstanding for 455 days	27,993,333	-
Number of shares outstanding for 1 days	30,420,000	-
Weighted average number of equity shares in calculating basic EPS	28,060,190	10,223,291
	22.88	14.67

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. Nature of Operations

Jindal Waterways Limited is a Company incorporated on 24th January, 2007 with the main object to carry on the business establish, build, maintain, operate barrages, jetties, ports, terminals, canals, water ways, for transportation by water, cargo goods, material, passengers, shipping for the purpose of establishing and providing of necessary infrastructure / support /logistics on its own or otherwise 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) Revenue Recognition

Freight and demurrage earnings are recognized on completed voyage basis. Time Charter earnings are recognized on accrual basis except where the charter party agreements have not been renewed/ finalized, in which case it is recognized on provision bases.

(c) Fixed Assets

(i) Valuation of Fixed Assets

a) Tangible Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying assets are capitalized as a part of the respective assets, up to the date of acquisition/ completion of construction.

b) Software which is not an integral part of related hardware is classified as an Intangible asset and is stated at cost.

(ii) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher

(d) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss is recognized in the accounting period in which it is identified and is reversed if there has been a change in the estimation of recoverable amount.

(e) Inventory Valuation

Inventories of fuel oil are carried at cost or net realisable value whichever is lower. Cost is determined on first in first out basis.

(f) 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.

(g) 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 the 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.

(h) 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

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

equity shares, if any.

(i) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement are recognized where there is a present obligation as 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.

(j) 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.

(k) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known/materialized.

(l) Miscellaneous Expenditure

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

(m) 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

Description	As at 31.03.2010	As at 31.12.2008
Bank Guarantees Outstanding	46,197,500	175,200,000
Letter of credit	1,023,849	-

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 year 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 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 fifteen months from January 1, 2009 to March 31, 2010.

7. Capital Commitments

Capital commitment (net of Capital advances) as at March 31, 2010 is Rs. 115,729,714/- (Previous Year Nil)

8. Capital work in progress includes capital advances of Rs. 214,361,800/- (Previous Year Rs. 62,659,414/-)

9. Segment Reporting

Information about business segment.

Company operates in a single primary segment (Business Segment) i.e. Transportation by water ways.

10. Related Parties Transaction

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

JINDAL WATERWAYS LIMITED

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(i) Holding Company

Jindal ITF Limited (Direct holding)

Jindal Saw Limited (Indirect holding through Jindal ITF Limited)

(ii) Fellow Subsidiary Companies:

- Jindal Water Infrastructure Limited
- Jindal Shipyards Limited
- Jindal Urban Infrastructure Limited
- Jindal Rail Infrastructure Limited
- Jindal Infralogistics Limited
- Jindal Intellicom Limited
- Jindal ESIPL CETP (SITARGANJ) Limited (Indirect)
- Timarpur-Okhla Waste Management Company Private Limited (Indirect)
- Jindal Water Infra (Naya Raipur) Limited (Indirect)
- Hexa Securities & Finance Company Limited (Indirect)
- IUP Jindal Metals & Alloys Limited (Indirect)
- High Gate Consultants Limited (Indirect) (upto August 12, 2009)
- 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

Description	Holding Company		Fellow Subsidiary Company		Total	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Amount received as share application money Jindal ITF Limited	569,000,000	20,000,010	Nil	Nil	569,000,000	20,000,010
Share Capital including share premium Jindal ITF Limited	912,600,000	413,299,990	Nil	Nil	912,600,000	413,299,990
Advance Given Jindal Shipyard Limited	Nil	Nil	1,02,000,000	Nil	1,02,000,000	Nil
Reimbursement of expenses paid on our behalf Jindal Water Infrastructure Limited	Nil	Nil	1,827,347	Nil	1,827,347	Nil
Balance as on 31.3.2010						
Capital Advance Jindal Shipyard Limited	Nil	Nil	1,02,000,000	Nil	1,02,000,000	Nil

JINDAL WATERWAYS LIMITED

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Share application money						
Jindal ITF Limited	589,000,010	20,000,010	Nil	Nil	589,000,010	20,000,010
Share Capital including share premium	1,751,392,990	838,792,990	Nil	Nil	1,751,392,990	838,792,990
Jindal ITF Limited						

11.

The disclosure regarding employee benefits as per AS-15 on "Employee Benefits" (Revised 2005) are as under:-

Defined Contribution Plan:

Company's contribution to Provident Fund Rs. 2,674,622 (Previous Period Rs. 847,538 /-)

Defined Benefits Plan:

Gratuity and leave encashment

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 the employment market.

Reconciliation of present value of obligation	Gratuity (Funded)		Leave Encashment (Non-Funded)	
	Current Period	Previous Period	Current Period	Previous Period
	(Amount in Rs.)		(Amount in Rs.)	
Present value of Gratuity obligation at the beginning of the Period	289,832	112,696	657,457	732,18:
Current Service Cost	414,138	169,015	619,551	434,63:
Past Service Cost			-	(285,910)
Interest Cost	29,373	5,071	57,728	20,08:
Actuarial (gain)/ loss	(282,937)	3,050	373,346	(194,527)
Benefits paid			(920,703)	(49,003)
Present value of obligation at the end of the Period	450,406	289,832	787,379	657,45'
Net (Asset)/Liability recognized in the Balance Sheet as at Period end	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	(Amount in Rs.)		(Amount in Rs.)	
Present value of obligation at the end of the Period	450,406	289,832	787,379	657,45'
Fair value of plan assets at end of the Period	731,357	-	-	-
Funded Status/Difference	-	-	-	-
Excess of actual over estimated	-	-	-	-
Net present value of funded				

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

obligation recognized as (asset)/liability in the Balance Sheet	(280,951)	289,832	787,379*	657,45'
Expenses recognised in the Profit and Loss Account	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	(Amount in Rs.)		(Amount in Rs.)	
Current Service Cost	414,138	169,015	619,551	434,63:
Interest Cost	29,373	5,071	57,728	20,08:
Expect return on plan assets	-			
Actuarial (gain)/loss recognised in the period	(282,937)	3,050	373,346	(194,527
Past Service Cost			(12,974)	(285,910
Benefit Paid			-	(49,00:
Total expenses recognised in the Profit and Loss Account for the Period	160,574	177,136	1,037,651	(74,726

*Does not include short term leave liability of Rs. 470,924/-

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

A. CIF Value of Import	Current period	Previous Period
Capital Goods	1,300,548,489	6,871,649

B. Expenditure in Foreign Exchange including expenditure for capital goods

Description	Current period	Previous Period
	Amount (Rs.)	
Oil and Fuel Expenses	39,944,721	3,644,093
Port Dues Charges	48,241,147	337,389
Repair and Maintenance including spares & survey fees	21,346,104	5,501,818
Traveling Expenses	402,142	
Fee and Subscription	-	39,907
Insurance	8,942,004	7,246,773
Legal & Professional	14,52,051	231,246
Advertisements	-	623,013
Communication	767,812	
Freight	2,847,198	
Commission	102,471	
Others	929,623	
Total	1,24,975,273	17,624,239

JINDAL WATERWAYS LIMITED

SCHEDULE 19: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

B. Revenue in Foreign Exchange

Description	Current Period	Previous Period
		Amount (Rs.)
Time Charter Revenue	-	7,22,50,492
Cargo freight Revenue	37,566,900	
Total	37,566,900	7,22,50,492

13. 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 Waterways Limited

per G. K. Aggarwal
Partner
Membership No. 086622
New Delhi
Dated: 30th June, 2010

SD/- SD/-
Indresh Batra Sminu Jindal
Director Director

SD/-
Alok Kumar
Company Secretary

JINDAL WATERWAYS LIMITED

SCHEDULE 19: 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 :	158373	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	912,600
	Share Application money	569,000		
III	Position of Mobilisation And Deployment of Funds (Amount in Rs. Thousands)			
	Total Liabilities	4,928,993	Total Assets	4,928,993
	<i>Sources of Funds</i>			
	Paid-Up Capital	584,133	Reserves and Surplus	1,167,267
	Secured Loans	2,588,593	Unsecured Loans	-
	Share Application Money	589,000		
	<i>Application of Funds</i>			
	Net Fixed Assets	3,364,772	Investments	-
	Net Current Assets	306,748	Miscellaneous Expenditure	1,386
	Accumulated Losses	840,019	Deferred Tax Assets	416,068
IV	Performance of Company (Amount in Rs. Thousands)			
	Turnover (Sales and other income)	611,897	Total Expenditure	1,567,555
	Loss Before Tax	955,658	Loss After Tax	641,954
	Earnings Per Share - Basic Rs.	(22.88)	Dividend Rate %	-
	Earnings Per Share - Diluted Rs.	(22.88)		
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 Waterways Limited

SD/-
Indresh Batra
Director
New Delhi

SD/-
Sminu Jindal
Director