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Annual Report  
2009-2010  
(15 months)

**JINDAL ESIPL CETP  
(SITARGANJ) LIMITED**

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## NOTICE

### JINDAL ESIPL CETP (SITARGANJ) LIMITED

Notice is hereby given that the *Third Annual General Meeting* of the shareholders of the Company Jindal ESIPL CETP (Sitarganj) Limited will be held at the Registered Office of the Company at 28, Shivaji Marg, New Delhi – 110 015 on Monday, the 26<sup>th</sup> July, 2010 at 4.00 PM to transact the following business :

#### AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and Profit & Loss Account for the fifteen months period ended 31<sup>st</sup> March, 2010 together with Schedules and Notes on Accounts and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh Bajjal who retires by rotation and being eligible offers himself 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/-

AMIT BAJPAI  
DIRECTOR

NEW DELHI  
DATED : 30<sup>th</sup> June, 2010

#### NOTE:

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.

## JINDAL ESIPL CETP (SITARGANJ) 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 comprising of Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit & Loss account as on that date.

#### Overall Review - Projects

The Company has so far constructed civil structures worth Rs. 3.25 crores and the total expenses incurred till date is Rs. 7.89 crores. However, during the course of execution it was felt necessary to conduct a joint survey with ELDECO to know the actual quantity of effluent that would be available for processing in this Plant. A joint survey was conducted during the period and based on survey report it was proposed to construct 4 MLD CETP only instead of 8 MLD CETP & RO. Again, a joint survey was conducted on 25.02.2010 and the total effluent availability was found to be 2.2 MLD (Industrial effluent 1.3 MLD & Domestic waste water 0.9 MLD).

The total orders placed till date is Rs. 12.07 crores. The Erection of the equipments is expected to start by 1<sup>st</sup> August, 2010 and to be completed by October, 2010. The Biological commissioning is expected to begin on 6<sup>th</sup> October, 2010 and same to be completed by 31.10.2010. The final commissioning is expected to be completed by 30.11.2010.

Your Directors are hopeful that the business would ultimately yield good results in future.

#### Financial Results

| Particulars  | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| Paid up Capital                                      | 7,302,710          | 5,00,000            |
| Share Application Money pending allotment            | 9,167,275          | 23,275,405          |
| Reserves & Surplus                                   | 13,605,420         | Nil                 |
| Secured Loans  | 50,330,000         | Nil                 |
| Capital Work in Progress                             | 70,291,933         | 11,126,913          |
| Current Assets                                       | 7,071,079          | 13,402,803          |
| Current Liabilities                                  | 2,183,446          | 926,858             |
| Preliminary Expenses (to the extent not written off) | 56,294             | 56,294              |
| Profit/ (Loss) before taxation                       | (186,187)          | (69,599)            |

### **Dividend**

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

### **Fixed Deposits**

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

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

As the Company has not yet commenced operational activities, the prescribed details as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 have not been provided.

### **Directors**

In terms of the provisions of Section 256 of the Companies Act, 1956, Shri Rajesh Baijal shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### **Directors Responsibility Statement**

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

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

### **Auditors**

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

**Acknowledgement**

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

On behalf of the Board of Directors of  
**Jindal ESIP L C E T P (Sitarganj) Limited**

SD/-

SD/-

**Amit Bajpai**  
Director

**A. Murugiah**  
Director

Place : New Delhi  
Dated : June 30, 2010

**AUDITORS' REPORT**

To  
The Members of Jindal ESIPL CETP (SITARGANJ) Limited

1. We have audited the attached Balance Sheet of JINDAL ESIPL CETP (SITARGANJ) LIMITED as at 31<sup>st</sup> March, 2010 and also the Profit and Loss account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the Company.
4. Further as required under section 227(4A) of the Companies Act, 1956, we report as follows:-
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - iii) The Balance Sheet, 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;

# N. C. AGGARWAL & CO.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> 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 the Cash Flow Statement, of the cash flow for the period ended on that date.

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

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

Place: New Delhi  
Date: 30<sup>th</sup> June, 2010

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

**Re: JINDAL ESIPL CETP (SITARGANJ) LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the period and we are informed that no serious discrepancies have been noticed by the management on such verification.
- (c) No fixed assets were disposed off during the period.
- (ii) (a) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. Accordingly, paragraphs (ii) (b) and (c) of the Order are not applicable.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs (iii) (b), (c) and (d) of the Order, are not applicable.
- (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) To the best of our knowledge and as explained, the Company, during the period has adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets. During the course our audit, we have not observed any continuing failure to correct major weaknesses in internal controls. However there are no inventories and sale of goods and services during the period. Accordingly, paragraph (iv) of the Order is not applicable for inventory and sale of goods & Services.
- (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) To the best of our knowledge and as explained, the Company, during the period, is not required to have an internal audit system commensurate with the size and nature of its business, as the Capital and the Turnover does not exceed the limit prescribed in this regard.
- (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, no 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 were arise during the period. Accordingly, paragraphs (ix) (a) and (b) of the Order are not applicable.

# N. C. AGGARWAL & CO.

- (x) The Company's accumulated losses at the period end, i.e. as at March 31, 2010 are not more than fifty per cent of its net worth. The Company has incurred cash loss during the financial period ended March 31, 2010 and in the immediately preceding financial 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 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) Based on information and explanations given to us by the management, term and conditions on which the Company has taken term loan from banks are not prime facie, prejudicial to the interest of the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not obtained any short term loan. Hence para (xvii) of the order is not applicable.
- (xviii) The Company has 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 the 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: 30<sup>th</sup> June, 2010

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

**Balance Sheet and Profit and Loss Account**  
**Jindal ESIPL CETP (SITARGANJ) Limited**  
**Balance Sheet as at March 31, 2010**

|  | Schedule | AS AT<br>31.03.2010<br>Rs. | AS AT<br>31.12.2008<br>Rs. |
|--|----------|----------------------------|----------------------------|
| <b>SOURCES OF FUNDS</b>  |          |                            |                            |
| <b>Shareholders' Funds</b>                                     |          |                            |                            |
| Share Capital  | 1        | 7,302,710                  | 500,000                    |
| Share Application Money, pending allotment                     |          | 9,167,275                  | 23,275,405                 |
| Reserves and Surplus   | 2        | 13,605,420                 | -                          |
| <b>Loan Funds</b>  |          |                            |                            |
| Secured Loans  | 3        | 50,330,000                 | -                          |
| <b>Total</b>   |          | <b>80,405,405</b>          | <b>23,775,405</b>          |
| <b>APPLICATION OF FUNDS</b>                                    |          |                            |                            |
| <b>Fixed Assets</b>  |          |                            |                            |
| Capital Work in Progress                                       | 4        | 70,291,933                 | 11,126,913                 |
| Pre-operative expenditure pending allocation                   | 5        | 4,869,863                  | -                          |
|  |          | <b>75,161,796</b>          | <b>11,126,913</b>          |
| <b>Investments</b>   |          | <b>25,000</b>              | <b>-</b>                   |
| <b>Current Assets, Loans and Advances</b>                      |          |                            |                            |
| Cash & Bank Balances   | 6        | 450,821                    | 3,316,349                  |
| Loans and Advances   | 7        | 6,620,258                  | 10,086,454                 |
|  |          | <b>7,071,079</b>           | <b>13,402,803</b>          |
| Less : Current Liabilities & Provisions                        | 8        | 2,183,446                  | 926,858                    |
| <b>Net Current Assets</b>                                      |          | <b>4,887,633</b>           | <b>12,475,945</b>          |
| <b>Miscellaneous Expenditure</b>                               |          |                            |                            |
| (to the extent not written off or adjusted)                    | 9        | 56,294                     | 56,294                     |
|  |          | <b>56,294</b>              | <b>56,294</b>              |
| Debit balance in profit and loss account                       |          | 274,682                    | 116,253                    |
| <b>Total</b>   |          | <b>80,405,405</b>          | <b>23,775,405</b>          |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b> | 13       |                            |                            |

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

As per our report of even date

For N. C. Aggarwal & Co.  
Chartered Accountants

For and on behalf of the Board of Directors  
of Jindal ESIPL CETP (SITARGANJ)

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

SD/-  
Amit Bajpai  
Director

SD/-  
Pankaj Bajaj  
Director

**Balance Sheet and Profit and Loss Account**  
**Jindal ESIPL CETP (SITARGANJ) Limited**  
**Profit and Loss Account for the period ended March 31, 2010**

|  | Schedule | For the Period<br>Ended 31.03.2010<br>Rs. | For the Period<br>Ended 31.12.2008<br>Rs. |
|--|----------|---|---|
| <b>INCOME</b>  |          |   |   |
| Other Incomes  | 10       | 60,733                                    | 167,151                                   |
| <b>Total</b>   |          | <b>60,733</b>                             | <b>167,151</b>                            |
| <b>EXPENDITURE</b>   |          |   |   |
| Administrative and Other Expenses                              | 11       | 246,920                                   | 236,750                                   |
| <b>Total</b>   |          | <b>246,920</b>                            | <b>236,750</b>                            |
| Loss for the period before Taxation                            |          | 186,187                                   | 69,599                                    |
| Add: Provision for Income Tax                                  |          | (27,758)                                  | 36,300                                    |
| Loss for the period after Taxation                             |          | 158,429                                   | 105,899                                   |
| Loss brought forward from previous period                      |          | 116,253                                   | 10,354                                    |
| <b>Loss carried to Balance Sheet</b>                           |          | <b>274,682</b>                            | <b>116,253</b>                            |
| <b>Earning per share:</b>                                      | 12       |   |   |
| Basic and Diluted (Nominal value of shares Rs. 10)             |          | (0.28)                                    | (2.12)                                    |
| <b>Significant Accounting Policies &amp; Notes to Accounts</b> | 13       |   |   |

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  
ESIPL CETP (SITARGANJ) Limited

SD/-  
Amit Bajpai  
Director

SD/-  
Pankaj Bajaj  
Director

**Cash Flow Statement for the period ended March 31, 2010**

|   | For the period ended<br>March 31,<br>2010<br>Rs. | For the period ended<br>December 31,<br>2008<br>Rs. |
|---|--|---|
| <b>A. CASH FLOWS FROM OPEARTING ACTIVITIES:</b>             |  |   |
| Net Profit/(loss) after Income taxes                        | (186,187)  | (69,599)  |
| Adjustment for:   |  |   |
| Interest Income   | (60,733)   | (167,151)   |
| <b>Operating profit before working capital changes</b>      | <b>(246,920)</b>                                 | <b>(236,750)</b>                                    |
| Adjustment for:   |  |   |
| Decrease/(Increase) in Loan and Advances                    | 3,457,759  | (9,919,303)   |
| Increase/(Decrease) in Trade and other Payables             | 1,292,888  | 883,816   |
| <b>Cash earned from operations</b>                          | <b>4,503,727</b>                                 | <b>(9,272,237)</b>                                  |
| Direct taxes paid   | (24,233)   | (23,512)  |
| <b>Net cash earned from/ (used in) operating activities</b> | <b>4,479,494</b>                                 | <b>(9,295,749)</b>                                  |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>             |  |   |
| Interest received   | 59,861   | 23,512  |
| Interest paid   | (3,160,817)                                      | -   |
| Purchase of fixed assets(net)                               | (60,874,066)                                     | (11,126,913)  |
| <b>Net cash (used in) investing activities</b>              | <b>(63,975,022)</b>                              | <b>(11,103,401)</b>                                 |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>             |  |   |
| Proceeds from Issue of Shares                               | 20,408,130                                       | -   |
| Proceeds from Share Application Money                       | (14,108,130)                                     | 20,920,405  |
| Proceeds from Term Loan                                     | 50,330,000                                       | -   |
| <b>Net cash from financing activities</b>                   | <b>56,630,000</b>                                | <b>20,920,405</b>                                   |
| <b>Net increase in cash and cash equivalents</b>            | <b>(2,865,528)</b>                               | <b>521,255</b>                                      |
| <b>Cash and cash equivalents (opening balance)</b>          | <b>3,316,349</b>                                 | <b>2,795,094</b>                                    |
| <b>Cash and cash equivalents (closing balance)</b>          | <b>450,821</b>                                   | <b>3,316,349</b>                                    |
|   | <b>(2,865,528)</b>                               | <b>521,255</b>                                      |

As per our report of even date

For N. C. Aggarwal & Co.  
Chartered Accountants

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

For and on behalf of the Board of Directors of Jindal ESIP  
CETP (SITARGANJ) Limited

SD/-  
Amit Bajpai  
Director

SD/-  
Pankaj Bajaj  
Director

**Balance Sheet and Profit and Loss Account**  
**Jindal ESIPL CETP (SITARGANJ) Limited**  
**Schedules to the Accounts**

|  | AS AT<br>31.03.2010<br>Rs. | AS AT<br>31.12.2008<br>Rs. |
|--|----------------------------|----------------------------|
| <b>Schedule 1: Share Capital</b>   |                            |                            |
| <b>Authorised</b>  |                            |                            |
| 15,00,000 equity shares of Rs. 10/- each   | <u>15,000,000</u>          | <u>15,000,000</u>          |
| <b>Subscribed, issued and paid up</b>  |                            |                            |
| 7,30,271 (Previous period 50,000) equity shares of Rs. 10/- each fully paid up<br>(Out of above, 3,72,438 (Previous period 25,500) equity shares of Rs. 10 each are held by<br>Jindal Water Infrastructure Limited, the Holding Company) | 7,302,710                  | 500,000                    |
| <b>Schedule 2: Reserves and Surplus</b>  |                            |                            |
| <b>Securities Premium Account</b>  |                            |                            |
| Received during the period   | 13,605,420                 | -                          |
|  | <u>13,605,420</u>          | <u>-</u>                   |
| <b>Schedule 3: Secured Loans</b>   |                            |                            |
| <b>Term Loan from Bank</b>   |                            |                            |
| (Secured against hypothecation by way of first charge of movable assets of the company, both<br>present and future, loan is also guaranteed by holding company,<br>Jindal Water Infrastructure Limited)                                  | 50,330,000                 | -                          |
|  | <u>50,330,000</u>          | <u>-</u>                   |

Balance Sheet and Profit and Loss Account  
 Jindal ESIP L CPTP (SITARGANJ) Limited  
 Schedules to the Accounts  
 Schedule 4: Fixed Assets

(Amt in Rs.)

| FIXED ASSETS                    | Gross Block       |                               | Depreciation<br>Upto 31.03.2010 | Net Block<br>As at 31.03.2010 |
|---------------------------------|-------------------|-------------------------------|---------------------------------|-------------------------------|
|                                 | As at 01.01.2009  | Additions<br>As at 31.03.2010 |                                 |                               |
| <b>Capital Work in Progress</b> |                   |                               |                                 |                               |
| Civil Work                      | 6,976,913         | 25,401,003                    | -                               | -                             |
| Plant & Machinery               | 4,150,000         | 33,547,525                    | -                               | -                             |
| Temporary Structure             | -                 | 216,492                       | -                               | -                             |
| <b>Total</b>                    | <b>11,126,913</b> | <b>59,165,020</b>             | <b>-</b>                        | <b>-</b>                      |

**Balance Sheet and Profit and Loss Account**  
**Jindal ESIPL CETP (SITARGANJ) Limited**  
**Schedules to the Accounts**

|   | AS AT<br>31.03.2010<br>Rs. | AS AT<br>31.12.2008<br>Rs. |
|---|----------------------------|----------------------------|
| <b>Schedule 5: Pre-operative expenditure pending allocation</b>                               |                            |                            |
| <b>Opening Balance</b>  | -                          | -                          |
| <b>Additions During the period</b>  |                            |                            |
| Interest paid   | 3,160,817                  | -                          |
| Finance Charges   | 934,563                    | -                          |
| Legal & Consultancy Charges   | 410,720                    | -                          |
| Lease Rent  | 363,763                    | -                          |
|   | <b>4,869,863</b>           | <b>-</b>                   |
| <b>Schedule 6: Cash and Bank Balances</b>   |                            |                            |
| Cash on hand  | 2,874                      | 489                        |
| Balances with scheduled bank:   |                            |                            |
| - On current account  | 447,947                    | 815,860                    |
| - Margin Money (Pledged with Bank for bank Guarantee)   | -                          | 2,500,000                  |
|   | <b>450,821</b>             | <b>3,316,349</b>           |
| <b>Schedule 7: Loans and Advances</b>   |                            |                            |
| <b>(Unsecured, considered good)</b>   |                            |                            |
| Advances recoverable in cash or in kind or for which value to be received                     | 6,555,183                  | 9,894,303                  |
| Tax deducted at source (Net of Provision)   | 39,203                     | 23,512                     |
| Interest accrued but not due  | 872                        | 143,639                    |
| Security Deposit  | 25,000                     | 25,000                     |
|   | <b>6,620,258</b>           | <b>10,086,454</b>          |
| <b>Schedule 8: Current Liabilities &amp; Provisions</b>                                       |                            |                            |
| <b>A. Current Liabilities</b>   |                            |                            |
| Sundry Creditors  | 1,384,064                  | 389,577                    |
| Other liabilities   | 799,382                    | 500,981                    |
|   | <b>2,183,446</b>           | <b>890,558</b>             |
| Dues to micro and small scale industrial undertakings included in Sundry Creditors            | -                          | -                          |
| Dues to other than micro and small scale industrial undertakings included in Sundry Creditors | 1,384,064                  | 389,577                    |
|   | <b>1,384,064</b>           | <b>389,577</b>             |
| <b>B. Provisions</b>  |                            |                            |
| Provision for Income Tax  | -                          | 36,300                     |
|   | -                          | 36,300                     |
|   | <b>2,183,446</b>           | <b>926,858</b>             |
| <b>Schedule 9: Miscellaneous Expenditure</b>  |                            |                            |
| <b>(to the extent not written off or adjusted)</b>  |                            |                            |
| Opening Balance   | 56,294                     | 56,294                     |
| Less: Amortized during the period   | -                          | -                          |
|   | <b>56,294</b>              | <b>56,294</b>              |

**Balance Sheet and Profit and Loss Account**  
**Jindal ESIPL CETP (SITARGANJ) Limited**  
**Schedules to the Accounts**

|   | For the Period<br>Ended 31.03.2010<br>Rs. | For the Period<br>Ended 31.12.2008<br>Rs. |
|---|---|---|
| <b>Schedule 10: Other Incomes</b>   |   |   |
| Interest Received From Bank (Tax Deducted at Sources Rs. 24,233/-,<br>Previous period Rs.23512/-) | 60,733                                    | 167,151                                   |
|   | <b>60,733</b>                             | <b>167,151</b>                            |
| <b>Schedule 11: Administrative and Other Expenses</b>   |   |   |
| Rates & Taxes   | 22,542                                    | 188,906                                   |
| Miscellaneous Expenses  | 13,535                                    | 15,259                                    |
| Security Charges  | 57,600                                    | -   |
| Bank Charges  | 99,715                                    | 12,750                                    |
| Legal & Professional Exp.   | 40,292                                    | 9,722                                     |
| Auditors' Remuneration:   |   |   |
| - Audit Fees  | 13,236                                    | 6,742                                     |
| - Certification Fee   | -   | 3,371                                     |
|   | <b>246,920</b>                            | <b>236,750</b>                            |
| <b>Schedule 12: Earnings per share (EPS)</b>  |   |   |
| Loss for the period   | 158,429                                   | 105,899                                   |
| Weighted average number of equity shares in calculating basic loss per share:                     |   |   |
| Number of shares outstanding for 455 days   | 50,000                                    | 50,000                                    |
| Number of shares outstanding for 339 days   | 680,271                                   | -   |
| Weighted average number of equity shares in calculating Basic EPS                                 | 556,839                                   | 50,000                                    |
| <b>Basic and Diluted loss per share</b>   | <b>0.28</b>                               | <b>2.12</b>                               |

**SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**1. Nature of Operations**

Jindal ESIPL CETP (SITARGANJ) Limited is a Company incorporated on 28<sup>th</sup> December, 2007 with the main object to carry on the business of designing, implementing, financing, developing, constructing, operating, maintaining and managing of a Common Effluent Treatment Plant 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) 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.

All revenue expenditure direct and indirect inclusive of borrowing costs incurred till the date of completion of the project is carried to the pre-operative expenditure.

**(c) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

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

**(d) Miscellaneous Expenditure**

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

**(e) Taxation**

Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

**3. Contingent liabilities**

**(Amount in Rs.)**

| Description                 | As at 31.03.2010 | As at 31.12.2008 |
|-----------------------------|------------------|------------------|
| Bank Guarantees Outstanding | 25,00,000        | Nil              |

**4. Capital Commitments**

Estimated amount of contract to be executed on Capital account and note provided for (Net of Advances) Rs. 6,32,60,329/- (Previous period Rs. Nil)

**5.** 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.

**SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**6. Related Parties Transactions**

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

**(I). Holding Company**

Jindal Water Infrastructure Limited (Direct Holding )

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

Jindal Saw Limited ( Indirect holding through Jindal ITF Limited )

**(II). Fellow Subsidiaries**

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

**(III). Associate**

Eldeco Sidcul Industrial Park Limited

**(III). Key Management Personals and Their Relatives**

- A. Murugiah
- Amit Bajpai
- Rajesh Baijal

**SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**(B). Transactions**

**(Amount in Rs.)**

| Description  | Holding Company |                 | Associate      |                 | Total          |                 |
|--|-----------------|-----------------|----------------|-----------------|----------------|-----------------|
|  | Current Period  | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| Share application money received                         |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 45,00,000       | 1,09,20,405     | Nil            | Nil             | 45,00,000      | 1,09,20,405     |
| Eldeco Sidcul Industrial Limited                         | Nil             | Nil             | 18,00,000      | 1,00,00,000     | 18,00,000      | 1,00,00,000     |
| Amount received as Share Capital including share premium |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 1,04,08,140     | Nil             | Nil            | Nil             | 1,04,08,140    | Nil             |
| Eldeco Sidcul Industrial Limited                         | Nil             | Nil             | 99,99,990      | Nil             | 99,99,990      | Nil             |
| Purchased of Civil Structure                             |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 251,13,554      | 72,64,362       | Nil            | Nil             | 251,13,554     | 72,64,362       |
| Purchased of Civil Equipment                             |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 3,35,47,525     | 41,50,000       | Nil            | Nil             | 3,35,47,525    | 41,50,000       |
| Reimbursement of expenses paid                           |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 2,74,092        | Nil             | Nil            | Nil             | 2,74,092       | Nil             |
| Debit note raised on behalf of material supplied         |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 9,39,701        | Nil             | Nil            | Nil             | 9,39,701       | Nil             |
| Balance as at 31.03.2010                                 |                 |                 |                |                 |                |                 |
| Share application money                                  |                 |                 |                |                 |                |                 |
| Jindal Water Infrastructure Limited                      | 7,367,265       | 13,275,405      | 1,800,010      | 10,000,000      | 91,67,275      | 2,32,75,405     |
| Share Capital including share                            |                 |                 |                |                 |                |                 |

**SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

|  |            |           |            |            |             |           |
|--|------------|-----------|------------|------------|-------------|-----------|
| premium                                |            |           |            |            |             |           |
| Jindal Water<br>Infrastructure Limited | 10,663,140 | 255,000   | 10,244,990 | 245,000    | 2,09,08,130 | 5,00,000  |
| Advance<br>Recoverable/(payable)       |            |           |            |            |             |           |
| Jindal Water<br>Infrastructure Limited | 62,73,847  | 90,14,412 | (4,22,436) | (3,58,558) | 58,51,411   | 86,55,854 |

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

SD/-  
per G. K. Aggarwal  
Partner

SD/-  
Amit Bajpai  
Director

SD/-  
Pankaj Bajaj  
Director

Membership No. 086622  
Place: New Delhi  
Date: 30<sup>th</sup> June, 2010

**SCHEDULE 13: 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 :  | 172005     | State Code:               | 55     |
|     | Balance Sheet Date:  | 31/03/2010 |                           |        |
| II  | <b>Capital Raised During The Period</b> (Amount in Rs. Thousands)                              |            |                           |        |
|     | Public Issue   | -          | Rights Issue              | -      |
|     | Bonus Issue  | -          | Private Placement         | 20,408 |
|     | Share Application money  | 6,300      |                           |        |
| III | <b>Position of Mobilization And Deployment of Funds</b> (Amount in Rs. Thousands)              |            |                           |        |
|     | Total Liabilities  | 80,405     | Total Assets              | 80,405 |
|     | <i>Sources of Funds</i>  |            |                           |        |
|     | Paid-Up Capital  | 7,303      | Reserves and Surplus      | 13,605 |
|     | Secured Loans  | 50,330     | Unsecured Loans           | -      |
|     | Share Application Money  | 9,167      |                           |        |
|     | <i>Application of Funds</i>  |            |                           |        |
|     | Net Fixed Assets   | 75,162     | Investments               | 25     |
|     | Net Current Assets   | 4,887      | Miscellaneous Expenditure | 56     |
|     | Accumulated Losses   | 275        |                           |        |
| IV  | <b>Performance of Company</b> (Amount in Rs. Thousands)  |            |                           |        |
|     | Turnover (other income)  | 61         | Total Expenditure         | 247    |
|     | Profit Before Tax  | (186)      | Profit After Tax          | (158)  |
|     | Earnings Per Share - Basic Rs.   | (0.28)     | Dividend Rate %           | -      |
|     | Earnings Per Share – Diluted Rs.   | (0.28)     |                           |        |
| V   | <b>Generic names of principal products/services of the Company</b><br>(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 ESIPL CETP (SITARGANJ) Limited

SD/-

Amit Bajpai

Director

Place: New Delhi

Date: 30<sup>th</sup> June, 2010

SD/-

Pankaj Bajaj

Director