

# Annual Report

2009-10

(15 Months)

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**JINDAL INTELICOM PRIVATE LIMITED**

28, Najafgarh Road, New Delhi – 110 015



## INTELLICOM PRIVATE LIMITED

28, Najafgarh Road, New Delhi-110 015

Phone : +91-11-4209 4400

Fax : +91-11-4209 4465

e-mail : contact@intellicomcenters.com

### JINDAL INTELLICOM PRIVATE LIMITED

#### NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of JINDAL INTELLICOM PRIVATE LIMITED will be held on Wednesday, 30 June, 2010 at 1.00 P.M. at the registered office of the Company at 28, Najafgarh Road, New Delhi – 110 015 to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account for the year ended on that date, together with the reports of the Auditors and Directors thereon.
2. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Mr. P.R Jindal, who retires by rotation and being eligible offers himself for re-appointment.

Regd. Office:  
28, Najafgarh Road,  
New Delhi – 110 015

By order of the Board  
For JINDAL INTELLICOM PRIVATE LIMITED

Place: New Delhi  
Dated: 26<sup>th</sup> May 2010

  
SANJIV GARG  
DIRECTOR

#### NOTE:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. Proxies, in order to be valid & effective, must be received by the company at the registered office not later than forty eight hours of the commencement of the above meeting.
2. Members are requested to notify immediately any change in their registered address to the Company.

**JINDAL INTELLICOM PRIVATE LIMITED**  
**Registered office: 28, Najafgarh Road, New Delhi-110015**

**DIRECTORS' REPORT**

To  
The Members,

Your Directors are pleased to present the 22<sup>nd</sup> Annual Report of the Company together with the audited statement of accounts of the Company for the fifteen months period ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

	<b>For the 15 months ended 31-Mar-10</b>	<b><i>Rs. in Lacs</i> For the 9 months ended 31-Dec-08</b>
Total Income	<b>4,407.69</b>	<b>1,872.02</b>
Profit before Interest and Depreciation	<b>779.96</b>	<b>(24.77)</b>
Less:		
- Interest	25.65	80.12
- Depreciation	191.73	114.27
Profit before tax	<b>562.58</b>	<b>(219.16)</b>
Provision for Income Tax & Wealth-Tax	(191.58)	62.06
	<b>371.00</b>	<b>(157.10)</b>
Add: MAT credit entitlement	122.66	-
<b>Net Profit After tax</b>	<b>493.66</b>	<b>(157.10)</b>
Add: Balance brought forward from previous year	352.14	509.24
<b>Balance carried over to Balance Sheet</b>	<b>845.80</b>	<b>352.14</b>

The financial results for the period ended March 31, 2010 are not comparable with that of the previous period ended December 31, 2008 as the current period is for 15 months whereas previous period was only for 9 months.

**REVIEW OF OPERATIONS**

Your Company has established itself as a major player in debt collection business. The efforts made in the past have produced impressive results during the fifteen months period ended March 31, 2010. The Company has utilized its capacity fairly well and also made efforts to control its cost. As a result of these and all round growth, the Company was able to achieve higher sales of Rs. 4,407.69 Laes with profit after tax at Rs. 493.66 Laes. These figures are much better than the previous period but not strictly comparable.

## **JINDAL INTELLICOM PRIVATE LIMITED**

### **ACCOUNTING PERIOD**

Accounting period of the Company was changed to end at March 31, 2010 in order to coincide with the accounting period of the holding company Jindal IITF Limited.

### **BOARD OF DIRECTORS**

Mr. Sunil Kumar Jain has been appointed as Director of the company with effect from 19<sup>th</sup> February 2010 in the Extra-ordinary General Meeting held on the said date. In pursuant to the provisions of section 256 of the Companies Act, 1956 Mr. P.R.Jindal shall be retired at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### **AUTHORISED SHARE CAPITAL**

The company considered the requirement of larger capital base to meet the need of future expansion and conversion of 0% Convertible Bonds which was due for conversion on 31<sup>st</sup> March 2010. In the Extraordinary General Meeting of the shareholders held on 19<sup>th</sup> February 2010 passed a resolution to increase the authorized capital of the company from Rs.2,50,00,000 (Rs.Two Crores fifty laes) to Rs.12,00,00,000 (Rs.Twelve Crores).

### **DIVIDEND:**

Keeping in view the future expansion plan of the company's operations and the requirement of funds for the same, the Directors do not recommend any dividend for this financial year.

### **AUDITORS**

M/s S. Nayyar & Company, Chartered Accountants, Auditors of the Company retires at the end of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### **PERSONNEL:**

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended the names and other particulars of the employees are given hereinafter:

## **JINDAL INTELICOM PRIVATE LIMITED**

<b>Name</b>	<b>Designation / Nature of duties</b>	<b>Remuneration</b>	<b>Qualifications</b>	<b>Date of Joining</b>	<b>Age</b>	<b>Experience</b>	<b>Last Employment</b>	<b>Relation with any Director</b>
Mr. Sanjiv Garg	CEO	55,21,839	B. Tech., M. Sc.	01.03.2000	50 Yrs	28 Yrs	CM Power & Gas Pvt. Ltd.	No
Ms. Mandavi Sharma	VP- Operations	41,59,005	PGDDBM	03.10.2000	32 Yrs	10 Yrs	Equuf Advertising	No
Mr. Manoj Matai	Head - Business Development	40,38,710	BE, PGMBA	12.01.2004	36 Yrs	13 Yrs	Call Junction (I) Pvt. Ltd.	No
Mr. Parveen Roach	GM- Operations	7,40,347	Bachelor of Art	07.12.2009	44 Yrs	18 Yrs	Caretel Infotech Ltd	No

**Note:** All appointments are contractual in accordance with terms and conditions as per Company rules.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (a) that in the preparation of the annual accounts the applicable accounting standards had been followed; along with proper explanation relating to material departures;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 of the Company for the period under review;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

#### **Conservation of Energy**

The Company, being a call center functions in the BPO industry, and is not covered under Companies (Disclosures of particulars in the report of the Board of Directors)

## **JINDAL INTELICOM PRIVATE LIMITED**

Rules 1988. It consumes power only for call centre equipment and for office requirements therefore furnishing information pertaining Conservation of Energy & Technology Absorption is not applicable to our company

### **Technology Absorption**

Information pertaining to Technology Absorption as per Companies (Disclosures of particulars in the report of the Board of Directors) Rules 1988 is Nil.

### **Foreign Exchange Earnings & Outgo**

#### **(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:**

The Company is an international call center for rendering voice and data services to overseas customers and holds certificate from Software Technology Parks of India recognizing the project as a 100% export oriented unit.

The Company is making continuous efforts in development of its customer base in USA, UK, Canada and other countries.

#### **(b) Foreign Exchange Earned & Used**

	<b><u>Current Year</u></b>	<b><u>Previous Year</u></b>
(i) Total foreign exchange earned	Rs. 433,090,717	Rs.186,525,814
(ii) Total foreign exchange used (Including Rs.9,104,367 (Rs. Nil) for import of equipments)	Rs. 86,677,917	Rs. 20,682,577

### **ACKNOWLEDGEMENT**

Your directors would like to express their appreciation for the continued assistance and co-operation by its bankers and all the Government authorities. We also wish to place on record the deep sense of appreciation for the services rendered by the employees of the Company.

**For and on behalf of the Board of  
Jindal Intellicom Private Limited**

Place: New Delhi  
Date: 26<sup>th</sup> May, 2010

  
**Sanjiv Garg**  
Director

  
**Sunil Jain**  
Director

**JINDAL INTELLICOM PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	AS AT 31-Mar-10 (Rs)	AS AT 31-Dec-08 (Rs)
<b><u>SOURCES OF FUNDS</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	109,100,000	11,200,000
Share Application Money pending allotment		-	12,805,680
Reserves & Surplus	B	89,030,097	35,213,898
		<b>198,130,097</b>	<b>59,219,578</b>
<b>LOAN FUNDS</b>			
Secured	C	11,449,156	26,734,235
Unsecured	D	6,633,523	95,633,523
<b>DEFERRED TAX LIABILITY (NET)</b>		12,771,818	6,737,539
<b>Total</b>		<b>228,984,594</b>	<b>188,324,875</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS</b>			
Gross Block	E	290,368,943	272,184,477
Less : Accumulated Depreciation		114,093,659	95,142,682
Net Block		<b>176,275,284</b>	<b>177,041,795</b>
Capital Work-in-Progress		274,884	-
		<b>176,550,168</b>	<b>177,041,795</b>
<b>INVESTMENTS</b>	F	<b>150,000</b>	<b>485,175</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Sundry Debtors	G	57,002,649	46,094,205
Cash and Bank Balances	H	39,874,021	4,777,574
Loans and Advances	I	36,186,997	14,817,125
Interest Accrued on Fixed Deposits		115,048	50,029
		<b>133,178,715</b>	<b>65,738,933</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	J	52,151,916	43,387,139
Provisions	K	28,742,373	11,553,889
		<b>80,894,289</b>	<b>54,941,028</b>
<b>NET CURRENT ASSETS</b>		<b>52,284,426</b>	<b>10,797,905</b>
<b>Total</b>		<b>228,984,594</b>	<b>188,324,875</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>			
	R		

As per our report of even date attached  
**For S. NAYYAR & COMPANY**  
 Chartered Accountants  
 FRN 002439N

**Sanjeev Nayar**  
 Proprietor  
 Membership No. 81124

Place : New Delhi  
 Dated : 26th May, 2010

For and on behalf of the  
 Board of Directors

**Sanjiv Garg**  
 Director

**Sunil Jain**  
 Director

**JINDAL INTELLICOM PRIVATE LIMITED****PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010**

		For the 15 months ended 31-Mar-10 (Rs)	For the 9 months ended 31-Dec-08 (Rs)
<b><u>INCOME</u></b>			
Call Centre Services Income		433,090,718	186,525,814
Other Income	L	7,678,252	676,030
		<b>440,768,970</b>	<b>187,201,844</b>
<b><u>EXPENDITURE</u></b>			
Personnel Expenses	M	250,364,923	124,556,767
Tele-communication Link / Process Expenses	N	49,604,502	17,228,526
Administrative & Other Expenses	O	45,020,131	42,455,771
Finance Expenses	P	2,564,996	8,012,495
Selling Expenses	Q	17,783,649	5,437,304
Depreciation	E	19,172,904	11,426,858
		<b>384,511,105</b>	<b>209,117,721</b>
<b><u>PROFIT</u></b>			
<b>Net Profit before tax</b>		<b>56,257,865</b>	<b>(21,915,877)</b>
Provision for			
- Current taxes		12,872,062	-
- Deferred taxes		6,034,279	(6,754,924)
- Fringe Benefit tax		206,735	538,444
- Wealth tax		44,306	10,333
		37,100,483	(15,709,730)
Add: MAT Credit Entitlement		12,265,716	-
<b>Net Profit after tax</b>		<b>49,366,199</b>	<b>(15,709,730)</b>
Profit Brought Forward		35,213,898	50,923,628
<b>Balance carried over to Balance Sheet</b>		<b>84,580,097</b>	<b>35,213,898</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
TO THE ACCOUNTS**

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As per our report of even date attached

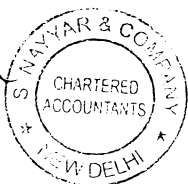
**For S. NAYYAR & COMPANY****Chartered Accountants**

FRN 002439N

**Sanjeev Nayyar**

Proprietor

Membership No. 81124

For and on behalf of the  
Board of Directors**Sanjiv Garg**  
Director**Sunil Jain**  
Director

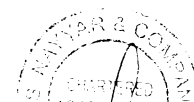
Place : New Delhi

Dated : 26th May, 2010

## JINDAL INTELLICOM PRIVATE LIMITED

### Cash Flow Statement for the Period ended March 31, 2010

	For the 15 months ended 31-Mar-10 (Rs)	For the 9 months ended 31-Dec-08 (Rs)
<b>A. Cash Inflow (Outflow) from the operating activities</b>		
<b>Net Profit before tax and ordinary activity</b>	<b>56,257,865</b>	<b>(21,915,877)</b>
Adjustment for:		
- Depreciation	19,172,904	11,426,858
- Effect of unrealised foreign exchange fluctuation	(2,812,635)	5,796,315
- Interest income	(86,015)	(46,937)
- Interest expenses	1,930,511	1,878,822
- Provision no longer required, written back	(4,325,197)	(88,798)
- Loss / (Profit) on sale of fixed assets	168,613	15,105
- Miscellaneous Balances written off (net)	555,931	12,508,493
- Provision for Gratuity and Leave Encashment	6,577,890	3,903,281
- Provision for Doubtful Debts	-	2,933,088
- Loss on liquidation of investments	318,785	-
<b>Operating Profit before working capital changes</b>	<b>77,758,652</b>	<b>16,410,349</b>
Adjustment for:		
- Sundry Debtors	(10,153,944)	(12,652,728)
- Other Current Assets	(9,606,913)	(2,376,772)
- Current Liabilities	13,305,257	12,696,367
- Payment of Leave Encashment & Gratuity	(1,848,713)	(1,043,461)
<b>Cash Generated from operations</b>	<b>69,454,339</b>	<b>13,033,755</b>
- Tax Refund / (Paid)	(317,345)	(664,880)
<b>Net Cash Inflow (Outflow) from operating activities</b>	<b>69,136,994</b>	<b>12,368,875</b>
<b>B. Cash Inflow (Outflow) from Investment Activities</b>		
- Purchase of Fixed Assets	(18,773,933)	(1,638,919)
- Sale of Fixed Assets	67,212	2,391
- Interest received	20,996	8,299
- Liquidation of Investments	16,390	-
<b>Net Cash Inflow (Outflow) from Investment Activities</b>	<b>(18,669,335)</b>	<b>(1,628,229)</b>
<b>C. Cash Inflow (Outflow) from Financing Activities</b>		
- Interest paid	(2,108,439)	(1,797,588)
- Increase / (Decrease) in working capital loans from Banks	-	(1,046,562)
- Increase / (Decrease) in secured loans	(13,807,093)	(15,558,280)
- Issue of Share Capital	544,320	-
<b>Net Cash Inflow (Outflow) from Financing Activities</b>	<b>(15,371,212)</b>	<b>(18,402,430)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>35,096,447</b>	<b>(7,661,783)</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>4,777,574</b>	<b>12,439,357</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>39,874,021</b>	<b>4,777,574</b>



# JINDAL INTELLICOM PRIVATE LIMITED

## Cash Flow Statement for the Period ended March 31, 2010

	<u>AS AT 31-Mar-2010 (Rs)</u>	<u>AS AT 31-Dec-2008 (Rs)</u>
<b>Components of Cash and Cash Equivalents</b>		
Cash in hand	1,280,818	1,037,180
Balances with scheduled banks in		
- Cash Credit Accounts	12,374,628	2,304,566
- Current Accounts	505,205	667,828
- Fixed Deposits	25,713,370	768,000
	<u><b>39,874,021</b></u>	<u><b>4,777,574</b></u>

Notes :

1. The figures in brackets represent outflows.
2. The schedules and the Notes to the Accounts form an integral part of the Cash Flow Statement.

As per our report of even date attached

**For S. NAYYAR & COMPANY**

Chartered Accountants

FRN 002439N

**Sanjeev Nayyar**

Proprietor

Membership No. 81124



**For and on behalf of the  
Board of Directors**

**Sanjiv Garg**  
Director

**Sunil Jain**  
Director

Place : New Delhi

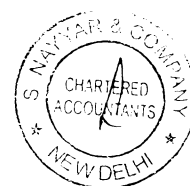
Dated : 26th May, 2010

## JINDAL INTELLICOM PRIVATE LIMITED

### Schedules forming part of the Annual Accounts

	AS AT 31-Mar-10 (Rs)	AS AT 31-Dec-08 (Rs)
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
120,000,000 (2,500,000) Equity Shares of Rs. 10/- each	<b>120,000,000</b>	<b>25,000,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
10,910,000 (1,120,000) Equity Shares of Rs. 10/- each fully paid-up	109,100,000	11,200,000
	<b>109,100,000</b>	<b>11,200,000</b>
<b>SCHEDULE - B</b>		
<b>RESERVES AND SURPLUS</b>		
- Profit and Loss Account	84,580,097	35,213,898
- Share Premium Account	4,450,000	-
<b>Balance carried over to Balance Sheet</b>	<b>89,030,097</b>	<b>35,213,898</b>
<b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
- <b>Term Loans from IDBI Bank</b>	10,191,331	24,245,244
(Secured by pari passu charge on leasehold rights of building, hypothecation of all present and future fixed assets of the Company, personal guarantees of a director and others)		
- <b>Term Loans from Kotak Mahindra Prime Ltd.</b>	871,131	1,248,849
(Secured against hypothecation of vehicles financed)		
- <b>Term Loans from HDFC Bank Limited</b>	304,093	986,541
(Secured against hypothecation of vehicles financed)		
- <b>Interest Accrued and Due</b>	82,601	253,601
	<b>11,449,156</b>	<b>26,734,235</b>
<b>SCHEDULE - D</b>		
<b>UNSECURED LOANS</b>		
0% Unsecured Convertible Bonds of Rs. 10/- each *	-	89,000,000
Interest accrued and due	6,633,523	6,633,523
	<b>6,633,523</b>	<b>95,633,523</b>

\* 0% Unsecured Convertible Bonds were converted at par on 31st March, 2010 into 8,900,000 Equity Shares of Rs. 10/- each



# JINDAL INTELLICOM PRIVATE LIMITED

## Schedules forming part of the Annual Accounts

### SCHEDULE - E FIXED ASSETS

(Amount in Rupees)

Assets	Gross Block				Depreciation				Net Block	
	As on 01.01.2009	Additions	Sale / Transfer	As on 31.03.2010	Up to 1.1.2009	For the period	Adjustments	Total up to 31.03.2010	As on 31.03.2010	As on 31.12.2008
Building	77,114,855	-	-	77,114,855	5,263,412	1,566,528	-	6,829,940	70,284,915	71,851,443
Machinery & Plant	93,240,383	3,510,222	93,670	96,656,935	22,288,364	5,626,454	8,728	27,906,090	68,750,845	70,952,019
Computers	82,700,968	13,274,685	167,074	95,808,579	63,307,490	10,150,597	151,901	73,306,186	22,502,393	19,393,478
Vehicles	7,523,339	1,224,395	-	8,747,734	1,468,098	892,859	-	2,360,957	6,386,777	6,055,241
Furniture & Fixtures	11,604,932	632,916	197,008	12,040,840	2,815,318	936,466	61,298	3,690,486	8,350,354	8,789,614
<b>TOTAL</b>	<b>272,184,477</b>	<b>18,642,218</b>	<b>457,752</b>	<b>290,368,943</b>	<b>95,142,682</b>	<b>19,172,904</b>	<b>221,927</b>	<b>114,093,659</b>	<b>176,275,284</b>	<b>177,041,795</b>
Previous Year	270,285,340	1,918,337	19,200	272,184,477	83,717,528	11,426,858	1,704	95,142,682	177,041,795	

### SCHEDULE - F INVESTMENTS

(At Cost, unquoted and non trade)

- In subsidiary company

7,500 Equity Shares of US\$1 - each of ICMS Inc., Mauritius

AS AT  
31-Mar-10  
(Rs)

AS AT  
31-Dec-08  
(Rs)

-

335,175

- In other company

500 Equity Shares of Rs. 100/- each of Jindal Systems Pvt. Ltd.

150,000

150,000

**150,000**

**485,175**

### SCHEDULE - G SUNDRY DEBTORS (Unsecured)

i) Exceeding six months:

- Considered Good

8,317,190

7,269,500

- Considered Doubtful

2,550,778

2,333,219

ii) Others:

- Considered Good

48,685,459

38,824,705

- Considered Doubtful

-

599,869

59,553,427

49,027,293

Less: Provision for Doubtful Debts

(2,550,778)

(2,933,088)

**57,002,649**

**46,094,205**

### SCHEDULE - H CASH AND BANK BALANCES

i) Cash in hand

1,280,818

1,037,180

ii) Balances with scheduled banks

- Cash Credit Accounts

12,374,628

2,304,566

- Current Accounts

505,205

667,828

- Fixed Deposits

25,713,370

768,000

**39,874,021**

**4,777,574**



## JINDAL INTELLICOM PRIVATE LIMITED

### Schedules forming part of the Annual Accounts

	AS AT 31-Mar-10 (Rs)	AS AT 31-Dec-08 (Rs)
<b>SCHEDULE - I</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	34,015,746	12,293,423
Security Deposits	2,171,251	2,177,251
Prepaid Taxes (Net of Provisions)	-	346,451
	<u>36,186,997</u>	<u>14,817,125</u>
 <b>SCHEDULE - J</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	49,547,285	40,987,095
Other Liabilities	2,594,312	2,382,797
Interest accrued but not due on loans	10,319	17,247
	<u>52,151,916</u>	<u>43,387,139</u>
 <b>SCHEDULE - K</b>		
<b>PROVISIONS</b>		
Provision for Gratuity	8,974,729	5,200,440
Provision for Leave Encashment	7,308,337	6,353,449
Provision for Taxes (Net of Prepaid Taxes)	12,459,307	-
	<u>28,742,373</u>	<u>11,553,889</u>



## JINDAL INTELICOM PRIVATE LIMITED

### Schedules forming part of the Annual Accounts

	For the 15 months ended 31-Mar-10 (Rs)	For the 9 months ended 31-Dec-08 (Rs)
<b>SCHEDULE - L</b>		
<b>OTHER INCOME</b>		
Interest on Fixed Deposits with Bank *	86,015	46,937
Interest on Advance to Employees	20,831	14,823
Provision no longer required, written back	4,325,197	88,798
Miscellaneous balances written back	735,879	517,137
Miscellaneous Income	305,397	-
Exchange Rate Fluctuation	2,204,933	-
Interest Received on Security Deposit	-	8,335
	<b>7,678,252</b>	<b>676,030</b>
* (Income tax deducted at source Rs. 11,223/- (8,299/-))		
<b>SCHEDULE - M</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries including Bonus	205,352,438	102,734,835
Gratuity	4,294,954	937,496
Contribution to Provident Fund & other Funds	1,519,453	747,932
Staff Welfare Expenses	8,179,587	4,346,951
Recruitment & Training Expenses	5,789,833	2,304,608
Staff Transportation Expenses	23,747,658	13,484,945
Incentive to CEO	1,481,000	-
	<b>250,364,923</b>	<b>124,556,767</b>
<b>SCHEDULE - N</b>		
<b>TELE-COMMUNICATION LINK/PROCESS EXPENSES</b>		
Colocation Charges	2,227,524	966,171
International Private Link Circuit Charges	4,179,197	3,718,352
OFC Link Charges/Leased Line Charges	369,894	267,252
Public Switched Telephone Network Charges	24,774,169	11,445,972
Process Expenses	17,206,588	666,682
VOIP & VPN Charges	847,130	164,097
	<b>49,604,502</b>	<b>17,228,526</b>



**JINDAL INTELLICOM PRIVATE LIMITED****Schedules forming part of the Annual Accounts**

	<b>For the 15 months ended 31-Mar-10 (Rs)</b>	<b>For the 9 months ended 31-Dec-08 (Rs)</b>
<b>SCHEDULE - O</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	5,290,650	4,049,390
Electricity, Power & Water Expenses	11,958,409	7,580,918
Security Expenses	1,985,344	1,057,344
House Keeping Expenses	1,882,504	1,009,299
Conveyance	1,203,164	391,834
Vehicle Running & Maintenance Expenses	1,960,103	1,293,367
Communication Expenses	3,233,478	1,820,807
Printing & Stationery	1,089,749	722,378
Books & Periodicals	231,387	92,858
Insurance	1,962,408	927,723
Fees & Subscription	795,053	527,595
Legal, Professional & Consultancy Charges	2,077,035	3,042,687
Auditor's Remuneration	324,998	118,332
Machinery Repairs & Maintenance	5,587,656	2,753,482
Building Repairs & Maintenance	1,036,244	240,379
General Repairs & Maintenance	410,498	310,954
Festival Expenses	614,210	496,560
Loss on Sales of Fixed Assets (net)	168,613	15,105
Miscellaneous Balances written off	1,291,811	13,025,631
Miscellaneous Expenses	901,139	46,041
Fee for increase in Authorized Share Capital	617,500	-
Loss on liquidation of Investments	318,785	-
Travelling Expenses	79,393	-
Provision for Doubtful Debts	-	2,933,088
	<b>45,020,131</b>	<b>42,455,772</b>
<b>SCHEDULE - P</b>		
<b>FINANCE EXPENSES</b>		
Interest on Term Loans	1,385,067	1,647,357
Interest on Other Loans	545,444	231,465
Bank Charges	634,485	340,598
Exchange Rate Fluctuation	-	5,793,075
	<b>2,564,996</b>	<b>8,012,495</b>
<b>SCHEDULE - Q</b>		
<b>SELLING EXPENSES</b>		
Business Promotion Expenses	633,170	290,309
Advertisement & Publicity	43,610	23,620
Travelling Expenses	3,142,547	1,685,307
Commission on Sales	4,363,400	2,759,789
Marketing Expenses	9,600,922	678,279
	<b>17,783,649</b>	<b>5,437,304</b>



# JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

## SCHEDULE – R SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

### A. Significant accounting policies

#### 1. Basis of Accounting :

- a) The accounts of the Company are prepared under the historical cost convention in accordance with generally accepted accounting principles, the applicable accounting standards and the provisions of the Companies Act, 1956.
- b) The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

#### 2. Use of Estimates:

The preparation of financial statements requires estimates/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 estimate are recognized in the period in which the results are known / materialized.

#### 3. Fixed Assets:

- a) Valuation of Fixed Assets:  
Fixed Assets are stated at cost less accumulated depreciation charged thereon till date. Cost comprises of purchase price and attributable expenses.
- b) Expenditure during construction period:  
All expenditure of a new project incurred during the construction period, direct or incidental, including interest on borrowings specifically made for the project, are included in capital work-in-progress and the same are capitalized under respective fixed assets on completion of project.

#### 4. Depreciation:

Depreciation on fixed assets is provided for on Straight Line Method at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956.

#### 5. Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



## **JINDAL INTELLICOM PRIVATE LIMITED**

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Schedule forming part of the Annual Accounts

### **6. Investments:**

Investments being long- term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

### **7. Foreign Exchange Transactions:**

- i. Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the date of transaction.
- ii. Monetary items denominated in foreign currency remaining unsettled at the year end and not covered under forward contracts are translated at the year end rates and those covered by forward contracts are translated at the rate on the date of transaction as increased or decreased by the proportionate difference between the forward rate and the exchange rate on the date of transaction, such difference having been recognized over the life of the contract.
- iii. Any income or expenses on account of exchange difference between the date of transaction and on settlement during the year or on translation at the year end is recognized in Profit and Loss Account.

### **8. Lease Accounting:**

In respect of operating leases, lease rentals are accounted for on accrual basis in accordance with the respective lease agreements.

### **9. Employees' Benefit:**

#### **i. Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits which are charged off at the undiscounted amount in the year in which the related service is rendered.

#### **ii. Long-term & post employment:**

##### **1. Provident Fund:**

Company's contributions payable to the recognized provident fund, which is a defined contribution plan, is charged to the Profit and Loss Account.

##### **2. Gratuity:**

The Company's gratuity is a defined benefit plan. The Company's net obligation in respect of the gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period; that benefit is

## **JINDAL INTELLICOM PRIVATE LIMITED**

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Schedule forming part of the Annual Accounts

discounted to determine its present value and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefits plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognized each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

### **3. Leave Encashment:**

Leave encashment which constitutes other long term employee benefit is provided for based on an actuarial valuation at the balance sheet date carried out by an independent actuary. Actuarial gains and losses are recognized in the Profit and Loss Account.

### **10. Taxes on Income:**

- i. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- ii. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.
- iii. Deferred tax assets and liabilities in respect of timing differences which originate and reverse during the tax holiday period under section 10A of the Income Tax Act, 1961 are not recognized as the same will not be realized or settled at all.

### **11. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.



## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

### B. NOTES TO THE ACCOUNTS

1. Minimum Alternate Tax (MAT) credit entitlement has been recognized as an asset in accordance with the recommendations of the Institute of Chartered Accountants of India as there is virtual certainty of the same being realized in the coming accounting periods.

2. Contingent Liabilities not provided for in respect of :

(Amount in Rupees)

S No	Particulars	31-Mar-2010	31-Dec-2008
(a)	Counter guarantee given to Company's bankers for the guarantee given by them on behalf of the Company	600,000	500,000
(b)	Corporate guarantee given to Central Excise authorities for license to import equipment for setting up 100% export oriented unit.	12,000,000	10,000,000
(c)	Claim against the Company not acknowledged as debt	6,253,145	6,253,145

3. In the absence of confirmatory letters as to balances from some parties, the figures shown under 'Current Liabilities' and 'Current Assets, Loans and Advances' are such as are reflected in the books of the Company.

4. Auditors' Remuneration includes the following :

(Amount in Rupees)

	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
<b>Statutory Auditors:</b>		
- Audit Fees	102,000	55,000
- Tax Audit Fee	98,000	34,000
- Fees for Taxation matters	73,000	15,000
- For Certification	47,000	4,500
- Out of Pocket Expenses	4,998	4,832
<b>Transfer Pricing Auditors:</b>		
- Audit Fee	-	5,000
	<b>324,998</b>	<b>118,332</b>

5. Prior period expenses debited to Profit & Loss Account Rs. 10,507,966 (Nil).
6. Advances recoverable shown under Loan and Advances include Service tax refund claims amounting to Rs. 97,61,741/- which have been rejected by the Service tax authorities against which the Company has filed an appeal with Service tax appellate authority.
7. In the opinion of the Board of Directors, Current Assets, Loans and Advances have realizable value in the ordinary course of business at least equal to the amount at which they are stated.

## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

### 8. Director's Remuneration:

(Amount in Rupees)

	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
Salary	3,835,090	3,625,798
Bonus	205,749	162,000
Performance Incentive	1,481,000	-
	<b>5,521,839</b>	<b>3,787,798</b>

### 9. Sundry Creditors (due to micro, small and medium scale enterprises):

As per information available with the Company, sundry creditors do not include any amount due to micro, small and medium enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31st March, 2010.

10. The amount of foreign exchange fluctuation amounting to Rs.1,271,399 Debit (Rs. 2,799,271 Debit) is included under Call Centre Services Income.

### 11. Deferred Tax Assets / Liabilities:

(Amount in Rupees)

S No	Particulars	As at 31-Mar-2010	As at 31-Dec-2008
(a)	<b>Deferred Tax Liabilities on account of:</b>		
	- Depreciation	19,027,951	16,250,860
	<b>Total (a)</b>	<b>19,027,951</b>	<b>16,250,860</b>
(b)	<b>Deferred Tax Assets on account of:</b>		
	- Gratuity	2,981,181	1,606,936
	- Leave Encashment	2,427,647	1,963,216
	- Unabsorbed business loss	-	5,943,169
	- Provision for Doubtful Debts	847,305	-
	<b>Total (b)</b>	<b>6,256,133</b>	<b>9,513,321</b>
	<b>Deferred Tax Liabilities (Net) (a) - (b)</b>	<b>12,771,818</b>	<b>6,737,539</b>
(c)	In accordance with "Accounting Standard 22", the Company has recognised in its Profit and Loss Account a sum of <b>Rs. 6,034,279</b> as Net Deferred Tax Liability (Previous year Rs. 6,754,924 as Net Deferred Tax Assets) for the reporting period.		

### 12. CIF value of imports:

(Amount in Rupees)

Particulars	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
Capital Goods (including software)	9,104,367	-

### 13. Earnings in foreign currency:

(Amount in Rupees)

Particulars	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
Income from Call Center Services	433,090,717	186,525,814
(After adjustment of exchange fluctuation)		

## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

### 14. Expenditure in foreign currency

(Amount in Rupees)

S No	Particulars	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
1	Telecommunication Link/Process Expenses	44,863,424	12,541,264
2	Salary	112,937	-
3	Legal, Professional & Consultancy Expenses	1,604,018	2,425,005
4	Communication Expenses	193,736	99,316
5	Machinery Repair & Maintenance	28,608	663,199
6	Fees & Subscription	73,972	-
7	Interest & Financial Expenses	1,158,811	1,451,971
8	Traveling Expenses	1,428,946	806,198
9	Commission on sales	4,363,400	2,695,624
10	Marketing Consultancy Expenses	9,600,922	-
11	Business Promotion	90,863	-
		<b>63,519,637</b>	<b>20,682,577</b>

15. The Company is rendering only one type of services, i.e., call center services only to clients outside India. As such there are no business / geographical segments under which financial information could be segregated.

16. Related Party Disclosure (As defined by the "Accounting Standard 18 - Related Party Disclosures"):



## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

### A- List of Related Parties & Relationship (As identified by Management):

S No	Particulars	Relationship
	<b>Enterprises / individuals where control exists</b>	
1	Jindal Saw Limited	Ultimate Holding Company
2	Jindal ITF Limited	Holding Company
3	ICMS Inc.	Subsidiary Company
4	IUP Jindal Metal & Alloys Ltd.	Fellow Subsidiary
5	Hexa Securities & Finance Co. Ltd.	Fellow Subsidiary
6	IUP Jindal Metal & Alloys Ltd.	Fellow Subsidiary
7	Jindal Water Infrastructure Limited	Fellow Subsidiary
8	Jindal Waterways Limited	Fellow Subsidiary
9	Jindal Urban Infrastructure Limited	Fellow Subsidiary
10	Jindal Rail Infrastructure Limited	Fellow Subsidiary
11	Jindal Shipyards Limited	Fellow Subsidiary
12	Jindal Infralogistics Limited	Fellow Subsidiary
13	S.V. Trading Co. Ltd.	Fellow Subsidiary
14	Jindal Saw Holdings FEZ	Fellow Subsidiary
15	Jindal Saw Middle East, FZE	Subsidiary of Fellow Subsidiary
16	Jindal Saw USA, LLC	Subsidiary of Fellow Subsidiary
17	Jindal ES IPL CETP (Sitarganj) Limited	Subsidiary of Fellow Subsidiary
18	Timarpur-Okhla Waste Management Company Pvt. Ltd.	Subsidiary of Fellow Subsidiary
19	Jindal Saw Gulf LLC	Subsidiary of Fellow Subsidiary
20	Jindal Water Infra (Naya Raipur) Ltd.	Subsidiary of Fellow Subsidiary
	<b>Other related enterprises with whom the company had transactions:</b>	
1	Jindal Systems Private Limited	Associate
	<b>Key Management Personnel</b>	
1	Sanjiv Garg	Director & CEO
	<b>Relatives of Key Management Personnel</b>	
1	Leena Garg	Wife of Mr. Sanjiv Garg, Director
2	Gayatri Garg	Daughter of Mr. Sanjiv Garg

### B- Statement of related party transactions:

(Amount in Rupees)

	Year ended 31- March-2010 (15M)	Year ended 31-Dec-2008 (9M)
<b>Parties where control exists</b>		
<b>a) Transactions during the period</b>		
Rent	5,290,650	3,174,390
Power	11,638,123	7,346,304
Reimbursement received	1,511,274	877,682
Reimbursement paid	311,748	59,301
Miscellaneous balances written off	-	12,282,964
<b>b) Outstanding Balances as at close of the period</b>		
Creditors	20,653,430	16,072,450
Investment outstanding	-	335,175
Loans & Advances outstanding	856,818	373,135

## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

	Year ended 31- March-2010	Year ended 31-Dec-2008
<b>Associates</b>		
<b>a) Transactions during the period</b>		
Reimbursement received	26,669	34,324
<b>b) Outstanding Balances as at close of the period</b>	-	-

	Year ended 31- March-2010	Year ended 31-Dec-2008
<b>Key Management Personnel</b>		
<b>a) Transactions during the period</b>		
Remuneration paid	5,521,139	2,750,995
<b>b) Outstanding Balances as at close of the period</b>		
Creditors	1,650,445	582,312

	Year ended 31- March-2010	Year ended 31-Dec-2008
<b>Relative of Key Management Personnel</b>		
<b>a) Transactions during the period</b>		
Remuneration paid	889,073	360,452
<b>b) Outstanding Balances as at close of the period</b>		
Creditors	63,700	31,092

### 17. Operating Lease:

The Company has taken on lease office premises, accommodation and vehicles. Lease payments charged during the period to the Profit & Loss Account amounted to Rs.5,581,650 (4,223,990).

### 18. Disclosure pursuant to Accounting Standard 15 (revised 2005) on "Employee Benefits":

#### Defined contribution plans

The Company's contribution to Employee Provident Fund Scheme is a defined contribution plan. A sum of Rs. 1,515,516 (745,361) has been recognized as an expense in relation to this scheme and shown under Personnel Expenses in the Profit and Loss Account.



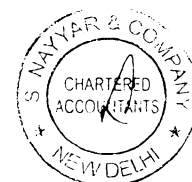
# JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

## Defined benefit plans

(Amount in Rupees)

	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
<b>Gratuity</b>		
<b>a. Changes in Defined Benefit Obligation</b>		
Liability at the beginning of the year	5,200,440	4,262,944
Current service cost	3,220,144	783,237
Interest cost	677,281	223,805
Benefits paid	(520,665)	-
Actuarial losses/(gains)	397,529	(69,546)
<b>Liability at the end of the year</b>	<b>8,974,729</b>	<b>5,200,440</b>
<b>b. Changes in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gains/(losses)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>c. Amount recognised in the Balance Sheet</b>		
Present value of obligation at the end of the year	<b>8,974,729</b>	<b>5,200,440</b>
Fair value of plan assets	-	-
Funded Status	(8,974,729)	(5,200,440)
Unrecognised actuarial (gain) / loss	-	-
<b>Net asset / (liability) recognized in the Balance Sheet</b>	<b>(8,974,729)</b>	<b>(5,200,440)</b>
<b>d. Expenses recognised in the Profit &amp; Loss Account</b>		
Current service cost	3,220,144	783,237
Interest cost on benefit obligation	677,281	223,805
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognised in the year	397,529	(69,546)
<b>Expenses recognized in Profit &amp; Loss Account</b>	<b>4,294,954</b>	<b>937,496</b>
<b>e. Actuarial Assumptions:</b>		
Mortality Table	LIC 1994-1996 Ultimate	LIC 1994-1996 Ultimate
Discount rate (per annum)	8.50%	7%
Rate of escalation in salary (per annum)	6% to 10%	6% to 10%
Average working life	31.74 Years	32.15 Years
Retirement age	58 Years	58 Years



## JINDAL INTELLICOM PRIVATE LIMITED

Schedule forming part of the Annual Accounts

19. Earnings per share (EPS) computed in accordance with Accounting Standard 20 (Earning per share):

(Amount in Rupees)

	15 Months ended 31-Mar-2010	9 Months ended 31-Dec-2008
<b>Net Profit after tax</b> (numerator for Basic EPS)	49,366,199	(15,709,730)
<b>Weighted average number of equity shares</b> (denominator for Basic EPS)	1,141,516	1,120,000
Add: Weighted average of equity shares deemed to be issued on conversion of convertible debentures / bonds	-	9,753,712
<b>Total weighted average number of equity shares</b> (denominator for Diluted EPS)	1,141,516	10,873,712
<b>Earning per share - Basic</b>	43.25	(14.03)
<b>Earning per share - Diluted</b>	43.25	(1.44)
<b>Nominal value per share</b>	10.00	10.00

20. Previous year figures are given in brackets and have been rearranged / regrouped wherever necessary. Current period figures of Profit and Loss Account are not comparable with previous year figures as the current period is of fifteen months and the previous period was of nine months.

21. Schedules 'A' to 'R' are annexed to and form an integral part of the Balance Sheet, Profit and Loss Account and Cash Flow Statement.

As per our report of even date  
For **S. NAYYAR & COMPANY**  
Chartered Accountants  
FRN 002439N

  
**SANJEEV NAYYAR**  
Proprietor  
Membership No. 81124



For and on behalf of  
the Board of Directors

  
**SANJIV GARG**  
Director

  
**SUNIL JAIN**  
Director

Place: New Delhi  
Dated: 26<sup>th</sup> May, 2010