



JAYASWAL NECO INDUSTRIES LIMITED

39TH

**Annual Report
2011 - 12**



IMPORTANT NOTICE TO MEMBERS . . .

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notices / documents including Annual Report can be made by e-mail to its Members. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail IDs for the said purpose.

To support this initiative of the Government, Members are requested to immediately notify/register/update their E-mail IDs at necoindia.gogreen@sharexindia.in along with their Folio No. and No. of shares / Client ID and DP with their respective DPs or the RTA or the Company, as the case may be, to enable the Company to send all the future notices and documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. through electronic mode.

Please note that as a Member of the Company, you will be entitled to be furnished, free of cost a printed copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Profit and Loss Account and Auditors' Report, upon receipt of a requisition from you, any time.



JAYASWAL NECO INDUSTRIES LIMITED

BOARD OF DIRECTORS :	Shri Basant Lall Shaw	Chairman
	Shri B K Agrawal	Director
	Shri M M Vyas	Director
	Shri P K Bhardwaj	Executive Director and CFO
	Shri Nimit Ved	Director (Exim Bank Nominee)
	Shri S K Sachdev	Director (IDBI Bank Nominee)
	Shri Manish Chourasia	Director (ICICI Bank Nominee)
	Shri Ramesh Jayaswal	Joint Managing Director
	Shri Arbind Jayaswal	Managing Director

COMPANY SECRETARY : Shri A D Karajgaonkar

BANKERS : State Bank of India
Punjab National Bank
Union Bank of India
State Bank of Travancore
Oriental Bank of Commerce
ICICI Bank Limited
IDBI Bank Limited

AUDITORS :	M/s Chaturvedi & Shah, Chartered Accountants, Mumbai	M/s Agrawal Chhallani & Co., Chartered Accountants, Nagpur.
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REGISTERED OFFICE : F-8 MIDC Industrial Area,
Hingna Road, Nagpur – 440 016.
Tel No. : 07104 - 237276, 237471, 237472
Fax No. : 07104 - 237583, 236255
E-mail : contact@necoindia.com

PLANT LOCATIONS : 1. Steel Plant Division – Siltara Growth Centre, Raipur (CG)
2. Gare Palma IV/4 and IV/8 Coal Block, Mand Raigarh Coal Field, Raigarh (CG)
3. Centricast Division – MIDC Area, Hingna Road, Nagpur (MH)
4. Automotive Castings Division – MIDC Area, Hingna Road and Butibori, Nagpur (MH)
5. Construction Castings Division – Light Industrial Area, Bhilai & Anjora (CG)



NOTICE

NOTICE is hereby given that, 39th Annual General Meeting of the Members of Jayaswal Neco Industries Limited will be held on Saturday, the 29th day of September, 2012 at 12.30 P.M. at the Registered office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016 to transact the following business.

Ordinary Business

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint Directors in place of the following Directors who retire by rotation and being eligible offer themselves for re-appointment.
 - a. Shri Basant Lal Shaw
 - b. Shri Ramesh Jayaswal
3. To appoint Auditors for the Current Year.

Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:

FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS:

"RESOLVED pursuant to the provisions of Section 81(1A) and other applicable provisions if, any; of the Companies Act, 1956, read with The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("the Regulations") as amended and subject to the requisite approvals of BSE Limited, National Stock Exchange of India Limited and other regulatory approvals as may be necessary, and subject to such conditions and modifications as may be prescribed by any or all of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors ("the Board") of the Company which includes a duly constituted committee thereof, THAT the consent of the Company be and is hereby accorded to the Board to issue and allot out of its un-issued Equity Share Capital, 70000000 (Seven Crores) Equity Shares of Rs. 10/- each at Premium of Rs. 30/- per Share to select Group of Companies as per the following:

A) Promoter Group Entities:

Sr. No.	Name of the Allottees	No. of Shares
1.	Avon Sales and Services Private Limited	6000000
2.	Anurag Sales and Services Private Limited	6000000
3.	Apex Spinning Mills Private Limited	5500000
4.	Nine Star Plastic Packaging Services Private Limited	5750000
5.	Karamveer Impex Private Limited	6000000
6.	Jayaswal Neco Metallica Private Limited	5750000
7.	Jayaswal Neco Energy Private Limited	6000000
8.	Jayaswal Neco Power Private Limited	5000000
9.	Jayaswal Neco Infrastructures Private Limited	2250000
Sub Total (A)		48250000

B) Non Promoter Group Entities:

10.	Efficient Structures Private Limited	4000000
11.	Costal Multitrading Private Limited	1250000
12.	Rajvardhan Trade Zone Private Limited	1500000
13.	Darshan Gems Private Limited	7500000
14.	Salmon Developers Private Limited	7500000
Sub Total (B)		21750000
Grand Total (A+B)		70000000

from whom the amount of Rs. 40/- per share has been received by the Company for the shares proposed to be allotted, in such manner, form and number to such incorporated bodies whether or not such corporate bodies are members of the Company; upon such terms and conditions as the Board may in its absolute discretion deem fit."

"RESOLVED FURTHER THAT the issue and allotment of Equity Shares on preferential basis to the proposed allottees shall rank pari-passu with the existing Equity Shares of the Company in all respects and be subject to Memorandum and Articles of Association of the Company, the provisions prescribed under the Regulations and the Listing Agreements entered into by the Company with the Stock Exchanges."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions and difficulties that may arise in regard to the offer, issue or allotment of Equity Shares as above and utilization of the proceeds of issue and to do all such acts, deeds, things, and matters and to take all such steps and actions as it may in its absolute discretion deem fit and necessary without being required to seek any further consent or approval of the Members."

Dated: 10th August, 2012

By Order of the Board of Directors

Registered Office:
F-8, MIDC Industrial Area
Hingna Road, Nagpur-440016

A. D. Karajgaonkar
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business above is attached herewith.
2. 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.
3. Instruments appointing proxy or proxies duly filled in, stamped & signed should be deposited at the Registered Office of the Company not less than 48 hours.
4. Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2012 to 29th September, 2012 (both days inclusive).

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No.: 4:

FURTHER ISSUE OF SHARES ON PREFERENTIAL BASIS

As the Members are aware, the Company has taken up ambitious expansion projects in the state of Chhattisgarh and by way of development of its mines and expansion of its manufacturing capacities by setting up various additional Steel and Waste Heat Recovery Based Power Plants at a total estimated cost of Rs. 2765 Crores. On completion of the projects the Company would be in a position to increase its overall strength and competitiveness to withstand the ups and downs in the industry and add to its earning capacity at a later stage.

The Company has received sanction of term loans of Rs. 1800 Crores from ICICI Bank led Consortium for the said projects.

The Company has already started the work on various projects as above. The entire work is expected to be completed by 2014-15. The Company has to infuse Rs. 965 Crores by way of Equity and internal accruals. The Company has till date raised about Rs. 483 crores as equity contribution for the projects.

As a part of contribution towards the Equity, some of the promoters group companies and other corporate bodies have brought in/ shall bring in monies for part funding the said project. It is now proposed to issue Equity Shares on Preferential basis towards monies brought in by them.

The Directors place before the Members the resolution as proposed and seek under Section 81(1A) of the Companies Act, 1956, their consent and authority to issue shares as contemplated.

In Compliance with the provisions of Regulation 72 and 73 of the Securities and Exchange Board of India (Issue of



Capital and Disclosure Requirements) Regulations, 2009 as amended, the following further details are being furnished:

(a) OBJECT OF THE ISSUE

The object of the present issue of Equity Shares is to Part finance cost of projects of the Company in Steel, Mining and Power sectors.

b) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE PREFERENTIAL OFFER

Promoters through their existing bodies corporate have subscribed for 48250000 Equity Shares out of the 70000000 total Equity Shares being issued on preferential basis. Directors and Key management persons do not propose to subscribe to the offer in their personal capacities.

c) SHARE HOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE ISSUE OF SHARES ON PREFERENTIAL BASIS

Category of Shareholders	Before Issue		After issue	
	No of Equity Shares	Percentage	No of Equity Shares	Percentage
A) Promoter Group	248954621	69.21	297204621	69.17
Sub - Total (A)	248954621	69.21	297204621	69.17
B) Public Shareholdings				
i) Financial Institution and Mutual Funds	18843120	5.24	18843120	4.39
ii) NRIs	574096	0.16	574096	0.13
iii) Other Bodies Corporate	50629332	14.08	72379322	16.84
iv) Individuals	40682294	11.31	40682294	9.47
Sub-Total (B)	110728842	30.79	132478832	30.83
TOTAL (A+B)	359683463	100	429683463	100

d) PROPOSED TIME WITHIN WHICH THE ALLOTMENT WILL BE COMPLETED

The proposed issue will be completed within 15 days from the date of passing of the resolution. In the event any of the regulatory approvals sought by the Company does not come within the said 15 days, then as per the proviso to Regulation 74, the 15 days period shall stand postponed and will be reckoned from the date of receipt of such approval or permission, as the case may be from the regulatory authorities concerned.

e) IDENTITY OF THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THE ALLOTTEES

Sr. No.	Identity of the Allottee	Number of Equity Shares and % to Total Paid up Equity Capital (Pre- issue)	Number of Equity Shares to be allotted	Number of Equity Shares and % to Total Paid up Equity Capital (Post - issue)	Change in percentage After issue
A) PROMOTER GROUP ENTITIES					
1.	Avon Sales And Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai-400021	20065000 5.58	6000000	26065000 6.07	0.49
2.	Anurag Sales and Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	19091000 5.31	6000000	25091000 5.84	0.53
3.	Apex Spinning Mills Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai-400021	16059600 4.46	5500000	21559600 5.02	0.56

4.	Nine Star Plastic Packaging Services Pvt. Ltd. 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021	25724600	5750000	31474600	0.17
		7.15		7.32	
5.	Karamveer Impex Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012.	28819000	6000000	34819000	0.09
		8.01		8.10	
6.	Jayaswal Neco Metalics Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012	21290500	5750000	27040500	0.37
		5.92		6.29	
7.	Jayaswal Neco Energy Pvt. Ltd. Trust House, 5th Floor, 32-A, Chittaranjan Avenue, Kolkata - 700012	20312000	6000000	26312000	0.47
		5.65		6.12	
8.	Jayaswal Neco Power Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	20222500	5000000	25222500	0.25
		5.62		5.87	
9.	Jayaswal Neco Infrastructures Pvt. Ltd. F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440016	15500500	2250000	17750500	-0.18
		4.31		4.13	
Total (A)		187084700	48250000	235334700	2.75
		52.01		54.77	
B)	NON PROMOTER GROUP ENTITIES				
10.	Efficient Structures Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	11412353	4000000	15412353	0.42
		3.17		3.59	
11.	Costal Multitrading Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	11512353	1250000	12762353	-0.23
		3.20		2.97	
12.	Rajvardhan Trade Zone Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	11462353	1500000	12962353	-0.17
		3.19		3.02	
13.	Darshan Gems Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	Nil	7500000	7500000	1.74
		0.00		1.74	
14.	Salmon Developers Private Limited Plot No. 141, Rajendra Nagar, Near Hingna Naka, Jaitala, Nagpur - 440 016	Nil	7500000	7500000	1.74
		0.00		1.74	
Total (B)		34387059	21750000	56137059	3.50
		9.56		13.06	
Total (A+B)		221471759	70000000	291471759	6.25
		61.57		67.83	



The proposed Allottees are not in terms of the Regulations, disqualified to acquire the Equity Shares proposed to be offered to them. There will be no substantial change in the control of the Company subsequent to preferential issue and allotment of Equity Shares.

RECOMPUTATION OF PRICE /AMOUNT PAYABLE

As the shares of the Company have been listed on the Stock Exchanges for more than six months, the conditions relating to recomputing the price and other matters connected therewith referred to in the Regulations are not applicable to the Company.

LOCK-IN PERIOD

The Equity Shares to be issued as above shall in terms of the Regulations be subject to lock-in period of 3 years for the allottees under Group (A) i.e. Promoter Group entities and 1 year for allottees under Group (B) i.e. Non Promoter Group entities from the date of allotment.

The Board of Directors of the Company has been advised that the proposed issue will be in the larger interest of the Company and it has approved issue of shares on preferential basis to the proposed allottees at its Meeting held on 10th August, 2012.

M/s. Agrawal Chhallani & Co., Chartered Accountants, Statutory Auditors of the Company have verified the proposal and certified vide their certificate dated 10th August, 2012 that the issue of Equity Shares is being made in accordance with the Regulations and is available for inspection at the Registered Office of the Company on all working days during normal working hours upto the date of the Annual General Meeting.

The Board of Directors of the Company recommends the approval of the resolution by the Members as proposed.

S/Shri B L Shaw, Arbind Jayaswal and Ramesh Jayaswal, Directors, are interested in and concerned with the resolution to the extent of allotment of shares to the allottees belonging to the promoter group. No other Director is interested in or concerned with the resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING

Names of Directors	Shri Basant Lal Shaw	Shri Ramesh Jayaswal
Date of Birth	03.08.1933	02.02.1960
Designation	Chairman	Joint Managing Director
Date of Appointment	28.11.1972	05.03.1983
Qualification	B.Com	B.Com
Experience in Specific functional Areas	Associated with Iron and Steel business for over 52 years. Instrumental in setting up 1 MTPA Integrated Steel Plant in Raipur and other units in the Group in India and Abroad. Founder and Chairman of Neco Group of Industries	Associated with Iron and Steel business for over 24 years. Looks after the implementation of new projects and other allied matters.
Other Directorships	1. Maa Usha Urja Ltd. 2. NSSL Limited 3. Neco Heavy Engineering and Castings Ltd. 4. Neco Ceramics Ltd. 5. Jayaswal Holdings Pvt. Ltd. 6. Deify Infraprojects Pvt. Ltd. 7. Jayaswal Neco Urja Ltd.	1. Maa Usha Urja Ltd. 2. NSSL Limited 3. Terra Projects Limited 4. Jayaswal Holdings Pvt. Ltd. 5. Neco Heavy Engineering and Castings Ltd. 6. Deify Infrastructures Limited 7. Jayaswal Neco Urja Ltd.
Membership on Committees of other Companies	Nil	Nil
No. of Equity Shares Held	2433170	539150

DIRECTOR'S REPORT

Dear Members,

The Directors are pleased to present their THIRTY NINTH Annual Report on the affairs of the Company together with Audited Balance Sheet as at 31st March, 2012, and the Profit and Loss Account for the year ended on that date. The summarized financial results for the year vis-à-vis the previous year are as follows:

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Revenue from Operations (Gross)	2856.71	2473.25
Revenue from Operations (Net)	2590.49	2261.44
Other Income	15.50	19.39
Total Revenue	2605.99	2280.83
Operating Expenses	2258.09	1909.82
EBIDTA	347.90	371.00
Interest and Financial Charges	176.64	138.60
Depreciation and Amortization Expenses	86.59	84.33
Profit before tax	84.67	148.07
Tax Expenses	30.87	49.92
Profit after Tax carried to Balance Sheet	53.80	98.15

(Previous years' figures are recast/regrouped wherever necessary)

With a view to conserve resources, to partly fund the cost of expansion projects under execution, the Directors regret their inability to recommend any dividend to the Members of the Company.

2. MANAGEMENT DISCUSSION AND ANALYSIS:

A] Share Capital:

During the year, the Company has allotted 10,88,22,559 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 30/- per Share on preferential basis to promoter Group companies and others towards equity for funding the ongoing expansion projects, in accordance with the SEBI (ICDR) Regulations 2009 and members' approvals. All the new shares issued are listed on BSE Limited and National Stock Exchange of India Limited.

It is proposed to increase the paid up Equity Share Capital further by issuing 7,00,00,000 Equity Shares of Rs. 10/- each for cash at the premium of Rs. 30/- per share to raise further capital for the projects. Necessary resolutions for approval of members are included in the Notice convening the forthcoming Annual General Meeting.

B] Financial Performance:

The Members may be pleased to note that the Company's gross turnover for the year is Rs. 2856.71 Crores which is around 16% higher than the previous year's Rs. 2473.25 Crores. However, higher interest financial charges (about 27% over the previous year) due to amongst others interest rate hike, steep rise of USD vis-à-vis Rupee (about 13%) in the forex market during the financial year and higher cost of raw materials without commensurate rise in selling prices, hit the bottom lines of the Company leaving the Net Profit for the year at Rs. 53.80 Crores; which is just above the half of Rs. 98.15 Crores of the previous year. The important contributor to the increased Turnover is larger volumes of production and sales of value added products namely Billets and Rolled Products in Steel Plant Division of the Company. The Networth of the Company has increased to Rs. 1227 Crores from Rs. 740 Crores in the previous year, mainly on account of preferential allotment during the year and accretion to Share Premium account.

Segment wise performance for the year under review is as under.

i) Steel Plant Division:

Despite problems of availability of quality Iron Ore coupled with transportation hassels and pressures on selling prices during the year, the Steel Plant Division of the Company performed fairly well as compared to the previous year. Sales of the Rolled Products improved significantly to contribute to the higher turnover. All the products dealt with by the Company registered an encouraging performance. The total sales turnover from the Billets and Rolled Products was Rs. 1075.12 Crores as compared to Rs. 780.05 Crores in the previous year, a healthy growth of about 38%. The Turnover of Pig Iron/Skull for the year is Rs. 740.04 Crores, which is around 22% higher than the previous year's Rs. 605.15 Crores. The productivity of Blast



Furnace improved as a result of all-round improvement in consumption norms in respect of dry coke rate, iron ore, metcoke and sinter. The Steel Melt Shop and Bar Mill achieved higher yields giving new higher levels of production during the year.

ii) Castings Division:

During the year, the Iron and Steel Castings Division of the Company achieved 15% growth in its sales Turnover over the previous year. The revenue generated from Iron and Steel Casting Division was Rs. 551.24 Crores, as compared to Rs. 479.11 Crores of the previous year. Tight control on expenses and various austerity measures helped retain the profitability of this segment at the previous year levels.

The Company continues to focus on higher productivity, cost optimization and high quality of castings which are the key drivers for maintaining the leadership in this business, especially when the new substitutes like plastics are making inroads in the construction castings segment.

C) Merger of Hot Strip Mill:

As the members are aware, the Shareholders of the Company have at their meeting held on 20.04.2012 in accordance with the Directions of Hon'ble High Court, at Bombay, Bench at Nagpur, Nagpur, unanimously approved the Scheme of Arrangement, for merger of Steel Division of Corporate Ispat Alloys Limited at Raipur with this Company. However, the meeting of Secured Creditors for considering the above Scheme of Arrangement was adjourned at their request to enable them to get more time to examine the Scheme in details and convey approval. A formal adjourned meeting in compliance with the Directions of the Hon'ble High Court will be convened at a later date, after all Secured Creditors are ready with their decisions.

Corporate Ispat Alloys Limited has also filed the papers before the Hon'ble High Court at Kolkata. After sanctions by both the High Courts and statutory filings, the Scheme of Arrangement will come into force w.e.f. 01.04.2008.

Post preferential issue as aforesaid and the implementation of the scheme, the Paid Up Equity Share Capital of the Company shall stand further enhanced to Rs. 462.33 Crores.

D) Projects:

As the Members are aware, the Company with a view to optimize costs and explore its potential in steel making is in the process of setting up of various facilities under its Steel Plant Division in the State of Chhattisgarh and Jharkhand. Briefly, the status of various projects is as under:

1. INTEGRATED STEEL PLANT PROJECT:

As reported in the previous report, ICICI Bank Limited had sanctioned the Underwritten Rupee Term Loan of Rs. 1800 Crores for this project. During the year under review, 8 other banks have joined the consortium under down-selling arrangement of Rs. 1345 Crores from out of this Loan. Facilities being implemented as part of this Project are as follows:-

a. Steel Melt Shop and Rolling Mill:

This is Company's one of the key value added projects with an estimated cost of Rs. 1680.80 Crores. The Company has committed around Rs. 1300 Crores being the cost to the project during the year. On becoming fully operational the Company's enhanced capacity for Steel Melt Shop and Rolling Mill will be 7.10 Lacs MTPA and 7.50 Lacs MTPA respectively. The Company would be in a position to produce Alloy Steel and light structural Bars for Housing and other industrial uses.

The EPC Contract of the project has been awarded for an estimated cost of Rs. 1231.54 Crores. All statutory approvals have been received for this part of the project and civil and structural work at the site is progressing as per schedule. Orders for critical equipments and other supplies have been placed with reputed international and national vendors.

b. Coal & Iron Ore Mines Development:

This part of the project is aimed at development/expansion of Coal Mines at Gare Palma IV/4 Coal Block for expansion in capacity from 0.48 MTPA to 1 MTPA and developing Gare Palma IV/8 Coal Block for capacity of 1.2 MTPA in first phase and subsequently enhancing it up to 2 MTPA, setting up of Coal Washery up to 3 MTPA and Iron Ore Mines at Laindongri and Devipura in Chhattisgarh. Requisite clearances from the concerned statutory authorities are being organized concurrently and the work on all these sites is making steady progress.

c. **Sponge Iron and Power Plant:**

The Company is presently engaged in acquisition of land for the project at Daghori, Ameri and Akbari villages in Bilaspur district. Out of about 500 acres of land identified for this project, Land admeasuring 100 acres approximately has been acquired so far and balance Land acquisition is in process. EPC contract for the project has also been awarded for an estimated cost of Rs. 482 Crores. During the year, the Company has committed around Rs. 13 Crores for this part of the Project.

The Company has made application to Railways, water and Land Authorities of Chhattisgarh State for their approvals. Forest Department has already issued No objection Certificate for the Project. The Environmental Impact Assessment, Environment Management Plans and subsequently Public Hearing have been conducted successfully and the matter is before the Ministry of Environment and Forest for clearance.

2. **WIRE ROD BLOCK:**

The Wire Rod Block Project of the Company, which was started in June 2010, has since been commissioned and commercial operations commenced from February 2012. With this facility operational now, the Company is equipped with capacity to manufacture wire rods of the size 5 mm to 32 mm and thus increase rolled products' range to cater to different segments in the market.

3. **SECOND COKE OVEN AND POWER PLANT:**

Second 1 Lac Tonne per annum Coke Oven Plant Project, along with its associated 6 MW waste heat recovery based power plant has become operational from May 2012. The requirement of Metcoke can now be captively met through these in-house facilities at substantially lower costs as compared to purchases from outside; thereby giving a significant reduction in cost of Production of Hot metal.

Together with an existing, another similar power plant as also other power plants, the Company reaps the benefits of substantial incomes/savings and power self sufficiency in the Steel Plant Division of the Company.

4. **PELLETISATION PLANT:**

The prices of quality Iron Ore are increasing steadily, while Low cost dump fines of Iron Ore are adequately available at the Mines and other sites. The quality of these fines can be upgraded by beneficiation and further used for pelletisation. Most of the players in the industry have such facilities with them and are benefitted by making optimum utilization of Iron Ore and reduce cost of production. The Company has also finalized plans to set up 1.2 million MTPA Pelletisation Plant in the Steel Plant complex of the Company at Raipur. The appraised cost of this project is Rs. 444 Crores and Union Bank of India led consortium has agreed to lend Term Loan of Rs. 311 Crores for the project. The work on this project has commenced, and is expected to take about 30 months for completion.

5. **DEVELOPMENT OF MOITRA COAL BLOCK:**

As reported last year, the Company is developing Moitra Coking Coal Block and will be setting up 1 MTPA Coal Washery near Hazaribagh in Jharkhand. The Company has acquired about 110 Acres of land for the purpose so far. On becoming operational, the coking coal extracted and washed from this coal block will be blended with imported coal at the Company's coke oven plants at Raipur to produce Low Ash Metcoke for use as its Fuel feed in Blast Furnace.

E) **Outlook:**

The near future outlook for the world economy in general and India in particular is sluggish. The present overall market conditions are not quite favourable for the growth on expected lines. Rising inflation, slower growth rate, lower business confidence index, discouraging atmosphere for investments; arising out of stringent regulatory procedures coupled with socio-political pressures, are the factors that need to be addressed urgently. With the regulators taking up challenges for rolling the wheels back on track, the scenario will change for better in days to come. The present conditions are however testing times for the economy as a whole. With the additional capacities being created by the Company in steel making, efforts to control costs, monetize the benefits of mines, enhanced captive power generation capacities, the Company will be better equipped to reap the benefits later, when the markets turn for better.

On the Company's captive mines and other expansion projects becoming fully operational, Your Company is slated to become one of the lowest cost players in Integrated Steel Plant category in the Country.



F) Concerns:

Continuous appreciation of US Dollar against Indian Rupee in the last one year or so, will have some impact on the procurement of raw materials and to some extent on projects under implementation. Slower movements for disposal of matters at the regulators' levels, growing problems of law and order in the Iron Ore Mining region in Chhattisgarh and Coking coal in Jharkhand is still a big concern and there is hardly any improvement towards commencement of the mines. Nevertheless, all efforts to start those mines are being made.

The Company is exploring all possible ways and means including legal courses with the Government to get the Iron Ore and coking coal to which it is rightfully entitled. With the expected commissioning of one of its small Iron Ore Mine at Laindongri in Kanker district in Chhattisgarh during this financial year, the cost savings would start accruing to the Company.

G) Internal Control Systems:

The Company has a risk focused, Internal Control System to analyze and report to the management on the day-to-day operations of the Company. Efforts are being made to continuously strengthen it further. The Company is in tune with the growing size of the business, in the process of strengthening systems that improve the MIS and controls in respect of day-to-day operations of the Company.

H) Industrial Relations:

Industrial Relations in all the Divisions of the Company remained cordial and peaceful. During the year, average number of persons working in the Company was about 8500 approximately.

I) Corporate Social Responsibility:

At Jayaswal Neco, Corporate Social Responsibility encompasses much more than social outreach programmes and is an integral part of the way the Company conducts its business. As a part of its social responsibility and as a good corporate citizen, the Company regularly undertakes various programmes with a view to promote and protect a congenial and eco-friendly atmosphere in and around the plants and to serve and contribute to the welfare of the society in general. Some of the activities it has taken up in about 43 Gram Panchayat areas around the plants and in mining areas during the year under review are as under.

- i) Health check-up and blood donation camps, free medical counseling and distribution of medicines in the far flung areas,
- ii) Provision of drinking water through bore wells and tankers,
- iii) Granting educational support and scholarships, provision of books and study materials and other facilities like school bus and uniforms for the welfare of the children, workers, their families and residents of the surrounding villages.
- iv) Development, beautification and maintenance of roads and prominent landmarks in the regions, Sponsoring sports, cultural and religious events in the nearby villages.
- v) Activities of tree plantation, development of parks and gardens,
- vi) Adoption of Adivasi girls for nursing training and boys for ITI training and general up-liftment of the underprivileged children, women and the poor.

3. AUDITORS REPORT:

Auditors Report on the financial statements of the Company for the year ended 31st March, 2012 is self explanatory and does not require any further comments from the Directors.

4. DIRECTORS:

There is no change in the composition of Board of Directors of the Company. Shri Basant Lal Shaw and Shri Ramesh Jayaswal, Directors of the Company retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment. Necessary information on the Directors seeking appointment is being given separately in the Notice for the ensuing Annual General Meeting.

5. ADDITIONAL INFORMATION:

The information required to be furnished under Section 217(1) (e) of the Companies Act, 1956, and The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached and forms a part of this Report.

6. PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956, and the Rules made thereunder. As such no particulars in that behalf need be given.

7. SUBSIDIARY COMPANY:

Statement in respect of the Subsidiary Company under Section 212 of the Companies Act, 1956, for the year under review, is attached and forms a part of this report.

The Board of Directors of the Company has subject to requisite approvals; approved the proposal of disinvesting the equity shares held by it in the subsidiary company and cease to be a holding company thereof. Going forward, the proposed power plant will be set up under another company as may be deemed fit in due course. The steps for obtaining requisite approvals from the Government in this behalf are being taken. On receipt of the requisite approvals, steps on suitably altering the provisions of Memorandum and Articles of Association by the Company will be initiated.

8. CORPORATE GOVERNANCE REPORT:

As required under the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, the Report on prescribed matters under Corporate Governance together with a certificate from Auditors of the Company thereon is appended and forms a part of this Report.

9. DIRECTORS RESPONSIBILITY STATEMENT:

As required, under Section 217 (2AA) of The Companies Act, 1956, the Directors confirm and state that:

- a. All the applicable accounting standards have been followed along with proper explanations relating to material departures in the preparation of accounts enclosed herewith.
- b. Annual accounts are prepared on the principle of a Going Concern.
- c. Accounting policies selected, applied and Judgments and estimates made in that behalf to the extent necessary are reasonable and prudent so as to give true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the Company for the year under review.
- d. Sufficient care has been taken for maintenance of the adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and the procedures, practices and control systems in the day-to-day management are sound enough to prevent and detect the occurrence of frauds and irregularities.

10. AUDITORS:

M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, and M/s Agrawal Chhallani & Co., Chartered Accountants, Nagpur, the Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment as Auditors for the current year. The members are requested to appoint Auditors for the current year.

11. COST AUDITOR:

In pursuance of Section 233B of the Companies Act, 1956 read with circular no. 52/26/CAB - 2010; the Central Government has approved the Appointment of M/s Manisha & Associates, Nagpur to conduct the Audit of the Cost Accounting records for the financial year 2011-2012. The due date for filing the Cost Audit Reports for the financial year 2011-2012 is September 30, 2012. The Board, at its meeting held on 12.05.2012 has reappointed them as Cost Auditors of the Company for the financial year 2012- 2013.

12. ACKNOWLEDGMENTS:

The Directors place on record, their appreciation and gratitude for all the co-operation extended by Government Agencies, Bankers, Financial Institutions, Business Associates and Shareholders. The Directors also record their appreciation for the dedicated services rendered by all the Executive Staff and Workers of the Company at all levels in all units for their valuable contribution in the working of the Company.

For and on behalf of Board of Directors

Place: Nagpur
Date: 10th August, 2012

Basant Lal Shaw
Chairman



ANNEXURES TO THE DIRECTORS' REPORT

(A) Particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, as amended for the year ended 31st March, 2012.

I CONSERVATION OF ENERGY:

- A) The Company recognizes the importance of savings in the cost of energy consumption. High efficiency, energy effective equipments for steam generation, water softening etc., have been installed at various manufacturing units which ensure stabilized power supply, minimum interruptions and smooth operations.
- B) Effective methods like, furnace cover, replacement of existing equipments with more energy saving devices, Installation of devices to plug the leakages and loss of energy, standardization of processes need based capital repairs to the facilities and other steps have been taken wherever possible giving a considerable saving in consumption of energy.
- C) The Blast Furnace Gases are extensively utilized for pre-heating of the hot blast stoves, blowing plant in the boilers and as a fuel for generation of Power for captive consumption and sale to others.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) Power and Fuel Consumption.

PARTICULARS	COAL/COKE			ELECTRICITY			FURNACE OIL		
	Units (MT)	Amount (Rs in Lacs)	Rate / Unit (Rs.)	Units (KWHs in Lacs)	Amount (Rs in Lacs)	Rate / Unit (Rs.)	Units (KL)	Amount (Rs in Lacs)	Rate / Unit (Rs.)
1) Purchases:									
a) Iron & Steel Castings	16120.55 (16112.94)	2026.12 (1590.14)	12569 (9868.70)	539.15 (495.65)	3344.28 (2620.90)	6.20 (5.29)	- (-)	- (-)	- (-)
b) Pig Iron and Steel Products & Sponge Iron	724340.09 (807904.43)	65913.16 (49621.20)	9099.75 (6141.96)	551.27 (526.74)	2425.58 (2001.62)	4.40 (3.80)	986.86 (1620.37)	420.96 (492.76)	42656.23 (30410.31)
(2) Own Generation:									
Pig Iron & Steel products & Sponge Iron	- (-)	- (-)	- (-)	1015.74 (1115.45)	2691.70 (2955.95)	2.65 (2.65)	- (-)	- (-)	- (-)

(B) Consumption/Unit of Production.

PARTICULARS	COAL/COKE (KGs.)	ELECTRICITY (KWHs)	FURNACE OIL (LTRs.)
Iron & Steel Castings	179.99 (226.40)	601.95 (660.92)	- (-)
Pig Iron & Steel Products	513 (545)	200.143 (253.464)	1.087 (1.976)
Sponge Iron	1769 (1788)	77 (79.00)	- (-)

Note : Figures in brackets relate to previous year and are recast wherever necessary.

II. TECHNOLOGY ABSORPTION:

- The Company has adopted the Chinese Technology at its Steel Plant Division for its Blast Furnace, Pulverised Coal Dust Injection and Coke Oven and Rolling Mills.
- During the year the Company has successfully commissioned Wire Rod Block at its Wire Rod Mill in technical collaboration with Morgan Shammard, a part of Dun and Lee, a Multinational Group from Sweden, and second 1 Lacs MT Coke Oven Plant with Waste Heat Recovery Based 6 MW Power Plant based on hot gases generated from this Coke oven Plant at Siltara Growth Centre, Raipur.

3. The Company has awarded the contracts through EPC Contractor for packages like SMS Equipment, Rolling Mill, Reheating Furnace to M/s Danieli Group, Italy and Oxygen Plant to M/s Shichuan Air Separation Group, China for setting up its Steel Miting Shop and Rolling Mill at Siltara Growth Centre, Raipur.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

		(Rs. in Lacs)
	2011-2012	2010-2011
i) Foreign Exchange earned:		
Export of goods on FOB basis	<u>749.44</u>	<u>1079.25</u>
ii) Foreign Exchange used:		
Purchase of Raw Materials, Stores & Components, traded goods and capital goods	44231.51	31538.28
Interest & Financial Charges	6.23	15.93
Traveling	3.76	4.37
Salary	28.00	26.70
Rent	5.89	6.01
Others	<u>7.96</u>	<u>1.18</u>
TOTAL	<u>44283.35</u>	<u>31592.47</u>

For and on behalf of Board of Directors

Place : Nagpur
Date : 10th August, 2012

Basant Lall Shaw
Chairman

CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The core of Corporate Governance is based upon, inter-alia; the objective of maximizing the wealth of all the Stakeholders of the Company by making optimum utilization of resources at its disposal and fulfilling its obligations towards Corporate Responsibility and contributing to Nation Building to the best of its might. It also advocates the principles of transparency to be followed by the Company in all its decisions and actions; apart from furnishing full disclosures to the Board, its Shareholders and other Stakeholders. The Company is committed to adhere to high standards of the Corporate Governance Code in words and spirit. It is also constantly taking review of systems and procedures to keep pace with changing corporate environment.

II BOARD OF DIRECTORS

As of date the Board of the Company comprises of 9 (Nine) Directors; with the composition of Executive and Non-executive / Independent Directors.

4 (Four) Board Meetings were held during the year ended 31.03.2012. The Dates of the Meetings are given below:
28.05.2011, 29.07.2011, 12.11.2011 and 08.02.2012

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies are given below:



Sr. No	Names of Directors	Category	Board Meetings Attended	Attended last AGM held on 24.09.2011	No. of Directorships in other Companies as on 31/03/2012 (Excluding Foreign & Private Limited Companies)	No. of Memberships in Committee of Directors in other Companies.	
					Director	Member	Chairman
1	Shri Basant Lal Shaw, Chairman	Promoter Non-Executive	4	No	13	-	-
2	Shri Arbind Jayaswal, Managing Director	Promoter Executive	4	Yes	14	-	-
3	Shri Ramesh Jayaswal, Joint Managing Director	Promoter Executive	4	Yes	12	-	-
4	Shri B K Agrawal	Independent Non -Executive	4	Yes	1	-	-
5	Shri M M Vyas	Independent Non-Executive	1	No	2	-	-
6	Shri Nimit Ved	Independent Non-Executive (EXIM Bank Nominee)	3	No	-	-	-
7	Shri Sanjeev Kumar Sachdev	Independent Non-Executive (IDBI Bank Nominee)	2	No	-	-	-
8	Shri P K Bhardwaj Executive Director	Professional Executive Director	4	Yes	1	-	-
9	Shri Manish Chourasia	Independent Non-executive (ICICI Bank Nominee)	4	No	-	-	-

Details about Directors seeking Appointment / Re-appointments at the Forthcoming Annual General Meeting are given separately along with Notice convening the said Meeting.

Shri Arbind Jayaswal, Managing Director and Shri P K Bhardwaj, Executive Director are designated as Chief Executive Officer (CEO) and Chief Finance Officer (CFO) respectively of the Company as per Clause 49 of Listing Agreement of the Company.

Shri AD Karajgaonkar, Company Secretary, is a Compliance Officer.

III AUDIT COMMITTEE

The Audit Committee of Directors in compliance with Clause 49 of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956 is in place.

During the year under review, the Committee met on 28.05.2011, 29.07.2011, 12.11.2011, and 08.02.2012. Generally, all the Members of the Committee attend the Meetings. Heads of the Internal Audit / Internal Control Units, Representatives of Statutory Auditors, Managing Director and other Finance Executives of the Company also attend the Meetings, on invitation.

Shri AD Karajgaonkar, Company Secretary, is acting as Secretary to the Committee.

The particulars of Members of the Committee, and the number of Meetings attended by them during the year are as follows.

Sr.No.	Names of Members		No of Meetings attended.
1)	Shri B K Agrawal	Chairman	4
2)	Shri S K Sachdev	Member	2
3)	Shri Nirmitt Ved	Member	3
4)	Shri Ramesh Jayaswal	Member	4

The terms of reference are to

- review periodical Financial Statements of the Company,
- ensure compliance of internal control systems,
- investigating into any matters as may be referred to it by the Board,
- seek information from employees, obtain outside legal / professional advice on the matters before it,
- review financial, and risk management policies of the Company,
- perform all other functions as are required under the Listing Agreement with Stock Exchanges.

IV REMUNERATION COMMITTEE

During the year Remuneration Committee met on 28.05.2011.

The composition of the Remuneration Committee and the attendance of Members at the said meeting is as per the following.

Sr.No.	Names of Members		Attendance
1.	Shri M M Vyas	Chairman	1
2.	Shri B K Agrawal	Member	1
3.	Shri Nirmitt Ved	Member	1

The terms of reference include review and recommendation of the Directors' Remuneration, service contracts, performance linked incentives, and other perks, benefits etc. to be drawn by the Company's Directors.

At the meeting held on 28.05.2011, as above, the Committee has reviewed and recommended the proposal of appointment and Remuneration Shri P K Bhardwaj as Executive Director and Chief Finance Officer for a period of 3 years w.e.f. 25.02.2011.

Remuneration Policy of the Company is as follows:

1. For Executive Directors

A fixed component consisting of salary, allowances and perquisites as per Rules of the Company (within the limits approved by the Board and subject to requisite statutory approvals).

2. For other Directors

By way of sitting fees as under :

Board Meeting	Rs.5000/- per Meeting.
Audit Committee Meeting	Rs.2000/- per Meeting.
Remuneration Committee Meeting	Rs.1000/- per Meeting.

No sitting fees is payable to Managing Director, Joint Managing Director and Executive Director of the Company.

Other payments to Directors:

During the year the Company has paid an amount of Rs. 13.20 lacs to Shri Arbind Jayaswal, Managing Director, and Shri Ramesh Jayaswal, Joint Managing Director as Rent for utilizing Building, owned by them at Hyderabad for carrying on some of the marketing operations of the Company. The details are as follows :



Sr. No.	Name of Directors	Amount (Rs in lacs)
1	Shri Arbind Jayaswal, Managing Director	6.60
2	Shri Ramesh Jayaswal, Joint Managing Director	6.60
Total		13.20

The details of Remuneration to Directors during the year 01.04.2011 to 31.03.2012 and the number of Equity Shares held by them in the Capital of the Company are as follows:

Sr. No.	Name of Directors	Designation	Remuneration drawn		No. of Equity Shares held
			Salary, Allowances & Perquisites	Sitting fees	
1	Shri Basant Lal Shaw	Chairman	-	0.20	2433170
2	Shri Arbind Jayaswal	Managing Director	(**) 53.38	-	539150
3	Shri Ramesh Jayaswal	Joint Managing Director	(**) 51.60	-	539150
4	Shri P K Bhardwaj	Executive Director	(**) 26.43	-	-
5	Shri B K Agrawal	Director	-	0.29	7500
6	Shri M M Vyas	Director	-	0.06	79034
7	Shri Nirmal Ved	Director (EXIM Bank Nominee)	-	(*) 0.22	-
8	Shri S K Sachdev	Director (IDBI Bank Nominee)	-	(*) 0.14	-
9	Shri Manish Chourasia	Director (ICICI Bank Nominee)	-	(*) 0.20	-

(*) Sitting Fees paid to the Institutions.

(**) Break up of Remuneration

Amount (Rs in lacs)				
Name of Directors	Salary and Allowance	Prov. Fund	Perks	Total
Shri Arbind Jayaswal	48.00	3.60	1.78	53.38
Shri Ramesh Jayaswal	48.00	3.60	-	51.60
Shri P K Bhardwaj	25.51	0.92	-	26.43

The Company has paid a premium of Rs 100 Lacs for a policy under Met Smart Platinum, a unit-linked Life Insurance Plan taken in the name of the Company. In terms of the policy documents, it may be assigned in favour Shri Arbind Jayaswal and Shri Ramesh Jayaswal within a period of 7 years.

V SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Company has constituted a Share Transfer-cum-Shareholders / Investor Grievances Committee. The terms of reference of the Committee are to consider and approve the transfer of shares, consolidation / split of share certificates, issue of duplicate share certificates and other allied matters. The said Committee is also empowered to look into and address Shareholders-cum-Investors Grievances in compliance with the Clause 49 of the Listing Agreement with Stock Exchanges. Investors' grievances are addressed within 15 days from the date of receipt.

Presently, Shri B K Agrawal, Non-Executive Director, is the Chairman of the Committee. While Shri Arbind Jayaswal, Managing Director, and Shri Ramesh Jayaswal, Joint Managing Director are the Members.

Shri AD Karajgaonkar, Company Secretary is the Compliance officer.

The Committee met on 30.06.2011, 16.09.2011, 21.10.2011, and 21.12.2011, approved and issue of Duplicate Share Certificates, for 750 shares and disposed off all Complaints received during the year.

VI OTHER DISCLOSURES

1 Details on General Meetings:

1.1 Location and time where last three Annual General Meetings were held :

For the year ended	Location	Date	Time
31.03.11	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	24.09.11	11.30 A.M.
31.03.10	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	30.09.10	11.30 A.M.
31.03.09	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	30.12.09	11.30 A.M.

1.2 Special Resolutions were passed at the last three Annual General Meetings

Annual General Meeting held on 24.09.2011

- Resolution under section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, approving appointment and remuneration paid to Shri Megpal Singh, as Director.
 - Resolution under section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, approving appointment of Shri Pramod Kumar Bhardwaj, as Executive Director and Chief Finance Officer.
 - Resolutions under section 94, 16 and 31 of the Companies Act, 1956, approving increase in Authorised Share Capital of the Company from Rs. 316,00,00,000/- to Rs. 10,00,00,00,000/- and consequential changes to Memorandum and Articles of Association.
 - Resolutions under section 81(1A) of the Companies Act, 1956, approving issue of 69959559 Equity Shares of Rs.10/- each at Premium of Rs.30 per shares on Preferential basis to Promoter and Non-Promoter Group Companies.
- During the year, the Company has issued 108822559 equity shares in the aggregate, of Rs. 10/- each for cash at a premium of Rs.30/- per share to Promoter Group entities and others on Preferential basis in pursuance of ICDR Regulations, 2009, as amended. Proceeds of the issue being Rs. 435.29 Crores have been deployed for the object of the issue being part funding the cost of the ongoing expansion under Steel Plant Division of the Company.
 - During the year under review, no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large were entered into, except those stated in IV above and 74435500 Equity Shares of Rs. 10/- each at a premium of Rs. 30/- per share issued on preferential basis to the Promoter Group entities.
 - The Company has a Whistle Blower mechanism in place and no personnel has been denied access to the Management and/or Audit Committee to discuss issues, if any; with them. During the year under review, there was no instance of anybody bringing any matter before the Management and/or Committee for discussions.
 - The Company has laid down Code of Conduct for Employees of the Company, and that the Directors and Senior Management Personnel have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31.03.2012.
 - The matters required to be covered under Management Discussion and Analysis Report are already covered in Directors Report under relevant heads; hence not being given separately.
 - Means of Communication

1	Half-yearly reports sent to each household of shareholders.	No.
2	Quarterly results. Which newspapers normally published in	Loksatta, Indian Express, Business Standard, Financial Express, Sakal and Times of India.
3	Web site where quarterly results are displayed.	www.necoindia.com
4	Whether Management Discussion & Analysis is a part of Annual Report.	Yes.



8. The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement on Corporate Governance. The Company has complied with some of the Non - mandatory requirements like maintaining Chairman's Office at the Company's expense, and having Whistle Blower mechanism and Remuneration Committee in place, as suggested thereunder.
9. A certificate from CEO / CFO with respect to the matters required to be conveyed pursuant to the amended clause 49 of the Listing Agreement with regard to the annual audited accounts for the year ended 31st March, 2012, was placed before the Board at its Meeting held on 12th May, 2012 and the same was noted.

VII GENERAL SHAREHOLDER INFORMATION

- 1 Annual General Meeting

Date and Time	: 29th September, 2012 at 12.30 A.M.
Venue	: Regd. Office at F-8, MIDC, Industrial Area, Hingna Road, Nagpur - 440 016.
- 2 Book Closure Date : 24th September, 2012 to 29th September, 2012 (both days inclusive)
- 3 Dividend Payment Date : Not Applicable since no dividend is proposed.
- 4 Financial Calendar For the Year ending : 31st March, 2013

Sr.No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ended 30th June, 2012.	Second week of August, 2012.
2	Unaudited Financial Results for the period of 3 months ending 30th September, 2012.	Second week of November, 2012
3	Unaudited Financial Results for the Period of 3 months ending 31st December, 2012.	Second week of February, 2013
4	Audited Financial Results for the period of 12/3 months ending 31st March, 2013.	Last week of May, 2013
5	Annual General Meeting for the year 31st March, 2013.	Last week of September, 2013.

5. Listing of Equity shares on

1) BSE Limited Phirojee Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001. Stock Code - 522285.	2) National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. 6/1, Bandra Kurla Complex, 'G', Block, Bandra, MUMBAI - 400 051. Stock Code - JAYNECOIND
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Annual Listing fees for the year 2012-2013 have been duly paid to both the above Stock Exchanges.

6. Stock Market Data:
 - A. Data on the closing share prices of the Company on Stock Exchanges during the year under review is as follows:

Month/Year	BSE Limited		National Stock Exchange of India Limited	
	Price		Price	
	High(Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
Apr. 11	28.45	25.05	28.50	25.10
May 11	26.00	21.85	25.95	21.90
June 11	24.90	19.95	24.70	20.00
July 11	22.90	21.00	22.80	21.05
Aug. 11	21.05	15.50	20.95	15.50

Sep. 11	21.05	16.70	21.00	16.75
Oct. 11	20.05	17.70	19.95	17.80
Nov. 11	19.30	14.20	19.25	14.15
Dec. 11	14.76	11.59	14.85	11.55
Jan. 12	15.73	12.06	15.65	12.05
Feb. 12	20.98	15.35	21.15	15.35
Mar. 12	18.00	14.90	18.00	14.90

B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 406.17 Lacs Equity Shares were traded.

C. Share Price Performance relative to BSE Sensex and NSE Nifty

Chart 4: NSE's Sharemarket Relative to BSE Sensex and NSE Nifty			
Financial Year	Percentage Change		
	Company	BSE Sensex	NSE Nifty
	2011 -2012	-31.56%	-10.50%

7. Registrars and Transfer Agents :

The Company has appointed the following as Registrar and Transfer Agent for shares held in both physical form and electronic form.

Sharex Dynamic (India) Pvt. Ltd.

Unit - 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool,

Andheri (E), Mumbai - 400 072.

SEBI Reg. No. INR 000002102.

8. Share Transfer and Investors Grievances Redressal System

i) Equity Shares:

(a) Physical Form

The Company has appointed Sharex Dynamic (India) Pvt. Ltd. as its Registrar and Transfer Agent to look into various issues relating to the investors including share transfers. Share transfers in physical form are registered and returned within a period of 20-25 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company gets report of the share transfers, etc. periodically from Registrar and Transfer Agent.

During the year, the Company has received 1 investor complaint and the complaint has been resolved. There are no complaints pending at the end of the year.

Requests related to exchange of shares of erstwhile Nagpur Alloy Castings Limited and Jayaswals Neco Limited on account of amalgamation are processed by the Company only at its Registered Office.

(b) Electronic Form

The Company's Equity Shares are admitted into the Depository System of National Securities Depository Limited, and Central Depository Services (India) Limited, as an eligible security under the Depositories Act, 1996.

As such, facilities for dematerialisation of the Company's Equity Shares is already operational vide ISIN: INE 854B01010 at both the Depositories. Investors are required to establish an account with a Depository Participant to hold and trade in the dematerialised form. Requests received from Shareholders through their Depository Participants for dematerialising the Equity Shares of the Company are processed by the Registrar within a period of 15 days from the date of receipt of such requests, and are approved where requests are complete and in order in all respects.



9. Shareholding pattern as on 31st March, 2012 :

Category	No. of Shares held	% of total share holding	No. of Share holders	% of total shareholders
A) Promoter and Promoter Group	248954621 (*)	69.21	18	0.04
Sub Total A	248954621	69.21	18	0.04
B) Public shareholding				
i) Financial Institutions / Insurance Companies Banks / Mutual Funds	18843120	5.24	30	0.06
ii) NRIs / OCBs / Other Foreign Shareholders	574096	0.16	189	0.41
iii) Other Corporate Bodies	50629332	14.08	748	1.65
iv) Public	40682294	11.31	44564	97.84
Sub Total B	110728842	30.79	45531	99.96
Total (A+B)	359683463	100.00	45549	100.00

(*) Includes 21427000 Equity Shares being 8.61% of the Promoter and Promoter Group shareholding, and 5.96% of the total Equity Shares Capital pledged in favour the Lenders to secure their Term Loans.

10 Distribution of shareholding as on 31st March ,2012.

Shares of Nominal Value (Rs.)	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto to 5000	35991	79.01	63778780	1.77
5001 to 10000	4424	9.71	38147830	1.06
10001 to 20000	2244	4.93	35963330	1.00
20001 to 30000	833	1.83	21705480	0.60
30001 to 40000	422	0.93	15415040	0.43
40001 to 50000	420	0.92	20133530	0.56
50001 to 100000	579	1.27	44007110	1.22
100001 to Above	636	1.40	3357683530	93.36
Total	45549	100.00	3596834630	100.00

11. Dematerialisation of Shares and Liquidity:

355088045 Equity Shares i.e. 98.72 % of the total Equity Shares have been dematerialized up to 30.06.2012.

Presently, trading in Equity Shares of the Company on Stock Exchanges is permitted only in dematerialised form as per the Directions issued by the Securities and Exchange Board of India in that behalf.

12. Plant Locations :

1) Steel Plant Division:

1. Siltara Growth Centre, Raipur, Dist. Raipur, Chhattisgarh.
2. Gare Palma IV/4 and IV/8 Coal Block, Mand Raigarh Coal Field, Raigarh, Chhattisgarh.

2) Castings Divisions:

1. Plot No. F-8 and F-8/1, MIDC Industrial Area, Nagpur, Maharashtra.
2. Plot No. T-41/42, MIDC Industrial Area, Nagpur, Maharashtra.
3. Village Ruikhairi, Wardha Road, Butibori, Nagpur, Maharashtra.
4. 105, Light Industrial Area, Bhilai, Dist. Durg, Chhattisgarh.
5. Thanod Road, Anjora, Dist. Rajnandgaon, Chhattisgarh

13. Address for Investor Correspondence:

Registered Office:
Jayaswal Neco Industries Limited
F-8, MIDC, Industrial Area,
Hingna Road,
Nagpur - 440 016.
Ph. Nos. 7104-237276 / 236251.
Fax No. 7104-237583 / 236255.
Email: contact@necoindia.com

Registrar's Office:
Sharex Dynamic (India) Private Limited
Unit 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072.
Ph. Nos. 022-28515606, 022-28515644
Fax No. 022-28512885
Email: sharexindia@vsnl.com

For and on behalf of Board of Directors

Place : Nagpur
Date : 10th August, 2012

Basant Lal Shaw
Chairman

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Jayaswal Neco Industries Limited

We have examined the compliance of conditions of Corporate Governance by JAYASWAL NECO INDUSTRIES LIMITED, for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Chaturvedi & Shah
Chartered Accountants
Firm Reg. No. - 101720W

For Agrawal Chhallani & Co.
Chartered Accountants
Firm Reg. No. - 100125W

R. Koria
Partner
Membership No. - 35629
Mumbai

S. R. Chhallani
Partner
Membership No. - 30154
Nagpur

Date: 10th August, 2012



CODE OF CONDUCT

It is hereby declared pursuant to Clause 49 of the Listing Agreement with Stock Exchanges that to the best of our knowledge and belief, all the Board Members and Senior Management personnel have, for the year ended 31.03.2012, adhered to the Code of Conduct laid down by the Company.

For Jayaswal Neco Industries Limited

Arbind Jayaswal
Managing Director / CEO

Dated : 10th August, 2012

DISCLOSURE

Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969).

The following persons constitute the Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practice Act, 1969 (54 of 1969) which exercises or is established to be in a position to exercise, control, directly or indirectly over the Company.

Shri Basant Lall Shaw, Shri Arbind Jayaswal, Shri Ramesh Jayaswal, Smt. Nisha Jayaswal, Smt. Rita Jayaswal, Shri Anand Jayaswal, Smt. Karishma Jayaswal, Master Ananmay Jayaswal, Master Atharv Jayaswal, Master Aarik Jayaswal, Shri Avneesh Jayaswal, Smt. Hargunn Jayaswal, Shri Archit Jayaswal, Neco Heavy Engineering and Castings Limited, Neco Ceramics Limited, AM R Iron and Steel Pvt. Ltd., AM R Steel Industries Pvt. Ltd., N S S L Limited, Neco Leasing and Finance Pvt. Ltd., Neco Valves and Pumps Pvt. Ltd., Neco Defence Systems Ltd., Neco Mining Company Limited, Terra Projects Ltd., Terra Infra Development Ltd., Deify Infrastructures Ltd., Deify Infraprojects Pvt. Ltd., Jayaswal Neco Infraprojects Pvt. Ltd., NSSL Italia SRL, Econo Valves Ltd., Neco Holdings Pvt. Ltd., Jayaswal Holdings Pvt. Ltd., Jayaswal Neco Power Holding Company Limited, Nagpur Agro and Food Processors Ltd., Maa Usha Urja Ltd., Jayaswal Neco Power Pvt. Ltd., North Karanpura Coal Company Ltd., North Karanpura Power Company Ltd., Nagpur Scrap Suppliers Pvt. Ltd., Jayaswal Neco Steel and Mining Ltd., Jayaswal Neco Infrastructures Pvt. Ltd., Raheja Exports Pvt. Ltd., Apex Spinning Mills Pvt. Ltd., Avon Sales and Services Pvt. Ltd., Anurag Sales and Services Pvt. Ltd., Jayaswal Neco Metallics Pvt. Ltd., Jayaswal Neco Energy Pvt. Ltd., Karamveer Impex Pvt. Ltd., Nine Star Plastic Packaging Services Pvt. Ltd., Ramdeobaba Impex Pvt. Ltd., Baba Ramdeo Commercials Pvt. Ltd., Micro Vehicles Pvt. Ltd., Green Gold Marketing Pvt. Ltd., Parivar Food Industries Pvt. Ltd., Vibrant Electronics Ltd., Jyotikant Investments Pvt. Ltd., Nabo Jagoran Trading Pvt. Ltd., Samadhan Traders Pvt. Ltd., Ghanshyam Vyapar Pvt. Ltd., Ram Prakash Sales and Services Pvt. Ltd. Pecon Vinimay Pvt. Ltd., Aman Tradecom Pvt. Ltd., Amrita Vyapaar Pvt. Ltd., Grace Tie - Up Pvt. Ltd.

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 1997.

AUDITORS' REPORT

To
The Members of
Jayaswal Neco Industries Limited

1. We have audited the attached Balance Sheet of JAYASWAL NECO INDUSTRIES LIMITED, as at 31st March, 2012 and also the Statement of Profit and Loss and Cash Flow Statement of the Company for the year 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 give in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 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 appears from our examination of such books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance 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 31st March, 2012 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956. As regards to Directors nominated by Financial Institutions / Banks, they are exempted from the provisions of Section 274 (1) (g) in view of general circular issued by the Department of Company Affairs.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of Statement of Profit and Loss, of the profits of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)

R Koria
(Partner)
Membership No. - 35629
Mumbai

Date: 12th May, 2012

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani
(Partner)
Membership No. - 30154
Nagpur



ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date

As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we further report that:-

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified during the year by the management except for inventories in transit and lying with job workers for which management confirmation has been received. In our opinion the frequency of verification is reasonable.
 - b. As the company's inventory of raw materials mostly comprises bulk materials such as iron ore, coal, coke etc. requiring technical expertise for establishing the quality and quantification thereof, the Company has physically verified such stocks on volumetric basis. Relying on the above and according to the information and explanations furnished to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. According to the information and explanations given to us and on the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.
- iii. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956:
 - a. The company has given advances in the nature of loan to three parties in respect of which maximum amount involved during the year was Rs. 1143.18 lacs and the year-end balance was Rs. 254.12 lacs.
 - b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c. As per the information and explanations given to us, the above advances are repayable on demand.
 - d. As the loans are repayable on demand, the question of overdue amounts does not arise. In respect of interest there are no overdue amounts.
 - e. The company has taken loans from two such parties in respect of which maximum amount involved during the year was Rs 6,500.03 lacs and the year-end balance was Rs. 582.68 lacs.

- f. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- g. As per the information and explanations given to us, the above loans are not due for repayment, where repayment schedule exist and there is no overdue amount of principle and interest.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in 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 explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per the information available with the Company, except for certain transactions for purchase of services, projects and sale of goods of specific nature for which alternative quotations are not available and hence we are unable to comment upon.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable for the year under audit.
- vii. In our opinion the Company has an internal audit system, which needs further improvement to make it commensurate with the size and nature of the business of the company.
- viii. The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have been told that the cost records are under preparation and hence could not be verified by us.
- ix. According to the information and explanations given to us in respect of statutory dues:
 - a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year except in few cases.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except for the Electricity Duty and VAT of Rs 79.58 Lacs and Rs. 283.13 Lacs out of which electricity duty has since been paid.
 - c. The disputed statutory dues aggregating to Rs. 7,994.95 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:



(Rs.in Lacs)

Nature of Dues	Statute	Period Involved	Amount (*)	Forum where dispute is pending
Custom Duty	Custom Act, 1962	2004-05	100.00	CESTAT
		1998-99	687.30	Supreme Court
Entry Tax	Chhattisgarh Entry Tax Act, 1976		0.55	High Court
Excise Duty	Central Excise Act, 1944	1998-2010	2,626.55	CESTAT
Excise Duty	Central Excise Act, 1944	1995-96 to 2006-10	30.83	Commissioner (Appeals)
Excise Duty	Central Excise Act, 1944	2000-01	5.52	Supreme Court
Sales Tax	Central Sales Tax Act, 1956	2002-03	7.70	Additional Commissioner
Sales Tax	Central Sales Tax Act, 1956	1996-97, 2002-03, 2004-05 and 2006-08	97.56	Deputy Commissioner
Sales Tax	Central Sales Tax Act, 1956	1995-97, 2002-03 and 2004-05	2,072.57	Joint Commissioner
Service Tax	Service Tax	2005-06	61.59	CESTAT
VAT	Chhattisgarh State Vat Act, 2005	2007-08	721.83	Deputy Commissioner
	Electricity Cess	2004-05 to 2010-11	1,333.95	Supreme Court
	Chhattisgarh State Electricity Regulatory Commission		249.00	Supreme Court
	Total		7,994.95	

(*) Net of amount deposited under protest.

- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and information and explanations given by the management, we are of the opinion that as on 31st March, 2012 the Company has not defaulted in repayment of dues to banks and financial institutions.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities & other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
- xv. The Company has given corporate guarantees aggregating to Rs. 1,181 lacs for loan taken by an associate company from a bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xvi. The Company has raised new term loans during the year. To the best of our knowledge and according to the information and explanations given to us the term loans outstanding at the beginning of the year and those raised during the year were prima facie been either used for the purpose for which they were raised or pending utilization have been temporary kept with the banks.

- xvii. On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company as at 31st March, 2012, related information's as made available to us and as represented to us, by the management, we are of the opinion, that no funds raised on short term basis have been utilized for long term purposes.
- xviii. During the year, the Company has made preferential allotment of 7,44,35,500 equity shares to ten companies covered in the Register maintained under Section 301 of the Companies Act, 1956. According to the information & explanation given to us these shares are issued in terms of Securities and Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009 and accordingly, the prices at which these shares are issued are not prima facie prejudicial to the interest of the company.
- xix. The Company has not issued any debentures and hence provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the year covered by our report the company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)

R Koria
(Partner)
Membership No. - 35629
Mumbai

Date: 12th May, 2012

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani
(Partner)
Membership No. - 30154
Nagpur



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
Share Capital	2	35967.62	25085.37
Reserves and Surplus	3	<u>86816.04</u>	<u>48830.29</u>
		122783.66	73915.66
2) Non current Liabilities			
Long Term Borrowings	4	109771.02	52309.08
Deferred Tax Liabilities (Net)	5	14228.41	11912.92
Other Long Term Liabilities	6	83.94	22050.77
Long term Provisions	7	<u>782.33</u>	<u>782.33</u>
		124865.70	87055.10
3) Current Liabilities			
Short Term Borrowings	8	42889.53	54279.24
Trade Payables	9	34273.28	35780.02
Other Current Liabilities	10	25508.58	22210.93
Short Term Provisions	11	<u>4192.96</u>	<u>4237.24</u>
		106864.35	116507.43
TOTAL		<u><u>354513.71</u></u>	<u><u>277478.19</u></u>
II. ASSETS			
1) Non current assets			
Fixed Assets	12		
i) Tangible Assets		113298.32	106358.58
ii) Intangible Assets		2488.57	2854.32
iii) Capital Work in Progress		55036.93	13800.65
iv) Intangible Assets under Development		<u>6988.62</u>	<u>5467.99</u>
		177812.44	128481.54
Non Current Investments	13	1370.56	2.56
Long Term Loans & Advances	14	<u>54432.35</u>	<u>51350.24</u>
		233615.35	179834.34
2) Current assets			
Current Investments	15	41.85	16.68
Inventories	16	69389.66	55777.15
Trade Receivables	17	29078.63	25687.44
Cash and Bank Balances	18	10801.38	7263.82
Short Term Loans and Advances	19	10372.10	8898.76
Other Current Assets	20	<u>1214.74</u>	<u>-</u>
		120898.36	97643.85
TOTAL		<u><u>354513.71</u></u>	<u><u>277478.19</u></u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 42		

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
		Rs.in lacs	Rs.in lacs
1 Revenue from Operations (Gross)	21	285671.45	247324.67
Less: Excise Duty/Service Tax Recovered on Sales		<u>26622.03</u>	<u>21180.66</u>
Revenue from Operations (Net)		259049.42	226144.01
2 Other Income	22	1550.30	1939.70
3 Total Revenue (1+2)		<u>260599.72</u>	<u>228083.71</u>
4 Expenses			
Cost of Materials Consumed	23	163755.90	126526.86
Purchase of Stock in Trade	24	2034.32	16107.91
Changes in Inventories of Finished Goods and Work in Progress	25	(5086.12)	(3685.93)
Employee Benefits Expense	26	11913.54	9678.96
Finance Costs	27	17664.06	13859.79
Depreciation and Amortization Expenses	12	8659.31	8433.45
Other Expenses	28	53191.98	42354.93
Total Expenses		<u>252132.99</u>	<u>213275.97</u>
5 Profit before tax (3-4)		8466.73	14807.74
6 Tax Expense :			
Current Tax		1709.94	3116.48
MAT Credit Entitlement	14.01	(938.65)	(2977.09)
Deferred Tax Liability (Net)	5	2315.48	4911.33
Income Tax of Earlier years		-	(58.10)
		<u>3,086.77</u>	<u>4,992.62</u>
7 Profit for the year (5-6)		5379.96	9815.12
8 Earnings per Equity share of Rs.10/- each	29		
Basic and Diluted (Rs.)		1.95	3.94
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 42		

As per our Report of even date

For CHATURVEDI & SHAH
Chartered AccountantsR. KORIA
PartnerFor AGRAWAL CHHALLANI & CO.
Chartered AccountantsS. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing DirectorA.D. KARAJGAONKAR
Company SecretaryP.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	8466.73	14807.74
ADJUSTED FOR		
Depreciation and Amortization Expenses	8659.31	8433.45
Loss/(Profit) on sale of fixed asset (Net)	(539.50)	1.65
Dividend on Current Investments	(0.10)	(0.09)
Interest Income	(772.05)	(1118.45)
Finance Costs	17664.06	13859.79
Foreign Exchange differences	73.19	50.53
Provision for Sales Tax Deferral	664.97	492.92
Bad Debts /Advances written off	443.60	52.34
Provision for Doubtful Debts/ Advances	24.51	137.37
Excess Provision Written Back	(0.18)	(421.17)
Provision for Wealth tax	1.28	1.15
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	34685.82	36297.23
ADJUSTMENTS FOR		
Trade and Other Receivables	(4481.17)	(5149.89)
Inventories	(13612.51)	(21083.08)
Trade Payables	3287.74	32743.98
CASH GENERATED FROM OPERATIONS	19879.88	42808.24
Direct taxes (paid) / Refund	(3511.73)	(1816.58)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>16368.15</u>	<u>40991.66</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work-in-progress	(51516.24)	(59236.96)
Sale of Fixed Assets	23.13	6.42
Sale of Investments	-	6.51
Purchase of Investments	(24.99)	-
Advances to Subsidiary (Net)	(231.02)	(790.14)
Dividend Income	0.10	0.09
Movement in Inter Corporate Deposits (Net)	(15.18)	6619.17
Interest Income	1237.41	1067.46
NET CASH USED IN INVESTING ACTIVITIES	<u>(50526.79)</u>	<u>(52327.45)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed against issue of Equity Shares	21500.02	26828.60
Share Issue Expenses	(40.98)	-
Repayment of Lease Liability	(360.00)	(423.98)
Proceed from Long Term Borrowings	85802.87	9920.26

Repayment of Long Term Borrowings	(29317.78)	(13932.64)
Short Term Loans (Net)	(11951.52)	12132.91
Finance Costs	(27936.41)	(19358.74)
Margin Money (Net)	2006.11	(2999.60)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>39702.31</u>	<u>12166.81</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5543.67	831.02
Cash and Cash Equivalents (Opening Balance)	1830.30	999.28
Cash and Cash Equivalents (Closing Balance)	<u>7373.97</u>	<u>1830.30</u>

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE : 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

1.02 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. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.03 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation, net of Central Value Added Tax and Value Added Tax. All costs including financing cost till commencement of commercial production are capitalised. Expenses incurred relating to project, prior to commencement of commercial operation, are considered as pre-operative expenditure and shown under Capital Work-in-Progress.

1.04 DEPRECIATION

- i) Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956.
- ii) Assets acquired under finance lease on or after 1st April 2001 are depreciated on a straight line basis over the lease term.
- iii) In respect of Fixed Assets acquired pursuant to the Schemes of Arrangements, depreciation is provided for the balance period of economic useful life of those assets.

1.05 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 to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.06 INTANGIBLE ASSETS

Intangible Assets are stated at cost less accumulated amortisation. Process Development Cost is amortised over a period of ten years. Technical Know-how is amortised over the useful life of the underlying plant. Softwares are amortised over a period of three years and Indefeasible Right to Use has been amortised over the period of the agreement. The leasehold land has been amortised over the lease period. Mining Rights are depreciated over the useful life of the mine or lease period whichever is shorter.

1.07 INVESTMENT

Current investments are carried at the lower of cost or quoted / fair value, computed category wise. 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.

1.08 INVENTORY

The inventories i.e. Raw Materials, Stores and Spares, Finished Goods etc. have been valued at lower of cost or realisable market value. Cost of Inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. The cost of Raw Material and Stores & Spares is determined at First-In-First-Out Method and Weighted Average Method respectively. By-products are valued at cost or Net Realisable Value whichever is lower. The cost of Work-in-progress and Finished Stock is determined on absorption costing method. The value of inventories of Finished Goods includes Excise Duty wherever applicable.

1.09 FOREIGN CURRENCY TRANSACTIONS

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

- b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.
 - c) Non monetary foreign currency items are carried at cost.
 - d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss.
- 1.10 FINANCIAL DERIVATIVES
In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses, if any; are recognised in the statement of Profit and Loss.
- 1.11 REVENUE RECOGNITION
Revenue from sale of goods and services is recognized when it is earned and no significant uncertainty exists as to its ultimate collection. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.
- 1.12 INCOME FROM OPERATIONS
Income from operations includes income from sale of goods, trial run products, services, job work, excise duty and is net of rebates, discounts, sales tax and value added tax recovered.
- 1.13 BORROWING COSTS
Borrowing costs that are attributable to the acquisition or construction of qualifying assets (net of income earned on deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.
- 1.14 DEFERRED LIABILITIES
Sales Tax payable under the Deferral Scheme of Incentives is provided for on the basis of Net Present Value.
- 1.15 EMPLOYEE BENEFITS
 - i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss/preoperative expenditure of the year in which the related service is rendered.
 - ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss /Preoperative expenditure for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss /Preoperative expenditure.
- 1.16 LEASE
 - a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
 - b) In respect of Lease transactions entered into on or after 1st April 2001, the lower of the fair value of the assets and the present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the statement of Profit and Loss.
- 1.17 PRELIMINARY AND ISSUE EXPENSES
Preliminary and Issue Expenses are adjusted against the Securities Premium Account.
- 1.18 PREMIUM ON REDEMPTION OF DEBENTURES
Premium on redemption of debentures is adjusted against the Share Premium Account.



1.19 SEGMENT ACCOUNTING

- (i) Segment Accounting Policies : Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting:
- (a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
 - (b) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segments, are included under "Unallocable expenditure".
 - (c) Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income".
 - (d) Segment Assets and Liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise investments, unallocable loans and advances and, deferred revenue expenditure. Unallocable liabilities include mainly loan funds and interest liabilities.
- (ii) Inter-Segment Transfer Pricing :
Segment Revenue resulting from transactions with other business segments is accounted on the basis of market price.

1.20 PROVISION FOR DOUBTFUL TRADE RECEIVABLES AND LOANS AND ADVANCES

Provision is made in the accounts for doubtful trade receivables and loans and advances in cases where the management considers the trade receivables, loans and advances, to be doubtful of recovery.

1.21 PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

1.22 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE : 2 SHARE CAPITAL

PARTICULARS			As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Authorised				
100,00,00,000	(25,60,00,000)	Equity Shares of Rs.10/- each.	100000.00	25600.00
Nil	(60,00,000)	Preference Shares of Rs.100/- each.	-	6000.00
			<u>100000.00</u>	<u>31600.00</u>
Issued, Subscribed and Paid up				
35,96,68,963	(25,08,46,404)	Equity Shares of Rs.10/- each fully paid up.	35966.90	25084.65
Subscribed but not fully Paid up				
14,500	(14,500)	Equity Shares of Rs.10/- each, Rs.5/- per share paid-up.*	0.72	0.72
		TOTAL	<u>35967.62</u>	<u>25085.37</u>

* Unpaid calls of Rs. 5 each per share is due from other than directors.

2.01 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount Rs.in lacs	No. of Shares	Amount Rs.in lacs
Shares outstanding at the beginning of year	250,860,904	25085.37	236,660,904	23665.37
Add: Shares issued during the year on Preferential Basis	108,822,559	10882.25	14,200,000	1420.00
Shares outstanding at the end of year	<u>359,683,463</u>	<u>35967.62</u>	<u>250,860,904</u>	<u>25085.37</u>

2.02 Details of Shareholders, holding more than 5% shares of the Company

Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
	No of Share held	Percentage to Capital	No of Share held	Percentage to Capital
a) Jayaswal Holdings Private Limited	43,978,951	12.23	43,978,951	17.53
b) Karamveer Impex Private Limited	28,819,000	8.01	22,224,000	8.86
c) Nine Star Plastic Packaging Services Pvt. Ltd.	25,724,600	7.15	17,129,600	6.83
d) Jayaswal Neco Metalics Private Limited	21,290,500	5.92	14,048,000	5.60
e) Avon Sales and Services Private Limited	20,065,000	5.58	13,120,000	5.23
f) Jayaswal Neco Energy Private Limited	20,312,000	5.65	12,992,000	5.18
g) Jayaswal Neco Power Private Limited	20,222,500	5.62	10,000,000	3.99
h) Anurag Sales & Services Private Limited	19,091,000	5.31	11,296,000	4.50

2.03 12,37,76,856 (Previous Year 12,37,76,856) shares were allotted in the last five years pursuant to various Schemes of Amalgamation and Arrangement without payment being received in cash.

2.04 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

2.05 During the financial year 2010-11, the Board of Directors has approved the Scheme of Arrangement ("the Scheme") under sections 391-394 of the Companies Act, 1956, between the Company and Corporate Ispat Alloys Limited ("CIAL") providing for demerger of Steel Division of CIAL for the purpose of its merger with the Company with effect from 1st April, 2008. Necessary approvals from the Stock Exchanges under clause 24(f) of the Listing Agreement have been received. The Company has in compliance of the order of the High Court held meetings of Shareholders and Creditors of the Company on 20th April, 2012. The shareholders have unanimously approved the scheme. The creditors' meeting has been adjourned at the request of the creditors present. On obtaining the required statutory approvals and sanctions of the High Courts, and the Scheme coming into force, the Company shall issue 3,26,49,600 fully paid-up Equity Shares of Rs. 10/- each to the eligible shareholders of CIAL in the ratio of 114 Equity Shares of the Company for every 10 Equity Shares held by them in CIAL as on the record date.



NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
		Rs.in lacs	Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		79.02	79.02
Capital Redemption Reserve			
Balance as per last Balance Sheet		5100.37	5100.37
Securities Premium Account			
Balance as per last Balance Sheet	6170.02		2790.42
Add: Received on issue of Equity Shares	32646.77		3379.60
Less: Share Issue expenses	<u>40.98</u>		<u>-</u>
		38775.81	6170.02
Revaluation Reserve			
Balance as per last Balance Sheet	24.52		25.28
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	<u>0.77</u>		<u>0.76</u>
		23.75	24.52
General Reserve			
Balance as per last Balance Sheet	17586.48		17561.30
Add: MAT Credit Entitlement pursuant to Scheme of Arrangement	<u>-</u>		<u>25.18</u>
		17586.48	17586.48
Surplus			
Balance as per last Balance Sheet	19869.88		10054.00
Add: Profit for the year	5379.96		9815.12
Add: Transferred from Revaluation Reserve	<u>0.77</u>		<u>0.76</u>
		25250.61	19869.88
TOTAL		<u>86816.04</u>	<u>48830.29</u>

NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Secured			
Term Loans			
- From Banks	105175.01		47922.93
- From Financial Institutions	1215.28		1250.01
- From Others	<u>76.53</u>		<u>260.08</u>
		106466.82	49433.02
Unsecured			
Sales Tax Deferral (Under Package Scheme of Incentives)		2720.44	2079.89
Long term maturities of finance lease obligations		<u>583.76</u>	<u>796.17</u>
TOTAL		<u>109771.02</u>	<u>52309.08</u>

- 4.01 The term loans from banks, financial institutions and others referred to above aggregating to Rs. 106325.77 lacs and Rs. 13775.38 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities.
- 4.02 Term loans from Banks and Financial Institution referred to above aggregating to Rs. 99975.46 lacs and Rs. 13775.38 Lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured/ to be secured by way of :
- First Charge on the moveable and immoveable fixed assets of the company, both present and future on pari-passu basis with other participating Financial Institutions/ Banks except the moveable and immoveable fixed assets created/to be created at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand.
 - First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts/licences including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis with other participating Financial Institutions/ Banks.
 - Charge on all the current assets of the company including raw materials, finished goods, stock-in-process, trade receivable, both present and future on pari-passu basis with other participating Financial Institutions/ Banks amongst them ranking next to the charge in favour of bankers to secure their working capital loans.
- 4.03 Rs.6350.31 Lacs are secured/to be secure by way of first charge on whole of the moveable and immoveable properties, except Book Debts, Store and Spares and Stocks, both present and future relating to coking coal mines project including washery at Moitra coking coal block at North Karanpura Coalfields near Hazaribagh in Jharkhand (the project) and charge on Current Assets of the Company on pari-passu basis amongst banks funding the project ranking next to the charge in favour of bankers to secure their working capital loans.
- 4.04 Rs. 186.41 lacs are secured by way of hypothecation of the specific Equipments financed.
- 4.05 Vehicle Loans aggregating to Rs. 195.65 lacs from Banks are secured by hypothecation of the specific vehicles financed.
- 4.06 Term Loans from Banks and Financial Institutions referred to above and Rs.14040.81 lacs included in current maturities of long term debt in Note No.10 are to be repaid as under :
- Rs. 4250 . 00 lacs is repayable in 36 equal monthly instalments of Rs.118.06 lacs each, ending on March, 2015.
- Rs. 7887.15 lacs is repayable in 35 equal monthly instalments of Rs.225.35 lacs each, ending on March, 2015.
- Rs. 1275 . 00 lacs is repayable in 24 equal monthly instalments of Rs.53.13 lacs each, commencing from April, 2015 and ending on March, 2017.
- Rs. 5803.75 lacs is repayable in 42 equal monthly instalments of Rs.138.90 lacs each, ending on September, 2015.
- Rs. 1215 . 28 lacs is repayable in 36 equal monthly instalments of Rs.34.72 lacs each, ending on March, 2015.
- Rs. 437 . 00 lacs is repayable in 14 equal quarterly instalments of Rs. 30 . 88 lacs each, ending on September, 2015.
- Rs. 5156 . 25 lacs is repayable in 11 equal quarterly instalments of Rs. 468 . 75 lacs each, ending on July, 2014.
- Rs. 958 . 33 lacs is repayable in 23 equal monthly instalments of Rs. 41 . 67 lacs each, ending on March, 2014.
- Rs. 9500 . 00 lacs is repayable in 19 equal quarterly instalments of Rs. 500 . 00 lacs each, ending on October, 2016.
- Rs. 12500 . 00 lacs is repayable in 60 structured monthly instalments, ending on March, 2017.
- Rs. 3667 . 75 lacs is repayable in 24 structured monthly instalments, ending on March, 2014.
- Rs. 2200.00 lacs is repayable in 48 equal monthly instalments of Rs. 45.83 lacs each, commencing from August, 2012 and ending on July, 2016.
- Rs. 8183.80 lacs is repayable in 28 equal quarterly instalments of Rs. 292.28 lacs each, commencing from January, 2013 and ending on October, 2019.
- Rs. 6350.31 lacs is repayable in 48 equal monthly instalments of Rs. 132.30 lacs each, commencing from July,



2014 and ending on June, 2018.

Rs. 7000.00 lacs is repayable in 22 quarterly instalments of Rs. 318.18 lacs each, commencing from December 2015 and ending in March 2021.

Rs. 43716.52 lacs is repayable in 78 equal monthly instalments of Rs. 560.47 lacs each, commencing from September, 2014 and ending on February, 2021.

Vehicle Loans included in Term Loans above are repayable in 36 to 60 monthly equal instalments (including interest) as per repayment schedule.

Term Loans from Others referred to above are repayable in 24 to 36 monthly equal instalments (including interest) as per repayment schedule.

Maturity Profile of Term Loans is as under : (Rs.in lacs)

	Payable within one year	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks, Financial Institution and Others	14016.39	15983.85	19741.30	17591.98	53149.69

4.07 The Minimum Lease Rentals outstanding as on 31st March, 2012 in respect of a plant having the Gross Liability of Rs. 2,324.93 lacs (Previous Year Rs. 2,324.93 lacs) taken on financial lease is as follows :

	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	360.00	360.00
(ii) Payable later than 1 year and not later than 5 years	720.00	1080.00
(iii) Payable later than 5 years	-	-
Total Minimum Lease Payments	1080.00	1440.00
Less : Future Finance Charges	283.83	471.36
Present Value of Minimum Lease Payments	796.17	968.64
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	212.41	172.47
(ii) Payable later than 1 year and not later than 5 years	583.76	796.17
(iii) Payable later than 5 years	-	-
Total Present Value of Minimum Lease Payments	796.17	968.64

General description of Lease terms :

- (i) Lease Rentals are charged on the basis of agreed terms.
- (ii) Assets are taken on lease for a period of 5 to 10 years.

4.08 The Company is entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) in respect of its certain units. The liability under the Schemes as on 31st March, 2012 is Rs. 6150.51 lacs (Previous Year : Rs. 5096.14 lacs) which is provided for on the basis of its Net Present Value of Rs. 2744.86 lacs (Previous Year : Rs.2124.96 lacs). This Sales-tax liability is repayable in five equal annual instalments starting at the end of the year from the year to which it relates.

NOTE : 5 DEFERRED TAX LIABILITIES

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	14378.73		13682.51
Sales Tax Deferred claimed as deduction for tax purposes but not debited to Statement of Profit & Loss	1104.96	15483.69	888.64
			14571.15
Deferred Tax Assets			
Unabsorbed Depreciation	-		1444.70
Items disallowed under section 43B of Income Tax Act, 1961	643.83		603.96
Provision for Doubtful Trade Receivables & Advances	447.40		468.40
Leased Asset	164.05		141.17
		1255.28	2658.23
Net Deferred Tax Liability		14228.41	11912.92

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Advance received against Share Application	-	22029.00
Deposits Received	18.35	21.77
Trade Payables (Retention Money)	65.59	-
TOTAL	83.94	22050.77

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs. in lacs	Rs. in lacs
Provision for Site Restoration Expenses	782.33	782.33
TOTAL	782.33	782.33



NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Secured			
Working Capital Loans from Banks			
i) Rupee Loans	34778.86		19633.26
ii) Foreign Currency Loan	5115.65		2246.00
		39894.51	21879.26
Short Term Loan from Bank		-	25000.00
Unsecured			
Inter Corporate Deposits taken from:			
i) Related party *	582.68		6036.73
ii) Others	2245.00		1363.25
		2827.68	7399.98
Buyers' Credit from Banks		167.34	-
TOTAL		42889.53	54279.24

* Refer Note No.34 (c) for details of related parties.

8.01 Working Capital Loans from Banks are secured/to be secured by the hypothecation of whole of moveable properties including Stocks and Book Debts, both present and future, and by 2nd charge on immovable properties of the Company, excluding the moveable and immoveable fixed assets created/to be created at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand, ranking next to the mortgage charge of Financial Institutions and Banks for securing their Term Loans.

8.02 All the Working Capital Loans from banks are guaranteed by some of the Directors in their personal capacities.

8.03 The Short Term Loan from a Bank as at 31st March, 2011 was sanctioned and disbursed for the project to be repaid out of the Long Term Project Loan in the consortium which has been repaid accordingly.

NOTE : 9 TRADE PAYABLES

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs. in lacs	Rs. in lacs
Trade Payables - Micro, Small and Medium Enterprises @	-	-
- Others	34273.28	35780.02
TOTAL	34273.28	35780.02

@ The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the said act relating to amounts unpaid as at the year end together with Interest paid / payable have not been given.

NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Current Maturities of Long term debts		14040.81	14565.10
Current Maturities of Lease obligations		212.41	172.47
Interest Accrued but not due on borrowings		362.07	297.28
Interest Accrued and due on borrowings		-	19.39
Advances from Customers		2002.31	2330.16
Creditors for Capital Goods		975.34	1042.39
Other Payables			
Statutory Liabilities	1891.09		1046.14
Deposits Received	1015.00		15.00
Others	* 5009.55		2723.00
		7915.64	3784.14
TOTAL		25508.58	22210.93

* Mainly includes Payable to Employees and Provision for Expenses.

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Provision for Employee Benefits	1655.12	1283.47
Provision for Income Tax (Net)	-	1114.30
Provision for Wealth tax	1.28	1.15
Provision for Excise Duty	2139.81	1441.57
Other Provisions	* 396.75	396.75
TOTAL	4192.96	4237.24

* includes provision for Entry Tax and Cess on Metallurgical Coke

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The excise duty payable on clearance of goods lying in stock as at 31st March, 2011 was of Rs. 1441.57 lacs as per the estimated pattern of despatches. During the year Rs.1441.57 lacs was utilised for clearance of goods. Liability recognised under this clause for the year is Rs. 2139.81 lacs which is outstanding as on 31st March, 2012. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.



NOTE : 12 FIXED ASSETS

(Rs.in lacs)

Particulars		GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	Upto 31.03.2011	For the Year	Deduction/ Adjustment	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets											
Owned											
Land	2005.81	1182.34	-	3188.15	-	-	-	-	-	3188.15	2005.81
Buildings	18647.48	316.94	-	18964.42	3566.40	595.41	-	4161.81	14802.61	15081.08	
Railway Siding	3212.86	-	-	3212.86	1999.77	152.60	-	2152.37	1060.49	1213.09	
Plant & Equipments	125355.37	13681.28	297.52	138739.13	38760.36	7205.34	263.80	45701.90	93037.23	86595.01	
Office Equipments	334.92	23.48	1.78	356.62	151.98	16.52	-	168.50	188.12	182.94	
Furniture & Fixtures	417.58	28.43	-	446.01	272.95	29.90	-	302.85	143.16	144.63	
Vehicles	686.33	44.47	4.39	726.41	369.32	43.88	2.83	410.37	316.04	317.01	
Sub-Total	150660.35	15276.94	303.69	165633.60	45120.78	8043.65	266.63	52897.80	112735.80	105539.57	
Leased											
Land	331.90	-	-	331.90	56.52	3.39	-	59.91	271.99	275.38	
Plant & Equipments	2324.93	-	-	2324.93	1781.30	253.10	-	2034.40	290.53	543.63	
Sub-Total	2656.83	-	-	2656.83	1837.82	256.49	-	2094.31	562.52	819.01	
Total (A)	153317.18	15276.94	303.69	168290.43	46958.60	8300.14	266.63	54992.11	113298.32	106358.58	
Intangible Assets :											
Process Development*	3400.28	-	-	3400.28	3221.59	178.69	-	3400.28	-	178.69	
Softwares**	39.73	1.75	-	41.48	15.78	10.92	-	26.70	14.78	23.95	
Technical Know-How**	642.21	-	-	642.21	175.12	33.91	-	209.03	433.18	467.09	
Indefeasible Right to Use**	981.39	-	-	981.39	45.94	62.51	-	108.45	872.94	935.45	
Mining Rights	1381.00	-	-	1381.00	131.86	81.47	-	213.33	1167.67	1249.14	
Total (B)	6444.61	1.75	-	6446.36	3590.29	367.50	-	3957.79	2488.57	2854.32	
Total (A+B)	159761.79	15278.69	303.69	174736.79	50548.89	8667.64	266.63	58949.90	115786.89	109212.90	
Previous Year	154903.66	4871.00	12.87	159761.79	42113.36	8440.33	4.80	50548.89	109212.90		
Capital Work-in-progress									55036.93	13800.65	
Intangible Assets under Development									6988.62	5467.99	

* internally generated
** Other than internally generated

- 12.01 Buildings include cost of building aggregating to Rs. 144.43 lacs, constructed on land, ownership of which does not vest with the Company.
- 12.02 Indefeasible Right to Use represents the cost incurred by the Company for the exclusive right of usage of certain pieces of land during the contract period.
- 12.03 Addition to Plant and Equipments includes Borrowing Cost of Rs 1968.92 lacs (Previous Year Nil).
- 12.04 The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.77 lacs (Previous Year Rs. 0.76 lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Surplus.
- 12.05 During the year Softwares and Office Equipments amounting to Rs.17.40 lacs and Rs. 1.42 lacs (Gross Block) respectively have been regrouped from Plant & Equipments.

12.06 Capital Work-in-progress includes :

	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Materials at site	94.04	779.87
Building under Construction	1142.42	1145.43
Plant & Equipments under installation	39707.15	5549.86
Pre-operative Expenses	14093.32	6325.49
TOTAL	55036.93	13800.65

12.07 Intangible Assets under Development :

	As at 31.03.2012	As at 31.03.2011
	Rs. in lacs	Rs. in lacs
Mining Rights	5091.93	4851.08
Pre-operative Expenses	1896.69	616.91
TOTAL	6988.62	5467.99

- 12.08 The Company has undertaken Projects for enhancement of capacities of its Integrated Steel Plant in Chhattisgarh by expanding its Steel Melt Shop, Rolling Mills, Sponge Iron Plant, Captive Power Plants, Coal Washeries, and developing its Coal and Iron Ore Mines (the Projects). Since the projects are under construction stage, the expenditure incurred towards construction of projects has been considered as Pre-operative Expenditure, the details of which are as under:

Particulars	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
Remuneration and Benefits to Employees	999.14	271.71
Repairs & Maintenance - Buildings	1.11	1.21
Repairs & Maintenance - Others	14.34	15.78
Rent	3.28	-
Rates, Taxes and Fees	3.57	2.86
Travelling and Conveyance	29.72	33.10
Power & Fuel	16.47	159.38
Legal & Professional	84.87	200.25
Insurance	0.18	-
Miscellaneous Expenses	59.17	79.30
Depreciation	8.33	6.88



Finance Costs	10505.28	5409.69
	11725.46	6180.16
Less : Miscellaneous Income	0.04	0.03
Trial Run Power used for manufacturing	104.88	-
Preoperative Expenses for the year	11620.54	6180.13
Add : Preoperative Expenses upto Previous Year	6942.40	762.27
	18562.94	6942.40
Less : Allocated during the year	2572.93	-
TOTAL	15990.01	6942.40

12.09 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2012.

NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS			As at		As at
			31.03.2012	31.03.2011	31.03.2011
	Number of Shares	Rs. Face Value	Rs.in lacs	Rs.in lacs	Rs.in lacs
	31.03.2012	31.03.2011			
Trade Investments (Unquoted, Fully Paid Up)					
In Equity Shares of Subsidiary Company					
Jayaswal Neco Urja Limited	13705500	25500	10	1370.55	2.55
In Equity Shares - Others					
Punjab & Maharashtra Co-operative Bank Ltd.	40	40	25	0.01	0.01
The City Co-operative Bank Ltd. (Rs. 250)	10	10	25	0.00	0.00
TOTAL				1370.56	2.56

13.01 Aggregate Amount of Unquoted Investments 1370.56 2.56

13.02 Refer Note No. 1.07 for the basis of valuation

NOTE : 14 LONG TERM LOANS & ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at	As at	As at
	31.03.2012	31.03.2012	31.03.2011
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Capital Advances			
To Related Parties (Refer Note No.34 (c))	46585.92		42915.91
To Others	1197.87		875.09
		47783.79	43791.00
Deposits			
Considered good	819.03		800.36
Doubtful	-		6.41
	819.03		806.77
Less: Provision for Doubtful Deposits	-		6.41
		819.03	800.36
Advance against Share Application Money to Subsidiary		-	1368.00
MAT Credit Entitlement		5829.53	5390.88
TOTAL		54432.35	51350.24

14.01 Presently the Company is liable to pay Minimum Alternate Tax (MAT) under section 115 JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on " Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961 " issued by the Institute of Chartered Accountants of India, Rs. 938.65 lacs being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at March 31st, 2012 is Rs.6329.53 lacs (Previous Year Rs. 5390.88 lacs)

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS			As at		As at
			31.03.2012	31.03.2011	31.03.2011
			Rs.	Rs.in lacs	Rs.in lacs
	Number of Shares		Face		
	31.03.2012	31.03.2011	Value		
In Equity Shares - Fully Paid Up (Quoted)					
Antarctica Graphics Limited	53000	53000	1	0.53	0.53
Datar Switchgears Limited	2200	2200	10	1.05	1.05
Elbee Services Limited	1400	1400	10	1.96	1.96
Essar Steel Limited	60	60	10	0.03	0.03
Ispat Industries Limited	60	60	10	0.01	0.01
Jindal Steel & Power Limited	100	100	5	0.55	0.56
JSW Steel Limited	8	8	10	0.01	0.01
Kirloskar Ferrous Industries Limited	100	100	5	0.02	0.02
Tata Steel Limited	135	135	10	0.41	0.41
Tourism Finance Limited	3000	3000	10	0.90	0.90
Triveni Sheet Glass Limited	1000	1000	10	1.00	1.00
Usha Martin Limited	100	100	10	0.05	0.05
Other Investments - Unquoted					
In Preference Shares - Fully Paid Up					
Ispat Industries Limited (Rs.400)	40	40	10	0.00	0.00
In Units					
SBI One India Fund	100000	100000	10	10.00	10.00
SBI Infrastructure Bond	50000	50000	10	5.00	5.00
Union KBC Mutual Fund (EFGR)	278704	-	10	25.00	-
				46.52	21.53
Less : Provision for diminution in the value				4.67	4.85
TOTAL				41.85	16.68

15.01 Refer Note No. 1.07 for the basis of valuation

15.02 Aggregate Amount of Quoted Investment 1.85 1.68

15.03 Aggregate Market Value of Quoted Investment 18.02 23.11

15.04 Aggregate Amount of Unquoted Investment 40.00 15.00



NOTE : 16 INVENTORIES

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Raw Materials	23386.92	20692.99
Raw Materials-in-transit	17232.77	11800.89
Work-in-progress	3317.99	2558.20
Finished Goods	18096.83	13814.44
Finished Goods-in-transit	64.61	20.67
Stores, Spares and Consumables	7290.54	6889.96
TOTAL	69389.66	55777.15
16.01 For basis of valuation refer Note No. 1.08		
16.02 Broad Heads of Work-in-Progress:		
Particulars	As at 31.03.2012	As at 31.03.2011
	Rs. in lacs	Rs. in lacs
Iron & Steel Castings	3130.72	2407.18
Coke	117.72	91.79
Sponge Iron	69.55	59.23
TOTAL	3317.99	2558.20
16.03 Broad Heads of Finished Goods:		
Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	1614.98	1605.70
Pig Iron/Skull	1820.21	2815.77
Billets/Rolled Products	11578.44	7447.89
Sponge Iron	1239.61	1945.08
Others	1843.59	-
TOTAL	18096.83	13814.44

NOTE : 17 TRADE RECEIVABLES

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
(Unsecured and subject to confirmation)			
Outstanding for a period exceeding six months			
Considered good	1160.18		1193.56
Considered doubtful	546.04		622.84
	1706.22		1816.40
Less : Provision for Doubtful Receivables	546.04		622.84
		1160.18	1193.56
Other receivables - considered good		27918.45	24493.88
TOTAL		29078.63	25687.44

NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	6732.89		1724.05
In Fixed Deposit Accounts	6.30		74.69
	6739.19		1798.74
Cheques in hand	540.00		-
Cash on hand	94.78		31.56
		7373.97	1830.30
Fixed Deposits with Banks pledged as Margin Money *		3427.41	5433.52
TOTAL		10801.38	7263.82

* Includes Rs. 278.65 lacs (Previous Year Rs. 239.14 lacs) having maturity period of more than 12 months.

NOTE : 19 SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
(Unsecured, Considered Good unless stated otherwise)			
Loans and advances to Related Parties (Refer Note No.34 (c))		1595.16	1320.68
Loans and advances to Others			
To Suppliers	5476.78		5421.97
Prepaid expenses	166.80		36.97
Balances with Central Excise Authorities	195.58		384.69
Advance Payment of Income-tax (Net)	686.34		-
Other advances recoverable in cash or in kind or for value to be received	1465.24		1598.24
	7990.74		7441.87
Considered doubtful	823.47		771.41
	8814.21		8213.28
Less : Provision for Doubtful Advances	823.47		771.41
		7990.74	7441.87
Deposits			
Considered good	286.20		136.21
Doubtful	9.44		9.44
	295.64		145.65
Less: Provision for Doubtful Deposits	9.44		9.44
		286.20	136.21
MAT Credit Entitlement (Refer Note No.14.01)		500.00	-
TOTAL		10372.10	8898.76

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Receivables against sale of Fixed Assets	652.92	-
Others	561.82	-
TOTAL	1214.74	-



NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Sale of Products	284950.40	247289.23
Sale of Services (Project consultancy)	700.19	-
Other Operating Revenues - Export Incentives	20.86	35.44
TOTAL	285671.45	247324.67

21.01 Broad Heads of Sale of Products

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	55124.07	47911.19
Pig Iron / Skull	74004.28	60515.80
Billets/Rolled Products	107512.49	78005.21
Steel	-	14103.79
Sponge Iron	39685.43	38719.72
Power	4339.21	4116.81
Others	4284.92	3916.71
TOTAL	284950.40	247289.23

NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Interest Income	772.05	1118.45
Dividend on Current Investments	0.10	0.09
Gain on Foreign Exchange Fluctuation (Net)	-	309.42
Profit on Sale of Fixed Assets (Net)	539.50	-
Excess Provision written back	0.18	421.17
Other Miscellaneous Receipts	238.47	90.57
TOTAL	1550.30	1939.70

NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	18052.51	16673.59
Iron Ore	68039.30	53163.72
Metallurgical Coke	56663.33	42542.61
Coal and Coke	9009.65	3732.45
Others	11991.11	10414.49
TOTAL	163755.90	126526.86

23.01 Materials Consumed includes:

PARTICULARS	Year ended 31.03.2012		Year ended 31.03.2011	
	Percentage	Value	Percentage	Value
Imported	24.78%	40573.08	15.35%	19364.38
Indigenous	75.22%	123182.82	84.65%	107162.48
	<u>100.00%</u>	<u>163755.90</u>	<u>100.00%</u>	<u>126526.86</u>

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Purchase of Stock in Trade		
Iron & Steel Castings	1304.79	1435.30
Pig Iron / Skull	479.32	540.84
Coal	16.24	-
Steel	-	13936.44
Others	233.97	195.33
TOTAL	<u>2034.32</u>	<u>16107.91</u>

NOTE : 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN PROGRESS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Closing Inventories			
Finished Goods	18161.44		13835.11
Work-in-progress	<u>3317.99</u>		<u>2558.20</u>
		21479.43	16393.31
Opening Inventories			
Finished Goods	13835.11		9959.27
Work-in-progress	<u>2558.20</u>		<u>2748.11</u>
		16393.31	12707.38
Increase in Inventories		<u>5086.12</u>	<u>3685.93</u>

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Salaries, Wages and Allowances	9227.47	7354.09
Contribution to P.F. and Other Funds	1323.44	1025.52
Welfare and Other Amenities	1362.63	1299.35
TOTAL	<u>11913.54</u>	<u>9678.96</u>

26.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:



Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Defined Contribution Plan	Rs.in lacs	Rs.in lacs
Employer's Contribution to Provident Fund, ESIC and Other Funds	830.15	720.31
Employer's Contribution to Superannuation Fund	-	115.12

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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.

Particulars	As at 31.03.2012 (Funded)	As at 31.03.2011 (Funded)
Reconciliation of Opening and Closing balance of Defined Benefit Obligation.		
Defined Benefit Obligation at the beginning of the year	1329.95	1096.04
Current Service Cost	273.32	176.97
Interest Cost	104.49	75.62
Benefit Paid	(47.65)	(49.76)
Actuarial Losses / (Gain)	138.48	31.08
Defined Benefit Obligation at year end.	1798.59	1329.95
Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	555.67	472.44
Expected Return on Plan Assets	62.93	46.40
Employer Contribution	228.33	89.92
Benefit paid	(47.65)	(49.76)
Actuarial gain /(loss) on Plan Assets	2.12	(3.33)
Fair Value of Plan Assets at year end.	801.40	555.67
Reconciliation of Fair Value of assets and obligations		
Fair Value of Plan Assets	801.40	555.67
Present Value of Funded Obligations	1798.59	1329.95
Amount recognised in the Balance Sheet	997.19	774.28
Expense recognized in Statement of Profit & Loss Account		
Current Service Cost	273.32	176.97
Interest on Defined Benefit Obligation	104.49	75.62
Expected return On Plan Assets	(62.93)	(46.40)
Net Actuarial Losses / (Gains) Recognised in year	136.36	34.41
Non Funded Liability of Earlier Years written back	-	-
Total included in "Remuneration and benefits to Employees"	451.24	240.60

Amounts for the current and previous periods are as follows :

	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	1798.59	1329.95	1096.04	911.03	577.41
Plan Assets	801.40	555.67	472.44	360.41	280.01
Surplus/(Deficit)	(997.19)	(774.28)	(623.60)	(550.62)	(297.40)
Experience adjustment on Plan Assets (Gain)/Loss	*	*	*	*	*
Experience adjustment on Plan Liabilities Gain/ (Loss)	*	*	*	*	*

Actuarial Assumptions	31.03.2012	31.03.2011
Mortality Table (LIC)	1994-96	1994-96
	(Ultimate)	(Ultimate)
Discount rate (per annum)	8.00%	8.00%
Expected Rate of escalation in Salary (per annum)	8.00%	8.00%
Expected rate of return on Plan Assets (per annum)	9.30%	9.20%

* The details are not furnished as the informations are not available with the Company

NOTE : 27 FINANCE COSTS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Interest Paid	15071.85	12693.56
Lease Finance Charges	187.53	221.67
Other Borrowing Costs	2404.68	944.56
TOTAL	17664.06	13859.79

NOTE : 28 OTHER EXPENSES

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	21327.15		16196.89
Power and Fuel	9586.03		7767.92
Excise Duty	698.24		474.66
Repairs and Maintenance -			
Building	92.50		103.29
Plant and Equipment	5002.15		5439.72
Others	6.04		6.78
Royalty and Cess	927.99		751.90
Internal Material Movement	2113.46		2059.32
Other Manufacturing Expenses	1459.28		1431.25
		41212.84	34231.73
SELLING AND DISTRIBUTION EXPENSES			
Advertisement & Publicity	115.17		76.23
Discount and Commission	275.66		289.54
Sales Promotion Expenses	82.53		103.71
Freight and Forwarding	4689.83		3567.77
Provision for Sales Tax Deferral	664.97		492.92
		5828.16	4530.17
ADMINISTRATIVE EXPENSES			
Rent	170.45		131.40
Rates and Taxes	99.01		94.70
Insurance	133.94		106.30
Foreign Currency Fluctuation (Net)	1750.29		-
Printing and Stationery	76.57		56.24
Communication	130.39		134.87
Travelling and Conveyance	1036.85		861.15
Vehicle Maintenance	217.46		178.32



Legal and Professional Charges	936.39	701.87
Payments to Auditors	54.82	51.31
Security Expenses	219.98	176.32
Miscellaneous	672.56	407.22
	5498.71	2899.70
OTHER EXPENSES		
Bank Charges & Commission	169.27	494.63
Bad Debts / Advances written off	443.60	52.34
Provision for Doubtful Debts/Advances	24.51	137.37
Loss on Sale of Fixed Assets (Net)	-	1.65
Donations	14.89	7.34
	652.27	693.33
TOTAL	53191.98	42354.93

28.01 Break-up of Payments to Auditors

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Audit Fees	38.73	34.10
Tax Audit Fees	3.50	3.45
Certification Charges	6.00	6.00
Company Law Matters & Other Matters	-	2.75
Out of Pocket Expenses	6.59	5.01
TOTAL	54.82	51.31

28.02 Consumables, Stores and Spares Consumed includes :

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Percentage Value	Percentage Value
Imported	2.37% 504.62	5.27% 1174.43
Indigenous	97.63% 20822.53	94.73% 15022.46
TOTAL	100.00% 21327.15	100.00% 16196.89

NOTE : 29 EARNINGS PER SHARE

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Net Profit for the year (A)	5379.96	9815.12
Weighted average number of equity shares (Nos.) (B)	275,624,964	249,032,411
Basic and Diluted Earnings Per Share of Rs.10/- each - Rs. (A) / (B)	1.95	3.94

NOTE : 30 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
A Contingent Liabilities (To the extent not provided for): (No cash outflow is expected except stated otherwise)		
a. Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation)	2834.36	2739.35

	(Rs.in lacs)	(Rs.in lacs)
b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the associate Company)	1181.00	1181.00
c. Demands not acknowledged as debts		
i) Disputed Excise Duty and Service Tax	2724.49	2527.31
ii) Disputed Sales Tax	2971.85	1381.64
iii) Disputed Customs Duty (Relating to cess on Metallurgical Coke)	787.30	761.65
iv) Other Disputed Demands (Mainly related to demand of Cess on Power and Electricity Duty.)	1680.91	1723.26
v) Third Party Claims (Matters are pending before various forum)	407.21	321.61
d. Liability in respect of Bills Discounted	14323.71	8158.92
e. Letters of credit opened in favour of suppliers (Cash flow is expected on receipt of material from suppliers)	41634.26	9790.07
B Capital Commitments :		
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis)	135227.71	130277.93

NOTE : 31

In the opinion of the management, Current Assets and Loans and Advances are of the value stated, if realised in the ordinary course of business.

NOTE : 32

	(Rs.in lacs)	(Rs.in lacs)
i) Derivative Contracts entered into by the Company and outstanding	5115.65	2246.00
ii) Foreign Currency exposures that are not hedged by derivatives instruments are as under :		
a) Receivable :	123.20	573.63
b) Payable :	16138.76	234.90
iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - Rs. 75.42 lacs (Rs 20.45 Lacs).		

NOTE : 33 SEGMENT REPORTING :

A. Segment information as per Accounting Standard - 17 on Segment Reporting :

Information provided in respect of revenue items for the year ended 31st March 2012 and in respect of assets / liabilities as at 31st March, 2012.

Information about Primary (Product wise) segments :



(Rs.in lacs)

	Particulars	Steel	Iron & Steel Castings	Unallocated	Eliminations	Total
1.	REVENUE					
	External Sales	229877.61 (198552.03)	55793.84 (48772.64)	- (-)		285671.45 (247324.67)
	Inter-segment sales	6026.76 (4123.00)	212.45 (157.81)	- (-)	-6239.21 (-4280.81)	- (-)
	Total Revenue	235904.37 (202675.03)	56006.29 (48930.45)	- (-)	-6239.21 (-4280.81)	285671.45 (247324.67)
2.	RESULTS					
	Segment Results	22470.51 (24910.60)	3200.24 (3328.26)	- (-)		25670.75 (28238.86)
	Unallocated Corporate Expenses	- (-)	- (-)	721.84 (98.23)		721.84 (98.23)
	Managerial Remuneration	- (-)	- (-)	131.41 (105.28)		131.41 (105.28)
	Operating Profit / (Loss)					24817.50 (28035.35)
	Finance Cost	- (-)	- (-)	17664.06 (14354.42)		17664.06 (14354.42)
	Other Income	- (-)	- (-)	1313.29 (1126.81)		1313.29 (1126.81)
	Tax Expenses (Including Deferred Tax)	- (-)	- (-)	3086.77 (4992.62)		3086.77 (4992.62)
	Net Profit / (-) Loss					5379.96 (9815.12)
3.	OTHER INFORMATION					
	Segment Assets	306313.14 (237524.33)	37941.39 (32290.80)	- (-)		344254.53 (269815.13)
	Unallocated Corporate Assets	- (-)	- (-)	10259.18 (7663.06)		10259.18 (7663.06)
	Total Assets					354513.71 (277478.19)
	Segment Liabilities	45332.02 (42476.10)	9091.91 (7231.14)	- (-)		54423.93 (49707.24)
	Unallocated Corporate Liabilities	- (-)	- (-)	177306.12 (153855.29)		177306.12 (153855.29)
	Total Liabilities					231730.05 (203562.53)
	Capital Expenditure	56769.41 (63362.16)	1266.19 (1028.61)	- (-)		58035.60 (64390.77)
	Depreciation	7487.06 (7327.23)	1168.13 (1102.10)	4.12 (4.12)		8659.31 (8433.45)
	Non-cash Expenses other than Depreciation	- (-)	- (-)	- (-)		- (-)

Note : Figures in brackets represent previous year's amounts.

B. Segment Identification, Reportable Segments and definition of each segment :

- i. Primary / Secondary Segment Reporting Format :
 - a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
 - b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.
- ii. Reportable Segments :
Segments have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.
- iii. Segment Composition :
 - a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh, Jharkhand and Maharashtra.
 - b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.

NOTE : 34 RELATED PARTY DISCLOSURES :

- A. List of related parties :
(As certified by the Company)
 - I. Subsidiary
Jayaswal Neco Urja Limited
 - II. Associate Companies
Maa Usha Urja Limited
 - III. Key Management Personnel

Shri B.L. Shaw	Shri Ramesh Jayaswal
Shri Arbind Jayaswal	Shri P.K.Bhardwaj
 - IV. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :
(Other related parties)

Abhijeet Infrastructure Limited	AMR Iron and Steel Private Limited
Neco Heavy Engineering and Castings Limited	Neco Mining Company Limited
Neco Ceramics Limited	Steel & Tube Exports Limited
NSSL Limited	Corporate Ispat Alloys Limited
JLD Yavatmal Energy Limited	Jayaswal Neco Power Holding Company Ltd. (Formerly - Neco Industries Limited)
North Karnapura Coal Company Limited	Jayaswal Holdings Private Limited
Deify Infrastructures Limited	Anurag Sales and Services Private Limited
Jayaswal Neco Metallics Private Limited	Karamveer Impex Private Limited
Apex Spinning Mills Private Limited	Nine Star Plastic Packaging Services Pvt. Ltd.
Avon Sales and Services Private Limited	Vibrant Electronics Limited
Jyotikant Investment Private Limited	Jayaswal Neco Energy Private Limited
Jayaswal Neco Infrastructures Private Limited	Jayaswal Neco Power Private Limited
Jayaswal Neco Steel and Mining Limited	Terra Infra Development Limited



B. Transactions with Related Parties :

(Rs. In lacs)

Nature of transaction	Subsidiary	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Share Alloted during the year	-	-	29774.20	-	29774.20
	(-)	(-)	(-)	(-)	(-)
Advance received against	-	-	-	-	-
Share Application	(-)	(-)	(21029.00)	(-)	(21029.00)
Investments made during the year	1368.00	-	-	-	1368.00
	(-)	(-)	(-)	(-)	(-)
Investments - Sold during the year	-	-	-	-	-
	(-)	(-)	(6.51)	(-)	(6.51)
Investment - as at 31st March, 2012	1370.55	-	-	-	1370.55
	(2.55)	(-)	(-)	(-)	(2.55)
Corporate Guarantees Given	-	1181.00	-	-	1181.00
	(-)	(1181.00)	(-)	(-)	(1181.00)
Unsecured Loans					
Taken during the year	-	-	944.43	-	944.43
	(-)	(-)	(6450.68)	(-)	(6450.68)
Repaid during the year	-	-	6398.48	-	6398.48
	(-)	(-)	(452.97)	(-)	(452.97)
Balance as on 31st March 2012	-	-	582.68	-	582.68
	(-)	(-)	(6036.73)	(-)	(6036.73)
Fixed Assets					
Purchase of Fixed Assets	-	-	31876.52	-	31876.52
	(-)	(-)	(4536.43)	(-)	(4536.43)
Purchase of Goods & Services					
Purchase of Goods	-	2425.58	9224.53	-	11650.11
	(-)	(2001.62)	(10151.68)	(-)	(12153.30)
Other Manufacturing Expenses	-	-	108.78	-	108.78
	(-)	(-)	(34.16)	(-)	(34.16)
Sale of Goods & Services					
Sale of Goods & Services	-	2.02	15334.61	-	15336.63
	(-)	(0.31)	(20968.81)	(-)	(20969.12)
Trade Payables					
Balance as on 31st March 2012	-	320.39	2675.21	-	2995.60
	(-)	(-)	(631.67)	(-)	(631.67)
Deposit Received as on 31st March 2012	-	-	15.00	-	15.00
	(-)	(-)	(15.00)	(-)	(15.00)
Advances Recoverable in cash or in kind					
Balance as on 31st March 2012	238.94	-	1356.22	-	1595.16
	(1375.92)	(-)	(1312.76)	(-)	(2688.68)
Capital Advances					
Balance as on 31st March 2012	-	-	46585.92	-	46585.92
	(-)	(-)	(42915.91)	(-)	(42915.91)
Trade Receivables					
Balance as on 31st March 2012	-	-	4000.10	-	4000.10
	(-)	(31.64)	(2836.06)	(-)	(2867.70)
Income					
Rent Received	-	-	0.90	-	0.90
	(-)	(-)	(1.14)	(-)	(1.14)

(Rs. In lacs)

Nature of transaction	Subsidiary	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Interest Received	2.93 (-)	- (-)	19.42 (711.40)	- (-)	22.35 (711.40)
Commission Received	- (-)	5.91 (5.91)	- (0.95)	- (-)	5.91 (6.86)
Reimbursement of Expenses to the Company	63.33 (51.66)	124.57 (122.79)	2046.33 (1481.25)	- (-)	2234.23 (1655.70)
Expenditure					
Payment of Salaries / Perquisites	- (-)	- (-)	- (-)	231.41 (126.44)	231.41 (126.44)
Commission Paid	- (-)	- (-)	29.10 (-)	- (-)	29.10 (-)
Sitting Fees	- (-)	- (-)	- (-)	0.10 (0.25)	0.10 (0.25)
Service Charges	- (-)	- (-)	4.28 (3.94)	- (-)	4.28 (3.94)
Vehicle Hire Charges	- (-)	- (-)	2.59 (-)	- (-)	2.59 (-)
Rent Paid	- (-)	- (-)	- (-)	13.20 (6.60)	13.20 (6.60)
Interest Paid	- (-)	- (-)	54.92 (21.29)	- (-)	54.92 (21.29)
Reimbursement of Expenses by the Company	0.24 (0.01)	0.20 (1.60)	88.36 (76.32)	- (-)	88.80 (77.93)

Note : Figures in brackets represent previous year's amounts.

C. Details of major transactions with Related Parties :

		31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
Share Allotted during the year	Avon Sales and Services Private Limited	2778.00	-
	Anurag Sales and Services Private Limited	3118.00	-
	Apex Spinning Mills Private Limited	2388.00	-
	Nine Star Plastic Packaging Services Pvt. Ltd.	3438.00	-
	Karamveer Impex Private Limited	2638.00	-
	Jayaswal Neco Metalics Private Limited	2897.00	-
	Jayaswal Neco Energy Private Limited	2928.00	-
	Jayaswal Neco Power Private Limited	4089.00	-
	Jayaswal Neco Steel and Mining Limited	2500.00	-
	Jayaswal Neco Infrastructures Private Limited	3000.20	-
Investments - Alloted	Jayaswal Neco Urja Limited	1368.00	-
Investments - Closing Balance	Jayaswal Neco Urja Limited	1370.55	2.55
Corporate Guarantee Given			
Balance as on 31st March, 2012	Maa Usha Urja Limited	1181.00	1181.00
Unsecured Loans taken	AMR Iron and Steel Private Limited	944.43	550.68
Unsecured Loans repaid	Corporate Ispat Alloys Limited	5900.00	452.97
Unsecured Loans -			
Balance as on 31st March, 2012	AMR Iron and Steel Private Limited	582.68	136.73
	Corporate Ispat Alloys Limited	-	5900.00



Purchase of Fixed Assets	Deify Infrastructures Limited	31368.74	4520.68
Purchase of Goods	NSSL Limited	2428.94	3051.32
	Maa Usha Urja Limited	2425.58	2001.62
	Neco Heavy Engineering and Castings Limited	1526.16	1347.94
	Corporate Ispat Alloys Limited	3155.83	3625.54
Sale of Goods	NSSL Limited	9200.65	8541.05
	Corporate Ispat Alloys Limited	4266.29	10989.62
	Neco Heavy Engineering and Castings Limited	1845.50	1436.60
Other Manufacturing Expenses	NSSL Limited	108.78	29.05
Trade Payables	Corporate Ispat Alloys Limited	2671.76	361.51
	Maa Usha Urja Limited	320.39	-
Deposits Received	Neco Heavy Engineering and Castings Limited	15.00	15.00
Advances Recoverable	Abhijeet Infrastructure Limited	899.79	971.52
- Closing Balance	Neco Ceremics Limited	331.15	173.41
	Jayaswal Neco Urja Limited	238.94	7.92
	North Karnapura Coal Company Limited	110.10	110.06
	JLD Yavatmal Energy Limited	-	46.85
	Vibrant Electronics Limited	-	7.75
	Neco Heavy Engineering and Castings Limited	-	3.17
	Terra Infra Development Limited	15.18	-
Advance against Share Application	Money to Subsidiary		
Balance as on 31st March, 2012	Jayaswal Neco Urja Limited	-	1368.00
Capital Advances	Deify Infrastructures Limited	46585.92	42915.91
Trade Receivables	NSSL Limited	3444.00	2668.55
	Neco Heavy Engineering and Castings Limited	556.10	155.99
Rent Received	Neco Heavy Engineering and Castings Limited	0.90	1.14
Interest Received	Terra Infra Development Limited	19.42	-
	Jayaswal Neco Urja Limited	2.93	-
Commission Received	Maa Usha Urja Limited	5.91	5.91
Payment of Salaries/Perquisites	Arbind Jayaswal	103.38	51.60
	Ramesh Jayaswal	101.60	51.60
	P.K.Bhardwaj	26.43	23.24
Commission Paid	Deify Infrastructures Limited	29.10	-
Sitting Fees	B. L. Shaw	0.10	0.25
Service Charges	Steel & Tube Exports Limited	4.28	3.94
Vehicle Hire Charges	Abhijeet Infrastructure Limited	1.99	-
	Corporate Ispat Alloys Limited	0.60	-
Rent Paid	Arbind Jayaswal	6.60	4.43
	Ramesh Jayaswal	6.60	4.43
Interest Paid	AMR Iron and Steel Private Limited	54.92	21.29

NOTE : 35 DIVIDEND ACCRUED ON REDEEMABLE PREFERENCE SHARES NOT PROVIDED FOR :

	31.03.2012	31.03.2011
	(Rs.in lacs)	(Rs.in lacs)
1 16% Redeemable Cumulative Preference Shares	1700.51	1700.51
2 0.0001% Cumulative Redeemable Preference Shares	0.01	0.01
TOTAL	1700.52	1700.52

NOTE : 36 IN ACCORDANCE WITH CLAUSE 32 OF LISTING AGREEMENT THE DETAILS OF ADVANCE IS AS UNDER:

- To Jayaswal Neco Urja Limited (JNUL), a Subsidiary, closing balance as on March 31, 2012 is Rs. 238.94 lacs (Previous year Rs. 1375.92 lacs). Maximum balance outstanding during the year was Rs. 238.94 lacs (Previous year Rs. 1375.92 lacs).
- JNUL has not made investment in the shares of the Company.
- As per the Company's policy loans to employees are not considered in 'a' above.

NOTE : 37 DETAILS OF PRIOR PERIOD EXPENDITURES:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Welfare and Other Amenities	0.70	0.07
Interest Paid	1.77	-
Consumables, Stores and Spares Consumed	0.03	-
Repairs and Maintenance - Plant & Equipment	0.14	-
Repairs and Maintenance - Others	0.10	-
Other Manufacturing Expenses	1.58	(0.17)
Freight and Forwarding	0.58	-
Rent	1.22	-
Rates and Taxes	0.64	-
Communication	2.29	0.10
Travelling and Conveyance	0.31	-
Vehicle Maintenance	4.23	-
Legal and Professional Charges	16.95	-
Security Expenses	1.77	-
Miscellaneous	0.29	0.25
TOTAL	32.60	0.25

NOTE : 38 DETAILS OF CIF VALUE OF IMPORTS

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
C.I.F. Value of Imports		
i. Raw Materials *	38585.32	30576.44
ii. Stores & Components	406.19	946.91
iii. Capital Goods	5240.00	14.93

* includes materials purchased on High Seas Basis Rs. 37543.91 lacs (Previous Year Rs. 30104.01)

NOTE : 39 DETAILS OF EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
i. Travelling	3.76	4.37
ii. Salary	28.00	26.70
iii. Interest and Financial Charges	6.23	15.93
iv. Rent	5.89	6.01
v. Others	7.96	1.18

NOTE : 40 DETAILS OF INCOME IN FOREIGN CURRENCY

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
F.O.B. Value of Exports	731.01	1063.78
Recovery of Freight	18.43	15.47



NOTE : 41 DETAILS OF EXCISE DUTY/ SERVICE TAX RECOVERED ON SALES :

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
a) Shown as reduction from turnover	26622.03	21180.66
b) Charged to Statement of Profit and Loss on account of difference in stock	698.24	474.66

NOTE : 42

Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2012.

1.	Name of the Subsidiary Company	Jayaswal Neco Urja Limited (Formerly: Raigarh Energy Limited)
2.	Financial year of the Subsidiary Company	1.04.2011 to 31.03.2012
3.	a. Number of Shares held by Jayaswal Neco Industries Ltd. at the end of the Financial year.	13705500 Equity Shares of Rs.10/- each
	b. Extent of interest of holding company at the end of the Financial Year of the Subsidiary Company.	99.82%
4.	The net aggregate amount of the Subsidiary Profit/(Loss) so far as it concerns the Members of the Holdings Company.	
	a. Not dealt with in the Holding Company's accounts.	
	i) For the Financial year 31st March, 2012	NIL
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's subsidiary.	NIL
	b. Dealt with in the Holding Company's accounts.	
	i) For the financial year ended 31st March 2012	NIL
	ii) For the previous financial year of the subsidiary Company since it became the Holding Company's subsidiary	NIL

For and on behalf of Board of Directors

Place: Nagpur

Date: 10th August, 2012

Basant Lall Shaw
Chairman

JAYASWAL NECO URJA LIMITED

(Formerly known as Raigarh Energy Limited)
(Subsidiary Company)



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DIRECTORS' REPORT

TO,

THE MEMBERS

The Directors have pleasure in presenting Fifth Annual Report on the business and operations of your company together with audited accounts for the year ended on 31st March, 2012.

1. FINANCIAL REPORTING & OPERATIONAL HIGHLIGHTS

Σ FINANCIALS

During the year under review, the company has not started any commercial activity and as such there was no income from the operations.

Σ OPERATIONS :-

Amidst various challenges faced by the power generation companies during recent quarters and the power sector as whole in India, the company is taking affirmative steps towards the implementation of its 2x300 MW Thermal Power Project.

Adverse currency fluctuations and increase in prices of key capital items has made substantial impact on the total appraised cost of the proposed power project and therefore management has decided to go for re-appraisal of the project alongwith restructuring of the equity in consultation with the lenders.

2. AUTHORISED, PAID UP SHARE CAPITAL:

Σ Authorised Share Capital :-

The Company has by passing requisite resolutions at the Extraordinary General Meeting held on 06th February, 2012 altered its Memorandum and Articles of Association for increasing Authorised Capital of the Company from Rs. 1.00 Crores to Rs. 50.00 Crores.

Σ Paid Up Share Capital :-

The Company has allotted 1,36,80,000 equity shares at Rs. 10/- per share to Jayaswal Neco Industries Limited. Necessary statutory compliances have been done and requisite forms have been filed with Ministry of Corporate Affairs.

3. DIRECTORS' RESPONSIBILITY STATEMENT:

As required, under Section 217 (2AA) of The Companies Act, 1956, the Directors confirm and state that:

- All the applicable accounting standards have been followed along with proper explanations relating to material departures in the preparation of accounts enclosed herewith.
- Annual accounts are prepared on the principle of a Going Concern.
- Accounting policies selected, applied and Judgements and estimates made in that behalf to the extent necessary are reasonable and prudent so as to give true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the Company for the year under review.
- Sufficient care has been taken for maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and the procedures, practices and control systems in the day-to-day management are sound enough to prevent and detect the occurrence of frauds and irregularities.

4. DIVIDEND:

Since the company has not yet commissioned its power project, the Board of Directors do not recommend any dividend for the year under review.

5. AUDIT COMMITTEE

The Audit Committee of the Board comprises of three directors namely :-

- Shri Arbind Jayaswal
- Shri Ramesh Jayaswal
- Shri Avneesh Jayaswal.



6. **TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE EARNINGS AND OUTGO :**
Since there are no manufacturing activities in the Company, the disclosures in terms of section 217 (1) (e) of the Companies Act, 1956 are not required. There is no foreign exchange earning or outgo for the year ended 31st March, 2012 except travelling expenditure incurred in foreign currency amounting to Rs. 759,115/-.
7. **DEPOSITS:**
The Company has not accepted any deposits covered u/s 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 during the financial year under review.
8. **DIRECTORS:**
During the year under review, Shri Avneesh Jayaswal was appointed as Executive Director on the Board of the Company. Shri Arbind Jayaswal, Director is liable to retire by rotation at the ensuing Annual General Meeting, being eligible, offers himself for re-appointment. Necessary information on the Directors seeking appointment is being given separately in the Notice for the ensuing Annual General Meeting.
9. **PARTICULARS OF EMPLOYEES :**
During the year under review, there were no employees drawing remuneration in excess of the prescribed limits and whose particulars need to be given under Section 217 (2A) of the Companies Act, 1956, and the Rules made thereunder. As such, no particulars are being furnished.
10. **AUDITORS & AUDITORS REPORT :**
M/s Agrawal Chhallani & Co., Chartered Accountants, Nagpur and M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, the auditors of the Company retire at the ensuing Annual General Meeting. The members are requested to appoint auditors for the current year and to fix their remuneration. The Report of Auditors of the Company and the notes forming part of the financial statements are self explanatory and hence requires no explanation from the Board of Directors.
11. **ACKNOWLEDGEMENT :**
Your Directors take this opportunity to place on record their great appreciation and gratitude for the whole-hearted support, assistance, co-operation and valuable guidance that has been forthcoming from all those who are associated with the operations of the Company during the period under review.

For and on behalf of the Board of Directors

Date : 10th August, 2012

Place : Nagpur

Basant Lall Shaw
Chairman

AUDITORS' REPORT

To
The Members of
Jayaswal Neco Urja Limited

1. We have audited the attached Balance Sheet of JAYASWAL NECO URJA LIMITED, as at 31st March, 2012 and also the Statement of Profit and Loss and Cash Flow Statement of the Company for the year 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 give in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 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 appears from our examination of such books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance 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 31st March, 2012 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)
S. R. Chhallani
Membership No. - 30154
Nagpur
Date: 12th May, 2012

For Chaturvedi & Shah
Chartered Accountants
(Registration No.:101720W)
R Koria
Membership No. - 35629
Mumbai



ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks as we considered appropriate, we further report that:-

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the Company has physically verified fixed assets, which in our opinion is reasonable, having regard to the size of the Company.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- ii. According to the information and explanations given to us, the Company has no inventories during the year, therefore the provisions of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.
- iii. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act 1956:
 - a. The company has not given any advances in the nature of loan during the year to such parties and hence the provisions of the clause (iii) (a) to (d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable for the year.
 - b. The company has taken loans from four such parties in respect of which maximum amount involved during the year was Rs. 49,62,93,690 and the year-end balance was Rs. 49,62,93,690.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable, and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d. As per the information and explanations given to us, the above loans are either repayable on demand or not due for repayment as on 31 March, 2012.
- iv. In our opinion and according to the information and explanations given to us, there is an 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 of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in 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 explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company, except for purchase of services and projects for which alternative quotations are not available and hence we are unable to comment upon.
- vi. According to information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable for the year under audit.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Company's projects are still under implementation and have not started power generation, accordingly the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable for the year under audit.

- ix. According to the information and explanations given to us in respect of statutory dues:
- a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax and any other material statutory dues to the extent applicable, with the appropriate authorities except in few cases.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited on account of any dispute.
- x. The Company has been registered for a period of less than five years and accordingly the provisions of Clause (x) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xi. The company has not borrowed any money from financial institutions or banks and has not issued any debentures. Therefore, the provisions of clause (xi) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company 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 (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xv. According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the Company has not taken any term loans during the year.
- xvii. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the Company as at 31st March, 2012, related informations as made available to us and as represented to us, by the management, we are of the opinion, that funds raised on short term basis aggregating to Rs. 29,791,766 have been used for Long Term Purposes.
- xviii. During the year, the company has made preferential allotment of 1,36,80,000 equity shares of Rs. 10 each at par to its holding company. According to the information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix. The Company has not issued any debentures and hence provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the year covered by our report the company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)
S. R. Chhallani
Membership No. - 30154
Nagpur
Date: 12th May, 2012

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)
R Koria
Membership No. - 35629
Mumbai,



BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note		As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
EQUITY AND LIABILITIES				
Shareholder's funds				
Share Capital	2	137,300,000	500,000	
Reserves and Surplus	3	<u>(4,337,686)</u>	<u>132,962,314</u>	<u>(527,915)</u>
Non-current liabilities				
Long-Term Borrowings	4	<u>472,400,000</u>	<u>472,400,000</u>	<u>322,400,000</u>
Current liabilities				
Short Term Borrowings	5	23,893,690	-	
Trade Payables	6	29,673	139,902	
Other Current Liabilities	7	156,611,430	140,391,733	
Short Term Provisions	8	<u>759,996</u>	<u>181,294,789</u>	<u>141,416,810</u>
TOTAL			<u><u>786,657,103</u></u>	<u><u>463,788,895</u></u>
ASSETS				
Non-current assets				
Fixed Assets	9			
Tangible Assets		73,908,087	60,530,587	
Capital Work-in-Progress		142,808,558	61,000,931	
Long Term Loans and Advances	10	<u>418,437,435</u>	<u>635,154,080</u>	<u>459,090,716</u>
Current assets				
Cash and Bank Balances	11	151,316,534	4,306,722	
Short Term Loans and Advances	12	<u>186,489</u>	<u>151,503,023</u>	<u>391,457</u>
TOTAL			<u><u>786,657,103</u></u>	<u><u>463,788,895</u></u>
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 24			

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Nagpur
Date : 12th May, 2012

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note	Year ended 31.03.2012	Year ended 31.03.2011
		Rs.	Rs.
Other Income	13	2,352	51,175
Total Revenue		<u>2,352</u>	<u>51,175</u>
Expenses :			
Finance Costs	14	8,821	2,421
Depreciation and Amortization Expenses	9	715	-
Other Expenses	15	3,802,587	384,236
Total Expenses		<u>3,812,123</u>	<u>386,657</u>
Loss before tax		(3,809,771)	(335,482)
Tax expense		-	-
Loss for the year		<u>(3,809,771)</u>	<u>(335,482)</u>
Earnings per equity share of Rs. 10/- each	16		
Basic and Diluted (Rs.)		(1.95)	(6.71)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Nagpur
Date : 12th May, 2012

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss Before Tax as per Statement of Profit and Loss	(3,809,771)	(335,482)
ADJUSTED FOR		
Depreciation and Amortization Expenses	715	-
Share Issue Expenses	3,430,000	-
Balances Written Back	(2,352)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	(381,408)	(335,482)
ADJUSTMENT FOR		
Trade and Other Receivables	259,862	233,075
Trade Payables	3,879,239	3,106,701
CASH GENERATED FROM OPERATIONS	3,757,693	3,004,294
Direct Taxes (paid/) refunded	(1,644)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	3,756,049	3,004,294
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	16,438	-
Purchase of Fixed Assets/ Capital Work-in-Progress (Net)	9,533,521	(403,133,810)
NET CASH USED IN INVESTING ACTIVITIES	9,549,959	(403,133,810)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Advance against Share Application Money Received during the year	-	78,300,000
Share Issue Expenses	(3,430,000)	-
Proceeds from Long Term Borrowings	150,000,000	322,400,000
Short Term Borrowings (Net)	23,893,690	-
Finance Costs paid	(36,759,886)	(2,050,000)
Margin Money (Net)	-	(610,000)
NET CASH FLOW FROM FINANCING ACTIVITIES	133,703,804	398,040,000
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	147,009,812	(2,089,516)
Cash and Cash Equivalents (Opening Balance)	3,696,722	5,786,238
Cash and Cash Equivalents (Closing Balance)	150,706,534	3,696,722

- i The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- ii Figures in brackets indicate Outflows.
- iii During the year company has allotted 13,680,000 Equity Shares at par against advance against share application money received up to March 31, 2011. The same has not been considered for the purpose of cash flow.
- iv Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date attached
For AGRAWAL CHHALLANI & CO.
Chartered Accountants
S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants
R. KORIA
Partner

Place : Nagpur
Date : 12th May, 2012

For and on behalf of Board of Directors
ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE : 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

1.02 USE OF ESTIMATES

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

1.03 FIXED ASSET

- (i) Fixed Assets are stated at cost less accumulated depreciation. All costs including financial cost till commencement of commercial production are capitalized.
- (ii) Expenses incurred relating to project, prior to commencement of commercial operation, are considered pre-operative expenditure and disclosed under Capital Work-in-Progress.

1.04 DEPRECIATION

Depreciation on Fixed Assets has been provided on straight line method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956.

1.05 REVENUE RECOGNITION

Interest income is recognised on a time proportion basis.

1.06 FOREIGN CURRENCY TRANSACTIONS

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss.

1.07 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

1.08 EMPLOYEE BENEFITS

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss/preoperative expenditure of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss /Preoperative expenditure for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss /Preoperative expenditure.

1.09 PRELIMINARY EXPENSES

Preliminary Expenses are charged to the statement of Profit and Loss in the year in which they are incurred.

1.10 IMPAIRMENT OF ASSETS

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



1.11 PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rate and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

1.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE : 2 SHARE CAPITAL

Particulars	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Authorised		
5,00,00,000 (1,000,000) Equity Shares of Rs.10/- each	500,000,000	10,000,000
	<u>500,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and Paid Up		
1,37,30,000 (50,000) Equity Shares of Rs.10/- each, fully Paid up	137,300,000	500,000
Total	<u>137,300,000</u>	<u>500,000</u>

2.01 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Rs.	Number	Rs.
Shares outstanding at the begning of the year	50,000	500,000	50,000	500,000
Add: Shares issued during the year on				
Preferential Basis	13,680,000	136,800,000	-	-
Shares outstanding at the end of the year	13,730,000	137,300,000	50,000	500,000

2.02 Details of Share Holders holding more than 5% shares of the Company

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayaswal Neco Industries Limited (Holding Company)	13,705,500	99.82	25,500	51

2.03 Right to Equity Shareholders

The Company has only one class of equity share having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholder will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

2.04 Shares Reserved

For shares to be issued against 0% Optionally Convertible Loans referred in Note No. 4.01.

NOTE : 3 RESERVES & SURPLUS

Particulars	As at 31.03.2012 Rs.	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Surplus/ (Deficit)			
Balance as per last Balance Sheet	(527,915)		(192,433)
Add: Loss for the year	<u>(3,809,771)</u>		<u>(335,482)</u>
		(4,337,686)	(527,915)
Total		<u>(4,337,686)</u>	<u>(527,915)</u>

NOTE : 4 LONG TERM BORROWINGS

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Unsecured		
0% Optionally Convertible Loans from Related Parties (Refer Note No. 20 (c))	472,400,000	322,400,000
TOTAL	472,400,000	322,400,000

4.01 Terms and Conditions of Loan

The above loans can be converted into equity shares at such rate as may be determined by the Board of Directors on or before 31st March, 2016 and if not converted till that time, it shall be payable at any time thereafter on demand by the lenders.

NOTE : 5 SHORT TERM BORROWINGS

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Unsecured		
Inter Corporate Deposit from Holding Company	23,893,690	-
TOTAL	23,893,690	-

NOTE : 6 TRADE PAYABLES

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Trade Payable - Micro, Small and Medium Enterprises @	-	-
- Others	29,673	139,902
TOTAL	29,673	139,902

@ The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the said act relating to amount unpaid as at the year end together paid / payable have not been given.

NOTE : 7 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Advance against Share Application Money received from Holding Company	-	136,800,000
Creditors for Capital Goods	5,838,649	864,269
Other Payables		
Due to Related Parties (Refer Note No.- 20 (c))	-	794,474
Statutory Dues	524,680	479,331
Book Overdraft	148,907,402	-
Other *	1,340,699	1,453,659
	150,772,781	2,727,464
TOTAL	156,611,430	140,391,733

* Mainly includes Payable to Employees and Provision for Expenses.

NOTE : 8 SHORT TERM PROVISIONS

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Leave Encashment	759,996	885,175
TOTAL	759,996	885,175

NOTE : 9 FIXED ASSETS

(Rs.)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2011	Additions	Deduction/ Adjustment	As at 31.03.2012	Upto 31.03.2011	For the Year	Upto 31.03.2012	As at 31.03.2012
Tangible Assets								
Owned								
Freehold Land	60,530,587	13,277,778	-	73,808,365	-	-	-	73,808,365
Office Equipments	-	86,757	-	86,757	-	520	520	86,237
Furniture & Fixtures	-	13,680	-	13,680	-	195	195	13,485
Total	60,530,587	13,378,215	-	73,908,802	-	715	715	73,908,087
Previous Year	16,804,170	43,726,417	-	60,530,587	-	-	-	60,530,587
Capital Work in-Progress								142,808,558
								61,000,931

9.01 Capital Work in Progress:

The Company is in the process of setting up power plant projects at Raigarh, Chhattisgarh and at Hazaribagh, Jharkhand. The expenditure incurred during the construction period are classified as a "Pre-operative Expenditure" pending capitalization and will be apportioned to the assets on the completion of the projects. Necessary details as per Schedule VI to the companies Act, 1956 have been stated below:

Particulars	31.03.2012	31.03.2011
	Rs.	Rs.
Salaries & Wages	14,453,479	8,808,838
Testing Charges	930,767	-
Office Rent	12,000	12,000
Rates, Taxes & Fees	-	1,524,430
Travelling & Conveyance Expenses	4,165,334	1,489,299
Consultancy Charges	12,904,079	9,408,317
Miscellaneous Expenses	359,440	154,202
Professional Fees	75,000	-
Community Development Expenses	266,536	18,742,399
Public Hearing Expenses	11,950,794	-
Advertisement & Publicity	-	538,670
Finance Costs:		
- Interest Paid	293,394	-
- Other Borrowing Cost	36,466,492	2,050,000
	81,877,315	42,728,155
	69,688	2,548
Less:- Interest Income	81,807,627	42,725,607
Net preoperative expenses for the year	61,000,931	18,275,324
Add:- Expenditure incurred up to Previous Year	142,808,558	61,000,931
Total		

NOTE : 10 LONG TERM LOANS AND ADVANCES (UNSECURED and CONSIDERED GOOD)

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Capital Advances to;		
- Related Parties (Refer Note No. 20 (c))	335,339,446	309,839,446
- Others	83,097,989	27,719,752
	418,437,435	337,559,198
TOTAL	418,437,435	337,559,198

NOTE : 11 CASH AND BANK BALANCES

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
Cash and Cash Equivalents		
Balances with banks :		
- In Current Accounts	685,270	3,682,812
Cheques in hand	150,000,000	-
Cash on hand	21,264	13,910
	150,706,534	3,696,722
Other Bank Balance		
Fixed Deposits with Banks pledged as Margin Money *	610,000	610,000
TOTAL	151,316,534	4,306,722

* Includes Rs. Nil (Previous Year Rs. 6,10,000) having maturity period of more than 12 months.

NOTE : 12 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
(Unsecured and Considered Goods)		
Loans and Advances to Employees	70,000	120,000
Advances for Expenses	59,047	268,909
Interest Receivables	55,798	2,548
Advance Income Tax	1,644	-
TOTAL	186,489	391,457

NOTE : 13 OTHER INCOME

Particulars	Year ended 31.03.2012	Year Ended 31.03.2011
	Rs.	Rs.
Balance written back	2,352	-
Tender Fees	-	51175
TOTAL	2,352	51,175

NOTE : 14 FINANCE COST

Particulars	Year ended 31.03.2012	Year Ended 31.03.2011
	Rs.	Rs.
Interest Expenses	8,821	2,421
TOTAL	8,821	2,421



NOTE : 15 OTHER EXPENSES

Particulars	Year ended 31.03.2012	Year Ended 31.03.2011
	Rs.	Rs.
Telephone & Telex	43,399	31,158
Legal Expenses	14,645	19,640
Expenditures towards increase in Authorised Share Capital	3,430,000	-
Professional Fees	7,500	-
Payment to Auditors		
- Audit Fees	220,600	220,600
- Reimbursement of Expenses	2,924	5,519
	223,524	226,119
Office Expenses	31,325	53,313
Donations	36,002	5,000
Miscellaneous Expenses	16,192	49,006
TOTAL	3,802,587	384,236

NOTE : 16 EARNING PER SHARE

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
	Rs.	Rs.
Net Profit / (Loss) after tax (A)	(3,809,771)	(335,482)
Weighted average number of equity shares (Nos.) (B)	1,956,230	50,000
Basic and Diluted Earnings Per Share of face value of Rs.10/- each Rs. (A) / (B)	(1.95)	(6.71)

16.01 No effects have been given for the purpose of Diluted Earning Per Share in respect of 0% optionally convertible loan as the price at which the shares will be issued yet not finalized.

NOTE : 17 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.
(A) Contingent liabilities		
Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)	6,000,000	6,000,000
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis)	2,139,242,260	1,849,830,554

NOTE : 18 In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.

NOTE : 19 SEGMENT REPORTING:

The company's activities during the year revolve around setting up of the power plant projects at Raigarh, Chhattisgarh and at Hazaribag, Jharkhand. Considering the nature of the company's business and operations, there is only one reportable segment (business and/ or geographical) in accordance with the requirements of Accounting Standard - 17 "Segment Reporting" notified in the Companies (Accounting Standards) Rules, 2006.

NOTE : 20 RELATED PARTIES DISCLOSURES

(a) List of related Parties

(As certified by the Company)

I. Holding Company

Jayaswal Neco Industries Limited

II. Associate Company

Jayaswal Holdings Private Limited (up to 21.07.2011)

Jayaswal Neco Energy Private Limited (wef. 22.07.2011)

III. Key Managerial Personnel

Shri Avneesh Jayaswal (Executive Director)

IV. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year:

(Other related Parties)

Steel & Tubes Exports Limited

Deify Infrastructures Limited

JLD Yavatmal Energy Limited

Maa Usha Urja Limited

Jayaswal Holdings Private Limited (wef. 22.07.2011)

Jayaswal Neco Infrastructures Private Limited

Jayaswal Neco Steel and Mining Limited

(b) Transaction with Related Parties

(Rs.)

Nature of Transaction	Holding	Associate	Key Managerial Person	Other Related Parties	Total
Share Capital					
Equity Shares allotted during the year	136,800,000	-	-	-	136,800,000
	(-)	(-)	(-)	(-)	(-)
Other Current Liabilities					
Advance Against Share Application Money - As at 31st March, 2012	-	-	-	-	-
	(136,800,000)	(-)	(-)	(-)	(136,800,000)
Long Term Borrowings					
0% Optionally Convertible	-	-	-	150,000,000	150,000,000
Loan - Received during the year	(-)	(-)	(-)	(322,400,000)	(322,400,000)
Closing Balance as at 31st March 2012	-	-	-	472,400,000	472,400,000
	(-)	(-)	(-)	(322,400,000)	(322,400,000)
Short Term Borrowings Unsecured					
Loan- received during the year	23,893,690	-	-	-	23,893,690
	(-)	(-)	(-)	(-)	(-)
Closing Balance as at 31st March 2012	23,893,690	-	-	-	23,893,690
	(-)	(-)	(-)	(-)	(-)
Long term Loans & Advances					
Capital Advances - given during the year	-	-	-	155,500,000	155,500,000
	(-)	(-)	(-)	(309,825,200)	(309,825,200)
Capital Advances - received back	-	-	-	130,000,000	130,000,000
	(-)	(-)	(-)	(-)	(-)



Capital Advances as at 31st. March 2012	- (-)	- (-)	- (-)	335,339,446 (309,839,446)	335,339,446 (309,839,446)
Short Term Loans & Advances					
Other Advances - given during the year	- (-)	- (-)	- (-)	1,509,369 (70,400)	1,509,369 (70,400)
Other Advances - received back	- (-)	- (-)	- (-)	1,800,000 (-)	1,800,000 (-)
Closing balance as at 31st. March 2012	- (-)	- (-)	- (-)	- (226,072)	- (226,072)
Reimbursement of Expenditures to the company	24,087 (-)	- (-)	- (-)	71,326 (163,151)	95,413 (163,151)
Reimbursement of Expenditures by the company	6,333,259 (4,940,270)	- (-)	- (-)	13,663 (-)	6,346,922 (4,940,270)
Interest Paid	293,394 (-)	- (-)	- (-)	- (-)	293,394 (-)
Remuneration to paid to Director	- (-)	- (-)	2,530,128 (-)	- (-)	2,530,128 (-)

Note: Figures in brackets represent previous year's figures.

(c) Details of major transactions with Related Parties

Nature of Transaction		As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Share Capital			
Equity Shares Issued during the year	Jayaswal Neco Industries Limited	136,800,000	-
Other Current Liabilities			
Advance Against Share Application Money			
- Balance as at 31st March 2012	Jayaswal Neco Industries Limited	-	136,800,000
Long Term Borrowings (Unsecured Loan)			
0% Optionally Convertible Loan -	Jayaswal Neco Infrastructures Pvt. Limited	70,000,000	-
- Received during the year	Jayaswal Neco Steel and Mining Ltd.	80,000,000	-
- Balance as at 31st March 2012	Maa Usha Urja Limited	322,400,000	322,400,000
	Jayaswal Neco Infrastructures Pvt. Limited	70,000,000	-
	Jayaswal Neco Steel and Mining Ltd.	80,000,000	-
Short Term Borrowings			
Unsecured Loan -	Jayaswal Neco Industries Limited	23,893,690	-
- Received during the year			
- Balance as at 31st March 2012	Jayaswal Neco Industries Limited	23,893,690	-
Long term Loans & Advances			
Capital Advance			
- Paid during the year	Deify Infrastructures Limited	155,500,000	309,825,200
- Received back	Deify Infrastructures Limited	130,000,000	-

Nature of Transaction		As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
- Balance as at 31st March 2012	Deify Infrastructures Limited	335,339,446	309,839,446
Short Term Loans & Advances			
- Paid during the year	JLD Yavatmal Energy Limited	1,509,369	70,400
- Received back during the year	JLD Yavatmal Energy Limited	1,800,000	-
Reimbursement of Expenditures by the company	Jayaswal Neco Industries Limited	6,333,259	4940270
	Steel & Tubes Exports Limited	13,663	-
Interest paid	Jayaswal Neco Industries Limited	293,394	-
Remuneration paid to Director	Avneesh Jayaswal	2,530,128	-

NOTE : 21 DEFERRED TAX ASSETS/ LIABILITIES (NET)

Particulars		As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
(a) Deferred Tax Liabilities			
(i) Related to Fixed Assets		2,001	-
Total		2,001	-
(b) Deferred Tax Assets			
(i) Unabsorbed Depreciation		2,222	-
(ii) Preliminary Expenditures		23,785	38,864
Total		26,007	38,864
Net Deferred Tax Liability / (Assets)		(24,006)	(38,864)

As at 31st March, 2012, the Company has Net Deferred Tax Assets of Rs. 24,006 (Previous Year Rs. 38,864). In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Accounting Standard 22 dealing with "Accounting for Taxes on Income".

NOTE : 22 EMPLOYEE BENEFITS:

The company has not formulated any policies in respect of any retirement benefits to its employees in relation to gratuity etc and hence it has no such liabilities as at 31st March 2012.

NOTE : 23 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31.03.2012 Rs.	For the year ended 31.03.2011 Rs.
Travelling Expenses	759,115	219,991
Total	759,115	219,991

NOTE : 24 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Place : Nagpur
Date : 12th May, 2012

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director



Consolidated
Financial Statements
of
Jayaswal Neco
Industries Limited
(and its Subsidiary Company)

AUDITORS' REPORT

To,
The Board of Directors
Jayaswal Neco Industries Limited

1. We have audited the attached Consolidated Balance Sheet of JAYASWAL NECO INDUSTRIES LIMITED (the Company) and its Subsidiary (collectively referred to as "the Group") as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, as notified by Companies (Accounting Standards) Rules, 2006.
4. Based on our audit as aforesaid and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, read with significant accounting policies and notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
 - (ii) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - (iii) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)

R Koria
Membership No. - 35629
Mumbai

Date: 12th May, 2012

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)

S. R. Chhallani
Membership No. - 30154
Nagpur



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No.	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
Share Capital	2	35967.62	25085.37
Reserves and Surplus	3	86810.19	48828.44
		122777.81	73913.81
2) Non current Liabilities			
Long Term Borrowings	4	114495.02	55533.08
Deferred Tax Liabilities (Net)	5	14228.41	11912.93
Other Long Term Liabilities	6	83.94	22050.77
Long term Provisions	7	782.33	782.33
		129589.70	90279.11
3) Current Liabilities			
Short Term Borrowings	8	42889.53	54279.24
Trade Payables	9	34273.57	35781.42
Other Current Liabilities	10	27074.70	22246.84
Short Term Provisions	11	4200.56	4246.07
		108438.36	116553.57
TOTAL		<u>360805.87</u>	<u>280746.49</u>
II. ASSETS			
1) Non current assets			
Fixed Assets	12		
i) Tangible Assets		114037.41	106963.89
ii) Intangible Assets		2526.60	2855.30
iii) Capital Work in Progress		56462.07	14410.66
iv) Intangible Assets under Development		6988.62	5467.99
		180014.70	129697.84
Non Current Investments	13	0.01	0.01
Long Term Loans & Advances	14	58616.72	53357.83
		238631.43	183055.68
2) Current assets			
Current Investments	15	41.85	16.68
Inventories	16	69389.66	55777.15
Trade Receivables	17	29078.63	25687.44
Cash and Bank Balances	18	12314.54	7306.89
Short Term Loans and Advances	19	10135.02	8902.65
Other Current Assets	20	1214.74	-
		122174.44	97690.81
TOTAL		<u>360805.87</u>	<u>280746.49</u>
Significant Accounting Policies	1		
Notes to Consolidated Financial Statements	2 to 39		

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
		Rs.in lacs	Rs.in lacs
1 Revenue from Opeartions (Gross)	21	285671.45	247324.67
Less: Excise Duty/Service Tax Recovered on Sales		26622.03	21180.66
Revenue from Opeartions (Net)		259049.42	226144.01
2 Other Income	22	1547.39	1940.21
3 Total Revenue (1+2)		260596.81	228084.22
4 Expenses			
Cost of Materials Consumed	23	163755.90	126526.86
Purchase of Stock in Trade	24	2034.32	16107.91
Changes in Inventories of Finished Goods and Work in Progress	25	(5086.12)	(3685.93)
Employee Benefits Expense	26	11913.54	9678.96
Finance Costs	27	17664.15	13859.81
Depreciation and Amortization Expenses		8659.32	8433.45
Other Expenses	28	53230.02	42358.52
Total Expenses		252171.13	213279.58
5 Profit before tax (3-4)		8425.68	14804.64
6 Tax Expense :			
Current Tax		1709.94	3116.48
MAT Credit Entitlement	14.01	(938.65)	(2977.09)
Deferred Tax Liability (Net)	5	2315.48	4911.33
Income Tax of Earlier years		-	(58.10)
		3086.77	4992.62
7 Profit after tax but befor Minority Interest for the year (5-6)		5338.91	9812.02
Pre-acquisition loss transferred to Goodwill		37.05	-
Share of Minority Interest		-	1.51
Profit for the year		5,375.96	9,813.53
Earnings per Equity share of Rs.10/- each Basic and Diluted (Rs.)	29	1.95	3.94
Significant Accounting Policies	1		
Notes to Consolidated Financial Statements	2 to 39		

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	8425.68	14804.64
ADJUSTED FOR		
Depreciation and Amortization Expenses	8659.32	8433.45
Loss/(Profit) on sale of fixed asset (Net)	(539.50)	1.65
Dividend on Current Investments	(0.10)	(0.09)
Interest Income	(769.12)	(1118.45)
Other Miscellaneous Receipts	-	(0.26)
Finance Costs	17664.15	13859.81
Foreign Exchange differences	73.19	50.53
Share Issue Expenses	34.30	-
Provision for Sales Tax Deferral	664.97	492.92
Bad Debts /Advances written off	443.60	52.34
Provision for Doubtful Debts/ Advances	24.51	137.37
Excess Provision Written Back	(0.20)	(421.17)
Provision for Wealth tax	1.28	1.15
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	34682.08	36293.89
ADJUSTMENTS FOR		
Trade and Other Receivables	(4471.19)	(5147.56)
Inventories	(13612.51)	(21083.08)
Trade Payables	4765.86	32759.24
CASH GENERATED FROM OPERATIONS	21364.24	42822.49
Direct Taxes (Paid) / Refund	(3511.73)	(1816.58)
NET CASH FLOW FROM OPERATING ACTIVITIES	17852.51	41005.91
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Capital Work-in-progress	(52859.53)	(63072.20)
Sale of Fixed Assets	23.13	6.42
Sale of Investments	-	6.51
Purchase of Investments	(24.99)	-
Dividend Income	0.10	0.09
Movement in Inter Corporate Deposits (Net)	(15.18)	6619.17
Interest Income	1234.48	1067.46
NET CASH USED IN INVESTING ACTIVITIES	(51641.99)	(55372.55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed against issue of Equity Shares	21500.02	26828.60
Share Issue Expenses	(75.28)	-
Repayment of Lease Liability	(360.00)	(423.98)
Proceed from Long Term Borrowings	87302.87	9920.26
Repayment of Long Term Borrowings	(29317.78)	(13932.64)
Short Term Loans (Net)	(11951.53)	15356.92
Finance Costs	(28301.17)	(19566.69)
Margin Money (Net)	2006.11	(3005.70)
NET CASH FLOW FROM FINANCING ACTIVITIES	40803.24	15176.77
NET INCREASE IN CASH AND CASH EQUIVALENTS	7013.76	810.13
Cash and Cash Equivalents (Opening Balance)	1867.27	1057.14
Cash and Cash Equivalents (Closing Balance)	8881.03	1867.27

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Principles of Consolidation :

The consolidated financial statements relate to the Jayaswal Neco Industries Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c. The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being amortised.
- d. Minority Interest's share of net profit of consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e. Minority Interest in share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f. In case of associate where the Company holds more than 20% of equity Investments in associate are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in associates in Consolidated Financial Statements".
- g. The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealized profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

1.02 Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments"

1.03 Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

1.04 Following Subsidiary has been considered in the Consolidated Financial Statements:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Jayaswal Neco Urja Limited	India	99.82%



NOTE : 2 SHARE CAPITAL

PARTICULARS			As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Authorised				
100,00,00,000	(25,60,00,000)	Equity Shares of Rs.10/- each.	100000.00	25600.00
Nil	(60,00,000)	Preference Shares of Rs.100/- each.	-	6000.00
			<u>100000.00</u>	<u>31600.00</u>
Issued, Subscribed and Paid up				
35,96,68,963	(25,08,46,404)	Equity Shares of Rs.10/- each fully paid up.	35966.90	25084.65
Subscribed but not fully Paid up				
14,500	(14,500)	Equity Shares of Rs.10/- each, Rs.5/- per share paid-up.*	0.72	0.72
		TOTAL	<u>35967.62</u>	<u>25085.37</u>

* Unpaid calls of Rs. 5 each per share is due from other than directors.

2.01 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Amount Rs.in lacs	No. of Shares	Amount Rs.in lacs
Shares outstanding at the beginning of year	250,860,904	25085.37	236,660,904	23665.37
Add: Shares issued during the year on Preferential Basis	108,822,559	10882.25	14,200,000	1420.00
Shares outstanding at the end of year	<u>359,683,463</u>	<u>35967.62</u>	<u>250,860,904</u>	<u>25085.37</u>

2.02 Details of Shareholders, holding more than 5% shares of Paid-up Equity Share Capital of the Company

Name of Shareholders	As at 31.03.2012		As at 31.03.2011	
	No of Share held	Percentage to Capital	No of Share held	Percentage to Capital
a) Jayaswal Holdings Private Limited	43,978,951	12.23	43,978,951	17.53
b) Karamveer Impex Private Limited	28,819,000	8.01	22,224,000	8.86
c) Nine Star Plastic Packaging Services Pvt. Ltd.	25,724,600	7.15	17,129,600	6.83
d) Jayaswal Neco Metallica Private Limited	21,290,500	5.92	14,048,000	5.60
e) Avon Sales and Services Private Limited	20,065,000	5.58	13,120,000	5.23
f) Jayaswal Neco Energy Private Limited	20,312,000	5.65	12,992,000	5.18
g) Jayaswal Neco Power Private Limited	20,222,500	5.62	10,000,000	3.99
h) Anurag Sales and Services Private Limited	19,091,000	5.31	11,296,000	4.50

2.03 12,37,76,856 (previous year 12,37,76,856) shares were allotted in the last five years pursuant to various Schemes of Amalgamation and Arrangement without payment being received in cash.

2.04 Rights of Equity Shareholders

The Company has only one class of equity share having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

- 2.05 During the financial year 2010-11, the Board of Directors has approved the Scheme of Arrangement ("the Scheme") under sections 391-394 of the Companies Act, 1956, between the Company and Corporate Ispat Alloys Limited ("CIAL") providing for demerger of Steel Division of CIAL for the purpose of its merger with the Company with effect from 1st April, 2008. Necessary approvals from the Stock Exchanges under clause 24(f) of the Listing Agreement have been received. The Company has in compliance of the order of the High Court held meetings of Shareholders and Creditors of the Company on 20th April, 2012. The shareholders have unanimously approved the scheme. The creditors' meeting has been adjourned at the request of the creditors present. On obtaining the required statutory approvals and sanctions of the High Courts, and the Scheme coming into force, the Company shall issue 3,26,49,600 fully paid-up Equity Shares of Rs. 10/- each to the eligible shareholders of CIAL in the ratio of 114 Equity Shares of the Company for every 10 Equity Shares held by them in CIAL as on the record date.

NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		79.02	79.02
Capital Redemption Reserve			
Balance as per last Balance Sheet		5100.37	5100.37
Securities Premium Account			
Balance as per last Balance Sheet	6170.02		2790.42
Add: Received on issue of Equity Shares	32646.77		3379.60
Less: Share issue expenses	40.98		0.00
		38775.81	6170.02
Revaluation Reserve			
Balance as per last Balance Sheet	24.52		25.28
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	0.77		0.76
		23.75	24.52
General Reserve			
Balance as per last Balance Sheet	17586.48		17561.30
Add: MAT Credit Entitlement pursuant to Scheme of Arrangement	-		25.18
		17586.48	17586.48
Surplus			
Balance as per last Balance Sheet	19868.03		10053.74
Add: Profit for the year	5375.96		9813.53
Add: Transferred from Revaluation Reserve	0.77		0.76
		25244.76	19868.03
TOTAL		86810.19	48828.44



NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Secured			
Term Loans			
- From Banks	105175.01		47922.93
- From Financial Institutions	1215.28		1250.01
- From Others	76.53		260.08
		106466.82	49433.02
Unsecured			
Sales Tax Deferral (Under Package Scheme of Incentives)		2720.44	2079.89
0% Optionally Convertible Loans from Related Parties *		4724.00	3224.00
Long term maturities of finance lease obligations		583.76	796.17
TOTAL		114495.02	55533.08

* Refer Note No.35 (c) for details of related parties.

- 4.01 The term loans from banks, financial institutions and others referred to above aggregating to Rs. 106325.77 lacs and Rs. 13775.38 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities.
- 4.02 Term loans from Banks and Financial Institution referred to above aggregating to Rs. 99975.46 lacs and Rs. 13775.38 Lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured/to be secured by way of:
- First Charge on the moveable and immoveable fixed assets of the company, both present and future on pari-passu basis with other participating Financial Institutions/ Banks except the moveable and immoveable fixed assets created/to be created at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand.
 - First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licences including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis with other participating Financial Institutions/ Banks.
 - Charge on all the current assets of the company including raw materials, finished goods, stock-in process, trade receivable, both present and future on pari-passu basis with other participating Financial Institutions/ Banks amongst them ranking next to the charge in favour of bankers to secure their working capital loans.
- 4.03 Rs. 6350.31 Lacs secured/to be secured by way of first charge on whole of the moveable and immoveable properties, except Book Debts, Store and Spares and Stocks, both present and future relating to coking coal mines project including washery at Moitra coking coal block at North Karanpura Coalfields near Hazaribagh in Jharkhand (the project) and charge on Current Assets of the Company on pari-passu basis amongst banks funding the project ranking next to the charge in favour of bankers to secure their working capital loans.
- 4.04 Rs. 186.41 lacs secured by way of hypothecation of the specific Equipments financed.
- 4.05 Vehicle Loans aggregating to Rs. 195.65 lacs from Banks are secured by hypothecation of the specific vehicles financed.
- 4.06 Term Loans from Banks and Financial Institutions referred to above and Rs. 14040.81 lacs included in current maturities of long term debt in Note No.10 are to be repaid as under :
- Rs. 4250.00 lacs is repayable in 36 equal monthly instalments of Rs. 118.06 lacs each, ending on March, 2015.
- Rs. 7887.15 lacs is repayable in 35 equal monthly instalments of Rs. 225.35 lacs each, ending on March, 2015.
- Rs. 1275.00 lacs is repayable in 24 equal monthly instalments of Rs. 53.13 lacs each, commencing from April, 2015 and ending on March, 2017.
- Rs. 5803.75 lacs is repayable in 42 equal monthly instalments of Rs. 138.90 lacs each, ending on September, 2015.
- Rs. 1215.28 lacs is repayable in 36 equal monthly instalments of Rs. 34.72 lacs each, ending on March, 2015.

Rs. 437.00 lacs is repayable in 14 equal quarterly instalments of Rs. 30.88 lacs each, ending on September, 2015.

Rs. 5156.25 lacs is repayable in 11 equal quarterly instalments of Rs.468.75 lacs each, ending on July, 2014.

Rs. 958.33 lacs is repayable in 23 equal monthly instalments of Rs.41.67 lacs each, ending on March, 2014.

Rs. 9500.00 lacs is repayable in 19 equal quarterly instalments of Rs. 500.00 lacs each, ending on October, 2016.

Rs. 12500.00 lacs is repayable in 60 structured monthly instalments and ending on March, 2017.

Rs. 3667.75 lacs is repayable in 24 structured monthly instalments and ending on March, 2014.

Rs. 2200.00 lacs is repayable in 48 equal monthly instalments of Rs.45.83 lacs each, commencing from August, 2012 and ending on July, 2016.

Rs. 8183.80 lacs is repayable in 28 equal quarterly instalments of Rs.292.28 lacs each, commencing from January, 2013 and ending on October, 2019.

Rs. 6350.31 lacs is repayable in 48 equal monthly instalments of Rs.132.30 lacs each, commencing from July, 2014 and ending on June, 2018.

Rs. 7000.00 lacs is repayable in 22 quarterly instalments of Rs. 318.18 lacs each, commencing from December 2015 and ending in March 2021.

Rs. 43716.52 lacs is repayable in 78 equal monthly instalments of Rs. 560.47 lacs each, commencing from September, 2014 and ending on February, 2021.

Vehicle Loans included in Term Loans referred to above are repayable in 36 to 60 monthly equal instalments (including interest) as per repayment schedule.

Term Loans from Others referred to above are repayable in 24 to 36 monthly equal instalments (including interest) as per repayment schedule.

Maturity Profile of Term Loans is as under : (Rs.in lacs)

	Payable within one year	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks, Financial Institution and Others	14016.39	15983.85	19741.30	17591.98	53149.69

4.07 0% Optionally Convertible loans of the Subsidiary Company shall be converted into equity shares of the Subsidiary Company at such rate as may be determined by their Board of Directors on or before 31st March, 2016 and if not converted till that time, it shall be payable at any time thereafter on demand by the lenders.

4.08 The Minimum Lease Rentals outstanding as on 31st March, 2012 in respect of a plant having the Gross Liability of Rs. 2,324.93 lacs (Previous Year Rs. 2,324.93 lacs) taken on financial lease is as follows :

	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	360.00	360.00
(ii) Payable later than 1 year and not later than 5 years	720.00	1080.00
(iii) Payable later than 5 years	-	-
Total Minimum Lease Payments	1080.00	1440.00
Less : Future Finance Charges	283.83	471.36
Present Value of Minimum Lease Payments	796.17	968.64
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	212.41	172.47
(ii) Payable later than 1 year and not later than 5 years	583.76	796.17
(iii) Payable later than 5 years	-	-
Total Present Value of Minimum Lease Payments	796.17	968.64

General description of Lease terms :

- Lease Rentals are charged on the basis of agreed terms.
- Assets are taken on lease for a period of 5 to 10 years.



- 4.09 The Company is entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) in respect of its certain units. The liability under the Schemes as on 31st March, 2012 is Rs. 6150.51 lacs (Previous Year : Rs. 5096.14 lacs) which is provided for on the basis of its Net Present Value of Rs. 2744.86 lacs (Previous Year : Rs.2124.96 lacs). This Sales-tax liability is repayable in five equal annual instalments starting at the end of the year from the year to which it relates.

NOTE : 5 DEFERRED TAX LIABILITIES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	14378.73		13682.51
Sales Tax Deferred claimed as deduction for tax purposes but not debited to Statement of Profit & Loss	<u>1104.96</u>	15483.69	<u>888.64</u>
			<u>14571.15</u>
Deferred Tax Assets			
Unabsorbed Depreciation	-		1444.30
Items disallowed under section 43B of Income Tax Act, 1961	643.83		604.35
Provision for Doubtful Trade Receivables & Advances	447.40		468.40
Leased Asset	<u>164.05</u>		<u>141.17</u>
		1255.28	<u>2658.22</u>
Net Deferred Tax Liability		<u>14228.41</u>	<u>11912.93</u>

- 5.01 The above does not include Net Deferred Tax Assets of Rs. 0.24 lacs (Previous Year Rs 0.39 Lacs) pertaining to the Subsidiary which, in the absence of virtual certainty that sufficient future Taxable Income will be available against which Deferred Tax Assets can be realized, has not been recognised in the books of accounts of the Subsidiary in line with Accounting Standard 22 dealing with accounting for Taxes on Income. In view of the above Deferred Tax Assets of Rs. 0.24 lacs in the subsidiary can not be set off with the above Deferred Tax liability.

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Advance received against Share Application	-	22029.00
Deposits Received	18.35	21.77
Trade Payables (Retention Money)	<u>65.59</u>	-
TOTAL	<u>83.94</u>	<u>22050.77</u>

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Provision for Site Restoration Expenses	<u>782.33</u>	<u>782.33</u>
TOTAL	<u>782.33</u>	<u>782.33</u>

NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Secured			
Working Capital Loans from Banks			
i) Rupee Loans	34778.86		19633.26
ii) Foreign Currency Loan	<u>5115.65</u>	39894.51	<u>2246.00</u>
			21879.26
Short Term Loan from Bank		-	25000.00
Unsecured			
Inter Corporate Deposits taken from :			
i) Related party (Refer Note No.35 (c))	582.68		6036.73
ii) Others	<u>2245.00</u>	2827.68	<u>1363.25</u>
			7399.98
Buyer's Credit from Banks		167.34	-
TOTAL		<u>42889.53</u>	<u>54279.24</u>

- 8.01 Working Capital Loans from Banks are secured/to be secured by the hypothecation of whole of moveable properties including Stocks and Book Debts, both present and future, and by 2nd charge on immovable properties of the Company, excluding the moveable and immovable fixed assets created/to be created at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand, ranking next to the mortgage charge of Financial Institutions and Banks for securing their Term Loans.
- 8.02 All the Working Capital Loans from banks are guaranteed by some of the Directors in their personal capacities.
- 8.03 The Short Term Loan from a Bank as at 31st March, 2011 was sanctioned and disbursed for the project to be repaid out of the Long Term Project Loan in the consortium which has been repaid accordingly.

NOTE : 9 TRADE PAYABLES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Trade Payables - Micro, Small and Medium Enterprises @	-	-
- Others	<u>34273.57</u>	<u>35781.42</u>
TOTAL	<u>34273.57</u>	<u>35781.42</u>

- @ The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the said act, relating to amounts unpaid as at the year end together with Interest paid / payable have not been given.



NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Current Maturities of Long term debts		14040.81	14565.10
Current Maturities of Lease obligation		212.41	172.47
Interest Accrued but not due on borrowings		362.07	297.28
Interest Accrued and due on borrowings		-	19.39
Advances from Customers		2002.31	2330.16
Creditors for Capital Goods		1033.73	1051.03
Other Payables			
Statutory Liabilities	1896.34		1050.93
Deposits Received	1015.00		15.00
Book Overdraft	1518.07		-
Others	* 4993.96		2745.48
		9423.37	3811.41
TOTAL		27074.70	22246.84

* Mainly includes Payable to Employees and Provision for Expenses.

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Provision for Employee Benefits	1662.72	1292.32
Provision for Income Tax	-	1114.28
Provision for Wealth tax	1.28	1.15
Provision for Excise Duty	2139.81	1441.57
Other Provisions	* 396.75	396.75
TOTAL	4200.56	4246.07

* Includes provision for Entry Tax and Cess on Metallurgical Coke

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The excise duty payable on clearance of goods lying in stock as at 31st March, 2011 was of Rs. 1441.57 lacs as per the estimated pattern of despatches. During the year Rs.1441.57 lacs was utilised for clearance of goods. Liability recognised under this clause for the year is Rs. 2139.81 lacs which is outstanding as on 31st March, 2012. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

(Rs.in lacs)

NOTE : 12 FIXED ASSETS

Particulars		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Asat 01.04.2011		Additions	Deduction/ Adjustment	Asat 31.03.2012	Upto 31.03.2011	For the Year	Deduction/ Adjustment	Upto 31.03.2012	Asat 31.03.2012	Asat 31.03.2011	
a)	Tangible Assets										
	Owned										
	Land	2611.12		1315.12	-	-	-	-	3926.24	2611.12	
	Buildings	18647.48		316.94	3566.40	595.41	-	4161.81	14802.61	15081.08	
	Railway Sidings	3212.86		-	1999.77	152.60	-	2152.37	1060.49	1213.09	
	Plant & Equipments	125355.37		13681.28	38760.36	7205.34	263.80	45701.90	93037.23	86595.01	
	Office Equipments	334.92		24.35	151.98	16.53	-	168.51	188.98	182.94	
	Furniture & Fixtures	417.58		28.57	272.95	29.90	-	302.85	143.30	144.63	
	Vehicles	686.33		44.47	369.32	43.88	2.83	410.37	316.04	317.01	
	Sub-Total	151265.66	15410.73	303.69	166372.70	8043.66	266.63	52897.81	113474.89	106144.88	
	Leased										
	Land	331.90		-	56.52	3.39	-	59.91	271.99	275.38	
	Plant & Equipments	2324.93		-	1781.30	253.10	-	2034.40	290.53	543.63	
	Sub-Total	2656.83		-	1837.82	256.49	-	2094.31	562.52	819.01	
	Total (A)	153922.49	15410.73	303.69	169029.53	8300.15	266.63	54992.12	114037.41	106963.89	
b)	Intangible Assets :										
	Goodwill										
	(on consolidation)	0.98	37.05		-	-	-	-	38.03	0.98	
	Process Development*	3400.28	-		3221.59	178.69	-	3400.28	-	178.69	
	Softwares**	39.73	1.75		15.78	10.92	-	26.70	14.78	23.95	
	Technical Know-How**	642.21	-		175.12	33.91	-	209.03	433.18	467.09	
	Indefeasible Right to Use**	981.39	-		45.94	62.51	-	108.45	872.94	935.45	
	Mining Rights	1381.00	-		131.86	81.47	-	213.33	1167.67	1249.14	
	Total (B)	6445.59	38.80		3590.29	367.50	-	3957.79	2526.60	2855.30	
	Total (A+B)	160368.08	15449.53		50548.89	8667.65	266.63	58949.91	116564.01	109819.19	
	Previous Year	155072.68	5308.26		42113.36	8440.33	4.80	50548.89	109819.19		
C) Capital Work-in-progress									56462.07	14410.66	
D) Intangible Assets under Development									6988.62	5467.99	

* Internally generated

** Other than internally generated



- 12.01 Buildings include cost of building aggregating to Rs. 144.43 lacs, constructed on land, ownership of which does not vest with the Company.
- 12.02 Indefeasible Right to Use represents the cost incurred by the Company for the exclusive right of usage of certain piece of lands during the contract period.
- 12.03 Addition to Plant and Equipments includes interest aggregating to Rs 1968.92 Lacs (Previous Year Nil)
- 12.04 The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.77 Lacs (Previous Year Rs. 0.76 Lacs) and an equivalent amount has been withdrawn from Revaluation Reserve credited to Surplus.
- 12.05 During the year Softwares and Office Equipments amounting to Rs.17.40 lacs and Rs. 1.42 lacs (Gross Block) respectively have been regrouped from Plant & Equipments.

12.06 Capital Work-in-progress includes :

	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Material at site	94.04	779.87
Building under Construction	1142.42	1145.43
Plant & Equipments under installation	39707.15	5549.86
Pre-operative Expenses	15518.46	6935.50
TOTAL :	56462.07	14410.66

12.07 Intangible Assets under Development :

	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Mining Rights	5091.93	4851.08
Pre-operative Expenses	1896.69	616.91
TOTAL :	6988.62	5467.99

- 12.08 The Company has undertaken Projects for enhancement of Capacities of its Integrated Steel Plant in Chhattisgarh by expanding its Steel Melt Shop, Rolling Mills, Sponge Iron Plant, Captive Power Plants, Coal Washeries, and developing its Coal and Iron Ore Mines (the Projects). Further , the subsidiary is also engaged in setting up the Power Plant Project in Raigarh, Chhattisgarh and in Hazaribagh, Jharkhand. Since the projects are under construction stage, the expenditure incurred towards construction of projects have been considered as Pre-operative Expenditure, the details of which are as under:

Particulars	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
Remuneration and Benefits to Employees	1143.67	336.89
Repairs & Maintenance - Buildings	1.11	1.21
Repairs & Maintenance - Others	14.34	15.78
Rates, Taxes and Fees	3.28	18.10
Travelling and Conveyance	45.22	47.99
Power & Fuel	29.72	159.38
Wages	16.47	22.91
Legal & Professional	334.17	294.33
Insurance	0.18	-
Miscellaneous Expenses	74.86	86.36
Depreciation	8.33	6.88

Particulars	31.03.2012	31.03.2011
	(Rs.in lacs)	(Rs.in lacs)
Finance Costs	10869.94	5617.61
	12541.29	6607.44
Less : Miscellaneous Income	0.04	0.03
Interest Income 0.70	0.02	
Trial Run Power used for Manufacturing	104.88	-
Preoperative Expenses for the year	12435.67	6607.39
Add : Preoperative Expenses upto Previous Year	7552.41	945.02
	19988.08	7552.41
Less : Allocated during the year	2572.93	-
TOTAL :	17415.15	7552.41

12.09 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2012.

NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS			As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.in lacs	Rs.in lacs	Rs.in lacs
	Face Value			
	Number of Shares			
	31.03.2012	31.03.2011		
Trade Investments (Unquoted, Fully Paid Up)				
In Equity Shares - Others				
Punjab & Maharashtra Co-operative Bank Ltd.	40	40	25	0.01
The City Co-operative Bank Ltd. (Rs. 250)10	10	25	0.00	0.01
TOTAL			0.01	0.01

13.01 Aggregate Amount of Unquoted Investments 0.01 0.01

NOTE : 14 LONG TERM LOANS & ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Capital Advances			
To Related Parties (Refer Note No.35 (c))	49939.31		46014.30
To Others	2028.85		1152.29
		51968.16	47166.59
Deposits			
Considered good	819.03		800.36
Doubtful	-		6.41
	819.03		806.77
Less: Provision for Doubtful Deposits	-		6.41
		819.03	800.36
MAT Credit Entitlement		5829.53	5390.88
TOTAL		58616.72	53357.83



14.01 Presently the company is liable to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on "Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the Institute of Chartered Accountants of India, Rs. 938.65 lacs being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at March 31st, 2012 is Rs.6329.53 lacs (Previous Year Rs. 5390.88 lacs).

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS

				As at 31.03.2012	As at 31.03.2011
			Rs. Rs.in lacs	Rs.in lacs	
	Number of Shares	Face			
	31.03.2012	31.03.2011	Value		
In Equity Shares - Fully Paid Up (Quoted)					
Antarctica Graphics Limited	53000	53000	1	0.53	0.53
Datar Switchgears Limited	2200	2200	10	1.05	1.05
Elbee Services Limited	1400	1400	10	1.96	1.96
Essar Steel Limited	60	60	10	0.03	0.03
Ispat Industries Limited	60	60	10	0.01	0.01
Jindal Steel & Power Limited	100	100	5	0.55	0.56
JSW Steel Limited	8	8	10	0.01	0.01
Kirloskar Ferrous Industries Limited	100	100	5	0.02	0.02
Tata Steel Limited	135	135	10	0.41	0.41
Tourism Finance Limited	3000	3000	10	0.90	0.90
Triveni Sheet Glass Limited	1000	1000	10	1.00	1.00
Usha Martin Limited	100	100	10	0.05	0.05
Other Investments - Unquoted					
In Preference Shares - Fully Paid Up					
Ispat Industries Limited (Rs.400)	40	40	10	0.00	0.00
In Units					
SBI One India Fund	100000	100000	10	10.00	10.00
SBI Infrastructure Bond	50000	50000	10	5.00	5.00
Union KBC Mutual Fund (EFGR)	278704	-	10	25.00	-
				46.52	21.53
Less : Provision for diminution in the value				4.67	4.85
TOTAL				41.85	16.68
15.01 Aggregate Amount of Quoted Investment				1.85	1.68
15.02 Aggregate Market Value of Quoted Investment				18.02	23.11
15.03 Aggregate Amount of Unquoted Investment				40.00	15.00

NOTE : 16 INVENTORIES

PARTICULARS	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Raw Materials	23386.92	20692.99
Raw Materials-in-transit	17232.77	11800.89
Work-in-progress	3317.99	2558.20
Finished Goods	18096.83	13814.44
Finished Goods-in-transit	64.61	20.67
Stores, Spares and Consumables	7290.54	6889.96
TOTAL	69389.66	55777.15

16.01 Broad Heads of Work-in-Progress

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	3130.72	2407.18
Coke	117.72	91.79
Sponge Iron	69.55	59.23
TOTAL	3317.99	2558.20

16.02 Broad Heads of Finished Goods

Particulars	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	1614.98	1605.70
Pig Iron/Skull	1820.21	2815.77
Billets/ Rolled Products	11578.44	7447.89
Sponge Iron	1239.61	1945.08
Others	1843.59	-
TOTAL	18096.83	13814.44

NOTE : 17 TRADE RECEIVABLES

(Unsecured and subject to confirmation)

PARTICULARS	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Outstanding for a period exceeding six months			
Considered good	1160.18		1193.56
Considered doubtful	546.04		622.84
	1706.22		1816.40
Less : Provision for Doubtful Receivables	546.04		622.84
		1160.18	1193.56
Other receivables - considered good		27918.45	24493.88
TOTAL		29078.63	25687.44



NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
in Current Accounts	6739.74		1760.88
in Fixed Deposit Accounts	<u>6.30</u>		<u>74.69</u>
	6746.04		1835.57
Cheques in hand	2040.00		-
Cash on hand	<u>94.99</u>		<u>31.70</u>
		8881.03	1867.27
Fixed Deposits with Banks pledged as Margin Money *		3433.51	439.62
TOTAL		<u>12314.54</u>	<u>7306.89</u>

* Includes Rs. 278.65 lacs (Previous Year Rs. 245.24 lacs) having maturity period of more than 12 months.

NOTE : 19 SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS	As at 31.03.2012 Rs.in lacs	As at 31.03.2012 Rs.in lacs	As at 31.03.2011 Rs.in lacs
Loans and advances to Related Parties (Refer Note No.35 (c))		1356.22	1312.76
Loans and advances to Others			
To Suppliers	5476.78		5421.97
Prepaid expenses	166.80		36.97
Balances with Central Excise Authorities	195.58		384.69
Advance Payment of Income-tax (Net)	686.36		-
Other advances recoverable in cash or in kind or for value to be received	<u>1467.08</u>		<u>1610.05</u>
	7992.60		7453.68
Considered doubtful	<u>823.47</u>		<u>777.82</u>
	8816.07		8231.50
Less : Provision for Doubtful Advances	<u>823.47</u>		<u>777.82</u>
		7992.60	7453.68
Deposits			
Considered good	286.20		136.21
Doubtful	<u>9.44</u>		<u>9.44</u>
	295.64		145.65
Less: Provision for Doubtful Deposits	<u>9.44</u>		<u>9.44</u>
		286.20	136.21
MAT Credit Entitlement (Refer Note No.14.01)		500.00	-
TOTAL		<u>10135.02</u>	<u>8902.65</u>

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2012	As at 31.03.2011
Receivables against sale of Fixed Assets	652.92	-
Others	561.82	-
TOTAL	1214.74	-

NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Sale of Products	284950.40	247289.23
Sale of Services - (Project Consultancy)	700.19	-
Other Operating Revenues - Export Incentives	20.86	35.44
TOTAL	285671.45	247324.67

21.01 Broad Heads of Sale of Products

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	55124.07	47911.19
Pig Iron / Skull	74004.28	60515.80
Billets/ Rolled Products	107512.49	78005.21
Steel	-	14103.79
Sponge Iron	39685.43	38719.72
Power	4339.21	4116.81
Others	4284.92	3916.71
TOTAL	284950.40	247289.23

NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Interest Income	769.12	1118.45
Dividend on Current Investments	0.10	0.09
Gain on Foreign Exchange Fluctuation (Net)	-	309.42
Profit on Sale of Fixed Assets (Net)	539.50	-
Excess Provision written back	0.20	421.17
Other Miscellaneous Receipts	238.47	91.08
TOTAL	1547.39	1940.21



NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	18052.51	16673.59
Iron Ore	68039.30	53163.72
Metallurgical Coke	56663.33	42542.61
Coal and Coke	9009.65	3732.45
Others	11991.11	10414.49
TOTAL	163755.90	126526.86

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Purchase of Stock in Trade		
Iron & Steel Castings	1304.79	1435.30
Pig Iron / Skull	479.32	540.84
Coal	16.24	-
Steel	-	13936.44
Others	233.97	195.33
TOTAL	2034.32	16107.91

NOTE : 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Closing Inventories			
Finished Goods	18161.44		13835.11
Work-in-progress	3317.99		2558.20
		21479.43	16393.31
Opening Inventories			
Finished Goods	13835.11		10036.42
Work-in-progress	2558.20		2670.96
		16393.31	12707.38
Increase in Inventories		5086.12	3685.93

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Salaries, Wages and Allowances	9227.47	7354.09
Contribution to P.F. and Other Funds	1323.44	1025.52
Welfare and Other Amenities	1362.63	1299.35
TOTAL	11913.54	9678.96

26.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs. in lacs	Rs. in lacs
Defined Contribution Plan		
Employer's Contribution to Provident Fund, ESIC and Other Funds	830.15	720.31
Employer's Contribution to Superannuation Fund	-	115.12

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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.

Particulars	As at 31.03.2012	As at 31.03.2011
	(Funded)	(Funded)
Reconciliation of Opening and Closing balance of Defined Benefit Obligation.		
Defined Benefit Obligation at the beginning of the year	1329.95	1096.04
Current Service Cost	273.32	176.97
Interest Cost	104.49	75.62
Benefit Paid	(47.65)	(49.76)
Actuarial Losses / (Gain)	138.48	31.08
Defined Benefit Obligation at year end.	1798.59	1329.95
Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	555.67	472.44
Expected Return on Plan Assets	62.93	46.40
Employer Contribution	228.33	89.92
Benefit paid	(47.65)	(49.76)
Actuarial gain /(loss) on Plan Assets	2.12	(3.33)
Fair Value of Plan Assets at year end.	801.40	555.67
Reconciliation of Fair Value of assets and obligations		
Fair Value of Plan Assets	801.40	555.67
Present Value of Funded Obligations	1798.59	1329.95
Amount recognised in the Balance Sheet	997.19	774.28
Expense recognized in Statement of Profit & Loss Account		
Current Service Cost	273.32	176.97
Interest on Defined Benefit Obligation	104.49	75.62
Expected return On Plan Assets	(62.93)	(46.40)
Net Actuarial Losses / (Gains) Recognised in year	136.36	34.41
Total included in "Remuneration and benefits to Employees "	451.24	240.60



Amounts for the current and previous periods are as follows :

	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Defined Benefit Obligation	1798.59	1329.95	1096.04	911.03	577.41
Plan Assets	801.40	555.67	472.44	360.41	280.01
Surplus/(Deficit)	(997.19)	(774.28)	(623.60)	(550.62)	(297.40)
Experience adjustment on Plan Assets (Gain)/Loss	*	*	*	*	*
Experience adjustment on Plan Liabilities Gain/ (Loss)	*	*	*	*	*
Actuarial Assumptions					
				31.03.2012	31.03.2011
Mortality Table (LIC)				1994-96	1994-96
				(Ultimate)	(Ultimate)
Discount rate (per annum)				8.00%	8.00%
Expected Rate of escalation in Salary (per annum)				8.00%	8.00%
Expected rate of return on Plan Assets (per annum)				9.30%	9.20%

* The details are not furnished as the informations are not available with the Company

26.02 The subsidiary company has not formulated any policies in respect of any retirement benefits to its employees in relation to gratuity etc. and hence it has no such liabilities as at March 31, 2012.

NOTE : 27 FINANCE COSTS

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
Interest Paid	15071.94	12693.58
Lease Finance Charges	187.53	221.67
Other Borrowing Costs	2404.68	944.56
TOTAL	17664.15	13859.81

NOTE : 28 OTHER EXPENSES

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	21327.15		16196.89
Power and Fuel	9586.03		7767.92
Excise Duty	698.24		474.66
Repairs and Maintenance -			
Buildings	92.50		103.29
Plant and Equipments	5002.15		5439.72
Others	6.04		6.78
Royalty and Cess	927.99		751.90
Internal Material Movement	2113.46		2059.32
Other Manufacturing Expenses	1459.28		1431.25
		41212.84	34231.73

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs	Rs.in lacs
SELLING AND DISTRIBUTION EXPENSES			
Advertisement & Publicity	115.17		76.23
Commission and Discount	275.66		289.54
Sales Promotion Expenses	82.53		103.71
Freight and Forwarding	4689.83		3567.77
Provision for Sales Tax Deferral	664.97		492.92
		5828.16	4530.17
ADMINISTRATIVE EXPENSES			
Rent	170.45		131.40
Rates and Taxes	99.01		94.70
Insurance	133.94		106.30
Foreign Currency Fluctuation (Net)	1750.29		-
Printing and Stationery	76.57		56.24
Communication	130.82		135.18
Travelling and Conveyance	1036.85		861.15
Vehicle Maintenance	217.46		178.32
Legal and Professional Charges	936.62		702.07
Payments to Auditors	57.06		53.57
Security Expenses	219.98		176.32
Miscellaneous	673.04		408.03
		5502.09	2903.28
OTHER EXPENSES			
Bank Charges & Commission	169.27		494.63
Bad Debts / Advances written off	443.60		52.34
Provision for Doubtful Debts/Advances	24.51		137.37
Loss on Sale of Fixed Assets (Net)	-		1.65
Expenditures towards increase in Authorised Share Capital	34.30		-
Donations	15.25		7.35
		686.93	693.34
TOTAL		53230.02	42358.52

NOTE : 29 EARNING PER SHARE

PARTICULARS		Year ended 31.03.2012	Year ended 31.03.2011
		Rs. in lacs	Rs. in lacs
Net Profit for the year	(A)	5375.96	9813.53
Weighted average number of equity shares (Nos.)	(B)	275,624,964	249,032,411
Basic and Diluted Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	1.95	3.94



NOTE : 30 CONTINGENT LIABILITIES AND COMMITMENTS

	31.03.2012 (Rs.in lacs)	31.03.2011 (Rs.in lacs)
A Contingent Liabilities (To the extent not provided for) :		
(No cash outflow is expected except stated otherwise)		
a. Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation.)	2894.36	2799.35
b. Corporate Guarantee (Given to Banks against the borrowings taken by one of the related party)	1181.00	1181.00
c. Demands not acknowledged as debts		
i) Disputed Excise Duty and Service Tax	2724.49	2527.31
ii) Disputed Sales Tax	2971.85	1381.64
iii) Disputed Customs Duty (Relating to cess on Metallurgical Coke)	787.30	761.65
iv) Other Disputed Demands (Mainly related to demand of Cess on Power and Electricity Duty.)	1680.91	1723.26
v) Third Party Claims (Matters are pending before various forum.)	407.21	321.61
d. Liability in respect of Bills Discounted	14323.71	8158.92
e. Letters of credit opened in favour of suppliers (Cash flow is expected on receipt of material from suppliers)	41634.26	9790.07
B Capital Commitments :		
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis)	156620.13	148776.24

NOTE : 31 The Consolidated Accounts have been prepared in accordance with accounting standard (AS) 21 on Consolidated Financial statements notified in the Companies (Accounting Standards) Rules 2006.

NOTE : 32 In the opinion of the management, Current Assets and Loans and Advances are of the value stated, if realised in the ordinary course of business.

NOTE : 33 i) Derivative Contracts entered into by the Company and outstanding	5115.65	2246.00
ii) Foreign Currency exposures that are not hedged by derivatives instruments are as under :		
a) Receivable :	123.20	573.63
b) Payable :	16138.76	234.90
iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - Rs. 75.42 lacs (Rs 20.45 Lacs)		

NOTE : 34 Segment Reporting :

- A. Segment information as per Accounting Standard - 17 on Segment Reporting :
Information provided in respect of revenue items for the year ended 31st March 2012 and in respect of assets / liabilities as at 31st March, 2012.

Information about Primary (Product wise) segments :

(Rs. In lacs)

	Steel	Iron & Steel Castings	Others	Unallo- cated	Elimina- tions	Total
1. REVENUE						
External Sales	229877.61 (198552.03)	55793.84 (48772.64)	- (-)	- (-)		285671.45 (247324.67)
Inter-segment sales	6026.76 (4123.00)	212.45 (157.81)	- (-)	- (-)	-6239.21 (-4280.81)	- (-)
Total Revenue	235904.37 (202675.03)	56006.29 (48930.45)	- (-)	- (-)	-6239.21 (-4280.81)	285671.45 (247324.67)
2. RESULTS						
Segment Results	22470.51 (24910.60)	3200.24 (3328.51)	- (-)	- (-)		25670.75 (28239.11)
Unallocated Corporate Expenses	- (-)	- (-)	38.04 (3.84)	721.84 (98.23)		759.88 (102.07)
Managerial Remuneration	- (-)	- (-)	- (-)	131.41 (105.28)		131.41 (105.28)
Operating Profit / (Loss)						24779.46 (28031.76)
Finance Costs	- (-)	- (-)	0.09 (0.02)	17664.06 (14354.42)		17664.15 (14354.44)
Other Income	- (-)	- (-)	0.02 (0.51)	1310.35 (1126.81)		1310.37 (1127.32)
Tax Expenses (Including Deferred Tax)	- (-)	- (-)	- (-)	3086.77 (4992.62)		3086.77 (4992.62)
Net Profit / (-) Loss						5338.91 (9812.02)
3. OTHER INFORMATION						
Segment Assets	306313.14 (237524.33)	37941.39 (30913.30)	7,863.63 (4637.89)	- (-)		352118.16 (273075.52)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	8687.71 (9665.24)		8687.71 (9665.24)
Total Assets						360805.87 (282740.76)
Segment Liabilities	45332.02 (42476.10)	9091.91 (7231.14)	6,298.01 (3262.24)	- (-)		60721.94 (52969.48)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	177306.12 (155857.47)		177306.12 (155857.47)
Total Liabilities						238028.06 (208826.95)
Capital Expenditure	56769.41 (63362.16)	1266.19 (1028.61)	985.97 (4051.80)	- (-)		59021.57 (68442.57)
Depreciation	7487.06 (7327.23)	1168.13 (1102.10)	0.01 (-)	4.12 (4.12)		8659.32 (8433.45)
Non-cash Expenses other than Depreciation	- (-)	- (-)	- (-)	- (-)		- (-)

Note : Figures in brackets represent previous year's amounts.



B. Segment Identification, Reportable Segments and definition of each segment :

i. Primary / Secondary Segment Reporting Format :

- a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.

ii. Reportable Segments :

Segments have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.

iii. Segment Composition :

- a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh, Jharkhand and Maharashtra.
- b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.
- c) "Other" represents the upcoming power projects at Raigarh, Chhattisgarh and at Hazaribagh, Jharkhand.

NOTE : 35 Related Party Disclosures :

A. List of related parties :

(As certified by the Company)

I. Associate Companies

Maa Usha Urja Limited

II. Key Management Personnel

Shri B.L. Shaw

Shri Arbind Jayaswal

Shri Ramesh Jayaswal

Shri P.K. Bhardwaj

Shri Avneesh Jayaswal (Relative of Key Management Personnel)

III. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :

(Other related parties)

Abhijeet Infrastructure Limited

Neco Heavy Engineering and Castings Ltd.

Neco Ceramics Limited

NSSL Limited

JLD Yavatmal Energy Limited

North Karnapura Coal Company Limited

Deify Infrastructures Limited

Jayaswal Neco Mettals Private Limited

(Formerly - Nilhat Commodities Private Limited)

Apex Spinning Mills Private Limited

Avon Sales and Services Private Limited

Jyotikant Investments Private Limited

Jayaswal Neco Infrastructures Private Ltd.

Jayaswal Neco Steel and Mining Limited

AMR Iron and Steel Private Limited

Neco Mining Company Limited

Steel & Tube Exports Limited

Corporate Ispat Alloys Limited

Jayaswal Neco Power Holding Company Limited

(Formerly - Neco Industries Limited)

Jayaswal Holdings Private Limited

Anurag Sales and Services Private Limited

Karamveer Impex Private Limited

Nine Star Plastic Packaging Services Pvt. Limited

Vibrant Electronics Limited

Jayaswal Neco Energy Private Limited

Jayaswal Neco Power Private Limited

Terra Infra Development Limited

B. Transactions with Related Parties :

(Rs. In lacs)

Nature of transaction	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Share Allotted during the year	-	29774.20	-	29774.20
	(-)	(-)	(-)	-
Advance received against Share Application	-	-	-	-
	(-)	(21029.00)	(-)	(21029.00)
Investments - Sold during the year	-	-	-	-
	(-)	(6.51)	(-)	(6.51)
Corporate Guarantees Given	1181.00	-	-	1181.00
	(1181.00)	(-)	(-)	(1181.00)
Unsecured Loans				
Taken during the year	-	2444.43	-	2444.43
	(3224.00)	(6450.68)	(-)	(9674.68)
Repaid during the year	-	6398.48	-	6398.48
	(-)	(452.97)	(-)	(452.97)
Balance as on 31st March 2012	-	2082.68	-	2082.68
	(3224.00)	(6036.73)	(-)	(9260.73)
Fixed Assets				
Purchase of Fixed Assets	-	31876.52	(-)	31876.52
	(-)	(4536.43)	(-)	(4536.43)
Sale of Fixed Assets	-	-	-	-
	(-)	(-)	(-)	-
Purchase of Goods & Services				
Purchase of Goods	2425.58	9224.53	-	11650.11
	(2001.62)	(10151.68)	(-)	(12153.30)
Other Manufacturing Expenses	-	108.78	-	108.78
	(-)	(34.16)	(-)	(34.16)
Sale of Goods & Services				
Sale of Goods & Services	2.02	15334.61	-	15336.63
	(0.31)	(20968.81)	(-)	(20969.12)
Trade Payables				
Balance as on 31st March 2012	320.39	2675.21	-	2995.60
	(-)	(631.69)	(-)	(631.69)
Deposit Received as on 31st March 2012	-	15.00	-	15.00
	(-)	(15.00)	(-)	(15.00)
Advances Recoverable in cash or in kind				
Balance as on 31st March 2012	-	1356.22	-	1356.22
	(-)	(1315.72)	(-)	(1315.72)
Capital Advances				
Balance as on 31st March 2012	-	49939.31	-	49939.31
	(-)	(46014.30)	(-)	(46014.30)
Trade Receivables				
Balance as on 31st March 2012	-	4000.10	-	4000.10
	(31.64)	(2836.06)	(-)	(2867.70)



Nature of transaction	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Income				
Rent Received	-	0.90	-	0.90
	(-)	(1.14)	(-)	(1.14)
Interest Received	-	19.42	-	19.42
	(-)	(711.40)	(-)	(711.40)
Commission Received	5.91	-	-	5.91
	(5.91)	(0.95)	(-)	(6.86)
Reimbursement of Expenses to the Company	124.57	2047.04	-	2171.61
	(122.79)	(1482.88)	(-)	(1605.67)
Expenditure				
Payment of Salaries / Perquisites	-	-	256.71	256.71
	(-)	(-)	(126.44)	(126.44)
Commission Paid	-	29.10	-	29.10
	(-)	(-)	(-)	(-)
Sitting Fees	-	-	0.10	0.10
	(-)	(-)	(0.25)	(0.25)
Service Charges	-	4.28	-	4.28
	(-)	(3.94)	(-)	(3.94)
Vehicle Hire Charges	-	2.59	-	2.59
	(-)	(-)	(-)	(-)
Rent Paid	-	-	13.20	13.20
	(-)	(-)	(9.98)	(9.98)
Interest Paid	-	54.92	-	54.92
	(-)	(21.29)	(-)	(21.29)
Reimbursement of Expenses by the Company	0.20	88.50	-	88.70
	(1.60)	(76.32)	(-)	(77.92)

Note : Figures in brackets represent previous year's amounts.

C. Details of major transactions with Related Parties :

	31.03.2012	31.03.2011
	(Rs.in lacs)	(Rs.in lacs)
Share Allotted during the year		
Avon Sales and Services Private Limited	2778.00	-
Anurag Sales and Services Private Limited	3118.00	-
Apex Spinning Mills Private Limited	2388.00	-
Nine Star Plastic Packaging Services Private Limited	3438.00	-
Karamveer Impex Private Limited	2638.00	-
Jayaswal Neco Metallica Private Limited	2897.00	-
Jayaswal Neco Energy Private Limited	2928.00	-
Jayaswal Neco Power Private Limited	4089.00	-
Jayaswal Neco Steel and Mining Limited	2500.00	-
Jayaswal Neco Infrastructures Private Limited	3000.20	-
Corporate Guarantee Given		
Balance as on 31st March, 2012 Maa Usha Urja Limited	1181.00	1181.00

		31.03.2012	31.03.2011
		(Rs.in lacs)	(Rs.in lacs)
Unsecured Loans taken	AMR Iron and Steel Private Limited	944.43	550.68
	Jayaswal Neco Infrastructures Private Limited	700.00	-
	Jayaswal Neco Steel and Mining Limited	800.00	-
	Maa Usha Urja Limited	-	3224.00
Unsecured Loans repaid	Corporate Ispat Alloys Limited	5900.00	452.97
Unsecured Loans			
Balance as on 31st March, 2012	AMR Iron and Steel Private Limited	582.68	136.73
	Corporate Ispat Alloys Limited	-	5900.00
	Maa Usha Urja Limited	3224.00	3224.00
	Jayaswal Neco Infrastructures Ltd	700.00	-
	Jayaswal Neco Steel and Mining Limited	800.00	-
Purchase of Fixed Assets	Deify Infrastructures Limited	31368.74	4520.68
Purchase of Goods	NSSL Limited	2428.94	3051.32
	Maa Usha Urja Limited	2425.58	2001.62
	Neco Heavy Engineering and Castings Limited	1526.16	1347.94
	Corporate Ispat Alloys Limited	3155.83	3625.54
Sale of Goods	NSSL Limited	9200.65	8541.05
	Corporate Ispat Alloys Limited	4266.29	10989.62
	Neco Heavy Engineering and Castings Limited	1845.50	1436.60
Other Manufacturing Expenses	NSSL Limited	108.78	29.05
Trade Payables	Corporate Ispat Alloys Limited	2671.76	361.51
	Maa Usha Urja Limited	320.39	-
Deposits Received	Neco Heavy Engineering and Castings Limited	15.00	15.00
Advances Recoverable			
Balance as on 31st March 2012	Abhijeet Infrastructure Limited	899.79	971.52
	Neco Ceremics Limited	331.15	173.41
	North Karnapura Coal Company Limited	110.10	110.06
	JLD Yavatmal Energy Limited	-	46.85
	Vibrant Electronics Limited	-	7.75
	Neco Heavy Engineering & Castings Limited	-	3.17
	Terra Infra Development Limited	15.18	-
Capital Advances	Deify Infrastructures Limited	49939.31	46014.30
Trade Receivables	NSSL Limited	3444.00	2668.55
	Neco Heavy Engineering and Castings Limited	556.10	155.99
Rent Received	Neco Heavy Engineering and Castings Limited	0.90	1.14
Interest Received	Corporate Ispat Alloys Limited	19.42	711.40
Commission Received	Maa Usha Urja Limited	5.91	5.91
Payment of Salaries/Perquisites	Arbind Jayaswal	103.38	51.60
	Ramesh Jayaswal	101.60	51.60
	P.K.Bhardwaj	26.43	23.24
	Avneesh Jayaswal	25.30	-



		31.03.2012	31.03.2011
		(Rs.in lacs)	(Rs.in lacs)
Commission Paid	Deify Infrastructures Limited	29.10	-
Sitting Fees	B. L. Shaw	0.10	0.25
Service Charges	Steel and Tube Exports Limited	4.28	3.94
Vehicle Hire Charges	Abhijeet Infrastructure Limited	1.99	-
	Corporate Ispat Alloys Limited	0.60	-
Rent Paid	Arbind Jayaswal	6.60	4.43
	Ramesh Jayaswal	6.60	4.43
Interest Paid	AMR Iron and Steel Private Limited	54.92	21.29

NOTE : 36 Dividend accrued on Redeemable Preference Shares not provided for :

Particulars	31.03.2012	31.03.2011
	(Rs.in lacs)	(Rs.in lacs)
1 16% Redeemable Cumulative Preference Shares	1700.51	1700.51
2 0.0001% Cumulative Redeemable Preference Shares	0.01	0.01
TOTAL	1700.52	1700.52

NOTE : 37 Details of Prior Period expenditures :

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs. in lacs	Rs. in lacs
Welfare and Other Amenities	0.70	0.07
Interest Paid	1.77	-
Consumables, Stores and Spares Consumed	0.03	-
Repairs and Maintenance - Plant & Equipment	0.14	-
Repairs and Maintenance - Others	0.10	-
Other Manufacturing Expenses	1.58	(0.17)
Freight and Forwarding	0.58	-
Rent	1.22	-
Rates and Taxes	0.64	-
Communication	2.29	0.10
Travelling and Conveyance	0.31	-
Vehicle Maintenance	4.23	-
Legal and Professional Charges	16.95	-
Security Expenses	1.77	-
Miscellaneous	0.29	0.25
TOTAL	32.60	0.25

NOTE : 38 Details of Excise Duty/ Service Tax Recovered on Sales :

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.in lacs	Rs.in lacs
a) Shown as reduction from turnover	26622.03	21180.66
b) Charged to Statement of Profit and Loss on account of difference in stock	698.24	474.66

NOTE : 39 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director and
Chief Finance Officer

Nagpur, 12th May, 2012

JAYASWAL NECO INDUSTRIES LIMITED

Registered Office : F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.



ATTENDANCE SLIP

(Shareholders attending the meeting in person or by Proxy are requested to fill in and sign the Attendance Slip and hand it over at the entrance of the Meeting Hall).

I hereby record my presence at the Thirty Ninth Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2012 at 12.30 P.M. at the Registered Office of the Company situated at F-8 MIDC Industrial Area, Hingna Road, Nagpur – 440 016.

Folio No. / Client ID No.

Full name of the shareholder/Proxy

(in block letters)

Signature



JAYASWAL NECO INDUSTRIES LIMITED

Registered Office : F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.



Register Folio No. / Client ID No.

I/We of being a
Member/Members of JAYASWAL NECO INDUSTRIES LIMITED hereby appoint
..... of in the District of
..... or failing him of
..... in the District of as
my/our proxy attend and to vote for me/us on my/our behalf at the THIRTY NINTH ANNUAL GENERAL MEETING to be
held on Saturday, the 29th day of September, 2012 and at any adjournment thereof.

Signed at this Day of 2012.

Affix
Re. 1/-
Revenue
Stamp

Note : The Proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a Member of the Company.



To,

BOOK POST



If undelivered please return to :

JAYASWAL NECO INDUSTRIES LIMITED

F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.

Tel. No. : (07104) 237276, 237471, 237472, **Fax No. :** (07104) 237583, 236255

E-mail : contact@necoindia.com, **Web Site :** www.necoindia.com