JINDAL
STEEL & POWER

Value Leadership

ANNUAL REPORT 11▷12

Jindal Steel and Power Limited

Corporate information

CHAIRPERSON EMERITUS
Smt. Savitri Jindal

BOARD OF DIRECTORS

Shri Ratan Jindal	Director
Shri Naveen Jindal	Chairman & Managing Director
Smt. Shallu Jindal	Additional Director
Shri Vikrant Gujral	Group Vice Chairman & Head Global Ventures
Shri Anand Goel	Joint Managing Director
Shri Sushil Maroo	Director & Group CFO
Shri R. V. Shahi	Director, Independent
Shri Arun K. Purwar	Director, Independent
Shri Arun Kumar	Director, Independent
Shri Haigreve Khaitan	Director, Independent
Shri Hardip Singh Wirk	Director, Independent
Shri Rahul Mehra	Director, Independent
Shri Inderpal Singh Kalra	Nominee Director - IDBI Bank Limited, Independent
Shri M. L. Gupta	Wholetime Director

BANKERS
State Bank of India
Punjab National Bank
State Bank of Patiala
ICICI Bank Limited
Canara Bank

STATUTORY AUDITORS
M/s S.S. Kothari Mehta & Co.
145-149, Tribhuwan Complex,
Ishwar Nagar, Mathura Road,
New Delhi - 110 065

COST AUDITORS
M/s Ramanath Iyer & Co.
BL-4, Shalimar Bagh (Paschmi),
New Delhi - 110 088

COMPANY SECRETARY
Shri T.K. Sadhu

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2 Sustainable Operations

3 Excellent Governance

4 Robust Financials

Rolling Table of Rail & Universal Beam Mill at Raigarh Steel Plant, Chhattisgarh

AT JINDAL STEEL & POWER LIMITED (JSPL), VALUE CREATION HAS SEVERAL FACETS: PASSION AND PERSEVERANCE TO CREATE EXCELLENCE FOR THE WORLD; CONSISTENT FOCUS ON REWARDING SHAREHOLDERS ACROSS INDUSTRY AND BUSINESS SCENARIOS; REINFORCING FOOTPRINTS ACROSS TRANSCONTINENTAL MARKETS; ENCOURAGING INNOVATION AND FUTURE PREPAREDNESS TO BENEFIT ECONOMIES AND SOCIETIES; AND A FIRM COMMITMENT TO PARTNER THE PROGRESS OF ALL STAKEHOLDERS AND COMMUNITIES GLOBALLY.

Our initiatives in value creation have helped transform lives and taken forward the message of a resurgent India to the world. We will continue to strengthen our leadership in value creation, and make efforts, so that people have the opportunity to reach their full potential, can participate in the decisions that impact them and contribute towards human advancement and creativity.

Shri O.P. Jindal
Founding Chairman

Sowing the seeds of value leadership

VALUE REPRESENTS THE CORE OF ALL CONSTRUCTIVE HUMAN ACTIVITY, WHICH HAS DRIVEN SOCIAL TRANSFORMATION AND ECONOMIC PROGRESS ACROSS TIME. FOR DEVELOPING NATIONS LIKE INDIA, THE POTENTIAL FOR VALUE CREATION IS STILL LARGELY UNEXPLORED.

This was the conviction of Shri O.P. Jindal who founded one of India's largest business conglomerates, the O.P. Jindal Group. He had foreseen the tremendous potential of indigenous entrepreneurship, at a time when 'value creation' had not become a corporate buzzword. He felt the objective of entrepreneurship is to create enduring value for society, which in turn, will help create a new breed of entrepreneurs.

Over the years, the Group with its diverse business interests has spread its footprints nationally and internationally, creating value across geographies, cultures and nationalities. Moreover, the Group has played a significant role in helping drive India's economic growth and social wellbeing.

Shri O.P. Jindal had always tried to align business priorities with social commitments like supporting healthcare, education, rural infrastructure, sports, culture and other pursuits among the marginalised sections of the population. The Group as a whole and JSPL in particular, remains the torchbearer of his inspiring vision.

Smt. Savitri Jindal
Chairperson Emeritus

Enriching a legacy of value creation

AT JSPL, WE ARE INSPIRED BY HER HUMANE APPROACH TO ENTREPRENEURSHIP, VISIBLE IN HER EFFORTS TO PROVIDE HEALTHCARE FACILITIES, EDUCATION AND EMPLOYABILITY TO THOSE IN NEED.

Our Chairperson Emeritus, Smt. Savitri Jindal is giving shape to the vision of Shri O.P. Jindal through numerous business initiatives and community outreach programmes. She believes in aligning business priorities with meaningful social intervention, creating a framework for enduring value creation.

At JSPL, we are inspired by her humane approach to entrepreneurship, visible in her efforts to provide healthcare facilities, education and employability to those in need. In addition, she supports our environmental protection initiatives.

Smt. Savitri Jindal remains the driving force behind JSPL's global pre-eminence in value creation, not just for shareowners, but the larger stakeholder community.

CMD's perspective


Naveen Jindal
Chairman & Managing Director

Dear Shareholders,

The global economic upheaval is bound to pave the way for better and stronger socio-economic institutions. The emerging economies can draw important lessons from the Euro crisis. The most important lesson would be that no economic bloc can grow sustainably without the foundation of a strong institutional framework and legislations, which bind the countries together as one unified whole. The process of drafting and implementing reforms becomes cumbersome in the absence of a general consensus, as in the case of Europe. Economic growth in the US is also not encouraging, but unlike Europe it has no problems of integration among states. Eurozone today reflects several warring factions, vying for attention. As a result, USA's return to economic stability and sustainable growth is expected to be much faster than that of Europe.

India's economic growth still does not reflect the participation of its 1.2 billion people. The need of the hour is to lay more emphasis on reforms "to revive the animal spirit in the country's economy" as the Prime Minister has rightly pointed out. The infrastructure sector needs additional support from all quarters to accelerate growth and uplift millions of people from poverty and ignorance and provide them with better housing, education, livelihood and healthcare. Encouragingly, the 12th Five-Year Plan (2012-2017) has envisaged an investment of over ₹ 50 lac crore in the infrastructure sector, half of which will come from the private sector.

Steel plays an important role in infrastructure creation and its consumption is a reliable index to measure economic development and social well being. India is the fifth largest global steel producer and is well positioned to become the second largest producer in the near future. The steel industry in India holds considerable optimism, despite the global economic slowdown. This optimism has an important basis. The industry does not rely heavily on exports to the developed world. India's enormous domestic market can support its growth. The domestic steel consumption in the infrastructure and consumer durables sector is likely to see an upward trend. JSPL is committed to play an active role in India's steel industry.

Notwithstanding challenges, we performed commendably in 2011-12. Our total income grew 39% from ₹ 13,194 crore in 2010-11 to ₹ 18,351 crore in 2011-12, thanks to enhanced scale, increased demand and escalating realisations. Our operational profit increased 8% from ₹ 6,398 crore in 2010-11 to ₹ 6,935 crore in 2011-12. Our net profit increased 5% from ₹ 3,804 crore in 2010-11 to ₹ 4,002 crore in 2011-12 and cash profit surged 9% from ₹ 5,115 crore in 2010-11 to ₹ 5,575 crore in 2011-12.

We are consistently growing our steel making capacity to achieve the target of 18 MTPA steel capacity by the year 2020. Therefore, our steel production capacity is being enhanced by setting up steel plants in Angul (Odisha) and Patratu (Jharkhand). We have also increased our current steelmaking capacity at Raigarh (Chhattisgarh) and are in the process to take it to 10 MTPA. Our Shadeed Iron & Steel Co. LLC, Oman, is operating a 1.5 MTPA hot briquetted iron plant at Sohar in Oman and we plan to set up a 2 MTPA steelmaking facility.

We have signed an MoU with the Government of Odisha to set up a downstream Industrial Park for the development and industrialisation of Angul in Odisha; leveraging our large steel and power manufacturing capacity along with the Coal Gasification plant and 80,000 barrel per day CTL project. This park will provide a unique opportunity to the entrepreneurs of Odisha to set up industrial units at a faster rate. Moreover, there will be a focus on select target recovery based industries and other medium and small-scale downstream units, which would both add value and increase industrial activity. With an investment commitment of ₹ 500 crore, the park will create direct and indirect employment for over 32,000 people. Total investment by prospective entrepreneurs in the park is expected to be over ₹ 5,000 crore. This park is expected to become operational by the end of 2014.

It has always been our endeavour to inculcate the best practices from across the globe. We signed an MoU with the Australian mining major, Rio Tinto to jointly work towards global commercialisation of the Hismelt (high-intensity smelting) technology to be used in a fully integrated steel making facility. We will be introducing the Hismelt technology for the first time in the world other than a pilot plant commissioned in Australia.

We are looking for acquisition opportunities of iron ore and coal mines in Australia and Africa to secure raw material sources.

Our performance in 2011-12 is once again due to the efforts of our exceptional team of talented and highly motivated professionals. We also think that it takes a value-driven culture to bring out the potential of our people. Our people are taking responsibility for their actions; making decisions in the best interests of the Company; and executing with focus, excellence and integrity.

JSPL's business priorities have never overshadowed its community efforts. In fact, we have always looked upon our business as an enabling force for social advancement. JSPL's CSR programmes focus on education, health and family welfare, agriculture, animal husbandry, water resource management, infrastructure development, on-farm and off-farm livelihood enhancement, capacity building and women empowerment. Moreover, we are uplifting underprivileged communities and supporting locals to develop professional skills and earn a better livelihood. The O.P. Jindal Community College marks the fulfilment of Shri O.P. Jindal's vision to educate and train a skilled workforce, who can deliver products and services of global standards.

OUR PERFORMANCE IN 2011-12 IS ONCE AGAIN DUE TO THE EFFORTS OF OUR EXCEPTIONAL TEAM OF TALENTED AND HIGHLY MOTIVATED TEAM. WE ALSO THINK THAT IT TAKES A VALUE-DRIVEN CULTURE TO BRING OUT THE POTENTIAL OF OUR PEOPLE.

At JSPL, all business decisions are guided by sensitivity towards the environment and an emphasis on social welfare, with the participation of employees, contractors, customers, communities and all other stakeholders. We are enhancing our focus more on the use of green technologies to reduce our carbon footprint and optimise the use of natural resources.

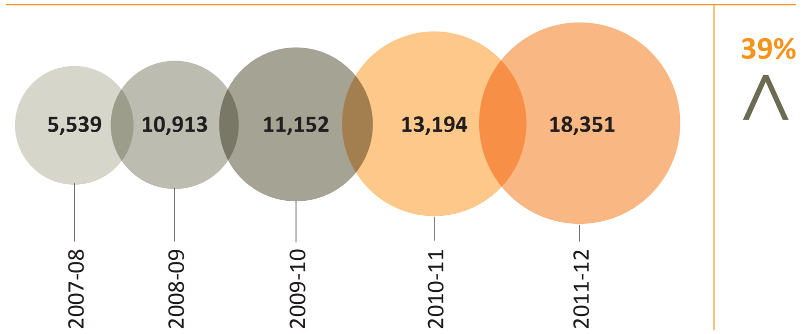
I thank our Board of Directors, employees, business associates, shareholders and the wider community of stakeholders for making JSPL's value leadership an inspiration for the world.

Naveen Jindal
Chairman & Managing Director

World's second highest value creator*

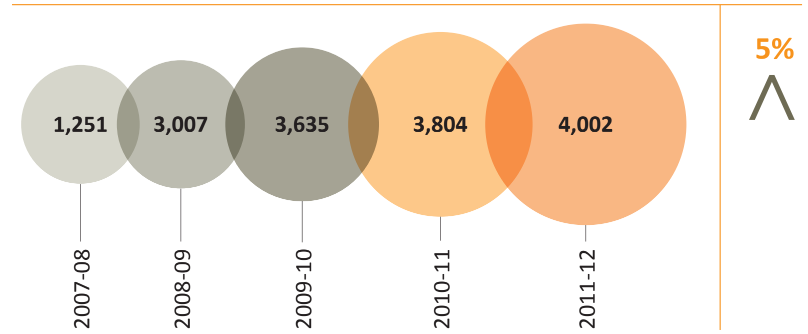
Total income

₹ in crore



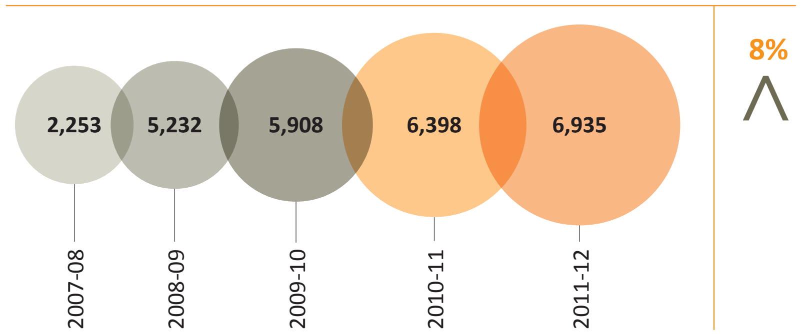
Profit after tax

₹ in crore



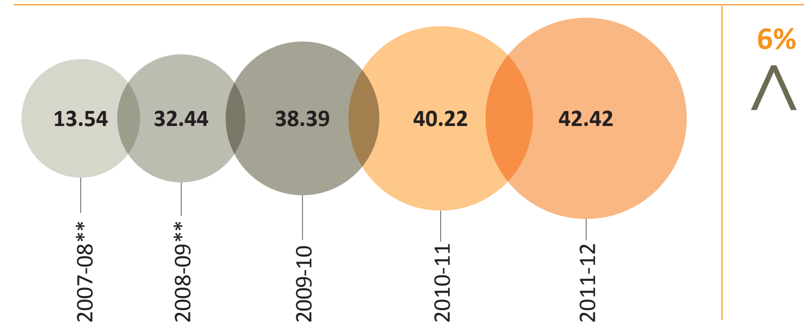
Operating profit

₹ in crore



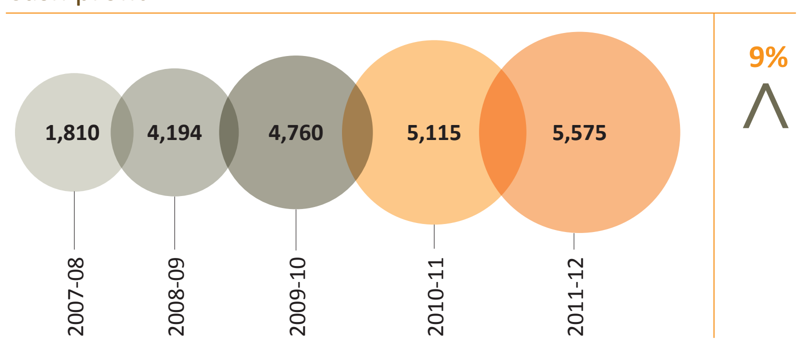
EPS (annualised)

₹



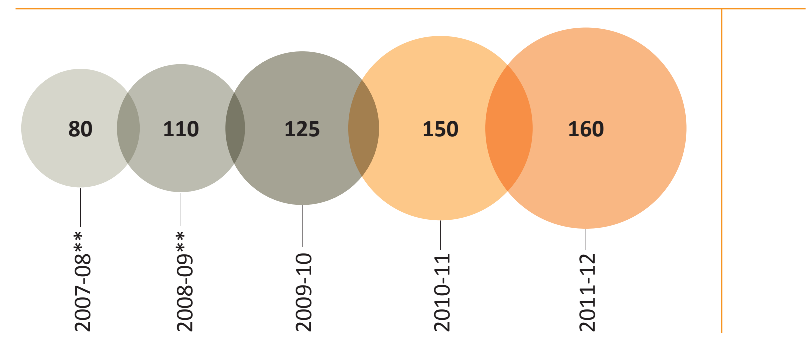
Cash profit

₹ in crore



Dividend rate

%



*In 2010, Boston Consulting Group rated Jindal Steel & Power Limited as the second largest Value Creator in the World based on Total Shareholder Return for the period 2005-09 and the largest Value Creator in Mining and Materials category.

For detailed report, please visit www.jindalsteelpower.com

** Normalised on account of issue of bonus shares in the ratio of 5:1 during 2009-10

Graphs not to scale

Roughing Stand at Bar Mill at Patratu, Jharkhand

35%
CAGR in total income for the preceding 5 years

32%
CAGR in operating profit for the preceding 5 years

32%
CAGR in cash profit for the preceding 5 years

34%
CAGR in profit after tax for the preceding 5 years

₹ 18,000-plus crore turnover conglomerate...

....JSPL IS ONE OF THE INDIA'S LEADING STEEL MANUFACTURERS, WITH A SIGNIFICANT PRESENCE IN MINING, POWER GENERATION, OIL & GAS AND INFRASTRUCTURE.

WE ARE CONSISTENTLY TAPPING NEW OPPORTUNITIES BY INCREASING CAPACITIES, DIVERSIFYING INVESTMENTS AND OUR CORE CAPABILITIES TO EXPAND BUSINESS HORIZONS.

WE DEPLOY ADVANCED TECHNOLOGIES AND FUTURE-FOCUSED HUMAN RESOURCES TO SUSTAIN EFFICIENT OPERATIONS AND COST LEADERSHIP.

Vision

"TO BE A GLOBALLY ADMIRED ORGANISATION THAT ENHANCES THE QUALITY OF LIFE OF ALL STAKEHOLDERS THROUGH SUSTAINABLE INDUSTRIAL AND BUSINESS DEVELOPMENT".

Mission

WE ASPIRE TO ACHIEVE BUSINESS EXCELLENCE THROUGH:

The spirit of entrepreneurship and innovation	**Optimum utilisation of resources**	**Sustainable environment friendly procedures and practices**	
The highest ethics and standards	**Hiring, developing and retaining the best people**	**Maximising returns to stakeholders**	**Positive impact on the communities we touch**

Overview of 3 MTPA integrated steel plant at Raigarh, Chhattisgarh

The Jindal Way

THE FIVE ELEMENTS — BHOOMI (EARTH), AGNI (FIRE), AAKASH (SKY), JAL (WATER) AND VAYU (AIR) ARE THE BUILDING BLOCKS OF THE UNIVERSE AND COMPRISE ALL THAT IS NEEDED TO SURVIVE IN THIS CREATION.

WITHOUT ONE, THE UNIVERSE WOULD CEASE TO EXIST.

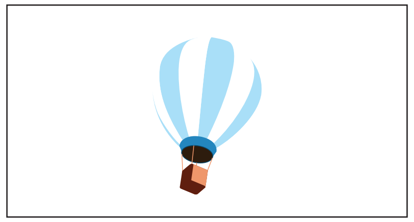
SIMILARLY, THE VALUE SPHERE OF JINDAL COMPRISES THE FIVE VALUES THAT ARE THE PILLARS ENCOMPASSING ALL THAT IS NEEDED TO CONSTITUTE AN IDEAL WORK ENVIRONMENT. THESE FIVE VALUES ARE BASIC BUT THE KNOWLEDGE SURROUNDING THEM, RUNS DEEP.

Sense of Belonging and Ownership

Bhoomi (Earth) is the most powerful of all the elements. It is the source of stability. Just as it has a commanding nature, yet at the same time it is connected to our heart. Similarly our company is our *karma bhoomi* and we share a Sense of Belonging and Ownership with it.

Integrity and Loyalty

Agni (Fire) is pure and a great generator for all creations to happen. Just as adhering to the sanctity and sacredness of the holy fire can purify us from negative karmas, similarly imbibing qualities like Integrity and Loyalty help us keep a self-check and do what is right.

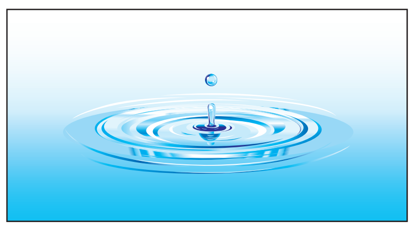


Passion For People

Like the Vayu (Air) around us is unbound, limitless and free flowing, touching lives everywhere it goes, so is our care and Passion for People.

Business Excellence

Just as the Aakash (Sky) is unlimited, when it comes to Business Excellence and achievements, there is no limit to what we can achieve.



Sustainable Development

Jal (Water) is precious for our existence so are the natural resources. Therefore, we pledge to judiciously work towards Sustainable Development.

Our Value Universe

Business Verticals

Six Strand Continuous Caster

3 MTPA*
Steel

15 MTPA
Iron Ore and Coal Mining

2,191 MW
Power Generation

1.5 MTPA
Hot Briquetted Iron

4.5 MTPA
Pellet Plant

Group businesses

Jindal Power Limited

Jindal Petroleum Limited

Jindal Infosolutions Limited

Jindal Cement

Technology partners

- SMS Siemag, Germany
- Lurgi, Germany
- Danieli, Italy
- Siemens VAI, Austria
- Concast, Switzerland
- Outotec, Germany
- SMS Meer, Germany
- HYL, Mexico
- Air Liquide, France
- UDHE, Germany
- Paul Wurth, Luxembourg
- Sino Steel, China
- SPCO, Japan
- Metso, Finland
- Midrex, USA
- Linde, Germany
- LOI, Germany
- Danieli Corus, Holland

Tickers

NSE ticker: JINDALSTEL
BSE ticker: 532286
Bloomberg: JSP@IN
Reuters: JNSP.BO

Certifications

Quality protocol
ISO 9001:2008
Environmental norms
ISO 14001:2004
Safe Work environment
OHSAS 18001: 2007

* Additional facilities for steel making are under installation at Angul (Odisha) and Patratu (Jharkhand)

On products and enduring value

Rails

Grades	IRS 52, UIC 54, UIC 60, CR 80 and CR 100
Size Range	Upto 121 m as rolled

Parallel Flange Beams

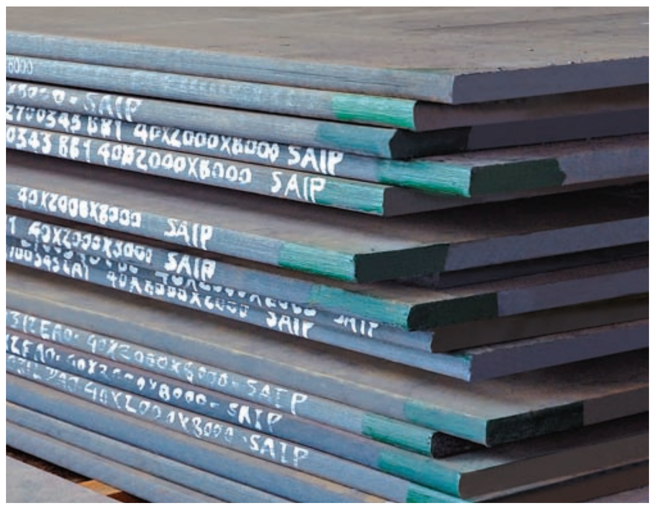
Grades	UB, NPB, WPB & IPE Series
Size Range	150 mm to 900 mm

TMT Rebars

Grades	500, 500D & CRS
Size Range (Dia)	6 mm to 40 mm

Wire Rods

Grades	MS, MC & HC, EQ, Boron and other Alloy Steel
Size Range (Dia)	5.5 mm to 22 mm



Plates & Coils

	Plates	Coils
Size Range (Thickness)	8 mm to 120 mm	8 mm to 25 mm
Size Range (Width)	1.5 m to 3.5 m	1.5 m to 2.5 m

Angles & Channels

	Angles	Channels
Size Range	50 mm to 250 mm	100 mm to 400 mm

Fabricated Structures

H-type Beams, I-type Beams, Box Sections and Star Columns

JSPL product offerings - A designers delight

- Widest range of products for wide steel application
- Production of numerous grades of steel
- Cost effective with reduced steel requirement
- Time saving designs with easy to bolt structures
- High quality standards for long durability

Confluence of value streams

Aerial view of 1000 MW O. P. Jindal Super Thermal Power Plant at Tamnar, Chhattisgarh

Jindal Power Limited

Jindal Power Limited (JPL) is India's leading power generation company. JPL has set up the country's first mega power project of 1,000 MW (4 x 250 MW) in the private sector at Tamnar, Raigarh, Chhattisgarh. The plant has been ranked second in India for highest PLF by Central Electricity Authority (CEA) in 2011-12. JPL has a project portfolio of over 15,000 MW in the next 10-15 years, with a vision to establish environment-friendly renewable energy sources like hydroelectric, solar and wind energy projects.

JPL is adding a 2,400 MW (4 x 600 MW) thermal power plant to the existing 1,000 MW thermal power plant at Tamnar at an estimated cost of ₹ 13,410 crore. The Company has already placed an order with Bharat Heavy Electricals Limited (BHEL) for supply, erection and commissioning of 4 X 600 MW Boiler Turbine Generator (BTG) package. The existing 1,000 MW power plant was set up with four Turbine Generators of 250 MW each, also supplied by BHEL. The first two units of the project are expected to be commissioned in 2013-14.

Against the backdrop of coal shortages, focus on hydro electricity would help strengthen India's energy security. Hence, JPL has signed agreements for 6,100 MW projects in Arunachal Pradesh in a joint venture with the Hydro Power Development Corporation of Arunachal Pradesh Limited (HPDCAPL) on a build, own, operate and transfer basis. These projects are environment-friendly and have minimal carbon footprints.

Performance

	2011-12	2010-11
Turnover (₹ crore)	3,040	3,394
PAT (₹ crore)	1,765	2,002
Plant Load Factor (%)	97.78	98.14
Power Generated (MU)	8,589	8,597

Drilling activity in progress

Jindal Petroleum Limited

Jindal Petroleum Limited engages in the domestic and overseas oil and natural gas operations. Currently, the Company is conducting extensive exploration activities at five blocks in Georgia. Major exploration activities like acquisition, processing and interpretation of 310 GLKM of 2D seismic data completed in Block IX and acquisition & processing work completed in Block X. In 2011-12, the Company achieved the production of more than 100,000 Bbl of crude oil from one of the producing fields in Georgia.

The drilling of exploratory wells is expected to commence in FY 2012-13.

The Company is planning to complete at least four exploratory wells in 2012-13 and a minimum of eight new wells in 2013-14. The Company has so far made an investment of over US$ 100 million and is working on several other projects in the sector. Jindal Petroleum is working hard to optimise its portfolio in the upstream sector by acquiring few more producing fields or exploration blocks, nearing completion of exploration and appraisal.


Jindal Cement plant at Raigarh, Chhattisgarh

Jindal Cement

JSPL has diversified its business operations and set up a slag and fly ash cement plant at Raigarh, Chhattisgarh in order to utilise the waste from the manufacture of steel. Phase I consisted of constructing a grinding unit of 0.5 MTPA, whereas Phase II consisted of setting up a 2 MTPA integrated cement plant. The cement plant was envisaged to manage solid waste generated from the power and steel sector. The utilisation of waste from the blast furnace (slag) is being value added by converting it into cement, commonly known as Portland Slag Cement (PSC). The commercial production started from a 0.5 MTPA grinding unit in 2010. The Company is marketing cement under the 'Jindal Cement' brand.

Key highlights

- Stabilised the cement grinding unit
- While JSPL group companies procured cement from the market before, now their total requirement is fulfilled through Jindal Cement
- Making a mark in the competitive cement market Producing Portland Slag Cement (PSC), and plan to add Portland Pozzolana Cement (PPC) and Ordinary Portland Cement (OPC) in its portfolio
- Constructing a 35,000 MT clinker storage capacity, which will be commissioned during 2012-13
- Plans to add a 1.2 MTPA clinker unit and increase grinding capacity to 2 MTPA

The organisation is also making a special product — Jindal Global Road Stabiliser (JGRS) — the only manufacturer in India. A product of innovation, JGRS was developed to stabilise multiple soil types in an efficient and cost-effective manner.

Jindal Infosolutions Limited

Jindal Infosolutions Ltd. (JIL) — a company formed with the objective of providing high-quality IT services to JSPL, its group companies and the external client in India and abroad — provides support to multiple locations in India and across global locations. JIL specialises in sectors like steel, energy, oil & gas, realty and education; and has competencies in SAP, project management, business intelligence, supply chain management, document and knowledge management, voice-over IP and full-scope software development on Java and PHP.

JIL's global service delivery centre provides remote infrastructure and applications development support globally. One of the earliest adaptors of cloud technology in India, it is deploying a large number of enterprise class applications on private cloud. Its clients include leading consultancy companies like Accenture & E&Y, besides companies of JSPL Group.


Shri Naveen Jindal, CMD JSPL along with the team of Jindal Africa

We meet people's critical needs and shape our industry. We are one of the most profitable steel companies globally.

Lineage
JSPL is part of the three-decade old O.P. Jindal Group, a US$ 17 billion (gross turnover) multinational and multi-product conglomerate with business interests spanning mining, energy, industrial gases and port facilities, among others. Today, the O.P. Jindal Group comprises JSW Steel, Jindal Steel & Power, Jindal Saw and Jindal Stainless, some of India's largest steel manufacturers with an annual cumulative capacity of over 19 million tons.

Objective
JSPL aims to possess the world's largest steel plants, with a production capacity of 18 MTPA and energy generation capacity of over 10,000 MW by 2020.

Diversity
JSPL has a significant presence in steelmaking, energy generation, mining, petroleum and infrastructure.

Integration
JSPL manufactures economical and high-quality steel and energy through backward and forward integrations.

Largest
JSPL operates the world's largest coal-based sponge iron plant, with an installed steel manufacturing capacity of 3 MTPA at Raigarh in Chhattisgarh.

Widest
JSPL manufactures an extensive products bandwidth: from the widest flat products to a whole range of long products. It is the first company to produce 3.5 metre wide plates in coil form.

Longest
JSPL produces the world's longest 121 metre rails and large size parallel flange beams for the first time in India.

First
It is the first company to produce energy from the waste heat recovery boiler of sponge iron.

People
JSPL possesses a talent pool of over 15,000 strong, committed and motivated workforce.

Value
Strong market capitalistion of over ₹ 51,000 crore (US$ 10 billion) as on 31st March, 2012

Presence
It has presence across India and 11 other countries across Asia, Africa, Australia and Europe.

Sustainability
JSPL works proactively towards improving the standard of infrastructure, education, health, water, sanitation and environment in the areas of its operations.


Education Initiatives at O.P. Jindal School


Graduate Engineer Trainees


Happy faces around JSPL

Shri Naveen Jindal receiving the Justice P.N. Bhagwati Award by Dr. A.P.J. Abdul Kalam, former President of India

Attaining global recognition

Corporate

- Ranked No.1 as Wealth Creator in India over a 10- year period (Business World, November 2011)
- Rated the World's 2nd Largest Value Creator by Boston Consulting Group (BCG), based on Total Shareholder Return from 2005-2009, and the largest Value Creator in Mining and Materials category, 2010
- Awarded the Dun & Bradstreet- Rolta Corporate Awards 2011
- Ranked 3rd in the Metals Category of Business World's India's Most Respected Companies Survey, 2011
- Received the Forbes Asia's 'Fabulous 50' International Award 2011 and 2010
- Golden Peacock Innovation Management Awards
- Greentech Award for 1st Position in Metal & Mining Industries, 2011
- Felicitated for being the Organisation with Innovative HR Practices and Institution Building at 18th Global HR Excellence Awards at World HRD Congress 2011
- Asia Pacific HRM Congress 2011 Awards for being the 'Organisation with Innovative HR Practices'
- National Energy Conservation Awards for the last five years (ranked either 1st or 2nd)

Golden Peacock National CSR Award 2012

Shri Atul Misra, Executive Director (Incharge) - JSPL Raigarh receiving the 'Dun & Bradstreet- Rolta Corporate Awards 2011'

JSPL conferred the CII National HR Excellence Award 2011

Living Legend Award from Odisha Diary 2011

- Golden Peacock National CSR Award 2012 at Dubai Convention
- Think Odisha leadership Awards 2011 for fourth year consecutively for its excellence in the field of Corporate Social Responsibility (CSR)
- Odisha Living Legend Award on CSR-2011
- Greentech Platinum CSR Award – 2011 recognised by the Ministry of Heavy Industry GOI and Greentech Foundation
- World HRD Congress CSR Award -2011 on women empowerment
- CSR Excellence Award 2010 by ASSOCHAM for promoting and propagating Corporate Social Responsibility initiatives
- Ranked 1131 by Forbes in 2009-10 (as against 1793 in FY09) in Global 2000 (World's biggest listed companies)
- Received the CNBC's Most Promising Entrant into the Big League at IBLA (Indian Business Leaders Award) – 2009

Accolades for Naveen Jindal, CMD JSPL

- Naveen Jindal was ranked as India's Best CEO by the BT-INSEAD-HBR Study of the top value creators for the period 1995 to 2011 by the Business Today
- Ranked among 'Asia's 25 hottest people in business' by the Fortune Asia Magazine
- Received Justice P.N. Bhagwati Award from Dr. A.P.J. Abdul Kalam, former President of India in 2011, for outstanding contribution to legal education and corporate philanthropy
- Honoured among the Top ten India Inc's Most Powerful CEOs 2011 by The Economic Times- Corporate Dossier in its annual survey
- Won the Ernst and Young Entrepreneur of the Year award for 2010 for his significant contribution to the field of Energy and Infrastructure
- Became the first alumnus from India of an American University to have an educational institution named after him. The University of Texas named its School of Management after Mr. Naveen Jindal

Our grand canvas of operations


Taping process at Steel Melting Shop at Raigarh facility at Chhattisgarh

Operating capacities	
Steel making capacity	3 MTPA
Coal and Iron Ore Mining	15 MTPA
Pellet Plant	4.5 MTPA
Sponge Iron (Rotary Kiln type)	1.37 MTPA
Sponge Iron (Hot Briquetted Iron - Midrex Module)	1.50 MTPA
Hot Metal (Pig Iron)	1.67 MTPA
Total Finished Steel	3 MTPA
Rails, Beams and Structurals	0.75 MTPA
Plates and Coils	1 MTPA
Wire Rod and Re-bar	1.60 MTPA
Captive Power Plant	1,167 MW
Power - Jindal Power Limited	1,000 MW
Wind Energy	24 MW

Straightening of Columns at Rolling Mill (RUBM) at Raigarh, Chhattisgarh

Raigarh, Chhattisgarh

JSPL'S STATE-OF-THE-ART STEEL MAKING PLANT HAS A CAPACITY OF UP TO 3 MTPA. THIS PLANT IS ALSO THE WORLD'S LARGEST COAL-BASED SPONGE IRON MANUFACTURING FACILITY.

Key highlights

- Recorded the highest ever steel production of 2.75 million ton
- Commissioned the casting of 320 and 350 Dia rounds in SMS III, the biggest diameter in round cast in India
- For the first time, JSPL manufactured ultra-low sulphur grade steel for API applications
- Development of boiler quality grade with impact guarantee
- Power Grid Corporation of India Limited has approved JSPL for producing different sizes of Angle Irons for Transmission Towers
- Prime yield for MLSM product increased by 1.5%, resulting in significant cost savings
- Developed a new variety of section angles
- Commissioned India's first automatic Fly Ash based brick plant (3,00,000 bricks per day)
- Commissioned a rail over-bridge and rail under pass for smooth logistics
- MLSM reheating furnace oil replaced by PGP Gas to save conversion cost
- Developed 23 new varieties of value-added steel products

Projects under implementation

- Widest Slab Caster (3,000 mm width) revamping at SMS II
- New Fume Extraction System at SMS II
- Up-gradation of Plate Mill
- Installation and commissioning of leveller at Plate Mill to minimise rejection of plates and improve customer satisfaction
- Technical aspects have been frozen for 600 TPD new Lime Kiln project at JSPL, Raigarh
- Installation and commissioning of $CaCl_2$ spray system at the sinter plant to improve strength and reduce fines generation
- Pollution control system (Dust Settling System) at RMH area controls fugitive emission during the loading and unloading of vehicles

Research and development focus

- Successful commission of coal silo at coke oven; it can be used by different coal blends for coke production, reducing production cost
- Developed ultra-low sulphur steel in 200 mm dia cast
- Study on root cause and remedial measures for occurrences of fish cracks in plates in collaboration with IIT Kanpur
- Study on the effect of tundish argon gas diffuser on steel cleanliness
- Study on root cause and remedial measures on the formation of Rolled Burr Pits (RBP) in parallel flange beams
- Developed newer structural grades
- Developed sheet pile (Larson IV)
- Developed medium light structurals (Channel: 125-200 mm, Angle: 100-250 mm, Beam: 180 and 200 mm)
- Trial development of lead steel for wire rod application
- Use of non-coking coal in the blend of coking coal for coke production without deteriorating the coke quality in mini blast furnace

Upcoming projects

- **Pulverised coal injection (PCI) mill:** PCI coal will be used in the blast furnace to reduce the consumption of coking coal, thus reducing the cost of conversion of hot metal
- **Installation of third turbo-blower:** Existing two turbo blowers are continuously running without any maintenance. If any of the two turbo blowers is shut down then the continuity of hot blast air in the blast furnace can be run by the stand-by turbo-blower
- **Coal blending:** Low-cost coal is blended into high-grade coking coal to reduce the cost of coke
- **Plate mill shed extension:** Plate mill shed is being extended to stock the finished goods inventory (as per thickness of a plate) to serve the customer better; also, the extended space will help increase the production from cut-to-length machine as the space availability for equipment will be more
- **Service centre for MLSM:** Standard length angles can be serviced as per customer requirements
- **Ladle Refining Furnaces (LRF) II:** Second LRF in SMS III will increase the secondary steel-making capacity at SMS III
- **Slab caster up-gradation:** Slab caster upgradation is being done to increase the width of the slabs to 3,000 mm and thus increased width of plates which can be rolled from the plate mill

Slab Casting in progress at Raigarh steel plant in Chhattisgarh

View of 1 MTPA Plate Mill at Raigarh, Chhattisgarh

Raipur, Chhattisgarh

JSPL'S HEAVY MACHINERY DIVISION AT RAIPUR IS A UNIQUE ENTERPRISE TO CATER TO ALL THE REQUIREMENTS OF EQUIPMENT AND SPARES FOR STEEL, CEMENT, MINING AND POWER PLANTS OF THE GROUP AND OTHER SIMILAR INDUSTRIES IN INDIA AND ABROAD.

Key highlights

- Commissioned 100 MT EOT crane for material handling facilities
- Commissioned 1,500 ton capacity Hydraulic Press Machine for making dish end for pressure vessels
- Manufactured 450 ton capacity ladle crane first time in India
- Commissioned a solar power plant 15 KW for street lights

Future plans

- Increase covered area (around 9,000 sq. mtr.) by the construction of new sheds
- Upgradation of steel yard with material handling crane facility
- Installation of Alfa sand system at foundry for sand reclamation and better product quality

CNC Lathe Machine at Raipur Machinery Division, Chhattisgarh

Patratu, Jharkhand

THIS PLANT IS A GREENFIELD PROJECT OF 6 MTPA STEEL PLANT AND 1320 MW POWER PLANT. UNDER THE FIRST PHASE OF 3 MTPA, A WIRE ROD MILL AND A BAR MILL HAS ALREADY STARTED PRODUCTION.


0.6 MTPA Wire Rod Mill in Patratu, Jharkhand

Existing and upcoming facilities	
Wire Rod Mill	0.6 MTPA
Re-bar & Section Mill	1 MTPA
Blast Furnace	4,019 cubic metre
Coke Oven Plant	1.7 MTPA
Sinter Plant	490 square meter
Converter Shop	2x250 ton
Billet Casters	2 (Nos.)
Long Products Rolling Mill	1 (No.)

	Wire Rod Mill	Bar Mill
Highest one day production	Current: 1,486 MT Previous: 1,424 MT	Current: 1,801 MT Previous: 1,263 MT
Highest one month production	Current: 30,006 MT Previous: 28,001 MT	Current: 33,372 MT Previous: 9,310 MT
Highest one day dispatch	Current: 2,565 MT Previous: 1,491 MT	Current: 1,173 MT Previous: 1,083 MT
Highest total steel dispatch	Current: 58,068 MT Previous: 36,831 MT	

Angul, Odisha

JSPL PLANS TO SET UP A STEEL PLANT (12.5 MTPA CAPACITY) AND GENERATE 2600 MW OF ENERGY IN PHASES.

Key highlights

- Commissioned two units of 6x135 MW captive power plant
- Developed a housing colony (287 houses completed), 418 houses and hostel building under progress

Plans for 2012-13

- Commission the 1.5 MTPA steel plant
- Commission next 4x135 MW phases of the plant
- DRI plant based on Syn Gas. This will be for the first time in the world and the plant will be based on Midrex - Technology with a capacity of 1.80 MTPA

Aerial view of upcoming integrated steel plant at Angul, Odisha

Barbil, Odisha

JSPL Pellet plant has a capacity of 4.5 MTPA production for different grades of pellets. The plant is of dry grinding, with recuperation type of straight grade hearth layer. In addition to the existing 4.5 MTPA Pellet Plant, JSPL is setting up a 4.5 MTPA Iron Ore pelletisation plant, with wet grinding process for better environmental protection and superior quality of pellets for steel making. The pelletisation will be a value-added process of iron ore fines and better utilisation of powdery ore available in the mines. The plant will meet our captive requirements.

As JSPL is actively engaged in the promotion of alternative fuels, at Barbil, the pellet production will be through coal gasification, replacing fuel. This is an innovative initiative, first-of-its-kind in the world, using circulating fluidised bed technology for coal gasification.

Tensa, Odisha (Iron Ore mine)

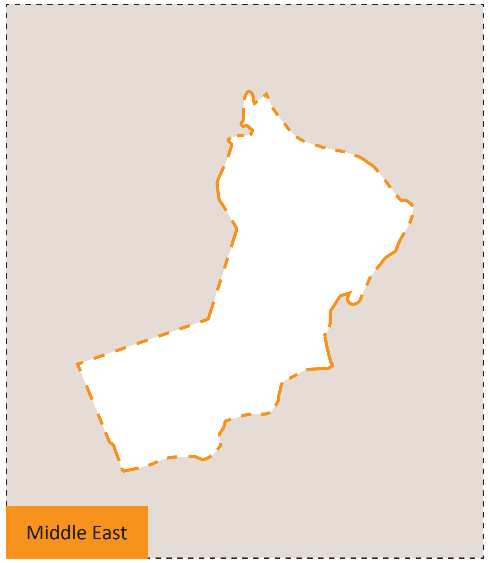
JSPL's iron ore mine at Tensa caters to the Company's requirement of iron ore for producing sponge iron. As part of JSPL's backward integration plans to make the Company self-reliant, iron ore from Tensa mine ensures consistency in raw material quality. A 350 TPH crushing plant, a mobile screening unit is being operated to ensure the availability of high-grade iron ore and fines for sinter plant at Raigarh (Chhattisgarh).

These mines are accredited with ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System). Operated in an eco-friendly manner, the mine effectively controls pollution levels. For the adoption of best environment management practices, the mines have been conferred with the 'Pollution Control Appreciation Award under the Category mines' given by the State Pollution Control Board, Odisha. Through total productive maintenance it aims to achieve Zero Accident, Zero Breakdown and Zero Defects.

4.5 MTPA Iron Ore Pelletisation Plant at Barbil, Odisha

Gateway to Iron Ore Mine at Tensa, Odisha

Transnational progress



Middle East

DRI Plant at Shadeed, Oman

Shadeed, Oman

In July 2010, JSPL acquired Shadeed Iron & Steel Co. LLC (Shadeed), a company incorporated under the laws of the Sultanate of Oman. Shadeed has installed a 1.5 MTPA Gas-based HBI plant at Sohar Industrial Port with an investment of US$ 525 million and commenced production in record time (January 2011), about four months ahead of schedule. Currently, the Company is adding a steelmaking facility of 2 MTPA in Oman. It will set up the first integrated steel plant in the Sultanate of Oman.

Key highlights

- Modified raw material and product-handling systems, resulting in improved quality and yield
- Enhanced pollution control measures; pollution levels are below permissible limits
- Increased safety initiatives to achieve zero accidents
- Received approval from Majan Electricity company for increased power supply from 191 MVA to 266 MVA to operate additional 2 MTPA Steel Melting Shop (SMS)
- Commissioned 4th Hot Briquette Iron (HBI) machine
- Commissioned raw material stacker, reclaimer and HBI stacker
- Commissioned HDRI dispatches to Sharq Sohar Steel

Africa

Anthracite coal at mines in South Africa

Jindal Africa

JSPL has presence in South Africa, Mozambique, Madagascar, Tanzania and Zambia. While its commercial interests are predominantly in mining, it is also expanding projects in the fields of steel, energy and cement. The Company is exploring opportunities for mining coking coal, iron ore and high-value minerals, such as copper, platinum and chrome.

Key highlights

- Head office is based in Johannesburg, South Africa and operations include Kiepersol Colliery outside the town of Piet Retief in Mpumalanga province. The mine produces high-quality anthracite coal that is sold locally and internationally
- Jindal Africa is developing a coal mine (10 million ton annual capacity) in Mozambique's coal-rich Moatize region. The first coal export is expected to commence in 2012-13
- Plans to establish a cement plant in Madagascar, which will be supplied by its own limestone mines
- Involved in extensive coal, copper and iron ore exploration activities in Tanzania and have been granted a license to mine copper
- Evaluating several projects for copper exploration and mining in Zambia
- Plans to expand its footprint in Botswana and Namibia


Indonesia

Pit Sampling

Jindal Indonesia

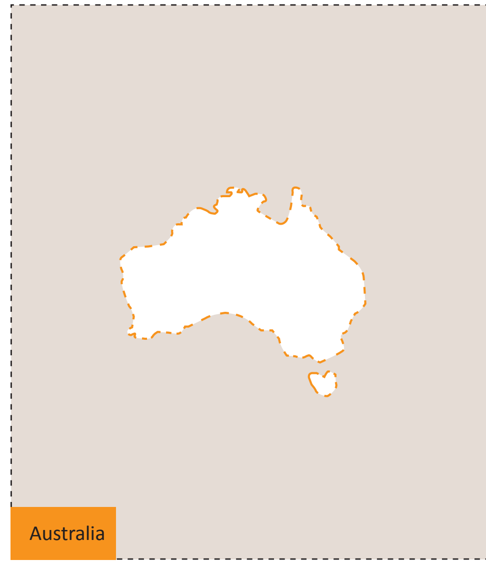
JSPL has invested for the development of two greenfield exploration assets in Indonesia. Both the mines are located within Central Kalimantan Province of Indonesia.

Thermal Coal Asset

- Large size deposit of low ash – low sulphur thermal coal for open cast operation
- Coal mining license obtained in 2009 for 10 years till March 2018 for over 35.9 SqM
- Permit received from the Ministry of Forest for the entire concession area
- MoU signed with Bupati Barito to develop road for coal hauling
- 139 Ha of land acquired for the first phase of mining
- Acquired 17.7 Ha land for the development of captive coal terminal for coal handling and barge loading at Barito River
- Land clearing commenced. Production to commence in 2012-13

Coking Coal Asset

- Exploration License over 100 Sq Km in Central Kalimantan
- Medium to large size deposits of prime hard coking and thermal coal for open-cast operation


Australia


Shri Naveen Jindal, CMD, JSPL and Co-Chair (India) for Indo-Australia CEO forum visiting Canberra (Australia) as part of a delegation, including Shri Anand Sharma, Hon'ble Minister of Commerce and Industry and Textiles, Govt. of India (extreme right) to meet Ms Julia Gillard, Hon'ble Prime Minister of Australia

Jindal Australia

JSPL has undertaken Coal Exploration Projects in Queensland, Australia

These exploration tenements are spread over a very large area of more than 1,300 sq kms with potential for coking/ PCI and thermal coal and are strategically located in three major coal bearing areas of Queensland i.e. Bowen Basin, Surat Basin and Maryborough Basin close to rail and port infrastructure.

- The exploration activities in the Dingo South and Dingo North project are at an advanced stage. A contractor has been engaged to conduct the seismic survey, which is likely to commence soon. Concurrently, discussions are also being held with Queensland Coal and Gas Company for a data sharing agreement for Dingo South Project. These coal exploration projects have the potential for PCI Coal
- Process initiated for native tile agreements for Maryborough South and Tuan West projects located in Maryborough region of Queensland; discussions for co-operation agreement with overlapping petroleum lease holders initiated for Coxon Creek project. The project has the potential for large thermal coal resources
- An option agreement signed with Fitzroy Port terminal for 5 MT of port capacity
- Discussions were initiated with Queensland Rail for rail capacity on Blackwater rail system and Maura Rail system

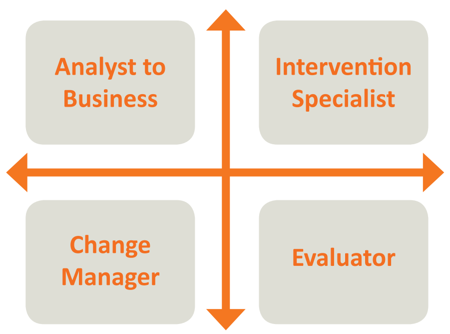
Exploring vistas of human excellence

DURING 2011-12, OUR ATTEMPT HAS BEEN TO CONSTRUCTIVELY DEAL WITH THE CHALLENGES OF GROWTH, HIRE THE RIGHT TALENT, DEEPEN EMPLOYEE ENGAGEMENT AND INCREASE EMPLOYEE UTILISATION AND PRODUCTIVITY. AT JSPL, WE RE-DEFINED THE ROLE OF OUR HR FUNCTION.

Training in progress at Raigarh plant in Chhattisgarh

We are leveraging advanced analytics to nurture talent and our HR strategies create an enabling environment to incubate future preparedness.

LEAD: High-potential employee engagement and development programme aimed at creating leaders across the organisation. Facilitated through a suite of developmental interventions from breakthrough projects, coaching, personal insights workshop, global exposure, benchmarking visits, simulations, war games, functional foundation courses and advanced courses among others.



First Steps: In order to build a robust HR function for our new global locations, a detailed job analysis is conducted for all unique roles. The process entails job evaluation and designing to enable the articulation of a robust organisational structure, competitive compensation benchmarking and clarity in the deployment of KPIs and goal setting.

HR Analytics: 2011-12 observed the integration of systems and processes by the deployment of a SAP HR module. With the organisation adding new dimensions and constantly redefining scales – the need for automation and data integrity is paramount.

Performance Management System: Awareness and orientation workshops were conducted across locations involving all employees as a part of Performance Management. All managers were taken through a rigorous 2-day workshop on managing performance and employee feedback.

Multi-source Employee Developmental Inputs: JSPL significantly emphasises on employee development. A critical step in this direction is the annual development programme, conducted through reputed consulting firms. 2011 marked the extension of this practice to a far larger number of employees, comprising AGMs and above. This year also saw the introduction of SHL's OPQ tool for Managers and Senior Managers to radically assess their strengths and areas of development against the Jindal Competencies Scale.

JLMT (Jindal Lead Management Trainee) programme: It is one of the most ambitious programmes for building future Leadership Talent Pool in the JSPL group. This opportunity is extended each year to our existing employees also, especially those who are 'out-of-the-box' thinkers and who have the ability to see the 'Big Picture' and turn their aspirations into reality. The shortlisted candidates are taken through a rigorous selection process, so that new roles and responsibilities can be properly assimilated to fast-track development.

Theatrical training in progress

HR workshop for engineers

HR accolades

Our value framework to build human resource excellence has been widely recognised by external forums through several awards and accolades:

- Greentech HR Excellence Gold Award 2012 in the categories of Training Excellence and Innovation in Employees Retention Strategies
- Strong Commitment to HR Excellence during the 2nd CII National HR Excellence Awards 2011
- Asia Pacific HR Excellence Award 2011 for Organisation with Innovative HR Practices (1st Prize)
- Indian National Suggestion Schemes Association (INSSAN) Organisational Excellence in Suggestion Scheme
- Winner in 24th Regional Works Skill Competition (Eastern Region) in Refrigeration & Instrument Mechanic Trade 2011-12
- Winner in 11th National Supervisory Skills Competition in Operation & Production Category 2011-12
- Confederation of Indian Industry (CII) National HR Excellence Award 2011 commendation for 'Strong commitment to Human Resource Excellence'

We are developing an ecosystem in which business achievement is woven with community pride.

AT JSPL, OUR COMMUNITY DEVELOPMENT INITIATIVES EXTEND WELL BEYOND OUR BUSINESS OBJECTIVES. THE COMPANY'S SOCIAL ENTREPRENEURSHIP IS EVIDENT FROM OUR MULTIPLE INITIATIVES TO HELP ELEVATE PEOPLE'S QUALITY OF LIFE. OUR INTERVENTION FOCUSES ON KEY AREAS OF HEALTH & HYGIENE, EDUCATION & SKILL DEVELOPMENT, WOMEN EMPOWERMENT & VOCATIONAL TRAINING, SELF EMPLOYMENT & INCOME GENARATION, SAFE DRINKING WATER & SANITATION, CAPACITY BUILDING, YOUTH & SPORTS AND INFRASTRUCTURE DEVELOPMENT.

384,000+

People benefited from JSPL's social endeavours

220+

Villages covered under JSPL's social endeavours

Nurturing the future

View of O.P. Jindal Global University at Sonepat, Haryana

JSPL recognises education as one of the building blocks of any nation and considers it as a major priority area. We nurture young minds, so that they can contribute to the nation's development.

O.P. Jinda Global University

O.P. Jindal Global University (JGU) — a non-profit global university, established under the Haryana Private Universities (Second Amendment) Act 2009 — promotes courses, programmes, curricula, research and collaborations with global faculty to embrace world-class education standards.

JGU is situated on a 70-acre state-of-the-art residential campus in the National Capital Region of Delhi. Besides Jindal Global Law School, Jindal Global Business School, Jindal School of International Affairs, JGU has established in 2011-12 the Jindal School of Government and Public Policy. It has also established the Jindal Institute of Leadership Development and Executive Education for conducting leadership development, training, capacity building, executive and continuing education programmes in corporate, public and government sectors.

JGU is a research-intensive university, where knowledge creation and development of culture through scholarships and publications is a critical component of university development. JGU has established collaborations with Harvard University, Yale University, Cornell University, University of Michigan, University of Cambridge, United Nations University and many other prestigious institutions around the world.

Key achievements

Bestowing an honour

The Capital Foundation's Justice P.N. Bhagwati Award has been conferred upon Shri Naveen Jindal (Chancellor, O. P. Jindal Global University) in recognition of his outstanding contribution to legal education and corporate philanthropy. This award was presented by His Excellency Dr. A.P.J. Abdul Kalam, former President of India in the presence of Mr. Altamas Kabir, Honourable Judge of the Supreme Court of India.

Mid-career training programme for senior IPS officers

Three hundred senior IPS officers (DIGs and IGs) have been trained in strategic management under the mid-career training programme, conducted by the Cambridge University in collaboration with the O.P. Jindal Global University. The contract for this training was offered to Cambridge University and O.P. Jindal University by the Ministry of Home Affairs, Government of India with the objective of strengthening the law enforcement mechanisms through knowledge-based policing. The programme was conducted by faculty members from both universities and police practitioners from the UK, USA and Australia.

Collaboration with Institutions in Mozambique

The JGU has inked a Human Development and Social Empowerment Initiative with the Crianca Nosso Futuro Institute (C.N.F.I), a leading non-governmental organisation that works under the Office of the First Lady of the Republic of Mozambique. The JGU-Mozambique Initiative involves training of Mozambican grassroots workers and NGOs by faculty members and students of Jindal Global Law School of JGU, who are implementing a 'Good Rural Governance and Citizen Participation Model' in over 100 villages of Haryana.

In return, students of the Jindal School of International Affairs (JSIA), Jindal Global Law School and other schools of JGU would serve internship in rural development organisations in Mozambique to learn how African civil society is grappling with multiple socio-economic challenges and issues relating to legal empowerment in Africa. The representatives from Mozambique will also nominate up to 15 Mozambican students to come to India and study in various post-graduate degree programmes offered by JGU.

Ernst & Young - FICCI Report Recognises Jindal Global Law School as a `Premium Higher Education Institute'

Ernst & Young and FICCI have recognised the Jindal Global Law School (JGLS) of O.P. Jindal Global University (JGU) as a Premium Higher Education Institute (HEI). A recent report relating to India's higher education, entitled 'New Realities, New Possibilities: The Changing Face of Indian Higher Education' published by them, observes that, premium HEIs in India are comparable to the best in the world, offering students world-class infrastructure, curriculum, faculty, systems and processes, among others. The only other institution to be recognised in India by Ernst & Young-FICCI report is the Indian School of Business (ISB), Hyderabad.

O.P. Jindal Schools

JSPL is running co-educational schools at Raigarh, Tamnar, Nalwa, Angul and Patratu, where quality education is being imparted to over 10,000 students.

O.P. Jindal School, Raigarh was established in 1996 inside the premises of the Jindal Colony. It has been

Nurturing Talent for Excellence - Students of O.P. Jindal Global University

Training in progress at JIPT in Tamnar, Chhattisgarh

Students in jubilant mood at OP Jindal Institute of Technology

certified as ISO 9001-2008 by IRQS and possesses modern facilities for horse riding, swimming and yoga. Other than excellence in the schools' internal examination and inter-house activities, the students have brought laurels to the school in different fields. Our schools emphasise on holistic development of their students to meet the challenges of the modern world. They lay stress on discipline, character building and inculcation of human values in order to promote national integration and foster international understanding and brotherhood.

O.P. Jindal Institute of Power Technology

Promoted by the Jindal Education and Welfare Society, the Institute offers one year Post Graduate Training Programme in Thermal Power Plant Technology (PGPTPT) and Post Diploma Training Programme in Thermal Power Plant Technology (PDPTPT). It is recognised by Central Electricity Authority (CEA), Ministry of Power as Category-I Institute.

Key achievements

- Conducted a national conference on 'Recent Developments in Thermal Power Technology' in 2011-12; power plant professionals from various reputed power utilities attended this conference
- Received training contracts to impart training to employees of DB Power (two batches of 16 trainees each for nine weeks), Alstom Power (2 batches of 50 trainees each for four weeks) and Abhijeet Power (2 batches of 15 trainees each for 2 weeks)

O.P. Jindal Institute of Technology

The only college in India which offers industry linked innovation-driven and employment oriented education in engineering. It is affiliated to Chhattisgarh Swami Vivekananda Technical University and is recognised by AICTE, Ministry of Human Resource Development and Government of India. It is located at Punjipathra in Raigarh, Chhattisgarh. At present, four-year Bachelors Degree in Mechanical, Electrical & Electronics, Civil, Metallurgy and Computer Science Engineering are running in the institute. OPJIT is spread across 34 acres of eco-friendly, lush green hi-tech campus equipped with all modern infrastructural facilities.

Key achievements

- A 2-day National Conference on Globalisation of Indian Engineering Education was organised to improve the quality of engineering education in India and make it globally acceptable. More than 300 participants comprising academicians, policy makers, research scholars and students from across the country attended.
- Scholarships of over ₹ 20 lacs were distributed to 92 students of OPJIT on the merit- cum-means basis, on the National Youth Day
- A national-level tech fest 'Technorolix', a platform for youth technocrats of various engineering colleges in India, was organised. The activities of the tech fest included technical model exhibition, technical paper presentation, quiz competition and techno fun games, and was attended by over 1,200 students.

O.P. Jindal Community Colleges

O. P. Jindal Community College epitomises the dream of Shri O.P. Jindal to transform the rural economy through skills training. The shortage of skilled labour remains one of the key development challenges in India. In 2011-12, OPJCC significantly ramped up student enrolment at five colleges in Angul, Barbil, Godda, Patratu and Punjipathra, as well as in our four adopted Industrial Training Institutes (ITIs) in Raigarh and Barbil. School drop-out rates and unemployment in these locations are disproportionately high, representing a dismal human development index.

OPJCC technical training programmes focus on developing practical skills and imparting relevant workplace soft skills to increase employability. By offering globally benchmarked vocational education and skills training, rural youth can successfully compete for market-demand technical jobs, thus improving their quality of life and contributing to nation-building.

OPJCC is an entirely philanthropic initiative of our CMD, Shri Naveen Jindal. Accessibility and affordability are key tenets. Consequently, we admit all literate learners, irrespective of their educational backgrounds. We have low fees (₹ 500 a month for our 6-month

Training in Mason trade at O.P. Jindal Community College at Knowledge Park, Punjipathra, Raigarh, Chhattisgarh

programmes) and scholarships and stipends are available for economically disadvantaged students. Transportation, meals and hostel facilities are available to all students. All interested students have an equal chance to learn and receive services, such as personal-and-career counselling, daily yoga and prayer, safety skills training, maths and language classes and visits to local industries.

At OPJCC, rural empowerment entails capacity development of students (ranging from 14-45 years) to help them learn and earn. We boost their self-esteem and eagerness to work or create income-earning opportunities. OPJCC's career placement services have helped students secure employment as semi-skilled and skilled workers, often starting with salaries higher than the minimum wage.

The college's new migration training programme has enabled students to seek employment opportunities throughout India. OPJCC started a specially designed training programme for Project Affected Families in the Tamnar (Chhattisgarh) area, which can serve as a model programme for land-sellers and displaced families. This year, OPJCC also provided customised training for local industries and rural communities. Over 8,000 students were enrolled in 2011-12 and it is expected to scale-up to 1 lac students by 2013.

Key achievements

- Upgraded infrastructure and technical equipment at all facilities
- Initiated Construction Skills Training Centres in partnership with L&T, offering masonry, formwork carpentry, plumbing, welding and related skills
- Signed an MoU with Montgomery College (USA) and Wadhwani Foundation to upgrade and impart vocational education teacher training
- Opened Community College, I.M.C. Society, I.T.I. Barbil under a Public-Private Partnership scheme
- Launched technical certificate programmes, enrolling 3600 students till date
- Hosted a successful Job Fair in Angul with 96% placement of candidates
- Initiated monthly sports/fun day to inculcate teambuilding, cooperation and interpersonal communication skills
- Imparted hand-pump training to prepare a self-supported cadre of workers to service village hand pumps
- Implemented a teacher training and upgradation programme
- Prepared a stellar plumbing student from OPJCC Angul for the World Skills Competition 2011 held in the UK in October; OPJCC Angul certified by ISO 9001-2008
- Nominated for World Education Award 2012
- Started an emergency medical technician (EMT) and nursing aid programmes in partnership with Jindal Fortis Hospital, Raigarh
- Sent instructors and administrators to USA for capacity building and information exchange
- Introduced a short-course for dairy and farm management
- Commenced farrier education and up-gradation programme
- Applied for vocational training provider (VTP) under the MES Scheme, DGE&T
- Participated in various government discussions and national meetings on vocational education and skills building

Training in Barbending trade at O.P. Jindal Community College at Punjipathra, Raigarh, Chhattisgarh

Modern medical facilities at your doorstep

Facilitating education for girls

Chhattisgarh

Raigarh

360° Approach

JSPL (Raigarh) is focused on the core principle of sustained inclusive growth. The objective is attained by mapping stakeholder aspirations through intensive engagement and holistic problem-solving. In other words, each intervention is not a stand-alone vertical, but complements the big picture of corporate sustainability.

Therefore, the verticals include improving access to quality education, modern medical facilities and potable drinking water, improving purchasing parity through the enhancement of supplementary livelihood options, promotion of sports, arts & culture and infrastructure development. The underlying thrust is on capacity building of communities to enable informed decision-making at the grassroots.

Our focus is to create shared value for every intervention, ensuring a participatory model of development.

Health

- Organised three mega medical camps at District Jail Raigarh (378 patients), Ektal (359 patients) and Kunjemura (250 patients)
- Conducted an anaemia camp: 180 girls were tested; 31 girls (found anaemic) were treated at Kirodimalnagar
- Conducted Papanicolaou test, 29 people benefited at Kosamapali and Kalmi
- Treated over 16,193 patients through a mobile medical van
- Organised health and hygiene care camps for the children of labourers
- Organised surgery camp for polio deformities followed by prosthesis (23 children benefited)
- Conducted five laparoscopic tubectomy camps (519 people operated)
- Operationalised a trauma centre to handle emergency medical aid
- Conducted HIV/AIDS awareness programme amongst truck drivers in the nearby villages – (21,602 persons covered); distributed over 41,879 contraceptives
- Provided referral services for critical care (18 cases)
- Treated patients (from below the poverty line) at Fortis for burns, accidental cases, minor surgical, ENT cases, etc. (44 patients treated) and Outdoor Patient Department (OPD) undertook dialysis of 167 patients
- Conducted healthy baby show at Gorkha
- Organised an occupational health centre at Kunjemura; treated through OPD (8,185 benefited), pathological investigation (619 benefited) and X-Ray (98 benefited)
- Provided 12 air coolers to Smt. Asarfi Devi Mahila Hospital

Education

- Appointed 150 community teachers at Raigarh, Tamnar, Dharamjaigarh, Sarangarh, Baramkela and Pussore blocks to improve teacher-student ratio
- Provided scholarships to 176 students
- Provided school fee, uniforms, books and admission fee support to 77 (Schedule Tribe and Below Poverty Line) students of Jindal Adarsh Gramya Bharti School, Kirodimalnagar
- Provided school development grant (₹ 3.60 lacs) to Adarsh Gramya Bharti Shikshan Samiti, Kirodimalnagar
- Conducted coaching classes at O.P. Jindal School to 380 students
- Provided education to 14 elderly women at Dhanagar
- Distributed uniforms and school bags to 5,000 girl students, under Duttak Putri Yojana
- Organised '*kaun hai budhimaan*', a quiz contest for school students at Sanjeevani, Patrapali and ASHA
- Provided 12 computers, printers, tables and chairs to South Eastern Railway School, Bilaspur, Government Higher Secondary School Kirodimalnagar and Government Higher Secondary School, Dhanagar
- Undertook an electrification initiative for Government Higher Secondary School, Kirodimalnagar
- Celebrated the Republic Day and the Independence Day in schools located in 42 villages adopted by JSPL Raigarh
- Conducted a drawing and quiz competition at Kirodimalnagar, Chiraipani, Patrapali, Saraipali, Saraitola, Karwahi and Lamdarha on the World Environment Day
- Conducted coaching classes to 228 students of government schools for PET and AIEEE entrance examinations
- Constructed a school boundary wall for the government Middle School, Saraitola
- Constructed two new classrooms at O.P. Jindal School, Kunjemura
- Repair work at the government primary school, Hokradipa
- Provided transportation facility to students, benefiting 264 students (bus) and 120 students (small vehicles)

Building skills, enhancing employability

Augmenting Community Infrastructure

Livelihood

- Provided apparel making and designing training in Bermuda, Kosampali and Patrapali village, benefiting 85 women
- Imparted training (stitching, cutting, tailoring) to 320 rural people
- Provided mushroom cultivation training to 34 people across Kusmura, Jampali and Baghanpur
- Conducted mixture-making training at Saraipali
- Provided mobile repairing training at Kosampali
- Identified groups to start a small manufacturing unit of nutritive food
- Provided uniform making training at Kirodimalnagar
- Financial support for starting tailoring shop
- Provided training on potato chips and *papad* making at Chiraipani and Chandmari (Raigarh)
- Provided ready-made garment making training at Sanjeevani (Patrapali)
- Facilitated income generation programme Sanjeevani (Patrapali)
- Provided vocational training on refrigerator and A.C. repairing at Punjipathra

Youth development

- Organised cricket, *kabaddi* and volleyball tournaments across several villages
- Installed a multi-gym facility at Dhourabhata
- Provided wooden flooring for the badminton court at Raigarh Stadium
- Sponsored cricket players to play in Nepal
- Provided sports accessories (cricket kit, volleyball kit and *kabaddi* uniform)
- Organised summer kids camp with 150 school students of Chiraipani, Khairpur and Kirodimalnagar
- Provided new equipment for a multi- gymnasium at Patrapali
- Promoted traditional art and culture ('Kala Samgam') across eight villages
- Supported district administration for the Chief Minister's Kanyadan Saamuhik Vivah Yojna
- Sponsored the National Drama Festival at Raigarh
- Supported to Karma (Folk Dance Group) at Lamdarha, Janjgir and Amgaon
- Initiated environment awareness rally from Kamla Nehru Park, Raigarh with 500 students of Raigarh District
- Promoted a street play (Uchchabhitthi) to spread awareness about water, hygiene, sanitation and AIDS at Raigarh
- Constructed cultural stages at Banhar, Naveen Saraipali and Dhanagar

Infrastructure

- Repaired submersible pumps and installed new submersible pumps across various villages
- Constructed boundary walls (schools, playgrounds and a graveyard), CC Road, ponds drainage system across various villages
- Constructed a vocational training centre
- Provided basic amenities to Transit Hostel, Urdana
- Provided Hume pipe to Chiraipani and Khairpur
- Levelled play ground at ITI Raigarh
- Constructed retaining wall at Patrapali
- Constructed a community hall at Dhourabhatta and a bus stop at Dongamahua and Aamgaon
- Renovated classrooms at the Government Primary School, Hokradipa

Community based rehabilitation

- Provided services like physiotherapy, occupational therapy, speech therapy, special education to over 1,144 children
- Conducted nine community based rehabilitation camps benefiting 380 people
- Provided aid to 73 disable people
- Treated 124 children with disability for critical illness at Fortis OPJHRC
- Organised special sports programme on World Disability Day for 78 children
- Conducted counselling and guidance sessions for 642 parents
- Delivered free-of-cost services at Asha-The Hope

Raipur

- Constructed BT road from JSPL property to Mandir Hasoud village
- Developed and maintaining a garden at Raipur Airport
- Developed and maintaining greenery at the heart of Raipur city (Ghari Chowk)
- Constructed Sulabh Souchalaya at Oriya Para, Rajivnagar for better hygiene
- Organised state level shooting camps for youth of Chhattisgarh
- Donated dona press machine to Mahila Shakti Swah Sahayata Samuh
- Arranged education fee for school going poor children
- Contributed to Mukhya-Mantri Kanyadaan Yojana for marriage of poor family girls
- Organised health camps including free health check up and donated medicines
- Organised blood donation camp; 50 bottles of blood collected

Village Health Camp


Production of Zardouzi work at Swavlamban Centre


Self Help Group engaged in work

Jharkhand

Health
- Organised health camps in all adopted villages
- Provided 24x7 ambulance services (CSR helpline) for referral services
- Provided specific medical or financial support to affected people
- Organised specialised camps for cataract operation, skin diseases and diabetes
- Initiated PAHAL, a population stabilisation initiative

Education
- Provided building, furniture, additional teachers to schools, and scholarships to bright students
- Trained rural youth at the O.P. Jindal Community College (OPJCC) for capacity building
- Conducted English classes and competitive coaching classes
- Provided community teachers in three schools around the vicinity

Youth, Sports & Culture
- Supporting cricket clubs and functioning gymnasium
- Facilitating the formation of youth clubs
- Organising football and *kabbadi* tournaments
- Supporting women football team

Livelihood
- Operates 84 self-help groups for women
- Initiated income generating activities (embroidery, mushroom cultivation, stitching, special handicraft, bamboo craft and paper bag making); around 120 women are involved in income-generating activities
- Skill development training programme (tailoring and embroidery) is functional; around 60 women and girls are trained annually
- Workshop for SHG members on the roles of Women in Protecting Child Rights
- Participated in Exposure Fair organised at Ranchi by the Bank of India

Livestock
- Vaccinated 900 poultry chicks and animals
- Reared goats and distributed cows to the BPL families under public-private partnership mode
- Organised veterinary camp with the support of Block Animal Husbandry Department
- Changed breed of goats and poultry to enhance yield

Infrastructure
- Facilitated infrastructure (roads, schools, power supply)
- Provided drinking water through overhead tank, pipe network and hand pumps
- Constructed individual toilets in two villages

Drinking Water & Sanitation
- Installed and repaired hand pumps; supplied drinking water through tanks
- Laid water pipeline
- Tested water samples in villages

Community development
- Supported marriages (167) through project *'Aashirwad'*
- Provided livestock support
- Conducted discussion and advocacy on Gram Vikas Samity (VDC)
- Developed Jindal Welfare co-ordination centre at five Panchayats where Company operates
- Organised CSR Meet 2012 at Patratu for sharing best practices and achievements
- Provided IT training for animators to enhance their skills
- Worked for soil conservation in participation with young people of Kinni
- Generated awareness against child labour on the occasion of World Day Against Child Labour

Kishori Express - Controlling adolescent anaemia among village girls


ECOSPA Self Help Group packing hand-made herbal body care products

Eco-friendly jute accessories manufactured by ODIFAB Self Help Group as part of the Angul rural Women's Initiative

Odisha

Angul

Health

- Initiated '*Aanchal*', a programme dedicated to the care of mother and child
- Helping address adolescent anaemia through Kishori Express, touching 6,735 girls
- Run HIV-ICT centres and condom vending machines
- Conducted voluntary blood donation camps in collaboration with Red Cross Society; also conducted health camps across 32 villages
- Initiated malaria and dengue prevention measures across 131 villages
- Provided access to safe drinking water in 48 villages

Education

- Enhanced employability through technical training institutes
- Improved Teacher-Student ratio in schools (1:76 to 1:42) through the intervention of community teachers
- Mainstreaming the children of daily labourers from quality crèche to formal school education through 'Aarambha' school
- Helped enable quality education in 42 vernacular medium schools; distributed teaching aids and sport goods among other things
- Partnering with the government for improving school infrastructure and classroom amenities in 26 schools
- Provided study material to 4,600 children of jail inmates across 43 jails in Odisha
- Promoted girl child education

Sustainable livelihood and women empowerment

- Involved 114 women in herbal body care product manufacturing unit; another 150 women engaged in jute accessories manufacturing
- Engaged farmers in organic farming and pisciculture
- Provided marketing support for all SHG manufactured products

Infrastructure

- Addressing the critical gap in community infrastructure, based on need prioritisation
- Ensuring community participation through 'shramadaan' and other activities
- Providing safe drinking water through 125 tube wells across 32 villages
- Facilitating rural household electrification with the government
- Provided school infrastructure across 26 villages
- Created all-weather access roads of 37.5 km for faster movement of goods and services across 16 villages
- Constructed community centres across 24 villages, improving common facilities and bonding among people

Sports, Youth and Cultural Bonding

- Formed youth clubs, rural gymnasiums and provided coaching facilities to 1,100 youth
- Provided sports equipment
- Encouraged young entrepreneurs to manage community assets
- Provided First-Aid training to rural youth
- Organising street plays on fire safety, road safety, HIV/AIDS awareness and other season-specific diseases
- Facilitated relief and rehabilitation measures for flood and storm-hit areas (19,602 families across 14 locations in the entire state of Odisha supported in 2011-12) and fire victims (159 families)

Natural resource management

- Initiated Watershed Project in collaboration with NABARD to benefit 1,743 households in five villages across 1,400 hectares
- Planted over 1 lac high canopy trees through a community-based approach
- Renovated rural water harvesting structures

Computer training in progress at O.P. Jindal Community College at Barbil, Odisha

Community Development initiative in Tensa, Odisha

Barbil

Education

- Provided teachers to Dhableswar High School (Deojhar Panchayat), Kandra High School (Kandra Panchayat), Deojhar UP School, Sialijoda UP School, Nunaghutani UP school at Bhagalpur and Rameshwar High School, Basira; provided pre-nursery teachers in the rehabilitation colonies
- Inaugurated O.P. Jindal Community college; over 380 students were admitted in various streams
- Provided additional resource strength for Barbil College
- Installed drinking water facility at Remuli College
- Constructed science laboratory at Jhumpra College
- Constructed boundary wall, repaired hostel and renovated garden at ITI Barbil (adopted under Public Private Partnership); 387 trainees benefited
- Provided financial assistance to meritorious students
- Helping upgrade infrastructure at government high schools

Health

- Provided free ambulance services and treatment at Deojhar and Soyabali dispensary
- Conducted eight health camps, benefiting 30 villages
- Conducted specialised camps (eye, gynaecology, dental) through mobile dispensary vans
- Conducted immunisation programmes for government workers across 15 villages
- Distributed free medicine and nets across 15 villages to prevent malaria
- Provided dedicated ambulances for all delivery cases to promote institutional delivery
- Provided financial assistance to needy patients for referral centres
- Assisted the government's family planning camps
- Started employee awareness on HIV/ AIDS

Rural infrastructure

- Provided safe drinking water through facilitating deep bore wells with submersible pumps, hand pumps and dug wells across seven villages
- Constructed over 30 low-cost toilets adopting the UNICEF model
- Conducted fogging and anti larval treatment of drains and water bodies in four villages around the plant
- Assisted government initiative for rural electrification

Community development

- Provided financial assistance for various rural cultural programmes
- Conducted various sports tournaments to encourage talent
- Promoted scientific pisciculture in partnership with District Fisheries Department
- Helped self-help group for starting poultry farming
- Reorganised 18 self-help groups (156 members) from five villages in partnership with Rastriya Gramin Vikas Nidhi

Tensa

Welfare amenities

- Provided accommodation facilities with essential and recreational amenities like dispensary, playground, children park, modern club house, sports facility, variety shopping store, industrial laundry, modern gymnasium, swimming pool, indoor games, library, restaurant, drinking water facility, canteen and conveyance

Vocational training and safety

- Undertook vocational training programmes for all new comers; a tripartite revised module is followed, which comprises theoretical classes, practical training and evaluation
- Facilitated training programmes for drivers of transporter vehicles; executive development programmes were conducted (seminar and workshop) to create a positive work culture
- Conducted regular safety meetings with equal participation from workers, management and contractor's representative to ensure zero accidents

Greening the road to progress

ENVIRONMENT PROTECTION IS AN IMPERATIVE FOR GLOBAL BUSINESSES AND GOVERNMENTS. JSPL IS COMMITTED TO PROTECTING THE ENVIRONMENT AND DISSEMINATING RELEVANT INFORMATION TO GENERATE AWARENESS.

Clean Green Environment at JSPL Steel Plant in Raigarh, Chhattisgarh

Some of the initiatives undertaken comprise the following:

- Assessing new projects to determine its environmental impact
- Designing a comprehensive environment management plan to mitigate these impacts
- Seeking clearances in matters of environmental issues from government bodies
- Monitoring emissions/discharges and their control
- Conducting rigorous research and development to find ways for solid waste utilisation
- Ensuring compliance to statutory obligations on all environmental issues
- Increasing awareness among the workforce to safeguard the environment
- Protecting the green cover within the premises
- Keeping plant areas clean through mechanised housekeeping initiatives
- Initiating CDM projects to reduce carbon footprints

Controlling air pollution

The Company follows Total Productive Maintenance (TPM) for the prevention of air pollution. Moreover, every aspect of pollution generated due to plant activities is meticulously monitored in order to minimise it.

The Company has installed state-of-the-art pollution control devices, suitable for the purpose of reducing atmospheric pollution. Real-time check on the performance of these devices is done through automated online analysers, such as Opacity Meters and Ambient Air Quality Monitoring Stations (AAQMS).

Controlling water pollution

At JSPL, water pollution is controlled by adopting a range of stringent regulatory measures and monitoring processes. The Company has attained a 'Zero Discharge' status by adopting state-of-the-art technology for water treatment. Through effective water conservation and reuse methods, specific water consumption for long products and flat products is maintained within a range of 4.2-5.3 cu.m, far below the CREP guideline of MoEF.

Managing solid wastes

JSPL has implemented several innovative projects to utilise solid waste under the 'Wealth from Waste' programme. The Parsada dump yard of JSPL stores solid waste temporarily and then it is transported to the sinter plant for further reuse.

Recently, BMP (bio-methanation plant) was installed in association with BARC, Mumbai for bio-gas production. Bio-degradable waste from the residential area is collected, segregated and fed into this 3 TPD BMP. It is the only plant of its kind in the whole of Chhattisgarh. As per the Fly Ash Notification Law, which came into effect from 1999, JSPL has attained Fly Ash Utilisation Status. Steps have already been taken to achieve a level of 100% utilisation of the same. The ash is used for brick making, ash dyke rising, road and embankment construction, cement manufacturing and land filling. Moreover, a separate brick making plant has also been constructed to utilise the fly ash generated from the power plant. The plant capacity of 60,000 bricks on a daily basis has already been met.

Maintaining ecological balance

JSPL consistently implements the concept of Green Productivity and takes preventive measures in and around its various facilities. The conservation of natural resources and pollution control initiatives features as a part of its operation module. Rainwater harvesting and tree plantations during monsoon are some of our eco-friendly measures. Eleven surface reservoirs with a water storage capacity of 29 lac cubic metres have already been constructed. A total number of 20 injection wells have also been built to harvest rainwater and replenish ground-water levels. Moreover, we planted and are maintaining over 3 million plants with a survival rate of over 90% during the preceding 10 years. Mass tree plantation programmes are regularly organised in consultation with the forest department. Besides, saplings are distributed to villagers free of cost. Initiatives have also been undertake for eco-conservation.

Board of Directors

Smt. Savitri Jindal
Chairperson Emeritus

Shri R. V. Shahi
Director, Independent

Sh. Arun K. Purwar
Director, Independent

Shri Naveen Jindal
Chairman & Managing Director

Smt. Shallu Jindal
Additional Director

Shri Ratan Jindal
Director

Shri Arun Kumar
Director, Independent

Shri Haigreve Khaitan
Director, Independent

Shri Hardip Singh Wirk
Director, Independent

Shri Vikrant Gujral
Group Vice Chairman & Head Global Ventures

Shri Anand Goel
Jt. Managing Director

Shri Sushil Maroo
Director and Group CFO

Shri Rahul Mehra
Director, Independent

Shri Inderpal Singh Kalra
Nominee Director - IDBI Bank Limited, Independent

Shri M.L. Gupta
Wholetime Director

Management Team

Shri V R Sharma
Dy. Managing Director
& CEO (Steel Business)

Shri Rajeev Bhadauria
Director, Group HR

Shri B S Raman
Director, Finance

Shri Virendra Kumar Mehta
Director, Sales & Marketing

Shri D K Saraogi
Executive Director, Angul

Shri N.A. Ansari
Director, Shadeed Iron & Steel LLC, Oman

Key Performance Indicators

(₹ in crore except otherwise stated)

	2011-12		2010-11		2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
INCOME STATEMENT	Consolidated	Standalone	Consolidated	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone	Standalone
DOMESTIC SALES	18,117.60	13,242.96	12,602.56	9,065.14	7,485.17	7,436.16	5,478.62	3,326.95	2,506.10	2,120.83	1,309.69	989.57
EXPORTS	1,498.85	1,498.85	1,395.83	1,395.83	410.41	1,021.37	653.01	592.84	371.85	329.04	83.10	3.61
OTHER INCOME	141.94	184.48	82.00	143.16	117.31	122.52	49.12	28.97	27.51	17.43	11.25	8.50
GROSS SALES & OTHER INCOME	19,758.39	14,926.29	14,080.39	10,604.14	8,012.89	8,580.05	6,180.75	3,948.76	2,905.46	2,467.30	1,403.94	1,001.68
NET SALES & OTHER INCOME	18,350.53	13,518.43	13,193.59	9,717.34	7,484.90	7,799.43	5,459.87	3,548.78	2,617.76	2,271.03	1,272.86	889.11
OPERATING PROFITS (PBIDT)	6,935.11	4,246.97	6,398.59	3,725.71	2,612.13	2,603.82	2,162.61	1,431.58	1,034.33	907.54	511.78	350.90
PROFIT AFTER TAX (PAT)	4,002.26	2,110.65	3,804.01	2,064.12	1,479.68	1,536.48	1,236.96	702.99	572.94	515.70	305.46	145.08
CASH PROFIT	5,575.20	3,167.32	5,115.02	2,915.22	2,107.07	2,074.81	1,768.10	1,174.21	858.41	765.76	434.25	267.15
BALANCE SHEET												
GROSS BLOCK	35,802.11	25,684.12	29,316.50	19,865.22	15,249.49	9,680.92	6,579.42	5,866.87	4,389.32	2,875.98	1,966.97	1,504.00
NET BLOCK	29,966.07	22,028.87	24,884.38	17,078.29	13,139.34	8,063.91	5,396.31	5,085.12	3,846.99	2,514.22	1,719.97	1,324.69
SHARE CAPITAL												
EQUITY	93.48	93.48	93.43	93.43	93.12	15.47	15.40	15.40	15.40	15.40	15.40	14.63
PREFERENCE	-	-	-	-	-	-	-	-	-	-	-	10.00
NET WORTH	17,931.20	10,831.31	14,088.10	8,686.15	6,720.64	5,385.11	3,722.12	2,475.17	1,837.92	1,317 37	853.87	571.17
BORROWINGS	17,090.80	15,714.32	13,976.59	12,110.91	8,383.26	4,962.65	3,863.35	3,507.72	2,745.37	1,495.86	1,025.96	885.26
SIGNIFICANT RATIOS												
OPERATING PROFIT TO NET SALES (%)	38	31	48	38	35	33	40	41	40	40	40	39
NET PROFIT TO NET SALES (%)	22	16	29	22	20	20	23	20	22	23	24	16
TOTAL DEBT TO EQUITY RATIO	0.95	1.45	0.99	1.39	1.25	0.92	1.03	1.40	1.49	1.13	1.09	1.41
RETURN ON CAPITAL EMPLOYED (%)	21	17	22	17	16	24	25	21	22	28	24	27
RETURN ON NET WORTH (%)	22	19	27	24	22	29	33	28	31	39	36	25
PER EQUITY SHARES												
BOOK VALUE (₹)	191.82	115.87	150.79	92.95	72.17	348.21	241.76	160.77	119.40	85.60	55.40	39.00
EPS (ANNUALISED) (₹)	42.42	22.58	40.22	22.11	15.90	16.57*	13.39*	7.61*	6.20*	5.58*	3.34*	1.73*
DIVIDEND RATE (%)	160	160	150	150	125	110*	80*	72*	60*	60*	40*	25*

* Normalised on account of issue of bonus shares in the ratio of 5:1 during 2009-10

NOTICE

To,
The Members,
Jindal Steel & Power Limited

Notice is hereby given that 33rd Annual General Meeting of the members of the Company will be held on Wednesday, the 26th day of September, 2012 at 12.00 noon at the registered office of the Company at O.P. Jindal Marg, Hisar – 125 005, Haryana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the financial year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Haigreve Khaitan who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Hardip Singh Wirk who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Rahul Mehra who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri Sushil Maroo who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration no. 000756N) as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next meeting and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Smt. Shallu Jindal, be and is hereby appointed as Director of the Company, liable to retire by rotation."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Manohar Lal Gupta, be and is hereby appointed as Director of the Company, liable to retire by rotation."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 198, 269, 309 and all other applicable provisions, if any, and Schedule XIII to the Companies Act, 1956 read with Article 139 of Articles of Association of the Company, the Company hereby approves appointment of Shri Manohar Lal Gupta as Wholetime Director with effect from 01st May, 2012 for a period of five years on the following terms and conditions:

(a) Basic salary of ₹ 92,510/- (Rupees ninety two thousand five hundred ten only) per month.

(b) Performance based target variable pay, benefits, perquisites, allowances, reimbursements and facilities as may be determined by the Board, from time to time.

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained hereinabove, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, performance based target variable pay, benefits, perquisites, allowances, reimbursements and facilities as specified above."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 198, 309, 310 and all other applicable provisions and Schedule XIII to the Companies Act, 1956, Chairman and Managing Director of the Company be and is hereby authorised to revise, from time to time, remuneration of Wholetime Directors of the Company, by whatever designation they are called, by way of annual increments or otherwise.

RESOLVED FURTHER THAT the increase in remuneration in case of each such Wholetime Director, at every time, should not exceed 100% of their respective Cost to Company (CTC) immediately before the revision.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of such Wholetime Directors, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, performance based target variable pay, benefits, perquisites, allowances, reimbursements and facilities as determined in the above mentioned manner."

Place : New Delhi
Dated : 31st July, 2012

By order of the Board

T.K. Sadhu
Company Secretary

Registered Office:
O.P. Jindal Marg,
Hisar – 125 005,
Haryana

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. A blank proxy form is sent herewith.
3. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of items 8 to 11 of the Notice is annexed hereto.
5. All documents referred to in the accompanying Notice and Explanatory Statement are open to inspection at the Registered Office of the Company during office hours on all working days up to the date of Annual General Meeting between 11:00 AM and 1:00 PM.

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

RESOLUTION NO 8:

Smt. Shallu Jindal was appointed as Additional Director by the Board of Directors in their meeting held on 27th April, 2012. As per the provisions of Section 260 of the Companies Act, 1956, she holds the office of Additional Director up to the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice along with the deposit of ₹ 500/- from her offering her candidature for appointment as Director, liable to retire by rotation.

The Board recommends this resolution for your approval. Shri Ratan Jindal, Shri Naveen Jindal and Smt. Shallu Jindal are interested in this resolution.

RESOLUTION NO 9 & 10:

Shri Manohar Lal Gupta is graduate from the Punjab University and has done Masters in Business Administration. He has vast experience of 38 years in the field of Human Resource Development, Administration and Industrial Relations. He has worked with Jindal Strips Limited (now Jindal Stainless Limited) and Jindal Iron and Steel Co. Limited (now JSW Steel Limited). In Jindal Steel & Power Limited, his key areas of operation have been recruitment & selection, wages & salary administration, manpower management, industrial relations and liaison with the Government Departments, such as, Industries, Labour, Mining, Pollution Control Board, Electricity Board and District Administration etc. The Board in its meeting held on 27th April, 2012, has appointed him as an Additional Director and, subject to your approval, as Wholetime Director w.e.f. 01st May, 2012 on terms and conditions as mentioned in the resolution No. 10.

As per provisions of Section 260 of the Companies Act, 1956, he holds the office of Additional Director up to the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice along with the deposit of ₹ 500/- from him offering his candidature for appointment as Director, liable to retire by rotation.

As per Section I of Part-II of Schedule XIII to the Companies Act, 1956, if the Company has adequate profits, the Board may fix remuneration within the ceiling as provided in Section 198 and 309 of that Act which is 10% of the net profits. As per the audited accounts for the financial year 2011-12, the Company has earned net profit of ₹ 2,110.65 crore, which is considered sufficient for the purpose of payment of remuneration to the managerial personnel of the Company including him.

The terms and conditions including details of remuneration given in the resolution No.10 may be treated as abstract of terms of appointment of Shri Manohar Lal Gupta under Section 302 of the Companies Act, 1956.

The Board recommends these resolutions for your approval. Shri Manohar Lal Gupta is interested in these resolutions.

RESOLUTION NO 11:

For carrying out the business operations of the Company smoothly and efficiently, the Board of Directors has been, pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 and subject to the approval of shareholders, appointing, from time to time, Directors in the wholetime employment of the Company for a fixed period on terms and conditions as are mutually agreed between the Company and the concerned Director and designating them with designations, such as, Wholetime Director, Deputy/ Joint/Additional Managing Director, Managing Director, Vice Chairman or Executive Vice Chairman etc., as the case may be. As per Company's policy, salary of the employees including such Directors, is revised every year from 1st April by way of annual increments. However, keeping in view the dynamic industry scenario, business needs and other factors impacting operations of the Company, the management may consider revision of terms of remuneration of any of its employees or a class/category of them including such Directors, from time to time, to retain talent. Since meetings of the Board of Directors are not held frequently and timely action is of great essence, it is proposed that Chairman and Managing Director of the Company may be authorised to revise terms of remuneration of such Directors, from time to time, during their tenure of service in terms of this resolution.

As per Sections 198, 309 and other applicable provisions read with Schedule XIII to the Companies Act, 1956, a company having profits in a financial year may pay any remuneration, by way of salary, dearness allowance, perquisites, commission and other allowances which shall not exceed five percent of its net profits for one such managerial person, and if there is more than one such managerial person, ten percent for all of them together. Accordingly in case of the Company, amount of managerial remuneration that can be paid during any financial year to such Directors should not exceed ten percent of the net profits of the Company during that year.

The Board of Directors has considered this matter in its meeting held on 27th April, 2012 and recommends this resolution for your approval.

Shri Vikrant Gujral, Shri Anand Goel and Shri Manohar Lal Gupta are interested in this resolution.

Place : New Delhi
Dated : 31st July, 2012

By order of the Board

T.K. Sadhu
Company Secretary

Registered Office:
O.P. Jindal Marg,
Hisar – 125 005,
Haryana

FOR ATTENTION OF SHAREHOLDERS

1. Register of members and share transfer books of the Company will remain closed from 12th September, 2012 to 14th September, 2012 (both days inclusive) and the dividend, if declared by the members, shall be paid to those members whose names, in case of shares held in electronic form (Demat Form), appear as beneficial owners, as at close of business hours on 11th September, 2012 and for shares held in physical form appear in the Register of members on 14th September, 2012 after giving effect to all valid transfers in physical form lodged with the Company and Registrar and Transfer Agent on or before 11th September, 2012. The dividend on equity shares, if declared at the meeting, will be credited/ distributed between 27th September, 2012 and 15th October, 2012.

2. The Ministry of Corporate Affairs, Government of India, vide its General Circular No. 2/2011 dated 8th February, 2011, has given general exemption to the companies from attaching the Balance Sheet and other documents of subsidiary companies as required under Section 212(1) of the Companies Act, 1956, with Annual Accounts of the Company if the Board of Directors so decides. The Board of Directors has, in its meeting held on 27th April, 2012, decided not to attach the Balance Sheet and other documents of the subsidiary companies with the Annual Accounts of the Company. Please note that the following information has been disclosed, at an appropriate place, in this report in respect of each subsidiary company.

   (i) Capital (ii) Reserves (iii) Total Assets (iv) Total Liabilities (v) Details of Investments (except in case of investments in the subsidiaries) (vi) Turnover (vii) Profit Before Taxation (viii) Provision for Taxation (ix) Profit after Taxation (x) Proposed Dividend

   The Company undertakes that Annual Accounts of the Subsidiaries namely:-

   1. Jindal Power Limited, 2. Jindal Synfuels Limited, 3. Urtan North Mining Company Limited, 4. Jindal Power Trading Company Limited, 5. Jindal Hydro Power Limited, 6. Jindal Power Transmission Limited, 7. Jindal Power Distribution Limited, 8. Attunli Hydro Elecric Power Company Limited, 9. Etalin Hydro Electric Power Company Limited, 10. Kamala Hydro Electric Power Company Limited (formerly known as Subansiri Hydro Electric Power Company Limited), 11. Jindal Steel & Power Mauritius Limited, 12. Jindal Steel Bolivia S.A. 13. Jindal Steel and Power (Australia) Pty Limited, 14. Shadeed Iron & Steel LLC, 15. Jindal Tanzania Limited, 16. Rolling Hills Resources LLC, 17. Jindal Power LLC, 18. Jindal Mining Industries LLC, 19. Jindal Madagascar SARL, 20. Osho Madagascar SARL, 21. Worth Overseas Limited, 22. Vision Overseas Limited, 23. Skyhigh Overseas Limited, 24. Jubilant Overseas Limited, 25. Jindal Mining & Exploration Limited, 26. Jindal Investment Holding Limited, 27. Harmony Overseas Limited, 28. JSPL Mozambique Minerals LDA, 29. Jindal Investimentos LDA, 30. Jindal Zambia Limited, 31. Jin Africa Limited, 32. Jindal Africa Investments (Pty) Limited, 33. PT Jindal Overseas, 34. Enduring Overseas Limited, 35. Trans Atlantic Trading Limited, 36. Jindal Steel & Minerals Zimbabwe Limited, 37. Jindal Brasil Mineracao SA, 38. Belde Empreendimentos Mineiros LDA, 39. Jindal Mining SA (Pty) Limited, 40. Eastern Solid Fuels (Pty) Limited and 41. Gas To Liquid International S.A., will be made available to the investors of these subsidiaries and the Company as and when they demand. The Annual Accounts of these Subsidiary Companies will also be kept, for inspection by any investor, at registered office of the Company as well as these subsidiaries.

3. Members desiring any information / clarification on the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep information ready at the Annual General Meeting.

4. Members are requested to note that Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extn., New Delhi-110055, is the Registrar and Transfer Agent to look after the work related to shares held in physical and dematerialised form.

5. Members are requested to immediately notify to the Registrar and Transfer Agent any change in their address in respect of shares held in physical form and to their Depository Participants (DPs) in respect of shares held in the dematerialised form.

6. Pursuant to Clause 5A of the listing agreement, intimation was sent to shareholders, followed by three reminders at their registered address in respect of Shares lying un-claimed with the Company. The Company is in the process of opening of Demat Suspense account and transferring all un-claimed shares to such account. As and when such shareholder(s) approach the Company, the Company will credit his/their shares lying in Demat Suspense account to his/ their demat account(s) or issue share certificate, as the case may be, after proper verification. In case you have not claimed such Share Certificates please write to the Company at 28, Najafgarh Road, New Delhi-110015, 011-45021814-822, fax 011-45021828, e-mail: investorcare@jindalsteel.com.

7. The Cost Auditors of the Company, M/s Ramanath Iyer and Co., (FRN 00019) BL-4, Shalimar Bagh (Paschmi), Delhi-110058 have filed the Cost Audit Report for financial year 2010-11 on 26th September, 2011 (for Raigarh and Raipur Units) and on 28th September, 2011 (for Patratu Unit); the due date of which was 27th September, 2011. The Board of Directors have appointed M/s Ramanath Iyer and Co. (FRN 00019) as Cost Auditor for auditing the Cost Accounting Records in respect of production of steel, cement and generation, distribution and transmission of electricity for the financial year 2012-13. The Cost Audit Report for the financial year 2011-12 is due to be filed on or before 31st December, 2012 or any other date as may be extended by Cost Audit Department, Ministry of Corporate Affairs, New Delhi and will be filed in due course.

8. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has to this effect issued circular number 17/2011 on 21st April, 2011 and 18/2011 on 29th April, 2011. The Company is sending the Annual Report including the Notice of Annual General Meeting, audited financial statements, Director's Report, Auditor's Report along with their annexures etc. for the financial year 2011-12 in the electronic mode to the shareholders who have registered their e-mail id with the Company and / or their respective Depository Participants (DPs). The documents being served in electronic form will also be available on our corporate website www.jindalsteelpower.com. In case you desire to receive the documents mentioned above in physical form, you are requested to intimate the Company at 28, Najafgarh Road, New Delhi-110015, 011-45021814-822, fax - 011-45021828, e-mail - investorcare@jindalsteel.com.

   Shareholders holding shares in physical mode are requested to kindly register their e-mail id with the Company and shareholders holding shares in electronic mode are requested to update their e-mail ids with their respective DPs for purpose of sending documents and correspondence in electronic mode.

9. Please bring a copy of Annual Report and duly filled in attendance slip for attending the Annual General Meeting.

10. UNCLAIMED / UNPAID DIVIDEND

   In terms of Section 205C of the Companies Act, 1956, the Central Government has established "Investor Education and Protection Fund" (IEPF) and any amount of dividend / fixed deposit etc. remaining unclaimed / unpaid for a period of seven years from the date it becomes due for the payment should be transferred to this Fund. Following table gives information relating to un-paid dividend accounts and last dates for claim.

S. No.	Year	Description	Date of Declaration	Last Date of Claiming Dividend
1.	2005-06	Interim Dividend @ 100%	31st October, 2005	30th October, 2012
2.	2005-06	Dividend @ 200%	27th September, 2006	26th September, 2013
3.	2006-07	Interim Dividend @ 120%	29th January, 2007	28th January, 2014
4.	2006-07	Dividend @ 240%	28th September, 2007	27th September, 2014
5.	2007-08	Interim Dividend @ 150%	18th February, 2008	17th February, 2015
6.	2007-08	Dividend @ 250%	26th September, 2008	25th September, 2015
7.	2008-09	Dividend@ 550%	29th September, 2009	28th September, 2016
8.	2009-10	Dividend@ 125%	28th September, 2010	27th September, 2017
9.	2010-11	Dividend@150%	29th September, 2011	28th September, 2018

   Those who have not received/ encashed their dividend warrants with respect to above dividends may please correspond with the Company for claiming the unclaimed amount.

"NO GIFT TO BE DISTRIBUTED IN THE ANNUAL GENERAL MEETING"

THE COMPANY HAS, ON A CONSOLIDATED BASIS, ACHIEVED AN AGGREGATE INCOME OF ₹ 18,350.53 CRORE COMPARED TO PREVIOUS YEAR'S ₹ 13,193.60 CRORE. PROFIT BEFORE TAX HAS INCREASED TO ₹ 5,188.60 CRORE IN 2011-12 FROM ₹ 4,988.02 CRORE IN 2010-11.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 33rd Annual Report together with the Statement of Accounts for the year ended on 31st March, 2012.

AUDITED FINANCIAL RESULTS

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Financial Year ended 31.03.2012	Financial Year ended 31.03.2011	Financial Year ended 31.03.2012	Financial Year ended 31.03.2011
Sales & other income	13,518.43	9,717.34	18,350.53	13,193.60
Profit before interest and depreciation	4,246.95	3,725.72	6,935.11	6,398.17
Profit before tax	2,843.01	2,753.36	5,188.60	4,988.02
Profit after tax	2,110.65	2,064.12	4,002.26	3,804.01
Appropriations:				
Interim dividend	-	-	4.82	4.29
Final dividend	149.46	140.19	149.46	140.19
Corporate tax on dividend	3.15	3.75	25.03	23.44
General reserve	220.00	210.00	222.54	211.65

FURTHER ISSUE OF CAPITAL

During the period under report the Company has allotted 3,24,223 equity shares of ₹ 1/- each on 12th December, 2011 against options granted under the Company's Employee Stock Option Scheme- 2005.

DIVIDEND

Your Directors recommend a dividend of ₹ 1.60 per equity share of ₹ 1/- each i.e. 160% for the financial year 2011-12. The total dividend pay-out for the year will amount to ₹ 149.46 crore (excluding dividend tax).

OPERATIONAL REVIEW

The Company has, on a consolidated basis, achieved an aggregate income of ₹ 18,350.53 crore compared to previous year's ₹ 13,193.60 crore. Profit before tax has increased to ₹ 5,188.60 crore in 2011-12 from ₹ 4,988.02 crore in 2010-11. Profit after tax has also grown to ₹ 4,002.26 crore in the year under report from ₹ 3,804.01 crore in the previous year. The Reserves and Surplus have touched ₹ 18,017.63 crore.

Sponge Iron

The Company produced 13,19,940 MT of Sponge Iron during the year under report as against previous year's production of 13,19,840 MT and achieved a capacity utilisation of 96.35%.

Steel

The production of steel products during the year under report, compared to previous year is given below:

Sl. No.	Product	Production in MT	
		(2011-12)	(2010-11)
1.	Finished steel products	19,44,434	15,85,327
2.	Semi steel products	27,56,881	22,72,692

Pellet

The Company produced 37,36,915 MT of pellets during the year under report as against 27,87,285 MT in the previous year.

Power

The Company generated 4,634 million Kwh of power during the year under report as against last year's 3,420 million Kwh of power.

Raipur Unit

Raipur Unit produced 1,778 metric tons of castings and has done machining of 9,060 metric tons during the year under report as against 1,569 metric tons and 8,613 metric tons respectively in the previous year.

Mining

The production of calibrated iron ore at captive mine at Tensa in Odisha was 5.06 lacs MT as against previous year's production of 6.69 lacs MT. The Company has exported 2.45 lacs MT of iron ore fines as against 8.42 lacs MT in the previous year. Coal production at captive mine was 59.98 lacs MT as against previous year's production of 59.99 lacs MT.

PROJECTS COMPLETED

Following projects were completed during the year under report:

1. Power Plants

(i) 540 MW (4X135 MW) power plant at Dongamahua, Raigarh Chhattisgarh: Under Phase–II, Unit I and II of 135 MW each power generation capacity were commissioned in January, 2012. Both the Units have stabilised their operations. With this, all the four Units of 135 MW each power generation capacity set up at Dongamahua, Raigarh, Chhattisgarh are operational and generating power.

(ii) 810 MW (6x135 MW) power plant at Angul, Odisha: The Company is setting up 810 MW (6x135 MW) captive power plant at Angul, Odisha for meeting power requirement of its upcoming 6 MTPA integrated steel plant. Second Unit of 135 MW power generation capacity was commissioned in February, 2012. With this, two units of 135 MW each are operational and generating power. Third Unit of 135 MW power generation capacity is expected to be commissioned in July, 2012.

2. Machinery Division, Raipur, Chhattisgarh

The production capacity of Machinery Division of Raipur Unit has been enhanced from 5,100 metric tons per annum to 10,000 metric tons per annum by making investment in machine tools, expansion of covered area and material handling equipment. The Company has received IBR Certification as manufacturer of headers of Boilers and foundry items. This Division is envisaging further expansion of its capacity by inclusion of more covered area and material handling facility and has planned to install Alfa Set Sand System in foundry for further improvement in product quality. The Pressure Vessel Division with a capacity of 2,500 metric tons per annum has started commercial operations.

PROJECTS UNDER IMPLEMENTATION

1. Steel Plant at Angul, Odisha

The Company is setting up 6 MTPA steel plant at Angul in the state of Odisha. The following facilities are, at present, under installation:

1.1) Coal Washery (2x 600 TPH)

1.2) Sponge Iron Plant based on Coal Gasification (1.8 MTPA)

1.3) Steel Melting Shop (1.64 MTPA)

1.4) Plate Mill (1.5 MTPA)

1.5) Captive Power Plant (6x135 MW)

Out of the above facilities under implementation, the construction of Plate Mill has been completed and is expected to be commissioned in financial year 2012-13. Apart from this, work on raw material handling plant, beam welding plant, cross country pipeline, raw water reservoir, in-take pump house and a housing colony is at an advanced stage of implementation.

The following facilities are also being set up at Angul:

1.1) Coke Oven Plant (2.0 MTPA)

1.2) Sinter Plant (4.0 MTPA)

1.3) Pellet Plant (4.0 MTPA)

1.4) Blast Furnace (3.2 MTPA)

1.5) Sponge Iron Plant (2.0 MTPA)

1.6) Steel Melting Shop (4.36 MTPA)

1.7) Hot Strip Mill (4.5 MTPA)

Department of Water Resources, Government of Odisha has given permission for drawing of 95.16 cusecs of water from river Bramhani for the plant. Ministry of Environment & Forests, Government of India has issued environmental clearance and Odisha State Pollution Control Board has issued consent to establish for setting up of said steel plant. Technology suppliers for Sinter Plant (4.0 MTPA), Blast Furnace (3.2 MTPA) and Sponge Iron Plant (2.0 MTPA) have been finalised and discussions are under progress for finalising technology suppliers for remaining facilities.

2) Steel Plant at Patratu, Jharkhand

The Company envisages setting up of 6 MTPA integrated steel plant at Patratu in the state of Jharkhand and in its first phase, is implementing 3 MTPA steel plant.

Agreement has been signed with Government of Jharkhand for supply of 66.54 mcm of water from Damodar Basin for the plant and an agreement with Jharkhand State Electricity Board is under process of renewal for supply of 20 cusecs of water. Ministry of Environment & Forests, Government of India has issued environmental clearance and State Pollution Control Board, Jharkhand has issued consent to establish for setting up of said steel plant. The Company has already acquired 1,039 acres of land and process is on for acquiring balance 2,205 acres of land.

3) Steel plant, Raigarh, Chhattisgarh

The existing steelmaking capacity at Raigarh Works is 3 MTPA. Considering the increasing demand for steel in coming years, the Company plans to enhance steelmaking capacity at Raigarh Works to 11 MTPA and is in the process of seeking various approvals. The Company has entered into memoranda of understanding with the State Government of Chhattisgarh in terms of which the State Government of Chhattisgarh will extend necessary assistance to the Company in expeditiously obtaining various approvals, coal and iron ore linkages, environmental clearances, acquisition of land etc. for implementing the said expansion plan. Ministry of Environment and Forests, Government of India has issued Terms of Reference (TOR) for the proposed expansion in terms of which the Company has submitted draft Environment Impact Assessment and Environment Management Plan to the Chhattisgarh Environment Conservation Board, Raipur, Chhattisgarh.

In order to further improve and strengthen the present operations, the following facilities are being added:-

3.1) Additional mill for pulverised coal injection is being set up which will help in increasing the coal injection in Blast Furnace thereby reducing the consumption of coal as well as improving the productivity.

3.2) Third Turbo-blower is being installed which will act as standby to the existing two turbo blowers and ensure continuity of hot blast air to Blast Furnace in case of shut down of any turbo.

3.3) Slab Caster upgradation is being done to increase the width of the slabs. This will help in rolling the increased width plates from the Plate Mill.

3.4) Additional 6 Silos are being set up to blend different kinds of coal. Low cost coal is blended with high grade coking coal to reduce the cost of blended coal and thus reduces the cost of coke. This will reduce the cost of conversion of hot metal in Blast Furnace.

3.5) Second Ladle Refining Furnace is being installed in Steel Melting Shop - III which will increase steel-making capacity by increasing the capacity of secondary steel making.

4. Pellet Plant at Barbil, Odisha

The Company is setting up one more 4.5 MTPA Iron Ore Pellet Plant with wet grinding process at Barbil for which basic engineering and proprietary equipment have been ordered. Water approval, environmental clearance and consent to establish for setting up 10 MTPA Pellet plant at Barbil have already been received. Detailed engineering agency has been finalised and critical packages ordering is in progress. The pelletisation will be a value added process of iron ore fines and better utilisation of powdery ore available in the mines.

5. Shadeed Sponge Iron Plant

As a part of expansion, Shadeed Iron & Steel Co. LLC, Oman, a subsidiary company, is setting up a 2 MTPA Steel Melting Shop. M/s Danieli, Italy has been finalised as the technology and core equipment supplier and M/s Idom, Spain has been finalised as the Engineering Consultant.

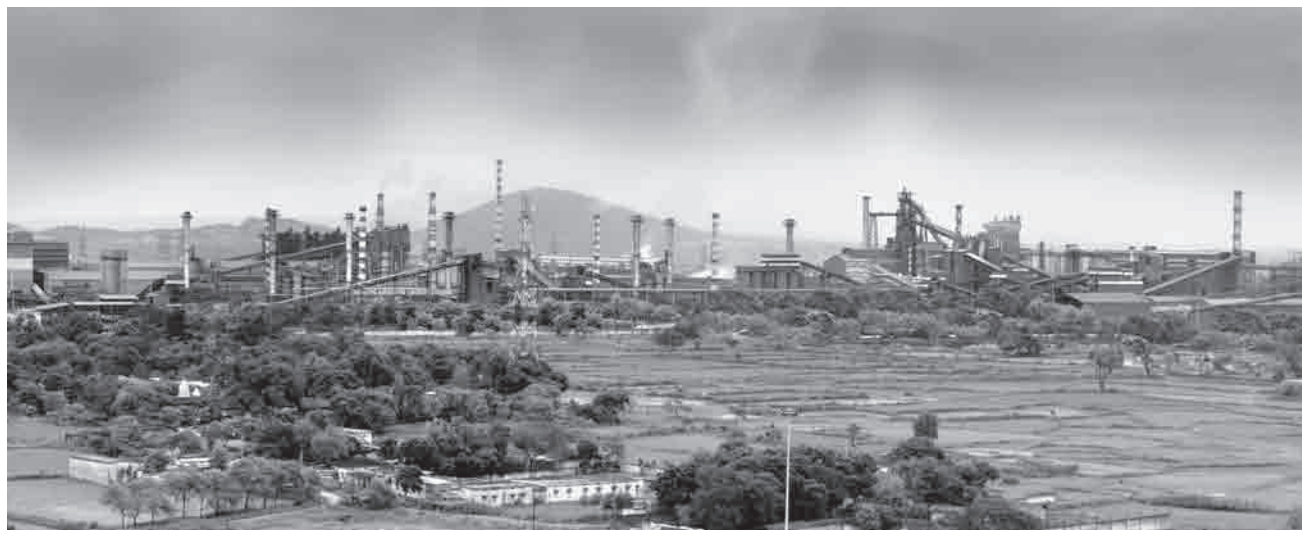
SUBSIDIARY COMPANIES AND THEIR BUSINESS

Jindal Power Limited (JPL), operating 1,000 MW (4 X 250 MW) power plant in Raigarh (Chhattisgarh) has closed financial year 2011-12 with a total sales of ₹ 3,040.35 crore and earned a profit after tax of ₹ 1,764.99 crore. JPL is expanding its power generation capacity by setting up 2,400 MW (4 X 600 MW) power plant adjacent to its existing works. JPL envisages setting up hydro projects in the State of Arunachal Pradesh in Joint Venture with Hydro Power Development Corporation of Arunachal Pradesh Limited and thermal power projects in the states of Jharkhand and Odisha. Shadeed Iron & Steel LLC, Oman, operating 1.5 MTPA Hot Briquette Iron plant achieved sales of ₹ 2,794.30 crore in the financial year 2011-12 and earned a profit after tax of ₹ 244.17 crore. Jindal Mining SA (Pty) Limited, South Africa, operating coal mines achieved a sales of ₹ 451.02 crore in the financial year 2011-12 and earned a profit after tax of ₹ 38.18 crore.

Africa continent and Australia are rich in mineral resources and your Company, through its subsidiary companies, is expanding its business activities by acquiring, exploring and operating iron, coal, limestone and base metals. The operations in Kiepersol Colliery in South Africa stabilised over the last year enabling a ramp up of production in the coming years. The Company also continues to pursue more opportunities in mining of coal, iron ore and manganese in this country. In Mozambique, the coking coal project is in the final stages of development. The sale is likely to start in financial year 2012-13.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 205C of the Companies Act, 1956, the Company has transferred unpaid / unclaimed final dividend for financial year 2003-04 and interim dividend for financial year 2004-05 amounting to ₹ 20,03,753/- (Rupees twenty lacs three thousand seven hundred and fifty three only) and ₹ 16,77,124/- (Rupees sixteen lacs seventy seven thousand one hundred twenty four only) respectively to Investor Education and



Protection Fund of Government of India. The details including last date for claiming of unclaimed / unpaid dividend amount is given at the end of the Notice of the Annual General Meeting.

EMPLOYEES STOCK OPTION

Details of allotment of shares made pursuant to Employees Stock Option Scheme-2005 to the employees of the Company and its subsidiary, Jindal Power Limited during the period under report is given below:

S.No.	Series	No. of Equity Shares Allotted	Date of Allotment
1	Series III (Part III)	3,24,223	12th December 2011

As required by clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 information with respect to active Stock Options as on 31st March, 2012 is given in a separate statement as Annexure-I forming part of this Report.

LISTING

The equity shares continue to be listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). Both these stock exchanges have nation-wide terminals and therefore, shareholders / Investors are not facing any difficulty in trading in the shares of the Company from any part of the country. The Company has paid annual listing fee for the financial year 2012-13 to BSE & NSE and annual custody fee to National Securities Depository Limited and Central Depository Services (India) Limited. Shares issued against stock options have been listed and trading permission has been granted by these stock exchanges.

FIXED DEPOSITS

The Company has not received any fresh deposits during the year under report. The aggregate amount outstanding in respect of fixed deposits as on 31st March, 2012 was ₹ 37.22 crore against 6,938 fixed deposit holders. Amount of deposits that have matured but were unclaimed as on 31st March, 2012 was ₹ 1.11 crore representing 384 deposit holders. Since then 39 deposits totaling ₹ 16.28 lacs have been paid.

DIRECTORS

IDBI Bank Limited has withdrawn nomination of Shri S. Ananthakrishnan from the Directorship from the close of business hours on 27th February, 2012 and nominated Shri Inderpal Singh Kalra as Director w.e.f. 28th February, 2012. Smt. Savitri Jindal and Shri Naushad Akhter Ansari have resigned from the Directorship of the Company w.e.f. 26th April, 2012 and 01st May, 2012 respectively. Shri Haigreve Khaitan, Shri Hardip Singh Wirk, Shri Rahul Mehra and Shri Sushil Maroo, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment as Directors of the Company, liable to retire by rotation, in the said meeting.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure II forming part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, the particulars of employees are set out in Annexure-III to this Report. However, as per provisions of Section 219(1)(b)(iv) of the said Act read with Clause 32 of the Listing Agreement, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company.

CORPORATE GOVERNANCE

Your Company has implemented the conditions of Corporate Governance as contained in Clause 49 of listing agreement. Separate reports on Corporate Governance and Management Discussion and Analysis along with necessary certificates are given elsewhere in this Annual Report as Annexure IV & V.

BUSINESS RESPONSIBILITY REPORT

Ministry of Corporate Affairs (MCA), Government of India has, in July 2011, issued National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (Guidelines). The Guidelines list out nine principles and core elements on ethics, transparency and accountability, sustainability, employee well being, responsiveness towards stakeholders, promotion of human rights, environment protection, influencing public policy, inclusive growth and equitable development, value to customers and consumers.

JINDAL POWER LIMITED (JPL), OPERATING 1,000 MW (4 X 250 MW) POWER PLANT IN RAIGARH (CHHATTISGARH) HAS CLOSED FINANCIAL YEAR 2011-12 WITH A TOTAL SALES OF ₹ 3,040.35 CRORE AND EARNED A PROFIT AFTER TAX OF ₹ 1,764.99 CRORE.

The Companies in India are adviced to follow these Guidelines for reporting their initiatives and activities relating to corporate social responsibilities (CSR). The Company's vision, mission and core values enshrine these principles which are integral to the business of the Company. The Company engages in elaborate CSR initiatives, conducts business with transparency and accountability, looks after well being and protection of the employees with a human face, is responsive to the needs of all its stakeholders and takes care of quality of the products manufactured by it, gives priority to preservation and protection of environment and prevention of pollution and believes that business is also a medium to contribute to the social development. Initiatives undertaken during the year under report in respect of corporate social responsibility, environment protection, industrial relations and human resource management etc. are mentioned in detail in the Management Discussion and Analysis Report which forms a part of this report as Annexure V.

AUDITORS

M/s S.S.Kothari Mehta & Co. (Firm Registration Number – 0000756N), Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received communication from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They are proposed to be appointed as Auditors of the Company for the financial year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under sub Section 2AA of Section 217 of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:-

i) that in preparation of the annual accounts for the financial year ended on 31st March, 2012, the applicable accounting standards had been followed along with proper explanations relating to material departures.

ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under report.

iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and by preventing and detecting fraud and other irregularities.

iv) that the Directors had prepared the accounts for the financial year ended on 31st March, 2012 on a 'going concern basis'.

APPRECIATION

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

For and on behalf of the Board

Place: New Delhi
Dated: 27th April, 2012

Naveen Jindal
Chairman and Managing Director

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE - I

Statement as at 31st March, 2012, pursuant to Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Sl. No.	Description	Remarks
A.	Options granted	During the year 2011-12 no stock options were granted to the employees and Wholetime Directors of the Company and its subsidiaries.
B.	Pricing formula	As approved by shareholders in their Annual General Meeting held on 25th July, 2005, price of shares arising on exercise of Options is equivalent to 75% of the average of the daily closing price of equity shares of the Company during 30 trading days preceding the date of grant of Options as quoted on the BSE Limited, (BSE) or the National Stock Exchange of India Limited (NSE) wherever the trading volume of equity shares in aggregate during the said period is more.
C.	Options vested	2,40,564 (Part III, Series II) 7,40,625 (Part III, Series III)
D.	Options exercised	5,64,787
E.	Total number of Ordinary Shares arising as a result of exercise of Options	2,40,564 equity shares of ₹ 1/- each allotted on 14th April, 2011; 3,24,223 equity shares of ₹ 1/- each allotted on 12th December, 2011 aggregating to 5,64,787 equity shares of ₹ 1/- each.
F.	Options lapsed	On account of leaving of service, due to resignation, retirement or otherwise, by the employees of the Company and its subsidiary, 4,16,402 stock options lapsed during the financial year 2011-12.
G.	Variation of terms of Options	NIL
H.	Money realised by exercise of Options	₹ 2,89,19,035/- (Includes premium of ₹ 2,83,54,248/-)
I.	Total number of Options in force	Nil
J.	Details of Options granted to	
	i) Senior managerial personnel	NA
	ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA
K.	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	₹ 22.58

Sl. No.	Description	Remarks		
L.	i) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2011-12.		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options.	The employee compensation cost would have been increased by ₹ 0.86 crore.		
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:		
				(₹ in crore)
		Net Income, as reported		2,110.65
		Add: Intrinsic Value Compensation Cost		(0.83)
		Less: Fair value Compensation Cost (Black Scholes Model)		0.03
		Adjusted Net Income		2,109.79
		Earning per share	Basic (₹)	Diluted (₹)
		As reported	22.58	22.58
		As adjusted	22.57	22.57
M.	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options granted whose exercise price is less than the market price of the stock (adjusted for stock split): Weighted average Exercise Price NA Weighted average fair value NA		
N.	A description of the method and significant assumption used during the year to estimate the fair value of Options	The fair value of each option estimated using the Black Scholes Options Pricing Model after applying the following key assumptions:		
		i) Risk free interest rate	NA	
		ii) Expected life	NA	
		iii) Expected volatility	NA	
		iv) Expected dividend	NA	
		v) The price of the underlying shares in market at the time of options grant	NA	

For and on behalf of the Board

Place: New Delhi
Dated: 27th April, 2012

Naveen Jindal
Chairman and Managing Director

ANNEXURE - II

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

1. Changing of motor connection from delta to star of FD fans of WHRB boilers of 3x25 MW power plants.
2. Shifting of 23 kVA lighting load to the MLDB 1&2 (TG-3M - with lighting energy saver) from MLDB 1&2 (TG-3M - without saver) in 3x25 MW power plants.
3. Operated one transformer out of the two identified transformers having tie breakers to reduce losses in 3x25 MW power plants.
4. Replacement of higher size raw water pump to appropriate smaller size in 2x55 MW power plant.
5. Installation of CFL lights (36 Watts, 80 nos.) in the sheds to meet lighting requirement during holidays and plant shutdown hours in place of lighting all the highbay luminaries (400 Watts, 420 nos.).
6. Installation of new smaller size annealing furnace for heat treatment of small lot sizes of material (Capacity 5mtr. X 3 mtr. x 2.8 mtr.--20T) in place of running small lot sizes in big annealing furnace (Capacity 7mtr. X 5 mtr. x 4.5 mtr.--40T).
7. Installation of lighting T/R in AHP of 2 x 25 MW power plant.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Installation of Beblac light energy saver of 150 KVA to reduce lighting voltage in 2x25 MW power plant.
2. Installation of lighting timers in lighting SLDB's of 2x25 MW power plant.
3. Segregation of coke products by coke route modification in coke oven plant.
4. Installation of soft starter in quenching pumps in coke oven plant.
5. Modification of wharf discharge mechanism in coke oven plant.
6. Changing of raw water pump motor from existing 180 KW to 132 KW as per the requirement in Blast furnace-2.
7. Inclusion of Variable Voltage and Variable Frequency Drive in stock house vibrofeeders (16nos-12X1.67kw &4X2.67kw) to reduce energy consumption at Blast Furnace-1.
8. Online Nucleonic Moisture Transmitter in Coke Bunkers for reduction in coke consumption in stock house of Blast Furnace-1.
9. Installation and commissioning of 15 KW solar photovoltaic power plant at a cost of ₹ 16.47 lacs for meeting requirement of 11 hrs. lighting on street between material gate to workshop (load 3.75 KW).

c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods:

1. Electrical power saving of 27 KW/hr is achieved in total 8 nos. of FD fans.
2. Electrical power saving of 3.0 KW/hr is achieved due to shifting of lighting load.
3. Electrical power saving of 15.5 KW/hr is achieved due to operation of one transformer.

4. Electrical power saving of 15 KW/hr is achieved due to installation of lighting transformer.
5. Reduction of energy consumption for shed lighting is approx. 55,351 KWHs from October, 2011 to March, 2012.
6. Reduction of fuel consumption approx. 34 Ltrs. / ton of metal heat treated in smaller size annealing furnace in place of large size annealing furnace.
7. Energy generation through Solar power for street lights (Per day consumption 41.25 KWHs approx.). Reduction in import of power from state electricity distribution company (approx. 15,056 KWHs per annum).

d) Total energy consumption and energy consumption per unit of production:

As per Form A given hereafter

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

a. Power and fuel consumption

	Current Year	Previous Year
I. Electricity		
(a) Purchased		
Unit in ('000 Kwh)	3,90,003.36	2,67,825.38
Total amount (₹ in lacs)	19,748.46	12,413.33
Rate/Unit (₹)	5.06	4.63
(b) Own generation		
i) Through diesel generator		
Units ('000 Kwh)	1,077.16	25,373.17
Units per ltr. of diesel Oil	2.56	3.19
Cost / unit (₹)	16.88	13.20
ii) Through steam turbine / generator		
Units (in '000 Kwh)	30,44,235.39	25,14,277.12
Units per ltr. of fuel Oil / Gas	NIL	NIL
Cost / unit (₹)	NA	NA
II. Coal		
(a) Non Coking Coal*		
Quantity (MTs)	69,46,609.03	55,04,543.91
Total cost (₹ in lacs)	93,283.04	54,841.36
Average rate / MT (₹)	1,342.86	996.29
(b) Coking Coal**		
Quantity (MTs)	10,70,586.70	11,33,058.00
Total cost (₹ in lacs)	1,36,104.26	1,10,635.00
Average rate / MT (₹)	12,713.05	9,764.29

	Current Year	Previous Year
III. Coke		
Quantity (MTs)	1,37,531.80	1,34,888.00
Total cost (₹ in lacs)	20,518.40	18,584.00
Average rate / MT (₹)	14,919.02	13,778.00
IV. Furnace Oil		
Quantity (K. ltrs)	1,18,678.06	1,02,843.00
Total cost (₹ in lacs)	47,757.51	32,333.00
Average rate / Ltr (₹)	40.24	31.44
V. Others internal generation		
Quantity	NIL	NIL
Total cost (₹ in lacs)	NA	NA
Average rate / Kg. (₹)	NA	NA

*Used in the manufacturing of Sponge Iron / Power Plant.

**Used in Coke oven and ultimately consumed in Blast Furnace.

b. Consumption per unit of production

	Current Year	Previous Year
I. Electricity		
For Sponge Iron Mfg. (unit / ton)	75.50	73.11
For Silico Magenese Mfg. (unit / ton)	3,966.15	4,564.90
For Slabs / Rounds / Beam /Blank Mfg. (unit / ton)	513.40	524.13
For Rails / Beams / Channels Mfg. (unit / ton)	145.99	173.03
For Plate / Coil Mfg. (unit / ton)	121.16	116.00
For Wire Rod (unit / ton)	229.02	314.54
For TMT Bar (unit / ton)	393.05	NIL
For Medium Light Section (unit / ton)	173.24	354.01
For Cement (unit / ton)	55.20	63.37
For Steel melting (Ingots & Casting) (unit / ton)	1,261.00	1,225.44
For Machine / Machinery parts Mfg. (unit / ton)	501.00	507.58
For Pellet (unit/ ton)	61.35	60.44
II. Fuel Oils		
For Sponge Iron Mfg. (litre / ton)	NIL	NIL
III. Coal		
For Sponge Iron Mfg. (mt. / ton)	1.36	1.37
For Silico Magenese Mfg. (mt. / ton)	0.69	0.39
For Power Plant (Kg / Kw)	0.98	0.95

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B given below

FORM B

(Form for disclosure of particulars with respect to absorption)

Research and Development (R&D):

A. Specific areas in which R&D carried out by the Company:

1. Commissioning of new section 350 mm Dia cast round for seamless line pipe application.
2. Development of Ultra Low Sulphur Steel round of 200 mm dia with sulphur content 0.0015% max for line pipe application.
3. Study on root cause and remedial measures for occurence of fish cracks in plates in collaboration with IIT Kanpur.
4. Development of boiler quality grade (ASTM A516Gr 70) with impact guarantee of 27 J at -46 degC up to 63mm plate thickness.
5. Study on the effect of tundish argon gas diffuser on steel cleanliness.
6. Development of ultra low sulphur steel (S<0.002%) for API plates.
7. Study on root cause and remedial measures on formation of Rolled Burr Pits (RBP) in parallel flange beams.
8. Development of structural grade E410 in accordance with IS 2062: 2006 in section UB 457 X 152mm.
9. Development of sheet pile (Larson IV).
10. Development of medium light structurals (channels, angles and beams) in following sections: Channel: 125-200mm, Angle: 100-200mm, Beam: 180 & 200mm.
11. Trial development of lead steel (12L14) for wire rod application.
12. Installation of hearth monitoring system in Blast Furnace.
13. Blending non coking coal with coking coal for coke production without deteriorating the coke quality for Mini Blast Furnace.
14. Establishing the standard deviation and variation of CSR and CRI results between Main and Pilot Coke Oven.
15. Development of API X70 grade in coils up to 12 mm thickness.
16. Reducing the carbon rate in production of Silico Manganese in SAF.

B. Benefits derived as a result of the above R&D:

1. New section developed to cater to the customer requirements in the field of seamless line pipe application.
2. New grade developed to cater to the stringent quality requirements of the customers for critical line pipe application with extra low sulphur content.
3. The reduction in defects will reduce the rework cost. The dispatch schedule will not get hampered due to elimination of rework activity on plates.
4. By development of this new grade the Company is now able to supply special quality plates in a new market segment.
5. A detailed report was generated on trial conducted at slab caster of the Company and suggested to supplier for further modification in flow pattern to improve the product quality.
6. The Company is in a position to supply plates in new market segment with stringent quality standards.
7. Based on data analysis and observations, recommendations were given to minimise RBP in structurals.
8. The Company is in a position to supply Beams in new market segment with stringent quality standards.
9. The Company is in a position to supply Sheet Piles for new market segment with stringent quality standards.
10. The Company is in a position to supply Medium Light structural grades for new market segment with stringent quality standards.
11. New grade (12L14) has been developed to cater to the business in a new market segment. "Free Cutting Steel - 12L14" has been developed which is widely used as Machining quality steel grade.
12. The hearth monitoring system was installed in Blast Furnace-2 which helps in controlling the PCI injection rate and oxygen flow through tuyers. It also helps in continuous monitoring of the inside refractory wall pattern in hearth.
13. This has led to considerable saving till now and will also generate future savings.
14. Trials confirm that average CSR of coke from pilot coke oven is 4 points lesser than Main coke oven and similarly average CRI of coke from Pilot coke oven is 4 points higher than Main coke oven. With the help of these results, trials can be conducted at pilot coke oven with the help of which the values would be predicted at main coke oven with a higher precision.
15. The Company is in a position to supply plates in a very prestigious market segment with stringent quality standards.
16. Specific coal consumption (per ton) reduced.

C. Future Plan of Action:

1. Study on reduction of ovality in cast rounds.
2. Analysis of MMR of individual and blended coking coal for coal characterisation and establishing the relationship to predict CSR and CRI of coke.
3. Study the root cause of formation and remedial actions for accretion formation in DRI kilns with collaboration of National Council for Cement and Building Materials, Ballabhgarh.
4. Establishing the correlation between CSR – CRI results of Pilot Coke Oven and Commercial non recovery Coke Oven.
5. Optimisation of maximum percentage use of non coking coal in blending of coking coal through pilot coke oven study to reduce the production cost.
6. Commissioning of slag detection system and study its effect on steel quality.
7. Study on the enhancement of the Roll campaign life.
8. Study on root cause analysis and remedial measures for centerline cracks in billets in low carbon grades.
9. Recycling and reuse of formed accretion in coal based DRI Kilns.
10. Study the Apex radius at MLSM.

D. Expenditure on R&D during 2011-12:

a. Capital	: ₹ 2.51 crore
b. Recurring	: ₹ 6.46 crore
c. Total	: ₹ 8.98 crore
d. Total R&D expenditure as a percentage of total turnover	: 0.07% (turnover 13,270.67 crore)

Technology Absorption, Adaptation and Innovation:

a) Efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result:

1. Development of safe and standard mechanism for Tuyers Pulling in Blast Furnace.
2. Eliminating unwanted stoppage due to Pinch Roll in Plate Mill.
3. Realisation of burnt lance pipe in Blast Furnace.
4. Coke Flow control device in Coke oven.
5. Development of online replacement methodology of hearth spray cooling header in Blast Furnace.
6. Minimising deviation in product quality due to sagging of Coal Throw Pipe in DRI.
7. Modification in flow meter in transport air line in PCI in Blast Furnace.
8. Boost production (quality & quantity) via innovative wireless system for kiln temperature monitoring in DRI.
9. Process improvement for productivity & waste utilisation in DRI.
10. Process improvement for productivity of CTL-1 by innovative idea with in-house material utilisation in Plate Mill.
11. Innovative practices for longer sequence in Slab Caster in SMS.
12. Add new gauge led display board in FM area in Plate Mill.

b) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

1. Technology Imported:

2007-08	2008-09	2009-10	2010-11	2011-12
1) RH degasser	1) 100T Electric Arc Furnace, Ladle Furnace and FES from Sarrale, Spain	1) Medium Light Structural Mill supplied by M/S Danielle	1) New straightening machine installed to straighten Beams beyond 700mm. Technology and equipment supplied by SM S_Meer	NIL
		2) Slag grinding unit for production of cement using fly ash and blast furnace slag		

2. Year of import: as given above

3. Has technology been fully absorbed? Yes

4. If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action: N/A

FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Activities relating to Export:

I) INITIATIVES TAKEN TO INCREASE EXPORT:

Further to the initiatives taken in 2010-11 to improve upon the offering of the Company's products in the export markets, significant progress was achieved in various areas.

The total tonnage of steel products exported in the year 2011-12 was 2,69,000 MT against 2,00,000 MT last year registering a Year on Year growth of 34%. Last year we could capture significant market share in the neighbouring countries of the Indian subcontinent including Nepal, Bangladesh and Sri Lanka. Against the general trend of lower international prices vis-a-vis the domestic market, prices in the neighbouring countries usually being governed by the domestic market sentiments are more remunerative. Further, the lower freight incidence for these markets compared to those for EU and MENA regions make them more attractive markets for exports.

In the cast round market internationally, which forms a large percentage of total exports, this year the Company exported higher quantities of value added alloy grades over the last year. Further while the Company generated more business in the Seamless Pipe Industry, the Company has also been successful in tapping into overseas forging industry. More efforts will be made in this direction so that the Company is perceived as a producer of value added steel and is able to carve out a niche in the international market.

Another significant development has been restrengthening of the Company's presence in the MENA region for structural section product range. A renewed effort has been directed at promoting medium and heavy parallel flange beams and columns for which MENA region offers a natural market. The Company has been able to consistently register sales of structural sections last year in this region, clocking 15,000 MT sale during second half of the financial year 2011-12. The endeavour is to reach a level of approximately 5,000 MT per month of sales on a consistent basis in the coming year.

Regarding the development of rail business, while the order of Iranian Railways system continued to be serviced during the year, discussions are underway for supply of rails to other countries including Ethiopia, Brazil, Saudi Arabia and Tunisia with many being in advance stages of sales cycle. Experience gathered from supply of rails to Iranian Railways System and aforesaid new avenues will enable the Company to obtain international recognisation and certifications for development of rail business.

Last but not the least, establishment of a separate port recognition and ship chartering desk at the Company has enabled it to streamline shipping operations and commence a gradual shift of the business terms from FOB to CNF, which, going forward, will be important in attracting greater buyer interest from the international market.

II) DEVELOPMENT OF NEW EXPORT MARKET FOR PRODUCTS AND SERVICES AND EXPORT PLANS:

This year the Company intends to have a special focus on the MENA region. As per World Steel Association, steel use in MENA is forecast to resume growth in 2012 at a rate of 7.9%. Other markets of special interest will include countries in Latin America and South East Asia region. The focus on MENA region will be aided by setting up of a service center in Dubai and increasing the Company's presence through new offices in the region to strengthen the end customer base.

The Company's upcoming state-of-the-art Plate Mill facility at Angul which is equipped with latest wide plate rolling, finishing and heat treatment facilities, will enable the Company to tap value added plate segment in the international market. Advance production capabilities combined with proximity to a port location makes it ideal for the high end plate export market.

b. Total Foreign Exchange used and earned

I) FOREIGN EXCHANGE USED : ₹ 256.83 crore

II) FOREIGN EXCHANGE EARNED : ₹ 1,428.84 crore

For and on behalf of the Board

Place: New Delhi
Dated: 27th April, 2012

Naveen Jindal
Chairman and Managing Director

CORPORATE GOVERNANCE PHILOSOPHY OF THE COMPANY IS BASED ON THE PRINCIPLES OF EQUITY, FAIRNESS, TRANSPARENCY, SPIRIT OF LAW AND HONEST COMMUNICATION. COMPANY BELIEVES THAT SOUND CORPORATE GOVERNANCE IS NECESSARY TO RETAIN STAKEHOLDERS' TRUST AND ENSURES EFFICIENT WORKING AND PROPER CONDUCT OF THE BUSINESS OF THE COMPANY WITH INTEGRITY.

CORPORATE GOVERNANCE REPORT

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy of the Company is based on the principles of equity, fairness, transparency, spirit of law and honest communication. Company believes that sound Corporate Governance is necessary to retain stakeholders' trust and ensures efficient working and proper conduct of the business of the Company with integrity. Development of Corporate Governance guidelines is a continuous process which evolves over a period of time and undergoes changes to suit the changing times and needs of the business, society and the nation.

2) BOARD OF DIRECTORS

i) Composition and Attendance

Structure of Board of Directors during the financial year 2011-12 and attendance at Board Meetings held during the said year and Annual General Meeting (AGM) held on 29th September 2011 are given below.

Sl.No	Name and Designation	Category	Attendance in FY 2011-12	
			Board Meetings	AGM
1.	Smt. Savitri Jindal# Chairperson Emeritus	Non – Executive and Promoter	0/4	No
2.	Shri Ratan Jindal# Director	Non – Executive and Promoter	2/4	No
3.	Shri Naveen Jindal# Chairman & Managing Director	Executive and Promoter	4/4	Yes
4.	Shri Vikrant Gujral Group Vice Chairman & Head Global Ventures	Executive	1/4	No
5.	Shri Anand Goel Joint Managing Director	Executive	4/4	No
6.	Shri A.K. Purwar Director	Non Executive and Independent	3/4	No
7.	Shri R.V. Shahi Director	Non Executive and Independent	4/4	Yes
8.	Shri Haigreve Khaitan Director	Non Executive and Independent	2/4	No
9.	Shri Hardip Singh Wirk Director	Non Executive and Independent	4/4	No
10.	Shri Rahul Mehra Director	Non Executive and Independent	2/4	No
11.	Shri Arun Kumar Director	Non Executive and Independent	4/4	No
12.	Shri Sushil Maroo Director	Non Executive	4/4	Yes
13.	Shri Naushad Akhter Ansari* Wholetime Director	Executive	3/4	No
14.	Shri Inderpal Singh Kalra** Nominee Director (IDBI Bank Limited)	Non Executive and Independent	N.A	N.A
15.	Shri S. Ananthakrishnan** Nominee Director (IDBI Bank Limited)	Non Executive and Independent	3/4	No
16.	Smt. Shallu Jindal# Additional Director	Non – Executive and Promoter	N.A	N.A
17.	Shri M.L. Gupta*** Additional Director and Wholetime Director	Executive	N.A	N.A

Smt. Savitri Jindal is mother of Shri Naveen Jindal and Shri Ratan Jindal. She resigned from the Directorship of the Company w.e.f. 27th April, 2012. Smt. Shallu Jindal was appointed as Additional Director w.e.f. 27th April, 2012. She is wife of Shri Naveen Jindal.

* Shri Naushad Akhter Ansari resigned from the Directorship and Wholetime Directorship of the Company from the close of business hours of 30th April, 2012.

** IDBI Bank Limited has withdrawn the nomination of Shri S. Ananthakrishnan from the close of the business hours of 27th February, 2012 and nominated Shri Inderpal Singh Kalra w.e.f. 28th February, 2012.

*** Shri M.L. Gupta was appointed as Additional Director and Wholetime Director w.e.f. 01st May, 2012 by the Board in its meeting held on 27th April, 2012.

ii) Other Directorships

The number of Directorships held in other bodies corporate by the Directors as on 31st March, 2012 is as follows:-

Name of Director	No. of Directorships in other Companies			No. of Chairmanship / Membership of Committees	
	Private	Public	Foreign	Chairmanship	Membership
Smt. Savitri Jindal	0	07	0	0	0
Shri Ratan Jindal	01	07	06	0	0
Shri Naveen Jindal	0	06	0	0	0
Shri Vikrant Gujral	0	01	07	0	0
Shri Anand Goel	02	10	06	0	0
Shri A.K. Purwar	07	10	0	03	06
Shri R.V. Shahi	02	02	0	02	0
Shri Haigreve Khaitan	01	16*	0	0	08
Shri Hardip Singh Wirk	01	01	0	0	01
Shri Rahul Mehra	01	0	0	0	0
Shri Arun Kumar	0	0	0	0	0
Shri Sushil Maroo	01	10	08	0	03
Shri Naushad Akhter Ansari	0	0	0	0	0
Shri Inderpal Singh Kalra	0	01	0	0	0

* includes two companies where he has been appointed as Alternate Director

iii) Details of Contract of Service of Directors

Name	Period of contract	Date of appointment	Notice period
Shri Naveen Jindal	09th May, 2008 to 08th May, 2013	09th May, 2008	Nil
Shri Vikrant Gujral	17th April, 2011 to 31st March, 2014	17th April, 2011	Nil
Shri Anand Goel	01st August, 2010 to 31st July, 2015	01st August, 2010	Nil

Appointment of Wholetime Directors is governed by resolutions passed by the Board of Directors and shareholders of the Company, which cover the terms and conditions of such appointments, read with the service rules of the Company. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Wholetime Directors.

iv) Board Meetings

The Board of Directors has met four times during the year on 21st April, 2011, 28th July, 2011, 18th October, 2011 and 18th January, 2012. Detailed notes and the information required to be given in terms of business on the agenda were circulated in advance to the Directors and all matters with explanatory notes / reports relating to the respective Committees were circulated sufficiently in advance of their meetings.

Brief Introduction of Directors proposed to be appointed / reappointed at the forthcoming Annual General Meeting

Shri Sushil Maroo, Shri Haigreve Khaitan, Shri Hardip Singh Wirk, Shri Rahul Mehra, Directors, of the Company retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting. IDBI Bank Limited has nominated Shri Inderpal Singh Kalra as Director on the Board of the Company in the place of Shri S. Ananthakrishnan w.e.f. 28th February, 2012. Smt. Shallu Jindal and Shri Manohar Lal Gupta were appointed as Additional Directors from 27th April, 2012 and 01st May, 2012 respectively. Brief introduction of these Directors is given below:

Shri Sushil Maroo holds a bachelors degree in commerce from the University of Rajasthan. He is a chartered accountant by profession and has over 27 years of experience in the fields of finance, accounts and corporate affairs. Before joining the Company he served in companies like Hindustan Lever Limited, Voltas Limited, Nippon Denro Ispat Limited, Chambal Fertilizers and Chemicals Limited and RPG Dholpur Power Company Private Limited and possesses vast financial and managerial experience.

He joined the Company in January 2001 as Vice President- Finance and was elevated to the position of Wholetime Director on 20th May, 2004. He was responsible for mobilisation of funds for Company's expansion and enhanced production capacity. He is currently working as Deputy Managing Director of Jindal Power Limited, a subsidiary and looking after the finance of the group. He was instrumental in the financial planning and in achieving financial closure for the 1,000 MW Mega Power Project of the Company and successfully implementing it. As the Deputy Managing Director of Jindal Power Limited, he is responsible for implementing the strategy for the financial planning, project expansion, resource mobilization and the day-today operations of the Company.

He is the Founder Chairman of Indo-Georgian Chambers of Commerce established in 2010 at Georgia, Co-Chairman of ASSOCHAM National Council on Mines and Minerals, Chairman of ASSOCHAM National Council on India - Latin American Countries Business Promotion Council, Chairman of Indo-German Chambers of Commerce, member of expert committee on Iron and Steel and the member of expert committee on Banking in the Federation of Indian Chambers of Commerce and Industry, member of Governing Committee of Sponge Iron Manufacturers Association (SIMA) and active member of various other committees with other chambers of commerce like CII, FIMI, PHD, IPPAI and Indian Tech Foundation.

He is also Director on the Board of Jindal Power Limited, Kamala Hydro Electric Power Company Limited (formerly Subansiri Hydro Electric Power Company Limited), Etalin Hydro Electric Power Company Limited, Attunli Hydro Electric Power Company Limited, Nalwa Steel and Power Limited, Gagan Infraenergy Limited, Gagan Power Limited, Power Plant Engineers Limited, Jindal Petroleum Limited, Jindal Synfuels Limited, Shresht Mining and Metals Private Limited, Jindal Petroleum (Mauritius) Limited, Jindal Petroleum (Georgia) Limited, Jindal Mining & Exploration Limited, Jindal Investments Holdings Limited, Jindal Africa Investments (Pty) Limited, Jindal Minerals & Metals Africa Limited, Worth Overseas Limited , Jindal Petroleum Operation Company LLC. He is also member of Audit Committee of Jindal Steel & Power Limited, Jindal Power Limited and Nalwa Steel and Power Limited. He is a member of shareholders grevience committee of Jindal Steel & Power Limited. He is holding 90,000 equity shares of Re. 1/- each in the Company.

Shri Haigreve Khaitan is a Corporate and Commercial lawyer and a Senior Partner of Khaitan & Co. He heads Khaitan & Co's Mergers & Acquisition (M&A) practice. He joined Khaitan & Co. in the year 1988. He spent considerable years of his initial practice in representing clients on litigation matters and thereafter he went on to represent many clients on project finance and real estate transactions. He presently focuses his practice on M&A, Private Equity, Venture Capital, Corporate Restructuring and advises various Indian and International clients on other strategic transactions. He is highly recommended by world's leading law Chambers / legal accreditation bodies as one of the leading lawyers in India and as the leading lawyer for Project Finance in Asia.

He is a Director on the Board of Bajaj Corp Limited, Ceat Limited, Harrisons Malayalam Limited, Inox Leisure Limited, JSW Ispat Steel Limited, National Engineering Industries Limited, Rama Newsprint & Papers Limited, Sterlite Technologies Limited, The Oudh Sugar Mills Limited, Torrent Pharmaceuticals Limited, Xpro India Limited, Avtec Limited, Great Eastern Energy Corporation Limited, I.G.E. (India) Limited, Khaitan Consultants Limited, Orient Cement Limited, Vinar Systems Private Limited. He is also member of the Audit Committee of Jindal Steel & Power Limited, Harrisons Malayalam Limited, Inox Leisure Limited, National Engineering Industries Limited, Sterlite Technologies Limited and Avtec Limited. He is member of Shareholders Grievance Committee of National Engineering Industries Limited and Rama Newsprint & Papers Limited. He does not hold any equity shares in the Company.

Shri Hardip Singh Wirk is a law graduate from Delhi University and started his career in 1998 as a lawyer with Shri P. V. Kapur, Sr. Advocate and has handled various cases in Delhi High Court, Company Law Board, Consumer Forum and Supreme Court of India. Thereafter, he joined M/s Trilegal, a Corporate Law firm where he specialised in foreign investments, real estate and general corporate advice. In 2005 he started his independent practice specialising in foreign investment and real estate. He is also Director on the Board of Jindal Power Limited and Mandira Wirk Designs Private Limited and member of Audit Committee of Jindal Power Limited. He does not hold any equity shares in the Company.

Shri Rahul Mehra is a law graduate from Delhi University, is a member of Bar Council of Delhi and is practicing as an Advocate in Supreme Court and High Court, Delhi since 1998. He is on the panel of lawyers of Union of India for Supreme Court matters and also for the Ministry of External Affairs, Government of India for extradition matters. He has been representing as Panel Lawyer for a number of Foreign Embassies including Embassy of USA, UK, Australia, New Zealand, amongst others. Electronic media such as NDTV, Times Now, Network 18, Headlines Today, etc invite him regularly for panel discussions on many topics of public importance. He is also Director on the Board of GSM Sports Private Limited. He does not hold any equity share in the Company.

Shri Inderpal Singh Kalra is a qualified Engineer with B.E. (Honours) from BITS, Pilani and has over 24 years of rich experience with Industrial Development Bank of India (IDBI), premier financial institution, which has since been converted to Universal Bank, i.e., IDBI Bank Limited. His experience encompasses entire spectrum of corporate finance function ranging from Project Appraisal and Finance, Infrastructure Finance, Business Development, Restructuring & Resolution etc. For past 6 years, he has assumed various responsibilities, as General Manager, in leadership roles in the Corporate Banking vertical of IDBI Bank Limited. He is heading the North Region as Regional Head - Large Corporate Group and Head of PSU business. Prior to that, he was Head of Western Region as Regional Head - Mid Corporate Group. He has been associated with various committees including Empowered Committee for OTS/NS and Regional Credit Committee as Member & Chairman. He is also Director on the Board of The Oudh Sugar Mills Limited. He does not hold any equity shares in the Company.

Smt. Shallu Jindal is a multi talented and multi faceted personality with accomplishments in art & culture, charitable and social work and business enterprise. She is a renowned Kuchipudi dancer and has given sterling and innovative performances in various parts of India and abroad which have received great acclaim. She has attended prestigious Institutions of learning, such as, Inch Bald School, London, London College of Fashion, Sophia Polytechnic, Mumbai and St. Xavier College, Mumbai for acquainting herself with the best and latest in the field of interior designing, fashion designing and business management.

She was honoured with the 3rd "*Aaadhi Aabadi* Women Achievers Award, 2010" and the "Indira Gandhi Priyadarshini Award 2007" for her outstanding achievements in the field of Indian classical dance (Kuchipudi) and contribution in the field of art and culture, education and community development. Eradication of illiteracy, women empowerment and cultural awareness are closest to her heart and she is devoting a lot of time towards these activities.

She is President of Openspace Jindal Foundation for Development, Jindal Education & Welfare Society and Vice President of Flag Foundation of India. She is Wholetime Director of Nalwa Steel & Power Limited since October, 2008 and has been guiding the affairs of that Company since then. She does not hold any equity shares in the Company.

Shri Manohar Lal Gupta is graduate from the Punjab University and has done Masters in Business Administration. He has vast experience of 38 years in the field of Human Resource Development, Administration and Industrial Relations. He has worked with Jindal Strips Limited (now Jindal Stainless Limited) and Jindal Iron and Steel Co. Limited (now JSW Steel Limited). In Jindal Steel & Power Limited, his key areas of operation have been recruitment & selection, wages & salary administration, manpower management, industrial relations and liaison with the Government Departments, such as Industries, Labour, Mining, Pollution Control Board, Electricity Board, district administration etc. He is holding 9,050 equity shares of ₹ 1/- each in the Company.

3) COMMITTEES OF THE BOARD

Board has, from time to time, constituted various committees, details of which are given below:

i) Audit Committee

The Audit Committee is vested with role and powers as mentioned in para C & D of Clause 49(II) of the Listing Agreement. The Audit Committee provides direction to the audit functions and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of statutory auditors and cost auditors and appointment of internal auditors and fixation of their remuneration, review of the quarterly and annual financial statements before submission to Board, review of the adequacy of internal control systems and the internal audit function, review of compliance with laws, inspection of records and audit reports and reports of statutory auditors, review of findings of internal investigations, review of statement of significant related party transactions, review of management discussion and analysis, review of management letters / letters of internal control weaknesses issued by statutory auditors, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any, in the payment to stakeholders.

The Audit Committee of the Company consists of three Independent Non Executive Directors, namely, Shri R. V. Shahi, Shri Arun Kumar and Shri Haigreve Khaitan and one Non Executive Director namely, Shri Sushil Maroo. Shri Arun Kumar was appointed as member of the Audit Committee w.e.f. 28th July, 2011. IDBI Bank Limited has withdrawn the nomination of Shri S. Ananthakrishnan from the Board of the Company and consequent to this he ceased to be member of Audit Committee. Four Audit Committee meetings were held on 21st April, 2011, 28th July, 2011, 18th October, 2011 and 18th January, 2012 during the financial year 2011-12. Shri R.V. Shahi is the Chairman of Audit Committee.

Details of attendance are given below:

Name of Members	Date of meeting			
	21/04/2011	28/07/2011	18/10/2011	18/01/2012
Shri R. V. Shahi	Y	Y	Y	Y
Shri S. Ananthakrishnan*	Y	N	Y	Y
Shri Haigreve Khaitan	Y	N	N	Y
Shri Sushil Maroo	Y	Y	Y	Y
Shri Arun Kumar	N.A	Y	Y	Y

*Consequent to withdrawl of his nomination from the Directorship of the Company, he ceased to be member of Audit Committee w.e.f. 28th February, 2012.

ii) Remuneration Committee

Except sitting fees, the Company is not paying any remuneration to the Non-Executive Directors. Therefore, no remuneration committee has been constituted.

Remuneration of Directors

Details of remuneration paid to Directors of the Company for the financial year ended on 31st March, 2012 are as follows:

(₹ In lacs)

Sl. No	Name	Sitting Fees	Salary	Perquisites and benefits	Shares in profit/ incentive	Total
1.	Smt. Savitri Jindal	---	---	---	---	---
2.	Shri Ratan Jindal	0.40	---	---	---	
3.	Shri Naveen Jindal	---	1,195.51	0.40	6,146.00	7,341.91
4.	Shri Vikrant Gujral	---	198.06	0.40	100.00	298.46
5.	Shri Anand Goel	---	245.45	0.40	---	245.85
6.	Shri S. Ananthakrishnan*	1.05	---	---	---	
7.	Shri A.K. Purwar	0.60	---	---	---	
8.	Shri R.V. Shahi	1.30	---	---	---	
9.	Shri Haigreve Khaitan	0.65	---	---	---	
10.	Shri Hardip Singh Wirk	0.80	---	---	---	
11.	Shri Rahul Mehra	0.40	---	---	---	
12.	Shri Arun Kumar	1.25	---	---	---	
13.	Shri Sushil Maroo	1.80	---	---	---	
14.	Shri Inderpal Singh Kalra	---	---	---	---	---
15.	Shri Naushad Akhter Ansari	---	102.05	0.40	---	102.45

* In case of Nominee Director, the sitting fee was directly paid to IDBI Bank Limited.

Notes:

1) Non Executive Directors of the Company are not entitled to any remuneration other than sitting fees.
2) Salary & perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits including employer's provident fund contribution and perquisite value.
3) In addition to above salary, Wholetime Directors are entitled to payment of target variable pay for 2011-12 which will be paid in due course. Target variable pay for financial year 2010-11 was paid in 2011-12 and has been included in their salary.

iii) Shareholders' / Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of Shri Anand Goel and Shri Sushil Maroo. The Committee met 4 times on 20th April, 2011, 18th July, 2011, 18th October, 2011 and 17th January, 2012. Shri T.K. Sadhu, Company Secretary is the Compliance Officer. During the year under report the Company received 35 complaints from shareholders and all except 1 were resolved as on 31st March, 2012.

iv) Compensation Committee (Stock Options)

Shri R.V. Shahi and Shri Sushil Maroo are members of the Compensation Committee. IDBI Bank Limited has withdrawn the nomination of Shri S. Ananthakrishnan from the Board of the Company and consequent to this he ceased to be member of Compensation Committee. No meeting of this Committee was held during the financial year 2011-12 because no stock options were granted during the year under report.

v) Sub-Committee of Directors

The Sub-Committee of Directors consists of Shri Naveen Jindal, Shri Vikrant Gujral, Shri Anand Goel and Shri Sushil Maroo. Board has delegated specific powers to the Sub-Committee of Directors, from time to time, for taking decisions in connection with day to day affairs of the Company and during the year under report the Committee met twenty six (26) times.

vi) Committee of Directors (Limited Review)

The Committee constituted in terms of Clause 41 of the listing agreement, consists of Shri Naveen Jindal, Shri Vikrant Gujral, Shri Sushil Maroo and Shri R.V. Shahi. During the year 2011-12 no meeting of this Committee was held.

4) GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held at registered office of the Company at O.P.Jindal Marg, Hisar 125005 (Haryana) on the following dates and times, wherein the following special resolutions were passed: -

AGM	Year	Date, Day & Time	Brief Description of Special Resolutions
32nd	2010-11	29th September, 2011 Thursday, 12.00 Noon	◦ Re-appointment of Shri Vikrant Gujral as Wholetime Director of the Company in the designation of Group Vice Chairman and Head Global Ventures.
31st	2009-10	28th September, 2010 Tuesday, 12.00 Noon	◦ Revision, pursuant to Section 314 of the Companies Act, 1956 and subject to approval of Central Government, of salary of Shri Paras Goel as Assistant General Manager – Sales & Marketing.
30th	2008-09	29th September, 2009 Tuesday, 12.00 Noon	◦ Giving of authority to Board pursuant to Section 81(1A) of the Companies Act, 1956 to offer, allot, issue any security including ADR, GDR & FCCB etc. upto US$ 750 million. ◦ Giving of authority to Board to contribute an amount not exceeding ₹ 200 crore to M/s. Om Prakash Jindal Gramin Jan Kalyan Sansthan and / or O.P. Jindal Global University. ◦ Appointment, pursuant to Section 314 of the Companies Act, 1956 and subject to the approval of Central Government, of Shri Paras Goel as Assistant General Manager – Sales & Marketing.

5) DISCLOSURES

Neither has any non compliance with any of the legal provisions of the Companies Act, 1956 been made by the Company nor any penalty or stricture imposed by the stock exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years. All the mandatory requirements of Clause 49 are being complied with.

6) WHISTLE BLOWER POLICY

The Company has laid down a Business Code of Conduct as well as Whistle Blower Policy for all its employees across the organisation. The Code lays down that the employees shall promptly report any concern or breach and not to hesitate in reporting a violation or raising a policy concern to concerned superior. The Policy provides that the Company shall support and protect the employees for doing so.

7) MEANS OF COMMUNICATION

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the Company that have been made available from time to time, to the press is hosted on the Company's website www.jindalsteelpower.com and has also been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members. The quarterly / half-yearly / annual financial results are published in English and Hindi language newspapers. Moreover, a report on management discussion and analysis has been given elsewhere in this report. The Company is electronically filing specific documents / statements on the corpfiling website viz., www.corpfiling.co.in and www.connect2nse.com.

8) GENERAL SHAREHOLDERS INFORMATION

a) Financial calendar 2012-13

First Quarter Results	:	Upto 14th August, 2012
Second Quarter Results	:	Upto 14th November, 2012
Third Quarter Results	:	Upto 14th February, 2013
Fourth Quarter Results or Alternatively,	:	Upto 15th May, 2013
Annual Results for the year ending on 31st March, 2013	:	On or before 30th May, 2013

The amount of dividend will be deposited with the bank within 5 days of approval by the shareholders in the forthcoming Annual General Meeting and its payment will be made within 30 days of its declaration.

b) Listing of shares on stock exchanges and stock code

Sl. No.	Name of the stock exchange	Stock code
1.	BSE Limited	532286
2.	National Stock Exchange of India Limited	JINDALSTEL.EQ

c) Listing of Debt Instruments on stock exchanges and codes

The following Non- Convertible Debentures have been listed on the BSE Limited:

Particulars	ISIN	Stock code
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07151	946489
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07169	946490
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07177	946486
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07201	946487
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07227	946488

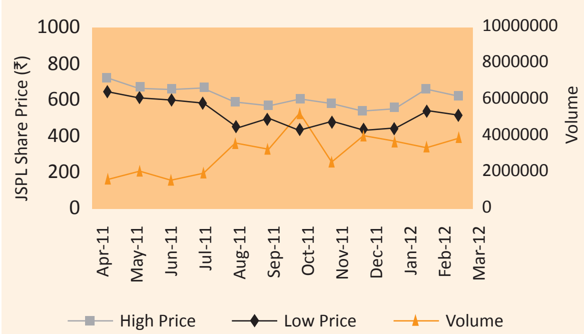
Particulars	ISIN	Stock code
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07250	946491
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07185	946506
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07193	946509
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07219	946514
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07268	946517
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07284	946518
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07300	946638
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07318	946639
8.50% - NCDs of Face value of ₹ 10 lacs	INE749A07235	946613
8.50% - NCDs of Face value of ₹ 10 lacs	INE749A07243	946614
9.80% - NCDs of Face value of ₹ 10 lacs	INE749A07276	946672

d) Market Price Data – BSE

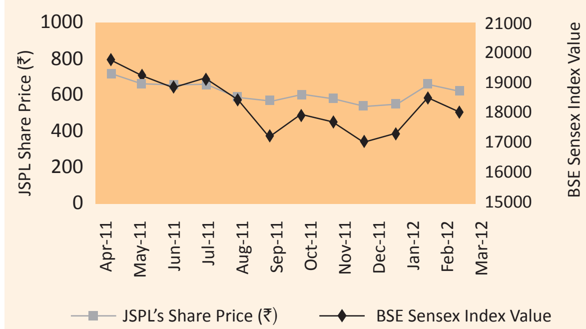
	BSE Sensex		JSPL Share Price		
Month	High	Low	High Price	Low Price	Volume
Apr-11	19,811.14	18,976.19	723.50	647.35	17,16,063
May-11	19,253.87	17,786.13	663.00	613.65	20,47,426
Jun-11	18,873.39	17,314.38	658.50	605.00	15,87,239
Jul-11	19,131.70	18,131.86	662.70	582.50	19,99,405
Aug-11	18,440.07	15,765.53	589.40	451.10	35,92,345
Sep-11	17,211.80	15,801.01	569.20	500.15	33,09,317
Oct-11	17,908.13	15,745.43	601.50	441.55	53,01,772
Nov-11	17,702.26	15,478.69	584.85	476.55	25,54,432
Dec-11	17,003.71	15,135.86	542.80	435.55	40,07,594
Jan-12	17,258.97	15,358.02	552.85	442.00	36,45,713
Feb-12	18,523.78	17,061.55	663.40	540.25	33,87,236
Mar-12	18,040.69	16,920.61	625.50	516.90	39,73,106

The Company's share is a part of BSE Sensex. Therefore, comparison has been made with it.

Performance on BSE



Comparison of Monthly High Share Price with BSE Sensex Index

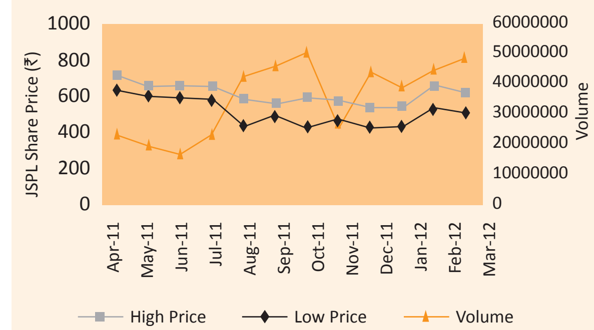


e) Market Price Data – NSE:

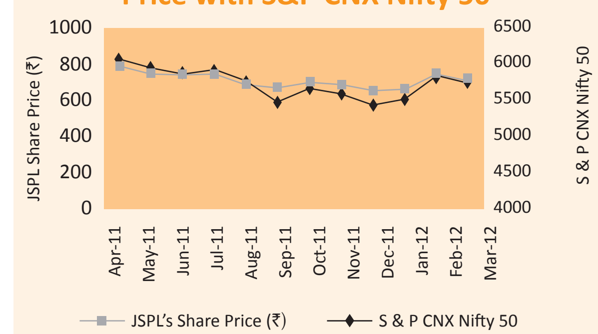
	S&P CNX Nifty 50		JSPL Share Price		
Month	High	Low	High	Low	Volume
Apr-11	5,944.45	5,693.25	723.90	646.70	2,38,33,606
May-11	5,775.25	5,328.70	663.00	614.20	2,02,47,639
Jun-11	5,657.90	5,195.90	659.90	604.10	1,69,62,787
Jul-11	5,740.40	5,453.95	663.50	582.55	2,34,97,943
Aug-11	5,551.90	4,720.00	591.00	450.25	4,30,86,210
Sep-11	5,169.25	4,758.85	570.00	500.00	4,61,51,118
Oct-11	5,399.70	4,728.30	602.50	441.05	5,10,70,949
Nov-11	5,326.45	4,639.10	584.80	476.05	2,71,33,866
Dec-11	5,099.25	4,531.15	543.10	435.90	4,45,75,076
Jan-12	5,217.00	4,588.05	553.00	442.20	3,95,42,514
Feb-12	5,629.95	5,159.00	664.00	541.95	4,50,54,983
Mar-12	5,499.40	5,135.95	627.70	517.00	4,90,51,122

The Company's share is a part of S&P CNX Nifty 50. Therefore, comparison has been made with it.

Performance on NSE



Comparison of Monthly High of Share Price with S&P CNX Nifty 50



f) Share Transfer Agent

All the work relating to the share registry for the shares held in the physical form as well as the shares held in the electronic (demat) form is being done at one single point and for this purpose SEBI registered category-I Registrar and Transfer Agent has been appointed, whose details are given below:

Alankit Assignments Limited
Alankit House,
2E/21 Jhandewala Extension,
New Delhi-110055
Tel: 011-42541234
Fax: 011-23552001
Email: alankit@alankit.com

g) Share Transfer System

Presently, the share transfer instruments, which are received in physical form, are processed by R&T agent, Alankit Assignments Limited and the share certificates are dispatched within a period of 30 days from the date of receipt subject to the documents being complete and valid in all respects. The requests for dematerialisation of shares are also processed by the R&T agent within stipulated period of 21 days and uploaded with the concerned depositories. In terms of Clause 47(c) of the Listing Agreement, Company Secretary in practice examines the records and procedure of transfers and issues half yearly certificate which is being sent to the stock exchanges, where shares of the Company are listed.

h) Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2012 is given hereunder:

Nominal value of each share ₹ 1/-

No. of shareholders	% to total	Shareholding of nominal value of ₹	No. of shares	Amount in ₹	% to total
84,782	66.92	Up to 100	27,14,923	27,14,923	0.29
17,057	13.46	101 to 500	40,68,813	40,68,813	0.44
4,509	3.6	501 to 1000	34,07,163	34,07,163	0.36
16,422	12.96	1001 to 5000	3,65,39,941	3,65,39,941	3.91
1,935	1.52	5,001 to 10,000	1,40,44,116	1,40,44,116	1.50
1,004	0.79	10,001 to 20,000	1,35,67,754	1,35,67,754	1.45
243	0.19	20,001 to 30,000	60,65,111	60,65,111	0.65
107	0.08	30,001 to 40,000	37,51,368	37,51,368	0.40
75	0.06	40,001 to 50,000	33,60,035	33,60,035	0.36
163	0.13	50,001 to 1,00,000	1,17,41,439	1,17,41,439	1.26
218	0.17	1,00,001 to 5,00,000	5,08,07,481	5,08,07,481	5.43
173	0.14	5,00,001 and above	78,47,65,674	78,47,65,674	83.95
1,26,688	100	Total	93,48,33,818	93,48,33,818	100

i) Categories of Shareholders (as on 31st March, 2012)

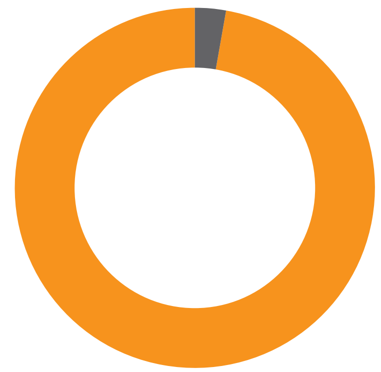
The categories of shareholders are shown hereunder:

Category	No. of Shares	% of Holding
Promoters	55,07,03,622	58.91
FIs/ Banks/MF/UTI/ Insurance/Central Government	6,43,65,419	6.89
Corporate Bodies	2,92,52,204	3.13
NRIs/OCBs/FII/ Trust/ Foreign National	21,66,30,801	23.17
Public	7,38,81,772	7.90
Total	93,48,33,818	100.00

No. of Share (%)

j) Dematerialisation of shares

As on 31st March, 2012, the number of equity shares held in dematerialised form was 90,78,07,307 (97.11%) and in physical form was 02,70,26,511 (02.89%) equity shares.



k) Compliances under Listing Agreement

Company is regularly complying with the provisions of the Listing Agreement. Information, certificates and returns as required under Listing Agreement are sent to the stock exchanges within the prescribed time.

l) CEO and CFO Certification

The Chairman & Managing Director and the Director – Finance & Chief Financial Officer of the Company has given the certification on financial reporting and internal controls to the Board in terms of Clause 49 (V). The Chairman & Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

m) Convertible instrument

No further options were granted after Series- III of the Employees Stock Option Scheme – 2005 of the Company. During the Financial year 2011-12, shares under Part III of Series II were allotted on 14th April, 2011 and Part-III of Series- III were allotted on 12th December 2011. There are no outstanding options as on 31st March, 2012

n) Information on deviation from Accounting Standards, if any

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2011-12.

o) Plant locations

Works	Location
Raigarh	Kharsia Road, Post Box No.16, Raigarh - 496 001, Chhattisgarh
Raipur	13 K M Stone, G E Road, Mandir Hasaud, Raipur - 492 001, Chhattisgarh
Patratu	Balkudra, Patratu, District Ramgarh, Jharkhand - 829 143
Angul	Plot No. 751, Near Panchpukhi Chhaka, Simplipada, Angul - 759 122, Odisha
Barbil	Plot No. 507/365, Barbil-Joda Highway, Barbil - 758 035, Odisha
Mines	
i) Iron Ore Mine	TRB Iron Ore Mine, P. O. Tensa, Dist. Sundergarh – 700 042, Odisha
ii) Coal Mine	Jindal Open Cast Coal Mine, P.O. Dhorabratta, Dongamahua, Raigarh, Chhattisgarh - 496 001

p) Investor correspondence

Company Secretary
Jindal Steel & Power Limited
28, Najafgarh Road
New Delhi-110015, Ph: 011-45021814/15/17/19/20/23/52/53,
Fax No. 011-25928118
Email: investorcare@jindalsteel.com

9) CODE OF CONDUCT

Code of conduct for the Directors and Senior Management of the Company was adopted by the Board in its meeting held on 31st October, 2005. This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code is also available on the website of the Company www.jindalsteelpower.com. Declaration of compliance of the Code of Conduct in terms of sub-clause (ii) of clause 49(I)(D) of listing agreement is given hereunder:

"The Board of Directors of Jindal Steel & Power Limited has, pursuant to sub clause (i) of Clause 49 (I) D of the listing agreement, laid down Code of Conduct for all Board members and senior managerial personnel of the Company which has also been posted on the website of the Company, viz. www.jindalsteelpower.com. In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 2011-12".

Naveen Jindal
Chairman and Managing Director

10) NON MANDATORY REQUIREMENTS

The Company has not adopted non mandatory requirements of Corporate Governance during the year under report except Whistle Blower Policy.

11) AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The auditor's certificate on compliance of clause 49 of the Listing Agreement relating to corporate governance is published as an Annexure to the Directors' Report.

For and on behalf of the Board

Place: New Delhi
Dated: 27th April, 2012

Naveen Jindal
Chairman and Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

THE MEMBERS,
JINDAL STEEL & POWER LIMITED

We have examined the compliance of conditions of Corporate Governance by Jindal Steel & Power Limited, for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 the representations made by the Directors and Management, we certify that the Company has substantially complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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.

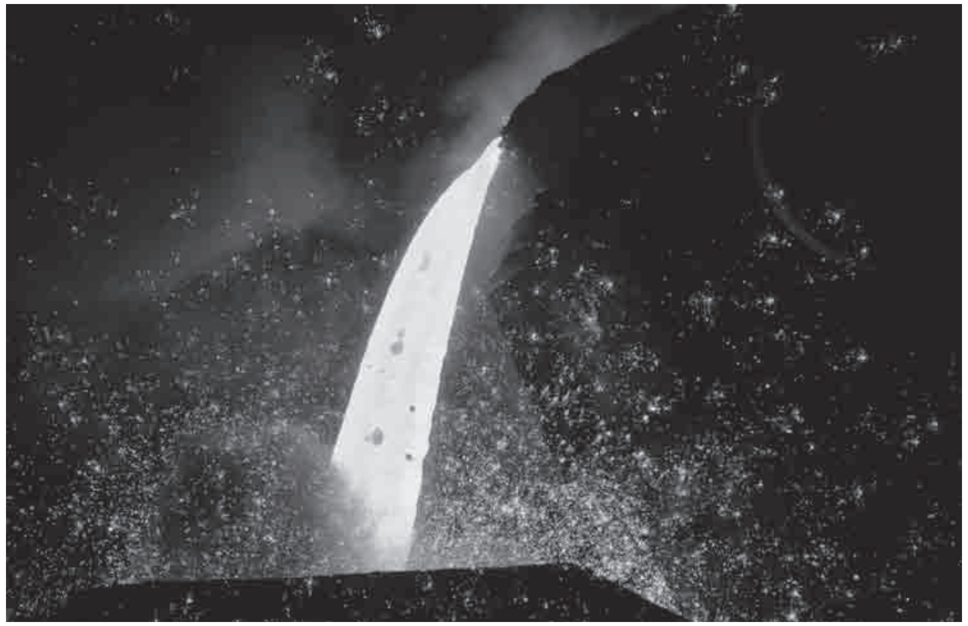
For **S. S. Kothari Mehta & Co.**
Chartered Accountants

Place: New Delhi
Dated: 27th April, 2012

Partner
Membership No.: 89907

IN FINANCIAL YEAR 2011-12, THE WORLD CRUDE STEEL PRODUCTION REACHED 1,491.54 MILLION TONS WHICH INCLUDES 72.20 MILLION TONS OF CRUDE STEEL PRODUCED IN INDIA.

ANNEXURE-V



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

The global economic environment, which was moving ahead steadily took adverse turn in the middle of financial year 2011-12 due to the turmoil in the euro zone and slow growth outlook on the US economy. The global economic activities have slowed down and become more uneven. European countries are facing financial turmoil because they could not reach a consensus on restructuring their economies, debt and budgetary outlays in the face of public protests. Public unrest swelled in some oil-producing countries resulting in uncertainties in oil production/ price. Rising international prices of crude oil have affected the global economies badly. Japan was struck by the devastating earthquake and tsunami affecting, in particular, developing economies.

The growth prospects have become more uncertain due to global economic slowdown. The renewed stress has undermined financial markets and institutions in developed economies. Global trade and capital flows have declined, resulting in slow growth in emerging and developing economies too. However, growth prospects in China, India, Brazil, Russia and South Korea appear better and are expected to be stronger in view of projected economic growth in these countries. The shift is clearly towards emerging markets which are expected to spearhead the growth in the global economy.

The Indian economy is expected to grow by about 6.9% in financial year 2011-12, after having registered a growth rate of 8.4% in each of the two preceding years. The agriculture and services sector performed well, but overall industrial growth has slowed down. Manufacturing growth during the financial year 2011-12 is expected to remain sluggish. Inflation remained high for most of the period during the year, but came down substantially at the year end. Supply-side factors have triggered inflation particularly in food items. The tightening of monetary policy by Reserve

Bank of India in order to control inflation has resulted in slowing down of investment and growth, particularly in the industrial sector. The growth rate of investment in the Indian economy declined significantly during the year under report. Interest rates have increased resulting in higher costs of borrowings impacting profitability and internal accruals. Revenues of the Government have remained less than anticipated and with higher than budgeted expenditure, there is a strong possibility of high fiscal deficit.

Despite difficult conditions in the global economy, exports continued to do better in financial year 2011-12 and are expected to grow at 14.3% in real terms over and above 22.7% growth achieved in financial year 2010-11, as per advance estimates of Economic Survey. Imports are likely to end the year with a real growth rate of 17.5% as against 15.6% in financial year 2010-11.

OPPORTUNITIES AND THREATS

In financial year 2011-12, the world crude steel production reached 1,491.54 million tons which includes 72.20 million tons of crude steel produced in India. India is the fifth largest steel producer at the global front and is striving to become the second largest producer in the coming years. Europe and the United States are showing weakness in industrial production and as such their Gross Domestic Product is expected to grow by less than 2.0% in 2012, as against an expected 9.0% and 6.5% growth in 2012 for China and India, respectively. In China, however, there is already significant excess steelmaking capacity. Chinese crude steel capacity is expected to be 840 million tons in 2012, which would be 22% in excess of the expected consumption of 688 million tons during this period. In terms of consumption, world steel use grew by 6.5% in 2011 whereas in India, it grew at a much lower rate of 4.3%. As for 2012, it is expected that growth of 5.4% in world steel consumption will come mostly from emerging economies and 70% of world growth in steel over the coming years will come from these economies with China and India making significant contribution. Rapid infrastructure growth in the emerging economies will make them large consumers of steel.

India is expected to perform better with consumption estimated to grow faster due to increasing demand in oil and gas sector, huge spending on infrastructure sector coupled with growth in other sectors, like, housing, consumer durables, automobile, transportation, industrial applications etc. Construction and Infrastructure sectors will, in particular, continue to be the largest consumers of steel in India. Moreover, stainless steel, is finding innovative applications, due to its corrosion resistive property, in industrial as well as domestic field.

India has acquired a central position on the global steel map with its large steel plants, acquisition of global scale capacities, continuous modernisation and upgradation of old plants, improving energy efficiency and backward integration. Steel industry is playing a significant role in the country's economic growth. The Government expects steel production to rise to 100 million tons per annum by financial year 2019-20. Global steel giants from across the world have shown interest in the industry due to its phenomenal performance.

During 2009-11, average prices of iron ore increased at a CAGR of 46.7% and that of coking coal grew by 30.2%. The impact of this rise in raw material prices (based on usage per unit of steel production) on a steel player's profits is phenomenal. Raw material is in short supply and suppliers have seemingly upper hand in fixing prices. Steelmaking has generally taken a form of raw material processing or beneficiation and not the creator of value. In response to these changes, the business model of steelmaking needs to change suitably so that rise in prices of supply-constrained raw materials is passed directly to steel customers and demand fluctuations of customers are met with more flexible production responses.

Availability of iron ore and coal at competitive prices will be a challenge for steel producers in India. Recent developments in connection with allotment of public resources and decisions by the Supreme Court may lead to policy shift by the Government. Public outcry and mobilisation of public opinion against allotment and utilisation of scarce public resources is a cause of concern. Acquisition of land for expansion and setting up of new projects is becoming time consuming exercise and cause for delay in execution. Power is also one of the main inputs for steel making and its supply and pricing will decide the production and pricing of steel in the country.

With the restrictions in Karnataka iron ore mining, steel industry in India is struggling to meet the production requirements. With severe shortage of raw material, many units are likely to face shut downs. The Supreme Court of India is presently supervising all mining activities in the Bellary and Tumkur regions in the southern state of Karnataka after the Central Empowerment Committee report indicated that mining had caused severe environmental damage in the region. Karnataka produces approximately 18 million tons of iron ore annually. Steel manufacturers have

STEEL INDUSTRY IN INDIA SEEMS TO BE POSITIVE DESPITE CONTINUING GLOBAL ECONOMIC SLOWDOWN. THIS OPTIMISM STEMS FROM MANY FACTORS. THE INDIAN STEEL INDUSTRY IS IN SOME WAYS INSULATED FROM THE EVENTS AFFECTING STEEL INDUSTRY ON A GLOBAL SCALE AS IT DOES NOT RELY ON EXPORTS TO THE DEVELOPED MARKETS.

set up plants in the iron ore-rich region of Bellary. Indian steel makers are now investing in iron ore exploration overseas with their domestic growth largely affected by regulatory issues. This is despite the fact that India is gifted with huge unexplored ore deposits.

Following the recent directive from the office of the President of India, Coal India Limited (CIL) is currently agreement-bound to supply coal to the power stations in the country. The state-owned CIL is the primary source of coal for steelmakers, power producers and other industries to meet supply requirements. With the major portion of coal supply going to power producers, main sufferers of the fuel shortage will be steel mills and cement producers. After this directive, it will be difficult for CIL to maintain balance in distributing coal to steel mills, power producers and the cement manufacturers.

OUTLOOK

Steel Industry in India seems to be positive despite continuing global economic slowdown. This optimism stems from many factors. The Indian steel industry is in some ways insulated from the events affecting steel industry on a global scale as it does not rely on exports to the developed markets. Despite high interest rates and marginal slowdown in economic activity, the basic economic fundamentals will ensure stable performance of the economy in coming years. The expected domestic consumption of steel in the infrastructure and consumer durables sector is likely to see an upward trend. A massive investment to the tune of about ₹ 50 lac crore in infrastructure sector has been envisaged during the 12th Five Year Plan starting this year. At the same time, there is a greater emphasis on the manufacturing sector which is likely to witness growth in the coming years. This highlights the potential of steel consumption growth as rough estimate of incremental demand for steel in the country will be approximately 40 million tons in infrastructure sector alone. Emergence of the rural market which is currently consuming a meagre 10 kg per annum will contribute to overall consumption significantly buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana and Rajiv Gandhi Awaas Yojana. In 2011, India's per capita steel consumption stood at 57 kg compared to 1,157 kg in South Korea, 507 kg in Japan, 460 kg in China, 284 kg in the US and World average of 216 kg.

Your Company has built strong fundamentals over the years and is appropriately positioned to benefit from the expected increasing demand in the country for steel. The steel production capacity is being enhanced by setting up integrated steel plants in Angul (Odisha) and Patratu (Jharkhand) and by increasing present steelmaking capacity of Raigarh Unit (Chhattisgarh). The Company is procuring state-of-the-art technology for these projects. Shadeed Iron & Steel Co. LLC, a subsidiary company is planning to set up steelmaking facility with an annual production capacity of 2.0 million tons. The proposed enhancement in the production capacity of steel making is in line with the increasing consumption of steel and the Company will be in a position to market its products. Marketing department has been strengthened appropriately which is exploring various market segments in India and abroad.

In view of expected overcapacity, increasing domestic market volatility and margin pressures, the Company is changing its approach to suit the changing market conditions. The Company is evolving itself to be able to respond to vagaries of emerging markets in a better manner. It includes use of improved technologies, cost efficiencies, greater partnering with key customers, innovative pricing of products, broadening product service offerings, focusing on more profitable and value added steel segments and prioritising on markets. The Company is also taking steps to improve the supply chain efficiency and special attention is given to operational logistics. Enhancing supply chain flexibility and its robustness will not only help the Company to compete in a dynamic economic environment but will also enable it to enhance its market position. In terms of adapting to a volatile environment, the Company is also working towards flexibility in production and will also adjust its capacity utilisation to match market conditions or adjust product mix to suit the demand prevailing in the market.

In view of planned enhancement of steelmaking capacity and with a view to ensure constant supply of iron ore and coal, the Company has been pursuing with Central and State Governments for allotment of iron ore and coal mines and also for raw material linkages. Vigorous efforts are also being made for acquisition of iron ore and coal mines in Australia and Africa continent. Power, which is in short supply in the country, is another key input for steel making. However, captive power generation is adequately meeting the present power requirements of the steel manufacturing facilities of the Company.

Power sector growth in the country has persistently lagged behind and acute deficiency in power supply has provided enormous opportunities to the private sector to enter this field of enterprise. Your Company is also in the business of power generation through its subsidiary company, namely, Jindal Power Limited (JPL), which is operating 1,000 MW (4x250 MW) power plant at Tamnar (Chhattisgarh), the power generation capacity of which is being enhanced by setting up another 2,400 MW (4x600 MW) power project. JPL is also envisaging setting up of thermal and hydro power projects with an estimated aggregate power generation capacity of 12,700 MW. This business activity will add strength and speed to the growth of your Company and ensure rich returns to all the stakeholders.

FINANCIAL PERFORMANCE

The Company's overall operational performance has been satisfactory. During the financial year 2011-12, it achieved sales and other income of ₹ 13,518.43 crore as against last year's ₹ 9,717.34 crore, registering an impressive growth of about 39%. Profit before interest and depreciation increased from ₹ 3,725.72 crore to ₹ 4,246.95 crore, registering a remarkable growth of about 14%. Profit before tax increased from ₹ 2,752.94 crore to ₹ 2,843.00 crore, registering a growth of about 3%. Net profit increased by about 2% from ₹ 2,064.12 crore to ₹ 2,110.64 crore. Cash profit increased from ₹ 2,915.22 crore to ₹ 3,167.32 crore growing by about 9%. Reserves and surplus stood at ₹ 10,751.92 crore. Net block of assets including capital work in progress stood at ₹ 22,042.98 crore.

INTERNAL CONTROLS AND SYSTEMS

Irrespective of size of the business, internal controls and systems should be efficient, effective and ever evolving. The business of the Company has grown phenomenally, production capacities are being enhanced at a fair speed, business activities are being diversified through subsidiaries within the country and abroad, speed of flow of business information has increased, demand for prompt decision making based on information and data has also increased. Accordingly there is imperative need to revise and update internal controls and systems regularly considering the quantity of information, reports, records, documents, transaction statements etc. generated continuously in the Company. Authentic information serves as a strong foundation for effective decision-making which has long lasting consequences on the business growth. The Company has set up internal control systems and procedures which are compatible with size of its business operations and anticipated enhancement in production capacities and are being updated regularly to be in line with the business requirements. Audit of operations, establishments, marketing offices and stockyards is conducted quarterly by outside chartered accountant firms appointed by Audit Committee to ensure that systems are adhered to and controls are not flouted. Their reports cover all aspects of operations, accounts, purchases, stores, production and marketing. Omissions and deviations are properly recorded and discussed thoroughly in the Audit Committee meetings and remedial actions suggested and monitored. Cost Auditors are separately appointed to audit cost accounting records and their report is discussed in the Audit Committee meetings before being approved by the Board and submitted to the Central Government. The Audit Committee monitors effectiveness and operational efficiency of internal control systems periodically, provides valuable suggestions to improve the business processes, systems and internal controls and briefs the Board of Directors about the areas of concern. Annual internal audit plans are prepared by internal auditors in consultation with Audit Committee and audit is conducted in accordance with this plan. A separate department headed by a senior officer looks after internal control systems and assists internal auditors and the Audit Committee and provides desired inputs to them.

FINANCIAL MANAGEMENT

The increasing requirement of funds is consistent with the growing business. Two main sources of funds are internal accruals and borrowing from lenders. Internal accruals alone cannot fund the Company's expansion at existing works and setting up of new plants. The Company is raising funds for working capital and project implementation from banks, financial institutions and other lenders, nationally and internationally, which are providing multiple financial facilities. Various credit options offered by lenders are thoroughly examined to find out their competitiveness and based on their terms and conditions, need based funds are borrowed. The financial facilities are appropriately serviced and secured as per terms of sanction. The Company's senior management monitors the requirement and arrangement of funds, servicing of debts and management of internal accruals. The Company has arranged ₹ 4,277.93 crore from banks and FIs to meet capital expenditure during the financial year 2011-12.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes that business enterprises impact society and the environment through their operations, products and services. With this background the Company has, since inception, made sustained efforts for upliftment of the underprivileged and backward people. As a responsible corporate citizen, the Company is committed to community development and believes that an effective growth policy must also take into account the fulfilment of basic needs of people around its plants. It deploys resources to help improve infrastructure, education, health, water, sanitation and environment, among others, in the areas of its operation. CSR activities undertaken during the year under report at the Company's plants and mines are briefly given hereunder.

i) Community Health

General health in India is a cause of concern, more so for the rural folk. Socio-economic disadvantages like poverty, illiteracy and traditional belief apparently make modern medical facilities inaccessible to most villagers. The Company is providing world-class health facilities to the people of Raigarh at the 100-bed multi-specialty O. P. Jindal Hospital & Research Centre. The facilities include: medicine, surgery, gynaecology, orthopeadics and pediatrics. The hospital has four well-equipped operation theatres, a Cardiac ICU, a Burn ICU and a Neo-Natal ICU. Mobile Medical Units with qualified medical professionals regularly visited the villages around factories and mines and provided essential health care services including on the spot diagnostic and curative clinical facilities and free medicines. Mega health camps were organised to address health issues of the people and health checkups were conducted. Corrective surgery camp for Post Polio deformities followed by Prosthesis were organised in association with Akhil Bhartiya Viklang Chetna Parishad and Lions Club, Raigarh. Immunisation camps for cholera, dengue, malaria, chickenpox, polio were held and voluntary blood donation camps were conducted. Health awareness camps about health of women, infant and child care, family planning, HIV, Malaria, T.B, leprosy, anaemia, hygiene were also conducted. Specific referral cases were also assisted for availing best possible medical facilities and financial assistance was provided to the needy patients. Trauma Centre has started functioning at Punjipathra, Raigarh to handle emergency medical cases. Free ambulance facilities are available round the clock and takes patients to the hospitals for treatment.

ii) Education

Education can single handedly rid the country of a number of social evils. Education is pivotal to all round development. Access to quality educational services still remains elusive for rural and backward people of the country resulting in unemployment, poverty, health hazards etc. To spread education and help transform lives, the Company has set up educational and vocational training institutions under the banner of O.P. Jindal Institute of Technology & Skills (OPJITS) at Angul, Patratu and Godda. These institutions impart competence-based skill-oriented technical and vocational training in multiple trades, such as, electrical work, welding, carpentry, plumbing, fitting, computer operations, cutting and tailoring, motor mechanic, masonry etc. O.P. Jindal Community Colleges (OPJCC), established at Angul and Barbil (Odisha), Godda and Patratu (Jharkhand), and Punjipathra (Chhattisgarh), are providing technical courses duly recognised by NCVT and IGNOU. OPJCC emphasises employability as well as educational and economic mobility. Vocational training programmes prepare students for employment, entrepreneurship and further studies. Programmes include plumbing, welding, masonry, air conditioning and refrigeration, electronics, electrical wiring (industrial and home), manufacturing and metallurgy. Nursing and paramedical programmes and hospitality courses are new additions. OPJCC also operates four Industrial Training Institutes (ITIs) that have been adopted under the Public Private Partnership (PPP) Scheme of the Government of India. The ITIs are located at Sarangarh, Kharsia, Gharghoda (in Chhattisgarh), and Barbil (in Odisha). The Jindal Institute of Technology (JIT), Raigarh is affiliated to the Chhattisgarh Swami Vivekanada Technical University, Bhilai and is recognised by AICTE. The Institute offers 4-year undergraduate engineering programmes in mechanical, electrical, electronics, civil and metallurgy courses. The curriculum for the courses is diverse and enriching, which helps students to deliver in new and creative ways. It has opened opportunities for the students of Raigarh and surrounding villages to avail of undergraduate technical qualification and multiplying their chances of getting better remunerative employment. The Company is operating O. P. Jindal School, a 10+2 co-educational school with all modern facilities at Raigarh, which has over the years created competitive learning atmosphere amongst students and developed keen interest in them to get higher education.

THE COMPANY BELIEVES THAT BUSINESS ENTERPRISES IMPACT SOCIETY AND THE ENVIRONMENT THROUGH THEIR OPERATIONS, PRODUCTS AND SERVICES. WITH THIS BACKGROUND THE COMPANY HAS, SINCE INCEPTION, MADE SUSTAINED EFFORTS FOR UPLIFTMENT OF THE UNDERPRIVILEGED AND BACKWARD PEOPLE.

During the year under report, the Company provided scholarships, rewards and recognition to meritorious students, created learning environment through infrastructural support such as providing of tables and chairs, electrification, science laboratory, school fee, uniform, books and access to technology through computer labs, computers and printers, conducted coaching classes for weaker students, appointed community teachers, provided grants for school development, conducted adult education programmes and opened adult education centres in Angul, Patratu and Raigarh, organised quiz competition among school students, undertook repair and renovation of school / college buildings, opened pre-nursery schools in rehabilitation colonies and crèche for workers' children, provided transportation facility to students etc. which has increased attendance of students in the schools.

iii) Community Infrastructure Development

One of the most important measures of an improved quality of life is the reduction of the rural-urban divide. Easy access to modern amenities and improved surroundings will help in reducing this divide. Company is making efforts to create strong infrastructure that will meet the requirements of rural communities around works, projects, mines which will enable them to live in clean and improved surroundings complete with the basic amenities.

The Company has installed/ repaired borewells, submersible pumps, hand pumps including PVC pipes for providing clean drinking water, constructed boundary walls in schools, renovated classrooms, deepened/ cleaned and constructed ponds and covered them with barbed wire fencing, constructed drains, chabutaras, vocational training centre buildings, community halls, bus stops and places of worship for the community, provided electrification and transformers in the villages, promoted community participation in the form of 'shramdaan', upgraded civic amenities, provided forward and backward linkages for economic activities, constructed roads, community halls, cultural stages, box culverts, gym halls, veterinary hospital buildings and toilets etc.

iv) Sustainable Livelihood

The Company interventions in this area focus on institution building at the grassroots to promote entrepreneurial capacities. This is done through organising communities into Self Help Groups and training them on basics of micro-enterprise. The other part relates to imparting a multitude of vocational skills for better employability at individual level. Aimed to generate additional income, such interventions also serve the crucial purpose of developing community goodwill, which manifests in the rising numbers of men and women coming together to work for a common cause.

During the year under report, the Company organised skill upgradation of youth and women and promoted income generation activities through training in apparel making and designing, stitching, cutting and tailoring, embroidery, readymade garments, uniform making, mushroom cultivation, mixture making , potato chips / papad making, mobile phones/ refrigerator/ air-condition repairing and gave financial support for running these business activities. The Company also provided financial assistance in other income generation activities like jute product making, vegetable, poultry units and herbal products, organic herbal body care products, low cost sanitary napkin, phenyl making, agarbatti making, leaf-cup making and paper cup making, production of shoppers bags, bottle bags and decorative items, promoted food preservation units like pickles, sauces, chutneys, snacks, assisted in fly-ash brick making by village women and initiation of vermi-composting units etc. In partnership with the district fisheries department in Barbil, the Company is promoting scientific pisciculture among the communities.

v) Sports, Art and Culture

Youth form a significant part of country's population and the Company is channelising their energy and directing it towards development of communities. Company has collaborated with various village level youth clubs in organising various sports and cultural events throughout the year to identify and nurture exceptional talent and foster stronger community bonding.

During the year under report, the Company organised cricket, kabaddi, volleyball tournaments, provided sports accessories like cricket kits and uniforms, volleyball kits and uniforms and uniforms for kabaddis, diet support to players, organised summer camps for kids, installed multi gymnasium, provided new equipments, coaching facilities for nurturing young talent and assisted in formation of youth sports / cultural clubs, provided financial assistance for organising State level sports competitions and cultural programmes, helped in increased participation in kala sangam to promote traditional art and culture, provided support to karma (folk dance - cultural) group, provided musical instruments and support to street plays for awareness about AIDS, hygiene and sanitation.

vi) Rehabilitation and empowerment of physically challenged persons

The Company through O.P. Jindal Asha Vocational & Rehabilitation Centre (OPJAVRC), commonly known as ASHA-The Hope, is empowering the differently abled persons to augment their income and live a better life. The Centre is providing the children with special needs, a platform to access community based rehabilitation services involving early diagnosis and early intervention apart from helping families to understand the special needs of such children.

During the year under report, the Company has provided comprehensive institution based rehabilitation services like physiotherapy, occupational therapy, speech therapy, and special education, conducted community based rehabilitation camps, provided counselling and guidance sessions and distributed calipers and mobility aids, facilitated in seeking disability certificate and railway concession from concerned authorities, arranged participation in special sports programme conducted on world disability day on 03rd December, 2011, provided training to people with disabilities including women on various livelihood skills through the vocational training programme initiated this year.

vii) Livestock

India lives in her villages and livestock are part of the rural development in as much as it provides farmers a source of income. Farmers not only produce food grains but also manage livestock and are heavily dependent on it. The Company is promoting livestock and working for the development of livestock in the operating areas. Veterinary Health Camps for livestock were organised in the operating areas and doctors visit regularly in such camps to provide treatment to the animals. Vaccination drives were also organised to prevent poultry birds from Ranikhet disease and other ailments.

ENVIRONMENTAL PROTECTION

The Company attempts to strike the right balance between environment and growth. The manufacturing Units are operated in accordance with sound environment management practices and utmost care is taken in forwarding the green agenda. The Company's Mission and Vision statement amply expresses its approach to environment sustainability. The guiding principles prescribe that all business decisions should be guided by sensitivity towards environment, need for sustainable development and importance for environmental impact and social welfare, maximising participation of employees, contractors, customers, communities and for that matter all stakeholders in preserving the ecological balance, optimising use of natural resources and striving for continuous improvement through monitoring, regular review and adoption of latest technologies.

The environmental impact studies are conducted, necessary environmental clearances are obtained and action plans are put in place for effective compliances of all prescribed conditions, which comprises identification, assessment and management of environment impact, integration of good environment management practices, adoption of clean, energy efficient and environment-friendly technologies, promotion of efficient use of energy and natural resources, ensuring safe and proper storage, use and disposal of materials, enhancing awareness and skill of employees, contractors, suppliers and service providers for sound environment performance, increasing the greenery in and around plant and coal mines, making project/ business Unit heads responsible for the implementation of environmental laws and regulations, making the head of corporate environment department responsible for co-ordination with all project/ Unit heads for environmental compliance. The Company is complying with all statutory requirements, environmental regulations and in accordance with the guidelines published by the Ministry of Environment and Forest from time to time.

The best international practices on environment, occupational health and safety areas are adopted at the Company's Units and mines. The Company has pursued the Environmental Management System (EMS) ISO 14001 and the Occupational Health and Safety Assessment System OHSAS 18001 at its Units resulting in improvement in waste management, water and energy conservation, noise reduction, control of stack and fugitive emissions with improved housekeeping, improved work zone environment have been certified for ISO 14001 & OHSAS 18001 by reputed national and international certifying agencies.

THE COMPANY ATTEMPTS TO STRIKE THE RIGHT BALANCE BETWEEN ENVIRONMENT AND GROWTH. THE MANUFACTURING UNITS ARE OPERATED IN ACCORDANCE WITH SOUND ENVIRONMENT MANAGEMENT PRACTICES AND UTMOST CARE IS TAKEN IN FORWARDING THE GREEN AGENDA.

Environmental risk through air emission, noise and water pollution, solid waste generation are identified through environmental impact assessment studies and accordingly environment management plans and programmes are adopted to eliminate and or minimise each adverse impact. The Company has built up a strong Environment Management Department (EMD) having multidisciplinary team of professional and technical staff at each of Unit/mine reporting to Unit Head. EMD has established a modern environmental laboratory having sophisticated instruments to monitor environmental quality to assess the environmental risk.

The technology selection for new equipments is based on their environment friendliness and the state of art pollution control devices are installed to manage the terminal discharges. High efficiency Pulsejet bag filters, Electro Static Precipitators, scrubbers & dust suppression systems etc are installed at required locations to control air pollution. The Company has installed online ambient air quality monitoring stations around the factories to monitor air quality. Waste minimisation and its utilisation are integral to the environment management efforts. The Waste gases from DRI and Coke Ovens are utilised for generation of power. The flu gas from Blast Furnace and Producer Gas Plant is used as fuel for running turbines.

Water conservation is done to the maximum and close circuit arrangement exists to maintain zero discharge. The sewage from townships and office areas are completely treated in Sewage treatment plants and the treated sewage water is fully utilised for gardening and horticulture activities. Rainwater harvesting is done through injection wells and water reservoirs. The Company is expanding its rainwater-harvesting project to larger areas including adjoining villages.

The Company, through extensive R & D activities, has identified various solid wastes that could be used as productive inputs. The Company pursues the policy of three R's -- Recycle, Reduce and Reuse – to manage its waste. Many innovative projects under "Wealth from Waste" have been implemented for solid waste utilisation. Fly ash utlilistaion avenues includes cement products & concrete manufacturing, land development, road embankment construction, ash dyke raising, building products such as bricks/ blocks/ tiles, reclamation of coal mine and as a soil amender and source of micro and macro-nutrients in agriculture. Power is generated from coal rejects, fines and middlings in AFBC boilers. Blast furnace slag is 100% reused in cement manufacturing and along with ash in brick manufacturing.

A total of about 12.5 million bricks were produced in the year under report and are used in various construction activities. Tailor made Sinter Plant will utilise mill scale and flu dust generated in Blast Furnace. SMS slag is used for road making. The vermi-compost plant allows conversion of organic waste to manure by using earthworms and the resultant manure is used for the purpose of gardening.

To promote a green and clean environment, the Company continuously implements the concept of Green Productivity and takes preventive measures in and around its factories and mines. Conservation of natural resources and pollution control initiatives feature as a part of its operation module. Environment planning and preservation is an integral part of its project activities. The Company undertakes afforestation programmes covering vast tracts of land in and around factories and mines in a concerted bid to counter the growing ecological threat.

Tree plantation is integral to the environment management plan of the Company. Mass tree plantation programmes are regularly organised in consultation with the Forest Department covering vast tracts of land in and around factories and mines in a concerted bid to increase green cover of the area. Green belts are properly maintained. More than 2.1 lacs saplings were planted in the year under report. Till date the Company has planted more than 45 lacs trees. Saplings are also given to villagers free of cost to encourage greenery.

Training is imparted to employees for environment protection and recognition through awards like 'Green Department'. Programmes are also conducted for environment awareness by conducting seminars, annual flower and vegetable shows, observing World Environment Day etc.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

The Company is fast emerging as a global company with strong fundamentals. This has been possible due to strong leadership at the top and very capable and dynamic leadership teams built across the organisation. The key of success has been the employees and the constant endeavour of the Company has been to hone and harness the best potential of each individual employee to become leader in the function and area where they work. Role of Human Resource Department (HRD) as a function of the Company has been fourfold:

- As an analyst to business
- As an intervention specialist
- As a change manager, and
- As an evaluator

The above fourfold role is infused within the organisation and the whole process of the above Plan, Do, Check and Act (PDCA) mechanism has become the DNA of the Company.

Strategic integration of HR as a part and parcel of all business decisions and transactions has been the hallmark of the Company. It has been possible due to careful and deliberate designing of the whole decision making process in the organisation in such a manner where people matters are core focus of delivering business result as the Company strongly believes in creating high performance work culture and winning team in its journey.

The Competency Framework of the Company is derived from its core values. Assessment and reward is based on objective criteria to assess the achievements and the behavioural attributes having clear linkages with the Company's core values. The process of panel review at different career group levels has been institutionalised in the Company which lay emphasis on talent ownership and corresponding decision on vertical and horizontal movement, inculcating values of meritocracy, rewarding high performance and develop Individual Development Plans (IDPs).

Leadership frame of identifying top, early and future leaders has started giving rich dividends in terms of capable leaders in the organisation, Wave One - succession planning has been institutionalised to ensure robustness in the leadership system. The value based reward and recognition system covering all levels of executives has been institutionalised and executives of different categories are being rewarded on the overall group level, business level, unit level and department level. This year HRD has also started Large Scale Interactive Program (LSIP) across the organisation to align employees with the Company's Core values.

The Company has made remarkable progress in adding housing facilities and other amenities at the works / mines. The hallmark of organisational hygiene of the Company has been maintained in all aspect of working life of the employees and people around the works / mines. Requisite measures are undertaken from time to time to maintain high levels of safety at all the works / mines. Policies are reviewed and modified in consonance with the new business challenges/content.

Overall maturity in HR process in the organisation was well recognised and the Company has been awarded by various reputed organisations. Some of the recent awards are:

- Greentech HR Excellence Gold Award 2012 in the categories of Training, Excellence and Innovation in Employees Retention Strategies.
- Strong Commitment to HR Excellence during 2nd CII National HR Excellence Awards 2011.
- Asia Pacific HR Excellence Award 2011 for Organisation with Innovative HR Practices (1st Prize).
- Indian National Suggestion Schemes Association (INSSAN) Organisational Excellence in Suggestion Scheme.
- Winner in 24th Regional Works Skill Competition (Eastern Region) in Refrigeration & Instrument Mechanic Trade 2011-12.
- Winner in 11th National Supervisory Skills Competition in Operation & Production Category 2011-12.
- Confederation of Indian Industry (CII) National HR Excellence Award 2011 commendation for 'Strong commitment to Human Resource Excellence'.

STATUTORY COMPLIANCE

The Company Secretary, as Compliance Officer, ensures compliance of the Companies Act, 1956, the SEBI regulations and provisions of the Listing Agreements. Compliance certificates are obtained from various Units of the Company and the Board is informed of the same at every Board meeting.

CAUTIONARY STATEMENT

This report contains projections, estimates and expectations etc. which are just "forward-looking statements". Actual results could differ from those expressed or implied in this report. Important factors that may have impact on Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations / policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

For and on behalf of the Board

Place: New Delhi
Dated: 27th April, 2012

Naveen Jindal
Chairman and Managing Director

4

Robust Financials

Standalone Financial Statements

Consolidated Financial Statements

Auditors' Report to the Members of Jindal Steel & Power Limited

1. We have audited the attached Balance Sheet of JINDAL STEEL & POWER LIMITED, as at 31st March, 2012, the Statement of Profit & Loss and the Cash Flow statement 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 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 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 (Auditors' Report) order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order 2004 (Collectively the Order), issued by the 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 and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to 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 those books;

   (iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;

   (iv) In our opinion and read with sub note (a) of Note 4 regarding accounting for sales tax included in sales price of products sold out of sales tax exempted unit under Sales Tax Subsidy / Capital Reserve account in the circumstances as explained in the Note, the Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub - section (3C) of section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record 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;

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the 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:

      (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

      (b) in the case of Statement of the Profit & Loss of the Profit for the year ended on that date; and

      (c) in the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
FRN No. 000756N

(Arun K. Tulsian)
Partner
Membership No. 89907

Place: New Delhi
Dated: 27th April, 2012

Annexure

Re: Jindal Steel & Power Limited
Referred to in paragraph 3 of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this programme, the management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records were not material and have been properly adjusted in the books of account.

   (c) Fixed assets disposed off during the year were not substantial.

2. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores and spare parts and raw materials. Further, stocks in the possession and custody of third parties and stock in transit as at 31st March, 2012 have been verified by the management with reference to confirmation or statement of account or correspondence with the third parties or subsequent receipts of goods. In our opinion, the frequency of such verification is reasonable.

   (b) The procedures for the physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

   (b) Since there are no such loans, comments regarding terms & conditions, repayment of the principal amount, interest due thereon and overdue amounts are not required.

   (c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

   (d) Since there are no such loans, comments regarding terms & conditions, repayment of the principal amount, interest due thereon and overdue amounts are not required.

4. In our opinion and according to the information & explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of a major weakness in the aforesaid internal control systems.

5. (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

   (b) In our opinion and according to the information and explanations given to us, the transactions entered into in pursuance of contracts or arrangements, with whom transactions exceeding the value of ₹ Five lacs in respect of each party have taken place during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.

6. In respect of fixed deposits accepted from the public, the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposits) Rules, 1975 have been complied with. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal in this regard.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the cost accounting records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed records have been made & maintained. We are however, not required to carry out a detailed examination of the same.

9. (a) In our opinion and according to the information and explanations given to us and according to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, wherever applicable, have been regularly deposited with the appropriate authorities during the year and there are no such undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2012.

(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom duty and Wealth tax which have not been deposited on account of any dispute, except the following in respect of disputed Excise duty, Sales tax, Service tax, Cess, Entry tax, Income tax and the forum where dispute is pending:

Name of the Statute	Nature of dues	Amount (₹ in Crore)	Forum where dispute is pending	Amount deposited (₹ in Crore)
Central Excise and Salt Act, 1944	Excise Duty	1.55	Chhattisgarh High Court, Bilaspur	1.00
		0.70	Appellate Commissioner, Raipur	NIL
		92.41	CESTAT, New Delhi	0.47
		2.54	Chhattisgarh High Court, Bilaspur	NIL
		0.10	Madhya Pradesh High Court, Jabalpur	NIL
Central Sales Tax Act/ Local Sales Tax Act / Entry Tax	Entry Tax	45.93	Deputy Commissioner, Commercial Tax (Appeals), Rourkela	14.36
	Entry Tax	0.15	Additional Commissioner, Commercial tax (Appeals), Cuttack	0.02
Central SalesTax Act/ Local Sales Tax Act/Entry Tax	State Sales Tax/ Value added tax	0.20	Deputy Commissioner, Commercial Tax (Appeals), Cuttack	0.04
		0.60	Additional Commissioner, Commercial Tax (Appeals), Cuttack	0.09
Central Sales Tax Act/ Local Sales Tax Act/Entry Tax	Central Sales Tax	0.44	Orissa High Court, Cuttack	0.44
		0 .72	Deputy Commissioner, Commercial Tax, Cuttack	0 .29
		0.26	Deputy Commissioner, Commercial Tax(Appeals) , Rourkela	0.13
Chhattisgarh State Govt. Law	Energy Development Cess	136.75	Honorable Supreme Court	NIL
Business & Other Construction Workers Welfare Cess Act, 1996	Cess	2.28	Orissa High Court, Cuttack	0.05
Income Tax Act, 1961	Income Tax	186.56	Income Tax Appellate Tribunal, New Delhi	1.22
		1.20	Commissioner of Income Tax (Appeals), Rohtak	0.64

10. The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year and in the immediately preceding financial year.

11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.

15. The Company has given guarantees against loans taken by others from banks and financial institutions; the terms and conditions of such guarantees are not, prima facie, prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanations given to us, the term loans raised during the year by the Company have been applied for the purpose for which the said loans were obtained, where the lenders have stipulated such end use.

17 According to the information and explanations given to us and as per the books and records examined by us, on an overall examination of the Balance Sheet of the Company, the funds raised by the Company on short-term basis have not been applied for long-term investment.

18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us and on the basis of the records examined by us, the Company has created necessary securities for the debentures issued in earlier years.

20. The Company has not raised any money by way of public issue during the years.

21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
FRN No. 000756N

(Arun K. Tulsian)
Partner
Membership No. 89907

Place: New Delhi
Dated: 27th April, 2012

Balance Sheet as at 31st March, 2012

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	93.48	93.43
(b) Reserves and Surplus	4	10,751.93	8,595.91
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	8,493.92	7,359.71
(b) Deferred tax liabilities (Net)	31	1,067.81	878.33
(c) Other Long-term liabilities	6	141.24	140.63
(d) Long-term provisions	7	18.72	8.49
(3) Current Liabilities			
(a) Short-term borrowings	8	5,878.54	4,081.99
(b) Trade payables	9	998.31	709.00
(c) Other current liabilities	10	3,661.53	2,632.13
(d) Short-term provisions	11	2,452.63	1,887.85
Total		**33,558.11**	**26,387.47**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	11,532.30	9,980.88
(ii) Intangible assets	12	16.71	19.54
(iii) Capital work-in-progress	12	10,479.86	7,077.87
(iv) Intangible assets under development		14.10	3.19
(b) Non-current investments	13	1,412.17	1,210.01
(c) Long term loans and advances	14	997.10	855.21
(d) Other non-current assets	15	4.63	6.03
(2) Current assets			
(a) Inventories	16	3,051.31	2,204.12
(b) Trade receivables	17	905.06	737.12
(c) Cash and bank balances	18	30.94	43.71
(d) Short-term loans and advances	19	4,806.29	3,929.92
(e) Other current assets	20	307.64	319.87
Total		**33,558.11**	**26,387.47**

Significant Accounting Policies 1 & 2

The accompanying notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of the Board

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

Place : New Delhi
Dated : 27th April, 2012

T. K. Sadhu
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
REVENUE			
Revenue from operations (gross)	21	14,741.81	10,460.97
Less: Excise duty		1,407.86	886.80
Revenue from operations (net)		13,333.95	9,574.17
Other Income	22	184.48	143.16
Total Revenue		**13,518.43**	**9,717.33**
EXPENSES			
Cost of materials consumed	23	4,529.84	2,730.35
Purchase of stock-in-trade	24	452.75	176.80
Changes in inventories of finished goods, work-in-process and stock-in-trade	25	(379.24)	(333.45)
Employee benefits expense	26	385.44	277.78
Finance costs	27	536.77	285.00
Depreciation and amortisation expense		867.19	687.77
Other expenses	28	4,282.67	3,140.14
Total Expenses		**10,675.42**	**6,964.39**
Profit before tax		**2,843.01**	**2,752.94**
Tax expense:			
(1) Current tax		542.88	525.49
(2) Deferred tax		189.48	163.33
		732.36	688.82
Profit for the year		**2,110.65**	**2,064.12**
Earnings per equity share of face value of ₹ 1 each	32		
(1) Basic (in ₹)		22.58	22.11
(2) Diluted (in ₹)		22.58	22.09

Significant Accounting Policies 1 & 2

The accompanying notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of the Board

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

Place : New Delhi
Dated : 27th April, 2012

T. K. Sadhu
Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

(₹ in Crore)

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
A.	CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,843.01	2,752.94
	Adjustment for:		
	Depreciation	867.19	687.77
	Loss on sale of Advances/Investment in Subsidiaries	167.20	-
	Premium on Investment written off	0.04	0.07
	Loss / (Profit) on Sale of Fixed Assets	(5.73)	0.27
	Loss / (Profit) on Sale of Investments	(0.44)	(1.13)
	Dividend Income	(130.06)	(117.10)
	Liability / Provisions no longer required written back	(7.89)	(1.79)
	Provision for dimunition in Investments written back	(11.54)	-
	Bad Debts/Provision for Doubtful debts	0.10	(0.61)
	Employees Compensation Expenses under Employees Stock Option Scheme	(0.83)	(4.87)
	Interest Paid	536.77	285.00
	Operating Profit before Working Capital Changes	**4,257.82**	**3,600.55**
	Adjustment for:		
	Inventories	(847.19)	(875.62)
	Trade receivables	(167.94)	(114.08)
	Other Current Assets	(391.56)	(212.28)
	Income Tax paid	(560.61)	(514.36)
	Other Current Liabilities	615.52	(90.18)
	Net Cash Inflow/(Outflow) from Operating Activities	**2,906.04**	**1,794.04**
B.	CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		
	Capital Expenditure	(5,122.82)	(4,893.92)
	Sale Proceeds of Fixed Assets	55.44	354.20
	Dividend received	247.11	91.09
	Loans & Advances	208.95	(398.62)
	Interest Received	52.73	49.52
	(Increase) / Decrease in Investments	(306.04)	(141.76)
	Share Application Money given	(128.21)	(24.85)
	Net Cash Inflow/(Outflow) from Investing Activities	**(4,992.84)**	**(4,964.35)**

Cash Flow Statement for the year ended 31st March, 2012

(₹ in Crore)

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
C.	CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
	State Sales Tax Subsidy	38.92	32.23
	Issue of Equity Shares	3.84	11.32
	Proceeds from Long Term Borrowings	5,633.71	5,317.19
	Working Capital Borrowings from Banks	1,142.83	1,048.09
	Repayment/Adjustment of Borrowings	(3,505.37)	(2,469.78)
	Dividend Paid (including tax thereon)	(141.74)	(117.59)
	Interest Paid	(1,099.55)	(661.51)
	Net Cash Inflow/(Outflow) from Financing Activities	**2,072.64**	**3,159.95**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**(14.17)**	**(10.36)**
	Cash & Cash equivalents (Opening Balance)	**49.74**	**60.10**
	Cash & Cash equivalents (Closing Balance)*	**35.57**	**49.74**

* Includes Other Non Current Assets (Note-15)

Note:
The figures have been regrouped/rearranged, wherever necessary, for comparison purposes

In terms of our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Place : New Delhi
Dated : 27th April, 2012

For and on behalf of the Board

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

T. K. Sadhu
Company Secretary

NOTES to the financial statements as at and for the year ended 31st March, 2012

1. OVERVIEW

Jindal Steel & Power Limited which commenced operations in the year 1991 is one of the India's leading steel producers with significant presence in sector like mining, power generation and infrastructure. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. Its business is spread across India and overseas. The corporate office is situated in New Delhi and the manufacturing Plants in India are in the states of Chhattisgarh, Odisha, Jharkhand etc. The Company has global presence in Australia, Brasil, Bolivia, China, Mongolia, Mozambique, Madagascar, Indonesia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, ongoing concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 in compliance with Section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India.

The Company has prepared its financial statements in accordance with Schedule VI as inserted by Notification-S.O. 447(E), dated 28th February, 2011 (As amended by Notification No F.NO. 2/6/2008-CL-V, Dated 30th March, 2011). The Schedule does not impact recognition and measurement principle followed for the preparation of financial statements. However it has necessitated significant changes in the presentation of and disclosures in financial statements. The Company has reclassified its previous year figures to confirm to the classification as per the aforesaid Schedule.

ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the financial statements and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

iii) Fixed Assets and Depreciation

a) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

b) Expenditure during construction period

Expenditure related to and incurred during implementation of new/expansion-cum modernisation projects is included under capital work-in-progress and the same is allocated to the respective Fixed Assets on completion of its construction/erection.

c) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets'.

d) Depreciation and Amortisation

Depreciation on fixed assets is provided on straight-line method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Leasehold Land and Aircraft are amortised over the period of lease. In the case of assets where impairment loss is recognised, the revised carrying amount is depreciated over the remaining estimated useful life of the asset.

Certain Plant and Machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.

Intangible Assets are amortised on straight-line method over the expected duration of benefits not exceeding ten years.

iv) Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

NOTES to the financial statements as at and for the year ended 31st March, 2012

Previously recognised impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

v) Accounting for Leases

a) Finance lease is recognised as an asset and a liability to the lessor at fair value at the inception of the lease.

b) The lease payments under operating lease as per respective lease agreements are recognised as expense in the statement of profit and loss on a straight-line basis over the lease term.

vi) Borrowing Cost

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilisation of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalised with the cost of qualifying asset. Other borrowing costs incurred during the period are charged to statement of profit and loss.

vii) Segment Reporting

a) Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segment is based on the areas in which major operating divisions of the Company operate.

b) Inter-segment transfers

The Company accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

c) Allocation of common costs

Common allocable costs are allocated to each segment on reasonable basis.

d) Unallocated items

It includes general administrative expenses, head office expenses and other expenses & income that arise at the enterprise level and relate to enterprise as a whole, and which are not allocable to any business segment.

e) Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

viii) Valuation of Inventories

Raw materials and stores & spares are valued at lower of cost, computed on weighted average basis or net realisable value. Cost includes the purchase price as well as incidental expenses. Scrap is valued at estimated realisable value.

Work-in-process is valued at lower of estimated cost or net realisable value and finished goods are valued at lower of cost or net realisable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix) Inter-Division Transfers

Inter-division transfer of goods, as independent marketable products produced by various divisions for captive consumption, is accounted for at approximate prevailing market price. The same is shown as a contra item to reflect the true working of the respective divisions in the statement of Profit and Loss. Any unrealised profit on unsold stocks is eliminated while valuing the inventories. The value of such inter-divisional transfer is netted off from sales and operational income and expenses under cost of materials consumed and other expenses.

Inter-divisional transfer/captive consumption related to fixed assets is at cost.

x) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses are recognised in the statement of profit & loss for the year, except to the extent that they relate to new projects till the date of capitalisation which are carried to pre-operative expenses and those relating to fixed assets which are adjusted to the carrying cost of the respective assets.

In case of forward foreign exchange contracts, exchange differences are dealt with in the statement of profit & loss over the life of the contract except those relating to fixed assets in which case they are capitalised with the cost of respective fixed assets. Non-monetary foreign currency items are carried at historical cost.

In case of foreign subsidiaries, with non-integral foreign operations, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are

NOTES to the financial statements as at and for the year ended 31st March, 2012

converted at the rates prevailing at the end of the year. Exchange difference arising on conversion is recognised in Foreign Currency Translation Reserve.

xi) Investments

Non-current investments are carried at cost. Provision is made when, in the opinion of the management, diminution in the value of investment is other than temporary in nature. The reduction in carrying amount is reversed when there is a rise in value of investments or if the reason for the reduction no longer exists. Current investments are carried at the lower of cost or market / fair value.

xii) Revenue Recognition

a) Gross Revenue from operations comprises of sale of products and other operating income which also includes export incentives and aviation income. 'Net Revenue from operations', net of excise duty and Inter-divisional transfer is also disclosed separately.

b) Sales is inclusive of excise duty but net of returns, rebates, VAT and sales tax. Products returned/ rejected are accounted for in the year of return/ rejection.

c) Export sales are accounted for on the basis of the date of bill of lading/airways bill.

d) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.

e) Income from aviation and other services is accounted for at the time of completion of service and billing thereof.

xiii) Other Income

a) Claims receivable

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs, Excise and the like are accounted for on accrual basis to the extent there is certainty of ultimate realisation.

b) Income from Investment

Income from Investment is accounted for on accrual basis when the right to receive income is established.

xiv) Excise Duty

Excise Duty liability on finished goods manufactured and lying in the factory is accounted for and the corresponding amount is considered for valuation thereof.

xv) Employee Benefits

Expenses & liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15 –Employee Benefits'.

a) Provident Fund

The Company contributes to Government administered fund as well as Provident fund Trust. The interest rate payable by the trust to beneficiaries every year is being notified by Government. The Company makes good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

b) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the statement of profit & loss and not deferred.

c) Compensated absences

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent Actuary using the projected unit credit method.

d) Other short term benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

xvi) Research and Development expenditure

Research and Development expenditure not fulfilling the recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets' is charged to the statement of profit and loss while capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

xvii) Employee Stock Option Scheme

Stock options granted to the employees of the Company and its subsidiary under the Employees' Stock Option Scheme(s) are evaluated on Intrinsic Value Method as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase

NOTES to the financial statements as at and for the year ended 31st March, 2012

Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India.

Accordingly, excess of market value of the stock option as on date of grant over the exercise price of the options is recognised as deferred employee compensation and is charged to the statement of profit and loss as employee cost on straight line method over the vesting period of the options. The options that lapse are reversed by a credit to employees' compensation expenses, equal to amortised portion of value of lapsed portion and credit to deferred employee compensation expense, equal to the unamortised portion. The balance in employee stock option outstanding amount net of any unamortised deferred employee compensation is shown separately as part of shareholder's fund.

xviii) Taxes on Income

Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of the Income Tax Act, 1961.

In accordance with Accounting Standard (AS-22) 'Accounting for Taxes on Income', deferred taxes resulting from timing differences between book and tax profits are accounted for at the tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallised. Deferred tax assets are recognised and reviewed at each Balance Sheet date to the extent there is reasonable/virtual certainty of realising such assets against future taxable income.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

xix) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognised for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

xx) Intangible assets under development

Mines development expenditure incurred in respect of new iron ore/coal and likewise mines is shown under 'Intangible assets under development' and amortised over a period of ten years starting from the year of commencement of commercial production or the future expected extraction period of the reserves based on actual extraction till date, whichever is shorter.

xxi) Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise of the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period adjusted for events of bonus issue post period end,bonus elements in right issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares unless impact is anti-dilutive.

xxii) Financial derivatives

Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted for as per Accounting Standard (AS-11). 'The Effects of Changes in Foreign Exchange Rates'. Exchange differences arising on such contracts are recognised in the period in which they arise.

All other derivative contracts, including forward contracts entered into to hedge foreign currency/ interest rate risk on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value at each reporting date, in pursuance of the announcement of The Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives.

xxiii) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
3	**SHARE CAPITAL**		
	Authorised		
	2,000,000,000 (Previous year 2,000,000,000) Equity Shares of ₹ 1 each	200.00	200.00
		200.00	**200.00**
	Issued, Subscribed and Fully Paid-up		
	934,833,818 (Previous year 934,269,031) Equity Shares of ₹ 1 each	93.48	93.43
	Total Share Capital	**93.48**	**93.43**

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	No. of Shares	No. of Shares
Equity Shares outstanding at the beginning of the year	93,42,69,031	93,12,34,082
Add: Equity Shares issued under employees stock option scheme	5,64,787	30,34,949
Equity Shares outstanding at the close of the year	**93,48,33,818**	**93,42,69,031**

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.60 (Previous Year ₹ 1.50)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31st March, 2012	31st March, 2011
Equity shares alloted as fully paid bonus shares by capitalisation of securities premium reserve	-	-
Equity shares alloted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the Company	-	-

The Company has alloted total 775,651,530 fully paid equity shares upto the year ended 31st March, 2012 as fully paid bonus shares by capitalising securities premium reserve.

In addition the Company has allotted the following equity shares during the preceding five years under its various Employees Stock option schemes (note no.-3f below)

During the year ended	No. of Shares
31st March, 2012	5,64,787
31st March, 2011	30,34,949
31st March, 2010	9,29,869
31st March, 2009	6,91,343
31st March, 2008	-
Total	**52,20,948**

NOTES to the financial statements as at and for the year ended 31st March, 2012

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 1 each fully paid				
Gagan Infraenergy Limited	6,69,54,060	7.16%	6,69,54,060	7.17%
Opelina Finance and Investment Limited	7,98,38,960	8.54%	7,55,46,540	8.09%
Sun Investment Limited	8,69,78,940	9.30%	8,69,78,940	9.31%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) Forfeited shares:

Pursuant to the resolution passed at the EGM dated 4th September, 2009, the Company reclassified the authorised share capital of the Company by cancellation of 10,000,000 Preference Shares of ₹ 100 each and simultaneous creation of 1,000,000,000 fresh Equity Shares of ₹ 1 each and increased the authorised share capital to ₹ 2,000,000,000.

Consequently, the Company had cancelled 100,000 preference shares of ₹ 100 each, which were forefeited earlier. Upon cancellation of such shares, the amount of ₹ 10,000,000 was transferred to General Reserve.

f) Shares reserved for issue under options

The details of shares reserved for issue under Employee stock option (ESOP) plan of the Company are as under:

The Employees Stock Option Scheme - 2005 (ESOS-2005) was approved by the shareholders of the Company in their Annual General Meeting held on 25th July, 2005 and amended by shareholders on 27th September, 2006. Under ESOS-2005, a maximum of 1,100,000 (Eleven lacs) equity shares of ₹ 5/- each could be granted to the employees of the Company and its subsidiary company(ies). In-principle approval from National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) was given on 01.02.2006. A Compensation Committee was constituted by the Board of Directors of the Company in their meeting held on 12th May, 2005 for the administration of ESOS-2005. Under ESOS-2005, the Compensation Committee has granted stock options as follows:-

a) 859,400 (Eight lacs fifty nine thousand four hundred) stock options on 26.11.2005 at an exercise price of ₹ 1,014/- per share (Series - 1) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3);

b) 129,550 (One lac twenty nine thousand five hundred fifty) stock options on 02.09.2006 at an exercise price of ₹ 1,121/- per share (Series - II) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3); and

c) 136,950 (One lac thirty six thousand nine hundred fifty) stock options on 27.04.2007 at an exercise price of ₹ 1,819/- per share (Series - III) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3).

Pursuant to Clause 5.3 (f) of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and para 18 of the Employees Stock Option Scheme -2005 of the Company, the Compensation Committee is authorised to make a fair and reasonable adjustment to the number of options and to the exercise price in respect of options granted to the employees under the Scheme in case of corporate actions such as right issue, bonus issue, merger etc.

On 27.12.2007, sub-division of the face value of each equity share of the Company from ₹ 5/- to 5 equity shares of ₹ 1/- each was approved by the shareholders in their General Meeting. Thereafter, the Compensation Committee has, in its meeting held on 27.01.2008, made an adjustment to the exercise price by reducing it in case of Series I to ₹ 203/- Series II to ₹ 225/- and Series III to ₹ 364/- per equity share of ₹ 1/- each and to the number of options by increasing it 5 times the original grant consequent to which the number of maximum options that could be issued under the Employees Stock Option Scheme-2005 increased to 5,500,000 (Fifty five lacs) [originally 1,100,000 (Eleven lacs)

NOTES to the financial statements as at and for the year ended 31st March, 2012

Thereafter, the following allotments of equity shares were made under ESOS-2005 on the exercise of options:-

a) 691,343 (Six lacs ninety one thousand three hundred forty three) equity shares of ₹ 1/- each were allotted on 16th June, 2008 on exercise of options granted under Part 1 of Series I of ESOS 2005;

b) 57,136 (Fifty seven thousand one hundred thirty six) equity shares of ₹ 1/- each were allotted on 13th April, 2009 on exercise of options granted under Part 1 of Series II of ESOS 2005;

c) 420,487 (Four lacs twenty thousand four hundred eighty seven) equity shares of ₹ 1/- each were allotted on 21st July, 2009 on exercise of options granted under Part 2 of Series I of ESOS 2005.

The remaining 4,331,034 (Forty three lacs thirty one thousand thirty four) equity shares of ₹ 1/- each were available for allotment under ESOS -2005 after the above 3 allotments.

On 4th September, 2009, issue of 5 equity shares of ₹ 1/- each as bonus shares on each existing equity share of the Company was approved by the shareholders in their General Meeting and on 19th September, 2009, fully paid-up bonus shares were allotted.

Thereafter, pursuant to clause 5.3 (f) of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and para 18 of the Employees Stock Option Scheme - 2005 of the Company, the Compensation Committee has, in its meeting held on 31st October, 2009 made the following adjustments:-

a) The number of unexercised options and options yet to be granted is increased by 5 times Consequently increasing the number of unexercised options and options yet to be granted from 4,331,034 (Forty three lacs thirty one thousand thirty four) to 25,986,204 (Two Crore fifty nine lacs eighty six thousand two hundred four);

b) The price of unexercised options was reduced in case of Series I to ₹ 34/-, Series II to ₹ 38/- and Series III to ₹ 61/- per equity share of ₹ 1/- each.

In-principle approval for listing of additional 21,655,170 (Two crore sixteen lacs fifty five thousand one hundred seventy) equity shares were obtained from NSE and BSEs.

Thereafter, the following allotments of equity shares were made under ESOS-2005 on exercise of options:-

452,246 (Four lacs fifty two thousand two hundred forty six) equity shares of ₹ 1/- each were allotted on 30th January, 2010 on exercise of options granted under part 1 of Series III of ESOS 2005.

2,52,006 (Two lacs fifty two thousand six) equity shares of ₹ 1/- each were allotted on 13th April, 2010 on exercise of options granted under part 2 of Series II of ESOS 2005.

24,56,922 (Twenty four lacs fifty Six thousand nine hundred twenty two) equity shares of ₹ 1/- each were allotted on 23rd June, 2010 on exercise of options granted under part 3 of Series I of ESOS 2005.

3,26,021 (Three lacs twenty Six thousand twenty one) equity shares of ₹ 1/- each were allotted on 1st February, 2011 on exercise of options granted under part 2 of Series III of ESOS 2005.

2,40,564 (Two lacs forty thousand five hundred sixty four) equity shares of ₹ 1/- each were allotted on 14th April, 2011 on exercise of options granted under part 3 of Series II of ESOS 2005.

3,24,223 (Three lacs twenty four thousand two hundred twenty three) equity shares of ₹ 1/- each were allotted on 12th December, 2011 on exercise of options granted under part 3 of Series III of ESOS 2005.

NOTES to the financial statements as at and for the year ended 31st March, 2012

The Details of ESOS-2005 are as under:

		ESOS-2005		
		Series-I	Series-II	Series-III
1	Grant Price – Rupees	34	38	61
2	Grant Date	26.11.2005	02.09.2006	27.04.2007
3	Vesting commences on	26.11.2007	02.09.2008	27.04.2009
4	Vesting Schedule	50% of grant on 26.11.2007, subsequent 25% of grant on 26.11.2008 and balance 25% of grant on 26.11.2009	50% of grant on 02.09.2008, subsequent 25% of grant on 02.09.2009 and balance 25% of grant on 02.09.2010	50% of grant on 27.04.2009, subsequent 25% of grant on 27.04.2010 and balance 25% of grant on 27.04.2011
5	Option granted and outstanding at the beginning of the year	-	2,40,564	7,40,625
6	Option granted during the year (due to bonus shares)	-	-	-
7	Option lapsed and/or withdrawn during the period	-	-	4,16,402
8	Option exercised during the year against which shares were allotted	-	2,40,564	3,24,223
9	Option granted and outstanding at the end of the year of which	-	-	-
	- Options vested			
	- Options yet to vest			

(₹ in Crore)

			As at 31st March, 2012	As at 31st March, 2011
4	**RESERVES AND SURPLUS**			
	a)	**Sales Tax Subsidy/Capital Reserve**		
		As per last financial statements	198.75	166.52
		Add: During the year	38.92	32.23
		Closing Balance	**237.67**	**198.75**
		One of the Company's expansion units at Raigarh (Chhattisgarh) is eligible for sales tax exemption owing to its investment in capital assets under the State industrial policy which aims towards the objective of industrialisation of the State and development of backward areas. The period of exemption is linked to the quantum of investment. The Company has been advised that the element of sales tax included in the sales price of products sold out of this Unit is in the nature of sales tax subsidy granted by the State Government. Accordingly, the same amounting to ₹ 38.92 crore (Previous year ₹ 32.23 crore) has been credited during the year to Sales Tax Subsidy Reserve Account. The cumulative amount credited to Sales Tax Subsidy Reserve account up to 31st March, 2012 is ₹ 236.11 crore (Previous year ₹ 197.19 crore).		
	b)	**Capital Redemption Reserve**		
		As per last financial statements	70.00	70.00
		Add: During the year	-	-
		Closing Balance	**70.00**	**70.00**
	c)	**Securities Premium Reserve**		
		As per last financial statements	118.93	92.24
		Add: Additions during the year on account of Employees' stock option schemes	2.83	11.01

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
4 RESERVES AND SURPLUS (CONTD.)		
Add: Transferred from share options outstanding account	0.96	15.68
Closing Balance	**122.72**	**118.93**
Note no.-3 (f)		
d) Debenture Redemption Reserve		
As per last financial statements	151.00	74.00
Add: Transferred from statement of Profit and loss	103.00	77.00
Closing Balance	**254.00**	**151.00**
e) Share Option Outstanding Account		
As per last financial statements	1.79	22.34
Less: Transferred to securities premium reserve	(0.96)	(15.68)
Less: Deferred employee stock compensation	(0.83)	(4.87)
Closing Balance	-	**1.79**
f) Other Reserves		
Central/State Subsidy Reserve		
As per last financial statements	0.12	0.24
Less: Transfer to General reserve	-	(0.12)
Closing Balance	**0.12**	**0.12**
Foreign Currency Translation Reserve		
As per last financial statements	(17.09)	(1.57)
Add: During the year	157.06	(15.52)
Closing Balance	**139.97**	**(17.09)**
General Reserve		
As per last financial statements	960.40	750.28
Add: Transferred from statement of profit and loss	220.00	210.00
Add: Transfer from Central/State Subsidy Reserve	-	0.12
Closing Balance	**1,180.40**	**960.40**
g) Surplus in Statement of profit and loss		
As per last financial statements	7,112.01	5,478.83
Add: During the year	2,110.65	2,064.12
Less: Appropriations		
Transfer to Debenture Redemption Reserve	103.00	77.00
Transfer to General Reserve	220.00	210.00
Proposed dividend on equity shares (amount per share ₹ 1.60, previous year ₹ 1.50)	149.46	140.19
Corporate tax on proposed dividend	3.15	3.75
Net Surplus in the statement of Profit and Loss	**8,747.05**	**7,112.01**
Total Reserves & Surplus	**10,751.93**	**8,595.91**

The Company has made a provision of ₹ 3.15 crore (Previous year ₹ 3.75 crore) net of reversal of ₹ 0.02 crore (Previous year ₹ 0.02 crore) for Corporate dividend tax on the amount of dividend proposed for the year ended 31st March, 2012 after considering the set-off of interim dividend declared by a subsidiary company for the same financial year, as per the provisions of section 115-O of the Income Tax Act, 1961.

In the previous year, dividend proposed relating to the shares under ESOS was made on the basis of options vested but not exercised till the end of the financial year. Provision made in respect of options lapsed and not exercised in the current year has been adjusted with the dividend proposed for the year ended on 31st March, 2012.

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
5 LONG-TERM BORROWINGS				
a) Secured Long term borrowings				
i) Debentures				
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with SBI Life Insurance Company Limited)	62.00	62.00	-	-
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with Life Insurance Corporation of India)	1,000.00	1,000.00	-	-
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with Life Insurance Corporation of India)	500.00	500.00	-	-
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with ICICI Lombard General Insurance Company Limited)	25.00	25.00	-	-
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with ICICI Prudential Life Insurance Company Limited)	55.00	75.00	-	-
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with United India Insurance Company Limited)	20.00	-	-	-
6.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with LIC Mutual Fund Asset Management Company Limited)	-	-	-	100.00
	1,662.00	**1,662.00**	**-**	**100.00**
ii) Term Loans from Banks	4,696.69	2,810.72	316.97	342.16
iii) Other Loans from Banks	41.77	194.26	-	-
	4,738.46	**3,004.98**	**316.97**	**342.16**
Secured Long term borrowings	**6,400.46**	**4,666.98**	**316.97**	**442.16**

NOTES to the financial statements as at and for the year ended 31st March, 2012

DEBENTURES

i) Debentures placed with SBI Life Insurance Company Limited on private placement basis are redeemable at par in 5 equal annual instalments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

ii) Debentures placed with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured on pari-passu charge basis by way of mortgage of immovable properties and hypothecation of movable fixed assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

iii) Debentures placed with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

iv) Debentures placed with ICICI Lombard General Insurance Company Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

v) Debentures placed with ICICI Prudential Life Insurance Company Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

vi) Debentures placed with LIC Mutual Fund Asset Management Company Limited on private placement basis are redeemable at par at the end of 23 months from the date of allotment i.e. 22.01.2010. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

vii) Debentures placed with United India Insurance Company Limited on private placement basis are redeemable at par at the end of 23 months from the date of allotment i.e. 22.01.2010. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

TERM LOANS

Security

i) Loans of ₹ 176.54 crore (Previous year ₹ 255.11 crore) are secured by exclusive charge on fixed assets created under Steel expansion project at Raigarh, Chhattisgarh;

ii) Loans of ₹ 150.40 crore (Previous year ₹ 196.87 crore) are secured by exclusive charge on fixed assets created under Plate Mill project at Raigarh, Chhattisgarh;

iii) Loans of ₹ 77.14 crore (Previous year ₹ 111.43 crore) are secured by exclusive charge on fixed assets created under 3x25 MW Power Plant at Raigarh, Chhattisgarh;

iv) Loans of ₹ NIL crore (Previous year ₹ 454.99 crore) are secured by exclusive charge on fixed assets created/to be created under the DRI project at Angul, Odisha;

v) Loans of ₹ 698.47 crore (Previous year ₹ 788.97 crore) are secured by exclusive charge on fixed assets created under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh;

vi) Loans of ₹ 450.00 crore (Previous year ₹ 140.55 crore) are secured by exclusive charge on fixed assets created/ to be created under 2X135 MW Power Plant (Phase - 2) at Dongamauha, Raigarh, Chhattisgarh;

vii) Loans of ₹ 1,841.10 crore (Previous year ₹ 1,054.97 crore) are secured by exclusive charge on fixed assets created/ to be created under 1.6 MTPA Integrated Steel Plant and 1.5 MTPA Plate Mill project at Angul, Odisha;

viii) Loans of ₹ 1,370.00 crore (Previous year ₹ 100.00) are secured/to be secured by exclusive charge on fixed assets created/to be created under 6x135 MW Power Plant Project at Angul, Odisha;

ix) Loan of ₹ 250.00 crore (Previous year ₹ 244.25 crore) are secured by subservient charge on current assets of the Company;

NOTES to the financial statements as at and for the year ended 31st March, 2012

5 LONG-TERM BORROWINGS (CONTD.)

Repayments and Interest rates for the above Term Loans are as follows:

Year	2012-2013	2013-2014	2014-2015	2015-2016 & Above
Amount (in ₹ Crore)	316.97	619.92	667.20	3409.57

The interest rate for the above term loans varies from 8.41% to 13.75% p.a

(₹ in Crore)

		Non-Current Portion		Current Portion	
		31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
b)	**Unsecured Long term borrowings**				
i)	Term Loans				
	Other Loans	920.46	772.29	-	-
	Fixed Deposits from public	6.08	37.94	31.14	21.73
		926.54	**810.23**	**31.14**	**21.73**
ii)	Other Loans & Advances				
	External Commercial Borrowings	1,166.92	1,882.50	993.75	205.32
		1,166.92	**1,882.50**	**993.75**	**205.32**
	Unsecured Long-term borrowings	**2,093.46**	**2,692.73**	**1,024.89**	**227.05**
	Total Long-Term Borrowings	**8,493.92**	**7,359.71**	**1,341.86**	**669.21**
	Amount disclosed under other-current Liabilities [Note no.-10 (a)]	-	-	(1,341.86)	(669.21)
	Total Long-Term Borrowings	**8,493.92**	**7,359.71**	**-**	**-**

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
6	**OTHER LONG-TERM LIABILITIES**		
	Security Deposits and Advances	141.24	140.63
	Total Other Long-Term Liabilities	**141.24**	**140.63**

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
7	**LONG-TERM PROVISIONS**		
	Provision for Employee benefits		
	Gratuity	8.34	8.49
	Other defined benefit plans {Note no.-33(b)}	10.38	-
	Total Long-term Provisions	**18.72**	**8.49**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
8 SHORT-TERM BORROWINGS		
a) Secured short-term borrowings		
From Banks		
Cash Credit from Banks	447.63	151.83
Other Loans	-	266.20
	447.63	418.03
Secured Short-term borrowings	**447.63**	**418.03**

Cash credit from Banks

Secured by hypothecation by way of first charge on stocks of finished goods, raw materials, work in process, stores and spares and book debts and second charge in respect of other movable and immovable assets. The cash credit is repayable on demand.

b) Unsecured short-term borrowings		
i) From Banks		
Short Term loans	477.21	795.82
Other Loans	2,467.14	1,349.58
	2,944.35	**2,145.40**
ii) Loans and advances from related parties		
Inter Corporate Deposits (from subsidiary) {Note no. -36(b)}	2,486.56	1,518.56
	2,486.56	**1,518.56**
Unsecured Short term borrowings	**5,430.91**	**3,663.96**
Total Short Term Borrowings	**5,878.54**	**4,081.99**

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
9 TRADE PAYABLES		
Trade Payables	998.31	709.00
Total Trade Payables	**998.31**	**709.00**

The Company has so far not received information from vendors regarding their status under the Micro, Small and Medium Enterprises (Development) Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid / payable under this Act have not been given.

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
10 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts	1,341.86	669.21
b) Interest accrued but not due on borrowings	45.84	37.46
c) Investor Education & Protection Fund*		
Unpaid dividend	16.50	14.18
Unpaid matured deposits and interest accrued	1.55	1.17
d) Other Payables**		
Statutory dues	472.01	384.88
Advance from customer and others	289.73	170.20
Security deposits and advances	13.01	12.77
Creditors for capital expenditure	936.00	903.50
Outstanding liabilities for expenses	501.47	405.33
Others	43.56	33.43
Total Other Current Liabilities	**3,661.53**	**2,632.13**
Total Other Current Liabilities	**3,661.53**	**2,632.13**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund

**In accordance with Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' and based on management assessment, the Company had made a provision for contingencies on account of duties and taxes payable under various laws. At the beginning of the financial year, there was an outstanding provision of ₹ 156.02 crore (Previous year ₹ 156.02 crore) included in 'Other Payables' with no provision/utilisation, at the end of the financial year, there is an outstanding provision of ₹ 156.02 crore (Previous year ₹ 156.02 crore).

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
11 SHORT TERM PROVISIONS		
a) Provision for Employee benefits		
Leave Encashment	50.21	36.98
	50.21	**36.98**
b) Other Provisions		
Provision For Taxation-Income Tax	2,248.87	1,705.99
Provision For Taxation-Wealth Tax	0.81	0.82
Proposed Dividend	149.57	140.29
Corporate Tax On Dividend	3.17	3.77
	2,402.42	**1,850.87**
Total Short Term Provisions	**2,452.63**	**1,887.85**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Gross Carrying Value					Depreciation				Net Carrying Value	
	Balance as at 1st April, 2011	Additions	Disposals/ Adjustments	Other Adjustments	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Deprecia-tion for the period	Other Adjustments	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
12 FIXED ASSETS											
Tangible Assets											
Land Freehold	162.72	34.42	0.13	-	197.01	-	-	-	-	197.01	162.72
Land Leasehold	294.57	26.76	-	-	321.33	7.53	4.03	-	11.56	309.77	287.04
Live Stock	0.14	-	-	-	0.14	-	-	-	-	0.14	0.14
Buildings	1,358.26	366.44	1.99	11.34	1,734.05	116.42	43.84	0.62	159.64	1,574.41	1,241.84
Plant and Equipment	10,016.39	1,639.98	54.71	314.97	11,916.64	2,467.22	769.01	15.13	3,221.09	8,695.55	7,549.17
Electrical Fittings	352.84	42.71	5.76	-	389.78	33.22	17.36	0.87	49.71	340.07	319.62
Furniture and Fixtures	52.84	13.46	0.97	-	65.32	12.54	4.63	0.19	16.99	48.33	40.30
Vehicles	185.34	18.78	3.68	-	200.44	71.42	18.65	1.14	88.92	111.52	113.92
Air Craft (Owned)	285.18	-	-	-	285.18	44.17	15.97	-	60.14	225.04	241.01
Office equipment	29.64	7.48	0.57	-	36.55	4.52	1.71	0.14	6.09	30.46	25.12
Total	**12,737.92**	**2,150.03**	**67.81**	**326.31**	**15,146.44**	**2,757.04**	**875.20**	**18.09**	**3,614.14**	**11,532.30**	**9,980.88**
Previous Year	8,773.33	3,864.24	152.74	253.10	12,737.92	2,088.46	687.12	18.54	2,757.04	9,980.88	6,684.87

(₹ in Crore)

Particulars	Gross Carrying Value					Depreciation				Net Carrying Value	
	Balance as at 1st April, 2011	Additions	Disposals/ Adjustments	Other Adjustments	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Deprecia-tion for the period	Other Adjustments	Balance as at 31st March, 2012	Balance as at 31st March, 2012	Balance as at 31st March, 2011
Intangible Assets											
Computer software-Bought out	10.64	2.41	-	-	13.05	4.08	2.16	-	6.24	6.81	6.56
Services and operating rights	38.79	5.13	-	-	43.92	25.81	9.05	-	34.86	9.06	12.98
Designs and drawings	-	0.84	-	-	0.84	-	0.01	-	0.01	0.84	-
Total	49.43	8.38	-	-	57.81	29.89	11.22	-	41.11	16.71	19.54
Previous Year	40.88	8.55	-	-	49.43	21.69	8.20	-	29.89	19.54	19.19
Net Block	12,787.35	2,158.41	67.81	326.31	15,204.25	2,786.93	886.42	18.09	3,655.25	11,549.01	10,000.42
Previous Year	8,814.21	3,872.79	152.74	253.10	12,787.35	2,110.15	695.32	18.54	2,786.93	10,000.42	6,704.06
Capital work in progress (including pre-operative expenses pending allocation/ capitalisation and capital goods lying in stores)										10,479.86	7,077.87

NOTES to the financial statements as at and for the year ended 31st March, 2012

Notes:

a) Statement Showing the details of Pre-operative Expenditure as at 31st March, 2012

(₹ in Crore)

Description	Total	
	2011-12	2010-11
Amount brought forward from last year	383.42	440.21
Add: Expenses during the Year		
Personnel Expenses	100.09	62.05
Consultancy Charges	68.27	85.29
Financial Expenses	11.47	69.20
Foreign Exchange Fluctuations	27.26	7.62
Depreciation	19.24	7.55
Miscellaneous Expenses	143.84	111.67
	753.59	**783.59**
Less: Capitalised as part of		
Plant & machinery	144.92	354.19
Building	10.37	45.18
Other fixed assets	1.15	0.80
Amount carried forward in CWIP	**597.15**	**383.42**

Depreciation during the year includes ₹ 19.24 crore (Previous year ₹ 7.55 crore) transferred to pre-operative expenses.

b) Freehold land includes ₹ 5.85 crore jointly owned with a Company with 50% share and pending registration.

c) Capital Work in Progress includes ₹ 597.14 crore (Previous year ₹ 383.42 crore) being Pre-operative expenditure and ₹ 1,079.40 crore (Previous year ₹ 1,083.39 crore) Capital stores.

d) Addition to Fixed Assets includes ₹ 4.84 crore (Previous year ₹ 3.29 crore) and addition to Capital Work in Progress includes ₹ 0.48 crore (Previous year ₹ 3.16 crore) being expenditure incurred on Research & Development Activities. The Capital Work in Progress accumulated balance as on 31st March, 2012 the is ₹ 0.84 crore (Previous year ₹ 3.16 crore)

e) Additions / (Adjustments) to Plant and Machinery/Capital work-in-progress includes addition of ₹ 332.22 crore (Previous year addition of ₹ 165.92 crore) on account of foreign exchange fluctuation on long-term liabilities relating to acquisition of Fixed Assets pursuant to the notifications issued by the Ministry of Corporate Affairs relating to Accounting Standard (AS-11) 'The Effects of Changes in Foreign Exchange Rates'.

f) Borrowing cost incurred during the year and capitalised is ₹ 50.48 crore (Previous year ₹ 71.02 crore). Borrowing cost incurred during the year and transferred to Capital Work in Progress is ₹ 372.33 crore (Previous year ₹ 202.69 crore).

g) Expenditure during Trial Run period has been capitalised/decapitaised with Fixed Assets as under

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Description	Total	
	Current Year	Previous Year
Income		
Sales	30.86	6.21
Increase/(decrease) in stock	-	0.42
Total Income (A)	**30.86**	**6.63**
Less: Expenditure		
Raw materials consumed	-	0.39
Power & fuel	11.94	7.06
Personnel expenses	-	0.04
Stores & spare parts consumed	1.14	30.97
Repairs & maintenance	-	1.29
Others	0.16	0.23
Total Expenditure (B)	**13.24**	**39.98**
(A-B) (Profit)/Loss during trial run period during the current financial year	(17.62)	33.34
Total	**(17.62)**	**33.34**
Capitalised/(decapitalised) with the cost of fixed assets	(17.62)	33.34

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
13 NON-CURRENT INVESTMENTS		
i) Trade Investments		
Total non-current Trade Investment	-	-
ii) Other than Trade Investments		
A) Unquoted Fully Paid-Up Equity Shares of Associate Companies		
Angul Sukinda Railway Limited [25,000 (Previous year 25,000) Equity Shares of ₹ 10 each]	0.03	0.03
FB Infra Private Limited [4,900 (Previous year NIL) Equity Shares of ₹ 10 each]	0.00	-
Jindal Infosolutions Limited [24,750 (Previous year 4,750) Equity Shares of ₹ 10 each]	0.02	0.01
Nalwa Steel & Power Limited [200,000 (Previous year 200,000) Equity Shares of ₹ 10 each]	2.00	2.00
Sub Total (A)	**2.05**	**2.04**
B) Unquoted Fully Paid-Up Equity Shares of Incorporated Joint Ventures		
Jindal Synfuels Limited [700,000 (Previous year 700,000) Equity Shares of ₹ 10 each]	0.70	0.70
Shresht Mining and Metals Private Limited [5,000 (Previous year 5,000) Equity Shares of ₹ 10 each]	0.01	0.01

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
Urtan North Mining Company Limited [666,689 (Previous year 666,689) Equity Shares of ₹ 10 each]	0.67	0.67
	1.38	**1.38**
C) Unquoted Fully Paid-Up Equity Shares of Subsidiary Companies		
Jindal Minerals & Metals Africa Limited [NIL (Previous year 832) Equity Shares of USD 1 each]	-	27.59
Jindal Power Limited [1,300,575,000 (Previous year 1,300,575,000) Equity Shares of ₹ 10 each]	867.05	867.05
Jindal Steel Bolivia S.A. [4,253,511 (Previous year 3,202,122) Equity Shares of Bolivianos 100 each]	269.47	202.01
Jindal Steel & Power (Mauritius) Limited [50,000,000 (Previous year 19,150,000) Equity Shares of USD 1 each]	231.83	79.35
	1,368.35	**1,176.00**
D) Unquoted Investment in Government and Trust Securities		
11.50% IDBI-SLR 2011 [NIL (Previous year 10,000) units of ₹ 1,000 each]	-	1.01
12.00% IDBI-SLR 2012 [NIL (Previous year 5,000) units of ₹ 1,000 each]	-	0.52
12.00% NHB-SLR 2011 [NIL (Previous year 20) units of ₹ 100,000 each]	-	0.21
National Saving Certificates* [₹ 610,000 (Previous year ₹ 590,000)] *[Pledged with Government departments ₹ 0.06 crore (Previous year ₹ 0.06 crore)]	0.06	0.06
	0.06	**1.80**
E) Investment in Bonds		
8.15% ICICI - 2016 Bond [5 (Previous year 5) units of ₹ 1,000,000 each]	0.50	0.50
	0.50	**0.50**
F) Unquoted Equity Shares		
Attunli Hydro Electric Power Company Limited [1 (Previous year nil) Equity Shares of ₹ 10 each]	0.00	-
Brahamputra Capital and Finance Limited [19,200,000 (Previous year 19,200,000) Equity Shares of ₹ 10 each]	19.20	19.20
Etalin Hydro Electric Power Company Limited [1 (Previous year nil) Equity Shares of ₹ 10 each]	0.00	-
Jindal Holding Limited [2,414,000 (Previous year 2,414,000) Equity Shares of ₹ 10 each]	14.48	14.48

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
Jindal Petroleum Limited [49,400 (Previous year 49,400) Equity Shares of ₹ 10 each]	0.05	0.05
Jindal Rex Exploration Private Limited [9,800 (Previous year 9,800) Equity Shares of ₹ 10 each]	0.01	0.01
Stainless Investments Limited [1,242,000 (Previous year 1,242,000) Equity Shares of ₹ 10 each]	6.05	6.05
Subansiri Hydro Electric Power Company Limited [1 (Previous year nil) Equity Shares of ₹ 10 each]	0.00	-
X-Zone SDN BHD [36,250 (Previous year 36,250) Equity Shares of Malaysian Ringgit 1 each]	0.04	0.04
	39.83	**39.83**
Less: Provision for diminution in value of Investments	-	(11.54)
	39.83	**28.29**
Total non-current Other Investment	**1,412.17**	1,210.01
Total Non-current Investment	**1,412.17**	1,210.01
Aggregate book value of quoted investments	-	-
Aggregate book value of unquoted investments	**1,412.17**	1,210.01

The Company has unquoted investments of ₹ 1, 411.61 crore in body corporate (Previous year ₹ 1,219.25 crore). In the Previous Years Company had made a provision for diminution in the value of investments of ₹ 11.54 crore which has been reversed in the current financial year as the same is no longer required.

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
14 LONG TERM LOANS & ADVANCES		
A) Secured, considered good	-	-
Total Secured Long Term Loans & Advances	-	-
B) Unsecured, considered good		
a) Capital Advances	629.98	691.23
b) Security Deposits	124.63	69.54
c) Others		
Share application money	197.04	68.83
Others	45.45	25.61
Total Unsecured Long Term Loans & Advances	**997.10**	**855.21**
Total Long Term Loans & Advances	**997.10**	**855.21**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
15 OTHER NON-CURRENT ASSETS		
Bank balances*	4.63	6.03
Total Other Non Current Assets	**4.63**	**6.03**

* [Pledged with Government departments and Others ₹ 1.04 crore (Previous year ₹ 3.73 crore)]

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
16 INVENTORIES		
a) Raw Materials		
Inventories	863.13	694.10
Goods In transit	252.19	60.98
	1,115.32	**755.08**
b) Work-in-process		
Work in process	179.03	165.58
	179.03	**165.58**
c) Finished Goods		
Inventories	1,279.17	872.50
	1,279.17	**872.50**
d) Stores & Spares		
Inventories	438.69	399.34
Goods In Transit	25.96	4.18
	464.65	**403.52**
e) Others		
Trading Goods	-	0.88
Scrap	13.14	6.56
	13.14	7.44
Total Inventories	**3,051.31**	**2,204.12**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
17 TRADE RECEIVABLES		
a) **Secured**		-
Total Secured Trade Receivable	-	-
b) **Unsecured**		
Exceeding six months		
Accounts Receivable		
Considered good	44.45	27.54
Considered doubtful	1.31	1.25
Less: Provision for bad and doubtful debts	(1.31)	(1.25)
Others		
Considered good	860.61	709.58
	905.06	**737.12**
Total Unsecured Trade Receivable	**905.06**	**737.12**
Total Trade Receivable	**905.06**	**737.12**

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
18 CASH & BANK BALANCES				
a) **Cash & Cash Equivalents**				
Cash on hand	-	-	1.10	1.10
Cheques/Drafts In hand	-	-	1.60	0.77
Bank Balances in current accounts	-	-	10.50	19.56
Deposits with original maturity of less than three months	-	-	0.16	8.08
Others	-	-	0.02	0.02
b) **Other Bank Balances**				
i) Banks with Earmarked balances				
Earmarked for unpaid dividend	-	-	16.50	14.18
ii) Banks Deposits*				
Deposits with original maturity upto twelve months	-	-	**1.06**	-
Deposits with original maturity more than twelve months	4.63	6.03	-	-
Amount disclosed under other non-current assets (Note no-15)	(4.63)	(6.03)	-	-
Total Cash & bank Balances	-	-	**30.94**	**43.71**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
19 SHORT TERM LOANS & ADVANCES				
a) **Loans and Advances to related parties**				
Unsecured, considered good	-	-	1,417.89	1,538.98
	-	**-**	**1,417.89**	**1,538.98**
b) **Loans and Advances to others**				
Unsecured, considered good*	629.98	691.23	646.08	444.95
Doubtful	-	-	5.76	5.76
Less: Provision for doubtful advances	-	-	(5.76)	(5.76)
	629.98	**691.23**	**646.08**	**444.95**
c) **Security Deposit**	-	-	1.21	0.98
	-	-	1.21	0.98
d) **Other Loans and Advances**				
Balances with statutory/ government authorities	-	-	574.03	338.53
Advance income tax including TDS	-	-	2,167.08	1,606.48
	-	**-**	**2,741.11**	**1,945.01**
Amount disclosed under long term loans & advances (Note no-14 B)	(629.98)	(691.23)	-	-
Total Short Term Loans & Advances	**-**	**-**	**4,806.29**	**3,929.92**

*Advances recoverable in cash or in kind or for value to be received includes ₹ 0.69 crore (Previous year ₹ 0.18 crore) being the amount due from Directors/officers of the Company.

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
20 OTHER CURRENT ASSETS		
a) Pre-Paid expenses	2.34	0.98
b) Interest receivable on short term loans & advances	280.08	184.69
b) Dividend receivable	-	117.05
d) Other receivables	25.22	17.15
Total Other Current Assets	**307.64**	**319.87**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
21 REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	14,178.62	10,196.63
Traded goods	439.49	179.73
Inter-division transfer	2,856.43	1,698.30
	17,474.54	**12,074.66**
b) Other operating revenues		
Scrap sale	43.87	13.48
Export incentives	39.61	19.04
Aviation income	22.25	22.30
Transmission charges	-	19.60
Others	17.97	10.19
	123.70	**84.61**
Less: Inter-division transfer	(2,856.43)	(1,698.30)
Total Revenue from operations	**14,741.81**	**10,460.97**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
22 OTHER INCOME		
a) Dividend Income	130.06	117.10
[includes ₹ 130.06 crore from a subsidiary (Previous year ₹ 117.05 crore)]		
b) Net gain on sale of investments	0.44	1.13
c) Other Non Operating Income		
Profit On sale/transfer of fixed assets	11.06	2.13
Liability/provisions no longer required, written back	19.43	1.79
Others	23.49	21.01
Total Other Income	**184.48**	**143.16**
Total Revenue	**14,926.29**	**10,604.13**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
23 COST OF MATERIALS CONSUMED		
a) Raw material consumed	4,529.84	2,730.35
b) Inter division transfer	2,856.43	1,698.30
	7,386.27	**4,428.65**
Less:Inter division transfer	(2,856.43)	(1,698.30)
Total Cost of Material Consumed	**4,529.84**	**2,730.35**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
24 PURCHASE OF STOCK-IN-TRADE	**452.75**	**176.80**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock - Finished Goods*	872.50	560.43
- Work in Process	165.58	119.72
- Scrap	6.56	0.47
	1,044.64	**680.62**
Closing Stock - Finished Goods	1,279.17	872.08
- Work in Process	179.03	165.58
- Scrap	13.14	6.56
	1,471.34	1,044.22
NET (INCREASE)/DECREASE IN STOCK	**(426.70)**	**(363.60)**
Excise duty on account of increase/(decrease) on stock of finished goods	47.46	30.15
Total (Increase)/Decrease in Stock	**(379.24)**	**(333.45)**

* Net of ₹ 0.42 crore of Inventory of finished goods during trial run period of Bar Mill which has been adjusted in expenditure during trial run period in the prevoius year.

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
26 EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages	344.24	262.61
b) Contribution to Provident and other funds	27.15	11.03
c) Employees compensation expenses under Employee Stock Option Scheme {Note no. 4 (e)}	(0.83)	(4.87)
d) Staff welfare expenses	14.88	9.01
Total Employee Benefits Expense	**385.44**	**277.78**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
27 FINANCE COST		
a) Interest Expense		
Debentures and other term-loans	370.73	258.20
Others	314.16	155.01
	684.89	**413.21**
b) Less: Interest Income		
Interest on Inter-corporate deposits	(132.42)	(115.72)
Others	(15.70)	(12.49)
	(148.12)	**(128.21)**
Total Finance Cost	**536.77**	**285.00**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
28 OTHER EXPENSES		
a) Consumption of stores and spares	1,457.17	1,135.45
b) Consumption of power and fuel	838.37	568.47
c) Other manufacturing expenses	259.66	214.67
d) Repair and Maintenance		
Plant and machinery	140.99	94.63
Building	35.67	24.36
Others	112.99	96.93
e) Royalty	172.96	119.70
f) Rent*	12.27	7.88
g) Rates and Taxes	16.65	16.24
h) Insurance	14.46	11.16
i) Payment to Statutory Auditors		
Audit fees	0.50	0.30
Taxation matters	0.10	0.03
Company law matters	0.03	-
Other services	0.14	0.12
Reimbursement of expenses	0.07	0.07
j) Miscellaneous expenses	419.05	320.51
k) Loss arising from business investment**	167.20	-
l) Research and Development expenses***	6.46	5.80
m) Loss on sale/discard of fixed assets	5.33	2.40
n) Donation	87.98	73.96

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
28 OTHER EXPENSES (CONTD.)		
o) Directors sitting fees	0.08	0.06
p) Selling expenses	349.91	358.58
q) Bad debts/provision for doubtful debts	0.10	(0.61)
r) Financial expenses	139.07	62.73
s) Foreign exchange fluctuation (net)	45.46	26.70
[net of income of ₹ 97.19 crore (Previous year ₹ 43.80 crore)]		
Total Other Expenses	**4,282.68**	**3,140.14**

* The Company has paid lease rentals of ₹ 12.27 crore (Previous year ₹ 7.88 crore) under cancellable operating leases. There are no non-cancellable operating leases.

** An exceptional item(Refer Note no.34 to financial statements)

*** Expenditure on Research & Development Activities, incurred during the year, is ₹ 8.97 crore (including capital expenditure of ₹ 2.51 crore) (Previous year ₹ 12.25 crore, including capital expenditure of ₹ 6.45 crore)

(₹ in Crore)

	Current Year	Previous Year
29 CONTINGENT LIABILITIES AND COMMITMENTS		
I. Contingent Liabilities not provided for in respect of:		
Description		
a) Guarantees issued by the Company's Bankers on behalf of the Company	376.02	351.11
b) Letter of credit opened by banks	628.90	1,453.12
c) Corporate guarantees/undertakings issued on behalf of third parties.	3,333.79	3,359.50
d) Disputed Excise Duty and Other demands	780.96	684.77
e) Bonds executed for machinery imports under EPCG Scheme	2773.22	3,039.99
f) Income Tax demands where the cases are pending at various stages of appeal with the authorities	187.76	187.21
g) Claims against the Company, not acknowledge as debt	-	-
II. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**3,104.16**	**3,763.48**

30 In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made and considered adequate.

NOTES to the financial statements as at and for the year ended 31st March, 2012

31 a) Provision for current income tax has been made considering various benefits and allowances available to the Company under the provisions of the Income Tax Act, 1961.

b) Movement of deferred tax provision/adjustment in accordance with Accounting Standard (AS–22) 'Accounting for Taxes on Income' is as under:

(₹ in Crore)

	As on 1st April, 2010	Charge/ (Credit) during 2010-11	As on 1st April, 2011	Charge/ (Credit) during the year	As on 31st March, 2012
A. Deferred Tax Assets					
a) Disallowance u/s 43-B of the Income Tax Act, 1961	(87.01)	(13.81)	(100.82)	(12.87)	(113.69)
b) Provision for Doubtful Debts	(1.52)	0.01	(1.51)	(0.78)	(2.29)
Deferred Tax Assets	(88.53)	(13.80)	(102.33)	(13.65)	(115.98)
B. Deferred Tax Liabilities					
a) Difference between book and tax depreciation	802.50	177.13	979.63	204.16	1,183.79
b) Miscellaneous Expenditure written off	1.03	-	1.03	(1.03)	-
Deferred Tax Liabilities	803.53	177.13	980.66	203.13	1,183.79
C. Total Deferred Tax Liabilities (Net)	**715.00**	**163.33**	**878.33**	**189.48**	**1,067.81**

(₹ in Crore, except per share data)

	Current Year	Previous Year
32 'Earnings per share', in accordance with Accounting Standard (AS–20):		
Profit for the year after taxation	2,110.65	2,064.12
Profit attributable to ordinary shareholders	2,110.65	2,064.12
Number of Equity Shares (in nos.)		
a) Issued and subscribed	934,599,380	933,428,727
b) Number of potential equity shares (under Employees' stock option scheme)	-	901,250
Total number of shares including potential equity shares	934,599,380	934,329,977
Basic earnings per Share (₹)	22.58	22.11
Diluted earnings per Share (₹)	22.58	22.09

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Current Year		Previous Year	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Non-Funded	Funded	Non-Funded
33 'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15) :				
A. Gratuity & Leave Encashment				
I Components of Employer Expense				
1 Current Service Cost	4.45	8.37	3.57	7.45
2 Interest Cost	2.20	2.93	1.80	2.59
3 Expected Return on Plan Assets	(1.63)	-	(1.13)	-
4 Curtailment Cost/ (Credit)	-	-	-	-
5 Settlement Cost/ (Credit)	-	-	-	-
6 Past Service Cost	(1.54)	2.14	0.66	-
7 Actuarial Losses/ (Gains)	0.58	4.81	1.72	(0.33)
8 Total expense recognised in the Profit and Loss Account	4.06	18.25	6.62	9.71
II Actual Returns for the year ended 31st March, 2012	1.66	-	1.26	-
III Net Assets/ (Liability) recognised in the Balance Sheet				
1 Present value of Defined Benefit Obligation	(30.45)	(50.21)	(26.30)	(36.98)
2 Fair Value of Plan Assets	21.44	-	16.48	-
3 Status {Surplus/(Deficit)} (1-2)	(9.01)	(50.21)	(9.82)	(36.98)
4 Unrecognised Past Service Cost	0.67	-	1.33	-
Net Assets/ (Liability) recognised in the Balance Sheet (3+4)	(8.34)	(50.21)	(8.49)	(36.98)
IV Change in Defined Benefit Obligation (DBO)				
Present Value of DBO at the beginning of the year	(26.30)	(36.98)	(21.13)	(31.92)
1 Current Service Cost	(4.45)	(8.37)	(3.57)	(7.45)
2 Interest Cost	(2.20)	(2.93)	(1.80)	(2.59)
3 Curtailment Cost/(Credit)	-	-	-	-
4 Settlement Cost/ (Credit)	-	-	-	-
5 Plan Amendments	2.21	(2.14)	-	-
6 Acquisitions	(0.02)	-	1.29	1.81
7 Actuarial (Losses)/Gains	(0.62)	(4.81)	(1.84)	0.33
8 Benefits Paid	0.93	5.03	0.75	2.84
Present Value of DBO at the end of the year	(30.45)	(50.21)	(26.30)	(36.98)

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Current Year		Previous Year	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Non-Funded	Funded	Non-Funded
33 'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15) (CONTD.)				
V Change in Fair Value of Assets Plan Assets at the beginning of the year	16.48	-	9.97	-
1 Acquisition Adjustment	0.02	-	-	-
2 Expected Return on Plan Assets	1.63	-	1.13	-
3 Actuarial (Losses)/Gains	0.03	-	0.12	-
4 Actual Company Contribution	4.21	5.03	6.01	2.84
5 Benefit Paid	(0.93)	(5.03)	(0.75)	(2.84)
Plan Assets at the end of the year	21.44	-	16.48	-
VI Actuarial Assumptions				
1 Discount Rate (%)	8.50	8.50	8.50	8.50
2 Expected Return on Plan Assets (%)	9.00		9.00	
3 Salary escalation rate	12.00	12.00	12.00	12.00

	Gratuity				
	2011-12	2010-11	2009-10	2008-09	2007-08
VII Experience History	(30.5)	(26.3)	(21.1)	(9.51)	(7.56)
1 Defined benefit obligation	21.44	16.48	9.97	7.04	4.38
2 Plan Assets	(9.01)	(9.82)	(11.2)	(2.47)	(3.18)
3 Surplus/(Deficit)	(0.62)	(0.66)	(0.22)	0.02	(0.39)
4 Experience (Loss)/Gain on plan liabilities	0.03	0.12	(0.1)	0.29	(0.02)
5 Experience (Loss)/Gain on plan assets	-	(1.18)	(0.87)	(0.44)	(1.31)
6 Actuarial (Loss)/Gain due to change of assumptions					

	Leave Encashment				
	2011-12	2010-11	2009-10	2008-09	2007-08
1 Defined benefit obligation	(50.2)	(37)	(31.9)	(26.2)	(13.15)
2 Plan Assets	-	-	-	-	-
3 Surplus/(Deficit)	(50.2)	(37)	(31.9)	(26.2)	(13.15)
4 Experience (Loss)/Gain on plan liabilities	(4.81)	(1.94)	4.9	-6.12	(1.02)
5 Experience (Loss)/Gain on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
6 Actuarial (Loss)/Gain due to change of assumptions	-	2.27	(3.9)	(1.8)	(8.71)

NOTES to the financial statements as at and for the year ended 31st March, 2012

B. PROVIDENT FUND

The Company contributed/ provided ₹ 22.97 crore and ₹ 7.83 crore towards provident fund during the year ended 31st March, 2012 & 31st March, 2011 respectively.

The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standards Board (ASB) of the ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below assumptions made a provision of ₹ 10.38 crore as at 31st March, 2012 (Previous Year ₹ nil)

The details of fund and plan assets position are given below:

Particulars	As at 31.03.2012	
	Provident Fund	Interest guarantee
Plan assets at period end, at fair value	172.63	-
Present value of benefit obligation at period end	172.63	10.38

Assumptions used in determining the present value obligation of the interest rate guarantee under Deterministic Approach:

Particulars	2011-12	2013 and thereafter
Expected Return on assets of exempted provident fund	8.20%	8.20%
Expected guaranteed interest rate	8.60%	8.60%
Discount rate	8.50%	

34 The Company has over the years, expanded its steel power & mining businesses, both in India and internationally. The Company had expanded its diamond exploration business by making business investment in the diamond mines in the Democratic Republic of Congo, so as to be part of global production & marketing hub in Africa. Since the diamond exploration business was making continuous losses and the business investment(s) made by the Company had impaired, it was decided to dispose off such investment(s), in order to prevent any further business losses. Accordingly, an amount of ₹ 167.20 crore has been disclosed as "Loss arising from Business investment(s)" under Note no. 28 Other Expenses in the Statement of Profit & Loss.

35 Disclosure as required by Accounting Standard (AS–17) ' Segment Reporting':

The primary reportable segments are the business segments namely Iron & Steel and Power. The secondary reportable segments are geographical segments which are based on the sales to customers located in India and outside India.

Segment accounting policies are in line with the accounting policies of the Company. In addition, 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 results.

c) Expenses/Incomes which relates to the Company as a whole and not allocable to segments are included under Other Un-allocable Expenditure (net of Un-allocable Income).

d) Segment assets and liabilities include those directly identifiable with respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to Company as a whole and not allocable to any segment.

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Current Year	Previous Year
I. Primary Segments (Business Segments)		
1. Segment Revenue		
a) Iron & Steel	14,131.34	10,043.69
b) Power	1,662.71	1,214.31
c) Others	228.58	172.37
Sub –Total (Gross)	**16,022.63**	**11,430.37**
Less : Inter-segment Revenue	1,280.82	969.40
Net Segment Revenue	**14,741.81**	**10,460.97**
2. Segment Results (Profit(+) / Loss(-) before Tax and interest from each segment)		
a) Iron & Steel	3,407.16	2,784.32
b) Power	605.31	581.12
c) Others	0.03	4.60
Sub –Total	**4,012.50**	**3,370.04**
Less : Interest, financial expenses	682.67	355.02
Other un-allocable expenditure (net of un-allocable income)	486.82	262.08
Profit before Tax	**2,843.01**	**2,752.94**
Provision for Taxation		
– Income Tax	542.88	525.49
– Deferred Tax	189.48	163.33
Profit for the year after tax	**2,110.65**	**2,064.12**
3. Other Information		
I Segment Assets		
a) Iron & Steel	14,125.47	12,594.10
b) Power	8,168.15	5,716.66
c) Others	577.40	681.75
d) Un-allocated Assets*	10,687.05	7,394.97
Total Assets	**33,558.07**	**26,387.48**
II Segment Liabilities		
a) Iron & Steel	2,376.56	1,752.87
b) Power	135.22	49.97
c) Others	25.48	26.52
d) Un-allocated Liabilities	4,461.10	3,757.86
Total Liabilities	**6,998.36**	**5,587.22**
III Capital Expenditure (Including Capital work in progress)		
a) Iron & Steel	3,453.75	2,347.57
b) Power	2,419.80	2,402.51
c) Others	13.14	18.41
Total	**5,886.69**	**4,768.49**

NOTES to the financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Current Year	Previous Year
IV Depreciation & amortisation expenses		
a) Iron & Steel	692.39	555.61
b) Power	138.06	98.26
c) Others	36.74	33.90
Total	**867.19**	**687.77**
V Non-Cash expenditure other than depreciation		
a) Iron & Steel	(0.73)	(5.48)
b) Power	-	-
c) Others	(11.54)	-
Total	**(12.27)**	**(5.48)**

* Unallocated assets include capital work in progress relating to ongoing projects with corresponding liabilities under unallocated liabilities.

Particulars		
II. Secondary Segments (Geographical Segments)		
1. Revenue by Geographical market		
a) India	13,242.84	9,065.14
b) Outside India	1,498.97	1,395.83
Total	**14,741.81**	**10,460.97**

36 DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS–18) 'RELATED PARTY DISCLOSURES':

A. List of Related Parties and Relationships

a) Subsidiaries, Step down Subsidiaries

I. Subsidiaries

1. Jindal Minerals & Metals Africa Limited (Cease to exist as subsidiary w.e.f. 26.03.2012)
2. Jindal Power Limited
3. Jindal Steel & Power (Mauritius) Limited
4. Jindal Steel Bolivia SA

II. Subsidiaries of Jindal Power Limited

1. Attunli Hydro Electric Power Company Limited
2. Etalin Hydro Electric Power Company Limited,
3. Jindal Hydro Power Limited,
4. Jindal Power Distribution Limited
5. Jindal Power Trading Company Limited
6. Jindal Power Transmission Limited
7. Subansiri Hydro Electric Power Company Limited,

III. Subsidiaries of Jindal Minerals & Metals Africa Limited

1. Jindal Minerals and Metals Africa Congo SPRL(Cease to exist as subsidiary w.e.f. 26.03.2012)

NOTES to the financial statements as at and for the year ended 31st March, 2012

IV. Subsidiaries of Jindal Steel & Power (Mauritius) Limited

1. Affiliate Overseas Limited (Cease to exist as subsidiary w.e.f. 28.10.2011)
2. Enduring Overseas Limited
3. Harmony Overseas Limited
4. Jindal Africa Investments (Pty) Limited
5. Jindal Brasil Mineracao SA
6. Jindal DRC SPRL(Cease to exist as subsidiary w.e.f. 26.03.2012)
7. Jindal Investimentos LDA
8. Jindal Investment Holdings Limited
9. Jindal Madagascar SARL
10. Jindal Mining & Exploration Limited
11. Jindal Mining Industry LLC
12. Jindal Power LLC
13. Jindal Steel & Power (Australia) Pty Limited
14. Jindal Steel & Power Zimbabwe Limited
15. JSPL Mozambique Minerais LDA
16. Jubilant Overseas Limited
17. Jindal Zambia Limited
18. Jin Africa Limited
19. Jindal Tanzania Limited
20. Osho Madagascar SARL
21. PT Jindal Overseas
22. Rolling Hills Resources LLC
23. Shadeed Iron & Steel Co. LLC
24. Skyhigh Overseas Limited
25. Trans Atlantic Trading Limited
26. Vision Overseas Limited
27. Worth Overseas Limited

V. Others

1. Belde Empreendimentos Mineiros Limited, a subsidiary of JSPL Mozambique Minerais LDA
2. Eastern Solid Fuels (Pty) Limited, a subsidiary of Jindal Mining & Exploration Limited
3. Gas to Liquids International S.A., a subsidiary of Worth Overseas Limited
4. Jindal Mining (Pty) Limited, a subsidiary of Eastern Solid Fuels (Pty) Limited
5. Kasai Sud Diamant, a subsidiary of Jindal DRC SPRL(Cease to exist as subsidiary w.e.f. 26.03.2012)

NOTES to the financial statements as at and for the year ended 31st March, 2012

b) Associates

1. Angul Sukinda Railway Limited
2. Nalwa Steel & Power Limited
3. FB Infra Private Limited (w.e.f. 17.01.2012)
4. Jindal Infosolutions Limited

c) Joint Ventures

1. Jindal Synfuels Limited
2. Shresht Mining and Metals Private Limited
3. Urtan North Mining Private Limited

d) Key Management Personnel

1. Shri Naveen Jindal (Chairman & Managing Director)
2. Shri Vikrant Gujral (Group Vice Chairman & Head Global Ventures)
3. Shri Anand Goel (Jt. Managing Director, Corporate Affairs)
4. Shri Naushad Akhter Ansari (Wholetime Director)

e) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

1. Advance Sporting Arms Private Limited
2. Bir Plantation Private Limited
3. Gagan Infraenergy Limited
4. India Flysafe Aviation Limited
5. Jindal Coal Private Limited
6. Jindal Realty Private Limited
7. Jindal Rex Exploration Private Limited
8. Jindal Saw Limited
9. Jindal Stainless Limited
10. Jindal System Private Limited
11. Minerals Management Services (India) Private Limited
12. Nalwa Sons Investment Limited
13. Opelina Finance and Investment Limited
14. Trishakti Real Estate Infrastructure and Developers (P) Limited
15. Uttam Vidyut Transmission Private Limited
16. Yno Finvest Private Limited

f) Relative of Key Management Personnel

Shri Paras Goel

NOTES to the financial statements as at and for the year ended 31st March, 2012

B. Transactions with Related Parties

(₹ in Crore)

Description	Subsidiary, Step down Subsidiaries, Associates and Joint ventures		Key Management Personnel		Enterprises controlled by Key Management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services	1648.33	467.81	-	-	37.50	23.33
Sales of Goods (incl. capital goods)	441.98	344.07	-	-	1062.77	954.52
Rendering Of Services	6.49	28.35	-	-	2.89	3.30
Sale Of Investments	-	-	-	-	-	-
Investment in Equity Shares/ preference shares	307.93	142.80	-	-	-	-
Advance against share Application money	100.73	25.47	-	-	-	-
Other Advances given/(taken)	47.82	-	0.69	0.18	(18.42)	27.73
Security Deposit Given	-	-	-	-	50.00	-
Rent and other expenses Paid	-	-	-	0.02	-	-
Interest received/(paid){net}	(158.59)	(31.38)	-	-	39.38	29.30
Dividend received/(paid)	130.06	117.05	-	-	-	-
Remuneration*	-	-	80.12	77.94	-	-
Lease rent received	-	-	-	-	3.00	3.00
Hire charges paid	-	-	-	-	27.38	22.09
Guarantees/Corporate guarantees obtained/(given)	(143.31)	(3159.62)	-	-	-	-
Inter-corporate deposits given	208.15	295.52	-	-	8.64	-
Inter Corporate deposits Repaid/ Adjusted	(187.50)	-	-	-	(33.04)	-
Inter Corporate deposits written off	(51.30)	-	-	-	-	-
Inter-corporate deposits taken	1688.00	836.00	-	-	-	-
Inter-corporate deposits refunded	720.00	516.00	-	-	-	-
Outstanding Balance at the year end						
Investment in Equity shares	1371.77	1179.42	-	-	-	-
Guarantees Outstanding	3189.65	3231.37	-	-	16.66	16.66
Inter Corporate Deposits Taken	2486.56	1518.56	-	-	-	-
Advance from customer & Others	-	8.82	-	-	-	0.44
Loans and Advances (including Interest)	1192.61	1223.88	0.69	0.18	487.39	461.23
Advance against Share Application money	97.04	63.78	-	-	-	-
Debtors – Dr. Balance	16.57	74.71	-	-	119.22	28.98
Creditors – Dr. Balance	28.88	4.82	-	-	7.04	23.22
Cr. Balance	132.09	75.28	-	-	2.25	0.68

* Related Party remuneration includes ₹ 0.24 crore (previous year ₹ 0.18 crore) paid to relative of Key management personnel.

NOTES to the financial statements as at and for the year ended 31st March, 2012

Disclosure in respect of Material Related party transactions during the year

1 Material transactions with Subsidiaries, Step Down Subsidiaries and Associates

Name of Related Party		Jindal Power Limited	Jindal Minerals & Metals Africa Limited	Jindal Steel & power (Mauritius) Limited	Jindal Steel Bolivia	Shadeed Iron & Steel, Oman	Nalwa Steel & Power Limited	Jindal Mining SA (Pty) Limited
Relationship	Year	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Associate	Subsidiary
Purchase of Goods/ Services	2011-12	238.75	-	-	-	868.37	396.83	139.81
	2010-11	243.65	-	-	-	-	128.85	95.31
Sale of Goods	2011-12	63.65	-	-	-	12.69	361.91	1.67
	2010-11	70.99	-	-	-	21.44	251.64	-
Rendering of services	2011-12	6.09	-	-	-	-	-	-
	2010-11	28.35	-	-	-	-	-	-
Investment of Equity	2011-12	-	-	152.47	67.46	-	-	-
	2010-11	-	-	-	142.10			
Investment in Preference Shares	2011-12	-	87.97	-	-	-	-	-
	2010-11	-	-	-	-	-	-	-
Advance against share application money	2011-12	-	-	-	81.34	-	-	-
	2010-11	-	-	-	6.73			
Other advances given	2011-12	-	-	-	-	-	47.50	-
	2010-11	-	-	-	-		-	-
Interest received	2011-12	-	-	63.29	-	-	-	-
	2010-11		4.88	68.02				
Interest paid	2011-12	222.35	-	-	-	-	-	-
	2010-11	104.40						
Dividend Received	2011-12	130.06	-	-	-	-	-	-
	2010-11	117.05						
Corporate guarantee/ Guarantee obtained/ (given)	2011-12	-	-	25.58	99.31	-	-	18.42
	2010-11	-	-	2344.13	-	808.17	-	-
Inter-corporate deposits given	2011-12	-	-	200.49	-	-	-	-
	2010-11	-	5.92	289.03				
Inter-corporate deposits repaid/ adjusted	2011-12	-	(88.05)	(99.45)	-	-	-	-
	2010-11	-	-	-	-	-	-	-
Inter-corporate deposits written off	2011-12	-	-	(51.30)	-	-	-	-
	2010-11	-	-	-	-	-	-	-
Inter-corporate deposits taken	2011-12	1688.00	-	-	-	-	-	-
	2010-11	836.00						
Inter-corporate deposits refunded	2011-12	720.00	-	-	-	-	-	-
	2010-11	516.00						

NOTES to the financial statements as at and for the year ended 31st March, 2012

2. Material transactions with Key Management Personnel

Name of Related Party		JSW Steel Limited Mumbai	JSW Energy Limited	JSW Steel Limited Bellary	Jindal Stainless Limited	Jindal Saw Limited	Jindal Reality Private Limited	TriShakti Real Estate Private Limited	Minerals Management Service (India) Private Limited	India Flysafe Aviation Limited
Relationship	**Year**									
Purchase of Goods/Services	2011-12	19	-	7.72	6.37	4.35	-	-	-	-
	2010-11	11.13	-	1.86	10.17	0.17	-	-	-	-
Sale of Goods	2011-12	0.65	3.61	233.51	33.52	787.82	0.19	-	-	-
	2010-11	-	6.63	279.97	37.04	569.07	-	-	-	-
Rendering of services	2011-12	-	-	-	0.04	0.51	0.79	-	-	-
	2010-11	-	-	-	-	-	1.36	-	-	-
Other advances given/(taken)	2011-12	-	-	-	-	-	-	-	-	(18.47)
	2010-11	-	-	-	-	-	22.05	10.13	-	-
Security Deposit Given	2011-12	-	-	-	-	-	-	-	50.00	-
	2010-11	-	-	-	-	-	-	-	-	-
Interest received	2011-12	-	-	0.55	-	-	35.9	2.94	-	-
	2010-11	-	-	0.45	-	-	27.45	1.41	-	-
Interest paid	2011-12	-	-	-	-	-	-	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Dividend Received	2011-12	-	-	-	-	-	-	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Lease Rent Received	2011-12	-	-	-	-	-	-	-	-	3.00
	2010-11	-	-	-	-	-	-	-	-	3.00
Hire Charges Paid	2011-12	-	-	-	-	-	-	-	-	27.29
	2010-11	-	-	-	-	-	-	-	-	22.09
Inter-corporate deposits given	2011-12	-	-	-	-	-	-	8.64	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Inter-corporate deposits repaid/ adjusted	2011-12	-	-	-	-	-	(33.04)	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-

3. Material transactions with Key Management Personnel

	Year	Shri Naveen Jindal	Shri Vikrant Gujral	Shri Anand Goel	Shri Naushad Akhter Ansari	Shri Paras Goel	Shri A.K. Mukherjee
Remuneration	2011-12	73.42	2.98	2.46	1.02	0.24	-
	2010-11	67.21	5.97	3.63	0.30	0.18	0.65
Loans and advances given	2011-12	0.18	0.01	0.50	-	-	-
	2010-11	0.18	-	-	-	-	-

NOTES to the financial statements as at and for the year ended 31st March, 2012

37 DISCLOSURE AS PER CLAUSE 32 OF LISTING AGREEMENT

Loans and Advances in the nature of Loans given to Subsidiaries, Associates and Others:

(₹ in Crore)

Name of the Company	Relationship	Amount Outstanding As at 31st March, 2012	Amount Outstanding As at 31st March, 2011	Maximum balance Outstanding during the year
Jindal Minerals & Metals Africa Limited	Subsidiary	-	64.29	66.61
Jindal Steel & Power (Mauritius) Limited	Subsidiary	943.97	1,016.06	1,130.87
FB Infra Private Limited	Associate	7.22	-	7.22

Notes :

a) All the above loans and advances are interest bearing.

b) None of the loanees have, per se, made investments in shares of the Company.

38 FINANCIAL AND DERIVATIVE INSTRUMENTS:

a) Derivatives contracts entered into by the Company and outstanding as on 31st March, 2012, for hedging currency and interest rate related risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding is ₹ 3,764.70 crore (Previous year ₹ 3,205.86 crore). Category wise break-up is given below:

(₹ in Crore)

	Current Year	Previous Year
Interest rate Swaps	217.74	483.95
	(USD equivalent	(USD equivalent
	40.88 Million	108.38 Million
Options	47.94	93.76
	(USD 9.00 Million)	(USD 21 Million)
Forward Contracts	3,499.02	2,628.15
	(USD equivalent 700.63 Million)	(USD equivalent 570.39 Million)

b) The principal component of foreign currency loans/debts not hedged by derivative instruments amount to ₹ 2,248.22 crore (Previous year ₹ 2,087.81 crore) which in respective currencies is as under:

	Current Year	Previous Year
US Dollars	138.54 Million	142.85 Million
Japanese Yen	19,577.87 Million	20,810.18 Million
Euro	46.42 Million	51.51 Million

c) In accordance with the accounting policy on financial derivative instruments, during the year, the Company has recognised mark to market losses of ₹ 41.03 crore (Previous year ₹ 21.62 crore).

NOTES to the financial statements as at and for the year ended 31st March, 2012

39 INTEREST IN JOINT VENTURES

The Company's interest as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is as under:

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Jindal Synfuels Limited	India	70.00	70.00
Shresht Mining and Metals Private Limited	India	50.00	50.00
Urtan North Mining Company Limited	India	66.67	66.67

The Company's interests in the above Joint Ventures is reported as Non-Current Investments (Note-13) and stated at cost. However, the Company's share of assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the joint ventures) related to its interest in the Joint Ventures are:

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
I. Liabilities		
1 Non-current Liabilities		
Other Long-term liabilities	-	-
2. Current liabilities		
Other current liabilities	1.71	0.94
II. Assets		
3. Non-Current Assets		
a) Fixed Assets		
Fixed Assets	0.02	-
Capital work in progress	-	-
Intangible assets under development	16.91	9.60
b) Long term loans & advances	1.35	1.26
4. Current Assets		
Cash & cash equivalents	0.22	0.30
Other current assets	0.26	-

NOTES to the financial statements as at and for the year ended 31st March, 2012

40. ADDITIONAL INFORMATION:

(Pursuant to Paragraphs 5 of Part II of Schedule VI to the Companies Act, 1956)

a) Installed capacity

Sl. No.	Particulars	Unit	Current Year	Previous Year
	AT RAIGARH			
1	Sponge Iron	M.T.	13,70,000	13,70,000
2	Mild Steel	M.T.	30,00,000	30,00,000
3	Ferro Alloys	M.T.	36,000	36,000
4	Power	MW	893	623
5	Hot Metal/Pig Iron	M.T.	16,70,000	16,70,000
6	Rail & Universal Beam Mill	M.T.	7,50,000	7,50,000
7	Plate Mill	M.T.	10,00,000	10,00,000
8	Fabricated Structures	M.T.	120,000	60,000
9	Cement Plant	M.T.	5,00,000	5,00,000
10	Medium & Light Section Mill	M.T.	6,00,000	6,00,000
	AT RAIPUR			
11	Machinery and Castings	M.T.	11,500	11,500
12	Ingots	M.T.	30,000	30,000
13	CF Castings	M.T.	3,000	3,000
	AT BARBIL			
14	Pelletisation Plant	M.T.	45,00,000	45,00,000
	AT SATARA (MAHARASHTRA)			
15	Wind Energy	MW	24	24
	AT PATRATU			
16	Wire Rod	M.T.	6,00,000	6,00,000
17	Bar Mill	M.T.	10,00,000	10,00,000
	AT ANGUL			
18	Power	MW	270	135
19	Fabricated Structures	M.T	40,000	-

Note: Installed capacity is as certified by the management and relied upon by the auditors being a technical matter.

b) Raw Material Consumption

(₹ in Crore)

Sl. No.	Particulars	Unit	Current Year		Previous Year	
			Quantity (MT)	Amount	Quantity (MT)	Amount
1	Iron Ore	M.T.	6,554,480	1,397.09	5,868,716	767.98
2	Coking Coal	M.T.	1,070,587	1,361.04	1,188,208	1,157.98
3	Hot Briquetted Iron	M.T.	293,886	701.13		
4	Others	M.T.	-	1,070.58	-	804.39
				4,529.84		**2,730.35**

NOTES to the financial statements as at and for the year ended 31st March, 2012

c) Quantitative Information of Stock of Manufactured Finished Goods

(₹ in Crore)

Sl. No.	Particulars	Unit	Opening Stock As At 01.04.2010		Opening Stock As At 01.04.2011		Closing Stock As At 31.03.2012	
			Quantity	Amount	Quantity	Amount	Quantity	Amount
1	Sponge Iron	M.T.	4,078	2.20	10,929	9.06	2,595	1.81
2	M.S. Round	M.T.	6,005	11.42	34,488	79.05	11,013	33.87
3	H.C. Ferro Chrome/ Silico Mangnese	M.T.	-	-	1,812	9.42	1,195	5.98
4	Hot Metal/ Pig Iron	M.T.	2,795	3.90	33,064	55.64	28	0.06
5	Parallel Flange Beam/ Columns	M.T.	61,592	150.04	43,728	111.01	54,489	171.41
6	Other Finished Steel Products	M.T.	15,309	36.01	16,611	45.40	9,478	29.82
7	Other Semi Steel Products	M.T.	59,807	112.15	70,788	158.03	82,317	215.87
8	Machineries	M.T.	767	6.80	685	5.16	1,156	14.18
9	Universal Plate/Coil	M.T.	60,963	141.87	58,242	144.60	97,377	313.23
10	Wire Rod	M.T.	4,153	12.66	27,451	85.60	22,671	77.88
11	Bars	M.T.	-	-	106	0.43	20,139	67.92
12	Fabricated Structures	M.T.	8,762	28.57	7,540	27.74	6,493	33.37
13	Cement	M.T.	-	-	3,861	1.15	2,083	0.68
14	Medium & Light Sections	M.T.	-	-	16,703	55.74	46,084	157.23
15	Iron Ore Pellets	M.T.	87,978	12.65	2,35,076	30.62	22,352	11.43
16	Others		-	42.16	-	53.85	-	144.43
				560.43		**872.50**		**1,279.17**

NOTES to the financial statements as at and for the year ended 31st March, 2012

d) Production

Sl. No.	Particulars	Unit	Current Year	Previous Year
			Quantity	Quantity
1	Sponge Iron	M.T.	13,19,940	13,19,840
2	M.S. Round	M.T.	4,82,496	3,67,787
3	H.C. Ferro Chrome/Silico Mangnese	M.T.	22,663	17,149
4	Power	Million KWH	4,668	3,420
5	Hot Metal/Pig Iron	M.T.	16,53,060	16,52,592
6	Parallel Flange Beam/Columns	M.T.	4,99,619	3,72,581
7	Universal Plate/Coil	M.T.	7,29,493	7,35,596
8	Other Finished Steel Products	M.T.	69,618	64,653
9	Other Semi Steel Products	M.T.	22,76,630	19,07,083
10	Machineries	M.T.	9,060	8,613
11	Wire Rod	M.T.	2,50,598	1,54,734
12	Bars	M.T.	97,145	128
13	Fabricated Structures	M.T.	56,284	56,094
14	Cement	M.T.	3,08,258	1,45,054
15	Medium & Light Sections	M.T.	1,85,788	31,411
16	Iron Ore Pellets	M.T.	37,36,915	27,87,285
17	Wind Energy	Million KWH	57	46

e) Items used for Internal/Captive Consumption during the year

Sl. No.	Particulars	Unit	Current Year	Previous Year
			Quantity	Quantity
1	Sponge Iron	M.T.	12,49,817	11,99,094
2	M.S. Round	M.T.	181	1,104
3	H.C. Ferro Chrome / Silico Mangnese	M.T.	23,280	15,337
4	Power	Million KWH	3,045	2,489
5	Hot Metal / Pig Iron	M.T.	16,13,167	14,20,635
6	Parallel Flange Beam/Columns	M.T.	15,451	9,349
7	Other Semi Steel Products	M.T.	16,50,781	14,55,495
8	Universal Plate/Coil	M.T.	38,964	51,156
9	Other Finished Steel Products	M.T.	4,974	3,167
10	Fabricated Structures	M.T.	2,314	151
11	Cement	M.T.	13,788	15,268
12	Medium & Light Sections	M.T.	5,594	-
13	Wire Rod	M.T.	80	63
14	Bars	M.T.	47	-

NOTES to the financial statements as at and for the year ended 31st March, 2012

f) Sales, Inter-divisional Transfers & Other Operations:

I) Sales:

(₹ in Crore)

Sl. No.	Particulars	Unit	Current Year Quantity	Current Year Amount	Previous Year Quantity	Previous Year Amount
i)	**Manufactured Finished Goods**					
1	Sponge Iron	M.T.	78,457	181.49	1,13,895	192.26
2	M.S. Round	M.T.	5,05,790	1,931.40	3,38,200	1,145.42
3	H.C. Ferro Chrome	M.T.	-	-	-	-
4	Power	Million KWH	1,473	383.23	931	213.33
5	Pig Iron	M.T.	72,930	199.46	2,01,688	477.85
6	Parallel Flange Beam/ Columns	M.T.	4,72,620	2,059.13	3,79,570	1,426.10
7	Universal Plate/Coil	M.T.	6,44,697	2,644.00	6,81,221	2,505.48
8	Other Finished Steel Products	M.T.	71,591	308.94	60,113	226.64
9	Other Semi Steel Products	M.T.	2,39,304	1,016.23	2,63,059	843.01
10	Machineries	M.T.	5,687	95.27	6,715	98.78
11	Iron Ore/Iron Ore Fines	M.T.	7,17,582	468.06	15,30,684	879.06
12	Wire Rod	M.T.	2,54,536	1,046.25	1,31,309	470.56
13	Bar	M.T.	77,064	332.07	22	0.09
14	Fabricated Structures	M.T.	54,987	309.81	57,140	275.53
15	Cement	M.T.	2,92,582	103.24	1,22,015	42.42
16	Medium & Light Sections	M.T.	1,50,604	610.32	14,688	49.68
17	Iron Ore Pellets	M.T.	20,28,330	1,898.12	5,22,603	467.73
18	Wind Energy	Million KWH	57	23.02	46	17.90
19	Others		-	568.58	-	864.79
	Total			**14,178.62**		**10,196.63**
ii)	**Traded Goods**					
1	Power	Million KWH	635	181.61	560	165.22
2	Others	M.T.	66,214	257.88	-	14.51
	Total			**439.49**		**179.73**
	Total Sales			**14,618.11**		**10,376.36**

NOTES to the financial statements as at and for the year ended 31st March, 2012

II) Inter-divisional Transfers

(₹ in Crore)

Sl. No.	Particulars	Unit	Current Year Quantity	Current Year Amount	Previous Year Quantity	Previous Year Amount
i)	**Manufactured finished goods**					
1	H.C. Ferro Chrome/Silico Mangnese	M.T.	-	-	-	-
2	Power	Million KWH	150	72.78	-	-
3	Parallel Flange Beam/ Columns	M.T.	788	2.48	1,526	4.10
4	Universal Plate/Coil	M.T.	6,698	24.88	5,940	17.70
5	Iron Ore/Iron Ore Fines	M.T.	34,04,698	462.25	39,45,937	348.44
6	Steam Coal	M.T.	58,89,579	352.43	52,25,734	237.29
7	Other Finished Steel Products	M.T.	186	0.66	71	0.18
8	Other Semi Steel Products	M.T.	3,75,016	1,147.46	1,77,548	470.75
9	Machineries	M.T.	2,903	38.76	1,980	39.50
10	Wire Rod	M.T.	762	2.92	64	0.20
11	Fabricated Materials	M.T.	29	0.02	25	0.21
12	Cement	M.T.	3,667	1.07	3,910	1.42
13	Medium & Light Sections	M.T.	209	0.69	20	0.05
14	Iron Ore Pellets	M.T.	19,21,308	732.24	21,17,584	566.14
15	Others		-	15.01	-	12.32
	Total			**2,853.65**		**1,698.30**
ii)	**Traded goods**					
1	Power	Million KWH	7	2.47	-	-
2	Others	M.T		0.31		
	Total			**2.78**		
	Total Inter-divisional Transfers			**2,856.43**		**1,698.30**

III) Other Operating Revenues

(₹ in Crore)

Sl. No.	Particulars	Current Year Amount	Previous Year Amount
1	Scrap Sale	43.87	13.48
2	Export incentives	39.61	19.04
3	Aviation income	22.25	22.30
4	Others	17.97	29.79
	Total	**123.70**	**84.61**
	Total (I + II + III)	**17,598.24**	**12,159.27**

NOTES to the financial statements as at and for the year ended 31st March, 2012

g) Sales include goods issued for Projects/Captive (including Trial Run period)

(₹ in Crore)

Sl. No.	Particulars	Unit	Current Year		Previous Year	
			Quantity	Amount	Quantity	Amount
1	M.S. Round	M.T.	-	-	3	0.01
2	Power	Million KWH	27	11.56	5	0.86
3	Parallel Flange Beam/ Columns	M.T.	33,131	121.71	42,155	115.27
4	Plate/Coil	M.T.	47,721	188.92	58,971	185.88
5	Other Semi Steel Products (Trial Period)	M.T.	-	-	-	-
6	Other Finished Steel Products	M.T.	3,076	11.54	8,246	23.40
7	Other Semi Steel Products	M.T.	480	1.59	11	0.02
8	Fabricated Structures	M.T.	25,396	128.67	12,274	49.12
9	Cement	M.T.	166,820	54.88	1,14,178	39.10
10	Medium & Light Sections	M.T.	23,152	83.75	8,871	26.20
11	Machineries	M.T.	5,035	81.77	6,006	85.63
12	Wire rod	M.T.	42	0.13		
13	Bars	M.T.	2,845	11.24		
14	Others		-	57.27	-	187.79
	Total			**753.03**		**713.28**

h) C.I.F. Value of Imports

(₹ in Crore)

Sl. No.	Particulars	Current Year	Previous Year
		Amount	Amount
1	Raw Material & Fuel	2,952.18	1,871.57
2	Components & Spare Parts	171.98	196.96
3	Capital Goods & Others	865.22	1,262.94
	Total	**3,989.38**	**3,331.47**

NOTES to the financial statements as at and for the year ended 31st March, 2012

i) Break up of consumption of Raw Materials and Stores & Spares into Imported and Indigenous

(₹ in Crore)

Particulars			Current Year		Previous Year	
			Amount	%	Amount	%
a)	**Raw Materials**					
	i)	Imported (including purchased through canalising agencies, High Sea Sales & others)	2,313.88	51.08	1,094.73	40.09
	ii)	Indigenous	2,215.96	48.92	1,635.62	59.91
			4,529.84	**100.00**	**2,730.35**	**100.00**
b)	**Stores and Spares**					
	i)	Imported (including purchased through canalising agencies, High Sea Sales & others)	185.68	12.74	244.51	21.53
	ii)	Indigenous	1,271.49	87.26	890.94	78.47
			1,457.17	**100.00**	**1,135.45**	**100.00**
c)	**Coke and Coal**					
	i)	Imported (including purchased through canalising agencies, High Sea Sales & others)	413.07	73.23	296.16	98.56
	ii)	Indigenous	150.99	26.77	4.32	1.44
			564.06	**100.00**	**300.48**	**100.00**

j) Expenditure in Foreign Currency (As Remitted)

(₹ in Crore)

Sl. No.	Particulars	Current Year	Previous Year
		Amount	Amount
1	Travelling	0.60	2.48
2	Interest & Arrangement Charges	92.28	67.82
3	Dividend*	9.78	0.02
4	Technical Knowhow Fees	59.84	36.64
5	Others	94.33	71.28
	Total	**256.83**	**178.24**

* Total number of foreign shareholder to whom dividend paid during current financial year-47

k) Earnings in Foreign Currency

(₹ in Crore)

Sl. No.	Earnings In Foreign Currency	Current Year	Previous Year
		Amount	Amount
1	FOB Value of Export Sales	1,428.84	1,073.61
2	Others	-	-
	Total	**1,428.84**	**1,073.61**

Statement pursuant

to exemption under Section 212(8) of Companies Act, 1956 relating to Subsidiary Companies

S.No	Name of the subsidiary companies	Currency	Issued & Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments		Total	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
							Long Term	Current						
1	Jindal Power Limited	₹ in Crore	1,348.80	6,727.65	11,342.23	11,342.23	9.70	-	-	3,330.45	2,203.34	438.35	1,764.99	-
2	Jindal Hydro Power Ltd.	₹ in Crore	0.05	-	0.05	0.05	0.00	-	-	-	-	-	-	-
3	Jindal Power Transmission Limited	₹ in Crore	0.05	-	0.05	0.05	0.00	-	-	-	-	-	-	-
4	Jindal Power Distribution Limited	₹ in Crore	0.05	-	0.05	0.05	0.00	-	-	-	-	-	-	-
5	Attunli Hydro Electric Power Company Limited	₹ in Crore	1.00	-	17.53	17.53	-	-	-	-	-	-	-	-
6	Etalin Hydro Electric Power Company Limited	₹ in Crore	1.00	-	287.80	287.80	-	-	-	-	-	-	-	-
7	Jindal Power Trading Company Limited	₹ in Crore	7.60	0.67	8.69	8.69	0.00	0.00	-	0.53	0.20	0.05	0.15	-
8	Subansiri Hydro Electric Power Co. Limited	₹ in Crore	1.00	-	192.86	-	-	-	-	-	-	-	-	-
9	Urtan North Mining Company Limited	₹ in Crore	1.00	-	8.82	8.82	-	-	-	-	-	-	-	-
10	Jindal Synfuels Limited	₹ in Crore	9.00	-	16.60	16.60	-	-	-	-	-	-	-	-
11	Jindal Infosolutions Limited	₹ in Crore	0.05	(1.12)	4.26	4.26	-	-	-	-	-	-	-	-
12	Jindal Steel & Power (Mauritius) Limited	US$ in Million	50.00	29.13	793.06	793.06	12.60	19.12	31.72	-	(2.51)	-	(2.51)	-
		₹ in Crore	255.78	149.04	4,057.04	4,057.04	64.46	97.81	162.27	-	(12.83)	-	(12.83)	-
13	Trans Atlantic Trading Limited	US$ in Million	0.00	4.64	4.64	4.64	-	-	-	2.20	3.18	-	3.18	-
		₹ in Crore	0.00	23.74	23.74	23.74	-	-	-	11.25	16.27	-	16.27	-
14	PT Jindal Overseas	IDR in Million	879.10	(18,058.59)	81,070.19	81,070.19	-	-	-	-	(6,801.08)	-	(4,133.59)	-
		₹ in Crore	0.49	(10.00)	44.91	44.91	-	-	-	-	(3.77)	-	(2.29)	-
15	Vision Overseas Limited	US$ in Million	0.00	(0.01)	4.17	4.17	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.00	(0.05)	21.34	21.34	-	-	-	-	(0.00)	-	(0.00)	-
16	Jubiliant Overseas Limited	US$ in Million	0.00	(0.01)	4.19	4.19	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.00	(0.05)	21.44	21.44	-	-	-	-	(0.00)	-	(0.00)	-
17	Skyhigh Overseas Limited	US$ in Million	0.00	(0.01)	0.04	0.04	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.00	(0.04)	0.21	0.21	-	-	-	-	(0.00)	-	(0.00)	-
18	Harmony Overseas Limited	US$ in Million	0.00	(0.01)	6.77	6.77	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.00	(0.05)	34.61	34.61	-	-	-	-	(0.00)	-	(0.00)	-
19	Worth Overseas Limited	US$ in Million	4.50	(0.01)	22.50	22.50	21.95	-	21.95	-	(0.00)	-	(0.00)	-
		₹ in Crore	23.02	(0.08)	115.10	115.10	112.29	-	112.29	-	(0.00)	-	(0.00)	-
20	Jindal Steel Bolivia SA	BOB in Million	425.36	(52.80)	450.41	450.41	0.00	-	0.00	-	(25.55)	-	(25.55)	-
		₹ in Crore	312.64	(38.81)	331.05	331.05	0.00	-	0.00	-	(18.78)	-	(18.78)	-
21	Gas to Liquid International SA	BOB in Million	140.80	1.62	142.76	142.76	0.02	-	0.02	-	-	-	-	-
		₹ in Crore	103.49	1.19	104.93	104.93	0.02	-	0.02	-	-	-	-	-
22	Jindal Power LLC	MNT in Million	424.10	(63.00)	378.20	378.20	-	-	-	-	30.89	-	30.89	-
		₹ in Crore	1.65	(0.24)	1.47	1.47	-	-	-	-	0.12	-	0.12	-
23	Rolling hills Resources LLC	MNT in Million	2,260.40	(834.30)	3,436.50	3,436.50	-	-	-	-	(277.27)	-	(277.27)	-
		₹ in Crore	8.77	(3.24)	13.33	13.33	-	-	-	-	(1.08)	-	(1.08)	-
24	Jindal Mining Industry LLC	MNT in Million	281.19	(29.30)	267.80	267.80	-	-	-	-	21.14	-	21.14	-
		₹ in Crore	1.09	(0.11)	1.04	1.04	-	-	-	-	0.08	-	0.08	-
25	JSPL Mozambique Minerais LDA	MZN in Million	0.02	(59.05)	871.81	871.81	0.03	-	0.03	-	3.70	-	3.70	-
		₹ in Crore	0.00	(10.82)	159.74	159.74	0.01	-	0.01	-	0.68	-	0.68	-
26	Enduring Overseas Limited	US$ in Million	0.05	(2.98)	12.80	12.80	-	-	-	-	(0.69)	-	(0.69)	-
		₹ in Crore	0.26	(15.23)	65.48	65.48	-	-	-	-	(3.53)	-	(3.53)	-
27	Jindal Mining & Exploration Limited	US$ in Million	0.00	2.49	20.49	20.49	11.71	-	11.71	-	2.05	-	2.05	-
		₹ in Crore	0.00	12.73	104.81	104.81	59.90	-	59.90	-	10.50	-	10.50	-
28	Jindal Investment Holdings Limited	US$ in Million	0.00	(0.01)	2.30	2.30	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.00	(0.05)	11.79	11.79	-	-	-	-	(0.00)	-	(0.00)	-
29	Jindal Africa Investments (Pty) Ltd	ZAR in Million	0.00	0.05	19.31	19.31	-	-	-	3.21	(1.23)	-	(1.23)	-
		₹ in Crore	0.00	0.04	12.86	12.86	-	-	-	2.14	(0.82)	-	(0.82)	-
30	Osho Madagascar SARL	MGA in Million	3.00	(579.84)	3,234.56	3,234.56	-	-	-	-	1.33	1.33	-	-
		₹ in Crore	0.01	(1.41)	7.88	7.88	-	-	-	-	0.00	0.00	-	-
31	Jindal Madagascar SARL	MGA in Million	3.00	(369.91)	2,757.50	2,757.50	-	-	-	-	(182.52)	4.48	(186.99)	-
		₹ in Crore	0.01	(0.90)	6.71	6.71	-	-	-	-	(0.44)	0.01	(0.46)	-
32	Jindal Investimentos Limitada	MZN in Million	0.02	-	1.91	1.91	-	-	-	-	-	-	-	-
		₹ in Crore	0.00	-	0.35	0.35	-	-	-	-	-	-	-	-
33	Belde Empreendimentos Mineiros Ltd.	MZN in Million	0.03	-	0.59	0.59	-	-	-	-	-	-	-	-
		₹ in Crore	0.01	-	0.11	0.11	-	-	-	-	-	-	-	-
34	Eastern Solid Fuels Pty. Ltd.	ZAR in Million	0.02	5.55	165.03	165.03	0.96	-	0.96	-	9.94	2.78	7.16	-
		₹ in Crore	0.01	3.70	109.90	109.90	0.64	-	0.64	-	6.62	1.85	4.77	-
35	Jindal Mining SA (PTY) Ltd.	ZAR in Million	0.00	66.30	326.36	326.36	-	-	-	674.18	78.81	21.82	56.99	-
		₹ in Crore	0.00	44.15	217.33	217.33	-	-	-	448.96	52.48	14.53	37.95	-
36	Jindal Brasil Mineracao SA.	BRL in Million	0.41	(0.31)	0.51	0.51	-	-	-	-	(0.05)	-	(0.05)	-
		₹ in Crore	1.16	(0.87)	1.44	1.44	-	-	-	-	(0.14)	-	(0.14)	-
37	Shadeed Iron & Steel Co. LLC	US$ in Million	2.60	3.56	629.57	629.57	-	-	-	546.57	47.73	-	47.73	-
		₹ in Crore	13.29	18.21	3,220.66	3,220.66	-	-	-	2,796.06	244.17	-	244.17	-
38	Jindal Steel & Power (Australia) Pty Limited	AUS$ in Million	0.00	(0.75)	18.25	18.25	-	-	-	-	(0.62)	-	(0.62)	-
		₹ in Crore	0.00	(3.68)	89.75	89.75	-	-	-	-	(3.03)	-	(3.03)	-
39	Jindal Steel & Power Zimbabwe Limited	US$ in Million	0.00	(1.35)	0.03	0.03	-	-	-	-	(0.08)	-	(0.08)	-
		₹ in Crore	0.01	(6.92)	0.17	0.17	-	-	-	-	(0.40)	-	(0.40)	-
40	Jindal Tanzania Limited	US$ in Million	0.01	(0.91)	0.49	0.49	-	-	-	-	(0.91)	-	(0.91)	-
		₹ in Crore	0.03	(4.66)	2.49	2.49	-	-	-	-	(4.66)	-	(4.66)	-
41	Jindal Zambia Limited	US$ in Million	0.00	(1.37)	0.65	0.65	-	-	-	-	(1.37)	-	(1.37)	-
		₹ in Crore	0.01	(7.00)	3.33	3.33	-	-	-	-	(7.00)	-	(7.00)	-
42	Jin Africa Limited	US$ in Million	0.00	(0.00)	0.36	0.36	-	-	-	-	(0.00)	-	(0.00)	-
		₹ in Crore	0.01	(0.02)	1.84	1.84	-	-	-	-	(0.02)	-	(0.02)	-

*Exchange Rate as on 31.03.2012: US$1= ₹ 51.15650 IDR 1= ₹ 0.00554 BOB 1= ₹ 7.35000 MNT 1= ₹ 0.03879 MZN 1= ₹ 1.83225 ZAR 1= ₹ 6.659272 MGA 1= ₹ 0.02435 AUD 1= ₹ 49.17945 BRL1= ₹ 28.0833

Auditors' Report to the Members of Jindal Steel & Power Limited

1. We have audited the attached Consolidated Balance Sheet of JINDAL STEEL & POWER LIMITED, and its subsidiaries, associates and joint ventures (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 there to. These Consolidated 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 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 prepared, in all material respects, in accordance with an identified financial reporting frame work and 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides are as on able basis for our opinion.

3. The financial statements of one associate company and one joint venture have been audited by us in which the share of profit of the group is ₹ 20.23 crore. Investment in associate company has been reported in accordance with Accounting Standard (AS)-23 and in joint venture in accordance with Accounting Standard (AS)-27.

4. (a) We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of ₹ 13,498.11 crore as at 31st March, 2012, total revenues of ₹ 6,150.90 crore and net cash flows amounting to ₹ (295.44) crore for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors, in so far as it relates to the amounts included in respect of the subsidiaries.

   (b) In the case of certain subsidiaries & joint ventures of the Company, having total assets (net) of ₹ 549.23 crore as at 31st March, 2012, total revenues of ₹ 69.17 crore and net cash flows amounting to ₹ (5.38) crore for the year ended, the figures used for consolidation are based on the management's estimate and are, therefore, unaudited.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS)-21, 'Consolidated Financial Statements', Accounting Standard (AS)-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard (AS)-27, 'Financial Reporting of Interest in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and on the basis of the separate financial statements of the subsidiaries, associates and joint ventures included in the Consolidated Financial Statements.

6. Attention is invited to note no. 4 (a) of Consolidated Financial Statements regarding accounting for sales tax included in the sales price of products sold out of sales tax exempted unit under Sales Tax / Capital Subsidy reserve account in the circumstances as explained in the said note.

7. Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures 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 together with the Notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;

   (b) in the case of Consolidated statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and

   (c) in the case of Consolidated Cash Flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
FRN No. 000756N

(Arun K. Tulsian)
Partner
Membership No. 89907

Place: New Delhi
Dated: 27th April, 2012

Consolidated Balance Sheet as at 31st March, 2012

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	93.48	93.43
(b) Reserves and Surplus	4	18,017.62	14,016.87
(2) Minority interest		307.10	233.45
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	11,179.63	7,377.64
(b) Deferred tax liabilities (Net)	32	1,191.95	1,005.48
(c) Other Long-term liabilities	6	142.06	141.25
(d) Long-term provisions	7	33.54	19.47
(4) Current Liabilities			
(a) Short-term borrowings	8	4,569.31	5,925.98
(b) Trade payables	9	1,251.36	933.55
(c) Other current liabilities	10	4,110.16	3,254.99
(d) Short-term provisions	11	4,111.33	3,086.79
Total		**45,007.54**	**36,088.90**
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	16,462.63	14,810.69
(ii) Intangible assets			
-Intangible assets	12	31.39	32.82
-Goodwill on Consolidation		91.76	101.77
(iii) Capital work-in-progress	12	13,472.05	9,360.53
(iv) Intangible assets under development		179.90	20.41
(b) Non-current investments	13	377.62	297.88
(c) Long term loans and advances	14	2,180.94	2,221.32
(d) Other non-current assets	15	14.24	14.39
(2) Current assets			
(a) Inventories	16	3,579.53	2,773.43
(b) Trade receivables	17	1,306.75	1,153.70
(c) Cash and bank balances	18	149.21	463.99
(d) Short-term loans and advances	19	6,927.21	4,728.70
(e) Other current assets	20	234.31	109.27
Total		**45,007.54**	**36,088.90**

Significant Accounting Policies 1 & 2

The accompanying notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of the Board

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

Place : New Delhi
Dated : 27th April, 2012

T. K. Sadhu
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
REVENUE			
Revenue from operations (gross)	21	19,616.46	13,998.95
Less: Excise duty		1,407.86	886.80
Revenue from operations (net)		18,208.60	13,112.15
Other Income	22	141.94	81.45
Total Revenue		**18,350.54**	**13,193.60**
EXPENSES			
Cost of materials consumed	23	5,460.38	3,041.56
Purchase of Stock-in-Trade	24	217.18	0.14
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	25	(366.46)	(570.28)
Employee benefits expense	26	591.29	414.92
Finance costs	27	360.04	259.57
Depreciation and amortisation expense		1,386.47	1,151.00
Other expenses	28	5,513.04	3,909.64
Total Expenses		**13,161.94**	**8,206.55**
Profit before tax		**5,188.60**	**4,987.05**
Tax expense:			
(1) Current tax		999.87	1,023.03
(2) Deferred tax		186.47	160.01
		1,186.34	1,183.04
Profit after tax		**4,002.26**	**3,804.01**
Share in Profit			
-Add/(Less): Share in profit/(Loss) of associates		20.03	15.78
-Add/(Less): Minority interest		(57.40)	(65.91)
Profit for the year		**3,964.90**	**3,753.88**
Earnings per equity share of face value of ₹ 1 each	34		
(1) Basic (in ₹)		42.42	40.22
(2) Diluted (in ₹)		42.42	40.18

Significant Accounting Policies 1 & 2

The accompanying notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of the Board

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

Place : New Delhi
Dated : 27th April, 2012

T. K. Sadhu
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹ in Crore)

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
A.	CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	5,188.60	4,988.02
	Adjustment for:		
	Depreciation	1,386.47	1,151.00
	Loss on sale of Advances/Investment in Subsidiaries	93.62	-
	Premium on Investment written off	0.04	0.07
	Loss / (Profit) on Sale of Fixed Assets	(5.72)	3.35
	Loss / (Profit) on Sale of Investments	(1.57)	(6.69)
	Dividend Income	(0.13)	-
	Liability / Provisions no longer required written back	(7.89)	(2.59)
	Provision for dimunition in Investments written back	(11.54)	-
	Provision for doubtful debts	0.10	(0.63)
	Provision for doubtful advances	-	-
	Miscellaneous expenditure written off during the year	1.56	14.97
	Employees Compensation Expenses under Employees Stock Option Scheme	(0.83)	(4.87)
	Interest Paid	360.04	259.57
	Operating Profit before Working Capital Changes	**7,002.75**	**6,402.20**
	Adjustment for:		
	Inventories	(806.10)	(1,342.61)
	Sundry Debtors	(153.05)	(399.70)
	Other Current Assets	(1,880.02)	(763.10)
	Income Tax paid	(1,042.14)	(1,040.06)
	Other Current Liabilities	498.88	625.49
	Net Cash Inflow/(Outflow) from Operating Activities	**3,620.32**	**3,482.22**
B.	CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		
	Capital Expenditure	(6,483.19)	(8,487.59)
	Sale Proceeds of Fixed Assets	81.59	380.69
	Dividend received	0.13	-
	Loans & Advances	-	-
	Miscellaneous Expenditure	(161.05)	(27.54)
	Interest Received	114.04	76.76
	(Increase)/Decrease in Investments	(79.74)	27.29
	Share Application Money given	(75.26)	(4.78)
	Purchase of Goodwill	10.01	(1.11)
	Minority Interest		-
	Net Cash Inflow/(Outflow) from Investing Activities	**(6,593.48)**	**(8,036.28)**

Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹ in Crore)

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
C.	CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
	State Sales Tax Subsidy/Capital Reserve	38.92	115.80
	Issue of Equity Shares	3.84	11.32
	Proceeds from Long Term Borrowings	9,413.33	10,778.52
	Working Capital Borrowings from Banks	2,141.01	1,048.08
	Repayment/Adjustment of Borrowings	(8,249.91)	(6,290.22)
	Dividend Paid (including tax thereon)	(192.48)	(136.65)
	Interest Paid	(496.48)	(607.17)
	Net Cash Inflow/(Outflow) from Financing Activities	**2,658.23**	**4,919.68**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**(314.93)**	**365.62**
	Cash & Cash equivalents (Opening Balance)	**478.38**	**112.77**
	Cash & Cash equivalents (Closing Balance)*	**163.45**	**478.38**

* Includes other bank balances & non current assets (Note-15)

Note:
The figures have been regrouped/rearranged, wherever necessary, for comparison purposes

In terms of our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants

Arun K. Tulsian
Partner
Membership No. 89907

Place : New Delhi
Dated : 27th April, 2012

For and on behalf of the Board

Naveen Jindal
Chairman & Managing Director

Anand Goel
Joint Managing Director

Sushil K Maroo
Director &
Group Chief Financial Officer

T. K. Sadhu
Company Secretary

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

1. OVERVIEW

Jindal Steel & Power Limited which commenced operations in the year 1991 is one of the India's leading steel producers with significant presence in sector like mining, power generation and infrastructure. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. Its business is spread across India and overseas. The corporate office is situated in New Delhi and the manufacturing Plants in India are in the states of Chhattisgarh, Odisha, Jharkhand etc. The Company has global presence in Australia, Brasil, Bolivia, China, Mongolia, Mozambique, Madagascar, Indonesia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The consolidated financial statements are prepared under the historical cost convention, on going concern basis and in terms of the Accounting Standards notified by Companies (Accounting Standard) Rules, 2006 in compliance with Section 211(3C) of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the Group and are consistent with those used in previous year.

The Company has prepared its financial statements in accordance with Schedule VI as inserted by Notification-S.O. 447(E), dated 28th Februaury'2011 (As amended by Notification No F.NO. 2/6/2008-CL-V, Dated 30th March, 2011). The Schedule does not impact recognition and measurement principle followed for the preparation of financial statements. However it has necessitated significant changes in the presentation of and disclosures in financial statements. The Company has reclassified its previous year figures to confirm to the classification as per the aforesaid Schedule.

ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

iii) Principles of Consolidation

The Consolidated Financial Statements relate to Jindal Steel & Power Limited ("the Company") and its subsidiary, Joint Venture and Associate companies. The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together book value of like items of assets, liabilities, income and expenses after fully eliminating inter-company transactions, balances and the unrealised profit or losses on inter-company transactions as per Accounting Standard (AS-21) 'Consolidated Financial Statements', and are presented to the extent possible, in the same manner as the Company's independent financial statements.

b) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at the exchange rates prevailing at the end of the year and exchange differences arising thereon are recognised in the foreign currency translation reserve.

c) The difference between the cost of investment in the subsidiaries and joint ventures and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as goodwill or capital reserve as the case may be.

d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the Company.

e) Minority's interest in the net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

f) Minority's interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to minorities on which investment in

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

a subsidiary is made and the minorities' share of movements in the equity since the date the parent subsidiary relationship comes into existence.

g) Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate, in accordance with the Accounting Standard (AS-23) 'Accounting for Investment in Associates in Consolidated Financial Statements'.

h) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS-27) 'Financial Reporting of Interests in Joint Ventures'.

i) Investments other than in subsidiaries, associates and joint ventures have been accounted as per Accounting Standard (AS-13) 'Accounting for investments'.

j) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

k) Figures pertaining to the subsidiaries, associates and joint ventures have been re-classified wherever necessary to bring them in line with the parent company's financial statements.

The list of subsidiaries, associates and joint ventures which are included in the consolidation and the Company's holdings therein are as under:

1. The subsidiary companies considered in the consolidated financial statements are:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership (%) as on	
		31.03.2012	31.03.2011
Affiliate Overseas Limited	Mauritius	-	100.00
Attunli Hydro Electric Power Company Limited	India	74.00	74.00
Belde Empreendimentos Mineiros Limited	Mozambique	100.00	100.00
Eastern Solid Fuels (Pty) Limited	South Africa	100.00	100.00
Enduring Overseas Limited	Mauritius	100.00	100.00
Etalin Hydro Electric Power Company Limited	India	74.00	74.00
Gas to Liquids International S.A.	Bolivia	87.56	80.00
Harmony Overseas Limited	Mauritius	100.00	100.00
Jindal Africa Investments (Pty) Limited	South Africa	100.00	100.00
Jindal Brasil Mineracao S.A.	Brasil	99.995	98.00
Jindal DRC SPRL	Congo	-	99.99
Jindal Hydro Power Limited	India	98.80	98.80
Jindal Infosolutions Limited@	India	99.00	95.00
Jindal Investimentos LDA	Mozambique	100.00	100.00
Jindal Investment Holdings Limited	Mauritius	100.00	100.00
Jindal Madagascar SARL	Madagascar	100.00	100.00
Jindal Minerals & Metals Africa Limited	Mauritius	-	80.00
Jindal Minerals and Metals Africa Congo SPRL	Congo	-	99.95
Jindal Mining & Exploration Limited	Mauritius	100.00	100.00
Jindal Mining (Pty) Ltd	South Africa	74.00	74.00
Jindal Mining Industry LLC	Mongolia	100.00	100.00

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

Name of Subsidiary	Country of Incorporation	Proportion of Ownership (%) as on	
		31.03.2012	31.03.2011
Jindal Power Distribution Limited	India	98.80	98.80
Jindal Power Limited	India	96.43	96.43
Jindal Power LLC	Mongolia	100.00	100.00
Jindal Power Trading Company Limited	India	79.34	79.34
Jindal Power Transmission Limited	India	98.80	98.80
Jindal Steel & Power (Australia) Pty Limited	Australia	100.00	100.00
Jindal Steel & Power (Mauritius) Limited	Mauritius	100.00	100.00
Jindal Steel & Power Zimbabwe Limited	Zimbabwe	100.00	100.00
Jindal Steel Bolivia S.A.	Bolivia	99.99	99.99
Jin Africa Limited	Zambia	90.00	-
Jindal Zambia Limited	Zambia	98.00	-
Jindal Tanzania Limited	Tanzania	100.00	-
JSPL Mozambique Minerais LDA	Mozambique	97.50	97.50
Jubilant Overseas Limited	Mauritius	100.00	100.00
Kasai SUD Diamant SPRL	Congo	-	70.00
Osho Madagascar SARL	Madagascar	99.33	99.33
PT Jindal Overseas	Indonesia	99.00	99.00
Rolling Hills Resources LLC	Mongolia	100.00	100.00
Shadeed Iron & Steel Co. LLC	Oman	99.99	99.99
Skyhigh Overseas Limited	Mauritius	100.00	100.00
Subansiri Hydro Electric Power Co. Limited	India	74.00	74.00
Trans Atlantic Trading Limited	Guernsey	100.00	100.00
Vision Overseas Limited	Mauritius	100.00	100.00
Worth Overseas Limited	Mauritius	100.00	100.00

2. The associate companies considered in consolidated financial statements are:

Name of Associate	Country of Incorporation	Proportion of Ownership (%) as on	
		31.03.2012	31.03.2011
Angul Sukinda Railway Limited	India	25.00	25.00
Nalwa Steel & Power Limited	India	40.00	40.00
Saras Mineracao de Ferro S.A	Brazil	49.00	49.00
FB Infra Private Limited	India	49.00	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

3. The joint venture companies considered in consolidated financial statements are:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership (%) as on	
		31.03.2012	31.03.2011
Jindal Synfuels Limited	India	70.00	70.00
Shresht Mining and Metals Private Limited	India	50.00	50.00
Urtan North Mining Company Limited	India	66.67	-

@ Control exists indirectly through subsidiary

iv) Other accounting policies

These are set out under "Significant Accounting Policies" as given in the standalone financial statements of Jindal Steel & Power Limited.

v) Fixed Assets and Depreciation

a) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include cost of acquisitions or constructions, including incidental expenses thereto and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

b) Expenditure during construction period

Expenditure related to and incurred during implementation of new/expansion-cum-modernisation projects is included under capital work-in-process and the same is allocated to the respective Fixed Assets on completion of its construction/erection.

c) Intangible Assets

Intangible Assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets'.

d) Depreciation and Amortisation

Depreciation on fixed assets is provided on straight-line method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Leasehold Land and Aircraft are amortised over the period of lease. In the case of assets where impairment loss is recognised, the revised carrying amount is depreciated over the remaining estimated useful life of the asset.

Certain Plant and Machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.

In case of Jindal Power Limited, a subsidiary, fixed assets are depreciated on written down value method (WDV) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

In case of foreign subsidiaries, fixed assets are depreciated on straight-line method (SLM) based upon estimated useful life of the assets. The depreciation rates so computed do not substantially and materially differ from the rates adopted by the parent company.

Intangible Assets are amortised on straight-line method (SLM) over the expected duration of benefits not exceeding ten years.

vi) Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognised impairment losses are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

vii) Accounting for Leases

a) Finance lease, is recognised as an asset and a liability to the lessor at fair value at the inception of the lease.

b) The lease payments under operating lease as per respective lease agreements are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

viii) Borrowing Cost

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilisation of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalised with the cost of the qualifying asset. Other borrowing costs incurred during the period are charged to statement of profit and loss.

ix) Segment Reporting

a) Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

b) Inter-segment transfers

The Company accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

c) Allocation of common costs

Common allocable costs are allocated to each segment on reasonable basis.

d) Unallocated items

It includes general administrative expenses, head office expenses and other expenses & income that arise at the enterprise level and relate to enterprise as a whole, and which are not allocable to any business segment.

e) Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

x) Valuation of Inventories

Raw materials and stores & spares are valued at lower of cost, computed on weighted average basis or net realisable value. Cost includes the purchase price as well as incidental expenses. Scrap is valued at estimated realisable value.

Work-in-process is valued at lower of estimated cost and net realisable value and finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xi) Inter-Division Transfers

Inter-division transfer of goods, as independent marketable products produced by various divisions of the same legal entity for captive consumption, is accounted for at approximate prevailing market price. The same is shown as a contra item to reflect the true working of the respective divisions in the Statement of Profit and Loss. Any unrealised profit on unsold stocks is eliminated while valuing the inventories. The value of such inter-divisional transfer is netted off from sales and operational income and expenses under cost of materials consumed and other expenses.

Inter-divisional transfer/captive consumption related to fixed assets is at cost.

xii) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains/losses are recognised in the statement of profit & loss for the year, except to the extent that they relate to new projects till the date of capitalisation which are carried to pre-operative expenses and those relating to fixed assets which are adjusted to the carrying cost of the respective assets.

In case of forward foreign exchange contracts, exchange differences are dealt with in the statement of profit & loss over the life of the contract except those relating to fixed assets in which case they are capitalised with the cost of respective fixed assets. Non-monetary foreign currency items are carried at historical cost.

In case of foreign subsidiaries, with non-integral foreign operations, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange difference arising on conversion is recognised in Foreign Currency Translation Reserve.

xiii) Investments

Non-current investments are carried at cost. Provision is made when, in the opinion of the management, diminution in the value of investment is other than temporary in nature. The reduction in carrying amount is reversed when there is a rise in value of investments or if the reason for the reduction no longer exists. Current investments are carried at the lower of cost or market / fair value.

xiv) Revenue Recognition

a) Gross Revenue from operations comprises of sale of products and other operating income which also includes export incentives and aviation income. 'Net Revenue from operations', net of excise duty and Inter-divisional transfer is also disclosed separately.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

b) Sales is inclusive of excise duty but net of returns, rebates, VAT and sales tax. Products returned/rejected are accounted for in the year of return/rejection.

c) Export sales are accounted for on the basis of the date of bill of lading/ airways bill.

d) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.

e) Income from aviation and other services is accounted for at the time of completion of service and billing thereof.

xv) Other Income

a) Claims receivable

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on accrual basis to the extent there is certainty of ultimate realisation.

b) Income from Investment

Income from Investment is accounted for on accrual basis when the right to receive the income is established.

xvi) Excise Duty

Excise Duty liability on finished goods manufactured and lying in the factory is accounted for and the corresponding amount is considered for valuation thereof.

xvii) Employee Benefits

Expenses & liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS-15) 'Employee Benefits'

a) Provident Fund

The Company contributes to Government administered fund as well as Provident fund Trust. The interest rate payable by the trust to beneficiaries every year is being notified by Government. The Company makes good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

b) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the statement of profit & loss and not deferred.

c) Compensated absences

Liability in respect of Compensated absences due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent Actuary using the projected unit credit method.

d) Other short term benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

e) Overseas subsidiaries and their step down subsidiaries are recognising employee benefits of the nature referred above as per applicable local laws of the country in which they have been incorporated/ operating.

xviii) Research and Development Expenditure

Research and Development expenditure not fulfilling the recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets' is charged to the statement of profit and loss while capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

xix) Employee Stock Option Scheme

Stock options granted to the employees of the Company and its subsidiary under the Employees' Stock Option Scheme(s) are evaluated on Intrinsic Value Method as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India.

Accordingly, excess of market value of the stock option as on date of grant over the exercise price of the option is recognised as deferred employee compensation and is charged to the statement of profit and loss as employee cost on straight line method over the vesting period of the options. The options that lapse are reversed by a credit to employees' compensation expenses, equal to amortised portion of value of lapsed portion and credit to deferred employee compensation expense, equal to the unamortised portion. The balance in employee stock option outstanding amount net of any unamortised

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

deferred employee compensation is shown separately as part of shareholder's funds.

xx) Taxes on Income

a) Current Tax

I) Indian Companies:

Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of the Income Tax Act, 1961.

II) Foreign Companies:

Foreign subsidiaries and associates recognise tax liability in accordance with the applicable local laws.

b) Deferred Tax

In accordance with Accounting Standard (AS-22) 'Accounting for Taxes on Income', deferred taxes resulting from timing differences between book and tax profits are accounted for at the tax rate substantively enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallised. Deferred tax assets are recognised and reviewed at each Balance Sheet date to the extent there is reasonable/virtual certainty of realising such assets against future taxable income.

c) Minimum Alternate Tax

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

xxi) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognised for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

xxii) Intangible assets under development

Mines development expenditure incurred in respect of new iron ore/coal and likewise mines is shown under 'Intangible assets under development' and amortised over a period of ten years starting from the year of commencement of commercial production or the future expected extraction period of the reserves based on actual extraction till date, whichever is shorter.

xxiii) Earnings per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise of the net profit after tax attributable to equity shareholders. The net profit after tax is exclusive of minority interest but includes share from associates under the equity method. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period adjusted for events of bonus issue post period end, bonus elements in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

xxiv) Financial Derivatives

Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted as per Accounting Standard (AS-11) 'The Effects of Changes in Foreign Exchange Rates'. Exchange differences arising on such contracts are recognised in the period in which they arise.

All other derivative contracts, including forward contracts entered into to hedge foreign currency/interest rate risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value at each reporting date, in pursuance of the announcement of the Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives.

xxv) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
3	**SHARE CAPITAL**		
	Authorised		
	2,000,000,000 (Previous year 2,000,000,000) Equity Shares of ₹ 1 each	200.00	200.00
		200.00	**200.00**
	Issued, Subscibed and Fully Paid-up		
	934,833,818 (Previous year 934,269,031) Equity Shares of ₹ 1 each	93.48	93.43
	Total Share Capital	**93.48**	**93.43**

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	No. of Shares	No. of Shares
Equity Shares outstanding at the beginning of the year	93,42,69,031	93,12,34,082
Add: Equity Shares issued under employees stock option scheme	5,64,787	30,34,949
Equity Shares outstanding at the close of the year	**93,48,33,818**	**93,42,69,031**

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.60 (Previous Year ₹ 1.50)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after settlement of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31st March, 2012	31st March, 2011
Equity shares alloted as fully paid bonus shares by capitalisation of securities premium	-	-
Equity shares alloted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the Company	-	-

The Company has alloted total 775,651,530 fully paid equity shares upto the year ended 31st March, 2012 as fully paid bonus shares by capitalising securities premium reserve.

In addition the Company has allotted the following equity shares during the preceding five years under its various Employees Stock option schemes (Note no.-3f below)

During the year ended	No. of Shares
31st March, 2012	5,64,787
31st March, 2011	30,34,949
31st March, 2010	9,29,869
31st March, 2009	6,91,343
31st March, 2008	-
Total	**52,20,948**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 1 each fully paid				
Gagan Infraenergy Limited	6,69,54,060	7.16%	6,69,54,060	7.17%
Opelina Finance and Investment Limited	7,98,38,960	8.54%	7,55,46,540	8.09%
Sun Investment Limited	8,69,78,940	9.30%	8,69,78,940	9.31%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) Forfeited shares:

Pursuant to the resolution passed at the EGM dated 4th September, 2009, the Company reclassified the authorised share capital of the Company by cancellation of 10,000,000 Preference Shares of ₹ 100 each and simultaneous creation of 1,000,000,000 fresh Equity Shares of ₹ 1 each and increased the authorised share capital to ₹ 2,000,000,000.

Consequently, the Company had cancelled 100,000 preference shares of ₹ 100 each, which were forefeited earlier. Upon cancellation of such shares, the amount of ₹ 10,000,000 was transferred to General Reserve.

f) Shares reserved for issue under options

The details of shares reserved for issue under Employee stock option (ESOP) plan of the Company are as under:

The Employees Stock Option Scheme - 2005 (ESOS-2005) was approved by the shareholders of the Company in their Annual General Meeting held on 25th July, 2005 and amended by shareholders on 27th September, 2006. Under ESOS-2005, a maximum of 1,100,000 (Eleven lacs) equity shares of ₹ 5/- each could be granted to the employees of the Company and its subsidiary company(ies). In-principle approval from National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) was given on 01.02.2006. A Compensation Committee was constituted by the Board of Directors of the Company in their meeting held on 12th May, 2005 for the administration of ESOS-2005. Under ESOS-2005, the Compensation Committee has granted stock options as follows:-

a) 859,400 (Eight lacs fifty nine thousand four hundred) stock options on 26.11.2005 at an exercise price of ₹ 1,014/- per share (Series -1) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3);

b) 129,550 (One lac twenty nine thousand five hundred fifty) stock options on 02.09.2006 at an exercise price of ₹ 1,121/- per share (Series - II) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3); and

c) 136,950 (One lac thirty six thousand nine hundred fifty) stock options on 27.04.2007 at an exercise price of ₹ 1,819/- per share (Series - III) which would vest after 2 years from the date of grant to the extent of 50% (Part 1), after 3 years from the date of grant to the extent of 25% (Part 2) and after 4 years from the date of grant to the extent of 25% (Part 3).

Pursuant to Clause 5.3 (f) of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and para 18 of the Employees Stock Option Scheme -2005 of the Company, the Compensation Committee is authorised to make a fair and reasonable adjustment to the number of options and to the exercise price in respect of options granted to the employees under the Scheme in case of corporate actions such as right issue, bonus issue, merger etc.

On 27.12.2007, sub-division of the face value of each equity share of the Company from ₹ 5/- to 5 equity shares of ₹ 1/- each was approved by the shareholders in their General Meeting. Thereafter, the Compensation Committee has, in its meeting held on 27.01.2008, made an adjustment to the exercise price by reducing it in case of Series I to ₹ 203/- Series II to ₹ 225/- and Series III to ₹ 364/- per equity share of ₹ 1/- each and to the number of options by increasing

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

it 5 times the original grant consequent to which the number of maximum options that could be issued under the Employees Stock Option Scheme-2005 increased to 5,500,000 (Fifty five lacs) [originally 1,100,000 (Eleven lacs)]

Thereafter, the following allotments of equity shares were made under ESOS-2005 on the exercise of options:-

a) 691,343 (Six lacs ninety one thousand three hundred forty three) equity shares of ₹ 1/- each were allotted on 16th June, 2008 on exercise of options granted under Part 1 of Series I of ESOS 2005;

b) 57,136 (Fifty seven thousand one hundred thirty six) equity shares of ₹ 1/- each were allotted on 13th April, 2009 on exercise of options granted under Part 1 of Series II of ESOS 2005;

c) 420,487 (Four lacs twenty thousand four hundred eighty seven) equity shares of ₹ 1/- each were allotted on 21st July, 2009 on exercise of options granted under Part 2 of Series I of ESOS 2005.

The remaining 4,331,034 (Forty three lacs thirty one thousand thirty four) equity shares of ₹ 1/- each were available for allotment under ESOS -2005 after the above 3 allotments.

On 4th September, 2009, issue of 5 equity shares of ₹ 1/- each as bonus shares on each existing equity share of the Company was approved by the shareholders in their General Meeting and on 19th September, 2009, fully paid-up bonus shares were allotted.

Thereafter, pursuant to clause 5.3 (f) of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and para 18 of the Employees Stock Option Scheme - 2005 of the Company, the Compensation Committee has, in its meeting held on 31st October, 2009 made the following adjustments:-

a) The number of unexercised options and options yet to be granted is increased by 5 times Consequently increasing the number of unexercised options and options yet to be granted from 4,331,034 (Forty three lacs thirty one thousand thirty four) to 25,986,204 (Two crore fifty nine lacs eighty six thousand two hundred four);

b) The price of unexercised options was reduced in case of Series I to ₹ 34/-, Series II to ₹ 38/- and Series III to ₹ 61/- per equity share of ₹ 1/- each.

In-principle approval for listing of additional 21,655,170 (Two crore sixteen lacs fifty five thousand one hundred seventy) equity shares were obtained from NSE and BSEs.

Thereafter, the following allotments of equity shares were made under ESOS-2005 on exercise of options:-

452,246 (Four lacs fifty two thousand two hundred forty six) equity shares of ₹ 1/- each were allotted on 30th January, 2010 on exercise of options granted under part 1 of Series III of ESOS 2005.

2,52,006 (Two lacs fifty two thousand six) equity shares of ₹ 1/- each were allotted on 13th April, 2010 on exercise of options granted under part 2 of Series II of ESOS 2005.

24,56,922 (Twenty four lacs fifty Six thousand nine hundred twenty two) equity shares of ₹ 1/- each were allotted on 23rd June, 2010 on exercise of options granted under part 3 of Series I of ESOS 2005.

3,26,021 (Three lacs twenty Six thousand twenty one) equity shares of ₹ 1/- each were allotted on 01st February, 2011 on exercise of options granted under part 2 of Series III of ESOS 2005.

2,40,564 (Two lacs forty thousand five hundred sixty four) equity shares of ₹ 1/- each were allotted on 14th April, 2011 on exercise of options granted under part 3 of Series II of ESOS 2005.

3,24,223 (Three lacs twenty four thousand two hundred twenty three) equity shares of ₹ 1/- each were allotted on 12th December, 2011 on exercise of options granted under part 3 of Series III of ESOS 2005.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

The Details of ESOS-2005 are as under:

		ESOS-2005		
		Series-I	Series-II	Series-III
1	Grant Price – Rupees	34	38	61
2	Grant Date	26.11.2005	02.09.2006	27.04.2007
3	Vesting commences on	26.11.2007	02.09.2008	27.04.2009
4	Vesting Schedule	50% of grant on 26.11.2007, subsequent 25% of grant on 26.11.2008 and balance 25% of grant on 26.11.2009	50% of grant on 02.09.2008, subsequent 25% of grant on 02.09.2009 and balance 25% of grant on 02.09.2010	50% of grant on 27.04.2009, subsequent 25% of grant on 27.04.2010 and balance 25% of grant on 27.04.2011
5	Option granted and outstanding at the beginning of the year	-	2,40,564	7,40,625
6	Option granted during the year (due to bonus shares)	-	-	-
7	Option lapsed and/or withdrawn during the period	-	-	4,16,402
8	Option exercised during the year against which shares were allotted	-	2,40,564	3,24,223
9	Option granted and outstanding at the end of the year of which	-	-	-
	- Options vested			
	- Options yet to vest			

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
4	RESERVES AND SURPLUS		
a)	Sales Tax Subsidy/Capital Reserve		
	As per last financial statements	299.15	183.35
	Add: During the year	38.92	115.80
	Closing Balance	**338.07**	**299.15**
	One of the Company's expansion units at Raigarh (Chhattisgarh) is eligible for sales tax exemption owing to its investment in capital assets under the State industrial policy which aims towards the objective of industrialisation of the State and development of backward areas. The period of exemption is linked to the quantum of investment. The Company has been advised that the element of sales tax included in the sales price of products sold out of this Unit is in the nature of sales tax subsidy granted by the State Government. Accordingly, the same amounting to ₹ 38.92 crore (Previous year ₹ 32.23 crore) has been credited during the year to Sales Tax Subsidy Reserve Account. The cumulative amount credited to Sales Tax Subsidy Reserve account up to 31st March, 2012 is ₹ 236.11 crore (Previous year ₹ 197.19 crore).		
b)	Capital Redemption Reserve		
	As per last financial statements	70.00	70.00
	Add: During the year	-	-
	Closing Balance	**70.00**	**70.00**
c)	Securities Premium Reserve		
	As per last financial statements	123.43	98.32

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
4	RESERVES AND SURPLUS (CONTD.)		
	Add: Additions during the year on account of Employees' stock option schemes	2.83	25.11
	Add: Transferred from Stock options Outstanding account	0.96	-
	Closing Balance	**127.22**	**123.43**
	Note no.-3 (f)		
d)	Debenture Redemption Reserve		
	As per last financial statements	151.00	74.00
	Add: Transferred from statement of Profit and loss	353.00	77.00
	Closing Balance	**504.00**	**151.00**
e)	Share Option Outstanding Account		
	As per last financial statements	1.79	1.80
	Less: Transferred to securities premium reserve	(0.96)	-
	Less: Deferred employee stock compensation	(0.83)	(0.01)
	Closing Balance	-	1.79
f)	Other Reserves		
	Capital Reserve on Consolidation		
	As per last financial statements	433.62	433.62
	Add: During the year	-	-
	Closing Balance	**433.62**	**433.62**
	Revaluation Reserve		
	As per last financial statements	(0.01)	(0.01)
	Add: During the year	-	-
	Closing Balance	**(0.01)**	**(0.01)**
	Central/State Subsidy Reserve		
	As per last financial statements	0.12	0.24
	Less: Transfer to General reserve	-	(0.12)
	Closing Balance	**0.12**	**0.12**
	Foreign Currency Translation Reserve		
	As per last financial statements	16.72	31.02
	Add: During the year	174.24	(14.30)
	Closing Balance	**190.96**	**16.72**
	General Reserve		
	As per last financial statements	962.05	750.28
	Add: Transferred from statement of profit and loss	222.54	211.65
	Add: Transfer from Central/State Subsidy Reserve	-	0.12
	Closing Balance	**1,184.59**	**962.05**
g)	Surplus in Statement of profit and loss		
	As per last financial statements	11,959.00	8,660.50
	Add: During the year	3,964.90	3,753.88
	Less: Appropriations		
	- Transfer to Debenture Redemption Reserve	353.00	77.00
	- Transfer to General Reserve	222.54	211.65

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
4 RESERVES AND SURPLUS (CONTD.)		
- Proposed dividend on equity shares (amount per share ₹ 1.60, previous year ₹ 1.50)	149.46	140.19
- Corporate tax on proposed dividend	3.15	3.75
- Interim Dividend on Equity Shares - By subsidiary	4.82	4.29
- Corporate Tax on Interim Dividend - By subsidiary	21.88	19.69
- Accumulated Profit/(Loss) on disposal of subsidiaries	-	(1.19)
Net Surplus in the statement of Profit and Loss	**15,169.05**	**11,959.00**
Total Reserves & Surplus	**18,017.62**	**14,016.87**

The Company has made a provision of ₹ 3.15 crore (Previous year ₹ 3.75 crore) net of reversal of ₹ 0.02 crore (Previous year ₹ 0.02 crore) for Corporate dividend tax on the amount of dividend proposed for the year ended 31st March, 2012 after considering the set-off of interim dividend declared by a subsidiary company for the same financial year, as per the provisions of section 115-O of the Income Tax Act, 1961.

In the previous year, dividend proposed relating to the shares under ESOS was made on the basis of options vested but not exercised till the end of the financial year. Provision made in respect of options lapsed and not exercised in the current year has been adjusted with the dividend proposed for the year ended on 31st March, 2012.

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
5 LONG-TERM BORROWINGS				
a) Secured Long term borrowings				
i) Debentures				
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with SBI Life Insurance Company Limited)	62.00	62.00	-	-
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with Life Insurance Corporation of India)	1,000.00	1,000.00	-	-
9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with Life Insurance Corporation of India)	500.00	500.00	-	-
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with ICICI Lombard General Insurance Company Limited)	25.00	25.00	-	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
5 LONG-TERM BORROWINGS (CONTD.)				
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with ICICI Prudential Life Insurance Company Limited)	55.00	75.00	-	-
8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with United India Insurance Company Limited)	20.00	-	-	-
6.75% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed with LIC Mutual Fund Asset Management Company Limited)	-	-	-	100.00
	1,662.00	**1,662.00**	**-**	**100.00**
ii) Term Loans				
Term Loans from Banks	7,126.62	2,828.65	316.97	342.16
iii) Other Loans from Banks	41.77	194.26	-	-
	7,168.39	**3,022.91**	**316.97**	**342.16**
Secured Long term borrowings	**8,830.39**	**4,684.91**	**316.97**	**442.16**

DEBENTURES

i) Debentures placed with SBI Life Insurance Company Limited on private placement basis are redeemable at par in 5 equal annual instalments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

ii) Debentures placed with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured on pari-passu charge basis by way of mortgage of immovable properties and hypothecation of movable fixed assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

iii) Debentures placed with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

iv) Debentures placed with ICICI Lombard General Insurance Company Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

v) Debentures placed with ICICI Prudential Life Insurance Company Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

vi) Debentures placed with LIC Mutual Fund Asset Management Company Limited on private placement basis are redeemable at par at the end of 23 months from the date of allotment i.e. 22.01.2010. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

vii) Debentures placed with United India Insurance Company Limited on private placement basis are redeemable at par at the end of 23 months from the date of allotment i.e. 22.01.2010. The debentures are secured on pari-passu basis by way of mortgage of immovable properties and hypothecation of movable fixed assets of the Company in favour of the Debenture Trustees.

TERM LOANS

i) Loans of ₹ 176.54 crore (Previous year ₹ 255.11 crore) are secured by exclusive charge on fixed assets created under Steel expansion project at Raigarh, Chhattisgarh;

ii) Loans of ₹ 150.40 crore (Previous year ₹ 196.87 crore) are secured by exclusive charge on fixed assets created under Plate Mill project at Raigarh, Chhattisgarh;

iii) Loans of ₹ 77.14 crore (Previous year ₹ 111.43 crore) are secured by exclusive charge on fixed assets created under 3x25 MW Power Plant at Raigarh, Chhattisgarh;

iv) Loans of ₹ NIL crore (Previous year ₹ 454.99 crore) are secured by exclusive charge on fixed assets created/to be created under the DRI project at Angul, Odisha;

v) Loans of ₹ 698.47 crore (Previous year ₹ 788.97 crore) are secured by exclusive charge on fixed assets created under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh;

vi) Loans of ₹ 450.00 crore (Previous year ₹ 140.55 crore) are secured by exclusive charge on fixed assets created/ to be created under 2X135 MW Power Plant (Phase - 2) at Dongamauha, Raigarh, Chhattisgarh;

vii) Loans of ₹ 1,841.10 crore (Previous year ₹ 1,054.97 crore) are secured by exclusive charge on fixed assets created/to be created under 1.6 MTPA Integrated Steel Plant and 1.5 MTPA Plate Mill project at Angul, Odisha;

viii) Loans of ₹ 1,370.00 crore (Previous year ₹ 100.00) are secured/to be secured by exclusive charge on fixed assets created/to be created under 6x135 MW Power Plant Project at Angul, Odisha;

ix) Loan of ₹ 250.00 crore (Previous year ₹ 244.25 crore) are secured by subservient charge on current assets of the Company;

Repayments and Interest rates for the above Term Loans are as follows:

Year	2012-2013	2013-2014	2014-2015	2015-2016 & Above
Amount	316.97	619.92	667.20	3409.57

The interest rate for the above term loans varies from 8.41% to 13.75% p.a

TERM LOANS (in foreign subsidiaries)

Loan of ₹ 2,429.93 crore (Previous Year ₹ NIL) is secured by first ranking legal charge in respect of all the fixed assets of Shadeed Iron & Steel LLC 1.5 MTPA Hot briquetted Iron Project of at Sohar, Oman, and assignment of Intercorporate loans of USD 475 Million granted by Jindal Steel & Power (Mauritius) Limited to Shadeed Iron & Steel LLC in favour of the lenders with further lien on the designated account used for repayment of loan by Shadeed Iron & Steel LLC to Jindal Steel & Power (Mauritius) Limited.The above loan has been further guaranteed by the ultimate holding comapany.

Repayment schedule

50% at the end of 4.5 years from the date of first disbursement of loan and the balance 50% at the end of 5 years from first disbursement.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

5 LONG-TERM BORROWINGS (CONTD.)

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
b) Unsecured Long term borrowings				
i) Term Loans				
Unsecured Term Loans from banks				
Other Loans	1,176.24	772.29	-	-
Unsecured Loans from Others				
Fixed Deposits from public	6.08	37.94	31.14	21.73
	1,182.32	**810.23**	**31.14**	**21.73**
ii) Other Loans & Advances				
External Commercial Borrowings	1,166.92	1,882.50	993.75	205.32
	1,166.92	**1,882.50**	**993.75**	**205.32**
Unsecured Long-term borrowings	**2,349.24**	**2,692.73**	**1,024.89**	**227.05**
Total Long-Term Borrowings	**11,179.63**	**7,377.64**	**1,341.86**	**669.21**
Amount disclosed under other-current Liabilities {Note no.-10 (a)}	-	-	(1,341.86)	(669.21)
Total Long-Term Borrowings	**11,179.63**	**7,377.64**	-	-

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
6 OTHER LONG-TERM LIABILITIES		
Security Deposits and Advances	142.06	141.25
Total Other Long-Term Liabilities	**142.06**	**141.25**

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
7 LONG-TERM PROVISIONS		
Provision for Employee benefits		
Gratuity	10.61	9.31
Other defined benefit plans {Note no.-35(b)}	10.38	-
Leave Encashment	12.55	10.16
Total Long term Provisions	**33.54**	**19.47**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
8 SHORT-TERM BORROWINGS		
a) Secured short-term borrowings		
From Banks		
Cash Credit from Banks	447.63	151.83
Other Loans	-	266.20
	447.63	**418.03**
Secured Short-term borrowings	**447.63**	**418.03**

Cash credit from Banks

Secured by hypothecation by way of first charge on stocks of finished goods, raw materials, work in process, stores and spares and book debts and second charge in respect of other movable and immovable assets. The cash credit is repayable on demand.

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
b) Unsecured Short-term borrowings		
i) Debentures	1,000.00	-
Redeemable Non Convertible Debentures	1,000.00	-
ii) From Banks		
Short Term loans	654.54	4,158.37
Other Loans	2,467.14	1,349.58
	3,121.68	5,507.95
Unsecured Short term borrowings	**4,121.68**	**5,507.95**
Total Short Term Borrowings	**4,569.31**	**5,925.98**

Debentures

The following unsecured redeemable non convertible debentures are privately placed and are redeemable at Par at the end of 2 years from the respective date of allotment. The call / Put option can be exercised by the either party after six months from the respective date of allotments.

a) 3500 nos. 10.25% Non Convertibe debentures of ₹ 1,000,000 each (date of allotment 21st October, 2011)

b) 3750 nos. 10.70% Non Convertibe debentures of ₹ 1,000,000 each (date of allotment 30th January, 2012)

c) 1500 nos. 10.55% Non Convertibe debentures of ₹ 1,000,000 each (date of allotment 17th February, 2012)

d) 1250 nos. 10.55% Non Convertibe debentures of ₹ 1,000,000 each (date of allotment 24th February, 2012)

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
9 TRADE PAYABLES		
Trade Payables	1,251.36	933.55
Total Trade Payables	**1,251.36**	**933.55**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
10 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts	1,341.86	669.21
b) Interest accrued but not due on borrowings	74.43	37.46
c) Investor Education & Protection Fund*		
Unpaid dividend	16.50	14.18
Unpaid matured deposits and interest accrued	1.55	1.17
d) Other Payables**		
Statutory dues	515.93	393.98
Advance from customer and others	290.07	161.50
Security deposits and advances	13.01	12.77
Creditors for capital expenditure	1,016.14	1,192.93
Outstanding liabilities for expenses	501.47	405.33
Others	339.20	366.46
	4,110.16	**3,254.99**
Total Other Current Liabilities	**4,110.16**	**3,254.99**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund

**In accordance with Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' and based on management assessment, the Company had made a provision for contingencies on account of duties and taxes payable under various laws. At the beginning of the financial year, there was an outstanding provision of ₹ 156.02 crore (Previous year ₹ 156.02 crore) included in 'Other Payables' with no provision/utilisation, at the end of the financial year, there is an outstanding provision of ₹ 156.02 crore (Previous year ₹ 156.02 crore).

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
11 SHORT TERM PROVISIONS		
a) Provision for Employee benefits		
Leave Encashment	52.63	37.14
	52.63	**37.14**
b) Other Provisions		
Provision For Taxation-Income Tax	3,905.15	2,904.77
Provision For Taxation-Wealth Tax	0.81	0.82
Proposed Dividend	149.57	140.29
Corporate Tax On Dividend	3.17	3.77
	4,058.70	**3,049.65**
Total Short Term Provisions	**4,111.33**	**3,086.79**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Gross Carrying Value: Balance as at 1st April, 2011	Additions	Disposals/ Adjustments	Other Adjustments	Balance as at 31st March, 2012	Depreciation: Balance as at 1st April, 2011	Deprecia-tion for the period	Other Adjustments	Balance as at 31st March, 2012	Net Carrying Value: Balance as at 31st March, 2012	Balance as at 31st March, 2011
12 FIXED ASSETS											
Land Freehold	181.72	38.27	0.13	-	219.86	-	-	-	-	219.86	181.72
Land Leasehold	348.22	71.16	-	-	419.38	11.63	5.06	-	16.69	402.69	336.59
Live Stock	0.14	0.00	-	-	0.14	-	-	-	-	0.14	0.14
Buildings	2,214.96	482.05	2.70	11.34	2,705.65	285.21	108.55	0.73	393.03	2,312.62	1,929.75
Plant and Equipment	15,099.90	2,063.64	80.37	314.97	17,398.14	3,904.55	1,211.29	21.76	5,094.08	12,304.06	11,195.35
Electrical Fittings	747.46	107.40	5.76	-	849.10	39.85	41.44	0.87	80.43	768.67	707.61
Furniture and Fixtures	71.91	17.87	6.01	-	83.77	19.82	6.90	2.25	24.46	59.31	52.10
Vehicles	213.60	27.99	9.11	-	232.48	83.59	24.92	3.21	105.30	127.18	130.01
Air Craft (Owned)	285.18	-	-	-	285.18	44.17	15.97	-	60.14	225.04	241.01
Office equipment	47.38	13.18	1.03	-	59.53	10.96	5.93	0.42	16.47	43.06	36.41
Total	**19,210.47**	**2,821.56**	**105.11**	**326.31**	**22,253.23**	**4,399.78**	**1,420.06**	**29.24**	**5,790.60**	**16,462.63**	**14,810.69**
Previous Year	13,111.22	6,030.27	184.12	253.10	19,210.47	3,241.48	1,178.63	20.33	4,399.78	14,810.69	9,869.74

(₹ in Crore)

Particulars	Gross Carrying Value: Balance as at 1st April, 2011	Additions	Disposals/ Adjustments	Other Adjustments	Balance as at 31st March, 2012	Depreciation: Balance as at 1st April, 2011	Deprecia-tion for the period	Other Adjustments	Balance as at 31st March, 2012	Net Carrying Value: Balance as at 31st March, 2012	Balance as at 31st March, 2011
Intangible Assets											
Computer software-Bought out	26.37	5.69	-	-	32.06	6.54	4.03	-	10.57	21.49	19.83
Services and operating rights	38.79	5.13	-	-	43.92	25.80	9.05	-	34.85	9.07	12.99
Designs and drawings	-	0.84	-	-	0.84	-	0.01	-	0.01	0.83	-
Total	**65.16**	**11.66**	-	-	**76.82**	**32.34**	**13.09**	-	**45.43**	**31.39**	**32.82**
Previous Year	51.29	13.87	-		65.16	23.61	8.73		32.34	32.82	27.68
TOTAL BLOCK	19,275.63	2,833.23	105.11	326.31	22,330.05	4,432.12	1,433.15	29.24	5,836.03	16,494.02	14,843.51
Previous Year	13,162.51	6,044.14	184.12	253.10	19,275.63	3,265.09	1,187.36	20.33	4,432.12	14,843.51	9,897.42
Capital Work In Progress(Including Pre-Operative Expenses Pending Allocation/Capitalisation And Capital Goods Lying In Stores)										13,472.05	9,360.53

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

Notes:

a) Statement Showing the details of Pre-operative Expenditure as on 31st March, 2012

(₹ in Crore)

Description	Total 2011-12	2010-11
Amount brought forward from last year	1,095.96	1,107.90
Add: Expenses during the Year		
Personnel Expenses	127.28	93.52
Consultancy Charges	87.79	155.58
Financial Expenses	120.95	215.48
Foreign Exchange Fluctuations	34.01	7.62
Depreciation	24.52	8.09
Expenses related to mining & Exploration	-	18.47
Miscellaneous Expenses	**170.86**	**215.27**
	1,661.37	1,821.93
Less: Capitalised as part of		
Plant & machinery	154.53	576.03
Building	10.37	51.73
Other fixed assets	**3.71**	**98.21**
Amount carried forward in CWIP	**1,492.76**	**1,095.96**

Depreciation during the year includes ₹ 24.52 crore (Previous year ₹ 8.09 crore) transferred to pre-operative expenses.

b) Freehold land includes ₹ 5.85 crore jointly owned with the Company with 50% share and pending registration.

c) Capital Work in Progress includes ₹ 1,492.76 crore (Previous year ₹ 1,095.96 crore) being Pre-operative Expenditure and ₹ 1079.40 crore (Previous year ₹ 1083.39 crore) Capital stores.

d) Addition to Fixed Assets includes ₹ 4.84 crore (Previous year ₹ 3.29 crore) and addition to Capital Work in Progress includes ₹ 0.48 crore (Previous year ₹ 3.16 crore) being expenditure incurred on Research & Development Activities. The Capital Work in Progress accumulated balance as on 31st March, 2012 the is ₹ 0.84 crore (Previous year ₹ 3.16 crore).

e) Additions / (Adjustments) to Plant and Machinery/Capital work-in-progress includes addition of ₹ 332.22 crore (Previous year addition of ₹ 165.92 crore) on account of foreign exchange fluctuation on long-term liabilities relating to acquisition of Fixed Assets pursuant to the notifications issued by the Ministry of Corporate Affairs relating to Accounting Standard (AS-11) 'The Effects of Changes in Foreign Exchange Rates'.

f) Borrowing cost incurred during the year and capitalised is ₹ 50.48 crore (Previous year ₹ 71.02 crore). Borrowing cost incurred during the year and transferred to Capital Work in Progress is ₹ 372.33 crore (Previous year ₹ 202.69 crore).

g) In a subsidiary, depreciation on Coal Handling Plant amounting to ₹ 22.17 crore (Previous year ₹ 28.28 crore) has been considered separately in the Statement of profit & loss.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

h) Expenditure during Trial Run period has been capitalised/decapitaised as Fixed Assets as under

(₹ in Crore)

Description	Total	
	Current Year	Previous Year
Income		
Sales	30.86	11.72
Increase/(decrease) in stock	-	0.42
Total Income (A)	**30.86**	**12.14**
Less: Expenditure		
Raw materials consumed	-	4.55
Power & fuel	11.94	6.69
Personnel expenses	0.40	0.04
Stores & spare parts consumed	1.14	31.56
Repairs & maintenance	0.02	1.29
Others	**0.16**	-
Total Expenditure (B)	13.66	44.13
(A-B) (Profit)/Loss during trial run period during the current financial year	(17.20)	31.99
Total	**(17.20)**	**31.99**
Capitalised/decapitalise with the cost of fixed assets	(17.20)	31.99

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
13 NON-CURRENT INVESTMENTS		
i) Trade Investments		
A) Quoted Equity Shares		
i) Hwange Colliery [440,680 (Previous year 440,680) fully paid Ordinary Shares]	0.47	0.47
ii) Rocklands Richfields Limited [98,289,944 (Previous year 50,915,494) fully paid Ordinary Shares]	153.64	82.71
Total non-current Trade Investment	154.11	83.18
ii) Other Investments		
A) Unquoted Fully Paid-Up Equity Shares of Associate Companies		
i) Fully paid up Equity Shares of Angul Sukinda Railway Limited [25,000 (Previous year 25,000) Equity Shares of ₹ 10 each]	0.03	0.03
Add/(Less): Share in Profit/(Loss) - Prior years	-	-
Add/(Less): Share in Profit/(Loss) - Current year	-	-
ii) Fully paid up Equity Shares of FB Infra Private Limited [4,900 (Previous year NIL) Equity Shares of ₹ 10 each]	0.00	-
Add/(Less): Share in Profit/(Loss) - Prior years	-	-
Add/(Less): Share in Profit/(Loss) - Current year	(0.20)	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
iii) Fully paid up Equity Shares of Nalwa Steel & Power Limited [2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10 each]	2.00	2.00
Add/(Less): Share in Profit/(Loss) - Prior years	156.74	140.96
Add/(Less): Share in Profit/(Loss) - Current year	20.23	15.78
	178.80	**158.77**
B) Unquoted Investment in Government and Trust Securities		
11.50% IDBI-SLR 2011 [NIL (Previous year 10,000) units of ₹ 1,000 each]	-	1.01
12.00% IDBI-SLR 2012 [NIL (Previous year 5,000) units of ₹ 1,000 each]	-	0.52
12.00% NHB-SLR 2011 [NIL (Previous year 20) units of ₹ 100,000 each]	-	0.21
National Saving Certificates* [₹ 610,000 (Previous year ₹ 590,000)] *[Pledged with Government departments ₹ 0.06 crore (Previous year ₹ 0.06 crore)]	0.06	0.06
	0.06	**1.80**
C) Investment in Bonds/Mutual Funds		
8.15% ICICI - 2016 Bond [5 (Previous year 5) Units of ₹ 1,000,000 each]	0.50	0.50
SBI Mutual Fund [NIL (Previous year 33,303,594.19) units of ₹ 10 each]		
	0.50	**24.58**
D) Unquoted Equity Shares		
Attunli Hydro Electric Power Company Limited [1 (Previous year NIL) Equity Shares of ₹ 10 each]	0.00	-
Brahamputra Capital and Finance Limited [19,200,000 (Previous year 19,200,000) Equity Shares of ₹ 10 each]	19.20	19.20
Etalin Hydro Electric Power Company Limited [1 (Previous year NIL) Equity Shares of ₹ 10 each]	0.00	-
Indian Energy Exchange Limited [1,250,000 (Previous year 1,250,000) Equity Shares of ₹ 10 each]	1.25	1.25
Jindal Holding Limited [2,414,000 (Previous year 2,414,000) Equity Shares of ₹ 10 each]	14.48	14.48
Jindal Petroleum Limited [49,400 (Previous year 49,400) Equity Shares of ₹ 10 each]	0.05	0.05
Jindal Rex Exploration Private Limited [9,800 (Previous year 9,800) Equity Shares of ₹ 10 each]	0.01	0.01
Stainless Investments Limited [1,242,000 (Previous year 1,242,000) Equity Shares of ₹ 10 each]	6.05	6.05

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
	Subansiri Hydro Electric Power Company Limited [1 (Previous year NIL) Equity Shares of ₹ 10 each]	0.00	-
	Sungu-Sungu (Pty) Limited [50 (Previous Year NIL) fully paid Ordinary Shares]	3.58	-
	Synergy Infrastructure Private Limited [960 (Previous Year NIL) Equity Shares of ₹ 100 each]	0.01	-
	X-Zone SDN BHD [36,250 (Previous year 36,250) Equity Shares of Malaysian Ringgit 1 each]	0.04	0.04
		44.67	**41.08**
	Other Investments (Licences & Telecom Society)	0.01	0.01
E)	Less:Provision for Diminution of investments	(0.53)	(11.54)
	Total non-current Other Investment	**223.51**	**214.70**
	Total Non-current Investment	**377.62**	**297.88**
	Aggregate book value of quoted investments	154.11	82.71
	Market value of quoted investments	164.95	34.50
	Aggregate book value of unquoted investments	223.51	215.17

The Company has unquoted investments of ₹ 199.85 crore in body corporate (Previous year ₹ 184.02 crore). In the Previous Years Company had made a provision for diminution in the value of investments of ₹ 11.54 crore which has been reversed in the current financial year as the same is no longer required.

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
14	**LONG TERM LOANS & ADVANCES**		
A)	**Secured, Considered good**	-	-
	Total Secured Long Term Loans & Advances	-	-
B)	**Unsecured, Considered good**		
a)	Capital Advances	1,781.66	2,024.59
b)	Security Deposits	166.37	83.17
c)	Others		
	Share application money	129.77	54.51
	Others	103.14	59.05
	Total Unsecured Long Term Loans & Advances	**2,180.94**	**2,221.32**
	Total Long Term Loans & Advances	**2,180.94**	**2,221.32**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
15	**OTHER NON-CURRENT ASSETS**		
	Bank balances	14.24	14.39
	Total Other Non Current Assets	**14.24**	**14.39**

*[Pledged with Government departments and Others ₹ 1.05 crore (Previous year ₹ 3.83 crore)]

(₹ in Crore)

		As at 31st March, 2012	As at 31st March, 2011
16	**INVENTORIES**		
a)	**Raw Materials**		
	Inventories	981.55	915.74
	Goods In Transit	252.19	60.99
		1,233.74	**976.73**
b)	**Work-in-process**		
	Work in process	179.03	165.58
		179.03	**165.58**
c)	**Finished Goods**		
	Inventories	1,506.10	1,136.34
		1,506.10	**1,136.34**
d)	**Stores & Spares**		
	Inventories	597.43	483.15
	Goods In Transit	25.96	4.19
		623.39	**487.34**
e)	**Others**		
	Trading Goods	-	0.88
	Scrap	37.27	6.56
		37.27	7.44
	Total Inventories	**3,579.53**	**2,773.43**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
17 TRADE RECEIVABLES		
a) Secured	-	-
Total Secured Trade Receivable	-	-
b) Unsecured		
Exceeding six months		
Accounts Receivable		
Considered Good	130.95	27.54
Considered Doubtful	1.31	1.25
Less: Provision for bad and doubtful debts	(1.31)	(1.25)
Others		
Considered good	1,175.80	1,126.16
	1,306.75	**1,153.70**
Total Unsecured Trade Receivable	**1,306.75**	**1,153.70**
Total Trade Receivable	**1,306.75**	**1,153.70**

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
18 CASH & BANK BALANCES				
i) Cash & Cash Equivalents				
Cash on hand	-	-	2.16	2.58
Cheques/Drafts In hand	-	-	1.73	0.77
Bank Balances in current accounts	-	-	127.58	133.34
Deposits with original maturity of less than three months	-	-	0.16	8.10
Others	-	-	0.02	0.02
ii) Other Bank Balances				
Banks with Earmarked balances				
Earmarked for unpaid dividend	-	-	16.50	14.18
Banks Deposits				
Deposits with original maturity upto twelve months	-	-	1.06	305.00
Deposits with original maturity more than twelve months	14.24	14.39	-	-
Amount disclosed under other non-current assets (Note no-15)	(14.24)	(14.39)	-	-
Total Cash & bank Balances	-	-	**149.21**	**463.99**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
19 SHORT TERM LOANS & ADVANCES				
a) Loans and advances to related party				
Unsecured, considered good	-	-	471.95	457.15
	-	**-**	**471.95**	**457.15**
b) Loans and Advances to others				
Unsecured, considered good*	1,781.66	2,024.59	1,985.88	1,081.83
Doubtful	-	-	5.76	5.76
Less: Provision for doubtful advances	-	-	(5.76)	(5.76)
	1,781.66	**2,024.59**	**1,985.88**	**1,081.83**
c) Security Deposit	-	-	7.12	11.09
	-	-	7.12	11.09
d) Other Loans and Advances				-
Balances with statutory/government authorities	-	-	607.99	367.00
Advance income tax including TDS	-	-	3,854.27	2,811.63
	-	**-**	**4,462.26**	**3,178.63**
Amount disclosed under long term loans & advances (Note no-14 B)	(1,781.66)	(2,024.59)	-	-
Total Short Term Loans & Advances	**-**	**-**	**6,927.21**	**4,728.70**

*Advances recoverable in cash or in kind or for value to be received includes ₹ 0.82 crore (Previous year ₹ 0.24 crore) being the amount due from Directors/officers of the Company.

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
20 OTHER CURRENT ASSETS		
a) Pre-Paid expenses	56.65	3.26
b) Interest receivable on short term loans & advances	148.01	88.87
b) Other receivables	29.65	17.14
Total Other Current Assets	**234.31**	**109.27**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
21 REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	19,240.96	13,928.17
Traded goods	257.89	14.51
Inter-division transfer	2,856.43	1,698.30
	22,355.28	**15,640.98**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
21 REVENUE FROM OPERATIONS (CONTD.)		
b) Other operating revenues		
Scrap sale	43.87	13.48
Export incentives	39.61	19.04
Aviation income	16.16	13.56
Others	17.97	10.19
	117.61	**56.27**
Less: Inter-division transfer	(2,856.43)	(1,698.30)
Total Revenue from operations	**19,616.46**	**13,998.95**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
22 OTHER INCOME		
a) Dividend Income	0.13	-
b) Net gain on sale of investments	1.57	6.69
c) Other Non Operating Income		
Profit on sale/transfer of fixed assets	11.06	2.45
Liability/provisions no longer required, written back	19.43	2.59
Others	109.75	69.72
Total Other Income	**141.94**	**81.45**
Total Revenue	**19,758.40**	**14,080.40**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
23 COST OF MATERIALS CONSUMED		
a) Raw material consumed	5,460.38	3,041.56
b) Inter Division Transfer	2,856.43	1,698.30
	8,316.81	**4,739.86**
Less:Inter Division transfer	**(2,856.43)**	**(1,698.30)**
Total Cost of Material Consumed	**5,460.38**	**3,041.56**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
24 PURCHASE OF STOCK-IN-TRADE	**217.18**	**0.14**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock - Finished Goods*	1,136.34	587.44
- Work in Process	165.58	119.72
- Scrap	6.56	0.47
	1,308.48	**707.63**
Closing Stock - Finished Goods	1,506.10	1,135.92
- Work in Process	179.03	165.58
- Scrap	37.27	6.56
	1,722.40	**1,308.06**
NET (INCREASE)/DECREASE IN STOCK	**(413.92)**	**(600.43)**
Excise duty on account of increase/(decrease) on stock of finished goods	47.46	30.15
Total (Increase)/Decrease in Stock	**(366.46)**	**(570.28)**

* Net of ₹ 0.42 crore of Inventory of finished goods during trial run period of Bar Mill which has been adjusted in expenditure during trial run period in the prevoius year.

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
26 EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages	529.42	390.96
b) Contribution to Provident and other funds	36.14	14.64
c) Employees compensation expenses under Employee Stock Option Scheme {Note no.-4 (e)}	(0.83)	(4.87)
d) Staff welfare expenses	26.56	14.19
Total Employee Benefits Expense	**591.29**	**414.92**

(₹ in Crore)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
27 FINANCE COST		
a) Interest Expense		
Debentures and other term-loans	371.11	295.25
Others	162.11	63.62
	533.22	**358.87**
b) Less: Interest Income		
Interest on Inter-corporate deposits	(99.23)	(42.81)
Others	(73.95)	(56.49)
	(173.18)	**(99.30)**
Total Finance Cost	**360.04**	**259.57**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		For the year ended 31st March, 2012	For the year ended 31st March, 2011
28	**OTHER EXPENSES**		
a)	Consumption of stores and spares	1,491.25	1,147.91
b)	Consumption of power and fuel	1,129.77	805.18
c)	Other manufacturing expenses	497.21	266.59
d)	Repair and Maintenance		
	-Plant and machinery	172.43	125.07
	-Building	44.10	27.78
	-Others	149.19	113.90
e)	Royalty	180.89	119.70
f)	Rent*	17.63	12.73
g)	Rates and Taxes	24.09	21.47
h)	Insurance	22.80	15.91
i)	Payment to Statutory Auditors		
	-Audit fees	1.26	0.88
	-Taxation matters	0.10	0.03
	-Company law matters	0.03	-
	-Other services	0.14	0.12
	-Reimbursement of expenses	0.07	0.07
j)	Miscellaneous expenses	692.96	602.21
k)	Loss arising from business investments**	93.62	-
l)	Research & Development expenses***	6.46	5.80
m)	Loss on sale/discard of fixed assets	5.34	2.49
n)	Donation	109.37	73.96
o)	Directors sitting fees	0.08	0.08
p)	Selling expenses	671.87	474.60
q)	Prior Period Adjustment	-	2.85
r)	Bad debts/provision for doubtful debts	0.10	(0.63)
s)	Miscellaneous Expenditure written off	1.56	14.97
t)	Financial expenses	163.31	64.27
u)	Foreign exchange fluctuation (net)	37.41	11.70
	[net of income of ₹ 105.04 crore (Previous year ₹ 65.22 crore)]		
	Total Other Expenses	**5,513.04**	**3,909.64**

*The Company has paid lease rentals of ₹ 17.63 crore (Previous year ₹ 12.73 crore) under cancellable operating leases. There are no non-cancellable operating leases.

** An exceptional item (Note No.36 to Consolidated financial statements)

***Expenditure on Research & Development Activities, incurred during the year, is ₹ 8.97 crore (including capital expenditure of ₹ 2.51 crore) (Previous year ₹ 12.25 crore, including capital expenditure of ₹ 6.45 crore)

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		Current Year	Previous Year
29	**CONTINGENT LIABILITIES AND COMMITMENTS**		
I.	**Contingent Liabilities not provided for in respect of:**		
	a) Guarantees issued by the Company's Bankers on behalf of the Company	419.80	357.14
	b) Letter of credit opened by banks	635.52	1,707.35
	c) Corporate guarantees/undertakings issued on behalf of third parties.	322.53	212.68
	d) Disputed Excise Duty and Other demands	869.23	769.28
	e) Future liability on account of lease rent for unexpired period	39.30	-
	f) Bonds executed for machinery imports under EPCG Scheme	2773.22	3,039.99
	g) Income Tax demands where the cases are pending at various stages of appeal with the authorities	187.76	187.21
	h) Claims against the Company, not acknowledge as debt	17.03	8.92
II.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances	**11,981.02**	**10,512.62**

30 Jindal Power Limited, a subsidiary company, is in process of implementation of 2400 MW (4 X 600MW) Thermal Power Plant at Tamnar, Raigarh in the state of Chhattisgarh. Further the Company has initiated work of 1320 MW (2 X 660MW) Thermal Power Project located at Dumka and also another Power Project of 1320 MW (2 X 660MW) located at Godda in the state of Jharkhand.

31 In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made and considered adequate.

32 a) Provision for current income tax has been made considering various benefits and allowances available to the Company under the provisions of the Income Tax Act, 1961.

b) Movement of deferred tax provision/adjustment in accordance with Accounting Standard (AS–22) 'Accounting for Taxes on Income' is as under:

(₹ in Crore)

		As on 1st April, 2010	Charge/ (Credit) during 2010-11	As on 1st April, 2011	Charge/ (Credit) during the year	As on 31st March, 2012
A.	**Deferred Tax Assets**					
	a) Disallowance u/s 43-B of the Income Tax Act, 1961	(87.01)	(13.81)	(100.82)	(13.40)	(114.22)
	b) Provision for Doubtful Debts	(1.52)	0.01	(1.51)	(0.79)	(2.30)
	Deferred Tax Assets	(88.53)	(13.80)	(102.33)	(14.19)	(116.52)
B.	**Deferred Tax Liabilities**					
	a) Difference between book and tax depreciation	932.97	173.81	1,106.78	201.69	1,308.47
	b) Miscellaneous Expenditure written off	1.03	-	1.03	(1.03)	-
	Deferred Tax Liabilities	**934.00**	**173.81**	**1,107.81**	**200.66**	**1,308.47**
C.	**Total Deferred Tax Liabilities (Net)**	**845.47**	**160.01**	**1,005.48**	**186.47**	**1,191.95**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

		Current Year	Previous Year
33	**Prior period adjustment (net) includes**		
	Expenses relating to earlier years		
	- Miscellaneous Expenses	-	2.85

(₹ in Crore, except per share data)

		Current Year	Previous Year
34	**'EARNINGS PER SHARE', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-20):**		
	Profit for the year after Taxation	4002.26	3,804.01
	Profit attributable to ordinary shareholders	4002.26	3,804.01
	Add: Share of Profit of Associates	20.03	15.78
	Less: Minority Interest	(57.40)	(65.91)
	Profit attributable to Ordinary shareholders (Consolidated)	3,964.89	3,753.88
	Number of Equity Shares (in nos.)		
	a) Issued and subscribed	93,45,99,380	93,34,28,727
	b) Number of potential equity Shares (under Employees' stock option scheme)	-	9,01,250
	Total no. of shares including potential equity shares	93,45,99,380	93,43,29,977
	Basic earnings per Share (₹)	42.42	40.22
	Diluted earnings per Share (₹)	42.42	40.18

(₹ in Crore)

				Current Year		Previous Year	
				Gratuity	Leave Encashment	Gratuity	Leave Encashment
				Funded	Un-Funded	Funded	Un-Funded
35	**'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15):**						
	A. Gratuity & Leave Encashment						
	I	Components of Employer Expense					
		1	Current Service Cost	7.42	11.98	5.13	9.21
		2	Interest Cost	2.74	3.74	2.03	2.95
		3	Expected Return on Plan Assets	(2.32)	-	(1.39)	-
		4	Curtailment Cost/(Credit)	-	-	-	-
		5	Settlement Cost/(Credit)	-	-	-	-
		6	Past Service Cost	(1.44)	2.14	0.84	0.58
		7	Actuarial Losses/(Gains)	0.21	4.49	2.30	1.63
		8	Total expense recognised in the Profit and Loss Account	6.60	22.35	8.91	14.37
	II	Actual Returns for the year ended March 31, 2012		1.66	-	1.26	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

				Current Year		Previous Year	
				Gratuity	Leave Encashment	Gratuity	Leave Encashment
				Funded	Un-Funded	Funded	Un-Funded
35	**'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15):**						
	III	Net Assets/(Liability) recognised in the Balance Sheet					
		1	Present value of Defined Benefit Obligation	(40.21)	(64.01)	(32.65)	(47.30)
		2	Fair Value of Plan Assets	31.63	-	21.70	-
		3	Status {Surplus/(Deficit)} (1-2)	(8.56)	(64.01)	(10.95)	(47.30)
		4	Unrecognised Past Service Cost	0.88	-	1.64	-
			Net Assets/(Liability) recognised in the Balance Sheet (3+4)	(7.68)	(64.01)	(9.31)	(47.30)
	IV	Change in Defined Benefit Obligation (DBO)					
			Present Value of DBO at the beginning of the year	(32.71)	(47.30)	(23.79)	(36.58)
		1	Current Service Cost	(7.41)	(11.98)	(5.13)	(9.21)
		2	Interest Cost	(2.74)	(3.74)	(2.03)	(2.95)
		3	Curtailment Cost/(Credit)	-	-	-	-
		4	Settlement Cost/(Credit)	-	-	-	-
		5	Plan Amendments	2.21	(2.14)	(0.08)	(0.58)
		6	Acquisitions	(0.58)	(0.69)	0.01	(0.01)
		7	Actuarial (Losses)/Gains	(0.06)	(4.49)	(2.42)	(1.63)
		8	Benefits Paid	1.08	6.33	0.79	3.66
			Present Value of DBO at the end of the year	(40.21)	(64.01)	(32.65)	(47.30)
	V	Change in Fair Value of Assets Plan Assets at the beginning of the year		21.70		11.90	-
		1	Acquisition Adjustment	(0.10)	-	1.28	-
		2	Expected Return on Plan Assets	2.32	-	1.39	-
		3	Actuarial (Losses)/Gains	(0.18)	-	0.12	-
		4	Actual Company Contribution	8.97	6.33	7.80	3.66
		5	Benefit Paid	(1.08)	(6.33)	(0.79)	(2.84)
			Plan Assets at the end of the year	31.63	-	21.70	0.82
	VI	Actuarial Assumptions					
		1	Discount Rate (%)				
			- Holding Company	8.50	8.50	8.50	8.50
			- Subsidiary Company	8.50	8.40	8.40	8.40
		2	Expected Return on Plan Assets (%)				
			- Holding Company	9.00	-	9.00	-
			- Subsidiary Company	9.15	-	9.15	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

B. PROVIDENT FUND

The Company contributed/provided ₹ 22.97 crore and ₹ 7.83 crore towards provident fund during the year ended 31st March, 2012 & 31st March, 2011 respectively.

The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standards Board (ASB) of the ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below assumptions made a provision of ₹ 10.38 crore as at 31st March, 2012 (Previous Year ₹ Nil).

The details of fund and plan assets position are given below:

Particulars	As at 31.03.2012	
	Provident Fund	Interest guarantee
Plan assets at period end, at fair value	172.63	-
Present value of benefit obligation at period end	172.63	10.38

Assumptions used in determining the present value obligation of the interest rate guarantee under Deterministic Approach:

Particulars	As at 31.03.2012	
	2011-12	2013 and thereafter
Expected Return on assets of exempted provident fund	8.20%	8.20%
Expected guaranteed interest rate	8.60%	8.60%
Discount rate	8.50%	

36 The Company has over the years, expanded its steel power & mining businesses, both in India and internationally. The Company had expanded its diamond exploration business by making business investment in the diamond mines in the Democratic Republic of Congo, so as to be part of global production & marketing hub in Africa. Since the diamond exploration business was making continuous losses and the business investment(s) made by the Company had impaired, it was decided to dispose off such investment(s), in order to prevent any further business losses. Accordingly, an amount of ₹ 93.62 crore has been disclosed as "Loss arising from Business investment(s)", under Note no. 28 Other Expenses in the Statement of Profit & Loss. The amount of Loss is net of Operating losses incurred in the past and included in Statement of Profit and Loss in the relevant year in the consolidated financial statements.

37 Disclosures as required by Accounting Standard (AS–17) 'Segment Reporting':

The primary reportable segments are the business segments namely Iron & Steel and Power. The secondary reportable segments are geographical segments which are based on the sales to customers located in India and outside India and the assets and liabilities located in respective territories.

Segment accounting policies are in line with the accounting policies of the Company. In addition, 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 results.

c) Expenses/Incomes which relates to the Company as a whole and not allocable to segments are included under Other Un-allocable Expenditure (net of Un-allocable Income).

d) Segment assets and liabilities include those directly identifiable with respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to Company as a whole and not allocable to any segment.

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Current Year	Previous Year
I. Primary Segments (Business Segments)		
1. Segment Revenue		
a) Iron & Steel	15,893.21	10,420.82
b) Power	4,464.32	4,317.46
c) Others	539.75	230.06
Sub –Total (Gross)	**20,897.28**	**14,968.34**
Less : Inter-segment Revenue	1,280.82	969.39
Net Segment Revenue	**19,616.46**	**13,998.95**
2. Segment Results (Profit(+) / Loss(-) before Tax and interest from each segment)		
a) Iron & Steel	3,923.22	2,887.51
b) Power	2,653.53	2,937.77
c) Others	(173.63)	(6.32)
Sub –Total	**6,403.12**	**5,818.96**
Less: Interest, financial expenses and lease rent	529.61	335.58
Other un-allocable expenditure (net of un-allocable income)	684.91	496.33
Profit before Tax	**5,188.60**	**4,987.05**
Provision for Taxation		
– Income Tax	999.87	1,023.03
– Deferred Tax	186.47	160.01
Profit for the year after tax	**4,002.26**	**3,804.01**
3. Other Information		
I Segment Assets		
a) Iron & Steel	17,059.49	15,380.02
b) Power	11,505.38	9,763.94
c) Others	2,956.59	1,659.54
d) Un-allocated Assets*	13,486.08	9,285.40
Total Assets	**45,007.54**	**36,088.90**
II Segment Liabilities		
a) Iron & Steel	2,411.60	1,994.40
b) Power	427.13	21.85
c) Others	166.06	371.72
d) Un-allocated Liabilities	6,493.76	5,384.35
Total Liabilities	**9,498.54**	**7,772.32**
III Capital Expenditure (Including Capital work in Progress)		
a) Iron & Steel	3,530.29	4,486.91
b) Power	2,819.34	3,867.35
c) Others	258.01	36.88
Total	**6,607.64**	**8,391.14**

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

(₹ in Crore)

Particulars	Current Year	Previous Year
IV Depreciation & amortisation expenses		
a) Iron & Steel	797.57	591.39
b) Power	504.98	512.73
c) Others	83.92	46.88
Total	**1,386.47**	**1,151.00**
V Non-Cash expenditure other than depreciation		
a) Iron and Steel	(0.73)	(5.47)
b) Power	-	-
c) Others	95.28	14.95
Total	**94.55**	**9.48**

* Unallocated assets include capital work in progress relating to ongoing projects with corresponding liabilities under unallocated liabilities.

Particulars	Current Year	Previous Year
II. Secondary Segments (Geographical Segments)		
1. Revenue by Geographical market		
a) India	16,037.55	12,160.37
b) Outside India	3,578.91	1,838.58
Total	**19,616.46**	**13,998.95**

38 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS–18) 'RELATED PARTY DISCLOSURES':

The names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are:

A. List of Related Parties and Relationships

a) Associates

1. Angul Sukinda Railway Limited
2. FB Infra Private Limited (w.e.f. 17.01.2012)
3. Nalwa Steel & Power Limited

b) Joint Ventures

1. Jindal Synfuels Limited
2. Shresht Mining and Metals Private Limited
3. Urtan North Mining Private Limited

c) Key Management Personnel

1. Shri Naveen Jindal (Chairman & Managing Director)
2. Shri Vikrant Gujral (Group Vice Chairman & Head Global Ventures)
3. Dr. Rajendra Prasad Singh (Executive Vice Chairman) – Jindal Power Limited
4. Shri Anand Goel (Jt. Managing Director, Corporate Affairs)
5. Shri R.S. Sharma (Managing Director) – Jindal Power Limited

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

6. Shri Sushil Kumar Maroo (Deputy Managing Director) – Jindal Power Limited
7. Shri Naushad Akhter Ansari (Wholetime Director)
8. Shri Pradip Kumar Chakraborty (Wholetime Director) – Jindal Power Limited

d) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

1. Advance Sporting Arms Private Limited
2. Bir Plantation Private Limited
3. Gagan Infraenergy Limited
4. India Flysafe Aviation Limited
5. Jindal Coal Private Limited
6. Jindal Realty Private Limited
7. Jindal Rex Exploration Private Limited
8. Jindal Saw Limited
9. Jindal Stainless Limited
10. Jindal System Private Limited
11. Minerals Management Services (India) Private Limited
12. Nalwa Sons Investment Limited
13. Opelina Finance and Investment Limited
14. Trishakti Real Estate Infrastructure and Developers (P) Limited
15. Uttam Vidyut Transmission Private Limited
16. Yno Finvest Private Limited

e) Relatives of Key management Personnel

Shri Paras Goel

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

B. Transactions with Related Parties

(₹ in Crore)

Description	Associates and Joint ventures		Key Management Personnel		Enterprises controlled by Key Management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services	396.83	128.85	-	-	37.50	23.33
Sales of Goods (including capital goods)	363.03	251.64	-	-	1,072.01	954.52
Rendering Of Services	-	-	-	-	2.89	3.30
Investment in Equity Shares during the year	0.00	0.69	-	-	-	-
Advance against share Application money	19.39	18.06	-	-	-	-
Other Advances given/(taken)	47.82	-	0.89	0.31	(18.42)	27.73
Security Deposit Given	-	-	-	-	50.00	-
Rent and other expenses Paid	-	-	-	0.02	0.09	-
Interest received/(paid)	0.47	0.11	-	-	39.38	29.30
Dividend received/(paid)	-	-	-	-	-	-
Remuneration*	-	-	87.69	85.75	-	-
Lease rent received	-	-	-	-	3.00	3.00
Hire charges paid	-	-	-	-	27.29	22.09
Guarantees/Corporate guarantees obtained/(given)	-	(7.33)	-	-	-	-
Inter-corporate deposits Repaid/ Adjusted	-	-	-	-	(33.04)	-
Inter-corporate deposits given	(7.66)	0.57	-	-	8.64	-
Outstanding Balance at the year end						
Investment in Equity Shares	3.40	3.40	-	-	-	-
Guarantees Outstanding	79.08	79.08	-	-	16.66	16.66
Advance from customer & Others	-	-	-	-	-	0.44
Loans and Advances (including Interest)	56.95	1.58	0.82	0.24	487.39	461.23
Advance against Share Application money	42.45	23.06	-	-	-	-
Debtors – Dr. Balance	0.73	52.21	-	-	119.22	28.98
Creditors – Dr. Balance	8.39	-	-	-	7.04	23.22
Cr. Balance	4.43	-	-	-	2.25	0.68

*Remuneration to Key Management Personnel does not include sitting fees paid during the year of ₹ 0.08 crore (Previous year ₹ 0.06 crore) and includes paid to relative of Key management personnel ₹ 0.24 crore (previous year ₹ 0.18 crore).

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

Disclosure in respect of Material Related party transactions during the year

1 Material transactions with Associates

(₹ in Crore)

Name of Related Party		Nalwa Steel & Power Limited
Relationship	Year	Associate
Purchase of Goods/Services	2011-12	396.83
	2010-11	128.85
Sale of Goods	2011-12	361.91
	2010-11	251.64
Rendering of services	2011-12	-
	2010-11	-
Investment of Equity	2011-12	-
	2010-11	
Investment in Preference Shares	2011-12	-
	2010-11	-
Advance against share application money	2011-12	-
	2010-11	
Other advances given	2011-12	47.50
	2010-11	-
Interest received	2011-12	-
	2010-11	
Interest paid	2011-12	-
	2010-11	
Dividend Received	2011-12	-
	2010-11	
Corporate guarantee/Guarantee obtained/(given)	2011-12	-
	2010-11	-
Inter-corporate deposits given	2010-11	-
	2010-11	
Inter-corporate deposits repaid/adjusted	2011-12	-
	2010-11	-
Inter-corporate deposits written off	2011-12	-
	2010-11	-
Inter-corporate deposits taken	2011-12	-
	2010-11	
Inter-corporate deposits refunded	2011-12	-
	2010-11	

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

2. Material transactions with Key Management Personnel

(₹ in Crore)

Name of Related Party		JSW Steel Ltd. Mumbai	JSW Energy Limited	JSW Steel Ltd. Bellary	Jindal Stainless Ltd.	Jindal Saw Limited	Jindal Reality Pvt. Ltd.	TriShakti Real Estate Pvt. Limited	Minerals Management Service (India) Pvt. Ltd.	India Flysafe Aviation Limited
Relationship	**Year**									
Purchase of Goods/Services	2011-12	19	-	7.72	6.37	4.35	-	-	-	-
	2010-11	11.13	-	1.86	10.17	0.17	-	-	-	-
Sale of Goods	2011-12	0.65	3.61	233.51	33.52	797.06	0.19	-	-	-
	2010-11	-	6.63	279.97	37.04	569.07	-	-	-	-
Rendering of services	2011-12	-	-	-	0.04	0.51	0.79	-	-	-
	2010-11	-	-	-	-	-	1.36	-	-	-
Other advances given/(taken)	2011-12	-	-	-	-	-	-	-	-	(18.47)
	2010-11	-	-	-	-	-	22.05	10.13	-	-
Security Deposit Given	2011-12	-	-	-	-	-	-	-	50.00	-
	2010-11	-	-	-	-	-	-	-	-	-
Interest received	2011-12	-	-	0.55	-	-	35.9	2.94	-	-
	2010-11	-	-	0.45	-	-	27.45	1.41	-	-
Interest paid	2011-12	-	-	-	-	-	-	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Dividend Received	2011-12	-	-	-	-	-	-	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Lease Rent Received	2011-12	-	-	-	-	-	-	-	-	3.00
	2010-11	-	-	-	-	-	-	-	-	3.00
Hire Charges Paid	2011-12	-	-	-	-	-	-	-	-	27.29
	2010-11	-	-	-	-	-	-	-	-	22.09
Inter-corporate deposits given	2011-12	-	-	-	-	-	-	8.64	-	-
	2010-11	-	-	-	-	-	-	-	-	-
Inter-corporate deposits repaid/ adjusted	2011-12	-	-	-	-	-	-33.04	-	-	-
	2010-11	-	-	-	-	-	-	-	-	-

3. Material transactions with Key Management Personnel

(₹ in Crore)

	Year	Shri Naveen Jindal	Shri Vikrant Gujral	Shri Anand Goel	Shri Naushad Akhter Ansari	Shri Paras Goel	Shri A.K. Mukherjee
Remuneration	2011-12	73.42	2.98	2.46	1.02	0.24	-
	2010-11	67.21	5.97	3.63	0.30	0.18	0.65
Loans and advances given	2011-12	0.18	0.01	0.50	-	-	-
	2010-11	0.18	-	-	-	-	-

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

39 DISCLOSURE AS PER CLAUSE 32 OF LISTING AGREEMENT

Loans and Advances in the nature of Loans given to Subsidiaries, Associates and Others:

(₹ in Crore)

Name of the Company	Relationship	Amount Outstanding		Maximum balance
		As at 31st March, 2012	As at 31st March, 2011	Outstanding during the year
FB Infra private Ltd	Associate	7.22	-	7.22

Notes :

a) All the above loans and advances are interest bearing.

b) None of the loanees have, per se, made investments in shares of the Company.

40 FINANCIAL AND DERIVATIVE INSTRUMENTS:

a) Derivatives contracts entered into by the Company and outstanding as on 31st March, 2012, for hedging currency and interest rate related risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding is ₹ 3,764.70 crore (Previous year ₹ 3,205.86 crore). Category wise break-up is given below:

(₹ in Crore)

	Current Year	Previous Year
Interest rate Swaps	217.74	483.95
	(USD equivalent	(USD equivalent
	40.88 Million)	108.38 Million)
Options	47.94	93.76
	(USD 9.00 Million)	(USD 21 Million)
Forward Contracts	3,499.02	2,628.15
	(USD equivalent 700.63 Million)	(USD equivalent 570.39 Million)

b) The principal component of foreign currency loans/debts not hedged by derivative instruments amount to ₹ 2,248.22 crore (Previous year ₹ 2,087.81 crore) which in respective currencies is as under:

	Current Year	Previous Year
US Dollars	138.54 Million	142.85 Million
Japanese Yen	19,577.87 Million	20,810.18 Million
Euro	46.42 Million	51.51 Million

c) In accordance with the accounting policy on financial derivative instruments, during the year, the Company has recognised mark to market losses of ₹ 41.03 crore (Previous year ₹ 21.62 crore).

NOTES to the consolidated financial statements as at and for the year ended 31st March, 2012

41 INTEREST IN JOINT VENTURES:

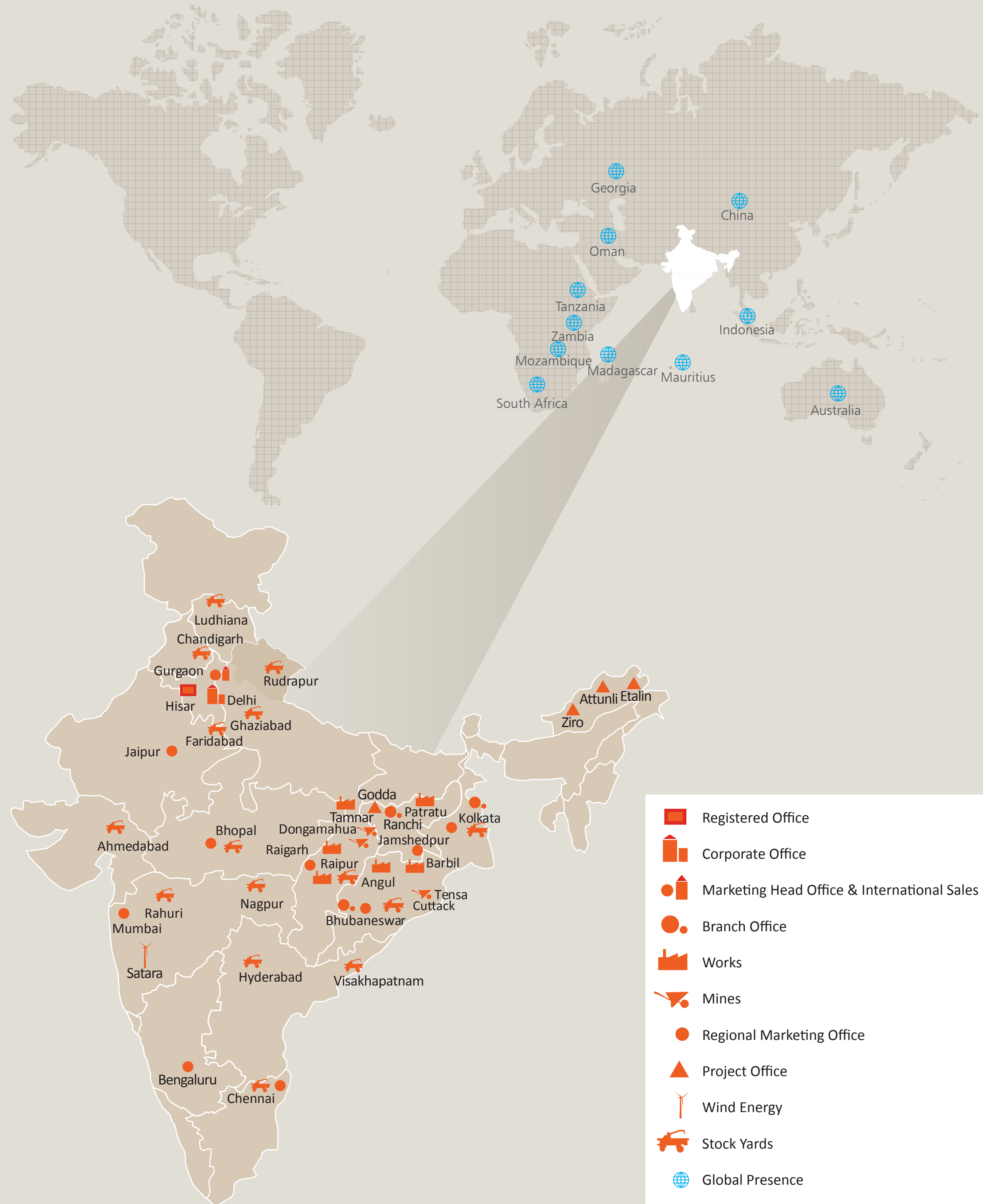
The Company's interest as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is as under:

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Jindal Synfuels Limited	India	70.00	70.00
Shresht Mining and Metals Private Limited	India	50.00	50.00
Urtan North Mining Company Limited	India	66.67	66.67

The Company's share of assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the joint ventures) related to its interest in the Joint Ventures and included in the consolidated financial statements are:

(₹ in Crore)

	As at 31st March, 2012	As at 31st March, 2011
I. Liabilities		
1 Non-current Liabilities		
Other Long-term liabilities	-	-
2. Current liabilities		
Other current liabilities	1.71	0.94
II. Assets		
3. Non-Current Assets		
a) Fixed Assets		
Fixed Assets	0.02	-
Capital work in progress	-	-
Intangible assets under development	16.91	9.60
b) Long term loans & advances	1.35	1.26
4. Current Assets		
Cash & cash equivalents	0.22	0.30
Other current assets	0.26	-



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