



JINDAL
D.P. JINDAL GROUP

ANNUAL REPORT
2011-12

Operational Excellence

Key to our growth

JINDAL
DRILLING & INDUSTRIES LTD.

JINDAL DRILLING & INDUSTRIES LIMITED



90%

average operating hours achieved
during the year.



Operational excellence is the key to our growth. Despite severe economic slow down in the global economy, JDIL however, has managed to keep it buoyant through prudent fiscal management. The company has initiated many long term measures to maintain the growth trajectory and sustain operational excellence in the years to come.

JDIL has been awarded "Drilling Services Company of the Year - 2011" by Petroleum federation of India (Petrofed) for operational excellence in financial year 2010-11.



Achievements: during 2011-12

DISCOVERY I

- Rig has achieved better commercial speed (2194-2304 m/RM) to drill higher drift wells of VSEA and C-24 platforms.
- During the year 2011-12 Discovery I clocked only 0.2% of down time which is half of last year.

VIRTUE I

- ONGC planned to drill a complicated well in BF-9 platform. Our new generation rig VIRTUE I was selected for this critical assignment which is equipped with 3 mud pumps, top drive with 50,000 lbs-ft torque ratings, etc.
- The operation team drilled an unconventional 7" hole using latest technologies and lowered deepest expandable liners in the history of ONGC using meticulous planning and execution marked by extreme co-ordination between operator (ONGC) and drilling contractor (JDIL).

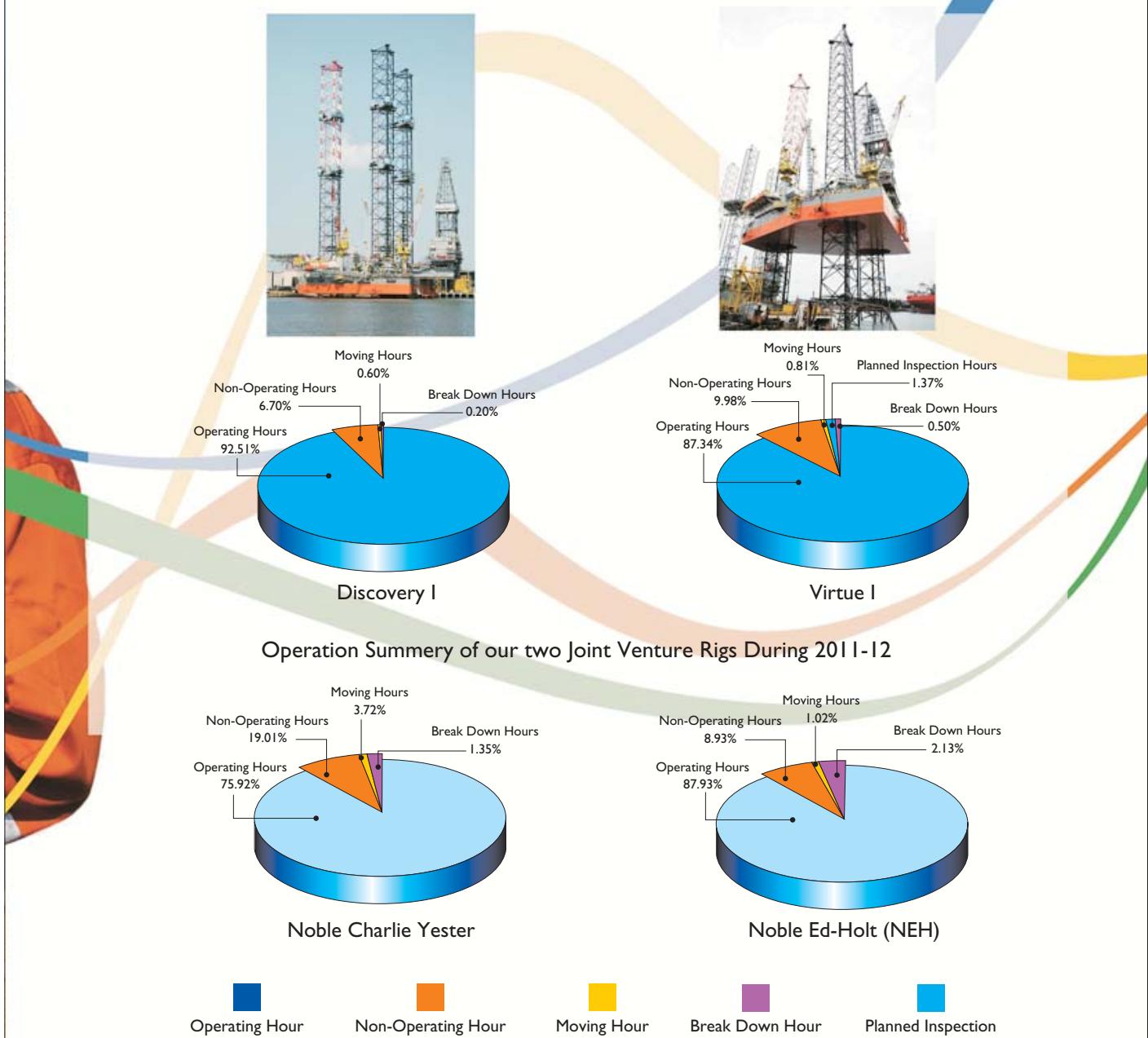


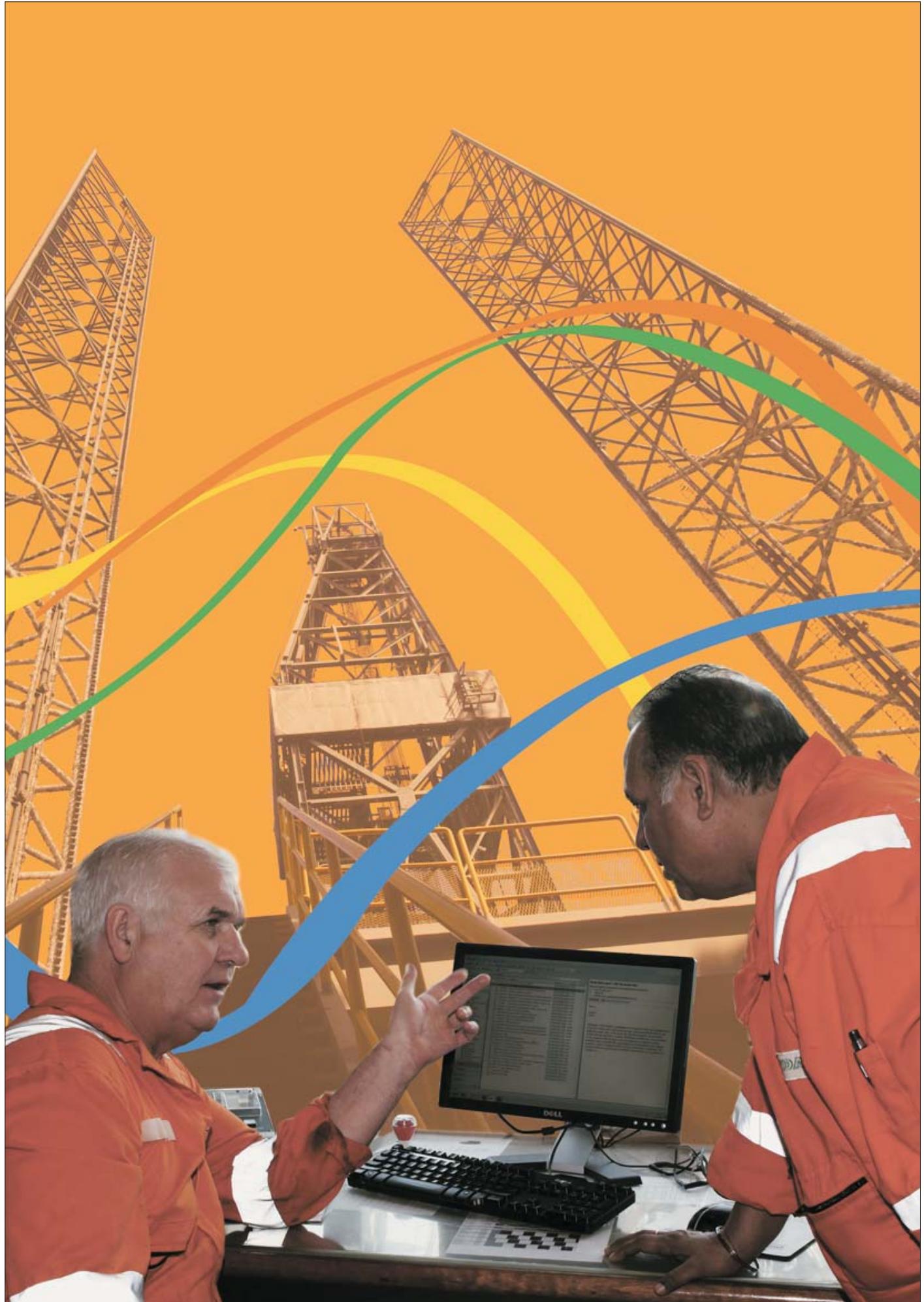
Our focus continually remains on improving operational efficiency and asset productivity.

Our Rigs are fully operational with less non productive time and credited with better commercial speed. Discovery I, once again has been awarded a fresh 5 years charter contract with ONGC and is operating in the western offshore fields in the Indian ocean.

In view of the long term prospects and more demanding requirements sought by the oil companies JDIL has taken pro active measures to upgrade its jack up rig fleet.

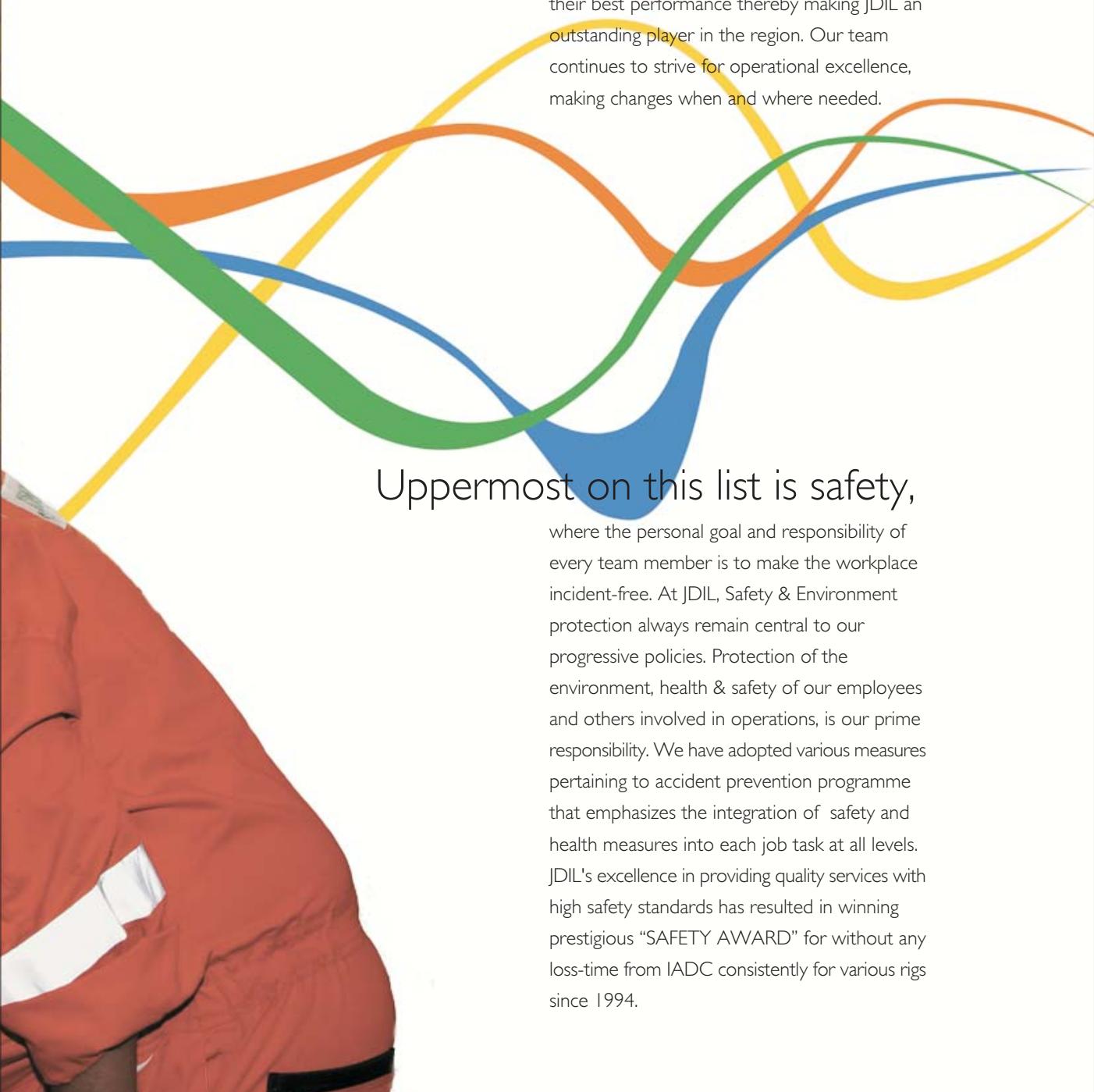
Operation Summary- During 2011-12





Performance driven by our people

Our success is the combination of the right people, assets, customers and prudent strategies.

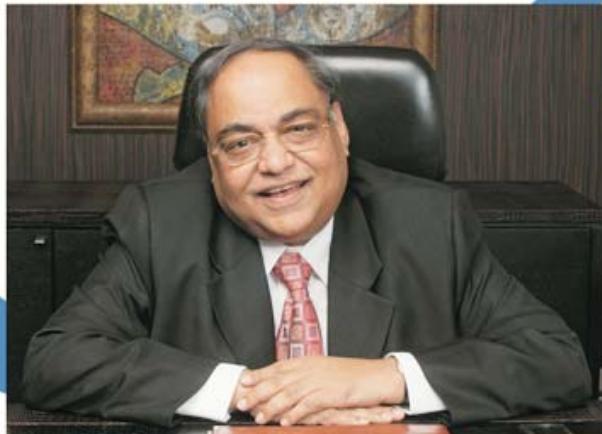


It is our people who have committed themselves to walk an extra mile for our customers to give their best performance thereby making JDIL an outstanding player in the region. Our team continues to strive for operational excellence, making changes when and where needed.

Uppermost on this list is safety,

where the personal goal and responsibility of every team member is to make the workplace incident-free. At JDIL, Safety & Environment protection always remain central to our progressive policies. Protection of the environment, health & safety of our employees and others involved in operations, is our prime responsibility. We have adopted various measures pertaining to accident prevention programme that emphasizes the integration of safety and health measures into each job task at all levels. JDIL's excellence in providing quality services with high safety standards has resulted in winning prestigious "SAFETY AWARD" for without any loss-time from IADC consistently for various rigs since 1994.

Chairman's Statement

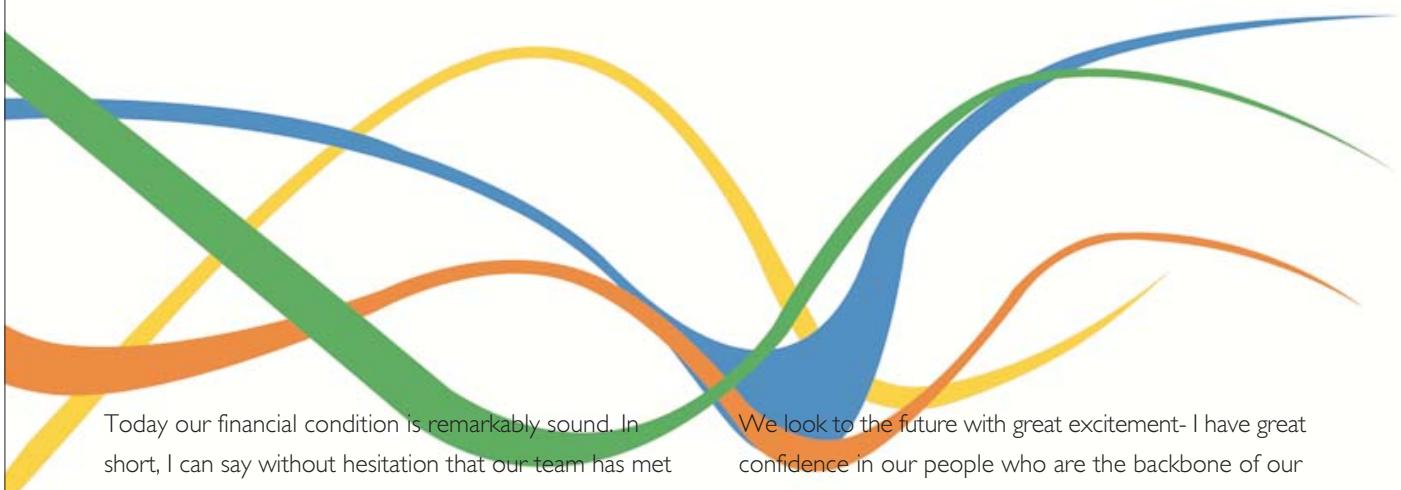


D.P. Jindal
Chairman, DP Jindal Group

Dear Shareholders

The year 2011-12 has been yet another challenging year for the oil industry at large. Despite volatility in crude oil price affecting the charter rates for rigs, your company has shown quite a substantial performance.

In our industry, recognizing change and being decisive is key to survival and these principles had seen us through many past economic downturns. Our promise to you was that we would sail through the turbulent conditions, ensuring the safety of our crews, delivering excellent services to our customers and working even harder than ever to earn confidence of our stakeholders and investors. The foundation of the confidence in making such promises come from the financial discipline and operational excellence. During the year, your company has shown excellent performance in its entire business units- Jack up rig services, directional drilling and mud logging services. All the company's rigs, Discovery I, Virtue I, and two more rigs from Noble Drilling are operating efficiently with negligible lost time in operation. Discovery I has been remobilized for a fresh lease with ONGC for another 5 years. In the Directional Drilling Services unit, your company has successfully completed several contracts with ONGC and in the meantime your company has also commenced operations for ONGC Ahmedabad for a period of three years against a new tender. Similarly, our Mud Logging units are also operating with more than 95% efficiency without any downtime and registering almost 100% incident free operations.



Today our financial condition is remarkably sound. In short, I can say without hesitation that our team has met virtually every challenge we faced. In doing so, we weren't content with half measures, but again distinguished ourselves in terms of the value and services we provide to our customers.

We have made advances to reinforce our goal of developing the skills in every team member to ensure each one possesses the highest standard of training needed to face the ever challenging global scenario. Our efforts on adhering to compliance aren't just paper notes, we are steadily improving the competence of our team by imparting training in a variety of disciplines such as drilling, stability, compliance, maintenance and safety. Our goal is to ensure that every employee is always at the top of their game and fully prepared to meet the highest industry standards, expectations of our customers and the demands of a modern offshore drilling industry.

Looking ahead, we are optimistic about our long-term future, but still hold apprehension about immediate progress of the current economic slowdown. To be more on a positive note, as we have done in the past, I believe we will emerge from this period of global economic deterioration stronger than ever. We are confident that we have the right people, assets, customers and strategy for long-term success. We remain committed to investing prudently for the future, seeking investments in new opportunities when and where they make sense.

We look to the future with great excitement- I have great confidence in our people who are the backbone of our success and on the loyalty of our customers and stakeholders. And it's why I know we are ready to achieve even more success in the years ahead.

Finally, I take this opportunity to thank all esteemed shareholders, employees, our bankers, our valued clients, suppliers and contractors for their continued support and guidance for which I am deeply obliged.

Thank you

D.P. Jindal

Message from Managing Director



Raghav Jindal
Managing Director

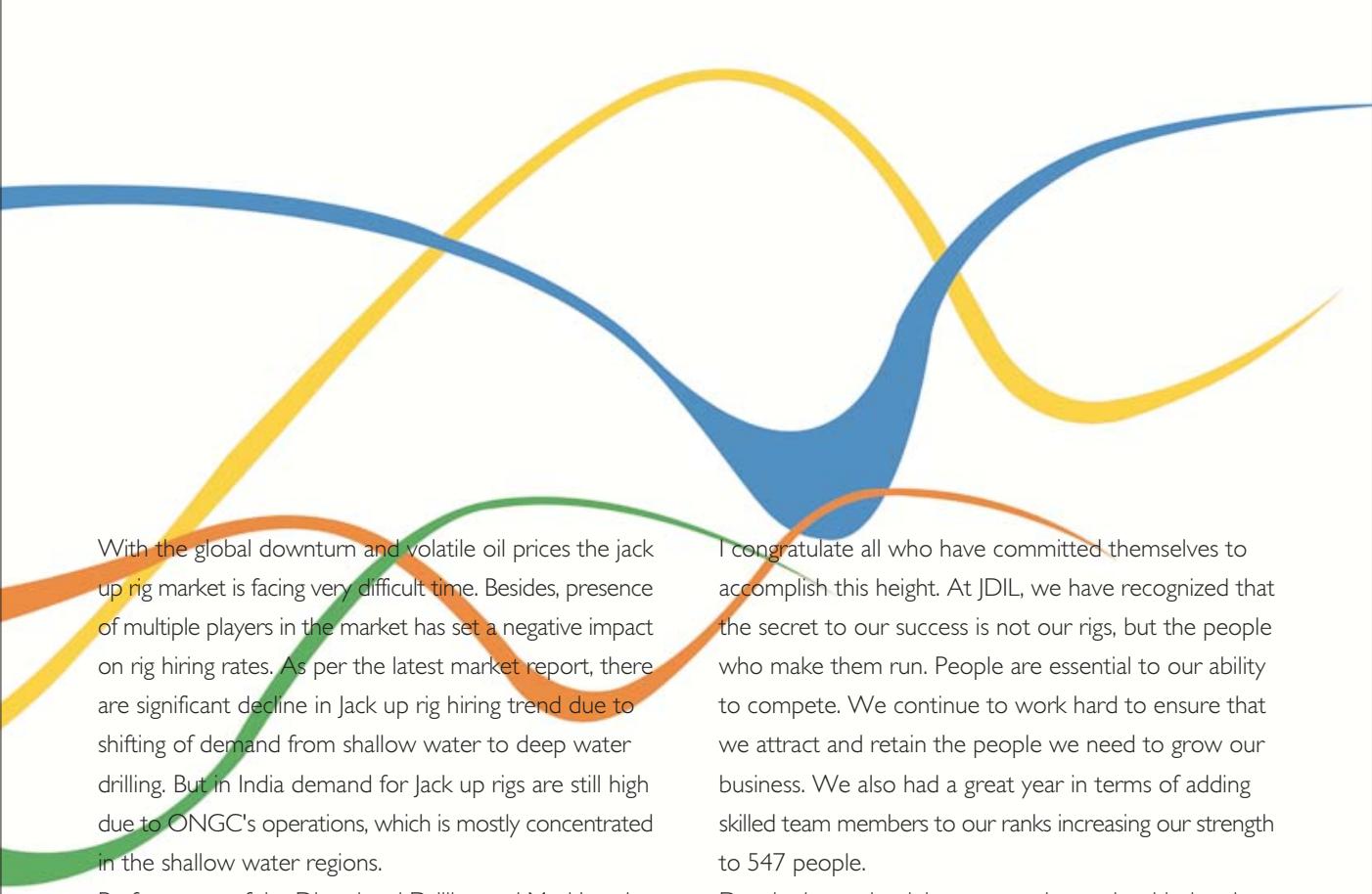
Dear Shareholders,

A very tough market environment characterized the year 2011-12. World economy, notably the Euro zone, had passed through severe debt crisis that invariably impacted Indian economy as well and the oil exploration sector was no exception.

A very important milestone in our strategic transformation was the successful completion of the rig contacts with ONGC. Several important initiatives were launched during the year towards meeting operational excellence, which is crucial for our future and in line with our vision too. The aim is to create a unique operating culture that starts with the customer and covers all parts of the company. These steps not only strengthened our position financially but also enable the management to focus fully on realizing our vision of becoming the number one in the Indian offshore drilling industry and compete aggressively on global platform.

Ability to drive our high performance through a competitive market condition is our great asset, apart from maintaining strong customer relationships, a solid bottom line and most importantly our talented and dedicated employees who are the driving force of our success. While we anticipate 2012-13 to be challenging year, our key performance indicators from this year show we are up to the task. Above all, our most important accomplishments during the year are:

- A fresh 5-year charter contract for Discovery I with ONGC w.e.f. 1st March 2012.
- An incident free operation of our rig Virtue I under existing contact with ONGC.
- Average 90% of operating hours of all our rigs with no lost time.



With the global downturn and volatile oil prices the jack up rig market is facing very difficult time. Besides, presence of multiple players in the market has set a negative impact on rig hiring rates. As per the latest market report, there are significant decline in Jack up rig hiring trend due to shifting of demand from shallow water to deep water drilling. But in India demand for Jack up rigs are still high due to ONGC's operations, which is mostly concentrated in the shallow water regions.

Performance of the Directional Drilling and Mud Logging Divisions have also been commendable in terms of business and revenue growth. During the year JDIL has completed many prestigious contracts with ONGC as well as Essar Oil Ltd. The company also added many new clients namely Joshi Technologies International, GeoEnpro Petroleum Ltd. Our Mud Logging division is also operating with more than 95% of efficiency without any downtime and successfully completed contract with Naftogaz India Pvt. Ltd. and continuing its contracts with Oil India Limited. We achieved this by continuing to aggressively manage our costs, strive for efficiencies and drive performance throughout the fleet. As a result, our team continues to strive for operational excellence, making changes when and where needed. Uppermost on this list is safety, where the personal goal and responsibility of every team member is to make our workplace incident-free. Our efforts remain certain and center on continuous improvement in our safety performance, managing our costs, strengthening our customer relationships and searching out and capitalizing on emerging opportunities that further our goals.

I congratulate all who have committed themselves to accomplish this height. At JDIL, we have recognized that the secret to our success is not our rigs, but the people who make them run. People are essential to our ability to compete. We continue to work hard to ensure that we attract and retain the people we need to grow our business. We also had a great year in terms of adding skilled team members to our ranks increasing our strength to 547 people.

Developing and training our employees is critical and we have imparted many trainings including safety training to employees for upgradation of knowledge and skills. We will not allow the distractions of the current economy to divert our attention from the core determinants of success. We are excited by the possibilities we see in the years ahead and you have our promise to continue to make this remarkable enterprise a leader in the offshore industry.

I deeply appreciate the hard work and dedication of our employees. I am grateful to our Board of Directors for their outstanding leadership and guidance and thankful to our esteemed shareholders for their continued interest and support. I also take this opportunity to thank all our business associates, suppliers and the bankers for their continued faith and timely support.

Thank you

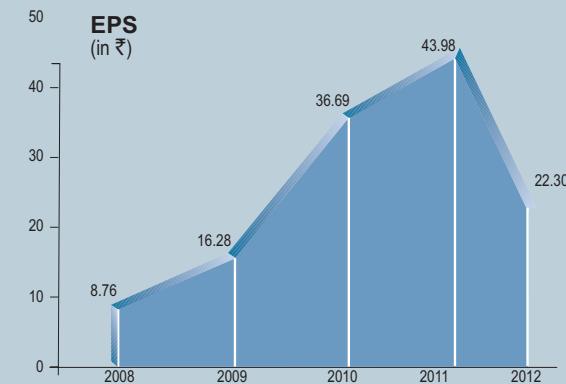
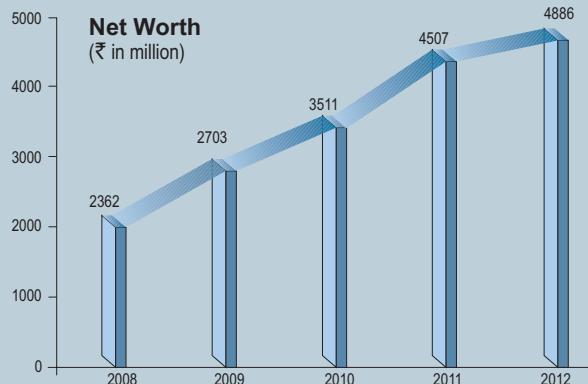
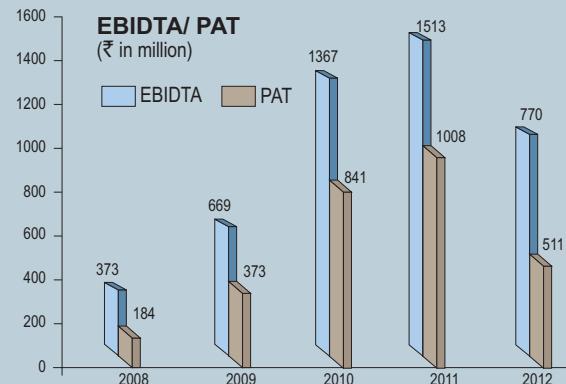
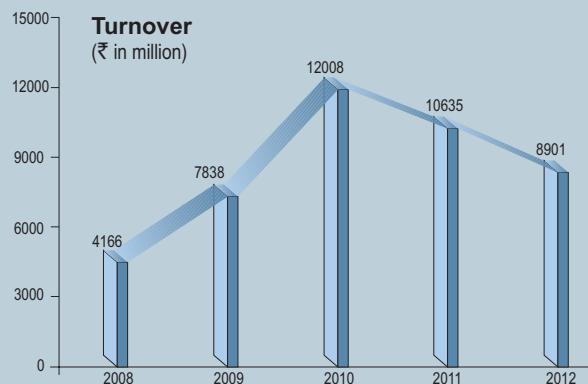
Raghav Jindal

FINANCIAL HIGHLIGHTS

(₹ in million)

Particulars	FY08 Audited	FY09 Audited	FY10 Audited	FY11 Audited	FY12 Audited
Income from Operations	4128	7778	11954	10526	8774
Other Income	38	60	54	109	127
Total Income	4166	7838	12008	10635	8901
PBIDT	411	728	1421	1622	897
Operating Profit (EBIDTA)	373	669	1367	1513	770
Interest & Financial Charges	33	27	19	9	10
Depreciation	90	128	121	111	108
Tax	67	148	423	507	301
Deferred Tax	37	52	17	-13	-34
Profit After Tax (PAT)	184	373	841	1008	511
Cash Profit	311	553	979	1106	586
Equity Share Capital	115	115	115	115	115
Net Worth	2362	2703	3511	4507	4886
Ratios					
EBIDTA as % of Sales	9.0	8.6	11.44	14.37	8.78
PAT as % of Sales	4.4	4.8	7.04	9.57	5.82
ROCE (%) (Annualised)	11.4	11.5	22.21	22.37	10.35
RONW (%) (Annualised)	16.05	13.8	23.95	22.30	10.46
Basic EPS (Annualised) *	8.76	16.28	36.69	43.98	22.30
Gross Block of Fixed Assets	1023	1275	1294	1288	1301

*Computed on the face value of ₹ 5/- per share.



BOARD OF DIRECTORS

D.P. Jindal Chairman
Raghav Jindal Managing Director
K.K. Khandelwal
Vijay Kaushik

AUDIT COMMITTEE

K.K. Khandelwal Chairman
D.P. Jindal
Vijay Kaushik

G. M. (Finance & Accounts)

Pawan Kumar Rustagi

COMPANY SECRETARY

Rajeev Ranjan

AUDITORS

G.Sanyal & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of Patiala
State Bank of Mysore
Standard Chartered Bank
ICICI Bank Limited

REGISTERED OFFICE

Pipe Nagar, Village Sukeli, N.H. 17, B.K.G. Road,
Taluka-Roha, Distt. Raigad, Maharashtra - 402126

CORPORATE OFFICE

Plot No .30, Institutional Sector-44
Gurgaon-122 002, Haryana

HEAD OFFICE

2nd Floor, 5 Pusa Road, New Delhi-110 005

MUMBAI OFFICE

3rd Floor, Keshava Building,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

OFFSHORE DRILLING

Rigs and Directional Drilling Equipments
operating in Mumbai Offshore.
Mud-logging operations Onshore & Offshore.

CONTENTS

Notice	12
Directors' Report	15
Corporate Governance Report	18
Management Discussion & Analysis	27
Auditors' Report	29
Balance Sheet	32
Profit & Loss Account	33
Cash Flow Statement	34
Notes of the Financial Statements	35



Member: International Association of Drilling Contractors, Houston, Texas, USA

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of Jindal Drilling & Industries Limited will be held on Friday, the 28th September, 2012 at 12.30 P.M. at Registered Office of the Company at Pipe Nagar, Village- Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad -402126 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2012 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri K. K. Khandelwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s G. Sanyal & Co. Chartered Accountants, as Auditors of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:-

5. To pass with or without modification(s) the following resolution as an ordinary resolution:.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, and subject to consent of the applicable authorities including Financial Institutions, etc., approval of the Company be and is hereby accorded to the appointment of and payment of remuneration to Shri Raghav Jindal, as Managing Director of the Company, for a period of 5 (five) years with effect from 1st January, 2012 on the terms and conditions, as set out herein below, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board of Directors and Shri Raghav Jindal.

SALARY

Rs. 9,00,000 (Nine Lacs only) per month with such increase as may be decided by the Board of Directors from time to time in the grade of Rs. 9,00,000 - 20,00,000 per month.

PERQUISITES

- I. The Managing Director shall be entitled to perquisites & benefits like furnished /non furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, medical reimbursement, leave travel concession for self & family, club fees, car with driver for business & personal use, facility of telephone installed at his residence, medical and personal accident insurance, education allowance, bonus/ex-gratia etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable.
- II. The Managing Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund, Pension Fund, Gratuity, encashment of earned leave at the end of the tenure, as per the rules of the Company, and these shall not be included in the computation of perquisites.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule XIII and other applicable provisions of the Companies Act, 1956 as amended from time to time.

OTHER TERMS

- I. The Managing Director shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.
- II. The Managing Director shall be entitled to reimbursement of entertainment, traveling and all other expenses incurred in the course of the Company's business. While traveling on Company's business purposes, the Managing Director will be entitled to be accompanied by his wife and the traveling and other incidental expenses incurred by his wife will also be borne / reimbursed by the Company.
- III. The appointment may be terminated by the Company or by the Managing Director by giving not less than three month's prior notice."

By order of the Board

Place : Gurgaon
Dated : 8th August, 2012

RAJEEV RANJAN
Company Secretary

NOTES:
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Form of proxy is separately annexed. The proxy must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. Members / Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the Attendance Slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 8th September, 2012 to 12th September, 2012 (both days inclusive) for the purpose of determining the shareholders, entitled to dividend for the year ended March 31, 2012, if declared at the Annual General Meeting. Dividend on shares, when declared, will be paid only to those members whose names are registered as such in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 7th September, 2012 and to the Beneficial Holders as per the Beneficiary List as on 7th September, 2012, provided by the NSDL and CDSL. Subject to the provisions of 206A of the Companies Act, 1956, dividend, if declared at the meeting, will be payable on or after 3rd October, 2012.
5. Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion / change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.
6. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office of the Company so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
7. In accordance with the provisions of the Companies Act, 1956, the amount of dividend which remains unpaid or unclaimed for a period of 7 years are to be transferred to the Investor Education and Protection Fund constituted by the Central Government and shareholders are not able to claim any amount of dividend so transferred to the Fund.

Details of dividend declared for the financial years from 2004-05 onwards are given below:

Year	Date of Declaration	Dividend (%)	Per share (₹)
2004-05	09.09.2005	25	2.50*
2005-06	15.12.2006	25	2.50*
2006-07	21.09.2007	5	0.50*
2007-08	20.08.2008	25	2.50*
2008-09	09.09.2009	25	1.25
2009-10	10.09.2010	25	1.25
2010-11	20.09.2011	10	0.50

*Face value of ₹10/- per equity share

Shareholders who have not yet encashed their dividend warrants are requested in their own interest to claim the outstanding dividend before it falls due for transfer to the aforesaid Fund.

8. National Electronic Clearing Service (NECS) Facility:

- (a) Members holding shares in physical form who wish to avail NECS facility may authorize the Company with their NECS mandate in the prescribed form, which can be downloaded from the Company's website www.jindal.com or can be obtained from the Corporate Office of the Company. Requests for payment of dividend through NECS should be lodged latest by 13th September, 2012 at the corporate office of the Company at Plot No. 30 Institutional Sector - 44, Gurgaon - 122002 (Haryana).
- (b) Members holding shares in demat form who wish to avail NECS facility, may send NECS mandate in the prescribed form to their respective Depository Participants.

9. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri K. K. Khandelwal	Shri Raghav Jindal
Age	73 Years	32 Years
Qualifications	M. Com, CAIIB	M.Sc in Management from London School of Economics & Political Science
Expertise in specific functional area	Veteran Banker having over four decades of experience in finance, banking and administration. He held various senior positions in the Banking sector and last being the Managing Director of State Bank of Hyderabad.	Industrialist having experience in the field of Business & Management.
Date of appointment as Director of the Company	24.03.2000	19.05.1998
Directorship of other companies	1. Toshniwal Travels Pvt. Ltd. 2. Quick Portfolio Services Pvt. Ltd. 3. Dwarkadish Promoters Pvt. Ltd.	1. Jindal Pipes Ltd. 2. Brahma Dev Holding & Trading Ltd. 3. Sparlerk Dealcomm Ltd. 4. Gondkhari Coal Mining Ltd. 5. Jindal Explodrill Ltd. 6. Jindal Hydrocarbons Ltd. 7. Steel & Metal Tubes (India) Ltd. 8. Jindal Pipes Finance Ltd. 9. Virtue Drilling Pte. Ltd. 10. Discovery Drilling Pte. Ltd.
Chairman/Member of Committees of other Companies	Nil	Member - Audit Committee, Jindal Pipes Ltd.
No. of shares held	1650	38700
Inter-se relationship with other Directors	Nil	Shri D.P. Jindal (Father)

The Board of Directors of the Company recommends the re-appointment of aforesaid Directors.

10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names recorded in the Register of Members will be entitled to vote. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representative to attend and vote at the meeting.
11. All documents referred to in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on any working day upto the date of Annual General Meeting and also at the meeting.

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

Item No. 5

The Board of Directors of the Company has re-appointed Shri Raghav Jindal as Managing Director of the Company, on the revised remuneration w.e.f. 1st January, 2012, on the terms and conditions set out in the resolution. Shri Raghav Jindal is also the Managing Director of Jindal Pipes Ltd.

As per the provisions of the Companies Act, 1956, it is necessary to obtain consent of the shareholders for reappointment and payment of remuneration to Shri Raghav Jindal as Managing Director of the Company.

Shri Raghav Jindal himself and Shri D. P. Jindal being related to Shri Raghav Jindal are interested in the resolution.

The Board recommends the resolution set forth in item No. 5 for approval of members.

DIRECTORS' REPORT

To the Members,

Your Directors present the 28th Annual Report along with Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

	(₹ in crore)	2011-12	2010-11
Total Income		890.07	1063.53
Profit before Depreciation		88.71	161.28
Less: Depreciation		10.85	11.09
Profit before Tax		77.86	150.19
Less: Provision for Tax		30.11	50.71
- Current		(3.40)	(1.33)
- Deferred		-	(0.02)
- Earlier years		-	(0.02)
Profit after Tax		51.15	100.84
Balance brought forward from previous year		110.93	21.42
Profit available for appropriation		162.08	122.26
Appropriations			
- Transfer to General Reserve		40.00	10.00
- Proposed Dividend		1.15	1.15
- Provision for Tax on Dividend		0.18	0.18
- Balance carried forward to Balance sheet		120.75	110.93
		162.08	122.26

DIVIDEND

Your Directors are pleased to recommend dividend of Re. 0.50/- (i.e. 10%) per equity share of ₹ 5/- each of the Company for the year ended 31st March, 2012.

OPERATIONS

Total income of the Company during the year was ₹ 890.07 crore as against ₹ 1063.53 crore in the previous year. The Profit before tax during the year was ₹ 77.86 crore against ₹ 150.19 crore in the previous year. Profit after tax was ₹ 51.15 crore as against ₹ 100.84 crores in the previous year.

The Company has been operating rig fleet of four Jack up Rigs, fifteen Directional Drilling equipments and four Mud logging units.

JOINT VENTURE COMPANIES

Your Company has two Joint Venture Companies, namely, Discovery Drilling Pte Limited (DDPL), Singapore and Virtue Drilling Pte Limited (VDPL), Singapore.

The working of both the Joint Venture Companies are reported to be as envisaged and rigs owned by the said Companies are operating under their respective contracts.

RECOGNITION

Your Company has been awarded "Drilling Services Company of the Year -2011" by Petroleum federation of India (Petrofed). The award was presented by Hon'ble Petroleum Minister of India based on JDIL's performance in various services,drilling efficiency, quality management and reliability while meeting the norms of occupational health, safety and environment protection.

DIRECTORS

Shri K. K. Khandelwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The Board of Directors has re-appointed Shri Raghav Jindal as Managing Director of the Company for a period of 5 (five) years w.e.f. 1st January,2012.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made 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 financial year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance along with Auditors' certificate on its compliance has been annexed as part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

REGISTERED OFFICE

The registered office of the Company has been shifted from the State of Haryana to the State of Maharashtra w.e.f. 15th June, 2012

AUDITORS

M/s. G. Sanyal & Co., Chartered Accountants, the retiring Auditors, hold office until conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment.

The observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts.

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

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

PARTICULARS OF EMPLOYEES

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report.

However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to shareholders of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

FIXED DEPOSITS

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

ACKNOWLEDGEMENT

The Board expresses its grateful appreciation of the assistance and co-operation received from Central and State Governments, Clients viz. ONGCL, Oil India, OILEX, GSPC, Geo Enpro, Canoro, Banks & Financial Institutions and Shareholders.

Your Directors wish to place on record their deep sense of appreciation for the devoted contribution made by the employees & associates at all levels.

For & on behalf of the Board

Place : Gurgaon
Dated : 8th August, 2012

D.P.JINDAL
Chairman

ANNEXURE 'A' TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

A. CONSERVATION OF ENERGY

a. Energy Conservation measures taken.

Since the Company has not undertaken any production activity, hence not applicable.

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

Not Applicable

c. Impact of measures at a. & b. above for reduction of energy consumption and consequent impact on the cost of production of the goods.

Not Applicable

d. Total energy consumption and energy consumption per unit of production.

Particulars in Form 'A' are not required, as there is no production.

B. TECHNOLOGY ABSORPTION

e. Efforts made in technology absorption - As per Form 'B' annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company's business does not directly result in physical exports but results in import substitution and conservation of valuable foreign exchange.

g. Total foreign exchange used and earned (2011-12)

Used - ₹ 704.53 crore

Earned - ₹ 861.66 crore

The Foreign Exchange earned relates to payment received for sales and services rendered to Oil sector.

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company : Nil
2. Benefits derived as a result of above R&D : Not applicable
3. Future plan of action : Nil
4. Expenditure on R&D : Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation.

Total quality management has been the prime thrust area. The Company has been making consistent efforts for replacement of expatriate crew by training the Indian crew on the Rigs.

2. Benefits derived as a result of the above efforts

Offshore Drilling is import substitution business and results in foreign exchange savings. Import substitution of stores and spares to the maximum extent possible was undertaken by the Company on a regular basis.

3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) the prescribed information may be furnished:

1. Technology Imported : Nil
2. Year of Import : Not applicable
3. Has Technology been fully absorbed : Not applicable
4. If not fully absorbed, areas where this has not taken place. : Not applicable

CORPORATE GOVERNANCE REPORT

The pursuit towards achieving good governance is an ongoing process at Jindal Drilling & Industries Ltd. (JDIL), as a conscious effort. The Company always focuses on good corporate governance - which is a key driver of sustainable corporate growth and long-term value creation. Your Company believes in conducting its affairs with the highest levels of integrity, with proper authorisations, accountability, disclosure and transparency.

The details of the Corporate Governance compliance by the Company as per the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

A COMPLIANCE OF MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is the system by which Companies are directed and managed. Good corporate governance structure encourages Companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

Jindal Drilling believes in ensuring true Corporate Governance Practices to enhance long term shareholders' value through corporate performance, transparency, integrity and accountability.

2. BOARD OF DIRECTORS

Composition

The Board of Directors of the Company consists of an optimal mix of Executive Directors and Independent Professionals who have in-depth knowledge of business, in addition to expertise in their areas of specialization. The Directors bring in expertise in the fields of human resource development, strategy, management, finance and economics among others. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on 31st March, 2012 the Board consisted of 4 Directors including one Non-Executive Chairman who is also a promoter of the Company, one Managing Director and the rest were Non-Executive Directors. The Board meets the requirement of not less than one half being independent Directors. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement (Corporate Governance Code) with the Stock Exchanges.

None of the Directors hold Chairmanship of more than 5 Committees or Membership in more than 10 committees of the Companies.

Board Functioning & Procedure

Jindal Drilling believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all stakeholders of the company. An active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Jindal Drilling believes that composition of Board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter to review the quarterly results and other items of agenda as required under Annexure 1A of Clause 49 of Listing Agreement, and if necessary, additional meetings are held.

During the financial year 2011-12, 4 (Four) Board Meetings were held on 3rd May, 2011, 3rd August, 2011, 29th October, 2011 and 4th February, 2012.

The Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2012 are given below:

Directors	Category	Shares Held	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Shri D. P. Jindal	NE-P-C	12920	4	Yes	4	1	-
Shri Raghav Jindal	MD-P	38700	2	Yes	8	1	-
Shri K. K. Khandelwal	NE-I	1650	4	Yes	-	-	-
Shri Vijay Kaushik	NE-I	-	4	Yes	-	-	-
Shri S.D. Sharma *	NE-I	-	1	-	-	-	-

C = Chairman, MD = Managing Director, NE = Non-Executive Director, P = Promoter, I = Independent,

* Ceased to be Director due to his death on 2.7.2011.

Note:

- Only Audit and Shareholders'/ Investors' Grievance Committees are considered.
- Excludes directorship in private/foreign companies and alternate directorship.

No Director is related to any other Director on the Board in terms of the definition of "relative" under the Companies Act, 1956, except Shri Raghav Jindal, who is the son of Shri D.P. Jindal.

CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website www.jindal.com.

The Code has been circulated to all members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the CEO and Managing Director of the Company is given below:

This is to certify that all Board Members and Senior Management personnel have affirmed compliance with Code of Conduct for Directors and Senior Management for the financial year ended 31st March, 2012.

RAGHAV JINDAL

Managing Director

Dated : 8th August, 2012

3. AUDIT COMMITTEE

BROAD TERMS OF REFERENCE

The terms of reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The broad terms of reference of Audit Committee include inter-alia the following:-

- Review quarterly and annual financial statements before submission to the Board for approval;
- Discuss with Auditors about Internal Control System and to consider their observations and follow-up;
- Review of risk management policies and practices;
- Ensure compliance of Internal Control System;
- Investigate on any matter referred by the Board;
- Make recommendation to the Board on any matter relating to the financial management of the Company, including the Audit Report.

COMPOSITION

The Audit Committee of the Company comprises of 3 Directors consisting of 1 Promoter Non-executive Director and 2 Independent Non-executive Directors. All members of the Committee possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Non-executive Director and was present at the last Annual General Meeting of the Company. The Audit Committee meetings are attended by the Internal & Statutory Auditors, Accounts and Finance Heads. The Company Secretary acts as the Secretary to the Audit Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

During the year under review 4 (Four) Audit Committee Meetings were held on 3rd May, 2011, 3rd August, 2011, 29th October, 2011 and 4th February, 2012. The composition of Audit Committee and attendance at its meeting is as follows:

Members	Designation	No. of Meetings attended
Shri K.K. Khandelwal	Chairman	4
Shri D.P. Jindal	Member	4
Shri Vijay Kaushik *	Member	3
Shri S.D. Sharma **	Member	1

* Appointed as Member of the Committee on 3.5.2011.

** Ceased to be Director due to his death on 2.7.2011.

INTERNAL AUDITORS

The Company has appointed a firm of Chartered Accountants as Internal Auditors to review the internal control systems of the Company and to report thereon. The Audit Committee reviews the reports of the Internal Auditors periodically.

4. REMUNERATION TO DIRECTORS

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Managing Director is governed under Board and Members resolutions. None of the Non-Executive Directors draw any remuneration from the Company except sitting fees for attending meetings of the Board of Directors and Audit Committee.

Details of Directors' Remuneration:

The details of remuneration paid to the Directors during the financial year ended 31st March, 2012 are as under:

a) Details of remuneration paid to Managing Director are as under:

(Amount in ₹)			
Name	Salary	Perquisites & other benefits	Total
Shri Raghav Jindal	6,525,000	1,973,220	8,498,220

b) The Non Executive Directors are paid by way of sitting fees for each meeting of the Board of Directors and Audit Committee attended by them. Details of remuneration paid to Non Executive Directors are as under.

(Amount in ₹)	
Director	Sitting Fees
Shri D. P. Jindal	100,000
Shri K. K. Khandelwal	100,000
Shri S.D. Sharma	25,000
Shri Vijay Kaushik	95,000

Apart from receiving Directors' remuneration by way of sitting fee for attending each meeting of the Board and Audit Committee, none of the Non Executive Directors had any pecuniary relationship or transactions with the company during the year ended 31st March, 2012.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE

FUNCTIONS

The Board has constituted a Committee under the Chairmanship of a Non-Executive Director. The Committee generally meets twice in a month, to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of shares transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the Shareholders'/ Investors' Grievance cum Share Transfer Committee as on 31st March, 2012 was as under:-

Name of the Members	Designation
Shri K.K. Khandelwal	Chairman
Shri Raghav Jindal	Member

COMPLIANCE OFFICER

The Board has designated Shri Rajeev Ranjan, Company Secretary as Compliance Officer.

DETAILS OF SHAREHOLDERS'/INVESTORS' COMPLAINTS RECEIVED AND ATTENDED

Number of Shareholders'/Investors' Complaints received during the period 01.04.2011 to 31.03.2012	2
Number of Complaints attended/resolved	2
Number of pending complaints as on 31.03.2012	NIL

6. GENERAL BODY MEETINGS

(I) Details of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2008-09	09.09.2009	Unitech Country Club, Block - E, South City - I, Gurgaon - 122 001	12.15 P.M.
2009-10	10.09.2010	Unitech Country Club, Block - E, South City - I, Gurgaon - 122 001	12.15 P.M.
2010-11	20.09.2011	Narsi Banquet, Palam Vihar, Gurgaon-122017	12.15 P.M.

(II) Special Resolutions passed in the previous three AGMs.

- In the AGM held on 09.09.2009 : Appointment of Mr. I.N. Chatterjee as Whole-time Director
- In the AGM held on 10.09.2010 : Deletion of Chapter- II from the Article of Association.
- In the AGM held on 20.09.2011 : None

(III) During the Financial year 2011-12, Special resolution for shifting of Company's Registered Office from the State of Haryana to the State of Maharashtra was passed through postal ballot.

Details of voting pattern were as under:

Sr. No.	Particulars	No. of postal Ballot forms	No. of votes exercised	% to the total valid votes
1	Total number of postal ballot forms received	295	20467864	-
2	Less: Invalid postal ballot forms received	14	6761	-
3	Valid postal ballot forms received	281	20461103	100.00
4	Votes in favour of the resolution	226	15438619	75.45
5	Votes against the resolution	55	5022484	24.55

Person who conducted the Postal Ballot exercise: Mr. Ranjeet Pandey, Practising Company Secretary was the scrutinizer for the exercise.

The procedure for Postal Ballot is as per section 192A of the Companies Act, 1956 and Rules made thereunder namely Companies (Passing of Resolution by Postal Ballot) Rules, 2011.

7. DISCLOSURES

i) Related Party Transactions

There have been related party transactions, as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant of India and there has been no deviation during the year.

iii) Details on Non Compliance

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

iv) Risk Management

The Company has detailed Risk Management Policy and the Board periodically reviews the procedures for its effective management.

v) CEO/CFO Certificates

Shri Raghav Jindal, Managing Director and Shri Pawan Kumar Rustagi, G.M.(Finance & Accounts) have furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in The Economic Times, Business Standard, and Regional newspapers. The Financial Results, Press Releases and Presentations made to institutional investors are also available on the Company's website www.jindal.com.

Designated Exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investors' grievance redressel:- secretarial@jindaldrilling.in

9. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date & Time	:	28th September, 2012 at 12.30 P.M.
Venue	:	Pipe Nagar, Village Sukeli, N.H. 17, B.K.G. Road, Taluka-Roha, Distt. Raigad, Maharashtra - 402126
Period	:	1st April 2011 to 31st March, 2012
Book Closure	:	8th September, 2012 to 12th September, 2012 (Both days inclusive)
Dividend	:	Re. 0.50 per share (i.e. @ 10%) for the year ended 31st March, 2012, if approved by the members, would be payable on or after 3rd October, 2012.

Financial Calendar (Tentative):

- Un-audited Financial results for the quarter ended 30th June, 2012	Aug 2012
- Un-audited Financial results for the quarter ending 30th September, 2012	Oct/Nov 2012
- Un-audited Financial results for the quarter ending 31st December, 2012	Jan/Feb 2013
- Un-audited Financial results for the quarter/year ending 31st March, 2013	April/May 2013

Listing on Stock Exchanges:

The Equity Shares of the Company are listed at the following Stock Exchanges:

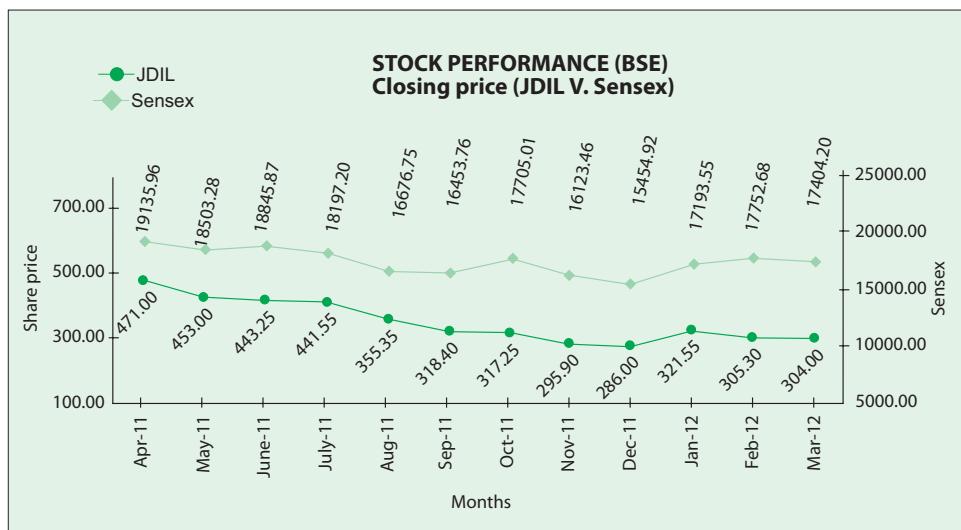
- BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Limited, 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051.

The listing fee for the financial year 2012-13 has been paid to NSE and BSE.

Stock Code:	BSE	511034
	NSE	JINDRILL
	NSDL/ CDSL - ISIN	INE742C01031

Stock Market Price Data for the year 2011-12

Month	JDIL BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
April, 2011	506.90	452.00	471.00	19811.14	18976.19	19135.96
May, 2011	481.90	441.00	453.00	19253.87	17786.13	18503.28
June, 2011	488.25	425.00	443.25	18873.39	17314.38	18845.87
July, 2011	485.00	441.00	441.55	19131.70	18131.86	18197.20
August, 2011	459.00	350.00	355.35	18440.07	15765.53	16676.75
September, 2011	410.75	306.05	318.40	17211.80	15801.01	16453.76
October, 2011	330.00	299.00	317.25	17908.13	15745.43	17705.01
November, 2011	328.00	290.00	295.90	17702.26	15478.69	16123.46
December, 2011	342.30	281.60	286.00	17003.71	15135.86	15454.92
January, 2012	346.00	285.25	321.55	17258.97	15358.02	17193.55
February, 2012	360.70	301.00	305.30	18523.78	17061.55	17752.68
March, 2012	329.95	298.00	304.00	18040.69	16920.61	17404.20



Distribution of shareholding as on 31st March 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	12770	95.96	893697	3.90
501 to 1000	306	2.29	235449	1.03
1001 to 10000	180	1.35	482309	2.10
10001 to 100000	25	0.19	759723	3.31
100001 to 500000	17	0.13	4342838	18.94
500001 and above	10	0.08	16217088	70.72
GRAND TOTAL	13308	100.00	22931104	100.00

Shareholding Pattern as on 31st March, 2012:

CATEGORY	NO.OF SHARES HELD	% OF HOLDING
Promoters	12344098	53.83
Financial Institutions, Mutual Funds, Banks	1914	0.01
Foreign Institutional Investors	42118	0.18
Bodies Corporate	6109447	26.64
Indian Public	3599546	15.70
NRIs	833981	3.64
Grand Total	22931104	100.00

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form. As on 31st March, 2012 -99.41 % of total equity shares were held in dematerialized form.

Outstanding GDR / Warrants and Convertible Bonds, conversion date and likely impact on equity:

There is no outstanding GDR/Warrants and Convertible Bonds etc.

Operations : Rig & Directional Drilling equipments operating at Mumbai offshore.
: Mud logging operations onshore & offshore.

Registrar and Share Transfer Agents:

Alankit Assignments Limited,
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi – 110 055
Phone: 011-23541234, 42541234
Fax: 011-42541967
E-mail: rta@alankit.com

Share Transfer System:

Share transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

Investors' correspondence address

Shareholders' correspondence should be addressed to the Registrar and Transfer Agent at the address given here above.

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participants.

B. NON-MANDATORY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

The Company has a Non-executive Chairman and expenses incurred in performance of his duties are paid by the Company.

(2) REMUNERATION COMMITTEE

The Company does not have any Remuneration Committee. The remuneration of Managing Director is being approved by the Board of Directors and shareholders.

(3) SHAREHOLDERS' RIGHTS

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a Hindi newspaper widely circulated in the region, the same are not sent to each household of shareholders.

(4) AUDIT QUALIFICATIONS

There are no Audit Qualifications in the Auditors' Report.

(5) TRAINING OF BOARD MEMBERS

At present, the Company does not have such a training programme for the Board Members.

(6) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.

(7) WHISTLE BLOWER POLICY:

The Company does not have any Whistle Blower Policy as of now but no personnel is denied access to the Audit Committee.



CERTIFICATE ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT TO THE MEMBERS OF JINDAL DRILLING & INDUSTRIES LIMITED

We have examined the compliance of Corporate Governance by Jindal Drilling & Industries Limited for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring to compliance of the conditions of the 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, we certify that the Company has 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 G.SANYAL & CO.
Chartered Accountants
FRN.301143E

(C.SANYAL)
Partner
(Membership No.054022)

Place : Gurgaon
Date : 8th August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Forming part of the Directors' Report for the year ended March 31, 2012.

INDUSTRY STRUCTURE AND DEVELOPMENT OFFSHORE DRILLING

This was yet another successful year for the Company inspite of lowering of charter rates due to volatility in crude prices witnessed during the year and competitive market pressure.

Offshore Drilling Services

During the year, first Contract for "Rig Discovery I" with ONGC got over in the month of September 2011. As the Rig required certain preventive maintenance as per certification requirement as well as some up-gradation to suit the requirements of the new tender conditions of ONGC, the Rig was sent for repair to Western India Shipyard Limited (WISL), Goa. In the meantime, the Rig was offered against the new tender of ONGC and was successful in the bidding process. Rig Discovery I was re-mobilised for a fresh 5 year charter contract with ONGC w.e.f. 01.03.2012 and is operating in western offshore fields of ONGC.

"Rig Virtue I" is continuing its incident free operation under the existing Contract with ONGC.

During the year, Noble Rig namely "Noble George McLeod" completed its contractual tenure with ONGC in the month of December 2011 and Rig was de-hired on 06.12.2011 from its ONGC's Contract. As Noble decided to take the Rig out for major repairs and certification, the same was exported.

Presently, two of the Noble drilling rigs namely Rig "Noble Charlie Yester" and Rig "Noble Edholt" are continuing its operations against the existing Contracts with ONGC and are operating successfully.

During the year, we have seen significant downward trend in the charter rates due to increased competition and availability of a large number of jack up rigs in the market. The market conditions have since improved.

In view of reduction in number of rigs as well as downward trend of charter rates, overall revenue during the year was lower as compared to the previous year.

The Company has however initiated several long term measures to maintain and sustain the growth trajectory of the Company.

Highlights of Directional Drilling Services:

During the year, the Company has successfully completed several contracts with ONGC Assam as well as with M/s Essar Oil Limited for their CBM Project in Raniganj.

In the meantime, the Company has also commenced operations for 3 sets of directional drilling tools in ONGC Ankleshwar and 1 set of tools for ONGC Ahmedabad for a period of three years against a new tender. A contract was also awarded by M/s GeoEnpro Petroleum Limited for 9 wells in Kharsang, Arunachal Pradesh, which commenced in July 2011.

The Company also obtained a long term contract from M/s Joshi Technologies International Inc. during the year and work is likely to commence during the current year.

The Company was pursuing with M/s Essar Oil Limited for fresh business at their ongoing operations at Raniganj. We are happy to share with you that the Company received a LOI from Essar Oil Limited in the month of May 2012 for 1 year for 4 sets of directional drilling tools having an approximate contract value of ₹ 32 crores with a provision for future extension.

Inspite of competitive market scenario with the emergence of new players, the Company could be able to sustain its operations by offering quality & professional services at very competitive rates.

Mud Logging Services

During the year, the Company continued with its existing contracts with Oil India Limited for 4 Mud Logging Units (MLU). The Company also successfully completed 2 wells contract with M/s Naftogaz India Private Limited, Ahmedabad. With a focus on maximum deployment of the units without compromising quality and with the objective of earning maximum revenue all MLU units are operating with more than 95% of efficiency without any downtime while adhering to all safety measures for incident free operations.

OPPORTUNITIES & THREATS

World economy, notably the Euro zone, due to high debt component, is passing through a severe crisis, which has also impacted Indian economy. There is a global slowdown of GDP growth of both developed and developing countries with slowdown of global trade resulting inflationary pressure and volatility in major currencies. In recent past, Indian currency is found to be losing its strength against various foreign currencies, notably USD. An adverse balance of trade position and deficit financing has further accentuated the fall of rupee thereby impacting the overall business sentiments. However, as the Company receives majority of its payments in USD, such rupee depreciation has not significantly affected the revenue stream of the Company. Besides, prudent treasury management by the Company has helped to maintain overall balance without resulting any significant downside.

On a medium to long term basis, the demand was shifting from shallow water drilling to deep water drilling and hence the demand for rigs are moving away from Jack Up to Deep water Drilling Rigs. Luckily for the Company, in India where our major engagements are concentrated, requirement of jack up rigs are still very high due to ONGC's operations in shallower offshore region in the west coast. We are bullish about the opportunities available in the local market which will not only sustain our current level of operations but also offer potential for growth. The financial market turmoil, global slowdown, inflationary pressure, high borrowing costs etc. has impacted investors' market sentiment. Although high inflation and increased costs have negatively impacted our operating costs, our focus continually remains on improving operational efficiency and improved asset productivity so as to minimise the negative impact of rising costs so as to sustain bottom-line performance of the company.

Like previous years, we are committed to pursue strategy that benefit our customers and stockholders through greater operating efficiency, including technically advanced operating assets, competitive price offering and productive uses of our assets.

SEGMENT WISE PERFORMANCE

The Company has one business segment i.e. Drilling Division and related services.

FUTURE OUTLOOK

Our primary focus will be on Drilling Service business enabling continued value creation and growth. The Company will pursue strategies that benefit its customers and stakeholders through adoption of latest technology, superior assets and long term partnership with other market players to achieve operational flexibility.

RISKS AND CONCERNS

Volatility in the Crude is affecting the Charter rates. Charter rates may show downward trends in case of sharp fall in crude prices. However, currently crude prices are showing a firm trend.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems commensurate with its size. We believe that internal control systems provide among other things a reasonable assurance that transactions are executed with proper management authorization and that transactions are recorded in all material aspects to ensure preparation of financial statements in conformity with established accounting principles. The Company has independent Internal Auditors who evaluate internal controls and suggest improvements as required.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Revenue of the Company during the year was ₹ 890.07 crore as against ₹ 1063.53 crore in the previous year. The profit before tax was ₹ 77.86 crore during the year as against ₹ 150.19 crore in the previous year. The profit after tax was ₹ 51.15 crore as against ₹ 100.84 crore in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under reporting, the Company maintained excellent industry relations without any lost time due to work stoppages. During the year, the Company imparted many training including safety training to employees for upgradation of knowledge and skills. Keeping in view the future prospects and high turnover of field crew and technicians, your Company has recruited fresh and experienced hands for field operations and back office support so as to ensure continuous availability of skilled manpower. In JDIL, we take a long term view and continuously develop human resources so as to achieve higher performance and improved productivity. We are fortunate to have a team of well qualified and dedicated professionals which is our main asset for sustaining our operational excellence in years to come.

AUDITORS' REPORT

To the members of

Jindal Drilling & Industries Limited

1. We have audited the attached Balance Sheet of **JINDAL DRILLING & INDUSTRIES LIMITED** as at 31st March, 2012, the statement of Profit and 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 Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Without qualifying our opinion, we draw attention to Note 26.9(iv) of the financial statements. The Company has given interest free loan of ₹ 15 crore to Jindal Drilling & Industries Limited Employees Welfare Trust during the year.

4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a. 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;
 - b. 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;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said account together with notes thereon and attached thereto, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **G.SANYAL & CO.**
Chartered Accountants
FRN.301143E

(C.SANYAL)
Partner
(Membership No.054022)

Place : Gurgaon
Date : 8th August, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. Having regard to the nature of the Company's business/activities etc, clauses (vi) regarding acceptance of deposits from public, (viii) regarding maintenance of cost records, (x) regarding accumulated losses and cash losses, (xii) regarding granting of loans and advances on the basis of securities by way of pledge of shares, debentures and other securities, (xiii) regarding chitfund, nidhi/mutual benefit fund/societies, (xiv) regarding dealing or trading in shares, securities, debentures and other investments, (xviii) regarding preferential allotment of shares, (xix) regarding creation of security for debentures issued and (xx) regarding end use of money raised by public issues, of Companies (Auditors Report) Order, 2003 are not applicable to the Company. In respect of other clauses, we report as under:
 - ii. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Company has not disposed of substantial part of fixed assets during the year.
 - iii. In respect of its Inventories:
 - a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - iv. a. According to the information and explanations given to us, the Company has granted unsecured loans to one Company covered in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans, the maximum amount outstanding at any time during the year was ₹ 9708.93 lacs and the year end balance is ₹ 6010.17 lacs. The terms & conditions of the loans are *prima facie* not prejudicial to the interest of the Company.
 - b. The receipts of the principal amount and interest thereon is as per stipulation and there are no overdue amounts.
 - c. The Company has not taken any loan during the year from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently clause (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
 - v. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
 - vi. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lacs in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants have been commensurate with the size of the Company and the nature of its business.

viii. According to the information and explanations given to us in respect of Statutory and other dues:

1. The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Customs Duty, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
2. There were no undisputed amount payable in respect of Income Tax, Wealth Tax, Customs Duty, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
3. The following disputed statutory liabilities have not been deposited in view of pending appeals:

Statute	Nature	Forum	Amount involved (₹ in lacs)	Related Financial Year
Customs Act, 1962	Custom Duty	Mumbai High Court	195.03*	1989-91
Income Tax Act, 1961	Income tax	CIT(A)	316.28	2007-08
Finance Act, 1994	Service tax	CESTAT	603.94	2007-08

*net of deposit of ₹ 60 lacs

- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- x. According to the information and explanations given to us, the Company has given guarantees amounting to \$42.00 million (equivalent to ₹ 21365.4 lacs) to an overseas bank as a collateral security for providing loan to its two Joint Venture Companies (refer to note 26.1(2)(i)) and the terms & conditions whereof are not prejudicial to the interest of the Company.
- xi. The Company has not obtained any fresh term loan during the year.
- xii. According to the information and explanations given to us, on an overall basis, no funds raised on short term basis, been used during the year for long term investment.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **G.SANYAL & CO.**
Chartered Accountants
FRN.301143E

(C.SANYAL)
Partner
(Membership No.054022)

Place : Gurgaon
Date : 8th August, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	As at 31st March 2012 ₹	As at 31st March 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	114,655,520	114,655,520
(b) Reserves and Surplus	4	4,771,681,474	4,391,874,107
		4,886,336,994	4,506,529,627
Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	5	123,183,719	157,210,133
(b) Long-Term Provisions	6	9,957,456	5,756,541
		133,141,175	162,966,674
Current Liabilities			
(a) Short-Term Borrowings	7	5,310,576	26,789,311
(b) Trade Payables	8	598,098,199	808,400,001
(c) Other Current Liabilities	9	378,545,024	327,105,029
(d) Short-Term Provisions	10	13,499,920	52,368,336
		995,453,719	1,214,662,677
TOTAL ASSETS		6,014,931,888	5,884,158,978
ASSETS			
Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		593,661,470	649,064,295
(ii) Intangible Assets		5,591,630	6,662,763
(iii) Capital work-in-progress		49,258,193	18,751,316
		648,511,293	674,478,374
(b) Non-Current Investments	12	1,141,962,241	623,176,591
(c) Long-Term Loans and Advances	13	776,243,172	893,033,781
		2,566,716,706	2,190,688,746
Current Assets			
(a) Current Investments	14	1,073,577,571	1,108,657,783
(b) Inventories	15	123,624,005	103,562,541
(c) Trade Receivables	16	1,498,846,481	1,922,381,076
(d) Cash and Bank Balances	17	121,474,081	2,282,110
(e) Short-Term Loans and Advances	18	580,725,461	544,160,498
(f) Other Current Assets	19	49,967,583	12,426,224
		3,448,215,182	3,693,470,232
TOTAL		6,014,931,888	5,884,158,978
Significant Accounting Policies, Notes On Financial Statements			
As per our report of even date attached	1,2 & 26	For & on Behalf of the Board of Directors	
For G. SANYAL & CO. Chartered Accountants		D. P. JINDAL Chairman	
C. SANYAL Partner		RAGHAV JINDAL Managing Director	
Place : Gurgaon Dated : 8th August, 2012		K. K. KHANDELWAL VIJAY KAUSHIK Directors	

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

Particulars	Note No.	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
INCOME :			
Revenue from Operations	20	8,773,914,256	10,525,957,242
Other Income	21	126,794,446	109,331,924
Total Revenue		8,900,708,702	10,635,289,166
EXPENSES:			
Operating Expenses	22	7,316,601,084	8,442,797,260
Employee Benefits Expense	23	472,754,367	411,612,823
Finance Costs	24	6,697,395	2,498,554
Depreciation and Amortization Expense	11	108,484,280	110,872,194
Other Expenses	25	217,582,674	165,608,036
Total Expenses		8,122,119,800	9,133,388,867
Profit Before Tax		778,588,902	1,501,900,299
Tax Expense:			
(a) Current Tax expense for the current year		301,149,248	507,072,810
(b) Provision relating to earlier years		-	(219,844)
(c) Net Current Tax expense		301,149,248	506,852,966
(d) Deferred Tax		(34,026,414)	(13,346,224)
		267,122,834	493,506,742
Profit for the year		511,466,068	1,008,393,557
Earnings per equity share of face value of ₹5 each			
Basic & Diluted (₹)		22.30	43.98
Significant Accounting Policies, Notes On Financial Statements		1,2 & 26	

As per our report of even date attached

For & on Behalf of the Board of Directors

For **G. SANYAL & CO.**

D. P. JINDAL

Chartered Accountants

Chairman

C. SANYAL

P.K RUSTAGI

RAGHAV JINDAL

Partner

G.M (Finance & Accounts)

Managing Director

Place : Gurgaon

RAJEEV RANJAN

K. K. KHANDELWAL

Dated : 8th August, 2012

Company Secretary

VIJAY KAUSHIK

Directors

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH, 2012**

	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	778,588,902	1,501,900,299
Adjusted for :		
Depreciation	108,484,280	110,872,194
Foreign Currency Translation Reserve	114,893,628	-
Hedging Reserve	(233,226,778)	-
Interest Received	(48,393,613)	(55,819,139)
Interest Payments	6,697,395	2,498,554
Loss on Sale of Fixed Assets (net)	257,114	4,632,844
Profit on Sale of Investments	(67,296,806)	(35,442,342)
Foreign Exchange Fluctuations Loss	53,897,024	68,299,178
Operating Profit before working capital changes	713,901,146	1,596,941,586
Adjusted for :		
Trade and other Receivables	461,401,173	635,489,651
Inventories	(20,061,464)	15,703,781
Trade payables & Other liabilities	(282,989,458)	(882,200,245)
Cash generated from operations	872,251,397	1,365,934,773
Income Taxes paid - net of refund	(365,244,140)	(481,392,125)
NET CASH FROM OPERATING ACTIVITIES	507,007,257	884,542,648
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(149,069,457)	(65,351,759)
Sale of Fixed Assets	30,417,020	60,460,826
Loans to Joint Venture & Other Companies	142,017,085	(138,251,723)
Investment in JV companies	(518,785,650)	(2,225,085)
Purchase of Current Investments	(3,178,695,421)	(6,999,881,413)
Sale of current investment	3,281,072,439	6,426,675,417
Interest Received	46,730,379	24,846,002
NET CASH USED IN INVESTING ACTIVITIES	(346,313,605)	(693,727,735)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Terms borrowings	-	6,000,000
Repayments of Long Terms borrowings	-	(121,649,580)
Net Proceeds from Short Terms borrowings and Cash Credit	(21,478,734)	(48,096,315)
Dividend paid	(11,465,552)	(28,663,880)
Tax paid on Dividend	(1,860,000)	(4,760,712)
Interest paid	(6,697,395)	(2,592,637)
NET CASH USED IN FINANCING ACTIVITIES	(41,501,681)	(199,763,124)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	119,191,971	(8,948,210)
Opening Balance of Cash and Cash equivalents	2,282,110	11,230,320
Closing Balance of Cash and Cash equivalents	121,474,081	2,282,110
CHANGE IN CASH AND CASH EQUIVALENTS	119,191,971	(8,948,210)

For & on Behalf of the Board of Directors

For **G. SANYAL & CO.**

Chartered Accountants

C. SANYAL

Partner

Place : Gurgaon

Dated : 8th August, 2012

P.K RUSTAGI

G.M (Finance & Accounts)

RAJEEV RANJAN

Company Secretary

D. P. JINDAL

Chairman

RAGHAV JINDAL

Managing Director

K. K. KHANDELWAL

VIJAY KAUSHIK

Directors

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

CORPORATE INFORMATION:

Jindal Drilling & Industries Limited (JDIL) was incorporated on 17th October, 1983 under the Companies Act 1956 and has its Registered office at Raigad (Maharashtra) and head office at Delhi. JDIL's shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). JDIL is engaged in providing services to entities involved in exploration of Oil & Gas.

Note 2

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Conventions

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act. The accounting policies, except stated otherwise, have been consistently applied by the Company.

b. Use of Estimates

The presentations of financial statements is in conformity with the generally accepted accounting principles which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

c. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the cost of acquisition / purchase price inclusive of duties, taxes, incidental expenses, erection/commissioning expenses, interest etc. up to the date the asset is ready for its intended use. Credit of duty, if availed, is adjusted in the acquisition cost of the respective fixed assets.

Capital Works-in-Progress is carried at cost, comprising direct cost, related incidental expenses and interest on borrowings to the extent attributed to them.

d. Depreciation

Depreciation on Fixed Assets is provided on pro-rata basis, for the period of use, on written down value method on the Fixed Assets acquired and capitalised up to 31/03/2007 and on Straight Line method on assets acquired and capitalised from 01/04/2007 onwards at the rates prescribed under Schedule XIV to the Companies Act, 1956, as amended till date.

Cost of leasehold land is amortised over the period of lease.

Assets costing up to ₹10,000/- are fully depreciated in the year of acquisition.

e. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset is impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds recoverable amount.

f. Investments

Long term investments are carried at cost less provision for diminution other than temporary in nature from the value of such investments. Current investments are carried at lower of cost and fair value.

g. Inventories

Stores, Spares and other items required for operation are treated as consumed as and when sent to drilling rig. Stocks in hand are valued at cost or net realisable value, whichever is lower. Cost in respect of Stores & Spares is determined on FIFO basis.

h. Revenue Recognition

Revenue is recognized in accordance with Accounting Standard (AS-9) "Revenue recognition" on the basis of rendering of services to customers in accordance with the respective Contracts / Agreements.

i. Employee Benefits

- (a) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (b) Post employment and other long term benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- (c) Payment to defined contribution retirement benefit scheme, if any, are charged as expenses as they fall due.

j. Foreign Currency Transactions

- (i) International Transactions are recognised on the basis of International Commercial principles in regard to those transactions, wherever applicable. Foreign currency transactions during the year are accounted for in the reporting currency at the exchange rates prevailing on the date of the respective transaction in accordance with the Revised Accounting Standard 11 (read with the notification no. GSR 378 (E) dated 11-5-2011) for "The Effects of Changes in Foreign Exchange Rates" Exchange difference arising on settlement of transactions and/ or restatements are dealt with in the Statement of Profit and Loss . Exchange differences arising on reporting settlement of long term foreign currency monetary items (other than depreciable non current assets) at rate different from those at which they are initially recorded during the period which were hereto being recognised in the Statement of Profit and Loss are now being accumulated in " Foreign Exchange Transaction Reserve " and would be accounted for in the Statement of Profit and Loss in the year in which transaction is complete.

(ii) Forward Exchange Contracts

In order to hedge its exposure to foreign exchange, the Company enter into forward contract. The Company do not hold derivative financial instrument for speculative purposes. Derivative financial instrument are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded as equity. Amount deferred to equity are recycled in the statement of Profit and Loss in the period when the hedged item is recognised in the Statement of Profit and Loss.

Hedge accounting is discounted when the hedging instrument expires or sold, terminated or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occur. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net Profit or Loss for the year. Derivative embedded in other financial instrument or other host contract are treated as separate derivatives when their risk and characteristics are not closely related to those of host contract and the host contract are not carried at fair value with unrealised gain or losses reported in the Statement of Profit and Loss.

k. Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of the qualifying assets are capitalised as a part of the cost of asset up to the date when such asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Taxation:

Current Tax

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961 & tax advices, wherever considered necessary.

Deferred Tax:

Deferred Tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognised and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognised to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m. Leases

Offices Premises taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

n. Claims Recoverable

The claims in respect of fixed assets lost during the process of drilling (lost in hole) are recognised on the basis of invoices raised and correspondingly the depreciated value of the fixed assets lost in hole is charged off. Any deductions made from the claims raised are recognised on receipt of intimation in respect of the same.

o. Prepaid Expenses

Prepaid expense is not recognised in cases where total amount spent is ₹ 10,000/- or less. Such expenses are charged to Profit and Loss Account.

p. Event Occurring after the Balance Sheet Date

Events occurring after the Balance Sheet Date and till the date on which the Financial Statement are approved, which are material in the nature and indicate the need for adjustments are considered in the financial statement.

q. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.

Contingent Assets are neither recognized nor disclosed in the financial statement. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

r. Mobilisation Charges:

Mobilisation charges received from the Rig Operator Companies and paid to the Rig owning companies are allocated over the contract period proportionately.

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	₹	No. of Shares	₹
NOTE 3- SHARE CAPITAL				
Authorised				
Equity shares of ₹ 5/- each	46,500,000	232,500,000	46,500,000	232,500,000
Issued, subscribed and Paid up				
Equity shares of ₹ 5/- each fully paid up	22,931,104	114,655,520	22,931,104	114,655,520

3.1) Details of Equity Shareholders holding more than 5% Share :

Particulars	As at 31st March 2012		As at 31st March 2011	
	% of Holding	No of Shares	% of Holding	No of Shares
a) Jindal Global Finance and Investment Ltd	17.77	4,074,148	17.77	4,074,148
b) Sudha Apparels Limited	19.34	4,435,000	19.91	4,565,000
c) Bhagyalaxmi Finlease & Investment Pvt. Ltd	5.03	1,152,400	5.03	1,152,400

3.2) Aggregate number of shares allotted other than cash during the period of five years immediately preceding March 31, 2012

11,523,804 Equity Shares of ₹ 5/- each (originally 5,761,902 Equity Shares of ₹ 10/- each) fully paid up issued for consideration other than cash in terms of scheme of Amalgamation in Financial Year 2006-07

3.3) The reconciliation of the number of shares outstanding is as under :

Particulars	Opening Balance	Issued	Closing Balance
Equity Shares with voting rights :			
Year ended March 31, 2012			
- Number of Shares	22,931,104	Nil	22,931,104
- Amount (₹)	114,655,520		114,655,520
Year ended March 31, 2011			
- Number of Shares	22,931,104	Nil	22,931,104
- Amount (₹)	114,655,520		114,655,520

3.4) The company has one class of equity shares having a par value of ₹ 5 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company after distribution of all preferential amounts

Particulars	As At 31st March 2012 ₹	As At 31st March 2011 ₹
NOTE 4 - RESERVES & SURPLUS		
Securities Premium Reserve	1,591,284,500	1,591,284,500
General Reserve		
Opening Balance	1,691,294,045	1,591,294,045
Add : Transferred from Surplus in Statement of Profit and Loss	400,000,000	100,000,000
Closing balance	2,091,294,045	1,691,294,045
Foreign Currency Translation Reserve		
Opening Balance	-	-
Addition during the year	114,893,629	-
Closing Balance	114,893,629	-
Hedging Reserve		
Opening Balance	-	-
Add : (Decrease)/Increase during the year	(233,226,778)	-
Closing Balance	(233,226,778)	-
Surplus in Statement of Profit & Loss		
Opening Balance	1,109,295,562	214,227,557
Add : Profit for the year	511,466,068	1,008,393,557
	1,620,761,630	1,222,621,114
Less : Appropriations :		
Transferred to General Reserve	400,000,000	100,000,000
Proposed Dividend on Equity share	11,465,552	11,465,552
Re.0.50 per share (previous year Re. 0.50 per equity share)	1,860,000	1,860,000
Tax On Dividend	1,207,436,078	1,109,295,562
Closing balance	4,771,681,474	4,391,874,107
NOTE 5 - DEFERRED TAX LIABILITY (NET) :		
DEFERRED TAX LIABILITY		
Fixed Assets	146,824,074	159,028,846
Provision for Gratuity	1,203,929	(595,734)
Other	-	48,995
	(A)	148,028,003
		158,482,107
DEFERRED TAX ASSETS		
Provision for Doubtful Recoveries	22,711,500	-
Provision for leave encashment	2,132,784	1,271,974
	(B)	24,844,284
Net Deferred Tax Liability	(A-B)	123,183,719
		157,210,133
NOTE 6 - LONG TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	3,383,919	1,836,137
- Leave Encashment	6,573,537	3,920,404
	9,957,456	5,756,541

Particulars	As At 31st March 2012 ₹	As At 31st March 2011 ₹
NOTE 7 - SHORT TERM BORROWINGS		
Secured	-	-
Cash Credit from banks	5,310,576	26,789,311
	5,310,576	26,789,311

7.1 Working capital loans are secured by hypothecation of inventories, book debts and all other current assets and first charge on fixed assets excluding specific charge, ranking pari-passu amongst working capital lending Banks.

NOTE 8 - TRADE PAYABLES

Current Liabilities

Sundry Creditors:

- Micro Enterprises and Small Enterprises	-	-
- Others	598,098,199	808,400,001
	598,098,199	808,400,001

NOTE 9 - OTHER CURRENT LIABILITIES

Unclaimed dividends#	783,369	879,212
Forward Cover Contracts	233,226,778	-
Other Current Liabilities *	144,534,877	326,225,817
	378,545,024	327,105,029

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

* Includes Statutory dues, advances from customers, security deposits etc

NOTE 10 - SHORT TERM PROVISIONS

Provision for Income Tax(Net)	-	38,944,260
Provision for Wealth Tax (Net)	174,368	98,524
Proposed Dividend	11,465,552	11,465,552
Tax On Dividend	1,860,000	1,860,000
	13,499,920	52,368,336

NOTE 11 - FIXED ASSETS

(Amount in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2011	Additions	Sales/ Adjustments	As on 31.03.2012	As at 01.04.2011	For the year	Sales/ Adjustments	As on 31.03.2012
TANGIBLE ASSETS								
Leasehold-Taloja	1,307,550	-	-	1,307,550	97,138	13,801	-	1,196,611
Freehold Land	4,549,077	-	-	41,549,077	-	-	-	41,549,077
Building	42,616,997	-	-	42,616,997	14,719,683	1,325,151	-	26,572,163
Plant & Machinery (1)	1,137,535,709	116,778,624	93,006,547	1,161,307,786	583,685,246	101,871,852	30,849,707	506,600,395
Office Equipments	26,159,215	968,549	4,249,816	22,877,948	16,011,587	1,869,093	2,396,265	7,393,533
Furniture & Fixtures (2)	11,746,523	15,984	6,724,297	5,034,210	7,291,115	289,953	4,400,385	1,857,527
Vehicles	16,336,949	-	1,881,892	14,455,057	6,382,956	1,243,874	1,663,937	5,962,893
Total (A)	1,277,252,020	117,763,157	105,862,552	1,289,157,625	628,187,725	106,613,724	39,310,294	695,491,155
INTANGIBLE ASSETS								
Computer Software	1,121,3121	799,423	-	12,012,544	4,550,358	1,870,556	-	6,642,763
Total (B)	11,213,121	799,423	-	12,012,544	4,550,358	1,870,556	-	6,642,763
Total (A)+(B)	1,288,465,141	118,562,580	105,862,552	1,301,165,169	632,738,083	108,484,280	39,310,294	599,253,100
Previous Year	1,294,134,269	54,884,072	60,553,200	1,288,465,141	547,549,984	110,872,194	25,684,095	632,738,083
Capital Work In Progress	-	-	-	-	-	-	-	49,258,193
								18,751,316

(1) Additions includes a sum of ₹ Nil (previous year ₹ 1,219,307) on account of Foreign Exchange Fluctuation Loss on repayment of term Loan.

(2) Assets held under co-ownership- Furniture & Fixture Nil (previous year ₹ 5,714,532/-)

Particulars	As At 31st March 2012 ₹	As At 31st March 2011 ₹
NOTE 12 - NON CURRENT INVESTMENTS		
(Long term investments at cost)		
Unquoted, fully paid up		
A. Trade Investments :		
i) In Equity Shares of Joint Venture Companies -		
* 76,25,220 shares in Discovery Drilling Pte Ltd, Singapore of S\$ 1 each	222,411,019	222,411,019
38,12,610 shares (Previous year Nil) in Discovery Drilling Pte Ltd, Singapore of S\$ 3.5 each	518,785,650	-
	741,196,669	222,411,019
** ii) 93,22,250 shares in Virtue Drilling Pte Ltd, Singapore of S\$ 1 each	400,765,072	400,765,072
B. Other (Non trade Investment)		
5 shares in Taloja CETP Co. Society Ltd of ₹ 100/- each	500	500
	1,141,962,241	623,176,591

NOTE 12.1

- 1) Aggregate amount of unquoted investments **1,141,962,241** 623,176,591
- * 2) Pledged with Axis Bank Ltd., Singapore, acting as Security Trustee to the Lenders who have provided financial assistance to Discovery Drilling Pte Ltd, Singapore.
- ** 3) Pledged with DNB NOR ASA Bank, Singapore, who has provided financial assistance to Virtue Drilling Pte Ltd. Singapore.

NOTE 13 - LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Loans and advances to related parties (Refer note no. 26.5 (B)	601,016,696	893,033,781
Advance Income Tax	25,226,476	-
Other Loans & Advances	150,000,000	-
	776,243,172	893,033,781

NOTE 13.1

- * Loan ₹ 601,016,696 (Previous year ₹ 8,93,033,781) at re-stated value to Discovery Drilling Pte Ltd, Singapore, Joint venture Company which is quasi equity in nature and also fully subordinated to the loan given by bank to the J V Company

Particulars	As at 31st March 2012		As at 31st March 2011	
	Units	₹	Units	₹
NOTE 14 - CURRENT INVESTMENTS				
Non Trade, at cost				
Investments in Mutual Fund, Unquoted				
Face value ₹ 10 & 1000 each*				
Birla Sun Life Savings Fund Instl.-Growth	-	-	846,325	15,535,743
BNP Paribas Fixed Term Fund Ser 20A Growth	-	-	7,000,000	70,000,000
BNP Paribas Fixed Term Fund Ser 20C Growth	-	-	5,000,000	50,000,000
BNP Paribas Fixed Term Fund Ser 21E Growth	-	-	4,500,000	45,000,000
BNP Paribas Fixed Term Fund Ser 21H Growth	-	-	2,000,000	20,000,000
BNP Paribas Overnight - Institutional Growth	-	-	1,328,136	20,000,000
DSP Black Rock FMP 12M Series 11 - Growth	-	-	5,000,000	50,000,000
DWS Insta Cash Plus Fund - Institutional Plan Growth	-	-	3,246,585	50,000,000
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	-	-	787,052	100,000,000
ICICI Prudential FMP Series 53 - 1 Year Plan F- Cummulative	-	-	2,000,000	20,000,000
IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Growth	-	-	6,381,621	100,000,000
IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	-	-	4,294,278	50,000,000
IDFC Money Manager Fund - Treasury Plan A - Growth	-	-	636,606	10,000,000
IDFC Savings Advantage Fund - Plan A - Growth	-	-	14,543	20,000,000
ING Liquid Fund Institutional - Growth Option	-	-	4,231,082	65,000,000
ING Treasury Advantage Fund - Institutional Growth	-	-	6,091,572	80,000,000
Religare Fixed Maturity Plan - Series IV - Plan F- Growth Plan	-	-	5,000,000	50,000,000
Religare Fixed Maturity Plan - Series V - Plan D (13 Months) - Growth	-	-	6,000,000	60,000,000
Religare FMP Series V Plan B 13 Months Growth- Growth Plan	-	-	10,000,000	100,000,000
Sundaram Money Fund - Super Inst. Growth	-	-	244,524	5,011,619
TATA Fixed Maturity Plan Series 29 Scheme C - Growth	-	-	7,000,000	70,000,000
TATA Floater Fund - Growth	-	-	547,677	8,000,000
UTI Liquid Cash Plan Institutional - Growth Option	-	-	3,122	5,000,000
UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	34,458	45,110,421
BNP Paribas Fixed Term Fund - Series 22 A - Growth	7,503,459	75,034,590	-	-
BNP Paribas Fixed Term Fund Ser 20C Growth	5,000,000	50,000,000	-	-
DWS Fixed Maturity Plan - Series 1 - Growth	8,000,000	80,000,000	-	-
DWS Fixed term Fund - Series 80 - Growth Plan	15,000,000	150,000,000	-	-
ICICI Prudential FMP Series 55 - 1 Year Plan G - Growth	7,000,000	70,000,000	-	-
Indiabulls FMP 387 Days March 2012 (1) - Growth	11,066,083	110,660,831	-	-
Indiabulls Liquid Fund - Growth (LFGP)*	38,404	40,000,000	-	-
Religare Fixed Maturity Plan - Series VII - Plan A - Growth	15,000,000	150,000,000	-	-
Religare Fixed Maturity Plan - Series VII - Plan C (369 Days) - Growth	8,000,000	80,000,000	-	-

Particulars	As at 31st March 2012		As at 31st March 2011	
	Units	₹	Units	₹
Religare Fixed Maturity Plan - Series VIII - Plan B - 13 Months - Growth	4,000,000	40,000,000	-	-
Religare FMP Series XII Plan A - 370 Days - Growth	3,500,000	35,000,000	-	-
TATA Fixed Maturity Plan Series 35 Scheme A - Growth	3,000,000	30,000,000	-	-
UTI Fixed Term Income Fund - Series X - VI (368 days) - Growth Plan	10,000,000	100,000,000	-	-
UTI Liquid Cash Plan Institutional - Growth Option	35,948	62,882,150	-	-
Total Aggregate amount	97,143,894	1,073,577,571	82,187,581	1,108,657,783

Particulars	As At 31st March 2012		As At 31st March 2011	
	₹	₹	₹	₹
NOTE 15 - INVENTORIES (at lower of cost and net realisable value)				
Stores and Spares	123,624,005		103,562,541	
	123,624,005		103,562,541	
NOTE 16 - TRADE RECEIVABLES (Unsecured, Considered good)				
Over Six month Considered good		627,668,083		695,748,045
Over Six month Considered Doubtful	70,000,000		-	-
less: Provision for Doubtful Recoveries	70,000,000		-	-
Others		871,178,398		1,226,633,031
	1,498,846,481		1,922,381,076	

NOTE 17 - CASH AND BANK BALANCES

Cash and cash equivalents

a) Balances with Banks :			
i) In Current Accounts		30,394,114	618,508
ii) In Fixed Deposit Accounts-under margin money (Includes maturity exceeding 12 month ₹ 76,544)		90,076,544	76,544
iii) In Unclaimed Dividend Accounts		783,369	879,210
b) Cash in hand		220,054	707,848
		121,474,081	2,282,110

NOTE 18 - SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Loans and advances to related parties (Refer to note no.26.5B)	130,793,380	5,274,298
Security Deposits	19,489,386	16,242,148
Others #	430,442,695	522,644,052
	580,725,461	544,160,498

includes primarily interest receivables on fixed deposits with bank & advances to trade creditors

Particulars	As At 31st March 2012 ₹	As At 31st March 2011 ₹
Note 19 - OTHER CURRENT ASSETS		
Claims (loss in hole) receivable	48,277,955	12,399,830
Interest accrued on Fixed deposits	1,689,628	26,394
	49,967,583	12,426,224
Particulars	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
NOTE 20 - REVENUE FROM OPERATIONS		
Drilling Services	8,773,914,256	10,525,957,242
	8,773,914,256	10,525,957,242
NOTE 21 - OTHER INCOME		
Interest Income :		
- Fixed Deposits from Banks	7,227,893	-
- Others	41,165,720	55,819,139
	48,393,613	55,819,139
Profit on Sale of Current Investments	67,296,806	35,442,342
Miscellaneous Income	11,104,027	18,070,443
	126,794,446	109,331,924
NOTE 22 - OPERATING EXPENSES		
Rigs Hire Charges	6,426,955,918	7,723,437,546
Drilling Operation Expenses	534,701,769	379,127,663
Stores & Spares Consumed	354,943,397	340,232,051
	7,316,601,084	8,442,797,260
NOTE 23 - EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	455,388,990	399,698,264
Contribution to Provident and other funds	9,576,865	6,008,706
Staff welfare expenses	7,788,512	5,905,853
	472,754,367	411,612,823
NOTE 24 - FINANCE COSTS		
Interest expenses	6,697,395	2,498,554
	6,697,395	2,498,554

Particulars	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
NOTE 25 - OTHER EXPENSES		
Electricity & Water Charges	3,301,618	3,133,941
Rent	24,083,175	19,989,327
Rates & Taxes	2,007,185	411,559
Postage, Telephone & Courier expenses	2,606,574	3,969,650
Printing & Stationery	2,173,997	2,559,951
Travelling & Conveyance	12,699,895	10,221,872
Vehicle Upkeep & Maintenance	4,461,121	4,092,651
Repairs & Maintenance		
- Buildings	272,020	148,102
- Others	6,906,623	4,599,513
Legal & Professional Charges	12,035,196	12,743,201
Insurance	588,076	275,244
Fees & Subscription	1,503,158	3,324,422
Internal Audit Fees	310,690	300,000
Auditors' Remuneration		
- Audit Fee	240,000	240,000
- Tax Audit Fee	50,000	50,000
- Other Services	329,612	175,000
- Out of Pocket Expenses	53,840	40,500
General Expenses	7,948,586	13,415,528
Foreign Exchange Fluctuations Loss (Net)	53,897,024	68,299,178
Advertisement & Business Promotion	8,389,468	5,863,792
Tender Expenses	229,000	284,500
Bank Charges	3,238,702	6,837,261
Provision for doubtful recoveries	70,000,000	-
Loss on Sale / Discarded of fixed asset (Net)	257,114	4,632,844
	217,582,674	165,608,036

NOTE 26.1 : CONTINGENT LIABILITIES

Claims against the Company not acknowledged as under:

- Estimated amount of contracts remaining to be executed on capital account

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹. 5,549,075/- (Previous Year ₹ 44,293,705/-).

- Contingent Liabilities not provided for:

	As At 31st March 2012 ₹	As At 31st March 2011 ₹
(i) Guarantee issued by the Banks (Bank Guarantee are provided under Legal/ Contractual Obligation)	797,559,723	808,722,960
Guarantees issued by banks on behalf of Joint Venture Companies: -		
Discovery Drilling Pte Ltd., Singapore (USD 20.00 Million)	1,017,400,000	891,600,000
Since Gurantee released by Bank		
Virtue Drilling Pte Ltd., Singapore (USD 22.00 Million)	1,119,140,000	1,003,050,000
(ii) Customs Demand		
An Appeal pending at Hon'ble Mumbai High Court (A sum of Rupees sixty lacs against demand had been deposited by the company)	25,502,866	25,502,866
(iii) Service Tax Demand		
An Appeal by Company pending with Appealate Tribunal	60,394,143	60,394,143
(iv) Income Tax Demand		
An Appeal pending with CIT (Appeal) related to		
a) Assessment year 2007-08	NIL	39,150,756
b) Assessment Year 2008-09	31,627,829	Nil

NOTE 26.2 : Disclosure as per Accounting Standard - 15

(a) Gratuity:

- The employees' gratuity fund scheme managed by LIC of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(ii) Actuarial Valuation of Gratuity is based on the maximum liability of ₹ 10,00,000/- i.e. as provided under the Gratuity Act.

(b) Leave Encashment

- The obligation for leave encashment is recognised and disclosed as per the Actuarial Valuation Report.

(c) Disclosure as per Actuarial Valuation Report:

- Expenses recognised during the year (Under the head "Personnel Cost")

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current Service cost	4,616,943	3,785,312	1,746,738	1,009,319
Past Service Cost	-	2,322,228	-	-
Interest Cost	1,435,855	875,814	333,234	318,397
Expected return on plan assets	(1,392,706)	(996,217)	-	-
Actuarial (gain)/loss recognised in the period	2,434,505	(2,325,135)	2,629,609	1,915,937
Net Cost	7,094,597	3,662,002	4,709,581	3,243,653

(ii) Net Liability / (Assets) recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan assets as at 31st March	19,788,592	15,056,280	-	-
Present value of obligation as at 31st March	23,172,511	16,892,417	6,573,537	3,920,403
Amount recognised in Balance Sheet	3,383,919	1,836,137	6,573,537	3,920,403

(iii) Reconciliation of opening and closing balances of Defined Benefit obligation.

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Defined benefit obligation as (Opening Balance)	16,892,417	12,511,634	3,920,403	4,548,527
Past Service Cost	-	2,322,228	-	-
Current service cost	4,616,943	3,785,312	1,746,738	1,009,319
Interest cost	1,435,855	875,814	333,234	318,397
Actuarial (gain)/loss on obligation	2,852,851	(2,023,407)	2,629,609	1,915,937
Benefit paid	(2,625,555)	(579,164)	2,056,447	(3,871,777)
Defined Benefit obligation as at 31st March	23,172,511	16,892,417	6,573,537	3,920,403

(iv) Reconciliation of opening and closing balance of fair value of plan assets.

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2011-12	2010-11
Fair value of plan assets at beginning of the year	15,056,280	10,769,918
Expected return on plan assets	1,392,706	996,217
Actuarial gain / (loss)	418,346	301,728
Employer contribution	5,546,815	3,567,581
Benefit paid	(2,625,555)	(579,164)
Fair value of plan assets at year end	19,788,592	15,056,280

(v) Investment details

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2011-12	2010-11
Insurer Managed Funds	19,788,592	15,056,280

(vi) Actuarial assumptions

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Mortality Table (LIC)	NA	NA	NA	NA
Discount rate (per annum)	8.50%	7.00%	8.50 %	7.00%
Expected rate of return on plan assets (per annum)	9.25%	9.25%	NA	NA
Rate of escalation in salary (per annum)	6.50%	5.00%	6.50%	5.00%

NOTE 26.3 : Disclosure of Forward Cover Transaction:

- a) Forward contracts entered in to for hedging purpose and outstanding as at year end:

	31.03.2012		31.03.2011	
	Amount in Foreign Currency (USD)	Equivalent Indian Rupees	Amount in Foreign Currency (USD)	Equivalent Indian Rupees
For receivables	70,600,000	3,591,422,000	32,500,000	1,448,850,000

- b) Foreign Currency Exposure that are not hedged by derivative transactions or otherwise:

Particulars	Currency	As at			
		31.03.2012		31.03.2011	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Foreign Currency Receivables	USD	28,390,217	1,444,210,362	40,022,654	1,784,209,765
Foreign Currency Payables	USD	10,418,990	530,118,186	15,519,991	692,039,626
	Pound	1,434	118,206	2,014	144,323
	SGD	25,857	1,059,388	1,712	60,600
	EURO	927	63,712	-	-
Foreign Currency Loan Given to Joint Venture DDPL	USD	11,814,757	601,016,695	20,032,162	893,033,781
Equity Participation in Joint Venture DDPL	SGD	20,969,355	741,196,669	7,625,220	222,411,019
Equity Participation in Joint Venture VDPL	SGD	13,767,623	400,765,072	13,767,623	400,765,072

NOTE 26.4 :

All undertakings of the Company are engaged in similar activities of providing services to Oil & Gas Companies. Therefore, there is only one reportable Segment - Drilling and Related Services under Accounting Standard - 17 "Segment Reporting". The Company operates in a single geographical segment - India.

NOTE 26.5 :

As per Accounting Standard - 18, the Company's related parties and transactions are disclosed below:

- A. List of related parties & relationships:

i. Joint Venture of Reporting Enterprise

Discovery Drilling Pte Ltd., Singapore (DDPL)

Virtue Drilling Pte Ltd., Singapore (VDPL)

ii. Key Management Personnel

Name of person	Relationship
Sh. Raghav Jindal	Managing Director

B. Details of Transactions with related parties are as follows:

(Amount in ₹)

	Joint Venture		Key Managerial Personnel & their relative
	DDPL	VDPL	
Charter hire charges paid / payable	1,119,167,467 (2,022,312,015)	1,900,612,454 (1,891,161,286)	- (-)
Interest received /receivable (Net of TDS)	21,669,470 (16,070,146)	- (-)	- (-)
Remuneration	(-) (-)	(-) (-)	84,98,220 (6,537,567)
Expenses incurred by the company for which reimbursement received/ receivable	139,263,894 (30,161,275)	13,367,428 (28,808,290)	- (-)
Loan / Short Term Advance given (Incl. F.E Fluctuation)	158,254,354 (127,147,861)	- (-)	- (-)
Loan converted into Equity Shares Capital (Incl. F.E Fluctuation)	518,785,649 (-)	- (-)	- (-)
Balances Outstanding at the year end:			
For Loans #	601,016,695 (893,033,781)	- (-)	- (-)
For charter hire charges	119,882,794 (159,862,839)	176,430,762 (149,205,322)	- (-)
Maximum Loan outstanding during the year	970,892,622 (893,033,781)	- (-)	- (-)
Amount Receivable for expenses	129,794,860 (2,491,692)	998,520 (2,782,606)	- (-)
Subscription to Equity Share	859,114,474 (222,411,019)	564,059,514 (400,765,072)	- (-)
Corporate Guarantee	1,017,400,000 (891,600,000)	1,119,140,000 (1,003,050,000)	(-) (-)

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

Loans Includes Interest Receivables (Net of TDS) ₹ 21,669,470/- (Previous Year ₹ 16,070,146/-) converted into Loan.

NOTE 26.6: Office Premises taken on lease

The Company has taken office premises on cancellable lease. These are normally renewal after expiry of lease period.

NOTE 26.7: "Earning per Share" computed in accordance with Accounting Standard AS-20.

(Amount in ₹)

Particulars	2011-12	2010-11
a) Numerator		
Net Profit after taxation as per Statement of Profit and Loss	511,466,068	1,008,393,557
b) Denominator:		
Weighted average of No. of Equity Shares Outstanding	22,931,104	22,931,104
Basic & Diluted (Face value of ₹ 5 each)	22.30	43.98

NOTE 26.8: Financial reporting of Interest in Joint Ventures as per Accounting Standard AS -27:

- (i) Discovery Drilling Pte Ltd (DDPL) and Virtue Drilling Pte Ltd (VDPL) continue to be Joint Ventures of the company

Name of the Company	Date of initial Investment	Country of Incorporation	% Ownership Interest	
			As on 31.03.2012	As on 31.03.2011
Discovery Drilling Pte Ltd. (DDPL)	25th April, 2006	Singapore	49%	49%
Virtue Drilling Pte Ltd. (VDPL)	31st March, 2008	Singapore	49%	49%

- (ii) The Company's share of the assets and liabilities as on 31st March, 2012 and share of Income & Expenses for the period ended on that date in respect of Joint Venture Companies (based on their respective audited Balance Sheet as at 31-03-2012) are given below:

Particulars	2011-12	2010-11
Company's Share	49%	49%
Assets		
Fixed Assets (including CWIP)	7,203,459,463	6,754,456,550
Investments	22,133,782	9,957,679
Current Assets	845,852,454	719,288,767
Total Assets	8,071,445,699	7,483,702,996
Liabilities		
Share Capital	1,105,075,929	496,493,545
Other Reserve *	(130,713,941)	(189,493,411)
Profit & Loss Account	2,893,397,569	1,948,786,200
Secured Loan	2,747,475,569	3,274,630,950
Un-Secured Loan	1,161,536,541	624,210,029
Non Current Liabilities	77,407,902	189,592,431
Current Liabilities	217,266,130	1,139,483,252
Total Liabilities	8,071,445,699	7,483,702,996
Income	1,668,444,583	1,900,581,883
Expenditure	969,933,282	901,267,860
Aggregate amount of Contingent Liability		
Incurred by the Company on account of the Joint Venture Company	216,197,500	1,894,650,000
By Joint Venture Company towards SBLC to the extent of Company's share	Nil	Nil
Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advance)		
Directly by the Company on account of the Joint Venture Company	NIL	NIL
Company's Share in the commitment of joint venture company on account of capital expenditures (Net of advance)	NIL	NIL

* Represents Hedging Reserve created out of MTM provisioning on account of Interest Rate Swap (IRS) transactions.

NOTE 26.9: Trade Receivable & Loans and advances

- (i) An amount of ₹ 4,408,732/- is recoverable from ONGC relating rig PN-3. This matter is under arbitration. Management is confident to win the case and considered good for recovery.
- (ii) Trade recoverable includes a sum of ₹ 6,585.53 lacs as on 31.03.2012, which has been withheld by ONGC in earlier years in relation to certain claims made on another body corporate which is being contested by the Company. Since there has been no realization in this account so far, management has considered the amount not to be reinstated during the year and as a matter of a abundant precaution, a sum of ₹ 700 lacs has been provided for towards its doubtful realization, if any.
- (iii) The Company had given advance of ₹ 26.44 crores to two Companies i,e,Jaguar Overseas limited (JOL) and Marine Oil Gas Private limited in earlier years in respect of which no realisation could be made as stipulated. The Company has initiated legal proceeding during the year and management has considered the same as good for recovery.
- (iv) Loan & Advances includes an interest free loan of ₹ 15.00 Crores, paid to Jindal Drilling & Industries Limited Employees Welfare Trust during the year, which had been formed with the sole objective of employee welfare.

Note 26.10: PARTICULARS OF STORES & SPARES CONSUMED.

(Amount in ₹)

Items	Year ended on			
	31.03.2012		31.03.2011	
	%	₹	%	₹
Imported	68.96	244,775,143	62.77	213,557,739
Indigenous	31.04	110,168,254	37.23	126,674,312
TOTAL	100.00	354,943,397	100.00	340,232,051

NOTE 26.11: CIF VALUE OF IMPORTS

(Amount in ₹)

Items	Year ended on	
	31.03.2012	
	₹	₹
Capital goods	128,219,310	40,023,411
Stores & Spares	260,781,934	183,962,959
TOTAL	389,001,244	223,986,370

NOTE 26.12: EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

(Amount in ₹)

Items	Year ended on	
	31.03.2012	
	₹	₹
Operation Expenses	6,650,787,838	7,844,528,874
Interest on Foreign Currency Loan	Nil	331,774
Travelling Expenses	3,935,770	1,192,904
Others	1,572,060	9,211,778
TOTAL	6,656,295,668	7,855,265,330

NOTE 26.13: EARNING IN FOREIGN CURRENCY (On accrual basis)

(Amount in ₹)

Items	Year ended on	
	31.03.2012	
	₹	₹
Service to Oil Sector	8,594,950,314	10,326,598,505
Interest on Foreign Currency Loan	21,669,470	18,906,054

Note 26.14

The company has invested ₹ 5187.86 lacs into its Joint Venture Company Discovery Drilling Pte limited under its rights issue. Consideration was paid by means of conversion of loan into Equity Share Capital of its joint venture company. Exchange gain arising thereof has been transferred to foreign currency translation reserve as per Accounting Standard-11, "The effect of change in foreign exchange rate".

NOTE 26.15:

- a) Dues to micro and small enterprises have been determined as per information collected by the management & has been relied upon by the auditors.
- b) In the opinion of the Management and to the best of their knowledge and belief, the value of current assets, loans and advances, if realised in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
- c) Figures have been rounded off to the nearest rupee.
- d) Previous year's figures have been re-grouped/ re-arranged/ re-classified wherever, considered necessary.

As per our report of even date attached

For & on Behalf of the Board of Directors

For **G. SANYAL & CO.**
Chartered Accountants

D. P. JINDAL
Chairman

C. SANYAL
Partner

P.K RUSTAGI
G.M (Finance & Accounts)

RAGHAV JINDAL
Managing Director

Place : Gurgaon
Dated : 8th August, 2012

RAJEEV RANJAN
Company Secretary

K. K. KHANDELWAL
VIJAY KAUSHIK
Directors

JINDAL DRILLING & INDUSTRIES LIMITED

Registered Office: Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road,
Taluka-Roha, Distt, Raigad - 402 126, Maharashtra

PROXY FORM

Folio No.

DP Id*

Client Id*

I/We of being a Member/ Members of Jindal Drilling & Industries Limited do hereby appoint of or failing him / her of as my / our Proxy to attend and vote for me / us on my / our behalf at the 28th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 and at any adjournment thereof.

Date

Signature(s)

Revenue
Stamp

.....

Note: This Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the meeting.

* Applicable for investors holding shares in demat form.

JINDAL DRILLING & INDUSTRIES LIMITED

Registered Office: Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road,
Taluka-Roha, Distt, Raigad - 402 126, Maharashtra

ATTENDANCE SLIP

Folio No.

DP ID*

CLIENT ID*

I hereby record my presence at the 28th Annual General Meeting of the Company held at Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road, Taluka-Roha, Distt. Raigad - 402 126, Maharashtra at 12.30 P.M. on Friday 28th September, 2012.

Name of the attending Member.....
(in Block Letters)

Name of the Proxy (in Block Letters).....
(to be filled in, if the proxy attends instead of the member)

No. of Shares held

.....
Member's / Proxy's Signature

Note : This attendance slip duly filled in should be handed over at the entrance of the meeting hall.

* Applicable for investors holding shares in demat form.

**Registered Office**

Pipe Nagar, Village Sukeli, N. H. -17, B.K.G. Road, Taluka-Roha
Disrt: Raigad - 402 126, Maharashtra (India)
Tel. : +91 2194 238511 / 12/ 16 Fax: +91 2194 238513

Corporate Office

Plot No. 30, Institutional Sector -44,
Gurgaon- 122 002, Haryana (India)
Tel.: +91 124 2574325 / 26, 4624000 Fax: +91 124 2574327

Mumbai Office

3rd Floor, Keshava Building, Bandra-Kurla Complex,
Bandra (East) Mumbai-400 051 (India)
Tel: +91 22 2659 2888/ 89 Fax: +91 22 2659 2630

Website: www.jindal.com



Member: International Association
of Drilling Contractors, Houston, Texas, USA