40th

Annual Report
2012 - 13

Jayaswal Neco Industries Limited

Jayaswal Neco Industries Limited

IMPORTANT NOTICE TO MEMBERS . . .

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

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

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

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

COMPANY SECRETARY : Shri A D Karajgaonkar

BANKERS :
State Bank of India
Punjab National Bank
Union Bank of India
State Bank of Travancore
Oriental Bank of Commerce
ICICI Bank Limited
IDBI Bank Limited
State Bank of Bikaner and Jaipur
Central Bank of India

AUDITORS :

M/s Chaturvedi & Shah	M/s Agrawal Chhallani & Co.
Chartered Accountants	Chartered Accountants
Mumbai	Nagpur.

REGISTERED OFFICE :
F-8 MIDC Industrial Area,
Hingna Road, Nagpur - 440 016.
Tel No. : 07104 - 237276, 237471, 237472
Fax No. : 07104 - 237583, 236255
E-mail : contact@necoindia.com
Website : www.necoindia.com

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

NOTICE

NOTICE is hereby given that 40th Annual General Meeting of the Members of **Jayaswal Neco Industries Limited** will be held on **Monday, the 30th day of September, 2013 at 12.30 P.M.** at the Registered office of the Company at F-8, MIDC Industrial Area, Hingna Road, Nagpur -440016 to transact the following business.

Ordinary Business

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2013, Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint Directors in place of the following Directors who retire by rotation and being eligible offer themselves for re-appointment.
   a. Shri B K Agrawal
   b. Shri M M Vyas
3. To appoint Auditors for the Current Year.

Special Business

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

   FURTHER ISSUE OF CAPITAL PURSUANT TO SCHEME OF ARRANGEMENT:

   "RESOLVED pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any; of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof); Memorandum and Articles of Association of the Company, and subject to such enabling provisions of the Listing Agreements with the BSE Limited and National Stock Exchange of India Limited, Guidelines and Regulations issued by Securities and Exchange Board of India and such approvals and consents from other competent authorities as may be necessary, and subject to such terms and conditions as may be prescribed or imposed by the said authorities while granting such approvals and consents which the Board of Directors of the Company (hereinafter referred to as "Board" which shall include a Committee(s) thereof) at its sole discretion is hereby authorized to accept wholly or in part, **THAT** the consent of the Company be and is hereby accorded to the Board to issue and allot on coming into force the Scheme of Arrangement (the Scheme) for merger of Steel Division (Demerged Undertaking) of Corporate Ispat Alloys Limited (Demerged Company) with the Company, to the eligible Members of the said Demerged Company whether Members of the Company or not, 114 Equity Shares of Rs.10/- each credited a fully paid, for every 10 Equity Shares of Rs. 10/- each held by them as on the Record Date, as the Company is obliged to issue in pursuance of the Scheme provided however that, the total number of shares to be issued under the Scheme shall not exceed 3,26,49,600 Equity Shares of Rs.10/- each."

   "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, things, and matters and take all such steps and actions as may be necessary and expedient for the purpose of giving effect to the foregoing."

By Order of the Board of Directors

Dated: 12th August, 2013
Registered Office:
F-8, MIDC Industrial Area
Hingna Road, Nagpur-440016

A D Karajgaonkar
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business above is attached herewith.

2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.
3. Instruments appointing proxy or proxies duly filled in, stamped & signed should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2013 to Monday, the 30th September, 2013 (both days inclusive).

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

Item No. 4

FURTHER ISSUE OF CAPITAL PURSUANT TO SCHEME OF ARRANGEMENT :

The Members may be pleased to know that upon approval of the Scheme by Shareholders and Creditors, the Scheme of Arrangement for merger of Steel Division (Demerged Undertaking) of Corporate Ispat Alloys Limited (Demerged Company) with the Company have been filed with the Hon'ble High Court at Bombay, Nagpur Bench, Nagpur for sanction. On coming into force of the Scheme, the Company shall be required issue and allot to the eligible members of the Demerged Company 3,26,49,600 Equity Shares of Rs.10/- each credited as fully paid up as a consideration for transfer of Assets and Liabilities of the Demerged Undertaking of the Demerged Company.

The Directors seek approval of Members for issue of Equity Shares as above said to the members of the Demerged Company in accordance with the Share Exchange Ratio contained in the Scheme. The Members are requested to consider and approve the resolution as proposed.

S/Shri Basant Lall Shaw, Arbind Jayaswal and Ramesh Jayaswal, Directors of the Company, are to be deemed as interested in or concerned with the resolution to the extent of new Equity Shares that will be allotted to them or their relatives or the Companies in which they are interested in their capacities of members of the Demerged Company.

None of the other Directors of the Company are to be deemed as interested in or concerned with the Resolution.

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

Names of Directors	**Shri B. K. Agrawal**	**Shri M. M. Vyas**
Date of Birth	28.01.1949	07.10.1942
Designation	Director	Director
Date of Appointment	10.08.1994	26.02.1998
Qualification	M. Com. FCA	B.Sc.
Experience in Specific functional Areas	Practicing Chartered Accountant for over 36 yrs. Possesses sound knowledge of Accounting, Auditing, Taxation and Corporate Advisory	Experience in administration, Export Marketing & Liasoning with Govt. Agencies, Institutions and Banks for over 34 yrs. Associated with Business in Iron and Steel Casting and fittings over 23 yrs.
Other Directorships (Major)	Agrawal Plantations Private Limited Bamhni Agro-tech Private Limited Suraburdi Resorts Private Limited Suraburdi Estate Private Limited	Steel and Tube Exports Limited
Membership on Committees of other Companies	Nil	Nil
No. of Equity Shares Held	7500	70993

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present their **40TH** Annual Report on the affairs of the Company together with Audited Balance Sheet as at 31st March, 2013, and the Profit and Loss Account for the year ended on that date. The summarized financial results for the year vis-a-vis the previous year are as follows:

(Rs. in Crores)

Particulars	**31.03.2013**	31.03.2012
Revenue from Operations (Gross)	**2854.52**	2856.71
Revenue from Operations (Net)	**2549.24**	2590.49
Other Income	**11.78**	15.50
Total Revenue	**2561.02**	2605.99
Operating Expenses	**2234.89**	2258.09
EBIDTA	**326.13**	347.90
Interest and Financial Charges	**180.62**	176.64
Depreciation and Amortization Expenses	**96.68**	86.59
Profit before tax	**48.83**	84.67
Tax Expenses	**20.18**	30.87
Profit after Tax carried to Balance Sheet	**28.65**	53.80

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

2. MANAGEMENT DISCUSSION AND ANALYSIS:

A] Share Capital :

During the year, the Company has allotted further 13,75,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 30/- per Share on preferential basis to promoter Group companies and others to augment equity for funding the ongoing expansion projects. All the new shares issued are listed on BSE Limited and National Stock Exchange of India Limited. The Company has plans to raise further share capital through preferential issue route during the current year also to further augment the requirement of funds for various projects under implementation.

B] Financial Performance:

The Members may be pleased to note that despite falling sales realizations and other unfavourable market conditions, the Company has maintained the overall gross turnover level for the year under review. The gross Turnover of the Company for the year is Rs. 2854.52 Crores against Rs. 2856.71 Crores in the previous year. Major contributors to retain the Turnover at previous year's level are larger volumes of production and sales of Billets and Rolled Products in Steel Plant Division. It would have been higher but for the suspension of operations in Steel Plant Division for some time on account of scheduled Capital Repairs and unprecedented heavy rains. In addition, recessionary pressures especially in automotive component industry resulting into lower off-takes and longer credit periods, added to the woes.

Higher other expenses on account of capital repairs, equipment hire charges, freight etc. and depreciation impacted the profitability of the Company leaving the Net Profit for the year at Rs. 28.65 Crores as compared to Rs. 53.80 Crores of the previous year.

During the year, the Networth of the Company has jumped to Rs. 1806 Crores from Rs. 1228 Crores in the previous year, mainly on account of preferential issue of shares and consequent accretion to Securities Premium account.

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

i) Steel Plant Division:

Considering the market scenario, overall performance of this Division during the year under review was satisfactory. Despite falling prices of steel, closure of operations for about 3 weeks, the production and sales have been maintained at the same level as the previous year. Overall Segment revenue in this division was Rs. 2388 Crores as compared to Rs. 2359 Crores in the previous year. Arising out of focus on production of value added Steel Billets, intermediaries and Finished Rolled products demanding more captive usage of Hot Metal, there is scaledown in the production and sale of Pig Iron and skull. The total sales turnover from the Billets and Rolled Products is higher by 8% as compared to that in the previous year. During the year, sinter plant as well as the existing and new Coke Oven plants gave a good support and the Division made the highest possible use of the sinters and metcoke produced in the captive plants that helped control the costs of materials consumed.

ii) Castings Division:

Overall Sluggish market demand affected the Iron and Steel Castings Division of the Company also. Consequently, the production in Casting Division of the Company was lower by 28% as compared to previous year's level. Gross turnover of this division was lower by about 10% when compared to the previous year.

The Division continues to focus on higher productivity, cost optimization and high quality of castings which are the key drivers for maintaining the market share in this business. With the augmentation of improved machineries and upgraded processes, new High Pressure Moulding Line which will be commissioned soon at Automotive Castings Division, the production and sales of the Division are expected to go up in the near future.

C] Scheme of Arrangement:

As the Members are aware, the Shareholders of the Company have at their meeting held on 20.04.2012 in accordance with the directions of Hon'ble High Court, at Bombay, Bench at Nagpur, Nagpur, approved the Scheme of Arrangement, for merger of Steel Division of Corporate Ispat Alloys Limited at Raipur with this Company.

The Secured Creditors have also signified their approval to the Scheme. At an adjourned meeting of the Secured Creditors held on 28.05.2013, as per directions of the High Court, the said Scheme of Arrangement has been unanimously approved formally. Further steps in the matter are underway.

After obtaining sanctions from the High Courts having jurisdiction and statutory filings, the Scheme of Arrangement will come into force w.e.f. the Appointed Date; namely, 01.04.2008.

On the Scheme coming into force, the Integrated Steel Complex of the Company will have in its fold amongst others Blast Furnace, Steel Melting Shops, Rolling Mills, Hot Strip Mill, Railway Sidings and Oxygen Plants besides Coal Mines.

D] Projects:

As the Members are aware, the Company with a view to optimize costs and explore its potential in finished steel making in the long product segment, is in the process of setting up of further various facilities including Mining under its Steel Plant Division in the State of Chhattisgarh and Jharkhand. The Company has also undertaken need based additional revamping and modification schemes to achieve smooth operations of some of the existing facilities at Raipur and enhancement in the capacity of the Automotive Casting Division at Nagpur. Briefly, the status of various projects under implementation is as under:

1. INTEGRATED STEEL PLANT PROJECT :

The Facilities being implemented as a part of this Project are as follows:-

a. Steel Melt Shop and Rolling Mill:

This is Company's one of the key value added projects. On becoming fully operational the Company's enhanced capacity for Steel Melt Shop and Rolling Mill will be 7.10 Lacs MTPA and 7.50 Lacs MTPA respectively. The Company would be in a position to produce Alloy Steel Bars and Rods for Automotive Components/ industrial uses and medium structurals for Transmission Line Towers and Industrial / Housing Applications.

The EPC Contract for the project has been awarded. All the statutory approvals for the project have been received. The Construction of the Project is in advanced stage. Orders for critical equipments and other supplies have been placed with reputed international and national vendors and deliveries of the major equipments have already started.

b. Coal and Iron Ore Mines Development:

This part of the project is aimed at development and expansion of Coal Mines at Gare Palma IV/4 Non Coking Coal Block for expansion in capacity from 4.80 Lacs MTPA to 10.00 Lacs MTPA, development of Gare Palma IV/8 Non Coking Coal Block, setting up of 18 Lacs MTPA Coal washery at Raigarh and the Iron Ore Mines at Laindongri and Devpura in Chhattisgarh. Requisite clearances from the concerned statutory authorities are being organized concurrently and the development and the implementation work is under progress. EPC Contract for this Project also has been awarded.

c. Sponge Iron and Power Plant:

The Company is implementing this project comprising of 3.0 Lacs MTPA DRI/ Sponge Iron Plant, 50MW Waste Heat Recovery and Coal Fired Boiler based Power Plants in Bilaspur district. This is a Green field Project. Land acquisition and procurement activities are in process. EPC contract for the project has been awarded. Most of the statutory clearances for this project have been received.

Overall, the Integrated Steel Plant Project is facing some time delays due to delays in regulatory approvals, land acquisition and other external issues which are beyond the control of the Company. However, the Company is committed and confident to commission the project at the earliest.

2. PELLETISATION PLANT:

Low cost dump fines of Iron Ore are adequately available at Mines and other sites. The quality of these fines can be upgraded by beneficiation and further used for pelletisation. This would help extensive use of fines into pellets that will replace sized ore and thereby reduce their cost for production of hot -metal and ultimately steel. The Company is setting up 12 Lacs MTPA Pelletisation Plant in the existing Steel Plant complex of the Company at Raipur. The EPC contract for the project has also been awarded.

The progress of this project is as per schedule. Orders for all the major project packages have been placed, the civil and structural work is going on smoothly. The Company is confident to commission this Project ahead of its Appraised Completion Date.

3. DEVELOPMENT OF MOITRA COAL BLOCK:

The Company is developing its Moitra Coking Coal Block for coking coal and will be setting up 10 Lacs MTPA Coal Washery near Hazaribagh in Jharkhand. The Company has acquired about 214 Acres of land for the purpose so far. On becoming operational, the coking coal extracted and washed from this coal block will be blended with imported coal at the Company's coke oven plants at Raipur to produce Low Ash Metcoke for use as Fuel feed in the Blast Furnace.

The Moitra Coal block project is facing some time delays due to land acquisition challenges in the Jharkhand State. Despite various bottlenecks, the Company is striving very hard to commission this Project and commence mining at the earliest.

4. DE-BOTTLENECKING & AUGMENTATION OF FACILITIES PROJECT :

The Company has undertaken de-bottlenecking of some of its existing facilities and modifications in its Steel Plant Division at Raipur and Automotive Castings units at Nagpur to improve the overall productivity and operations of the plants. EPC contract for the project has been awarded. Key project packages have been ordered and the progress of the project including the civil and structural work is going on as per its schedule.

In addition, certain need based capital expenditure schemes at its Steel Plant Division, Raipur are under implementation which will facilitate smooth operations of the plants, help reduce the process time, dependence on the hired equipments, minimize idle time and break-downs. The EPC contract for these schemes has also been awarded.

E) Outlook:

As per official estimates Indian GDP is expected to grow at 6.40% in FY 2013-14. However, analysts have scaled down the GDP forecasts for FY 13-14 to 5.5% mainly due to marginal growth in Mining and manufacturing sectors resulting into poor growth in IIP. Indian steel demand is also expected to track GDP growth supported by some easing in the interest rate cycle, and consequent push in demand of the automotive and auto components sector. Regulatory authorities are faced with a daunting task to contain spiraling inflation, weakening rupee against major foreign currencies, Law and order problems, stringent regulatory procedures and political pressures which culminate into disruption of the various industrial activities. With the additional capacities being created by the Company in finished steel making in the long products segment, adoption of various austerity measures and other efforts; the Company is trying to sustain in such adverse conditions.

On captive Iron Ore and Coal Mines and other expansion projects becoming fully operational, your Company is slated to become one of the lowest cost players in Integrated Steel Plant category in the Country.

With the release of macroeconomic data it is seen that the growth in real estate sector has not shown much improvement, The Government is trying to give push to the Infra sector by removing the hurdles in their implementation which could eventually push growth in Private Investment and Capital Goods sector.

F) Concerns:

During last one year or so the US Dollar has appreciated by over 20% against the Indian Rupee. It will have adverse impact on the procurement of imported coking coal. Law and order problems in Iron Ore Mining belts in Chhattisgarh is another concern not only for the Company but for the economy as a whole; creating serious problems for governmental and social machineries. This has already delayed operationalisation of the Iron Ore Mines of the Company in those regions. Nevertheless, all efforts to start those Mines are being made.

The Company is exploring all possible ways and means including legal courses with the Government to get the Iron Ore and Iron Ore mining rights.

G) Internal Control Systems:

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

H) Industrial Relations:

Industrial Relations in all the Divisions of the Company remained cordial and peaceful. During the year, average number of persons working in the Company was about 9000 approximately.

I) Corporate Social Responsibility:

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

i) Health check-up and blood donation camps, free medical counseling and distribution of medicines in the far flunged areas,

ii) Provision of drinking water through bore wells and tankers,

iii) Granting educational support and scholarships, provision of books and study materials and other facilities like school bus and uniforms for the welfare of the children, workers, their families and residents of the surrounding villages.

iv) Development, beautification and maintenance of roads and prominent landmarks in the regions, Sponsoring sports, cultural and religious events in the nearby villages.

v) Activities of tree plantation, development of parks and gardens,

vi) Adoption of Adivasi girls for nursing training and boys for ITI training and general up-liftment of the underprivileged children, women and the poor.

3. AUDITORS REPORT:

Auditors Report on the financial statements of the Company for the year ended 31st March, 2013 is self explanatory and does not require any further comments from the Board.

4. DIRECTORS:

ICICI Bank Limited has withdrawn its Nominee Shri Manish Chourasia, from the Board of Directors of the Company with effect from 6th March, 2013. There is no other change in the composition of Board of Directors of the Company. Shri B K Agrawal and Shri M M Vyas, Directors of the Company retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment. Necessary information on the Directors seeking re-appointment is given separately in the Notice for the ensuing Annual General Meeting.

5. ADDITIONAL INFORMATION:

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

6. **PARTICULARS OF EMPLOYEES:**

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

7. **SUBSIDIARY COMPANY:**

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

As reported last year, the Board of Directors of the Company has subject to requisite approvals approved the proposal of disinvesting the equity shares held by it in the subsidiary company. The subsidiary company has in view of operational problems reviewed its financial strategy for setting up the Proposed Power Plant and the matter will take longer time to crystallize. Going forward, the proposed power plant may be set up under another company as may be deemed fit in due course.

8. **CORPORATE GOVERNANCE REPORT:**

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

9. **DIRECTORS RESPONSIBILITY STATEMENT:**

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

a. All the applicable accounting standards have been followed along with proper explanations relating to material departures in the preparation of accounts enclosed herewith.

b. Annual accounts are prepared on the principle of a Going Concern.

c. Accounting policies selected, applied and Judgments and estimates made in that behalf to the extent necessary are reasonable and prudent so as to give true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the Company for the year under review.

d. Sufficient care has been taken for maintenance of the adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and the procedures, practices and control systems in the day-to-day management are sound enough to prevent and detect the occurrence of frauds and irregularities.

10. **AUDITORS:**

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

11. **COST AUDITOR:**

In pursuance of Section 233B of the Companies Act, 1956 read with circular no. 52/26/CAB - 2010; the Central Government has approved the Appointment of M/s Manisha & Associates, Nagpur to conduct the Audit of the Cost Accounting records for the financial year 2012-2013. The due date for filing the Cost Audit Reports for the financial year 2012-2013 is September 30, 2013. The Board, at its meeting held on 25.05.2013 has reappointed them as Cost Auditors of the Company for the financial year 2013-2014.

12. **ACKNOWLEDGMENTS:**

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

For and on behalf of Board of Directors

Place: Nagpur | **Basant Lall Shaw**

Date: 12th August, 2013 | **Chairman**

ANNEXURES TO THE DIRECTORS' REPORT

(A) Particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, as amended for the year ended 31st March, 2013.

I CONSERVATION OF ENERGY:

A) The Company recognizes the importance of savings in the cost of energy consumption. High efficiency, energy effective equipments for steam generation, water softening etc., have been installed at various manufacturing units which ensure stabilized power supply, minimum interruptions and smooth operations.

B) Effective methods like, furnace cover, replacement of existing equipments with more energy saving devices, Installation of devices to plug the leakages and loss of energy, standardization of processes need based capital repairs to the facilities and other steps have been taken wherever possible giving a considerable saving in consumption of energy.

C) The Blast Furnace Gases are extensively utilized for pre-heating of the hot blast stoves, blowing plant in the boilers and as a fuel for generation of Power for captive consumption and sale to others.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) Power and Fuel Consumption.

PARTICULARS	COAL/COKE			ELECTRICITY			FURNACE OIL		
	Units (MT)	Amount (Rs in Lacs)	Rate / Unit (Rs.)	Units (KWHs in Lacs)	Amount (Rs in Lacs)	Rate / Unit	Units (KL)	Amount (Rs in Lacs)	Rate / Unit (Rs.)
1) Purchases: a) Iron & Steel Castings	**11013.76** (16120.55)	**1315.69** (2026.12)	**11946** (12569)	**456.93** (539.15)	**3423.02** (3344.28)	**7.49** (6.20)	**-** (-)	**-** (-)	**-** (-)
b) Pig Iron, Steel Products & Sponge Iron	**799913.68** (724340.09)	**56269.71** (65913.16)	**7034.47** (9099.75)	**456.19** (551.27)	**2007.24** (2425.58)	**4.40** (4.40)	**1755.97** (986.86)	**842.43** (420.96)	**47974.92** (42656.23)
2) Own Generation: Pig Iron, Steel products & Sponge Iron	**-** (-)	**-** (-)	**-** (-)	**1473.67** (1115.74)	**4273.64** (2691.70)	**2.90** (2.65)	**-** (-)	**-** (-)	**-** (-)

(B) Consumption/Unit of Production.

PARTICULARS	COAL/COKE (KGs.)	ELECTRICITY (KWHs)	FURNACE OIL (LTRs.)
Iron & Steel Castings	**180.92** (179.99)	**750.57** (601.95)	**-** (-)
Pig Iron & Steel Products	**553** (513)	**252.836** (200.143)	**1.939** (1.087)
Sponge Iron	**1863** (1769)	**78** (77)	**-** (-)

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

II. TECHNOLOGY ABSORPTION:

1. The Company has adopted the Chinese Technology at its Steel Plant Division for its Blast Furnace, Pulverised Coal Dust Injection and Coke Oven and Rolling Mills.

2. During the year the Company has successfully commissioned Wire Rod Block at its Wire Rod Mill in technical collaboration with Morgan Shammard, a part of Dun and Lee, a Multinational Group from Sweden and second 1 Lac MT Coke Oven Plant with 6 MW Power Plant based on hot gases generated from this Coke oven Plant at Siltara Growth Centre, Raipur.

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

			(Rs. in Lacs)
		2012-2013	2011-2012
i)	**Foreign Exchange earned :**		
	Export of goods on FOB basis	**1214.56**	749.44
ii)	**Foreign Exchange used:**		
	Purchase of Raw Materials, Stores & Components, traded goods and capital goods	**42793.15**	44231.51
	Interest & Financial Charges	**0.00**	6.23
	Traveling	**16.70**	3.76
	Salary	**31.65**	28.00
	Rent	**5.81**	5.89
	Others	**1.83**	7.96
	TOTAL	**42849.14**	44283.35

For and on behalf of Board of Directors

Place : Nagpur **Basant Lall Shaw**

Date : 12th August, 2013 **Chairman**

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013.

1.	Name of the Subsidiary Company	**JAYASWAL NECO URJA LIMITED**
2.	Financial year of the Subsidiary Company	1.04.2012 to 31.03.2013
3.	a. Number of Shares held by Jayaswal Neco Industries Ltd. at the end of the Financial year.	13705500 Equity Shares of Rs.10/- each
	b. Extent of interest of holding company at the end of the Financial Year of the Subsidiary Company.	99.82%
4	The net aggregate amount of the Subsidiary Profit /(Loss) so far as it concerns the Members of the Holdings Company.	
	a. Not dealt with in the Holding Company's accounts. i) For the Financial year 31st March, 2013 ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's subsidiary.	 NIL NIL
	b. Dealt with in the Holding Company's accounts. i) For the financial year ended 31st March, 2013 ii) For the previous financial year of the subsidiary Company since it became the Holding Company's subsidiary.	 NIL NIL

For and on behalf of Board of Directors

Place : Nagpur **Basant Lall Shaw**

Date : 12th August, 2013 **Chairman**

CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

II BOARD OF DIRECTORS

As of date the Board of the Company comprises of 8 (Eight) Directors; with the composition of Executive and Non-Executive / Independent Directors.

4 (Four) Board Meetings were held during the year ended 31.03.2013. The Dates of the Meetings are given below:

i) 12.05.2012 ii) 10.08.2012 iii) 31.10.2012 and iv) 07.02.2013

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

Sr. No	Names of Directors	Category	Board Meetings Attended	Attended last AGM held on 29.09.2012	No. of Directorships in other Companies as on 31/03/2013 (Excluding Foreign & Private Limited Companies)	No. of Memberships in Committee of Directors in other Companies.	
					Director	Member	Chairman
1	Shri Basant Lall Shaw Chairman	Promoter Non-Executive	4	Yes	13	-	-
2	Shri Arbind Jayaswal Managing Director	Promoter Executive	4	Yes	14	-	-
3	Shri Ramesh Jayaswal Joint Managing Director	Promoter Executive	3	Yes	13	-	-
4	Shri B K Agrawal Director	Independent Non-Executive	3	Yes	1	-	-
5	Shri M M Vyas Director	Independent Non-Executive	0	No	2	-	-
6	Shri Nirmit Ved Director	Independent Non-Executive (EXIM Bank Nominee)	3	No	-	-	-
7	Shri Sanjeev Kumar Sachdev Director	Independent Non-Executive (IDBI Bank Ltd. Nominee)	3	No	-	-	-
8	Shri P K Bhardwaj Executive Director & CFO	Professional Executive Director	4	Yes	1	-	-
9	Shri Manish Chourasia Director (*)	Independent Non-executive (ICICI Bank Ltd. Nominee)	3	No	-	-	-

(*) Nomination of Shri Manish Chourasia withdrawn by ICICI Bank Limited w. e. f. 6th March, 2013.

Shri A D Karajgaonkar, Company Secretary, is a Compliance Officer.

III AUDIT COMMITTEE

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

During the year under review, the Committee met on 12.05.2012, 10.08.2012, 31.10.2012, and 07.02.2013. Generally, all the Members of the Committee attend the Meetings. Heads of the Internal Audit / Internal Control Units, Representatives of Statutory Auditors, Managing Director and other Finance Executives of the Company also attend the Meetings, on invitation.

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

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

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

The terms of reference are to

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

IV REMUNERATION COMMITTEE

During the year Remuneration Committee met on 31.10.2012.

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

Sr.No.	Names of Members		Attendance
1.	Shri M M Vyas	Chairman	0
2.	Shri B K Agrawal	Member	1
3.	Shri Nirmit Ved	Member	1

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

At the meeting held on 31.10.2012, as above, the Committee has reviewed and recommended the proposal of enhanced Remuneration to Shri P K Bhardwaj, Executive Director and CFO.

Remuneration Policy of the Company is as follows:

1. For Executive Directors

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

2. For other Directors

   By way of sitting fees as under:

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

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

Other payments to Directors :

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

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

The details of Remuneration to Directors during the year 01.04.2012 to 31.03.2013 and the number of Equity Shares held by them in the Capital of the Company are as follows:

Sr. No.	Names of Directors	Designation	Remuneration drawn (Amount Rs. in lacs)		No. of Equity Shares held
			Salary, Allowances & Perquisites	Sitting fees	
1	Shri Basant Lall Shaw	Chairman	-	0.20	2433170
2	Shri Arbind Jayaswal	Managing Director	50.41 (**)	-	539150
3	Shri Ramesh Jayaswal	Joint Managing Director	50.41 (**)	-	539150
4	Shri P K Bhardwaj	Executive Director	27.65 (**)	-	-
5	Shri B K Agrawal	Director	-	0.22	7500
6	Shri M M Vyas	Director	-	0.00	79034
7	Shri Nirmit Ved	Director (EXIM Bank Nominee)	-	0.22(*)	-
8	Shri S K Sachdev	Director (IDBI Bank Ltd. Nominee)	-	0.21(*)	-
9	Shri Manish Chourasia	Director(ICICI Bank Ltd Nominee)	-	0.15(*)	-

(*) Sitting Fees paid to the Institutions.

(**) Break up of Remuneration

Amount (Rs in lacs)

Names of Directors	Salary and Allowances	Prov. Fund	Perks	Total
Shri Arbind Jayaswal	46.81	3.60	-	50.41
Shri Ramesh Jayaswal	46.81	3.60	-	50.41
Shri P K Bhardwaj	26.30	1.35	-	27.65

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

V SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

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

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

Shri A D Karajgaonkar, Company Secretary is the Compliance officer.

The Committee met on 27.10.2012, 23.02.2013 and 19.03.2013, approved and issue of Duplicate Share Certificates, for 270 shares. No Complaint from any of the shareholder / Inventors was received during the year.

VI OTHER DISCLOSURES

1 Details on General Meetings:

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

For the year ended	Location	Date	Time
31.03.12	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	29.09.12	12.30 P.M.
31.03.11	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	24.09.11	11.30 A.M.
31.03.10	Registered Office at F-8, MIDC Industrial Area, Hingna Road, Nagpur - 440 016.	30.09.10	11.30 A.M.

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

a. Annual General Meeting held on 29.09.2012

i) Resolutions under section 81(1A) of the Companies Act, 1956, approving issue of 70000000 Equity Shares of Rs.10/- each at Premium of Rs.30/- per share on Preferential basis to Promoter and Non-Promoter Group.

b. Annual General Meeting held on 24.09.2011

i) Resolution under Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, approving appointment of Shri Megpal Singh, as Director.

ii) Resolution under Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, approving appointment of Shri Pramod Kumar Bhardwaj, as Executive Director and Chief Finance Officer.

iii) Resolutions under Section 94, 16 and 31 of the Companies Act, 1956, approving increase in Authorised Share Capital of the Company from Rs.316,00,00,000/- to Rs. 10,00,00,00,000/- and consequential changes to Memorandum and Articles of Association.

iv) Resolutions under Section 81(1A) of the Companies Act, 1956, approving issue of 6,99,59,559 Equity Shares of Rs.10/- each at Premium of Rs.30/- per share on Preferential basis to Promoter and Non-Promoter Group.

2. During the year, the Company has issued 13,75,00,000 equity shares in the aggregate, of Rs. 10/- each for cash at a premium of Rs.30/- per share to Promoter Group entities and others on Preferential basis in pursuance of ICDR Regulations, 2009, as amended. Proceeds of the issue being Rs.550.00 Crores have been deployed for the object of the issue being part funding the cost of the ongoing expansion under Steel Plant Division of the Company.

3. During the year under review, no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large were entered into, except those stated in IV above and 9,48,75,000 Equity shares of Rs. 10/- each at a premium of Rs. 30/- per share issued on preferential basis to promoter group entities.

4. The Company has a Whistle Blower mechanism in place and no personnel has been denied access to the Management and/or Audit Committee to discuss issues, if any; with them. During the year under review, there was no instance of anybody bringing any matter before the Management and/or Committee for discussions.

5. The Company has laid down Code of Conduct for Employees of the Company, and that the Directors and Senior Management Personnel have affirmed to the Board that they have adhered to the Code of Conduct during the year ended 31.03.2013.

6. The matters required to be covered under Management Discussion and Analysis Report are already covered in Directors Report under relevant heads; hence not being given separately.

7. Means of Communication

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

8. The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement on Corporate Governance. The Company has complied with some Non - mandatory requirements with respect to maintaining Chairman's Office at the Company's expense, and having Whistle Blower mechanism and Remuneration Committee in place, as suggested thereunder.

9. A certificate from CEO / CFO with respect to the matters required to be conveyed pursuant to the amended Clause 49 of the Listing Agreement with regard to the annual audited accounts for the year ended 31st March, 2013, was placed before the Board at its Meeting held on 25th May, 2013 and the same was noted.

VII GENERAL SHAREHOLDER INFORMATION

1 Annual General Meeting

Date and Time : 30th September, 2013 at 12.30 P.M.

Venue : Regd. Office at F-8, MIDC, Industrial Area, Hingna Road, Nagpur - 440 016.

2 Book Closure Date : 23rd September, 2013 to 30th September, 2013 (both days inclusive)

3 Dividend Payment Date : Not Applicable since no dividend is proposed.

4 Financial Calendar For the Year ending : 31st March, 2014

Sr. No.	Particulars	Tentative Date
1	Unaudited Financial Results for the period of 3 months ended 30th June, 2013.	Second week of August, 2013.
2	Unaudited Financial Results for the period of 3 months ending 30th September, 2013.	Second week of November, 2013
3	Unaudited Financial Results for the Period of 3 months ending 31st December, 2013.	Second week of February, 2014
4	Audited Financial Results for the period of 12/3 months ending 31st March, 2014.	Last week of May, 2014
5	Annual General Meeting for the year 31st March, 2014.	Last week of September, 2014

5. Listing of Equity shares on :

1) BSE Limited
Phirojee Jeejeebhoy Towers,
Dalal Street, MUMBAI - 400 001.
Stock Code - 522285.

2) National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. 6/1, Bandra Kurla Complex,
`G', Block,Bandra, MUMBAI - 400 051.
Stock Code - JAYNECOIND

Annual Listing fees for the year 2013-2014 have been duly paid to both the above Stock Exchanges.

6. Stock Market Data:

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

Month/Year	BSE Limited		National Stock Exchange of India Limited	
	Price		Price	
	High(Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
Apr. 12	17.45	14.95	17.40	14.80
May 12	15.95	13.70	15.95	13.70
June 12	14.22	13.59	14.15	13.50
July 12	15.71	12.87	15.65	12.85
Aug. 12	13.95	11.44	14.00	11.50
Sep. 12	11.91	9.29	11.95	9.25
Oct. 12	13.20	10.88	13.20	10.85
Nov. 12	13.23	11.57	13.25	11.50
Dec. 12	13.40	12.14	13.45	12.15
Jan. 13	14.03	11.08	14.10	11.05
Feb. 13	13.22	10.38	13.20	10.30
Mar. 13	11.24	8.96	11.20	8.95

B. Equity Shares of the Company are regularly traded on both the Exchanges. During the year, approximately 423.36 Lacs Equity Shares were traded.

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

Financial Year	Percentage Change		
	Company	BSE Sensex	NSE Nifty
2012 -2013	-42.45%	8.22%	7.31%

7. Registrars and Transfer Agents:

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

Sharex Dynamic (India) Pvt. Ltd.
Unit - 1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E),
Mumbai - 400 072. **SEBI Reg. No. INR 000002102.**

8. Share Transfer and Investors Grievances Redressal System

Equity Shares:

(a) Physical Form

The Company has appointed Sharex Dynamic (India) Pvt. Ltd. a its Registrar and Transfer Agent to look into various issues relating to the investors including share transfers. Share transfers in physical form are registered and returned within a period of 10 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company gets report of the share transfers, etc. periodically from Registrar and Transfer Agent.

During the year, the Company has not received any investor complaint.

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

(b) Electronic Form

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

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

9. Shareholding Pattern as on 31st March, 2013:

Category	No. of Shares held	% of total share holding	No. of Share holders	% of total shareholders
A) Promoter and Promoter Group	343829621 (*)	69.16	18	0.04
SUB TOTAL (A)	**343829621**	**69.16**	**18**	**0.04**
B) Public Shareholding				
i) Financial Institutions / Insurance Companies Banks / Mutual Funds	15382671	3.09	27	0.06
ii) NRIs / OCBs / Other Foreign Shareholders	669829	0.13	209	0.47
iii) Other Corporate Bodies	93137052	18.73	704	1.57
iv) Public	44164290	8.89	43959	97.86
SUB TOTAL (B)	**153353842**	**30.84**	**44899**	**99.96**
TOTAL (A+B)	**497183463**	**100.00**	**44917**	**100.00**

(*) Includes 8927000 Equity Shares being 2.60% of the Promoter and Promoter Group shareholding, and 1.80% of the total Equity Shares Capital pledged in favour of the Lenders to secure their Term Loans.

10 Distribution of shareholding as on 31st March, 2013.

Shares of Nominal Value (Rs.)	Number of Shareholders	% of Holders	Total Amount	% of Amount
Upto to 5000	34814	77.50	61882640.00	1.24
5001 to 10000	4545	10.12	39364840.00	0.80
10001 to 20000	2399	5.34	38400480.00	0.78
20001 to 30000	882	1.96	23009980.00	0.46
30001 to 40000	441	0.98	16107050.00	0.32
40001 to 50000	464	1.03	22244630.00	0.45
50001 to 100000	657	1.46	49459780.00	0.99
100001 to Above	715	1.60	4721365230.00	94.96
TOTAL	**44917**	**100.00**	**4971834630.00**	**100.00**

11. Dematerialisation of Shares and Liquidity:

492603826 Equity Shares i.e. 99.08 % of the total Equity Shares have been dematerialized up to 30.06.2012.

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

12. Plant Locations :

1. Steel Plant Division:

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

2. Castings Divisions:

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

13. Address for Investor Correspondence:

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

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

For and on behalf of Board of Directors

Place : Nagpur
Date : 12th August, 2013

Basant Lall Shaw
Chairman

CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members,

Jayaswal Neco Industries Limited

We have examined the compliance of conditions of Corporate Governance by JAYASWAL NECO INDUSTRIES LIMITED, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

R. Koria
Partner
Membership No. - 35629
Place: Mumbai
Date: 12th August , 2013

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

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

CODE OF CONDUCT

It is herby declared pursuant to Clause - 49 of the Listing Agreement with Stock Exchange that to the best of our knowledge and belief, all the Board Members and Senior Management personnel have, for the year ended 31.03.2013, adhered to the Code of Conduct laid down by the Company.

Arbind Jayaswal
Managing Director / CEO
Dated 12th August, 2013.

DISCLOSURE

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

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

Shri Basant Lall Shaw, Shri Arbind Jayaswal, Shri Ramesh Jayaswal, Smt. Nisha Jayaswal, Smt. Rita Jayaswal, Shri Anand Jayaswal, Smt. Karishma Jayaswal, Master Ananmay Jayaswal, Master Atharv Jayaswal, Master Aarik Jayaswal, Shri Avneesh Jayaswal, Smt. Hargunn Jayaswal, Shri Archit Jayaswal, Neco Heavy Engineering and Castings Limited, Neco Ceramics Limited, A M R Iron and Steel Pvt. Ltd., A M R Steel Industries Pvt. Ltd., N S S L Limited, Neco Leasing and Finance Pvt. Ltd., Neco Valves and Pumps Pvt. Ltd., Neco Defence Systems Ltd., Neco Mining Company Limited, Terra

Projects Ltd., Terra Infra Development Ltd., Deify Infrastructures Ltd., Deify Infraprojects Pvt. Ltd., Jayaswal Neco Infraprojects Pvt. Ltd., NSSL Italia SRL, Econo Valves Ltd., Neco Holdings Pvt. Ltd., Jayaswal Holdings Pvt. Ltd., Neco Industries Limited, Nagpur Agro and Food Processors Ltd., Maa Usha Urja Ltd., Jayaswal Neco Power Pvt. Ltd., North Karanpura Coal Company Ltd., North Karanpura Power Company Ltd., Nagpur Scrap Suppliers Pvt. Ltd., Jayaswal Neco Steel and Mining Ltd., Jayaswal Neco Infrastructures Pvt. Ltd., Raheja Exports Pvt. Ltd., Apex Spinning Mills Pvt. Ltd., Avon Sales and Services Pvt. Ltd., Anurag Sales and Services Pvt. Ltd., Jayaswal Neco Metallics Pvt. Ltd., Jayaswal Neco Energy Pvt. Ltd., Karamveer Impex Pvt. Ltd., Nine Star Plastic Packaging Services Pvt. Ltd., Ramdeobaba Impex Pvt. Ltd., Baba Ramdeo Commercials Pvt. Ltd., Micro Vehicles Pvt. Ltd., Green Gold Marketing Pvt. Ltd., Parivar Food Industries Pvt. Ltd., Vibrant Electronics Ltd., Jyotikant Investments Pvt. Ltd., Nabo Jagoran Trading Pvt. Ltd., Samadhan Traders Pvt. Ltd., Ghanshyam Vyapar Pvt. Ltd., Ram Prakash Sales and Services Pvt. Ltd. Pecon Vinimay Pvt. Ltd., Aman Tradecom Pvt. Ltd., Amrita Vyapaar Pvt. Ltd., Grace Tie - Up Pvt. Ltd.

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
Jayaswal Neco Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Jayaswal Neco Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including, Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with significant accounting policies and notes thereon, give the information required by the Act, 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 2013;

ii. In the case of the Statement of Profit & Loss , of the profit of the Company 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Act;
   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

R Koria
Partner
Membership No. - 35629
Mumbai

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

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

Date : May 25th , 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Jayaswal Neco Industries Limited on the accounts for the year ended 31st March, 2013)

i. In respect of its fixed assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
   b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company. No material discrepancies were noticed on such physical verification.
   c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.

ii. In respect of its inventories:
   a. As explained to us, inventories have been physically verified during the year by the management except for inventories in transit and lying with job workers for which management confirmation has been received. In our opinion the frequency of verification is reasonable.

b. As the company's inventory of raw materials mostly comprises bulk materials such as iron ore, coal, coke etc. requiring technical expertise for establishing the quality and quantification thereof, the Company has physically verified such stocks on volumetric basis. Relying on the above and according to the information and explanations furnished to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. According to the information and explanations given to us and on the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company, and the same have been properly dealt with.

iii. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Act:

a. The company has given advances in the nature of loan to two parties in respect of which maximum amount involved during the year was Rs. 623.40 Lacs and the year-end balance was Rs. 623.40 lacs.

b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.

c. As per the information and explanations given to us, the above advances are repayable on demand.

d. As the loans are repayable on demand, the question of overdue amounts does not arise. In respect of interest there are no overdue amounts.

e. The company has taken loans from eight such parties in respect of which maximum amount involved during the year was Rs. 7778.13 lacs and the year-end balance was Rs. 6272.42 Lacs .

f. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable, and other terms and conditions are not prima facie prejudicial to the interest of the Company.

g. As per the information and explanations given to us, the above loans are not due for repayment and there is no overdue amount of principal and interest.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

v. In respect of the contracts or arrangements referred to in Section 301 of the Act:

a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Act, have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per the information available with the Company, except for certain transactions for purchase of services, projects and sale of goods of specific nature for which alternative quotations are not available and hence we are unable to comment upon.

vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable for the year under audit.

vii. In our opinion the Company has an internal audit system, which needs to be further strengthened to make it commensurate with its size and nature of its business.

viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. According to the information and explanations given to us in respect of statutory dues:

a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year except in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

b. The disputed statutory dues aggregating to **Rs. 9919.76 Lacs,** that have not been deposited on account of matters pending before appropriate authorities are as under:

(Rs.in Lacs)

Nature of Dues	Statute	Period Involved	Amount (*)	Forum where dispute is pending
Custom Duty	Custom Act, 1962	1998-99	712.95	Supreme Court
		2004-05	100.00	CESTAT
Excise Duty	Central Excise Act, 1944	2000-01	5.52	Supreme Court
Excise Duty	Central Excise Act, 1944	2006-07	1,203.47	High Court
Excise Duty	Central Excise Act, 1944	1998-99 to 2010-11	1,415.50	CESTAT
Excise Duty	Central Excise Act, 1944	1995-96 and 2006-07 & 2007-08 to 2009-10	42.38	Commissioner (Appeals)
Service Tax	Service Tax	2005-06 to 2009-10,	143.93	CESTAT
Sales Tax	Central Sales Tax Act, 1956	1996-97	6.98	Appellate Tribunal
Sales Tax	Central Sales Tax Act, 1956	1995-96 to 96-97, 2002-03 and 2004-05	2,072.57	Joint Commissioner (A)
Sales Tax	Central Sales Tax Act, 1956	1996-97,2002-03 and 2005-06 to 2009-10	2,047.23	Deputy Commisioner (A)
Sales Tax	Central Sales Tax Act, 1956	2002-03	7.70	Additional Commissioner (A)
Entry Tax	Chattisgarh Entry Tax Act, 1976	1990-91 and 2004-05	0.55	High Court
Electricity Cess/duty	Electricity Act, 2003	2004-05 to 2010-11	1,711.98	Supreme Court
	Chhattisgarh State Electricity Regulatory Commission	2009-10	249.00	Supreme Court
	Electricity Act, 2003	2011-12	200.00	High Court
TOTAL			**9,919.76**	

(*) Net of amount deposited under protest.

x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

xi. Based on our audit procedures and information and explanations given by the management, we are of the opinion that as on 31st March, 2013 the Company has not defaulted in repayment of dues to banks and financial institutions.

xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities & other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.

xv. The Company has given corporate guarantees aggregating to Rs. 1181 lacs for loan taken by an associate company from a bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

xvi. The Company has raised new term loans during the year. To the best of our knowledge and according to the information and explanations given to us the term loans outstanding at the beginning of the year and those raised during the year were prima facie been either used for the purpose for which they were raised or pending utilization have been temporary kept with the banks.

xvii. On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company as at 31st March, 2013, related information as made available to us and as represented to us, by the management, we are of the opinion, that no funds raised on short term basis have been utilized for long term purposes.

xviii. During the year, the Company has made preferential allotment of 94,875,000 equity shares to nine companies covered in the Register maintained under Section 301 of the Act. According to the information & explanation given to us these shares are issued in terms of Securities and Exchange Board of India (Issue Of Capital and Disclosure Requirements) Regulations, 2009 and accordingly, the prices at which these shares are issued are not prima facie prejudicial to the interest of the company.

xix. The Company has not issued any debentures and hence provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xx. During the year covered by our report the company has not raised any money by public issue.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

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

R. Koria
Partner
Membership No. - 35629

Mumbai
Date: 25th May, 2013

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

S. R. Chhallani
Partner
Membership No. - 30154

Nagpur

NECO

BALANCE SHEET AS AT 31ST MARCH, 2013

	PARTICULARS	Note No.		As at 31.03.2013		As at 31.03.2012
I.	**EQUITY AND LIABILITIES**			**Rs.in lacs**		Rs.in lacs
1)	**Shareholders' Funds**					
	Share Capital	2	**49717.62**		35967.62	
	Reserves and Surplus	3	**130930.78**	**180648.40**	86816.04	122783.66
2)	**Non current Liabilities**					
	Long Term Borrowings	4	**144113.67**		109771.02	
	Deferred Tax Liability (Net)	5	**16067.07**		14228.41	
	Other Long Term Liabilities	6	**16.85**		83.94	
	Long term Provisions	7	**2694.95**	**162892.54**	782.33	124865.70
3)	**Current Liabilities**					
	Short Term Borrowings	8	**77701.45**		42889.53	
	Trade Payables	9	**35785.79**		34273.28	
	Other Current Liabilities	10	**28316.74**		25508.58	
	Short Term Provisions	11	**5116.64**	**146920.62**	4192.96	106864.35
	TOTAL			**490461.56**		354513.71
II.	**ASSETS**					
1)	**Non current assets**					
	Fixed Assets	12				
	Tangible Assets		**121759.21**		113298.32	
	Intangible Assets		**4243.62**		2488.57	
	Capital Work in Progress		**95168.01**		55036.93	
	Intangible Assets under Development		**8489.51**		6988.62	
			229660.35		177812.44	
	Non Current Investments	13	**0.01**		1370.56	
	Long Term Loans & Advances	14	**122928.86**	**352589.22**	55118.69	234301.69
2)	**Current assets**					
	Current Investments	15	**1435.17**		41.85	
	Inventories	16	**80185.06**		69389.66	
	Trade Receivables	17	**30185.41**		29078.63	
	Cash and Bank Balances	18	**15130.30**		10801.38	
	Short Term Loans and Advances	19	**10936.40**		9685.76	
	Other Current Assets	20	**-**	**137872.34**	1214.74	120212.02
	TOTAL			**490461.56**		354513.71
	Significant Accounting Policies	1				
	Notes to Financial Statements	2 to 42				

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

For and on behalf of Board of Directors

R. KORIA
Partner

ARBIND JAYASWAL
Managing Director

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

S. R. CHHALLANI
Partner

Nagpur, 25th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

	Particulars	Note No.	Year ended 31.03.2013	Year ended 31.03.2012
			Rs.in lacs	Rs.in lacs
1	Revenue from Operations (Gross)	21	**285451.72**	285671.45
	Less: Excise Duty/Service Tax Recovered on Sales		**30527.49**	26622.03
	Revenue from Operations (Net)		**254924.23**	259049.42
2	Other Income	22	**1178.07**	1550.30
3	**Total Revenue (1+2)**		**256102.30**	260599.72
4	**Expenses**			
	Cost of Materials Consumed	23	**155848.75**	163755.90
	Purchase of Stock in Trade	24	**5460.27**	2034.32
	Changes in Inventories of Finished Goods and Work in Progress	25	**(6750.22)**	(5086.12)
	Employee Benefits Expense	26	**12749.12**	11913.54
	Finance Costs	27	**18062.14**	17664.06
	Depreciation and Amortization Expenses	12	**9668.36**	8659.31
	Other Expenses	28	**56181.37**	53191.98
	Total Expenses		**251219.79**	252132.99
5	**Profit before tax (3-4)**		**4882.51**	8466.73
6	Tax Expense :			
	Current Tax		**1043.95**	1709.94
	MAT Credit Entitlement	14.01	**(864.84)**	(938.65)
	Deferred Tax Liability (Net)	5	**1838.66**	2315.48
			2,017.77	3,086.77
7	**Profit for the year (5-6)**		**2864.74**	5379.96
8	Earnings per Equity share of Rs.10/- each	29		
	Basic (Rs.)		**0.73**	1.95
	Diluted (Rs.)		**0.66**	1.95
	Significant Accounting Policies	1		
	Notes to Financial Statements	2 to 42		

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

Nagpur, 25th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Particulars	31.03.2013	31.03.2012
		(Rs.in lacs)	(Rs.in lacs)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax as per Statement of Profit and Loss	**4882.51**	8466.73
	ADJUSTED FOR		
	Depreciation and Amortization Expenses	**9668.36**	8659.31
	Loss/(Profit) on sale of fixed asset (Net)	**(12.85)**	(539.50)
	Loss/(Profit) on sale of investment (Net)	**(4.75)**	-
	Dividend on Current Investments	**(0.05)**	(0.10)
	Interest Income	**(826.27)**	(772.05)
	Finance Costs	**18062.14**	17664.06
	Foreign Exchange differences	**(146.26)**	73.19
	Provision for Sales Tax Deferral	**665.32**	664.97
	Bad Debts /Advances written off(Net of reversal)	**30.54**	443.60
	Provision for Doubtful Debts/ Advances	**114.08**	24.51
	Excess Provision Written Back	**-**	(0.18)
	Provision for diminution in value of investment	**2.23**	-
	Provision for Wealth tax	**1.67**	1.28
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**32436.67**	34685.82
	ADJUSTMENTS FOR		
	Trade and Other Receivables	**(1944.15)**	(4481.17)
	Inventories	**(10795.40)**	(13612.51)
	Trade Payables	**2123.38**	3287.74
	CASH GENERATED FROM OPERATIONS	**21820.50**	19879.88
	Direct taxes (paid) / Refund	**(913.98)**	(3511.73)
	Wealth Tax	**(1.28)**	-
	NET CASH FLOW FROM OPERATING ACTIVITIES	**20905.24**	16368.15
B.	**CASH FLOW FROM INVESTING ACTIVITES**		
	Purchase of Fixed Assets and Capital Work-in-progress	**(115197.27)**	(51516.24)
	Sale of Fixed Assets	**17.23**	23.13
	Sale of Investments	**29.75**	-
	Purchase of Investments	**(50.00)**	(24.99)
	Advances to Subsidiary (Net)	**(364.85)**	(231.02)
	Dividend Income	**0.05**	0.10
	Movement in Inter Corporate Deposits (Net)	**(4.43)**	(15.18)
	Interest Income	**847.41**	1237.41
	NET CASH USED IN INVESTING ACTIVITIES	**(114722.11)**	(50526.79)
C.	**CASH FLOW FROM FINANCING ACTIIVITIES**		
	Proceed against issue of Equity Shares	**55000.00**	21500.02
	Share Issue Expenses	**-**	(40.98)
	Repayment of Lease Liability	**(360.00)**	(360.00)
	Proceed from Long Term Borrowings (Refer Note No. (ii) below)	**51991.48**	85802.87

Repayment of Long Term Borrowings	**(14313.20)**	**(29317.78)**
Short Term Loans (Net)	**35373.75**	**(11951.52)**
Finance Costs	**(29546.24)**	**(27936.41)**
Margin Money and Fixed Deposits not included in Cash & Cash Equivalents	**(71.94)**	**2006.11**
NET CASH FLOW FROM FINANCING ACTIVITIES	**98073.85**	**39702.31**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4256.98**	**5543.67**
Cash and Cash Equivalents (Opening Balance)	**7373.97**	**1830.30**
Cash and Cash Equivalents (Closing Balance)	**11630.95**	**7373.97**

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

(ii) Debt Swap of Rs. 14055.01 lacs has not been considered in the proceeds from and repayment of Long Term Borrowings.

(iii) Figures in brackets indicate Outflows.

(iv) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

Nagpur, 25th May, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE: 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION OF FINANCAL STATEMENTS:

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

1.02 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.03 FIXED ASSETS:

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

1.04 MINING RIGHTS /MINE DEVELOPMENT EXPENDITURE:

Mining Rights/ mine development expenditure includes leases, costs incurred for acquiring / developing properties / rights up to the stage of commercial production and site restoration cost. The site restoration costs are provided upfront and comprises provision for expenses related to abandonment cost of its operational coal mine which includes dismantling of structures / demolition and cleaning of sites, rehabilitation of mining machinery, plantation, physical / biological reclamation, landscaping, biological reclamation of left out Overburden dump, filling up of decoaled void, post environmental monitoring for 3 years, rehabilitation measures, etc. Actual payments for restoration are charged directly against the provision. The present obligation is revised annually based on technical estimates by internal or external specialists. If the exploration activities are found to be not fruitful, the expenditure on such exploratory work included in mine development expenditure is written off in the year in which it is decided to abandon the project.

Mining Rights/Mine Development Expenditure are depreciated over the useful life of the mine or lease period whichever is shorter.

1.05 DEPRECIATION:

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

ii) Assets acquired under finance lease on or after 1st April 2001 are depreciated on a straight line basis over the lease term.

iii) In respect of Fixed Assets acquired pursuant to the Schemes of Arrangements, depreciation is provided for the balance period of economic useful life of those assets.

iv) The leasehold land has been ammortised over the lease period.

1.06 IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there is a change in the estimate of recoverable amount.

1.07 INTANGIBLE ASSETS:

Intangible Assets are stated at cost less accumulated amortisation. Process Development Cost is amortised over a period of ten years. Technical Know-how is amortised over the useful life of the underlying plant. Softwares are ammortised over a period of three years and Indefeasible Right to Use has been ammortised over the period of the agreement.

1.08 INVESTMENT:

Current investments are carried at the lower of cost or quoted / fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

1.09 INVENTORY:

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

1.10 FOREIGN CURRENCY TRANSACTIONS:

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

b) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss.

1.11 FINANCIAL DERIVATIVES:

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the statement of Profit and Loss.

1.12 REVENUE RECOGNITION

Revenue from sale of goods and services is recognized when it is earned and no significant uncertainty exists as to its ultimate collection. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.

1.13 INCOME FROM OPERATIONS:

Income from operations includes income from sale of goods, trial run products, services, job work, excise duty and is net of rebates, discounts, sales tax and value added tax recovered.

1.14 BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (net of income earned on deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

1.15 DEFERRED LIABILITIES:

Sales Tax payable under the Deferral Scheme of Incentives is provided for on the basis of Net Present Value.

1.16 EMPLOYEE BENEFITS:

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss/preoperative expenditure of the year in which the related service is rendered.

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

1.17 LEASE:

a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.

b) In respect of Lease transactions the lower of the fair value of the assets and the present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the statement of Profit and Loss.

1.18 PRELIMINARY AND ISSUE EXPENSES:

Preliminary and Issue Expenses are adjusted against the Securities Premium Account.

1.19 PREMIUM ON REDEMPTION OF DEBENTURES

Premium on redemption of debentures is adjusted against the Securities Premium Account.

1.20 SEGMENT ACCOUNTING:

(i) Segment Accounting Policies :

Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting:

(a) Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(b) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result. The expenses which relate to the Company as a whole and not allocable to segments, are included under "Unallocable expenditure".

(c) Income which relates to the Company as a whole and not allocable to segments is included in "Unallocable Corporate Income".

(d) Segment Assets and Liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise investments, unallocable loans and advances and, deferred revenue expenditure. Unallocable liabilities include mainly loan funds and interest liabilities.

(ii) Inter-Segment Transfer Pricing :

Segment Revenue resulting from transactions with other business segments is accounted on the basis of market price.

1.21 PROVISION FOR DOUBTFUL TRADE RECEIVABLES AND LOANS AND ADVANCES:

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

1.22 PROVISION FOR CURRENT AND DEFERRED TAX

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

1.23 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE : 2 SHARE CAPITAL

PARTICULARS			As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Authorised				
100,00,00,000	(100,00,00,000)	Equity Shares of Rs.10/- each.	**100000.00**	100000.00
			100000.00	100000.00
Issued, Subscribed and Paid up				
49,71,83,463	(35,96,83,463)	Equity Shares of Rs.10/- each fully paid up.	**49718.34**	35968.34
		Less : Allotment Money Unpaid (from other than Directors)	**0.72**	0.72
	TOTAL		**49717.62**	35967.62

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

PARTICULARS	As at 31.03.2013 No. of Shares	As at 31.03.2013 Amount Rs.in lacs	As at 31.03.2012 No. of Shares	As at 31.03.2012 Amount Rs.in lacs
Shares outstanding at the beginning of year	**359,683,463**	**35968.34**	250,860,904	25086.09
Add: Shares issued during the year on Preferential Basis	**137,500,000**	**13750.00**	108,822,559	10882.25
Shares outstanding at the end of year	**497,183,463**	**49718.34**	359,683,463	35968.34

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

Name of Shareholders	As at 31.03.2013 No of Share held	As at 31.03.2013 Percentage to Capital	As at 31.03.2012 No of Share held	As at 31.03.2012 Percentage to Capital
Jayaswal Holdings Private Limited	**43,978,951**	**8.85**	43,978,951	12.23
Karamveer Impex Private Limited	**39,069,000**	**7.86**	28,819,000	8.01
Nine Star Plastic Packaging Services Private Limited	**36,974,600**	**7.44**	25,724,600	7.15
Jayaswal Neco Metallics Private Limited	**32,790,500**	**6.60**	21,290,500	5.92
Avon Sales and Services Private Limited	**30,815,000**	**6.20**	20,065,000	5.58
Jayaswal Neco Energy Private Limited	**31,312,000**	**6.30**	20,312,000	5.65
Jayaswal Neco Power Private Limited	**29,722,500**	**5.98**	20,222,500	5.62
Anurag Sales & Services Private Limited	**30,091,000**	**6.05**	19,091,000	5.31
Apex Spining Mills Private Limited	**26,559,600**	**5.34**	16,059,600	4.46

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

2.04 Rights of Equity Shareholders

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

2.05 During the financial year 2010-11, the Board of Directors had approved the Scheme of Arrangement ("the Scheme") under sections 391-394 of the Companies Act, 1956, between the Company and Corporate Ispat Alloys Limited ("CIAL") providing for demerger of Steel Division of CIAL for the purpose of its merger with the Company with effect from 1st April, 2008. Necessary approvals from the Stock Exchanges under clause 24(f) of the Listing Agreement have been received. The Company has in compliance of the order of the High Court held meetings of Shareholders and Creditors of the Company on 20th April, 2012. The shareholders have unanimously approved the scheme. The creditors' meeting was adjourned at the request of the creditors present and is now scheduled on 28th May 2013. On obtaining the required statutory approvals and sanctions of the High Courts, and the Scheme coming into force, the Company shall issue 3,26,49,600 fully paid-up Equity Shares of Rs. 10/- each to the eligible shareholders of CIAL in the ratio of 114 Equity Shares of the Company for every 10 Equity Shares held by them in CIAL as on the record date.

NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2013	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		**79.02**	79.02
Capital Redemption Reserve			
Balance as per last Balance Sheet		**5100.37**	5100.37
Securities Premium Account			
Balance as per last Balance Sheet	**38775.81**		6170.02
Add: Received on issue of Equity Shares	**41250.00**		32646.77
Less: Share Issue expenses	**-**		40.98
		80025.81	38775.81
Revaluation Reserve			
Balance as per last Balance Sheet	**23.75**		24.52
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	**0.76**		0.77
		22.99	23.75
General Reserve			
Balance as per last Balance Sheet		**17586.48**	17586.48
Surplus			
Balance as per last Balance Sheet	**25250.61**		19869.88
Add: Profit for the year	**2864.74**		5379.96
Add: Transferred from Revaluation Reserve	**0.76**		0.77
		28116.11	25250.61
TOTAL		**130930.78**	86816.04

NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Secured			
Term Loans			
- From Banks	**139582.34**		105175.01
- From Financial Institutions	**798.61**		1215.28
- From Others	**24.79**		76.53
		140405.74	106466.82
Unsecured			
Sales Tax Deferral (Under Package Scheme of Incentives)		**3385.76**	2720.44
Long term maturities of finance lease obligations		**322.17**	583.76
TOTAL		**144113.67**	109771.02

4.01 The term loans from banks, financial institutions and others referred to above aggregating to Rs. 140287.41 lacs and Rs. 17669.89 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities.

4.02 Term loans from Banks and Financial Institution referred to above aggregating to Rs. 133937.10 lacs and Rs. 17669.89 Lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured by way of :

a. First Charge on the moveable and immoveable fixed assets of the company, both present and future on pari-passu basis with other participating Financial Institution/ Banks except the moveable and immoveable fixed assets at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand.

b. First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licences including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis with other perticipating Financial Institutions/ Banks.

c. Charge on all the current assets of the company including raw materials, finished goods, stock-in-process, trade receivable, both present and future on pari-passu basis with other participating Financial Institutions/ Banks amongst them ranking next to the charge in favour of bankers to secure their working capital loans.

4.03 Term loans from banks refer to above aggregating to Rs.6350.31 Lacs are secured by way of first charge on whole of the moveable and immoveable properties, except Book Debts, Store and Spares and Stocks, both present and future relating to coking coal mines project including washery at Moitra coking coal block at North Karanpura Coalfields near Hazaribagh in Jharkhand (the project) and charge on Current Assets of the Company on pari-passu basis amongst banks funding the project ranking next to the charge in favour of bankers to secure their working capital loans.

4.04 Term Loans of Rs.118.33 lacs and Rs.110.28 lacs included in current maturities of long term debt are secured by way of hypothecation of the specific Equipments/ Vehicles financed.

4.05 Term Loans from Banks and Financial Institutions referred to above and Rs. 17780.17 lacs included in current maturities of long term debt in Note No.10 are to be repaid as under :

Rs. 2833.33 lacs is repayable in 24 equal monthly instalments of Rs.118.06 lacs each, ending on March, 2015.

Rs. 5408.33 lacs is repayable in 24 equal monthly instalments of Rs.225.35 lacs each, ending on March, 2015.

Rs. 1275.00 lacs is repayable in 24 equal monthly instalments of Rs.53.13 lacs each, commencing from April, 2015 and ending on March, 2017.

Rs. 4137.09 lacs is repayable in 30 equal monthly instalments of Rs.138.90 lacs each, ending on September, 2015.

Rs. 798.61 lacs is repayable in 24 equal monthly instalments of Rs.34.72 lacs each, ending on March, 2015.

Rs. 313.48 lacs is repayable in 10 equal quarterly instalments of Rs.30.88 lacs each, ending on September, 2015.

Rs. 3281.25 lacs is repayable in 7 equal quarterly instalments of Rs.468.75 lacs each, ending on October, 2014.

Rs. 500.00 lacs is repayable in 12 equal monthly instalments of Rs.41.67 lacs each, ending on March, 2014.

Rs.7500.00 lacs is repayable in 15 equal quarterly instalments of Rs.500.00 lacs each, ending on October, 2016.

Rs. 11200.00 lacs is repayable in 48 structured monthly instalments, ending on March, 2017.

Rs. 2367.75 lacs is repayable in 12 structured monthly instalments, ending on March, 2014.

Rs. 1833.33 lacs is repayable in 40 equal monthly instalments of Rs.45.83 lacs each, commencing from August, 2012 and ending on July, 2016.

Rs. 8264.23 lacs is repayable in 26 equal quarterly instalments of Rs.318.12 lacs each, commencing from January, 2013 and ending on October, 2019.

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

Rs.13920 . 96 lacs is repayable in 22 quarterly instalments of Rs.632.77 lacs each, commencing from December 2015 and ending in March 2021.

Rs. 71412.76 lacs is repayable in 78 equal monthly instalments of Rs. 915.55 lacs each, commencing from September, 2014 and ending on February, 2021.

Rs. 6560.85 lacs is repayable in 22 equal quarterly instalments of Rs. 298.22 lacs each, Commencing from November 2015 and ending in Feb 2021.

Rs. 10000.00 lacs is repayable in 48 equal monthly instalments of Rs.208.33 lacs each. Commencing from July 2013 and ending in June 2017.

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

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

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

	Payable within one year	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks, Financial Institution and Others	17780.17	25090.44	25704.31	24634.81	64976.18

4.06 The Minimum Lease Rentals outstanding as on 31st March, 2013 in respect of a plant having the Gross Liability of Rs. 2,324.93 lacs (Previous Year Rs. 2,324.93 lacs) taken on financial lease is as follows :

	31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	**360.00**	360.00
(ii) Payable later than 1 year and not later than 5 years	**360.00**	720.00
(iii) Payable later than 5 years	**-**	-
Total Minimum Lease Payments	**720.00**	1080.00
Less : Future Finance Charges	**136.24**	283.83
Present Value of Minimum Lease Payments	**583.76**	796.17
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	**261.59**	212.41
(ii) Payable later than 1 year and not later than 5 years	**322.17**	583.76
(iii) Payable later than 5 years	**-**	-
Total Present Value of Minimum Lease Payments	**583.76**	796.17

General description of Lease terms :

(i) Lease Rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease for a period of 5 to 10 years.

4.07 The Company is entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) in respect of its certain units. The liability under the Schemes as on 31st March, 2013 is Rs. 7361.03 lacs (Previous Year : Rs. 6150.51 lacs) which is provided for on the basis of its Net Present Value of Rs. 3385.76 lacs (Previous Year : Rs.2744.86 lacs). This Sales-tax liability is repayable in five equal annual instalments starting at the end of the tenth year from the year to which it relates.

NOTE : 5 DEFERRED TAX LIABILITIES

PARTICULARS	As at 31.03.2013 Rs. in lacs	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	**16005.48**		14378.73
Sales Tax Deferred claimed as deduction for tax purpose to the extent not debited to Statement of Profit & Loss	**1289.78**		1104.96
		17295.26	15483.69
Deferred Tax Assets			
Items disallowed under section 43B of Income Tax Act, 1961	**602.59**		643.83
Provision for Doubtful Trade Receivables & Advances	**481.80**		447.40
Leased Asset	**143.80**		164.05
		1228.19	1255.28
Net Deferred Tax Liability		**16067.07**	14228.41

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Deposits Received	**16.85**	18.35
Trade Payables (Retention Money)	**-**	65.59
TOTAL	**16.85**	83.94

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
Provision for Site Restoration Expenses	**2694.95**	782.33
TOTAL	**2694.95**	782.33

7.01 The site restoration costs have been calculated in terms of guidelines for preparation of mines closure plan issued by Ministry of Coal, Government of India.

NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Secured			
Working Capital Loans from Banks			
i) Rupee Loans	**45619.96**		34778.86
ii) Foreign Currency Loan	**-**		5115.65
		45619.96	39894.51
Unsecured			
Inter Corporate Deposits taken from:			
i) Related party (Refer Note No.34 (c))	**6272.42**		582.68
ii) Others	**1849.40**		2245.00
		8121.82	2827.68
Buyer's Credits		**203.61**	167.34
Suppliers Credits *		**23756.06**	-
(Backed by Letter of Credit)			
TOTAL		**77701.45**	42889.53

* Includes Rs.16153.17 Lacs (Previous Year Rs. NIL) relating to Capital Goods to be paid out of Term Loans

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

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

NOTE : 9 TRADE PAYABLES

PARTICULARS	As at 31.03.2013	As at 31.03.2012
	Rs. in lacs	Rs. in lacs
Trade Payables - Micro, Small and Medium Enterprises @	**-**	-
- Others	**35785.79**	34273.28
TOTAL	**35785.79**	34273.28

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

NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Current Maturities of Long term debts		**17780.17**	14040.81
Current Maturities of Lease obligations		**261.59**	212.41
Interest Accrued but not due on borrowings		**612.51**	362.07
Advances from Customers		**2525.07**	2002.31
Creditors for Capital Goods		**138.00**	975.34
Other Payables			
Statutory Liabilities	**1096.99**		1891.09
Deposits Received	**13.21**		1015.00
Others*	**5889.20**		5009.55
		6999.40	7915.64
TOTAL		**28316.74**	25508.58

* Mainly includes Payable to Employees and Provision for Materials and Expenses.

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Provision for Employee Benefits	1727.62	1655.12
Provision for Wealth tax	1.67	1.28
Provision for Excise Duty	2990.60	2139.81
Other Provisions*	396.75	396.75
TOTAL	**5116.64**	4192.96

* includes provision for disputed Entry Tax and Cess on Metallurgical Coke

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The excise duty payable on clearance of goods lying in stock as at 31st March, 2012 was of Rs. 2139.81 lacs as per the estimated pattern of despatches. During the year Rs.2139.81 lacs was utilised for clearance of goods. Liability recognised under this clause for the year is Rs. 2990.60 lacs which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

NOTE : 12 FIXED ASSETS

(Rs.in lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 31.03.2012	For the Year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Tangible Assets										
Owned										
Land	3188.15	2152.49	4.38	**5336.26**	-	-	-	**-**	**5336.26**	3188.15
Buildings	18964.42	732.28	-	**19696.70**	4161.81	603.18	-	**4764.99**	**14931.71**	14802.61
Railway Siding	3212.86	-	-	**3212.86**	2152.37	152.61	-	**2304.98**	**907.88**	1060.49
Plant & Equipments	138739.13	14,885.72	-	**153624.85**	45701.90	8473.54	-	**54175.44**	**99449.41**	93037.23
Office Equipments	356.62	45.39	-	**402.01**	168.50	19.06	-	**187.56**	**214.45**	188.12
Furniture & Fixtures	446.01	12.91	-	**458.92**	302.85	23.28	-	**326.13**	**132.79**	143.16
Vehicles	726.41	114.01	-	**840.42**	410.37	52.48	-	**462.85**	**377.57**	316.04
Sub-Total	165633.60	17942.80	4.38	**183572.02**	52897.80	9324.15	-	**62221.95**	**121350.07**	112735.80
Leased										
Land	331.90	-	-	**331.90**	59.91	3.38	-	**63.29**	**268.61**	271.99
Plant & Equipments	2324.93	-	-	**2324.93**	2034.40	150.00	-	**2184.40**	**140.53**	290.53
Sub-Total	2656.83	-	-	**2656.83**	2094.31	153.38	-	**2247.69**	**409.14**	562.52
Total (A)	168290.43	17942.80	4.38	**186228.85**	54992.11	9477.53	-	**64469.64**	**121759.21**	113298.32
Intangible Assets :										
Process Development*	3400.28	-	-	**3400.28**	3400.28	-	-	**3400.28**	**-**	0.00
Softwares**	41.48	8.88	-	**50.36**	26.70	10.01	-	**36.71**	**13.65**	14.78
Technical Know-How**	642.21	-	-	**642.21**	209.03	33.91	-	**242.94**	**399.27**	433.18
Indefeasible Right to Use**	981.39	25.18	-	**1006.57**	108.45	66.05	-	**174.50**	**832.07**	872.94
Mining Rights	1381.00	1,912.61	-	**3293.61**	213.33	81.65	-	**294.98**	**2998.63**	1167.67
(Refer Note No.7.01)										
Total (B)	6446.36	1946.67	-	**8393.03**	3957.79	191.62	-	**4149.41**	**4243.62**	2488.57
Total (A+B)	174736.79	19889.47	4.38	**194621.88**	58949.90	@ 9669.15	-	**68619.05**	**126002.83**	115786.89
Previous Year	159761.79	15278.69	303.69	**174736.79**	50548.89	8667.64	266.63	**58949.90**	**115786.89**	
Capital Work-in-progress									**95168.01**	55036.93
Intangible Assets under Development									**8489.51**	6988.62

* internally generated
** Other than internally generated
@ Rs.0.79 lacs (Previous year Rs.8.33 lacs) transferred to preoperative expenses.

12.01 Buildings include cost of building aggregating to Rs. 144.43 lacs (Previous Year Rs. 144.43 lacs) constructed on land, ownership of which does not vest with the Company.

12.02 Indefeasible Right to Use represents the cost incurred by the Company for the exclusive right of usage of certain pieces of land during the contract period.

12.03 Addition to Plant and Equipments includes Borrowing Cost of Rs 888.17 lacs (Previous Year Rs. 1968.92 lacs).

12.04 The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.76 lacs (Previous Year Rs. 0.77 lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Surplus.

12.05 Capital Work-in-progress includes :

	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Materials at site	**0.94**	94.04
Building under Construction	**247.05**	1142.42
Plant & Equipments under installation	**69907.84**	39707.15
Pre-operative Expenses	**25012.18**	14093.32
TOTAL	**95168.01**	55036.93

12.06 Intangible Assets under Development :

	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
Mining Rights	**5213.07**	5091.93
Pre-operative Expenses	**3276.44**	1896.69
TOTAL	**8489.51**	6988.62

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

Particulars	**31.03.2013 (Rs.in lacs)**	31.03.2012 (Rs.in lacs)
Raw Materials Consumed	**185.64**	-
Consumables, Stores and Spares Consumed	**14.97**	-
Power & Fuel	**39.57**	16.47
Remuneration and Benefits to Employees	**1576.62**	999.14
Repairs & Maintenance - Buildings	**-**	1.11
Repairs & Maintenance - Others	**48.64**	14.34
Rent	**3.71**	3.28
Rates, Taxes and Fees	**37.64**	3.57
Travelling and Conveyance	**36.61**	29.72
Printing & Stationery	**1.15**	-
Legal & Professional	**42.89**	84.87
Insurance	**0.13**	0.18
Miscellaneous Expenses	**148.33**	59.17
Depreciation	**0.79**	8.33
Finance Costs	**11882.13**	10505.28
	14018.82	11725.46

Less : Miscellaneous Income	**-**	0.04
Stock of Trial run production	**2.60**	-
Scrap Generated during Trial run	**158.35**	-
Trial Run Power used for manufacturing	**-**	104.88
Preoperative Expenses for the year	**13857.87**	11620.54
Add : Preoperative Expenses upto Previous Year	**15990.01**	6942.40
	29847.88	18562.94
Less : Allocated during the year	**1559.26**	2,572.93
TOTAL	**28288.62**	15990.01

12.08 During the year Ministry of Coal raised a demand for invoking the Bank Guarantee of Rs. 1000 Lacs furnished by the Company, in respect of the Company's Moitra Coal Block in Jharkhand for delay in start of production of coal. The Company has filed a writ petition before the Hon'ble High Court at New Delhi, which has, by an interim order, restrained the Bank from transmitting the amount till the next date of hearing.

12.09 The Company had filed Mining Lease applications for Rowghat Iron Ore Deposit in Bastar District Chhattisgarh. The Chhattisgarh State Government (SG) had rejected the same which were challenged by the Company by filing a revision application. The SG had filed a complaint before Ministry of Mines which had referred the matter to the Chief Vigilance Officer (CVO) which couldn't make out any case against the Company. Subsequently revision petition of the Company was allowed by the Adjudicating authority as well as the Delhi High Court which upheld the order of the Revisional Authority and also observed that the Company had successfully undertaken the Prospecting operations in the area. During the year, on a fresh complaint by the SG to the Chief Vigilance Commission (CVC) containing the same allegations the Central Bureau of Investigations(CBI) on the directions of the CVC had registered a FIR against the Company alleging certain irregularities against which the company has filed a writ petition for quashing of the FIR before the Hon'ble Delhi High Court, in which the High Court has directed CBI not to take any coercive action against the Petitioners till the next date of hearing.

12.10 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2013.

NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS	Number of Shares **31.03.2013**	31.03.2012	**Rs. Face Value**	**As at 31.03.2013 Rs.in lacs**	As at 31.03.2012 Rs.in lacs
Trade Investments (Unquoted, Fully Paid Up)					
In Equity Shares of Subsidiary Company					
Jayaswal Neco Urja Limited (Refer Note No.15.05)	-	13705500	10	-	1370.55
In Equity Shares - Others					
Punjab & Maharashtra Co-operative Bank Ltd.	**40**	40	25	**0.01**	0.01
The City Co-operative Bank Ltd. (Rs. 250)	**10**	10	25	**0.00**	0.00
TOTAL				**0.01**	**1370.56**

13.01 Aggregate Amount of Unquoted Investments 0.01 1370.56

13.02 Refer Note No. 1.08 for the basis of valuation

NOTE : 14 LONG TERM LOANS & ADVANCES

(Unsecured and Considered Good)

PARTICULARS	As at 31.03.2013 Rs. in lacs	As at 31.03.2013 Rs. in lacs	As at 31.03.2012 Rs. in lacs
Capital Advances			
To Related Parties (Refer Note No.34 (c))	**113623.04**		46585.92
To Others	**794.77**		1197.87
		114417.81	47783.79
Deposits		**760.31**	819.03
Advance Payment of Income-tax (Net)		**556.37**	686.34
MAT Credit Entitlement		**7194.37**	5829.53
TOTAL		**122928.86**	55118.69

14.01 Presently the company is liable to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on " Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961 " issued by the Institute of Chartered Accountants of India, Rs. 864.84 lacs being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at 31st March, 2013 is Rs.7194.37 lacs (Previous Year Rs. 6329.53 lacs).

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS	Number of Shares 31.03.2013	Number of Shares 31.03.2012	Rs. Face Value	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
In Equity Shares of Subsidiary Company (Unquoted, Fully Paid up)					
Jayaswal Neco Urja Limited *	**13705500**	-	10	**1370.55**	-
In Equity Shares - Fully Paid Up (Quoted)					
Antarctica Graphics Limited	**53000**	53000	1	**0.53**	0.53
Datar Switchgears Limited	**2200**	2200	10	**1.05**	1.05
Elbee Services Limited	**1400**	1400	10	**1.96**	1.96
Essar Steel Limited	**60**	60	10	**0.03**	0.03
JSW Ispat Steel Limited	**60**	60	10	**0.01**	0.01
Jindal Steel & Power Limited	**3000**	3000	5	**0.55**	0.55
JSW Steel Limited	**8**	8	10	**0.01**	0.01
Kirloskar Ferrous Industries Limited	**100**	100	5	**0.02**	0.02
Tata Steel Limited	**135**	135	10	**0.41**	0.41
Tourism Finance Limited	**3000**	3000	10	**0.90**	0.90
Triveni Sheet Glass Limited	**1000**	1000	10	**1.00**	1.00
Usha Martin Limited	**500**	500	10	**0.05**	0.05
Other Investments - Unquoted					
In Preference Shares - Fully Paid Up					
JSW Ispat Steel Limited (Rs.400)	**40**	40	10	**0.00**	0.00
In Units					
SBI One India Fund	**100000**	100000	10	**10.00**	10.00

* Trade Investments

SBI Infrastructure Bond	**50000**	50000	10	**5.00**	5.00
Union KBC Mutual Fund (EFGR)	**231472**	278704	10	**25.00**	25.00
Union KBC Cap. Protection Oriented Fund (EFGR)	**250000**	-	10	**25.00**	-
				1442.07	46.52
Less : Provision for diminution in the value				**6.90**	4.67
TOTAL				**1435.17**	41.85

15.01	Refer Note No. 1.08 for the basis of valuation		
15.02	Aggregate Amount of Quoted Investment	**1.73**	1.85
15.03	Aggregate Market Value of Quoted Investment	**11.74**	18.02
15.04	Aggregate Amount of Unquoted Investment	**1433.44**	40.00

15.05 During the year the Board of Directors have decided to dispose of investments in Jayaswal Neco Urja Limited, the subsidiary of the Company, subject to requisite approvals of Ministry of Coal, Government of India to implement the Power Plant at Raigarh through another company. Accordingly the investments in subsidiary Company, pending disposal, have been considered as Current Investments.

NOTE : 16 INVENTORIES

PARTICULARS	**As at 31.03.2013**	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Raw Materials	**31697.56**	23386.92
Raw Materials-in-transit	**12052.51**	17232.77
Work-in-progress*	**3557.00**	3317.99
Finished Goods	**24470.07**	18096.83
Finished Goods-in-transit	**59.98**	64.61
Stock In Trade (PVC Pipes)	**145.20**	-
Stores, Spares and Consumables	**8202.74**	7290.54
TOTAL	**80185.06**	69389.66

*Includes Rs.2.60 lacs being stock of trial run products

16.01 For basis of valuation refer Note No. 1.09

16.02 Broad Heads of Work-in-Progress:

Particulars	**As at 31.03.2013**	As at 31.03.2012
	Rs. in lacs	Rs. in lacs
Iron & Steel Castings	**3360.85**	3130.72
Coke	**119.26**	117.72
Sponge Iron	**76.89**	69.55
TOTAL	**3557.00**	3317.99

16.03 Broad Heads of Finished Goods:

Particulars	**As at 31.03.2012**	As at 31.03.2011
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	1126.40	1614.98
Pig Iron/Skull	2559.37	1820.21
Billets/Rolled Products	15483.35	11578.42
Sponge Iron	3486.51	1239.61
Others	1814.44	1843.61
TOTAL	**24470.07**	18096.83

NOTE : 17 TRADE RECEIVABLES

PARTICULARS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(Unsecured)	Rs.in lacs	Rs.in lacs	Rs.in lacs
Outstanding for a period exceeding six months			
Considered good	**1717.25**		1160.18
Considered doubtful	**496.97**		546.04
	2214.22		1706.22
Less : Provision for Doubtful Receivables	**496.97**		546.04
		1717.25	1160.18
Other receivables - considered good		**28468.16**	27918.45
TOTAL		**30185.41**	29078.63

NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	**10181.88**		6732.89
In Fixed Deposit Accounts	**-**		6.30
	10181.88		6739.19
Cheques in hand	**1,352.50**		540.00
Cash on hand	**96.57**		94.78
		11630.95	7373.97
Other Bank Balances			
Fixed Deposits with Banks *			
Pledged as Margin Money		**3497.16**	3427.41
Others		**2.19**	-
TOTAL		**15130.30**	10801.38

* Includes Rs. 504.19 lacs (Previous Year Rs. 278.65 lacs) having maturity period of more than 12 months.

NOTE : 19 SHORT TERM LOANS AND ADVANCES

PARTICULARS		As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(Unsecured, Considered Good unless stated otherwise)		Rs.in lacs	Rs.in lacs	Rs.in lacs
Loans and advances to Related Parties (Refer Note No.34 (c))			**1817.73**	1595.16
Advances to Suppliers	**6344.20**			5476.78
Prepaid expenses	**106.52**			166.80
Balances with Central Excise Authorities	**762.42**			195.58
Others *	**1656.91**			1465.24
		8870.05		7304.40
Considered doubtful		**978.56**		823.47
		9848.61		8127.87
Less : Provision for Doubtful Advances		**978.56**		823.47
			8870.05	7304.40

* Mainly includes VAT refund receivable, interest receivable and advances to employees and others

Deposits			
Considered good	**248.62**		286.20
Doubtful	**9.44**		9.44
	258.06		295.64
Less: Provision for Doubtful Deposits	**9.44**		9.44
		248.62	286.20
MAT Credit Entitlement (Refer Note No.14.01)		**-**	500.00
TOTAL		**10936.40**	9685.76

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Receivables against sale of Fixed Assets	-	652.92
Others	-	561.82
TOTAL	-	1,214.74

NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Sale of Products	**285178.54**	284950.40
Sale of Services	**241.33**	700.19
Other Operating Revenues - Export Incentives	**31.85**	20.86
TOTAL	**285451.72**	285671.45

21.01 Broad Heads of Sale of Products

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Iron & Steel Castings	**46553.98**	55124.07
Pig Iron / Skull	**69227.08**	74004.28
Billets/Rolled Products	**115862.81**	107512.49
Cast Iron	**2,564.97**	-
Sponge Iron	**41588.57**	39685.43
Power	**4240.17**	4339.21
Others	**5140.96**	4284.92
TOTAL	**285178.54**	284950.40

21.02 Broad Heads of Sale of Services

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Job Work	**241.33**	-
Project Consultancy	**-**	700.19
TOTAL	**241.33**	700.19

NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Interest Income	**826.27**	772.05
Dividend on Current Investments	**0.05**	0.10
Profit on Sale of Fixed Assets (Net)	**12.85**	539.50
Profit on Sale of Current Investments (Net)	**4.75**	-
Excess Provision written back	**-**	0.18
Other Miscellaneous Receipts	**334.15**	238.47
TOTAL	**1178.07**	1550.30

NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	**14509.84**	18052.51
Iron Ore	**67838.22**	68039.30
Metallurgical Coke	**47906.96**	56663.33
Coal and Coke	**12815.67**	9009.65
Others	**12778.06**	11991.11
TOTAL	**155848.75**	163755.90

23.01 Materials Consumed includes:

PARTICULARS	Year ended 31.03.2013		Year ended 31.03.2012	
	Percentage	**Value**	Percentage	Value
Imported	**26.57%**	**41408.39**	24.78%	40573.08
Indigenous	**73.43%**	**114440.36**	75.22%	123182.82
	100.00%	**155848.75**	100.00%	163755.90

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Purchase of Stock in Trade		
Iron & Steel Castings	**2214.27**	1304.79
Pig Iron / Skull	**479.12**	479.32
Cast Iron	**2,553.76**	-
Others	**213.12**	250.21
TOTAL	**5460.27**	2034.32

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

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Closing Inventories			
Finished Goods	**24530.05**		18161.44
Stock in Trade	**145.20**		-
Work-in-progress	**3554.40**		3317.99
		28229.65	21479.43
Opening Inventories			
Finished Goods	**18161.44**		13835.11
Stock in Trade	**-**		-
Work-in-progress	**3317.99**		2558.20
		21479.43	16393.31
(Increase) / Decrease in Inventories		**(6750.22)**	(5086.12)

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Salaries, Wages and Allowances	**9883.16**	9227.47
Contribution to P.F. and Other Funds	**1421.68**	1323.44
Welfare and Other Amenities	**1444.28**	1362.63
TOTAL	**12749.12**	11913.54

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Defined Contribution Plan	**Rs.in lacs**	Rs.in lacs
Employer's Contribution to Provident Fund, ESIC and Other Funds	**908.68**	830.15

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	As at 31.03.2013 (Funded)	As at 31.03.2012 (Funded)
Reconciliation of Opening and Closing balance of Defined Benefit Obligation.		
Defined Benefit Obligation at the beginning of the year	**1798.59**	1329.95
Current Service Cost	**313.91**	273.32
Interest Cost	**140.61**	104.49
Benefit Paid	**(81.87)**	(47.65)
Actuarial Losses / (Gain)	**109.56**	138.48
Defined Benefit Obligation at year end.	**2280.80**	1798.59

Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	**801.40**	555.67
Expected Return on Plan Assets	**101.25**	62.93
Employer Contribution	**570.78**	228.33
Benefit paid	**(81.87)**	(47.65)
Actuarial gain /(loss) on Plan Assets	**(3.76)**	2.12
Fair Value of Plan Assets at year end.	**1387.80**	801.40
Reconciliation of Fair Value of assets and obligations		
Fair Value of Plan Assets	**1387.80**	801.40
Present Value of Funded Obligations	**2280.80**	1798.59
Amount recognised in the Balance Sheet	**893.00**	997.19
Expense recognized in Statement of Profit & Loss Account		
Current Service Cost	**313.91**	273.32
Interest on Defined Benefit Obligation	**140.61**	104.49
Expected return On Plan Assets	**(101.25)**	(62.93)
Net Actuarial Losses / (Gains) Recognised in year	**113.32**	136.36
Non Funded Liability of Earlier Years written back	**-**	-
Total included in "Remuneration and benefits to Employees "	**466.59**	451.24

Amounts for the current and previous periods are as follows :

	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined Benefit Obligation	**2280.80**	1798.59	1329.95	1096.04	911.03
Plan Assets	**1387.80**	801.40	555.67	472.44	360.41
Surplus/(Deficit)	**(893.00)**	(997.19)	(774.28)	(623.60)	(550.62)
Experience adjustment on Plan Assets (Gain)/Loss	*	*	*	*	*
Experience adjustment on Plan Liabilities Gain/ (Loss)	*	*	*	*	*

Actuarial Assumptions

	31.03.2013	31.03.2012
Mortality Table (LIC)	**2006-08 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8.00%**	8.00%
Expected Rate of escalation in Salary (per annum)	**8.00%**	8.00%
Expected rate of return on Plan Assets (per annum)	**9.25%**	9.30%

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

NOTE : 27 FINANCE COSTS

PARTICULARS	**Year ended 31.03.2013**	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Interest Paid	**16225.98**	15071.85
Lease Finance Charges	**147.59**	187.53
Other Borrowing Costs	**1688.57**	2404.68
TOTAL	**18062.14**	17664.06

NOTE : 28 OTHER EXPENSES

PARTICULARS		Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
MANUFACTURING EXPENSES				
Consumables, Stores and Spares Consumed		**22074.41**		21327.15
Power and Fuel		**9646.00**		9586.03
Excise Duty		**850.79**		698.24
Repairs and Maintenance -				
Building		**80.71**		92.50
Plant and Equipment		**6553.54**		5002.15
Others		**7.37**		6.04
Royalty and Cess		**1055.74**		927.99
Internal Material Movement		**2973.05**		2113.46
Other Manufacturing Expenses		**1483.78**		1459.28
			44725.39	41212.84
SELLING AND DISTRIBUTION EXPENSES				
Advertisement & Publicity		**80.41**		115.17
Discount and Commission		**384.41**		275.66
Sales Promotion Expenses		**119.87**		82.53
Freight and Forwarding		**5107.58**		4689.83
Provision for Sales Tax Deferral		**665.32**		664.97
			6357.59	5828.16
ADMINISTRATIVE EXPENSES				
Rent		**180.15**		170.45
Rates and Taxes		**78.86**		99.01
Insurance		**242.67**		133.94
Foreign Currency Fluctuation (Net)		**426.62**		1750.29
Printing and Stationery		**60.32**		76.57
Communication		**134.16**		130.39
Travelling and Conveyance		**1211.71**		1036.85
Vehicle Maintenance		**240.88**		217.46
Legal and Professional Charges		**1046.46**		936.39
Payments to Auditors		**57.03**		54.82
Security Expenses		**280.17**		219.98
Miscellaneous		**574.20**		672.56
			4533.23	5498.71
OTHER EXPENSES				
Bank Charges & Commission		**410.86**		169.27
Bad Debts / Advances written off	**38.60**			443.60
Less : Provision written back	**8.06**	**30.54**		
Provision for Doubtful Debts/Advances		**114.08**		24.51
Provision for Diminution in value of Investments		**2.23**		-
Donations		**7.45**		14.89
			565.16	652.27
TOTAL			**56181.37**	53191.98

28.01 Break-up of Payments to Auditors

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Audit Fees	**38.73**	38.73
Tax Audit Fees	**3.50**	3.50
Certification Charges	**6.00**	6.00
Out of Pocket Expenses	**8.80**	6.59
TOTAL	**57.03**	54.82

28.02 Consumables, Stores and Spares Consumed includes :

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
	Percentage	**Value**	Percentage	Value
Imported	**5.17%**	**1140.50**	2.37%	504.62
Indigenous	**94.83%**	**20933.91**	97.63%	20822.53
TOTAL	**100.00%**	**22074.41**	100.00%	21327.15

NOTE : 29 EARNINGS PER SHARE

PARTICULARS		Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Basic Earnings Per Share			
Net Profit for the year	(A)	**2864.74**	5379.96
Weighted average number of equity shares (Nos.)	(B)	**393,930,038**	275,624,964
Basic Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	**0.73**	1.95
Diluted Earnings Per Share			
Amount available for calculation of diluted EPS	(A)	**2864.74**	5379.96
Weighted average number of equity shares (Nos.)		**393,930,038**	275,624,964
Add : Potential number of Equity Shares		**39,354,110**	-
No. of shares used for calculation of Diluted EPS	(B)	**433,284,148**	275,624,964
Diluted Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	**0.66**	1.95

NOTE : 30 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)	31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
A Contingent Liabilities (To the extent not provided for):		
(No cash outflow is expected except stated otherwise)		
a. Guarantees given by the Company's Bankers.	**3637.26**	2834.36
(Bank guarantees are provided under contractual/legal obligation)		
b. Corporate Guarantee	**1181.00**	1181.00
(Given to Banks against the borrowings taken by one of the associate Company)		
c. Demands not acknowledged as debts		
i) Disputed Excise Duty and Service Tax	**2830.81**	2724.49
ii) Disputed Sales Tax	**4218.88**	2971.85
iii) Disputed Customs Duty (Relating to cess on Metallurgical Coke)	**812.95**	787.30

iv) Other Disputed Demands (Mainly related to demand of Cess on Power, Electricity Duty and Stamp Duty.)	**5798.10**	1680.91
v) Third Party Claims (Matters are pending before various forum)	**420.69**	407.21
d. Liability in respect of Bills Discounted	**12550.55**	14323.71
e. Letters of credit opened in favour of suppliers (Cash flow is expected on receipt of material from suppliers)	**58171.18**	41634.26

B Capital Commitments :

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis)	**107526.50**	135227.71

NOTE : 31

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

NOTE : 32

		(Rs.in lacs)	(Rs.in lacs)
i)	Derivative Contracts entered into by the Company and outstanding	**-**	5115.65
ii)	Foreign Currency exposures that are not hedged by derivatives instruments are as under :		
	a) Receivable :	**105.39**	123.20
	b) Payable :	**20073.63**	16138.76

iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - NIL (Previous year Rs 75.42 Lacs).

NOTE : 33 SEGMENT REPORTING :

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

Information provided in respect of revenue items for the year ended 31st March 2013 and in respect of assets / liabilities as at 31st March, 2013.

Information about Primary (Product wise) segments :

(Rs.in lacs)

	Particulars	Steel	Iron & Steel Castings	Unallocated	Eliminations	Total
1.	**REVENUE**					
	External Sales	**235465.10**	**49986.62**	**-**		**285451.72**
		(229877.61)	(55793.84)	(-)		(285671.45)
	Inter-segment sales	**3340.76**	**271.58**	**-**	**-3612.34**	**-**
		(6026.76)	(212.45)	(-)	-(6239.21)	(-)
	Total Revenue	**238805.86**	**50258.20**	**-**	**-3612.34**	**285451.72**
		(235904.37)	(56006.29)	(-)	-(6239.21)	(285671.45)
2.	**RESULTS**					
	Segment Results	**20825.50**	**1549.12**	**-**		**22374.62**
		(22470.51)	(3200.24)	(-)		(25,670.75)
	Unallocated Corporate Expenses	**-**	**-**	**275.45**		**275.45**
		(-)	(-)	(853.25)		(853.25)
	Operating Profit / (Loss)	**20825.50**	**1549.12**	**(275.45)**		**22099.17**
		(22470.51)	(3200.24)	-(853.25)		(24817.50)

	Less : Finance Cost	-	-	**18062.14**		**18062.14**
		(-)	(-)	(17664.06)		(17664.06)
	Add : Unallocated Income	-	-	**845.48**		**845.48**
		(-)	(-)	(1313.29)		(1313.29)
	Less : Tax Expenses	-	-	**2017.77**		**2017.77**
	(Including Deferred Tax)	(-)	(-)	(3086.77)		(3086.77)
	Net Profit / (-) Loss	**20825.50**	**1549.12**	**(19509.88)**		**2864.74**
		(22470.51)	(3200.24)	-(20290.79)		(5379.96)
3.	**OTHER INFORMATION**					
	Segment Assets	**439579.66**	**39835.23**	-		**479414.89**
		(306313.14)	(37941.39)	(-)		(344254.53)
	Unallocated Corporate Assets	-	-	**11046.67**		**11046.67**
		(-)	(-)	(10259.18)		(10259.18)
	Total Assets	**439579.66**	**39835.23**	**11046.67**		**490461.56**
		(306313.14)	(37941.39)	(10259.18)		(354513.71)
	Segment Liabilities	**47233.28**	**10590.02**	-		**57823.30**
		(45332.02)	(9091.91)	(-)		(54423.93)
	Unallocated Corporate Liabilities	-	-	**251989.86**		**251989.86**
		(-)	(-)	(177306.12)		(177306.12)
	Total Liabilities	**47233.28**	**10590.02**	**251989.86**		**309813.16**
		(45332.02)	(9091.91)	(177306.12)		(231730.05)
	Capital Expenditure	**125993.63**	**2161.04**	-		**128154.67**
		(56769.41)	(1266.19)	(-)		(58035.60)
	Depreciation	**8486.37**	**1178.66**	**4.12**		**9669.15**
		(7495.39)	(1168.13)	(4.12)		(8667.64)
	Non-cash Expenses other	-	-	**2.23**		**2.23**
	than Depreciation	(-)	(-)	(-)		(-)

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

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

i. Primary / Secondary Segment Reporting Format :

a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.

b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.

ii. Reportable Segments :

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

iii. Segment Composition :

a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh, Jharkhand and Maharashtra.

b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.

NOTE : 34 RELATED PARTY DISCLOSURES :

A. List of related parties :

(As certified by the Company)

I. Subsidiary

Jayaswal Neco Urja Limited

II. Associate Companies

Maa Usha Urja Limited

III. Key Management Personnel

Shri B L Shaw

Shri Arbind Jayaswal

Shri Ramesh Jayaswal

Shri P K Bhardwaj

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

(Other related parties)

Abhijeet Infrastructure Limited
Neco Heavy Engineering & Castings Limited
Neco Ceramics Limited
NSSL Limited
North Karnapura Coal Company Limited
Deify Infrastructures Limited
Jayaswal Neco Metallics Private Limited
Apex Spinning Mills Private Limited
Avon Sales & Services Private Limited
Jyotikant Investments Private Limited
Jayaswal Neco Infrastructures Private Limited
Jayaswal Neco Steel & Mining Limited
Parivar Food Industries Private Limited
Abhijeet Ferrotech Limited
AMR Iron & Steel Private Limited
Neco Mining Company Limited
Steel & Tube Exports Limited
Corporate Ispat Alloys Limited
Jayaswal Neco Power Holding Company Limited
Jayaswal Holdings Private Limited
Anurag Sales & Services Private Limited
Karamveer Impex Private Limited
Nine Star Plastic Packing Service Private Limited
Vibrant Electronics Limited
Jayaswal Neco Energy Private Limited
Jayaswal Neco Power Private Limited
Terra Infra Development Limited
Nagpur Scrap Suppliers Private Limited

B. Transactions with Related Parties : **(Rs. In lacs)**

Nature of transaction	Subsidiary	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Share Alloted during the year	**-**	**-**	**37950.00**	**-**	**37950.00**
	(-)	(-)	(29774.20)	(-)	(29774.20)
Investments made during the year	**-**	**-**	**-**	**-**	**-**
	(1368.00)	(-)	(-)	(-)	(1368.00)
Investment - as at 31st March, 2013	**1370.55**	**-**	**-**	**-**	**1370.55**
	(1370.55)	(-)	(-)	(-)	(1370.55)
Corporate Guarantees Given	**-**	**1181.00**	**-**	**-**	**1181.00**
	(-)	(1181.00)	(-)	(-)	(1181.00)
Unsecured Loans					
Taken during the year	**-**	**2700.00**	**5181.84**	**-**	**7881.84**
	(-)	(-)	(944.43)	(-)	(944.43)
Repaid during the year	**-**	**-**	**2192.10**	**-**	**2192.10**
	(-)	(-)	(6398.48)	(-)	(6398.48)

(Rs. In lacs)

Nature of transaction	Subsidiary	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Balance as on 31st March 2013	**-**	**2700.00**	**3572.42**	**-**	**6272.42**
	(-)	(-)	(582.68)	(-)	(582.68)
Fixed Assets					
Purchase of Fixed Assets	**-**	**-**	**41459.48**	**-**	**41459.48**
	(-)	(-)	(31876.52)	(-)	(31876.52)
Purchase of Goods & Services					
Purchase of Goods & services	**-**	**2007.24**	**25224.87**	**-**	**27232.11**
	(-)	(2425.58)	(9224.53)	(-)	(11650.11)
Other Manufacturing Expenses	**-**	**-**	**69.75**	**-**	**69.75**
	(-)	(-)	(108.78)	(-)	(108.78)
Sale of Goods & Services					
Sale of Goods & Services	**-**	**-**	**14780.41**	**-**	**14780.41**
	(-)	(2.02)	(15334.61)	(-)	(15336.63)
Trade Payables					
Balance as on 31st March 2013	**-**	**67.70**	**12525.30**	**-**	**12593.00**
	(-)	(320.39)	(2675.21)	(-)	(2995.60)
Other Current Liabilities					
Balance as on 31st March 2013	**-**	**-**	**9.32**	**-**	**9.32**
	(-)	(-)	(-)	(-)	(-)
Deposit Received as on 31st March 2013	**-**	**-**	**15.00**	**-**	**15.00**
	(-)	(-)	(15.00)	(-)	(15.00)
Advances Recoverable in cash or in kind					
Balance as on 31st March 2013	**603.79**	**-**	**1213.94**	**-**	**1817.73**
	(238.94)	(-)	(1356.22)	(-)	(1595.16)
Capital Advances					
Balance as on 31st March 2013	**-**	**-**	**113623.04**	**-**	**113623.04**
	(-)	(-)	(46585.92)	(-)	(46585.92)
Trade Receivables					
Balance as on 31st March 2013	**-**	**-**	**3781.62**	**-**	**3781.62**
	(-)	(-)	(4000.10)	(-)	(4000.10)
Income					
Rent Received	**-**	**-**	**0.90**	**-**	**0.90**
	(-)	(-)	(0.90)	(-)	(0.90)
Interest Received	**70.22**	**-**	**2.37**	**-**	**72.59**
	(2.93)	(-)	(19.42)	(-)	(22.35)
Commission Received	**-**	**5.91**	**-**	**-**	**5.91**
	(-)	(5.91)	(-)	(-)	(5.91)
Reimbursement of Expenses to the Company	**79.00**	**0.30**	**3311.35**	**-**	**3390.65**
	(63.33)	(124.57)	(2046.33)	(-)	(2234.23)
Expenditure					
Payment of Salaries / Perquisites	**-**	**-**	**-**	**228.47**	**228.47**
	(-)	(-)	(-)	(231.41)	(231.41)
Commission Paid	**-**	**-**	**33.56**	**-**	**33.56**
	(-)	(-)	(29.10)	(-)	(29.10)
Sitting Fees	**-**	**-**	**-**	**0.20**	**0.20**
	(-)	(-)	(-)	(0.10)	(0.10)

Service Charges	**-**	**-**	**4.46**	**-**	**4.46**
	(-)	(-)	(4.28)	(-)	(4.28)
Vehicle Hire Charges	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(2.59)	(-)	(2.59)
Rent Paid	**-**	**-**	**-**	**13.20**	**13.20**
	(-)	(-)	(-)	(13.20)	(13.20)
Interest Paid	**-**	**5.36**	**259.28**	**-**	**264.64**
	(-)	(-)	(54.92)	(-)	(54.92)
Reimbursement of Expenses by the Company	**1.75**	**12.15**	**1020.81**	**-**	**1034.71**
	(0.24)	(0.20)	(88.36)	(-)	(88.80)

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

C. Details of major transactions with Related Parties :

		31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
Share Allotted during the year	Avon Sales & Services Private Limited	**4300.00**	2778.00
	Anurag Sales & Services Private Limited	**4400.00**	3118.00
	Apex Spinning Mills Private Limited	**4200.00**	2388.00
	Nine Star Plastic Packaging Service Private Limited	**4500.00**	3438.00
	Karamveer Impex Private Limited	**4100.00**	2638.00
	Jayaswal Neco Metallics Private Limited	**4600.00**	2897.00
	Jayaswal Neco Energy Private Limited	**4400.00**	2928.00
	Jayaswal Neco Power Private Limited	**3800.00**	4089.00
Investments - Closing Balance	Jayaswal Neco Urja Limited	**1370.55**	1370.55
Corporate Guarantee Given			
Balance as on 31st March, 2013	Maa Usha Urja Limited	**1181.00**	1181.00
Unsecured Loans taken	AMR Iron & Steel Private Limited	**1727.10**	944.43
	Corporate Ispat Alloys Limited	**3420.24**	-
	Maa Usha Urja Limited	**2700.00**	-
Unsecured Loans repaid	AMR Iron & Steel Private Limited	**2,192.10**	-
Unsecured Loans -			
Balance as on 31st March, 2013	Maa Usha Urja Limited	**2700.00**	-
	Corporate Ispat Alloys Limited	**3,420.24**	-
	AMR Iron & Steel Private Limited	**117.68**	582.68
	Jyotikant Investments Private Limited	**4.00**	-
	Nagpur Scrap Suppliers Private Limited	**7.00**	-
	Vibrant Electronics Limited	**7.00**	-
	Jayaswal Holdings Private Limited	**9.50**	-
	Parivar Food Industries Private Limited	**7.00**	-
Purchase of Fixed Assets	Deify Infrastructures Limited	**41205.76**	31368.74
Purchase of Goods & Services	NSSL Limited	**3169.61**	2428.94
	Deify Infrastructures Limited	**14960.40**	-
	Corporate Ispat Alloys Limited	**3570.88**	3155.83
Other Manufacturing Expenses	NSSL Limited	**67.65**	108.78
Sale of Goods	NSSL Limited	**9645.35**	9200.65
	Corporate Ispat Alloys Limited	**4149.23**	4266.29
Trade Payables	Corporate Ispat Alloys Limited	**2648.24**	2671.76
	Deify Infrastructures Limited	**9774.34**	-
Other Current Liabilities	Steel & Tube Exports Limited	**9.32**	-
Deposits Received	Neco Heavy Engineering & Castings Limited	**15.00**	15.00
Advances Recoverable	Abhijeet Infrastructure Limited	**899.79**	899.79
- Closing Balance	Neco Ceremics Limited	**188.53**	331.15
	Jayaswal Neco Urja Limited	**603.79**	238.94
	Terra Infra Development Limited	**19.61**	15.18
	Neco Heavy Engineering & Castings Limited	**63.35**	-
	NSSL Limited	**42.56**	-
	Deify Infrastructures Limited	**0.10**	-

	North Karnapura Coal Company Limited	**-**	110.10
Capital Advances	Deify Infrastructures Limited	**113623.04**	46585.92
Trade Receivables	NSSL Limited	**3756.77**	3444.00
Rent Received	Neco Heavy Engineering & Castings Limited	**0.90**	0.90
Interest Received	Jayaswal Neco Urja Limited	**70.22**	2.93
Commission Received	Maa Usha Urja Limited	**5.91**	5.91
Payment of Salaries/Perquisites	Arbind Jayaswal	**100.41**	103.38
	Ramesh Jayaswal	**100.41**	101.60
	P.K.Bhardwaj	**27.65**	26.43
Commission Paid	Deify Infrastructures Limited	**33.56**	29.10
Sitting Fees	B. L. Shaw	**0.20**	0.10
Service Charges	Steel & Tube Exports Limited	**4.46**	4.28
Rent Paid	Arbind Jayaswal	**6.60**	6.60
	Ramesh Jayaswal	**6.60**	6.60
Interest Paid	AMR Iron & Steel Private Limited	**207.61**	54.92
	Corporate Ispat Alloys Limited	**50.99**	-

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

		31.03.2013	31.03.2012
		(Rs.in lacs)	(Rs.in lacs)
1	16% Redeemable Cumulative Preference Shares	**1700.51**	1700.51
2	0.0001% Cumulative Redeemable Preference Shares	**0.01**	0.01
	Total	**1700.52**	**1700.52**

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

a. To Jayaswal Neco Urja Limited (JNUL), a Subsidiary , closing balance as on March 31, 2013 is Rs. 603.79 lacs (Previous year Rs. 238.94 lacs). Maximum balance outstanding during the year was Rs. 603.79 lacs (Previous year Rs. 238.94 lacs).

b. JNUL has not made investment in the shares of the Company.

c. As per the Company's policy loans to employees are not considered in 'a' above.

NOTE : 37 DETAILS OF PRIOR PERIOD EXPENDITURES:

Particulars	**Year ended 31.03.2013**	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Welfare and Other Amenities	**-**	0.70
Interest Paid	**-**	1.77
Consumables, Stores and Spares Consumed	**-**	0.03
Repairs and Maintenance - Plant & Equipment	**-**	0.14
Repairs and Maintenance - Others	**-**	0.10
Other Manufacturing Expenses	**-**	1.58
Freight and Forwarding	**-**	0.58
Rent	**5.00**	1.22
Rates and Taxes	**-**	0.64
Communication	**-**	2.29
Travelling and Conveyance	**-**	0.31
Vehicle Maintenance	**-**	4.23
Power & Electricity	**23.58**	-
Legal and Professional Charges	**-**	16.95
Security Expenses	**-**	1.77
Miscellaneous	**-**	0.29
TOTAL	**28.58**	**32.60**

NOTE : 38 DETAILS OF CIF VALUE OF IMPORTS

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
C.I.F. Value of Imports		
i. Raw Materials *	**41114.79**	38585.32
ii. Stores & Components	**1062.40**	406.19
iii. Capital Goods *	**615.96**	5240.00

* includes raw materials purchased on High Seas Basis Rs. 31107.66 lacs (Previous Year Rs. 37543.91 lacs) & capital goods of Rs. 615.96 lacs (Previous Year NIL)

NOTE : 39 DETAILS OF EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
i. Travelling	**16.70**	3.76
ii. Salary	**31.65**	28.00
iii. Interest and Financial Charges	**-**	6.23
iv. Rent	**5.81**	5.89
v. Others	**1.83**	7.96

NOTE : 40 DETAILS OF INCOME IN FOREIGN CURRENCY

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
F.O.B. Value of Exports	**1184.28**	731.01
Recovery of Freight	**30.28**	18.43

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

Particulars	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
a) Shown as reduction from turnover	**30527.49**	26622.03
b) Charged to Statement of Profit and Loss on account of difference in stock	**850.79**	698.24

NOTE : 42

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

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

For and on behalf of Board of Directors

R. KORIA
Partner

ARBIND JAYASWAL
Managing Director

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

S. R. CHHALLANI
Partner

Nagpur, 25th May, 2013

JAYASWAL NECO URJA LIMITED

(Subsidiary Company)

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DIRECTORS' REPORT

TO,

THE MEMBERS

The Directors have pleasure in presenting Sixth Annual Report on the business and operations of your company together with audited accounts for the year ended on 31st March, 2013.

1. FINANCIAL REPORTING & OPERATIONAL HIGHLIGHTS

- **FINANCIALS**

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

- **OPERATIONS :-**

  - The company is facing problems in land acquisition for the project. The agriculturists are not coming forward for the sale of land due to proposed hike in land prices and pending land acquisition bill.
  - The Board of Directors of the holding company i.e. Jayaswal Neco Industries Limited has subject to requisite approvals, approved the proposal of disinvesting the equity shares held by it in the company and cease to be a holding company thereof. These events have led to rescheduling of the proposed power project.

2. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a. All the applicable accounting standards have been followed along with proper explanations relating to material departures in the preparation of accounts enclosed herewith.

b. Annual accounts are prepared on the principle of a Going Concern.

c. Accounting policies selected, applied and Judgements and estimates made in that behalf to the extent necessary are reasonable and prudent so as to give true and fair view of the state of affairs at the end of the financial year and of the profit or loss of the Company for the year under review.

d. Sufficient care has been taken for maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and the procedures, practices and control systems in the day-to-day management are sound enough to prevent and detect the occurrence of frauds and irregularities.

3. DIVIDEND:

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

4. AUDIT COMMITTEE

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

1. Shri Arbind Jayaswal
2. Shri Ramesh Jayaswal
3. Shri Avneesh Jayaswal.

5. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since there are no manufacturing activities in the Company, the disclosures in terms of section 217 (1) (e) of the Companies Act, 1956 are not required. There is no foreign exchange earning or outgo for the year ended 31st March, 2013 except travelling expenditure incurred in foreign currency amounting to Rs. 938,802/-.

6. DEPOSITS:

The Company has not accepted any deposits covered u/s 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 during the financial year under review.

7. **DIRECTORS:**

Effective from 31st May, 2013, Shri Avneesh Jayaswal resigned from the post of executive director of the company. However, Shri Avneesh Jayaswal shall continue to act as director of the company. Shri Anand Jayaswal, Director is liable to retire by rotation at the ensuing Annual General Meeting, being eligible, offers himself for re-appointment.

8. **PARTICULARS OF EMPLOYEES :**

During the year under review, there were no employees drawing remuneration in excess of the prescribed limits and whose particulars need to be given under Section 217 (2A) of the Companies Act, 1956, and the Rules made thereunder. As such, no particulars are being furnished.

9. **AUDITORS & AUDITORS REPORT:**

M/s Agrawal Chhallani & Co., Chartered Accountants, Nagpur and M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai, the auditors of the Company retire at the ensuing Annual General Meeting. The members are requested to appoint auditors for the current year. The Report of Auditors of the Company and the notes forming part of the financial statements are self explanatory and hence requires no explanation from the Board of Directors.

10. **ACKNOWLEDGMENT:**

Your Directors take this opportunity to place on record their great appreciation and gratitude for the whole-hearted support, assistance, co-operation and valuable guidance that has been forthcoming from all those who are associated with the Company during the period under review.

For and on behalf of the Board of Directors

Place : Nagpur **Basant Lall Shaw**
Date : 12th August, 2013 **Chairman**

INDEPENDENT AUDITORS' REPORT

To

The Members of

Jayaswal Neco Urja Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Jayaswal Neco Urja Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India (Indian GAAP), including, Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with significant accounting policies and notes thereon, give the information required by the Act, 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 2013;

ii. In the case of the Statement of Profit & Loss, of the loss of the Company 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Act;
   e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

S.R.Chhallani
Membership No. - 30154

Nagpur
Date : 25th May, 2013

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

R. Koria
Membership No. - 35629

Mumbai

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

i. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, the Company has physically verified fixed assets, which in our opinion is reasonable, having regard to the size of the Company.

   c. In our opinion, the Company has not disposed off any fixed assets during the year and the going concern status of the Company is not affected.

ii. According to the information and explanations given to us, the Company is at project stage and hence has no inventories during the year; therefore the provisions of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.

iii. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Act:

   a. The company has not given any advances in the nature of loan to companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, the provisions of the clause (a) to (d) are not applicable for the year under audit.

   b. The company has taken loan from four such parties in respect of which maximum amount involved during the year was Rs. 544,339,172/- and the year-end balance was Rs. 295,325,653/-.

   c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.

   d. As per the information and explanations given to us, the above loans are not due for the repayment or are repayable on Demand and there is no overdue amount as on 31st March, 2013.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

v. According to the information and explanation given to us, there are no contracts or arrangements referred to under section 301 of the Act that needs to be entered in register required to be maintained under that section.

vi. According to information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable for the year under audit.

vii. In our opinion the Company has an internal audit system, which needs further improvement to make it commensurate with the size and nature of the business of the company.

viii. The Company is in project stage and has not started power generation as yet and hence the maintenance of cost records under section 209 (1) (d) of the Act is not applicable for the year under audit.

ix. According to the information and explanations given to us in respect of statutory dues:

   a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax and any other material statutory dues to the extent applicable, with the appropriate authorities except in few cases.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.

   c. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited on account of any dispute.

x. The Company has accumulated losses at the end of the financial year, which is less than fifty percent of its net worth.

The Company has incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

xi. The company has not borrowed any money from financial institutions or banks and has not issued any debentures. Therefore, the provisions of clause 4(xi) of Companies (Auditor's Report) Order, 2003 are not applicable to the company.

xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv. According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi. According to the information and explanations given to us, the Company has not taken any term loans during the year.

xvii. On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company as at 31st March, 2013, related information as made available to us and as represented to us, by the management, we are of the opinion that funds raised on short term basis aggregating to Rs. 65,833,107/- have been utilized for long term investment purposes.

xviii. During the year, the Company has not made any preferential allotment to parties covered in the Register maintained under Section 301 of the Act. Accordingly provisions of clause 4 (xviii) of the companies (Auditors Report) Order, 2003 are not applicable to the company.

xix. The Company has not issued any debentures and hence provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xx. During the year covered by our report the company has not raised any money by public issue.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

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

S.R.Chhallani
Membership No. - 30154

Nagpur
Date : 25th May, 2013

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

R. Koria
Membership No. - 35629

Mumbai

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note		As at 31.03.2013 Rs.		As at 31.03.2012 Rs.
EQUITY AND LIABILITIES					
Shareholder's funds					
Share Capital	2	**137,300,000**		137,300,000	
Reserves and Surplus	3	**(5,762,130)**	**131,537,870**	(4,337,686)	132,962,314
Non-current liabilities					
Long-Term Borrowings	4		**234,946,481**		472,400,000
Current liabilities					
Short Term Borrowings	5	**60,379,172**		23,893,690	
Trade Payables	6	**-**		29,673	
Other Current Liabilities	7	**13,360,919**		156,611,430	
Short Term Provisions	8	**-**	**73,740,091**	759,996	181,294,789
TOTAL			**440,224,442**		786,657,103
ASSETS					
Non-current assets					
Fixed Assets	9				
Tangible Assets		**80,681,650**		73,908,087	
Capital Work-in-Progress		**264,333,180**		142,808,558	
Long Term Loans and Advances	10	**87,302,628**	**432,317,458**	418,439,079	635,155,724
Current assets					
Cash and Bank Balances	11	**7,459,980**		151,316,534	
Short Term Loans and Advances	12	**447,004**	**7,906,984**	184,845	151,501,379
TOTAL			**440,224,442**		786,657,103
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 24				

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Nagpur
Date : 25th May, 2013

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note	Year ended 31.03.2013	Year ended 31.03.2012
		Rs.	Rs.
Other Income	13	**-**	2,352
Total Revenue		**-**	2,352
Expenses:			
Finance Costs	14	**433,312**	8,821
Depreciation and Amortization Expenses	9	**5,968**	715
Other Expenses	15	**985,164**	3,802,587
Total Expenses		**1,424,444**	3,812,123
Loss before tax		**(1,424,444)**	(3,809,771)
Tax expense		**-**	-
Loss for the year		**(1,424,444)**	(3,809,771)
Earnings per equity share of Rs. 10/- each	16		
Basic and Diluted (Rs.)		**(0.10)**	(1.95)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 24		

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Nagpur
Date : 25th May, 2013

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Particulars	31.03.2013 Rs.	31.03.2012 Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss Before Tax as per Statement of Profit and Loss	**(1,424,444)**	(3,809,771)
	ADJUSTED FOR		
	Depreciation and Amortization Expenses	**5,968**	715
	Share Issue Expenses	**-**	3,430,000
	Balances Written Back	**-**	(2,352)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	**(1,418,476)**	(381,408)
	ADJUSTMENT FOR		
	Trade and Other Receivables	**(8,832)**	259,862
	Trade Payables	**5,235,649**	3,879,239
	CASH GENERATED FROM OPERATIONS	**3,808,341**	3,757,693
	Direct Taxes (paid/) refunded	**(45,393)**	(1,644)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**3,762,948**	3,756,049
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Income	**147,357**	16,438
	Purchase of Fixed Assets/ Capital Work-in-Progress (Net)	**155,609,940**	9,533,521
	NET CASH FLOW FROM INVESTING ACTIVITIES	**155,757,297**	9,549,959
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share Issue Expenses	**-**	(3,430,000)
	Proceeds from Long Term Borrowings	**11,560,000**	150,000,000
	Repayment of Long Term Borrowings	**(249,013,519)**	-
	Short Term Borrowings (Net)	**36,485,482**	23,893,690
	Finance Costs paid	**(102,408,762)**	(36,759,886)
	Margin Money (Net)	**(5,501,964)**	-
	NET CASH FLOW/(USED IN) FROM FINANCING ACTIVITIES	**(308,878,763)**	133,703,804
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(149,358,518)**	147,009,812
	Cash and Cash Equivalents (Opening Balance)	**150,706,534**	3,696,722
	Cash and Cash Equivalents (Closing Balance)	**1,348,016**	150,706,534

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

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Nagpur
Date : 25th May, 2013

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE : 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

1.02 USE OF ESTIMATES

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

1.03 FIXED ASSETS

(i) Fixed Assets are stated at cost less accumulated depreciation. All costs including financial cost till commencement of commercial production are capitalized.

(ii) Expenses incurred relating to project, prior to commencement of commercial operation, are considered pre-operative expenditure and disclosed under Capital Work-in-Progress.

1.04 DEPRECIATION

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

1.05 REVENUE RECOGNITION

Interest income is recognised on a time proportion basis.

1.06 FOREIGN CURRENCY TRANSACTIONS

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

(ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts has been recognised over the life of the contract.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

1.07 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (net of income earned on deployment of funds) are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

1.08 EMPLOYEE BENEFITS

(i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss/Preoperative expenditure of the year in which the related service is rendered.

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

1.09 PRELIMINARY EXPENSES

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

1.10 IMPAIRMENT OF ASSETS

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

1.11 PROVISION FOR CURRENT AND DEFERRED TAX

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

1.12 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE : 2 SHARE CAPITAL

Particulars	**As at 31.03.2013 Rs.**	As at 31.03.2012 Rs.
Authorised		
5,00,00,000 (5,00,00,000) Equity Shares of Rs.10/- each	**500,000,000**	500,000,000
	500,000,000	500,000,000
Issued, Subscribed and Paid Up		
1,37,30,000 (1,37,30,000) Equity Shares of Rs.10/- each, fully Paid up	**137,300,000**	137,300,000
TOTAL	**137,300,000**	137,300,000

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

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	**Rs.**	Number	Rs.
Shares outstanding at the beginning of the year	**13,730,000**	**137,300,000**	50,000	500,000
Add: Shares issued during the year on Preferential Basis	**-**	**-**	13,680,000	136,800,000
Shares outstanding at the end of the year	**13,730,000**	**137,300,000**	13,730,000	137,300,000

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

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Jayaswal Neco Industries Ltd. (Holding Company)	**13,705,500**	**99.82**	13,705,500	99.82

2.03 Rights of Equity Shareholders

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

NOTE : 3 RESERVES & SURPLUS

Particulars	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	**Rs.**	Rs.
Surplus/ (Deficit)			
Balance as per last Balance Sheet	**(4,337,686)**		(527,915)
Add: Loss for the year	**(1,424,444)**		(3,809,771)
		(5,762,130)	(4,337,686)
TOTAL		**(5,762,130)**	(4,337,686)

NOTE : 4 LONG TERM BORROWINGS

Particulars	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
Unsecured		
Loans from Related Parties		
0 % Optionally Convertible Loan-	**-**	472,400,000
Intercorporate Deposits	**234,946,481**	-
(Refer Note No. 20 (c))		
TOTAL	**234,946,481**	472,400,000

4.01 Terms and Conditions of Loan

The above loans are repayable on demand on or after 31st March, 2016. All the above loans carry 0% interest except a loan of Rs. 7,33,86,481, which carries an interest @ bank rate + 4.15% per annum.

NOTE : 5 SHORT TERM BORROWINGS

Particulars	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
Unsecured		
Inter Corporate Deposit from Holding Company	**60,379,172**	23,893,690
TOTAL	**60,379,172**	23,893,690

NOTE : 6 TRADE PAYABLES

Particulars	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
Trade Payables - Micro,Small and Medium Enterprises @	-	-
- Others	-	29,673
TOTAL	-	29,673

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

NOTE : 7 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.	Rs.
Creditors for Capital Goods	**5,470,222**	5,838,649	
Other Payables			
Due to Related Parties (Refer Note No.- 20 (c))	**851,779**		-
Statutory Dues	**6,035,657**		524,680
Book Overdraft	-		148,907,402
Others *	**1,003,261**		1,340,699
		7,890,697	150,772,781
TOTAL		**13,360,919**	156,611,430

* Mainly includes Payable to Employees and Provision for Expenses.

NOTE : 8 SHORT TERM PROVISIONS

Particulars	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
Leave Encashment	-	759,996
TOTAL	-	759,996

NOTE : 9 FIXED ASSETS

(Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 31.03.2012	For the Year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
Tangible Assets										
Owned										
Freehold Land	73,808,365	6,728,892	-	**80,537,257**	-	-	-	**-**	**80,537,257**	73,808,365
Office Equipments	86,757	37,900	-	**124,657**	520	4,491	-	**5,011**	**119,646**	86,237
Furniture & Fixtures	13,680	12,739	-	**26,419**	195	1,477	-	**1,672**	**24,747**	13,485
Total	73,908,802	6,779,531	-	**80,688,333**	715	5,968	-	**6,683**	**80,681,650**	73,908,087
Previous Year	60,530,587	13,378,215	-	**73,908,802**	-	715	-	**715**	**73,908,087**	
Capital Work-in-Progress									**264,333,180**	142,808,558

9.01 Capital Work in Progress:

The company is in process of setting up power plant projects at Raigarh, Chattisgarh and in Jharkhand State. During the year, the company has acquired certain piece of lands for the Raigarh Project. As the land acquistion is taking substantial time, project implementation has been rescheduled. The expenditure incurred duing the constuction period is classified as "Pre-operative Expenditure" pending capitalisation and will be apportioned to the assets on the completion of the projects. Necessary details as per schedule VI to the Companies Act, 1956 have been stated below:

Particulars	**31.03.2013**	31.03.2012
	Rs.	Rs.
Salaries & Wages	**14,012,067**	14,453,479
Testing Charges	**751,228**	930,767
Office Rent	**-**	12,000
Travelling & Conveyance Expenses	**3,926,230**	4,165,334
Consultancy Charges	**641,308**	12,904,079
Miscellaneous Expenses	**127,151**	359,440
Professional Fees	**3,750**	75,000
Community Development Expenses	**51,000**	266,536
Public Hearing Expenses	**8,810**	11,950,794
Finance Costs:		
- Interest Paid	**102,408,762**	293,394
- Other Borrowing Cost	**-**	36,466,492
	121,930,306	81,877,315
Less:- Interest Income	**400,684**	69,688
:- Excess Provision Written back	**5,000**	-
Net preoperative expenses for the year	**121,524,622**	81,807,627
Add:- Expenditure incurred up to Previous Year	**142,808,558**	61,000,931
TOTAL	**264,333,180**	142,808,558

NOTE : 10 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)

Particulars	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.	Rs.
Capital Advances to :			
- Related Parties (Refer Note No. 20 (c))	-		335,339,446
- Others	87,255,591		83,097,989
		87,255,591	418,437,435
Advance Income Tax		47,037	1,644
TOTAL		87,302,628	418,439,079

NOTE : 11 CASH AND BANK BALANCES

Particulars	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.	Rs.
Cash and Cash Equivalents			
Balances with banks :			
- In Current Accounts	1,300,592		685,270
Cheques in hand	-		150,000,000
Cash on hand	47,424		21,264
		1,348,016	150,706,534
Other Bank Balance			
Fixed Deposits with Banks pledged as Margin Money *		6,111,964	610,000
TOTAL		7,459,980	151,316,534

* Includes Rs. 7,11,964/- (Previous Year Rs.NIL) having maturity period of more than 12 months.

NOTE : 12 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
(Unsecured and Considered Good)		
Loans and Advances to Employees	-	70,000
Advances for Expenses	137,879	59,047
Interest Receivable	309,125	55,798
TOTAL	447,004	184,845

NOTE : 13 OTHER INCOME

Particulars	Year ended 31.03.2013	Year Ended 31.03.2012
	Rs.	Rs.
Balance written back	-	2,352
TOTAL	-	2,352

NOTE : 14 FINANCE COST

Particulars	Year ended 31.03.2013	Year Ended 31.03.2012
	Rs.	Rs.
Interest Expenses	433,312	8,821
TOTAL	433,312	8,821

NOTE : 15 OTHER EXPENSES

Particulars		Year ended 31.03.2013 Rs.		Year Ended 31.03.2012 Rs.
Telephone & Telex		**104,374**		43,399
Legal and Professional Charges		**146,185**		22,145
Expenditure towards increase in Authorised Share Capital		**-**		3,430,000
Payment to Auditors				
- Audit Fees	**224,720**		**220,600**	
- Reimbursement of Expenses	**4,120**		**2,924**	
		228,840		223,524
Office Expenses		**436,200**		31,325
Donations		**39,273**		36,002
Miscellaneous Expenses		**30,292**		16,192
Total		**985,164**		3,802,587

NOTE : 16 EARNING PER SHARE

Particulars		Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
Net Profit / (Loss) after tax	(A)	**(1,424,444)**	(3,809,771)
Weighted average number of equity shares (Nos.)	(B)	**13,730,000**	1,956,230
Basic and Diluted Earnings Per Share of face value of Rs.10/- each	(A) / (B) Rs.	**(0.10)**	(1.95)

NOTE : 17 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(A) Contingent liabilities		
Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)	**6,000,000**	6,000,000
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis)	**753,508**	2,139,242,260

NOTE:18

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

NOTE: 19 SEGMENT REPORTING:

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

NOTE : 20 RELATED PARTIES DISCLOSURES

(a) List of related Parties

(As certified by the Company)

I. Holding Company

Jayaswal Neco Industries Limited

II. **Key Managerial Personnel**

Shri Avneesh Jayaswal (Executive Director)

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

(Other related Parties)

Steel & Tube Exports Limited

JLD Yavatmal Energy limited

Jayaswal Holdings Private Limited

Jayaswal Neco Steel & Mining Limited

Deify Infrastructures Limited

Maa Usha Urja Limited

Jayaswal Neco Infrastructures Private Limited

(b) Transactions with Related Parties **(Rs.)**

Nature of Transaction	Holding	Key Managerial Person	Other Related Parties	Total
Share Capital				
Equity Shares alloted during the year	**-**	**-**	**-**	**-**
	(136,800,000)	(-)	(-)	(136,800,000)
Long Term Borrowings				
Loan - Received during the year	**-**	**-**	**11,560,000**	**11,560,000**
	(-)	(-)	(150,000,000)	(150,000,000)
Loan - Refund during the year	**-**	**-**	**249,013,519**	**249,013,519**
	(-)	(-)	(-)	(-)
Closing Balance as at 31st March 2013	**-**	**-**	**234,946,481**	**234,946,481**
	(-)	(-)	(472,400,000)	(472,400,000)
Short Term Borrowings				
Unsecured Loan- received during the year	**36,485,482**	**-**	**-**	**36,485,482**
	(23,893,690)	(-)	(-)	(23,893,690)
Closing Balance as at 31st March 2013	**60,379,172**	**-**	**-**	**60,379,172**
	(23,893,690)	(-)	(-)	(23,893,690)
Long term Loans & Advances				
Capital Advances - given during the year	**-**	**-**	**-**	**-**
	(-)	(-)	(155,500,000)	(155,500,000)
Capital Advances - received back	**-**	**-**	**335,339,446**	**335,339,446**
	(-)	(-)	(130,000,000)	(130,000,000)
Capital Advances as at 31st March 2013	**-**	**-**	**-**	**-**
	(-)	(-)	(335,339,446)	(335,339,446)
Other Payables				
Closing balance as at 31st March 2013	**-**	**-**	**851,779**	**851,779**
	(-)	(-)	(-)	(-)
Reimbursement of Expenditures	**174,882**	**-**	**248,221**	**423,103**
to the company	(24,087)	(-)	(71,326)	(95,413)
Reimbursement of Expenditures	**7,900,128**	**-**	**-**	**7,900,128**
by the company	(6,333,259)	(-)	(13,663)	(6,346,922)
Interest Paid	**7,022,485**	**-**	**95,917,697**	**102,940,182**
	(293,394)	(-)	(-)	(293,394)
Remuneration paid to Director	**-**	**3,795,192**	**-**	**3,795,192**
	(-)	(2,530,128)	(-)	(2,530,128)

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

(c) Details of major transactions with Related Parties

Nature of Transaction		As at 31.03.2013	As at 31.03.2012
		Rs.	Rs.
Long Term Borrowings			
- Received during the year	Jayaswal Neco Steel & Mining Ltd.	**11,560,000**	80,000,000
- Refund during the year	Maa Usha Urja Limited	**249,013,519**	-
- Balance as at 31st March 2013	Maa Usha Urja Limited	**73,386,481**	322,400,000
	Jayaswal Neco Infrastructures Pvt. Limited	**70,000,000**	70,000,000
	Jayaswal Neco Steel & Mining Ltd.	**91,560,000**	80,000,000
Short Term Borrowing			
- Received during the year	Jayaswal Neco Industries Limited	**36,485,482**	23,893,690
- Balance as at 31st March 2013	Jayaswal Neco Industries Limited	**60,379,172**	23,893,690
Long term Loans & Advances			
Capital Advance			
- Received back	Deify Infrastructures Limited	**335,339,446**	130,000,000
Other Payable			
- Balance as at 31st March 2013	JLD Yavatmal Energy Limited	**851,779**	-
Reimbursement of Expenditures to the company			
	Jayaswal Neco Industries Limited	**174,882**	-
	JLD Yavatmal Energy Limited	**248,221**	71,326
Reimbursement of Expenditures by the company			
	Jayaswal Neco Industries Limited	**7,900,128**	6,333,259
Interest paid	Jayaswal Neco Industries Limited	**7,022,485**	293,394
	Maa Usha Urja Limited	**95,917,697**	-
Remuneration paid to Director	Avneesh Jayaswal	**3,795,192**	2,530,128

NOTE : 21 DEFERRED TAX ASSETS/ LIABILITIES (NET)

	Particulars	As at 31.03.2013	As at 31.03.2012
		Rs.	Rs.
(a)	**Deferred Tax Liablities**		
	(i) Related to Fixed Assets	**5,551**	2,001
	TOTAL	**5,551**	2,001
(b)	**Deferred Tax Assets**		
	(i) Unabsorbed Depreciation	**5,394**	2,222
	(ii) Preliminary Expenditure	**11,892**	23,785
	TOTAL	**17,286**	26,007
	Net Deferred Tax Liability / (Assets)	**(11,735)**	(24,006)

As at 31st March, 2013, the Company has Net Deferred Tax Assets of Rs. 11,735 (Previous Year Rs. 24,006). In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Accounting Standard 22 dealing with "Accounting for Taxes on Income".

NOTE : 22 EMPLOYEE BENEFITS:

The company has not formulated any policies in respect of any retirement benefits to its employees in relation to gratuity etc and hence it has no such liabilities as at 31st March 2013.

NOTE : 23 EXPENDITURE IN FOREIGN CURRENCY

Particulars	**For the year ended 31.03.2013**	For the year ended 31.03.2012
	Rs.	Rs.
Travelling Expenses	**938,802**	759,115
TOTAL	**938,802**	759,115

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

As per our Report of even date attached

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

Nagpur
Date : 25th May, 2013

For and on behalf of Board of Directors

ARBIND JAYASWAL
Director

AVNEESH JAYASWAL
Executive Director

Consolidated Financial Statements of Jayaswal Neco Industries Limited

(and its Subsidiary Company)

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INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of
Jayaswal Neco Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Jayaswal Neco Industries Limited ("the Company") and its Subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2013 and the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: -

i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
ii. In the case of the Consolidated Statement of Profit & Loss, of the profit of the Group for the year ended on that date; and
iii. In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants
(Registration No. : 101720W)
R Koria
Partner
Membership No. - 35629
Mumbai
Date: 25th May, 2013

For Agrawal Chhallani & Co.
Chartered Accountants
(Registration No. : 100125W)
S. R. Chhallani
Partner
Membership No. - 30154
Nagpur

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

Particulars		Note No.		As at 31.03.2013 Rs.in lacs		As at 31.03.2012 Rs.in lacs
I.	**EQUITY AND LIABILITIES**					
1)	**Shareholders' Funds**					
	Share Capital	2	**49717.62**		35967.62	
	Reserves and Surplus	3	**130840.47**	**180558.09**	86810.19	122777.81
2)	**Non current Liabilities**					
	Long Term Borrowings	4	**146463.13**		114495.02	
	Deferred Tax Liability (Net)	5	**16067.07**		14228.41	
	Other Long Term Liabilities	6	**16.85**		83.94	
	Long term Provisions	7	**2694.95**	**165242.00**	782.33	129589.70
3)	**Current Liabilities**					
	Short Term Borrowings	8	**77701.45**		42889.53	
	Trade Payables	9	**35785.79**		34273.57	
	Other Current Liabilities	10	**28450.35**		27074.70	
	Short Term Provisions	11	**5116.64**	**147054.23**	4200.56	108438.36
	TOTAL			**492854.32**		360805.87
II.	**ASSETS**					
1)	**Non current assets**					
	Fixed Assets	12				
	Tangible Assets		**122566.05**		114037.41	
	Intangible Assets		**4281.65**		2526.60	
	Capital Work in Progress		**97738.17**		56462.07	
	Intangible Assets under Development		**8489.51**		6988.62	
			233075.38		180014.70	
	Non Current Investments	13	**0.01**		0.01	
	Long Term Loans & Advances	14	**123801.88**	**356877.27**	59303.08	239317.79
2)	**Current assets**					
	Current Investments	15	**64.62**		41.85	
	Inventories	16	**80185.06**		69389.66	
	Trade Receivables	17	**30185.41**		29078.63	
	Cash and Bank Balances	18	**15204.90**		12314.54	
	Short Term Loans and Advances	19	**10337.06**		9448.66	
	Other Current Assets	20	-	**135977.05**	1214.74	121488.08
	TOTAL			**492854.32**		**360805.87**
	Significant Accounting Policies	1				
	Notes to Consolidated Financial Statements	2 to 39				

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

For and on behalf of Board of Directors

R. KORIA
Partner

ARBIND JAYASWAL
Managing Director

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

S. R. CHHALLANI
Partner

Nagpur, 25th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

	Particulars	Note No.	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
1	Revenue from Opeartions (Gross)	21	**285451.72**	285671.45
	Less: Excise Duty/Service Tax Recovered on Sales		**30527.49**	26622.03
	Revenue from Opeartions (Net)		**254924.23**	259049.42
2	Other Income	22	**1107.85**	1547.39
3	**Total Revenue (1+2)**		**256032.08**	260596.81
4	**Expenses**			
	Cost of Materials Consumed	23	**155848.75**	163755.90
	Purchase of Stock in Trade	24	**5460.27**	2034.32
	Changes in Inventories of Finished Goods and Work in Progress	25	**(6750.22)**	(5086.12)
	Employee Benefits Expense	26	**12749.12**	11913.54
	Finance Costs	27	**18066.47**	17664.15
	Depreciation and Amortization Expenses	12	**9668.42**	8659.32
	Other Expenses	28	**56191.22**	53230.02
	Total Expenses		**251234.03**	252171.13
5	**Profit before tax (3-4)**		**4798.05**	8425.68
6	**Tax Expense :**			
	Current Tax		**1043.95**	1709.94
	MAT Credit Entitlement	14.01	**(864.84)**	(938.65)
	Deferred Tax Liability (Net)	5	**1838.66**	2315.48
			2017.77	3086.77
7	Profit after tax for the year (5-6)		**2780.28**	5338.91
	Pre-acquisition loss transferred to Goodwill		**-**	37.05
	Profit for the year		**2780.28**	5375.96
	Earnings per Equity share of Rs.10/- each	29		
	Basic (Rs.)		**0.71**	1.95
	Diluted (Rs.)		**0.64**	1.95
	Significant Accounting Policies	1		
	Notes to Consolidated Financial Statements	2 to 39		

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director & Chief Financial Officer

Nagpur, 25th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31.03.2013	31.03.2012
	(Rs.in lacs)	(Rs.in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	**4798.05**	8425.68
ADJUSTED FOR		
Depreciation and Amortization Expenses	**9668.42**	8659.32
Loss/(Profit) on sale of fixed asset (Net)	**(12.85)**	(539.50)
Loss/(Profit) on sale of Investments (Net)	**(4.75)**	-
Dividend on Current Investments	**(0.05)**	(0.10)
Interest Income	**(756.05)**	(769.12)
Finance Costs	**18066.47**	17664.15
Foreign Exchange differences	**(146.26)**	73.19
Share Issue Expenses	**-**	34.30
Provision for Sales Tax Deferral	**665.32**	664.97
Bad Debts /Advances written off (Net of reversal)	**30.54**	443.60
Provision for Doubtful Debts/ Advances	**114.08**	24.51
Excess Provision Written Back	**-**	(0.20)
Provision for diminution in value of Investment	**2.23**	-
Provision for Wealth tax	**1.67**	1.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**32426.82**	34682.08
ADJUSTMENTS FOR		
Trade and Other Receivables	**(1943.67)**	(4471.19)
Inventories	**(10795.40)**	(13612.51)
Trade Payables	**686.67**	4765.86
CASH GENERATED FROM OPERATIONS	**20374.42**	21364.24
Direct Taxes (Paid) / Refund	**(914.43)**	(3511.73)
Wealth Tax	**(1.28)**	-
NET CASH FLOW FROM OPERATING ACTIVITIES	**19458.71**	17852.51
B. CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets and Capital Work-in-progress	**(112148.09)**	(52859.53)
Sale of Fixed Assets	**17.23**	23.13
Sale of Investments	**29.75**	-
Purchase of Investments	**(50.00)**	(24.99)
Dividend Income	**0.05**	0.10
Movement in Inter Corporate Deposits (Net)	**(4.43)**	(15.18)
Interest Income	**774.10**	1234.48
NET CASH USED IN INVESTING ACTIVITIES	**(111381.39)**	(51641.99)
C. CASH FLOW FROM FINANCING ACTIIVITIES		
Proceed against issue of Equity Shares	**55000.00**	21500.02
Share Issue Expenses	**-**	(75.28)
Repayment of Lease Liability	**(360.00)**	(360.00)
Proceed from Long Term Borrowings (Refer Note No. (ii) below)	**52107.08**	87302.87
Repayment of Long Term Borrowings	**(16803.34)**	(29317.78)
Short Term Loans (Net)	**35373.74**	(11951.53)
Finance Costs	**(30504.44)**	(28301.17)

Margin Money and Fixed Deposits not included in Cash and Cash Equivalents	**(126.96)**	2006.11
NET CASH FLOW FROM FINANCING ACTIVITIES	**94686.08**	40803.24
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2763.40**	7013.76
Cash and Cash Equivalents (Opening Balance)	**8881.03**	1867.27
Cash and Cash Equivalents (Closing Balance)	**11644.43**	8881.03

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
(ii) Debt Swap of Rs. 14055.01 lacs has not been considered in the proceeds and repayment of Long Term Borrowings.
(iii) Figures in brackets indicate Outflows.
(iv) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

For and on behalf of Board of Directors

R. KORIA
Partner

ARBIND JAYASWAL
Managing Director

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

S. R. CHHALLANI
Partner

Nagpur, 25th May, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES

1.01 Principles of Consolidation :

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

a. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - " Consolidated Financial Statements".

b. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c. The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being ammortised.

d. Minority Interest's share of net profit of consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

e. Minority Interest in share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

f. In case of associate where the Company holds more than 20% of equity Investments in associate are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in associates in Consolidated Financial Statements".

g. The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealized profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

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

1.03 Other significant accounting policies:

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

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

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

NOTE : 2 SHARE CAPITAL

PARTICULARS			As at 31.03.2013	As at 31.03.2012
			Rs.in lacs	Rs.in lacs
Authorised				
100,00,00,000	(100,00,00,000)	Equity Shares of Rs.10/- each.	**100000**	100000
			100000	100000
Issued, Subscribed and Paid up				
49,71,83,463	(35,96,83,463)	Equity Shares of Rs.10/- each	**49718.34**	35968.34
		fully paid up.Less : Allotment Money Unpaid	**0.72**	0.72
		(from other than Directors)		
TOTAL			**49717.62**	35967.62

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

PARTICULARS	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	Amount	No. of Shares	Amount
		Rs.in lacs		Rs.in lacs
Shares outstanding at the beginning of year	**359,683,463**	**35968.34**	250,860,904	25086.09
Add: Shares issued during the year on Preferential Basis	**137,500,000**	**13750.00**	108,822,559	10882.25
Shares outstanding at the end of year	**497,183,463**	**49718.34**	359,683,463	35968.34

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

Name of Shareholders	As at 31.03.2013		As at 31.03.2012	
	No of Share held	Percentage to Capital	No of Share held	Percentage to Capital
Jayaswal Holdings Private Limited	**43,978,951**	**8.85**	43,978,951	12.23
Karamveer Impex Private Limited	**39,069,000**	**7.86**	28,819,000	8.01
Nine Star Plastic Packaging Services Private Limited	**36,974,600**	**7.44**	25,724,600	7.15
Jayaswal Neco Metallics Private Limited	**32,790,500**	**6.60**	21,290,500	5.92
Jayaswal Neco Energy Private Limited	**31,312,000**	**6.30**	20,312,000	5.65
Avon Sales and Services Private Limited	**30,815,000**	**6.20**	20,065,000	5.58
Anurag Sales & Services Private Limited	**30,091,000**	**6.05**	19,091,000	5.31
Jayaswal Neco Power Private Limited	**29,722,500**	**5.98**	20,222,500	5.62
Apex Spining Mills Private Limited	**26,559,600**	**5.34**	16,059,600	4.46

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

2.04 Rights of Equity Shareholders

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

2.05 "During the financial year 2010-11, the Board of Directors had approved the Scheme of Arrangement (“the Scheme”) under sections 391-394 of the Companies Act, 1956, between the Company and Corporate Ispat Alloys Limited (“CIAL”) providing for demerger of Steel Division of CIAL for the purpose of its merger with the Company with effect from 1st April, 2008. Necessary approvals from the Stock Exchanges under clause 24(f) of the Listing Agreement have been received. The Company has in compliance of the order of the High Court held meetings of Shareholders and Creditors of the Company on 20th April, 2012. The shareholders have unanimously approved the scheme. The creditors' meeting was adjourned at the request of the creditors present and is now scheduled on 28th May, 2013. On obtaining the required statutory approvals and sanctions of the High Courts, and the Scheme coming into force, the Company shall issue 3,26,49,600 fully paid-up Equity Shares of Rs. 10/- each to the eligible shareholders of CIAL in the ratio of 114 Equity Shares of the Company for every 10 Equity Shares held by them in CIAL as on the record date.

NOTE : 3 RESERVES AND SURPLUS

PARTICULARS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Capital Reserve			
Balance as per last Balance Sheet		**79.02**	79.02
Capital Redemption Reserve			
Balance as per last Balance Sheet		**5100.37**	5100.37
Securities Premium Account			
Balance as per last Balance Sheet	**38775.81**		6170.02
Add: Received on issue of Equity Shares	**41250.00**		32646.77
Less: Share issue expenses	**-**		40.98
		80025.81	38775.81

Revaluation Reserve			
Balance as per last Balance Sheet	**23.75**		24.52
Less : Amount of Depreciation attributable on appreciated value transferred to Surplus	**0.76**		0.77
		22.99	23.75
General Reserve			
Balance as per last Balance Sheet		**17586.48**	17586.48
Surplus			
Balance as per last Balance Sheet	**25244.76**		19868.03
Add: Profit for the year	**2780.28**		5375.96
Add: Transferred from Revaluation Reserve	**0.76**		0.77
		28025.80	25244.76
TOTAL		**130840.47**	86810.19

NOTE : 4 LONG TERM BORROWINGS

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Secured			
Term Loans			
- From Banks	**139582.34**		105175.01
- From Financial Institutions	**798.61**		1215.28
- From Others	**24.79**		76.53
		140405.74	106466.82
Unsecured			
Sales Tax Deferral (Under Package Scheme of Incentives)		**3385.76**	2720.44
0% Optionally Convertible Loans *		**-**	4724.00
Inter Corporate Deposits (From related parties) *		**2349.46**	-
Long term maturities of finance lease obligations		**322.17**	583.76
TOTAL		**146463.13**	114495.02

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

4.01 The term loans from banks, financial institutions and others referred to above aggregating to Rs. 140287.41 lacs and Rs. 17669.89 lacs included in Current Maturities of Long Term Debts in Note No. 10 are guaranteed by some of the Directors in their personal capacities.

4.02 Term loans from Banks and Financial Institution referred to above aggregating to Rs. 133937.10 lacs and Rs. 17669.89 Lacs included in Current Maturities of Long Term Debts in Note No. 10 are secured by way of :

a. First Charge on the moveable and immoveable fixed assets of the company, both present and future on pari-passu basis with other participating Financial Institution/ Banks except the moveable and immoveable fixed assets at Moitra Coking Coal Block Including Washery at North Karanpura Coalfields near Hazaribagh in Jharkhand.

b. First Ranking Charge on all titles and interest of the borrower in respect of all project documents / contracts / licences including insurance contracts and rights except mining rights pertaining to the assets of the borrower on pari-passu basis with other participating Financial Institution/ Banks.

c. Charge on all the current assets of the company including raw materials, finished goods, stock-in-process, trade receivable, both present and future on pari-passu basis with other participating Financial Institutions/ Banks amongst them ranking next to the charge in favour of bankers to secure their working capital loans.

4.03 Term loans from banks refer to above aggregating to Rs.6350.31 Lacs are secured by way of first charge on whole of the moveable and immoveable properties, except Book Debts, Store and Spares and Stocks, both present and future relating to coking coal mines project including washery at Moitra coking coal block at North Karanpura Coalfields near Hazaribagh in Jharkhand (the project) and charge on Current Assets of the Company on pari-passu basis amongst banks funding the project ranking next to the charge in favour of bankers to secure their working capital loans.

4.04 Term Loans of Rs. 118.33 lacs and Rs. 110.28 lacs included in current maturities of long term debt are secured by way of hypothecation of the specific Equipments/ Vehicles financed.

4.05 Term Loans from Banks and Financial Institutions referred to above and Rs.17780.17 lacs included in current maturities of long term debt in Note No.10 are to be repaid as under :

Rs.2833.33 lacs is repayable in 24 equal monthly instalments of Rs.118.06 lacs each, ending on March, 2015.

Rs.5408.33 lacs is repayable in 24 equal monthly instalments of Rs.225.35 lacs each, ending on March, 2015.

Rs.1275.00 lacs is repayable in 24 equal monthly instalments of Rs.53.13 lacs each, commencing from April, 2015 and ending on March, 2017.

Rs.4137.09 lacs is repayable in 30 equal monthly instalments of Rs.138.90 lacs each, ending on September, 2015.

Rs.798.61 lacs is repayable in 24 equal monthly instalments of Rs.34.72 lacs each, ending on March, 2015.

Rs.313.48 lacs is repayable in 10 equal quarterly instalments of Rs.30.88 lacs each, ending on September, 2015.

Rs.3281.25 lacs is repayable in 7 equal quarterly instalments of Rs.468.75 lacs each, ending on October, 2014.

Rs.500.00 lacs is repayable in 12 equal monthly instalments of Rs.41.67 lacs each, ending on March, 2014.

Rs.7500.00 lacs is repayable in 15 equal quarterly instalments of Rs.500.00 lacs each, ending on October, 2016.

Rs.11200.00 lacs is repayable in 48 structured monthly instalments, ending on March, 2017.

Rs.2367.75 lacs is repayable in 12 structured monthly instalments, ending on March, 2014.

Rs.1833.33 lacs is repayable in 40 equal monthly instalments of Rs. 45.83 lacs each, commencing from August, 2012 and ending on July, 2016.

Rs.8264.23 lacs is repayable in 26 equal quarterly instalments of Rs. 318.12 lacs each, commencing from January, 2013 and ending on October, 2019.

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

Rs.13920.96 lacs is repayable in 22 quarterly instalments of Rs. 632.77 lacs each, commencing from December 2015 and ending in March 2021.

Rs.71412.76 lacs is repayable in 78 equal monthly instalments of Rs. 915.55 lacs each, commencing from September, 2014 and ending on February, 2021.

Rs.6560.85 lacs is repayable in 22 equal quarterly instalments of Rs. 298.22 lacs each, Commencing from November, 2015 and ending in Feb, 2021.

Rs.10000.00 lacs is repayable in 48 equal monthly instalments of Rs. 208.33 lacs each, Commencing from July 2013 and ending in June 2017.

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

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

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

	Payable within one year	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans from Banks, Financial Institution and Others	17780.17	25090.44	25704.31	24634.81	64976.18

4.06 Inter Corporate Deposits are repayble on demand on are after 31st March, 2016. The said loan carry 0% interest except a loan of Rs. 733.86 lacs which carries an interest @bank rate + 4.15% .

4.07 The Minimum Lease Rentals outstanding as on 31st March, 2013 in respect of a plant having the Gross Liability of Rs. 2,324.93 lacs (Previous Year Rs. 2,324.93 lacs) taken on financial lease is as follows :

	31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
Minimum Lease Payments		
(i) Payable not later than 1 year	**360.00**	360.00
(ii) Payable later than 1 year and not later than 5 years	**360.00**	720.00
(iii) Payable later than 5 years	**-**	-
Total Minimum Lease Payments	**720.00**	1080.00
Less : Future Finance Charges	**136.24**	283.83
Present Value of Minimum Lease Payments	**583.76**	796.17
Present Value of Minimum Lease Payments		
(i) Payable not later than 1 year	**261.59**	212.41
(ii) Payable later than 1 year and not later than 5 years	**322.17**	583.76
(iii) Payable later than 5 years	**-**	-
Total Present Value of Minimum Lease Payments	**583.76**	796.17

General description of Lease terms :

(i) Lease Rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease for a period of 5 to 10 years.

4.08 The Company is entitled to defer its liability to pay Sales Tax (including a portion of Purchase Tax) in respect of its certain units. The liability under the Schemes as on 31st March, 2013 is Rs. 7361.03 lacs (Previous Year : Rs. 6150.51 lacs) which is provided for on the basis of its Net Present Value of Rs. 3385.76 lacs (Previous Year : Rs. 2744.86 lacs). This Sales-tax liability is repayable in five equal annual instalments starting at the end of the tenth year from the year to which it relates.

NOTE : 5 DEFERRED TAX LIABILITIES

PARTICULARS	**As at 31.03.2013 Rs.in lacs**	**As at 31.03.2013 Rs.in lacs**	As at 31.03.2012 Rs.in lacs
Deferred Tax Liabilities			
Related to Fixed Assets	**16005.48**		14378.73
Sales Tax Deferred claimed as deduction for tax purpose to the extent not debited to Statement of Profit & Loss	**1289.78**		1104.96
		17295.26	15483.69
Deferred Tax Assets			
Items disallowed under section 43B of Income Tax Act, 1961	**602.59**		643.83
Provision for Doubtful Trade Receivables & Advances	**481.80**		447.40
Leased Asset	**143.80**		164.05
		1228.19	1255.28
Net Deferred Tax Liability		**16067.07**	14228.41

5.01 The above does not include Net Deferred Tax Assets of Rs. 0.12 lacs (Previous Year Rs 0.24 Lacs) pertaining to the Subsidiary which, in the absence of virtual certainty that sufficient future Taxable Income will be available against which Deferred Tax Assets can be realized, has not been recognised in the books of accounts of the Subsidiary in line with Accounting Standard 22 dealing with accounting for Taxes on Income. In view of the above Deferred Tax Assets of Rs. 0.12 lacs in the subsidiary can not be set off with the above Deferred Tax liability.

NOTE : 6 OTHER LONG TERM LIABILITIES

PARTICULARS	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Deposits Received	**16.85**	18.35
Trade Payables (Retention Money)	**-**	65.59
TOTAL	**16.85**	83.94

NOTE : 7 LONG TERM PROVISIONS

PARTICULARS	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Provision for Site Restoration Expenses	**2694.95**	782.33
TOTAL	**2694.95**	782.33

7.01 The site restoration costs have been calculated in terms of guidelines for preparation of mines closure plan issued by Ministry of Coal, Government of India.

NOTE : 8 SHORT TERM BORROWINGS

PARTICULARS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs	Rs.in lacs
Secured			
Working Capital Loans from Banks			
i) Rupee Loans	**45619.96**		34778.86
ii) Foreign Currency Loan	**-**		5115.65
		45619.96	39894.51
Unsecured			
Inter Corporate Deposits taken from:			
i) Related party (Refer Note No.35 (c))	**6272.42**		582.68
ii) Others	**1849.40**		2245.00
		8121.82	2827.68
Buyer's Credit		**203.61**	167.34
Suppliers Credits *		**23756.06**	-
(Backed by Letter of Credit)			
TOTAL		**77701.45**	42889.53

* Includes Rs.16153.17 Lacs (Previous Year Rs. NIL) relating to Capital Goods to be paid out of Term Loans.

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

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

NOTE : 9 TRADE PAYABLES

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Trade Payables - Micro, Small and Medium Enterprises @	-	-
- Others	35785.79	34273.57
TOTAL	35785.79	34273.57

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

NOTE : 10 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Current Maturities of Long term debts		17780.17	14040.81
Current Maturities of Lease obligation		261.59	212.41
Interest Accrued but not due on borrowings		612.51	362.07
Advances from Customers		2525.07	2002.31
Creditors for Capital Goods		192.70	1033.73
Other Payables			
Statutory Liabilities	1157.35		1896.34
Deposits Received	13.21		1015.00
Book Overdraft	-		1,518.07
Others *	5907.75		4993.96
		7078.31	9423.37
TOTAL		28450.35	27074.70

* Mainly includes Payable to Employees and Provision for Materials and Expenses.

NOTE : 11 SHORT TERM PROVISIONS

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Provision for Employee Benefits	1727.62	1662.72
Provision for Wealth tax	1.67	1.28
Provision for Excise Duty	2990.60	2,139.81
Other Provisions*	396.75	396.75
TOTAL	5116.64	4200.56

* includes provision for disputed Entry Tax and Cess on Metallurgical Coke

11.01 The Company has recognised liabilities based on substantial degree of estimation for Excise Duty payable on clearance of goods lying in stock, Entry Tax and Cess on Metallurgical Coke paid under dispute. The excise duty payable on clearance of goods lying in stock as at 31st March, 2012 was of Rs. 2139.81 lacs as per the estimated pattern of despatches. During the year Rs.2139.81 lacs was utilised for clearance of goods. Liability recognised under this clause for the year is Rs. 2990.60 lacs which is outstanding as on 31st March, 2013. Actual outflow is expected in the next financial year. Any additional information in this regard can be expected to prejudice seriously the position of the Company.

NOTE : 12 FIXED ASSETS

(Rs.in lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2012	Additions	Deductions/ Adjustments	**As at 31.03.2013**	Upto 31.03.2012	For the Year	Deductions/ Adjustments	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
a) **Tangible Assets**										
Owned										
Land	3926.24	2,219.78	4.38	**6141.64**	-	-	-	**-**	**6141.64**	3926.24
Buildings	18964.42	732.28	-	**19696.70**	4161.81	603.18	-	**4764.99**	**14931.71**	14802.61
Railway Sidings	3212.86	-	-	**3212.86**	2152.37	152.61	-	**2304.98**	**907.88**	1060.49
Plant & Equipments	138739.13	14,885.72	-	**153624.85**	45701.90	8,473.54	-	**54175.44**	**99449.41**	93037.23
Office Equipments	357.49	45.77	-	**403.26**	168.51	19.10	-	**187.61**	**215.65**	188.98
Furniture & Fixtures	446.15	13.04	-	**459.19**	302.85	23.29	-	**326.14**	**133.05**	143.30
Vehicles	726.41	114.01	-	**840.42**	410.37	52.48	-	**462.85**	**377.57**	316.04
Sub-Total	166372.70	18010.60	4.38	**184378.92**	52897.81	9324.20	-	**62222.01**	**122156.91**	113474.89
Leased										
Land	331.90	-	-	**331.90**	59.91	3.38	-	**63.29**	**268.61**	271.99
Plant & Equipments	2324.93	-	-	**2324.93**	2034.40	150.00	-	**2184.40**	**140.53**	290.53
Sub-Total	2656.83	-	-	**2656.83**	2094.31	153.38	-	**2247.69**	**409.14**	562.52
Total (A)	169029.53	18010.60	4.38	**187035.75**	54992.12	9477.58	-	**64469.70**	**122566.05**	114037.41
b) **Intangible Assets :**										
Goodwill (on consolidation)	38.03	-	-	**38.03**	-	-	-	**-**	**38.03**	38.03
Process Development *	3400.28	-	-	**3400.28**	3400.28	-	-	**3400.28**	**-**	0.00
Softwares **	41.48	8.88	-	**50.36**	26.70	10.01	-	**36.71**	**13.65**	14.78
Technical Know-How **	642.21	-	-	**642.21**	209.03	33.91	-	**242.94**	**399.27**	433.18
Indefeasible Right to Use **	981.39	25.18	-	**1006.57**	108.45	66.05	-	**174.50**	**832.07**	872.94
Mining Rights	1381.00	1,912.61	-	**3293.61**	213.33	81.65	-	**294.98**	**2998.63**	1167.67
Total (B)	6484.39	1946.67	-	**8431.06**	3957.79	191.62	-	**4149.41**	**4281.65**	2526.60
Total (A+B)	175513.92	19957.27	4.38	**195466.81**	58949.91	@ 9669.20	-	**68619.11**	**126847.70**	116564.01
Previous Year	160368.08	15449.53	303.69	**175513.92**	50548.89	8667.65	266.63	**58949.91**	**116564.01**	
c) **Capital Work-in-progress**									**97738.17**	56462.07
d) **Intangible Assets under Development**									**8489.51**	6988.62

* internally generated

** Other than internally generated

@ Rs.0.79 lacs (Previous year Rs.8.33 lacs) transferred to preoperative expenses.

12.01 Buildings include cost of building aggregating to Rs. 144.43 lacs (Previous Year Rs. 144.43 lacs) constructed on land, ownership of which does not vest with the Company.

12.02 Indefeasible Right to Use represents the cost incurred by the Company for the exclusive right of usage of certain piece of lands during the contract period.

12.03 Addition to Plant and Equipments includes Borrowing Cost of Rs 888.17 lacs (Previous Year Rs. 1968.92 lacs).

12.04 The gross block of fixed assets includes Rs. 44.28 lacs (Previous Year Rs. 44.28 lacs) on account of revaluation of fixed assets. Consequent to said revaluation there is an additional charge of depreciation of Rs. 0.76 Lacs (Previous Year Rs. 0.77 Lacs) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Surplus.

12.05 Capital Work-in-progress includes :

	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Material at site	**0.94**	94.04
Building under Construction	**247.05**	1142.42
Plant & Equipments under installation	**69907.84**	39707.15
Pre-operative Expenses	**27582.34**	15518.46
TOTAL	**97738.17**	56462.07

12.06 Intangible Assets under Development :

	As at 31.03.2013	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Mining Rights	**5213.07**	5091.93
Pre-operative Expenses	**3276.44**	1896.69
TOTAL	**8489.51**	6988.62

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

Particulars	**31.03.2013**	31.03.2012
	(Rs.in lacs)	(Rs.in lacs)
Raw Materials Consumed	**185.64**	-
Consumables, Stores and Spares Consumed	**14.97**	-
Power & Fuel	**39.57**	29.72
Remuneration and Benefits to Employees	**1716.74**	1160.14
Repairs & Maintenance - Buildings	**-**	1.11
Repairs & Maintenance - Others	**48.64**	14.34
Rent	**3.71**	-
Rates, Taxes and Fees	**37.64**	3.28
Travelling and Conveyance	**75.87**	45.22
Printing & Stationery	**1.15**	-
Legal & Professional	**49.34**	334.17
Insurance	**0.13**	0.18
Miscellaneous Expenses	**157.71**	74.86
Depreciation	**0.79**	8.33

Finance Costs	**12836.00**	10869.94
	15167.90	12541.29
Less: Miscellaneous Income	**4.01**	0.04
Excess prov w/back	**0.05**	0.70
Stock of Trial run production	**2.60**	-
Scrap Generated during Trial run	**158.35**	-
Trial Run Power used for manufacturing	**-**	104.88
Preoperative Expenses for the year	**15002.89**	12435.67
Add : Preoperative Expenses upto Previous Year	**17415.15**	7552.41
	32418.04	19988.08
Less : Allocated during the year	**1559.26**	2572.93
TOTAL	**30858.78**	17415.15

12.08 During the year Ministry of Coal raised a demand for invoking the Bank Guarantee of Rs. 1000 Lacs furnished by the Company, in respect of the Company's Moitra Coal Block in Jharkhand for delay in start of production of coal. The Company has filed a writ petition before the Hon'ble High Court at New Delhi, which has, by an interim order, restrained the Bank from transmitting the amount till the next date of hearing.

12.09 The Company had filed Mining Lease applications for Rowghat Iron Ore Deposit in Bastar District Chhattisgarh. The Chhattisgarh State Government (SG) had rejected the same which were challenged by the Company by filing a revision application. The SG had filed a complaint before Ministry of Mines which had referred the matter to the Chief Vigilance Officer (CVO) which couldn't make out any case against the Company. Subsequently revision petition of the Company was allowed by the Adjudicating authority as well as the Delhi High Court which upheld the order of the Revisional Authority and also observed that the Company had successfully undertaken the Prospecting operations in the area. During the year, on a fresh complaint by the SG to the Chief Vigilance Commission (CVC) containing the same allegations the Central Bureau of Investigations(CBI) on the directions of the CVC had registered a FIR against the Company alleging certain irregularities against which the company has filed a writ petition for quashing of the FIR before the Hon'ble Delhi High Court, in which the High Court has directed CBI not to take any coercive action against the Petitioners till the next date of hearing.

12.10 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the year ended 31st March, 2013.

NOTE : 13 NON CURRENT INVESTMENTS

(Long Term Investments)

PARTICULARS				**As at 31.03.2013**	As at 31.03.2012
	Number of Shares 31.03.2013	31.03.2012	**Rs. Face Value**	**Rs.in lacs**	Rs.in lacs
Trade Investments (Unquoted, Fully Paid Up)					
In Equity Shares - Others					
Punjab & Maharashtra Co-operative Bank Ltd.	**40**	40	25	**0.01**	0.01
The City Co-operative Bank Ltd. (Rs. 250)	**10**	10	25	**0.00**	0.00
TOTAL				**0.01**	0.01

13.01 Aggregate Amount of Unquoted Investments **0.01** 0.01

NOTE : 14 LONG TERM LOANS & ADVANCES

(Unsecured and Considered Good)

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Capital Advances			
To Related Parties (Refer Note No.35 (c))	**113623.04**		49939.31
To Others	**1667.32**		2028.85
		115290.36	51968.16
Deposits		**760.31**	819.03
Advance Payment of Income-tax (Net)		**556.84**	686.36
MAT Credit Entitlement		**7194.37**	5829.53
TOTAL		**123801.88**	59303.08

14.01 Presently the company is liable to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than Section 115JB, in next ten years. Based on the future projection of the performances, the Company will be liable to pay the income tax computed as per provisions, other than under section 115JB of the Act. Accordingly as advised in Guidance note on " Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961 " issued by the Institute of Chartered Accountants of India, Rs. 864.84 lacs being the excess of tax payable under section 115JB of the Act over tax payable as per the provisions other than section 115JB of the Act has been considered as MAT Credit Entitlement and credited to Statement of Profit and Loss. The total MAT Credit as at 31st March, 2013 is Rs.7194.37 lacs (Previous Year Rs. 6329.53 lacs).

NOTE : 15 CURRENT INVESTMENTS

PARTICULARS	Number of Shares 31.03.2013	Number of Shares 31.03.2012	Rs. Face Value	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
In Equity Shares - Fully Paid Up (Quoted)					
Antarctica Graphics Limited	**53000**	53000	1	**0.53**	0.53
Datar Switchgears Limited	**2200**	2200	10	**1.05**	1.05
Elbee Services Limited	**1400**	1400	10	**1.96**	1.96
Essar Steel India Limited	**60**	60	10	**0.03**	0.03
JSW Ispat Steel Limited	**60**	60	10	**0.01**	0.01
Jindal Steel Power Limited	**3000**	3000	5	**0.55**	0.55
JSW Steel Limited	**8**	8	10	**0.01**	0.01
Kirloskar Ferrous Industries Limited	**100**	100	5	**0.02**	0.02
Tata Steel Limited	**135**	135	10	**0.41**	0.41
Tourism Finance Limited	**3000**	3000	10	**0.90**	0.90
Triveni Sheet Glass Limited	**1000**	1000	10	**1.00**	1.00
Usha Martin Limited	**500**	500	10	**0.05**	0.05
Other Investments - Unquoted					
In Preference Shares - Fully Paid Up					
JSW Ispat Steel Limited (Rs.400)	**40**	40	10	**0.00**	0.00
In Units					
SBI One India Fund	**100000**	100000	10	**10.00**	10.00
SBI Infrastructure Bond	**50000**	50000	10	**5.00**	5.00
Union KBC Mutual Fund (EFGR)	**231472**	278704	10	**25.00**	25.00
Union KBC Cap. Protection Oriented (EFGR)	**250000**	-	10	**25.00**	-
				71.52	46.52
Less : Provision for diminution in the value				**6.90**	4.67
TOTAL				**64.62**	41.85

15.01	Aggregate Amount of Quoted Investment	**1.73**	1.85
15.02	Aggregate Market Value of Quoted Investment	**11.74**	18.02
15.03	Aggregate Amount of Unquoted Investment	**62.89**	40.00

NOTE : 16 INVENTORIES

PARTICULARS	**As at 31.03.2013**	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Raw Materials	**31697.56**	23386.92
Raw Materials-in-transit	**12052.51**	17232.77
Work-in-progress *	**3557.00**	3317.99
Finished Goods	**24470.07**	18096.83
Finished Goods-in-transit	**59.98**	64.61
Stock in Trade	**145.20**	-
Stores, Spares and Consumables	**8202.74**	7290.54
TOTAL	**80185.06**	69389.66

*Includes Rs.2.60 lacs being stock of trial run product

16.01 Broad Heads of Work-in-Progress

Particulars	**As at 31.03.2013**	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	**3360.85**	3130.72
Coke	**119.26**	117.72
Sponge Iron	**76.89**	69.55
TOTAL	**3557.00**	3317.99

16.02 Broad Heads of Finished Goods

Particulars	**As at 31.03.2013**	As at 31.03.2012
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	**1126.40**	1614.98
Pig Iron/Skull	**2559.37**	1820.21
Billets/ Rolled Products	**15483.35**	11578.42
Sponge Iron	**3486.51**	1239.61
Others	**1814.44**	1843.61
TOTAL	**24470.07**	18096.83

NOTE : 17 TRADE RECEIVABLES

(Unsecured)

PARTICULARS	**As at 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
	Rs.in lacs	**Rs.in lacs**	Rs.in lacs
Outstanding for a period exceeding six months			
Considered good	**1717.25**		1160.18
Considered doubtful	**496.97**		546.04
	2214.22		1706.22
Less : Provision for Doubtful Receivables	**496.97**		546.04
		1717.25	1160.18
Other receivables - considered good		**28468.16**	27918.45
TOTAL		**30185.41**	29078.63

NOTE : 18 CASH AND BANK BALANCES

PARTICULARS	As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	**10194.89**		6739.74
In Fixed Deposit Accounts	**-**		6.30
	10194.89		6746.04
Cheques in hand	**1352.50**		2040.00
Cash on hand	**97.04**		94.99
		11644.43	8881.03
Other Bank Balances			
Fixed Deposits with Banks *			
Pledged as Margin Money		**3558.28**	3433.51
Others		**2.19**	-
TOTAL		**15204.90**	12314.54

* Includes Rs. 511.31 lacs (Previous Year Rs. 278.65 lacs) having maturity period of more than 12 months.

NOTE : 19 SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good unless stated otherwise)

PARTICULARS		As at 31.03.2013 Rs.in lacs	As at 31.03.2013 Rs.in lacs	As at 31.03.2012 Rs.in lacs
Loans and advances to Related Parties (Refer Note No.35 (c))			**1213.94**	1356.22
Advance to Suppliers	**6344.20**			5,476.78
Prepaid expenses	**106.52**			166.80
Balances with Central Excise Authorities	**762.42**			195.58
Others *	**1661.36**			1467.08
		8874.50		7306.24
Considered doubtful		**978.56**		823.47
		9853.06		8129.71
Less : Provision for Doubtful Advances		**978.56**		823.47
			8874.50	7306.24
Deposits				
Considered good		**248.62**		286.20
Doubtful		**9.44**		9.44
		258.06		295.64
Less: Provision for Doubtful Deposits		**9.44**		9.44
			248.62	286.20
MAT Credit Entitlement (Refer Note No.14.01)			**-**	500.00
TOTAL			**10337.06**	9448.66

* Mainly includes VAT refund receivable, interest receivable and advances to employees and others.

NOTE : 20 OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2013	As at 31.03.2012
Receivables against sale of Fixed Assets	**-**	652.92
Others	**-**	561.82
TOTAL	**-**	1214.74

NOTE : 21 REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Sale of Products	**285178.54**	284950.40
Sale of Services	**241.33**	700.19
Other Operating Revenues - Export Incentives	**31.85**	20.86
TOTAL	**285451.72**	285671.45

21.01 Broad Heads of Sale of Products

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Iron & Steel Castings	**46553.98**	55124.07
Pig Iron / Skull	**69227.08**	74004.28
Billets/ Rolled Products	**115862.81**	107512.49
Cast Iron	**2,564.97**	-
Sponge Iron	**41588.57**	39685.43
Power	**4240.17**	4339.21
Others	**5140.96**	4284.92
TOTAL	**285178.54**	284950.40

21.02 Broad Heads of Sale of Services

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Job Work	**241.33**	-
Project Consultancy	**-**	700.19
TOTAL	**241.33**	700.19

NOTE : 22 OTHER INCOME

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
Interest Income	**756.05**	769.12
Dividend on Current Investments	**0.05**	0.10
Profit on Sale of Fixed Assets (Net)	**12.85**	539.50
Profit on Sale of Current Investments (Net)	**4.75**	-
Excess Provision written back	**-**	0.20
Other Miscellaneous Receipts	**334.15**	238.47
TOTAL	**1107.85**	1547.39

NOTE : 23 COST OF MATERIALS CONSUMED

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Materials Consumed		
Iron and Steel Scrap	**14509.84**	18052.51
Iron Ore	**67838.22**	68039.30
Metallurgical Coke	**47906.96**	56663.33
Coal and Coke	**12815.67**	9009.65
Others	**12778.06**	11991.11
TOTAL	**155848.75**	163755.90

NOTE : 24 PURCHASE OF STOCK IN TRADE

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Purchase of Stock in Trade		
Iron & Steel Castings	**2214.27**	1304.79
Pig Iron / Skull	**479.12**	479.32
Cast Iron	**2553.76**	-
Others	**213.12**	250.21
TOTAL	**5460.27**	2034.32

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

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Closing Inventories			
Finished Goods	**24530.05**		18161.44
Stock in Tade	**145.20**		-
Work-in-progress	**3554.40**		3317.99
		28229.65	21479.43
Opening Inventories			
Finished Goods	**18161.44**		13835.11
Stock in Tade	**-**		-
Work-in-progress	**3317.99**		2558.20
		21479.43	16393.31
(Increase)/Decrease in Inventories		**(6750.22)**	(5086.12)

NOTE : 26 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Salaries, Wages and Allowances	**9883.16**	9227.47
Contribution to P.F. and Other Funds	**1421.68**	1323.44
Welfare and Other Amenities	**1444.28**	1362.63
TOTAL	**12749.12**	11913.54

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
	Rs. in lacs	Rs. in lacs
Employer's Contribution to Provident Fund, ESIC and Other Funds	**908.68**	830.15

Defined Benefit Plan

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to addtional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	As at 31.03.2013	As at 31.03.2012
	(Funded)	(Funded)
Reconciliation of Opening and Closing balance of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	**1798.59**	1329.95
Current Service Cost	**313.91**	273.32
Interest Cost	**140.61**	104.49
Benefit Paid	**(81.87)**	(47.65)
Actuarial Losses / (Gain)	**109.56**	138.48
Defined Benefit Obligation at year end.	**2280.80**	1798.59
Reconciliation of Opening and Closing balance of Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	**801.40**	555.67
Expected Return on Plan Assets	**101.25**	62.93
Employer Contribution	**570.78**	228.33
Benefit paid	**(81.87)**	(47.65)
Actuarial gain /(loss) on Plan Assets	**(3.76)**	2.12
Fair Value of Plan Assets at year end.	**1387.80**	801.40
Reconciliation of Fair Value of assets and obligations		
Fair Value of Plan Assets	**1387.80**	801.40
Present Value of Funded Obligations	**2280.80**	1798.59
Amount recognised in the Balance Sheet	**893.00**	997.19
Expense recognized in Statement of Profit & Loss Account		
Current Service Cost	**313.91**	273.32
Interest on Defined Benefit Obligation	**140.61**	104.49
Expected return On Plan Assets	**(101.25)**	(62.93)
Net Actuarial Losses / (Gains) Recognised in year	**113.32**	136.36
Total included in “Remuneration and benefits to Employees"	**466.59**	451.24

Amounts for the current and previous periods are as follows :

	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined Benefit Obligation	**2280.80**	1798.59	1329.95	1096.04	911.03
Plan Assets	**1387.80**	801.40	555.67	472.44	360.41
Surplus/(Deficit)	**(893.00)**	(997.19)	(774.28)	(623.60)	(550.62)
Experience adjustment on Plan Assets (Gain)/Loss	*	*	*	*	*
Experience adjustment on Plan Liabilities Gain/ (Loss)	*	*	*	*	*

Actuarial Assumptions

	31.03.2013	31.03.2012
Mortality Table (LIC)	**2006-08 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8.00%**	8.00%
Expected Rate of escalation in Salary (per annum)	**8.00%**	8.00%
Expected rate of return on Plan Assets (per annum)	**9.25%**	9.30%

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

NOTE : 27 FINANCE COSTS

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
Interest Paid	**16230.31**	15071.94
Lease Finance Charges	**147.59**	187.53
Other Borrowing Costs	**1688.57**	2404.68
TOTAL	**18066.47**	17664.15

NOTE : 28 OTHER EXPENSES

PARTICULARS	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2013 Rs.in lacs	Year ended 31.03.2012 Rs.in lacs
MANUFACTURING EXPENSES			
Consumables, Stores and Spares Consumed	**22074.41**		21327.15
Power and Fuel	**9646.00**		9586.03
Excise Duty	**850.79**		698.24
Repairs and Maintenance -			
Buildings	**80.71**		92.50
Plant and Equipments	**6553.54**		5002.15
Others	**7.37**		6.04
Royalty and Cess	**1055.74**		927.99
Internal Material Movement	**2973.05**		2113.46
Other Manufacturing Expenses	**1483.78**		1459.28
		44725.39	41212.84
SELLING AND DISTRIBUTION EXPENSES			
Advertisement & Publicity	**80.41**		115.17
Commission and Discount	**384.41**		275.66
Sales Promotion Expenses	**119.87**		82.53

Freight and Forwarding		**5107.58**		4689.83
Provision for Sales Tax Deferral		**665.32**		664.97
			6357.59	5828.16
ADMINISTRATIVE EXPENSES				
Rent		**180.15**		170.45
Rates and Taxes		**78.86**		99.01
Insurance		**242.67**		133.94
Foreign Currency Fluctuation (Net)		**426.62**		1750.29
Printing and Stationery		**60.32**		76.57
Communication		**135.20**		130.82
Travelling and Conveyance		**1211.71**		1036.85
Vehicle Maintenance		**240.88**		217.46
Legal and Professional Charges		**1047.92**		936.62
Payments to Auditors		**59.32**		57.06
Security Expenses		**280.17**		219.98
Miscellaneous		**578.87**		673.04
			4542.69	5502.09
OTHER EXPENSES				
Bank Charges & Commission		**410.86**		169.27
Bad Debts / Advances written off	**38.60**			443.60
Less : Provision written back	**8.06**	**30.54**		
Provision for Doubtful Debts/Advances		**114.08**		24.51
Provision for Diminution in value of Investments		**2.23**		-
Expenditures towards increase in Authorised Share Capital		**-**		34.30
Donations		**7.84**		15.25
			565.55	686.93
TOTAL			**56191.22**	53230.02

NOTE : 29 EARNING PER SHARE

PARTICULARS		Year ended 31.03.2013 Rs. in lacs	Year ended 31.03.2012 Rs. in lacs
Basic Earnigs Per Share			
Net Profit for the year	(A)	**2780.28**	5375.96
Weighted average number of equity shares (Nos.)	(B)	**393,930,038**	275,624,964
Basic Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	**0.71**	1.95
Diluted Earnigs Per Share			
Amount available for calculation of diluted EPS	(A)	**2780.28**	5375.96
Weighted average number of equity shares (Nos.)		**393,930,038**	275,624,964
Add : Potential number of Equity Shares		**39,354,110**	-
No. of shares used for calculation of Diluted EPS	(B)	**433,284,148**	275,624,964
Diluted Earnings Per Share of Rs.10/- each	Rs. (A) / (B)	**0.64**	1.95

NOTE : 30 CONTINGENT LIABILITIES AND COMMITMENTS

		31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
A	**Contingent Liabilities (To the extent not provided for):**		
	(No cash outflow is expected except stated otherwise)		
	a. Guarantees given by the Company's Bankers.	**3697.26**	2894.36
	(Bank guarantees are provided under contractual/legal obligation.)		
	b. Corporate Guarantee	**1181.00**	1181.00
	(Given to Banks against the borrowings taken by one of the associate company)		
	c. Demands not acknowledged as debts		
	i) Disputed Excise Duty and Service Tax	**2830.81**	2724.49
	ii) Disputed Sales Tax	**4218.88**	2971.85
	iii) Disputed Customs Duty	**812.95**	787.30
	(Relating to cess on Metallurgical Coke)		
	iv) Other Disputed Demands	**5798.10**	1680.91
	(Mainly related to demand of Cess on Power, Electricity Duty and Stamp Duty.)		
	v) Third Party Claims	**420.69**	407.21
	(Matters are pending before various forum.)		
	d. Liability in respect of Bills Discounted	**12550.55**	14323.71
	e. Letters of credit opened in favour of suppliers	**58171.18**	41634.26
	(Cash flow is expected on receipt of material from suppliers)		
B	**Capital Commitments :**		
	Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances)	**107534.04**	156620.13
	(Cash flow is expected on execution of such capital contracts on progressive basis)		

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

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

NOTE: 33

i)	Derivative Contracts entered into by the Company and outstanding	**-**	5115.65
ii)	Foreign Currency exposures that are not hedged by derivatives instruments are as under :		
	a) Receivable :	**105.39**	123.20
	b) Payable :	**20073.63**	16138.76

iii) The expenditure on account of exchange difference on outstanding forward exchange contracts to be recognised in the Statement of Profit and Loss of subsequent period - Rs. NIL (Previous year Rs 75.42 Lacs)

NOTE : 34 Segment Reporting :

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

Information provided in respect of revenue items for the year ended 31st March 2013 and in respect of assets / liabilities as at 31st March, 2013.

Information about Primary (Product wise) segments : **(Rs. In lacs)**

	Steel	Iron & Steel Castings	Others	Unallo-cated	Elimina-tions	Total
1. REVENUE						
External Sales	**235465.10**	**49986.62**	**-**	**-**		**285451.72**
	(229877.61)	(55793.84)	(-)	(-)		(285671.45)
Inter-segment sales	**3340.76**	**271.58**	**-**	**-**	**-3612.34**	**-**
	(6026.76)	(212.45)	(-)	(-)	(-6239.21)	(-)
Total Revenue	**238805.86**	**50258.20**	**-**	**-**	**-3612.34**	**285451.72**
	(235904.37)	(56006.29)	(-)	(-)	(-6239.21)	(285671.45)
2. RESULTS						
Segment Results	**20825.50**	**1549.12**	**-9.16**	**-**		**22365.46**
	(22470.51)	(3200.24)	(-)	(-)		(25670.75)
Unallocated Corporate Expenses	**-**	**-**	**0.75**	**275.45**		**276.20**
	(-)	(-)	(38.04)	(853.25)		(891.29)
Operating Profit / (Loss)	**20825.50**	**1549.12**	**-9.91**	**-275.45**		**22089.26**
	(22470.51)	(3200.24)	-(38.04)	-(853.25)		(24779.46)
Finance Costs	**-**	**-**	**4.33**	**18062.14**		**18066.47**
	(-)	(-)	(0.09)	(17664.06)		(17664.15)
Unallocated Income	**-**	**-**	**-**	**775.26**		**775.26**
	(-)	(-)	(0.02)	(1310.35)		(1310.37)
Tax Expenses	**-**	**-**	**-**	**2017.77**		**2017.77**
(Including Deferred Tax)	(-)	(-)	(-)	(3086.77)		(3086.77)
Net Profit / (-) Loss	**20825.50**	**1549.12**	**-14.24**	**-19580.10**		**2780.28**
	(22470.51)	(3200.24)	-(38.11)	-(20293.73)		(5338.91)
3. OTHER INFORMATION						
Segment Assets	**439579.66**	**39835.23**	**4,402.24**	**-**		**483817.13**
	(306313.14)	(37941.39)	(7863.63)	(-)		(352118.16)
Unallocated Corporate Assets	**-**	**-**	**-**	**9037.19**		**9037.19**
	(-)	(-)	(-)	(8687.71)		(8687.71)
Total Assets	**439579.66**	**39835.23**	**4402.24**	**9037.19**		**492854.32**
	(306313.14)	(37941.39)	(7863.63)	(8687.71)		(360805.87)
Segment Liabilities	**47233.28**	**10590.02**	**2,483.07**	**-**		**60306.37**
	(45332.02)	(9091.91)	(6,298.01)	(-)		(60721.94)
Unallocated Corporate Liabilities	**-**	**-**	**-**	**251989.86**		**251989.86**
	(-)	(-)	(-)	(177306.12)		(177306.12)
Total Liabilities	**47233.28**	**10590.02**	**2483.07**	**251989.86**		**312296.23**
	(45332.02)	(9091.91)	(6298.01)	(177306.12)		(238028.06)
Capital Expenditure	**125993.63**	**2161.04**	**(2098.21)**	**-**		**126056.46**
	(56769.41)	(1266.19)	(985.97)	(-)		(59021.57)
Depreciation	**8486.37**	**1178.66**	**0.05**	**4.12**		**9669.20**
	(7495.39)	(1168.13)	(0.01)	(4.12)		(8667.65)
Non-cash Expenses other than Depreciation	**-**	**-**	**-**	**2.23**		**2.23**
	(-)	(-)	(-)	(-)		(-)

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

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

i. **Primary / Secondary Segment Reporting Format :**

a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.

b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.

ii. **Reportable Segments :**

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

iii. **Segment Composition :**

a) Steel Segment is engaged in manufacture and sale of Pig Iron, Billets, Rolled Products, Sponge Iron and includes its captive Power Plants at its unit located at Siltara, Raipur and Mining activities in the state of Chhattisgarh, Jharkhand and Maharashtra.

b) Iron and Steel Castings Segment comprises of manufacture and sale of Engineering and Automotive Castings with production facilities at Nagpur, Bhilai and Anjora.

c) "Other" represents the upcoming power projects at Raigarh, Chhattisgarh and at Hazaribagh, Jharkhand.

NOTE : 35 Related Party Disclosures :

A. **List of related parties :**

(As certified by the Company)

I. **Associate Companies**

Maa Usha Urja Limited

II. **Key Management Personnel**

Shri B L Shaw

Shri Arbind Jayaswal

Shri Ramesh Jayaswal

Shri P K Bhardwaj

Shri Avneesh Jayaswal (Relative of Key Management Personnel)

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

(Other related parties)

Abhijeet Infrastructure Limited
Neco Heavy Engineering & Castings Limited
Neco Ceramics Limited
NSSL Limited
JLD Yavatmal Energy Limited
North Karnapura Coal Company Limited
Deify Infrastructures Limited
Jayaswal Neco Metallics Private Limited
Apex Spinning Mills Private Limited
Avon Sales & Services Private Limited
Jyotikant Investments Private Limited
Jayaswal Neco Infrastructures Private Limited
Jayaswal Neco Steel & Mining Limited
Parivar Food Industries Private Limited
Abhijeet Ferrotech Limited
AMR Iron & Steel Private Limited
Neco Mining Company Limited
Steel & Tube Exports Limited
Corporate Ispat Alloys Limited
Jayaswal Neco Power Holding Company Limited
Jayaswal Holdings Private Limited
Anurag Sales & Services Private Limited
Karamveer Impex Private Limited
Nine Star Plastic Packaging Services Private Limited
Vibrant Electronics Limited
Jayaswal Neco Energy Private Limited
Jayaswal Neco Power Private Limited
Terra Infra Development Limited
Nagpur Scrap Suppliers Private Limited

B. Transactions with Related Parties :

(Rs. In lacs)

Nature of transaction	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Share Allotted during the year	**-**	**37950.00**	**-**	**37950.00**
	(-)	(29774.20)	(-)	(29,774.20)
Corporate Guarantees Given	**1181.00**	**-**	**-**	**1181.00**
	(1181.00)	(-)	(-)	(1181.00)
Unsecured Loans				
Taken during the year	**2,700.00**	**5297.44**	**-**	**7997.44**
	(-)	(2444.43)	(-)	(2444.43)
Repaid during the year	**2,490.14**	**2192.10**	**-**	**4682.24**
	(-)	(6398.48)	(-)	(6398.48)
Balance as on 31st March 2013	**3,433.86**	**5188.02**	**-**	**8621.88**
	(-)	(2082.68)	(-)	(2082.68)
Fixed Assets				
Purchase of Fixed Assets	**-**	**41459.48**	**-**	**41459.48**
	(-)	(31876.52)	(-)	(31876.52)
Purchase of Goods & Services				
Purchase of Goods & Services	**2007.24**	**25224.87**	**-**	**27232.11**
	(2425.58)	(9224.53)	(-)	(11650.11)
Other Manufacturing Expenses	**-**	**69.75**	**-**	**69.75**
	(-)	(108.78)	(-)	(108.78)
Sale of Goods & Services				
Sale of Goods & Services	**-**	**14780.41**	**-**	**14780.41**
	(2.02)	(15334.61)	(-)	(15336.63)
Trade Payables				
Balance as on 31st March 2013	**67.70**	**12525.30**	**-**	**12593.00**
	(320.39)	(2675.21)	(-)	(2995.60)
Other Current Liabilities				
Balance as on 31st March 2013	**-**	**17.84**	**-**	**17.84**
	(-)	(-)	(-)	(-)
Deposit Received as on 31st March 2013	**-**	**15.00**	**-**	**15.00**
	(-)	(15.00)	(-)	(15.00)
Advances Recoverable in cash or in kind				
Balance as on 31st March 2013	**-**	**1213.94**	**-**	**1213.94**
	(-)	(1356.22)	(-)	(1356.22)
Capital Advances				
Received back	**-**	**3353.39**	**-**	**3353.39**
	(-)	(1300.00)	(-)	(1300.00)
Balance as on 31st March 2013	**-**	**113623.04**	**-**	**113623.04**
	(-)	(49939.31)	(-)	(49939.31)
Trade Receivables				
Balance as on 31st March 2013	**-**	**3781.62**	**-**	**3781.62**
	(-)	(4000.10)	(-)	(4000.10)

Nature of transaction	Associates	Other Related Parties	Key Management Personnel & Relatives	Total
Income				
Rent Received	**-**	**0.90**	**-**	**0.90**
	(-)	(0.90)	(-)	(0.90)
Interest Received	**-**	**2.37**	**-**	**2.37**
	(-)	(19.42)	(-)	(19.42)
Commission Received	**5.91**	**-**	**-**	**5.91**
	(5.91)	(-)	(-)	(5.91)
Reimbursement of Expenses to the Company	**0.30**	**3313.83**	**-**	**3314.13**
	(124.57)	(2047.04)	(-)	(2171.61)
Expenditure				
Payment of Salaries / Perquisites	**-**	**-**	**266.42**	**266.42**
	(-)	(-)	(256.71)	(256.71)
Commission Paid	**-**	**33.56**	**-**	**33.56**
	(-)	(29.10)	(-)	(29.10)
Sitting Fees	**-**	**-**	**0.20**	**0.20**
	(-)	(-)	(0.10)	(0.10)
Service Charges	**-**	**4.46**	**-**	**4.46**
	(-)	(4.28)	(-)	(4.28)
Vehicle Hire Charges	**-**	**-**	**-**	**-**
	(-)	(2.59)	(-)	(2.59)
Rent Paid	**-**	**-**	**13.20**	**13.20**
	(-)	(-)	(13.20)	(13.20)
Interest Paid	**964.54**	**259.28**	**-**	**1223.82**
	(-)	(54.92)	(-)	(54.92)
Reimbursement of Expenses by the Company	**12.15**	**1020.81**	**-**	**1032.96**
	(0.20)	(88.50)	(-)	(88.70)

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

C. Details of major transactions with Related Parties :

		31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
Share Allotted during the year	Avon Sales & Services Private Limited	**4300.00**	2778.00
	Anurag Sales & Services Private Limited	**4400.00**	3118.00
	Apex Spinning Mills Private Limited	**4200.00**	2388.00
	Nine Star Plastic Packaging Service Private Limited	**4500.00**	3438.00
	Karamveer Impex Private Limited	**4100.00**	2638.00
	Jayaswal Neco Metallics Private Limited	**4600.00**	2897.00
	Jayaswal Neco Energy Private Limited	**4400.00**	2928.00
	Jayaswal Neco Power Private Limited	**3800.00**	4089.00
Corporate Guarantee Given			
Balance as on 31st March, 2013	Maa Usha Urja Limited	**1181.00**	1181.00
Unsecured Loans taken	AMR Iron & Steel Private Limited	**1727.10**	944.43
	Corporate Ispat Alloys Limited	**3420.24**	-
	Maa Usha Urja Limited	**2700.00**	-
Unsecured Loans repaid	AMR Iron & Steel Private Limited	**2192.10**	-
	Maa Usha Urja Limited	**2490.14**	-

		31.03.2013 (Rs.in lacs)	31.03.2012 (Rs.in lacs)
Unsecured Loans			
Balance as on 31st March, 2013	Corporate Ispat Alloys Limited	**3420.24**	-
	Maa Usha Urja Limited	**3433.86**	3224.00
	AMR Iron & Steel Private Limited	**117.68**	582.68
	Jyotikant Investments Private Limited	**4.00**	-
	Nagpur Scrap Suppliers Private Limited	**7.00**	-
	Vibrant Electronics Limited	**7.00**	-
	Jayaswal Holdings Private Limited	**9.50**	-
	Parivar Food Industries Private Limited	**7.00**	-
	Jayaswal Neco Infrastructures Private Limited	**700.00**	700.00
	Jayaswal Neco Steel & Mining Limited	**915.60**	800.00
Purchase of Fixed Assets	Deify Infrastructures Limited	**41205.76**	31368.74
Purchase of Goods & Services	NSSL Limited	**3169.61**	2428.94
	Deify Infrastructures Limited	**14960.40**	-
	Corporate Ispat Alloys Limited	**3570.88**	3155.83
Other Manufacturing Expenses	NSSL Limited	**67.65**	108.78
Sale of Goods	NSSL Limited	**9645.35**	9200.65
	Corporate Ispat Alloys Limited	**4149.23**	4266.29
Trade Payables	Corporate Ispat Alloys Limited	**2648.24**	2671.76
	Deify Infrastructures Limited	**9774.34**	-
Other Current Liabilities	Steel & Tube Exports Limited	**9.32**	-
	JLD Yavatmal Energy Limited	**8.52**	-
Deposits Received	Neco Heavy Engineering & Castings Limited	**15.00**	15.00
Advances Recoverable -	Abhijeet Infrastructure Limited	**899.79**	899.79
Balance as on 31st March, 2013	Neco Ceramics Limited	**188.53**	331.15
	Terra Infra Development Limited	**19.61**	15.18
	Neco Heavy Engineering & Castings Limited	**63.35**	-
	NSSL Limited	**42.56**	-
	Deify Infrastructures Limited	**0.10**	-
	North Karnapura Coal Company Limited	**0.00**	110.10
Capital Advances			
Received back	Deify Infrastructures Limited	**3353.39**	1300.00
Balance as on 31st March, 2013	Deify Infrastructures Limited	**113623.04**	49939.31
Trade Receivables	NSSL Limited	**3756.77**	3444.00
Rent Received	Neco Heavy Engineering & Castings Limited	**0.90**	0.90
Commission Received	Maa Usha Urja Limited	**5.91**	5.91
Payment of Salaries/Perquisites	Arbind Jayaswal	**100.41**	103.38
	Ramesh Jayaswal	**100.41**	101.60
	P.K.Bhardwaj	**27.65**	26.43
	Avneesh Jayaswal	**37.95**	25.30
Commission Paid	Deify Infrastructures Limited	**33.56**	29.10
Sitting Fees	B. L. Shaw	**0.20**	0.10
Service Charges	Steel & Tube Exports Limited	**4.46**	4.28
Rent Paid	Arbind Jayaswal	**6.60**	6.60
	Ramesh Jayaswal	**6.60**	6.60
Interest Paid	AMR Iron & Steel Private Limited	**207.61**	54.92
	Corporate Ispat Alloys Limited	**50.99**	-
	Maa Usha Urja Limited	**964.54**	-

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

Particulars	31.03.2013	31.03.2012
	(Rs.in lacs)	(Rs.in lacs)
1 16% Redeemable Cumulative Preference Shares	1700.51	1700.51
2 0.0001% Cumulative Redeemable Preference Shares	0.01	0.01
TOTAL	1700.52	1700.52

NOTE : 37 Details of Prior Period expenditures :

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
	Rs. in lacs	Rs. in lacs
Welfare and Other Amenities	-	0.70
Interest Paid	-	1.77
Consumables, Stores and Spares Consumed	-	0.03
Repairs and Maintenance - Plant & Equipment	-	0.14
Repairs and Maintenance - Others	-	0.10
Other Manufacturing Expenses	-	1.58
Freight and Forwarding	5.00	0.58
Rent	-	1.22
Rates and Taxes	-	0.64
Communication	-	2.29
Travelling and Conveyance	-	0.31
Vehicle Maintenance	-	4.23
Power & Electricity	23.58	-
Legal and Professional Charges	-	16.95
Security Expenses	-	1.77
Miscellaneous	-	0.29
TOTAL	28.58	32.60

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
	Rs.in lacs	Rs.in lacs
a) Shown as reduction from turnover	**30527.49**	26622.03
b) Charged to Statement of Profit and Loss on account of difference in stock	**850.79**	698.24

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

As per our Report of even date
For CHATURVEDI & SHAH
Chartered Accountants

R. KORIA
Partner

For AGRAWAL CHHALLANI & CO.
Chartered Accountants

S. R. CHHALLANI
Partner

For and on behalf of Board of Directors

ARBIND JAYASWAL
Managing Director

A.D. KARAJGAONKAR
Company Secretary

P.K.BHARDWAJ
Executive Director &
Chief Financial Officer

Nagpur, 25th May, 2013

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JAYASWAL NECO INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 40th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2013 at 12.30 P.M. at the Registered Office of the Company situated at F-8 MIDC Industrial Area, Hingna Road, Nagpur – 440 016.

Folio No. …………./Client ID No. …….

Full name of the shareholder/Proxy ………………………………………………………..
(in block letters)

....
Signature

JAYASWAL NECO INDUSTRIES LIMITED

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

Register Folio No. …………………………………/ Client ID No. ……………………………

I/We ……………………………………………………………………….. of ....……………………………………... being a Member/Members of JAYASWAL NECO INDUSTRIES LIMITED hereby appoint ....……………………….............

…………………………………………………………… of ………………………………………………….. in the District of

….....……………………………………………. or failing him………………………......................…………………… of

………………………………………………. in the District of ……………………………………………………………… as my/our proxy attend and to vote for me/us on my/our behalf at the 40th ANNUAL GENERAL MEETING to be held on Monday, the 30th day of September, 2013 and at any adjournment thereof.

Signed at ………………….....……. this ………… Day of ……………………2013.

Affix
Re. 1/-
Revenue
Stamp

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

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BE
NECO
FRIENDLY

To,

If undelivered please return to :

Jayaswal Neco Industries Limited

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

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

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

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Jayaswal Neco Industries Limited
2.	Annual Standalone Financial Statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A

For and on behalf of Board of Directors

Arbind Jayaswal
(Managing Director)

P. K. Bhardwaj
(Chief Financial Officer)

B. K. Agrawal
(Audit Committee Chairman)

AUDITORS

Refer our Auditor's Report dated 25th May, 2013 on the Standalone Financial Statements of the Company

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

R Koria
Partner
Membership No 35629

Place: Mumbai

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

AGRAWAL CHHALLANI & CO. CHARTERED ACCTT.

S. R. Chhallani
Partner
Membership No. 30154

Place: Nagpur

Date: 12 SEP 2013