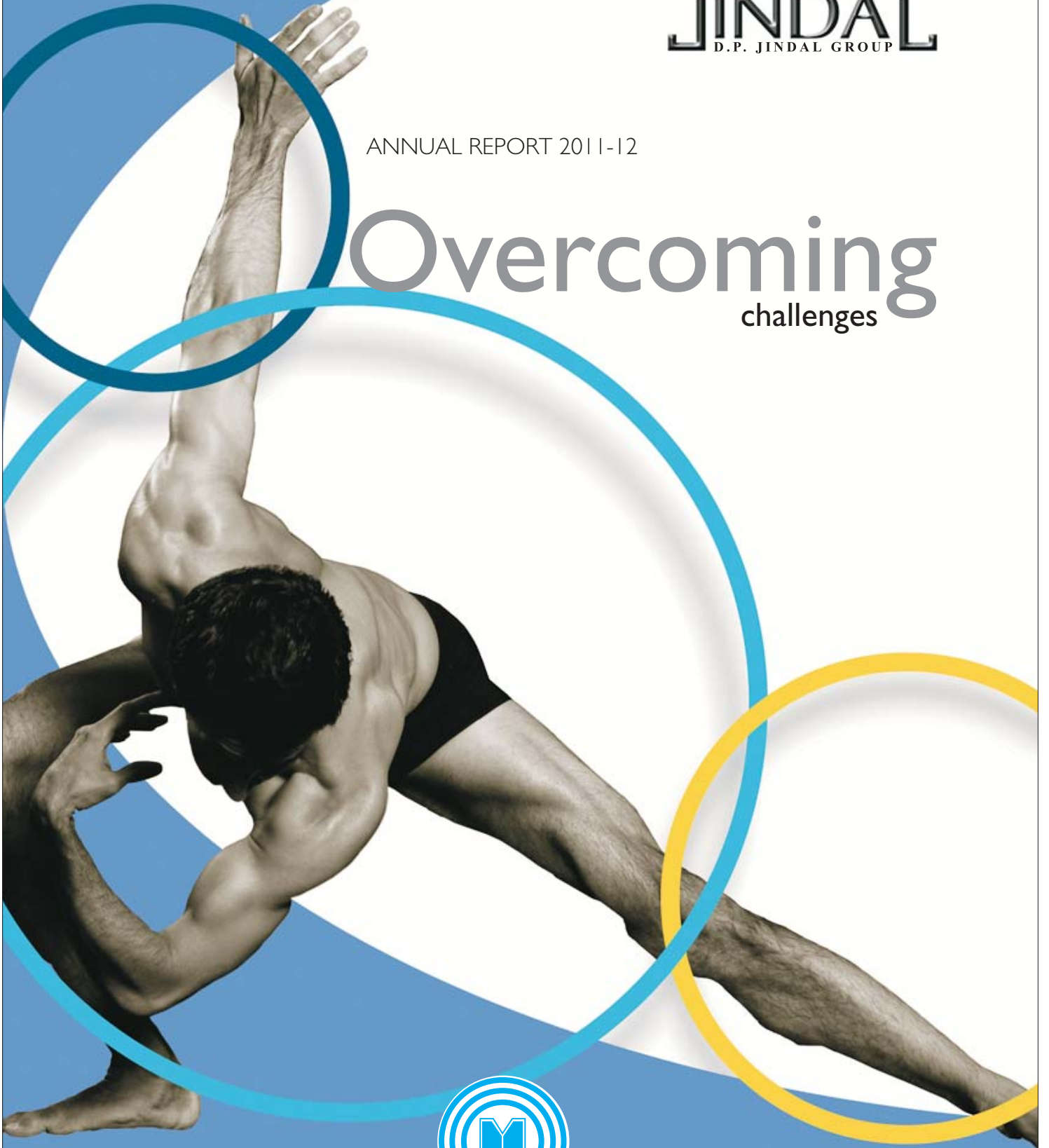


JINDAL
D.P. JINDAL GROUP

ANNUAL REPORT 2011-12

Overcoming challenges

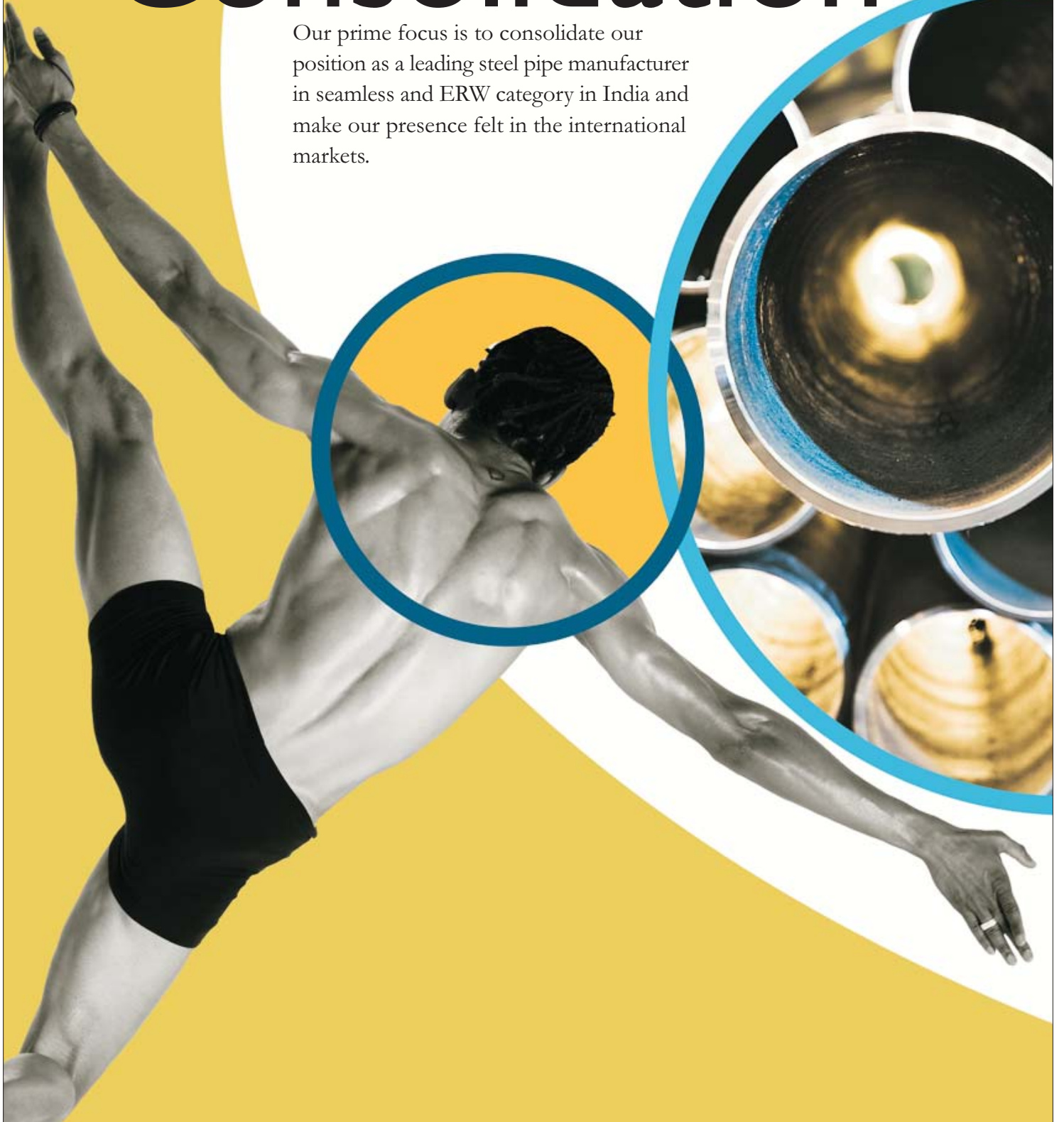


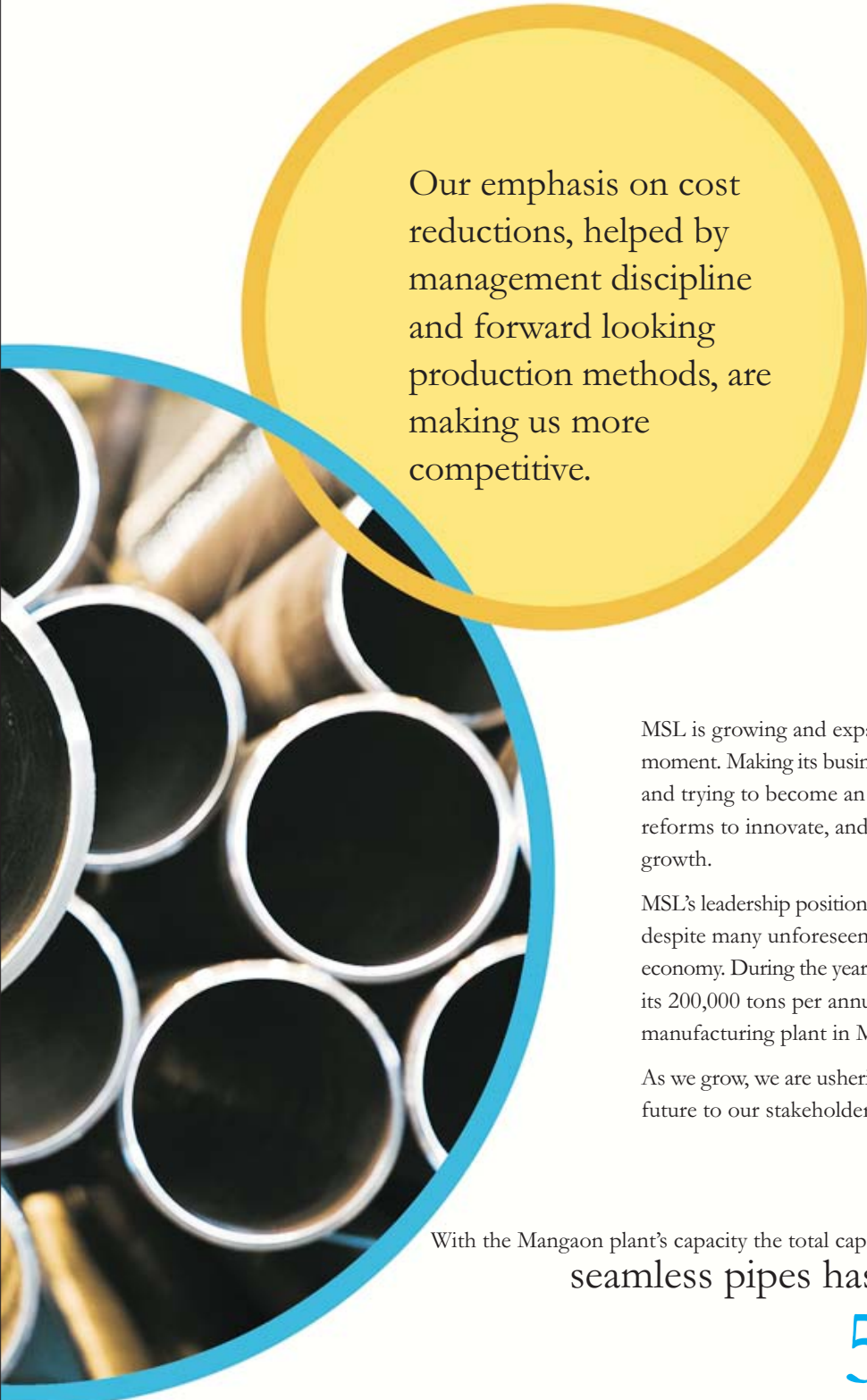
MAHARASHTRA SEAMLESS LIMITED

Focusing on

Consolidation

Our prime focus is to consolidate our position as a leading steel pipe manufacturer in seamless and ERW category in India and make our presence felt in the international markets.





Our emphasis on cost reductions, helped by management discipline and forward looking production methods, are making us more competitive.

MSL is growing and expanding with every single passing moment. Making its business more focused and result oriented and trying to become an enterprise pursuing changes and reforms to innovate, and to bring sustainability along with growth.

MSL's leadership position is still holding its place in the market despite many unforeseen adversities happening in the global economy. During the year MSL has successfully commissioned its 200,000 tons per annum capacity 6" seamless pipe manufacturing plant in Mangaon, Maharashtra.

As we grow, we are ushering in joy, happiness and a promising future to our stakeholders and associates.

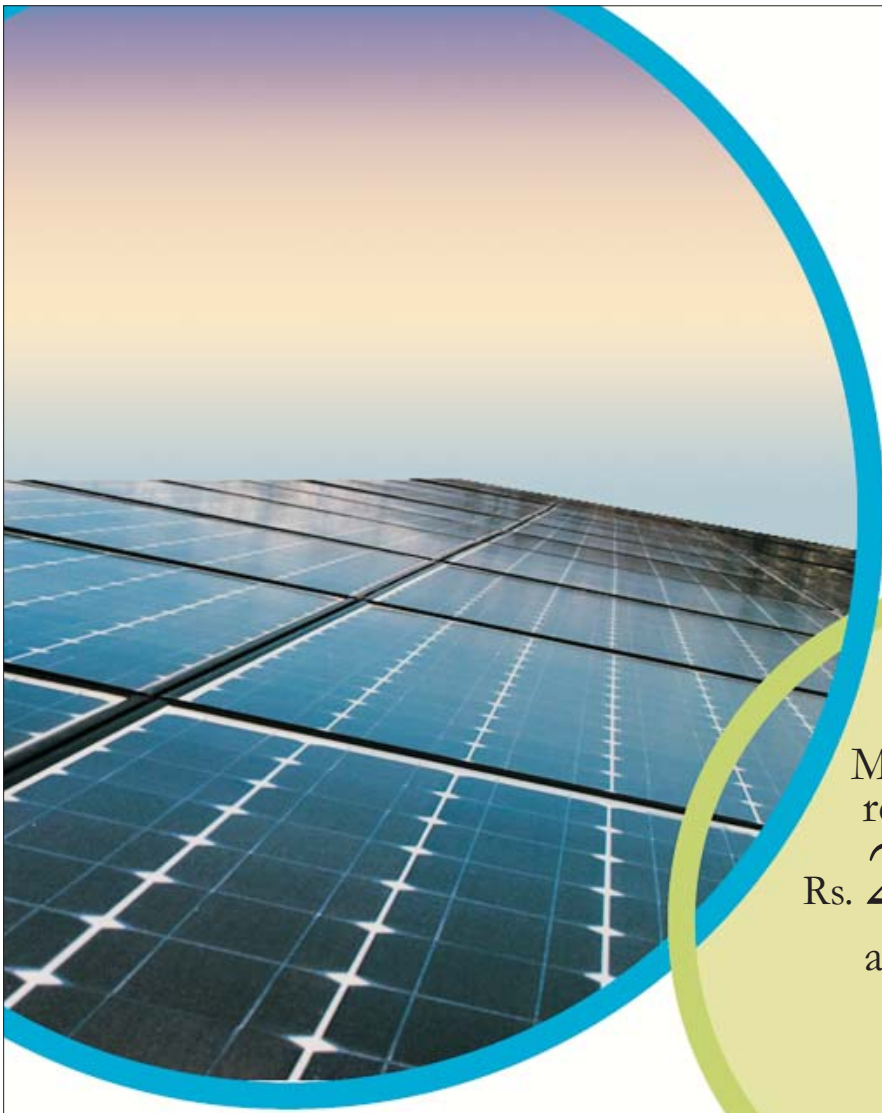
With the Mangaon plant's capacity the total capacity for manufacturing seamless pipes has increased to

550,000
metric tons per annum

Planned Growth

Based on a solid foundation, MSL has implemented active growth strategies by emphasizing on cost control, resource optimisation, adopting management innovation tools like implementing ERP system to integrate process and planning.





MSL has achieved a record turnover of
Rs. 2291.68 crore
a growth of about
30%
over the previous year.

Despite global downturn and volatility, MSL continued to achieve outstanding performances and thereby laying a stable ground for future growth.

MSL has commissioned two significant project during the current fiscal year. The 6” seamless pipe plant at Mangaon, and 5MW solar power project in Rajasthan. Our Mangaon plant will be only one of its kind with capability to produce both drill pipes as well as casing, tubing and line pipes.

At MSL, the march towards consolidating our leadership as India's leading steel pipe manufacturer, unsurpassed by any, will continue.

Highlights:

6” seamless pipe plant at Mangaon

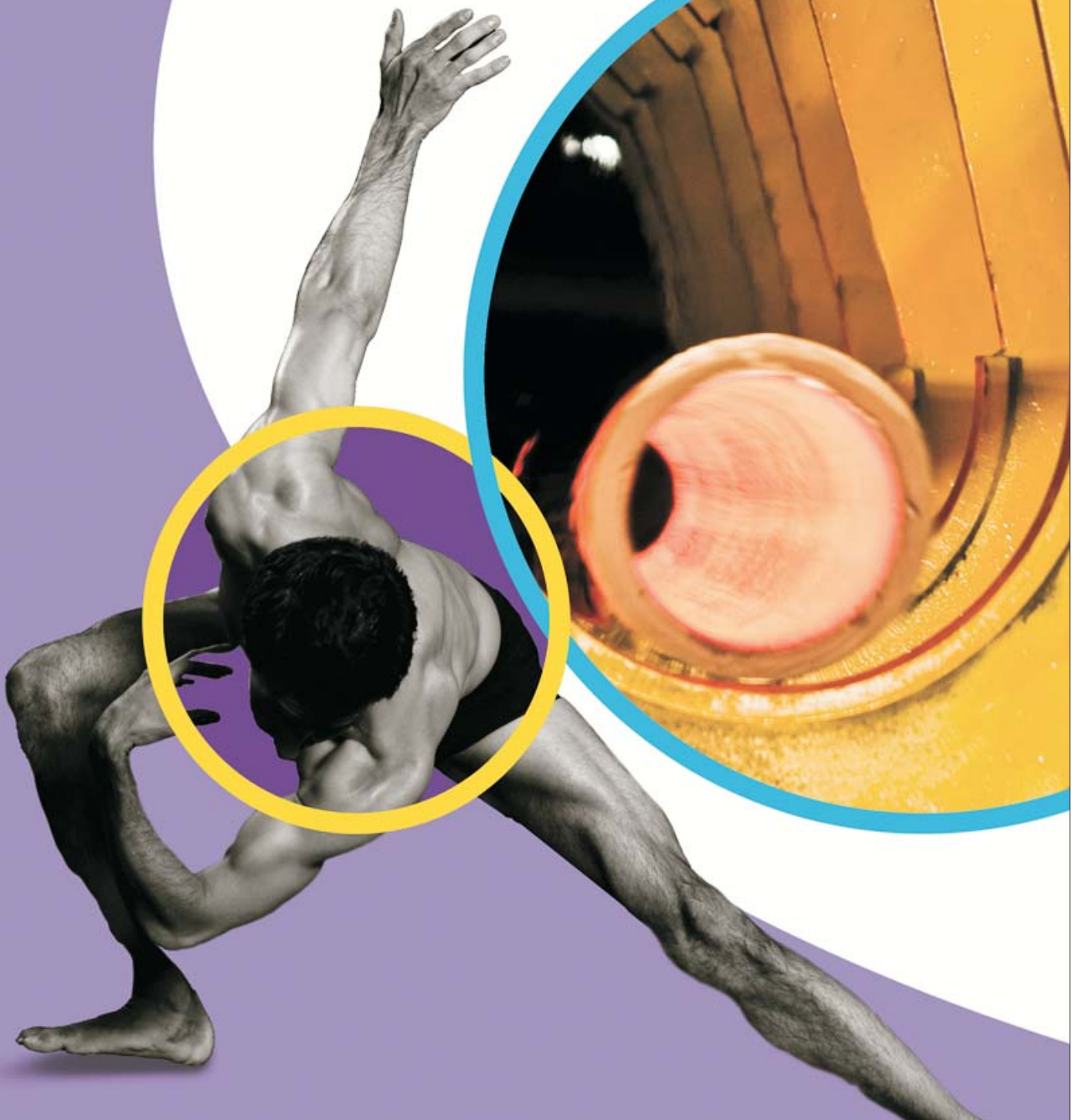
- Capacity 200,000 MT
- Commercial production has started.

5MW solar power project

- Eco friendly green power project
- Already has 25 years agreement to sell power to NVVN, a subsidiary of NTPC.

Forward looking

Strategies



AT MSL, we are rigorously executing strategies for growth and transformation. Our clear target has been maximize production and lower cost of operation and to focus more on consolidating our strategic business units.

We have increased our capacity and widen our product range offering. MSL is now stronger and more competitive than ever before and we are able to offer greater value added to our customers and stakeholders.

Backward integration

Our key objective for the near future is to create wealth by making prudent investments to improve our backward integration. Road maps already have been drawn to acquire land for a billet plant. We have our own captive coal block in a joint venture company near Nagpur and applied for iron ore blocks as well.

Higher productivity

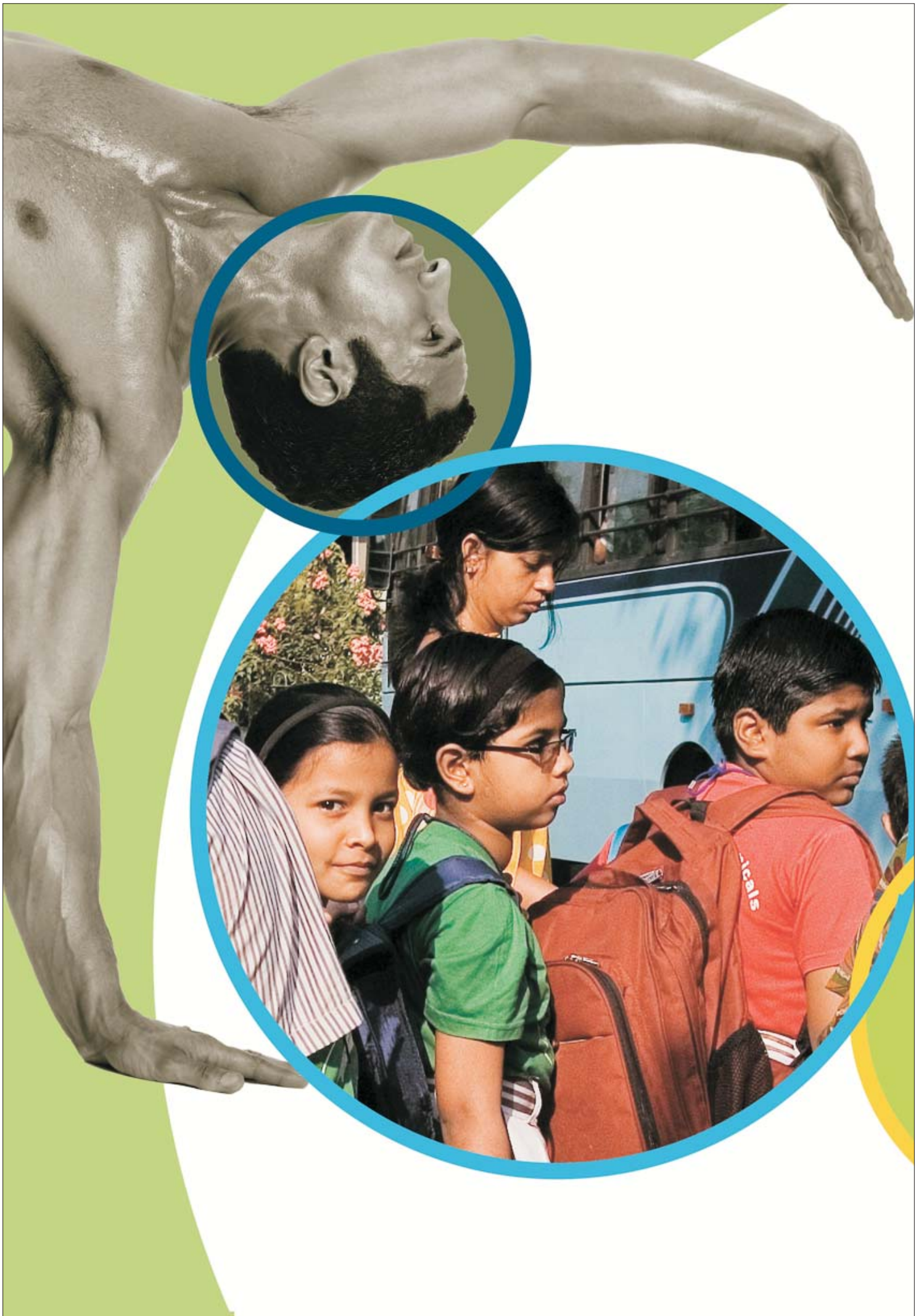
To counter the challenges of higher input price we have resorted to higher productivity by adopting meticulous cost cutting measures, better inventory control and above all improving employees moral.

Exports

Our marketing team have been on the lookout for aggressive exports. The US remains our prime market so far and we are diversifying into other South American and Canadian markets as well. In this regards significant investment have been made on our R&D so that we can deliver world class products for international markets.



Our focus:
Improve product quality
*
Cost control
*
Backward integration
*
Exports



Cherished values

Our value combines the requirements set by the group strategy, the traditional strength derived from the company's history and expectations of its people and the society at large.

At MSL, our growth is not confined to only economic benefits. We strive to achieve a sustainable development for the benefit of our future generation and the environment that surrounds us.

People: our pillar of strength

Adhering to the company's leadership principle, every individual employee is entitled to grow independently. In this direction, the company has made quality investment on our employees through initiatives like knowledge sharing, training and value addition.

Our CSR initiatives

Realising our dream as a responsible corporate citizen is an integral part of our journey. We are proud to contribute towards the society and the country through our initiatives. We have improved lives in and around our plant sites by providing education, healthcare and by adopting policies for the development of nearby villages.

Our key objective for the near future is to create wealth and make our presence a lot meaningful towards social commitments.

Chairman's Statement



DP Jindal
Chairman-DP Jindal Group

Your Company's philosophy of growth with caution has helped in overcoming several unexpected economic challenges.

Dear Shareholders,

It gives me immense pleasure to express my deepest gratitude to our shareholders, customers, business associates, Bankers and employees for their continued support to your Company. 2011-12 was an eventful year for global as well as Indian economy. While US economy stabilised after aggressive monetary steps by the Federal Reserve, Europe was precariously close to the brink of a major meltdown. There was a distinct uncertainty across global markets which considerably slowed down investment scenario. Oil prices remained stagnant during the year and reflected on the general slowdown across the globe.

Unlike last couple of years, the year saw a perceptible slowdown in the Indian economy as well, having recorded growth of 6.5% against 8.5% achieved during the previous year. Indian industry is anxiously waiting for the Government of India and RBI to take some aggressive steps to kick start the dream run of the Indian economy. There were sharp fluctuations in exchange rates which further crippled the economy. The year saw massive unrest from people against deep rooted malice of corruption. This cancerous disease of widespread corruption must be addressed effectively at the earliest or else it will decimate the basic pillars of democracy on which our forefathers laid the foundation of this great nation.

Steel Pipe Scenario

I am glad to state that despite these multiple challenges, your Company did not lose sight of its goal and dealt with these challenges successfully. The year saw a distinct slowdown in seamless pipe market due to delays in several large energy infrastructure projects. Your Company along with other domestic players faced stiff competition from massive dumping by Chinese companies. It is unfortunate that despite continuous appeals and efforts for imposition of anti-dumping duties, the response from the Government has been lackadaisical. Your Company hopes that the Government will take urgent note of the deteriorating health of the seamless pipe industry due to unfair dumping by Chinese mills before it causes an irreparable damage.

Key Financials

Your Company has been successful with its prudent foreign exchange policy and was able to minimize damage due to unprecedented exchange rates fluctuations. Once again your Company's philosophy of growth with caution has helped in overcoming several unexpected economic challenges. Your Company will continue to operate with utmost care since there may be more difficult times for the Indian industry in near future. Your Company will regularly review and take prudent steps to insulate it from any external shocks and deliver optimistic results even in adverse conditions.

The year 2011-12 has been a year of growth and productivity. The Company achieved a record turnover of Rs. 2291.68 crore registering a growth of about 30% over last year.

The year however, was marked by serious challenges on the input cost front. The increase in rates of raw material, fuel and power had an adverse effect on the profitability. The Company was however, able to mitigate the effect of the same by higher productivity. I am pleased to inform you that despite serious effect of the above pressures, your Company has reported a healthy net profit of Rs. 310.73 crore.

Growth & Expansion

Your Company has once again lived up to age old adage of "when the going gets tough, the tough gets going". Your Company successfully commissioned new seamless pipe mill with a capacity of 200,000 tonne per annum. This facility is a state of the art technology and will open new market frontiers for your Company. This facility has been set up at Mangaon (Maharashtra) and will be only one of its kinds with capability to produce both drill pipes as well as seamless pipes. This facility will propel your Company to new heights and reinforce its position as the market leader. Your Company understands the need to continuously overcome bottlenecks which may hamper higher growth trajectory. Need to build billet manufacturing facility for backward integration is one of such essential requirement, which your Company strives to achieve. There has been good progress in efforts to operationalize coal block allocated to your Company.

Human Resources

People are the pillar of strength and your Company has left no stone unturned in making quality investment on its employees. Even though the times are tough, your dedicated team of employees is striving to give its best. Their contribution to the success of the Company must be duly recognised and appreciated. Your Company is committed to invest on human capital through several initiatives of knowledge sharing, training and continuous

value addition. These initiatives have further strengthened the loyalty and dedication of your workforce.

Valued Customers

I must make a special mention of our valued customers who have stood by us at all times and continue to be our biggest assets. Your Company stands for world class quality and maximisation of customer satisfaction. Several new investments were made in R&D to improve quality and provide new value added products to customers. Your Company believes in perfection and takes pride in being pioneer in product development and maximise customer value proposition. During the year several new development orders were executed successfully, thus stamping your Company's ability to be the leader in innovation. Your Company considers it to be its responsibility to minimize country's import dependence and assist in achieving energy independence.

Corporate Social Responsibility (CSR)

Your Company is proud of its responsibility towards the society and the country. New initiatives for providing education and social equality to women have been introduced during the year. Your Company has invested in schools in rural parts of Maharashtra and Uttar Pradesh. Some new projects in joint efforts with local Governments has provided cleaner environment to local population. Your Company will further invest in improving the quality of life of nearby villages and will not shy away from sharing its responsibility towards social welfare.

Information Technology (IT)

Technology is a key driver in growth and your Company recognizes the important role that IT plays in present context. Your Company is proud to be fully integrated on a world class ERP platform. Several initiatives to take advantage of new communication technology have been introduced, thus bringing stakeholders located in different geographies into a virtual meeting room. These and several other initiatives have helped your Company to be more responsive to market needs.

Corporate Governance

Your Company believes in setting new standards in corporate governance and transparency. Strong internal and external audit teams ensure that best accounting practices are followed in letter and spirit. Your Company has always stood for shareholders' value maximization and will always take proactive steps for fulfilling its obligations and commitments.

Thank you,

DP Jindal

Message from the Managing Director



I would like to mention the strong customer support and brand loyalty has been the forte on which we have grown this great organization.

Saket Jindal
Managing Director

Dear Shareholders,

It has been another year, and with it a new journey of success and accomplishments. I am happy to share with you that your Company has been able to deliver remarkable results despite the tough market scenario, stiff competition and economy slowdown. We have focused on cost control, better inventory management, aggressive exports and improved employee morale to maintain our business leadership position. Despite the stiff Chinese competition, we have increased our production from last fiscal year by capitalizing on customer service, quality product and timely deliveries. USA remains our prime market in exports and we are diversifying into South American and Canadian markets as well.

MSL has commissioned two projects in this fiscal year; the 6 inch seamless plant of 2 lac MT annual capacity has started commercial production and the 5 MW solar power project in Rajasthan which had been contracted to Wipro Energy for project implementation, operation and maintenance and has a 25 year agreement to sell power to NVVN, a subsidiary of NTPC. I am sure these expansions will reap substantial dividends in the near future, furthermore this project will supply eco-friendly green power and put us on a firm footing in terms of corporate social responsibility. The solar power project was commissioned before the deadline given by NTPC despite local disturbance and certain disputes with government authorities.

The 6 inch seamless plant was imported from Romania and upgraded with the Chinese MPM machine and the first pipe rolled out met the quality parameters, in fact the surface finish of the pipes was even better than existing facilities. We have facility to make drill pipes, thick wall mechanical tubes, casings and tubing in this state of the art plant.

The Company continues to scout for land for its backward integration project to make billets; we have captive coal block in a joint venture company near Nagpur and have applied for iron ore blocks as well. Besides vertical integration, we plan to expand capacity horizontally as well to maintain our leadership position; in this era of cutthroat competition we cannot afford to be complacent. The Company has surplus funds to meet further capital expansions and a sound credit rating to raise debts from banks.

I would like to mention the strong customer support and brand loyalty has been the forte on which we have grown this great organisation. A happy customer means more to us than monetary benefits as it enhances the image and reputation of our group for which it has been known for the last four decades. It has been the vision of our chairman, Shree D.P. Jindal to have world class mills in India that use modern technology, provide employment opportunities, and focus on general development of the community and society at large. India is amongst the fastest growing nations in the world today and is talked with keen interest amongst the investor community overseas. We take pride in our nation and would continue to serve the people of this country in whichever way possible.

Lastly, I congratulate all stakeholders for the robust performance put up by the Company specially the bankers, customers, collaborators, suppliers and all employees. I wish we could continue to grow on this path of progress and be a better corporate citizen and change the world for the betterment of our children and the coming generations.

Thank you,

Saket Jindal

Selected Financial Indicators of Last 10 Years

Particulars		2003	2004	2005	2006	2007	2008	2009	2010*	2011	2012
Gross Turnover	(₹ Lacs)	43563	55529	86724	107695	151961	164037	218351	169122	188741	242820
	(Times)	1.00	1.27	1.56	1.24	1.41	1.08	1.33	0.77	1.12	1.29
EBIDTA	(₹ Lacs)	8406	10031	12851	20801	34101	29762	34244	39990	42331	39129
	(Times)	1.00	1.19	1.28	1.62	1.64	0.87	1.15	1.17	1.06	0.92
PBT	(₹ Lacs)	9007	10507	12624	20685	35269	30190	38503	43109	49373	44258
	(Times)	1.00	1.17	1.20	1.64	1.71	0.86	1.28	1.12	1.15	0.90
PAT	(₹ Lacs)	6209	7146	8488	13960	23384	19522	25784	28459	34166	31073
	(Times)	1.00	1.15	1.19	1.64	1.68	0.83	1.32	1.10	1.20	0.91
Gross Block (including WIP)	(₹ Lacs)	16064	26709	32768	35303	37416	44321	51441	139084	150008	163593
	(Times)	1.00	1.66	1.23	1.08	1.06	1.18	1.16	2.70	1.08	1.09
Net Block	(₹ Lacs)	12023	21970	26992	28075	28579	33746	39064	120783	125758	133257
	(Times)	1.00	1.83	1.23	1.04	1.02	1.18	1.16	3.09	1.04	1.06

Share Capital

Equity Share Capital	(₹ Lacs)	2882	2882	2882	2882	3497	3527	3527	3527	3527	3527
	(Times)	1.00	1.00	1.00	1.00	1.21	1.01	1.00	1.00	1.00	1.00
Preference Shares		1441	0	0	0	0	0	0	0	0	0
Reserves & Surplus	(₹ Lacs)	15994	21527	28399	38509	88913	105814	127472	225230	250389	272454
	(Times)	1.00	1.35	1.32	1.36	2.31	1.19	1.20	1.77	1.11	1.09
Net Worth	(₹ Lacs)	20317	24409	31281	41391	92410	109341	130999	228757	253916	275981
	(Times)	1.00	1.20	1.28	1.32	2.23	1.18	1.20	1.75	1.11	1.09
Book Value	(₹)	65	85	109	144	132	155	186	324	360	391
	(Times)	1.00	1.31	1.28	1.32	0.92	1.17	1.20	1.74	1.11	1.09
Equity Dividend	(₹ Lacs)	1008.70	1152.80	1441.00	2131.55	3719.82	3526.67	3526.67	4232.01	4232.01	4232.01
Dividend on Equity Shares	%	35%	40%	50%	70%	110%	100%	100%	120%	120%	120%
Dividend Per Share	(₹)	3.50	4.00	5.00	7.00	5.50	5.00	5.00	6.00	6.00	6.00
Earning Per Share	(₹)	21.98	23.72	29.54	48.26	38.38	27.70	36.56	40.35	48.44	44.05

* Figures have been computed after considering the impact of Revaluation of Fixed Assets.

CONTENTS

Notice	15
Directors' Report	17
Corporate Governance Report	24
Management Discussion & Analysis	33
Auditor's Report	36
Balance Sheet	40
Profit & Loss Account	41
Cash Flow Statement	42
Significant Accounting Policies	44
Notes on Financial Statements	46
Consolidated Financial Statements	67



BOARD OF DIRECTORS

D.P. JINDAL	Chairman
SAKET JINDAL	Managing Director
U.C. AGARWAL	
D.K. PARIKH	
SANJEEV RUNGTA	
S.P. RAJ	Wholetime Director

AUDIT COMMITTEE

U.C. AGARWAL	Chairman
D.P. JINDAL	
D.K. PARIKH	
SANJEEV RUNGTA	

CFO

RAVI GUPTA

VP & COMPANY SECRETARY

D.C. GUPTA

AUDITORS

Kanodia Sanyal & Associates
New Delhi

BANKERS

State Bank of Patiala
State Bank of Bikaner & Jaipur
Standard Chartered Bank
HDFC Bank Limited
ICICI Bank Limited
Yes Bank
Deutsche Bank
Corporation Bank
Kotak Mahindra Bank
Axis Bank
Citi Bank, N.A.
The Bank of Nova Scotia

REGISTERED OFFICE

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

HEAD OFFICE

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

CORPORATE OFFICE

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

MUMBAI OFFICE

402, Sarjan Plaza,
100, Dr. Annie Besant Road,
Opp. TELCO Showroom,
Worli, Mumbai - 400 018

KOLKATA OFFICE

Sukhsagar Apartment,
Flat No. 8A, 8th Floor,
2/5, Sarat Bose Road,
Kolkata - 700 020

CHENNAI OFFICE

3A, Royal Court,
44, Venkatanarayan Road,
T. Nagar, Chennai - 600 017

WORKS:

1. SEAMLESS & ERW PIPES

- Pipe Nagar, Village-Sukeli,
N.H. 17, B.K.G. Road, Taluka Roha,
Distt. Raigad - 402 126, Maharashtra
- D 114, Industrial Area,
Vile Bhagad, Taluka Mangaon,
Distt. Raigad, Maharashtra

2. WIND POWER:

Village Nivkane, Taluka Patan,
Distt. Satara, Maharashtra

3. SOLAR POWER:

Pokaran, Distt.- Jaisalmer,
Rajasthan

Website: www.jindal.com



NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of Maharashtra Seamless Limited will be held on Friday, the 28th September, 2012 at 11.30 A.M. at the Registered Office of the Company at Pipe Nagar, Village-Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad - 402 126, Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2012 and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Shri U.C. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.K. Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Kanodia Sanyal & Associates, Chartered Accountants, New Delhi as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

Place : Gurgaon

Dated : 8th August, 2012

D.C. GUPTA
Vice President &
Company Secretary

NOTES:

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

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

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

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

Year	Date of Declaration	Dividend (%)	Per share (₹)
2004-05	09.09.2005	50	5.00*
2005-06	29.09.2006	70	3.50
2006-07 (1st interim)	07.09.2006	30	1.50
2006-07 (IInd interim)	16.03.2007	50	2.50
2006-07 (Final)	28.09.2007	30	1.50
2007-08	27.09.2008	100	5.00
2008-09	29.09.2009	100	5.00
2009-10	30.09.2010	120	6.00
2010-11	30.09.2011	120	6.00

*Face value of Rs.10/- per equity share



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

7. National Electronic Clearing Service (NECS) Facility:
 - (a) Members holding shares in physical form who wish to avail NECS facility may authorize the Company with their NECS mandate in the prescribed form, which can be downloaded from the Company's website www.jinda.com or can be obtained from the Corporate Office of the Company. Requests for payment of dividend through NECS should be lodged latest by 14th September, 2012 at the Corporate Office of the Company at Plot No. 30 Institutional Sector - 44, Gurgaon - 122002 (Haryana).
 - (b) Members holding shares in demat form who wish to avail NECS facility, may send mandate in the prescribed form to their respective Depository Participants.
8. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at its Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
9. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri U.C. Agarwal	Shri D.K. Parikh
Age	85 Years	79 Years
Qualifications	M.A. (Pol. Science), IAS (Retd.)	M.Sc. (Statistics), MBA (Finance)
Expertise in specific functional area	Extensive experience in administration at various and widely spread levels having held senior posts in Govt. of India. Held the post of Secretary to the Indian Govt. and Chairman to the Central Vigilance Commission.	Having considerable experience in Finance and Administration. Retd. as General Manager from ICICI Ltd.
Date of appointment as Director of the Company	15.06.1990	24.09.1990
Directorship of other Companies	Jay Bharat Maruti Ltd.	NIL
Chairman/Member of Committees of other Companies	Chairman, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee of Jay Bharat Maruti Ltd.	NIL
No. of shares held	1,000	NIL
Inter-se relationship with other Directors	None	None

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

Place : Gurgaon
Dated : 8th August, 2012

By order of the Board
D.C. GUPTA
Vice President &
Company Secretary



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 24th Annual Report along with Audited Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS

The highlights of the financial results are as under:

	Year ended 31.03.2012	Year ended 31.03.2011
		(₹ in Crore)
Revenue from Operations	2291.69	1761.27
Depreciation	20.08	18.49
Profit Before Tax	442.58	493.73
Provision for Taxation		
- Current	117.27	149.52
- Deferred	14.57	1.40
Profit after Tax	310.74	342.81
Income Tax adjustments relating to earlier years/Wealth Tax	0.01	1.15
Profit after Tax & Adjustments	310.73	341.66
Balance brought forward from previous year	96.12	53.64
Profit available for appropriations	<u>406.85</u>	<u>395.30</u>
Appropriations:		
Proposed Dividend	42.32	42.32
Dividend Distribution Tax	6.86	6.86
Transfer to General Reserve	250.00	250.00
Balance carried to Balance Sheet	<u>107.67</u>	96.12
	<u>406.85</u>	<u>395.30</u>

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 6/- (120%) per equity share of ₹ 5/- each for the year ended 31st March, 2012.

The proposed dividend including Dividend Distribution tax will absorb ₹ 49.18 Crore.

RESULTS OF OPERATIONS

Revenue from Operations during the year increased to ₹ 2291.69 Crore against ₹ 1761.27 Crore in the previous year showing a strong growth of 30%. Profit before tax for the year was ₹ 442.58 Crore as against ₹ 493.73 Crore in the previous year. Profit after tax and adjustments for the year was ₹ 310.73 Crore as against ₹ 341.66 Crore in the previous year.

EXPANSION

Your Directors are pleased to inform that its new state of the art manufacturing facility of 6" Seamless plant at Vile-Bhagad Industrial Area, Near Mangaon (Maharashtra) has commenced operations during the year under review. The Company is using MPM Technology which would provide good quality, higher productivity and yield. The added advantage of this mill is that besides manufacturing drill pipes, it would be able to manufacture high thickness as well as long length pipes. This will help the Company to broaden its product base in Oil & Gas, Boiler and Automobile segment.



The capacity of the plant is 200000 TPA and with this, total capacity to manufacture seamless pipes of the Company has increased to 550000 TPA.

With the commissioning of this facility, your Company would be able to substantially improve its sales volume in coming years.

OTHER PROJECTS

Your Company has also commissioned 5 MW (AC) Solar Power project on 6th January 2012. The project is located at Pokaran, District Jaisalmer, Rajasthan.

The project was allotted under Jawaharlal Nehru National Solar Mission (JNNSM) by NTPC Vidyut Vyapar Nigam Limited (NVVN), the Nodal agency under Ministry of New and Renewable Energy (MNRE).

The plant is running successfully and has achieved target level in short duration, which demonstrates the ability of your Company to execute projects efficiently.

Your Company is intensively working on backward integration project to make steel billets. The Company is contemplating various options including Greenfield project and exploring opportunity for acquisition in order to expedite the process and reduce the lead time involved in Greenfield project.

Ministry of Coal, Govt of India, had allocated a Non Coking Coal Block to the Company near Nagpur (Maharashtra) in a Joint Venture Company named Gondkhari Coal Mining Ltd., an important raw material to produce DRI required for Steel making. This would facilitate the proposed billet manufacturing operations.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARY COMPANIES

Your Company has two wholly owned subsidiaries, namely Maharashtra Seamless (Singapore) Pte. Ltd., Singapore and Maharashtra Seamless Finance Ltd.

The minutes of the Board meetings as well as statements of all significant transactions of the Subsidiary Companies are placed before the Audit Committee / Board of Directors for its review.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance sheet of the Company. However the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual accounts of the Subsidiary Companies and the related detailed information to any member of the Company on requisition. The Annual accounts of the Subsidiary Companies will also be kept open for inspection at the registered office of the Company and that of the respective Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of the Subsidiary Companies.

DIRECTORS

Shri U. C. Agarwal and Shri D. K. Parikh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;



(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) that the Annual Accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report along with Auditors' Certificate regarding Compliance of conditions of Corporate Governance has been annexed as part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS

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

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

COST AUDIT

In conformity with the directives of the Central Government, the Company has appointed R. J. Goel & Co, Cost Accountants as Cost Auditors under Section 233 B of the Companies Act 1956, for audit of cost accounts for Steel Tubes & Pipes business for the year ended 31st March 2012.

FIXED DEPOSITS

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

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

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

PARTICULARS OF EMPLOYEES

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to shareholders of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and co-operation received from Central Government, State Government of Maharashtra and all other Government agencies, ONGCL, Oil India, other PSUs, Banks, Insurance Companies, Credit rating agencies and Stakeholders..

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

For and on behalf of the Board

Place : Gurgaon
Dated : 8th August, 2012

D. P. JINDAL
Chairman



ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

A. CONSERVATION OF ENERGY

a) **Energy Conservation measures taken:**

1. Fuel Additives are being continued for heavier oil to have proper combustion and also to have a controlled process parameters and fuel oil savings.
2. Frequency Variable Drives have been added further wherever the equipments are not fully loaded to reduce the power consumption and to achieve speed effectiveness in operation.

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

Reuseage of water after proper treatment has been implemented to reduce water consumption.

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

The measures taken by the Company and the proposed measures will result in reduction of energy consumption and subsequent reduction in cost of production.

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

As per Form-A annexed.

B. TECHNOLOGY ABSORPTION

- Drill Pipe with friction welding development completed.
- 6" pipe plant mandrel pipe mill got commissioned and is in regular production with high quality pipes.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company is thrusting on export business in view of conducive market conditions overseas specially in South America and Canada. Even during recession period, our continuous efforts have been to produce quality products through our quality control systems and regular R & D and to reduce cost of production and make it available at competitive prices.

This also results in substantial foreign exchange earnings and also in import substitution and conservation of valuable foreign exchange.

Total foreign exchange used and earned

Used - ₹ 405.59 Crore

Earned* - ₹ 229.83 Crore

* Supplies to Oil Sector by the Company results in import substitution & consequent saving of substantial Foreign Exchange for the country.



FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO :

CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

Particulars		Year ended 31.03.2012	Year ended 31.03.2011
1.	Electricity Purchased		
	Units (KWH in lacs)*	807.04	753.58
	Total Amount (₹ In lacs)	5749.89	4505.47
	Rate Per Unit (₹)	7.12	5.98
	*Includes 92.94 lacs (previous year 78.70 lacs) units generated by Wind Power Mill of the Company.		
2.	Fuel Consumption		
	a) LDO/Furnace Oil		
	Quantity (KL)	32405.15	30019.58
	Total Amount (₹ in lacs)	13715.39	9407.73
	Average Rate per KL (₹)	42324.72	31338.65
	b) HSD		
	Quantity (KL)	229.52	589.49
	Total Amount (₹ in lacs)	123.15	226.80
	Average Rate per KL (₹)	53655.45	38473.94
	c) LPG		
	Quantity (MT)	200.53	318.72
	Total Amount (Rs. in lacs)	97.75	125.25
	Average Rate Per MT (₹)	48745.82	39297.82
3.	Other/Internal generation/Wind Power (Kwh in lakhs)	104.25	88.27

B. CONSUMPTION PER UNIT OF PRODUCTION

a)	SEAMLESS PIPES (MT)		
	Electricity (Units)	259.315	277.486
	LDO/Furnace Oil (KL)	0.120	0.129
	HSD (KL)	0.001	0.003
	LPG (MT)	0.001	0.001
b)	ERW PIPES (MT)		
	Electricity (Units)	89.325	119.711
	HSD/Furnace Oil (KL)	0.003	0.003

Note: The figures are re-grouped/re-arranged wherever considered necessary.



FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO:

RESEARCH AND DEVELOPMENT (R&D)

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

- i) The production tooling of plug mill with new chemistry and heat treatment are further developed and got good results to improve the life of the tools, in turn improved the quality of the pipes and pipe rejections have come down. Cost of tools / MT pipe production has been reduced substantially.
- ii) R&D activities of the Company remained centered around the development of new products, improvement of existing products and processes, problem solving, cost reduction, as well as energy conservation and pollution control.

Activities carried out during the year:

Development and modifications during the year 2011-12

- * Many more efforts and studies have been made to improve further on the new chemistry and heat treatment to improve the life and surface finish of work plug (Hot rolling mill tooling) yielding good results.
Finally established the new material for the plugs, which in turn improved the quality of the pipes and reduced the pipe rejections, and ultimately improved the productivity.
- * Higher diameter seamless steel pipes of Dia 18" and 20" were developed and which is in regular production.
- * An indigenous in-house developed ID grinding machine has been installed to improve the ID surface of thick wall seamless pipes and to reduce the rejection.
- * Coolant effluent treatment plant has been updated to have an effective treatment of the effluent as per the latest norms and is working regularly.
- * 4 1/2" tubing development completed.

On the yield programme

- * Considerable studies and efforts were made to reduce the crop end losses in the stretch reducing mill and few sizes got very good results which in turn has improved the yield of the hot mill.

Central Metallurgical & R & D Lab.

- * All required facilities for NACE testing Lab have been set up and it is in regular use.
As the demand for sour service pipe lines are going up, MSL focused more on the development of pipes for sour service, which in turn required the NACE testing facility and it has been well established

2. Benefits derived as a result of above R&D

As a result of the R&D activities, new toolings for hot mill and higher dia pipes in seamless were also developed and existing products and process were improved and costs were reduced through energy conservation and savings in the use of materials.

3. Future plan of action

- * 5" Drill pipe taken for development.
- * Commercial production started in 6" Mill and new Product will be developed in 6" mil for OCTG and Boiler sector.

4. Expenditure on R&D

(₹ in lacs)

a Capital	3.63
b Revenue	466.48
c Total	470.11
d Total R&D expenditure is 0.2 % of total turnover	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

The production/Quality Control department absorbs the technology received from the own R&D efforts, Equipment Suppliers etc. adopting the same to local conditions and uses its own experience to affect improvements in the products and manufacturing process.



2. Benefits derived as a result of the above efforts etc.

Through above measures, the Company has continued to achieve product improvement/ development of new products, process improvement, commercialization of technology, cost reduction, import substitution etc. The aforesaid efforts will also result in a vibrant organization ready to face the challenge of global market scenario and striving towards exceeding customer expectation.

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

Mandrel pipe mill technology has been adopted in 6" pipe Plant. With a new technology the product quality improved very well and we were able to meet the present demand of the market with closer tolerances on dimensions and special grade steel pipes.

The development has to be continued further to fulfill the demand of Oil & Gas and other Industries



CORPORATE GOVERNANCE REPORT

We believe that sound Corporate Governance is essential to enhance the shareholders' trust and value. Your Company conducts its affairs with the highest levels of integrity, with proper authorizations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders interests are on utmost priority while protecting the interest of other stakeholders, customers, suppliers and its employees and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

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

A COMPLIANCE OF MANDATORY REQUIREMENTS:

I. BOARD OF DIRECTORS

Composition

The Company's policy is to have appropriate mix of executive and non-executive/ independent Directors on the Board. The Company has a Non-Executive Chairman who is also a promoter of the Company. One-half of the Board of the Company consists of Independent Directors. The number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges), across all the companies in which they are Directors. The Directors have made necessary disclosures regarding their Committee positions.

Board Functioning & Procedure

During the year 2011-12, the Board of Directors met five times and the gap between two meetings did not exceed four months. The Board Meetings were held on 3rd May, 2011, 3rd August, 2011, 30th September, 2011, 29th October, 2011 and 4th February, 2012. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other companies as on 31st March, 2012 are given below:

Directors	Category	Shares held	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held		
			Board Meeting	Last AGM	Directorships	Committee Member ships	Committee Chairmanships
Mr. D.P. Jindal	NE-P-C	43820	5	Yes	4	1	-
Mr. Saket Jindal	MD-P	1726498	3	No	3	1	1
Mr. S. P. Raj	WTD	-	4	Yes	-	-	-
Mr. U. C. Agarwal	NE-I	1000	4	Yes	1	3	3
Mr. D. K. Parikh	NE-I	400	5	Yes	-	-	-
Mr. S.D. Sharma*	NE-I	-	1	No	-	-	-
Mr. Sanjeev Rungta**	NE-I	-	1	No	2	2	-

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

Note:

1. only Audit and Shareholders' / Investor's Grievance Committees are considered.
 2. excludes directorships in private/foreign companies and alternate directorship.
- * ceased to be Director due to his death on 2.7.2011.
- ** appointed as Director w.e.f. 3.8.2011



RELATIONSHIPS BETWEEN DIRECTORS

No Director is related to any other Director, except Shri Saket Jindal, who is son of Shri D. P. Jindal.

CODE OF CONDUCT

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

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

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

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

Date : 8th August, 2012

SAKET JINDAL
Managing Director

2. AUDIT COMMITTEE

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements viz. Listing Agreement, Companies Act, 1956 etc., which are also in line with the mandate given by your Board of Directors, are:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- c. Approval of payment to statutory auditors for any other services rendered by them.
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report;
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- h. Discussion with internal auditors any significant findings and follow up thereon;
- i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- k. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- l. To review the functioning of the Whistle Blower mechanism, in case the same exists;
- m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



COMPOSITION

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

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the year under review meetings of the Audit Committee were held on 3rd May, 2011, 3rd August, 2011, 27th September, 2011, 29th October, 2011 and 4th February, 2012. The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

Members	Category	No. of meetings attended
Mr. U.C. Agarwal	Chairman	4
Mr. D.P. Jindal	Member	5
Mr. D. K. Parikh	Member	5
Mr. Sanjeev Rungta*	Member	1

* appointed as member of the Committee on 29th October, 2011.

INTERNAL AUDITORS

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

3. REMUNERATION TO DIRECTORS

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Managing Director and Whole time Director are governed under Board and Members' resolutions. None of the Non Executive Directors draw any remuneration from the Company except sitting fee for attending meetings of the Board and Committees thereof.

Details of Directors' Remuneration

a) Details of remuneration paid to Managing Director and Whole Time Director during the year ended 31st March, 2012:

Name	Salary	Perquisites & other benefits	Total
Mr. Saket Jindal Managing Director	10,800,000	3,969,900	14,769,900
Mr. S.P. Raj Whole - Time Director	1,318,920	1,370,382	2,689,302

(₹)

The tenure of appointment of the Managing Director and Whole time Director is for a period of 5 years from their respective dates of appointments.

b) The Non-executive Directors are paid by way of sitting fees for each meeting of the Board of Directors, Audit Committee and Shareholders'/Investors' Grievance cum Share Transfer Committee attended by them. Details of remuneration paid as sitting fee to Non-Executive Directors during the year ended 31st March 2012:

(₹)

Director	Sitting Fees
Mr. D. P. Jindal	150,000
Mr. U. C. Agarwal	170,000
Mr. D. K. Parikh	150,000
Mr. S. D. Sharma	20,000
Mr. Sanjeev Rungta	20,000



Apart from receiving Directors' remuneration by way of sitting fee for attending meetings of Board, Audit Committee and Shareholders' / Investors' Grievance cum Share Transfer Committee, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31st March 2012.

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

FUNCTIONS

The Board has constituted a Committee under the Chairmanship of a Non Executive Director. The Committee meets periodically, to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Also reviews the status of legal cases involving the investors where the Company has been made a party. Details of shares transfers/transmissions approved by the Committee are placed at the Board meetings from time to time.

COMPOSITION

The constitution of the Shareholders'/ Investors' Grievance cum Share Transfer Committee is as under:-

Members	Designation
Mr. U.C. Agarwal	Chairman
Mr. Saket Jindal	Member

COMPLIANCE OFFICER

The Board has designated Mr. D.C. Gupta, Vice President & Company Secretary as Compliance Officer of the Company.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED AND REPLIED TO THE SATISFACTION OF SHAREHOLDERS

Number of Shareholders' complaints received during the period 01.04.2011 to 31.03.2012	:	13
Number of complaints not solved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on 31.03.2012 which were solved later on	:	Nil

5. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2008-09	29.09.2009	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2009-10	30.09.2010	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2010-11	30.09.2011	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.

(II) Special resolutions passed in the previous three Annual General Meetings:

- In the AGM held on 29.09.2009 None
- In the AGM held on 30.09.2010 None
- In the AGM held on 30.09.2011 Pursuant to provisions of Section 314, appointment of Smt. Shruti Raghav Jindal to hold an office of profit in the Company as Chief Executive

6. DISCLOSURES

i) Related Party Transactions

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

ii) Accounting Standards

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



iii) Details on Non Compliance

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

iv) CEO/CFO Certificate

Mr. Saket Jindal, Managing Director and Mr. Ravi Gupta, CFO have furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

v) Whistle Blower Policy

The Company does not have any Whistle Blower Policy, however, no person is denied access to Audit Committee.

7. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to all Stock Exchanges whereat the Company's shares are listed, as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in the Economic Times, Business Standard, Free Press Journal and Navshakti. The Financial results, Press Releases, Investor Communiqué and Corporate Presentations made to institutional investors are also made available on the Company's website www.jindal.com.

Designated Exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investors' grievance redressal:- secretarial@mahaseam.com

8. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date & Time : 28th September, 2012 at 11.30 A.M.
 Venue : Registered Office of the Company at Pipe Nagar, Village Sukeli, N.H. 17, B.K.G. Road, Taluka-Roha, Distt. Raigad, Maharashtra - 402126

b) Financial Year : 1st April, 2011 to 31st March, 2012

c) Book Closure : 8th September, 2012 to 12th September, 2012 (Both days inclusive)

d) Dividend : Dividend of Rs. 6/- (120%) per equity share for the year ended 31st March, 2012, if approved by the members, would be payable on or after 4th October 2012.

Financial Calendar (Tentative):

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

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fee for the year 2012-13 has been paid to all Stock Exchanges. .

Name & address of Stock Exchanges	StockCode/Trading Symbol
Bombay Stock Exchange Limited P.J. Towers, 25th Floor, Dalal Street, Mumbai 400 001	500265
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	MAHSEAMLES

ISIN for equity shares: INE 271B01025

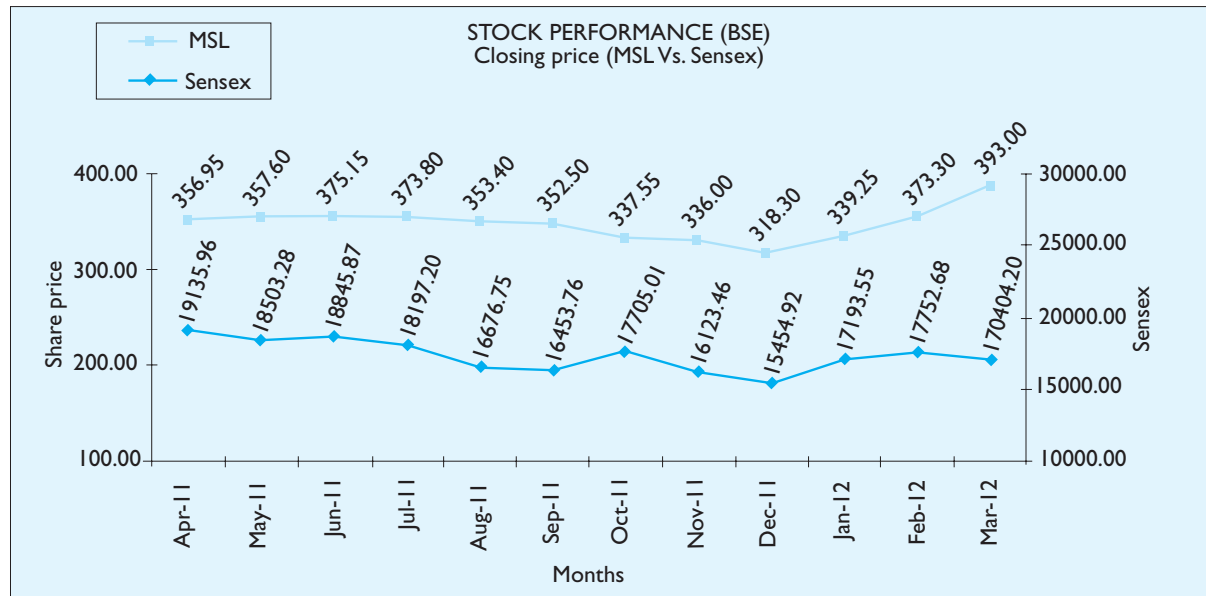


Stock Market Data

The monthly high and low quotations of shares traded on BSE is as under:-

MONTH	MSL BSE Price (₹)			BSE Sensex		
	HIGH	LOW	Month Close	HIGH	LOW	Month Close
April, 2011	367.80	324.50	356.95	19811.14	18976.19	19135.96
May, 2011	372.75	347.50	357.60	19253.87	17786.13	18503.28
June, 2011	378.00	354.50	375.15	18873.39	17314.38	18845.87
July, 2011	387.00	362.00	373.80	19131.70	18131.86	18197.20
Aug, 2011	378.95	341.60	353.40	18440.07	15765.53	16676.75
Sept.,2011	378.95	345.00	352.50	17211.80	15801.01	16453.76
Oct.,2011	355.00	322.05	337.55	17908.13	15745.43	17705.01
Nov.,2011	345.90	330.00	336.00	17702.26	15478.69	16123.46
Dec.,2011	347.85	316.00	318.30	17003.71	15135.86	15454.92
Jan.,2012	341.00	290.00	339.25	17258.97	15358.02	17193.55
Feb.,2012	384.00	329.00	373.30	18523.78	17061.55	17752.68
Mar.,2012	402.00	362.20	393.00	18040.69	16920.61	170404.20

Share performance chart



Distribution of shareholding as on 31st March, 2012

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	23525	94.42	3326119	4.71
501 to 1000	851	3.42	667171	0.95
1001 to 10000	411	1.65	1087466	1.54
10001 to 100000	88	0.35	3296681	4.67
100001 to 500000	15	0.06	2902364	4.12
500001 & above	24	0.10	59253621	84.01
Grand Total	24914	100.00	70533422	100.00

**Shareholding Pattern as on 31st March, 2012**

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
Promoters	39050931	55.37
Mutual Funds/UTI	5637074	7.99
Financial Institutions/Banks	33992	0.05
Insurance Companies	1746533	2.48
Foreign Institutional Investors	11336689	16.07
Bodies Corporate	4890302	6.93
Resident Individuals	7514227	10.65
NRIs	323674	0.46
Total	70533422	100.00

Dematerialisation of Shares

95.92% of the Paid-up Equity Share Capital of the Company is in dematerialised form as on 31st March 2012.

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

The Company has no outstanding GDRs/ADRs/Warrants or any other convertible instruments as on 31st March 2012.

Plant Locations:**1. Seamless & ERW Pipes:**

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

D 114, Industrial Area,
Vile Bhagad, Taluka Mangaon,
Distt. Raigad, Maharashtra

2. Wind Power:

Village Nivkane, Taluka Patan,
Distt. Satara, Maharashtra

3. Solar Power:

Pokaran, Distt- Jaisalmer, Rajasthan

Registrar and Share Transfer Agents:

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

Share Transfer System:

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

Investor correspondence address

Shareholders' correspondence should be addressed to the Registrar and Transfer Agent at the address given above or to the Corporate Office of the Company.

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



B. NON-MANDATORY REQUIREMENTS

(1) a) **CHAIRMAN OF THE BOARD**

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

b) **TENURE OF INDEPENDENT DIRECTORS**

In terms of the Governance policy of the Company, all Directors, including Independent Directors (excluding Managing Director & Whole-time Director being appointed for a tenure of 5 years) are subject to retirement by rotation. However, no maximum tenure, in the aggregate for independent directors has been specifically determined by the Board.

(2) **REMUNERATION COMMITTEE**

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

(3) **SHAREHOLDERS RIGHTS**

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a regional language newspaper widely circulated in the Region and posted on the website of the Company i.e. www.jindal.com, the same are not sent to each household of shareholders.

(4) **AUDIT QUALIFICATIONS**

There are no Audit Qualifications in the Auditors' Report.

(5) **TRAINING OF BOARD MEMBERS**

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

(6) **MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

MAHARASHTRA SEAMLESS LIMITED

We have examined the compliance of conditions of corporate governance by Maharashtra Seamless Limited for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor grievance is pending for a period exceeding one month.

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 **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants
Firm's Regn. No. 008396N

R.K. KANODIA

Partner
Membership No. 016121

Place : New Delhi
Dated : 8th August, 2012



MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

The statement in the Directors' Report and Management Discussion and Analysis Report contains "forward-looking statements" about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expression for future are forward-looking statements.

Forward-looking statements should be viewed in the context of many risk issues, and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussion and Analysis Report, including but not limited to, risks arising from uncertainties as to future Oil & Gas prices and their impact on investment programs by Oil & Gas companies, steel prices worldwide and domestic, economic and political conditions. We cannot assure that outcome of this forward looking statement will be realized.

The Company disclaims any duty to update the information given in the aforesaid report.

MARKET SITUATION

The after-effects of the global financial crisis in 2008 have continued to cast its shadow on the economies around the world even now. The crisis has brought out the vulnerabilities in global system of regulation and operation of financial and fiscal processes.

After staging a good recovery in 2010, growth in global economic output slowed down considerably in 2011. Against a growth rate of 5.3% recorded in 2010, global output is estimated to have grown by only 3.9% in 2011. Growth in advanced economies slowed down to 1.6% in 2011 against 3.2% in 2010 primarily due to government debt crisis in the Eurozone, contraction of the Japanese economy and sluggish recovery of growth in the US market.

Capital flows into emerging markets and developing economies including India declined and remained volatile caused by uncertainty in financial system in developed world. This also led to sharp fluctuation in exchange rates in many of these economies.

The Indian rupee was also adversely affected and recorded sharp decline and heavy fluctuations were observed causing great difficulty to businesses in general that are exposed to foreign exchange risk.

The world economy is passing through a difficult phase and is expected to grow by a mere 3.5% in 2012. The Indian economy saw considerable reduction in growth during the year 2011-12 and was below 6.5% as compared to 8.4% in the year 2010-11. A tight monetary policy adopted by RBI with the objective to balance out growth with inflation and lower global demand, accentuated by hardening international crude prices led to lower growth rate of below 6% during second half of the year.

As per RBI's monetary policy recently announced, the economy is expected to slow down further. Significant downside risk is seen especially due to high crude oil prices and slippages on fiscal front which could lead to high inflation and lower private investment.

In this background, the Company achieved a growth of 24% in sales in quantitative terms of seamless pipes. This has been due to robust marketing, both on the international and domestic front and higher productivity.

INDUSTRY COMPOSITION

Seamless steel tubes find their application in special areas where strength is the prime consideration. The seamless tubes employed for rotary drilling must possess great torsion strength and high resistance to collapse and to withstand high external pressures. The oil refining, chemical and pressure steam industries also demand special seamless steel tubes/pipes to withstand temperatures. Seamless tubes find application in the manufacture of bearing, automobile parts, drill rods, hydraulic cylinders, gas cylinders, boilers etc.

A seamless tube has homogenous wall without any weld or joint along its length. The homogenous wall and smooth inner surface of the tube is not subjected to weaknesses caused by internal weld, bend and different chemical compositions and micro structures at the weld zone. As such, there is no danger of preferential corrosion caused by self-engendered galvanic action. This makes the seamless tube a natural choice for applications where strength and resistance to corrosion are of high importance. The end-uses of seamless steel tubes are diversified.

The encouraging development of indigenous end-using industries stimulated the growth of direct consumption of seamless steel tubes. Survey reveals that oil sector accounts for around 60 percent of the total consumption while the share of bearings, automobile & boiler sector together are estimated at about 30 percent and the rest are consumed in other miscellaneous engineering industries.

Seamless pipes and tubes are produced in several steel grades depending on application, from ordinary carbon steel to high alloy and stainless steel. With many projects in pipeline, the consumption of seamless pipes is expect to grow.



EXPANSION

The Company has successfully commissioned the 6" Seamless Pipe Plant at Mangaon. This plant has also got the facility of manufacturing Drill pipes and other special grade pipes for boilers and other value added products. The Project has been awarded the status of "Mega Project" by State Government of Maharashtra. With the commissioning of this capacity the total capacity for manufacturing of seamless pipes has increased to 550,000 metric tons per annum.

RESEARCH & DEVELOPMENT

The Company continues to invest in a comprehensive Research & Development (R & D) program to develop a unique source of sustainable competitive advantage and build future readiness by leveraging contemporary advances in several relevant areas of science and technology and blending the same with classical concepts of product development.

The Company's R & D team has set about addressing the challenging task of creating a culture of product innovation. The R & D center is equipped with state-of-the-art equipment for carrying out research and securing the Company's business.

INTERNAL CONTROLS & AUDIT

The Company believes in having a strong internal control system so that all actions are within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

Well established and robust internal audit processes continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of the Company, validation of IT security continues to receive focused attention.

A strong and independent Internal Audit function carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Compliance and Review Committee closely monitor the internal control environment within the Company and ensure that Internal Audit recommendations are effectively implemented.

A robust and comprehensive framework of strategic planning and performance management ensures realization of business objectives based on effective strategy implementation.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year the Revenue from Operations was ₹ 2368.25 Crore against ₹ 1853.34 Crore. The profit before tax was ₹ 442.58 Crore as against ₹ 493.73 Crore during the previous year. Correspondingly profit after tax and adjustments for the year was ₹ 310.73 Crore as against ₹ 341.66 Crore in the previous year.

FINANCE COST

Interest and finance charges for the year ended 31st March 2012 was ₹ 5.19 Crore as against ₹ 3.15 Crore in the previous year.

PAID-UP SHARE CAPITAL

Paid-up Share Capital of the Company comprises Equity Share Capital of ₹ 35.27 Crore as on 31st March 2012.

RESERVES & SURPLUS

Reserves & Surplus of the Company were ₹ 2724.55 Crore as on 31st March 2012 as against ₹ 2503.89 Crore in the previous year.

EARNINGS PER SHARE

Earning per share for the financial year 2011-12 was ₹ 44.05 as against ₹. 48.44 in the previous year.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) programs of the Company are undertaken to pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing manner. Social investment programs in the economic vicinity of the Company's operations are undertaken with a view to ensure the long term sustainability of such interventions



The Company contributes to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the local villages. Policies are undertaken to improve the standards of Environment, Health and Education and provide sustainable facilities for health and education in nearby villages. The Company encourages the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc.

TOTAL QUALITY MANAGEMENT

The very foundation of the Company's growth has been Total Quality Management.

Pursuing relentless commitment to quality, the Company is constantly innovating processes and systems to deliver superior competitive capabilities. TQM is part of every day activity and process that the Company operates.

HUMAN RESOURCE DEVELOPMENT

The growth in production and sales achieved during the year has been possible due to the unrelenting commitment of all employees at all levels.

The Company's human resource management systems are designed to enhance employee engagement, organizational capability and vitality so as to ensure a world class business.

The human resource philosophy, strategy and processes of the Company have been designed to attract and retain quality talent and nurture workplace challenges that keep employees highly engaged, motivated and committed to innovation and customer delight. This talent has, through strong alignment with the Company's vision, successfully built and sustained the Company's standing as one of India's most valuable corporations.

The Company fosters a culture that rewards performance, continuous learning, collaboration and capability development across the organization, to be future- ready and meet head-on challenges posed by ever-changing market realities. The Company's unflagging commitment to investing in talent development ensures performance and achievement of the highest order. The employees strength of the Company as on 31st March, 2012 was 1583, including 745 workers.

AUDITORS' REPORT

To The Members of

Maharashtra Seamless Limited

We have audited the attached Balance Sheet of M/S MAHARASHTRA SEAMLESS LIMITED as at 31st March 2012 and also the annexed Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March 2012, from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and,
 - ii. In the case of the Statement of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants
Firm's Regn. No. 008396N

R.K. KANODIA

Partner
Membership No. 016121

Place : New Delhi
Dated : 8th August, 2012

ANNEXURE TO AUDITORS' REPORT OF MAHARASHTRA SEAMLESS LIMITED

(Annexure referred to in our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the management during the year has physically verified all the fixed assets of the Company and no material discrepancies between the book records and the physical verification were noticed on such verification.
(c) Fixed assets disposed off during the year, were not substantial and, therefore, it does not affect the going concern assumption.
2. (a) As explained to us, the inventories of finished goods, semi finished goods, stores, spare parts and raw materials except raw material in transit, lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
(a) The company has granted loans to six companies during the year. The maximum amount involved during the year was ₹ 23318 lacs the year end balance of loan granted to such companies was ₹ 12031.87 lacs. The company has taken loan during the year from one company. The maximum amount involved during the year was ₹ 137.74 lacs, the year end balance of loan taken from such company was ₹ 132.54 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) In respect of loans granted by the company the interest payments are regular and the principal amounts are being received /renewed on the due dates. In respect of loans taken by the company, the interest payments are regular and the principal amount is repayable on demand.
(d) There is no overdue amount in respect of the above loans.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions which are required to be entered in the register maintained under section 301 of the Act have been so entered.
(b) As per the audit procedures applied by us and as per the information and explanations given to us, with respect to the transactions as entered in the register maintained under section 301, with any party during the financial year, the prices at which these have been made are reasonable having regard to the prevailing, market prices at that time.
6. According to the information and explanations given to us, the company has not accepted any deposits during the year from the public within the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) rules 1975 have been complied with.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.
8. We have broadly reviewed the cost records maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records, u/s 209(1)(d) of the Companies Act, 1956 and are of opinion that prima -facie the prescribed records and accounts have been maintained by the company. However, we have not made a detailed examination of these records to verify whether they are accurate or complete.

9. (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, details of dues of income tax, Sales tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Lacs)
Sales Tax	Demand for Sales Tax	Maharashtra Sales Tax Authority (Appellate Tribunal)	2001 - 2002	4.65
Excise Duty	Demand for Excise Duty	CESTAT	Jan.1998 - June 1999	18.70
		CESTAT	May1998 - Feb.1999	6.73
		Commissioner Appeal	Feb.1999 - March 1999	0.84
		CESTAT	Dec.1999	2.42
		CESTAT	April 2000 - July 2000	5.03
		CESTAT	May 2000 - Aug. 2001	3.74
		CESTAT	Oct. 2002	0.37
		CESTAT	2001 - 2002	3.58
		Commissioner Appeal	2002 - 2003	12.12
		Additional Commissioner	2005 - 2006	3.46
			2006 - 2007	199.45
		Commissioner Appeal	2006 - 2007	54.73
			2007 - 2008	315.22
			2008 - 2009	580.66
	2009 - 2010	676.77		
	2009 - 2010	19.44		
Income Tax	Demand for Income Tax	Commissioner Appeal	2006 - 2007	35.58

10. There are no accumulated losses at the end of the year. There are no cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions / banks.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund/Nidhi/Mutual Fund/ Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
14. 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 (Auditors Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the corporate guarantees given by the company for loan taken by other company from banks are not prima facie prejudicial to the interest of the company.
16. According to the information and explanations given to us, the company has not obtained any term loan during the year; accordingly clause (xvi) of paragraph 4 of the Order are not applicable to the Company.

17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of Balance Sheet, the funds raised by the Company on short-term basis have not been applied for long-term investments and vice versa.
18. According to the information and explanations given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company does not have any debentures outstanding, as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
20. The company has not raised any money through the public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants
Firm's Regn. No. 008396N

R.K. KANODIA

Partner

Membership No. 016121

Place : New Delhi
Dated : 8th August, 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As At 31.03.2012 (₹)	As At 31.03.2011 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	352,667,110	352,667,110
(b) Reserves and Surplus	2.2	27,245,452,688	25,038,907,516
		<u>27,598,119,798</u>	<u>25,391,574,626</u>
2. Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	10,434,900	11,633,400
(b) Deferred Tax Liabilities (Net)	2.4	594,020,150	448,382,380
(c) Other Long-Term Liabilities	2.5	627,683,798	687,797,855
		<u>1,232,138,848</u>	<u>1,147,813,635</u>
3. Current Liabilities			
(a) Short-Term Borrowings	2.6	298,614,072	16,661,607
(b) Trade Payables	2.7	1,474,991,178	1,038,958,522
(c) Other Current Liabilities	2.8	969,893,003	946,522,008
(d) Short-Term Provisions	2.9	94,124,220	155,904,353
		<u>2,837,622,473</u>	<u>2,158,046,490</u>
TOTAL		<u>31,667,881,119</u>	<u>28,697,434,751</u>
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets	2.10		
(i) Tangible Assets		6,609,143,326	2,958,345,091
(ii) Intangible Assets		12,101,294	16,020,446
(iii) Revalued Assets		6,605,573,290	7,014,507,336
(iv) Capital Work-in-Progress		98,852,834	2,451,251,545
(v) Silver Coins in Hand		64,263	38,223
(b) Non-Current Investments	2.11	1,461,515,450	340,977,450
(c) Long-Term Loans and Advances	2.12	579,559,474	173,568,142
		<u>15,366,809,931</u>	<u>12,954,708,233</u>
2. Current Assets			
(a) Current Investments	2.11	3,274,363,129	4,823,571,093
(b) Inventories	2.13	7,171,862,914	5,412,148,102
(c) Trade Receivables	2.14	3,622,359,787	3,123,660,850
(d) Cash and Cash Equivalents	2.15	201,409,466	101,716,028
(e) Short-Term Loans and Advances	2.16	2,018,910,582	2,273,016,111
(f) Other Current Assets	2.17	12,165,310	8,614,334
		<u>16,301,071,188</u>	<u>15,742,726,518</u>
TOTAL		<u>31,667,881,119</u>	<u>28,697,434,751</u>
Significant Accounting Policies and Notes on Financial Statements	I - 2.47		

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO

D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman
SAKET JINDAL
Managing Director
U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors



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

	Note No.	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
I. Revenue From Operations	2.18	22,916,860,034	17,612,713,911
II. Other Income	2.19	765,615,795	920,675,364
III. Total Revenue (I+II)		23,682,475,829	18,533,389,275
IV. Expenses:			
Cost of Materials Consumed	2.20	15,970,765,021	11,027,916,907
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	2.21	(867,667,898)	(488,164,826)
Employee Benefits Expense	2.22	403,809,385	301,487,961
Finance Costs	2.23	51,888,581	31,534,735
Depreciation and Amortization Expense	2.10	200,838,043	184,915,179
Other Expenses	2.24	3,497,045,078	2,538,375,860
Total Expenses		19,256,678,210	13,596,065,816
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		4,425,797,619	4,937,323,459
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items and Tax (V-VI)		4,425,797,619	4,937,323,459
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		4,425,797,619	4,937,323,459
X. Tax Expenses:			
(1) Current Tax		1,172,700,000	1,495,200,000
(2) Deferred Tax		145,637,770	13,994,820
(3) Earlier Year		-	11,396,989
(4) Wealth Tax		126,393	101,464
XI. Profit for the Year (IX-X)		3,107,333,456	3,416,630,186
XII. Earnings Per Equity Share (Par Value ₹ 5/-)			
(1) Basic		44.05	48.44
(2) Diluted		44.05	48.44

Significant Accounting Policies and
Notes on Financial Statements

I - 2.47

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO

D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman

SAKET JINDAL
Managing Director

U.C.AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors



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

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
A. Cash Flow From Operating Activities		
Net Profit before extraordinary items and Tax	4,425,797,619	4,937,323,459
Adjustments for:		
Depreciation and Amortisation	204,653,616	188,029,960
(Profit) / Loss on Sale / Write off of Assets	670,404	(774,580)
Income Tax Adjustment relating to Earlier Years / Wealth Tax	(126,393)	(11,498,453)
Finance Costs	30,302,047	19,668,323
Interest Income	(192,002,644)	(89,521,319)
Dividend Income	(1,031,803)	-
Net Gain on Sale of Investments	(401,191,783)	(512,218,164)
Rental Income from Investment Properties	(3,163,150)	(269,075)
Cash Flow From Operating Activities Before Working Capital Changes	4,063,907,913	4,530,740,151
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(1,759,714,812)	(272,131,770)
Trade Receivables and Other Receivables	(524,941,208)	(3,184,036,153)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade payables and other liabilities	402,928,291	124,591,878
Cash Flow From Operating Activities after Working Capital Changes	2,182,180,184	1,199,164,106
Cash Flow From Extraordinary Items	-	-
Cash generated from Operations	2,182,180,184	1,199,164,106
Net Income Tax (Paid) / Refunds	(1,366,178,840)	(1,534,257,852)
Net Cash Flow from / (used in) Operating Activities (A)	816,001,344	(335,093,746)
B. Cash flow from Investing Activities		
Capital Expenditure on Fixed Assets	(1,513,791,058)	(1,097,588,073)
Proceeds from Sale of Fixed Assets	13,960,627	3,854,630
Current investments not considered as Cash and Cash Equivalents		
- Purchased	(2,784,309,459)	(10,495,578,172)
- Proceeds from Sale	4,734,709,206	12,127,210,834
Purchase of Long-Term Investments		
- Subsidiaries	(24,444,000)	-
- Associates	(222,581,250)	-
- Others	(964,747,750)	-
Proceeds from Sale of Long-Term Investments		
- Others	91,235,000	-
Interest Received	188,451,668	84,574,650
Dividend Received	1,031,803	-
Rental Income from Investment Properties	3,163,150	269,075
Net Cash Flow From / (used in) Investing Activities (B)	(477,322,063)	622,742,944



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

	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
C. Cash Flow From Financing Activities		
Repayment of Long-Term Borrowings	(1,198,500)	(19,338,701)
Proceeds from other Short-Term Borrowings	281,952,465	260,788,568
Finance Cost	(30,302,047)	(19,668,323)
Dividend Paid	(420,784,055)	(421,233,580)
Tax on Dividend	(68,653,706)	(70,288,318)
Net Cash Flow From / (used in) Financing Activities (C)	(238,985,843)	(269,740,354)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	99,693,438	17,908,844
Cash and Cash Equivalents at the Beginning of the Year	101,716,028	83,807,184
Cash and Cash Equivalents at the End of the Year	201,409,466	101,716,028

Notes forming part of accounts(Ref: Note No. 2.15)

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO

D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman

SAKET JINDAL
Managing Director

U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors



I SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the generally accepted accounting principles and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The revised Schedule VI notified under the Companies Act, 1956, for preparation and presentation of financial statements has become applicable to the Company for the year ended 31st March, 2012. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on the presentation and disclosure of the financial statements.

b) Use of Estimates

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

c) Revenue Recognition

Sale of goods is recognized at the point of despatch to customers and is stated net of Sales Return & Sales Tax and inclusive of Excise Duty. Inter division transfer of goods for captive consumption/ internal uses are at market value. Dividend income is accounted when right to receive the same is established. All other income is accounted for on accrual basis. Claims are accounted for, in the year of settlement.

d) Fixed Assets & Depreciation

i) Tangible Fixed Assets

Tangible Fixed Assets other than those, which have been revalued, are stated at cost of acquisition, construction less accumulated depreciation and impairment losses. The cost comprises of purchase price and any other directly attributable cost of bringing the assets to working condition for its intended use. Tangible Fixed Assets, which have been revalued, are stated at the revalued figures, on the basis of revaluation report of Approved Valuer, less depreciation.

ii) Depreciation & Amortisation

Depreciation on Fixed Assets including revalued assets has been provided on Straight Line Method basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. The additional depreciation on Revalued Assets has been calculated on the basis of Estimated Life of the assets revalued. The additional depreciation on account of Revaluation has been adjusted from Revaluation Reserve.

iii) Expenditure during construction period

Expenditure incurred during implementation of new / expansion project is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on the completion / erection.

iv) Impairment of Assets

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

v) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated Depreciation / Amortization. This includes computer software packages.

e) Investments

Investments are classified as Non-Current or Current based on the Management intention at the time of purchase. Non-Current investments are valued at their acquisition cost. Current investments are stated at lower of cost or fair market value. The provision for diminution in the value of long- term investments is made only if such a decline is other than temporary in the opinion of the Management.

f) Inventories

Raw Materials are valued at lower of cost (FIFO basis) or net realisable value.



Work-in-process is valued at direct material cost plus conversion cost depending upon the stage of completion or estimated net realisable value whichever is lower.

Finished goods are valued at lower of cost or net realisable value. Cost for this purpose includes direct material cost plus conversion cost and other direct overheads incurred to bring the goods to their present location & conditions. Excise Duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

Stores & Spare parts are valued at lower of cost (Weighted Average Method) or net realisable value.

Scrap is valued at net realisable value.

g) Employee Benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post employment and other long term benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit & Loss Account.
- iii) Payment to defined contribution retirement benefit scheme, if any, is charged as expenses during the year in which related services are rendered.

h) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rate.

The differences in translation of Monetary assets and liabilities and realized gains and losses on foreign exchange transaction are recognized in profit & loss account.

Non-monetary items are carried at cost.

Premium / Discount on forward foreign exchange contracts are pro-rated over the period of contract.

i) Borrowing Cost

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

j) Income-Tax

- i) The company, in accordance with relevant tax provision and tax advices wherever considered necessary, calculates the current Income Tax liability.
- ii) Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that results between the profits offered for income tax and profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted at the Balance Sheet date.

k) Accounting for Interest in Joint Venture

Accounting for Interest in Joint Venture is accounted for in accordance with AS -27 issued by The Institute of Chartered Accountants of India.

l) Events occurring after the Balance Sheet Date

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

m) Provisions, Contingent Liabilities and Contingent Assets

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

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

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



NOTES ON FINANCIAL STATEMENTS

	As At 31.03.2012		As At 31.03.2011	
	No. of Shares	(₹)	No. of Shares	(₹)
NOTE : 2.1				
SHARE CAPITAL				
a) <u>Authorised Share Capital</u>				
<u>Equity Shares (Par value ₹ 5/-)</u>				
At the Beginning of the year	80,000,000	400,000,000	80,000,000	400,000,000
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the End of the year	<u>80,000,000</u>	<u>400,000,000</u>	<u>80,000,000</u>	<u>400,000,000</u>
<u>Preference Shares (Par value ₹ 10/-)</u>				
At the Beginning of the year	20,000,000	200,000,000	20,000,000	200,000,000
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the End of the year	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>
b) <u>Issued, Subscribed and Paid up</u>				
<u>Equity Shares (Par value ₹ 5/-)</u>				
At the Beginning of the year	70,533,422	352,667,110	70,533,422	352,667,110
Add: Additions during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
At the End of the year	<u>70,533,422</u>	<u>352,667,110</u>	<u>70,533,422</u>	<u>352,667,110</u>

Terms / Rights attached to Equity Share

The Company has only one class of Equity Shares having a par value of ₹ 5/-. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 8th August, 2012, proposed a dividend of ₹ 6/- per Equity Share. the proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the Year Ended 31st March, 2012 amounted to ₹ 491,854,238/- including corporate dividend tax of ₹ 68,653,706/-.

During the Year Ended 31st March, 2011, the amount of per share dividend recognized as distribution to Equity Shareholders was ₹ 6/-. The total dividend appropriation for the Year Ended 31st March, 2011 amounted to ₹ 491,854,238/- including corporate dividend tax of ₹ 68,653,706/-.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.



	As At 31.03.2012		As At 31.03.2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
c) List of Shareholders holding more than 5% shares				
Franklin Templeton Investment Funds	4,581,064	6.49	4,707,346	6.67
Global Jindal Fin-Invest Ltd	5,424,944	7.69	5,424,944	7.69
Brahmadev Holding & Trading Ltd.	5,758,992	8.16	5,758,992	8.16
Stable Trading Company Ltd.	11,263,812	15.97	10,958,683	15.54
Odd & Even Trades and Finance P.Ltd.	11,690,000	16.57	11,550,000	16.38
d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil				
Aggregate number and class of share allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date: Nil				

	As At 31.03.2012 (₹)	As At 31.03.2011 (₹)
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NOTE : 2.2

RESERVES & SURPLUS

Capital Redemption Reserve	144,112,800	144,112,800
Share Premium	3,257,131,073	3,257,131,073
Capital Investment Subsidy	2,500,000	2,500,000
General Reserve:		
As per Last year Balance Sheet	13,659,451,397	11,159,451,397
Add : Transferred from Profit & Loss A/c.	2,500,000,000	2,500,000,000
	16,159,451,397	13,659,451,397
Profit and Loss Account:		
As per Last year Balance Sheet	961,204,910	536,428,962
Add: Profit for the Year	3,107,333,456	3,416,630,186
Less: Transfer to General Reserve	2,500,000,000	2,500,000,000
Less: Proposed Dividend	423,200,532	423,200,532
Less: Tax on Proposed Dividend	68,653,706	68,653,706
	1,076,684,128	961,204,910
Revaluation Reserve:		
As per Last year Balance Sheet	7,014,507,336	7,423,441,382
Less: Depreciation on Revalued Assets	408,934,046	408,934,046
	6,605,573,290	7,014,507,336
	27,245,452,688	25,038,907,516



	<u>As At 31.03.2012 (₹)</u>	<u>As At 31.03.2011 (₹)</u>
NOTE : 2.3		
LONG-TERM BORROWINGS		
<u>Term Loan</u>		
- From other parties*	10,434,900	11,633,400
	<u>10,434,900</u>	<u>11,633,400</u>

*Loan repayable in 7 yearly installments from the date of disbursement of loan.

	<u>As At 31.03.2011 (₹)</u>	<u>During the Year (₹)</u>	<u>As At 31.03.2012 (₹)</u>
NOTE : 2.4			
DEFERRED TAX LIABILITIES (NET)			
<u>Deferred Tax Liabilities</u>			
Fixed Assets	451,044,737	146,306,501	597,351,238
<u>Deferred Tax Assets</u>			
Others	2,662,357	668,731	3,331,088
	<u>448,382,380</u>	<u>145,637,770</u>	<u>594,020,150</u>

	<u>As At 31.03.2012 (₹)</u>	<u>As At 31.03.2011 (₹)</u>
NOTE : 2.5		
OTHER LONG-TERM LIABILITIES		
Deferred Sales Tax	627,683,798	687,797,855
	<u>627,683,798</u>	<u>687,797,855</u>

	<u>As At 31.03.2012 (₹)</u>	<u>As At 31.03.2011 (₹)</u>
NOTE : 2.6		
SHORT-TERM BORROWINGS		
<u>Loans repayable on demand from Banks</u>		
- Secured*	5,339,576	-
- Unsecured	293,274,496	16,661,607
	<u>298,614,072</u>	<u>16,661,607</u>

*The borrowings for working capital are secured by hypothecation of inventories, book debts & all other current assets other than those specifically excluded and second charge on moveable fixed assets and negative lien on immovable fixed assets.



	As At 31.03.2012 (₹)	As At 31.03.2011 (₹)
NOTE : 2.7		
TRADE PAYABLES		
Creditors	1,474,991,178	1,038,958,522
	<u>1,474,991,178</u>	<u>1,038,958,522</u>
NOTE : 2.8		
OTHER CURRENT LIABILITIES		
Current Maturity of Long-Term Debts	2,819,208	2,634,292
Current Maturity of other Long-Term Liabilities	60,114,057	49,341,187
Statutory Dues	175,223,074	130,485,669
Payable to Employees	47,033,040	45,551,619
Security Deposit	16,531,249	20,861,363
Advance from Customers	152,323,952	184,204,432
Unpaid Dividend	23,994,185	21,589,208
Proposed Dividend	423,200,532	423,200,532
Tax on Proposed Dividend	68,653,706	68,653,706
	<u>969,893,003</u>	<u>946,522,008</u>
NOTE : 2.9		
SHORT-TERM PROVISIONS		
Provision for Expenses	94,124,220	88,069,045
Income Tax (Net Of Advance Tax and TDS)	-	67,835,308
	<u>94,124,220</u>	<u>155,904,353</u>



**NOTE : 2.10
FIXED ASSETS**

(₹)

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As At 01.04.2011	Additions	Sales/ Adjustments	As At 31.03.2012	Upto 31.03.2011	For the Year	Sales/ Adjustments	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
Tangible Assets:										
Freehold - Land	60,245,555	11,136,480	-	71,382,035	-	-	-	-	71,382,035	60,245,555
Leasehold - Land	97,711,360	-	-	97,711,360	-	-	-	-	97,711,360	97,711,360
Land Site & Development	-	148,035,745	-	148,035,745	-	-	-	-	148,035,745	-
Shed & Building	997,494,951	718,265,916	-	1,715,760,867	168,599,734	26,381,188	-	194,980,922	1,520,779,945	828,895,217
Plant & Machinery	3,198,646,960	2,956,005,074	16,159,240	6,138,492,794	1,363,860,091	156,039,178	2,726,200	1,517,173,069	4,621,319,725	1,834,786,869
Office Equipments	39,772,090	2,937,353	-	42,709,443	10,653,991	1,856,338	-	12,510,329	30,199,114	29,118,099
Computer	30,198,933	5,390,662	30,000	35,559,595	16,177,250	4,086,775	8,588	20,255,437	15,304,158	14,021,683
Furniture & Fixtures	42,775,834	15,171,270	7,876	57,939,228	11,766,201	2,772,388	7,482	14,531,107	43,408,121	31,009,633
Vehicles	90,448,762	9,221,230	3,360,844	96,309,148	27,892,087	9,598,597	2,184,659	35,306,025	61,003,123	62,556,675
Total (A)	4,557,294,445	3,866,163,730	19,557,960	8,403,900,215	1,598,949,354	200,734,464	4,926,929	1,794,756,889	6,609,143,326	2,958,345,091
Previous Year	4,150,562,037	411,877,732	5,145,324	4,557,294,445	1,416,460,461	184,554,167	2,065,274	1,598,949,354	2,958,345,091	2,734,101,576
Intangible Assets:										
Software	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	12,090,823	12,101,294	16,020,446
Total (B)	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	12,090,823	12,101,294	16,020,446
Previous Year	18,253,757	5,938,360	-	24,192,117	4,695,878	3,475,793	-	8,171,671	16,020,446	13,557,879
Additions In Tangible Assets On Account Of Revaluation										
Freehold - Land	384,039,102	-	-	384,039,102	-	-	-	-	384,039,102	384,039,102
Shed & Building	1,984,703,009	-	-	1,984,703,009	89,689,488	44,844,744	-	134,534,232	1,850,168,777	1,895,013,521
Plant & Machinery	5,463,633,317	-	-	5,463,633,317	728,178,604	364,089,302	-	1,092,267,906	4,371,365,411	4,735,454,713
Total (C)	7,832,375,428	-	-	7,832,375,428	817,868,092	408,934,046	-	1,226,802,138	6,605,573,290	7,014,507,336
Previous Year	7,832,375,428	-	-	7,832,375,428	408,934,046	408,934,046	-	817,868,092	7,014,507,336	7,423,441,382
Total (A+B+C)	12,413,861,990	3,866,163,730	19,557,960	16,260,467,760	2,424,989,117	613,587,662	4,926,929	3,033,649,850	13,226,817,910	9,988,872,873
Previous Year	12,001,191,222	417,816,092	5,145,324	12,413,861,990	1,830,090,385	596,964,006	2,065,274	2,424,989,117	9,988,872,873	10,171,100,837
Capital Work In Progress										
Land	123,180,805	9,782,240	129,463,044	3,500,001	-	-	-	-	3,500,001	123,180,805
Shed & Building	538,578,188	230,714,764	706,911,796	62,381,156	-	-	-	-	62,381,156	538,578,188
Plant & Machinery	1,684,368,039	346,826,000	1,999,700,025	31,494,014	-	-	-	-	31,494,014	1,684,368,039
Preoperative Expenses	98,073,520	4,874,620	101,943,650	1,004,490	-	-	-	-	1,004,490	98,073,520
Others	7,050,993	3,237,764	9,815,584	473,173	-	-	-	-	473,173	7,050,993
Total (D)	2,451,251,545	595,435,388	2,947,834,099	98,852,834	-	-	-	-	98,852,834	2,451,251,545
Previous Year	1,666,015,377	893,456,474	108,220,306	2,451,251,545	-	-	-	-	2,451,251,545	1,666,015,377
Current Year (A+B+C+D)									13,325,670,744	12,440,124,418
Previous Year									12,440,124,418	11,837,116,214

During the year depreciation amounting to ₹ 3,815,573/- (Previous year ₹ 3,114,781/-) pertaining to pre-operative portion has been capitalised. Accordingly, depreciation charged in profit and loss account has been netted off with this amount and shown at ₹ 200,838,043/- (Previous year ₹ 184,915,179/-)



	As At 31.03.2012		As At 31.03.2011	
	No . of Shares /Units	(₹)	No . of Shares /Units	(₹)
NOTE : 2.11				
INVESTMENTS				
(Fully paid up unless otherwise specified)				
I. Non - Current				
A. Trade				
Un-Quoted				
Equity Shares of Joint Venture Companies				
₹ 10/- each of Hydriil Jindal International Pvt. Ltd	4,389,095	43,890,950	4,389,095	43,890,950
₹ 10/- each of Gondkhari Coal Mining Ltd.	15,150	151,500	15,150	151,500
Equity Shares of Subsidiary Company				
USD 1/- each of Maharashtra Seamless (Singapore) PTE Ltd.	100,000	4,444,000	-	-
B. Non - Trade				
Un-Quoted				
Equity Shares of Subsidiary Company				
₹ 10/- each of Maharashtra Seamless Finance Ltd.	2,000,000	20,000,000	-	-
Equity Shares of Associate Company				
USD 1/- each of Jindal Pipes (Singapore) PTE Ltd.	4,500,000	222,581,250	-	-
Bonds				
6.85% India Infrastructure Finance Company Ltd - Trench I Tax Free Bonds	2,000	205,700,000	2,000	205,700,000
IDBI Bank Certificate of Deposit	-	-	1,000	91,235,000
10.30% Yes Bank Bonds	10	10,000,000	-	-
Quoted				
Equity Shares				
₹ 10/- each of Coal India Ltd.	15,016	5,585,493	-	-
₹ 10/- each of Electrosteel Steels Ltd.	22,300,000	139,726,927	-	-
₹ 5/- each of ISMT Ltd.	1,445,000	50,119,132	-	-
₹ 10/- each of Future Ventures India Ltd.	32,942,993	329,429,930	-	-
₹ 10/- each of Jindal South West Holding Ltd.	14,923	14,593,073	-	-
₹ 10/- each of JSW Steel Ltd.	170,212	133,980,882	-	-
₹ 10/- each of JSW Energy Ltd.	194,875	10,121,521	-	-
₹ 10/- each of Videocon Industries Ltd.	56,018	10,776,299	-	-
₹ 10/- each of Monnet Ispat & Energy Ltd.	343,517	167,392,322	-	-
₹ 5/- each of Welspun Corp Ltd.	35,200	5,863,341	-	-
₹ 10/- each of Reliance Industries Ltd.	29,800	25,038,630	-	-
₹ 10/- each of Orissa Sponge Iron & Steel Ltd.	200,000	62,120,200	-	-
		<u>1,461,515,450</u>		<u>340,977,450</u>



	As At 31.03.2012		As At 31.03.2011	
	No . of Shares /Units	(₹)	No . of Shares /Units	(₹)
II. Current				
Non - Trade				
Quoted				
Mutual Funds				
Baroda Pioneer Liquid Fund - Inst. - Growth	40,707	50,000,000	-	-
Birla Sun Life Dynamic Bond Fund - Retail - Growth	-	-	11,281,270	177,665,334
Birla Sun Life Fixed Term Plan Series CK - Growth	-	-	20,012,733	200,127,330
Birla Sun Life Fixed Term Plan Series CL - Growth	-	-	10,002,139	100,021,390
Birla Sun Life Govt. Securities - Long Term - Growth	-	-	908,384	25,000,000
Birla Sun Life Savings Fund - Inst. -Growth	-	-	2,552,033	45,000,000
BNP Paribas Fixed Term Fund Series 21E - Growth	-	-	4,000,000	40,000,000
BNP Paribas Fixed Term Fund Series 20 A - Growth	-	-	14,000,000	140,000,000
BNP Paribas Fixed Term Fund Series 21H - Growth	-	-	25,000,000	250,000,000
Canara Robeco FMP - Series 6 -13 Months - Plan B - Growth	25,000,000	250,000,000	25,000,000	250,000,000
DSP Black Rock FMP - 12M - Series 12 - Growth	-	-	15,003,286	150,032,860
DSP Black Rock FMP - 12M - Series 11 - Growth	-	-	10,001,886	100,018,860
DWS FMP - Series 1 - Growth	10,000,000	100,000,000	-	-
DWS Fixed Term Fund - Series 80 - Growth	5,000,000	50,000,000	-	-
DWS Insta Cash Plus Fund - Super Inst.- Growth	-	-	3,699,998	470,038,275
Fidelity FMP Series 6 - Plan E - Growth	20,000,000	200,000,000	-	-
Fidelity FMP Series 6 - Plan F - Growth	15,000,000	150,000,000	-	-
Fidelity FMP Series IV - Plan F - Growth	-	-	20,000,000	200,000,000
HDFC Income Fund - Growth	-	-	1,596,897	35,000,000
ICICI Pru. FMP Series 53 - 1 Years Plan E Cummulative - Growth	-	-	19,864,925	198,649,250
ICICI Pru. FMP Series 53 - 1 Years Plan F Cummulative - Growth	-	-	15,003,207	150,032,070
ICICI Pru. FMP Series 55 - 1 Year Plan G - Cummulative - Growth	8,000,000	80,000,000	-	-
ICICI Pru. FMP Series 54 - 1 Year Plan B Cumulative - Growth	20,005,367	200,053,670	20,005,367	200,053,670
ICICI Pru. FMP Series 61- 1 Year Plan E- Cummulative - Growth	15,000,000	150,000,000	-	-
IDFC FMP Yearly Series 35 - Growth	-	-	20,004,269	200,042,688
Indiabulls FMP 377 Days March 2012 (2) - Growth	5,000,000	50,000,000	-	-
Indiabulls Liquid Fund - Growth	288,026	300,000,000	-	-
Kotak Bond - Regular - Growth	-	-	930,198	25,000,000
Kotak Credit Opportunity Fund - Growth	-	-	10,933,781	110,024,442



	As At 31.03.2012		As At 31.03.2011	
	No . of Shares /Units	(₹)	No . of Shares /Units	(₹)
Kotak FMP Series 30 - Growth	-	-	16,100,084	161,000,840
Kotak FMP Series 70 - Growth	10,000,000	100,000,000	-	-
LIC Noumura MF FMP Series 52-367 Days - Growth	6,000,000	60,000,000	-	-
Principal PNB FMP-71- 367 Days - Series 2 - Growth	-	-	10,000,000	100,000,000
Principal PNB FMP Series A4 - 367 Days - FMP-77 - Regular - Growth	15,000,000	150,000,000	-	-
Principal PNB FMP - 67 - 367 Days - Series II - Dec-10 - Regular - Growth	-	-	10,017,715	100,177,145
Reliance Fixed Horizon Fund - XVII Series 1 -Growth	-	-	10,001,939	100,019,387
Reliance Fixed Horizon Fund - XVII Series 2 -Growth	-	-	19,762,672	197,626,721
Reliance Fixed Horizon Fund XXI - Series 4 -Growth	21,622,142	216,221,419	-	-
Reliance Regular Savings Fund - Debt Plan- Inst.-Growth	-	-	5,407,704	70,120,708
Religare FMP - Series VII - Plan A (370 Days) - Growth	6,000,000	60,000,000	-	-
Religare FMP VIII Plan A (368 Days) - Growth	3,000,000	30,000,000	-	-
Religare FMP VIII Plan B - 13 Months - Growth	7,000,000	70,000,000	-	-
Religare FMP - Series IV - Plan F - Growth	-	-	15,022,850	150,228,500
Religare FMP Series V Plan A 368 Days - Growth	-	-	5,750,000	57,500,000
Religare FMP Series XI Plan F - 15 Months - Growth	7,000,000	70,000,000	-	-
Religare FMP Series XII Plan A - 370 Days - Growth	21,500,000	215,000,000	-	-
Religare FMP Series XII Plan B - 14 Months - Growth	6,308,150	63,081,500	-	-
Religare FMP Series XIII - Plan A -370 Days - Growth	5,000,000	50,000,000	-	-
Religare FMP Series XIII Plan E 13 Months - Growth	6,000,000	60,000,000	-	-
Sundaram Fixed Term Plan AH 15 Months - Growth	4,000,000	40,000,000	4,000,000	40,000,000
Sundaram Fixed Term Plan AV 366 Days - Growth	-	-	10,008,765	100,087,650
Sundaram Fixed Term Plan BA 366 Days - Growth	-	-	20,000,000	200,000,000
TATA FMP Series 29 Scheme C - Growth	-	-	15,004,192	150,041,920
TATA FMP Series 30 Scheme A - Growth	-	-	20,004,412	200,044,120
TATA FMP Series 35 Scheme A - Growth	6,000,000	60,000,000	-	-
TATA FMP Series 30 Scheme C - Growth	5,000,654	50,006,540	-	-
UTI Fixed Term Income Fund - Series X - VI (368 days) - Growth	40,000,000	400,000,000	-	-
UTI Short Term Income Fund - Inst. - Growth	-	-	12,126,135	130,017,933
		3,274,363,129		4,823,571,093
Aggregate Value of Quoted Investments		4,229,110,879		4,823,571,093
Aggregate Value of Un-Quoted Investments		506,767,700		340,977,450
Market Value of Quoted Investments		4,252,280,963		4,909,165,504



	As At 31.03.2012 (₹)	As At 31.03.2011 (₹)
NOTE : 2.12		
LONG-TERM LOANS AND ADVANCES (Unsecured, Considered good)		
Capital Advances	56,965,621	135,693,514
Loan to Body Corporate	522,593,853	37,874,628
	<u>579,559,474</u>	<u>173,568,142</u>
NOTE : 2.13		
INVENTORIES (As Verified Valued and Certified by the Management)		
Raw Material - Including Material In Transit	4,282,026,728	3,605,690,730
Finished Goods	1,353,428,327	1,075,195,848
Work - in - Process	1,068,346,790	437,945,883
Scrap	34,574,424	27,201,663
Stores & Spares	433,486,645	266,113,978
	<u>7,171,862,914</u>	<u>5,412,148,102</u>
NOTE : 2.14		
TRADE RECEIVABLES (Unsecured, Considered good)		
Over Six Months	141,358,319	405,655,195
Others	3,481,001,468	2,718,005,655
	<u>3,622,359,787</u>	<u>3,123,660,850</u>
NOTE : 2.15		
CASH AND CASH EQUIVALENTS		
Cash in hand	2,079,866	1,633,814
Balances with Scheduled Banks		
- In Current Accounts	75,931,354	1,167,363
- In Cash Credit Accounts	-	21,809,201
- In Unclaimed Dividend Accounts	21,759,175	19,354,198
- In Unclaimed Redemption Dividend Accounts	2,235,010	2,235,010
- In Fixed Deposit Account (Maturity within 1 year)	10,970,997	12,736,927
- In Fixed Deposit Account	88,433,064	42,779,515
	<u>201,409,466</u>	<u>101,716,028</u>



	As At 31.03.2012 (₹)	As At 31.03.2011 (₹)
NOTE : 2.16		
SHORT-TERM LOANS AND ADVANCES		
Advances Recoverable in cash or in kind	598,953,102	498,964,203
Loan to Body Corporates	1,208,748,832	1,732,185,351
Share Application Money Pending Allotment	29,508,000	-
Security Deposit Paid	56,057,116	41,866,557
Income Tax (Net of Provisions)	125,643,532	-
	<u>2,018,910,582</u>	<u>2,273,016,111</u>
NOTE : 2.17		
OTHER CURRENT ASSETS		
Balance with Excise and Sales Tax Authorities	500,000	500,000
Interest Accrued but not due	11,665,310	8,114,334
	<u>12,165,310</u>	<u>8,614,334</u>
	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE : 2.18		
REVENUE FROM OPERATIONS		
Sale of Products:		
Manufacturing	23,429,242,378	18,259,035,160
Scrap	815,005,330	526,814,389
	<u>24,244,247,708</u>	<u>18,785,849,549</u>
Less : Excise Duty	1,365,103,106	1,261,387,564
	<u>22,879,144,602</u>	<u>17,524,461,985</u>
Income from Services	37,715,432	88,251,926
	<u>22,916,860,034</u>	<u>17,612,713,911</u>
NOTE : 2.19		
OTHER INCOME		
Dividend Received	1,031,803	-
Interest Received	192,002,644	89,521,319
Income from DEPB Licence	97,866,338	223,482,027
Profit on Sale of Current Investments (Net) - Non - Trade	401,191,783	512,218,164
Foreign Exchange Fluctuation (Net)	-	40,038,912
Rent Received	3,163,150	269,075
Miscellaneous Income	70,360,077	54,371,287
Profit on Sale of Tangible Fixed Assets (Net)	-	774,580
	<u>765,615,795</u>	<u>920,675,364</u>



	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE : 2.20		
<u>COST OF MATERIALS CONSUMED</u>		
Opening Stock	3,605,690,730	3,892,471,891
Add: Purchase (Including Direct Expenses)	16,647,101,019	10,741,135,746
	<u>20,252,791,749</u>	<u>14,633,607,637</u>
Less: Closing Stock	4,282,026,728	3,605,690,730
	<u>15,970,765,021</u>	<u>11,027,916,907</u>
NOTE : 2.21		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE</u>		
Closing Stock:		
Finished Goods	1,353,428,327	1,075,195,848
Work in Process	1,068,346,790	437,945,883
Scrap	34,574,424	27,201,663
	<u>2,456,349,541</u>	<u>1,540,343,394</u>
Opening Stock:		
Finished Goods	1,075,195,848	626,599,509
Work in Process	437,945,883	338,425,143
Scrap	27,201,663	45,514,784
	<u>1,540,343,394</u>	<u>1,010,539,436</u>
Excise Duty on Differential Stock of Finished Goods	48,338,249	41,639,132
	<u>(867,667,898)</u>	<u>(488,164,826)</u>
NOTE : 2.22		
<u>EMPLOYEE BENEFITS EXPENSE</u>		
Salary, Wages & Other Allowances	369,998,915	270,201,816
Contribution to PF & Other Funds	25,635,371	26,184,274
Staff Welfare Expenses	8,175,099	5,101,871
	<u>403,809,385</u>	<u>301,487,961</u>
NOTE : 2.23		
<u>FINANCE COSTS</u>		
Interest to Banks		
- Working Capital Borrowings	6,799,567	5,683,862
- Others	23,502,480	13,984,461
Bank Charges & Commission	21,586,534	11,866,412
	<u>51,888,581</u>	<u>31,534,735</u>



	Year Ended 31.03.2012 (₹)	Year Ended 31.03.2011 (₹)
NOTE : 2.24		
OTHER EXPENSES		
Manufacturing Expenses		
Stores & Spares Consumed	664,247,224	549,040,988
Power & Fuel	1,968,618,068	1,426,524,861
Water Charges	6,229,413	9,327,756
Repair & Maintenance (Plant & Machinery)	19,823,696	21,774,246
Repair & Maintenance (Building)	3,174,082	636,658
Job Work Charges	196,740,766	116,613,276
	<u>2,858,833,249</u>	<u>2,123,917,785</u>
Administrative Expenses		
Rent	24,401,877	9,220,370
Rates & Taxes	11,973,642	9,557,288
Telephone & Communication Expenses	9,241,543	7,854,573
Printing & Stationery	4,454,178	2,289,447
Travelling & Conveyance:		
- Directors	2,704,970	3,622,891
- Others	22,927,113	22,297,068
Vehicle Upkeep & Maintenance	12,717,442	12,915,498
Directors' Fee	510,000	520,000
Insurance	8,383,401	2,747,892
Staff Recruitment & Training Expenses	2,052,524	1,418,139
Repair & Maintenance (Others)	17,060,035	19,558,297
Legal & Professional Charges	13,428,841	10,120,529
Filing Fees	-	2,600
Fees & Subscription	1,652,054	3,443,598
Licence Fees	6,811,893	2,216,428
Electricity Charges	6,671,297	4,837,748
Auditors' Remuneration:		
- Audit Fee	800,000	800,000
- Tax Audit Fee	200,000	200,000
- Company Law Matters	87,318	246,000
- Other Expenses	132,934	74,138
Internal Audit Fees	605,641	610,578
Cost Audit Fees	60,000	60,000
Foreign Exchange Fluctuation (Net)	122,816,772	-
General Expenses	8,345,110	10,382,492
Loss on Sale of Tangible Fixed Assets (Net)	670,404	-
	<u>278,708,989</u>	<u>124,995,574</u>
Selling & Distribution Expenses		
Tender Fee	864,062	1,723,628
Advertisement & Business Promotion	12,369,111	10,539,938
Freight Outward & Claims	156,444,296	133,783,367
Commission & Discount	166,735,770	129,020,694
Testing & Inspection Charges	23,089,601	14,394,874
	<u>359,502,840</u>	<u>289,462,501</u>
	<u>3,497,045,078</u>	<u>2,538,375,860</u>



2.25 CONTINGENT LIABILITIES

- a) Letters of Credits - ₹ 2,589,174,373/- (Previous Year ₹ 177,310,078/-)
- b) Bank Guarantees & Others - ₹ 2,823,979,013/- (Previous Year ₹ 1,753,464,851/-)
- c) Sales Tax Demand under Appeal - ₹ 465,199/- (Previous Year ₹ 465,199/-)
- d) Income Tax Demand under Appeal - ₹ 3,558,098/- (Previous Year ₹ 3,558,098/-)
- e) Excise Duty Demand under Appeal - ₹ 190,325,905/- (Previous Year ₹ 166,117,133/-)
- f) Indian Oil Corporation Ltd. (IOCL) had raised a claim of ₹ 179,848,064/- during the financial year 2008-09 & against the above mentioned claim a performance bank guarantee of ₹ 85,279,100/- was given to IOCL, which was realized by them, and an equivalent amount is charged in the Profit & Loss Account in financial year 2008-09. The matter is still under dispute and arbitration proceeding is going on. Any further demand, if any, will be provided for on the date of final settlement.

2.26 The company has imported Capital Goods under the Export Promotion Capital Goods (EPCG) scheme of the Government of India, at concessional rate of duty against the Legal Undertaking (LUT) to fulfil Exports obligations. The duty saved on such import of capital goods during the year amounting to ₹ 28,941,186/- (Previous Year ₹ 83,503,025/-) and for this the company is under an obligation to export goods amounting to ₹ 173,647,114/- (Previous Year ₹ 501,018,150/-), within a period of eight years, commencing from the date of issue of licences. The company has, however, fulfilled, the export obligation till date to the extent of ₹ 173,647,114/- (Previous Year ₹ 501,018,150/-), for which the LUTs are to be discharged.

Pending fulfilment of such future export obligations entails Custom Department a right to enforce the LUT executed by us to the extent of ₹ Nil (Previous Year ₹ Nil).

2.27 Estimated amount of contracts remaining to be executed on Capital Account, net of advances, and not provided for ₹ 144,064,020/- (Previous Year ₹ 276,485,679/-).

2.28 Tangible Fixed Assets namely Land, Factory Shed & Building and Plant & Machinery acquired upto 31st March 2009 were revalued on 1st April 2009. As a result of revaluation, Revaluation Reserve was created amounting to ₹ 7,832,375,428/-, and additional depreciation of ₹ 408,934,046/- (Previous Year ₹ 408,934,046/-) provided on increased amount of assets due to revaluation computed on the basis of straight line method has been adjusted from Revaluation Reserve.

2.29 Excise duty in respect of finished goods lying in factory premises and custom duty on goods lying in custom bonded warehouse are provided and included in the valuation of inventory. This accounting treatment has no impact on the profit for the year. Credit of taxes and duties availed is accounted for by reducing the purchase cost of the materials and fixed assets.

2.30 There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The Auditors have relied upon the same.

2.31 The Company has given interest free loan of ₹ 48 crores during the year to Maharashtra Seamless Limited Employee Welfare Trust which had been formed with the sole objective of employee welfare.

2.32 In the opinion of the company, the value on realisation of Current Assets, Loans & Advances in the ordinary course of the business shall not be less than the amount at which they are stated in the Balance Sheet.

2.33 Financial reporting of Interest in Joint Ventures as per Accounting Standard - 27:

Name of the Company	Date of initial Investment	Country of Incorporation	% Ownership Interest	
			As At 31.03.2012	As At 31.03.2011
Hydril Jindal International Pvt. Ltd.	10th February, 2005	India	49.89%	49.89%
Gondkhari Coal Mining Ltd.	26th February, 2010	India	30.30%	30.30%

**MAHARASHTRA SEAMLESS LIMITED**

The Company's share of the Assets and Liabilities as on 31st March 2012 and share of Income & Expenses for the Year Ended on that date in respect of Joint Venture Companies (on the basis of their statement of accounts) are given below:

Hydril Jindal International Pvt. Ltd.

Particulars	2011-12	2010-11
Company's Share	49.89%	49.89%
(₹)		
Assets		
Non - Current Assets	63,980,862	81,222,806
Current Assets	78,277,984	40,146,282
Total Assets	142,258,846	121,369,088
Equity and Liabilities		
Share Capital	43,894,170	43,894,170
Reserves & Surplus	(43,792,897)	(12,507,080)
Non - Current Liabilities	442,226	9,779,785
Current Liabilities	141,715,347	80,202,213
Total Equity and Liabilities	142,258,846	121,369,088
Income	86,984,654	85,006,854
Expenditure	98,570,762	105,696,883
Aggregate amount of Contingent Liability - Bank Guarantee	5,791,283	17,943,563
Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)	Nil	551,891

Gondkhari Coal Mining Ltd.

Particulars	2011-12	2010-11
Company's Share	30.30%	30.30%
(₹)		
Assets		
Non - Current Assets	42,083,339	37,347,241
Current Assets	230,714	375,888
Total Assets	42,314,053	37,723,129
Equity and Liabilities		
Share Capital	151,500	151,500
Reserves & Surplus	(1,417,477)	(562,306)
Non - Current Liabilities	42,505,329	37,900,501
Current Liabilities	1,074,701	233,434
Total Equity and Liabilities	42,314,053	37,723,129
Income	Nil	Nil
Expenditure	855,171	418,927
Aggregate amount of Contingent Liability - Bank Guarantee	35,970,000	35,970,000
Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)	Nil	Nil



2.34 Pre-operative expenses forming part of capital work in progress consists of :

(₹)

Particulars	As At 31.03.2012	As At 31.03.2011
Amount Brought Forward from Last Year	98,073,520	56,328,416
Addition During the Year	4,874,620	44,649,242
Amount Capitalised/ Adjusted During the Year	101,943,650	2,904,138
Closing Balance	1,004,490	98,073,520
Represented By:		
Depreciation	-	6,832,354
Legal & Professional Charges	911,490	5,252,209
Miscellaneous Expenses	93,000	4,751,392
Salaries, Wages & Other Allowances	-	60,760,234
Travelling & Conveyance	-	1,016,430
Vehicle Upkeep & Maintenance	-	4,140,709
Water & Electricity Charges	-	15,320,192
Total	1,004,490	98,073,520

2.35 The Foreign Exchange Fluctuation (Net) ₹122,816,772/- ,as shown in the Note No. 2.24 of Profit & Loss Account, has been arrived at after considering loss of ₹ 195,620,698/- and gain of ₹ 72,803,926/- Further, no mark to market gain/ (loss) has been recognised as the company has not entered into any transaction of financial instrument as specified in Accounting Standard 30 "Financial Instruments : Recognition and Measurement" issued by ICAI.

- 2.36 a) The Accounting Standard 15 (Revised 2005) have been made applicable from F.Y. 2007-08, the requisite information and disclosure have been given separately for this year and previous year.
- b) The employees' gratuity fund scheme managed by LIC of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Disclosure as per Accounting Standard 15:

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

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current Service cost	7,461,101	3,972,047	2,146,050	851,497
Interest Cost	2,718,436	2,313,633	540,312	531,185
Expected return on plan assets	(4,246,931)	(3,193,445)	-	-
Actuarial (gain)/loss recognised in the period	14,893,146	2,084,781	295,700	(671,249)
Net Cost	20,825,752	5,177,016	2,982,062	711,433



ii) Net Asset / Liability recognised in the Balance Sheet as at year end

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan assets as at March 31	56,493,653	37,356,520	-	-
Present value of obligation as at March 31	56,353,899	32,950,744	8,307,200	6,549,236

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

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Defined benefit obligation as at April 1	32,950,744	28,920,411	6,549,236	6,639,816
Current service cost	7,461,101	3,972,047	2,146,050	851,497
Interest cost	2,718,436	2,313,633	540,312	531,185
Actuarial (gain)/loss on obligation	14,136,150	1,965,707	295,700	(671,249)
Benefit paid	(912,532)	(4,221,054)	(1,224,098)	(802,013)
Defined Benefit obligation as at March 31	56,353,899	32,950,744	8,307,200	6,549,236

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

(₹)

Particulars	Gratuity (Funded)	
	2011-12	2010-11
Fair value of plan assets at beginning of the year	37,356,520	33,663,484
Expected return on plan assets	4,246,931	3,193,445
Actuarial gain / (loss)	(756,996)	(119,074)
Employer contribution	16,559,730	4,839,719
Benefit paid	(912,532)	(4,221,054)
Fair value of plan assets at year end	56,493,653	37,356,520
Actual return on plan assets	3,489,935	3,074,371

(v) Investment details

(₹)

Particulars	Gratuity (Funded)	
	2011-12	2010-11
Insurer Managed Funds	56,493,653	37,356,520

**(vi) Actuarial assumptions**

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Mortality Table (LIC)	(1994-96) Ultimate Mortality Table	(1994-96) Ultimate Mortality Table	NA	NA
Discount rate (per annum)	8.25%	8.00%	8.00%	8.25%
Expected rate of return on plan assets (per annum)	9.40%	9.40%	NA	NA
Rate of escalation in salary (per annum)	7.50%	6.00%	6.00%	7.50%

- c) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged in the Profit & Loss Account for the year are as under:

(₹)

Particulars	2011-12	2010-11
Employer's Contribution to Provident Fund	3,109,521	7,148,988
Employer's Contribution to Superannuation Fund	14,924,916	12,900,000
Employer's Contribution to Pension Scheme	7,600,934	6,135,286



2.37 SEGMENT REPORTING POLICIES

Identification of Segments

Primary Segment

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The two identified segments are Steel Pipes & Tubes and Power - Electricity.

Inter Division transfers of goods, as marketable products produced by separate divisions of the company for captive consumption are made as if sales were to third parties at current market prices and are included in turnover.

Segment Information

Segment Revenues, Results and Other Information:

(₹ in lacs)

Particulars	Steel Pipes & Tubes	Power-Electricity	Others	Total
Revenue from operations	228,335 (175,667)	834 (460)	6,677 (6,973)	235,846 (183,100)
Other Operating Income	979 (2,235)	- -	- -	979 (2,235)
Inter-Segment Sales	- -	634 (460)	- -	634 (460)
Segment Results	37,624 (42,524)	477 (191)	6,677 (6,973)	44,778 (49,688)
Finance Costs	519 (315)	- -	- -	519 (315)
Other Un-Allocable Expenditure	- -	- -	- -	- -
Profit Before Tax	37,105 (42,209)	477 (191)	6,677 (6,973)	44,259 (49,373)
Segment Assets (Including Capital Work In Progress, excluding Revaluation)	174,955 (118,874)	11,960 (5,191)	65,737 (94,992)	252,652 (219,057)
Segment Liabilities	27,409 (21,849)	5,714 (3,356)	- -	33,123 (25,205)
Un-Allocable Liabilities				9,604 (10,081)
Capital Employed				209,925 (183,771)

2.38 Related Parties Disclosures as per Accounting Standard – 18.

List of Related Parties with whom transactions have taken place during the year:

a) Joint Venture Companies

Hydril Jindal International Pvt. Ltd.

Gondkhari Coal Mining Ltd.

b) Subsidiary Companies (Wholly owned)

Maharashtra Seamless (Singapore) Pte Ltd. w.e.f. 06/06/2011

Maharashtra Seamless Finance Ltd. w.e.f. 08/02/2012



c) Associate Company

Jindal Pipes (Singapore) Pte Ltd. w.e.f. 06/06/2011

d) Key Management Personnel

Shri Saket Jindal

Shri S. P. Raj

e) Relatives of Key Management Personnel

Shri D.P. Jindal

Smt. Savita Jindal

Shri Raghav Jindal

Smt. Rachna Jindal

Smt. Shruti Jindal

Details of Transactions during the year are as follows:

(₹)

Particulars	2011-12	2010-11
i) Purchase & Other Services from related parties		
Joint Venture Companies	46,150,184	2,288,861
Relatives of Key Management Personnel	100,552	99,970
ii) Sales & Other Services to related parties		
Joint Venture Companies	135,599,914	197,672,435
iii) Investment in related parties		
Subsidiary Companies	24,444,000	-
- Share application money pending allotment	29,508,000	-
Associate Company	222,581,250	-
iv) Loans/Inter Corporate deposits given (Maximum Outstanding)		
Joint Venture Companies	142,620,740	137,021,500
Associate Company	169,924,280	-
v) Interest Received from related parties		
Joint Venture Companies	9,596,999	7,817,802
Associate Company	1,988,755	-
vi) Rent paid to related parties		
Relatives of Key Management Personnel	300,000	300,000
vii) Remuneration		
Key Management Personnel	17,459,202	15,265,469
Relatives of Key Management Personnel	1,908,065	-
viii) Dividend Paid		
Key Management Personnel	10,174,584	10,174,584
Relatives of Key Management Personnel	2,003,670	2,003,670
ix) Balance Payable by the Company at the year end		
Relatives of Key Management Personnel	98,540	18,422
x) Balance Receivable by the Company (including loans if any) at the year end		
Joint Venture Companies	210,838,245	119,365,343
Associate Company	169,924,280	-
Subsidiary Companies towards in-incorporation expenses incurred	248,300	-

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from or to any related parties.



2.39 Earning Per Share computed in accordance with Accounting Standard – 20

Particulars	31.03.2012	31.03.2011
Net Profit available for equity shareholders (₹) (a)	3,107,333,456	3,416,630,186
Weighted average number of equity shares of ₹ 5/- each (b)	70,533,422	70,533,422
Basic / Diluted Earning per share (₹) (a/b)	44.05	48.44

2.40 Disclosure of loan/ advances and investment in its own shares by the company ,its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement :

Name of Company	Balance As At (₹)		Maximum outstanding (₹)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
A) Loan and advances in the nature of loan given to subsidiary,Associates Jindal Pipes (Singapore) Pte Ltd.	169,924,280	-	169,924,280	-
B) Loan and advances where repayment schedule is not specified / is beyond 7 year Jindal Pipes (Singapore) Pte Ltd. Hydril Jindal International Pvt. Ltd. Gondkhari Coal Mining. Ltd.	169,924,280 56,094,461 42,593,853	- 50,127,678 37,874,628	169,924,280 100,026,887 42,593,853	- 99,146,872 37,874,628
C) Loans and advances in the nature of loans where interest is not charged or charged below bank rate Maharashtra Seamless Limited Employee Welfare Trust*	480,000,000	-	480,000,000	-
D) Investments made in Equity Shares of the company by Maharashtra Seamless Limited Employee Welfare Trust* (" a Loanee") are of ₹ 480,772,485/- (Previous year: NA)				

* Maharashtra Seamless Limited Employee Welfare Trust is not a related party as per AS 18, issued by ICAI.

2.41 RAW MATERIALS CONSUMED

(₹)

Items	Year Ended 31.03.2012	Year Ended 31.03.2011
Round Billets	11,025,627,977	7,611,654,854
HR Coil	4,772,878,932	3,277,305,208
Others	172,258,112	138,956,845
Total	15,970,765,021	11,027,916,907

2.42 VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARE PARTS CONSUMED

a) RAW MATERIALS CONSUMED

Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(%)	(₹)	(%)	(₹)
Imported	20.09	3,208,506,703	27.30	3,011,004,050
Indigenous	79.91	12,762,258,318	72.70	8,016,912,857
Total	100.00	15,970,765,021	100.00	11,027,916,907



b) STORES & SPARE PARTS CONSUMED

Particulars	Year Ended 31.03.2012		Year Ended 31.03.2011	
	(%)	(₹)	(%)	(₹)
Imported	13.58	90,228,291	9.97	54,741,818
Indigenous	86.42	574,018,933	90.03	494,299,170
Total	100.00	664,247,224	100.00	549,040,988

2.43 CIF VALUE OF IMPORTS

(₹)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Raw Materials	3,857,829,649	3,126,996,973
Stores & Spares	70,934,626	43,724,062
Capital Goods	125,176,990	495,543,520

2.44 EXPENDITURES IN FOREIGN CURRENCY

(₹)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Travelling	1,399,680	2,437,407
Others	645,927	713,305

2.45 EARNINGS IN FOREIGN CURRENCY

(₹)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
FOB Value of Physical/ Deemed Exports	2,298,311,875	587,844,604

2.46 Paise have been rounded off to the nearest rupee.

2.47 The figures of the previous year have been regrouped / recast, where necessary, to conform to the current year figures including those on account of adoption of Revised Schedule VI of the Companies Act, 1956.

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO
D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman
SAKET JINDAL
Managing Director
U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report on Consolidated Financial Statements

To The Board of Directors of Maharashtra Seamless Limited

We have audited the annexed consolidated Balance Sheet of M/S MAHARASHTRA SEAMLESS LIMITED and its subsidiary and joint ventures at 31st March 2012, and consolidated Statement of Profit & Loss Account and the Consolidated Cash Flow Statement, both annexed there to, for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of subsidiaries viz., Maharashtra Seamless (Singapore) PTE Limited (WOS), Joint ventures Hydriil Jindal International Private Limited, and Gondhkari Coal Mining Limited, whose financial statement reflects total assets of Rs. 2041.39 lakhs as at 31st March 2012, and total revenues of Rs. 1003.09 lakhs for the year ended 31st March 2012. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

The financial statements of a Joint Venture company in respect of which the Company share for the year ended 31st March 2012 is reflected in Consolidated Financial Statements on the basis of unaudited financial information provided by the Management of the joint venture company.

We report that consolidated that financial statements have been prepared by the company in accordance with the requirements of accounting standard (AS 21), "Consolidated Financial Statements", Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures" and an associates company accounted on the equity method in accordance with Accounting Standards (AS 23) "Accounting for Investments in Associates" as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separated financial statements of Maharashtra Seamless Limited and its subsidiary, associates and joint ventures included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Maharashtra Seamless and its subsidiaries, associates, joint ventures, we are of the opinion that the said financial statements give a true and fair view in conformity with the accounting principal generally accepted in India:

- i) In the case of the consolidated balance sheet, the consolidated state of affairs of Maharashtra Seamless Limited and its subsidiary, associates, joint ventures as at 31st March 2012.
- ii) In the case of the consolidated Statement of Profit & Loss Account, the consolidated results of operations of Maharashtra Seamless Limited and its subsidiary, associates, joint ventures for the year ended 31st March 2012.
- iii) In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Maharashtra Seamless Ltd. and its subsidiary, associates, joint ventures for the year ended 31st March 2012.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants
Firm's Regn. No. 008396N

Place : New Delhi
Dated : 8th August, 2012

R.K. KANODIA
Partner
Membership No. 016121



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As At 31.03.2012 (₹)
I. EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	2.1	352,667,110
(b) Reserves and Surplus	2.2	27,211,282,158
		<u>27,563,949,268</u>
2 Non-Current Liabilities		
(a) Long-Term Borrowings	2.3	37,172,743
(b) Deferred Tax Liabilities (Net)	2.4	594,020,150
(c) Other Long-Term Liabilities	2.5	630,545,348
(d) Long-Term Provisions	2.6	442,194
		<u>1,262,180,435</u>
3 Current Liabilities		
(a) Short-Term Borrowings	2.7	827,567,917
(b) Trade Payables	2.8	1,498,082,561
(c) Other Current Liabilities	2.9	977,021,408
(d) Short-Term Provisions	2.10	95,406,139
		<u>3,398,078,025</u>
TOTAL		
		<u>32,224,207,728</u>
II. ASSETS		
1 Non-Current Assets		
(a) Fixed Assets	2.11	
(i) Tangible Assets		6,672,429,620
(ii) Intangible Assets		12,101,294
(iii) Revalued Assets		6,605,573,290
(iv) Capital Work-in-Progress		139,508,687
(v) Silver Coins in Hand		64,263
(b) Non-Current Investments	2.12	1,925,033,464
(c) Long-Term Loans and Advances	2.13	567,512,402
		<u>15,922,223,020</u>
2 Current Assets		
(a) Current Investments	2.12	3,274,363,129
(b) Inventories	2.14	7,216,233,039
(c) Trade Receivables	2.15	3,607,660,285
(d) Cash and Cash Equivalents	2.16	227,043,294
(e) Short-Term Loans and Advances	2.17	1,964,470,803
(f) Other Current Assets	2.18	12,214,158
		<u>16,301,984,708</u>
TOTAL		
		<u>32,224,207,728</u>
Significant Accounting Policies and Notes on Consolidated Financial Statements	1-2.34	

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO

D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman
SAKET JINDAL
Managing Director
U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors



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

	Note No.	Year Ended 31.03.2012 (₹)
I. Revenue from Operations	2.19	23,002,282,610
II. Other Income	2.20	774,415,933
III. Total Revenue (I+II)		<u>23,776,698,543</u>
IV. Expenses:		
Cost of Materials Consumed	2.21	16,052,880,608
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	2.22	(899,081,521)
Employee Benefits Expense	2.23	411,608,373
Finance Costs	2.24	56,461,594
Depreciation and Amortization Expense	2.11	213,052,480
Other Expenses	2.25	3,517,958,642
Total Expenses		<u>19,352,880,176</u>
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		4,423,818,367
VI. Exceptional Items		13,911,740
VII. Profit Before Extraordinary Items and Tax (V-VI)		<u>4,409,906,627</u>
VIII. Extraordinary Items		-
IX. Profit Before Tax (VII-VIII)		<u>4,409,906,627</u>
X. Tax Expenses:		
(1) Current Tax		1,173,815,994
(2) Deferred Tax		145,637,770
(3) Earlier Year		5,786,523
(4) Wealth Tax		126,393
XI. Profit for the Year (IX-X)		<u>3,084,539,947</u>
XII. Share in Profit /(Loss) of Associates		(172,959)
XIII. Profit carried to Balance Sheet		<u>3,084,366,988</u>
XIV Earnings per Equity Share (Par Value of ₹ 5/-):		
(1) Basic		43.73
(2) Diluted		43.73

Note:

Total Income includes ₹ 85,497,619/- share of Jointly Controlled Entities.
Total Expenditure includes ₹ 94,590,634/- share of Jointly Controlled Entities.
Exceptional Item includes ₹ 13,911,740/- share of Jointly Controlled Entities.
Earlier Year Tax includes ₹ 5,786,523/- share of Jointly Controlled Entities.

**Significant Accounting policies and
Notes on Consolidated Financial Statements**

I-2.34

As per our report of even date attached
For KANODIA SANYAL & ASSOCIATES
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO
D. C. GUPTA
VP & Company Secretary

For and on Behalf of the Board

D.P.JINDAL
Chairman
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Managing Director
U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors

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

	Year Ended 31.03.2012 (₹)
A. Cash Flow From Operating Activities	
Net Profit Before Extraordinary Items and Tax	4,409,906,627
Adjustments for:	
Depreciation and Amortisation	216,868,053
Loss on Sale / Write off of Assets (Net)	670,404
Income Tax Adjustment Relating to Earlier Years / Wealth Tax	(126,393)
Prior Period Adjustment	(31,291)
Finance Costs	34,772,888
Interest Income	(187,447,972)
Dividend Income	(1,031,803)
Net Gain on Sale of Investments	(401,191,783)
Rental Income from Investment Properties	(3,163,150)
Cash Flow From Operating Activities Before Working Capital Changes	4,069,225,580
Changes in Working Capital:	
Adjustments for (Increase) / Decrease in Operating Assets:	
Inventories	(1,778,503,755)
Trade Receivables and Other Receivables	(528,988,378)
Adjustments for Increase / (Decrease) in Operating Liabilities:	
Trade Payables and Other Liabilities	464,105,704
Cash Flow From Operating Activities after Working Capital Changes	2,225,839,151
Cash Flow From Extraordinary Items	-
Cash generated from Operations	2,225,839,151
Net income tax (paid) / refunds	(1,366,178,840)
Net cash flow from / (used in) operating activities (A)	859,660,311
B. Cash Flow From Investing Activities	
Capital Expenditure on Fixed Assets	(1,516,096,010)
Proceeds from Sale of Fixed Assets	13,960,627
Current Investments not Considered as Cash and Cash Equivalents	
- Purchased	(2,784,309,459)
- Proceeds from Sale	4,734,709,206
Purchase of Long-Term Investments	
- Associates	(222,581,250)
- Others	(1,468,077,282)
Proceeds from Sale of Long-Term Investments	
- Others	91,235,000
Interest Received	188,502,902
Dividend Received	1,031,803
Rental Income from Investment Properties	3,163,150
Net Cash Flow From / (used in) Investing Activities (B)	(958,461,313)



	Year Ended 31.03.2012 (₹)
C. Cash Flow From Financing Activities	
Repayment of Long-Term Borrowings	(10,676,905)
Proceeds from Long-Term Borrowings	477,447,073
Proceeds from other Short-Term Borrowings	283,195,595
Finance Costs	(37,107,261)
Dividend Paid	(420,784,055)
Tax on Dividend	(68,653,706)
Net Cash Flow From / (used in) Financing Activities (C)	223,420,741
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	124,619,739
Cash and Cash Equivalents at the Beginning of the Year	102,199,068
Effect of exchange differences on restatement of Foreign Currency Cash and Cash Equivalents	224,487
Cash and Cash Equivalents at the End of the Year	227,043,294
Notes forming part of accounts(Ref: Note No. 2.16)	

As per our report of even date attached
For **KANODIA SANYAL & ASSOCIATES**
Chartered Accountants

R.K.KANODIA
Partner
Membership No. 016121

Place : Gurgaon
Dated : 8th August, 2012

RAVI GUPTA
CFO

D. C. GUPTA
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For and on Behalf of the Board

D.P.JINDAL
Chairman

SAKET JINDAL
Managing Director

U.C. AGARWAL
D.K. PARIKH
SANJEEV RUNGTA
Directors



I SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

a) Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the generally accepted accounting principles and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The revised Schedule VI notified under the Companies Act, 1956, for preparation and presentation of financial statements has become applicable to the Company for the year ended 31st March, 2012. The adoption of revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on the presentation and disclosure of the financial statements.

b) Use of Estimates

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

c) Revenue Recognition

Sale of goods is recognized at the point of despatch to customers and is stated net of Sales Return & Sales Tax and inclusive of Excise Duty. Inter division transfer of goods for captive consumption/ internal uses are at market value. Dividend income is accounted when right to receive the same is established. All other income is accounted for on accrual basis. Claims are accounted for, in the year of settlement.

d) Fixed Assets & Depreciation

i) Tangible Fixed Assets

Tangible Fixed Assets other than those, which have been revalued, are stated at cost of acquisition, construction less accumulated depreciation and impairment losses. The cost comprises of purchase price and any other directly attributable cost of bringing the assets to working condition for its intended use. Tangible Fixed Assets, which have been revalued, are stated at the revalued figures, on the basis of revaluation report of Approved Valuer, less depreciation.

ii) Depreciation & Amortisation

Depreciation on Fixed Assets including revalued assets has been provided on Straight Line Method basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. The additional depreciation on Revalued Assets has been calculated on the basis of Estimated Life of the assets revalued. The additional depreciation on account of Revaluation has been adjusted from Revaluation Reserve.

iii) Expenditure during construction period

Expenditure incurred during implementation of new / expansion project is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on the completion / erection.

iv) Impairment of Assets

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

v) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated Depreciation / Amortization. This includes computer software packages.

e) Investments

Investments are classified as Non-Current or Current based on the Management intention at the time of purchase. Non-Current investments are valued at their acquisition cost. Current investments are stated at lower of cost or fair market value. The provision for diminution in the value of long- term investments is made only if such a decline is other than temporary in the opinion of the Management.

f) Inventories

Raw Materials are valued at lower of cost (FIFO basis) or net realisable value.



Work-in-process is valued at direct material cost plus conversion cost depending upon the stage of completion or estimated net realisable value whichever is lower.

Finished goods are valued at lower of cost or net realisable value. Cost for this purpose includes direct material cost plus conversion cost and other direct overheads incurred to bring the goods to their present location & conditions. Excise Duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

Stores & Spare parts are valued at lower of cost (Weighted Average Method) or net realisable value.

Scrap is valued at net realisable value.

g) Employee Benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post employment and other long term benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit & Loss Account.
- iii) Payment to defined contribution retirement benefit scheme, if any, is charged as expenses during the year in which related services are rendered.

h) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rate.

The differences in translation of Monetary assets and liabilities and realized gains and losses on foreign exchange transaction are recognized in profit & loss account.

Non-monetary items are carried at cost.

Premium / Discount on forward foreign exchange contracts are pro-rated over the period of contract.

i) Borrowing Cost

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

j) Income-Tax

- i) The company, in accordance with relevant tax provision and tax advices wherever considered necessary, calculates the current Income Tax liability.
- ii) Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that results between the profits offered for income tax and profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted at the Balance Sheet date.

k) Events occurring after the Balance Sheet Date

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

l) Provisions, Contingent Liabilities and Contingent Assets

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

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

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



	As At 31.03.2012 No. of Shares	As At 31.03.2012 (₹)
NOTE: 2.1		
SHARE CAPITAL		
a) <u>Authorised Share Capital</u>		
<u>Equity Shares (Par value ₹ 5/-)</u>		
At the Beginning of the Year	80,000,000	400,000,000
Add: Additions during the Year	-	-
Less: Reduction during the Year	-	-
At the End of the Year	<u>80,000,000</u>	<u>400,000,000</u>
<u>Preference Shares (Par value ₹ 10/-)</u>		
At the Beginning of the Year	20,000,000	200,000,000
Add: Additions during the Year	-	-
Less: Reduction during the Year	-	-
At the End of the year	<u>20,000,000</u>	<u>200,000,000</u>
b) <u>Issued, Subscribed and Paid up</u>		
<u>Equity Shares (Par value ₹ 5/-)</u>		
At the Beginning of the Year	70,533,422	352,667,110
Add: Additions during the Year	-	-
Less: Reduction during the Year	-	-
At the End of the Year	<u>70,533,422</u>	<u>352,667,110</u>
As At 31.03.2012		
	<u>No. of Shares</u>	<u>% of Holding</u>
c) <u>List of Shareholders holding more than 5% shares</u>		
Franklin Templeton Investment Funds	4,581,064	6.49
Global Jindal Fin-Invest Ltd	5,424,944	7.69
Brahmadev Holding & Trading Ltd.	5,758,992	8.16
Stable Trading Company Ltd.	11,263,812	15.97
Odd & Even Trades and Finance P.Ltd.	11,690,000	16.57



	As At 31.03.2012 (₹)
NOTE: 2.2	
RESERVES & SURPLUS	
Capital Redemption Reserve	144,112,800
Share Premium	3,257,131,073
Capital Investment Subsidy	2,500,000
General Reserve:	
As per Last Year Balance Sheet	13,646,945,234
Add: Transferred from Profit & Loss A/c.	2,500,000,000
	<u>16,146,945,234</u>
Note: ₹ 12,506,163 towards share of Jointly Controlled Entities	
Profit and Loss Account	
As per Last Year Balance Sheet	960,642,611
Add: Profit for the Year	3,084,366,988
Less: Transfer to General Reserve	2,500,000,000
Less: Proposed Dividend	423,200,532
Less: Tax on Proposed Dividend	68,653,706
	<u>1,053,155,361</u>
Note: ₹ 35,486,107/- towards share of Jointly Controlled Entities.	
Revaluation Reserve:	
As per Last Year Balance Sheet	7,014,507,336
Less: Depreciation on Revalued Assets	408,934,046
	<u>6,605,573,290</u>
Foreign currency Translation Reserve	1,864,400
	<u>27,211,282,158</u>

NOTE: 2.3

LONG-TERM BORROWINGS

Term Loan	
- From other parties	37,172,743
	<u>37,172,743</u>

Note: ₹ 26,737,843/- towards share of Jointly Controlled Entities.



	As At 31.03.2011	During the Year	As At 31.03.2012
	(₹)	(₹)	(₹)
NOTE: 2.4			
DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities			
Fixed Assets	451,044,737	146,306,501	597,351,238
Deferred Tax Assets			
Others	2,662,357	668,731	3,331,088
	<u>448,382,380</u>	<u>145,637,770</u>	<u>594,020,150</u>

As At
31.03.2012
(₹)

NOTE: 2.5**OTHER LONG-TERM LIABILITIES**

Deferred Sales Tax	627,683,798
Interest accrued and due on borrowings	2,861,550
	<u>630,545,348</u>

Note: Interest accrued and due on borrowings includes ₹ 2,861,550/- share of Jointly Controlled Entities.

NOTE: 2.6**LONG-TERM PROVISIONS**

Provision for Employee Benefits	442,194
	<u>442,194</u>

Note: Includes ₹ 442,194/- share of Jointly Controlled Entities.

NOTE: 2.7**SHORT-TERM BORROWINGS**

Loans repayable on demand from Banks	
- Secured	511,549,475
- Unsecured	316,018,442
	<u>827,567,917</u>

Note: Includes ₹ 26,253,844/- share of Jointly Controlled Entities.

NOTE: 2.8**TRADE PAYABLES**

Creditors	1,498,082,561
	<u>1,498,082,561</u>

Note: Includes ₹ 24,272,591/- share of Jointly Controlled Entities.



	As At 31.03.2012 (₹)
<u>Note: 2.9</u>	
<u>OTHER CURRENT LIABILITIES</u>	
Current Maturity of Long-Term Debts	2,819,208
Current Maturity of other Long-Term Liabilities	60,114,057
Statutory Dues	180,857,858
Payable to Employees	47,033,040
Security Deposit	16,638,395
Advance from Customers	152,330,110
Unpaid Dividend	23,994,185
Proposed Dividend	423,200,532
Tax on Proposed Dividend	68,653,706
Others	1,380,317
	<u>977,021,408</u>

Note: Includes ₹ 7,128,405/- share of Jointly Controlled Entities.

Note: 2.10

SHORT-TERM PROVISIONS

Provision for Expenses	94,338,676
Provision for Employee Benefits	12,648
Accrued Interest on Loans	1,054,815
	<u>95,406,139</u>

Note: Includes ₹ 12,648/- share of Jointly Controlled Entities.



**NOTE : 2.11
FIXED ASSETS (CONSOLIDATED)**

(₹)

Description	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK
	As At 01.04.2011	Additions	Sales/ Adjustments	As At 31.03.2012	Upto 31.03.2011	For the Year	Sales/ Adjustments	Previous Year	Upto 31.03.2012	As At 31.03.2012
Tangible Assets:										
Freehold - Land	60,934,664	11,136,480	-	72,071,144	-	-	-	-	-	72,071,144
Leasehold - Land	97,711,360	-	-	97,711,360	-	-	-	-	-	97,711,360
Land Site & Development	-	148,035,745	-	148,035,745	-	-	-	-	-	148,035,745
Shed & Building	1,022,329,386	718,265,916	-	1,740,595,302	172,978,156	27,210,659	-	-	200,188,815	1,540,406,487
Plant & Machinery	3,308,349,983	2,956,589,305	16,159,240	6,248,780,048	1,421,390,626	167,210,613	2,726,200	(5,776)	1,585,869,263	4,662,910,785
Office Equipments	39,981,559	2,950,423	-	42,931,982	10,726,159	1,875,329	-	(2,076)	12,599,412	30,332,570
Computer	30,484,143	5,400,876	30,000	35,855,019	16,341,970	4,128,644	8,588	-	20,462,026	15,392,993
Furniture & Fixtures	43,267,405	15,287,550	7,876	58,547,079	11,877,174	2,807,687	7,482	(455)	14,676,924	43,870,155
Vehicles	91,771,692	9,221,230	3,360,844	97,632,078	28,394,080	9,724,276	2,184,659	-	35,933,697	61,698,381
Total (A)	4,694,830,192	3,866,887,525	19,557,960	8,542,159,757	1,661,708,165	212,957,208	4,926,929	(8,307)	1,869,730,137	6,672,429,620
Intangible Assets:										
Software	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	-	12,090,823	12,101,294
Total (B)	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	-	12,090,823	12,101,294
Additions in Tangible Assets on Account of Revaluation										
Freehold - Land	384,039,102	-	-	384,039,102	-	-	-	-	-	384,039,102
Shed & Building	1,984,703,009	-	-	1,984,703,009	89,689,488	44,844,744	-	-	134,534,232	1,850,168,777
Plant & Machinery	5,463,633,317	-	-	5,463,633,317	728,178,604	364,089,302	-	-	1,092,267,906	4,371,365,411
Total (C)	7,832,375,428	-	-	7,832,375,428	817,868,092	408,934,046	-	-	1,226,802,138	6,605,573,290
Total (A+B+C)	12,551,397,737	3,866,887,525	19,557,960	16,398,727,302	2,487,747,928	625,810,406	4,926,929	(8,307)	3,108,623,098	13,290,104,204
Note:- Net Fixed Assets includes ₹63,286,293 share of jointly controlled entities.										
Capital Work InProgress										
Land	123,180,805	9,782,240	129,463,044	3,500,001	-	-	-	-	-	3,500,001
Shed & Building	538,578,188	230,714,764	706,911,796	62,381,156	-	-	-	-	-	62,381,156
Plant & Machinery	1,684,368,039	346,826,000	1,999,700,025	31,494,014	-	-	-	-	-	31,494,014
Preoperative Expenses	98,073,520	4,874,620	101,943,650	1,004,490	-	-	-	-	-	1,004,490
Others	44,244,248	6,700,362	9,815,584	41,129,026	-	-	-	-	-	41,129,026
Total (D)	2,488,444,800	598,897,986	2,947,834,099	139,508,687	-	-	-	-	-	139,508,687
Current Year (A+B+C+D)										13,429,612,891

Note:- Includes ₹41,914,345 share of Jointly Controlled Entities.

* During the year depreciation amounting to ₹3,815,573/- pertaining to pre-operative portion has been capitalised. Accordingly, depreciation charged in profit and loss account has been netted off with this amount and shown at ₹200,838,043/-.

** Intra group elimination of borrowing cost of ₹1,258,492 is made in addition of Capital work in progress (Others).



	As At 31.03.2012	
	No. of Shares/ Units	(₹)
NOTE: 2.12		
INVESTMENTS		
(Fully paid up unless otherwise specified)		
I. NON-CURRENT		
A. Non-Trade		
Un-Quoted		
Equity Shares of Associate Company		
USD 1/- each of Jindal Pipes (Singapore) PTE Ltd.	4,500,000	222,581,250
Less: Share in Loss of Associate	-	(172,959)
	<u>4,500,000</u>	<u>222,408,291</u>
Equity Share		
Discovey Drilling PTE Ltd.	3,812,610	532,177,423
Bonds		
6.85% India Infrastructure Finance Company Ltd - Trench I Tax Free Bonds	2,000	205,700,000
10.30% Yes Bank Bonds	10	10,000,000
Quoted		
Equity Shares		
₹ 10/- each of Coal India Ltd.	15,016	5,585,493
₹ 10/- each of Electrosteel Steels Ltd.	22,300,000	139,726,927
₹ 5/- each of ISMT Ltd.	1,445,000	50,119,132
₹ 10/- each of Future Ventures India Ltd.	32,942,993	329,429,930
₹ 10/- each of Jindal South West Holding Ltd.	14,923	14,593,073
₹ 10/- each of JSW Steel Ltd.	170,212	133,980,882
₹ 10/- each of JSW Energy Ltd.	194,875	10,121,521
₹ 10/- each of Videocon Industries Ltd.	56,018	10,776,299
₹ 10/- each of Monnet Ispat & Energy Ltd.	343,517	167,392,322
₹ 5/- each of Welspun Corp Ltd.	35,200	5,863,341
₹ 10/- each of Reliance Industries Ltd.	29,800	25,038,630
₹ 10/- each of Orissa Sponge Iron & Steel Ltd.	200,000	62,120,200
		<u>1,925,033,464</u>



	As At 31.03.2012	
	<u>No. of Shares/ Units</u>	<u>(₹)</u>
II. CURRENT		
<u>Non - Trade</u>		
<u>Quoted</u>		
<u>Mutual Funds</u>		
Baroda Pioneer Liquid Fund - Inst. - Growth	40,707	50,000,000
Canara Robeco FMP - Series 6 - 13 Months (Plan B) - Growth	25,000,000	250,000,000
DWS FMP - Series I - Growth	10,000,000	100,000,000
DWS Fixed Term Fund - Series 80 - Growth	5,000,000	50,000,000
Fidelity FMP Series 6 - Plan E - Growth	20,000,000	200,000,000
Fidelity FMP Series 6 - Plan F - Growth	15,000,000	150,000,000
ICICI Pru. FMP Series 55 - 1 Year Plan G - Cummulative - Growth	8,000,000	80,000,000
ICICI Pru. FMP Series 54 - 1 Year Plan B Cumulative - Growth	20,005,367	200,053,670
ICICI Pru. FMP Series 61 - 1 Year Plan E- Cummulative - Growth	15,000,000	150,000,000
Indiabulls FMP 377 Days March 2012 (2) - Growth	5,000,000	50,000,000
Indiabulls Liquid Fund - Growth	288,026	300,000,000
Kotak FMP Series 70 - Growth	10,000,000	100,000,000
LIC Noumura MF FMP Series 52-367 Days - Growth	6,000,000	60,000,000
Principal PNB FMP Series A4 - 367 Days -77) - Regular - Growth	15,000,000	150,000,000
Reliance Fixed Horizon Fund XXI - Series 4 - Growth	21,622,142	216,221,419
Religare FMP - Series VII - Plan A- 370 Days - Growth	6,000,000	60,000,000
Religare FMP Series VIII Plan A- 368 Days - Growth	3,000,000	30,000,000
Religare FMP Series VIII Plan B - 13 Months - Growth	7,000,000	70,000,000
Religare FMP Series XI Plan F - 15 Months - Growth	7,000,000	70,000,000
Religare FMP Series XII Plan A - 370 Days - Growth	21,500,000	215,000,000
Religare FMP Series XII Plan B - 14 Months - Growth	6,308,150	63,081,500
Religare FMP Series XIII - Plan A (370 Days) - Growth	5,000,000	50,000,000
Religare FMP Series XIII Plan E 13 Months - Growth	6,000,000	60,000,000
Sundaram Fixed Term Plan AH 15 Months - Growth	4,000,000	40,000,000
TATA FMP Series 35 Scheme A - Growth	6,000,000	60,000,000
TATA FMP Series 30 Scheme C - Growth	5,000,654	50,006,540
UTI Fixed Term Income Fund - Series X - VI (368 days) - Growth	40,000,000	400,000,000
		<u>3,274,363,129</u>
Aggregate Value of Quoted Investments		4,229,110,879
Aggregate Value of Un-Quoted Investments		970,285,714
Market Value of Quoted Investments		4,252,280,963



	As At 31.03.2012 (₹)
NOTE: 2.13	
LONG-TERM LOANS AND ADVANCES	
(Unsecured, Considered Good)	
Capital Advances	56,965,617
Loan to Body Corporate	509,687,916
Security Deposit	858,869
	<u>567,512,402</u>

Note: Includes ₹ 858,869/- share of Jointly Controlled Entities.

NOTE: 2.14

INVENTORIES

(As Verified Valued and Certified by the Management)

Raw Material - Including Material In Transit	4,289,540,506
Finished Goods	1,363,750,268
Work - in - Process	1,094,492,277
Scrap	34,963,343
Stores & Spares	433,486,645
	<u>7,216,233,039</u>

Note: Includes ₹ 44,370,125/- share of Jointly Controlled Entities.

NOTE: 2.15

TRADE RECEIVABLES

(Unsecured, Considered Good)

Over six months	141,389,840
Others	3,466,270,445
	<u>3,607,660,285</u>

Note: Includes ₹ 28,334,133/- share of Jointly Controlled Entities.

NOTE: 2.16

CASH AND CASH EQUIVALENTS

Cash in hand	2,107,625
Balances with Scheduled Banks:	
- In Current Accounts	101,524,393
- In Unclaimed Dividend Accounts	21,759,175
- In Unclaimed Redemption Dividend Accounts	2,235,010
- in Fixed Deposit Account (Maturity With in 1 Year)	10,970,997
- In Fixed Deposit Account	88,446,094
	<u>227,043,294</u>

Note: Includes ₹ 152,665/- share of Jointly Controlled Entities.



	As At 31.03.2012 (₹)
NOTE: 2.17	
SHORT-TERM LOANS AND ADVANCES	
Advances Recoverable in cash or in kind	603,120,791
Loan to Body Corporates	1,180,765,358
Security Deposit Paid	56,057,116
Income Tax (Net of Provisions)	124,527,538
	<u>1,964,470,803</u>

Note: Includes ₹ 4,415,989/- share of Jointly Controlled Entities.

	Year Ended 31.03.2012 (₹)
NOTE: 2.18	
OTHER CURRENT ASSETS	
Balance with Excise and Sales Tax Authorities	500,000
Interest Accrued but not due	11,714,158
	<u>12,214,158</u>

Note: Includes ₹ 48,848/- share of Jointly Controlled Entities.

	Year Ended 31.03.2012 (₹)
NOTE: 2.19	
REVENUE FROM OPERATIONS	
Sale of Products:	
Manufacturing	23,493,519,008
Scrap	815,377,737
	<u>24,308,896,745</u>
Less : Excise Duty	1,365,103,106
	<u>22,943,793,639</u>
Income from Services	58,488,971
	<u>23,002,282,610</u>

Note: Includes ₹ 85,422,575/- share of Jointly Controlled Entities.

	Year Ended 31.03.2012 (₹)
NOTE: 2.20	
OTHER INCOME	
Dividend Received	1,031,803
Interest Received	188,706,464
Income from DEPB Licence	96,607,846
Profit on Sale of Current Investments (Net) - Non-Trade	401,191,783
Transport Charges Reimbursement	21,241
Rent Received	3,163,150
Liabilities written back	2,569
Miscellaneous Income	83,691,077
	<u>774,415,933</u>

Note: Includes ₹ 75,044/- share of Jointly Controlled Entities.



Year Ended
31.03.2012
(₹)

NOTE: 2.21

COST OF MATERIALS CONSUMED

Opening Stock	3,625,829,188
Add:Purchase (Including Direct Expenses)	16,716,591,926
	<u>20,342,421,114</u>
Less: Closing Stock	4,289,540,506
	<u>16,052,880,608</u>

Note: Includes ₹ 82,115,587/- share of Jointly Controlled Entities.

NOTE: 2.22

CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK- IN - PROCESS AND STOCK IN TRADE

Closing Stock:	
Finished Goods	1,363,750,268
Work - in - Process	1,094,492,277
Scrap	34,963,343
	<u>2,493,205,888</u>
Opening Stock:	
Finished Goods	1,080,609,638
Work - in - Process	437,945,883
Scrap	27,230,597
	<u>1,545,786,118</u>
Excise Duty on differential stock of Finished Goods	48,338,249
	<u>(899,081,521)</u>

Note: Includes Decrease in Inventory of ₹ 31,413,624/- share of Jointly Controlled Entities.

NOTE: 2.23

EMPLOYEE BENEFITS EXPENSE

Salary, Wages & Other Allowances	377,334,200
Contribution to PF & Other Funds	25,854,500
Staff Welfare Expenses	8,419,673
	<u>411,608,373</u>

Note: Includes ₹ 7,798,988/- share of Jointly Controlled Entities.

NOTE: 2.24

FINANCE COSTS

Interest to Banks	
- On Rupee Term Loan	1,284,976
- Working Capital Borrowings	9,949,561
- Others	23,522,946
Bank Charges & Commission	21,704,111
	<u>56,461,594</u>

Note: Includes ₹ 3,559,972/- share of Jointly Controlled Entities.



Year Ended
31.03.2012
(₹)

NOTE: 2.25**OTHER EXPENSES****Manufacturing Expenses**

Stores & Spares Consumed	664,247,224
Power & Fuel	1,971,320,840
Water Charges	6,261,372
Repair & Maintenance (Plant & Machinery)	20,040,793
Repair & Maintenance (Building)	3,174,082
Guage Charges	551,450
Labour Charges	264,696
Job Work Charges	197,773,335
	<u>2,863,633,792</u>

Note: Includes ₹ 4,775,439/- share of Jointly Controlled Entities.

Administrative Expenses

Rent	24,655,272
Rates & Taxes	12,518,269
Royalty	10,002,875
Telephone & Communication Expenses	9,259,536
Printing & Stationery	4,461,561
Travelling & Conveyance:	
- Directors	2,704,970
- Others	23,041,624
Vehicle Upkeep & Maintenance	13,215,681
Directors' Fee	510,000
Insurance	8,409,392
Staff Recruitment & Training Expenses	2,052,524
Repair & Maintenance (Others)	17,091,266
Legal & Professional Charges	14,487,470
Fees & Subscription	2,018,497
Licence Fees	6,811,893
Electricity Charges	6,677,996
Auditors' Remuneration :	
- Audit Fee	1,042,327
- Tax Audit Fee	200,000
- Company Law Matters	87,318
- Other Expenses	132,934
Internal Audit Fees	605,641



	Year Ended 31.03.2012 (₹)
Cost Audit Fees	60,000
Foreign Exchange Fluctuation (Net)	121,336,119
Provision For Bad & Doubtful Debts	24,750
VAT Expenses	1,997,150
Interst on VAT	1,173,325
General Expenses	9,475,246
Loss on Sale of Tangible Fixed Assets (Net)	670,404
	<u>294,724,040</u>

Note: Includes ₹ 15,441,865/- share of Jointly Controlled Entities.

Selling & Distribution Expenses

Tender Fee	864,062
Advertisement & Business Promotion	12,369,111
Freight Outward & Claims	156,444,296
Commission & Discount	166,833,740
Testing & Inspection charges	23,089,601
	<u>359,600,810</u>
	<u>3,517,958,642</u>

Note: Includes ₹ 97,970/- share of Jointly Controlled Entities.



2.26 PRINCIPLES OF CONSOLIDATION

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', Accounting Standard 23 (AS 23) on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 (AS 27) on 'Financial Reporting of Interests in Joint Venture' as notified under section 211 of the Companies Act, 1956 and on the basis of separate audited Financial Statements of Maharashtra Seamless Limited, its Subsidiaries, Associate and Joint Ventures. Reference in the notes to "Group" shall mean to include Maharashtra Seamless Limited, and its Subsidiaries, Associates and Joint Ventures consolidated in these Financial Statements, unless otherwise stated.
- b) The Consolidated Financial Statements have been prepared on the following basis:
 - i) The Financial Statements of the subsidiaries are combined on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses in the ratio of the shareholding in the subsidiary, after eliminating intra-group balances and intra-group transactions in accordance with AS 21 on 'Consolidated Financial Statements'.
 - ii) In case of an associate, the investment in the associate is accounted for using Equity method in accordance with AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.
 - iii) The Financial Statement of jointly controlled entity have been combined by applying proportionate consolidation method on line by line basis on items of the assets, liabilities, income and expenses after eliminating proportionate share of unrealised profits or losses in accordance with Accounting Standards-27 on " Financial Reporting of Interests in Joint Ventures"
 - iv) The difference between the cost of investments in the Subsidiaries/Associate/Joint Ventures, over the net assets at the time of acquisition of the investment in the Subsidiaries/Associate/Joint Ventures is recognized in the Financial Statements as Goodwill or Capital Reserve in consolidation, as the case may be.
 - v) The Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in the Consolidated Financial Statements.
 - vi) Comparative figures are not available as this is the first year in which the financials of Subsidiaries/Associates/Joint Ventures have been consolidated in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', Accounting Standard 23 (AS 23) on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 (AS 27) on 'Financial Reporting of Interests in Joint Venture' as notified under section 211 of the Companies Act, 1956. These were not applicable in the earlier years.
 - vii) The list of Subsidiaries/Associate/Joint Venture consolidated in the financials are:

Name of the Company	Year Ended 31.03.2012	Year Ended 31.03.2011	Date of Incorporation	Country
	(%)	(%)		
Subsidiary Companies				
Maharashtra Seamless (Singapore) Pte Limited	100.00	N.A.	06-06-11	Singapore
Maharashtra Seamless Finance Limited	100.00	N.A.	08-02-12	India
Associate				
Jindal Pipes (Singapore) Pte Ltd.	30.00	N.A.	06-06-11	Singapore
Joint Ventures				
Hydril Jindal International Private Limited*	49.89	49.89	10-02-05	India
Gondkhari Coal Mining Limited	30.30	30.30	26-02-10	India

* Audited financials of Hydril Jindal International Private Limited as at March 31, 2012 were not available and the same have been consolidated on the basis of provisional financials as provided to us by the Management of Hydril Jindal International Private Limited as at March 31, 2012.

- viii) The company has applied AS -23, Accounting for Investments in Associates in the Consolidated Financial Statement issued by ICAI. In accordance with the disclosure requirement of AS-23 relating to Associate Companies are given below:-



The company recognises those investee entities as associates which are not considered as subsidiary, but in which it hold directly or indirectly(thru subsidiaries) 20% or more voting power:-

Name of Associate	% of Voting Power	% of Shareholding	Share of (Loss) in Current Year (₹)
Jindal Pipes (Singapore) Pte Ltd.	30	30	(172,959)
Total			(172,959)

2.27 CONTINGENT LIABILITIES

- a) Letters of Credits - ₹ 2,589,174,373/-
- b) Bank Guarantees & Others - ₹ 2,865,735,971/-
- c) Sales Tax Demand under Appeal - ₹ 465,199/-
- d) Income Tax Demand under Appeal - ₹ 3,558,098/-
- e) Excise Duty Demand under Appeal - ₹ 190,325,905/-
- f) Indian Oil Corporation Ltd. (IOCL) had raised a claim of ₹ 179,848,064/- during the financial year 2008-09 & against the above mentioned claim a performance bank guarantee of ₹ 85,279,100/- was given to IOCL, which was realized by them, and an equivalent amount is charged in the Profit & Loss Account in financial year 2008-09. The matter is still under dispute and arbitration proceeding is going on. Any further demand, if any, will be provided for on the date of final settlement.

2.28 Estimated amount of contracts remaining to be executed on Capital Account, net of advances, and not provided for ₹ 144,064,020/-.

2.29 The amount of Exchange Difference (Net)

- a) The Loss of Foreign Exchange Fluctuation (Net) ₹ 121,336,119/-, as shown in the Note No. 2.24 of Profit & Loss Account, has been arrived at after considering loss of ₹ 195,620,698/- and gain of ₹ 74,284,579/-. Further, no mark to market Gain/(Loss) has been recognised as the company has not entered into any transaction of financial instrument as specified in Accounting Standard 30" Financial Instruments: Recognition and Measurement" issued by ICAI.
- b) Foreign Currency Exposure those are not hedged: ₹ 21,191,374

2.30 SEGMENT REPORTING POLICIES

Identification of Segments

Primary Segment

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The two identified segments are Steel Pipes & Tubes and Power-Electricity.

Inter Division transfers of goods, as marketable products produced by separate divisions of the company for captive consumption are made as if sales were to third parties at current market prices and are included in turnover.

Segment Information

Segment Revenues, Results and Other Information:

(₹ in Lacs)

Particulars	Steel Pipes & Tubes	Power-Electricity	Others	Total
Revenue from Operations	229,189	834	6,765	236,788
Other Operating Income	979	-	-	979
Inter-Segment Sales	-	634	-	634
Segment Results	37,576	477	6,765	44,818
Finance Costs	555	-	10	565
Other Un-Allocable Expenditure	-	-	16	16
Profit Before Tax	37,021	477	6,739	44,237
Segment Assets (Including Capital Work In Progress, Excluding Revaluation)	175,794	11,960	70,472	258,226
Segment Liabilities	27,968	5,714	5,359	39,041
Un-Allocable Liabilities				9,601
Capital Employed				209,584



2.31 **Related Parties Disclosures as per Accounting Standard – 18.**

List of Related Parties with whom transactions have taken place during the year:

a) **Associate Company**

Jindal Pipes (Singapore) Pte Ltd.

b) **Key Management Personnel**

Shri Saket Jindal

Shri S. P. Raj

c) **Relatives of Key Management Personnel**

Shri D.P. Jindal

Smt. Savita Jindal

Shri Raghav Jindal

Smt. Rachna Jindal

Smt. Shruti Jindal

Details of Transactions during the year are as follows:

(₹)

	Particulars	2011-12
i)	Purchase & Other Services from related parties Relatives of Key Management Personnel	100,552
ii)	Investment in related parties Associate Company	222,581,250
iii)	Loans/Inter Corporate deposits given (Maximum Outstanding) Associate Company	169,924,280
iv)	Interest Received from related parties Associate Company	1,988,755
v)	Rent paid to related parties Relatives of Key Management Personnel	300,000
vi)	Remuneration Key Management Personnel Relatives of Key Management Personnel	17,459,202 1,908,065
vii)	Dividend Paid Key Management Personnel Relatives of Key Management Personnel	10,174,584 2,003,670
viii)	Balance Payable by the Company at the year end Relatives of Key Management Personnel	98,540
ix)	Balance Receivable by the Company (including Loans if any) at the year end Associate Company	169,924,280

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from or to any related parties.

Intra group Transaction with Subsidiary and Joint Venture are eliminated



2.32 Earning Per Share computed in accordance with Accounting Standard – 20

Particulars	31.03.2012
Net Profit available for equity shareholders (₹) (a)	3,084,366,988
Weighted average number of equity shares of (₹) 5/- each (b)	70,533,422
Basic / Diluted Earning per share (₹) (a/b)	43.73

2.33 Disclosure of loan/ advances and investment in its own shares by the company ,its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement :

Name of Company	Balance As At (₹)	Maximum outstanding (₹)
	31.03.2012	31.03.2012
A) Loan and advances in the nature of loan given to subsidiary,Associates Jindal Pipes (Singapore) Pte Ltd.	169,924,280	169,924,280
B) Loan and advances where repayment schedule is not specified / is beyond 7 year Jindal Pipes (Singapore) Pte Ltd. Hydril Jindal International Pvt. Ltd. Gondkhari Coal Mining. Ltd.	169,924,280 56,094,461 42,593,853	169,924,280 100,026,887 42,593,853
C) Loans and advances in the nature of loans where interest is not charged or charged below bank rate Maharashtra Seamless Limited Employee Welfare Trust*	480,000,000	480,000,000
D) Invesments made in Equity Shares of the company by Maharastra Seamless Limited Employee Welfare Trust* (" a Loanee") are of ₹ 480,772,485/-		

* Maharastra Seamless Limited Employee Welfare Trust is not a related party as per AS 18, issued by ICAI.

2.34 Paise have been rounded off to the nearest rupee.

**Information Regarding Subsidiary Companies for the Year Ended 31st March 2012**

S.No.	Particulars	Reporting Currency	Name of Subsidiary Company	
			Maharashtra Seamless (Singapore) Pte. Ltd.	Maharashtra Seamless Finance Ltd.
1.	Capital (Incl. Share Application Money)	INR	35,809,550	20,000,000
		USD	700,000	-
2.	Reserves	INR	11,716,834	(282,739)
		USD	229,039	-
3.	Total Assets	INR	561,483,666	20,000,000
		USD	10,975,803	-
4.	Total Liabilities	INR	561,483,666	20,000,000
		USD	10,975,803	-
5.	Investments	INR	541,562,251	-
		USD	10,586,382	-
6.	Turnover	INR	14,343,618	-
		USD	280,387	-
7.	Profit Before Taxation	INR	12,852,508	(282,739)
		USD	251,239	-
8.	Provision for Taxation	INR	1,135,674	-
		USD	22,200	-
9.	Profit After Taxation	INR	11,716,834	(282,739)
		USD	229,039	-
10.	Proposed Dividend	INR	-	-
		USD	-	-
11.	Country		Singapore	India

MAHARASHTRA SEAMLESS LIMITED

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

PROXY FORM

Folio No.

DP Id*

Client Id*

I/Weof being a Member/ Members of Maharashtra Seamless Limited do hereby appointofor failing him / her.....of.....as my / our Proxy to attend and vote for me / us on, my / our behalf at the 24th Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 and at any adjournment thereof.

Date

Signature(s)

Revenue
Stamp

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

* Applicable for investors holding shares in demat form.

MAHARASHTRA SEAMLESS LIMITED

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

ATTENDANCE SLIP

Folio No.

DP ID*

CLIENT ID*

I hereby record my presence at the 24th Annual General Meeting of the Company held at Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road, Taluka-Roha, Distt. Raigad - 402 126, Maharashtra at 11.30 A.M. on Friday 28th September, 2012.

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

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

No. of Shares held

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

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

* Applicable for investors holding shares in demat form.

ERW Pipes manufactured by
Maharashtra Seamless Ltd.
are branded as



Trust the Leader.



MAHARASHTRA SEAMLESS LIMITED

Corporate Office:

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

Regd. Off. & Works:

Pipe Nagar, Village Sukeli, N. H. -17, B.K.G. Road, Distt. Raigad - 402 126, Maharashtra (India)
Tel. : +91 2194 238511 / 12/ 16 Fax: +91 2194 238513
e-mail: seamless@sacharnet.in

Website: www.jindal.com