

JAYASWAL NECO INDUSTRIES LIMITED

(FORMERLY JAYASWALS NECO LIMITED)

REGD. OFFICE : F-8, MIDC INDUSTRIAL AREA, HINGNA ROAD, NAGPUR - 440 016 (INDIA)
PHONES : +91-7104-237276, 237471, 237472, 236251, **FAX :** +91-7104-237583, 236255
E-mail : contact@necoindia.com **Website :** www.necoindia.com



11th September, 2012

To,
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
MUMBAI - 400 051

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
MUMBAI - 400 001

Dear Sirs,

Sub : Clarification on Coal Block Allotments to the Company

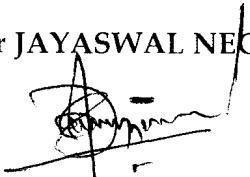
Ref : BSE - 522285
NSE - JAYNECOIND

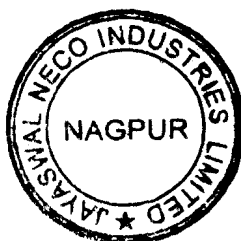
In pursuance of the Listing Agreement with the Stock Exchanges kindly find attachment being the clarification released by the Company in the matter of Coal Block Allotments to the Company, in response to the media reports and articles on the issue of Coal Block allocation, for your information and records.

You are requested to kindly acknowledge the receipt.

Thanking You,

For JAYASWAL NECO INDUSTRIES LIMITED


A D KARAJGAONKAR
COMPANY SECRETARY



Encl. : As above.

BRANCH OFFICES :

"NECO HOUSE" D-307, Defence Colony,
NEW DELHI - 110 024. (INDIA)
PHONES : 011-24641579
FAX NO. : 011-24642190

301, TULSIANI CHAMBERS
NARIMAN POINT, MUMBAI 400 021 (INDIA)
PH. : (022) 2282-0967, (022) 2282-3273
(022) : 22832381 FAX : (022) 22832367

TRUST HOUSE, 5th FLOOR,
32-A, CHITTARANJAN AVENUE,
KOLKATA - 700012 INDIA FAX : 033-22122560
PHONES: 033-22122368. 22120502

178-A, LIGHT INDUSTRIAL AREA,
BHILAI - 490026 CHHATISGARH, INDIA
PHONES : 0788-2381858, 2381859, 60, 61, 62
FAX : 0788-2286679

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CLARIFICATION ON COAL BLOCK ALLOTMENTS TO THE COMPANY

Jayaswal Neco Industries Limited, Nagpur is the flagship Company of Neco Group of Industries. In response to various media reports and articles on the issue of coal block allocations we thought it proper to clarify our position in the matter.

It is to be noted that Jayaswal Neco Industries Limited is not subject matter of any ongoing investigation in the matter of coal block allotments nor has any FIR been filed against it. The Coal Blocks of the Company have been allotted to meet captive coal requirements.

We have followed the due process of law, prevailing Government policies and complied with all the rules and regulations in the matter of coal block allotments to the Company.

The Company had made application for allotment of coal mines in the year 1998. The Ministry of Coal had allotted Gare Palme IV/4, Steam/Non-Coking Coal Block at Raigarh in Chhattisgarh, in August, 1999 for captive use to meet the requirement of our Sponge Iron Plant. Due to availability of lower reserves of coal at the time of detailed exploration, the Ministry of Coal had allotted Gare Palma IV/8 Coal Block at Raigarh, Chhattisgarh to make up the balance coal requirement of our 1 MTPA Sponge Iron Plant.

Gare Palma IV/4 Coal Mine is under Operation since July, 2006 at its full rated capacity. The entire production of coal being produced from Gare Palma IV/4 Coal Mine is being captively used in our existing Sponge Iron Plant. The Gare Palma IV/8 Coal Block is at present under development and most of the clearances have been obtained. We expect to start coal production from this Mine during the financial year 2013-14.

The Company had applied for Coking Coal Mine and the Ministry of Coal had allotted Choritand Tilaiya and Jogeswar Coking Coal Blocks in Jharkhand in April, 2000 to meet the Coking Coal requirements of our existing Pig Iron Plant at Raipur. Due to Geological Disturbance & Litigation, the Ministry of Coal had changed the location and allotted Moitra Coking Coal Block at Hazaribagh in Jharkhand in May, 2005. This coal mine is under development, land acquisition is in progress and environmental clearance has already been received.

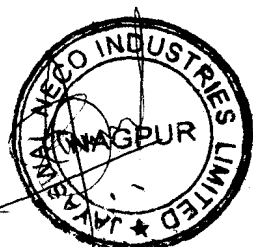
Further it is to be noted that post family division, the Neco Group is managed by Mr Arbind Jayaswal, Managing Director and Mr Ramesh Jayaswal, Joint Managing Director of the Company.

For Jayaswal Neco Industries Limited

Authorised Signatory



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