



JAI BALAJI INDUSTRIES LIMITED

Ref : JBIL / SE / 2010-11

Date : 19th January, 2011

Listing Department,
National Stock Exchange of India Limited,
"EXCHANGE PLAZA" C-1, Block G,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sir,

Sub: Announcement for the financial closure of Phase 1A of the Purulia Steel Plant, Raghunathpur, West Bengal

This is to inform that the Company is embarking on setting up a 5 Million ton steel plant alongwith a 1215 MW Power Plant at Raghunathpur at Purulia, West Bengal. The project is planned to be setup in modules. For financing of the 18.7 Billion Phase 1A of the project the Company has achieved the financial closure Rs. 12.3 Billion, from the consortium of banks headed by State Bank of India with other banks including Bank of Baroda , Union Bank of India ,Oriental Bank of Commerce , Allahabad Bank, Bank of India , United Bank of India , Indian Overseas Bank, State Bank of Bikaner and Jaipur, State Bank of Mysore, Dena Bank and The Federal Bank Ltd. Balance amount of Rs 6.40 billion will be funded through a mix of Internal accruals and fresh equity. The said project shall be completed within a span of 30 months.

This mega project is another step by the company to enhance its presence in Steel and Power business in the state of West Bengal, Currently, the Company is running a fully integrated steel plant in Durgapur and Project work is on the verge of completion with 350000 ton Coke Oven plant scheduled to be completed by Sept 2011.

We also proud to announce that our Ductile iron plant started commercial operation from 3rd November 2010 after the receipt of all the BIS approvals. The unit has already achieved a capacity utilisation in excess of 30% in the 1st quarter of operation. The products meet all the stringent quality standards and have been well

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received by the customers. We also have a pending order book of approx 50000 tons which we plan to execute in the coming quarters. We are also proud to announce signing of annual rate contract with state government of Rajasthan for supply of majority portion of their ductile pipes requirements during the calendar year 2011-12. We have also been selected for supply of pipes to the state of Jammu and Kashmir in the tender bidding process. During this first quarter of operation we have been able to supply pipes all over the country.

The Purulia steel plant is a green field project and substantial Infrastructure development works which commensurate with the requirement of a large steel plant, needs to be completed. This extensive work on infrastructure will serve as a base for a much larger expansion at this location, which has already started. Along with this we also intend to put up an initial production capacities of 2.0 million ton Beneficiation plant, 1.2 million ton Pallet plant, 0.66 million ton DRI, 0.3 million ton Electric Arc Furnace, 70 MW Waste Heat Recovery Plant along with Private Railway siding which will be suitable to cater to a much larger capacity.

The company already received the statutory permissions including the railway traffic clearance, water clearance, environment clearance in addition to the land for the project. Most importantly, the company already had been allocated thermal coal from Jagannathpur A and Jagannathpur B for the project by WBMTDC. Exploration work at Jagannathpur A & B is completed and Geological reserve report has been prepared. The company plans to complete of this phase of the project in commensurate with the production of coal from these two mines.

Thanking you,
Yours faithfully,

For JAI BALAJI INDUSTRIES LIMITED

RAJ KUMAR SHARMA
CHIEF FINANCIAL OFFICER

Cc.: The Secretary, - For your kind information and record.
The Calcutta Stock Exchange Limited
Cc.: The Manager, - For your kind information and record.
Bombay Stock Exchange Limited