



BEYOND CHALLENGES

ANNUAL REPORT 2008 - 09





MEETING CHALLENGES-GOING FORWARD

TOGETHER-TOWARDS ACHIEVING OUR GOAL

GOING BEYOND-MEETING CHALLENGES-GOING FORWARD

PURSUIT OF EXCELLENCE

GOING FORWARD WITH RENEWED STRENGTH

EXPANDING FOOTPRINTS

BUILDING STAINLESS TOMORROW

TOGETHER-TOWARDS ACHIEVING OUR GOAL

Together, Towards Stainless Tomorrow

As industry leaders, we recognize the need to stay ahead with the ever-changing business environment and market dynamics. For over four decades JSL Limited (formerly Jindal Stainless Limited) has led the way with continuous innovation and fully integrated manufacturing capabilities to be the best in business and has come a long way from just being a stainless steel producer alone.

Today we are well onto our goal of becoming the most cost competitive stainless steel producer worldwide, with strategic upstream and downstream integration. Re-instating our leadership, we aim to strengthen our business synergies in areas of Mines & Minerals, Energy, Ferro Alloys, Value-Added Products and applications, equipped with a robust distribution network.

JSL will continue to follow its vision and commitment towards providing excellence and expertise and build on the history of innovation, leadership and customer-intensive approach.

We remain committed to re-discover our strengths in light of re-structured goals, corporate strategies and long-term objectives of sustainable growth & value-addition for all our stakeholders.



Shri O.P. Jindal

August 7, 1930 – March 31, 2005

OUR INSPIRATION

Vision

*"A Challenge is nothing but an Education;
Nothing but an Opportunity to Do something Better."*



Dear Shareholders,

Combining forces in times of adversity and rising above challenges, reflect true leadership strengths and a sustainable business model. Over the past year, global economic fundamentals have deteriorated significantly impacting growth across business sectors. Stainless steel industry was no exception to the impact but JSL could absorb the adversity with experienced understanding of expertise, enterprise and execution.

JSL as the industry leader has subsequently effectuated corrective measures to both address and make progress over these challenges, going forward. In tandem with this momentum, JSL has initiated strategic growth plans in both domestic & international markets; the company has made strategic investments towards capacity expansions and is in steady progress with re-structured goals, corporate strategies and long-term objectives of sustainable growth and value-addition for all the stakeholders.

Going beyond challenges, JSL has remained committed to achieve the competitive edge through robust strategy and the ability to see the future forward. In an ever more competitive global economy, we continue to ensure that social developmental needs are not neglected, while we diligently work towards our corporate vision of continued industry leadership and add value to all our stakeholders.

Our business activities have always aligned with our strong values, enabling us to manage our corporate affairs with diligence, transparency, responsibility and accountability. The focus on key goals remains within the framework of our core values for the people and community we operate in. The company moves in accordance of both long-term and medium-term business plan strategies and continues to invest in environmental conservation and improvements thereof.

As we work together towards achieving our vision, we pledge to effectively address the veritable challenges of the world we live in. We strongly recognize the trust of our stakeholders reposed on us, and it is your conviction that will lead us further towards greater cause and growth.

I look forward for your unwavering support in our endeavour to provide sustained value addition to all our stakeholders.

Savitri Jindal
Chairperson

Taking the leadership forward

BEYOND CHALLENGES



Rising above challenges and meeting targets with greater strength forward, has been at the core of JSL (formerly Jindal Stainless) over the four decades of Stainless leadership. JSL Limited, re-christened in the new light of our forward vision, has closed the last fiscal having both absorbed and implemented corrective measures from the learning experience of an extremely challenging year for

our business & industry alike. As the global economy witnessed severe economic slowdown, afflictions that started as financial sector issues in the US spread fast to other sectors of the

economy across the globe. Even though the overall Indian economy clocked some growth over the past year, many sectors like automobiles, capital goods, consumer durables and realty decelerated significantly towards the second half of last year. Exports sector too experienced suffered performance - well below expectations. The stainless steel industry was no exception and exhibited the overall meltdown.

Clearly the last fiscal accounted for one of the most adversely affected year for Stainless Steel industry to date.

Going beyond the normal seasonal factors influencing Stainless Steel industry, the past year experienced extremely depressed second half, in relative buoyancy of the first half. Further the volatility in raw material prices and overall worldwide economic downturn, added to the turmoil. By the third quarter, the financial and economic crisis combined with a massive drop in raw material prices, extensively affected most industries. Our industry did not escape and the aftershocks were evident in company's performance irrespective of anticipatory measures undertaken.

Demand disruptions, fall in Stainless Steel & Ferro Alloy prices and volatility in raw material prices, resulted in significant losses for the company - thus adversely

As per the International Stainless Steel Forum (ISSF), the total world stainless steel production in 2008 was 6.9% lower than year 2007 and this was the second consecutive year that the industry witnessed distinct decrease in world stainless steel production.



impacting the balance sheet. Company's earnings during the financial year 2008-09, sustained gross revenue at Rs.52950.5 million while net loss incurred during the financial year was Rs.5798.2 million.

Having accepted and absorbed the adverse impacts, JSL identifies sustainable measures to address the challenges going ahead; we continue to remain steady towards the company's strategic path to emerge as the most cost competitive and sustainable stainless steel company worldwide, with high level of upstream and downstream integration. In a time when most of the stainless steel companies were operating well below their installed capacities, margin management emerged as a significant challenge in the context of the highly volatile commodity and cost environment. JSL managed the resultant impact by way of optimised product mix, improvement programme and stringent cost control measures. This allowed us to deliver margin improvements in fourth quarter while continuing to invest in our business.

During the year, JSL Hissar plant achieved capacity expansions across its hot rolling, cold rolling and special products units, with impetus on production of value added stainless steel products. Also in the period, the company made significant progress towards implementation of the integrated Stainless Steel facilities at JSL Orissa plant. On account of these strategic capacity expansions, we envisage increased production growth in the ensuing quarters, thus contributing towards positive growth of the company.

Our intrinsic customer oriented approach, was further fortified with expanding distribution channels and service centers across key locations in India and abroad. Jindal Stainless Steelway Limited (the service centre arm of JSL) has two fully operational service centers in northern and western India; while additional two are under way commissioning at key locations across India. Internationally, JSL entered into a joint venture agreement to develop a service centre in Spain and will produce custom-tailored formats for the European markets.

We realize and understand every adversity is accompanied with opportunities leading to succeeding gains and it only takes determined focus to accomplish defined objectives, guided by the corporate vision.

Significant consumption of Stainless Steel is expected in the domestic transportation and architectural, building & construction

sectors. Infrastructure development is key to country's growth and investment impetus is seen in the sector, pointing towards a promising future for urban development and increased stainless steel consumption.

"Sustainable Stainless" is the key to future growth and we recognise that focus on sustainable solutions is the only way forward for long-term sustenance. We, at JSL, remain committed to exceed our competitive advantages by strengthening our focus on:

- **People**
Health & Safety
Be an admired industry leader
Nurture progressive leadership talent
- **Planet**
Green practices
Minimise Carbon footprint
Reduce Waste
- **Profit**
Cost competence
Improved Efficiencies
Long-term commitments

We continue to take measures to re-structure our business model capable of absorbing adverse market conditions and greater impacts of global uncertainty, while staying focused on attaining an optimal capital structure for sustained growth and liquidity.

Moving forward, I would like to reiterate that we remain focused on competitive, profitable and sustainable growth for the company and all our stakeholders. As we stand united in shared vision & strength, it gives immense pleasure to have the continued support and faith of our stakeholders, towards the company and its vision.

I also take this opportunity to extend my sincere gratitude to the JSL family of talented work force, enabling us together, towards continued success.

Ratan Jindal

VC & MD

*Enterprise
Excellence*



*Leadership
Innovation
Integratio*

Board of Directors

Chairperson	Savitri Jindal
Vice Chairman & Managing Director	Ratan Jindal
Directors	Naveen Jindal
	Suman Jyoti Khaitan
	L.K. Singhal
	T.R. Sridharan
	Satish Tandon
	T.S. Bhattacharya
Director – Strategy & Business Development	Arvind Parakh
Executive Director	N.P. Jayaswal
Company Secretary	Jitendra Kumar
Management Team	
Director (Operations - Hisar Unit)	S. Bhattacharya
Director (Sales & Marketing)	R. K. Goyal
Director (Projects - Orissa Unit)	R. S. Ravi
Bankers	State Bank of India
	State Bank of Patiala
	Punjab National Bank
	Canara Bank
	Standard Chartered Bank
	ICICI Bank
	Axis Bank
	Bank of Baroda
Statutory Auditors	Messrs Lodha & Co., Chartered Accountants
	Messrs S.S. Kothari Mehta & Co., Chartered Accountants
Cost Auditors	Messrs Ramanath Iyer & Co., Cost Accountants
Registered Office	O.P. Jindal Marg, Hisar -125 005 (Haryana)
Works	Hisar (Haryana), Kothavalasa (A.P.), Danagadi, Dist. Jajpur (Orissa)

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Notice

NOTICE is hereby given that the **29th Annual General Meeting** of shareholders of **JSL LIMITED** (formerly Jindal Stainless Limited) will be held on **Friday, 4th day of September, 2009 at 12.00 noon at Registered Office** of the Company at O.P. JINDAL MARG, HISAR (HARYANA) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of Directors.
2. To appoint a director in place of Sh. Suman Jyoti Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Dr. L.K. Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Sh. N.P. Jayaswal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Lodha & Co., Chartered Accountants and M/s. S.S. Kothari Mehta & Co., Chartered Accountants as joint statutory auditors of the company, to conduct audit of books of accounts of the company and hold office from the conclusion of this annual general meeting to the conclusion of the next annual general meeting and to re-appoint M/s. N.C. Aggarwal & Co., Chartered Accountants, as branch auditors of Visakhapatnam division of the company.

AS ORDINARY RESOLUTIONS:

- I. **“RESOLVED** that the retiring joint statutory auditors, M/s. Lodha & Co., Chartered Accountants, and M/s. S.S. Kothari Mehta & Co., Chartered Accountants, who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as joint statutory auditors of the company to conduct audit of the books of accounts of the company for the year 2009-10 and to hold office until the conclusion of the next annual general meeting at a remuneration to be finalised by the Board of Directors.”
- II. **“RESOLVED FURTHER** that M/s. N.C. Aggarwal & Co., Chartered Accountants, be and are hereby re-appointed as Branch Auditors of Visakhapatnam division of the company for the year ending 31st March, 2010 on the terms and conditions and remuneration as may be finalised by the Board of Directors.”

SPECIAL BUSINESS:

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS:

6. AS AN ORDINARY RESOLUTION:

“RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. Satish Tandon, an Additional Director of the company who holds office upto the date of this annual general meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

7. AS AN ORDINARY RESOLUTION:

“RESOLVED that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. T.S. Bhattacharya, an Additional Director of the company who holds office upto the date of this annual general meeting pursuant to section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the company, liable to retire by rotation.”

8. AS A SPECIAL RESOLUTION:

“RESOLVED that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended, as also provisions of Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000, as amended (the “SEBI Guidelines”), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, as amended, if applicable, any other

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applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors or any duly constituted committee thereof shall be authorised by the Company to create, offer, issue and allot in one or more tranche(s), in the course of domestic or international offerings, with or without an over allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law from time to time, equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCDs"), Bonds with share warrants attached, Global Depositary Receipts ("GDRs"), American Depositary Receipts ("ADRs") or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not or with or without detachable warrants (hereinafter referred to as "securities"), whether to be listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee-denominated or denominated in foreign currency, provided that the aggregate number of equity shares so issued or the equity shares to be issued on conversion of such securities together with the over allotment option, if any, shall be up to an aggregate principal amount of USD 150 Million (United States Dollars One Hundred Fifty Million) or its equivalent in any other currency."

"RESOLVED FURTHER that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue."

"RESOLVED FURTHER that such of these securities as are not subscribed may be disposed of by the Board or any committee thereof in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993 as may be amended from time to time."

"RESOLVED FURTHER that the issue of Securities shall be subject to the following terms and conditions:

- (a) The Securities shall be subject to the provisions of Memorandum and Articles of Association of the Company and in accordance with the terms of the issue; and
- (b) The number and/ or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring."

"RESOLVED FURTHER that the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board or any committee thereof in accordance with the Articles of Association of the Company."

"RESOLVED FURTHER that subject to the applicable laws the Board or any committee thereof be and is hereby authorised to do such acts, deeds and things as the Board or any committee thereof in its absolute discretion deems necessary or desirable in connection with the issue of the securities, including, without limitation of the following:

- (a) decide the date for the opening of the issue of securities;

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- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities
- (c) finalisation and approval of (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the Deposit Agreement(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBs/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;
- (f) deciding the pricing and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/GDRs/ADRs, as per applicable laws, regulations or guidelines;
- (g) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue; and
- (h) finalisation of the basis of allotment of the securities on the basis of the subscriptions received (including in the event of over-subscription);
- (i) seeking the listing of the securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (j) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of powers of attorney, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;
- (k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities.

“RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolutions, Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Arvind Parakh, Director – Strategy & Business Development and Mr. N.P. Jayaswal, Executive Director (the “Committee”) be and are hereby authorized severally to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities.”

“RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.”

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“RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depositary receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.”

9. AS A SPECIAL RESOLUTION:

“RESOLVED that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended, as also provisions of Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000, as amended (the “SEBI Guidelines”), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors or any duly constituted committee thereof shall be authorised by the Company to, in accordance with the SEBI Guidelines as may be amended from time to time, create, offer, issue and allot in one or more tranche(s), in the course of qualified institutional placements, to qualified institutional buyers, whether shareholders of the Company or not, through a qualified institutional placement within the meaning of Chapter XIII A of the SEBI Guidelines and/or as may be permitted under applicable law from time to time, equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to, Optionally Convertible Debentures (“OCDs”), bonds with share warrants attached, or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not or with or without detachable warrants (hereinafter referred to as “securities”), to be listed on any stock exchange in India, through an offer document and/or offer letter, and/or placement document and/or offering circular, whether rupee-denominated or denominated in foreign currency, provided that the aggregate number of equity shares so issued or the equity shares to be issued on conversion of such securities together with the over allotment option, if any, shall be up to an aggregate amount of Rs.750 crore.”

“RESOLVED FURTHER that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue.”

“RESOLVED FURTHER that such of these securities as are not subscribed may be disposed of by the Board or any committee thereof in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.”

“RESOLVED FURTHER that in case of a qualified institutional placement pursuant to Chapter XIII A of the SEBI Guidelines, the allotment of securities shall only be to qualified institutional buyers within the meaning of Chapter XIII A and the relevant date for the determination of the price of the equity shares to be issued or issued pursuant to conversion, shall be the date on which the Board of Directors or a committee thereof decides to open the issue, or such other time as shall be determined in accordance with the SEBI Guidelines as may be amended from time to time.”

“RESOLVED FURTHER that the issue of Securities shall be subject to the following terms and conditions:

- (a) The Securities shall be subject to the provisions of Memorandum and Articles of Association of the Company and in accordance with the terms of the issue; and
- (b) The number and/ or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.”

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“RESOLVED FURTHER that the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board or any committee thereof in accordance with the Articles of Association of the Company.”

“RESOLVED FURTHER that subject to the applicable laws the Board or any committee thereof be and is hereby authorised to do such acts, deeds and things as the Board or any committee thereof in its absolute discretion deems necessary or desirable in connection with the issue of the securities, including, without limitation of the following:

- (a) decide the date for the opening of the issue of securities;
- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;
- (c) finalisation and approval of (including amending, varying or modifying, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding, escrow agreement, and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;
- (f) deciding the pricing and terms of the securities, and all other related matters, as per applicable laws, regulations or guidelines;
- (g) finalisation of the basis of allotment of the securities on the basis of the subscriptions received (including in the event of over-subscription);
- (h) seeking the listing of the securities on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (i) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue; and
- (j) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;
- (k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities.”

“RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.”

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“RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolutions, Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Arvind Parakh, Director – Strategy & Business Development and Mr. N.P. Jayaswal, Executive Director (the “Committee”) be and are hereby authorized severally to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities.”

10. AS SPECIAL RESOLUTIONS:

- (I) **“RESOLVED** that in supersession of earlier resolution passed by the Shareholders in the Annual General Meeting held on 16th September, 2008, pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (hereinafter referred to as “SEBI Guidelines”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, whether whole time or otherwise, options exercisable into not more than 40,00,000 (forty lac) equity shares of the Company (including any equity shares issued pursuant to the Resolution at Item No. 10(II) of the Notice) under one or more Employee Stock Option Scheme(s) (“ESOP”), in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs.2 each fully paid-up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER that the number of options that may be granted to any Non-Executive director (including any independent director) in any financial year under the Scheme shall not exceed 15,000 and in aggregate shall not exceed 75,000.

RESOLVED FURTHER that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 40,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER that the Board including the Compensation Committee be and is hereby authorized to decide about the manner in which and employees to which options may be granted.

RESOLVED FURTHER that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions, to issue clarification for removal of difficulties/ doubts etc. in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

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- (II) **“RESOLVED** that in supersession of earlier resolution passed by the Shareholders in the Annual General Meeting held on 16th September, 2008, pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI Guidelines”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of

1. Jindal Stainless UK Limited
2. Jindal Stainless FZE
3. PT Jindal Stainless Indonesia
4. Jindal Stainless Italy S.r.l.
5. Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey
6. Jindal Stainless Steelway Limited
7. Austenitic Creations Private Limited
8. Jindal Architecture Limited
9. Green Delhi BQS Limited
10. Parivartan City Infrastructure Limited
11. JSL Group Holdings Pte. Ltd., Singapore
12. JSL Ventures Pte. Ltd., Singapore;
13. JSL Europe S.A., Switzerland
14. JSL Minerals & Metals S.A., Switzerland
15. Jindal Aceros Inoxidables S. L., Spain
16. JSL Logistics Limited
17. Iberjindal S.L., Spain

the subsidiaries of the company and such further subsidiaries that may be acquired by the company, including any Director of the Company, whether whole time or otherwise, options exercisable into shares or securities convertible into 40,00,000 equity shares of the Company (including any equity shares issued pursuant to the Resolution at Item No. 10(I) of the Notice) under one or more Employee Stock Option Scheme(s) (“ESOP”), in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs.2 each fully paid-up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above overall ceiling of 40,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the Employee Stock Option Scheme and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

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RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER that the Board including the Compensation Committee be and is hereby authorized to decide about the manner in which and employees to which options may be granted.

RESOLVED FURTHER that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions, to issue clarification for removal of difficulties/ doubts etc. in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

11. AS A SPECIAL RESOLUTION:

“**RESOLVED** that subject to the approval of Central Government and all other statutory bodies/concerns as may be directed by Central Government while granting its approval and pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, the remuneration paid to Mr. Arvind Parakh, Director – Strategy & Business Development during the financial year 2008-09 in accordance with the existing limits approved by the shareholders of the Company in their Annual General Meeting held on 16th September, 2008, be and is hereby approved and ratified, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during the financial year 2008-09:

Details of remuneration paid to Mr. Arvind Parakh during the financial year 2008-09:

1. (a) Salary : Rs.4,00,000/- (Rupees four lacs only) per month.
- (b) Perquisites and allowances:
 - (i) House Rent Allowance @ Rs.2,00,000/- (Rupees two lacs only) per month.
 - (ii) Reimbursement of medical expenses @ Rs.1,250/- (Rupees one thousand two hundred fifty only) per month.
 - (iii) Leave Travel Assistance @ Rs.4,250/- (Rupees four thousand two hundred fifty only) per month.
 - (iv) Bonus @ 20% of salary.
 - (v) Reimbursement of Professional Pursuits @ Rs.2,000/- (Rupees two thousand only) per month.
 - (vi) Choice Pay @ Rs.5,08,250/- (Rupees five lacs eight thousand two hundred fifty only) per month.
 - (vii) Reimbursement of discretionary expenses @ Rs.6,250/- (Rupees six thousand two hundred fifty only) per month.
 - (viii) Club Membership of two clubs.
 - (ix) Personal Accident Insurance as per rules of the company.
 - (x) Reimbursement of telephone expenses for business purposes in accordance with the rules of the company.
 - (xi) Leave with salary as per rules of the company.
 - (xii) Mediclaim Insurance coverage as per company rules.
 - (xiii) Group Personal Accident Insurance Coverage as per company rules.
 - (xiv) Chauffeur driven car for business and personal usage.
 - (xv) Provident Fund as per rules thereof.
 - (xvi) Performance Linked Variable Reward (PLVR) as per scheme of the company.
 - (xvii) Other allowances as per rules of the company.
2. Reimbursement of expenses actually and properly incurred by him for the business of the company.

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12. AS A SPECIAL RESOLUTION:

“**RESOLVED** that subject to the approval of Central Government and all other statutory bodies/concerns as may be directed by Central Government while granting its approval and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent be and is hereby accorded for payment of remuneration to Mr. Arvind Parakh, Director – Strategy & Business Development during three financial years i.e. 2009-10 to 2011-12 as per the terms and conditions approved by the shareholders of the Company in their Annual General Meeting held on 16th September, 2008, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during any of the above three financial years:

Particulars of terms and conditions and remuneration:

1. Period: 01.04.2009 to 31.03.2012
2. Remuneration
 - (a) Salary : Rs.4,00,000/- (Rupees four lacs only) per month.
 - (b) Perquisites and allowances:

In addition to the salary, he shall also be entitled to:

 - (i) House Rent Allowance @ Rs.2,00,000/- (Rupees two lacs only) per month.
 - (ii) Reimbursement of medical expenses @ Rs.1,250/- (Rupees one thousand two hundred fifty only) per month.
 - (iii) Leave Travel Assistance @ Rs.4,250/- (Rupees four thousand two hundred fifty only) per month.
 - (iv) Bonus @ 20% of salary.
 - (v) Reimbursement of Professional Pursuits @ Rs.2,000/- (Rupees two thousand only) per month.
 - (vi) Choice Pay @ Rs.5,08,250/- (Rupees five lacs eight thousand two hundred fifty only) per month.
 - (vii) Reimbursement of discretionary expenses @ Rs.6,250/- (Rupees six thousand two hundred fifty only) per month.
 - (viii) Club Membership of maximum two clubs.
 - (ix) Personal Accident Insurance as per rules of the company.
 - (x) Reimbursement of telephone expenses for business purposes in accordance with the rules of the company.
 - (xi) Leave with salary as per rules of the company.
 - (xii) Mediclaim Insurance coverage as per company rules.
 - (xiii) Group Personal Accident Insurance Coverage as per company rules.
 - (xiv) Chauffeur driven car for business and personal usage.
 - (xv) Provident Fund as per rules thereof.
 - (xvi) Gratuity as per rules thereof.
 - (xvii) Performance Linked Variable Reward (PLVR) as per scheme of the company.
 - (xviii) He shall be also entitled to Employees Stock Option Schemes / Plans of the company as per company rules as and when applicable.
 - (xix) Other allowances as per rules of the company.
3. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
4. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
5. Normal annual increment as per policy of the company will be granted to him as decided by the Company or any other Committee constituted by the Board on this behalf, from time to time.

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13. AS A SPECIAL RESOLUTION:

“RESOLVED that subject to the approval of all statutory bodies/concerns as may be required and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, the remuneration paid to Mr. N.P. Jayaswal, Executive Director during the financial year 2008-09 in accordance with the existing limits approved by the shareholders of the Company in their Annual General Meeting held on 31st August, 2007, be and is hereby approved and ratified, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during the financial year 2008-09:

Details of remuneration paid to Mr. N.P. Jayaswal during the financial year 2008-09:

1. Remuneration

- (a) Basic Salary: Rs.1,50,000/- (Rs. One Lakh Fifty Thousand only) per month.

(In accordance with the terms of appointment of Mr. N P Jayaswal, the annual increment was granted to him during financial year 2008-09, pursuant to which his Basic Salary was increased from Rs.1,00,000/- per month to Rs.1,50,000/- per month)

- (b) Perquisites and allowances:

- (i) House Rent Allowance @ Rs.10,000/- (Rupees ten thousand only) per month.
- (ii) Choice Pay @ Rs.1,52,420/- (Rupees one lac fifty two thousand four hundred twenty only) per month. *(With the annual increment made during the financial year 2008-09, his Choice Pay was increased from Rs.88,250/- per month to Rs.1,52,420/- per month).*
- (iii) Reimbursement of Professional Pursuits @ Rs.12,000/- (Rupees twelve thousand only) per annum. *(With the annual increment made during the financial year 2008-09, his Reimbursement of Professional Pursuits was increased from Rs.6,000/- per annum to Rs.12,000/- per annum).*
- (iv) Leave Travel Assistance @ Rs.30,000/- (Rupees thirty thousand only) per annum.
- (v) Reimbursement of medical expenses @ Rs.15,000/- (Rupees fifteen thousand only) per annum.
- (vi) Bonus / Ex-gratia @ 20% of basic salary, payable annually.
- (vii) Mediciam Insurance coverage for self, spouse and dependent children as per company rules.
- (viii) Group Personal Accident Insurance Coverage as per company rules.
- (ix) Chauffeur driven car for business and personal usage.
- (x) Reimbursement of expenses incurred on official entertainment.
- (xi) Provident fund as per rules thereof.

2. Reimbursement of expenses actually and properly incurred by him for the business of the company.

14. AS A SPECIAL RESOLUTION:

“RESOLVED that subject to the approval of all statutory bodies/concerns as may be required and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent be and is hereby accorded for payment of remuneration to Mr. N.P. Jayaswal, Executive Director during three financial years i.e. 2009-10 to 2011-12 as per the terms and conditions approved by the shareholders of the Company in their Annual General Meeting held on 31st August, 2007, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during any of the above three financial years:

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Particulars of terms and conditions and remuneration:

1. Period: 01.04.2009 to 29.02.2012
2. Remuneration
 - (a) Basic Salary : Rs.1,50,000/- (Rs. One Lakh Fifty Thousand only) per month.
(In accordance with the terms of appointment of Mr. N P Jayaswal, the annual increment was granted to him during financial year 2008-09, pursuant to which his Basic Salary was increased from Rs.1,00,000/- per month to Rs.1,50,000/- per month)
 - (b) Perquisites and allowances:
 - (i) House Rent Allowance @ Rs.10,000/- (Rupees ten thousand only) per month.
 - (ii) Choice Pay @ Rs.1,52,420/- (Rupees one lac fifty two thousand four hundred twenty only) per month. *(With the annual increment made during the financial year 2008-09, his Choice Pay was increased from Rs.88,250/- per month to Rs.1,52,420/- per month).*
 - (iii) Reimbursement of Professional Pursuits @ Rs.12,000/- (Rupees twelve thousand only) per annum. *(With the annual increment made during financial year 2008-09, his Reimbursement of Professional Pursuits was increased from Rs.6,000/- per annum to Rs.12,000/- per annum).*
 - (iv) Leave Travel Assistance @ Rs.30,000/- (Rupees thirty thousand only) per annum.
 - (v) Reimbursement of medical expenses @ Rs.15,000/- (Rupees fifteen thousand only) per annum.
 - (vi) Bonus / Ex-gratia @ 20% of basic salary, payable annually.
 - (vii) Medclaim Insurance coverage for self, spouse and dependent children as per company rules.
 - (viii) Group Personal Accident Insurance Coverage as per company rules.
 - (ix) Chauffeur driven car for business and personal usage.
 - (x) Reimbursement of expenses incurred on official entertainment.
 - (xi) Provident fund as per rules thereof.
 - (xii) Gratuity as per rules thereof.
 - (xiii) Other allowances as per rules of the company.
3. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
4. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
5. Normal annual increment as per policy of the company will be granted to him as decided by the Company or any other Committee constituted by the Board on this behalf, from time to time.

15. AS A SPECIAL RESOLUTION:

“**RESOLVED** that subject to the approval of Central Government and all other statutory bodies/concerns as may be directed by Central Government while granting its approval and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, the remuneration paid to Mr. R.G. Garg, Managing Director & Chief Operating Officer (Hisar Division) during the financial year 2008-09 in accordance with the existing limits approved by the shareholders of the Company in their Annual General Meeting held on 16th September, 2008 be and is hereby approved and ratified, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during the financial year 2008-09:

Details of remuneration paid to Mr. R.G. Garg during the financial year 2008-09 (from 1.4.2008 to 12.1.2009):

1. Remuneration :
 - (a) Salary : Rs.300,000/- per month
 - (b) Perquisites and allowances:
 - (i) House Rent Allowance @ Rs.150,000/- per month.

Notice

- (ii) Reimbursement of medical expenses @ Rs.1,250/- per month.
- (iii) Leave Travel Assistance @ Rs.2,500/- per month.
- (iv) Bonus @ 20% of salary.
- (v) Reimbursement of Professional Pursuits @ Rs1,000/- per month.
- (vi) Choice Pay @ Rs. 324,250/- per month.
- (vii) Reimbursement of telephone expenses for business purposes in accordance with the rules of the company.
- (viii) Chauffeur driven company car.
- (ix) Leave with salary as per rules of the company.
- (x) Mediclaim Insurance coverage as per company rules.
- (xi) Group Personal Accident Insurance Coverage as per company rules.
- (xii) Provident Fund as per rules thereof.
- (xiii) Performance Linked Variable Reward (PLVR) as per scheme of the company.

2. Reimbursement of expenses actually and properly incurred by him for the business of the company.

16. AS A SPECIAL RESOLUTION:

“**RESOLVED** that subject to the approval of all statutory bodies/concerns as may be required and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, the remuneration paid to Mr. N.C. Mathur, Director – Corporate Affairs during the financial year 2008-09 in accordance with the existing limits approved by the shareholders of the Company in their Annual General Meeting held on 16th September, 2008 be and is hereby approved and ratified, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during the financial year 2008-09:

Details of remuneration paid to Mr. N.C. Mathur during the financial year 2008-09 (from 1.4.2008 to 12.1.2009):

1. Remuneration :

- (a) Salary : Rs.116,100/- per month
- (b) Perquisites and allowances:
 - (i) Reimbursement of medical expenses @ Rs.1,250/- per month.
 - (ii) Leave Travel Assistance @ Rs.2,500/- per month.
 - (iii) Bonus @ 20% of salary.
 - (iv) Reimbursement of Professional Pursuits @ Rs.1,000/- per month.
 - (v) Choice Pay @ Rs.50,998/- per month.
 - (vi) Reimbursement of telephone expenses for business purposes in accordance with the rules of the company.
 - (vii) Leave with salary as per rules of the company.
 - (viii) Company car/Composite car Allowance @ Rs.32,000/- per month
 - (ix) Petrol & Maintenance @ Rs.2,16,000/- per annum.
 - (x) Driver's wages @ Rs.8,500/- per month.
 - (xi) Mediclaim Insurance coverage as per company rules.
 - (xii) Group Personal Accident Insurance Coverage as per company rules.
 - (xiii) Provident Fund as per rules thereof.
 - (xiv) Performance Linked Variable Reward (PLVR) as per scheme of the company.

2. Reimbursement of expenses actually and properly incurred by him for the business of the company.

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17. AS A SPECIAL RESOLUTION:

“**RESOLVED** that subject to the approval of all statutory bodies/concerns as may be required and pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, the remuneration paid to Mr. Rajinder Parkash, Executive Director during the financial year 2008-09 in accordance with the existing limits approved by the shareholders of the Company in their Annual General Meeting held on 16th September, 2008 be and is hereby approved and ratified, even if the said remuneration exceeds the limits set out under Schedule XIII due to loss / inadequacy of profits of the Company during the financial year 2008-09:

Details of remuneration paid to Mr. Rajinder Parkash during the financial year 2008-09 (from 1.4.2008 to 12.1.2009):

1. Remuneration :

- (a) Salary : Rs.92000/- per month
- (b) Perquisites and allowances:
 - (i) House Rent Allowance @ Rs. 10,000/- per month.
 - (ii) Reimbursement of medical expenses @ Rs. 1,250/- per month.
 - (iii) Leave Travel Assistance @ Rs.1,250/- per month.
 - (iv) Bonus @ 20% of salary.
 - (v) Reimbursement of Professional Pursuits @ Rs.500/- per month.
 - (vi) Choice Pay @ Rs. 16,815/- per month.
 - (vii) Reimbursement of telephone expenses for business purposes in accordance with the rules of the company.
 - (viii) Leave with salary as per rules of the company.
 - (ix) Company car/Composite Car Allowance @ Rs.24,000/- per month
 - (x) Petrol & Maintenance expenses reimbursement @ Rs.120,000/- per annum.
 - (xi) Driver's wages @ Rs,7,000/- per month.
 - (xii) Mediciam Insurance coverage as per company rules.
 - (xiii) Group Personal Accident Insurance Coverage as per company rules.
 - (xiv) Provident Fund as per rules thereof.
 - (xv) Performance Linked Variable Reward (PLVR) as per scheme of the company.

2. Reimbursement of expenses actually and properly incurred by him for the business of the company.

By order of the Board

Registered Office:

O.P. Jindal Marg, HISAR - 125 005.
28th July, 2009

(Jitendra Kumar)
Company Secretary

NOTES:

- A 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.
- B. A blank proxy form is sent herewith.
- C. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- D. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 to 17 of the Notice is annexed hereto.

Notice

Explanatory Statement under section 173(2) of the Companies Act, 1956.

ITEM NO. 6

The Board of Directors appointed Sh. Satish Tandon as Additional Director with effect from 16th December, 2008 pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956, by passing the resolution through circulation. As per the said Article and said section, Sh. Satish Tandon will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director.

Sh. Satish Tandon has over forty years of experience in manufacturing and commercial area and the Company would be benefited from his vast and rich experience. Accordingly the resolution at item no. 6 is recommended for your approval as an ordinary resolution. The profile of Sh. Satish Tandon is given hereto under the head 'Additional Information'.

Sh. Satish Tandon, being concerned, is interested in the resolution. None of the other directors of the Company is concerned or interested in the resolution.

ITEM NO. 7

The Board of Directors appointed Sh. T.S. Bhattacharya as Additional Director with effect from 13th January, 2009 pursuant to Article 78 of Articles of Association of the company and section 260 of the Companies Act, 1956, by passing the resolution through circulation. As per the said Article and said section, Sh. T.S. Bhattacharya will hold office upto the date of this annual general meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director.

Sh. T.S. Bhattacharya possesses more than 38 years of rich banking experience and is retired as Managing Director of State Bank of India on 31st January, 2008. The company would be benefited from his vast and rich experience and accordingly the resolution at item no. 7 is recommended for your approval as an ordinary resolution. The profile of Sh. T.S. Bhattacharya is given hereto under the head 'Additional Information'.

Sh. T.S. Bhattacharya, being concerned, is interested in the resolution. None of the other directors of the company is concerned or interested in the resolution.

ITEM NO. 8

The Company proposes to raise funds up to an aggregate principal amount of USD 150 Million (United States Dollars One Hundred Fifty Million) or its equivalent in any other currency, through the issue of equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCDs"), Bonds with share warrants attached, Global Depositary Receipts ("GDRs"), American Depositary Receipts ("ADRs") or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not or with or without detachable warrants in one or more tranches, at a price determined in accordance with applicable law and otherwise on such terms and conditions as may be deemed appropriate by the Board and / or any Committee thereof at the time of the issue or allotment of the Securities. The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot equity shares and/ or such other Securities as stated in the Special Resolution (the "Securities") which seeks to empower the Board of Directors to undertake such issue or offer of securities.

The Company proposes to raise the aforementioned funds towards corporate purposes including meeting the liquidity requirements in respect of Phase-II of its Orissa project involving the setting-up of an integrated stainless steel plant, repayment of debt, working capital requirements and other general corporate needs of the Company. Based on the current estimates, the funds required by the company for the aforesaid purposes will amount to USD 150 Million.

In case of issue of FCCBs/ADRs/GDRs the issue price shall be determined in accordance with applicable law including the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993, as may be amended from time to time.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

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The issue/ allotment / conversion would be subject to the availability of regulatory approvals, if any. The conversion of securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit.

Section 81 of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company and the Board of Directors or a committee thereof will have the power to decide the date of opening of the Issue.

The Directors recommend the resolution for your approval as special resolution.

The Directors of the Company are deemed to be concerned or interested in the above resolution only to the extent of shares held by them in the Company.

ITEM NO. 9

The Company proposes to raise funds up to an aggregate amount of Rs. 750 crore in one or more tranches through a qualified institutional placement within the meaning of Chapter XIII A of the SEBI DIP Guidelines and/or as may be permitted under applicable law from time to time. The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot equity shares and/ or such other Securities as stated in the Special Resolution (the "Securities") which seeks to empower the Board of Directors to undertake such issue or offer of securities.

The Company proposes to raise the aforementioned funds towards corporate purposes including meeting the liquidity requirements in respect of Phase-II of its Orissa project involving the setting-up of an integrated stainless steel plant, repayment of debt, working capital requirements and other general corporate needs of the Company. Based on the current estimates, the funds required by the company for the aforesaid purposes will amount to Rs.750 crore.

In case of an issue of the Securities to Qualified Institutional Buyers pursuant to Chapter XIII-A of the SEBI DIP Guidelines, the issue price of Securities shall be at a price, being not less than the price calculated in accordance with Chapter XIII A of SEBI DIP Guidelines as may be amended from time to time.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The issue/ allotment / conversion would be subject to the availability of regulatory approvals, if any. The conversion of securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit.

Section 81 of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

Notice

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company and the Board of Directors or a committee thereof will have the power to decide the date of opening of the Issue.

The Directors recommend the resolution for your approval as special resolution.

The Directors of the Company are deemed to be concerned or interested in the above resolution only to the extent of shares held by them in the Company.

ITEM NO. 10

The Company recognizes and appreciates the critical role played by the employees of the Company and its subsidiaries in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the company, approval of the shareholders is being sought for issue of stock options to the employees of the Company and its subsidiaries.

The main features of the Employee Stock Option Schemes are as under:

1. **Total number of options to be granted:**

A total number of options not exceeding 40,00,000 (Forty Lac) equity shares would be available for being granted to eligible employees of the company and the subsidiaries of the Company and further subsidiaries to be formed, if any, including any Director of the Company and subsidiaries of the company whether whole time or otherwise under the ESOP. Each option when exercised would be converted into one equity share of Rs.2/- (Rupees two only) each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

SEBI guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the overall ceiling of 40,00,000 equity shares for the employees of the company and the subsidiaries as stated above shall be deemed to be increased to the extent of such additional equity shares issued.

2. **Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

All permanent employees of the Company, its subsidiaries and further subsidiaries to be formed, if any, including the Directors but excluding the promoters of the Company and any director who directly or indirectly holds more than 10% of the outstanding equity shares of the company, as may be decided by the Compensation Committee from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

3. **Transferability of employee stock options**

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

4. **Requirements of vesting and period of vesting:**

The Options granted shall vest so long as the employee continues to be in the employment of the Company and its subsidiaries, as the case may be. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period) is specified below.

The options would vest not earlier than one year and not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of one year from the date of grant of options.

Notice

5. **Exercise Price:**

The options will be granted at either of the following exercise prices as decided by the Compensation Committee:

- 1) At a price upto maximum 75% discount to the average of the closing market price (at a stock exchange as determined by the Compensation Committee) in the 30 trading days immediately preceding the date of grant of options
- 2) At a price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or
- 3) At a price equal to the average of the closing market price (at a stock exchange as determined by the Compensation Committee) in the 30 trading days immediately preceding the date of grant.

6. **Exercise Period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire not later than three years from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

7. **Appraisal Process for determining the eligibility of the employees to ESOP:**

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company and its subsidiaries, as the case may be, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

8. **Maximum number of options to be issued per employee:**

The Maximum number of options to be issued per identified employee shall not exceed 0.25% of the issued capital of the Company at the time of grant of options.

9. **Maximum number of options to be granted to Non-Executive directors (including independent directors) in any financial year and in aggregate:**

The number of options that may be granted to any Non-Executive director (including any independent director) in any financial year under the Scheme shall not exceed 15,000 and in aggregate shall not exceed 75,000.

10. **Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.

11. **Method of option valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

The difference between the employee compensation cost computed using the Intrinsic Value Method and the cost that shall have been recognized if it had used the Fair Value Method, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and the SEBI Guidelines.

Your Directors believe that ESOP would be in the interest of the Company and therefore recommend the resolutions at Item no. 10 as special resolutions.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of the securities that may be offered to them under the scheme.

Notice

ITEM NOS. 11 & 12

The Board of Directors, in its meeting held on 21st January, 2008 appointed Mr. Arvind Parakh as Director - Strategy & Business Development for a period of 5 years w.e.f. 21st January, 2008 which was subsequently approved by the shareholders in the annual general meeting held on 16th September, 2008. Since the Company was having sufficient profits during the financial year 2007-08, in terms of Section I of Part II of Schedule XIII, approval of Central Government was not required for payment of remuneration as fixed by the Board/Shareholders during the said financial year 2007-08.

The financial year 2008-09 was however quite challenging period for stainless steel industry and the Company has suffered substantial losses in revenue and profitability, specifically post global economic meltdown starting from September, 2008. Due to above cited reasons, the company did not have profits as prescribed under section 198, 309 read with Schedule XIII of Companies Act, 1956 during financial year 2008-09 to cover the existing managerial remuneration of its Whole Time / Executive Directors as fixed by the Board / Shareholders at the time of their respective appointment/re-appointment.

Further, Section II of Part II of Schedule XIII of the Companies Act, 1956 *inter alia* states that if in any financial year, a company has no profits or its profits are inadequate, then the approval of Remuneration Committee and Central Government is required for payment of remuneration to each of its managerial persons in excess of Rs.4 lac per month.

Accordingly, the Remuneration Committee of the Company, by passing the resolution through circulation on 11th June, 2009, unanimously approved the payment of managerial remuneration of Sh. Arvind Parakh made to him during financial year 2008-09 as well as remuneration to be paid to him for next three years i.e. from financial years 2009-10 to 2011-12 as per the terms of respective Board and Shareholders approval granted to him at the time of his appointment. The Board of Directors also approved the same in its meeting held on 24th June, 2009. The approval was, however, subject to approval of Central Government and all other statutory bodies/concerns as may be directed by Central Government while granting its approval and pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time.

In compliance with the provisions of section 309 of the Companies Act, 1956, consent of the Shareholders is being sought by way of special resolutions at Item Nos. 11 & 12 for ratification of payment of managerial remuneration of Sh. Arvind Parakh made to him during financial year 2008-09 as well as remuneration to be paid to him for next three years i.e. from financial years 2009-10 to 2011-12 as per the terms of Board and Shareholders approval granted to him at the time of his appointment.

Your Directors, therefore, recommend the resolutions for your approval as special resolutions.

Sh. Arvind Parakh, being concerned, is interested in the resolutions. None of the other Directors of the Company is concerned or interested in the resolutions.

ITEM NOS. 13 & 14

The Board of Directors, in its meeting held on 9th February, 2007 appointed Mr. N.P. Jayaswal as Executive Director of the Company for a period of 5 years w.e.f. 1st March, 2007 which was subsequently approved by the shareholders in the annual general meeting held on 31st August, 2007. Since the company was having sufficient profits during the financial year 2006-07 and 2007-08, in terms of Section I of Part II of Schedule XIII, approval of Central Govt. was not required for payment of remuneration as fixed by the Board/Shareholders during the above two financial years.

The financial year 2008-09 was however quite challenging period for stainless steel industry and the Company has suffered substantial losses in revenue and profitability, specifically post global economic meltdown starting from September, 2008. Due to above cited reasons, the company did not have profits as prescribed under section 198, 309 read with Schedule XIII of Companies Act, 1956 during financial year 2008-09 to cover the existing managerial remuneration of its Whole Time / Executive Directors as fixed by the Board / Shareholders at the time of their respective appointment/re-appointment.

Section II of Part II of Schedule XIII of the Companies Act, 1956 *inter alia* states that if in any financial year, a company has no profits or its profits are inadequate, then the approval of Remuneration Committee is required for payment of remuneration.

Notice

Accordingly, the Remuneration Committee of the Company, by passing the resolution through circulation on 11th June, 2009, unanimously approved the payment of managerial remuneration of Sh. N.P. Jayaswal made to him during financial year 2008-09 as well as remuneration to be paid to him for next three years i.e. from financial years 2009-10 to 2011-12 as per the terms of respective Board and Shareholders approval granted to him at the time of his appointment. The Board of Directors also approved the same in its meeting held on 24th June, 2009. The approval was, however, subject to approval of all the statutory bodies/concerns and pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time.

In compliance with the provisions of section 309 of the Companies Act, 1956, consent of the Shareholders is being sought by way of special resolutions at Item Nos. 13 & 14 for ratification of payment of managerial remuneration of Sh. N.P. Jayaswal made to him during financial year 2008-09 as well as remuneration to be paid to him for next three years i.e. from financial years 2009-10 to 2011-12 as per the terms of respective Board and Shareholders approval granted to him at the time of his appointment.

Your Directors, therefore, recommend the resolutions for your approval as special resolutions.

Sh. N.P. Jayaswal, being concerned, is interested in the resolutions. None of the other Directors of the Company is concerned or interested in the resolutions.

ITEM NOS. 15 TO 17

The Board of Directors, in its meeting held on 30th April, 2008 re-appointed Sh. R.G. Garg as Managing Director & Chief Operating Officer (Hisar Division); Sh. N.C. Mathur as Director (Corporate Affairs) and Sh. Rajinder Parkash as Executive Director for a period of 5 years w.e.f. 23rd July, 2008 which was subsequently approved by the shareholders in the annual general meeting held on 16th September, 2008. Sh. R.G. Garg, Sh. N.C. Mathur and Sh. Rajinder Parkash have since resigned with effect from 12th January, 2009 and are no longer on the Board of the Company. The company was having sufficient profits during the financial year 2007-08 and the total remuneration fixed by the Board/Shareholders at the time of their re-appointment was well within the limits prescribed under section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

The financial year 2008-09 was however quite challenging period for stainless steel industry and the Company has suffered substantial losses in revenue and profitability, specifically post global economic meltdown starting from September, 2008. Due to above cited reasons, the company did not have profits as prescribed under section 198, 309 read with Schedule XIII of Companies Act, 1956 during financial year 2008-09 to cover the existing managerial remuneration of its Whole Time / Executive Directors as fixed by the Board / Shareholders at the time of their respective appointment/re-appointment.

Section II of Part II of Schedule XIII of the Companies Act, 1956 *inter alia* states that if in any financial year, a company has no profits or its profits are inadequate, then the approval of Remuneration Committee and Central Government is required for payment of remuneration to each of its managerial persons in excess of Rs.4 lac per month.

Accordingly, the Remuneration Committee of the Company, by passing the resolution through circulation on 11th June, 2009, unanimously approved the payment of managerial remuneration of Sh. R.G. Garg, Sh. N.C. Mathur and Sh. Rajinder Parkash made to them during financial year 2008-09 upto 12th January, 2009 as per the terms of respective Board and Shareholders approval granted to them at the time of his re-appointment. The Board of Directors also approved the same in its meeting held on 24th June, 2009. The approval was, however, subject to approval of all the statutory bodies/concerns and pursuant to the provisions of section 198, 269 and 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time.

In compliance with the provisions of section 309 of the Companies Act, 1956, consent of the Shareholders is being sought by way of special resolutions at Item No. 15, 16 and 17 for ratification of payment of managerial remuneration of Sh. R.G. Garg, Sh. N.C. Mathur and Sh. Rajinder Parkash made to them during financial year 2008-09 upto 12th January, 2009 as per the terms of respective Board and Shareholders approval granted to them at the time of their appointment.

Your Directors, therefore, recommend the resolutions for your approval as special resolutions.

Sh. R.G. Garg, Sh. N.C. Mathur and Sh. Rajinder Parkash have resigned from the Board of Directors of the Company. None of the Directors of the Company is concerned or interested in the resolution.

Notice

Statement pursuant to Part II of Schedule XIII of Companies Act, 1956

Sr. No.	Description	Sh. Arvind Parakh	Sh. N. P. Jayaswal	Sh R.G. Garg	Sh.N.C. Mathur	Sh. Rajinder Parkash
I	General Information					
(1)	Nature of Industry	Your company is engaged in manufacturing of Stainless Steel				
(2)	Date or expected date of commencement of commercial production	Your Company is already in commercial production				
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable				
(4)	Financial performance based on given indicators	During year ended March 31st, 2009, the Company achieved a turnover of Rs.5295.05 crore and Net Loss after Tax and Extraordinary Item was Rs. 579.82 crore. The detailed balance sheet, profit & loss account and other financial statement forms part of this annual report.				
(5)	Export performance and net foreign exchange collaborations	During financial year 2008-09, the revenue generated out of export sales was Rs. 1213.02 crore, which constituted 22.9% of total revenue. Total inflow out of foreign exchange earnings during the year was Rs. 1231.22 crore, whereas total foreign exchange outflow was Rs. 2097.04 crore.				
(6)	Foreign investments or collaborators, if any	There are no foreign collaborators in your Company. Total foreign investment, comprising of foreign institutional investors, overseas corporate bodies, non-resident incorporated bodies, non-resident indians etc. as on 30th May, 2009 stands at 25.67%.				
II	Information about Appointee	Sh. Arvind Parakh	Sh. N. P. Jayaswal	Sh R.G. Garg	Sh.N.C. Mathur	Sh. Rajinder Parkash
(1)	Background details	Sh. Arvind Parakh, Director – Strategy & Business Development (Whole-time Director) is a chartered accountant by profession and has over 25 years of experience in corporate finance and business management. He has worked in several Indian and overseas companies at senior level positions. Sh. Arvind Parakh is associated with the Company for more than 11 years. With the invaluable experience, expertise and guidance of Sh. Arvind Parakh, the Company has been immensely benefited	Sh. N.P. Jayaswal, Executive Director, a Graduate Engineer in Metallurgy from Bihar Institute of Technology, Sindri, has served Steel Authority of India and held various important positions in this Public Sector Undertaking. He has achieved Superannuation as Executive Director, Alloys Steel Plant, SAIL, Durgapur	Sh. R.G. Garg holds a B.Sc. Engg. (Hons.) degree in mechanical engineering from Punjab Engineering College, Chandigarh. He has over 40 years of rich experience in the steel industry. Sh. R.G. Garg has since resigned from the Board of the Company with effect from 12th January, 2009.	Sh. N.C. Mathur, holds B. Tech. (Hons.) degree from BITS, Pilani and has over 42 years of rich experience across several industries, including steel industry. Prior to joining the company, he was with the Birla group for 17 long years. Sh. N.C. Mathur has since resigned from the Board of the Company with effect from 12th January, 2009.	Sh. Rajinder Parkash, during his tenure, was responsible and heading the legal department of the Company. He has since resigned from the Board of the Company with effect from 12th January, 2009.

Notice

Sr. No.	Description	Sh.Arvind Parakh	Sh.N.P.Jayaswal	Sh.R.G.Garg	Sh.N.C.Mathur	Sh.Rajinder Parkash
(2)	Past remuneration Financial Year 2007-08	Rs.26,82,365 (from 21/01/2008 to 31/03/2008)	Rs.36,89,106	Rs.85,47,934	Rs.26,94,327	Rs.18,33,883
		Managerial Remuneration to these whole time directors were being paid by the Company as per the limits fixed by the shareholders at the time of their respective appointments. Since, the Company was having adequate profits during financial year 2007-08 and prior to that, no further approval of shareholders / Central Government was required as prescribed under Schedule XIII of the Companies Act, 1956. Financial year 2008-09 was however an exceptional year for the Company, wherein due to several reasons it has incurred losses and therefore the existing remuneration paid to its whole time directors within the limits set by the shareholders require approval of shareholders and central Government in few cases.				
(3)	Recognition or awards, job profile and his suitability	Mr.Arvind Parakh is heading the "Strategy and Business Development" functions of the Company. With his rich experience and expertise, he is instrumental in giving the future shape to the Company and expanding the reach of the Company both vertically and horizontally.	Mr. N.P. Jayaswal is heading the Orissa division of the Company. With the ongoing expansion plans at Orissa division, he holds a key position in the Company. The vast experience and skill he possess is a perfect match for his current profile.	Sh. R.G. Garg, during his tenure, was designated as 'Managing Director and Chief Operating Officer' of the Company and was responsible for formulating and implementing the company's annual operating plans. He was also responsible for overall administration of the Company	Sh. N.C. Mathur, during his tenure, represented the company at various forums such as the Federation of Indian Chambers of Commerce and Industry, the Confederation of Indian Industry, the Indian Stainless Steel Development Association and the International Stainless Steel Forum	Sh. Rajinder Parkash, during his tenure, was heading the legal department of the Company. He was responsible for providing comprehensive legal support and advice to the Company. With his vast experience, he was a perfect match to his job profile
(4)	Remuneration proposed	The details of remuneration paid to the whole time directors of the Company during financial year 2008-09, for which ratification is sought from the shareholders alongwith remuneration to be paid during financial years 2009-10 to 2011-12 to Sh. Arvind Parakh and Sh. N.P. Jayaswal are mentioned in their respective resolutions above.				
(5)	Comparative Remuneration profile with respect to industry, size of the company, profile of the position or person	Name of the Company Jindal Saw Limited Tata Iron & Steel Co Ltd JSW Steel Limited Jindal Steel & Power Ltd	Turnover Rs.5161 crore Rs. 19693 crore Rs.15179 crore Rs.5460 crore	Name & designation of Person Sh. Indresh Batra (Managing Director) Dr. T.Mukherjee (WTD) Sh.Y.Siva Sagar Rao (WTD) Sh. Vikrant Gujral (VC & CEO)	Remuneration Rs.1.85 crore Rs.1.91 crore Rs.1.08 crore Rs.0.98 crore	Financial Year 2007-08 2007-08 2008-09 2007-08
(6)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	None of the whole time directors as mentioned hereinabove, have, directly or indirectly, any pecuniary relationship amongst themselves or with the Company				

Notice

Sr. No.	Description	Sh.Arvind Parakh	Sh.N.P.Jayaswal	Sh.R.G.Garg	Sh.N.C.Mathur	Sh.Rajinder Parkash
III	Other Information					
(1)	Reasons for loss or inadequate profits	<p>Your Company has posted consistent profits over last several years. Financial year 2008-09 was however a challenging year for global stainless steel industry in general and your company in particular. It has witnessed considerable volatility in terms of commodity prices & demand off-take, especially post global economic meltdown starting second half of the year. The economic meltdown resulted in substantial drop in prices of major commodities including nickel, chromium, scrap, being our major raw material for stainless steel production. This also resulted in considerable fall in sales realizations and loss of margins. The main reasons for loss during the financial year are as under:</p> <ul style="list-style-type: none"> a) Sluggish demand across global markets during second half of the year b) Commodity price meltdown emerging from global financial crisis c) Unprecedented Indian Rupee depreciation against major currencies d) Loss of turnover due to shutdown of hot rolling mill expansion at Hisar plant e) Disruption in power transmission lines at Orissa plant due to cyclonic activities <p>Since, all above events occurred during the same span of time, it resulted in much severe impact on the profits of the company.</p>				
(2)	Steps taken or proposed to be taken for improvement in productivity and profit	<p>The management feels that the above adverse events are temporary phenomenon and is unlikely to sustain for a longer period. The market conditions have already started to improve during financial year 2009-10. The demand of stainless steel in India has been less impacted by the recent global turmoil and the demand has also started picking up since last few months. Your Company being the domestic leader in the stainless steel industry is well poised to increase its domestic market share further. Below are the key high potential areas for stainless steel consumption as per Indian Stainless Steel Development Association.</p> <p>Your Company has identified following growth drivers and is taking effective steps in these areas to improve its performance in ensuing years:</p> <p>In the domestic Indian market stainless steel consumption is growing in Architecture, Building & Construction, Automotive applications & Transportation Sector. Great usage in these segments has been explicated in detail as follows:</p> <ul style="list-style-type: none"> A. Railways <ul style="list-style-type: none"> Indian Railways, the single largest railway system in the world under one owner (The Government of India) having more than 10,000 railway stations has started refurbishing its railway stations with world class facility – escalators, seating, food courts, internet facilities etc. that requires stainless steel in large quantities. B. Mass Rapid Transit System <ul style="list-style-type: none"> Delhi Metro has 240 (301LN) coaches in service and it is estimated to have 860 by 2010. Metro Rail is spreading to other Metros and smaller cities such as Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Kochi, Ahmedabad, Ludhiana etc. that requires stainless steel in large quantities. C. Aviation Sector <ul style="list-style-type: none"> In the coming 7-8 years, government is planning to increase up to 90 airports along with their expansion & modernization that also requires stainless steel in large quantities. <p>As India is poised to witness a sustained high GDP growth in coming years, in addition to the usage in above mentioned sectors, there will be a further boost to stainless steel demand in the country. Very high growth are expected also from process industry equipment manufacture, exports of process equipment in the future, high domestic and foreign direct investments in the real estate sector and emergence of new volume areas like Railway wagons.</p> <p>The management is confident that by taking necessary and effective steps, your Company will improve its financial performance during financial year 2009-10 and subsequent years.</p>				

Notice

Sr. No.	Description	Sh.Arvind Parakh	Sh.N P Jayaswal	Sh R.G.Garg	Sh.N.C.Mathur	Sh.Rajinder Parkash
(3)	Expected increase in productivity and profit in measurable terms	The Company has already made a turnaround in its performance in the financial year 2009-10. As per the unaudited financial results of the Company for the first quarter ended on 30 th June, 2009, it has posted a profit of Rs.130.15 crore before interest and exceptional item. The net profit of the Company during the said period was Rs.94.76 crore.				
IV	Disclosures					
(1)	The remuneration paid to each Managerial Personnel is suitably disclosed in the Board of Directors' Report under the heading "Corporate Governance" being part of the Annual Report					
(2)	The following disclosures are mentioned in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report: <ul style="list-style-type: none"> (i) All elements of remuneration package, such as salary, benefits, bonuses, stock options, pensions etc. of all directors; (ii) Details of fixed component and performance linked incentives along with the performance criteria; (iii) Service contracts, notice period, severance fees; (iv) The Company has not issued any stock options till the date of this Notice and hence information relating to stock option is not applicable 					

Notice

Additional Information : As required in terms of clause 49 of the listing agreement.

Brief Profile of new director appointed / re-appointed and the directors, who retire by rotation and are eligible for re-appointment:

Brief Profile of Sh. Suman Jyoti Khaitan

Sh. Suman Jyoti Khaitan is an eminent corporate lawyer and is a partner of M/s. Suman Khaitan & Company, New Delhi, which is one of the leading law firms in India dealing in the field of arbitration, banking and finance, corporate and commercial laws etc. He is a director of various companies.

Outside Directorship : Hindustan Vidyut Products Limited (Director), KPL International Limited (Director), Lumax Industries Limited (Director), Oriental Carbon & Chemicals Limited (Director), Suman Khaitan Advisory Services Private Limited (Director), Gopi Nursery Private Limited (Director).

Committee Membership : Member of Remuneration Committee and Investors / Shareholders Grievance Committee of Hindustan Vidyut Products Limited, Chairman of Audit Committee and Remuneration Committee of JSL Limited, Member of Remuneration Committee of KPL International Limited, Member of Remuneration Committee of Lumax Industries Limited, Member of Remuneration Committee and Investors / Shareholders Grievance Committee of Oriental Carbon & Chemicals Limited.

Brief Profile of Dr. L.K. Singhal

Dr. L.K. Singhal has over thirty seven years of experience in the stainless steel industry, research and development and engineering consultancy. He was head of R&D in Alloy Steel Plant, Durgapur; Chief Metallurgist, Tata Metals & Strips Ltd., Navsari; Assistant General Manager, Salem Steel; General Manager (Technology) SAIL and Chairman-cum-Managing Director of MECON. He holds a Bachelors degree in Engineering from BHU, Varanasi and a doctorate from the University of Oxford.

Outside Directorship : Nil

Committee Membership : Chairman of Shareholders/ Investors Grievance Committee of JSL Limited, Member of Audit Committee and Remuneration Committee of JSL Limited.

Brief Profile of Sh. N.P. Jayaswal

Sh. N.P. Jayaswal, Executive Director, a Graduate Engineer in Metallurgy from Bihar Institute of Technology, Sindri, has served Steel Authority of India and held various important positions in this Public Sector Undertaking. He has achieved Superannuation as Executive Director, Alloys Steel Plant, SAIL, Durgapur.

Outside Directorship : JSL Logistics Limited (Director).

Committee Membership : Member of Investors / Shareholders Grievance Committee of JSL Limited.

Brief Profile of Sh. Satish Tandon

Sh. Satish Tandon is B.Tech. (Chemical Engg.) from IIT, New Delhi and is having Post Graduate Diploma in Marketing and Sales Management from FMS Delhi University. He has done course on Competition & Strategy from Harvard Business School; and Advance Management Course from Ashridge University, UK.

He has over forty years of experience in manufacturing and commercial area. He started his career in the year 1967 with Alfa Laval (India) Limited and retired as Managing Director of Alfa Laval (India) Limited in October 2005, a part of Alfa Laval AB, a Swedish multinational engineering company.

He has been actively involved in the activities of associations of industries, including Western Regional Council, CII; Bombay Chamber of Commerce & Industry; Confederation of Indian Industry Council for Multinational Companies; Regional Direct Taxes Advisory Committee, Pune Income Tax; and Confederation of Indian Food Technology and Industry, FICCI, etc.

Notice

Outside Directorship : Esab India Limited (Director), Kolte Patil Developers Limited (Director), Modern Dairies Limited (Director), Precision Pipes & Profiles Company Limited (Director), Agrotech Foods Limited (Director).

Committee Membership : Chairman of Investors Grievance Committee of Esab India Limited, Member of Audit Committee of Esab India Limited, Member of Audit Committee, Investors Grievance Committee and Remuneration Committee of Kolte Patil Developers Limited, Member of Audit Committee, Investors Grievance Committee and Remuneration Committee of Modern Dairies Limited, Member of Investors Grievance Committee of Precision Pipes & Profiles Company Limited, Member of Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee of Agrotech Foods Limited

Brief Profile of Sh. T.S. Bhattacharya

Sh. T. S. Bhattacharya is Master of Science in Nuclear Physics; Post M.Sc. from Saha Institute of Nuclear Physics; and holding Post Graduate Diploma in Management Science from Jamnalal Bajaj Institute of Management, Mumbai. He is also an Associate of Indian Institute of Bankers and possesses 38 years of rich banking experience. He retired as Managing Director of SBI on 31st January, 2008.

He has served on the Boards of SBI Capital Markets Limited, Infrastructure Leasing & Financial Services Limited, SBI Cards & Payments Limited, SBI (Canada) Limited, Bank Indo-Monex, Jakarta. He is presently on the Board of Nuclear Power Corporation Limited and is also working as an Advisor in Ernst & Young Pvt. Ltd., Mumbai.

Outside Directorship : Nuclear Power Corporation Limited (Director)

Committee Membership : Member of Remuneration Committee of JSL Limited.

By order of the Board

Registered Office:

O.P. Jindal Marg, HISAR - 125 005.
28th July, 2009

(Jitendra Kumar)
Company Secretary

Notice

FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the company will remain closed from Saturday, 22nd August, 2009 to Friday, 28th August, 2009 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of their folios and send relevant share certificates to the company.
4. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
5. The company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
6. The Securities and Exchange Board of India (SEBI) has recently, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of transfer of shares in physical form.
7. ***The company has created an Email Id. 'investorcare@jindalstainless.com', which is being used exclusively for the purpose of redressing the complaints of the investors.***

REQUEST TO THE MEMBERS

- * Members having old share certificates of Jindal Strips Limited (now Nalwa Sons Investments Limited) issued prior to the Scheme of Arrangement and Demerger between Jindal Strips Limited (now Nalwa Sons Investments Limited) and Jindal Stainless Limited (now JSL Limited) and members having share certificates of erstwhile Jindal Ferro Alloys Limited are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, NALWA SONS INVESTMENTS LIMITED (FORMERLY: JINDAL STRIPS LIMITED), O.P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA, to enable both Nalwa Sons Investments Limited and JSL Limited to issue new share certificates. Members having share certificates of Nalwa Sons Investments Limited (Formerly: Jindal Strips Limited) having distinctive numbers in the range of 60000001-65136163 are not required to surrender their share certificates.
- * Members having old share certificates of Jindal Stainless Limited (now JSL Limited) comprising shares of face value of Rs.10/- each are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, JSL LIMITED, O.P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA to issue new share certificates of face value of Rs.2/- each.
- * Members should keep a record of their specimen signature before lodging shares with the company to prevent the possibility of a difference in signature at a later date.
- * Members should quote their email addresses, telephone / fax numbers to get a prompt reply to their communications.
- * Members may give their valuable suggestions for improvement of our investor services.
- * Members desiring any information/clarification on the accounts are requested to write to the company at least seven days in advance, so as to enable the management to keep the information ready at the annual general meeting.
- * As a measure of economy, copies of the annual report will not be distributed at the meeting. Members are requested to bring along their copies.
- * Members/proxies are requested to bring the attendance slip, duly filled in.
- * As per Central Government's approval under section 212(8) of the Companies Act, 1956 vide its letter dated 20th May, 2009, the annual accounts of all the sixteen subsidiary companies (as on 31st March, 2009) are not attached with this report. Any shareholder / investor of the company or its above said subsidiary companies, interested in obtaining the annual accounts of the subsidiary companies and the related detailed information may write to the Company Secretary at registered office of the company.
The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholder/ investor at registered office of the company and registered office of the subsidiary companies on any working day except holidays till the date of the annual general meeting between 11.00 a.m. and 1.00 p.m.
- * Members attending the AGM and desiring to go round the factory, are requested to inform a week in advance so that necessary arrangements are made.

IN DEFERENCE TO THE GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

Directors' Report

To

THE MEMBERS,

Your directors are pleased to present the 29th annual report on the business and operations of your company together with the audited statement of accounts for the year ended 31st March, 2009.

Financial Results

Your Company's performance for the financial year ended 31st March, 2009 is stated below:

	Year Ended 31.03.2009	Year Ended 31.03.2008
Gross Sales & Income from Operations	5295.05	5,707.06
Less: Excise duty	441.74	533.85
Net Sales/Income from Operations	4,853.31	5,173.21
Add: Other Income	19.80	29.12
Total Sales/Income	4,873.11	5,202.33
Profit before Interest, Depreciation, Tax, exceptional and extraordinary item	358.80	754.84
Less: Interest/Bank Charges	313.39	168.15
Depreciation / Amortisation	313.08	252.38
Exceptional items	599.14	(72.35)
Extraordinary Items	-	36.13
Provision for Tax	0.07	42.78
MAT Credit entitlement	-	(10.66)
Provision for Deferred Tax	(288.56)	96.13
Fringe benefit tax	1.26	1.11
Previous year taxation adjustment	0.24	-
Net Profit / (Loss) after Tax & Extraordinary Item	(579.82)	241.17
Add :		
Amount brought forward	62.51	48.35
Debenture Redemption Reserve written back	-	16.34
Profit / (Loss) available for Appropriation	(517.31)	305.86
Less: Proposed dividend on Equity Shares	-	32.43
Dividend on Equity Shares for Previous Year	-	0.19
Corporate Dividend Tax	-	5.54
Debenture Redemption Reserve	-	25.19
General Reserve	-	180.00
Profit / (Loss) carried to Balance Sheet	(517.31)	62.51

Share Capital

During the year under report, the company allotted 7,550,000 equity shares of Rs.2 each to the promoters upon conversion of 7,550,000 warrants convertible into equity shares of the company.

As on 31st March, 2009, the subscribed and paid up share capital of the company stands at Rs.324,269,864 divided into 162,134,932 equity shares of Rs.2 each.

Directors' Report

Change of Name

During the year, name of the Company has been changed from Jindal Stainless Limited to JSL Limited. Consequent upon the change of name, the Registrar of Companies has issued fresh Certificate of Incorporation on 23rd September, 2008.

Operations

Your Company is India's leading stainless steel manufacturer. Your company sells a broad range of stainless steel flat products which includes slabs, blooms, flat bars, hot rolled & cold rolled coils, plates and sheets along with specialty products. The company presently operates from plants situated at Hisar (Haryana), Vishakhapatnam (Andhra Pradesh) and Duburi (Orissa). Financial year 2008-09 was a challenging year for global stainless steel industry, which had witnessed considerable volatility in terms of commodity prices & demand off-take, especially post global economic meltdown starting second half of the year. The economic meltdown resulted in substantial drop in prices of major commodities including nickel, chromium, scrap, being our major raw material for stainless steel production. This also resulted in considerable fall in sales realizations and loss of margins. The main reasons for loss during the financial year are as under:

- a) Sluggish demand across global markets during second half of the year
- b) Commodity price meltdown emerging from global financial crisis
- c) Unprecedented Indian Rupee depreciation against major currencies
- d) Loss of turnover due to shutdown of hot rolling mill expansion at Hisar Plant
- e) Disruption in power transmission lines at Orissa plant due to cyclonic activities

The above events occurred during the same span of time resulting in much severe impact on the profits of the company. However, there has been some recovery in stainless steel demand during the later half of the year, but the demand for Ferro alloys is still sluggish. The performances of various division of your company are as under:

Hisar Division

In line with the company's focus on the debottlenecking of the hot rolling facilities at the Hisar plant, your company has enhanced the stainless steel melting as well as hot rolling mill capacities to 720,000 tons per annum each, during the FY 2008-09. The hot rolling facilities are now equipped with all modern technologies like Intelligent Refining System, Carbon Oxygen jet injection systems and improvised pollution control system enabling optimal utilization of available resources and improved environment. With major up-gradation, the Steckel Mill is now equipped with level 2 automation to achieve internationally acceptable hot rolled coil quality. During the year Hot rolling division produced 466,834 tons of stainless steel slabs, 461,725 tons of hot rolled products.

Also, as part of your company's initiation for forward integration, the capacity of Annealing Pickling line has now enhanced to 300,000 tons per annum from 200,000 tons per annum. During the year Cold rolling division produced 115,080 tons Cold Rolled Stainless Steel and 62,143 tons of hot rolled annealed pickled saleable products. Further, the special product division of the company has produced 10,561 tons of coin blanks and 13,038 tons of special steel, during the year. The Cold Rolling Division, at Hisar Plant, is consisting of four cold rolling lines with total capacity of 300,000 tons per annum.

To achieve operational excellence, company is constantly persuading TPM, Six Sigma, Juran methodologies in all business areas. The company has been awarded with national level "Good Green Governance" award by Shristi publication for its valuable contribution to the environment. The hot rolling division has now upgraded its OHSAS 18001:1999 System to BS 18001:2007.

Vizag Division

The Vizag Plant of the company is a single product manufacturing unit which produces High Carbon Ferro Chrome (HCFC) with annual capacity of 40,000 Tons per annum. The Chrome ore required for the production of HCFC is being sourced from captive Sukhinda Chromite Mines and the output is being supplied to the Hisar plant as well as sold in the export market. During the financial year 2008-09 the vizag plant had a maintenance shutdown of its furnace for 2 months starting from April'08, in order to have shell replacement and relining work. Due to this maintenance shutdown the plant produced 31,901 tons of HCFC as compared to 33504 tons of production in 2007-08.

Directors' Report

Orissa – Ferro Alloys & Captive Thermal Power Plant Division and Chromite Mines

As part of the Phase I of the envisaged integrated stainless steel facilities at Kalinganagar Industrial complex, Duburi, Jaipur in the State of Orissa, the company has Ferro Alloys division consisting of Ferro Alloys manufacturing facilities including Ferro Chrome, Ferro Manganese & Silico Manganese facilities along with the waste heat recovery based Power Plant and Thermal Power Plants. During the year Ferro Alloys division of the plant has produced 85,490 tons of Ferro Chrome, 20,000 tons of Ferro Manganese and 12,015 tons of Silico Manganese against aggregate installed ferro alloys capacities of 250,000 tons. Further, during the year, the captive thermal power plants at this division have generated net 749 million units.

The production from the ferro alloys facilities were affected in the year due to adverse unprecedented market conditions and sudden fall in the realizations, specially in the second half of the financial year 2008-09. The operations at this division were also affected during September 2008, as the power generation at the captive Thermal Power Plant were hampered on account of falling of transmission towers due to heavy rainfall and cyclone.

During the current financial year the company's Chromite mines division produced 127,426 MT of Chrome Ore, 30927 MT of Concentrate Chrome Ore. The Project for beneficiation of low grade / tailings is under various stages of erection and the plant is likely to be commissioned early July, 2009.

Integrated Stainless Steel Project at Orissa

Your company is currently implementing the Phase – II of the Orissa project envisaging production of 800,000 tons of stainless steel with hot rolling and cold rolling facilities. As part of this project, three major production units are being set up, steel melt shop, hot rolling tandem mill & cold rolling complex including hot rolled annealed pickled line, cold rolled annealed pickled line & associated finishing lines. The orders for setting up these major units have been placed and contracts have been signed with reputed international equipment suppliers. In addition to these major units, most of the orders for the balance of the plant (support facilities such as utilities, power distribution, infrastructure etc.) have also been firmed up.

Given the global economic conditions, your company is also reviewing various options to maintain adequate level of liquidity for continuous and smooth operation of its various plants and for completion of its ongoing projects.

Dividend

The Board, considering the Company's performance and financial position for the year under review, has not recommended any dividend on equity shares of the company for the year ended 31st March, 2009.

Subsidiary Companies

The Company, as on 31st March, 2009 have 16 direct and step down subsidiaries, namely (i) Jindal Stainless UK Limited; (ii) Jindal Stainless FZE, Dubai; (iii) PT Jindal Stainless Indonesia; (iv) Jindal Stainless Italy S.r.l.; (v) Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey (vi) Jindal Stainless Steelway Limited; (vii) Austenitic Creations Private Limited; (viii) Jindal Architecture Limited; (ix) Green Delhi BQS Ltd.; (x) Parivartan City Infrastructure Limited; (xi) JSL Group Holdings Pte. Ltd., Singapore; (xii) JSL Ventures Pte. Ltd., Singapore; (xiii) JSL Europe S.A., Switzerland; (xiv) JSL Minerals & Metals S.A., Switzerland; (xv) Jindal Aceros Inoxidables S. L., Spain; (xvi) JSL Logistics Limited. However, during May, 2009, the company has formed one more Company as subsidiary i.e. Iberjindal S.L., Spain, for carrying the business of stainless steel coil processing.

The members may refer to the Statement under Section-212 of the Companies Act, 1956 and the information on financial of subsidiaries appended to the above statement in this Annual Report for further information of the said sixteen subsidiaries. The Ministry of Corporate Affairs vide its letter No. 47/427/2009-CL-III dated 20th May, 2009 granted the approval to the Company for not attaching the annual accounts of the subsidiaries with the Annual Report of the Company for the financial year ended 31st March, 2009.

The members, if they desire, may write to Company Secretary at O.P.Jindal Marg, Hisar, Haryana – 125 005 to obtain the copy of the annual report of the subsidiary company.

Directors' Report

Quality and ISO Certifications

JSL Limited, being a socially responsible corporate, has always been sensitive towards changing demands of the customer and society at large. The Company is committed for sustainable development through adoption of best practices with respect to Quality, environment, Health & Safety at work place.

Your Company is an ISO 9001:2000, BS 18001:2007 and ISO 14001:2004 certified organization. These systems ensure that quality, safety, health and environmental issues are given utmost priority. The systems that have been set up ensure that the quality of the product is world class, and at the same time, the processes that goes into making such products, are environmental friendly and risk free, thus providing a conducive work environment for all.

In order to promote a continuous improvement environment, the Company is unrelentingly working for waste reduction with the adoption of Lean manufacturing concepts and apply tools like; 6 sigma, Juran methodology, Quality Circles, 5S and TPM. Various projects have been completed, giving tangible benefits in the area of yield, cost reduction, and 'On time deliveries', thus addressing the customer's concerns and boosting the morale of our people. Training and 'hand holding' in all such initiatives is an apart of life at JSL. These initiatives are continuous, with more and more projects being identified and employees taking pride in participation.

Issuance of shares under ESOP

The shareholders in the annual general meeting held on 16th September, 2008 passed enabling resolution for issuance of options exercisable into maximum of 40,00,000 equity shares under Employee Stock Option Scheme to employees and directors of the company and of its subsidiaries. However, the exercisable price formula as approved by the shareholders became un-attractive due to high volatility in the equity market and sluggishness in the share price of the company. It is now proposed to seek fresh approval from shareholders for issuance of shares under ESOP under more effective proposal, in ensuing annual general meeting.

Research & Development

Your company is leader in domestic stainless steel market and a reputed brand name in the international market. To maintain this position, the Company believes that quality improvement and cost reduction strategies are continuous process.

Your company has a full fledged research and development centre at Hisar to give thrust towards new product development, quality improvement of existing products and cost reduction by process improvement and optimization. R&D centre interacts with the marketing and operations personnel on continuous basis for their feedbacks on the existing products to explore the possibility of developing new grades of stainless steel.

The R&D centre also interacts with national laboratories and academic institutes to utilize their facilities for material characterization and quality improvement.

Your company, being a socially responsible corporate, has always been sensitive towards changing demands of the customer and society at large. It is committed for sustainable development through adoption of best practices with respect to Quality, environment, Health & Safety at work place. The requirements of existing Environmental Legislation/Standards are timely complied with. Your company is in compliance with all local, state and central government occupational health, environmental and Safety regulations and other mandatory requirements relevant to the health, safety and welfare of all employees, contractors and visitors in our operational facilities.

Information Technology

Your Company has implemented SAP R/3 ERP System, to streamline and improve the business processes. All the critical businesses of the Company's transactions run on SAP and it has replaced several of the earlier small independent software packages, with one single integrated application. A world class Data Center has been created in Hisar, where all the SAP servers are located in a secure 24X7 operational environment.

Your Company is planning further rollout of SAP for new locations and business units in the current financial year, including the service centers.

Directors' Report

Listing on Stock Exchanges

The equity shares of your company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The annual listing fee for the year 2009-10 has been paid to both the stock exchanges where equity shares of your company are listed. GDS of the company are listed at Luxembourg Stock Exchange.

Fixed Deposits

The company has accepted / renewed deposits amounting to Rs. 230,833,000 during financial year 2008-09. There were no overdue deposits on 31st March, 2009, except for Rs.7,534,000 which remained unclaimed. Out of this, the deposits amounting to Rs.2,271,000 have since been repaid / renewed upto 30th May, 2009.

Particulars Regarding the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Information relating to energy conservation, technology absorption, foreign exchange earnings and outgo required to be disclosed under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-1 forming part of this report.

Particulars of Employees

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the directors' report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent to all the shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the company secretary at the registered office of the company.

Auditors and Auditors' Report

M/s. Lodha & Co. and M/s. S.S. Kothari Mehta & Co., statutory auditors of the company, hold office until the conclusion of the ensuing annual general meeting and are eligible for re-appointment. The company has received letters from them to the effect that their appointments, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub section (3) of section 226 of the Companies Act, 1956, for such appointment.

The notes to the accounts referred to in the auditors' report are self-explanatory and, therefore, do not call for any further comments.

Cost Auditors

M/s. Ramanath Iyer & Co., Cost Accountants, the cost auditors for conducting the cost audit for the financial year 2008-09 were appointed by the Board of Directors subject to approval of Central Government, which was received vide Central Government's letter dated 8th July, 2008.

The Board of Directors has re-appointed M/s. Ramanath Iyer & Co., Cost Accountants, the cost auditors for conducting the cost audit for the financial year 2009-10 subject to approval of the Central Government. Application for approval of the Central Government for re-appointment has already been made.

Directors

Sh. R.G. Garg, Sh. Rajinder Parkash and Sh. N.C. Mathur have resigned from the Board of Directors of the company with effect from 12th January, 2009. The board places on record its appreciation for the valuable contribution made by them during their tenure.

The Board of Directors has appointed Sh. Satish Tandon and Sh. T.S. Bhattacharya as additional directors with effect from 16th December, 2008 and 13th January, 2009 respectively. The Company has received Notice pursuant to section 257 of the Companies Act, 1956, from members signifying their intention to propose Sh. Satish Tandon and Sh. T.S. Bhattacharya as candidates for the office of Directors.

Directors' Report

Sh. Suman Jyoti Khaitan, Dr. L.K. Singhal and Sh. N.P. Jayaswal, directors, will retire at the annual general meeting by rotation and, being eligible, offer themselves for re-appointment.

Brief resume of the above directors, nature of their expertise in specific functional areas, details of directorship in other companies and the membership/ chairmanship of committees of the board, as stipulated under clause 49 of the listing agreement with the stock exchanges, are given in the section on corporate governance in the annual report.

Dematerialisation of Shares

The members are aware that the company's equity shares are under compulsory trading in dematerialised form for all categories of investors. The members are, therefore, again advised to get their shares dematerialised as trading of the shares will have to be in the electronic form only.

Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to directors' responsibility statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of the profit of the company for the year ended on that date;
- (c) the directors have taken proper and sufficient care 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
- (d) the directors have prepared the annual accounts of the company on a 'going concern' basis.

Corporate Governance

A separate section on corporate governance and a certificate from the practicing company secretary regarding compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges, forms part of the annual report.

Management Discussion and Analysis Report

Management discussion and analysis report as required under the listing agreements with the stock exchanges is enclosed with this report.

Acknowledgement

Your directors would like to express their gratitude for the valuable assistance and co-operation received from shareholders, banks, government authorities, customers and vendors. Your directors also wish to place on record their appreciation for the committed services of all the employees of the company.

for and on behalf of the Board of Directors

Savitri Jindal
Chairperson

New Delhi
24th June, 2009

Directors' Report

ANNEXURE I

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

a) Conservation of Energy

Energy conservation measures taken:

- New capacitors bank has been installed at 11KV power station to improve power factor.
- SCADA system has commissioned for close monitoring of power flow in complete plant.
- Conventional lights have been replaced by CFL lights.
- High efficiency AC Motors has been ordered and replaced from low efficiency motors.
- Variable speed drives are provided for water pumps, hydraulic pumps, cooling towers, and air compressor and blowers to reduce energy consumption.
- Pumps and blowers have been put on closed loop system by providing automation to reduce power consumption.

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

Energy audit has been carried out and action/improvement suggested shall be implemented.

c) Impact of above measures.

Uninterrupted power supply and improving in quality of power productivity of the plant has increased and power consumption tonne of sellable stainless steel has reduced.

FORM - "A"

Form for Disclosure of Particulars with respect to Conservation of Energy.

(Excluding Ferro Alloys Divisions being not covered)

A. Power and Fuel Consumption	2008-09	2007-08
1. Electricity		
a) Purchased		
Units (in '000 Kwh) *	411825.60	474010.18
Total amount (Rs. in lacs)	17168.50	19783.77
Rate/Unit (Rs.)	4.17	4.17
* Net of exports to HSEB		
b) Own Generation through DG Sets		
Units (in '000 Kwh) #	106357.41	121514.54
Units per litre of Oil	4.36	4.33
Cost /Unit (Rs.)	7.37	7.07
# Excluding diesel generator auxiliary consumption		
2. Fuel Oils (FO, FOLV, LDO, HSD)		
Quantity (Kilo Litre)*	50058.48	62006.99
Total cost (Rs. in Lacs)	11149.16	13205.22
Average rate/litre (Rs.)	22.27	21.30
* including fuel used for power generation.		

Directors' Report

A. Power and Fuel Consumption	2008-09	2007-08
3. Coal / Coke		
Quantity (MT)	5.26	28.59
Total cost (Rs. in Lacs)	0.45	3.11
Average Rate/Kg. (Rs.)	8.64	10.89
4. Gases (Propane)		
Quantity (MT)	17494.17	17882.92
Total cost (Rs. in Lacs)	6653.64	6427.09
Average rate/Kg. (Rs.)	38.03	35.94
5. Gases (Ammonia)		
Quantity (MT)	653.92	515.84
Total cost (Rs. in Lacs)	162.18	112.80
Average rate/Kg. (Rs.)	24.80	21.87

B. Consumption per unit of production

Production:

Steel Strips, Plates, Flats, Bloom, Ingots, Ferro Chrome, Oxygen and Argon Gases.

1. Electricity:		
(i) for alloys steel melting (unit/tonne)	523.01	490.52
(ii) for gas manufacturing (unit/cum)	0.75	0.77
(iii) for cold rolled stainless steel manufacturing (unit/tonne) A	512.32	484.69
(iv) for blade steel manufacturing (unit/tonne)	1640.20	1509.39
2. Fuel Oils:		
(i) For alloys steel melting (litre/tonne)	8.01	8.72
(ii) for cold rolled stainless steel manufacturing (litre/tonne) B	11.91	7.87
(iii) for blade steel manufacturing (litre/tonne)	41.27	36.09
3. Coal:		
(i) for alloy steel melting (MT/tonne)	-	-
4. Gases (Propane):		
(i) for alloy steel melting (kg/tonne)	0.83	1.83
(ii) for cold rolled stainless steel manufacturing (unit/tonne)	69.30	68.87
(iii) for blade steel manufacturing (unit/tonne)	60.34	81.98
5. Gases (Ammonia):		
(i) for blade steel manufacturing (Unit/tonne)	30.85	25.61
(ii) For cold rolled stainless steel manufacturing (Kg/tonne) C	1.66	0.91

The previous year's figures have been regrouped / rearranged where necessary.

Reasoning for variation:

- Power consumption per MT increased due to change in product mix and lower production.
- Fuel consumption per MT increased in CRD due to maximum utilization of Oil fired Boiler comparatively to LPG Fired Boiler.
- Ammonia consumption per MT increased in CRD due to lower production.

Directors' Report

FORM – “B”

Form of Disclosure of Particulars with respect to Technology Absorption 2008-09.

1) Specific areas in which, the company carried out Research & Development

- Development of martensitic grade 431 which is characterized by retained austenite & high hardenability Plates exported to Ukraine.
- Improvement in surface quality of 430 stainless steel with high reflectivity & high drawability by optimizing chemical composition with high gamma potential to minimize ridging.
- Breakthrough in development of deep drawn utensils of 430 grade with anti-ridging characteristics.
- Development of stainless steel grade 410SM, a low cost ferritic grade, passing dip dry salt spray test. Exported to Korea.
- Development of J4 with high elongation and low spring back for white goods application.
- High strength Martensitic stainless steel grade 1.4034 developed and successfully exported to Italy.
- DLT surface finish for 301L sheets for Indian railways for replacing painted Corten steel coaches by stainless steel coaches, Sheets with DLT finish in stainless steel were so far imported, JSL developed this product which matched the stringent surface roughness and reflectivity requirements stipulated by BEML.
- Process optimization of parameters for stabilized ferritic stainless steel 441.
- Evolution of low cost process route for ultra soft 430 grade.

2) Benefits derived

- Quality Improvement
- Diversification of product range
- New application areas explored
- Cost reduction

3) Future plan of action

- Development of ferritic grades 444 & 446, Lean duplex 2101 and High Cr austenitic 347 for power sector.
- Development of super austenitic grade UNS S31727 for power and petrochemical industry.
- Application Engineering where our 200 series, 400 series and duplex grades can replace existing 300 series grades.
- Comparative evaluation of Nickel free lean duplex grades with low Nickel duplex grades.
- Stress corrosion cracking resistance of 200 series and 300 series in NaCl and MgCl₂ solutions at room temperature as well as at high temperatures.
- Recovery of ZnO from SAF dust
- Reduction in bell annealing time of Ferritic stainless steel grades.

4) Expenditure on R & D

	2008-09	(Rs. in Lacs) 2007-08
a) Capital	92.80	69.48
b) Revenue	77.26	83.00
Total	170.06	152.48
c) Total R&D expenditure as a percentage of total turnover	0.032%	0.027 %

Directors' Report

5) Technology absorption, adaptation and innovation

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

- Installation of second finishing stand in tandem with existing Steckel Mill.
- Modification of the edger before rougher: Changed mechanical screwdown to Hydraulic automatic width control(HAWC). Increased the torque rating of edger rolls.
- 150 TPH Slab preheating furnace: Added a new Slab preheating furnace to preheat the slabs before charging them to Walking Beam Furnace to match the production requirements of twin stand steckel mill.
- New 4Hi precision strip mill has been added in the specialty product division, CRD .The mill was commissioned successfully in month of August, 08 for capacity enhancement in thinner gauge and has features like quick opening, automatic gauge control, tension measuring roll.
- Revamping of Z3 mill done with additional facility like expand-collapse mandrel with coil car. New roll coolant filtration system incorporated for increasing cooling capacity and quality improvement.
- New BA line : Continuous annealing line with Cracked Ammonia atmosphere, Equipped with degreasing section and vertical furnace for high quality bright surface finish.
- New hydrogen bell F/C in SPD : Capacity enhancement for annealing of CR coils.
- New Tension leveler with strip elongation control and flatness enhancement which improve the product quality and yield.

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

- Increase in plant productivity
- Capacity augmentation (from 0.6 to 0.72 million tons/annum)
- Process improvement
- Quality improvement

6) Foreign Exchange Earnings & Outgo

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

Exports have always been a strategic move at your company with a clear focus on value addition, customization and expanded geographical reach. This focus of your company is to popularize "J" series grades, strengthen international distribution network and entry into new international markets like Philippines, Peru etc. It also plans to focus on particular segments like appliances sink, catering defence, oil & gas & ABC.

	(Rs. in Crore)
b) Foreign Exchange Earnings	1231.22
Foreign Exchange Outgo	2097.04

Corporate Governance

Your company recognizes communication as a key element of the overall corporate governance framework and therefore, emphasizes on seamless and efficient flow of relevant communication to all external constituencies. Your company follows the principles of fair representation and full disclosure in all its dealings and communications. The company's annual reports, results presentations and other forms of corporate and financial communications provide extensive details and convey important information on a timely basis. Your company has fully complied with all mandatory requirements of corporate governance in all material aspects. A report on corporate governance as per listing agreement is given below:

1. Company's philosophy on the code of corporate governance:

Your company's philosophy on corporate governance envisages the alignment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, government and lenders. The company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time.

2. Board of Directors:

(i) Composition of Board

The composition of Board of Directors presently consists of ten directors as detailed hereunder indicating their status as independent or otherwise against their respective names:

Executive Directors:

Sr. No.	Name of Director	Designation	Status
1.	Sh. Ratan Jindal	Vice Chairman & Managing Director	Promoter
2.	Sh. Arvind Parakh	Director – Strategy & Business Development	Non-Independent
3.	Sh. N.P. Jayaswal	Executive Director	Non-Independent

Non Executive Directors:

Sr. No.	Name of Director	Designation	Status
1.	Smt. Savitri Jindal	Chairperson	Promoter
2.	Sh. Naveen Jindal	Director	Promoter
3.	Sh. Suman Jyoti Khaitan	Director	Independent
4.	Dr. L.K. Singhal	Director	Independent
5.	Sh. T.R. Sridharan	Director	Independent
6.	Sh. Satish Tandon	Director	Independent
7.	Sh. T.S. Bhattacharya	Director	Independent

Smt. Savitri Jindal, Chairperson of the company is mother of Sh. Ratan Jindal and Sh. Naveen Jindal.

Apart from the sitting fee paid for attending Board/Committee meetings, the non executive directors did not have any material pecuniary relationship or transactions with the company, during the year 2008-09.

(ii) Board Meetings

During financial year 2008-09, four Board meetings were held on 30th April, 2008, 22nd July, 2008, 29th October, 2008, 31st January, 2009. The maximum time gap between any two meetings was not more than four calendar months.

Corporate Governance

(iii) Attendance of Directors & other Directorships

Attendance of the directors at the Board meetings, last annual general meeting and number of other directorships and chairmanships/ memberships of committee of each director in various companies:

Sr.No.	Name of the Director	Attendance Particulars		No. of total directorships and committee memberships/chairmanships in limited companies, excluding foreign companies (excluding remuneration committee)		
		Board meetings	Last AGM	Total Directorships	Committee Memberships	Committee Chairmanships
1.	Smt. Savitri Jindal	1	Yes	9	-	-
2.	Sh. Ratan Jindal	3	Yes	8	-	-
3.	Sh. Naveen Jindal	2	No	6	-	-
4.	Sh. Arvind Parakh	4	Yes	1	1	-
5.	Sh. Suman J. Khaitan	3	No	5	3	1
6.	Dr. L.K. Singhal	4	No	1	2	1
7.	Sh. T.R. Sridharan	4	No	2	2	-
8.	Sh. N.P. Jayaswal	2	No	2	1	-
9.	Sh. Satish Tandon *	1	No	6	9	1
10.	Sh. T.S. Bhattacharya **	1	No	2	-	-
A.	Sh. R.G. Garg #	3	Yes	#	#	#
B.	Sh. Rajinder Parkash #	3	Yes	#	#	#
C.	Sh. N.C. Mathur #	2	No	#	#	#
D.	Sh. B.D. Gupta ##	1	##	##	##	##

* Appointed as additional director w.e.f. 16th December, 2008.

** Appointed as additional director w.e.f. 13th January, 2009.

Ceased to be director w.e.f. 12th January, 2009.

Ceased to be director w.e.f. 19th June, 2008.

None of the directors on the Board is a director on more than 15 companies (as specified in section 275 of the Companies Act, 1956) and is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the listing agreement) across all the companies in which he/she is a director.

(iv) Shareholding of Non-Executive Directors in the Company

As on 31st March 2009, non executive directors hold following number of shares in the company:

Name of non executive director	No. of shares
Smt. Savitri Jindal	88,573
Sh. Naveen Jindal	12,768
Sh. Suman Jyoti Khaitan	Nil
Dr. L.K. Singhal	Nil
Sh. T.R. Sridharan	Nil
Sh. Satish Tandon	Nil
Sh. T.S. Bhattacharya	5,005

Corporate Governance

(v) Board Meetings, its Committee Meetings and Procedures thereof:

A. Scheduling and selection of agenda items for Board meetings

- (i) The company holds minimum of four Board meetings in each year after the end of each financial quarter. Apart from the four Board meetings, additional Board meetings are also convened as and when required to address the specific needs of the company by giving appropriate notice to the Directors. The Board also approves permitted urgent matters by passing resolutions through circulation.
- (ii) The meetings are usually held at the company's corporate office at New Delhi.
- (iii) All divisions/departments in the company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval/decision in the Board/Committee meetings. All such matters are communicated to the company secretary in advance so that the same could be included in the agenda for the Board meetings.
- (iv) The Board is given presentations covering finance, sales and marketing, and the major business segments and operations of the company, before taking on record the results of the company for the preceding financial quarter at each of the pre-scheduled Board meeting. The Board's annual agenda includes recommending dividend, determining directors who shall retire by rotation and recommending appointment of directors/ auditors, authentication of annual accounts and approving Directors' Report, long term strategic plan for the company and the principal issues that the company expects to face in the future, Board meetings also take note and review functions of its Committees.
- (v) The Chairperson / Vice Chairman & Managing Director / Director Strategy & Business Development and the Company Secretary in consultation with other concerned persons in the top management, finalise the agenda papers for the Board meetings.

B. Board material distributed in advance

- (i) Agenda papers are circulated to the directors, in advance, in the defined agenda format. All material information is incorporated in the agenda papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda.
- (ii) With the permission of Chairman / Chairperson, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance for the meeting.

C. Recording minutes of proceedings at Board meeting

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The minutes of the proceedings of a meeting are entered in the minutes book within thirty days from the conclusion of the meeting and signed by the Chairman / Chairperson of the next Board/ Audit Committee meeting.

D. Post meeting follow up mechanism

There is an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committees.

E. Compliance

The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s) and holding and conducting the meetings, is responsible for and is required to ensure adherence to all the applicable provisions of law. Certificate relating to compliance of provisions of law is placed in every Board meeting.

Corporate Governance

3. Audit Committee:

I. Composition and attendance:

An Audit Committee constituted in terms of section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000 and as per requirement of clause 49 of the Listing Agreement, comprises following non-executive directors:

- | | | |
|----------------------------|---|----------|
| 1. Sh. Suman Jyoti Khaitan | - | Chairman |
| 2. Dr. L.K. Singhal | - | Member |
| 3. Sh. T.R. Sridharan | - | Member |

Sh. Jitendra Kumar, Company Secretary, is the Secretary of the audit committee.

During financial year 2008-09, four meetings of audit committee were held on 30th April, 2008, 22nd July, 2008, 29th October, 2008, 31st January, 2009. Dr. L.K. Singhal and Sh. T.R. Sridharan were present in all the four meetings. Sh. Suman Jyoti Khaitan attended three meetings.

II. Terms of Reference:

Terms of reference of the Audit Committee are as per section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreement with the stock exchanges.

4. Remuneration Committee:

Composition and attendance:

The Remuneration Committee of the company comprises the following directors:

- | | | |
|----------------------------|---|----------|
| 1. Sh. Suman Jyoti Khaitan | - | Chairman |
| 2. Dr. L.K. Singhal | - | Member |
| 3. Sh. T.S. Bhattacharya | - | Member |

The Remuneration Committee was constituted on 31st March, 2009.

Terms of Reference:

- To recommend / review/ approve the remuneration of Executive Directors, including Managing Director(s) on the basis of their performance
- To ensure that the remuneration policy of the Company is directed towards rewarding performance.
- To ensure that the remuneration policy is in consonance with the existing Industry practice and market trend.

Remuneration of Executive Directors:

Details of the remuneration paid to the Managing / Executive Directors for the financial year ended 31st March, 2009 is given below :

Name of Directors	Designation	Salary	Commission	Contribution to PF	Others	(Amount in Rs.)	
						Total	Notice Period
Sh.Ratan Jindal *	Vice Chairman & Managing Director	-	-	-	1,750	1,750	N.A.
Sh. Arvind Parakh	Director – Strategy & Business Development	48,00,000	-	5,76,000	1,00,69,111	1,54,45,111	N.A.
Sh. N.P. Jayaswal	Executive Director	18,00,000	-	2,16,000	25,70,040	45,86,040	N.A.
Sh. R.G. Garg #	Managing Director & Chief Operating Officer	28,16,129	-	3,37,935	52,45,631	83,99,695	N.A.
Sh. Rajinder Parkash #	Executive Director	8,63,613	-	1,03,634	6,72,370	16,39,616	N.A.
Sh.N.C. Mathur #	Director – Corporate Affairs	10,89,842	-	1,30,781	8,88,711	21,09,334	N.A.

* Sh. Ratan Jindal has received salary of Rs.3,96,00,000 from Jindal Stainless FZE in the capacity of Director and Rs.1,32,00,000 from Jindal Stainless UK Limited in the capacity of Managing Director during financial year 2008-09. Jindal Stainless FZE and Jindal Stainless UK Limited, both are subsidiary companies of JSL Limited.

Sh. R.G. Garg, Sh. Rajinder Parkash and Sh. N.C. Mathur resigned from the Board of Directors with effect from 12th January, 2009.

All the above directors are on contractual service. At present, the company does not have any stock option plan as part of remuneration package for any director.

In view of the loss incurred by the Company during the financial year 2008-09, the Company is in the process of moving an application to Central Government under suitable provisions of Schedule XIII for waiver of the excess remuneration paid to Whole Time Directors of the Company.

Corporate Governance

5. Shareholders'/ Investors' Grievance Committee:

Shareholders'/ Investors' Grievance Committee of the Company comprising Dr. L.K. Singhal, Chairman, Sh. Arvind Parakh and Sh. N.P. Jayaswal, looks into the grievances of the shareholders concerning transfer of shares, payment of dividend and non receipt of annual report and recommend measure for expeditious and effective investor service.

The Company has duly appointed share transfer agent (R&T Agent) for servicing the shareholders holding shares in physical or dematerialised form. All requests for dematerialisation of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time. The Committee also monitors redressal of investors' grievances.

As required by the stock exchanges, the Company has appointed Sh. Jitendra Kumar, Company Secretary as the Compliance Officer to monitor the transfer process and liaison with the regulatory authorities. The Company complies with the various requirements of the listing agreements and the depositories with respect to transfer of shares, the requisite certificates are sent to them within the prescribed time.

No. of shareholders' complaints received during the year ended 31st March, 2009: 77

Number not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

6. Share Transfer Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the share transfer committee comprising Sh. Ratan Jindal, Vice Chairman & Managing Director, Sh. Arvind Parakh, Director – Strategy & Business Development, Dr. L.K. Singhal, Director, Sh. Jitendra Kumar, Company Secretary and Sh. Jeewat Rai, Vice President, M/s. Abhipra Capital Limited.

Sitting fees paid to Non Executive Directors:

The sitting fees paid for the year ended 31st March, 2009 to the directors are as follows: Sh. Naveen Jindal, Rs.40,000/-, Sh. Suman Jyoti Khaitan, Rs.90,000/-, Dr. L.K. Singhal, Rs.1,20,000/-, Sh. T.R. Sridharan, Rs.1,20,000/-, Sh. Satish Tandon, Rs.20,000/-, Sh. T.S. Bhattacharya, Rs.20,000/-, Sh. B.D. Gupta, Rs.20,000/-. No commission has been paid to the non-executive directors.

7. General Body Meetings:

The last three annual general meetings were held at registered office of the company at O.P. Jindal Marg, Hisar – 125 005 (Haryana), as per details given below:

Year	Date	Day	Time
2005-06	29.9.2006	Friday	11.30 a.m.
2006-07	31.8.2007	Friday	12.00 noon
2007-08	16.9.2008	Tuesday	12.00 noon

Number of special resolutions passed during last three AGMs

AGM	Number of special resolutions
2005-06	1
2006-07	2
2007-08	5

No special resolution was put through postal ballot last year. At ensuing annual general meeting also, there is no resolution proposed to be passed through postal ballot.

Corporate Governance

8 Disclosures :

- (i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.**

The company has not entered into any transaction of material nature with the promoters, the directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the company.

- (ii) **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties or strictures have been imposed on the company by the stock exchanges or SEBI or any other statutory authorities relating to the above.

- (iii) **Whistle Blower Policy**

The employees of the company are accessible to the senior management for any counseling or consultation and the company has not denied any employee access to the audit committee.

- (iv) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause**

The company has complied with the mandatory requirement of this clause.

Compliance with non-mandatory requirements

- (1) **The Board**

The office of non-executive Chairperson of the company is maintained by the company at its expenses.

Independent directors do not have a tenure exceeding, in the aggregate, nine years on the Board of the company.

- (2) **Remuneration Committee:**

The company has constituted remuneration committee of directors to recommend / review overall compensation structure and policies of the directors.

- (3) **Shareholders' Rights**

The quarterly results of the Company are published in one English (National daily) and one Hindi newspaper, having wide circulation in Haryana. Further, the quarterly results are also posted on the website of the company – www.jindalstainless.com. The results are also available on www.sebiedifar.nic.in. In view of the foregoing, the half yearly results of the company are not sent to the shareholders individually.

- (4) **Audit Qualifications**

During the period under review, there were no audit qualifications in the company's financial statements. The Company continues to adopt best accounting practices.

- (5) **Training of Board members / Mechanism for evaluating non-executive Board members**

The Board of Directors of the Company comprises of 5 non-executive directors. The directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

Corporate Governance

Non-executive directors add substantial value through the deliberations at the meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a controlling role. In important Committees of the Board like the audit committee etc., they play an important role by contributing to the deliberations of the Committee meetings. Besides contributing at the meetings of the Board and Committees, the non-executive directors also have off-line deliberations with the management of the company and also add value through such deliberations.

(6) Whistle Blower Policy

The employees of the company are accessible to the senior management for any counseling or consultation and the company has not denied any employee access to the audit committee.

9. Means of Communication:

- | | |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Quarterly Results | The quarterly, half yearly and yearly financial results of the company are faxed /sent to the stock exchanges after they are approved by the Board. These are also published in the prescribed format as per the provisions of the listing agreement. |
| ii) Newspapers wherein results normally published | Business Standard / Financial Express (English), Jansatta (Hindi) - <i>for the year 2008-09</i> |
| iii) Any website, where displayed | www.jindalstainless.com |
| iv) Whether it also displays official news releases | The company gives important Press Releases. |
| v) The Presentations made to institutional investors or to the analysts | The company holds Analysts' Meet from time to time. |

Corporate Governance

10. General Shareholder Information

10.1 Annual General Meeting :

- Date and Time **4th September, 2009 at 12:00 noon**
- Venue At registered office of the company at JSL Limited, O.P. Jindal Marg, Hisar – 125 005 (Haryana).

10.2 Financial Calendar	: Annual General Meeting – (Next Year)	September, 2010
2009 – 10 (Tentative)	Board Meetings/Results for quarter ending June 30, 2009	July, 2009
	Results for quarter ending September 30, 2009	October, 2009
	Results for quarter ending December 31, 2009	January, 2010
	Results for quarter ending March 31, 2010	April, 2010

- 10.3 Book Closure date** : Saturday, 22nd August, 2009 to Friday, 28th August, 2009 (both days inclusive) for annual general meeting.

- 10.4 Dividend payment date** : Not applicable.

Nomination facility

The Companies (Amendment) Act, 1999 has provided for a nomination facility to the shareholders of the company. Your company is pleased to offer the facility of nomination to shareholders and shareholders may avail this facility by sending the duly completed Form 2B as revised vide Notification no. GSR 836(E) dated 24th October, 2000, Department of Company Affairs, to the Registrar of the company.

- 10.5 (a) Listing of Equity Shares on Stock Exchanges at** : National Stock Exchange of India Ltd., The Bombay Stock Exchange Ltd., Exchange Plaza, 5th Floor, Phiroze Jeejeebhoy Towers, Plot No. C/1, G – Block, Dalal Street, Mumbai - 400 001, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

The company confirms that it has paid annual listing fees due to both the above stock exchanges.

- (b) Listing of 0.50% Foreign Currency Convertible Bonds (FCCBs) on Stock Exchange at** : Singapore Exchange Securities Trading Limited
2, Shenton Way, #19-00, SGX Centre 1,
Singapore 068804

- (b) Listing of GDS on Stock Exchange at** : Luxembourg Stock Exchange,
P.O. Box 165, L – 2011, Luxembourg.

- (c) Debenture Trustee** : Axis Bank Limited
Maker Towers “F”, 13th Floor, Cuffee Parade,
Colaba, Mumbai – 400 005.

- 10.6 Stock Code (Equity Shares)** : Trading Symbol - Bombay Stock Exchange (Demat Segment) 532508
Trading Symbol - National Stock Exchange (Demat Segment) JSL

International Securities Identification Number (ISIN)

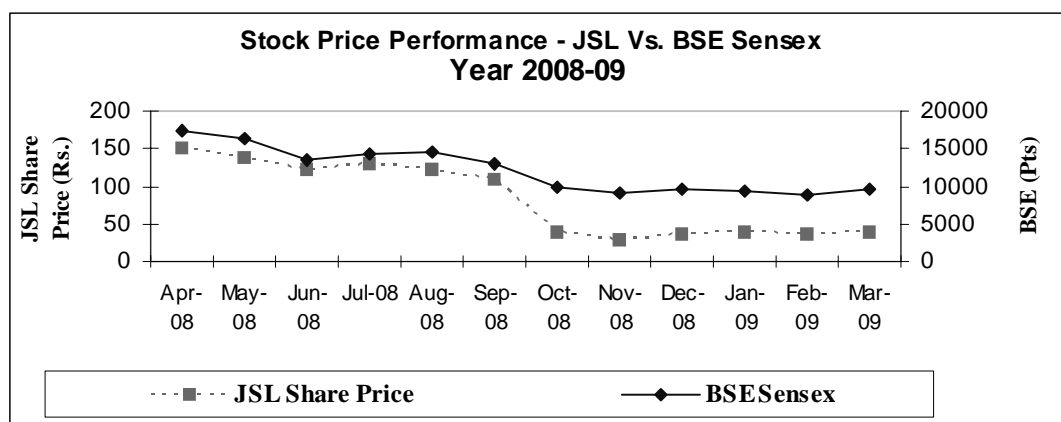
- Equity Shares : INE 220G01021
0.50% FCCBs : XS0208872902
GDS : US4775862000
Reuters Code : JIST.BO (Bombay Stock Exchange)
JIST.NS (National Stock Exchange)

Corporate Governance

10.7 Stock Market Data : National Stock Exchange (NSE) Bombay Stock Exchange (BSE)

	(In Rs.)	(In Rs.)		
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2008	158.50	119.00	159.00	133.15
May, 2008	154.65	134.55	154.85	135.15
June, 2008	141.90	120.00	141.90	120.00
July, 2008	136.00	111.00	135.90	112.00
August, 2008	148.80	117.35	148.50	118.00
September, 2008	127.45	100.10	127.40	103.50
October, 2008	111.45	32.50	113.00	32.80
November, 2008	43.90	26.80	43.75	27.10
December, 2008	40.00	26.25	40.20	26.35
January, 2009	41.85	30.40	41.70	31.35
February, 2009	40.55	33.50	40.65	33.05
March, 2009	41.45	31.00	41.20	30.00

10.8 Share price performance in comparison to broad based indices – BSE Sensex



Note : Based on the Monthly closing data of JSL Limited (Rs. per share) and BSE Sensex (Pts)

10.9 Registrar and Transfer Agents : Abhipra Capital Limited
Ground Floor – Abhipra Complex, Dilkhush Industrial Area,
A-387, G.T. Karnal Road, Azadpur, New Delhi – 110 033.
Phone No. (011) 42390909 Fax No. (011) 27215530

10.10 Share Transfer System : Share transfer requests are registered within 15 – 20 days.

Corporate Governance

10.11 Distribution of shareholding as at 30th May, 2009:

By size of shareholding	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 2500	56837	98.24	15772985	9.73
2501 - 5000	545	0.94	1935676	1.19
5001 - 10000	231	0.40	1625478	1.00
10001 - 15000	64	0.11	767233	0.47
15001 - 20000	26	0.04	462777	0.29
20001 - 25000	18	0.03	408082	0.25
25001 - 50000	41	0.07	1469996	0.91
50001 & Above	94	0.17	139692705	86.16
TOTAL	57856	100.00	162134932	100.00
Physical Mode	15189	26.25	41135920	25.37
Electronic Mode	42667	73.75	120999012	74.63

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	74465935	45.93
GDS held by promoters underlying shares	16734984	10.32
GDS held by others underlying shares	869350	0.54
FIs/Banks/Mutual Funds	15350027	9.47
Corporate Bodies	12610837	7.78
Foreign Bank	9997524	6.17
FIIs	12119235	7.47
NRI/OCBs	1903798	1.17
Public	18083242	11.15
Total	162134932	100.00

10.12 Dematerialisation of shares : 74.63% of the shares have been dematerialised upto 30th May, 2009. Trading in equity shares of the company is permitted only in dematerialized form.

10.13 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity. : During financial year 2004-05, the company issued 0.5%, 12000 Foreign Currency Convertible Bonds (FCCBs) due 2009 of USD 5000 each for an aggregate amount of USD 60 million. During the financial year ended 31st March, 2006, 2141 – 0.5% bonds amounting to USD 10.70 million have been converted into 39,07,028 equity shares of Rs.2/- each and during the financial year ended 31st March, 2008, 5049 – 0.5% bonds amounting to USD 25.24 million have been converted into 92,13,726 equity shares of Rs.2/- each. Unless previously redeemed, the balance 4810 may be converted at any time upto 24.12.2009 into equity shares of Rs.2/- each of the company at conversion price of Rs.119.872 per share, subject to adjustment in certain events.

10.14 Plant locations : • **HISAR**
O.P. Jindal Marg,
(Haryana).
• **KOTHAVALASA**
Jindal Nagar, Kothavalasa – 535 183
Dist. Vizianagaram (A.P.)
• **ORISSA**
Kalinga Nagar Industrial Complex,
P.O. Danagadi – 755 026, Dist. Jajpur (Orissa) India

Corporate Governance

10.15 Investor : Correspondence

For transfer/
dematerialisation of
shares, payment of
dividend on shares,
query on Annual Report
and any other query on
the shares of the
company.

Name : Sh. Jeewat Rai
Designation : Vice President
Address : Abhipra Capital Limited
(Unit: JSL Limited)
Ground Floor – Abhipra Complex,
Dilkhush Industrial Area,
A-387, G.T. Karnal Road, Azadpur,
New Delhi – 110 033.
Phone No. : (011) 42390909
Fax No. : (011) 27215530
Email : investorcare@jindalstainless.com

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).

11. OTHER INFORMATION

(a) Risk Management Framework:

The company has in place mechanisms to inform Board members about the risk assessment and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of a properly defined framework.

(b) Code of Conduct

The company has laid down a code of conduct for all Board members and senior management personnel of the company. The code of conduct is available on the website of the company. The declaration of Vice Chairman & Managing Director is given below:

To the Shareholders of JSL Limited (Formerly: Jindal Stainless Limited)

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board members and senior management personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Place: New Delhi

Date: 24th June, 2009

(Ratan Jindal)

Vice Chairman & Managing Director

General Disclosures

- (i) A summary of transactions with related parties in the ordinary course of business is periodically placed before the audit committee;
- (ii) The mandatory disclosure of transactions with related parties in compliance with Accounting Standard AS-18 is a part of this annual report;
- (iii) In preparing with annual accounts in respect of the financial year ended 31st March, 2009, no accounting treatment was different from that prescribed in the Accounting Standards;
- (iv) The Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Corporate Governance

Certification

We, Ratan Jindal, Vice Chairman & Managing Director and Sandeep Sikka, Head – Corporate Finance of JSL Limited (Formerly: Jindal Stainless Limited), to the best of our knowledge and belief certify that:

1. We have reviewed the balance sheet and profit and loss account (both consolidated and stand alone) of the company for the year ended March 31, 2009 and all its schedules and notes to accounts, as well as the cash flow statements.
 2. To the best of our knowledge and information:
 - a. The financial statements and other financial information included in this report, fairly present in all material respects, the financial conditions, results of the operations and cash flows of the company as of and for the periods presented in the Annual report, and are in compliance with the existing accounting standards and/or applicable laws and regulations:
 - b. The financial statements and other financial information do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading:
 - c. These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
 - d. There is no continuing failure of internal controls and all controls are placed in the company.
 3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or in violation of the Company's code of conduct.
 4. We along with the Company's other certifying officers i.e. the functional heads, are responsible for establishing and maintaining disclosures controls and procedures for the financial reporting of the Company, and we have:-
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, including transactions entered into with Foreign subsidiaries and all related party is made known to us by the officials in these entities, particularly during the period in which the Annual report is being prepared and
 - b. Evaluated the effectiveness of the company's disclosure, controls and procedures
 5. We, along-with the other certifying officers of the company, have disclosed based on our most recent evaluation, wherefore applicable, to the Company's Statutory auditors and to the Audit Committee of the board of Directors:
 - a. All significant deficiencies in the design or operation of the internal controls, which we are aware could adversely affect the company's ability to record, process, summarize and report financial data and identified any material weakness in the internal controls and taken steps to rectify these deficiencies;
 - b. Whether there were significant changes in the internal controls over financial reporting subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weakness;
 - c. Fraud, if any which we have become aware of and that involves management or other employees who have a significant role in the Company's internal control systems over financial reporting;
 - d. Significant changes in the accounting policies during the year, if any, have been disclosed in the notes to the financial statements.
- The above is conveyed to the Board of Directors of the Company.

Date : New Delhi
Place : June 24, 2009

Ratan Jindal
Vice Chairman & Managing Director

Sandeep Sikka
Head – Corporate Finance

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the members of JSL Limited (Formerly: Jindal Stainless Limited)

We have examined the compliance of conditions of Corporate Governance Procedure implemented by JSL Limited (Formerly: Jindal Stainless Limited) for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the company and that no investor grievance(s) is/are pending for the exceeding one month against the Company as per the records maintained by the Shareholders Grievance/Allotment & Transfer Committee of the Board.

Place : New Delhi
Dated : 28th May, 2009

B.D. Tapriya
Company Secretary
C.P. No. 2059

Management Discussion & Analysis

GLOBAL ECONOMIC SCENARIO

The financial year 2008-09 witnessed unfolding of events, which started as the sub-prime mortgage market crisis in the United States, turned into the serious global financial crisis since 1930s. Although the center of gravity remained in the advanced economies, but its impact is increasingly felt throughout the World. During the year the economic activity was subdued in the developed and developing economies especially in the second half of the financial year post sub-prime crisis. The meltdown led to widespread economic uncertainty which forced large scale liquidation of investments, tightening of financial liquidity and substantial loss in wealth worldwide. This rapid increase in precautionary saving led to a sharp decline in global investment, production, trade, and gross domestic product (GDP) during the financial year 2009.

Real GDP Growth

Region	2008 (e)		
	2007	2008 (e)	2009 (f)
World	3.8	1.9	-2.9
High Income	2.6	0.7	-4.2
Developing Countries	8.1	5.9	1.2

(Source: World Bank)

As per the World Bank estimates the world economy in 2009 contracts by 2.9% while developing countries continue to grow at a slower pace of 1.2%. The central banks and the governments of various countries acted swiftly to counter the global economic meltdown in a coordinated manner by announcing massive stimulus packages and by easing monetary system. These measures are expected to lessen the impact of the crisis and aid in faster economic recuperation.

INDIAN ECONOMY

As per revised estimates by Central Statistical Organisation (CSO), the overall growth of Indian GDP decelerated in 2008-09 to 6.7 per cent. This represented a decline of 2.1 per cent from the average growth rate of 8.8 per cent in the previous five years (2003-04 to 2007-08). The global financial meltdown and consequent economic recession in developed economies have clearly been major factor in India's economic slowdown. The deceleration of growth in 2008-09 was spread to all sectors except mining & quarrying and community, social & personal services. The slowdown in manufacturing sector could be attributed to the combined impact of a fall in exports followed by a decline in domestic demand, especially in the second half of the year. The growth in production sectors, especially manufacturing, was adversely affected by the impact of global recession & associated factors.

Per capita GDP growth, a proxy for per capita income, which broadly reflects the improvement in the income of the average person, grew by an estimated 4.6 per cent in 2008-09, representing a substantial slowdown from the average growth of 7.3 per cent per annum during the previous five years. The per capita consumption growth also declined from 6.9% in 2007-08 to 1.4% in 2008-09. The rupee gradually appreciated from about Rs. 46.54 per US dollar in August 2006 to about Rs. 39.37 in January 2008, a movement that had begun to affect profitability and competitiveness of the export sector. The global financial crisis however reversed the rupee appreciation and after the end of positive shock around January 2008, rupee began to decline from about Rs. 40 per US dollar in March 2008 to about Rs. 51 per US dollar in March 2009, reflecting more than 21 per cent depreciation during the fiscal 2008-09. The fallout of the global financial crisis on the Indian economy has been palpable across industry verticals and trade sectors, permeating across services sector as well. In particular, exports sector suffered greater dip in performance, especially during the second half of the year; however the Indian economy withstood the adversities following global economic downturn and posted a growth rate of 6.7 % in 2008-09. The economy continues to face wide-ranging challenges— from improving its social and physical infrastructure to enhancing agricultural and industrial productivity; and address environmental concerns.

The prospects of Indian economy are somewhat different from most other countries; with large domestic market, resilient banking system and a policy of gradual liberalisation of capital account proving to be the key factors. The rate of inflation provides a degree of comfort on the cost side for the production sectors. Agriculture and rural demand continue to be strong and agricultural prospects are normal. While there are indications that the economy may have weathered the worst of the downturn, the situation warrants close watch on various economic indicators including the impact of the economic stimulus and developments taking place in the international economy. Taking policy measures that squarely address the short and long term challenges would achieve tangible progress and ensure that the outlook for the economy remains firmly positive

Management Discussion & Analysis

GLOBAL STAINLESS STEEL INDUSTRY

Clearly fiscal 2008-09 accounted for one of the most adversely affected fiscal for Stainless Steel industry to date. Going beyond the normal seasonal factors influencing Stainless Steel industry, 2008 experienced extremely depressed second half, in relative buoyancy of the first half. Further, the raw materials price volatility and overall worldwide economic downturn, added to the turmoil. By the third quarter, the financial and economic crisis combined with a massive drop in raw material prices – nickel being no exception – struck massively all cyclical industries.

Global stainless steel production witnessed sharp decline in production in 2008 totaling 25.9 million metric tons according to the International Stainless Steel Forum (ISSF). The preliminary figures indicate an output decline of 6.9% less than the 2007 level. ISSF proposes that the global economic downturn in the fall of 2008 was likely only one reason for the decline. “Normal seasonal factors” and “external raw materials price volatility” were also influential. In addition, 2008 production patterns were similar to those in 2007, with positive trends prevailing in the first half, followed by an “extremely depressed second half,” of each calendar year. Other factors cited for the production decline were overstocks, reduction of excess inventories bought at inflated prices, complete stop of purchases from distributors, and some end users. In Asia (Ex-China), stainless steel output declined by 10.3% to 8.1 million metric tons in 2008. While China has been the driving force behind increases in global stainless steel production, in 2008 the country’s output dropped 3.6% to 6.9 million metric tons. Asia, not including China, now represents about 31% of the world’s stainless steel output, and China alone produces about 27% of the total. Western Europe and Africa represent a single region - the second-largest stainless producing region. Stainless production in this region decreased by 4.8% to 8.3 million metric tons in 2008. While North and South America, stainless production decreased by 11.1% to 2.3 million metric tons. Production in the Central and Eastern European region fell by 8.6%, which is above than the world average. It produced only 333,000 tons in 2008.

INDIAN STAINLESS STEEL INDUSTRY

The domestic stainless steel consumption is around 1.5 million tons of which around 70% is from the conventional utensil segment market and balance 30% accounts from demand coming from higher end segments. Indian stainless steel demand historically has grown at annual rate of around 10%. India’s per capita stainless steel consumption is around 1.2 kg per person as compared to developed countries of around 15 kg per person and China’s consumption of 5 kg per person. The per capita consumption of stainless steel has high level of correlation with GDP growth and the growth of per capita income. Given that the Indian government is focusing on infrastructure spending would help in sustaining the GDP growth in the long term, this would result in higher consumption of stainless steel in existing and new applications.

Even though world stainless steel production fell in 2008, the basic underlying demand for stainless steel remained healthy for Indian markets. As per data released by Indian Stainless Steel Development Association (ISSDA) it is estimated to reach 4.084 million tons by 2015-16.

Indian Stainless Outlook at a Glance:

- a) India with apparent consumption of 1.4 mt placed 5th in terms of global stainless steel consumption.
- b) Indian per capita consumption of stainless steel of 1.2 kg, while China(6kg in 2007)& developed countries in range of 15-20 kg
- c) Potential for high growth -
 - Higher expected growth in GDP & Industrial production
 - Existing low per capita consumption
 - Availability of key natural resources like manganese and chrome ore

Potential for Growth of Stainless Steel Applications in India:

- a) Railways Automotive & Transport Sector
- b) Airports –Private Sector Participation
- c) Municipal / Urban Local Bodies (ULBs)

Management Discussion & Analysis

- d) Commonwealth Games 2010 in New Delhi
- e) Shopping Malls
- f) New Hospitals
- g) Hotels
- h) Housing

In addition to the usage in above mentioned sectors, overall higher GDP growth of 8.5% in 2007-08 and projected sustained high GDP growth of 8 to 8.5% during the five-year period with a minor blip in the next 12 months will be a boost to stainless steel demand in the country. Very high growth is expected also from process industry equipment manufacturing, exports of process equipment in the future, high domestic and foreign direct investments in the real estate sector and emergence of new volume areas in the transportation sector.

Even in the current market situation, the aforesaid upbeat in infrastructure investments, has led to new opportunities which can be broadly represented as under:

- Government focus on development of infrastructure like Airports up-gradation, Railway stations up-gradations, conversion of Railway coaches and wagons into stainless steel
- Development of Metro Rail projects and street infrastructure

Overall, the demand of stainless steel in India has been growing at a steady pace and has been less impacted by the recent global turmoil. JSL being the domestic leader in the stainless steel industry is well poised to increase its domestic market share further.

OPPORTUNITY & THREATS

JSL Limited is India's largest stainless steel manufacturer with integrated facilities of hot rolling & cold rolling. India has a large consumption potential of stainless steel & as the industry leader, we believe in promoting newer applications of stainless steel thereby increasing the size of the market. Apart from producing standard grades, we are also catering to the special stainless steel market. Also, we have been able to service our customers better by reaching closer to them through our distribution network and service centers which help us to customise & offer better services and boost the sales of our products nationally & internationally.

Our expansions in Orissa, Indonesia & modernization projects at Hisar are helping us in realisation of our vision. All these changes in capacity / product offering will allow us to sell more value added products, to a wider set of customers thereby increasing our customer base & profit margins.

Stainless steel industry, whether in India or international, is seasonal and cyclic in nature. It is very sensitive to general economic conditions and has bearing with other industries. Some of the factors are environment dependent and beyond the control of organisation. Future economic downturns, increase in production by competitors, capacity increase in China, entry of multinational players in India, technical barriers to trade, consolidation by large players, change in end usage patterns, fluctuations in key raw material prices can largely affect our business and performance of our operations.

RISK AND CONCERNS

Operating results of any organisation may fluctuate due to a number of factors, many of which are beyond control of the organisation. Our risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved. Few of the risks associated with our businesses are the following:

- Slowdown in growth and demand for stainless steel products in the Indian and global markets, including our key export markets
- Decreasing international and domestic prices for stainless steel products
- Fluctuations in the price and availability of key raw materials, including nickel and ferro-alloys
- Shortfall in internal accruals to manage the expansion of the Orissa project
- Increase in interest rates at which we can raise debt financing

Management Discussion & Analysis

- Adverse fluctuations in the exchange rate of the Rupee versus major international currencies, including the U.S. dollar
- Increase in import tariffs and domestic duties and taxes on our raw materials and consumables or a decrease in import tariffs and domestic duties on stainless steel products imported in India
- increasing transportation costs, including freight to key export markets, or non-availability of transportation due to strikes, shortages or any other reason
- Strikes or work stoppages
- Competition from global and Indian stainless steel producers
- Changes in government policies affecting the stainless steel industry in India or globally, including imposition of new tariffs
- Accidents, natural disasters or outbreaks of diseases

INTERNAL CONTROL SYSTEM

The internal control systems are continuously monitored and improved by means of a rigorous internal audit system that involves cross functional teams of auditors, specifically trained & certified for the said purpose. Our operational facilities are also audited by third party, to ensure compliance in the areas of operation.

Company has adequate internal audit and control systems commensurate with its size and nature of its operation that continuously monitors the adequacy and efficiency of internal controls across the company. These systems have been designed to ensure the optimal utilization of resources, accurate reporting of financial transaction, complying with applicable statute, safeguarding assets from unauthorized use. We have an internal audit department to monitor the internal control systems in the company. Additional internal audit is also conducted by external agencies. The Audit Committee monitors the performance of internal control audit on regular basis, review the audit plans and audit findings and promptly resolves the issues through continuous follow up.

In an IT driven network environment, we have implemented SAP organization wide to ensure effective IT security and systems in place. SAP is used to record data for accounting and management information purposes and ensures real time availability of information at various locations.

JSL is an ISO 9001:2000, ISO 14001 and OHSAS 18001 certified company indicating that documented systems and procedures are in place for ensuring a consistent product quality, compliance to environmental standards and a safe and healthy environment for its stakeholders.

FINANCIAL PERFORMANCE

Financial year 2008-09 was a challenging year for global stainless steel industry, which had witnessed considerable volatility in terms of commodity prices & demand off-take, especially post global economic meltdown starting second half of the year. The economic meltdown resulted in substantial drop in prices of major commodities including nickel, chromium, scrap, being our major raw material for stainless steel production.

Production Volumes:

Production	Unit	2008-09	2007-08	Increase / (Shortfall)	In %
Stainless Steel Melting	tons	466,834	580,554	(113,720)	-20%
Ferro Alloys					
- Orissa	tons	117,505	112,480	5,025	4%
- Vizag	tons	31,901	33,504	(1,603)	-5%
Ferro Alloys (Total)	tons	149,406	145,984	3,422	2%
Thermal Power (Net)	MU	749	82	667	813%

Management Discussion & Analysis

The stainless steel melting production volume was lower by approx 20%, primarily due to shutdown of hot rolling mill at Hisar Plant on account of capacity expansion/up-gradation and also subdued demand during third quarter of the financial year. The demand and the capacity utilization since January, 2009 has however improved substantially.

During the year, the ferro alloys production at Orissa was also affected due to adverse unprecedented market conditions and sudden fall in the realizations, specially in the second half of the financial year 2008-09. The operations at this division were also affected during September 2008, as the power generation at the captive Thermal Power Plant at Orissa were hampered on account of falling of transmission towers due to heavy rainfall and cyclone. The ferro alloys production at Vizag was lower by approx 1,603 tons due to a maintenance shutdown of its furnace for 2 months starting from April'08, in order to have shell replacement and relining work.

External Sales & Captive Consumption Volumes:

Dispatches	Unit	2008-09	2007-08	Increase / (Shortfall)	In %
Stainless Steel Melting					
- Domestic	tons	359,950	338,982	20,968	6%
- Export	tons	88,494	164,803	(76,309)	-46%
Total	tons	448,444	503,785	(55,341)	-11%
Ferro Alloys					
- Captive Consumption	tons	109,158	97,994	11,164	11%
- Domestic	tons	4,041	2,776	1,265	46%
- Exports	tons	32,854	34,419	(1,565)	-5%
Total	tons	146,053	135,189	10,864	8%

The drop in production & sales volumes has thus resulted in considerable fall in sales realisations and loss of margins. In brief the financials of the company as on 31st March 2009 are as under:

The company, in the financial year 2008-09 has witnessed a net loss of Rs 57,982 lacs as compared to net profit of Rs 24,117 lacs in financial year 2007-08. The main reasons for this considerable drop in the net profit can be attributable as under:

- Sluggish demand across global markets during second half of the year resulting in lower sales realisation and loss of margin
- Substantial drop in prices of major commodities including nickel, chromium and scrap, consequent to which the company had to write down inventories during the financial year 2008-09
- The unprecedented depreciation of Indian Rupee against the major currencies, during the financial year 2008-09, resulted in the company accounting for exceptional losses
- Shut down of production facilities at Hisar and Orissa plants as mentioned above.

The above events occurred during the same span of time resulting in much severe impact on the profits of the company. However, there has been some recovery in stainless steel demand during the later half of the year, but the demand for Ferro alloys is still sluggish.

Management Discussion & Analysis

The financial highlights for the financial year ended 2008-09 are as follows:

	(Rs In lacs)	
Particulars	2008-09	2007-08
Total Income	487,311	520,233
EBIDTA	35,880	75,484
Interest	31,339	16,815
Cash Profit before exceptional items	4,541	58,669
Depreciation	31,308	25,238
Profit / (Loss) before tax and Exceptional items	(26,767)	33,430
Exceptional Items - (Loss) / Gain	(59,914)	7,235
Profit/(Loss) before Tax	(86,681)	40,666
Net Profit/(Loss)	(57,982)	24,117

ENVIRONMENT, HEALTH AND SAFETY MEASURES

JSL Ltd, being a socially responsible corporate, has always been sensitive towards changing demands of the customer and the society at large. We are committed for sustainable development through adoption of best practices with respect to Quality, environment, Health & Safety at work place. The requirements of existing Environmental Legislation/Standards are timely complied with. JSL is in compliance with all local, state and central government occupational health, environmental and Safety regulations and other mandatory requirements relevant to the health, safety and welfare of all employees, contractors and visitors in our operational facilities.

All our operations respect and address the laid down procedures defined by our quality systems. JSL Limited has obtained ISO 9001:2008, OHSAS 18001:2007 and ISO 14001:2004 certifications for both Cold rolling and Hot rolling divisions. These systems ensure that quality, safety, health and environmental issues are given utmost priority. The systems that have been set up to ensure that the quality of the product is world class, and at the same time, the processes that goes into making such products, are environmental friendly and risk free, thus providing a conducive work environment for all. The internal control systems are continuously monitored and improved by means of a rigorous internal audit system that involves cross functional teams of auditors, specifically trained & certified for the said purpose. Our operational facilities are also audited by third party, to ensure compliance in the areas of operation, as well as adherence to the EHS management system.

In order to promote a continuous improvement culture, we at JSL unrelentingly work for waste reduction with the adoption of Lean manufacturing concepts and apply tools like; 6 sigma, Juran methodology, Quality Circles, 5S and TPM. Various projects have been completed, giving tangible benefits in the area of yield, cost reduction, and 'On time deliveries', thus addressing the customer's concerns and boosting the moral of our people. Training and 'hand holding' in all such initiatives is an apart of life at JSL. These initiatives are continuous, with more and more projects being identified and employees taking pride in participation.

PROGRESS WITH PEOPLE

Progress with People forms the fulcrum of corporate ethos and human resource principles at JSL and guides all our Talent Management processes. JSL aims to provide an employee value proposition to each employee through a productive and safe environment, treating people with respect, offering attractive performance based incentives and developmental opportunities.

Last year a companywide capability building initiative Project "Reach" has defined Principal responsibilities, Performance outcomes and Performance measures for all managerial roles. Alongside an updated competency framework and competency based Career Progression is directed towards building future capabilities. The career progression program is based on a unique three pronged approach which integrates performance, cross functional feedback and potential assessment through the Assessment Centre approach.

Management Discussion & Analysis

We continue to institutionalize our competency based HR processes by selecting & hiring the right person for the right role. Our on-boarding program-NJIP is focused on effective acculturation and continual improvement through employee and manager feedback. Effective employee communication and periodic dialogue with people are effectively practiced through JConnect - our employee portal, open forums, departmental meetings and a robust suggestion scheme.

Higher employee engagement remains a key focus for JSL. An environment that nurtures learning and meritocracy enables our people to find a rewarding and purposeful engagement at JSL. Strengthening this is the GROW program, a variable pay program which links rewards to individual and team performance and is based on an aggregate mix of plant, individual and corporate performance. The reward and recognition policies at the GET and DET levels are strengthening our resolve towards meritocracy.

The company is proud of its Human Capital and the contribution to company's success. JSL cherishes this continued 'Progress with People'.

SOCIAL CONCERNS

As part of its Corporate Social Responsibility under the aegis of 'Jindal Stainless Foundation', JSL has been very focused toward giving back to society through various community based structured sustainable programmes.

The implementation strategy of its various initiatives launched, is a mix of public-private-people-partnership models and direct intervention programmes through the CSR teams positioned at the plant / factory locations at Hisar, Jaipur (Orissa), Vishakapatnam and Delhi. A number of Corporate Social Responsibility Initiatives have been taken up like community development programs, which include rural development schemes on a PPP model, integrated community healthcare programmes, education and skill training programmes, women empowerment and micro-financing programmes, infrastructure development and watershed management and so on. Some of the major Social initiatives being taken are as follows:

- Running a residential girls school, a co-education senior secondary school, adult education centres, remedial education programmes, tuition centres and NIOS Study centres and Non Formal Education Centres for school dropouts at Hisar.
- Established skill training institutes close to our plant locations at Hisar, Jaipur, Orissa and Vishakapatnam, with certification from CII / State Government certifying bodies.
- Established a Global Centre for Development Instructors (Social Entrepreneurs) at Jaipur.
- A new Cancer unit has been constructed in the multi specialty 300-bedded hospital at Hisar.
- As part of the 'Outreach services' mobile medical teams and static clinics in the remote areas of Orissa, Andhra Pradesh and Haryana have been established to cater to the needs of the poor and deprived.
- Orthopedic & Eye camps, besides a dental care programme is initiated in Orissa.
- Plans are afoot to establish DOT Centre and a Culture Sensitivity Test Centre in Haryana and to partner with the State Government of Orissa on 'TB Preventive care programmes'.
- Social Initiatives like detection, treatment and rehabilitation of drug abuse victims and cancer through Global Cancer Concern India at Delhi
- Formation and capacity building of Self Help Groups at Hisar and Jaipur, Orissa and initiation of micro-finance activities.
- Introduction of new alternative technologies are being introduced for development, like the stabilized mud block technology, beetlevine and mushroom cultivation technology etc.
- Programmes relating to attitudinal changes through Community Led Total Sanitation have been initiated at Jaipur.

Management Discussion & Analysis

- Social initiatives as establishing e-learning centres at the community level as also establishing an e-reservation counter at Jaipur
- Youth development and rural sports initiatives at Hisar and Jaipur
- Promotion of Rural marketing initiatives are being carried out at Jaipur, Orissa
- Initiatives relating to horticulture and Non Timber Forest Produce are being undertaken through the Self Help Group models
- Environment is another area of our intervention, where the activities are linked to 'Climate Change', to include advocacy, adaptation and mitigation. Programmes on energy conservation, water harvesting etc. have been initiated at Delhi, Jaipur and Hisar.
- Organizing training for farmers to increase agriculture production through organic farming and other techniques.
- One key initiative is the OP Jindal Family Welfare Scheme which provides financial assistance to the employee/his family in the case of Death/permanent total disablement of the employee, an amount equivalent to his last drawn 'basic pay' or minimum of Rs.3000/- up to a maximum of Rs.15,000/- up to the period of attaining the notional age of 58 years by the deceased.
- JSL partnered the "OPJEMS" – (OP Jindal Engineering and Management Scholarships) to promote academic and leadership excellence among students from across the premier engineering and management institutes in the country. In the year 2007, 99 meritorious students of the top 30 management and engineering institutes were awarded OPJEMS scholarships.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Auditors' Report

To THE MEMBERS OF JSL LIMITED (formerly JINDAL STAINLESS LIMITED)

We have audited the attached Balance Sheet of JSL Limited (formerly JINDAL STAINLESS LIMITED), as at 31st March 2009 and the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (herein after called The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c) The reports on the accounts of the branch audited by other Auditors have been forwarded to us and have been appropriately dealt with by us in preparing our report;
 - d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account and with the audited accounts from the branch;
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - f) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2009 from being appointed as a Director of the company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - g) Attention is drawn to Note No. 23 (c) (i) of Notes to Accounts regarding pending necessary approvals as explained in the said note.
 - h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2009;
 - II. In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date; and
 - III. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

(N. K. LODHA)
Partner
M.No. 85155

Place : New Delhi
Date : 24th June, 2009

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

(ARUN K. TULSIAN)
Partner
M.No. 89907

Auditors' Report

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date to the Members of JSL LIMITED (formerly JINDAL STAINLESS LIMITED) on the Financial Statements for the year ended 31st March, 2009.

1. (a) The company has maintained proper records in respect of its fixed assets showing full particulars, including quantitative details and situation of fixed assets.
- (b) We have been informed that certain fixed assets of the company have been physically verified by the management according to a phased programme of periodic verification which, in our opinion, is reasonable having regard to the size of the company and nature of fixed assets. As informed, no material discrepancies between book records and physical inventory have been noticed in respect of the fixed assets physically verified during the year.
- (c) As per records and information and explanation given to us, no substantial part of fixed assets has been disposed off during the year.
2. (a) As informed, the inventory of the company at all its locations, except stocks lying with third parties, in transit and part of the stores and spares, have been physically verified by the management either at the end of the year or after the year end, and in respect of stores and spares, there is perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory; in respect of process stock, the records are updated as and when physical verification has been carried out. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. (a) As informed to us, the company has not given any loan, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (b) to (d) of The Order are not applicable.
- (e) As informed to us, the company has not taken any loan, secured or unsecured, from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (f) & (g) of The Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternatives sources, do not exist for obtaining comparative quotations, taking into consideration the quality, usage and such other factors, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across nor have we been informed of any instance of major weaknesses in aforesaid internal control systems.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and having regard to our comments in paragraphs 4 above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
6. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

7. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products and are of the opinion that, prime facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited during the year with appropriate authorities. No undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at last day of the financial year for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Wealth Tax and Custom Duty that have not been deposited with appropriate authorities on account of disputes and the dues in respect of Income Tax, Excise duty, Service Tax, Sales Tax and Cess that have not been deposited with appropriate authorities on account of dispute and the forum where the dispute is pending are as given below:-

Name of the statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which the amount relates	Forum where dispute is pending.
Central Excise Act	Excise Duty	1.69	1995-96	High Court, New Delhi.
		21.69	1994- 95	Refence application allowed by CESTAT, Delhi for further appeal in High Court, Delhi.
		27.19	2004-06	CESTAT, Delhi.
		113.07	2005-08	CESTAT, Delhi.
		7.13	2005-07	CESTAT, Banglore.
		57.14	1994-96	Commissioner of Central Excise, Rohtak.
		7.63	1994-95	Addl. Commissioner of Central Excise, Rohtak.
		7.57	2000-01	CESTAT, Delhi.
		18.02	1995-97	Joint Commissioner of Central Excise, Rohtak.
		0.40	1996-97	Commissioner (Appeals), Gurgaon.
Finance Act	Service Tax	2997.80	2007-08	Commissioner of Central Excise, Bhuvansher
		222.83	2003-06	CESTAT, Delhi.
Sales Tax Act	Sales Tax	0.92	2007-08	Commissioner (Appeals), Delhi.
		3.00	1993-94	High Court of Punjab & Haryana.
		51.69	2002-03, 2003-04, 2004-05	Commissioner of Sales Tax Orissa, Cuttack.
	O VAT	179.54	2005-06, 2006-07, 2007	Addl. Commissioner Sales Tax, Cuttack.
ORISED Act, 2004	Cess	320.49	2005-07	Supreme Court.
Entry Tax Act, 1999	Entry Tax	351.64	2007-08	Supreme Court.
		22.71	2004-05	Commissioner of Sales Tax Orissa, Cuttack.
Income Tax Act	Income Tax	2059.00	2004-05	Commissioner of Income Tax (Appeals), Delhi.
		17.47	2003-04	ITAT, Delhi.
		517.52	2002-03 & 2003-04	High Court, New Delhi.

10. The company has incurred cash loss during the year but no cash loss was incurred in the immediately preceding financial year. At the end of the financial year debit balance in Profit & Loss account of the company has been set off from general reserve.
11. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks and debenture holders.
12. In our opinion and according to information and explanations given to us, no loans and advances have been granted by the company on the basis of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of The Order are not applicable to the Company.
14. In our opinion, and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of The Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. (Read with Note no. 2(f)(ii) of Notes to Accounts).
16. In our opinion and on the basis of information and explanations given to us, the term loans raised during the year by the Company were applied for the purposes for which the loans were obtained where such end use has been stipulated by the lender, however pending utilization during the course of the year the loan fund has been temporarily deployed in mutual funds/bonds/deposited with banks.
17. On the basis of information and explanations given to us, and on the basis of an overall examination of the balance sheet of the Company, no funds raised on short-term basis have been used for long-term investments.
18. No preferential allotment has been made by the company during the year however equity shares have been issued upon conversion of equity share warrants to two parties covered in the register maintained under Section 301 of the Act. In our opinion and according to the information and explanations given to us, the price at which such shares have been issued is not prejudicial to the interest of the Company. (Read with Note no. 16 of Notes to Accounts).
19. On the basis of the records made available to us, the Company has created necessary security and charge in respect of debentures outstanding at the year end.
20. The company has not raised any money through public issue during the year.
21. During the course 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 neither come across any instance of material fraud on or by the company, noticed or reported during the year nor we have been informed of such case by the management.

For **LODHA & CO.**
Chartered Accountants

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

Place : New Delhi
Date : 24th June, 2009

(N. K. LODHA)
Partner
M.No. 85155

(ARUN K. TULSIAN)
Partner
M.No. 89907

Balance Sheet As at 31st March, 2009

(Rs. In Lacs)			
DESCRIPTION	SCHEDULE	31.03.2009	31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,242.70	3,091.70
Equity Share Warrants	1(a)	-	5,260.63
Reserves and Surplus	2	125,790.54	175,714.03
		129,033.24	184,066.36
LOAN FUNDS			
Secured Loans	3	517,957.35	382,034.41
Unsecured Loans	4	47,757.06	48,574.91
		565,714.41	430,609.32
Deferred Tax Liability (Net) (Note No. 22 of Schedule 20)		19,914.33	48,770.20
TOTAL		714,661.98	663,445.88
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		504,636.96	420,909.26
Less: Depreciation / Amortisation		109,087.27	79,711.80
Net Block		395,549.69	341,197.46
Add: Capital Work in Progress		201,095.04	137,377.03
		596,644.73	478,574.49
INVESTMENTS	6	89,685.79	9,328.72
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	166,175.54	219,464.98
Sundry Debtors	8	56,209.24	75,365.63
Cash and Bank Balances	9	65,721.92	74,031.55
Loans and Advances	10	74,667.28	87,828.66
		362,773.98	456,690.82
LESS:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	311,952.40	253,980.48
Provisions	12	25,322.34	28,755.17
		337,274.74	282,735.65
NET CURRENT ASSETS		25,499.24	173,955.17
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13	2,832.22	1,587.50
TOTAL		714,661.98	663,445.88
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(**N.K. LODHA**)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(**ARUN K. TULSIAN**)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Profit and Loss Account For the year ended 31st March, 2009

		(Rs. In Lacs)	
DESCRIPTION	SCHEDULE	31.03.2009	31.03.2008
INCOME			
Gross Sales and Operational Income	14	529,504.86	570,705.96
Less : Excise Duty		44,174.15	53,384.77
Net Sales and Operational Income		485,330.71	517,321.19
Other Income	15	1,979.95	2,911.95
		487,310.66	520,233.14
EXPENDITURE			
Material, Manufacturing and Others	16	422,010.23	411,152.76
Personnel	17	11,823.54	10,361.78
Administrative and Selling	18	17,558.79	23,196.32
Interest and Bank Charges	19	31,338.50	16,815.16
Miscellaneous Expenditure Written off		38.51	38.51
Depreciation / Amortisation		31,307.86	25,238.18
		514,077.43	486,802.71
NET PROFIT / (LOSS) BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS		(26,766.77)	33,430.43
Less :			
Exceptional Items (Note No. 5 of Schedule 20)		59,914.47	(7,235.27)
Extraordinary Items (Note No. 15 of Schedule 20)		-	3,613.27
NET PROFIT / (LOSS) BEFORE TAXATION		(86,681.24)	37,052.43
Less:			
Provision for Taxation		7.01	4,277.57
MAT Credit Entitlement		-	(1,065.75)
Provision for Fringe Benefit Tax		126.00	111.41
Provision for Deferred Tax		(28,855.87)	9,612.51
Previous Year Taxation Adjustment		23.66	(0.05)
PROFIT / (LOSS) AFTER TAXATION AND EXTRAORDINARY ITEMS		(57,982.04)	24,116.74
ADD/(LESS) :			
Amount Brought Forward		6,250.61	4,835.21
Debenture Redemption Reserve Written Back		-	1,633.60
		(51,731.43)	30,585.55
APPROPRIATIONS			
Proposed Dividend on Equity Shares		-	3,242.70
Dividend on Equity Shares for previous year		-	19.19
Corporate Dividend Tax		-	554.36
Debenture Redemption Reserve		-	2,518.69
General Reserve		-	18,000.00
Surplus / (Deficit) carried to Balance Sheet		(51,731.43)	6,250.61
		(51,731.43)	30,585.55
Earning Per Share (in Rs.) (Note No. 21 of Schedule 20)			
Before Extraordinary Items			
- Basic		(35.87)	19.21
- Diluted		(35.87)	17.24
After Extraordinary Items			
- Basic		(35.87)	16.70
- Diluted		(35.87)	14.98
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(**N.K. LODHA**)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(**ARUN K. TULSIAN**)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
S C H E D U L E - "I"		
SHARE CAPITAL		
AUTHORISED		
475,000,000 (475,000,000) Equity Shares of Rs.2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
162,134,932 - Equity Shares of Rs.2/-each fully paid up (154,584,932 - Equity Shares of Rs.2/-each fully paid up)	3,242.70	3,091.70
TOTAL	3,242.70	3,091.70

Of the above :-

- A) 13,778,717 Equity Shares of Rs 10/-each fully paid up issued to Shareholders of Jindal Strips Limited pursuant to Scheme of Arrangement & Demerger.
- B) One Equity Share of Rs.10/-each fully paid up issued to Shareholders of J - Inox Creations (P) Ltd. And Austenitic Creations (P) Ltd. pursuant to the Scheme of Amalgamation.
- C) 5,153,293 Fully Paid Up Bonus Equity Shares of Rs.10/- each in the ratio of 253 Equity Shares of Rs.10/- each for every 679 Equity Shares of Rs.10/- each, allotted out of Share Premium and Capital Redemption Reserve to the equity shareholders of the company pursuant to Scheme of Arrangement and Demerger.
- D) 999,752 Equity Shares of Rs.10/- each fully paid up allotted to the holders of 460 Foreign Currency Convertible Bonds of US\$ 5000/- each at predetermined (as per scheme) conversion rate of Rs.100/- each on 13.01.2004.
- E) Company has subdivided the Equity Shares of Rs.10/- each into Equity Shares of Rs.2/- each on 10.03.2004.
- F) 9,997,524 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 920 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each on 24.12.2004.
- G) 3,907,028 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 2141 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 119.872 each during the year ended on 31.03.2006.
- H) 16,734,984 (represented by 8,367,492 nos. GDS) Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 1540 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each during the year ended on 31.03.2006.
- I) 869,350 (represented by 434,675 nos. GDS) Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 80 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each during the year ended on 31.03.2007.
- J) 6,800,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2007.
- K) 9,213,726 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 5049 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 119.872 each during the year ended on 31.03.2008.
- L) 7,150,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2008.
- M) 7,550,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2009.

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
S C H E D U L E - "I(a)"		
EQUITY SHARE WARRANTS		
(Note No. 16 of Schedule 20)	-	5,260.63
TOTAL	-	5,260.63

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
S C H E D U L E - "2"		
RESERVES AND SURPLUS		
A. SECURITIES PREMIUM ACCOUNT		
As per last account	43,470.64	25,388.73
Add : On Conversion of Foreign Currency Convertible Bonds / Equity Share Warrants	7,625.50	18,081.91
	51,096.14	43,470.64
B. GENERAL RESERVE		
As per last account	114,588.34	96,588.34
Add : Transferred from Profit and Loss Account	-	18,000.00
Less : Towards Deficit in Profit and Loss Account Set off	51,731.43	-
	62,856.91	114,588.34
Add/Less : Foreign Currency Translation Reserve	301.71	(131.34)
	63,158.62	114,457.00
C. DEBENTURE REDEMPTION RESERVE		
As per last account	9,374.96	8,489.87
Add : Transferred from Profit and Loss Account	-	2,518.69
Less : Written Back during the year	-	(1,633.60)
	9,374.96	9,374.96
D. CENTRAL/STATE SUBSIDY RESERVE		
As per last account	39.27	39.27
(Against fulfilment of certain stipulations)		
	39.27	39.27
E. CAPITAL REDEMPTION RESERVE		
As per last account	2,000.00	2,000.00
	2,000.00	2,000.00
F. AMALGAMATION RESERVE		
As per last account	121.55	121.55
	121.55	121.55
G. SURPLUS - PROFIT AND LOSS ACCOUNT	-	6,250.61
TOTAL	125,790.54	175,714.03

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
S C H E D U L E - "3"		
SECURED LOANS		
A. Redeemable Non-Convertible Debentures	43,000.00	43,000.00
B. Term Loans from Banks		
Rupee Term Loans	241,296.79	157,216.02
Foreign Currency Loans	164,531.33	139,726.00
	405,828.12	296,942.02
C. Car Loans from Banks	183.45	205.32
D. Working Capital Loans from Banks	68,945.78	41,887.07
TOTAL	517,957.35	382,034.41

NOTES:

A.

- (1) Debentures referred to in A above are secured by pari-passu charge by way of equitable mortgage on the company's immovable properties located in State of Gujarat, Hisar, Vizag and hypothecation of moveable assets in favour of debenture trustee ranking pari-passu with other Financial Institutions/Banks.

- (2) Debentures referred to in A above are privately placed and consist of :

- 6.90% debentures of Rs.10,00,000 each aggregating to **Rs.20,000.00 Lacs** (Rs.20,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 3rd August, 2004.
- 7.50% debentures of Rs.10,00,000 each aggregating to **Rs.10,000.00 Lacs** (Rs.10,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 15th April, 2005.
- 7.75% debentures of Rs.10,00,000 each aggregating to **Rs.13,000.00 Lacs** (Rs.13,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 28th December, 2005.

B.

- Term loans from Banks include loans of **Rs.362,063.05 Lacs** (Rs.284,870.14 Lacs), for which charge is created / to be created by way of mortgage of company's immovable properties and hypothecation of moveable assets both present and future ranking pari-passu with other Financial Institutions/Banks.
- Term loans from Banks include loans of **Rs. Nil** (Rs.1,041.49 Lacs) secured by way of mortgage of immovable properties and hypothecation of moveable assets of the company and second charge on the current assets of the company ranking pari-passu with other Financial Institutions/Banks.
- Term loans from Banks include loans of **Rs. 30,000.00 Lacs** (Rs.Nil), for which charge is created/to be created by way of second residual charge on current assets and fixed assets of the company.
- Term loans from Banks include sub debts term loans of **Rs.2,425.07 Lacs** (Rs.1,027.89 Lacs) secured by way of second charge on all movable and immovable fixed assets of the company ranking pari-passu with other Financial Institutions/ Banks.
- Term loans from Banks include loans of **Rs.5,000.00 Lacs** (Rs.5,000.00 Lacs) secured by way of residual charge (ranking subservient to first and second charge holders) over movable fixed assets of the company.
- Term Loans from Banks include loans of **Rs.6,340.00 Lacs** (Rs.5,002.50 Lacs) secured by residual charge by way of hypothecation of movable fixed assets of the company.

- C. Secured by way of hypothecation of vehicles purchased thereunder.

- D. Working capital loans are secured by way of hypothecation and/or pledge of current assets namely finished goods, raw-materials, work-in-progress, consumable stores and spares, book debts, bills receivable and by way of second charge in respect of other moveable and immovable properties of the company ranking pari-passu with other Banks/Financial Institutions.

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "4"		
UNSECURED LOANS		
0.50% Foreign Currency Convertible Bonds * (FCCB)	12,198.16	9,624.81
Fixed Deposits	3,820.69	2,846.67
Rupce Term Loans from Banks	30,000.00	29,500.00
Loans from Others	-	5,000.00
Security Deposits from Agents / Dealers / Others	1,738.21	1,603.43
TOTAL	47,757.06	48,574.91

NOTE:

* 0.50% Foreign Currency Convertible Bonds (net of Indian Withholding Tax) were issued to foreign investors on 24th December, 2004 by the company, in terms of the Offering Memorandum dated 17th December, 2004. These Bonds at the option of the holder, may be converted into Equity Shares of normal value of Rs. 2/- each at any time on or after 22nd January, 2005 at a pre-determined price of Rs. 119.872 per share.

Unless previously redeemed, repurchased and cancelled, or converted, the Bonds are redeemable at 129.939% of their principal amount on 24th December, 2009.

SCHEDULE - "5"

FIXED ASSETS

	(Rs. in Lacs)								
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	COST AS ON 01.04.2008	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31.03.2009	UPTO LAST YEAR	DURING THE YEAR ***	ON SALE/ ADJUSTMENT	TOTAL UPTO 31.03.2009	31.03.2009 31.03.2008
LAND*	10,748.34	340.00	-	11,088.34	122.70	41.38	-	164.08	10,924.26 10,625.64
BUILDINGS	39,043.59	6,466.88	440.93	45,069.54	3,043.22	1,091.10	26.59	4,107.73	40,961.81 36,000.37
PLANT & MACHINERY	355,203.13	77,116.10	1,995.96	430,323.27	73,400.03	28,937.06	1,844.52	100,492.57	329,830.70 281,803.10
ELECTRIC INSTALLATION	9,654.89	1,992.31	-	11,647.20	971.85	540.96	-	1,512.81	10,134.39 8,683.04
VEHICLES	1,859.58	181.72	135.43	1,905.87	655.63	177.89	54.13	779.39	1,126.48 1,203.95
FURNITURE, FIXTURES & EQUIPMENTS	1,489.61	128.19	1.21	1,616.59	488.84	113.05	0.33	601.56	1,015.03 1,000.77
POWER LINE AND BAY EXTENSION	712.49	-	36.25	676.24	213.75	75.49	14.20	275.04	401.20 498.74
INTANGIBLE ASSETS§									
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	436.44	136.92	-	573.36	795.82 932.74
SOFTWARE	828.45	112.28	-	940.73	379.34	201.39	-	580.73	360.00 449.11
TOTAL	420,909.26	86,337.48	2,609.78	504,636.96	79,711.80	31,315.24	1,939.77	109,087.27	395,549.69 341,197.46
CAPITAL WORK IN PROGRESS ** {Including preoperative expenses pending allocation/capitalisation}									201,095.04 137,377.03
Previous Year	332,596.83	96,415.47	8,103.04	420,909.26	60,227.88	25,238.18	5,754.26	79,711.80	341,197.46 -

* Include land acquired on lease amounting to **Rs.3,610.91 Lacs** (Rs.3,541.94 Lacs) and amount amortised thereon during the year is **Rs.41.38 Lacs** (Rs.41.60 Lacs).

* Include **Rs.948.55 Lacs** (Rs.948.55 Lacs) jointly owned with other body corporate with 50% share.

** Include capital advances **Rs. 52,772.02 Lacs** (Rs.33,670.28 Lacs) and project inventory **Rs.21,034.36 Lacs** (Rs.12,453.30 Lacs).

*** Depreciation of **Rs. 7.38 Lacs** (Rs.Nil) considered under pre-operative expenses.

§ Intangible Assets are amortised as under:

Technical Know How	10 Years
Software	5 Years

Schedules to the Balance Sheet

SCHEDULE- “ 6 ”

INVESTMENTS

DETAILS OF INVESTMENTS		31.03.2009			31.03.2008		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)
Current Investment - Non Trade							
(At Cost Less Provision)							
A	Mutual Funds / Debentures						
1	DWS Insta Cash Fund- Institutional Plan Growth	6,132,313.69	10.00	850.00	-	-	-
2	DWS Ultra Short Term Fund- Institutional Growth	72,821,023.76	10.00	7,500.90	-	-	-
3	DBS Chola Freedom Income STP-Inst-Cum-Org	35,439,358.94	10.00	5,000.83	-	-	-
4	HDFC Floating Rate Income Fund- Short Term Plan-Wholesale Option-Growth	79,724,421.72	10.00	11,889.01	-	-	-
5	IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	74,598,791.44	10.00	7,744.26	-	-	-
6	LICMF Liquid Fund- Growth Plan	93,382,447.96	10.00	15,000.00	-	-	-
7	Principal Cash Management Fund- Money at Call Dividend Reinvestment Daily	72,837,258.44	10.00	10,000.00	-	-	-
8	Reliance liquidity Fund	-	-	-	4,112,789	10.00	500.00
9	Reliance liquid Plus Fund	-	-	-	46,195	1,000.00	505.00
10	SBI Magnum Insta Cash Fund-Cash Option	5,104,778.83	10.00	994.61	-	-	-
11	UTI Liquid Cash Plan Institutional-Growth Option	622,068.46	1,000.00	8,977.46	-	-	-
12	UTI Treasury Advantage Fund- Institutional Plan (Growth Option)	399,252.60	1,000.00	4,700.00	-	-	-
13	8.00% NCD JSW Steel Limited			-	266,594	22.97	44.21
	Total (A)			72,657.07			1,049.21
B	Equity Share Fully Paid Up - Quoted						
1	Bhartiya International Limited	114,609	10.00	23.78	114,609	10.00	65.50
2	Central Bank of India	7,247	10.00	2.46	7,247	10.00	6.30
3	Hotel Leela Ventures Limited	90,000	2.00	16.79	90,000	2.00	36.13
4	Mundra Port and SEZ Limited	1,471	10.00	4.76	1,471	10.00	6.47
	Total (B)			47.79			114.40
C	Govt./Semi Govt. Securities						
1	9.40% Syndicate Bank ST-1 Series 11 Bonds	138	1,000,000.00	1,380.00	-	-	-
	Total (C)			1,380.00			-
Long Term Investment							
A	Govt./Semi Govt. Securities - Non Trade						
1	12.40% Government of India Stocks (Face value Rs. 40 Lacs)	-	-	41.14	-	-	41.14
2	National Savings Certificate *	-	-	1.47	-	-	1.17
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00	103.40
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00	40.00
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00	97.71
	Total (A)			283.72			283.42
B	Equity Share Fully Paid Up - Unquoted						
1	Jab Resources Limited	3,333,067	Cents 15	179.59	3,333,067	Cents 15	179.59
2	MJSJ Coal Limited #	9,000	10.00	0.90	-	-	-
	Total (B)			180.49			179.59

Schedules to the Balance Sheet

DETAILS OF INVESTMENTS				31.03.2009			31.03.2008		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)		
C	Equity Shares Fully Paid Up of Subsidiary Company - Trade - Unquoted								
1	Jindal Stainless Steelway Limited	14,061,667	10.00	2,581.25	14,061,667	10.00	2,581.25		
2	PT. Jindal Stainless Indonesia **	12,499,900	USD 1	5,468.38	7,499,900	USD 1	3,468.37		
3	Jindal Architecture Limited	4,100,100	10.00	410.01	4,100,100	10.00	410.01		
4	Austenitic Creations Pvt. Limited	17,795,600	10.00	2,051.39	4,203,900	10.00	420.39		
5	Jindal Stainless FZE	6	AED 1000000	723.80	6	AED 1000000	723.80		
	Wholly owned subsidiary								
6	Jindal Stainless UK Limited	100,000	GBP 1	77.20	100,000	GBP 1	77.20		
	Wholly owned subsidiary								
7	Green Delhi BQS Limited	51,000	10.00	5.10	51,000	10.00	5.10		
8	Parivartan City Infrastructure Limited	49,970	10.00	5.00	9,970	10.00	1.00		
9	Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	4,499,700	YTL 1	1,601.60	44,997	YTL 1	14.98		
10	Jindal Aceros Inoxidables S.L.	10,000	EURO 1	6.81	-	-	-		
	Wholly owned subsidiary								
11	JSL Group Holding Pte. Limited	6,657,565	SGD 1	2,201.18	-	-	-		
	Wholly owned subsidiary								
12	JSL Logistics Limited	50,000	10.00	5.00	-	-	-		
	Wholly owned subsidiary								
	Total (C)			15,136.72			7,702.10		
	GRAND TOTAL:			89,685.79			9,328.72		

* Lodged with Government Authorities as Security.

** Undertaking for non disposing of Investment by way of Letter of Comfort given to banks against credit facilities/financial assistance availed by subsidiary.

Investment in terms of agreement with Mahanadi Coalfield Limited & Others.

Aggregate value of Current Investment	74,084.86	1,163.61
Aggregate value of unquoted investment	15,600.93	8,165.11
Aggregate value of quoted investment	47.79	114.40
Market value of quoted investment	47.79	116.45

INVESTMENTS-

The Company has purchased and sold the following Current Investments during the year :-

(Rs. In Lacs)						
31.03.2009				31.03.2008		
Sr. No.	DESCRIPTION	Purchase Value	Sale Value	No. of Units (Sold/Purchase)	Purchase Value	Sale Value
A	MUTUAL FUND					
1	ABN AMRO Cash Fund Institutional Growth	-	-	-	6,110.00	6,114.00
2	ABN AMRO Money Plus Fund Growth	-	-	-	4,211.00	4,233.00
3	Birla Liquid Fund Growth	-	-	-	7,580.00	7,590.00
4	Canara Robeco Liquid Super Instt Growth Fund	11,100.00	11,162.97	105,821,229.02	-	-
5	DBS Chola Super Insta Cash Plan Fund - Cumulative	14,000.00	14,032.23	118,041,684.37	-	-
6	DBS Chola Liquid Insta Plus - Cumulative	14,844.39	14,874.69	88,556,304.69	-	-
7	DBS Chola Short Term Rate Fund	-	-	-	5,523.00	5,530.00
8	DBS Chola Freedom Income STP - Inst - Cum - Org	6,200.00	6,218.31	45,906,481.61	-	-
9	Deutsche Insta Cash Plan Fund- Institutional Plan-(G)	7,211.00	7,212.35	53,371,683.15	12,939.00	12,954.00
10	DWS Credit Opportunities Cash Fund - 15 Days Plan Growth	2,211.45	2,245.41	20,508,849.42	-	-
11	Fidelity Liquid Fund - Cash Fund	-	-	-	8,205.00	8,217.00
12	Fidelity Liquid Fund - Super Inst GR	-	-	-	1,770.00	1,773.00
13	Franklin Templeton Mutual Fund	-	-	-	7,790.00	7,803.00
14	HDFC Liquid Fund - Premium Plus Plan - Growth	54,921.00	55,151.85	318,647,309.66	-	-
15	HDFC Mutual Fund	-	-	-	2,000.00	2,001.00
16	HSBC Liquid Fund - Inst.Growth	5,055.00	5,065.04	37,879,071.72	-	-
17	IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	20,336.27	20,454.26	199,709,297.88	-	-

Schedules to the Balance Sheet

(Rs. In Lacs)

Sr. No.	DESCRIPTION	31.03.2009			31.03.2008		
		Purchase Value	Sale Value	No. of Units (Sold/Purchase)	Purchase Value	Sale Value	No. of Units (Sold/Purchase)
18	IDFC GSF - Investment Plan - Plan B - Growth	2,500.00	2,550.89	23,073,261.89	-	-	-
19	IDFC GSF - Short Term Plan - Plan B - Growth	2,550.89	2,551.17	25,395,863.82	-	-	-
20	IDFC Liquid Fund - Growth	6,830.00	6,834.27	580,150.67	-	-	-
21	IDFC Cash Fund - Super Inst Plan C - Growth	133,444.17	133,594.37	1,295,625,178.91	-	-	-
22	ICICI Prudential Gilt Fund - Treasury Plan - Growth	2,500.09	2,504.45	10,795,548.84	-	-	-
23	ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	10,865.00	10,875.01	87,518,770.28	-	-	-
24	ING Liquid Fund Fund Super Institutional - Growth Option	2,500.00	2,504.77	19,534,607.51	-	-	-
25	JP Morgan India Liquid Plus-Growth Fund	-	-	-	500.00	506.00	5,000,000.00
26	Kotak Mutual Fund	-	-	-	4,000.00	4,006.00	26,195,840.10
27	LIC MF-Liquid Fund- Growth Plan	91,507.36	91,798.84	597,268,755.04	89,824.00	89,965.00	642,164,674.70
28	LIC MF-Liquid Plus Fund- Growth Plan	27,396.31	27,431.39	244,965,572.89	-	-	-
29	Lotus Liquid Fund Super Inst Growth	19,015.00	19,078.07	165,311,467.23	16,292.00	16,312.00	153,958,652.97
30	MIHF Of SBI	-	-	-	18,995.00	19,010.00	156,147,570.60
31	Principal Cash Management Fund	-	-	-	15,330.00	15,337.00	128,112,533.14
32	Principal Cash Management Fund - Liquid Option Instl. Premium Plan - Growth	60,050.00	60,197.50	453,472,191.56	-	-	-
33	Principal Liquid Insta Prem Plan-Growth	-	-	-	1,200.00	1,201.00	9,722,897.42
34	Principal CMF Liquid Option Instl. Prem. Plan-Growth	75.00	75.02	586,482.75	-	-	-
35	Prudential ICICI Liquid Plan Institutional Plus- G	-	-	-	6,500.00	6,512.00	34,268,817.73
36	Principal Mutual Fund	-	-	-	7,330.00	7,346.00	62,225,840.00
37	Reliance Equity Fund - Growth Plan BB	-	-	-	500.00	501.00	46,147.67
38	Reliance Liquid Fund - Growth Option	48,882.40	48,935.23	386,219,336.29	20,494.00	20,530.00	171,844,001.78
39	Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option	3,475.00	3,495.43	20,236,843.31	-	-	-
40	Reliance Liquid Plus Fund - Institutional Option - Growth Plan	69,616.10	69,760.65	6,150,986.78	-	-	-
41	SBI Premier Liquid Fund-Institutional-Growth	11,595.00	11,597.76	86,970,776.15	-	-	-
42	SBI Premier Liquid Fund- Super Institutional-Growth	1,100.00	1,101.18	8,040,815.85	-	-	-
43	SBI Magnum Insta Cash Fund - Cash Option	90,374.38	90,603.92	472,095,786.33	-	-	-
44	SBI SHF Liquid Plus - Institutional Plan - Growth	19,787.28	19,813.88	178,466,858.29	-	-	-
45	S C Liquidity Manager Fund-plus	109,254.00	109,393.89	9,381,704.94	284,156.00	284,279.00	25,555,176.38
46	UTI Liquid Cash Plan Institutional - Growth Option	23,342.54	23,409.17	1,650,671.28	8,170.00	12,802.00	6,732,358.74
47	UTI Liquid Fund- Growth Plan	-	-	-	25,681.00	21,097.00	20,003,295.11
B BONDS							
1	9.40% Syndicate Bonds	580.00	595.65	596.00	-	-	-
2	10.35% HDFC 2017	-	-	-	213.00	213.00	200,000.00
3	7.77% UPSDL	-	-	-	41.00	41.00	42,000.00
4	8.33% GOI 2036	-	-	-	68.00	68.00	69,000.00
5	10.50% GOI 2014	-	-	-	10.00	10.00	9,000.00
6	10.65% UBI 2022	-	-	-	11.00	11.00	10,000.00
C EQUITY							
1	Central Bank Of India	-	-	-	8.00	10.00	8,000.00
2	Power Grid Corporation Limited	-	-	-	13.00	26.00	24,972.00

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and Certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares [Including material in transit Rs.1,441.26 Lacs (Rs.3,838.84 Lacs)]	9,074.34	13,802.97
ii) Raw Materials [Including material in transit Rs.20,321.75 Lacs (Rs.32,691.57 Lacs)]	56,773.78	74,842.32
iii) Finished Goods	57,574.34	85,672.80
iv) Trading Goods	188.71	242.02
v) Work in Progress	42,328.64	44,385.99
vi) Scrap (at estimated realisable value)	235.73	518.88
TOTAL	166,175.54	219,464.98
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	4,102.73	3,825.14
ii) Considered doubtful	79.76	80.62
Less: Provision	79.76	80.62
	4,102.73	3,825.14
Others - Considered good	52,106.51	71,540.49
TOTAL	56,209.24	75,365.63
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	24.86	25.90
Cheques / Money in Transit (Note No. 16 of schedule 20)	492.86	6,264.95
Stamps in Hand	0.36	1.55
Balance with Scheduled Banks		
In Current Accounts	488.69	773.84
In Fixed Deposit Accounts Indian Currency	5,294.43	310.13
In Fixed Deposit Accounts Foreign Currency (Unutilised money out of ECB proceeds)	59,414.41	66,615.50
Balance with Non-Scheduled Banks in Foreign Currency in Current Accounts		
In ANZ Bank [Maximun Outstanding during the year Rs. 0.47 Lacs (Rs. 13.02 Lacs)]	0.47	12.49
In ICBC Bank [Maximun Outstanding during the year Rs.22.98 Lacs (Rs. 15.91 Lacs)]	0.14	8.81
In Bank of China [Maximun Outstanding during the year Rs. 2.55 Lacs (Rs.6.40 Lacs)]	-	2.55
In SA Korea First Bank [Maximun Outstanding during the year Rs.9.18 Lacs (Rs. 20.85 Lacs)]	1.61	3.96
In ZAO Citi Bank, Moscow [Maximun Outstanding during the year Rs.256.99 Lacs (Rs. 11.60 Lacs)]	2.91	11.60
In Raiffeisen Bank, Poland [Maximun Outstanding during the year Rs.5.18 Lacs (Rs. 33.30 Lacs)]	1.14	0.23
Puja & Silver Coins	0.04	0.04
TOTAL	65,721.92	74,031.55

Schedules to the Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received (Net of Provision) [Including Advances to Subsidiary Companies Rs.2,229.47 Lacs (Rs.4,921.39 Lacs)] [Net of Provision of Rs.23.66 Lacs (Rs. 23.66 Lacs)]	32,563.24	50,510.88
Interest Accrued on Investments / FDR	692.03	964.20
Loans to Subsidiary Companies	6,557.27	4,019.36
Security Deposits	6,371.74	5,941.47
Pre-paid Taxes	27,382.32	25,324.63
MAT Credit Entitlement	1,065.75	1,065.75
Balance with Central Excise	34.93	2.37
TOTAL	74,667.28	87,828.66
SCHEDULE - "11"		
CURRENT LIABILITIES		
Acceptances	159,247.34	126,453.51
Sundry Creditors - Others [Including due to SME Rs. 53.44 Lacs (Rs. 67.44 Lacs)]	55,175.93	84,995.49
Other Outstanding Liabilities	38,804.55	32,122.76
Due to Customers and others	53,343.60	4,356.71
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividends	175.70	148.61
ii) Unclaimed Matured Deposits	75.34	104.59
iii) Interest Accrued on (i) to (ii)	56.00	19.35
Interest Accrued but not due	5,073.94	5,779.46
TOTAL	311,952.40	253,980.48
SCHEDULE - "12"		
PROVISIONS		
For Taxation	24,580.25	24,524.43
For Employee Benefits	742.09	436.94
Proposed Dividend on Equity Shares	-	3,242.70
Corporate Tax on Dividend	-	551.10
TOTAL	25,322.34	28,755.17
SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Mine Development Expense	1,587.50	230.58
Add : Additions During the year	1,283.23	1,395.43
Less : Written off During the year	38.51	38.51
TOTAL	2,832.22	1,587.50

Schedules to the Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	526,919.41	564,353.26
Job Charges Received	12.34	996.61
Export Benefits	2,573.11	5,356.09
TOTAL	529,504.86	570,705.96
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	2.37	2.37
Profit on Sale of Investments (Net)	1,052.82	400.97
[On Current Investments Profit Rs.1,102.40 Lacs (Rs.452.35 Lacs)]		
[On Current Investments Loss Rs. Nil (Rs.0.37 Lacs)]		
[On Current Investments Loss on Dimunition in value Rs.66.61 Lacs (Rs.52.96 Lacs)]		
[On Long Term Investments Profit Rs.17.03 Lacs (Rs.1.95 Lacs)]		
Previous Years Adjustment (Net) (Note No. 18 of Schedule 20)	43.70	278.69
Guarantee Commission	32.32	97.02
Lease Rent	3.00	3.00
Miscellaneous Receipt	717.96	1,996.83
Claims Received	127.78	133.07
TOTAL	1,979.95	2,911.95
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	328,569.62	396,519.86
Goods Purchased for Sale	860.24	2,041.10
Stores and Spares Consumed	21,672.28	20,487.42
Carriage Inward	1,573.38	2,242.97
Power and Fuel	39,779.49	56,177.93
Repairs to Buildings	42.18	63.16
Repairs to Plant & Machinery	1,625.45	1,047.51
Job Work Expenses	1,976.09	2,161.43
Other Manufacturing Expenses	4,320.05	3,203.24
TOTAL- A	400,418.78	483,944.62
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	85,672.80	32,101.76
Trading Goods	242.02	299.75
Scrap	518.88	592.82
Work in Progress	44,385.99	19,027.86
Material recovered from POP / Trial Run	2,488.96	-
TOTAL - B	133,308.65	52,022.19
Closing Stock		
Finished Goods - Manufactured	57,574.34	85,672.80
Trading Goods	188.71	242.02
Scrap	235.73	518.88
Work in Progress	42,328.64	44,385.99
Semi Finished Goods transferred to POP / Trial run	5,347.03	-
TOTAL - C	105,674.45	130,819.69
(INCREASE)/DECREASE IN STOCKS - D (B - C)	27,634.20	(78,797.50)
Excise Duty on account of Inc./(Dec.) on Stock of Finished Products (E)	(6,042.75)	6,005.64
GRAND TOTAL (A + D + E)	422,010.23	411,152.76

Schedules to the Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	10,803.18	9,474.11
Contribution to Provident and other funds	582.80	484.87
Workmen and Staff Welfare	437.56	402.80
TOTAL	11,823.54	10,361.78
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	264.62	135.28
Lease Rent	14.19	10.44
Rates and Taxes	45.54	36.87
Insurance	332.94	423.66
Legal and Professional	1,440.06	1,763.25
Postage, Telegram, Telex and Telephone	401.28	367.40
Printing and Stationery	267.27	278.09
Travelling and Conveyance	683.80	762.56
Directors' Meeting Fees	4.30	5.00
Vehicle Upkeep and Maintenance	242.64	209.14
Auditors' Remuneration	26.32	22.74
Selling Expenses	1,379.17	1,028.32
Freight & Forwarding Expenses	4,352.87	8,239.14
Commission on Sales	3,492.86	4,982.41
Bad Debts	Rs.4.44 Lacs (Rs. Nil)	
Less : Provision for Doubtful Debts, reversed	Rs.0.86 Lacs (Rs. Nil)	-
Advertisement & Publicity	88.91	299.31
Miscellaneous Expenses	1,448.94	1,274.35
Donation	301.37	863.00
Discount & Rebate	2,640.61	1,935.69
Loss on Sale / Discard of Fixed Assets (Net)	127.52	559.67
[Profit of Rs.8.70 Lacs (Rs.2.04 Lacs) on Sale]		
[Loss of Rs.66.62 Lacs (Rs.532.28 Lacs) on Sale]		
[Loss of Rs.69.60 Lacs (Rs.29.43 Lacs) on Discard]		
TOTAL	17,558.79	23,196.32

Schedules to the Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	18,914.18	13,002.37
Others	12,120.29	8,471.20
Financial Expenses / Bank Charges	3,672.93	1,530.14
	34,707.40	23,003.71
Less: Interest received		
Interest on Securities (Net)	115.00	29.96
[TDS Rs.14.14 Lacs (Rs.6.16 Lacs)]		
[Including interest on Current investments Rs. 42.45 Lacs (Rs. 1.94 Lacs)]		
Loans & Advances	773.33	439.18
[TDS Rs.65.28 Lacs (Rs.91.57 Lacs)]		
[Including interest on loan to subsidiary companies Rs.566.74 Lacs (Rs. 428.91 Lacs)]		
Banks	41.75	44.45
[TDS Rs.170.07 Lacs (Rs.13.37 Lacs)]		
Interest on Debtors	1,884.34	1,681.28
[TDS Rs.230.98 Lacs (Rs.527.19 Lacs)]		
Foreign Cover Cancellation Gain (Net)	420.13	3,870.98
Others	134.35	122.70
	3,368.90	6,188.55
TOTAL	31,338.50	16,815.16

Notes to Accounts

SCHEDULE - "20"

NOTES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the generally accepted accounting principles as applicable, accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

ii) 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 / materialised.

iii) A) Fixed Assets & Depreciation

a) Fixed Assets

Fixed Assets are stated at their cost of acquisition / construction less accumulated depreciation and impairment losses. Cost comprises of all cost, net of income (if any), incurred to bring the assets to their present location and working condition and other related overheads till such assets are ready for intended use. Assets vested in the company pursuant to the scheme of Arrangement & Demerger are stated at their fair market values based on the valuation report of financial consultant.

b) Depreciation & Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. For assets acquired pursuant to the Scheme of Arrangement and Demerger where the residual life of assets are estimated at less than that worked out on the basis of rates under Schedule XIV, the same are depreciated over their respective residual lives.

c) Assets not owned by the Company are amortised over a period of ten years.

d) Lease Hold Land is amortised over the period of lease.

e) Classification of plant & machinery into continuous and non-continuous is made on the basis of technical assessment and depreciation is provided for accordingly.

B) Intangible Assets

Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets are amortised over the expected duration of benefit or 10 years, whichever is lower.

C) Impairment

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.

iv) Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists to its realization or collection.

Revenue from sale of goods: is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred and no effective ownership is retained.

Revenue from other activities: is recognized based on the nature of activity, when consideration can be reasonably measured. Certain claims like those relating to Railways, Insurance, Electricity, Customs and Excise are accounted for on acceptance basis on account of uncertainties.

v) Borrowing Costs

Borrowing costs attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such assets and other borrowing costs are recognized as expense in the period in which these are incurred.

vi) 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.

Notes to Accounts

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

Foreign currency gain/loss relating to translation of net investment in non-integral foreign operation is recognized in the foreign currency translation reserve.

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

vii) Investments

Long term investments are carried at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit & Loss Account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments.

Current Investments are carried at lower of cost or market value.

viii) Valuation of Inventories

Inventories are valued at the lower of cost and net realisable value except scrap which is valued at net realisable value. The cost is computed on Weighted Average basis. Finished goods and Work in Progress includes cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

ix) Employee Benefits

a) Short term Employee Benefits

Short term employee benefits are recognized during the year in which the services have been rendered and are measured at cost.

b) Defined Contribution Plans

The Provident Fund and Employees' State Insurance are defined contribution plans and the contributions to the same are expensed in the Profit and Loss Account during the year in which the services have been rendered and are measured at cost.

c) Defined Benefit Plans

The Provident Fund (Funded), Leave Encashment and Gratuity are defined benefit plans. The Company has provided for the liability at year end based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses are recognized as and when incurred.

x) Miscellaneous Expenditure

- a) Preliminary expenses are written off over the period of ten years.
- b) Bonds issue expenses and premium on redemption are written off over the expected duration of benefit or life of the bonds, whichever is earlier.
- c) Mines development expenses incurred for developing and preparing new mines are written off over the period of expected duration of benefits or ten years, whichever is earlier.

xi) Taxation

Provision is made for income-tax liability in accordance with the provisions of Income-Tax Act, 1961.

Deferred tax resulting from timing differences between book profits and tax profits is accounted for applying the tax rates and laws that have been enacted or substantively enacted till the Balance Sheet date.

Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable/virtual certainty that the assets can be realized in future.

Fringe Benefit Tax is accounted for in accordance with the provisions of the Income Tax Act, 1961.

xii) Management of Metal Price Risk/ Derivatives

Risks associated with fluctuations in the price of the precious raw material metal are mitigated by hedging on futures/option market. The results of metal hedging contracts/transactions are recorded upon their settlement as part of raw material cost.

Risk of movements in the interest rates, foreign currencies are hedged by derivatives contract such as Interest Rate Swaps, Currency Swaps, Forward Contracts and Currency Options.

All outstanding derivative instruments at year end are marked-to-market by type of risk and the resultant losses, if any, are recognized in the Profit & Loss Account/Pre-operative expenses, gains are ignored.

xiii) Contingent Liabilities

Contingent liabilities, if material, are disclosed by way of notes.

Notes to Accounts

2. Contingent Liabilities not provided for in respect of:

(As Certified by Management)

		(Rs. In lacs)	
Sr. No.	Particulars	As at 31.03.2009	As at 31.03.2008
a)	Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	7,918.70	6,052.37
b)	Letter of Credit outstanding.	151,710.75	153,128.88
c)	Bills discounted by banks.	11,521.45	15,407.47
d) i) a)	Sales Tax Demands against which Company has preferred appeals.	281.68	3.00
b)	Income Tax Demands against which Company has preferred appeals.	2,594.04	2,076.48
ii)	Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	3,752.23	5,249.07
e)	Claim against the company not acknowledged as debt.	497.99	-
f) i)	Corporate Guarantee given to Government/Banks on behalf of subsidiaries.	-	420.93
ii)	Corporate Guarantee/ Letter of Comfort given to Banks against credit facilities/ financial assistance availed by subsidiary.	17,808.69	4,002.00
g)	Guarantee given to custom authorities for import under EPCG Scheme.	10,820.23	14,888.74
h)	Demand made by Sr. Dy. Director of Mines, Notified Authority, Jaipur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 249,931.54 Lacs** (Rs. 229,136.73 Lacs).

4. Appeals in respect of certain assessments of Sales Tax/Income Tax are pending and additional tax liabilities/refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same are finally determined. In the opinion of management there will not be material liability on this account.

5. a) Exceptional Items includes loss/(gain) (net) of **Rs. 51,902.07 Lacs** (Rs. (7,499.27) Lacs) on translation/settlement of foreign currency monetary items (including borrowing), loss of **Rs. 2,601.04 Lacs** (Rs. 264.00 Lacs) upon marked to market of derivatives contracts and loss of **Rs. 1,631.66 Lacs** (Rs. Nil) on settlement of commodity hedging contract, resulting from unprecedented & exceptionally volatile global market development during the year.

b) During the year, coking coal purchased for coke oven plant was sold out / contracted for sale by the company due to delay in commissioning of plant and resulting a loss of **Rs. 3,779.70 Lacs** charged to revenue as Exceptional Item.

6. a) Addition/adjustment to Capital Work-In-Progress includes **Rs.17,282.69 Lacs (Net Debit)** {Rs. 1,276.43 Lacs (Net Credit)} on account of foreign exchange fluctuation on Loan/Liability (Includes amount disclosed in Note No. 13 (c) below).

b) Interest paid on fixed loan includes pro-rata premium of **Rs. 1,067.46 Lacs (Net Debit)** {Rs. 202.70 Lacs (Net Credit)}.

7. The company has been granted approval for developing Sector Specific SEZ in Orissa vide notification no 1472 dated 28th November, 2007 by Ministry of Commerce, Government of India over an area of 351.18 Acres. The Company has spent an amount of **Rs. 88,808 Lacs** during the year on the SEZ- which is shown under Capital Work In Progress, as on 31st March, 2009 (Rs. 47,866 Lacs).

8. During the financial year 2007-08 the Company had filed Writ Petition in Hon'ble High Court of Orissa challenging the validity of Entry Tax Act, 1999. The Hon'ble High Court of Orissa vide their order dated 16.05.2007 granted stay to the extent of depositing 50% of the entry tax demand raised by the Commercial tax Department. However, the Company has provided full liability for entry tax in the books of accounts during the year 2007-08 while deposited of 50% amount with the Department. The outstanding amount of liability on this account as on 31st March, 2008 was Rs.351.65 Lacs which still remain outstanding.

Subsequently in February, 08, the Hon'ble High Court disposed off the Writ Petition. As per legal advice received by the Company on interpretation of the High Court Order, it believes that its liability will be less than the amount already deposited. Accordingly, the Company has filed the refund application which has been rejected by Joint Commissioner. Subsequently the company has gone for appeal to the Appellate Authority and the hearing is pending. For the current year 2008-09, the company has computed and deposited the liability as per legal advice.

The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the hearing is pending. Necessary accounting adjustment will be carried out in the year of final outcome.

Notes to Accounts

9. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

		(Rs. In Lacs)	
Sr. No.	Particulars	2008-09	2007-08
1.	Principal amount due outstanding.	53.44	67.44
2.	Interest due on (1) above and unpaid.	-	-
3.	Interest paid to the supplier.	-	-
4.	Payments made to the supplier beyond the appointed day during the year.	-	-
5.	Interest due and payable for the period of delay.	-	-
6.	Interest accrued and remaining unpaid.	-	-
7.	Amount of further interest remaining due and payable in succeeding year.	-	-

* to the extent information available with the company.

10. a) Certain balances of sundry debtors, sundry creditors are subject to confirmation and/or reconciliation.
b) Certain charges created for working capital loans are in process of satisfaction / modification.
c) Although the book value of investment in certain subsidiary companies (book value amounting to **Rs. 7,529.87 Lacs** (Rs. 3,894.86 Lacs)) is lower than the cost, considering the strategic and long term nature of the investments, future prospects and assets base of investee company, such decline, in the opinion of the management has been considered to be of a temporary nature and hence no provision of the same is considered necessary.
11. Advance Recoverable in Cash or in kind or for value to be received includes:
a) **Rs. 2.89 Lacs** (Rs. 0.76 Lacs), maximum amount outstanding at any time during the Year is **Rs. 8.09 Lacs** (Rs. 10.75 Lacs) being the amount due from directors/officers of the company.
b) Interest free loan to employees amounting to **Rs. 21.43 Lacs** (Rs. 13.23 Lacs) in the ordinary course of the business and as per employee service rules of the Company. Maximum balance outstanding during the year **Rs. 28.61 Lacs** (Rs.19.15 Lacs).
c) **Rs. 29.08 Lacs** (Rs. 3,513.21 Lacs) as advance against share application money with subsidiary companies.
12. Research and Development expenses for the year amounting to **Rs. 77.26 Lacs** (Rs. 83.00 Lacs) on account of revenue expenditure and **Rs. 92.80 Lacs** (Rs. 69.48 Lacs) on account of capital expenditure have been charged/debited to respective head of accounts.
13. a) Derivative contracts entered into by the company and outstanding as on 31st March, 2009 for hedging currency risks:-

Nature	Foreign Currency	Rs. In Lacs
Forward Covers :		
Account Receivable		
USD	15,669,891 (42,955,445)	7,944.63 (17,182.18)
EURO	- (16,063,144)	- (10,155.12)
Account Payable		
USD	30,393,333 (30,129,549)	15,415.50 (12,057.85)
EURO	- (19,289,659)	- (12,202.64)
GBP	- (1,900,000)	- (1,510.12)
PCFC		
USD	10,000,000 (-)	5,072.00 (-)
Fixed Deposits		
USD	63,000,000 (55,500,000)	31,941.00 (22,200.00)
Options		
USD	- (52,000,000)	- (20,800.00)
Cross Currency Swap :		
Yen	2,990,074,442 (2,990,074,442)	10,000.00 (10,000.00)
Interest Rate Option (ECB Loan)	75,000,000 (-)	38,040.00 (-)

Notes to Accounts

- b) Foreign Currency exposure that are not hedged by derivative instruments or otherwise outstanding as on 31st March, 2009 is as under:-

Nature	Foreign Currency	Rs. In Lacs
Account Receivable		
USD	2,098,728 (7,955,402)	1,064.05 (3,182.16)
GBP	130,780 (205,959)	94.91 (163.57)
EURO	6,331,510 (-)	4,275.04 (-)
Loans		
USD	260,102,440 (362,285,043)	131,923.96 (144,986.47)
PCFC		
USD	1,500,000 (-)	760.80 (-)
Fixed Deposits		
USD	54,188,191 (111,038,756)	27,473.41 (44,415.50)
Due to Customer		
USD	1,588,900 (4,023,609)	805.89 (1,609.44)
EURO	74,518,196 (-)	50,337.04 (-)
Account Payable		
USD	228,596,310 (256,474,429)	115,944.05 (102,641.07)
EURO	1,629,333 (2,814,446)	1,100.61 (1,780.42)
GBP	2,971 (106)	2.16 (0.08)
AUD	70 (70)	0.02 (0.03)
CAD	3,926 (1,250,547)	1.59 (487.59)
SEK	- (4,483)	- (0.30)

- c) In compliance of clarifications of ICAI on outstanding derivatives which are not covered by AS-11 "Accounting for Effects of Changes in Foreign Exchange rates", the Company has accounted for Marked to market losses on derivatives entered for INR Term Loans amounting to **Rs. 5,221.84 Lacs** and against interest rate option **Rs. 3,164.38 Lacs** till 31st March, 2009 (Rs.1632 Lacs), which have been charged to Pre-operative expenses.

- d) As per the metal price risk management policy of the Company, the Company had entered into future & options contracts for hedging on the LME. The transactions outstanding as at year-end are as below:

METAL	EXCHANGE	NATURE OF TRANSACTION	QTY (MT)
Nickel	LME	Purchase	- (2,301)

14. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble High Court has disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court has declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Supreme Court gave an Interim Order that those states where the High Courts have given judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also held ultra virus by the High Court. The Order of the High Court has been challenged by the Haryana Government and which is pending before the Supreme Court for final order. However, on prudence basis, the liability has been fully provided for.

Notes to Accounts

15. Pursuant to the announcement by ICAI on "Accounting for Derivatives" and AS-1 enunciating "Principles of Prudence", the company has accounted losses **Rs. Nil** (Rs. 3,613.27 Lacs) {(Including Marked to Market losses **Rs. Nil** (Rs. 266.60 Lacs))} during the year on account of hedging its nickel exposure. The same has been treated as an Extra-Ordinary item.
16. In terms of the approval of the Shareholders obtained at the Extraordinary General Meeting of the Company held on 20th October, 2006, the Company has issued and allotted, 21,500,000 warrants (face value of Rs.103/- each and amount paid-up of Rs.10.30 each) on 26th October, 2006, to Promoter Group on preferential basis, to finance the long term corporate fund. The holders of each warrant will be entitled to apply for and be allotted one equity share of Rs.2/- each of the Company, at a price of Rs.103/- (including Rs.101/- on account of premium), any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. Of the above, the holders of **7,550,000 Nos.** (7,150,000 Nos.) warrants have exercised the option and were allotted one equity share per warrant. Amount received during the year of **Rs. 6,992.24 Lacs** (including money in transit as on 31.03.2008 of Rs. 4,473.43 Lacs) (Rs. 6,637.60 Lacs) has been utilized towards financing of Long Term corporate fund including capital expenditure for ongoing expansion of company projects.
17. a) During the year, the Company has recognized the following amounts in the Profit and Loss Account (Refer Schedule-17) and pre-operative expenses:-

Defined Contribution Plans (Rs. in Lacs)

	2008-09
Employer's Contribution to Provident Fund	342.25 (253.67)
Employer's Contribution to ESI	39.31 (51.44)

Defined Benefit Plans (Rs. in Lacs)

	2008-09
Employer's Contribution to Provident Fund	260.45 (207.92)

	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Current service cost	113.26 (84.55)	36.88 (24.52)	141.36 (113.68)
Interest cost	76.63 (61.25)	4.18 (2.22)	27.26 (21.65)
Expected Return on plan assets	(71.85) ((69.04))	- (-)	- (-)
Actuarial (gain)/loss	143.25 (93.43)	(6.49) ((1.82))	86.02 (75.58)
Past service cost	- (-)	- (-)	- (-)
Curtailment and settlement cost/ Credit	- (-)	- (-)	- (-)
Net Cost	261.29 (170.19)	34.57 (24.92)	254.64 (210.91)
Actual Return on Plan Assets	80.03 (71.49)	N.A. (N.A.)	N.A. (N.A.)

Notes to Accounts

	(Rs. In Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
b) Change in Benefit Obligation :			
Present value of obligation as at the beginning of the year	894.53 (712.95)	52.26 (27.81)	379.12 (270.66)
Current service cost	113.26 (84.55)	36.88 (24.52)	141.36 (113.68)
Interest cost	76.63 (61.25)	4.18 (2.22)	27.26 (21.65)
Benefits paid	(80.91) ((60.10))	(6.05) ((0.48))	(195.49) ((102.46))
Curtailment and Settlement cost	- (-)	- (-)	- (-)
Past service cost	- (-)	- (-)	- (-)
Actuarial (gain)/loss	151.43 (95.88)	(6.49) ((1.82))	86.02 (75.58)
Present value of obligation as at the end of year	1,154.94 (894.53)	80.78 (52.25)	438.27 (379.11)
c) Change in Plan Assets :			
Fair value of plan assets as at the beginning of the year	900.42 (646.75)	- (-)	- (-)
Expected return on plan assets	71.85 (69.04)	- (-)	- (-)
Actuarial gain/(loss)	8.18 (2.45)	- (-)	- (-)
Employer contribution	32.36 (241.74)	- (-)	- (-)
Settlement cost	- (-)	- (-)	- (-)
Benefits paid	(80.91) ((59.56))	- (-)	- (-)
Fair value of plan assets as at the end of the year	931.90 (900.42)	- (-)	- (-)
Liability recognized in Balance Sheet	(223.04) (5.89)	(80.78) ((52.27))	(438.27) ((379.12))

Notes to Accounts

d) Composition of plan assets as a percentage of total plan assets :

	Rs. In Lacs	Gratuity %
Insurer Managed Fund	931.90 (900.42)	100% (100%)
Total	931.90 (900.42)	100% (100%)

e) The assumptions used to determine the benefit obligations are as follows:

	Gratuity	Leave Encashment
Discount rate	7.00%-8.00% (8.00%)	7.00%-8.00% (8.00%)
Expected Rate of Return on Plan Assets	8.00% (8.00%)	N.A. N.A.
Salary Escalation	5.00%-5.50% (5.50%-6.00%)	5.00%-5.50% (5.50%-6.00%)
Mortality		LIC (1994-96) duly modified

The expected return on the plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of assets management, historical results of returns on the plan assets and the policy for the management of plan assets management.

The estimates of future salary increase, considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) Pending the issuance of the Guidance Note from the Actuarial Society of India, the company's actuary has expressed his inability to reliably measure the provident fund (funded) liability.

18. Prior Period Adjustment **Rs. 43.70 Lacs (Net Income)** {Rs. 278.69 Lacs (Net Income)} includes:

	(Rs. In Lacs)
	2008-09 2007-08
Expenses relating to earlier years	40.24 89.05
Income relating to earlier years	2.72 19.83
Liability no longer required	81.22 347.91

Notes to Accounts

19 Segment Reporting

i) Information about Business Segment (for the year 2008-09)

Company operates in a Single Primary Segment (Business Segment) i.e. Stainless Steel products.

ii) Secondary Segments (Geographical Segment)

		(Rs. In Lacs)		
		2008-09		
		Within India	Outside India	Total
1	Revenue	408,202.83	121,302.03	529,504.86
		(395,494.54)	(175,211.42)	(570,705.96)
2	Segment Assets *	921,425.50	27,459.76	948,885.26
		(815,116.73)	(90,230.18)	(907,482.57)
3	Capital Expenditure incurred during the year *	132,769.41	3.39	132,772.80
		(129,360.16)	-	(129,360.16)

*The Company's operating facilities are located in India

20 Related Party Transactions

A List of Related Party & Relationship (As identified by the Management)

a) Subsidiary Companies :

- 1 PT. Jindal Stainless Indonesia
- 2 Jindal Stainless Steelway Limited
- 3 Austenitic Creations Private Limited
- 4 Jindal Architecture Limited
- 5 Jindal Stainless UK Limited
- 6 Jindal Stainless FZE
- 7 Green Delhi BQS Limited
- 8 Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi
- 9 Parivartan City Infrastructure Limited
- 10 Jindal Aceros Inoxidables S.L. (w.e.f. 23.07.2008)
- 11 JSL Group Holdings Pte. Limited (w.e.f. 14.10.2008)
- 12 JSL Logistics Limited (w.e.f. 27.03.2009)
- 13 Jindal Stainless Italy s.r.l.
- 14 JSL Ventures Pte. Limited (w.e.f. 26.08.2008)
- 15 JSL Europe SA (w.e.f. 15.09.2008)
- 16 JSL Minerals & Metals SA (w.e.f. 26.11.2008)

b) Joint Ventures:

- 1 MJSJ Coal Limited

c) Key Management Personnel :

- | | | |
|----|--------------------------|----------------------------------------------------------------|
| 1 | Smt. Savitri Devi Jindal | Chairperson |
| 2 | Shri Ratan Jindal | Vice-Chairman & Managing Director |
| 3 | Shri V.S. Jain | Managing Director & CEO (till 25.10.2007) |
| 4 | Shri R.G. Garg | Managing Director & COO (till 12.01.2009) |
| 5 | Shri Arvind Parakh | Director - Strategy & Business Development (w.e.f. 21.01.2008) |
| 6 | Shri Rajinder Parkash | Executive Director (till 12.01.2009) |
| 7 | Shri N.P. Jayaswal | Executive Director |
| 8 | Shri N.C. Mathur | Director-Corporate Affairs (till 12.01.2009) |
| 9 | Shri A.P. Garg | Sr. Vice - President & Company Secretary (till 18.11.2008) |
| 10 | Shri Sanjiv Pandiya | Sr. Vice - President & CFO (till 31.07.2007) |
| 11 | Shri A.K. Jain | Company Secretary (from 10.12.2008 to 31.12.2008) |
| 12 | Shri Sunil Yadav | Company Secretary (from 13.01.2009 to 17.03.2009) |
| 13 | Shri Jitendra Kumar | Company Secretary (w.e.f. 17.03.2009) |

Notes to Accounts

d) **Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have been taken place during the year:**

- 1 Jindal Steel & Power Limited
- 2 JSW Steel Limited
- 3 Jindal Saw Limited
- 4 Jindal Industries Limited
- 5 Nalwa Steel & Power Limited (formerly Nalwa Sponge Iron Limited)
- 6 Bir Plantation Private Limited
- 7 Sona Bheel Tea Limited
- 8 Bharat Metals
- 9 Jindal Overseas Holding Ltd.

B Transactions

Description	2008-2009				2007-2008		
	Subsidiary	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Subsidiary	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives
Purchase of Goods	2,973.14	-	-	14,535.25	3,073.38	-	3,545.19
PT. Jindal Stainless Indonesia	1,275.60	-	-	-	1,595.40	-	-
Jindal Stainless Steelway Limited	912.95	-	-	-	953.35	-	-
Jindal Steel & Power Limited*	-	-	-	12,431.23	-	-	2,896.97
Others	784.59	-	-	2,104.02	524.63	-	648.22
Sale of Goods	32,442.37	-	-	17,757.58	65,950.64	-	6,362.30
PT. Jindal Stainless Indonesia	7,643.50	-	-	-	47,289.35	-	-
Jindal Stainless Steelway Limited	23,735.93	-	-	-	17,397.13	-	-
Jindal Steel & Power Limited **	-	-	-	17,032.62	-	-	4,893.66
Others	1,062.94	-	-	724.96	1,264.16	-	1,468.64
Job Work Charges Paid	1,400.70	-	-	-	1,360.99	-	-
Jindal Stainless Steelway Limited	1,399.16	-	-	-	1,360.99	-	-
Others	1.54	-	-	-	-	-	-
Receiving of Services (Remuneration paid)	-	-	341.68	-	-	1,092.52	-
Shri Ratan Jindal— Vice Chairman & Managing Director	-	-	0.02	-	-	762.19	-
Shri R.G. Garg- Managing Director & COO	-	-	84.00	-	-	85.48	-
Shri Arvind Parakh-Director - Strategy & Business Development	-	-	154.45	-	-	26.82	-
Shri N.P. Jayaswal-Executive Director	-	-	45.86	-	-	36.89	-
Others	-	-	57.35	-	-	181.14	-
Rent Received	-	-	17.40	4.26	-	15.60	3.31
Shri Ratan Jindal— Vice Chairman & Managing Director	-	-	17.40	-	-	15.60	-
Jindal Saw Limited	-	-	-	3.36	-	-	3.31
Others	-	-	-	0.90	-	-	-
Rent Paid	-	-	-	3.60	-	-	3.60
Bir Plantation Private Limited	-	-	-	3.60	-	-	3.60

Notes to Accounts

Description	2008-2009				2007-2008		
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
Loans & Advances Given	2,615.05	-	-	-	3,849.63	-	-
Austenitic Creations Private Limited	290.00	-	-	-	1,175.00	-	-
Jindal Architecture Limited	100.00	-	-	-	2,270.00	-	-
Green Delhi BQS Limited	1,725.00	-	-	-	404.63	-	-
JSL Logistics Limited	369.55	-	-	-	-	-	-
Others	130.50	-	-	-	-	-	-
Loans & Advances Recovered	354.50	-	-	-	3,221.68	-	-
Austenitic Creations Private Limited	245.00	-	-	-	887.32	-	-
Jindal Architecture Limited	100.00	-	-	-	2,270.00	-	-
Others	9.50	-	-	-	64.36	-	-
Job Charges Received	0.21	-	-	-	-	-	-
Jindal Architecture Limited	0.21	-	-	-	-	-	-
Freight paid	65.67	-	-	-	-	-	-
JSL Logistics Limited	65.67	-	-	-	-	-	-
Purchase of Assets	-	-	-	-	9.82	-	-
Jindal Architecture Limited	-	-	-	-	8.59	-	-
Green Delhi BQS Limited	-	-	-	-	1.23	-	-
Sale of Assets	-	-	-	-	78.70	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	78.70	-	-
Interest Received	775.07	-	-	-	563.86	-	6.95
PT. Jindal Stainless Indonesia	56.69	-	-	-	68.92	-	-
Austenitic Creations Private Limited	151.44	-	-	-	164.62	-	-
Jindal Architecture Limited	110.92	-	-	-	189.96	-	-
Jindal Stainless Steelway Limited	208.34	-	-	-	134.95	-	-
Green Delhi BQS Limited	230.29	-	-	-	5.41	-	-
Others	17.39	-	-	-	-	-	6.95
Interest Paid	-	-	-	-	-	-	14.92
Jindal Saw Limited	-	-	-	-	-	-	14.92
Other	-	-	-	-	-	-	-
Commission on Sale	404.52	-	-	-	1,056.93	-	-
Jindal Stainless FZE	284.94	-	-	-	790.12	-	-
Jindal Stainless UK Limited	67.03	-	-	-	218.75	-	-
Jindal Stainless Italy s.r.l.	52.55	-	-	-	48.06	-	-
Others	-	-	-	-	-	-	-
Equity Purchased	7,434.61	0.90	-	-	832.33	-	-
PT. Jindal Stainless Indonesia	2,000.00	-	-	-	-	-	-
JSL Group Holding Pte. Limited	2,201.18	-	-	-	-	-	-
Austenitic Creations Private Limited	1,631.00	-	-	-	-	-	-
Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	1,586.62	-	-	-	14.98	-	-
Jindal Stainless Steelway Limited	-	-	-	-	811.25	-	-
Others	15.81	0.90	-	-	6.10	-	-

Notes to Accounts

Description	2008-2009				2007-2008		
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
Amount Paid Against Share Application	28.20	-	-	-	3,513.21	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	2,000.00	-	-
Austenitic Creations Private Limited	-	-	-	-	1,512.32	-	-
Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	21.42	-	-	-	0.89	-	-
Jindal Aceros Inoxidables S.L.	6.78	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Equity Shares Issued against Share Warrents	-	-	3,888.25	3,888.25	-	3,682.25	3,682.25
Shri Ratan Jindal— Vice Chairman & Managing Director	-	-	3,888.25	-	-	3,682.25	-
Jindal Overseas Holding Limited	-	-	-	3,888.25	-	-	3,682.25
Amount Received Against Equity Share Warrents	-	-	2,518.82	-	-	4,297.58	6,813.45
Shri Ratan Jindal— Vice Chairman & Managing Director	-	-	2,518.82	-	-	4,297.58	-
Jindal Overseas Holding Limited	-	-	-	-	-	-	6,813.45
Letter of Comfort given	17,808.69	-	-	-	-	-	-
PT. Jindal Stainless Indonesia	17,808.69	-	-	-	-	-	-
Sharing of Exp. Reimbursed/ to be Reimbursed	55.21	-	-	44.37	94.17	-	57.00
Austenitic Creations Private Limited	-	-	-	-	36.04	-	-
Jindal Architecture Limited	42.95	-	-	-	45.72	-	-
Jindal Steel & Power Limited	-	-	-	3.84	-	-	32.44
Jindal Saw Limited	-	-	-	35.65	-	-	18.00
Jindal Stainless Steelway Limited	12.18	-	-	-	4.25	-	-
Others	0.08	-	-	4.88	8.16	-	6.56
Sharing of Exp. Recovered/ to be Recovered	64.66	10.78	-	82.48	132.45	-	114.79
PT. Jindal Stainless Indonesia	15.92	-	-	-	53.20	-	-
Austenitic Creations Private Limited	19.57	-	-	-	33.29	-	-
Jindal Steel & Power Limited	-	-	-	37.21	-	-	54.85
Jindal Architecture Limited	20.35	-	-	-	20.42	-	-
Jindal Saw Limited	-	-	-	37.13	-	-	40.83
Others	8.82	10.78	-	8.14	25.54	-	19.11
Guarantee Commission Earned	32.32	-	-	-	97.02	-	-
PT. Jindal Stainless Indonesia	32.32	-	-	-	97.02	-	-
Redemption of 8% NCD of JSW Steel Ltd.	-	-	-	44.21	-	-	60.95
JSW Steel Limited	-	-	-	44.21	-	-	60.95
Outstanding Balance							
8% NCD of JSW Steel Limited	-	-	-	-	-	-	44.21
JSW Steel Limited	-	-	-	-	-	-	44.21

Notes to Accounts

Description	2008-2009				2007-2008		
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
Corporate Guarantee/ Letter of Comfort Given	17,808.69	-	-	-	4,422.93	-	-
PT. Jindal Stainless Indonesia	17,808.69	-	-	-	4,002.00	-	-
Others	-	-	-	-	420.93	-	-
Loans & Advances	8,786.74	10.78	-	59.32	8,942.61	-	25.99
PT. Jindal Stainless Indonesia***	2,374.81	-	-	-	3,837.00	-	-
Austenitic Creations Private Limited	1,741.39	-	-	-	3,052.77	-	-
Jindal Architecture Limited	1,763.71	-	-	-	1,636.62	-	-
Green Delhi BQS Limited	2,359.34	-	-	-	410.28	-	-
Others	547.49	10.78	-	59.32	5.94	-	25.99
Receivables	6,010.17	-	-	615.42	9,136.74	-	1,704.07
PT. Jindal Stainless Indonesia	3,493.13	-	-	-	15,602.15	-	-
Jindal Stainless Steelway Limited	1,242.06	-	-	-	2,134.81	-	-
Austenitic Creations Private Limited	1,251.72	-	-	-	1,105.51	-	-
Others	23.26	-	-	615.42	294.27	-	1,704.07
Payables	671.52	-	-	3,907.83	876.03	762.10	1,305.55
Jindal Stainless FZE	12.49	-	-	-	377.46	-	-
Shri Ratan Jindal- Vice Chairman & Managing Director	-	-	-	-	-	762.10	-
Jindal Steel & Power Limited	-	-	-	2,806.56	-	-	323.46
Jindal Saw Limited	-	-	-	916.71	-	-	919.24
Others	659.03	-	-	184.56	498.57	-	62.85

Note :-

* Includes Purchase of Ferro Chrome/Sponge Iron on arm length prices.

** Includes Sale of Chrome ore/Coke on arm length prices.

*** Includes Subordinated Debts of Rs. **1,267.50 Lacs** (Rs.1,000.00 Lacs).

Notes to Accounts

21 Earning Per Share (EPS) computed in accordance with Accounting Standard 20 “ Earning Per Share ”.

(Rs. In Lacs)

	2008-2009	2007-2008
(A) Basic :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	(57,982.04)	27,730.01
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	(57,982.04)	24,116.74
Weighted Average No. of Equity Shares for Basic EPS (Face value Rs. 2/- per share)	161,638,494	144,377,626
Basic EPS (in Rs.) Before Extra Ordinary Item	(35.87)	19.21
Basic EPS (in Rs.) After Extra Ordinary Item	(35.87)	16.70
(B) Diluted :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	(57,982.04)	27,730.01
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	(57,982.04)	24,116.74
Add: Interest & Fluctuation on Euro Bonds / FCCB (net of tax)	2,590.08	(109.31)
Profit before Extra Ordinary Items attributable to Equity Share Holders	(55,391.96)	27,620.70
Profit after Extra Ordinary Items attributable to Equity Share Holders	(55,391.96)	24,007.43
Weighted Average No. of Equity Shares for Basic EPS	161,638,494	144,377,626
Add : Weighted average of Potential equity shares converted during the year	496,438	3,940,698
Add : Weighted average of Potential equity shares outstanding as on 31st March,2009	8,777,592	11,921,088
Weighted average No. of Equity Shares for Diluted EPS (Face value Rs. 2/- per share)	170,912,524	160,239,412
Diluted EPS (in Rs.) Before Extra Ordinary Item	(32.41)	17.24
Diluted EPS (in Rs.) After Extra Ordinary Item	(32.41)	14.98

(read with Note No. 15 above)

22 DEFERRED TAX LIABILITY (NET) COMPRISES OF THE FOLLOWING AS ON 31.03.2009 :-

(Rs. In Lacs)

	Deferred Tax Liability/Asset as at 31.03.2008	Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2009
A) Deferred Tax Liability			
Difference between book & tax depreciation	50,272.26	10,882.67	61,154.93
Total Deferred Tax Liability - A	50,272.26	10,882.67	61,154.93
B) Deferred Tax Assets			
Disallowance under Section 43B	1,039.33	295.80	1,335.13
Amortisation under Section 35D	0.40	-	0.40
Provision for doubtful debts & advances	27.40	7.75	35.15
Provisions for Employee Benefit	148.52	98.28	246.80
Provisions for MTM Losses & Diminution in Investments	255.09	726.47	981.56
Brought forward loss/Unabsorbed Depreciation *	-	38,610.24	38,610.24
Brought forward long term/short term capital losses	31.32	-	31.32
Total Deferred Tax Assets - B	1,502.06	39,738.54	41,240.60
Deferred Tax Liability (Net) (A-B)	48,770.20	(28,855.87)	19,914.33

* The management is confident about recoverability of the same from future earnings.

Notes to Accounts

23 (A) Auditors Remuneration includes the following:

	(Rs. in Lacs)	
	2008-09	2007-08
(i) Payment to Auditors		
Audit Fee	15.00	15.00
Other Capacity *	5.80	1.80
Certification Work	0.13	0.19
Out of Pocket expenses *	2.02	2.87
	22.95	19.86
(ii) Payment to Branch Auditors		
Audit Fee	1.30	1.30
Tax Audit Fee	0.50	0.50
Certification Work etc.	1.66	2.27
Out of Pocket expenses	0.13	0.35
	3.59	4.42
Total	26.54	24.28
*Rs. 0.22 Lacs (Rs. 1.54 Lacs) included in Pre-operative Expenses		
(B) Payment to Cost Auditors:		
Audit Fee	0.90	0.94
Out of Pocket expenses	0.10	0.11
Total	1.00	1.05
(C) Directors' Remuneration includes the following:		
Remuneration paid/payable to Whole Time Directors (WTD) and Managing Directors		
Salary	308.17	254.20
Commission	-	782.70
Provident Fund	13.65	10.98
Monetary value of perquisites**	-	0.06
Total	321.82	1,047.94

** As per Income Tax valuation.

** Excluding Gratuity/leave encashment.

- (i) a). Remuneration paid/payable to Directors amounting to **Rs. 83.37 Lacs** is subject to the approval of the shareholders in ensuing General Meeting.
- b). Remuneration paid/payable to Directors amounting to **Rs.238.45 Lacs** is subject to the approval of the shareholders in ensuing General Meeting and of the Central Government. The company is in process of seeking necessary approvals, which if not received, the remuneration in excess of the prescribed limit paid, would be recovered.

Above has been approved by the remuneration committee.

- 24 a. In the absense of profit no Computation of net profit in accordance with Section 309 (5) is given.
- b. In the absense of profit no Debenture Redemption Reserve has been created during the year.

Notes to Accounts

- 25 Capital work-in-progress includes technical know-how and supervision fees, machinery under installation/in transit and other assets under erection and pre-operative expenses. Details of pre-operative expenses (Including Trial run expenses) are as under:-

Description	(Rs. in Lacs)	
	2008-2009	2007-2008
Semi Finished Goods	5,347.03	-
Stores & Spares Consumed	283.53	-
Depreciation	7.38	-
Interest on Fixed Loans	13,823.20	10,310.23
Interest on Others	2,976.88	-
Power & Fuel	650.80	475.53
Salaries & Allowances	1,756.23	2,141.23
Workmen and Staff welfare	0.59	1.63
Travelling and Conveyance	133.37	155.86
Financial Expenses/Bank Charges	740.73	6,699.37
Printing & Stationery	-	0.39
Administrative Expenses	2,109.71	471.65
Postage & telegram,telex & telephone	35.53	50.07
Legal & Professional Expenses	1,223.44	1,785.28
Miscellaneous Expenses	464.32	523.73
Exchange Fluctuation(Net)	29,132.62	903.24
	58,685.36	23,518.21
Less: Material recovered during trial run	2,488.96	-
Less: Interest/Other Misc. Income	4,038.55	2,165.15
Add: Pre-operative expenses brought forward	14,278.90	5,412.12
	66,436.75	26,765.18
Less: Capitalised during the year	17,131.10	12,486.28
Pre-operative expenses carried over	49,305.65	14,278.90

- 26 Additional Information Pursuant to Paragraphs 3 & 4 of Part II of the Schedule VI of the Companies Act, 1956.

A. INSTALLED CAPACITY:

		Installed Capacity	
Description	Unit	2008-2009	2007-2008
AT HISAR:			
1. Strip Mill/Tandem Mill	MT	250,000	250,000
2. Plate/Steckel Mill	MT	720,000	450,000
3. Steel Melting	MT	720,000	650,000
4. Cupro Nickle Melting	MT	6,000	6,000
5. Cold Rolling Mill			
i) Cold Rolled Strips	MT	275,000	250,000
ii) Cold Rolled Special Steel	MT	25,000	12,000
iii) Coin Blanks	MT	10,000	10,000
6. Oxygen Plant:			
i) Oxygen Gas	M. Cum.	55.00	55.00
ii) Argon Gas	M. Cum.	1.50	1.50
7. Industrial Machinery *	Nos.	209	209
AT VIZAG			
High Carbon Ferro Chrome	MT	40,000	40,000
AT ORISSA/MINES			
Ferro Alloys	MT	250,000	225,000
Chrome Ore Concentrate	MT	72,000	72,000
Power Plant	MU	1,890	945

NOTES:

- Licensed capacity: Company's products since delicensed.
- Installed capacity is as certified by the Management.
- * No. is only indicative since machines are of different nature/size/cost etc.

Notes to Accounts

B. RAW MATERIAL CONSUMPTION:-

		(Rs. In Lacs)			
Description	Unit	2008-2009		2007-2008	
		Qty.	Amount	Qty.	Amount
Steel Scrap	MT	323,442	138,902.04	428,126	213,292.86
Ferro Nickel	MT	13,866	49,567.05	7,290	71,150.12
Ferro Chrome	MT	8,233	9,136.69	18,567	12,906.97
Silica Manganese	MT	23,492	18,076.76	39,764	21,744.41
Ferro Manganese	MT	5,830	5,511.27	20,939	10,102.80
Ferro Silicon	MT	9,033	5,723.60	11,220	5,065.05
Managenese Ore	MT	84,689	21,242.00	7,123	1,108.73
Cold Rolled Strips SS *	MT	20	25.24	102	99.34
Chrome Ore	MT	8,692	1,937.69	6,461	1,372.79
Friable Ore/Lumpy Chrome Ore	MT	217,290	30,139.00	291,721	23,164.00
Leco/Hard/Oil/Ash/Nut coke	MT	798,945	31,164.76	183,350	10,699.82
Hot Rolled Strips/Coils	MT	4,105	2,940.12	-	-
Mollasses	MT	19,782	1,071.97	24,575	966.69
Quartz	MT	37,224	290.55	9,999	27.50
Others			28,200.06		37,938.06
			343,928.80		409,639.14
Less:- Inter unit transfer of raw material included in above			15,359.18		13,119.28
			328,569.62		396,519.86

Note:- Sale of raw material has been deducted at sale price to arrive at the value of raw material consumed.

* 20 MT (102 MT) sent on job work.

TRADING GOODS PURCHASE					
Cold Rolled Strips	MT	463	594.54	505	1,114.58
Shredded Scrap (High Seas)	MT	1,500	180.40	1911	244.64
Nickel (High Seas)	MT	-	-	39	544.18
Art Gallery Products			85.30		137.70
			860.24		2,041.10

Notes to Accounts

C. OPENING & CLOSING STOCKS

Description		Opening Stock 01.04.07		Closing Stock 31.03.08		Closing Stock 31.03.09	
	Unit	Qty.	Amount (Rs.in lacs)	Qty.	Amount (Rs.in lacs)	Qty.	Amount (Rs.in lacs)
MANUFACTURED							
FINISHED GOODS							
Hot Rolled Flats	MT	3,471	1,815.30	6,971	4,259.51	4,199	2,146.14
Hot Rolled Strips/Plates	MT	14,759	12,911.87	24,899	30,656.16	24,354	21,247.60
MS Plate/Coils	MT	-	-	-	-	632	303.43
Cold Rolled Strips & Sheets	MT	10,120	9,234.34	23,427	33,327.54	15,197	15,073.18
Cold Rolled Circles/Sheets	MT	79	60.14 *	-	-	-	-
Cold Rolled Coin Blanks	MT	228	52.95	58	65.62	55	56.86
H.C. Ferro Chrome	MT	11,468	4,984.45 **	20,769	14,169.18 **	20,861	11,529.48 **
Ferro Managenese	MT	-	-	686	457.56	167	116.37
Silico Managenese	MT	-	-	759	532.92	5,033	3,435.29
S.S.Round/Wire Rod	MT	9	2.50	9	2.51	9	2.51
S.S.Welded & Cold Drawn Tubes/Pipes	MT	159	114.11	1	0.68	391	315.17
Cold Rolled Special Steel	MT	962	901.27	383	425.02	86	134.38
Steel Scrap	MT	14	2.23	14	2.23	14	2.23
Chrome Ore	MT	407,335	1,912.14	354,937	1,642.43	430,075	3,125.51
Chrome Ore Concentrate	MT	3,745	105.19	3,151	124.50	2,315	82.51
Oxygen Gas	Cum.	47,890	5.27	60,994	6.40	32,600	3.42
Nitrogen Gas	Cum.	-	-	26,784	0.54	13,000	0.26
TOTAL			32,101.76	85,672.80		57,574.34	
TRADING GOODS							
Cold Rolled Strips	MT	207	296.36	75	142.44	16	32.50
SS Welded & Cold Drawn Tube	MT	6	3.39	-	-	-	-
Art Gallery Products			-		99.58		156.21
TOTAL			299.75	242.02		188.71	
G. TOTAL			32,401.51	85,914.82		57,763.05	

* Nil (79 MT) transfer to melting

** Nil (50 MT) shortage due to transit/handling at port.

Notes to Accounts

D. PRODUCTION

Description	Unit	2008-2009	2007-2008
1. HISAR PLANT			
a) Steel Melting			
Bloom/Slab/Ingot	MT	2,034	937
b) Strips Mill Plant:			
Flat	MT	138,226	148,725
Hot Rolled Strips *	MT	12,278	2,646
* Includes 2899 MT (445 MT) transferred to CR unit for conversion to Cold Rolled Special Steel.			
c) Plate/Stackle Mill:			
Hot Rolled Strips/S.S.Plates **	MT	310,524	409,758
M.S. Plates/Coils***	MT	696	-
** Includes 201735 MT (225110 MT) transferred to CR Unit for conversion to CR Strips out of which HRAP 46391 MT (35748 MT) sold by CR Unit.			
** Includes 9878 MT (14688 MT) transferred to CR Unit for conversion to CR SS Special Steel.			
** Includes NIL (2479 MT) manufactured for outside parties on job-work basis from Scrap/Slab/Ingot.			
d) Cupro Nickel Plant			
Cupro Nickel Coil ****	MT	1	116
**** Transferred to CR Unit for conversion			
e) Oxygen Plant:			
Oxygen #	Cum.	43,442,669	50,839,867
# Includes 43007532 Cum (50633394 Cum) use for captive consumption.			
Argon ##	Cum.	1,137,258	1,217,999
## Use for captive consumption.			
f) Industrial Machinery:			
Manufactured Machinery	Production of industrial machinery being numerous and having different nature,size,cost,etc.; have not been given.		
g) Cold Rolling Mill			
Cold Rolled Strips ####	MT	115,080	156,759
Cold Rolled Special Steel	MT	13,038	13,854
Coin Blanks	MT	10,561	1,137
### Includes 767 MT (37 MT) got manufactured from outside parties on job work basis and does not include production of HRAP 14414 MT (14700 MT) for HR Unit			
2. VIZAG PLANT			
H.C. Ferro Chrome #####	MT	31,901	33,504
##### Includes 24054 MT (21002 MT) transferred to HR Unit for Captive use.			
3. ORISSA PLANT/MINES			
H.C. Ferro Chrome \$	MT	85,490	109,908
Ferro Managenese \$\$	MT	20,000	686
Silico Managenese \$\$\$	MT	12,015	1,886
Chrome Ore \$\$\$\$	MT	127,426	57,079
Chrome Ore Concentrate \$\$\$\$\$	MT	30,927	25,070
Power (Net)	MU	749	82
\$ Includes 68319 (76992 MT) transferred to HR Unit for Captive use.			
\$\$ Includes 12670 MT (Nil) transferred to HR Unit for captive use.			
\$\$\$ Includes 4116 MT (Nil) transferred to HR Unit for captive use.			
\$\$\$\$ Includes 40100 MT (70047 MT) transferred to Vizag Unit for Captive use.			
\$\$\$\$\$ Includes 19693 MT (11133 MT) transferred to Vizag Unit for Captive use.			

NOTES:

- Production figures do not include the material produced and transferred for further process, but includes Inter Divisional transfers.
- Total production of Ingots/Blooms/Slabs from Electric Arc Furnace was 466834 MT (580554 MT)

Notes to Accounts

E. SALES

		(Rs. In Lacs)			
Description	Unit	2008-2009		2007-2008	
		Qty.	Amount	Qty.	Amount
i) Manufactured Goods					
FINISHED GOODS					
Hot Rolled Strips/Plate S.S.	MT	155,799	186,745.67	195,290	236,252.48
Cold Rolled Strips S.S.	MT	123,332	156,488.21	142,777	183,975.73
Hot Rolled Flats S.S.	MT	140,998	96,419.00	145,225	86,743.91
MS Plate	MT	64	26.61	-	-
Cold Rolled Special Steel	MT	13,335	25,896.17	14,433	24,210.03
S.S.Welded & Cold Drawn Tubes/Pipes	MT	343	496.85*	1,223	1,964.95*
Cold Rolled S.S. Blank	MT	10,564	13,629.80	1,307	2,586.44
H.C. Ferro Chrome	MT	24,925	22,795.38	36,067	19,169.92
Chrome Ore	MT	12,088	1,738.37	39,430	3,150.95
High Carbon Silico Managenese	MT	3,625	2,941.05	1,127	811.22
Chrome Ore Concentrate	MT	12,070	2,051.22	14,532	1,558.46
Ferro Manganese	MT	7,847	8,083.58	-	-
Fe Mn Slag	MT	497	87.16	-	-
Power	MU	280	7,008.21	23	289.54
Nitrogen Gas	Cum.	11,304	0.84	113,336	8.70
Oxygen Gas	Cum.	463,531	30.46	193,369	14.83
Total (i)	MT	505,487	524,438.58	591,410	560,737.16
	Cum.	474,835		306,705	
	MU	280		23	
* Includes 734 MT (390 MT) got manufactured from outside parties and 1 MT (Nil) transfer to melting.					
ii) SEMI FINISHED GOODS:					
Bloom/Slab/Ingot	MT	2,034	1,545.85	937	1,193.15
Total (ii)		2,034	1,545.85	937	1,193.15
iii) TRADING GOODS:					
Cold Rolled Strips	MT	522	698.16	637	1,547.71
S.S.Welded & Cold Drawn Tubes/Pipes	MT	-	-	6	7.51
Shredded Scrap(High Seas)	MT	1,500	165.00	1,911	230.14
Nickel(High Seas)	MT	-	-	39	540.93
Art Gallery Products			71.82		96.66
Total (iii)		2,022	934.98	2,594	2,422.95
Total (a) (i+ii+iii)			526,919.41		564,353.26
Job Charges			12.34		996.61
Export Benefit			2,573.11		5,356.09
Total (b)			2,585.45		6,352.70
Total (a+b)			529,504.86		570,705.96
NOTES:					
1) Sales includes the following goods issued for captive consumption as detailed below:-					
Hot Rolled Strips/Plate S.S.	MT	1108	2598.74	905	2245.70
M.S. Plate / Coils	MT	64	26.61	-	-
Oxygen Gas	Cum.	-	-	3240	0.25

Notes to Accounts

F. C.I.F. VALUE OF IMPORTS:

	(Rs. in lacs)	
Description	2008-2009	2007-2008
Raw Material	161,413.31	249,972.82
Stores & Spares	5,745.06	15,132.58
Capital Goods	20,324.57	16,983.35

G. BREAK UP OF CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES :

	(Rs. in lacs)			
	2008-2009		2007-2008	
	%	Amount	%	Amount
a) RAW MATERIALS CONSUMED				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)	63.92	210,033.18	62.35	247,222.49
ii) Indigenous	36.08	118,536.44	37.65	149,297.37
	100.00	328,569.62	100.00	396,519.86
b) STORES AND SPARES CONSUMED *				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)	17.39	3,819.01	26.11	5,348.78
ii) Indigenous	82.61	18,136.80	73.89	15,138.64
	100.00	21,955.81	100.00	20,487.42

* includes materials consumed during Trial run

H. EXPENDITURE IN FOREIGN CURRENCY

	(Rs. in lacs)	
	2008-2009 Amount	2007-2008 Amount
i) Export Selling Expenses	3,810.12	4,792.37
ii) Interest	16,294.12	9,943.11
iii) Quality Claim	19.49	975.36
iv) Travelling	150.54	230.68
v) Legal & Professional Expenses	613.39	202.24
vi) Technical Know-How/Consultancy	150.00	-
vii) Others	719.27	553.87

I. EARNINGS IN FOREIGN CURRENCY

	2008-2009	2007-2008
F.O.B. value of export	121,139.56	168,227.10
Interest	1,949.69	1,076.32
Others	32.32	5,347.43

J. REMITTANCE OF DIVIDEND ON EQUITY SHARES

a) Year to which dividends relates	2007-08	2006-07
b) Amount remitted (net of tax) (Rs. In Lacs)	463.63	316.75
c) Number of Non Resident Shareholders	46	48
d) Number of Equity Shares held	23,181,465	15,837,565

Notes to Accounts

27 Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI of the Companies Act,1956

i) Registration Details			
Registration Number	H-10901	State Code	05
Balance Sheet Date	31.03.2009		
ii) Capital Raised during the year (Rs. In lacs)			
	Public Issue	Rights Issue	
	NIL	NIL	
	Bonus Issue	Private Placement	
	NIL	NIL	
	Others		
	151.00		
iii) Position of Mobilisation and Deployment of Funds (Rs. In Lacs)			
	Total Liabilities	Total Assets	
	714,661.98	714,661.98	
Sources of Funds*			
Equity Capital	Paid-Up Capital	Reserves & Surplus	
	3,242.70	125,790.54	
	Secured Loans	Un-Secured Loans	
	517,957.35	47,757.06	
*Excluding deferred tax liability of Rs. 19,914.33 Lacs			
Application of Funds			
	Net Fixed Assets	Investments	
	596,644.73	89,685.79	
	Net Current Assets	Misc. Expenditure not W/off	
	25,499.24	2,832.22	
	Accumulated Losses		
	NIL		
iv) Performance of Company (Rs. In Lacs)			
	Turnover	Total Expenditure	
	487,310.66	573,991.90	
	Profit before Tax	Profit after Tax	
	(86,681.24)	(57,982.04)	
	Earning Per Share	Dividend Per Share	
	(35.87)	NIL	
v) Generic names of two principal products of Company (As per monetary terms)			
	Item Code No. (ITC Code)	72.19/72.20	
	Product Description	S.S.Hot Rolled/Cold Rolled Strips & Sheets, Flats & Plates	
	Item Code No. (ITC Code)	72.02	
	Product Description	Ferro Chrome	

28 Previous years' figures have been re-arranged and regrouped wherever considered necessary.

29 Figures in bracket indicate previous year figures.

30 Schedule 1 to 20 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

Signatures to Schedules 1 to 20

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(**N.K. LODHA**)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(**ARUN K. TULSIAN**)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Cash Flow Statement For the year ended 31st March, 2009

(Rs. in Lacs)		
Particulars	2008-09	2007-08
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit Before Tax, Exceptional & Extraordinary Item	(26,766.77)	33,430.43
Adjustment for :		
Depreciation/Amortisation	31,307.86	25,238.18
Provision for Doubtful Debts & Advance / Bad Debts	3.58	-
Previous Year Adjustments (Liability w.back)	(81.22)	(347.91)
Misc. Expenses Written Off	38.51	38.51
Misc. Expenses Incurred	(1,283.23)	(1,395.43)
Interest and Bank Charges	31,758.62	20,686.14
Dividend Income	(2.37)	(2.37)
(Profit) / Loss on Sale of Investments (Net)	(1,052.82)	(400.97)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	127.52	559.67
Operating Profit Before Working Capital Changes	34,049.68	77,806.25
Adjustment for:		
(Increase) / Decrease in Inventories	53,289.44	(112,491.99)
(Increase) / Decrease in Sundry Debtors	19,152.81	(17,324.24)
(Increase) / Decrease in Loans & Advances	17,664.95	(13,339.77)
Increase / (Decrease) in Current Liabilities	50,808.71	77,756.22
Cash Inflow from Operating Activities Before Exceptional Items	174,965.59	12,406.47
Exceptional Items	(59,914.47)	7,235.27
Extraordinary Items	-	(3,613.27)
Income Tax (Advance) / Refund (Net)	(2,158.54)	(5,505.91)
Net Cash Inflow from Operating Activities	112,892.58	10,522.56
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(purchase) of Investment (Net)	(71,869.63)	10,760.51
Investment in Subsidiaries	(7,434.62)	(832.33)
Loan given to Subsidiaries	(2,537.91)	(695.93)
Capital Expenditure (including advances for capital expenditure)	(101,733.02)	(119,213.73)
Sales Proceeds of Fixed Assets Sold	542.49	1,789.11
Dividend Received	2.37	2.37
Interest Received	7,467.08	2,473.02
Net Cash Outflow from Investing Activities	(175,563.24)	(105,716.98)

Cash Flow Statement For the year ended 31st March, 2009

	(Rs. in Lacs)	
Particulars	2008-09	2007-08
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid (including corporate dividend tax)	(3,766.71)	(2,854.86)
Interest and Finance Charges Paid	(49,154.17)	(32,558.69)
Proceeds from / (Repayment of) Borrowings (net)	104,766.04	173,904.80
Issue of equity share/ warrants	6,989.30	6,637.60
Net Cash Inflow from Financing Activities	58,834.46	145,128.85
Net Changes in Cash & Cash Equivalents	(3,836.20)	49,934.43
Cash & Cash Equivalents (Closing Balance)	65,721.92	69,558.12
Cash & Cash Equivalents (Opening Balance)	69,558.12	19,623.69
Net Changes in Cash & Cash Equivalents	(3,836.20)	49,934.43
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	518.08	1,818.97
Balance with Banks	65,203.80	67,739.11
Puja & Silver Coins	0.04	0.04
	65,721.92	69,558.12

- 2) Cash and cash equivalent excludes Money in transit of **Rs. Nil** (Rs. 4,473.43 Lacs) being proceeds of equity share warrants.
- 3) Increase in Paid up Share Capital & Share Premium are cash neutral and as such not considered in this statement.
- 4) Previous year's figures have been regrouped and rearranged wherever considered necessary.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**
Chartered Accountants

(**N.K. LODHA**)
Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

(**ARUN K. TULSIAN**)
Partner (Membership No.89907)

PLACE : New Delhi
DATED : 24th June, 2009

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Strategy & Business Development

JITENDRA KUMAR
Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Statement pursuant to section 212 of the Companies Act, 1956, relating to company's interest in Subsidiary Companies

Particulars	Subsidiary Companies							
	PT. Jindal Stainless Indonesia	Jindal Stainless Steelway Limited	Jindal Architecture Limited	Austenitic Creations Private Limited	Jindal Stainless UK Limited	Jindal Stainless Italy s.r.l.	Jindal Stainless FZE	Green Delhi BQS Ltd.
a) Holding Company's interest	: Holder of 12,499,900 Equity Shares of US \$ 1 each out of the subscribed capital of 12,500,000 Equity Shares of US \$ 1 each.	: Holder of 14,061,667 Equity Shares of Rs.10/- each out of the subscribed capital of 17,166,924 Equity Shares of Rs.10/- each.	: Holder of 4,100,100 Equity Shares of Rs.10/- each out of the subscribed capital of 5,617,652 Equity Shares of Rs.10/- each.	: Holder of 17,795,600 Equity Shares of Rs.10/- each out of the subscribed capital of 22,678,124 Equity Shares of Rs.10/- each.	: Holder of 100,000 Equity Shares of 1 GBP each out of the subscribed capital of 100,000 Equity Shares of 1 GBP each.	: Capital Stock of Euro 10,000 100% Shareholding of Jindal Stainless U.K. Limited, wholly owned subsidiary company of Jindal Stainless U.K. Limited	: Holder of 6 Equity Shares of AED 1,000,000 each out of the subscribed capital of 6 Equity Shares of AED 1,000,000 each.	: Holder of 51,000 Equity Shares of Rs.10/- each held by holding company directly and 16,787 equity Shares held indirectly through its subsidiary company i.e. Jindal Architecture Ltd. out of the subscribed capital of 100,000 Equity Shares of Rs.10/- each.
b) Financial year of the company ended on	: 31st March, 2009	: 31st March, 2009	: 31st March, 2009	: 31st March, 2009	: 31st March, 2009	: 31st Dec, 2008	: 31st March, 2009	: 31st March, 2009
c) Net aggregate amount of subsidiary company's profit (loss) not dealt within the company's Account.	: (Rs.)	: (Rs.)	: (Rs.)	: (Rs.)	: (Rs.)	: (Rs.)	: (Rs.)	: (Rs.)
i) For the subsidiary company's financial year ended 31st March, 2009.	: 271,508,141	: 59,892,484	: 2,687,179	: (61,025,893)	: 2,104,692	: 1,039,465	: (23,327,079)	: 13,958,257
ii) For the subsidiary company's previous financial periods, since it became the holding company's subsidiary.	: 76,772,648	: 65,323,558	: (1,364,937)	: (84,827,292)	: 5,559,709	: 723,581	: 42,433,677	: 169,645
d) Net aggregate amount of the subsidiary company's profit/loss dealt within the company's Account.	:	:	:	:	:	:	:	:
i) For the subsidiary company's financial period ended 31st March, 2009.	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil
ii) For the subsidiary Company's previous financial period since it became the holding Company's subsidiary	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil
e) Holding Company's interest as at 31.03.2009 in incorporating changes since close of the financial year of Jindal Stainless Italy s.r.l. and Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi, in pursuance of Section 212(5) of the Companies Act, 1956.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
f) Material changes occurred between the end of financial year of Jindal Stainless Italy s.r.l. & Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi and 31.03.2009 in respect of	:	:	:	:	:	:	:	:
i) Fixed Assets	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
ii) Investments	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
iii) Money lent	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
iv) Money Borrowed (other than to meet current liability)	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.

RATAN JINDAL
VICE- CHAIRMAN & MANAGING DIRECTOR

ARVIND PARAKH
DIRECTOR - STRATEGY & BUSINESS DEVELOPMENT

PLACE : New Delhi
DATE : 24th June, 2009

Subsidiary Companies

Parivartan City Infrastructure Limited	Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	JSL Logistics Limited	Jindal Aceros Inoxidables, SL	JSL Group Holdings Pte. Limited	JSL Ventures Pte. Limited	JSL Europe SA	JSL Minerals & Metals SA
Holder of 49,970 Equity Shares of Rs.10/- each out of the subscribed capital of 50,000 Equity Shares of Rs.10/- each.	Holder of 4,499,700 Equity Shares of YTL 1 each out of the subscribed capital of 5,000,000 Equity Shares of YTL 1 each.	Holder of 50,000 Equity Shares of Rs.10/- each out of the subscribed capital of 50,000 Equity Shares of Rs.10/- each.	Holder of 10,000 Shares of EURO.10 each out of the Capital Deed of 10,000 Shares of EURO 10 each.	Holder of 6,657,565 Equity Shares of SGD 1 each out of the subscribed capital of 6,657,565 Equity Shares of SGD 1 each.	Holder of 6,838,211 Equity Shares of SGD 1 each 100% Shareholding of JSL Group Holdings Pte. Ltd. wholly owned subsidiary company of JSL Group Holdings Pte. Ltd.	Holder of 1,000 Equity Shares of USD 100 each 100% Shareholding of JSL Ventures Pte. Ltd. wholly owned subsidiary of JSL Ventures Pte. Ltd.	Holder of 1,000 Equity Shares of USD 100 each 100% Shareholding of JSL Europe SA, wholly owned subsidiary company of JSL Europe SA
31st March, 2009	31st Dec, 2008	31st March, 2009	31st March, 2009	31st March, 2009	31st March, 2009	31st March, 2009	31st March, 2009
(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(77,949,703)	(22,268,533)	715,203	(21)	(109,390)	(316,888)	(390,408)	(262,067)
(1,172,714)	(2,269,589)	The company had not any commercial activity last year	(4,839)	The company had not any commercial activity last year	The company had not any commercial activity last year	The company had not any commercial activity last year	The company had not any commercial activity last year
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

SANDEEP SIKKA
HEAD- CORPORATE FINANCE

JITENDRA KUMAR
COMPANY SECRETARY

DIRECTORS
L.K. SINGHAL
T.R. SRIDHARAN
SATISH TANDON

Auditors' Report on the Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF JSL LIMITED (formerly JINDAL STAINLESS LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JSL LIMITED (formerly JINDAL STAINLESS LIMITED), ITS SUBSIDIARIES AND ASSOCIATE.

We have examined the attached consolidated Balance Sheet of JSL Limited (formerly Jindal Stainless Limited), its subsidiaries and its interest in associate as at 31st March, 2009 and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year then ended.

1. These financial statements are the responsibility of the JSL Limited's (formerly Jindal Stainless Limited) management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2.
 - a) We did not audit the financial statements of subsidiaries except as stated in Para (b) herein below, whose financial statements reflect total assets (net) of Rs. 79,786.13 Lacs as at 31st March, 2009 and total revenues of Rs. 83,336.13 Lacs for the year then ended. We also did not audit the financial statements of an associate in whose financial statements the Group's share of loss is Rs. 73.50 Lacs for the year ended on 31st March, 2009. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the report of the other auditors.
 - b) Audited financial statements of a subsidiary reflecting total assets of Rs. 57.98 Lacs as at 31st March, 2009 and total revenue of Rs. 67.66 Lacs for the period then ended have been audited by one of the joint auditors of the company whose report has been furnished to us by the management and our opinion is based solely on the report of the said auditor.
 - c) We did not audit the financial statements of other subsidiaries whose unaudited financial statements reflect total assets of Rs. 4,859.53 Lacs as at 31st March, 2009 and total revenues of Rs. 53.38 Lacs for the year then ended. The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statements for the reason as stated above.
3. Attention is drawn to Note No. 19 of Notes to Accounts regarding pending necessary approvals as explained in the said note.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statement' and (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006, and on the basis of the separate audited financial statements of JSL Limited (formerly Jindal Stainless Limited), its aforementioned subsidiaries and associate.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of JSL Limited (formerly Jindal Stainless Limited), its subsidiaries and associate (including unaudited financial statements of four subsidiaries) included in the consolidated financial statements read together with Notes on Accounts of Consolidated Financial Statements, we are of the opinion that:-

- (a) the consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of JSL Limited (formerly Jindal Stainless Limited), its subsidiaries and its interest in associate as at 31st March, 2009;
- (b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of JSL Limited (formerly Jindal Stainless Limited), its subsidiaries and its interest in associates for the year then ended; and
- (c) the consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of JSL Limited (formerly Jindal Stainless Limited) and its subsidiaries for the year ended on that date.

For **LODHA & CO.**
Chartered Accountants

(N.K. LODHA)
Partner
M. No. 85155

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants

(ARUN K. TULSIAN)
Partner
M. No. 89907

Place : New Delhi
Dated : 24th June, 2009

Consolidated Balance Sheet As at 31st March, 2009

(Rs. In Lacs)

DESCRIPTION	SCHEDULE	31.03.2009	31.03.2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,242.70	3,091.70
Equity Share Warrants	1(a)	-	5,260.63
Reserves and Surplus	2	123,838.74	175,856.76
		127,081.44	184,209.09
MINORITY INTEREST		1,544.64	1,000.75
LOAN FUNDS			
Secured Loans	3	551,220.09	406,731.95
Unsecured Loans	4	47,794.03	50,693.91
		599,014.12	457,425.86
Deferred Tax Liability (Net) (Note No.18 of Schedule 20)		18,136.74	48,705.47
TOTAL		745,776.94	691,341.17
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		534,246.19	445,252.89
Less: Depreciation/Amortization		115,485.27	83,943.17
Net Block		418,760.92	361,309.72
Add: Capital Work in Progress		215,426.77	145,815.26
		634,187.69	507,124.98
INVESTMENTS	6	75,035.01	1,859.35
GOODWILL / (CAPITAL RESERVE) ON CONSOLIDATION		799.99	(273.61)
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	181,344.94	240,459.68
Sundry Debtors	8	60,798.42	67,006.11
Cash and Bank Balances	9	67,523.59	76,677.61
Loans and Advances	10	75,907.50	84,648.74
		385,574.45	468,792.14
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	326,739.99	257,969.05
Provisions	12	26,757.70	29,810.51
		353,497.69	287,779.56
NET CURRENT ASSETS		32,076.76	181,012.58
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13	3,677.49	1,617.87
TOTAL		745,776.94	691,341.17
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(N.K. LODHA)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(ARUN K. TULSIAN)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Consolidated Profit and Loss Account For the year ended 31st March, 2009

(Rs. In Lacs)			
DESCRIPTION	SCHEDULE	31.03.2009	31.03.2008
INCOME			
Gross Sales and Operational Income	14	575,269.99	588,271.30
Less : Excise Duty		44,764.13	53,984.71
Net Sales and Operational Income		530,505.86	534,286.59
Other Income	15	2,149.88	2,944.72
		532,655.74	537,231.31
EXPENDITURE			
Material, Manufacturing and Others	16	455,936.38	416,598.33
Personnel	17	15,358.33	13,021.30
Administrative and Selling	18	20,366.32	25,509.80
Interest and Bank Charges	19	34,423.46	19,086.30
Miscellaneous Expenditure Written off		140.73	48.27
Depreciation/Amortization		33,316.16	26,749.80
		559,541.38	501,013.80
NET PROFIT/(LOSS) BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS		(26,885.64)	36,217.51
Less: Exceptional items (Note No.10 & 11 of Schedule 20)		63,964.46	(7,241.41)
Less: Extraordinary items (Note No.8 & 9 of Schedule 20)		172.60	3,613.27
PROFIT/(LOSS) BEFORE TAXATION		(91,022.70)	39,845.65
Less:			
Provision for Taxation		324.56	4,746.55
MAT Credit Entitlement		(4.68)	(1,089.42)
Provision for Fringe Benefit Tax		148.55	132.63
Provision for Deferred Tax		(30,569.75)	9,426.29
Previous Year Taxation Adjustment		23.66	(0.05)
PROFIT/(LOSS) AFTER TAXATION		(60,945.04)	26,629.65
Share in Profit/(Loss) of Associate		(73.50)	-
Minority Interest		(178.00)	(24.25)
NET PROFIT/(LOSS) (AFTER ADJUSTMENT FOR ASSOCIATE & MINORITY INTEREST)		(60,840.54)	26,653.90
ADD/(LESS)			
Amount Brought Forward		5,447.86	1,906.19
Debenture Redemption Reserve Written Back		-	1,633.60
NET PROFIT/(LOSS)		(55,392.68)	30,193.69
Pre-Acquisition Profit/(Loss) Transferred to Capital Reserve/Goodwill		(952.78)	62.77
		(54,439.90)	30,130.92
APPROPRIATIONS			
Proposed Dividend on Equity Shares		-	3,242.70
Dividend on Equity Shares for previous year		-	19.19
Corporate Dividend Tax		-	554.36
Debenture Redemption Reserve		-	2,518.69
General Reserve		409.56	18,348.12
Surplus/(Deficit) carried to Balance Sheet		(54,849.46)	5,447.86
		(54,439.90)	30,130.92
Earning Per Share (in Rs.) (Note No. 17 of Schedule 20)			
Before Extraordinary Items			
- Basic		(37.53)	20.96
- Diluted		(37.53)	18.82
After Extraordinary Items			
- Basic		(37.64)	18.46
- Diluted		(37.64)	16.57
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(**N.K. LODHA**)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(**ARUN K. TULSIAN**)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

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T.R. SRIDHARAN

SATISH TANDON

Schedule to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "I"		
SHARE CAPITAL		
AUTHORISED		
475,000,000 (Previous Year 475,000,000) Equity Shares of Rs.2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
162,134,932 - Equity Shares of Rs.2/-each fully paid up	3,242.70	3,091.70
(Previous Year 154,584,932 Equity Shares of Rs.2/- each fully paid up)		
TOTAL	3,242.70	3,091.70

of the above :-

- A) 13,778,717 Equity Shares of Rs 10/-each fully paid up issued to Shareholders of Jindal Strips Limited pursuant to Scheme of Arrangement & Demerger.
- B) One Equity Share of Rs.10/-each fully paid up issued to Shareholders of J - Inox Creations (P) Ltd. And Austenitic Creations (P) Ltd. pursuant to the Scheme of Amalgamation.
- C) 5,153,293 Fully Paid Up Bonus Equity Shares of Rs.10/- each in the ratio of 253 Equity Shares of Rs.10/- each for every 679 Equity Shares of Rs.10/- each, allotted out of Share Premium and Capital Redemption Reserve to the equity shareholders of the company pursuant to scheme of Arrangement & Demerger.
- D) 999,752 Equity Shares of Rs.10/- each fully paid up allotted to the holders of 460 Foreign Currency Convertible Bond of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs.100/- each on 13.01.2004.
- E) Company has subdivided the Equity Shares of Rs.10/- each into Equity Shares of Rs.2/- each on 10.03.2004.
- F) 9,997,524 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 920 Foreign Currency Convertible Bond of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each on 24.12.2004.
- G) 3,907,028 Equity shares of Rs. 2/- each fully paid up allotted to the holders of 2141 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 119.872 each during the year ended on 31.03.2006
- H) 16,734,984 (represented by 8,367,492 nos. GDS) Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 1540 Foreign Currency Convertible Bond of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each during the year ended on 31.03.2006.
- I) 869,350 (represented by 434,675 nos. GDS) Equity Shares of Rs.2/- each fully paid up allotted to the holders of 80 Foreign Currency Convertible Bond of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each during the year ended on 31.03.2007.
- J) 6,800,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share Warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2007
- K) 9,213,726 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 5049 Foreign Currency Convertible Bond of US \$ 5000/- each at predetermined (as per scheme) at conversion rate of Rs. 119.872 each during the year ended on 31.03.2008.
- L) 7,150,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share Warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2008.
- M) 7,550,000 Equity Shares of Rs.2/- each fully paid up allotted to the holders of Equity Share Warrants at pre-determined conversion rate of Rs. 103/- each during the year ended on 31.03.2009.

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "I (a)"		
EQUITY SHARE WARRANTS	-	5,260.63
(Note No.12 of Schedule 20)		
TOTAL	-	5,260.63

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
S C H E D U L E - "2"		
RESERVES AND SURPLUS		
A. SECURITIES PREMIUM ACCOUNT		
As per last account	43,470.66	25,388.74
Add : On Conversion of Foreign Currency Convertible Bonds / Equity Share Warrants	7,625.50	18,081.92
	51,096.16	43,470.66
B. GENERAL RESERVE		
As per last account	114,997.89	96,649.77
Add : Transferred from Profit and Loss Account	409.56	18,348.12
Less : Towards Deficit in Profit and Loss Account set off	54,849.46	-
	60,557.99	114,997.89
Add : Foreign Currency Translation Reserve (Includes arised on consolidation)	648.80	404.56
	61,206.79	115,402.45
C. DEBENTURE REDEMPTION RESERVE		
As per last account	9,374.96	8,489.87
Add : Transferred from Profit and Loss Account	-	2,518.69
Less : Written Back During the Year	-	1,633.60
	9,374.96	9,374.96
D. CENTRAL/STATE SUBSIDY RESERVE		
As per last account	39.27	39.27
(Against fulfilment of certain stipulations)		
	39.27	39.27
E. CAPITAL REDEMPTION RESERVE		
As per last account	2,000.00	2,000.00
	2,000.00	2,000.00
F. AMALGAMATION RESERVE		
As per last account	121.56	121.56
	121.56	121.56
G. SURPLUS-PROFIT AND LOSS ACCOUNT	-	5,447.86
TOTAL	123,838.74	175,856.76

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "3"		
SECURED LOANS		
A) REDEEMABLE NON-CONVERTIBLE DEBENTURES	43,000.00	43,000.00
	43,000.00	43,000.00
B) TERM LOANS FROM BANKS		
Rupce Term Loans	258,585.60	170,722.10
Foreign Currency Loans	164,531.31	139,725.99
	423,116.91	310,448.09
C) CAR LOANS FROM BANKS	209.26	205.32
D) WORKING CAPITAL LOAN FROM BANKS	84,893.92	53,078.54
TOTAL	551,220.09	406,731.95

NOTES:

A.

- (1) Debentures referred to in A above are secured by pari-passu charge by way of equitable mortgage on the company's immoveable properties located in State of Gujarat, Hisar, Vizag and hypothecation of moveable assets in favour of debenture trustee ranking pari-passu with other Financial Institutions/Banks.
- (2) Debentures referred to in A above are privately placed and consist of :
 - i) 6.90% debentures of Rs.1,000,000 each aggregating to **Rs.20,000.00 Lacs** (Previous Year Rs.20,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 3rd August, 2004.
 - ii) 7.50% debentures of Rs.1,000,000 each aggregating to **Rs.10,000.00 Lacs** (Previous Year Rs. 10,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 15th April, 2005.
 - iii) 7.75% debentures of Rs.1,000,000 each aggregating to **Rs.13,000.00 Lacs** (Previous Year Rs. 13,000.00 Lacs) are redeemable in five equal annual instalments at the end of 6th, 7th, 8th, 9th & 10th year from the date of allotment i.e. 28th Dec., 2005.

B.

- i) Term loans from Banks include loans of **Rs.371,344.69 Lacs** (Previous Year Rs.294,293.85 Lacs), for which charge is created / to be created by way of mortgage of company's immoveable properties and hypothecation of moveable assets both present and future ranking pari-passu with other Banks/Financial Institutions.
- ii) Term loans from Banks include loans of **Rs.5,087.15 Lacs** (Previous Year Rs.4,123.85 Lacs) secured by way of mortgage of immoveable properties and hypothecation of moveable assets of the company and second charge on the current assets of the company ranking pari passu with other Banks/Financial Institutions.
- iii) Term loans from Banks include loans of **Rs. 30,000.00 Lacs** (Previous Year Rs. Nil), which is secured by way of second residual charge on current assets and fixed assets of the company.
- iv) Term loans from Banks include sub debts term loans of **Rs. 2,425.07 Lacs** (Previous Year Rs. 1,027.89 Lacs) secured by way of second charge on all movable and immoveable fixed assets of the company ranking pari-passu with other Banks/Financial Institutions.
- v) Term loans from Banks include loans of **Rs. 5,000.00 Lacs** (Previous Year Rs.5,000.00 Lacs) secured by way of residual charge (ranking subservient to first and second charge holders) over movable fixed assets of the company.
- vi) Term loans from Banks include loans of **Rs.2,920.00 Lacs** (Previous Year Rs. 1,000.00 Lacs) is secured by hypothecation of book debts and collateral corporate Guarantee given by the fellow subsidiary.
- vii) Term loans from Banks include loans of **Rs.6,340.00 Lacs** (Previous Year Rs.5,002.50 Lacs) secured by residual charge by way of hypothecation of movable fixed assets of the company.

C. Secured by way of hypothecation of vehicles purchased thereunder.

D.

- i) Working capital loans of **Rs. 75,470.38 Lacs** (Previous Year Rs. 45,284.25 Lacs) secured by way of hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and by way of second charge in respect of other moveable and immoveable properties of the company ranking pari-passu with other Banks/Financial Institutions
- ii) Working capital loans of **Rs. 9,423.54 Lacs** (Previous Year Rs. 7,794.29 Lacs), obtained by subsidiary PT. Jindal Stainless Indonesia is collateralized by accounts receivable and inventories.

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "4"		
UNSECURED LOANS		
0.50% Foreign Currency Convertible Bonds *	12,198.16	9,624.81
Fixed Deposits	3,820.69	2,846.67
Loan From Banks	30,000.00	29,500.00
Loan From Others	-	7,100.00
Interest accrued thereon	36.97	19.00
Security Deposits from Agents / Dealers / Others	1,738.21	1,603.43
TOTAL	47,794.03	50,693.91

NOTE:

* 0.50% Foreign Currency Convertible Bonds (net of Indian Withholding Tax) were issued to foreign investors on 24th December, 2004 by the company, in terms of the Offering Memorandum dated 17th December, 2004. These Bonds at the option of the holder, may be converted into Equity Shares of normal value of Rs.2/- each at any time or or after 22nd January, 2005 at a pre-determined price of Rs.119.872 per share.

Unless previously redeemed, repurchased and cancelled, or converted, the Bonds are redeemable at 129.939% of their principal amount on 24th December, 2009.

SCHEDULE - "5"

FIXED ASSETS

(Rs. in Lacs)										
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2008	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31.03.2009	UPTO LAST YEAR	DURING THE YEAR **	ON SALE/ ADJUSTMENT \$	TOTAL UPTO 31.03.2009	31.03.2009	31.03.2008
LAND *	12,914.23	544.91	(10.07)	13,469.21	141.38	49.99	(0.93)	192.30	13,276.91	12,772.85
BUILDINGS	44,184.86	6,473.66	226.46	50,432.06	3,456.88	1,293.86	10.64	4,740.10	45,691.96	40,727.98
PLANT & MACHINERY	369,953.24	78,405.36	1,586.91	446,771.69	77,033.46	30,248.00	1,705.97	105,575.49	341,196.20	292,919.78
ELECTRIC INSTALLATION	9,778.57	1,466.55	-	11,245.12	994.28	546.70	-	1,540.98	9,704.14	8,784.29
VEHICLES	2,075.84	681.55	126.04	2,631.35	694.61	237.69	53.56	878.74	1,752.61	1,381.23
FURNITURE ,FIXTURES & EQUIPMENTS	1,984.13	192.08	1.67	2,174.54	557.40	147.26	0.82	703.84	1,470.70	1,426.73
POWER LINE AND BAY EXTENSION	712.49	535.63	36.25	1,211.87	213.75	75.49	14.19	275.05	936.82	498.74
INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	436.44	136.92	-	573.36	795.82	932.74
COMPUTER SOFTWARE	897.12	176.89	-	1,074.01	401.41	227.83	-	629.24	444.77	495.71
BUS Q SHELTER CONCESSION RIGHT	1,383.23	2,483.93	-	3,867.16	13.56	362.61	-	376.17	3,490.99	1,369.67
TOTAL	445,252.89	90,960.56	1,967.26	534,246.19	83,943.17	33,326.35	1,784.25	115,485.27	418,760.92	361,309.72
CAPITAL WORK IN PROGRESS *** {Including preoperative expenses pending allocation/capitalisation}								-	215,426.77	145,815.26
Previous Year	350,515.09	103,997.09	9,259.29	445,252.89	63,195.29	26,751.73	6,003.85	83,943.17	361,309.72	

* Land includes land acquired on lease amounting to **Rs. 4,040.73 Lacs** (Previous Year Rs. 3,761.62 Lacs) and amount amortize thereon during the period is **Rs. 49.99 Lacs** (Previous Year Rs.47.96 Lacs)

* Land include **Rs. 948.55 Lacs** (Previous Year Rs.948.55 Lacs) jointly owned with other body corporate with 50% share.

** Depreciation during the year includes **Rs. 10.19 Lacs** (Previous Year Rs.1.93 Lacs) considered under pre-operative expenses.

*** Include capital advances **Rs. 53,034.57 Lacs** (Previous Year Rs.33,701.84 Lacs) and project inventory **Rs. 21,034.36 Lacs** (Previous Year Rs.12,453.30 Lacs).

\$ Sales/adjustment in respect of Gross Block and Depreciation includes **Rs. 739.81 Lacs** (Previous Year Rs.(-)1,137.08 Lacs) and **Rs. 169.09 Lacs** (Previous Year Rs.(-)246.37 Lacs) respectively for adjustment of Foreign Exchange Fluctuation.

Schedules to the Consolidated Balance Sheet

SCHEDULE- “ 6 ”

INVESTMENTS

DETAILS OF INVESTMENTS		31.03.2009			31.03.2008		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)
Current Investment - Non Trade							
(At Cost Less Provision)							
A	Mutual Funds / Debentures						
1	DWS Insta Cash Fund - Institutional Plan Growth	6,132,313.69	10.00	850.00	-	-	-
2	DWS Ultra Short Term Fund - Institutional Growth	72,821,023.76	10.00	7,500.90	-	-	-
3	DBS Chola Freedom Income STP-Inst-Cum-Org	35,439,358.94	10.00	5,000.83	-	-	-
4	HDFC Floating Rate Income Fund-Short Term Plan-Wholesale Option-Growth	79,724,421.72	10.00	11,889.01	-	-	-
5	IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	74,598,791.44	10.00	7,744.26	-	-	-
6	LICMF Liquid Fund- Growth Plan	93,382,447.96	10.00	15,000.00	-	-	-
7	Principal Cash Management Fund-Money at Call Dividend Reinvestment Daily	72,837,258.44	10.00	10,000.00	-	-	-
8	Reliance liquidity Fund	-	-	-	4,112,789	10.00	500.00
9	Reliance liquid Plus Fund	-	-	-	46,195	1,000.00	505.00
10	SBI Magnum Insta Cash Fund-Cash Option	5,104,778.83	10.00	994.61	-	-	-
11	SBI MICF Liquid Floater Plan	1,426.00	10.00	0.15	1,340.00	10.00	0.14
12	UTI Liquid Cash Plan Institutional-Growth Option	622,068.46	1,000.00	8,977.46	-	-	-
13	UTI Treasury Advantage Fund-Institutional Plan(Growth Option)	399,252.60	1,000.00	4,700.00	-	-	-
14	8.00% NCD JSW Steel Limited	-	-	-	266,594	22.97	44.21
	Total (A)			72,657.22			1,049.35
B	Equity Share Fully Paid Up - Quoted						
1	Bhartiya International Limited	114,609	10.00	23.78	114,609	10.00	65.50
2	Central Bank of India	7,247	10.00	2.46	7,247	10.00	6.30
3	Hotel LeelaVentures Limited	90,000	2.00	16.79	90,000	2.00	36.13
4	Mundra Port and SEZ Limited	1,471	10.00	4.76	1,471	10.00	6.47
	Total (B)			47.79			114.40
C	Govt./Semi Govt. Securities						
1	9.40% Syndicate Bank ST-1 Series 11 Bonds	138	1,000,000.00	1,380.00	-	-	-
	Total (C)			1,380.00	-	-	-
Long Term Investment							
A	Govt./Semi Govt. Securities - Non Trade						
1	12.40% Government of India Stocks (Face value Rs. 40 Lacs)	-	-	41.14	-	-	41.14
2	National Savings Certificate *	-	-	1.47	-	-	1.17
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00	103.40
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00	40.00
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00	97.71
	Total (A)			283.72			283.42
B	Equity Share Fully Paid Up - Unquoted						
1	Jab Resources Limited	3,333,067	Cents 15	179.59	3,333,067	Cents 15	179.58
2	MJSJ Coal Limited #	9,000	10.00	0.90	-	-	-
	Total (B)			180.49			179.58
C	Equity Shares Fully Paid Up of Associate Company - Trade Unquoted						
1	J.S.S. Steeltalia	5,755,251	10.00	575.53	2,326,000	10.00	232.60
	Add/Less :- Share in Profit/(Loss) of Associate			(89.74)			
	Total (C)			485.79			232.60
	GRAND TOTAL:			75,035.01			1,859.35

* Lodged with Government Authorities as Security

Investment in terms of agreement with Mahanadi Coalfield Limited & Others.

Aggregate value of Current Investment

74,085.01

1,163.75

Aggregate value of unquoted investment

950.00

695.60

Aggregate value of quoted investment

47.79

114.40

Market value of quoted investment

47.79

116.45

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and Certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares {Including material in transit Rs. 1,441.67 Lacs (Previous Year Rs. 3,842.17 Lacs)}	12,019.74	16,509.11
ii) Raw Materials {Including material in transit Rs. 22,868.68 Lacs (Previous Year Rs. 36,496.53 Lacs)}	57,425.89	75,959.51
iii) Finished Goods	60,694.75	88,194.27
iv) Trading Goods	188.71	242.02
v) Work in Progress	50,646.78	58,978.01
vi) Scrap (at estimated realisable value)	369.07	576.76
TOTAL	181,344.94	240,459.68
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	5,786.55	4,480.09
ii) Considered doubtful	87.83	82.67
Less: Provision	87.83	82.67
	5,786.55	4,480.09
Others - Considered good	55,011.87	62,526.02
TOTAL	60,798.42	67,006.11

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	51.25	77.90
Cheques/Money in Transit (Note no. 12 of Schedule 20)	493.16	6,279.26
Stamps in Hand	0.36	1.55
Balance with Scheduled Banks		
In Current Accounts	1,012.10	2,256.50
In Fixed Deposit Accounts-in Indian Currency*	5,345.40	547.35
In Fixed Deposit Accounts-in Foreign Currency (Unutilised money out of ECB Proceeds)	59,414.41	66,615.50
Balance with Non-Scheduled Banks in Foreign Currency in Current A/c	-	-
In ANZ Bank [Maximum Outstanding during the year Rs. 0.47 Lacs (P.Y. Rs. 13.02 Lacs)]	0.47	12.49
In ICBC Bank [Maximum Outstanding during the year Rs 22.98 Lacs (P.Y. Rs. 15.91 Lacs)]	0.13	8.81
In Bank of China [Maximum Outstanding during the year Rs. 2.55 Lacs (P.Y. Rs. 6.40 Lacs)]	-	2.55
In SA Korea First Bank [Maximum Outstanding during the year Rs. 9.18 Lacs (P.Y. Rs. 20.85 Lacs)]	1.61	3.96
In ZAO Citi Bank, Moscow [Maximum Outstanding during the year Rs. 256.99 Lacs (P.Y. Rs. 11.60 Lacs)]	2.92	11.60
In Raiffeisen Bank, Poland [Maximum Outstanding during the year Rs. 5.18 Lacs (P.Y. Rs. 33.30 Lacs)]	1.14	0.23
In Standered Chartered Bank [Maximum Outstanding during the year Rs. 899.91 Lacs (P.Y. Rs. 909.79 Lacs)]	642.69	339.60
In PT Bank Mega [Maximum Outstanding during the year Rs. 35.79 Lacs (P.Y. Rs. 110.93 Lacs)]	12.60	30.05
In PT Bank Maspion [Maximum Outstanding during the year Rs. 13.57 Lacs (P.Y. Rs. 26.50 Lacs)]	1.62	0.24
In Deutsche Bank [Maximum Outstanding during the year Rs. 5037.73 Lacs (P.Y. Rs. 175.92 Lacs)]	63.22	68.00
In Danamon Bank [Maximum Outstanding during the year Rs. 816.46 Lacs (P.Y. Rs. 18.43 Lacs)]	146.95	18.43
In DBS Bank [(Maximum Outstanding during the year Rs. 249.08 Lacs (P.Y. Rs. 3,803.23 Lacs)]	10.89	29.61
In HSBC Bank [Maximum Outstanding during the year Rs. 226.45 Lacs (P.Y. Rs. 300.88 Lacs)]	1.49	169.92
In UBS Bank [Maximum Outstanding during the year Rs.525.53 Lacs (P.Y. Rs. Nil)]	3.87	-
In Yapi Bank [Maximum Outstanding during the year Rs. 1.24 Lacs (P.Y. Rs. Nil)]	1.24	-
In Swadesi Bank [Maximum Outstanding during the year Rs. 23.53 Lacs (P.Y. Rs. Nil)]	11.52	-
In Casa Di - Italy [Maximum Outstanding during the year Rs. 19.59 Lacs (P.Y. Rs. Nil)]	10.80	-
In Banco Popular [Maximum Outstanding during the year Rs. 13.45 Lacs (P.Y. Rs. Nil)]	13.45	-
In CITI Bank [Maximum Outstanding during the year Rs. 1,085.66 Lacs (P.Y. Rs. 14.75 Lacs)]	280.26	14.75
Balance with Non-Scheduled Banks in Foreign Currency in FDR A/c		
In Bank Mayapada Surabaya [Maximum Outstanding during the year Rs. Nil (P.Y. Rs. 189.27 Lacs)]	-	189.27
Puja & Silver Coins	0.04	0.04
TOTAL	67,523.59	76,677.61

* Rs. 50.97 Lacs (P.Y. Rs 237.22 Lacs) pledged against margin money for Bank Gaurantees issued.

Schedules to the Consolidated Balance Sheet

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received	35,828.98	48,906.67
{Net of Provision of Rs. 23.66 Lacs (P.Y. Rs 23.66 Lacs)}		
Interest Accrued on Investments/FDR	694.68	965.69
Security Deposits	7,353.34	6,473.73
Pre-paid Taxes	30,377.15	27,206.22
MAT Credit Entitlement	1,094.10	1,089.42
Balance with Central Excise	559.25	7.01
TOTAL	75,907.50	84,648.74
SCHEDULE - "11"		
CURRENT LIABILITIES		
Acceptances	159,247.34	126,453.51
Sundry Creditors	67,925.83	87,636.49
Other Outstanding Liabilities	39,810.58	32,758.58
Due to Customers and others	54,261.09	4,962.96
Security Deposits	100.00	100.00
Liability towards Investors Education and Protection Fund under Setion 205C of the Companies Act, 1956 not due		
i) Unpaid Dividends	175.70	148.61
ii) Unclaimed Matured Deposits	75.34	104.59
iii) Interest Accrued on (i) to (ii)	56.00	19.35
Interest Accrued but not due	5,088.11	5,784.96
TOTAL	326,739.99	257,969.05
SCHEDULE - "12"		
PROVISIONS		
For Taxation	25,860.44	25,457.92
Proposed Dividend on Equity Shares	-	3,242.70
Corporate Tax on Dividend	-	551.10
For Employee Benefits	897.26	558.79
TOTAL	26,757.70	29,810.51
SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	30.37	20.75
Add : Addition During the Year	917.12	19.38
Less : Written off During the Year	102.22	9.76
	845.27	30.37
Mine Development Expense	1,587.50	230.58
Add : Additions During the Year	1,283.23	1,395.43
Less : Written off During the Year	38.51	38.51
	2,832.22	1,587.50
TOTAL	3,677.49	1,617.87

Schedules to the Consolidated Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	570,347.67	581,710.69
Job Charges Received	458.38	1,104.36
Consultancy Charges Received/Advertisement Income	1,872.43	94.40
Export Benefits	2,591.51	5,361.85
TOTAL	575,269.99	588,271.30
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	2.37	2.38
Profit on Sale of Investments (Net)	1,052.82	400.97
[On Current Investments Profit Rs.1,102.40 Lacs (P.Y. Rs.452.35 Lacs)]		
[On Current Investments Loss Rs. Nil (P.Y. Rs.0.37 Lacs)]		
[On Current Investments Loss on Dimunition in value Rs.66.61 Lacs (P.Y. Rs.52.96 Lacs)]		
[On Long Term Investments Profit Rs.17.03 Lacs (P.Y. Rs.1.95 Lacs)]		
Previous Year Adjustment (Net)	50.15	273.20
[Expenses Relating to Earlier Years Rs. 48.71 Lacs (P.Y. Rs. 101.82 Lacs)]		
[Income Relating to Earlier Years Rs. 17.64 Lacs (P.Y. Rs. 26.28 Lacs)]		
[Liability No Longer Required Rs. 81.22 Lacs (P.Y. Rs. 348.74 Lacs)]		
Lease Rent	13.83	8.48
Miscellaneous Receipt	902.93	2,126.41
Claims Received	127.78	133.28
TOTAL	2,149.88	2,944.72
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	341,869.45	402,407.00
Goods Purchased for Sale	11,089.09	2,041.10
Stores and Spares Consumed	24,383.90	23,435.86
Carriage Inward	1,632.93	2,318.46
Power and Fuel	40,984.42	57,957.73
Repairs to Buildings	74.90	176.66
Repairs to Plant & Machinery	1,648.46	1,094.50
Job Work Expenses	1,112.01	1,142.83
Other Manufacturing Expenses	5,991.03	4,161.35
TOTAL- A	428,786.19	494,735.49
(INCREASE)/DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	88,194.27	34,549.94
Trading Goods	242.02	299.75
Scrap	576.76	613.91
Work in Progress	58,978.01	28,436.30
Material recovered from POP/Trial Run	2,488.96	-
TOTAL - B	150,480.02	63,899.90
Closing Stock		
Finished Goods - Manufactured	60,694.75	88,194.27
Trading Goods	188.71	242.02
Scrap	369.07	576.76
Work in Progress	50,646.78	58,978.01
Material recovered from POP/Trial Run	5,347.03	-
TOTAL - C	117,246.34	147,991.06
INCREASE IN STOCKS - D (B - C)	33,233.68	(84,091.16)
Excise Duty on account of Increase/(Decrease) in stock of Finished Goods (E)	(6,083.49)	5,954.00
GRAND TOTAL (A + D + E)	455,936.38	416,598.33

Schedules to the Consolidated Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	14,000.57	11,877.18
Contribution to Provident and other funds	705.25	567.72
Workmen and Staff Welfare	652.51	576.40
TOTAL	15,358.33	13,021.30
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	707.94	456.55
Lease Rent	22.03	10.44
Rates and Taxes	65.86	53.66
Insurance	450.10	516.79
Legal and Professional	1,711.61	1,909.15
Postage, Telegram, Telex and Telephone	515.85	477.31
Printing and Stationery	310.57	318.05
Travelling and Conveyance	949.24	1,017.10
Directors' Meeting Fees	4.50	5.16
Vehicle Upkeep and Maintenance	332.17	268.81
Auditors' Remuneration	38.24	39.53
Selling Expenses	1,442.66	1,114.28
Freight & Forwarding Expenses	5,601.74	9,656.61
Commission on Sales	3,070.44	4,197.56
Provision for Doubtful Debts & Advances	6.01	-
Bad Debts	Rs. 4.44 Lacs (P.Y. Rs. 64.70 Lacs)	
Less : Provision for Doubtful Debts, reversed	Rs. 0.86 Lacs (P.Y. Rs. 43.37 Lacs)	
	3.58	21.33
Advertisement & Publicity	288.14	569.40
Miscellaneous Expenses	1,744.48	1,506.29
Donation	308.21	867.30
Discount & Rebate	2,648.25	1,943.12
Loss on Sale/Discard of Fixed Assets (Net)	144.70	561.36
[Profit of Rs. 8.70 Lacs (P.Y. Rs. 2.04 Lacs) on Sale]		
[Loss of Rs. 83.80 Lacs (P.Y. Rs. 533.97 Lacs) on Sale]		
[Loss of Rs. 69.60 Lacs (P.Y. Rs. 29.43 Lacs) on Discard]		
TOTAL	20,366.32	25,509.80

Schedules to the Consolidated Profit & Loss Account

	(Rs. In Lacs)	
DESCRIPTION	31.03.2009	31.03.2008
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	20,096.45	13,709.98
Others	13,110.73	9,126.31
Financial Expenses / Bank Charges	4,002.03	1,987.78
	37,209.21	24,824.07
Less: Interest received		
Interest on Securities (Net)	115.00	29.96
[TDS Rs. 14.14 Lacs (P.Y. Rs. 6.16 Lacs)]		
[Including interest on Current Investments Rs. 42.45 Lacs (P.Y. Rs. 1.94 Lacs)]		
Loans & Advances	115.54	99.57
[TDS Rs. 72.10 Lacs (P.Y. Rs. 111.58 Lacs)]		
Banks	90.92	64.32
[TDS Rs. 173.88 Lacs (P.Y. Rs. 14.06 Lacs)]		
From Debtors	1,899.70	1,546.32
[TDS Rs. 232.31 Lacs (P.Y. Rs. 527.19 Lacs)]		
Foreign Cover Cancellation Gain (Net)	420.13	3,870.98
Others	144.46	126.62
	2,785.75	5,737.77
TOTAL	34,423.46	19,086.30

Notes to Consolidated Accounts

SCHEDULE - "20"

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARIES

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

JSL Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries and associate, as on 31.03.2009, in accordance with Accounting Standard 21(Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by The Institute of Chartered Accountants of India.

Name	Country of Incorporation	% age Shareholding / Voting Power	
Subsidiaries		31.03.2009	31.03.2008
PT. Jindal Stainless Indonesia	Indonesia	99.99%	99.99%
Jindal Stainless Steelway Limited	India	81.91%	81.91%
Jindal Architecture Limited	India	72.99%	72.99%
Austenitic Creations Private Limited	India	78.47%	74.15%
Jindal Stainless UK Limited	UK	100.00%	100.00%
Jindal Stainless FZE	UAE	100.00%	100.00%
Jindal Stainless Italy s.r.l. #	Italy*	100.00%	100.00%
JSL Ventures Pte. Limited ##	Singapore*	100.00%	-
JSL Europe SA ###	Switzerland*	100.00%	-
JSL Minerals & Metals SA ####	Switzerland*	100.00%	-
JSL Group Holdings Pte. Limited	Singapore*	100.00%	-
Jindal Aceros Inoxidables, S.L.	Spain*	100.00%	-
JSL Logistics Limited	India	100.00%	-
Green Delhi BQS Limited	India	67.79%	67.79%
Parivartan City Infrastructure Limited	India	99.94%	99.70%
Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	Turkey	92.16%	89.99%
Associate			
J.S.S. Steelitalia Limited	India	33.00%	27.02%
Joint Venture			
MJSJ Coal Limited	India**	-	-

* Un-audited statements have been considered for the purpose of consolidation

Step down Subsidiary of Jindal Stainless UK Limited.

Step down Subsidiary of JSL Group Holdings Pte. Limited.

Step down Subsidiary of JSL Ventures Pte. Limited.

Step down Subsidiary of JSL Europe SA

** There is no material transaction except the investment of Rs 0.50 Lacs with the party hence the same has not been considered for the purpose of consolidation.

- ii) The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income, and expenses after eliminating intra-group balances and intra-group transactions. In case of associate, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for investments in associates in Consolidated Financial Statements".
- iii) Foreign Subsidiaries- Operations of Foreign subsidiaries has been considered by management non-integral, thus items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the period. Resulting exchange differences arising on translation of said items have been transferred to Foreign Exchange Translation Reserve Account.
- iv) Since foreign subsidiaries are in same line of business which function in different regulatory environment, certain policies such as in respect of depreciation/amortization, retirement benefits, preliminary expenditure etc. are differ than the policies followed by the holding company. The notes on accounts and policies followed by subsidiaries and holding company are disclosed in their respective financial statements.
- v) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

Notes to Consolidated Accounts

2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(Rs. In Lacs)		
Particulars	31.03.2009	31.03.2008
a) Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	9,443.57	6,584.37
b) Letter of Credit outstanding.	151,710.75	153,128.88
c) Bills discounted by banks.	11,565.27	15,426.54
d) i) Sales Tax Demands against which Company has preferred appeals.	281.68	3.00
ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	3,784.17	5,281.01
iii) Income Tax Demands against which Company has preferred appeals.	2,594.04	2,076.48
e) Guarantee given to custom authorities for import under EPCG Scheme.	11,747.21	15,226.45
f) Claim against the company not acknowledged as debt.	497.99	-
g) Demand made by Sr. Dy. Director of Mines, Notified Authority, Jajpur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 252,711.12 Lacs** (Previous Year Rs. 229,193.59 Lacs).

4. Appeals in respect of certain assessments of Sales Tax / Income Tax are pending and additional tax liabilities/refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same are finally determined. In the opinion of management there will not be material liability on this account.

5. The company has been granted approval for developing Sector Specific SEZ in Orissa vide notification no. 1472 dated 28th November, 2007 by Ministry of Commerce, Government of India over an area of 351.18 Acres. The Company has spent an amount of **Rs. 88,808 Lacs** during the year on the SEZ- which is shown under Capital Work In Progress as on 31st March, 2009 (Previous Year Rs. 47,866 Lacs).

6. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT act) on the manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble High Court has disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court has declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Supreme Court gave an Interim Order that those states where the High Courts have given judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also held ultra virus by the High Court. The Order of the High Court has been challenged by the Haryana Government and which is pending before the Supreme Court for final order. However, on prudence basis, the liability has been fully provided for.

7. During the financial year 2007-08 the Company had filed Writ Petition in Hon'ble High Court of Orissa challenging the validity of Entry Tax Act, 1999. The Hon'ble High Court of Orissa vide their order dated 16.05.2007 granted stay to the extent of depositing 50% of the Entry Tax demand raised by the Commercial tax Department. However, the Company has provided full liability for Entry Tax in the books of accounts during the year 2007-08 while deposited of 50% amount with the Department. The outstanding amount of liability on this account as on 31st March, 2008 was Rs.351.65 Lacs which still remain outstanding.

Subsequently in February, 2008, the Hon'ble High Court disposed off the Writ Petition. As per legal advice received by the Company on interpretation of the High Court Order, it believes that its liability will be less than the amount already deposited. Accordingly, the Company has filed the refund application which has been rejected by Joint Commissioner. Subsequently the company has gone for appeal to the Appellate Authority and the hearing is pending. For the current year 2008-09, the company has computed and deposited the liability as per legal advice. The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the hearing is pending. Necessary accounting adjustment will be carried out in the year of final outcome.

8. Pursuant to the announcement by ICAI on "Accounting for Derivatives" and AS-1 enunciating "Principles of Prudence", the company has accounted losses **Rs. NIL** (Previous Year Rs. 3,613.27 Lacs) {(Including Marked to Market losses **Rs. NIL** (Previous Year Rs.266.60 Lacs))} during the year on account of hedging its nickel exposure. The same has been treated as an Extra Ordinary Item.

9. In the case of Green Delhi BQS Limited, Extra Ordinary Item represents loss of **Rs 208.93 Lacs** (Previous Year Rs. Nil) on account of cancellation of contract with Delhi Transport Corporation and in the case of Jindal Architecture Limited, gain of **Rs. 36.33 Lacs** (Previous Year Rs. Nil) on account of sale of immovable property.

10. Exceptional Items includes loss/(gain) (net) of **Rs. 55,952.06 Lacs** (Previous Year Rs. (7,505.44 Lacs)) on translation/settlement of foreign currency monetary items (including borrowing), loss of **Rs. 2,601.04 Lacs** (Previous Year Rs. 264.00 Lacs) upon marked to market of derivatives contracts and loss of **Rs. 1,631.66 Lacs** (Previous Year Rs. NIL) on settlement of commodity hedging contract, resulting from unprecedented & exceptionally volatile global market development during the year.

Notes to Consolidated Accounts

11. During the year, coking coal purchased for coke oven plant was sold out / contracted for sale by the company due to delay in commissioning of plant and machinery resulting a loss of **Rs. 3,779.70 Lacs** charged to revenue as exceptional item.
12. In terms of the approval of the Shareholders obtained at the Extraordinary General Meeting of the Company held on 20th October, 2006, the Company has issued and allotted, 21,500,000 warrants (face value of Rs.103/- each and amount paid-up of Rs.10.30 each) on 26th October, 2006, to Promoter Group on preferential basis, to finance the long term corporate fund. The holders of each warrant will be entitled to apply for and be allotted one equity share of Rs.2/- each of the Company, at a price of Rs.103/- (including Rs.101/- on account of premium), any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. Of the above, the holders of **7,550,000 Nos.** (Previous Year 7,150,000 Nos.) warrants have exercised the option and were allotted one equity share per warrant. Amount received during the year of **Rs. 6,992.24 Lacs** (including money in transit as on 31.03.2008 of Rs. 4,473.43 Lacs) (Previous Year Rs. 6,637.60 Lacs) has been utilized towards financing of Long Term corporate fund including capital expenditure for ongoing expansion of company projects.
13. Certain balances of sundry debtors, sundry creditors are subject to confirmation and/or reconciliation.
14. Certain charges created for working capital loans are in process of satisfaction/modification.

15 Segment Reporting:

- i) **Information about Business Segment (for the year ended on 31.03.2009)**
Company operates in a Single Primary Segment (Business Segment) i.e. Stainless Steel products.
- ii) **Secondary Segments (Geographical Segment)**

		(Rs. In Lacs)					
Sr. No.	Particulars	2008-09			2007-08		
		Within India	Outside India	Total	Within India	Outside India	Total
1	Revenue	417,207.74	158,062.25	575,269.99	400,889.79	187,381.51	588,271.30
2	Segment Assets	950,238.99	114,180.94	1,064,419.93	835,070.32	115,201.79	950,272.11
3	Capital Expenditure incurred during the year	155,861.68	4,710.39	160,572.07	137,210.98	5,728.13	142,939.11

16 Related Party Transactions

A List of Related Party & Relationship (As identified by the Management)

a) Key Management Personnel :

1	Smt. Savitri Devi Jindal	Chairperson
2	Shri Ratan Jindal	Vice-Chairman & Managing Director, Managing Director in Jindal Stainless FZE and Jindal Stainless UK Limited
3	Shri V.S. Jain	Managing Director & CEO (till 25.10.2007)
4	Shri R.G. Garg	Managing Director & COO (till 12.01.2009)
5	Shri Arvind Parakh	Director - Strategy & Business Development (w.e.f. 21.01.2008)
6	Shri N.C. Mathur	Director-Corporate Affairs (till 12.01.2009)
7	Shri Rajinder Parkash	Executive Director (till 12.01.2009)
8	Shri N.P. Jayaswal	Executive Director & Director JSL Logistics Limited
9	Shri A.P. Garg	Sr. Vice - President & Company Secretary (till 18.11.2008)
10	Shri Sanjeev Pandiya	Sr. Vice - President & Chief Financial Officer (till 31.07.2007)
11	Shri S.S. Virdi	Executive Director, Jindal Stainless Steelway Limited, Jindal Architecture Limited and Green Delhi BQS Limited
12	Shri Avinash Gupta	Director, Jindal Architecture Limited
13	Smt. Deepika Jindal	Managing Director, Austenitic Creations Private Limited & Jindal Architecture Limited
14	Shri. Sugato Bose	Director, Austenitic Creations Private Limited (till 27.08.2007)
15	Shri D.S. Kamboj	Director, Austenitic Creations Private Limited (w.e.f. 27.08.2007)
16	Shri Rajiv Rajvanshi	Director, Jindal Stainless Steelway Limited, JSL Logistics Limited, Green Delhi BQS Limited and Parivartan City Infrastructure Limited
17	Shri Ankur Agrawal	Director, Parivartan City Infrastructure Limited
18	Shri. A. K. Jain	Company Secretary (from 10.12.2008 to 31.12.2008)
19	Shri Sunil Yadav	Company Secretary (from 13.01.2009 to 17.03.2009)
20	Shri Jitendra Kumar	Company Secretary (w.e.f 17.03.2009)
21	Shri Sunil Mittal	Director, JSL Logistics Limited

Notes to Consolidated Accounts

b) Enterprises over which Key Management Personnel and their relatives exercise significant influence with whom transactions have been taken place during the year:

- 1 Jindal Steel & Power Limited
- 2 JSW Steel Limited
- 3 Jindal Saw Limited
- 4 Jindal Industries Limited
- 5 Nalwa Steel & Power Limited (Formerly Nalwa Sponge Iron Limited)
- 6 Bir Plantation Private Limited
- 7 Bharat Metals
- 8 Sona Bheel Tea Limited
- 9 Jindal Overseas Holding Limited

c) Associate

- 1 J.S.S. Steelitalia Limited

d) Joint Venture

- 1 MJSJ Coal Limited

Description	2008-2009				2007-2008		
	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associate	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associate
B Transactions :							
Purchase of Goods	-	-	14,535.25	102.48	-	3,545.19	-
Jindal Steel & Power Limited*	-	-	12,431.23	-	-	2,896.97	-
Jindal Industries Limited	-	-	-	-	-	495.19	-
Others	-	-	2,104.02	102.48	-	153.03	-
Sale of Goods	-	0.09	17,757.58	521.05	-	6,362.30	-
JSW Steel Limited	-	-	-	-	-	1,143.61	-
Jindal Steel & Power Limited**	-	-	17,032.62	-	-	4,893.66	-
Others	-	0.09	724.96	521.05	-	325.03	-
Sale of Assets	-	-	-	89.25	-	-	-
J.S.S. Steelitalia Limited	-	-	-	89.25	-	-	-
Job Work Charges Received	-	-	-	5.60	-	-	-
J.S.S. Steelitalia Limited	-	-	-	5.60	-	-	-
Job Work Charges Paid	-	-	-	1.30	-	-	-
J.S.S. Steelitalia Limited	-	-	-	1.30	-	-	-
Receiving of Services (Remuneration paid)	-	1,117.75	-	-	1,700.72	-	-
Shri Ratan Jindal	-	528.49	-	-	1,242.19	-	-
Shri Arvind Parakh	-	154.45	-	-	-	-	-
Smt. Deepika Jindal	-	140.40	-	-	-	-	-
Others	-	294.41	-	-	458.53	-	-
Rent Received	-	17.40	4.26	-	15.60	3.31	-
Shri Ratan Jindal	-	17.40	-	-	15.60	-	-
Jindal Saw Limited	-	-	3.36	-	-	3.31	-
JSW Steel Limited	-	-	0.90	-	-	-	-
Rent Paid	-	-	3.60	-	-	3.60	-
Bir Plantation Private Limited	-	-	3.60	-	-	3.60	-
Loan & Advances Given	-	-	-	-	-	-	214.13
J.S.S. Steelitalia Limited	-	-	-	-	-	-	214.13

Notes to Consolidated Accounts

Description	2008-2009				2007-2008		
	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associate	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associate
Loan & Advances Recovered	-	-	-	-	-	-	214.13
J.S.S. Steeltalia Limited	-	-	-	-	-	-	214.13
Interest Income	-	-	-	11.42	-	6.95	2.56
JSW Steel Limited	-	-	-	-	-	6.95	-
J.S.S. Steeltalia Limited	-	-	-	11.42	-	-	2.56
Interest Paid	-	-	-	-	-	14.92	-
Jindal Saw Limited	-	-	-	-	-	14.92	-
Sharing of Exp. Reimbursed/ to be reimbursed	-	-	44.37	0.22	-	57.00	-
Jindal Steel & Power Limited	-	-	-	-	-	32.44	-
Jindal Saw Limited	-	-	35.65	-	-	18.00	-
Bir Plantation Private Limited	-	-	4.88	-	-	-	-
Others	-	-	3.84	0.22	-	6.56	-
Sharing of Exp. Recovered/ to be recovered	10.78	-	82.48	15.21	-	114.79	3.14
JSW Steel Limited	-	-	-	-	-	13.11	-
Jindal Steel & Power Limited	-	-	37.21	-	-	54.85	-
Jindal Saw Limited	-	-	37.13	-	-	40.83	-
J.S.S. Steeltalia Limited	-	-	-	15.21	-	-	-
Others	10.78	-	8.14	-	-	6.00	3.14
Equity Share Capital Subscribed	0.90	300.00	-	-	-	-	-
Smt. Deepika Jindal	-	300.00	-	-	-	-	-
MJSJ Coal Limited	0.90	-	-	-	-	-	-
Equity Shares Issued Against Share Warrants	-	3,888.25	3,888.25	-	3,682.25	3,682.25	-
Shri Ratan Jindal	-	3,888.25	-	-	3,682.25	-	-
Jindal Overseas Holding Limited	-	-	3,888.25	-	-	3,682.25	-
Amount Received against Share Warrants	-	2,518.82	-	-	4,297.58	6,813.45	-
Shri Ratan Jindal	-	2,518.82	-	-	4,297.58	-	-
Jindal Overseas Holding Limited	-	-	-	-	-	6,813.45	-
Redemption of 8% NCD JSW Steel Ltd.	-	-	44.21	-	-	60.95	-
JSW Steel Limited	-	-	44.21	-	-	60.95	-

Notes to Consolidated Accounts

Description	2008-2009				2007-2008		
	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associate	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associate
Outstanding Balance as on 31.03.2009							
Loans & Advances	10.78	-	59.32	-	-	25.99	-
Nalwa Steel & Power Limited	-	-	25.00	-	-	25.00	-
JSW Steel Limited	-	-	8.14	-	-	-	-
MJSJ Coal Limited	10.78	-	-	-	-	-	-
Bir Plantation Private Limited	-	-	25.00	-	-	-	-
Others	-	-	1.18	-	-	0.99	-
Receivables	-	-	615.42	337.96	-	1,704.07	3.14
Jindal Steel & Power Limited	-	-	602.62	-	-	1,689.87	-
J.S.S. Steelitalia Limited	-	-	-	337.96	-	-	-
Others	-	-	12.80	-	-	14.20	3.14
Payables	-	119.20	3,907.83	13.03	768.55	1,305.94	-
Shri Ratan Jindal	-	-	-	-	768.55	-	-
Jindal Steel & Power Limited	-	-	2,806.56	-	-	323.46	-
Jindal Saw Limited	-	-	916.71	-	-	919.24	-
Others	-	119.20	184.56	13.03	-	63.24	-
Investments	-	-	-	-	-	44.21	-
JSW Steel Limited	-	-	-	-	-	44.21	-

Note :-

* Includes Purchase of Ferro Chrome/Sponge Iron on arm length prices.

** Includes Sale of Chrome ore/Coke on arm length prices.

17 Earning Per Share (EPS) computed in accordance with Accounting Standard 20 “ Earning Per Share ”.

	2008-09	2007-08
	(Rs. in Lacs)	(Rs. in Lacs)
(A) Basic :		
Net Profit after Tax before Extra Ordinary Items as per P & L A/c	(60,667.94)	30,267.17
Net Profit after Tax after Extra Ordinary Items as per P & L A/c	(60,840.54)	26,653.90
Weighted Average No. of Equity Shares for Basic EPS (Face value Rs. 2/- per share)	161,638,494	144,377,626
Basic EPS (in Rs.) Before Extra Ordinary Items	(37.53)	20.96
Basic EPS (in Rs.) After Extra Ordinary Items	(37.64)	18.46
(B) Diluted :		
Net Profit after Tax before Extra Ordinary Items as per P & L A/c	(60,667.94)	30,267.17
Net Profit after Tax after Extra Ordinary Items as per P & L A/c	(60,840.54)	26,653.90
Add: Interest & Fluctuation on Euro Bonds / FCCB (net of tax)	2592.20	(109.31)
Profit before Extra Ordinary Items attributable to Equity Share Holders	(58,075.74)	30,157.86
Profit after Extra Ordinary Items attributable to Equity Share Holders	(58,248.34)	26,544.59
Weighted Average No. of Equity Shares for Basic EPS	161,638,494	144,377,626
Add : Weighted average of Potential equity shares outstanding as on 31st March, 2009	8,777,592	11,921,088
Add : Weighted average of Potential equity shares converted during the year	496,438	3,940,698
Weighted average No. of Equity Shares for Diluted EPS (Face value Rs. 2/- per share)	170,912,524	160,239,412
Diluted EPS (in Rs.) Before Extra Ordinary Items	(33.98)	18.82
Diluted EPS (in Rs.) After Extra Ordinary Items	(34.08)	16.57

Notes to Consolidated Accounts

18 DEFERRED TAX LIABILITY (NET) COMPRISES OF THE FOLLOWING AS ON 31.03.2009

Particulars	2008-09			2007-08		
	Balance as at 31.03.2008	Charge/ (Credit) for the year	Balance as at 31.03.2009	Balance as at 31.03.2007	Charge/ (Credit) for the year	Balance as at 31.03.2008
A) Deferred Tax Liability						
Difference between book & tax depreciation	50,902.20	11,299.17	62,201.37	39,834.60	11,067.60	50,902.20
Difference between book & tax land right amortization*	1.17	(0.18)	0.99	33.41	(32.24)	1.17
Total Deferred Tax Liability - A	50,903.37	11,298.99	62,202.36	39,868.01	11,035.36	50,903.37
B) Deferred Tax Assets						
Disallowance under Section 43B	1,039.33	295.80	1,335.13	104.95	934.38	1,039.33
Amortization under Section 35D	0.40	-	0.40	0.40	-	0.40
Provision for doubtful debts & advances	27.40	9.96	37.36	42.31	(14.91)	27.40
Provisions for Employee Benefits	114.83	131.97	246.80	114.83	-	114.83
Brought forward long term/ short term capital losses	31.32	-	31.32	31.32	-	31.32
Fiscal Loss*	-	806.05	806.05	-	-	-
Post Employment Benefit*	48.25	(14.71)	33.54	12.68	35.57	48.25
Disallowance under Income Tax	19.87	(0.81)	19.06	13.57	6.30	19.87
Carry Forward Losses/ Unabsorbed Depreciation#	661.41	39,912.99	40,574.40	263.70	397.71	661.41
Provision for MTM Losses & Diminution in Investments	255.09	726.47	981.56	-	255.09	255.09
Total Deferred Tax Assets - B	2,197.90	41,867.72	44,065.62	583.76	1,614.14	2,197.90
Deferred Tax Liability (Net) (A-B)	48,705.47	(30,568.73)	18,136.74	39,284.25	9,421.22	48,705.47

* Relates to Foreign Subsidiary and include on account of foreign currency fluctuation **Rs. 1.01 Lacs** (Previous Year Rs.1.86 Lacs)

The management is confident about recoverability of the same from future earnings.

- 19 i) Managerial remuneration paid / payable by subsidiary companies amounting to **Rs. 89.30 Lacs** (Previous Year Rs. 33.40 Lacs) is in excess of limit prescribed under Schedule XIII of the Companies Act and is subject to approval of Central Government.
- ii) a) Remuneration paid/payable by the company to Directors amounting to **Rs. 83.37 Lacs** is subject to the approval of the shareholders in ensuing General Meeting.
- b) Remuneration paid/payable to Directors amounting to **Rs.238.45 Lacs** is subject to the approval of the shareholders in ensuing General Meeting and the Central Government.The company is in process of seeking necessary approvals, which if not received, the remuneration in excess of the prescribed limit paid, would be recovered.

Above has been approved by the remuneration committee.

20 Previous year's figures have been re-arranged and / or regrouped wherever considered necessary.

21 Schedule 1 to 20 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(N.K. LODHA)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(ARUN K. TULSIAN)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Consolidated Cash Flow Statement For the year ended 31st March, 2009

(Rs. in Lacs)		
Particulars	2008-09	2007-08
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit/(Loss) Before Tax, Exceptional & Extraordinary Item	(26,885.64)	36,217.51
Adjustment for:		
Depreciation / Amortization	33,316.16	26,749.80
Provision for Doubtful Debts & Advance / Bad Debts	9.59	21.33
Prior period Adjustments (Liability Written Back)	(81.22)	(347.91)
Misc. Expenses Written Off	140.73	48.27
Misc. Expenses Incurred	(2,200.35)	(1,414.81)
Interest and Bank Charges	34,843.59	22,957.28
Dividend Income	(2.37)	(2.38)
(Profit) / Loss on Sale of Investments (Net)	(1,052.82)	(400.97)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	144.70	561.36
Operating Profit Before Working Capital Changes	38,232.37	84,389.48
Adjustment for:		
(Increase) / Decrease in Inventories	59,114.74	(119,385.38)
(Increase) / Decrease in Sundry Debtors	6,198.10	(13,552.77)
(Increase) / Decrease in Loans & Advances	10,813.57	(9,553.99)
Increase / (Decrease) in Current Liabilities	61,512.56	80,085.35
Cash Inflow from Operating Activities Before Exceptional Items	175,871.34	21,982.69
Exceptional Items	(63,964.46)	7,241.41
Extraordinary Items	(172.60)	(3,613.27)
Income Tax (Advance) / Refund (Net)	(3,265.18)	(6,167.52)
Net Cash Inflow from Operating Activities	108,469.10	19,443.31
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(purchase) of Investment (net)	(72,196.34)	10,527.90
Capital Expenditure (including advances for capital expenditure)	(110,665.76)	(132,439.97)
Sales Proceeds of Fixed Assets Sold	38.32	2,694.08
Dividend Received	2.37	2.38
Interest Received	7,462.14	2,008.77
Net Cash Outflow from Investing Activities	(175,359.27)	(117,206.84)
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid (including Corporate Dividend Tax)	(3,766.71)	(2,854.86)
Interest and Finance Charges Paid	(53,228.35)	(34,816.28)
Proceeds from / (Repayment of) Borrowings (net)	111,249.21	180,735.23
Issue of Equity share/ warrants	6,989.30	6,637.60
Minority Interest	721.89	187.78
Net Cash Inflow from Financing Activities	61,965.34	149,889.47
D. Change in Currency Fluctuation arising on Consolidation	244.24	(412.03)
Net Changes in Cash & Cash Equivalents	(4,680.59)	51,713.91
Cash & Cash Equivalents (Closing Balance)	67,523.59	72,204.18
Cash & Cash Equivalents (Opening Balance)	72,204.18	20,500.41
Net Changes in Cash & Cash Equivalents	(4,680.59)	51,703.77
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	544.77	1,885.28
Balance with Banks	66,978.78	70,318.86
Puja & Silver Coins	0.04	0.04
	67,523.59	72,204.18

- 2) Cash and cash equivalent excludes Money in transit of Rs. Nil (P.Y. Rs. 4,473.43 Lacs) being proceeds of equity share warrants.
3) Increase in Paid-up Share Capital and Securities Premium are cash neutral and as such not considered in this statement.
4) Previous year's figures have been regrouped and rearranged wherever considered necessary.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

for **LODHA & CO.**

Chartered Accountants

(**N.K. LODHA**)

Partner (Membership No.85155)

for **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

(**ARUN K. TULSIAN**)

Partner (Membership No.89907)

PLACE : New Delhi

DATED : 24th June, 2009

RATAN JINDAL

Vice Chairman & Managing Director

SANDEEP SIKKA

Head - Corporate Finance

ARVIND PARAKH

Director - Strategy & Business Development

JITENDRA KUMAR

Company Secretary

Directors

L.K. SINGHAL

T.R. SRIDHARAN

SATISH TANDON

Statement pursuant to exemption received under section 212 (8) of the Companies Act, 1956 relating to subsidiary companies

Particulars	Subsidiary Companies														(Rs. in Laacs)
	PT Jindal Stainless Indonesia*	Jindal Steelway Limited	Jindal Stainless Architecture Limited	Jindal Austenitic Creations Private Limited	Jindal Stainless UK Limited*	Jindal Stainless Italy s.r.l.*	Jindal Stainless FZE*	Green Delhi BQS Ltd.	Parivartan City Infrastructure Ltd.	Jindal Stainless Madencilik Sanayi ve Ticaret A.S.*	JSL Logistics Limited	Jindal Acros Inoxidables, S.L.*	JSL Group Holdings Pte Ltd.*	JSL Ventures Pte Ltd.*	
Capital (Including Share Application Money)	5, 167.99	1,716.69	566.27	2,267.81	72.57	6.75	828.25	10.00	5.00	1,554.28	5.00	13.50	2,281.50	2,345.88	44.52
Reserve & Surplus (Net of Misc. Exp.)	(1,679.31)	3,456.68	171.18	(1,284.13)	68.57	18.03	275.06	(204.57)	(792.85)	(1,075.31)	7.15	(0.05)	(1.19)	(3.46)	(2.77)
Total Assets	39,444.32	15,852.17	6,373.84	5,980.82	148.42	39.37	1,230.35	7,112.77	1,564.22	616.57	405.52	13.45	5.40	41.66	41.75
Total Liabilities	35,955.64	11,254.47	5,638.69	4,997.14	12.24	14.59	127.04	7,307.34	2,352.07	137.60	393.37	-	70.98	35.49	-
Investment	-	575.67	2.30	-	4.96	-	-	-	-	-	-	-	2,345.89	2,336.25	44.52
Turnover	44,084.14	25,777.74	4,882.07	3,405.88	199.05	53.38	275.18	2,847.97	1,565.78	-	67.65	-	-	-	-
Profit Before Taxation	(3,526.69)	1,121.06	54.97	(1,174.66)	29.15	8.67	(233.27)	(311.53)	(1,180.79)	(241.64)	13.07	-	(1.09)	(3.16)	(2.62)
Provision for Taxation	(811.40)	389.88	18.15	(396.96)	8.10	(1.71)	-	(105.63)	(400.82)	-	5.92	-	-	-	-
Profit After Taxation	(2,715.29)	731.18	36.82	(777.70)	21.05	10.38	(233.27)	(205.90)	(779.97)	(241.64)	7.15	-	(1.09)	(3.16)	(2.62)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	Indonesian Rupiah (Rp.)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Pounds (GBP)	Euro	Dharam (AED)	Indian Rupee (INR)	Indian Rupee (INR)	Yeni Turk Lirası (YTL)	Indian Rupee (INR)	Euro	Dollar (USD)	Dollar (USD)	Swiss Franc (CHF)

As required under para (iii) of the Approval Letter dated May 20, 2009 issued by Ministry of Company Affairs.

*Indian Rupee equivalents of the figures given in foreign currencies, have been given based on exchange rate as on 31.03.2009.

INR 1 = Rp. 221.322

INR 1 = GBP 0.01378

INR 1 = EURO 0.0158

INR 1 = USD 0.01972

INR 1 = YTL 0.0335

INR 1 = CHF 0.0225

INR 1 = AED 0.0724

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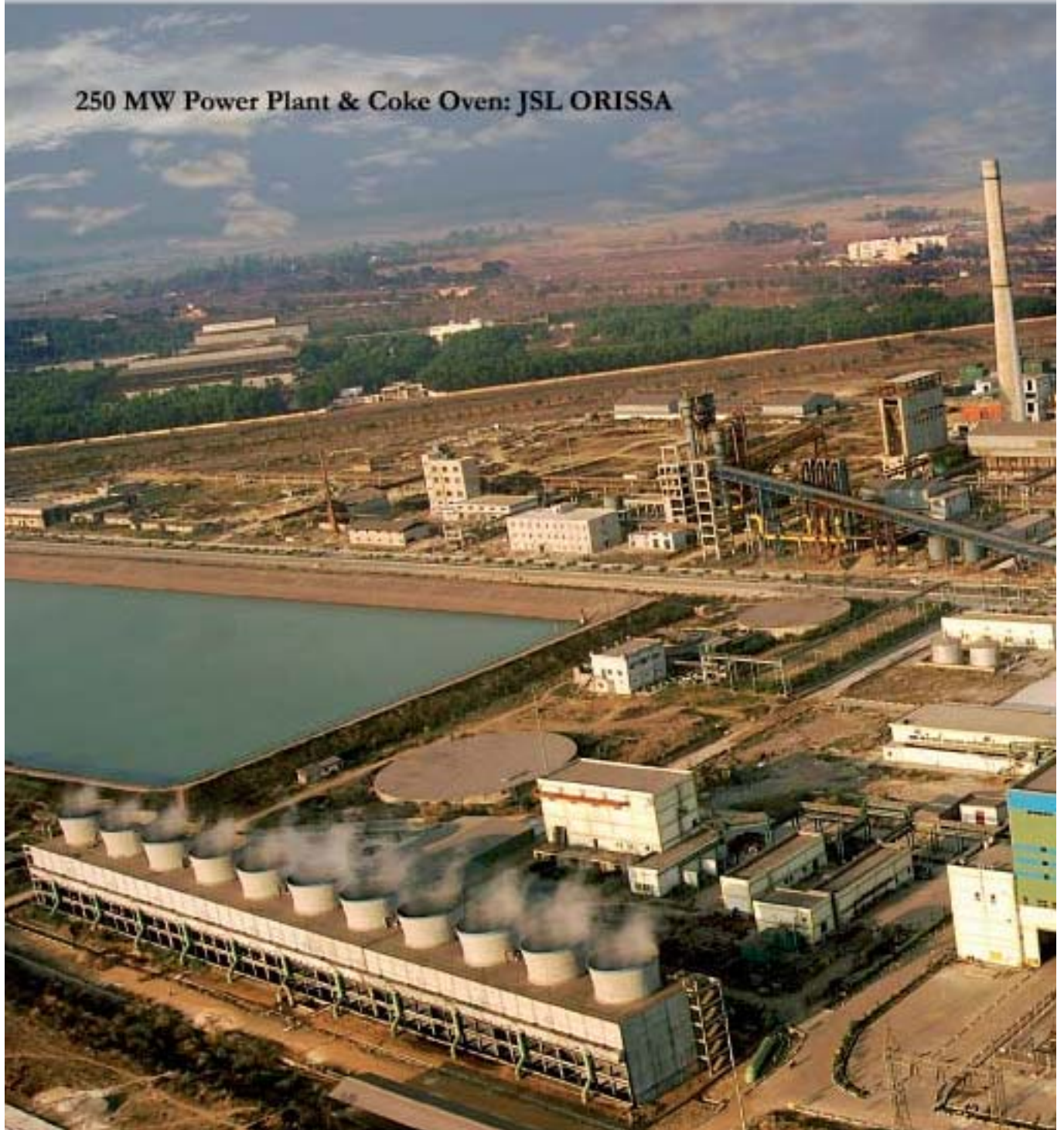
INTEGRATION

1

JSL COMPETENCY **Mine to Mint**

Building on Our History of Innovation, Leadership & Excellence

250 MW Power Plant & Coke Oven: JSL ORISSA



Taking us forward in Our Commitment & Vision to Greater Heights.



BEYOND BUSINESS **The JSL Touch**

*CSR is the direct connect between 'Head and Heart'
and can only be achieved when professionals
speak the 'language of the heart'.*

CSR is the direct connect between 'Head and Heart' and can only be achieved when professionals speak the 'language of the heart'.

In recognition of the conviction that prosperity of communities is integral to the company's success, JSL Corporate Social Responsibility (CSR) model outlines various sustainable development activities for marginalized sections of society across the country. The activities encompass both societal and individual aspirations and needs. JSL "Reach Out" programmes are conducted under the aegis of "JSL Foundation" and are modelled to be strategic tools for Growth & Sustainable Development.

JSL CSR policies are well defined towards sustainable community development which integrates social and environmental concerns of the business operations. At JSL, we strongly believe such inclusive growth is only possible through active stakeholder engagement and voluntary employee participation.

We come together in the key areas of Economic, Social and Environmental Management & Protection:

EDUCATION: Non-formal, Remedial and Adult Education programmes

WOMEN EMPOWERMENT: Save the Girl Child; Skill Training programme (Prerna); Self – Help Group (SHG); Youth & Adolescent Girls' Group

INTEGRATED COMMUNITY HEALTH CARE: Regular medical – health checks through mobile and static medical & dental clinics, with special concentration on HIV & AIDS Programme

COMMUNITY DEVELOPMENT & TRAINING PROGRAMMES: Development Instructors' Programme; Rural sports and youth programmes; low cost toilets, smokeless cooking burners, rain water harvesting, community programmes on behavioural changes, conducted through 'Community led Total Sanitation' approach

COMMUNITY ECONOMIC GROWTH PROGRAMMES: through micro-finance SHG model; Organic farming and Pisciculture; Market linkages through promoting structured village "haat" systems

TOWARDS GREEN TOMORROWS: "Go Green" concept practiced & promoted through horticulture and Non Timber Forest Produce programmes (Mahua product linked programmes)

SAVE THE PLANET: Protect the Environment through Energy conservation, water re-charging and climate change initiatives

DISASTER MANAGEMENT: Relief measures & proactive Initiatives towards natural disasters and affected people across locations.





ADVOCACY & ATTACHMENT PROGRAMMES: for Students of Business Schools

Reaching Out at Jaipur Orissa

JSL Orissa "Reach Out" programmes are particularly designed in line with both local demographic & geographic patterns & influences; the programmes are conducted through multiple media and on-ground tools, with concentrated activities & initiatives through:

- * Non Formal Education Centre
- * Stainless Skill Training Institute
- * Women Empowerment Programme; Micro – financing programme
- * Integrated Health Care programme
- * Community Development & Village entrepreneurship programme
- * Agro based productivity linked programme
- * Water shed management programme
- * Mitigation of Climate Change programme
- * Youth Development programme



We, at JSL remain committed to develop a favourable environment for all our stakeholders and their families, through our sustainable community based programmes, thus contribute towards the National objective of Inclusive growth for all.



Stainless Steel

*The Versatile
New Age Metal*



JSL LIMITED

(Formerly: Jindal Stainless Limited)

Registered Office: O.P. Jindal Marg, Hisar – 125 005 (Haryana)

ATTENDANCE SLIP

D.P. Id.*	
-----------	--

Folio No.	
-----------	--

Client Id.*	
-------------	--

I/We hereby record my/our presence at the twenty ninth annual general meeting of the company at the registered office of the company at O.P. Jindal Marg, Hisar on Friday, the 4th day of September, 2009 at 12.00 noon

Name of the member

(in Block Letters)

Signature of the member/ proxy

NOTE:

1. You are requested to sign and hand over this at the entrance.
2. If you are attending the meeting in person or by proxy, your copy of the balance sheet may please be brought by you/your proxy for reference at the meeting.

* *Applicable for members holding shares in demat form.*

----- TEAR HERE -----

JSL LIMITED

(Formerly: Jindal Stainless Limited)

Registered Office: O.P. Jindal Marg, Hisar – 125 005 (Haryana)

FORM OF PROXY

D.P. Id.*	
-----------	--

Folio No.	
-----------	--

Client Id.*	
-------------	--

I/Weof
in the district of.....being a member/ members of the above named company hereby
appoint.....of.....
in the district ofor failing him
of in the district of as my/our proxy to vote for me/us on my/our
behalf at the twenty ninth annual general meeting of the company to be held on Friday, the 4th day of September, 2009 at
12.00 noon or at any adjournment thereof.

Signed this_____day of _____, 2009.

NOTE:

1. The form should be signed across the stamp, as per specimen signature registered with the company.
2. The proxy must be deposited at the registered office of the company at O.P. Jindal Marg, Hisar not less than 48 hours before the time of holding the meeting.
3. This form is to be used in favour of/against the resolution. Unless otherwise directed, the proxy will vote as he thinks fit.
4. A proxy need not be a member.

* *Applicable for members holding shares in demat form.*

Affix .15 Ps.
Revenue
Stamp

Signature

IN DEFERENCE TO THE GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

BOOK-POST

“Postage paid in advance at Hisar H.O. on 05-08-2009
for posting on 07-08-2009, 08-08-2009 and 10-08-2009 under business post”



29th Annual General Meeting JSL Limited

Date : 4th September, 2009
Day : Friday
Time : 12.00 noon
Place : Registered Office
O.P. Jindal Marg,
Hisar, Haryana

If undelivered, please return to:

JSL Limited

(Formerly: Jindal Stainless Limited)

O.P. Jindal Marg, Hisar-125 005 (Haryana) India.

Phone: (01662) 222471-83 Fax: (01662) 220476/ 220499

e-mail: info.hisar@jindalsteel.com

Printed by Indrakshi

Registered Office

O.P. Jindal Marg, Hisar-125 005 (Haryana) India.
Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499,
E-mail: info.hisar@jindalsteel.com
E-mail address for investors : investorcare@jindalstainless.com

Corporate Office

Jindal Centre, 12 Bhikaiji Cama Place, New Delhi – 110 066, India.
Phone: (011) 26188345-60. Fax: (011) 26170691, 26161271,
E-mail: info@jindalsteel.com
Web Site : www.jindalstainless.com

Bhubaneshwar Office

IDCO Tower, 6th Floor, Janpath, Bhubaneshwar – 751 022 (Orissa), India.
Phone: (0674) 2545561, 2544846, 2545562 Fax : (0674) 2546147
E-mail: info.bbs@jindalsteel.com

Manufacturing Facilities

Hisar
O.P. Jindal Marg, Hisar-125 005 (Haryana) India.
Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499,
E-mail: info.hisar@jindalsteel.com

Orissa

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