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Email: info.hisar@jindalsteel.com  
Email for investors: investorcare@jindalstainless.com

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[www.jindalstainless.com](http://www.jindalstainless.com)

# SHAPING A STAINLESS WORLD

ANNUAL  
REPORT  
2012/13



# MAGIC OF STAINLESS STEEL

Stainless steel is a unique metal. It beats corrosion, gets easily recycled and has incredible strength to weight ratio. Which is why, it's the metal of choice across industries. Thanks to stainless steel train wagons, automobiles, buildings, bridges and even nuclear reactors are getting stronger, lighter and long lasting.

With 180,000 tons of fully integrated capacity we are happy to be driving the growth of the stainless steel market in India. We are part of the \$ 18 billion USD OP Jindal group & India's largest integrated manufacturer of stainless steel with both backward and forward integration.

**JSL STAINLESS STEEL  
GRADES USED BY  
DELHI METRO**



# STRONGER THAN STEEL

Stainless steel is the preferred material for the structural components of Pressurized Water Reactors and Fast Breeder Reactors owing to its superior Strength-to-Weight ratio, Corrosion Resistance. Stainless steels are also the materials of choice for reprocessing spent fuel discharged from the reactor. The recovered uranium and plutonium can be gainfully recycled for use as nuclear fuel. Jindal Stainless Limited has successfully supplied 304L stainless steels to nuclear sector meeting the most stringent technical requirements.

## JSL STAINLESS STEEL GRADES USED BY NUCLEAR SECTOR

- 304 L (NAG)
- 304
- 304L
- 304 LN
- 316
- 316L
- 316LN
- 321
- 310S





**Shri O.P. Jindal**

August 7, 1930 - March 31, 2005  
O.P. Jindal Group- Founder & Futurist

## ***Some stories are immortal***

Shri Om Prakash Jindal, Founder Chairman of the O.P. Jindal Group was a passionate believer in creating a self-reliant India. All throughout his life he pioneered development, application and dissemination of the most innovative and cost-effective technologies, which were in many ways unique and inimitable. In this quest for self-reliance and national pride, he created the foundations of a business empire, which would not only occupy a prominent position on the industrial map of India, but also contribute holistically towards the betterment of the society and the country at large. His undying passion for innovation and excellence is best reflected in the world class R&D Centre in the Group's Hisar Unit. His distinct vision of the future laid the foundation for Shaping a Stainless India.



**Savitri Devi Jindal**

Chairperson

At Jindal Stainless, we are committed to doing business in a sustainable way. Our core approach while addressing social & development issues is to encourage all stakeholders to undertake sustainable interventions with the aim of achieving the overall vision of JSL becoming a socially responsible corporate.

I feel very encouraged to see that in the vicinity of the plant locations, JSL has engaged in a number of community development projects, thereby playing our part in creating growth for all. I am particularly touched by the projects directed towards 'Women's Empowerment' as I believe in the old adage, 'you empower a woman, you empower a family - you empower a family, you empower a community'. As part of the programme, women have been trained in book keeping skills and subsequently bank accounts were opened for each woman, which helped them use the credit facility prudently to grow their businesses.

We feel proud to have expanded the facilities of the NC Jindal Institute of Medical Sciences over the past year by adding a Cardio Centre and a specialized Cancer Centre. Now people in and around Hisar can easily access treatment for these ailments instead of travelling hundreds of miles to bigger cities around Hisar. In addition, mobile health vans, both in Hisar and Jajpur cover at least 40 villages on a daily basis to provide primary health care services.

Such initiatives help us to achieve our goal of inclusive growth within the communities we operate in. However, much more needs to be done and we remain committed to making positive contributions - today and tomorrow - that will benefit the world in which we live and future generations alike.





#### **Dear Shareholders,**

Financial Year 12-13 was stable but challenging. Global economic recovery continues to be impaired by the euro zone crisis and the lingering impact of the 2008-2009 economic meltdown. As a result unlike in 2010 and 2011, even emerging markets didn't perform as expected in 2012.

#### **Global Stainless Steel Scenario**

In the world of stainless steel also production figures presented a mixed picture. Global stainless steel production grew by 5.2% to reach a record high of 35.4 million metric tons. Most of which was accounted for by China. Everywhere else, growth has been negative mainly due to de-stocking.

In Asia (excluding China), stainless steel production decreased by 0.6% to 8.7 MT in 2012, whereas Japanese production reduced by 2.5% to 3.2 MT.

Even during the recent years of reduced economic activity, China has been the principal growth area for stainless steel production. During 2012 it increased production by 14.2% to reach 16.1 MT (based on corrected figures for 2011 and 2012).

The data for the year 2012 clearly reveals that, today Asia accounts for almost 70% of the world's stainless steel production. While it creates challenges for us in terms of increased competition in our region but at the same time, it also creates ample opportunities for India to reposition itself as a dominant player in the sector.

#### **Indian Stainless Steel Scenario**

The Indian stainless steel market for 2012-13 was at 2.4 MT, of which flat products accounted for approx. 2 MT.

At 1.8 kgs per capita stainless steel consumption in India is still very low. While, there is scope for growth, slowdown in sectors such as Infrastructure, Railways, Seaports, Airports, Highways and Bridges etc. are the major obstacles right now.

More importantly it's the cheap import of stainless steel especially from China that's denting the Indian stainless steel industry.

Some of the other major challenges faced by the industry are:

- Unfavorable duty structure
- Fluctuation in raw material pricing
- Shortage of coking coal
- Land acquisition and environment regulations
- Availability and pricing of domestic iron ore/chrome ore
- Insufficient infrastructure and logistics
- Downstream value addition

#### **JSL's Business performance**

Jindal Stainless(JSL) has achieved SMS production of 1,032,611 tons with a growth of around 28% over 2011-12. Further, our total income from operation also witnessed an increase of around 30% to Rs. 10,286 in comparison to the previous year corresponding figure of • 7,891 crore. However, global economic slowdown, overcapacity in China and dumping of cheap stainless steel material into India and other countries by China has weakened demand for stainless steel internationally. Consequently margins have shrunk and EBITDA during the reported period is Rs. 615 crore as compare to Rs. 904 crore in previous year. Moreover, company had to slow down the ramp-up of Jajpur, Odisha stainless steel operations as it could not enjoy economies of scale due to compressed margins, resulting in lower profitability during FY 2012-13.

#### **JSL's strategic initiatives to boost the usage of Stainless Steel**

##### **Producing and Promoting stainless steel**

Promoting stainless steel is just as important as producing it. As India's largest stainless steel producer we create innovative ideas & platforms for people to explore and experiment with the magical potential of stainless steel for art, architecture, lifestyle, engineering and much more.

Our lifestyle product division 'arttd'inox' seeks to match stainless steel with highly innovative lifestyle products, bringing out the beauty and functionality of the material. Our architecture division 'ARC' offers innovative products and customized solutions in stainless steel, and caters to the emerging market of stainless steel for architecture, building and construction in India. Our service centre network, Jindal Stainless Steelway, whose mantra being "servicing the stainless future", offers convenient, and customized just-in-time services to the doorsteps of its customers. JSL's Stainless Gallery provides a platform for creative minds for expressing their interpretation & experimentation with this metal.

Moreover, we are also in the process of tying up with NITs and other institutes to introduce a special course in stainless steel to promote awareness about this magical metal.

Recently, JSL has signed a Memorandum of Understanding (MOU) with the South Korean steel major POSCO to mutually cooperate with each other for long-term joint business opportunities and to create synergies based on mutual strengths as partners and not competitors. This MOU also entails a long-term supply of 200 series stainless steel product of Jindal Stainless to POSCO and its subsidiaries in South East Asia.

Apart from this, we have joined hands with prestigious organizations like BARC for supplying high quality stainless steel as material quality is very critical in all nuclear applications. We are also in the process of tying up with leading automobile companies for supplying high quality stainless steel for varied applications in the auto sector.

##### **JSL's Way Forward**

For us innovation is a key business driver. Our increased production capacity at Jajpur and enhanced product range has come in at the right moment for us. Key new products like 1650 mm width, HR products in lower thickness, plates in higher width etc. have given us access beyond the standard product line in stainless steel. We are focused on identifying and capturing niche and profitable segments to increase our market share.

Customer satisfaction is another key agenda for us. New initiatives like technical selling, increasing responsiveness and flexibility backed by an organizational restructuring will create a happier customer base.

Efforts for curbing imports and making the industry self-sufficient have also gathered momentum and we are now able to service customers without depending on imports.

Further, in these challenging business times, JSL remains committed to continue towards path of complete transformation and is geared up to meet future challenges.

These initiatives are just a step further towards achieving sustained profitability. We have a long way to go before we become a sustained value creator for not only our customers but for all our stakeholders towards which we remain committed.

Before I conclude, I would like to take this opportunity to thank all our stakeholders who have given their support, trust and faith in us as lenders, investors and analysts.

I would also like to thank our employees, the management team, the directors on the board for their unwavering support during these challenging times.

I extend my sincere thanks to all our customers for their continued loyalty.

#### **Ratan Jindal**

Vice Chairman & Managing Director



## JINDAL STAINLESS LIMITED

Highlights 2012-13 (Standalone)

### Key Highlights 2012-13

- Stainless Steel Melt Shop production 1,032,611 tons
- Gross Revenue ₹11,122 crore
- EBIDTA ₹615 crore
- PAT ₹(821) crore
- Debt Equity Ratio 7.48:1

### Contribution to Government & Society (₹crore)

	2010-11	2011-12	2012-13
Direct Taxes	130	70	44
Indirect Taxes	345	328	617
CSR Initiatives	3	6	1
Total	477	403	662

### Stainless Steel Melting Production (tons)

2008-09	466,834
2009-10	677,841
2010-11	701,814
2011-12	805,271
2012-13	1,032,611

5 years CAGR : 21.95%

### Stainless Steel Domestic Export Volume Ratio

2008-09	80%	20%
2009-10	79%	21%
2010-11	79%	21%
2011-12	79%	21%
2012-13	73%	27%

Domestic
  Export

### Gross Revenue (₹ crore)

2008-09	5,295
2009-10	6,119
2010-11	7,351
2011-12	8,498
2012-13	11,122

5 years CAGR : 20.39%

### EBIDTA (₹ crore)

2008-09	359
2009-10	1,077
2010-11	1,081
2011-12	904
2012-13	615

5 years CAGR : 14.42%

### EBIDTA/Net Sales (%)

2008-09	7.4%
2009-10	18.7%
2010-11	15.8%
2011-12	11.5%
2012-13	6.0%

### Earning Per Share - Diluted (₹)

2008-09	(32.41)
2009-10	21.87
2010-11	16.71
2011-12	(5.52)
2012-13	(43.15)



### HISAR

The foundation of the largest stainless steel company in India was laid in Hisar, Haryana when the Jindal family decided to set up a stainless steel manufacturing plant in the early 1970's. By 1977-78 the plant was operational and it started to produce 10,000 MT per annum. In over three decades the Plant has progressed from 10,000 MT to 800,000 MT per annum and its product range includes; Slabs & Blooms, Hot Rolled Coils, Strips, Plates and Cold Rolled Coils.

The **Specialty Products Division** of the company gives it the unique distinction of being the world's largest producer of high quality Precision Strips and Stainless Steel Strips for Razor Blades. Apart from precision strips and razor blade stainless steel, the plant also produces coin blanks serving the requirements of both, Indian and International mints.

The Hisar plant is equipped with its own advance R&D which continuously researches on various grades of stainless steel. The R&D at Hisar has played a major role in helping Jindal Stainless to pioneer the commercialization of the 200 series and also to produce high quality stainless steel for the Nuclear Sector.

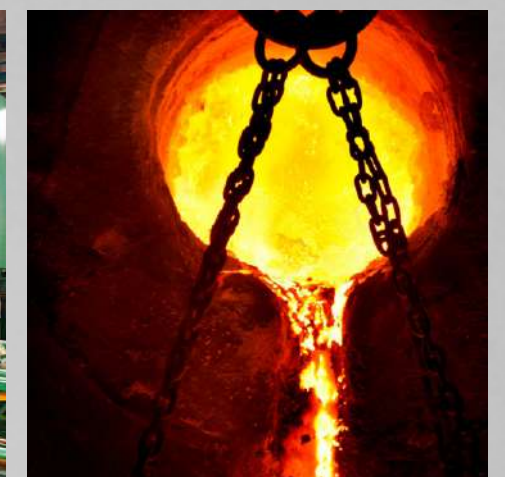
Hot Rolling Complex comprises of 4-Hi Twin stand Hot Steckel Mill and Tandem Strip Mill with a total capacity of 720,000 tons per annum & 350,000 tons per annum respectively. Hot Steckel Mill consists of a Roughing Stand, 2 Finishing Stands and a Walking Beam Slab Reheating Furnace. The Tandem Strip mill comprises of Reheating Furnace, Roughing Stand, five Finishing Stands and Down Coiler.

The complex also consists of Plate Annealing & Pickling facilities along with Shot Blasting, Straightening & Leveling equipment to produce Stainless Steel Plates of various grades.

Cold Rolling Complex has a capacity to produce 275,000 tons per annum of Cold Rolled Stainless Steel Flat products.

The complex is equipped with four 20 Hi-Sendzimir Cold Rolling Mills, four continuous Anneal and Pickle Lines, three of these are equipped with Electrolytic Pickling, one bright Annealing Line, three Coil Preparation Lines, four Slitting Lines, one Leveling and Sheet Shearing Line with associated facilities.

A dedicated facility for manufacture of very thin gauge, narrow precision strips with very high flatness, close tolerances and excellent surface finish exists in Hisar unit with large number of rolling mills, bright annealing lines, tension leveler & precision slitters enabling Hisar unit to produce cold rolled products in the wide range of 0.05 to 4 mm thickness.



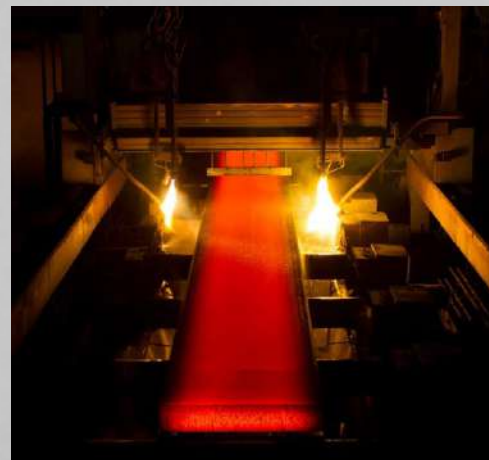


## INCREASED CAPACITIES

### ODISHA INDIA

In order to meet the rising demand for wider products, JSL set up a fully integrated stainless steel plant at Jajpur, Odisha. This plant is capable of producing unique and wide range of products both in terms of grades and dimensions. Hot Rolled Plates and Coils of 1650mm width and minimum thickness of 2mm in all grades of stainless steel can be produced as per the customers demand. Also, Cold Rolled Coils of minimum thickness of 0.3mm with maximum width of 1650mm can be achieved based on customers' need. Company's Jajpur plant is one of its kinds and envisages complete integration from mining to cold rolling along with captive power plant. As a part of forward integration, production facilities for 2,50,000 tpa Ferro Alloys; 4,30,000 tpa Coke Oven; 250MW Captive Power Plant ; 1mtpa stainless steel Melt Shop, 1.6mtpa Hot Rolling Mill and 0.95 mtpa Cold Rolling Mill have been set-up and are in operation progressively since year 2005.

The plant has the best chosen and advanced state of the art technologies from world's reputed technology suppliers like SMS-DEMAG for Stainless Steel Melting & Casting, Siemens VAI for Hot Rolling and Andritz Sundwig for Cold Rolling manufacturing facilities.



### VIZAG INDIA

In 1987, Ferro-Alloy division of Jindal Stainless was established in Vizag to enable smooth functioning of operations at JSL-Hisar. The 40,000 tons per annum facility produces specialty grades of ferro chrome for captive use in producing stainless steel for critical high end applications. The chrome ore required for the production of HCFC is sourced from the captive mines at Sukinda. In addition to the domestic market, the company exports Ferro Chrome to various developed countries.





### PT JINDAL STAINLESS, INDONESIA

Jindal Stainless took over the Stainless steel division of PT. Maspion, Indonesia in 2004 to get a foothold in the growing South East Asian market and thus, PT. Jindal Stainless Indonesia (PT. JSI) was born. Being the sole producer of Stainless steel in Indonesia, PT Jindal Stainless not only caters to the local demand but is also exporting to the neighboring countries. It is an internationally certified organization ñ ISO 9001:2008: Quality Management System, AD 2000 W0: Pressure Equipment (Germany), PED/97/23/EC: Pressure Equipment (EU), which is capable of producing all the cold rolled grades ñ 200, 300 and 400 series - of stainless steel.

In a span of 9 years, not only has the plant expanded its capacity from 60,000 MT P.A to 150,000 MT P.A but, also numerous upgrade and revamping of electrical system of Z-1 Rolling mill from analogue to Digital drive and PLC has been done.

PT. Jindal Stainless enjoys an impressive domestic market share of 60% and is a major player in South East Asian market. It caters to almost all the market segments in region: ñ Automobiles, Utensils, Fabrication, Pipes and Tubes, Palm Oil etc. A strong customer support to the extent of process adaptation and improvement has made PT. Jindal Stainless a market leader in South East Asian region.



### IBERJINDAL S.L. LTD

#### Jindal Stainless Service Centre

The service centre Iberjindal S.L., is a joint venture between Jindal Stainless and Fagor Industrial and is located in South Spain. The service centre offers customized formats & just-in-time services delivered to the doorstep of customers in Spain. The stainless steel coils are directly provided by Jindal Stainless, India. This is Jindal Stainless's first servicing facility in Europe. The Capacities of the Combo Line & the Polishing Line are 18,000 tons per annum & 14,500 tons per annum respectively.





Promoting stainless steel is just as important as producing it. As India's largest stainless steel producer we create innovative ideas & platforms for people to explore and experiment with the magical potential of stainless steel for art, architecture, lifestyle, engineering and

## JINDAL ST

Jindal Stainless Steelway Ltd., the domestic Jindal Stainless service centre network, offers convenient, customised, just-in-time services to the doorsteps of its customers. The company has partnered with Steelway s.r.l., a leading Italian company in the business of distribution and processing of steel, to service its valued customers with exact Slit, Cut to Size, Polished Stainless Steel Sheets, Coils and Blanks conforming to highest standards of processing tolerances.

Our Service Centre facilities in Gurgaon, Mumbai and Chennai are installed with state-of-the-art, high-end Precision Slitting, Cut to Length, Blanking and Polishing lines supplied by leading equipment manufacturers such as FIMI & IMEAS of Italy and IDH & Daehwa of South Korea. Each service centre has a capacity of 135,000 tons per annum and in addition, Gurgaon service centre has a Polishing capacity of 6,000 tons per annum

Some of the many services offered are :

1. Customized Stainless Steel Products
2. Inventory Management
3. Technical Value Engineering
4. Warehousing
5. Material Testing



A similar service centre will soon be operational at Vadodara in Gujarat. In addition, a larger service centre will be set up in Jajpur, Odisha with the 1.6 million tons per annum integrated stainless steel plant.

Find out more. Log on to [www.jindalsteelway.com](http://www.jindalsteelway.com)



## JSL ARCHITECTURE LTD

Stainless steel does a lot more for a building than just make it shine. It beats corrosion, increases strength and easily gets recycled. Which is why, buildings and infrastructural project not only get the chance to have longer life but also get to reduce their carbon footprint.

Which is why, at JSL's Architecture division we zealously promote this Green Metal within the Architecture, Building and Construction sectors in India. Our range of technical support services including design, engineering work, fabrication of quality material, finishes and job site supervision by trained personnel has got customers across the board to effortlessly shift to stainless steel. And you can already see the result of that in the form of stainless steel seating, signage, modular kitchens, lighting and many other applications across India.

Find out more. Log on to [www.jslsrc.com](http://www.jslsrc.com)

## AINLESS STEELWAY LTD



## JSL LIFESTYLE LTD

JSL Lifestyle Limited, a subsidiary of Jindal Stainless Limited, headed by Ms. Deepikaa Jindal is the company that creates spaces that speak of you using stainless steel as the core ingredient, be it modular kitchen, in kitchenware, in home and office accessories to cooking utensils. Spanning the different price points from the uber premium to everyday use, company has been formed with the sole vision 'WOW'.

Different brands under our umbrella are

- Arttdinox
- Stainless steel Modular Kitchens
- Krome

Find out more. Log on to [www.arttdinox.com](http://www.arttdinox.com)



arttdinox





## RESEARCH & DEVELOPMENT

JSL produces wide range of stainless steel flat products including Austenitic, Ferritic, Martensitic and Duplex grades and has global recognition for pioneering work towards development and commercialization of chrome-manganese stainless steels. The wide spectrum encompasses from lean austenitic to super-austenitic, lean duplex to super-duplex, low cost ferritic to high chromium ferritic, stabilized austenitic to stabilized ferritic & lean martensitic to highly alloyed martensitic stainless steels. The products cover complete requirements of customers seeking materials that are lustrous, resistant to corrosion, withstand high as well as cryogenic temperatures, easy to deep draw and are highly weldable.



### Development of New products

- Super Duplex Stainless Steel UNS S32750 with very high corrosion resistance.
- 304 Nitric Acid grade with superior Inter-granular Corrosion resistance for spent nuclear fuel processing plant.
- 305 austenitic stainless steel with high chromium and nickel for high strength with non-magnetic behaviour
- 431 highly alloyed martensitic stainless steel which exhibits high hardness and toughness.
- 416 sulfur containing martensitic stainless steel for high machinability
- Development of more cost effective stabilized ferritic 436L and 439 grades.
- Development of cold rolled thin gauge UNS S32205 duplex stainless steel.
- Development of highly corrosion resistant ferritic stainless steel for roofing in corrosive

environment

- Development of Clad Stainless steel plates on Lab scale.

### Process development

- Development of 430 grade without Bell annealing.
- Improvement in deep drawability and flaring properties of 409L

### Quality Improvement

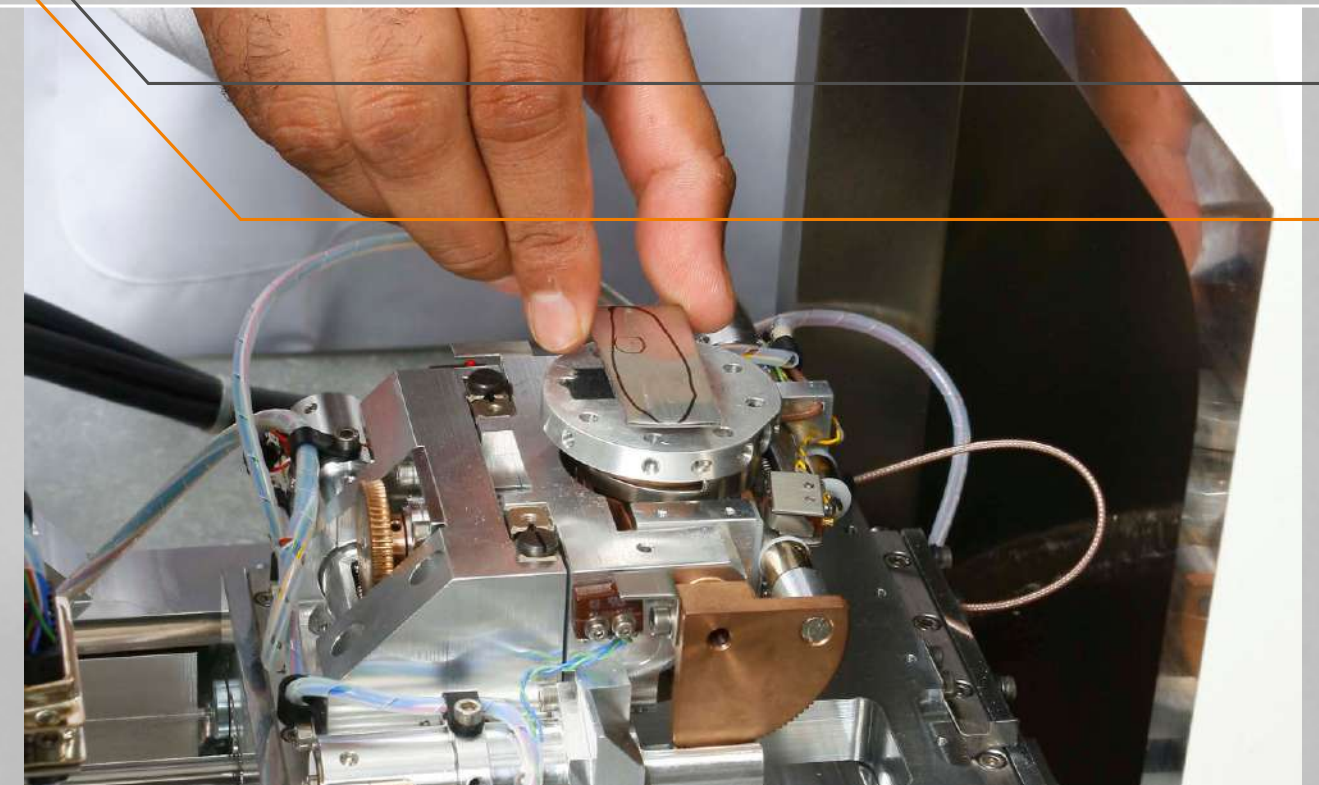
- Improvement in cold rollability, drawability and surface quality of some Chrome-Manganese stainless steels.
- Improvement in surface quality of stabilized austenitic stainless steels.

### Benefits Derived

- More diversified product mix.
- Manufacture of high value added products.
- Cost reduction
- Improved product quality.

### Future Plan of Action

- Energy conservation by warm charging of slabs.
- Improvement in yield of certain grades by reduction in grinding of slabs.
- Development of new value added products.
- Input cost reduction in certain grades.





## PROGRESS WITH PEOPLE

Progress with people is at the heart of our corporate ethos and human resource policies. And it is reflected in the way we build teams, create shared vision; execute our growth plans and nurture talent to address business challenges.

Jindal Stainless Limited remains focused on its long-term commitment towards development and nurturing of employees. As a learning organization, JSL aims at creating, acquiring and transferring knowledge to its employees and motivate them to reinvent their individual capabilities. The year saw focus on strengthening of HR processes, enhancement of leadership potential, building organization capability and employee communication.

JSL believes that development of leaders is directly proportionate to organization's high performance. JSL has focused on developing the skills and competencies required for the employees to deliver against different business complexities. In line with the same, company has made considerable effort and investment towards emerging leaders program "EXCEED" and "LEAP". These programs are aimed at enhancing leadership potential and providing a full spectrum of leadership development opportunity through various interventions.

JSL emphasizes continuous learning and employee trainings at all levels for building technical and behavioral competence, self-development and leadership development. All of these learning opportunities help employees develop skills necessary for time management; improving communication skills; managing and winning in teams; preventing personal and work conflicts and managing stress; dealing with internal and external customers. During the year, overall 4192 employees underwent training with the objective of enhancing capabilities.

With the objective of increasing employee engagement and enhancing the communication flow, specific initiatives such as "J-Pulse" & "Write to HR" was launched. These communication platforms bring employee's voice to action through opinion survey, organization dipstick, open forums, etc. In order to improve HRIS, SAP HR was implemented with focus on creating online Performance Management System and maintaining employee data.

Jindal Stainless Limited continues to manage its talent pool and able to meet the business needs through deploying manpower across business units.

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### GROWING TOGETHER

The CSR initiatives of the year 2012-2013 have focused on the issues of skill development, women empowerment, community development, integrated health care, education and infrastructure development. Through these programs we have reached out to the entire community and touched their lives in different ways.

Education initiatives have benefitted over 3000 children through different approaches like non-formal, remedial and education through sports programs.

Skill Training institutes at different locations have trained youth in Industrial electrical, IT, Sign Language (for deaf), Dress Designing and Beauty Culture

Health vans reached out to 40 villages and over 32000 people and provide them primary healthcare in a year

Women Empowerment programs reach out to over 3000 women who contribute towards monthly savings and are encouraged to become self reliant through developing their entrepreneurial skills. Developing infrastructure in the community like adding classes rooms in government schools, building community centres, constructing roads, play grounds etc.



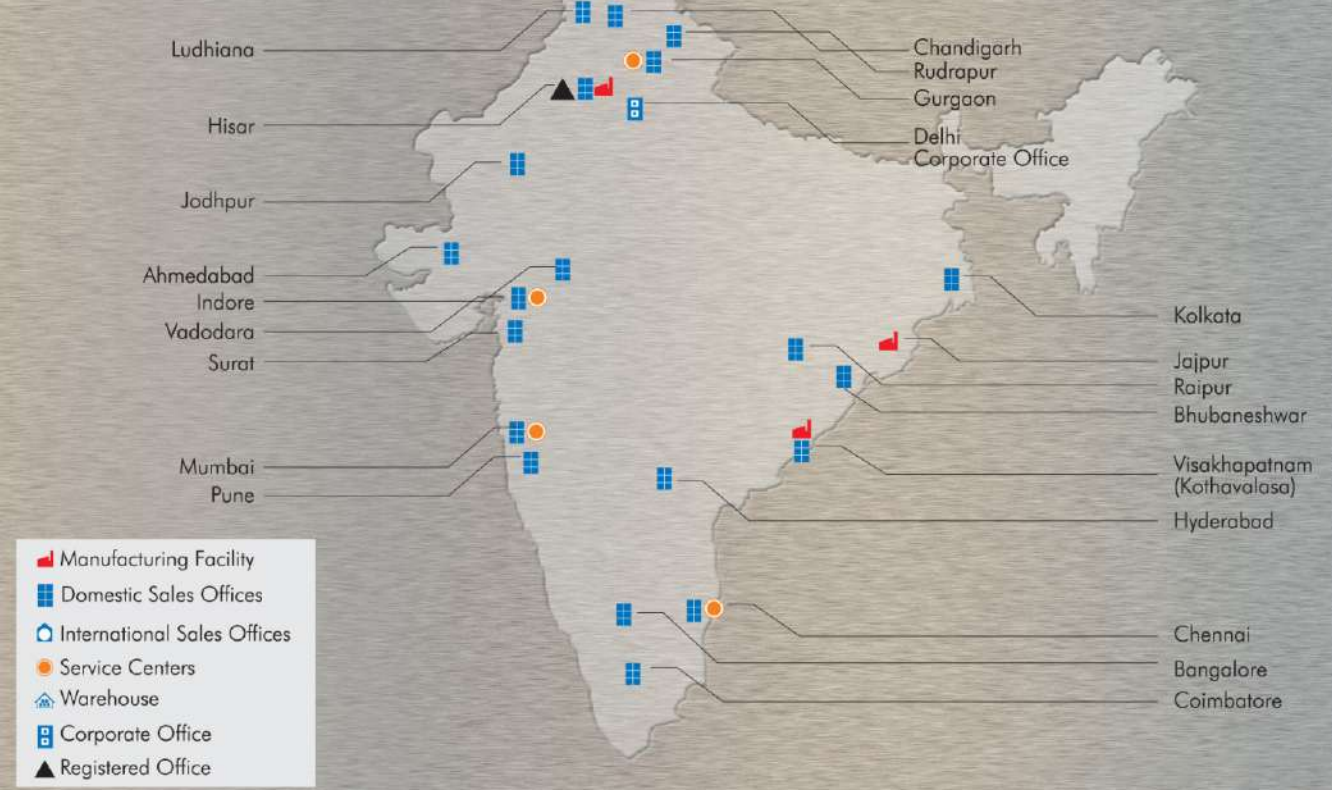
For the coming year we will continue to focus on skill development and women empowerment. In skill development we have initiated a new project in partnership with the ministry of rural development to reach out to the unemployed youth of Jammu & Kashmir and provide them skill training. Under women empowerment the focus of our activities is to promote and create model production centres at the village level which will be run by a group of women with support from Jindal Stainless Foundation.

Under education programme our focus during the ensuing year is on providing opportunities to underprivileged students to compete with other children in the JEE and other competitive examinations, through a novel coaching centre established at Odisha.

With these initiatives, we are proud to state that the reach of our CSR activities are not just restricted to our immediate sphere of influence but, we truly are following the vision of our late founder who believed that- “without the upliftment of weak and backward sections of the society, a nation can never prosper”.









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## Board of Directors

### Chairperson

Savitri Jindal

### Vice Chairman & Managing Director

Ratan Jindal

### Directors

Naveen Jindal

Suman Jyoti Khaitan

T.S. Bhattacharya

Rajeev Bakshi

James Alistair Kirkland Cochrane

Gautam Kanjilal (Nominee Director)

### Chief Executive Officer

Uday Kumar Chaturvedi

### Executive Director (Finance)

Jitender P. Verma

### Company Secretary

Jitendra Kumar

## Working Capital Bankers

Axis Bank

Bank of Baroda

Canara Bank

ICICI Bank

Punjab National Bank

State Bank of India

State Bank of Patiala

Standard Chartered Bank

## 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 (Andhra Pradesh) and  
Jajpur (Odisha)



**NOTICE** is hereby given that the **33rd Annual General Meeting** of Shareholders of **Jindal Stainless Limited** will be held on Thursday, the 26th day of September, 2013 at 11:30 a.m. at **Registered Office** of the Company at **O.P. Jindal Marg, Hisar - 125 005 (Haryana)** to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Mr. Suman Jyoti Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T.S. Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. James Alistair Kirkland Cochrane, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory and Branch Auditors and to fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:
  - I. **"RESOLVED** that pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956, the retiring Joint Statutory Auditors, M/s. Lodha & Co., Chartered Accountants (Firm Regn. No. 301051E) and M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Regn. No. 000756N) be and are hereby appointed as Joint Statutory Auditors of the Company from the conclusion of this meeting upto the conclusion of the next Annual General Meeting on such terms and conditions, including remuneration as may be finalized by the Board of Directors."
  - II. **"RESOLVED** that M/s. N.C. Aggarwal & Co., Chartered Accountants (Firm Regn. No. 003273N), be and is hereby re-appointed as Branch Auditors of Visakhapatnam division of the Company for the financial year ending 31st March, 2014 on such terms and conditions, including remuneration as may be finalized by the Board of Directors."

**SPECIAL BUSINESS:**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, 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, Mr. Uday Kumar Chaturvedi be and is hereby appointed as Director of the Company, liable to retire by rotation."

**7. AS A SPECIAL RESOLUTION:**

**"RESOLVED** that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment or modifications or any re-enactment thereof ("the Act") and subject to all necessary consents and approvals, if any, consent of the Company be and is hereby accorded to the appointment of Mr. Uday Kumar Chaturvedi as 'Whole Time Director' of the Company designated as "Chief Executive Officer" for a period of three years w.e.f. 27th May, 2013 on the terms of remuneration set out below:

1. Period of appointment : 3 years with effect from 27th May, 2013 to 26th May, 2016.
2. Remuneration:
  - (a) Annual Fixed Pay (inclusive of basic salary, perquisites, allowances and other benefits): Upto ₹ 1,85,00,000/- (Rupees One Crore Eighty Five Lacs only).
  - (b) Variable Pay (Performance Linked Incentive) to be paid annually as per Management Incentive Scheme of the Company: Such sum as may be determined by the Board and/or Remuneration Committee of Directors of the Company, from time to time, provided that the total variable pay shall not exceed 30% of annual fixed pay in any of the financial years during his tenure.
  - (c) Retirement / Other benefits:  
Gratuity, provident fund, leave encashment, Group personal accident insurance, Company maintained car and driver, mobile phone expenses, medical insurance and other benefits as per the applicable policies and rules of the Company.
3. He shall also be entitled to such annual increment as may be determined by the Board and/or Remuneration Committee of Directors of the Company, subject to the condition that the aggregate increase of remuneration by annual increments during his tenure shall not exceed 75% of his total remuneration including annual fixed pay, variable pay and retirement / other benefits mentioned above.
4. He shall also be entitled to reimbursement of all legitimate expenses actually and properly incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

5. He shall also be entitled to Employees Stock Options under Employees Stock Option Scheme / Plan of the Company as per the rules of the Company.
6. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
7. He shall be liable to retire by rotation.

**RESOLVED FURTHER** that in the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act in any financial year or years, the remuneration as approved herein be paid as minimum remuneration to Mr. Uday Kumar Chaturvedi, Chief Executive Officer, subject to requisite approvals under the said Act.

**RESOLVED FURTHER** that the Board and/or Remuneration Committee of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Uday Kumar Chaturvedi, Chief Executive Officer within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

**8. AS A SPECIAL RESOLUTION:**

**"RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment or modifications or any re-enactment thereof ("the Act") and subject to all necessary consents and approvals, if any, consent of the Company be and is hereby accorded to the revised terms of remuneration of Mr. Jitender P. Verma, Executive Director (Finance) for a period of three years w.e.f. 1st April, 2013 to 31st March, 2016 during the current tenure of his appointment, as set out below:

1. Revised terms of remuneration: 3 years with effect from 1st April, 2013 to 31st March, 2016.
  2. Remuneration:
    - (a) Annual Fixed Pay (inclusive of basic salary, perquisites, allowances and other benefits): Upto ₹ 1,60,00,000/- (Rupees One Crore Sixty Lacs only).
    - (b) Variable Pay (Performance Linked Incentive) to be paid annually as per Management Incentive Scheme of the Company: Such sum as may be determined by the Board and/or Remuneration Committee of Directors of the Company, from time to time, provided that the total variable pay shall not exceed 30% of annual fixed pay in any of the financial years during his tenure.
    - (c) Retirement / Other benefits:  
Gratuity, provident fund, leave encashment, Group personal accident insurance, mobile phone expenses, medical insurance and other benefits as per the applicable policies and rules of the Company.
- In addition to the above, Mr. Jitender P. Verma shall be entitled to the following:
- A lump sum amount of ₹ 25,00,000 (Rupees Twenty Five Lacs only) per annum will be paid to him after completion of each financial year during his above tenure, as part of long term incentive plan. However, in case of resignation / termination from the services during his tenure, this ex-gratia amount will be paid on prorata basis for that particular year only.
3. He shall also be entitled to such annual increment as may be determined by the Board and/or Remuneration Committee of Directors of the Company, subject to the condition that the aggregate increase of remuneration by annual increments during his tenure shall not exceed 75% of his total remuneration including annual fixed pay, variable pay and retirement / other benefits mentioned above.
  4. He shall also be entitled to reimbursement of all legitimate expenses actually and properly incurred by him while performing his duties and such reimbursement will not form part of his remuneration.
  5. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
  6. He shall be liable to retire by rotation.

**RESOLVED FURTHER** that in the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act in any financial year or years during the period mentioned above, the remuneration as approved herein be paid as minimum remuneration to Mr. Jitender P. Verma, Executive Director (Finance) subject to requisite approvals under the said Act.

**RESOLVED FURTHER** that the Board and/or Remuneration Committee of Directors of the Company be and is hereby authorised to vary and/or revise the remuneration of Mr. Jitender P. Verma, Executive Director (Finance) within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

**9. AS A SPECIAL RESOLUTION:**

**"RESOLVED** that pursuant to the provisions of Section 314(1) read with Director's Relative (Office or Place of Profit) Rules, 2003 as amended from time to time and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to all the provisions, sanctions, permissions, consents under the statutes applicable in United Arab Emirates, consent of the Company be and is hereby granted to the re-appointment of Mr. Abhyuday Jindal, son of Mr. Ratan Jindal, Vice Chairman & Managing Director of the Company at office or place of profit in its wholly owned subsidiary 'Jindal Stainless FZE, Dubai' w.e.f.



19th December, 2013 for a period of 3 years on the remuneration, perquisites and on terms and conditions as set out herein below:

1. Period: 3 years w.e.f. 19th December, 2013
2. Remuneration: Consolidated Salary: Upto ₹ 1,50,000/- (Rupees One Lac Fifty Thousand only) per month or equivalent in any other foreign currency.  
Apart from above Salary, he shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
3. Designation: Manager. During his tenure, he may be re-designated as per the Policy of the Company.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the aforesaid resolution."

Registered Office:  
O.P. Jindal Marg,  
HISAR – 125 005.  
22nd August, 2013

By order of the Board  
  
(Jitendra Kumar)  
Company Secretary

#### NOTES:

- 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.
- A blank proxy form is sent herewith.
- 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.
- An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Item nos. 6 to 9 of the Notice is annexed hereto.

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

##### ITEM NO. 6 & 7

The Board of Directors appointed Mr. Uday Kumar Chaturvedi as an Additional Director with effect from 27th May, 2013 pursuant to Article 78 of the Articles of Association and section 260 of the Companies Act, 1956. Subject to the approval of Shareholders of the Company, he was designated as Chief Executive Officer for a period of 3 years w.e.f. 27th May, 2013. 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.

Pursuant to the provisions of Schedule XIII of Companies Act, 1956, since the Company has incurred loss during the financial year ended 31st March, 2013, besides other approvals, the shareholders approval by way of special resolution will also be required for payment of remuneration in excess of limit specified in Section II of Part II, sub clause (B) of Schedule XIII of the Companies Act, 1956.

The profile of Mr. Uday Kumar Chaturvedi and other information under para 1(C)(iv) of Section II of Part II of the Schedule XIII to the Act are provided under the head 'Additional Information'. His appointment will be subject to retirement by rotation.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified in the resolution are placed before the members in the General meeting for their approval.

The above may be treated as an abstract required under section 302 of the Companies Act, 1956. There is no written agreement in this regard.

Your Directors recommend the resolution at Item No. 6 as ordinary resolution and resolution at Item No. 7 as special resolution for your approval

None of the Directors other than Mr. Uday Kumar Chaturvedi, may be deemed to be concerned or interested in the aforesaid resolutions.

##### ITEM NO. 8

The Board of Directors appointed Mr. Jitender P. Verma as Executive Director (Finance) for a period of five years w.e.f. 9th February, 2012. Further, the shareholders of the Company approved his appointment as well as remuneration by passing special resolution at the Annual General Meeting held on 26th September, 2012.

Keeping in view his vast experience and his performance, the Remuneration Committee and the Board of Directors at their respective meetings held on 27th May, 2013 revised his terms of remuneration as mentioned in the resolution at item no. 8 subject to all necessary consents and approvals.

Pursuant to the provisions of Schedule XIII of Companies Act, 1956, since the Company has incurred loss during the financial year ended 31st March, 2013, besides other approvals, the shareholders approval by way of special resolution will also be required for payment of remuneration in excess of limit specified in Section II of Part II, sub clause (B) of Schedule XIII of the Companies Act, 1956.

The profile of Mr. Jitender P. Verma and other information under para 1(C)(iv) of Section II of Part II of the Schedule XIII to the Act are provided under the head 'Additional Information'.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified in the resolution are placed before the members in the General meeting for their approval.

The above may be treated as an abstract required under section 302 of the Companies Act, 1956. There is no written agreement in this regard.

Your Directors recommend the resolution at Item No. 8 as special resolution for your approval.

Mr. Jitender P. Verma, being concerned, is interested in this resolution. None of the other directors of the Company are concerned or interested in the resolution.

##### ITEM NO. 9

Mr. Abhyuday Jindal, son of Mr. Ratan Jindal, Vice Chairman & Managing Director of the Company was appointed at a place of profit in its wholly owned subsidiary 'Jindal Stainless FZE, Dubai' w.e.f. 19th December, 2010 for a period of 3 years on the remuneration, perquisites and on terms and conditions as approved by the shareholders at the Annual General Meeting held on 27th September, 2011.

The term of appointment of Mr. Abhyuday Jindal is valid till 18th December, 2013. The Board of Directors, subject to approval of the shareholders, re-appointed Mr. Abhyuday Jindal, son of Mr. Ratan Jindal, Vice Chairman & Managing Director of the Company, at office or place of profit in its wholly owned subsidiary 'Jindal Stainless FZE, Dubai' for a further period of 3 years with effect from 19th December, 2013 at remuneration, perquisites and on terms and conditions as set out in the resolution at Item No.9.

Mr. Abhyuday Jindal holds a Bachelor of Arts (BA) degree in Economics and Minor in Business Management from Boston University.

As per the provisions of section 314 (1) of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profit) Rules, 2003 as amended from time to time, a relative of a director can be appointed at a place of profits under the Company or any of its subsidiary, with consent of the Board of Directors and shareholders of the Company by passing special resolution, if the monthly remuneration payable to him does not exceed ₹ 2,50,000/- per month.

Accordingly, the resolution at Item No. 9 is recommended for your approval as a special resolution.

Smt. Savitri Jindal and Mr. Ratan Jindal, being relatives of Mr. Abhyuday Jindal, are interested in the resolution.

None of the other directors of the Company are concerned or interested in the resolution.

**The relevant details pursuant to Schedule XIII of the Companies Act, 1956, are as under:**

Sr No.	Description	Mr. Uday Kumar Chaturvedi	Mr. Jitender P. Verma
<b>I General Information</b>			
(1)	Nature of Industry	Your Company is engaged in manufacture 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 the year ended 31st March, 2013, the Company's revenue from operations was ₹ 11,121.88 crore and Earning before Interest, Depreciation, Tax & Amortisation (EBIDTA) was at ₹ 614.97 crore. The detailed balance sheet, profit & loss account and other financial statements form part of this annual report.	
(5)	Export performance and net foreign exchange collaborations	During financial year 2012-13, the revenue generated out of export sales was ₹ 3219.85 crore, which constituted 28.95% of revenue from operations. The total foreign exchange earnings during the year were ₹ 3,047.72 crore, whereas total foreign exchange outflow was ₹ 4,917.92 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 Indian etc. as on 31st March, 2013 stands at 57.31%.	



II	Information about Appointee	Mr. Uday Kumar Chaturvedi	Mr. Jitender P. Verma
(1)	Background details, recognition or awards	<p>A well known steel technologist, Mr. Chaturvedi has acquired skills in Steel making and continuous casting from Strathclyde University, Glasgow. He has also done Advanced courses on Management from CEDEP (INSEAD) – France, Strategy from Wharton School, University of Pennsylvania – USA, and Mergers and Acquisitions from Kellogg School of Management – USA. There are many technical papers on steel technology to the credit of Mr. Chaturvedi.</p> <p>In his distinguished career, Mr. Uday Kumar Chaturvedi has served in various capacities including Board Membership of Tata Refractories – India, Tata Yodagawa – India, Tata Steel Thailand Ltd. – Singapore, Nat Steel Asia – Singapore, Corus Group, Tata Steel – UK, Hewitt and Robins – UK and as Chairman of Indian Steel &amp; Wire Products – India and Lanka Special Steel Limited – Sri Lanka. His last assignment was with Tata Steel, Europe as Chief Technical Officer.</p> <p>He has also served in honorary capacity as Governor of Tata Steel Football Academy, Tata Steel Athletic Academy, President, United Club, Jamshedpur, President Jharkhand State Badminton Association, Chairman CII, Jharkhand Chapter, Representative for Tata Steel at the Indian Ceramic Society and Member, Indian Institute of Metals.</p>	<p>Mr. Jitender P. Verma is a Commerce Graduate and a “Fellow” member of the Institute of Chartered Accountants of India (ICAI). He is also a Graduate member of Institute of Directors, Thailand. He has a rich experience of over 25 years at senior management level in India and Overseas across various industries, including last 8 years in Stainless Steel industry. Prior to joining Jindal Stainless Limited, he served ‘Thainox Stainless PLC’ (a Thai-Listed entity and an earlier subsidiary of Arcelor-Mittal Group) as CFO, Acting Managing Director and Board member from 2005 till 2011. He also served ‘Dole Food Inc.’, a US Fortune 500 MNC in various capacities like Finance Director, Thailand; Regional Treasurer, Asia, based at Hong Kong; Finance Director - Asia, based at Manila, during the period 1998 to 2005. Prior to that, he served ‘Seagate Technologies, a US Fortune 500 MNC’ as Director - Finance during 1996 to 1998. He was also associated with G.P. Group of Companies and East India Hotels Limited, during early part of his professional career.</p>
(2)	Job Profile and his suitability	Mr. Uday Kumar Chaturvedi is the Chief Executive Officer and is responsible for the overall operations of the Company. Taking into account Mr. Chaturvedi’s qualifications, his extensive experience and the responsibilities shouldered by him, the Board considers his appointment to be in the best interests of the Company.	Mr. Jitender P. Verma is the Executive Director (Finance) and is heading the Finance function in the Company. Taking into account Mr. Verma’s performance and the crucial role played by him in the restructuring of Company’s debts, the Board considers it appropriate to revise his terms of remuneration.
(3)	Past remuneration Financial Year 2012-13	Not Applicable. Mr. Uday Kumar Chaturvedi has been appointed w.e.f. 27th May, 2013	₹ 1,51,97,778/- for the financial year 2012-13.
(4)	Remuneration proposed	The details of remuneration proposed to be paid to Mr. Chaturvedi have been provided at Resolution No. 7 of this Notice forming part of the Annual Report.	The details of remuneration proposed to be paid to Mr. Verma have been provided at Resolution No. 8 of this Notice forming part of the Annual Report.
(5)	Comparative Remuneration profile with respect to industry, size of the company, profile of the position or person	The executive remuneration in the industry has increased manifold. The Remuneration Committee constituted by the Board in terms of the Schedule XIII of the Companies Act, 1956 took into account remuneration drawn by managerial persons in the steel industry and other companies comparable with the size of the Company, industry benchmarks in general, qualification, experience, responsibilities etc. of Mr. Uday Kumar Chaturvedi and Mr. Jitender P. Verma, while approving the remuneration as proposed herein before.	
(6)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Besides the remuneration proposed herein, Mr. Uday Kumar Chaturvedi and Mr. Jitender P. Verma do not have, directly or indirectly, any material pecuniary relationship with the Company or with the managerial personnel.	

III	Other Information	
(1)	Reasons for loss or inadequate profits	The financial results of the Company during the year 2012-13 have been adversely impacted inter-alia on account of (i) Economic slowdown in Europe and most large countries in Asia, resulting into weak demand for Stainless Steel internationally, squeezing margins in markets; (ii) Over capacity in China and dumping of Stainless Steel material into India leading to reduced margins in the Company’s markets; (iii) Owing to above factors, the Company slowed down the ramp-up of Jajpur, Odisha Stainless Steel operations leading to lower margins as the Company could not enjoy economies of scale at that plant; and (iv) Monopolistic pricing policies of certain PSU companies leading to erosion of margins in ferro chrome unit.
(2)	Steps taken or proposed to be taken for improvement in productivity and profit	As an ongoing process, the Company has undertaken / is under the process of undertaking several measures to further improve the efficiency in its business processes and to optimize the cost. The Company is now focussing more on the domestic market and diversification into international markets so that it can mitigate challenges arising from external sources. Efforts are being made to ensure that Jajpur ramp-up is achieved as soon as possible to bring down the cost. The Company is also trying to bring to light the matter of dumping and price under-cutting to the Government authorities so that it is able to get a level playing field in the domestic market. Government’s endeavour to promote exports by providing incentive through Export Incentivisation Scheme on incremental exports and inclusion of certain grades of Stainless Steel in Focus Product Scheme are also encouraging measures.
(3)	Expected increase in productivity and profit in measurable terms	In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of increase in revenue and profits in coming years.
<b>IV Disclosures</b>		
(1)	The remuneration paid to each Managerial Personnel is suitably disclosed in the Board of Directors’ Report under the heading “Corporate Governance Report” forming part of the Annual Report	
(2)	The following disclosures are mentioned in the Board of Directors’ Report under the heading “Corporate Governance Report” attached to the annual report:	
	(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 alongwith the performance criteria;	
	(iii) Service contracts, notice period.	

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

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

**Brief Profile of Mr. Suman Jyoti Khaitan:**

Mr. Suman Jyoti Khaitan, a graduate in economics and law, is an eminent lawyer and a partner of Khaitan & Partners, New Delhi, an Indian law firm. He has wide experience in handling and advising on important legal matters in various areas of practice including arbitration, aviation, banking, civil, corporate, criminal, finance, insurance, litigation, power, project finance and taxation matters.

**Outside Directorship:** Best Foods Ltd., Hindusthan Vidyut Products Ltd., Indo Rama (Synthetics) India Ltd., KPL International Ltd., Lumax Industries Ltd., Monnet Power Company Ltd., Oriental Carbon and Chemicals Ltd. and Skipper Electricals (India) Ltd.

**Committee Membership:** Member of Audit Committee of Jindal Stainless Limited, Oriental Carbon and Chemicals Ltd.; Member of Investors’ / Shareholders’ Grievance Committee of Jindal Stainless Limited, Hindusthan Vidyut Products Ltd. and Oriental Carbon and Chemicals Ltd.



**Brief Profile of Mr. T.S. Bhattacharya:**

Mr. T.S. Bhattacharya has a master degree in nuclear physics, a post graduate diploma in management sciences and is a Certified Associate of Indian Institute of Bankers. He has over 38 years of rich banking experience and last served the post of the Managing Director of State Bank of India in the year 2008, before joining the Company.

**Outside Directorship:** Specialty Restaurants Ltd., Abhijeet Power Ltd., Surya Roshni Ltd., IDFC Securities Ltd., Sayaji Hotels Ltd., Amertex Industries Ltd., IDFC AMC Trustee Company Ltd., Ind Swift Laboratories Ltd. and Nandan Exim Ltd.

**Committee Membership:** Member of Audit Committee of Jindal Stainless Limited and Specialty Restaurants Ltd.

**Brief Profile of Mr. James Alistair Kirkland Cochrane:**

Mr. James Alistair Kirkland Cochrane holds a master's degree in business administration from Strathclyde Graduate Business School in the UK. He is the C.E.O. of ENRC Marketing AG, responsible for developing and implementing the sales and marketing strategy of the Eurasian Natural Resources Corporation (ENRC) Group, a leading diversified natural resources Group with fully integrated mining, processing, energy and transport operations. From mid-2008, he is heading the business development division, responsible for leading the ENRC Group's strategic planning, focussing on the organic development of the business and mergers and acquisitions. Prior to joining the Group in 2001, Mr. Cochrane gained extensive experience in marketing and business development in the steel and mining industry having spent 12 years with BHP Billiton, and also having worked for Samancor Chrome, Impala Platinum and Schlumberger. Since 2006, Mr. Cochrane has been the President of the International Chromium Development Association.

**Outside Directorship:** Nil

**Committee Membership:** Nil

**Brief Profile of Mr. Uday Kumar Chaturvedi:**

A well known steel technologist, Mr. Chaturvedi has acquired skills in Steel making and continuous casting from Strathclyde University, Glasgow. He has also done Advanced courses on Management from CEDEP (INSEAD) – France, Strategy from Wharton School, University of Pennsylvania – USA, and Mergers and Acquisitions from Kellogg School of Management – USA. There are many technical papers on steel technology to the credit of Mr. Chaturvedi.

In his distinguished career, Mr. Uday Kumar Chaturvedi has served in various capacities including Board Membership of Tata Refractories – India, Tata Yodagawa – India, Tata Steel Thailand Ltd. – Singapore, NatSteel Asia – Singapore, Corus Group, Tata Steel – UK, Hewitt and Robins – UK and as Chairman of Indian Steel & Wire Products – India and Lanka Special Steel Limited – Sri Lanka. His last assignment was with Tata Steel, Europe as Chief Technical Officer.

He has also served in honorary capacity as Governor of Tata Steel Football Academy, Tata Steel Athletic Academy, President, United Club, Jamshedpur, President Jharkhand State Badminton Association, Chairman CII, Jharkhand Chapter, Representative for Tata Steel at the Indian Ceramic Society and Member, Indian Institute of Metals.

**Outside Directorship:** Nil

**Committee Membership:** Nil

**Brief Profile of Mr. Jitender P. Verma:**

Mr. Jitender P. Verma is a Commerce Graduate and a "Fellow" member of the Institute of Chartered Accountants of India (ICAI). He is also a Graduate member of Institute of Directors, Thailand. He has a rich experience of 25 years at senior management level in India and Overseas across various industries, including last 7 years in Stainless Steel industry.

Prior to joining Jindal Stainless Limited, he served 'Thainox Stainless PLC' (a Thai-Listed entity and an earlier subsidiary of Arcelor-Mittal Group) as CFO, Acting Managing Director and Board member from 2005 till 2011. He also served 'Dole Food Inc.', a US Fortune 500 MNC in various capacities like Finance Director, Thailand; Regional Treasurer, Asia, based at Hong Kong; Finance Director - Asia, based at Manila, during the period 1998 to 2005. Prior to that, he served 'Seagate Technologies, a US Fortune 500 MNC' as Director - Finance during 1996 to 1998. He was also associated with G.P. Group of Companies and East India Hotels Limited, during early part of his professional career.

**Outside Directorship:** Jindal Stainless Steelway Limited, JSL Lifestyle Limited and JSL Architecture Limited.

**Committee Membership:** Member of Shareholders' / Investors' Grievance Committee of Jindal Stainless Limited; Audit Committee of Jindal Stainless Steelway Limited; and Audit Committee of JSL Architecture Limited.

Registered Office:  
O.P. Jindal Marg,  
HISAR – 125 005.  
22nd August, 2013

By order of the Board

(Jitendra Kumar)  
Company Secretary

**FOR ATTENTION OF SHAREHOLDERS**

1. The register of members and share transfer books of the Company will remain closed from Wednesday, 18th day of September, 2013 to Friday, 20th day of September, 2013 (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. As per provisions of the Companies Act, 1956, facility for making nomination is available to individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form 2B prescribed by the Government from the Company's Secretarial Department at its Registered Office or its RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
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, 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 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, O.P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA, to enable both Nalwa Sons Investments Limited and Jindal Stainless 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 comprising shares of face value of Rs.10/- each are hereby requested to surrender their share certificates to **THE COMPANY SECRETARY, JINDAL STAINLESS 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.
  - \* In pursuance of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The members, if they desire, may write to Company Secretary at O.P. Jindal Marg, Hisar – 125 005 (Haryana) to obtain the copy of the annual report of the subsidiary companies.
- 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.
- \* 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.**



TO

THE MEMBERS,

Your Directors have pleasure in presenting the 33rd Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2013.

**Financial Results**

Your Company's performance for the financial year ended 31st March, 2013 is stated below:

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2013	Year Ended 31.3.2012	Year Ended 31.03.2013	Year Ended 31.3.2012
Revenue from operations (Gross)	11,121.88	8,498.33	12,128.47	9,364.29
Less: Excise Duty on sales	835.67	607.28	823.73	598.98
Revenue from Operations (Net)	10,286.21	7,891.05	11,304.74	8,765.31
Profit before other Income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation (EBIDTA)	614.97	904.04	708.56	947.65
Add: Other Income	44.13	75.31	35.04	57.88
Less: Finance Costs	990.29	516.80	1,043.44	570.17
Less: Depreciation / Amortisation	701.31	408.61	740.14	448.50
Profit/(Loss)Before Tax & Exceptional Items	(1,032.50)	53.94	(1,039.99)	(13.14)
Add: Exceptional Items – Gain/(Loss)	(166.96)	(207.76)	(183.99)	(231.45)
Profit/(Loss) Before Tax	(1,199.46)	(153.82)	(1,223.98)	(244.59)
Less: Tax Expenses	(378.64)	(49.91)	(381.94)	(63.15)
Net Profit/(loss) after Tax	(820.82)	(103.91)	(842.04)	(181.44)
Share in Profit / (Loss) of Associate	-	-	(0.41)	(1.22)
Minority Interest	-	-	1.74	2.89
Net Profit / (Loss) (After Adjustment for Associate & Minority Interest)	(820.82)	(103.91)	(840.71)	(179.78)
Add:				
Amount brought forward	618.69	716.58	530.87	704.63
Debenture Redemption Reserve written back	3.77	6.01	3.77	6.01
Amount available for Appropriation	(198.36)	618.69	(306.07)	530.87
General Reserve	-	-	0.08	-
Less: Being deficit, Set off from General Reserve	(198.36)	-	(306.15)	-
Net surplus in statement of Profit & Loss	-	618.69	-	530.87

During the year, the Gross Revenue from operations of your Company on standalone basis has increased by 31% at ₹ 11,121.88 crore as compared to ₹ 8,498.33 crore during previous financial year 2011-12. The Profit before other income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation on standalone basis stood at ₹ 614.97 crore as compared to ₹ 904.04 crore during previous year.

Further, during the year, the Consolidated Gross Revenue from operations of your Company has increased by 30% at ₹ 12,128.47 crore as compared to ₹ 9,364.29 crore during previous financial year 2011-12. Consolidated Profit before other income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation stood at ₹ 708.56 crore as compared to ₹ 947.65 crore during previous year.

The financial results of the Company during the year 2012-13 have been adversely impacted inter-alia on account of (i) Economic slowdown in Europe and most large countries in Asia, resulting into weak demand for Stainless Steel internationally, squeezing margins in markets; (ii) Over capacity in China and dumping of Stainless Steel material into India leading to reduced margins in the Company's markets; (iii) Owing to above factors, the Company slowed down the ramp-up of Jajpur, Odisha Stainless Steel operations leading to lower margins as the Company could not enjoy economies of scale at that plant; and (iv) Monopolistic pricing policies of certain PSU companies leading to erosion of margins in ferro chrome unit.

**Operations****(A) Hisar Division:**

Despite the slowdown in Global economy Hisar plant has been able to achieve 98% of its planned capacity at Steel melting shop by producing 719,353 MT of steel as compared to 723,418 MT during financial year 2011-12. Hot Rolling Mills were utilized as per market dynamics and produced 523,200 MT as compared to 540,671 MT during financial year 2011-12. During the year, Cold Rolled Annealed Pickled production was 243,458 MT as compared to 257,335 MT during financial year 2011-12.

Your Company focused on effective utilization of available resources and productivity improvement at various lines to achieve cost efficiency. Steel melting shop has achieved landmark of 50 heats in a day, similarly others lines have also performed efficiently in this slow down period to meet the expectations.

During the year, two new Grades JSLU – DD & JSLU - SD have been launched to cater to utensils market. Now, these Grades are welcomed and accepted by markets and are in regular production. During the year no major capital expenses have been incurred and ongoing projects have been completed in Special product division.

**(B) Odisha Division**

Your Company has been successfully operating stainless steel making facility at Jajpur, Odisha, with a capacity of 800,000 tons per annum and has been rolling of stainless steel products from this facility for over two years. The ramp-up and stabilization of finishing facilities are in progress. During the year under review, steel melting shop produced 313,258 tons, hot strip mill processed 300,435 tons and facilities in cold rolling mill processed 255,130 tons of stainless steel. The stainless steel facilities under operations at Odisha are state of art facilities and have substantially enhanced the product portfolio of the Company including wider width products of upto 1600 mm.

The ferro alloys production during the year stood at 83,290 tons. There were challenges in procuring the chrome ore from domestic sources at cost effective prices, which impacted the overall production and the capacity utilizations during the year. However, in order to reduce the costs, the Company worked on imported low Grade chrome ore from Gulf, improving chromium recoveries & higher usage of hard lumpy ore & replacing usage of coke with anthracite coal. The Company has also taken up the matter with various Government agencies to rationalize the chrome ore bidding process.

The operations at 250 MW thermal power plant were adversely affected on account of higher input prices of thermal coal and drop in prices of surplus power sold to the state Grid. It operated mostly on imported low ash coal from Indonesia blended with Indian coal. Both the two power plants were producing power and generated around 1089.53 million units (net), of which around 34.13 million units were exported to Hisar plant. The power plant has achieved highest ever PLF of 107.19% on 22nd January, 2013. It also achieved PLF of more than 100% for many days consistently during the 4th Quarter. The production at 14 MW power plant was 50.32 million units (net).

Jindal Chromite Mine produced 28,955 MT of chromite ore concentrate from its beneficiation plant and also achieved 96,022 MT chrome ore from Mines pit for the year, which is much higher than previous year production. The mines dispatched 20,568 MT of concentrate ore and 23,099 MT of chrome ore to Vizag plant during the year.

The coke oven facility was operated under lease with work arrangement for conversion of coal into coke. The coke oven battery successfully produced metallurgical coke with gradual ramp-up. For the year, the total production out of the coke oven facility stood at 251,593 tons of coke.

**(C) Vizag Division**

The Vizag Plant produces High Carbon Ferro Chrome with annual capacity of 40,000 Tons per annum. Vizag Unit uses Chrome Ore supplied from captive Sukhinda Chromite Mines and transfers the output to Hisar Plant. The division has achieved 50% of the installed capacity by producing 20,169 tons of High Carbon Ferro Chrome during the year 2012-13 as compared to 24,832 tons during the preceding year. The production was less during the year 2012-13 due to Power restrictions being imposed by the APEPDCL from September 2011 onwards.

Further Vizag Unit despatched 21,069 tons to JSL, Hisar during the year 2012-13 as compared to 24,805 tons during the preceding year on Job work account.

**Debt Restructuring**

During the year, your Company's proposal in relation to re-work of its term debt obligations ("Rework Scheme") under CDR mechanism was approved by CDR EG and Rework Letter of Approval ("Rework LOA") was issued on September 18, 2012. The Rework Scheme inter-alia includes reworking of repayment schedule, interest funding, adjustments in interest rates to ensure protection of net present value of the respective facilities, etc. w.e.f. 31st March, 2012 ("Reworking Cut-off Date"). Consequently, the Amended & Restated Master Restructuring Agreement ("Amended MRA") has been executed on September 25, 2012 with certain lenders. As on date of this report, except HDFC Bank, all CDR lenders have executed the necessary documents.



Besides reworking of its domestic term debt obligations, your Company during the year has also successfully completed the restructuring of its debt obligations in relation to ECB facilities of USD 250 million availed for the part financing of Odisha Phase II project and has executed requisite amendment agreements with all the ECB lenders. The revised terms inter-alia include deferment of repayment schedule and increase in interest rates etc.

#### Share Capital

During the year under review, the Company allotted 10,21,922 equity shares upon conversion of 560 Convertible Bonds of US\$ 5,000 each.

Further, in order to meet the requirements of approved Reworked Corporate Debt Restructuring (CDR) Scheme, the Company had obtained approval of the Shareholders by means of Special Resolutions passed through Postal Ballot on 15th February 2013, for issuance of equity shares to a Promoter Group Company (hereinafter referred to as “the proposed allottee” in following manner:

- (i) 1,35,50,000 equity shares of face value of ₹ 2/- each on or before 31st March, 2013, and
- (ii) 1,35,50,000 equity shares of face value of ₹ 2/- each on or before 30th June, 2013.

Pursuant to the aforesaid Shareholders' approval, the Company allotted the 1st tranche of 1,35,50,000 equity shares of face value of ₹ 2/- each at an issue price of ₹ 74/- each (including a premium of ₹ 72/- per equity share) amounting to ₹ 100.27 crore on preferential basis to a promoter group company, on 30th March, 2013. Consequently, the paid-up share capital of the Company has increased from ₹ 38,10,55,094 to ₹ 40,81,55,094 divided into 20,40,77,547 equity shares of ₹ 2/- each.

However, upon request of the proposed allottee, the Board of Directors, subject to necessary shareholders' approval, has approved the infusion of balance amount of ₹ 100.27 crore by way of preferential allotment of 1,35,50,000 equity shares at an issue price of ₹ 74/- each (including a premium of ₹ 72/- per equity share) on or before 31st March, 2014 instead of 30th June, 2013. This will align with the requirement of Reworked CDR approval which stipulates that the balance capital be infused into the Company on or before 31st March, 2014.

#### 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, 2013.

#### Transfer to Investor Education and Protection Fund

Pursuant to section 205C of the Companies Act, 1956, the Company has transferred unclaimed and unpaid amounts aggregating to ₹ 20,13,600 to Investor Education and Protection Fund of Government of India during the year 2012-13.

#### Employees Stock Option Scheme

During the year under review, 5,34,771 stock options were vested in eligible employees. The ESOS Compensation Committee granted 1,50,000 stock options to eligible employees under the ESOP Scheme of the Company. The disclosure, under Clause 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is set out in Annexure to this Report.

#### Information Technology

During the year, the Company has completed the implementation of SAP ECC 6.0 version. This SAP-ERP implementation project named as “Project Manthan” has gone live from 1st May, 2013. This project will integrate all business processes of your Company across all the locations, on a real time basis and help in quick transactional and decision making processes and ultimately assist the management in enhancing stakeholder's value.

With this SAP Go-live, the IT & Manthan teams have initiated a New SAP era and have laid a foundation for further IT lead business benefit projects in your Company.

#### Subsidiary Companies

As on 31st March, 2013, your Company has 17 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) JSL Lifestyle Limited; (viii) JSL Architecture Limited; (ix) Green Delhi BQS Limited; (x) JSL Media 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; and (xvii) Iberjindal S.L., Spain.

Pursuant to the general circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the balance sheet, profit and loss account and other documents of the subsidiary companies are not attached with the balance sheet of your Company. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will be kept open for inspection by any shareholder at the registered office of the Company during normal business hours. The consolidated financial statements of the Company include the financial results of all the subsidiary companies.

The members, if they desire, may write to Company Secretary at O.P. Jindal Marg, Hisar – 125005 (Haryana) to obtain the copy of the annual report of the subsidiary companies.

#### Directors

The Board of Directors has appointed Mr. Uday Kumar Chaturvedi as an additional director and designated him as “Chief Executive Officer” with effect from 27th May, 2013. The Company has received Notice pursuant to section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Chaturvedi as a candidate for the office of Director. The Board has also approved appointment and terms of remuneration of Mr. Chaturvedi as Whole Time Director designated as Chief Executive Officer of the Company, subject to the approval of the Shareholders. The said appointment and remuneration of Mr. Uday Kumar Chaturvedi is recommended for the approval of the Shareholders in the Notice forming part of this Annual Report.

As on the date of this report, Mr. Jurgen Hermann Fechter, Mr. Ramesh R. Nair and Mr. Subash Singh Viridi resigned from the Board of Directors of the Company w.e.f. 6th February, 2013, 2nd April, 2013 and 27th May, 2013 respectively. The Board places on record its sincere appreciation for the valuable contributions made by them during their tenure.

Mr. Suman Jyoti Khaitan, Mr. T.S. Bhattacharya and Mr. James Alistair Kirkland Cochrane, Directors, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

Brief resumes of the Directors being appointed / re-appointed, 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 Notice forming part of the annual report.

#### Fixed Deposits

The Company has accepted/renewed deposits amounting to ₹ 21,12,61,000/- during the year under review. There were no overdue deposits on 31st March, 2013, except ₹ 92,87,000/- which remain unclaimed.

#### 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., joint 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**

The Board of Directors has re-appointed M/s. Ramanath Iyer & Co., Cost Accountants, the cost auditors for conducting the audit of cost audit records in respect of Steel business for the financial year 2013-14 subject to approval of the Central Government. Particulars of Cost Auditor and Cost Audit Report, as required vide General Circular No. 15/2011 dated 11th April, 2011 issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India, are as under:

Name of the Cost Auditor:	M/s. Ramanath Iyer & Co. Cost Accountants, 808, Pearls Business Park, Netaji Subash Place, Pitampura, New Delhi – 110 088
Names and Membership No. of Partners of Firm	Ms. R. Parvathy, M. No. 13848 Dr. D. Jagannathan, M. No. 5839 Mr. V. A. Sundaram, M. No. 818 Mr. S. Laxminarayana, M. No. 7664 Ms. Sona Sharma, M. No. 31446
Due date for filing of Cost Audit Report for the financial year 2011-12 by the Cost Auditor with the Central Government	Within 180 days from the close of company's financial year, i.e. upto 27th September, 2012. However, Central Government vide its various circulars issued from time to time extended the date of filing of Cost Audit Report in XBRL format upto 28th February, 2013.
Date of actual filing of Cost Audit Report for the financial year 2011-12 with the Central Government.	Cost Audit Report for the financial year 2011-12 was filed by the Cost Auditor with the Central Government on 18th January, 2013.

**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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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, 2013 and of the profit of the Company for the year ended on that date;
- 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
- 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

Place: New Delhi  
Date : 27th May, 2013

**Savitri Jindal**  
Chairperson

**Statement pursuant to Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.**

Sr. No.	Description	Remarks
A	Options granted	: During the year 2012-13, 1,50,000 stock options were granted to the employees of the Company. 4,97,106 stock options lapsed due to resignation, retirement and low vesting due to performance rating during the year. No vested options were exercised by employees during the year. As on 31st March, 2013, 22,71,644 stock options were in force.
B	Pricing formula	: The options will be granted at either of the following exercise prices as decided by the Compensation Committee:  1) At a price upto maximum of 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.
C	Options vested	: 5,34,771
D	Options exercised	: Nil
E	Total number of Ordinary Shares arising as a result of exercise of Options	: Nil
F	Options lapsed	: 4,97,106
G	Variation of terms of Options	: Nil
H	Money realized by exercise of Options	: Nil
I	Total number of Options in force	: 22,71,644
J	Details of Options granted to	:
	i) Senior managerial personnel	: Enclosed as Annexure – A
	ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	: N.A.
	iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	: N.A.
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	: ₹ (42.97)



Sr. No.	Description	Remarks																	
L	<div><div>i) Method of calculation of employee compensation cost</div><div>ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.</div><div>iii) The impact of this difference on Profits and on EPS of the Company.</div></div>	<div><div>The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock based compensation cost as per intrinsic value method for the financial year 2012-13</div><div>The employee compensation cost would have been increased by ₹ 174.91 Lacs</div><div>The effect of adopting the fair value method on the net income and earnings per share is presented below:</div><div><div>(₹ in Lacs)</div><table><tr><td>Net Income, as reported</td><td>(82,081.80)</td></tr><tr><td>Add: Intrinsic Value Compensation Cost</td><td>61.44</td></tr><tr><td>Less: Fair value Compensation Cost (Black Scholes Model)</td><td>236.35</td></tr><tr><td>Adjusted Net Income</td><td>(82,256.71)</td></tr><tr><td>Earning per share</td><td>Basic (₹ )</td><td>Diluted (₹ )</td></tr><tr><td>As reported</td><td>(43.15)</td><td>(42.97)</td></tr><tr><td>As adjusted</td><td>(43.24)</td><td>(43.06)</td></tr></table></div></div>	Net Income, as reported	(82,081.80)	Add: Intrinsic Value Compensation Cost	61.44	Less: Fair value Compensation Cost (Black Scholes Model)	236.35	Adjusted Net Income	(82,256.71)	Earning per share	Basic (₹ )	Diluted (₹ )	As reported	(43.15)	(42.97)	As adjusted	(43.24)	(43.06)
Net Income, as reported	(82,081.80)																		
Add: Intrinsic Value Compensation Cost	61.44																		
Less: Fair value Compensation Cost (Black Scholes Model)	236.35																		
Adjusted Net Income	(82,256.71)																		
Earning per share	Basic (₹ )	Diluted (₹ )																	
As reported	(43.15)	(42.97)																	
As adjusted	(43.24)	(43.06)																	
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	<div><div>Options granted whose exercise price is less than the market price of the stock (adjusted for stock split):</div><table><tr><td>Weighted average Exercise Price</td><td>₹ 75.00</td></tr><tr><td>Weighted average fair value</td><td>₹ 29.87</td></tr></table></div>	Weighted average Exercise Price	₹ 75.00	Weighted average fair value	₹ 29.87													
Weighted average Exercise Price	₹ 75.00																		
Weighted average fair value	₹ 29.87																		
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	<div><div>The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions</div><table><tr><td>i) Risk free interest rate</td><td>8.08%</td></tr><tr><td>ii) Expected life</td><td>5.10 years</td></tr><tr><td>iii) Expected volatility</td><td>37.39%</td></tr><tr><td>iv) Expected dividend</td><td>0</td></tr><tr><td>v) The price of the underlying shares in market at the time of option grant</td><td>₹ 68.30</td></tr></table></div>	i) Risk free interest rate	8.08%	ii) Expected life	5.10 years	iii) Expected volatility	37.39%	iv) Expected dividend	0	v) The price of the underlying shares in market at the time of option grant	₹ 68.30							
i) Risk free interest rate	8.08%																		
ii) Expected life	5.10 years																		
iii) Expected volatility	37.39%																		
iv) Expected dividend	0																		
v) The price of the underlying shares in market at the time of option grant	₹ 68.30																		

**Annexure - A****Details of Options granted to Senior managerial personnel of the Company**

Sl. No.	Name	No. of Options Granted
1	Mr. Ramesh R. Nair *	55,000
2	Mr. Jitender P. Verma	55,000
3	Mr. Jawaid Ashraf	40,000

\* Options granted to Mr. Ramesh R. Nair have lapsed due to his resignation.

**ANNEXURE- I****PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.****HISAR**

## a) Conservation of Energy

Energy Conservation measures taken:

- Optimizing air / fuel ratio in various preheating furnaces.
- Reducing idle time improved per ton fuel consumption in hot rolling pre-heat furnace.
- Replaced lower efficiency pumps with higher efficiency pumps and optimize line sizes to avoid throttle of valves.
- Manual Loading –unloading of compressor changed to auto VVVF drive.
- LED lights installed in some part of shed.

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

- Capacitor bank being installed at 11kv switch yard.

## c) Impact of above measures.

- Harmonics in system will be reduced.
- Improved system power factor. Therefore reduced power consumption.

**ODISHA**

## a) Conservation of Energy

With energy audit becoming mandatory for all energy intensive industries, Odisha division has diversified its activity in the most challenging field of energy management to cut down energy bill and save crores of money as well as natural resources. Initiatives have been taken to optimize the specific energy consumption and unnecessary wastage of energy thereby ensuring effective energy management practices within the plant.

Energy Conservation measures taken:

- Supply of steam form 14 MW AFBC boiler to CRM Boilers and PFS substituting steam earlier from LPG fired boilers installed at CRM.
- Compressor by-pass line to avoid the water mixing with cracked ammonia
- Auto-switch-off of three Edge blow-off valve after 10 min of line stop.
- Providing timer for shed lights.
- Operating WHRB & Economizer in line regularly.
- Plugging steam leakages
- Minimizing furnace idle time
- Increased use of Liquid Fe-Cr in furnace
- Reduction of retention and nos. of kick back of slabs
- Optimization of media system
- Optimization of De-scaling System, DCW-H, Scale Pit Pump House and Combustion Air Blowers according to Pareto Analysis.
- Alternate fuel used on furnaces and boilers to reduce fuel consumption.
- Manual controls replaced by automation interlocks to ensure consistency.
- Power is being generated using SAF gases by running Waste Heat Recovery boiler.
- Waste Coke Oven Gas was utilised in coke oven boiler replacing LDO as fuel.
- Cooling tower running operations were optimized to save energy.

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

- Installation of Variable Frequency Drive (VFD) in Boiler Feed Pump (4000 KW) of Unit-1 & Unit - 2 of captive power plant to reduce auxiliary consumption.
- Installation of energy efficient drives for Air Compressors to reduce auxiliary Consumption & better Air management at Supply & Delivery End.
- Energy Conservation by Condensate Extraction Pump (325 KW) destaging.

## c) Impact of above measures.

Further reduction in specific energy consumption i.e. per ton of steel manufacturing and improved power quality



## FORM-A

## FORM FOR DISCLOSURE OF PARTICULARS TO CONSERVATION OF ENERGY

(Excluding Ferro Alloys Division being not covered)

Sl. No.	PARTICULARS	TOTAL 2012-13	TOTAL 2011-12
<b>A. POWER AND FUEL CONSUMPTION</b>			
1.	Electricity		
(a)	Purchased		
	Units (in '000 Kwh)*	7,76,966.00	7,61,212.00
	Total Amount (₹ in Lacs)	38,461.23	32,614.88
	Rate/Unit (₹)	4.95	4.28
	* Net of exports to HSEB		
(b)	Own Generation		
(i)	Through diesel Generator		
	Units (in '000 Kwh)#	5,799.67	8,604.55
	Unit per Litre of Oil	3.66	3.75
	Cost/Unit (₹)	45.96	41.66
	# Excluding diesel generator auxiliary consumption		
(ii)	Through Thermal Coal		
	Units (in '000 Kwh)	12,66,554.00	7,59,607.90
	Unit per litre of oil	1.19	1.00
	Cost/Unit (₹)	5.11	4.66
2	FUEL OILS (FO, FOLV, LDO, HSD)		
	Total Quantity (Kilo Litre)*	41,154.28	42,800.82
	Total Cost (₹ in Lacs)	17,180.77	16,591.97
	Average Rate/litre (₹)	41.75	38.77
	* including fuel used for Power Generation		
3	COAL/COKE		
	Quantity (MT)	10,69,382.74	7,94,754.57
	Total Cost (₹ in Lacs)	34,278.04	27,678.04
	Average Rate/Kg. (₹)	3.21	3.48
4	GASES (PROPANE)		
	Quantity (MT)	46,834.10	35,230.34
	Total Cost (₹ in Lacs)	28,952.10	18,474.42
	Average Rate/Kg. (₹)	61.82	52.44
5	GASES (AMMONIA)		
	Quantity (MT)	1,527.96	1,660.01
	Total Cost (₹ in Lacs)	605.77	477.37
	Average Rate/Kg. (₹)	39.65	28.76
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
1	ELECTRICITY		
(i)	for Alloy Steel Melting (unit/ton)	558.60	568.89
(ii)	for Gas Manufacturing (unit/cum)	0.70	0.73
(iii)	for Cold Rolled Stainless Steel Manufacturing (unit/ton)	325.46	389.35
(iv)	for Blade Steel Manufacturing (unit/ton)	1,668.26	1,236.26
(v)	for Fe Alloy Manufacturing (unit/ton)	3,922.47	3,993.03

Sl. No.	PARTICULARS	TOTAL 2012-13	TOTAL 2011-12
2	FUEL OILS		
(i)	for Alloy Steel Melting (litre/ton)	3.20	5.64
(ii)	for Cold Rolled Stainless Steel Manufacturing (litre/ton)	9.98	13.29
(iii)	for Blade Steel Manufacturing (litre/ton)	31.91	50.15
(iv)	for Fe Alloy Manufacturing (litre/ton)	10.80	14.09
(v)	for Power Generation (litre/kwh)	Nil	Nil
3	COAL		
(i)	for Alloy Steel Melting (MT/ton)	0.01	-
(ii)	for Sponge Iron Manufacturing (MT/ton)	0.14	0.61
(iii)	for Power Generation (Kg/kwh)	0.84	1.00
4	GASES (PROPANE)		
(i)	for Alloy Steel Melting (Kg/ton)	3.05	32.95
(ii)	for Cold Rolled Stainless Steel Manufacturing (Unit/ton)	54.79	54.83
(iii)	for Blade Steel Manufacturing (Unit/ton)	42.50	39.02
(iv)	for Fe Alloy Manufacturing (litre/ton)	Nil	Nil
5	GASES (AMMONIA)		
(i)	for Blade Steel Manufacturing (Unit/ton)	24.89	22.10
(ii)	for Cold Rolled Stainless Steel Manufacturing (Kg/ton)	1.92	3.99

## FORM – “B”

## FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

## 1) Specific areas in which, the Company carried out Research &amp; Development

## Development of new products:

- Super Duplex Stainless Steel UNS S32750 with very high corrosion resistance.
- 304 Nitric Acid Grade with superior Inter-granular Corrosion resistance for spent nuclear fuel processing plant.
- 305 austenitic stainless steel with high chromium and nickel for high strength with non-magnetic behaviour
- 431 highly alloyed martensitic stainless steel which exhibits high hardness and toughness.
- 416 sulfur containing martensitic stainless steel for high machinability
- Development of more cost effective stabilized ferritic 436L and 439 Grades.
- Development of cold rolled thin Gauge UNS S32205 duplex stainless steel.
- Development of highly corrosion resistant ferritic stainless steel for roofing in corrosive environment
- Development of Clad Stainless steel plates on Lab scale.

## Process Development:

- Development of 430 Grade without Bell annealing.
- Improvement in deep drawability and flaring properties of 409L

## Quality Improvement

- Improvement in cold rollability, drawability and surface quality of some Chrome-Manganese stainless steels.
- Improvement in surface quality of stabilized austenitic stainless steels.

## 2) Benefits derived:

- More diversified product mix.
- Manufacture of high value added products.
- Cost reduction
- Improved product quality.



**3) Future plan of action:**

- Energy conservation by warm charging of slabs.
- Improvement in yield of certain grades by reduction in grinding of slabs.
- Development of new value added products.
- Input cost reduction in certain grades.

**4) Expenditure on R & D**

(₹ in Lacs)

	2012-13	2011-12
a) Capital	Nil	Nil
b) Revenue	113.46	86.47
Total	113.46	86.41
c) Total R&D expenditure as a percentage of turnover	0.010%	0.010%

**5) Technology absorption, adaptation and innovation****HISAR DIVISION****I. Efforts made, in brief, towards technological absorption, adaptation and innovation**

- Entire range of Duplex Grades of Stainless Steel including Lean Grades developed. The grades have varied applications in Oil & Gas, Desalination and Paper Industry. For penetrating these markets approvals from bodies such as EIL India, PDO Oman, Qatar Oil, ARMCO, Saudi Arabia are sought and are in advanced stages of getting our product and plant approval for Duplex Grades. Commercial supplies to these major Customers is expected to commence shortly.
- Successful installation and deployment of Automatic Ultrasonic Testing Machine at Jajpur Plant having capability to automatically scan the entire surface of the Plates critically. The System can also test plates of lower thickness down upto 6mm. This is first system of its kind in India and has enabled us to cater to the prestigious order of SS Plates for Atomic Power Installation of NRB, BARC.
- Further adaption of 409L Grade to enable Automobiles Engine Exhaust System Manufacturers to manufacture Silencer Components where shapes have become more complex after introduction of Euro5 norms for two wheelers and passenger cars.
- TUV Nord, Germany, has granted us CPD/89/106/EEC, European Certification CE thereby according approval for usage of our products for construction activities in European Union.
- Customer Complaint handling system made more effective by placing technical persons in regions to enable a faster response to the problems faced by them.

**II. Benefits derived as a result of the above efforts:**

- Enabling penetration of niche markets of duplex grades in oil and gas sector.
- Successfully supplied around 3000MT of SS to NRB, BARC for atomic energy applications. This has established our products in this fast growing sector.
- Throwing open the construction sector in EU for our products through 'CE' Certification.
- Building customers as our partners.

**ODISHA DIVISION****Technology absorption, adaptation and innovation****A. Cold Rolling Mill:****I. Efforts made, in brief, towards technological absorption, adaptation and innovation**

CRM Complex is a state-of-the-art facility with India's only DRAP lines (Direct Rolling & Annealing Pickling Lines) for cold rolling and finishing the entire gamut of stainless steel flat products. In Line Rolling, Annealing & Pickling for Black Coils in HAPL Line imparts different finishes like No. 1& 2E and In Line Rolling through three (3) mill stands in tandem, Annealing, Pickling, Skin-Passing & Tension Levelling in CAPL Line imparts finishes like 2D & 2B which are unique technologies adopted for the Cold Rolling segment. Process has been established and technology has been successfully absorbed. HAPL is in production since March,11. Production in CAPL was stabilized during the year.

**II. Benefits derived as a result of the above efforts:**

The cutting edge equipments are ensuring unmatched quality and cost effectiveness with a minimum carbon footprint to the environment. In contrast to prevailing SS production facilities, CRM complex with inline rolling-annealing-pickling facility has resulted in improved quality and yield with minimal operating and maintenance costs. The above benefits coupled with higher coil weight and line speeds ensure cost-competitiveness.

**B. Steel Melting Shop****I. Efforts made, in brief, towards technological absorption, adaptation and innovation**

Usage of DPP (purging mechanism in Furnace bottom) and continuous Nitrogen purging practice are in use for Carbon steel manufacturing to reduce hot areas in furnace where use of hot-metal and profuse oxygen is done. This practice has been adopted in our furnace making stainless steel.

Transfer of ferro chrome liquid metal in its semi-molten state by rail ladle car was effectively adopted for direct charging in EAF furnace. Induction Furnace was also commissioned at the scrap yard for quality of testing of imported scrap

**II. Benefits derived as a result of the above efforts:**

Use of Nitrogen for the purging from bottom has resulted in non stratification of molten liquid steel. This has helped in reducing bottom built-up and has led to uniform temperature bath, reduced refractory consumption and improved Chromium recovery.

Charging of Ferro-Chrome liquid metal into EAF resulted in significant energy savings.

**C. Hot Strip Mill****I. Efforts made, in brief, towards technological absorption, adaptation and innovation**

Hot Strip Mill is provided with all latest features like digital controlled Reheating Furnace for optimizing heat input for a uniform slab temperature, automatic width control in Edger attached to the Roughing Stand, Coil Box, 6-Stand tandem Finishing Mill Group with Roll bending, Roll shifting with 'Smart crown' for controlling variable strip crown and Level-2 controls for Mill operation. Another feature of the Mill is provision of 2-Robot Plazma stations for accurately dividing heavy plates to customer lengths ahead of the cooling bed in the furnace area. The entire mill has been commissioned and stabilized in the shortest possible time and the technology for a stable production in all grades of Stainless steel has been successfully absorbed.

Plate mill shop was commissioned to process the plates of required finish and size.

**II. Benefits derived as a result of the above efforts:**

Black Coils with strips having excellent gauge tolerance and flatness as per international standards could be produced which have a wide market in Pipe & Tube sector. Also the high quality strips provide a quality input to our Cold Rolling mill group increasing the yield and cost competitiveness.

**D. Thermal Captive Power Plant****I. Efforts made, in brief, towards technological absorption, adaptation and innovation**

Both the power plants were operated successfully with 100% of low ash, high calorific value and low cost imported coal. It was used in blending with Indian coal to achieve PLF of more than 100%.

**II. Benefits derived as a result of the above efforts:**

100% of imported coal usage resulted in achieving highest ever PLF above 100% up to 107% during 4th Quarter.

**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**

Financial year 2012-13 saw JSL Odisha's Products gaining acceptance worldwide. The expanded product range from the new mill has opened new markets and product segments for the Company. Company managed to gain market share in matured markets like Europe and USA. The Company also initiated approval process with Global majors in Petroleum sector and has achieved encouraging results, the approvals are likely to come through in the first half of 2013-14 and will enable JSL to enter the high end Petroleum projects market.

Exports grew by 73% and reached 2,41,272 MT in FY12-13 as compared to 1,39,803 MT in FY11-12. The biggest jump came from 300 series and 400 series which grew by 246% and 194% respectively from FY 11-12 to FY 12-13. In the new year, focus would be to build OEM business with special focus on Auto and White Goods sector.

(₹ in Crore)

b) Foreign Exchange Earnings	3,047.72
Foreign Exchange Outgo	4,917.92



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

Executive Directors			
Name of Director		Designation	Status
Mr. Ratan Jindal		Vice Chairman & Managing Director	Promoter
Mr. Uday Kumar Chaturvedi *		Chief Executive Officer	Non-Independent
Mr. Jitender P. Verma		Executive Director (Finance)	Non-Independent
Non Executive Directors			
Smt. Savitri Jindal #		Chairperson	Promoter
Mr. Naveen Jindal		Director	Promoter
Mr. James Alistair Kirkland Cochrane		Director	Independent
Mr. Rajeev Bakshi		Director	Independent
Mr. Suman Jyoti Khaitan		Director	Independent
Mr. T.S. Bhattacharya		Director	Independent
Mr. Gautam Kanjilal		Nominee Director (SBI)	Independent
Mr. Jurgen Hermann Fechter **		Director	Independent
Details of Executive Directors who resigned after 31st March, 2013			
Mr. Ramesh R. Nair **		President & Executive Director	Non-Independent
Mr. Subash Singh Virdi **		Executive Director & Chief Operating Officer	Non-Independent

# Smt. Savitri Jindal, Chairperson of the Company is the mother of Mr. Ratan Jindal and Mr. Naveen Jindal.

\* Mr. Uday Kumar Chaturvedi has been appointed as an Additional Director and designated as Chief Executive Officer w.e.f. 27th May, 2013.

\*\* Mr. Jurgen Hermann Fechter, Mr. Ramesh R. Nair and Mr. Subash Singh Viridi ceased to be Director w.e.f. 6th February, 2013, 2nd April, 2013 and 27th May, 2013 respectively.

##### (ii) Board Meetings

During the financial year 2012-13, four Board meetings were held on 29th May, 2012, 9th August, 2012, 31st October, 2012 and 5th February, 2013. The maximum time gap between any two meetings did not exceed four months.

#### (iii) Attendance of Directors, other Directorships and other details

Attendance of Directors at the Board Meetings, last Annual General Meeting and number of Directorships and Chairmanships / Memberships of Committee(s) in other companies are given below:

Name of the Director	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in other public companies \$	No. of Memberships (M) / Chairmanships (C) in other Board Committee(s) @
Smt. Savitri Jindal	3	No	6	Nil
Mr. Ratan Jindal	4	Yes	7	Nil
Mr. Naveen Jindal	1	No	5	Nil
Mr. James Alistair Kirkland Cochrane	3	No	Nil	Nil
Mr. Rajeev Bakshi	3	No	2	1 (M)
Mr. Suman Jyoti Khaitan	2	No	8	3 (M)
Mr. T.S. Bhattacharya	4	No	9	1 (C)
Mr. Gautam Kanjilal	4	Yes	1	1 (C)
Mr. Jurgen Hermann Fechter **	3	No	**	**
Mr. Jitender P. Verma	4	Yes	3	2 (M)
Mr. Uday Kumar Chaturvedi *	N.A.	N.A.	Nil	Nil
Mr. Ramesh R. Nair **	4	No	**	**
Mr. Subash Singh Viridi **	2	No	4	Nil

\* Mr. Uday Kumar Chaturvedi has been appointed as an Additional Director and designated as Chief Executive Officer w.e.f. 27th May, 2013.

\*\* Mr. Jurgen Hermann Fechter, Mr. Ramesh R. Nair and Mr. Subash Singh Viridi ceased to be Director w.e.f. 6th February, 2013, 2nd April, 2013 and 27th May, 2013 respectively.

N.A. Not Applicable

\$ Directorships do not include alternate directorships, and directorships in foreign companies, companies registered under section 25 of the Companies Act, 1956 and private companies.

@ Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

None of the Directors on the Board is a Director in more than 15 companies (as specified in Section 275 of the Companies Act, 1956) and 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 public companies in which he is a Director.

#### Board Meetings, its Committee Meetings and procedures thereof:

##### A. Scheduling and selection of agenda items for Board Meetings

- The Company holds minimum four Board meetings every year. 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 the resolutions through circulation.
- The meetings are usually held at the Company's corporate office at New Delhi.
- 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.
- The Board is given presentations on finance, sales and marketing, and the major business segments and operations of the Company, while considering the results of the Company at each of the pre-scheduled Board meeting.
- The Vice Chairman & Managing Director / Whole Time Directors 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

- 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 is placed on the table at the meeting with specific reference to this effect in the agenda.



- (ii) With the permission of Chairperson / Chairman of the meeting, additional or supplementary item(s) in 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 Chairperson / Chairman of the next Board/ 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 material provisions of all applicable laws. Certificate relating to compliance of important provisions of applicable laws is placed in every Board meeting.

### 3. Audit Committee

#### Terms of Reference:

The "Terms of Reference" of the Audit Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### Composition and Attendance:

The Audit Committee consists of three Directors, all being Independent. Four meetings of the Committee were held during the financial year ended 31st March, 2013.

Dates of the meetings and the number of Members attended are given below:

Dates of Meetings	Number of Members attended
28th May, 2012	2
9th August, 2012	3
31st October, 2012	2
4th February, 2013	3

Names of Members of the Committee and their attendance at the meetings are given below:

Name	Status	Number of Meetings attended
Mr. Suman Jyoti Khaitan	Chairman	2
Mr. T.S. Bhattacharya	Member	4
Mr. Gautam Kanjilal	Member	4

The Executive Director (Finance) regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. All the Committee meetings were attended by the Internal Auditors and the Statutory Auditors.

### 4. Remuneration Committee:

#### Terms of Reference:

The Remuneration Committee has been constituted to:

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

#### Composition and attendance:

The Remuneration Committee consists of three Directors, all being Independent. During the financial year ended 31st March, 2013 two meetings of the Remuneration Committee were held on 29th May, 2012 and 4th February, 2013. All the Members attended the aforesaid two meetings.

Names of Members of the Committee and their attendance at the meetings are given below:

Name	Status	Number of Meetings attended
Mr. Suman Jyoti Khaitan	Chairman	2
Mr. T.S. Bhattacharya	Member	2
Mr. James Alistair Kirkland Cochrane	Member	2

Details of Remuneration paid to the Directors during the financial year ended 31st March 2013:

#### (i) Executive Directors:

(Amount in ₹)

Name of Directors	Designation	Salary	Commission	Contribution to PF	Others	Total	Notice Period
Mr. Ratan Jindal *	Vice Chairman & Managing Director	-	-	-	-	-	N.A.
Mr. Ramesh R. Nair #	President & Executive Director	52,20,000	-	6,26,400	1,02,10,777	1,60,57,177	N.A.
Mr. Jitender P. Verma	Executive Director (Finance)	55,20,000	-	6,62,400	90,15,378	1,51,97,778	N.A.
Mr. Subash Singh Virdi #	Executive Director & Chief Operating Officer	51,60,000	-	6,19,200	83,06,206	1,40,85,406	N.A.

\* Mr. Ratan Jindal has received salary of ₹ 7.56 Crore from Jindal Stainless FZE in the capacity of Director and ₹ 2.52 Crore from Jindal Stainless UK Ltd. in the capacity of Managing Director during the financial year 2012-13. Jindal Stainless FZE and Jindal Stainless UK Ltd., are the subsidiary companies of Jindal Stainless Limited.

# Mr. Ramesh R. Nair and Mr. Subash Singh Virdi ceased to be Director w.e.f. 2nd April, 2013 and 27th May, 2013 respectively.

#### (ii) Non Executive Directors:

Particulars of sitting fee paid to the Non Executive Directors during the financial year ended 31st March, 2013 are as follows:

Name of Director	Sitting fee paid Amount (Rs.)
Smt. Savitri Jindal	-
Mr. Naveen Jindal	20,000
Mr. James Alistair Kirkland Cochrane	80,000
Mr. Rajeev Bakshi	60,000
Mr. Suman Jyoti Khaitan	70,000
Mr. T.S. Bhattacharya	1,40,000
Mr. Gautam Kanjilal	1,20,000
Mr. Jurgen Hermann Fechter *	60,000

\* Ceased to be Director w.e.f. 6th February, 2013.

No commission has been paid to the non-executive directors.

There has been no material pecuniary relationship or transactions between the Company and Non Executive Directors during the financial year 2012-13, except as stated above.



There are no convertible instruments issued to any of the Non Executive Directors of the Company. The details of equity shares of the Company held by the Non Executive Directors as on 31st March, 2013, are as follows:

Name of Director	Number of Equity Shares
Smt. Savitri Jindal	88,573
Mr. Naveen Jindal	12,768
Mr. James Alistair Kirkland Cochrane	Nil
Mr. Rajeev Bakshi	Nil
Mr. Suman Jyoti Khaitan	Nil
Mr. T.S. Bhattacharya	Nil
Mr. Gautam Kanjilal	Nil

#### Stock Options Granted to Directors

In terms of Employee Stock Option Scheme, 2010 of the Company, Directors have been granted Stock Options (ESOPs) as mentioned below:

Name of Director	Number of ESOPs granted on 28th July, 2010	Number of ESOPs vested on 28th July, 2012
Mr. Suman Jyoti Khaitan	10,000	3,000
Mr. T.S. Bhattacharya	10,000	3,000
Mr. James Alistair Kirkland Cochrane	10,000	3,000
Mr. Rajeev Bakshi	10,000	3,000
Mr. Subash Singh Viridi*	55,000	12,375
Mr. Jurgen Hermann Fechter #	10,000	3,000

Name of Director	Number of ESOPs granted on 28th July, 2012	Number of ESOPs vested
Mr. Jitender P. Verma	55,000	Nil
Mr. Ramesh R. Nair #	55,000	-

\* Mr. Subash Singh Viridi has resigned from Board of Directors of the Company with effect from 27th May, 2013, however, he continues to be employed with the Company.

# ESOPs granted to Mr. Ramesh R. Nair and Mr. Jurgen Hermann Fechter have lapsed due to their cessation from the Board of Directors of the Company.

#### 5. Shareholders' / Investors' Grievance Committee:

The Shareholders' / Investors' Grievance Committee consists of three Directors, of which one is Independent and two are Executive Directors. Four meetings of the Committee were held during the financial year ended 31st March, 2013.

Dates of the meetings and the number of Members attended are given below:

Dates of Meetings	Number of Members attended
29th May, 2012	2
9th August, 2012	3
31st October, 2012	3
5th February, 2013	3

Names of Members of the Committee and their attendance at the meetings are given below:

Name	Status	Number of meetings attended
Mr. Suman Jyoti Khaitan	Chairman	3
Mr. Jitender P. Verma	Member	4
Mr. Subash Singh Viridi*	Member	4

\*Mr. Subash Singh Viridi has ceased to be member of the Committee with effect from 27th May, 2013.

- Mr. Uday Kumar Chaturvedi has been inducted as new member with effect from 27th May, 2013

Pursuant to the Listing Agreement with the Stock Exchanges, Mr. Jitendra Kumar, Company Secretary has been appointed as the Compliance Officer who monitors the share transfer process and liaises with the Authorities such as SEBI, Stock Exchanges, Registrar of Companies etc. The Company complies with the various requirements of the Listing Agreement and depositories with respect to transfer of shares and share certificates are sent to them within the prescribed time.

The Committee looks into the grievances of the Shareholders related to transfer of shares, payment of dividend and non receipt of annual report and recommends 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 dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time.

During the year, only 6 complaints were received which stand resolved and no complaint is pending as on 31st March, 2013.

#### 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 of Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Jitender P. Verma, Executive Director (Finance), Mr. Suman Jyoti Khaitan, Independent Director, Mr. Jitendra Kumar, Company Secretary and a representative of Registrar & Transfer Agent.

During the financial year ended 31st March, 2013, all the valid requests for transfers of shares were processed in time and there are no pending transfers of shares.

#### 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	Number of Special Resolution(s) passed
2009-10	23.7.2010	Friday	11:00 a.m.	4
2010-11	27.9.2011	Tuesday	12:00 noon	1
2011-12	26.9.2012	Wednesday	11.00 a.m.	4

During financial year ended 31st March, 2013, members of the Company passed following three special resolutions through postal ballot:

- approve, ratify and confirm the Reworked Corporate Debt Restructuring scheme in relation to the Company's Debts in accordance with the Scheme approved by the domestic lenders of the Company and as set out in the letter dated 18th September, 2012 of CDR Cell.
- approve issuance of upto 1,35,50,000 equity shares aggregating to ₹ 100.27 Crore, on a preferential basis, under Section 81(1A) of the Companies Act 1956, on or before 31st March, 2013.
- approve issuance of upto 1,35,50,000 equity shares aggregating to ₹ 100.27 Crore, on a preferential basis, under Section 81(1A) of the Companies Act 1956, on or before 30th June, 2013.

The Board appointed Mr. Subhash Gupta, Advocate, as the Scrutinizer for conducting the voting through Postal Ballot and E-voting in a fair and transparent manner. The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and provisions of Clause 35B of the Listing Agreement have been followed for the postal ballot conducted during the year for the resolutions mentioned above. The Scrutinizer submitted his Report and on the basis of the said Report, the results of the Postal Ballot including votes cast through E-voting through CDSL in respect of the resolutions was declared on 15th February, 2013.



Summary of the Postal Ballot Forms (PBFs) including votes cast through E-Voting is as follows:

Sr.	Particulars	Resolution No. 1 (Special)			Resolution No.2 (Special)			Resolution No.3 (Special)		
		No. of Ballots	No. of shares	% to total paid-up capital	No. of Ballots	No. of shares	% to total paid-up capital	No. of Ballots	No. of shares	% to total paid-up capital
a	Total PBFs received	540	9,28,75,679	48.747	537	9,28,75,269	48.746	538	9,28,75,929	48.747
b	Less: Invalid PBFs	18	12,951	0.007	18	12,951	0.007	18	12,951	0.007
c	Net Valid votes (as per register)	522	9,28,62,728	48.740	519	9,28,62,318	48.740	520	9,28,62,978	48.740
d	Votes with Assent for the Resolution	502	9,28,57,323	48.737	497	9,28,54,653	48.736	498	9,28,55,208	48.736
	% of votes with Assent to the total votes cast			99.994			99.992			99.992
e	Votes with Dissent for the Resolution	20	5,405	0.003	22	7,665	0.004	22	7,770	0.004
	% of votes with Dissent to the total votes cast			0.006			0.008			0.008

The votes cast in favour of the resolutions were about 99.99% of the total votes cast. Thus, the said resolutions were passed with overwhelming majority as Special Resolutions on 15th February, 2013.

At ensuing annual General meeting, there is no resolution proposed to be passed through postal ballot.

#### 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. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.

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

The Company has complied with the mandatory requirements 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.

It is ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

##### (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. 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) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy (WBP) which encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any bonafide reports of violations. The Whistle Blower Policy specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misinterpretation of accounts and financial statements.

WBP also provides safeguard against victimisation or unfair treatment of the employees who avail of the mechanism and no personnel has been denied 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) - for the year 2012-13  |
| 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.   |

#### 10. General Shareholders' Information

##### 10.1 Annual General Meeting :

- Date and Time : 26th September, 2013 at 11:30 a.m.
- Venue : At registered office of the Company at Jindal Stainless Limited, O.P. Jindal Marg, Hisar – 125 005 (Haryana).

<b>10.2 Financial Calendar 2013 – 14 (Tentative)</b>	: Annual General Meeting – (Next Year)	September, 2014
	<b>Financial Reporting</b>	On or before
	Results for quarter ending June 30, 2013	14th Aug., 2013
	Results for quarter ending Sep. 30, 2013	14th Nov., 2013
	Results for quarter ending Dec. 31, 2013	14th Feb., 2014
	Results for year ending Mar. 31, 2014 (Audited)	30th May, 2014

**10.3 Book Closure date** : 18th day of September, 2013 to 20th day of September, 2013 (both days inclusive) for Annual General Meeting.

**10.4 Dividend Payment date** : Not applicable.

##### 10.5 Unclaimed Shares :

In terms of Clause 5A of the Listing Agreement, the Company had through its RTA sent three reminders to Shareholders whose Share Certificates were lying unclaimed with the Company, requesting them to provide complete postal address and other relevant details to enable the RTA to dispatch such unclaimed Share Certificates to them. On the basis of non-receipt of response, 1,97,615 unclaimed Equity Shares of ₹ 2/- each held by 1,506 Shareholders were then transferred to an "Unclaimed Suspense Account" and were dematerialized.

The corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., were also credited to the Demat Suspense Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company, the Company shall to the extent of his / her entitlement, arrange to deliver the shares from the said account to the rightful owner after proper verification of his / her identity.

<b>10.6(a) Listing of Equity Shares on : Stock Exchanges</b>	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G – Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
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The Company confirms that it has paid annual listing fees due to both the above stock exchanges.



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

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

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

**10.7 Stock Code (Equity Shares)** : Trading Symbol - BSE Limited (Demat Segment) 532508  
Trading Symbol - National Stock Exchange of India Limited JSL  
(Demat Segment)

**International Securities Identification Number (ISIN)**

**Equity Shares** : INE 220G01021

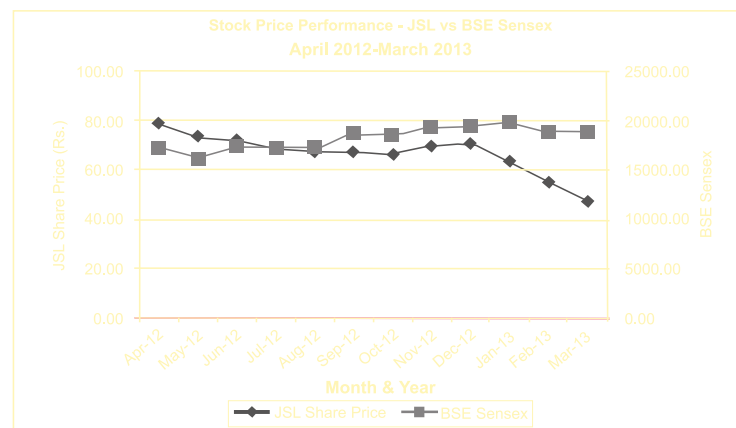
**FCCBs** : XS0208872902

**GDS** : US4775862000

**Reuters Code** : JIST.BO (BSE)  
JIST.NS (NSE)

10.8	Stock Market Data	: National Stock Exchange of India Ltd. (NSE) ( in ₹)		BSE Limited (BSE) ( in ₹)	
		Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
	April, 2012	82.90	74.25	83.00	74.25
	May, 2012	81.25	72.05	80.85	73.00
	June, 2012	76.15	68.65	76.10	68.30
	July, 2012	75.50	67.00	75.25	66.65
	August, 2012	74.00	60.20	74.95	62.50
	September, 2012	77.25	66.60	77.30	55.40
	October, 2012	71.70	56.30	72.00	56.00
	November, 2012	76.60	63.10	81.40	63.25
	December, 2012	87.00	67.70	88.70	67.10
	January, 2013	78.50	61.60	79.40	61.55
	February, 2013	66.25	53.80	66.20	54.00
	March, 2013	61.30	44.50	61.40	44.05

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



**Note :** Based on the Monthly closing data of Jindal Stainless Limited (₹ per share) and BSE Sensex.

**10.10 Registrar and Transfer Agent** : Link Intime India Private Limited  
44, Community Center, 2nd Floor,  
Naraina Industrial Area, Phase -1, Near PVR, Naraina, New Delhi - 110 028  
Phone No. (011) 41410592/93/94  
Fax No. (011) 41410591  
Email : delhi@linkintime.co.in

**10.11 Share Transfer System** : Share transfer requests for shares in physical form are registered within 10 - 15 days. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants.

**10.12 Distribution of shareholding as at 31st March, 2013:**

By size of shareholding	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 2500	49,576	98.27	1,38,79,996	6.80
2501 - 5000	463	0.92	16,40,312	0.80
5001 - 10000	204	0.40	14,83,293	0.73
10001 - 15000	51	0.10	5,95,466	0.29
15001 - 20000	21	0.04	3,66,779	0.18
20001 - 25000	12	0.02	2,76,370	0.14
25001 - 50000	37	0.07	13,00,703	0.64
50001 & Above	86	0.17	18,45,34,628	90.42
<b>TOTAL</b>	<b>50,450</b>	<b>100.00</b>	<b>20,40,77,547</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>13,154</b>	<b>26.07</b>	<b>43,60,483</b>	<b>2.14</b>
<b>Electronic Mode</b>	<b>37,296</b>	<b>73.93</b>	<b>19,97,17,064</b>	<b>97.86</b>

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	8,80,17,250	43.13
GDS held by promoters underlying shares	1,67,34,984	8.20
GDS held by others underlying shares	8,69,350	0.43
FIs/Banks/Mutual Funds	1,90,87,381	9.35
Corporate Bodies	81,73,592	4.01
FIIIs	4,34,01,466	21.27
NRIs/OCBs	1,18,26,222	5.79
Public	1,59,67,302	7.82
<b>Total</b>	<b>20,40,77,547</b>	<b>100.00</b>

**10.13 Dematerialisation of shares** : 97.86% of the shares have been dematerialised upto 31st March, 2013. Trading in equity shares of the Company is permitted only in dematerialized form.

**10.14 Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.** : As on 1st April, 2012, Foreign Currency Convertible Bonds (FCCBs) amounting to USD 4.30 million were outstanding. During the year Company received, conversion notices for 560 FCCBs amounting to USD 2.8 million and subsequently the Company allotted 291978, 364972, 364972 fully paid equity shares on 8.6.2012, 24.8.2012 and 28.9.2012 respectively. Thus, the outstanding FCCBs as on 31st March, 2013 were of USD 1.50 million.



**10.15 Plant locations**: • **HISAR**O.P. Jindal Marg,  
Hisar – 125 005  
(Haryana).• **ODISHA**Kalinga Nagar Industrial Complex,  
P.O. Danagadi – 755 026  
Dist. Jajpur (Orissa) India• **KOTHAVALASA**Jindal Nagar,  
Kothavalasa – 535 183  
Dist. Vizianagaram (A.P.)

10.16 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 : Mr. V.M. Joshi  
Designation : Vice President  
Address : Link Intime India Private Limited  
44, Community Center, 2nd Floor  
Naraina Industrial Area, Phase I, Near PVR, Naraina,  
New Delhi - 110 028  
Phone No. (011) 41410592/93/94  
Fax No. (011) 41410591  
Email : delhi@linkintime.co.in

**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).**

Important Communication to Members: Members must be aware that Ministry of Corporate Affairs (MCA) has started a "Green Initiative in the Corporate Governance", whereby it has allowed paperless compliances by the Companies in the field of servicing of notice / documents, including Annual Report through emails. Members, who have not yet registered their email addresses, are requested once again to register their email addresses in respect of their shareholding in electronic mode with the Depository Participants, including any change in their email id. Members holding shares in physical mode are requested to register their email addresses with the Company / M/s. Link Intime India Private Limited, New Delhi, the Registrar & Transfer Agent.

**11. OTHER INFORMATION****(a) Risk Management Framework:**

The Company has in place mechanism 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) CEO and CFO Certification**

The Chief Executive Officer and the Executive Director (Finance) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. They also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

**(c) 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 the Chief Executive Officer is given below:

**To the Shareholders of Jindal Stainless Limited**

Sub.: Compliance with Code of Conduct

I hereby declare that for the financial year ended 31st March, 2013 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 : 27th May, 2013

Uday Kumar Chaturvedi  
Chief Executive Officer

**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) While preparing the annual accounts in respect of the financial year ended 31st March, 2013, 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.

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

**To the Members,****Jindal Stainless Limited**

We have examined the compliance of the conditions of Corporate Governance by Jindal Stainless Limited for the year ended on March 31, 2013 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.

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 by the Company and that no investor grievance(s) is/are pending for exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee / Share Transfer Committee of the Board.

We 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.

Place : New Delhi  
Dated : 18th May, 2013

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



### Global outlook

2011-2012 has been an economically challenging time world over. Global GDP growth is forecasted to reach 3.25% in 2013 and 4% in 2014. Second half of 2013 is expected to witness gradual acceleration in growth.

Due to sharp deceleration in demand from advanced economies, there was a slow-down in economies of developing countries as well in 2012. Though quite a few Asian economies are seeing higher growth since starting of 2013, but, it would be too early to rejoice as high inflation and exchange market pressures in some countries can bring in tumultuous times again.

### Indian Economy

Financial year 2012-13 saw the Indian economy grow at a decade low of 5%. Burden of various state and central subsidies had led to a steep deterioration in the fiscal health of the country in the last two financial years. A widening current account deficit has resulted into precipitous fall of the currency and the country has become highly dependent and vulnerable to foreign currency capital inflows. All these factors put together have brought the country to the verge of a possible ratings relegation to non investment grade by the international ratings agencies which have already changed the outlook to negative. Inflation levels indicated by WPI stayed beyond the comfort level of the central bank (RBI) creating a stumbling block for it to inject significant amount of monetary stimulus in the Indian economy to revive growth.

### Global Stainless Steel scenario

As per the figures released by International Stainless Steel Forum (ISSF) for 2012, stainless steel production grew by mere 5.2 % MT from 33.6 million metric tons (MT) in 2011 to 35.4 million metric tons (MT) in 2012.

Stainless production in the Americas was 4.7% lower than in 2011 with a total output of 2.4 MT. In Central and Eastern Europe output dropped by an average 8.2% and was only around 0.4 MT. Western Europe (and Africa) produced 7.8 Mt, which is down by 0.7% compared to 2011.

However, China maintained its strong growth and emerged as the leader with stainless steel production increasing by 14.2% to reach 16.1million MT. Together with China, Asian stainless steel producers now account for 70% of global production.

Higher production in China also meant that Cr-Mn (200 series) steels now account for a higher percentage of total production. As per ISSF, the grade mix of 2012, broken into different quarters is as below:

Stainless Crude Steel Production by Categories					
Type of Stainless Steel	Year 2012 (%)				
	Q1	Q2	Q3	Q4	Total %
200 Series	15.6	17.8	24.5	23	20.2
300 Series	57.4	54.7	49.9	51.5	53.4
400 Series	25.5	26	24.1	24.4	25.0
Others	1.5	1.5	1.5	1.1	1.4

Source: International Stainless Steel Forum (ISSF)

### Indian Stainless Steel Scenario

The Indian stainless steel market for 2012-13 was at 2.4 MT, of which flat products accounted for approx. 2 MT, this is almost same as the preceding year. At 1.8 kgs per capita stainless steel consumption in India is still very low. While, there is scope for growth, slowdown in sectors such as Infrastructure, Railways, Seaports, Airports, Highways, and Bridges etc. are the major obstacles right now.

More importantly it's the cheap import of stainless steel especially from China that's denting the Indian stainless steel industry. Some of the other major challenges faced by the industry are:

- Unfavourable duty structure
- High cost of funds
- Fluctuation in raw material pricing
- Shortage of coking coal
- Land acquisition and environment regulations
- Availability and pricing of domestic iron ore / chrome ore
- Insufficient infrastructure and logistics
- Downstream value addition

Another major concern is that in 2012-13 the market share of imported stainless steel flat products has increased from 29% to 33%. This in combination with the factors mentioned above has created severe under-utilization of capacities within the stainless steel sector. The national capacity utilization figure is just 38.63% and unless this number increases drastically, the domestic stainless steel producers would continue to remain under pressure.

### Way Forward

At JSL we treat challenges as opportunities. Which is why, we have rolled out a series of initiatives aimed at improving quality, logistics, product mix and cost competitiveness, so as to help us in strengthening the bonds with our clients.

Jajpur plant in Odisha has ramped up and is nearing stabilization. With this JSL has a whole new range of products which have enabled the Company to enter new market segments, not accessible before.

At JSL customers always come first. We are focusing on an overall customer satisfaction approach with initiatives for improved responsiveness and flexibility, which is now backed by an organizational restructuring as well. The objective is to bring 'customer satisfaction' to the centre of the organization.

Despite the slow growth, Automotive, Railway & Transport and Architecture, Building & Construction sectors still remain as the best bet for the growth of the stainless steel sector.

### Business Highlights (Standalone)

JSL's (Standalone) gross revenue for the financial year ended 31st March, 2013 at ₹ 11,090 crore has been highest ever, a growth of 31% Year-on-Year, mainly due to increased volume of sales at the new plant at Jajpur. Exports sales surged to ₹ 3,220 crore with Year-on-Year growth of 80% and Domestic sales grew by 18% to ₹ 7,870 crore from ₹ 6,678 crore in FY11-12.

Profit before depreciation, interest and taxes stood at ₹ 615 crore as against ₹ 904 crore in FY12 Net profit/ (loss) stood at ₹ (820) crore as compared to ₹ (104) crore mainly on account of Interest cost of ₹ 990 crore in comparison to ₹ 516 crore in FY11-12 and depreciation of ₹ 701 crore as compared to ₹ 408 crore in FY11-12. The increase in Interest is mainly on account of full year impact of Capitalization of Odisha Ph II project and conversion of some of the Foreign Currency borrowings into Rupee term loans. The increase in depreciation is also on account of the full year impact of new plant at Jajpur. The exceptional losses stood at ₹ (167) crore on account of fluctuation in foreign currency assets/liabilities as against ₹ (207) crore in FY12.

This was an exceptionally challenging year for JSL on account of tough economic conditions both Indian and Global, stabilization of new plant and government policies logjam. However, the company was able to achieve good progress in ramping up of Jajpur plant and achieve the highest ever sales and further expects to gain from this state of art plant in the years to come.

### Risks and Concerns

JSL is exposed to normal industry risk factors like market fluctuation, economic slow down, government policies logjam, imports from global competitors etc. and manages these risks by deploying prudent business and risk management practices. The company has been undertaking continuous modernization programmes to maintain efficient operation of its products and engineering activities. The company has also made efforts to mitigate risk by enhancing the quality of its products, use of hot metal in Electric Arc Furnaces, reduction in energy consumption and emissions, and improved productivity. The company is also looking at various options to maintain an adequate level of liquidity for smooth running of its operations.

### Internal Controls System

JSL's internal controls system is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with all relevant laws and regulations. Periodic independent internal checks and audits are conducted for monitoring effectiveness of controls. Necessary quality control systems and procedures have been established and clear demarcation of roles and responsibilities have been defined at various levels of operations.

The Whistle Blower Policy (Policy) adopted by the company provides an effective mechanism, which safeguards employees against any kind of victimization or unfair treatment to them. The Policy also encourages all employees, officers and directors to promptly report any suspected fraud, unethical behavior or any violation of the company's Code of Conduct within the organization.

### Quality Management Systems

JSL is committed to continual quality improvement of all of its products, processes and services to meet customer requirements and expectations by means of a stringent Quality Management System (ISO 9001:2008).

Apart from QMS, Jindal Stainless Limited is also ISO 14001:2004 (EMS) & OHSAS 18001:2007 certified. These systems ensure that quality of the product is world class, and at the same time, the processes that go into making such products, are environmental friendly and risk free, thus providing a conducive work environment for all. The products of Odisha Division of JSL are also certified for Pressure Equipment Directive (PED-97/23/EC) & AD 2000 W0 and for Construction Product Directive (CPD 89/106/EEC) for using "CE" marking. These certifications demonstrate the capability of our product to meet the stringent requirements of the European Union for Pressurized Vessel applications like boilers, pressure vessels, valves etc. and for Architecture, Building and Construction (ABC) Sector respectively.



### Research & Development

JSL produces wide range of stainless steel flat products including austenitic, ferritic, martensitic and duplex grades and has global recognition for pioneering work towards development and commercialization of chrome-manganese stainless steels. The wide spectrum encompasses from lean austenitic to super-austenitic, lean duplex to super-duplex, low cost ferritic to high chromium ferritic, stabilized austenitic to stabilized ferritic &, lean martensitic to highly alloyed martensitic stainless steels. The products cover complete requirements of customers seeking materials that are lustrous, resistant to corrosion, withstand high as well as cryogenic temperatures, easy to deep draw and are highly weldable.

Manufacturing units at Hisar and Jajpur have been certified to IMS (Integrated Management System) comprising ISO 9001:2008 Quality Management System, ISO 14001:2004 Environment Management System and OHSAS 18001:2007 Occupational Health & Safety Management System by M/s TUV India (member of TUV NORD). Besides instituting an E-based compliance management tool, company strives continually to exceed beyond the regulatory requirements and stakeholders expectations.

### Environment

In its pursuit of sustaining and green environment, efficient use of all key resources (water, energy, raw materials, wastes etc) are being practiced through its effective management, technological measures and environmentally aware workforce. An environmental laboratory accredited by State Pollution Control Board and NABL, Ministry of Science & Technology, GoI is set up for environmental surveillance. Surface rain water is harvested for captive use. Entire Fly ash is used to develop degraded quarries as a land of potential utility. The company firmly believes in maintaining good environment for the society at large.

### Health

Hisar and Jajpur units set up have a well equipped Occupational Health Centers manned by qualified occupational health specialists to provide basic diagnostic and therapeutic treatment. Company managed state of art hospital at Hisar serves the community as well.

### Safety

Safety has been institutionalized around objectives, guiding principles and processes. The company continues to pursue EHS excellence through structured governance, rigorous self-assessment of operational discipline and employee involvement. Elaborative emergency preparedness has been devised to meet eventualities. M/s Cholamandalam Risk Management (P) Ltd., Chennai and M/s Chillworth Technology (P) Ltd, Delhi audited.

### Awards & Accolades

- “Prakruti Mitra Award – 2012” from State Ministry of Forest & Environment, Government of Odisha for excellence in environmental conservation and promotion of environmental awareness & education.
- NABL Accreditation (National Accreditation Board for Testing & Calibration Laboratories), New Delhi, Department of Science & Technology, Ministry of Science & Technology, GoI for Environmental Laboratory.

### Quality

JSL is committed to continual quality improvement of all of its products, processes and services to meet customer requirements and expectations by means of a stringent Quality Management System (ISO 9001:2008). The QMS is the foundation of our company's culture and is the responsibility of all employees. Our culture is built on integrity, excellence, entrepreneurship, and attention to detail. This is manifested in our insistence on meeting commitments, the use of advanced technologies, on-time delivery of unquestioned quality and the continuous improvement of our Quality Management System.

These systems ensure that quality of the product is world class, and at the same time, the processes that go 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 includes a cross functional team of auditors specifically trained for the above purpose. Addressing environmental aspects/risks in order to reduce/minimize their impact is a normal part of our business. With these systems in place, we aim to strive from customer satisfaction to customer delight.

The products are also certified for Pressure Equipment Directive (PED-97/23/EC) & AD 2000 W0 and for Construction Product Directive (CPD 89/106/EEC) for using “CE” marking. These certifications demonstrate the capability of our product to meet the stringent requirements of the European Union for Pressurized Vessel applications like boilers, pressure vessels, valves etc. and for Architecture, Building and Construction (ABC) Sector respectively.

### Company CSR Vision

JSL, during the Financial Year 2012–13, has aligned its Corporate Social Responsibility activities toward its overall vision of becoming a Socially Responsible Corporate. Towards this end, the key social developmental issues have focused on the education & skill development, women empowerment, community development, integrated health care, infrastructure development and has been championing the issue on ‘Business & Human Rights’. There have been significant outcomes, which besides scaling up the activities are indicative of focused achievements aimed at touching lives of many in varied ways. Some of the highs are appended below:

Education - Initiatives have benefitted over 3000 children through different approaches like formal, OP Jindal School and Vidya Devi Jindal School and non formal, remedial and education through sports programs.

- Skill Training - The institutes at different locations have trained youth in Industrial electrical, IT, Sign Language (for I deaf), Dress Designing and Beauty Culture.
- Health vans reached out to 40 villages and over 32000 people and provide them primary healthcare in a year.
- Women Empowerment programs reach out to over 3000 women who contribute towards monthly savings and are encouraged to become self reliant through developing their entrepreneurial skills.
- Infrastructure Development in the community like adding class rooms in government schools, building community centres, constructing roads, play grounds etc.
- Business & Human Rights – The Company has been engaged in creating greater awareness amongst various stakeholders on issues relating to rights, especially in the domain of environmental and security and has been developing internal grievance mechanism processes.

During the ensuing year, JSL management will continue to focus on skill development, education with a difference and women empowerment. To demonstrate our resolve, we have initiated a new project in partnership with the Ministry of Rural Development (MoRD), with the aim of imparting skill training to unemployed youth of the State of Jammu & Kashmir. Under ‘Education with a difference’ programme our focus is on providing quality education through a combination of various tools with particular reference to establishing a ‘Coaching Centre’, for students to compete in various entrance examinations with a special reference to the JEE examination. Towards women empowerment the focus of our activities is to promote and create model production centres at the village level run by women groups themselves with background support from Jindal Stainless Foundation.

### Our People: Our Central Nervous System

JSL remains focused on its long-term commitment towards development and nurturing of employees. As a learning organization, JSL aims at creating, acquiring and transferring knowledge to its employees and motivate them to reinvent their individual capabilities. The year saw focus on strengthening of HR processes, enhancement of leadership potential, building organization capability and employee communication.

In order to build organizational capabilities, we continue to bring key talents on board. Overall employees added were approx. 440 during the year which included approx. 90 GETs.

JSL believes that development of leaders is directly proportionate to organization's high performance. JSL has focused on developing the skills and competencies required for the employees to deliver against different business complexities. In line with the same, company has made considerable effort and investment towards emerging leaders program – “EXCEED” and “LEAP”. These programs are aimed at enhancing leadership potential and providing a full spectrum of leadership development opportunity through various interventions.

During the year, overall 4192 employees underwent training with the objective of enhancing capabilities. Till 31st March, 2013, the overall training man-days for Management Staff stood at 4.25.

Succession Planning was initiated with emphasis on organization capability building for future. In order to attract and retain talents, designed long term Compensation & Benefit strategy and launched Variable Pay scheme. Annual Salary review Budget was also designed in a way that the compensation of high performers and key talents are aligned to the market.

With the objective of increasing employee engagement and enhancing the communication flow, specific initiatives such as “J-Pulse” & “Write to HR” was launched. These communication platforms bring employee's voice to action through opinion survey, organization dipstick, open forums, etc. In order to improve HRIS, SAP HR was implemented with focus on creating online Performance Management System and maintaining employee data.

JSL continues to manage its talent pool and able to meet the business needs through deploying manpower across business units. The employee strength of the company stood approx. at 4500 as on 31st March, 2013.

### Cautionary Statement

The Management Discussions and Analysis describe the company's projections, expectations or predictions and are 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 economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.



To the members of Jindal Stainless Limited.

#### Report on the financial statements

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

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of Balance Sheet, of the state of the affairs of the company as at 31st March 2013;
- In the case of statement of Profit and Loss, of the loss for the year ended on that date; and
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matter

Attention is drawn to the following:

- Note no. 51(C)(i) regarding pending necessary approvals for managerial remuneration as explained in the said note;
- Note no. 33(A)(v)e read with note no. 39(B) regarding pending confirmations of balances of certain secured loans as stated in the said note; and
- Note no. 39(C) regarding certain investments and loans & advances considered as good and fully realizable/ recoverable related to certain subsidiary companies, for the reason stated in said note, and no provision for diminution in value is necessary in the opinion of the management.

Our opinion is not qualified in respect of these matters.

#### Report on other legal and the regulatory requirements:

- As required by the Companies (Auditors' Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.
- As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - 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;
  - The reports on the accounts of the branches audited by other Auditors have been forwarded to us and have been appropriately dealt with by us in preparing our report;
  - The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account and with the audited accounts from the branches;
  - In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956; and
  - 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 2013 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.

For **LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

**(N.K. Lodha)**  
Partner  
M. No. 85155

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
FRN: 000756N

**(Arun K. Tulsian)**  
Partner  
M. No. 89907

Place : New Delhi  
Date : 27th May, 2013

Referred to in paragraph 1 under the heading "Report on other legal and the regulatory requirements" of our report of even date

- The company has maintained proper records in respect of its fixed assets showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - As per records and information and explanations given to us, no substantial part of fixed assets has been disposed off during the year.
- 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.
  - 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.
  - 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 is carried out. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- 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 Act. Accordingly, the provisions of clause 4(iii) (b) to (d) of The Order are not applicable.
  - 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 Act. Accordingly, the provisions of clause 4 (iii) (f) & (g) of the Order are not applicable.
- 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.
- To the best of our knowledge 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 Act, have been so entered.
  - In our opinion and having regard to our comments in paragraph 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 Act, 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.
- 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 Act, 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.
- In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
- 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 Act, in respect of the Company's products and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
- 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 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 Custom Duty 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 (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	1.69	April 1995-June 95	High Court, New Delhi
		658.08	Jan 1999- Dec 04	High Court of Punjab & Haryana , Chandigarh
		27.19	Jan 05-June 05	CESTAT, Delhi.
		7.57	2000-01	CESTAT, Delhi.
		2,960.81	July 05- Dec 07	CESTAT, Delhi.
		46.99	July 05- Dec 07	CESTAT, Delhi.
		358.88	Aug 08 – Dec 10	CESTAT, Delhi.
		57.14	Sep 94- March 96	Commissioner of Central Excise, Rohtak.
		7.63	1994-95	Addl. Commissioner of Central Excise, Rohtak.
		0.39	1996-97	Commissioner (Appeals), Gurgaon
		23.74	July & August-09	Revision Authority, Delhi
		0.02	Jan10- June10	Commissioner (Appeals), Gurgaon
		18.02	July 95- Sep 95	Joint Commissioner of Central Excise, Rohtak
		5.76	April-07 to October-07	Joint Secretary Excise, Rohtak
		3,203.32	2005-11	Commissioner, Central Excise Bhubneshwar-1, Odisha
The Custom Act, 1962	Custom Duty	4,025.94	April 06 - March 12	Commissioner, Central Excise, Bhubneshwar, Odisha
		60.00	2008-09	CESTAT, Delhi.
Finance Act, 1994	Service Tax	12.00	2012-13	CESTAT, Delhi.
		522.83	Dec 03- March-06	CESTAT, Delhi.
		7.64	2008-09 & 2009-10	CESTAT, Delhi.
		53.83	2005-06 to 2008-09	CESTAT, Delhi.
The Central Sales Tax Act, 1956	Sales Tax	9.79	2005-06 to 2010-11	Commissioner (Appeals) Gurgaon
		3.00	1993-94	High Court of Punjab & Haryana, Chandigarh
		2,479.44	2005-06 to 2007-08	High Court Odisha, Cuttack
Odisha Value Added Tax, 2004	Sales Tax	179.53	2005-06, 2006-07 & 2007-08	Add. Commissioner of Sales Tax, Cuttack
Income Tax Act	Income Tax	2,231.81	2004-05, 2005-06 & 2006-07	Commissioner of Income Tax(Appeals), Delhi
		517.52	2002-03 & 2003-04	High Court, New Delhi
		287.42	2007-08	ITAT, Delhi
Entry Tax Act, 1999	Entry Tax	3,234.37	2006-07 To 2012-13	Hon'ble Supreme Court
		8,210.13	2006-11	High Court Odisha, Cuttack

10. The company has no accumulated losses at the end of the financial year and it has incurred cash loss during the year and did not incur cash loss in the immediately preceding financial year.
11. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/banks/ debenture holders, except default in payment of principal & interest of ₹ 13,570 lacs (USD 25 Million) & ₹ 1,495 lacs for a maximum period of 163 days and 41 days respectively. However as on balance sheet date there was no default and this is to be read with note no. 33(B).
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. 27(C))
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 at the close of the financial year for the purposes for which the loans were obtained where such end use has been stipulated by the lender.
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 investment. (read with note no. 33)
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. (read with note no. 47)
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 have we been informed of such case by the management.

For **LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

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

Place : New Delhi  
Date : 27th May, 2013

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
FRN: 000756N

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



DESCRIPTION	NOTE NO	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	4,081.55	3,790.11
Reserves and Surplus	3	143,503.37	214,423.20
		147,584.92	218,213.31
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	876,435.33	771,257.61
Deferred tax liabilities (net)	5	1,592.61	39,456.81
Other Long-term liabilities	6	12,124.05	1,265.03
Long-term provisions	7	952.64	868.55
		891,104.63	812,848.00
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	202,312.22	153,145.13
Trade payables	9	297,534.06	203,394.68
Other current liabilities	10	113,809.93	181,074.75
Short-term provisions	7	283.59	201.44
		613,939.80	537,816.00
<b>TOTAL</b>		1,652,629.35	1,568,877.31
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible assets		980,416.08	975,111.91
Intangible assets		292.03	428.95
Capital work-in-progress		14,590.34	45,663.86
Intangible assets under development		846.76	483.20
Non-current investments	12	17,111.20	16,886.20
Long-term loans and advances	13	15,576.14	20,603.13
Other non-current assets	14	1,772.89	2,213.84
		1,030,605.44	1,061,391.09
<b>CURRENT ASSETS</b>			
Current investments	12	219.54	104.00
Inventories	15	327,642.11	270,275.89
Trade receivables	16	190,901.73	150,566.46
Cash and Bank Balances	17	8,778.94	16,419.81
Short-term loans and advances	13	94,032.44	69,652.12
Other current assets	18	449.15	467.94
		622,023.91	507,486.22
<b>TOTAL</b>		1,652,629.35	1,568,877.31
<b>Significant Accounting Policies</b>	1		

Notes referred to above are an integral part of the financial statements

**AUDITORS REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered AccountantsFor **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants**RATAN JINDAL**  
Vice Chairman & Managing Director**U.K. CHATURVEDI**  
Chief Executive Officer**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N**JITENDER P. VERMA**  
Executive Director-Finance**JITENDRA KUMAR**  
Company Secretary**PLACE:** New Delhi  
**DATED:** 27th May, 2013

DESCRIPTION	NOTE NO	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>INCOME</b>			
Revenue from operations (Gross)	19	1,112,188.27	849,833.01
Less : Excise Duty on sales		83,567.33	60,728.17
Revenue from operations (Net)		1,028,620.94	789,104.84
Other income	20	4,413.15	7,530.62
<b>TOTAL</b>		1,033,034.09	796,635.46
<b>EXPENSES</b>			
Cost of materials consumed	21	729,398.63	548,442.31
Purchases of Trading Goods	21A	2,629.51	9,689.84
Changes in inventories of finished goods, work in progress and Trading goods	22	(36,382.97)	(43,533.62)
Employee benefits expenses	23	24,632.61	16,983.32
Finance costs	24	99,029.31	51,680.03
Depreciation and amortization expense	25	70,130.96	40,860.75
<b>Other expenses</b>	26		
Manufacturing Expenses		196,825.69	137,646.27
Administrative Expenses		12,943.88	7,821.98
Selling expenses		37,076.41	21,650.52
<b>TOTAL</b>		1,136,284.03	791,241.40
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		(103,249.94)	5,394.06
Exceptional items - Gain/(Loss)	30	(16,696.06)	(20,775.93)
<b>Profit/ (Loss) before tax</b>		(119,946.00)	(15,381.87)
<b>Tax expense</b>			
Provision for Deferred Tax		(37,864.20)	(4,989.86)
Previous Year Taxation Adjustment		-	(0.86)
<b>Profit/(Loss) for the Year</b>		(82,081.80)	(10,391.15)
<b>Earnings per share (in ₹)</b>	50		
Basic		(43.15)	(5.52)
Diluted		(43.15)	(5.52)
<b>Significant Accounting Policies</b>	1		

Notes referred to above are an integral part of the financial statements

**AUDITORS REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered AccountantsFor **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants**RATAN JINDAL**  
Vice Chairman & Managing Director**U.K. CHATURVEDI**  
Chief Executive Officer**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N**JITENDER P. VERMA**  
Executive Director-Finance**JITENDRA KUMAR**  
Company Secretary**PLACE:** New Delhi  
**DATED:** 27th May, 2013



# Cash Flow Statement for the year ended 31st March, 2013



DESCRIPTION	(₹ in Lacs)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. Cash Inflow / (Outflow) from Operating Activities</b>		
<b>Net Profit/(Loss) Before Tax &amp; Exceptional Items</b>	<b>(103,249.93)</b>	5,394.06
Adjustment for:		
Depreciation/Amortisation	70,130.96	40,860.75
Provision for Doubtful Debts & Advance / Bad Debts	1,477.15	78.55
Previous Year Adjustments (Liability Written Back)	(135.59)	(469.29)
Mine Development Expenditure Written Off	309.59	309.59
Expenses on Employee Stock Option Scheme	61.44	242.44
Finance Cost	99,029.31	51,680.03
Interest Income	(3,868.69)	(7,561.94)
Dividend Income	(1.34)	(1.41)
(Profit) / Loss on Sale/Diminution of Investments (Net)	(155.70)	4.29
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	(272.07)	114.94
<b>Operating Profit Before Working Capital Changes</b>	<b>63,325.13</b>	90,652.01
Adjustment for:		
(Increase) / Decrease in Inventories	(57,366.22)	(59,403.71)
(Increase) / Decrease in Trade Receivables	(40,343.25)	(28,512.25)
(Increase) / Decrease in Loans & Advances	(23,560.28)	(14,929.56)
Increase / (Decrease) in Liabilities and Provisions (Above includes (a) Long Term Liabilities, (b) Provisions (c) Trade payables)	85,874.81	86,480.87
<b>Cash Inflow from Operating Activities Before Exceptional Items</b>	<b>27,930.19</b>	74,287.36
Exceptional items - Gain/(Loss)	(16,696.06)	(20,775.93)
Income Tax (Advance) / Refund (Net)	(753.84)	(3,119.46)
<b>Net Cash Inflow from Operating Activities</b>	<b>10,480.29</b>	50,391.97
<b>B. Cash Inflow / (Outflow) from Investing Activities</b>		
Sale/Redemption/(purchase) of Investment (Net)	(184.84)	(269.85)
Loan repaid from Subsidiaries	1,411.51	-
Capital Expenditure	(6,831.05)	(85,981.24)
Sales Proceeds of Fixed Assets Sold	537.93	270.86
Dividend Received	1.34	1.41
Interest Received	2,990.46	7,092.16
<b>Net Cash Outflow from Investing Activities</b>	<b>(2,074.65)</b>	(78,886.66)

# Cash Flow Statement for the year ended 31st March, 2013



DESCRIPTION	(₹ in Lacs)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>C. Cash Inflow / (Outflow) from Financing Activities</b>		
Dividend Paid	(19.50)	(27.42)
Interest and Finance Charges Paid	(39,790.04)	(70,775.92)
Debt (serviced)/refundable under CDR	(544.81)	86.44
Proceeds from / (Repayment of) Borrowings (net)	14,149.47	83,095.66
Issue of Equity Share	10,027.00	-
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(16,177.88)</b>	12,378.76
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(7,772.24)</b>	(16,115.93)
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>9,049.75</b>	16,821.99
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>16,821.99</b>	32,937.92
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(7,772.24)</b>	(16,115.93)
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	1,827.62	4,122.31
Balance with Banks	7,222.07	12,699.64
Puja & Silver Coins	0.06	0.04
	<b>9,049.75</b>	16,821.99

- 2) Increase in Paid Up Capital and Securities Premium on account of Conversion of Foreign Currency Convertible Bonds are cash neutral and as such not considered in this statement.
- 3) Previous year's figures have been regrouped and rearranged wherever considered necessary.

## AUDITOR'S REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**U.K. CHATURVEDI**  
Chief Executive Officer

**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E

**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N

**JITENDER P. VERMA**  
Executive Director-Finance

**JITENDRA KUMAR**  
Company Secretary

**PLACE:** New Delhi  
**DATED:** 27th May, 2013



**Note No - 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 / materialized.

**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 and Demerger are stated at their fair market values based on the valuation report of financial consultant.

**b) Depreciation and 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 (except on power plant where depreciation is provided @7.84% considering the estimated useful life). 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 Assets are 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 amortized 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/when there is a reasonable certainties.

**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.

The difference in translation of Monetary assets and liabilities and realized gains and losses on foreign exchange transaction are recognized in profit & loss account except of loan/liability related with acquisition of depreciable fixed asset where the same is treated as cost of the asset.

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 Employee's 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.

**d) Employee Stock Option Scheme**

The excess of market price on the date of grant over the exercise price is recognized as deferred compensation expenses amortized over the vesting period on a straight- line basis, as per the accounting treatment prescribed by the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India.

**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.

**xii) Management of Metal Price Risk/ Derivatives**

Risks associated with fluctuations in the price of the 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.



		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	475,000,000 ( 475,000,000) Equity Shares of ₹ 2/- each	9,500.00	9,500.00
		9,500.00	9,500.00
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	204,077,547 (189,505,625) Equity Shares of ₹ 2/-each fully paid up	4,081.55	3,790.11
	<b>TOTAL - SHARE CAPITAL</b>	4,081.55	3,790.11
(a)	<b>RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Equity Shares outstanding at the beginning of the year	189,505,625	187,315,792
	<b>Equity Shares issued during the year</b>		
	On Conversion of Foreign Currency Convertible Bonds	1,021,922	2,189,833
	On Issue of Equity Shares to Jindal Overseas Holding Limited	13,550,000	-
	<b>Shares outstanding at the end of the year</b>	204,077,547	189,505,625
	4,945,375 (13,137,179 ) Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 2,710 (7,199) Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the last five years.		
(b)	<b>TERMS/RIGHT ATTACHED TO EQUITY SHARES</b>		
	The company has only one class of equity shares having a par value of ₹2/- per share. Each shareholder is eligible for one vote per equity share held [other than the shares represented by Regulation S Global Depositary Shares (the "GDSs") issued by the Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
	As on 31st March 2013, 8,802,167 GDSs (8,802,167 GDSs) with 17,604,334 underlying equity shares (17,604,334 equity shares were outstanding. Each GDS represents 2 underlying equity shares of the Company.		
(c)	<b>EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER</b>		
	<b>NAME OF THE EQUITY SHAREHOLDER</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
		<b>No. of Shares</b> <b>% holding</b>	<b>No. of Shares</b> <b>% holding</b>
	Jindal Overseas Holdings Limited	27,700,000   13.57%	14,150,000   7.47%
	Reliance Capital Trustee Co. Ltd- A/C Reliance Diversified Power Sector Fund	11,939,931   5.85%	11,939,931   6.30%
	Citigroup Global Markets Mauritius Private Ltd.	11,904,296   5.83%	11,904,296   6.28%
	American Express Bank Limited - A/c AEB London	-   -	9,997,524   5.28%
	Hypnos Fund Limited	10,301,711   5.05%	-   -
(d)	<b>EQUITY SHARES RESERVED FOR ISSUE UNDER OPTIONS</b>		
	(i) For details of shares reserved for issue under the Employee Stock Option Scheme, 2010 of the company, please refer Note No. 45		
	(ii) For details of shares reserved for issue on conversion of Foreign Currency Convertibles Bonds, please refer Note No. 4 (f) regarding terms of conversion.		

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
(a)	<b>CAPITAL REDEMPTION RESERVE</b>	2,000.00	2,000.00
(b)	<b>SECURITIES PREMIUM RESERVE</b>		
	As per last account	79,988.69	77,407.49
	Add : On Conversion of Foreign Currency Convertible Bonds	1,204.56	2,581.20
	Add : On Issue of Equity Shares to Jindal Overseas Holding Limited	9,756.00	-
		90,949.25	79,988.69
(c)	<b>EMPLOYEE STOCK OPTION OUTSTANDING</b>		
	Employee Stock Option Outstanding	640.74	790.86
	Less : Deferred Employees Compensation Expenditure	114.91	326.47
		525.83	464.39
(d)	<b>DEBENTURE REDEMPTION RESERVE</b>		
	As per last account	6,796.96	7,398.45
	Less : Written Back during the Year	377.12	601.49
		6,419.84	6,796.96
(e)	<b>GENERAL RESERVE</b>		
	As per last account	62,856.91	62,856.91
	Less : Towards deficit in Statement of Profit and Loss	19,835.92	-
		43,020.99	62,856.91
(f)	<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>	426.64	286.67
(g)	<b>CENTRAL/STATE SUBSIDY RESERVE</b>	39.27	39.27
(h)	<b>AMALGAMATION RESERVE</b>	121.55	121.55
(i)	<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
	As per Last Account	61,868.76	71,658.42
	Add : Profit/ (Loss) after Tax for the year	(82,081.80)	(10,391.15)
	Add : Debenture Redemption Reserve Written Back	377.12	601.49
		(19,835.92)	61,868.76
	Less : Being deficit, Set off from General Reserve	19,835.92	-
	<b>Net Surplus in the Statement of Profit and Loss</b>	-	61,868.76
	<b>TOTAL - RESERVE &amp; SURPLUS</b>	143,503.37	214,423.20



NOTE NO	DESCRIPTION	(₹ in Lacs)			
		Non -Current Portion		Current Maturity	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>4</b>	<b>LONG-TERM BORROWINGS</b>				
	<b>SECURED</b>				
	(a) <b>DEBENTURES</b>				
	Redeemable Non-Convertible Debentures	24,675.00	22,322.50	190.00	2,677.50
		24,675.00	22,322.50	190.00	2,677.50
	(b) <b>TERM LOANS FROM BANKS</b>				
	Rupee Term Loans	567,949.47	417,809.31	5,513.38	29,880.68
	Foreign Currency Loans	132,757.20	115,620.66	4,184.90	25,440.00
		700,706.67	533,429.97	9,698.28	55,320.68
	(c) <b>FUNDED INTEREST TERM LOANS</b>				
	From Banks	100,394.37	40,093.09	397.77	2,668.38
	From Others	6,372.68	3,633.57	29.83	241.82
		106,767.05	43,726.66	427.60	2,910.20
	(d) <b>BUYER CREDIT AGAINST CAPITAL GOODS</b>				
	In Rupee Term	-	3,233.69	-	-
	In Foreign Currency	41,302.36	164,997.07	-	-
		41,302.36	168,230.76	-	-
	(e) <b>CAR LOAN FROM BANKS</b>	-	3.47	1.87	10.90
	<b>TOTAL - SECURED</b>	<b>873,451.08</b>	<b>767,713.36</b>	<b>10,317.75</b>	<b>60,919.28</b>
	<b>UNSECURED</b>				
	(f) <b>BONDS</b>				
	Foreign Currency Convertible Bonds	814.35	2,187.84	-	-
		814.35	2,187.84	-	-
	(g) <b>PUBLIC FIXED DEPOSITS</b>	1,762.16	749.15	772.25	5,113.76
	(h) <b>LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS</b>	407.74	607.26	199.53	178.39
	<b>TOTAL - UNSECURED</b>	<b>2,984.25</b>	<b>3,544.25</b>	<b>971.78</b>	<b>5,292.15</b>
	Less : Amount Disclosed under the head Other Current Liabilities			11,289.53	66,211.43
	<b>TOTAL - LONG TERM BORROWINGS</b>	<b>876,435.33</b>	<b>771,257.61</b>	<b>-</b>	<b>-</b>

**Secured Borrowings**

[read with Note no. 33 and 39 (B)]

- a) 9.75 % Redeemable Non-Convertible Debentures of ₹ 1,000,000 each, amounting to ₹ 24,865.00 Lacs (₹ 25,000.00 Lacs) are redeemable in quarterly installments of ₹ 62.50 Lacs each (including balance of first installment of ₹ 2.50 Lacs) during 2013-14, ₹ 250.00 Lacs each during 2014-15 to 2016-17, ₹ 812.50 Lacs each during 2017-18 and thereafter ranging from ₹ 1,000.00 Lacs to ₹ 1,187.50 Lacs during 2018-19 to 2021-22. Debentures are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished good, raw materials, work-in -progress, consumable stores and spares, book debts, bills receivable.
- b) (i) Rupee Term Loans from banks amounting to ₹ 207,481.16 Lacs (₹ 208,232.37 Lacs) are repayable in quarterly installments of, ₹520.58 Lacs each (including balance of first installment of ₹ 393.98 Lacs) during 2013-14, ₹ 2,082.32 Lacs each during 2014-15 to 2016-17, ₹ 6,767.55 Lacs each during 2017-18 and thereafter ranging from ₹ 8,329.30 Lacs to ₹ 9,891.04 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (ii) Rupee Term Loans from banks amounting to ₹ 248,021.62 Lacs (₹ 159,703.00 Lacs) are repayable in 35 quarterly installments beginning from 1st October 2013 of, ₹ 1,240.11 Lacs each during 2013-14, ₹ 2,480.22 Lacs each during 2014-15 to 2016-17, ₹7,440.65 Lacs each during 2017-18 and thereafter ranging from ₹9,300.81 Lacs to ₹13,641.19 Lacs during 2018-19 to 2021-22.

The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.

- (iii) Rupee Term Loan from banks amounting to ₹ 47,456.88 Lacs (₹8,989.13 Lacs) is repayable on 31st March, 2022. The loan is secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (iv) Rupee Term Loans from banks amounting to ₹ 70,503.19 Lacs (₹ 70,765.49 Lacs) are repayable in quarterly installments of, ₹ 176.91 Lacs each (including balance of first installment of ₹ 126.91 Lacs) during 2013-14, ₹ 707.65 Lacs each during 2014-15 to 2016-17, ₹ 2,299.88 Lacs each during 2017-18 and thereafter ranging from ₹ 2,830.62 Lacs to ₹ 3,361.36 Lacs during 2018-19 to 2021-22. The loans are Secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (v) Foreign Currency Loans from banks amounting to ₹ 6,646.10 Lacs (₹ 6,228.63 Lacs) are repayable in 35 quarterly installments beginning from 1st October 2013 of, ₹ 33.23 Lacs each during 2013-14, ₹ 66.46 Lacs each during 2014-15 to 2016-17, ₹ 199.38 Lacs each during 2017-18 and thereafter ranging from ₹ 249.23 Lacs to ₹ 365.54 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (vi) Foreign Currency Loans from banks amounting to ₹ 122,152.50 Lacs (₹ 127,200.00 Lacs) are repayable in structured installments of ₹ 678.63 Lacs in 2013-14, ₹ 508.97 Lacs in 2014-15, ₹ 14,081.47 Lacs in 2015-16, ₹ 26,975.34 Lacs in 2016-17, ₹ 20,358.75 Lacs in 2017-18 and ₹ 19,849.78 Lacs each during 2018-19 to 2020-21. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (vii) Foreign Currency Loans from bank amounting to ₹ 8,143.50 Lacs (₹7,632.03 Lacs) are repayable in 25 equal monthly installments of ₹ 312.71 Lacs each from May, 2013 and balance one installment of ₹ 325.74 Lacs (in total 26 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge 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.
- c) (i) Funded Interest Term Loans (I) from banks amounting to ₹46,394.00 lacs (₹ 46,636.86 Lacs) (including ₹ 3,850.96 Lacs (₹ 3,875.39 Lacs) from Financial Institutions) are repayable in quarterly installments of, ₹ 116.55 Lacs each (including balance of first installment of ₹ 77.95 Lacs) during 2013-14, ₹ 466.19 Lacs each during 2014-15 to 2016-17, ₹ 1,515.12 Lacs each during 2017-18 and thereafter ranging from ₹ 1,864.76 Lacs to ₹ 2,214.41 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (ii) Funded Interest Term Loans (II) from banks amounting to ₹60,800.65 lacs (₹ Nil) (including ₹ 2,551.55 Lacs (₹ Nil) from Financial Institutions) are repayable in 20 quarterly installments of ₹ 1,900.02 Lacs each starting from 31st October 2015 till 31st July 2017, ₹ 3,800.04 Lacs each starting from 31st October 2017 and ending on 31st July 2020. The loans will be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.



d) Buyers Credit amounting to ₹ 41,302.36 Lacs (₹ 168,230.76 Lacs) are backed by letter of undertaking issued by Rupee Term Loan lenders under a sub limit of their respective Rupee Term Loans. Upon final maturity date (i.e. ₹ 37,868.84 Lacs in year 2013-14 and ₹ 3,433.51 Lacs in year 2014-15) the respective buyers credit amount would be converted into respective lender Rupee Term Loan to the extent of their sanctioned amount. These Buyers Credit (being a sub limit) are secured through their respective Rupee Term Loan by first/ second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.

(a,b,c,d) Above Term Loans amounting to ₹ 753,470.96 Lacs (including Funded Interest Term Loan ₹ 107,194.65 Lacs, Debentures amounting to ₹ 24,865.00 Lacs and Buyers Credit amounting to ₹ 41,302.36 Lacs) are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.33 (A) (v)] and

Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 33 (A) (v).

e) Secured by way of hypothecation of vehicles purchased thereunder and payable for the terms of the agreement.

#### Unsecured Borrowings

(f) In December 2010, the Foreign Currency Convertible Bonds (FCCB) were restructured with zero coupon and termed as "Convertible Bonds due December 24, 2019". Unless previously redeemed, repurchased and cancelled, or converted, these Bonds are redeemable at 176.28% of their principal amount on 24th December 2019. These Bonds at the option of the holder, may be converted into Equity Shares of face value of ₹ 2/- each, at a pre-determined price of ₹119.872/- per share.

During the year, the Company has received conversion notice for 560 (1,200) FCCBs amounting to USD 2.80 million (USD 6.00 million) and subsequently the company has allotted 10,21,922 (21,89,833) fully paid equity shares. The outstanding FCCBs as on 31st March 2013 were USD 1.50 million.

(g) Fixed deposits from public have a maturity period of 2 and 3 years from the date of deposits and repayable as & when due.

NOTE NO	DESCRIPTION	(₹ in Lacs)		
		Deferred Tax Liability/Asset as at 31.03.2012	Charge/(Credit) for the Year	Deferred Tax Liability/Asset as at 31.03.2013
<b>5</b>	<b>DEFERRED TAX LIABILITY (NET)</b>			
(a)	<b>DEFERRED TAX LIABILITY</b>			
	Difference between book & tax depreciation	93,933.67	<b>19,042.32</b>	<b>112,975.99</b>
	<b>Total Deferred Tax Liability</b>	93,933.67	<b>19,042.32</b>	<b>112,975.99</b>
(b)	<b>DEFERRED TAX ASSETS</b>			
	Disallowance under Section 43B	17,573.56	<b>20,524.57</b>	<b>38,098.13</b>
	Provision for doubtful debts & advances	36.84	<b>476.67</b>	<b>513.51</b>
	Provisions for Employee Benefit	342.39	<b>53.94</b>	<b>396.33</b>
	Provisions for MTM Losses & Diminution in Investments	121.68	<b>(97.09)</b>	<b>24.59</b>
	Brought forward loss/Unabsorbed Depreciation *	36,402.39	<b>35,948.43</b>	<b>72,350.82</b>
	<b>Total Deferred Tax Assets</b>	54,476.86	<b>56,906.52</b>	<b>111,383.38</b>
	<b>DEFERRED TAX LIABILITY (NET)</b>	39,456.81	<b>(37,864.20)</b>	<b>1,592.61</b>

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

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>6</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Security Deposits	<b>850.00</b>	850.00
	Interest accrued but not due on borrowings	<b>46.73</b>	40.78
	Other Outstanding Liabilities *	<b>11,227.32</b>	374.25
	<b>TOTAL - OTHER LONG TERM LIABILITIES</b>	<b>12,124.05</b>	1,265.03

\* Includes ₹ 11,227.32 lacs (₹ Nil) payable to a bank in 14 and 36 monthly instalments (total 50 instalments) of ₹ 134.97 lacs and ₹342.70 lacs (Including interest) respectively.

NOTE NO	DESCRIPTION	(₹ in Lacs)			
		Long-Term		Short-Term	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>7</b>	<b>PROVISIONS</b>				
	For Employee Benefits	<b>952.64</b>	868.55	<b>283.59</b>	201.44
	<b>TOTAL - PROVISIONS</b>	<b>952.64</b>	868.55	<b>283.59</b>	201.44

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>8</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED</b>		
(a)	Working Capital Facilities from Bank	<b>32,708.19</b>	20,022.02
(b)	Buyer Credit in Foreign Currency		
	Against Working Capital	<b>169,318.57</b>	131,880.72
	Against Capital Goods	-	891.92
	<b>TOTAL - SECURED</b>	<b>202,026.76</b>	152,794.66
	<b>UNSECURED</b>		
(c)	Public Fixed Deposits	<b>285.46</b>	350.47
	<b>TOTAL - UNSECURED</b>	<b>285.46</b>	350.47
	<b>TOTAL - SHORT TERM BORROWINGS</b>	<b>202,312.22</b>	153,145.13



**Secured Borrowings**

- (a) Working Capital Facilities are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material, work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand.
- (b) Buyer Credit Facility are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material, work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company.
- (a,b) Working Capital facility from bank amounting to ₹ 32,708.19 Lacs and Working capital Buyers Credit amounting to ₹ 169,318.57 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.33 (A) (v)] and Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 33 (A) (v).

**NOTE** These above to be read with Note no. 33 and 39 (B).

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>9</b>	<b>TRADE PAYABLES</b>		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	<b>75.30</b>	38.28
	Dues to other than Micro and Small enterprises	<b>297,458.76</b>	203,356.40
	<b>TOTAL-TRADE PAYABLES</b>	<b>297,534.06</b>	203,394.68

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>10</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long term Borrowings (Note no. 4)	<b>11,090.00</b>	66,033.04
	Current maturities of finance lease obligations (Note no. 4)	<b>199.53</b>	178.39
	Interest accrued but not due on borrowings	<b>3,735.56</b>	5,239.05
	Advance from Customers	<b>22,846.99</b>	23,503.00
	Security Deposits from Agents/Dealers/Others	<b>159.37</b>	249.01
	Creditors for Capital Expenditure	<b>26,524.35</b>	39,554.83
	Application Money Refundable	<b>7.85</b>	-
	Other Outstanding Liabilities *	<b>48,934.42</b>	45,954.53
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	<b>82.44</b>	101.94
	Unpaid matured deposits and interest accrued thereon	<b>229.42</b>	260.96
	<b>TOTAL - OTHER CURRENT LIABILITIES</b>	<b>113,809.93</b>	181,074.75

\* Includes statutory dues.

NOTE DESCRIPTION NO	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		
	AS AT 01.04.2012	ADDITIONS	SALE/ ADJUST- MENT	AS AT 01.04.2012	DURING THE YEAR	ON SALE/ ADJUST- MENT	AS AT 31.03.2013	AS AT 31.03.2012	AS AT 31.03.2012
<b>11 FIXED ASSETS</b>									
<b>A TANGIBLE ASSETS</b>									
Lease Hold Land	6,811.92	-	-	332.62	<b>82.61</b>	-	<b>415.23</b>	<b>6,396.69</b>	6,479.30
Free Hold Land *	8,155.27	<b>347.22</b>	-	-	-	-	-	<b>8,502.49</b>	8,155.27
Buildings **	136,865.10	<b>5,444.28</b>	81.74	8,831.90	<b>4,176.13</b>	7.52	<b>13,000.51</b>	<b>129,227.13</b>	128,033.20
Plant and Machinery ***	1,016,876.43	<b>69,082.79</b>	184.05	199,233.00	<b>64,396.61</b>	47.69	<b>263,581.92</b>	<b>822,193.25</b>	817,643.43
Electric Installation	14,718.90	<b>466.09</b>	-	3,524.91	<b>830.54</b>	-	<b>4,355.45</b>	<b>10,829.54</b>	11,193.99
Vehicles	2,665.84	<b>147.90</b>	103.09	1,237.47	<b>226.93</b>	47.82	<b>1,416.58</b>	<b>1,294.07</b>	1,428.37
Furniture and Fixtures	1,972.17	<b>66.23</b>	-	1,072.04	<b>103.86</b>	-	<b>1,175.90</b>	<b>862.50</b>	900.13
Office equipment	1,137.24	<b>9.56</b>	0.26	432.28	<b>56.17</b>	0.25	<b>488.20</b>	<b>658.34</b>	704.96
Power Line and Bay Extension	1,211.87	-	-	638.61	<b>121.19</b>	-	<b>759.80</b>	<b>452.07</b>	573.26
<b>TOTAL TANGIBLE ASSETS</b>	<b>1,190,414.74</b>	<b>75,564.07</b>	<b>369.14</b>	<b>215,302.83</b>	<b>69,994.04</b>	<b>103.28</b>	<b>285,193.59</b>	<b>980,416.08</b>	<b>975,111.91</b>
<b>PREVIOUS YEAR</b>	<b>590,806.20</b>	<b>600,581.73</b>	<b>973.19</b>	<b>175,131.00</b>	<b>40,723.83</b>	<b>552.00</b>	<b>215,302.83</b>	<b>975,111.91</b>	
<b>B INTANGIBLE ASSETS *****</b>									
Technical Know How	1,369.18	-	-	984.12	<b>136.92</b>	-	<b>1,121.04</b>	<b>248.14</b>	385.06
Computer software	994.23	-	-	950.34	-	-	<b>950.34</b>	<b>43.89</b>	43.89
<b>TOTAL INTANGIBLE ASSETS</b>	<b>2,363.41</b>	-	-	<b>1,934.46</b>	<b>136.92</b>	-	<b>2,071.38</b>	<b>292.03</b>	428.95
<b>PREVIOUS YEAR</b>	<b>2,363.41</b>	-	-	<b>1,797.54</b>	<b>136.92</b>	-	<b>1,934.46</b>	<b>428.95</b>	
<b>CAPITAL WORK IN PROGRESS ****</b>									
							<b>14,590.34</b>	<b>45,663.86</b>	483.20
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>							<b>846.76</b>		

**NOTE**

- \* Include ₹ 948.55 Lacs (₹ 948.55 Lacs) jointly owned with other body corporate with 50% share.
- \*\* Include ₹ 247.90 Lacs (₹ 247.90 Lacs) jointly owned with other body corporate with 50% share.
- \*\*\* Include Plant & machinery acquired on Lease amounting to ₹1,171.73 Lacs (₹ 1,132.13 Lacs) and depreciation thereon during the year ₹ 61.55 Lacs (₹ 59.50 Lacs)
- \*\*\*\* Include Project Inventory ₹ 2,131.62 Lacs (₹ 16,811.61 Lacs).
- \*\*\*\*\* Intangible Assets are amortised as under:
- |                    |          |
|--------------------|----------|
| Technical Know How | 10 Years |
| Software           | 5 Years  |



(₹ in Lacs)

NOTE DESCRIPTION NO	As at 31.03.2013			As at 31.03.2012		
	Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount
<b>12 INVESTMENTS</b>						
<b>NON - CURRENT INVESTMENTS</b>						
<b>LONG TERM INVESTMENTS - AT COST</b>						
<b>A Equity Shares Fully Paid Up -Trade Unquoted</b>						
MJSJ Coal Limited #	8,559,000	10	855.90	6,309,000	10	630.90
JSL Energy Limited	1,000	10	0.10	1,000	10	0.10
Golden Touch Resources Corporation	555,512		179.59	555,512		179.59
<b>TOTAL (A)</b>			1,035.59			810.59
<b>B Equity Shares Fully Paid Up of Subsidiary Company - Trade Unquoted</b>						
Jindal Stainless Steelway Limited @	14,061,667	10	2,581.25	14,061,667	10	2,581.25
PT. Jindal Stainless Indonesia @	12,499,900	USD 1	5,468.38	12,499,900	USD 1	5,468.38
JSL Architecture Limited @	4,100,100	10	410.01	4,100,100	10	410.01
JSL Lifestyle Limited	17,795,600	10	2,051.39	17,795,600	10	2,051.39
Green Delhi BQS Limited	51,000	10	5.10	51,000	10	5.10
JSL Media Limited	49,970	10	5.00	49,970	10	5.00
JSL Logistics Limited (Wholly owned subsidiary)	50,000	10	5.00	50,000	10	5.00
Jindal Stainless UK Limited (Wholly owned subsidiary)	100,000	GBP 1	77.20	100,000	GBP 1	77.20
Jindal Aceros Inoxidables S.L. (Wholly owned subsidiary)	20,000	EURO 1	13.59	20,000	EURO 1	13.59
JSL Group Holdings Pte. Limited (Wholly owned subsidiary)	6,657,565	SGD 1	2,201.18	6,657,565	SGD 1	2,201.18
Jindal Stainless FZE (Wholly owned subsidiary)	6	AED 1000000	723.80	6	AED 1000000	723.80
Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	4,499,700	YTL 1	1,601.60	4,499,700	YTL 1	1,601.60
Iberjindal S.L.	650,000	EURO 1	426.36	650,000	EURO 1	426.36
<b>TOTAL (B)</b>			15,569.86			15,569.86
<b>C Govt./Semi Govt. Securities - Non Trade</b>						
12.40% Government of India Stocks	40,000	100	41.14	40,000	100	41.14
8.57% Andhra Pradesh SDL 2020	220,000	100	222.48	220,000	100	222.48
8.40% Transmission Corp. of A.P. Limited	10	1,000,000	103.40	10	1,000,000	103.40
7.64% KSFC 2018	10	1,000,000	97.71	10	1,000,000	97.71
7.50% Bank of India	4	1,000,000	40.00	4	1,000,000	40.00
National Savings Certificate *			1.02			1.02
<b>TOTAL (C)</b>			505.75			505.75
<b>TOTAL-NON CURRENT INVESTMENT</b>			17,111.20			16,886.20
<b>CURRENT INVESTMENTS</b>						
<b>( At lower of Cost and Fair Value )</b>						
<b>D Equity Shares Fully Paid Up - Non Trade Quoted</b>						
Bhartiya International Limited	94,884	10	190.10	114,609	10	60.11
Hotel LeelaVentures Limited	90,000	2	18.14	90,000	2	30.11
Central Bank of India	7,247	10	4.83	7,247	10	7.31
Adani Ports and Special Economic Zone Limited	7,355	2	6.47	7,355	2	6.47
<b>TOTAL-CURRENT INVESTMENT</b>			219.54			104.00
<b>TOTAL-INVESTMENTS</b>			17,330.74			16,990.20
# Investment in terms of agreement with Mahanadi Coalfield Limited & Others, as Investor.						
@ Undertaking for non disposing of Investment by way of Letter of Comfort given to banks against credit facilities/financial assistance availed by subsidiaries.						
* Lodged with Government Authorities as Security.						
Aggregate value of Current Investment			219.54			104.00
Aggregate value of unquoted investment			17,111.20			16,886.20
Aggregate value of quoted investment			219.54			104.00
Market value of quoted investment			223.27			107.05
Aggregate provision made for the diminution in value of Current investments			75.80			230.54

(₹ in Lacs)

NOTE DESCRIPTION NO	Long-Term		Short-Term	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>13 LOANS AND ADVANCES</b>				
(Unsecured, Considered good unless otherwise stated)				
Advance Recoverable in Cash or in kind or the value to be received (net of provision) [Net of Provision of ₹ 1,492.83 Lacs (₹ 23.66 Lacs)]	32.82	32.82	37,812.24	32,515.75
Capital Advances	4,073.90	7,760.03	-	-
Security Deposits [Net of Provision of ₹ 54.00 Lacs (₹ 54.00 Lacs)]	5,274.00	5,303.57	1,282.84	1,193.69
Loans & Advances to Related Parties	6,195.42	7,506.71	2,494.52	2,686.47
Prepaid Taxes [Net of Provision of ₹ 37,543.97 Lacs (₹ 37,541.42 Lacs)]	-	-	6,332.20	5,578.36
MAT Credit Entitlement	-	-	6,832.78	6,832.78
Balance with Excise and Sale tax Authorities	-	-	39,277.86	20,845.07
<b>TOTAL - LOANS AND ADVANCES</b>	15,576.14	20,603.13	94,032.44	69,652.12
<b>14 OTHER NON CURRENT ASSETS</b>				
Deposits with original maturity of more than 12 months			270.81	402.18
Mines Development Expenses			1,502.08	1,811.66
<b>TOTAL - OTHER NON CURRENT ASSETS</b>			1,772.89	2,213.84
<b>15 INVENTORIES</b>				
(As taken, valued and certified by the Management)				
(valued at lower of cost and net realizable value unless otherwise stated )				
Raw Materials [Including material in Transit ₹ 56,255.85 Lacs ( ₹ 29,355.15 Lacs)]			92,956.05	70,711.81
Work in Progress			79,441.68	57,361.50
Finished Goods			131,745.57	117,868.65
Trading Goods			178.46	340.14
Store and Spares [Including material in Transit ₹ 1,211.15 Lacs ( ₹ 1,353.50 Lacs)]			21,221.22	22,335.76
Scrap (at estimated realizable value)			2,099.13	1,658.03
<b>TOTAL - INVENTORIES</b>			327,642.11	270,275.89
<b>16 TRADE RECEIVABLE</b>				
(Unsecured, Considered goods unless otherwise stated)				
(a) <b>EXCEEDING SIX MONTHS FROM THE DUE DATE OF PAYMENT</b>				
Unsecured, Considered good			14,870.58	13,848.34
Doubtful			23.49	23.49
Less : Provision for doubtful receivable			23.49	23.49
			14,870.58	13,848.34
(b) <b>OTHERS</b>			176,031.15	136,718.12
<b>TOTAL - TRADE RECEIVABLE</b>			190,901.73	150,566.46



		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>17</b>	<b>CASH AND BANK BALANCES</b>		
(a)	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with Banks	1,076.84	1,032.92
	Balances with Banks in Foreign Currency	39.16	89.77
	Bank Deposits with original maturity of less than three month *	1,098.71	2,404.93
	Unpaid dividend accounts	82.44	101.94
	Cheques in hand/Money in Transit	1,810.81	4,088.33
	Cash in Hand	16.61	33.74
	Stamps in Hand	0.20	0.24
	Puja and Silver Coins	0.06	0.04
	<b>TOTAL-CASH AND CASH EQUIVALENTS</b>	<b>4,124.83</b>	<b>7,751.91</b>
(b)	<b>OTHER BANK BALANCES</b>		
	Bank Deposits with original maturity of more than three month but less than 12 months *	4,306.99	6,735.60
	Bank Deposits with original maturity of more than 12 months *	617.93	2,334.48
		4,924.92	9,070.08
	Less : Amount Disclosed under the head Other Non Current Assets	(270.81)	(402.18)
	<b>TOTAL-OTHER BANKS BALANCES</b>	<b>4,654.11</b>	<b>8,667.90</b>
	<b>TOTAL-CASH &amp; BANK BALANCES</b>	<b>8,778.94</b>	<b>16,419.81</b>
* ₹ 3,472.43 Lacs (₹ 2,904.09 Lacs) is under lien with Banks			

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Investment /Fixed Deposits	139.58	158.37
	Mines Development Expenses	309.57	309.57
	<b>TOTAL-OTHER CURRENT ASSETS</b>	<b>449.15</b>	<b>467.94</b>

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
(a)	<b>SALE OF PRODUCTS</b>		
	Finished Goods	1,085,810.68	822,163.77
	Trading Goods	2,808.68	10,387.39
	Export Benefits	10,779.46	4,681.36
		1,099,398.82	837,232.52
(b)	<b>SALE OF SERVICES</b>		
	Job Charges received	9,653.47	9,890.84
		9,653.47	9,890.84
(c)	<b>OTHER OPERATING REVENUE</b>		
	Sale of Gases	187.37	68.81
	Claims Received	614.25	447.28
	Previous year adjustments (net)	134.30	414.81
	Miscellaneous Income	2,200.06	1,778.75
		3,135.98	2,709.65
	<b>REVENUE FROM OPERATIONS (GROSS)</b>	<b>1,112,188.27</b>	<b>849,833.01</b>
	<b>DETAILS OF PRODUCT SOLD</b>		
(i)	<b>FINISHED GOODS</b>		
	Hot Rolled Products	602,929.09	454,696.63
	Cold Rolled Products	473,464.54	354,673.01
	Ferro Alloys	1,988.55	159.58
	Power	5,128.23	3,890.82
	Others	2,300.27	8,743.73
		1,085,810.68	822,163.77
(ii)	<b>TRADING GOODS</b>		
	Cold Rolled Products	2,737.09	10,125.00
	Others	71.59	262.39
		2,808.68	10,387.39
	<b>TOTAL - SALE OF PRODUCTS</b>	<b>1,088,619.36</b>	<b>832,551.16</b>
	<b>Sales includes the Finished Goods issued for Captive Consumption as below:</b>		
	Hot Rolled Products	75.24	745.78
	Others	-	2.61
		75.24	748.39
	<b>Previous year adjustments (net) includes :</b>		
	Income relating to earlier years	6.58	(5.68)
	Liability no longer required	135.59	469.29
	Expenses relating to earlier years	(7.87)	(48.80)
		134.30	414.81



		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>20</b>	<b>OTHER INCOME</b>		
(a)	<b>INTEREST INCOME ON</b>		
	Long Term Investments	42.93	43.11
	Others	922.05	1,274.07
	Debtors [Net of Provision of ₹ 1,469.17 Lacs (₹ Nil)]	2,903.71	6,244.76
		3,868.69	7,561.94
(b)	<b>DIVIDEND INCOME FROM CURRENT INVESTMENT</b>	1.34	1.41
(c)	<b>NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS</b>		
	Gain on Sale	0.96	-
	Reversal / (Loss) on Dimunition	154.74	(4.29)
		155.70	(4.29)
(d)	<b>NET GAIN/(LOSS) ON SALE OF FIXED ASSETS</b>		
	Gain on Sale	307.34	30.98
	Loss on Sale	(35.26)	(11.78)
	Loss on Discard	(0.01)	(134.14)
		272.07	(114.94)
(e)	<b>OTHER NON-OPERATING INCOME (NET)</b>	115.35	86.50
	<b>TOTAL - OTHER INCOME</b>	4,413.15	7,530.62

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Raw Material Consumed	729,398.63	548,442.31
	<b>TOTAL - COST OF MATERIAL CONSUMED</b>	729,398.63	548,442.31
	<b>DETAIL OF RAW MATERIAL CONSUMED</b>		
	Steel Scrap	369,950.09	304,964.83
	Ferro Alloys	270,857.94	186,046.71
	Copper Scrap	28,401.67	28,446.28
	Hot Rolled Products	6,305.52	18,101.95
	Chrome Ore	41,057.55	17,381.95
	Coal/Coke	11,974.37	13,271.59
	Others	20,318.96	20,299.96
	Less : Inter unit transfer of material included in above	(19,467.47)	(23,873.47)
		729,398.63	564,639.80
	Less : Material issued (net) to CWIP (Note No 52)	-	(16,197.49)
	<b>TOTAL - DETAIL OF RAW MATERIAL CONSUMED</b>	729,398.63	548,442.31

		31.03.2013		31.03.2012	
CONSUMPTION OF RAW MATERIAL		% age	Amount	% age	Amount
	Imported	58.22	424,682.74	51.48	290,656.44
	Indigenous	41.78	304,715.89	48.52	273,983.36
	<b>TOTAL</b>	100.00	729,398.63	100.00	564,639.80

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>21A</b>	<b>PURCHASE OF TRADING GOODS</b>		
	Cold Rolled Products	2,629.27	9,529.37
	Others	0.24	160.47
	<b>TOTAL - PURCHASE OF TRADING GOODS</b>	2,629.51	9,689.84

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>22</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS</b>		
	<b>OPENING STOCK</b>		
	Finished Goods	117,868.65	73,673.68
	Work in Progress	57,361.50	52,724.04
	Scrap	1,658.03	1,673.96
	Trading Goods	340.14	1,084.23
	<b>TOTAL OPENING STOCK</b>	177,228.32	129,155.91
	<b>CLOSING STOCK</b>		
	Finished Goods	131,745.57	117,868.65
	Work in Progress	79,441.68	57,361.50
	Scrap	2,099.13	1,658.03
	Trading Goods	178.46	340.14
	<b>TOTAL CLOSING STOCK</b>	213,464.84	177,228.32
	<b>Excise Duty on account of increase/(decrease) in Stock of Finished Products</b>	(146.45)	4,538.79
	<b>TOTAL-CHANGES IN INVENTORIES</b>	(36,382.97)	(43,533.62)

DETAILS OF INVENTORIES		31.03.2013	31.03.2012 /01.04.2012	01.04.2011
	<b>FINISHED GOODS</b>			
	Hot Rolled Products	54,434.08	57,146.01	21,522.99
	Cold Rolled Products	66,501.55	37,108.28	33,815.79
	Ferro Alloys	4,350.35	19,376.11	14,628.08
	Others	6,459.59	4,238.25	3,706.82
	<b>TOTAL</b>	131,745.57	117,868.65	73,673.68
	<b>WORK IN PROGRESS</b>			
	Hot Rolled Products	40,272.01	26,690.36	24,407.02
	Ferro Alloys	28,087.51	21,252.89	19,180.40
	Others	11,082.16	9,418.25	9,136.62
	<b>TOTAL</b>	79,441.68	57,361.50	52,724.04
	<b>TRADING GOODS</b>			
	Cold Rolled Products	-	89.74	796.65
	Others	178.46	250.40	287.58
	<b>TOTAL</b>	178.46	340.14	1,084.23



NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>23</b>	<b>EMPLOYEE BENEFITS EXPENSES (read with Note No. 44)</b>		
	Salaries, Wages, Bonus and Other benefits	22,491.02	15,210.74
	Contribution to provident and other funds	1,160.92	909.19
	Expenses on Employee Stock Option Scheme	61.44	242.44
	Staff Welfare Expenses	919.23	620.95
	<b>TOTAL - EMPLOYEE BENEFITS EXPENSES</b>	<b>24,632.61</b>	<b>16,983.32</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>24</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	93,961.69	48,234.52
	Other Borrowing Costs	5,067.62	3,445.51
	<b>TOTAL - FINANCE COSTS</b>	<b>99,029.31</b>	<b>51,680.03</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>25</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Fixed Assets	69,994.04	40,723.83
	Amortization of Intangible assets	136.92	136.92
	<b>TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>70,130.96</b>	<b>40,860.75</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>26</b>	<b>OTHER EXPENSES</b>		
(a)	<b>MANUFACTURING EXPENSES</b>		
	Consumption of Stores and Spare parts	49,930.39	37,407.41
	Power and Fuel	123,517.98	81,550.38
	Labour Processing & Transportation Charges	12,909.52	8,641.96
	Repairs to buildings	154.23	296.05
	Repairs to plant & machinery	2,938.97	2,360.71
	Job work expenses	2,970.87	3,674.20
	Other Manufacturing Expenses	4,403.73	3,715.56
		<b>196,825.69</b>	<b>137,646.27</b>
(b)	<b>ADMINISTRATIVE EXPENSES</b>		
	Insurance	1,928.30	1,169.37
	Rent	443.92	314.07
	Lease Rent	3.60	3.88
	Rates and Taxes	933.65	867.67
	Legal and Professional	2,708.84	1,309.72
	Postage, Telegram, Telex and Telephone	505.71	350.39
	Printing & Stationary	315.02	272.64
	Travelling & Conveyance	956.94	637.38
	Director's Meeting Fees	5.50	6.11
	Vehicle Upkeep and Maintenance	835.22	420.40
	Auditor's Remuneration	55.28	55.43
	Donation	91.14	150.68
	Mine Development Expenditure w/off	309.59	309.59
	Miscellaneous Expenses	3,851.17	1,954.65
		<b>12,943.88</b>	<b>7,821.98</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
(c)	<b>SELLING EXPENSES</b>		
	Discount & Rebate	6,018.43	8,422.13
	Freight & Forwarding Expenses	19,277.98	7,960.15
	Commission on Sales	6,740.60	2,937.81
	Other Selling Expenses	4,994.61	2,150.19
	Bad Debts	7.98	78.55
	Advertisement & Publicity	36.81	101.69
		<b>37,076.41</b>	<b>21,650.52</b>
	<b>TOTAL - OTHER EXPENSES</b>	<b>246,845.98</b>	<b>167,118.77</b>

CONSUMPTION OF STORES & SPARES *	31.03.2013		31.03.2012	
	% age	Amount	% age	Amount
Imported	21.19	10,578.43	29.75	11,367.56
Indigenous	78.81	39,351.96	70.25	26,847.91
<b>TOTAL</b>	<b>100.00</b>	<b>49,930.39</b>	<b>100.00</b>	<b>38,215.47</b>

\* includes material consumed in CWIP

A	Contingent Liabilities not provided for in respect of :	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of Company	10,283.04	6,494.27
b)	Letter of Credit outstanding	82,291.29	98,215.98
c)	Bills discounted with Banks	42,132.20	38,001.59
d) i)	Sale Tax/Entry Tax demands against which company preferred appeals.	9,129.73	17,257.81
ii)	Excise Duty/Service Tax Show Cause Notices/ Demands against which company has preferred appeals.	15,401.82	10,816.49
iii)	Income tax demands against which Company has preferred appeals.	4,802.74	7,055.66
iv)	Claims and other liabilities against the company not acknowledged as debt.	7,288.83	3,859.75
e)	Demand made by Sr. Dy. Director of Mines, Notified Authority, Jajpur Road Circle, Odisha as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49
f)	Demand made by Dy. Director of Mines, Jajpur Road Circle, Odisha against which company has preferred appeal.	24.74	600.84
B	Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2013 ₹ 25,676.82 Lacs (₹ 25,235.08 Lacs)}	91,638.82	89,343.34
C	Letter of Comfort to banks against credit facilities/ financial assistance availed by subsidiaries.	60,403.29	66,103.68

- 28.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 2,082.96 Lacs (₹ 5,725.73 Lacs).
- 29.** Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2013 and 31st March, 2012 is ₹ 266.66 Lacs and ₹ 34.29 Lacs respectively. The management is of the view that considering the past export performance, future prospects and going concern concept there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.
- 30.** Exceptional items includes Gain/(Loss) (net) of (₹ 12,484.53 Lacs) {(₹ 17,231.29 Lacs)} on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 119.04 Lacs (₹ 456.08 Lacs) upon marked to market of derivatives contracts, gain/(loss) of (₹ 4,330.19 Lacs) (₹ 1,045.24 Lacs) on forward cover cancelation, resulting from volatile global market conditions.
- 31.** 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.



32. a) Addition/adjustment to Plant & Machinery / Capital Work-In-Progress includes ₹ 25,876.17 Lacs (Net Debit) (₹ 41,153.60 Lacs (Net Debit)) on account of foreign exchange fluctuation on Loan/Liability including fluctuation relating to forward cover. (Includes amount disclosed in Note No. 42 (c) below).
- b) Interest expenses includes pro-rata premium of ₹ 134.64 Lacs (Net Credit) (₹ 41.99 Lacs (Net Credit))

### 33. (A) Corporate Debt Restructuring

- i) The Company's proposal in relation to re-work of its term debt obligations ("Rework Scheme") under CDR mechanism has been approved by CDR EG through Rework Letter of Approval ("Rework LOA") vide its letter dated September 18, 2012. The Rework Scheme inter-alia includes reworking of repayment schedule, interest funding, adjustments in interest rates to ensure protection of net present value of the respective facilities, etc w.e.f. 31st March 2012 ("Reworking Cut-off Date"). Consequently, the amended & restated master restructuring agreement ("Amended MRA") & other necessary documents have been executed with all the lenders, except one.
- ii) Under the Rework Scheme, the interest rates are shifted from fixed rate of interest to floating rate of interest. Interest has been accounted for based upon terms of Rework Scheme / confirmation so far received from banks.
- iii) The Funded Interest Term Loan (FITL-II) has been created on certain credit facilities. Accordingly, the value of debt service (including interest paid) post Reworking Cut-off Date amounting to ₹ 906.61 Lacs (including refunds due of CDR 2009-10) to be refunded by banks/institutions is included under loans and advances.

Further, subject to necessary applicable approvals including regulatory and CDR EG, each CDR Lender have the option to convert up to an amount equivalent to 30% of FITL – II (being created out of interest for the financial year 2012–13 in the Rework Scheme), into equity shares on certain terms and conditions.

- iv) As per the Rework Scheme, the company/promoters are to arrange equity of ₹200 crores out of which the promoters have already brought in ₹100 crores by way of preferential subscription and balance equity is to be introduced by 31st March, 2014.
- v) The credit facilities / loans under Rework Scheme will also be secured by:
- Unconditional & irrevocable personal guarantee of VC & MD Mr. Ratan Jindal;
  - Unconditional & irrevocable corporate guarantee of promoter group companies in proportion to the number and to the extent of equity shares pledged or required to be pledged by each body corporate;
  - Pari-passu pledge/ non disposal undertaking / lodgment of 65,306,625 nos. of equity shares held in the company by promoters. The pledge to the extent of 87.7% in respect of additional equity shares allotted to, a member of the promoter group, on 30th March 2013; and
  - Under the Scheme, the company has created pari passu pledge and submitted non-disposal undertaking for all its investment in subsidiaries as listed below:
    - JSL Lifestyle Limited
    - JSL Logistics Limited
    - PT. Jindal Stainless Indonesia
    - Jindal Stainless UK Limited
    - JSL Stainless FZE
    - JSL Group Holdings Pte. Limited
    - JSL Architecture Limited
    - Jindal Stainless Madencilik Sanaye Ve Ticaret A.S.
    - Jindal Aceros Inoxidables S.L.
    - Iberjindal S.L.
  - Certain conditions, covenants and creation of security under the Rework Scheme are in process of compliance. Certain secured facilities (including FITL –II) are subject to bank confirmation and/or reconciliation.

### (B) Restructuring of ECB Facilities

Besides reworking of its domestic term debt obligations as stated in note A above, the Company has also completed the restructuring of its debt obligations in relation to USD 250 million ECB facilities (outstanding of USD 225 million as on 31st March 2013) availed for the part financing of Odisha Phase II project and has executed requisite amendment agreements with all the ECB lenders on 29th March 2013. The revised terms inter-alia includes deferment of repayment schedule, increase in interest rates, etc.

34. (a) The company has filed Writ Petition (C) before the Hon'ble High Court of Odisha, challenging the order passed by the Dy Commissioner of Commercial Tax, Jajpur for the period from 01/10/2006 to 30/09/2010, for payment of Entry Tax under the

Odisha Entry Tax Act 1999 on the goods procured from outside the territory of India. The demand is on 2/3rd amount of Entry Tax on the goods imported from outside the territory of India on which the payment of 1/3rd amount of entry tax deposited as per the interim order of the Hon'ble Supreme Court. Considering the prudence demand of entry tax have been fully provided for and pending final decision interest and penalty have been shown under note no. 27(d)(i) (Contingent Liability). The Hon'ble Court has heard the matter and vide its interim order dated 14.03.2012, directed the company to deposit 50% of the amount of interest i.e. ₹ 1.08 crores by 25.03.2012 and granted stay for the balance amount of demand till disposal of the case. The company has deposited the amount within the permitted time and informed to the Hon'ble Court.

- (b) The Company had also challenged the levy of entry tax on goods not produced in Odisha and same is pending before decision of the Hon'ble Supreme Court. Considering the prudence full liability in this regards have been provided. Interest/ penalty if any, will be accounted for as and when finally settled/determined and the same is included in note no. 27(d)(i) (Contingent Liability).

35. Due from Grid Corporation of Odisha (Gridco) Limited is of ₹ 9,268.43 Lacs. During the year the company have realized part of the overdue amount on receipt of the order of Odisha Electricity Regulatory Commission (OERC) in Case no. 106 of 2011 No. 4387 dated 17/11/2012. Delayed payment surcharge (Interest) on this have been accounted in terms of contractual obligation. The management is hopeful of recovery of balance amount from Gridco.
36. The company has filed Writ Petition (C) before the Hon'ble High Court of Odisha, Cuttak challenging the order passed by the Jt Commissioner of Commercial Tax, Jajpur disallowing the issue of C Form for the procurement of plant and machinery for Captive Power Plant during the year 2005-06, 2006-07 & 2007-08. The Hon'ble Court heard the matter and passed interim order dated 14.03.2012, directing the company to deposit 25% out of total demanded amount of ₹ 3,305.92 Lacs. The company has deposited an amount of ₹ 826.47 Lacs within the permitted time and informed the Hon'ble Court. Pending final decision, no provision in this respect has been made in the books and the same is included in note no. 27(d)(i) (Contingent Liability).
37. During the year, the company has received a notice from office of the Dy. Director of Mines, Jajpur Road Circle, Odisha (the Office) asking company to deposit ₹ 8,540.27 Lacs with the department on account of royalty on mining of excess quantity of Chrome Ore over and above the approved quantity of mining plan/scheme. The company has disputed and challenge the same as demand made by the Office is incorrect, unjustified, baseless and was without furnishing any supporting documents and/or providing any basis/reason for such demand.
38. 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 \* :

Sr. No.	Particulars	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
1.	Principal amount due outstanding	75.30	38.28
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.

39. (A) certain balances of debtors, trade payable and other liabilities are subject to confirmation and/or reconciliation.
- (B) Certain charges created for secured loans are in process of satisfaction.
- (C) Although the book value\ fair value of certain unquoted investments amounting to ₹3,663.10 Lacs (₹ 3,663.10 Lacs), as reflected in Note no 12, including investment in a foreign subsidiary is lower than the cost or companies are having negative net worth, considering the strategic and long term nature of the investment, future prospectus and assets base of the investee company, such decline, in the opinion of the management, has been considered to be of temporary nature and hence no provision for the same at this stage is considered necessary.

The company has also given inter corporate deposit to its subsidiary companies amounting to ₹3,243.15 Lacs (₹ 4,639.70 Lacs) where the subsidiary companies has accumulated losses\negative net worth. In view of the long term involvement of the company (read with note (C) above) in the said companies no provision has been considered necessary.

40. (a) Advance recoverable in cash or in kind or for value to be received includes Interest free loan to employee amounting to ₹ 29.76 Lacs (₹ 35.62 Lacs) in the ordinary course of business and as per employee service rules of the company. Maximum balance outstanding during the year is ₹37.53 Lacs (₹ 61.85 Lacs).



- (b) Loan & Advances to subsidiaries includes ₹ 22.30 Lacs (₹ 22.30 Lacs) as advance against share application money with a subsidiary company.

41. Research and Development expenses for the year amounting to ₹ 113.46 Lacs (₹ 86.47 Lacs) on account of revenue expenditure charged/debited to respective heads of accounts.

42. a) Derivative contracts entered into by the company and outstanding as on 31st March, 2013 for hedging currency risks:

		(₹ in Lacs)					
Nature of Derivative	Type	As at 31.03.2013			As at 31.03.2012		
		No. of Contracts	Foreign Currency (Million)	Amount	No. of Contracts	Foreign Currency (Million)	Amount
Forward Covers							
USD/INR	Sale	71	150.931	81,940.28	43	71.542	36,400.35
EURO/USD	Sale	119	95.273	66,318.67	86	42.008	28,523.68
GBP/USD	Sale	1	0.036	29.68	2	0.183	149.45
USD/INR	Buy	125	83.122	45,121.23	4	8.734	4,442.85
Cross Currency Swap							
USD		3	15.000	6,793.50	3	15.000	6,793.50
YEN		-	-	-	1	2,990.074	10,000.00
Interest Rate Swap							
USD		3	37.500	N.A.	3	75.000	N.A.

**Note:** INR equivalent values have been calculated at the year end exchange rates (except in case of currency swaps) in INR to give an indicative value of the contracts in rupees. Actual hedges however may be in different currency denominations.

- b) Foreign Currency exposure that are not hedged by derivative instruments or otherwise outstanding as on 31st March, 2013 is as under:

			(₹ in Lacs)	
Nature	As at 31.03.2013		As at 31.03.2012	
	Foreign Currency (Million)	Amount	Foreign Currency (Million)	Amount
Account Receivable				
USD	-	-	41.964	21,347.06
EURO	-	-	1.796	1,218.96
Loans				
USD	243.742	132, 327.30	270.542	137,651.70
Buyer's Credit				
USD	371.444	201,656.85	576.638	293,393.36
Due to Customer				
USD	20.731	11,255.06	35.520	18,072.41
EURO	8.382	5,834.97	2.772	1,882.14
Account Payable				
USD	302.438	164,193.59	278.965	141,937.39
EURO	22.156	15,422.75	22.467	15,254.941
JPY	-	-	2.772	16.91
AUD	0	0.04	0	0.03
CAD	0.004	2.10	0.004	2.00

- c) In compliance of clarification of ICAI on outstanding derivatives which are not covered by AS – 11 "Accounting for effects of changes in foreign currency rates", the Company has accounted for Mark to market losses on derivatives entered for INR term Loans amounting to ₹ Nil (₹ 7,446.87 Lacs) & against interest rate auction ₹ 421.58 Lacs (₹ 1,497.00 Lacs) till 31st March, 2013 which has been adjusted to the cost of fixed assets.

43. 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 Punjab and Haryana High Court 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 have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble Supreme Court gave an Interim Order that those states where the High Courts have given judgment 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 been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and other judgements of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court, where the judgement of 7-Judges Constitutional Bench passed 49 years ago would be revisited. Constitution Bench has not been constituted as yet and the status of the case is as it is and at present no tax is being collected/paid in Haryana.

44. a) During the year, the Company has recognized the following amounts in the Profit and Loss Account (refer note no 23)/preoperative expenses:

		(₹ in Lacs)	
		For the year ended 31.03.2013	
<b>Defined Contribution Plans</b>			
Employer's Contribution to Provident Fund		692.30	(562.17)
Employer's Contribution to ESI		66.15	(82.80)
<b>Defined Benefit Plans</b>			
Employer's Contribution to Provident Fund		343.07	(333.44)
		(₹ in Lacs)	
		Gratuity Funded	Gratuity Unfunded
Current service cost		248.11	-
		(148.46)	(67.51)
Interest cost		166.30	-
		(122.95)	(12.48)
Expected Return on plan assets		(170.40)	-
		((140.24))	( - )
Actuarial (gain)/loss		235.11	-
		(52.56)	(22.63)
Past service cost		195.85	-
		( - )	( - )
Curtailment and settlement cost/ Credit		-	-
		( - )	( - )
Net Cost		674.97	-
		(183.72)	(102.62)
Actual Return on Plan Assets		180.53	
		(143.92)	N.A.



b) Change in Benefit Obligation	(₹ in Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Present value of obligation as at the beginning of the year	<b>1,981.34</b> (1,522.73)	- (146.83)	<b>829.02</b> (699.54)
Current service cost	<b>248.11</b> (148.46)	- (67.51)	<b>250.85</b> (221.59)
Interest cost	<b>18.84</b> (122.95)	- (12.48)	<b>62.99</b> (51.68)
Benefits paid	<b>(143.76)</b> ((104.55))	- ((13.92))	<b>(272.14)</b> ((308.89))
Curtailment and Settlement cost	- ( - )	- ( - )	- ( - )
Past service cost	<b>195.85</b> (-)	- ( - )	- ( - )
Actuarial (gain)/loss	<b>245.23</b> (56.24)	- (22.63)	<b>199.73</b> (165.10)
Present value of obligation as at the end of year	<b>2,545.61</b> (1,745.83)	- (235.53)	1,070.45 (829.02)

<b>c) Change in Plan Assets :</b>			
Fair value of plan assets as at the beginning of the year	<b>1,763.90</b> (1,495.70)	- ( - )	- ( - )
Expected return on plan assets	<b>170.40</b> (140.24)	- ( - )	- ( - )
Actuarial gain/(loss)	<b>10.12</b> (3.68)	- ( - )	- ( - )
Employer contribution	<b>726.63</b> (228.87)	- ( - )	- ( - )
Settlement cost	- ( - )	- ( - )	- ( - )
Benefits paid	<b>(143.76)</b> ((104.55))	- ( - )	- ( - )
Fair value of plan assets as at the end of the year	<b>2,527.29</b> (1,763.94)	- ( - )	- ( - )
Liability recognized in Balance Sheet	<b>(165.78)</b> (18.11)	- ((235.53))	<b>(1,070.45)</b> ((829.02))

<b>d) Composition of plan assets as a percentage of total plan assets:</b>			
	Gratuity		
	₹ In Lacs	%	
Insurer Managed Fund	<b>2,527.29</b> (1,763.94)	<b>100%</b> (100%)	
<b>Total</b>	<b>2,527.29</b> (1,763.94)	<b>100%</b> (100%)	

<b>e) The assumptions used to determine the benefit obligations are as follows:</b>		
	Gratuity	Leave Encashment
Discount rate	<b>8.00%-8.50%</b> (8.50%-8.70%)	<b>8.00%-8.50%</b> (8.50%-8.70%)
Expected Rate of Return on Plan Assets	<b>9.15%-9.40%</b> (9.15%-9.40%)	<b>N.A.</b> N.A.
Salary Escalation	<b>5.25%-5.50%</b> (5.25%-6.00%)	<b>5.25%-5.50%</b> (5.25%-6.00%)
Mortality	<b>LIC (1994-96) duly modified</b>	

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) The company makes monthly contributions to Provident Fund managed by Trust for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the Guidance on Implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Accounting to the actuarial Valuation, the Defined Benefit Obligation of Interest Rate Guarantee on exempted Provident Fund in respect of employees of the company as on 31st March, 2013 works out of ₹Nil and hence no provision is required to be provided for in the books of account towards the guarantee for notified interest rates.

Actuarial assumptions made to determine Interest Rate Guarantee on Exempt Provident Fund Liabilities are as follows:

Particulars	31st March 2013
Rate of Discounting	<b>8.15%</b>
Rate of return on assets	<b>9.03%</b>
Guaranteed Rate of Return	<b>8.50%</b>

45. On 28th July, 2010, the Company granted 35,77,500 stock options to eligible employees of the Company, its subsidiaries including non executive directors (excluding Nominee Director), as per Employees Stock Option Scheme, 2010 (ESOP 2010). The exercise price of stock options is ₹75/- per share which would gradually vest over a maximum period of 4 years from the date of grant based on specified criteria, as may be decided by the Compensation Committee.

Salient features of the grants are as under:

Particulars	Grant 1 (granted on 28.7.2010)					Grant II ( granted on 28.7.2012)			
Vesting schedule	Options will vest from the date of grant based on the performance conditions mentioned below in the following ratio:					Options will vest from the date of grant based on the performance conditions mentioned below in the following ratio:			
	Vesting Schedule	On 28.07. 2011 (Vest 1)	On 28.07. 2012 (Vest 2)	On 28.07. 2013 (Vest 3)	On 28.07. 2014 (Vest 4)	Vesting Schedule	On 28.07. 2013 (Vest 1)	On 28.07. 2014 (Vest 2)	On 28.07. 2015 (Vest 3)
	Eligibility*	0%	30%	30%	40%	Eligibility*	30%	30%	40%
	* Maximum percentage of Options that can vest					* Maximum percentage of Options that can vest			
Performance Conditions	Performance Matrix					Performance Matrix			
	Performance rating attained **		Percentage of options that would vest			Performance rating attained **		Percentage of options that would vest	
	A+		100%			A+		100%	
	A		75%			A		75%	
	B		50%			B		50%	
	** Based on achievement of the Annual Targets set by the management at the beginning of the year.					** Based on achievement of the Annual Targets set by the management at the beginning of the year.			
Exercise period	Not more than 3 years from the date of vesting					Not more than 3 years from the date of vesting			

Pursuant to 1st vesting @ 30% of ESOP outstanding on 28th July, 2012, 5,34,771 ESOPs were vested to eligible employees based on performance rating and 1,50,000 fresh ESOPs were granted to the employees of the Company on 28th July, 2012. During the year ended on 31st March, 2013, 497,106 (487,500) stock options lapsed due to resignation, retirement and low vesting due to performance rating. No vested options were exercised by employees during the year. As on 31st March, 2013, 2,271,644 (2,618,750) ESOPs were in force.



**46. Finance Lease**

Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such assets are capitalized at inception of the lease at the lower of the fair value or net present value if minimum lease payments and a liability is created for an equivalent amount.

Lease interest charged to profit & loss for right to use of CTL Machine (Cut to length) for the services regarding cutting of Stainless Steel sheets.

	(₹ in Lacs)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
Lease Interest	79.37	98.27

The agreements are executed for a period of 60 months with the clause that the ownership of the CTL shall be automatically transferred to lessee on the zero value.

The breakup of total minimum lease payments under finance lease are as follows :

	(₹ in Lacs)	
	As at 31.03.2013	As at 31.03.2012
Not later than one year	199.53	178.39
Later than one year and not later than five years	407.74	607.26
Later than five years	-	-

47. During the year, Company has issued and allotted 13,550,000 nos fully paid up equity shares of ₹ 2 each at ₹ 74 per share (including premium of ₹ 72 per share) on preferential basis in terms of approval taken from shareholders. Amount received of ₹ 100.27 Crores have been fully utilized for the purpose the issue was made.

**48 Segment Reporting****i) Information about Business Segment ( for the year 2012-13 )**

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

**ii) Secondary Segments ( Geographical Segment )**

		(₹ in Lacs)	
		2012-13	
DESCRIPTION	Within India	Outside India	Total
1. Revenue from Sale/Services	787,067.00	321,985.29	1,109,052.29
	(667,837.75)	(179,285.61)	(847,123.36)
2. Segment Assets *	1,471,426.04	113,067.40	1,584,493.44
	(1,472,919.89)	(64,616.03)	(1,537,535.92)
3. Capital Expenditure incurred during the year *	44,824.29	29.83	44,854.12
	(156,630.26)	(0.79)	(156,631.05)

\* The Company's operating facilities are located in India

**49 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 JSL Lifestyle Limited
- 4 JSL 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 JSL Media Limited
- 10 Jindal Aceros Inoxidables S.L.
- 11 JSL Group Holdings Pte. Limited
- 12 JSL Logistics Limited
- 13 Iberjindal S.L.
- 14 Jindal Stainless Italy Srl.
- 15 JSL Ventures Pte. Limited
- 16 JSL Europe SA
- 17 JSL Minerals & Metals SA

**b) Joint Ventures:**

- 1 MJSJ Coal Limited

**c) Key Management Personnel :**

- |                          |  |
|--------------------------|--|
| 1 Shri Ratan Jindal      | Vice Chairman & Managing Director                  |
| 2 Shri Ramesh R. Nair    | President & Executive Director (w.e.f. 03.11.2011) |
| 3 Shri Arvind Parakh     | Director - Finance (till 01.10.2011)               |
| 4 Shri S.S. Viridi       | Executive Director & Chief Operating Officer       |
| 5 Shri Jitender P. Verma | Executive Director - Finance (w.e.f. 09.02.2012)   |
| 6 Shri Jitendra Kumar    | Company Secretary                                  |

**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
- 6 Bir Plantation Private Limited
- 7 Sona Bheel Tea Limited
- 8 Jindal Overseas Holding Limited
- 9 JSW Ispat Steel Limited



## B Transactions:

Description	For the year ended 31.03.2013				For the year ended 31.03.2012			
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
<b>Purchase of Goods</b>	<b>7,462.00</b>	-	-	<b>7,930.38</b>	14,799.93	-	-	5,839.30
PT. Jindal Stainless Indonesia	4,930.79	-	-	-	12,291.11	-	-	-
Jindal Stainless Steelway Limited	1,840.49	-	-	-	1,746.97	-	-	-
Jindal Steel & Power Limited*	-	-	-	3,569.61	-	-	-	3,178.28
JSW Steel Limited	-	-	-	2,151.98	-	-	-	674.44
Others	690.72	-	-	2,208.79	761.85	-	-	1,986.58
<b>Sale of Goods</b>	<b>135,072.87</b>	-	-	<b>1,034.71</b>	147,465.55	-	-	2,980.91
PT. Jindal Stainless Indonesia	30,541.38	-	-	-	46,798.55	-	-	-
Jindal Stainless Steelway Limited	92,548.75	-	-	-	89,321.38	-	-	-
Jindal Steel & Power Limited **	-	-	-	741.14	-	-	-	817.38
Others	11,982.74	-	-	293.57	11,345.62	-	-	2,163.53
<b>Job Work Charges Paid</b>	<b>1,251.01</b>	-	-	-	984.89	-	-	-
Jindal Stainless Steelway Limited	1,233.33	-	-	-	974.59	-	-	-
Others	17.68	-	-	-	10.30	-	-	-
<b>Receiving of Services ( Remuneration paid )</b>	-	-	481.09	-	-	-	342.82	-
Shri Ramesh R Nair - President & Executive Director	-	-	160.57	-	-	-	63.60	-
Shri Arvind Parakh - Director - Finance	-	-	-	-	-	-	91.82	-
Shri S.S. Virdi- Executive Director & Chief Operating Officer	-	-	140.85	-	-	-	143.05	-
Shri Jitender P. Verma - Executive Director - Finance	-	-	151.98	-	-	-	19.35	-
Others	-	-	27.69	-	-	-	25.00	-
<b>Loans &amp; Advances Recovered</b>	<b>1,411.52</b>	-	-	-	-	-	-	-
JSL Life Style Limited	1,411.52	-	-	-	-	-	-	-
<b>Rent Received</b>	<b>0.24</b>	-	17.40	3.37	-	-	17.40	3.31
Shri Ratan Jindal Vice Chairman & Managing Director	-	-	17.40	-	-	-	17.40	-
Jindal Saw Limited	-	-	-	3.37	-	-	-	3.31
Others	0.24	-	-	-	-	-	-	-
<b>Rent Paid</b>	<b>31.72</b>	-	-	4.04	28.39	-	-	3.97
Jindal Stainless Steelway Limited	31.72	-	-	-	28.39	-	-	-
Bir Plantation Private Limited	-	-	-	4.04	-	-	-	3.97
<b>Job Charges Received</b>	-	-	-	6,518.73	-	-	-	11,900.08
JSW Steel Limited	-	-	-	6,518.73	-	-	-	11,900.08
<b>Freight paid</b>	<b>515.75</b>	-	-	13.35	453.95	-	-	-
JSL Logistics Limited	515.75	-	-	-	453.95	-	-	-
Others	-	-	-	13.35	-	-	-	-
<b>Sale of Assets</b>	-	-	-	-	154.42	-	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	154.42	-	-	-

(₹ in Lacs)

Description	For the year ended 31.03.2013				For the year ended 31.03.2012			
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
<b>Quality Claim Paid</b>	<b>108.58</b>	-	-	-	-	-	-	-
PT. Jindal Stainless Indonesia	108.58	-	-	-	-	-	-	-
<b>Interest Received</b>	<b>379.82</b>	-	-	-	1,977.96	-	-	-
JSL Lifestyle Limited	12.51	-	-	-	151.99	-	-	-
JSL Architecture Limited	259.38	-	-	-	110.31	-	-	-
Jindal Stainless Steelway Limited	11.96	-	-	-	1,396.94	-	-	-
Green Delhi BQS Limited ***	-	-	-	-	224.65	-	-	-
Others	95.97	-	-	-	94.07	-	-	-
<b>Miscellaneous Receipt</b>	-	-	-	9.46	0.65	-	-	-
JSL Architecture Limited	-	-	-	-	0.65	-	-	-
Jindal Steel & Power Limited	-	-	-	9.46	-	-	-	-
<b>Interest Paid</b>	<b>12.69</b>	-	-	46.72	-	-	-	20.96
Jindal Stainless Steelway Limited	12.69	-	-	-	-	-	-	-
JSW Steel Limited	-	-	-	-	-	-	-	5.17
JSW Ispat Steel Limited	-	-	-	44.86	-	-	-	15.79
Others	-	-	-	1.86	-	-	-	-
<b>Lease Interest Paid</b>	<b>79.37</b>	-	-	-	98.27	-	-	-
Jindal Stainless Steelway Limited	79.37	-	-	-	98.27	-	-	-
<b>Commission on Sale</b>	<b>1,569.69</b>	-	-	-	1,382.67	-	-	-
Jindal Stainless FZE	1,086.26	-	-	-	877.42	-	-	-
Jindal Stainless UK Limited	348.59	-	-	-	332.68	-	-	-
Jindal Stainless Italy Srl.	134.84	-	-	-	172.57	-	-	-
<b>Equity Purchased</b>	-	225.00	-	-	-	270.00	-	-
MJSJ Coal Limited	-	225.00	-	-	-	270.00	-	-
<b>Allotment of Equity Shares</b>	-	-	-	10,027.00	-	-	-	-
Jindal Overseas Holding Limited	-	-	-	10,027.00	-	-	-	-
<b>Letter of Comfort given</b>	-	-	-	-	20,948.75	-	-	-
JSL Architecture Limited	-	-	-	-	3,015.74	-	-	-
Jindal Stainless Steelway Limited	-	-	-	-	17,933.01	-	-	-
<b>Sharing of Exp. Reimbursed/to be Reimbursed</b>	<b>1,865.91</b>	<b>4.70</b>	<b>0.57</b>	<b>39.28</b>	89.00	9.86	-	55.67
PT. Jindal Stainless Indonesia	1,813.79	-	-	-	66.01	-	-	-
JSL Architecture Limited	47.09	-	-	-	10.08	-	-	-
Jindal Saw Limited	-	-	-	36.04	-	-	-	54.12
Others	5.03	4.70	0.57	3.24	12.91	9.86	-	1.55
<b>Sharing of Exp Recovered/to be Recovered</b>	<b>83.35</b>	-	-	222.56	50.33	-	-	95.46
PT. Jindal Stainless Indonesia	19.06	-	-	-	6.38	-	-	-
JSL Lifestyle Limited	17.80	-	-	-	17.77	-	-	-
JSL Architecture Limited	12.40	-	-	-	9.72	-	-	-
Jindal Steel & Power Limited	-	-	-	46.42	-	-	-	43.47
Jindal Saw Limited	-	-	-	45.87	-	-	-	48.33
Jindal Industries Limited	-	-	-	128.24	-	-	-	-
Others	34.09	-	-	2.03	16.47	-	-	3.66



Description	For the year ended 31.03.2013				For the year ended 31.03.2012			
	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Subsidiary	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives
<b>Outstanding Balance</b>								
<b>Letter of Comfort Given</b>	<b>60,403.29</b>	-	-	-	66,103.69	-	-	-
PT. Jindal Stainless Indonesia	<b>37,744.77</b>	-	-	-	45,154.94	-	-	-
Jindal Stainless Steelway Limited	<b>20,387.00</b>	-	-	-	17,933.01	-	-	-
JSL Architecture Limited	<b>2,271.52</b>	-	-	-	3,015.74	-	-	-
<b>Loans &amp; Advances</b>	<b>8,689.38</b>	-	-	<b>25.00</b>	10,198.23	-	-	33.90
PT. Jindal Stainless Indonesia \$	<b>2,019.48</b>	-	-	-	2,290.52	-	-	-
JSL Lifestyle Limited	<b>782.38</b>	-	-	-	2,167.80	-	-	-
JSL Architecture Limited	<b>2,202.82</b>	-	-	-	2,082.26	-	-	-
Green Delhi BQS Limited	<b>3,057.29</b>	-	-	-	3,058.41	-	-	-
Others	<b>627.41</b>	-	-	<b>25.00</b>	599.24	-	-	33.90
<b>Receivables</b>	<b>33,935.42</b>	-	-	<b>5,828.19</b>	46,012.43	24.16	-	4,140.46
PT. Jindal Stainless Indonesia	<b>12,141.21</b>	-	-	-	23,286.29	-	-	-
Jindal Stainless Steelway Limited	<b>14,989.66</b>	-	-	-	14,996.33	-	-	-
JSL Lifestyle Limited	<b>863.24</b>	-	-	-	584.46	-	-	-
Iberjindal S.L.	<b>4,217.84</b>	-	-	-	5,955.16	-	-	-
JSW Steel Limited	-	-	-	<b>4,932.91</b>	-	-	-	3,659.32
Others	<b>1,723.47</b>	-	-	<b>895.28</b>	1,190.19	24.16	-	481.14
<b>Application Money Refundable</b>	-	-	-	<b>7.85</b>	-	-	-	-
Jindal Overseas Holding Limited	-	-	-	<b>7.85</b>	-	-	-	-
<b>Payables</b>	<b>4,073.62</b>	<b>28.86</b>	-	<b>3,882.69</b>	939.52	-	-	1,832.73
PT. Jindal Stainless Indonesia	<b>2,681.17</b>	-	-	-	-	-	-	-
Jindal Stainless FZE	<b>922.31</b>	-	-	-	408.17	-	-	-
Jindal Industries Limited	-	-	-	<b>255.84</b>	-	-	-	61.36
Jindal Steel & Power Limited	-	-	-	<b>2,601.09</b>	-	-	-	-
Jindal Saw Limited	-	-	-	<b>968.56</b>	-	-	-	943.49
JSW Ispat Steel Limited	-	-	-	<b>0.84</b>	-	-	-	777.54
Others	<b>470.14</b>	<b>28.86</b>	-	<b>56.36</b>	531.35	-	-	50.34

**Note :-**

Guarantee given by key management personnel for loan from banks/others. (refer Note no. 4 and 8)

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

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

\*\*\* On the request of subsidiary company, in view of continuous losses made by them and the litigation as informed to us, during the year company has waived off interest of ₹224.65 Lacs.

\$ Includes Subordinated Debts of ₹ 1,357.00 Lacs ( ₹1,271.75 Lacs)

**50 Earning Per Share ( EPS ) computed in accordance with Accounting Standard 20 “ Earning Per Share “.**

	For the year ended	
	31.03.2013	31.03.2012
<b>(a) Basic :</b>		
Net Profit/(Loss) after Tax as per P & L A/c	<b>(82,081.80)</b>	(10,391.15)
Weighted Average No. of Equity Shares for Basic EPS ( Face value ₹ 2/- per share )	<b>190,222,424</b>	188,119,529
<b>Basic EPS ( in ₹ )</b>	<b>(43.15)</b>	(5.52)
<b>(b) Diluted :</b>		
Net Profit after Tax as per P & L A/c	<b>(82,081.80)</b>	(10,391.15)
Add: Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	<b>(57.09)</b>	154.14
Profit attributable to Equity Share Holders	<b>(82,138.89)</b>	(10,237.01)
Weighted Average No. of Equity Shares for Basic EPS	<b>190,222,424</b>	188,119,529
Add : Weighted average of Potential equity shares converted during the year	<b>379,370</b>	1,386,096
Add : Weighted average of Potential equity shares outstanding as on 31st March, 2013	<b>547,459</b>	1,569,382
Weighted average No. of Equity Shares for Diluted EPS ( Face value ₹ 2/- per share )	<b>191,149,253</b>	191,075,007
<b>Diluted EPS ( in ₹ )</b>	<b>(42.97)</b>	(5.36)

**51 (A) Auditors Remuneration includes the following**

	For the year ended	
	31.03.2013	31.03.2012
<b>(i) Payment to Auditors</b>		
Audit Fee	<b>27.08</b>	24.62
Management/ Other Services	<b>2.26</b>	17.51
Certification Work	<b>3.65</b>	3.00
Out of Pocket expenses	<b>3.50</b>	3.45
	<b>36.49</b>	48.58
<b>(ii) Payment to Branch Auditors</b>		
Audit Fee	<b>2.37</b>	2.15
Tax Audit Fee	<b>1.30</b>	0.80
Management/ Other Services	<b>0.40</b>	0.40
Certification Work	<b>14.44</b>	3.14
Out of Pocket expenses	<b>0.28</b>	0.36
	<b>18.79</b>	6.85
<b>Total</b>	<b>55.28</b>	55.43
<b>(B) Payment to Cost Auditors</b>		
Audit Fee	<b>3.80</b>	1.95
Certification Work	<b>1.07</b>	-
Out of Pocket expenses	<b>0.31</b>	0.25
<b>Total</b>	<b>5.18</b>	2.20
<b>(C) Directors' Remuneration includes the following:</b>		
Remuneration paid/payable to Whole Time Directors (WTD)		
Salary	<b>433.13</b>	304.34
Provident Fund	<b>19.08</b>	12.70
Monetary value of perquisites**	<b>1.19</b>	0.79
<b>Total</b>	<b>453.40</b>	317.83

\*\* As per Income Tax valuation.

\*\* Excluding Gratuity/leave encashment.

- (i) (a) For the remuneration amounting to ₹16.20 Lacs and ₹ 18.11 Lacs paid to a Whole Time Director (WTD) for the years 2008-2009 and 2009-2010 respectively, company's repersantation is pending before Central Government.
- (b) For the remuneration amounting to ₹63.60 Lacs and ₹ 160.57 Lacs paid to a Whole Time Director (WTD) for the years 2011-2012 and 2012-2013 respectively, company's repersantation is pending before Central Government.

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

(₹ in Lacs)		
DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
Interest Expenses	-	22,072.44
Power & Fuel	51.83	51.29
Salaries & Allowances	213.31	191.54
Workman and Staff welfare	-	0.16
Travelling and Conveyance	2.71	18.65
Financial Expenses/Bank Charges	-	849.70
Administrative Expenses	-	128.57
Postage & telegram, telex & telephone	-	0.09
Legal & Professional Expenses	552.60	858.58
Miscellaneous Expenses	0.22	20.71
Exchange Fluctuation(Net)	-	41,153.60
Startup/Testing Expenses		
Raw Material Consumption (inc of Diff in Stock)	-	52,357.89
Power & Fuel	-	8,277.24
Stores & Spares Consumption	-	808.06
Water Expenses	-	837.36
Plant Maintenance Expenses	-	224.96
Legal & Professional Expenses	-	0.82
Interest Expenses	-	78.07
Selling Expenses	-	159.68
Miscellaneous Expenses	-	7,902.85
	820.67	135,992.26
Less: Interest/Other Misc. Income	61.53	963.81
Less: Material during startup transferred for further processing	-	51,502.53
Add: Opening balance brought forward	8,689.80	73,507.20
	9,448.94	157,033.12
Less: Capitalised during the year	8,153.89	148,343.32
<b>Closing balance carried over</b>	<b>1,295.05</b>	<b>8,689.80</b>

53

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

(₹ in Lacs)		
DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
Raw Material	444,446.87	281,219.45
Trading Goods	2,629.51	9,449.10
Stores & Spares	16,374.30	11,188.36
Capital Goods	3,921.63	21,403.77

**B. EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)		
DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
i) Export Selling Expenses	7,662.20	3,061.63
ii) Interest	14,433.93	6,727.17
iii) Travelling	186.49	141.16
iv) Legal & Professional Expenses	203.92	76.64
v) Quality Claim	108.58	-
vi) Others	1,824.70	429.11
<b>C. EARNINGS IN FOREIGN CURRENCY</b>		
F.O.B. value of export	304,739.45	177,354.67
Interest	32.81	30.91
<b>D. Remittance of dividend on equity shares</b>	<b>NIL</b>	<b>NIL</b>

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

55 Figures in bracket indicate previous year figures.

56 Note 1 to 56 are annexed to and form integral part of the Balance Sheet and Statement of Profit & Loss.

**AUDITOR'S REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**U.K .CHATURVEDI**  
Chief Executive Officer

**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E

**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N

**JITENDER P. VERMA**  
Executive Director-Finance

**JITENDRA KUMAR**  
Company Secretary

**PLACE:** New Delhi  
**DATED:** 27th May, 2013



## 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	JSL Architecture Limited	JSL Lifestyle Limited	Jindal Stainless UK Limited	Jindal Stainless Italy Srl.	Jindal Stainless FZE
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 ₹10/- each out of the subscribed capital of 17,166,924 Equity Shares of ₹10/- each.	Holder of 4,100,100 Equity Shares of ₹10/- each and 1,638,228 equity Shares held indirectly through its subsidiary company i.e. Jindal Stainless Steelway Limited out of the subscribed capital of ₹10/- each.	Holder of 17,795,600 Equity Shares of ₹10/- each out of the subscribed capital of 22,678,124 Equity Shares of ₹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 through wholly owned subsidiary company Jindal Stainless UK 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.
b)	Financial year of the company ended on	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st December, 2012	31st March, 2013
c)	Net aggregate amount of subsidiary company's profit (loss) not dealt within the company's Account.	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
i)	For the subsidiary company's financial year ended 31st March, 2013.	(154,746,130.52)	5,842,892.65	(36,216,174.71)	25,561,275.28	2,021,382.93	785,798.00	16,518,705.00
ii)	For the subsidiary company's previous financial periods, since it became the holding company's subsidiary.	204,815,925.52	196,633,319.71	46,092,726.81	(130,789,264.91)	11,386,619.32	6,332,828.55	22,264,889.00
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, 2013.	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
e)	Holding Company's interest as at 31.03.2013 incorporating changes since close of the financial year of Jindal Stainless Italy Srl. and Jindal Stainless Madencilik Sanyai 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.
f)	Material changes occurred between the end of financial year of Jindal Stainless Italy Srl. & Jindal Stainless Madencilik Sanyai Ve Ticaret Anonim Sirketi and 31.03.2013 in respect of							
i)	Fixed Assets	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.
iii)	Money Lent	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.

**RATAN JINDAL**  
Vice Chairman & Managing Director

**U. K. CHATURVEDI**  
Chief Executive Officer

**JITENDER P. VERMA**  
Executive Director - Finance

**PLACE :** NEW DELHI  
**DATE :** 27th MAY, 2013

Subsidiary Companies									
Green Delhi BQS Limited	JSL Media Limited	Jindal Stainless Madencilik Sanyai Ve Ticaret Anonim Sirketi	JSL Logistics Limited	Jindal Aceros Inoxidables S.L.	JSL Group Holdings Pte. Limited	JSL Ventures Pte. Limited	JSL Europe SA	JSL Minerals & Metals SA	Iberjindal S.L.
Holder of 51,000 Equity Shares of ₹10/- each held by holding company directly and 17,325 equity Shares held indirectly through its subsidiary companies i.e. JSL Architecture Limited & Jindal Stainless Steelway Limited out of the subscribed capital of 100,000 Equity Shares of ₹10/- each.	Holder of 49,970 Equity Shares of ₹10/- each out of the subscribed capital of 50,000 Equity Shares of ₹10/- each.	Holder of 4,499,700 Shares of YTL 1 each out of the subscribed capital of 7,223,000 Shares of YTL 1 each.	Holder of 50,000 Equity Shares of ₹10/- each out of the subscribed capital of 50,000 Equity Shares of ₹10/- each.	Holder of 20,000 Equity Shares of EURO 1 each out of the Equity capital of 20,000 Shares of EURO 1 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 out of 6,838,211 Equity Shares of SGD 1 each through wholly owned subsidiary company JSL Group Holdings Pte. Limited.	Holder of 1,000 Equity Shares of CHF 100 each out of 1,000 equity shares of CHF 100 each through wholly owned subsidiary JSL Ventures Pte. Limited.	Holder of 1,000 Equity Shares of CHF 100 each out of 1,000 equity shares of CHF 100 each through wholly owned subsidiary company JSL Europe SA.	Holder of 650,000 Equity Shares of EURO 1 each out of the subscribed capital of 1,000,000 Equity Shares of EURO 1 each.
31st March, 2013	31st March, 2013	31st December, 2012	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
(41,986,832.29)	(41,351,634.12)	(6,578,334.05)	4,171,961.00	(38,896.00)	(454,627.00)	(454,626.00)	(37,960.00)	(243,201.00)	(20,838,567.75)
(557,047,776.24)	(298,870,120.64)	(97,917,501.54)	3,212,094.00	(432,321.00)	(1,783,719.70)	(1,811,919.00)	(959,656.84)	(1,687,646.43)	2,698,542.10
Nil	Nil	Nil	Nil	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.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**JITENDRA KUMAR**  
Company Secretary

TO THE BOARD OF DIRECTORS OF JINDAL STAINLESS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL STAINLESS LIMITED, ITS SUBSIDIARIES AND ASSOCIATE

We have audited the accompanying consolidated financial statements of Jindal Stainless Limited and its subsidiaries and its interest in an associate (collectively referred to as “the Group”), which comprises the Consolidated Balance Sheet as at 31st March 2013, and the statement of the Consolidated Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) In the case of consolidated Statement of Profit & Loss Account, of the Loss for the year ended on that date; and
- (c) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to the following:

- (a) Note no. 48 regarding pending necessary approvals for managerial remuneration as explained in the said note;
- (b) Note no. 30(A)(v)e regarding pending confirmations of balances of secured loans as stated in the said note;
- (c) Note no. 39 regarding loss of Intangible Assets not provided for pending decision of Arbitration Proceedings; and
- (d) Note no. 41(a) regarding pending necessary approval as stated in the said note.

Our opinion is not qualified in respect of these matters.

Other Matters

- (a) We did not audit the financial statements of subsidiaries except as stated in Para (b) herein below, whose financial statements reflect total assets of ₹ 130,405.96 lacs as at 31st March 2013, total revenue of ₹ 220,872.40 lacs and total cash flow of ₹ 457.93 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 ₹ 41.28 lacs for the year ended on 31st March 2013. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is solely based on the report of the other auditors.
- (b) Audited financial statements of a subsidiary reflecting total assets of ₹ 555.80 lacs as at 31st March 2013, total revenue of ₹ 516.53 lacs and total cash flow of ₹ (8.83) lacs for the year 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 as stated in Note no. 1(i), whose unaudited financial statements reflect total assets of ₹ 13,164.47 lacs as at 31st March 2013, total revenues of ₹ 12,100.46 lacs and total cash flow of ₹ (0.46) 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 in respect of these subsidiaries.

For **LODHA & CO.**  
Chartered Accountants  
FRN: 301051E

**(N.K. LODHA)**  
Partner

M. No. 85155

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
FRN: 000756N

**(ARUN K. TULSIAN)**  
Partner

M. No. 89907

Place : New Delhi

Date : 27th May, 2013



DESCRIPTION	NOTE NO	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	4,081.55	3,790.11
Reserves and Surplus	3	129,873.88	204,522.28
		133,955.43	208,312.39
<b>MINORITY INTEREST</b>		1,941.49	2,095.03
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	888,408.96	782,218.95
Deferred tax liabilities (net)	5	-	38,089.80
Other Long-term liabilities	6	12,236.31	1,283.01
Long-term provisions	7	1,362.48	1,175.34
		902,007.75	822,767.10
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	258,985.70	216,236.21
Trade payables	9	308,912.07	210,462.15
Other current liabilities	10	118,864.53	188,871.90
Short-term provisions	7	289.13	218.62
		687,051.43	615,788.88
<b>TOTAL</b>		1,724,956.10	1,648,963.40
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible assets		1,011,565.95	1,005,861.92
Intangible assets		3,423.16	4,172.02
Capital work-in-progress		15,248.65	48,407.36
Intangible assets under development		846.76	483.20
Non-current investments	12	1,958.28	1,783.69
Deferred tax assets (net)	5	127.13	-
Long-term loans and advances	13	13,268.55	17,280.47
Other non-current assets	14	2,326.79	2,256.61
		1,048,765.27	1,080,245.27
<b>GOODWILL ON CONSOLIDATION</b>		671.01	671.01
<b>CURRENT ASSETS</b>			
Current investments	12	219.54	104.00
Inventories	15	361,496.53	312,158.66
Trade receivables	16	193,329.28	152,516.18
Cash and Bank Balances	17	13,649.73	21,353.09
Short-term loans and advances	13	106,370.82	81,496.39
Other current assets	18	453.92	418.80
		675,519.82	568,047.12
<b>TOTAL</b>		1,724,956.10	1,648,963.40
<b>Significant Accounting Policies</b>	1		

Notes referred to above are an integral part of the financial statements

**AUDITOR'S REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered AccountantsFor **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants**RATAN JINDAL**  
Vice Chairman & Managing Director**U.K .CHATURVEDI**  
Chief Executive Officer**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N**JITENDER P. VERMA**  
Executive Director-Finance**JITENDRA KUMAR**  
Company Secretary**PLACE:** New Delhi  
**DATED:** 27th May, 2013

DESCRIPTION	NOTE NO	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>INCOME</b>			
Revenue from operations (Gross)	19	1,212,847.35	936,429.05
Less : Excise Duty on sales		82,372.94	59,897.81
Revenue from operations (Net)		1,130,474.41	876,531.24
Other income	20	3,503.79	5,787.83
<b>TOTAL</b>		1,133,978.20	882,319.07
<b>EXPENSES</b>			
Cost of materials consumed		783,641.99	619,320.70
Purchases of Trading Goods		3,331.15	652.52
Changes in inventories of finished goods, work in progress and Trading goods	21	(22,479.00)	(48,683.21)
Employee benefits expenses	22	31,216.26	22,755.21
Finance costs	23	104,343.69	57,017.48
Depreciation and amortization expense	24	74,014.36	44,849.58
<b>Other expenses</b>	25		
Manufacturing Expenses		207,591.81	148,667.82
Administrative Expenses		15,978.97	10,428.38
Selling expenses		40,337.48	28,624.47
<b>TOTAL</b>		1,237,976.71	883,632.95
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		(103,998.51)	(1,313.88)
Exceptional items - Gain/(Loss)	33	(18,399.02)	(23,145.05)
<b>Profit/ (Loss) before tax</b>		(122,397.53)	(24,458.93)
<b>Tax expense</b>			
Provision for Current Tax		123.34	99.57
MAT Credit Entitlement		(108.52)	(67.14)
Provision for Deferred Tax		(38,208.48)	(6,344.58)
Previous Year Taxation Adjustment		(0.03)	(2.41)
<b>Profit/(Loss) before share in Associate and Minority Interest</b>		(84,203.84)	(18,144.37)
Share in Loss of Associate		(41.28)	(121.97)
Minority Interest		174.30	288.60
<b>Profit/(Loss) for the Year</b>		(84,070.82)	(17,977.74)
<b>Earnings per share (in ₹)</b>	47		
Basic		(44.20)	(9.56)
Diluted		(44.20)	(9.56)
<b>Significant Accounting Policies</b>	1		

Notes referred to above are an integral part of the financial statements

**AUDITOR'S REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered AccountantsFor **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants**RATAN JINDAL**  
Vice Chairman & Managing Director**U.K .CHATURVEDI**  
Chief Executive Officer**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N**JITENDER P. VERMA**  
Executive Director-Finance**JITENDRA KUMAR**  
Company Secretary**PLACE:** New Delhi  
**DATED:** 27th May, 2013

## Consolidated Cash Flow Statement for the year ended 31st March, 2013



DESCRIPTION	(₹ in Lacs)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>A. Cash Inflow / (Outflow) from Operating Activities</b>		
<b>Net Profit/(Loss) Before Tax &amp; Exceptional Items</b>	<b>(103,998.51)</b>	(1,313.88)
Adjustment for:		
Depreciation/Amortisation	<b>74,014.36</b>	44,849.58
Provision for Doubtful Debts & Advance / Bad Debts	<b>1,938.99</b>	4,371.17
Previous Year Adjustments (Liability Written Back)	<b>(135.59)</b>	(546.40)
Mine Development Expenditure Written Off	<b>309.59</b>	313.44
Expenses on Employee Stock Option Scheme	<b>61.44</b>	242.44
Finance Cost	<b>104,343.69</b>	57,017.48
Interest Income	<b>(3,027.32)</b>	(5,761.85)
Dividend Income	<b>(1.34)</b>	(1.41)
(Profit) / Loss on Sale/Dimunition of Investments (Net)	<b>(155.70)</b>	4.29
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	<b>(175.24)</b>	157.19
<b>Operating Profit Before Working Capital Changes</b>	<b>73,174.37</b>	99,332.05
Adjustment for:		
(Increase) / Decrease in Inventories	<b>(49,337.87)</b>	(63,353.10)
(Increase) / Decrease in Trade Receivables	<b>(41,282.92)</b>	(43,680.28)
(Increase) / Decrease in Loans & Advances	<b>(24,495.62)</b>	(16,700.20)
Increase / (Decrease) in Liabilities and Provisions	<b>88,903.70</b>	89,436.29
<b>Cash Inflow from Operating Activities Before Exceptional Items</b>	<b>46,961.66</b>	65,034.76
Exceptional items - Gain/(Loss)	<b>(18,399.02)</b>	(23,145.05)
Income Tax (Advance) / Refund (Net)	<b>(382.33)</b>	(8,427.93)
<b>Net Cash Inflow from Operating Activities</b>	<b>28,180.31</b>	33,461.78
<b>B. Cash Inflow / (Outflow) from Investing Activities</b>		
Sale/Redemption/(purchase) of Investment (Net)	<b>(175.72)</b>	(297.90)
Capital Expenditure	<b>(8,978.68)</b>	(90,979.73)
Sales Proceeds of Fixed Assets Sold	<b>1,290.62</b>	571.71
Dividend Received	<b>1.34</b>	1.41
Interest Received	<b>2,110.15</b>	5,272.57
<b>Net Cash Outflow from Investing Activities</b>	<b>(5,752.29)</b>	(85,431.94)

## Consolidated Cash Flow Statement for the year ended 31st March, 2013



	(₹ in Lacs)	
	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>C. Cash Inflow / (Outflow) from Financing Activities</b>		
Dividend Paid	<b>(19.50)</b>	(27.42)
Interest and Finance Charges Paid	<b>(44,982.77)</b>	(75,930.40)
Debt (serviced)/refundable under CDR	<b>(544.81)</b>	86.44
Proceeds from / (Repayment of) Borrowings (net)	<b>7,347.29</b>	114,087.22
Issue of Equity Share	<b>10,027.00</b>	-
Minority Interest	<b>20.76</b>	43.58
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>(28,152.03)</b>	38,259.42
<b>D. Change in Currency Fluctuation arising on Consolidation</b>	<b>(1,599.58)</b>	(691.03)
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(7,323.59)</b>	(14,401.77)
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>14,474.44</b>	21,798.03
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>21,798.03</b>	36,199.80
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(7,323.59)</b>	(14,401.77)
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	<b>1,961.41</b>	4,167.79
Balance with Banks	<b>12,512.97</b>	17,630.20
Puja & Silver Coins	<b>0.06</b>	0.04
	<b>14,474.44</b>	21,798.03
2) Increase in Paid Up Capital and Securities Premium on account of Conversion of Foreign Currency Convertible Bonds are cash neutral and as such not considered in this statement.		
3) Previous year's figures have been regrouped and rearranged wherever considered necessary.		

## AUDITOR'S REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered AccountantsFor **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants**RATAN JINDAL**  
Vice Chairman & Managing Director**U.K.CHATURVEDI**  
Chief Executive Officer**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N**JITENDER P. VERMA**  
Executive Director-Finance**JITENDRA KUMAR**  
Company Secretary**PLACE:** New Delhi  
**DATED:** 27th May, 2013



**NOTE NO – 1 SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation of Financial Statements:**

Jindal Stainless Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries and associates, as on 31.03.2013, in accordance with Accounting Standard (AS) 21 (Consolidated Financial Statements) and Accounting Standard (AS) 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	
		31.03.2013	31.03.2012
<b>Subsidiaries</b>			
PT. Jindal Stainless Indonesia	Indonesia	99.999%	99.999%
Jindal Stainless Steelway Limited	India	81.911%	81.911%
JSL Architecture Limited	India	74.887%	74.887%
JSL Lifestyle Limited	India	78.47%	78.47%
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%	100.00%
JSL Europe S A ###	Switzerland*	100.00%	100.00%
JSL Minerals & Metals S A ####	Switzerland*	100.00%	100.00%
JSL Group Holdings Pte. Limited	Singapore*	100.00%	100.00%
Jindal Aceros Inoxidable S.L.	Spain*	100.00%	100.00%
JSL Logistics Limited	India	100.00%	100.00%
Green Delhi BQS Limited	India	68.224%	68.224%
JSL Media Limited	India	99.94%	99.94%
Jindal Stainless Madencilik Sanayi Ve Ticaret AS	Turkey*	73.555%	73.555%
Iberjindal S.L.	Spain*	65.00%	65.00%
<b>Associates</b>			
J.S.S. Steeltalia Limited	India	33.00%	33.00%

\* 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

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 associates, 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 Currency Translation Reserve Account.

iv) Since foreign subsidiaries are in same line of business which functions 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.

(₹ in Lacs)

NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	475,000,000 ( 475,000,000) Equity Shares of ₹ 2/- each	9,500.00	9,500.00
		9,500.00	9,500.00
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	204,077,547 (189,505,625) Equity Shares of ₹ 2/-each fully paid up	4,081.55	3,790.11
	<b>TOTAL - SHARE CAPITAL</b>	4,081.55	3,790.11
(a)	<b>RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Equity Shares outstanding at the beginning of the year	189,505,625	187,315,792
	<b>Equity Shares issued during the year</b>		
	On Conversion of Foreign Currency Convertible Bonds	1,021,922	2,189,833
	On Issue of Equity Shares to Jindal Overseas Holding Limited	13,550,000	-
	<b>Shares outstanding at the end of the year</b>	204,077,547	189,505,625
	4,945,375 (13,137,179 )Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 2,710 (7,199) Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the last five years.		
(b)	<b>TERMS/RIGHT ATTACHED TO EQUITY SHARES</b>		
	The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per equity share held [other than the shares represented by Regulation S Global Depositary Shares (the “GDSs”) issued by the Company whose voting rights are subject to certain conditions and procedure as prescribed under the Regulation S Deposit Agreement]. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
	As on 31st March 2013, 8,802,167 GDSs (8,802,167 GDSs) with 17,604,334 underlying equity shares (17,604,334 equity shares) were outstanding. Each GDS represents 2 underlying equity shares of the Company.		
(c)	<b>EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER</b>		
	<b>NAME OF THE EQUITY SHAREHOLDER</b>	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
		<b>No. of Shares</b>	<b>% holding</b>
	Jindal Overseas Holdings Limited	27,700,000	13.57%
	Reliance Capital Trustee Co. Ltd- A/C Reliance Diversified Power Sector Fund	11,939,931	5.85%
	Citigroup Global Markets Mauritius Private Ltd.	11,904,296	5.83%
	American Express Bank Limited - A/c AEB London	-	-
	Hypnos Fund Limited	10,301,711	5.05%
(d)	<b>EQUITY SHARES RESERVED FOR ISSUE UNDER OPTIONS</b>		
	(i) For details of shares reserved for issue under the Employee Stock Option Scheme, 2010 of the company, please refer Note No. 38		
	(ii) For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds, please refer Note No.4 (f) regarding terms of conversion.		

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	As at 31.03.2013	As at 31.03.2012
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
(a)	CAPITAL REDEMPTION RESERVE	2,000.00	2,000.00
(b)	CURRENCY CONVERSION	(2,929.55)	-
(c)	SECURITIES PREMIUM RESERVE		
	As per last account	79,988.71	77,407.51
	Add : On Conversion of Foreign Currency Convertible Bonds	1,204.56	2,581.20
	Add : On Issue of Equity Shares to Jindal Overseas Holding Limited	9,756.00	-
		90,949.27	79,988.71
(d)	DEBENTURE REDEMPTION RESERVE		
	As per last account	6,796.96	7,398.45
	Less : Written Back during the Year	377.12	601.49
		6,419.84	6,796.96
(e)	EMPLOYEE STOCK OPTION OUTSTANDING		
	Employee Stock Option Outstanding	640.74	790.86
	Less : Deferred Employees Compensation Expenditure	114.91	326.47
		525.83	464.39
(f)	GENERAL RESERVE		
	As per last account	62,657.02	62,657.02
	Add : Transferred from Statement of Profit and Loss	8.04	-
	Less : Towards deficit in Statement of Profit and Loss	30,614.60	-
		32,050.46	62,657.02
(g)	FOREIGN CURRENCY TRANSLATION RESERVE	697.20	(632.77)
(h)	CENTRAL/STATE SUBSIDY RESERVE	39.27	39.27
(i)	AMALGAMATION RESERVE	121.56	121.56
(j)	SURPLUS IN STATEMENT OF PROFIT AND LOSS		
	As per Last Account	53,087.14	70,463.39
	Add : Profit/ (Loss) after Tax for the year	(84,070.82)	(17,977.74)
	Add : Debenture Redemption Reserve Written Back	377.12	601.49
	NET PROFIT	(30,606.56)	53,087.14
	General Reserve	8.04	-
	Less : Being deficit, Set off from General Reserve	30,614.60	-
	<b>Net Surplus in the Statement of Profit and Loss</b>	-	53,087.14
	<b>TOTAL - RESERVE &amp; SURPLUS</b>	<b>129,873.88</b>	<b>204,522.28</b>

		(₹ in Lacs)			
NOTE NO	DESCRIPTION	Non -Current Portion		Current Maturity	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>4</b>	<b>LONG-TERM BORROWINGS</b>				
	<b>SECURED</b>				
(a)	<b>DEBENTURES</b>				
	Redeemable Non-Convertible Debentures	24,675.00	22,322.50	190.00	2,677.50
		24,675.00	22,322.50	190.00	2,677.50
(b)	<b>TERM LOANS FROM BANKS</b>				
	Rupee Term Loans	572,407.85	422,708.16	6,887.28	31,115.15
	Foreign Currency Loans	132,757.20	117,291.42	4,184.90	26,982.24
		705,165.05	539,999.58	11,072.18	58,097.39
(c)	<b>FUNDED INTEREST TERM LOANS</b>				
	From Banks	106,767.05	40,093.09	427.60	2,668.38
	From Others	-	3,633.57	-	241.82
		106,767.05	43,726.66	427.60	2,910.20
(d)	<b>BUYER CREDIT AGAINST CAPITAL GOODS</b>				
	In Rupee Term	-	3,233.69	-	-
	In Foreign Currency	41,302.36	164,997.07	-	-
		41,302.36	168,230.76	-	-
(e)	<b>CAR LOAN FROM BANKS</b>	12.38	3.47	7.80	10.90
	<b>TOTAL - SECURED</b>	<b>877,921.84</b>	<b>774,282.97</b>	<b>11,697.58</b>	<b>63,695.99</b>
	<b>UNSECURED</b>				
(f)	<b>BONDS</b>				
	Foreign Currency Convertible Bonds	814.35	2,187.84	-	-
(g)	<b>INTER CORPORATE LOAN</b>	7,502.87	4,391.73	-	-
(h)	<b>PUBLIC FIXED DEPOSITS</b>	1,762.16	749.15	772.25	5,113.76
(i)	<b>LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS</b>	407.74	607.26	199.53	178.39
	<b>TOTAL - UNSECURED</b>	<b>10,487.12</b>	<b>7,935.98</b>	<b>971.78</b>	<b>5,292.15</b>
	Less : Amount Disclosed under the head Other Current Liabilities			12,669.36	68,988.14
	<b>TOTAL - LONG TERM BORROWINGS</b>	<b>888,408.96</b>	<b>782,218.95</b>	<b>-</b>	<b>-</b>

**Secured Borrowings**

[Read with Note No. 30 and 37(B)]

- a) 9.75 % Redeemable Non-Convertible Debentures of ₹ 1,000,000 each, amounting to ₹ 24,865.00 Lacs (₹ 25,000 Lacs) are redeemable in quarterly installments of ₹ 62.50 Lacs each (including balance of first installment of ₹ 2.50 Lacs) during 2013-14, ₹ 250.00 Lacs each during 2014-15 to 2016-17, ₹ 812.50 Lacs each during 2017-18 and thereafter ranging from ₹ 1,000.00 Lacs to ₹ 1187.50 Lacs during 2018-19 to 2021-22. Debentures are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished good, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- b) (i) Rupee Term Loans from banks amounting to ₹ 207,481.16 Lacs (₹ 208,232.37 Lacs) are repayable in quarterly installments of, ₹ 520.58 Lacs each (including balance of first installment of ₹ 393.98 Lacs) during 2013-14, ₹ 2,082.32 Lacs each during 2014-15 to 2016-17, ₹ 6,767.55 Lacs each during 2017-18 and thereafter ranging from ₹ 8,329.30 Lacs to ₹ 9,891.04 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (ii) Rupee Term Loans from banks amounting to ₹ 248,021.62 Lacs (₹ 159,703.00 Lacs) are repayable in 35 quarterly installments beginning from 1st October 2013 of, ₹ 1,240.11 Lacs each during 2013-14, ₹ 2480.22 Lacs each during 2014-15 to 2016-17, ₹ 7,440.65 Lacs each during 2017-18 and thereafter ranging from ₹ 9,300.81 Lacs to ₹ 13,641.19 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.



- (iii) Rupee Term Loan from banks amounting to ₹ 47,456.88 Lacs (₹ 8,989.13 Lacs) is repayable on 31st March, 2022. The loan is secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (iv) Rupee Term Loans from banks amounting to ₹ 70,503.19 Lacs (₹ 70,765.49 Lacs) are repayable in quarterly installments of, ₹ 176.91 Lacs each (including balance of first installment of ₹ 126.91 Lacs) during 2013-14, ₹ 707.65 Lacs each during 2014-15 to 2016-17, ₹ 2,299.88 Lacs each during 2017-18 and thereafter ranging from ₹ 2,830.62 Lacs to ₹ 3,361.36 Lacs during 2018-19 to 2021-22. The loans are Secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (v) Rupees Term Loan Amounting to ₹ 2,846.01 Lacs (₹ 3,296.96 Lacs) are repayable ; a) Term Loan ₹ 1,036.37 lacs carries interest @13.50% p.a. the loan is repayable in 26 monthly installments of ₹ 39.41 Lacs each along with interest and the last installment of ₹ 11.71 lacs due on June 15 & b) Term Loan ₹ 1,809.64 lacs carries interest @13.50% p.a. the loan is repayable in 39 monthly installments of ₹ 45.83 Lacs each along with interest and the last installment of ₹ 22.27 lacs due on July 2016. The loan is Secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future of the company and Second pari-passu charge 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.
- (vi) Rupee Term Loan amounting to ₹ 2,319.17 Lacs (₹ 2,541.00 Lacs). The term loan carries interest @ 13.75 % p.a. The loan is repayable as under: - 1-2 Monthly installment of ₹ 10.08 lacs each, 3- 14 monthly installments of ₹ 20.17 lacs each, 15- 26 monthly installment of ₹ 56.97 lacs each, 27-38 monthly installment of ₹ 63.02 lacs each, 39-44 monthly installment of ₹ 102.85 lacs each with last installment due on November 2016. The loan is Secured by Subservient Change over current assets and movable fixed assets of the Borrower both present & future.
- (vii) Rupee Term Loan amounting to ₹ 667.10 Lacs (₹ 295.36 lacs) are payable a) Term Loan ₹ 80.16 lacs carries interest @ 13.75% p.a. The loan is repayable in 6 quarterly installments of ₹ 11.30 lacs and the last installment of ₹ 12.70 lacs due on December 2014. b) Term Loan amounts ₹ 10.00 lacs carries interest @ 13.75% p.a. The loan is repayable in last installment of ₹ 10.00 lacs due on June 2013 & c) the loan amount ₹ 576.94 Lacs carries interest @13.75% p.a. The Loan (Sanction term loan of ₹ 708.00 Lacs) is repayable in 4 quarterly installments of ₹ 18.50 lacs each from June'13 to Mar'14 and 16 quarterly installments of ₹ 36.50 lacs each June 2014 to March 2018 and the last installment is payable for ₹ 50.00 Lacs in June 2018. The Loan is Secured by way of mortgage of land situated at village Pathreri, Gurgaon & hypothecation of fixed assets of the company and extension of charge by way of hypothecation of Current Assets of the company.
- (viii) Foreign Currency Loans from banks amounting to ₹ 6,646.10 Lacs (₹ 6,228.63 Lacs) are repayable in 35 quarterly installments beginning from 1st October 2013 of, ₹ 33.23 Lacs each during 2013-14, ₹ 66.46 Lacs each during 2014-15 to 2016-17, ₹ 199.38 Lacs each during 2017-18 and thereafter ranging from ₹ 249.23 Lacs to ₹ 365.54 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (ix) Foreign Currency Loans from banks amounting to ₹ 122,152.50 Lacs (₹ 127,200.00 Lacs) are repayable in structured installments of ₹ 678.63 Lacs in 2013-14, ₹ 508.97 Lacs in 2014-15, ₹ 14,081.47 Lacs in 2015-16, ₹ 26,975.34 Lacs in 2016-17, ₹ 20,358.75 Lacs in 2017-18 and ₹ 19,849.78 Lacs each during 2018-19 to 2020-21. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (x) Foreign Currency Loans from bank amounting to ₹ 8,143.50 Lacs (₹ 7,632.03 Lacs) are repayable in 25 equal monthly installments of ₹ 312.71 Lacs each from May, 2013 and balance one installment of ₹ 325.74 Lacs (in total 26 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge 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.
- (xi) Foreign Currency Loans from bank amounting to ₹ Nil (₹ 3,213.00 Lacs), are repayable in 4 equal quarterly installments of ₹ 803.25 lacs, Credit facilities above collateralized with land and anythings on Building Rights Titles Certificate(SHGB) No. 345 with a total Area 102,300 square meters and No. 344 with a total area 5640 square meters with coverable value amounted to ₹ 4,218.46 Lacs machines collateral/mortgage amounted to ₹ 12,880.58 Lacs and receivables collateral /mortgage amounted to ₹ 8,581.29 lacs.
- c) (i) Funded Interest Term Loans (I) from banks amounting to ₹ 46,394.00 lacs (₹ 46,636.86 Lacs) (including ₹ 3,850.96 Lacs (₹ 3,875.39 Lacs) from Financial Institutions) are repayable in quarterly installments of, ₹ 116.55 Lacs each (including balance of first installment of ₹ 77.95 Lacs) during 2013-14, ₹ 466.19 Lacs each during 2014-15 to 2016-17, ₹ 1,515.12 Lacs each during

- 2017-18 and thereafter ranging from ₹ 1,864.76 Lacs to ₹ 2,214.41 Lacs during 2018-19 to 2021-22. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (ii) Funded Interest Term Loans (II) from banks amounting to ₹ 60,800.65 lacs (₹ Nil) (including ₹ 2,551.55 Lacs (₹ Nil) from Financial Institutions) are repayable in 20 quarterly installments of ₹ 1,900.02 Lacs each starting from 31st October 2015 till 31st July 2017, ₹ 3,800.04 Lacs each starting from 31st October 2017 and ending on 31st July 2020. The loans will be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- d) Buyers Credit amounting to ₹ 41,302.36 Lacs (₹ 168,230.76 Lacs) are backed by letter of undertaking issued by Rupee Term Loan lenders under a sub limit of their respective Rupee Term Loans. Upon final maturity date (i.e. ₹ 37,868.84 Lacs in year 2013-14 and ₹ 3,433.51 Lacs in year 2014-15) the respective buyers credit amount would be converted into respective lender Rupee Term Loan to the extent of their sanctioned amount. These Buyers Credit (being a sub limit) are secured through their respective Rupee Term Loan by first/ second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge 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.
- (a,b,c,d) Above Term Loans amounting to ₹ 753,470.96 Lacs (including Funded Interest Term Loan ₹ 107,194.65 Lacs, Debentures amounting to ₹ 24,865.00 Lacs and Buyers Credit amounting to ₹ 41,302.36 Lacs) are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.30 (A) (v)] and Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 30 (A) (v).
- e) Secured by way of hypothecation of vehicles purchased there under and payable for the terms of the agreement.

**Unsecured Borrowings**

- (f) In December 2010, the Foreign Currency Convertible Bonds (FCCB) were restructured with zero coupon and termed as "Convertible Bonds due December 24, 2019". Unless previously redeemed, repurchased and cancelled, or converted, these Bonds are redeemable at 176.28% of their principal amount on 24th December 2019. These Bonds at the option of the holder, may be converted into Equity Shares of face value of ₹ 2/- each, at a pre-determined price of ₹ 119.872/- per share.
- During the year, the Company has received conversion notice for 560 (1,200) FCCBs amounting to USD 2.80 million (USD 6.00 million) and Subsequently the company has allotted 10, 21,922 (21, 89,833) fully paid equity shares. The outstanding FCCBs as on 31st March 2013 were USD 1.50 million.
- (g) Fixed deposits from public have a maturity period of 2 and 3 years from the date of deposits and repayable as & when due.

NOTE NO	DESCRIPTION	(₹ in Lacs)		
		Deferred Tax Liability/Asset as at 31.03.2012	Charge/(Credit) for the Year	Deferred Tax Liability/Asset as at 31.03.2013
<b>5</b>	<b>DEFERRED TAX LIABILITY/(ASSET) {NET}</b>			
(a)	<b>DEFERRED TAX LIABILITY</b>			
	Difference between book & tax depreciation	95,221.95	<b>19,153.26</b>	<b>114,375.21</b>
	Difference between book & tax land right amortization*	1.73	<b>0.27</b>	<b>2.00</b>
	<b>Total Deferred Tax Liability</b>	95,223.68	<b>19,153.53</b>	<b>114,377.21</b>
(b)	<b>DEFERRED TAX ASSETS</b>			
	Disallowance under Section 43B	17,573.56	<b>20,524.57</b>	<b>38,098.13</b>
	Provision for doubtful debts & advances*	205.68	<b>445.26</b>	<b>650.94</b>
	Provisions for Employee Benefits	342.39	<b>53.94</b>	<b>396.33</b>
	Fiscal Loss *	652.80	<b>376.03</b>	<b>1,028.83</b>
	Post Employment Benefit*	66.88	<b>13.58</b>	<b>80.46</b>
	Disallowance under Income Tax*	61.25	<b>12.37</b>	<b>73.62</b>
	Carry Forward Losses/Unabsorbed Depreciation#	37,330.05	<b>35,962.84</b>	<b>73,292.89</b>
	Provision for MTM Losses & Diminution in Investments	901.27	<b>(18.13)</b>	<b>883.14</b>
	<b>Total Deferred Tax Assets</b>	57,133.88	<b>57,370.46</b>	<b>114,504.34</b>
	<b>DEFERRED TAX LIABILITY/(ASSET) {NET}</b>	38,089.80	<b>(38,216.93)</b>	<b>(127.13)</b>

\* Relates to Foreign Subsidiary and include on account of foreign currency fluctuation ₹ 8.45 Lacs ( ₹ 25.52 Lacs)

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

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>6</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Security Deposits	<b>950.00</b>	850.00
	Interest accrued but not due on borrowings	<b>46.73</b>	40.78
	Other Outstanding Liabilities *	<b>11,239.58</b>	392.23
	<b>TOTAL - OTHER LONG TERM LIABILITIES</b>	<b>12,236.31</b>	1,283.01

\* Includes ₹ 11,227.32 Lacs ( ₹ Nil) payable to a bank in 14 and 36 monthly installments (total 50 installments) of ₹ 134.97 Lacs and ₹ 342.70 Lacs (including interest) respectively.

NOTE NO	DESCRIPTION	Long-Term		Short-Term	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>7</b>	<b>PROVISIONS</b>				
	For Employee Benefits	<b>1,362.48</b>	1,175.34	<b>289.13</b>	218.62
	<b>TOTAL - PROVISIONS</b>	<b>1,362.48</b>	1,175.34	<b>289.13</b>	218.62

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>8</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED</b>		
(a)	Working Capital Facilities from Bank	<b>86,846.51</b>	77,889.50
(b)	Buyer Credit in Foreign Currency		
	Against Working Capital	<b>169,318.57</b>	132,033.58
	Against Capital Goods	<b>781.19</b>	1,626.67
	<b>TOTAL - SECURED</b>	<b>256,946.27</b>	211,549.75
	<b>UNSECURED</b>		
(c)	Loan repayable on demand	<b>1,612.35</b>	1,105.00
(d)	Public Fixed Deposits	<b>285.46</b>	350.47
(e)	Loan from Body Corporate	<b>141.62</b>	3,230.99
	<b>TOTAL - UNSECURED</b>	<b>2,039.43</b>	4,686.46
	<b>TOTAL - SHORT TERM BORROWINGS</b>	<b>258,985.70</b>	216,236.21

**Secured Borrowings**

- (a) (i) Working Capital Facilities of ₹ 33,993.10 Lacs ( ₹ 26,814.07 lacs) are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material , work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand.
- (ii) Working capital loans of ₹ 12,641.92 Lacs ( ₹ 14,107.14 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.
- (iii) Working capital loans of ₹ 36,022.25 Lacs ( ₹ 36,968.29 Lacs), obtained by subsidiary PT. Jindal Stainless Indonesia is collateralized by fixed assets, inventories and letter of comfort/undertaking for non disposing of equity investment in PT Jindal Stainless Indonesia by Holding Company and further ₹ 4,189. 23 lacs is collateralized by fixed assets and inventories.
- (b) (i) Buyer Credit Facility amounting to ₹ 1,69,318.57 Lacs ( ₹ 132,772.64 Lacs) are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material , work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company.
- (ii) Buyers Credit amounting to ₹ 781.19 Lacs ( ₹ 734.74 Lacs ) are secured by exclusive charge over the entire assets financed by state bank of india for Hisar project by way of hypothication.
- (iii) Buyers Credit amounting to ₹ Nil Lacs ( ₹ 152.87 Lacs ) are secured by first exclusive charge on entire current assets of the company and extension of charge on entire fixed assets of the company both present and future.
- (a,b) Working Capital facility from bank amounting to ₹ 32,708.19 Lacs and Working capital Buyers Credit amounting to ₹ 169,318.57 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.30 (A) (v) ] and Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 30 (A) (v).

**NOTE :** These above to be read with Note No. 30 and 37(B)

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>9</b>	<b>TRADE PAYABLES</b>		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	<b>102.65</b>	109.86
	Dues to other than Micro and Small enterprises	<b>308,809.42</b>	210,352.29
	<b>TOTAL TRADE PAYABLES</b>	<b>308,912.07</b>	210,462.15

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>10</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long term Borrowings. (Note No. 4)	<b>12,469.83</b>	68,809.75
	Current maturities of finance lease obligations (Note No. 4)	<b>199.53</b>	178.39
	Interest accrued but not due on borrowings.	<b>3,804.02</b>	5,365.33
	Interest accrued and due on borrowings.	<b>242.16</b>	62.66
	Advance from customers	<b>24,635.38</b>	25,954.71
	Security Deposits from Agents/Dealers/Others	<b>159.37</b>	249.01
	Application money refundable	<b>7.85</b>	-
	Creditors for capital expenditure	<b>26,572.74</b>	39,554.83
	Other outstanding liabilities*	<b>50,461.79</b>	48,334.32
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	<b>82.44</b>	101.94
	Unpaid matured deposits and interest accrued thereon	<b>229.42</b>	260.96
	<b>TOTAL-OTHER CURRENT LIABILITIES</b>	<b>118,864.53</b>	188,871.90

\* Includes statutory dues.



(₹ in Lacs)

NOTE NO	DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK			
		AS AT ADDITIONS		SALE/ ADJUSTMENT \$	AS AT 31.03.2013	AS AT 01.04.2012	DURING THE YEAR	ON SALE/ ADJUSTMENT \$	AS AT 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2012
		01.04.2012	01.04.2012										
11	FIXED ASSETS												
A	TANGIBLE ASSETS												
	LAND *	17,558.30	347.22	(127.61)	18,033.14	396.19	92.91	(2.82)	491.92	17,541.22	17,162.12		
	BUILDINGS **	143,603.70	6,684.80	(104.55)	150,393.05	10,295.00	4,464.14	(53.95)	14,813.09	135,579.96	133,308.70		
	PLANT & MACHINERY ***	1,052,527.93	71,680.48	930.89	1,123,277.52	213,200.61	67,112.53	79.71	280,233.43	843,044.09	839,327.31		
	ELECTRIC INSTALLATION	15,178.63	591.42	-	15,770.05	3,662.21	862.45	-	4,524.66	11,245.39	11,516.43		
	VEHICLES	3,551.52	227.05	164.42	3,614.15	1,642.36	350.81	54.27	1,938.90	1,675.25	1,909.17		
	FURNITURE, FIXTURES & EQUIPMENTS	2,429.03	204.52	123.71	2,509.84	1,200.61	137.76	32.31	1,306.06	1,203.78	1,228.42		
	OFFICE EQUIPMENT	2,093.17	64.25	(50.93)	2,208.35	1,256.66	76.32	(51.17)	1,384.15	824.20	836.50		
	POWER LINE AND BAY EXTENSION	1,211.87	-	-	1,211.87	638.62	121.19	-	759.81	452.06	573.27		
	TOTAL TANGIBLE ASSETS	1,238,154.15	79,799.74	935.93	1,317,017.97	232,292.26	73,218.11	58.35	305,452.02	1,011,565.95	1,005,861.92		
	PREVIOUS YEAR	634,241.20	602,661.68	(1,251.30)	1,238,154.18	187,984.29	44,057.87	(250.10)	232,292.26	1,005,861.92			
B	INTANGIBLE ASSETS												
	TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	984.12	136.92	-	1,121.04	248.14	385.07		
	COMPUTER SOFTWARE	1,122.75	18.11	-	1,140.86	1,044.81	14.84	-	1,059.65	81.21	77.93		
	BUS Q SHELTER CONCESSION RIGHT	5,822.93	0.82	(38.64)	5,862.39	2,113.91	644.48	(10.19)	2,768.58	3,093.81	3,709.02		
	TOTAL INTANGIBLE ASSETS	8,314.86	18.93	(38.64)	8,372.43	4,142.84	796.24	(10.19)	4,949.27	3,423.16	4,172.02		
	PREVIOUS YEAR	8,335.77	24.75	45.66	8,314.86	3,375.14	794.93	27.23	4,142.84	4,172.02			
	CAPITAL WORK IN PROGRESS ****									15,248.65	48,407.36		
	INTANGIBLE ASSETS UNDER DEVELOPMENT									846.76	483.20		

NOTE

- \* Land includes land acquired on lease amounting to ₹ 7,278.57 Lacs (₹ 7,270.15 Lacs) and amount amortize thereon during the year is ₹ 92.90 Lacs (₹ 92.31 Lacs)
- \* Land include ₹ 948.55 Lacs (₹ 948.55 Lacs) jointly owned with other body corporate with 50% share.
- \*\* Building include ₹ 247.90 Lacs (₹247.90 Lacs) jointly owned with other body corporate with 50% share
- \*\*\* Include Plant & machinery acquired on Lease amounting to ₹ 1,171.73 Lacs (₹ 1,132.13 Lacs) and depreciation thereon during the year ₹ 61.55 Lacs (₹ 59.50 Lacs)
- \$ Sales/adjustment in respect of Gross Block and Depreciation includes ₹ 308.14 Lacs (₹ 2, 670.14 Lacs ) and ₹ 114.48 Lacs (₹ 958.47 Lacs) respectively for adjustment of Foreign Exchange Fluctuation.
- \*\*\*\* Include Project Inventory ₹ 2,131.62 Lacs (₹ 16,811.61 Lacs)

(₹ in Lacs)

NOTE NO	DESCRIPTION	As at 31.03.2013			As at 31.03.2012		
		Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount
12	INVESTMENTS						
	NON - CURRENT INVESTMENTS						
	LONG TERM INVESTMENTS - AT COST						
A	Equity Shares Fully Paid Up -Trade Unquoted						
	Golden Touch Resources Corporation	555,512		179.59	555,512		179.59
	MJSJ Coal Limited #	8,559,000	10	855.90	6,309,000	10	630.90
	JSL Energy Limited	1,000	10	0.10	1,000	10	0.10
	TOTAL (A)			1,035.59			810.59
B	Equity Shares Fully Paid Up of Associate Company - Trade Unquoted						
	J.S.S. Steeltitalia	7,713,190	10	771.32	7,713,190	10	771.32
	Add/(Less) :- Share in Profit/(Loss) of Associate			(354.38)			(303.97)
	TOTAL (B)			416.94			467.35
C	Govt./Semi Govt. Securities - Non Trade						
	12.40% Government of India Stocks	40,000	100	41.14	40,000	100	41.14
	National Savings Certificate *			1.02			1.02
	8.40% Transmission Corp. of A.P. Limited	10	1,000,000	103.40	10	1,000,000	103.40
	7.50% Bank of India	4	1,000,000	40.00	4	1,000,000	40.00
	7.64% KSFC 2018	10	1,000,000	97.71	10	1,000,000	97.71
	8.57% Andhra Pradesh SDL 2020	220,000	100	222.48	220,000	100	222.48
	TOTAL (C)			505.75			505.75
	TOTAL NON CURRENT INVESTMENT			1,958.28			1,783.69
	CURRENT INVESTMENTS						
	( At lower of Cost and Fair Value )						
D	Equity Shares Fully Paid Up - Non Trade Quoted						
	Bhartiya International Limited	94,884	10	190.10	114,609	10	60.11
	Central Bank of India	7,247	10	4.83	7,247	10	7.31
	Hotel Leela Ventures Limited	90,000	2	18.14	90,000	2	30.11
	Adani Ports and Special Economic Zone Ltd.	7,355	2	6.47	7,355	2	6.47
	TOTAL CURRENT INVESTMENT			219.54			104.00
	TOTAL - INVESTMENTS			2,177.82			1,887.69

# Investment in terms of agreement with Mahanadi Coalfield Limited & Others,as Investor.

\* Lodged with Government Authorities as Security.

Aggregate value of Current Investment	219.54	104.00
Aggregate value of unquoted investment	1,958.28	1,783.69
Aggregate value of quoted investment	219.54	104.00
Market value of quoted investment	223.27	107.05
Aggregate provision made for the diminution in value of Current investments	75.80	230.54

NOTE NO	DESCRIPTION	(₹ in Lacs)			
		Long-Term		Short-Term	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
<b>13</b>	<b>LOANS AND ADVANCES</b>				
	(Unsecured, considered good unless otherwise stated)				
	Advance Recoverable in Cash or in kind or the value to be received [Net of Provision of ₹ 1,492.83 Lacs (₹ 23.66 Lacs)]	<b>1,331.98</b>	888.01	<b>46,774.63</b>	40,806.34
	Capital Advances	<b>4,186.88</b>	8,161.01	-	-
	Security Deposits [Net of Provision of ₹ 54.00 Lacs (₹ 54.00 Lacs)]	<b>5,505.39</b>	5,587.24	<b>1,342.54</b>	1,243.08
	Loans to body corporate	<b>2,244.30</b>	2,644.21	<b>38.80</b>	-
	Prepaid Taxes [Net of Provision of ₹ 38,746.41 Lacs (₹ 38,799.46 Lacs)]	-	-	<b>11,846.42</b>	11,495.64
	MAT Credit Entitlement	-	-	<b>6,846.82</b>	6,838.51
	Balance with Excise and Sale tax Authorities	-	-	<b>39,521.61</b>	21,112.82
	<b>TOTAL - LOANS AND ADVANCES</b>	<b>13,268.55</b>	17,280.47	<b>106,370.82</b>	81,496.39

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>14</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Deposits with original maturity of more than 12 months	<b>824.71</b>	444.94
	Mines Development Expenses	<b>1,502.08</b>	1,811.67
	<b>TOTAL - OTHER NON CURRENT ASSETS</b>	<b>2,326.79</b>	2,256.61

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>15</b>	<b>INVENTORIES</b>		
	(As taken, valued and certified by the Management) (valued at lower of cost and net realizable value unless otherwise stated)		
	Raw Materials [Including material in Transit ₹ 56,991.43 Lacs (₹ 30,026.27 Lacs)]	<b>99,985.07</b>	72,028.00
	Work in Progress	<b>93,906.87</b>	83,478.48
	Finished Goods	<b>139,484.57</b>	128,242.10
	Trading Goods	<b>178.46</b>	340.14
	Store and Spares [Including material in Transit ₹ 1,219.88 Lacs (₹ 1,354.09 Lacs)]	<b>25,278.09</b>	26,178.75
	Scrap (at estimated realizable value)	<b>2,663.47</b>	1,891.19
	<b>TOTAL - INVENTORIES</b>	<b>361,496.53</b>	312,158.66

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>16</b>	<b>TRADE RECEIVABLE</b>		
	(Unsecured, Considered goods unless otherwise stated)		
	(a) <b>EXCEEDING SIX MONTHS FROM THE DUE DATE OF PAYMENT</b>		
	Unsecured, Considered good	<b>16,794.02</b>	15,347.01
	Doubtful	<b>4,380.53</b>	4,015.75
	Less : Provision for doubtful receivable	<b>4,380.53</b>	4,015.75
		<b>16,794.02</b>	15,347.01
	(b) <b>OTHERS</b>	<b>176,535.26</b>	137,169.17
	<b>TOTAL - TRADE RECEIVABLE</b>	<b>193,329.28</b>	152,516.18

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>17</b>	<b>CASH AND BANK BALANCES</b>		
	(a) <b>CASH AND CASH EQUIVALENTS</b>		
	Balance with banks	<b>3,711.26</b>	2,524.56
	Balance with banks in foreign currency	<b>1,263.23</b>	2,654.98
	Bank deposits with original maturity of less than three month*	<b>1,324.49</b>	2,404.93
	Unpaid dividend accounts	<b>82.44</b>	101.94
	Cheques in hand / money in transit	<b>1,826.01</b>	4,088.44
	Cash in hand	<b>135.20</b>	79.11
	Stamps in hand	<b>0.20</b>	0.24
	Puja and silver coins	<b>0.06</b>	0.04
	<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>8,342.89</b>	11,854.24
	(b) <b>OTHER BANK BALANCES</b>		
	Bank Deposits with original maturity of more than three month but less than 12 months *	<b>4,363.67</b>	7,566.55
	Bank Deposits with original maturity of more than 12 months *	<b>1,767.88</b>	2,377.24
		<b>6,131.55</b>	9,943.79
	Less: Amount disclosed under the head other Non Current Assets	<b>(824.71)</b>	(444.94)
	<b>TOTAL OTHER BANKS BALANCES</b>	<b>5,306.84</b>	9,498.85
	<b>TOTAL - CASH &amp; BANK BALANCES</b>	<b>13,649.73</b>	21,353.09

\* ₹ 4,897.28 Lacs (₹ 3,375.04 Lacs) is under lien with Banks

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Investment /Fixed Deposits	<b>144.33</b>	109.21
	Mines Development Expenses	<b>309.59</b>	309.59
	<b>TOTAL OTHER CURRENT ASSETS</b>	<b>453.92</b>	418.80



		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
(a)	<b>SALE OF PRODUCTS</b>		
	Finished Goods	1,185,540.42	906,919.46
	Trading Goods	3,144.56	11,075.81
	Export Benefits	10,780.93	4,770.89
		1,199,465.91	922,766.16
(b)	<b>SALE OF SERVICES</b>		
	Job Charges received	9,764.33	10,266.79
	Consultancy Charges / Commission Received / Advertisement Income	1.99	520.10
		9,766.32	10,786.89
(c)	<b>OTHER OPERATING REVENUE</b>		
	Sale of Gases	187.37	68.81
	Claims Received	627.21	447.28
	Previous year adjustments (net)	111.48	467.99
	Miscellaneous Income	2,689.06	1,891.92
		3,615.12	2,876.00
	<b>REVENUE FROM OPERATIONS (GROSS)</b>	1,212,847.35	936,429.05
	<b>Previous year adjustment (net) includes :</b>		
	Income relating to earlier years	42.26	(3.19)
	Liability no longer required	135.59	546.40
	Expenses relating to earlier years	(66.37)	(75.22)
		111.48	467.99

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>20</b>	<b>OTHER INCOME</b>		
(a)	<b>INTEREST INCOME ON</b>		
	Long Term Investments	42.93	43.11
	Others	108.21	749.86
	Debtors [Net of Provision of ₹ 1,469.17 Lacs (₹ Nil)]	2,876.18	4,968.88
		3,027.32	5,761.85
(b)	<b>DIVIDEND INCOME FROM CURRENT INVESTMENT</b>	1.34	1.41
(c)	<b>NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS</b>		
	Gain on Sale	0.96	-
	Reversal / (Loss) on Dimunition	154.74	(4.29)
		155.70	(4.29)
(d)	<b>NET GAIN/(LOSS) ON SALE OF FIXED ASSETS</b>		
	Gain on Sale	315.37	30.98
	Loss on Sale	(140.12)	(52.68)
	Loss on Discard	(0.01)	(135.49)
		175.24	(157.19)
(e)	<b>OTHER NON-OPERATING INCOME (NET)</b>	144.19	186.05
	<b>TOTAL - OTHER INCOME</b>	3,503.79	5,787.83

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>21</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS</b>		
	<b>OPENING STOCK</b>		
	Finished Goods	128,242.10	83,411.18
	Work in Progress	83,478.48	74,200.40
	Scrap	1,891.19	1,807.12
	Trading Goods	340.14	1,084.23
	<b>TOTAL OPENING STOCK</b>	213,951.91	160,502.93
	<b>CLOSING STOCK</b>		
	Finished Goods	139,484.57	128,242.10
	Work in Progress	93,906.87	83,478.48
	Scrap	2,663.47	1,891.19
	Trading Goods	178.46	340.14
	<b>TOTAL CLOSING STOCK</b>	236,233.37	213,951.91
	<b>Excise Duty on account of increase/(decrease) in Stock of Finished Products</b>	(197.54)	4,765.77
	<b>TOTAL - CHANGES IN INVENTORIES</b>	(22,479.00)	(48,683.21)

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>22</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages, Bonus and Other benefits	28,543.40	20,411.16
	Contribution to provident and other funds	1,296.24	1,142.37
	Expenses on Employee Stock Option Scheme	61.44	242.44
	Staff Welfare Expenses	1,315.18	959.24
	<b>TOTAL - EMPLOYEE BENEFITS EXPENSES</b>	31,216.26	22,755.21

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>23</b>	<b>FINANCE COSTS</b>		
	Interest Expenses	98,305.29	52,622.82
	Other Borrowing Costs	6,038.40	4,394.66
	<b>TOTAL - FINANCE COSTS</b>	104,343.69	57,017.48

		(₹ in Lacs)	
NOTE NO	DESCRIPTION	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>24</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Fixed Assets	73,211.03	44,054.65
	Amortization of Intangible assets	803.33	794.93
	<b>TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES</b>	74,014.36	44,849.58

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		For the year ended 31.03.2013	For the year ended 31.03.2012
<b>25</b>	<b>OTHER EXPENSES</b>		
(a)	<b>MANUFACTURING EXPENSES</b>		
	Consumption of Stores and Spare parts	55,811.95	43,684.24
	Power and Fuel	127,256.74	84,898.89
	Labour Processing & Transportation Charges	12,393.77	8,689.27
	Repairs to buildings	210.37	307.86
	Repairs to plant & machinery	3,105.29	2,484.96
	Job work expenses	2,729.04	3,769.56
	Other Manufacturing Expenses	6,084.65	4,833.04
		207,591.81	148,667.82
(b)	<b>ADMINISTRATIVE EXPENSES</b>		
	Insurance	2,152.61	1,389.36
	Rent	650.11	525.23
	Lease Rent	369.23	346.40
	Rates and Taxes	964.74	893.99
	Legal and Professional	3,150.43	1,605.88
	Postage, Telegram, Telex and Telephone	635.40	478.09
	Printing & Stationary	356.12	334.63
	Travelling & Conveyance	1,666.14	1,039.42
	Director' Meeting Fees	6.00	7.51
	Vehicle Upkeep and Maintenance	922.83	518.88
	Auditor's Remuneration	76.88	73.60
	Donation	96.61	166.01
	Miscellaneous Expenses	4,622.28	2,739.80
	Mine Development Expenses W/off	309.59	309.58
		15,978.97	10,428.38
(c)	<b>SELLING EXPENSES</b>		
	Discount & Rebate	6,044.47	8,466.63
	Freight & Forwarding Expenses	22,610.31	11,485.75
	Commission on Sales	5,475.45	1,824.19
	Other Selling Expenses	5,717.44	2,290.91
	Provision for Doubtful Debts/Advances	291.91	3,548.27
	Bad Debts	32.17	822.90
	Advertisement & Publicity	165.73	185.82
		40,337.48	28,624.47
	<b>TOTAL - OTHER EXPENSES</b>	<b>263,908.26</b>	<b>187,720.67</b>

26. A	Contingent Liabilities not provided in respect of :	(₹ in Lacs)	
		As at 31.03.2013	As at 31.03.2012
a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of Company	10,737.66	6,904.71
b)	Letter of Credit outstanding	82,291.29	98,215.98
c)	Bills discounted with Banks	41,390.51	31,464.05
d)	i) Sale Tax/Entry Tax demands against which company preferred appeals.	9,171.78	17,299.86
	ii) Excise Duty/Service Tax Show Cause Notices/ Demands against which company has preferred appeals.	15,401.82	10,816.49
	iii) Income tax demands against which Company has preferred appeals.	4,878.89	7,104.53
	iv) Claims and other liabilities against the company not acknowledged as debt.	7,288.83	3,859.75
e)	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
f)	Demand made by Dy. Director of Mines, Jajpur Road Circle, Orissa against which company has preferred appeal.	24.74	600.84
B	Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2013 ₹ 25,676.82 Lacs (₹ 25,235.08 Lacs)}	92,474.68	90,179.20
27.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2,117.30 Lacs (₹ 5,831.75 Lacs).		
28.	Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2013 and 31st March, 2012 is ₹ 266.66 Lacs and ₹ 34.29 Lacs respectively. The management is of the view that considering the past export performance, future prospects and going concern concept there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.		
29.	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.		
30.	(A) Corporate Debt Restructuring		
	i)	The Company's proposal in relation to re-work of its term debt obligations ("Rework Scheme") under CDR mechanism has been approved by CDR EG through Rework Letter of Approval ("Rework LOA") vide its letter dated September 18, 2012. The Rework Scheme inter-alia includes reworking of repayment schedule, interest funding, adjustments in interest rates to ensure protection of net present value of the respective facilities, etc w.e.f. 31st March 2012 ("Reworking Cut-off Date"). Consequently, the amended & restated master restructuring agreement ("Amended MRA") & other necessary documents have been executed with all the lenders, except one.	
	ii)	Under the Rework Scheme, the interest rates are shifted from fixed rate of interest to floating rate of interest. Interest has been accounted for based upon terms of Rework Scheme / confirmation so far received from banks.	
	iii)	The Funded Interest Term Loan (FITL-II) has been created on certain credit facilities. Accordingly, the value of debt service (including interest paid) post Reworking Cut-off Date amounting to ₹ 906.61 Lacs (including refunds due of CDR 2009-10) to be refunded by banks/institutions is included under loans and advances.	
		Further, subject to necessary applicable approvals including regulatory and CDR EG, each CDR Lender have the option to convert up to an amount equivalent to 30% of FITL – II (being created out of interest for the financial year 2012–13 in the Rework Scheme), into equity shares on certain terms and conditions.	
	iv)	As per the Rework Scheme, the company/promoters are to arrange equity of ₹ 200 crores out of which the promoters have already brought in ₹100 crores by way of preferential subscription and balance equity is to be introduced by 31st March, 2014.	



- v) The credit facilities / loans under Rework Scheme will also be secured by:
- Unconditional & irrevocable personal guarantee of VC & MD Mr. Ratan Jindal;
  - Unconditional & irrevocable corporate guarantee of promoter group companies in proportion to the number and to the extent of equity shares pledged or required to be pledged by each body corporate.
  - Pari-passu pledge/ non disposal undertaking / lodgment of 65,306,625 nos. of equity shares held in the company by promoters. The pledge to the extent of 87.7% in respect of additional equity shares allotted to, a member of the promoter group, on 30th March 2013; and
  - Under the Scheme, the company has created pari passu pledge and submitted non-disposal undertaking for all its investment in subsidiaries as listed below:
    - JSL Lifestyle Limited
    - JSL Logistics Limited
    - PT. Jindal Stainless Indonesia
    - Jindal Stainless UK Limited
    - JSL Stainless FZE
    - JSL Group Holdings Pte. Limited
    - JSL Architecture Limited
    - Jindal Stainless Madencilik Sanaye Ve Ticaret A.S.
    - Jindal Aceros Inoxidables S.L.
    - Iberjindal S.L.
  - Certain conditions, covenants and creation of security under the Rework Scheme are in process of compliance. Certain secured facilities (including FITL –II) are subject to bank confirmation and/or reconciliation.

(B) Restructuring of ECB Facilities

Besides reworking of its domestic term debt obligations as stated in note A above, the Company has also completed the restructuring of its debt obligations in relation to USD 250 million ECB facilities (outstanding of USD 225 million as on 31st March 2013) availed for the part financing of Odisha Phase II project and has executed requisite amendment agreements with all the ECB lenders on 29th March 2013. The revised terms inter-alia includes deferment of repayment schedule, increase in interest rates, etc.

31. 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 Punjab and Haryana High Court 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 have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble Supreme Court gave an Interim Order that those states where the High Courts have given judgment 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 been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and other judgements of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court, where the judgement of 7-Judges Constitutional Bench passed 49 years ago would be revisited. Constitution Bench has not been constituted as yet and the status of the case is as it is and at present no tax is being collected/paid in Haryana.
32. (a) The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, challenging the order passed by the Dy Commissioner of Commercial Tax, Jaipur for the period from 01/10/2006 to 30/09/2010, for payment of Entry Tax under the Orissa Entry Tax Act 1999 on the goods procured from outside the territory of India. The demand is on 2/3rd amount of Entry Tax on the goods imported from outside the territory of India on which the payment of 1/3rd amount of entry tax deposited as per the interim order of the Hon'ble Supreme Court. Considering the prudence demand of entry tax have been fully provided for and pending final decision interest and penalty have been shown under note no. 26(A)(d)(i) (Contingent Liability).

The Hon'ble Court has heard the matter and vide its interim order dated 14.03.2012, directed the company to deposit 50% of the amount of interest i.e. ₹ 1.08 crores by 25.03.2012 and granted stay for the balance amount of demand till disposal of the case. The company has deposited the amount within the permitted time and informed to the Hon'ble Court.

- (b) The Company had also challenged the levy of entry tax on goods not produced in Orissa and same is pending before decision of the Hon'ble Supreme Court. Considering the prudence full liability in this regards have been provided. Interest/ penalty if any, will be accounted for as and when finally settled/determined and the same is included in note no. 26(A)(d)(i) (Contingent Liability).
33. Exceptional items includes Gain/(Loss) (net) of (₹ 14,178.16 Lacs) {(₹ 19,706.79 Lacs)} on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 119.04 Lacs {₹ 338.61 Lacs } upon marked to market of derivatives contracts, gain/(loss) of (₹ 4,339.90 Lacs) {(₹ 1,269.09 Lacs)} on forward cover cancellation, resulting from volatile global market conditions.
34. Due from Grid Corporation of Orissa (Gridco) Limited is of ₹ 9,268.43 Lacs. During the year the company have realized part of the overdue amount on receipt of the order of Odisha Electricity Regulatory Commission (OERC) in Case No. 106 of 2011 No. 4387 dated 17/11/2012. Delayed payment surcharge (Interest) on this have been accounted in terms of contractual obligation. The management is hopeful of recovery of balance amount from Gridco
35. The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, Cuttak challenging the order passed by the Jt Commissioner of Commercial Tax, Jaipur disallowing the issue of C Form for the procurement of plant and machinery for Captive Power Plant during the year 2005-06, 2006-07 & 2007-08. The Hon'ble Court heard the matter and passed interim order dated 14.03.2012, directing the company to deposit 25% out of total demanded amount of ₹ 3,305.92 Lacs. The company has deposited an amount of ₹ 826.47 Lacs within the permitted time and informed the Hon'ble Court. Pending final decision, no provision in this respect has been made in the books and the same is included in note no. 26(A)(d)(i) (Contingent Liability).
36. During the year, the company has received a notice from office of the Dy. Director of Mines, Jaipur Road Circle, Odisha (the Office) asking company to deposit ₹ 8,540.27 Lacs with the department on account of royalty on mining of excess quantity of Chrome Ore over and above the approved quantity of mining plan/scheme. The company has disputed and challenge the same as demand made by the Office is incorrect, unjustified, baseless and was without furnishing any supporting documents and/or providing any basis/reason for such demand.
37. (A) Certain balances of debtors, trade payable and other liabilities are subject to confirmation and/or reconciliation.  
(B) Certain charges created for secured loans are in process of satisfaction.
38. On 28th July, 2010, the Company granted 35,77,500 stock options to eligible employees of the Company, its subsidiaries including non executive directors (excluding Nominee Director), as per Employees Stock Option Scheme, 2010 (ESOP 2010). The exercise price of stock options is ₹ 75/- per share which would gradually vest over a maximum period of 4 years from the date of grant based on specified criteria, as may be decided by the Compensation Committee.

Salient features of the grants are as under:

Particulars	Grant 1 (granted on 28.7.2010)					Grant II ( granted on 28.7.2012)			
Vesting schedule	Options will vest from the date of grant based on the performance conditions mentioned below in the following ratio:					Options will vest from the date of grant based on the performance conditions mentioned below in the following ratio:			
	Vesting Schedule	On 28.07. 2011 (Vest 1)	On 28.07. 2012 (Vest 2)	On 28.07. 2013 (Vest 3)	On 28.07. 2014 (Vest 4)	Vesting Schedule	On 28.07. 2013 (Vest 1)	On 28.07. 2014 (Vest 2)	On 28.07. 2015 (Vest 3)
	Eligibility*	0%	30%	30%	40%	Eligibility*	30%	30%	40%
	* Maximum percentage of Options that can vest					* Maximum percentage of Options that can vest			
Performance Conditions	Performance Matrix					Performance Matrix			
	Performance rating attained **		Percentage of options that would vest			Performance rating attained **		Percentage of options that would vest	
	A+		100%			A+		100%	
	A		75%			A		75%	
	B		50%			B		50%	
	** Based on achievement of the Annual Targets set by the management at the beginning of the year.					** Based on achievement of the Annual Targets set by the management at the beginning of the year.			
Exercise period	Not more than 3 years from the date of vesting					Not more than 3 years from the date of vesting			

Pursuant to 1st vesting @ 30% of ESOP outstanding on 28th July, 2012, 5,34,771 ESOPs were vested to eligible employees based on performance rating and 1,50,000 fresh ESOPs were granted to the employees of the Company on 28th July, 2012.

During the year ended on 31st March, 2013, 497,106 (487,500) stock options lapsed due to resignation, retirement and low vesting due to performance rating. No vested options were exercised by employees during the year. As on 31st March, 2013, 2,271,644 (2,618,750) ESOPs were in force.

39. In the case of Green Delhi BQS Limited (GDBQS) has Concession Agreement with Delhi Transport Corporation (DTC) for BOT Project of Bus-Q-Shelter (BQS) wherein the Company is to pay ₹ 93,800/- per BQS per month as concession fee. However, DTC did not hand over some of the premium sites at Airport area of Delhi for construction of BQS as per the agreed Contract and breached the terms of Concession Agreement. The advertisement revenue of the aforesaid sites is much higher than the sites proposed to be handed over. The Company has approached, Hon'ble Delhi High Court, to resolve the dispute for the injustice done to the Company in non allotment of the premium sites. Meanwhile, DTC has terminated the contract because of non payment of full concession fee to DTC. However, Hon'ble Delhi High Court vide order dated 31st March, 2011 upheld the decision of termination of contract by DTC wherein the Hon'ble Court had given the order that as per the contract agreement, the matter is to be contemplated in Arbitration Proceedings. BQS were handed over to DTC. Case is being heard in the Arbitration Proceedings. One of the outcomes of Arbitration could be that GDBQS may get back all the shelters and will resume the business. Hence pending decision of Arbitration proceedings, loss of Intangible Assets of Bus-Q-Shelters (Concession rights) of ₹ 2,533.96 Lacs has not been provided for. However, the full concession fee ranging from ₹ 93,800/- to ₹ 98,490/- per BQS per month as per agreement is provided for in accounts.

40. In case of Green Delhi BQS Limited and JSL Media Limited, in view of non availability of convincing evidence as to the certainty of the future taxable profit, no deferred tax has been created for the current year.

41. a) In the year 2008, the company ( JSL Stainless Ltd.) and PT Antam (Persero) Tbk, Indonesia had entered into Joint Venture agreement (50:50) to establish integrated stainless steel facilities in Indonesia and for that purpose initial equity contribution of USD 45,00,000 was remitted to JSL Venture Pte. Ltd. through JSL Group Holding Pte. Ltd., Singapore. Pending utilization and because in 2008 Joint Venture was in the initial stage of project report preparation, initial Equity Contribution by JSL Venture Pte. Ltd. of USD 45,00,000 was parked with PT Jindal Stainless Indonesia (PTJSI, a subsidiary company in Indonesia). However, on account of certain issues the JSL (JSL Stainless Ltd.) and PT Antam decided to abandon the JV in 2010 as the equity received by JV company was parked with PTJSI on behalf of the company (JSL), the JSL Venture Pte. Ltd. has knocked off the equity liability against loan receivable from PTJSI. Subsequent to the above based on the MOU signed on 31st March, 2011 by JSL Venture Pte. Ltd. and PTJSI the above USD 45,00,000 been converted into an arrangement as "Cumulative Non-Convertible 0.01% subordinate un-secured term loan due in January, 2061 and outstanding and payable by PTJSI to JSL Venture Pte. Ltd., pending necessary approvals.

- b) Further in addition to above unsecured loan from the company (JSL) to PTJSI of US \$ 2,500,000 for purchase of assets from PT Maspion Stainless Steel Indonesia is outstanding till date where there is no terms of definite repayment.

42. Subsidiary company PTJSI had entered into a joint venture agreement with following two partners for activities of production, mining and trading of chrome and smelting in Vietnam with invested capital of US \$ 18,000,000 and charter capital of US \$ 5,400,000. Such co-operation activities are under suspension since 2008 on account of slowdown in economic activities. Till 31st March 2013 PTJSI has contributed US \$ 1,606,000 and the same is disclosed as investment advance, pending allotment of shares and receipt of confirmation. As the financial statement till 31st March 2013 are not available with the PTJSI no disclosure as per Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures", except as stated below as given;

- a) Name of JV Company - Jindal – Nong Cong Ferro – Chrome Limited Company  
b) Country Name - Vietnam  
c) Joint venture partners & share of capital contribution as proposed ( as per agreement pending for registration)

Sr. No.	Name of the JV partners	% of capital to be contributed	Proposed Capital Commitment (Amount in US \$)
1	PT Jindal Stainless Indonesia	80%	4,320,000
2	Nong Cong Joint Stock Company Trading (Vietnam)	10%	540,000
3	LM Camus Engineering Corporation Company (Philippines)	10%	540,000
	<b>Total</b>	<b>100%</b>	<b>5,400,000</b>

43. During the year, Company has issued and allotted 13,550,000 Nos. fully paid up equity shares of ₹ 2 each at ₹ 74 per share (including premium of ₹ 72 per share) on preferential basis in terms of approval taken from shareholder. Amount received of ₹ 100.27 crores have been fully utilized for the purpose the issue was made.

44. In PT Jindal Stainless, Indonesia with effect from January 1, 2012, it applied PSAK number 10 (revised 2010) "The Effects of Changes in Foreign Exchange Rates", which describes how to include foreign operations in the financial statements of an entity and translate financial statements into a presentation currency. The company considers the primary indicators and other indicators in determining its functional currency. The Company determined that its Company's functional currency is the US Dollar and decided that the presentation currency for the financial statements is the US Dollar. In relation to such change in the presentation currency, the statements of financial position as of March 31, 2012 and April 1, 2011/March 31, 2011 and the statements of comprehensive income, changes in equity and cash flows for the year ended March 31, 2012 were restated and presented using the US Dollar as the presentation currency.

#### 45 Segment Reporting

##### i) Information about Business Segment ( for the year 2012-13 )

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

##### ii) Secondary Segments ( Geographical Segment )

	(₹ in Lacs)					
	Within India	2012-13 Outside India	Total	Within India	2011-12 Outside India	Total
1. Revenue from Sale/Services	795,365.13	413,867.10	1,209,232.23	673,845.27	259,707.77	933,553.04
2. Segment Assets	1,509,969.00	160,934.84	1,670,903.84	15,188,111.63	114,873.52	1,633,685.15
3. Capital Expenditure incurred during the year	46,637.66	385.86	47,023.52	159,919.03	1,877.86	161,796.89



## 46. Related Party Transactions

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

## a) Key Management Personnel :

1	Shri Ratan Jindal	Vice-Chairman & Managing Director, Managing Director in Jindal stainless FZE & Jindal Stainless UK Limited
2	Shri Ramesh R Nair	President & Executive Director, Jindal Stainless Limited (w.e.f. 03.11.2011)
3	Shri Jitender Pal Verma	Executive Director - Finance (w.e.f. 09.02.2012) JSL Architecture Limited (w.e.f. 24.01.2012)
4	Shri S.S. Virdi	Executive Director & COO, Green Delhi BQS
5	Shri Rajiv Rajvanshi	Director, Green Delhi BQS Limited, JSL Architecture Limited
6	Shri Avinash Gupta	Executive Director, JSL Architecture Limited (till 15.11.2011)
7	Smt. Deepika Jindal	Managing Director, JSL Lifestyle Limited & JSL Architecture Limited
8	Shri Rajesh Modi	Whole Time Director, Jindal Stainless Steelway Limited
9	Shri P.K. Mehra	Director, Jindal Stainless UK Limited
10	Shri Anil Saxena	Director & COO (till 06.04.2012) , JSL Architecture Limited (w.e.f. 15.11.2011 till 06.04.2012)
11	Shri Jitendra Kumar	Company Secretary, Jindal Stainless Limited
12	Shri Nirmal Chand Mathur	Director, JSL Architecture Limited
13	Shri Rajesh Kumar Pandey	Company Secretary, JSL Architercture Limited (w.e.f. 01.03.2012)
14	Shri Sandeep Mathur	Director Jindal Stainless Steelway Limited
15	Shri Aditya Goel	Director Iberjindal S.L.
16	Shri Ankur Agrawal	Director JSL Media Limited , Green Delhi BQS Limited
17	Shri Anuj Jain	Whole Time Director, JSL Lifestyle Limited

## 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
6	Bir Plantation Private Limited
7	Sona Bheel Tea Limited
8	Jindal Overseas Holding Limited
9	JSW Ispat Steel Limited

## c) Associates

1	J.S.S. Steelitalia Limited
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## d) Joint Venture

1	MJSJ Coal Limited
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## B Transactions:

Description	For the year ended 31.03.2013				For the year ended 31.03.2012			
	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associates	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associates
<b>Purchase of Goods</b>	-	-	7,930.37	14.64	-	-	5,839.30	170.34
Jindal Steel & Power Limited*	-	-	3,569.61	-	-	-	3,178.28	-
JSW Steel Limited	-	-	2,151.98	-	-	-	674.44	-
Jindal Industries Limited	-	-	807.81	-	-	-	722.81	-
JSW Ispat Steel Limited	-	-	1,354.76	-	-	-	1,235.82	-
Others	-	-	46.21	14.64	-	-	27.95	170.34
<b>Sale of Goods</b>	-	-	1,094.70	11.21	-	-	2,980.91	130.97
JSW Steel Limited	-	-	276.53	-	-	-	483.37	-
Jindal Steel & Power Limited**	-	-	770.65	-	-	-	817.38	-
Jindal Industries Limited	-	-	-	-	-	-	1,635.04	-
Others	-	-	47.52	11.21	-	-	45.12	130.97
<b>Job Work Charges Received</b>	-	-	6,518.73	0.52	-	-	11,900.08	32.54
JSW Steel Limited	-	-	6,518.73	-	-	-	11,900.08	-
J.S.S. Steelitalia Limited	-	-	-	0.52	-	-	-	32.54
<b>Receiving of Services (Remuneration paid)</b>	-	1,845.64	-	-	-	1,649.78	-	-
Shri Ratan Jindal	-	1,034.32	-	-	-	917.50	-	-
Shri Arvind Parakh	-	-	-	-	-	91.82	-	-
Smt Deepika Jindal	-	130.80	-	-	-	179.45	-	-
Sh. Ramesh R Nair	-	160.57	-	-	-	63.60	-	-
Shri S.S.Virdi	-	140.85	-	-	-	143.05	-	-
Sh. Jitendar P. Verma	-	151.98	-	-	-	19.35	-	-
Others	-	227.12	-	-	-	235.01	-	-
<b>Rent Received</b>	-	17.40	3.37	-	-	17.40	3.31	-
Shri Ratan Jindal	-	17.40	-	-	-	17.40	-	-
Jindal Saw Limited	-	-	3.37	-	-	-	3.31	-
<b>Rent Paid</b>	-	-	4.04	-	-	-	3.97	-
Bir Plantation Private Limited	-	-	4.04	-	-	-	3.97	-
<b>Interest Income</b>	-	-	-	2.04	-	-	-	-
J.S.S. Steelitalia Limited	-	-	-	2.04	-	-	-	-
<b>Interest Paid</b>	-	-	46.72	-	-	-	20.96	-
JSW Steel Limited	-	-	-	-	-	-	5.17	-
JSW Ispat Steel Limited	-	-	44.86	-	-	-	15.79	-
Others	-	-	1.86	-	-	-	-	-
<b>Freight Paid</b>	-	-	13.35	-	-	-	-	-
Jindal Steel & Power	-	-	12.85	-	-	-	-	-
Others	-	-	0.50	-	-	-	-	-
<b>Sharing of Exp. Reimbursed/to be reimbursed</b>	4.70	0.57	39.27	0.06	9.86	-	55.67	-

Description	For the year ended 31.03.2013				For the year ended 31.03.2012			
	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associates	Joint Venture	Key Management Personnel	Enterprises Controlled by Key Management Personnel & their Relatives	Associates
Jindal Saw Limited	-	-	36.04	-	-	-	54.12	-
Bir Plantation Private Limited	-	-	3.23	-	-	-	1.55	-
MJSJ Coal Limited	4.70	-	-	-	-	-	-	-
Others	-	0.57	0.00	0.06	9.86	-	0.00	-
<b>Sharing of Exp. Recovered/to be recovered</b>	-	-	222.56	20.03	-	-	95.46	20.30
Jindal Steel & Power Limited	-	-	46.42	-	-	-	43.47	-
Jindal Saw Limited	-	-	45.87	-	-	-	48.33	-
Jindal Industries Limited	-	-	128.24	-	-	-	-	-
J.S.S. Steelitalia Limited	-	-	-	20.03	-	-	-	20.30
Others	-	-	2.03	-	-	-	3.66	-
<b>Equity Share Capital Subscribed</b>	225.00	-	-	-	270.00	-	-	-
MJSJ Coal Limited	225.00	-	-	-	270.00	-	-	-
<b>Allotment of Equity Shares</b>	-	-	10,027.00	-	-	-	-	-
Jindal Overseas Holding Limited	-	-	10,027.00	-	-	-	-	-
<b>Consultancy charges paid</b>	-	-	-	-	-	-	-	-
JSW Steel Limited	-	-	-	-	-	-	-	-
Jindal Saw Limited	-	-	-	-	-	-	-	-
Miscellaneous Receipt	-	-	9.46	-	-	-	-	-
Jindal Steel & Power Limited	-	-	9.46	-	-	-	-	-
<b>Outstanding Balance as on 31.03.2013</b>	-	-	-	-	-	-	-	-
<b>Loans &amp; Advances- Receivable</b>	-	-	25.00	-	-	-	33.90	-
Bir Plantation Private Limited	-	-	25.00	-	-	-	25.00	-
Jindal Steel & Power Limited	-	-	-	-	-	-	13.40	-
Others	-	-	-	-	-	-	(4.50)	-
<b>Receivables</b>	-	-	5,897.15	23.26	24.16	-	4,140.46	29.14
JSW Steel Limited	-	-	4,946.74	-	-	-	3,659.32	-
Jindal Steel & Power Limited	-	-	940.82	-	-	-	481.14	-
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	-
Others	-	-	9.59	23.26	24.16	-	-	29.14
<b>Application Money Refundable</b>	-	-	7.85	-	-	-	-	-
Jindal Overseas Holding Limited	-	-	7.85	-	-	-	-	-
<b>Payables</b>	28.26	139.94	3,881.84	-	-	10.32	1,832.73	6.41
Shri Ratan Jindal	-	138.03	-	-	-	10.32	-	-
Jindal Steel & Power Limited	-	-	2,615.91	-	-	-	-	-
Jindal Saw Limited	-	-	952.89	-	-	-	943.49	-
Jindal Industries Limited	-	-	-	-	-	-	-	-
JSW Ispat Steel Limited	-	-	0.84	-	-	-	777.54	-
Others	28.26	1.91	312.20	-	-	-	111.70	6.41

**Note :-**

Guarantee given by key management personnel for loan from banks/others. (refer note no. 4 and 8)

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

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

**47. Earning Per Share ( EPS ) computed in accordance with Accounting Standard 20 “ Earning Per Share “.**

	For the year ended 31.03.2013		For the year ended 31.03.2012
<b>(a) Basic :</b>			
Net Profit/(Loss) after Tax as per P & L A/c	(84,070.82)		(17,977.74)
Weighted Average No. of Equity Shares for Basic EPS ( Face value ₹ 2/- per share )	190,222,424		188,119,529
<b>Basic EPS ( in ₹ )</b>	(44.20)		(9.56)
<b>(b) Diluted :</b>			
Net Profit/(Loss) after Tax as per P & L A/c	(84,070.82)		(17,977.74)
Add: Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	(57.09)		230.26
Profit attributable to Equity Share Holders	(84,127.91)		(17,747.48)
Weighted Average No. of Equity Shares for Basic EPS	190,222,424		188,119,529
Add : Weighted average of Potential equity shares converted during the year	379,370		1,386,096
Add : Weighted average of Potential equity shares outstanding as on 31st March, 2013	547,459		1,569,382
Weighted average No. of Equity Shares for Diluted EPS ( Face value ₹ 2/- per share )	191,149,253		191,075,007
<b>Diluted EPS ( in ₹ )</b>	(44.01)		(9.29)

48. (i) (a) For the remuneration amounting to ₹ 16.20 Lacs and ₹ 18.11 Lacs paid to a Whole Time Director (WTD) for the years 2008-2009 and 2009-2010 respectively, company's repersantation is pending before Central Government.

(b) For the remuneration amounting to ₹ 63.60 Lacs and ₹ 160.57 Lacs paid to a Whole Time Director (WTD) for the years 2011-2012 and 2012-2013 respectively, company's repersantation is pending before Central Government.

(ii) Managerial Remuneration paid during the year by JSL Life style Limited to a Managing Director amounting to ₹ 100.80 Lacs (₹ 67.20 Lacs ) as per application submitted to Central Govenment for approval. The excess remuneration over the limit prescribed under Schedule XIII of the Companies Act, 1956 comes to ₹ 64.80 Lacs. The company has applied for the approval for the same with the Central Government under Section 269 read with other relevant provisions of the Companies Act, 1956. Therefore, the excess remuneration of ₹ 64.80 Lacs is subject to approval of the Central Government).

(iii) Managerial Remuneration paid during the year by JSL Architecture Limited to Managing Director amounting to ₹ 30.00 Lacs (accumalated remuneration is ₹ 92.75 Lacs) is subject to approval from Central Government. Such Accumulated remuneration is amounting to ₹ 92.75 Lacs

49. (a) Figures in bracket indicate previous year figures.

(b) Previous years' figures have been re-arranged and regrouped whenever considered necessary.

50. Note 1 to 50 are annexed to and form integral part of the Balance Sheet and Statement of Profit & Loss.

**AUDITOR'S REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**U.K .CHATURVEDI**  
Chief Executive Officer

**(N.K. LODHA)**  
Partner  
Membership No.85155  
FRN 301051E

**(ARUN K. TULSIAN)**  
Partner  
Membership No.89907  
FRN 000756N

**JITENDER P. VERMA**  
Executive Director-Finance

**JITENDRA KUMAR**  
Company Secretary

**PLACE:** New Delhi  
**DATED:** 27th May, 2013



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

vide general circular 02/2011 dated Feb. 08,2011

Particulars	Subsidiary Companies														( ₹ in Lacs )		
	PT. Jindal Stainless Indonesia*	Jindal Steelway Limited	Jindal Architecture Limited	JSL Lifestyle Limited	JSL Limited	Jindal Stainless UK Limited*	Jindal Stainless Italy Srl.*	Jindal Stainless FZE*	Green Delhi BOS Limited	JSL Media Limited	Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi *	JSL Logistics Limited	Jindal Aceros Inoxidables S.L.*	JSL Group Holdings Pte. Limited*			JSL Ventures Pte. Limited*
Capital (Including Share application Money)	6,785.00	1,716.69	766.27	2,267.81	82.45	6.96	886.66	10.00	5.00	1,834.47	5.00	13.92	2,442.60	2,511.54	57.17	57.17	695.87
Reserve & Surplus (Net of Misc. Exp.)	(3,405.72)	4,908.02	281.69	(755.97)	138.36	79.68	489.58	(8,775.62)	(3,404.26)	(1,398.12)	73.84	(4.97)	(25.18)	(20.66)	(2.60)	(23.51)	(433.01)
Total Assets	69,412.72	39,653.32	8,380.42	7,014.11	255.26	147.83	1,521.77	2,865.47	584.53	1,067.07	555.80	8.95	5.01	2,477.02	-	34.45	6,531.05
Total Liabilities	66,033.44	33,999.92	7,334.76	5,502.27	40.09	61.19	145.53	11,631.08	3,983.79	630.73	476.96	-	104.01	44.76	2.60	0.79	6,268.19
Investment	-	971.32	2.30	-	5.63	-	-	-	-	-	-	-	2,516.42	58.62	57.17	-	-
Turnover	116,785.57	89,185.82	5,242.36	8,572.45	349.88	135.51	1,086.20	-	-	310.88	516.28	-	-	-	-	-	11,304.18
Profit Before Taxation	(1,902.30)	119.62	(706.62)	500.73	26.05	7.86	165.19	(615.43)	(413.76)	(89.43)	60.38	(0.39)	(4.55)	(4.55)	(0.38)	(2.43)	(319.98)
Provision for Taxation	(354.82)	48.29	(223.01)	174.99	5.83	-	-	-	-	-	18.66	-	-	-	-	-	0.61
Profit After Taxation	(1,547.48)	71.33	(483.61)	325.75	20.21	7.86	165.19	(615.43)	(413.76)	(89.43)	41.72	(0.39)	(4.55)	(4.55)	(0.38)	(2.43)	(320.59)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	Dollar (USD)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Pounds (GBP)	Euro	Dirham (AED)	Indian Rupee (INR)	Indian Rupee (INR)	Yeni Turk Lirası (YTL)	Indian Rupee (INR)	Euro	Dollar (USD)	Dollar (USD)	Swiss Franc (CHF)	Swiss Franc (CHF)	Euro

\*Indian Rupee equivalents of the figures given in foreign currencies, have been given based on exchange rates as on 31.03.2013

₹ 1 = Rp. 179.0715

₹ 1 = GBP 0.0121

₹ 1 = EURO 0.0144

₹ 1 = USD 0.0184

₹ 1 = YTL 0.0333

₹ 1 = CHF 0.0175

₹ 1 = AED 0.0677

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 thirty third annual general meeting of the Company at the registered office of the Company at O.P. Jindal Marg, Hisar on Thursday, the 26th day of September, 2013 at 11:30 a.m.

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

Jindal Stainless Limited

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

FORM OF PROXY

D.P. Id.\*

Folio No.

Client Id.\*

I/We.....of.....in the district of.....being a member/ members of the above named Company hereby appoint.....of.....in the district of.....or failing him .....of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the thirty third annual general meeting of the Company to be held on Thursday, the 26th day of September, 2013 at 11:30 a.m. or at any adjournment thereof.

Signed this\_\_\_\_\_day of \_\_\_\_\_, 2013.

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.