

Integrating...

Our Plants. Our People. Our Processes...

... Leading to **Higher**
Stainless Steel **Capacity**





Shri O.P. Jindal

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

“

With his vision and acumen, he scripted the history as well as the future of corporate excellence and human governance. From a humble villager to people's representative to a global winner, his journey has been the eternal source of inspiration for all of us.

”





Savitri Jindal

Chairperson

Dear Shareholders,

I am immensely pleased to note that we continue to blaze the trail of growth landmarks. Consolidating our position with increased capacities now, we are poised to achieve greater heights of success. I must applaud the tireless efforts, dedication and commitment of each and every member of Team JSL Stainless. It is your collective teamwork and our enduring values that we continue to reinforce our leadership position and credentials as an integrated stainless steel producer. In our continued journey forward, we have reinforced the trust of our team and that of all stake holders.

I am also happy that amidst the complexities related to expansions of our production facilities and markets, we have not ignored our guiding principles of selfless service to the community. In fact, this year we have actually widened our scope of work towards the inclusion of the underprivileged into the mainstream. Our corporate social responsibility projects in education, healthcare and women's empowerment continue to be a strong source of illumination and inspiration for millions across the country. Our commitment to the society at large is driven by the values that are close to our hearts and we will continue to serve the people through our diverse programmes.

Once again I extend my sincere thanks to the JSL Stainless team for its dedication to the company and their relentless efforts to keep us on tracks of growth. I also gratefully acknowledge the invaluable support and contributions of all our stakeholders.

Thank you.

Savitri Jindal
Chairperson

Dear Shareholders,

It is indeed my pleasure and privilege to share with you our achievements and the way we have positioned ourselves in terms of increased capacities and the levels of integration. Over the last few years, we have been able to accomplish our mission with values that guide our business approach and culture. We have laid a strong foundation of responsible corporate management geared towards long-term value creation in the constantly evolving business environment. This definitely ensures our commitment and service towards our customers and all stakeholders.

The macro challenges on the global front have increased manifold over the last one decade and that has forbearance on the future growth of the world economies. However, Indian economic parameters are robust and given our demographic profile, the economy is poised to unfold newer horizons for future sustainable growth. Stainless steel consumption in India currently stands around 2 million tons and given the Indian government's prioritized focus on infrastructure development, the market potential looks strong.

In backdrop of this positive scenario for the industry, I take greater pride in our collective team work and its astuteness in how we have consolidated our position. I am confident that these initiatives of foresight will accelerate our trend of good performance.

Our new stainless steel facilities at Jajpur, Odisha is aptly poised to make the best of the increased stainless steel demand advantage in the domestic market. The company

has sourced all its major capital equipments from leading equipment suppliers like SMS- Siemag, Siemens VAI, Andritz Sundwig and has also employed modern technology for the development of integrated stainless steel facilities. The Odisha Plant has high level of backward integration with ferro alloys and thermal power plant. As we move forward, we plan to expand the existing stainless steel capacity at Odisha to 1.6 Million Tons. This Odisha Plant is one of its kinds with all the facilities under one roof.

At the same time, company's initiatives towards green environment continues and all the necessary equipments have been installed to effectively reduce the emissions including coke ovens which currently operates in one of the cleanest environment as major by-products and flue gases are trapped separately on best commercial basis.

JSL Stainless achieved a turnover of ₹ 7,330 crore, representing an increase of around 20% over previous year. Profit after tax was ₹ 318 crore compared to ₹ 378 crore in the previous year.

Our aim is to build a more stable and profitable business model by focusing more on special grades and non-nickel containing ferritic grades in our product mix. We shall also feed our growth by increasing sales to end-users and project customers while also selling more to our core partner distributors and processor customers.

The company's initiative of development of downstream ventures like service centres under Jindal Stainless Steelway Ltd, state-of-the-art fabrication units under



JSL Architecture and development of retail network under JSL Lifestyle has shown substantial growth in turnover in these entities over last 2–3 years. JSL Architecture is catering to the increased demand of stainless steel fabrication from Architecture, Building & Construction sector and Automotive, Railway and Transport sector.

Our most productive investment remains our people. It is through their collective dedication, skills and initiative that JSL Stainless has prospered and will continue to move ahead.

We have always shown our commitment to our team members by providing a safe work environment with opportunities for skill development and growth. Such a devotion to our people is the cornerstone of our efforts to further improve the sustainability of our operations.

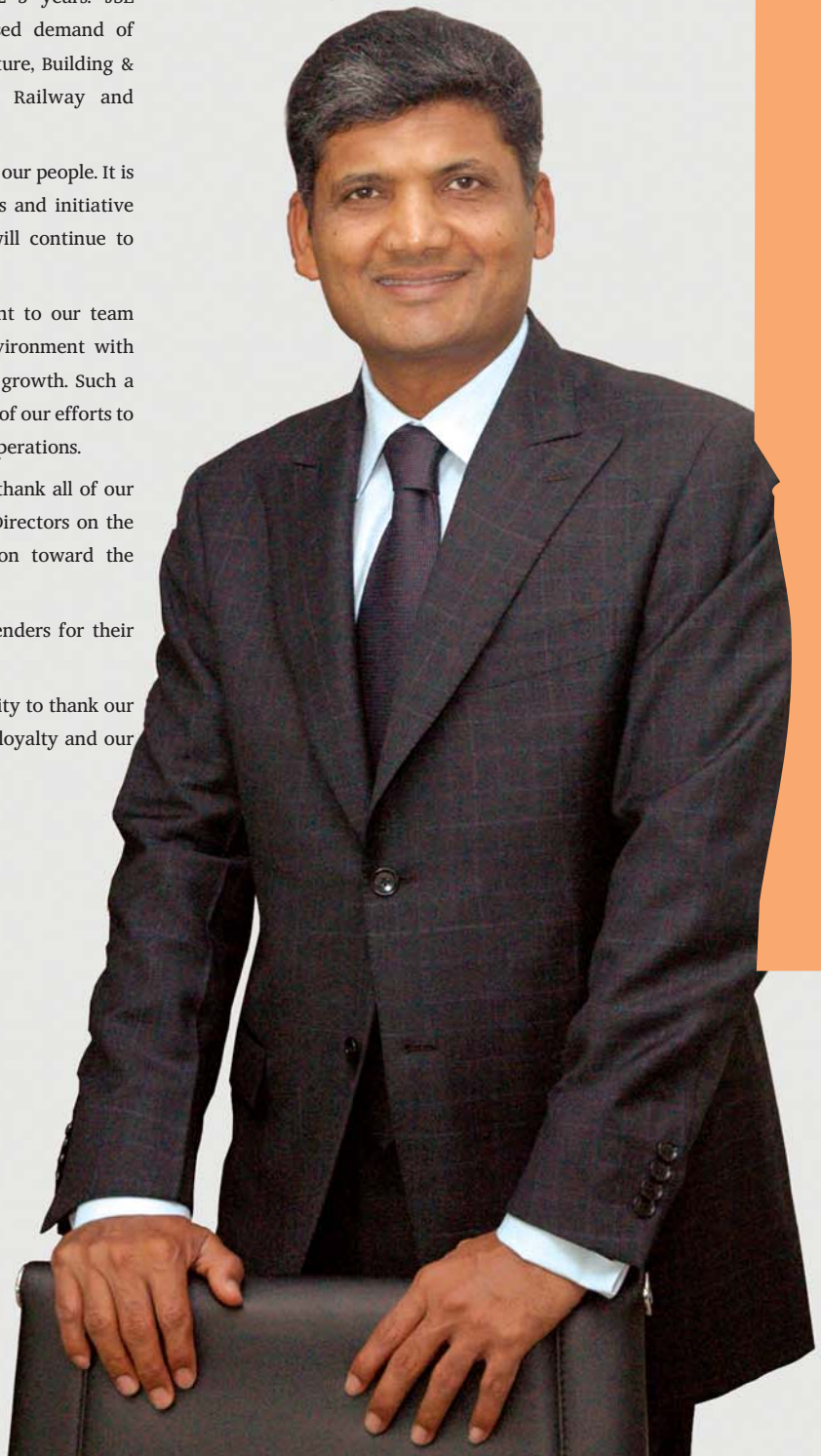
I would like to take this opportunity to thank all of our employees, the management team and Directors on the Board for their unwavering contribution toward the growth of the company.

I extend my sincere thanks to all our lenders for their continuous support in our operations.

Finally, I would like to take the opportunity to thank our customers, investors for their continued loyalty and our people for their great efforts.

Ratan Jindal

Vice Chairman & Managing Director
JSL Stainless Ltd.



Contents

Notice	2
Directors' Report	8
Report on Corporate Governance	20
Management Discussion & Analysis Report	32
Auditors' Report	40
Balance Sheet	44
Profit & Loss A/c	45
Schedules & Notes to Accounts	46
Cash Flow Statement	80
Consolidated Financial Statements	84



Integrated Stainless Steel Plant, Odisha

BOARD OF DIRECTORS

Chairperson

Savitri Jindal

Vice Chairman & Managing Director

Ratan Jindal

Directors

Naveen Jindal

Suman Jyoti Khaitan

T. S. Bhattacharya

James Alistair Kirkland Cochrane

Jurgen Hermann Fechter

Rajeev Bakshi

Arvind Parakh

Director – Finance

S. S. Virdi

Executive Director & Chief Operating Officer

Gautam Kanjilal

Nominee Director – State Bank of India

Company Secretary

Jitendra Kumar

MANAGEMENT TEAM

Director (Sales & Marketing)

S. Bhattacharya

Director & Unit Head (Hisar)

S. K. Jain

Director (Sourcing)

R. Ganesh

Head (Human Resources)

Jawaid Ashraf

Head (Corporate Strategy)

Rajiv Rajvanshi

Head (Corporate Finance)

Sandeep Sikka

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, 125 005 (Haryana), Kothavalasa, 535 183 (A.P.),
Danagadi, Dist. Jaipur, 755 026 (Odisha)



NOTICE

NOTICE is hereby given that the **31st Annual General Meeting** of Shareholders of **JSL Stainless Ltd. (formerly JSL Limited)** will be held on **Tuesday, the 27th day of September, 2011 at 12.00 Noon at Registered Office** of the Company at O.P. Jindal Marg, Hisar 125 005 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of Directors.
2. To appoint a director in place of Mr. Arvind Parakh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Suman Jyoti Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. T. S. Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Lodha & Co., Chartered Accountants and M/s. S. S. Kothari Mehta & Co., Chartered Accountants as joint statutory auditors of the Company, to conduct audit of books of accounts of the Company and hold office from the conclusion of this annual general meeting to the conclusion of the next annual general meeting and to re-appoint M/s. N. C. Aggarwal & Co., Chartered Accountants, as branch auditors of Vizag division of the Company.

AS ORDINARY RESOLUTIONS:

- I. **“RESOLVED** that the retiring joint statutory auditors, M/s. Lodha & Co., Chartered Accountants, and M/s. S. S. Kothari Mehta & Co., Chartered Accountants, who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as joint statutory auditors of the Company to conduct audit of the books of accounts of the Company for the year ending 31st March, 2012 and to hold office until the conclusion of the next annual general meeting at a remuneration to be finalised by the Board of Directors.”
- II. **“RESOLVED FURTHER** that M/s. N. C. Aggarwal & Co., Chartered Accountants, be and are hereby re-appointed as Branch Auditors of Vizag division of the Company for the year ending 31st March, 2012 on the terms and conditions and remuneration as may be finalised by the Board of Directors.”

SPECIAL BUSINESS:

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

6. AS AN ORDINARY RESOLUTION:

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

7. AS AN ORDINARY RESOLUTION:

“RESOLVED that subject to necessary approvals/sanctions including approval of Central Government, and in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, Mr. Ratan Jindal be and is hereby re-appointed as Vice Chairman & Managing Director of the Company for a period of 5 years from 1st April, 2011 to 31st March, 2016 at a remuneration and as per terms and conditions as recommended by the remuneration committee and approved by the Board of Directors in their meetings held on 26th May, 2011 and 27th May, 2011 respectively as mentioned hereunder, with a liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Mr. Ratan Jindal.”

1. Period: 5 years with effect from 1st April, 2011 to 31st March, 2016

2. Remuneration :

- (a) Basic Salary : ₹ 75 lacs per month in the scale of ₹ 75,00,000- ₹ 9,00,000- ₹ 1,11,00,000
- (b) Commission: Commission upto 4% on the Net Profits of JSL Stainless Ltd. The Remuneration Committee, keeping in mind the performance of the Company and all other prevailing scenarios, shall decide on the percentage of Commission to be payable to Mr. Ratan Jindal each year, within the overall limit of 4%.
- (c) Perquisites:
In addition to the commission payable, Mr. Ratan Jindal, Vice Chairman & Managing Director shall also be entitled to:
 - i) Reimbursement of medical expenses for self and family upto ₹ 50 lacs per annum.
 - ii) Payment of Club fees including life membership fees.
 - iii) Personal Accident Insurance, the annual premium for which does not exceed ₹ 75,000.
 - iv) Premium for Keyman Insurance Policy for his life of an amount not exceeding ₹ 50 crore.
 - v) Free telephone facility at residence. All personal long distance calls shall be billed by the company.
 - vi) Free use of car with driver.

3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Ratan Jindal, Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate, the company will pay the remuneration as specified above as minimum remuneration.

- 4. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
- 5. He shall not be paid any sitting fees for attending the meetings of the Board of directors or committees thereof.
- 6. He shall not be liable to retire by rotation.

“RESOLVED FURTHER that the remuneration be paid to Mr. Ratan Jindal in such a manner that salary be paid from two subsidiaries namely Jindal Stainless FZE, Dubai and Jindal Stainless UK Ltd., London in the ratio of 75:25, commission be paid from JSL Stainless Ltd. at the rate of upto 4% on its net profits and perquisites be given from JSL Stainless Ltd., provided, however, that the total remuneration, including salary, commission and perquisites would remain within the overall limits as may be approved by the shareholders of JSL Stainless Ltd. and Central Government.”

8. AS A SPECIAL RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 314 (1) read with Directors Relatives (Office or Place of Profits) Rules, 2003 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, permission, consents under the statutes applicable in United Arab Emirates, consent of the company be and is hereby granted to the appointment of Mr. Abhyuday Jindal son of Mr. Ratan Jindal, Vice Chairman & Managing Director of the company at 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 set out herein below:

- 1. Period: 3 years w.e.f. 19th December, 2010

2. Remuneration:

Consolidated Salary: Upto ₹ 50,000/- 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: Initially, he will be designated as Asst. Manager for one year during his training period. Subject to successful completion of his training in all respects, he may be re-designated as per the Policy of the Company.

By order of the Board

Registered Office:

O.P. Jindal Marg, HISAR – 125 005.
27th May, 2011

(Jitendra Kumar)
Company Secretary

NOTICE

NOTES:

- A A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- B A blank proxy form is sent herewith.
- C The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- D An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 to 8 of the Notice is annexed hereto.

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

ITEM NO. 6

The Board of Directors appointed Mr. Rajeev Bakshi as Additional Director with effect from 23rd July, 2010 pursuant to Article 78 of Articles of Association of the Company and section 260 of the Companies Act, 1956. According to the said provisions, Mr. Rajeev Bakshi will hold office upto the date of this annual general meeting. Notice pursuant to section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as candidate for the office of Director.

Mr. Rajeev Bakshi is an Economics graduate from St. Stephen's College, New Delhi and also holds Post Graduate Diploma in Management (M.B.A.) from the Indian Institute of Management (IIM), Bangalore. Mr. Rajeev Bakshi has a rich experience of more than 30 years at senior level positions across several reputed organizations. With his rich experience and expertise, the Company will immensely be benefited.

Accordingly the resolution at item no. 6 is recommended for your approval as an ordinary resolution. The profile of Mr. Rajeev Bakshi is given hereto under the head 'Additional Information'.

Mr. Rajeev Bakshi, being concerned, is interested in the resolution. None of the other directors of the Company is concerned or interested in the resolution.

ITEM NO. 7

Mr. Ratan Jindal was appointed as Vice Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 2007 to 31st March, 2012 at a remuneration comprising basic salary of ₹ 40,00,000 per month in the scale of ₹ 40,00,000–₹ 4,00,000–₹ 56,00,000, commission at the rate of 2% on the Net Profits of the Company and other perquisites as per the policy of the Company. The Shareholders approved his appointment and above remuneration in the extraordinary general meeting of shareholders of the company held on 10th March, 2007, which was also subsequently approved by the Central Government on 6th June, 2007.

As per the above approved terms, the fixed salary of Mr. Ratan Jindal is being paid by its two subsidiaries, i.e. Jindal Stainless FZE, Dubai and Jindal Stainless UK Ltd., London in the ratio of 75:25. The commission and perquisites are however being paid by JSL Stainless Ltd.

The present term of Mr. Ratan Jindal is due to expire on 31st March, 2012. Keeping in view his vast experience and enhanced responsibilities, particularly after setting-up the fully integrated stainless Phase II Project at Odisha and also keeping in mind the prevailing market scenario, the Board of Directors on recommendation from the Remuneration Committee, in its meeting held on 27th May, 2011 approved his re-appointment on a revised remuneration with effect from 1st April, 2011 for a period of five years at a remuneration and as per terms and conditions stated in the resolution.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration as specified in the resolution are placed before the members in the annual 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.

Accordingly, the resolution at item no.7 is recommended for your approval as an ordinary resolution. Profile of Mr. Ratan Jindal is given hereto under the head 'Additional Information'.

Mr. Ratan Jindal, being concerned, is interested in the resolution. Smt. Savitri Jindal and Mr. Naveen Jindal, being relatives of Mr. Ratan Jindal, may be regarded as concerned or interested in the resolution. None of the other directors of the Company is concerned or interested in the resolution.

ITEM NO. 8

The Board of Directors, subject to approval of the shareholders, appointed Mr. Abhyuday Jindal son of Mr. Ratan Jindal, Vice Chairman & Managing Director as Asst. Manager in 'Jindal Stainless FZE, Dubai', a wholly owned subsidiary of the Company with effect from the date on which the sanctions, permission, consents under the statutes applicable in United Arab Emirates is obtained.

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

Necessary approvals under the statutes applicable in United Arab Emirates has been obtained and the appointment of Mr. Abhyuday Jindal is effective from 19th December, 2010 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, 2010
2. Remuneration:

Consolidated Salary: Upto ₹ 50,000/- 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: Initially he will be designated as Asst. Manager for one year during his training period. Subject to successful completion of his training in all respects, he may be re-designated as per the Policy of the Company.

As per provisions of section 314 (1) of the Companies Act, 1956 read with Directors Relatives (Office or Place of Profits) Rules, 2003, 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 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.8 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 is concerned or interested in the resolution.

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. Ratan Jindal:

Mr. Ratan Jindal has more than 26 years of experience in the steel industry. Mr. Ratan Jindal is a commerce graduate and has completed an advanced management programme from the Wharton School of Management, USA. He is closely involved in the overall strategy, direction and management of the Company. Under his guidance and leadership qualities, the company has undergone massive expansion, whereby it has recently doubled its capacity by way of setting-up an integrated stainless steel facility in Odisha with an installed capacity of a 8,00,000 TPA. The implementation of this Phase II of Odisha Project offers several advantages, including proximity to certain key raw materials, reduction in logistics costs due to proximity to ports, and economies of scale and improved quality of products due to the project's use of state of the art machinery. All these factors are expected to result in enhanced cost competitiveness and improved profitability in the ensuing years.

Mr. Jindal has been instrumental in setting up the Jindal Stainless Design Centre for promoting the usage of stainless steel in special applications for lifestyle, value-added industrial segments and in architecture, building and construction sectors. He is on the Board of the International Stainless Steel Forum ("ISSF"), a forum established to focus on the development of stainless steel worldwide. He is currently the chairman of the Economics & Statistics Committee of the ISSF. He is a member of various national and international organisations, including the US based Young President's Organisation, the CII, FICCI, the Punjab, Haryana and Delhi Chamber of Commerce and Industry, International Iron and Steel Institute, ISSDA and Nickel Development Institute. He is member of Board of Management of CCS Haryana Agriculture University. He is also committed to corporate social responsibility and inclusive management and is instrumental in supporting quality education and community welfare causes. Under his initiative, our Company has instituted a research chair for stainless steel at National Institute of Design, Ahmedabad. JSL Foundation, OP Jindal Engineering & Management Scholars, Stainless Innovation Awards, Vidya Devi Jindal School, OP Jindal Modern School and Jindal Institute of Medical Sciences are a few initiatives of Mr. Ratan Jindal towards community welfare.

Outside Directorship: Managing Director of Jindal Stainless UK Ltd., Director of Jindal Steel & Power Ltd., Shalimar Paints Ltd., Sonabheel Tea Ltd., Jindal Industries Ltd., OPJ Investments & Holdings Ltd., Nalwa Fincap Ltd., Nalwa Financial Services Ltd., Nalwa Farms Pvt. Ltd., Jindal Stainless Mauritius Ltd., Jindal Stainless, FZE, JSL Group Holdings Pte. Ltd., JSL Ventures Pte. Ltd. and JSL Europe SA

Committee Membership: Nil

Brief Profile of Mr. Arvind Parakh:

Mr. Arvind Parakh is a chartered accountant and has over 30 years of experience in corporate finance and business management. He has been associated with our Company for more than 12 years and is the Director (Finance). Before joining our Company, he had worked in several Indian and overseas companies at senior level positions.

NOTICE

Outside Directorship: Director of Jindal Stainless (Mauritius) Ltd., Jindal Stainless FZE, Jindal Stainless UK Ltd., Jindal Stainless Italy S.r.l., JSL Group Holdings Ltd., JSL Ventures Pte. Ltd., JSL Europe S.A., JSL Minerals & Metals S.A., Jindal Stainless Madencilik SAN. Ve. TIC.A.S., JSL Architecture Ltd., Jindal Stainless Steelway Ltd. and JSL Energy Ltd.

Committee Membership: Member of Shareholders' / Investors' Grievance Committee of JSL Stainless Ltd.

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 on various areas of practice including arbitration, aviation, banking, civil, corporate, criminal, finance, insurance, litigation, power, project finance and taxation matters.

Outside Directorship: Director of Hindustan Vidyut Products Ltd., KPL International Ltd., Lumax Industries Ltd., Monnet Power Company Ltd., Oriental Carbon & Chemicals Ltd., Gopi Nursery Pvt. Ltd., Suman Khaitan Advisory Services Pvt. Ltd.

Committee Membership: Member of Remuneration Committee and Investors / Shareholders Grievance Committee of Hindustan Vidyut Products Ltd., Chairman of Audit Committee and Shareholders' / Investors' Grievance Committee of JSL Stainless Ltd., Member of Audit Committee and Investors / Shareholders Grievance Committee of Oriental Carbon & 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 Certified Associate Indian Institute of Bankers and has over 38 years of rich banking experience. He last served the post of the Managing Director of State Bank of India in the year 2008, before joining our Company.

Outside Directorship: Director of Nuclear Power Corporation Ltd., Specialty Foods Ltd., Abhijeet Power Ltd., Surya Roshni Ltd., IDFC Securities Ltd., AGS Transaction Ltd., Sayaji Hotels Ltd., Amortex Ltd.

Committee Membership: Chairman of Audit Committee of Nuclear Power Corporation Ltd., Chairman of Audit Committee of Specialty Foods Ltd., Member of Audit Committee of JSL Stainless Ltd.

Brief Profile of Mr. Rajeev Bakshi:

Mr. Rajeev Bakshi is an Economics graduate from St. Stephen's College, New Delhi and also holds Post Graduate Diploma in Management (M.B.A.) from the Indian Institute of Management (IIM), Bangalore.

Mr. Rajeev Bakshi is Managing Director of METRO Cash & Carry India Pvt. Ltd. He has a rich experience of more than 30 years at senior level positions across several reputed organizations. He started his career with 'Lakme India' in the year 1979 and served it at various level including Head - Sales and Marketing. He joined 'Cadbury Schweepes' in 1992 as Director - Sales and Marketing and was deputed to UK in 1997 as the Regional Marketing Director for Africa and Middle East. In December 1997 he took over as Managing Director of Cadbury India and in January 2001, was deputed to South Africa as Managing Director Cadbury for their entire business.

He served Pepsi India from June 2001 to Dec 2006 as Chairman and during his stint, he successfully led the Company through a particularly turbulent period and returned it to profitability. In January 2007 he moved to Hong Kong as Senior Vice President-Commercial Asia Pacific of Pepsico International.

Mr. Bakshi joined "ICICI Venture Funds Management Company Limited" as Joint Managing Director in February, 2008 and was responsible to provide overall leadership to the firm in strengthening ICICI Ventures' presence and capability in successfully winning and managing large buyout deals.

Mr. Rajeev Bakshi has held a number of senior positions in the National Councils of Industry bodies such as CII and FICCI.

Outside Directorship: Managing Director of METRO Cash & Carry Pvt. Ltd., Director of Marico Ltd., Cummins Ltd., METRO Accounting Centre of Excellence Pvt. Ltd.

Committee Membership: Member of Committees of Marico Ltd., Cummins India Ltd., METRO Cash & Carry Pvt. Ltd., METRO Accounting Centre of Excellence Pvt. Ltd.

By order of the Board

(Jitendra Kumar)
Company Secretary

Registered Office:

O.P. Jindal Marg,
Hisar – 125 005.

27th May, 2011

FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the Company will remain closed from Wednesday, 21st day of September, 2011 to Friday, 23rd day of September, 2011 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of their folios and send relevant share certificates to the Company.
4. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
5. The Company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
6. The Securities and Exchange Board of India (SEBI) has, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of transfer of shares in physical form.
7. ***The Company has created an Email Id. 'investorcare@jindalstainless.com', which is being used exclusively for the purpose of redressing the complaints of the investors.***

REQUEST TO THE MEMBERS

- * Members having old share certificates of Jindal Strips Limited (now Nalwa Sons Investments Limited) issued prior to the Scheme of Arrangement and Demerger between Jindal Strips Limited (now Nalwa Sons Investments Limited) and Jindal Stainless Limited (now JSL Stainless Ltd.) 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 JSL Stainless Ltd. to issue new share certificates. Members having share certificates of Nalwa Sons Investments Limited (Formerly: Jindal Strips Limited) having distinctive numbers in the range of 60000001-65136163 are not required to surrender their share certificates.
- * Members having old share certificates of Jindal Stainless Limited (now JSL Stainless Ltd.) comprising shares of face value of ₹ 10/- each are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, JSL STAINLESS LTD., O.P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA to issue new share certificates of face value of ₹ 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.

DIRECTORS' REPORT

TO

THE MEMBERS,

Your directors are pleased to present the 31st annual report on the business and operations of your Company together with the audited statement of accounts for the year ended 31st March, 2011.

Financial Results

Your Company's performance for the financial year ended 31st March, 2011 is stated below:

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Sales and Operational Income	7,330.09	6,119.44	8,015.96	6,493.24
Total Income	6,840.50	5,773.40	7,534.42	6,156.45
Earning before Interest, Depreciation, Tax & Amortisation (EBIDTA)	1,082.32	1,076.78	1,174.93	1,122.03
Interest & Bank Charges	333.05	399.39	381.26	440.77
Depreciation/ Amortisation	356.14	339.89	395.46	374.71
Profit Before Tax & Exceptional Items	393.13	337.50	398.21	306.54
Exceptional Items - Gain	54.22	232.87	74.77	291.55
Profit Before Tax	447.36	570.38	472.97	598.09
Net Profit after Tax & Exceptional Items	318.34	378.48	318.77	391.94
Share in Profit/ (Loss) of Associate	-	-	(0.49)	(0.04)
Minority Interest	-	-	4.11	(0.02)
Net Profit (After Adjustment for Associate & Minority Interest)	318.34	378.48	314.17	391.92
Add:				
Amount brought forward	374.65	-	379.67	-
Debenture Redemption Reserve written back	23.59	36.00	23.59	36.00
Total	716.58	414.48	717.43	427.92
Pre-Acquisition Profits Transferred to Capital Reserve/Goodwill	-	-	-	0.23
Profit / (Loss) available for Appropriation	716.58	414.48	717.43	427.69
Less: Debenture Redemption Reserve	-	39.83	-	39.83
Less: General Reserve	-	-	13.04	8.19
Profit / (Loss) carried to Balance Sheet	716.58	374.65	704.39	379.67

During the year, the consolidated Total Sales of your Company has gone up by around 23% at ₹ 8,016 crore as compared to ₹ 6,493 crore during previous financial year 2009-10. Consolidated Earnings before interest, depreciation, tax and exceptional item stood at ₹ 1,175 crore as compared to ₹ 1,122 crore during previous year. Consolidated Net Profit after tax & exceptional item is ₹ 319 crore in comparison to ₹ 392 crore during previous year.

Change of Name

During the year, name of the Company has been changed from JSL Limited to JSL Stainless Limited. Consequent upon change of name, the Registrar of Companies, has issued fresh Certificate of Incorporation on 6th August, 2010.

Operations

Your Company is the largest integrated stainless steel Company in India producing diversified stainless steel flat products. Presently, it has three manufacturing facilities in India, located at Hisar in the state of Haryana, Jaipur in the state of Odisha, and Vizag in the state of Andhra Pradesh. The facilities include captive chromite mines, ferro-alloy facilities, captive thermal power plants, coke oven and stainless steel melting, hot rolling, cold rolling and downstream value-added facilities. With the melting capacity of around 1.6 million tons, your company has further strengthened its leadership position in the Asian stainless steel markets.

(A) Hisar Division

During the year ended March 31, 2011, the stainless steel production has gone up to 701,814 tons as compared to previous year production of 677,841 tons. Further, the sales volumes has also grown up to 640,404 tons as compared to previous year sales volume of 606,854 tons.

During the year, Hisar unit installed one more Submerged Arc Furnace to recover the materials from the various processes, bye-products and wastes like pollution dust, mill scales and pickling sludge. In view of growing special steel and precision strips requirement your company has initiated a project to increase its 0.10 mm blade steel capacity to 12,000 tons per annum which will be completed by the end of current financial year.

(B) Odisha Division**Integrated Stainless Steel Project at Odisha**

Your company has successfully installed steel making facility, with capacity of 8,00,000 tons per annum at Jaipur, Odisha and has also started rolling of stainless steel products from this facility. The project initially conceived in SEZ, is under process of de-bonding/de-notification due to the changing global business scenario. The company has received in-principle approval for de-notification of the notified sector specific SEZ for Stainless Steel and the approval for final de-notification is awaited from the Board of Approval, Ministry of Commerce and Industry, New Delhi. The ramp-up and stabilization of finishing facilities under the project is expected during financial year 2011-12.

The company is on the point of inflexion with substantial growth in capacities resulting from development of phase II of the Odisha project. Phase II growth of the Odisha project has been satisfactory which will now give a big boost to JSL Stainless total capacity.

Ferro Alloys, Captive Thermal Power Plant Division and Chromite Mines

The Ferro Alloys production during the year was 91,372 tons. A significant feature of this production was the successful production of Ferro Chrome from the 27.6 MVA furnaces in a more cost competitive manner, making use of higher percentage of low cost carburisers instead of imported LAM Coke.

The Production of Power at 250 MW thermal power plant was 1,312 (Net) million units despite a reduced purchase of power by the State Electricity Grid during the later half of the year. However, your company successfully commissioned a 14 MW Boiler of Thermax design and supply, and the facility is now fully operational, with this the total power plant capacity has reached 264 MW.

The Chromite Mines division produced 25,855 tons of Chrome Ore Concentrate which is much higher than the previous year production and also achieved 11,033 tons of Chrome Ore production for the year.

Coke Oven Division

During the financial year 2010-11 your company has leased out the coke oven facility and has entered into long term job work arrangement for conversion of coal into coke. The coke oven batteries have now successfully started production of metallurgical coke with gradual ramp-up. For the year ended 31st March, 2011, the total production out of the coke oven facility stands at 49,299 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 the Hisar Plant. The division has achieved 82.09% of the Installed capacity by producing 32,836 tons of High Carbon Ferro Chrome during the year 2010-11 as compared to 32,681 tons during the preceding year.

DIRECTORS' REPORT

Corporate Debt Restructuring (CDR)

Your company has executed the required documentation for the implementation of the CDR scheme and also has operationalised the Trust & Retention Agreement (TRA) account with the monitoring institution. Further, the security creation process, including mortgage of company's assets, pledge of promoter shares and subsidiary shares, for the benefit of CDR lenders has also been completed as per the approved CDR scheme.

Share Capital

During the year, the Company allotted 17,33,620 equity shares of ₹ 2 each upon conversion of 950 Convertible Bonds of US\$ 5,000 each into equity shares.

As on 31st March, 2011, the subscribed and paid up share capital of the Company stands at ₹ 37,46,31,584/- divided into 187,315,792 equity shares of ₹ 2 each.

Dividend

The directors do not recommend declaration of any dividend on equity shares for the year ended 31st March, 2011 in order to conserve the resources for future years.

Employees Stock Option Scheme

On 28th July, 2010, the company has granted 3,577,500 stock options to eligible employees of the company, its subsidiaries including non executive directors (excluding Nominee Director), as per Company's Employee Stock Option Scheme, 2010 (ESOP 2010) issued in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. 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 Compensation Committee. The applicable disclosures as stipulated under SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are enclosed as Annexure to the Directors' Report.

Quality Systems

JSL Stainless Ltd. has adopted best in class Quality Standards in all Business Processes and Products offerings. Your company is continuously increasing customer value propositions through its' versatile product baskets. Over the years, the company has Institutionalized "Value Innovation" which enables meeting differential needs of customers at lower cost.

Research & Development

Your company manufactures a wide variety of austenitic, ferritic, martensitic and duplex varieties of stainless steels and has global recognition for pioneering work towards development and commercialization of 200 series of stainless steels. It is actively engaged in the development of new value added stainless steels for highly corrosive environments.

During the year under review, your company has successfully developed and marketed super-duplex stainless steel UNS S32760 which is most highly alloyed duplex stainless steel figuring in international specifications and intended for service under arduous conditions such as sea water system, oil and gas industry, paper and pulp industry and sulfuric and phosphoric acid plants. This has enabled the company to offer wide spectrum of duplex stainless steels ranging from lean duplex to super duplex.

It has also developed and successfully exported super-ferritic grade 446(UNS S 44600), used for elevated temperature applications. Another achievement is technology for super specialty grade EQ347 with very high ferrite content used as strip cladding material in large hydrocarbon reactors.

Information Technology

Your company has done major enhancement in SAP R/3 to meet the growing business requirement at Jaipur, Hisar & other locations. All the critical business processes are running on SAP R/3. Our SAP data center at Hisar fulfills the green IT norms and running in a secure 24x7 operational environment. It also reflects that we are committed to follow the Green IT norms for environment cause.

Your company has taken the following noteworthy initiatives during last year.

- > IT Infrastructure upgrade
- > SAP implementation in Patalganga Stockyard
- > Major enhancement in SAP R/3 modules to meet the new business process automation requirement as per best practices
- > Significant cost reduction in IT OPEX
- > Complete IT project management in a very structured framework to ensure timely delivery

Your company has already taken necessary steps to build strong infrastructure for SAP R/3 & BI Technical upgrade. Your company is going for SAP technical upgrade and also functional upgrade, wherever required. Your company is partnering with world renowned companies to build world class IT Infrastructure and implementation of world's best practices for metal & minerals vertical.



Subsidiary Companies

The Company, as on 31st March, 2011 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.

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 with the balance sheet of the 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 and of the respective subsidiary companies. 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.

Directors

During the period under report, the Board of Directors has appointed Mr. Rajeev Bakshi as additional director with effect from 23rd July, 2010. The Company has received Notice pursuant to section 257 of the Companies Act, 1956, from member signifying his intention to propose Mr. Rajeev Bakshi as candidate for the office of Director.

During the above period, Mr. N.P. Jayaswal and Dr. L.K. Singhal have resigned from the Board of Directors of the Company with effect from 6th April, 2010 and 29th April, 2010 respectively. The Board places on record its appreciation for the valuable contribution made by them during their tenure.

Mr. Arvind Parakh, Mr. Suman Jyoti Khaitan and Mr. T.S. Bhattacharya, directors, will retire at the annual general meeting by rotation and, being eligible, offer themselves for re-appointment.

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

Listing on Stock Exchanges

The equity shares of your company are listed on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The annual listing fee for the year 2011-12 has been paid to both the stock exchanges where equity shares of your company are listed. GDS of the company are listed at Luxembourg Stock Exchange.

Fixed Deposits

The company has accepted/renewed deposits amounting to ₹ 16,99,51,000/- during financial year 2010-11. There were no overdue deposits on 31st March, 2011, except ₹ 1,55,96,000/- 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.

DIRECTORS' REPORT

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 and Electricity business for the financial year 2011-12 subject to approval of the Central Government. Application for approval of the Central Government for re-appointment would be made. 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, BL-4 (Paschmi), Shalimar Bagh, Delhi – 110 088.
Names and Membership No. of Partners of Firm	Ms. R. Parvathy, M. No. 13848 Mr. D. Jagannathan, M. No. 5839 Mr. V. A. Sundaram, M.No. 818
Due date for filing of Cost Audit Report for the financial 2009-10 by the Cost Auditor with the Central Government	Within 180 days from the close of company's financial year, i.e. upto 27th September, 2010.
Date of filing of Cost Audit Report for the financial year 2009-10 with the Central Government.	Cost Audit Report for the financial year 2009-10 was filed by the Cost Auditor with the Central Government on 27th September, 2010.

Dematerialisation of Shares

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

Directors' Responsibility Statement

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

- 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, 2011 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, 2011

Savitri Jindal
Chairperson

STATEMENT AS AT 31st MARCH, 2011, PURSUANT TO CLAUSE 12 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME) GUIDELINES, 1999.

Sr. No.	Description	Remarks
A.	Options granted	35,27,500 and 50,000 stock options were granted to the employees (including whole time directors) and Independent Directors of the company and its subsidiaries, on 28th July, 2010. However, on account of leaving of services due to resignation, retirement or otherwise, the net options outstanding as on 31.3.2011 are 30,56,250 and 50,000 respectively.
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	Nil
D.	Options exercised	Nil
E.	Total number of Ordinary Shares arising as a result of exercise of Options	Nil
F.	Options lapsed	On account of leaving of service due to resignation, retirement or otherwise, of the employees of the company and its subsidiaries, 4,71,250 stock options were surrendered and will be considered for grant of Options in future.
G.	Variation of terms of Options	Nil
H.	Money realized by exercise of Options	Nil
I.	Total number of Options in force	Out of total number of stock options granted, 31,06,250 stock options are currently in force as on 31st March, 2011.

DIRECTORS' REPORT

Sr. No.	Description	Remarks																								
J	Details of Options granted to (i) Senior managerial personnel (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. (iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant.	Enclosed as Annexure – A None None																								
K.	Diluted Earning Per Share (EPS) pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 “Earning Per Share”	₹ 16.71																								
L.	(i) Method of calculation of employee compensation cost (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. (iii) The impact of this difference on Profits and on EPS of the Company.	<p>The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock based compensation cost as per the intrinsic value method for the financial year 2010-11.</p> <p>₹ 3.12 crores</p> <p>The effect of adopting the fair value method on the net income and earnings per share is presented below:</p> <table><tr><td></td><td colspan="2">₹ in Crore</td></tr><tr><td>Net income as reported</td><td></td><td>318.34</td></tr><tr><td>Add: Intrinsic Value Compensation Cost</td><td></td><td>2.22</td></tr><tr><td>Less: Fair Value Compensation Cost (Black Scholes Model)</td><td></td><td>2.96</td></tr><tr><td></td><td></td><td>317.60</td></tr><tr><td>Earning per share</td><td>Basic (₹)</td><td>Diluted (₹)</td></tr><tr><td>As reported</td><td>17.12</td><td>16.71</td></tr><tr><td>As adjusted</td><td>17.08</td><td>16.66</td></tr></table>		₹ in Crore		Net income as reported		318.34	Add: Intrinsic Value Compensation Cost		2.22	Less: Fair Value Compensation Cost (Black Scholes Model)		2.96			317.60	Earning per share	Basic (₹)	Diluted (₹)	As reported	17.12	16.71	As adjusted	17.08	16.66
	₹ in Crore																									
Net income as reported		318.34																								
Add: Intrinsic Value Compensation Cost		2.22																								
Less: Fair Value Compensation Cost (Black Scholes Model)		2.96																								
		317.60																								
Earning per share	Basic (₹)	Diluted (₹)																								
As reported	17.12	16.71																								
As adjusted	17.08	16.66																								

Sr. No.	Description	Remarks
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.	Weighted average exercise price ₹ 75.00 Weighted average fair value as per Black Scholes Model ₹ 40.26 Intrinsic Value ₹ 30.20
N.	A description of the method and significant assumption used during the year to estimate the fair values of Options	The fair value of each option estimated using the Black Scholes Options Pricing Model after applying the following key assumptions: (i) Risk free interest rate 7.82 % (ii) Expected life 4.82 years (iii) Expected volatility 39.02 % (iv) Expected dividend 2.43 % (v) The price of the underlying share in market at the time of option grant ₹ 105.20

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

Sl. No.	Name	No. of Options Granted
1	Arvind Parakh	55,000
2	Subash Singh Viridi	55,000
3	Subrata Bhattacharya	55,000
4	S K Jain	40,000
5	R Ganesh	40,000
6	Ashok Sharma	30,000
7	Rajiv Rajvanshi	40,000
8	Tarun Kumar Khulbe	40,000
9	S K Agrawal	30,000
10	Arun Goel	20,000

Details of Options granted to Senior managerial personnel of the subsidiaries

Sl. No.	Name	No. of Options Granted
1	Anuj Jain	40,000
2	Anil Saxena	30,000
3	Rajesh Modi	30,000

DIRECTORS' REPORT

ANNEXURE - I

Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

a) Conservation of Energy

Energy Conservation measures taken:

- Energy Conservation in furnaces and boilers through improved combustion
- Fuel additives are used to improve fuel efficiency at Reheating Furnaces.
- Additional capacitors bank has been installed at 11 KV power station to improve power factor.
- Conventional lights have been replaced with CFL and LED lights.
- High efficiency AC motors has been replaced from low efficiency motors.
- Energy audit has been carried out and action/improvement suggested has been implemented in various sections.
- Pumps and blowers have been put on closed loop system by providing automation to reduce power consumption.

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

- Variably separate AC drives have been ordered to control fans, pumps and blowers.
- LED lights has been ordered to replace conventional lights for office areas

c) Impact of above measures.

Uninterrupted power supply and improving in quality of power, productivity of the plant has increased and power consumption per ton of salable Stainless Steel has been reduced.

FORM - "A"

Form for disclosure of particulars with respect to Conservation of Energy.

(Excluding Ferro Alloys Division being not covered)

A. Power and Fuel Consumption	2010-11	2009-10
1. Electricity		
a) Purchased		
Units (in '000 Kwh) *	682948.00	647440.00
Total amount (₹ in lacs)	26471.68	25513.82
Rate/Unit (₹)	3.88	3.94
* Net of exports to HSEB		
b) Own Generation (i) through DG Sets		
Units (in '000 Kwh) #	27896.97	47326.95
Units per litre of Oil	4.23	4.30
Cost /Unit (₹)	15.75	10.97
# Excluding diesel generator auxiliary consumption		
c) Own Generation (ii) through thermal coal		
Units (in '000 Kwh) #	1312466.00	1588785.00
Units per kg of Coal	1.04	0.87
Cost /Unit (₹)	3.48	1.42
# Excluding CPP auxiliary consumption		
2. Fuel Oils (FO, FOLV, LDO, HSD)		
Quantity (Kilo Litre)*	51486.49	51323.50
Total cost (₹ in Lacs)	15962.10	13828.49
Average rate/litre (₹)	31.00	26.94
* including fuel used for power generation.		

	2010-11	2009-10
3. Coal / Coke		
Quantity (MT)	1315502.73	1389455.99
Total cost (₹ in Lacs)	35259.58	22544.57
Average Rate/Kg. (₹)	2.68	1.62
4. Gases (Propane/LPG)		
Quantity (MT)	22549.24	22644.77
Total cost (₹ in Lacs)	9742.43	8086.30
Average rate/Kg. (₹)	43.21	35.71
5. Gases (Ammonia)		
Quantity (MT)	1624.43	1351.76
Total cost (₹ in Lacs)	337.10	263.07
Average rate/Kg. (₹)	20.75	19.46

B. Consumption per unit of production**Production:**

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

1. Electricity:		
(i) for alloys steel melting (unit/ton)	490.15	507.35
(ii) for gas manufacturing (unit/cum)	0.73	0.79
(iii) for cold rolled stainless steel manufacturing (unit/ton)	415.54	440.33
(iv) for blade steel manufacturing (unit/ton)	1253.79	1314.37
(v) for Fe Alloy manufacturing	4038.17	4414.97
2. Fuel Oils:		
(i) For alloys steel melting (litre/ton)	6.18	6.35
(ii) for cold rolled stainless steel manufacturing (litre/ton)	14.35	12.82
(iii) for blade steel manufacturing (litre/ton)	52.80	47.22
(iv) for Fe Alloy manufacturing (litre/ton)	15.50	11.22
3. Coal:		
(i) for Alloy steel melting (MT/ton)	-	-
(ii) for Fe Alloy steel melting (MT/ton)	0.62	0.61
(iii) for Power Generation (KG/KWG)	0.96	-
4. Gases (Propane):		
(i) for alloy steel melting (kg/ton)	-	0.02
(ii) for cold rolled stainless steel manufacturing (unit/ton)	56.94	60.01
(iii) for blade steel manufacturing (unit/ton)	51.28	64.47
(iv) for Fe Alloy manufacturing (litre/ton)	0.79	5.77
5. Gases (Ammonia):		
(i) for blade steel manufacturing (Unit/ton)	26.96	27.63
(ii) For cold rolled stainless steel manufacturing (Kg/ton)	3.97	3.19

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

Reasons for deviation:

- There is decrease in power purchase cost due to cheaper power purchased from Indian Energy Exchange.
- Power consumption per MT decreased due to efficient power utilization and higher production level.
- Fuel consumption per MT increased in CRD due to less running of Waste Heat Recovery boiler of DG sets.
- Ammonia consumption per MT increased in CRD due to addition of Pickling-5 line.

DIRECTORS' REPORT

FORM – “B”

Form of Disclosure of Particulars with respect to Technology Absorption 2010-11.

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

- Development of new products
 - ❖ Development of super-duplex stainless steel UNS S32760(EN 1.4501, X2CrNiMoCuWN 25.7.4)successfully supplied for sea water service.
 - ❖ Development of export of super-ferritic UNS S44600.
 - ❖ Monophase austenitic stainless steel with high chromium, nickel, and silicon EN 1.4841(AISI 314) and EN 1.4828 successfully developed and exported
 - ❖ High chromium austenitic stainless steel EQ 347 with very high ferrite content was successfully developed and marketed. Very few companies in the world produce this grade.
- Process development
 - ❖ Improvement in productivity and quality of stabilized ferritic stainless steels.
 - ❖ Development of a cost effective technology for annealing of certain ferritic and martensitic stainless steels.

2) Benefits Derived

- Diversification of product range.
- Manufacture of highly value added products
- Cost reduction
- Import substitution

3) Future plan of action

- Development of highly corrosion resistant super-ferritic stainless steels
- Development of newer cost effective lean duplex stainless steel.
- Development of austenitic stainless steel alloyed with cerium for high temperature oxidation resistance.
- Development of high nitrogen steel (>5000ppm N) for strategic applications.
- Application engineering to facilitate our 200 series, 400 series and duplex grades to replace existing 300 series grades for certain applications.

4) Expenditure on R & D

(₹ in Lacs)

	2010-11	2009-10
a) Capital	Nil	Nil
b) Revenue	63.28	39.14
Total	63.28	39.14
c) Total R&D expenditure as a percentage of total turnover :	0.009%	0.007%

5) Technology absorption, adaptation and innovation

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

- Development of HRAP No1 finish plates in Super Austenitic Alloys Grade En 1.4529 for usage in Swimming Pool Roof for 2010 Commonwealth Games Complex, Delhi and UNS32760 for usage in modern Pumps.
- Developing specifically tailored Grades/Variants of 409L, 436L for Automobile Majors and becoming approved Vendor for these materials for their Global requirements.
- Development of Bi-Metallic Blanks for 10 ₹ Coins for GOI Mint.
- Redesigning Annealing Cycle for Indian Railway Wagons Stainless Steel IRSM 44 97 to make material more conducive for roll forming and thus replacing costly conventional cutting-welding procedures at Wagon Components Manufacturers.
- Developing JSLU Grade in CRAP 2B Finish Coils for making deep drawn utensils/ household utility items.

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

- Developing New Applications of Stainless Steel
- Replacing Costly Imports
- Cost reduction
- Customer satisfaction
- Increase in plant productivity
- Capacity augmentation

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

To be present in export markets is always an important and strategic decision for the organization. Specially with Greenfield project in Odisha it becomes all the more important for our company to increase our focus in exports market. The objective is to increase the reach through expanded network of offices, warehouses, service centers & do the segment specific marketing. Important sectors being Catering, Sink, Appliances & ABC. JSL should be seen as a global stainless player with operations focused to serve the local market requirements in different countries. Exploring new markets and countries to reach wider set of customers and co-creation of value by development of new applications along-with customers requirements.

	(₹ in Crore)
b) Foreign Exchange Earnings	1427.92
Foreign Exchange Outgo	3452.76

CORPORATE GOVERNANCE

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

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

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

2. Board of Directors:

(i) Composition of Board

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

Executive Directors:

Sr. No.	Name of Director	Designation	Status
1.	Mr. Ratan Jindal	Vice Chairman & Managing Director	Promoter
2.	Mr. Arvind Parakh	Director – Finance	Non-Independent
3.	Mr. Subash Singh Viridi	Executive Director & Chief Operating Officer	Non-Independent

Non Executive Directors:

Sr. No.	Name of Director	Designation	Status
1.	Smt. Savitri Jindal	Chairperson	Promoter
2.	Mr. Naveen Jindal	Director	Promoter
3.	Mr. Suman Jyoti Khaitan	Director	Independent
4.	Mr. T.S. Bhattacharya	Director	Independent
5.	Mr. James Alistair Kirkland Cochrane	Director	Independent
6.	Mr. Jurgen Hermann Fechter	Director	Independent
7.	Mr. Gautam Kanjilal	Nominee Director	Independent
8.	Mr. Rajeev Bakshi	Director	Independent

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

Apart from the sitting fee paid for attending Board/Committee meetings, the non executive directors did not have any material pecuniary relationship or transactions with the Company, during the year 2010-11.

(ii) Board Meetings

During financial year 2010-11, five Board meetings were held on 28th April, 2010, 31st May, 2010, 23rd July, 2010, 22nd October, 2010 and 10th February, 2011. The maximum time gap between any two meetings was not more than four calendar months.

(iii) Attendance of Directors & other Directorships

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

Sr. No.	Name of the Director	Attendance Particulars		No. of total directorships and committee memberships/chairmanships in limited companies, excluding foreign companies (excluding remuneration committee)		
		Board meetings	Last AGM	Total Directorships	Committee Memberships	Committee Chairmanships
1.	Smt. Savitri Jindal	4	Yes	9	-	-
2.	Mr. Ratan Jindal	5	Yes	8	-	-
3.	Mr. Naveen Jindal	1	No	6	-	-
4.	Mr. Arvind Parakh	5	Yes	4	1	-
5.	Mr. Suman J. Khaitan	4	No	6	3	2
6.	Mr. T.S. Bhattacharya	3	No	9	1	2
7.	Mr. Subash Singh Viridi	1	No	5	-	1
8.	Mr. James Alistair Kirkland Cochrane	3	Yes	1	-	-
9.	Mr. Jurgen Hermann Fechter	3	No	1	-	-
10.	Mr. Gautam Kanjilal	4	Yes	1	-	1
11.	Mr. Rajeev Bakshi *	1	Yes	3	-	-
A.	Mr. N.P. Jayaswal #	#	#	#	#	#
B.	Dr. L.K. Singhal *#	1	*#	*#	*#	*#

* Appointed as additional director w.e.f. 23rd July, 2010.

Ceased to be director w.e.f. 6th April, 2010

*# Ceased to be director w.e.f. 29th April, 2010

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

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

As on 31st March 2011, non executive directors hold following number of shares in the Company:

Name of non executive director	No. of shares
Smt. Savitri Jindal	88,573
Mr. Naveen Jindal	12,768
Mr. Suman Jyoti Khaitan	Nil
Mr. T.S. Bhattacharya	5,005
Mr. James Alistair Kirkland Cochrane	Nil
Mr. Jurgen Hermann Fechter	Nil
Mr. Gautam Kanjilal	Nil
Mr. Rajeev Bakshi	Nil

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

A. Scheduling and selection of agenda items for Board meetings

- The Company holds minimum of four Board meetings in each year after the end of each financial quarter. Apart from the four Board meetings, additional Board meetings are also convened as and when required to address the specific needs of the Company by giving appropriate notice to the Directors. The Board also approves permitted urgent matters by passing the resolutions through circulation.
- The meetings are usually held at the company's corporate office at New Delhi.

CORPORATE GOVERNANCE

- (iii) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval/decision in the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.
- (iv) The Board is given presentations covering finance, sales and marketing, and the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board meeting. The Board's annual agenda includes recommending dividend, determining directors who shall retire by rotation and recommending appointment of directors/ auditors, authentication of annual accounts and approving Directors' Report, long term strategic plan for the Company and the principal issues that the Company expects to face in the future, Board meetings also take note and review functions of its Committees.
- (v) The Chairperson / Vice Chairman & Managing Director / Director (Finance) and the Company Secretary in consultation with other concerned persons in the top management, finalise the agenda papers for the Board meetings.

B. Board material distributed in advance

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

C. Recording minutes of proceedings at Board meeting

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The minutes of the proceedings of a meeting are entered in the minutes book within thirty days from the conclusion of the meeting and signed by the 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 all the applicable provisions of law. Certificate relating to compliance of provisions of law is placed in every Board meeting.

3. Audit Committee:

I. Composition and attendance:

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

- | | | | |
|----|-------------------------|---|----------|
| 1. | Mr. Suman Jyoti Khaitan | - | Chairman |
| 2. | Mr. T.S. Bhattacharya | - | Member |
| 3. | Mr. Gautam Kanjilal * | - | Member |

* Mr. Gautam Kanjilal has been inducted as member of Audit Committee with effect from 25th May, 2010.

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

During financial year 2010-11, five meetings of audit committee were held on 28th April, 2010, 31st May, 2010, 23rd July, 2010, 22nd October, 2010 and 10th February, 2011. Mr. Suman Jyoti Khaitan was present in all the five meetings. Mr. T. S. Bhattacharya and Mr. Gautam Kanjilal attended three and four meetings respectively.

II. Terms of Reference:

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

4. Remuneration Committee:

Composition and attendance:

The Remuneration Committee of the company comprises the following directors:

- | | | | |
|----|--|---|----------|
| 1. | Mr. Suman Jyoti Khaitan | - | Chairman |
| 2. | Mr. T. S. Bhattacharya | - | Member |
| 3. | Mr. James Alistair Kirkland Cochrane * | - | Member |

* *Mr. James Alistair Kirkland Cochrane has been inducted as member of Remuneration Committee with effect from 25th May, 2010.*

During financial year 2010-11, one meeting of Remuneration Committee was held on 3rd April, 2010 which was attended by Mr. Suman Jyoti Khaitan, Mr. T. S. Bhattacharya and Dr. L. K. Singhal. Dr. L. K. Singhal has resigned from the Board of Directors on 29th April, 2010.

Terms of Reference:

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

Remuneration of Executive Directors:

Details of the remuneration paid to the Managing / Executive Directors for the financial year ended 31st March, 2011 is given below :

Name of Directors	Designation	Salary	Commission	Contribution to PF	Others	(Amount in ₹)	
						Total	Notice Period
Mr. Ratan Jindal *	Vice Chairman & Managing Director	-	9,19,96,934	-	-	9,19,96,934	NA.
Mr. Arvind Parakh	Director – Finance	52,80,000	-	6,33,600	1,12,44,296	1,71,57,896	NA.
Mr. Subash Singh Viridi #	Executive Director & Chief Operating Officer	42,00,000	-	5,04,000	75,62,960	1,22,66,960	NA.
Mr. N.P. Jayaswal *#	Executive Director	25,000	-	3,000	3,68,734	3,96,734	NA.

* *Mr. Ratan Jindal has received salary of ₹ 4,68,00,000/- from Jindal Stainless FZE in the capacity of Director and ₹ 1,56,17,374/- from Jindal Stainless UK Ltd. in the capacity of Managing Director during financial year 2010-11. Jindal Stainless FZE and Jindal Stainless UK Ltd., both are subsidiary companies of JSL Stainless Ltd.*

Mr. Subash Singh Viridi was appointed as Executive Director & Chief Operating Officer with effect from 6th April, 2010

*# *Mr. N.P. Jayaswal resigned from the Board of Directors with effect from the closing of working hours on 5th April, 2010.*

5. Shareholders' / Investors' Grievance Committee:

Shareholders' / Investors' Grievance Committee of the Company comprising Mr. Suman Jyoti Khaitan, Chairman, Mr. Arvind Parakh and Mr. S.S. Viridi, looks into the grievances of the Shareholders concerning transfer of shares, payment of dividend and non receipt of annual report and recommend measure for expeditious and effective investor service.

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

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

No. of shareholders' complaints received during the year ended 31st March, 2011: 11

No. of complaints not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

CORPORATE GOVERNANCE

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 Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Arvind Parakh, Director – Finance, Mr. Suman Jyoti Khaitan, Director, Mr. Jitendra Kumar, Company Secretary and Mr. Jeewat Rai, Vice President, M/s. Abhipra Capital Limited.

Sitting fees paid to Non Executive Directors:

The sitting fees paid for the year ended 31st March, 2011 to the Directors are as follows: Mr. Naveen Jindal, ₹ 20,000/-, Mr. Suman Jyoti Khaitan, ₹ 1,30,000/-, Mr. T. S. Bhattacharya, ₹ 90,000/-, Mr. Gautam Kanjilal, ₹ 1,20,000/-, Mr. Jurgen Hermann Fechter, ₹ 60,000/-, Mr. James Alistair Kirkland Cochrane, ₹ 60,000/- Mr. Rajeev Bakshi, ₹ 20,000/-, Dr. L.K. Singhal, ₹ 30,000/-. No commission has been paid to the non-executive directors.

7. General Body Meetings:

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

Year	Date	Day	Time
2007-08	16.9.2008	Tuesday	12:00 noon
2008-09	4.9.2009	Friday	12:00 noon
2009-10	23.7.2010	Friday	11:00 a.m.

Number of special resolutions passed during last three AGMs

AGM	Number of special resolutions
2007-08	6
2008-09	11
2009-10	4

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

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

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

(iii) Whistle Blower Policy

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

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

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

Compliance with non-mandatory requirements**(1) The Board**

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

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

(2) Remuneration Committee:

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

(3) Shareholders' Rights

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

(4) Audit Qualifications

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

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

The Board of Directors of the Company comprises of 8 non-executive directors. The directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

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

(6) Whistle Blower Policy

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

9. Means of Communication:

- | | |
|---|--|
| i) Quarterly Results | The quarterly, half yearly and yearly financial results of the company are faxed / sent to the stock exchanges after they are approved by the Board. These are also published in the prescribed format as per the provisions of the listing agreement. |
| ii) Newspapers wherein results normally published | Business Standard / Financial Express (English),
Jansatta (Hindi) - <i>for the year 2010-11</i> |
| iii) Any website, where displayed | www.jslstainless.com |
| iv) Whether it also displays official news releases | The company gives important Press Releases. |
| v) The Presentations made to institutional investors or to the analysts | The company holds Analysts' Meet from time to time. |

CORPORATE GOVERNANCE

10. General Shareholder Information

10.1 Annual General Meeting

- Date and Time 27th September, 2011 at 12.00 Noon
- Venue At registered office of the company at JSL Stainless Ltd.,
O.P. Jindal Marg, Hisar – 125 005 (Haryana).

10.2 Financial Calendar : Annual General Meeting – (Next Year) September, 2012

2011 – 12 (Tentative) Board Meetings

Results for quarter ending June 30, 2011	August, 2011
Results for quarter ending September 30, 2011	October, 2011
Results for quarter ending December 31, 2011	January, 2012
Results for quarter ending March 31, 2012	April, 2012

10.3 Book Closure date : Wednesday, 21st day of September, 2011 to Friday, 23rd day of September, 2011 (both days inclusive) for annual general meeting

10.4 (a) Dividend payment date : Not applicable.

(b) Nomination facility

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

(c) Unclaimed Shares

2066 Share Certificates in respect of 3,37,613 Equity Shares pertaining to 2,055 Shareholders are lying undelivered with the Company as at March 31, 2011. The Company after sending three reminders to the registered address of the shareholders, requesting for correct particulars to dispatch the undelivered share certificates, will be crediting the unclaimed shares to a Demat Suspense Account to be opened by the Company for this purpose with one of the Depository Participants, if no response is received. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall be credited to the said Demat Suspense Account. The voting rights on these shares shall also remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company at later date, 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.

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

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 at : Singapore Exchange Securities Trading Limited 2, Shenton Way, #19-00, SGX Centre 1, Singapore 068804

(c) Listing of GDS on Stock Exchange at : 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.

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

International Securities Identification Number (ISIN)

Equity Shares : INE 220G01021

FCCBs : XS0208872902

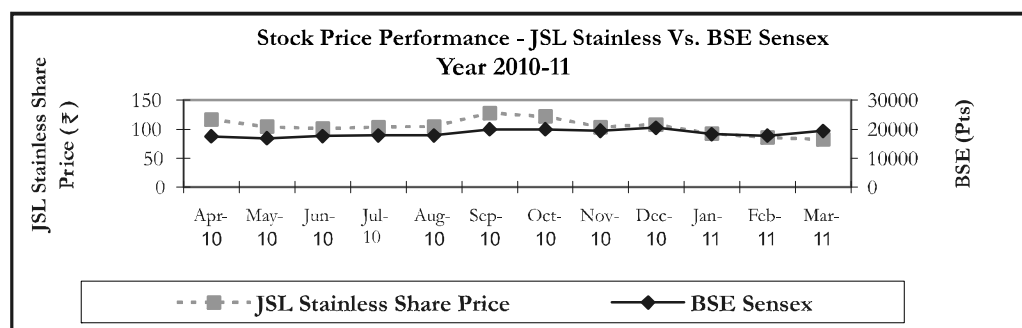
GDS : US4775862000

Reuters Code : JIST.BO (Bombay Stock Exchange)
JIST.NS (National Stock Exchange)

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

	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2010	119.40	108.05	119.40	108.15
May, 2010	122.40	97.00	122.90	100.20
June, 2010	105.60	98.55	105.50	98.10
July, 2010	113.40	98.80	113.50	100.00
August, 2010	113.50	102.15	123.20	102.25
September, 2010	135.90	104.00	135.50	105.80
October, 2010	135.35	118.50	134.40	118.50
November, 2010	123.80	98.00	124.00	97.30
December, 2010	112.90	95.15	112.95	98.65
January, 2011	113.10	91.55	113.05	90.80
February, 2011	103.80	82.60	103.95	83.05
March, 2011	89.10	77.25	89.50	76.50

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



Note : Based on the Monthly closing data of JSL Stainless Ltd. (₹ per share) and BSE Sensex (Pts)

CORPORATE GOVERNANCE

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

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

10.11 Distribution of shareholding as at 30th April, 2011:

By size of shareholding	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 2500	55356	98.13	15374713	8.21
2501 - 5000	553	0.98	1963377	1.05
5001 - 10000	243	0.43	1724698	0.92
10001 - 15000	83	0.15	1005066	0.54
15001 - 20000	31	0.05	541263	0.29
20001 - 25000	14	0.02	312306	0.17
25001 - 50000	43	0.08	1513730	0.81
50001 & Above	89	0.16	164880639	88.01
TOTAL	56412	100.00	187315792	100.00
Physical Mode	13825	24.51	5211001	2.78
Electronic Mode	42587	75.49	182104791	97.22

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	74466030	39.75
GDS held by promoters underlying shares	16734984	8.93
GDS held by others underlying shares	869350	0.46
FIs/Banks/Mutual Funds	18050225	9.64
Corporate Bodies	12713939	6.79
Foreign Bank	9997524	5.34
FIIIs	34175553	18.24
NRIIs/OCBs	1753981	0.94
Public	18554206	9.91
Total	187315792	100.00

10.12 Dematerialisation of shares : 97.22% of the shares have been dematerialised upto 30th April, 2011. Trading in equity shares of the company is permitted only in dematerialized form.

- 10.13 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.** : Foreign Currency Convertible Bonds (FCCB) originally issued to the Foreign investors on 24th December, 2004 amounting to USD 60 million, out of which USD 24.05 million were outstanding as on 31st March 2010.
- In terms of the Agreement executed with Trustee for Bondholders on 6th December 2010 for restructuring of FCCB, the Company has paid accrued YTM amounting to USD 7.20 million from 23rd December 2004 to 24th December 2009 to all outstanding USD 24.05 million FCCB holders.
- Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the 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. These FCCBs would now be termed as “Convertible Bonds due December 24, 2019”.
- Further, post FCCB restructuring, the Company has received conversion notice for 950 FCCBs amounting to USD 4.75 million and subsequently the company has allotted 17,33,620 fully paid equity shares on 7th January, 2011. Thus, the outstanding FCCBs as on 31st March, 2011 were USD 10.30 million.

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

10.15 Investor Correspondence :

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

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

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

Important Communication to Members:

The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. Members, who have not registered their email addresses so far, are requested to register their email addresses in respect of shareholding in electronic mode with the Depository Participants, including any change in email id. in future. Members holding shares in physical mode are requested to register their email addresses, including any change in email id. in future, with the Company / M/s Abhipra Capital Ltd., New Delhi, the Registrar & Transfer Agent.

CORPORATE GOVERNANCE

11. OTHER INFORMATION

(a) Risk Management Framework:

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

(b) Code of Conduct:

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

To the Shareholders of JSL Stainless Ltd.

Sub.: Compliance with Code of Conduct

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

Place: New Delhi
Date: 27th May, 2011

(Ratan Jindal)
Vice Chairman & Managing Director

General Disclosures

- (i) A summary of transactions with related parties in the ordinary course of business is periodically placed before the audit committee;
- (ii) The mandatory disclosure of transactions with related parties in compliance with Accounting Standard AS-18 is a part of this annual report;
- (iii) In preparing with annual accounts in respect of the financial year ended 31st March, 2011, 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.

Certification

We, Ratan Jindal, Vice Chairman & Managing Director and Arvind Parakh, Director – Finance of JSL Stainless Ltd., to the best of our knowledge and belief certify that:

1. We have reviewed the balance sheet and profit and loss account (both consolidated and stand alone) of the company for the year ended March 31, 2011 and all its schedules and notes to accounts, as well as the cash flow statements.
2. To the best of our knowledge and information:
 - a. The financial statements and other financial information included in this report, fairly present in all material respects, the financial conditions, results of the operations and cash flows of the company as of and for the periods presented in the Annual report, and are in compliance with the existing accounting standards and/or applicable laws and regulations;
 - b. The financial statements and other financial information do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
 - c. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
 - d. There is no continuing failure of internal controls and all controls are placed in the Company.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or in violation of the Company's code of conduct.
4. We along with the Company's other certifying officers i.e. the functional heads, are responsible for establishing and maintaining disclosures controls and procedures for the financial reporting of the Company, and we have:-
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, including transactions entered into with Foreign subsidiaries and all related party is made known to us by the officials in these entities, particularly during the period in which the Annual report is being prepared and
 - b. Evaluated the effectiveness of the company's disclosure, controls and procedures
5. We, along-with the other certifying officers of the company, have disclosed based on our most recent evaluation, wherefore applicable, to the Company's Statutory Auditors and to the Audit Committee of the Board of Directors:
 - a. All significant deficiencies in the design or operation of the internal controls, which we are aware could adversely affect the Company's ability to record, process, summarize and report financial data and identified any material weakness in the internal controls and taken steps to rectify these deficiencies;
 - b. Whether there were significant changes in the internal controls over financial reporting subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weakness;
 - c. Fraud, if any which we have become aware of and that involves management or other employees who have a significant role in the Company's internal control systems over financial reporting;
 - d. Significant changes in the accounting policies during the year, if any, have been disclosed in the notes to the financial statements.

The above is conveyed to the Board of Directors of the Company.

New Delhi,
27th May, 2011

Ratan Jindal
Vice Chairman & Managing Director

Arvind Parakh
Director - Finance

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

To the members of JSL Stainless Ltd.

We have examined the compliance of conditions of Corporate Governance Procedure implemented by JSL Stainless Ltd. for the year ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

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

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

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

Place: New Delhi
Dated: 27th May, 2011

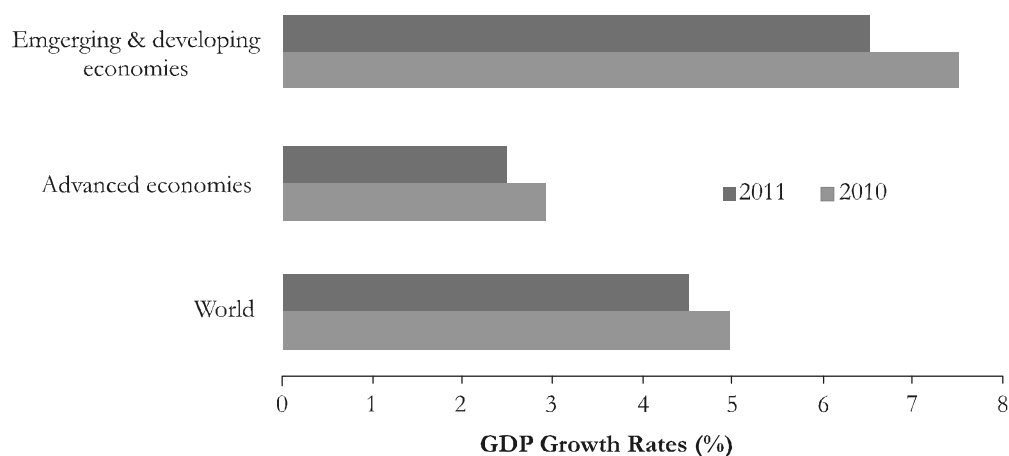
B.D. Tapriya
Company Secretary
C.P. No. 2059

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Outlook

The world economy is poised to grow at about 4.5% annually over 2011 and 2012. According to International Monetary Fund (IMF), the emerging and developing economies have shown a positive pattern of 6.5% growth whereas the advanced economies are growing at 2.5%. In most advanced economies, the recovery remains unbalanced with their output still running below potential. The problems of the European Union periphery, stemming from the combined interactions of low growth, fiscal woes, and financial pressures, are particularly acute. The challenge for most emerging market economies is thus quite different from that of the advanced economies-how to avoid overheating in the face of closing output gaps and higher capital flows. For a sustained recovery, advanced economies must achieve industrial consolidation. To accomplish this and to maintain their growth, they need to rely more on external demand. Correspondingly, emerging market economies too must rely less on external demand and more on domestic demand.

Economic growth in the developing countries remains the main driver of the global recovery which has been initiated by the large emerging economies in Asia and Latin America, particularly China, India and Brazil. Strong GDP growth in some of these developing countries now contributes to more than half of the expansion of the world economy. A key factor contributing towards high growth in these developing economies is their continuing growth in the internal demand.

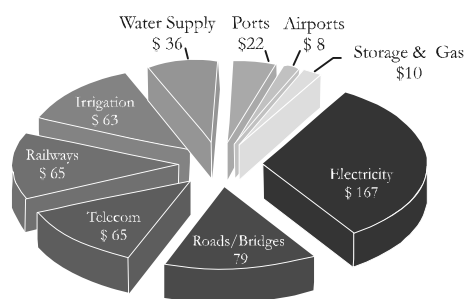


Indian Economy

Strongly emerging as a strong manufacturing and export oriented industrial framework, India's economic growth remains amongst the highest in the world alongside China, Russia and Brazil. Reserve Bank of India Annual Monetary Policy 2011-2012 has estimated Indian's economic growth at 8.5% during 2010-11 and projected real GDP growth at around 8.2% for 2011-12. However, the primary macroeconomic concern for the India continues to be inflation. The high inflation in the Indian economy is mainly contributed by food, non-food primary articles and fuel. As per the baseline projections provided for in RBI Annual Monetary Policy 2010-11, from the high level of inflation of 11.04% in March 2010, the WPI Index has moderated to 8.98% in March 2011, which is further likely to be moderated to 6% for March 2012. The interest rates over last one year have also firmed up substantially due to tightening of money flow by Reserve Bank of India.

As per estimates, India's per capita GDP on Purchasing Power Parity (PPP) basis is USD 3,300 in 2010 and is expected to reach USD 5,398 by 2016 depicting a marked improvement in standard of living. During last 10 years, India economy has nearly tripled from USD 480 billion to USD 1.5 trillion which is further estimated to rise to USD 4 trillion by 2020, elevating India to fourth place behind the US, China and Japan by size of economy.

This growth in Indian economy demands massive infrastructure investment largely in electricity, railways, roads, ports, airport, irrigation and urban & rural development. As per the Planning Commission's Eleventh Five Year Plan, the total investment in infrastructure should rise to 9 percent of the GDP by the end of plan period i.e. 2012. The total investment in infrastructure during the Eleventh Plan is projected at USD 514.04 billion.



Government of India, 11th plan
Sector-wise planned Investment (USD billion)

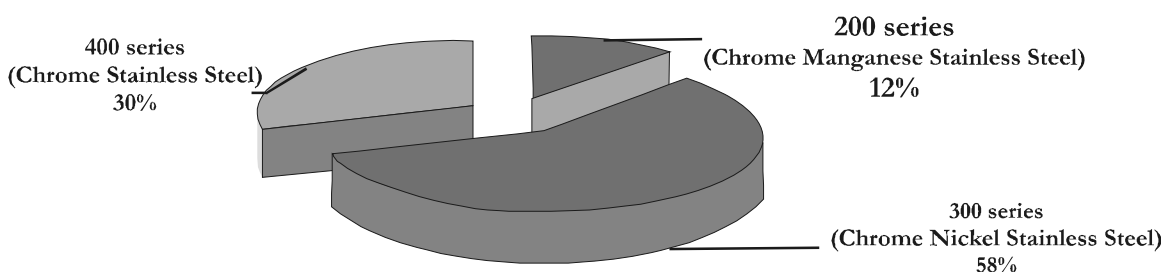
Some other estimates suggest that this spending in infrastructure would escalate to USD 1.7 trillion by 2020. This large scale spending in infrastructure is mainly driven by urbanization whereby India is expected to witness substantial increase in its city population. As per UN estimates, around 500 million people would move towards urbanization over next four decades.

Global Stainless Steel Industry

After 3 years of declining trend driven by stock cycles and global economic crises, stainless steel is back to emerge as the fastest growing metal globally. According to International Stainless Steel Forum (ISSF), the global stainless steel melting production has increased by 24.9% to 30.7 million tons in 2010. This significant improvement comes on account of global economic recovery and strong end-use demand.

As the leader in the stainless steel production Asia covers 65% of the world's stainless steel production and China and India will continue to be the catalysts of stainless steel demand growth for next decade. As per ISSF, stainless steel melting in Asia (without China) increased by 20.8% to 8.6 million tons. Japan increased its stainless production by 31.5% with Korea (+22.1%) and India (+17.6%) achieving clear two digit growth rates. As the main driving force towards the improved performance, China increased its Stainless steel and crude steel production by 27.8% to almost 11.3 million tons.

Over the last few years the stainless steel market has witnessed major changes in its grade categories with the rising importance of Chrome-Manganese steels and more recently of chromium grades. As per ISSF estimates the market shares of the three stainless steel product grade categories in 2010 are as follows:



Indian Stainless Steel Industry

Indian markets are showing fast growing stainless steel demand and enormous future growth potential as the industry succeeded to sustain its positive growth momentum on the strong fundamentals of domestic demand from construction, automobile and infrastructure sectors.

As per ISSF, the per capita consumption of stainless steel in India is 1.2 kg as compared to the world average of 4 kg and China's 5 kg. This low per capita consumption of stainless steel in India presents immense opportunities for growth in domestic stainless steel market. The stainless steel consumption in India is estimated to be around 2.0 million tons in 2010 which is expected to grow to around 5.0 million tons by 2020 at annual growth rate of around 9.5% as compared to expected world average growth of 6% over the next decade. Globally, the stainless steel usage is widely spread into infrastructure sector such as construction and transport and these account for 10 to 15 percent of total consumption. In India, stainless steel is mainly used in kitchenware sector which accounts for almost 70% of the stainless steel consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

The demand for the infrastructure spending is growing in India and estimated to touch around USD 1.7 trillion over the next decade. The large part of this infrastructure spending is expected to be in the areas of up-gradation of railways, railway stations, roads, airports and other transportation systems as well as various other construction activities. With the Government's focus on modernization of railways and airport systems, the demand for the stainless steel from these sectors is expected to grow considerably. Areas such as transport, tubing, construction which currently accounts for around 5% each of the total demand, are expected to consume around 15% each of the overall stainless steel consumption in India.

The Indian stainless steel market faces challenges of dumped imports of both Hot Rolled and Cold Rolled Flat Products from several countries including China, European Union, Taiwan and Korea. While the Government of India has already imposed anti-dumping duties on certain grades of CR products, the domestic industry has also sought protection against imports of Hot Rolled Flat Products of 300 Series.

JSL Stainless The Face of Indian Stainless Steel Industry

From a melting capacity of 87,000 tons at Hisar (Haryana) in the year 1978 to 780,000 tons, JSL Stainless has consolidated its leadership position, achieving total integration in stainless steel manufacturing. JSL Stainless's manufacturing facilities in India are located in Hisar in the state of Haryana, Jajpur in the state of Odisha and Vizag in the state of Andhra Pradesh and includes stainless steel melting, hot rolling, cold rolling facilities along with an ability to produce precision blade specialty steel, ferro alloys facilities, captive thermal power plant and chromite mines. The Company also has overseas manufacturing operations of stainless steel cold rolling in Indonesia and stainless steel service center in Spain.

Operational Performance

Production Volumes

Production	Unit	2010-11	2009-10	y-o-y comparison
Stainless steel melting	tons	701,814	677,841	4%
Ferro alloys	tons	124,208	161,393	-23%
Thermal power	MU	1312	1447	-9%

Backed by higher stainless steel demand in the financial year 2010-11, the stainless steel melting production volume have grown by 4% to 701,814 tons as compared to 677,841 tons in the previous financial year 2009-10. During the year, the ferro alloys production and power generation at Orissa was down 23% and 9% respectively due to higher input raw material prices.

Financial Performance

JSL Stainless Ltd- Standalone

The financial highlights for the financial year ended 31st March, 2011 are as under:

(₹ Crore)			
Particulars	2010-11	2009-10	y-o-y comparison
Net Sales & Other Income	6,840.50	5,773.40	18%
EBIDTA	1,082.32	1,076.78	1%
Interest	333.05	399.39	-17%
Depreciation	356.14	339.89	5%
Profit before tax and Exceptional items	393.13	337.50	16%
Exceptional Items - Gain	54.22	232.87	-77%
Profit before Tax	447.36	570.38	-22%
Net Profit	318.34	378.48	-16%

With the recovery of global economies and continued growth in domestic stainless steel market, the Net sales & Other Income of the Company has increased by around 18% at ₹ 6,840.50 crore in the year 2010-11 from ₹ 5,773.40 crore during 2009-10. Profit before interest, depreciation, tax and exceptional and extraordinary item (EBIDTA) stands at ₹ 1,082.32 crore, up by around 1% as compared to ₹ 1,076.78 crore during previous year. During the year, the interest expense was lower by around 17% as compared to previous year due to overall lowering of working capital interest costs. The year witnessed lower currency fluctuations as compared to previous year and the USD/INR exchange rate as on 31st March, 2011 was ₹ 44.60 as compared to ₹ 44.90 as on 31st March, 2010. During the fiscal year 2010-11, the Company has achieved a net profit of ₹ 318.34 crore in comparison to net profit of ₹ 378.48 crore in the financial year 2009-10.

Financial Statements - Consolidated

The Company's consolidated financial statements include the financial performance of the following subsidiaries, Joint Venture and Associates:

Subsidiaries:

Jindal Stainless Steelway Limited;
JSL Lifestyle Limited;
JSL Architecture Limited;
Green Delhi BQS Limited;
JSL Media Limited;
JSL Logistics Limited;
Jindal Stainless UK Limited;
Jindal Stainless FZE, Dubai;
PT Jindal Stainless Indonesia;
Jindal Stainless Italy S.r.l.;
Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey
JSL Group Holdings Pte. Ltd., Singapore;
JSL Ventures Pte. Ltd., Singapore;
JSL Europe S.A., Switzerland;
JSL Minerals & Metals S.A., Switzerland;
Jindal Aceros Inoxidables S. L., Spain;
Iberjindal S.L.

Joint Venture: MJSJ Coal Limited

Associates: J.S.S. Steelitalia Limited

The Consolidated Gross Sales and Net Sales & Other Income of the Company during the financial year 2010-11 was reported at ₹ 8,015.96 crore and ₹ 7,534.42 crore respectively as compared to ₹ 6,493.24 crore and ₹ 6,156.45 crore during the financial year 2009-10, thereby recording a growth of around 23% and 22% respectively. The EBIDTA, PBT and PAT on a consolidated basis for the year ended 31st March, 2011 was reported at ₹ 1,174.93 crore, ₹ 472.97 crore and ₹ 318.77 crore respectively as compared to ₹ 1,122.03 crore, ₹ 598.09 crore and ₹ 391.94 crore as reported for the year ended 31st March, 2010.

Opportunities & Threats

Indian stainless steel market is on a growth path as stainless steel consumption is steadily increasing. Global economy is now relatively stable and demand has revived in 2010 but the increased capacities especially in China relatively pose threat to all stainless steel manufacturers globally.

JSL Stainless is taking initiatives of domestic market development and new applications of stainless steel are being introduced in the domestic market. We are poised to get grow in Indian market by deeper penetration through value added products, increased customer interface and tapping the opportunities in upcoming sectors

The per capita consumption of stainless steel in India is 1.2 kg as compared to the world average of 4 kg and China's 5 kg. The low per capita consumption of stainless steel in India, provides opportunity for growth in domestic stainless steel market, where the company has dominant presence. However, the high inflation may curtail down the country's growth in the short term which may affect demand of stainless steel usage.

MANAGEMENT DISCUSSION AND ANALYSIS

Risks and Concerns

Company's profits are linked with various factors and fluctuation in the same effects the Company's operation significantly. Few of the risks associated with the business are following:

- Fluctuations in the price and availability of key raw materials such as nickel, steel scrap, ferro-chrome and other ferro-alloys may adversely affect the business and results of operations leading to fluctuation in the Stainless steel in domestic & international prices;
- Increase in the interest rate may increase the cost of borrowing, impacting our profitability;
- Fluctuations in the currency exchange rate may adversely affect our business;
- Ramp up and stabilization of the integrated stainless steel manufacturing facilities at Odisha;
- International and domestic competition may affect the business and results of operations;
- Commercial changes such as domestic duties / Import tariff/taxes on raw materials and consumables purchased and import tariff imposition in International markets where the company intends to sell its products.
- Slowdown in global economic growth may adversely affect the demand of stainless steel globally and may reduce the sales volume.

Internal Control System

The internal control systems are continuously monitored and improved by means of a rigorous internal audit system that involves cross functional teams of auditors, specifically trained & certified for the said purpose. Company has adequate internal audit and control systems commensurate with its size and nature of its operation that continuously monitors the adequacy and efficiency of internal controls across the company. These systems have been designed to ensure the optimal utilization of resources, accurate reporting of financial transaction, adequate compliance with applicable statute, and safeguarding of assets from unauthorized use. We have an internal audit department to monitor the internal control systems in the company. Additional internal audit is also conducted by external agencies. The Audit Committee monitors the performance of internal control audit on regular basis, review the audit plans and audit findings and promptly resolves the issues through continuous follow up.

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

JSL Stainless is an ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certified company indicating that documented systems and procedures are in place for ensuring a consistent product quality, compliance to environmental standards and a safe and healthy environment for its stakeholders.

Environment Health & Safety

EHS sustainability has become an increasingly important item on the Company agenda. The Company has undertaken numerous initiatives to realize improvements in this area. Driven by an integrated 'Quality, Environmental, Occupational Health and Safety' Policy, business unit at Jajpur, Odisha is certified with ISO 9001:2008 and is now marching towards benchmarking its processes in the field of Quality, Safety, Health and Environment. The Company has demonstrated this by implementing Environmental Management System (EMS) & OHSAS Systems, which is in the process of getting certified with ISO 14001 and OHSAS 18001.

JSL Stainless focuses on the areas of Behavioral Safety, Process Safety and Ergonomic and General Safety. Focused campaigns have been carried out in the areas of Gas Safety, Material Handling and Road Safety. Comprehensive integrated Safety Audits have also been implemented. The organization is BS OHSAS 18001 certified, thus ensuring that all the aspects of occupational health & safeties are addressed. We have laid fresh thrust towards enhancing our resource efficiency in operations, especially for key resources such as energy and water. Additionally we are adopting the '3-R' (reduce, reuse and recycle) philosophy for all types of wastes towards prevention of pollution and dispose of inevitable wastes and set, monitor, and review objectives and targets on an ongoing basis towards continuous improvement in environmental performance and the overall environmental management system.

JSL Stainless is enlarging its footprint in the EHS field sector by expanding and deepening its coverage with its state-of-the-art 'Centre for Environmental Excellence', backed up by sophisticated well equipped Environmental Laboratory and R&D Set-up, which will seek National Accreditation Board for Testing & Calibration Laboratories (NABL) and Ministry of Environment & Forest (MOEF) accreditations. Efficient use of resources is being practiced through effective management practices, technological measures and employee engagement process to make them environmentally aware and technically competent. The operations are dependent on the use of natural resources and have consequently incorporated energy management into its ISO 9001; Quality Management Systems (QMS) and Total Productive Maintenance (TPM) initiatives.

JSL Stainless's green compliances

All JSL Stainless operations adhere to stringent 'Green Compliances' and processes, certified as per International Environmental Standards; edging toward the concept of "stainless-green."

At JSL Stainless, concern for the environment is integral to our business strategy towards sustainability and we strive to fulfill all our environmental obligations and commitments towards minimizing our carbon footprints. Recovery Type Coke Oven plant, Waste Heat Recovery Boilers at Cold Rolling Mill have various by-product recovery, emission reduction, water conservation and energy efficiency objectives. This facilitates to realize the ambition of self-sufficiency in energy by reducing the plant's demand for propane gas / electricity in Reheating Furnace. Rain water harvesting and Scale Pits at Hot Strip Mill will help to conserve water to a large extent. Waste water treatments, elimination of dust during the production process and accident prevention are thrust areas. In order to promote a continuous improvement environment, JSL Stainless is unrelentingly working for waste reduction through adopting principles of '4-R' (reduce, reuse, recycle and reclaim), pollution prevention, and using tools like TPM, 5 S, 6 Sigma, etc. Various initiatives are taken resulting in reduction in waste generation and tangible benefits to the organization. These initiatives are continuous and more and more opportunities are being identified on regular basis.

Progress with People

JSL Stainless strongly believes that the true differentiator and source of its competitive advantage is its 'human capital'. Priority at JSL Stainless has always been to promote a corporate spirit based on shared values and integrated synergies, nurture a high performance workplace and foster an engaging environment. Our people processes are designed to ensure that our people grow in equal acceleration to the company's expanding canvas.

Hiring, providing career development for employees and retaining key talent are integral to our people processes. JSL Stainless competency based recruitment practice identifies the best applicants through a process that measures technical expertise, leadership capabilities and culture fit and this enables increased quality of hires. We are a preferred employer in our sector and continue to attract top talent in the industry.

JSL Stainless firmly believes in the linkage between developing leaders and achieving high performance. The company makes considerable investments in leadership development. We identify talent early and groom people through a series of varied assignments to prepare them for future roles. This is reinforced through EXCEED- An Integrated Leadership Development program which aims to achieve excellence through enhancing the leadership potential at JSL Stainless. In addition to on-the-job experience, we provide technical, functional and leadership skills training. Senior leaders also act as mentors and coaches for younger managers, helping them develop the skills necessary to lead large businesses.

JSL Stainless competency based Career Progression program reemphasizes JSL Stainless's leadership competencies while building on feedback for the learning areas for participants. Based on a univocal and integrated system that is fair and objective, it brings to us, the continuous development and potential assessment of managerial talent pool.

JSL Stainless has developed a target based performance management system-"GROW-Growth and Reward for Our Work" which institutionalises the process of Annual Target Setting and Reward at the company level, functional level and individual level.

A variety of in-house communication platform promote information sharing through open houses, departmental meetings, open forums and newsletters. J-Connect, an active Intranet and Knowledge Centre, supports information dissemination and enhances integration of JSL Stainless's beliefs and values. JSL Stainless regularly gauges employee satisfaction and well being through dipsticks, feedbacks, exit interviews, New Joinee Interface Programme etc. An employee index of 3.1 on a scale of 4 for employee satisfaction survey has reaffirmed JSL Stainless's belief in the way the organization builds teams and nurtures human talent.

JSL Stainless's human capital continues to appreciate in the profile and caliber of its people. Our Director's put on record their sincere appreciation towards its strong 5000 human complement.

SOCIAL CONCERNS**Philosophy**

"To address key social developmental issues and encourage all stakeholders to get engaged through Focused Sustainable Interventions with the aim of achieving the overall vision of JSL Stainless Ltd of becoming a Socially Responsible Corporate."

CSR Vision

Corporate Social Responsibility (CSR) is the strategic approach toward sustainable community development and the key to inclusive growth. With this as a focus, the company's corporate vision is "To be admired as a Socially Responsible Corporate and a Sustained Value Creator for all its Stakeholders".

MANAGEMENT DISCUSSION AND ANALYSIS

JSL Stainless Foundation

With an objective to effectively implement various social and environment programmes, JSL Stainless Foundation has been established as a registered society under the Registrar of Societies. In pursuit of its corporate vision the company through this foundation has initiated a wide range of social development programmes around its Corporate Head office and Plant locations with the aim of empowering communities and ameliorating lives of the less privileged sections of our society.

The company has established links with various National/International CSR initiatives and stresses upon participatory approach of Programme Development and Design. The company believes that “CSR is the direct connect between “Head & Heart” and can only be achieved when Professional speaks the “Language of Heart.”

Initiatives undertaken

The three pillars on which JSL Stainless Corporate CSR has been engaged over the past years are People, Planet and Profit. This is aligned to the strategic vision of the company, “To be admired as a Socially Responsible Corporate” which lends toward rendering support in the fulfillment of the Millennium Development Goals (MDGs). The CSR has embarked upon itself a large canvas of activities with the aim of mitigating problems of the marginalized sections of society, with a special focus in areas within the company spheres of influence. The CSR interventions of the company are essentially being carried out in Haryana, Odisha, Andhra Pradesh and Delhi and the company is in the process of expanding its activities in other parts of the country. The bottom line of the company's endeavour has been to develop a good relationship with all stakeholders and connect by speaking the language of the heart. JSL Stainless's 'Reach Out' policy is carried out under the aegis of “JSL Stainless Foundation” and is modeled as a strategic tool for Growth and Sustainable Development.

Mission Education Project: To make learning a fun process, exciting initiatives have been added to the education content of our programme such as establishing computer learning centers at government, public and private schools for the less privileged population in remote areas of Odisha, including a computer centre for the primary school under the SC/ST department. The company has also set up computer kiosks with animated software covering syllabi from Class I to Class XII. In addition, the company has added new innovative practices at schools, through Remedial Education Programmes and is in the process of establishing the concept of 'Sports for Development', which uses sports as a tool for creating added interest in education..

Skill Development Programme: Having carried out a 'Skill Gap Analysis Study', the findings reveal the need for scaling up the skill training activities and hence has reviewed the objectives of the Skill Training Institutes and up-scaled its course content. The company is introducing long courses in the Computer Networking and hardware, which is going to be for duration of 18 months, besides offering other courses to include hospitality, electrical and hydraulic courses. This company is also in the process of establishing a Stainless Skill Training Institute on a PPP model with the Government of Haryana.

Women Empowerment Programme: The company's thrust has been on empowering women both at work place and in the communities. To reinforce the UN Principles, the company has signed the UN statement of support on Women Empowerment Principles (WEP). There has been an increase in the recruitment of women in both categories of permanent and contractual employees and the programmes with the Self Help Groups established by the company in the vicinity of its plants been strengthened.

Community Health for All Programmes: The Integrated Health Care Programs have contributed significantly toward achieving the corporate objectives of 'Community Health for All'. The programmes are focused around the concept of 'Preventive Health Care' and the mobile clinics reach out to the remote villages on a weekly basis. As part of this programme, the company has integrated clean drinking water programmes and hygiene and sanitation programme. To address the 'gender issue', the programmes on 'Save the Girl Child' and HIV & AIDS have been created to meet this deficit and to sensitize the community.

Rural BPO: The company is in the process of setting up a Rural BPO to provide employment to the rural youth especially those trained in the Skill Training Institute. This is a great opportunity for the area to develop and a new employment pattern to emerge in this part of the state.

Green Initiative Programme: As part of its commitment toward environment, JSL Stainless, over the past year, has initiated a number of Green measures. Firstly it has set up a 'State of the art', green compliance test laboratory at Odisha and secondly up graded its manufacturing processes to meet the green standard norms. At its Corporate office in Delhi, JSL Stainless Ltd took the lead role toward making the building green through the 'Retrofit Building Programme', in partnership with an ESCO, thus reducing its carbon footprint in a very significant manner. In addition to the above, the company has taken up a project of Solid Waste Management and Community Solar lighting. These programmes on rain water harvesting and organic farming are also doing well, with more farmers wanting to increase their productivity through organic practices.



Global Partnerships: To show solidarity toward accomplishment of global sustainability objectives, JSL Stainless has become a member of the United Nations Global Compact (UNGC) and has been working toward its 10 principles, with a lot of work being carried out in the area of Human Rights and Environment. It has also become a member of the Global Compact Network India (GCN) and Global Business Initiative on Human Rights (GBI) and has contributed toward the drafting of the Guiding Principles of the UN framework of Protect, Respect and Remedy.

Employee Volunteering Programme: The company is also engaged in Employee Volunteering Programmes, where various messages are communicated to the volunteers who come forward to engage with the CSR teams. The volunteer programmes include various activities from solar lamp programme, to HIV & AIDS awareness programme, Energy conservation programmes etc.

Cautionary Statement:

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

AUDITORS' REPORT

To The Members of JSL Stainless Limited

We have audited the attached Balance Sheet of JSL Stainless Limited, as at 31st March 2011 and the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 (as amended) (herein after called The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c) The reports on the accounts of the branch audited by other Auditors have been forwarded to us and have been appropriately dealt with by us in preparing our report;
 - d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account and with the audited accounts from the branch;
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - f) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as a Director of the company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - g) Without qualifying attention is drawn to;
 - (i) Note no. 28 (C) (i) (a) of schedule 20 regarding pending necessary approvals for managerial remuneration as explained in the said note.
 - (ii) Note no. 7 (b) of schedule 20 regarding pending confirmations of balances of certain secured loans as stated in the said note.
 - (iii) Note no. 13 (c) of schedule 20 regarding investment and loan & advances to certain subsidiary companies, for the reason stated in said note, no provision for diminution in value is necessary in the opinion of management.
 - h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Lodha & Co.**
Chartered Accountants
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, 2011

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date to the Members of JSL Stainless Limited on the Financial Statements for the year ended 31st March, 2011)

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

AUDITORS' REPORT

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

Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	1.69	1995-96	Hon'ble High Court, New Delhi
		658.08	1999-04	Hon'ble High Court of Punjab & Haryana.
		27.19	2004-06	CESTAT, Delhi.
		7.57	2000-01	CESTAT, Delhi.
		113.07	2005-08	CESTAT, Delhi.
		180.10	2008-10	CESTAT, Delhi.
		57.14	1994-96	Commissioner of Central Excise, Rohtak
		7.63	1994-95	Add. Commissioner of Central Excise, Rohtak
		0.39	1996-97	Commissioner (Appeals), Gurgaon
		0.98	2008-09	Commissioner (Appeals), Gurgaon
		23.73	2009-10	Commissioner (Appeals), Gurgaon
		18.02	1995-97	Joint Commissioner of Central Excise, Rohtak
		6.53	2005-07	CESTAT, Bangalore
		3,309.88	2005-10	Commissioner of Central Excise, Bhubaneswar
		70.50	2009-11	Commissioner of Central Excise, Bhubaneswar
The Custom Act, 1962	Custom Duty	10.00	2008-09	Hon'ble High Court, Delhi
		60.00	2008-09	CESTAT, Delhi
Finance Act	Service Tax	745.67	2003-06	CESTAT, Delhi
		7.64	2008-10	CESTAT, Delhi
Sales Tax Act	Sales Tax	3.00	1993-94	Hon'ble High Court of Punjab & Haryana
		65.06	2002-05	Commissioner of Sales Tax Odisha, Cuttack
	O VAT	179.57	2005-06, 2006-07 & 2007-08	Stay petition before Additional Commissioner of Sales Tax and Writ Petition before High Court, Cuttack

Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Entry Tax Act, 1999	Entry Tax	22.71	2004-05	Commissioner of Sales Tax Odisha, Cuttack
		351.65	2007-08	Hon'ble Supreme Court
		79.56	2008-09	Hon'ble Supreme Court
		15.76	2009-10	Hon'ble Supreme Court
		4,129.01	2010-11	Hon'ble Supreme Court
Income Tax Act	Income Tax	6,103.86	2004-05, 2005-06, 2006-07 & 2008-09	Commissioner of Income Tax (Appeals), Delhi
			2002-03 & 2003-04	Hon'ble High Court, Delhi

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the year and also 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, in view of the debt restructuring approved under CDR mechanism as stated in note no.7 of schedule 20 and read together with notes no. 1 and 2 of schedule 4.
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. 20 of schedule 20)
16. In our opinion and on the basis of information and explanations given to us, the term loans raised during the year by the Company were applied for the purposes for which the loans were obtained where such end use has been stipulated by the lender, however pending utilization during the course of the year the loan fund has been temporarily deployed in mutual funds/bonds/deposited with banks.
17. On the basis of information and explanations given to us, and on the basis of an overall examination of the balance sheet of the Company, no funds raised on short-term basis have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. On the basis of the records made available to us, the Company has created necessary security and charge in respect of debentures outstanding at the year end.
20. The company has not raised any money through public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year nor we have been informed of such case by the management.

For **Lodha & Co.**
Chartered Accountants
FRN: 301051E

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
FRN: 000756N

Place : New Delhi
Date : 27th May, 2011

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

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

BALANCE SHEET AS AT 31ST MARCH, 2011

		(₹ in Lacs)	
DESCRIPTION	SCHEDULE	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,746.32	3,711.64
Reserves and Surplus	2	221,513.09	187,647.54
Employees Stock Option Outstanding	938.08		
Less : Deferred Employees Compensation Expenditure (Note No. 21 of Schedule 20)	716.13	221.95	-
		225,481.36	191,359.18
LOAN FUNDS			
Secured Loans	3	836,224.52	728,602.74
Unsecured Loans	4	13,928.36	25,889.34
		850,152.88	754,492.08
DEFERRED TAX LIABILITY (NET) (Note No. 27 of Schedule 20)		44,446.67	39,097.77
TOTAL		1,120,080.91	984,949.03
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		593,169.61	531,781.79
Less: Depreciation / Amortisation		176,928.54	141,463.24
Net Block		416,241.07	390,318.55
Add: Capital Work in Progress		507,050.72	388,498.24
		923,291.79	778,816.79
INVESTMENTS	6	16,724.64	35,144.69
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	210,872.18	163,286.49
Sundry Debtors	8	125,708.25	105,973.67
Cash and Bank Balances	9	32,937.92	68,750.24
Loans and Advances	10	97,992.45	81,795.61
		467,510.80	419,806.01
LESS:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	251,337.71	221,695.13
Provisions	12	38,539.43	29,902.24
		289,877.14	251,597.37
NET CURRENT ASSETS		177,633.66	168,208.64
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	13	2,430.82	2,778.91
TOTAL		1,120,080.91	984,949.03
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011



		(₹ in Lacs)	
DESCRIPTION	SCHEDULE	31.03.2011	31.03.2010
INCOME			
Gross Sales and Operational Income	14	733,009.33	611,944.14
Less : Excise Duty		51,229.23	36,289.27
Net Sales and Operational Income		681,780.10	575,654.87
Other Income	15	2,270.31	1,684.86
		684,050.41	577,339.73
EXPENDITURE			
Material, Manufacturing and Others	16	539,119.66	437,847.10
Personnel	17	15,205.35	12,144.35
Administrative and Selling	18	21,145.12	19,352.65
Interest and Bank Charges	19	33,304.73	39,938.83
Miscellaneous Expenditure Written off		348.09	317.68
Depreciation / Amortisation		35,614.29	33,988.71
		644,737.24	543,589.32
NET PROFIT BEFORE EXCEPTIONAL ITEMS		39,313.17	33,750.41
Add :			
Exceptional Items - Gain (Note No. 5 of Schedule 20)		5,422.49	23,287.23
NET PROFIT BEFORE TAXATION		44,735.66	57,037.64
Less:			
Provision for Taxation		8,922.25	4,377.54
MAT Credit Entitlement		(1,395.07)	(4,371.96)
Provision for Deferred Tax		5,348.90	19,183.44
Previous Year Taxation Adjustment		25.89	0.40
PROFIT AFTER TAXATION		31,833.69	37,848.22
ADD/(LESS) :			
Amount Brought Forward		37,465.33	-
Debenture Redemption Reserve Written Back		2,359.40	3,600.00
PROFIT AVAILABLE FOR APPROPRIATIONS		71,658.42	41,448.22
Debenture Redemption Reserve		-	3,982.89
Balance carried to Balance Sheet		71,658.42	37,465.33
		71,658.42	41,448.22
Earning Per Share (in ₹) (Note No. 26 of Schedule 20)			
- Basic		17.12	23.33
- Diluted		16.71	21.87
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

SCHEDULES TO THE BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "1"		
SHARE CAPITAL		
(Read with Note No. 21 of Schedule 20)		
AUTHORISED		
475,000,000 (475,000,000) Equity Shares of ₹ 2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
187,315,792 (185,582,172) Equity Shares of ₹ 2/-each fully paid up	3,746.32	3,711.64
TOTAL	3,746.32	3,711.64

Of the above :-

- A) 13,778,717 Equity Shares of ₹ 10/-each fully paid up issued to Shareholders of Jindal Strips Limited pursuant to Scheme of Arrangement & Demerger.
- B) One Equity Share of ₹ 10/-each fully paid up issued to Shareholders of J - Inox Creations (P) Ltd. and Austenitic Creations (P) Ltd. pursuant to the Scheme of Amalgamation.
- C) 5,153,293 Fully Paid Up Bonus Equity Shares of ₹ 10/- each in the ratio of 253 Equity Shares of ₹ 10/- each for every 679 Equity Shares of ₹ 10/- each, allotted out of Share Premium and Capital Redemption Reserve to the equity shareholders of the company pursuant to Scheme of Arrangement and Demerger.
- D) 999,752 Equity Shares of ₹ 10/- each fully paid up allotted to the holders of 460 Foreign Currency Convertible Bonds of US\$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 100/- each on 13.01.2004.
- E) Company has subdivided the Equity Shares of ₹ 10/- each into Equity Shares of ₹ 2/- each on 10.03.2004.
- F) 9,997,524 Equity Shares of ₹ 2/- each fully paid up allotted to the holders of 920 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 20/- each on 24.12.2004.
- G) 16,734,984 & 869,350 (represented by 8,367,492 nos. & 434,675 nos. GDS) Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 1540 & 80 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 20/- each during the years ended on 31.03.2006 & 31.03.2007 respectively.
- H) 3,907,028 & 9,213,726 Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 2141 & 5049 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the years ended on 31.03.2006 & 31.03.2008 respectively.
- I) 6,800,000 & 7,150,000 & 7,550,000 Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of equity share warrants at predetermined conversion rate of ₹ 103/- each during the years ended on 31.03.2007 & 31.03.2008 & 31.03.2009 respectively.
- J) 23,447,240 Equity Shares of ₹ 2/- each fully paid up allotted to the Qualified Institutional Buyers at ₹ 105.50 each during the year ended on 31.03.2010.
- K) 1,733,620 Equity Shares of ₹ 2/- each fully paid up allotted to the holders of 950 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the year ended on 31.03.2011.

SCHEDULES TO THE BALANCE SHEET



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "2"		
RESERVES AND SURPLUS		
A. SECURITIES PREMIUM ACCOUNT		
As per last account	75,364.04	51,096.14
Add : On Conversion of Foreign Currency Convertible Bonds/Issue of QIP	2,043.45	24,267.90
	77,407.49	75,364.04
B. GENERAL RESERVE		
As per last account	62,856.91	62,856.91
Add : Foreign Currency Translation Reserve	31.00	42.59
	62,887.91	62,899.50
C. DEBENTURE REDEMPTION RESERVE		
As per last account	9,757.85	9,374.96
Add : Transferred from Profit and Loss Account	-	3,982.89
Less : Written Back during the year	2,359.40	3,600.00
	7,398.45	9,757.85
D. CENTRAL/STATE SUBSIDY RESERVE		
As per last account	39.27	39.27
(Against fulfilment of certain stipulations)		
	39.27	39.27
E. CAPITAL REDEMPTION RESERVE		
As per last account	2,000.00	2,000.00
	2,000.00	2,000.00
F. AMALGAMATION RESERVE		
As per last account	121.55	121.55
	121.55	121.55
G. SURPLUS - PROFIT AND LOSS ACCOUNT		
	71,658.42	37,465.33
TOTAL	221,513.09	187,647.54

SCHEDULES TO THE BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "3"		
SECURED LOANS		
(Read with Note No. 7 & 13 (b) of Schedule 20)		
A. Redeemable Non-Convertible Debentures	25,000.00	25,000.00
B. Term Loans from Banks		
Rupee Term Loans	395,307.30	323,592.59
Foreign Currency Loans	123,680.08	135,755.47
	518,987.38	459,348.06
C. Funded Interest Term Loans from Banks/FI	47,310.81	20,455.31
D. Car Loans from Banks	87.17	156.85
E. Buyer's Credit in Foreign Currency		
Against Capital Goods	138,457.61	106,950.39
Against Working Capital	82,028.72	27,569.59
	220,486.33	134,519.98
F. Working Capital Facilities from Banks	24,352.83	89,122.54
TOTAL	836,224.52	728,602.74

NOTES:-

I.

- A. 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
Debentures of ₹ 1,000,000 each are redeemable in 28 equal quarterly installments starting from 1st July, 2012 and ending on 1st April, 2019 and coupon is revised to 9.75%.
- B. Term Loans amounting to ₹ 439,625.94 Lacs (₹ 387,301.19 Lacs) 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
Term Loans amounting to ₹ 2,706.21 Lacs (₹ 5,412.42 Lacs) are secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present & future.
Term Loans amounting to ₹ 76,655.23 Lacs (₹ 66,634.45 Lacs) are secured by second 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- C. Funded Interest Term Loans (FITL) amounting to ₹ 47,310.81 Lacs (₹ 20,455.31 Lacs) {including ₹ 3,875.39 Lacs (₹ 1,683.41 Lacs) from Financial Institutions} 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- D. Secured by way of hypothecation of vehicles purchased thereunder.
- E. Buyers Credit amounting to ₹ 138,457.61 Lacs (₹ 106,950.39 Lacs) 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
Buyers Credit amounting to ₹ 82,028.72 Lacs (₹ 27,569.59 Lacs) are secured by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work in progress, consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other movable and immovable properties of the Company.
- F. 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 movable and immovable properties of the Company.

II.

- A. Above loans of ₹ 717,917.14 Lacs including FITL are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) (Note no.7 of Schedule 20) and
- B. Pari passu pledge/ non-disposal undertaking/lodgement of 65,306,625 nos. of equity shares held in the company (JSI) by promoters and company's entire shareholding in the subsidiaries as listed in Note no. 7 of Schedule 20.

SCHEDULES TO THE BALANCE SHEET



DESCRIPTION	(₹ in Lacs)	
	31.03.2011	31.03.2010
SCHEDULE - "4"		
UNSECURED LOANS		
Foreign Currency Convertible Bonds @	4,593.80	14,031.40
Fixed Deposits	8,274.07	10,208.58
Security Deposits from Agents / Dealers / Others	1,060.49	1,649.36
TOTAL	13,928.36	25,889.34

NOTE:-

@

- Foreign Currency Convertible Bonds (FCCB) originally issued to the Foreign investors on 24th December, 2004 with 0.50% coupon rate, amounting to USD 60 million, out of which USD 24.05 million were outstanding as on 31st March 2010. In terms of the Agreement executed with Trustee for Bondholders on 6th December 2010 for restructuring of FCCB, the Company has paid accrued YTM amounting to USD 7.20 million, outstanding as on 31st March, 2010, from 23rd December 2004 to 24th December 2009 to all outstanding USD 24.05 million FCCB holders.
- Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the 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. These FCCBs would now be termed as "Convertible Bonds due December 24, 2019". Further, post FCCB restructuring, the Company has received conversion notice for 950 FCCBs amounting to USD 4.75 million and subsequently the company has allotted 17,33,620 fully paid equity shares on 7th January, 2011. Thus, the outstanding FCCBs as on 31st March, 2011 were USD 10.30 million.

SCHEDULE - "5"

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2010	ADDITIONS DURING THE YEAR	SALE/ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31.03.2011	UPTO LAST YEAR	DURING THE YEAR ****	ON SALE/ADJUSTMENT	TOTAL UPTO 31.03.2011	31.03.2011	31.03.2010
LAND*	11,124.43	795.86	-	11,920.29	205.86	44.15	-	250.01	11,670.28	10,918.57
BUILDINGS	47,563.30	4,124.93	-	51,688.23	5,335.56	1,275.64	-	6,611.20	45,077.03	42,227.74
PLANT & MACHINERY **	454,631.34	56,194.42	321.83	510,503.93	130,229.80	32,982.07	122.50	163,089.37	347,414.56	324,401.54
ELECTRIC INSTALLATION	11,255.01	114.87	5.34	11,364.54	2,139.35	632.82	2.27	2,769.90	8,594.64	9,115.66
VEHICLES	1,947.35	345.69	96.61	2,196.43	919.64	184.33	50.01	1,053.96	1,142.47	1,027.71
FURNITURE, FIXTURES & EQUIPMENTS	1,738.58	183.02	0.69	1,920.91	715.02	124.73	0.61	839.14	1,081.77	1,023.56
POWER LINE AND BAY EXTENSION	1,211.87	-	-	1,211.87	396.23	121.19	-	517.42	694.45	815.64
INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	710.28	136.92	-	847.20	521.98	658.90
SOFTWARE	940.73	53.50	-	994.23	811.50	138.84	-	950.34	43.89	129.23
TOTAL	531,781.79	61,812.29	424.47	593,169.61	141,463.24	35,640.69	175.39	176,928.54	416,241.07	390,318.55
CAPITAL WORK IN PROGRESS *** {Including preoperative expenses pending allocation/ capitalisation}									507,050.72	388,498.24
PREVIOUS YEAR	504,636.96	29,664.12	2,519.29	531,781.79	109,087.27	34,015.06	1,639.09	141,463.24	390,318.55	

* Include land acquired on lease amounting to ₹ 4,031.27 Lacs (₹ 3,610.91 Lacs) and amount amortised thereon during the year is ₹ 44.15 Lacs (₹ 41.78 Lacs).

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

** Plant & Machinery Sale/Adjustment include ₹ 12.94 Lacs (₹ 1,060.73 Lacs) and Depreciation on sale include ₹ 3.68 Lacs (₹ 330.31 Lacs) transferred by HR Division to Jaipur Division and that is CWIP of Jaipur Division.

** Include Plant & machinery acquired on Lease amounting to ₹ 1,132.12 Lacs (₹ Nil) and depreciation thereon during the period ₹ 14.14 Lacs (₹ Nil).

*** Include capital advances ₹ 16,935.03 Lacs (₹ 68,913.34 Lacs) and project inventory ₹ 112,680.26 Lacs (₹ 154,241.45 Lacs).

**** Depreciation ₹ 26.40 Lacs (₹ 26.35 lacs) considered under pre-operative expenses.

\$ Intangible Assets are amortised as under:

Technical Know How	10 Years
Software	5 Years

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - "6"

INVESTMENTS

(₹ in Lacs)

DETAILS OF INVESTMENTS				31.03.2011			31.03.2010		
Sr. No.	PARTICULARS	Nos.	Face Value (₹)	Amount	Nos.	Face Value (₹)	Amount		
Current Investments - Non Trade (At Cost Less Provision)									
A Mutual Funds									
1	Baroda Pioneer Liquid Fund-Institutional Growth Plan	-	-	-	18,981,815	10.00	2,000.00		
2	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	-	-	-	60,003,729	10.00	6,200.65		
3	Canara Rebeco Treasury Advantage Super Instt Growth Fund	-	-	-	42,670,797	10.00	5,917.99		
4	Reliance Liquidity Fund-Growth Option (Growth)(LQ-GP)	-	-	-	3,615,003	10.00	500.88		
5	UTI Liquid Cash Plan Institutional-Growth Option	-	-	-	264,904	1,000.00	4,000.00		
Total (A)				-			18,619.52		
B Equity Shares Fully Paid Up - Quoted									
1	Bhartiya International Limited	114,609	10.00	59.60	114,609	10.00	73.12		
2	Central Bank of India	7,247	10.00	7.39	7,247	10.00	7.39		
3	Hotel Leela Ventures Limited	90,000	2.00	34.82	90,000	2.00	44.10		
4	Mundra Port and SEZ Limited	7,355	2.00	6.47	1,471	10.00	6.48		
Total (B)				108.28			131.09		
Long Term Investments									
A Govt./Semi Govt. Securities - Non Trade									
1	12.40% Government of India Stocks (Face value ₹ 40 Lacs)	-	-	41.14	-	-	41.14		
2	National Savings Certificate *	-	-	1.17	-	-	1.47		
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00	103.40		
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00	40.00		
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00	97.71		
6	8.57% Andhra Pradesh SDL 2020	220,000	100.00	222.48	-	-	-		
Total (A)				505.90			283.72		
B Equity Shares Fully Paid Up - Unquoted									
1	Jab Resources Limited ^	-	-	-	3,333,067	Cents 15	179.59		
2	Golden Touch Resources Corporation	555,512		179.59	-		-		
3	MJSJ Coal Limited #	3,609,000	10.00	360.90	3,609,000	10.00	360.90		
4	JSL Energy Limited	1,000	10.00	0.10					
Total (B)				540.59			540.49		
C Equity Shares Fully Paid Up of Subsidiary Company - Trade - Unquoted									
1	Jindal Stainless Steelway Limited	14,061,667	10.00	2,581.25	14,061,667	10.00	2,581.25		
2	PT. Jindal Stainless Indonesia @	12,499,900	USD 1	5,468.38	12,499,900	USD 1	5,468.38		
3	JSL Architecture Limited (Formerly Jindal Architecture Limited)	4,100,100	10.00	410.01	4,100,100	10.00	410.01		
4	JSL Lifestyle Limited (Formerly Austenitic Creations Private Limited)	17,795,600	10.00	2,051.39	17,795,600	10.00	2,051.39		
5	Jindal Stainless FZE - Wholly owned subsidiary	6	AED 1000000	723.80	6	AED 1000000	723.80		
6	Jindal Stainless UK Limited - Wholly owned subsidiary	100,000	GBP 1	77.20	100,000	GBP 1	77.20		
7	Green Delhi BQS Limited	51,000	10.00	5.10	51,000	10.00	5.10		
8	JSL Media Limited (Formerly Parivartan City Infrastructure Limited)	49,970	10.00	5.00	49,970	10.00	5.00		
9	Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	4,499,700	YTL 1	1,601.60	4,499,700	YTL 1	1,601.60		
10	Jindal Aceros Inoxidables S.L. - Wholly owned subsidiary	20,000	EURO 1	13.59	20,000	EURO 1	13.59		
11	JSL Group Holdings Pte. Limited - Wholly owned subsidiary	6,657,565	SGD 1	2,201.18	6,657,565	SGD 1	2,201.18		
12	JSL Logistics Limited - Wholly owned subsidiary	50,000	10.00	5.00	50,000	10.00	5.00		
13	Iberjindal S.L.	650,000	EURO 1	426.37	650,000	EURO 1	426.37		
Total (C)				15,569.87			15,569.87		
GRAND TOTAL				16,724.64			35,144.69		

* Lodged with Government Authorities as Security.

^ During the year, merged with Golden Touch Resources Corporation.

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

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

Aggregate value of Current Investment	108.28	18,750.61
Aggregate value of unquoted investment	16,616.36	16,394.08
Aggregate value of quoted investment	108.28	131.09
Market value of quoted investment	114.66	139.46

SCHEDULES TO THE BALANCE SHEET



INVESTMENTS

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

(₹ in Lacs)

		31.03.2011			31.03.2010		
Sr. No.	DESCRIPTION	Purchase Value	Sale Value	No. of Units (Sold/Purchase)	Purchase Value	Sale Value	No. of Units (Sold/Purchase)
MUTUAL FUNDS							
1	Axis Liquid Growth Fund	-	-	-	24,000.00	24,002.94	2,372,293
2	Axis Treasury Advantage Growth Fund	-	-	-	19,802.07	19,826.83	1,954,824
3	Canara Robeco Liquid Super Instt Growth Fund	-	-	-	73,125.00	73,219.74	666,129,584
4	Canara Robeco Treasury Advantage Super Int Growth Fund	-	-	-	11,984.01	12,000.00	86,772,690
5	DBS Chola Liquid Insta Plus - Cumulative	-	-	-	5,008.68	5,012.38	41,313,814
6	DWS Ultra Short Term Fund - Institutional Growth	-	-	-	69,267.31	69,407.83	656,805,319
7	DWS Insta Cash Plus Fund - Growth Option	-	-	-	76,900.00	76,918.85	658,007,177
8	Bharti AXA Liquid Fund	-	-	-	500.00	500.04	45,903
9	Bharti AXA Treasury Advantage Fund	-	-	-	500.04	500.27	45,574
10	Sundarm BNP Paribas Money Fund	-	-	-	6,500.00	6,516.79	34,711,912
11	HDFC Floating Rate Income Fund - Short Term Plan	-	-	-	98,033.53	98,238.65	640,426,841
12	HDFC Liquid Fund - Premium Plus Plan - Growth	-	-	-	123,321.00	123,340.76	680,025,983
13	IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	-	-	-	80,312.36	80,545.34	754,729,998
14	IDFC Cash Fund - Super Inst Plan C - Growth	-	-	-	105,400.72	105,419.69	960,156,585
15	LIC MF-Liquid Fund- Growth Plan	-	-	-	69,770.00	70,004.69	427,442,563
16	Principal Cash Management Fund - Liquid Option Instl. Premium Plan - Growth	-	-	-	113,288.00	113,411.65	808,706,066
17	Principal CMF Liquid Option Insti. Prem. Plan-Growth	-	-	-	44,254.08	44,306.65	308,149,999
18	Reliance Money Manager Fund	-	-	-	32,504.76	32,549.15	2,627,144
19	Reliance Liquid Fund - Growth Option	9,000.00	9,004.13	63,572,791	58,899.11	58,911.40	429,323,070
20	SBI Magnum Insta Cash Fund - Cash Option	-	-	-	21,400.00	21,454.74	108,346,960
21	UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	-	-	-	54,211.26	54,354.94	4,520,521
22	UTI Liquid Fund- Growth Plan	-	-	-	53,300.84	53,335.87	3,615,383
23	Baroda Pioneer Liquid Fund	-	-	-	24,600.00	24,603.18	235,720,084
24	Baroda Pioneer Treasury Advantage Fund	-	-	-	15,401.61	15,421.89	150,626,582
25	Tata Liquid Fund	-	-	-	48,160.00	48,204.94	2,879,105
26	Tata Floater Growth Fund	-	-	-	14,101.84	14,118.43	103,551,233

(₹ in Lacs)

DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares [Including material in transit ₹ 1,257.28 Lacs (₹ 879.60 Lacs)]	13,090.39	10,293.20
ii) Raw Materials [Including material in transit ₹ 27,359.32 Lacs (₹ 18,351.94 Lacs)]	68,625.88	48,494.37
iii) Finished Goods	73,673.68	58,134.37
iv) Trading Goods	1,084.23	342.74
v) Work in Progress	52,724.04	45,403.26
vi) Scrap (at estimated realisable value)	1,673.96	618.55
TOTAL	210,872.18	163,286.49

SCHEDULES TO THE BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	17,589.32	5,735.18
ii) Considered doubtful	113.77	128.41
Less: Provision	113.77	128.41
	17,589.32	5,735.18
Others - Considered good	108,118.93	100,238.49
TOTAL	125,708.25	105,973.67
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	19.24	30.00
Cheques / Money in Transit	1,177.43	887.91
Stamps in Hand	0.17	0.71
Balance with Scheduled Banks		
In Current Accounts	2,729.51	11,733.82
In Fixed Deposit Accounts Indian Currency *	27,043.18	9,685.59
In Fixed Deposit Accounts Indian Currency (Unutilised money out of ECB proceeds) **	1,935.68	21,653.44
In Escrow Account (Unutilised money out of QIP Proceeds) (Read with Note No. 18 of Schedule 20)	-	24,736.84
Balance with Non-Scheduled Banks in Foreign Currency in Current Accounts		
In ANZ Bank [Maximum Outstanding during the year ₹ 3.58 Lacs (₹ 3.77 Lacs)]	3.29	1.54
In ICBC Bank [Maximum Outstanding during the year ₹ 8.88 Lacs (₹ 10.55 Lacs)]	3.75	3.63
In SA Korea First Bank [Maximum Outstanding during the year ₹ 21.03 Lacs (₹ 9.74 Lacs)]	1.24	1.37
In ZAO Citi Bank, Moscow [Maximum Outstanding during the year ₹ 16.47 Lacs (₹ 10.96 Lacs)]	14.82	10.96
In Raiffeisen Bank, Poland [Maximum Outstanding during the year ₹ 12.05 Lacs (₹ 10.43 Lacs)]	7.93	0.27
In Bangkok Bank, Thailand [Maximum Outstanding during the year ₹ 12.10 Lacs (₹ 11.04 Lacs)]	1.64	4.12
Puja & Silver Coins	0.04	0.04
TOTAL	32,937.92	68,750.24

* ₹ 1,016.95 Lacs (₹ 7,773.40 Lacs) is under lien with Banks.

** ₹ Nil (₹ 9,953.44 Lacs) is under lien with Banks.

SCHEDULES TO THE BALANCE SHEET



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured, Considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received (Net of Provision) [Including Advances to Subsidiary Companies ₹ 2,322.67 Lacs (₹ 2,053.18 Lacs)] [Net of Provision of ₹ 23.66 Lacs (₹ 23.66 Lacs)]	37,298.88	31,103.93
Interest Accrued on Investments / FDR	69.68	199.24
Loans to Subsidiary Companies	7,140.13	6,931.84
Security Deposits [Net of Provision of ₹ 54.00 Lacs (₹ Nil)]	6,385.81	6,728.08
Pre-paid Taxes	40,124.07	30,730.78
MAT Credit Entitlement	6,832.78	5,437.71
Balance with Central Excise	141.10	664.03
TOTAL	97,992.45	81,795.61
SCHEDULE - "11"		
CURRENT LIABILITIES		
Acceptances	108,461.98	74,567.45
Sundry Creditors - Others [Including due to SME ₹ 36.46 Lacs (₹ 45.88 Lacs)]	83,220.48	73,740.84
Other Outstanding Liabilities	37,778.00	34,393.20
Due to Customers and others	19,036.51	36,515.42
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividend	129.36	163.12
ii) Unclaimed Matured Deposits	155.96	109.79
iii) Interest Accrued on (i) to (ii)	162.09	133.77
Interest Accrued but not due	2,393.33	2,071.54
TOTAL	251,337.71	221,695.13
SCHEDULE - "12"		
PROVISIONS		
For Taxation	37,666.03	28,952.32
For Employee Benefits	873.40	949.92
TOTAL	38,539.43	29,902.24
SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Mine Development Expense	2,778.91	2,832.22
Add : Additions During the year	-	264.37
Less : Written off During the year	348.09	317.68
TOTAL	2,430.82	2,778.91

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	728,499.72	608,380.09
Job Charges Received	1,055.08	31.52
Export Benefits	3,454.53	3,532.53
TOTAL	733,009.33	611,944.14
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	1.54	1.77
Profit on Sale of Investments (Net) [On Current Investments Profit ₹ 54.81 Lacs (₹ 650.50 Lacs)] [On Current Investments Loss on Diminution in value ₹ 22.81 Lacs (₹ Nil)] [On Current Investments reversal of loss on Diminution in value ₹ Nil (₹ 83.30 Lacs)]	32.00	733.80
Previous Years Adjustment (Net) (Note No. 23 of Schedule 20)	948.58	386.73
Lease Rent	3.00	3.00
Miscellaneous Receipt	1,089.70	489.64
Claims Received	195.49	69.92
TOTAL	2,270.31	1,684.86
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	445,478.91	346,533.29
Goods Purchased for Sale	15,345.60	1,522.29
Stores and Spares Consumed	30,571.72	29,399.61
Labour Processing & Transportation Charges	7,190.75	6,746.98
Power and Fuel	56,023.53	50,372.86
Repairs to Buildings	75.07	108.65
Repairs to Plant & Machinery	1,727.61	1,371.49
Job Work Expenses	2,639.81	2,395.41
Other Manufacturing Expenses	4,155.96	2,026.04
TOTAL- A	563,208.96	440,476.62
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	58,134.37	57,574.34
Trading Goods	342.74	188.71
Scrap	618.55	235.73
Work in Progress	45,403.26	42,328.64
TOTAL - B	104,498.92	100,327.42
Closing Stock		
Finished Goods - Manufactured	73,673.68	58,134.37
Trading Goods	1,084.23	342.74
Scrap	1,673.96	618.55
Work in Progress	52,724.04	45,403.26
TOTAL - C	129,155.91	104,498.92
(INCREASE) IN STOCKS - D (B - C)	(24,656.99)	(4,171.50)
Excise Duty on account of increase in Stock of Finished Products (E)	567.69	1,541.98
TOTAL (A + D + E)	539,119.66	437,847.10

SCHEDULES TO THE PROFIT & LOSS ACCOUNT



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	13,953.56	11,140.62
Contribution to Provident and other funds	770.45	613.60
Workmen and Staff Welfare	481.34	390.13
TOTAL	15,205.35	12,144.35
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	252.49	258.17
Lease Rent	5.33	4.41
Rates and Taxes	57.81	47.04
Insurance	1,157.62	835.85
Legal and Professional	1,190.99	1,259.71
Postage, Telegram, Telex and Telephone	361.20	323.57
Printing and Stationery	292.99	345.88
Travelling and Conveyance	617.66	506.65
Directors' Meeting Fees	5.30	5.00
Vehicle Upkeep and Maintenance	382.07	331.44
Auditors' Remuneration	43.81	39.21
Selling Expenses	760.34	1,001.03
Freight & Forwarding Expenses	6,895.99	4,690.78
Commission on Sales	2,191.95	2,230.29
Provision for Doubtful Debts / Advances	109.53	49.30
Bad Debts	₹ 112.39 Lacs (₹ 38.35 Lacs)	42.23
Less : Provision for Doubtful Debts reversed	₹ 70.16 Lacs (₹ 0.65 Lacs)	37.70
Advertisement & Publicity	285.43	54.44
Miscellaneous Expenses	1,398.73	1,224.56
Donation	85.54	77.88
Discount & Rebate	4,984.59	5,931.73
Loss on Sale / Discard of Fixed Assets (Net)	23.52	98.01
[Profit of ₹ 9.77 Lacs (₹ 2.84 Lacs) on Sale]		
[Loss of ₹ 22.47 Lacs (₹ 28.55 Lacs) on Sale]		
[Loss of ₹ 10.82 Lacs (₹ 72.30 Lacs) on Discard]		
TOTAL	21,145.12	19,352.65

SCHEDULES TO THE PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	29,294.50	26,531.89
Others	7,210.20	15,044.00
Financial Expenses / Bank Charges	2,369.22	1,782.99
	38,873.92	43,358.88
Less: Interest received		
Interest on Securities (Net) [Including interest on Current investments ₹ Nil (₹ 4.60 Lacs)]	41.30	29.41
Loans & Advances [TDS ₹ 61.22 Lacs (₹ 90.46 Lacs)] [Including interest on loan to subsidiary companies ₹ 576.73 Lacs (₹ 680.00 Lacs)]	679.37	752.30
Banks [TDS ₹ 10.12 Lacs (₹ 61.85 Lacs)]	248.75	108.16
Interest on Debtors [TDS ₹ 263.28 Lacs (₹ 142.85 Lacs)]	4,599.77	2,491.26
Others	-	38.92
	5,569.19	3,420.05
TOTAL	33,304.73	39,938.83

SCHEDULE - "20"

NOTES TO BALANCE SHEET & PROFIT AND LOSS ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES:

i) **Basis of Preparation of Financial Statements**

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

ii) **Use of Estimates**

The preparation of financial statements requires use of estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / 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 & De-merger are stated at their fair market values based on the valuation report of financial consultant.

b) **Depreciation & Amortisation**

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

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

d) Lease Hold 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 amortised over the expected duration of benefit or 10 years, whichever is lower.

C) Impairment

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

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

iv) **Revenue Recognition**

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

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

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

v) **Borrowing Costs**

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

vi) **Foreign Currency Transactions**

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

NOTES TO ACCOUNTS

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

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

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

vii) Investments

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

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

viii) Valuation of Inventories

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

ix) Employee Benefits

a) Short term Employee Benefits

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

b) Defined Contribution Plans

The Provident Fund and 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 precious raw material metal are mitigated by hedging on futures/ option market. The results of metal hedging contracts/transactions are recorded upon their settlement as part of raw material cost.

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

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

xiii) Contingent Liabilities

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

(₹ in Lacs)

2A. Contingent Liabilities not provided for in respect of:	As at 31.03.2011	As at 31.03.2010
a) Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	4,293.15	5,754.63
b) Letter of Credit outstanding	81,132.32	60,429.56
c) Bills discounted by banks	26,290.73	7,125.36
d) i) a) Sales tax Demands against which Company has preferred appeals.	280.68	280.68
b) Income tax Demands against which Company has preferred appeals.	6,621.38	3,386.73
ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	9,544.41	5,782.65
e) Claim against the company not acknowledged as debt	9,547.30	9,269.70
f) Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2011 ₹ 23,144.54 Lacs (₹ 1,822.67 Lacs)}	80,934.71	17,006.03
g) 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

2B. Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2011 and 31st March, 2010 is ₹ 353.26 Lacs and ₹ 1,045.41 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.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 45,557.21 Lacs (₹ 91,352.22 Lacs).

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

5. Exceptional Items includes gain (net) of ₹ 4,741.27 Lacs (₹ 18,072.60 Lacs) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ (600.56) Lacs (₹ 2,601.04 Lacs) upon marked to market of derivatives contracts, gain of ₹ 1,281.78 Lacs (₹ 2,613.59 Lacs) on forward cover cancellation, resulting from volatile global market.

6. a) Addition/adjustment to Plant & Machinery / Capital Work-In-Progress includes ₹ 6,508.11 Lacs (Net Credit) { ₹ 9,282.36 Lacs (Net Credit)} on account of foreign exchange fluctuation on Loan/Liability including fluctuation relating to forward cover. (Includes amount disclosed in Note No. 16 (c) below).

b) Interest paid on fixed loan includes pro-rata premium of ₹ 90.92 Lacs (Net Debit) { ₹ 703.52 Lacs (Net Debit)}.

7. Corporate Debt Restructuring:

a) Pursuant to the approval of CDR (the Scheme) under the CDR mechanism approved by the EMPOWERED group of CDR (CDR EG) in previous year and Master Restructuring Agreement (MRA) had been executed with lenders. The Scheme inter alia includes restructuring of Re-payment Schedule, Reduction/adjustment in interest rates and additional security in favour of CDR lenders by pledge of Shares under promoters control in the company.

b) Interest has been accounted for based upon terms of package/ confirmation so far received from banks. Balance of certain secured loans (including FITL) is subject to confirmation and/or reconciliation.

c) The Funded Interest Term Loan (FITL) has been created on certain credit facilities as per CDR scheme approved. On the decision of the MC that the entire debt services by the company post cut off date i.e. 30th June, 2009 was to be refunded back to the company, which however was pending for sanctions from few of the respective banks/FIs. Accordingly the value of debts service (including interest paid) post cut off date amounting to ₹ 1,353.36 Lacs (₹ 9,048.70 Lacs) to be refunded by banks/Institutions included under Loans and Advances.

d) As stipulated, promoters shall arrange to bring funds to meet short fall in cash flows on demand by CDR EG.

e) The Credit facilities/ loans under CDR is further secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal. Further for waiver of Unconditional and irrevocable corporate guarantee of promoters group companies (as stated in MRA) in proportion to the numbers of equity shares held by them in the company, final decision is under consideration. Balance certain covenants/conditions as stipulated in CDR package are in process of compliance.

NOTES TO ACCOUNTS

- f) (i) During the year Company has received necessary approval for part conversion of Non Convertible Debenture of ₹ 180 crores into Rupee Term Loan. (ii) Further, during the year, the CDR lenders have approved for restricting the FITL build up period to 31st March, 2011 instead of earlier approved FITL build up period till 31st March, 2012. Thus, post 31st March, 2011, the company has also started to service the interest on the respective domestic term loans on which the FITL was being created, instead of being converted into FITL, and (iii) The company have pari passu pledged and submitted non-disposal undertaking for all its investments in subsidiaries as listed below :
- JSL Life Style Limited (formerly Austenitic Creations Private Limited)
 - JSL Logistics Limited
 - PT. Jindal Stainless Indonesia
 - Jindal Stainless UK Limited
 - Jindal Stainless FZE
 - JSL Group Holdings Pte. Limited
 - JSL Architecture Limited (formerly Jindal Architecture Limited)
 - Jindal Stainless Madencilik Sanayi Ticaret A.S.
 - Jindal Aceros Inoxidables S.L.
8. During the financial year 2007-08 the Company had filed Writ Petition in Hon'ble High Court of Odisha challenging the validity of Entry Tax Act, 1999. The Hon'ble High Court of Odisha vide their order dated 16.05.2007 granted stay to the extent of depositing 50% of the entry tax demand raised by the Commercial tax Department. However, the Company has provided full liability for entry tax in the books of accounts during the year 2007-08 while deposited 50% amount with the Department. The outstanding amount of liability on this account as on 31st March, 2008 was ₹ 351.65 Lacs which still remains outstanding.
- Subsequently in February, 08, the Hon'ble High Court disposed off the Writ Petition. As per legal advice received by the Company on interpretation of the High Court Order, it believes that its liability will be less than the amount already deposited. Accordingly, the Company has filed the refund application which has been rejected by Joint Commissioner. Subsequently the company has gone for appeal to the Appellate Authority and the hearing is pending. The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the Hon'ble Supreme Court has been given stay against the order of Hon'ble High Court. The company again appealed to the Hon'ble Supreme Court against the stay & the Hon'ble Supreme Court after several hearing, ordered to deposit under protest 1/3rd of the outstanding liability. Accordingly the company is depositing 1/3rd of the liability as per order given by the Hon'ble Supreme Court. Pending this, liability of ₹ 4,575.98 lacs may arise depending upon final decision by Hon'ble Supreme Court.
9. Sundry debtors include due from Grid corporation of Odisha (Gridco) Limited outstanding for more than six month amounting to ₹ 63.43 crore. The company had initiated legal action for recovery of amount due upto the end of the previous year and part of the debtors has been realized during the financial year 2010-11. Pending litigation, these debtors balances are not reconciled. The debtors also include interest on overdue amount accounted for in terms of contractual obligation. The management is hopeful of recovery of these debtors from Gridco.
10. The Company was granted formal approval by the Ministry of Commerce and Industry vide letter No.F2/444/2006.SEZ dated 25.10.2006 for development of a Special Economic Zone for Stainless steel and ancillary/ downstream industry at Kalinga Nagar, Odisha. The SEZ has been notified vide Notification S.O.2004(E) dated 28.11.2007. The Company was also granted approval to set up a SEZ unit in the said SEZ vide letter No.SEZ/LIC/J-7(1)/2008/955 dated 11.06.2008 issued by the Development Commissioner, Falta SEZ. Due to change in global economic scenario, the Company's request for de-notification of SEZ was in-principle approved by the Board of Approval (BOA) and the Unit Approval Committee has approved de-bonding of the SEZ unit subject to refund of taxes / duties. The amount of Tax/ Duty already paid on account of customs duty, excise duty and others is ₹ 10,160.16 Lacs. Additionally, the Company has taken EPCG license for ₹ 567.24 Crores as per Rule 74 of Special Economic Zones Rules, 2006. Further, for discharging the liability under the Central Sales Tax, the company is collecting the relevant forms and submitting the same with the relevant Development Commissioner. The management is confident that final de-bonding certificate will be received once all the requisite formalities are completed.
11. During June 2008, JSL Stainless Ltd. (JSL) entered into Coking Coal Contract with M/s Xstrata Coal Queensland Pty Ltd. (Xstrata) for two shipments of coking coal (50,000 MT each). Certain disputes arose between the parties. Xstrata invoked Arbitration at London Court of International Arbitration (LCIA) and claimed a loss of 12.5 million US\$. LCIA made an award of 8 million US\$ against JSL.

JSL has challenged the award by filing objections against the award U/s 34 of Arbitration and Conciliation Act 1996, in the Hon'ble District Court of Odisha, wherein the Court has admitted our petition and has issued notice to Xstrata.

12. 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 * :

		(₹ in Lacs)	
Sr. No.	Particulars	2010-11	2009-10
1.	Principal amount due outstanding	36.46	45.81
2.	Interest due on (1) above and unpaid	-	0.07
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	-	0.07
7.	Amount of further interest remaining due and payable in succeeding year	-	-

* to the extent information available with the company.

13. a) Certain balances of sundry debtors, sundry creditors 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 schedule no 6, including investment in foreign subsidiary is lower than the cost, 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 is considered necessary.
The company has also given inter corporate deposit to its subsidiary company amounting to ₹ 4,430.11 Lacs (₹ 4,214.32 Lacs) where the subsidiary companies has accumulated losses / negative net worth. In view of the long term involvement of the company in the said companies no provision has been considered necessary.
14. Advance Recoverable in Cash or in kind or for value to be received includes:
a) ₹ Nil (₹ Nil), maximum amount outstanding at any time during the Year is ₹ Nil (₹ 2.89 Lacs) being the amount due from directors/officers of the company.
b) Interest free loan to employees amounting to ₹ 16.82 Lacs (₹ 11.50 Lacs) in the ordinary course of the business and as per employee service rules of the Company. Maximum balance outstanding during the year ₹ 28.16 Lacs (₹ 24.53 Lacs).
c) ₹ 22.30 Lacs (₹ 22.30 Lacs) as advance against share application money with subsidiary company.
15. Research and Development expenses for the year amounting to ₹ 63.28 Lacs (₹ 39.14 Lacs) on account of revenue expenditure and ₹ Nil (₹ Nil) on account of capital expenditure have been charged/debited to respective head of accounts.
16. a) Derivative contracts entered into by the company and outstanding as on 31st March, 2011 for hedging currency/ interest rate risks :-

		(₹ in Lacs)					
		As at 31.03.2011			As at 31.03.2010		
Nature of Derivative	Type	No. of Contracts	Foreign Currency (Million)	Amount	No. of Contracts	Foreign Currency (Million)	Amount
Forward Covers							
USD/INR	Sale	99	183.901	82,019.74	91	103.667	46,546.68
EURO/USD	Sale	56	45.683	28,871.63	4	1.556	944.31
GBP/USD	Sale	1	0.150	107.28	31	6.995	4,244.51
GBP/INR	Sale	-	-	-	1	0.116	79.43
USD/INR	Buy	51	122.069	54,430.57	39	178.066	79,948.09
EURO/USD	Buy	-	-	-	6	8.710	5,282.59
JPY/USD	Buy	-	-	-	1	176.628	847.99
Cross Currency Swap							
USD		1	9.000	3,996.00	-	-	-
YEN		1	2,990.074	10,000.00	1	2,990.074	10,000.00
Interest Rate Swap							
USD		3	75.000	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.

NOTES TO ACCOUNTS

- b) Foreign Currency exposure that is not hedged by derivative instruments or otherwise outstanding as on 31st March, 2011 is as under:-

(₹ in Lacs)				
Nature	As at 31.03.2011		As at 31.03.2010	
	Foreign Currency (Million)	Amount	Foreign Currency (Million)	Amount
Account Receivable				
USD	0.376	167.79	0.858	385.02
GBP	-	-	0.001	0.52
EURO	-	-	2.093	1,269.44
Loans				
USD	282.541	126,013.41	321.548	144,375.05
Buyer's Credit				
USD	461.706	205,920.75	149.417	67,088.42
EURO	0.152	96.06	0.040	24.27
Due to Customer				
USD	9.082	4,050.49	-	-
EURO	18.751	11,850.86	54.486	33,062.34
Account Payable				
USD	46.045	20,536.20	102.385	45,970.97
EURO	30.518	19,287.53	0.054	33.03
GBP	-	-	0.006	4.46
AUD	0	0.03	0	0.03
CAD	0.004	1.81	0.004	1.74

- c) In compliance of clarifications of ICAI on outstanding derivatives which are not covered by AS-11 "Accounting for effects of changes in foreign exchange rates", the Company has accounted for Mark to market losses on derivatives entered for INR Term Loans amounting to ₹ 5,637.36 Lacs (₹ 3,524.99 Lacs) & against interest rate auction ₹ 2,384.85 Lacs (₹ 2,820.98 Lacs) till 31st March, 2011 which have been charged to Pre-operative expenses.
17. 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 judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also 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 rather 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.
18. Money received in Escrow account as on 31st March, 2010 against allotment of 23,447,240 nos. equity shares of ₹ 2/-each at price of ₹ 105.50 per share (including premium of ₹ 103.50 per share) of amounting to ₹ 24,736.84 Lacs from Qualified Institutional Buyer's have been fully utilized for the purpose the said issue of shares was made.

19. a) During the year, the Company has recognized the following amounts in the Profit and Loss Account (Refer Schedule-17)/pre-operative expenses:-

Defined Contribution Plans		(₹ in Lacs)
		2010-11
Employer's Contribution to Provident Fund		481.40 (358.63)
Employer's Contribution to ESI		82.23 (34.38)

Defined Benefit Plans		(₹ in Lacs)
		2010-11
Employer's Contribution to Provident Fund		318.70 (262.02)

	(₹ in Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Current service cost	145.18 (135.50)	43.83 (35.41)	148.22 (123.80)
Interest cost	111.66 (97.09)	8.13 (6.46)	44.24 (35.74)
Expected Return on plan assets	(102.83) ((89.83))	- (-)	- (-)
Actuarial (gain)/loss	(69.02) ((64.57))	0.49 ((18.53))	66.37 (186.83)
Past service cost	- (133.77)	- (-)	- (-)
Curtailment and settlement cost/ Credit	- (-)	- (-)	- (-)
Net Cost	84.99 (211.96)	52.45 (23.34)	258.83 (346.37)
Actual Return on Plan Assets	118.68 (88.75)	- (N.A.)	- (N.A.)
b) Change in Benefit Obligation :			
Present value of obligation as at the beginning of the year	1,384.60 (1,154.94)	101.57 (80.78)	633.76 (438.27)
Current service cost	145.18 (135.50)	43.83 (35.41)	167.90 (123.80)
Interest cost	111.66 (97.09)	8.13 (6.46)	47.82 (35.74)
Benefits paid	(65.55) ((80.91))	(7.19) ((6.05))	(272.11) ((195.49))
Curtailment and Settlement cost	- (-)	- (-)	- (-)
Past service cost	- (133.77)	- (-)	- (-)
Actuarial (gain)/loss	(53.16) (65.65)	0.49 ((18.53))	122.17 (186.83)
Present value of obligation as at the end of year	1,522.73 (1,384.60)	146.83 (101.57)	699.54 (633.76)

NOTES TO ACCOUNTS

c) Change in Plan Assets :

	(₹ in Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Fair value of plan assets as at the beginning of the year	1,170.01 (931.90)	- (-)	- (-)
Expected return on plan assets	102.83 (89.83)	- (-)	- (-)
Actuarial gain/(loss)	15.86 ((1.08))	- (-)	- (-)
Employer contribution	272.55 (220.41)	- (-)	- (-)
Settlement cost	- (-)	- (-)	- (-)
Benefits paid	(65.55) ((71.05))	- (-)	- (-)
Fair value of plan assets as at the end of the year	1,495.70 (1,170.01)	- (-)	- (-)
Liability recognized in Balance Sheet	(27.03) ((214.59))	(146.83) ((101.57))	(699.54) ((633.76))

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

	Gratuity	
	₹ in Lacs	%
Insurer Managed Fund	1,495.70 (1,170.01)	100% (100%)
Total	1,495.70 (1,170.01)	100% (100%)

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

	Gratuity	Leave Encashment
Discount rate	8.00%-8.25% (8.00%-8.30%)	8.00%-8.25% (8.00%-8.30%)
Expected Rate of Return on Plan Assets	9.00% (8.00%)	N.A. N.A.
Salary Escalation	5.25-5.50% (5.25%-5.50%)	5.25-5.50% (5.25%-5.50%)
Mortality	LIC (1994-96) duly modified	

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

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

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

20. The Company has given Letter of Comfort to Banks against credit facilities/financial assistance [amount outstanding as on 31st March, 2011 ₹ 30,710.45 Lacs (₹ 26,173.23 Lacs)] availed by a subsidiary.

21. On 28th July, 2010, the company has granted 3,577,500 stock options to eligible employees of the company, its subsidiaries including non executive directors (excluding Nominee Director), as per Company's Employee 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 Compensation Committee. During the year ended on 31st March, 2011, 471,250 stock options lapsed due to resignation, retirement etc.

22. 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)	
	2010-11
Lease Interest	27.28

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.

23. Prior Period Adjustment ₹ 948.58 Lacs (Net Income) { ₹ 386.73 Lacs (Net Income) } includes:

(₹ in Lacs)		
	2010-11	2009-10
Expenses relating to earlier years	53.09	46.39
Income relating to earlier years	7.32	92.60
Liability no longer required	994.35	340.52

24 Segment Reporting

i) Information about Business Segment (for the year 2010-11)

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

ii) Secondary Segments (Geographical Segment)

(₹ in Lacs)			
2010-11			
	Within India	Outside India	Total
1 Revenue	585,918.89 (497,594.08)	147,090.44 (114,350.06)	733,009.33 (611,944.14)
2 Segment Assets *	1,300,031.97 (1,153,211.53)	44,661.20 (27,323.47)	1,344,693.17 (1,180,535.00)
3 Capital Expenditure incurred during the year *	180,363.86 (226,349.08)	0.91 (0.60)	180,364.77 (226,349.68)

* The Company's operating facilities are located in India

NOTES TO ACCOUNTS

25 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 (formerly Austenitic Creations Private Limited)
- 4 JSL Architecture Limited (formerly Jindal Architecture Limited)
- 5 Jindal Stainless UK Limited
- 6 Jindal Stainless FZE
- 7 Green Delhi BQS Limited
- 8 Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi
- 9 JSL Media Limited (formerly Parivartan City Infrastructure Limited)
- 10 Jindal Aceros Inoxidables S.L.
- 11 JSL Group Holdings Pte. Limited
- 12 JSL Logistics Limited
- 13 Iberjindal S.L.(w.e.f. 07.05.2009)
- 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 | Smt. Savitri Devi Jindal | Chairperson |
| 2 | Shri Ratan Jindal | Vice-Chairman & Managing Director |
| 3 | Shri Arvind Parakh | Director - Finance |
| 4 | Shri S.S. Virdi | Executive Director & Chief Operating Officer (w.e.f. 06.04.2010) |
| 5 | Shri N.P. Jayaswal | Executive Director (till 06.04.2010) |
| 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

NOTES TO ACCOUNTS



B Transactions:

(₹ in Lacs)

Description	2010-11				2009-10			
	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
Purchase of Goods	19,400.41	-	-	7,828.94	4,170.13	-	-	13,749.29
PT. Jindal Stainless Indonesia	17,212.29	-	-	-	2,380.23	-	-	-
Jindal Stainless Steelway Limited	1,473.15	-	-	-	1,419.92	-	-	-
Jindal Steel & Power Limited*	-	-	-	4,291.39	-	-	-	11,217.84
Others	714.97	-	-	3,537.55	369.98	-	-	2,531.45
Sale of Goods	117,105.31	-	-	2,427.50	89,131.29	-	-	2,287.66
PT. Jindal Stainless Indonesia	34,457.84	-	-	-	34,784.39	-	-	-
Jindal Stainless Steelway Limited	72,717.19	-	-	-	50,955.73	-	-	-
Jindal Steel & Power Limited **	-	-	-	1,072.01	-	-	-	1,180.42
Others	9,930.28	-	-	1,355.49	3,391.17	-	-	1,107.24
Leased Assets	982.31	-	-	-	-	-	-	-
Jindal Stainless Steelway Limited	982.31	-	-	-	-	-	-	-
Job Work Charges Paid	1,003.80	-	-	-	1,158.73	-	-	-
Jindal Stainless Steelway Limited	992.58	-	-	-	1,158.73	-	-	-
Others	11.22	-	-	-	-	-	-	-
Receiving of Services (Remuneration paid)	-	-	1,237.89	-	-	-	220.26	-
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	919.97	-	-	-	-	-
Shri Arvind Parakh - Director - Finance	-	-	171.58	-	-	-	156.36	-
Shri S.S. Virdi - Executive Director & Chief Operating Officer	-	-	122.67	-	-	-	-	-
Shri N.P. Jayaswal - Executive Director	-	-	3.97	-	-	-	47.20	-
Others	-	-	19.70	-	-	-	16.70	-
Rent Received	-	-	17.40	4.21	-	-	17.40	3.31
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	17.40	-	-	-	17.40	-
Jindal Saw Limited	-	-	-	3.31	-	-	-	3.31
Others	-	-	-	0.90	-	-	-	-
Rent Paid	19.67	-	-	3.97	14.85	-	-	3.60
Jindal Stainless Steelway Limited	19.67	-	-	-	14.85	-	-	-
Bir Plantation Private Limited	-	-	-	3.97	-	-	-	3.60
Loans & Advances Given	-	-	-	-	1,762.65	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	-	-	-	-	10.50	-	-	-
Green Delhi BQS Limited	-	-	-	-	1,752.15	-	-	-
Loans & Advances Recovered	-	-	-	-	1,785.15	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	-	-	-	-	33.00	-	-	-
Green Delhi BQS Limited	-	-	-	-	1,752.15	-	-	-
Job Charges Received	-	-	-	1,454.67	0.02	-	-	-
JSL Architecture Limited (formerly Jindal Architecture Limited)	-	-	-	-	0.02	-	-	-
JSW Steel Limited	-	-	-	1,454.67	-	-	-	-
Freight paid	363.10	-	-	-	357.11	-	-	-
JSL Logistics Limited	363.10	-	-	-	357.11	-	-	-

NOTES TO ACCOUNTS

(₹ in Lacs)

Description	2010-11				2009-10			
	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
Sale of Assets	-	-	-	93.69	31.43	-	-	-
PT.Jindal Stainless Indonesia	-	-	-	-	31.43	-	-	-
JSW Steel Limited	-	-	-	93.69	-	-	-	-
Interest Received	817.70	-	-	-	1,033.20	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	151.99	-	-	-	151.99	-	-	-
JSL Architecture Limited (formerly Jindal Architecture Limited)	139.38	-	-	-	110.31	-	-	-
Jindal Stainless Steelway Limited	211.89	-	-	-	353.21	-	-	-
Green Delhi BQS Limited	224.65	-	-	-	326.21	-	-	-
Others	89.79	-	-	-	91.48	-	-	-
Miscellaneous Receipt	1.17	-	-	-	-	-	-	-
Iberjindal S.L.	1.17	-	-	-	-	-	-	-
Interest Paid	21.07	-	-	-	20.83	-	-	-
Jindal Stainless Steelway Limited	21.07	-	-	-	20.83	-	-	-
Commission on Sale	911.94	-	-	-	773.21	-	-	-
Jindal Stainless FZE	606.53	-	-	-	542.30	-	-	-
Jindal Stainless UK Limited	233.12	-	-	-	202.26	-	-	-
Jindal Stainless Italy Srl.	72.29	-	-	-	28.65	-	-	-
Equity Purchased	-	-	-	-	433.15	360.00	-	-
Iberjindal S.L.	-	-	-	-	426.37	-	-	-
MJSJ Coal Limited	-	-	-	-	-	360.00	-	-
Others	-	-	-	-	6.78	-	-	-
Advertisement Services Received	203.32	-	-	-	2.76	-	-	-
JSL Media Limited (formerly Parivartan City Infrastructure Limited)	203.32	-	-	-	2.76	-	-	-
Sharing of Exp. Reimbursed/ to be Reimbursed	14.08	-	-	36.45	38.38	-	-	36.69
JSL Architecture Limited (formerly Jindal Architecture Limited)	13.27	-	-	-	34.21	-	-	-
Jindal Stainless Steelway Limited	-	-	-	-	2.83	-	-	-
Jindal Saw Limited	-	-	-	34.58	-	-	-	29.30
Others	0.81	-	-	1.87	1.34	-	-	7.39
Sharing of Exp Recovered/ to be Recovered	51.57	-	0.09	83.92	43.52	3.28	-	65.04
PT.Jindal Stainless Indonesia	9.69	-	-	-	10.16	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	22.29	-	-	-	10.86	-	-	-
JSL Architecture Limited (formerly Jindal Architecture Limited)	7.62	-	-	-	9.19	-	-	-
Jindal Steel & Power Limited	-	-	-	46.54	-	-	-	32.76
Jindal Saw Limited	-	-	-	36.19	-	-	-	32.22
Others	11.97	-	0.09	1.19	13.31	3.28	-	0.06
Consultancy Charges Paid	-	-	-	202.46	-	-	-	43.57
Jindal Saw Limited	-	-	-	202.46	-	-	-	43.57
Quality Claim	-	-	-	-	254.46	-	-	-
PT.Jindal Stainless Indonesia	-	-	-	-	254.46	-	-	-

NOTES TO ACCOUNTS



(₹ in Lacs)

Description	2010-11				2009-10			
	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
Outstanding Balance								
Letter of Comfort Given	30,710.45	-	-	-	26,173.23	-	-	-
PT.Jindal Stainless Indonesia	30,710.45	-	-	-	26,173.23	-	-	-
Loans & Advances	9,478.55	14.30	-	30.40	8,982.80	14.21	-	56.28
PT.Jindal Stainless Indonesia***	2,056.23	-	-	-	2,039.14	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	2,021.81	-	-	-	1,863.21	-	-	-
JSL Architecture Limited (formerly Jindal Architecture Limited)	1,970.49	-	-	-	1,868.92	-	-	-
Green Delhi BQS Limited	2,856.23	-	-	-	2,653.15	-	-	-
Others	573.79	14.30	-	30.40	558.38	14.21	-	56.28
Receivables	23,855.07	-	-	1,788.49	13,787.93	-	-	523.79
PT.Jindal Stainless Indonesia	10,941.20	-	-	-	7,690.14	-	-	-
Jindal Stainless Steelway Limited	7,335.04	-	-	-	3,863.51	-	-	-
JSL Lifestyle Limited (formerly Austenitic Creations Private Limited)	524.00	-	-	-	335.37	-	-	-
Iberjindal S.L.	4,659.29	-	-	-	1,799.21	-	-	-
Others	395.54	-	-	1,788.49	99.70	-	-	523.79
Payables	783.00	-	919.97	1,118.78	466.51	-	-	1,828.03
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	919.97	-	-	-	-	-
Jindal Stainless, FZE	403.90	-	-	-	-	-	-	-
Jindal Industries Limited	-	-	-	120.61	-	-	-	294.73
Jindal Steel & Power Limited	-	-	-	60.86	-	-	-	476.97
Jindal Saw Limited	-	-	-	924.58	-	-	-	913.35
Others	379.10	-	-	12.73	466.51	-	-	142.98

Note :-

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

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

*** Includes Subordinated Debts of ₹ 1,114.75 Lacs (₹ 1,122.25 Lacs)

NOTES TO ACCOUNTS

26 Earning Per Share (EPS) computed in accordance with Accounting Standard 20 “ Earning Per Share ” :

	(₹ in Lacs)	
	2010-11	2009-10
(A) Basic :		
Net Profit after Tax as per P & L A/c	31,833.69	37,848.22
Weighted Average No. of Equity Shares for Basic EPS (Face value ₹ 2/- per share)	185,981,142	162,199,171
Basic EPS (in ₹)	17.12	23.33
(B) Diluted :		
Net Profit after Tax as per P & L A/c	31,833.69	37,848.22
Add : Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	108.98	(461.99)
Profit attributable to Equity Share Holders	31,942.67	37,386.23
Weighted Average No. of Equity Shares for Basic EPS	185,981,142	162,199,171
Add : Weighted average of Potential equity shares converted during the year	1,334,650	-
Add : Weighted average of Potential equity shares outstanding as on 31st March,2011	3,830,771	8,777,592
Weighted average No. of Equity Shares for Diluted EPS (Face value ₹ 2/- per share)	191,146,563	170,976,763
Diluted EPS (in ₹)	16.71	21.87

(Read with Foot Note of Schedule 4)

27 DEFERRED TAX LIABILITY (NET) COMPRISES OF THE FOLLOWING AS ON 31.03.2011 :-

	(₹ in Lacs)		
	Deferred Tax Liability/Asset as at 31.03.2010	Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2011
A) Deferred Tax Liability			
Difference between book & tax depreciation	63,601.44	(1,647.96)	61,953.48
Total Deferred Tax Liability - A	63,601.44	(1,647.96)	61,953.48
B) Deferred Tax Assets			
1 Disallowance under Section 43B	8,704.60	8,193.45	16,898.05
2 Provision for doubtful debts & advances	51.91	10.41	62.32
3 Provisions for Employee Benefit	317.44	(39.26)	278.18
4 Provisions for MTM Losses & Diminution in Investments	69.15	199.11	268.26
5 Brought forward loss/Unabsorbed Depreciation	15,360.57	(15,360.57)	-
Total Deferred Tax Assets - B	24,503.67	(6,996.86)	17,506.81
Deferred Tax Liability (Net) (A-B)	39,097.77	5,348.90	44,446.67

28 (A) Auditors Remuneration includes the following :

	(₹ in Lacs)	
	2010-11	2009-10
(i) Payment to Auditors *		
Audit Fee	19.00	19.00
Other Capacity	8.00	16.93
Certification Work	1.22	0.20
Out of Pocket expenses	3.54	2.48
	31.76	38.61
(ii) Payment to Branch Auditors		
Audit Fee	1.90	1.90
Tax Audit Fee	0.90	0.70
Other Capacity	0.50	-
Certification Work etc	8.55	3.86
Out of Pocket expenses	0.20	0.39
	12.05	6.85
Total	43.81	45.46
* Nil (₹ 6.25 Lacs) included in Pre-operative Expenses		
(B) Payment to Cost Auditors		
Audit Fee	1.15	0.97
Out of Pocket expenses	0.19	0.29
Total	1.34	1.26
(C) Director's Remuneration includes the following:		
Remuneration paid/payable to Whole Time Directors (WTD) and Managing Director		
Salary	286.01	193.89
Commission	919.97	-
Provident Fund	11.41	7.92
Monetary value of perquisites**	0.79	1.75
	1,218.18	203.56

** 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 for the years 2008-2009 and 2009-2010 respectively, company's representation is pending before Central Government.
- (b) The above Remuneration paid/payable for current year include Remuneration/Commission amount calculated as in Note no. 29 below, considering the Set-off of Earlier Year without unabsorbed depreciation, as has been legally advised.

NOTES TO ACCOUNTS

29 Computation of net profit in accordance with Section 349 read with Section 309(5) of the Companies Act, 1956 :-

	(₹ in Lacs)
	2010-11
Profit before taxes	44,735.66
Add:-	
Managerial Remuneration	1,218.18
Provision for doubtful debts, reversed	(70.16)
Provision for Doubtful Debts/advances	109.53
Director Meeting Fees	5.30
	1,262.85
Net Profit for the Year	45,998.51
Commission @ 2% to Vice-Chairman & Managing Director	919.97
10% of the above net profit comes to	4,599.85

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

	(₹ in Lacs)	
Description	2010-11	2009-10
Depreciation	26.40	26.35
Interest on Fixed Loans	17,901.50	16,953.50
Interest on Others	-	9.54
Power & Fuel	839.81	144.42
Salaries & Allowances	2,733.22	2,443.80
Workman and Staff welfare	0.04	0.24
Travelling and Conveyance	176.25	205.63
Financial Expenses/Bank Charges	1,642.82	1,267.55
Administrative Expenses	1,054.65	564.08
Postage & telegram, telex & telephone	46.89	58.48
Legal & Professional Expenses	1,283.84	1,066.50
Storage Charges	1,237.39	-
Miscellaneous Expenses	210.45	306.94
Trial Run Expenses		
Raw Material Consumption	251.82	
Power & Fuel	120.50	
Stores & Spares Consumption	260.66	
Plant Maintenance Expenses	186.31	
Legal & Professional Expenses	46.55	
Miscellaneous Expenses	91.25	
Exchange Fluctuation(Net)	(6,508.11)	(9,261.88)
	21,602.24	13,785.15
Less: Interest/Other Misc. Income	691.73	2,409.04
Less: Revenue from Trial Run	1,036.05	-
Add: Pre-operative expenses brought forward	57,654.74	49,305.65
	77,529.20	60,681.76
Less: Capitalised during the year	4,022.00	3,027.02
Pre-operative expenses carried over *	73,507.20	57,654.74

* Includes ₹ 73,076.52 Lacs (₹ 57,226.49 Lacs) relates to SEZ in Odisha.

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

A. INSTALLED CAPACITY:

Description		Unit	Installed Capacity	
			2010-11	2009-10
AT HISAR:				
1.	Steel Melting	MT	780,000	720,000
2.	Plate/Steckel Mill	MT	720,000	720,000
3.	Strip Mill/Tandem Mill	MT	250,000	250,000
4.	Cupro Nickle Melting	MT	6,000	6,000
5.	Cold Rolling Mill			
	i) Cold Rolled Strips	M T	275,000	275,000
	ii) Cold Rolled Special Steel	M T	25,000	25,000
	iii) Coin Blanks	M T	10,000	10,000
6.	Oxygen Plant:			
	i) Oxygen Gas	M. Cum.	55.00	55.00
	ii) Argon Gas	M. Cum.	1.50	1.50
7	Industrial Machinery *	Nos.	209	209
AT VIZAG				
	High Carbon Ferro Chrome	M T	40,000	40,000
AT ODISHA/MINES				
	Ferro Alloys	M T	250,000	250,000
	Chrome Ore Concentrate	M T	96,000	96,000
	Power Plant	M W	264	250
	Coke Oven	M T	430,000	

NOTES:

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

NOTES TO ACCOUNTS

B. RAW MATERIAL CONSUMPTION:

(₹ in Lacs)

Description	Unit	2010-11		2009-10	
		Qty.	Amount	Qty.	Amount
Steel Scrap	M T	487,242	180,854.18	470,674	127,730.29
Copper Scrap	M T	5,592	21,961.60	4,966	14,397.50
Ferro Nickel	M T	30,296	105,048.68	35,774	78,712.58
Ferro Chrome	M T	29,365	20,579.15	25,282	14,563.77
Silica Manganese	M T	36,618	25,024.45	28,391	17,285.71
Ferro Manganese	M T	19,807	11,448.49	18,181	8,981.48
Ferro Silicon	M T	13,285	9,492.26	13,321	7,754.13
Manganese Ore	M T	6,560	1,395.24	37,500	9,155.00
Chrome Ore	M T	-	-	4,405	564.34
Friable Ore/Lumpy Chrome Ore	M T	222,114	26,547.56	261,576	18,866.00
Leco/Hard/Oil/Ash/Nut coke	M T	1,317,880	35,333.28	1,477,325	36,914.54
Hot Rolled Strips/Coils	M T	32	14.16	17	11.96
Mollasses	M T	19,025	1,406.40	24,625	2,652.75
Others			24,877.06		23,726.76
			463,982.51		361,316.81
Less:- Power cost capitalised			909.13		-
Less:- Inter unit transfer of raw material included in above			17,594.47		14,783.52
Total			445,478.91		346,533.29

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

TRADING GOODS PURCHASE:

Cold Rolled Strips	MT	10,922	15,266.57	990	1,390.31
Pipe & Fitting Materials			77.11		131.98
Art Gallery Products			1.92		-
Total			15,345.60		1,522.29

C. OPENING & CLOSING STOCKS:

		Opening Stock 01.04.09		Closing Stock 31.03.10		Closing Stock 31.03.11	
Description	Unit	Qty.	Amount (₹ in lacs)	Qty.	Amount (₹ . in lacs)	Qty.	Amount (₹ in lacs)
MANUFACTURED							
FINISHED GOODS							
Hot Rolled Flats	M T	4,199	2,146.14	5,922	3,559.45	2,964	2,042.27
Hot Rolled Strips/Plates	M T	24,354	21,247.60	18,921	14,497.91	18,025	19,480.72
MS Plate/Coils	M T	632	303.43	1,298	612.08	49	24.75
Cold Rolled Strips/Sheets	M T	15,588	15,388.35	21,875	19,859.55	28,671	33,281.59
Cold Rolled Special Steel	M T	86	134.38	629	613.03	517	534.20
Cold Rolled Coin Blanks	M T	55	56.86	38	36.04	-	-
H.C. Ferro Chrome	M T	20,861	11,529.48	16,832	11,425.53 *	16,114	11,864.11
Ferro Manganese	M T	167	116.37	351	226.21	39	23.77
Silico Manganese	M T	5,033	3,435.29	4,163	3,325.20	3,427	2,740.19
S.S.Round/Wire Rod	M T	9	2.51	9	2.50	9	2.51
Cupro Nickel Coils	M T	-	-	87	300.16	100	459.47
Steel Scrap	M T	14	2.23	14	2.23	14	2.23
Chrome Ore	M T	430,075	3,125.51	394,958	3,612.88	342,744	3,203.03
Chrome Ore Concentrate	M T	2,315	82.51	1,531	58.99	259	10.71
Oxygen Gas	Cum.	32,600	3.42	20,020	2.10	36,900	3.88
Nitrogen Gas	Cum.	13,000	0.26	23,297	0.51	11,400	0.25
Total			57,574.34	58,134.37		73,673.68	
TRADING GOODS							
Cold Rolled Strips SS	M T	16	32.50 **	36	76.79	658	796.65
Pipe & Fitting Materials			-	116.95		142.64	
Art Gallery Products			156.21	149.00		144.94	
Total			188.71	342.74		1,084.23	
Grand Total			57,763.05	58,477.12		74,757.91	

* 7 MT excess recovered.

** 16 MT transferred to finished goods.

D. PRODUCTION:

Description	Unit	2010-11	2009-10
1. HISAR PLANT			
a) Steel Melting			
Bloom/Slab/Ingot\$	MT	1,363	-
\$ Includes 629 MT (Nil MT) manufactured for outside parties on job work basis from scrap.			
b) Strips Mill Plant:			
Flat	MT	122,434	114,470
Hot Rolled Strips *	MT	8,361	6,163
* Includes 7,760MT (6,008 MT) & Nil MT (37 MT) transferred to CR Division for conversion to Cold Rolled Special Steel & Cold Rolled Strips SS respectively.			

NOTES TO ACCOUNTS

Description	Unit	2010-11	2009-10
c) Plate/Stackle Mill:			
Hot Rolled Strips/S.S.Plates **	MT	533,936	531,307
M.S. Plates/Coils	MT	216	688
** Includes 354,840 MT (341,707 MT) transferred to CR Division for conversion to Cold Rolled Strips SS out of which HRAP 114,774 MT (88,619 MT) sold by CR Unit.			
** Includes 13,538 MT (11,421 MT) transferred to CR Division for conversion to Cold Rolled Special Steel.			
** Includes 609 MT (268 MT) manufactured for outside parties on job-work basis from Scrap/Slab.			
d) Cupro Nickel Plant			
Cupro Nickel Coil ***	MT	1,367	87
***Includes 751 MT (Nil MT) transferred to CR Division for conversion.			
e) Oxygen Plant:			
Oxygen #	CUM.	53,018,572	50,958,678
# Includes 52,057,496 CUM (50,290,476 CUM) use for captive consumption.			
Argon ##	CUM.	1,494,400	1,328,028
## Use for captive consumption.			
f) Industrial Machinery:			
Manufactured Machinery	Production of industrial machinery being numerous and having different nature,size,cost,etc.; have not been given.		
g) Cold Rolling Mill			
Cold Rolled Strips @	MT	198,951	200,177
Cold Rolled Special Steel	MT	22,286	20,125
Coin Blanks	MT	1,292	5,093
@ Includes 4,667 MT (2,189 MT) goods got manufactured from outside parties on job work basis and does not include production of HRAP 28,992 MT (24,029 MT) for HR Unit.			
2. VIZAG PLANT			
H.C. Ferro Chrome ###	MT	32,836	32,681
### Include 32,836 MT (35,797 MT) transferred to HR Unit for Captive use.			
3. ODISHA PLANT/MINES			
H.C. Ferro Chrome \$	MT	86,425	107,278
Ferro Manganese \$\$	MT	197	6,512
Silico Manganese \$\$\$	MT	4,750	14,922
Coke \$\$\$\$	MT	49,299	-
Chrome Ore \$\$\$\$\$	MT	25,855	3,946
Chrome Ore Concentrate \$\$\$\$\$\$	MT	11,033	22,833
Power (Net)	MU	1,312	1,447
\$ Includes 83,933 MT (101,897 MT) transferred to HR Unit for Captive use.			
\$\$ Includes 509 MT (6,328 MT) transfer to HR Unit for captive use.			
\$\$\$ Includes 4,125 MT (7,022 MT) transfer to HR Unit for captive use.			
\$\$\$\$ Includes 49,299 MT manufactured for outside party on job work basis.			
\$\$\$\$\$ Includes 63,247 MT (39,164 MT) transferred to Vizag & HR Units for Captive use.			
\$\$\$\$\$\$ Includes 27,127 MT (23,617 MT) transferred to Vizag & HR Units for Captive use.			

NOTES:

- 1) Production figures do not include the material produced and transferred for further process, but includes Inter Divisional transfers.
- 2) Total production of Ingots/Blooms/Slabs from Electric Arc Furnace was 701,814 MT (6,77,841 MT)

E SALES:

Description	Unit	2010-11		2009-10	
		Qty.	Amount (₹ in Lacs)	Qty.	Amount (₹ in Lacs)
i) MANUFACTURED GOODS					
FINISHED GOODS:					
Hot Rolled Strips/Plate S.S.	MT	285,956	300,711.85	274,502	253,024.38
Cold Rolled Strips S.S.	MT	192,226	239,081.27 *	193,906	209,701.90
Hot Rolled Flats S.S.	MT	125,392	87,938.55	112,747	66,926.92
MS Plate/Coils	MT	1,465	662.23	22	8.80
Cold Rolled Special Steel	MT	22,398	43,214.08	19,582	33,707.49
Cupro Nickel Coils	MT	603	2,663.17	-	-
S.S.Welded & Cold Drawn Tubes/Pipes	MT	-	-	28	39.32 **
Cold Rolled S.S. Blank	MT	1,330	3,905.07	5,110	6,099.55
H.C. Ferro Chrome	MT	3,210	2,382.87	6,301	3,662.16
High Carbon Silico Manganese	MT	1,361	809.85	8,770	4,401.09
Power	MU	906	32,299.26	878	29,420.36
Oxygen Gas	Cum.	944,196	71.07	680,782	53.83
Total (i)	MT	633,941	713,739.27	620,968	607,045.80
	Cum.	944,196		680,782	
	MU	906		878	

*Includes 71 MT (Nil MT) got manufactured from outside parties

**Includes Nil MT (28 MT) got manufactured from outside parties

ii) SEMI FINISHED GOODS:					
Bloom/Slab/Ingot	MT	734	479.22	-	-
Total (ii)	MT	734	479.22	-	-
iii) TRADING GOODS:					
Cold Rolled Strips/Sheet SS	MT	10,300	14,202.57	954	1,301.21
Pipe & Fitting Materials			75.46		22.09
Art Gallery Products			3.20		11.00
Total (iii)	MT	10,300	14,281.23	954	1,334.29
Total (a) (i+ii+iii)			728,499.72		608,380.09
Job Charges			1,055.08		31.52
Export Benefit			3,454.53		3,532.53
Total (b)			4,509.61		3,564.05
Total (a+b)			733,009.33		611,944.14

NOTES:

1) Sales includes the following goods issued for captive consumption as detailed below:-

Hot Rolled Strips/Plate S.S.	MT	944	1,443.67	1193	1,689.45
M.S. Plate / Coils	MT	1465	362.23	22	8.80
Slab		639	387.65	-	-
	MT	3048	2,193.55	1215	1,698.25

NOTES TO ACCOUNTS

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

(₹ in Lacs)		
Description	2010-11	2009-10
Raw Material	205,278.25	149,366.61
Trading Goods	15,223.05	1,170.26
Stores & Spares	10,157.38	7,798.69
Capital Goods	106,825.87	127,122.22

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

(₹ in Lacs)				
		2010-11		2009-10
		%	Amount	% Amount
a) RAW MATERIALS CONSUMED				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)		52.07	231,967.95	53.58 185,686.72
ii) Indigenous		47.93	213,510.96	46.42 160,846.57
		100.00	445,478.91	100.00 346,533.29
b) STORES AND SPARES CONSUMED				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)		29.63	9,059.22	30.82 9,061.27
ii) Indigenous		70.37	21,512.50	69.18 20,338.34
		100.00	30,571.72	100.00 29,399.61

H. EXPENDITURE IN FOREIGN CURRENCY:

(₹ in Lacs)		
Description	2010-11 Amount	2009-10 Amount
i) Export Selling Expenses	1,545.89	2,069.89
ii) Interest	5,557.61	7,875.79
iii) Travelling	173.02	102.55
iv) Legal & Professional Expenses	34.20	621.13
v) Technical Know-How/Consultancy	-	21.20
vi) Others	480.90	588.03

I. EARNINGS IN FOREIGN CURRENCY:

F.O.B. value of export	142,648.08	111,087.80
Interest	26.66	1,326.32
Misc Income	117.01	-

J. REMITTANCE OF DIVIDEND ON EQUITY SHARES:

	NIL	
--	-----	--

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

i) Registration Details

Registration Number	H-10901	State Code	05
Balance Sheet Date	31.03.2011		

ii) Capital Raised during the year (₹ in lacs)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

iii) Position of Mobilisation and Deployment of Funds (₹ in Lacs)

Total Liabilities	Total Assets
1,120,080.91	1,120,080.91

Sources of Funds

Paid-Up Capital	Reserves & Surplus
3,746.32	221,513.09
Secured Loans	Un-Secured Loans
836,224.52	13,928.36
Other Liabilities	
44,668.62	

Application of Funds

Net Fixed Assets	Investments
923,291.79	16,724.64
Net Current Assets	Misc. Expenditure not W/off
177,633.66	2,430.82
Accumulated Losses	
NIL	

iv) Performance of Company (Amount ₹ in Lacs)

Turnover	Total Expenditure
684,050.41	639,314.75
Profit before Tax	Profit after Tax
44,735.66	31,833.69
Earning Per Share	Dividend Per Share
17.12	NIL

v) Generic names of two principal products of Company (As per monetary terms)

Item Code No. (ITC Code)	72.19/72.20
Product Description	S.S.Hot Rolled/Cold Rolled Strips & Sheets, Flats & Plates
Item Code No. (ITC Code)	72.02
Product Description	Ferro Chrome

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

34 Figures in bracket indicate previous year figures.

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

Signatures to Schedules 1 to 20

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For LODHA & CO.
Chartered AccountantsFor S.S. KOTHARI MEHTA & CO.
Chartered AccountantsRATAN JINDAL
Vice Chairman & Managing DirectorARVIND PARAKH
Director - Finance(N.K. LODHA)
Partner
Membership No. 85155
FRN 301051E(ARUN K. TULSIAN)
Partner
Membership No. 89907
FRN 000756NS.S. VIRDI
Executive Director & COOJITENDRA KUMAR
Company SecretaryPLACE : New Delhi
DATED : 27th May, 2011SUMAN JYOTI KHAITAN
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	(₹ in Lacs)	
DESCRIPTION	2010-11	2009-10
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit Before Tax & Exceptional Items	39,313.17	33,750.41
Adjustment for :		
Depreciation/Amortisation	35,614.29	33,988.71
Provision for Doubtful Debts & Advance / Bad Debts	151.76	87.00
Previous Year Adjustments (Liability w.back)	(994.35)	(340.52)
Misc. Expenses Written Off	348.09	317.68
Misc. Expenses Incurred	-	(264.37)
ESOP Compensation Expenditure	221.95	-
Interest and Bank Charges	33,304.73	39,938.83
Dividend Income	(1.54)	(1.77)
(Profit) / Loss on Sale of Investments (Net)	(32.00)	(733.80)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	23.52	98.01
Operating Profit Before Working Capital Changes	107,949.62	106,840.18
Adjustment for:		
(Increase) / Decrease in Inventories	(47,585.69)	2,889.05
(Increase) / Decrease in Sundry Debtors	(19,832.33)	(49,851.43)
(Increase) / Decrease in Loans & Advances	(12,958.15)	9,939.73
Increase / (Decrease) in Current Liabilities	30,197.56	(86,778.35)
Cash Inflow from Operating Activities Before Exceptional Items	57,771.01	(16,960.82)
Exceptional Items- Gain	5,422.49	23,287.23
Income Tax (Advance) / Refund (Net)	(9,627.72)	(3,354.33)
Net Cash Inflow from Operating Activities	53,565.78	2,972.08
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(Purchase) of Investment (Net)	18,452.05	55,708.05
Investment in Subsidiaries	-	(433.15)
Loan given to Subsidiaries	-	(374.57)
Capital Expenditure (including advances for capital expenditure)	(155,919.17)	(215,213.74)
Sales Proceeds of Fixed Assets Sold	216.30	51.77
Dividend Received	1.54	1.77
Interest Received	5,357.92	3,236.56
Net Cash Outflow from Investing Activities	(131,891.36)	(157,023.31)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011



(₹ in Lacs)

DESCRIPTION	2010-11	2009-10
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid	(33.76)	(12.58)
Interest and Finance Charges Paid	(28,949.30)	(42,781.70)
Debt serviced/refundable under CDR	7,074.83	(9,048.70)
Proceeds from / (Repayment of) Borrowings (net)	64,421.49	184,185.69
Issue of equity share	-	24,736.84
Net Cash Inflow from Financing Activities	42,513.26	157,079.55
Net Changes in Cash & Cash Equivalents	(35,812.32)	3,028.32
Cash & Cash Equivalents (Closing Balance)	32,937.92	68,750.24
Cash & Cash Equivalents (Opening Balance)	68,750.24	65,721.92
Net Changes in Cash & Cash Equivalents	(35,812.32)	3,028.32
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	1,196.84	918.62
Balance with Banks	31,741.04	67,831.58
Puja & Silver Coins	0.04	0.04
	32,937.92	68,750.24
2) Increase in Paid Up Capital and Securities Premium are cash neutral and as such not considered in this statement.		
3) Previous year's figures have been regrouped and rearranged wherever considered necessary.		

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

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 (Formerly Jindal Architecture Limited)	JSL Lifestyle Limited (Formerly Austenitic Creations Private Limited)	Jindal Stainless UK Limited	Jindal Stainless Italy Srl.	Jindal Stainless FZE	Green Delhi BQS Limited
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 share held indirectly through its subsidiary company i.e. Jindal Stainless Steelway Limited out of the subscribed capital of 7,617,652 Equity Shares 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 GBP 1 each out of the subscribed capital of 100,000 Equity Shares of GBP 1 each	: Capital Stock of Euro 10,000 through wholly owned subsidiary company Jindal Stainless U.K. Limited	: Holder of 6 Equity Shares of AED 1,000,000 each out of the subscribed capital of 6 Equity Shares of AED 1,000,000 each.	: Holder of 51,000 Equity Shares of ₹ 10/- each held by holding company directly and 17,325 equity Shares held indirectly through its subsidiary company i.e. JSL Architecture Limited & Jindal Stainless Steelway Limited out of the subscribed capital of 100,000 Equity Shares of ₹ 10/- each.
b) Financial year of the company ended on	: 31st March, 2011	: 31st March, 2011	: 31st March, 2011	: 31st March, 2011	: 31st March, 2011	: 31st Dec, 2010	: 31st March, 2011	: 31st March, 2011
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, 2011.	: 126,338,404	123,796,375	34,759,891	20,786,021	1,057,347	3,617,318	1,278,715	(191,571,421)
ii) For the subsidiary company's previous financial periods since it became the holding company's subsidiary.	: 196,128,068	210,847,904	8,081,358	(175,544,558)	8,708,121	146,172	20,226,241	(25,989,621)
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, 2011.	: Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the subsidiary Company's previous financial period since it became the holding Company's subsidiary	: Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Holding Company's interest as on 31.03.2011 in incorporating changes since close of the financial year of Jindal Stainless Italy s.r.l. and Jindal Stainless Madencilik Sanayi Ve Ticaret A.S., in pursuance of Section 212(5) of the Companies Act, 1956.	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f) Material changes occurred between the end of financial year of Jindal Stainless Italy s.r.l. & Jindal Stainless Madencilik Sanayi Ve Ticaret A.S. and 31.03.2011 in respect of								
i) Fixed Assets	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ii) Investments	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iii) Money lent	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iv) Money Borrowed (other than to meet current liability)	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

RATAN JINDAL
VICE CHAIRMAN & MANAGING DIRECTOR

ARVIND PARAKH
DIRECTOR - FINANCE

PLACE : New Delhi
DATE : 27th May, 2011

Subsidiary Companies								
JSL Media Limited (Formerly Parivartan City Infrastructure Limited)	Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	JSL Limited	Jindal Logistics Inoxidables, S.L.	JSL Group Acceros Limited	JSL Ventures Holdings Pte.	JSL Europe Pte. Limited	JSL Minerals SA	Iberjindal S.L. & Metals SA
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 YTIL1 each out of the subscribed capital of 7,223,000 Shares of YTIL 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 Holding Pte. Ltd.	Holder of 1,000 Equity Shares of CHF 100 each out of the 1,000 equity shares of CHF 100 each through wholly owned subsidiary company JSL Ventures Pte. Limited	Holder of 1,000 Equity Shares of CHF 100 each out of the 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, 2011 (₹)	31st Dec, 2010 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)	31st March, 2011 (₹)
(91,201,070)	(30,618,328)	892,976	(64,475)	(458,706)	(465,580)	(187,790)	(486,990)	14,252,791
(174,847,314)	(51,732,706)	1,514,780	(279,775)	(923,863)	(945,236)	(744,214)	(916,327)	(10,151,928)
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.

S.S. VIRDI
EXECUTIVE DIRECTOR & COO

JITENDRA KUMAR
COMPANY SECRETARY

SUMAN JYOTI KHAITAN
DIRECTOR

AUDITORS' REPORT

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

We have examined the attached consolidated Balance Sheet of JSL Stainless Limited, its subsidiaries and its interest in associate as at 31st March, 2011 and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year then ended.

- 1) These financial statements are the responsibility of the JSL Stainless Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 2)
 - a) We did not audit the financial statements of subsidiaries except as stated in Para (b) herein below, whose financial statements reflect total assets of ₹ 121,454.71 Lacs as at 31st March, 2011 and the total revenue of ₹ 192,580.02 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 ₹ 49.24 Lacs for the year ended on 31st March, 2011. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the report of the other auditors.
 - b) Audited financial statements of a subsidiary reflecting total assets of ₹ 456.41 Lacs as at 31st March, 2011 and total revenue of ₹ 388.04 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 whose unaudited financial statements reflect total assets of ₹ 13,699.58 Lacs as at 31st March, 2011 and total revenues of ₹ 10,774.34 Lacs for the year then ended. The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statements for the reason as stated above.
- 3) Without qualifying attention is drawn to:
 - a) Note no 22 (i) (a) of schedule 20 regarding pending necessary approvals for managerial remuneration as explained in the said note.
 - b) Note no 5 (b) of schedule 20 regarding pending confirmations of balances of certain secured loans as stated in the said note.
 - c) Note no. 11 of schedule 20, regarding loss of Intangible Assets not provided for pending decision of Arbitration Proceedings.
 - d) Note no. 16 of schedule 20 regarding pending necessary approval as stated in the said note.
- 4) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) – 21 'Consolidated Financial Statements' and (AS) - 23 'Accounting for Investments in Associates in consolidated financial statements' as notified under the Companies (Accounting Standards) Rules, 2006, and on the basis of the separate audited financial statements of JSL Stainless Limited, its aforementioned subsidiaries and associate.

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

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of JSL Stainless Limited, its subsidiaries and its interest in associate as at 31st March, 2011;
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of JSL Stainless Limited, its subsidiaries and its interest in associate for the year then ended; and
- c) the Consolidated Cash Flow statement gives a true and fair view of the consolidated cash flows of JSL Stainless Limited and its subsidiaries for the year ended on that date.

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, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011



(₹ in Lacs)

DESCRIPTION	SCHEDULE	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,746.32	3,711.64
Reserves and Surplus	2	220,145.50	187,274.56
Employee Stock Option Outstanding	938.08		
Less:- Deferred Employees Compensation Expenditure	716.13	221.95	-
(Note No. 10 of Schedule 20)			
		224,113.77	190,986.20
MINORITY INTEREST		2,395.03	1,999.35
LOAN FUNDS			
Secured Loans	3	877,252.28	767,926.27
Unsecured Loans	4	18,640.43	29,159.85
		895,892.71	797,086.12
DEFERRED TAX LIABILITY (NET)		44,459.90	37,831.23
(Note No.21 of Schedule 20)			
TOTAL		1,166,861.41	1,027,902.90
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		643,255.24	578,923.24
Less: Depreciation/Amortization		191,359.43	151,775.97
Net Block		451,895.81	427,147.27
Add: Capital Work in Progress		508,367.01	390,305.49
		960,262.82	817,452.76
INVESTMENTS	6	1,771.03	20,168.54
GOODWILL ON CONSOLIDATION		671.01	671.01
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	248,805.56	188,161.42
Sundry Debtors	8	116,794.91	106,997.77
Cash and Bank Balances	9	36,199.80	71,912.09
Loans and Advances	10	101,351.89	83,887.67
		503,152.16	450,958.95
LESS:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	260,679.17	232,835.54
Provisions	12	40,751.11	31,302.89
		301,430.28	264,138.43
NET CURRENT ASSETS		201,721.88	186,820.52
MISCELLANEOUS EXPENDITURE	13	2,434.67	2,790.07
(To the extent not written off or adjusted)			
TOTAL		1,166,861.41	1,027,902.90
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		(₹ in Lacs)	
DESCRIPTION	SCHEDULE	31.03.2011	31.03.2010
INCOME			
Gross Sales and Operational Income	14	801,595.88	649,324.13
Less : Excise Duty		50,361.79	35,407.16
Net Sales and Operational Income		751,234.09	613,916.97
Other Income	15	2,207.43	1,728.12
		753,441.52	615,645.09
EXPENDITURE			
Material, Manufacturing and Others	16	589,153.45	463,881.56
Personnel	17	19,906.04	16,149.28
Administrative and Selling	18	26,533.70	23,084.16
Interest and Bank Charges	19	38,126.04	44,077.28
Miscellaneous Expenditure Written off		355.40	327.34
Depreciation/Amortization		39,546.09	37,471.10
		713,620.72	584,990.72
Net Profit Before Exceptional item		39,820.80	30,654.37
Add: Exceptional items -Gain (Note.No.8 of Schedule 20)		7,476.56	29,154.60
Profit Before Taxation		47,297.36	59,808.97
Less:			
Provision for Taxation		10,114.71	5,242.63
MAT Credit Entitlement		(1,352.54)	(4,388.73)
Provision for Deferred Tax		6,631.04	19,762.08
Previous Year Taxation Adjustment		27.06	(0.77)
Profit After Taxation		31,877.09	39,193.76
Share in Profit/(Loss) of Associate		(49.24)	(4.28)
Minority Interest		410.92	(2.48)
Net Profit (after adjustment for Associate & Minority Interest)		31,416.93	39,191.96
ADD/(LESS)			
Amount Brought Forward		37,966.98	-
Debenture Redemption Reserve written back		2,359.40	3,600.00
Net Profit		71,743.31	42,791.96
Pre-Acquisition Profits Transferred to Capital Reserve/Goodwill		-	22.98
Profit Available for Appropriations		71,743.31	42,768.98
Debenture Redemption Reserve		-	3,982.89
General Reserve		1,304.00	819.11
Balance carried to Balance Sheet		70,439.31	37,966.98
		71,743.31	42,768.98
Earning Per Share (in ₹) (Note No. 20 of Schedule 20)			
- Basic		16.89	24.16
- Diluted		16.49	22.65
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "1"		
SHARE CAPITAL		
(Read with Note No 10 of Schedule 20)		
AUTHORISED		
475,000,000 (Previous Year 475,000,000) Equity Shares of ₹ 2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
187,315,792- Equity Shares of ₹ 2/-each fully paid up (Previous Year 185,582,172 Equity Shares of ₹ 2/- each fully paid up)	3,746.32	3,711.64
TOTAL	3,746.32	3,711.64
	3,746.32	3,711.64

Of the above :-

- 13,778,717 Equity Shares of ₹ 10/-each fully paid up issued to Shareholders of Jindal Strips Limited pursuant to Scheme of Arrangement & Demerger .
- One Equity Share of ₹ 10/-each fully paid up issued to Shareholders of J - Inox Creations (P) Ltd. And Austenitic Creations (P) Ltd. pursuant to the Scheme of Amalgamation.
- 5,153,293 Fully Paid Up Bonus Equity Shares of ₹ 10/- each in the ratio of 253 Equity Shares of ₹ 10/- each for every 679 Equity Shares of ₹ 10/- each, allotted out of Share Premium and Capital Redemption Reserve to the Equity shareholders of the company pursuant to Scheme of Arrangement and Demerger.
- 999,752 Equity Shares of ₹ 10/- each fully paid up allotted to the holders of 460 Foreign Currency Convertible Bonds of US\$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 100/- each on 13.01.2004.
- Company has subdivided the Equity Shares of ₹ 10/- each into Equity Shares of ₹ 2/- each on 10.03.2004.
- 9,997,524 Equity Shares of ₹ 2/- each fully paid up allotted to the holders of 920 Foreign Currency Convertible Bonds of US \$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 20/- each on 24.12.2004.
- 16,734,984 & 869,350 (represented by 8,367,492 nos & 434,675 nos GDS) Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 1540 & 80 Foreign Currency Convertible Bonds of US \$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 20/- each during the years ended on 31.03.2006 & 31.03.2007 respectively.
- 3,907,028 & 9,213,726 Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 2141 & 5049 Foreign Currency Convertible Bonds of US \$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the years ended on 31.03.2006 & 31.03.2008 respectively.
- 6,800,000 & 7,150,000 & 7,550,000 Equity shares of ₹ 2/- each fully paid up have been allotted to the holders of Equity share warrants at predetermined conversion rate of ₹ 103/- each during the years ended on 31.03.2007 & 31.03.2008 & 31.03.2009 respectively.
- 23,447,240 Equity Shares of ₹ 2/- each fully paid up allotted to the Qualified Institutional Buyers at ₹ 105.50 each during the year ended on 31.03.2010.
- 1,733,620 Equity Shares of ₹ 2/- each fully paid up allotted to the holders of 950 Foreign Currency Convertible Bonds of US \$ 5000 each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the year ended on 31.03.2011.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "2"		
RESERVES AND SURPLUS		
a) SECURITIES PREMIUM ACCOUNT		
As per last Account	75,364.06	51,096.16
Add : On Conversion of Foreign Currency Convertible Bonds/Issue of QIP	2,043.50	24,267.90
	77,407.56	75,364.06
b) GENERAL RESERVE		
As per last Account	61,377.10	60,557.99
Add : Transferred from Profit and Loss Account	1,304.00	819.11
	62,681.10	61,377.10
Add : Foreign Currency Translation Reserve (includes arised on consolidation)	58.25	647.74
	62,739.35	62,024.84
c) DEBENTURE REDEMPTION RESERVE		
As per last Account	9,757.85	9,374.96
Add : Transferred from Profit and Loss Account	-	3,982.89
Less : Written Back During the Year	2,359.40	3,600.00
	7,398.45	9,757.85
d) CENTRAL/STATE SUBSIDY RESERVE		
As per last Account (Against fulfilment of certain stipulations)	39.27	39.27
	39.27	39.27
f) CAPITAL REDEMPTION RESERVE		
As per last Account	2,000.00	2,000.00
g) AMALGAMATION RESERVE		
As per last Account	121.56	121.56
h) SURPLUS-PROFIT AND LOSS ACCOUNT	70,439.31	37,966.98
TOTAL	220,145.50	187,274.56

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "3"		
SECURED LOANS:		
(Read with Note No. 5 & 17 b) of Schedule 20)		
A) REDEEMABLE NON-CONVERTIBLE DEBENTURES	25,000.00	25,000.00
B) TERM LOANS FROM BANKS		
Rupee Term Loans	406,368.69	338,621.58
Foreign Currency Loans	123,680.08	135,755.47
	530,048.77	474,377.05
C) FUNDED INTEREST TERM LOAN FROM BANKS /FI	47,310.82	20,455.31
D) CAR LOANS FROM BANKS	130.55	208.88
E) BUYER'S CREDIT IN FOREIGN CURRENCY		
Against Capital Goods	139,190.51	106,950.39
Against Working Capital	82,028.72	27,569.59
	221,219.23	134,519.98
F) WORKING CAPITAL FACILITIES FROM BANKS	53,542.91	113,365.05
TOTAL	877,252.28	767,926.27

NOTES :

I.

- A. 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

Debentures of ₹ 1,000,000 each are redeemable in 28 equal quarterly installments starting from 1st July, 2012 and ending on 1st April, 2019 and coupon is revised to 9.75%.

- B. Term Loans amounting to ₹ 439,625.94 Lacs (Previous Year ₹ 387,301.19 Lacs) 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

Term Loans amounting to ₹ 2,706.21 Lacs (Previous Year ₹ 5,412.42 Lacs) are secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present & future.

Term Loans amounting to ₹ 76,655.23 Lacs (Previous Year ₹ 66,634.45 Lacs) are secured by second 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

Term loans from Banks include loans of ₹ 2,269.15 Lacs (Previous Year ₹ 2,817.47 Lacs) are secured by hypothecation of book debts and collateral corporate Guarantee given by the fellow subsidiary.

Term loans from Banks include loans of ₹ 3,495.54 Lacs (Previous Year ₹ 4,660.12 Lacs) are secured by way of mortgage of immovable properties and hypothecation of movable assets of the company and second charge on the current assets of the company ranking pari passu with other Banks/Financial Institutions.

Term loans from Banks include loans of ₹ 5,296.71 Lacs (Previous Year ₹ 7,551.39 Lacs), for which charge is created / to be created by way of mortgage of company's immovable properties and hypothecation of movable assets. Further loans of ₹ 5,210.85 Lacs (Previous Year ₹ 7,434.92 Lacs) were also collateralized by letter of comfort/undertaking for non disposing of equity investment in PT Jindal Stainless Indonesia by Holding Company.

- C. Funded Interest Term Loans (FITL) amounting to ₹ 47,310.81 Lacs (Previous Year ₹ 20,455.31 Lacs) {including ₹ 3,875.39 Lacs (Previous Year ₹ 1,683.41 Lacs) from Financial Institutions} 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

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

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

- E. Buyers Credit amounting to ₹ 138,457.61 Lacs (Previous Year ₹ 106,950.39 Lacs) 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 goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

Buyers Credit amounting to ₹ 732.90 Lacs (Previous Year ₹ NIL) are secured by exclusive charge over the entire assets financed by state bank of india for Hisar project by way of hypothecation.

Buyers Credit amounting to ₹ 82,028.72 Lacs (Previous Year ₹ 27,569.59 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 movable and immovable properties of the Company.

- F. Working capital facilities of ₹ 24,352.83 Lacs (Previous Year ₹ 89,122.54 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 movable and immovable properties of the Company.

Working capital loans of ₹ 9,490.87 Lacs (Previous Year ₹ 7,886.37 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 movable and immovable properties of the company ranking pari-passu with other Banks/Financial Institutions.

Working capital loans of ₹ 19,699.20 Lacs (Previous Year ₹ 16,356.14 Lacs), obtained by subsidiary PT Jindal Stainless Indonesia is collateralized by accounts receivable and inventories and letter of comfort/undertaking for non disposing of equity investment in PT Jindal Stainless Indonesia by Holding Company.

II.

- A. Above loans of ₹ 717,917.14 Lacs including FITL are also secured by way of Personal Guarantee of Shri Ratan Jindal (Note No. 5 of Schedule 20) and
- B. Pari passu pledge/ non-disposal undertaking/lodgement 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. 5 of Schedule 20.

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "4"		
UNSECURED LOANS		
Foreign Currency Convertible Bonds@	4,593.80	14,031.40
Fixed Deposits	8,274.07	10,208.58
Rupee Term Loan From Others	4,505.64	3,252.00
Interest accrued thereon	206.43	18.51
Security Deposits from Agents / Dealers / Others	1,060.49	1,649.36
TOTAL	18,640.43	29,159.85

NOTE:

@

- 1 Foreign Currency Convertible Bonds (FCCB) originally issued to the Foreign investors on 24th December, 2004 with 0.50% coupon rate, amounting to USD 60 million, out of which USD 24.05 million were outstanding as on 31st March, 2010.

In terms of the Agreement executed with Trustee for Bondholders on 6th December 2010 for restructuring of FCCB, the Company has paid accrued YTM amounting to USD 7.20 million outstanding as on 31st March 2010, from 23rd December 2004 to 24th December 2009 to all outstanding USD 24.05 million FCCB holders.

- 2 Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the 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. These FCCBs would now be termed as "Convertible Bonds due December 24, 2019".

Further, post FCCB restructuring, the Company has received conversion notice for 950 FCCBs amounting to USD 4.75 million and subsequently the company has allotted 17,33,620 fully paid equity shares on 7th January 2011. Thus, the outstanding FCCBs as on 31st March 2011 are USD 10.30 million.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET



SCHEDULE - "5"

FIXED ASSETS

(₹ in Lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2010	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENT DURING THE YEAR \$	TOTAL AS ON 31.03.2011	UPTO LAST YEAR	DURING THE YEAR***	ON SALE/ ADJUSTMENT \$	TOTAL UPTO 31.03.2011	31.03.2011	31.03.2010
LAND *	13,742.15	1,082.64	178.13	14,646.66	245.51	53.41	(1.08)	300.00	14,346.66	13,496.65
BUILDINGS	53,966.71	4,146.55	(43.96)	58,157.22	6,225.13	1,518.09	(12.27)	7,755.49	50,401.73	47,741.58
PLANT & MACHINERY **	486,614.00	57,143.62	(307.25)	544,064.87	138,277.80	35,897.39	(82.45)	174,257.64	369,807.23	348,336.20
ELECTRIC INSTALLATION	11,391.33	124.47	5.34	11,510.46	2,176.50	642.32	2.27	2,816.55	8,693.91	9,214.83
VEHICLES	2,716.19	385.40	114.56	2,987.03	1,132.44	307.08	54.39	1,385.13	1,601.90	1,583.74
FURNITURE, FIXTURES & EQUIPMENTS	2,121.97	220.01	0.62	2,341.36	802.36	150.27	0.58	952.05	1,389.31	1,319.61
POWER LINE AND BAY EXTENSION	1,211.87	-	-	1,211.87	396.24	121.19	-	517.43	694.44	815.64
INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	710.28	136.92	-	847.20	521.98	658.90
COMPUTER SOFTWARE	1,078.33	57.62	-	1,135.95	887.37	164.78	-	1,052.15	83.80	190.96
BUS Q SHELTER CONCESSION RIGHT	4,711.51	1,257.11	137.98	5,830.64	922.34	583.28	29.83	1,475.79	4,354.85	3,789.16
TOTAL	578,923.24	64,417.42	85.42	643,255.24	151,775.97	39,574.73	(8.73)	191,359.43	451,895.81	427,147.27
CAPITAL WORK IN PROGRESS **** (Including preoperative expenses pending allocation/ Capitalisation)	-	-	-	-	-	-	-	-	508,367.01	390,305.49
Previous Year	535,150.67	45,483.47	1,710.90	578,923.24	115,565.30	37,500.34	1,289.67	151,775.97	427,147.27	419,585.37

* Land includes land acquired on lease amounting to ₹ 5,643.92 Lacs (Previous Year ₹ 5,223.62 Lacs) and amount amortized thereon during the year is ₹ 47.35 Lacs (Previous Year ₹ 44.99 Lacs)

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

** Plant & Machinery Sale/ Adjustment include ₹ 12.94 Lacs (Previous Year ₹ 1,060.73 Lacs) and Depreciation on sale include ₹ 3.68 Lacs (Previous Year ₹ 330.31 Lacs) transferred by HR Division to Jaipur Division and that is CWIP of Jaipur Division.

*** Depreciation during the year includes ₹ 28.64 Lacs (Previous Year ₹ 29.24 Lacs) considered under pre-operative expenses.

**** Include capital advances ₹ 17,039.21 Lacs (Previous Year ₹ 68,985.21Lacs) and project inventory ₹ 1,12,680.26 Lacs (Previous Year ₹ 1,54,241.45 Lacs).

\$ Sales/adjustment in respect of Gross Block and Depreciation includes ₹ 806.32 Lacs (Previous Year ₹ 1,079.94 Lacs) and ₹ 232.30 Lacs (Previous Year ₹ 421.12 Lacs) respectively for adjustment of Foreign Exchange Fluctuation.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - "6"

INVESTMENTS						
DETAILS OF INVESTMENTS		31.03.2011			31.03.2010	
SR. NO.	PARTICULARS	Nos.	Face Value (₹)	Amount (₹ in Lacs)	Nos.	Face Value (₹) Amount (₹ in Lacs)
	Current Investments - Non Trade (At Cost Less Provision)					
A	Mutual Funds					
1	Baroda Pioneer Liquid Fund-Institutional Growth Plan	-	-	-	18,981,815.42	10.00 2,000.00
2	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	-	-	-	60,003,728.58	10.00 6,200.65
3	Canara Rebeco Treasury Advantage Super Instt Growth Fund	-	-	-	42,670,797.46	10.00 5,917.99
4	Reliance Liquidity Fund-Growth Fund-Growth Option	-	-	-	3,615,002.96	10.00 500.88
5	UTI Liquid Cash Plan Institutional-Growth Option	-	-	-	264,904.33	1,000.00 4,000.00
	Total (A)			-		18,619.52
B	Equity Shares Fully Paid Up - Quoted					
1	Bhartiya International Limited	114,609	10.00	59.60	114,609	10.00 73.12
2	Central Bank of India	7,247	10.00	7.39	7,247	10.00 7.39
3	Hotel Leela Ventures Limited	90,000	2.00	34.82	90,000	2.00 44.10
4	Mundra Port and SEZ Limited	7,355	2.00	6.47	1,471	10.00 6.48
	Total (B)			108.28		131.09
	Long Term Investments					
A	Govt./Semi Govt. Securities - Non Trade					
1	12.40% Government of India Stocks (Face value ₹ 40 Lacs)	-	-	41.14	-	- 41.14
2	National Savings Certificate *	-	-	1.17	-	- 1.47
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00 103.40
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00 40.00
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00 97.71
6	8.57% Andhra Pradesh SDI. 2020	220,000	100.00	222.48		-
	Total (A)			505.90		283.72
B	Equity Shares Fully Paid Up - Unquoted					
1	Jab Resources Limited ^	-	-	-	3,333,067	Cents 15 179.59
2	Golden Touch Resources Corporation	555,512		179.59	-	-
3	MJSJ Coal Limited #	3,609,000	10.00	360.90	3,609,000	10.00 360.90
4	JSL Energy Limited	1,000	10.00	0.10	-	-
	Total (B)			540.59		540.49
C	Equity Shares Fully Paid Up of Associate Company - Trade - Unquoted					
1	J.S.S. Steelitalia	7,713,190	10.00	771.32	6,886,723	10.00 688.67
	Add/(Less) :- Share in Profit/(Loss) of Associate			(155.06)		(94.95)
	Total (C)			616.26		593.72
	GRAND TOTAL :			1,771.03		20,168.54
* Lodged with Government Authorities as Security						
^ During the year, merged with Golden Touch Resources Corporation						
# Investment in terms of agreement with Mahanadi Coalfield Limited & Others, as investor.						
Aggregate value of Current Investment				108.28	18,750.61	
Aggregate value of unquoted investment				1,662.75	1,417.93	
Aggregate value of quoted investment				108.28	131.09	
Market value of quoted investment				114.66	139.46	

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and Certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares {Including material in transit ₹ 1,259.37 Lacs (Previous Year ₹ 1,016.04 Lacs)}	15,883.44	12,777.66
ii) Raw Materials {Including material in transit ₹ 29,064.19 Lacs (Previous Year ₹ 24,227.38 Lacs)}	72,419.19	49,096.30
iii) Finished Goods	83,411.18	62,787.34
iv) Trading Goods	1,084.23	342.74
v) Work in Progress	74,200.40	62,325.88
vi) Scrap (at estimated realisable value)	1,807.12	831.50
TOTAL	248,805.56	188,161.42
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	20,325.69	7,814.35
ii) Considered doubtful	556.08	154.02
Less: Provision	556.08	154.02
	20,325.69	7,814.35
Others - Considered good	96,469.22	99,183.42
TOTAL	116,794.91	106,997.77

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	49.45	61.13
Cheques/Money in Transit	1,775.38	887.91
Stamps in Hand	0.17	0.71
Balance with Scheduled Banks		
In Current Accounts	3,707.31	12,488.49
In Fixed Deposit Accounts-in Indian Currency*	27,472.57	10,460.87
In Fixed Deposit Accounts-in Indian Currency (Unutilised money out of ECB Proceeds)**	1,935.68	21,653.44
In Escrow Account (Unutilised money out of QIP Proceeds) (Read with Note No. 9 of Schedule 20)	-	24,736.84
Balance with Non-Scheduled Banks in Foreign Currency in Current A/c		
In ANZ Bank {Maximum Outstanding during the year ₹ 3.58 Lacs (P.Y. ₹ 3.77 Lacs)}	3.29	1.54
In ICBC Bank {Maximum Outstanding during the year ₹ 8.88 lacs (P.Y. ₹ 10.55 Lacs)}	3.75	3.63
In SA Korea First Bank {Maximum Outstanding during the year ₹ 21.03 Lacs (P.Y. ₹ 9.74 Lacs)}	1.24	1.37
In ZAO Citi Bank, Moscow {Maximum Outstanding during the year ₹ 16.47 Lacs (P.Y. ₹ 10.96 Lacs)}	14.82	10.96
In Raiffeisen Bank, Poland {Maximum Outstanding during the year ₹ 12.05 Lacs (P.Y. ₹ 10.15 Lacs)}	7.93	0.27
In Standard Chartered Bank {Maximum Outstanding during the year ₹ 782.30 Lacs (P.Y. ₹ 2,061.25 Lacs)}	283.45	695.63
In PT Bank Mega {Maximum Outstanding during the year ₹ 43.86 Lacs (P.Y. ₹ 73.90 Lacs)}	-	19.80
In PT Bank Maspion {Maximum Outstanding during the year ₹ 19.71 Lacs (P.Y. ₹ 29.57 Lacs)}	1.46	0.85
In Deutsche Bank {Maximum Outstanding during the year ₹ 797.86 Lacs (P.Y. ₹ 725.73 Lacs)}	78.11	268.30
In Danamon Bank {Maximum Outstanding during the year ₹ 831.49 Lacs (P.Y. ₹ 820.64 Lacs)}	152.52	9.43
In DBS Bank {Maximum Outstanding during the year ₹ 1,259.22 Lacs (P.Y. ₹ 1210.11 Lacs)}	311.10	124.15
In HSBC Bank {Maximum Outstanding during the year ₹ 112.64 Lacs (P.Y. ₹ 178.21 Lacs)}	14.83	70.93
In UBS Bank {Maximum Outstanding during the year ₹ 0.85 Lacs (P.Y. ₹ 39.72 Lacs)}	0.11	34.00
In Yapi bank {Maximum Outstanding during the year ₹ 270.14 Lacs (P.Y. ₹ 274.69 Lacs)}	33.53	58.91
In Swadesi Bank {Maximum Outstanding during the year ₹ 32.76 Lacs (P.Y. ₹ 32.09 Lacs)}	11.85	2.05
In Casa Di - Italy {Maximum Outstanding during the year ₹ 12.63 Lacs (P.Y. ₹ 7.35 Lacs)}	-	7.35
In Banco Popular {Maximum Outstanding during the year ₹ 12.11 Lacs (P.Y. ₹ 12.11 Lacs)}	-	3.19
In CITI Bank {Maximum Outstanding during the year ₹ 1.28 Lacs (P.Y. ₹ 115.82 Lacs)}	0.02	1.27

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET



(₹ in Lacs)

DESCRIPTION	31.03.2011	31.03.2010
In Banco Bilbao Vizcaya Argentaria {Maximum Outstanding during the year ₹ 1,115.78 Lacs (P.Y. ₹ 606.45 Lacs)}	182.03	278.86
In Bangkok Bank, Thailand {Maximum Outstanding during the year ₹ 12.10 Lacs (P.Y. ₹ 11.04 Lacs)}	1.64	4.12
In Mandiri {Maximum Outstanding during the year ₹ 364.38 Lacs (P.Y. ₹ 773.62 Lacs)}	89.93	26.05
In Santander {Maximum Outstanding during the year ₹ 176.27 Lacs (P.Y. NA)}	67.59	-
Puja & Silver Coins	0.04	0.04
TOTAL	36,199.80	71,912.09

* ₹ 1,446.34 Lacs (P.Y. ₹ 8,546.68 Lacs) is under lien with Banks.

** ₹ NIL (P.Y. ₹ 9,953.44 Lacs) is under lien with Banks.

SCHEDULE - "10"

LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Advances recoverable in Cash or in kind or for value to be received {Net of Provision of ₹ 23.66 Lacs (P.Y. ₹ 23.66 Lacs)}	43,946.15	35,796.84
Interest Accrued on Investments/FDR	69.79	203.01
Security Deposits {Net of Provision of ₹ 54.00 Lacs (P.Y. ₹ Nil)}	7,478.32	7,762.98
Pre-paid Taxes	42,873.03	33,421.33
MAT Credit Entitlement	6,835.37	5,482.83
Balance with Central Excise	149.23	1,220.68
TOTAL	101,351.89	83,887.67

SCHEDULE - "11"

CURRENT LIABILITIES

Acceptances	108,461.98	74,567.45
Sundry Creditors	88,025.15	79,211.00
Other Outstanding Liabilities	41,221.89	38,230.69
Due to Customers and others	20,029.41	38,186.59
Security Deposits	100.00	100.00
Liability towards Investors Education and Protection Fund under Setion 205C of the Companies Act, 1956 not due		
i) Unpaid Dividend	129.36	163.12
ii) Unclaimed Matured Deposits	155.96	109.79
iii) Interest Accrued on (i) to (ii)	162.09	133.77
Interest Accrued but not due	2,393.33	2,133.13
TOTAL	260,679.17	232,835.54

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "12"		
PROVISIONS		
For Taxation	39,752.84	30,223.51
For Employee Benefits	998.27	1,079.38
TOTAL	40,751.11	31,302.89
 SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	11.16	20.82
Add : Addition During the Year	-	-
Less : Written off During the Year	7.31	9.66
	3.85	11.16
Mine Development Expenses	2,778.91	2,832.22
Add : Additions During the Year	-	264.37
Less : Written off During the Year	348.09	317.68
	2,430.82	2,778.91
TOTAL	2,434.67	2,790.07

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT



	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	793,961.14	642,810.11
Job Charges Received	2,323.68	778.06
Consultancy Charges Received/Advertisement Income	1,760.11	2,158.37
Export Benefits	3,550.95	3,577.59
TOTAL	801,595.88	649,324.13
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	1.54	1.78
Profit on Sale of Investments (Net)	32.00	733.80
{On Current Investments Profit ₹ 54.81 Lacs (P.Y. ₹ 650.50 Lacs)}		
{On Current Investments Loss on Dimunition in value ₹ 22.81 Lacs (P.Y. ₹ NIL)}		
{On Current Investments reversal of loss on Dimunition in value ₹ NIL (P.Y. ₹ 83.30 Lacs)}		
Previous Year Adjustment (Net)	937.50	355.13
{Expenses Relating to Earlier Years ₹ 64.17 Lacs (P.Y. ₹ 78.45 Lacs)}		
{Income Relating to Earlier Years ₹ 7.32 Lacs (P.Y. ₹ 92.60 Lacs)}		
{Liability No Longer Required ₹ 994.35 Lacs (P.Y. ₹ 340.98 Lacs)}		
Lease Rent	23.04	3.00
Miscellaneous Receipt	1,017.86	564.49
Claims Received	195.49	69.92
TOTAL	2,207.43	1,728.12

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	508,364.50	373,532.03
Goods Purchased for Sale	188.73	1,522.29
Stores and Spares Consumed	36,237.00	33,636.01
Labour Processing & Transportation Charges	6,827.65	6,389.87
Power and Fuel	58,863.02	52,920.21
Repairs to Buildings	126.32	138.35
Repairs to Plant & Machinery	1,785.29	1,475.83
Job Work Expenses	2,346.25	1,775.79
Other Manufacturing Expenses	7,964.26	5,215.07
TOTAL- A	622,703.02	476,605.45
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	62,787.34	60,694.75
Trading Goods	342.74	188.71
Scrap	831.50	369.07
Work in Progress	62,325.88	50,646.78
TOTAL - B	126,287.46	111,899.31
Closing Stock		
Finished Goods - Manufactured	83,411.18	62,787.34
Trading Goods	1,084.23	342.74
Scrap	1,807.12	831.50
Work in Progress	74,200.40	62,325.88
TOTAL - C	160,502.93	126,287.46
(INCREASE) IN STOCKS - D (B - C)	(34,215.47)	(14,388.15)
Excise Duty on account of Increase in stock of Finished Goods (E)	665.90	1,664.26
GRAND TOTAL (A + D + E)	589,153.45	463,881.56
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	18,243.62	14,798.35
Contribution to Provident and other funds	945.65	737.43
Workmen and Staff Welfare	716.77	613.50
TOTAL	19,906.04	16,149.28

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT



(₹ in Lacs)

DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	769.32	557.39
Lease Rent	5.33	10.23
Rates and Taxes	106.68	92.49
Insurance	1,325.08	954.99
Legal and Professional	1,580.90	1,553.17
Postage, Telegram, Telex and Telephone	480.94	442.76
Printing and Stationery	340.64	384.08
Travelling and Conveyance	952.58	776.16
Directors' Meeting Fees	5.30	5.20
Vehicle Upkeep and Maintenance	474.49	571.83
Auditors' Remuneration	58.79	51.09
Selling Expenses	822.89	1,015.47
Freight & Forwarding Expenses	10,008.35	6,405.73
Commission on Sales	1,434.24	1,705.24
Provision for Doubtful Debts & Advances	551.96	66.85
Bad Debts ₹ 360.48 Lacs (P.Y. ₹ 77.62 Lacs)	210.58	76.97
Less : Provision for Doubtful Debts, reversed ₹ 149.90 Lacs (P.Y. ₹ 0.65 Lacs)		
Advertisement & Publicity	117.26	205.02
Miscellaneous Expenses	2,112.17	1,894.75
Donation	87.66	93.32
Discount & Rebate	4,997.26	5,943.76
Loss on Sale/Discard of Fixed Assets (Net)	91.28	277.66
[Profit of ₹ 9.77 Lacs (P.Y. ₹ 2.84 Lacs) on Sale]		
[Loss of ₹ 47.03 Lacs (P.Y. ₹ 208.20 Lacs) on Sale]		
[Loss of ₹ 54.02 Lacs (P.Y. ₹ 72.30 Lacs) on Discard]		
TOTAL	26,533.70	23,084.16

SCHEDULES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
DESCRIPTION	31.03.2011	31.03.2010
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	31,545.20	28,704.15
Others	8,304.07	15,813.56
Financial Expenses / Bank Charges	3,075.65	2,102.17
	42,924.92	46,619.88
Less: Interest received		
Interest on Securities (Net)	41.30	29.41
Loans & Advances	126.06	152.43
TDS ₹ 61.27 Lacs (P.Y. ₹ 90.55 Lacs)		
Banks	271.45	156.10
TDS ₹ 12.52 Lacs (P.Y. ₹ 66.65 Lacs)		
From Debtors	4,358.81	2,165.51
TDS ₹ 269.00 Lacs (P.Y. ₹ 148.43 Lacs)		
Others	1.26	39.15
	4,798.88	2,542.60
TOTAL	38,126.04	44,077.28

SCHEDULE - "20"

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARIES

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

JSL Stainless Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries and associates, as on 31.03.2011, 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	
Subsidiaries		31.03.2011	31.03.2010
PT. Jindal Stainless Indonesia	Indonesia	99.999%	99.999%
Jindal Stainless Steelway Limited	India	81.911%	81.911%
JSL Architecture Limited (Formerly Jindal Architecture Limited)	India	75.329%	75.329%
JSL Lifestyle Limited (Formerly Austenitic Creations Private 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 Srl. #	Italy*	100.00%	100.00%
JSL Ventures Pte. Limited ##	Singapore*	100.00%	100.00%
JSL Europe SA ###	Switzerland*	100.00%	100.00%
JSL Minerals & Metals SA ####	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	68.326%	68.326%
JSL Media Limited (Formerly Parivartan City Infrastructure Limited)	India	99.94%	99.94%
Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	Turkey*	73.55%	73.55%
Iberjindal S.L.	Spain*	65.00%	65.00%
Associates			
J.S.S. Steelitalia 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.

NOTES TO CONSOLIDATED ACCOUNTS

- iv) Since foreign subsidiaries are in same line of business which function in different regulatory environment, certain policies such as in respect of depreciation/amortization, retirement benefits, preliminary expenditure etc. are differ than the policies followed by the holding company. The notes on accounts and policies followed by subsidiaries and holding company are disclosed in their respective financial statements.
- v) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

2A. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(₹ in Lacs)		
Particulars	31.03.2011	31.03.2010
a) Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	4,554.79	6,623.71
b) Letter of Credit outstanding.	81,132.32	60,429.56
c) Bills discounted by banks.	26,395.52	7,268.48
d) i) Sales tax Demands against which Company has preferred appeals.	280.68	280.68
ii) Excise Duty/Service Tax Show Cause Notices/ Demands against which company has preferred appeals.	9,544.41	5,814.59
iii) Income tax Demands against which Company has preferred appeals.	6,621.38	3,386.73
e) Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2011 ₹ 23,144.54 Lacs (Previous Year ₹ 1,822.67 Lacs)}	81,978.23	17,813.36
f) Claim against the company not acknowledged as debt	9,547.30	9,269.70
g) 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

2B Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2011 and 31st March, 2010 is ₹ 353.26 Lacs and ₹ 1,045.41 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.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 45,624.42 Lacs (Previous Year ₹ 91,547.04 Lacs).
4. Appeals in respect of certain assessments of Sales Tax/Income Tax are pending and additional tax liabilities/refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same are finally determined. In the opinion of management there will not be material liability on this account.
5. Corporate Debt Restructuring:
 - a) Pursuant to the approval of CDR (the Scheme) under the CDR mechanism approved by the EMPOWERED group of CDR (CDR EG) in previous year and Master Restructuring Agreement (MRA) had been executed with lenders. The Scheme inter-alia includes restructuring of Re-payment Schedule, Reduction/adjustment in interest rates and additional security in favour of CDR lenders by pledge of Shares under promoters control in the company.
 - b) Interest has been accounted for based upon terms of package/ confirmation so far received from banks. Balance of certain secured loans (including FITL) is subject to confirmation and/or reconciliation.
 - c) The Funded Interest Term Loan (FITL) has been created on certain credit facilities as per CDR scheme approved. On the decision of the MC that the entire debt services by the company post cut off date i.e. 30th June, 2009 was to be refunded back to the company, which however was pending for sanctions from few of the respective banks/FIs. Accordingly the value of debts service (including interest paid) post cut off date amounting to ₹ 1,353.36 Lacs (Previous Year ₹ 9,048.70 Lacs) to be refunded by banks/Institutions included under Loans and Advances.
 - d) As stipulated, promoters shall arrange to bring funds to meet short fall in cash flows on demand by CDR EG.

- e) The Credit facilities/ loans under CDR is further secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal. Further for waiver of Unconditional and irrevocable corporate guarantee of promoters group companies (as stated in MRA) in proportion to the numbers of equity shares held by them in the company, final decision is under consideration. Balance certain covenants/conditions as stipulated in CDR package are in process of compliance.
- f) (i) During the year Company has received necessary approval for part conversion of Non Convertible Debenture of ₹ 180 crores into Rupee Term Loan. (ii) Further, during the year, the CDR lenders have approved for restricting the FITL build up period to 31st March, 2011 instead of earlier approved FITL build up period till 31st March, 2012. Thus, post 31st March, 2011, the company has also started to service the interest on the respective domestic term loans on which the FITL was being created, instead of being converted into FITL, and (iii) The company have *pari passu* pledged and submitted non-disposal undertaking for all its investments in subsidiaries as listed below :
- JSL Life Style Limited (formerly Austenitic Creations Private Limited)
 - JSL Logistics Limited
 - PT. Jindal Stainless Indonesia
 - Jindal Stainless UK Limited
 - Jindal Stainless FZE
 - JSL Group Holdings Pte. Limited
 - JSL Architecture Limited (formerly Jindal Architecture Limited)
 - Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.
 - Jindal Aceros Inoxidables S.L.
6. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble 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 judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also 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 rather 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 judgment 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.
7. During the financial year 2007-08 the Company had filed Writ Petition in Hon'ble High Court of Odisha challenging the validity of Entry Tax Act, 1999. The Hon'ble High Court of Odisha vide their order dated 16.05.2007 granted stay to the extent of depositing 50% of the entry tax demand raised by the Commercial tax Department. However, the Company has provided full liability for entry tax in the books of accounts during the year 2007-08 while deposited 50% amount with the Department. The outstanding amount of liability on this account as on 31st March, 2008 was ₹ 351.65 Lacs which still remains outstanding.
- Subsequently in February, 08, the Hon'ble High Court disposed off the Writ Petition. As per legal advice received by the Company on interpretation of the High Court Order, it believes that its liability will be less than the amount already deposited. Accordingly, the Company has filed the refund application which has been rejected by Joint Commissioner. Subsequently the company has gone for appeal to the Appellate Authority and the hearing is pending.

NOTES TO CONSOLIDATED ACCOUNTS

The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the Hon'ble Supreme Court has been given stay against the order of Hon'ble High Court. The company again appealed to the Hon'ble Supreme Court against the stay & the Hon'ble Supreme Court after several hearing, ordered to deposit under protest 1/3rd of the outstanding liability. Accordingly the company is depositing 1/3rd of the liability as per order given by the Hon'ble Supreme Court. Pending this, liability of ₹ 4,575.98 Lacs may arise depending upon final decision by Hon'ble Supreme Court.

8. Exceptional Items includes gain (net) of ₹ 6,795.34 Lacs (Previous Year ₹ 23,787.33 Lacs) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ (600.56) Lacs (Previous Year ₹ 2,601.04 Lacs) upon marked to market of derivatives contracts, gain of ₹ 1,281.78 Lacs (Previous Year ₹ 2,766.23 Lacs) on forward cover cancellation, resulting from volatile global market.
9. Money received in Escrow account as on 31st March, 2010 against allotment of 23,447,240 nos. equity shares of ₹ 2/- each at price of ₹ 105.50 per share (including premium of ₹ 103.50 per share) of amounting to ₹ 24,736.84 Lacs from Qualified Institutional Buyer's have been fully utilized for the purpose the said issue of shares was made.
10. On 28th July, 2010, the company has granted 3,577,500 stock options to eligible employees of the company, its subsidiaries including non executive directors (excluding Nominee Director), as per Company's Employee 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 Compensation Committee. During the year ended on 31st March, 2011, 471,250 stock options lapsed due to resignation, retirement etc.
11. In 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. Arbitrators are being appointed for the matter. 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 ₹ 3,706.37 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.
12. In case of Green Delhi BQS Limited and JSL Media Limited (Formerly Parivartan City Infrastructure 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. Further opening balance of deferred tax has also been withdrawn.
13. Sundry debtors include due from Grid corporation of Odisha (Gridco) Limited outstanding for more than six month amounting to ₹ 63.43 crore. The company had initiated legal action for recovery of amount due upto the end of the previous year and part of the debtors has been realized during the financial year 2010-11. Pending litigation, these debtors balances are not reconciled. The debtors also include interest on overdue amount accounted for in terms of contractual obligation. The management is hopeful of recovery of these debtors from Gridco.
14. The Company was granted formal approval by the Ministry of Commerce and Industry vide letter No.F2/444/2006.SEZ dated 25.10.2006 for development of a Special Economic Zone for Stainless steel and ancillary/ downstream industry at Kalinga Nagar, Odisha. The SEZ has been notified vide Notification S.O.2004(E) dated 28.11.2007. The Company was also granted approval to set up a SEZ unit in the said SEZ vide letter No.SEZ/LIC/J-7(1)/2008/955 dated 11.06.2008 issued by the Development Commissioner, Falta SEZ. Due to change in global economic scenario, the Company's request for de-notification of SEZ was in-principle approved by the Board Of Approval (BoA) and the Unit Approval Committee has approved de-bonding of the SEZ unit subject to refund of taxes / duties. The amount of Tax/ Duty already paid on account of customs duty, excise duty and others is ₹ 10,160.16 Lacs. Additionally, the Company has taken EPCG license for ₹ 567.24 Crores as per Rule 74 of Special Economic Zones Rules, 2006. Further, for discharging the liability under the Central Sales Tax, the company is collecting the relevant forms and submitting the same with the relevant Development Commissioner. The management is confident that final de-bonding certificate will be received once all the requisite formalities are completed.

15. During June 2008, JSL Stainless Ltd. (JSL) entered into Coking Coal Contract with M/s Xstrata Coal Queensland Pty Ltd. (Xstrata) for two shipments of coking coal (50,000 MT each). Certain disputes arose between the parties. Xstrata invoked Arbitration at London Court of International Arbitration (LCIA) and claimed a loss of 12.5 million US\$. LCIA made an award of 8 million US\$ against JSL.

JSL has challenged the award by filing objections against the award u/s 34 of Arbitration and Conciliation Act 1996, in the Hon'ble District Court of Odisha, wherein the Court has admitted our petition and has issued notice to Xstrata.

16. 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.

17. a) Certain balances of sundry debtors, sundry creditors are subject to confirmation and/or reconciliation.
b) Certain charges created for secured loans are in process of satisfaction.

18 Segment Reporting:

i) Information about Business Segment (for the year ended on 31.03.2011)

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

ii) Secondary Segments (Geographical Segment)

		(₹ in Lacs)					
Sr.No.	Particulars	2010-11			2009-10		
		Within India	Outside India	Total	Within India	Outside India	Total
1	Revenue	599,000.86	202,595.02	801,595.88	506,739.24	142,584.89	649,324.13
2	Segment Assets	1,331,456.75	90,856.22	1,422,312.97	1,185,259.85	69,899.07	1,255,158.92
3	Capital Expenditure incurred during the year	181,805.05	673.89	182,478.94	227,656.85	1,987.70	229,644.55

NOTES TO CONSOLIDATED ACCOUNTS

19 Related Party Transactions

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

a) Key Management Personnel :

1	Smt. Savitri Devi Jindal	Chairperson
2	Shri Ratan Jindal	Vice-Chairman & Managing Director, Managing Director in Jindal stainless FZE & Jindal Stainless UK Limited
3	Shri Arvind Parakh	Director - Finance , Director in Jindal Stainless FZE & Jindal Stainless UK Limited
4	Shri N.P. Jayaswal	Executive Director (till 06.04.2010)
5	Shri S.S. Viridi	Executive Director & COO (w.e.f. 06.04.2010)
6	Shri Rajiv Rajvanshi	Director, JSL Media Limited (Formerly Parivartan City Infrastructure Limited), Green Delhi BQS Limited
7	Shri Avinash Gupta	Executive Director, JSL Architecture Limited (Formerly Jindal Architecture Limited)
8	Smt. Deepika Jindal	Managing Director, JSL Lifestyle Limited & JSL Architecture Limited
9	Shri D.S. Kamboj	Director, JSL Lifestyle Limited (Formerly Austenitic Creations Private Limited)
10	Shri Sunil Mittal	Director, JSL Logistics Limited
11	Shri Ankur Agrawal	Director, JSL Media Limited
12	Shri Rajesh Modi	Whole Time Director, Jindal Stainless Steelway Limited
13	Shri P.K. Mehra	Director, Jindal Stainless UK Limited
14	Shri Anil Saxena	COO, JSL Architecture Limited
15	Shri Jitendra Kumar	Company Secretary

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

c) Associates

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

1	MJSJ Coal Limited
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NOTES TO CONSOLIDATED ACCOUNTS



B Transactions:

(₹ in Lacs)

Description	2010-11				2009-10			
	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates
Purchase of Goods	-	-	7,828.94	260.20	-	-	13,749.29	233.98
Jindal Steel & Power Limited*	-	-	4,291.39	-	-	-	11,217.85	-
JSW Steel Limited	-	-	1,856.98	-	-	-	1,507.20	-
Nalwa Steel & Power Limited	-	-	852.47	-	-	-	64.97	-
Jindal Industries Limited	-	-	818.75	-	-	-	957.98	-
Others	-	-	9.35	260.20	-	-	1.29	233.98
Sale of Goods	-	0.14	2,427.50	565.84	-	5.08	2,287.66	3,022.24
JSW Steel Limited	-	-	1,345.02	-	-	-	1,087.99	-
Jindal Steel & Power Limited**	-	-	1,072.01	-	-	-	1,180.42	-
J.S.S. Steelitalia Limited	-	-	-	565.84	-	-	-	3,022.24
Others	-	0.14	10.47	-	-	5.08	19.25	-
Sale of Assets	-	-	93.69	210.00	-	-	-	4.16
JSW Steel Limited	-	-	93.69	-	-	-	-	4.16
J.S.S. Steelitalia Limited	-	-	-	210.00	-	-	-	-
Job Work Charges Received	-	-	1,454.67	15.89	-	-	-	17.92
JSW Steel Limited	-	-	1,454.67	-	-	-	-	-
J.S.S. Steelitalia Limited	-	-	-	15.89	-	-	-	17.92
Job Work Charges Paid	-	-	-	2.82	-	-	-	2.50
J.S.S. Steelitalia Limited	-	-	-	2.82	-	-	-	2.50
Receiving of Services (Remuneration paid)	-	2,132.55	-	-	-	998.80	-	-
Shri Ratan Jindal	-	1,550.24	-	-	-	577.74	-	-
Shri Arvind Parakh	-	171.58	-	-	-	156.36	-	-
Smt Deepika Jindal	-	136.60	-	-	-	66.30	-	-
Others	-	274.13	-	-	-	198.40	-	-
Remuneration written back	-	-	-	-	-	51.92	-	-
Smt Deepika Jindal	-	-	-	-	-	51.92	-	-
Rent Received	-	17.40	4.21	-	-	17.40	3.31	-
Shri Ratan Jindal	-	17.40	-	-	-	17.40	-	-
Jindal Saw Limited	-	-	3.31	-	-	-	3.31	-
Others	-	-	0.90	-	-	-	-	-
Rent Paid	-	-	3.97	-	-	-	3.60	-
Bir Plantation Private Limited	-	-	3.97	-	-	-	3.60	-
Loan & Advances Given	-	-	-	-	-	-	-	30.00
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	30.00
Loan & Advances Recovered	-	-	-	-	-	-	-	30.00
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	30.00
Interest Income	-	-	-	18.96	-	-	-	32.55
J.S.S. Steelitalia Limited	-	-	-	18.96	-	-	-	32.55
Interest Paid	-	-	-	2.72	-	-	-	-
J.S.S. Steelitalia Limited	-	-	-	2.72	-	-	-	-

NOTES TO CONSOLIDATED ACCOUNTS

(₹ in Lacs x)

Description	2010-11				2009-10			
	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
Sharing of Exp. Reimbursed/ to be reimbursed	-	-	36.45	-	-	-	36.69	1.41
Jindal Saw Limited	-	-	34.58	-	-	-	29.30	-
Bir Plantation Private Limited	-	-	1.87	-	-	-	4.25	-
Others	-	-	-	-	-	-	3.14	1.41
Sharing of Exp. Recovered/ to be recovered	0.09	-	83.92	14.76	3.28	-	65.04	11.19
Jindal Steel & Power Limited	-	-	46.54	-	-	-	32.76	-
Jindal Saw Limited	-	-	36.19	-	-	-	32.22	-
J.S.S. Steelitalia Limited	-	-	-	14.76	-	-	-	11.19
Others	0.09	-	1.19	-	3.28	-	0.06	-
Equity Share Capital Subscribed	-	-	-	-	360.00	-	-	-
MJSJ Coal Limited	-	-	-	-	60.00	-	-	-
Consultancy charges paid	-	-	202.46	-	-	-	43.57	-
JSW Steel Limited	-	-	-	-	-	-	43.57	-
Jindal Saw Limited	-	-	202.46	-	-	-	-	-
Outstanding Balance as on 31.03.2011								
Loans & Advances- Receivable	14.30	-	30.40	18.27	14.21	-	56.28	-
Nalwa Steel & Power Limited	-	-	-	-	-	-	25.00	-
JSW Steel Limited	-	-	-	-	-	-	3.37	-
MJSJ Coal Limited	14.30	-	-	-	14.21	-	-	-
Bir Plantation Private Limited	-	-	25.00	-	-	-	25.00	-
J.S.S. Steelitalia Limited	-	-	-	18.27	-	-	-	-
Others	-	-	5.40	-	-	-	2.91	-
Receivables	-	-	1,788.48	11.34	-	5.06	523.79	184.95
JSW Steel Limited	-	-	1,032.58	-	-	-	210.58	-
Jindal Steel & Power Limited	-	-	730.90	-	-	-	311.94	-
J.S.S. Steelitalia Limited	-	-	-	11.34	-	-	-	184.95
Others	-	-	25.00	-	-	5.06	1.27	-
Payables	-	1,156.24	1,118.78	22.72	-	338.11	1,828.03	66.20
Shri Ratan Jindal	-	1,156.24	-	-	-	338.11	-	-
Jindal Steel & Power Limited	-	-	-	-	-	-	476.97	-
Jindal Saw Limited	-	-	924.58	-	-	-	913.55	-
Jindal Industries Limited	-	-	-	-	-	-	294.73	-
Others	-	-	194.20	22.72	-	-	142.78	66.20

Note :-

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

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

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

	(₹ in Lacs)	
	2010-11	2009-10
(A) Basic :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	31,416.93	39,191.96
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	31,416.93	39,191.96
Weighted Average No. of Equity Shares for Basic EPS (Face value ₹ 2/- per share)	185,981,142	162,199,171
Basic EPS (in ₹)	16.89	24.16
(B) Diluted :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	31,416.93	39,191.96
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	31,416.93	39,191.96
Add: Interest & Fluctuation on FCCB (net of tax)	108.98	(461.99)
Profit before Extraordinary Items attributable to Equity Share Holders	31,525.91	38,729.97
Profit after Extraordinary Items attributable to Equity Share Holders	31,525.91	38,729.97
Weighted Average No. of Equity Shares for Basic EPS	185,981,142	162,199,171
Add : Weighted average of Potential equity shares converted during the period	1,334,650	-
Add : Weighted average of Potential equity shares outstanding as on 31.03.2011	3,830,771	8,777,592
Weighted average No. of Equity Shares for Diluted EPS (Face value ₹ 2/- per share)	191,146,543	170,976,763
Diluted EPS (in ₹)	16.49	22.65

(Read with Foot Note to Schedule 4)

NOTES TO CONSOLIDATED ACCOUNTS

21 Deferred Tax Liability (Net) comprises of the following as on 31.03.2011

(₹ in Lacs)

Particulars	2010-11			2009-10		
	Balance as at 31.03.2010	Charge/ (Credit) for the year	Balance as at 31.03.2011	Balance as at 31.03.2009	Charge/ (Credit) for the year	Balance as at 31.03.2010
A) Deferred Tax Liability						
1 Difference between book & tax depreciation	65,105.48	(1,879.06)	63,226.42	62,201.37	2,904.11	65,105.48
2 Difference between book & tax land right amortization*	1.24	0.19	1.43	0.99	0.25	1.24
Total Deferred Tax Liability - A	65,106.72	(1,878.87)	63,227.85	62,202.36	2,904.36	65,106.72
B) Deferred Tax Assets						
1 Disallowance under Section 43B	8,704.60	8,193.45	16,898.05	1,335.13	7,369.47	8,704.60
2 Amortization under Section 35D	-	-	-	0.40	(0.40)	-
3 Provision for doubtful debts & advances	53.76	153.95	207.71	37.36	16.40	53.76
4 Provisions for Employee Benefits	317.44	(39.26)	278.18	246.80	70.64	317.44
5 Brought forward long term/ short term capital losses	-	-	-	31.32	(31.32)	-
6 Fiscal Loss*	-	-	-	806.05	(806.05)	-
7 Post Employment Benefit*	44.21	5.39	49.60	33.54	10.67	44.21
8 Disallowance under Income Tax	86.51	(22.11)	64.40	19.06	67.45	86.51
9 Carry Forward Losses/ Unabsorbed Depreciation#	17,999.82	(16,998.07)	1,001.75	40,574.40	(22,574.58)	17,999.82
10 Provision for MTM Losses & Dimunation in Investments	69.15	199.11	268.26	981.56	(912.41)	69.15
Total Deferred Tax Assets - B	27,275.49	(8,507.54)	18,767.95	44,065.62	(16,790.13)	27,275.49
Deferred Tax Liability (Net) (A-B)	37,831.23	6,628.67	44,459.90	18,136.74	19,694.49	37,831.23

* Relates to Foreign Subsidiary and include on account of foreign currency fluctuation ₹ (2.38) Lacs (Previous Year ₹ (67.59) Lacs)

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

NOTES TO CONSOLIDATED ACCOUNTS



- 22 (i) (a) For the remuneration amounting to ₹ 16.20 Lacs and ₹ 18.11 Lacs paid to a Whole Time Director for the years 2008-2009 and 2009-2010 respectively, company's repersantation is pending before Central Government.
- (b) The above Remuneration paid/payble for current year include Remuneration/Commission amount calculated as in Note no. 29 of Standalone Financial statements, considering the Set-off of Earlier Year without unabsorbed depreciation, as has been legally advised.
- 23 Previous year's figures have been re-arranged and / or regrouped wherever considered necessary.
- 24 Schedule 1 to 20 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	(₹ in Lacs)	
DESCRIPTION	2010-11	2009-10
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit Before Tax & Exceptional Item	39,820.80	30,654.37
Adjustment for:		
Depreciation / Amortization	39,546.09	37,471.10
Provision for Doubtful Debts & Advance / Bad Debts	762.54	143.82
Prior period Adjustments (Liability Written Back)	(994.35)	(340.98)
Misc. Expenses Written Off	355.40	327.34
Misc. Expenses Incurred	-	(264.37)
ESOP Compensation Expenditure	221.95	-
Interest and Bank Charges	38,126.04	44,077.28
Dividend Income	(1.54)	(1.78)
(Profit) / Loss on Sale of Investments (Net)	(32.00)	(733.80)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	91.28	277.66
Operating Profit Before Working Capital Changes	117,896.21	111,610.64
Adjustment for:		
(Increase) / Decrease in Inventories	(60,644.14)	(6,816.48)
(Increase) / Decrease in Sundry Debtors	(10,559.67)	(46,343.17)
(Increase) / Decrease in Loans & Advances	(14,644.76)	9,253.04
Increase / (Decrease) in Current Liabilities	28,453.24	(90,459.76)
Cash Inflow from Operating Activities before Exceptional Items	60,500.88	(22,755.73)
Exceptional Items	7,476.56	29,154.60
Income Tax (Advance) / Refund (Net)	(10,064.14)	(3,922.97)
Net Cash Inflow from Operating Activities	57,913.30	2,475.90
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(Purchase) of Investment (net)	18,369.54	55,595.99
Capital Expenditure (including advances for capital expenditure)	(158,610.17)	(217,631.19)
Sales Proceeds of Fixed Assets Sold	576.90	143.57
Dividend Received	1.54	1.78
Interest Received	5,088.32	1,791.00
Net Cash Outflow from Investing Activities	(134,573.87)	(160,098.85)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011



(₹ in Lacs)

DESCRIPTION	2010-11	2009-10
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid	(33.76)	(12.58)
Interest and Finance Charges Paid	(32,878.20)	(47,618.72)
Debt serviced/refundable under CDR	7,074.83	(9,048.70)
Proceeds from / (Repayment of) Borrowings (net)	67,379.40	193,498.48
Issue of Equity share	0.00	24,736.84
Minority Interest	(4.50)	457.19
Net Cash Inflow from Financing Activities	41,537.77	162,012.51
D. Change in Currency Fluctuation arising on Consolidation	(589.49)	(1.06)
Net Changes in Cash & Cash Equivalents	(35,712.29)	4,388.50
Cash & Cash Equivalents (Closing Balance)	36,199.80	71,912.09
Cash & Cash Equivalents (Opening Balance)	71,912.09	67,523.59
Net Changes in Cash & Cash Equivalents	(35,712.29)	4,388.50
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	1,825.00	949.75
Balance with Banks	34,374.76	70,962.30
Puja & Silver Coins	0.04	0.04
	36,199.80	71,912.09
2) Increase in Paid Up Capital and Securities Premium are cash neutral and as such not considered in this statement.		
3) Previous year's figures have been regrouped and rearranged wherever considered necessary.		

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

S.S. VIRDI
Executive Director & COO

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 27th May, 2011

SUMAN JYOTI KHAITAN
Director

Statement pursuant to 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	(₹ in Laacs)															
	Subsidiary Companies															
	PT Jindal Stainless Indonesia*	Jindal Stainless Steelway Limited	Jindal Stainless Architecture Limited (Formerly Jindal Architecture Limited)	JSL Limited	JSL Lifestyle Limited (Formerly Jindal Austenitic Private Limited)	JSL Stainless UK Limited*	Jindal Stainless Italy Srl*	Jindal Stainless FZE*	Green Delhi BQS Limited	JSL Media Limited (Formerly Parvatan City Infrastructure Limited)	Jindal Stainless Madencilik Sanyai Ve Ticaret A.S.*	JSL Logistics Limited	Jindal Aceros S.L.*	JSL Group Holdings Pte. Limited*	JSL Ventures Pte. Limited*	JSL Iberindal S.L.*
Capital (Including Share application Money)	5,855.53	1,716.69	761.77	2,267.81	71.48	6.32	728.64	10.00	5.00	1,766.53	5.00	12.63	2,006.55	2,067.19	48.29	631.62
Reserve & Surplus (Net of Misc. Exp)	2,931.17	6,519.88	721.88	(1,389.63)	88.09	40.31	259.94	(3,184.55)	(2,662.47)	(1,040.56)	24.08	(3.32)	(13.24)	(13.54)	(1.63)	(15.28)
Total Assets	65,592.74	30,429.80	6,934.65	5,636.70	183.63	58.87	1,221.71	7,928.40	1,698.25	1,161.41	456.41	9.31	4.12	28.27	0.11	33.73
Total Liabilities	56,806.04	23,164.54	5,453.30	4,758.52	28.94	12.25	233.13	11,102.96	4,355.72	435.45	427.34	-	77.99	29.33	1.74	0.72
Investment	-	971.32	2.30	-	4.89	-	-	-	-	-	-	-	2,067.19	2,054.71	48.29	-
Turnover	101,136.55	73,437.60	8,014.24	5,507.46	229.53	69.88	609.09	1,679.66	1,868.09	87.12	388.04	-	-	-	-	-
Profit Before taxation	1,623.03	2,215.92	684.35	382.60	13.80	36.17	12.79	(2,608.10)	(12.47)	(416.29)	11.61	(0.64)	(4.59)	(4.66)	(1.88)	(4.87)
Provision for Taxation	359.63	704.57	222.90	117.70	3.23	-	-	195.68	900.09	-	2.68	-	-	-	-	-
Profit After Taxation	1,263.40	1,511.35	461.44	264.89	10.57	36.17	12.79	(2,803.79)	(912.56)	(416.29)	8.93	(0.64)	(4.59)	(4.66)	(1.88)	(4.87)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	Indonesian Rupiah (Rp.)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Pounds (GBP)	Euro	Dirham (AED)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Yeni Turk Lirası (YTL)	Indian Rupee (INR)	Euro	Dollar (USD)	Dollar (USD)	Swiss Franc (CHF)

*Indian Rupee equivalents of the figures given in foreign currencies, have been given based on exchange rate as on 31.03.2011

INR 1 = Rp. 195.179
 INR 1 = GBP 0.0140
 INR 1 = EURO 0.0158
 INR 1 = USD 0.0224
 INR 1 = YTL 0.0346
 INR 1 = CHF 0.0207
 INR 1 = AED 0.0824

JSL STAINLESS LTD.

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

E-COMMUNICATION REGISTRATION FORM

To,

Abhipra Capital Limited

Unit: JSL Stainless Ltd.

Ground Floor, Abhipra Complex,

Dilkhush Industrial Area,

A-387, G.T. Karnal Road,

Azadpur, Delhi - 110 033

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No./ DP ID & Client ID No. :

Name of 1st Registered Holder :

Name of Joint Holder(s), if any :

Registered Address of the Sole/
1st Registered Holder :

No. of Shares held :

E-mail ID (to be registered) :

Date :

Signature :

Notes:

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The form is also available on the website of the Company www.jslstainless.com under the section 'Shareholders information'.
- 3) Shareholders are requested to keep the Company's Registrar – Abhipra Capital Limited informed as and when there is any change in the e-mail address.

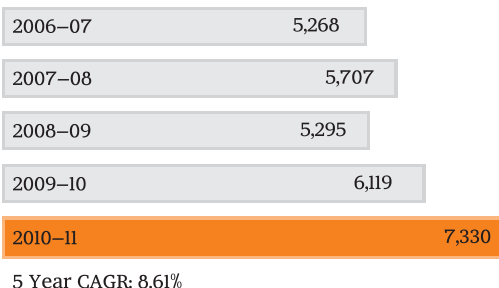
Highlights 2010–11 (Standalone)

We have spread our wings across India and beyond to consolidate our leadership position.

Key Highlights 2010–11

- Stainless Steel Melt Shop production 701,814 tons
- Gross Sales ₹ 7,330 crore
- EBIDTA ₹ 1,082 crore
- PAT ₹ 318 crore
- Weighted average cost of debt 6.70% p.a. (approx.)
- Debt Equity Ratio 3.81
- Diluted EPS ₹ 16.71

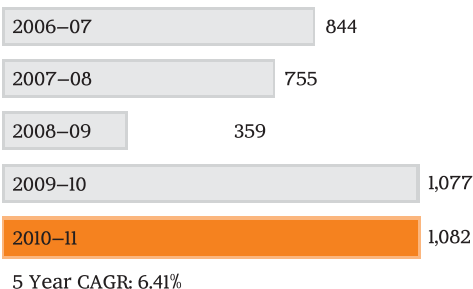
Gross Sales (₹ crore)



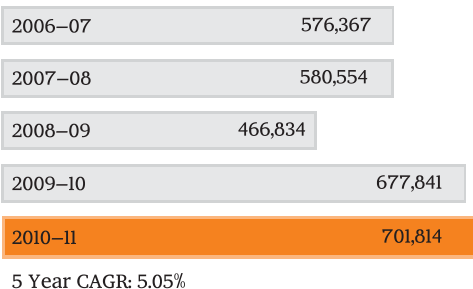
Contribution to Government & Society (₹ Crore)

	2008–09	2009–10	2010–11
Direct Taxes	64	63	130
Indirect Taxes	144	177	345
CSR Initiatives	7	4	3
Total	214	244	477

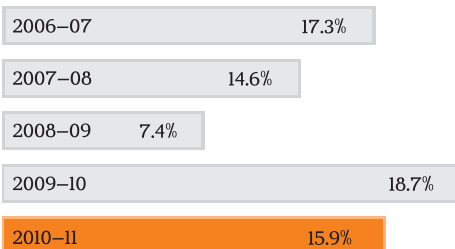
EBIDTA (₹ crore)



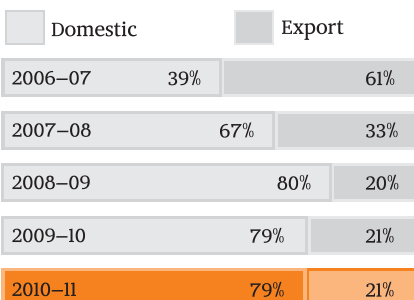
Stainless Steel Melting Production (MT)



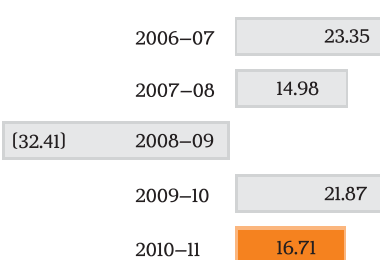
EBIDTA/Net Sales (%)



SS Domestic Export Volume Ratio



Earnings Per Share –Diluted (₹)



Financial Highlights (Standalone)

	2006–07	2007–08	2008–09	2009–10	2010–11
REVENUE ACCOUNTS (₹ in crore)					
Domestic Sales	2,953	3,955	4,082	4,976	5,859
Export Sales	2,315	1,752	1,213	1,144	1,471
Gross Sales	5,268	5,707	5,295	6,119	7,330
Net Sales	4,877	5,173	4,853	5,757	6,818
EBIDTA	844	755	359	1,077	1,082
Depreciation/Amortisation	216	252	313	340	356
Net Finance Charges	70	168	318	399	333
Extraordinary Items Gain/(Loss)	—	(36)	—	—	—
Exceptional Items Gain/(Loss)	—	72	(595)	233	54
PBT	558	371	(867)	570	447
PAT	353	241	(580)	378	318
CAPITAL ACCOUNTS (₹ in crore)					
Net Block including CWIP	3,781	4,786	5,966	7,788	9,233
Secured Debt	2,229	3,820	5,180	7,286	8,362
Unsecured Debt	443	486	478	259	139
Equity Capital	28	31	32	37	37
Reserve & Surplus	1,374	1,757	1,258	1,876	2,215
Net Worth	1,415	1,825	1,262	1,886	2,231
RATIOS					
Book Value Per Share (₹)	101.25	114.64	77.84	101.62	118.96
Earning Per Share (Diluted) (₹)	23.35	14.98	(32.41)	21.87	16.71
Equity Dividend Per Share (₹)	2.00	2.00	—	—	—
EBIDTA Margin	17.3%	14.6%	7.4%	18.7%	15.9%
Debt Equity Ratio	1.89	2.36	4.48	4.00	3.81

Note: The above figures are regrouped/reclassified based on the latest audited published results of respective financial year

Financial Highlights (Consolidated)

	2006-07	2007-08	2008-09	2009-10	2010-11
REVENUE ACCOUNTS (₹ in crore)					
Domestic Sales	2,962	4,009	4,172	5,067	5,990
Export Sales	2,406	1,874	1,581	1,426	2,026
Gross Sales	5,368	5,883	5,753	6,493	8,016
Net Sales	4,978	5,343	5,305	6,139	7,512
EBIDTA	866	821	409	1,122	1,175
Depreciation/Amortisation	230	267	334	375	395
Net Finance Charges	82	191	348	441	381
Extraordinary Items Gain/(Loss)	—	(36)	(2)	—	—
Exceptional Items Gain/(Loss)	—	72	(636)	292	75
PBT	554	398	(910)	598	473
PAT	338	266	(609)	392	319
CAPITAL ACCOUNTS (₹ in crore)					
Net Block including CWIP	3,955	5,071	6,342	8,175	9,603
Secured Debt	2,429	4,067	5,512	7,679	8,773
Unsecured Debt	447	507	478	292	186
Equity Capital	28	31	32	37	37
Reserve & Surplus	1,355	1,759	1,238	1,873	2,201
Net Worth	1,395	1,826	1,234	1,882	2,217
RATIOS					
Book Value Per Share (₹)	99.86	114.71	76.11	101.41	118.23
Earning Per Share (Diluted) (₹)	22.30	16.57	(34.08)	22.65	16.49
Equity Dividend Per Share (₹)	2.00	2.00	—	—	—
EBIDTA Margin	17.4%	15.4%	7.7%	18.3%	15.6%
Debt Equity Ratio	2.06	2.51	4.85	4.24	4.04

Note: The above figures are regrouped/reclassified based on the latest audited published results of respective financial year

Constantly **reinforcing**
our **leadership** position.
Here in **India** and **beyond**



The map is not to scale

JSL STAINLESS LTD.

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 first annual general meeting of the company at the registered office of the company at O.P. Jindal Marg, Hisar on Tuesday, the 27th day of September, 2011 at 12.00 Noon.

Name of the member.....

(in Block Letters)

Signature of the member/ proxy

NOTE:

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

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

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

JSL STAINLESS LTD.

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 first annual general meeting of the company to be held on Tuesday, the 27th day of September, 2011
at 12.00 Noon or at any adjournment thereof.

Signed this _____ day of _____, 2011.

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.

31st ANNUAL GENERAL MEETING

Date : 27th September, 2011

Day : Tuesday

Time : 12.00 Noon

Place : Registered Office

O.P. Jindal Marg, Hisar (Haryana)

Book - Post

"Postage paid in advance at Hisar H. O. on 29.08.2011 for Posting
on 30.08.2011 to 02.09.2011 under business post"

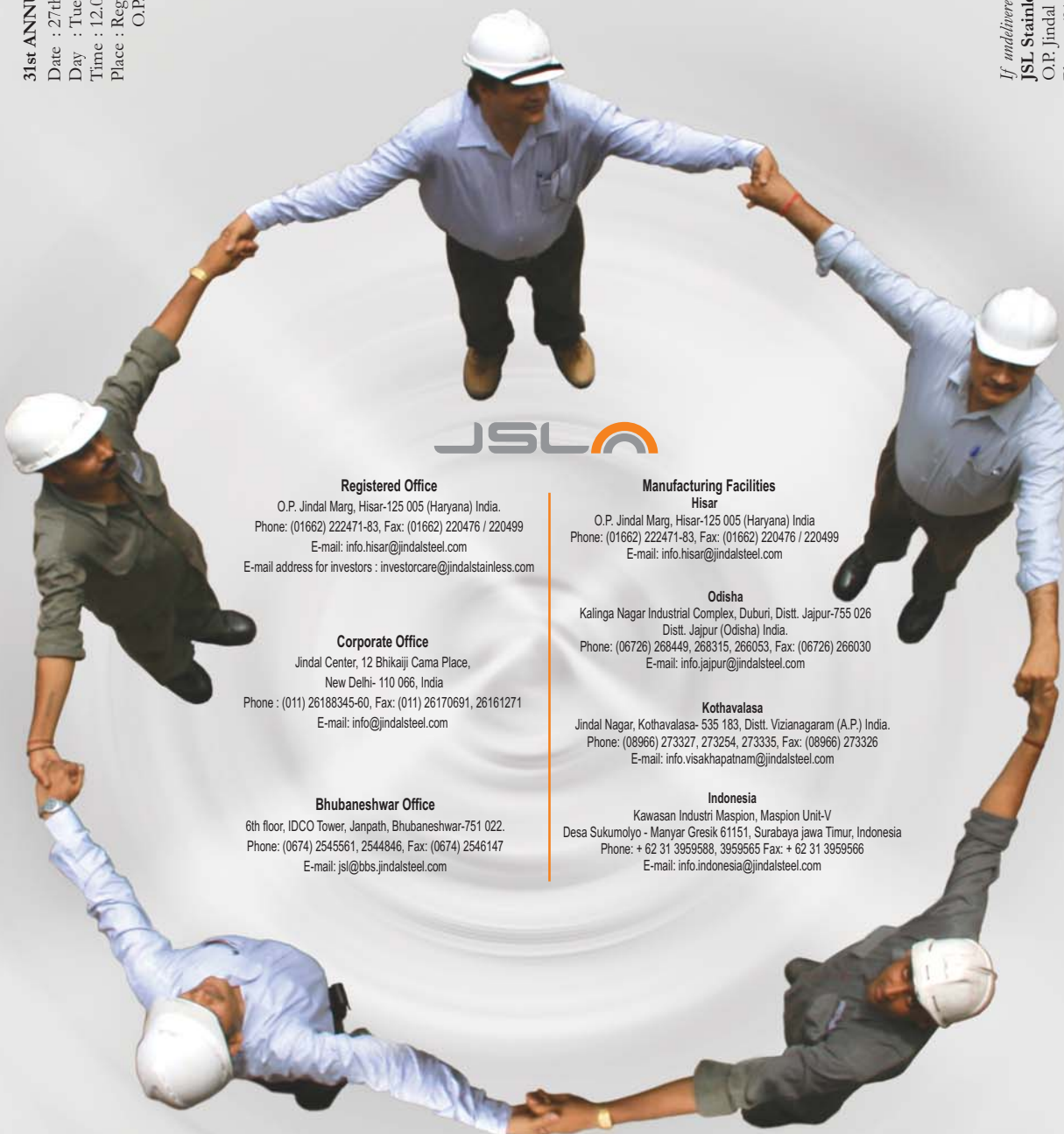
If undelivered, please return to:

JSL Stainless Ltd.

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

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

e-mail: info.hisar@jindalsteel.com



Registered Office

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

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

E-mail: info.hisar@jindalsteel.com

E-mail address for investors : investorcare@jindalstainless.com

Corporate Office

Jindal Center, 12 Bhikaiji Cama Place,

New Delhi- 110 066, India

Phone: (011) 26188345-60, Fax: (011) 26170691, 26161271

E-mail: info@jindalsteel.com

Bhubaneshwar Office

6th floor, IDCO Tower, Janpath, Bhubaneshwar-751 022.

Phone: (0674) 2545561, 2544846, Fax: (0674) 2546147

E-mail: jsl@bbs.jindalsteel.com

Manufacturing Facilities

Hisar

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

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

E-mail: info.hisar@jindalsteel.com

Odisha

Kalinga Nagar Industrial Complex, Duburi, Distt. Jajpur-755 026

Distt. Jajpur (Odisha) India.

Phone: (06726) 268449, 268315, 266053, Fax: (06726) 266030

E-mail: info.jajpur@jindalsteel.com

Kothavalasa

Jindal Nagar, Kothavalasa- 535 183, Distt. Vizianagaram (A.P.) India.

Phone: (08966) 273327, 273254, 273335, Fax: (08966) 273326

E-mail: info.visakhapatnam@jindalsteel.com

Indonesia

Kawasan Industri Maspion, Maspion Unit-V

Desa Sukumulyo - Manyar Gresik 61151, Surabaya Jawa Timur, Indonesia

Phone: + 62 31 3959588, 3959565 Fax: + 62 31 3959566

E-mail: info.indonesia@jindalsteel.com

JSL STAINLESS LTD.

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 first annual general meeting of the company at the registered office of the company at O.P. Jindal Marg, Hisar on Tuesday, the 27th day of September, 2011 at 12.00 Noon.

Name of the member.....

(in Block Letters)

Signature of the member/ proxy

NOTE:

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

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

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

JSL STAINLESS LTD.

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 first annual general meeting of the company to be held on Tuesday, the 27th day of September, 2011
at 12.00 Noon or at any adjournment thereof.

Signed this _____ day of _____, 2011.

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.

31st ANNUAL GENERAL MEETING

Date : 27th September, 2011

Day : Tuesday

Time : 12.00 Noon

Place : Registered Office

O.P. Jindal Marg, Hisar (Haryana)

Book - Post

"Postage paid in advance at Hisar H. O. on 29.08.2011 for Posting
on 30.08.2011 to 02.09.2011 under business post"

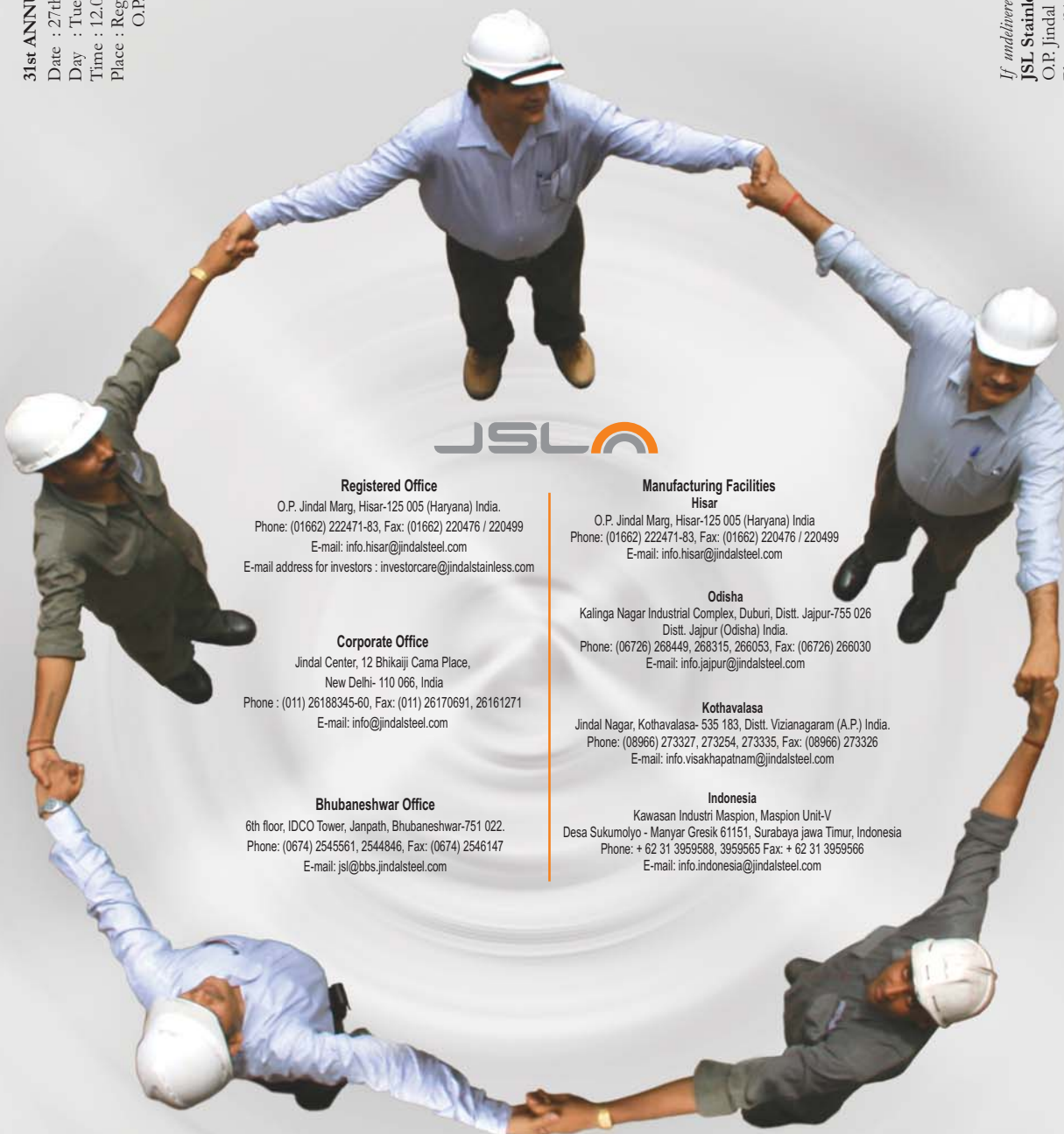
If undelivered, please return to:

JSL Stainless Ltd.

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

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

e-mail: info.hisar@jindalsteel.com



Registered Office

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

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

E-mail: info.hisar@jindalsteel.com

E-mail address for investors : investorcare@jindalstainless.com

Corporate Office

Jindal Center, 12 Bhikaji Cama Place,
New Delhi- 110 066, India

Phone: (011) 26188345-60, Fax: (011) 26170691, 26161271

E-mail: info@jindalsteel.com

Bhubaneshwar Office

6th floor, IDCO Tower, Janpath, Bhubaneshwar-751 022.

Phone: (0674) 2545561, 2544846, Fax: (0674) 2546147

E-mail: jsl@bbs.jindalsteel.com

Manufacturing Facilities

Hisar

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

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

E-mail: info.hisar@jindalsteel.com

Odisha

Kalinga Nagar Industrial Complex, Duburi, Distt. Jajpur-755 026
Distt. Jajpur (Odisha) India.

Phone: (06726) 268449, 268315, 266053, Fax: (06726) 266030

E-mail: info.jajpur@jindalsteel.com

Kothavalasa

Jindal Nagar, Kothavalasa- 535 183, Distt. Vizianagaram (A.P.) India.

Phone: (08966) 273327, 273254, 273335, Fax: (08966) 273326

E-mail: info.visakhapatnam@jindalsteel.com

Indonesia

Kawasan Industri Maspion, Maspion Unit-V

Desa Sukumulyo - Manyar Gresik 61151, Surabaya Jawa Timur, Indonesia

Phone: + 62 31 3959588, 3959565 Fax: + 62 31 3959566

E-mail: info.indonesia@jindalsteel.com