sustained growth
through foresight

JSW Steel Limited

ANNUAL REPORT 2009-2010

Vision

Global recognition for size, culture and quality, while nurturing nature and society.

Mission

Supporting the nation's growth in power and steel with speed and innovation.

Core Values

- Crystal clear
- Passion for excellence
- Drive with leadership
- Young thinking
- Challenging status quo

Contents

Shri O. P. Jindal

August 7, 1930 – March 31, 2005
O. P. Jindal Group – Founder and Visionary

Only a life lived for others is a life lived worth while

An industrialist par excellence under whose aegis the O P Jindal Group grew from strength to strength. But for the world at large Late Shri O P Jindal was much more than that. He was also a leader of masses, some one who would often champion the cause of the poor and downtrodden.

He was not just a celebrated politician, but also a great humanitarian and an avant-grade visionary. His life both as an industrialist and as social worker left an indelible mark on this nation. And for us at O P Jindal group, his life gives us inspiration to touch new heights.

Mr. Sajjan Jindal, Vice Chairman and Managing Director, explains the JSW mindset that successfully countered challenges.

Dear Shareholders,

The year 2009-10 was a significant one for JSW. At a time when the economy was weak, JSW pooled capabilities, capitalised on opportunities and strengthened its sectoral presence through in-plant innovation. The result was a combination of optimised costs, enriched product mix and enhanced profitability. We have scaled new heights and I always believe that steeper the climb the better is the view from the finishing post. I take this opportunity to share with you some of the salient points of our momentous journey.

When others saw the crisis we spotted the opportunity:

The genesis of the impressive results that you see today goes back to October 2008. To be honest, when the sub-prime crisis triggered the chain of events that led to a global economic depression, even we in JSW Steel were caught unawares. However, what differentiates us from others is the fact that our organisation has an ability to spot an opportunity in adversity. So while others cut back production, deferred their expansion programmes, laid off employees and waited for the bad times to pass we confronted the issue head on.

JSW Steel went on an expansion mode. We commissioned the country's largest Blast Furnace. We expanded our product portfolio. We tapped the huge potential of the rural Indian market. No doubt those were the tough times but once we weathered the storm we carried forward our momentum and our confidence into the next fiscal. It is this preparedness that helped us come out with a strong performance in the year 2009-10.

Meeting Project deadlines and asset utilisation is our forte:

Our ability to pre-empt a situation ensures that we are proactive and nimble on our feet. We not only commissioned new projects in record time but also ensured that these assets produce at rated capacity as quickly as possible. As a result, in this fiscal we achieved a growth of 67% in our saleable steel. We increased market share and aggressively tapped the rural and semi-urban Indian segment. Each initiative has been supported by backward and forward integration and the result is that JSW is the world's seventh most efficient integrated steel manufacturer.

Core competencies form the bedrock of our efficiency:

JSW steel takes pride on the fact that it is the lowest conversion cost producer of steel. This has happened because we look within and continue to innovate and improve on our efficiencies. Cost reduction measures such as increased coal injection, decreased fuel consumption, increase in utilisation of corex gas and usage of gas from recovery type coke ovens, higher captive power generation, etc. have gone a long way in reducing our cost of production. While volumes have given us the economic advantage of the scale of operations we have never lost sight of value addition in our expansion drive. The implementation of state-of-the-art Hot Strip Mill at Vijayanagar that was successfully completed in March, 2010 is a case in point.

Future always belongs to the well prepared:

JSW has outlined long term goals sub divided into short and medium term targets. This will do two things for us: Position JSW steel as the fastest growing integrated steel manufacturer and strengthen our global ranking towards one of the most efficient producers.

The Twelfth Plan (2012-17) has earmarked an infrastructure investment estimated in excess of US$ 1 trillion. The global reliance on India as a sourcing hub is expected to increase. Global automotive majors have established a sizeable presence in Indian automotive manufacturing hubs. There will be an exponential growth in passenger car sales. All these factors will greatly boost the steel industry. JSW Steel is ideally positioned to take advantage of this economic scenario.

By March 2011 we will commission our next phase of expansion of 3.2 MTPA at Vijayanagar increasing the capacity of the company to 11 MTPA. The new state-of-the-art Hot Strip Mill commissioned in March 2010 and CRM complex at Vijayanagar works will help us introduce high value products for the automotive sector and specialised steel for the energy sector for the first time in India, in addition to strengthening our processes in line with global benchmarks.

Our sustainability issue is also being well addressed. The iron ore mining concessions in India are at various stages of regulatory clearance and we expect to commission these assets within 18-24 months. This will enable us reach our targeted 70% iron ore integration; we own coking coal blocks in India and abroad, which will deliver returns in 24 months.

Over the medium term, we will undertake the following projects to capitalise on emerging opportunities:

Bengal project: We expect to create a phased 10 MTPA facility in Salboni, West Bengal, leveraging natural resource proximity. We expect to commission the first 4 MTPA capacity a Rs.150 bn investment.

Jharkhand project: Steps are initiated to tie up Raw material and Utility linkages and to complete land acquisition to take up the 10 MTPA project for implementation in phases.

In doing all this, we expect to create a 32 MTPA fully integrated steel manufacturing organisation.

At JSW Steel, we have set into motion our second growth wave of investment covering aggressive volume growth and innovative value addition. I must assure our stakeholders that their investment in our company is an investment in futuristic technologies, business processes and capabilities, where every rupee works as a growth multiplier.

Yours sincerely,

Sajjan Jindal

Highlights 2009-10 (Standalone)

- Crude Steel Output up by 61% to 5.987 million tonnes
- Saleable Steel up by 67% to 5.72 million tonnes
- Gross Turnover up by 28% to Rs. 19,457 crores
- Net Turnover up by 30% to Rs. 18,202 crores
- EBIDTA up by 55% to Rs. 4,806 crores
- PBT up by 316% to Rs. 2,820 crores
- PAT up by 341% to Rs. 2,023 crores
- Weighted average cost of Long Term Debt 8.02%
- Net Long Term Debt Equity Ratio 1.07
- Diluted EPS up by 367% to Rs. 105.94
- Equity Dividend: Rs. 9.50 per share

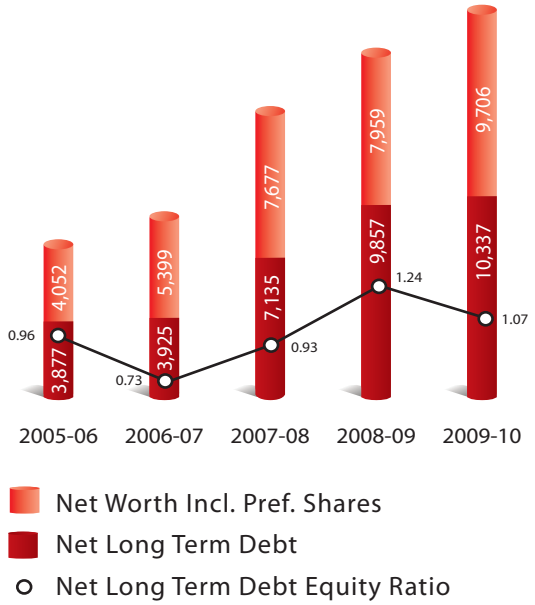
Contribution to Government and Society

(Rs. in crores)

	2007-08	2008-09	2009-10
Direct Taxes	471	383	589
Indirect Taxes	884	992	1,081
CSR initiatives	24	15	13
Total	**1,379**	**1,390**	**1,683 ***

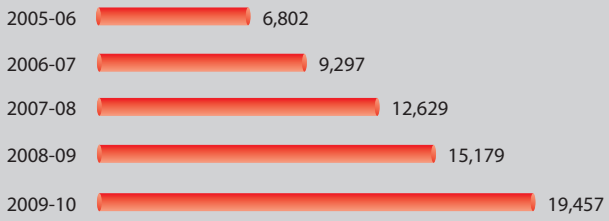
* 21% growth in contribution to Government & Society

Net Long Term Debt Equity Ratio



Gross Sales (Rs. in crores)

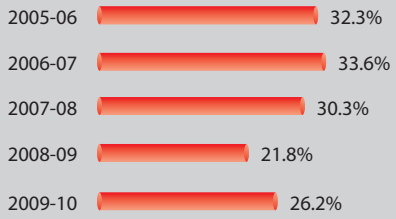
5 years CAGR 22.56%



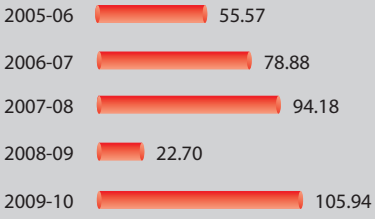
EBIDTA (Rs. in crores)

5 years CAGR 15.23%

EBIDTA Margin (%)



Earning per share – Diluted (in Rs.)



BOARD OF DIRECTORS

Mrs. SAVITRI DEVI JINDAL
Chairperson

Mr. SAJJAN JINDAL
Vice Chairman & Managing Director

Mr. SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Dr. VINOD NOWAL
Director & CEO (Vijayanagar Works)

Mr. JAYANT ACHARYA
Director (Sales & Marketing)

Mrs. ZARIN DARUWALA
Nominee Director of ICICI Bank Limited

Mrs. VANDITA SHARMA, IAS
Nominee Director of KSIIDC

Dr. S.K. GUPTA
Director

Mr. ANTHONY PAUL PEDDER
Director

Dr. VIJAY KELKAR
Director

Mr. UDAY M. CHITALE
Director

Mr. SUDIPTO SARKAR
Director

Mr. KANNAN VIJAYARAGHAVAN
Director

COMPANY SECRETARY
Mr. Lancy Varghese

STATUTORY AUDITORS
M/s. Deloitte Haskins & Sells
Chartered Accountants

BANKERS
Allahabad Bank
Bank of Baroda
Bank of India
ICICI Bank Limited
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
Union Bank of India
Vijaya Bank

REGISTERED OFFICE
Jindal Mansion
5A, Dr. G. Deshmukh Marg,
Mumbai - 400 026
Tel: 022 - 23513000 Fax: 022 - 23526400
Website: www.jsw.in

WORKS
Vijayanagar Works
P.O. Vidyanagar, Toranagallu Village,
Sandur Taluk, Bellary District, Karnataka - 583 275.
Tel: 08395 - 250120 to 30
Fax: 08395 - 250138/250665

Vasind Works
Shahapur Taluk,
Thane District, Maharashtra - 421 604,
Tel: 02527 - 220022 to 025
Fax: 02527 - 220020/84/92

Tarapur Works
MIDC Boisar, Thane District,
Maharashtra - 401 506
Tel: 02525 - 270147 / 270149
Fax: 02525 - 270148

Salem Works
Pottaneri, M. Kalipatti Village,
Mecheri Post, Mettur Taluk,
Salem District, Tamil Nadu - 636 453
Tel: 04298 - 278400 to 404
Fax: 04298 - 278618

REGISTRARS & SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Tel.: 040 - 23420815-824
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

Notice

NOTICE is hereby given that the **SIXTEENTH ANNUAL GENERAL MEETING** of the Shareholders of **JSW STEEL LIMITED** will be held **on Tuesday, the 29th June 2010 at 11.00 a.m.** at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Dividend on 11% Cumulative Redeemable Preference Shares.
3. To declare Dividend on 10% Cumulative Redeemable Preference Shares.
4. To declare Dividend on Equity Shares.
5. To appoint a Director in place of Mrs. Savitri Devi Jindal, who retires by rotation and being eligible, offers herself for reappointment.
6. To appoint a Director in place of Mr. Anthony Paul Pedder, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint a Director in place of Mr. Uday M. Chitale, who retires by rotation and being eligible, offers himself for reappointment.
8. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT Dr. Vijay Kelkar, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 20.01.2010, and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Dr. Vijay Kelkar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT in supersession of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 27th December, 2007 and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act,1956 and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board'), for borrowing from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs.25,000,00,00,000/- (Rupees twenty five thousand crores only)."

11. To consider and if thought fit, to pass with or without modification(s),the following resolution as a **Special Resolution**:

    "RESOLVED THAT in accordance with the provisions of Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and the Articles of Association of the Company and subject to applicable statutory approval(s) including that of the Central Government, if necessary, the Company hereby approves the payment to Non-Executive Directors of the Company (Directors who are neither in the Whole-time employment of the Company or the JSW Group nor a Managing Director) for a period of Five years from the financial year commencing from 1st April, 2010, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof, commission, not exceeding in the aggregate, one percent of the net profits of the Company as computed in the manner specified under Section 198(1) of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and as may be decided by the Board of Directors (which term shall be deemed to include any duly authorised committee thereof for the time being exercising the powers conferred on the Board by this resolution), for each financial year within the ceiling specified above."

By Order of the Board
For **JSW STEEL LIMITED**

Place: Mumbai
Date: 3 May 2010

Lancy Varghese
Company Secretary

NOTES:

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the businesses under Item 9 to 11 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed/ re-appointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument(s) appointing the proxy, if any, shall be deposited at the Regd. Office of the Company, at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai - 400 026 not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16.06.2010 to 18.06.2010 (both days inclusive).
5. In order to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for Dividend payments:

   i) Name of Sole/First joint holder and Folio No.

   ii) Particulars of Bank Account viz.:

   - Name of the Bank
   - Name of Branch
   - Complete address of the Bank with Pin Code Number
   - Account type, whether Savings Bank (SB) or Current Account (CA)
   - Bank Account number allotted by the Bank.

   In case of Shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code.

   Shareholders residing at the centers where National Electronic Clearing Service (NECS)/ Electronic Clearance Service (ECS) Facility is available are advised to avail of the option to collect Dividend by way of NECS/ECS.

   Equity shareholders holding shares in physical form are requested to send their NECS/ECS Mandate Form in the format available for download on

the Company's website (www.jsw.in), duly filled in, to the Registrar and Share Transfer Agents of the Company – Karvy Computershare Pvt. Ltd. In case of Equity Shareholders holding shares in Electronic form, the NECS/ECS Mandate Form will have to be sent to the concerned Depository Participants (DPs) directly.

6. The amounts of the unclaimed dividend declared by the erstwhile Jindal Iron & Steel Company Limited (JISCO) upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Shareholders who have not yet encashed their Dividend Warrants for the said period are requested to forward their claims in Form No. II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Fancy Corpn. Ltd. Estate, Dattaram Lad Marg, Kalachowkie, Mumbai - 400 033.

   Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims, by the Fund. Accordingly, all unclaimed/unpaid dividends of JISCO in respect of financial year ending 31.03.2002 have been transferred to IEPF. Members who have not encashed their dividend warrants for the year F.Y 2002-2003 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents.

7. Members are requested to intimate the Registrar and Share Transfer Agents of the Company – Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, immediately of 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.

8. Members desirous of having any information regarding Accounts are requested to address their queries to the Sr.Vice President (Finance & Accounts) at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information can be made available at the meeting.

9. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Office at Victoria House, Pandurang Budhkar Marg, Lower Parel (W), Mumbai - 400 013 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

10. Members holding Share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant Share certificates to the Registrar and Share Transfer Agents of the Company.

11. Members/Proxies are requested to bring the attendance slip duly filled in.

12. Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

Annexure to Notice

EXPLANATORY STATEMENT:

The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 for Item numbers 9 to 11 of the accompanying notice is as under:

Item No. 9:

Dr. Vijay Kelkar was appointed by the Board of Directors in its meeting held on 20.01.2010 as an Additional Director of your Company w.e.f. 20.01.2010 pursuant to Section 260 of the Companies Act, 1956 and in terms of Article 123 of the Articles of Association of your Company. He holds office upto the date of the ensuing Annual General Meeting.

Your Company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder of your Company, signifying his intention to propose the name of Dr. Vijay Kelkar for appointment as a Director of your Company.

Dr. Vijay Kelkar, aged 68 years, holds a Doctorate in Development Economics from the University of California at Berkeley, USA, (1970), a M.S. Degree from University of Minnesota, USA, (1965) and a B.S. Degree from University of Pune, India, (1963).

He has held key posts in the Government of India including as Advisor to the Minister of Finance, Finance Secretary, Secretary of Ministry of Petroleum & Natural Gas, and the most recent as Chairman, 13th Finance Commission, India, in the rank of a Union Cabinet Minister. He has also served on several Government Task Forces including as Chairman, Tariff Commission, Chairman of the Committee for Implementation of the Fiscal Responsibility and Budget Management Act. He has also represented the Government of India on Global Forums as Executive Director for India, Sri Lanka, Bangladesh & Bhutan at the International Monetary Fund, Washington D.C., USA and as Director at the United Nations Conference on Trade and Development.

He is the present Chairman of India Development Foundation, New Delhi, (from October, 2004), the Chairman of Forum of Federations, Ottawa, Canada (from January, 2010) and also the Chairman of National Stock Exchange of India Ltd. (from February 2010).

He is also a member on the Board of several other reputed Companies such as Tata Consultancy Services Limited, Lupin Limited and JM Financial Limited. He was the Chairman of IDFC-Asset Management Company, Mumbai, from October, 2004 to December, 2007 and the Chairman, Advisory Council, Citi Group from 2005 to 2007.

In view of his rich & vast experience and distinguished career, the appointment of Dr. Vijay Kelkar as a Director would be in the best interest of the Company.

None of the Directors other than Dr. Vijay Kelkar is in any way concerned or interested in the resolution.

Your Directors recommend the resolution as at Item No. 9 for your approval.

Item No. 10:

At the Extra Ordinary General Meeting of the Company held on 27th December, 2007, the members had pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves provided that the sum or sums so borrowed and remaining outstanding at any time shall not exceed Rs.15,000 crores (Rupees fifteen thousand crores only).

Taking into consideration the requirements of additional financial resources to meet the Company's capital expenditure programmes, including proposed investments in Indian and Overseas subsidiaries in pursuit of horizontal and vertical integration in steel business and its expansion and acquisition plans, the said limit of Rs.15,000 crores (Rupees fifteen thousand crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, is utilised to a considerable extent. It is therefore proposed to increase this limit from the existing Rs.15,000 crores (Rupees fifteen thousand crores only) to Rs.25,000 crores (Rupees twenty five thousand crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves. The resolution as at Item No. 10 is being proposed in view of the provisions contained in Section 293 (1) (d) of the Companies Act, 1956.

None of the Directors is in anyway concerned or interested in the resolution.

Your Directors recommend the resolution as at Item No.10 for your approval.

Item No. 11:

At the 12th Annual General Meeting of the Company held on 25th July, 2006, the members had authorised the Board of Directors to pay the Non-

Executive Directors of the Company commission not exceeding one percent of the net profits of the Company as computed in the manner specified under Section 198 (1) of the Companies Act, 1956, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof for a period of five years from the financial year commencing from 1st April, 2005.

In view of the increasing role and responsibilities of the Directors in the current competitive environment and also considering the amount of time devoted and the contribution made by them, it is desirable that the payment of commission to the Non-Executive Directors be continued.

It is therefore proposed that the present practice of payment of commission, not exceeding one percent of the net profits of the Company as computed in the manner specified under Section 198 (1) of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, to the Non-Executive Directors of the Company be continued for a period of another five years commencing from the financial year beginning 1st April, 2010, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof.

The amount of Commission payable to each of the Non-Executive Directors shall be decided by the Board of Directors (or any duly authorised committee thereof) for each financial year within the ceiling specified above.

Since the Company has a Managing Director, u/s 309(4) of the Companies Act, 1956, the Company can make the aforesaid payment to the Non-Executive Directors to an extent not exceeding 1% of the net profits of the Company, if so authorized by a special resolution of the shareholders.

All Directors other than the Vice Chairman & Managing Director and Whole-time Directors may be deemed to be concerned or interested in the Resolution.

Your Directors recommend the resolution as set out at Item No. 11 of the Notice for your approval.

By Order of the Board
For **JSW STEEL LIMITED**

Place: Mumbai
Date: 3 May 2010

Lancy Varghese
Company Secretary

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting
[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Mrs. Savitri Devi Jindal	Mr. Anthony Paul Pedder	Mr. Uday M. Chitale	Dr. Vijay Kelkar
Date of Birth	30.03.1949	28.06.1949	20.10.1949	05.05.1942
Date of Appointment	18.04.2005	18.04.2005	20.10.2005	20.01.2010
Expertise in specific functional area	Mrs. Savitri Devi Jindal is the wife of late industrialist, Mr. Om Prakash Jindal. She is on the Board of a number of Companies belonging to the O P Jindal Group. She is also the Patron of the Managing Committee of the Vidya Devi Jindal Public School, Hissar, Haryana.	Mr. Pedder's working life has been in the metals industry. He has spent over 30 years in a wide range of roles with British Steel/Corus Plc, managing all areas of the Company's activities during his career, including periods in charge of the Group's: • Procurement, which covered among other things, all raw materials, alloys and metals for carbon and stainless steelmaking, shipping, transport and logistics. • Commercial, which included responsibility for the Company's global distribution network and its building products business. • Production areas, including flat products, long products and special and stainless steel products. He retired from the position of Chief Executive of that company in 2003. He retains an active involvement in the industry today as Chairman of Sheffield Forgemasters Ltd., Chairman of Hatch Corporate Finance Ltd and as Director of Metalysis Ltd. He is also a Director of a number of other organizations, including Sheffield University, where he is a pro-chancellor.	He is presently Senior Partner of M/s. M.P. Chitale & Co., Chartered Accountants, with offices at Mumbai and Pune and affiliated offices throughout India and other parts of the world as a part of global association of independent accounting firms and business advisers, DFK International. He has extensive experience of Corporate Auditing, Business Advisory Services, Commercial Dispute Resolution, Business Negotiations and Valuation. He has undertaken specialized training in Commercial Mediation from Centre for Effective Dispute Resolution (CEDR), UK at the International Summer School, Geneva (September 2000) and is an accredited CEDR Mediator. He is also on the panel of Arbitrators of Leading Institutions in India and abroad and on the panel of resource persons of the Hon'ble Bombay High Court for implementing the scheme of court annexed ADR. He has served various Expert Committees set up by organisations such as ICAI, SEBI, RBI, IRDA and IBA. He is on the Board of various reputed Companies such as ICICI Securities Limited, GMR Infrastructure Limited and DFK International, Holland and also member of Committees/ Governing Councils of various Chambers of Commerce . He has also published several articles in leading Financial Dailies and Professional Journals. He has also conducted corporate workshops on ADR in India and abroad (Canada, Taiwan & Indonesia) and also given talks and contributed papers in several professional seminars and conferences in India and abroad. His past Directorship includes ICICI Bank Ltd., United Western Bank Ltd., Finolex Industries Ltd., NCDEX etc.	Dr. Vijay Kelkar has held key posts in the Government of India including as Advisor to the Minister of Finance, Finance Secretary, Secretary of Ministry of Petroleum & Natural Gas, and the most recent as Chairman, 13th Finance Commission, India, in the rank of a Union Cabinet Minister. He has also served on several Government Task Forces including as Chairman Tariff Commission, Chairman of the Committee for Implementation of the Fiscal Responsibility and Budget Management Act. He has also represented the Government of India on Global Forums as Executive Director for India, Sri Lanka, Bangladesh and Bhutan at the International Monetary Fund, Washington D.C., USA and as Director at the United Nations Conference on Trade and Development. He is the present Chairman of India Development Foundation, New Delhi, (from October, 2004) and also the Chairman, Forum of Federations, Ottawa, Canada (from January, 2010). He is also the present Chairman of the National Stock Exchange of India Limited (from February, 2010).

Name of the Director	Mrs. Savitri Devi Jindal	Mr. Anthony Paul Pedder	Mr. Uday M. Chitale	Dr. Vijay Kelkar
Qualification	Under Graduate	B.Sc (Maths), M.Sc (Operation Research and Management Studies).	B.Com, FCA	B.S., M.S., and Ph.D
Directorship in other Indian Public Limited Companies as on 31.03.2010	Rohit Towers Building Limited Jindal Steel & Power Limited JSL Limited Jindal Industries Limited Jindal Saw Limited Sonabheel Tea Limited Jindal ITF Limited Jindal Water Infrastructure Limited	Nil	GMR Infrastructure Limited GMR Industries Limited ICICI Securities Primary Dealership Limited ICICI Securities Limited Vemagiri Power Generation Limited Electronica Plastic Machines Limited	Tata Consultancy Services Limited Lupin Limited National Stock Exchange of India Limited J M Financial Limited Green Infra Limited
Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2010.* **(C= Chairman; M= Member)**	Nil	N.A	**Audit Committee:** GMR Infrastructure Limited (M) GMR Industries Limited (C) ICICI Securities Primary Dealership Limited (C) ICICI Securities Limited (C)	**Audit Committee:** J M Financial Limited (M)
No. of Shares held in the Company	7530	Nil	Nil	Nil

*Only two Committees namely, Audit Committee and Shareholders/Investors Grievance Committee have been considered.

Directors' Report

Dear Members,

Your Directors present the Sixteenth Annual Report of your Company together with the Standalone and Consolidated Audited Statement of Financial Accounts for the year ended 31 March 2010.

1. FINANCIAL RESULTS

Rupees in crores

Particulars	Standalone		Consolidated	
	F.Y. 2009-10	F.Y. 2008-09	**F.Y. 2009-10**	F.Y. 2008-09
Net Turnover	**18,202.48**	14,001.25	**18,957.17**	15,934.84
Other Income	**532.84**	259.56	**536.00**	271.66
Total Revenue	**18,735.32**	14,260.81	**19,493.17**	16,206.50
Profit before Interest, Depreciation, & Taxation (EBIDTA)	**4,805.74**	3,092.67	**4,606.67**	3,253.50
Interest	**862.68**	797.25	**1,108.01**	1,155.62
Depreciation	**1,123.41**	827.66	**1,298.66**	987.77
Profit before Taxation & Exceptional Items	**2,819.65**	1,467.76	**2,200.00**	1,110.11
Exceptional Items	**–**	790.13	**–**	794.78
Profit before Taxation (PBT)	**2,819.65**	677.63	**2,200.00**	315.33
Tax including Deferred Tax	**796.91**	219.13	**646.71**	72.60
Profit after Taxation but before minority interest and share of profit of Associates	**2,022.74**	458.50	**1,553.29**	242.73
Share of Losses of Minority	**–**	–	**(33.21)**	(20.53)
Share of Profit of Associates (Net)	**–**	–	**11.05**	11.65
Profit after Taxation (PAT)	**2,022.74**	458.50	**1,597.55**	274.91
Profit brought forward from earlier year	**3,883.15**	3,505.86	**3,676.02**	3,482.32
Amount available for Appropriation	**5,905.89**	3,964.36	**5,273.57**	3,757.23
Appropriations				
Transferred (to) / from Debenture Redemption Reserve	**(125.00)**	20.45	**(125.00)**	20.45
Transferred to Capital Redemption Reserve	**(9.90)**	–	**(9.90)**	–
Dividend on Preference Shares	**(28.92)**	(28.99)	**(28.92)**	(28.99)
Proposed Final Dividend on Equity Shares	**(177.70)**	(18.71)	**(177.70)**	(18.71)
Corporate Dividend Tax	**(34.31)**	(8.11)	**(34.31)**	(8.11)
Transfer to General Reserve	**(202.28)**	(45.85)	**(202.28)**	(45.85)
Total	**(578.11)**	(81.21)	**(578.11)**	(81.21)
Balance carried to Balance Sheet	**5,327.78**	3,883.15	**4,695.46**	3,676.02

The fiscal year under review would be marked as an important year for the domestic steel industry. When the year began, the Indian economy, invalidating the theory of coupling, started showing signs of growth, amidst the global slowdown that was still prevailing, however, during the course of FY 2009-10, the export dependency on the advanced world declined substantially, driven by stimulated domestic demand.

During the current financial year, your Company took various strategic initiatives to improve its volumes and profitability, which helped the Company to post an impressive performance for the year.

The 2.8 MTPA Crude Steel Expansion Project at Vijayanagar Works commenced commercial production on 10th April 2009 enhancing the Crude Steel manufacturing capacity to 6.8 MTPA and scaling up the overall steel manufacturing capacity of the Company to 7.8 MTPA. With the completion of this expansion project, the Company has scaled new heights as a leading player in the steel industry in the country. The Expansion facilities stabilized quickly and achieved hot metal production of 2.2 Million tonnes during the current year, which worked out to around 78% of the Installed capacity.

Consequently, the Company achieved a significant volume growth of 61% in crude steel production and 67% in saleable steel during the current year, compared to that of last year, despite disruptions in the plant operations at Vijayanagar Works due to unprecedented and incessant rains followed by floods in southern part of India in October 2009. The Company achieved normal operations by December 2009 and during the current Financial Year 2009-10, it had achieved crude steel production of 5.987 Million tonnes (the overall production was 6.02 Million tonnes, considering trial run production from the expansion project) and saleable steel of 5.720 Million tonnes (the overall sales was 5.74 Million tonnes, considering trial run sales), which works out to around 94% of volume guidance of 6.4 Million tonnes and 6.1 Million tonnes, respectively for the fiscal year under review. The operational performance could have been much better if the normalcy was there during October and November 2009.

During the year, the production of Rolled Products, both Long and Flat (including Value Added Flat), went up significantly compared to last fiscal. HR Coil production has reached highest levels at 3.399 Million tonnes during the year, which is around 106% of enhanced rated capacity of 3.2 Million tonnes. The HR Coil production is expected to go up further, on stabilization of the state-of-the-art new Hot Strip Mill, commissioned at Vijayanagar Works in March 2010.

The domestic sales volume continued to show rising trend, constituting 84% of the total sales for current year as against 72% in the last year, in line with Company's strategy of increased focus in the domestic markets. The number of JSW Shoppe outlets went up to 174 and the Retail sales for the current fiscal, through JSW Shoppe, accounted for 16% of domestic sales, excluding semis.

The various cost reduction initiatives taken by the Company, such as, increased coal injection in blast furnace, lower usage of fluxes, higher captive power generation, increase in utilization of Corex Gas, usage of Coke Oven Gas from Recovery Type Coke Ovens, etc., along with lower input costs led to reduction in cost of production.

The Gross Turnover and Net Turnover for the year stood at Rs. 19,456.64 crores and Rs. 18,202.48 crores, respectively, showing a growth of 28% and 30% over the previous year mainly driven by growth in volumes, in spite of drop in blended sales realizations by 21%, relative to that of previous fiscal year.

The EBIDTA for the year was Rs. 4,805.74 crores inclusive of forex gains of Rs. 412.95 crores. The EBIDTA margin for the year was 26.2% as against 21.8% in the previous year.

Your Company posted a highest ever Profit after Tax of Rs. 2,022.74 crores, up 341% over the last year.

Pursuant to the Accounting Standard (AS) - 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include financial information of its subsidiaries. The Company has made an application to the Government of India seeking exemption under Section 212(8) of the Companies Act, 1956 from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies to the Balance Sheet of the Company. The Company will make available these documents/details upon request by any member or investor of the

Company/subsidiary companies. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the registered office of the Company and also that of the subsidiary companies.

Consolidated Financial Statements also reflect minority interest in associates as per Accounting Standard (AS) – 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and proportionate share of interest in Joint Venture as per Accounting Standard (AS) – 27 on "Financial Reporting of Interests in Joint Ventures".

As per the Consolidated Financial Statements, the Gross Turnover, Net Turnover, EBIDTA and PAT of the Company were Rs. 20,211.33 crores, Rs. 18,957.17 crores, Rs. 4,606.67 crores and Rs.1,597.55 crores, respectively. The PAT on consolidated basis was lower than the standalone Net Profit, mainly due to global slow down adversely impacting the overseas operations in USA and UK.

2. DIVIDEND

The Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend at the stipulated rate of Re. 1.00 per Share on the 27,90,34,907, 10% Cumulative Redeemable Preference Shares of Rs.10 each of the Company for the year ended 31 March 2010.

The Board had also vide a Circular Resolution passed by it on 17 February 2010, approved the Redemption of the Company's 99,00,000 11% Cumulative Redeemable Preference Shares of Rs.10 each on 8 March 2010, along with dividend due thereon for the Financial year 2009-10 upto the date of redemption, at the stipulated rate of 11% per annum.

The Board considering the Company's performance and financial position for the year under review, also recommended payment of dividend of Rs. 9.50 per Equity Share on the 18,70,48,682 Equity Shares of Rs. 10 each of the Company, for the year ended 31 March 2010, subject to the approval of the Members at the ensuing Annual General Meeting.

Together with Corporate Tax on dividend, the total outflow on account of Equity dividend will be Rs. 207.21 crores, vis-à-vis Rs. 21.89 crores paid for fiscal 2008-09.

3. PROSPECTS

Having witnessed faster recovery in World Economy in 2009, IMF estimates a positive economic rebound in 2010. World GDP growth is estimated at the rate of 4.2% in 2010 while Advanced World and Emerging World is estimated to grow 2.3% and 6.3%, respectively. Further WTO projects World Trade to expand by 9.5% with Advanced World increasing by 7.5% and Emerging World by 11%. Nonetheless, with the timely stimulated economic efforts, the depth, span and intensity of the economic catastrophic spread of 2008, seems to be partially taken care of albeit caution continues with certain probable sovereign defaults to continue to haunt the world in near term.

In these "Trying and Managing Times" India has proved its mettle reflecting a strong note of positive Economic Growth of 7.2% stimulated by timely Economic measures, both towards Investment and Consumption expenditure. Capitalizing the high degree of domestic consumption, low credit leverage and debt exposure with expanding focus towards immense opportunities for Investment and Consumption, prospects for Indian Economy look far better and promising in 2010-11 and ahead. Preliminary guidance by various agencies for the economic growth in 2010-11 is in the range of 8%-8.5%, coupled with 9% in 2011-12 and double-digit growth projections in times ahead.

Steel Facts and Estimates

The global steel production and consumption in 2009 declined by 8% and 6.7%, respectively, inspite of rebound in the second half of calendar year 2009. The impact of economic crisis in Advanced Countries continued to depress the steel demand. China and India showed resilience due to strong domestic demand cushioning the slow recovery in Advanced Economies. India, posted a growth of 8.1% and 4.2% in steel consumption and production, respectively in FY 2009-10. As the demand outpaced the production, the import of steel products grew by 23%. India is expected to continue to be the net importer of steel considering the strong demand from infrastructure, construction, real estate, Automobiles and white goods industry and tardy progress in creating new capacities.

Your Company will be in an advantageous position to derive the full benefit from the growing domestic demand, with the increase in capacity utilization from its 7.8 MTPA steel plant operations. The newly commissioned Hot Strip Mill at Vijayanagar Works and blooming mill at Salem Works to be commissioned in July 2010 will enhance the proportion of value added rolled steel products with better sales realizations.

Your Company has worked out a business plan for the fiscal year 2010-11 to produce and sell 7.0 Million tonnes and 6.75 Million tonnes, respectively of various steel products showing a growth of 17% and 18%, respectively, over fiscal year 2009-10 under review. The increase in bench mark prices for key inputs viz., Iron ore and Coal is likely to push up the cost of production in FY 2010-11. As the raw material suppliers insisted for quarterly pricing in lieu of traditional yearly pricing methodology, uncertainties in the pricing of key inputs beyond Q1 in FY 2010-11 will prevail. However, the Company expects that the steel product prices will fluctuate in sympathy with the change in raw material prices with lead and lag effect. The increase in cost is likely to be neutralized by anticipated rise in sales realizations and possible improvement due to change in product mix.

The Company is planning to start some of its new facilities, which are part of 10 MTPA expansion project, during FY 2010-11, to have better cost advantage at Vijayanagar Works.

4. PROJECTS AND EXPANSION PLANS

Vijayanagar Works

(a) Projects commissioned during FY 2009-10

- The implementation of the Crude Steel capacity expansion project by 2.8 MTPA to reach 6.8 MTPA at Vijayanagar Works was completed, with the commissioning of Pulverized Coal Injection Unit and Top Gas Recovery Turbine in Blast Furnace#3 and RH Degasser unit and LHF#2 in Steel Melt Shop#2, during first quarter of FY 2009-10.
- All major facilities such as Blast Furnace#3, SMS#2 comprising of Converters, Slab Caster and Billet Caster, Long Product Mills comprising of Wire Rod Mill and Bar Rod Mill along with the other support facilities such as Coke Oven#3, Sinter Plant#2, Raw Material Handling systems, Utilities and other infrastructural facilities forming part of this expansion project, which were commissioned during last fiscal 2008-09, achieved its full capacity production levels during the current year.
- The state-of-the-art new Hot Strip Mill with a capacity of 5 MTPA is being implemented in two phases. The Phase-I with a capacity of 3.5 MTPA has been successfully commissioned on March 28, 2010. After successful trial runs, the Mill commenced commercial operations on 10 April 2010. Phase-II is under implementation.

(b) Projects under Progress

- Further expansion of crude Steel capacity by 3.2 MTPA to reach 10 MTPA at Vijayanagar Works along with associated facilities is under implementation and targeted for completion by March 2011.

(c) Other Projects

- Beneficiation plant of 20 MTPA is being executed in two phases. One of the three units of first phase came in operation in December 2009. 2nd & 3rd units will be completed by July 2010 & December 2010, respectively. Phase II is planned for completion in FY 2011-12.

- To enhance productivity levels in the Blast Furnaces, one more Pellet Plant of 4.2 MTPA capacity is being added and is planned for commissioning by March 2011.
- The new captive power plant of 300 MW is also expected to be commissioned in FY 2011-12 to achieve self sufficiency in power at 10 MTPA stage.

Salem Works

(a) Major modifications undertaken during FY 2009-10

The following modifications/improvements were made during FY 2009-10:

- Adapted tuyere gas control and a "Jugad" slag-splash technique for improving the refractory life of EOF.
- Introduced Economizer in captive power plant (CPP) to enhance fuel efficiency.
- Islanding scheme was implemented in the electrical power system.
- Imposed loop-control rolling mill giving enhanced productivity for special steel.

(b) Projects under progress

Blooming Mill Phase I and Phase II, 300 TPD lime kiln, third railway line and Wagon Tippler will be commissioned during FY 2010-11. With the commissioning of Blooming Mill in FY 2010-11, Salem Works will complete expansion of rolling capacity, matching with the existing cast steel production capacity.

Vasind and Tarapur Works

(a) Projects commissioned during FY 2009-10

30 MW Power Plant has been commissioned at Tarapur in December 2009, equipped with latest ESP system and designed for zero affluent discharge. This has not only helped the Company in reducing the cost of production vis-à-vis procuring costly power from the state electricity grid for the manufacturing operations but the Company has also entered into an agreement with Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for sale of the surplus power. Since December 2009, the Company has been selling the surplus power to MSEDCL.

(b) Projects under progress

- Railway Siding at Vasind – expected to be commissioned in January 2011.
- RLNG Project at Vasind to replace costly fuels being used (Furnace Oil in HRM & LPG in Galvanizing Lines) – expected to be commissioned in January 2011.
- Galvalume Project – For conversion of existing CGL 1 & CSD II Galvanizing lines, equipment procurement in progress.

5. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

A. Indian Subsidiaries

1. JSW Bengal Steel Limited (JSW Bengal), its Subsidiary Barbil Beneficiation Company Limited and Associate JSW Energy (Bengal) Limited (JSWEBL)

JSW Bengal Steel Limited was incorporated for setting up a Steel Plant in the State of West Bengal. The Company is in possession of Land required for this project. Boundary wall work at Salboni site is in progress. It is proposed to implement the project in phases.

The first phase will be 4 MTPA Integrated Steel Plant with an estimated project cost of Rs. 15,000 crores. The Company is drawing up plans to take up implementation of the project in FY 2010-11 on achieving financial closure.

JSW Bengal has entered into sole and exclusive long term Coal Supply Agreement in March 2010, with West Bengal Mineral Development Corporation Limited (WBMDTC), for supply of coal from the Kulti and Sitarampur coal blocks.

A new SPV namely JSW Energy (Bengal) Limited (JSWEBL) has been incorporated on 8th February 2010, with 26% of share holding by JSW Bengal and 74% by JSW Energy Limited. JSWEBL proposes to set up a 2X800 MW captive power plant to meet the power requirement of JSW Bengal and sell excess power to WBEPCL/ JSW Power Trading Co. Limited, at an estimated project cost of Rs. 9,680 crores, including investment for Coal Mine development of Rs. 2,000 crores, which is proposed to be funded by way of Debt and Equity in the ratio of 3:1. Target date for completion is FY 2014-15.

2. JSW Jharkhand Steel Limited

JSW Jharkhand Steel Limited was incorporated for setting up a steel plant in the State of Jharkhand. The Company is pursuing for various approvals/clearances viz., raw material linkages, land acquisition, environmental clearances, etc., for this project.

3. JSW Steel Processing Centres Limited (JSWSPCL)

JSW Steel Processing Centres Limited (JSWSPCL) is a 100% subsidiary of the Company. The subsidiary company was set up as Steel Service Centre consisting of HR/CR Slitter and cut to length facility with annual slitting capacity of 500,000 tonnes. The Company processed 3,04,718 tonnes of steel during the FY 2009-10, as compared to 1,04,110 tonnes in the previous year.

4. JSW Building Systems Limited (JSWBSL)

JSWBSL, a 100% subsidiary, was incorporated on 28 March, 2008 with its main objects as to design, make, prepare, develop, create, alter, replace, repair pre-fabricated building systems and technologies. It was envisaged that JSWBSL will be participating in the 50% equity capital of JSW Severfield Structures Limited, a JV Company incorporated in March 2009 with 50:50 Equity participation by JSWBSL and Severfield-Rowen Mauritius Limited. During the year, the Company has directly invested 50% Equity in the JV Company, instead of through JSWBSL.

B. Overseas Subsidiaries

1. JSW Steel (Netherlands) B.V. (JSW Netherlands)

JSW Netherlands is a holding Company for USA, UK and Chile Operations. It has 49% participation in the Equity of Georgia based Geo Steel LLC, incorporated under the laws of Georgia. The Company invested in the plate and pipe mill in USA and iron ore mining concessions in Chile and service centre in UK through the following step down subsidiaries.

(a) JSW Steel Holding (USA) Inc. and its Subsidiary JSW Steel (USA) Inc.

During the financial year 2009-10, the performance of Plate and Pipe Mill in USA continued to be impacted due to high cost Raw material inventory and lower capacity utilization. For the year 2009-10, the Subsidiary Company produced 195,275 net tonnes of Plates and 73,969 net tonnes of Pipes, and achieved capacity utilization of 19% and 13%, respectively.

There has been improvement in US operations during the last quarter i.e. Q4 FY 2009-10, with increase in capacity utilization at the back of improved market demand and lower costs. The US Subsidiary achieved positive EBIDTA of US$ 2.08 Million during Q4 FY 2009-10.

It is expected that during the next fiscal FY 2010-11, US operations will show progress in terms of operational

performance with improved capacity utilization and also improved financial performance with better realizations.

(b) JSW Steel (UK) Limited and its Subsidiaries namely Argent Independent Steel (Holdings) Limited and JSW Steel Service Centre (UK) Limited

JSW Steel Service Centre (UK) Limited has slitting and blanking facilities to cater to specific customer requirements.

The latest demand forecasts indicate massive processing overcapacity, in the industry as a whole, reduced consumer demand and poor margins in the first half of FY 2010. Given this situation, the Company has to respond to these market pressures and at the same time generate revenues from the lowest possible cost base. It has been decided that until the market improves significantly, the Company will explore alternate Markets and opportunities.

During the year under review, JSW Steel Service Centre (UK) Limited processed 11,143 tonnes of steel.

(c) JSW Panama Holdings Corporation and Chilean subsidiaries namely Inversiones Eurosh Limitada, Santa Fe Mining and Santa Fe Puerto S.A

During the financial year 2009-10, the feasibility studies were carried out by the Subsidiary Company for starting beneficiation operations using wet process. Preparation of Feasibility report for beneficiation operations is in progress.

Considering rebound in commodity market leading to increase in long-term Annual Price for FY 2010-11, the Subsidiary Company has decided to commence mining under the dry method by contractual mining route.

Parallelly, the Subsidiary Company contemplates to commence work on putting up wet beneficiation plant of 2.5 to 3 MTPA beneficiated ore to be operational in FY 2011-12.

2. JSW Natural Resources Limited (JSWNRL) and its Subsidiary JSW Natural Resources Mozambique Lda (JSWNRML)

JSW Natural Resources Limited was incorporated in Mauritius to pursue acquiring coal assets/other assets relating to steel business.

JSW Natural Resources Limited formed a wholly owned subsidiary in Mozambique to acquire Coal assets and engaging in the business of prospecting and exploration of Coking/Thermal Coal.

While thermal coal was found on drilling and on receipt of test report, in one of the Mining concessions held in Mozambique, the drilling of second concession did not yield any positive result. Efforts are in progress to explore and evaluate other alternatives to acquire and develop coal mines.

C. Joint Venture Companies

1. Geo Steel LLC

Georgia based Joint Venture Geo Steel LLC in which your Company holds 49% equity through JSW Steel (Netherlands) B.V, has set up a steel rolling mill in Georgia with annual production capacity of 175000 tonnes in the industrial area of Rustavi in Georgia. The plant became operational during current year 2009-10. It is designed to produce rebar through hot rolling process by using steel billets produced through the Electric Arc Furnace Route.

Geo Steel had started commercial production with effect from January 2010 and has produced 16260 tonnes of Billets and 7435 tonnes of Rebar during the quarter January – March 2010. The Gross Turnover was USD 7.3 Million.

2. Rohne Coal Company Private Limited

Your Company holds 49% equity in Rohne Coal Company Pvt. Ltd. (JSW group is holding 69%, including that of the Company), which is a joint Venture with three other partners (two partners from outside the Group). This JV Company received the final allotment letter from the Government of India for development of Rohne Coal Block. Mining plan has been approved by Ministry of Coal. The application for Mining Lease is under consideration. In-principle approval for railway siding for Coal Mine has been obtained from East Central Railway. Environmental clearance has been recommended by the Expert Appraisal Committee and the final clearance from Ministry of Environment and Forests (MoEF) is awaited. Forest clearance is under process.

3. MJSJ Coal Limited

In terms of the Joint Venture Agreement to develop Utkal – A and Gopal Prasad (West) thermal coal block in Orissa, your Company agreed to participate in the 11% equity of newly formed MJSJ Coal Limited, Orissa along with four other partners. The Government of India has decided to allot 1,522 acres of Gopal Prasad west area to MJSJ Coal Limited. Mahanadi Coalfields Ltd., a Public Sector Company holds 60% of the equity. Land acquisition is under progress.

4. Gourangdih Coal Limited

Ministry of Coal (MoC), Government of India has allocated Gourangdih ABC Thermal coal block in the State of West Bengal having a geological reserve of 131.7 million tonnes of thermal coal for captive mining jointly by the Company and Himachal EMTA Power Corporation Ltd. (HEPL) by working through a 50:50 Joint Venture Company for meeting their proportionate share of requirement of coal. To pursue this objective, a JV Company, Gourangdih Coal Ltd. (GCL), has been incorporated on 26th October 2009 with its Registered Office in Kolkata.

5. Toshiba JSW Turbine and Generator Private Limited

Toshiba JSW Turbine & Generator Pvt. Ltd. was incorporated with a shareholding of 75% by Toshiba Corporation Ltd., Japan, 20% by JSW Energy Ltd. and 5 % by the Company, to design, manufacture, marketing and maintenance services of mid to large sized Supercritical Steam Turbines & Generators of size 500 MW to 1000 MW.

Land lease agreement has been signed with Government of Tamilnadu for setting up of manufacturing facility of JV Company near Ennore port, Chennai. Technology transfer agreement has been signed between Toshiba Corporation, Japan and Toshiba JSW Turbine & Generator Pvt. Ltd. for transferring supercritical turbine manufacturing technology. The land development, civil work, engineering and procurement of equipment have commenced. The phased manufacturing of different components of Steam Turbine Generator is expected to commence from early 2011.

6. Vijayanagar Minerals Private Limited (VMPL)

During the financial year 2009-10, VMPL supplied 1.76 million tonnes of Iron Ore from Thimmappanagudi Iron Ore Mines, vis-à-vis 1.50 million tonnes in the last financial year 2008-09. VMPL has planed to supply 2.5 million tonnes during the next FY 2010-11. VMPL is set to enhance the production capacity to 4 million tonnes in TIOM subject to Forest and Environment clearance.

7. **JSW Severfield Structures Limited (JSSL) and its Subsidiary JSW Structural Metal Decking Limited (JSWSMD)**

JSSL a Joint Venture Company was incorporated on 19 March 2009, with 50:50 Equity participation by the Company and Severfield-Rowen Mauritius Limited.

The Project having a capacity of 35000 tonnes per annum of Structural Steelwork facility is being set up at Vijayanagar Works and is under implementation.

JSSL will be engaged in design, fabrication and erection of structural steelwork and ancillaries, including decking for construction projects in India, Pakistan, Bangladesh, Nepal, Sri Lanka and Bhutan. The Company is expected to start commercial production during FY 2010-11.

JSWSMD a downstream subsidiary company of JSSL being 67:33 joint venture with SMD Asia LLP, UK was incorporated on 18 December, 2009. JSWSMD will be engaged in the business of the design, roll forming and installation of structural metal decking and ancillaries, including shear connectors, for construction projects primarily in India but also covering Pakistan, Bangladesh, Nepal, Sri Lanka and Bhutan (Jointly the "Core Markets"). The Company is expected to start commercial production during FY 2010-11.

D. **Associate Companies**

Jindal Praxair Oxygen Company Private Limited (JPOCL)

The oxygen plants of JPOCL have been working satisfactorily primarily to meet the requirement of the steel plant operations at Vijayanagar Works. During the financial year 2009-10, the combined production of the oxygen plant module #1 and module # 2 of JPOCL was: gaseous oxygen – 1,009 million Nm3; gaseous nitrogen – 309 million Nm3; Liquid oxygen – 8.8 million Nm3; Liquid nitrogen – 14.8 million Nm3 and Argon – 12.5 million Nm3.

6. MOU WITH JFE

Your Company has signed a Strategic Collaboration Agreement with JFE Steel Corporation, the world renowned Japanese steel company on 19 November 2009 at Mumbai. This collaboration agreement provides an ideal platform for both the steel companies to come together and leverage each others strength to their mutual benefit.

The parties have in principle agreed, subject to (i) obtaining all regulatory approvals, (ii) entering into definitive agreements, and (iii) fulfilling all conditions precedent as may be agreed to between the parties in the definitive agreements, to collaborate with each other in India in the area of automotive steel including production technologies and supply of substrate materials for hot rolled, cold rolled and galvanized products. The scope also covers joint service activities including application engineering and product development for automotive customers. Separate detailed agreements which shall spell out the scope and time-frames will be executed between the two companies area by area.

JFE and the Company have also arrived at a broad consensus on the areas where possible mutual collaboration can be explored in India in the near future in accordance with applicable laws. The areas include:

1) Production of steel products other than automotive steel
2) Energy reduction programmes
3) Environmental programmes
4) Quality and yield improvement programmes
5) Performance audit of JSW facilities
6) Benchmarking of techno-economic parameters between the parties
7) Procurement of raw materials both in and outside of India
8) Project for building and operating an integrated steel production facility in JSW's West Bengal Steel Project
9) Mutual Stockholding
10) Other items which may come in the mutual interest of the parties.

Dedicated teams from both the Companies are working on certain areas identified in the Strategic Collaboration Agreement.

7. ACQUISITION OF COKING COAL MINES IN USA

The Company identified certain Coking Coal Assets in USA along with Railway Load out and Barge facility. Following the due diligence, the Board has approved the acquisition of these Assets. As per Company's estimates, these mines have resources aggregating to 123 million tonnes. The Company is in the process of formalising the acquisition. While one of these mines is operating, balance mines can be made operational over 24 Months. The business plan envisages commencing production of Coking Coal of 1 million tonnes in the first year to be ramped up to 3 million tonnes in 3rd year.

8. CREDIT RATING

Various long-term debt, medium term debt and bank facilities sanctioned and/or availed by the Company has been rated by Credit Analysis & Research Limited (CARE) as "CARE AA-" (Double AA minus).

The long term Non Convertible Debentures (NCDs) of the Company has also been assigned "CARE AA-" rating. "CARE AA-" indicates high safety for timely servicing of debt obligations and very low credit risk.

The short term debt/facilities sanctioned and/or availed by the Company has been assigned "PR1+" rating by CARE. Short term NCDs have been assigned "PR1+" rating. "PR1+" rating is the highest rating in the category and indicates a strong capacity for timely payment of short-term debt obligations and lowest credit risk.

9. FIXED DEPOSITS

Your Company has not accepted any fixed deposits from public and is therefore not required to furnish information in respect of outstanding deposits under Non Banking Non Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

10. SHARE CAPITAL

The Company's 99,00,000 11% Cumulative Redeemable Preference Shares of Rs. 10 each (11% CRPS) were redeemed at a premium of Re. 1 per share on 8 March 2010, along with dividend due thereon for the Financial year 2009-10 up to the date of redemption, at the stipulated rate of 11% per annum, in terms of the Circular Resolution passed by the Board on 17 February 2010. There were no other changes in the Share Capital of the Company during the Financial Year under review.

11. ISSUE OF WARRANTS TO SAPPHIRE TECHNOLOGIES LIMITED, A PROMOTER GROUP ENTITY ON A PREFERENTIAL BASIS

An issuance of 1,75,00,000 warrants convertible into equity shares, to Sapphire Technologies Limited, a Promoter Group Entity has been approved by the Board, subject to necessary approvals, including that of the Members in an Extra Ordinary General Meeting to be convened on 2 June 2010 for the purpose. Each of these warrants will be convertible into 1 (one) Equity Share of par value of Rs.10 each at the option of the Warrant holder within 18 months from the date of their allotment. The Warrants will be issued at a price not less than the minimum price determined as per the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The shareholding of 45% held by the promoters as on 31 March 2010 will increase to 49.71% of the post issue share capital on conversion of the aforesaid 1,75,00,000 warrants without considering the equity shares that may be issued upon conversion, if any, of the Company's outstanding Foreign Currency Convertible Bonds (FCCBs).

12. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

During the F.Y 2007-2008, your Company had issued 3250 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of US$ 100,000 each due 2012 (ISIN XS0302937031), aggregating to US$ 325 Million to international investors to part finance the capital expenditure programme of the Company. Each Bond is convertible into equity shares of the face value of Rs.10 each of the Company at a conversion price of Rs. 953.40 per share, at any time on or after 7 August 2007 until the close of business on 21 June 2012, unless previously redeemed, converted or purchased and cancelled. The Bonds, which are not redeemed, converted or purchased and cancelled, are redeemable on 28 June 2012 at an amount equal to the principal amount of the Bonds multiplied by 142.801 per cent.

Out of the aforesaid 3,250 Bonds issued, 8 bonds were converted into 33,799 equity shares which were allotted on 4 January 2008.

The Company repurchased and cancelled 15.36% of its remaining outstanding Zero Coupon Foreign Currency Convertible Bonds of US$ 1,00,000 each, aggregating to US$ 49.80 million (US$ 47.80 million in March 2009 & US$ 2 million in April 2009) in accordance with the A.P. (DIR Series) Circular No. 39 dated 8 December 2008 issued by the Reserve Bank of India.

The principal amount of Bonds outstanding after this repurchase and cancellation is US$ 274.40 million.

13. DIRECTORS

Mrs. Savitri Devi Jindal, Mr. Anthony Paul Pedder and Mr. Uday M. Chitale, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. Vijay Kelkar who was appointed by the Board of Directors of your Company in its meeting held on 20 January 2010 as an Additional Director w.e.f. 20 January 2010 in terms of Article 123 of the Articles of Association of your Company, holds office upto the date of the ensuing Annual General Meeting. Your Company has received a notice under Section 257 of the Companies Act, 1956 from a shareholder of your Company, signifying his intention to propose the name of Dr. Vijay Kelkar for appointment as a Director of your Company.

The proposals regarding the appointment/re-appointment of the aforesaid Directors are placed for your approval.

Other changes in the Board of Directors of your Company during the year under review are as follows:

Karnataka State Industrial Investment and Development Corporation Limited (KSIIDC) nominated Mr. N. C. Muniyappa, IAS as its nominee on the Board of your Company in place of Mr. V. Madhu, IAS w.e.f. 16 June 2009. Subsequently KSIIDC nominated Mrs. Vandita Sharma, IAS, as its nominee on the Board of your Company, in place of Mr. N. C. Muniyappa, IAS w.e.f. 19 November 2009.

UTI Asset Management Company Ltd. withdrew the nomination of Mr. G. R. Sundaravadivel as a Director of your Company w.e.f. 11 May 2009 and appointed Mr. B. Babu Rao in his place. Subsequently UTI Asset Management Company Ltd. withdrew the nomination of Mr. B Babu Rao as a Director of the Company w.e.f. 1 February 2010 since the Company paid the entire outstanding and there were no dues to UTI as on date.

Your Directors place on record their deep appreciation of the valuable services rendered by Mr. V. Madhu, IAS, Mr. N. C. Muniyappa, IAS, Mr. G. R. Sundaravadivel & Mr. B. Babu Rao during their tenure as Directors of the Company.

14. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Act.

15. PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure "A") hereto forming part of the report.

16. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in the statement annexed (Annexure "B") hereto forming part of the report.

17. AWARDS AND ACCOLADES

Your Company and its employees received the following awards during the year:

i. **Karnataka Chapter Safety Award 2009:** Unnatha Suraksha Puraskara, a trophy and certificate was presented for outstanding safety performance and management systems in Metals category of industries during 2006-08, by National Safety Council, Karnataka Chapter, on 09 September 2009 at Bengaluru.

ii. **Greentech Environment Excellence Award 2009:** Gold award in metal and mining sector for outstanding achievement in Environment Management (10 October 2009, Kovalam).

iii. **ISO-14001:2004 Certification:** Vidyanagar Township was recommended for certification of ISO-14001:2004 for environmental management practices, on 23 September 2009, by TUV Rheinland Group.

iv. **National Award for Excellence in Energy Management 2009:** Excellent Energy Efficient Unit Award 2009 for Best Energy Management Practices (19, 20 November 2009, Chennai), by CII-Godrej Green Business Centre.

v. **PM's Trophy 2007-08:** Runner-Up of the best performing Integrated Steel Plant in the country, known as **Steel Minister's Trophy** (declared on 13 November 2009).

vi. **CII-EXIM Award 2009:** "Commendation Certificate for Significant Achievement" for Business Excellence by Confederation of Indian Industries, on 17 December 2009 at Delhi.

vii. **IMC Ramkrishna Bajaj National Quality Award: "**Performance Excellence Trophy in the Manufacturing Category" by Indian Merchant Chambers Quality Cell, on 19 March 2010 at Mumbai.

Individual and Team Recognitions:

1. Dr. Madhu Ranjan, VP (R & D and SS), has been conferred with **'Metallurgist of the Year Award - 2009**' instituted by the Ministry of Steel, Govt. of India, at the 47th National Metallurgists' Day Celebrations held on the 14 November 09 at Kolkata.

2. **Oral Presentation Category** at 63rd Annual Technical Meet, Kolkata

   a. Second Prize was won by –

      1. Mr. Pranav Tripathi
      2. Mr. Sujay P. Patil
      3. Mr. D. Satish Kumar
      4. Mr. Abhijit Sarkar
      5. Mr. P. C. Mahapatra

b. Third Prize was won by –

1. Mr G.S. Rathore

2. Mr Mukul Verma.

3. **National Award for Excellence in Energy Management 2009** 'Most Useful Presentation Award' was won by JSW Steel team for making excellent presentation, on 20 November 2009 at CII-Godrej Green Business Centre, Chennai.

18. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the corporate governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as an annexure to this report.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis.

20. APPRECIATION

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Central Government of India, Republic of Chile, Central Government of Mozambique, USA and UK; the State Government of Karnataka, Maharashtra, Tamil Nadu, West Bengal and Jharkhand; the financial institutions, banks as well as the shareholders and debenture holders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Savitri Devi Jindal
Chairperson

Date: 3 May 2010

Annexure 'A' to Directors' Report

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

A. CONSERVATION OF ENERGY

The Company took various initiatives to conserve energy across all locations during the year under review.

Energy Conservation Initiatives at Vijayanagar

Your Company's Energy Reduction Initiative and Energy management were established in late 2007, with creation of new energy management group.

Vijayanagar achieved Specific Energy consumption of 6.495 Gcal/Tcs in FY 2009-10 vis-à-vis 6.704 Gcal/Tcs in FY 2008-09, reducing the Energy consumption by 3.12%.

For the second year in a row, Vijayanagar Works was adjudged as an excellent energy efficient unit for the Year 2009-10 for Energy Management by the Confederation of Indian Industries. Each year CII honor outstanding contributions in protecting the environment and reducing greenhouse gas emissions through energy efficiency. Over the past three years, the energy management program has achieved a 5.1% improvement in energy intensity.

During FY 2009-10, Vijayanagar works achieved energy savings by reducing use of LPG & purchased electricity and increasing use of by-product gasses. The reductions were due to capital investment made at different facilities, such as installation of top-gas recovery turbine, 3.8 MTPA & 6.8 MTPA gas interconnections to facilitate mixed under firing for Coke Ovens Batteries and Gas Mixing Station and Gas line to power plant to use excess Blast Furnace Gas and Coke Oven Gas in power generation.

This distinction demonstrates the Company's commitment in maintaining operational excellence, while efficiently managing energy resources. The Company prides itself on producing safe, sustainable steel and its dedication to energy efficiency will continue to be a leading priority.

This has been possible due to improvement in following:

a) Coke rate at Corex was lower by 6.7%. This was achieved with better heating regime and consistent coal availability.

b) Coke rate at Blast Furnace was lower by 9.3 % by increasing pulverized coal injection. This was achieved by increased availability of Blast Furnace for operation.

c) LCP heat rate was lower by 5.6% and power rate was lower by 6.8%. This has been achieved by increased productivity and better availability of gases for Lime production.

d) LD gas recovery at BOF improved by 1.7%. It was possible with 100% gas holder availability and installation of additional gas booster.

e) HSM heat rate improved to 4.2% and power rate was reduced by 11.9%. This was achieved by eliminating idle hour of HSM due to non-availability of gas and by ensuring more availability of gas to reheating furnace.

f) Mills has stabilized in operation due to overall increase in value added products power rate at CRM was lower by 13.25%.

g) Corex gas utilization has been improved from 97% to 97.94% by better gas management.

h) Waste heat utilization improvement at Non-recovery type coke oven based Captive Power Plant resulting in increase of power generation from 72.38 MWh to 106.23 MWh.

i) Gas based captive power generation.

Energy Conservation Initiatives at Salem

Several initiatives were taken up for the Conservation of Energy and the following were achieved during the Financial Year under review:

- Increased BF gas utilization in the Re-heat Furnace of rolling mill.
- Introduced an economizer in Power Plant to enhance fuel efficiency.
- Recycled the water from Captive Power Plant for coke quenching oven which resulted in water saving.
- Altered the design of key components of coal boiler reducing the power plant shutdown.

Energy Conservation Initiatives at Vasind and Tarapur

i) Switching off one more 93 KW water pump at Cold rolling mills through monitoring and optimization of parameters.

ii) Installation of VVF Drives in Oven Blowers (4Nos) in Colour Coating Line.

iii) Controlling Blowers Speed with reduced Oven set Pressure when Coating is not ON in Colour Coating Line.

iv) Controlling Cooling after Galvanizing Blowers speed with production rate through programming Logic.

v) Replacing Old Screw Air compressors with energy efficient two stage air compressor at TM-4 Rolling Mill.

Total Energy Consumption and Energy Consumption per unit of production are given in Form 'A'.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts made in Technology Absorption are given in Form 'B'.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Exports has always been a strategic move of the Company with a clear focus on Value-Addition, Customisation and expanded geographical reach. Inspite of demand contraction in international market during fiscal 2009-10, the Company exported 0.896 million tonnes expanding its reach to five continents.

b) Total Foreign Exchange used and earned:

Rs. in crores

		FY 2009-10	FY 2008-09
i)	Foreign Exchange earned	**2,772.02**	4,194.70
ii)	Foreign Exchange used	**8,897.74**	8,293.63

Form 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A POWER AND FUEL CONSUMPTION

	Particulars	2009-10	2008-09
1.	**Electricity**		
	a) Purchased		
	Unit (kwh) (in Lacs)	**17435.20**	8082.83
	Total Amount (Rs. in crores)	**614.45**	374.49
	Rate/Unit (Rs.)	**3.52**	4.63
	b) Own Generation		
	i) Through Captive power plant		
	Unit (kwh) (in Lacs)	**22049.70**	17972.36
	Total Amount (Rs. in crores)	**578.50**	547.30
	Cost/Unit (Rs.)	**2.62**	3.05
	ii) Through diesel generator		
	Unit (kwh) (in Lacs)	**562.59**	532.99
	Unit per litre of diesel	**2.55**	2.54
	Total Amount (Rs. in crores)	**29.91**	25.75
	Cost/Unit (Rs.)	**5.32**	4.83
	iii) Through top Recovery Turbine		
	Units (kwh) (in lacs)	**68.63**	–
	Total Amount (Rs. in crores)	**0.44**	–
	Cost/Unit (Rs.)	**0.64**	–
2.	**Coal + Coke**		
	Quantity (tonnes)	**68,47,016 t of Coal + 5,37,727 t of Coke**	48,49,085 t of Coal + 4,88,667 t of Coke
	Total Amount (Rs in crores)	**6,230.90**	5,862.15
	Coal Rate (Rs./t)	**7996**	9872
	Coke Rate (Rs./t)	**14056**	22006
3.	**Furnace Oil**		
	Quantity (K.Ltrs)	**12625**	10810
	Total Amount (Rs in crores)	**32.60**	28.45
	Average Rate (Rs./Ltrs)	**25.82**	26.32
4.	**LPG**		
	Quantity (tonnes)	**24218**	19603
	Total Amount (Rs in crores)	**80.90**	74.72
	Average Rate (Rs./t)	**33405**	38116

B CONSUMPTION PER UNIT OF PRODUCTION

Particulars	2009-10	2008-09
1. Crude Steel		
Electricity (kwh/t)	510	523
LPG (Kg/t)	1.0	1.3
2. Hot Rolled Coils/Steel plates/ sheets:		
Electricity (kwh/t)	80	91
3. Rolled Products - Long		
Electricity (kwh/t)	181	114
4. Galvanised Coils/Sheets:		
Electricity (kwh/t)	198	186
LPG (Kg/t)	18	19

Form 'B'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. **Specific areas in which R & D activities were carried out by the Company:**

Research and Development activities were carried out in various technological areas, including Beneficiation of Iron-Ore, Pelletization and Sintering of Iron-Ore, Coke Making, Iron Making in Corex and Blast Furnace, Steel Making and Casting, Hot Rolling, Cold Rolling, and Waste utilization, with emphasis on improvement in quality, productivity, energy conservation, waste utilization, cost reduction, and environment protection.

R & D was also carried out for development of value added products in the form of 33 new slab grades and 23 new billet grades to meet specific requirements of customers, including:

- API grades for line pipe steel
- Drawing and Deep Drawing Steels
- Medium Carbon and High Tensile Steels
- Micro-alloyed structural grade steels
- Auto and Tube makers grade
- Billet grade steels

2. **Benefits derived as a result of R & D efforts:**

- Optimization of the coking time for varying quality of coal blends improved production at non-recovery coke ovens by 5%.
- Reduced the Coke Moisture in Coke Oven #3 from 8% to less than 5%.
- Optimization of Sintering Parameters reduced sinter return fines from 30% to < 20%.
- Improvement in Pellet Quality by improving pellet CCS > 220 kg/p
- BF-2 productivity increased from 2.1 to 2.4 t/m^3/d, through optimization of burden distribution, material discharge rate, soft blowing philosophy and improvement in tapping practice.
- Reduction in Fuel Rate at BF-1 and BF-2 by 10 kg/thm.
- Minimizing Inclusions in Ladle Change over Slabs through water modelling to reduce emulsification during ladle changeover.
- Recycling of various SMS Slags in Cement and Pellet Making to estimate the maximum permissible limits of slag addition in cement and pellet making.
- Development of model to predict optimum Finishing and Coiling Temperatures for a typical HR Product by optimization of Thermal Regime in HSM.
- Study of thermal profile and wear pattern of rolls in HSM during rolling and improve the critical factors.
- Development of new process to produce DRI from green pellets, thereby reducing CO_2 generation.
- Development of a novel technique for utilization of steel plant wastes to produce high quality DRI for steelmaking as a replacement of steel scrap.

Development of Predictive Models:

- Hearth Wear Monitoring Model for COREX.
- Coal Pyrolysis and Power Generation Model for Non-Recovery Coke Ovens.
- Voidage evaluation Model for BF.
- Top gas prediction Model for BF.
- Model to predict direct and indirect reduction along with minimum fuel rate.
- Model to predict the Hearth liquid level and Drainage rate.
- Model for predicting defective Segments in caster.

Intellectual Capital of the Company in the form of following Patents and Copyrights

a) **Patent:** Following Patent applications have been filed:

- Iron Enriched DRI and its Process of Manufacture using Iron rich wastes.
- DRI and its process of Manufacture from iron ore fines eliminating induration.
- Method for Steel manufacture, involving step of De-phosphorizing the Hot Metal.
- Method for Steel manufacture involving Hot Metal Pre-treatment for De-siliconizing of Hot Metal.
- Connector/Bend Adapted for transporting materials including granular materials and System for using the same.

b) **Copyrights**

- Hearth wear monitoring Model for Corex
- Coal Pyrolysis Kinetics & Power Generation Model for Non-recovery Coke Ovens.
- BF Top Gas Analysis Prediction Model
- Raft Prediction Model
- BF Slag Viscosity Prediction Model
- Mass Balance Model for Pelletization

3. **Plan of action for FY 2010-11**

To set up off-line simulation facilities such as beneficiation lab, agglomeration lab, physical model lab, product development lab and characterization facilities under R&D. Such facilities will enable optimization of the existing processes and development of new processes and products. Another thrust area would be utilization of solid wastes generated within the plant. A pilot scale briquetting facility is under commissioning for converting waste into wealth.

4. **Expenditure on R & D for FY 2009-10**

Rs. in crores

Particulars	Vijayanagar	Salem	Vasind / Tarapur	Total
Capital	7.10 (4.53)	– (0.28)	0.31 (0.50)	**7.41** **(5.31)**
Recurring	3.53 (5.68)	1.94 (0.88)	0.77 (0.51)	**6.24** **(7.07)**
TOTAL	**10.63** **(10.21)**	**1.94** **(1.16)**	**1.08** **(1.01)**	**13.65** **(12.38)**

Previous Year figures in ( )

5. **Technology Absorption, Adoption and Innovation**

A) **Vijayanagar**

- Design and development of moving wall pilot coke oven with stamp charging facility for optimization of blend for coke ovens.
- Developed a process for producing DRI from iron ore fines eliminating induration.
- Developed a process to produce iron rich DRI from steel plant waste.

B) **Salem**

- Developed innovative technique to remove accretion in blast without using explosive.
- Elimination of lump in iron bearing materials to improve raw mix feeding at Sinter Plant and to reduce impurities fed into blast furnace by introducing screening system.
- In order to reduce the burning loss of hot coke while travelling towards quenching tower, an innovative mobile quenching facility was installed in the quenching car itself. This reduces ash formation and yield.
- By introducing oven door with auxiliary locking system,the cycle time of the quenching car was reduced.
- The coal throughput per oven was increased by charging optimum coalsize and bulk density of coal and the coking time. This resulted in enhanced coke production and improvement in yield besides reduction in coke breeze generation.
- Container shipment of wire rod to reach customer site with better shape and quick delivery.

C) **Vasind/Tarapur**

i) Replacement of conventional temperature control system with Thyristorized control for Ammonia cracker heating unit.

ii) Installation of Ultrasonic sensor in place of conventional Laser sensor for strip tension control at CCL Unit.

Imported Technologies

Major imported technologies commissioned during the year include:

- New state-of-the-art Hot Strip Mill supplied by M/s. Mitsubhishi-Hitachi of Japan.

The above technology commissioned during the year has been fully absorbed.

Further, the following technologies were imported during the year 2009-10:

- Pilot Briqueting Machine from M/s. East Sea Corporation, Korea; and
- Computational Fluid Dynamics (Mathematical Modelling Tool) from M/s. Ansys, USA.

ANNEXURE 'B' TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

Sr. No.	Name	Designation	Remuneration (Amt. in Rs.)	Qualification	Total Experience (No. of Years)	Age in Years	Date of Commencement of Employment	Previous Employment (Designation)
(A)	Employed throughout the year and were in receipt of remuneration of not less than Rs.24,00,000 per annum							
1	Acharya Jayant	Director - Sales & Marketing	10,443,215	BE (Chemical), MBA Marketing, M.Sc. (Physics)	27	47	1-Jul-99	Essar Steel Ltd. (Jt. General Manager)
2	Aggarwal Ashok Kumar	Sr.Vice President - HSM	6,522,149	B.Sc. (Engineering)	24	51	2-Jun-98	Essar Steel Ltd., (Jt. General Manager)
3	Asher Rajesh Haridas	Sr. Vice Presient - Finance and Investors Relations	9,728,705	CA, MFM, CPA (USA)	28	53	16-Nov-07	Bunge India Pvt. Ltd. (CFO & VP - Finance)
4	Bablesh Kumar Gupta	General Manager - BRM	2,419,642	DME	30	49	15-Jul-05	Indian Seamless Steel & Alloys (Head - Rolling Mill)
5	Banerjee Sharmila	Associate Vice President - Corporate Communications	3,514,196	BA, MA, PGDBM (MBA)	23	45	2-Jul-07	Hinduja Group India Ltd. (Vice President)
6	Chauhan Rakesh	General Manager - Marketing	2,641,333	PGD (Marketing), BE (Metallurgy)	22	45	18-Jul-06	Global Steel (DGM - Marketing)
7	Dahiya Amarjit Singh	General Manager - Works	3,075,775	M.Sc.	29	50	17-Aug-82	KSGM Ltd. (Shift-in-charge)
8	Das Tapas Kumar	General Manager - HR	2,578,597	MBA,. M.A	20	45	4-Aug-08	Cosmo Films Ltd. (General Manager - HR)
9	Dev Dyuti Sen	General Manager - SMS	2,487,339	M.Tech (Metallurgy)	25	45	9-Apr-07	Pkaramg Murvi Master Steel, Jagartha, (Plant-in-charge)
10	Dey Anjan Kumar	Associate Vice President - Blast Furnace III	2,491,053	BE (Metallurgy) M.Tech (Metallurgy)	33	56	19-Mar-07	Tata Steel Ltd. (Head - Operations)
11	Dhillon Dinesh Singh	Pilot - Aviation	6,681,397	BA, CPL	10	38	6-Oct-05	Pawan Hans (First Officer)
12	Dhoot Avinash	General Manager - MSD	2,566,268	B.Com (Hons), CA	15	40	15-Mar-07	Mahajan & Aibara (General Manager - Management Consulting Division)
13	Dixit Praveen	Associate Vice President - Marketing (International)	3,543,635	M.Sc, PGD INDL MGT, MMM	21	45	30-Dec-91	Roadmaster Strips Steel Ltd. (Engineer)
14	Dua Haresh Kishinchand	Vice President - Internal Audit & Compliance	4,358,510	CA, CIA, CISA, CISSP	17	41	22-May-08	Pantaloons Retail India Ltd. (Chief Internal Audit & Risk Management)
15	Ganapathy Nagarani	Associate Vice President - Legal	3,800,179	B.Sc, LLB, LLM, Solicitor	17	44	4-Oct-05	Rajani Associates Solicitor (Partner)
16	Gangrade Ashutosh B.	Associate Vice President - Marketing	2,979,003	BE (Mechanical)	25	50	21-Dec-92	Grindwell Norton (Product Engineer)
17	Garg V. P.	Vice President - Commercial	5,289,981	B.Com, CA	26	49	1-Dec-88	Modern Group (Finance Manager)
18	Ghorui Prabhat Kumar	Associate Vice President - SMS III (BOF)	2,696,345	BE (Metallurgy)	22	45	9-May-98	Essar Steel Ltd. (Dy. Manager)
19	Goel Ashwani K.	General Manager - Marketing	2,596,633	BE (Metallurgy)	24	49	20-Feb-91	Steel Strips Ltd. (Dy. Manager - Quality Control)
20	Goel Sanjay	General Manager - Works	2,519,524	B.Sc (Engg. Mech.)	21	44	21-Aug-89	Trainee Engineer
21	Gopikrishna M.	Vice President - Marketing	4,382,354	MA (Economics)	26	51	16-Mar-98	Essar Steel Ltd. (Dy. General Manager)
22	Guron Paramjit	Pilot - Aviation	7,706,535	BA, CPL	20	47	3-Oct-05	Orient Flying School (Chief Pilot & CFI)
23	Gururaj B.	Associate Vice President - TQM	2,907,656	M.Tech (Metallurgy)	32	56	9-Dec-96	Bhilai Steel Plant (Sail),Bhilai.(Sr Manager)
24	Jayaraman R.	Associate Vice President - MIS & Imports	3,689,403	B.Com, MBA	19	46	1-Oct-90	Indian Market Research Bureau (Field Surveyor)
25	Jayram Sanjay	Vice President - Marketing	4,458,173	B (Mech. Engg.), BA (Economics), DIP (Export Mgt.)	26	49	3-Apr-06	Essar Steel Ltd. (Head - Sales - North Zone)
26	Jindal Jagminder Das	General Manager - Sales Audit	3,111,460	SSC	30	47	8-Dec-79	Jindal Steel & Alloys Limited (GM)
27	Jindal Sajjan	Vice Chairman & Managing Director	142,530,974	BE (Mechanical)	28	50	4-Jul-92	Jindal Strips Ltd. (Jt. Managing Director)
28	K. Kannan	Associate Vice President - Engineering & Projects	2,645,785	BE (ECE), MBA	25	49	15-Dec-04	Hospet Steel Ltd.(General Mgr(Elec & Automation)
29	K.T. Krishna Deshika	Director Finance - Bengal Projects	8,926,679	B.Com, FCA, FCS, LLB	31	54	1-Apr-09	JSW Bengal Ltd. (Director-Finance)
30	Kandoi Umesh Ramlal	General Manager - CPC	3,154,778	B.Com, CA	22	46	1-Jul-06	Grasim Industries Ltd. (DGM)
31	Karande A. K.	General Manager - SMS-II	2,504,746	Diploma (Metallurgy), AMIIM (Metallurgy)	27	49	15-Jul-97	Lloyds Steel Ind. Ltd. (Dy. Manager)
32	Kathariya Sunil D.	Associate Vice President - Structural Projects Monitoring	2,930,108	BE (Mechanical), PGM (Management)	25	50	24-Apr-95	Engineering College (Prinicipal)
33	Kattikaren John Antony	Associate Vice President - Infrastructure	5,189,600	BE (Civil)	22	44	2-Jun-08	Lupin Group Ltd. (Sr. General Manager)
34	Kedia P. K.	Group President - Commercial	8,866,006	B.Com, FICWA, DBM, CS (Inter)	34	50	26-Oct-05	Essar Steel Ltd. (Vice President - Commercial)
35	Kole P. R.	Vice President - Banking & Finance	4,599,455	B.Com, CA, LLB	24	49	1-Oct-88	Bdpl Group (Accounts Executive)
36	Krishnamurti Rajamani	Associate Vice President - Corporate Co-ordination	2,984,033	B.Com, PG Diploma (Systems Management)	23	44	4-Dec-06	CII (Director)
37	Kulkarni Pankaj	CEO - Special Projects	12,952,929	BE (Metallurgy), M.Tech, MFM	28	52	1-Sep-08	Essar Steel(Hazira) Ltd. (CEO)
38	Kundu Kumar Gautam	Associate Vice President - BRM Projects	2,529,243	B.Tech (EEE)	29	50	14-Jul-06	Metropolitan Equipments (CEO)
39	Lakhotia Mahendra	Associate Vice President - Corporate Co-ordination	2,835,908	B.Com	29	54	1-Oct-07	Godawari Power & Ispat Ltd. - President (Corporate Affairs)
40	Lal H. R.	Vice President - HR and Admin	4,103,328	PGD (SW), LLB	33	56	8-Apr-04	SAIL (Jt. Director)
41	Madhu Ranjan	Vice President - R & D and SS	3,219,593	B.Sc. (Metallurgy).DIP (Mgt.), MS (Material Science), PHD (Material Science)	30	54	5-Dec-05	Sundaram Fasteners (Dy. General Manager)
42	Mahendra Sharad	Vice President - Marketing (Domestic)	4,568,542	BE (Mechanical)	20	43	3-Aug-06	Escorts Ltd. (DGM - Marketing)
43	Maheshwari Arun	Associate Vice President - Marketing	4,057,510	MBA (Mareketing & Finance)	18	40	19-Aug-03	Maketi Rolling Mills Ltd. (Manager - Business Development)
44	Maheshwari M.	General Manager - Technical Services	2,511,113	M.Sc, M.Tech, MS	16	57	2-Sep-95	Lloyds Steel Ind. Ltd. (Manager - Total Quality Assurance)
45	Maheshwari Santoshkumar Mohanlal	Vice President - Project Finance	7,450,468	BE (Mechanical), Master in Management (Finance)	21	46	5-Apr-07	Sterlite Industries Ltd. (Associate Vice President - Finance)
46	Mehrotra Alok	Vice President - Finance & Accounts	4,743,271	CA	29	53	1-Sep-95	The U. P. State Cement Corp. Ltd. (Manager - Finance & Accounts)
47	Modi Shushil Kumar	Associate Vice President - Finance	3,865,796	ICWA, ACS, CFA, ACA	14	37	20-Feb-06	Mittal Steel Point Lisas Ltd. (Manager)
48	Mohta Manoj Kumar	Associate Vice President - Finance	4,081,189	B.Com, ICWA, CA	16	39	14-Nov-04	Aditya Birla Mgt Corp. (DGM)
49	Mukherjee Tuhin K.	Executive Director - Mining	9,145,846	PGD (Aerial PI Remote Sensing), PGD (Business Management), M.Sc	36	58	15-Feb-06	Central Mine Plan. & Design Inst. Ltd. (General Manager -TB/BD)
50	Murugan P. K.	Associate Vice President - Commercial	3,271,734	B.Tech (Mechanical)	20	43	17-Jan-98	Essar Steel Ltd .(Dy Manager)
51	Naha Tapan Kumar	Sr. Vice President - Iron Making	4,752,841	BE (Metallurgy)	29	54	30-Sep-02	Bhilai Steel Plant (AGM - SGP)
52	Nowal Sushil	Associate Vice President - Logistics	2,743,233	B.Com, MBA (Marketing)	21	43	1-Jan-89	Jindal Strips Ltd.
53	Nowal Vinod K.	Director & CEO (Vijayanagar Works)	17,468,051	MBA, DBM, PHD	29	54	14-Feb-84	K. M. Sugar Mills Ltd. (Factory Manager)
54	Oza Hemang Ramesh	General Manager - Marketing	2,767,266	B.Sc (Metallurgy)	16	41	1-Mar-08	Essar Steel Ltd. (Jt. General Manager - Marketing)
55	P. Boopalan	Associate Vice President - Finance & Accounts	2,439,746	B.Com, ACA, ACS	26	51	20-Sep-91	Lakshmi Machine Works Ltd. (Company Secretary)
56	Pai Rajeev Madhusudhan	Chief Financial Officer	5,877,351	B.Com, CA, CS (Inter)	26	48	1-Dec-00	Crompton Greaves Ltd. (Manager - Finance)
57	Patel Ketan Hasmukhlal	General Manager - Finance & Accounts	2,648,056	B.Com, ICWA, CA, DIP(Finance)	16	40	6-Feb-97	Maharashtra Hybrid Seeds Co. Ltd. - Officer (Accounts)
58	Patidar V. K.	Vice President -Sinter Plant III & IV	4,728,034	BE (Electrical)	28	51	7-Jan-92	Electrotec Engineering (Partner)
59	Patil Sadashiv	Associate Vice President - HR & Administration	3,706,571	BA, Diploma in Human Resource	27	53	29-Apr-95	Tata SSL Ltd. (Deputy Manager)
60	Pawar Ulhas G.	Sr. Vice President - Logistics & PPC	5,232,893	M.Com, LLB, PGD (Marketing & Export)	33	54	19-Jan-98	Essar Steel Ltd. (Jt. General Manager - Marketing)
61	Poyyamozhi V.	Vice President - SMS I (BOF)	4,246,006	BE (Mechanical)	29	53	2-Mar-98	SAIL (Senior Manager)
62	Prabhu Manjunath	Associate Vice President - Pellet Plant Agglomoration I	2,909,941	BE (Mechanical), Agglomoration I	21	44	9-Dec-96	Essar Steel Ltd. (Dy. Manager)
63	Pramanik Debashis	Dy. General Manager - Marketing	2,433,733	B.Tech (Metallurgy)	24	51	16-May-08	SAIL (DGM - Marketing)
64	Prasad Gururaja C. S.	Vice President - Beneficiation Ii	3,236,678	BE (Mechanical)	29	54	18-Oct-96	Indian Institute For Production Management, (Director)
65	Prasad S.M.R.	General Manager-Environment & Energy	2,436,196	B.Sc. (PCM), BE (Chemical), M.Tech (Chemical)	23	57	10-Jan-06	TISCO (AGM - Environment)
66	Rai Umesh	Associate Vice President - WRM & BRM Mills	2,843,053	BE (Electrical)	22	45	9-Feb-88	No previous employment
67	Rajashekar P.	Vice President - Blast Furnace III & IV	4,341,455	BE (Mechanical)	26	53	13-Jul-98	Vizag Steel Plant (Manager)

Sr. No.	Name	Designation	Remuneration (Amt. in Rs.)	Qualification	Total Experience (No. of Years)	Age in Years	Date of Commencement of Employment	Previous Employment (Designation)
68	Rajendran P. M.	Sr. Vice President - RHMS	5,474,328	M.Sc (Engineering)	33	57	1-Dec-94	Rourkela Steel Plant (Sr. Manager)
69	Raju V. V. S.	Associate Vice President - Coke Oven	3,481,921	BE (Metallurgy)	36	62	14-Apr-97	SAIL (AGM)
70	Ramesh D.	Vice President - Commercial	5,014,669	B.Sc (Mech. Engineering)	38	60	5-Aug-04	Ispat Industries Ltd. (Vice President - Coal & Coke)
71	Ranka Balwant K.	Associate Vice President - Corporate Affairs	4,138,038	B.Com, FCA	21	43	1-Jul-07	Practising Chartered Accountant
72	Rao BNS Prakash	General Manager - CRM	2,786,953	BE (Metallurgy)	22	45	5-May-88	No previous employment
73	Rao M.V.S Seshagiri	Joint Managing Director & Group CFO	27,937,060	B.Com, CAIIB, AICWA, LCS, DBF	31	52	1-Sep-97	Nicholas Piramal (India) Ltd. (Sr. Vice President)
74	Rao Ranga R. V.	Associate Vice President - Commercial (Stores)	2,969,501	BE (Mechanical), MBA (Public Ent.)	34	57	24-Apr-97	Mishra Dhatu Nigam Ltd. Hyderabad (Manager)
75	Rath Sanjay Kumar	Associate Vice President - CPC	2,437,286	BE	19	41	2-Jan-06	Essar Steel Ltd. - DGM (Procurement)
76	Ravichandar D.	CEO (Salem Works)	8,003,381	BE (Mechanical), BE (Electrical), Diploma (Finance)	32	53	18-Nov-94	Bhushan Steel & Strips Ltd. (General Manager)
77	Ravindranath K.	Vice President - SMS II (CCP)	3,166,651	BE (Mechanical)	29	51	16-Sep-98	Essar Steel, (Dy Manager)
78	Reddy S. L. V. P.	Associate Vice President - Coke Oven	2,538,271	BE (Mechanical)	21	44	5-Jul-95	Lloyds Steel Ind. Ltd. - Asst. Manager, Mechanical Mainteanance
79	Roy Dinesh Kumar	Associate Vice President - Commercial	2,988,740	B.Tech (Electrical)	31	54	22-Jul-95	R.S.P Rourkela (Sr. Manager)
80	Roy Kinshuk	General Manager - Application Engineering (GTS)	2,763,775	BE (Metallurgy), MBA (Marketing)	22	45	11-Feb-08	Tata Steel Ltd. (Head Product Appln-Jamshedpur.)
81	Rudrappa N.	General Manager - Sinter Plant III	2,484,208	BE (E&C)	29	54	2-Jun-95	The Mysore Paper Mills Ltd. - Asst. Manager (Electrical - Sugar)
82	Sarda Pankaj	General Manager - Internal Audit	3,838,415	CA, CS, ICWA,CISA	28	53	4-Sep-06	Reliance Group (Additional Vice President)
83	Sarkar Pranab Kumar	Associate Vice President - Energy Management	2,487,139	MBA (Management)	30	56	25-Oct-07	SCIPL-COO
84	Sarover K.	Senior Vice President - Projects	5,892,572	BE (Mechanical)	31	56	2-Jul-05	Jindal Stainless Ltd. (Vice President)
85	Sasindran P.	COO	9,293,881	BE (Electrical)	42	60	9-May-98	Essar Steel Ltd. (General Manager)
86	Sathaye Jayant M.	Executive Director (Salem Works)	7,025,639	B.Tech (Metallurgy), M.Sc (Process Metallurgy)	31	54	18-Jul-07	Sunflag Iron & Steel Co. Ltd. (Executive Director - Operations)
87	Sathyamurthy B.	Associate Vice President - Iron Making	2,589,793	BE (Mechanical)	26	47	13-Dec-96	Visakhapatnam Steel Plant (Dy.Manager)
88	Sathyanarayana K. S.	General Manager - Marketing	2,646,391	BE (Production)	24	50	10-Jul-95	HMT (International) Ltd. (Manager - Marketing)
89	Sekhar V. R.	Associate Vice President -Iron Making	2,733,433	BE (Metallurgy), DIP (Metallurgy)	23	44	24-Nov-98	Rastriya Ispat Nigam,Visakhpatnam (Chargemen)
90	Seshachalam Rachakonda Chandrasekhar	Assistant General Manager - Aviation	2,809,616	B.Sc	11	42	28-Jul-08	Satyam Computers (Sr. Software Engineer)
91	Shah Tushar V.	General Manager -Finance & Accounts	3,452,063	B.Com, ICWA	21	42	12-Aug-91	The Bombay Silk Mills Ltd. (Cost Accountant)
92	Shankar Nookala Uma	Associate Vice President - PPC	2,459,373	B.Tech (Metallurgy)	30	54	9-Jun-04	Ispat Industries, GM (Technical)
93	Sharma Narinder Kumar	Assistant General Manager - Aviation	4,707,978	BA	18	45	1-Dec-06	Orient Flight School, AFI
94	Sharma Ramesh Chandra	Sr. Vice President - Operations	6,513,176	B.Sc	32	57	1-Feb-95	Bhushan Steel Ltd. (Assistant General Manager)
95	Sharma Sanjay	Associate Vice President - CRM	2,715,658	BE (Metallurgy)	22	45	1-Apr-05	TISCO (Sr. Production Manager)
96	Shenoy Murali B.	Vice President - CMD & Utilities	3,163,786	BE (Mechanical), DIP (Mechanical)	30	50	17-Jun-96	Essar Steel Ltd. (Jt. GM)
97	Shete Hemant P.	General Manager - Finance & Accounts	3,222,226	M.Com, FICWA, CS (Inter)	27	50	24-Jan-93	MSRTC (Cost Accounts Officer)
98	Shukla Rajeev	General Manager - Marketing	2,908,800	BE (Metallurgy)	23	47	18-Feb-08	Tata Steel Ltd. (Head - Sales)
99	Singh Anil Kumar	Associate Vice President - Civil & Engineering Services	3,550,230	BE (Civil)	22	45	1-Dec-94	BSBK (B) Limited (President - Eng.)
100	Singh Anirudh	Senior Vice President - Corporate HR	7,460,845	B.Sc, MBA (General Management)	32	56	1-Aug-06	Reliance Infocomm Ltd. (Head - HR)
101	Singh Rajesh	Dy. General Manager - Marketing	2,458,158	BE (Mechanical)	17	48	21-Dec-96	National Steel Ind. Ltd. (Sr. Engineer - Production)
102	Singh Shankar Pratap	Associate Vice President - Works	3,579,588	BE (Mechanical)	23	46	20-May-95	Steelco Gujrat Ltd. (Dy. Manager)
103	Siva Prasad Pavuluri	Vice President - Mills	3,861,650	B.Tech (Mechanical)	29	54	4-Jan-06	Essar Steel (VP)
104	Sivasubramonia Pillai M.	General Manager - Coke Oven	2,434,969	B.Tech (Chemical), PGDAIMA	33	56	5-Nov-07	MECON (DGM - Coal & Chemical)
105	Sodani Roop Chand	CEO - Cement	11,788,177	CA	30	55	4-May-07	Maratha Cement Works (President)
106	Sriram K.S.N.	General Manager - Corporate Affairs	3,080,437	B.Com, CA, ICWAI (Inter)	17	41	6-Oct-00	Bermaco Group (Sr. Manager)
107	Subramaniam M.	Vice President - Marketing	4,636,914	MA, Diploma in Environment Science	22	55	14-Sep-96	Steel Authority of India Ltd. (Branch Manager)
108	Umesh Prasad Singh	General Manager - SMS	2,489,702	BE (Metallurgy)	28	52	4-Jul-05	Hospet Steel Ltd.(Manager SMS Operation)
109	Vandakudri Surendranath V.	General Manager - Finance & Accounts	2,867,529	B.Com, CA	23	51	19-Apr-99	Ritz Pvt. Ltd. (Manager - Taxation)
110	Venkateshan M. A.	Sr. Vice President - Finance & Accounts	5,333,772	CA, LLB, CS, ICWA	28	54	3-Jan-00	Praxair India (P) Ltd. (Accounts Controller / Co.Secretary)
111	Vijay Kumar S.	Vice President - Excise & Insurance	3,226,564	BE (Electrical), PGD (Mat Mgt. & Mktg.), PGD (Tax)	37	58	22-Aug-96	Mecon (I) Ltd. (Contract Manager)
112	Vishwanath S. C.	Associate Vice President - SMS I (BOF)	2,705,056	B.Sc, M.Sc, M.Tech (PRCC Metallurgy)	22	46	9-May-98	Essar Steel Ltd., Hazira (Manager)
113	Warrier Madhav M. R.	Vice President - Finance & Accounts	4,184,906	BE (Mechanical), ICWA	29	52	30-Sep-98	Ispat Industries, (GM - Costing)
114	Yogeswara T.	Associate Vice President - Safety & F.S.	2,798,528	BE (Fire Eng.), DIP (Ind. Safety)	28	54	8-Mar-99	Rourkela Steel Plant ,SAIL (Dy. Manager)
(B)	**Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.2,00,000 per month**							
1	Batni Srinivas	Associate Vice President - Marketing (CS)	4,406,047	BE (Mechanical), M.Tech (Materials)	38	61	12-Apr-96	M N Dastur Co. (Dy.Chief Engineer)
2	Bhargava Rahul	Vice President - Shipping	4,191,742	B.Sc, Master (Mariner)	16	50	31-Jul-09	JM Baxi & Co. (Vice President Head - Chartering)
3	Bhowmik Saha Debangshu	Associate Vice President - Coke Oven IV	2,500,040	BE (Mechanical)	27	53	10-Aug-06	MECON Ltd. (Dy. General Manager - Iron Making Division)
4	Gokhale Gopal Sandeep	President - Business Development	5,939,049	BE (Electrical), MBA (Finance)	24	48	25-Aug-08	Mumbai International Airport Pvt. Ltd. (Director - Commercial)
5	Iyer Suresh	Deputy General Manager - Carbon Credits	2,433,286	BE (Mechanical)	14	40	19-May-95	Metropolitan Equip. & Consultants Pvt. Ltd. (Manager - Marketing)
6	Jain Prashant	General Manager - Corporate Strategy & Development	2,118,724	B.Sc (Engineering - Mechanical)	18	39	1-Jan-96	DCM Shriram Industries (Asst. Plant Supritendent)
7	Kumar V.R. Anand	AGM - Coke Oven III	912,448	Diploma (Mechanical)	35	58	10-Oct-96	Panyam Cements & Minerals Ind. Ltd. (Sr. Engineer)
8	Mistry Shankar Kishenlal	Pilot - Aviation	1,504,646	B.Com, MBA (HRD)	14	41	2-Feb-09	Kingfisher Airlines Ltd. (Sr. Co-Pilot)
9	Mittal Sanjay	Deputy General Manager - Marketing	1,088,674	B.Tech (IIT)	18	41	2-Nov-09	Tata Steel Ltd. (Head EPA - Long Products)
10	Ranade Surender	Executive Director - Operations	2,835,965	BE (Mechanical)	34	58	8-Dec-09	BSL, Unit of SAIL (Head - Works)
11	Rao Sivasagar Y.	Joint Managing Director & CEO	3,618,047	BE (Mechanical)	39	63	19-Jul-07	Rashtriya Ispat Nigam Ltd. (Chairman-cum-MD)
12	Shah Shailesh F.	Group President	7,394,638	BE (Mechanical), MS, MBA	25	50	3-Nov-08	Satyam Computer Services (Chief Strategy Officer, Director & Sr. VP)
13	Sharma Vikas	Sr. Vice President	2,608,550	BE (Mechanical), MBA (HR & Mktg.)	21	46	1-Oct-09	Jindal Praxair Oxygen Co. Pvt. Ltd. (Managing Director)
14	Sharma Rajinder	President - Legal & Group General Counsel	8,179,365	BA, LLB (HONS)	25	53	11-Jun-09	Emaar MGF Land Ltd. (Group General Counsel)
15	Sharma Anil	Deputy General Manager - Operations	2,202,530	BE (Aero), MBA (Finance)	5	43	22-Jan-94	JCT Mills Ltd. (Graduate Engineer - Mech.Maint.)
16	Sharma Vijay	Joint Managing Director & CEO (Salem Works)	9,039,662	B.Tech (Met. Eng.), MS. (Material Science), PGDBA	33	55	18-Aug-04	Hospet Steel Ltd. (Executive Director)
17	Singh Randhir	General Manager - Commercial	1,509,742	BE (Mechanical), Dip. Defence Management, Dip. Contract Management	32	51	4-Oct-05	Indian Army (Colonel)
18	Tandon Jugal Kishore	Director - Projects	9,987,187	B.Tech HOS (Metallurgy)	48	68	6-Feb-07	Essar Steel Ltd. (Director - New Business Development & Projects)

Notes:

1. Remuneration shown above includes Salary, Performance Reward/Special Allowance, House Rent Allowance/ Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission and Company's Contribution to Provident Fund but does not include Leave Encashment, Company's Contribution to Gratuity Fund & ESOP. The monetary value of pequisites is calculated in accordance with the provisions of the Income-Tax Act, 1961 and Rules made thereunder.
2. All the employees have adequate experience to discharge the responsibility assigned to them.
3. The nature of employment in all cases is contractual except in the case of Mr. Sajjan Jindal.
4. Mr. Sajjan Jindal is relative of Mrs. Savitri Devi Jindal, Chairperson of the Company.

Management Discussion and Analysis

(A) ECONOMY AND STEEL

(1) Global economy

The year 2009 witnessed the turbulence pain and panic from the unprecedented Economic and Financial Crisis adversely impacting the Global Economic growth. As per the IMF's April-10 estimates, Global Economic growth in 2009 is estimated to contract by approx. 0.6%. China as well as India, cushioned the intensity of Global meltdown during 2009 as demonstrated hereunder

- Global Economy as per the IMF estimates of April10 contracted by approx. US$ 3.3 trillion while Chinese and Indian Economy expanded by 8.7% & 7.2% respectively.
- Real Global Trade decelerated by 10.7% with Merchandize Exports down in value-terms by approx. 23% to $ 12,147 Billion and Services by 13% to $ 3,312 Billion while China graduated from the 2nd rank to the highest global merchandize exporter at US$ 1,201 Billion in 2009.
- Global automobile production contracted by approx. 15% to 60 Million units while China qualified as the World's largest Producer at 13.6 Million units with highest ever domestic sale of Passenger cars of 10.3 Million units up by 52.9%. Similarly, Indian Passenger Vehicle production and domestic sales rose by 28% & 26% respectively in FY 2009-10.

The timely, cumulative stimulated economic efforts of all Governments significantly curtailed the depth, span and intensity of the economic catastrophic spread – although the possibility of few noted and sovereign defaults continue to haunt the world in the near term.

The IMF estimates suggest a positive economic rebound in 2010 with the Global economy registering a 4.2% growth; Advanced economies and the Emerging world growing by 2.3% & 6.3% respectively. Further the WTO projects world trade to expand by 9.5% with the Advanced world growing by 7.5% and the Emerging world by 11%.

(2) Global Steel Industry

Steel being at the core of economic progress witnessed an unprecedented downturn in 2009. Advanced economies buckled under pressure of large inventories coupled with stand still demand; the rest of the world (excluding China and India) suffocated under low domestic demand; their high degree of export dependency on the advanced world added to their woes. This reconfirmed the concept of increasing global integration and global trade coupling (except China and India).

Crude Steel Production

World crude steel production declined 8% from 1,329 million tonnes in 2008 to 1,223 million tonnes for the year of 2009. Steel production declined in nearly all the major steel producing countries and regions including the EU, North America, South America and the CIS in 2009. However, Asia, in particular China and India, and the Middle East showed positive growth in 2009. Asia produced 799 million tonnes of crude steel in 2009, an increase of 3.6% compared to 2008; its share of world steel production increased to 65% in 2009 from 58% in 2008.

Production (Mn tonnes)

Year	North America	South America	EU-27	CIS	Asia (excl China)	China
2008	124.5	47.4	198.0	114.3	270.1	500.3
2009	82.5	37.8	138.9	97.5	231.2	567.8
Variance (%)	(33.7)	(20.1)	(29.8)	(14.7)	(14.4)	13.5

(Source: worldsteel)

Production by Steel Process: C.Y. 2009

Regions/Country	BoF		EAF		Total	
	(MnT)	(%)	(MnT)	(%)	(MnT)	(%)
Adv. World	150	(30%)	144	(29%)	294	(30%)
Emg. World	692	+6.8%	238	(9.9%)	930	+2.2%
World	**843**	**(2.1%)**	**382**	**(18.6%)**	**1,223**	**(8%)**
China	506	+16%	62	(0.7%)	568	+13.5%
Emg. (-) China	186	(11.4%)	176	(12.8%)	362	(11.6%)

(Source: worldsteel/Primary Estimates)

Steel Consumption

The global economic and financial crisis impacted steel consumption – consumption declined 6.7% from 1,202 mn tonnes in 2008 to 1,121 mn tonnes in 2009. Of the consumption, 50% was flats (largely consumption led demand) and 50% was long products (largely infrastructure driven demand). World consumption of finished steel excluding BRIC countries registered a decline of 26.8% in 2009. Steel consumption of BRIC countries grew 18% largely due to the massive consumption of steel from China to satiate stimulated domestic demand.

Consumption (Mn tonnes)

Year	North America	Central & South America	EU-27	CIS	Asia (excl China)	China
2008	129.2	44.3	182.7	49.8	258.9	434.6
2009	80.9	33.6	118.4	35.8	213.1	542.4
Variance (%)	(37.4)	(24.1)	(35.2)	(28.2)	(17.7)	24.8

(Source: worldsteel)

Production and Consumption (Mn tonnes)

Year	2005	2006	2007	2008	2009
Crude steel production (mnt)	1,144 (+6.8%)	1,247 (+9.0%)	1,346 (+7.9%)	1,329 (-) 1.3%	1,223 (-) 8.0%
Finished steel consumption (mnt)	1,040 (+6.4%)	1,134 (+9.1%)	1,214 (+7.0%)	1,202 (-)1.0%	1,121 (-) 6.7%

(Source: worldsteel)

Top 10 Steel Producing Nations (Mn tonnes)

Rank	Nation	2009	2008	Variance
1	China	567.8	500.3	+13.5%
2	Japan	87.5	118.7	-26.3%
3	Russia	59.9	68.5	-12.5%
4	The US	58.1	91.4	-36.4%
5	India	60.2	57.8	4.2%
6	RoK	48.6	53.6	-9.4%
7	Germany	32.7	45.8	-28.7%
8	Ukraine	29.8	37.3	-20.2%
9	Brazil	26.5	33.7	-21.4%
10	Turkey	25.3	26.8	-5.6%
	Top-10	**992.8**	**1,031.2**	**-3.7%**
	World	**1,223**	**1,329**	**-8.0%**

(Source: worldsteel)

In 2009, The top10 nations accounted for 81% of the crude steel production – their production registered a 4.8% CAGR during 2004 to 2009.

Top 10 Steel Consuming Nations (Mn tonnes)

Rank	Nation	2009	2008	Variance
1	China	542.4	434.6	+24.8%
2	The US	57.4	98.3	- 41.6%
3	India	55.3	51.3	+ 7.7%
4	Japan	53.2	77.9	- 31.7%
5	RoK	45.4	58.6	- 22.5%
6	Germany	28.4	42.4	- 33.0%
7	Russia	24.7	35.4	- 30.2%
8	Italy	18.6	33.1	- 43.8%
9	Brazil	18.5	24.0	- 22.9%
10	Turkey	18.1	19.9	- 9.4%
	Top-10	**861.9**	**875.4**	**- 1.5%**
	World	**1,121**	**1,202**	**- 6.7%**

(Source: worldsteel)

In 2009, the top 10 nations accounted for 77% of the steel consumption – their consumption registered a 2.8% CAGR during 2004 to 2009.

Global Steel Trade

The impact of the global crisis loomed large on global trade of steel which declined about 30% (estimated at 300 mn tonnes). This was largely due to the relatively high dependence of the emerging world on advanced world which collapsed under the pressure of the global meltdown. As a result, the export dependency on the advanced world declined substantially which was compensated by stimulated domestic demand in emerging economies especially China and India.

Emerging world to Advanced world – a significant change

Altering export dynamics

Particulars	2008		2009		
	Volume (Mn tonnes)	Percentage of total exports	Volume (Mn tonnes)	% of the total	Variance (%)
Global exports	**428**	**100%**	**319**	**100%**	**-25%**
Adv. world exports	**188**	**44%**	**114**	**36%**	**-39%**
Exports to					
– Adv. world	126	67%	77	68%	-39%
– Emg. world	62	33%	37	32%	-40%
Emerging world exports	**240**	**56%**	**205**	**64%**	**-15%**
Exports to					
– Adv. world	75	31%	65	32%	-13%
– Emg. world	165	69%	140	68%	-15%

(Source: ISSB)

Altering import dependence

Particulars	2008		2009		
	Volume (Mn tonnes)	Percentage of total exports	Volume (Mn tonnes)	% of the total	Variance (%)
Global imports	**342**	**100%**	**238**	**100%**	**-30%**
Adv. world imports	**181**	**53%**	**128**	**54%**	**-29%**
Imports from					
– Adv. world	121	67%	77	60%	-36%
– Emg. world	59	33%	51	40%	-14%
Emg. world imports	**162**	**47%**	**110**	**46%**	**-32%**
Imports from					
– Adv. world	63	39%	32	29%	-49%
– Emg. world	99	61%	78	71%	-21%

(Source: ISSB)

(3) China – an Economic Power

China, the new Economic Power, played as global economic savior in 2009, preventing the world economy from expected decline. Aggressive fiscal and monetary stimulus in 2009 offset much of the impact of the global recession. After a relatively weak first quarter (January – March 2009), the economy accelerated to register a 8.7% growth in the GDP, strengthening its position as the world's fastest growing economy. But this, when compared with the double-digit expansion during 2003-07 and the 9.6% growth in 2008, reflects the global meltdown effect on China.

In 2009, the Chinese economy was driven largely by public investment. The Chinese Government pumped in US$ 1.4 trillion as loan to the economy (to industry and individuals) against US$ 0.6 trillion in 2008 which facilitated infrastructure creation. Consequently, the fixed investment to GDP ratio grew 58% in 2009 against 49% in 2008, the highest in three decades.

In line with the global meltdown, China reduced its dependence on exports, especially to advanced economies which were significantly affected than other geographies. Consequently, export dependency declined from 32% in 2008 to 24% in 2009; exports to advanced economies dropped to about 15% of total exports in 2009 against 24% in 2008; overall exports in value terms declined from US$ 1,428 billion in 2008 to around US$ 1,200 billion. Despite this drop, China dominated global trade and emerged as the world's largest merchandise exporter, leveraging its cost competency against peer nations.

The focus on the domestic market was reflected in a number of statistics. Real incomes grew 9.8% in urban areas and 8.5% in rural areas. Further, government incentivized car purchase scheme accelerated automotive sales to 13.6 mn units (China emerged as the world's largest car producer in 2009). Incentives by local governments accelerated housing demand (housing accounts for a lion's share of the Chinese revenue), boosting land sale incomes by about 60% to US$233 billion in 2009.

Intelligent crisis management by the Chinese Government strengthened its brand as the preferred investment destination, owing to which, FDI into China declined only US$ 2 billion (from US$ 92 billion 2008 to US$ 90 billion 2009) compared with a 39% world-over decline and 47% collapse in advanced economies. Consequently, even in a gloomy global scenario, China's forex reserves ballooned from US$ 1.95 trillion as on December 31, 2008 to US$ 2.45 trillion as on December 31, 2009.

Chinese Economy Scorecard

Particulars	2007	2008	2009
GDP growth (%)	13.0%	9.6%	8.7%
FAI to GDP	55%	49%	58%
Exports to GDP (%)	36%	33%	25%
Forex reserves (US$ bn)	1,528	1,950	2,450
FDI (US$ bn)	74.8	92.4	90.0

Source: NBS/MOFCOM

Chinese Steel Industry

A large economy, building of world-class infrastructure with the advantage of cheap labour is driving economic growth further fuelling mega investments in China. The rapid growth in fixed asset investment in China catalyzed an unprecedented addition to steel capacities in the country. As a result, China dominates the global steel industry, accounting more than a third of the global steel capacity.

China – Solid Growth

Parameters	2000	2009	CAGR (%)
Installed capacity	149.6	716.1	19%
Production	127.2	567.8	18.1%
Consumption	124.3	542.4	17.8%
Exports	6.0	24.6	17.0%
Imports	16	22.2	3.7%

(Source: Mysteel)

China's Steel Dominance (2009 statistics)

	Capacity	Production	Consumption	Export
Globe (Mn t)	1,802	1,223	1,121	319
China (Mn t)	716.1	567.8	542.4	24.6
%-Share (%)	40%	46.4%	48.3%	7.7%

(Source: Mysteel / worldsteel)

Chinese steel sector in 2009 – moving against the global tide

China's net addition to its installed capacity in 2009 was 39 MTPA taking its cumulative installed capacity to an estimated 716 MTPA; when more than 30% of world steel capacity remaining non-operational across the globe.

Chinese steel manufacturers produced 568 mn tonnes of steel in 2009, an increase of 14% from the 500 mn tonnes in 2008, setting a new benchmark for annual crude steel production figure for a single country. As a result, China's share of world steel production continued to grow in 2009 producing 46% of world total crude steel.

Domestic steel consumption grew 25% from 435 mn tonnes in 2008 to 542 mn tonnes in 2009 – due to sustained demand from the infrastructure, automotive and housing sectors. The increased domestic consumption resulted in a huge decline in steel exports – net exports declined from 45 mn tonnes in 2008 to 2.4 mn tonnes in 2009. China accounted for more than 48% of the global steel demand.

Chinese trade equation (mn tonnes)

Particulars	2006	2007	2008	2009
Exports	51.2	69.0	60.5	24.6
Imports	18.9	17.2	15.7	22.2
Net exports	32.3	51.8	44.8	2.4

(Source: Mysteel)

China's steel equation (mn tonnes)

Particulars	2006	2007	2008	2009
Production	419.2	489.3	500.3	567.8
Imports	18.9	17.2	15.7	22.2
Consumption	369.8	413.7	434.6	542.4
Exports	51.2	69.0	60.5	24.6

(Source: Mysteel / worldsteel)

China's new Steel Policy

In China, steel is considered as a high polluting, resource and energy intensive sector but a moderately priced product. As a result, the Government plans to ban the exports of basic steel products. The New Steel Policy to be implemented by the Chinese Government is expected to incentivize exports of value-added products. The other features of the New Steel Policy include:

Intensify restructuring: The steel sector is expected to stick to market orientation, thus directing production when there is a demand. Besides, expansion and greenfield projects are forbidden.

Strengthen elimination campaign: Guide the steel makers to eliminate obsolete capacity by law.

Standardize operation: Constituting a regulation to meet standard qualifications of operation. This is expected to decrease number of qualified steel makers; improve management efficiency and promote healthy growth of the steel sector.

Actively promote M&A: Create an environment conducive to M&A between steel makers voluntarily on fair and legal basis. Superior and competitive Enterprises with competitive strengths are encouraged to grow.

Increase effective steel supply: Rebar, anti-quake steel, new structural steel that can replace low-end steel products should be encouraged ; and on the other, to strengthen awareness of the people to save materials and increase comprehensive use of steel products.

(4) Indian Economy

India registered a strong come-back in 2009-10 displaying its ability to withstand extreme external adversities, which destabilized major economies. India recorded a GDP growth of 7.2% in 2009-10 against 6.7% in 2008-09. This was largely due to the timely economic stimulus fueling investment and consumption. The key drivers to India's economic growth during the year 2009-10 were:

- Strong IIP Growth: 10.4%
- Core Infrastructure Industry Growth: 5.5%
- Automobile Production: 26%

Capitalizing on the high degree of domestic dependency, low credit leverage and debt exposure and the Government's thrust on infrastructure creation are expected to accelerate the Indian economy in 2010-11 and beyond. Preliminary guidance by the Central Government for the economic growth in 2010-11 is estimated at 8.2% and 9% in 2011-12.

Particulars	2008-09 (QE)	2009-10 (AE)	2010-11 (F)	2011-12 (F)
Agriculture, forestry and fishing	1.6	-0.2	5.0	4.0
Mining and quarrying	1.6	8.7	7.5	8.0
Manufacturing	3.2	8.9	8.9	9.2
Electricity Gas & Water	3.9	8.2	8.0	9.0
Construction	5.9	6.5	9.0	10.0
Trade, Hotel, Transport	7.6	8.3	9.0	11.0
Finance, Insurance, Real Estate	10.1	9.9	10.0	11.0
Community & Personal Services	13.9	8.2	7.0	7.0
GDP at factor cost	**6.7**	**7.2**	**8.2**	**9.0**
Industry	3.9	8.6	8.7	9.2
Services	9.8	8.7	8.8	10.1
Non-Agriculture	5.2	5.7	6.7	7.5
GDP Market & Current Prices: US$ Bn	**1,222**	**1,312**	**1,557**	**1,886**

(Source: PM EAC / CSO)

The Indian Economy – a snapshot

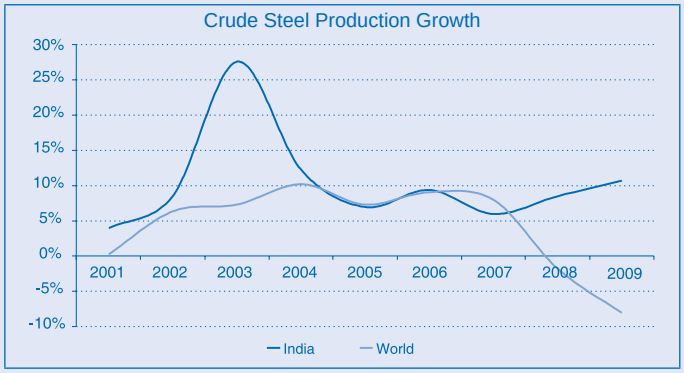
Parameters	Unit	2007-08	2008-09	2009-10
GDP	% Growth	9.2	6.7	7.2
Investment	% of GDP	37.7	34.9	36.28
Savings	% of GDP	36.4	32.5	34.0
IIP	%	8.7	2.7	10.4
Export	US$-Bn	163	185	177
Import	US$-Bn	252	304	278
Trade Balance	US$-Bn	-89	-118	-102
FDI	US$-Bn	24.5	35.2	34.2
Forex Reserve	US$-Bn	310	252	280
External Debt	US$-Bn	224.6	229.9	251.3
INR/ US$	Exchange	40.35	51.2	45.9
Bank Credit (growth)	%	12.1	19.8	15.1
Food Grain Production	MnT	231	234	217
Auto Sales	Mn No's	10.8	11.2	14.1

(Source: PM EAC / CSO / RBI / SIAM)

(5) Indian Steel Industry

Indian steel industry stood out in the global steel industry due to its resilience during the downturn. While the steel production in the world dipped by 8% in 2009, it registered a growth of around 4% in this period.

This clearly demonstrates India's strong domestic consumption story. Even though the real estate and housing sector showed marked decline during this period, the same was compensated by sustained growth in sectors like infrastructure, manufacturing and automobile. Government intervention in the form of fiscal stimulus helped to propel growth in the end user industry.



(Source : JPC / worldsteel)

India is the 5th Largest producer of steel in the world and it was expected that it will become 2nd largest by 2015 on the back of the capacity addition. India is also the world's largest producer of DRI with around 21 Mn tonnes of production during 2009-10.

India's per capita steel consumption is 48 kg in F.Y. 2009-10 compared to the world average of 190 kg. Within the country the semi-urban and rural sector has significant growth opportunities due to its low per capita consumption as compared to urban area.

India's Steel Equation **(Mn tonnes)**

Particulars	2006-07	2007-08	2008-09	2009-10
Production	52.5	55.2	57.2	59.5
Imports	4.9	6.9	5.8	7.2
Import Dep. (%)	**10.5%**	**13.5%**	**11.2%**	**12.7%**
Consumption	46.7	51.5	52.3	56.3
Exports	5.2	5.0	4.4	3.2
Export Dep. (%)	**10.0%**	**9.0%**	**7.8%**	**5.3%**

(Source: JPC)

The growth in demand for steel has outpaced the growth in production, leading to increased import dependency. The CAGR for production during the given period is 6.5% and CAGR for consumption is 9.1%.

Slow pace in creation of incremental capacities and rising demand made the country a net importer of steel. The net import of steel stood at 4.0 million tonnes that grew at a CAGR of 26% from 2004-05 to 2009-10, and export registered a declining trend of 8% from 2004-05 to 2009-10.

To make up this demand supply mismatch various Brownfield and Greenfield expansion programmes are announced. The capacity addition by various Indian steel producers as well as foreign producers are on the anvil. Around 222 MoUs have been signed by the various steel players with the State Government to set up an additional capacity of 275 Mn tonnes by 2020. These are as under:

State	No. of MoUs	Capacity (MnT)
Orissa	49	75.66
Jharkhand	65	104.23
Chattisgarh	74	56.61
West Bengal	12	21.00
Other States	22	18.20
Total	**222**	**275.70**

(Source: Ministry of Steel)

The estimated production capacity by various players by 2012-13 is as under:

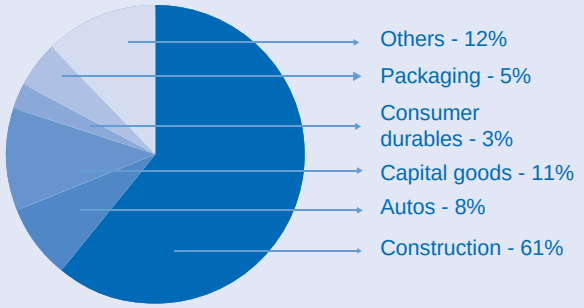
Company	2009-10 (MnT)	2010-11 (MnT)	2011-12 (MnT)	2012-13 (MnT)
SAIL	12.9	15.4	24.2	24.8
RINL	3.3	5.9	5.9	5.9
TATA Steel	6.8	6.8	10.0	13.0
Essar Steel	4.6	8.0	9.7	9.7
JSW Steel	7.8	10.8	10.8	10.8
JSPL	3.0	5.0	8.0	8.0
Ispat	3.6	4.2	4.2	4.2
Bhushan Steel & Power	1.2	1.2	2.4	2.4
Bhushan Steel	3.0	3.0	5.0	5.0
Lloyds	0.6	0.6	0.6	0.6
Others / Secondary	27.1	29.1	31.1	33.1
Total	**74.0**	**90.1**	**111.9**	**126.5**

(Source: Ministry of Steel / Industry)

Growth Drivers

India's construction and infrastructure sector have been the main growth drivers for domestic steel consumption, with a share of 61% during the year 2009-10.

Sector wise Consumption



(Source: Crisil)

Challenges for The Indian Steel Industry

Exports of Iron ore

India is the 4th largest producer which produced 226 million tonnes of iron ore during 2009-10. In terms of reserves India has 8th largest reserve worldwide. However iron ore industry in India is small as compared to its global counterpart, although country has 4% of world reserves. Iron ore exports registered a 6% CAGR over the last five years which constitute 47% of iron ore produced in the country.

Coal Dependency

India prime and medium coking coal constitutes around 12% of the total reserves in the country. The country produced 33 Mn tonnes coking coal during 2008-09 which was just 7% of total coal produced in the country. The country is deficient in coking coal and largely depends on import. However some integrated players like Tata Steel and SAIL have 60% and 30% captive availability of coal. Coking coal imports into India are growing at a CAGR of around 10% from 2004-05 to 2008-09. Various Indian steel companies are scouting to acquire mining concessions for raw material security required for their existing units and for expansion plans.

Logistics

Inadequate infrastructure and logistics have significantly impacted the steel industry. Every ton of steel produced involves transportation of approximately 5 tonnes of materials. This implies that by 2020 around 1000 million tonnes of material is required to be transported. This requires a huge investment in key infrastructure including railways, ports and highways.

Secondary steel units

The large number of secondary steel units with swing capacity can create oversupply particularly in long products segment especially the TMT bar section as secondary steel segment cater to about 75% of the domestic demand for TMT bars.

Regulatory issues in land for Greenfield projects

The delays in regulatory approvals for raw material linkages and hurdles in land acquisition for Greenfield units hampered the growth of the Indian Steel Sector. As a result, most of the capacity expansions in 2009-10 and those are expected to be commissioned over the next 24 months will be through the Brownfield route.

Raw Material Prices

The escalating raw material prices during 2009-10 caused immense pressure on cost of production of integrated steel producers as well as secondary steel producers. The steel producers are heavily dependent on coking coal import, and the price rise by Iron Ore and coking coal majors has impacted the margins of the Indian steel producers. The latest Long term Agreement Price for coking coal has escalated from US$ 129 to US$ 200 with shift to quarterly pricing and for iron ore the hike was from 90% to 100%.

(B) STEEL MAKING AT JSW

(1) Operational Overview

The Company has an installed crude steel making capacity of 7.8 MTPA in India consisting 23% of value added flat products, (capacity of 1.8 MTPA), spread across four locations, viz. Vijayanagar Works in Karnataka, Salem Works in Tamil Nadu and Vasind & Tarapur Works in Maharashtra.

Vijayanagar Works has an existing operating capacity of 6.8 MTPA, comprising of 5.3 MTPA of flat steel products (including 0.8 MTPA of value added flat products) and 1.5 MTPA of long products. Salem Works have an operating capacity of 1.0 MTPA of long products. Vasind & Tarapur Works has 1.0 MTPA of value added flat products.

The production performance during F.Y. 2009-10 was as under:

(Mn Tonnes)

Location	Product	F.Y. 2009-10	F.Y. 2008-09
Vijayanagar Works	Slabs / Billets	5.224	3.079
	HR Coils	3.399	2.519
	CR	0.735	0.344
	Galvanized	0.034	0.022
	Rolled Long	0.595	-
Salem Works	Billets & Blooms	0.763	0.645
	Rolled Long	0.363	0.330

Location	Product	F.Y. 2009-10	F.Y. 2008-09
Vasind & Tarapur Works	HR Plates	0.310	0.245
	Galvanized/Galvalume	0.871	0.723
	Colour Coated	0.148	0.090
Total Crude Steel Production		**5.987**	**3.724**
Total Saleable Steel Sales		**5.720**	**3.428**

Plant operations in 2009-10 were satisfactory. Crude steel production increased 61% over the previous year; volume of saleable steel rose 67% over 2008-09. Higher production volumes were largely due to additional volumes derived from the new expansion project at the Vijayanagar Works, which stabilized in a short span of time. The production volumes would have been higher but for the Karnataka floods which affected operations at the Vijayanagar site during October and November 2009. The commissioning of the HSM in March 2010 was a landmark as it will reorient the company's product mix towards wider value-added products.

The Salem Works is on its way to emerge as the largest special steels unit in India following the commissioning of a Blooming Mill in 2010-11, improving profitability.

The downstream Vasind and Tarapur units recorded higher production meeting the significant demand increase for coated products from automotive and white goods sectors.

(a) Vijayanagar Works

Vijayanagar Works represents JSW's flagship 6.8 MTPA steel-making facility and is located in close proximity to the rich Iron Ore Mines belt in Karnataka, surrounding Bellary–Sandur–Hospet Regions. It is Karnataka's only Integrated Steel facility, largest in South India.

This state-of-the-art facility enshrines JSW's quintessential corporate philosophy: "question every convention, replace the often quoted 'why' with the bolder "why not". This facility possesses contemporary technologies, varied product mix viz., flat, long and value-added steel products, and redefines global benchmarks in the manufacturing of steel.

The uniqueness of this integrated steel plant is reflected in the following:

Location

Post-operation of its fourth blast furnace, this facility will emerge as the only 10 MTPA Integrated steel plant globally, which is land-locked.

Technological uniqueness

- Successfully operates the contemporary Corex technology; regarded as the best Corex unit operational globally;
- Houses the largest blast-furnace operational in India;
- Capable of rolling products over 2 metres wide (widest hot-strip mill); only domestic capacity with the contemporary pair-cross technology;
- Only twin-stand reversible cold-rolling mill in India; possesses a continuous pickling line, first in India's steel industry; and
- The wire rod mill is India's fastest facility, operating at 105 metres per second; the unit's coil weight is India's highest (2.2 tonnes), against industry average of 1.5-1.75 tonnes.

People management

- The team comprises only 2,483 members in works area, which translates to 2,124 tonnes of steel per person – among the world's highest; and
- Achieved the unique recognition of having one of the lowest conversion cost per tonne of steel globally, and the lowest employee cost per tonne of steel among global peers.

Environment management

Contrary to conventional mindset, Vijayanagar's focus on maintaining zero-discharge and its greening initiatives have increased the area's average rainfall – a feat, which a few steel units can claim.

Highlights, 2009-10

- Registered a higher capacity utilization at Coke ovens 1&2 over 2008-09; Coke oven 3 achieved capacity utilization of 92% in 2009-10 against the rated utilization of 85%.
- Created a customer base for tar (by-product from Coke oven 3).
- Commissioned the first phase of the beneficiation plant (BP-2) in January 2010 and stabilized the operations, which can upgrade low-grade iron ore to 64% Fe usable in iron making, with superior iron ore recovery.
- Achieved over 100% capacity utilization, produced 2.38 mn tonnes of sinter at Sinter plant-2 during 2009-10 (which is the unit's rated capacity); achieved a daily all-time highest production of 8,308 tonnes.
- Up-timed the blast furnace and ancillary equipment of 99.95% through innovative preventive measures.
- Stabilized the new blast furnace (BF-3) in three months with in-house resources and expertise; achieved a maximum 8,337 tonnes daily in January 2010 (8,580 TPD rated capacity).
- Manufactured an average 20,000 tonnes per month of API X-70 grade steel, high value- added steel for the oil pipeline sector for the first time in India; received approval from "Total", France as an approved steel maker for pipes.
- Achieved the highest number of heats at the SMS-1 facility, totaling 3.45 mn tonnes annually; hot metal handling loss reduced from 2.64% in April 2008 to 1.79% in February 2010.
- Achieved a capacity utilization of 106% in the HSM unit by increasing rolling width (1300 mm to 1350 mm) and rolling thickness (12mm to 16mm); mill utilization reached an all time high of 85% in 2009-10 against 81.90% in 2008-09.
- Commissioned the second hot strip mill (HSM 2), which is the widest mill in India and can roll products up to 2100 mm width.
- Achieved close to rated capacity of the cold rolling mill; products received approvals from respected brands in the automotive sector.
- Stabilized successfully the wire rod mill and achieved up to 84% capacity utilization in March 10; achieved an ovality index of less than 2 mm, lowest in India, enhancing product acceptability.
- Launched the TMT 500-plus brand on a pan-India basis; created two specialized product grades 500D and 500CRS with niche applications in the infrastructure segment.

Key initiatives, 2009-10

Preparatory: The entire focus is on cost optimization, which is achieved through production volumes, increased plant availability and consumption of process waste.

- Optimized the blending of the feed in the coke ovens – replaced the proportion of prime coking coal by 5% with semi soft coking coal (from corex area); this created a stock of prime coking coal which can sustain higher production over the coming years and also substantial reduction in cost.
- Maintained a consistent pushing of material in 108 ovens (Coke oven 1 & 2) throughout the year, which improved productivity and product quality and eliminated shocks to the coke ovens due to irregular pushing.
- Utilised the gas generated (in 2009-10) from the Coke oven 3 in other plant operations and power generation.
- Institutionalized a scientific preventive maintenance schedule for all Coke Oven batteries in a way that production is not hampered.
- Repaired the Pellet Plant for refurbishing the critical equipment; this is expected to stabilize the operations of the Pellet Plant, going forward.
- Stabilized operations of Sinter Plant 2; increased the plant availability from 43% to 93% by reducing interruptions.
- Improved productivity at Sinter Plant 2 through important initiatives – more than three-folded the base mix pile size and modified the calcined lime feed system;
- Utilized beneficiated iron ore fines and about 90 kg per tonnes of plant solid waste; improved crushing fineness of fluxes and coke breeze above 90%.
- Initiated addition of nut coke with sinters (a first at the Works) in the blast furnace; this facilitated nut coke consumption (otherwise not used in iron making) reducing lump coke consumption in iron-making – a cost optimization initiative.

Iron making: This is the zone which consumes resources and constitutes the largest cost component in steel making. Hence, the focus here is to minimize resource consumption, reduce cost and ensure maximum plant availability for higher production.

- Changed the design of the end-piece of the dust burners in the Corex unit which increased its life to 10 months against a previous average of three months – improving plant availability.
- Repaired and replaced the refractory lining in the blast furnace (BF-1) to eliminate shutdowns; facilitated stable operations of the furnace, maintaining optimum parameters high productivity from February 2010.
- Nearly doubled coal injection volume in BF1 and BF2 reducing production cost; introduced double screening of lump iron ore to minimize ore fines in the iron ore feed in the furnaces.
- Converted the PLC system in BF-1 from a singler tier in series to a three tier network in a record six-and-a-half days; this improved the network utilization time and facilitated recording of all alarms programmed into the system.
- Improved the ancillary equipment availability for the blast furnaces through timely preventive maintenance and innovative measures.
  - Replaced the electromechanical drive with a hydraulic drive for running the BF-1 main charging conveyor, eliminating the shutdown of 20 hours annually due to belt failure.
  - Revamped the runner refractory by replacing and gunniting; helped achieve campaign life of 200,000 tonnes.
- Created a temporary coal injection system for BF-3, which facilitated injection of coal dust.

Steel making: Unlike the iron-making zone, the steel-melting shop concentrates on improving productivity and value addition to cater to diverse sectoral requirements.

- Developed high value-added IF grade steel.
- Intelligent production planning and use of the wider width caster (Caster-3) facilitated increased heats and improved productivity.
- Improved productivity through reducing arcing time, improving overall plant availability and taking long sequences by extended tundish life.
- Improved gas recovery to an average 105 m^3 per tonne in 2009-10 against the norm of 90m^3 per tonne; operating at 117m^3 per tonne in March 2010 – gas recovered used in other process and for generating power. This was achieved by optimizing the blow pattern in the converters.
- Optimised cost by consuming less ferro-alloys & energy and reduced refractory consumption; intelligent process improvements also trimmed costs.
- Commissioned the steel slag granulator, first in India, which maximized steel recovery from slag and facilitated slag utilization in sinter plant. Currently 15% is used and plan is to go for 100% utilizations.

Flats segment

- Improved operation and maintenance practices and increased the speed of the HSM which improved average yield from 96.4% in 2008-09 to 97.4% in 2009-10; average productivity increased, scale loss reduced significantly.
- Increased production reduced the power consumption, gas consumption also dropped.
- Increased jumbo HR coils feed in the cold-roll mill; it reduced material feeding time and improved mill productivity; improved operational practices strengthened the product yield by 50 bps.

Longs segment

- Created a varied product basket comprising of products ranging from 5.5 mm to 22 mm in the wire rod mill.
- Rolled niche high carbon welding steel grades in the wire rod mill whose production is limited in India; produced 8mm and 10mm TMT bars in this mill.
- Established a presence in the TMT bar segment with a large product range (8mm-40mm); its niche product 500D received approvals from recognized Indian builders while 500CRS is under approval.

The edge is mindset

The Company's long product quality has an edge over peers for a basic fact: the flats mind set. Flats require a significantly better control on product chemistry and physical properties. The Company's long products are also made from the same ingredients which are used to make flats.

2010-11 on the radar

The year 2010-11 is expected to be very critical for the preparatory segment – greenfield and brownfield expansions, stabilizing of capacities of recently commissioned units and the units which are expected to come up within the first nine months of 2010-11 to feed the fourth blast furnace – adding 3.2 MTPA to the existing steel making capacity.

- Commissioning and stabilizing the operations of Coke oven 4 with an annual capacity of 1.9 MTPA which by December 2010 will service the new iron-making capacity.
- Automate the operations systems of the recently commissioned Coke oven 3.
- Implement the second phase capacity expansion in BP-2, which is expected to triple its capacity from the present 500 tonnes per hour to 1,500 tonnes per hour.
- Set up a new 4.2 MTPA Pellet Plant, which will meet the requirement for the additional 3.2 MTPA capacity to be commissioned in FY 2010-11.
- Improve productivity from Sinter-2 by further reducing interruptions; improve sinter quality which facilitates in reducing fines generation.
- Commission Sinter-3 & 4, which will take the total sinter manufacturing capacity at Vijayanagar to 13 MTPA. Both the units are expected to commence operation in the last quarter of FY 2010-11.

In the iron-making zone, the next important milestone is the commissioning of the Fourth Blast Furnace by March 2011. The learnings from BF-3 will be used to ensure that from the first tap from BF-4 the hot metal would be sent to SMS for steel making and no dumping will take place. In addition, the team is looking to strengthen the productivity parameters of BF-3.

The Steel Melting Shop will not create a third station to cater to the addition 3.2 MTPA which is expected to be operational by March 2011. It plans to add equipment to the existing infrastructure to seamlessly manage the additional load.

- Add a de-dusting mechanism to improve in-station environment management.
- Introduce the sub-lance technology (for removing carbon impurities) which facilitates less time in analyzing the hot metal, reducing the tap-to-tap time and enhancing productivity.
- Increase the tap weight size and ladle size to handle the increase in hot metal inflow; improve the material handling equipment to manage the additional production.

The Hot Strip Mill which is expected to strengthen the Company's profitability in the next twelve months has a very clear agenda for the coming year:

- Stabilise the new mill; the team has already been trained.
- Create the promised product basket of value-added, niche products for diverse segments.
- Commence operations of the second phase of the second HSM unit.

The Cold Roll Mill's strategic blueprint would favourably impact the Company's profitability and comprise the following:

- Develop high strength steels for the auto sector; the Company expecting the approval of the TS-16949 certification – an international watermark to quality standards.
- Work closely with collaborators to develop special steel grades, which are import substitutes.

The Wire Rod Mill having been stabilized, the Company is working to achieve rated capacity, enhance market penetration and grow market share. For the bar mill, the team is working to stabilize the unit to achieve its rated capacity. Besides, increasing the acceptance of niche products (the 500 series) is also high on the list of priorities.

(b) Salem, the special steel arm

The Salem Works is a 1 MTPA Integrated Steel manufacturing facility which specializes in the manufacture of high, value-added special steel with critical applications in the automobile and heavy engineering sectors. This unit showcases the Company's value-addition commitment. Although the unit represents less than 15% of the Company's total steel manufacturing capacity, but its has some unique features such as:

- Largest single location facility for special steels in India.
- Manufactures about 250 steel grades having diverse applications.
- Steel quality grade as per end customer's need.

- World's second unit to commission an energy optimization furnace in its steelmaking shop.
- Sinter plant is the largest consumer of solid process waste in India.
- The reheating furnace of the blooming mill (to be commissioned in 2010-11) will operate on process waste (Blast Furnace) gas, eliminating fossil fuel use.
- Following the commissioning of the blooming mill, Salem Works will be the only Indian facility to manufacture the entire range of rolled products (5.5 to 200 mm).

2009-10 in retrospect

(i) Increased production

- Increased the use of semi soft coking coal in coke making by 100 basis points (average 2009-10); enhanced soft coal usage upto 20% in Q4 2009-10.
- Introduced multiple modifications in the coke oven for 100% self-sufficiency translating into lower costs.
- Enhanced wire rod productivity (750 TPD-1,100 TPD) through optimized plant operations.
- Increased the injection of PCI coal in the blast furnace thus reducing the consumption of scarce coke.
- Increased special steel flats productivity from 1,100 TPD to 1,500 TPD.
- Increased the heats per campaign from the EOF from 700 heats to about 1,150 heats by optimizing tuyeres gas control and by utilizing a very innovative slag splashing technique suitable for EOF's.

(ii) Improved support from utility services

- Introduced an economizer in the power plant (CPP 1) to enhance fuel efficiency.
- Altered the design of the key component of the coal boiler, reducing plant shutdowns; the power plant (CPP 2) registered its highest plant availability at 99.38% (98.75% in 2008-09).
- Implemented the *islanding scheme* to isolate the plant and power generating units from the state power grid during power failure, resulting in uninterrupted operations.
- Enhanced power generation capacity from 60 MW to 63 MW due to optimized waste heat recovery from coke ovens and fine tuned generators.
- Adopted the multi-modal transport to reduce delivery time.
- Recycled water from captive power plants for coke quenching oven, resulting in savings in water consumption.

(iii) Strengthened product visibility

- Cast 160 sq and 160 diameter blooms for production of rolled products in the bloom caster which would have otherwise have to be idled (meant for casting 200 dia and 200 sq and above products from the blooming mill) in only 45 days.
- Received product approvals from new clients in the automobile and heavy engineering segments.

(iv) Strengthened the learning curve

- Introduced safety and quality management techniques.

Agenda for 2010-11

- Upgrade CPP 1 – the turbine, boiler and generating systems, increase the steam generation capacity from the waste heat recovery boilers of CPP 2 – to enhance power generation.
- Eliminate the heat loss from the third coke oven battery; increase semi-soft coking coal in coke manufacture without quality deterioration and increase the cake height further so as to exceed rated capacity.
- Commission and stabilize the blooming mill, which is expected to emerge as the biggest volume driver of Salem Works.
- Create and install an in-plant automated ultrasonic testing facility critical for the quality assurance and marketing of specialty steels for auto components application.
- Installation of more automated material handling systems.
- Improve in-plant roads to accelerate movement and cleanliness.

Coke self-sufficiency

- Increased blend coal cake bulk density, height and optimized coking time to increase throughput.
- Introduced an auxiliary locking system of coke oven doors, reducing the quenching car cycle time.
- Introduced a mobile quenching system to reduce burning loss and improve yield.
- Adjusted nozzles for uniform quenching at the quenching station, reducing the coke moisture content.

Result: Coke production improved from average 1,370 TPD in 2008-09 to average 1,420 TPD in 2009-10.

(c) Downstream units, adding brand value to steel

The Company's Vasind and Tarapur facilities showcase its value-addition. These units provide a wide product range (HR plates, Galvanised plain and corrugated products and colour-coated products) for multi-sectoral applications. The unit represents the company's branded business. Over 65% of the business for these units was generated from longstanding customers and reputed corporate brands in 2009-10. These units source about 1.25 mn tonnes of steel slabs/HR Coils a year from Vijayanagar Works, ensuring consistent quality.

Product	Brand
Galvanised corrugated sheet	Jindal Vishwas
Galvalume products	Jindal Vishwas Plus
Colour coated galvanized products	JSW Colouron
Colour coated galvalume products	JSW Colouron Plus

These facilities enjoy the following unique features:

- India's largest Galvanized Steel producer in terms of installed capacity.
- Only Indian Company to be permitted use of the Galvalume certification.
- Offers more than 200 shades of colour coated galvanized products; on-demand delivery of any shade within only three weeks.

Highlights, 2009-10

- Commissioned a 30 MW Thermal Power Plant to reduce power costs; downstream units emerged as net surplus power generators, which was wheeled to the state electricity grid, a first in the history of these units.
- Highest production in galvanised products (0.871 million tonnes), plate mill (0.310 million tonnes) and colour-coated line (0.148 million tonnes) was primarily due to Slabs & HR Coils availability from Vijayanagar and a robust order book.

Key initiatives, 2009-10

- Installed VVF drives in compressors and blowers in various plant sections at Tarapur and Vasind, reducing energy consumption by an estimated 10%.
- Improved and monitored control charts and SOPs in galvanizing and Colour-Coating sections to reduce power consumption.
- Replaced the conventional temperature control system with Thyristorized control for the Ammonia cracker heating unit.
- Replaced the conventional laser sensor with the ultrasonic equivalent for strip tension control at the CCL unit, improving product quality.
- Introduced 12 value-added product grades with diverse sectoral applications.
- Conducted more than 25 small group activities at both locations to improve productivity and optimize energy consumption.
- Accelerated execution of two important projects – the railway siding project and the LNG gas pipeline project at Vasind – that are expected to be commissioned by January 2011.

Plan for 2010-11

- Install pipe lines (process already started) across the plant at Tarapur for steam use from the turbine of the newly commissioned power plant.
- Commission the railway siding and LNG pipeline projects to reduce logistics and production costs.

New life line

The LNG project involves creating an 8 km pipeline between the nearest GAIL pipeline and the plant. The Company signed a contract with GAIL for gas transportation. This LNG is expected to replace high cost furnace oil used in the HSM unit and LPG used in the Galvanising unit at Vasind.

(C) OTHER CRITICAL FUNCTIONS

(1) Raw material management systems

Relevance of efficient management

The production of 6 million tonnes of steel in a year necessitates handling of about 24 million tonnes raw material to be unloaded, managed, blended and fed into the system.

Consumers - Blast Furnaces, Corex, Coke ovens, SMSs, LCPs, Pellet Plant, Sinter Plants, Beneficiations and Power Plants - processes need to be fed with adequate inputs on a continuous basis.

Highlights 2009-10

- Introduced the use of screened C-ore and pellets and increased the production of blast furnace-3 by 22%.

  Result: The monthly average production of hot metal from BF3 increased by feeding of screened C-ore and Pellets.
- Modified the screw takeup arrangement of boom conveyor of stacker reclaimer to reduce the maintenance time.

  Result: The loosening and tightening of belt by screw takeup during belt replacement of stacker reclaimer boom conveyor, was reduced from 9 to 10 hours to an hour.

Key initiatives

- Modified wagon tippler hopper grizzly from plate/plate to plate/rod cross section which reduced jamming of wet material due to use of 32mm rod in place of 28mm x 200mm width plate.
- Installed metal detectors in yard conveyors to detect metallic objects in the scrap which may damage the conveyor in the discharge chute.
- Installed Radar level sensors to monitor various materials at the silos and bunkers and provided an accurate reading of material contained in silos or bunkers.
- The installation of the wireless control system was extended to stackers, barrel reclaimer and twin boom stacker eliminated frequent failure of cable and enhanced stacker availability.
- Installed chute jamming sensors and bin vibrators to reduce the spillage and jamming at the conveyors.
- Installed CCTV camera in Wagon tipplers for enhanced monitoring of inaccessible area, thereby reducing the down time.

Way ahead

- Arrange for feeding washed materials to Sinter plant-1 for quality improvement.
- Increase focus on environment by installing yard sprinklers and dry fog systems.

(2) Logistics management

Relevance of logistics

To Sell 1 tonne of steel, logistics involved are:

- 4 tonnes of raw material into the facility.
- 1 tonne of finished product to the customer's destination.

The production of 6 million tonnes of steel in a year necessitates logistics management similar to regulating train movements at a busy station. Incoming raw material is estimated at about 24 million tonnes, while outgoing finished goods is estimated at 6 million tonnes. In addition, the team manages 300 commercial vehicles everyday for external material dispatch. The Company has 4 rake entry and exit points into its facility; it needs to handle 24 rakes each day, comprising inbound and outbound materials; its in-facility logistics infrastructure comprises 105 km railway line, 22 locomotives, 50 Open top ladles and 10 torpedoes, used for internal material transfer.

Highlights 2009-10

- Invested about Rs. 19 crores to strengthen logistics management
- Created one new entry point into the facility

Key initiatives, 2009-10

- Developed an exchange yard / peripheral yards (with total 26 lines) which are technically graded into separate grids and de-bottled for safe and secure movements. The rakes will be unloaded at six wagon tipplers and iron ore at track hoppers.
- Developed a dedicated iron-ore corridor (22 km) from Nandihalli and Ramanadurga mines to the Vijayanagar Works for iron-ore transportation. The entire infrastructure, operation and line maintenance are managed in-house.
- Added an additional entry at raw material receipt yard for incoming rakes from Hospet / Goa to overcome congestion caused on existing railway lines by engine reversals; this was eliminated saving a minimum two hours with a substantial saving for the Railways.
- Developed a new software application for generating details of wagon and rake loading, reducing documentation time and improving accuracy. This application will be extended for online invoice generation.
- Initiated the direct loading of finished steel onto the rakes at the wire rod and bar rod mills to minimize material handling and shifting, saving time.
- Increased road transportation to address increase in logistic needs through the following:
  - Introduced pan-India dedicated fleet owners.
  - Introduced multi-model transportation to de-risk against rake shortages (road-rail-road, rail-road, road-rail, rail-barge, road-barge).
  - Reduced the turnaround time of commercial vehicles from four hours in 2008-09 to about three hours in 2009-10.

Blueprint, 2010-11

- Initiate the construction of track hopper to unload bottom discharge wagons (to be commissioned) for effective utilization of rolling stocks; this will enable the unloading rakes of 58 wagons in two hours against present six hours for BOXN rakes.
- Develop an additional entry/exit point from Daroji railway station on Bellary side to Vijayanagar Works to reduce congestion at Toranagallu and for forward movement of rake.
- Develop multi-model logistics to ensure rake availability and accelerate delivery of growing volumes.
- With HSM-2 becoming operational from March 2010, the Company intends to add high-capacity trailers dedicated for Logistics.

(3) Energy management

Relevance of energy in steel

To manufacture a tonne of Crude steel about 500 kwh of power is required.

Power generation

Vijayanagar Works is the only Integrated Steel Plant where the entire power generation currently utilizes waste heat, process gas and solid waste. The facility's cumulative power requirement stands at 400 MW of power. Currently it generates around 195 MW and the rest is drawn from JSW Energy Ltd.

Highlights, 2009-10

- Specific energy consumption declined in 2009-10, despite the stabilization of the new 3 mn tonne facility (commenced operation in February 2009) which necessitates higher power consumption. In February 2010, specific energy consumption was an impressive 6.469 gcal per tonne of steel. Reduction in specific energy consumption brings substantial savings to the company.
- Received the CII Award for Excellence in Energy Management 2009.

Key initiatives, 2009-10

- Commissioned the atmospheric fluidized bed boiler, a new technology that uses coke breeze (20% of the raw material feed into the boiler) for

steam generation. Hitherto, coke breeze, a process waste, was sold in the open market.

- Optimized the operation of the coke gas holder critical for the optimum utilization of coke oven gas for power generation and other steel-making processes.
- A new flare stack (for safety purposes) designed for coke oven 2 at a third of the cost in a record 45 days without a shut down in the coke oven unit. Flaring reduced from 25,000 nm^3 to 18,000 nm^3, saving rich coke oven gas for other processes.
- Invested in installing four gas mixing stations for mixing varied process gases (namely blast furnace gas, coke oven gas, Corex gas and LD gas). As a result, continuous gas volume (around 115,000 nm^3/hour) was supplied for power generation (led to significant saving in coal). About 30% of the overall gas generated was once flared, which is now reduced substantially.
- Developed an in-house 2.2 km network for Blast Furnace gas in three months; devised a mechanism for maintaining consistent pressure, so that the gas could be utilized in the remotest site corner.
- Utilized the Blast Furnace gas from all furnaces (through the common grid) for under-firing coke ovens.
- Streamlined operations of the energy centre for minimized gas loss.
- Replaced rich Corex gas with Blast Furnace gas for Ore drying furnace; drying being a slow process requires gas with low pressure, making Blast Furnace gas preferred medium.
- Developed an in-house mechanism to seamlessly operate all units (hitherto dependent on Corex gas) with gas from other units.
- Completed the gas mixing and boosting station enabling accurate gas feeding for three furnaces and optimizing gas consumption.

Blueprint, 2010-11

- Completion of the concept of a common grid for oxygen and nitrogen supply to the units.

Extracting wealth from gas

	Gas utilization in 2008-09	Gas utilization in 2009-10
Corex gas	98%	98%
Blast furnace gas	65%	84%
Coke oven gas	93%	99.8%

(4) Research and Development

Relevance

With high input costs, profitability primarily depends on being able to produce more from less.

Innovation team

The R&D team is innovation-centric. It believes in redefining national and global benchmarks in iron and steel manufacture. The result is improved productivity and consistently declining costs. The R&D team comprised 26 qualified members who work along with shop-floor teams to design and implement shop-floor processes; its efforts are facilitated by a full-fledged R&D centre equipped with contemporary infrastructure and pilot testing and simulation facilities.

Key initiatives, 2009-10

Process improvements

- Optimized coking time in coke ovens for various blends (formed a coking time matrix for various blends); improved productivity of the non-recovery type coke ovens by about 5%.
- Developed a novel quenching methodology to reduce the coke moisture content and also reduced water consumption in coke quenching.
- Analysed sinter-making parameters leading to better sinter quality; sinter return fines declined from 30-35% to about 20% (this quantity can be re-used in sinter making).
- Optimised the pellet-making process by altering the input blend, which improved pellet quality and strength.
- Optimised burden distribution (furnace feeding pattern) and the material discharge rate in the blast furnace; adopted the soft blowing practice (controlled blowing of air into the furnace) and improved tapping practice; these resulted in improved blast furnace productivity.
- Reduced the fuel rate (coke volume) by about 10 kgs/tonne of hot metal (BF-1 & BF-2).
- Recycled various steel-making slag in cement and pellet making to replace about 5% clinker in cement making with slag.
- Developed unique processes to manufacture DRI from green pellets and steel plant waste, replacing scrap consumption in the BOF plant.

Predictive models

Predictive models are emerging as a key tool for improved operations for a good reason: iron and steel making is conducted in a closed environment under extreme conditions (high temperature, pressure and toxic gases) making it necessary to closely monitor operations. The predictive models provide details of possible outcome proactively facilitating de-risking.

Hearth wear monitoring model for Corex: This model predicted the wear and tear on the refractory lining due to the uneven temperature in different areas of the hearth; it reduced equipment shutdown due to interruptions and facilitated a better control of Corex unit operations.

Coal pyrolysis and power generation model for non-recovery coke ovens: When volatile matter is released during the coking process, some heat is released. The team created a model to predict power-generating potential from the VM for a specific coal variety.

Voidage evaluation model for Blast Furnace: This model predicts the volume of vacant space in the furnace to determine the air volume to be pushed into the furnace, improving feed reduction and enhancing top-gas generation.

Top gas prediction model for Blast Furnace: This model estimates the highest volume of top gas generated and the percentage composition of hydrogen, carbon-monoxide and carbon-dioxide in the gas. The volume of carbon-monoxide and carbon-dioxide provides a fair indication on the reduction rate in the furnace.

Model to predict reduction (direct and indirect) in the Blast Furnace: In the Blast Furnace, reduction is of two kinds: carbon to carbon monoxide (endothermic reaction to reduce temperature furnace) and carbon monoxide to carbon dioxide (exothermic reaction to increase furnace temperature). The reduction model specifies whether the two types of reduction happen as per standard norms. These also optimize the fuel rate (coke volume) in the furnace.

Model to predict the hearth liquid level: The model predicts the level of hot metal inside the furnace, important for a critical reason: it identifies the time range to drain the hot metal from the furnace. If this is not done, it can reach the tuyere level (place from where air is blown into the furnace) and cause furnace disruptions.

Model for predicting caster defective segments: When solidified, slabs and billets can develop cracks due to caster defects, causing downstream problems at the hot rolling stage. The team developed a model, which identified crack formation and responded with rectification.

Product development

The team developed 33 new slab grades and 23 new billet grades. The key products developed comprise the following:

- API grades for line pipe steel
- Drawing and deep drawing steels
- Medium carbon and high tensile steel
- Micro-alloyed structural-grade steels
- Auto and tube maker grade
- Billet grade steels

Patents filed

The R&D team filed 6 patents and received approval for 1 application. In 2009-10, the team made the following patent applications:

- Iron-enriched DRI and its process of manufacture using iron-rich wastes.

- DRI and its manufacturing process from iron ore fines, eliminating induration.
- A specific steel making process involving hot metal de-phosphorising.
- A method for steel manufacture involving hot metal pre-treatment for hot metal de-siliconisation.
- A connector/bend adapted for transporting material including granular material and a system using the same.
- A method of controlled ramping of tundish weight for reduced emulsification and a system thereof.

Blueprint, 2010-11

- Extract heat from the sinter plant and utilize it for heating water in sinter making.
- To set up off-line simulation facilities like a beneficiation laboratory, agglomeration laboratory, physical model laboratory, product development laboratory and characterisation facilities.
- Increase the consumption of in-plant solid waste; a pilot briquette facility will convert waste into wealth.

Water modeling

The ladle changeover in the steel melting shop is critical for the following reasons:

- It needs to maintain a flow rate into the tundish, which will leave sufficient metal volume in the tundish (which feeds the caster) to continue caster operations during the ladle changeover time.
- The flow rate of the metal into the tundish has to be controlled or it will otherwise impact the steel impurities (this being the last stage before casting – it cannot be cleaned further).

The team created a water model which provided the following: optimum height of the ladle above the tundish, metal flow from the ladle to the tundish and metal drainage rate from the tundish to the casters. This data was linked to an automatic sensor at the ladle opening mechanism facilitating the automation of the ladle opening process and ensuring the manufacture of clean steel.

(5) Project Management

Relevance

An investment of more than Rs. 20,000 crores in more than 7 projects over the last 3-4 years to increase manufacturing capacity (3.8 MTPA to 10 MTPA) along with ancillary and value-added facilities. A marginal delay in project implementation implies the following: burden on the financial viability of the project due to an additional interest burden, additional employees for the new facilities (yet to be commissioned), loss of contribution.

Projects team

The uniqueness of project management is outlined below:

- All projects are implemented by the in-house team, which facilitates low cost, faster implementation as teams work concurrently leverages captive knowledge of equipment maintenance.
- The project management team comprises cross functional participation – select members from diverse departments bring diverse skills and capabilities to supplement the core project management team.
- The Cement, TMT and steel used in projects (20% of the cost) is available in-house.
- Following project completion, the team is given the responsibility of operating and managing that facility.

As a result, our project management teams have redefined global and Indian benchmarks in terms of time taken to commission projects and stabilize operations.

Highlights, 2009-10

- Completed 2.8 MTPA expansion projects following the commissioning of the pulverised coal injection system, the top gas recovery turbine in BF-3 and the RH Degasser unit and the LHF 2 for SMS-2 in the first quarter of 2009-10.
- Commissioned the first phase of the state-of-the-art Hot strip mill in March 2010. After successful trial runs, the mill commenced commercial operation on 10 April 2010.
- Commissioned one of the three units of phase one of the 20 MTPA beneficiation capacity in December 2009.

Key initiatives, 2009-10

- Increased the average packet size of procurement from project vendors, which made commercials more attractive for vendors and optimized capital investments.
- Selectively drew talent from the recently completed expansion project to spearhead the next expansion project in addition to new cross-departmental members.

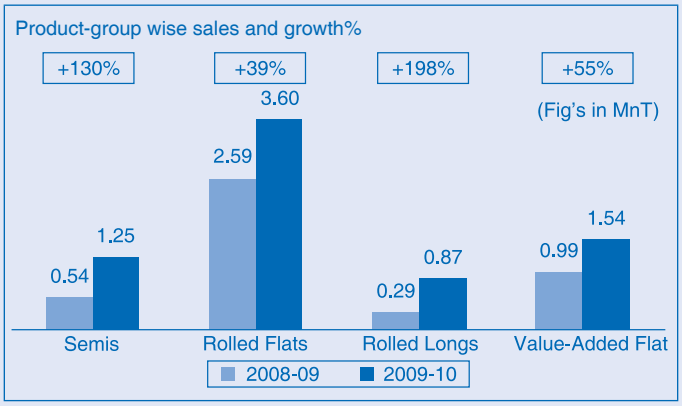
Blueprint

- Implementation and commissioning of 3.2 MTPA of steel-making capacity along with associated facilities at Vijayanagar.
- Commission second phase of new HSM, taking rolling capacity of this facility to 5 MTPA.
- Implement first and second phase of beneficiation unit, taking the total capacity to 20 MTPA.
- Set up a new 4.2 MTPA pellet making capacity and 2 x 300 MW power plant to achieve self sufficiency in power requirement after the new facilities are commissioned.

(6) Marketing

F.Y. 2009-10 could be viewed as the testing times for the proven and promising Economies, Business, Corporates as well as all Individuals across the globe. Inspite of poor South-West Monsoons adversely impacting the Agriculture Performance, the timely support by Industrial Growth up by 10.4% coupled with Core-Industries growth up by 5.5% outperformed the analysts estimates, leading the Indian economy to sustain its growth momentum ahead @ approx. 7.2% (prov.).

Indian Steel demand continued to follow the footsteps of the Indian Economy, growing by 7.6% (prov.) while the Global steel demand witnessed an unprecedented fall of 6.7%. JSW Steel with its core-understanding of the economic under-currents, went all out to capitalize the expanding domestic opportunities with its domestic sales for 2009-10 outperforming by 96% to 4.8 Mn tonnes coupled with increasing its domestic dependency to 84% from 72% on the overall expanded tonnage of 5.7 Mn tonnes.



Note: Value added flat includes CR and Coated Steel products

Highlights: 2009-10

- **Increasing association with projects of National Significance -** including NHAI, CPWD, Metro-Projects, Atomic Power including Power Sector, International Airports, Ports etc.
- **Helping to build structures of National pride –** supplied steel to prestigious projects viz. Atomic Power Plant, Wankhade Stadium, Mumbai Monorail project, Bangalore Metro, Delhi International Airport etc.

- **Product Development to meet tomorrow's challenges –** With an aim to offer value with economy, developed new grades for the automotive industry, Infrastructure and Construction and General Engineering.
- **Expanding customer base -** Graduating association for our products to reputed clientele including Tata Motors, Ashok Leyland, Honda Motors (Global-approval), Meritor-USA, Mahindra & Mahindra, etc.
- **Steel for the Common Man –** Expanding distribution aimed towards making steel available for the common man
- **Graduating Brand-Recall –** The Company brand graduated to the 35th position amongst "India's Most Valuable Brand" with its brand value up from US$ 42 Mn to US$ 447 Mn.

Strategy

Domestic Markets

- **Focus - Value Addition:** Through increasing the sales of Value added Products as well as by developing new products conforming to higher end specifications and grades. Value added product sales up by 55%.
- **Enhancing Global Competitiveness of Value-Chain partners:** By making steel available at globally competitive proposition.
- **Thrust - Import Substitution:** Expanded domestic share from 72% in 2008-09 to 84%.
- **Expanding distribution network:** To capitalize the spread-out demand opportunities as well as for the betterment of timely delivery concept. JSW Shoppe continues to expand from 50 in 2008-09 to 174 as on March'10 with Shoppe sales up by 114% to 0.64 million tonnes, leveraging the demand of the Semi-Urban and Rural India as well. Additionally, JSW has been expanding its Distribution Points on a Pan-India basis as well.
- **Increasing Domestic presence for Flat Steel:** Domestic sales up by 59% to 3.04 million tonnes with domestic market share increasing to approx. 13% from 9% in the previous year.
- **Efforts onto Brand Building:** Focus on leveraging brand-recall and brand-value adopting multi-fold brand-building techniques viz. Introduced innovative concept of "Shoppe-On-Wheel" in the Rural India, Wall-Paintings, Pro-Active participation in relevant exhibitions, Print-Media Advertisements, etc., leveraged sales of branded products by 64% of domestic sales.

International Markets

The Company has been maintaining a strategic presence in the international market. 2009-10 proved a boon in disguise which led us explore and partially shift our focus from the conventional advanced markets, adversely impacted by the global economic crisis, to other promising economies.

- **Shift of Focus by exploring the world:** While the demand in conventional coated export markets of North America and the Europe suffocated, JSW strategically shifted and consolidated its presence in other promising geographies including South America, CIS, Africa and Asia and capitalized the demand potential, especially for the Coated products.
- **Expand into Logistics-Advantage zone:** Increased our presence for other Semis, Flats and Wire Rods into the economies having logistics advantage including South & Far East Asia, Rest of Asia, Middle East and Africa, especially, while the prices were touching the bottoms.
- **Enhance Customer base:** In order to maximize tonnages coupled with Price-Advantage, JSW judiciously expanded its customer base, meeting the challenges of small order lots with high degree of customization demanding a fast-track delivery schedules. For the coated products, 96 new customers were added accounting for approx. 13% of export sales.

The Company successfully paved its way through the trying times of 2009-10 and further sharpened its focus and efficiency across the domestic and international markets, harnessing and nurturing its relationship with its valued business partners (customers) which would enable its journey ahead more effective while taking the challenges of expanding product range with an expanded tonnage intensity.

(7) Of the people, by the people for the people

The Company represents a compelling story of courage, perseverance, counter-convention and stretch achievements. Consider this: a team size of 7,703 members are responsible for the 7.8 MTPA Integrated Steel plant operations, predictably the smallest team size per tonne manufactured in India's growing steel sector.

Mindset

Employees are encouraged to aspire for holistic personality development. An individual could be an expert in his / her chosen field, but competence is not just about domain knowledge, but an aptitude for multitasking. This organizational belief has inspired a culture of multifaceted capability, accelerating individual development and empowering a team. The organization not only provides a plethora of opportunities to the individual, but to the entire family. The result is higher retention and also instances of employees rejoining.

Building the team

Attracting qualified professionals is a challenging reality in India. Building the JSW team is of critical importance for important reasons:

- Enhanced capacities in various in-plant sections; new capacities / facilities were commissioned in each of previous three years.
- Adopted state-of-the-art technologies in the manufacturing process.

The Company recruits graduate engineers, diploma engineers and management students from leading engineering and management colleges. It visits management and engineering colleges of repute like IIMs, IITs, NITs and other reputed Institutes under its 'Campus Connect Programme'. In 2009-10, the Company participated in campus recruitment for management and engineering graduates from reputed Management & Engineering Institutes.

The Company's lateral recruitment of experienced professionals is driven through references, connections, advertisements and placement agencies. In 2009-10, its 'Employee Referral Scheme' helped recruit experienced diploma holders.

Composition and Qualification

The Employees comprised a rich pool of MBAs, CAs, CSs, ICWAs, ITIs, Engineers, Graduates, Postgraduates and Diploma holders as on 31 March 2010.

Qualification profile of JSW Steel's employees

	Percentage
Diploma holders	33.46%
Engineers	25.29%
Graduates and post-graduates	13.12%
ITIs	9.16%
CA/CS/ICWAs	1.67%
MBAs	1.87%
Others	15.43%

Even as the average experience of the senior management is over 20 years, the Company's average employee age is about 36.5 years. The result is a prudent mix of youth and experience.

< 25 years	25-35 years	35-45 years	45-55 years	> 55 years
27.44%	32.37%	28.55%	11.44%	0.2%

Fostering bonding

Efficient communication model catalyses knowledge dissemination, accelerates information flow and facilitates decision-making. The following enhances across-hierarchy information interchange to build sustainable relationships:

Manthan: HR meet of JSW Group Companies, encompassing a review of all recent HR related activities; the management makes an assessment of feasible ideas, activities undertaken, their progress and results, facilitating strategic HR decisions.

Soundboard: Enables the shopfloor team to communicate directly with the top management.

Voice of people: These surveys represent a platform for employee feedback to formulate strategic HR policies.

Open door policy: Allows all JSW team members to interact directly with the Jt. Managing Director & Group CFO on a one-on-one basis for professional and personal guidance.

Bonding: Promotes the spirit of teamwork and enriches interpersonal relationships among employees through informal gatherings, picnics, celebrating birthdays, among other events; invites employees' families for celebrating festivals.

Mera Sujhav: Encourages the contribution of ideas to improve technology, process, policy or work-life balance, which is rewarded on the basis of implementation and probable savings.

Performance Management and Reward System

The functional meritocracy is based on individual performances. The Company's performance management and review system evaluate employee performance across multiple performance and leadership parameters. Besides, the Company promotes talent from within, offering members the scope to grow in their roles, coupled with an opportunity for cross-functional movement. The Company's compensation package is linked to performance and benchmarked to better-than-industry standards.

Highlights 2009-10

- Took 1,500 employees through structured feedback process to enable employees understand and leverage their strengths and take care of their development areas to enhance individual/team effectiveness.
- Created learning forums and equipped the Line Managers with coaching and mentoring skill to build learning culture.
- Facilitated small-group activities through cross functional teams and quality circles.
- Commenced pan-organisational manpower analysis, following which the Company recruited more than 100 middle management members.
- Initiated succession planning (identify star performers, chart out a career path and train intensively) so that they can soon assume larger responsibilities.
- Recorded high employee retention.

Priorities, 2010-11

- Leadership development and effective succession Planning.
- Performance culture that sustain competitive edge and business growth.
- Building learning culture through host of initiatives such as – formal informal learning forums, e-learning, managers as coach and teacher for their people, etc.
- Employee engagement and higher employee productivity.

(8) Corporate Communications

The corporate communications team at JSW Steel manages internal and external communications. Its goal is to showcase the Group profile consistent with its size, stature and performance; manage perceptions among media and the financial community about the Company's business strategy and future prospects and strengthen the Company's brand among global and domestic stakeholders.

Media Relations

Media relations is a bridge-building exercise between the corporate and the media, a task crucial for correct and factual information dissemination and creating the right image for the outside world. It is important for the Company to create platforms from where relevant information can be effectively passed on for positive impact. The corporate communication team conducted the following communication activities during this fiscal:

Press Conferences: Organised press conferences regularly to announce quarterly results, strategic and critical issues and key business decisions. More than six such press conferences were organised in 2009-10.

Financial Communications

The Company proactively communicates to investors across the world, to strengthen investor confidence and provide a platform for interaction with management. The corporate communication team organised:

- Analyst meet at every quarter end
- Investors and shareholders' visit to plant locations

Branding

JSW's branding strategy is aimed at nurturing the JSW brand and managing stakeholders' perception to maximise business value. Branding, has an integrated marketing approach with business solutions which create a uniform message for all stakeholders.

At JSW, strategy goes through the following process:

- Identifying the brand's stakeholders; JSW's stakeholders comprise associates, investors, customers and society
- Understanding where the brand is currently; periodically conduct an image research on various brand-related parameters to get an idea of the Company's position as compared with competitors
- Understanding market trends.
- Defining where the brand should be; the overall corporate strategy gives an idea about the JSW brand's position with respect to a timeframe
- Communicating coherently and consistently; all communication to stakeholders should be coherent and consistent

Achievements, 2009-10

JSW launched an eight weeks-long, pan-India advertising campaign. The Company was listed at the top of the AD diagnostic list, which measures softer parameters such as likeability, enjoyment, believability and claims. The survey was conducted by Synovate India and supported by ad monitoring films TVADIndx which covers 750 respondents, 250 each in Mumbai, New Delhi and Bangalore.

Internal Communication

JSW gives due importance to internal communication to keep the employees abreast all developments in the organisation, sector and economy. The Company provides several ways to employees to communicate to the management.

Website Management

The dynamic business environment of today requires continuous update of information. The Company proactively updates its website with the help of a team to provide the right information to its various stakeholders at all times. As an environment-friendly initiative, the Corporate Communication team introduced daily news briefings which are posted on the website, saving paper.

(9) Information Technology

Relevance

IT Infrastructure is critical for the following reasons:

- 4 manufacturing facilities spread across 3 states.
- 35+ units across India and overseas.
- 45 team members need to continuously communicate across locations.
- Facilities will be commissioned to cater to the ambitious expansion plans over the next decade.

This transforms IT from just another support service to a critical efficiency driver. JSW is continuously upgrading its IT Systems in line with business requirements, investing Rs.140 crores to upgrade IT Systems and Infrastructure over the three years leading to 2009-10.

Highlights, 2009-10

- Commissioned a disaster recovery centre at Vijayanagar for critical ERP functions so that the Company's operations are not affected even in adverse circumstances and act as a back-up to the primary centre at Bangalore.
- Implemented product costing solutions at the Vasind and Tarapur Works to provide accurate data for effective cost control.

Key initiatives

- Migrated from the OCS mailing system to Logix as it offers upscaling or downscaling flexibility, which resulted in 30% cost reduction.
- Extended the existing ERP system to 21 branches and consignment agents to increase operational efficiencies and information transparency across the value chain in the Order to cash cycle.
- Implemented state-of-the-art manufacturing solution at the Cold Rolling Mill of Vijayanagar Works; the solution is built on a robust and scalable architecture to automate various tasks.
- Completed a series of network augmentation and enhancement activities at various locations and branches to ensure optimal utilization of the IT infrastructure and availability of network bandwidth; the existing network was revamped to obtain higher bandwidth at lower costs.

Way ahead

- Homogenize multi-location processes to upgrade the existing ERP system.
- Integrate disparate manufacturing systems into the ERP for faster data access.
- Implement the product costing solution at Vijayanagar and Salem Works for cost control.
- Enhance focus on centralization of information and shared services.

(10) Internal Control and audit

Internal Control

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. The Internal control system is integral part of the Company's Corporate Governance.

Some key features of the internal control system comprise:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company.
- Deployment of an organization-wide ERP system covering its operations and is supported by a defined on-line authorization protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets / resources from any loss, attrition and deterioration.
- Ensuring the integrity of the accounting system; the proper and authorized recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring a reliability of all financial and operational information.
- Audit Committee comprising of Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, etc.
- A comprehensive Information Security Policy and continuous updation of IT systems.

Internal Audit

The Company has an Internal Audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong Internal Audit department comprising more than 25 executives headed by a senior experienced professional reporting to the Audit Committee comprising of Independent Directors who are experts in their field.

The Company successfully integrated the COSO (Committee of Sponsoring Organization's of the Treadway Commission) framework with its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system. The internal audit team has access to all information in the organization – this is largely facilitated by ERP implementation across the organization.

Audit Plan and Execution

Internal Audit department prepares Risk Based Audit Plan. The frequency of audit is decided by risk ratings of areas / functions. The audit plan is carried out by the internal team.

Addition to the audit plan: The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the emerging industry trend and the aggressive growth of the company. In addition, the audit department also places reliance on internal customer feedback and other external events for inclusion of areas into audit plan.

(11) Risk Management

The Company adopts an integrated, prudent and proactive approach to risk management to ensure that organizational objectives are achieved with reasonable predictability and to strengthen the Company's resilience to adverse situations.

Risk Management Framework

The Company follows the Committee of Sponsoring Organizations' (COSO) Framework of Risk Management, a globally respected mechanism for monitoring risk and analyzing organizational impact.

Risk Identification and Review

Process specific risks are identified and regularly reviewed by the respective process owners to proactively de-risk the organization from probable adversities emerging from a dynamic global business environment.

Risk Assessment

Risks are assessed for probability of occurrence and impact on occurrence. Impact on strategy, operations, reporting, compliance, employees, environment, health and safety is analyzed. Inherent controls and mitigation measures are considered. Considering the Company's preparedness, risks are classified as high, medium and low.

Information, Communication and Monitoring

Process owners maintain process specific risk register and update it regularly. Risk registers are uploaded on Company's intranet. The Internal Audit team reviews risks identified and controls and actions taken to minimize their impact on the organization's performance. New high risks, movement in high risks and action status are discussed in quarterly locational committee meetings.

A 'Risk sub-committee of Directors' consisting of three Independent and three Executive Directors is held quarterly. The Chairmen of locational meetings are invited to attend the meeting. The committee reviews minutes of locational meetings, location and process specific high risks which strengthen the reliance on a robust risk management framework. The committee discusses in detail high risks arising due to external trends, reviews internal preparedness and provides de-risking guidelines. The Board of Directors is informed quarterly, of committee meeting discussions. Special cross-functional task forces are constituted for specific focused reviews like 'Capex risk evaluation'. Treasury risks are being reviewed by the Treasury Committee.

All these activities are coordinated by a Chief Risk Officer.

(D) LOOKING INTO THE FINANCIAL STATEMENTS (STANDALONE)

Highlights 2009-10

Rs. in crores

	2009-10	2008-09	Growth (%)
Net Turnover	**18,202**	14,001	30%
EBIDTA	**4,806**	3,093	55%
PAT	**2,023**	459	341%
Earnings per share (diluted) (Rs.)	**105.94**	22.70	367%
ROCE (%)	**16.8%**	12.2%	–
RONW (%)	**23.7%**	5.6%	–
EBIDTA margin (%)	**26.2%**	21.8%	–
Net Long Term Debt gearing ratio	**1.07**	1.24	–

The Gross Turnover and Net Turnover for the year stood at Rs. 19,457 crores and Rs. 18,202 crores, respectively, with a growth of 28% and 30% respectively, over the previous year, mainly driven by higher growth in volumes of saleable steel by 67%, inspite of drop in blended sales realizations by 21%.

The EBIDTA for the year went up, mainly due to reduction in cost of production relative to last year and foreign exchange gains of Rs. 412.95 crores. The EBIDTA margin was higher at 26.2 % as against 21.8 % in the previous year. As a result, the Profit after Tax of the Company also went up by 341% over last year.

The Standalone Company's debt gearing was at 1.07 (as against 1.24 as on 31.3.2009). The weighted average cost of debt was at 8.02% compared to 8.22% last year.

(1) Revenue Analysis

Rs. in crores

	2009-10	2008-09	Change	Change %
Domestic Turnover	16,461	10,680	5,781	54%
Export Turnover	2,936	4,450	(1,514)	-34%
Sale of Carbon Credits	60	49	11	23%
Gross Turnover	19,457	15,179	4,278	28%
Less: Excise duty	1,255	1,178	77	6%
Net Turnover	**18,202**	**14,001**	**4,201**	**30%**

Product wise quantity break-up (Mn tonnes)

Products	2009-10		2008-09	
	Domestic	Export	Domestic	Export
Semis	0.943	0.306	0.262	0.280
Rolled products – Flat	1.727	0.023	1.389	0.210
Rolled products – Long	0.842	0.032	0.293	-
Value-added products	1.312	0.535	0.517	0.477
Total	**4.824**	**0.896**	**2.461**	**0.967**
Saleable Steel	**5.720**		**3.428**	

The significant growth in revenues during the year was mainly attributable to the marketing strategy of prudent sales mix, focus on domestic market, widening of the product basket and market presence, as explained below:

Enhanced domestic market focus: The Company grew its domestic turnover by 54% through established retail presence across 22 states and covered 117 districts to reach the untapped semi-urban and rural market.

Created value-added products: The Company widened its product basket, added new value-added products and customised offerings. The value-added product segment grew 54% and the value-added production facilities were fully utilized.

Retail revenue: The Company's retail network expanded largely with the establishment of 174 JSW Shoppes and contributed 16% to the rolled product domestic sales as on 31 March 2010, compared to 14% as on 31 March 2009.

Geography-wise revenue break-up

Domestic: Domestic revenue increased, due to strategic shift to local markets and improved realizations gradually from their lows. The Company strengthened its dealership network, widening pan-India visibility. The domestic volumes went up significantly by 96% over last year, but there was drop in steel prices compared to last year.

Export: The Company has export footprint in over 100 countries. Majority of the exports comprised value-added products. Exports were lower compared to last year, due to lower volumes by 7% and also drop in global steel price relative to last year, as well as appreciation of Rupee against US Dollar, in current year.

(2) Other Income

Rs. in crores

	2009-10	2008-09	Change	Change %
Other Income	533	260	273	105%

The reasons for the change are foreign exchange gains of Rs. 413 crore during the current year vis-a-vis gains on FCCB buy back of Rs. 97 crores and few one off items such as write backs, consultancy charges, etc. totaling to Rs. 41 crores, in the last year.

(3) Materials

Rs. in crores

	2009-10	2008-09	Change	Change %
Materials	10,461	8,450	2,011	24%

The Company's raw-material expenditure increased due to higher level of production, resulting from the commissioning of new facilities of 2.8 MTPA expansion project. The raw materials cost went up by 24% when the production volume went up by 61% as, the increase was mitigated partly, on a/c of drop in prices of key raw materials relative to last year and reduction in costs achieved due to operational improvements.

(4) Employee Remuneration and Benefits

Rs. in crores

	2009-10	2008-09	Change	Change %
Employees Remuneration and Benefits	365	289	76	26%

Employee remuneration and benefits were up mainly due to annual increments and rise in manpower relating to operations, on commissioning of new facilities at Vijayanagar, which were under construction in last year. The Company employed about 7,703 employees as on 31st March 2010, *vis-à-vis* 7,669 as at the end March last year.

(5) Manufacturing and Other Expenses

Rs. in crores

	2009-10	2008-09	Change	Change %
Power and Fuel	1,015	673	342	51%
Other Expenses	2,089	1,756	333	19%
Total Manufacturing and other Expences	**3,104**	**2,429**	**675**	**28%**

There was increase in power consumption on account of higher valume of production, in particular, increase in production of Rolled products - Flat & Long and Value added products. However, increase in captive generation of power coupled with reduction in price of coal, helped in containing the cost per tonne of finished goods. Increase in other costs mainly relate to higher consumption of stores and spares (43% increase to Rs. 280 crores) and Repairs & Maintenance (27% to Rs. 63 crores), due to increase in scale of operations.

(6) Interest

Rs. in crores

	2009-10	2008-09	Change	Change %
Interest and Finance Charges (net)	863	797	66	8%

Long-term interest went up on acoount of long-term borrowing pertaining to expansion projects which started operations in April '09 and working capital interest reduced, mainly due to reduction of interest rates.

(7) Depreciation

Rs. in crores

	2009-10	2008-09	Change	Change %
Depreciation	1,123	828	295	36%

Depreciation increase is attributable to the capitalization of new facilities during the year.

(8) Exceptional Items

There were no exceptional items in the current year. Whereas, in the previous year, it included Foreign Exchange loss of Rs. 790 crores, due to Rupee depreciation against the US dollar.

(9) Fixed Assets

Rs. in crores

	2009-10	2008-09	Change	Change %
Gross Block	21,796	16,897	4,899	29%
Less: Depreciation	4,930	3,811	1,119	29%
Net Block	16,866	13,086	3,780	29%
Capital Work-in-Progress	6,684	9,243	-2,559	-28%
Total	**23,550**	**22,329**	**1,221**	**5%**

Gross block increased during the year due to capitalization of 2.8 MTPA expansion project. The increase was also due to commissioning of new facilities, viz., 30 MW power plant at Tarapur and first unit of Phase-1 of the beneficiation plant at Vijayanagar.

Capital work-in-progress as at 31 March 2010, comprises of ongoing projects which are under implementation, viz. 3.2 MTPA expansion project, new Hot Strip Mill, 20 MTPA Beneficiation Plant and 300 MW captive power plant at Vijayanagar, Blooming Mill at Salem and Railway siding at Vasind.

(10) Investments

Rs. in crores

	2009-10	2008-09	Change	Change %
Investments	1,768	1,250	518	41%

Infusion of equity capital in subsidiaries amounts is Rs. 313 crores and rest towards investment in mutual funds.

(11) Inventories

Rs. in crores

	2009-10	2008-09	Change	Change %
Raw Materials	1,279	801	478	60%
Production Consumables and Stores & Spares	411	316	95	30%
Work-in-Progress	114	132	(18)	-14%
Semi Finished/ Finished Goods	782	789	(7)	-1%
Traded Goods	0	13	(13)	-100%
Total	**2,586**	**2,051**	**535**	**26%**

The average inventory holding in terms of number of days as on 31 March, 2010 is 68 days vis-a-vis 67 as on 31 March, 2009. Higher inventory of raw materials & spares is mainly due to commencement of new facilities.

(12) Sundry Debtors

Rs. in crores

	2009-10	2008-09	Change	Change %
Total Debtors	581	415	166	40%
Less: Provision for Doubtful debts	(18)	(17)	(1)	6%
	563	398	165	41%

The average debtors i.e., collection period, in terms of number of days as on 31 March 2010 was 11 days, compared to 10 days as on 31 March 2009.

(13) Loans and Advances

Rs. in crores

	2009-10	2008-09	Change	Change %
Loans and Advances	2,123	1,745	378	22%

The increase was mainly due to increase in entitlement of Minimum Alternative Tax credit of Rs. 259 crores.

(14) Current Liabilities

Rs. in crores

	2009-10	2008-09	Change	Change %
Liabilities	7,358	7,476	(118)	-2%
Provisions	264	81	183	326%
Total	**7,622**	**7,557**	**65**	**1%**

Reduction in current liabilities is mainly due to payment of project creditors relating to new 2.8 MTPA expansion project and other projects.

(15) Secured and Unsecured Loans

Rs. in crores

	2009-10	2008-09	Change	Change %
Secured Loans	8,987	8,215	772	9%
Unsecured Loans	2,598	3,058	(460)	-15%
Total	**11,585**	**11,273**	**312**	**3%**

The Company's total debt comprised 78% of secured loans (debentures, long-term loans and working capital loans from Banks and Financial Institutions) and 22% unsecured loan portfolio (long-term customer advances, Foreign Currency loans and zero coupon convertible bonds, among others). Increase in debt is due to additional borrowings for expansion projects. Of the total debt portfolio, 66% was rupee-denominated debt, the balance being Foreign Currency loans.

The Company's net long-term debt equity ratio declined from 1.24 as on 31 March 2009 to 1.07 as on 31 March 2010, as the Company met its entire repayment schedule in 2009-10.

Rs. in crores

	2009-10	2008-09
Loan repayment	988	1,040

(16) Capital Employed

Total capital employed increased 13% from Rs. 20,653 crores as on 31 March 2009 to Rs. 23,256 crores as on 31 March 2010, due to growing scale of operations and on account of funds invested for completion of ongoing projects which are expected to be commissioned over the next 12 to 18 months.

Return-on-capital employed increased from 12.2% in 2008-09 to 16.8% in 2009-10, on account an increase in profitability, consequent upon significant growth in volumes by 61% in crude steel production and 67% in saleable steel, during the current year.

(17) Own Funds

Net worth increased from Rs. 7,670 crores as on 31 March 2009 to Rs. 9,427 crores as on 31 March 2010 due to plough-back of operational surplus into the business to fund the Company's future growth initiatives. Return on networth was higher from 5.6% in 2008-09 to 23.7% in 2009-10, due to an increase in the Company's profit. The book value per share improved from Rs. 410 as on 31 March 2009 to Rs. 504 as on 31 March 2010.

Reserves: Reserves and surplus increased from Rs. 7,422 crores as on 31 March 2009 to Rs. 9,179 crores as on 31 March 2010. This is a zero cost fund which strengthens the ability of the Company to undertake growth initiatives.

(E) LOOKING INTO THE FINANCIAL STATEMENTS (CONSOLIDATED)

The Company's consolidated financial statements include the financial performance of the following Subsidiaries, Joint Ventures and Associates.

Subsidiaries:

i. JSW Steel (Netherlands) B.V.
ii. JSW Steel (UK) Limited
iii. Argent Independent Steel (Holdings) Limited
iv. JSW Steel Service Centre (UK) Limited
v. JSW Steel Holding (USA) Inc.
vi. JSW Steel (USA) Inc.
vii. JSW Panama Holdings Corporation
viii. Inversiones Eroush Limitada
ix. Santa Fe Mining
x. Santa Fe Puerto S.A.
xi. JSW Natural Resources Limited
xii. JSW Natural Resources Mozambique Limitada
xiii. JSW Steel Processing Centres Limited
xiv. JSW Bengal Steel Limited
xv. Barbil Beneficiation Company Limited
xvi. JSW Jharkhand Steel Limited
xvii. JSW Building Systems Limited

Joint Venture:

i. Vijayanagar Minerals Private Limited
ii. Rhone Coal Company Private Limited
iii. Geo Steel LLC
iv. JSW Severfield Structures Limited
v. Gourangdih Coal Limited

Associates:

i. Jindal Praxair Oxygen Company Private Limited
ii. JSW Energy (Bengal) Limited

The Company has reported a Consolidated Gross Turnover, Net Turnover, EBIDTA and PAT of the Company of Rs. 20,211 crores, Rs. 18,957 crores, Rs. 4,607 crores and Rs.1598 crores, respectively. The PAT on consolidated basis was lower than the standalone Net Profit by Rs. 425 crores, mainly due to global slow down adversely impacting the overseas operations in USA and UK. The consolidated long term debt gearing was at 1.49 as on 31 March 2010.

(F) OUT LOOK

Steel demand and prices are expected to move northward in 2010 due to increased demand and higher input prices. This optimism stems from the following realities:

- Economic recovery across the globe is expected to generate real demand pull and an inventory restocking led demand pull. While the former is expected to be generated from investment in infrastructure and private consumption, the latter is expected to emanate from creating inventories which were used up by the economies across the globe in 2009.
- Dollar dynamics which regulates the steel trade and price intensity is expected to work in favour of global steel trade. The depreciating dollar is expected to fuel capital investment and consumption expenditure pulling up steel demand.
- Cost push resulting from higher coking coal and iron ore prices is expected to drive steel prices northwards. The coking coal spot prices have skyrocketed to US$ 300 per tonne. The same trend is noticed in Iron ore prices too. More importantly, the decade-long practice of long-term agreements for coal and Iron procurement has now been altered to quarterly contracts bringing more uncertainty and volatility.

Indian Scenario:

- India is 4th largest economy in terms of PPP.
- During the last decade growth has been led by investment with its share rising from 25% to 36%.
- Industry share has been 28% while services now accounts for over 57% of economy.
- Favourable demography implies that labour force in India would continue to be dominated by young workers.
- A steady uptick in savings and investment rates is also indicative of positive structural change.

India Ranking in Infrastructure: Total surveyed 133 Nations.

Country	Overall	Road	Railway	Port	Airline	Power	Telephone
India	89	89	20	90	65	106	103
China	66	50	27	61	80	61	49
Japan	17	22	2	34	53	11	30

(Source: World Economic Forum)

Infrastructure and construction which constitute around 61% of total steel consumption in the country – is expected to register robust growth in the near future.

As per Planning Commission, the 11th Five Year Plan targets to increase total investment in infrastructure from around 5% of GDP in the base year of 11th Five Year Plan to 9% by the terminal year of 11th Five Year Plan.

Norms of steel demand in infrastructure sector

Investment Programme	Demand for Steel (Norms / Illustration)
NHDP	100 mt for Rs. 50 million Spent.
Railways	300 mt for double line per Km, 24-30 mt for each wagon.
Power Projects	33,000 mt for 500 MW, additional demand for special steel such as CRGO / CRNO.
Oil & Gas	Well platform requires 2,000 mt of structural steel and a process platform requires 10,000 mt of steel. A 6 MnT refinery requires 85,000 mt of steel.
Housing	Residential blocks typically require 1,000 to 2,000 mt of steel per block.

(Source: SAIL)

Private Investment

Private investment in infrastructure has picked up in recent years, as indicated in the mid-term appraisal of the Eleventh plan 2007-12, encouraging the Government to go for a more ambitious infrastructure creation drive through a greater emphasis on private public partnership (PPP) mode of execution.

The private sector is now expected to contribute at least half of the over $1 trillion dollar (Rs. 40.99 lakh crore) investment planned in infrastructure in the 12th plan (2012-17). A rise in private investments during the Eleventh Plan period is, in fact, expected to compensate for a shortfall in public sector investment.

While there may be a shortfall of about 8.7% in public investment as compared to the initial targets of the Eleventh Plan, this is likely to be made good by an increase of about 20% in private investment.

Overall investments in infrastructure during the Eleventh Plan is estimated at Rs. 20,54,205 crore, against a target of Rs. 20,56,150 crore.

The increase in Private Sector investment during the ongoing Plan is significant in the telecom sector where the final achievement is likely to be 1.59 times of original estimate. Private Sector investments accounted for 80% of total investments in ports, 82% in telecom, 64% in airports, 44% in electricity, 16% in roads and a meager 4% in railways.

Sector	Planned	Private Sector	% - Pvt. Sector
	(Rs. Cr)	(Rs. Cr)	(%)
Telecom	258,439	211,919	82%
Ports	87,995	70,396	80%
Airports	30,968	19,819	64%
Electricity	666,525	293,271	44%
Roads	314,152	50,264	16%
Railways	261,808	10,472	4%
Total	**1,619,887**	**656,141**	**41%**
11th Plan Period	**20,56,150 (US$ 514Bn)**	**656,141**	**32%**
12th Plan Peroid	**40,99,240 (US$ 1025Bn)**	**1,028,075**	**50%**

Source: MTA 11th Five Year Plan

The expected increase in infrastructure spend is positive for the steel industry. Your Company, with the estimated volume growth of 17% to 7 million tonnes in FY 2010-11 and in particular, enhanced proportion of value added rolled steel products having better sales realizations, will be in an advantageous position to benefit from the growing domestic demand. The Company is also planning to start some of its new facilities, which are being part of 10 MTPA expansion project during FY 2010-11, to have better cost advantage. The increase in cost is likely to be neutralized by expected cost savings, anticipated rise in sales realizations and possible improvement due to change in product mix.

FORWARD LOOKING AND CAUTIONARY STATEMENTS:

Certain statements in the Management Discussion and Analysis concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

Report on Corporate Governance for the year 2009-10

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance at JSW Steel Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practising it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure

The Directors of the Company are appointed by shareholders at General Meetings. All Directors except Nominee Directors are subject to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 256 and 257 of the Companies Act, 1956 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

2.2 Composition, Meetings and attendance record of each Director:

The Company has a balanced mix of executive and non-executive independent Directors. As on 31.03.2010, the Board of Directors comprises of 13 Directors, of which 9 are non-executive. The Chairperson is non-executive and a Promoter of the Company. The number of Independent Directors is 7 as against the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except Mrs. Savitri Devi Jindal & Mr. Sajjan Jindal.

None of the Directors on the Board 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. The necessary disclosures regarding Committee positions have been made by the Directors.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement is being made available to the Board.

The details of composition of the Board as at 31.03.2010, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2010 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given here below:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Public Ltd Cos.**	
								Chair-manship (s)	Member-ship(s)
Executive Directors	Mr. Sajjan Jindal	Vice Chairman & Managing Director	15.03.1994	7	6	Yes	6	Nil	Nil
	Mr. Seshagiri Rao M.V.S	Jt. Managing Director & Group CFO	06.04.1999	7	7	Yes	Nil	Nil	Nil
	Dr. Vinod Nowal	Director & CEO (Vijayanagar Works)	30.04.2007	7	6	Yes	3	Nil	Nil
Non-Executive Non-Independent Directors	Mrs. Savitri Devi Jindal	Chairperson	18.04.2005	7	None	No	8	Nil	Nil
Non-Executive Independent Directors	Mr. Uday M. Chitale	Director	20.10.2005	7	7	Yes	6	3	1
	Mr. Anthony Paul Pedder	Director	18.04.2005	7	5	Yes	Nil	Nil	Nil
	Mr. Sudipto Sarkar	Director	09.05.2005	7	5	Yes	6	Nil	3
	Dr. S. K. Gupta	Director	25.04.1994	7	7	Yes	7	3	4
	Mr. K. Vijayaraghavan	Director	16.06.2008	7	6	Yes	Nil	Nil	Nil
Nominee Director	Mrs. Zarin Daruwala	Nominee of ICICI Bank Limited (Lender)	13.12.2005	7	2	No	Nil	Nil	Nil
	Part of the Year								
Executive Directors	Mr. Y. Siva Sagar Rao (Ceased to be a Director w.e.f 15.05.2009)	Jt. Managing Director & CEO	24.07.2007	1*	None	NA#	–	–	–
	Mr. Jayant Acharya	Director (Sales & Marketing)	07.05.2009	7*	7	Yes	4	Nil	2
Non-Executive Non-Independent Directors	Mr. V. Madhu IAS (Ceased to be a Director w.e.f. 16.06.2009)	Nominee of KSIIDC (Equity Investor)	13.06.2008	2 *	None	NA#	–	–	–
	Mr. N.C. Muniyappa IAS (Ceased to be a Director w.e.f 19.11.2009)	-do-	16.06.2009	3*	2	Yes	–	–	–

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Public Ltd Cos.**	
								Chair-manship (s)	Member-ship(s)
	Mrs. Vandita Sharma IAS	Nominee of KSIIDC (Equity Investors)	19.11.2009	2*	1	NA#	8	Nil	Nil
	Mr. Biswadip Gupta (Ceased to be a Director w.e.f. 07.05.2009)	Director	30.04.2007	–	None	NA#	–	–	–
Non- Executive Independent Directors	Dr. Ajay Shah (Ceased to be a Director w.e.f. 07.05.2009)	Director	16.06.2008	–	None	NA#	–	–	–
	Dr. Vijay Kelkar	Director	20.01.2010	2*	1	NA#	5	Nil	0
Nominee Directors	Mr. G.R. Sundaravadivel (Ceased to be a Director w.e.f. 11.05.2009)	Nominee of Administrator of the Specified Undertaking of Unit Trust of India (SUUTI) (Lender)	14.07.2008	1*	None	NA#	–	–	–
	Mr. B. Babu Rao (Ceased to be a Director w.e.f. 01.02.2010)	-do-	11.05.2009	5*	2	No	–	–	–

Notes:-

1. During the Financial Year 2009-10, seven Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 07.05.2009, 28.05.2009, 06.07.2009, 19.07.2009, 23.10.2009, 20.01.2010 and 05.03.2010.
2. * No. of Board Meetings indicated is with reference to date of appointment/resignation of the Directors.
3. ** Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered
4. # Not a Director at the time of last AGM.

2.3 Board Meetings, Board Committee Meetings and Procedures:

A. Institutionalised decision making process

The Board of Directors oversee the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stake holders are being served. The Vice Chairman and Managing Director is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted ten Standing Committees, namely Audit Committee, Project Review Committee, Shareholders/Investors Grievance Committee, Remuneration Committee, Finance Committee, Nomination Committee, Risk Management Committee, Share Allotment Committee, Share/Debenture Transfer Committee & JSWSL Code of Conduct Implementation Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

B. Scheduling and selection of Agenda Items for Board meetings

(i) A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

(ii) The meetings are usually held at the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai – 400 026.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/ approval/ decision at 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/Committee Meetings.

In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items.

(iv) The Board is given presentations covering Global Outlook/Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary performance and the Risk Management practices before taking on record the Quarterly/ Half yearly/ Annual financial results of the Company.

C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

E. Post Meeting Follow-up Mechanism

The Company has an effective post meeting follow up, review and reporting process mechanism for the decisions taken by the Board/ Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

F. Compliance

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting (s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 read with the Rules made there under.

2.4 Meetings of Independent Directors:

The Independent Directors of the Company meet at such intervals as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Vice Chairman and Managing Director.

2.5 Strategy Meet:

A strategy meet of the Board of Directors is generally held once in every financial year to formulate, evaluate and approve the business strategy of the Company. The Functional Heads give a brief presentation to the Board covering their respective areas of responsibility. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company.

3. AUDIT COMMITTEE:

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. Mr. Uday M. Chitale is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

The Broad terms and reference of Audit Committee are to review the financial statements before submission to the Board, to review reports of the Management Auditors and Internal Audit department and to review the weaknesses in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Chief Internal Auditor. In addition, the powers and role of the Audit Committee are as laid down under clause 49 II C and D of the Listing Agreement and Section 292A of the Companies Act, 1956.

Seven meetings of the Audit Committee were held during the financial year 2009-10, as against the minimum requirement of four meetings. The details are as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	06th May, 2009	4	3
2	19th July, 2009	4	4
3	18th September, 2009	4	3
4	22nd October, 2009	4	3
5	15th December, 2009	4	4
6	20th January, 2010	4	4
7	26th March, 2010	4	4

The Constitution of the Committee as at 31.03.2010 and the attendance of each Member are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Attended
1	Mr. Uday M. Chitale – Chairman	Non-Executive Independent Director	7
2	Dr. S.K.Gupta	Non-Executive, Independent Director	7
3	Mr. Sudipto Sarkar	Non-Executive, Independent Director	4
4.	Mr. K. Vijayaraghavan	Non-Executive, Independent Director	7

During the year, Mrs. Zarin Daruwala, (Nominee of ICICI Bank Limited) and Mr. G.R. Sundaravadivel, (Nominee of the Administrator of the Specified Undertaking of the Unit Trust of India), Non-Executive, Independent Directors, ceased to be members of the Committee w.e.f. 07.05.2009.

The Jt. Managing Director & Group CFO, Director & CEO (Vijayanagar Works), Director (Sales & Marketing), Chief Financial Officer, Operational Heads of each Location, Vice President (Internal Audit), the Company Secretary and the representative of the Statutory Auditors attend the Audit Committee meetings. The representatives of Management Auditors attend the Audit Committee Meeting, whenever matters relating to management audit are considered. The Company Secretary is the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

4. REMUNERATION COMMITTEE:

The Remuneration Committee, which is a non-mandatory requirement of Clause 49, was constituted on 23.03.2002.

The terms of reference of the committee are as follows:

(i) To determine on behalf of the Board and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

(ii) To approve the payment of remuneration to Managerial Personnel as per the Policy laid down by the Committee.

Two meetings of the Remuneration Committee were held during the financial year 2009-10 on 6th May 2009 and 18th September, 2009.

The composition of the Remuneration Committee as at 31.03.2010 and attendance of each member at the committee meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings held	No. of Meetings attended
1	Dr. S.K.Gupta Chairman	Non-Executive, Independent Director	2	2
2	Mr. Uday M. Chitale	Non-Executive, Independent Director	2	2
3.	Mr. Anthony Paul Pedder	Non-Executive, Independent Director	2	1
4.	Mr. K. Vijayaraghavan	Non-Executive, Independent Director	2	2

During the year, Mrs. Zarin Daruwala, Non-Executive, Independent Director (Nominee of ICICI Bank Limited), ceased to be member of the Committee w.e.f. 07.05.2009.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

4.1 Remuneration Policy and Details of Remuneration paid to Directors:

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature, the Industry Standards and competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organisational goals. Executive Directors (ED) are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of ED comprises of salary, perquisites, allowances, performance linked incentive and contributions to PF and Gratuity.

The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board/Committee attended by them and their contribution to the Company during the year subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of Rs.20,000/- for each meeting of the Board and sub-committees attended by them.

The details of commission paid/payable to the Non-Executive Directors for the financial year 2009-10, is as follows:

Sr. No	Name	From	To	Commission Payable (Rs. in crores)
1	Mrs. Savitri Devi Jindal	1-Apr-09	31-Mar-10	0.08
2	Dr. S K Gupta	1-Apr-09	31-Mar-10	0.14
3	Mr. Uday M. Chitale	1-Apr-09	31-Mar-10	0.14
4	Mrs. Zarin Daruwalla (Nominee of ICICI Bank Ltd.)*	1-Apr-09	31-Mar-10	0.10
5	Mr. Anthony Paul Pedder	1-Apr-09	31-Mar-10	0.12
6	Mr. Sudipto Sarkar	1-Apr-09	31-Mar-10	0.12
7	Mr. K. Vijayaraghavan	1-Apr-09	31-Mar-10	0.14
8	Mr. V. Madhu, IAS Mr. N.C. Muniyappa, IAS Mrs. Vandita Sharma, IAS (Nominee of KSIIDC)*	1-Apr-09	31-Mar-10	0.10
9	Dr. Ajay Shah	1-Apr-09	06-May-09	0.01
10	Mr. G.R.Sundaravadivel, Mr. B. Babu Rao (Nominee of Administrator of Specified Undertaking of Unit Trust of India (SUUTI)*	1-Apr-09	01-Feb-10	0.09
11	Dr. Vijay Kelkar	20-Jan-10	31-Mar-10	0.02
	Total			**1.06**

* Payable to the respective Institutions they represent.

The details of remuneration paid /payable to the Whole-time Directors for the financial year 2009-10 is as given below:

Name of Director	Salary (Rs. in crores)	Perks (Rs. in crores)	Profit linked Commission (Rs. in crores)	Period of Contract	Notice Period
Mr. Sajjan Jindal, Vice Chairman & Managing Director	–	–	14.25	From 07.07.2007 to 06.07.2012	NA
Mr. Seshagiri Rao M.V.S, Jt. Managing Director & Group CFO	2.71	0.20	–	From 06.04.2009 to 05.04.2014	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal, Director & CEO (Vijayanagar Works)	1.68	0.15	–	From 30.04.2007 to 29.04.2012	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya, Director (Sales & Marketing)	0.90	0.14	–	From 07.05.2009 to 06.05.2014	3 months from either side or salary in lieu thereof.
Mr. Y. Siva Sagar Rao, Jt. Managing Director & CEO (upto the period 15.05.2009)	0.33	0.02	–	From 24.07.2007 to 23.07.2010	3 months from either side or salary in lieu thereof.
Total	**5.62**	**0.51**	**14.25**		

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

Shareholding of the Non-Executive Directors in the Company as on 31.03.2010:

None of the Non-Executive Directors other than those named below hold any shares in the Company:

Sl. No.	Director	No. of equity shares of Rs. 10/- each held
1	Mrs. Savitri Devi Jindal	7530
2	Dr. S.K.Gupta	4000

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/ Investors Grievance Committee comprises of 3 Non-Executive Directors all of whom are Independent Directors.

Dr. S. K. Gupta is the Chairman of the Committee.

The terms of reference of the Committee are as follows:

a) Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.

b) Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.

c) Follow-up on the implementation of suggestions for improvement, if any.

d) Periodically report to the Board about serious concerns, if any.

The Shareholders/Investors Grievance Committee met twice during the financial year 2009-10 on 19.09.2009 and 26.03.2010. The constitution of the committee and the details of the meeting attended by the Members are as given below:

Sl. No.	Name of the Director	No. of Meetings held	No. of Meetings attended
1.	Dr. S.K. Gupta	2	2
2.	Mr. Uday M. Chitale	2	2
3.	Mr. K. Vijayraghavan	2	2

Mr. Lancy Varghese, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India. His address and contact details are as given below:

Address : Victoria House, Pandurang Budhkar Marg,
Lower Parel (W), Mumbai - 400 013
Phone : 022-24927000/43437800
Fax : 022-24917933
Email : jswsl.investor@jsw.in

Investor Grievance Redressal

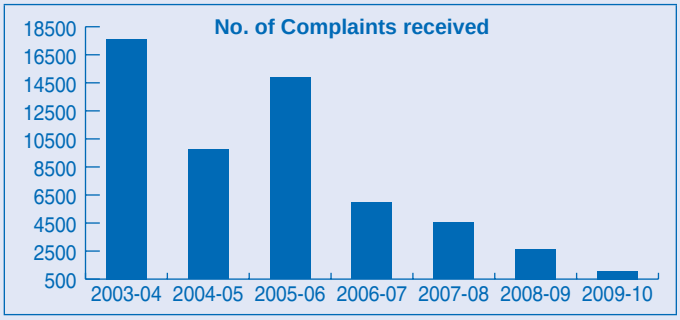
Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2010	:	696
Number not solved to the satisfaction of Shareholders	:	Nil
No. of pending complaints as on 31.03.2010	:	Nil

No. of pending Share transfers as on 31.03.2010	:	343*

* There were no share transfers pending for registration for more than 15 days as on the said date.

Types of Complaints	Number of Complaints
Non-Receipt of Certificates	168
Non-Receipt of Dividend Warrants	332
SEBI Complaints, Stock Exchanges Complaints/ DOCA, Court/Advocate Notices etc.,	196



Note: Complaints pertaining to the years subsequent to 2004-05 include investor complaints received from shareholders of Jindal Iron & Steel Co. Limited and Southern Iron & Steel Co. Limited upon its merger with the Company in the financial years 2004-2005 & 2007-2008 respectively.

6. OTHER MAJOR COMMITTEES OF DIRECTORS:

In addition to the above referred Committees which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of such Functional Committees are finalised in consultation with the Committee Members:

Sl. No.	Name of the Committee	Composition	Terms of reference	Frequency of Meetings
1.	Project Review Committee	Mr. Anthony Paul Pedder (Chairman), Non-Executive Independent Director Dr. Vinod Nowal, Executive Director Dr. S.K.Gupta, Non-Executive Independent Director Mr. K.Vijayaraghavan, Non-Executive Independent Director	1. Closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objectives of timely project completion within the budgeted project outlay. 2. Review New Strategic initiatives.	The Board had in its meeting held on 07.05.2009 temporarily suspended the Project Review Committee as new Projects were not being taken up. As the Company has revived the projects and new projects are being contemplated, the Board considered the same and revoked the suspension of the Project Review Committee. Two meetings were held on 18.09.2009 and 19.01.2010.
2.	Risk Management Committee *	1. Mr. Seshagiri Rao MVS, (Chairman) Executive Director 2. Mr. Jayant Acharya, Executive Director 3. Dr. S.K.Gupta, Non-Executive Independent Director 4. Mr. Uday M. Chitale, Non-Executive Independent Director 5. Mr. K.Vijayaraghavan, Non-Executive Independent Director	1. To periodically review risk assessment and minimisation procedures to ensure that, the Executive Management controls risk through means of a properly defined framework. 2. To review major risks and proposed action plan.	Five Meetings were held, once in three months on 27.04.2009, 20.07.2009, 19.09.2009, 15.12.2009 and 26.03.2010
3.	Nomination Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Uday M. Chitale, Non-Executive Independent Director 3. Mr. Anthony Paul Pedder Non-Executive Independent Director	To consider Nomination of persons to be inducted on the Board	Need based. Two Meetings were held on 06.05.2009 and 19.01.2010
4.	Finance Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Seshagiri Rao MVS, Executive Director 3. Dr. Vinod Nowal, Executive Director 4. Mr. Jayant Acharya, Executive Director	1. Availing of credit/financial facilities of any description from Banks/ Financial Institutions/ Bodies Corporate within the limits approved by the Board. 2. To invest and deal with any monies of the Company upon such security or without security in such manner as the 'said committee' may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board. 3. To open new Branch Offices of the Company, to declare the same as such under Section 2(9) of the Companies Act,1956 and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. 4. To make loans to Individuals/Bodies Corporate and/or to place deposits with other Companies/Firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board. 5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient.	Need based. Meetings were held on 01.04.2009, 07.05.2009, 08.05.2009, 20.05.2009, 28.05.2009, 11.06.2009, 02.07.2009, 17.07.2009, 20.07.2009, 17.08.2009, 31.08.2009, 22.09.2009, 06.10.2009, 28.10.2009, 04.11.2009, 11.11.2009, 27.11.2009, 08.12.2009, 23.12.2009, 28.01.2010, 02.02.2010, 17.02.2010, 06.03.2010, 15.03.2010, 25.03.2010 and 31.03.2010.

*The Risk Management Committee, a sub-committee of the Board has further constituted:

i. "Capex Risk Evaluation Committee" to evaluate the risks associated with capex proposals including mergers & acquisitions.

ii. Locational Committees namely (a) Corporate Locational Committee (b) Upstream Locational Committee (c) Downstream Locational Committee and (d) Salem Locational Committee to further review risk assessment at Locational Level.

7. GENERAL BODY MEETINGS:

A) Annual General Meetings:

The details of date and time of the Annual General Meetings (AGMs) of the Company held during the preceding three years, at Birla Matushri Sabhagar, 19 Marine Lines, Mumbai 400 020 and the Special Resolutions passed thereat are as under:

AGM	Date	Time	Special Resolutions Passed
13th AGM	13.06.2007	03.30 p.m.	1. To issue, offer and allot Equity Shares and/or Securities other than Warrants, which are convertible into Equity Shares to Qualified Institutional Buyers (QIB) for an aggregate amount not exceeding Rs. 1000 crores. 2. To offer, issue, and allot Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants and/or other Instruments convertible into Equity Shares for an aggregate sum upto US$ 500 Million.
14th AGM	16.06.2008	11.00 a.m.	Nil

AGM	Date	Time	Special Resolutions Passed
15th AGM	06.07.2009	11.00 a.m.	1. To issue, offer and allot Equity Shares and/or Securities other than Warrants, which are convertible into Equity Shares to Qualified Institutional Buyers (QIB), by way of Qualified Institutions Placement, for an aggregate amount not exceeding US$ 1 Billion and/or 2. To offer, issue, and allot in one or more tranches Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/ Warrants and/or other Instruments convertible into Equity Shares not exceeding US$ 1 Billion in the aggregate. (Such that the total amount to be raised vide both of the above proposed issues would not in the aggregate exceed a sum of US $ 1 Billion or its Indian Rupee equivalent, inclusive of such premium as may be determined by the Board).

B) Special Resolutions passed through Postal Ballot:

No special resolution was passed through Postal Ballot during 2009-10. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. DISCLOSURES:

i. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their relatives or Subsidiaries etc. which could conflict with the interests of the Company.

ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

iii. The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures, which are periodically reviewed.

9. WHISTLE BLOWER POLICY:

The Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non-mandatory requirement, encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

WBP also provides safeguards against victimisation or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

10. SUBSIDIARY MONITORING FRAMEWORK:

All the Subsidiary Companies of the Company are Board managed with their Boards having the right and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:

a) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/ CFO/ CS are tabled before the Company's Board quarterly.

b) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board quarterly.

c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

11. MEANS OF COMMUNICATION:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

a) Quarterly/Half Yearly/Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

b) Publication of Quarterly/Half Yearly/Annual Results: The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, atleast in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2009-10 were published as detailed below:

Quarter (F.Y. 2009-10)	Date of Board Meeting	Date of Publication	Name of the Newspapers
1	19.07.2009	21.07.2009	Financial Express & Sakal
2	23.10.2009	24.10.2009	Business Standard & Sakal
3	20.01.2010	21.01.2010	Financial Express & Business Standard (Hindi)

c) Monthly production figures and other press releases: To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the Media.

d) Website: The Company's website www.jsw.in contains a separate dedicated section "Investor Relations" where information for shareholders is available. The Quarterly/ Half Yearly/ Annual Results are simultaneously posted on the website. The latest official press releases are also available on the website.

e) Presentations to Analysts: Four presentations were made to analysts during the FY 2009-2010 on 01.07.2009, 20.07.2009, 23.10.2009 and 20.01.2010 and the same are available on the Company's website. The presentations broadly covered operations, financials and industry outlook.

f) Corporate Filing and Dissemination System (CFDS) Filing: As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in, within the time frame prescribed in this regard.

g) Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD & A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.

h) Chairman's Communique: Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

i) Reminder to Investors: Reminders for unpaid dividend/unpaid interest on debentures are sent to the Shareholders/ Debenture holders as per records at appropriate intervals.

12. GENERAL SHAREHOLDERS INFORMATION:

12.1 Annual General Meeting

Date and Time	:	29.06.2010 at 11.00 a.m.
Venue	:	Birla Matushree Sabhagar, New Marine Lines, Mumbai-400 020
Dates of Book Closure	:	16.06.2010 to 18.06.2010 (both days inclusive)
Dividend Payment Date	:	Before 29th July, 2010

12.2 Financial Calendar 2010-11:

First quarterly results	:	July, 2010
Second quarterly results	:	October, 2010
Third quarterly results	:	January, 2011
Annual results for the year ending on 31.03.2011	:	April/May, 2011
Annual General Meeting for the Year 2011	:	June/July, 2011

12.3 Listing on Stock Exchanges:

The Company's Equity Shares & 10% Cumulative Redeemable Preference Shares are listed on the following Stock Exchanges in India:

Bombay Stock Exchange Limited (BSE)	National Stock Exchange of India Limited (NSE)
Phiroze Jeejeebhoy Towers	Exchange Plaza
Dalal Street	Bandra-Kurla Complex
Mumbai 400 001	Bandra East, Mumbai 400 051

The following Redeemable Secured Non-Convertible Debentures of the Company are listed on the BSE:

Sl. No.	Coupon Rate	Face Value
1.	10.20% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
2.	10.20% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
3.	10.10% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
4.	10.10% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
5.	10.25% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
6.	10.60% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each
7.	10.60% Secured Redeemable Non Convertible Debentures	Rs. 10 Lakhs each

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2009-10 and 2010-11.

The Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068804.

The Annual Listing fee as applicable for the Calendar Year 2010 has also been paid by the Company to the SGX.

Stock Code:

Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Limited (NSE)			Singapore Exchange Securities Trading Limited (SGX-ST)
Equity	Preference	Debentures	Equity	Preference	Debentures	FCCB
500228	700085	934657 946540 945893 946364 946501 945781 946594	JSWSTEEL	JSWSTEEL	N.A	3IJB

ISIN No. for Dematerialisation of listed Shares/Debentures/FCCBs:

Equity	:	INE019A01020
Preference	:	INE019A04016
Debentures	:	INE548G07014 – 10.20% NCDs of Rs. 10 Lakhs each
		INE710B07011 – 10.20% NCDs of Rs. 10 Lakhs each
		INE019A07175 – 10.10% NCDs of Rs. 10 Lakhs each
		INE019A07191 – 10.10% NCDs of Rs. 10 Lakhs each
		INE019A07126 – 10.25% NCDs of Rs. 10 Lakhs each
		INE019A07167 – 10.60% NCDs of Rs. 10 Lakhs each
		INE019A07183 – 10.60% NCDs of Rs. 10 Lakhs each
FCCBs	:	XSO302937031

Debenture Trustees:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17th R.Kamani Marg,
Ballard Estate, Mumbai - 400 001

AXIS Bank Limited
Regd Office :- Sakar 1, Ground Floor,
Off Ashram Road, Ahmedabad 380 009
Central Office :- 13th floor, Maker Tower 'F',
Cuffe Parade, Colaba, Mumbai – 400 005

FCCB Trustees:

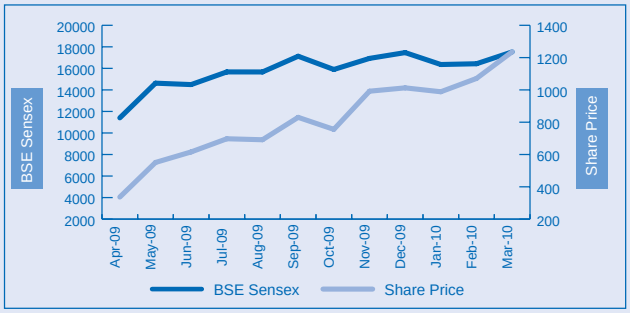
CITI BANK N.A
London Branch, 14th Floor, Citigroup Centre, Canada Square,
Canary Wharf, London - E14 5LB

12.4 Market Price Data

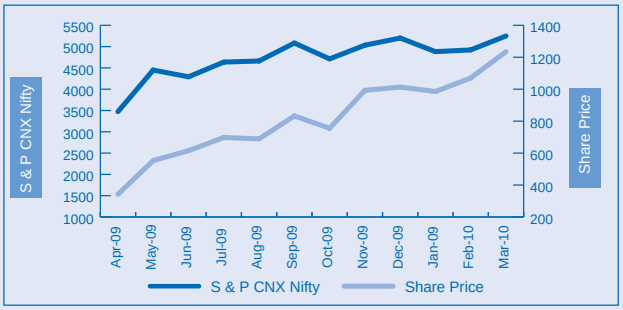
The monthly high/low market price of the shares and the quantities traded during the year 2009-10 at the Bombay and National Stock Exchanges are as under:

Month	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd		
	High (in Rs. per share)	Low (in Rs. per share)	No. of shares traded	High (in Rs. per share)	Low (in Rs. per share)	No. of shares traded
April' 2009	387.70	232.50	23027867	387.70	232.05	73505518
May' 2009	596.00	345.80	26626254	596.00	346.20	94854834
June' 2009	720.00	494.00	21228786	722.20	480.35	80761606
July' 2009	713.90	475.05	19022615	713.95	475.10	77489895
Aug' 2009	762.15	648.00	12677359	762.55	648.05	49914670
Sept' 2009	852.00	654.55	8649572	851.00	653.00	32189059
Oct' 2009	935.00	710.00	9789650	935.90	707.75	36495588
Nov' 2009	1039.80	652.00	21416277	1040.00	652.65	74529384
Dec' 2009	1051.00	935.10	10204674	1051.70	936.05	40812523
Jan' 2010	1205.95	932.00	7731775	1206.10	967.90	32092969
Feb' 2010	1109.00	937.50	8630025	1085.35	960.50	35031982
Mar' 2010	1284.80	1113.40	6292438	1284.35	1112.75	33282887

12.5 Performance of Share Price in comparison to BSE Sensex:



12.6 Performance of Share Price in comparison to S & P CNX Nifty:



12.7 Percentage change in comparison to Broad Based indices – BSE Sensex and Nifty as on March 31, 2010

Financial Year	JSW Share Price (%)	Sensex (%)	JSW Share Price (%)	Nifty (%)
2009-10	533	181	530	174
2008-09	-71.17	-38.44	-71.57	-36.13
2007-08	65.99	18.21	66.18	23.88
2006-07	63.01	13.22	62.78	12.31
2005-06	-16.04	42.33	-16.45	67.14

12.8 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Ph: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

12.9 Share Transfer System:

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/Debenture Transfer Committee. The decisions of Share/Debenture Transfer Committee are placed at the Next Board Meeting. The Company obtains from a Company Secretary in Practice a half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

12.10 Distribution of Shareholding:

The distribution of shareholding by size as on 31.03.2010 is given below:

Sl. No.	No. of Equity Shares	No. of Share holders	% of Shareholders	No.of Shares held	% of Shareholding
1	1-500	537205	99.37	11618104	6.21
2	501-1000	1801	0.33	1282208	0.69
3	1001-2000	711	0.13	1003655	0.54
4	2001-3000	218	0.04	535218	0.29
5	3001-4000	94	0.02	331173	0.18
6	4001-5000	61	0.01	281751	0.15
7	5001-10000	145	0.03	1013636	0.54
8	10001-20000	79	0.01	1148254	0.61
9	20001 and above	292	0.05	169834683	90.80
	Total:	**540606**	**100.00**	**187048682**	**100.00**

12.11 Shareholding Pattern:

	As on 31.03.2010			As on 31.03.2009		
Category	**No. of Holders**	**No. of Shares**	**% of holding**	**No. of Holders**	**No. of Shares**	**% of holding**
Promoters	112	84175673	45.00	114	84201127	45.02
NRI	11630	3101605	1.66	12189	3411873	1.82
FII	319	59591549	31.86	167	54301834	29.03
OCB	7	40712	0.02	7	40712	0.02
FBC	2	8218685	4.39	2	8218685	4.39
IFI	5	5818696	3.11	7	5983996	3.20
IMF	71	1701778	0.91	61	2674784	1.43
Banks	24	2032832	1.09	32	2815575	1.51
Employees	2239	62706	0.03	2451	83923	0.04
Bodies Corporate	2683	7572699	4.05	3072	7147535	3.82
Public	521338	13642278	7.29	567161	16973109	9.07
Trust	11	833140	0.45	11	832501	0.45
HUF	2164	255133	0.14	2729	361827	0.19
Transit A/C	1	1196	0.00	1	1201	0.00
Total	**540606**	**187048682**	**100**	**588004**	**187048682**	**100**

12.12 Top 10 Shareholders as on 31.03.2010:

Sl. No	Name of The Shareholder(S)	No. of Shares	% of Total Shareholding
1	Jindal South West Holdings Limited	17284923	9.24
2	JSW Energy Investments Private Limited	13764364	7.36
3	JSW Investments Private Limited	7858165	4.20
4	Janus Contrarian Fund	7064947	3.78
5	JSW Power Trading Company Limited	7003835	3.74
6	Duferco Coke Investments Ltd	5035241	2.69
7	Nalwa Sons Investments Ltd	4548537	2.43
8	Mavi Investment Fund Limited	4417000	2.36
9	High Fields Capital Management Lp A/C Hc Mauritius Ltd.	4199356	2.25
10	Life Insurance Corporation of India	4175363	2.23

12.13 Geographical Distribution of Shareholders as on 31.03.2010:

		Electronic			Physical			Total		
Sl. No.	**Name of the City**	**No. of shareholders**	**No. of Shares**	**% of total shareholding**	**No. of Shareholders**	**No. of Shares**	**% of total Shareholding**	**No. of Shareholders**	**No. of Shares**	**% of total Shareholding**
1	Mumbai	35218	138228289	73.90	32526	921288	0.49	67744	139149577	74.39
2	New Delhi	17244	14329136	7.66	30439	416485	0.22	47683	14745621	7.88
3	Ahmedabad	9966	411767	0.22	11775	143806	0.08	21741	555573	0.30
4	Kolkata	8915	824189	0.44	9826	153757	0.08	18741	977946	0.52
5	Bangalore	7921	1406442	0.75	9083	575705	0.31	17004	1982147	1.06
6	Chennai	6607	2269824	1.21	7592	124219	0.07	14199	2394043	1.28
7	Pune	4234	190902	0.10	3645	58203	0.03	7879	249105	0.13
8	Hyderabad	4149	253622	0.14	5302	79150	0.04	9451	332772	0.18
9	Vadodara	4986	152221	0.08	6142	54592	0.03	11128	206813	0.11
10	Others	113524	23381883	12.50	211512	3073202	1.64	325036	26455085	14.14
	Total	**212764**	**181448275**	**97.01**	**327842**	**5600407**	**2.99**	**540606**	**187048682**	**100.00**

12.14 Corporate Benefits to Shareholders:

a) Dividend declared for the last five years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2008-09	06.07.2009	10
2007-08	16.06.2008	140
2006-07	13.03.2007	125 (Interim cum Final Dividend)
2005-06	25.07.2006	80
2004-05	10.02.2005	30 (Interim Dividend)
	13.06.2005	80 (Final Dividend, including Interim Dividend)

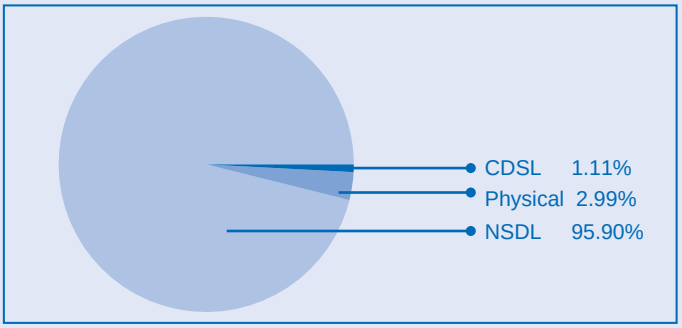
b) Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals.

The unpaid/unclaimed dividends upto the financial year ended 31.03.1995 had been transferred to the General Revenue Account of the Central Government. The Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies- Mumbai. Apart from the above, the Company has transferred the unpaid dividends upto 31.03.2002 to the IEPF. The Members of the Company who have not yet encashed their dividend warrant(s) for the F.Y. 2002-03 and thereafter may write to the Company's R&T Agents immediately.

12 .15 Dematerialisation of Shares and Liquidity:

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 18,14,48,275 Equity Shares aggregating to 97.01% of the total Equity Capital is held in dematerialised form as on 31.03 2010 of which 95.90% (17,93,75,492 Equity Shares) of total Equity Capital is held in NSDL & 1.11% (20,72,783 Equity Shares) of total Equity Capital is held in CDSL as on 31.03. 2010.



12.16 Physical Share Purchase Scheme:

Having regard to the difficulties experienced by the shareholders in disposing off their shares held in physical form and to mitigate the hardship caused to them, the Company has, along with Karvy Computershare Private Limited (Karvy), formulated a Physical Share Purchase Scheme in 2005-06.

The equity shares in physical mode tendered by the shareholders under the scheme are sold by Karvy at the prevailing market price and the net sale proceeds thereof are distributed to the concerned shareholders. The shareholders who wish to avail benefit of the scheme may kindly contact Karvy.

12.17 National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS):

As per the directive from Securities and Exchange Board of India (SEBI), all Companies used to use Electronic Clearing Service (ECS) facility, introduced by Reserve Bank of India (RBI), for distributing dividends and other cash benefits to investors, wherever available. In this system, the investor's bank account is directly credited with the dividend amount based on the information provided by the Company, under advice to the investor.

As per RBI notification, with effect from 1st October, 2009, the remittance of the money through centralised ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

The Company will remit the dividend payment through Local ECS and through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS/ECS facility, may send their NECS/ECS mandate in the format available for download on the Company's website (www.jsw.in), to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may furnish their Bank Account Number allotted to them by their bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, alongwith the ECS mandate to their Depositary Participant (DP), at the earliest.

12.18 Outstanding GDRs/ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:

The Company had issued 3,250 Foreign Currency Convertible Bonds (FCCBs), of US$1,00,000 each during the financial year 2007-08. As per the option attached to the FCCBs, each Bond is convertible into Equity Shares of face value of Rs. 10/- each of the Company at a conversion price of Rs. 953.40 per share, at any time on or after 07.08.2007 until the close of business on 21.03.2012, unless previously redeemed, converted or purchased and cancelled and except during a closed period.

In the Financial Year 2007-08, one of the Bond Holders i.e. Deutsche Bank AG London, had opted for the conversion of 8 Bonds into Equity Shares on 31.12.2007 and accordingly the Company had issued 33,799 Equity Shares of face value of Rs. 10/- each of the Company to Deutsche Bank AG London.

The Board of Directors at its meeting held on 28.01.2009, resolved to explore opportunities to buy back a portion of the Company's outstanding Foreign Currency Convertible Bonds (FCCBs). In the Financial year 2008-09, 14.74% of the Company's outstanding Zero Coupon Foreign Currency Convertible Bonds of US $ 1,00,000 each due on 2012 (ISIN XS0302937031), aggregating to US $ 47.80 million were repurchased in accordance with the A.P. (DIR Series) Circular No. 39 dated 08.12.2008 issued by the Reserve Bank of India and subsequently cancelled.

The principal amount of FCCBs outstanding as at 31.03.2010 after this repurchase and cancellation is US $ 274.40 Million.

12.19 Sale Proceeds of Fractional Entitlement of Equity Shares pursuant to the Scheme of Amalgamation of Southern Iron & Steel Company Limited with JSW Steel Limited and their respective members and creditors:

In terms of the Scheme of Amalgamation of Southern Iron & Steel Company Limited with JSW Steel Limited, 31,694 Fractional Shares consolidated, were sold on 30th & 31st July, 2009, at an average price of Rs.701.14. The proceeds including dividend thereon for 2007-08 & 2008-09 (Rs.14 + Re.1 per Eq. Share) aggregating to Rs.2,26,80,831.73 have been disbursed to 67,887 eligible Shareholders on 20.08.2009 vide ECS, NECS & Physical Warrants after deduction of Expenses (Rs.5,615) and TDS (Rs.17,752).

12.20 Registered Office:

Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

12.21 Plant Locations:

Vijayanagar	:	P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Bellary District, Karnataka 583 275
Vasind	:	Shahapur Taluk, Thane District, Maharashtra 421 604.
Tarapur	:	MIDC Boisar, Thane District, Maharashtra 401506
Salem	:	Pottaneri, M. Kalipatti Village, Mecheri Post, Mettur Taluk, Salem District, Tamil Nadu 636453.

12.22 Address for Investor Correspondence:

I. Retail Investors

a) For Securities held in Physical form
Registrar & Share Transfer Agents
Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500 081
Tel.: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

b) For Securities held in Demat form
The investors' Depository Participant (s) and/or Karvy Computershare Private Limited

c) JSW Steel Limited - Investor Relation Center
Victoria House, Pandurang Budhkar Marg,
Lower Parel (W), Mumbai 400 013
Tel.: 022-24917930/31/94 Fax: 022-24917933
E-mail: jswsl.investor@jsw.in

II. Institutional Investors

Mr. Rajesh Asher
Sr. Vice President (Finance & Investor Relations)
Jindal Mansion
5A, Dr. G. Deshmukh Marg,
Mumbai 400 026
Tel.: 022-23513000
Fax: 022-23526400

III. Designated exclusive e-mail id for Investor servicing:
jswsl.investor@jsw.in

IV. Toll Free Number of R & T Agent's exclusive call centre:
1-800-3454001

V. Web-based Query Redressal System
A new facility has been extended by the Registrar and Share Transfer Agents for redressal of Shareholders' queries. The Shareholder can visit http://karisma.karvy.com and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES' option provided on the website, which would give the grievance registration number. For accessing the status/response to their query, the same number can be used at the option "VIEW REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

13. CORPORATE ETHICS

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively:

a) Code of Conduct for Board Members and Senior Management

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 20.10.2005. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

Minor modifications were made to the Code of Conduct and the amended Code of Conduct was adopted by the Board in its meeting held on 24.10.2008.

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.jsw.in.

Declaration affirming compliance of Code of Conduct

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Joint Managing Director and Group CFO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

b) Secretarial Audit Report

Secretarial Audit Report in terms of SEBI Directive No. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

c) Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the "JSWSL Code of Conduct for Prevention of Insider Trading" in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on 07.05.2009.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

d) Internal Checks and Balances:

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and company policies.

e) Legal Compliance of the Company's Subsidiaries:

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non-compliance with the applicable statutory requirements by the Company and its Subsidiaries.

f) Human Rights Policy:

Human rights are the Standards of Treatment to which all people are entitled. On 10th December, 1948 the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights (UDHR) which is the most widely recognised definition of Human Rights. The Declaration represents a contract between governments and their people, who have a right to demand that this document be respected. The Declaration continues to affirm the inherent human dignity and worth of every person in the world, without distinction of any kind.

Although human rights are principally the responsibility of national governments, this has become an increasingly important issue for business.

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.01.2010 has approved a formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute.

Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31.03. 2010.

For **JSW Steel Limited**

Place: Mumbai
Date: 3 May 2010

Seshagiri Rao M.V.S
Jt. Managing Director & Group CFO

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of the conditions of Corporate Governance by JSW Steel Limited for the year ended 31.03. 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. PARDIWALLA
Partner
Membership No. 40005

Place: Mumbai
Date: 3 May 2010

Auditor's Report to the Members of JSW Steel Limited

1. We have audited the attached Balance Sheet of JSW Steel Limited ("the Company") as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.
2. 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 the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (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;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31 March, 2010 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date : 3 May 2010

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/activity, clauses (i-c), (iii), (vi), (x), (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable to the Company.
2. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. In respect of its inventories:
   a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations have been received.
   b) As the Company's inventory of raw materials mostly comprises bulk materials such as coal, coke, pellets etc. requiring technical expertise for establishing the quality and the quantification thereof, the Company has hired independent agencies for physical verification of such stocks. Relying on the above, according to the information and explanations furnished 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 has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased/ sold are of special nature and suitable alternate sources for obtaining comparable quotations are not readily available, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any major weaknesses in such internal controls.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:
   a) The particulars of the contracts or arrangements referred to in Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
   b) Where each of such transaction is in excess of Rs. 5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
7. We have broadly reviewed the books of account and records 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 steel, steel products and electricity and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

8. According to the information and explanations given to us in respect of its statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income Tax, Wealth-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty, Cess, Investor Education and Protection Fund and any other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

   c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March 2010 on account of disputes are given below:

Rupees in crores

Name of Statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	9.52	2002-2003, 2005-2006	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	13.52	2004-2005	Income Tax Appellate Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax	0.35	2000-2002	The Joint Commissioner of Sales Tax (Appeals), Thane
Chapter V of the Finance Act, 1994	Service Tax	5.29	2005-2008	Customs, Excise and Service Tax Appellate Tribunal
Chapter V of the Finance Act, 1994	Service Tax	7.82	2007-2008	The Commissioner of Central Excise, Belgaum
The Custom Act,1962	Custom Duty	2.14	2004-2005	Supreme Court of India
The Custom Act, 1962	Custom Duty	49.30	2001-2002, 2004-2005	High Court of Karnataka
The Custom Act, 1962	Custom Duty	11.03	2001-2002	Customs, Excise and Service Tax Appellate Tribunal
The Custom Act, 1962	Custom Duty	38.72	2004-2005	Deputy Commissioner of Custom, Bangalore
The Central Excise Act, 1944	Excise Duty	40.79	2000-2008	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	40.31	2005-2009	Supreme Court of India
The Central Excise Act, 1944	Excise Duty	0.01	2005-2006	High Court of Maharashtra
The Central Excise Act, 1944	Excise Duty	0.31	2007-2008	The Commissioner of Central Excise (Appeals), Mumbai
The Central Excise Act, 1944	Excise Duty	35.84	2003-2008	The Commissioner of Central Excise, Belgaum
The Central Excise Act, 1944	Excise Duty	0.19	2004-2005	The Commissioner of Central Excise, Thane

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to Financial Institutions, Banks and Debentureholders.

10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by subsidiaries (including step down subsidiaries) and others from banks are prima facie not prejudicial to the interests of the Company.

11. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

12. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term investment.

13. According to the information and explanations given to us and the records examined by us, securities/charges have been created in respect of the debentures issued.

14. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 3 May 2010

Balance Sheet as at 31st March 2010

Rupees in crores

	Schedule No.	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	**527.11**	537.01
Reserves and Surplus	2	**9,179.23**	7,422.24
		9,706.34	7,959.25
Loan Funds:			
Secured Loans	3	**8,987.51**	8,214.61
Unsecured Loans	4	**2,597.59**	3,058.02
		11,585.10	11,272.63
Deferred Tax Liability (refer Note B (13(b)) of Schedule 18)		**1,964.95**	1,421.16
Total:		**23,256.39**	20,653.04
APPLICATION OF FUNDS			
Fixed Assets:	5		
Gross Block		**21,795.58**	16,896.75
Less: Depreciation		**4,929.44**	3,810.31
Net Block		**16,866.14**	13,086.44
Capital Work-in-Progress		**6,684.27**	9,242.06
		23,550.41	22,328.50
Investments	6	**1,768.35**	1,250.11
Current Assets, Loans and Advances:			
Inventories	7	**2,585.77**	2,051.42
Sundry Debtors	8	**563.25**	398.14
Cash and Bank Balances	9	**287.11**	419.96
Loans and Advances	10	**2,123.39**	1,744.88
Other Current Assets		**–**	17.24
		5,559.52	4,631.64
Less: Current Liabilities and Provisions:			
Liabilities	11	**7,357.67**	7,476.28
Provisions	12	**264.22**	80.93
		7,621.89	7,557.21
Net Current Assets/(Liabilities)		**(2,062.37)**	(2,925.57)
Total:		**23,256.39**	20,653.04
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

Profit and Loss Account for the year ended 31st March 2010

Rupees in crores

	Schedule No.	Year ended 31.03.2010	Year ended 31.03.2009
INCOME:			
Domestic Turnover		**16,460.61**	10,680.50
Export Turnover		**2,935.82**	4,450.21
Sale of Carbon Credits		**60.21**	48.58
		19,456.64	15,179.29
Less: Excise Duty		**1,254.16**	1,178.04
Net Turnover		**18,202.48**	14,001.25
Other Income	13	**532.84**	259.56
Total Income		**18,735.32**	14,260.81
EXPENDITURE:			
Materials	14	**10,460.68**	8,450.10
Employees Remuneration and Benefits	15	**365.20**	288.75
Manufacturing and Other Expenses	16	**3,103.70**	2,429.29
Interest and Finance Charges (Net)	17	**862.68**	797.25
Depreciation		**1,123.41**	827.66
		15,915.67	12,793.05
Profit before Taxation and Exceptional Items		**2,819.65**	1,467.76
Exceptional Items			
Exchange Loss (refer Note B(3) of Schedule 18)		**–**	790.13
Profit before Taxation		**2,819.65**	677.63
Provision for Taxation (refer Note B(13(a)) of Schedule 18) (including wealth tax)		**796.91**	219.13
Profit after Taxation		**2,022.74**	458.50
Profit brought forward from earlier years		**3,883.15**	3,505.86
Amount available for Appropriation		**5,905.89**	3,964.36
Appropriations:			
Transfer (to)/from Debenture Redemption Reserve		**(125.00)**	20.45
Transfer to Capital Redemption reserve		**(9.90)**	–
Dividend on Preference Shares		**(28.92)**	(28.99)
Proposed Final Dividend on Equity Shares		**(177.70)**	(18.71)
Corporate Dividend Tax		**(34.31)**	(8.11)
Transfer to General Reserve		**(202.28)**	(45.85)
Balance carried to Balance Sheet		**5,327.78**	3,883.15
Earnings per share (Equity shares, par value of Rs.10 each) (in Rs.)			
Basic		**106.34**	22.70
Diluted		**105.94**	22.70
(refer Note B(12) of Schedule 18)			
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

Cash Flow Statement for the year ended 31st March 2010

Rupees in crores

		Year ended 31.03.2010		Year ended 31.03.2009	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**2,819.65**		677.63
	Adjustments for:				
	Depreciation	**1,123.41**		827.66	
	Loss on sale of Fixed Assets	**0.66**		8.92	
	Profit on sale of long-term investments	**–**		–	
	Interest Income	**(37.58)**		(39.57)	
	Dividend Income	**(4.39)**		(5.09)	
	Interest Expenses	**694.22**		567.86	
	Unrealised exchange (gain)/loss (net)	**(84.99)**		297.80	
	Amortisation of Employees Share Payments	**4.02**		4.65	
			1,695.35		1,662.23
	Operating profit before working capital changes		**4,515.00**		2,339.86
	Adjustments for:				
	Increase in Inventories	**(534.35)**		(502.26)	
	Increase in Sundry Debtors and Loans and Advances	**(301.13)**		(673.44)	
	Increase in Current Liabilities and Provisions	**100.18**		3,246.27	
			(735.30)		2,070.57
	Cash flow before taxation		**3,779.70**		4,410.43
	Direct Taxes Paid		**(481.94)**		(234.87)
	NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**3,297.76**		4,175.56
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets and capital advances		**(2,677.20)**		(5,583.45)
	Investment in Subsidiaries, Associates and Joint Ventures		**(313.50)**		(414.44)
	Purchase of other Long Term Investments		**–**		(125.14)
	Purchase of Short Term Investments		**(207.49)**		–
	Proceeds from sale of Short Term Investments		**2.75**		213.00
	Proceeds from sale of Fixed Assets		**7.01**		29.75
	Realisation of Other Current Assets		**17.24**		2.57
	Interest received		**19.02**		37.76
	Dividend received		**4.39**		5.09
	NET CASH FLOW USED IN INVESTING ACTIVITIES		**(3,147.78)**		(5,834.86)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Preference Share Capital		**(9.90)**		–
	Proceeds from Long Term Borrowings		**1,874.30**		3,114.75
	Repayment of Long Term Borrowings		**(988.27)**		(1,116.85)
	Short-term Borrowings		**(138.75)**		890.32
	Interest Paid		**(942.16)**		(818.76)
	Dividend Paid		**(57.00)**		(340.37)
	NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(261.78)**		1,729.09
	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)		**(111.80)**		69.79
	CASH AND CASH EQUIVALENTS – OPENING BALANCE		**376.61**		306.82
	CASH AND CASH EQUIVALENTS – CLOSING BALANCE		**264.81**		376.61
	Add: Margin Money balance		**4.71**		25.03
	Add: Balance in debenture interest/ installments/ dividend payment accounts		**17.59**		18.32
	CASH AND BANK BALANCE (As per Schedule 9)		**287.11**		419.96

NOTE:

Cash and cash equivalents include effect of exchange rate changes Rs. 0.13 crores (Previous year Rs. 0.35 crores) in respect of Bank balance held in foreign currency.

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

—— Schedules forming part of the Balance Sheet as at 31st March 2010 ——

Rupees in crores

		As at 31.03.2010	As at 31.03.2009
SCHEDULE 1			
SHARE CAPITAL			
Authorised :			
2,00,00,00,000	Equity Shares of Rs.10 each	**2,000.00**	2,000.00
1,00,00,00,000	Preference Shares of Rs.10 each	**1,000.00**	1,000.00
		3,000.00	3,000.00
Issued and Subscribed:			
18,70,48,682 (18,70,48,682)	Equity Shares of Rs.10 each fully paid-up	**187.05**	187.05
	Add: Equity Shares Forfeited (Amount originally paid-up)	**61.03**	61.03
27,90,34,907 (27,90,34,907)	10% Cumulative Redeemable Preference Shares of Rs.10 each fully paid-up	**279.03**	279.03
Nil (99,00,000)	11% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	**–**	9.90
Total:		**527.11**	537.01

Notes:

1. Of the above, 7,70,27,049 Equity Shares are alloted as fully paid-up pursuant to Schemes of Arrangement and /or Amalgamation without payment being received in cash as follows:
   a) 4,39,98,500 Equity Shares to the shareholders of erstwhile Jindal Iron and Steel Company Limited.
   b) 65,57,070 Equity Shares to the shareholders of erstwhile Euro Ikon Iron and Steel Private Limited.
   c) 50,35,767 Equity Shares to the shareholders of erstwhile Euro Coke and Energy Private Limited.
   d) 64,00,000 Equity Shares to the shareholders of erstwhile JSW Power Limited.
   e) 1,50,35,712 Equity Shares to the shareholders of erstwhile Southern Iron and Steel Company Limited.
2. The 10% Cumulative Redeemable Preference Shares are redeemable at par in four equal quarterly instalments commencing from 15 December, 2017.

Rupees in crores

		As at 31.03.2010	As at 31.03.2009
SCHEDULE 2			
RESERVES AND SURPLUS:			
Securities Premium Account:			
As per last Balance Sheet		**424.51**	500.85
Add:	Reversal of premium on FCCB Buyback	**0.89**	7.07
		425.40	507.92
(Less)/Add:			
	FCCB issue expenses	**(0.05)**	0.15
	Provision for premium on redemption of FCCB	**(56.46)**	(83.56)
		368.89	424.51
Debenture Redemption Reserve:			
As per last Balance Sheet		**4.04**	24.49
Add/(Less):	Transfer from/(to) Profit and Loss Account	**125.00**	(20.45)
		129.04	4.04
Capital Redemption Reserve:			
Add:	Transfer from Profit and Loss Account on redemption of Preference Shares	**9.90**	–
		9.90	–
General Reserve:			
As per last Balance Sheet		**3,124.06**	3,105.95
Less:	Adjustment as per Transitional provisions of AS 11	**–**	(27.74)
Add:	Transfer from Profit and Loss Account	**202.28**	45.85
		3,326.34	3,124.06
Hedging Reserve Account:			
As per last Balance Sheet		**(21.26)**	–
Movement during the year		**26.78**	(21.26)
		5.52	(21.26)
Share Options Outstanding:			
Share Options Outstanding		**13.54**	14.48
Less:	Deferred Compensation	**(1.78)**	(6.74)
		11.76	7.74
Surplus in Profit and Loss Account		**5,327.78**	3,883.15
Total:		**9,179.23**	7,422.24

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 3		
SECURED LOANS		
Debentures		
8% Non Convertible Debentures of Rs. 10 lacs each	**250.00**	–
8.10% Non Convertible Debentures of Rs. 10 lacs each	**250.00**	–
10.10% Non Convertible Debentures of Rs. 10 lacs each	**1,000.00**	–
10.20% Non Convertible Debentures of Rs. 10 lacs each	**48.75**	56.55
10.20% Non Convertible Debentures of Rs. 10 lacs each	**39.78**	48.16
10.25% Non Convertible Debentures of Rs. 10 lacs each	**500.00**	500.00
10.60% Non Convertible Debentures of Rs. 10 lacs each	**350.00**	–
	2,438.53	604.71
From Banks		
Rupee Term Loans	**4,395.95**	4,712.71
Foreign Currency Term Loans	**1,999.26**	2,348.62
	6,395.21	7,061.33
From Financial Institutions		
Rupee Term Loans	**95.49**	117.12
	95.49	117.12
Working Capital Loans from Banks	**58.28**	431.45
Total:	**8,987.51**	8,214.61

Notes:

1. Terms of Redemption of Non Convertible Debentures (NCDs):

(i) The 8.00% Redeemable Secured NCDs of Rs.10,00,000 each aggregating to Rs. 250 crores are redeemable on 07.05.2010.

(ii) The 8.10% Redeemable Secured NCDs of Rs.10,00,000 each aggregating to Rs. 250 crores are redeemable on 19.05.2010.

(iii) The 10.10% Redeemable Secured NCDs of Rs.10,00,000 each are partly redeemable in 16 quarterly instalments of Rs. 31.25 crores each from 04.02.2014 to 04.11.2017 and partly redeemable in 16 quarterly instalments of Rs. 31.25 crores each from 15.06.2014 to 15.03.2018

(iv) The 10.20% Redeemable Secured NCDs of Rs. 10,00,000 each are redeemable in 25 quarterly instalments of Rs.1.95 crores each from 15.04.2010 to 15.04.2016.

(v) The 10.20% Redeemable Secured NCDs of Rs.10,00,000 each are redeemable in 19 quarterly instalments of Rs.2.09 crores each from 01.07.2010 to 01.01.2015.

(vi) The 10.25% Redeemable Secured NCDs of Rs.10,00,000 each are redeemable in 3 equal annual instalments of Rs.166.67 crores each from 17.02.2016 to 17.02.2018.

(vii) The 10.60% Redeemable Secured NCDs of Rs.10,00,000 each are partly redeemable in 8 half yearly instalments of Rs. 21.875 crores each from 02.01.2016 to 02.07.2019 and partly redeemable in 8 half yearly instalments of Rs. 21.875 crores each from 02.08.2016 t0 02.02.2020.

2. Details of Security:

(a) The 8% NCDs aggregating to Rs. 250 crores alongwith the 8.10% NCDs aggregating to Rs. 250 crores are secured by pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.

(b) The 10.10% NCDs aggregating to Rs. 1,000 crores are secured / to be secured by:

- pari passu first charge by way of legal mortgage on all immovable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.

(c) The 10.20% NCDs aggregating to Rs. 48.75 crores alongwith Rupee Term Loans from Banks aggregating to Rs. 93.75 crores are secured by:

- pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra.

- pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants at Toranagallu village in the State of Karnataka.

(d) The 10.20% NCDs aggregating to Rs. 39.78 crores are secured by:

- First charge on land situated in the State of Gujarat.

- Second charge on Fixed Assets situated at Salem Works in the State of Tamil Nadu.

(e) The 10.25% NCDs aggregating to Rs. 500 crores are secured by way of mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

(f) The 10.60% NCDs aggregating to Rs. 350 crores are secured / to be secured by:

- pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.

- pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Toranagallu village in the State of Karnataka.

(g) Certain Foreign Currency Loans aggregating to Rs. 4.35 crores are secured by way of Guarantee Assistance by a consortium of Banks/ Financial Institutions.

(h) The said Guarantee Assistance aggregating to Rs. 4.35 crores, Rupee Term Loans from Banks aggregating to Rs. 1,014.65 crores, Rupee Term Loan from financial Institution aggregating to Rs. 6.50 crores and Foreign Currency Term Loans from Banks aggregating to Rs. 296.31 crores are secured by:

- pari passu first charge by way of equitable mortgage in respect of immovable properties of Upstream Division situated at Vaddu, Kurekuppe and Toranagallu villages in the State of Karnataka and

- pari passu first charge by way of hypothecation of movable properties of Upstream Division both present and future excluding inventories and book debts.

(i) The Rupee Term Loans from banks aggregating to Rs. 516.61 crores, Foreign Currency Term Loans from banks aggregating to Rs. 225.38 crores and Rupee Term Loan from Financial Institution aggregating to Rs. 30.06 crores are secured by a first charge supported by an equitable/ registered Mortgage of movable and immovable properties and assets situated at Salem Works in the State of Tamil Nadu and a second pari passu charge on the current assets at Salem Works and Pledge of 438,955 equity shares of the Company held by promoters.

(j) Rupee Term Loan aggregating to Rs. 400 crores from banks is secured by:

- pari passu first charge by way of equitable mortgage on the entire fixed assets consisting of Land and Buildings as well as Plant and Machineries relating to 230MW Power Plant, Blast Furnance I and Coke Oven I at Toranagallu village, in the State of Karnataka.

- pari passu first charge on the immovable property of a third party situated at Mumbai, in the State of Maharashtra.

(k) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured/to be secured as under:

- Rupee Term Loans aggregating to Rs. 15.82 crores by first charge by way of equitable mortgage in respect of all movable and immovable properties of Coke Oven Plant II at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 290 crores and Foreign Currency Term Loans aggregating to Rs. 293.41 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 747.83 crores and Foreign Currency Term Loans aggregating to Rs. 365.33 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Toranagallu village, in the State of Karnataka.

- Foreign Currency Term Loans aggregating to Rs. 789.95 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating to Rs. 132.30 crores by first charge by mortgage of the Office Complex constructed or being constructed at village Kole Kalyan, Mumbai, in the State of Maharashtra.

- Rupee Term Loans aggregating to Rs. 1,185 crores by pari passu first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future, first charge/Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Toranagallu village in the State of Karnataka.

(l) Foreign Currency Term Loans from Bank aggregating to Rs. 24.53 crores are secured by way of equitable mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works, in the State of Maharashtra.

(m) Rupee Term Loan from Financial Institution aggregating to Rs. 58.93 crores are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

(n) Working capital loans aggregating to Rs. 58.28 crores by:

- pari passu first charge by way of hypothecation of Stocks of Raw Materials, Finished Goods, Work-in-Process, Consumable Stores and Spares and Book Debts/Receivables of the Company, both present and future.

- pari passu second charge on movable properties and immovable properties forming part of the Fixed/Blocked assets of the company, both present and future except such properties as may be specifically excluded.

(o) Certain Working capital loans are collaterally secured by:

- pledge of 1,10,00,000 equity shares of Jindal Coated Steel Ltd. and 1,20,75,000 equity shares of the Company held by promoters.

- pari passu second charge on the immovable property of a third party.

3. Out of the above, Rupee/Foreign Currency Term Loans from Banks aggregating to Rs. 40.35 crores along with interest there on are personally guaranteed by the Vice Chairman & Managing Director of the Company.

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 4		
UNSECURED LOANS		
2,744 (Previous year 2,764) Zero Coupon Foreign Currency Convertible Bonds (FCCB) of USD 1,00,000 each (see note below)	**1,238.64**	1,408.26
Long Term Advances		
From a Subsidiary	**–**	76.90
From a Customer	**628.89**	646.73
(Repayable within a year Rs. 69.36 crores (Previous year Rs. 94.74 crores))		
Short Term Loan from Banks	**510.00**	430.00
(Repayable within a year Rs. 510 crores (Previous year Rs. 430 crores))		
Short Term Export Packing Credit and Packing Credit in Foreign Currency	**18.13**	286.92
(Repayable within a year Rs. 18.13 crores (Previous year Rs. 286.92 crores))		
Foreign Currency Loans from Banks	**90.28**	101.90
(Repayable within a year Nil (Previous year Nil))		
Sales Tax Deferral	**111.65**	107.31
Total:	**2,597.59**	3,058.02

Note: The FCCB's are convertible into Equity Shares at the option of the bondholders at any time on or after 7 August, 2007 and prior to the close of business on 21 June, 2012 at an initial conversion of Rs. 953.40 per share at a fixed exchange conversion ratio of Rs. 40.28 = 1 US$.

SCHEDULE 5
FIXED ASSETS

Rupees in crores

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	For the year	Deductions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangibles										
Freehold Land	153.34	15.31	3.69	**164.96**	18.48	–	–	**18.48**	**146.48**	134.86
Leasehold Land	80.89	0.26	–	**81.15**	0.30	0.13	–	**0.43**	**80.72**	80.59
Buildings	2,034.41	1,141.16	–	**3,175.57**	362.73	94.77	–	**457.50**	**2,718.07**	1,671.68
Plant and Machinery@	14,380.63	3,735.13	3.66	**18,112.10**	3,374.24	1,008.41	2.80	**4,379.85**	**13,732.25**	11,006.39
Furniture and Fixtures	67.29	4.56	0.55	**71.30**	24.77	4.87	0.09	**29.55**	**41.75**	42.52
Vehicles and Aircrafts	160.32	2.98	4.05	**159.25**	17.71	10.78	1.39	**27.10**	**132.15**	142.61
Intangibles										
Software	19.87	11.38	–	**31.25**	12.08	4.45	–	**16.53**	**14.72**	7.79
Total	**16,896.75**	**4,910.78**	**11.95**	**21,795.58**	**3,810.31**	**1,123.41**	**4.28**	**4,929.44**	**16,866.14**	**13,086.44**
Previous year	13,952.32	3,039.31	94.88	16,896.75	2,996.83	827.66	14.18	3,810.31	13,086.44	
@ Includes proportionate share of assets jointly owned										
Plant & Machinery	32.71	–	–	**32.71**	15.67	1.73	–	**17.40**	**15.31**	17.04
Capital Work in Progress (including capital advances)									**6,684.27**	9,242.06

Notes:

1. 'Buildings' include:
   (a) Roads not owned by the Company amortised over a period of five years. Gross Block Rs. 3.13 crores (previous year Rs. 3.13 crores) Net block nil (previous year Rs. 0.28 crores).
   (b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIIDC.
   Gross Block Rs. 4.78 crores (previous year Rs. 3.08 crores); net block Rs. 4.27 crores (previous year Rs. 2.61 crores).
   (c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year, Gross block Rs.24.07 crores, Net block Rs.22.28 crores (previous year Gross block Rs. 24.07 crores, Net block Rs. 22.81 crores).
2. Fixed assets include Borrowing costs of Rs. 259.32 crores (previous year 246.69 crores) capitalised during the year.
3. Freehold Land and Buildings of Rs. 145.66 crores (previous year 114.46 crores) has been/agreed to be hypothecated/mortgaged to lenders of group companies.
4. Fixed assets include exchange fluctuations Rs. 332.90 crores (previous year Rs. 268.58 crores) capitalised during the year.

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 6		
INVESTMENTS		
1. LONG TERM		
a) Government Securities (Unquoted)		
National Savings Certificates	**0.01**	0.01
(Pledged with Commercial Tax Department)		
b) Shares		
Trade-Quoted		
JSW Energy Limited (a Company under the same management) (refer note 1)		
77,980,500 (Previous year 31,192,200) Equity Shares of Rs. 10 each fully paid-up	**120.90**	120.90
(unquoted as at 31 March, 2009)		
Trade- Unquoted		
Jindal Praxair Oxygen Company Private Limited (JPOCPL)		
39,520,000 Equity Shares of Rs. 10 each fully paid-up	**39.52**	39.52
(Pledged as security in favour of Financial Institutions for loans granted to JPOCL)		
4,160,000, 10% Preference Shares of Rs. 10 each fully paid-up (Tranche 1)	**4.16**	4.16
4,200,000, 10% Preference Shares of Rs. 10 each fully paid up (Tranche 2)	**4.20**	4.20
32,310,000, 0.1% Preference Shares of Rs. 10 each fully paid up	**32.31**	32.31
Vijayanagar Minerals Private Limited		
4,000 Equity Shares of Rs. 10 each fully paid-up	**–**	–
(Rs. 40,000; Previous year Rs. 40,000)		
Rohne Coal Company Private Limited		
490,000 Equity shares of Rs.10 each, fully paid-up	**0.49**	0.49
12,659,104 (Previous year 10,558,530), 1% Preference Shares of Rs. 10 each fully paid-up	**12.66**	10.56
MJSJ Coal Limited		
4,411,000 (Previous year 11,000), Equity shares of Rs.10 each, fully paid up	**4.41**	0.01
JSW Severfield Structures Limited		
18,660,767 (Previous year Nil), Equity Shares of Rs.10 each, fully paid up	**18.66**	–
Toshiba JSW Turbine and Generator Private Limited		
4,500,000 (Previous year Nil), Equity Shares of Rs.10 each, fully paid up	**4.50**	–
JSW Realty & Infrastructure Private Limited (Tranche 1)		
5,750,000 10% Preference Shares of Rs.100 each, fully paid up	**57.50**	57.50
JSW Realty & Infrastructure Private Limited (Tranche 2)		
7,000,000 10% Preference Shares of Rs.100 each, fully paid up	**70.00**	70.00
Other than Trade (Unquoted):		
Subsidiaries		
JSW Steel Processing Centres Limited		
50,000,000 Equity Shares of Rs. 10 each fully paid up	**50.00**	50.00
JSW Bengal Steel Limited		
123,906,000 (Previous Year 95,116,000) Equity Shares of Rs 10 each fully paid-up	**123.91**	95.12
JSW Jharkhand Steel Limited		
16,136,110 (Previous Year 13,590,080) Equity Shares of Rs. 10 each fully paid-up	**16.14**	13.59
JSW Building Systems Limited		
2,810,000 Equity Shares of Rs. 10 each fully paid up	**2.81**	2.81
JSW Natural Resources Limited		
1,365,500 (Previous Year 1,334,000) Equity Shares of USD 10 each fully paid-up	**62.59**	61.04
JSW Steel (Netherlands) B.V.		
151,200,933 (Previous year 114,354,760) Equity Shares of Euro 1 each fully paid-up	**930.26**	680.21
Inversiones Eurosh Limitada		
5% Equity Interest (Previous year Nil) in the capital of the Firm	**0.01**	–
JSW Steel Holding (USA) Inc.		
1 (Previous Year Nil) Equity Share of USD 0.01 each fully paid up	**0.89**	–
Others		
SICOM Limited		
600,000 Equity Shares of Rs. 10 each fully paid up	**4.88**	4.88
Steelscape Consultancy Private Limited		
50,000 Equity Shares of Rs. 10 each fully paid up	**0.05**	0.05
(1)	**1,560.86**	1,247.36
2 CURRENT		
Mutual Fund		
Sundaram BNP Paribas Money fund		
Nil (Previous year 17,33,716.898) units of Rs. 10 each	**–**	1.75
Tata Liquid Fund - SHIP		
Nil (Previous year 8974.039) units of Rs. 1,000 each	**–**	1.00
Baroda Pioneer Treasury Advantage Fund - Institutional Growth Plan		

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
9,640,505.548 (Previous year Nil) units of Rs. 10 each	10.00	–
Birla Sunlife Saving Fund - Institutional Growth		
4,112,888.193 (Previous year Nil) units of Rs. 10 each	7.21	–
Birla Sunlife Floating Rate Fund Long Term Institutional - Growth		
13,909,575.052 (Previous year Nil) units of Rs. 10 each	15.05	–
Birla Sunlife Medium Term Plan Growth		
14,731,781.783 (Previous year Nil) units of Rs. 10 each	15.12	–
Birla Sunlife Short Opportunity Fund-Institutional 'Growth		
14,412,183.979 (Previous year Nil) units of Rs. 10 each	15.08	–
HDFC Principle FR Fund FMP -Insti.-Option Growth Plan		
9,563,337.987 (Previous year Nil) units of Rs. 10 each	15.00	–
LICMF Liquid Fund Growth Plan		
8,895,161.625 (Previous year Nil) units of Rs. 10 each	15.00	–
LICMF Income Plus Fund Growth Plan		
12,138,409.848 (Previous year Nil) units of Rs. 10 each	15.00	–
LICMF Saving Plus Fund Growth Plan		
10,256,627.833 (Previous year Nil) units of Rs. 10 each	15.01	–
PRINCIPAL Floating Rate Fund - FMP-Growth		
10,291,665.809 (Previous year Nil) units of Rs. 10 each	15.00	–
ICICI Prudenial Liquid Super Institutional Plan		
583,883.985 (Previous year Nil) units of Rs. 10 each	10.00	–
Reliance Medium Term Fund- Retail Plan - Growth Plan-Growth Option		
7,863,259.071 (Previous year Nil) units of Rs. 10 each	15.00	–
Reliance Money Manager Fund - Institutional Option- Growth Plan		
119,625.156 (Previous year Nil) units of Rs. 10 each	15.01	–
SBI Magnum Insta Cash Fund -Cash Option		
7,339,772.761 (Previous year Nil) units of Rs. 10 each	15.00	–
SBI Premiur Liquid Fund Super Institutional - Growth		
10,370,575.221 (Previous year Nil) units of Rs. 10 each	15.01	–
(2)	207.49	2.75
Total (1) +(2)	1,768.35	1,250.11
SUMMARY		
Quoted		
Aggregate of book value	120.90	–
Aggregate of market value	872.21	–
Unquoted		
Aggregate of book value		
Mutual Funds	207.49	2.75
Others	1,439.96	1,247.36
Aggregate Repurchase Value		
Mutual Funds	207.49	2.75

Notes:

1. The shares are subject to lock-in as a part of the promotor's contribution till 25.12.2010.
2. Units of Mutual Fund purchased and sold during the year:

Name of the Scheme	No. of Units
Axis liquid Fund	210,016
Axis Treasury Advantage Fund	210,335
Baroda Pioneer Liquid Fund Ins Plan	82,963,496
Baroda Pioneer Treasury Advantage Fund Institutional Plan	68,067,454
Birla Sunlife Life Saving Fund - Institutional Plan	51,127,268
Birla Sunlife Cash Plus - Institutional Premium Plan	196,786,792
Birla Sunlife Cash Manager	14,996,828
Birla Sunlife Floating Rate Fund Ltp	14,998,913
Birla Sunlife Medium Term Plan	15,041,554
Birla Sunlife Short Opportunity Fund- Institutional Premium Plan	15,073,578
Canara Robeco Treasury Advantage Fund Super Institutional Plan	36,319,302
Canara Robeco Liquid Super Institutional Plan	64,742,047
DBS Chola Liquid Fund Ins Plus	11,865,256
DBS Chola Fi-Stf-Institutional Plan	11,882,067
DSP Black Rock Floating Rate Fund	299,984
DSP Black Rock Short Term Fund	14,725,027
DSP Black Rock Liquidity Fund-Institutional Plan	450,024
DWS Cash Opportunities Fund Ins Plan	15,237,592
DWS Insta Cash Plus Fund Super Institutional Plan	111,104,106
DWS Money Plus Fund - Institutional Plan Growth	29,870,968
DWS Treasury Fund Cash Institutional Plan	14,930,039
DWS Short Maturity Fund	6,957,913
DWS Ultra Short Term Fund Institutional Plan	7,072,761
DWS Ultra Short-Term Fund - Institutional Plan	23,003,164
Fedelity Cash Fund - Super Institutional Plan	31,875,918
Fidelity Ultra Short Term Debt Fund Super Institutional Plan	17,122,936
Fortis Money Plus Institutional Plan Fund	57,850,908
Fortis Overnight Fund Ins Prem Plan	57,484,592
HDFC Cash Management Fund -Treasury Advantage Plan-Wholesale	12,318,045
HDFC Cash Mgmt Fund - Treasury Advantage WP	19,989,547
HDFC Cash management Fund - Savings Plan	42,313,780
HDFC Cash Mgmt Fund - Savings Plan	28,211,927
HDFC-FRIF-STF-WP	33,072,025
HDFC HIF - S T P	11,643,750
HDFC Liquid Fund - Premium Plan	112,595,286
ICICI Prudential STInstitutional Plan	8,353,461
IDFC Cash Fund Plan C SUPER Institutional Plan	62,494,222
IDFC Money Manager - Treasury Plan - Plan C	16,043,840
IDFC Money Manager Fund Treasury Plan Super Institutional Plan Plan C	8,572,821
IDFC SSIF - Short Term - Plan C - Super Institutional Plan	5,991,691
JM High Liquidity- Super Institutional Plan	33,101,841
JM Money Manager - Super	30,234,294
JP Morgan india Liquid Fund	22,983,477
JP Morgan India Treasury fund super Institutional Plan	23,161,497
Kotak Flexi Debt fund Super Institutional Plan	34,132,412
Kotak Floater Fund	3,127,910
Kotak Floater Fund LT	43,456,254
Kotak Liquid Institutional Premium Plan	120,255,107
LIC Liquid Mutual Fund	263,491,019
LIC MF Floating Rate Fund	27,346,322
LIC MF Income Plus Fund	93,054,553
LIC Mutual Fund saving Plus fund	44,971,492
PrincInstitutional Planal Cash MGmt Fund Co - Institutional Premium Plan	75,003,607
PRINCInstitutional PlanAL Floating Rate Fund	30,076,343
Prud. ICICI Flexible Income Plan	4,755,160
Prud. ICICI Institutional Liquid-Super Institutional Plan	39,898,419
Reliance-FRF	38,249,107
Reliance Liquid Fund -Tp-Institutional Plan	88,371,977

Name of the Scheme	No. of Units
Reliance Liquidity Fund	154,597,747
Reliance Medium Term Fund	31,535,857
Reliance Money Manager Fund - Institutional Plan	486,802
Reliance Short Term Fund	14,355,926
Religare Credit Opportunities Fund	5,047,085
Religare Liquid Fund - Super Institutional Plan	88,939,629
Religare Short Term Fund	13,948,004
Religare Ultra Short Term Fund - Institutional Plan	11,005,211
ReligareUltra short Term Fund - Super Institutional Plan	33,420,102
SBI SHF - Short Term Fund	1,101,910
SBI Premiur Liquid Fund Super Institutional Plan	85,835,930
Shinsei Liquid Fund - Institutional Plan	60,152
Sundaram BNP Paribas Ultra Short Term Fund Super Institutional Plan	20,061,299
Sundaram BNP Paribas Money Fund Super Institutional Plan	24,767,379
Sundaram BNP Paribas Money fund	46,314,304
Tata Floater Fund - Institutional Plan	36,502,858
Tata Liquid Fund - SH Institutional Plan	740,401
Taurus Liquid Fund - Super Institutional Plan	50,004
Taurus Ultra Short Term Bond Fund - Super Institutional Plan	50,112
Templeton FRIF Long Term	10,208,616
Templeton India TMA - Super Institutional Plan	541,072
Templeton India Ultra Short Bond Fund - Super Institutional Plan	24,193,851
UTI Floating Rate Fund - STP	430,790
UTI Liquid Fund - Cash Plan Institutional Plan	894,977
UTI Money Market- Institutional Plan	398,705
UTI Treasury Advantge Fund - Institutional Plan	463,817

3. Mode of Valuation - see Note A(4) of Schedule 18.

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 7		
INVENTORIES		
Raw Materials	**1,278.87**	801.43
Production Consumables and Stores & Spares	**411.22**	316.50
Work-in-Progress	**114.20**	132.03
Semi Finished/ Finished Goods	**781.35**	788.53
Traded Goods	**0.13**	12.93
Total:	**2,585.77**	2,051.42

Note: Mode of Valuation- refer note A(6) of Schedule 18.

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	**10.17**	49.85
Considered Doubtful	**17.97**	16.91
Less: Provision for Doubtful debts	**(17.97)**	(16.91)
	10.17	49.85
Other Debts		
Considered Good	**553.08**	348.29
Total:	**563.25**	398.14
Note: Amount due from JSW Energy Limited (a company under the same management)		
- At the end of the year	**69.80**	4.04
- Maximum amount outstanding at any point during the year	**154.64**	94.02

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	**0.34**	0.30
Remittance in Transit & Cheques on hand	**–**	5.15
Balances with Scheduled Banks:		
In Current Accounts	**117.06**	202.46
In Margin Money/Term Deposit Accounts	**169.71**	212.05
Total:	**287.11**	419.96
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances and Loans to Subsidiaries	**705.78**	678.97
Advances recoverable in cash or in kind or for value to be received		
Advance to Suppliers	**270.76**	187.54
Export benefits and entitlements/Excise duty refund on exports	**83.23**	84.01
Amount recoverable from ESOP Trusts	**45.06**	45.16
Premises and Other deposits	**120.22**	107.94
Advance towards Equity/Preference capital	**21.04**	4.97
Prepayments and Others	**277.34**	196.40
Less: Provision for Doubtful Advances	**(8.91)**	(1.45)
	1,514.52	1,303.54
Excise Balances	**102.49**	187.85
Advance Tax and Tax deducted at source (net)	**152.55**	158.19
Minimum Alternative Tax credit entitlement	**353.83**	95.30
Loans to Bodies Corporate	**9.10**	9.10
Less: Provision for Doubtful Loans	**(9.10)**	(9.10)
Total:	**2,123.39**	1,744.88
Note: Amount due from JSW Energy Limited (a Company under the same management)		
At the end of year	**–**	–
Maximum amount outstanding at any point during the year	**–**	30.00
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	**5,047.75**	5,293.09
Dues to Subsidiaries	**13.24**	7.74
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises	**38.15**	30.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,604.19**	1,613.64
Rent and other Deposits	**58.65**	43.43
Advances from Customers	**180.38**	164.29
Interest Accrued but not due on loans	**76.20**	65.14

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
Other Liabilities	53.31	51.67
Premium payable on redemption of FCCBs and Preference Shares	268.21	188.16
Investor Education and Protection Fund shall be credited by		
Unclaimed Debenture Redemption Instalments	2.11	2.50
Unclaimed Debenture Interest	1.88	2.35
Unclaimed Dividend	9.78	9.65
Unclaimed amount of sale proceeds of fractional shares	3.82	3.83
Total:	7,357.67	7,476.28

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 12		
PROVISIONS		
Provision for:		
Wealth Tax (net)	–	0.40
Fringe Benefit Tax (net)	–	0.95
Employee Benefits	24.48	23.77
Proposed Dividend on Preference Shares	27.90	28.99
Proposed Dividend on Equity Shares	177.70	18.71
Corporate Dividend Tax	34.14	8.11
Total:	264.22	80.93

Schedules forming part of Profit and Loss Account for the year ended 31st March 2010

Rupees in crores

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 13		
OTHER INCOME		
Dividend:		
from Long Term Investments	0.63	0.63
from Current Investments	3.76	4.46
Foreign Exchange Gain (net)	412.95	–
Insurance claim	1.15	5.05
Extinguishment of liability on buyback of FCCB's	3.98	97.30
Value Added Tax Refund	91.53	89.41
Provision for Doubtful Debts/ Advances written back	–	19.14
Miscellaneous Income	18.84	43.57
Total:	532.84	259.56
SCHEDULE 14		
MATERIALS		
Raw Materials Consumed	10,460.82	8,735.70
Purchase of Traded Goods	29.58	4.96
Increase in Stocks		
Opening Stock:		
Semi Finished /Finished Goods	687.12	435.85
Work-in-progress	130.08	44.13
Traded Goods	12.93	64.93
	830.13	544.91
Closing Stock:		
Semi Finished /Finished Goods	780.54	687.12
Work-in-progress	114.20	130.08
Traded Goods	0.13	12.93
	894.87	830.13
	(64.74)	(285.22)
Excise duty on stock of finished goods (net)	35.02	(5.34)
Total:	10,460.68	8,450.10

Rupees in crores

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 15		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	333.87	256.00
Contribution to Provident and Other Funds	16.28	16.90
Staff Welfare Expenses	15.05	15.85
Total:	365.20	288.75
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Rent	5.67	5.14
Rates and Taxes	5.32	55.31
Insurance	24.93	21.72
Power and Fuel	1,014.82	673.07
Stores and Spares consumed	925.46	645.81
Carriage and Freight	566.84	562.69
Repairs & Maintenance		
Plant & Machinery	249.60	194.03
Buildings	40.04	32.24
Others	6.97	7.17
Commission on Sales	59.63	40.24
Donations & Contributions	3.58	9.38
Miscellaneous Expenses	190.51	173.57
Provision for Doubtful Debts/Loans/ Advances	9.67	–
Loss on sale of fixed assets/ investments (net)	0.66	8.92
Total:	3,103.70	2,429.29

Rupees in crores

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 17		
INTEREST AND FINANCE CHARGES (net)		
Interest on:		
Debentures and Fixed Loans	**694.22**	567.86
Others	**148.91**	172.78
Other Finance Charges	**57.13**	96.18
	900.26	836.82
Less: Interest Income		
from Banks	**(2.48)**	(2.51)
from Others	**(35.10)**	(37.06)
(Tax deducted at source Rs. 0.93 crores, (Previous year Rs. 2.06 crores))		
Total:	**862.68**	797.25

SCHEDULE 18:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 (The Act).

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

3. Fixed Assets and Depreciation

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the assets are put to use.

Depreciation on assets is provided, prorata for the period of use, by the Straight Line Method (SLM) at the SLM rates prescribed in Schedule XIV to the Act.

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds it recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

For the purpose of determining the appropriate depreciation rates to be applied to plant and machinery, continuous process plant and machinery has been identified on the basis of technical assessment made by the company.

Leasehold land is amortised over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

The Company capitalises software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 to 5 years.

In respect of mining projects, the Company capitalises cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized:

a) The economic and operating viability of the project is assessed determining whether sufficient reserves exists to justify further capitalized expenditure for commercial exploration of the reserves, and

b) Further exploration and development activity is under way or firmly planned for the near future.

These will be amortised once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the profit and loss account when so established.

4. Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

5. Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as 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 to the customers and no effective ownership is retained. Sales are net of sales tax/ Value Added Tax. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

Income from Certified Emission Reductions (CER) is recognized as income on sale of CER's.

6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under Materials (Schedule 14).

7. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

Interest income earned is reduced from Interest and Finance charges (net) (Schedule 17).

8. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

9. Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary Foreign Currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules, 2006 on 31st March, 2009, which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31st March 2011.

All other exchange differences are dealt with in the profit and loss account.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

10. Derivative Financial Instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under Current Assets, Loans and Advances (Schedule10) or Current Liabilities and Provisions (Schedule 11).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the profit and loss account relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognised immediately in profit and loss account. Amounts deferred in the Hedging Reserve Account are recycled in the profit and loss account in the periods when the hedged item is recognized in the profit and loss account, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to the profit and loss account from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the profit and loss account.

11. Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/ recovered from the revenue authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax laws. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Where certain expenses or credits which are otherwise required to be charged to the Profit and Loss account are adjusted directly to reserves in accordance with a court order or as permitted by Accounting Standards, in such cases the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognised in the reserves.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

12. Earnings Per Share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during

the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

13. Operating leases

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

14. Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

15. Bond Expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of bonds are written off to the Securities Premium Account in accordance with Section 78 of the Act.

16. Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

17. Contingent liabilities

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities not provided for in respect of :

a) Bills Discounted Rs. 1,275.88 crores (Previous year Rs. 977.32 crores).

b) Guarantees provided on behalf of subsidiaries (including step down subsidiaries) and others Rs. 1,818.24 crores (Previous year Rs. 2,135.74 crores).

c) Disputed statutory claims/levies including those pending in courts (excluding interest leviable, if any), in respect of:

(i) Excise Duty Rs. 96.67 crores (Previous year Rs. 90.01 crores);

(ii) Customs Duty Rs. 108.07 crores (Previous year Rs. 223.85 crores);

(iii) Income Tax Rs. 12.47 crores (Previous year Rs. 36.28 crores);

(iv) Sales Tax/Special Entry tax Rs. 0.35 crores (Previous year Rs. 0.35 crores);

(v) Service Tax Rs. 24.46 crores (Previous year Rs.31.27 crores);

(vi) Miscellaneous Rs. 0.05 crores (Previous year Rs. 0.24 crores); and

(vii) Levies by local authorities Rs. 3.04 crores (Previous year Rs. 15.28 crores).

d) Claims by Suppliers and other third parties not acknowledged as debts Rs. 6.31 crores (Previous year Rs. 131.76 crores).

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 3,644.94 crores (Previous year Rs. 4,660.30 crores).

3. Unlike the previous year which saw an unprecedented depreciation of the rupee against major foreign currencies, the movement of the rupee during the year is much less volatile. Accordingly, exchange fluctuations for the year have not been considered as an 'Exceptional item'.

4. Details of utilization of funds received on preferential allotment of equity shares:

Rupees in crore

	Current Year	Previous Year
Net issue proceeds pending utilization	**Nil**	195.84
Net issue proceeds	**Nil**	Nil
Less: Utilized for debt reduction and to meet the capital expenditure/general corporate purposes	**Nil**	195.84
Balance held in Mutual Funds pending ultimate utilization	**Nil**	Nil

5. Details of Loans and Advances in the nature of loans to subsidiaries (including interest receivable):

Rupees in crores

Name of Company	Current Year		Previous Year	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	**664.34**	**598.61**	664.34	664.34
JSW Natural Resources Limited	**1.71**	**1.67**	1.49	1.49
Inversiones Eurosh Limitada	**79.19**	**77.10**	–	–
JSW Steel Holding (USA) Inc.	**18.86**	**18.86**	–	–

6. Employee Share based Payment Plans:

a) As on 31st March, 2010 the Company has three share-based payments arrangements, which are described below:

Particulars	Scheme 1 (General Manager & Above)	Scheme 2 (Junior Manager to General Manager)	Scheme 3 (Associate Vice President & Above)
Date of grant	1 April 2007	1 October 2007	1 October 2007
Outstanding as on 01.04.2009	64,513	2,15,235	1,69,620
Granted during the year	–	–	–
Forfeited during the year	3,673	9,545	15,340
Exercised during the year	–	–	–
Outstanding as on 31.03.2010	60,840	2,05,690	1,54,280
Vesting Period	3 years service	3 years service	3 years service
Method of settlement	Cash	Cash	Cash
Exercise Price	600	800	900

b) Expenses arising from employee's share- based payment plans - Rs. 4.03 crores (Previous year Rs. 4.65 crores).

7. Derivatives:

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Forward Exchange Contracts entered into by the Company and outstanding as on 31st March, 2010 are as under:

As at	No. of Contracts	Type	US$ equivalent (Million)	INR Equivalent (crores)
31.03.2010	**21**	**Buy**	**109.24**	**493.11**
	35	**Sell**	**90.24**	**407.35**
31.03.2009	6	Buy	59.62	303.77
	27	Sell	61.85	315.11

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the Board of Directors, which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

i) Notional value of Interest Rate Swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of Contracts	US$ Equivalent of notional value (Million)	MTM of IRS (crores)
31.03.2010	**2**	**10.00**	**(0.24)**
31.03.2009	2	10.00	(0.34)

ii) Currency options to hedge against fluctuations in changes in exchange rate are as under:

As at	No. of Contracts	US$ Equivalent (Million)	INR Equivalent (crores)
31.03.2010	**–**	**–**	**–**
31.03.2009	4	48.00	244.56

c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amounts receivable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Debtors	**16.93**	**76.44**	24.73	126.02
Balances with banks in Fixed Deposit Account	**0.01**	**0.03**	3.34	17.02
in Current Account	**0.29**	**1.32**	1.38	7.05
Interest receivable	**–**	**–**	0.01	0.03
Advances/Loans to Subsidiaries	**156.37**	**705.78**	133.16	678.46

ii) Amounts payable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Acceptances	**959.20**	**4,329.82**	975.53	4,970.35
Creditors	**103.93**	**469.17**	83.13	419.69
Interest payable	**–**	**–**	7.11	36.25
Loans payable	**741.32**	**3,346.31**	803.86	4,095.69
Redemption premium payable on FCCB's	**59.42**	**268.21**	36.74	187.17

iii) Provision for loss through Profit and Loss Account Rs. 10.30 crores (Previous year Rs. 5.69 crores).

8. Employee Benefits:

a) Defined Contribution Plan:

Company's contribution to Provident Fund Rs. 12.89 crores. (Previous year Rs. 12.04 crores).

b) Defined Benefit Plans - Gratuity:

Rupees in crores

		Current Year	Previous Year
a)	**Liability recognized in the Balance Sheet**		
	i) Present value of obligation		
	Opening Balance	**31.22**	25.42
	Service Cost	**3.82**	2.34
	Interest Cost	**2.67**	2.14
	Actuarial loss on obligation	**0.32**	3.21
	Benefits paid	**(1.12)**	(1.89)
	Closing Balance	**36.91**	31.22
	Less:		
	ii) Fair Value of Plan Assets		
	Opening Balance	**26.14**	21.42
	Expected Return on Plan assets less loss on investments	**2.53**	2.10
	Actuarial gain/(loss) on Plan Assets	**0.08**	(1.22)
	Employers' Contribution	**6.03**	5.73
	Benefits paid	**(1.12)**	(1.89)
	Closing Balance	**33.66**	26.14
Amount recognized in Balance Sheet		**3.25**	5.08
b)	**Expenses during the year (included in Schedule 15 under Contribution to Provident and Other Funds)**		
	Service cost	**3.82**	2.34
	Interest cost	**2.67**	2.14
	Expected Return on Plan assets	**(2.53)**	(2.10)
	Actuarial (Gain)/Loss	**0.24**	4.43
	Transferred to pre-operative expenses	**(0.24)**	(0.72)
	Total	**3.96**	6.09
c)	**Actual Return on plan assets**	**2.61**	0.88
d)	**Break up of Plan Assets:**		*
	(i) ICICI Prudential Life Insurance Co. Ltd.		
	Balanced Fund	**2.96**	
	Debt Fund	**1.11**	
	Short Term Debt Fund	**5.11**	
	(ii) HDFC Standard Life Insurance Co. Ltd.		
	Defensive Managed Fund	**0.93**	
	Stable Managed Fund	**8.45**	

	Current Year	Previous Year
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	9.47	
(iv) LIC of India – Insurer Managed Fund	5.63	
e) Principal actuarial assumptions		
Rate of Discounting	8% p.a.	7.75% p.a.
Expected Return on Plan Assets	8% p.a.	8% p.a.
Rate of increase in salaries	6% p.a.	6% p.a.
Attrition Rate	2% p.a.	2% p.a.

The Company expects to contribute Rs. 5.04 crores to its Gratuity Plan for the next year.

In assessing the Company's Post Retirement Liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

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

*The details of the composition of the plan assets, by category, from the insurers for the previous year have not been received and hence the disclosures as required by Accounting Standard (AS) – 15 in "Employee Benefits" have not been given.

Other disclosures:

Rupees in crores

Particulars	2009-10	2008-09	2007-08
Defined Benefit Obligation	36.91	31.22	25.42
Plan Assets	33.66	26.14	21.42
Surplus/(Deficit)	(3.25)	(5.08)	(4.00)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	1.44	1.42	1.78
Experience Adjustments on Plan Liabilities – Gain/(Loss)	0.08	(1.22)	(0.27)

9. Segment Reporting:

The Company is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company has identified two primary business segments, namely Steel and Power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

Information about Primary Business Segments

Rupees in crores

	Year ended 31.03.2010				Year ended 31.03.2009			
Particulars	**Steel**	**Power**	**Eliminations**	**Total**	**Steel**	**Power**	**Eliminations**	**Total**
Revenue								
External Sales	18,077.71	124.77		18,202.48	13,930.26	70.99	–	14,001.25
Inter Segment Revenue	490.97	843.41	(1,334.38)	–	520.82	695.33	(1,216.15)	–
Total Revenue	18,568.68	968.18	(1,334.38)	18,202.48	14,451.08	7 66.32	(1,216.15)	14,001.25
Segment Results								
Segment/ Operating Results	3,288.10	389.84		3,677.94	1,333.20	162.70		1,495.90
Un-allocated Items:								
Income				4.39				(21.02)
Interest Expenses				(862.68)				(797.25)
Provision for Taxation				(796.91)				(219.13)
Net Profit				2,022.74				458.50
Other Information								
Segment Assets	27,914.20	638.41		28,552.61	25,896.00	618.66		26,514.66
Un-allocated Assets				2,325.67				1,695.59
Total Assets				30,878.28				28,210.25
Segment Liabilities	7,254.42	27.05		7,281.47	7,382.61	28.53		7,411.14
Un-allocated Liabilities & Provisions				13,890.47				12,839.86
Total Liabilities				21,171.94				20,251.00
Depreciation	1,088.74	34.67		1,123.41	795.26	32.40		827.66
Total Cost Incurred during the year to acquire Segment Assets	2,335.03	17.96		2,352.99	6,619.38	49.56		6,668.94

Notes:

1. Inter Segment transfer from the power segment is measured at the rate at which power is purchased/ sold from/ to the respective Electricity Board.
2. Inter Segment transfer from the steel segment is measured on the basis of fuel cost.

10. Related parties disclosure as per Accounting Standard (AS) – 18:

A. List of Related Parties

Parties with whom the Company has entered into transactions during the year/where control exists :

1. Subsidiaries

JSW Steel (UK) Limited

JSW Steel Service Centre (UK) Limited

Argent Independent Steel (Holdings) Limited

JSW Natural Resources Limited

JSW Natural Resources Mozambique Limitada

JSW Steel (Netherlands) B.V.

JSW Steel Holding (USA) Inc

JSW Steel (USA) Inc

JSW Panama Holdings Corporation

Inversiones Eurosh Limitada

Santa Fe Mining

Santa Fe Puerto S.A.

JSW Steel Processing Centres Limited

JSW Jharkhand Steel Limited

JSW Bengal Steel Limited

Barbil Benefication Company Limited

JSW Building Systems Limited

2. Associates

Jindal Praxair Oxygen Company Private Limited

3. Joint Ventures

Vijayanagar Minerals Private Limited

Rohne Coal Company Private Limited

JSW Severfield Structures limited

Gourangdih Coal Limited

Toshiba JSW Turbine and Generator Private Limited

MJSJ Coal Limited

4. Key Management Personnel

Mrs. Savitri Devi Jindal

Mr. Sajjan Jindal

Mr. Seshagiri Rao M. V. S.

Dr. Vinod Nowal

Mr. Y. Siva Sagar Rao (Upto 15.05.2009)

Mr. Jayant Acharya (w.e.f. 7.05.2009)

5. Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence.

JSW Energy Limited

JSL Limited

JSW Realty & Infrastructure Private Limited

Jindal Saw Limited

Jindal Steel & Power Limited

Jindal South West Holdings Limited

Jsoft Solutions Limited

Jindal Industries Limited

JSW Energy (Ratnagiri) Limited

JSW Cement Limited

JSW Jaigarh Port Limited

Nalwa Sons & Investments Limited

JSW Investments Private Limited

Reynold Traders Private Limited

Raj West Power Limited

JSW Power Trading Company Limited

JSW Aluminium Limited

O P Jindal Foundation

JSW Infrastructure & Logistic Limited

South West Port Limited

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
B. Transactions with related parties							
Party's Name							
Purchase of Goods/ Power & Fuel/ Services							
South West Port Limited	–	–	–	–	–	71.48	71.48
	–	–	–	–	–	78.54	78.54
JSW Energy Limited	–	–	–	–	–	572.76	572.76
	–	–	–	–	–	412.54	412.54
Jindal Praxair Oxygen Company Private Limited	–	120.62	–	–	–	–	120.62
	–	112.49	–	–	–	–	112.49
Vijayanagar Minerals Private Limited	–	–	48.56	–	–	–	48.56
	–	–	90.03	–	–	–	90.03
JSW Steel (USA) Inc.	54.10	–	–	–	–	–	54.10
	38.37	–	–	–	–	–	38.37
Others	36.84	–	–	–	–	34.74	71.58
	16.27	–	–	–	–	26.19	42.46
Total	90.94	120.62	48.56	–	–	678.98	939.10
	54.64	112.49	90.03	–	–	517.27	774.43
Reimbursement of Expenses incurred on our behalf by							
Jindal South West Holdings Limited	–	–	–	–	–	–	–
	–	–	–	–	–	0.10	0.10
JSW Energy Limited	–	–	–	–	–	2.73	2.73
	–	–	–	–	–	1.34	1.34
Others	–	–	–	–	–	0.11	0.11
	–	–	–	–	–	0.14	0.14
Total	–	–	–	–	–	2.84	2.84
	–	–	–	–	–	1.58	1.58
Sales of Goods/ Power & Fuel							
Jindal Saw Limited	–	–	–	–	–	123.00	123.00
	–	–	–	–	–	162.63	162.63
JSW Energy Limited	–	–	–	–	–	727.38	727.38
	–	–	–	–	–	610.84	610.84
Jindal Industries Limited	–	–	–	–	–	202.38	202.38
	–	–	–	–	–	147.23	147.23
JSW Steel (USA) Inc.	(1.20)	–	–	–	–	–	(1.20)
	519.72	–	–	–	–	–	519.72
JSW Steel (Netherlands) B.V.	51.62	–	–	–	–	–	51.62
	195.37	–	–	–	–	–	195.37
Others	(5.61)	3.95	0.70	–	–	178.88	177.92
	122.29	3.60	–	–	–	182.56	308.45
Total	44.81	3.95	0.70	–	–	1,231.64	1,281.10
	837.38	3.60	–	–	–	1,103.26	1,944.24
Other Income/ Interest income							
JSW Investments Private Limited	–	–	–	–	–	2.07	2.07
	–	–	–	–	–	1.92	1.92
JSW Realty & Infrastructure Private Limited	–	–	–	–	–	3.50	3.50
	–	–	–	–	–	0.80	0.80
JSW Steel (USA) Inc.	0.30	–	–	–	–	–	0.30
	6.85	–	–	–	–	–	6.85
JSW Steel (Netherlands) B.V.	25.94	–	–	–	–	–	25.94
	21.97	–	–	–	–	–	21.97
Others	1.80	0.01	0.62	–	–	1.17	3.60
	3.29	–	0.60	–	–	0.47	4.36
Total	28.04	0.01	0.62	–	–	6.74	35.41
	32.11	–	0.60	–	–	3.19	35.90

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Purchase of Assets							
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**48.89**	**48.89**
	–	–	–	–	–	138.13	138.13
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**8.95**	**8.95**
	–	–	–	–	–	69.79	69.79
Others	**5.29**	**–**	**–**	**–**	**–**	**3.68**	**8.97**
	–	–	–	–	–	4.36	4.36
Total	**5.29**	**–**	**–**	**–**	**–**	**61.52**	**66.81**
	–	–	–	–	–	212.28	212.28
Sale of Assets							
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	29.42	29.42
Urmila Bhuwalka	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	3.50	–	3.50
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**3.35**	**3.35**
	–	–	–	–	–	–	–
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**0.89**	**0.89**
	–	–	–	–	–	–	–
Jsoft Solutions Limited	**–**	**–**	**–**	**–**	**–**	**0.07**	**0.07**
	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**4.31**	**4.31**
	–	–	–	–	3.50	29.42	32.92
Advance from Customers							
JSW Steel (Netherlands) B.V.	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	211.45	–	–	–	–	–	211.45
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	211.45	–	–	–	–	–	211.45
Debentures Redeemed							
JSL Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	0.61	0.61
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	0.61	0.61
Lease and Other deposits given							
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**0.07**	**0.07**
	–	–	–	–	–	–	–
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**–**	**3.50**	**3.50**
	–	–	–	–	–	–	–
JSW Severfield Structures Limited	**–**	**–**	**13.00**	**–**	**–**	**–**	**13.00**
	–	–	–	–	–	–	–
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**2.50**	**2.50**
	–	–	–	–	–	–	–
Total	**–**	**–**	**13.00**	**–**	**–**	**6.07**	**19.07**
	–	–	–	–	–	–	–
Advance given							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	30.00	30.00
JSW Building System Limited	**0.20**	**–**	**–**	**–**	**–**	**–**	**0.20**
	–	–	–	–	–	–	–
Total	**0.20**	**–**	**–**	**–**	**–**	**–**	**0.20**
	–	–	–	–	–	30.00	30.00
Advance given Received back							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	30.00	30.00
JSW Building System Limited	**0.20**	**–**	**–**	**–**	**–**	**–**	**0.20**
	–	–	–	–	–	–	–

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Total	**0.20**	**–**	**–**	**–**	**–**	**–**	**0.20**
	–	–	–	–	–	30.00	30.00
Loan given Received back							
JSW Steel (Netherlands) B.V.	**101.86**	**–**	**–**	**–**	**–**	**–**	**101.86**
	99.36	–	–	–	–	–	99.36
Total	**101.86**	**–**	**–**	**–**	**–**	**–**	**101.86**
	99.36	–	–	–	–	–	99.36
Loan given							
JSW Steel (Netherlands) B.V.	**101.86**	**–**	**–**	**–**	**–**	**–**	**101.86**
	663.60	–	–	–	–	–	663.60
JSW Natural Resources Limited	**0.35**	**–**	**–**	**–**	**–**	**–**	**0.35**
	1.27	–	–	–	–	–	1.27
Inversiones Eurosh Limitada	**76.94**	**–**	**–**	**–**	**–**	**–**	**76.94**
	–	–	–	–	–	–	–
JSW Steel Holding (USA) Inc	**28.11**	**–**	**–**	**–**	**–**	**–**	**28.11**
	–	–	–	–	–	–	–
Total	**207.26**	**–**	**–**	**–**	**–**	**–**	**207.26**
	664.87	–	–	–	–	–	664.87
Donation Given							
O.P. Jindal Foundation	**–**	**–**	**–**	**–**	**–**	**0.75**	**0.75**
	–	–	–	–	–	1.85	1.85
Total	**–**	**–**	**–**	**–**	**–**	**0.75**	**0.75**
	–	–	–	–	–	1.85	1.85
Recovery of Expenses incurred by us on their behalf							
JSW Cement Limited	**–**	**–**	**–**	**–**	**–**	**0.57**	**0.57**
	–	–	–	–	–	–	–
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**1.53**	**1.53**
	–	–	–	–	–	0.31	0.31
Jsoft Solutions Limited	**–**	**–**	**–**	**–**	**–**	**0.69**	**0.69**
	–	–	–	–	–	0.04	0.04
JSW Natural Resources Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	22.32	–	–	–	–	–	22.32
JSW Jharkhand Steel Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	0.51	–	–	–	–	–	0.51
Others	**0.09**	**–**	**0.12**	**–**	**–**	**0.78**	**0.99**
	2.77	–	0.07	–	–	0.43	3.27
Total	**0.09**	**–**	**0.12**	**–**	**–**	**3.57**	**3.78**
	25.60	–	0.07	–	–	0.78	26.45
Investments / Share Application Money given during the year							
JSW Realty & Infrastructure Private .Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	84.25	84.25
JSW Steel (Netherlands) B.V.	**250.05**	**–**	**–**	**–**	**–**	**–**	**250.05**
	275.31	–	–	–	–	–	275.31
JSW Bengal Steel Limited	**28.46**	**–**	**–**	**–**	**–**	**–**	**28.46**
	33.36	–	–	–	–	–	33.36
Others	**5.68**	**–**	**41.54**	**–**	**–**	**–**	**47.22**
	89.08	–	11.09	–	–	31.89	132.06
Total	**284.19**	**–**	**41.54**	**–**	**–**	**–**	**325.73**
	397.75	–	11.09	–	–	116.14	524.98
Remuneration to key managerial personnel							
Mrs. Savitri Devi Jindal	**–**	**–**	**–**	**0.08**	**–**	**–**	**0.08**
	–	–	–	0.08	–	–	0.08

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Mr. Sajjan Jindal	–	–	–	14.25	–	–	14.25
	–	–	–	6.56	–	–	6.56
Mr. Seshagiri Rao M. V. S.	–	–	–	2.91	–	–	2.91
	–	–	–	0.96	–	–	0.96
Mr. Y. Siva Sagar Rao	–	–	–	0.35	–	–	0.35
	–	–	–	1.08	–	–	1.08
Dr. Vinod Nowal	–	–	–	1.83	–	–	1.83
	–	–	–	0.70	–	–	0.70
Mr. Jayant Acharya	–	–	–	1.04	–	–	1.04
	–	–	–	–	–	–	–
Total	–	–	–	20.46	–	–	20.46
	–	–	–	9.38	–	–	9.38
Guarantees and collaterals provided by the Company on behalf of							
Rohne Coal Company Private Limited	–	–	–	–	–	–	–
	–	–	–	–	–	89.85	89.85
JSW Steel Holdings (USA) Inc.	1,228.01	–	–	–	–	–	1,228.01
	–	–	–	–	–	–	–
JSW Steel (Netherlands) B.V.	532.91	–	–	–	–	–	532.91
	–	–	–	–	–	–	–
Total	1,760.92	–	–	–	–	–	1,760.92
	–	–	–	–	–	89.85	89.85
Guarantees and collaterals released							
JSW Steel (Netherlands) B.V.	561.72	–	–	–	–	–	561.72
	–	–	–	–	–	–	–
Total	561.72	–	–	–	–	–	561.72
	–	–	–	–	–	–	–
C. Closing balance of related parties							
Trade payables							
Jindal Praxair Oxygen Company Private Limited	–	10.38	–	–	–	–	10.38
	–	10.89	–	–	–	–	10.89
South West Port Limited	–	–	–	–	–	17.03	17.03
	–	–	–	–	–	20.14	20.14
Jindal Saw Limited	–	–	–	–	–	0.09	0.09
	–	–	–	–	–	12.77	12.77
JSW Steel Processing Centres Limited	11.88	–	–	–	–	–	11.88
	7.69	–	–	–	–	–	7.69
Vijayanagar Minerals Private Limited		–	10.81	–	–	–	10.81
		–	9.08	–	–	–	9.08
Others	1.35	–	–	–	–	5.62	6.97
	0.05	–	–	0.07	–	5.17	5.29
Total	13.23	10.38	10.81	–	–	22.74	57.16
	7.74	10.89	9.08	0.07	–	38.08	65.86
Advance received from Customers							
Jindal Steel & Power Limited	–	–	–	–	–	–	–
	–	–	–	–	–	0.27	0.27
Jindal Saw Limited	–	–	–	–	–	0.22	0.22
	–	–	–	–	–	–	–
JSW Steel (Netherlands) B.V.	–	–	–	–	–	–	–
	76.90	–	–	–	–	–	76.90
Raj west Power Limited	–	–	–	–	–	1.27	1.27
	–	–	–	–	–	–	–
Others	–	–	–	–	–	0.04	0.04
	–	–	–	–	–	–	–
Total	–	–	–	–	–	1.53	1.53
	76.90	–	–	–	–	0.27	77.17

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	**–**	**3.83**	**–**	**–**	**–**	**–**	**3.83**
	–	3.83	–	–	–	–	3.83
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**6.49**	**6.49**
	–	–	–	–	–	6.49	6.49
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**3.71**	**3.71**
	–	–	–	–	–	3.64	3.64
JSW Power Trading Company Limited	**–**	**–**	**–**	**–**	**–**	**20.00**	**20.00**
	–	–	–	–	–	20.00	20.00
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**–**	**3.50**	**3.50**
	–	–	–	–	–	–	–
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**2.50**	**2.50**
	–	–	–	–	–	–	–
JSW Severfield structures limited	**–**	**–**	**13.00**	**–**	**–**	**–**	**13.00**
	–	–	–	–	–	–	–
Total	**–**	**3.83**	**13.00**	**–**	**–**	**36.20**	**53.03**
	–	3.83	–	–	–	30.13	33.96
Trade receivables							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**69.80**	**69.80**
	–	–	–	–	–	4.04	4.04
JSW Cements Limited	**–**	**–**	**–**	**–**	**–**	**18.84**	**18.84**
	–	–	–	–	–	17.32	17.32
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**2.74**	**2.74**
	–	–	–	–	–	16.01	16.01
JSW Steel Service Centre (UK) Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	13.31	–	–	–	–	–	13.31
JSW Steel (USA) Inc.	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	40.73	–	–	–	–	–	40.73
JSW Steel (Netherlands) B.V.	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	45.07	–	–	–	–	–	45.07
Jindal Power Trading Company Limited	**–**	**–**	**–**	**–**	**–**	**20.16**	**20.16**
	–	–	–	–	–	–	–
Others	**–**	**–**	**–**	**–**	**–**	**8.72**	**8.72**
	–	–	–	–	–	22.66	22.66
Total	**–**	**–**	**–**	**–**	**–**	**120.26**	**120.26**
	99.11	–	–	–	–	60.03	159.14
Share Application Money							
Vijayanagar Minerals Private Limited	**–**	**–**	**4.05**	**–**	**–**	**–**	**4.05**
	–	–	4.05	–	–	–	4.05
JSW Severfield Structures Limited	**–**	**–**	**7.30**	**–**	**–**	**–**	**7.30**
	–	–	–	–	–	–	–
Toshiba JSW Turbine and Generator Private Limited	**–**	**–**	**6.50**	**–**	**–**	**–**	**6.50**
	–	–	–	–	–	–	–
Gourangdih Coal Limited	**–**	**–**	**2.50**	**–**	**–**	**–**	**2.50**
	–	–	–	–	–	–	–
Others	**0.67**	**–**	**0.02**	**–**	**–**	**–**	**0.69**
	0.33	–	0.04	–	–	–	0.37
Total	**0.67**	**–**	**20.37**	**–**	**–**	**–**	**21.04**
	0.33	–	4.09	–	–	–	4.42

Rupees in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Capital /Revenue Advances							
Jindal Steel & Power Ltd.	**–**	**–**	**–**	**–**	**–**	**13.66**	**13.66**
	–	–	–	–	–	–	–
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**0.14**	**0.14**
	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**13.80**	**13.80**
	–	–	–	–	–	–	–
Loans & Advances given							
JSW Steel (Netherlands) B.V.	**598.61**	**–**	**–**	**–**	**–**	**–**	**598.61**
	664.34	–	–	–	–	–	664.34
JSW Jharkhand Steel Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	0.51	–	–	–	–	–	0.51
Inversiones Eurosh Limitada	**77.10**	**–**	**–**	**–**	**–**	**–**	**77.10**
	–	–	–	–	–	–	–
Others	**30.07**	**–**	**0.18**	**–**	**–**	**0.42**	**30.67**
	14.13	–	0.07	–	–	0.53	14.73
Total	**705.78**	**–**	**0.18**	**–**	**–**	**0.42**	**706.38**
	678.98	–	0.07	–	–	0.53	679.58
Other Current Assets							
JSW Investments Private Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	17.24	17.24
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	17.24	17.24
Investments held by the Company							
Jindal Praxair Oxygen Company Private Limited	**–**	**80.19**	**–**	**–**	**–**	**–**	**80.19**
	–	80.19	–	–	–	–	80.19
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**120.90**	**120.90**
	–	–	–	–	–	120.90	120.90
JSW Realty & Infrastructure Private Limited	**–**	**–**	**–**	**–**	**–**	**127.50**	**127.50**
	–	–	–	–	–	127.50	127.50
Vijayanagar Minerals Private Limited	**–**	**–**	**@**	**–**	**–**	**–**	**@**
	–	–	@	–	–	–	@
JSW Steel (Netherlands) B.V.	**930.26**	**–**	**–**	**–**	**–**	**–**	**930.26**
	680.21	–	–	–	–	–	680.21
Others	**256.35**	**–**	**40.72**	**–**	**–**	**–**	**297.07**
	222.56	–	11.05	–	–	–	233.61
Total	**1,186.61**	**80.19**	**40.72**	**–**	**–**	**248.40**	**1,555.92**
	902.77	80.19	11.05	–	–	248.40	1,242.41
Guarantees and collaterals provided by the Company on behalf:							
JSW Steel (Netherlands) B.V. and it's subsidiaries for USA and Chile acquisition	**1,489.62**	**–**	**–**	**–**	**–**	**–**	**1,489.62**
	1,808.73	–	–	–	–	–	1,808.73
JSW Steel (USA) Inc.	**163.77**	**–**	**–**	**–**	**–**	**–**	**163.77**
	162.16	–	–	–	–	–	162.16
Others	**–**	**39.52**	**89.85**	**–**	**–**	**75.00**	**204.37**
	–	39.52	89.85	–	–	75.00	204.37
Total	**1,653.39**	**39.52**	**89.85**	**–**	**–**	**75.00**	**1,857.76**
	1,970.89	39.52	89.85	–	–	75.00	2,175.26

@ Less Than Rs.1,00,000/-.
Figures in bold represents current year numbers.

11. Operating Lease:

a) As Lessor:

i. The Company has entered into lease arrangements, for renting:

- 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of Rs 100/- per house per annum, for a period of 180 months.
- 672 houses (admeasuring approximately 551,051 square feet) at the rate of Rs. 24/- per square feet per annum, for a period of 36 to 60 months.
- 1 house at the rate of Rs. 0.60 lacs per annum, for a period of 11 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

ii. Disclosure in respect of assets given on operating lease :

Rupees in crores

	Current Year	Previous Year
Gross Carrying amount of Assets	**154.89**	123.95
Accumulated Depreciation	**13.31**	10.91
Depreciation for the year	**2.31**	2.16

b) As Lessee:

Lease Rentals charged to revenue for right to use following assets are:

Rupees in crores

Particulars	Current Year	Previous Year
Office Premises, Residential Flats etc.	**5.67**	5.14
Total	**5.67**	5.14

The agreements are executed for a period of 11 to 60 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

12. Earnings Per Share (EPS):

		Current Year	Previous Year
Profit after Tax	Rs. in crs	**2,022.74**	458.50
Less: Dividend on Preference Shares (Including corporate dividend tax)	Rs. in crs	**33.73**	(33.92)
Profit after tax for Equity share holders (Numerator)-Basic	Rs. in crs	**1,989.01**	424.58
Add/(Less): Exchange loss/ (gain) on FCCB's	Rs. in crs	**–**	22.26
Profit after tax for Equity share holders (Numerator) -Diluted	Rs. in crs	**1,989.01**	446.84
Earning per share – Basic	Rs.	**106.34**	22.70
Earning per share – Diluted	Rs.	**105.94**	22.70
Nominal value per share	Rs.	**10**	10
Weighted average number of Equity Shares for Basic EPS (denominator)	Nos.	**187,048,682**	187,048,666
Weighted average number of Equity Shares for Diluted EPS (denominator)	Nos.	**187,746,815**	187,048,666

13. a) Provision for Taxation includes:

Rupees in crores

	Current Year	Previous Year
Income Tax:		
Current Tax	**486.25**	76.00
Deferred Tax	**569.21**	223.12
Fringe Benefit Tax	**–**	7.00
Minimum Alternate Tax (MAT) Credit entitlement	**(258.53)**	(95.30)
Tax adjustment of earlier years	**(0.52)**	7.91
Wealth Tax	**0.50**	0.40
Total	**796.91**	219.13

b) Deferred Tax Liability comprises of timing differences on account of:

Rupees in crores

	Current Year	Previous Year
Depreciation	**2,057.61**	1,639.06
Expenses allowable on payment basis	**(13.88)**	(24.02)
Provision for doubtful debts/capital advances	**(37.24)**	(34.79)
Unabsorbed Depreciation	**–**	(110.12)
Others	**(41.54)**	(48.97)
Deferred Tax Liability	**1,964.95**	1,421.16

14. The Company has the following Joint venture interest in India as at 31 March, 2010:

Interest as Venturer

Vijayanagar Minerals Private Limited: Percentage of holding – 40% (Previous year 40%)

Rohne Coal Company Private Limited: Percentage of holding – 49% (Previous year 49%)

JSW Severfield Structures Limited: Percentage of holding – 50% (Previous Year Nil)

Gaurangdih Coal Limited: Percentage of holding – 50% (Previous Year Nil)

Interest as Investor

MJSJ Coal Limited: Percentage of holding – 11% (Previous year 11%)

Toshiba JSW Turbine and Generator Private Limited – 5% (Previous year Nil)

The proportionate share of assets, liabilities, income and expenditure of the jointly controlled entities are as under:

Rupees in crores

		Current Year (Audited/Based on financial information/ estimates made by the management	PreviousYear (Audited)
I.	**Assets**		
	Fixed Assets (Including CWIP)	38.86	8.79
	Current Assets, Loans and Advances		
	- Inventories	1.85	1.44
	- Sundry Debtors	4.35	3.75
	- Cash and Bank Balances	1.54	0.60
	- Loans and Advances	10.15	1.74
	Miscellaneous Expenditure (to the extent not written off or adjusted)	–	0.79

	Current Year (Audited/Based on financial information/ estimates made by the management	PreviousYear (Audited)
II. Liabilities		
Current Liabilities and Provisions		
- Liabilities	15.92	1.28
- Provisions	0.04	1.55
Deferred Tax Liability	–	0.15
III. Income		
Sales	25.02	31.65
Other Income	0.12	1.86
IV. Expenses		
Direct and Operating Expenses	4.03	18.52
Administrative, Selling and Distribution Expenses	19.75	10.28
Depreciation	0.08	0.05
Miscellaneous Expenditure written off	–	0.42
Tax Expenses		
- Current, Deferred Tax and Fringe Benefit Tax	0.70	1.47
V. Other Matters		
Contingent Liabilities	2.73	23.18
Capital Commitments	40.87	0.11

15. Additional information pursuant to paragraphs 4, 4A, 4B, 4C and 4D of Part II of Schedule VI to The Companies Act, 1956:

A) Remuneration to Directors:

Rupees in crores

	Current Year	Previous Year
Salary	**5.48**	4.76
Perquisites	**0.51**	0.85
Contribution to Provident Fund	**0.14**	0.37
Commission to Vice-Chairman & Managing Director	**14.25**	3.33
Managerial Remuneration	**20.38**	9.31
Director's sitting fees	**0.19**	0.13
Commission to Non-executive Directors	**1.06**	1.07
Total:	**21.63**	10.51

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

B) Computation of Net Profit in accordance with Section 349 read with Section 309(5) of the Companies Act, 1956:

Rupees in crores

	Current Year	Previous Year
Profit Before Taxation	**2,819.65**	677.63
Add: Managerial Remuneration (including commission)	**21.63**	10.51
Provision for Doubtful debts/ advances	**9.67**	–
	2,850.95	688.14
Less: Provision for Doubtful debts/ advances written back	**–**	19.14
Capital Profit on Sale of Fixed Assets	**–**	3.37
Profit on Sale on Immovable Property	**0.34**	–
Net Profit as per Section 349 read with Section 309(5)	**2,850.61**	665.63
Commission Payable to:		
- Vice Chairman & Managing Director @ 0.5% of Net Profit as computed above	**14.25**	3.33
- Non-executive Directors	**1.06**	1.07

C) Remuneration to Auditors (excluding service tax):

Rupees in crores

	Current Year	Previous Year
As Audit Fees (including limited review)	**1.48**	1.48
For Tax Audit Fees	**0.20**	0.23
For Certification and other services	**0.29**	1.26
Out of pocket Expenses	**0.01**	0.02
Total:	**1.98**	2.99

D) Licensed and installed capacities and production:

	Class of Products	Installed capacity Tonnes	Production Tonnes
1	MS Slabs	**5,300,000** (3,800,000)	**4,497,592** (3,078,613)
2	Hot Rolled Coils/Steel Plates/Sheets	**3,200,000** (3,200,000)	**3,399,183** (2,519,460)
3	Hot Rolled Steel Plates	**320,000** (320,000)	**309,950** (244,533)
4	Cold Rolled Coils/Sheets	**1,825,000** (1,825,000)	**1,500,150** (1,030,973)
5	Galvanised/Galvalum Coils/Sheets	**900,000** (900,000)	**904,644** (744,549)
6	Colour Coating Coils / Sheets	**232,000** (232,000)	**148,195** (89,586)
7	Steel Billets & Bloom	**2,500,000** (1,000,000)	**1,488,963** (644,957)
8	Long Rolled Products	**1,950,000** (450,000)	**957,448** (330,371)

Notes:

1. Licensed capacity is not applicable in view of the Company's products having been delicensed as per the licensing policy of the Government of India.
2. Installed capacity is as certified by the management and accepted by auditors, being a technical matter.
3. Production of Galvanized/ Galvalume Coils/ Sheets includes 58,392 tonnes (Previous year 21,813 tonnes) from a third party on a job work basis.

E) Opening Stock, Sales and Closing Stock:

i) Manufactured goods

Class of Products		Opening Stock		Sales		Closing Stock	
		Tonnes	Rupees Crores	Tonnes	Rupees crores	Tonnes	Rupees Crores
1	MS Slabs	37,550 (29,656)	76.29 (72.67)	716,847 (279,323)	1,816.53 (1,264.49)	64,817 (37,550)	134.12 (76.29)
2	Hot Rolled Coils/Steel Plates/Sheets	70,073 (51,584)	154.27 (133.17)	1,750,055 (1,389,853)	5,414.70 (5,351.72)	58,351 (70,073)	133.59 (154.27)
3	Galvanized Coils/Sheets	61,307 (28,226)	183.05 (98.93)	770,690 (613,630)	3,065.07 (2,882.79)	36,453 (61,307)	118.72 (183.05)
4	Cold Rolled Coils/Sheets	37,443 (19,532)	90.00 (58.32)	624,030 (296,288)	2,153.50 (1,193.28)	50,793 (37,443)	128.40 (90.00)
5	Hot Rolled Steel Plates	17,563 (1,024)	45.31 (2.96)	293,177 (201,631)	956.56 (837.70)	8,912 (17,563)	23.62 (45.31)
6	Colour Coating Coils/ Sheets	10,171 (6,372)	38.59 (26.03)	149,532 (83,895)	695.44 (491.68)	6,413 (10,171)	25.98 (38.59)
7	Steel Billets & Blooms	15,951 (7,503)	38.56 (17.63)	527,097 (263,007)	1,253.11 (903.30)	16,914 (15,951)	40.05 (38.56)
8	Long Rolled Products	7,049 (3,875)	21.23 (10.76)	873,863 (292,966)	2,724.77 (1,134.61)	55,030 (7,049)	138.86 (21.23)
9	Sale of Carbon Credits				60.21 (48.58)		
10	Others		39.82 (15.38)		1,278.04 (1,044.26)		37.20 (39.82)
	Total		687.12 (435.85)		19,417.93 (15,152.41)		780.54 (687.12)

ii) Traded goods

Description	Current Year		Previous Year	
	Quantity Tonnes	Rupees in crores	Quantity Tonnes	Rupees in crores
Hot Rolled Plates				
Opening Stock	5,555	12.93	16,292	64.93
Purchases	12,114	29.58	538	4.96
Sales	14,364	38.71	7,129	26.88
Closing Stock	42	0.13	5,555	12.93

Note: Excludes captive consumption of 3,263 tonnes (Previous year 4,146 tonnes)

F) Consumption of Materials:

	Current Year		Previous Year	
	Quantity Tonnes	Rupees in crores	Quantity Tonnes	Rupees in crores
Iron ore lumps/fines	10,674,845	2,048.96	7,393,351	1,682.25
Coal/Coke	7,384,743	6,230.89	5,337,752	5,862.15
Hot Rolled Coils	22,135	58.27	52,400	220.45
M S Slabs	25,258	47.80	42,992	75.68
Zinc & Alloys	40,193	389.70	31,160	248.90
Others		1,916.97		1,066.75
Total		10,692.59		9,156.18
Less: captive consumption		231.77		420.48
Total		10,460.82		8,735.70

G) Value of Consumption of directly imported and indigenously obtained raw materials and stores and spares and the percentage of each to total consumption:

Rupees in crores

Description	Current Year		Previous Year	
	Value Rupees In crores	% of Total Value	Value Rupees In crores	% of Total Value
RAW MATERIALS				
Imported	6,983.33	66.76	5,689.25	65.13
Indigenous	3,477.49	33.24	3,046.45	34.87
Total	10,460.82	100.00	8,735.70	100.00
STORES AND SPARES				
Imported	148.39	16.03	66.21	10.25
Indigenous	777.07	83.97	579.60	89.75
Total	925.46	100.00	645.81	100.00

H) C.I.F. Value of Imports:

Rupees in crores

Description	Current Year	Previous Year
Capital Goods	1,935.85	1,604.00
Raw Materials	6,404.46	6,032.19
Stores & Spare Parts & Production Consumables	172.82	182.56

I) Expenditure in Foreign Currency:

Rupees in crores

Description	Current Year	Previous Year
Interest and Finance charges	196.64	208.94
Ocean Freight	131.73	210.91
Commission on sales	45.81	31.17
Legal & Professional Fees	2.86	8.38
Others	7.57	15.48

J) Earnings in Foreign Currency:

Rupees in crores

Description	Current Year	Previous Year
F.O.B. Value of Exports	2,683.78	4,113.15
Sale of Carbon Credits	60.21	48.58
Interest Income	28.03	32.97

K) Remittance in Foreign Currency on account of Dividend:

a) Dividend to Equity Shareholders :

Description	Current Year	Previous Year
Year to which the Dividend relates	2008-09	2007-08
Number of Non-resident Shareholders	4,561	4,724
Number of Equity Shares held by them	14,244,744	14,258,258
Amount remitted (Rs. in crores)	1.42	19.96

b) Dividend to Preference Shareholder:

Description	Current Year		Previous Year
	2009-10	2008-09	2007-08
Number of Non-resident Shareholders	**1**	**1**	1
Number of Preference Shares held by them	**9,900,000**	**9,900,000**	9,900,000
Amount remitted (Rs. in crores)	**1.02***	**1.09**	1.15

* (Up to the date of Redemption i.e. 8.03.2010)

16. Donations & Contributions include contributions to:

Rupees in crores

	Current Year	Previous Year
1 Bharatiya Janata Party, Karnataka	**–**	3.00
2 Janata Dal (Secular), Karnataka	**–**	2.00

17. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

Rupees in crores

Description	Current Year	Previous Year
Principal amount outstanding as at 31 March	**38.15**	30.79
Interest due on (1) above and unpaid as at 31 March	**0.32**	0.30
Interest paid to the supplier	**–**	–
Payments made to the supplier beyond the appointed day during the year	**–**	–
Interest due and payable for the period of delay	**–**	–
Interest accrued and remaining unpaid as at 31 March	**–**	0.03
Amount of further interest remaining due and payable in succeeding year	**0.32**	0.33

18. Previous year's figures have been regrouped, wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

Balance Sheet Abstract and Company's General Business Profile

I.	**Registration Details**	
	Registration No. 152925	State Code 11
	Balance Sheet Date 31-3-2010	
II.	**Capital raised during the year (Amount Rs. in thousands):**	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	**Position of Mobilisation and Deployment of Funds (Amount Rs. in thousands):**	
	Total Liabilities	308,782,816
	Total Assets	308,782,816
	Sources of Funds	
	Paid up Capital	5,271,154
	Reserves and Surplus	91,792,299
	Secured Loans	89,875,128
	Unsecured Loans	25,975,930
	Net Deferred Tax Liability	19,649,464
	Application of Funds	
	Net Fixed Assets	235,504,060
	Investments	17,683,507
	Net Current Assets	(20,623,592)
IV.	**Performance of Company (Amount Rs. in thousands):**	
	Turnover	199,894,778
	Total Expenditure	171,698,241
	Profit/ (Loss) before Tax	28,196,537
	Profit /(Loss) after Tax	20,227,404
	Earning per share in Rs. (Basic)	106.34
	Earning per share in Rs. (Diluted)	105.94
	Dividend (Rs.)	9.50
V.	**Generic Names of Three Principal Products/Services of Company (as per monetary terms)**	
	Item Code No. (ITC Code)	72.08
	Product Description	Hot Rolled Steel Strips /Sheets/Plates
	Item Code No. (ITC Code)	72.09
	Product Description	MS Cold Rolled Coils/Sheets
	Item Code No. (ITC Code)	72.1
	Product Description	MS Galvanised Plain / Corrugated / Colour coated Coils/Sheet
	Item Code No. (ITC Code)	720690
	Product Description	Steel Billet
	Item Code No. (ITC Code)	721490
	Product Description	Bar & Rods
	Item Code No. (ITC Code)	N.A.
	Product Description	Power

Statement pursuant to Section 212 of the Companies Act, 1956, Related to Subsidiary Companies as at 31 March 2010

Sr. No.	Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel (UK) Limited	Argent Independent Steel (Holdings) Limited	JSW Steel Service Centre (UK) Limited	JSW Steel Holdings (USA) Inc.	JSW Steel (USA) Inc.	JSW Panama Holding Corporation	Inversiones Eurosh Limitada	Santa Fe Mining	Santa Fe Puerto S.A.	JSW Natural Resources Limited	JSW Natural Resources Mozambique Lda	JSW Steel Processing Centres Limited	JSW Bengal Steel Limited	Barbil Beneficiation Company Limited	JSW Jharkhand Steel Limited	JSW Building System Limited
1.	Financial Year of the Subsidiary ended on	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
2.	Shares of the subsidiary held by the Company on the above date																	
	(a) Number	151,200,933	7,060,000	100	110,000	1,001	193,000,000	100	–	700	999	1,366,500	–	50,000,000	123,906,000	50,000	16,136,110	2,810,000
	Face Value	Equity shares of Euro 1 each	Ordinary shares of GBP 1 each	Ordinary shares of GBP 1 each	Ordinary shares of GBP 1 each	Common stock of USD 0.01 each	Common stock of USD 0.001 each	Common shares of USD 1000 each	$21,052,650 pesos	Common shares of Chilien Pesos 10,00,000 each	Common shares of Chilien Pesos 25,000 each	Ordinary shares of USD 10 each	30 million Metical	Equity shares of Rs. 10 each	Equity shares of Rs. 10 each	Equity shares of Rs. 10 each	Equity shares of Rs. 10 each	Equity shares of Rs. 10 each
	(b) Extent of holding	100%	100% through JSW Steel (Netherlands) B.V.	100% through JSW Steel (UK) Limited	100% through Argent Independent Steel (Holdings) Limited	100% through JSW Steel (Netherlands) B.V.	90% through JSW Steel Holidngs (USA) Inc.	100% through JSW Steel (Netherlands) B.V.	100% through JSW Panama Holdings Corporation, JSW Steel (Netherlands) B.V.	70% through Inversiones Eurosh Limitada	70% through Santa Fe Mining	100%	100% through JSW Natural Resources Limited	100%	99%	100% through JSW Bengal Steel Limited	100%	100%
3.	Net aggregate amount of profits / (losses) of the subsidiary for the above financial year of the subsidiary so far as they concern memebrs of the Company:																	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs. Crs.)	(41.68)	(1.29)	–	(6.93)	(51.16)	(284.49)	(1.10)	(2.33)	(3.33)	–	(0.17)	2.27	6.16	(0.70)	–	(0.02)	(0.05)
	(b) not dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs. Crs.)	Nil	Nil	Nil	Nil	Nil	(31.61)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(0.01)	Nil	Nil	Nil
4.	Net aggregate amount of profits / (losses) of the subsidiary since it bacame a subsidiary so far as they concern memebrs of the Company:																	
	(a) dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs. Crs.)	(132.55)	(1.78)	0.24	(16.68)	(108.33)	(421.25)	13.02	(5.86)	(4.27)	(0.03)	(0.45)	3.07	(1.09)	(3.20)	(0.01)	(0.63)	(0.11)
	(b) not dealt with in the accounts of the Company for the year ended 31st March, 2010 (Rs. Crs.)	Nil	Nil	Nil	Nil	Nil	(46.81)	Nil	Nil	(2.53)	Nil	Nil	Nil	Nil	(0.02)	Nil	Nil	Nil

Notes: Converted at the closing rate of exchange of GBP = Rs.68.03 and US$ = Rs.45.14 as on 31st March, 2010.

Summary of Financial Information of Subsidiary Companies

(Rupees in crores)

Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel (UK) Limited	Argent Independent Steel (Holdings) Limited	JSW Steel Service Centre (UK) Limited	JSW Steel Holdings (USA) Inc.	JSW Steel (USA) Inc.	JSW Panama holding Corporation	Inversiones Eurosh Limitada	Santa Fe Mining	Santa Fe Puerto S.A.	JSW Natural Resources Ltd	JSW Natural Resources Mozambique Lda	JSW Steel Processing Centres Limited	JSW Bengal Steel Limited	Barbil Beneficiation Company Limited	JSW Jharkhand Steel Limited	JSW Building Systems Limited
Reporting Currency	USD	GBP	GBP	GBP	USD	USD	USD	USD	USD	USD	USD	USD	INR	INR	INR	INR	INR
Exchange Rate	45.14	68.03	68.03	68.03	45.14	45.14	45.14	45.14	45.14	45.14	45.14	45.14	–	–	–	–	–
A. Share Capital	974.37	48.03	–	44.67	853.27	2,121.58	0.45	0.20	8.88	0.22	61.64	26.40	50.00	124.91	0.05	16.81	2.81
B. Reserves	(132.55)	(1.78)	0.24	(12.77)	(108.33)	(448.60)	13.27	(5.86)	(6.80)	(0.03)	(0.45)	(3.32)	(1.09)	(3.22)	(0.01)	(0.63)	(0.11)
C. Total Liabilities	1,081.08	0.49	9.58	9.48	1,407.24	3,857.24	0.01	273.05	168.87	–	1.69	36.42	84.51	26.82	–	0.22	0.04
D. Total Assets	1,922.90	46.74	9.82	41.38	2,152.18	5,530.22	13.73	267.39	170.95	0.19	62.88	59.50	133.42	148.51	0.04	16.40	2.74
E. Investment Included in Total Assets (Except for Investment in Subsidiaires)	30.97	–	–	–	–	–	–	–	0.11	–	–	–	–	0.01	–	–	0.12
F. Turnover	57.83	–	–	43.69	–	743.21	–	–	–	–	–	–	33.19	–	–	–	–
G. Profit before Taxes	(43.98)	(1.29)	–	(6.93)	(48.12)	(473.20)	(1.36)	(2.33)	(3.33)	–	(0.17)	2.27	9.33	(0.70)	–	(0.02)	(0.06)
H. Provision for Taxation	–	–	–	–	(9.17)	(176.55)	–	–	–	–	–	–	3.17	–	–	–	(0.01)
I. Profit after Taxes	(43.98)	(1.29)	–	(6.93)	(38.95)	(296.65)	(1.36)	(2.33)	(3.33)	–	(0.17)	2.27	6.16	(0.70)	–	(0.02)	(0.05)
J. Proposed Dividend	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Auditor's Report on the Consolidated Financial Statements

The Board of Directors

JSW Steel Limited

1. We have audited the attached group Consolidated Balance Sheet of JSW Steel Limited (the Company) as at 31 March 2010, the group Consolidated Profit and Loss Account and the group Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information relating to the components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance 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.

3. We did not audit the financial statements of certain components, namely:

   (a) Subsidiary companies whose financial statements reflect the Group's share of total assets of Rs. 5,409.79 crores as at 31 March 2010, total revenues of Rs. 867.52 crores, and total cash flows of Rs. (36.00) crores for the year ended 31 March 2010 and Joint Venture Companies whose financial statements reflect the Group's share of total assets of Rs. 17.79 crores as at 31 March 2010, total revenues of Rs. 25.02 crores, and total cash flows of Rs. (0.25) crores for the year ended 31 March 2010. These financial Statements have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion is based solely on the reports of the other auditors.

   (b) The joint venture companies and the associate companies whose financial statements are based on unaudited financial information/estimates and as certified by the management on which we have relied for the purposes of our examination of the consolidated financial statements, (reference is invited to Note No. A of Schedule 18). The joint venture company's financial statements reflect the Group's share of total assets of Rs. 116.48 crores as at 31 March 2010, total revenues of Rs. 10.14 crores, and total cash flows of Rs. (38.47) crores for the year ended 31 March 2010. The associate companies' financial statements reflect the Group's share of profits for the year ended 31 March 2010 of Rs. 11.05 crores.

4. Subject to the matter referred to in paragraph 3 (b) above:

   (a) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, on 'Consolidated Financial Statements', Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of interests in Joint Ventures'.

   (b) Based on our audit and on consideration of reports of other auditors on the separate financial statements of the subsidiary and joint venture Companies and to the best of our information and according to the explanations given to us we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31 March 2010;

      ii) in the case of the Consolidated Profit and Loss account, of the profit of the group for the year ended on that date; and

      iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 3 May 2010

Consolidated Balance Sheet as at 31st March 2010

Rupees in crores

	Schedule No.	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	**527.11**	537.01
Reserves and Surplus	2	**8,730.04**	7,266.94
		9,257.15	7,803.95
Minority Interest		**218.65**	273.20
Loan Funds:			
Secured Loans	3	**13,454.07**	13,470.78
Unsecured Loans	4	**2,718.97**	3,079.44
		16,173.04	16,550.22
Deferred Tax Liability (refer Note C 12(b) of Schedule 18)		**1,964.95**	1,421.32
Total:		**27,613.79**	26,048.69
APPLICATION OF FUNDS			
Fixed Assets:	5		
Gross Block		**26,792.05**	22,388.91
Less: Depreciation		**5,339.26**	4,079.75
Net Block		**21,452.79**	18,309.16
Capital Work-in-Progress		**6,956.18**	9,585.18
		28,408.97	27,894.34
Goodwill on Consolidation		**899.19**	783.13
Investments	6	**628.20**	396.60
Deferred Tax Asset (refer Note C 12(b) of Schedule 18)		**280.17**	144.50
Current Assets, Loans and Advances:			
Inventories	7	**2,866.74**	2,924.56
Sundry Debtors	8	**696.39**	399.05
Cash and Bank Balances	9	**303.04**	509.30
Loans and Advances	10	**1,603.79**	1,242.79
Other Current Assets		**–**	17.24
		5,469.96	5,092.94
Less: Current Liabilities and Provisions:			
Liabilities	11	**7,807.83**	8,179.88
Provisions	12	**264.87**	82.94
		8,072.70	8,262.82
Net Current Assets/(Liabilities)		**(2,602.74)**	(3,169.88)
Total:		**27,613.79**	26,048.69
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

Consolidated Profit and Loss Account for the year ended 31st March 2010

Rupees in crores

	Schedule No.	Year ended 31.03.2010	Year ended 31.03.2009
INCOME:			
Domestic Turnover		**17,202.35**	13,383.76
Export Turnover		**2,948.77**	3,680.54
Sale of Carbon Credits		**60.21**	48.58
		20,211.33	17,112.88
Less: Excise duty		**1,254.16**	1,178.04
Net Turnover		**18,957.17**	15,934.84
Other Income	13	**536.00**	271.66
Total Income		**19,493.17**	16,206.50
EXPENDITURE:			
Materials	14	**11,231.24**	9,619.31
Employees Remuneration and Benefits	15	**479.54**	518.58
Manufacturing and Other Expenses	16	**3,175.72**	2,815.11
Interest and Finance Charges (net)	17	**1,108.01**	1,155.62
Depreciation		**1,298.66**	987.77
		17,293.17	15,096.39
Profit before Taxation & Exceptional Items		**2,200.00**	1,110.11
Exceptional Items			
Exchange Loss (refer Note C 4 of Schedule 18)		**–**	794.78
Profit before Taxation		**2,200.00**	315.33
Provision for Taxation (refer Note C 12 (a) of Schedule 18)		**646.71**	72.60
Profit after Taxation but before minority interests and share of profits of Associates		**1,553.29**	242.73
Share of Losses of Minority		**(33.21)**	(20.53)
Share of Profits of Associates (Net)		**11.05**	11.65
Profit after Taxation		**1,597.55**	274.91
Profit brought forward from earlier years		**3,676.02**	3,482.32
Amount available for Appropriation		**5,273.57**	3,757.23
Appropriations:			
Transferred (to)/from Debenture Redemption Reserve		**(125.00)**	20.45
Transfer to Capital Redemption Reserve		**(9.90)**	–
Dividend on Preference Shares		**(28.92)**	(28.99)
Proposed Final Dividend on Equity Shares		**(177.70)**	(18.71)
Corporate Dividend Tax		**(34.31)**	(8.11)
Transfer to General Reserve		**(202.28)**	(45.85)
Balance carried to Balance Sheet		**4,695.46**	3,676.02
Earnings per share (Equity shares, par value of Rs.10 each) (in Rupees)			
Basic		**83.61**	12.88
Diluted		**83.29**	12.88
(refer Note C 11 of Schedule 18)			
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 3 May 2010

Consolidated Cash Flow Statement for the year ended 31st March 2010

Rupees in crores

		Year ended 31.03.2010		Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		**2,200.00**		315.33
Adjustments for:				
Depreciation	**1,298.66**		987.77	
(Profit)/Loss on sale of Fixed Assets	**(3.76)**		8.92	
Interest Income	**(6.90)**		(12.51)	
Dividend Income	**(3.87)**		(4.49)	
Interest Expenses	**851.27**		855.02	
Unrealised exchange (gain)/loss (net)	**(47.81)**		141.48	
Amortisation of Employees Share Payments	**4.02**		4.65	
		2,091.61		1,980.84
Operating profit before working capital changes		**4,291.61**		2,296.17
Adjustments for:				
Decrease/(Increase) in Inventories	**57.82**		(742.82)	
(Increase)/Decrease in Sundry Debtors and Loans and Advances	**(425.01)**		89.94	
(Decrease)/Increase in Current Liabilities and Provisions	**(103.77)**		3,330.97	
		(470.96)		2,678.09
Cash flow before taxation		**3,820.65**		4,974.26
Direct Taxes Paid		**(459.35)**		(262.44)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**3,361.30**		4,711.82
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets and capital advances		**(2,753.66)**		(5,973.54)
Purchase of Investments		**(223.30)**		(128.21)
Proceeds from sale of Investments		**2.75**		213.00
Proceeds from sale of Fixed Assets		**11.90**		30.07
Realisation of Other Current Assets		**17.24**		2.57
Interest received		**8.93**		10.70
Dividend received		**3.87**		4.49
NET CASH USED IN INVESTING ACTIVITIES		**(2,932.27)**		(5,840.92)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Preference Share Capital		**(9.90)**		–
Proceeds from Long Term Borrowings		**1,931.46**		4,467.75
Repayment of Long Term Borrowings		**(809.20)**		(2,859.54)
Short-term borrowings		**(483.03)**		940.19
Interest Paid		**(1,148.50)**		(1,091.14)
Dividend Paid		**(57.00)**		(340.37)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(576.17)**		1,116.89
NET DECREASE IN CASH AND CASH EQUIVALENTS(A + B + C)		**(147.14)**		(12.21)
CASH AND CASH EQUIVALENTS - OPENING BALANCE		**426.87**		439.08
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**279.73**		426.87
Add: Margin Money balance		**5.72**		64.11
Add: Balance in debenture interest/ installments/ dividend payment accounts		**17.59**		18.32
CASH AND BANK BALANCE (As per Schedule 9)		**303.04**		509.30

NOTE: Cash and cash equivalents include effect of exchange rate changes Rs. 0.13 crores (Previous year Rs. 0.35 crores) in respect of Bank balance held in Foreign Currency.

As per our attached report of even date

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL

Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai

Dated: 3 May 2010

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2010

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
2,00,00,00,000 Equity Shares of Rs.10 each	**2,000.00**	2,000.00
1,00,00,00,000 Preference Shares of Rs.10 each	**1,000.00**	1,000.00
	3,000.00	3,000.00
Issued and Subscribed:		
18,70,48,682 Equity Shares of Rs.10 each fully paid up	**187.05**	187.05
(18,70,48,682) Add: Equity Shares Forfeited (Amount originally paid-up)	**61.03**	61.03
27,90,34,907 (27,90,34,907) 10% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	**279.03**	279.03
Nil (99,00,000) 11% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up	**–**	9.90
Total:	**527.11**	537.01
SCHEDULE 2		
RESERVES AND SURPLUS:		
Securities Premium Account		
As per last Balance Sheet	**424.51**	500.85
Add: Reversal of premium on FCCB Buyback	**0.89**	7.07
	425.40	507.92
(Less)/Add: FCCB issue expenses	**(0.05)**	0.15
Provision for premium on redemption of FCCB	**(56.46)**	(83.56)
	368.89	424.51
Debenture Redemption Reserve:		
As per last Balance Sheet	**4.04**	24.49
Add/(Less): Transfer from/(to) Profit and Loss Account	**125.00**	(20.45)
	129.04	4.04
Capital Redemption Reserve		
Transfer from Profit and Loss Account on redemption of preference shares	**9.90**	–
	9.90	0.00
General Reserve:		
As per last Balance Sheet	**3,124.06**	3,105.95
Less: Adjustment as per Transitional provisions of AS 11	**–**	(27.74)
Add: Transfer from Profit and Loss Account	**202.28**	45.85
	3,326.34	3,124.06
Hedging Reserve Account		
As per last Balance Sheet	**(21.26)**	–
Movement during the year	**25.14**	(21.26)
	3.88	(21.26)
Share Options Outstanding		
Share Options Outstanding	**13.54**	14.48
Less: Deferred Compensation	**(1.78)**	(6.74)
	11.76	7.74

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
Foreign Currency Translation Reserve Account		
As per last Balance Sheet	**(171.21)**	(10.27)
Movement during the year	**110.23**	(160.94)
	(60.98)	(171.21)
Capital Reserve on Consolidation	**245.75**	223.04
Surplus in Profit and Loss Account	**4,695.46**	3,676.02
Total:	**8,730.04**	7,266.94
SCHEDULE 3		
SECURED LOANS		
Debentures		
8% Non Convertible Debentures of Rs. 10 lacs each	**250.00**	–
8.10% Non Convertible Debentures of Rs. 10 lacs each	**250.00**	–
10.10% Non Convertible Debentures of Rs. 10 lacs each	**1,000.00**	–
10.20% Non Convertible Debentures of Rs. 10 lacs each	**48.75**	56.55
10.20% Non Convertible Debentures of Rs. 10 lacs each	**39.78**	48.16
10.25% Non Convertible Debentures of Rs. 10 lacs each	**500.00**	500.00
10.60% Non Convertible Debentures of Rs. 10 lacs each	**350.00**	–
	2,438.53	604.71
From Banks		
Rupee Term Loans	**4,482.17**	4,797.71
Foreign Currency Term Loans**	**5,653.70**	6,746.02
	10,135.87	11,543.73
From Financial Institutions		
Rupee Term Loans	**95.49**	117.12
Foreign Currency Term Loans	**65.59**	79.43
	161.08	196.55
Working Capital Loans from Banks	**718.59**	1,125.79
Total:	**13,454.07**	13,470.78

**Including amount of Rs. 3.11 crores (Previous year Rs.4.50 crores) towards Finance Lease liability

SCHEDULE 4		
UNSECURED LOANS		
2,744 (Previous year 2,764) Zero Coupon Foreign Currency Convertible Bonds (FCCB) of USD 1,00,000 each (see note below)	**1,238.64**	1,408.26
Long Term Advances From a Customer	**628.89**	646.73
Short Term Loan from Banks	**622.85**	430.00
Short Term Export Packing Credit and Packing Credit facility in Foreign Currency	**18.13**	286.92
Foreign Currency Loans from Banks	**98.81**	200.22
Sales Tax Deferral	**111.65**	107.31
Total:	**2,718.97**	3,079.44

Note: The FCCB's are convertible into Equity Shares at the option of the bondholders at any time on or after 7 August 2007 and prior to the close of business on 21 June 2012 at an initial conversion of Rs. 953.40 per share at a fixed exchange conversion ratio of Rs. 40.28 = 1 US$

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2010

SCHEDULE 5
FIXED ASSETS

Rupees in crores

Particulars	Gross Block (at cost)						Depreciation						Net Block	
	As at 01.04.2009	Additions consequent to acquisition of subsidiaries	Additions	Deductions	Translation Adjustment	As at 31.03.2010	As at 01.04.2009	Additions consequent to acquisition of subsidiaries	For the year	Deductions	Translation Adjustment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangibles														
Freehold Land	188.15	–	16.03	3.69	(2.84)	**197.65**	18.48	–	–	–	–	**18.48**	**179.17**	169.67
Leasehold Land	154.38	–	0.26	–	–	**154.64**	1.07	–	0.87	–	–	**1.94**	**152.70**	153.31
Buildings	3,003.56	–	1,170.31	–	(105.37)	**4,068.50**	405.97	–	124.76	0.15	(6.19)	**524.39**	**3,544.11**	2,597.59
Plant & Machinery@	18,506.36	–	3,817.18	4.48	(467.23)	**21,851.83**	3,594.38	–	1,153.09	3.21	(30.13)	**4,714.13**	**17,137.69**	14,911.98
Furniture & Fixtures	81.55	–	4.58	0.75	(1.30)	**84.08**	28.37	–	6.20	0.26	(0.37)	**33.94**	**50.14**	53.18
Vehicles & Aircrafts	165.67	–	3.69	4.37	(0.51)	**164.48**	19.40	–	12.19	1.53	(0.21)	**29.85**	**134.64**	146.27
Intangibles														
Software	19.88	–	12.40	0.01	(0.05)	**32.22**	12.08	–	4.45	–	–	**16.53**	**15.69**	7.80
Mining Concessions	268.26	–	–	–	(30.59)	**237.67**	–	–	–	–	–	**–**	**237.67**	268.26
Port Concessions	1.10	–	–	–	(0.12)	**0.98**	–	–	–	–	–	**–**	**0.98**	1.10
Total	**22,388.91**	**–**	**5,024.45**	**13.30**	**(608.01)**	**26,792.05**	**4,079.75**	**–**	**1,301.56**	**5.15**	**(36.90)**	**5,339.26**	**21,452.79**	**18,309.16**
Previous Year	18,105.12	1.50	3,276.17	95.47	1,101.59	22,388.91	3,074.25	0.22	990.24	14.45	29.49	4,079.75	18,309.16	
@ Include proportionate share of assets jointly owned Plant & Machinery	32.71	–	–	–	–	**32.71**	15.67	–	1.73	–	–	**17.40**	**15.31**	17.04
Capital Work-in-Progress (including capital advances)													**6,956.18**	9,585.18

Notes:

(1) Buildings include:

(a) Roads not owned by the Company amortised over a period of five years. Gross block Rs. 3.13 crores (Previous year Rs. 3.13 crores) Net block nil (Previous year Rs. 0.28 crores)

(b) Assets given on operating lease for which documents are yet to be executed pending approvals from lenders and KSIIDC. Gross block Rs. 4.78 crores (Previous year Rs. 3.08 crores); Net block Rs. 4.27 crores (Previous year Rs. 2.61 crores)

(c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year, Gross block Rs. 24.07 crores, Net block Rs. 22.28 crores (Previous year Gross block Rs. 24.07 crores, Net block Rs. 22.81 crores)

(2) Fixed assets include Borrowing costs of Rs. 259.32 crores (Previous year 246.69 crores) capitalised during the year

(3) Freehold Land and Buildings of Rs. 145.66 crores (Previous year 114.46 crores) has been/agreed to be hypothecated/mortgaged to lenders of group companies.

(4) Fixed assets include exchange fluctuations Rs. 332.90 crores (Previous year Rs. 268.58 crores) capitalised during the year

(5) Out of above, Depreciation amounting to Rs. 2.90 crores is capitalised (Previous year Rs. 2.47 crores).

Rupees in crores

	As at 31.03.2010		As at 31.03.2009	
SCHEDULE 6				
INVESTMENTS				
1. LONG TERM				
a) In Associates				
-Cost of Investments in equity shares	**39.53**		39.52	
Add: Share of accumulated post acquisition profit till 31 March, 2010 (net)	**68.17**		57.12	
-Preference shares	**40.67**	**148.37**	40.67	137.31
b) In Joint Ventures				
-Equity Shares	**8.91**		0.01	
-Preference Shares	**3.67**	**12.58**	3.06	3.07
c) Others				
Equity Shares	**125.97**		125.96	
Preference Shares	**127.50**		127.50	
Government securities	**0.01**	**253.48**	0.01	253.47
2. CURRENT				
Mutual Funds		**213.77**		2.75
Total:		**628.20**		396.60

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 7		
INVENTORIES		
Raw Materials	**1,287.76**	1,361.11
Production Consumables and Stores & Spares	**474.63**	373.62
Work-in-Progress	**142.42**	153.22
Semi Finished/ Finished Goods	**961.80**	1,023.68
Traded Goods	**0.13**	12.93
Total:	**2,866.74**	2,924.56
Note: Mode of Valuation - refer Note B(7) of Schedule 18.		
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured, net of provision)	**696.39**	399.05
Note:		
Considered Good	**696.39**	399.05
Considered Doubtful	**27.42**	23.24
Provision for Doubtful debts	**(27.42)**	(23.24)

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	**0.39**	0.33
Remittance in Transit & Cheques on hand	**–**	5.15
Balances with Scheduled Banks:		
In Current Accounts	**131.93**	252.69
In Margin Money/Term Deposit Accounts	**170.72**	251.13
Total:	**303.04**	509.30
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Advance to Suppliers	**290.41**	233.66
Export benefits and entitlements/ Export duty refund on exports	**83.23**	84.01
Amount recoverable from ESOP Trusts	**45.06**	45.16
Premises and Other deposits	**134.16**	108.67
Advance towards Equity/Preference capital	**13.27**	2.12
Prepayments and Others	**434.74**	298.48
Less: Provision for Doubtful Advances	**(8.91)**	(1.45)
	991.96	770.65
Excise Balances	**103.79**	191.99
Advance Tax and Tax deducted at source (net)	**153.34**	184.85
Minimum Alternative Tax credit entitlement	**354.70**	95.30
Loans to Bodies Corporate	**9.10**	9.10
Less: Provision for Doubtful Loans	**(9.10)**	(9.10)
Total:	**1,603.79**	1,242.79

Rupees in crores

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	**5,049.79**	5,455.25
Sundry Creditors	**1,759.27**	1,786.75
Rent and other deposits	**52.15**	43.43
Advances from Customers	**182.09**	164.96
Interest Accrued but not due on loans	**144.37**	182.60
Other Liabilities	**334.36**	340.40
Premium payable on redemption of FCCBs & Preference Shares	**268.21**	188.16
Investor Education and Protection Fund shall be credited by:		
Unclaimed Debenture Redemption Installments	**2.11**	2.50
Unclaimed Debenture Interest	**1.88**	2.35
Unclaimed Dividend	**9.78**	9.65
Unclaimed amount of sale proceeds of fractional shares	**3.82**	3.83
Total:	**7,807.83**	8,179.88
SCHEDULE 12		
PROVISIONS		
Provision for:		
Income Tax (net)	**–**	1.54
Wealth Tax (net)	**–**	0.40
Fringe Benefit Tax (net)	**–**	0.97
Employee Benefits	**25.13**	24.22
Proposed Dividend on Preference Shares	**27.90**	28.99
Proposed Dividend on Equity Shares	**177.70**	18.71
Corporate Dividend Tax	**34.14**	8.11
Total:	**264.87**	82.94

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st March 2010

Rupees in crores

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 13		
OTHER INCOME		
Dividend:		
from Long Term Investments	**0.03**	0.03
from Current Investments	**3.84**	4.46
Foreign Exchange Gain (net)	**407.79**	–
Profit on Sale of Fixed Assets	**3.76**	–
Insurance Claim	**1.20**	5.05
Extinguishment of liability on buyback of FCCB's	**3.98**	97.30
Value Added Tax Refund	**91.53**	89.41
Provision for Doubtful Debts/Advances written back	**–**	19.14
Miscellaneous Income	**23.87**	56.27
Total:	**536.00**	271.66
SCHEDULE 14		
MATERIALS		
Raw Materials Consumed	**11,183.68**	9,980.55
Purchases of Traded Goods	**29.61**	4.96
Increase in Stocks		
Opening Stock:		
Semi Finished /Finished Goods	**922.27**	593.19
Work-in-progress	**151.27**	87.31
Traded Goods	**12.93**	45.11
	1,086.47	725.61
Closing Stock:		
Semi Finished /Finished Goods	**960.99**	922.27
Work-in-progress	**142.42**	151.27
Traded Goods	**0.13**	12.93
	1,103.54	1,086.47
	(17.07)	(360.86)
Excise duty on Stock of finished goods (net)	**35.02**	(5.34)
Total:	**11,231.24**	9,619.31
SCHEDULE 15		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	**428.74**	447.13
Contribution to Provident and Other Funds	**17.34**	18.71
Staff Welfare Expenses	**33.46**	52.74
Total:	**479.54**	518.58
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Rent	**11.99**	19.85
Rates and Taxes	**5.83**	55.93
Insurance	**38.51**	42.24
Power and Fuel	**1,047.53**	803.78
Stores and Spares consumed	**942.60**	708.09
Carriage and Freight	**569.10**	572.16

Rupees in crores

	Year ended 31.03.2010	Year ended 31.03.2009
Repairs & Maintenance		
Plant & Machinery	**264.51**	260.83
Buildings	**40.04**	32.24
Others	**10.20**	10.55
Commission on Sales	**59.85**	40.24
Donations & Contributions	**3.60**	9.40
Foreign Exchange Loss (net)	**–**	7.94
Miscellaneous Expenses	**168.26**	238.42
Provision for Doubtful Debts/ Loans/ Advances	**13.70**	4.52
Loss on sale of fixed assets/ investments (net)	**–**	8.92
Total:	**3,175.72**	2,815.11
SCHEDULE 17		
INTEREST AND FINANCE CHARGES (net)		
Interest on:		
Debentures and Fixed Loans	**851.27**	855.02
Others	**153.88**	192.38
Other Finance Charges	**109.76**	120.73
	1,114.91	1,168.13
Less: Interest Income		
from Banks	**(1.02)**	(7.86)
from Others	**(5.88)**	(4.65)
Total:	**1,108.01**	1,155.62

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A. BACKGROUND

The Consolidated Financial Statements of the group – the parent Company, JSW Steel Limited ('JSW' or 'the Company') and all its subsidiaries – include financial information of its other components, viz. namely Joint Venture and Associate Companies. The Company was incorporated on 15 March, 1994.

The Company is predominantly engaged in the business of production and distribution of iron and steel products.

The following components are included in the Consolidation:

Subsidiary Companies:

Name of the Company	Country of Incorporation	Share holding either directly or through subsidiaries	Nature of Operations (commenced/ planned)
JSW Steel (Netherlands) B.V.	Netherlands	100% (100%)	Acquisition and investment in steel related and steel allied businesses and trading in steel products
JSW Steel (UK) Limited	United Kingdom	100% (100%)	Investment in steel related and steel allied businesses
Argent Independent Steel (Holdings) Limited	United Kingdom	100% (100%)	Holding Company of JSW Steel Service Centre (UK) Limited

Name of the Company	Country of Incorporation	Share holding either directly or through subsidiaries	Nature of Operations (commenced/ planned)
JSW Steel Service Centre (UK) Limited	United Kingdom	100% (100%)	Steel Service Centre
JSW Steel Holding (USA) Inc.	United States of America	100% (100%)	Holding Company of JSW Steel (USA) Inc.
JSW Steel (USA) Inc.	United States of America	90% (90%)	Manufacturing Plates, Pipes and Double Jointing
JSW Panama Holdings Corporation	Republic of Panama	100% (100%)	Holding Company for Chile based Companies and trading in Iron Ore
Inversiones Eroush Limitada	Chile	100% (100%)	Holding Company (LLP) of Santa Fe mining
Santa Fe Mining	Chile	70% (70%)	Mining Company
Santa Fe Puerto S.A.	Chile	70% (70%)	Port Company
JSW Natural Resources Limited	Republic of Mauritius	100% (100%)	Holding Company of JSW Natural Resources Mozambique Lda
JSW Natural Resources Mozambique Limitada	Mozambique	100% (100%)	Mining Company
JSW Steel Processing Centres Limited	India	100% (100%)	Steel Service Center
JSW Bengal Steel Limited	India	99.20% (98.96%)	Steel plant
Barbil Beneficiation Company Limited	India	100% (100%)	Beneficiation plant
JSW Jharkhand Steel Limited	India	100% (100%)	Steel plant
JSW Building Systems Limited	India	100% (100%)	Pre-fabricated building systems and technologies

Joint Venture Companies:

Name of the Company	Country of Incorporation	Proportion of Wnership Interest	Nature of Operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% (40%)	Supply of Iron ore
Rhone Coal Company Private Limited	India	49% (49%)	Coal Mining Company
Geo Steel LLC *	Georgia	49% (49%)	Manufacturing of TMT Rebar
JSW Severfield Structures Limited	India	50% (50%)	Structural Steel Works
Gourangdih Coal Limited*	India #	50% (–)	Coal Mining Company

Associate Companies:

Name of the Company	Country of Incorporation	Proportion of Wnership Interest	Nature of Operations (commenced / planned)
Jindal Praxair Oxygen Company Private Limited*	India	26% (26%)	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air
JSW Energy (Bengal) Limited *	India#	26% (-)	Power Plant

Incorporated during the year

* Consolidated based on unaudited financial information/estimates as certified by the management.

The Company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has representation on JPOCL's Board. JPOCL has therefore been consolidated as an associate in accordance with the requirements of Accounting Standard (AS) - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements".

B. SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The subsidiaries are consolidated on a line-by-line basis in accordance with Accounting Standard 21 on "Consolidated Financial Statements". Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements. Inter-company transactions and balances are eliminated on consolidation.

Investments in Joint ventures are accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures". Unrealised profits and losses resulting from transactions between the Company and the Joint Venture Companies are eliminated to the extent of the Company's Share in the Joint Ventures.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associate.

For the purpose of consolidation, the financial statements of the Subsidiaries, Joint Venture Companies and Associates are drawn up to 31 March, 2010 which is the reporting period of the Company.

The excess of the cost of investment in Subsidiary Companies, Joint venture and Associate Companies over the parents' portion of equity is recognized in the financial statements as goodwill. When the cost to the parent of its investment in Subsidiary Companies, Joint Venture and Associate Companies is less than the parents' portion of equity, the difference is recognized in the financial statements as Capital Reserve.

2. Uniform Accounting Policies

The Consolidated Financial Statements of JSW and its subsidiary, joint venture and associate companies have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

4. Fixed Assets and Depreciation

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date the asset are put to use.

Assets acquired under Finance lease are accounted for at the inception of the lease at the lower of the fair value of assets and present value of minimum lease payments and are depreciated over a period of lease.

Depreciation on assets (other than those relating to foreign subsidiaries) is provided, pro rata for the period of use, by the Straight Line Method (SLM) at the SLM rates prescribed in Schedule XIV to the Act. For the purpose of determining the appropriate depreciation rates to be applied to plant and machinery, continuous process plant and machinery has been identified on the basis of technical assessment by the company. In case of foreign subsidiaries, tangible assets are depreciated on a straight line basis over the estimated useful life of the assets.

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

The Company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 to 5 years.

Cost of acquisition of mining consessions and all costs incurred till mining reserves are proved (such as license fees, direct exploration costs and indirect incidental costs) are initially capitalized. Once this determination is made, the following conditions must be met in order for these costs to remain capitalized;

A. The economic and operating viability of the project is assessed determining whether sufficient reserves exists to justify further capitalized expenditure for commercial exploration of the reserves, and

B. Further exploration and development activity is under way or firmly planned for the near future.

All expenditure related to unsuccessful efforts are charged to the profit and loss account when so established.

An asset is considered as impaired in accordance with Accounting Standard 28 on “Impairment of Assets”, when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds it recoverable amount (i.e. the higher of the asset’s net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

5. Investments

Investments are classified as current or long-term in accordance with Accounting Standard 13 on “Accounting for Investments”.

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.

Long-term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

6. Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as 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 to the customers and no effective ownership is retained. Sales are net of sales tax/Value Added Tax. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

Income from Certified Emission Reductions (CER) is recognized as income on sale of CER’s.

7. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under Materials (Schedule 14).

8. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on “Borrowing Costs” are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

Interest income earned is reduced from Interest and Finance charges (net) (Schedule 17).

9. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company’s obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

10. Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities (monetary items) are translated into the respective reporting currency of the parent and the components at the exchange rates prevailing on the balance sheet date. All exchange differences are dealt with in the profit and loss account except that in respect of the parent pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31 March, 2009,

exchange differences relating to monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In Other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March, 2011.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements the assets and liabilities, both monetary and non-monetary, are translated at the closing rate, the income and expense items of the subsidiary company are translated at the average rate and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

11. Derivative Instruments and Hedge accounting

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under Current Assets, Loans and Advances (Schedule10) or Current Liabilities and Provisions (Schedule 11).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the profit and loss account relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognised immediately in profit and loss account. Amounts deferred in the Hedging Reserve Account are recycled in the profit and loss account in the periods when the hedged item is recognized in the profit and loss account, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to the profit and loss account from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the profit and loss account.

12. Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax laws. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax expense (comprising current tax and deferred tax) are aggregated from the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries.

Tax on distributed profits payable in accordance with the provisions of Section 1150 of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

13. Earnings Per Share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

14. Leases

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

15. Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

16. Bond Expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of bonds are written off to the Securities Premium Account in accordance with Section 78 of the Act.

17. Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

18. Contingent Liabilities

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

C. NOTES TO ACCOUNTS:

1. Contingent Liabilities not provided for in respect of:

a) Bills Discounted Rs. 1,275.88 crores (Previous year Rs. 998.40 crores).

b) Guarantees provided Rs. 164.85 crores (Previous year Rs. 164.85 crores).

c) Disputed statutory claims/levies including those pending in courts (excluding interest leviable, if any), in respect of:

(i) Excise Duty Rs. 96.67 crores (Previous year Rs. 90.01 crores);

(ii) Customs Duty Rs. 108.07 crores (Previous year Rs. 223.85 crores);

(iii) Income Tax Rs. 12.47 crores (Previous year Rs. 36.60 crores);

(iv) Sales Tax/ VAT/ Special Entry tax Rs. 0.35 crores (Previous year Rs. 0.57 crores);

(v) Service Tax Rs. 24.46 crores (Previous year Rs. 31.27 crores);

(vi) Miscellaneous Rs. 0.05 crores (Previous year Rs. 0.24 crores); and

(vii) Levies by local authorities Rs. 3.04 crores (Previous year Rs. 15.28 crores).

d) Claims by Suppliers and other third parties not acknowledged as debts Rs. 7.10 crores (Previous year Rs. 131.73 crores).

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 3,691.52 crores (Previous year Rs. 4,781.96 crores).

3. The Group's operations in Chile and Mozambique mainly relate to mining of iron ore and coal which presently are at different stages of prospecting and exploration ranging from precursor activities to establishment of mining reserves. Mining proper (development and exploitation) and other related activities to develop the property after assessment of economic and technical viability based on quantum of proved reserves have not yet commenced.

Goodwill on consolidation includes Rs. 895.58 crores (Previous year Rs. 779.51 crores) and intangible assets (mining concessions and port concessions) include Rs. 242.89 crores (Previous year Rs. 269.36 crores) relating to the Group's acquisitions in Chile and Mozambique in the earlier years. Pending the completion of the above stated activities goodwill and intangibles have been carried at their original values or cost since impairment, if any, in these values cannot be ascertained at this stage. (Refer Note B (4)).

4. Unlike the previous year which saw an unprecedented depreciation of the rupee against major foreign currencies, the movement of the rupee during the year is much less volatile. Accordingly, exchange fluctuations for the year have not been considered as an 'Exceptional item'.

5. Derivatives:

a) The Company uses Foreign Currency forward contracts to hedge its risks associated with Foreign Currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of Foreign Currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Forward Exchange Contracts entered into by the Company are as under:

As at	No. of Contracts	Type	US$ equivalent (Million)	INR Equivalent (crores)
31.03.2010	**47**	**Buy**	**121.29**	**547.50**
	35	**Sell**	**90.24**	**407.35**
31.03.2009	6	Buy	59.62	303.77
	27	Sell	61.85	315.11

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the Board of Directors, which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

i) Notional value of Interest Rate Swaps (IRS) to hedge against fluctuations in interest rate changes are as under :

As at	No. of Contracts	US$ Equivalent of notional value (Million)	MTM of IRS (crores)
31.03.2010	**2**	**10.00**	**(0.24)**
31.03.2009	2	10.00	(0.34)

ii) Currency options to hedge against fluctuations in changes in exchange rate are as under:

As at	No. of Contracts	US$ Equivalent (Million)	INR Equivalent (crores)
31.03.2010	**–**	**–**	**–**
31.03.2009	4	48.00	244.56

c) The year end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amounts receivable in Foreign Currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Debtors	**16.93**	**76.44**	5.64	28.73
Other Receivables	**11.62**	**52.43**	–	–
Balances with banks				
- in Fixed Deposit Account	**0.01**	**0.03**	10.66	54.30
- in Current Account	**0.29**	**1.32**	1.38	7.05
Interest receivable	**–**	**–**	0.01	0.03

ii) Amounts payable in Foreign Currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Acceptances	**959.20**	**4,329.82**	975.53	4,970.35
Creditors	**106.35**	**480.09**	83.13	419.69
Interest payable	**0.16**	**0.73**	7.32	37.29
Loans payable	**754.04**	**3,403.72**	817.09	4,163.10
Redemption premium payable on FCCB's	**59.42**	**268.21**	36.74	187.17

iii) Provision for loss through Profit and Loss Account Rs. 10.30 crores (Previous year Rs. 5.69 crores).

6. Employee Benefits:

a) Defined Contribution Plan:

The group's contribution to Provident Fund Rs. 13.19 crores (Previous year Rs. 12.24 crores).

b) Defined Benefit Plans - Gratuity:

Rupees in crores

	Current Year	Previous Year
a) Liability recognized in the Balance Sheet		
i) Present value of obligation		
Opening Balance	**31.39**	25.45
Service Cost	**3.92**	2.47
Interest Cost	**2.69**	2.14
Actuarial loss on obligation	**0.39**	3.22
Benefits paid	**(1.17)**	(1.89)
Closing Balance	**37.22**	31.39
Less:		
ii) Fair Value of Plan Assets		
Opening Balance	**26.14**	21.42
Expected Return on Plan assets less loss on investments	**2.53**	2.10
Actuarial gain / (loss) on Plan Assets	**0.08**	(1.22)
Employers' Contribution	**6.03**	5.73
Benefits paid	**(1.12)**	(1.89)
Closing Balance	**33.66**	26.14
Amount recognized in Balance Sheet	**3.56**	5.25
b) Expenses during the year		
Service cost	**3.92**	2.47
Interest cost	**2.69**	2.14
Expected Return on Plan Assets	**(2.53)**	(2.10)
Actuarial (Gain)/Loss	**0.31**	4.44
Total	**4.39**	6.95
c) Actual Return on plan assets	**2.61**	0.88
d) Break up of Plan Assets as a percentage of total plan assets		#
(i) ICICI Prudential Life Insurance Co. Ltd.		
Balanced Fund	**2.96**	
Debt Fund	**1.11**	
Short Term Debt Fund	**5.11**	
(ii) HDFC Standard Life Insurance Co. Ltd.		
Defensive Managed Fund	**0.93**	
Stable Managed Fund	**8.45**	
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	**9.47**	
(iv) LIC of India – Insurer Managed Fund	**5.63**	
e) Principal actuarial assumptions		
Rate of Discounting	**8% p.a.**	7.75% p.a.
Expected Return on Plan Assets	**8% p.a.**	8% p.a.
Rate of increase in salaries	**6% p.a.**	6% p.a.
Attrition Rate	**2% p.a.**	2% p.a.

The group expects to contribute Rs. 5.13 crores to its Gratuity plan for the next year.

In assessing the group's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

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

The details of the composition of the plan assets, by category, from the insurers for the previous year have not been received and hence the disclosures as required by Accounting Standard (AS) – 15 in "Employee Benefits" have not been given.

Other disclosures:

Rupees in crores

Particulars	2009-10	2008-09	2007-08
Defined Benefit Obligation	**37.22**	31.39	25.45
Plan Assets	**33.66**	26.14	21.42
Surplus/(Deficit)	**(3.25)**	(5.08)	(4.00)

7. Segment Reporting:

The group is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company has identified primary business segments, namely Steel, Power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

I) Information about Primary Business Segments

Rupees in crores

Particulars	Year ended 31.03.2010					Year ended 31.03.2009				
	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total
Revenue:										
External Sales	**18,832.40**	**124.77**	**–**		**18,957.17**	15,772.98	70.99	90.87		15,934.84
Inter Segment Sales	**490.97**	**843.41**	**25.02**	**(1,359.40)**	**–**	520.82	695.33	31.65	(1,247.80)	–
Total Revenue	**19,323.37**	**968.18**	**25.02**	**(1,359.40)**	**18,957.17**	16,293.80	766.32	122.52	(1,247.80)	15,934.84
Segment Result before Interest and tax	**2,957.58**	**389.84**	**0.98**		**3,348.40**	1,348.90	162.70	13.15		1,524.75
Un-allocated Income					**3 .87**					(21.62)
Interest Expenses					**(1,108.01)**					(1,155.62)
Provision for Taxation					**(646.71)**					(72.60)
Profit after taxation					**1,597.55**					274.91
Other Information										
Segment Assets	**32,162.25**	**638.41**	**527.06**		**33,327.72**	31,314.24	618.66	585.09		32,517.99
Un-allocated Assets					**2,358.77**					1,793.52
Total Assets					**35,686.49**					34,311.51
Segment Liabilities	**7,611.01**	**27.05**	**25.40**		**7,663.46**	7,941.17	28.53	27.58		7,997.28
Un-allocated Liabilities & Provisions					**18,547.23**					18,237.08
Total Liabilities					**26,210.69**					26,234.36
Depreciation	**1,263.94**	**34.67**	**0.05**		**1,298.66**	955.32	32.40	0.05		987.77
Total Cost incurred during the year to acquire Segment Assets	**2,344.04**	**17.96**	**33.45**		**2,395.45**	6,779.81	49.56	261.18		7,090.55

Notes:

1. Inter Segment transfer from the power segment is measured at the rate at which power is purchased/ sold from/ to the respective Electricity Board.
2. Inter Segment transfer from the steel segment is measured on the basis of fuel cost.
3. Other business segment is mining segment.

II) Information about Secondary Segment- Geographical Segment

Rupees in crores

Particulars	Year ended 31.03.2010			Year ended 31.03.2009		
	India entities	Foreign entities	Total	India entities	Foreign entities	Total
Segment Revenue	**18,089.65**	**867.52**	**18,957.17**	13,163.87	2,770.97	15,934.84
Segment assets	**29,365.65**	**6,320.84**	**35,686.49**	26,802.01	7,509.50	34,311.51
Capital expenditure incurred	**2,332.75**	**62.70**	**2,395.45**	6,725.87	364.68	7,090.55

8. Related parties disclosure as per Accounting Standard (AS) – 18:

A. List of Related Parties

Parties with whom the Company has entered into transactions during the year/where control exists:

1. Associates

Jindal Praxair Oxygen Company Private Limited
JSW Energy (Bengal) Limited

2. Joint Ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
Gourangdih Coal Limited
Toshiba JSW Turbine and Generator Private Limited
JSW Severfield Structures Limited
Geo Steel LLC
MJSJ Coal Limited

3. Key Management Personnel

Mrs. Savitri Devi Jindal
Mr. Sajjan Jindal
Mr. Seshagiri Rao M. V. S.
Dr. Vinod Nowal
Mr. Y. Siva Sagar Rao (Upto 15.05.2009)
Mr. Jayant Acharya (W.e.f. 07.05.2009)

4. Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence

JSW Energy Limited
JSL Limited
Jindal Saw Limited
Jindal Saw USA
Jindal Steel & Power Limited
Jindal South West Holdings Limited
Jsoft Solutions Limited
Jindal Industries Limited
JSW Energy (Ratnagiri) Limited
JSW Cement Limited
JSW Jaigarh Port Limited
Nalwa Sons & Investments Limited
JSW Investments Private Limited
Jindal Systems Private Limited
Reynold Traders Private Limited
Raj West Power Limited
JSW Power Trading Company Limited
JSW Aluminium Limited
O P Jindal Foundation
JSW Infrastructure & Logistic Limited
South West Port Limited
JSW Realty & Infrastructure Private Limited
St. James Investment Limited

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods/ Power & Fuel/ Services						
South West Port Limited	**–**	**–**	**–**	**–**	**71.48**	**71.48**
	–	–	–	–	78.54	78.54
JSW Energy Limited	**–**	**–**	**–**	**–**	**572.76**	**572.76**
	–	–	–	–	412.54	412.54
Jindal Praxair Oxygen Company Private Limited	**120.62**	**–**	**–**	**–**	**–**	**120.62**
	112.49	–	–	–	–	112.49
Others	**–**	**29.14**	**–**	**–**	**35.75**	**64.89**
	–	54.02	–	–	26.19	80.21
Total	**120.62**	**29.14**	**–**	**–**	**679.99**	**829.75**
	112.49	54.02	–	–	517.27	683.78
Reimbursement of Expenses incurred on our behalf by						
Jindal South West Holdings Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.10	0.10

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
JSW Energy Limited	–	–	–	–	**2.73**	**2.73**
	–	–	–	–	1.34	1.34
Others	–	–	–	–	**0.11**	**0.11**
					0.13	0.13
Total	–	–	–	–	**2.84**	**2.84**
	–	–	–	–	1.57	1.57
Interest Expenses						
St . James Investment Limited	–	–	–	–	**8.64**	**8.64**
	–	–	–	–	11.65	11.65
Total	–	–	–	–	**8.64**	**8.64**
	–	–	–	–	11.65	11.65
Sales of Goods/ Power & Fuel/ Other Income						
JSW Energy Limited	–	–	–	–	**727.38**	**727.38**
	–	–	–	–	610.84	610.84
Jindal Industries Limited	–	–	–	–	**202.38**	**202.38**
	–	–	–	–	147.23	147.23
Jindal Saw Limited	–	–	–	–	**123.00**	**123.00**
	–	–	–	–	184.55	184.55
Others	**3.95**	**0.35**	–	–	**178.88**	**183.18**
	3.60	–	–	–	182.57	186.17
Total	**3.95**	**0.35**	–	–	**1,231.64**	**1,235.94**
	3.60	–	–	–	1,125.19	1,128.79
Other Income						
JSW Investments Private Limited	–	–	–	–	**2.07**	**2.07**
	–	–	–	–	1.91	1.91
JSW Realty & Infrastructure Private Limited	–	–	–	–	**3.50**	**3.50**
	–	–	–	–	–	–
Others	**0.01**	**0.01**	–	–	**1.17**	**1.19**
	–	0.60	–	–	1.27	1.87
Total	**0.01**	**0.01**	–	–	**6.74**	**6.76**
	–	0.60	–	–	3.18	3.78
Purchase of Assets						
Jindal Steel & Power Limited	–	–	–	–	**48.89**	**48.89**
	–	–	–	–	138.13	138.13
Jindal Saw Limited	–	–	–	–	**8.95**	**8.95**
	–	–	–	–	69.79	69.79
Others	–	–	–	–	**3.68**	**3.68**
	–	–	–	–	4.36	4.36
Total	–	–	–	–	**61.52**	**61.52**
	–	–	–	–	212.28	212.28
Sale of Assets						
Jindal Steel & Power Limited	–	–	–	–	–	–
	–	–	–	–	29.42	29.42
Urmila Bhuwalka	–	–	–	–	–	–
	–	–	–	3.50	–	3.50
JSW Energy (Ratnagiri) Limited	–	–	–	–	**3.35**	**3.35**
	–	–	–	–	–	–
JSW Energy Limited	–	–	–	–	**0.89**	**0.89**
	–	–	–	–	–	–
Others	–	–	–	–	**0.17**	**0.17**
	–	–	–	–	–	–
Total	–	–	–	–	**4.41**	**4.41**
	–	–	–	3.50	29.42	32.92
Debentures Redeemed						
JSL Limited	–	–	–	–	–	–
	–	–	–	–	0.61	0.61
Total	–	–	–	–	–	–
	–	–	–	–	0.61	0.61

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Advance given						
JSW Energy Limited	–	–	–	–	–	–
	–	–	–	–	30.00	30.00
Total	–	–	–	–	–	–
	–	–	–	–	30.00	30.00
Advance given Received back						
JSW Energy Limited	–	–	–	–	–	–
	–	–	–	–	30.00	30.00
Total	–	–	–	–	–	–
	–	–	–	–	30.00	30.00
Donation Given						
O.P. Jindal Foundation	–	–	–	–	**0.75**	**0.75**
	–	–	–	–	1.85	1.85
Total	–	–	–	–	**0.75**	**0.75**
	–	–	–	–	1.85	1.85
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	–	–	–	–	**1.53**	**1.53**
	–	–	–	–	0.43	0.43
JSW Severfield Structures Limited	–	**0.09**	–	–	–	**0.09**
	–	2.52	–	–	–	2.52
JSW Cement Limited	–	–	–	–	**0.57**	**0.57**
	–	–	–	–	–	–
Jsoft Solutions Limited	–	–	–	–	**0.69**	**0.69**
	–	–	–	–	–	–
Others	–	**0.22**	–	–	**0.78**	**1.00**
	–	0.07	–	–	0.36	0.43
Total	–	**0.31**	–	–	**3.57**	**3.88**
	–	2.59	–	–	0.79	3.38
Investments/Share Application Money given during the year						
JSW Realty & Infrastructure Private Limited	–	–	–	–	–	–
	–	–	–	–	84.25	84.25
JSW Energy Limited	–	–	–	–	–	–
	–	–	–	–	31.89	31.89
Toshiba JSW Turbine and Generator Private Limited	–	–	–	–	**11.00**	**11.00**
	–	–	–	–	–	–
Others	**0.01**	–	–	–	–	**0.01**
		11.09	–	–	–	11.09
Total	**0.01**	–	–	–	**11.00**	**11.01**
	–	11.09	–	–	116.14	127.23
Lease & Other deposits given						
JSW Energy (Ratnagiri) Limited	–	–	–	–	**0.06**	**0.06**
	–	–	–	–	–	–
JSW Jaigarh Port Limited	–	–	–	–	**3.50**	**3.50**
	–	–	–	–	–	–
JSW Severfield Structures Limited	–	**6.50**	–	–	–	**6.50**
	–	–	–	–	–	–
Jindal Saw Limited	–	–	–	–	**2.50**	**2.50**
	–	–	–	–	–	–
JSW Realty & Infrastructure Private Limited	–	–	–	–	**0.27**	**0.27**
	–	–	–	–	–	–
Total	–	**6.50**	–	–	**6.33**	**12.83**
	–	–	–	–	–	–
Remuneration to key managerial personnel						
Mrs. Savitri Devi Jindal	–	–	**0.08**	–	–	**0.08**
	–	–	0.08	–	–	0.08

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Mr. Sajjan Jindal	–	–	14.25	–	–	14.25
	–	–	6.56	–	–	6.56
Mr. Seshagiri Rao M. V. S.	–	–	2.91	–	–	2.91
	–	–	0.96	–	–	0.96
Dr. Vinod Nowal	–	–	1.83	–	–	1.83
	–	–	0.70	–	–	0.70
Mr. Y. Siva Sagar Rao	–	–	0.35	–	–	0.35
	–	–	1.08	–	–	1.08
Mr. Jayant Acharya	–	–	1.04	–	–	1.04
	–	–	–	–	–	–
Total	–	–	20.46	–	–	20.46
	–	–	9.38	–	–	9.38
Guarantees and collaterals provided by the Company on behalf						
Rohne Coal Company Private Limited	–	–	–	–	–	–
	–	45.82	–	–	–	45.82
Total	–	–	–	–	–	–
	–	45.82	–	–	–	45.82
C. Closing balance of related parties						
Trade payables						
Jindal Praxair Oxygen Company Private Limited	10.38	–	–	–	–	10.38
	10.89	–	–	–	–	10.89
South West Port Limited	–	–	–	–	17.03	17.03
	–	–	–	–	20.14	20.14
Jindal Saw Limited	–	–	–	–	1.15	1.15
	–	–	–	–	13.96	13.96
St . James Investment Limited	–	–	–	–	12.76	12.76
	–	–	–	–	224.21	224.21
Nalwa Sons & Investments Private Limited	–	–	–	–	5.17	5.17
	–	–	–	–	5.17	5.17
Vijayanagar Minerals Private Limited	–	6.49	–	–	–	6.49
	–	–	–	–	–	–
Others	–	–	–	–	0.74	0.74
	–	5.45	0.07	–	1.61	7.13
Total	10.38	6.49	–	–	36.85	53.72
	10.89	5.45	0.07	–	265.09	281.50
Notes Payable						
St. James Investment Limited	–	–	–	–	19.41	19.41
	–	–	–	–	–	–
Total	–	–	–	–	19.41	19.41
	–	–	–	–	–	–
Advance received from Customers						
Jindal Steel & Power Limited	–	–	–	–	–	–
	–	–	–	–	0.27	0.27
Jindal Saw Limited	–	–	–	–	0.22	0.22
	–	–	–	–	–	–
Raj west Power Limited	–	–	–	–	1.27	1.27
	–	–	–	–	–	–
JSW Jaigarh Port Limited	–	–	–	–	0.04	0.04
	–	–	–	–	–	–
Total	–	–	–	–	1.53	1.53
	–	–	–	–	0.27	0.27
Lease & Other deposit received						
Jindal Praxair Oxygen Company Private Limited	3.83	–	–	–	–	3.83
	3.83	–	–	–	–	3.83
JSW Energy Limited	–	–	–	–	6.49	6.49
	–	–	–	–	6.49	6.49

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
JSW Energy (Ratnagiri) Limited	–	–	–	–	3.71	3.71
	–	–	–	–	3.64	3.64
JSW Power Trading Company Limited	–	–	–	–	20.00	20.00
	–	–	–	–	20.00	20.00
JSW Severfield Structures Limited	–	6.50	–	–	–	6.50
	–	–	–	–	–	–
Others	–	–	–	–	6.27	6.27
	–	–	–	–	–	–
Total	3.83	6.50	–	–	36.47	46.80
	3.83	–	–	–	30.13	33.96
Trade receivables						
JSW Energy Limited	–	–	–	–	69.80	69.80
	–	–	–	–	4.04	4.04
JSW Cements Limited	–	–	–	–	18.84	18.84
	–	–	–	–	17.32	17.32
Jindal Saw Limited	–	–	–	–	2.74	2.74
	–	–	–	–	16.01	16.01
JSW Realty & Infrastructure Private Limited	–	–	–	–	1.38	1.38
	–	–	–	–	7.94	7.94
JSW Power Trading Company Limited	–	–	–	–	20.16	20.16
	–	–	–	–	–	–
Others	–	–	–	–	7.85	7.85
	–	2.52	–	–	15.54	18.06
Total	–	–	–	–	120.77	120.77
	–	2.52	–	–	60.85	63.37
Capital/Revenue Advances given						
Jindal Steel & Power Limited	–	–	–	–	13.66	13.66
	–	–	–	–	–	–
Jindal Saw Limited	–	–	–	–	0.14	0.14
	–	–	–	–	–	–
JSW Cement Limited	–	–	–	–	1.98	1.98
	–	–	–	–	–	–
Total	–	–	–	–	15.78	15.78
	–	–	–	–	–	–
Share Application Money						
Vijayanagar Minerals Private Limited	–	2.43	–	–	–	2.43
	–	2.43	–	–	–	2.43
Toshiba JSW Turbine and Generator Private Limited	–	–	–	–	6.50	6.50
	–	–	–	–	–	–
Gourangdih Coal Limited	–	–	–	–	–	–
	–	0.04	–	–	–	0.04
Total	–	2.43	–	–	6.50	8.93
	–	2.47	–	–	–	2.47
Other advances given						
JSW Severfield Structures Limited	–	1.36	–	–	–	1.36
	–	–	–	–	–	–
JSW Aluminium Limited	–	–	–	–	0.42	0.42
	–	–	–	–	–	–
Others	–	0.04	–	–	–	0.04
	–	0.07	–	–	0.53	0.60
Total	–	1.40	–	–	0.42	1.82
	–	0.07	–	–	0.53	0.60
Other Current Assets						
JSW Investments Private Limited	–	–	–	–	–	–
	–	–	–	–	17.24	17.24
Total	–	–	–	–	–	–
	–	–	–	–	17.24	17.24

Rupees in crores

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences	Total
Investments held by the Company						
Jindal Praxair Oxygen Company Private Limited	**80.19**	**–**	**–**	**–**	**–**	**80.19**
	80.19	–	–	–	–	80.19
JSW Energy Limited	**–**	**–**	**–**	**–**	**120.90**	**120.90**
	–	–	–	–	120.90	120.90
JSW Realty & Infrastructure Private Limited	**–**	**–**	**–**	**–**	**127.50**	**127.50**
	–	–	–	–	127.50	127.50
Vijayanagar Minerals Private Limited	**–**	**@**	**–**	**–**	**–**	**@**
	–	@	–	–	–	@
Others	**–**	**8.17**	**–**	**–**	**–**	**8.17**
	–	11.05	–	–	–	11.05
Total	**80.19**	**8.17**	**–**	**–**	**248.40**	**336.76**
	80.19	11.05	–	–	248.40	339.64
Guarantees and collaterals provided by the Company on behalf						
Jindal Praxair Oxygen Company Private Limited	**39.52**	**–**	**–**	**–**	**–**	**39.52**
	39.52	–	–	–	–	39.52
JSW Cement Limited	**–**	**–**	**–**	**–**	**75.00**	**75.00**
	–	–	–	–	75.00	75.00
Rohne Coal Company Private Limited	**–**	**45.82**	**–**	**–**	**–**	**45.82**
	–	45.82	–	–	–	45.82
Others	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	–
Total	**39.52**	**45.82**	**–**	**–**	**75.00**	**160.34**
	39.52	45.82	–	–	75.00	160.34

@ Less than Rs. 1,00,000
Figures in bold represent current year numbers.

9. Finance Lease

a) As Lessee:

i. One of the subsidiary has acquired equipments for Rs.4.62 crores through finance lease. The finance lease is for various duration with last lease maturing in 2013. The amount of depreciation charged to profit and loss account till 31 March 2010 was Rs. 1.31 crores and the book value is Rs. 3.30 crores.

ii. The Minimum Lease Payments as at 31 March 2010 and the present value as at 31 March 2010 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

(Rupees in crores)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31.03.10	As at 31.03.09	**As at 31.03.10**	As at 31.03.09
Payable not later than 1 year	**1.36**	1.41	**1.18**	1.15
Payable later than 1 year and not later than 5 years	**2.05**	3.66	**1.93**	3.35
Payable later than 5 years	**–**	–	**–**	–
Total	**3.41**	5.07	**3.11**	4.50
Less: Future Finance Charges	**0.30**	0.57		
Present Value of Minimum Lease Payments	**3.11**	4.50		

10. Operating Lease

a) As Lessor:

i. The Company has entered into lease arrangements, for renting:

– 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of Rs. 100/- per house per annum, for a period of 180 months.

– 672 houses (admeasuring approximately 551,051 square feet) at the rate of Rs. 24/- per square feet per annum, for a period of 36 to 60 months.

– 1 house at the rate of Rs. 0.60 lacs per annum, for a period of 11 months.

and are renewable at the option of the lessee after the end of the term.

ii. Disclosure in respect of assets given on operating lease:

Rupees in crores

	Current Year	Previous Year
Gross Carrying amount of Assets	**154.89**	123.95
Accumulated Depreciation	**13.31**	10.91
Depreciation for the year	**2.31**	2.16

b) As Lessee:

Lease Rentals charged to revenue for right to use following assets are:

Rupees in crores

Particulars	Current Year	Previous Year
Plant & Machinery	**5.04**	13.40
Office Premises, Residential Flats etc.	**6.91**	6.45
Total	**11.95**	19.85

The agreements are executed for a period of 11 to 60 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

Future minimum lease rental payable under operating lease for each of the following years as under:

Particulars	Current Year	Previous Year
Not later than one year	**0.13**	–
Later than one year but not later than five years	**0.01**	–
Later than five years	**–**	
Total	**0.14**	–

11. Earnings Per Share (EPS):

		Current Year	Previous Year
Profit after Tax	Rs. in crs	**1,597.55**	274.91
Less: Dividend on preference shares (Including corporate dividend tax)	Rs. in crs	**(33.73)**	(33.92)
Profit after tax for Equity share holders (Numerator)- Basic	Rs. in crs	**1,563.82**	240.99
Add/(Less): Exchange loss/ (gain) on FCCB's	Rs. in crs	**–**	22.26
Profit after tax for Equity share holders (Numerator)-Diluted	Rs. in crs	**1,563.82**	263.25
Earning per share – Basic	Rs.	**83.61**	12.88
Earning per share – Diluted	Rs.	**83.29**	12.88
Nominal value per share	Rs.	**10**	10
Weighted average number of equity shares for Basic EPS (denominator)	Nos.	**187,048,682**	187,048,666
Weighted average number of equity shares for Diluted EPS (denominator)	Nos.	**187,746,815**	187,048,666

12. a) Provision for Taxation includes:

Rupees in crores

	Current Year	Previous Year
Income Tax:		
Current Tax	**487.97**	77.54
Deferred Tax	**418.16**	78.91
Fringe Benefit Tax	**–**	7.16
Minimum Alternate Tax (MAT) Credit entitlement	**(259.40)**	(95.30)
Tax adjustment of earlier years	**(0.52)**	3.89
Wealth Tax	**0.50**	0.40
Total	**646.71**	72.60

b) Major components of deferred tax asset / liability comprises of:

Rupees in crores

	Current Year	Previous Year
Depreciation	**2,066.88**	1,557.54
Expenses allowable on payment basis	**(63.22)**	(61.12)
Provision for doubtful debts/capital advances	**(40.55)**	(48.67)
Others	**(278.33)**	(170.93)
Deferred Tax Liability (net)	**1,684.78**	1,276.82

13. Previous year's figures have been regrouped, wherever necessary, to confirm with current year's presentation.

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Date: 3 May 2010

JSW Steel Limited ranked 7th among top 32 "World Class" Steelmakers

Potential to improve further due to:

- Scaling up capacities
- Increasing raw material security

Company achieved 10 out of 10 rating on following parameters:

- Conversion costs
- Expanding capacity
- Location in high growth markets
- Labour cost

Source: WSD – Ranking based on weighted average score.

Keeping pace with **a changing economy**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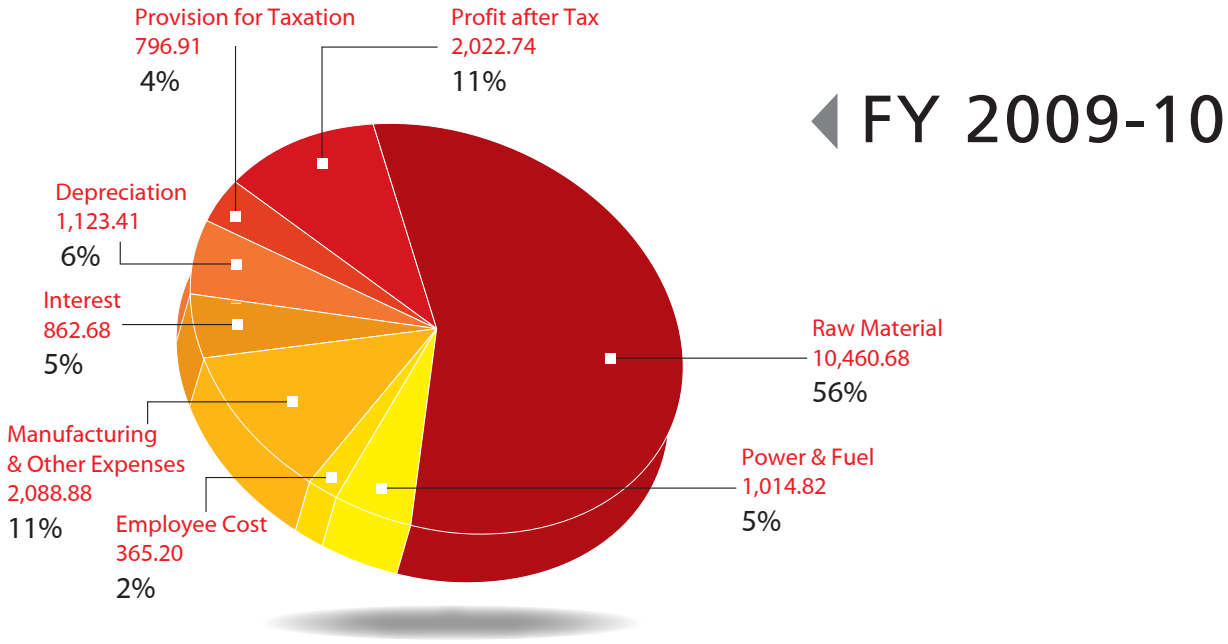
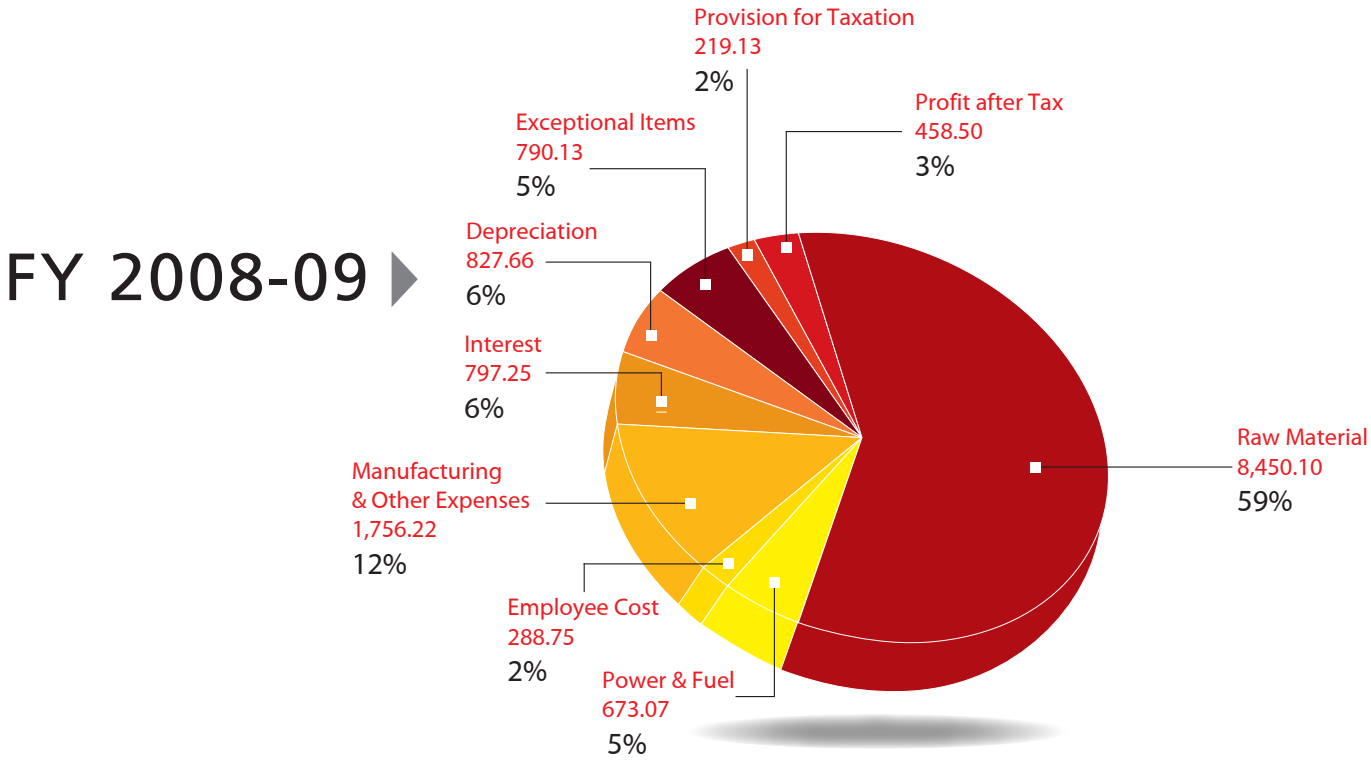
Financial Highlights (Standalone)

	2005-06	2006-07	2007-08	2008-09	2009-10
REVENUE ACCOUNTS (Rs. in crores)					
Gross Turnover	6,801.52	9,297.26	12,628.91	15,179.29	19,456.64
Net Turnover	6,215.53	8,554.36	11,420.00	14,001.25	18,202.48
EBIDTA	2,133.46	2,921.97	3,506.85	3,092.67	4,805.74
Depreciation	405.82	498.23	687.18	827.66	1,123.41
Interest	363.96	399.54	440.44	797.25	862.68
PBT	1,301.89	1,915.18	2,484.12	677.63	2,819.65
Provision for Taxation	445.36	623.18	755.93	219.13	796.91
PAT	856.53	1,292.00	1,728.19	458.50	2,022.74
CAPITAL ACCOUNTS (Rs. in crores)					
Gross Block	8,368.43	10,512.76	13,952.32	16,896.75	21,795.58
Net Block	6,517.98	8,189.10	10,955.49	13,086.44	16,866.14
Capital WIP	1,861.95	2,002.93	5,612.43	9,242.06	6,684.27
Total Debt	4,096.05	4,173.03	7,546.53	11,272.63	11,585.10
Long Term Debt	3,877.42	4,031.48	7,249.00	10,047.36	10,498.69
Working Capital Loans	218.63	141.55	297.53	1,225.27	1,086.41
Equity Capital	156.98	163.98	187.05	187.05	187.05
Reserves & Surplus	3,859.16	5,068.25	7,140.24	7,422.24	9,179.23
Shareholders' Funds	4,356.22	5,594.05	7,677.25	7,959.25	9,706.34
RATIOS					
Book Value per Share (Rs.)	240.37	312.24	394.99	410.07	504.00
Market price per Share (Rs.)	302.70	493.45	819.10	231.85	1,235.90
Earning per Share (Diluted) (Rs.)	55.57	78.88	94.18	22.70	105.94
Market Capitalisation (Rs. in crores)	4,751.65	8,091.53	15,321.15	4,336.72	23,117.35
Equity Dividend per Share (Rs.)	8.00	12.50	14.00	1.00	9.50
Fixed Assets Turnover Ratio	0.95	1.04	1.04	1.07	1.08
EBIDTA Margin	32.3%	33.6%	30.3%	21.8%	26.2%
Interest Coverage	4.58	5.79	6.40	2.84	4.27
Net Long term Debt Equity Ratio	0.96	0.73	0.93	1.24	1.07
Net Long term Debt to EBIDTA	1.82	1.34	2.04	3.30	2.36

Cost & Profit as a percentage of Total Income (Rs. in crores)





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