

ANNUAL REPORT 2011-12

# Success

through strategy and sustainability



Celebrating 100 years of stainless steel



## Shri O. P. Jindal

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

### Some footprints are ever lasting!

Our tribute to the visionary of modern India and our abiding source of inspiration whose great thoughts even today, lead us in all our ventures! He was someone for whom destiny wasn't written- he penned it for himself. A great man of inimitable veracity and allegiance, who succeeded in every endeavor, a philanthropist and a true Indian who not just dreamt of creating a prospering India but also achieved it with his hard work, making the life of every Indian better.



**Savitri Jindal**  
Chairperson

Dear Shareholders,

The stainless steel industry is constantly looking for ways to reduce its carbon footprint. Stainless steel, known as green metal, is the most versatile and highly recyclable of all metals. The high level of recycling reduces industry's dependence on raw materials, instead preserving them for posterity. This makes stainless steel a very sustainable material for the future. Sustainability is about much more than just environment. The stainless steel industry also aims to operate in an economically sustainable way that respects the well-being of its employees, people and the communities associated with it.

Being a leading manufacturer of stainless steel, Jindal Stainless very well understands its responsibilities towards the ecology and therefore complies with all energy conservation and environmental norms.

Further, as per our CSR initiative, our focus has been towards providing quality education to children, undertaking community development programmes such as healthcare, empowering women through income generation activities and providing youth skill based training for employability.

Year 2012 marks an important event in the history of stainless steel. It has been 100 years since this metal was first produced and patented. The manufacturing community worldwide is celebrating the centenary of this versatile and green metal. Jindal Stainless is proud to be a part of these festivities.

## Vice Chairman & Managing Director's Message

### Our journey so far...

... more than four decades in the  
100 years stainless steel calendar

#### Dear Shareholders,

Year 2012 has been an important milestone in our development. We made significant progress in our key focus areas of overall performance, expansion, people and environment initiatives. It gives me a great pleasure to announce the completion of our 0.8 million tons per annum Odisha project as well as the excellent progress made by your company during the year.

#### Celebrating 100 years of stainless steel

We are extremely proud to be part of the global centenary celebrations of stainless steel. It has been 100 years since stainless steel was first created and produced. The birth of stainless steel has led the world to experience change and development in ways that could never have happened without this wonder material. It has revolutionized modern architecture, the transportation industry as well as critical industrial and medical applications. Over time, it has become an indispensable part of the world we live in.



#### A journey fuelled by vision

It was in 1970 that our first stainless steel plant was set up in Hisar. From a small set up, the company then known as Jindal Strips Limited, has today grown to become the largest stainless steel manufacturer in the country with diverse interests ranging from mining to power generation. To integrate our operation and make it more cost competitive, a ferro alloy plant was set up in 1987 at Vishakhapatnam to ensure cost-effective supply of raw material followed by setting up our own R&D centre at Hisar in 1991. We were the first company in the world to commercialise chrome-manganese stainless steel 200 series, a cost-effective alternative to 300 series. During the same year, we also achieved the distinction of becoming the country's exclusive producer of stainless steel strips for making razor and surgical blades.

#### Building capacity to achieve dominance

Our saga of growth has been in part due to the ability to anticipate trends and prepare for them accordingly. This has led us to actively augment our capacity to fuel rising demand. Our new 0.8 million tons stainless steel facility at Jajpur, Odisha, has commenced production after completion. As we move forward, and complete our second phase of expansion, our stainless steel manufacturing capacity can be further scaled upto 2.4 million tons per annum.

Our Odisha plant has very high level of integration both backward and forward that comes from owning ferro alloy and captive power plant to setting up stainless steel Industrial Park. This Industrial Park will have a large service centre and various facilities to produce stainless steel products. It certainly helps us establish ourselves as one of the major cost leaders amongst the global players.

#### Business performance - meeting our goals and objectives

The global economy, for the last two years, is not much on a forward trend. Despite the global slowdown, we have continued to work on our operational excellence initiatives and made substantial progress in several areas. Jindal Stainless achieved a gross revenue of ₹ 8,498 crore in financial year 2011-12, with a growth of 16% over 2010-11. Further, our stainless steel production has recorded all time high of 805,271 tons. The EBIDTA during the reported period is ₹ 904 crore as compared to ₹ 1,081 crore in the previous year. The fall in EBIDTA is mainly on account of subdued global economic sentiments emanating from European crisis and surge in imports of stainless steel flat

products into India caused by aggressive price under cutting and unprecedented increase in raw material prices of chrome ore and coal.

#### **Global challenges and the future of stainless steel**

Global stainless steel consumption grew by 4% year on year and production grew by 3% year on year in 2011.

Growth was very much driven by developments in the Asian markets. Moreover, overall stainless steel consumption growth is projected at 12% per annum in the next decade.

#### **Manifold opportunities for multi-faceted growth**

Stainless steel - as sustainable material is an essential element of global macro development solutions and answer to challenges such as increasing urbanization, the need for environment-friendly solutions and renewable sources of energy.

We are very confident and geared to encash the future market opportunities. Our unique strengths - our vast technological capabilities combined with a large integrated production capacity, which is largely supported by our own supply of ferro-chrome, iron ore and power is going to catapult us into the top league of cost leaders across the globe and a leading contender for new growth and business opportunities. We shall be focusing more on production of special grade as well as non-nickel-containing ferritic grade stainless steels. Further, our position in specialty products is also very strong and that is clearly exemplified by our market leadership in blade steel.

In addition, to reach the end consumer and to build a lasting customer relationship, we are further strengthening our distribution network. Creating multiple stock points supported by a web of specialized stainless steel service centres, forms the backbone of our marketing strategy. Our endeavor remains to serve our customer on a Just-In-Time basis thereby creating value and a win win approach.

With the Indian economy expected to grow at 7%, prospects for the stainless steel industry in the future are quite bright. Very high growth in process industry equipment manufacture will boost the demand for stainless steel, as will India's emergence as a leading automobile hub in the world. Government policies and priorities have led to the emergence of new volume areas, such as railway wagons and urban metro rails, calls for growing demand in ferritic grade stainless steel. With an expectation of higher growth in GDP and industrial production, Indian stainless steel consumption is expected to grow by about 8% annually and cross 5.3 million tons in the next five years.

#### **Customer-focused strategic initiatives**

In 2002, the company became Jindal Stainless after a restructuring that allowed it to focus more intensely on its core business. Customer-centric downstream operations were spun off into separate entities.

**Jindal Stainless Steelway Limited**, Service centre that offers convenient, customized just-in-time services delivered to the doorsteps of its customers. It delivers stainless steel products in exact quantities and meets specific requirements of slitting, cut-to-length and different surface finishes.

**JSL Architecture Limited (arc)**, an architectural vertical was launched to cater to the requirements of the architecture, building, construction and transport sector such as railways & metros. It has full capability to provide the complete range of technical support services including design, fabrication, installation of architectural products at various airports, malls, stadiums etc. and delivering high precision engineering products for metro and railways.

**JSL Lifestyle Limited**, introduced 'arttdinox', the first lifestyle brand with an exclusive stainless steel lifestyle product range, in India. The brand is in demand among contemporary designers and end-users for its stunning product range.

#### **Expanding our global footprint and increasing presence**

Our vision has always been to be a leading global player with a strong competitive advantage. This commitment to be part of the global stainless steel manufacturing community has led us beyond Indian shores. The acquisition of a stainless steel plant - PT Jindal Stainless Indonesia, has established our foothold in the South East Asian & ASEAN markets. One of our high priorities has always been creating a stronger commercial presence in Europe and one milestone towards achieving that ambition is our service centre in Spain, Iberjindal S.L. Spain. Over the years we have opened sales offices, distribution networks and ware houses in almost 14 countries to help us reach out to overseas customers directly.

#### **Progress through sustainability and human capital development**

The core of our strategy has been, and continues to be, sustainability on every front. We are a leader in environmental performance in the industrial sector and deeply committed to leaving the least possible carbon footprint. The company is currently using waste heat for power generation and also coke oven gases for re-heating. This makes the environment cleaner as well as contributes to our quest for quality improvement, cost cutting and on-time delivery.

Our progress and success is also responsible for the continued well-being of our people. It enables us to invest in the development of the rich bank of human resources we are privileged to possess. 'EXCEED' was a step in this direction which aimed to achieve excellence through enhancing the leadership potential at the company. The program aims to provide leadership development opportunity to its participants through a variety of experiences including experiential learning, classroom modules, coaching and action learning projects at middle management to senior management. This forms the cornerstone of our efforts to further improve the sustainability of our operations.

#### **The way forward - looking into the future**

Year 2012-13 is likely to pose as a year of challenges and tough market demands. However, we are clear that the company will persist along its chosen path of strategic goals and initiatives. While we continue to fine-tune our product portfolio to meet new growth opportunities and markets, we will stay vigilant and focused on improving our fiscal performance. Our strengths are in providing intelligent solutions for efficient infrastructure and resource use; in many of these areas we are already best in class or have the potential to become the best in class. By doing this we will create the basis for further sustainable growth.

I would also like to take this opportunity to thank all stakeholders who have given our company their trust and support as lenders, shareholders, analysts, employees, customers, representatives of government, as media or the many community organizations with which we are associated.

Finally, I would like to thank our customers for their continued loyalty, our people and our management team for their great work, and our investors for their constant support.

We will continue to work hard to earn your trust, every day.

**Ratan Jindal**  
Vice Chairman & Managing Director

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## Board of Directors

<b>Chairperson</b>	Savitri Jindal
<b>Vice Chairman &amp; Managing Director</b>	Ratan Jindal
<b>Directors</b>	Naveen Jindal Suman Jyoti Khaitan T.S. Bhattacharya Rajeev Bakshi James Alistair Kirkland Cochrane Jurgen Hermann Fechter Gautam Kanjilal (Nominee Director)
<b>President &amp; Executive Director Executive Director (Finance) Executive Director &amp; Chief Operating Officer</b>	Ramesh R. Nair Jitender P. Verma Subash Singh Viridi
<b>Company Secretary</b>	Jitendra Kumar
<b>Working Capital Bankers</b>	Axis Bank Bank of Baroda Canara Bank ICICI Bank Punjab National Bank State Bank of India State Bank of Patiala Standard Chartered Bank
<b>Statutory Auditors</b>	Messrs Lodha & Co., Chartered Accountants Messrs S.S. Kothari Mehta & Co., Chartered Accountants
<b>Cost Auditors</b>	Messrs Ramanath Iyer & Co., Cost Accountants
<b>Registered Office</b>	O.P. Jindal Marg, Hisar -125 005 (Haryana)
<b>Works</b>	Hisar, 125 005 (Haryana), Kothavalasa, 535 183 (Andhra Pradesh) Jaipur-755 026 (Odisha)

## Notice

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**NOTICE** is hereby given that the **32nd Annual General Meeting** of Shareholders of **Jindal Stainless Limited** (formerly **JSL Stainless Ltd.**) will be held on **Wednesday, the 26th day of September, 2012 at 11:00 a.m. at Registered Office** of the Company at O.P. Jindal Marg, Hisar 125 005 (Haryana) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of Directors.
2. To appoint a Director in place of Smt. Savitri Jindal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Naveen Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Subash Singh Virdi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory and Branch Auditors and to fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:
  - I. **"RESOLVED** that pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956, the retiring Joint Statutory Auditors, M/s. Lodha & Co., Chartered Accountants (Firm Regn. No. 301051E) and M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Regn. No. 000756N) be and are hereby appointed as Joint Statutory Auditors of the Company from the conclusion of this meeting upto the conclusion of the next Annual General Meeting on such terms and conditions, including remuneration as may be finalized by the Board of Directors."
  - II. **"RESOLVED** that M/s. N.C. Aggarwal & Co., Chartered Accountants (Firm Regn. No. 003273N), be and are hereby re-appointed as Branch Auditors of Visakhapatnam division of the Company for the financial year ending 31st March, 2013 on such terms and conditions, including remuneration as may be finalized by the Board of Directors."

### **SPECIAL BUSINESS:**

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

#### **6. AS A SPECIAL RESOLUTION:**

**"RESOLVED** that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment or modifications or any re-enactment thereof and subject to all necessary consents and approvals, if any, consent of the Company be and is hereby accorded to the appointment of Mr. Ramesh R. Nair as President & Executive Director for a period of five years w.e.f. 3rd November, 2011 on the following terms and conditions:

1. Period of appointment : 5 years with effect from 3.11.2011 to 2.11.2016
2. Remuneration :
  - (a) Basic Salary : ₹ 4,16,667/- (Rupees four lac sixteen thousand six hundred sixty seven only) per month.
  - (b) Perquisites :

In addition to the salary, Mr. Ramesh R. Nair, President & Executive Director shall also be entitled to:

- (i) House Rent Allowance / Value of Company Accommodation @ ₹ 2,08,334/- (Rupees two lac eight thousand three hundred thirty four only) per month.
- (ii) Flexible Allowance @ ₹ 4,26,417/- (Rupees four lac twenty six thousand four hundred seventeen only) per month.
- (iii) Reimbursement / Allowance of Professional pursuits @ ₹ 1,000/- (Rupees one thousand only) per month.
- (iv) Reimbursement / Allowance of medical expenses @ ₹ 1,250/- (Rupees one thousand two hundred fifty only) per month.
- (v) Leave Travel Assistance @ ₹ 30,000/- (Rupees thirty thousand only) per annum.



- (vi) Composite Car Allowance @ ₹ 32,000/- (Rupees thirty two thousand only) per month.
  - (vii) Petrol & Maintenance expenses @ ₹ 18,000/- (Rupees eighteen thousand only) per month.
  - (viii) Driver's wages @ ₹ 10,500/- (Rupees ten thousand five hundred only) per month.
  - (ix) Bonus @ 20% of basic salary.
  - (x) Group Personal Accident Insurance as per rules of the Company.
  - (xi) Leave with salary as per rules of the Company.
  - (xii) Mediclaim Insurance as per Company rules.
  - (xiii) Provident Fund as per rules thereof.
  - (xiv) Gratuity as per rules thereof.
  - (xv) Performance Linked Variable Reward (PLVR) as per scheme of the Company.
  - (xvi) He shall be also entitled to Employees Stock Options under Employees Stock Option Schemes / Plans of the Company as per Company rules as and when applicable.
  - (xvii) Other allowances as per rules of the Company.
3. He shall be granted normal annual increment, as decided by Vice Chairman & Managing Director in line with the Company's policy.
  4. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
  5. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
  6. He shall be liable to retire by rotation.
  7. Minimum Remuneration  
Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Ramesh R. Nair, President & Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

**"RESOLVED FURTHER** that pursuant to the applicable provisions of Companies Act, 1956, consent of the Company be and is hereby accorded for seeking necessary approvals, if any, for waiver of excess remuneration paid to Mr. Ramesh R. Nair for the period from 3<sup>rd</sup> November, 2011 to 31<sup>st</sup> March, 2012."

7. **AS AN ORDINARY RESOLUTION:**

**"RESOLVED** that in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Jitender P. Verma be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. **AS A SPECIAL RESOLUTION:**

**"RESOLVED** that pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 or any amendment or modifications or any re-enactment thereof and subject to all necessary consents and approvals, if any, consent of the Company be and is hereby accorded to the appointment of Mr. Jitender P. Verma as Executive Director (Finance) for a period of five years w.e.f. 9th February, 2012 on the following terms and conditions

1. Period: 5 years with effect from 9.2.2012 to 8.2.2017
2. Remuneration:
  - (a) Basic Salary : ₹ 4,58,333/- (Rupees four lac fifty eight thousand three hundred thirty three only) per month.
  - (b) Perquisites:  
In addition to the salary, Mr. Jitender P. Verma, Executive Director (Finance) shall also be entitled to:
    - (i) House Rent Allowance / Value of Company Accommodation @ ₹ 2,08,333/- (Rupees two lac eight thousand three hundred thirty three only) per month.

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- (ii) Flexible Allowance @ ₹ 2,88,083/- (Rupees two lac eighty eight thousand eighty three only) per month.
  - (iii) Reimbursement / Allowance of Professional pursuits @ ₹ 1,000/- (Rupees one thousand only) per month.
  - (iv) Reimbursement / Allowance of medical expenses @ ₹ 1,250/- (Rupees one thousand two hundred fifty only) per month.
  - (v) Leave Travel Assistance @ ₹ 30,000/- (Rupees thirty thousand only) per annum.
  - (vi) Composite Car Allowance @ ₹ 32,000/- (Rupees thirty two thousand only) per month.
  - (vii) Petrol & Maintenance expenses @ ₹ 18,000/- (Rupees eighteen thousand only) per month.
  - (viii) Driver's wages @ ₹ 10,500/- (Rupees ten thousand five hundred only) per month.
  - (ix) Special Allowance @ ₹ 10,00,000/- (Rupees ten lac only) per annum.
  - (x) Bonus @ 20% of basic salary.
  - (xi) Group Personal Accident Insurance as per rules of the Company.
  - (xii) Mobile Phone expenses as per rules of the Company.
  - (xiii) Leave with salary as per rules of the Company.
  - (xiv) Mediclaim Insurance as per Company rules.
  - (xv) Provident Fund as per rules thereof.
  - (xvi) Gratuity as per rules thereof.
  - (xvii) Performance Linked Variable Reward (PLVR) as per scheme of the Company
  - (xviii) He shall be also entitled to Employees Stock Options under Employees Stock Option Schemes / Plans of the Company as per Company rules as and when applicable.
  - (xix) Other allowances as per rules of the Company.
3. He shall be granted normal annual increment, as decided by Vice Chairman & Managing Director in line with the Company's policy.
  4. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
  5. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
  6. He shall be liable to retire by rotation.
  7. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Jitender P. Verma, Executive Director (Finance), the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

### 9. AS A SPECIAL RESOLUTION:

**"RESOLVED** that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended, as also provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **"SEBI Guidelines"**), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorised by the Company to create, offer, issue and allot in one or more tranche(s), in the course of domestic or international offerings, with or without an over

allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law from time to time, equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCDs"), Bonds with share warrants attached, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs") or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not or with or without detachable warrants (hereinafter referred to as "securities"), whether to be listed on any stock exchange inside India or any international stock exchange outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular and/or registration statement, and/or on public and/or private or preferential basis, whether rupee-denominated or denominated in foreign currency, provided that the aggregate number of securities so issued, shall be up to an aggregate principal amount of USD 150 Million (United States Dollars One Hundred Fifty Million) or its equivalent in any other currency."

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

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

**"RESOLVED FURTHER** that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be the date of the meeting in which the Board decides to open the proposed issue or such other date prescribed by applicable law and in case of issuance of other securities the relevant date shall be the date prescribed by applicable law."

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

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

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

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

- (a) decide the date for the opening of the issue of securities;
- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;
- (c) finalisation and approval of (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;

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- (d) approval of the deposit agreement(s), the purchase/underwriting agreement(s), the trust deed(s), the indenture(s), the Master/Global GDRs/ADRs/FCCBs/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;
- (f) deciding the pricing and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/GDRs/ADRs, as per applicable laws, regulations or guidelines;
- (g) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue;
- (h) finalisation of the basis of allotment of the securities on the basis of the subscriptions received (including in the event of over-subscription);
- (i) seeking the listing of the securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (j) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities; and
- (k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities.

**"RESOLVED FURTHER** that the Board be and is hereby is authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

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

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

### 10. AS A SPECIAL RESOLUTION:

**"RESOLVED** that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended, as also provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the **"SEBI Guidelines"**), the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or

outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution) be and is hereby authorised by the Company to, in accordance with the SEBI Guidelines as may be amended from time to time, create, offer, issue and allot in one or more tranche(s), in the course of qualified institutional placements, to qualified institutional buyers, whether shareholders of the Company or not, through a qualified institutional placement within the meaning of Chapter VIII of the SEBI Guidelines and/or as may be permitted under applicable law from time to time, equity shares, secured or unsecured debentures, bonds or any other securities whether convertible into equity shares or not, including, but not limited to, Optionally Convertible Debentures (“**OCDS**”), bonds with share warrants attached, or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not or with or without detachable warrants (hereinafter referred to as “**securities**”), to be listed on any stock exchange in India, through an offer document and/or offer letter, and/or placement document and/or offering circular, whether rupee-denominated or denominated in foreign currency, provided that the aggregate number of securities so issued, shall be up to an aggregate amount of ₹ 750 crore.”

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

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

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

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

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

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

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

- (a) decide the date for the opening of the issue of securities;
- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;
- (c) finalisation and approval of (including amending, varying or modifying, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;

## Notice

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- (d) approval of the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding, escrow agreement, and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;
- (f) deciding the pricing and terms of the securities, and all other related matters, as per applicable laws, regulations or guidelines;
- (g) finalisation of the basis of allotment of the securities on the basis of the subscriptions received (including in the event of over-subscription);
- (h) seeking the listing of the securities on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (i) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue;
- (j) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities; and
- (k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

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

"**RESOLVED FURTHER** that the Board be and is hereby is authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

By order of the Board

**Registered Office:**

O. P. Jindal Marg,  
HISAR – 125 005.  
9th August, 2012

**(Jitendra Kumar)**  
Company Secretary

NOTES:

- A A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- B. A blank proxy form is sent herewith.
- C. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- D. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 to 10 of the Notice is annexed hereto.

**Explanatory Statement under section 173(2) of the Companies Act, 1956.****ITEM NO. 6**

The Board of Directors appointed Mr. Ramesh R. Nair as an Additional Director with effect from 3rd November, 2011 pursuant to Article 78 of Articles of Association of the Company and Section 260 of the Companies Act, 1956. The Shareholders of the Company subsequently in the Extraordinary General Meeting held on 30th November, 2011, approved his appointment as President & Executive Director of the Company by passing an Ordinary Resolution.

Pursuant to the provisions of Schedule XIII of Companies Act, 1956, since the Company has inadequate profits / loss during the financial year ended 31st March, 2012, besides other approvals, the shareholders approval by way of Special Resolution will also be required for payment of remuneration in excess of limit specified in Section II of Part II, sub clause (B) of Schedule XIII of the Companies Act, 1956.

His appointment will be subject to retirement by rotation. The profile of Mr. Ramesh R. Nair is given hereto under the head 'Additional Information'.

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

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

Your Directors, therefore, recommend the resolution at Item No. 6 as special resolution for your approval.

Mr. Ramesh R. Nair, being concerned, is interested in this resolution. None of the other directors of the Company is concerned or interested in the resolution.

**ITEM NO. 7 & 8**

The Board of Directors appointed Mr. Jitender P. Verma as an Additional Director with effect from 9th February, 2012 pursuant to Article 78 of Articles of Association of the Company and section 260 of the Companies Act, 1956. Subject to the approval of Shareholders of the Company, he was designated as Executive Director (Finance) for a period of five years w.e.f. 9th February, 2012. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of Director.

His appointment will be subject to retirement by rotation. The profile of Mr. Jitender P. Verma is given hereto under the head 'Additional Information'.

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

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

Your Directors, therefore, recommend the resolution at Item No. 7 as ordinary resolution and resolution at Item No. 8 as special resolution for your approval.

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

**ITEM NO. 9**

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

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The Company proposes to raise the aforementioned funds for capital expenditure, key acquisitions abroad, repayment of overseas debt, overseas direct investment in Joint Ventures / wholly owned subsidiaries, buy back of FCCBs, Based on the current estimates, the funds required by the Company for the aforesaid purposes will amount to USD 150 Million.

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

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

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

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

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

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

The Directors recommend the resolution for your approval as Special Resolution.

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

### ITEM NO. 10

The Company proposes to raise funds up to an aggregate amount of ₹ 750 crore in one or more tranches through a qualified institutional placement within the meaning of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Guidelines") and/or as may be permitted under applicable law from time to time. The resolution contained in the Notice relates to a proposal by the Company to create, offer, issue and allot equity shares and/ or such other Securities as stated in the Special Resolution (the "securities") which seeks to empower the Board to undertake such issue or offer of securities.

The Company proposes to raise the aforementioned funds towards meeting the long term growth plans of the Company including the expansion of existing facilities, key acquisitions, repayment of debt, working capital requirements and general corporate expenses. Based on the current estimates, the funds required by the Company for the aforesaid purposes will amount to ₹ 750 crore.

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

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



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

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

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

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

The Directors recommend the resolution for your approval as Special Resolution.

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

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

Sr. No.	Description	Mr. Ramesh R. Nair	Mr. Jitender P. Verma
I	<b>General Information</b>		
(1)	Nature of Industry	Your Company is engaged in manufacturing of Stainless Steel	
(2)	Date or expected date of commencement of commercial production	Your Company is already in commercial production	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial performance based on given indicator	During the year ended 31st March, 2012, the Company's revenue from operations were ₹ 8498.33 crore and Earning before Interest, Depreciation, Tax & Amortisation (EBIDTA) was at ₹ 904.04 crore. The detailed balance sheet, profit & loss account and other financial statement forms part of this annual report.	
(5)	Export performance and net foreign exchange collaborations	During financial year 2011-12, the revenue generated out of export sales was ₹ 1792.86 crore, which constituted 21.1 % of revenue from operations. The total foreign exchange earnings during the year was ₹ 1773.86 crore, whereas total foreign exchange outflow was ₹ 3336.96 crore.	
(6)	Foreign investments or collaborators if any	There are no foreign collaborators in your Company. Total foreign investment, comprising of foreign institutional investors, overseas corporate bodies, non-resident incorporated bodies, non-resident Indian of etc. as on 31st March, 2012 stands at 54.08%.	

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II	Information about Appointee	Mr. Ramesh R. Nair	Mr. Jitender P. Verma
(1)	Background details, recognition or awards, job profile and suitability	<p>Mr. Ramesh R. Nair is a graduate in Electrical Engineering from NIT Kurukshetra and PGDIM from IGNOU. He has rich and varied experience in Operations, Commercial and Marketing functions in the Metal Industry, having worked with Essar Steel and Sterlite Industries India Limited.</p> <p>Prior to joining Jindal Stainless Limited, he was associated with Sterlite Industries India Limited and was heading the Copper Business as Chief Operating Officer for the past three years. He was also in-charge of Madras Aluminium Company Limited (MALCO) as Director for the past three years.</p>	<p>Mr. Jitender P. Verma is a Commerce Graduate and a "Fellow" member of the Institute of Chartered Accountants of India (ICAI). He is also a Graduate member of Institute of Directors, Thailand. He has a rich experience of 25 years at senior management level in India and Overseas across various industries, including last 7 years in Stainless Steel industry.</p> <p>Prior to joining Jindal Stainless Limited, he served 'Thainox Stainless PLC' (a Thai-Listed entity and an earlier subsidiary of Arcelor-Mittal Group) as CFO, Acting Managing Director and Board member from 2005 till 2011. He also served 'Dole Food Inc.', a US Fortune 500 MNC in various capacities like Finance Director, Thailand; Regional Treasurer, Asia, based at Hong Kong; Finance Director - Asia, based at Manila, during the period 1998 to 2005. Prior to that, he served 'Seagate Technologies, a US Fortune 500 MNC' as Director- Finance during 1996 to 1998. He was also associated with G.P. Group of Companies and East India Hotels Limited, during early part of his professional career.</p>
(2)	Past remuneration Financial Year 2010-11	Not Applicable. Mr. Ramesh R. Nair and Mr. Jitender P. Verma have been appointed with effect from 3rd November, 2011 and 9th February, 2012 respectively.	
(3)	Remuneration proposed	The details of remuneration to be paid to Mr. Ramesh R. Nair and Mr. Jitender P. Verma are mentioned in the resolutions in the Notice of the annual general meeting forming part of this annual report.	
(4)	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position or person	The executives' remuneration in the industry is on the rise. The Remuneration Committee constituted by the Board in terms of the Schedule XIII of the Companies Act, 1956 perused remuneration of managerial persons in the steel industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Ramesh R. Nair and Mr. Jitender P. Verma, before approving the remuneration as proposed herein before.	
(5)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Mr. Ramesh R. Nair and Mr. Jitender P. Verma do not have, directly or indirectly, any material pecuniary relationship with the Company or with the managerial personnel.	
III	Other Information		
(1)	Reasons for loss or inadequate profits	The financial results of the Company during the year 2011-12 have been adversely impacted <i>inter-alia</i> on account of (i) adverse exchange fluctuation arising on account of sharp depreciation of Indian Rupee (ii) subdued global economic sentiments emanating from European crisis and surge in imports of stainless steel flat products into India caused by aggressive price under cutting, dumping and other trade restrictive practices adopted by overseas stainless steel producers (iii) unprecedented increase in raw material prices of chrome ore and coal.	

(2)	Steps taken or proposed to be taken for improvement in productivity and profit	As an ongoing process, the Company has undertaken / under the process of taking several measures to further improve the efficiency in its business processes and to optimize the cost. These measures inter-alia includes appointment of professionals & consultants, who can suggest and bring further improvement in systems and controls within the organization and increase its productivity in a cost effective manner. The management is confident of increase in revenue and profits in coming years.
(3)	Expected increase in productivity and profit in measurable terms	In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of increase in revenue and profits in coming years.
<b>IV</b>	<b>Disclosures</b>	
(1)	The remuneration paid to each Managerial Personnel is suitably disclosed in the Board of Directors' Report under the heading "Corporate Governance" being part of the Annual Report	
(2)	The following disclosures are mentioned in the Board of Directors' Report under the heading "Corporate Governance" attached to the annual report: (i) All elements of remuneration package, such as salary, benefits, bonuses, pensions etc. of all directors; (ii) Details of fixed component and performance linked incentives alongwith the performance criteria; (iii) Service contracts, notice period;	
(3)	The Company has granted 55,000 each Stock Options in accordance with Employee Stock Option Scheme 2010 (ESOP 2010) framed pursuant to the approval of the shareholders in the Annual General Meeting held on 4th September, 2009, to both the proposed appointees.	

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

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

**Brief Profile of Smt. Savitri Jindal:**

Smt. Savitri Jindal, Chairperson, is wife of Late Sh. O. P. Jindal, founder of the Jindal Group. Smt. Jindal is the Chairperson of the O.P. Jindal group of companies. She holds a diploma and joined politics in 2005, where she was first elected as a member of the Haryana Vidhan Sabha from Hisar Constituency.

**Outside Directorship:** Jindal Industries Limited (Chairperson), Jindal Saw Limited (Chairperson), Sonabheel Tea Limited (Director), Rohit Tower Building Limited (Director), Jindal ITF Limited (Chairperson), JITF Water Infrastructure Limited (Chairperson)

**Committee Membership:** Nil

**Brief Profile of Mr. Naveen Jindal:**

Mr. Naveen Jindal, is the Chairman and Managing Director of Jindal Steel & Power Limited and Chairman of Jindal Power Limited. He holds a bachelor's degree in commerce from Hansraj College, University of Delhi and a master's degree in business management from the University of Texas at Dallas, USA. He has approximately 17 years of experience in the steel and power sector. Recently, Mr. Jindal has been ranked amongst the Asia's 25 Hottest People in Business by the Fortune Asia magazine for turning a struggling steel company into one of Asia's blue-chip giants. Mr. Jindal has also been featured among the top ten of India Inc's Most Powerful CEOs 2011 by a survey conducted by the Indian Market Research Bureau (IMRB) for Economic Times-Corporate Dossier. He has also featured in the Most Influential People's List for the state of Haryana by India Today and has been conferred with the Ernst and Young Entrepreneur of the Year Award 2010 in the field of Energy and Infrastructure. In recognition of Mr. Jindal's exceptional distinction in the fields of entrepreneurship and public service, unqualified reputation for honesty, personal integrity and high standards of personal and professional character, the University of Texas at Dallas has named its school of management after his name. It has now been christened as Naveen Jindal School of Management. The recognition has also led to the establishment of the Naveen Jindal Institute for Indo-American Business Studies.

Mr. Jindal is a management graduate from the UTD and was awarded the Distinguished Alumni Award for 2010 by the University of Texas at Dallas for his contribution towards public service, being a responsible corporate citizen and guiding his company in becoming a global player. His expertise in the steel and power sectors has been instrumental in contributing

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to the growth of JSPL. JSPL has been included in Forbes Asia's Fabulous 50 companies list in 2009 and 2010. Under his able leadership, JSPL was rated as the highest value creator in the country for the period 2005-09 and was also rated among India's 50 best Blue Chip Company by Dalal Street Journal.

Mr. Jindal got elected to the Indian Parliament in the 14th and 15th Lok Sabha elections. He is not only a successful entrepreneur but also a caring politician and an effective parliamentarian. He represents Haryana state's Kurukshetra parliamentary constituency in the Lok Sabha. He started active participation in politics during his college days. He was the President of the Student Senate and recipient of the 'Student Leader of the Year Award' while at the University of Texas.

**Outside Directorship:** Jindal Steel & Power Limited (Chairman & Managing Director), Jindal Power Limited (Chairman), Jindal Petroleum Limited (Chairman), Jindal Synergy Investment Limited (Director), Salasar Finvest Limited (Director), Miracle Foundation India (Director).

**Committee Membership:** Nil

### **Brief Profile of Mr. Subash Singh Virdi:**

Mr. Subash Singh Virdi has completed B.Tech from IIT Kanpur with specialization in metallurgy and MBA Finance from FMS Delhi. He has more than 26 years of experience in the steel industry. Before joining the Company, he was associated with one of the Subsidiary companies of Jindal Stainless Limited, M/s Jindal Stainless Steelway Limited (JSSL) in the capacity of Whole Time Director.

**Outside Directorship:** J.S.S. Steeltalia Limited (Director), Green Delhi BQS Limited (Director), JSL Energy Limited (Director), JSL Logistics Limited (Director).

**Committee Membership:** Member of Shareholders' / Investors' Grievance Committee of Jindal Stainless Limited.

### **Brief Profile of Mr. Ramesh R. Nair:**

Mr. Ramesh R. Nair is a graduate in Electrical Engineering from NIT Kurukshetra and PGDIM from IGNOU. He has rich and varied experience in Operations, Commercial and Marketing functions in the Metal Industry, having worked with Essar Steel and Sterlite Industries India Limited.

Prior to joining Jindal Stainless Limited, he was associated with Sterlite Industries India Limited and was heading the Copper Business as Chief Operating Officer for the past three years. He was also in-charge of Madras Aluminium Company Limited (MALCO) as Director for the past three years.

**Outside Directorship:** Jindal Stainless Steelway Limited (Director)

**Committee Membership:** Nil.

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

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

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

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

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

By order of the Board

### **Registered Office:**

O.P. Jindal Marg,  
Hisar – 125 005.  
9th August, 2012

(Jitendra Kumar)  
Company Secretary

#### FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the Company will remain closed from Wednesday, the 19th day of September, 2012 to Friday, the 21st day of September, 2012 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of their folios and send relevant share certificates to the Company.
4. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
5. The Company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
6. The Securities and Exchange Board of India (SEBI) has, vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, made it mandatory for the transferees to furnish copy of PAN card to the Company / RTA for registration of transfer of shares in physical form.
7. **The Company has created an Email Id. 'investorcare@jindalstainless.com', which is being used exclusively for the purpose of redressing the complaints of the investors.**

#### REQUEST TO THE MEMBERS

- \* Members having old share certificates of Jindal Strips Limited (now Nalwa Sons Investments Limited) issued prior to the Scheme of Arrangement and Demerger between Jindal Strips Limited (now Nalwa Sons Investments Limited) and Jindal Stainless Limited and members having share certificates of erstwhile Jindal Ferro Alloys Limited are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, NALWA SONS INVESTMENTS LIMITED, O. P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA, to enable both Nalwa Sons Investments Limited and Jindal Stainless Limited to issue new share certificates. Members having share certificates of Nalwa Sons Investments Limited (Formerly: Jindal Strips Limited) having distinctive numbers in the range of 60000001-65136163 are not required to surrender their share certificates.
- \* Members having old share certificates of Jindal Stainless Limited comprising shares of face value of ₹10/- each are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, JINDAL STAINLESS LIMITED, O. P. JINDAL MARG, HISAR – 125 005 (HARYANA) INDIA to issue new share certificates of face value of ₹2/- each.
- \* Members should keep a record of their specimen signature before lodging shares with the Company to prevent the possibility of a difference in signature at a later date.
- \* Members should quote their email addresses, telephone / fax numbers to get a prompt reply to their communications.
- \* Members may give their valuable suggestions for improvement of our investor services.
- \* Members desiring any information/clarification on the accounts are requested to write to the Company at least seven days in advance, so as to enable the management to keep the information ready at the annual general meeting.
- \* As a measure of economy, copies of the annual report will not be distributed at the meeting. Members are requested to bring along their copies.
- \* Members/proxies are requested to bring the attendance slip, duly filled in.
- \* In pursuance of the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary companies are not being attached. The annual accounts and other related documents of the Subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the Subsidiary companies. The members, if they desire, may write to Company Secretary at O.P. Jindal Marg, Hisar – 125 005 (Haryana) to obtain the copy of the annual report of the Subsidiary companies.  
The annual accounts of the Subsidiary companies would be open and accessible for inspection by shareholder / investor at registered office of the Company and registered office of the Subsidiary companies on any working day except holidays.
- \* Members attending the AGM and desiring to go round the factory, are requested to inform a week in advance so that necessary arrangements are made.

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

## Directors' Report

To

The Members,

Your Directors are pleased to present the 32nd Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

### Financial Results

Your Company's performance for the financial year ended 31st March, 2012 is stated below:

Particulars	Standalone		( ₹ in Crores ) Consolidated	
	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2012	Year Ended 31.03.2011
Revenue from operations (Gross)	8,498.33	7,351.27	9,364.29	8,035.85
Less: Excise Duty on sales	607.28	512.29	598.98	503.62
Revenue from Operation (Net)	7,891.05	6,838.97	8,765.31	7,532.23
Profit before other Income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation (EBIDTA)	904.04	1,081.03	947.65	1,173.66
Add: Other Income	75.31	56.99	57.88	49.26
Less: Finance Costs	516.80	388.74	570.17	429.25
Less: Depreciation / Amortisation	408.61	356.14	448.50	395.46
Profit / (Loss) Before Tax & Exceptional Items	53.94	393.13	(13.14)	398.21
Add: Exceptional Items – Gain/(Loss)	(207.76)	54.22	(231.45)	74.77
Profit/(Loss) Before Tax	(153.82)	447.36	(244.59)	472.97
Less: Tax Expenses	(49.91)	129.02	(63.15)	154.20
Net Profit / (loss) after Tax	(103.91)	318.34	(181.44)	318.77
Share in Profit / (Loss) of Associate	-	-	(1.22)	(0.49)
Minority Interest	-	-	(2.89)	4.11
Net Profit / (Loss) (After Adjustment for Associate & Minority Interest)	(103.91)	318.34	(179.78)	314.17
Add:				
Amount brought forward	716.58	374.65	704.39	379.67
Debenture Redemption Reserve written back	6.01	23.59	6.01	23.59
Amount available for Appropriation	618.69	716.58	530.63	717.43
Less: General Reserve	-	-	-	13.04
Net Surplus in the Statement of Profit & Loss	618.69	716.58	530.63	704.39

During the year, the Gross Revenue from operations of your Company on standalone basis has increased by 16% at ₹ 8,498.33 crore as compared to ₹ 7,351.27 crore during previous financial year 2010-11. The Profit before other income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation on standalone basis stood at ₹ 904.04 crore as compared to ₹ 1,081.03 crore during previous year.

Further, during the year, the Consolidated Gross Revenue from operations of your Company has increased by 17% at ₹ 9,364.29 crore as compared to ₹ 8,035.85 crore during previous financial year 2010-11. Consolidated Profit before other income, Finance Cost, Depreciation, Exceptional Items, Tax & Amortisation stood at ₹ 947.65 crore as compared to ₹ 1,173.66 crore during previous year.

The financial results of your Company during the year have been adversely impacted *inter-alia* on account of (i) adverse exchange fluctuation arising on account of sharp depreciation of Indian Rupee (ii) subdued global economic sentiments emanating from European crisis and surge in imports of stainless steel flat products into India caused by aggressive price under cutting, dumping and other trade restrictive practices adopted by overseas stainless steel producers (iii) unprecedented increase in raw material prices of chrome ore and coal.

### Change of Name

During the year, the name of your Company has been changed from JSL Stainless Limited to Jindal Stainless Limited. Consequent upon change of name, the Registrar of Companies, has issued fresh Certificate of Incorporation on 7th December, 2011.

### Operations

Your Company is the largest integrated stainless steel Company in India producing diversified stainless steel flat products. It has three manufacturing facilities in India, located at Hisar in the State of Haryana, Jajpur in the State of Odisha and Vizag in the State of Andhra Pradesh. The facilities include captive chromite mines, ferro-alloy facilities, captive thermal power plants and stainless steel melting, hot rolling, cold rolling and downstream value-added facilities.

#### (A) Hisar Division:

Hisar is having stainless steel melting capacity of 800,000 tons per annum. During the year, the plant has achieved highest ever production in most of its production facilities, steel melt shop, hot rolling, cold rolling and special product division. The steel melt shop achieved production of 723,418 tons as compared to 701,814 tons during financial year 2010-11. Hot rolling mill and cold rolling mill processed 540,671 tons of hot rolled products and 260,447 tons of cold rolled annealed pickled products respectively. The special product division produced 24,478 tons of speciality steel which represents growth of around 8% over previous year. Higher value added product with thickness of 0.10 mm was also up by around 23%. Your Company is making all its efforts to serve the market needs through various planned projects like 0.10 mm thick blade steel production enhancement. 430 BA finishing facilities are under advance stage and will be commissioned by March, 2013.

To control the product cost and protect environment, modernized "Acid Recovery Systems" was successfully installed during the year. Further various cost saving initiatives like reutilization of refractory, power savings etc. have been taken throughout the year to control the product costs. There has been special focus to maximize usage of stainless steel scrap in production to reduce overall cost of production. This also enables us to contribute to the green environment through recycling.

#### (B) Odisha Division

Your Company has successfully operated stainless steel making facility with a capacity of 800,000 tons per annum and has started rolling of stainless steel products from this facility for over a year. The ramp-up and stabilization of finishing facilities are in progress. During the year under review, steel melting shop produced 95,573 tons, hot strip mill processed 114,137 tons and facilities in cold rolling mill processed 67,351 tons of stainless steel. The project initially conceived in SEZ has been de-notificated during the year due to the changing global business scenario. The stainless steel facilities under operations at Odisha are state of art facilities and have substantially enhanced the product portfolio of the Company including wider width products of upto 1600 mm.

The ferro alloys production during the year stood at 57,316 tons. There were challenges in procuring the chrome ore from domestic sources at cost effective prices, which impacted the overall production and the capacity utilizations during the year. However, in order to reduce the costs, the Company worked on improving chromium recoveries & higher usage of hard lumpy ore & replacing usage of coke with anthracite coal. The Company has also taken up the matter with various government agencies to rationalize the chrome ore bidding process.

The operations at 250 MW thermal power plant were adversely low on account of higher input prices of thermal coal and drop in prices of surplus power sold to the state grid. Only one of the two power plants was primarily producing power and it generated around 741 million units (net), of which around 119 million units were exported to Hisar plant. The production at 14 MW power plant was 21.56 million units (net) and the plant has achieved maximum days generation of 0.34 MU at a PLF of 101.19% in December, 2011.

The chromite mines division produced 32,875 MT of chromite ore concentrate which is much higher than previous year production and also achieved 66,000 MT chrome ore from Mines pit for the year.

The coke oven facility was operated under lease with work arrangement for conversion of coal into coke. The coke oven battery successfully produced metallurgical coke with gradual ramp-up. For the year, the total production out of the coke oven facility stood at 285,368 tons of coke.

#### (C) Vizag Division

Vizag plant produces High Carbon Ferro Chrome (HCFC) with capacity of 40,000 tons per annum. The chrome ore required for the production of HCFC is sourced from the captive mines at Sukinda and the output is transferred to Hisar plant. During the year, the plant produced 24,832 tons of HCFC as compared to 32,836 tons during the previous year. The primary reason towards the slowdown during the year was due to shutdown of 16 MVA furnace for about two months for relining work and also the power restriction imposed by the state power distributing company, APEPDCL.

## Directors' Report

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### Corporate Debt Restructuring (CDR)

Pursuant to the approval of CDR (the Scheme) in January 2010 and signing of Master Restructuring Agreement (MRA) in March 2010, the financial obligations to the domestic lenders were rescheduled including creation of funded interest term loan (FITL), adjustment in interest rates and additional security in favour of lenders. The Scheme was subsequently amended in December 2010 on account of early completion of certain projects and reduction in FITL. However, keeping in mind the current business & economic outlook environment, the Company is in fresh negotiation with the domestic and international lenders and has made fresh proposal to the lenders to re-work its debt obligations including reworking of repayment schedule, adjustments towards interest obligations, overdue financial obligations etc.

### Share Capital

During the year, the Company allotted 21,89,833 equity shares of ₹ 2/- each upon conversion of 1200 Convertible Bonds of US\$ 5,000 each into equity shares.

As on 31st March, 2012, the subscribed and paid up share capital of the Company stands at ₹ 37,90,11,250/- divided into 18,95,05,625 equity shares of ₹ 2/- each.

### Dividend

The Board, considering the Company's performance and financial position for the year under review, has not recommended any dividend on equity shares of the Company for the year ended 31st March, 2012.

### Employees Stock Option Scheme

The Company has not granted / vested any stock options to Employees or Directors during the year under review. Out of total 3,106,250 stock options outstanding at the beginning of the year, 487,500 stock options lapsed on account of leaving of service by Employees, due to resignation, retirement or otherwise. As at the end of the year 2,618,750 stock options remain granted amongst the Employees & Directors.

The first vesting as per the approved Employees Stock Option Scheme, 2010 of the Company will be on 28th July, 2012.

### Quality Management Systems

Your Company is committed to continual quality improvement of all of its products, processes and services to meet customer requirements and expectations by means of a stringent Quality Management System (ISO 9001:2008). While your Company is also an ISO 14001:2004 (EMS) & OHSAS 18001:2007 certified, its products are also certified for PED (97/23/EC) and AD 2000 W0. These certifications demonstrate the capability of our product to meet the stringent requirements of the European Union for Pressurized applications like boilers, pressure vessels, valves etc.

### Research & Development

Your Company produces wide range of flat stainless steel products including austenitic, ferritic, martensitic and duplex grades and has global recognition for pioneering work towards development and commercialisation of 200 series of stainless steels. The wide spectrum encompasses from lean austenitic to super-austenitic, lean duplex to super-duplex, low cost ferritic to stabilized high chromium ferritic stainless steels. The range of stainless steels covers complete requirements of customers seeking materials that are lustrous, resistant to corrosion, withstand high temperatures, highly weldable and easy to deep draw. During the year under review, your Company has successfully developed and marketed high nitrogen austenitic stainless steel X8CrMnN18-18, lean duplex stainless steel UNS S32101 and stabilized high chromium ferritic stainless steel UNS S 44500.

### Information Technology

Your Company is rapidly expanding its operational capacity with successful commissioning of its Phase II Odisha Plant. Given the growth strategy of the Company, the IT department is working on building a real-time, integrated, strong and stable ERP foundation to support its business growth imperatives. During the year, it has initiated an ERP lead, business transformation project to re-implement SAP ECC 6.0 version, which will cover all basic business, production and operational functionalities along with the supply chain management, treasury, IS-Mill, human resources and analytics solutions. This massive SAP-ERP implementation project, named as "Project Manthan" will have a total rollout period of approx. 2- 3 years for domestic and international operations.

### Subsidiary Companies

As on 31st March, 2012, your Company has 17 direct and step down Subsidiaries, namely (i) Jindal Stainless UK Limited; (ii) Jindal Stainless FZE, Dubai; (iii) PT Jindal Stainless Indonesia; (iv) Jindal Stainless Italy S.r.l.; (v) Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey (vi) Jindal Stainless Steelway Limited; (vii) JSL Lifestyle Limited; (viii) JSL Architecture Limited; (ix) Green Delhi BQS Limited; (x) JSL Media Limited; (xi) JSL Group Holdings Pte. Ltd., Singapore; (xii) JSL Ventures Pte. Ltd., Singapore; (xiii) JSL Europe S.A., Switzerland; (xiv) JSL Minerals & Metals S.A., Switzerland; (xv) Jindal Aceros Inoxidables S. L., Spain; (xvi) JSL Logistics Limited and (xvii) Iberjindal S.L., Spain.



Pursuance to the general circular issued by the Ministry of Corporate Affairs, Government of India, the balance sheet, profit and loss account and other documents of the Subsidiary companies are not attached with the balance sheet of your Company. The annual accounts and other related documents of the Subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The annual accounts of the Subsidiary companies will be kept open for inspection by any shareholder at the registered office of the Company and of the respective Subsidiary companies during normal business hours. The consolidated financial statements of the Company include the financial results of all the Subsidiary companies.

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

### Directors

During the period under report, the Board of Directors appointed Mr. Ramesh R. Nair and Mr. Jitender P. Verma as Additional Directors with effect from 3rd November, 2011 and 9th February, 2012 respectively. The appointment of Mr. Ramesh R. Nair was subsequently approved by the Shareholders in the Extraordinary General Meeting held on 30th November, 2011. The Company has received a Notice pursuant to section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Jitender P. Verma as a candidate for the office of Director.

During the above period, Mr. Arvind Parakh has resigned from the Board of Directors of the Company with effect from 1st October, 2011. The Board places on record its appreciation for the valuable contribution made by him during his tenure.

Smt. Savitri Jindal, Mr. Naveen Jindal and Mr. Subash Singh Viridi, directors, will retire at the Annual General Meeting by rotation and, being eligible, offer themselves for re-appointment.

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

### Listing on Stock Exchanges

The equity shares of your Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fee for the year 2012-13 has been paid to both the stock exchanges where equity shares of your Company are listed. GDS of the company are listed at Luxembourg Stock Exchange.

### Fixed Deposits

The company has accepted/renewed deposits amounting to ₹ 60,657,000 during the year under review. There were no overdue deposits on 31st March, 2012, except ₹12,461,000/- which remain unclaimed.

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

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

### Particulars of Employees

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

### Auditors and Auditors' Report

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

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

## Directors' Report

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### Cost Auditors

The Board of Directors has re-appointed M/s. Ramanath Iyer & Co., Cost Accountants, the cost auditors for conducting the audit of cost audit records in respect of Steel business for the financial year 2012-13 subject to approval of the Central Government. Application for approval of the Central Government for such re-appointment would be made by the Company. Particulars of Cost Auditor and Cost Audit Report, as required vide General Circular No. 15/2011 dated 11th April, 2011 issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India, are as under:

Name of the Cost Auditor:	M/s. Ramanath Iyer & Co. Cost Accountants, BL-4 (Paschmi), Shalimar Bagh, Delhi – 110 088.
Names and Membership No. of Partners of Firm	Ms. R. Parvathy, M. No. 13848 Dr. D. Jagannathan, M. No. 5839 Mr. V. A. Sundaram, M. No. 818
Due date for filing of Cost Audit Report for the financial year 2010-11 by the Cost Auditor with the Central Government	Within 180 days from the close of company's financial year, i.e. upto 27th September, 2011.
Date of actual filing of Cost Audit Report for the financial year 2010-11 with the Central Government.	Cost Audit Report for the financial year 2010-11 was filed with the Central Government on 27th September, 2011.

### Dematerialisation of Shares

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

### Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit or loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

### Corporate Governance

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

### Management Discussion and Analysis Report

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

### Acknowledgement

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

for and on behalf of the Board of Directors

Place : New Delhi  
Date : 29th May, 2012

Savitri Jindal  
Chairperson

## Directors' Report



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

Sr. No.	Description	Remarks
A	Options granted	During the year 2011-12, no stocks options were granted by the Company.
B	Pricing formula	The options will be granted at either of the following exercise prices as decided by the Compensation Committee: 1) At a price upto maximum of 75% discount to the average of the closing market price (at a stock exchange as determined by the Compensation Committee) in the 30 trading days immediately preceding the date of grant of options 2) At a price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted/ shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or 3) At a price equal to the average of the closing market price (at a stock exchange as determined by the Compensation Committee) in the 30 trading days immediately preceding the date of grant.
C	Option vested	NIL
D	Options exercised	NIL
E	Total number of Ordinary Shares arising as a result of exercise of Options	NIL
F	Options lapsed	On account of leaving of service, due to resignation, retirement or otherwise, by the Employees of the Company and its Subsidiary, 4,87,500 stock options lapsed during the year 2011-12.
G	Variation of terms of Options	NIL
H	Money realized by exercise of Options	NIL
I	Total number of Options in force	26,18,750 stock options.
J	Details of Options granted to i) Senior managerial personnel ii) Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year. iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA NA NA

## Directors' Report

Sr. No.	Description	Remarks																								
K	Diluted Earnings per Share (EPS) pursuant to issue of Ordinary Shares on Exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share.'	₹ (5.52)																								
L	<p>i) Method of calculation of employee compensation cost</p> <p>ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.</p> <p>iii) The impact of this difference on Profits and on EPS of the Company.</p>	<p>The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2011-12.</p> <p>The employee compensation cost would have been increased by ₹ 92.36 lakhs.</p> <p>The effect of adopting the fair value method on the net income and earnings per share is presented below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: right;">(₹ in lakhs)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Net Income, as reported</td> <td style="text-align: right;">(10,391.15)</td> </tr> <tr> <td colspan="2">Add: Intrinsic Value Compensation Cost</td> <td style="text-align: right;">277.27</td> </tr> <tr> <td colspan="2">Less: Fair value Compensation Cost (Black Scholes Model)</td> <td style="text-align: right;">369.63</td> </tr> <tr> <td colspan="2">Adjusted Net Income</td> <td style="text-align: right;">(10,483.51)</td> </tr> <tr> <td>Earning per share</td> <td style="text-align: center;">Basic (₹)</td> <td style="text-align: center;">Diluted (₹)</td> </tr> <tr> <td>As reported</td> <td style="text-align: center;">(5.52)</td> <td style="text-align: center;">(5.52)</td> </tr> <tr> <td>As adjusted</td> <td style="text-align: center;">(5.57)</td> <td style="text-align: center;">(5.57)</td> </tr> </tbody> </table>			(₹ in lakhs)	Net Income, as reported		(10,391.15)	Add: Intrinsic Value Compensation Cost		277.27	Less: Fair value Compensation Cost (Black Scholes Model)		369.63	Adjusted Net Income		(10,483.51)	Earning per share	Basic (₹)	Diluted (₹)	As reported	(5.52)	(5.52)	As adjusted	(5.57)	(5.57)
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Earning per share	Basic (₹)	Diluted (₹)																								
As reported	(5.52)	(5.52)																								
As adjusted	(5.57)	(5.57)																								
M	Weighted average exercise price and weighted average fair value of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	<p>Options granted whose exercise price is less than the market price of the stock (adjusted for stock split):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Weighted average Exercise Price</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Weighted average fair value</td> <td style="text-align: right;">NA</td> </tr> </tbody> </table>	Weighted average Exercise Price	NA	Weighted average fair value	NA																				
Weighted average Exercise Price	NA																									
Weighted average fair value	NA																									
N	A description of the method and significant assumption used during the year to estimate the fair values of Options	<p>The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>i) Risk free interest rate</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>ii) Expected life</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>iii) Expected volatility</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>iv) Expected dividend</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>v) The price of the underlying shares in market at the time of option grant</td> <td style="text-align: right;">NA</td> </tr> </tbody> </table>	i) Risk free interest rate	NA	ii) Expected life	NA	iii) Expected volatility	NA	iv) Expected dividend	NA	v) The price of the underlying shares in market at the time of option grant	NA														
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iii) Expected volatility	NA																									
iv) Expected dividend	NA																									
v) The price of the underlying shares in market at the time of option grant	NA																									

**ANNEXURE I**

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

**a) Conservation of Energy**

Energy Conservation measures taken:

- Mills oil coolant system automatically controlled through VVVF drives to regulate oil flow.
- Alternate fuel used on furnaces and boilers to reduce fuel consumption.
- Street lights replaced by solar lights.
- Capacitors added to SVC system to improve power factor.
- Manual controls replaced by automation interlocks to ensure consistency.
- Power is being generated using SAF gases by running Waste Heat Recovery boiler.
- Stopped one compressor in 14 MW by taking connection from nearby FE-Alloy Compressor house to meet the air requirement.
- Waste Coke Oven gas was utilised in coke oven boiler replacing LDO as fuel.
- Cooling tower running operations were optimized to save energy.

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

- Redesigning of emergency supply system to avoid continuous running of central DG Sets, hence saving of energy cost.
- Use of N2 gas generated from O2 plant, hence saving compressed air.
- Installation of Variable Frequency Drive (VFD) in the Captive Power Plant (CPP) area at Odisha plant for further reduction in power consumption.

**c) Impact of above measures.**

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

**FORM-A**

**FORM FOR DISCLOSURE OF PARTICULARS TO CONSERVATION OF ENERGY (Excluding Ferro Alloys Division being not covered)**

Sr. PARTICULARS No.	TOTAL 2011-12	TOTAL 2010-11
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1 ELECTRICITY</b>		
(a) Purchased		
Units (in '000 Kwh)*	761212.00	682948.00
Total Amount (₹ in Lacs)	32614.88	26471.68
Rate/Unit (₹)	4.28	3.88
* Net of exports to HSEB		
(b) Own Generation		
(I) Through diesel generator		
Units (in '000 Kwh)#	8604.55	27896.97
Unit per Litre of Oil	3.75	4.23
Cost/Unit (₹)	41.66	15.75
# Excluding diesel generator auxiliary consumption		
(II) Through Thermal Coal		
Units (in '000 Kwh)	759607.90	1312465.89
Unit per litre of oil	1.00	1.04
Cost/Unit (₹)	4.66	3.48

## Directors' Report

Sr. No.	PARTICULARS	TOTAL 2011-12	TOTAL 2010-11
<b>2</b>	<b>FUEL OILS (FO, FOLV, LDO, HSD)</b>		
	Total Quantity (Kilo Litre)*	42800.82	51486.49
	Total Cost (Rs. in Lacs)	16591.97	15962.10
	Average Rate/litre (₹)	38.77	31.00
	<i>* including fuel used for Power generation</i>		
<b>3</b>	<b>COAL/COKE</b>		
	Quantity (MT)	794754.57	1315502.73
	Total Cost (₹ in Lacs)	27678.04	35259.58
	Average Rate/Kg. (₹)	3.48	2.68
<b>4</b>	<b>GASES (PROPANE)</b>		
	Quantity (MT)	35230.34	22549.24
	Total Cost (₹ in Lacs)	18474.42	9742.43
	Average Rate/Kg. (₹)	52.44	43.21
<b>5</b>	<b>GASES (AMMONIA)</b>		
	Quantity (MT)	1660.01	1624.43
	Total Cost (₹ in Lacs)	477.37	337.10
	Average Rate/Kg. (₹)	28.76	20.75
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>1</b>	<b>ELECTRICITY</b>		
	(i) for Alloy Steel Melting (unit/ton)	568.89	490.15
	(ii) for Gas Manufacturing (unit/ton)	0.73	0.73
	(iii) for Cold Rolled Stainless Steel Manufacturing (unit/ton)	389.35	415.54
	(iv) for Blade Steel Manufacturing (unit/ton)	1236.26	1253.79
	(v) for Fe Alloy Manufacturing (unit/ton)	3993.03	4038.17
<b>2</b>	<b>FUEL OILS</b>		
	(i) for Alloy Steel Melting (litre/ton)	5.64	6.18
	(ii) for Cold Rolled Stainless Steel Manufacturing (litre/ton)	13.29	14.35
	(iii) for Blade Steel Manufacturing (litre/ton)	50.15	52.80
	(iv) for Fe Alloy Manufacturing (litre/ton)	14.09	15.50
<b>3</b>	<b>COAL</b>		
	(i) for Sponge Iron Manufacturing (MT/ton)	0.61	0.62
	(ii) for Power Generation (Kg/kwh)	1.00	1.00
<b>4</b>	<b>GASES (PROPANE)</b>		
	(i) for Alloy Steel Melting (Kg/ton)	32.95	NIL
	(ii) for Cold Rolled Stainless Steel Manufacturing (Unit/ton)	54.83	56.94
	(iii) for Blade Steel Manufacturing (Unit/ton)	39.02	51.28
	(iv) for Fe Alloy Manufacturing (litre/ton)	NIL	0.79
<b>5</b>	<b>GASES (AMMONIA)</b>		
	(i) for Blade Steel Manufacturing (Unit/ton)	22.10	26.96
	(ii) for Cold Rolled Stainless Steel Manufacturing (Kg/ton)	3.99	3.97

FORM – “B”

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

**Development of new products:**

- Development of lean Duplex 2101 stainless steel having high corrosion resistance and strength.
- Development of high nitrogen stainless steel X8CrMnN18-18 with exceptionally good toughness for defense applications. Production of this grade with more than 5000 ppm of nitrogen is an embodiment of prowess of JSL in this field.
- Development of JSLU(SD) and JSLU(DD)- two cost effective austenitic stainless steels for moderate and heavy deep drawn utensil applications respectively.
- Development and successful export of niobium stabilized high chromium 445 grade This nickel free ferritic alloy matches the atmospheric corrosion resistance of 18Cr-8Ni austenitic stainless steel.
- Development of cold rolled high chromium ferritic stainless steel 446 grade for high temperature applications.
- Development of 430Cu, a ferritic stainless steel which combines good corrosion resistance with anti-microbial properties.

**Process Development:**

- Modification in process route of 430 grade for cost reduction along with improved resistance to ridging.
- Increase of yield in 436L, 439 and 441 grades.
- Avoidance of bell separator marks during processing of ferritic stainless steels.

2) Benefits derived:

- Enhanced product mix
- Increase in productivity
- Manufacture of high value added products
- Cost reduction

3) Future plan of action:

- Development of cold rolled super austenitic stainless steel for critical applications.
- Development of stainless steel alloyed with high cerium for high temperature oxidation resistance.
- Development of corrugated roof of stainless steel.
- Development of stainless clad steels.
- Facilitate application engineering to promote 200 series, 400 series and duplex grades to replace existing 300 series grades for specific applications.

4) Expenditure on R & D

	( ₹ in Lacs )	
	2011-12	2010-11
a) Capital	Nil	Nil
b) Revenue	86.47	63.28
<b>Total</b>	<b>86.47</b>	<b>63.28</b>
c) Total R&D expenditure as a percentage of turnover	0.010%	0.009%

## Directors' Report

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### 5) Technology absorption, adaptation and innovation

#### HISAR DIVISION

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

- Development of grades JSLU DD & JSLU SD for developing qualitatively superior products for huge untapped house-hold appliances and utensils market estimated to be around 1 Million Ton/Annum, catered as of now, through un-organized small Mills.
- Development of grade 41 ODB in 2E finish for making Disc-brakes for two-wheelers and four-wheelers; which has been accorded approval by Auto-majors and is commercially being used by them.
- Development and successful supply of various finishes and tempers of 301L cold-rolled stainless steel, for making Metro Coaches, to all major Multi-National Metro Rolling Stock Manufacturers located in India.
- Successfully supplied 304L CRAP coils for very critical Atomic Energy Generation Usage to Bhabha Atomic Research Centre (BARC).
- Prime Yield improvement by 2-4% for various grades in CRAP Products by implementing JQI (Juran Quality Improvement) methodologies across various processes.

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

- Developing SS for critical usage varying from Automotive to Metro to Atomic power applications thus creating value-added Products in the Product Offerings.
- Making in-roads in huge untapped 1 Million Ton house-hold appliances and utensils market.
- Cost reduction.
- Customer satisfaction.

#### ODISHA DIVISION

### Technology absorption, adaptation and innovation

#### A. Cold Rolling Mill

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

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

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

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

#### B. Steel Melting Shop

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

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

##### II. Benefits derived as a result of the above efforts

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



**C. Hot Strip Mill**

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

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

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

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

**6) Foreign Exchange Earnings & Outgo**

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

Post commissioning of Odisha unit, the Company have opened up a whole lot of opportunities in export market. With enhanced product portfolio, the Company is set to move strategically in the international market. To cater the segments such as ABC, Appliance, Catering, ART, and Process; segmented focused approach is acknowledged with application orientation. Focus will on delivering the competitive edge products and services across the world with the help of augmented sales offices, service centers and warehouses. Participation and visit in various international conferences and exhibitions is another agenda on the list to boost the brand image and visibility on international platform.

	( ₹ in Crore )
<b>b) Foreign Exchange Earnings</b>	1773.86
Foreign Exchange Outgo	3336.96

## Corporate Governance

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

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

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

### 2. Board of Directors:

#### (i) Composition of Board

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

#### Executive Directors:

Sr. No.	Name of Director	Designation	Status
1.	Mr. Ratan Jindal	Vice Chairman & Managing Director	Promoter
2.	Mr. Ramesh R. Nair	President & Executive Director	Non-Independent
3.	Mr. Jitender P. Verma	Executive Director (Finance)	Non-Independent
4.	Mr. Subash Singh Viridi	Executive Director & Chief Operating Officer	Non-Independent

#### Non Executive Directors:

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

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

**Apart from the sitting fee paid for attending Board/Committee meetings, the non executive directors did not have any material pecuniary relationship or transactions with the Company, during the year 2011-12.**

#### (ii) Board Meetings

During financial year 2011-12, four Board meetings were held on 27th May, 2011, 12th August, 2011, 3rd November, 2011 and 9th February, 2012. The maximum time gap between any two meetings was not more than four calendar months.

#### (iii) Attendance of Directors & other Directorships

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

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

\* Appointed as director w.e.f. 3rd November, 2011

\*\* Appointed as director w.e.f. 9th February, 2012

# Ceased to be director w.e.f. 1st October, 2011

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

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

As on 31st March 2012, non executive directors hold following number of shares in the Company:

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

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

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

- (i) The Company holds minimum of four Board meetings in each year. Apart from the four Board meetings, additional Board meetings are also convened as and when required to address the specific needs of the Company by giving appropriate notice to the Directors. The Board also approves permitted urgent matters by passing the resolutions through circulation.
- (ii) The meetings are usually held at the Company's corporate office at New Delhi.
- (iii) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/approval/decision in the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings.

## Corporate Governance

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- (iv) The Board is given presentations on finance, sales and marketing, and the major business segments and operations of the Company, while considering the results of the Company for the preceding financial quarter at each of the pre-scheduled Board meeting.
- (v) The Vice Chairman & Managing Director/ Whole Time Directors and the Company Secretary in consultation with other concerned persons in the top management, finalise the agenda papers for the Board meetings.

### **B. Board material distributed in advance**

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

### **C. Recording minutes of proceedings at Board meeting**

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

### **D. Post meeting follow up mechanism**

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

### **E. Compliance**

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

## **3. Audit Committee:**

### **I. Composition and attendance:**

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

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

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

During financial year 2011-12, five meetings of audit committee were held on 26th May, 2011, 22nd July, 2011, 11th August, 2011, 3rd November, 2011 and 8th February, 2012. Mr. Gautam Kanjilal was present in all the five meetings. Mr. T.S. Bhattacharya and Mr. Suman Jyoti Khaitan attended four meetings.

### **II. Terms of Reference:**

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

## **4. Remuneration Committee:**

### **Composition and attendance:**

The Remuneration Committee of the Company comprises the following directors:

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

During financial year 2011-12, two meetings of Remuneration Committee were held on 26th May, 2011 and 12th August, 2011 which were attended by all the members of the committee.

### Terms of Reference:

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

### Remuneration of Executive Directors:

Details of the remuneration paid to the Managing / Executive Directors for the financial year ended 31st March, 2012 is given below :

( Amount in ₹ )

Name of Directors	Designation	Salary	Commission	Contribution to PF	Others	Total	Notice Period
Mr. Ratan Jindal *	Vice Chairman & Managing Director	-	-	-	-	-	N.A.
Mr. Ramesh R. Nair #	President & Executive Director	20,55,557	-	2,46,667	40,57,927	63,60,151	N.A.
Mr. Jitender P. Verma ##	Executive Director (Finance)	7,90,229	-	94,828	10,49,548	19,34,605	N.A.
Mr. Subash Singh Virdi	Executive Director & Chief Operating Officer	48,00,000	-	5,76,000	89,28,938	1,43,04,938	N.A.
Mr. Arvind Parakh *#	Director – Finance	29,40,000	-	3,52,800	58,89,064	91,81,864	N.A.

\* Mr. Ratan Jindal has received salary of ₹ 6,75,00,000 from Jindal Stainless FZE in the capacity of Director and ₹ 2,24,04,423 from Jindal Stainless UK Ltd. in the capacity of Managing Director during financial year 2011-12. Jindal Stainless FZE and Jindal Stainless UK Ltd., both are subsidiary companies of Jindal Stainless Limited.

# Mr. Ramesh R. Nair was appointed as President & Executive Director with effect from 3rd November, 2011

## Mr. Jitender P. Verma was appointed as Executive Director (Finance) with effect from 9th February, 2012

\*# Mr. Arvind Parakh ceased to be Director with effect from 1st October, 2011.

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

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

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

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

No. of shareholders' complaints received during the year ended 31st March, 2012: 7

Number not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

### 6. Share Transfer Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the share transfer committee comprising Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Jitender P. Verma, Executive Director (Finance), Mr. Suman Jyoti Khaitan, Director, Mr. Jitendra Kumar, Company Secretary and a representative of Registrar & Transfer Agent.

## Corporate Governance

### Sitting fees paid to Non Executive Directors:

The sitting fees paid for the year ended 31st March, 2012 to the Directors are as follows: Mr. Naveen Jindal, ₹ 40,000/-, Mr. Suman Jyoti Khaitan, ₹ 1,00,000/-, Mr. T.S. Bhattacharya, ₹ 1,20,000/-, Mr. Gautam Kanjilal, ₹ 1,30,000/-, Mr. Jurgen Hermann Fechter, ₹ 60,958.71, Mr. James Alistair Kirkland Cochrane, ₹ 80,000/- Mr. Rajeev Bakshi, ₹ 80,000/-. No commission has been paid to the non-executive directors.

### 7. General Body Meetings:

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

Year	Date	Day	Time
2008-09	4.9.2009	Friday	12:00 noon
2009-10	23.7.2010	Friday	11:00 a.m.
2010-11	27.9.2011	Tuesday	12:00 noon

### Number of special resolutions passed during last three AGMs

AGM	Number of special resolutions
2008-09	11
2009-10	4
2010-11	1

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

### 8 Disclosures :

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

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

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

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

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

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

### Compliance with non-mandatory requirements

#### (1) The Board

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

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

#### (2) Remuneration Committee:

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

**(3) Shareholders' Rights**

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

**(4) Audit Qualifications**

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

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

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

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

**(6) Whistle Blower Policy**

The 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 investigation any good faith reports of violations. The Whistle Blower Policies specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misinterpretation of accounts and financial statements.

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

**9. Means of Communication:**

- |      |  |   |
|------|--|---|
| i)   | Quarterly Results  | The quarterly, half yearly and yearly financial results of the Company are faxed /sent to the stock exchanges after they are approved by the Board. These are also published in the prescribed format as per the provisions of the listing agreement. |
| ii)  | Newspapers wherein results normally published                        | Business Standard/Financial Express (English), Jansatta (Hindi)-for the year 2011-12  |
| iii) | Any website, where displayed   | www.jindalstainless.com   |
| iv)  | Whether it also displays official news releases                      | The Company gives important Press Releases.   |
| v)   | The Presentations made to institutional investors or to the analysts | The Company holds Analysts' Meet from time to time  |

## Corporate Governance

### 10. General Shareholder Information

- 10.1 Annual General Meeting :**
- Date and Time : 26th September, 2012 at 11:00 a.m.
  - Venue : At registered office of the Company at Jindal Stainless Limited, O.P. Jindal Marg, Hisar – 125 005 (Haryana).
- 10.2 Financial Calendar 2012 – 13 (Tentative) :**
- |   |                 |
|---|-----------------|
| <b>Annual General Meeting – (Next Year)</b>   | September, 2013 |
| <b>Board Meetings</b>                         |                 |
| Results for quarter ending June 30, 2012      | August, 2012    |
| Results for quarter ending September 30, 2012 | November, 2012  |
| Results for quarter ending December 31, 2012  | February, 2013  |
| Results for quarter ending March 31, 2013     | May, 2013       |
- 10.3 Book Closure date :** 19th day of September, 2012 to 21st day of September, 2012 (both days inclusive) for annual general meeting
- 10.4 (a) Dividend payment date :** Not applicable.
- (b) Nomination facility** : The Companies (Amendment) Act, 1999 has provided for a nomination facility to the shareholders of the Company. Your Company is pleased to offer the facility of nomination to shareholders and shareholders may avail this facility by sending the duly completed Form 2B as revised vide Notification no. GSR 836(E) dated 24th October, 2000, Department of Company Affairs, to the Registrar of the Company.
- (c) Unclaimed Shares** : 1711 Share Certificates in respect of 2,02,792 Equity Shares pertaining to 1,700 Shareholders are lying undelivered with the Company as at March 31, 2012. The Company after sending three reminders to the registered address of the shareholders, requesting for correct particulars to dispatch the undelivered share certificates, will be crediting the unclaimed shares to a Demat Suspense Account to be opened by the Company for this purpose with one of the Depository Participants, if no response is received. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall be credited to the said Demat Suspense Account. The voting rights on these shares shall also remain frozen till the rightful owner of such shares claims the shares.  
As and when the rightful owner of such shares approaches the Company at later date, the Company shall to the extent of his / her entitlement, arrange to deliver the shares from the said account to the rightful owner after proper verification of his / her identity.
- 10.5 (a) Listing of Equity Shares on Stock Exchanges at** :
- |  |                            |
|--|----------------------------|
| National Stock Exchange of India Limited     | BSE Limited                |
| Exchange Plaza, 5th Floor, Plot No. C/1,     | Phiroze Jeejeebhoy Towers, |
| G – Block, Bandra-Kurla Complex, Bandra (E), | Dalal Street,              |
| Mumbai – 400 051.                            | Mumbai - 400 001           |
- The Company confirms that it has paid annual listing fees due to both the above stock exchanges.**
- (b) Listing of Foreign Currency Convertible Bonds (FCCBs) on Stock Exchange at** : Singapore Exchange Securities Trading Limited  
2, Shenton Way, #19-00, SGX Centre 1,  
Singapore 068804
- (c) Listing of GDS on Stock Exchange at** : Luxembourg Stock Exchange  
P.O. Box 165, L – 2011, Luxembourg.
- (d) Debenture Trustee** : Axis Bank Limited  
Maker Towers “F”, 13th Floor,  
Cuffee Parade, Colaba, Mumbai – 400 005.



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

**International Securities Identification Number (ISIN)**

Equity Shares : INE 220G01021

FCCBs : XS0208872902

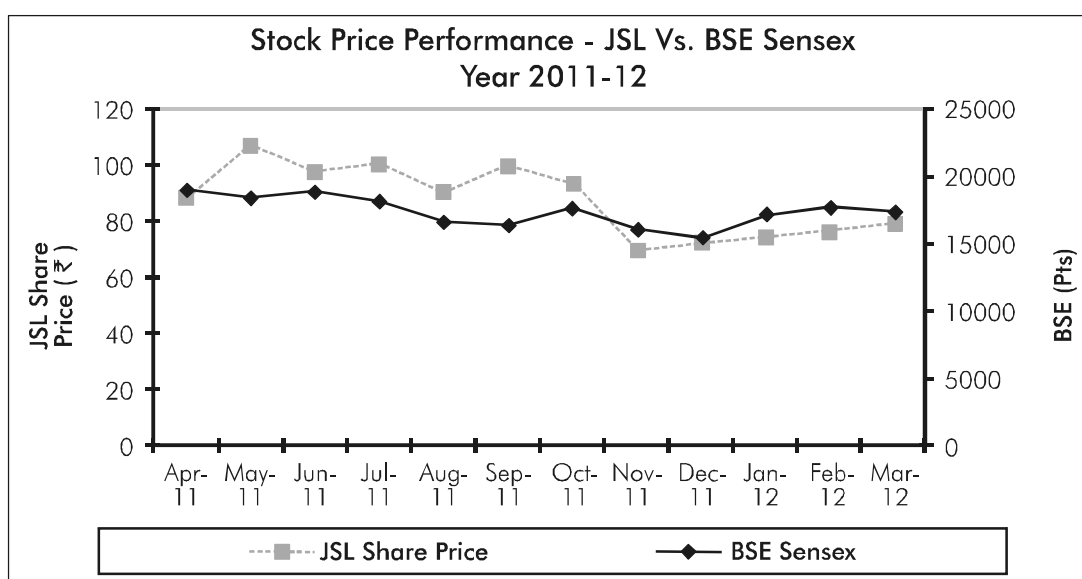
GDS : US4775862000

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

**10.7 Stock Market Data** : **National Stock Exchange of India Ltd. (NSE)** **BSE Limited (BSE)**  
 (in ₹) (in ₹)

	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2011	93.45	81.15	93.30	82.00
May, 2011	110.00	81.30	110.00	82.65
June, 2011	111.95	95.00	111.50	94.00
July, 2011	110.90	95.95	110.75	95.65
August, 2011	104.00	85.15	103.80	85.10
September, 2011	112.40	90.10	111.90	90.90
October, 2011	99.00	87.20	99.35	87.50
November, 2011	94.85	68.00	94.75	68.55
December, 2011	78.80	69.25	79.00	66.05
January, 2012	82.50	70.30	82.40	70.55
February, 2012	87.50	71.50	87.45	72.10
March, 2012	86.00	74.50	88.50	72.35

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



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

## Corporate Governance

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

**10.10 Share Transfer System** : Share transfer requests are registered within 10 – 15 days.

**10.11 Distribution of shareholding as at 31st March, 2012:**

By size of shareholding	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 2500	51,397	98.29	1,42,12,298	7.50
2501 - 5000	473	0.90	16,73,588	0.88
5001 - 10000	208	0.40	15,03,230	0.79
10001 - 15000	57	0.11	6,76,027	0.36
15001 - 20000	23	0.04	4,08,398	0.22
20001 - 25000	10	0.02	2,26,936	0.12
25001 - 50000	32	0.06	11,49,071	0.61
50001 & Above	93	0.18	16,96,56,077	89.53
<b>TOTAL</b>	<b>52,293</b>	<b>100.00</b>	<b>18,95,05,625</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>13,488</b>	<b>25.79</b>	<b>48,74,040</b>	<b>2.57</b>
<b>Electronic Mode</b>	<b>38,805</b>	<b>74.21</b>	<b>18,46,31,585</b>	<b>97.43</b>

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	7,44,67,250	39.30
GDS held by promoters underlying shares	1,67,34,984	8.83
GDS held by others underlying shares	8,69,350	0.46
FIs/Banks/Mutual Funds	1,90,52,605	10.05
Corporate Bodies	71,75,941	3.79
Foreign Bank	99,97,524	5.27
FIIIs	4,24,42,083	22.39
NRI/OCBs	18,70,254	0.99
Public	1,68,95,634	8.92
<b>Total</b>	<b>18,95,05,625</b>	<b>100.00</b>

**10.12 Dematerialisation of shares** : 97.43% of the shares have been dematerialised upto 31st March, 2012. Trading in equity shares of the Company is permitted only in dematerialized form.

**10.13 Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.** : Foreign Currency Convertible Bonds (FCCB) originally issued to the Foreign investors on 24th December, 2004 amounting to USD 60 million, out of which USD 24.05 million were outstanding as on 31st March, 2010. In terms of the Agreement executed with Trustee for Bondholders on 6th December, 2010 for restructuring of FCCB, the Company has paid accrued YTM amounting to USD 7.20 million from 23rd December 2004 to 24th December, 2009 to all outstanding USD 24.05 million FCCB holders.

Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the Bonds are redeemable at 176.28% of their principal amount on 24th December, 2019. These Bonds at the option of the holder, may be converted into Equity Shares of face value of ₹ 2/- each, at a pre-determined price of ₹ 119.872/- per share. These FCCBs would now be termed as "Convertible Bonds due December 24, 2019". As on 1st April, 2011, outstanding FCCBs were of USD 10.30 million. During the year, Company received conversion notices for 1200 FCCBs amounting to USD 6 million and subsequently the Company has allotted 729945, 364972, 364972, 364972 fully paid equity shares on 24.6.2011, 9.12.2011, 13.1.2012, 17.2.2012 and 23.3.2012 respectively. Thus, the outstanding FCCBs as on 31st March, 2012 were USD 4.30 million.

**10.14 Plant locations** : • **HISAR**  
O. P. Jindal Marg,  
Hisar – 125 005 (Haryana)

• **KOTHAVALASA**  
Jindal Nagar, Kothavalasa – 535 183  
Dist. Vizianagaram (A.P.)

• **ODISHA**  
Kalinga Nagar Industrial Complex,  
P.O. Danagadi – 755 026,  
Dist. Jajpur (Orissa) India

**10.15 Investor Correspondence :**

For transfer/dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the company.	Name : Mr. Jeewat Rai Designation : Vice President Address : Abhipra Capital Limited (Unit: Jindal Stainless Limited) Ground Floor – Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, New Delhi – 110 033. Phone No. : (011) 42390909 Fax No. (011) : 27215530 Email : investorcare@jindalstainless.com
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**Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).**

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

## Corporate Governance

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### 11. OTHER INFORMATION

(a) **Risk Management Framework:**

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

(b) **CEO and CFO Certification**

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

(c) **Code of Conduct**

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

**To the Shareholders of Jindal Stainless Limited**

Sub.: Compliance with Code of Conduct

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

Place: New Delhi  
Date: 29th May, 2012

**(Ratan Jindal)**  
Vice Chairman & Managing Director

### General Disclosures

- (i) A summary of transactions with related parties in the ordinary course of business is periodically placed before the audit committee;
- (ii) The mandatory disclosure of transactions with related parties in compliance with Accounting Standard AS-18 is a part of this annual report;
- (iii) In preparing with annual accounts in respect of the financial year ended 31st March, 2012, no accounting treatment was different from that prescribed in the Accounting Standards;
- (iv) The Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

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

**To the members of Jindal Stainless Limited**

We have examined the compliance of conditions of Corporate Governance Procedure implemented by Jindal Stainless Limited for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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

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

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

Place : New Delhi  
Dated : 14th May, 2012

## Management Discussions and Analysis

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Thanks to a recharging of the US economy in the second half of 2011 and emergency measures undertaken in the Euro zone, the global economic outlook is expected to be better than that feared by many. Nevertheless, growth is expected to come down from 4% in 2011 to 3.5% in 2012. Gradual recovery is likely to resume in the major advanced economies and performance is expected to remain relatively robust in most emerging and developing economies. While Asia's rising economies account for less than 30 per cent of global GDP, they contributed close to 60 per cent of total global growth in 2011 and are expected to do so in 2012, too. At the global level, Asia is poised to take on a stronger and more dominant role in future global economic developments. It is also likely to play an ever increasing role in the stability of the international monetary system.

India is still maintaining its growth amidst the backdrop of elevated inflation and higher interest rates. The economy is likely to remain weighed down by a combination of the weaker global economy and higher domestic financing rates. As per industry sources, the GDP which was initially expected to grow at around 7.5%, is now expected to grow at a more modest rate of about 7%. However, the year ahead promises to be interesting - both, in terms of the challenges that will arise, and the policy actions that may be deployed to address them.

### Stainless Steel - the Versatile, Green Metal

Stainless steel is a value-added alloy containing a minimum of 10.5% chromium. It is corrosion-resistant, strong, hygienic and fully recyclable. These properties make it an ideal choice for a variety of demanding industrial and consumer applications. Several life-cycle studies indicate that in many applications, the total cost of stainless steel is lower than that of competing materials, since stainless steel needs low maintenance.

Stainless steel is used in various industries. The consumption of stainless steel has been growing faster than any other metal in the world. It increases with economic development, as both its properties and its aesthetic image are highly competitive in terms of matching the highest standards of utility and design. Stainless steel is classified as per the alloying elements into different categories viz. 200, 300, and 400 series. With different chemical compositions, these series possess a variety of properties and hence find varied applications. Global stainless steel demand for 2011 was estimated at 32 million tons. Over the last 5 years, global demand for stainless steel has grown at a muted CAGR of 2.2 per cent. Demand growth declined during 2008 and 2009 due to economy slow down, leading to contraction in demand especially from the developed countries. However, demand rebounded in 2010, growing by 24 per cent in tune with the recovery of end user industries. The majority of the increase in stainless steel consumption emanates from emerging markets such as China and India. China's share in global demand has almost doubled from 18 per cent in 2004 to 35 per cent in 2011.

CRISIL Research expects the long term global demand for stainless steel to increase at a CAGR of 4 to 5 per cent. Growth will be mainly driven by strong levels of growth expected in China and India, which together accounted for around 44 per cent of the global consumption in 2011.

### Indian Market Potential

India's favourable demographic profile and rising proportion of its working population holds significant potential for stainless steel consumption across key end-user segments. India's per capita stainless steel consumption at around 2 kg is still significantly lower than other countries such as USA (11.5kg), China (8.4 kg), and even the world average (4.6 kg). However, in the last 5 years, India's stainless steel consumption increased at a healthy CAGR of 11 per cent against the paltry growth in global consumption at a CAGR of 2.2 per cent. In recent years, stainless steel demand from the Automotive, Railways & Transport (ART) segment has been rising owing to strong growth in the automobile industry and rising penetration of stainless steel in railway rolling stock. Architecture, Building & Construction (ABC) segment is expected to register the fastest growth largely due to rapid urbanisation and increasing modernisation along with an increasing usage of stainless steel in Metro stations, as well as commercial and retail complexes. Both the ART and ABC segments together accounted for around 14 per cent share in consumption. Emergence of cost-effective 200 series (chrome-manganese) of stainless steel made it affordable for average households to increase their appetite for stainless steel kitchenware, leading to a sustained demand for this metal in the kitchenware segment.

The process industry accounts for second largest share - 16 per cent of the consumption of stainless steel. Its growth is also aligned with the investments in end-user industries such as pharmaceuticals, food processing and petrochemicals.

With strong growth anticipated in ABC and ART segments, CRISIL Research expects that the demand growth for stainless steel in India will remain steady at a CAGR of 7.8 per cent over the period 2011-16.

India's stainless steel demand currently stands at around 2.5 million tons, with imports accounting for almost 13 per cent of the demand. However, India has been a net exporter of stainless steel with exports accounting for 17 per cent of the production in 2010-11.

With 800,000 tons of new additional capacity in Odisha, Jindal Stainless now has the capability to produce 1.6 million tons of stainless steel and is now fully geared to capture the growth of the Indian market.

### Strengths

- Experienced management team
- Capability to execute strategy & projects
- Innovation and technology (200 series)
- Efficient cost of capital
- Wide range of finished products

### Opportunities

- Growing domestic demand
- Unexplored rural market and rapid urbanisation
- Increasing consumption of stainless steel in all sectors
- Investment of US\$ 490 billion allocated in and also in the Eleventh Five Year Plan (2007-12) for core infrastructure sector such as power, road, railways, ports & airports
- Strong growth in heavy industries such as the automotive industry, infrastructure and oil & gas sectors.

### Threats

- China becoming a net exporter
- Protection of domestic industry in the West/ other countries
- Dumping by competitors
- Global economic slow down
- Market fluctuation
- Low import duty on stainless steel in India
- Higher power tariff in India

### Key Challenges

- Global slowdown
- Delay in allocation of resources by regulatory authorities to enjoy the full benefit of the integration chain

## Management Discussions and Analysis

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### Financial Statements - Consolidated

The Company's consolidated financial statements include the financial performance of the following subsidiaries, joint ventures and associates:

#### Subsidiaries:

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

#### Joint Venture:

MJSJ Coal Limited

#### Associates:

J.S.S. Steelitalia Limited

### Operational Performance (Standalone)

The Company has for financial year ended 31st March 2012, achieved gross revenue of ₹ 8,498 crore as compared to ₹ 7,351 crore during the previous financial year, representing growth of around 16%. Domestic sales grew by around 14% and export sales grew by around 22%. EBIDTA for the financial year ended 31st March, 2012 was at ₹ 904 crore which is around 16% lower than the previous year figures of ₹ 1081 crore. Interest for the year ended 31st March, 2012 was ₹ 517 crore as against ₹ 389 crore for the previous financial year representing an increase of around 33%. The increase in interest is on account of start of operations of Phase II of the Odisha project. The exceptional gain/(loss) during the financial year ended 31st March, 2012 was at (₹ 208) crore as compared to last year corresponding figures of ₹ 54 crore. The exceptional losses during the year ended 31st March, 2012 include losses on account of fluctuation in foreign currency assets/liabilities amounting to ₹ 157 crore, provision of ₹ 36 crore on



account of outstanding legal dispute and write-off of earlier years amounting to ₹ 15 crore on account of modifications in electricity tariff calculation methodology. The profit/(loss) before tax and profit/(loss) after tax for the year stood at (₹154 crore) and (₹ 104 crore) as compared to previous financial year's comparative figures of ₹ 447 crore and ₹ 318 crore respectively.

### Risks and Concerns

Jindal Stainless is exposed to normal industry risk factors and manages these risks by deploying prudent business and risk management practices. The company has been undertaking continuous modernization programmes to maintain efficient operation of its products and engineering activities. The company has also made efforts to mitigate risk by enhancing the quality of its products, use of hot metal in Electric Arc Furnaces, reduction in energy consumption and emissions, and improved productivity. The company is also looking at various options to maintain an adequate level of liquidity for smooth running of its operations and is also negotiating to rework its outstanding debt with its lenders.

### Internal Controls System

The Company's internal controls system is designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with all relevant laws and regulations. Periodical internal checks and audits are conducted by the Management and Internal Auditors for monitoring and vetting of transactions. Necessary quality control systems and procedures have been established. Clear demarcation of roles and responsibilities have been defined at various levels of operations and up graded whenever required.

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

### Clean environment by mitigating the carbon footprint

The Company's plants comply with all norms set up by the competent authorities for a clean and better environment. The Company undertakes regular checks/inspections including certification for the maintenance of the environment. The Company has adequate effluent treatment plants to control pollution.

### Company CSR Vision

'To be admired as a socially responsible corporate and a sustained value creator for all our stake holders'. Toward this end we strive to develop an enabling environment for all stakeholders through community-based sustainable development programmes and facilitate inclusive development along different verticals.

### Training Centres for Skills Development

A Youth and Skills development programme has been designed keeping in mind the industry needs and requirement of manpower in the coming years. The training is provided at the Jindal Institutes of Industrial Training located at Odisha and Haryana through industry partners possessing expertise on the subject trade. Some of our partners are Schneider Electric, NIIT Foundation, Accenture, ITC, Epicurean, HISCET, IGNOU Community College, ITI's, DB Tech, LIFE etc.

### Education

We are imparting education through formal schools - OP Jindal School and Vidya Devi Jindal Schools, Non-formal Education, Remedial Education Centres, Computer Training, Interactive computer training through the 'Hole in the wall' programme, Youth education and empowerment through sports.

## Management Discussions and Analysis

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### Women Empowerment

Toward fulfillment of our commitment to the UN and as members of the select UN Women Empowerment Leadership Group (Group of 30 members), Jindal Stainless Limited has been constantly working toward women empowerment. Under this initiative we have empowered 4000 women and over 20,000 families through the formation of Self Help Groups. Trainings have been given in beauty culture, dress designing, cookery, dal processing, food processing, agarbatti making, mushroom cultivation, handicrafts, computer literacy programmes and so on.

### Health

The healthcare interventions are carried out through the 400 bedded super specialty hospital in Hisar, health clinics, mobile health camps, specialist camps, awareness programmes on HIV/AIDS etc.

### Community Development & Environment

Various Community development initiatives like infrastructure development, sanitation and livelihood are being undertaken. Tree plantation, restoring water bodies, promotion of alternate energy sources such as Bio-Gas, Jatropha and Solar Energy in our neighboring communities and farming practices to include organic farming.

### Human Rights and Global Compact Network

As member of the Global Business Initiative (GBI) for Human Rights, we have taken a leadership role to promote the UN Guidelines on the Human Rights- 'Protect, Respect and Remedy' Framework and are in the process of engaging with other industry members in fulfilling this agenda. The Company successfully launched a CEO Forum on Human Rights and Business, which is chaired by Mr. Narayana Murthy, Chief Mentor and Founder Infosys India limited.

### Employee Participation

We encourage employee involvement in non-work-related initiatives too. During the current financial year, employees at Jindal Stainless Limited have actively participated in various events organized at all plant locations such as Women's Empowerment Day, CSR Live Week, an exhibition-cum-conference held at Gurgaon, in April 2012, and many more.

### Our People: Our Central Nervous System

Jindal Stainless always owes its accomplishments to its young and dynamic "Human Resources". With a strong emphasis on nurturing a high performance workplace and fostering an engaging environment, the organization believes in investing in people development and process improvement, as aligned with company's vision and values.

The competency based recruitment practices followed at the company help in identifying key talents with required management and technical skills to support and sustain an expanding business of huge magnitude.

In line with our HR Plan for 2011-12, Jindal Stainless has partnered with Hay Group towards building a sustainable organization and building on its growth momentum. The company undertook an organization-wide diagnostic process and based on the results reviewed the organization structure design, defined each role, evaluated unique jobs, and also aligned reward and recognition policies accordingly.

The company has re-launched the Performance Management System (PMS) in January 2012 in order to create a more differentiated performance system and to enable the ultimate objective of a high performance workplace. The robust, redesigned PMS process emphasizes on nurturing the future leaders through a structured Succession Planning and Career Progression mechanism. It provides an opportunity to the achievers to take up varied scope of responsibilities with wider ownership, strong commitment and accountability.

As part of the HR Talent Management process, the company has introduced “Internal Job Posting” (IJP) Policy. This will provide opportunities for employees to explore internal career moves, thereby facilitating individual growth and development. Relevant positions in the grade of Executive and above are being advertised through J-Connect/Intra. A good response has been forthcoming from our employees, reflecting their eagerness to learn and grow, and thus improve their career prospects.

Jindal Stainless maintains a variety of communication platforms leading to information sharing through open houses, departmental meetings, open forums and newsletters. “Coffee Connect” with the Vice Chairman and Managing Director (VC & MD) is a new initiative that we have embarked upon. This has created an informal communication platform within the organization wherein sessions are organized with cross-functional representations and various issues are discussed on different aspects of the working environment, areas of improvement, expectations, among other topics. Apart from “Coffee Connect”, informal interaction sessions with young engineers were also conducted at the company’s units.

During the course of the year, Jindal Stainless was successfully able to meet its manpower requirements emerging from our expanding business. The manpower as on 31st March, 2012 was 4,982 across all Jindal Stainless’s businesses (including subsidiaries).

### Cautionary Statement

The Management Discussions and Analysis describe the Company’s projections, expectations or predictions and are forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

## Auditors' Report

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### To The Members of Jindal Stainless Limited (Formerly JSL Stainless Limited)

We have audited the attached Balance Sheet of Jindal Stainless Limited (Formerly JSL Stainless Limited), as at 31st March, 2012 and the Statement of Profit & Loss and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 (as amended) (herein after called The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
  - c) The reports on the accounts of the branch audited by other Auditors have been forwarded to us and have been appropriately dealt with by us in preparing our report;
  - d) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account and with the audited accounts from the branch;
  - e) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
  - f) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2012 from being appointed as a Director of the Company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - g) Without qualifying attention is drawn to;
    - (i) Note no. 33(vi) read with note no. 40(B) regarding pending confirmations of balances of certain secured loans as stated in the said note.
    - (ii) Note no. 40(C) read with note no. 12 regarding investment and loan & advances to certain subsidiary companies, for the reason stated in said note, no provision for diminution in value is necessary in the opinion of management.
  - h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - (ii) In the case of Statement of Profit & Loss, of the loss of the Company for the year ended on that date; and
    - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

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

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

Place : New Delhi  
Date : 29th May, 2012

### Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our report of even date to the Members of Jindal Stainless Ltd. (Formerly JSL Stainless Ltd.) on the Financial Statements for the year ended 31st March, 2012)

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

## Auditors' Report

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

Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	1.69	April 1995-June 95	High Court, New Delhi
		658.09	Jan 1999-Dec 04	High Court of Punjab & Haryana.
		27.19	Jan 05-June 05	CESTAT, Delhi.
		7.57	2000-01	CESTAT, Delhi.
		2,960.81	July 05-Dec 07	CESTAT, Delhi.
		47.96	July 05-Dec 07	CESTAT, Delhi.
		253.64	Aug 09- June 09	CESTAT, Delhi.
		57.14	Sep 94-March 96	Commissioner of Central Excise, Rohtak.
		7.63	1994-95	Addl. Commissioner of Central Excise, Rohtak.
		0.39	1996-97	Commissioner (Appeals), Gurgaon
		23.74	July & August-09	Revision Authority, Delhi
		4.04	April 09-Nov 10	Commissioner (Appeals), Gurgaon
		0.02	Jan10-Jun10	Commissioner (Appeals), Gurgaon
		18.02	July 95-Sep 95	Joint Commissioner of Central Excise, Rohtak
		5.76	April 07-October 07	Joint Secretary Excise, Rohtak
		3,723.82	2005-11	Commissioner, Central Excise, Bhubneswar-1, Odisha.
The Custom Act, 1962	Custom Duty	10.00	2008-09	High Court, New Delhi
		60.00	2008-09	CESTAT, Delhi.
Finance Act	Service Tax	522.83	Dec 03-March 06	CESTAT, Delhi.
		7.64	2008-09 & 2009-10	CESTAT, Delhi.
		53.83	2005-06 to 2008-09	CESTAT, Delhi.
The Central Sales Tax Act 1956	Sales Tax	3.00	1993-94	High Court of Punjab & Haryana.
		2,479.44	2005-06 to 2007-08	High Court Odisha, Cuttack.

## Auditors' Report



Name of the statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Orissa Value Added Tax Act 2004	Sales Tax	179.53	2005-06, 2006-07 & 2007-08	Add. Commissioner of Sales tax, Cuttack
Income Tax Act	Income Tax	5,988.49	2004-05, 2005-06 & 2006-07	Commissioner of Income Tax (Appeals), Delhi
		517.52	2002-03 & 2003-04	High Court, New Delhi
		549.65	2007-08	Dispute Resolution Panel
Entry Tax Act, 1999	Entry Tax	5,440.45	2006-07 to 2011-12	H'ble Supreme Court
		8,210.13	2010-11	High Court Odisha, Cuttack.

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the year and also in the immediately preceding financial year.
11. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions/banks/ debenture holders, in view of the debt restructuring approved under CDR mechanism as stated in note no 33 and read together with note no. 4(f).
12. In our opinion and according to information and explanations given to us, no loans and advances have been granted by the company on the basis of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of The Order are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of The Order are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. (Read with Note no. 27(c).
16. In our opinion and on the basis of information and explanations given to us, the term loans raised during the year by the company were applied at the close of the financial year for the purposes for which the loans were obtained where such end use has been stipulated by the lender.
17. On the basis of information and explanations given to us, and on the basis of an overall examination of the balance sheet of the company, no funds raised on short-term basis have been used for long-term investments.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. On the basis of the records made available to us, the company has created necessary security and charge in respect of debentures outstanding at the year end.
20. The company has not raised any money through public issue during the year.
21. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year nor we have been informed of such case by the management.

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

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

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

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

Place : New Delhi  
Date : 29th May, 2012

## Balance Sheet as at 31st March, 2012

DESCRIPTION	NOTE NO	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	3,790.11	3,746.32
Reserves and Surplus	3	214,423.20	221,735.04
		218,213.31	225,481.36
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	771,257.61	760,051.42
Deferred tax liabilities (net)	5	39,456.81	44,446.67
Other Long term liabilities	6	1,265.03	1,243.98
Long-term provisions	7	868.55	696.65
		812,848.00	806,438.72
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	153,145.13	107,921.21
Trade payables	9	203,394.68	125,095.35
Other current liabilities	10	181,074.75	107,148.25
Short-term provisions	7	37,742.86	37,842.78
		575,357.42	378,007.59
<b>TOTAL</b>		<b>1,606,418.73</b>	<b>1,409,927.67</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible assets		975,111.91	415,675.20
Intangible assets		428.95	565.87
Capital work-in-progress		45,663.86	490,095.90
Intangible assets under development		483.20	-
Non-current investments	12	16,886.20	16,616.35
Long-term loans and advances	13	20,603.13	29,369.08
Other non-current assets	14	2,213.84	4,275.22
		1,061,391.09	956,597.62
<b>CURRENT ASSETS</b>			
Current investments	12	104.00	108.29
Inventories	15	270,275.89	210,872.18
Trade receivables	16	150,566.46	122,132.76
Cash and Bank Balances	17	16,419.81	30,783.95
Short-term loans and advances	13	107,264.56	88,933.79
Other current assets	18	396.92	499.08
		545,027.64	453,330.05
<b>TOTAL</b>		<b>1,606,418.73</b>	<b>1,409,927.67</b>
Significant Accounting Policies	1		

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

### AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012



**Statement of Profit & Loss for the year ended 31st March, 2012**


DESCRIPTION	NOTE NO	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>INCOME</b>			
Revenue from operations (Gross)	19	849,833.01	735,126.54
Less : Excise Duty on sales		60,728.17	51,229.22
Revenue from operations (Net)		789,104.84	683,897.32
Other income	20	7,530.62	5,698.58
<b>TOTAL</b>		<b>796,635.46</b>	<b>689,595.90</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	565,363.64	445,478.91
Purchases of Trading Goods	21A	9,689.84	15,345.60
Changes in inventories of finished goods, work in progress and Trading goods	22	(43,533.62)	(24,089.30)
Employee benefits expenses	23	16,983.32	15,181.40
Finance costs	24	51,680.03	38,874.29
Depreciation and amortization expenses	25	40,860.75	35,614.29
<b>Other expenses</b>	26		
Manufacturing Expenses		120,724.94	102,333.95
Administrative Expenses		7,821.98	6,262.20
Selling expenses		21,650.52	15,281.39
<b>TOTAL</b>		<b>791,241.40</b>	<b>650,282.73</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>5,394.06</b>	<b>39,313.17</b>
Exceptional items - Gain/(Loss)	30	(20,775.93)	5,422.49
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(15,381.87)</b>	<b>44,735.66</b>
Extraordinary items		-	-
<b>Profit/ (Loss) before tax</b>		<b>(15,381.87)</b>	<b>44,735.66</b>
<b>Tax expense</b>			
Provision for Current Tax		-	8,922.25
MAT Credit Entitlement		-	(1,395.07)
Provision for Deferred Tax		(4,989.86)	5,348.90
Previous Year Taxation Adjustment		(0.86)	25.89
<b>Profit/(Loss) for the year from continuing operations</b>		<b>(10,391.15)</b>	<b>31,833.69</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations (after tax)		-	-
<b>Profit/(Loss) for the year</b>		<b>(10,391.15)</b>	<b>31,833.69</b>
<b>Earnings per share (in ₹ )</b>	52		
Basic		(5.52)	17.12
Diluted		(5.52)	16.71
<b>Significant Accounting Policies</b>	1		

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

**AUDITORS' REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

## Notes to Financial Statements

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### NOTE NO - 1 SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Preparation of Financial Statements

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

#### ii) Use of Estimates

The preparation of financial statements requires use of estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### iii) A) Fixed Assets & Depreciation

##### a) Fixed Assets

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

##### b) Depreciation and Amortisation

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

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

d) Lease Hold Assets are amortised over the period of lease.

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

#### B) Intangible Assets

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

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

#### C) Impairment

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

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

#### iv) Revenue Recognition

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

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

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

#### v) Borrowing Costs

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

#### vi) Foreign Currency Transactions

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

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

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

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

**vii) Investments**

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

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

**viii) Valuation of Inventories**

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

**ix) Employee Benefits**

**a) Short term Employee Benefits**

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

**b) Defined Contribution Plans**

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

**c) Defined Benefit Plans**

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

**d) Employee Stock Option Scheme**

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

**x) Miscellaneous Expenditure**

a) Preliminary expenses are written off over the period of ten years.

b) Bonds issue expenses and premium on redemption are written off over the expected duration of benefit or life of the bonds, whichever is earlier.

c) Mines development expenses incurred for developing and preparing new mines are written off over the period of expected duration of benefits or ten years, whichever is earlier.

**xi) Taxation**

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

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

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

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

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

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

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

**xiii) Contingent Liabilities**

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

## Notes to Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
2	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	475,000,000 ( 475,000,000) Equity Shares of ₹ 2/- each	9,500.00	9,500.00
		9,500.00	9,500.00
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	189,505,625 (187,315,792) Equity Shares of ₹ 2/-each fully paid up	3,790.11	3,746.32
	<b>TOTAL - SHARE CAPITAL</b>	3,790.11	3,746.32
(a)	<b>RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Equity Shares outstanding at the beginning of the year	187,315,792	185,582,172
	<b>Equity Shares issued during the year</b>		
	On Conversion of Foreign Currency Convertible Bonds	2,189,833	1,733,620
	<b>Shares outstanding at the end of the year</b>	189,505,625	187,315,792
	13,137,179 equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 7,199 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the last five years		
(b)	<b>TERMS/RIGHT ATTACHED TO EQUITY SHARES</b>		
	The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
(c)	<b>EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER</b>		
	<b>NAME OF THE EQUITY SHAREHOLDER</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Jindal Overseas Holdings Limited	14,150,000	14,150,000
	Reliance Capital Trustee Co. Ltd- A/C Reliance Diversified Power Sector Fund	11,939,931	11,722,131
	Citigroup Global Markets Mauritius Private Ltd.	11,904,296	-
	American Express Bank Limited - A/c AEB London	9,997,524	9,997,524
(d)	<b>EQUITY SHARES RESERVED FOR ISSUE UNDER OPTIONS</b>		
	(i) For details of shares reserved for issue under the Employee Stock Option Scheme, 2010 of the company, please refer Note No. 46		
	(ii) For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds, please refer Note No.4 (f) regarding terms of conversion.		

## Notes to Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>3</b>	<b>RESERVES AND SURPLUS</b>		
(a)	<b>CAPITAL REDEMPTION RESERVE</b>	<b>2,000.00</b>	2,000.00
(b)	<b>SECURITIES PREMIUM RESERVE</b>		
	As per last account	77,407.49	75,364.04
	Add : On Conversion of Foreign Currency Convertible Bonds	2,581.20	2,043.45
		<b>79,988.69</b>	77,407.49
(c)	<b>EMPLOYEE STOCK OPTION OUTSTANDING</b>		
	Employee Stock Option Outstanding	790.86	938.08
	Less : Deferred Employees Compensation Expenditure	326.47	716.13
		<b>464.39</b>	221.95
(d)	<b>DEBENTURE REDEMPTION RESERVE</b>		
	As per last account	7,398.45	9,757.85
	Less : Written Back during the year	601.49	2,359.40
		<b>6,796.96</b>	7,398.45
(e)	<b>GENERAL RESERVE</b>	<b>62,856.91</b>	62,856.91
(f)	<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>	<b>286.67</b>	31.00
(g)	<b>CENTRAL/STATE SUBSIDY RESERVE</b>	<b>39.27</b>	39.27
(h)	<b>AMALGAMATION RESERVE</b>	<b>121.55</b>	121.55
(i)	<b>SURPLUS - STATEMENT OF PROFIT AND LOSS</b>		
	As per Last Account	71,658.42	37,465.33
	Add : Profit/ (Loss) after Tax for the year	(10,391.15)	31,833.69
	Add : Debenture Redemption Reserve Written Back	601.49	2,359.40
	<b>Amount Available for appropriation</b>	<b>61,868.76</b>	71,658.42
	<b>APPROPRIATIONS</b>		
	Proposed Dividend	-	-
	Corporate Dividend Tax	-	-
	<b>Net Surplus in the Statement of Profit and Loss</b>	<b>61,868.76</b>	71,658.42
	<b>TOTAL - RESERVE &amp; SURPLUS</b>	<b>214,423.20</b>	221,735.04

## Notes to Financial Statements

NOTE NO	DESCRIPTION	( ₹ in Lacs )			
		Non -Current Portion		Current Maturity	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>4</b>	<b>LONG-TERM BORROWINGS</b>				
	<b>SECURED</b>				
	(a) <b>DEBENTURES</b>				
	Redeemable Non-Convertible Debentures	22,322.50	25,000.00	2,677.50	-
		22,322.50	25,000.00	2,677.50	-
	(b) <b>TERM LOANS FROM BANKS</b>				
	Rupee Term Loans	417,809.31	395,307.30	29,880.68	-
	Foreign Currency Loans	115,620.66	123,680.08	25,440.00	-
		533,429.97	518,987.38	55,320.68	-
	(c) <b>FUNDED INTEREST TERM LOANS</b>				
	From Banks	40,093.09	43,435.42	2,668.38	-
	From Others	3,633.57	3,875.39	241.82	-
		43,726.66	47,310.81	2,910.20	-
	(d) <b>BUYER CREDIT AGAINST CAPITAL GOODS</b>				
	In Rupee Term	3,233.69	19,785.80	-	-
	In Foreign Currency	164,997.07	137,794.40	-	-
		168,230.76	157,580.20	-	-
	(e) <b>CAR LOAN FROM BANKS</b>	3.47	55.19	10.90	31.98
	<b>TOTAL - SECURED</b>	<b>767,713.36</b>	<b>748,933.58</b>	<b>60,919.28</b>	<b>31.98</b>
	<b>UNSECURED</b>				
	(f) <b>BONDS</b>				
	Foreign Currency Convertible Bonds	2,187.84	4,593.80	-	-
		2,187.84	4,593.80	-	-
	(g) <b>PUBLIC FIXED DEPOSITS</b>	749.15	5,738.38	5,113.76	1,659.25
	(h) <b>LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS</b>	607.26	785.66	178.39	159.49
	<b>TOTAL - UNSECURED</b>	<b>3,544.25</b>	<b>11,117.84</b>	<b>5,292.15</b>	<b>1,818.74</b>
	Less: Amount Disclosed under the head Other Current Liabilities			66,211.43	1,850.72
	<b>TOTAL - LONG TERM BORROWINGS</b>	<b>771,257.61</b>	<b>760,051.42</b>	<b>-</b>	<b>-</b>

### Secured Borrowings

- (a) 9.75 % Debentures of ₹ 1,000,000 each, amounting to ₹ 25,000.00 Lacs are redeemable at par in 27 equal quarterly installments of Rs. 892.50 Lacs each starting from July, 2012 along with interest and balance one installment of ₹ 902.50 Lacs along with interest (in total 28 nos.). Debentures are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable fixed assets both present & future and second pari-passu charge by way of hypothecation and/ or pledge of current assets namely finished good, raw materials, work-in -progress, consumable stores and spares, book debts, bills receivable.
- (b) (i) Rupee Term Loans from bank amounting to ₹ 214,832.37 Lacs (₹ 214,836.31 Lacs) are repayable in 27 equal quarterly installments of ₹ 7,669.52 Lacs each along with interest from July, 2012 and balance one installment of ₹ 7,755.46 Lacs along with interest (in total 28 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

- (ii) Rupee Term Loans from bank amounting to ₹ 159,703.00 Lacs ( ₹ 110,415.76 Lacs) are repayable in 22 equal quarterly installments of ₹ 6,947.08 Lacs each along with interest from October, 2013 and balance one installment of ₹ 6,867.23 Lacs along with interest (in total 23 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (iii) Rupee Term Loan from bank amounting to ₹ 8,989.13 Lacs ( ₹ 5,888.98 Lacs) is repayable along with interest in June, 2019. The loan is secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (iv) Rupee Term Loans from bank amounting to ₹ 64,165.49 Lacs ( ₹ 64,166.25 Lacs) are repayable in 27 equal quarterly installments of ₹ 2,290.71 Lacs each along with interest from July, 2012 and balance one installment of ₹ 2,316.37 Lacs along with interest (in total 28 nos.). The loans are Secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (v) Foreign Currency Loans from bank amounting to ₹ 6,228.63 Lacs ( ₹ 5,459.87 Lacs) are repayable in 22 equal quarterly installments of ₹ 270.93 Lacs each along with interest from October, 2013 and balance one installment of ₹ 267.82 Lacs along with interest (in total 23 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (vi) Foreign Currency Loans from bank amounting to ₹ 101,760.00 Lacs ( ₹ 89,200.00 Lacs) are repayable in 4 equal half yearly installment of ₹ 10,176.00 Lacs each along with interest from April, 2012 and balance amount in 4 equal annual installment of ₹ 15,264.00 Lacs each along with interest from October, 2014. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (vii) Foreign Currency Loans from bank amounting to ₹ 25,440.00 Lacs ( ₹ 22,300.00 Lacs) are repayable in 4 equal half yearly installment of ₹ 2,544.00 Lacs each along with interest from May, 2012 and balance amount in 4 equal annual installment of ₹ 3,816.00 Lacs each along with interest from November, 2014. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (viii) Foreign Currency Loans from bank amounting to ₹ 7,632.03 Lacs ( ₹ 6,720.21) are repayable in 25 equal monthly installments of ₹ 293.07 Lacs each along with interest from May, 2013 and balance one installment of ₹ 305.28 Lacs along with interest (in total 26 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (c) Funded Interest Term Loans from banks amounting to ₹ 46,636.86 Lacs ( ₹ 47,310.81 Lacs) (including ₹ 3,875.39 Lacs ( ₹ 3,875.39 Lacs) from Financial Institutions) are repayable ; 25% in 15 equal quarterly installments of ₹ 727.53 Lacs along with interest from April, 2012 and balance one installment of ₹ 746.19 Lacs along with interest (in total 16 nos.) and balance 75% is payable in 12 equal quarterly installments of ₹ 2,690.95 Lacs each along with interest from April, 2016 and balance one installment of ₹ 2,686.28 Lacs along with interest (in total 13 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (d) Buyers Credit amounting to ₹ 168,230.76 Lacs ( ₹ 157,580.20 Lacs) are backed by letter of undertaking issued by Rupee term loan lenders under a sub limit of their respective Rupee term Loans. Upon final maturity date (i.e. ₹ 152,429.08 Lacs in year 2012-13 and ₹ 12,855.46 Lacs in Year 2013-14 and ₹ 2,946.22 Lacs in Year 2014-15) the respective buyers credit amount would be converted into respective lender Rupee Term Loan to the extend of their sanctioned amount. These Buyers Credit (being a sub limit) are secured through their respective Rupee Term Loan by first/ second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

## Notes to Financial Statements

(b,c,d) Above Term Loans amounting to ₹ 500,555.10 Lacs including Funded Interest Term Loan, Debentures amounting to ₹ 25,000.00 Lacs and Buyers Credit amounting to ₹168,230.76 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.33 (iii) ] and

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

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

### Unsecured Borrowings

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

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

Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the Bonds are redeemable at 176.28% of their principal amount on 24th December 2019. These Bonds at the option of the holder, may be converted into Equity Shares of face value of ₹ 2/- each, at a pre-determined price of ₹ 119.872/- per share. These FCCBs would now be termed as "Convertible Bonds due December 24, 2019".

During the year, the Company has received conversion notice for 1,200 (950) FCCBs amounting to USD 6.00 million (USD 4.75 million) and subsequently their against the company has allotted 21,89,833 (17,33,620) fully paid equity shares.

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

**NOTE** These above to be read with Note no. 33 and 40 (B).

NOTE NO	DESCRIPTION	Deferred Tax Liability/Asset as at 31.03.2011	( ₹ in Lacs )	
			Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2012
<b>5</b>	<b>DEFERRED TAX LIABILITY (NET)</b>			
	(a) <b>DEFERRED TAX LIABILITY</b>			
	Difference between book & tax depreciation	61,953.48	31,980.19	93,933.67
	<b>Total Deferred Tax Liability</b>	61,953.48	31,980.19	93,933.67
	(b) <b>DEFERRED TAX ASSETS</b>			
	Disallowance under Section 43B	16,898.05	675.51	17,573.56
	Provision for doubtful debts & advances	62.32	(25.48)	36.84
	Provisions for Employee Benefit	278.18	64.21	342.39
	Provisions for MTM Losses & Diminution in Investments	268.26	(146.58)	121.68
	Brought forward loss/Unabsorbed Depreciation	-	36,402.39	36,402.39
	<b>Total Deferred Tax Assets</b>	17,506.81	36,970.05	54,476.86
	<b>DEFERRED TAX LIABILITY (NET)</b>	44,446.67	(4,989.86)	39,456.81

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>6</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Security Deposits	850.00	850.00
	Interest accrued but not due on borrowings	40.78	393.98
	Other Outstanding Liabilities	374.25	-
	<b>TOTAL - OTHER LONG TERM LIABILITIES</b>	1,265.03	1,243.98



NOTE NO	DESCRIPTION	Long-Term		Short-Term	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
7	<b>PROVISIONS</b>				
	For Employee Benefits	868.55	696.65	201.44	176.75
	For Taxation	-	-	37,541.42	37,666.03
	For Proposed Dividend	-	-	-	-
	For Corporate Dividend Tax	-	-	-	-
	<b>TOTAL - PROVISIONS</b>	<b>868.55</b>	<b>696.65</b>	<b>37,742.86</b>	<b>37,842.78</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
8	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED</b>		
	(a) Working Capital Facilities from Bank	20,022.02	24,352.83
	(b) Buyer Credit in Foreign Currency		
	Against Working Capital	131,880.72	82,028.72
	Against Capital Goods	891.92	663.22
	<b>TOTAL - SECURED</b>	<b>152,794.66</b>	<b>107,044.77</b>
	<b>UNSECURED</b>		
	(c) Public Fixed Deposits	350.47	876.44
	<b>TOTAL - UNSECURED</b>	<b>350.47</b>	<b>876.44</b>
	<b>TOTAL - SHORT TERM BORROWINGS</b>	<b>153,145.13</b>	<b>107,921.21</b>

**Secured Borrowings**

- (a) Working Capital Facilities are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material, work in progress, consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand.
- (b) Buyer Credit Facility are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material, work in progress, consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company.
- (a,b) Working Capital facility from bank amounting to ₹ 20,022.02 Lacs and Working capital Buyers Credit amounting to ₹ 132,772.64 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.33 (iii)] and Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 33 (iv).

**NOTE** These above to be read with Note no. 33 and 40 (B).

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
9	<b>TRADE PAYABLES</b>		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	38.28	36.46
	Dues to other than Micro and Small enterprises	203,356.40	125,058.89
	<b>TOTAL-TRADE PAYABLES</b>	<b>203,394.68</b>	<b>125,095.35</b>

## Notes to Financial Statements

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
10	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long term Borrowings (Note no. 4)	66,033.04	1,691.23
	Current maturities of finance lease obligations (Note no. 4)	178.39	159.49
	Interest accrued but not due on borrowings	5,239.05	1,999.35
	Advance from Customers	23,503.00	19,036.51
	Security Deposits from Agents/Dealers/Others	249.01	210.49
	Creditors for Capital Expenditure	39,554.83	46,774.75
	Other Outstanding Liabilities	45,954.53	36,829.02
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	101.94	129.36
	Unpaid matured deposits and interest accrued thereon	260.96	318.05
	<b>TOTAL - OTHER CURRENT LIABILITIES</b>	<b>181,074.75</b>	<b>107,148.25</b>

NOTE NO	DESCRIPTION	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK		
		AS AT 01.04.2011	ADDITIONS	SALE/ ADJUSTMENT	AS AT 31.03.2012	AS AT 01.04.2011	DURING THE YEAR ****	ON SALE/ ADJUSTMENT	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
11	<b>FIXED ASSETS</b>										
A	<b>TANGIBLE ASSETS</b>										
	Lease Hold Land	4,031.27	2,780.65	-	6,811.92	250.01	82.61	-	332.62	6,479.30	3,781.26
	Free Hold Land *	7,889.02	266.25	-	8,155.27	-	-	-	-	8,155.27	7,889.02
	Buildings **	51,688.23	85,178.71	1.84	136,865.10	6,611.20	2,221.11	0.41	8,831.90	128,033.20	45,077.03
	Plant and Machinery ***	509,463.35	508,335.06	922.26	1,016,876.15	162,730.94	37,027.67	525.72	199,232.89	817,643.26	346,732.41
	Electric Installation	11,364.54	3,357.89	3.53	14,718.90	2,769.90	757.57	2.56	3,524.91	11,193.99	8,594.64
	Vehicles	2,196.43	511.15	41.74	2,665.84	1,053.96	205.10	21.59	1,237.47	1,428.37	1,142.47
	Furniture and Fixtures	1,908.65	64.79	0.99	1,972.45	833.12	239.96	0.93	1,072.15	900.30	1,075.53
	Office equipment	1,052.84	87.23	2.83	1,137.24	364.45	68.62	0.79	432.28	704.96	688.39
	Power Line and Bay Extension	1,211.87	-	-	1,211.87	517.42	121.19	-	638.61	573.26	694.45
	<b>TOTAL TANGIBLE ASSETS</b>	<b>590,806.20</b>	<b>600,581.73</b>	<b>973.19</b>	<b>1,190,414.74</b>	<b>175,131.00</b>	<b>40,723.83</b>	<b>552.00</b>	<b>215,302.83</b>	<b>975,111.91</b>	<b>415,675.20</b>
	PREVIOUS YEAR	529,471.88	61,758.79	424.47	590,806.20	139,941.46	35,364.93	175.39	175,131.00	415,675.20	
B	<b>INTANGIBLE ASSETS *****</b>										
	Technical Know How	1,369.18	-	-	1,369.18	847.20	136.92	-	984.12	385.06	521.98
	Computer software	994.23	-	-	994.23	950.34	-	-	950.34	43.89	43.89
	<b>TOTAL INTANGIBLE ASSETS</b>	<b>2,363.41</b>	<b>-</b>	<b>-</b>	<b>2,363.41</b>	<b>1,797.54</b>	<b>136.92</b>	<b>-</b>	<b>1,934.46</b>	<b>428.95</b>	<b>565.87</b>
	PREVIOUS YEAR	2,309.91	53.50	-	2,363.41	1,521.78	275.76	-	1,797.54	565.87	
	<b>CAPITAL WORK IN PROGRESS *****</b>									<b>45,663.86</b>	<b>490,095.90</b>
	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									<b>483.20</b>	<b>-</b>

### NOTE

- \* Include ₹ 948.55 Lacs (₹ 948.55 Lacs) jointly owned with other body corporate with 50% share.
- \*\* Include ₹ 247.90 Lacs (₹ Nil) jointly owned with other body corporate with 50% share.
- \*\* Include ₹ 2,326.41 Lacs (₹ Nil) under litigation (Note no 38)
- \*\*\* Plant & Machinery Sales include ₹ Nil (₹ 12.94 Lacs) and Depreciation on sale include ₹ 11.03 Lacs (₹ 3.68 Lacs) transferred by one Division to other Division and that is CWIP of other Division.
- \*\*\* Include Plant & machinery acquired on Lease amounting to ₹ 1,132.13 Lacs (₹ 1,132.13 Lacs) and depreciation thereon during the year ₹ 59.50 Lacs (₹ 14.14 Lacs)
- \*\*\*\* Depreciation ₹ Nil (₹ 26.40 lacs) considered under pre-operative expenses.
- \*\*\*\*\* Include Project Inventory ₹ 16,811.61 Lacs (₹ 112,680.26 Lacs).
- \*\*\*\*\* Intangible Assets are amortised as under:
- |                    |          |
|--------------------|----------|
| Technical Know How | 10 Years |
| Software           | 5 Years  |

## Notes to Financial Statements



( ₹ in Lacs )

NOTE NO	DESCRIPTION	31.03.2012		31.03.2011	
		Nos.	Face Value ( ₹ ) Amount	Nos.	Face Value ( ₹ ) Amount
<b>12</b>	<b>INVESTMENTS</b>				
	<b>NON - CURRENT INVESTMENTS</b>				
	<b>LONG TERM INVESTMENTS - AT COST</b>				
<b>A</b>	<b>Equity Shares Fully Paid Up -Trade Unquoted</b>				
	Golden Touch Resources Corporation	555,512	179.59	555,512	179.59
	MJSJ Coal Limited #	6,309,000	10 630.90	3,609,000	10 360.90
	JSL Energy Limited	1,000	10 0.10	1,000	10 0.10
	<b>TOTAL (A)</b>		<b>810.59</b>		<b>540.59</b>
<b>B</b>	<b>Equity Shares Fully Paid Up of Subsidiary Company - Trade Unquoted</b>				
	Jindal Stainless Steelway Limited @	14,061,667	10 2,581.25	14,061,667	10 2,581.25
	PT. Jindal Stainless Indonesia @	12,499,900	USD 1 5,468.38	12,499,900	USD 1 5,468.38
	JSL Architecture Limited @	4,100,100	10 410.01	4,100,100	10 410.01
	JSL Lifestyle Limited	17,795,600	10 2,051.39	17,795,600	10 2,051.39
	Jindal Stainless FZE (Wholly owned subsidiary)	6 AED 1000000	723.80	6 AED 1000000	723.80
	Jindal Stainless UK Limited (Wholly owned subsidiary)	100,000	GBP 1 77.20	100,000	GBP 1 77.20
	Green Delhi BQS Limited	51,000	10 5.10	51,000	10 5.10
	JSL Media Limited	49,970	10 5.00	49,970	10 5.00
	Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	4,499,700	YTL 1 1,601.60	4,499,700	YTL 1 1,601.60
	Jindal Aceros Inoxidables S.L. (Wholly owned subsidiary)	20,000	EURO 1 13.59	20,000	EURO 1 13.59
	JSL Group Holdings Pte. Limited (Wholly owned subsidiary)	6,657,565	SGD 1 2,201.18	6,657,565	SGD 1 2,201.18
	JSL Logistics Limited (Wholly owned subsidiary)	50,000	10 5.00	50,000	10 5.00
	Iberjindal S.L.	650,000	EURO 1 426.36	650,000	EURO 1 426.36
	<b>TOTAL (B)</b>		<b>15,569.86</b>		<b>15,569.86</b>
<b>C</b>	<b>Govt./Semi Govt. Securities - Non Trade</b>				
	12.40% Government of India Stocks (Face value ₹ 40 Lacs)		41.14		41.14
	National Savings Certificate *		1.02		1.17
	8.40% Transmission Corp. of A.P. Limited	10	1,000,000 103.40	10	1,000,000 103.40
	7.50% Bank of India	4	1,000,000 40.00	4	1,000,000 40.00
	7.64% KSFC 2018	10	1,000,000 97.71	10	1,000,000 97.71
	8.57% Andhra Pradesh SDL 2020	220,000	100 222.48	220,000	100 222.48
	<b>TOTAL (C)</b>		<b>505.75</b>		<b>505.90</b>
	<b>TOTAL NON CURRENT INVESTMENT</b>		<b>16,886.20</b>		<b>16,616.35</b>
	<b>CURRENT INVESTMENTS</b>				
	<b>( At lower of Cost and Fair Value )</b>				
<b>D</b>	<b>Equity Shares Fully Paid Up - Non Trade Quoted</b>				
	Bhartiya International Limited	114,609	10 60.11	114,609	10 59.60
	Central Bank of India	7,247	10 7.31	7,247	10 7.39
	Hotel LeelaVentures Limited	90,000	2 30.11	90,000	2 34.83
	Adani Ports and Special Economic Zone Limited (Formerly Mundra Ports and SEZ Limited)	7,355	2 6.47	7,355	2 6.47
	<b>TOTAL CURRENT INVESTMENT</b>		<b>104.00</b>		<b>108.29</b>
	<b>TOTAL - INVESTMENTS</b>		<b>16,990.20</b>		<b>16,724.64</b>

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

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

\* Lodged with Government Authorities as Security.

Aggregate value of Current Investment	104.00	108.29
Aggregate value of unquoted investment	16,886.20	16,616.35
Aggregate value of quoted investment	104.00	108.29
Market value of quoted investment	107.05	114.66
Aggregate provision made for the diminution in value of Current investments	230.54	226.25

## Notes to Financial Statements

NOTE NO	DESCRIPTION	( ₹ in Lacs )			
		Long-Term		Short-Term	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>13</b>	<b>LOANS AND ADVANCES</b>				
	(Unsecured, Considered good unless otherwise stated)				
	Advance Recoverable in Cash or in kind or the value to be received [Net of Provision of ₹ 23.66 Lacs ( ₹ 23.66 Lacs)]	32.82	24.74	32,586.77	27,053.39
	Capital Advances	7,760.03	16,957.65	-	-
	Security Deposits [Net of Provision of ₹ 54.00 Lacs ( ₹ 54.00 Lacs)]	5,303.57	5,246.56	1,193.69	1,140.35
	Loans & Advances to Related Parties	7,506.71	7,140.13	2,686.47	2,345.08
	Prepaid Taxes	-	-	43,119.78	40,130.27
	MAT Credit Entitlement	-	-	6,832.78	6,832.78
	Balance with Excise and Sale tax Authorities	-	-	20,845.07	11,431.92
	<b>TOTAL - LOANS AND ADVANCES</b>	<b>20,603.13</b>	<b>29,369.08</b>	<b>107,264.56</b>	<b>88,933.79</b>

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>14</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Deposits with original maturity of more than 12 months	402.18	2,153.97
	Mines Development Expenses	1,811.66	2,121.25
	<b>TOTAL - OTHER NON CURRENT ASSETS</b>	<b>2,213.84</b>	<b>4,275.22</b>

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>15</b>	<b>INVENTORIES</b>		
	(As taken, valued and certified by the Management)		
	(valued at lower of cost and net realizable value unless otherwise stated )		
	Raw Materials [Including material in Transit ₹ 29,355.15 Lacs ( ₹ 27,359.32 Lacs)]	75,141.01	68,625.88
	Work in Progress	57,361.50	52,724.04
	Finished Goods	117,868.65	73,673.68
	Trading Goods	340.14	1,084.23
	Store and Spares [Including material in Transit ₹ 1,353.50 Lacs ( ₹ 1,257.28 Lacs)]	17,906.56	13,090.39
	Scrap (at estimated realizable value)	1,658.03	1,673.96
	<b>TOTAL - INVENTORIES</b>	<b>270,275.89</b>	<b>210,872.18</b>

## Notes to Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
16	<b>TRADE RECEIVABLE</b>		
	(Unsecured, Considered goods unless otherwise stated)		
(a)	<b>EXCEEDING SIX MONTHS FROM THE DUE DATE OF PAYMENT</b>		
	Unsecured, Considered good	13,848.34	10,065.16
	Doubtful	23.49	113.77
	Less : Provision for doubtful receivable	23.49	113.77
		13,848.34	10,065.16
(b)	<b>OTHERS</b>	136,718.12	112,067.60
	<b>TOTAL - TRADE RECEIVABLE</b>	150,566.46	122,132.76

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
17	<b>CASH AND BANK BALANCES</b>		
(a)	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with Banks	1,032.92	2,600.15
	Balances with Banks in Foreign Currency	89.77	32.67
	Bank Deposits with original maturity of less than three months *	2,404.93	-
	Unpaid dividend accounts	101.94	129.36
	Cheques in hand/Money in Transit	4,088.33	1,177.43
	Cash in Hand	33.74	19.24
	Stamps in Hand	0.24	0.17
	Puja and Silver Coins	0.04	0.04
	<b>TOTAL CASH AND CASH EQUIVALENTS</b>	7,751.91	3,959.06
(b)	<b>OTHER BANK BALANCES</b>		
	Bank Deposits with original maturity of more than three months but less than 12 months *	6,735.60	25,823.73
	Bank Deposits with original maturity of more than 12 months *	2,334.48	3,155.13
		9,070.08	28,978.86
	Less : Amount Disclosed under the head Other Non Current Assets	(402.18)	(2,153.97)
	<b>TOTAL OTHER BANKS BALANCES</b>	8,667.90	26,824.89
	<b>TOTAL - CASH &amp; BANK BALANCES</b>	16,419.81	30,783.95

\* ₹ 2,904.09 Lacs (₹ 1,016.95 Lacs) is under lien with Banks

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
18	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Investment /Fixed Deposits	87.35	189.51
	Mines Development Expenses	309.57	309.57
	<b>TOTAL-OTHER NON CURRENT ASSETS</b>	396.92	499.08

## Notes to Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
19	<b>REVENUE FROM OPERATIONS</b>		
	(a) <b>SALE OF PRODUCTS</b>		
	Finished Goods	822,163.77	713,668.22
	Semi Finished Goods	-	479.22
	Trading Goods	10,387.39	14,281.22
	Export Benefits	4,681.36	3,454.53
		<b>837,232.52</b>	<b>731,883.19</b>
	(b) <b>SALE OF SERVICES</b>		
	Job Charges received	9,890.84	1,055.08
		<b>9,890.84</b>	<b>1,055.08</b>
	(c) <b>OTHER OPERATING REVENUE</b>		
	Sale of Gases	68.81	71.06
	Claims Received	447.28	195.49
	Previous year adjustments (net)	414.81	948.58
	Miscellaneous Income	1,778.75	973.14
		<b>2,709.65</b>	<b>2,188.27</b>
	<b>REVENUE FROM OPERATIONS (GROSS)</b>	<b>849,833.01</b>	<b>735,126.54</b>
	<b>DETAILS OF PRODUCT SOLD</b>		
	(i) <b>FINISHED GOODS</b>		
	Hot Rolled Products	454,696.63	388,650.39
	Cold Rolled Products	354,673.01	282,295.36
	Ferro Alloys	159.58	3,192.72
	Power	3,890.82	32,299.26
	Others	8,743.73	7,230.49
		<b>822,163.77</b>	<b>713,668.22</b>
	(ii) <b>SEMI FINISHED GOODS</b>		
	Hot Rolled Products	-	479.22
		-	479.22
	(iii) <b>TRADING GOODS</b>		
	Cold Rolled Products	10,125.00	14,202.56
	Others	262.39	78.66
		<b>10,387.39</b>	<b>14,281.22</b>
	<b>TOTAL - SALE OF PRODUCTS</b>	<b>832,551.16</b>	<b>728,428.66</b>
	<b>Sales includes the Finished Goods issued for Captive Consumption as below:</b>		
	Hot Rolled Products	745.78	1,531.32
	Others	2.61	662.23
		<b>748.39</b>	<b>2,193.55</b>
	<b>Previous year adjustments (net) includes :</b>		
	Income relating to earlier years	(5.68)	7.32
	Liability no longer required	469.29	994.35
	Expenses relating to earlier years	(48.80)	(53.09)
		<b>414.81</b>	<b>948.58</b>

## Notes to Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>20</b>	<b>OTHER INCOME</b>		
(a)	<b>INTEREST INCOME ON</b>		
	Long Term Investments	43.11	41.34
	Others	1,274.07	928.12
	Debtors	6,244.76	4,599.77
		7,561.94	5,569.23
(b)	<b>DIVIDEND INCOME FROM CURRENT INVESTMENT</b>	1.41	1.54
(c)	<b>NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS</b>		
	Gain on Sale	-	54.79
	Loss on Diminution	(4.29)	(22.79)
		(4.29)	32.00
(d)	<b>NET GAIN/(LOSS) ON SALE OF FIXED ASSETS</b>		
	Gain on Sale	30.98	8.59
	Loss on Sale	(11.78)	(21.25)
	Loss on Discard	(134.14)	(10.82)
		(114.94)	(23.48)
(e)	<b>OTHER NON-OPERATING INCOME (NET)</b>	86.50	119.29
	<b>TOTAL - OTHER INCOME</b>	7,530.62	5,698.58

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>21</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Raw Material Consumed	565,363.64	445,478.91
	<b>TOTAL-COST OF MATERIAL CONSUMED</b>	565,363.64	445,478.91
	<b>DETAIL OF RAW-MATERIAL CONSUMED</b>		
	Steel Scrap	304,964.83	180,854.18
	Ferro Alloys	186,046.71	181,511.12
	Copper Scrap	28,446.28	21,961.60
	Hot Rolled Products	18,101.95	14.16
	Chrome Ore	17,381.95	26,547.56
	Coal/Coke	30,192.92	36,421.87
	Others	20,299.64	16,672.02
	Less : Inter unit transfer of material included in above	(23,873.15)	(17,594.47)
		581,561.13	446,388.04
	Less : Material issued (net) to CWIP (Note No 54)	(16,197.49)	(909.13)
	<b>TOTAL - DETAIL OF RAW MATERIAL CONSUMED</b>	565,363.64	445,478.91
	<b>CONSUMPTION OF RAW MATERIAL</b>		
		<b>31.03.2012</b>	<b>31.03.2011</b>
		<b>% age</b>	<b>% age</b>
		<b>Amount</b>	<b>Amount</b>
	Imported	52.29	304,117.31
	Indigenous	47.71	277,443.82
	<b>TOTAL</b>	<b>100.00</b>	<b>581,561.13</b>
			100.00
			446,388.04

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>21A</b>	<b>PURCHASE OF TRADING GOODS</b>		
	Cold Rolled Products	9,529.37	15,266.57
	Others	160.47	79.03
	<b>TOTAL - PURCHASE OF TRADING GOODS</b>	9,689.84	15,345.60

## Notes to Financial Statements

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs ) 31.03.2011	
22	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS</b>			
	<b>OPENING STOCK</b>			
	Finished Goods	73,673.68	58,134.37	
	Work in Progress	52,724.04	45,403.26	
	Scrap	1,673.96	618.55	
	Trading Goods	1,084.23	342.74	
	<b>TOTAL OPENING STOCK</b>	<b>129,155.91</b>	<b>104,498.92</b>	
	<b>CLOSING STOCK</b>			
	Finished Goods	117,868.65	73,673.68	
	Work in Progress	57,361.50	52,724.04	
	Scrap	1,658.03	1,673.96	
	Trading Goods	340.14	1,084.23	
	<b>TOTAL CLOSING STOCK</b>	<b>177,228.32</b>	<b>129,155.91</b>	
	Excise Duty on account of increase in Stock of Finished Products	4,538.79	567.69	
	<b>TOTAL - CHANGES IN INVENTORIES</b>	<b>(43,533.62)</b>	<b>(24,089.30)</b>	
	<b>DETAILS OF INVENTORIES</b>	<b>31.03.2012</b>	<b>31.03.2011/</b>	<b>01.04.2010</b>
	<b>FINISHED GOODS</b>			
	Hot Rolled Products	57,146.01	21,522.99	18,057.35
	Cold Rolled Products	37,108.28	33,815.79	20,472.58
	Ferro Alloys	19,376.11	14,628.08	14,976.93
	Others	4,238.25	3,706.82	4,627.51
	<b>TOTAL</b>	<b>117,868.65</b>	<b>73,673.68</b>	<b>58,134.37</b>
	<b>WORK IN PROGRESS</b>			
	Hot Rolled Products	26,690.36	24,407.02	15,905.06
	Ferro Alloys	21,252.89	19,180.40	20,877.65
	Others	9,418.25	9,136.62	8,620.55
	<b>TOTAL</b>	<b>57,361.50</b>	<b>52,724.04</b>	<b>45,403.26</b>
	<b>TRADING GOODS</b>			
	Cold Rolled Products	89.74	796.65	76.79
	Others	250.40	287.58	265.95
	<b>TOTAL</b>	<b>340.14</b>	<b>1,084.23</b>	<b>342.74</b>

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs ) 31.03.2011	
23	<b>EMPLOYEE BENEFITS EXPENSES</b>			
	Salaries, Wages, Bonus and Other benefits (read with Note No.45)	15,210.74	13,657.03	
	Contribution to provident and other funds	909.19	773.55	
	Expenses on Employee Stock Option Scheme	242.44	221.95	
	Staff Welfare Expenses	620.95	528.87	
	<b>TOTAL - EMPLOYEE BENEFITS EXPENSES</b>	<b>16,983.32</b>	<b>15,181.40</b>	

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs ) 31.03.2011	
24	<b>FINANCE COSTS</b>			
	Interest Expenses	48,234.52	36,496.68	
	Other Borrowing Costs	3,445.51	2,377.61	
	<b>TOTAL - FINANCE COSTS</b>	<b>51,680.03</b>	<b>38,874.29</b>	



## Notes to Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>25</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Fixed Assets	40,723.83	35,338.53
	Amortization of Intangible assets	136.92	275.76
	<b>TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>40,860.75</b>	<b>35,614.29</b>

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011		
<b>26</b>	<b>OTHER EXPENSES</b>				
(a)	<b>MANUFACTURING EXPENSES</b>				
	Consumption of Stores and Spare parts	37,407.41	30,571.72		
	Power and Fuel	64,629.05	56,026.60		
	Labour Processing & Transportation Charges	8,641.96	7,084.28		
	Repairs to buildings	296.05	84.69		
	Repairs to plant & machinery	2,360.71	1,730.87		
	Job work expenses	3,674.20	2,639.99		
	Other Manufacturing Expenses	3,715.56	4,195.80		
		120,724.94	102,333.95		
(b)	<b>ADMINISTRATIVE EXPENSES</b>				
	Insurance	1,169.37	1,157.62		
	Rent	314.07	256.55		
	Lease Rent	3.88	5.33		
	Rates and Taxes	867.67	310.31		
	Legal and Professional	1,309.72	1,186.68		
	Postage, Telegram, Telex and Telephone	350.39	361.12		
	Printing & Stationary	272.64	292.23		
	Travelling & Conveyance	637.38	601.02		
	Director's Meeting Fees	6.11	5.30		
	Vehicle Upkeep and Maintenance	420.40	377.38		
	Auditor's Remuneration	55.43	43.81		
	Donation	150.68	83.15		
	Mine Development Expenditure w/off	309.59	348.09		
	Miscellaneous Expenses	1,954.65	1,233.61		
		7,821.98	6,262.20		
(c)	<b>SELLING EXPENSES</b>				
	Discount & Rebate	8,422.13	4,553.75		
	Freight & Forwarding Expenses	7,960.15	6,895.99		
	Commission on Sales	2,937.81	2,191.95		
	Other Selling Expenses	2,150.19	1,202.58		
	Provision for Doubtful Debts/Advances	-	109.53		
	Bad Debts	78.55	42.23		
	Advertisement & Publicity	101.69	285.36		
		21,650.52	15,281.39		
	<b>TOTAL - OTHER EXPENSES</b>	<b>150,197.44</b>	<b>123,877.54</b>		
	<b>CONSUMPTION OF STORES &amp; SPARES *</b>				
		<b>31.03.2012</b>	<b>31.03.2011</b>		
		% age	Amount	% age	Amount
	Imported	29.75	11,367.56	29.38	9,059.22
	Indigenous	70.25	26,847.91	70.62	21,773.16
	<b>TOTAL</b>	<b>100.00</b>	<b>38,215.47</b>	<b>100.00</b>	<b>30,832.38</b>

\* includes material consumed in CWIP

## Notes to Financial Statements

		( ₹ in Lacs )	
27.		31.03.2012	31.03.2011
<b>A</b>	<b>Contingent Liabilities not provided for in respect of:</b>		
a)	Counter Guarantee given to Company's Bankers for the Guarantee given by them on behalf of Company	6,494.27	4,293.15
b)	Letter of Credit outstanding	98,215.98	81,132.32
c)	Bills discounted with Banks	38,001.59	26,290.73
d)	i) Sales Tax demands against which company has preferred appeals.	17,257.81	280.68
	ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	10,816.49	9,544.41
	iii) Income tax demands against which Company has preferred appeals.	7,055.66	6,621.38
	iv) Claims and other liabilities against the company not acknowledged as debt	3,859.75	9,547.30
e)	Demand made by Sr. Dy. Director of Mines, Notified Authority, Jajpur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49
e)	Demand made by Dy. Director of Mines, Jajpur Road Circle, Orissa against which company has preferred appeal.	600.84	-
<b>B</b>	Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2012 ₹ 25,235.08 Lacs ( ₹ 23,144.54 Lacs)}	89,343.34	80,934.71
<b>C</b>	Letter of Comfort to banks against credit facilities/financial assistance availed by subsidiaries	66,103.68	30,710.45
28.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 5,725.73 ( ₹ 45,557.21 Lacs).		
29.	Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2012 and 31st March, 2011 is ₹ 34.29 Lacs and ₹ 353.26 Lacs respectively. The management is of the view that considering the past export performance, future prospects and going concern concept there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.		
30.	Exceptional items includes :		
a)	Gain/(Loss) (net) of ( ₹ 17,231.29 Lacs) { ₹ 4,741.27 Lacs} on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 456.08 Lacs {( ₹ 600.56 Lacs)} upon marked to market of derivatives contracts, gain of ₹ 1,045.24 Lacs ( ₹ 1,281.78 Lacs) on forward cover cancelation, resulting from volatile global market conditions.		
b)	During the year, recomputation of energy billing to Gridco for the year 2010-11 as per the order of OERC resulting in net loss of ₹ 1,484.36 Lacs.		
c)	As per the settlement between Xstrata and the company (Jindal Stainless Limited), ₹ 3,561.60 Lacs has been considered as payable to Xstrata against the disputed shipments of Coking Coal claim (Note no.38).		
31.	Appeals in respect of certain assessments of Sales Tax / Income Tax are pending and additional tax liabilities/refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same are finally determined. In the opinion of management there will not be material liability on this account.		
32.	a) Addition/adjustment to Plant & Machinery / Capital Work-In-Progress includes ₹ 41,153.60 Lacs (Net Debit) { ₹ 6,508.11 Lacs (Net Credit)} on account of foreign exchange fluctuation on Loan/Liability including fluctuation relating to forward cover. (Includes amount disclosed in Note No. 43 (c) below).		
	b) Addition to Building and Plant & Machinery include interest amounting to ₹ 7,380.81 Lacs and ₹ 53,466.65 Lacs respectively.		
	c) Interest expenses includes pro-rata premium of ₹ 41.99 Lacs (Net Credit) { ₹ 90.92 Lacs (Net Debit)}		

**33. Corporate Debt Restructuring:**

- i) Pursuant to the approval of CDR (the Scheme) in January 2010 and signing of Master Restructuring Agreement (MRA) in March 2010, the financial obligations to the lenders was rescheduled including creation of funded interest term loan (FITL), adjustment in interest rates and additional security in favour of lenders. The Scheme was subsequently amended in December 2010 on account of early completion of certain projects and reduction in FITL. Interest has been accounted for based on the Scheme and the amendments thereof.
  - ii) The Funded Interest Term Loan (FITL) has been created on certain credit facilities as per the Scheme.
  - iii) The Credit facilities/loans under CDR is additionally secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal.
  - iv) Under the Scheme, the company have pari passu pledged and submitted non-disposal undertaking for all its investments in subsidiaries as listed below :
    - JSL Lifestyle Limited
    - JSL Logistics Limited
    - PT. Jindal Stainless Indonesia
    - Jindal Stainless UK Limited
    - Jindal Stainless FZE
    - JSL Group Holdings Pte. Limited
    - JSL Architecture Limited
    - Jindal Stainless Madencilik Sanayi ve Ticaret A.S.
    - Jindal Aceros Inoxidables S.L.
    - Iberjindal S.L.
  - v) As per the Scheme, the promoters were to arrange equity of ₹ 515 crore which included ₹ 145 crore linked to sacrifices of lenders as stipulated and balance ₹ 370 crore towards further capital expenditure. The company had infused fresh equity of ₹ 247 crore by way of QIP equity placement in March 2010 and balance equity is proposed to be deferred on account of deferment of underlying capital expenditure.
  - vi) Certain conditions and covenants under the Scheme are in process of compliance. Certain secured facilities are subject to balance confirmations and/or reconciliation.
  - vii) During the year, the company has made proposal to its lenders to re-work its debt obligations including reworking of repayment schedule, adjustments towards interest obligations etc and the proposal is under considerations with the lenders.
- 34.** The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, challenging the order passed by the Dy Commissioner of Commercial Tax, Jaipur for the period from 01/10/2006 to 30/09/2010, for payment of Entry Tax under the Orissa Entry Tax Act 1999 on the goods procured from outside the territory of India. The demand is on 2/3rd amount of Entry Tax on the goods imported from outside the territory of India on which the payment of 1/3rd amount of entry tax deposited as per the interim order of the Hon'ble Supreme Court. The amount of demand is ₹ 27.00 Crores + Interest of ₹ 2.17 Crores + Penalty of ₹ 54.01 Crores.
- The Hon'ble Court has heard the matter and vide interim order dated 14.03.2012, directed the company to deposit 50% of the amount of interest i.e. ₹ 1.08 crores by 25.03.2012 and granted stay for the balance amount of demand till disposal of the case. The company has deposited the amount within the permitted time and informed the Hon'ble Court.
- 35.** Sundry debtors include due from Grid corporation of Orissa (Gridco) Limited outstanding for more than six month amounting to ₹ 102.87 crore. The company had initiated legal action for recovery of amount due upto the end of the previous year and part of the debtors has been realized during the financial year 2010-11. Pending litigation, these debtors balances are not reconciled. The debtors also include interest on overdue amount accounted for in terms of contractual obligation. The management is hopeful of recovery of these debtors from Gridco.
- 36.** Initially the project was conceived in SEZ and the formal approval was granted by the Ministry of Commerce and Industry vide letter No.F.2/444/2006.SEZ dated 25.10.2006 for development of a Special Economic Zone for Stainless steel and ancillary/downstream industry at Kalinga Nagar, Orissa. Due to change in global economic scenario and on the Company's request for de-notification of SEZ, appropriate/concerned authority finally approved after refund of applicable taxes / duties. Finally your company has successfully exited from SEZ Scheme.

## Notes to Financial Statements

37. The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, Cuttack challenging the order passed by the Jt Commissioner of Commercial Tax, Jajpur disallowing the issue of C Form for the procurement of plant and machinery for Captive Power Plant during the year 2005-06, 2006-07 & 2007-08. The Hon'ble Court heard the matter and passed interim order dated 14.03.2012, directing the company to deposit 25% out of total demand amounting ₹ 33.06 Crores and the balance amount of demand have been stayed till final disposal of the matter. The company has deposited the amount within the permitted time and informed the Hon'ble Court.

38. During June 2008, Jindal Stainless Limited (JSL) entered into coking coal contract with M/s. Xstrata Coal Queensland Pty. Ltd. (Xstrata) for two shipments of coking coal (50,000 MT each). Certain disputes arose between the parties in earlier years. Xstrata invoked Arbitration at London Court of International Arbitration (LCIA) and claimed a loss of USD 12.5 million. LCIA passed an award of USD 8 million plus interest and costs against JSL. JSL had challenged the award by filing its objections u/s 34 of Arbitration and Conciliation Act 1996, in the Hon'ble District Court of Odisha at Cuttack, wherein the Court had admitted JSL's petition and had issued notice to Xstrata.

During the year, Xstrata had initiated enforcement proceedings against certain overseas assets of JSL, including immovable property situated in London, United Kingdom, assets of JSL's overseas subsidiaries and JSL's investments in its overseas subsidiaries. Subsequent to above, the existing lenders initiated their claims in some of the proceedings, pursuant to their rights under the security package.

Xstrata has now in-principle agreed to settle the claim for a total amount of USD 7 million, however, this is subject to necessary statutory approvals and execution of settlement agreement to this effect. Pending the fulfillment of foregoing requirements, a provision has been created for equivalent of USD 7 million under the head Exceptional Items.

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

Sr. No.	Particulars	( ₹ in Lacs )	
		31.03.2012	31.03.2011
1.	Principal amount due outstanding	38.28	36.46
2.	Interest due on (1) above and unpaid	-	-
3.	Interest paid to the supplier	-	-
4.	Payments made to the supplier beyond the appointed day during the year.	-	-
5.	Interest due and payable for the period of delay	-	-
6.	Interest accrued and remaining unpaid	-	-
7.	Amount of further interest remaining due and payable in succeeding year	-	-

\* to the extent information available with the company.

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

The company has also given inter corporate deposit to its subsidiary company amounting to ₹ 4,639.70 Lacs ( ₹ 4,430.11 Lacs) where the subsidiary companies has accumulated losses/negative net worth. In view of the long term involvement of the company in the said companies no provision has been considered necessary.

41. Advance recoverable in cash or in kind or for value to be received includes:-

- (a) Interest free loan to employee amounting to ₹ 35.62 Lacs ( ₹ 16.82 Lacs) in the ordinary course of business and as per employee service rules of the company. Maximum balance outstanding during the year is ₹ 61.85 Lacs ( ₹ 28.16 Lacs).  
 (b) ₹ 22.30 Lacs ( ₹ 22.30 Lacs) as advance against share application money with subsidiary company.

42. Research and Development expenses for the year amounting to ₹ 86.47 Lacs ( ₹ 63.28 Lacs) on account of revenue expenditure charged/debited to respective heads of accounts.

43. a) Derivative contracts entered into by the company and outstanding as on 31st March, 2012 for hedging currency risks:

( ₹ in Lacs )

Nature of Derivative	Type	31.03.2012			31.03.2011		
		No. of Contracts	Foreign Currency (Million)	Amount	No. of Contracts	Foreign Currency (Million)	Amount
<b>Forward Covers</b>							
USD/INR	Sale	43	71.542	36,400.35	99	183.901	82,019.74
EURO/USD	Sale	86	42.008	28,523.68	56	45.683	28,871.63
GBP/USD	Sale	2	0.183	149.45	1	0.150	107.28
USD/INR	Buy	4	8.734	4,442.85	51	122.069	54,430.57
<b>Cross Currency Swap</b>							
USD		3	15.000	6,793.50	1	9.000	3,996.00
YEN		1	2,990.074	10,000.00	1	2,990.074	10,000.00
<b>Interest Rate Swap</b>							
USD		3	75.000	N.A.	3	75.000	N.A.

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

b) Foreign Currency exposure that are not hedged by derivative instruments or otherwise outstanding as on 31st March, 2012 is as under:

( ₹ in Lacs )

Nature	31.03.2012		31.03.2011	
	Foreign Currency (Million)	Amount	Foreign Currency (Million)	Amount
<b>Account Receivable</b>				
USD	41.964	21,347.06	0.376	167.79
EURO	1.796	1,218.96	-	-
<b>Loans</b>				
USD	270.542	137,651.70	282.541	126,013.41
<b>Buyer's Credit</b>				
USD	576.638	293,393.36	461.706	205,920.75
EURO			0.152	96.06
<b>Due to Customer</b>				
USD	35.520	18,072.41	9.082	4,050.49
EURO	2.772	1,882.144	18.751	11,850.86
<b>Account Payable</b>				
USD	278.965	141,937.39	46.045	20,536.20
EURO	22.467	15,254.941	30.518	19,287.53
JPY	2.772	16.91	-	-
AUD	0	0.03	0	0.03
CAD	0.004	2.00	0.004	1.81

c) In compliance of clarification of ICAI on outstanding derivatives which are not covered by AS – 11 "Accounting for effects of changes in foreign currency rates", the Company has accounted for Mark to market losses on derivatives entered for INR term Loans amounting to ₹ 7,446.87 Lacs (₹ 5,637.36 Lacs) & against interest rate auction ₹ 1,497.00 Lacs (₹ 2,384.85 Lacs) till 31st March, 2012 which has been charged to Pre-operative expenses.

## Notes to Financial Statements

44. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the Manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble Punjab and Haryana High Court disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble Supreme Court gave an Interim Order that those states where the High Courts have given judgment in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and other judgements of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court, where the judgement of 7-Judges Constitutional Bench passed 49 years ago would be revisited. Constitution Bench has not been constituted as yet and the status of the case is as it is and at present no tax is being collected/paid in Haryana.

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

### Defined Contribution Plans

	( ₹ in Lacs )
	2011-12
Employer's Contribution to Provident Fund	562.17 (481.40)
Employer's Contribution to ESI	82.80 (82.23)

### Defined Benefit Plans

Employer's Contribution to Provident Fund	333.44 (318.70)
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	( ₹ in Lacs )		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Current service cost	148.46 (145.18)	67.51 (43.83)	221.59 (148.22)
Interest cost	122.95 (111.66)	12.48 (8.13)	51.68 (44.24)
Expected Return on plan assets	(140.24) ((102.83))	- (-)	- (-)
Actuarial (gain)/loss	52.56 ((69.02))	22.63 ((0.49))	165.10 (66.37)
Past service cost	- (-)	- (-)	- (-)
Curtailment and settlement cost/ Credit	- (-)	- (-)	- (-)
Net Cost	183.72 (84.99)	102.62 (52.45)	438.37 (258.83)
Actual Return on Plan Assets	143.92 (118.68)	N.A.	N.A.

## b) Change in Benefit Obligation

	( ₹ in Lacs )		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Present value of obligation as at the beginning of the year	1,522.73 (1,384.60)	146.83 (101.57)	6,99.54 (633.76)
Current service cost	148.46 (145.18)	67.51 (43.83)	221.59 (167.90)
Interest cost	122.95 (111.66)	12.48 (8.13)	51.68 (47.82)
Benefits paid	(104.55) ((65.55))	(13.92) ((7.19))	(308.89) ((272.11))
Curtailment and Settlement cost	- (-)	- (-)	- (-)
Past service cost	- (-)	- (-)	- (-)
Actuarial (gain)/loss	56.24 ((53.16))	22.63 (0.49)	165.10 (122.17)
Present value of obligation as at the end of year	1,745.83 (1,522.73)	235.53 (146.83)	829.02 (699.54)

## c) Change in Plan Assets :

Fair value of plan assets as at the beginning of the year	1,495.70 (1,170.01)	- (-)	- (-)
Expected return on plan assets	140.24 (102.83)	- (-)	- (-)
Actuarial gain/(loss)	3.68 (15.86)	- (-)	- (-)
Employer contribution	228.87 (272.55)	- (-)	- (-)
Settlement cost	- (-)	- (-)	- (-)
Benefits paid	(104.55) ((65.55))	- (-)	- (-)
Fair value of plan assets as at the end of the year	1,763.94 (1,495.70)	- (-)	- (-)
Liability recognized in Balance Sheet	18.11 ((27.03))	(235.53) ((146.83))	(829.02) ((699.54))

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

	Gratuity	
	₹ in Lacs	%
Insurer Managed Fund	1,763.94 (1,495.70)	100% (100%)
Total	1,763.94 (1,495.70)	100% (100%)

## Notes to Financial Statements

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

	Gratuity	Leave Encashment
Discount rate	8.50%-8.70% (8.00%-8.25%)	(8.50%-8.70%) (8.00%-8.25%)
Expected Rate of Return on Plan Assets	9.15%-9.40% (9.00%)	N.A. N.A.
Salary Escalation	5.25%-6.00% (5.25%-5.50%)	5.25%-6.00% (5.25%-5.50%)
Mortality	LIC (1994-96) duly modified	

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

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

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

46. On 28th July, 2010, the company has granted 3,577,500 stock options to eligible employees of the company, its subsidiaries including non executive directors (excluding Nominee Director), as per Company's Employee Stock Option Scheme, 2010 (ESOP 2010). The exercise price of stock options is ₹ 75/- per share which would gradually vest over a maximum period of 4 years from the date of grant based on specified criteria, as may be decided by Compensation Committee. During the year ended on 31st March, 2012, 487,500 (471,250) stock options lapsed due to resignation, retirement etc.

### 47. Finance Lease

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

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

	( ₹ in Lacs )	
	2011-12	2010-11
Lease Interest	98.27	27.28

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

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

	( ₹ in Lacs )	
	2011-12	2010-11
Not later than one year	178.39	159.49
Later than one year and not later than five years	607.26	785.66
Later than five years	-	-

48. During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

49. The company has exercised option available to its under clause 46A of Accounting Standard AS 11 as amended by the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuation in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, during the year, the company has adjusted a sum of ₹ 5,611.19 Lacs to the cost of its fixed assets on account of such difference arising during the year ended on 31st March, 2012, which was hitherto charged to the profit & loss account.



## 50. Segment Reporting

## i) Information about Business Segment ( for the year 2011-12 )

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

## ii) Secondary Segments ( Geographical Segment )

( ₹ in Lacs )

		2011-12		
		Within India	Outside India	Total
1	Revenue from Sale/Services	667,837.75 (585,847.83)	179,285.61 (147,090.44)	847,123.36 (732,938.27)
2	Segment Assets *	1,472,919.89 (1,300,031.97)	64,616.03 (44,661.20)	1,537,535.92 (1,344,693.17)
3	Capital Expenditure incurred during the year *	156,630.26 (180,363.86)	0.79 (0.91)	156,631.05 (180,364.77)

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

## 51. Related Party Transactions

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

## a) Subsidiary Companies :

- 1 PT. Jindal Stainless Indonesia
- 2 Jindal Stainless Steelway Limited
- 3 JSL Lifestyle Limited
- 4 JSL Architecture Limited
- 5 Jindal Stainless UK Limited
- 6 Jindal Stainless FZE
- 7 Green Delhi BQS Limited
- 8 Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi
- 9 JSL Media Limited
- 10 Jindal Aceros Inoxidables S.L.
- 11 JSL Group Holdings Pte. Limited
- 12 JSL Logistics Limited
- 13 Iberjindal S.L.
- 14 Jindal Stainless Italy Srl.
- 15 JSL Ventures Pte. Limited
- 16 JSL Europe SA
- 17 JSL Minerals & Metals SA

## b) Joint Ventures:

- 1 MJSJ Coal Limited

## c) Key Management Personnel :

- 1 Smt. Savitri Devi Jindal Chairperson (till 31.03.2011)
- 2 Shri Ratan Jindal Vice-Chairman & Managing Director
- 3 Shri Ramesh R. Nair President & Executive Director (w.e.f. 03.11.2011)
- 4 Shri Arvind Parakh Director - Finance (till 01.10.2011)
- 5 Shri S.S. Virdi Executive Director & Chief Operating Officer (w.e.f. 06.04.2010)
- 6 Shri Jitender P. Verma Executive Director - Finance (w.e.f. 09.02.2012)
- 7 Shri N.P. Jayaswal Executive Director (till 06.04.2010)
- 8 Shri Jitendra Kumar Company Secretary

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

- 1 Jindal Steel & Power Limited
- 2 JSW Steel Limited
- 3 Jindal Saw Limited
- 4 Jindal Industries Limited
- 5 Nalwa Steel & Power Limited
- 6 Bir Plantation Private Limited
- 7 Sona Bheel Tea Limited
- 8 Jindal Overseas Holding Limited
- 9 JSW Ispat Steel Limited

## Notes to Financial Statements

B Transactions:										
Description	2011-2012				2010-2011					( ₹ in Lacs )
	Subsidiary	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Subsidiary	Joint Venture	Key Management Personnels	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	
<b>Purchase of Goods</b>	14,799.93	-	-	5,839.30	19,400.41	-	-	-	7,828.94	
PT.Jindal Stainless Indonesia	12,291.11	-	-	-	17,212.29	-	-	-	-	
Jindal Stainless Steelway Limited	1,746.97	-	-	-	1,473.15	-	-	-	-	
Jindal Steel & Power Limited*	-	-	-	3,178.28	-	-	-	-	4,291.39	
Others	761.85	-	-	2,661.02	714.97	-	-	-	3,537.55	
<b>Sale of Goods</b>	147,465.55	-	-	2,980.91	117,105.31	-	-	-	2,427.50	
PT.Jindal Stainless Indonesia	46,798.55	-	-	-	34,457.84	-	-	-	-	
Jindal Stainless Steelway Limited	89,321.38	-	-	-	72,717.19	-	-	-	-	
Jindal Steel & Power Limited **	-	-	-	817.38	-	-	-	-	1,072.01	
Others	11,345.62	-	-	2,163.53	9,930.28	-	-	-	1,355.49	
<b>Leased Assets</b>	-	-	-	-	982.31	-	-	-	-	
Jindal Stainless Steelway Limited	-	-	-	-	982.31	-	-	-	-	
<b>Job Work Charges Paid</b>	984.89	-	-	-	1,003.80	-	-	-	-	
Jindal Stainless Steelway Limited	974.59	-	-	-	992.58	-	-	-	-	
Others	10.30	-	-	-	11.22	-	-	-	-	
<b>Receiving of Services (Remuneration paid)</b>	-	-	342.82	-	-	-	1,237.89	-	-	
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	-	-	-	-	919.97	-	-	
Shri Ramesh R Nair - President & Executive Director	-	-	63.60	-	-	-	-	-	-	
Shri Arvind Parakh - Director - Finance	-	-	91.82	-	-	-	171.58	-	-	
Shri S.S. Virdi - Executive Director & Chief Operating Officer	-	-	143.05	-	-	-	122.67	-	-	
Shri Jitender P Verma Executive Director - Finance \$	-	-	19.35	-	-	-	-	-	-	
Shri N.P. Jayaswal - Executive Director	-	-	-	-	-	-	3.97	-	-	
Others	-	-	25.00	-	-	-	19.70	-	-	
<b>Rent Received</b>	-	-	17.40	3.31	-	-	17.40	4.21	-	
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	17.40	-	-	-	17.40	-	-	
Jindal Saw Limited	-	-	-	3.31	-	-	-	3.31	-	
Others	-	-	-	-	-	-	-	0.90	-	
<b>Rent Paid</b>	28.39	-	-	3.97	19.67	-	-	3.97	-	
Jindal Stainless Steelway Limited	28.39	-	-	-	19.67	-	-	-	-	
Bir Plantation Private Limited	-	-	-	3.97	-	-	-	3.97	-	
<b>Job Charges Received</b>	-	-	-	11,900.08	-	-	-	1,454.67	-	
JSW Steel Limited	-	-	-	11,900.08	-	-	-	1,454.67	-	
<b>Freight paid</b>	453.95	-	-	-	363.10	-	-	-	-	
JSL Logistics Limited	453.95	-	-	-	363.10	-	-	-	-	
<b>Sale of Assets</b>	154.42	-	-	-	-	-	-	93.69	-	
PT.Jindal Stainless Indonesia	154.42	-	-	-	-	-	-	-	-	
JSW Steel Limited	-	-	-	-	-	-	-	93.69	-	
<b>Interest Received</b>	1,977.96	-	-	-	817.70	-	-	-	-	
JSL Lifestyle Limited	151.99	-	-	-	151.99	-	-	-	-	
JSL Architecture Limited	110.31	-	-	-	139.38	-	-	-	-	
Jindal Stainless Steelway Limited	1,396.94	-	-	-	211.89	-	-	-	-	
Green Delhi BQS Limited	224.65	-	-	-	224.65	-	-	-	-	
Others	94.07	-	-	-	89.79	-	-	-	-	
<b>Miscellaneous Receipt</b>	0.65	-	-	-	117.01	-	-	-	-	
Iberjindal S.L.	-	-	-	-	117.01	-	-	-	-	
JSL Architecture Limited	0.65	-	-	-	-	-	-	-	-	
<b>Interest Paid</b>	-	-	-	20.96	21.07	-	-	-	-	
Jindal Stainless Steelway Limited	-	-	-	-	21.07	-	-	-	-	
JSW Steel Limited	-	-	-	5.17	-	-	-	-	-	
JSW Ispat Steel Limited	-	-	-	15.79	-	-	-	-	-	
<b>Lease Interest Paid</b>	98.27	-	-	-	27.28	-	-	-	-	
Jindal Stainless Steelway Limited	98.27	-	-	-	27.28	-	-	-	-	

## Notes to Financial Statements



Description	2011-2012				2010-2011				( ₹ in Lacs )
	Subsidiary	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Subsidiary	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	
<b>Commission on Sale</b>	1,382.67	-	-	-	911.94	-	-	-	
Jindal Stainless FZE	877.42	-	-	-	606.53	-	-	-	
Jindal Stainless UK Limited	332.68	-	-	-	233.12	-	-	-	
Jindal Stainless Italy s.r.l.	172.57	-	-	-	72.29	-	-	-	
<b>Equity Purchased</b>	-	270.00	-	-	-	-	-	-	
MJSJ Coal Limited	-	270.00	-	-	-	-	-	-	
<b>Advertisement Services Received</b>	-	-	-	-	203.32	-	-	-	
JSL Media Limited	-	-	-	-	203.32	-	-	-	
<b>Letter of Comfort given</b>	20,948.75	-	-	-	-	-	-	-	
JSL Architecture Limited	3,015.74	-	-	-	-	-	-	-	
Jindal Stainless Steelway Limited	17,933.01	-	-	-	-	-	-	-	
<b>Sharing of Exp. Reimbursed/ to be Reimbursed</b>	89.00	9.86	-	55.67	14.08	-	-	36.45	
PT.Jindal Stainless Indonesia	66.01	-	-	-	-	-	-	-	
JSL Architecture Limited	10.08	-	-	-	13.27	-	-	-	
Jindal Saw Limited	-	-	-	54.12	-	-	-	34.58	
Others	12.91	9.86	-	1.55	0.81	-	-	1.87	
<b>Sharing of Exp Recovered/to be Recovered</b>	50.34	-	-	95.46	51.57	0.09	-	83.92	
PT.Jindal Stainless Indonesia	6.38	-	-	-	9.69	-	-	-	
JSL Lifestyle Limited	17.77	-	-	-	22.29	-	-	-	
JSL Architecture Limited	9.72	-	-	-	7.62	-	-	-	
Jindal Steel & Power Limited	-	-	-	43.47	-	-	-	46.54	
Jindal Saw Limited	-	-	-	48.33	-	-	-	36.19	
Others	16.47	-	-	3.66	11.97	0.09	-	1.19	
<b>Consultancy Charges Paid</b>	-	-	-	-	-	-	-	202.46	
Jindal Saw Limited	-	-	-	-	-	-	-	202.46	
<b>Outstanding Balance</b>									
<b>Letter of Comfort Given</b>	66,103.69	-	-	-	30,710.45	-	-	-	
PT.Jindal Stainless Indonesia	45,154.94	-	-	-	30,710.45	-	-	-	
Jindal Stainless Steelway Limited	17,933.01	-	-	-	-	-	-	-	
JSL Architecture Limited	3,015.74	-	-	-	-	-	-	-	
<b>Loans &amp; Advances</b>	10,198.24	-	-	33.90	9,478.55	14.30	-	30.40	
PT.Jindal Stainless Indonesia***	2,290.52	-	-	-	2,056.23	-	-	-	
JSL Lifestyle Limited	2,167.81	-	-	-	2,021.81	-	-	-	
JSL Architecture Limited	2,082.26	-	-	-	1,970.49	-	-	-	
Green Delhi BQS Limited	3,058.41	-	-	-	2,856.23	-	-	-	
Others	599.24	-	-	33.90	573.79	14.30	-	30.40	
<b>Receivables</b>	46,012.43	24.16	-	4,140.46	23,855.07	-	-	1,788.49	
PT.Jindal Stainless Indonesia	23,286.29	-	-	-	10,941.20	-	-	-	
Jindal Stainless Steelway Limited	14,996.33	-	-	-	7,335.04	-	-	-	
JSL Lifestyle Limited	584.46	-	-	-	524.00	-	-	-	
Iberjindal S.L.	5,955.16	-	-	-	4,659.29	-	-	-	
Others	1,190.19	24.16	-	4,140.46	395.54	-	-	1,788.49	
<b>Payables</b>	939.52	-	-	1,832.73	783.00	-	919.97	1,118.78	
Shri Ratan Jindal - Vice-Chairman & Managing Director	-	-	-	-	-	-	919.97	-	
Jindal Stainless, FZE	408.17	-	-	-	403.90	-	-	-	
Jindal Industries Limited	-	-	-	61.36	-	-	-	120.61	
Jindal Steel & Power Limited	-	-	-	-	-	-	-	60.86	
Jindal Saw Limited	-	-	-	943.49	-	-	-	924.58	
JSW Ispat Steel Limited	-	-	-	777.54	-	-	-	-	
Others	531.35	-	-	50.34	379.10	-	-	12.73	

### Note :-

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

\$ Pending approval of shareholders in ensuing general meeting

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

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

\*\*\* Includes Subordinated Debts of ₹ 1,271.75 Lacs ( ₹ 1,114.75 Lacs )

## Notes to Financial Statements

### 52. Earning Per Share (EPS) computed in accordance with Accounting Standard 20 "Earning Per Share".

	( ₹ in Lacs )	
	2011-12	2010-2011
<b>(A) Basic :</b>		
Net Profit/(Loss) after Tax as per P & L A/c	(10,391.15)	31,833.69
Weighted Average No. of Equity Shares for Basic EPS ( Face value ₹ 2/- per share )	188,119,529	185,981,142
<b>Basic EPS ( in ₹ )</b>	<b>(5.52)</b>	17.12
<b>(B) Diluted :</b>		
Net Profit after Tax as per P & L A/c	(10,391.15)	31,833.69
Add : Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	154.14	108.98
Profit attributable to Equity Share Holders	(10,237.01)	31,942.67
Weighted Average No. of Equity Shares for Basic EPS	188,119,529	185,981,142
Add : Weighted average of Potential equity shares converted during the year	1,386,096	1,334,650
Add : Weighted average of Potential equity shares outstanding as on 31st March, 2012	1,569,382	3,830,771
Weighted average No. of Equity Shares for Diluted EPS ( Face value ₹ 2/- per share )	191,075,007	191,146,563
<b>Diluted EPS ( in ₹ )</b>	<b>(5.36)</b>	16.71

### 53 (A) Auditors Remuneration includes the following

	( ₹ in Lacs )	
	2011-12	2010-11
<b>(i) Payment to Auditors</b>		
Audit Fee	24.62	19.00
Management/ Other Services	17.51	8.00
Certification Work	3.00	1.22
Out of Pocket expenses	3.45	3.54
	<b>48.58</b>	<b>31.76</b>
<b>(ii) Payment to Branch Auditors</b>		
Audit Fee	2.15	1.90
Tax Audit Fee	0.80	0.90
Management/ Other Services	0.40	0.50
Certification Work	3.14	8.55
Out of Pocket expenses	0.36	0.20
	<b>6.85</b>	<b>12.05</b>
<b>Total</b>	<b>55.43</b>	<b>43.81</b>
<b>(B) Payment to Cost Auditors</b>		
Audit Fee	1.95	1.15
Out of Pocket expenses	0.25	0.19
<b>Total</b>	<b>2.20</b>	<b>1.34</b>
<b>(C) Directors' Remuneration includes the following:</b>		
Remuneration paid/payable to Whole Time Directors (WTD)		
Salary	304.33	286.01
Commission	-	919.97
Provident Fund	12.70	11.41
Monetary value of perquisites**	0.79	0.79
	<b>317.82</b>	<b>1,218.18</b>

\*\* As per Income Tax valuation.

\*\* Excluding Gratuity/leave encashment.

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

## Notes to Financial Statements



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

	2011-12	2010-2011
		( ₹ in Lacs )
Depreciation	-	26.40
Interest Expenses	22,072.44	17,901.50
Power & Fuel	51.29	839.81
Salaries & Allowances	191.54	2,733.22
Workman and Staff welfare	0.16	0.04
Travelling and Conveyance	18.65	176.25
Financial Expenses/Bank Charges	849.70	1,642.82
Administrative Expenses	128.57	1,054.65
Postage & telegram, telex & telephone	0.09	46.89
Legal & Professional Expenses	858.58	1,283.84
Storage Charges	-	1,237.39
Miscellaneous Expenses	20.71	210.45
Exchange Fluctuation(Net)	41,153.60	(6,508.11)
Startup/Testing Expenses		
Raw Material Consumption (inc of Diff in Stock)	52,357.89	251.82
Power & Fuel	8,277.24	120.50
Stores & Spares Consumption	808.06	260.66
Water Expenses	837.36	7.63
Plant Maintenance Expenses	224.96	186.31
Legal & Professional Expenses	0.82	46.55
Interest Expenses	78.07	-
Selling Expenses	159.68	-
Miscellaneous Expenses	7,902.85	83.62
	135,992.26	21,602.24
Less: Interest/Other Misc. Income	963.81	691.73
Less: Material during startup transferred for further processing	51,502.53	-
Less: Revenue (net)	-	1,036.05
Add: Opening balance brought forward	73,507.20	57,654.74
	157,033.12	77,529.20
Less: Capitalised during the year	148,343.32	4,022.00
<b>Closing balance carried over</b>	<b>8,689.80</b>	<b>73,507.20</b>

## Notes to Financial Statements

55.

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

Description	( ₹ in Lacs )	
	2011-12 Amount	2010-2011 Amount
Raw Material	281,219.45	205,278.25
Trading Goods	9,449.10	15,223.05
Stores & Spares	11,188.36	10,157.38
Capital Goods	21,403.77	106,825.87

### B. EXPENDITURE IN FOREIGN CURRENCY

Description	( ₹ in Lacs )	
	2011-12 Amount	2010-2011 Amount
i) Export Selling Expenses	3,061.63	1,545.89
ii) Interest	6,727.17	5,557.61
iii) Travelling	141.16	173.02
iv) Legal & Professional Expenses	76.64	34.20
v) Others	429.11	480.90

### C. EARNINGS IN FOREIGN CURRENCY

F.O.B. value of export	177,354.67	142,648.08
Interest	30.91	26.66
Misc Income	-	117.01

### D. Remittance of dividend on equity shares

	NIL	
--	-----	--

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

57. Figures in bracket indicate previous year figures.

58. Note 1 to 58 are annexed to and form integral part of the Balance Sheet and Statement of Profit & Loss.

## AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

## Cash Flow Statement for the year ended 31st March, 2012



DESCRIPTION	31.03.2012	31.03.2011
( ₹ in Lacs )		
<b>A. Cash Inflow / (Outflow) from Operating Activities</b>		
Net Profit Before Tax & Exceptional Items	5,394.06	39,313.17
Adjustment for :		
Depreciation/Amortisation	40,860.75	35,614.29
Provision for Doubtful Debts & Advance / Bad Debts	78.55	151.76
Previous Year Adjustments (Liability w.back)	(469.29)	(994.35)
Misc. Expenses Written Off	309.59	348.09
ESOP Compensation Expenditure	242.44	221.95
Interest and Bank Charges (Net)	44,118.09	33,304.73
Dividend Income	(1.41)	(1.54)
(Profit) / Loss on Sale of Investments (Net)	4.29	(32.00)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	114.94	23.52
<b>Operating Profit Before Working Capital Changes</b>	<b>90,652.01</b>	<b>107,949.62</b>
Adjustment for :		
(Increase) / Decrease in Inventories	(59,403.71)	(47,585.69)
(Increase) / Decrease in Sundry Debtors	(27,827.59)	(19,832.33)
(Increase) / Decrease in Loans & Advances	(18,129.82)	(12,958.15)
Increase / (Decrease) in Current Liabilities	86,107.54	11,472.25
<b>Cash Inflow from Operating Activities Before Exceptional Items</b>	<b>71,398.43</b>	<b>39,045.70</b>
Exceptional Items- (Loss) / Gain	(20,775.93)	5,422.49
Income Tax (Advance) / Refund ( Net )	(3,119.46)	(9,627.72)
<b>Net Cash Inflow from Operating Activities</b>	<b>47,503.04</b>	<b>34,840.47</b>
<b>B. Cash Inflow / (Outflow) from Investing Activities</b>		
Sale/Redemption/(purchase) of Investment (Net)	(269.86)	18,452.05
Capital Expenditure (including advances for capital expenditure)	(85,984.00)	(155,919.17)
Sales Proceeds of Fixed Assets Sold	270.85	216.30
Dividend Received	1.41	1.54
Interest Received	9,640.97	5,357.92
<b>Net Cash Outflow from Investing Activities</b>	<b>(76,340.63)</b>	<b>(131,891.36)</b>
<b>C. Cash Inflow / (Outflow) from Financing Activities</b>		
Dividend Paid	(27.42)	(33.76)
Interest and Finance Charges Paid	(70,401.67)	(28,949.30)
Debt (serviced)/refundable under CDR	86.44	7,074.83
Proceeds from / (Repayment of) Borrowings (net)	83,064.31	83,146.80
<b>Net Cash Inflow from Financing Activities</b>	<b>12,721.66</b>	<b>61,238.57</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(16,115.93)</b>	<b>(35,812.32)</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>16,821.99</b>	<b>32,937.92</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>32,937.92</b>	<b>68,750.24</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(16,115.93)</b>	<b>(35,812.32)</b>
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	4,122.31	1,196.84
Balance with Banks	12,699.64	31,741.04
Puja & Silver Coins	0.04	0.04
	<b>16,821.99</b>	<b>32,937.92</b>
2) Increase in Paid Up Capital and Securities Premium are cash neutral and as such not considered in this statement.		
3) Previous year's figures have been regrouped and rearranged wherever considered necessary.		

### AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

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

Particulars	Subsidiary Companies							
	PT. Jindal Stainless Indonesia	Jindal Stainless Steelway Limited	JSL Architecture Limited	JSL Lifestyle Limited	Jindal Stainless UK Limited	Jindal Stainless Italy Srl.	Jindal Stainless FZE	Green Delhi BQS Limited
a) Holding Company's interest	: Holder of 12,499,900 Equity Shares of US \$ 1 each out of the subscribed capital of 12,500,000 Equity Shares of US \$ 1 each.	: Holder of 14,061,667 Equity Shares of ₹ 10/- each out of the subscribed capital of 17,166,924 Equity Shares of ₹ 10/- each.	: Holder of 4,100,100 Equity Shares of ₹ 10/- each and 1,638,228 equity share held indirectly through its subsidiary company i.e. Jindal Stainless Steelway Limited out of the subscribed capital of 7,662,652 Equity Shares of ₹ 10/- each.	: Holder of 17,795,600 Equity Shares of ₹ 10/- each out of the subscribed capital of 22,678,124 Equity Shares of ₹ 10/- each.	: Holder of 100,000 Equity Shares of 1 GBP each out of the subscribed capital of 100,000 Equity Shares of GBP 1 each.	: Capital Stock of Euro 10,000 through wholly owned subsidiary company Jindal Stainless U.K. Limited	: Holder of 6 Equity Shares of AED 1,000,000 each out of the subscribed capital of 6 Equity Shares of AED 1,000,000 each.	: Holder of 51,000 Equity Shares of ₹ 10/- each held by holding company directly and 17,325 equity Shares held indirectly through its subsidiary company i.e. JSL Architecture Limited & Jindal Stainless Steelway Limited out of the subscribed capital of 100,000 Equity Shares of ₹ 10/- each.
b) Financial year of the company ended on	: 31st March, 2012	: 31st March, 2012	: 31st March, 2012	: 31st March, 2012	: 31st March, 2012	: 31st Dec, 2011	: 31st March, 2012	: 31st March, 2012
c) Net aggregate amount of subsidiary company's profit/(loss) not dealt within the company's Account.	: (₹)	: (₹)	: (₹)	: (₹)	: (₹)	: (₹)	: (₹)	: (₹)
i) For the subsidiary company's financial year ended 31st March, 2012.	: (117,650,546)	: (138,010,959)	: 3,251,478	: 23,969,272	: 1,621,151	: 2,569,339	: 759,933	: (339,994,292)
ii) For the subsidiary company's previous financial periods since it became the holding company's subsidiary.	: 322,466,472	: 334,644,279	: 42,841,249	: (154,758,537)	: 9,765,468	: 3,763,490	: 21,504,956	: (217,561,042)
d) Net aggregate amount of the subsidiary company's profit/(loss) dealt within the company's Account.	:	:	:	:	:	:	:	:
i) For the subsidiary company's financial period ended 31st March, 2012.	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil
ii) For the subsidiary Company's previous financial period since it became the holding Company's subsidiary	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil	: Nil
e) Holding Company's interest as at 31.03.2012 in corporating changes since close of the financial year of Jindal Stainless Italy s.r.l. and Jindal Stainless Madencilik Sanayi Ve Ticaret A.S., in pursuance of Section 212(5) of the Companies Act, 1956.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
f) Material changes occurred between the end of financial year of Jindal Stainless Italy s.r.l. & Jindal Stainless Madencilik Sanayi Ve Ticaret A.S. and 31.03.2012 in respect of	:	:	:	:	:	:	:	:
i) Fixed Assets	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
ii) Investments	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
iii) Money lent	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.
iv) Money Borrowed (other than to meet current liability)	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.	: N.A.

RATAN JINDAL  
Vice Chairman & Managing Director

RAMESH R. NAIR  
President & Executive Director

PLACE : New Delhi  
DATE : 29th May, 2012



Subsidiary Companies								
JSL Media Limited	Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	JSL Logistics Limited	Jindal Aceros Inoxidables, S.L.	JSL Group Holdings Pte. Limited	JSL Ventures Pte. Limited	JSL Europe SA	JSL Minerals & Metals SA	Iberjindal S.L.
Holder of 49,970 Equity Shares of ₹ 10/- each out of the subscribed capital of 50,000 Equity Shares of ₹ 10/- each.	Holder of 4,499,700 Shares of YTL 1 each out of the subscribed capital of 7,223,000 Shares of YTL 1 each.	Holder of 50,000 Equity Shares of ₹ 10/- each out of the subscribed capital of 50,000 Equity Shares of ₹ 10/- each.	Holder of 20,000 Equity Shares of EURO 1 each out of the Equity Capital of 20,000 Shares of EURO 1 each.	Holder of 6,657,565 Equity Shares of SGD 1 each out of the subscribed capital of 6,657,565 Equity Shares of SGD 1 each.	Holder of 6,838,211 Equity Shares of SGD 1 each out of 6,838,211 Equity Shares of SGD 1 each through wholly owned subsidiary company JSL Group Holding Pte. Ltd.	Holder of 1,000 Equity Shares of CHF 100 each out of the 1,000 equity shares of CHF 100 each through wholly owned subsidiary Company JSL Ventures Pte. Limited	Holder of 1,000 Equity Shares of CHF 100 each out of the 1,000 equity shares of CHF 100 each through wholly owned subsidiary company JSL Europe SA	Holder of 650,000 Equity Shares of EURO 1 each out of the subscribed capital of 1,000,000 Equity Shares of EURO 1 each.
31st March, 2012	31st Dec, 2011	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
(32,821,737)	(15,566,467)	804,338	(88,071)	(401,151)	(401,103)	(27,653)	(284,329)	(1,402,320)
(266,048,384)	(82,351,034)	2,407,756	(344,250)	(1,382,569)	(1,410,816)	(932,004)	(1,403,317)	4,100,863
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

JITENDER P. VERMA  
Executive Director - Finance

JITENDRA KUMAR  
Company Secretary

## Auditors' Report on the Consolidated Financial Statements

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### TO THE BOARD OF DIRECTORS OF JINDAL STAINLESS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL STAINLESS LIMITED, IT'S SUBSIDIARIES AND ASSOCIATE.

We have examined the attached consolidated Balance Sheet of Jindal Stainless Limited (Formerly JSL Stainless Limited), its subsidiaries and its interest in associate as at 31st March, 2012 and the consolidated Statement of Profit and Loss and also the consolidated Cash Flow Statement for the year then ended.

- 1) These financial statements are the responsibility of the Jindal Stainless Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 2)
  - (a) We did not audit the financial statements of subsidiaries excepts as stated in Para (b) herein below, whose financial statements reflect total assets of ₹ 144,065.97 Lacs as at 31st March, 2012 and the total revenue of ₹ 228,948.00 Lacs for the year then ended. We also did not audit the financial statements of an associate in whose financial statements the Group's share of loss is ₹ 121.97 Lacs for the year ended on 31st March, 2012. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is solely based on the report of the other auditors.
  - (b) Audited financial statements of a subsidiary reflecting total assets of ₹ 501.44 Lacs as at 31st March 2012, and total revenue of ₹ 476.92 Lacs for the year then ended have been audited by one of the joint auditors of the Company whose report has been furnished to us by the management and our opinion is based solely on the report of the said auditor.
  - (c) We did not audit the financial statements of other subsidiaries as stated in note no. 1 (A)(i), whose unaudited financial statements reflect total assets of ₹ 15,186.80 Lacs as at 31st March, 2012 and total revenues of ₹ 13,369.18 Lacs for the year then ended. The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statements for the reason as stated above.
- 3) Without qualifying attention is drawn to:
  - a) Note no. 29(vi) regarding pending confirmations of balances of secured loans as stated in the said note.
  - b) Note no. 38 regarding loss of Intangible Assets not provided for pending decision of Arbitration Proceedings.
  - c) Note no. 40(a) regarding pending necessary approval as stated in the said note.

- 4) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard – 21 'Consolidated Financial Statements' and Accounting Standard - 23 'Accounting for Investments in Associates in Consolidated financial statements' as notified under the companies (Accounting Standards) Rules, 2006, and on the basis of the separate audited financial statements of Jindal Stainless Limited, its aforementioned subsidiaries and associate.

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

- a) The Consolidated Balance sheet gives a true and fair view of the consolidated state of affairs of Jindal Stainless Limited, its subsidiaries and its interest in associate as at 31st March, 2012;
- b) The Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations Jindal Stainless Limited, its subsidiaries and its interest in associate for the year then ended; and
- c) The Consolidated Cash Flow statement gives a true and fair view of the consolidated Cash Flows of Jindal Stainless Limited and its subsidiaries for the year ended on that date.

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

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

Place : New Delhi  
Date : 29th May, 2012

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

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

## Consolidated Balance Sheet as at 31st March, 2012

DESCRIPTION	NOTE NO	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	3,790.11	3,746.32
Reserves and Surplus	3	204,522.28	220,367.45
		208,312.39	224,113.77
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		-	-
<b>MINORITY INTEREST</b>			
		2,095.03	2,395.03
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	782,218.95	768,815.66
Deferred tax liabilities (net)	5	38,089.80	44,459.90
Other Long term liabilities	6	1,283.01	1,265.90
Long-term provisions	7	1,175.34	819.87
		822,767.10	815,361.33
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	216,236.21	140,887.97
Trade payables	9	210,462.15	129,878.12
Other current liabilities	10	188,871.90	115,693.85
Short-term provisions	7	39,018.08	39,931.24
		654,588.34	426,391.18
<b>TOTAL</b>		<b>1,687,762.86</b>	<b>1,468,261.31</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	11		
Tangible assets		1,006,540.19	446,935.18
Intangible assets		4,172.02	4,960.63
Capital work-in-progress		48,407.36	491,406.24
Intangible assets under development		483.20	-
Non-current investments	12	1,783.69	1,662.75
Long-term loans and advances	13	17,280.47	24,207.78
Other non-current assets	14	2,256.61	4,279.09
		1,080,923.54	973,451.67
<b>GOODWILL ON CONSOLIDATION</b>			
		671.01	671.01
<b>CURRENT ASSETS</b>			
Current investments	12	104.00	108.28
Inventories	15	312,158.66	248,805.56
Trade receivables	16	152,516.18	113,207.07
Cash and Bank Balances	17	21,353.09	34,045.83
Short-term loans and advances	13	119,437.09	97,290.56
Other current assets	18	599.29	681.33
		606,168.31	494,138.63
<b>TOTAL</b>		<b>1,687,762.86</b>	<b>1,468,261.31</b>
<b>Significant Accounting Policies</b>	1		

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

### AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

Consolidated Statement of Profit & Loss for the year ended 31st March, 2012 

DESCRIPTION	NOTE NO	(₹ in Lacs)	
		31.03.2012	31.03.2011
<b>INCOME</b>			
Revenue from operations (gross)	19	936,429.05	803,584.99
Less :- Excise Duty on sales		59,897.81	50,361.79
Revenue from operations (net)		876,531.24	753,223.20
Other Income	20	5,787.83	4,925.72
<b>TOTAL</b>		<b>882,319.07</b>	<b>758,148.92</b>
<b>EXPENSES</b>			
Cost of materials consumed		636,242.03	505,890.39
Purchases of trading goods		652.52	1,001.90
Changes in inventories of finished goods, work in progress and trading goods	21	(48,683.21)	(33,549.57)
Employee benefits expenses	22	22,755.21	19,882.66
Finance costs	23	57,017.48	42,925.30
Depreciation and amortization expenses	24	44,849.58	39,546.09
<b>Other expenses</b>	25		
Manufacturing expenses		131,746.49	115,755.09
Administration expenses		10,428.38	8,709.95
Selling expenses		28,624.47	18,166.31
<b>TOTAL</b>		<b>883,632.95</b>	<b>718,328.12</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>(1,313.88)</b>	<b>39,820.80</b>
Exceptional items - (Gain) / Loss	32	23,145.05	(7,476.56)
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(24,458.93)</b>	<b>47,297.36</b>
Extraordinary items		-	-
<b>Profit/(Loss) before tax</b>		<b>(24,458.93)</b>	<b>47,297.36</b>
<b>Tax expense</b>			
Provision for current tax		99.57	10,114.71
MAT credit entitlement		(67.14)	(1,352.54)
Provision for deferred tax		(6,344.58)	6,631.04
Previous year taxation adjustment		(2.41)	27.06
<b>Profit / (Loss) for the year from continuing operations</b>		<b>(18,144.37)</b>	<b>31,877.09</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations (after tax)		-	-
<b>Profit/(Loss) for the year</b>		<b>(18,144.37)</b>	<b>31,877.09</b>
Share in Loss of Associate		121.97	49.24
Minority Interest		(288.60)	410.92
<b>Net Profit (after adjustment for associate &amp; minority interest)</b>		<b>(17,977.74)</b>	<b>31,416.93</b>
Earnings per share (in ₹)	47		
Basic		(9.56)	16.89
Diluted		(9.56)	16.49
<b>Significant Accounting Policies</b>	1		

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

**AUDITORS' REPORT**

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

## Notes to Consolidated Financial Statements

### Note No - 1 Significant Accounting Policies

#### i) Basis of Preparation of Financial Statements:

Jindal Stainless Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries and associates, as on 31.03.2012, in accordance with Accounting Standard (AS) 21 (Consolidated Financial Statements) and Accounting Standard (AS) 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by The Institute of Chartered Accountants of India.

Name Subsidiaries	Country of Incorporation	%Age Shareholding / Voting Power	
		31.03.2012	31.03.2011
PT. Jindal Stainless Indonesia	Indonesia	99.999%	99.999%
Jindal Stainless Steelway Limited	India	81.911%	81.911%
JSL Architecture Limited	India	74.887%	75.329%
JSL Lifestyle Limited	India	78.47%	78.47%
Jindal Stainless UK Limited	UK*	100.00%	100.00%
Jindal Stainless FZE	UAE	100.00%	100.00%
Jindal Stainless Italy S r l #	Italy*	100.00%	100.00%
JSL Ventures Pte. Limited ##	Singapore*	100.00%	100.00%
JSL Europe S A ###	Switzerland*	100.00%	100.00%
JSL Minerals & Metals S A ####	Switzerland*	100.00%	100.00%
JSL Group Holdings Pte. Limited	Singapore*	100.00%	100.00%
Jindal Aceros Inoxidable S.L.	Spain*	100.00%	100.00%
JSL Logistics Limited	India	100.00%	100.00%
Green Delhi BQS Limited	India	68.326%	68.326%
JSL Media Limited	India	99.94%	99.94%
Jindal Stainless Madencilik Sanayi Ve Ticaret AS	Turkey*	73.55%	73.55%
Iberjindal S.L.	Spain*	65.00%	65.00%
<b>Associates</b>			
J.S.S. Steelitalia Limited	India	33.00%	33.00%

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

# Step down Subsidiary of Jindal Stainless UK Limited.

## Step down Subsidiary of JSL Group Holdings Pte. Limited.

### Step down Subsidiary of JSL Ventures Pte. Limited.

#### Step down Subsidiary of JSL Europe SA

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

## Notes to Consolidated Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	( ₹ in Lacs ) 31.03.2011
<b>2</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	475,000,000 ( 475,000,000) Equity Shares of ₹ 2/- each	<b>9,500.00</b>	9,500.00
		<b>9,500.00</b>	9,500.00
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	189,505,625 (187,315,792) Equity Shares of ₹ 2/-each fully paid up	<b>3,790.11</b>	3,746.32
	<b>TOTAL - SHARE CAPITAL</b>	<b>3,790.11</b>	3,746.32
(a)	<b>RECONCILIATION OF THE NUMBER OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING YEAR</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Equity Shares outstanding at the beginning of the year	<b>187,315,792</b>	185,582,172
	<b>Equity Shares issued during the year</b>		
	On Conversion of Foreign Currency Convertible Bonds	<b>2,189,833</b>	1,733,620
	<b>Shares outstanding at the end of the year</b>	<b>189,505,625</b>	187,315,792
	13,137,179 equity shares of ₹ 2/- each fully paid up have been allotted to the holders of 7,199 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of ₹ 119.872 each during the last five years.		
(b)	<b>TERMS/RIGHT ATTACHED TO EQUITY SHARES</b>		
	The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and also has equal right in distribution of Profit/Surplus in proportions to the number of equity shares held by the shareholders.		
(c)	<b>EQUITY SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:</b>		
	<b>NAME OF THE EQUITY SHAREHOLDER</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Jindal Overseas Holdings Limited	<b>14,150,000</b>	14,150,000
	Reliance Capital Trustee Co. Ltd- A/C Reliance Diversified Power Sector Fund	<b>11,939,931</b>	11,722,131
	Citigroup Global Markets Mauritius Private Ltd.	<b>11,904,296</b>	-
	American Express Bank Limited - A/c AEB London	<b>9,997,524</b>	9,997,524
(d)	<b>EQUITY SHARES RESERVED FOR ISSUE UNDER OPTIONS</b>		
	(i) For details of shares reserved for issue under the Employee Stock Option Scheme, 2010 of the company, please refer Note No. 37		
	(ii) For details of shares reserved for issue on conversion of Foreign Currency Convertible Bonds, please refer Note No. 4 (f) regarding terms of conversion.		

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
3	<b>RESERVES AND SURPLUS</b>		
	(a) <b>CAPITAL REDEMPTION RESERVE</b>		
	As per last account	2,000.00	2,000.00
		2,000.00	2,000.00
	(b) <b>SECURITY PREMIUM ACCOUNT</b>		
	As per last account	77,407.51	75,364.06
	Add : On Conversion of Foreign Currency Convertible Bonds	2,581.20	2,043.50
		79,988.71	77,407.56
	(c) <b>DEBENTURE REDEMPTION RESERVE</b>		
	As per last account	7,398.45	9,757.85
	Less:- Written Back during the year	601.49	2,359.40
		6,796.96	7,398.45
	(d) <b>EMPLOYEE STOCK OPTION OUTSTANDING</b>		
	Employee Stock Option Outstanding	790.86	938.08
	Less : Deferred Employees Compensation Expenditure	326.47	716.13
		464.39	221.95
	(e) <b>GENERAL RESERVE</b>		
	As per last account	62,681.10	61,377.10
	Add : Transferred from Statement of Profit and Loss	-	1,304.00
		62,681.10	62,681.10
	(f) <b>FOREIGN CURRENCY TRANSLATION RESERVE</b>	(632.77)	58.25
	(g) <b>CENTRAL/STATE SUBSIDY RESERVE</b>	39.27	39.27
	(h) <b>AMALGAMATION RESERVE</b>	121.56	121.56
	(i) <b>SURPLUS - STATEMENT OF PROFIT AND LOSS</b>		
	As per last account	70,439.31	37,966.98
	Add : Profit/(Loss) after Tax for the year	(17,977.74)	31,416.93
	Add : Debenture Redemption Reserve Written Back	601.49	2,359.40
	<b>NET PROFIT</b>	53,063.06	71,743.31
	<b>APPROPRIATIONS</b>		
	General Reserve	-	1,304.00
	Proposed Dividend	-	-
	Corporate Dividend Tax	-	-
	<b>Net Surplus in the Statement of Profit and Loss</b>	53,063.06	70,439.31
	<b>TOTAL - RESERVE &amp; SURPLUS</b>	204,522.28	220,367.45



NOTE NO	DESCRIPTION	Non -Current Portion		Current Maturity	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
4	<b>LONG-TERM BORROWINGS</b>				
	<b>SECURED</b>				
	(a) <b>DEBENTURES</b>				
	Redeemable Non-Convertible Debentures	22,322.50	25,000.00	2,677.50	-
		22,322.50	25,000.00	2,677.50	-
	(b) <b>TERM LOAN FROM BANKS</b>				
	Rupee term loan	422,708.16	402,256.16	31,115.15	4,106.57
	Foreign currency loans	117,291.42	123,680.08	26,982.24	-
		539,999.58	525,936.24	58,097.39	4,106.57
	(c) <b>FUNDED INTEREST TERM LOANS</b>				
	From Banks	40,093.09	43,435.42	2,668.38	-
	From Others	3,633.57	3,875.39	241.82	-
		43,726.66	47,310.81	2,910.20	-
	(d) <b>BUYERS CREDIT AGAINST CAPITAL GOODS</b>				
	In Rupee Term	3,233.69	19,785.80		
	In Foreign Currency	164,997.07	137,794.40		
		168,230.76	157,580.20		
	(e) <b>CAR LOAN FROM BANKS</b>	3.47	98.57	10.90	31.98
	<b>TOTAL SECURED</b>	774,282.97	755,925.82	63,695.99	4,138.55
	<b>UNSECURED</b>				
	(f) <b>BONDS</b>				
	Foreign Currency Convertible Bonds	2,187.84	4,593.80		-
	(g) <b>INTER CORPORATE LOAN</b>	4,391.73	1,772.00		-
	(h) <b>PUBLIC FIXED DEPOSITS</b>	749.15	5,738.38	5,113.76	1,659.25
	(i) <b>LONG TERM MATURITIES OF FINANCE LEASE OBLIGATIONS</b>	607.26	785.66	178.39	-
	<b>TOTAL UNSECURED</b>	7,935.98	12,889.84	5,292.15	1,659.25
	Less: Amount disclosed under the head other current liability			68,988.14	5,797.80
	<b>TOTAL - LONG TERM BORROWINGS</b>	782,218.95	768,815.66	-	-

**Secured Borrowings**

- (a) 9.75 % Debentures of ₹ 1,000,000 each, amounting to ₹ 25,000.00 Lacs are redeemable at par in 27 equal quarterly installments of ₹ 892.50 Lacs each starting from July, 2012 along with interest and balance one installment of ₹ 902.50 Lacs along with interest (in total 28 nos.). Debentures are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/ or pledge of current assets namely finished good, raw materials, work-in -progress, consumable stores and spares, book debts, bills receivable.
- (b) (i) Rupee Term Loans from bank amounting to ₹ 214,832.37 Lacs ( ₹ 214,836.31 Lacs) are repayable in 27 equal quarterly installments of ₹ 7,669.52 Lacs each along with interest from July, 2012 and balance one installment of ₹ 7,755.46 Lacs along with interest (in total 28 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

## Notes to Consolidated Financial Statements

- (ii) Rupee Term Loans from bank amounting to ₹ 159,703.00 Lacs ( ₹ 110,415.76 Lacs) are repayable in 22 equal quarterly installments of ₹ 6,947.08 Lacs each along with interest from October, 2013 and balance one installment of ₹ 6,867.23 Lacs along with interest (in total 23 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (iii) Rupee Term Loan from bank amounting to ₹ 8,989.13 Lacs ( ₹ 5,888.98 Lacs) is repayable along with interest in June, 2019. The loan is secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (iv) Rupee Term Loans from bank amounting to ₹ 64,165.49 Lacs ( ₹ 64,166.25 Lacs) are repayable in 27 equal quarterly installments of ₹ 2,290.71 Lacs each along with interest from July, 2012 and balance one installment of ₹ 2,316.37 Lacs along with interest (in total 28 nos.). The loans are Secured by second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (v) Rupees Term Loan Amounting to ₹ 3,518.79 Lacs ( ₹ 2,989.01 Lacs) are repayable; a) 57 monthly installments of ₹ 39.41 Lacs each along with interest, from, Sept -2010 & b) 48 monthly installments of ₹ 45.83 Lacs each along with interest, from, Dec -2012. The loan is Secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future of the company and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (vi) Rupee Term Loan amounting to ₹ 2,319.17 Lacs ( ₹ 85.85 Lacs) from bank are Secured by Subservient Charge over current assets and movable fixed assets of the Borrower both present & future. The loan is repayable as under :- 7-18 Months of first disbursement i.e - 5% , 19-30 Months of first disbursement - 10%, 31-42 Months of first disbursement- 28.25%, 43-54 Months of first disbursement - 31.25%, 55-60 Months of first disbursement date 25.50%.
- (vii) Rupee Term Loan amounting to ₹ 295.36 Lacs ( ₹ 500.57 lacs ) from bank are Secured by way of mortgage of land situated at village Pathreri, Gurgaon & hypothecation of fixed assets of the company and extension of charge by way of hypothecation of Current Assets of the company. Term Loan ₹ amounts ₹ 137.00 lacs carries interest @ 14% p.a. The loan is repayable in 12 quarterly installments of ₹ 11.30 lacs from March 2012 and the last installment of ₹ 12.70 lac due on December 2014. Term Loan ₹ amounts ₹ 210.00 lacs carries interest @ 14% p.a. The loan is repayable in 5 quarterly installments of ₹ 40.00 lacs from March 2012 and the last installment of ₹ 10.00 lac due on December 2014.
- (viii) Rupee Term Loan amounting to ₹ Nil Lacs ( ₹ 2,269.15 lacs) are secured by hypothecation of book debts and collateral corporate guarantee given by the fellow subsidiary.
- (ix) Rupee Term Loan amounting to ₹ NIL ( ₹ 5,210.85 Lacs ), for which charge is created/to be created by way of mortgage of company's immovable properties and hypothecation of movable assets. Further loans were also collateralized by letter of comfort/undertaking for non disposing of equity investment in PT Jindal Stainless Indonesia by Holding Company.
- (x) Foreign Currency Loans from bank amounting to ₹ 6,228.63 Lacs ( ₹ 5,459.87 Lacs) are repayable in 22 equal quarterly installments of ₹ 270.93 Lacs each along with interest from October, 2013 and balance one installment of ₹ 267.82 Lacs along with interest (in total 23 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (xi) Foreign Currency Loans from bank amounting to ₹ 101,760.00 Lacs ( ₹ 89,200.00 Lacs) are repayable in 4 equal half yearly installment of ₹ 10,176.00 Lacs each along with interest from April, 2012 and balance amount in 4 equal annual installment of ₹ 15,264.00 Lacs each along with interest from October, 2014. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.

- (xii) Foreign Currency Loans from bank amounting to ₹ 25,440.00 Lacs ( ₹ 22,300.00 Lacs) are repayable in 4 equal half yearly installment of ₹ 2,544.00 Lacs each along with interest from May, 2012 and balance amount in 4 equal annual installment of ₹ 3,816.00 Lacs each along with interest from November, 2014. The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (xiii) Foreign Currency Loans from bank amounting to ₹ 7,632.03 Lacs ( ₹ 6,720.21 Lacs) are repayable in 25 equal monthly installments of ₹ 293.07 Lacs each along with interest from May, 2013 and balance one installment of ₹ 305.28 Lacs along with interest (in total 26 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (xiv) Foreign Currency Loans from bank amounting to ₹ 3,213.00 Lacs ( Nil ) , are repayable in 4 equal quarterly installments of ₹ 803.25 lacs, Credit facilities above collateralized with land and anythings on Building Rights Titles Certificate (SHGB) No. 345 with a total Area 102,300 square meters and No. 344 with a total area 5640 square meters with coverable value amounted to ₹ 4,218.46 Lacs machines collateral/mortgage amounted to ₹ 12,880.58 Lacs and receivables collateral /mortgage amounted to ₹ 8,581.29 lacs.
- (c) Funded Interest Term Loans from banks amounting to ₹ 46,636.86 Lacs ( ₹ 47,310.82 Lacs) (including ₹ 3875.39 Lacs ( ₹ 3875.39 Lacs) from Financial Institutions) are repayable ; 25% in 15 equal quarterly installments of ₹ 727.53 Lacs along with interest from April, 2012 and balance one installment of ₹ 746.19 Lacs along with interest (in total 16 nos.)and balance 75% is payable in 12 equal quarterly installments of ₹ 2,690.95 Lacs each along with interest from April, 2016 and balance one installment of ₹ 2,686.28 Lacs along with interest (in total 13 nos.). The loans are secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and Second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (d) Buyers Credit amounting to ₹ 168,230.76 Lacs ( ₹ 157,580.20 Lacs) are backed by letter of undertaking issued by Rupee term loan lenders under a sub limit of their respective Rupee term Loans. Upon final maturity date (i.e. ₹ 152,429.08 Lacs in year 2012-13 and ₹ 12,855.46 Lacs in Year 2013-14 and ₹ 2946.22 Lacs in Year 2014-15) the respective buyers credit amount would be converted into respective lender Rupee Term Loan to the extend of their sanctioned amount. These Buyers Credit (being a sub limit) are secured through their respective Rupee Term Loan by first/ second pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- (b,c,d) Above Term Loans amounting to ₹ 500,555.10 Lacs including Funded Interest Term Loan, Debentures amounting to ₹ 25,000.00 Lacs and Buyers Credit amounting to ₹ 168,230.76 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.29 (iii) ] and  
Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 29 (iv).
- (e) Secured by way of hypothecation of vehicles purchased thereunder and payable for the terms of the agreement.

#### Unsecured Borrowings

- (f) Foreign Currency Convertible Bonds (FCCB) originally issued to the Foreign investors on 24th December, 2004 with 0.50% coupon rate, amounting to USD 60 million, out of which USD 24.05 million were outstanding as on 31st March 2010.  
In terms of the Agreement executed with Trustee for Bondholders on 6th December 2010 for restructuring of FCCB, the Company has paid accrued YTM amounting to USD 7.20 million, outstanding as on 31st March, 2010 from 23rd December 2004 to 24th December 2009 to all outstanding USD 24.05 million FCCB holders.  
Pursuant to the terms of FCCB restructuring, the FCCBs amounting to USD 9.0 million were redeemed by the Company and balance remaining USD 15.05 million FCCBs were restructured with zero coupon. Unless previously redeemed, repurchased and cancelled, or converted, the Bonds are redeemable at 176.28% of their principal amount on 24th December 2019. These Bonds at the option of the holder, may be converted into Equity Shares of face value of ₹ 2/- each, at a pre-determined price of ₹ 119.872/- per share. These FCCBs would now be termed as "Convertible Bonds due December 24, 2019".  
During the year, the Company has received conversion notice for 1,200 (950) FCCBs amounting to USD 6.00 million (USD 4.75 million) and subsequently their against the company has allotted 21,89,833 (17,33,620) fully paid equity shares.
- (g) Fixed deposits from public have a maturity period of 2 and 3 years from the date of deposits and repayable as & when due.

**NOTE** These above to be read with Note no. 29 and 43 (b).

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	Deferred Tax Liability/Asset as at 31.03.2011	( ₹ in Lacs )	
			Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2012
<b>5</b>	<b>DEFERRED TAX LIABILITY (NET)</b>			
	(a) <b>Deferred Tax Liability</b>			
	Difference between book & tax depreciation	63,226.42	31,995.53	95,221.95
	Difference between book & tax land right amortization*	1.43	0.30	1.73
	<b>Total Deferred Tax Liability</b>	63,227.85	31,995.83	95,223.68
	(b) <b>Deferred Tax Assets</b>			
	Disallowance under Section 43B	16,898.05	675.51	17,573.56
	Amortization under Section 35D	-	-	-
	Provision for doubtful debts & advances*	207.71	(2.03)	205.68
	Provisions for Employee Benefits	278.18	64.21	342.39
	Brought forward long term/short term capital losses	-	-	-
	Fiscal Loss	-	652.80	652.80
	Post Employment Benefit*	49.60	17.28	66.88
	Disallowance under Income Tax*	64.40	(3.15)	61.25
	Carry Forward Losses/Unabsorbed Depreciation#	1,001.75	36,328.30	37,330.05
	Provision for MTM Losses & Diminution in Investments	268.26	633.01	901.27
	<b>Total Deferred Tax Assets</b>	18,767.95	38,365.93	57,133.88
	<b>DEFERRED TAX LIABILITY (NET )</b>	44,459.90	(6,370.10)	38,089.80
	* Relates to Foreign Subsidiary and include on account of foreign currency fluctuation ₹ 25.52 Lacs ( ₹ (2.38) Lacs)			
	# The management is confident about recoverability of the same from future earnings.			

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>6</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Trade Payable	-	21.92
	Security Deposits	850.00	850.00
	Interest accrued but not due on borrowings	40.78	393.98
	Others	392.23	-
	<b>TOTAL - OTHER LONG TERM LIABILITIES</b>	1,283.01	1,265.90

NOTE NO	DESCRIPTION	( ₹ in Lacs )			
		Long-Term		Short-Term	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>7</b>	<b>PROVISIONS</b>				
	For Employee Benefits	1,175.34	819.87	218.62	178.40
	For Taxation	-	-	38,799.46	39,752.84
	For Proposed Dividend	-	-	-	-
	For Corporate Dividend Tax	-	-	-	-
	<b>TOTAL - PROVISIONS</b>	1,175.34	819.87	39,018.08	39,931.24

## Notes to Consolidated Financial Statements



NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>8</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>SECURED</b>		
	(a) Working Capital Facility from Bank	77,889.50	53,542.91
	(b) Buyer Credit in Foreign Currency		
	Against Working Capital	132,033.58	82,028.72
	Against Capital Goods	1,626.67	1,396.11
	<b>TOTAL SECURED</b>	<b>211,549.75</b>	<b>136,967.74</b>
	<b>UNSECURED</b>		
	(a) Loan repayable on demand	1,105.00	3.72
	(b) Loan and Advances from related parties	-	-
	(c) Public Fixed Deposits	350.47	876.44
	(d) Other loans and advances	-	-
	(e) Loan from Body Corporate	3,230.99	3,040.07
	<b>TOTAL UNSECURED</b>	<b>4,686.46</b>	<b>3,920.23</b>
	<b>TOTAL - SHORT TERM BORROWINGS</b>	<b>216,236.21</b>	<b>140,887.97</b>

- (a) (i) Working Capital Facilities of ₹ 26,814.07 Lacs ( ₹ 24,352.17 lacs) are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material , work in progress , consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company. Working Capital Facility is repayable on demand.
- (ii) Working capital loans of ₹ 14,107.14 Lacs ( ₹ 9,490.87 Lacs) secured by way of hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and by way of second charge in respect of other moveable and immoveable properties of the company ranking pari-passu with other Banks/Financial Institutions.
- (iii) Working capital loans of ₹ 36,968.29 Lacs ( ₹ 19,699.20 Lacs) obtained by subsidiary PT. Jindal Stainless Indonesia is collateralized by accounts receivable and inventories and letter of comfort/undertaking for non disposing of equity investment in PT Jindal Stainless Indonesia by Holding Company.
- (b) (i) Buyer Credit Facility amounting to ₹ 132,772.64 lacs ( ₹ 82,691.94 Lacs) are secured by way of hypothecation and/or pledge of current assets namely finished good, raw material, work in progress, consumable stores and spares, book debts, bill receivable and by way of second charge in respect of other moveable and immoveable properties of the Company.
- (a,b) Working Capital facility from bank amounting to ₹ 20,022.02 Lacs and Working capital Buyers Credit amounting to ₹ 132,772.64 Lacs are also secured by way of Personal Guarantee of Sh. Ratan Jindal (VC & MD) [Note No.29 (iii)] and  
Pari passu pledge/ non-disposal undertaking of 65,306,625 nos. of equity shares held in the company (JSL) by promoters and company's entire shareholding in the subsidiaries as listed in Note No. 29 (iv).
- (b) (ii) Buyers Credit amounting to ₹ 734.74 Lacs ( ₹ 732.90 Lacs ) are secured by exclusive charge over the entire assets financed by state bank of india for Hisar project by way of hypothecation.
- (b) (iii) Buyers Credit amounting to ₹ 152.87 Lacs ( ₹ NIL ) are secured by first exclusive charge on entire current assets of the company and extension of charge on entire fixed assets of the company both present and future.

**NOTE** These above to be read with Note no. 29 and 43 (b).

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>9</b>	<b>TRADE PAYABLES</b>		
	Trade Payables (including Acceptances)		
	Dues to Micro and Small enterprises	109.86	39.06
	Dues to other than Micro and Small enterprises	210,352.29	129,839.06
	<b>TOTAL-TRADE PAYABLES</b>	<b>210,462.15</b>	<b>129,878.12</b>

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
<b>10</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long term Borrowings (Note No. 4)	68,809.75	5,797.80
	Current maturities of finance lease obligations (Note No. 4)	178.39	159.49
	Interest accrued but not due on borrowings	5,365.33	1,999.35
	Interest accrued and due on borrowings	62.66	5.97
	Advance from Customers	25,954.71	20,277.20
	Security Deposits from Agents/Dealers/Others	249.01	210.49
	Creditors for capital expenditure	39,554.83	46,774.75
	Other Outstanding Liabilities	48,334.32	40,021.39
	Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
	Unpaid dividend	101.94	129.36
	Unpaid matured deposits and interest accrued thereon	260.96	318.05
	<b>TOTAL-OTHER CURRENT LIABILITIES</b>	<b>188,871.90</b>	<b>115,693.85</b>

NOTE NO	DESCRIPTION	(₹ in Lacs)										
		GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK		
		AS AT 01.04.2011	ADDITIONS	SALE/ADJUSTMENTS	AS AT 31.03.2012	AS AT 01.04.2011	DURING THE YEAR ****	ON SALE/ADJUSTMENTS	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011	
<b>11</b>	<b>FIXED ASSETS</b>											
<b>A</b>	<b>TANGIBLE ASSETS</b>											
	Land*	14,646.66	3,414.83	(175.08)	18,236.57	300.00	92.32	(3.87)	396.19	17,840.38	14,346.66	
	Buildings **	58,157.22	85,213.34	(233.35)	143,603.91	7,755.49	2,471.97	(67.65)	10,295.11	133,308.80	50,401.73	
	Plant & Machinery ***	541,478.46	509,552.75	(999.55)	1,052,030.76	172,824.33	39,817.09	(193.53)	212,834.95	839,195.81	368,654.13	
	Electric Installation	11,635.12	3,358.50	3.53	14,990.09	2,830.62	777.32	2.56	3,605.38	11,384.71	8,804.50	
	Vehicles	2,987.03	771.61	153.29	3,605.35	1,385.13	340.77	68.34	1,657.56	1,947.79	1,601.90	
	Furniture and Fixtures	2,329.11	172.16	59.22	2,442.05	946.03	266.52	9.72	1,202.83	1,239.22	1,383.08	
	Office Equipment	2,474.00	178.49	(59.36)	2,711.85	1,425.26	170.69	(65.67)	1,661.62	1,050.23	1,048.74	
	Power Line and Bay Extension	1,211.87	-	-	1,211.87	517.43	121.19	-	638.62	573.25	694.44	
	<b>TOTAL TANGIBLE ASSETS</b>	<b>634,919.47</b>	<b>602,661.68</b>	<b>(1,251.30)</b>	<b>1,238,832.45</b>	<b>187,984.29</b>	<b>44,057.87</b>	<b>(250.10)</b>	<b>232,292.26</b>	<b>1,006,540.19</b>	<b>446,935.18</b>	
	<b>PREVIOUS YEAR</b>	<b>571,764.22</b>	<b>63,102.69</b>	<b>(52.56)</b>	<b>634,919.47</b>	<b>149,255.98</b>	<b>38,689.75</b>	<b>(38.56)</b>	<b>187,984.29</b>	<b>446,935.18</b>		
<b>B</b>	<b>INTANGIBLE ASSETS</b>											
	Technical Know How	1,369.18	-	-	1,369.18	847.20	136.92	-	984.12	385.06	521.98	
	Computer Software	1,135.95	22.24	35.45	1,122.74	1,052.15	19.41	26.75	1,044.81	77.93	83.80	
	Bus Q Shelter Concession Right	5,830.64	2.51	10.21	5,822.94	1,475.79	638.60	0.48	2,113.91	3,709.03	4,354.85	
	<b>TOTAL INTANGIBLE ASSETS</b>	<b>8,335.77</b>	<b>24.75</b>	<b>45.66</b>	<b>8,314.86</b>	<b>3,375.14</b>	<b>794.93</b>	<b>27.23</b>	<b>4,142.84</b>	<b>4,172.02</b>	<b>4,960.63</b>	
	<b>PREVIOUS YEAR</b>	<b>7,159.02</b>	<b>1,314.73</b>	<b>137.98</b>	<b>8,335.77</b>	<b>2,519.99</b>	<b>884.98</b>	<b>29.83</b>	<b>3,375.14</b>	<b>4,960.63</b>		
	<b>CAPITAL WORK IN PROGRESS</b>									<b>48,407.36</b>	<b>491,406.24</b>	
	<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									<b>483.20</b>	<b>-</b>	

### NOTE

- \* Include land acquired on lease amounting to ₹ 8465.82 Lacs (₹ 5643.92 Lacs) and amount amortize thereon during the year is ₹ 85.81 Lacs (₹ 47.35 Lacs).
- \*\* Include ₹ 948.55 Lacs (₹ 948.55 Lacs) jointly owned with other body corporate with 50% share.
- \*\*\* Include ₹ 247.90 Lacs (₹ Nil) jointly owned with other body corporate with 50% share.
- \*\*\*\* Include ₹ 2,326.41 Lacs (₹ Nil) under litigation (Note no. 36).
- \*\*\*\*\* Plant & Machinery Sales include ₹ Nil (₹ 12.94 Lacs) and Depreciation on sale include ₹ 11.03 Lacs (₹ 3.68 Lacs) transferred by one Division to other Division and that is CWIP of other Division.
- \*\*\*\*\* Include Plant & machinery acquired on Lease amounting to ₹ 1,132.13 Lacs (₹ 1,132.13 Lacs) and depreciation thereon during the year ₹ 59.50 Lacs (₹ 14.14 Lacs).
- \*\*\*\*\* Depreciation during the year includes ₹ 3.22 Lacs (₹ 28.64 Lacs) considered under pre-operative expenses.
- \$ Sales/adjustment in respect of Gross Block and Depreciation includes ₹ 2670.14 Lacs (₹ 806.32 Lacs) and ₹ 958.47 Lacs (₹ 232.30 Lacs) respectively for adjustment of Foreign Exchange Fluctuation.

## Notes to Consolidated Financial Statements



NOTE NO	DESCRIPTION	31.03.2012		31.03.2011	
		Nos.	Face Value ( ₹ ) Amount	Nos.	Face Value ( ₹ ) Amount
12	<b>INVESTMENTS</b>				
	<b>NON - CURRENT INVESTMENTS</b>				
	<b>LONG TERM INVESTMENTS - AT COST</b>				
	<b>A Equity Shares Fully Paid Up -Trade Unquoted</b>				
	Golden Touch Resources Corporation	555,512	179.59	555,512	179.59
	MJSJ Coal Limited #	6,309,000	10 630.90	3,609,000	10 360.90
	JSL Energy Limited	1,000	10 0.10	1,000	10 0.10
	<b>Total ( A )</b>		<b>810.59</b>		<b>540.59</b>
	<b>B Equity Shares Fully Paid Up of Associate Company - Trade - Unquoted</b>				
	J.S.S. Steelitalia Limited	7,713,190	10 771.32	7,713,190	10 771.32
	Add/(Less) :- Share in Profit/(Loss) of Associate		(303.97)		(155.06)
	<b>Total ( B )</b>		<b>467.35</b>		<b>616.26</b>
	<b>C Govt./Semi Govt. Securities - Non Trade</b>				
	12.40% Government of India Stocks (Face value ₹ 40 Lacs)		41.14	-	- 41.14
	National Savings Certificate *		1.02	-	- 1.17
	8.40% Transmission Corp. of A.P. Limited	10	1,000,000 103.40	10	1,000,000 103.40
	7.50% Bank of India	4	1,000,000 40.00	4	1,000,000 40.00
	7.64% KSFC 2018	10	1,000,000 97.71	10	1,000,000 97.71
	8.57% Andhra Pradesh SDL 2020	220,000	100 222.48	220,000	100 222.48
	<b>Total ( C )</b>		<b>505.75</b>		<b>505.90</b>
	<b>TOTAL NON CURRENT INVESTMENT</b>		<b>1,783.69</b>		<b>1,662.75</b>
	<b>CURRENT INVESTMENTS</b>				
	<b>( At lower of Cost and Fair Value )</b>				
	<b>D Equity Shares Fully Paid Up - Non Trade Quoted</b>				
	Bhartiya International Limited	114,609	10 60.11	114,609	10 59.60
	Central Bank of India	7,247	10 7.31	7,247	10 7.39
	Hotel Leela Ventures Limited	90,000	2 30.11	90,000	2 34.82
	Adani Ports and Special Economic Zone Ltd. (Formerly Mundra Ports & SEZ Limited)	7,355	2 6.47	7,355	2 6.47
	<b>TOTAL CURRENT INVESTMENT</b>		<b>104.00</b>		<b>108.28</b>
	<b>TOTAL - INVESTMENTS</b>		<b>1,887.69</b>		<b>1,771.03</b>

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

\* Lodged with Government Authorities as Security.

Aggregate value of Current Investment	104.00	108.28
Aggregate value of unquoted investment	1,783.69	1,662.75
Aggregate value of quoted investment	104.00	108.28
Market value of quoted investment	107.05	114.66
Aggregate provision made for the diminution in value of Current investments	230.54	226.25

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)			
		Long-Term		Short-Term	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>13</b>	<b>LOANS AND ADVANCES</b>				
	(Unsecured, Considered good unless otherwise stated)				
	Advance Recoverable in Cash or in kind or the value to be received [Net of Provision of ₹ 23.66 Lacs ( ₹ 23.66 Lacs)]	<b>888.01</b>	24.74	<b>39,947.58</b>	33,435.86
	Capital Advances	<b>8,161.01</b>	16,963.57	-	-
	Security Deposits [Net of Provision of ₹ 54.00 Lacs ( ₹ 54.00 Lacs)]	<b>5,587.24</b>	6,274.32	<b>1,243.08</b>	1,210.92
	Loans to Body Corporate	<b>2,644.21</b>	945.15	-	-
	Prepaid Taxes	-	-	<b>50,295.10</b>	42,879.23
	MAT Credit Entitlement	-	-	<b>6,838.51</b>	6,835.37
	Balance with Excise and Sale tax Authorities	-	-	<b>21,112.82</b>	12,929.18
	<b>TOTAL - LOANS AND ADVANCES</b>	<b>17,280.47</b>	24,207.78	<b>119,437.09</b>	97,290.56

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
<b>14</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Deposit with original Maturity of more than 12 month	<b>444.94</b>	2,153.97
	Preliminary Expenses	-	3.86
	Mine Development Expense	<b>1,811.67</b>	2,121.26
	<b>TOTAL-OTHER NON CURRENT ASSETS</b>	<b>2,256.61</b>	4,279.09

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
<b>15</b>	<b>INVENTORIES</b>		
	(As taken, valued and certified by the Management)		
	(valued at lower of cost and net realisable value unless otherwise stated)		
	Raw Materials [Including material in Transit ₹ 30,026.27 ( ₹ 29,064.19 lacs)]	<b>76,457.20</b>	72,419.19
	Work in Progress	<b>83,478.48</b>	74,200.40
	Finished Goods	<b>128,242.10</b>	83,411.18
	Stock in Trade (In respect of goods acquired for trading)	<b>340.14</b>	1,084.23
	Store and Spares [Including material in Transit ₹ 1354.09 lacs ( ₹ 1259.37 lacs)]	<b>21,749.55</b>	15,883.44
	Scrap (at estimated realizable value)	<b>1,891.19</b>	1,807.12
	<b>TOTAL - INVENTORIES</b>	<b>312,158.66</b>	248,805.56



## Notes to Consolidated Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
16	<b>TRADE RECEIVABLES</b>		
	(Unsecured, Considered goods unless otherwise stated)		
(a)	<b>EXCEEDING SIX MONTHS FROM THE DUE DATE OF PAYMENT</b>		
	Unsecured, Considered good	15,347.01	13,660.45
	Doubtful	4,015.75	556.08
	Less : Provision for doubtful receivable	4,015.75	556.08
		15,347.01	13,660.45
(b)	<b>OTHERS</b>	137,169.17	99,546.62
	<b>TOTAL - TRADE RECEIVABLE</b>	152,516.18	113,207.07

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
17	<b>CASH AND BANK BALANCES</b>		
(a)	<b>CASH AND CASH EQUIVALENTS</b>		
	Balance with banks	2,524.56	3,577.95
	Balance with banks in foreign currency	2,654.98	1,259.20
	Bank deposits with original maturity of less than three months*	2,404.93	-
	Unpaid dividend accounts	101.94	129.36
	Cheques in hand / money in transit	4,088.44	1,775.38
	Cash in hand	79.11	49.45
	Stamps in hand	0.24	0.17
	Puja and silver coins	0.04	0.04
	<b>TOTAL CASH AND CASH EQUIVALENTS</b>	11,854.24	6,791.55
(b)	<b>OTHER BANK BALANCES</b>		
	Bank Deposits with original maturity of more than three months but less than 12 months *	7,566.55	26,249.98
	Bank Deposits with original maturity of more than 12 months *	2,377.24	3,158.27
	<b>TOTAL OTHER BANKS BALANCES</b>	9,943.79	29,408.25
	Less: Amount disclosed under the head other Non Current Assets	(444.94)	(2,153.97)
	<b>TOTAL - CASH &amp; BANK BALANCES</b>	21,353.09	34,045.83

\* ₹ 3,735.04 Lacs (₹ 1,446.34 Lacs) is under lien with Banks

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
18	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured, Considered good unless otherwise stated)		
	Interest accrued on Trade Receivable	-	-
	Interest accrued on Investment /Fixed deposit	109.21	192.60
	Mine Development Expense	309.59	309.56
	Other	180.49	179.17
	<b>TOTAL-OTHER CURRENT ASSETS</b>	599.29	681.33

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	(₹ in Lacs)	
		31.03.2012	31.03.2011
19	<b>REVENUE FROM OPERATIONS</b>		
	(a) <b>SALE OF PRODUCTS</b>		
	Finished Goods	906,919.46	778,917.73
	Semi Finished Goods	-	479.22
	Trading Goods	11,075.81	14,281.22
	Export Benefits	4,770.89	3,550.95
		922,766.16	797,229.12
	(b) <b>SALE OF SERVICES</b>		
	Job Charges received	10,266.79	2,205.41
	Consultancy Charges/Commission Received/Advertisement Income	520.10	1,869.32
		10,786.89	4,074.73
	(c) <b>OTHER OPERATING REVENUE</b>		
	Sale of Gases	68.81	71.06
	Claims Received	447.28	195.49
	Miscellaneous Income	1,891.92	1,077.09
	Previous year Adjustment ( Net)	467.99	937.50
		2,876.00	2,281.14
	<b>REVENUE FROM OPERATIONS (GROSS)</b>	<b>936,429.05</b>	<b>803,584.99</b>
	<b>EXCISE DUTY ON SALES</b>	<b>59,897.81</b>	<b>50,361.79</b>
	<b>REVENUE FROM OPERATIONS (NET)</b>	<b>876,531.24</b>	<b>753,223.20</b>
	<b>Detail of previous year adjustment account (Net)</b>		
	Income relating to earlier years	(3.19)	3.34
	Liability no longer required	546.40	994.35
	Expenses relating to earlier years	(75.22)	(60.19)
		467.99	937.50

## Notes to Consolidated Financial Statements



NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>20</b>	<b>OTHER INCOME</b>		
(a)	<b>INTEREST INCOME ON</b>		
	Long Term Investments	43.11	41.34
	Others	749.86	402.20
	Debtors	4,968.88	4,358.81
		5,761.85	4,802.35
(b)	<b>DIVIDEND INCOME ON CURRENT INVESTMENT</b>	1.41	1.54
(c)	<b>NET GAIN/(LOSS) ON SALE OF CURRENT INVESTMENTS</b>		
	Gain on Sale	-	54.79
	Loss on Dimunition	(4.29)	(22.79)
		(4.29)	32.00
(d)	<b>NET GAIN/(LOSS) ON SALE OF FIXED ASSETS</b>		
	Gain on Sale	30.98	0.71
	Loss on Sale	(52.68)	(37.50)
	Loss on Discard	(135.49)	(54.45)
		(157.19)	(91.24)
(e)	<b>OTHER NON-OPERATING INCOME (NET)</b>	186.05	181.07
	<b>TOTAL-OTHER INCOME</b>	<b>5,787.83</b>	<b>4,925.72</b>

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs) 31.03.2011
<b>21</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND TRADING GOODS</b>		
	<b>OPENING STOCK</b>		
	Finished Goods	83,411.18	62,787.34
	Work in Progress	74,200.40	62,325.88
	Scrap	1,807.12	831.50
	Trading Goods	1,084.23	342.74
	<b>TOTAL OPENING STOCK</b>	<b>160,502.93</b>	<b>126,287.46</b>
	<b>CLOSING STOCK</b>		
	Finished Goods	128,242.10	83,411.18
	Work in Progress	83,478.48	74,200.40
	Scrap	1,891.19	1,807.12
	Trading Goods	340.14	1,084.23
	<b>TOTAL CLOSING STOCK</b>	<b>213,951.91</b>	<b>160,502.93</b>
	<b>Excise Duty on account of increase in Stock of Finished Products</b>	<b>4,765.77</b>	<b>665.90</b>
	<b>TOTAL - CHANGES IN INVENTORIES</b>	<b>(48,683.21)</b>	<b>(33,549.57)</b>

## Notes to Consolidated Financial Statements

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>22</b>	<b>EMPLOYEE BENEFITS EXPENDITURE</b>		
	Salaries, Wages, Bonus and Other benefits	20,411.16	17,921.06
	Contribution to provident and other funds	1,142.37	948.76
	Expenses on Employee Stock Option Scheme	242.44	221.95
	Staff Welfare Expenses	959.24	790.89
	<b>TOTAL - EMPLOYEE BENEFITS EXPENDITURE</b>	<b>22,755.21</b>	<b>19,882.66</b>

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>23</b>	<b>FINANCE COST</b>		
	Interest Expenses	52,622.82	39,975.17
	Other Borrowing Costs	4,394.66	2,950.13
	<b>TOTAL - FINANCE COST</b>	<b>57,017.48</b>	<b>42,925.30</b>

NOTE NO	DESCRIPTION	( ₹ in Lacs )	
		31.03.2012	31.03.2011
<b>24</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation on Fixed Assets	44,054.65	38,689.75
	Amortization of Intangible Assets	794.93	856.34
	<b>TOTAL - DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>44,849.58</b>	<b>39,546.09</b>

NOTE NO	DESCRIPTION	31.03.2012	(₹ in Lacs ) 31.03.2011
25	<b>OTHER EXPENSES</b>		
	<b>(a) MANUFACTURING EXPENSES</b>		
	Consumption of Stores and Spare parts	43,684.24	37,429.50
	Power and Fuel	67,977.56	58,866.09
	Labour Processing & Transportation Charges	8,689.27	6,721.17
	Repairs to buildings	307.86	139.33
	Repairs to plant & machinery	2,484.96	1,792.16
	Job work expenses	3,769.56	2,406.58
	Other Manufacturing Expenses	4,833.04	8,400.26
		<b>131,746.49</b>	<b>115,755.09</b>
	<b>(b) ADMINISTRATIVE EXPENSES</b>		
	Insurance	1,389.36	1,325.08
	Rent	525.23	773.39
	Lease Rent	346.40	5.33
	Rates and Taxes	893.99	359.18
	Legal and Professional	1,605.88	1,575.97
	Postage, Telegram, Telex and Telephone	478.09	480.86
	Printing & Stationary	334.63	339.88
	Travelling & Conveyance	1,039.42	935.93
	Director's Meeting Fees	7.51	5.30
	Vehicle Upkeep and Maintenance	518.88	469.80
	Auditor's Remuneration	73.60	59.40
	Donation	166.01	85.27
	Miscellaneous Expenses	2,739.80	1,946.47
	Mine Development Expenses	309.58	348.09
		<b>10,428.38</b>	<b>8,709.95</b>
	<b>(c) SELLING EXPENSES</b>		
	Selling Expenses	2,290.91	1,277.57
	Discount & Rebate	8,466.63	4,566.42
	Freight & Forwarding Expenses	11,485.75	10,008.35
	Commission on Sales	1,824.19	1,434.24
	Provision for Doubtful Debts/Advances	3,548.27	551.96
	Bad Debts	822.90	210.58
	Advertisement & Publicity	185.82	117.19
		<b>28,624.47</b>	<b>18,166.31</b>
	<b>TOTAL-OTHER EXPENSES</b>	<b>170,799.34</b>	<b>142,631.35</b>

## Notes to Consolidated Financial Statements

### 26. A) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

Particulars	( ₹ in Lacs )	
	31.03.2012	31.03.2011
a) Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	6,904.71	4,554.79
b) Letter of Credit outstanding.	98,215.98	81,132.32
c) Bills discounted by banks.	31,464.05	26,395.52
d) i) Sales tax Demands against which Company has preferred appeals.	17,299.86	280.68
ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	10,816.49	9,544.41
iii) Income tax Demands against which Company has preferred appeals.	7,104.53	6,621.38
e) Guarantee given to custom authorities for import under EPCG Scheme. {Custom duty saved/to be saved as on 31st March, 2011 ₹ 25,235.08 Lacs (Previous Year ₹ 23,144.54 Lacs)}	90,179.20	81,978.23
f) Claim against the company not acknowledged as debt.	3,859.75	9,547.30
g) Demand made by Sr. Dy. Director of Mines, Notified Authority, Jajpur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49
h) Demand made by Sr. Dy. Director of Mines, Jajpur Road Circle, Orissa against which company has preferred appeal.	600.84	-

26. B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,831.75 Lacs (Previous Year ₹ 45,624.42 Lacs).

27. Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2012 and 31st March, 2011 is ₹ 34.29 Lacs and ₹ 353.26 Lacs respectively. The management is of the view that considering the past export performance, future prospects and going concern concept there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.

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

### 29. Corporate Debt Restructuring:

- Pursuant to the approval of CDR (the Scheme) in January 2010 and signing of Master Restructuring Agreement (MRA) in March 2010, the financial obligations to the lenders was rescheduled including creation of funded interest term loan (FITL), adjustment in interest rates and additional security in favour of lenders. The Scheme was subsequently amended in December 2010 on account of early completion of certain projects and reduction in FITL. Interest has been accounted for based on the Scheme and the amendments thereof.
- The Funded Interest Term Loan (FITL) has been created on certain credit facilities as per the Scheme.
- The Credit facilities/loans under CDR is additionally secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal.

- iv) Under the Scheme, the company have pari passu pledged and submitted non-disposal undertaking for all its investments in subsidiaries as listed below :
- JSL Lifestyle Limited
  - JSL Logistics Limited
  - PT. Jindal Stainless Indonesia
  - Jindal Stainless UK Limited
  - Jindal Stainless FZE
  - JSL Group Holdings Pte. Limited
  - JSL Architecture Limited
  - Jindal Stainless Madencilik Sanayi Ve Ticaret A S
  - Jindal Aceros Inoxidables S.L.
  - Iberjindal S.L.
- v) As per the Scheme, the promoters were to arrange equity of ₹ 515 crore which included ₹ 145 crore linked to sacrifices of lenders as stipulated and balance ₹ 370 crore towards further capital expenditure. The company had infused fresh equity of ₹ 247 crore by way of QIP equity placement in March 2010 and balance equity is proposed to be deferred on account of deferment of underlying capital expenditure.
- vi) Certain conditions and covenants under the Scheme are in process of compliance. Certain secured facilities are subject to balance confirmations and/or reconciliation.
- vii) During the year, the company has made proposal to its lenders to re-work its debt obligations including reworking of repayment schedule, adjustments towards interest obligations etc and the proposal is under considerations with the lenders.
30. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the Manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble Punjab and Haryana High Court disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble Supreme Court gave an Interim Order that those states where the High Courts have given judgment in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and other judgments of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court, where the judgment of 7-Judges Constitutional Bench passed 49 years ago would be revisited. Constitution Bench has not been constituted as yet and the status of the case is as it is and at present no tax is being collected/paid in Haryana.
31. The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, challenging the order passed by the Dy Commissioner of Commercial Tax, Jaipur for the period from 01/10/2006 to 30/09/2010, for payment of Entry Tax under the Orissa Entry Tax Act 1999 on the goods procured from outside the territory of India. The demand is on 2/3rd amount of Entry Tax on the goods imported from outside the territory of India on which the payment of 1/3rd amount of entry tax deposited as per the interim order of the Hon'ble Supreme Court. The amount of demand is ₹ 27.00 Crores + Interest of ₹ 2.17 Crores + Penalty of ₹ 54.01 Crores.

## Notes to Consolidated Financial Statements

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

**32. Exceptional items includes:**

- a) Gain/(Loss) (net) of ( ₹ 19706.79) Lacs ( ₹ 6,795.34 Lacs) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of ₹ 338.61 Lacs ( ₹ (600.56) Lacs ) upon marked to market of derivatives contracts, gain of ₹ 1,269.09 Lacs ( ₹ 1,281.78 Lacs) on forward cover cancellation, resulting from volatile global market.
- b) During the year, recomputation of energy billing to Gridco for the year 2010-11 as per the order of OERC resulting in net loss of ₹ 1,484.36 Lacs.
- c) As per the settlement between Xstrata and the company (Jindal Stainless Limited), ₹ 3,561.60 Lacs has been considered as payable to Xstrata against the disputed shipments of Coking Coal claim (Note no.36).

**33. Sundry debtors include due from Grid corporation of Orissa (Gridco) Limited outstanding for more than six month amounting to ₹ 102.87 crore. The company had initiated legal action for recovery of amount due upto the end of the previous year and part of the debtors has been realized during the financial year 2010-11. Pending litigation, these debtors balances are not reconciled. The debtors also include interest on overdue amount accounted for in terms of contractual obligation. The management is hopeful of recovery of these debtors from Gridco.**

**34. Initially the project was conceived in SEZ and the formal approval was granted by the Ministry of Commerce and Industry vide letter No.F.2/444/2006.SEZ dated 25.10.2006 for development of a Special Economic Zone for Stainless steel and ancillary/downstream industry at Kalinga Nagar, Orissa. Due to change in global economic scenario and on the Company's request for de-notification of SEZ, appropriate/concerned authority finally approved after refund of applicable taxes / duties. Finally your company has successfully exited from SEZ Scheme.**

**35. The company has filed Writ Petition (C) before the Hon'ble High Court of Orissa, Cuttak challenging the order passed by the Jt. Commissioner of Commercial Tax, Jajpur disallowing the issue of C Form for the procurement of plant and machinery for Captive Power Plant during the year 2005-06, 2006-07 & 2007-08. The Hon'ble Court heard the matter and passed interim order dated 14.03.2012, directing the company to deposit 25% out of total demand amounting ₹ 33.06 Crores and the balance amount of demand have been stayed till final disposal of the matter. The company has deposited the amount within the permitted time and informed the Hon'ble Court**

**36. During June 2008, Jindal Stainless Limited (JSL) entered into coking coal contract with M/s. Xstrata Coal Queensland Pty. Ltd. (Xstrata) for two shipments of coking coal (50,000 MT each). Certain disputes arose between the parties in earlier years. Xstrata invoked Arbitration at London Court of International Arbitration (LCIA) and claimed a loss of USD 12.5 million. LCIA passed an award of USD 8 million plus interest and costs against JSL. JSL had challenged the award by filing its objections u/s 34 of Arbitration and Conciliation Act 1996, in the Hon'ble District Court of Odisha at Cuttack, wherein the Court had admitted JSL's petition and had issued notice to Xstrata.**

During the year, Xstrata had initiated enforcement proceedings against certain overseas assets of JSL, including immovable property situated in London, United Kingdom, assets of JSL's overseas subsidiaries and JSL's investments in its overseas subsidiaries. Subsequent to above, the existing lenders initiated their claims in some of the proceedings, pursuant to their rights under the security package.

Xstrata has now in-principle agreed to settle the claim for a total amount of USD 7 million, however, this is subject to necessary statutory approvals and execution of settlement agreement to this effect. Pending the fulfillment of foregoing requirements, a provision has been created for equivalent of USD 7 million under the head Exceptional Items.

**37. On 28th July, 2010, the company has granted 3,577,500 stock options to eligible employees of the company, its subsidiaries including non executive directors (excluding Nominee Director), as per Company's Employee Stock Option Scheme, 2010 (ESOP 2010). The exercise price of stock options is ₹ 75/- per share which would gradually vest over a maximum period of 4 years from the date of grant based on specified criteria, as may be decided by Compensation Committee. During the year ended on 31st March, 2012, 487,500 (471,250) stock options lapsed due to resignation, retirement etc.**



38. In case of Green Delhi BQS Limited (GDBQS) the company has Concession Agreement with Delhi Transport Corporation (DTC) for BOT Project of Bus-Q-Shelter (BQS) wherein the Company is to pay ₹ 93,800/- per BQS per month as concession fee. However, DTC did not hand over some of the premium sites at Airport area of Delhi for construction of BQS as per the agreed Contract and breached the terms of Concession Agreement. The advertisement revenue of the aforesaid sites is much higher than the sites proposed to be handed over. The Company has approached, Hon'ble Delhi High Court, to resolve the dispute for the injustice done to the Company in non allotment of the premium sites. Meanwhile, DTC has terminated the contract because of non payment of full concession fee to DTC. However, Hon'ble Delhi High Court vide order dated 31st March, 2011 upheld the decision of termination of contract by DTC wherein the Hon'ble Court had given the order that as per the contract agreement, the matter is to be contemplated in Arbitration Proceedings. BQS were handed over to DTC, Arbitrators are being appointed for the matter. One of the outcomes of Arbitration could be that GDBQS may get back all the shelters and will resume the business. Hence pending decision of Arbitration proceedings, loss of Intangible Assets of Bus-Q-Shelters (Concession rights) of ₹ 3,120.17 Lacs has not been provided for. However, the full concession fee ranging from ₹ 93,800/- to 98,490/- per BQS per month as per agreement is provided for in accounts.
39. In case of Green Delhi BQS Limited and JSL Media Limited, in view of non availability of convincing evidence as to the certainty of the future taxable profit, no deferred tax has been created for the current year.
40. a) In the year 2008, the company (Jindal Stainless Limited) and PT Antam (Persero) Tbk, Indonesia had entered into Joint Venture agreement (50:50) to establish integrated stainless steel facilities in Indonesia and for that purpose initial equity contribution of USD 45,00,000 was remitted to JSL Venture Pte. Ltd. through JSL Group Holdings Pte. Ltd., Singapore. Pending utilization and because in 2008 Joint Venture was in the initial stage of project report preparation, initial Equity Contribution by JSL Venture Pte. Ltd. of USD 45,00,000 was parked with PT Jindal Stainless Indonesia (PTJSI, a subsidiary company in Indonesia). However, on account of certain issues the JSL (Jindal Stainless Limited) and PT Antam decided to abandon the JV in 2010 as the equity received by JV company was parked with PTJSI on behalf of the company (JSL), the JSL Venture Pte. Ltd. has knocked off the equity liability against loan receivable from PTJSI. Subsequent to the above based on the MOU signed on 31st March, 2011 by JSL Venture Pte. Ltd. and PTJSI the above USD 45,00,000 been converted into an arrangement as "Cumulative Non-Convertible 0.01% subordinate un-secured term loan due in January, 2061 and outstanding and payable by PTJSI to JSL Venture Pte. Ltd., pending necessary approvals.
- b) Further in addition to above unsecured loan from the company (JSL) to PTJSI of US \$ 2,500,000 for purchase of assets from PT Maspion Stainless Steel Indonesia is outstanding till date where there is no terms of definite repayment.
41. Subsidiary company PTJSI had entered into a joint venture agreement with following two partners for activities of production, mining and trading of chrome and smelting in Vietnam with invested capital of US \$ 18,000,000 and charter capital of US \$ 5,400,000. Such co-operation activities are under suspension since 2008 on account of slowdown in economic activities. Till 31st March 2012 PTJSI has contributed US \$ 1,606,000 and the same is disclosed as investment advance, pending allotment of shares and receipt of confirmation. As the financial statement till 31st March 2012 are not available with the PTJSI no disclosure as per Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures", except as stated below as given :

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

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

## Notes to Consolidated Financial Statements

42. During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.
43. a) Certain balances of sundry debtors, sundry creditors are subject to confirmation and/or reconciliation.  
b) Certain charges created for secured loans are in process of satisfaction.
44. The company has exercised option available to its under clause 46A of Accounting Standard AS 11 as amended by the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuation in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, during the year, the company has adjusted a sum of ₹ 5,611.19 Lacs to the cost of its fixed assets on account of such difference arising during the year ended on 31st March, 2012, which was hitherto charged to the profit & loss account.

### 45. Segment Reporting:

#### i) Information about Business Segment ( for the year 2011-12 )

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

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

Sr. No.	Particulars	2011-12			2010-11		
		Within India	Outside India	Total	Within India	Outside India	Total
1	Revenue	673,845.27	259,707.77	933,553.04	598,708.83	202,595.02	801,303.85
2	Segment Assets	1,518,811.63	114,873.52	1,633,685.15	1,331,456.75	90,856.22	1,422,312.97
3	Capital Expenditure incurred during the year	159,919.03	1,877.86	161,796.89	181,805.05	673.89	182,478.94

( ₹ in Lacs )

### 46. Related Party Transactions

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

##### a) Key Management Personnel :

- |    |                          |  |
|----|--------------------------|--|
| 1  | Smt. Savitri Devi Jindal | Chairperson, Jindal Stainless Limited (till 31.03.2011)  |
| 2  | Shri Ratan Jindal        | Vice-Chairman & Managing Director, Managing Director in Jindal stainless FZE & Jindal Stainless UK Limited |
| 3  | Shri Ramesh R Nair       | President & Executive Director, Jindal Stainless Limited (w.e.f. 03.11.2011)                               |
| 4  | Shri Jitender P. Verma   | Executive Director - Finance (w.e.f. 09.02.2012)<br>JSL Architecture Limited (w.e.f. 24.01.2012)           |
| 5  | Shri Arvind Parakh       | Director - Finance , Director in Jindal Stainless FZE & Jindal Stainless UK Limited (till 30.09.2011)      |
| 6  | Shri N.P. Jayaswal       | Executive Director (till 06.04.2010)   |
| 7  | Shri S.S. Virdi          | Executive Director & COO, (w.e.f. 06.04.2010)  |
| 8  | Shri Rajiv Rajvanshi     | Director, Green Delhi BQS Limited, JSL Architecture Limited  |
| 9  | Shri Avinash Gupta       | Executive Director, JSL Architecture Limited (till 15.11.2011)   |
| 10 | Smt. Deepika Jindal      | Managing Director, JSL Lifestyle Limited & JSL Architecture Limited  |

11	Shri Ankur Agrawal	Director, JSL Media Limited, Green Delhi BQS Limited
12	Shri Rajesh Modi	Whole Time Director, Jindal Stainless Steelway Limited
13	Shri P.K. Mehra	Director, Jindal Stainless UK Limited
14	Shri Anil Saxena	Director, JSL Architecture Limited (w.e.f. 15.11.2011) & COO
15	Shri Jitendra Kumar	Company Secretary
16	Shri Anuj Jain	Whole Time Director, JSL Lifestyle Limited, Director, JSL Media Limited, JSL Architecture Limited
17	Shri Nirmal Chand Mathur	Director, JSL Architecture Limited
18	Shri Rajesh Kumar Pandey	Company Secretary (w.e.f. 01.03.2012)

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

1	Jindal Steel & Power Limited
2	JSW Steel Limited
3	Jindal Saw Limited
4	Jindal Industries Limited
5	Nalwa Steel & Power Limited
6	Bir Plantation Private Limited
7	Sona Bheel Tea Limited
8	Jindal Overseas Holding Limited
9	JSW Ispat Steel Limited

**c) Associates**

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

1	MJSJ Coal Limited
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**B Transactions:**

Description	2011-2012				2010-2011			
	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates
<b>Purchase of Goods</b>	-	-	5,839.30	170.34	-	-	7,828.94	260.20
Jindal Steel & Power Limited*	-	-	3,178.28	-	-	-	4,291.39	-
JSW Steel Limited	-	-	674.44	-	-	-	1,856.98	-
Nalwa Steel & Power Limited	-	-	-	-	-	-	852.47	-
Jindal Industries Limited	-	-	722.81	-	-	-	818.75	-
JSW Ispat Steel Limited	-	-	1,235.82	-	-	-	-	-
Others	-	-	27.95	170.34	-	-	9.35	260.20
<b>Sale of Goods</b>	-	-	2,980.91	130.97	-	0.14	2,427.50	565.84
JSW Steel Limited	-	-	483.37	-	-	-	1,345.02	-
Jindal Steel & Power Limited**	-	-	817.38	-	-	-	1,072.01	-
Jindal Industries Limited	-	-	1,635.04	-	-	-	-	-
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	565.84
Others	-	-	45.12	130.97	-	0.14	10.47	-
<b>Sale of Assets</b>	-	-	-	-	-	-	93.69	210.00
JSW Steel Limited	-	-	-	-	-	-	93.69	-
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	210.00

## Notes to Consolidated Financial Statements

Description	2011-2012				2010-2011				
	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	
<b>Job Work Charges Received</b>	-	-	11,900.08	32.54	-	-	1,454.67	15.89	
JSW Steel Limited			11,900.08				1,454.67		
J.S.S. Steelitalia Limited	-	-	-	32.54	-	-	-	15.89	
<b>Job Work Charges Paid</b>	-	-	-	-	-	-	-	2.82	
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	2.82	
<b>Receiving of Services (Remuneration paid)</b>	-	1,649.78	-	-	-	2,132.55	-	-	
Shri Ratan Jindal	-	917.50	-	-	-	1,550.24	-	-	
Shri Arvind Parakh	-	91.82	-	-	-	171.58	-	-	
Smt Deepika Jindal	-	179.45	-	-	-	136.60	-	-	
Shri S.S.Virdi	-	143.05	-	-	-	122.67	-	-	
Others \$	-	317.96	-	-	-	151.46	-	-	
<b>Remuneration written back</b>	-	-	-	-	-	-	-	-	
Smt Deepika Jindal	-	-	-	-	-	-	-	-	
<b>Rent Received</b>	-	17.40	3.31	-	-	17.40	4.21	-	
Shri Ratan Jindal	-	17.40	-	-	-	17.40	-	-	
Jindal Saw Limited	-	-	3.31	-	-	-	3.31	-	
Others	-	-	-	-	-	-	0.90	-	
<b>Rent Paid</b>	-	-	3.97	-	-	-	3.97	-	
Bir Plantation Private Limited	-	-	3.97	-	-	-	3.97	-	
<b>Interest Income</b>	-	-	-	-	-	-	-	18.96	
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	18.96	
<b>Interest Paid</b>	-	-	20.96	-	-	-	-	2.72	
JSW Steel Limited			5.17						
JSW Ispat Steel Limited			15.79						
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	2.72	
<b>Sharing of Exp. Reimbursed/to be reimbursed</b>	9.86	-	55.67	-	-	-	36.45	-	
Jindal Saw Limited	-	-	54.12	-	-	-	34.58	-	
Bir Plantation Private Limited	-	-	1.55	-	-	-	1.87	-	
Others	9.86	-	-	-	-	-	-	-	
<b>Sharing of Exp. Recovered/to be recovered</b>	-	-	95.46	20.30	0.09	-	83.92	14.76	
Jindal Steel & Power Limited	-	-	43.47	-	-	-	46.54	-	
Jindal Saw Limited	-	-	48.33	-	-	-	36.19	-	
J.S.S. Steelitalia Limited	-	-	-	20.30	-	-	-	14.76	
Others	-	-	3.66	-	0.09	-	1.19	-	
<b>Equity Share Capital Subscribed</b>	270.00	-	-	-	-	-	-	-	
MUSJ Coal Limited	270.00	-	-	-	-	-	-	-	
<b>Consultancy charges paid</b>	-	-	-	-	-	-	202.46	-	
JSW Steel Limited	-	-	-	-	-	-	-	-	
Jindal Saw Limited	-	-	-	-	-	-	202.46	-	
<b>Outstanding Balance as on 31.03.2012</b>									
<b>Loans &amp; Advances- Receivable</b>	-	-	33.90	-	14.30	-	30.40	18.27	
Nalwa Steel & Power Limited	-	-	-	-	-	-	-	-	
JSW Steel Limited	-	-	-	-	-	-	-	-	
MUSJ Coal Limited	-	-	-	-	14.30	-	-	-	
Bir Plantation Private Limited	-	-	25.00	-	-	-	25.00	-	
Jindal Steel & Power Limited	-	-	13.40	-	-	-	-	-	
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	18.27	
Others	-	-	(4.50)	-	-	-	5.40	-	

## Notes to Consolidated Financial Statements



Description	2011-2012				2010-2011				( ₹ in Lacs )
	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Joint Venture	Key Management Personnels	Enterprises Controlled by Key Management Personnels & their Relatives	Associates	
<b>Receivables</b>	24.16	-	4,140.46	29.14	-	-	1,788.48	11.34	
JSW Steel Limited	-	-	3,659.32	-	-	-	1,032.58	-	
Jindal Steel & Power Limited	-	-	481.14	-	-	-	730.90	-	
J.S.S. Steelitalia Limited	-	-	-	-	-	-	-	11.34	
Others	24.16	-	-	29.14	-	-	25.00	-	
<b>Payables</b>	-	10.32	1,832.73	6.41	-	1,156.24	1,118.78	22.72	
Shri Ratan Jindal	-	10.32	-	-	-	1,156.24	-	-	
Jindal Steel & Power Limited	-	-	-	-	-	-	-	-	
Jindal Saw Limited	-	-	943.49	-	-	-	924.58	-	
Jindal Industries Limited	-	-	-	-	-	-	-	-	
JSW Ispat Steel Limited	-	-	777.54	-	-	-	-	-	
Others	-	-	111.70	6.41	-	-	194.20	22.72	

**Note :-**

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

\$ Include ₹ 19.35 Lacs Pending approval of shareholders in ensuing general meeting.

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

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

NOTE NO	DESCRIPTION	31.03.2012	( ₹ in Lacs ) 31.03.2011
47.	<b>Earning Per Share ( EPS ) computed in accordance with Accounting Standard 20 " Earning Per Share ".</b>		
	<b>(A) Basic :</b>		
	Net Profit/(Loss) after Tax as per P & L A/c	(17,977.74)	31,416.93
	Weighted Average No. of Equity Shares for Basic EPS ( Face value ₹ 2/- per share )	188,119,529	185,981,142
	<b>Basic EPS ( in ₹ )</b>	<b>(9.56)</b>	16.89
	<b>(B) Diluted :</b>		
	Net Profit after Tax before Extra Ordinary Item as per P & L A/c	(17,977.74)	31,416.93
	Add: Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	230.26	108.98
	Profit attributable to Equity Share Holders	(17,747.48)	31,525.91
	Weighted Average No. of Equity Shares for Basic EPS	188,119,529	185,981,142
	Add: Weighted average of Potential equity shares converted during the year	1,386,096	1,334,650
	Add: Weighted average of Potential equity shares outstanding as on 31st March,2012	1,569,382	3,830,771
	Weighted average No. of Equity Shares for Diluted EPS ( Face value ₹ 2/- per share )	191,075,007	191,146,563
	<b>Diluted EPS ( in ₹ )</b>	<b>(9.29)</b>	16.49

## Notes to Consolidated Financial Statements

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48. (i) (a) For the remuneration amounting to ₹ 16.20 Lacs and ₹ 18.11 Lacs paid to a Whole Time Director for the years 2008-2009 and 2009-2010 respectively, company's repersantation is pending before Central Government.
- (b) Managerial Remuneration paid during the year by JSL Lifestyle Limited to a Managing Director amounting to ₹ 67.20 Lacs as per application submitted to Central Government for approval. The excess remuneration over the limit prescribed under Schedule XIII of the Companies Act, 1956 comes to ₹ 33.60 Lacs. The company has applied for the approval for the same with the Central Government under Section 269 read with other relevant provisions of the Companies Act, 1956. Therefore, the excess remuneration of ₹ 33.60 Lacs is subject to approval of the Central Government.
- (c) Managerial Remuneration paid during the year by JSL Architecture Limited to a Managing Director amounting to ₹ 112.25 Lacs (inclusive of commission) as per application submitted to Central Government for approval. The excess remuneration over the limit prescribed under Schedule XIII of the Companies Act, 1956 comes to ₹ 62.75 Lacs. The company has applied for the approval for the same with the Central Government under Section 269 read with other relevant provisions of the Companies Act, 1956. Therefore, the excess remuneration of ₹ 62.75 Lacs is subject to approval of the Central Government.

49. Figures in bracket indicate previous year figures.

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

### AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

## Consolidated Cash Flow Statement for the year ended 31st March, 2012



DESCRIPTION	( ₹ in Lacs )	
	31.03.2012	31.03.2011
<b>A. Cash Inflow / (Outflow) from Operating Activities</b>		
Net Profit Before Tax & Exceptional Item	(1,313.88)	39,820.80
Adjustment for:		
Depreciation / Amortization	44,849.58	39,546.09
Provision for Doubtful Debts & Advance / Bad Debts	4,371.17	762.54
Prior period Adjustments (Liability Written Back)	(546.40)	(994.35)
Misc. Expenses Written Off	313.44	355.40
ESOP Compensation Expenditure	242.44	221.95
Interest and Bank Charges (Net)	51,255.63	38,126.04
Dividend Income	(1.41)	(1.54)
(Profit) / Loss on Sale of Investments (Net)	4.29	(32.00)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	157.19	91.28
<b>Operating Profit Before Working Capital Changes</b>	<b>99,332.05</b>	<b>117,896.21</b>
Adjustment for:		
(Increase) / Decrease in Inventories	(63,353.10)	(60,644.14)
(Increase) / Decrease in Sundry Debtors	(42,983.28)	(10,559.67)
(Increase) / Decrease in Loans & Advances	(19,447.56)	(14,644.76)
Increase / (Decrease) in Current Liabilities	88,941.30	9,727.93
<b>Cash Inflow from Operating Activities Before Exceptional Items</b>	<b>62,489.41</b>	<b>41,775.57</b>
Exceptional Items - (Loss) / Gain	(23,145.05)	7,476.56
Income Tax (Advance) / Refund (Net)	(8,434.13)	(10,064.14)
<b>Net Cash Inflow from Operating Activities</b>	<b>30,910.23</b>	<b>39,187.99</b>
<b>B. Cash Inflow / (Outflow) from Investing Activities</b>		
Sale/Redemption/(purchase) of Investment (net)	(297.90)	18,369.54
Capital Expenditure (including advances for capital expenditure)	(91,660.88)	(158,610.17)
Sales Proceeds of Fixed Assets Sold	571.71	576.90
Dividend Received	1.41	1.54
Interest Received	8,040.66	5,088.32
<b>Net Cash Outflow from Investing Activities</b>	<b>(83,345.00)</b>	<b>(134,573.87)</b>
<b>C. Cash Inflow / (Outflow) from Financing Activities</b>		
Dividend Paid	(27.42)	(33.76)
Interest and Finance Charges Paid	(75,738.63)	(32,878.20)
Debt serviced/refundable under CDR	86.44	7,074.83
Proceeds from / (Repayment of) Borrowings (net)	114,360.06	86,104.71
Minority Interest	43.58	(4.50)
<b>Net Cash Inflow from Financing Activities</b>	<b>38,724.03</b>	<b>60,263.08</b>
<b>D. Change in Currency Fluctuation arising on Consolidation</b>	<b>(691.03)</b>	<b>(589.49)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(14,401.77)</b>	<b>(35,712.29)</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>21,798.03</b>	<b>36,199.80</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>36,199.80</b>	<b>71,912.09</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(14,401.77)</b>	<b>(35,712.29)</b>
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	4,167.79	1,825.00
Balance with Banks	17,630.20	34,374.76
Puja & Silver Coins	0.04	0.04
	<b>21,798.03</b>	<b>36,199.80</b>

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

### AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**  
Chartered Accountants

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

**RATAN JINDAL**  
Vice Chairman & Managing Director

**RAMESH R. NAIR**  
President & Executive Director

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

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

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

**JITENDRA KUMAR**  
Company Secretary

PLACE : New Delhi  
DATED : 29th May, 2012

**Statement pursuant to general exemption granted under section 212 (8) of the Companies Act, 1956 relating to subsidiary companies vide general circular 02/2011 dated Feb. 08, 2011**

Particulars	Subsidiary Companies														JSL Iberjindal S.L.*		
	PT Jindal Stainless Steelway Indonesia*	Jindal Stainless Architecture Limited	JSL Lifestyle Limited	JSL Stainless Limited	Jindal UK Limited*	Jindal Italy Srl.*	Jindal Stainless FZE*	Green Delhi BQS Limited	JSL Media Limited	Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi*	JSL Logistics Limited	Jindal Aceros Inoxidables S.L.*	JSL Group Holdings Pvt. Limited*	JSL Ventures Pvt. Limited*		JSL Europe SA* & Metals SA*	
Capital (Including Share application Money)	6,405.23	1,716.69	766.27	2,267.81	81.44	6.79	831.00	10.00	5.00	1,744.09	5.00	13.58	2,289.15	2,353.75	56.37	678.80	
Reserve & Surplus (Net of Misc. Exp.)	834.03	4,836.69	765.30	(1,081.72)	117.53	70.11	304.50	(8,160.22)	(2,990.50)	(1,245.05)	32.12	(4.47)	(19.35)	(15.11)	(20.82)	(12.12)	
Total Assets	77,852.05	41,912.21	9,525.71	8,231.70	234.61	101.02	1,143.68	3,485.81	941.20	1,024.77	501.44	9.10	4.69	2,321.41	-	36.61	8,979.38
Total Liabilities	70,612.78	36,330.15	7,996.44	7,045.61	41.20	24.12	8.18	11,636.03	3,926.69	525.73	464.32	-	93.22	37.70	2.19	1.06	8,312.70
Investment	-	971.32	2.30	-	5.57	-	-	-	-	-	-	-	2,358.33	54.94	56.37	-	-
Turnover	131,171.33	83,627.76	5,994.68	6,828.15	319.62	137.62	828.09	-	26.75	13.36	476.45	-	-	-	-	-	12,894.11
Profit Before taxation	(1,845.30)	(2,471.58)	60.79	393.88	21.04	37.31	7.60	(4,976.06)	(328.41)	(211.63)	11.64	(0.88)	(4.01)	(4.01)	(0.28)	(2.84)	(14.22)
Provision for taxation	(668.79)	(786.69)	17.37	88.42	4.82	11.62	-	-	-	-	3.60	-	-	-	-	-	7.36
Profit After taxation	(1,176.52)	(1,684.89)	43.42	305.46	16.21	25.69	7.60	(4,976.06)	(328.41)	(211.63)	8.04	(0.88)	(4.01)	(4.01)	(0.28)	(2.84)	(21.57)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	Indonesian Rupiah (Rp.)	Indian Rupee (INR)	Indian Rupee (INR)	Indian Rupee (INR)	Pounds (GBP)	Euro	Dirham (AED)	Indian Rupee (INR)	Indian Rupee (INR)	Yeni Turk Lirası (YTL)	Indian Rupee (INR)	Euro	Dollar (USD)	Dollar (USD)	Swiss Franc (CHF)	Euro	Swiss Franc (CHF)

\*Indian Rupee equivalents of the figures given in foreign currencies, have been given based on exchange rate as on 31.03.2012

INR 1 = Rp. 178.571  
 INR 1 = GBP 0.0123  
 INR 1 = EURO 0.0147  
 INR 1 = USD 0.0197  
 INR 1 = YTL 0.0351  
 INR 1 = CHF 0.0177  
 INR 1 = AED 0.0722



# Jindal Stainless Limited

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

## E-COMMUNICATION REGISTRATION FORM

To,

**Abhipra Capital Limited**

Unit: Jindal Stainless Limited  
Ground Floor, Abhipra Complex,  
Dilkhush Industrial Area,  
A-387, G.T. Karnal Road,  
Azadpur, Delhi - 110 033

### Green initiative on Corporate Governance

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

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

Name of 1st Registered Holder : .....

Name of Joint Holder(s), if any : .....

Registered Address of the Sole/  
1st Registered Holder : .....

No. of Shares held : .....

E-mail ID (to be registered) : .....

Date : .....

Signature : .....

#### Notes:

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



## Highlights 2011-12 (Standalone)

### Key Highlights 2011-12

- Stainless Steel Melt Shop production 805,271 tons
- Gross Revenue ₹8,498 crore
- EBIDTA ₹904 crore
- PAT ₹(104) crore
- Weighted average cost of debt 6.7% p.a. (approximately)
- Debt Equity Ratio 4.58:1.00

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

	2009-10	2010-11	2011-12
Direct Taxes	63	130	70
Indirect Taxes	177	345	328
CSR Initiatives	4	3	6
<b>Total</b>	<b>244</b>	<b>477</b>	<b>403</b>

### Stainless Steel Melting Production (tons)

2007-08	580,554
2008-09	466,834
2009-10	677,841
2010-11	701,814
<b>2011-12</b>	<b>805,271</b>

5 years CAGR: 8.52%

### Stainless Steel Domestic Export Volume Ratio

	Domestic	Export
2007-08	67%	33%
2008-09	80%	20%
2009-10	79%	21%
2010-11	79%	21%
<b>2011-12</b>	<b>79%</b>	<b>21%</b>

### Gross Revenue (₹crore)

2007-08	5,707
2008-09	5,295
2009-10	6,119
2010-11	7,351
<b>2011-12</b>	<b>8,498</b>

5 years CAGR: 10.47%

### EBIDTA (₹crore)

2007-08	755
2008-09	359
2009-10	1,077
2010-11	1,081
<b>2011-12</b>	<b>904</b>

5 years CAGR: 4.61%

### EBIDTA/Net Sales (%)

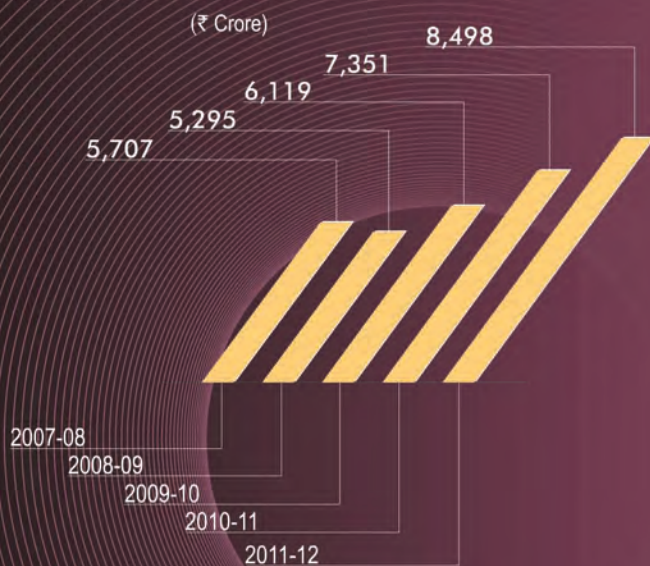
2007-08	14.6%
2008-09	7.4%
2009-10	18.7%
2010-11	15.8%
<b>2011-12</b>	<b>11.5%</b>

### Earnings Per Share - Diluted (₹)

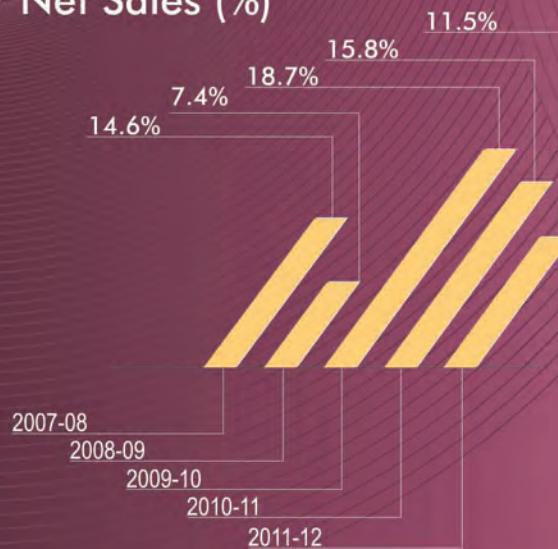
2007-08	14.98
2008-09	(32.41)
2009-10	21.87
2010-11	16.71
<b>2011-12</b>	<b>(5.52)</b>

## Financial Highlights (Standalone)

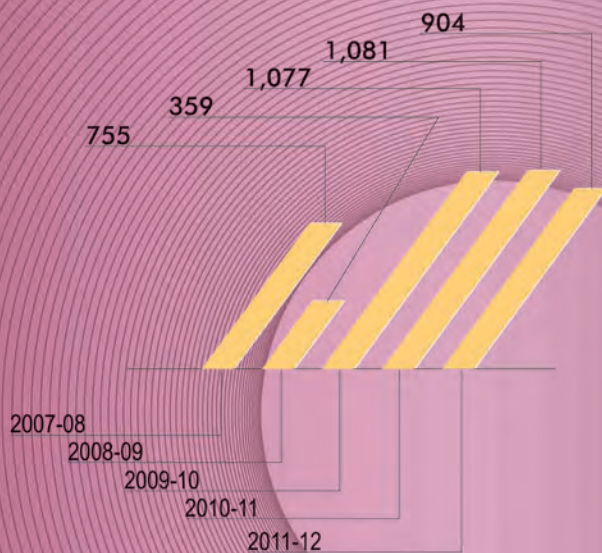
### Gross Revenue



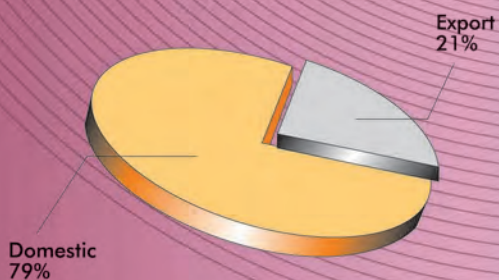
### EBIDTA / Net Sales (%)



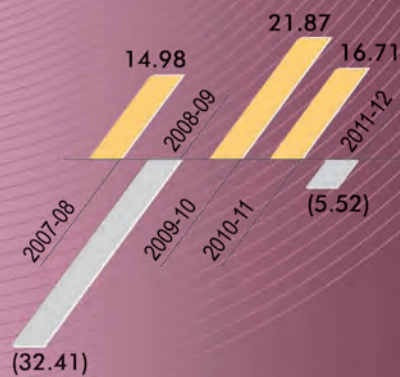
## EBIDTA (₹ Crore)

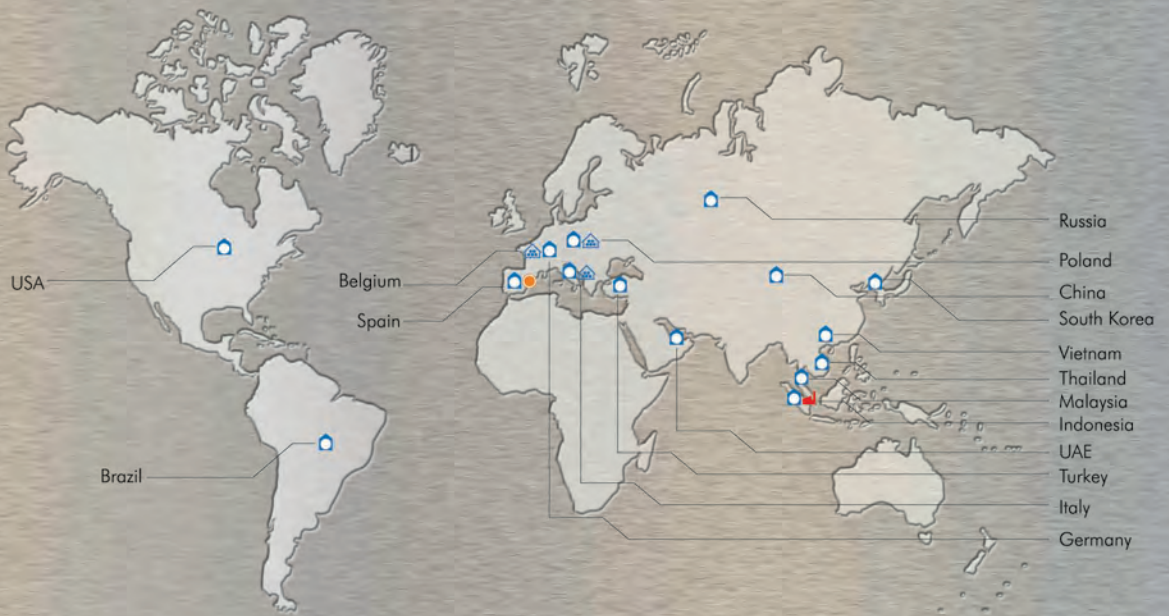


## Stainless Steel Domestic- Export volume ratio



## EPS (Diluted)





- Manufacturing Facility
- Domestic Sales Offices
- International Sales Offices
- Service Centers
- Warehouse
- Corporate Office
- Registered Office

# Jindal Stainless Limited

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

## ATTENDANCE SLIP

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

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

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

I/We hereby record my/our presence at the thirty second annual general meeting of the Company at the registered office of the Company at O.P. Jindal Marg, Hisar on Wednesday, the 26th day of September, 2012 at 11:00 a.m.

Name of the member.....

(in Block Letters)

Signature of the member/ proxy

### NOTE:

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

\* Applicable for members holding shares in demat form.

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

# Jindal Stainless Limited

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

## FORM OF PROXY

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

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

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

I/We.....of.....  
in the district of.....being a member/ members of the above named Company  
hereby appoint.....of.....  
in the district of.....or failing him .....  
of..... in the district of ..... as my/our proxy to vote for me/us on my/our  
behalf at the thirty second annual general meeting of the Company to be held on Wednesday, the 26th day of September,  
2012 at 11:00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_ day of September, 2012.

### NOTE:

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

\* Applicable for members holding shares in demat form.

Affix . 15 Ps. Revenue Stamp
Signature

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

## Book-Post

"Postage paid in advance at Hisar H.O. on 28.8.2012, for posting from 30.8.2012 to 1.9.2012 under business post"



### Registered Office

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

### Corporate Office

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

### Bhubaneshwar Office

6th floor, IDCO Tower, Janpath, Bhubaneshwar- 751 022.  
Phone: (0674) 2545561, 2544846, Fax: (0674) 2546147  
E-mail: jsl@bbs.jindalsteel.com

### Manufacturing Facilities

#### Hisar

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

#### Odisha

Kalinga Nagar Industrial Complex, Duburi,  
Distt. Jajpur- 755 026 (Odisha) India.  
Phone: (06726) 268449, 268315, 266053, Fax : (06726) 266030  
E-mail: info.jajpur@jindalsteel.com

#### Kothavalasa

Jindal Nagar, Kothavalasa- 535 183, Distt. Vizianagaram (Andhra Pradesh) India.  
Phone: (08966) 273327, 273254, 273335, Fax: (08966) 273326  
E-mail: info.visakhapatnam@jindalsteel.com

#### Indonesia

Kawasan Industri Maspion, Maspion Unit-V,  
Desa Sukomoyo - Manyar Gresik 61151, Surabaya Jawa Timur, Indonesia  
Phone: + 62 31 3959588, 3959565, Fax: + 62 31 3959566  
E-mail: info.indonesia@jindalsteel.com

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

*If undelivered, please return to:*

### Jindal Stainless Limited

O.P. Jindal Marg, Hisar-125005 (Haryana) India  
Phone: (01662) 222471-83  
Fax: (01662) 220476/220499  
e-mail: info.hisar@jindalsteel.com

### 32<sup>nd</sup> Annual General Meeting

Date : 26<sup>th</sup> September, 2012  
Day : Wednesday  
Time : 11.00 am  
Venue: Registered Office, "Jindal Stainless Limited,  
O.P. Jindal Marg, Hisar - 125 005 (Haryana)"