

ANNUAL
REPORT
2009-10



Growing

Everyday. Everywhere. For every stakeholder





JSL - shining with renewed synergy.

Growing every day, everywhere as we continue to follow our vision and commitment to enterprise and excellence.

A part of the O. P. Jindal Group, JSL Limited (formerly Jindal Stainless) is India's largest and the country's only fully integrated Stainless Steel manufacturer. JSL has grown from an indigenous single-unit Stainless Steel plant in Hisar, Haryana, to the present multi-location and multi-product conglomerate.

JSL is a globally recognized producer of stainless steel flat products in Austenitic, Ferritic, Martensitic and Duplex grades. Its product range includes Ferro Alloys, Stainless Steel Slabs & Blooms, Hot Rolled Coils, Plates, Cold Rolled Coils and specialty products such as Razor Blade Steel, Precision Strips and Coin Blanks.

JSL has initiated strategic growth plans in both domestic and international markets and has made investments towards capacity expansions through forward and backward integration.

Driven by its focus on sustained growth & value addition in its products and services, JSL has led the way with continuous innovation. JSL has established an extensive distribution network through its Service Centers and Warehouses in both domestic and overseas market and is well equipped to serve its customers from its Stainless Steel manufacturing facilities at Hisar and Orissa.

Attuned to the future, JSL has expanded its bandwidth of business spectrum into newer grounds of Energy, Minerals & Mines, Public Infrastructure, Lifestyle Products, Media and many more to fall in line in course of time, to be in touch with lives of millions of people.

At JSL, we have been redefining, restructuring and re-energizing our corporate strategies to fulfill our long-term objectives of sustainable growth and value addition to benefit each of our stakeholders. Every day. Everywhere.



Shri O.P. Jindal

August 7, 1930 – March 31, 2005

O.P. Jindal Group – Founder & Futurist

"He rewrote not only norms but whole scriptures of corporate excellence and human governance using his vision and acumen. His journey from a humble villager to a people's representative to a global winner, has been the eternal source of motivation and inspiration for all of us"



Savitri Jindal
Chairperson

Dear Shareholders,

Last year's crisis showed us how fragile the world economy really is. It also showed us that our inner strength is the one resource that cannot be ever taken away from us. And when this strength is fuelled by enduring values, then we can emerge victorious under any circumstances.


At JSL Limited, I am proud to say that we retained the trust and loyalty of our team, our associates, our partners and collaborators, in fact, of all our stakeholders, to come out of a difficult year with our heads held high.

It also makes me happy to say that in our indomitable efforts to overcome obstacles, we did not ignore our guiding principles of selfless service to the community and working towards the inclusion of the underprivileged into the mainstream. Our corporate social responsibility projects in education, healthcare and women's empowerment continue to be a source of hope and inspiration to millions across the country. This is close to our hearts and we will continue to support our diverse programs.

I extend my sincere thanks to the JSL team for its dedication to the company and their unflagging efforts to keep it ahead in every sphere. They have succeeded in showing us how the challenges of adversity should be handled.

Thank you.

Savitri Jindal
Chairperson



Towards a bright and shining future...

Dear Shareholders,

It's the determination and commitment to an unrelenting pursuit of our goal - a commitment to excellence - that enables us to meet the targets with greater strength forward, each time. For over the four decades JSL Limited has led the way with continuous innovation and has come a long way from just being a single location stainless steel producer to a multi-location, multi-product conglomerate.

Last financial year 2008-09 was a mix of challenges, accomplishments, experiences and recognitions for stainless steel industry. We at JSL tried to make the most of the challenging circumstances with the options in hand and have managed to come out with reasonably good results in all spheres of our activities. After overcoming the turbulence of volatile nickel prices which affected our margins the year before, we could very well heave a sigh of relief last year.

We realize and understand that all adverse and depressing influences can be overcome, not by fighting, by rising above them.

Coming to the stainless steel scenario, the worldwide production again showed a decline and in the year 2009 was at a level as it was in year 2003. Against this background, your company achieved a turnover of Rs. 6119 crore, which represents an increase of 18% over the previous year. Profit after tax was Rs.378 crore compared to a loss of Rs.580 crore in the previous years.

During the year, the company continued its expansion and modernization plans and is currently at an advanced stage of development of Phase II of the Orissa Project, an integrated stainless steel facility at Jajpur in the state of Orissa. This plant is designed to be one of the globally most cost-competitive and fully integrated stainless steel plant with stainless steel melting, hot rolling, and cold rolling. Further, its proximity to raw material sources as well as nearness to ports will further contribute to its cost-effectiveness. Upon completion, this will enable JSL to manufacture 8,00,000 tons per annum of stainless steel flat products

and the plant capacity can further be enhanced with the addition of certain capital equipment.

On account of poor market conditions last year, your company had to make reference to restructure its debt under the Corporate Debt Restructuring mechanism. The debt restructuring proposal of the company has been approved by majority of its lenders; facilitating restructuring of repayment schedule, reduction/adjustment in interest rates, to mitigate the burden of losses incurred in the last fiscal. I sincerely convey my gratitude to the financial community for helping your company recover from this financial setback.

Asia has emerged as the largest stainless steel producing zone, accounting for nearly 60% of the world's production. China is by far the largest stainless steel producing and consuming country with its production figure touching around 8.8 million metric tons. China itself produces and consumes more than one-third of world's stainless steel. To make inroads into the rapidly-growing South East Asian market, we are actively monitoring it and also have established facilities in Indonesia to tap this area of opportunity.

India stands as the fifth largest consumer of flat stainless steel products in the world. The domestic stainless steel flat products consumption in India is around 1.5 million tons and has shown a fair growth rate of around 10% in last few years. Still there is a huge potential for stainless steel products as the current per capita consumption is only 1.2 kg per person compared to China's consumption of 5 kg per person and it is headed for rapid growth, as evident from the increase in the per capita consumption of stainless steel in China as its per capita income grew over the last decade. In fact, the per capita consumption of developed countries is around 15-20 kg. Growth in the Indian economy is expected to increase demand for stainless steel products, driven by emerging applications for stainless steel, rising per capita income in India and increased investment in infrastructure.

We will continue our drive for market leadership with total commitment to customer satisfaction which is integral to our sustainability. We move forward with expansion, and streamlining distribution channels and service centers across key locations in India and abroad.

At the same time, we will continue our efforts not only for

quantitative cost reductions, such as for raw materials and waste reduction, but also for qualitative improvements, including safeguarding environment protection measures and fulfilling social commitments.

Next on the line is our most cherished integrated Orissa project. After completion of the first phase, the work on the second phase is at an advanced stage. Once completed, this will boost production to double from present level and set your company at a globally dominant position as one of the leading cost competitive producers of stainless steel in the world.

In the long-term, we are planning to develop and operate Stainless Steel Industrial Park adjacent to the planned stainless steel plant in Orissa and transform it to a world class stainless steel manufacturing hub. The park will have a large Service Centre and various facilities to produce stainless steel products for applications in Architectural, Building & Construction to Consumer & Industrial and Lifestyle goods.

The determined progress we have made in fiscal 2009-10 could not have been possible without the achievements of the JSL team and the support and goodwill of our customers and business partners. I take this opportunity to thank you all sincerely and solicit your continued support in helping the company achieve its vision of creating wealth for the nation and a better value for all our stakeholders.

JSL is built on a rock solid foundation of a vibrant, energetic and innovative work force, excellent work culture, ethical management and superior technology. Our business is based on deep knowledge of a new age metal and its processing.

It is very important that we imbibe in us a keener sense of responsibility towards the environment and community around us and earn the goodwill of our stakeholders and the society to which we belong.

Thank you,

Ratan Jindal

Vice Chairman & Managing Director



Board Of Directors

1.
Smt. Savitri Jindal
Chairperson

2.
Mr. Ratan Jindal
Vice Chairman & Managing Director

3.
Mr. Gautam Kanjilal
Nominee Director of SBI

6.
Mr. James Alistair Kirkland Cochrane
Independent Director

7.
Mr. Jurgen Hermann Fechter
Independent Director

8.
Mr. Suman Jyoti Khaitan
Independent Director



4.
Mr. T. S. Bhattacharya
Independent Director

5.
Mr. S.S. Virdi
Executive Director & Chief Operating Officer

9.
Mr. Arvind Parakh
Director-Finance

Mr. Naveen Jindal
Director



Team **JSL** Stainless



1.
Mr. Ratan Jindal
Vice Chairman & Managing Director

2.
Mr. S.S. Virdi
Executive Director & Chief
Operating Officer

3.
Mr. Arvind Parakh
Director, Finance

4.
Mr. Jitendra Kumar
Company Secretary

5.
Mr. S.K. Jain
Head (Hisar Unit)

6.
Mr. Rajiv Rajvanshi
Vice President (Corporate
Human Resource & Legal)

7.
Mr. Sandeep Sikka
Head (Corporate Finance)

8.
Mr. S. Bhattacharya
Director (Sales & Marketing)

9.
Mr. R.K. Goyal
Director (Strategy &
Corporate Affairs)

10.
Mr. R. Ganesh
Sr. Vice President
(Strategic Sourcing &
Integrated Logistics)



Integration:

To grow, do we first need to shrink?



We seek to become one of the world's best stainless steel producers. To create competitive advantage, we need to integrate all our plants, people and processes into one seamless whole. An astute business strategy that will allow us to shrink costs while increasing the value we offer customers - superior quality and a varied range of products at greater affordability. This is our vision for integration.

From mining to metal

Integrating production to gain cost competitiveness



'Achieving seamless forward and backward integration allows us to provide our customers with cost-effective solutions through superior, value-added products.'



Mining is the first step of our Integration strategy. Recognizing that mining assets are critical to achieving the high degree of integration that is envisioned, JSL has captive mines at Sukinda in Orissa that support the 40,000-ton Ferro Chrome facility at Vizag and also plans to acquire more mining assets. In addition, the Orissa plant already has 250,000 tons per annum of Ferro Alloys capacity consisting of Ferro Chrome, Ferro Manganese and Silico Manganese.

Power is another critical component that supports our integration plans. Our JV with Mahanadi Coalfields Ltd., a subsidiary of Coal India, will help us meet the coal consumption of our captive power plant.



Twin Stand Hot Steckel Mill

Through a carefully planned expansion, the Hisar plant Hot Rolling capacity has been increased to 720,000 tons per annum. Further, our Cold Rolling complex has increased its production capacity to 275,000 tons per annum of Cold Rolled Stainless Steel Flat products. The complex consists of Plate Annealing & Pickling facilities along with shot blasting, straightening and leveling equipment to produce stainless steel plates of various grades.

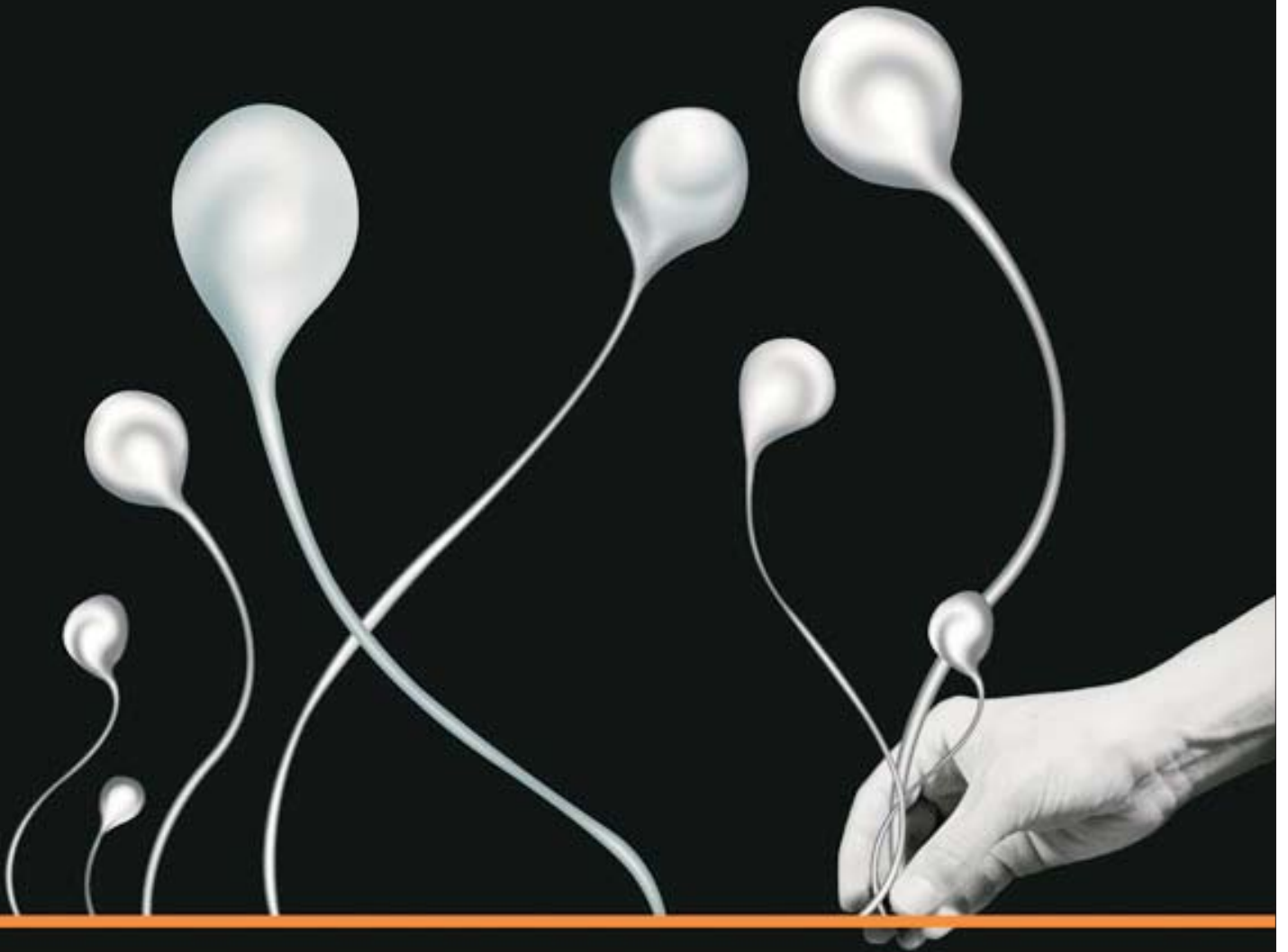
While continuing to manufacture world-class stainless steel flat products in Austenitic, Ferritic, Martensitic and Duplex grades to developing and maintaining its leadership position in Cr-Mn 200 series, JSL is now looking beyond conventional products. Its new focus is on providing feasible solutions by developing new product series such as Krome16+ to counter the challenges of escalating raw material costs.

Defined goals, an enhanced product mix and increased capacities along with a wider global footprint have helped JSL optimize operational overheads and open up newer avenues and markets for stainless steel applications.

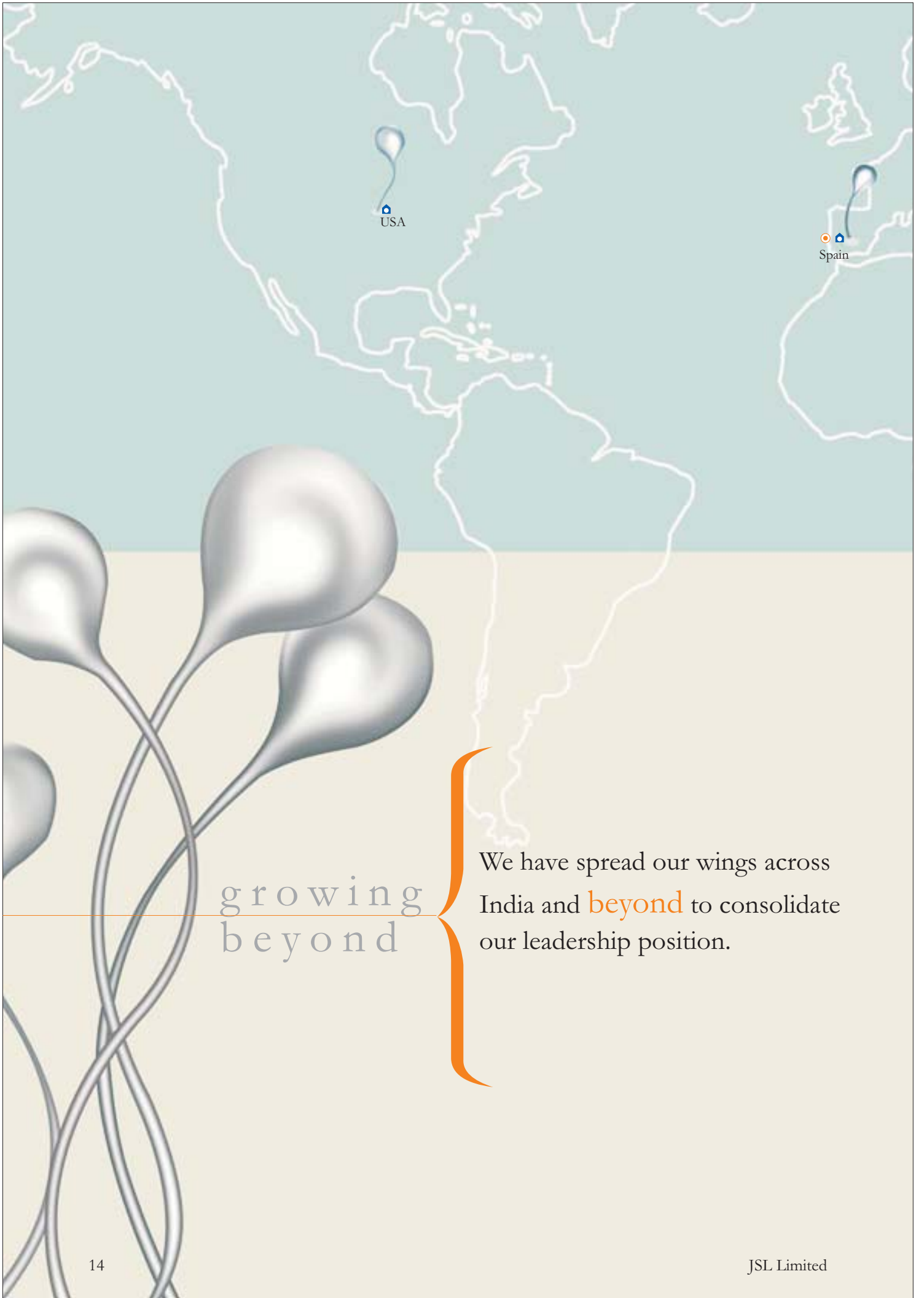
Comprehensive backward and forward integration marked by sustained value addition has given JSL the right impetus for growth and helped it emerge as India's only fully integrated stainless steel producer.

Expansion:

Should growth be measured in numbers or smiles?



Expansion into different markets is a carefully evolved leadership strategy at JSL to leverage availability of resources combined with technological and managerial expertise and thus add value to our products and the industries they serve. This creates delight for not only customers but all stakeholders involved in this process.



USA

Spain

g r o w i n g
b e y o n d

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



Orissa Greenfield Project

Planned
Capacity

1.6

million tons per annum



As part of the massive expansion plans across locations, JSL is setting up a single location, fully integrated stainless steel plant at Orissa; the 1.6 million tons per annum Greenfield Project envisages complete integration from mining to cold rolling, along with a 500MW captive power plant.

Upon completion of plans, the Orissa plant would achieve a capacity of 1.6 million tons, and along with the expansion at Hisar would propel JSL into the top league of leading stainless steel producers in the world, with 2.5 million tons per annum capacity.



The first phase of the Orissa project started in 2004. Since then Ferro Chrome furnace capacity of 150,000 tons per annum, Ferro Manganese and Silico Manganese furnace capacity of 100,000 tons per annum along with power plants of 250MW capacity have already been commissioned. Further, an increase in thermal power capacity to 500MW is planned. In addition, a coke oven battery of 425,000 tons per annum is also almost complete. Phase II of the Orissa project was started in 2007 with an initial planned capacity of 0.8 million tons with the inclusion of Blast Furnace and can go up to a million ton capacity Stainless Steel plant.

Captive Power Plant

Phase-I	Proposed Expansion	Fully Commissioned
250MW	250MW	500MW

Indonesia

PT Jindal Stainless Indonesia

JSL had established its foothold in the South East Asian & ASEAN market with the acquisition of a Stainless Steel Cold Rolling plant in year 2004. The plant's initial capacity of 70,000 tons per annum has since been increased to 150,000 tons per annum.

With its expert technical personnel and modern facilities to enable production of quality products, PT Jindal Stainless Indonesia is leaving its mark in its markets. This plant produces all grades of Stainless Steel including 200, 300 and 400 series and is well prepared to supply customized requirements.



Plant capacity increased to

150,000 tons per annum

Innovation:

Can change be another word
for opportunity?



At JSL, we believe in managing change rather than allowing change to manage us. An open mind and a constant search for a better way of doing things have led us to achieve continuous innovation in both product development as well as our production processes. As a leader, this has proved to be a valuable differentiator that has kept us consistently ahead in the market place.

Specialty Product Division and Service Centres



'Innovation in our production process and product development play a key role in sustaining our leadership positions.'



Fortifying the company's unique competitive advantage of integration, JSL is finding ways to step up the value chain towards precision and high-end products. In line with its forward-looking vision, JSL's Specialty Product Division is rolling out precision cold rolled strips up to 0.076mm thickness for use in razor blades. With a capacity of 25,000 tons per annum, this complex mainly processes Martensitic Stainless Steel to be used in razor blade manufacturing and supplies to leading Indian and International manufacturers. JSL is also the largest provider of Coin Blanks to the Government of India mint. The present installed capacity of the Coin Blank unit is 10,000 tons per annum.

To synergize the need for customized products and services, JSL has made a foray into the Service Centre industry. Jindal Stainless Steelway Limited, in collaboration with Steelways s.r.l. Italy, provides customized products and distribution services



Iberjindal, S.L., Spain

in stainless steel to meet specific requirements of slitting, cut to length, for customers across consumer durables, automotive segments and OEMs.

Four Service Centres in India viz. Gurgaon, Mumbai, Vadodara and Chennai are in operation and one larger Service Center at Jajpur, Orissa will soon be operational.

JSL also operates one service centre in Spain. This service center Iberjindal S.L., is a joint venture between JSL Ltd. and Fagor Industrial and is located in South Spain.

Precision Cold Roll Strips
& Coin Blank capacity

35,000
tons per annum

Innovation is our key to sustainability

Research & Development and Quality Assurance



The R&D division plays a pivotal role in retaining and consolidating JSL's leadership position in the Stainless Steel industry.

Our R&D focuses on continuous upgradation of quality, processes, services and product innovation to develop new products at competitive costs. Cross-fertilization of knowledge between production, quality control and commercial units in order to maintain global standards has been the guiding principle of the R&D function.

- Development of high value products to serve niche markets



Quality Assurance

- Quality up-gradation of existing products to enable enhanced global acceptance
- Cost reduction by process development, optimisation and refinement to provide a consistent competitive edge
- Technology enhancement to increase quality production
- Foster growth and development of new applications and market segments through knowledge sharing with customers as well as assisting them in their operations and applications of our products
- Closely interaction with reputed national and international laboratories/ scientific institutions/ universities to avail of expert services and knowledge for critical investigations

Understanding customer requirements and supplying products as per their needs is ensured with the help of Quality Assurance and Quality Control groups. Across the entire business chain of supplies, operations and marketing, appropriate quality assurance systems are in place to ensure correctness at each step of the cycle.

ISO 9001: 2008 Certification of the plant is a testimony to our commitment. In addition, Hisar operations are also certified for AD 2000-Merkblatt W0 and PED 97/23/EC to enable us to be a preferred and certified supplier of Stainless Steel Flat HR & CR products for Pressure Vessel, Processing & Allied Industries. ISO 14001: 2004 and OHSAS 18001: 2007 Systems Certification of the plant are an assurance of our commitment towards the environment and to providing a safe workplace for our employees.



Touching lives... Every day. Everywhere.

From sunrise to the time you call it a day, we are in touch with you, in some way or the other. Be it the glass of juice after a clean shave or queuing up in a contemporary bus shelter while making your way to work, there is a hint of stainless steel in everything you come into contact with. Stainless steel, already the world's most versatile material, is now on the verge of crossing the barrier of all conventional applications. JSL has been working toward highlighting this wonder material to perform wonders for us in increasingly varied ways.

arc (Jindal Architecture Limited)

Constructing confidence, building trust

The Architecture Division launched by JSL has taken the initiative to promote Stainless Steel products and technology solutions to cater to the emerging markets of Stainless Steel for Architecture, Building and Construction in India.

The Architecture Division of JSL is capable of providing a full range of technical support services including design, engineering work, fabrication of quality material, finishes and job site supervision by trained personnel.

The division has completed many projects specially those of street furniture, cafeteria furniture, modular kitchens, lighting and signage apart from other architectural requirements.

art d'inox (Austenitic Creations Pvt. Ltd)

Styling lifestyles

art d'inox is the exciting new form of ultimate style. The name translates to 'the art of Stainless Steel'. And that's precisely what it is - works of art in Stainless Steel. art d'inox has been set up with the objective of creating exclusive Stainless Steel lifestyle products, which are synonymous with quality, beauty and functionality and with majority of its production catering to the overseas markets.

The professionally qualified in-house design team is dedicated to exploring the frontiers of design and the product range is a celebration of both form and function. The range encompasses tableware, serving ware, gifts, home and office accessories.



Creating Impact:

Does leadership begin with caring?



At JSL, we think long-term. Whether it's investing in our people, serving the communities we do business in or conserving the environment that surrounds us. For us, these are critical resources that determine our enduring success and caring for them is an integral part of being a leader. We firmly believe that sustainability is a factor that adds real value to our business.

Leaving healthy footprints...

People-friendly initiative to coincide with mitigating carbon footprints



Through the process of community participation right from concept to project implementation aligning with environmental protection and reduction of carbon emissions.

With the clear vision of JSL to be admired as a '**Socially Responsible Corporate**', the CSR programme has become a major strategy to help mitigate problems of the marginalized sections of society, with a special reference in areas within the company spheres of influence, as well as to encourage employee volunteering in sustainable development.

Under the aegis of '**JSL Foundation**', there are a number of CSR initiatives, which have been designed to reduce the gap between societal needs and aspirations to access and availability. The different '**Reach Out**' programmes are structured in a way to meet the needs of society and individual growth sustainably. At present CSR interventions are being carried out in areas of Hisar, Jajpur (Orissa), Delhi, and Vizag. All initiatives are customized to address multi-stakeholders, both internal and external, and engage employees through various programmed efforts in community development, integrated community healthcare, non-formal and formal education, skills training, women empowerment and micro-financing, environment protection, advocacy and networking.

Two of north India's best schools stand proud in the achievements of the students from Vidya Devi Jindal School and OP Jindal Modern School in Hisar.

All JSL operational practices adhere to stringent '**Green Compliances**' and processes, certified as per international environmental standards, edging toward the concept of '**Stainless-Green**'. At JSL we make honest efforts to promote and practice actions beyond mere statutory compliances, with the purpose of bringing about a positive change in the lives of the community.



Growing sustainably- ready for tomorrow.

Our CSR intervention programmes focus on sustainability with inputs factored by locals, who are the drivers of all initiatives, and it is such engagement processes that contribute toward symbiotic progression and growth.

As part of outreach, the CSR department at Jajpur, Orissa, has an integrated Health Care Programme with mobile medical and dental clinics doing the rounds in different locations on specified days of the week.

At Vizag, we have a mobile medical unit reaching out to the marginalized sections and at Delhi we have a programme on '**Prevention of Drug Abuse and Rehabilitation**'. All these initiatives are developed on a collaborative model through partnerships. In addition, the CSR department has initiated various awareness campaigns on '**Save the girl child**', Child & Maternity Health Care and HIV-AIDS awareness.

Toward mitigating the problems of climate change, the CSR initiatives include:

1. Water management
2. Waste management
3. Energy conservation
4. Promotion of alternative sources of energy

We at JSL are dedicated to '**Development for All**' - from the individual to all of society - keeping sustainability in mind. CSR believes in making a better tomorrow by building a strong present. So, for the betterment of society, we work for the welfare of all individuals.



People: Our biggest asset

"Progress with People" - the hallmark of JSL Human Resource practices, is an inspiring thought to developing employee value proposition.

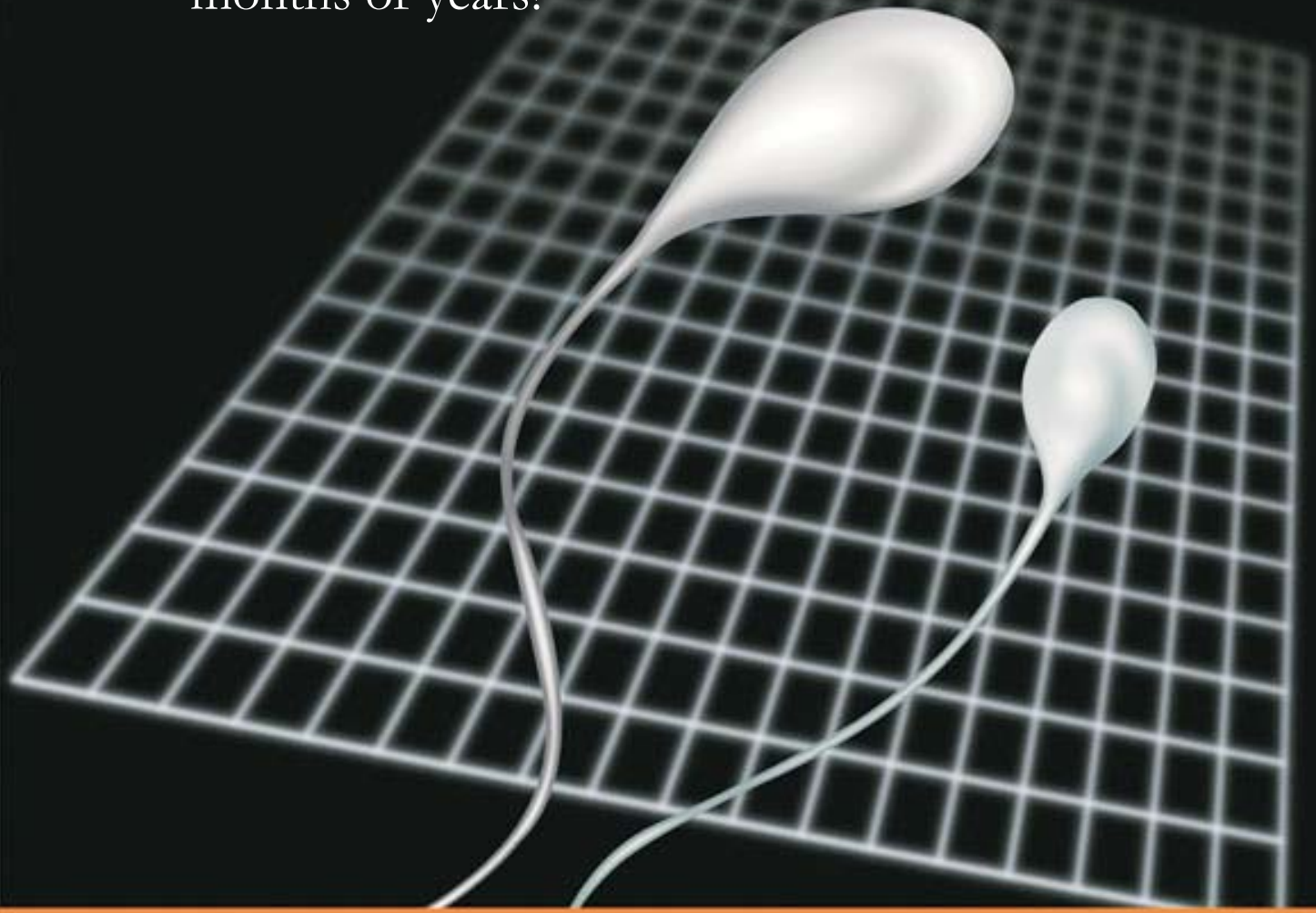
The innate values of '**Respect and Care**' and sustainable growth through people are demonstrated in the way JSL builds teams, creates shared vision, executes its growth plans and nurtures human talent to address the business challenges right from on-boarding to their deployment on the job.

Moving beyond the statutory requirements of providing welfare amenities and social security measures, which have become benchmarks, has strengthened our people partnership. JSL offers contemporary and state-of-the-art recreational, educational and health facilities. Jindal Institute of Medical Sciences, OP Jindal Modern School and Vidya Devi Jindal School at Hisar are expressions of this. One of the premium facilities at Hisar is the "Stainless Club". Spread over five acres of lush greenery, it offers a host of recreational facilities to members.

Cherishing this "Progress with People" philosophy, JSL practices a structured systems approach that ensures growth of people in equal acceleration to the company's expanding canvas.

Creating Wealth:

Is success counted in days or months or years?

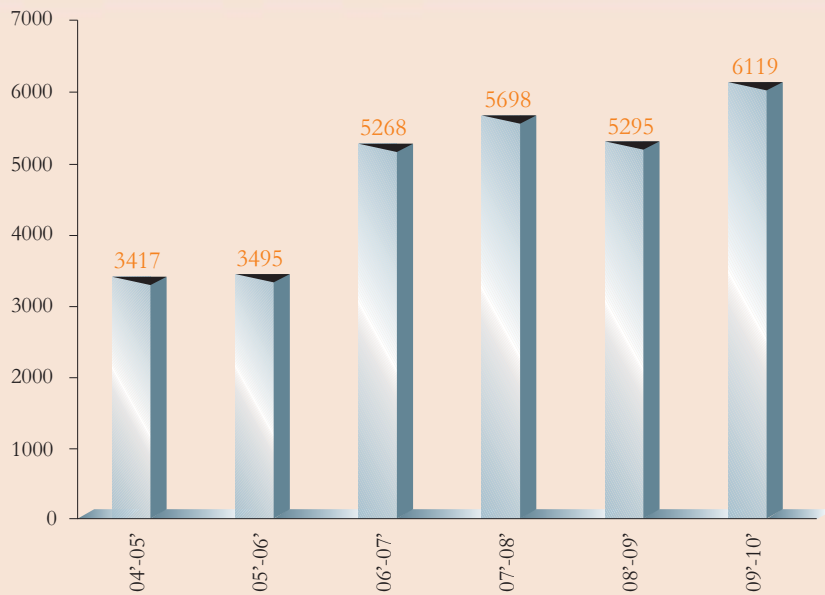


A company's success is measured by its long-term contribution to the economy it operates in. Its ability to endure the ups and downs of the marketplace and build a sustainable model that brings benefit and adds value to the lives of all stakeholders concerned is the true measure of its profitability and wealth-creating abilities.

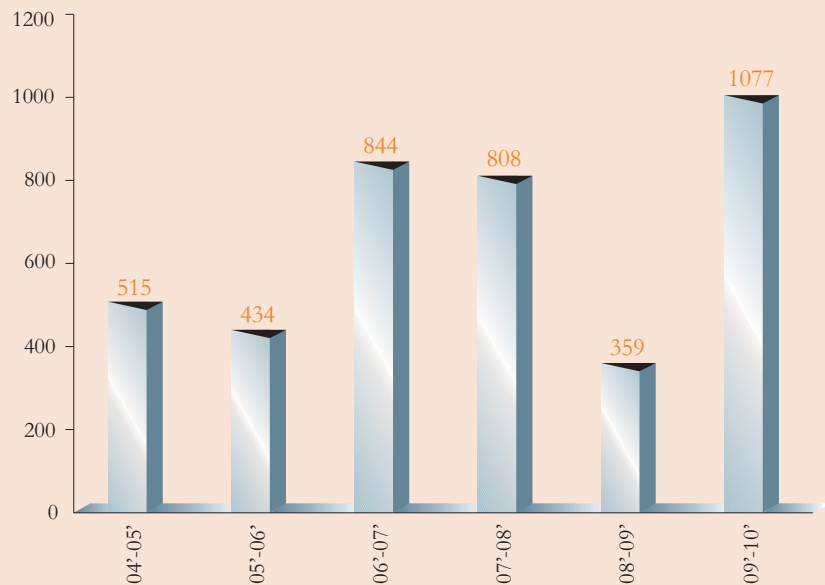
Financial Highlights

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

CAGR
12%
 Gross Sales
 (Rs. in Crore)



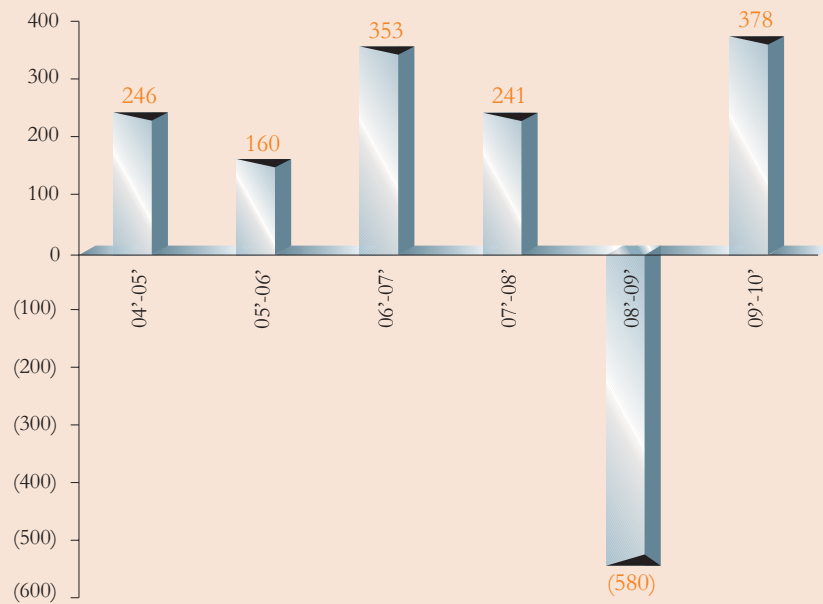
CAGR
16%
 EBIDTA
 (Rs. in Crore)



CAGR

9%

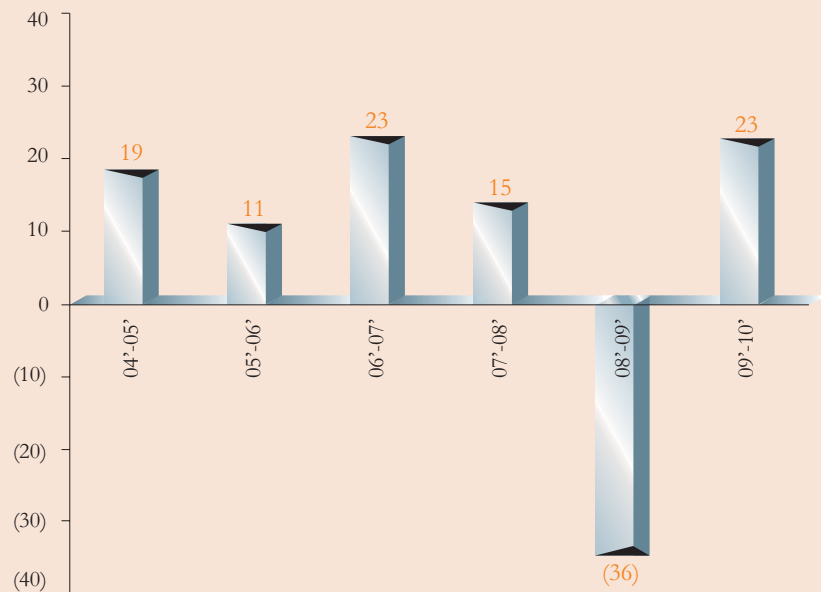
PAT
(Rs. in Crore)



CAGR

5%

EPS (Diluted)
(Rs.)

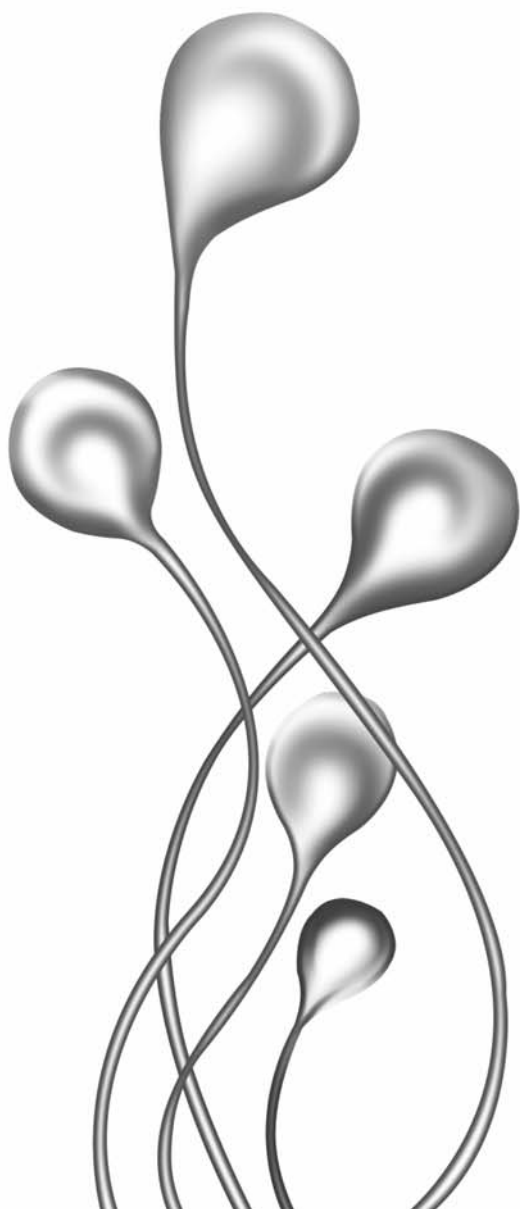


BOARD OF DIRECTORS

Chairperson	Savitri Jindal
Vice Chairman & Managing Director	Ratan Jindal
Directors	Naveen Jindal Suman Jyoti Khaitan T.S. Bhattacharya James Alistair Kirkland Cochrane Jurgen Hermann Fechter
Director - Finance	Arvind Parakh
Executive Director & Chief Operating Officer	S.S. Viridi
Nominee Director - State Bank of India	Gautam Kanjilal
Company Secretary	Jitendra Kumar
Bankers (Working Capital Bankers)	Axis Bank Bank of Baroda Canara Bank ICICI Bank Punjab National Bank State Bank of India State Bank of Patiala Standard Chartered Bank
Statutory Auditors	Messrs Lodha & Co., Chartered Accountants Messrs S.S. Kothari Mehta & Co., Chartered Accountants
Cost Auditors	Messrs Ramanath Iyer & Co., Cost Accountants
Registered Office	O.P. Jindal Marg, Hisar- 125 005 (Haryana)
Works	Hisar- 125 005 (Haryana), Kothavalasa- 535 183, (A.P) Danagadi, Distt. Jajpur- 755 026 (Orissa)

Contents

Directors' Report	34
Report on Corporate Governance	42
Management Discussion & Analysis Report	53
Auditors' Report	64
Balance Sheet	68
Profit & Loss A/c	69
Schedules & Notes to Accounts	70
Cash Flow Statement	108
Consolidated Financial Statements	112



Directors' Report

TO

THE MEMBERS,

Your directors are pleased to present the 30th annual report on the business and operations of your Company together with the audited statement of accounts for the year ended 31st March, 2010.

Financial Results

Your Company's performance for the financial year ended 31st March, 2010 is stated below:

	(Rs. in Crore)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Sales & Income from Operations	6119.44	5295.05
Less: Excise duty	362.89	441.74
Net Sales/Income from Operations	5756.55	4,853.31
Add: Other Income	16.85	19.80
Total Sales/Income	5773.40	4,873.11
Profit before Interest, Depreciation, Tax and exceptional item	1076.78	358.80
Less: Interest/Bank Charges	399.39	317.59
Depreciation / Amortisation	339.89	313.08
Exceptional items - Gain / (Loss)	232.87	(594.94)
Provision for Tax	43.78	0.07
MAT Credit entitlement	(43.72)	-
Provision for Deferred Tax	191.83	(288.56)
Fringe benefit tax	-	1.26
Previous year taxation adjustment	-	0.24
Net Profit / (Loss) after Tax & Exceptional Item	378.48	(579.82)
Add:		
Amount brought forward	-	62.51
Debenture Redemption Reserve written back	36.00	-
Profit / (Loss) available for Appropriation	414.48	(517.31)
Less: Debenture Redemption Reserve	39.83	-
Profit / (Loss) carried to Balance Sheet	374.65	(517.31)

Despite another challenging year for the global stainless steel industry, your Company has made a strong comeback from the global downturn effect of the previous year. It has set new landmarks for its operational performance amidst extra-ordinary challenges faced in terms of price volatility and demand reduction.

During the year, the turnover of your Company has gone up by 15.57% at Rs.6119.44 crore as compared to Rs.5295.05 crore during previous financial year 2008-09. Profit before interest, depreciation, tax and exceptional item stood at Rs.1076.78 crore, up by 200.11% as compared to Rs.358.80 crore during previous year. Net Profit after tax & extraordinary item is Rs.378.48 crore in comparison to loss of Rs.579.82 crore during previous year.

Operations

Your Company is the largest integrated stainless steel Company in India producing diversified stainless steel flat products. Presently, it has three manufacturing facilities in India, located at Hisar in the state of Haryana, Jajpur in the state of Orissa, 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.

Directors' Report

(A) Hisar Division

During the year ended March 31, 2010, the Hisar division implemented certain capital expenditures for productivity and efficiency improvements including intelligent refining system, carbon oxygen jet injection systems and an improved pollution control system at melting facilities to optimize resource utilization, save energy costs, and reduce environmental impact. During the year Hot rolling unit produced 677,841 tons of stainless steel slabs and 652,628 tons of hot rolled products. Also, as part of your company's initiation for forward integration, new pickling facility has been successfully commissioned increasing the Hot Rolled Annealing and Pickling capacity by 100,000 MT per annum which would cater to both domestic and export market. During the year, Cold rolling unit produced 200,177 tons of cold rolled annealed pickled (CRAP) and 112,648 tons of hot rolled annealed pickled (HRAP) saleable products. Further, the special product division of the Company has produced 5,093 tons of coin blanks and 20,125 tons of special steel, during the year.

(B) Orissa - Ferro Alloys, Captive Thermal Power Plant Division and Chromite Mines

The ferro-alloy production during the year has shown substantial growth. Ferro Alloys division produced 128,712 tons of ferro-alloys, which is the highest ever achievement of the Company. The production of power at 250 MW thermal power plant has also achieved highest ever generation of 1,589 million units. The sourcing of raw materials specially chrome ore and Manganese Ore remains an issue of substantial challenge for Ferro-Alloy division.

Chromite mines division produced 3,946 tons of Chrome Ore and 22,833 tons of concentrate chrome Ore. The Chrome Ore Beneficiation Plant-II commissioned in August, 2009.

(C) Vizag Division

The Vizag Plant produces High Carbon Ferro Chrome (HCFC) with annual capacity of 40,000 tons per annum. The chrome ore required for the production of HCFC is sourced from our chrome ore mines at Sukinda. The majority of our HCFC product is supplied to the Hisar division and the balance is sold in the export market. This division produced 32,681 tons of High Carbon Ferro Chrome during the year 2009-10 as compared to 31,901 tons during the preceding year.

Integrated Stainless Steel Project at Orissa

Your company is currently implementing the Phase-II of the Orissa project envisaging production of 1,000,000 tons of stainless steel. As part of this project, three major production units are being set up, steel melt shop, hot rolling tandem mill & cold rolling complex comprising hot rolled annealed pickled line and cold rolled annealed pickled line & associated finishing facilities.

Execution of civil and structural works for these units is at the advanced stage of completion. Erection of critical equipments and structures are also under progress.

Corporate Debt Restructuring

In view of the losses suffered by your Company in FY 2008-09 and to meet the ongoing commitments towards the implementation of the Orissa Phase II project, your Company had sought the restructuring of its debt under Corporate Debt Restructuring (CDR) mechanism to ensure its long term viability. The debt restructuring scheme (the 'Scheme') under Corporate Debt Restructuring (CDR) mechanism has been approved by the Empowered Group of CDR (CDR EG) and Letter of Approval (LOA) issued on 23rd January 2010. Pursuant to this, a Master Restructuring Agreement (MRA) has been executed on 26th March 2010 with majority of Lenders. The scheme inter-alia includes restructuring of re-payment schedule, reduction/adjustment in interest rates and additional security in favour of CDR lenders by part pledge of shares under promoters' control. Documentation towards the execution of the terms as set out in the MRA is under process.

Share Capital

During the year, the Company allotted 2,34,47,240 equity shares of Rs.2 each at a price of Rs.105.50 per share including premium of Rs.103.50 per share, aggregating Rs.2,47,36,83,820 to Qualified Institutional Buyers.

As on 31st March, 2010, the subscribed and paid up share capital of the Company stands at Rs.371,164,344 divided into 185,582,172 equity shares of Rs.2 each.

Dividend

The directors do not recommend declaration of any dividend on equity shares for the year ended 31st March, 2010 in order to conserve the resources for future years.

Quality and ISO Certifications

In the journey towards being the doyens in stainless steel manufacturing, your Company has benchmarked its processes in the field of Quality, Safety, Health and Environment. It is the policy of your Company to ensure that safety, health and environmental requirements are well planned and executed within the organization and form an integral part of the JSL's Total Quality Program.

Directors' Report

Your Company is an ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certified concern, where our sole objective is not just to satisfy the customer but to delight him. The concern for the environment is integral to its business strategy towards sustainability and it strives to fulfill all the environmental obligations and commitments towards being a responsible global corporate citizen. This is achieved by improving resource efficiency in operations, especially for key resources such as energy and water, adopting the '3-R' (reduce, reuse and recycle) philosophy for all types of wastes towards prevention of pollution and dispose of 'inevitable' wastes and Set, monitor, and review objectives and targets on an ongoing basis towards achieving continuous improvement in environmental performance and the overall environmental management system.

Research & Development

Your Company produces a wide variety of austenitic, ferritic, martensitic and duplex varieties of stainless steels and has global recognition for pioneering work towards development and commercialization of 200 series of Stainless Steels. It is actively engaged in the development of new value added stainless steels and towards redesigning alloy compositions to reduce cost and enhance quality attributes.

During the year under review, your Company has developed a highly corrosion resistant austenitic stainless steel UNS S 31727 for power plants using high sulfur coal and a super-austenitic stainless steel EN 1.4529 (UNS N 08367) which is a highly corrosion resistant and salt water resistant material used for a broad range of very corrosive environments in the chemical industry and in shore based power plants. It has also developed and successfully exported several martensitic stainless steels with very high hardenability such as ASTM 431 and EN 1.4116 and also supplied highly corrosion resistant duplex stainless steels UNS S 31803 & UNS S 32205 in both hot and cold rolled conditions. The Company has also manufactured stabilized ferritic flat products with high corrosion resistance such as 436L, 439 & 441.

Information Technology

Your company has implemented SAP R/3 ERP System, to streamline, integrate and improve the business processes across the organization. All critical business processes run on SAP and now this is the only Application Software running across the organization, having replaced all legacy systems. Our world class Data Center is located in Hisar, where all the SAP servers are installed and running in a secure 24/7 operational environment.

Over the last year, your Company has taken several noteworthy initiatives, as follows:

- Service Centers in Chennai and Patalganga. Rollout to Spain Service Center is in progress
- Implementation of Open Source Tool (Nagios) for Network Monitoring, at Zero Capex
- Reduction in Opex by 28 % YOY
- Consolidation of SAP Manpower at all locations
- Successful implementation of E-curement Solution
- Deployment of Green IT solutions

This year, your Company is planning to upgrade the current version of SAP (R/3 4.7) to the latest version (ECC 6.0). This will provide better functionality as well as compliance with IFRS. Along with this upgrade, we are also planning to create a Disaster Recovery (DR) site at another location, to take care of Business Continuity in case of any calamity.

Subsidiary Companies

The Company, as on 31st March, 2010 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) Austenitic Creations Private Limited; (viii) Jindal Architecture Limited; (ix) Green Delhi BQS Limited; (x) Parivartan City Infrastructure Limited; (xi) JSL Group Holdings Pte. Ltd., Singapore; (xii) JSL Ventures Pte. Ltd., Singapore; (xiii) JSL Europe S.A., Switzerland; (xiv) JSL Minerals & Metals S.A., Switzerland; (xv) Jindal Aceros Inoxidables S. L., Spain; (xvi) JSL Logistics Limited; (xvii) Iberjindal S.L.

The members may refer to the Statement under Section 212 of the Companies Act, 1956 and the information on financial of subsidiaries appended to the above statement in this Annual Report for further information of these subsidiaries. The Company has applied to Ministry of Corporate Affairs for granting its approval for not attaching the annual reports of the subsidiaries with the Annual Report of the Company for the financial year ended 31st March, 2010, which is awaited.

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

Directors' Report

Directors

During the period under report, the Board of Directors has appointed Mr. James Alistair Kirkland Cochrane and Mr. Jurgen Hermann Fechter as additional directors with effect from 9th March, 2010 and Mr. Subash Singh Viridi as additional director, designated as "Executive Director and Chief Operating Officer" with effect from 6th April, 2010. The Company has received Notice pursuant to section 257 of the Companies Act, 1956, from members signifying their intention to propose above additional directors namely Mr. James Alistair Kirkland Cochrane, Mr. Jurgen Hermann Fechter and Mr. Subash Singh Viridi as candidates for the office of Directors. State Bank of India has also nominated Mr. Gautam Kanjilal as Nominee Director on the Board of your Company.

During the above period, Mr. T.R. Sridharan, Mr. N.P. Jayaswal and Dr. L.K. Singhal have resigned from the Board of Directors of the Company with effect from 29th January, 2010, 6th April, 2010 and 29th April, 2010 respectively. Mr. Satish Tandon also ceased to be a director with his sad demise on 2nd October, 2009. The Board places on record its appreciation for the valuable contribution made by them during their tenure.

Smt. Savitri Jindal and Mr. Naveen Jindal, 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.

Change of Name

In order to more appropriately connect and reflect the core activity of the Company, it is proposed to change the name of the Company from "JSL Limited" to "JSL Stainless Limited".

The Registrar of Companies, Delhi & Haryana has already granted availability of the said name. Accordingly a special resolution has been proposed in the ensuing Annual General Meeting to obtain consent of the Shareholders pursuant to the provisions of section 21 of the Companies Act, 1956 to change the name of the Company from JSL Limited to JSL Stainless Limited.

Listing on Stock Exchanges

The equity shares of your company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The annual listing fee for the year 2010-11 has been paid to both the stock exchanges where equity shares of your company are listed. GDS of the company are listed at Luxembourg Stock Exchange.

Fixed Deposits

The company has accepted/renewed deposits amounting to Rs.79,67,29,000/- during financial year 2009-2010. There were no overdue deposits on 31st March, 2010, except Rs.99,99,000/- 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., statutory auditors of the Company, hold office until the conclusion of the ensuing annual general meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their appointments, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub section (3) of section 226 of the Companies Act, 1956, for such appointment.

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

Cost Auditors

The Board of Directors has re-appointed M/s. Ramanath Iyer & Co., Cost Accountants, the cost auditors for conducting the cost

Directors' Report

audit for the financial year 2010-11 subject to approval of the Central Government. Application for approval of the Central Government for re-appointment has already been made.

Dematerialisation of Shares

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and of the profit of the company for the year ended on that date;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (d) the directors have prepared the annual accounts of the company on a 'going concern' basis.

Corporate Governance

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

Management Discussion and Analysis Report

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

Acknowledgement

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

for and on behalf of the Board of directors

Savitri Jindal
Chairperson

Place : New Delhi
Date : 31st May, 2010

Directors' Report

ANNEXURE I

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

a) Conservation of Energy

Energy Conservation measures taken:

- Additional capacitors bank have been ordered and installed at 11 KV power station to improve power factor.
- Conventional lights have been replaced with CFL and LED lights.
- High efficiency AC motors have been replaced from low efficiency motors.
- Energy audit has been carried out and action/improvement suggested has been implemented in various sections.
- Pumps and blowers have been put on closed loop system by providing automation to reduce power consumption.

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

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

c) Impact of above measures.

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

FORM - "A"

FORM FOR DISCLOSURE OF PARTICULARS TO CONSERVATION OF ENERGY

S. No.	PARTICULARS	TOTAL 2009-10	TOTAL 2008-09
A. POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
(a)	Purchased		
	Units (in '000 Kwh)*	647440.00	411825.60
	Total Amount (Rs. In Lacs)	25513.82	17168.50
	Rate/Unit (Rs.)	3.94	4.17
	<i>* Net of exports to HSEB</i>		
(b)	Own Generation		
(I)	Through diesel generator		
	Units (in '000 Kwh)#	47326.95	106357.41
	Unit per Litre of Oil	4.30	4.36
	Cost/Unit (Rs.)	10.97	7.37
	# Excluding diesel generator auxiliary consumption		
(c)	Own Generation		
(I)	Through thermal coal		
	Units (in '000 Kwh)#	1588785.00	749090.00
	Unit per Kg of Coal	0.87	1.18
	Cost/Unit (Rs.)	1.42	1.64
	# Excluding CPP auxiliary consumption		
2. FUEL OILS (FO, FOLV, LDO, HSD)			
	Total Quantity (Kilo Litre)*	51323.50	51843.05
	Total Cost (Rs. In Lacs)	13828.49	11947.65
	Average Rate/litre (Rs.)	26.94	23.05
	<i>* including fuel used for Power generation</i>		

Directors' Report

S. No.	PARTICULARS	TOTAL 2009-10	TOTAL 2008-09
3.	COAL/COKE		
	Quantity (MT)	1389455.99	707979.56
	Total Cost (Rs. In Lacs)	22544.57	12274.45
	Average Rate/Kg. (Rs.)	1.62	1.73
4.	GASES (PROPANE/LPG)		
	Quantity (MT)	22644.77	18687.85
	Total Cost (Rs. In Lacs)	8086.30	7129.90
	Average Rate/Kg. (Rs.)	35.71	38.15
5.	GASES (AMMONIA)		
	Quantity (MT)	1351.76	653.92
	Total Cost (Rs. In Lacs)	263.07	162.18
	Average Rate/Kg. (Rs.)	19.46	24.80
B. CONSUMPTION PER UNIT OF PRODUCTION			
1.	ELECTRICITY		
(i)	- for Alloy Steel Melting (unit/ton)	507.35	523.01
(ii)	- for Gas Manufacturing (unit/cum)	0.79	0.75
(iii)	- for Cold Rolled Stainless Steel Manufacturing (unit/ton)	440.33	512.32
(iv)	- for Blade Steel Manufacturing (unit/ton)	1314.37	1640.20
(v)	- for Fe Alloy Manufacturing (unit/ton)	4414.97	4194.73
2.	FUEL OILS		
(i)	- for Alloy Steel Melting (litre/ton)	6.35	8.01
(ii)	- for Cold Rolled Stainless Steel Manufacturing (litre/ton)	12.82	11.91
(iii)	- for Blade Steel Manufacturing (litre/ton)	47.22	41.27
(iv)	- for Fe Alloy Manufacturing (unit/ton)	11.22	15.19
3.	COAL		
(i)	- for Fe Alloy (MT/ton)	0.61	0.62
4.	GASES (PROPANE)		
(i)	- for Alloy Steel Melting (Kg/ton)	0.02	0.83
(ii)	- for Cold Rolled Stainless Steel Manufacturing (Unit/ton)	60.01	69.30
(iii)	- for Blade Steel Manufacturing (Unit/ton)	64.47	60.34
(iv)	- for Fe Alloy Manufacturing (unit/ton)	5.77	10.16
5.	GASES (AMMONIA)		
(i)	- for Blade Steel Manufacturing (Unit/ton)	27.63	30.85
(ii)	- for Cold Rolled Stainless Steel Manufacturing (Kg/ton)	3.19	1.66

FORM - "B"

Form of Disclosure of Particulars with respect to Technology Absorption 2009-10.

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

Development of New Products

- Development of Super austenitic stainless steel 1.4529 (NAS 255 NM) which is one of the most corrosion resistant stainless steel produced in the world.
- Development of highly corrosion resistant S 31727 grade (NAS 155) for withstanding sulfuric acid dew point corrosion in power plants burning high sulfur coal.

Directors' Report

- Development and export of martensitic grade EN 1.4116.

Process Development

- Single stage hot rolling of Duplex stainless steel UNS S31803/32205/EN 1.4462.
- Single stage hot rolling of monophasic austenitic stainless steel X8Cr.Ni.Nb1613 for power industry.
- Improvement in productivity of Bell annealing furnaces for ferritic and martensitic stainless steels.
- Improvement in productivity of hot rolled annealing pickling line for certain 400 series grades

2) Benefits Derived

- Diversification of product range.
- Manufacture of highly value added products.
- Improvement in productivity of annealing furnaces and hot rolling mill.
- Cost reduction

3) Future plan of action

- Development of ferritic grades 444 & 446.
- Development of Corrosion resistant cost effective lean duplex stainless steel.
- Development of high chromium austenitic 347 for welding electrodes.
- Application engineering to facilitate our 200 series, 400 series and duplex grades to replace existing 300 series grades for certain applications.

4) Expenditure on R & D

(Rs. in Lacs)

	2009-10	2008-09
a) Capital	-	92.80
b) Revenue	39.14	77.26
Total	39.14	170.06
c) Total R&D expenditure as a percentage of total turnover		: 0.006 %

5) Technology absorption, adaptation and innovation

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

- Development of Duplex grade En 1.4462/UNS 32205/JSL 2205 & stabilization of its hot rolling & cold rolling.
- Development of stabilized ferritic stainless steel 439,436L & 441 stainless steel to cater wide market.
- Development of Aluminum Bronze for coinage applications.
- Development of JT i.e. low nickel austenitic stainless steel for tubing application.
- Cross bow elimination of Duplex plates by standardizing and improving annealing cycle at Walking beam furnace at HR Finishing section.
- Modification of Chemical composition of IRSM Grade to avoid cracking problem at customers end during fabrication.

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

- Process improvement
- Quality improvement
- Cost reduction
- Wider product range
- Customer satisfaction
- Increase in plant productivity
- Capacity augmentation

6) Foreign Exchange Earnings & Outgo

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

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

(Rs. in Crore)

b) Foreign Exchange Earnings	1124.14
Foreign Exchange Outgo	2967.36

Corporate Governance

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

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

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

2. Board of Directors:

(i) Composition of Board

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

Executive Directors:

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

Non Executive Directors:

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

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 2009-10.

(ii) Board Meetings

During financial year 2009-10, five Board meetings were held on 6th April, 2009, 24th June, 2009, 28th July, 2009, 29th October, 2009 and 28th January, 2010. The maximum time gap between any two meetings was not more than four calendar months.

Corporate Governance

(iii) Attendance of Directors & other Directorships

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

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

* Appointed as additional director and designated as 'Executive Director & Chief Operating Officer' w.e.f. 6th April, 2010.

** Appointed as additional directors w.e.f. 9th March, 2010.

§ Appointed as Nominee Director of State Bank of India w.e.f. 29th April, 2010

Ceased to be director w.e.f. 2nd October, 2009

Ceased to be director w.e.f. 29th January, 2010

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

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

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

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

As on 31st March 2010, 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
Dr. L. K. Singhal *	Nil

* Dr. L.K. Singhal ceased to be Director w.e.f. 29th April, 2010

Corporate Governance

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

A. Scheduling and selection of agenda items for Board meetings

- (i) The Company holds minimum of four Board meetings in each year after the end of each financial quarter. Apart from the four Board meetings, additional Board meetings are also convened as and when required to address the specific needs of the Company by giving appropriate notice to the Directors. The Board also approves permitted urgent matters by passing 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.
- (iv) The Board is given presentations covering finance, sales and marketing, and the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board meeting. The Board's annual agenda includes recommending dividend, determining directors who shall retire by rotation and recommending appointment of directors/ auditors, authentication of annual accounts and approving Directors' Report, long term strategic plan for the Company and the principal issues that the Company expects to face in the future, Board meetings also take note and review functions of its Committees.
- (v) The Chairperson / Vice Chairman & Managing Director / Director Finance and the Company Secretary in consultation with other concerned persons in the top management, finalise the agenda papers for the Board meetings.

B. Board material distributed in advance

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

C. Recording minutes of proceedings at Board meeting

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

D. Post meeting follow up mechanism

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

E. Compliance

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

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. T.S. Bhattacharya and Mr. Gautam Kanjilal have been inducted as members of Audit Committee with effect from 9th March, 2010 and 25th May, 2010 respectively.

Corporate Governance

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

During financial year 2009-10, five meetings of audit committee were held on 29th May, 2009, 24th June, 2009, 28th July, 2009, 29th October, 2009 and 28th January, 2010. Mr. Suman Jyoti Khaitan was present in four meetings. Dr. L.K. Singhal and Mr. T.R. Sridharan, who have already resigned from the Board has attended all the five 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

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

No meeting of Remuneration Committee was held during the year 2009-10.

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, 2010 is given below :

							(Amount in Rs.)	
Name of Directors	Designation	Salary	Commission	Contribution to PF	Others	Total	Notice Period	
Mr. Ratan Jindal *	Vice Chairman & Managing Director	-	-	-	-	-	N.A.	
Mr. Arvind Parakh	Director - Finance	48,00,000	-	5,76,000	1,02,59,822	1,56,35,822	N.A.	
Mr. N.P. Jayaswal #	Executive Director	18,00,000	-	2,16,000	27,03,640	47,19,640	N.A.	

* Mr. Ratan Jindal has received salary of Rs.4,33,46,642 from Jindal Stainless FZE in the capacity of Director and Rs.1,44,06,910 from Jindal Stainless UK Limited in the capacity of Managing Director during financial year 2009-10. Jindal Stainless FZE and Jindal Stainless UK Limited, both are subsidiary companies of JSL Limited.

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

5. Shareholders'/ Investors' Grievance Committee:

Shareholders'/ Investors' Grievance Committee of the Company comprising Mr. Suman Jyoti Khaitan, Chairman, Mr. Arvind Parakh and Mr. S.S. 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, 2010: 17

Number not solved to the satisfaction of shareholders: Nil

No. of pending complaints: Nil

Corporate Governance

6. Share Transfer Committee:

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the share transfer committee comprising Mr. Ratan Jindal, Vice Chairman & Managing Director, Mr. Arvind Parakh, Director - Finance, Mr. Suman Jyoti Khaitan, Director, Mr. Jitendra Kumar, Company Secretary and Mr. Jeewat Rai, Vice President, M/s. Abhipra Capital Limited.

Sitting fees paid to Non Executive Directors:

The sitting fees paid for the year ended 31st March, 2010 to the Directors are as follows: Mr. Suman Jyoti Khaitan, Rs.1,20,000/-, Mr. T.S. Bhattacharya, Rs.60,000/-, Dr. L.K. Singhal, Rs.1,50,000/-, Mr. T.R. Sridharan, Rs.1,30,000/-, Late Satish Tandon, Rs.40,000/-, 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
2006-07	31.8.2007	Friday	12:00 noon
2007-08	16.9.2008	Tuesday	12:00 noon
2008-09	4.9.2009	Friday	12:00 noon

Number of special resolutions passed during last three AGMs

AGM	Number of special resolutions
2006-07	2
2007-08	6
2008-09	11

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

8 Disclosures :

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

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

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

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

(iii) Whistle Blower Policy

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

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

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

Compliance with non-mandatory requirements

(1) The Board

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

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

(2) Remuneration Committee:

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

Corporate Governance

(3) Shareholders' Rights

The quarterly results of the Company are published in one English (National daily) and one Hindi newspaper, having wide circulation in Haryana. Further, the quarterly results are also posted on the website of the Company - www.jindalstainless.com. In view of the 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 7 non-executive directors. The directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

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

(6) Whistle Blower Policy

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

9. Means of Communication:

- | | |
|---|--|
| i) Quarterly Results | The quarterly, half yearly and yearly financial results of the company are faxed / sent to the stock exchanges after they are approved by the Board. These are also published in the prescribed format as per the provisions of the listing agreement. |
| ii) Newspapers wherein results normally published | Business Standard / Financial Express (English), Jansatta (Hindi) - for the year 2009-10 |
| 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 : 23rd July, 2010 at 11:00 a.m.
 - Venue : At registered office of the company at JSL Limited, O.P. Jindal Marg, Hisar - 125 005 (Haryana).
- 10.2 Financial Calendar 2010 - 11 (Tentative)** :
- | | |
|---|-----------------|
| Annual General Meeting - (Next Year) | September, 2011 |
| Board Meetings Results for quarter ending June 30, 2010 | July, 2010 |
| Results for quarter ending September 30, 2010 | October, 2010 |
| Results for quarter ending December 31, 2010 | January, 2011 |
| Results for quarter ending March 31, 2011 | April, 2011 |
- 10.3 Book Closure date** : Wednesday, 14th day of July, 2010 to Friday, 16th day of July, 2010 (both days inclusive) for annual general meeting
- 10.4 Dividend payment date** : Not applicable.

Nomination facility

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

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

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

- (b) Listing of 0.50% Foreign Currency Convertible Bonds (FCCBs) on Stock Exchange at** :
- | | |
|--|--|
| Singapore Exchange Securities Trading Limited
2, Shenton Way, #19-00, SGX Centre 1,
Singapore 068804 | |
|--|--|
- (c) Listing of GDS on Stock Exchange at Exchange at** :
- | | |
|--|--|
| Luxembourg Stock Exchange,
P.O. Box 165,
L - 2011, Luxembourg. | |
|--|--|
- (d) Debenture Trustee** :
- | | |
|---|--|
| Axis Bank Limited
Maker Towers "F", 13th Floor,
Cuffee Parade, Colaba,
Mumbai - 400 005. | |
|---|--|
- 10.6 Stock Code (Equity Shares)** :
- | | |
|--|--------|
| Trading Symbol - Bombay Stock Exchange (Demat Segment) | 532508 |
| Trading Symbol - National Stock Exchange (Demat Segment) | JSL |

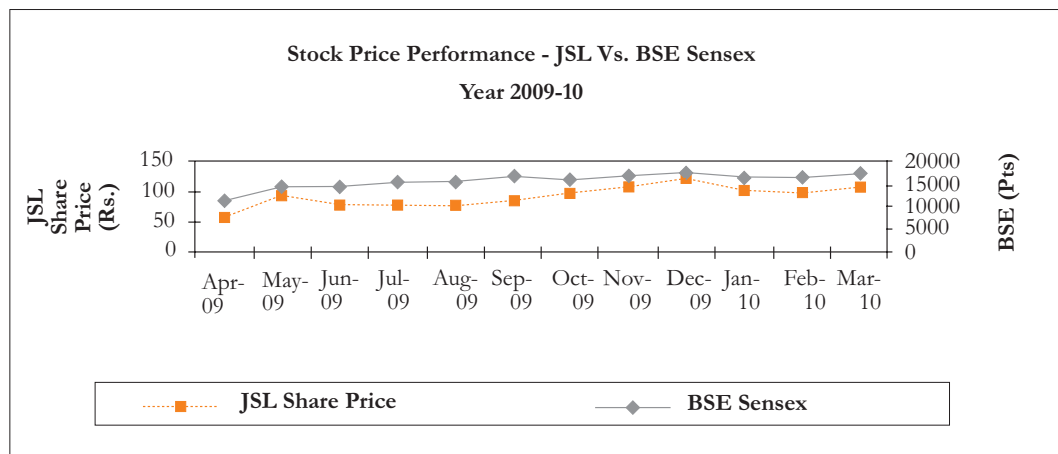
International Securities Identification Number (ISIN)

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

Corporate Governance

10.7 Stock Market Data	: National Stock Exchange (NSE)		Bombay Stock Exchange (BSE)	
	(In Rs.)		(In Rs.)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2009	61.70	37.10	60.90	39.25
May, 2009	101.75	57.10	97.00	57.10
June, 2009	98.90	72.00	100.00	72.10
July, 2009	91.80	60.05	90.00	60.10
August, 2009	83.80	72.10	84.00	70.90
September, 2009	91.90	76.90	91.35	76.55
October, 2009	118.70	84.40	118.80	84.30
November, 2009	117.65	88.10	117.60	88.00
December, 2009	124.90	102.65	124.50	102.10
January, 2010	131.50	99.50	131.70	100.00
February, 2010	110.00	98.00	110.00	97.80
March, 2010	115.00	101.00	113.15	101.00

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



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

10.9 Registrar and Transfer Agents

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

10.10 Share Transfer System

: Share transfer requests are registered within 15 - 20 days.

Corporate Governance

10.11 Distribution of shareholding as at 15th May, 2010:

By size of shareholding	Shareholders		Equity shares held	
	Number	Percentage	Number	Percentage
1 - 2500	56714	98.06	15832089	8.53
2501 - 5000	586	1.01	2103527	1.13
5001 - 10000	259	0.45	1865759	1.01
10001 - 15000	77	0.13	937976	0.51
15001 - 20000	33	0.06	580028	0.31
20001 - 25000	20	0.03	453075	0.24
25001 - 50000	46	0.08	1534611	0.83
50001 & Above	102	0.18	162275107	87.44
TOTAL	57837	100.00	185582172	100.00
Physical Mode	14414	24.92	40782920	21.98
Electronic Mode	43423	75.08	144799252	78.02

By category of shareholders	Equity shares held	
	Number	Percentage
Promoters	74465935	40.13
GDS held by promoters underlying shares	16734984	9.02
GDS held by others underlying shares	869350	0.47
FIs/Banks/Mutual Funds	17483410	9.42
Corporate Bodies	11637462	6.27
Foreign Bank	9997524	5.39
FII's	33841757	18.24
NRI's/OCBs	1835442	0.98
Public	18716308	10.08
Total	185582172	100.00

10.12 Dematerialisation of shares : 78.02% of the shares have been dematerialised upto 15th May, 2010. Trading in equity shares of the company is permitted only in dematerialized form.

10.13 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity. : During financial year 2004-05, the company issued 0.5%, 12000 Foreign Currency Convertible Bonds (FCCBs) due 2009 of USD 5000 each for an aggregate amount of USD 60 million. As on 24th December, 2009, which was the due date for redemption, FCCBs equivalent to USD 35,950,000 were already converted into equity shares and balance FCCBs equivalent to 24,050,000 remained outstanding. Under the terms of approved CDR Mechanism, the Company is not allowed to redeem FCCBs from its internal accruals or sources tied-up for proposed restructuring without specific written consent of CDR EG. Therefore, the Company is currently renegotiating the terms of the outstanding FCCBs with the respective Bond holders for restructuring of these outstanding FCCBs.

10.14 Plant locations :

- **HISAR (Haryana)**
O.P. Jindal Marg,
Hisar - 125 005
(Haryana).
- **KOTHAVALASA (Andhra Pradesh)**
Jindal Nagar,
Kothavalasa - 535 183
Dist. Vizianagaram (A.P.)
- **JAJPUR (Orissa)**
Kalinga Nagar Industrial Complex,
P.O. Danagadi - 755 026
Dist. Jajpur (Orissa) India

Corporate Governance

10.15 Investor Correspondence : Name : Mr. Jeewat Rai
 For transfer/ dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the company. Designation : Vice President
 Address : Abhipra Capital Limited (Unit: JSL Limited)
 Ground Floor - Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, New Delhi - 110 033.
 Phone No. : (011) 42390909
 Fax No. : (011) 27215530
 Email : investorcare@jindalstainless.com

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

11. OTHER INFORMATION

(a) Risk Management Framework:

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

(b) Code of Conduct

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

To the Shareholders of JSL Limited

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 : 31st May, 2010

(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, 2010, no accounting treatment was different from that prescribed in the Accounting Standards;
- (iv) The Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Corporate Governance

Certification

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

1. We have reviewed the balance sheet and profit and loss account (both consolidated and stand alone) of the company for the year ended March 31, 2010 and all its schedules and notes to accounts, as well as the cash flow statements.
2. To the best of our knowledge and information:
 - a. The financial statements and other financial information included in this report, fairly present in all material respects, the financial conditions, results of the operations and cash flows of the company as of and for the periods presented in the Annual report, and are in compliance with the existing accounting standards and/or applicable laws and regulations:
 - b. The financial statements and other financial information do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading:
 - c. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
 - d. There is no continuing failure of internal controls and all controls are placed in the Company.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or in violation of the Company's code of conduct.
4. We along with the Company's other certifying officers i.e. the functional heads, are responsible for establishing and maintaining disclosures controls and procedures for the financial reporting of the Company, and we have:-
 - a. Designed such disclosure controls and procedures to ensure that material information relating to the Company, including transactions entered into with Foreign subsidiaries and all related party is made known to us by the officials in these entities, particularly during the period in which the Annual report is being prepared and
 - b. Evaluated the effectiveness of the company's disclosure, controls and procedures
5. We, along-with the other certifying officers of the company, have disclosed based on our most recent evaluation, wherefore applicable, to the Company's Statutory Auditors and to the Audit Committee of the board of Directors:
 - a. All significant deficiencies in the design or operation of the internal controls, which we are aware could adversely affect the Company's ability to record, process, summarize and report financial data and identified any material weakness in the internal controls and taken steps to rectify these deficiencies;
 - b. Whether there were significant changes in the internal controls over financial reporting subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weakness;
 - c. Fraud, if any which we have become aware of and that involves management or other employees who have a significant role in the Company's internal control systems over financial reporting;
 - d. Significant changes in the accounting policies during the year, if any, have been disclosed in the notes to the financial statements.

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

New Delhi,
31st May, 2010

Ratan Jindal
Vice Chairman & Managing Director

Arvind Parakh
Director - Finance

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

To the members of JSL Limited

We have examined the compliance of conditions of Corporate Governance Procedure implemented by JSL Limited for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

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

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

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

Place : New Delhi
Dated : 31st May, 2010

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

Management Discussion and Analysis

GLOBAL ECONOMY

Global sentiments have shown slight recovery towards the end of 2009 after the steep slowdown since the last quarter of 2008. However, demand recovery is still undermined by short to medium term uncertainties emerging from USA and the European Economies. The demand for raw materials and employment in US is still facing set back, which is being debated at different forums. According to International Monetary Fund's (IMF) January 2010 estimates, global economic growth in 2009 is estimated at around 0.6%. The IMF estimates suggest a positive economic rebound in 2010 with the global economy registering a 4.2% growth. Advanced economies and emerging world growing by 2.3% and 6.3% respectively.

GLOBAL STAINLESS STEEL INDUSTRY

As a result of global economy slowdown during later half of 2008, the stainless steel industry during 2009 experienced yet another difficult year with stainless steel production of around 24.6 million tons. The recessionary effect was felt much harder in Europe & USA, especially in the first half of the year. The recovery in the second half was not enough to off-set the losses from the first six month of the year. The world crude stainless steel production decreased by 5.2% in 2009 as compared to the previous year. Asia (excluding China) experienced a decrease in production of 11.6% to 7.1 Million Metric Tons, on the contrary China alone recorded growth of 26.8%. However, on the positive side, world crude stainless steel production reached almost 7.5 Million Metric Tons in the first quarter of 2010.

Comparing the individual quarters of 2009 with those of 2008, shows very different growth rates during the year. The first quarter of the year were clearly depressed with production down by 34.5% and by 18.8% in the second quarter. However, by the third quarter of 2009 there were clear signs of recovery with global production increasing by 11.9% compared to the same period of the previous year which corresponded to beginning of crisis. Total production was over 7 million tons, one of the highest levels ever recorded for a third quarter. This was an indication that replenishment of low level of stocks started during that time. The final quarter of 2009 showed an increase in stainless steel production of more than 38% compared to the same period in 2008. This high figure is partially due to the extremely low production levels in the final quarter of 2008. However, it also indicates a positive sign of global economic recovery and that has given enough impetus for further reconstitution of inventories of stainless steel. The regional quarter-wise analysis as per International Stainless Steel Forum (ISSF) is summarized as below:

(in '000 metric tons)

		Western Europe/ Africa	Central and Eastern Europe	The Americas	Asia (excluding China)	China	World total
Quarter 1	2008	2,432	96	709	2,167	1,972	7,376
	2009	1,314	50	408	1,289	1,769	4,830
	Y-o- Y (+/-%)	-46.0	-48.1	-42.4	-40.5	-10.3	-34.5
Quarter 2	2008	2,433	98	685	2,317	1,889	7,421
	2009	1,571	50	438	1,670	2,298	6,028
	Y-o- Y (+/-%)	-35.4	-49.1	-36.0	-27.9	21.7	-18.8
Quarter 3	2008	1,908	89	548	2,079	1,653	6,277
	2009	1,752	75	650	2,042	2,502	7,021
	Y-o- Y (+/-%)	-8.1	-15.6	18.6	-1.8	51.4	11.90
Quarter 4	2008	1,499	50	373	1,505	1,430	4,856
	2009	1,811	62	461	2,130	2,236	6,700
	Y-o- Y (+/-%)	20.9	23.7	23.8	41.6	56.4	38.0

Source: ISSF

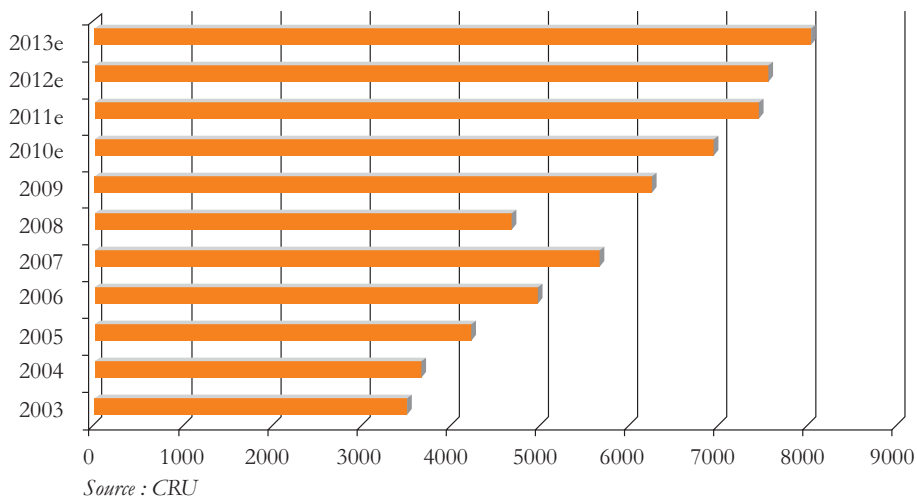
Management Discussion and Analysis

CHINA - AN EMERGING ECONOMIC POWER

China, the new emerging economic power, played a pivotal role as global economic savior in 2009, preventing the world economy from crashing further. Aggressive fiscal and monetary stimulus in 2009 offset much of the impact of the global recession. After a relatively weak first quarter (Jan - March 2009), the economy accelerated to register around 8.7% GDP growth, strengthening its position as the world's fastest growing economy.

The stainless steel industry is slowly and steadily shifting in eastwards to Asia, which is now the largest producer of stainless steel, accounting for more than 60% of world's production. China is by far the largest stainless steel producing country with its production figure touching at around 8.8 million tons. China itself produces and consumes more than one third of world's stainless steel. As per CRU, the historical & expected trends in Chinese apparent stainless steel consumption can be summarized as under:

**China's Apparent Stainless Steel Consumption
(^{'000 tons)}**



As the world is becoming more concerned about the environment, stainless steel has proved itself to be highly sustainable material. Its long life, low maintenance cost and ability to be recycled indefinitely have proved to be decisive advantages compared to other metals. This certainly ensures the future growth of stainless steel industry surpassing all other metal industry.

INDIAN ECONOMY

Indian economy is on steady growth trajectory and recovery is getting more broad-based. After declining for 12 consecutive months India's export and import sector improved in response to the recovery in the global economy. Domestic output is also expected to improve as the economy grows. There are better prospects for the agriculture produce, services and manufacturing sectors have also shown great resilience. The real GDP growth of India during 2009-10 was 7.5% as projected in the Reserve Bank of India annual financial statement of April 2010. The available data suggests increasing levels of capacity utilization in recent months and subject to normal monsoon, output growth during 2010-11 is expected to gain further momentum.

INDIAN STAINLESS STEEL INDUSTRY

In 2009 India was the fifth largest consumer of flat stainless steel products in the world. The domestic stainless steel consumption in India is around 1.5 million tons and has shown fair growth rate of 10 % in last few years. The large part consists of conventional household goods segment market of around 70% and the balance 30% accounts for Architecture, Building & Construction, Automotive, Railways & Transport, Engineering, Petrochemical & refinery, pipe & tube, nuclear & process industry; which are some of the fastest growing industries in India.

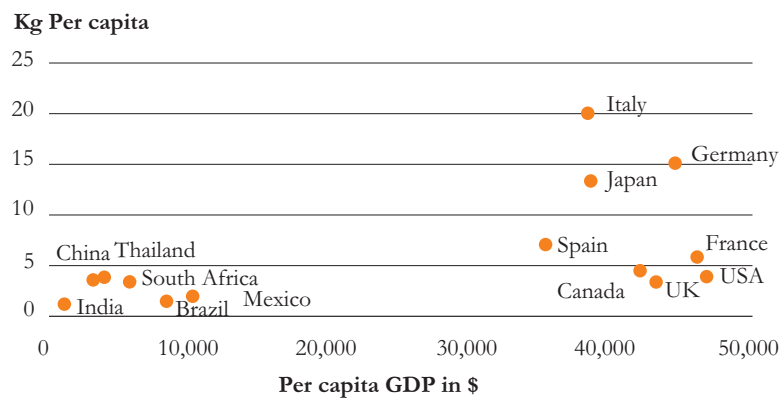
Management Discussion and Analysis

The macro drivers for the growth of the Indian stainless steel industry includes

- Per Capita Income growth,
- Growing Infrastructure Investment and
- Growth in stainless steel application.

India's per capita stainless steel consumption is still around 1.2 kg per person as compared to developed countries of around 15-20 kg and China's consumption of 5 kg per person. With continued growth of the Indian economy and the expected rise in income levels, the per capita stainless steel usage in India is expected to grow with growth in GDP as well as per capita income. The per capita GDP and its correlation with per capita stainless steel usage in various countries is enumerated as below:

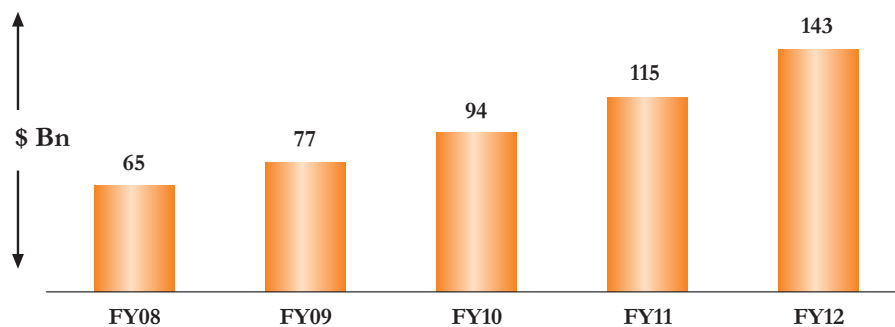
Low per capita Stainless Steel flat consumption in India



Source : CRU Feb 2010 quarterly report, World Bank

Growth in the Indian economy is expected to increase demand for stainless steel products, driven by emerging applications for stainless steel, rising per capita income in India and increased investment in infrastructure. The table below shows the estimated growth in Indian infrastructure spending from fiscal year 2008 to fiscal year 2012.

Investment in Infrastructure



Source : Planning Commission of India

Management Discussion and Analysis

The estimated sector-wise investment in infrastructure from fiscal year 2008 to fiscal year 2012 based on the estimates published by the Planning Commission of India.



Source : Planning Commission of India

Potential growth Sectors for Stainless Steel Applications:

- Railways - Wagon/Coaches/ Metro Rail
- Automobile
- Urban Infrastructure
- Industrial production
- Industrial equipments for Power plants, Refinery, Petro Chemicals and other process industries

Outlook

Keeping in mind the host of new developing applications, steady economic and Industrial growth pushing Stainless Steel usage, existing lower per capita consumption of stainless steel and availability of key natural resources like iron ore, chrome ore and manganese, the Outlook of Indian Stainless Steel Industry seems to be very bright.

STAINLESS STEEL MAKING AT JSL

Operational Overview

JSL has three manufacturing facilities in India, located at Hisar in the state of Haryana, Jajpur in the state of Orissa and Vizag in the state of Andhra Pradesh. The facilities include captive chromite mines, a captive thermal power plant, ferro-chrome facilities and stainless steel melting, hot rolling, cold rolling and downstream value-added facilities.

Production Performance

Production	Unit	2009-10	2008-09	Growth
Stainless Steel Melting at Hisar	Tons	677,841	466,834	45%
Ferro Alloys				
- Orissa	Tons	128,712	117,505	10%
- Vizag	Tons	32,681	31,901	2%
Total Ferro Alloys	Tons	161,393	149,406	8%
Thermal Power (Net)	Million kwh	1,589	749	112%

Management Discussion and Analysis

FINANCIAL PERFORMANCE

Highlights:			(Rs. crore)
Particulars	2009-10	2008-09	Growth
Net Sales & Other Income	5,773	4,873	18%
EBIDTA	1,077	359	200%
Interest	399	318	25%
Cash Profit before exceptional items	678	41	1544%
Depreciation	340	313	9%
Profit before tax and Exceptional items	338	(272)	-
Exceptional Items - (Loss) / Gain	233	(595)	-
Profit/(Loss) before Tax	570	(867)	-
Net Profit/(Loss)	378	(580)	-

Net sales & Other Income of the Company has gone up by 18% at Rs. 5773 crore in the Financial Year 2009-10 in comparison to Rs. 4873 crore during Financial Year 2008-09. Profit before interest, depreciation, tax and exceptional and extraordinary item is at Rs. 1077 crore up by 200% as compared to Rs. 359 crore during previous year. Cash Profit before exceptional item has gone up by 1544% at Rs. 678 crore in the current year as compared to Rs. 41 crore during previous year. Net Profit is Rs. 378 crore in comparison to loss of Rs. 580 crore during previous year.

Revenue Analysis			(Rs. Crore)
	2009-10	2008-09	Change %
Domestic Sales	4976	4082	22%
Export Sales	1143	1213	-6%
Gross Sales	6119	5295	15.5%
Other Income	17	20	-15%
Net Sales & Other Income	5773	4873	18%

The growth in revenues during the year was mainly attributable to increased sales of value added products in the domestic market, the exports had slight negative growth due to slowdown in the international market.

EBIDTA			(Rs. Crore)
	2009-10	2008-09	Change %
EBIDTA	1,077	359	200%

The improved EBIDTA during the year was largely a factor of higher production at Hisar plant and company's constant focus on higher value added stainless steel products. In addition to this, the higher capacity utilization in the power plant at Orissa also acted as a stimulator for the growth in the EBIDTA on overall operations of the company.

Interest			(Rs. Crore)
	2009-10	2008-09	Change %
Interest and Other Financial Charges	399	318	25%

The interest charges for the year were higher due to increased level of bank debt and also on account of revision of interest rates under the CDR scheme.

Management Discussion and Analysis

Exceptional Items	(Rs. Crore)		
	2009-10	2008-09	Change
Exceptional Item	233	(595)	828

During financial year 2009-10 the company reported a gain of Rs. 233 crore from exchange rate fluctuations. This was primarily because of rupee appreciation from 31st March, 2009 level of Rs. 50.72 to 31st March, 2010 level of Rs. 44.90.

Fixed Assets	(Rs. Crore)		
	2009-10	2008-09	Change
Gross Block	5318	5046	272
Less: Depreciation	1415	1091	324
Net Block	3903	3955	(52)
Capital Work-in Progress	3885	2011	1874
Total	7788	5966	1822

The increase in Capital Work-in Progress includes capital expenditure on the ongoing Phase-II expansion at Orissa.

FINANCIAL STATEMENTS - CONSOLIDATED

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

Subsidiaries:

- (i) Jindal Stainless UK Limited;
- (ii) Jindal Stainless FZE, Dubai;
- (iii) PT Jindal Stainless Indonesia;
- (iv) Jindal Stainless Italy S.r.l.;
- (v) Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey
- (vi) Jindal Stainless Steelway Limited;
- (vii) Austenitic Creations Private Limited;
- (viii) Jindal Architecture Limited;
- (ix) Green Delhi BQS Limited;
- (x) Parivartan City Infrastructure Limited;
- (xi) JSL Group Holdings Pte. Ltd., Singapore;
- (xii) JSL Ventures Pte. Ltd., Singapore;
- (xiii) JSL Europe S.A., Switzerland;
- (xiv) JSL Minerals & Metals S.A., Switzerland;
- (xv) Jindal Aceros Inoxidables S. L., Spain;
- (xvi) JSL Logistics Limited;
- (xvii) Iberjindal S.L.

Management Discussion and Analysis

Joint Venture:

- (i) MJSJ Coal Limited

Associates:

- (i) J.S.S. Steelitalia Limited

The Consolidated Gross Sales and Net Sales & Other Income of the Company during the financial year 2009-10 was reported at Rs. 6493 crore and Rs. 6156 crore respectively as compared to Rs. 5753 crore and Rs. 5327 crore during the financial year 2008-2009, thereby recording a growth of 13% and 16% respectively. The EBIDTA, PBT and PAT on a consolidated basis for the year ended 31st March, 2010 was reported at Rs.1122 crore, Rs.598 crore and Rs.392 crore respectively as compared to Rs. 409 crore, (Rs. 910 crore) and (Rs. 609 crore) as reported for the year ended 31st March, 2009.

OPPORTUNITY & THREATS

India is a large consumption centre for stainless steel and poised for high growth in coming years and offers ample growth opportunities for the producers. Apart from taking a fair share in increasing domestic market, JSL as an industry leader is constantly developing new applications and believes in taking the market to new levels of consumption. The Company is also instrumental in its efforts to increase the customer reach by way of distribution, service centers network, value additions, customization and various CRM activities in India as well as in International markets.

The ongoing expansion plans in Orissa and existing operations at Hisar, are supplementing our long term vision for development of globally cost competitive stainless steel facility. All these changes in capacity/product offering will allow us to sell more value added products to wide spectrum of customers, thereby increasing our customer base & profit margins.

The very nature of this stainless steel business, be it in India or international, is seasonal and cyclic in nature. It is very sensitive to general economic conditions and has bearing with other industries. The environmental factors that are external and beyond the control of organization, pose the natural threat as applicable to any other industry.

Key raw materials prices form the basis of stainless products cost and prices. Major change/fluctuation in raw material prices and availability is important as well as critical to the business. The increase in Chinese capacity, increase in production levels, any economic fluctuations, competition, trade barriers, and change in the end-usage pattern are some of the major factors that can influence the company operations and business performance.

RISK AND CONCERNS

Operating results of any organization may fluctuate due to a number of factors and many of them are beyond the control of the organization. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved. Few of the risks associated with our businesses are the following:

- Change in demand/usage pattern by customers
- Key raw material prices and availability
- Price decrease in domestic and international markets.
- Failure to meet the conditions stipulated by the lenders from time to time
- Failure to successfully complete Phase II of our Orissa Project, within the planned timing and financial estimates
- Adverse fluctuations in the exchange rate of the Rupee versus major international currencies, including the U.S. dollar
- Commercial change in Indian and International market such as domestic duties / Import tariff / taxes on our raw materials, consumables purchased, Import tariff imposition in International markets where we sell our products.
- Competition from global and Indian stainless steel producers

Management Discussion and Analysis

INTERNAL CONTROL SYSTEM

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

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

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

ENVIRONMENT, HEALTH AND SAFETY MEASURES

In the journey towards being the doyens in stainless steel manufacturing, JSL Limited has benchmarked its processes in the field of Quality, Safety, Health and Environment. As an ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certified company, our sole objective is not just to satisfy the customer but to delight him. The company quality edifice stands on the pillars of Total commitment to customer satisfaction, Market Leadership, Striving for Quality Excellence and Sustainable Development of Stakeholders.

It is the policy of the Company to ensure that safety, health and environmental requirements are well planned and executed within the organization and form an integral part of the JSL's Total Quality Management (TQM) Program.

Besides achieving quality in each and every aspect of operations, the primary objective of any activity at JSL is to ensure that all hazards have been identified, assessed, quantified and then mitigated and eliminated as far as possible and as early as possible. To facilitate this objective, the organization has been BS OHSAS 18001 certified, thus ensuring that the all safety systems are in place and followed up across each process to demonstrate acceptable Health and Safety performance and delivery.

JSL's green compliances

All JSL operational practices adhere to stringent 'green compliances' and processes, certified as per international environmental standards; edging toward the concept of "stainless-green." We strive to fulfill all our environmental obligations and commitments towards minimizing our carbon footprints.

At JSL, concern for the environment is integral to our business strategy towards sustainability and we strive to fulfill all our environmental obligations and commitments towards minimizing our carbon footprints. We regard it as our responsibility to current and future generations to continually improve our environmental performance. This is achieved by improving resource efficiency in operations, especially for key resources such as energy and water, adopting the '3-R' (reduce, reuse and recycle) practices for all types of wastes towards prevention of pollution and dispose of 'inevitable' wastes and set, monitor, and review objectives and targets on an ongoing basis towards achieving continuous improvement in environmental performance and the overall environmental management system.

In order to promote a continuous improvement environment, JSL is unrelentingly working for waste reduction through adopting principals of Lean Manufacturing and using tools like JQI (Juran Quality Initiative), TPM, Quality Circles, 5S and 6 Sigma. Various projects have been identified and executed with the help of these tools, providing reduction in waste generation and tangible benefits to the organization. These initiatives are continuous with more and more opportunities being identified on a regular basis. The employees are well trained to take up the challenges and resolve them, thus contributing to the growth and pride of the organization.

PROGRESS WITH PEOPLE

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

Management Discussion and Analysis

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

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

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

The company is proud of its Human Capital and their contribution to our success. JSL cherishes this continued "Progress with People".

SOCIAL CONCERNS

Philosophy

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

CSR Vision

Corporate Social Responsibility (CSR) is the strategic approach toward sustainable community development and the key to inclusive growth. With that as a focus, the Company's Corporate Vision 2010 is "To be admired as a Socially Responsible Corporate and a Sustained Value Creator for all its Stakeholders".

JSL Foundation

JSL Foundation, a registered society under the Registrar of Societies was established with the aim of implementing various social and environmental initiatives through direct & indirect methods. Aligned to its vision, JSL through its foundation has a wide range of social development programmes initiated near its Corporate Head office, Plant locations and factories with the aim of empowering communities and bringing succor to their woes.

The Company has established links with various National/International CSR initiatives and stressed upon participatory approach of Programme Development and Design. We believe that **"CSR is the direct connect between "Head & Heart" and can only be achieved when Professional speaks the "Language of Heart."**

Initiatives undertaken

Under the aegis of JSL Foundation, the Company has initiated wide range of social development programmes. Giving back a part of our success to the society through various community based structured sustainable programmes in tandem with our philosophy and vision. The implementation strategy of its various initiatives launched, is a mix of public-private-people-partnership models and direct intervention programmes through the CSR teams positioned at the plant / factory locations at Hisar, Jajpur (Orissa), Vishakapatnam and Delhi. A number of Corporate Social Responsibility Initiatives have been taken up like community development programs, which include rural development schemes on a PPP model, integrated community healthcare programmes, education and skill training programmes, women empowerment and micro-financing programmes, infrastructure development and watershed management and so on. Some of the major Social initiatives being taken are as follows:

(a) Stainless Skill Training Institute (SSTI)

The Skill Training Institutes established close to our Plant locations at Hisar (Haryana) and Jajpur (Orissa), where-in the semi-urban and rural youth are being provided various skill sets in areas to include computer hardware, computer software, dress designing and fashion technology, beauty culture and electronics and the students are put through recognized certification programmes. Each year the Institutes train over 600 rural youth and assist them placements.

Management Discussion and Analysis

(b) Community Development Programmes

Under these programmes, the community needs are looked into in a professional manner with environmental issues taken care of in the rehabilitation colonies. Youth groups are encouraged and adequate facilities are provided to develop talent. Interesting programmes like 'Community Led Total Sanitation' aimed at 'Freedom from open defecation, have had a tremendous impact on the communities, as they see the difference in their own health, with malaria and dysentery having subsided substantially after introduction of the programme. Some of the other activities undertaken are introducing smokeless chulas, rain-water harvesting system, SHGs formation, environment, community participation programmes, etc

(c) Promoting Agricultural Best Practices

In collaboration with partner organizations as also with the support of NABARD, over 4000 farmers have been trained in growing organic food. Vermi-composting has become a favorite with the farmers as more numbers of farmers are adopting the practice. Besides the awareness campaigns through structured talks on the subject to different sections of society, we are also engaged in encouraging farmers to adopt the best practices in agriculture and adopt new farming techniques, through the office of the Indian Agriculture Institute and Research Centre. A programme on seed multiplication also been introduced

(d) Women Empowerment

Over 200 Self Help Groups (SHGs) in the rural and tribal areas have been formed by the CSR teams. The SHGs are given various trainings with a focus on marketing products. Collaboration with NABARD has also been established and PPP model 'Market on wheels' has been initiated. The SHGs have been imparted trainings in micro-credit and micro-financing and have successfully engaged with banks with over 60 lakhs having been disbursed as loans and subsidies for various development programmes.

Selected women SHG members have been trained at Dehradun in various food processing products. They were trained in over 31 different food based products and the training was encouraging for women members of Kalinganagar as it will help them to widen the product range.

(e) Livelihood Programme

A number of other livelihood programmes are being initiated through community/household programmes in the remote villages or through the SHGs themselves. Tailoring Centres have been opened at a number of villages and the women are getting orders from the local schools to stitch their uniforms etc. Orders are already being issued by our purchase department for aprons and gloves at the factories in addition to requirement of aprons, coats and gloves in our hospitals.

(f) Rural Business Hub

JSL, in collaboration with a 'Not for profit organization MART, is developing the local HAAT through a structured approach, with the aim of maximizing profits for the producers themselves doing away with the middlemen. NABARD has encouraged the efforts and is supporting the initiative in the construction of the infrastructure required for the HAAT. To build ownership into the system, the duly elected local body i.e. - Rural Business Committee will be leading the initiative as this will bring in local ownership and encourage participation

(g) Integrated Community Health Programme (ICHP)

The primary health care, which as per latest McKinsey survey is the Number 2 problem across the world only after climate change, is a major area of our intervention. Besides a multi specialty 500-bed hospital at Hisar, which has a newly constructed Cancer Unit, we have outreach services for the poor and operate mobile and static clinics in the remote areas of Orissa, Andhra Pradesh and Haryana.

As Jajpur, has an integrated health care programme with mobile medical and dental clinics doing the rounds in different locations on specified days of the week.

At Vizag, we have a mobile medical unit reaching out to the marginalized sections of the society and at Delhi we have a programme on 'Prevention of Drug abuse and Rehabilitation'. All these initiatives are developed on a collaborative model through partnerships. In addition the CSR department has initiated various awareness campaigns on child & maternity health care, HIV - AIDS awareness, 'Save the girl child' .

Our ICH Programme has reached more than 15000 patients in last 1 year.

Management Discussion and Analysis

(h) Education

Education is being addressed selectively with different practices followed for formal and non-formal education systems. In addition to the two formal (10 + 2) schools at Hisar, (one being a residential girls school), we have Adult Education centres, Remedial Education programmes, Tuition Centres and NIOS Study Centres for school drop outs. The effort is to ensure quality, and adequate attention is laid on initiating students with the latest training modules and the life skill training programme incorporated into the education system. In addition, again in partnership with Smile Foundation, we have opened ten Non Formal Education and Remedial Education Centres in Orissa. At Hisar in collaboration with the DEO, Hisar we have opened up some NFE Centres, at the Government School premises and the children after a three month bridge course are being mainstreamed in Government Schools.

CAUTIONARY STATEMENT

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

Auditors' Report

To THE MEMBERS OF JSL LIMITED

We have audited the attached Balance Sheet of JSL Limited, as at 31st March, 2010 and the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 (as amended) (herein after called The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c) The reports on the accounts of the branch audited by other Auditors have been forwarded to us and have been appropriately dealt with by us in preparing our report;
 - d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account and with the audited accounts from the branch;
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - f) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2010 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. 24 (C) (i) of schedule 20 regarding pending necessary approvals for managerial remuneration as explained in the said note.
 - (ii) Note no. 10 of schedule 20 regarding impact of interest on FCCB and EPS as stated in the said note.
 - (iii) Note no. 7 (ii) of schedule 20 regarding pending confirmations of balances of certain secured loans as stated in the said note.
 - (iv) Note no. 2 (B) of schedule 20 regarding pending export obligation against raw material consumed imported under advance license as stated in the said note.
 - h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

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

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

Place : New Delhi
Date : 31st May, 2010

Auditors' Report

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 1 of our report of even date to the Members of JSL LIMITED on the Financial Statements for the year ended 31st March, 2010.

1. (a) The company has maintained proper records in respect of its fixed assets showing full particulars, including quantitative details and situation of fixed assets.
- (b) We have been informed that certain fixed assets of the company have been physically verified by the management according to a phased programme of periodic verification which, in our opinion, is reasonable having regard to the size of the company and nature of fixed assets. As informed, no material discrepancies between book records and physical inventory have been noticed in respect of the fixed assets physically verified during the year.
- (c) As per records and information and explanations given to us, no substantial part of fixed assets has been disposed off during the year.
2. (a) As informed, the inventory of the company at all its locations, except stocks lying with third parties, in transit and part of the stores and spares, have been physically verified by the management either at the end of the year or after the year end, and in respect of stores and spares, there is perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper record 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.
- (b) As informed to us, the company has not taken any loan, secured or unsecured, from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (f) & (g) of The Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternatives sources, do not exist for obtaining comparative quotations, taking into consideration the quality, usage and such other factors, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across nor have we been informed of any instance of major weaknesses in aforesaid internal control systems.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and having regard to our comments in paragraphs 4 above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
6. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under with regard to deposits accepted from public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
7. In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products and are of the opinion that, prime facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.

Auditors' Report

9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited during the year with appropriate authorities. No undisputed amount payable in respect of the aforesaid statutory dues were outstanding as at last day of the financial year for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Wealth Tax and Custom Duty that have not been deposited with appropriate authorities on account of disputes and the dues in respect of Income Tax, Excise duty, Service Tax, Sales Tax and Cess that have not been deposited with appropriate authorities on account of dispute and the forum where the dispute is pending are as given below:

Name of the statute	Nature of the Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending.
Central Excise Act	Excise Duty	1.69	1995-96	High Court, New Delhi.
		21.69	1994-95	Reference application allowed by CESTAT, Delhi for further appeal in High Court, Delhi.
		658.08	1999-2004	High Court of Punjab & Haryana
		27.19	2004-06	CESTAT, Delhi.
		113.07	2005-08	CESTAT, Delhi.
		7.57	2000-01	CESTAT, Delhi.
		57.14	1994-96	Commissioner of Central Excise, Rohtak.
		7.63	1994-95	Addl. Commissioner of Central Excise, Rohtak
		5.99	2007-08 & 2008-09	Commissioner (Appeals), Gurgaon
		0.39	1996-97	Commissioner (Appeals), Gurgaon
		18.02	1995-97	Joint Commissioner of Central Excise, Rohtak
		6.48	2005-07	CESTAT, Bangalore
		14.38	2004-08	Assistant Commissioner, Vizag
Finance Act	Service Tax	3,309.88	2005-10	Commissioner of Central Excise, Bhuvansher
		745.67	2003-06	CESTAT, Delhi
		1.99	2007-08 & 2008-09	Commissioner (Appeals), Delhi
Sales Tax Act	Sales Tax	9.89	2008-09	Commissioner (Appeals), Gurgaon
		3.00	1993-94	High Court of Punjab & Haryana
		65.06	2002-03, 2003-04 & 2004-05	Commissioner of Sales Tax Orissa, Cuttack.
	O VAT	179.57	2005-06, 2006-07 & 2007-08	Stay petition before Additional Commissioner of Sales Tax and Writ Petition before High Court, Cuttack
ORISED Act, 2004	Cess	320.49	2005-07	H'ble Supreme Court
Entry Tax Act, 1999	Entry Tax	22.71	2004-05	Commissioner of Sales Tax Orissa, Cuttack.
		10.37	2005-06	Commissioner of Commercial Tax Central Zone Cuttack
		351.65	2007-08	H'ble Supreme Court
Income Tax Act	Income Tax	2,851.73	2004-05 & 2005-06	Commissioner of Income Tax (Appeals), Delhi.
		534.99	2002-03 & 2003-04	High Court, New Delhi

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash loss during the year. However cash loss was incurred in the immediately preceding financial year.

Auditors' Report

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

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

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

Place : New Delhi
Date : 31st May, 2010

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

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

Balance Sheet as at 31st March, 2010

		(Rs. in Lacs)	
Description	SCHEDULE	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,711.64	3,242.70
Reserves and Surplus	2	187,647.54	125,790.54
		191,359.18	129,033.24
LOAN FUNDS			
Secured Loans	3	728,602.74	517,957.35
Unsecured Loans	4	25,889.34	47,757.06
		754,492.08	565,714.41
Deferred Tax Liability (Net) (Note No. 23 of Schedule 20)		39,097.77	19,914.33
TOTAL		984,949.03	714,661.98
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		531,781.79	504,636.96
Less: Depreciation / Amortisation		141,463.24	109,087.27
Net Block		390,318.55	395,549.69
Add: Capital Work in Progress		388,498.24	201,095.04
		778,816.79	596,644.73
INVESTMENTS	6	35,144.69	89,685.79
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	163,286.49	166,175.54
Sundry Debtors	8	105,973.67	56,209.24
Cash and Bank Balances	9	68,750.24	65,721.92
Loans and Advances	10	81,795.61	74,667.28
		419,806.01	362,773.98
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	221,695.13	311,952.40
Provisions	12	29,902.24	25,322.34
		251,597.37	337,274.74
NET CURRENT ASSETS		168,208.64	25,499.24
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	13	2,778.91	2,832.22
TOTAL		984,949.03	714,661.98
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

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

		(Rs. in Lacs)	
Description	SCHEDULE	31.03.2010	31.03.2009
INCOME			
Gross Sales and Operational Income	14	611,944.14	529,504.86
Less : Excise Duty		36,289.27	44,174.15
Net Sales and Operational Income		575,654.87	485,330.71
Other Income	15	1,684.86	1,979.95
		577,339.73	487,310.66
EXPENDITURE			
Material, Manufacturing and Others	16	437,847.10	422,836.36
Personnel	17	12,144.35	10,997.41
Administrative and Selling	18	19,352.65	17,558.79
Interest and Bank Charges	19	39,938.83	31,758.63
Miscellaneous Expenditure Written off		317.68	38.51
Depreciation / Amortisation		33,988.71	31,307.86
		543,589.32	514,497.56
NET PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS		33,750.41	(27,186.90)
Add :			
Exceptional Items - Gain/(Loss) (Note No. 5 of Schedule 20)		23,287.23	(59,494.34)
NET PROFIT / (LOSS) BEFORE TAXATION		57,037.64	(86,681.24)
Less:			
Provision for Taxation		4,377.54	7.01
MAT Credit Entitlement		(4,371.96)	-
Provision for Fringe Benefit Tax		-	126.00
Provision for Deferred Tax		19,183.44	(28,855.87)
Previous Year Taxation Adjustment		0.40	23.66
PROFIT / (LOSS) AFTER TAXATION		37,848.22	(57,982.04)
ADD/(LESS) :			
Amount Brought Forward		-	6,250.61
Debenture Redemption Reserve Written Back		3,600.00	-
		41,448.22	(51,731.43)
APPROPRIATIONS			
Debenture Redemption Reserve		3,982.89	-
Surplus / (Deficit) carried to Balance Sheet		37,465.33	(51,731.43)
		41,448.22	(51,731.43)
Earning Per Share (in Rs.) (Note No. 22 of Schedule 20)			
- Basic		23.33	(35.87)
- Diluted		23.33	(35.87)
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "1"		
SHARE CAPITAL		
AUTHORISED		
475,000,000 (475,000,000) Equity Shares of Rs.2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
185,582,172 (162,134,932) Equity Shares of Rs.2/- each fully paid up	3,711.64	3,242.70
TOTAL	3,711.64	3,242.70

Of the above :-

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

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - " 2 "		
RESERVES AND SURPLUS		
A. SECURITIES PREMIUM ACCOUNT		
As per last account	51,096.14	43,470.64
Add : On Conversion of Equity Share Warrants/ Issue of QIP	24,267.90	7,625.50
	75,364.04	51,096.14
B. GENERAL RESERVE		
As per last account	62,856.91	114,588.34
Less :Towards Deficit in Profit and Loss Account Set off	-	51,731.43
	62,856.91	62,856.91
Add : Foreign Currency Translation Reserve	42.59	301.71
	62,899.50	63,158.62
C. DEBENTURE REDEMPTION RESERVE		
As per last account	9,374.96	9,374.96
Add :Transferred from Profit and Loss Account	3,982.89	-
Less : Written Back during the year	3,600.00	-
	9,757.85	9,374.96
D. CENTRAL/STATE SUBSIDY RESERVE		
As per last account (Against fulfilment of certain stipulations)	39.27	39.27
	39.27	39.27
E. CAPITAL REDEMPTION RESERVE		
As per last account	2,000.00	2,000.00
	2,000.00	2,000.00
F. AMALGAMATION RESERVE		
As per last account	121.55	121.55
	121.55	121.55
G. SURPLUS - PROFIT AND LOSS ACCOUNT		
	37,465.33	-
TOTAL	187,647.54	125,790.54

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - " 3 "		
SECURED LOANS		
(Read with Note No. 7 & 11 b) of Schedule 20)		
A. Redeemable Non-Convertible Debentures	25,000.00	43,000.00
B. Term Loans from Banks		
Rupee Term Loans	323,592.59	241,296.79
Foreign Currency Loans	135,755.47	164,531.33
	459,348.06	405,828.12
C. Funded Interest Term Loans from Banks/FI	20,455.31	-
D. Car Loans from Banks	156.85	183.45
E. Buyer's Credit in Foreign Currency		
Against Capital Goods	106,950.39	-
Against Working Capital	27,569.59	-
	134,519.98	-
F. Working Capital Facilities from Banks	89,122.54	68,945.78
TOTAL	728,602.74	517,957.35

NOTES :

- A. As on 31st March, 2010, Debentures are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- Debentures of Rs. 1,000,000 each are redeemable in 28 equal quarterly installments starting from 1st July, 2012 and ending on 1st April, 2019 and coupon is proposed to be revised to 9.75%.
- As on 31st March, 2009, Debentures are secured by pari-passu charge by way of equitable mortgage on the company's immovable properties located in State of Gujarat, Hisar, Vizag, Orissa and hypothecation of moveable assets in favour of debenture trustee ranking pari-passu with other Financial Institutions/Banks.
- B. As on 31st March, 2010, Term Loans amounting to **Rs. 392,713.61 Lacs** are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- As on 31st March, 2010, Term Loans amounting to **Rs. 66,634.45 Lacs** are to be 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.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs. 362,063.05 Lacs, for which charge is created / to be created by way of mortgage of company's immovable properties and hypothecation of moveable assets both present and future ranking pari-passu with other Financial Institutions/Banks.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs. 30,000.00 Lacs, for which charge is created/to be created by way of second residual charge on current assets and fixed assets of the company.
- As on 31st March, 2009, Term Loans from Banks include sub debts term loans of Rs. 2,425.07 Lacs secured by way of second charge on all movable and immovable fixed assets of the company ranking pari-passu with other Financial institutions/ Banks.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs. 5,000.00 Lacs secured by way of residual charge (ranking subservient to first and second charge holders) over movable fixed assets of the company.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs. 6,340.00 Lacs secured by residual charge by way of hypothecation of movable fixed assets of the company.
- C. Funded Interest Term Loans amounting to **Rs. 20,455.31 Lacs** (including **Rs. 1,683.41 Lacs** from Financial Institutions) are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- D. Secured by way of hypothecation of vehicles purchased thereunder.

Schedules to the Balance Sheet

- E. Buyers Credit amounting to **Rs. 106,950.39 Lacs** are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- Buyers Credit amounting to **Rs. 27,569.59 Lacs** are to be 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.
- F. Working Capital Facilities are to be 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.

	(Rs. in Lacs)	
Description	31.03.2010	31.03.2009
SCHEDULE - " 4 "		
UNSECURED LOANS		
0.50% Foreign Currency Convertible Bonds (including Premium) *	14,031.40	12,198.16
Fixed Deposits	10,208.58	3,820.69
Rupee Term Loans from Banks	-	30,000.00
Security Deposits from Agents / Dealers / Others	1,649.36	1,738.21
TOTAL	25,889.34	47,757.06

NOTE:

- * 0.50% Foreign Currency Convertible Bonds (net of Indian Withholding Tax) were issued to foreign investors on 24th December, 2004 by the company, in terms of the Offering Memorandum dated 17th December, 2004. These Bonds at the option of the holder, may be converted into Equity Shares of face value of Rs. 2/- each at any time on or after 22nd January, 2005 at a pre-determined price of Rs. 119.872 per share. Unless previously redeemed, repurchased and cancelled, or converted, the Bonds were redeemable at 129.939% of their principal amount on 24th December, 2009. (Read with Note No. 10 of Schedule 20.)

SCHEDULE - " 5 "

FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2009	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENT DURING THE YEAR	TOTAL AS ON 31.03.2010	UPTO LAST YEAR	DURING THE YEAR ****	ON SALE/ ADJUSTMENT	TOTAL UPTO 31.03.2010	31.03.2010	31.03.2009
LAND*	11,088.34	36.09	-	11,124.43	164.08	41.78	-	205.86	10,918.57	10,924.26
BUILDINGS	45,069.54	2,496.12	2.36	47,563.30	4,107.73	1,227.85	0.02	5,335.56	42,227.74	40,961.81
PLANT & MACHINERY **	430,323.27	26,727.54	2,419.47	454,631.34	100,492.57	31,342.47	1,605.24	130,229.80	324,401.54	329,830.70
ELECTRIC INSTALLATION	11,111.57	143.44	-	11,255.01	1,512.81	626.54	-	2,139.35	9,115.66	9,598.76
VEHICLES	1,905.87	136.72	95.24	1,947.35	779.39	173.84	33.59	919.64	1,027.71	1,126.48
FURNITURE, FIXTURES & EQUIPMENTS	1,616.59	124.21	2.22	1,738.58	601.56	113.70	0.24	715.02	1,023.56	1,015.03
POWER LINE AND BAY EXTENSION	1,211.87	-	-	1,211.87	275.04	121.19	-	396.23	815.64	936.83
INTANGIBLE ASSETSS										
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	573.36	136.92	-	710.28	658.90	795.82
SOFTWARE	940.73	-	-	940.73	580.73	230.77	-	811.50	129.23	360.00
TOTAL	504,636.96	29,664.12	2,519.29	531,781.79	109,087.27	34,015.06	1,639.09	141,463.24	390,318.55	395,549.69
CAPITAL WORK IN PROGRESS *** {Including preoperative expenses pending allocation/capitalisation}									388,498.24	201,095.04
Previous Year	420,909.26	86,337.48	2,609.78	504,636.96	79,711.80	31,315.24	1,939.77	109,087.27	395,549.69	-

* Include land acquired on lease amounting to **Rs. 3,610.91 Lacs** (Rs. 3,610.91 Lacs) and amount amortised thereon during the year is **Rs. 41.78 Lacs** (Rs.41.38 Lacs).

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

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

*** Include capital advances **Rs. 68,913.34 Lacs** (Rs. 52,772.02 Lacs) and project inventory **Rs. 154,241.45 Lacs** (Rs. 21,034.36 Lacs).

**** Depreciation **Rs. 26.35 Lacs** (Rs. 7.38 Lacs) considered under pre-operative expenses.

§ Intangible Assets are amortised as under:

Technical Know How	10 Years
Software	5 Years

Schedules to the Balance Sheet

SCHEDULE - "6"

INVESTMENTS

DETAILS OF INVESTMENTS		31.03.2010			31.03.2009			
		Sr. No.	Particulars	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)
Current Investment - Non Trade (At Cost Less Provision)								
A Mutual Funds								
1	Baroda Pioneer Liquid Fund-Institutional Growth Plan	18,981,815.42	10.00	2,000.00	-	-	-	-
2	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	60,003,728.58	10.00	6,200.65	-	-	-	-
3	Canara Rebeco Treasury Advantage Super Instt Growth Fund	42,670,797.46	10.00	5,917.99	-	-	-	-
4	DBS Chola Freedom Income STP-Inst-Cum-Org	-	-	-	35,439,358.94	10.00	5,000.83	-
5	DWS Insta Cash Fund- Institutional Plan Growth	-	-	-	6,132,313.69	10.00	850.00	-
6	DWS Ultra Short Term Fund- Institutional Growth	-	-	-	72,821,023.76	10.00	7,500.90	-
7	HDFC Floating Rate income Fund-Short Term Plan-Wholesale Option-Growth	-	-	-	79,724,421.72	10.00	11,889.01	-
8	IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	-	-	-	74,598,791.44	10.00	7,744.26	-
9	LIC MF Liquid Fund- Growth Plan	-	-	-	93,382,447.96	10.00	15,000.00	-
10	Principal Cash Management Fund-Money at Call Dividend Reinvestment Daily	-	-	-	72,837,258.44	10.00	10,000.00	-
11	Reliance Liquidity Fund-Growth Option (Growth)(LQ-GP)	3,615,002.96	10.00	500.88	-	-	-	-
12	SBI Magnum Insta Cash Fund-Cash Option	-	-	-	5,104,778.83	10.00	994.61	-
13	UTI Liquid Cash Plan Institutional-Growth Option	264,904.33	1,000.00	4,000.00	622,068.46	1,000.00	8,977.46	-
14	UTI Treasury Advantage Fund-Institutional Plan(Growth Option)	-	-	-	399,252.60	1,000.00	4,700.00	-
Total (A)				18,619.52			72,657.07	
B Equity Share Fully Paid Up - Quoted								
1	Bhartiya International Limited	114,609	10.00	73.12	114,609	10.00	23.78	-
2	Central Bank of India	7,247	10.00	7.39	7,247	10.00	2.46	-
3	Hotel Leela Ventures Limited	90,000	2.00	44.10	90,000	2.00	16.79	-
4	Mundra Port and SEZ Limited	1,471	10.00	6.48	1,471	10.00	4.76	-
Total (B)				131.09			47.79	
C Govt./Semi Govt. Securities								
1	9.40% Syndicate Bank ST-1 Series 11 Bonds	-	-	-	138	1,000,000.00	1,380.00	-
Total (C)				-			1,380.00	

Schedules to the Balance Sheet

DETAILS OF INVESTMENTS		31.03.2010			31.03.2009		
		Sr. No.	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)
Long Term Investment							
A Govt./Semi Govt. Securities - Non Trade							
1	12.40% Government of India Stocks (Face value Rs. 40 Lacs)	-	-	41.14	-	-	41.14
2	National Savings Certificate *	-	-	1.47	-	-	1.47
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00	103.40
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00	40.00
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00	97.71
Total (A)				283.72			283.72
B Equity Share Fully Paid Up - Unquoted							
1	Jab Resources Limited	3,333,067	Cents 15	179.59	3,333,067	Cents 15	179.59
2	MJSJ Coal Limited #	3,609,000	10.00	360.90	9,000	10.00	0.90
Total (B)				540.49			180.49
C Equity Shares Fully Paid Up of Subsidiary Company Trade - (Unquoted) (Read with Note No. 7 of Schedule 20)							
1	Jindal Stainless Steelway Limited	14,061,667	10.00	2,581.25	14,061,667	10.00	2,581.25
2	PT. Jindal Stainless Indonesia @	12,499,900	USD 1	5,468.38	12,499,900	USD 1	5,468.38
3	Jindal Architecture Limited	4,100,100	10.00	410.01	4,100,100	10.00	410.01
4	Austenitic Creations Pvt. Limited	17,795,600	10.00	2,051.39	17,795,600	10.00	2,051.39
5	Jindal Stainless FZE Wholly owned subsidiary	6	AED 1000000	723.80	6	AED 1000000	723.80
6	Jindal Stainless UK Limited Wholly owned subsidiary	100,000	GBP 1	77.20	100,000	GBP 1	77.20
7	Green Delhi BQS Limited	51,000	10.00	5.10	51,000	10.00	5.10
8	Parivartan City Infrastructure Limited	49,970	10.00	5.00	49,970	10.00	5.00
9	Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	4,499,700	YTL 1	1,601.60	4,499,700	YTL 1	1,601.60
10	Jindal Aceros Inoxidables S.L. Wholly owned subsidiary	20,000	EURO 1	13.59	10,000	EURO 1	6.81
11	JSL Group Holdings Pte. Limited Wholly owned subsidiary	6,657,565	SGD 1	2,201.18	6,657,565	SGD 1	2,201.18
12	JSL Logistics Limited Wholly owned subsidiary	50,000	10.00	5.00	50,000	10.00	5.00
13	Iberjindal S.L.	650,000	EURO 1	426.37	-	-	-
Total (C)				15,569.87			15,136.72
GRAND TOTAL :				35,144.69			89,685.79

* Lodged with Government Authorities as Security.

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

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

Aggregate value of Current Investment	18,750.61	74,084.86
Aggregate value of unquoted investment	16,394.08	15,600.93
Aggregate value of quoted investment	131.09	47.79
Market value of quoted investment	139.46	47.79

Schedules to the Balance Sheet

INVESTMENTS

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

(Rs. in Lacs)

Sr. No.	Description	31.03.2010			31.03.2009		
		Purchase Value	Sale Value	No. of Units (Sold/Purchase)	Purchase Value	Sale Value	No. of Units (Sold/Purchase)
A MUTUAL FUNDS							
1	Axis Liquid Growth fund	24,000.00	24,002.94	2,372,293	-	-	-
2	Axis Treasury Advantage growth Fund	19,802.07	19,826.83	1,954,824	-	-	-
3	Canara Robeco Liquid Super Instt Growth Fund	73,125.00	73,219.74	666,129,584	11,100.00	11,163.00	105,821,229
4	Canara Robeco Treasury Advantage Super Int Growth Fund	11,984.01	12,000.00	86,772,690	-	-	-
5	DBS Chola Super Insta Cash Plan Fund - Cumulative	-	-	-	14,000.00	14,032.23	118,041,684
6	DBS Chola Liquid Insta Plus - Cumulative	5,008.68	5,012.38	41,313,814	14,844.39	14,874.69	88,556,305
7	DBS Chola Freedom Income STP - Inst - Cum - Org	-	-	-	6,200.00	6,218.31	45,906,482
8	Deutsche Insta Cash Plan Fund- Institutional Plan-(G)	-	-	-	7,211.00	7,212.35	53,371,683
9	DWS Credit Oppurtunities Cash Fund - 15 Days Plan Growth	-	-	-	2,211.45	2,245.41	20,508,849
10	DWS Ultra Short Term Fund - Institutional Growth	69,267.31	69,407.83	656,805,319	-	-	-
11	DWS Insta Cash Plus Fund - Growth Option	76,900.00	76,918.85	658,007,177	-	-	-
12	Bharti AXA Liquid Fund	500.00	500.04	45,903	-	-	-
13	Bharti AXA Treasury Advantage Fund	500.04	500.27	45,574	-	-	-
14	Sundarm BNP Paribas Money Fund	6,500.00	6,516.79	34,711,912	-	-	-
15	HDFC Floating Rate Income Fund - Short Term Plan	98,033.53	98,238.65	640,426,841	-	-	-
16	HDFC Liquid Fund - Premium Plus Plan - Growth	123,321.00	123,340.76	680,025,983	54,921.00	55,151.85	318,647,310
17	HSBC Liquid Fund - Inst.Growth	-	-	-	5,055.00	5,065.04	37,879,072
18	IDFC Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	80,312.36	80,545.34	754,729,998	20,336.27	20,454.26	199,709,298
19	IDFC GSF - Investment Plan - Plan B - Growth	-	-	-	2,500.00	2,550.89	23,073,262
20	IDFC GSF - Short Term Plan - Plan B - Growth	-	-	-	2,550.89	2,551.17	25,395,864
21	IDFC Liquid Fund - Growth	-	-	-	6,830.00	6,834.27	580,151
22	IDFC Cash Fund - Super Inst Plan C - Growth	105,400.72	105,419.69	960,156,585	133,444.17	133,594.37	1,295,625,179
23	ICICI Prudential Gilt Fund - Treasury Plan - Growth	-	-	-	2,500.09	2,504.45	10,795,549
24	ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	-	-	-	10,865.00	10,875.01	87,518,770
25	ING Liquid Fund Fund Super Institutional - Growth Option	-	-	-	2,500.00	2,504.77	19,534,608
26	LIC MF-Liquid Fund- Growth Plan	69,770.00	70,004.69	427,442,563	91,507.36	91,798.84	597,268,755
27	LIC MF-Liquid Plus Fund- Growth Plan	-	-	-	27,396.31	27,431.39	244,965,573
28	Lotus Liquid Fund Super Inst Growth	-	-	-	19,015.00	19,078.07	165,311,467
29	Principal Cash Management Fund - Liquid Option Instl. Premium Plan - Growth	113,288.00	113,411.65	808,706,066	60,050.00	60,197.50	453,472,192
30	Principal CMF Liquid Option Insti. Prem. Plan-Growth	44,254.08	44,306.65	308,149,999	75.00	75.02	586,483
31	Reliance Money Manager Fund	32,504.76	32,549.15	2,627,144	-	-	-
32	Reliance Liquid Fund - Growth Option	58,899.11	58,911.40	429,323,070	48,882.40	48,935.23	386,219,336
33	Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option	-	-	-	3,475.00	3,495.43	20,236,843
34	Reliance Liquid Plus Fund - Institutional Option - Growth Plan	-	-	-	69,616.10	69,760.65	6,150,987
35	SBI Premier Liquid Fund-Institutional-Growth	-	-	-	11,595.00	11,597.76	86,970,776
36	SBI Premier Liquid Fund- Super Institutional-Growth	-	-	-	1,100.00	1,101.18	8,040,816
37	SBI Magnum Insta Cash Fund - Cash Option	21,400.00	21,454.74	108,346,960	90,374.38	90,603.92	472,095,786

Schedules to the Balance Sheet

(Rs. in Lacs)							
Sr. No.	Description	31.03.2010			31.03.2009		
		Purchase Value	Sale Value	No. of Units (Sold/Purchase)	Purchase Value	Sale Value	No. of Units (Sold/Purchase)
38	SBI SHF Liquid Plus - Institutional Plan - Growth	-	-	-	19,787.28	19,813.88	178,466,858
39	S C Liquidity Manager Fund-plus	-	-	-	109,254.00	109,393.89	9,381,705
40	UTI Liquid Cash Plan Institutional - Growth Option	-	-	-	23,342.54	23,409.17	1,650,671
41	UTI Treasury Advantage Fund - Institutional Plan (Growth Option)	54,211.26	54,354.94	4,520,521	-	-	-
42	UTI Liquid Fund- Growth Plan	53,300.84	53,335.87	3,615,383	-	-	-
43	Baroda Pioneer Liquid Fund	24,600.00	24,603.18	235,720,084	-	-	-
44	Baroda Pioneer Treasury Advantage Fund	15,401.61	15,421.89	150,626,582	-	-	-
45	Tata Liquid Fund	48,160.00	48,204.94	2,879,105	-	-	-
46	Tata Floater Growth Fund	14,101.84	14,118.43	103,551,233	-	-	-
B BONDS							
1	9.40% Syndicate Bonds	-	-	-	580.00	595.65	596

(Rs. in Lacs)		
Description	31.03.2010	31.03.2009
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares [Including material in transit Rs. 879.60 Lacs (Rs.1,441.26 Lacs)]	10,293.20	9,074.34
ii) Raw Materials [Including material in transit Rs. 18,351.94 Lacs (Rs. 20,321.75 Lacs)]	48,494.37	56,773.78
iii) Finished Goods	58,134.37	57,574.34
iv) Trading Goods	342.74	188.71
v) Work in Progress	45,403.26	42,328.64
vi) Scrap (at estimated realisable value)	618.55	235.73
TOTAL	163,286.49	166,175.54
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	5,735.18	4,102.73
ii) Considered doubtful	128.41	79.76
Less: Provision	128.41	79.76
	5,735.18	4,102.73
Others - Considered good	100,238.49	52,106.51
TOTAL	105,973.67	56,209.24

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	30.00	24.86
Cheques / Money in Transit	887.91	492.86
Stamps in Hand	0.71	0.36
Balance with Scheduled Banks		
In Current Accounts	11,733.82	488.69
In Fixed Deposit Accounts Indian Currency *	9,685.59	5,294.43
In Fixed Deposit Accounts Indian Currency (Unutilised money out of ECB proceeds)**	21,653.44	-
In Fixed Deposit Accounts Foreign Currency (Unutilised money out of ECB proceeds)	-	59,414.41
In Escrow Account (Unutilised money out of QIP Proceeds) (Read with Note No. 16 of Schedule 20)	24,736.84	-
Balance with Non-Scheduled Banks in Foreign Currency in Current Accounts		
In ANZ Bank [Maximum Outstanding during the year Rs. 3.77 Lacs (Rs. 0.47 Lacs)]	1.54	0.47
In ICBC Bank [Maximum Outstanding during the year Rs.10.55 Lacs (Rs. 22.98 Lacs)]	3.63	0.14
In SA Korea First Bank [Maximum Outstanding during the year Rs. 9.74 Lacs (Rs. 9.18 Lacs)]	1.37	1.61
In ZAO Citi Bank, Moscow [Maximum Outstanding during the year Rs. 10.96 Lacs (Rs. 256.99 Lacs)]	10.96	2.91
In Raiffeisen Bank, Poland [Maximum Outstanding during the year Rs. 10.43 Lacs (Rs. 5.18 Lacs)]	0.27	1.14
In Bangkok Bank, Thailand [Maximum Outstanding during the year Rs. 11.04 Lacs (Rs. Nil)]	4.12	-
Puja & Silver Coins	0.04	0.04
TOTAL	68,750.24	65,721.92
* Rs. 7,773.40 Lacs is under lien with Banks.		
** Rs. 9,953.44 Lacs is under lien with Banks.		
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received (Net of Provision) [Including Advances to Subsidiary Companies Rs. 2,053.18 Lacs (Rs. 2,229.47 Lacs)] [Net of Provision of Rs. 23.66 Lacs (Rs. 23.66 Lacs)]	31,103.93	32,563.24
Interest Accrued on Investments / FDR	199.24	692.03
Loans to Subsidiary Companies	6,931.84	6,557.27
Security Deposits	6,728.08	6,371.74
Pre-paid Taxes	30,730.78	27,382.32
MAT Credit Entitlement	5,437.71	1,065.75
Balance with Central Excise	664.03	34.93
TOTAL	81,795.61	74,667.28

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "11"		
CURRENT LIABILITIES		
Acceptances	74,567.45	159,247.34
Sundry Creditors - Others [Including due to SME Rs. 45.88 Lacs (Rs. 53.44 Lacs)]	73,740.84	55,175.93
Other Outstanding Liabilities	34,393.20	38,804.55
Due to Customers and others	36,515.42	53,343.60
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividends	163.12	175.70
ii) Unclaimed Matured Deposits	109.79	75.34
iii) Interest Accrued on (i) to (ii)	133.77	56.00
Interest Accrued but not due	2,071.54	5,073.94
TOTAL	221,695.13	311,952.40
SCHEDULE - "12"		
PROVISIONS		
For Taxation	28,952.32	24,580.25
For Employee Benefits	949.92	742.09
TOTAL	29,902.24	25,322.34
SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Mine Development Expense	2,832.22	1,587.50
Add : Additions during the year	264.37	1,283.23
Less : Written off during the year	317.68	38.51
TOTAL	2,778.91	2,832.22

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	608,380.09	526,919.41
Job Charges Received	31.52	12.34
Export Benefits	3,532.53	2,573.11
TOTAL	611,944.14	529,504.86
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	1.77	2.37
Profit on Sale of Investments (Net)	733.80	1,052.82
[On Current Investments Profit Rs. 650.50 Lacs (Rs. 1,102.40 Lacs)]		
[On Current Investments Loss on Diminution in value Rs. Nil (Rs. 66.61 Lacs)]		
[On Current Investments reversal of loss on Diminution in value Rs. 83.30 Lacs (Rs. Nil)]		
[On Long Term Investments Profit Rs. Nil (Rs.17.03 Lacs)]		
Previous Years Adjustment (Net) (Note No. 19 of Schedule 20)	386.73	43.70
Guarantee Commission	-	32.32
Lease Rent	3.00	3.00
Miscellaneous Receipt	489.64	717.96
Claims Received	69.92	127.78
TOTAL	1,684.86	1,979.95

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	346,533.29	328,569.62
Goods Purchased for Sale	1,522.29	860.24
Stores and Spares Consumed	29,399.61	21,672.28
Labour Processing & Transportation Charges	6,746.98	4,386.86
Power and Fuel	50,372.86	39,779.49
Repairs to Buildings	108.65	42.18
Repairs to Plant & Machinery	1,371.49	1,625.45
Job Work Expenses	2,395.41	1,976.09
Other Manufacturing Expenses	2,026.04	2,332.70
TOTAL- A	440,476.62	401,244.91
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	57,574.34	85,672.80
Trading Goods	188.71	242.02
Scrap	235.73	518.88
Work in Progress	42,328.64	44,385.99
Material recovered from POP / Trial Run	-	2,488.96
TOTAL - B	100,327.42	133,308.65
Closing Stock		
Finished Goods - Manufactured	58,134.37	57,574.34
Trading Goods	342.74	188.71
Scrap	618.55	235.73
Work in Progress	45,403.26	42,328.64
Semi Finished Goods transferred to POP / Trial run	-	5,347.03
TOTAL - C	104,498.92	105,674.45
(INCREASE)/DECREASE IN STOCKS - D (B - C)	(4,171.50)	27,634.20
Excise Duty on account of Inc./ (Dec.) on Stock of Finished Products (E)	1,541.98	(6,042.75)
GRAND TOTAL (A + D + E)	437,847.10	422,836.36

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	11,140.62	9,977.05
Contribution to Provident and other funds	613.60	582.80
Workmen and Staff Welfare	390.13	437.56
TOTAL	12,144.35	10,997.41
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	258.17	264.62
Lease Rent	4.41	14.19
Rates and Taxes	47.04	45.54
Insurance	835.85	332.94
Legal and Professional	1,259.71	1,440.06
Postage, Telegram, Telex and Telephone	323.57	401.28
Printing and Stationery	345.88	267.27
Travelling and Conveyance	506.65	683.80
Directors' Meeting Fees	5.00	4.30
Vehicle Upkeep and Maintenance	331.44	242.64
Auditors' Remuneration	39.21	26.32
Selling Expenses	1,001.03	1,379.17
Freight & Forwarding Expenses	4,690.78	4,352.87
Commission on Sales	2,230.29	3,492.86
Provision for Doubtful Debts / Advances	49.30	-
Bad Debts	Rs. 38.35 Lacs (Rs. 4.44 Lacs)	37.70
Less : Provision for Doubtful Debts, reversed	Rs. 0.65 Lacs (Rs. 0.86 Lacs)	3.58
Advertisement & Publicity	54.44	88.91
Miscellaneous Expenses	1,224.56	1,448.94
Donation	77.88	301.37
Discount & Rebate	5,931.73	2,640.61
Loss on Sale / Discard of Fixed Assets (Net)	98.01	127.52
[Profit of Rs. 2.84 Lacs (Rs. 8.70 Lacs) on Sale]		
[Loss of Rs. 28.55 Lacs (Rs. 66.62 Lacs) on Sale]		
[Loss of Rs. 72.30 Lacs (Rs. 69.60 Lacs) on Discard]		
TOTAL	19,352.65	17,558.79

Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	26,531.89	18,914.18
Others	15,044.00	12,120.29
Financial Expenses / Bank Charges	1,782.99	3,672.93
	43,358.88	34,707.40
Less: Interest received		
Interest on Securities (Net)	29.41	115.00
[TDS Rs. Nil (Rs. 14.14 Lacs)]		
[Including interest on Current investments Rs. 4.60 Lacs (Rs. 42.45 Lacs)]		
Loans & Advances	752.30	773.33
[TDS Rs. 90.46 Lacs (Rs. 65.28 Lacs)]		
[Including interest on loan to subsidiary companies Rs. 680.00 Lacs (Rs. 566.74 Lacs)]		
Banks	108.16	41.75
[TDS Rs. 61.85 Lacs (Rs. 170.07 Lacs)]		
Interest on Debtors	2,491.26	1,884.34
[TDS Rs. 142.85 Lacs (Rs. 230.98 Lacs)]		
Others	38.92	134.35
	3,420.05	2,948.77
TOTAL	39,938.83	31,758.63

Notes to Accounts

SCHEDULE - "20"

NOTES TO BALANCE SHEET & PROFIT AND LOSS ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements

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

ii) Use of Estimates

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

iii) A) Fixed Assets & Depreciation

a) Fixed Assets

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

b) Depreciation & Amortisation

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

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

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

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

B) Intangible Assets

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

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

C) Impairment

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

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

iv) Revenue Recognition

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

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

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

v) Borrowing Costs

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

Notes to Accounts

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.

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

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

vii) Investments

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

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

viii) Valuation of Inventories

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

ix) Employee Benefits

a) Short term Employee Benefits

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

b) Defined Contribution Plans

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

c) Defined Benefit Plans

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

x) Miscellaneous Expenditure

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

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

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

xi) Taxation

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

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

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

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

xii) Management of Metal Price Risk/ Derivatives

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

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

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

xiii) Contingent Liabilities

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

Notes to Accounts

		(Rs. in Lacs)	
		As at 31.03.2010	As at 31.03.2009
2A. Contingent Liabilities not provided for in respect of:			
a)	Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	5,754.63	7,918.70
b)	Letter of Credit outstanding	60,429.56	151,710.75
c)	Bills discounted by banks	7,125.36	11,521.45
d) i)	a) Sales tax Demands against which Company has preferred appeals.	280.68	281.68
	b) Income tax Demands against which Company has preferred appeals.	3,386.73	2,594.04
	ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	5,782.65	3,752.23
e)	Claim against the company not acknowledged as debt	9,269.70	497.99
f)	Guarantee given to custom authorities for import under EPCG Scheme.	17,006.03	10,820.23
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

2B. Custom Duty saved on material consumed imported under advance license scheme as on **31st March, 10** and 31st March, 09 is **Rs. 1,045.41 Lacs** and Rs. 1,067.59 Lacs respectively. The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **Rs. 91,352.22 Lacs** (Rs. 249,931.54 Lacs).

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

5. a) Exceptional Items includes gain / (loss) (net) of **Rs. 18,072.60 Lacs** (Rs. (51,902.07 Lacs)) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of **Rs. 2,601.04 Lacs** (Rs. (2,601.04 Lacs)) upon marked to market of derivatives contracts, gain of **Rs. 2,613.59 Lacs** (Rs. 420.13 Lacs) on forward cover cancellation and loss of **Rs. Nil** (Rs. 1,631.66 Lacs) on settlement of commodity hedging contract, resulting from volatile global market.

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

6. a) Addition/adjustment to Plant & Machinery / Capital Work-In-Progress includes **Rs. 9,282.36 Lacs** (Net Credit) {Rs. 29,162.62 Lacs (Net Debit)} on account of foreign exchange fluctuation on Loan/Liability including fluctuation relating to forward cover (Includes amount disclosed in Note No. 14 (c) below).

b) Interest paid on fixed loan includes pro-rata premium of **Rs. 703.52 Lacs** (Net Debit) {Rs. 1,067.46 Lacs (Net Debit)}.

7. Corporate Debt Restructuring:

(i) The debt restructuring scheme (the 'Scheme') under CDR Mechanism has been approved and Letter of Approval issued on 23rd January 2010. The scheme inter-alia includes restructuring of re-payment schedule, interest funding, reduction/adjustment in interest rates and additional security in favour of CDR lenders by pledge of shares of promoters, as stipulated. Master Restructuring Agreement ("MRA") has been executed on 26th March 2010 with majority of Lenders. The impact in terms of the approved Scheme has been given on provisional basis. Pending confirmation of some lenders, additional impact, if any, will be accounted for as and when finally confirmed/assessed.

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

(iii) (a) The Funded Interest Term Loan (FITL) has been created on certain credit facilities w.e.f. 1st July 2009 as per the CDR scheme approved by the CDR EG on 18th December 2009, respective letter of approval dated 23rd January 2010 and the Monitoring Committee (MC) meeting held on 7th May 2010. Further based on the decision of the MC that the entire debt serviced by the company post cut off date i.e. 30th June 2009 would have to be refunded to the company, which is however, subject to the approval of CDR EG and also the amendment to sanctions from the respective banks/FIs and accordingly the value of FITL created. The FITL value has been considered based on sanctions so far received/to be received. The value of debt serviced (including interest paid) post cut off date amounting to **Rs. 9,048.70 Lacs** to be refunded by banks/Institutions post cut off date has been included under Loans and Advances.

(b) Part of Non- Convertible Debentures on cut off date shall be (has been converted pending compliance of certain conditions/ approval) reconstituted and/or converted into rupee term loan subject to the necessary approvals.

Notes to Accounts

- (iv) The Credit Facilities/loans under CDR will be further secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal and unconditional and irrevocable corporate guarantee of promoters group companies (as stated in MRA) in proportion to the numbers of equity shares held by them in the company.
- (v) CDR Empowered group have also stipulated that promoters shall arrange to bring funds and also pledge all unencumbered investments (in all subsidiaries either Indian or overseas) in subsidiaries on the Cut Off date subject to necessary approvals.
- (vi) Certain covenants/conditions as stipulated in the CDR package are in the process of compliance.

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

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

The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the Hon'ble Supreme Court has been given stay against the order of Hon'ble High Court. The company again appeal to the Hon'ble Supreme Court against the stay & the Hon'ble Supreme Court after several hearing, order to deposit under protest 1/3rd of the outstanding liability of the company within 31st March, 10. Accordingly the company has deposited the amount within the specified limit given by the Hon'ble Supreme Court.

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

		(Rs. in Lacs)	
Sr. No.	Particulars	2009-10	2008-09
1.	Principal amount due outstanding	45.81	53.44
2.	Interest due on (1) above and unpaid	0.07	-
3.	Interest paid to the supplier	-	-
4.	Payments made to the supplier beyond the appointed day during the year	-	-
5.	Interest due and payable for the period of delay	-	-
6.	Interest accrued and remaining unpaid	0.07	-
7.	Amount of further interest remaining due and payable in succeeding year	-	-

* to the extent information available with the company.

10. 0.50% Foreign Currency Convertible Bonds ("FCCB") under Unsecured Loans represents outstanding of principal and premium calculated on YTM basis amounting to **Rs. 3,232.95 Lacs** (USD 7.20 million). The company is under renegotiation of terms of its 0.50% FCCB, & pending this & receipt of necessary approvals, if any, so required, outstanding FCCBs amounting to **Rs.14,031.40 Lacs** (USD 31.25 million) were not redeemed on due date, i.e. 24th December 2009 and premium after due date has been provided at the rate of 5.75% per annum as against the agreed interest rate of 8% per annum. Accordingly additional liability of **Rs. 84.19 Lacs** for post due date period has not been provided for. Diluted EPS is currently calculated without considering conversion right.
11. 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/modification.
c) Although the book value of investment in certain subsidiary companies (book value amounting to **Rs. 2,061.49 Lacs** (Rs. 7,529.87 Lacs)) is lower than the cost, considering the strategic and long term nature of the investments, future prospects and assets base of investee company, such decline, in the opinion of the management has been considered to be of temporary in nature and hence no provision there against is considered necessary.
12. Advance Recoverable in Cash or in kind or for value to be received includes:
a) **Rs. Nil** (Rs. 2.89 Lacs), maximum amount outstanding at any time during the Year is **Rs. 2.89 Lacs** (Rs. 8.09 Lacs) being the amount due from directors/officers of the company.
b) Interest free loan to employees amounting to **Rs. 11.50 Lacs** (Rs. 21.43 Lacs) in the ordinary course of the business and as per employee service rules of the Company. Maximum balance outstanding during the year **Rs. 24.53 Lacs** (Rs. 28.61 Lacs).
c) **Rs. 22.30 Lacs** (Rs. 29.08 Lacs) as advance against share application money with subsidiary companies.

Notes to Accounts

13. Research and Development expenses for the year amounting to **Rs. 39.14 Lacs** (Rs. 77.26 Lacs) on account of revenue expenditure and **Rs. Nil** (Rs. 92.80 Lacs) on account of capital expenditure have been charged/debited to respective head of accounts.

14. a) Derivative contracts entered into by the company and outstanding as on 31st March, 2010 for hedging currency risks:-

Nature	Foreign Currency	Rs. In Lacs
Forward Covers		
Account Receivable		
USD	32,717,772 (15,669,891)	14,690.28 (7,944.63)
EURO	8,551,126 (-)	5,188.82 (-)
GBP	116,480 (-)	79.43 (-)
Account Payable		
USD	37,650,433 (30,393,333)	16,905.04 (15,415.50)
EURO	420,999 (-)	255.46 (-)
Buyer's Credit		
USD	140,416,049 (-)	63,046.81 (-)
EURO	5,952,537 (-)	3,610.21 (-)
YEN	155,767,857 (-)	748.31 (-)
PCFC		
USD	- (10,000,000)	- (5,072.00)
Fixed Deposits		
USD	- (63,000,000)	- (31,941.00)
Cross Currency Swap		
YEN	2,990,074,442 (2,990,074,442)	10,000.00 (10,000.00)
Interest Rate Option (ECB Loan) USD	75,000,000 (75,000,000)	33,675.00 (38,040.00)

Notes to Accounts

- b) Foreign Currency exposure that are not hedged by derivative instruments or otherwise outstanding as on 31st March, 2010 is as under:-

Nature	Foreign Currency	Rs. In Lacs
Account Receivable		
USD	5,443,227 (2,098,728)	2,443.46 (1,064.05)
GBP	759 (130,780)	0.52 (94.91)
EURO	2,464,569 (6,331,510)	1,494.76 (4,275.04)
Loans		
USD	321,548,000 (260,102,440)	144,375.05 (131,923.96)
Buyer's Credit		
USD	149,417,408 (-)	67,088.42 (-)
EURO	40,002 (-)	24.27 (-)
PCFC		
USD	- (1,500,000)	- (760.80)
Fixed Deposits		
USD	- (54,188,191)	- (27,473.41)
Due to Customer		
USD	4,585,513 (1,588,900)	2,058.44 (805.89)
EURO	54,857,715 (74,518,196)	33,287.66 (50,337.04)
Account Payable		
USD	102,385,234 (228,596,310)	45,970.97 (115,944.05)
EURO	54,436 (1,629,333)	33.03 (1,100.61)
GBP	6541 (2,971)	4.46 (2.16)
AUD	70 (70)	0.03 (0.02)
CAD	3,926 (3,926)	1.74 (1.59)

- c) In compliance of clarifications of ICAI on outstanding derivatives which are not covered by AS-11 "Accounting for effects of changes in foreign exchange rates", the Company has accounted for Mark to market losses on derivatives entered for INR Term Loans amounting to **Rs. 3,524.99 Lacs** (Rs. 5,221.84 Lacs) & against interest rate auction **Rs. 2,820.98 Lacs** (Rs. 3,164.38 Lacs) till 31st March, 10 which have been charged to Pre-operative expenses.

Notes to Accounts

15. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble Punjab and Haryana High Court disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble Supreme Court gave an Interim Order that those states where the High Courts have given judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and rather judgements of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court.
16. As on 31st March, 2010, the company has received the funds in escrow account and allotted 23,447,240 equity shares of Rs. 2/- each at price of Rs 105.50 per share (including premium of Rs. 103.50 per share) to Qualified Institutional Buyers. Subsequent to the receipt of money in escrow account and the allotment of shares, the paid up share capital of the company have increased from Rs. 3,242.70 Lacs to Rs. 3,711.64 Lacs. Pending listing and receipts of release letter (dated 06.04.2010) the amount of issue is shown as balance in escrow account under Cash & Bank Balances.
17. a) During the year, the Company has recognized the following amounts in the Profit and Loss Account (Refer Schedule-17)/pre-operative expenses:-

Defined Contribution Plans

	(Rs. in Lacs)
	2009-10
Employer's Contribution to Provident Fund	358.63 (342.25)
Employer's Contribution to ESI	34.38 (39.31)
Defined Benefit Plans	
Employer's Contribution to Provident Fund	262.02 (260.45)

	(Rs. in Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
Current service cost	135.50 (113.26)	35.41 (36.88)	123.80 (141.36)
Interest cost	97.09 (76.63)	6.46 (4.18)	35.74 (27.26)
Expected Return on plan assets	(89.83) (71.85))	-	-
Actuarial (gain)/loss	(64.57) (143.25)	(18.53) (6.49))	186.83 (86.02)
Past service cost	133.77 (-)	-	-
Curtailment and settlement cost/ Credit	-	-	-
Net Cost	211.96 (261.29)	23.34 (34.57)	346.37 (254.64)
Actual Return on Plan Assets	88.75 (80.03)	N.A. (N.A.)	N.A. (N.A.)

Notes to Accounts

	(Rs. in Lacs)		
	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
b) Change in Benefit Obligation :			
Present value of obligation as at the beginning of the year	1,154.94 (894.53)	80.78 (52.26)	438.27 (379.12)
Current service cost	135.50 (113.26)	35.41 (36.88)	123.80 (141.36)
Interest cost	97.09 (76.63)	6.46 (4.18)	35.74 (27.26)
Benefits paid	(71.05) ((80.91))	(2.55) ((6.05))	(150.88) ((195.49))
Curtailment and Settlement cost	- (-)	- (-)	- (-)
Past service cost	133.77 (-)	- (-)	- (-)
Actuarial (gain)/loss	(65.65) (151.43)	(18.53) ((6.49))	186.83 (86.02)
Present value of obligation as at the end of year	1,384.60 (1,154.94)	101.57 (80.78)	633.76 (438.27)
c) Change in Plan Assets :			
Fair value of plan assets as at the beginning of the year	931.90 (900.42)	- (-)	- (-)
Expected return on plan assets	89.83 (71.85)	- (-)	- (-)
Actuarial gain/(loss)	(1.08) (8.18)	- (-)	- (-)
Employer contribution	220.41 (32.36)	- (-)	- (-)
Settlement cost	- (-)	- (-)	- (-)
Benefits paid	(71.05) ((80.91))	- (-)	- (-)
Fair value of plan assets as at the end of the year	1,170.01 (931.90)	- (-)	- (-)
Liability recognized in Balance Sheet	(214.59) ((223.04))	(101.57) ((80.78))	(633.76) ((438.27))

Notes to Accounts

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

	Rs. In Lacs	Gratuity %
Insurer Managed Fund	1,170.01 (931.90)	100% (100%)
Total	1,170.01 (931.90)	100% (100%)

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

	Gratuity	Leave Encashment
Discount rate	8.00%-8.30% (7.00%-8.00%)	8.00%-8.30% (7.00%-8.00%)
Expected Rate of Return on Plan Assets	8.00% (8.00%)	N.A. N.A.
Salary Escalation	5.25%-5.50% (5.00%-5.50%)	5.25%-5.50% (5.00%-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.

18. The Company has given Letter of Comfort to Banks against credit facilities/financial assistance [amount outstanding as on 31st March, 2010 **Rs. 26,173.23 Lacs** (Rs. 17,808.69 Lacs)] availed by a subsidiary.

19. Prior Period Adjustment **Rs. 386.73 Lacs (Net Income)** [Rs. 43.70 Lacs (Net Income)] includes:

	2009-10	2008-09
Expenses relating to earlier years	46.39	40.24
Income relating to earlier years	92.60	2.72
Liability no longer required	340.52	81.22

Notes to Accounts

20 Segment Reporting

i) Information about Business Segment (for the year 2009-10)

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

ii) Secondary Segments (Geographical Segment)

		2009-10		(Rs. in Lacs)
		Within India	Outside India	Total
1	Revenue	497,594.08 (408,202.83)	114,350.06 (121,302.03)	611,944.14 (529,504.86)
2	Segment Assets *	1,153,211.53 (921,425.50)	27,323.47 (27,459.76)	1,180,535.00 (948,885.26)
3	Capital Expenditure incurred during the year *	226,349.08 (120,889.48)	0.60 (3.39)	226,349.68 (120,892.87)

* The Company's operating facilities are located in India

21 Related Party Transactions

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

a) Subsidiary Companies :

- 1 PT. Jindal Stainless Indonesia
- 2 Jindal Stainless Steelway Limited
- 3 Austenitic Creations Private Limited
- 4 Jindal Architecture Limited
- 5 Jindal Stainless UK Limited
- 6 Jindal Stainless FZE
- 7 Green Delhi BQS Limited
- 8 Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi
- 9 Parivartan City Infrastructure Limited
- 10 Jindal Aceros Inoxidables S.L.
- 11 JSL Group Holdings Pte. Limited
- 12 JSL Logistics Limited
- 13 Iberjindal S.L. (w.e.f. 07.05.2009)
- 14 Jindal Stainless Italy Srl.
- 15 JSL Ventures Pte. Limited
- 16 JSL Europe SA
- 17 JSL Minerals & Metals SA

b) Joint Ventures :

- 1 MJSJ Coal Limited

c) Key Management Personnel :

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

Notes to Accounts

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

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

(Rs. in Lacs)

B Transactions :

Description	2009-2010				2008-2009			
	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
Purchase of Goods	4,170.13	-	-	13,749.29	2,973.14	-	-	14,535.25
PT. Jindal Stainless Indonesia	2,380.23	-	-	-	1,275.60	-	-	-
Jindal Stainless Steelway Limited	1,419.92	-	-	-	912.95	-	-	-
Jindal Steel & Power Limited*	-	-	-	11,217.84	-	-	-	12,431.23
Others	369.98	-	-	2,531.45	784.59	-	-	2,104.02
Sale of Goods	89,131.29	-	-	2,287.66	32,442.37	-	-	17,757.58
PT. Jindal Stainless Indonesia	34,784.39	-	-	-	7,643.50	-	-	-
Jindal Stainless Steelway Limited	50,955.73	-	-	-	23,735.93	-	-	-
Jindal Steel & Power Limited **	-	-	-	1,180.42	-	-	-	17,032.62
Others	3,391.17	-	-	1,107.24	1,062.94	-	-	724.96
Job Work Charges Paid	1,158.73	-	-	-	1,400.70	-	-	-
Jindal Stainless Steelway Limited	1,158.73	-	-	-	1,399.16	-	-	-
Others	-	-	-	-	1.54	-	-	-
Receiving of Services (Remuneration paid)	-	-	220.26	-	-	-	341.68	-
Shri Ratan Jindal - Vice Chairman & Managing Director	-	-	-	-	-	-	0.02	-
Shri R.G. Garg - Managing Director & COO	-	-	-	-	-	-	84.00	-
Shri Arvind Parakh-Director - Finance	-	-	156.36	-	-	-	154.45	-
Shri N.P. Jayaswal-Executive Director	-	-	47.20	-	-	-	45.86	-
Others	-	-	16.70	-	-	-	57.35	-
Rent Received	-	-	17.40	3.31	-	-	17.40	4.26
Shri Ratan Jindal - Vice Chairman & Managing Director	-	-	17.40	-	-	-	17.40	-
Jindal Saw Limited	-	-	-	3.31	-	-	-	3.36
Others	-	-	-	-	-	-	-	0.90
Rent Paid	14.85	-	-	3.60	-	-	-	3.60
Jindal Stainless Steelway Limited	14.85	-	-	-	-	-	-	-
Bir Plantation Private Limited	-	-	-	3.60	-	-	-	3.60

Notes to Accounts

Description	2009-2010				2008-2009			
	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
Loans & Advances Given	1,762.65	-	-	-	2,615.05	-	-	-
Austenitic Creations Private Limited	10.50	-	-	-	290.00	-	-	-
Jindal Architecture Limited	-	-	-	-	100.00	-	-	-
Green Delhi BQS Limited	1,752.15	-	-	-	1,725.00	-	-	-
JSL Logistics Limited	-	-	-	-	369.55	-	-	-
Others	-	-	-	-	130.50	-	-	-
Loans & Advances Recovered	1,785.15	-	-	-	354.50	-	-	-
Austenitic Creations Private Limited	33.00	-	-	-	245.00	-	-	-
Jindal Architecture Limited	-	-	-	-	100.00	-	-	-
Green Delhi BQS Limited	1,752.15	-	-	-	-	-	-	-
Others	-	-	-	-	9.50	-	-	-
Job Charges Received	0.02	-	-	-	0.21	-	-	-
Jindal Architecture Limited	0.02	-	-	-	0.21	-	-	-
Freight paid	357.11	-	-	-	65.67	-	-	-
JSL Logistics Limited	357.11	-	-	-	65.67	-	-	-
Sale of Assets	31.43	-	-	-	-	-	-	-
PT. Jindal Stainless Indonesia	31.43	-	-	-	-	-	-	-
Interest Received	1,033.20	-	-	-	775.07	-	-	-
Austenitic Creations Private Limited	151.99	-	-	-	151.44	-	-	-
Jindal Architecture Limited	110.31	-	-	-	110.92	-	-	-
Jindal Stainless Steelway Limited	353.21	-	-	-	208.34	-	-	-
Green Delhi BQS Limited	326.21	-	-	-	230.29	-	-	-
Others	91.48	-	-	-	74.08	-	-	-
Interest Paid	20.83	-	-	-	-	-	-	-
Jindal Stainless Steelway Limited	20.83	-	-	-	-	-	-	-
Commission on Sale	773.21	-	-	-	404.52	-	-	-
Jindal Stainless FZE	542.30	-	-	-	284.94	-	-	-
Jindal Stainless UK Limited	202.26	-	-	-	67.03	-	-	-
Jindal Stainless Italy Srl.	28.65	-	-	-	52.55	-	-	-
Equity Purchased	433.15	360.00	-	-	7,434.61	0.90	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	2,000.00	-	-	-
JSL Group Holdings Pte. Limited	-	-	-	-	2,201.18	-	-	-
Austenitic Creations Private Limited	-	-	-	-	1,631.00	-	-	-
Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	-	-	-	-	1,586.62	-	-	-
Iberjindal S.L.	426.37	-	-	-	-	-	-	-
MJSJ Coal Limited	-	360.00	-	-	-	0.90	-	-
Others	6.78	-	-	-	15.81	-	-	-
Amount Paid Against Share Application	-	-	-	-	28.20	-	-	-
Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi	-	-	-	-	21.42	-	-	-
Jindal Aceros Inoxidables S.L.	-	-	-	-	6.78	-	-	-

Notes to Accounts

Description	(Rs. in Lacs)							
	2009-2010				2008-2009			
	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
Equity Shares Issued against Share Warrants	-	-	-	-	-	-	3,888.25	3,888.25
Shri Ratan Jindal - Vice Chairman & Managing Director	-	-	-	-	-	-	3,888.25	-
Jindal Overseas Holding Limited	-	-	-	-	-	-	-	3,888.25
Amount Received Against Equity Share Warrants	-	-	-	-	-	-	2,518.82	-
Shri Ratan Jindal - Vice Chairman & Managing Director	-	-	-	-	-	-	2,518.82	-
Letter of Comfort given	-	-	-	-	17,808.69	-	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	17,808.69	-	-	-
Advertisement Services Received	2.76	-	-	-	-	-	-	-
Parivartan City Infrastructure Limited	2.76	-	-	-	-	-	-	-
Sharing of Exp. Reimbursed/ to be Reimbursed	38.38	-	-	36.69	55.21	-	-	44.37
Jindal Architecture Limited	34.21	-	-	-	42.95	-	-	-
Jindal Stainless Steelway Limited	2.83	-	-	-	12.18	-	-	-
Jindal Saw Limited	-	-	-	29.30	-	-	-	35.65
Others	1.34	-	-	7.39	0.08	-	-	8.72
Sharing of Exp. Recovered/to be Recovered	43.52	3.28	-	65.04	64.66	10.78	-	82.48
PT. Jindal Stainless Indonesia	10.16	-	-	-	15.92	-	-	-
Austenitic Creations Private Limited	10.86	-	-	-	19.57	-	-	-
Jindal Architecture Limited	9.19	-	-	-	20.35	-	-	-
Jindal Steel & Power Limited	-	-	-	32.76	-	-	-	37.21
Jindal Saw Limited	-	-	-	32.22	-	-	-	37.13
Others	13.31	3.28	-	0.06	8.82	10.78	-	8.14
Guarantee Commission Earned	-	-	-	-	32.32	-	-	-
PT. Jindal Stainless Indonesia	-	-	-	-	32.32	-	-	-
Consultancy Charges Paid	-	-	-	43.57	-	-	-	-
Jindal Saw Limited	-	-	-	43.57	-	-	-	-
Quality Claim	254.46	-	-	-	-	-	-	-
PT. Jindal Stainless Indonesia	254.46	-	-	-	-	-	-	-
Redemption of 8% NCD of JSW Steels Ltd.	-	-	-	-	-	-	-	44.21
JSW Steel Limited	-	-	-	-	-	-	-	44.21

Notes to Accounts

Description	2009-2010				2008-2009			
	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
Outstanding Balance								
Letter of Comfort Given	26,173.23	-	-	-	17,808.69	-	-	-
PT. Jindal Stainless Indonesia	26,173.23	-	-	-	17,808.69	-	-	-
Loans & Advances	8,982.80	14.21	-	56.28	8,786.74	10.78	-	59.32
PT. Jindal Stainless Indonesia***	2,039.14	-	-	-	2,374.81	-	-	-
Austenitic Creations Private Limited	1,863.21	-	-	-	1,741.39	-	-	-
Jindal Architecture Limited	1,868.92	-	-	-	1,763.71	-	-	-
Green Delhi BQS Limited	2,653.15	-	-	-	2,359.34	-	-	-
Others	558.38	14.21	-	56.28	547.49	10.78	-	59.32
Receivables	14,174.21	-	-	523.79	6,010.17	-	-	615.42
PT. Jindal Stainless Indonesia	7,690.14	-	-	-	3,493.13	-	-	-
Jindal Stainless Steelway Limited	3,863.51	-	-	-	1,242.06	-	-	-
Austenitic Creations Private Limited	721.65	-	-	-	1,251.72	-	-	-
Iberjindal S.L.	1,799.21	-	-	-	-	-	-	-
Others	99.70	-	-	523.79	23.26	-	-	615.42
Payables	852.79	-	-	1,828.03	671.52	-	-	3,907.83
Austenitic Creations Private Limited	386.28	-	-	-	204.08	-	-	-
Jindal Industries Limited	-	-	-	294.73	-	-	-	104.42
Jindal Steel & Power Limited	-	-	-	476.97	-	-	-	2,806.56
Jindal Saw Limited	-	-	-	913.35	-	-	-	916.71
Others	466.51	-	-	142.98	467.44	-	-	80.14

Note :-

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

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

*** Includes Subordinated Debts of **Rs. 1,122.25 Lacs** (Rs.1,267.50 Lacs)

Notes to Accounts

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

	(Rs. in Lacs)	
	2009-2010	2008-2009
(A) Basic :		
Net Profit / (Loss) after tax as per P & L A/c	37,848.22	(57,982.04)
Weighted Average No. of Equity Shares for Basic EPS (Face value Rs. 2/- per share)	162,199,171	161,638,494
Basic EPS (in Rs.)	23.33	(35.87)
(B) Diluted :		
Net Profit / (Loss) after tax as per P & L A/c	37,848.22	(57,982.04)
Add: Interest & Fluctuation on Foreign Currency Convertible Bonds (net of tax)	-	2,590.08
Profit / (Loss) attributable to Equity Share Holders	37,848.22	(55,391.96)
Weighted Average No. of Equity Shares for Basic EPS	162,199,171	161,638,494
Add : Weighted average of Potential equity shares converted during the year	-	496,438
Add : Weighted average of Potential equity shares outstanding as on 31st March,2010	-	8,777,592
Weighted average No. of Equity Shares for Diluted EPS (Face value Rs. 2/- per share)	162,199,171	170,912,524
Diluted EPS (in Rs.) (Read with Note No.10 above)	23.33	(32.41)

23 Deffered Tax Liability (Net) comprises of the following as on 31.03.2010 :

	Deferred Tax Liability/Asset as at 31.03.2009	Charge/(Credit) for the year	Deferred Tax Liability/Asset as at 31.03.2010
A) Deferred Tax Liability			
Difference between book & tax depreciation	61,154.93	2,446.51	63,601.44
Total Deferred Tax Liability - A	61,154.93	2,446.51	63,601.44
B) Deferred Tax Assets			
1 Disallowance under Section 43B	1,335.13	7,369.47	8,704.60
2 Amortisation under Section 35D	0.40	(0.40)	-
3 Provision for doubtful debts & advances	35.15	16.76	51.91
4 Provisions for Employee Benefits	246.80	70.64	317.44
5 Provisions for MTM Losses & Diminution in Investments	981.56	(912.41)	69.15
6 Brought forward loss/Unabsorbed Depreciation *	38,610.24	(23,249.67)	15,360.57
7 Brought forward long term/short term capital losses	31.32	(31.32)	-
Total Deferred Tax Assets - B	41,240.60	(16,736.93)	24,503.67
Deferred Tax Liability (Net) (A-B)	19,914.33	19,183.44	39,097.77

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

Notes to Accounts

24 (A) Auditors Remuneration includes the following :

	(Rs. in Lacs)	
	2009-10	2008-09
(i) Payment to Auditors *		
Audit Fee	19.00	15.00
Other Capacity	16.93	5.80
Certification Work	0.20	0.13
Out of Pocket Expenses	2.48	2.02
	38.61	22.95
(ii) Payment to Branch Auditors		
Audit Fee	1.90	1.30
Tax Audit Fee	0.70	0.50
Certification Work etc.	3.86	1.66
Out of Pocket Expenses	0.39	0.13
	6.85	3.59
Total	45.46	26.54
*Rs. 6.25 Lacs (Rs. 0.22 Lacs) included in Pre-operative Expenses.		
(B) Payment to Cost Auditors		
Audit Fee	0.97	0.90
Out of Pocket Expenses	0.29	0.10
Total	1.26	1.00
(C) Directors' Remuneration includes the following:		
Remuneration paid/payable to Whole Time Directors (WTD) and Managing Director		
Salary	193.89	308.17
Provident Fund	7.92	13.65
Monetary value of perquisites**	1.75	-
	203.56	321.82

** As per Income Tax valuation.

** Excluding Gratuity/leave encashment.

- (i) (a) For the remuneration amounting to **Rs. 16.20 Lacs** paid to a Whole Time Director for the year 2008-2009, company's repersantation is pending before Central Government.
- (b) For the remuneration paid/payble to a whole Time Director for the year 2009-2010 amounting to **Rs. 156.36 Lacs**, approval of the Central Government is awaited.

25 In the absence of profit under section 349 of the Companies Act, 1956 no computaion of net profit has been given.

Notes to Accounts

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

	(Rs. in Lacs)	
	2009-10	2008-09
Semi Finished Goods	-	5,347.03
Stores & Spares Consumed	-	283.53
Depreciation	26.35	7.38
Interest on Fixed Loans	16,953.50	13,823.20
Interest on Others	9.54	2,976.88
Power & Fuel	144.42	650.80
Salaries & Allowances	2,443.80	1,756.23
Workman and Staff welfare	0.24	0.59
Travelling and Conveyance	205.63	133.37
Financial Expenses/Bank Charges	1,267.55	740.73
Administrative Expenses	564.08	2,109.71
Postage & telegram,telex & telephone	58.48	35.53
Legal & Professional Expenses	1,066.50	1,223.44
Miscellaneous Expenses	306.94	464.32
Exchange Fluctuation(Net)	(9,261.88)	29,132.62
	13,785.15	58,685.36
Less: Material recovered during trial run	-	2,488.96
Less: Interest/Other Misc. Income	2,409.04	4,038.55
Add: Pre-operative expenses brought forward	49,305.65	14,278.90
	60,681.76	66,436.75
Less: Capitalised during the year	3,027.02	17,131.10
Pre-operative expenses carried over *	57,654.74	49,305.65

* includes Rs. 57,226.49 Lacs (Rs. 47,726.01 Lacs) relates to SEZ in Orissa.

Notes to Accounts

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

A. INSTALLED CAPACITY:

Description	Unit	Installed Capacity	
		2009-10	2008-09
AT HISAR:			
1. Strip Mill/Tandem Mill	MT	250,000	250,000
2. Plate/Steckel Mill	MT	720,000	720,000
3. Steel Melting	MT	720,000	720,000
4. Cupro Nickle Melting	MT	6,000	6,000
5. Cold Rolling Mill			
i) Cold Rolled Strips	MT	275,000	275,000
ii) Cold Rolled Special Steel	MT	25,000	25,000
iii) Coin Blanks	MT	10,000	10,000
6. Oxygen Plant:			
i) Oxygen Gas	M. Cum.	55.00	55.00
ii) Argon Gas	M. Cum.	1.50	1.50
7. Industrial Machinery *	Nos.	209	209
AT VIZAG			
High Carbon Ferro Chrome	MT	40,000	40,000
AT ORISSA/MINES			
Ferro Alloys	MT	250,000	250,000
Chrome Ore Concentrate	MT	192,000	72,000
Power Plant	MW	250	250

NOTES:

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

Notes to Accounts

B. RAW MATERIAL CONSUMPTION :

Description	Unit	2009-10		2008-09	
		Qty.	Amount	Qty.	Amount
Steel Scrap	MT	470,674	127,730.29	323,442	138,902.04
Copper Scrap	MT	4,966	14,397.50	3,361	9,350.83
Ferro Nickel	MT	35,774	78,712.58	13,866	49,567.05
Ferro Chrome	MT	25,282	14,563.77	8,233	9,136.69
Silica Managenese	MT	28,391	17,285.71	23,492	18,076.76
Ferro Managenese	MT	18,181	8,981.48	5,830	5,511.27
Ferro Silicon	MT	13,321	7,754.13	9,033	5,723.60
Managenese Ore	MT	37,500	9,155.00	84,689	21,242.00
Cold Rolled Strips SS *	MT	-	-	20	25.24
Chrome Ore	MT	4,405	564.34	8,692	1,937.69
Friable Ore/Lumpy Chrome Ore	MT	261,576	18,866.00	217,290	30,139.00
Leco/Hard/Oil/Ash/Nut coke	MT	1,477,325	36,914.54	798,945	31,164.76
Hot Rolled Strips/Coils	MT	17	11.96	4,105	2,940.12
Mollasses	MT	24,625	2,652.75	19,782	1,071.97
Others			23,726.76		19,139.78
			361,316.81		343,928.80
Less:- Inter unit transfer of raw material included in above			14,783.52		15,359.18
Total			346,533.29		328,569.62

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

* sent on job work.

TRADING GOODS PURCHASE :

	MT	990	1,390.31	463	594.54
Shredded Scrap(High Seas)	MT	-	-	1,500	180.40
Pipe & Fitting Materials			131.98		-
Art Gallery Products			-		85.30
Total			1,522.29		860.24

Notes to Accounts

C. OPENING & CLOSING STOCKS

Description	Unit	Opening Stock 01.04.08		Closing Stock 31.03.09		Closing Stock 31.03.10	
		Qty.	Amount (Rs.in lacs)	Qty.	Amount (Rs.in lacs)	Qty.	Amount (Rs.in lacs)
MANUFACTURED							
FINISHED GOODS							
Hot Rolled Flats	MT	6,971	4,259.51	4,199	2,146.14	5,922	3,559.45
Hot Rolled Strips/Plates	MT	24,899	30,656.16	24,354	21,247.60	18,921	14,497.91
MS Plate/Coils	MT	-	-	632	303.43	1,298	612.08
Cold Rolled Strips & Sheets	MT	23,427	33,327.54	15,588	15,388.35	21,875	19,859.55
Cold Rolled Special Steel	MT	383	425.02	86	134.38	629	613.03
Cold Rolled Coin Blanks	MT	58	65.62	55	56.86	38	36.04
H.C. Ferro Chrome	MT	20,769	14,169.18	20,861	11,529.48	16,832	11,425.53*
Ferro Managenese	MT	686	457.56	167	116.37	351	226.21
Silico Managenese	MT	759	532.92	5,033	3,435.29	4,163	3,325.20
S.S.Round/Wire Rod	MT	9	2.51	9	2.51	9	2.50
Cupro Nickel Coils	MT	-	-	-	-	87	300.16
S.S.Welded & Cold Drawn Tubes/Pipes	MT	1	0.68	-	-	-	-
Steel Scrap	MT	14	2.23	14	2.23	14	2.23
Chrome Ore	MT	354,937	1,642.43	430,075	3,125.51	394,958	3,612.88
Chrome Ore Concentrate	MT	3,151	124.50	2,315	82.51	1,531	58.99
Oxygen Gas	Cum.	60,994	6.40	32,600	3.42	20,020	2.10
Nitrogen Gas	Cum.	26,784	0.54	13,000	0.26	23,297	0.51
Total			85,672.80		57,574.34		58,134.37
TRADING GOODS							
Cold Rolled Strips S.S.	MT	75	142.44	16	32.50 **	36	76.79
Pipe & Fitting Materials			-		-		116.95
Art Gallery Products			99.58		156.21		149.00
Total			242.02		188.71		342.74
G. Total			85,914.82		57,763.05		58,477.12

* 7 MT excess recovered.

** 16 MT transferred to finished goods.

D. PRODUCTION :

Description	Unit	2009-10	2008-09
1. HISAR PLANT			
a) Steel Melting :			
Bloom/Slab/Ingot	MT	-	2,034
b) Strips Mill Plant :			
Flat	MT	114,470	138,226
Hot Rolled Strips *	MT	6,163	12,278

* Includes 6,008 MT (2,899 MT) & 37 MT (Nil MT) transferred to CR Unit for conversion to Cold Rolled Special Steel & Cold Rolled Strips S.S. respectively.

Notes to Accounts

c) Plate/Stackle Mill:

Hot Rolled Strips/S.S.Plates **	MT	531,307	310,524
M.S. Plates/Coils	MT	688	696

** Includes 341,707 MT (201,735 MT) transferred to CR Unit for conversion to Cold Rolled Strips S.S. out of which HRAP 88,619 MT (46,391 MT) sold by CR Unit.

** Includes 11,421 MT (9,878 MT) transferred to CR Unit for conversion to Cold Rolled Special Steel.

** Includes 268 MT (Nil MT) manufactured for outside parties on job-work basis from Slab.

d) Cupro Nickel Plant:

Cupro Nickel Coil ***	MT	87	1
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*** Includes Nil MT (1 MT) transferred to CR Unit for conversion.

e) Oxygen Plant:

Oxygen #	CUM.	50,958,678	43,442,669
# Includes 50,290,476 CUM (43,007,532 CUM) use for captive consumption.			
Argon ##	CUM.	1,328,028	1,137,258

Use for captive consumption.

f) Industrial Machinery:

Manufactured Machinery	Production of industrial machinery being numerous and having different nature, size, cost, etc.; have not been given.		
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g) Cold Rolling Mill:

Cold Rolled Strips @	MT	200,177	115,471
Cold Rolled Special Steel	MT	20,125	13,038
Coin Blanks	MT	5,093	10,561

@ Includes 2,189 MT (767 MT) got manufactured from outside parties on job work basis and does not include production of HRAP 24,029 MT (14,414 MT) for HR Unit.

2 VIZAG PLANT

H.C. Ferro Chrome ###	MT	32,681	31,901
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Include 35,797 MT (24,054 MT) transferred to HR Unit for Captive use.

3. ORISSA PLANT/MINES

H.C. Ferro Chrome \$	MT	107,278	85,490
Ferro Managenese \$\$	MT	6,512	20,000
Silico Managenese \$\$\$	MT	14,922	12,015
Chrome Ore \$\$\$\$	MT	3,946	127,426
Chrome Ore Concentrate \$\$\$\$\$	MT	22,833	30,927
Power (Net)	MU	1,589	749

\$ Includes 101,897 MT (68,319 MT) transferred to HR Unit for Captive use.

\$\$ Includes 6,328 MT (12,670 MT) transferred to HR Unit for captive use.

\$\$\$ Includes 7,022 MT (4,116 MT) transferred to HR Unit for captive use.

\$\$\$\$ Includes 39,164 MT (40,100 MT) transferred to Vizag & HR Units for Captive use.

\$\$\$\$\$ Includes 23,617 MT (19,693 MT) transferred to Vizag & HR Units for Captive use.

NOTES:

- 1) Production figures do not include the material produced and transferred for further process, but includes Inter Divisional transfers.
- 2) Total production of Ingots/Blooms/Slabs from Electric Arc Furnace was 677,841 MT (466,834 MT)

Notes to Accounts

E Sales :

Description	Unit	2009-10		2008-09	
		Qty.	Amount (Rs. in Lacs)	Qty.	Amount (Rs. in Lacs)
i) MANUFACTURED GOODS					
FINISHED GOODS :					
Hot Rolled Strips/Plate S.S.	MT	274,502	253,024.38	155,799	186,745.67
Cold Rolled Strips S.S.	MT	193,906	209,701.90	123,332	156,488.21
Hot Rolled Flats S.S.	MT	112,747	66,926.92	140,998	96,419.00
MS Plate/Coils	MT	22	8.80	64	26.61
Cold Rolled Special Steel	MT	19,582	33,707.49	13,335	25,896.17
S.S.Welded & Cold Drawn Tubes/Pipes	MT	28	39.32*	343	496.85
Cold Rolled S.S. Blank	MT	5,110	6,099.55	10,564	13,629.80
H.C. Ferro Chrome	MT	6,301	3,662.16	24,925	22,795.38
Chrome Ore	MT	-	-	12,088	1,738.37
Chrome Ore Concentrate	MT	-	-	12,070	2,051.22
High Carbon Silico Managenese	MT	8,770	4,401.09	3,625	2,941.05
Ferro Managenese	MT	-	-	7,847	8,083.58
Ferro Managenese Slag	MT	-	-	497	87.16
Power	MU	878	29,420.36	280	7,008.21
Nitrogen Gas	Cum.	-	-	11,304	0.84
Oxygen Gas	Cum.	680,782	53.83	463,531	30.46
Total (i)	MT	620,968	607,045.80	505,487	524,438.58
	Cum.	680,782		474,835	
	MU	878		280	
*Includes 28 MT (343 MT) got manufactured from outside parties and Nil MT (1 MT) transferred to melting during the year.					
ii) SEMI FINISHED GOODS:					
Bloom/Slab/Ingot	MT	-	-	2,034	1,545.85
Total (ii)	MT	-	-	2,034	1,545.85
iii) TRADING GOODS:					
Cold Rolled Strips	MT	954	1,301.21	522	698.16
Shredded Scrap(High Seas)	MT	-	-	1,500	165.00
Pipe & Fitting Materials			22.08		-
Art Gallery Products			11.00		71.82
Total (iii)	MT	954	1,334.29	2,022	934.98
Total (a) (i+ii+iii)			608,380.09		526,919.41
Job Charges			31.52		12.34
Export Benefit			3,532.53		2,573.11
Total (b)			3,564.05		2,585.45
Total (a+b)			611,944.14		529,504.86
NOTES:					
1) Sales includes the following goods issued for captive consumption as detailed below:-					
Hot Rolled Strips/Plate S.S.	MT	1193	1,689.45	1108	2,598.74
M.S. Plate / Coils	MT	22	8.80	64	26.61
Total	MT	1215	1,698.25	1172	2,625.35

Notes to Accounts

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

	(Rs. in Lacs)	
Description	2009-10	2008-09
Raw Material	149,366.61	161,413.31
Trading Goods	1,170.26	-
Stores & Spares	7,798.69	5,745.06
Capital Goods	127,122.22	20,324.57

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

	2009-10		2008-09	
	%	Amount	%	Amount
a) RAW MATERIALS CONSUMED				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)	53.58	185,686.72	63.92	210,033.18
ii) Indigenous	46.42	160,846.57	36.08	118,536.44
	100.00	346,533.29	100.00	328,569.62
b) STORES AND SPARES CONSUMED *				
i) Imported (including purchased through canalising agencies, High Seas Sales and others)	30.82	9,061.27	17.39	3,819.01
ii) Indigenous	69.18	20,338.34	82.61	18,136.80
	100.00	29,399.61	100.00	21,955.81

* includes materials consumed during Trial run

H. EXPENDITURE IN FOREIGN CURRENCY:

	(Rs. in Lacs)	
	2009-10	2008-09
	Amount	Amount
i) Export Selling Expenses	2,069.89	3,810.12
ii) Interest	7,875.79	16,294.12
iii) Quality Claim	-	19.49
iv) Travelling	102.55	150.54
v) Legal & Professional Expenses	621.13	613.39
vi) Technical Know-How/Consultancy	21.20	150.00
vii) Others	588.03	719.27

I. EARNINGS IN FOREIGN CURRENCY:

F.O.B. value of export	111,087.80	121,139.56
Interest	1,326.32	1,949.69
Others	-	32.32

J. REMITTANCE OF DIVIDEND ON EQUITY SHARES:

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

Notes to Accounts

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

i) Registration Details			
Registration Number	H-10901	State Code	05
Balance Sheet Date	31.03.2010		
ii) Capital Raised during the year (Rs. in Lacs)			
	Public Issue	Rights Issue	
	NIL	NIL	
	Bonus Issue	Private Placement	
	NIL	468.94	
iii) Position of Mobilisation and Deployment of Funds (Rs. in Lacs)			
	Total Liabilities	Total Assets	
	984,949.03	984,949.03	
Sources of Funds*			
Equity Capital	Paid-Up Capital	Reserves & Surplus	
	3,711.64	187,647.54	
	Secured Loans	Un-Secured Loans	
	728,602.74	25,889.34	
*Excluding deferred tax liability of Rs. 39,097.77 Lacs			
Application of Funds			
	Net Fixed Assets	Investments	
	778,816.79	35,144.69	
	Net Current Assets	Misc. Expenditure not W/off	
	168,208.64	2,778.91	
	Accumulated Losses		
	NIL		
iv) Performance of Company (Rs. in Lacs)			
	Turnover	Total Expenditure	
	577,339.73	520,302.09	
	Profit before Tax	Profit after Tax	
	57,037.64	37,848.22	
	Earning Per Share	Dividend Per Share	
	23.33	NIL	
v) Generic names of two principal products of Company (As per monetary terms)			
	Item Code No. (ITC Code)	72.19/72.20	
	Product Description	S.S.Hot Rolled/Cold Rolled Strips & Sheets,Flats & Plates	
	Item Code No. (ITC Code)	72.02	
	Product Description	Ferro Chrome	

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

30 Figures in bracket indicate previous year figures.

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

Signatures to Schedules 1 to 20

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

Cash Flow Statement for the year ended 31st March, 2010

Description	(Rs. in Lacs)	
	2009-10	2008-09
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit/(Loss) Before Tax & Exceptional Item	33,750.41	(27,186.90)
Adjustment for :		
Depreciation/Amortisation	33,988.71	31,307.86
Provision for Doubtful Debts & Advance / Bad Debts	87.00	3.58
Previous Year Adjustments (Liability w.back)	(340.52)	(81.22)
Misc. Expenses Written Off	317.68	38.51
Misc. Expenses Incurred	(264.37)	(1,283.23)
Interest and Bank Charges	39,938.83	31,758.63
Dividend Income	(1.77)	(2.37)
(Profit) / Loss on Sale of Investments (Net)	(733.80)	(1,052.82)
(Profit) / Loss on Sale/Discard of Fixed Assets (Net)	98.01	127.52
Operating Profit Before Working Capital Changes	106,840.18	33,629.56
Adjustment for:		
(Increase) / Decrease in Inventories	2,889.05	53,289.44
(Increase) / Decrease in Sundry Debtors	(49,851.43)	19,152.81
(Increase) / Decrease in Loans & Advances	9,939.73	17,664.97
Increase / (Decrease) in Current Liabilities	(86,778.35)	50,808.68
Cash Inflow from Operating Activities Before Exceptional Items	(16,960.82)	174,545.46
Exceptional Items - Gain/(Loss)	23,287.23	(59,494.34)
Income Tax (Advance) / Refund (Net)	(3,354.33)	(2,158.54)
Net Cash Inflow from Operating Activities	2,972.08	112,892.58
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(purchase) of Investment (Net)	55,708.05	(71,869.63)
Investment in Subsidiaries	(433.15)	(7,434.62)
Loan given to Subsidiaries	(374.57)	(2,537.91)
Capital Expenditure (including advances for capital expenditure)	(215,213.74)	(101,733.02)
Sales Proceeds of Fixed Assets Sold	51.77	542.49
Dividend Received	1.77	2.37
Interest Received	3,236.56	7,467.08
Net Cash Outflow from Investing Activities	(157,023.31)	(175,563.24)

Cash Flow Statement for the year ended 31st March, 2010

Description	(Rs. in Lacs)	
	2009-10	2008-09
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid (including corporate dividend tax)	(12.58)	(3,766.71)
Interest and Finance Charges Paid	(42,781.70)	(49,154.17)
Debt serviced/refundable under CDR	(9,048.70)	-
Proceeds from / (Repayment of) Borrowings (net)	184,185.69	104,766.04
Issue of equity share/ warrants	24,736.84	6,989.30
Net Cash Inflow from Financing Activities	157,079.55	58,834.46
Net Changes in Cash & Cash Equivalents	3,028.32	(3,836.20)
Cash & Cash Equivalents (Closing Balance)	68,750.24	65,721.92
Cash & Cash Equivalents (Opening Balance)	65,721.92	69,558.12
Net Changes in Cash & Cash Equivalents	3,028.32	(3,836.20)
Notes :		
1) Cash and cash equivalents includes :-		
Cash, Cheques and Stamps in hand	918.62	518.08
Balance with Banks	67,831.58	65,203.80
Puja & Silver Coins	0.04	0.04
	68,750.24	65,721.92
2) Previous year's figures have been regrouped and rearranged wherever considered necessary.		

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

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

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

SANDEEP SIKKA
Head - Corporate Finance

JITENDRA KUMAR
Company Secretary

PLACE : New Delhi
DATED : 31st May, 2010

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

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

Particulars	Subsidiary Companies							
	PT. Jindal Stainless Indonesia	Jindal Stainless Steelway Limited	Jindal Architecture Limited	Austenitic Creations Private Limited	Jindal Stainless UK Limited	Jindal Stainless Italy Srl.	Jindal Stainless FZE	Green Delhi BQS Ltd.
a) Holding Company's interest	: Holder of 12,499,900 Equity Shares of US \$ 1 each out of the subscribed capital of 12,500,000 Equity Shares of US \$ 1 each.	Holder of 14,061,667 Equity Shares of Rs.10/- each out of the subscribed capital of 17,166,924 Equity Shares of Rs.10/- each	Holder of 4,100,100 Equity Shares of Rs.10/- each and 1,638,228 equity share held indirectly through its subsidiary company i.e. Jindal Stainless Steelway Limited out of the subscribed capital of 7,617,652 Equity Shares of Rs.10/- each.	Holder of 17,795,600 Equity Shares of Rs.10/- each out of the subscribed capital of 22,678,124 Equity Shares of Rs.10/- each.	Holder of 100,000 Equity Shares of 1 GBP each out of the subscribed capital of 100,000 Equity Shares of 1 GBP each	Capital Stock of Euro 10,000 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 Rs.10/- each by holding company held directly and 17,325 equity Shares held indirectly through its subsidiary company i.e. Jindal Architecture Ltd. & Jindal Stainless Steelway Limited out of the subscribed capital of 100,000 Equity Shares of Rs.10/- each.
b) Financial year of the company ended on	: 31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st Dec, 2009	31st March, 2010	31st March, 2010
c) Net aggregate amount of subsidiary company's profit/(loss) not dealt within the company's Account.	: (Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
i) For the subsidiary company's financial year ended 31st March, 2010.	: 390,882,343	126,587,567	6,716,663	(29,691,307)	1,043,720	(1,616,874)	1,119,643	(12,092,037)
ii) For the subsidiary company's previous financial periods, since it became the holding company's subsidiary.	: (194,754,275)	84,260,337	1,364,695	(145,853,251)	7,664,401	1,763,046	19,106,598	(13,897,584)
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, 2010.	: 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 31.03.2010 in incorporating changes since close of the financial year of Jindal Stainless Italy s.r.l. and Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi, in pursuance of Section 212(5) of the Companies Act, 1956.	: N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f) Material changes occurred between the : end of financial year of Jindal Stainless Italy s.r.l. & Jindal Stainless Madencilik Sanayi Ve Ticaret Anonim Sirketi and 31.03.2010 in respect of								
i) Fixed Assets :	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ii) Investments :	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iii) Money lent:	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iv) Money Borrowed : (other than to meet current liability)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

RATAN JINDAL
Vice Chairman & Managing Director

ARVIND PARAKH
Director - Finance

PLACE : New Delhi
DATED : 31st May, 2010

Subsidiary Companies

Parivartan City Infrastructure 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 Rs.10/- each out of the subscribed capital of 50,000 Equity Shares of Rs.10/- each.	Holder of 4,499,700 Equity Shares of YTL1 each out of the subscribed capital of 7,223,000 Shares of YTL 1 each.	Holder of 50,000 Equity Shares of Rs.10/- each out of the subscribed capital of 50,000 Equity Shares of Rs.10/- each.	Holder of 20,000 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 of 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 of JSL Ventures 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 of 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, 2010	31st Dec, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(95,724,897)	(32,147,265)	799,576	(274,915)	(814,473)	(628,348)	(353,806)	(654,260)	(10,151,928)
(79,122,417)	(19,585,441)	715,204	(4,860)	(109,390)	(316,888)	(390,408)	(262,067)	The company had not any commercial activity last year
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil	Nil	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.

SANDEEP SIKKA
Head - Corporate Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

Consolidated
Financial
Statements

Auditors' Report on the Consolidated Financial Statements

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

We have examined the attached consolidated Balance Sheet of JSL Limited, its subsidiaries and its interest in associate as at 31st March, 2010 and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year then ended.

- 1) These financial statements are the responsibility of the JSL Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 2) (a) We did not audit the financial statements of subsidiaries except as stated in Para (b) herein below, whose financial statements reflect total assets of Rs. 101,090.35 Lacs as at 31st March, 2010 and the total revenues of Rs. 128,601.74 Lacs for the year then ended. We also did not audit the financial statements of an associate in whose financial statements the Group's share of loss is Rs. 4.28 Lacs for the year ended on 31st March, 2010. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the report of the other auditors.
 - (b) Audited financial statements of a subsidiary reflecting total assets of Rs. 448.07 Lacs as at 31st March, 2010 and total revenues of Rs. 394.36 Lacs for the year then ended have been audited by one of the joint auditors of the company whose report has been furnished to us by the management and our opinion is based solely on the report of the said auditor.
 - (c) We did not audit the financial statements of other subsidiaries whose unaudited financial statements reflect total assets of Rs. 8,733.41 Lacs as at 31st March, 2010 and total revenues of Rs. 2,696.32 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. 18 of schedule 20 regarding pending necessary approvals for managerial remuneration as explained in the said note.
 - b) Note no. 11 of schedule 20 regarding impact of interest on FCCB and EPS as stated in the said note.
 - c) Note no. 5 (ii) of schedule 20 regarding pending confirmations of balances of certain secured loans as stated in the said note.
 - d) Note no. 2 (B) of schedule 20 regarding pending export obligation against custom duty saved on raw material consumed imported under advance license as stated in the said note.
- 4) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) - 21 'Consolidated Financial Statements' and (AS) - 23 'Accounting for Investments in Associates in consolidated financial statements' as notified under the Companies (Accounting Standards) Rules, 2006, and on the basis of the separate audited financial statements of JSL Limited, its aforementioned subsidiaries and associate.

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

 - a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of JSL Limited, its subsidiaries and its interest in associate as at 31st March, 2010;
 - b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of JSL Limited, its subsidiaries and its interest in associates for the year then ended; and
 - c) the consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows of JSL Limited 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

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

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

Place : New Delhi
Date : 31st May, 2010

Consolidated Balance Sheet as at 31st March, 2010

		(Rs. in Lacs)	
Description	SCHEDULE	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital - Equity	1	3,711.64	3,242.70
Reserves and Surplus	2	187,274.56	123,838.74
		190,986.20	127,081.44
MINORITY INTEREST			
		1,999.35	1,544.64
LOAN FUNDS			
Secured Loans	3	767,926.27	551,220.09
Unsecured Loans	4	29,159.85	47,794.03
		797,086.12	599,014.12
Deferred Tax Liability (Net) (Note No.17 of Schedule 20)		37,831.23	18,136.74
TOTAL		1,027,902.90	745,776.94
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	578,923.24	535,150.67
Less: Depreciation/Amortization		151,775.97	115,565.30
Net Block		427,147.27	419,585.37
Add: Capital Work in Progress		390,305.49	215,426.77
		817,452.76	635,012.14
INVESTMENTS			
	6	20,168.54	75,035.01
GOODWILL ON CONSOLIDATION			
		671.01	799.99
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	188,161.42	181,344.94
Sundry Debtors	8	106,997.77	60,798.42
Cash and Bank Balances	9	71,912.09	67,523.59
Loans and Advances	10	83,887.67	75,907.50
		450,958.95	385,574.45
LESS:CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	232,835.54	326,739.99
Provisions	12	31,302.89	26,757.70
		264,138.43	353,497.69
NET CURRENT ASSETS			
		186,820.52	32,076.76
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	13	2,790.07	2,853.04
TOTAL		1,027,902.90	745,776.94
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

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

(Rs. in Lacs)			
Description	SCHEDULE	31.03.2010	31.03.2009
INCOME			
Gross Sales and Operational Income	14	649,324.13	575,269.99
Less : Excise Duty		35,407.16	44,764.13
Net Sales and Operational Income		613,916.97	530,505.86
Other Income	15	1,728.12	2,149.88
		615,645.09	532,655.74
EXPENDITURE			
Material, Manufacturing and Others	16	463,881.56	456,762.51
Personnel	17	16,149.28	14,532.20
Administrative and Selling	18	23,084.16	20,366.32
Interest and Bank Charges	19	44,077.28	34,810.39
Miscellaneous Expenditure Written off		327.34	60.70
Depreciation/Amortization		37,471.10	33,396.19
		584,990.72	559,928.31
Net Profit/(Loss) Before Exceptional & Extraordinary item		30,654.37	(27,272.57)
Add: Exceptional items Gain/(Loss) (Note.No.9 & 10 of Schedule 20)		29,154.60	(63,577.53)
Add: Extraordinary item Gain/(Loss) (Note. No.8 of Schedule 20)		-	(172.60)
Profit/(Loss) Before Taxation		59,808.97	(91,022.70)
Less:			
Provision for Taxation		5,242.63	324.56
MAT Credit Entitlement		(4,388.73)	(4.68)
Provision for Fringe Benefit Tax		-	148.55
Provision for Deferred Tax		19,762.08	(30,569.75)
Previous Year Taxation Adjustment		(0.77)	23.66
Profit/(Loss) After Taxation		39,193.76	(60,945.04)
Share in Profit/(Loss) of Associate		(4.28)	(73.50)
Minority Interest		(2.48)	(178.00)
Net Profit/(Loss) (after adjustment for Associate & Minority Interest)		39,191.96	(60,840.54)
ADD/(LESS)			
Amount Brought Forward		-	5,447.86
Debenture Redemption Reserve written back		3,600.00	-
Net Profit/(Loss)		42,791.96	(55,392.68)
Pre-Acquisition Profits/(Loss) Transferred to Capital Reserve/Goodwill		22.98	(952.78)
		42,768.98	(54,439.90)
Appropriations			
Debenture Redemption Reserve		3,982.89	-
General Reserve		819.11	409.56
Surplus/(Deficit) carried to Balance Sheet		37,966.98	(54,849.46)
		42,768.98	(54,439.90)
Earning Per Share (in Rs.) (Note No. 16 of Schedule 20)			
Before Extraordinary Items			
- Basic		24.16	(37.53)
- Diluted		24.16	(37.53)
After Extraordinary Items			
- Basic		24.16	(37.64)
- Diluted		24.16	(37.64)
Notes forming part of accounts	20		

Schedules referred to above form an integral part of the accounts

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "1"		
SHARE CAPITAL		
AUTHORISED		
475,000,000 (Previous Year 475,000,000) Equity Shares of Rs.2/- each	9,500.00	9,500.00
	9,500.00	9,500.00
ISSUED, SUBSCRIBED AND PAID UP		
185,582,172 - Equity Shares of Rs.2/-each fully paid up (Previous Year 162,134,932 Equity Shares of Rs.2/- each fully paid up)	3,711.64	3,242.70
TOTAL	3,711.64	3,242.70

Of the above :-

- A) 13,778,717 Equity Shares of Rs 10/-each fully paid up issued to Shareholders of Jindal Strips Limited pursuant to Scheme of Arrangement & Demerger.
- B) One Equity Share of Rs.10/-each fully paid up issued to Shareholders of J - Inox Creations(P) Ltd. and Austenitic Creations (P) Ltd. pursuant to the Scheme of Amalgamation.
- C) 5,153,293 Fully Paid Up Bonus Equity Shares of Rs.10/- each in the ratio of 253 Equity Shares of Rs.10/- each for every 679 Equity Shares of Rs.10/- each, allotted out of Share Premium and Capital Redemption Reserve to the equity shareholders of the company pursuant to Scheme of Arrangement and Demerger.
- D) 999,752 Equity Shares of Rs.10/- each fully paid up allotted to the holders of 460 Foreign Currency Convertible Bonds of US\$ 5000/- each at predetermined (as per scheme) conversion rate of Rs.100/- each on 13.01.2004.
- E) Company has subdivided the Equity Shares of Rs.10/- each into Equity Shares of Rs.2/- each on 10.03.2004.
- F) 9,997,524 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 920 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/- each on 24.12.2004.
- G) 3,907,028 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 2141 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 119.872 each during the year ended on 31.3.2006 .
- H) 16,734,984 (represented by 8,367,492 nos. GDS)Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 1540 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/-each during the year ended on 31.03.2006.
- I) 869,350 (represented by 434,675 nos. GDS)Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 80 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 20/-each during the year ended on 31.03.2007.
- J) 6,800,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2007.
- K) 9,213,726 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of 5049 Foreign Currency Convertible Bonds of US \$ 5000/- each at predetermined (as per scheme) conversion rate of Rs. 119.872 each during the year ended on 31.03.2008.
- L) 7,150,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2008.
- M) 7,550,000 Equity Shares of Rs. 2/- each fully paid up allotted to the holders of Equity Share warrants at predetermined conversion rate of Rs. 103/- each during the year ended on 31.03.2009.
- N) 23,447,240 Equity Shares of Rs. 2/- each fully paid up allotted to the Qualified Institutional Buyers at Rs. 105.50 each during the year ended on 31.03.2010.

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - " 2 "		
RESERVES AND SURPLUS		
a) SECURITIES PREMIUM ACCOUNT		
As per last Account	51,096.16	43,470.66
Add : On Conversion of Equity Share Warrants/Issue of QIP	24,267.90	7,625.50
	75,364.06	51,096.16
b) GENERAL RESERVE		
As per last Account	60,557.99	114,997.89
Add :Transferred from Profit and Loss Account	819.11	409.56
Less: Towards Deficit in Profit and Loss Account set off	-	54,849.46
	61,377.10	60,557.99
Add / Less : Foreign Currency Translation Reserve (includes arised on consolidation)	647.74	648.80
	62,024.84	61,206.79
c) DEBENTURE REDEMPTION RESERVE		
As per last Account	9,374.96	9,374.96
Add :Transferred from Profit and Loss Account	3,982.89	-
Less : Written Back During the Year	3,600.00	-
	9,757.85	9,374.96
d) CENTRAL/STATE SUBSIDY RESERVE		
As per last Account (Against fulfilment of certain stipulations)	39.27	39.27
	39.27	39.27
e) CAPITAL REDEMPTION RESERVE		
As per last Account	2,000.00	2,000.00
	2,000.00	2,000.00
f) AMALGAMATION RESERVE		
As per last Account	121.56	121.56
	121.56	121.56
g) SURPLUS-PROFIT AND LOSS ACCOUNT		
	37,966.98	-
TOTAL	187,274.56	123,838.74

Consolidated Schedules to the Balance Sheet

	(Rs. in Lacs)	
Description	31.03.2010	31.03.2009
SCHEDULE - " 3 "		
SECURED LOANS		
(Read with Note No. 5 & 13 b) of Schedule 20)		
A) REDEEMABLE NON-CONVERTIBLE DEBENTURES	25,000.00	43,000.00
	25,000.00	43,000.00
B) TERM LOANS FROM BANKS		
Rupee Term Loans	338,621.58	258,585.60
Foreign Currency Loans	135,755.47	164,531.31
	474,377.05	423,116.91
C) FUNDED INTEREST TERM LOAN FROM BANKS/FI	20,455.31	-
D) CAR LOANS FROM BANKS	208.88	209.26
E) BUYER CREDIT IN FOREIGN CURRENCY		
Against Capital Goods	106,950.39	-
Against Working Capital	27,569.59	-
	134,519.98	-
F) WORKING CAPITAL FACILITIES FROM BANKS	113,365.05	84,893.92
TOTAL	767,926.27	551,220.09

NOTES :

- A.** As on 31st March, 2010, Debentures are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable. Debentures of Rs. 1,000,000 each are redeemable in 28 equal quarterly installments starting from 1st July, 2012 and ending on 1st April, 2019 and coupon is proposed to be revised to 9.75%.
- As on 31st March, 2009, Debentures are secured by pari-passu charge by way of equitable mortgage on the company's immovable properties located in State of Gujarat, Hisar, Vizag, Orissa and hypothecation of moveable assets in favour of debenture trustee ranking pari-passu with other Financial Institutions/Banks.
- B.** As on 31st March, 2010, Term Loans amounting to Rs. 392,713.61 Lacs are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- As on 31st March, 2010, Term Loans amounting to Rs. 66,634.45 Lacs are to be 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.
- Term loans from Banks include loans of Rs. 2,817.47 Lacs (Previous Year Rs. 2,900.00 Lacs) are secured by hypothecation of book debts and collateral corporate Guarantee given by the fellow subsidiary.
- Term loans from Banks include loans of Rs. 4,660.12 Lacs (Previous Year Rs.5,087.15 Lacs) are secured by way of mortgage of immovable properties and hypothecation of moveable assets of the company and second charge on the current assets of the company ranking pari passu with other Banks/Financial Institutions.
- Term loans from Banks include loans of Rs.7,551.39 Lacs (Previous Year Rs.9,281.64 Lacs), for which charge is created / to be created by way of mortgage of company's immovable properties and hypothecation of moveable assets both present and future ranking pari-passu with other Banks/Financial Institutions. Further loans of Rs. 7,434.92 Lacs were also collateralized by letter of comfort/undertaking for non disposing of Equity Investment in PT. Jindal Stainless Indonesia by holding company.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs.362,063.05 Lacs, for which charge is created / to be created by way of mortgage of company's immovable properties and hypothecation of moveable assets both present and future ranking pari-passu with other Financial Institutions/Banks.
- As on 31st March, 2009, Term Loans from Banks include loans ofRs.30,000.00 Lacs, for which charge is created/to be created by way of second residual charge on current assets and fixed assets of the company.
- As on 31st March, 2009, Term Loans from Banks include sub debts term loans of Rs.2,425.07 Lacs securedby way of second charge on all movable and immovable fixed assets of the company ranking pari-passu with other Financial institutions/Banks.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs.5,000.00 Lacs securedby way of residual charge (ranking subservient to first and second charge holders) over moveable fixed assets of the company.
- As on 31st March, 2009, Term Loans from Banks include loans of Rs.6,340.00 Lacs secured by residual charge by way of hypothecation of movable fixed assets of the company.
- C.** Funded Interest Term Loans amounting to Rs. 20,455.31 Lacs (including Rs. 1,683.41 Lacs from Financial Institutions) are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets namely finished goods, raw materials, work-in-progress, consumable stores and spares, book debts, bills receivable.
- D.** Secured by way of hypothecation of vehicles purchased thereunder.
- E.** Buyers Credit amounting to Rs. 106,950.39 Lacs are to be secured by first pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present & future and second pari-passu charge by way of hypothecation and/or pledge of current assets

Consolidated Schedules to the Balance Sheet

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

Buyers Credit amounting to Rs. 27,569.59 Lacs are to be secured by way of hypothecation and/or pledge of current assets namely finished goods, 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.

- F. Working capital loans of Rs. 97,008.91 Lacs (Previous Year Rs.75,470.38 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.
Working capital loans of Rs. 16,356.14 Lacs (Previous Year Rs. 9,423.54 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.

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "4"		
UNSECURED LOANS		
0.50% Foreign Currency Convertible Bonds (Including Premium)*	14,031.40	12,198.16
Fixed Deposits	10,208.58	3,820.69
Rupee Term Loan From Banks	-	30,000.00
Rupee Term Loan From Others	3,252.00	-
Interest accrued thereon	18.51	36.97
Security Deposits from Agents / Dealers / Others	1,649.36	1,738.21
TOTAL	29,159.85	47,794.03

NOTE:

* 0.50% Foreign Currency Convertible Bonds (net of Indian Withholding Tax) were issued to foreign investors on 24th December, 2004 by the company, in terms of the Offering Memorandum dated 17th December, 2004. These Bonds at the option of the holder, may be converted into Equity Shares of normal value of Rs. 2/- each at any time on or after 22nd January, 2005 at a pre-determined price of Rs. 119.872 per share. Unless previously redeemed, repurchased and cancelled, or converted, the Bonds were redeemable at 129.939% of their principal amount on 24th December, 2009. (Read with Note No. 11 of Schedule 20.)

SCHEDULE - "5"

FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	COST AS ON 01.04.2009	ADDITIONS DURING THE YEAR	SALE/ ADJUSTMENT DURING THE YEAR \$	TOTAL AS ON 31.03.2010	UPTO LAST YEAR	DURING THE YEAR ****	ON SALE/ ADJUSTMENT \$	TOTAL UPTO 31.03.2010	31.03.2010	31.03.2009
LAND *	13,469.21	144.82	(128.13)	13,742.16	192.30	50.83	(2.38)	245.51	13,496.65	13,276.91
BUILDINGS	50,432.06	3,485.83	(48.81)	53,966.70	4,740.10	1,459.23	(25.80)	6,225.13	47,741.57	45,691.96
PLANT & MACHINERY **	446,771.69	41,327.79	1,485.47	486,614.01	105,575.49	33,910.18	1,207.87	138,277.80	348,336.21	341,196.20
ELECTRIC INSTALLATION	11,245.12	148.17	1.96	11,391.33	1,540.98	635.97	0.45	2,176.50	9,214.83	9,704.14
VEHICLES	2,631.35	200.21	115.38	2,716.18	878.74	298.52	44.82	1,132.44	1,583.74	1,752.61
FURNITURE, FIXTURES & EQUIPMENTS	2,174.54	171.51	224.07	2,219.98	703.84	150.25	51.73	802.36	1,319.62	1,470.70
POWER LINE AND BAY EXTENSION	1,211.87	-	-	1,211.87	275.05	121.19	-	396.24	815.63	936.82
INTANGIBLE ASSETS										
TECHNICAL KNOW HOW	1,369.18	-	-	1,369.18	573.36	136.92	-	710.28	658.90	795.82
COMPUTER SOFTWARE	1,074.01	4.32	-	1,078.33	629.24	258.13	-	887.37	190.96	444.77
BUS Q SHELTER CONCESSION RIGHT	4,771.64	0.82	60.96	4,711.50	456.20	479.12	12.98	922.34	3,789.16	4,315.44
TOTAL	535,150.67	45,483.47	1,710.90	578,923.24	115,565.30	37,500.34	1,289.67	151,775.97	427,147.27	419,585.37
CAPITAL WORK IN PROGRESS ****									390,305.49	215,426.77
Previous Year	445,252.89	91,865.04	1,967.26	535,150.67	83,943.17	33,406.38	1,784.25	115,565.30	419,585.37	-

* Land includes land acquired on lease amounting to Rs. 4,052.39 Lacs (Previous Year Rs. 4,040.73 Lacs) and amount amortize thereon during the year is Rs. 50.83 Lacs (Previous Year Rs. 49.99 Lacs).

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

*** Plant & Machinery Sale/ Adjustment includes Rs. 1,060.73 Lacs (Previous Year NIL) and Depreciation on sale/adjustment includes Rs. 330.31 Lacs (Previous Year NIL) transferred by HR Division to Jajpur Division and that is CWIP of Jajpur Division.

**** Depreciation during the year includes Rs. 29.24 Lacs (Previous Year Rs. 10.19 Lacs) considered under pre-operative expenses.

***** Include capital advances Rs. 68,985.21 Lacs (Previous Year Rs. 53,034.57 Lacs) and project inventory Rs. 1,54,241.45 Lacs (Previous Year Rs. 21,034.36 Lacs).

\$ Sales/adjustment in respect of Gross Block and Depreciation includes Rs. 1,079.94 Lacs (Previous Year Rs. 739.81 Lacs) and Rs. 421.12 Lacs (Previous Year Rs. 169.09 Lacs) respectively for adjustment of Foreign Exchange Fluctuation.

Consolidated Schedules to the Balance Sheet

SCHEDULE - "6"

INVESTMENTS

DETAILS OF INVESTMENTS		31.03.2010			31.03.2009		
		Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)
Current Investment - Non Trade (At Cost Less Provision)							
A Mutual Funds							
1	Baroda Pioneer Liquid Fund-Institutional Growth Plan	18,981,815.42	10.00	2,000.00	-	-	-
2	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	60,003,728.58	10.00	6,200.65	-	-	-
3	Canara Rebeco Treasury Advantage Super Instt Growth Fund	42,670,797.46	10.00	5,917.99	-	-	-
4	DBS Chola Freedom Income STP-Inst-Cum-Org	-	-	-	35,439,359	10.00	5,000.83
5	DWS Insta Cash Fund- Institutional Plan Growth	-	-	-	6,132,314	10.00	850.00
6	DWS Ultra Short Term Fund- Institutional Growth	-	-	-	72,821,024	10.00	7,500.90
7	HDFC Floating Rate income Fund-Short Term Plan-Wholesale Option-Growth	-	-	-	79,724,422	10.00	11,889.01
8	IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth	-	-	-	74,598,791	10.00	7,744.26
9	LIC MF Liquid Fund- Growth Plan	-	-	-	93,382,448	10.00	15,000.00
10	Principal Cash Management Fund- Money at Call Dividend Reinvestment Daily	-	-	-	72,837,258	10.00	10,000.00
11	Reliance Liquidity Fund-Growth Fund-Growth Option	3,615,002.96	10.00	500.88	-	-	-
12	SBI Magnum Insta Cash Fund-Cash Option	-	-	-	5,104,779	10.00	994.61
13	SBI MICF Liquid Floater Plan	-	-	-	1,426	10.00	0.15
14	UTI Liquid Cash Plan Institutional-Growth Option	264,904.33	1,000.00	4,000.00	622,068	1,000.00	8,977.46
15	UTI Treasury Advantage Fund-Institutional Plan(Growth Option)	-	-	-	399,253	1,000.00	4,700.00
Total (A)				18,619.52			72,657.22
B Equity Share Fully Paid Up - Quoted							
1	Bhartiya International Limited	114,609	10.00	73.12	114,609	10.00	23.78
2	Central Bank of India	7,247	10.00	7.39	7,247	10.00	2.46
3	Hotel Leela Ventures Limited	90,000	2.00	44.10	90,000	2.00	16.79
4	Mundra Port and SEZ Limited	1,471	10.00	6.48	1,471	10.00	4.76
Total (B)				131.09			47.79
C Govt./Semi Govt. Securities							
1	9.40% Syndicate Bank ST-1 Series 11 Bonds	-	-	-	138	1,000,000.00	1,380.00
Total (C)				-			1,380.00
Long Term Investment							
A Govt./Semi Govt. Securities - Non Trade							
1	12.40% Government of India Stocks (Face value Rs. 40 Lacs)	-	-	41.14	-	-	41.14
2	National Savings Certificate *	-	-	1.47	-	-	1.47
3	8.40% Transmission Corp. of A.P. Limited	10	1,000,000.00	103.40	10	1,000,000.00	103.40
4	7.50% Bank of India	4	1,000,000.00	40.00	4	1,000,000.00	40.00
5	7.64% KSFC 2018	10	1,000,000.00	97.71	10	1,000,000.00	97.71
Total (A)				283.72			283.72

Consolidated Schedules to the Balance Sheet

DETAILS OF INVESTMENTS		31.03.2010			31.03.2009		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)	Nos.	Face Value (Rs.)	Amount (Rs. in Lacs)
B Equity Share Fully Paid Up - Unquoted							
1	Jab Resources Limited	3,333,067	Cents 15	179.59	3,333,067	Cents 15	179.59
2	MJSJ Coal Limited #	3,609,000	10.00	360.90	9,000	10.00	0.90
Total (B)				540.49			
C Equity Shares Fully Paid Up of Associate Company - Trade Unquoted							
1	J.S.S. Steelitalia	6,886,723	10.00	688.67	5,755,251	10.00	575.53
Add/Less :- Share in Profit/(Loss) of Associate				(94.95)	(89.74)		
Total (C)				593.72	485.79		
GRAND TOTAL :				20,168.54	75,035.01		

* Lodged with Government Authorities as Security.

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

Aggregate value of Current Investment	18,750.61	74,085.01
Aggregate value of unquoted investment	1,417.93	950.00
Aggregate value of quoted investment	131.09	47.79
Market value of quoted investment	139.46	47.79

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "7"		
INVENTORIES		
(As taken, valued and Certified by the Management)		
(at lower of cost and net realisable value unless otherwise stated)		
i) Stores and Spares {Including material in transit Rs. 1,016.04 Lacs (Previous Year Rs. 1,441.67 Lacs)}	12,777.66	12,019.74
ii) Raw Materials {Including material in transit Rs. 24,227.38 Lacs (Previous Year Rs. 22,868.68 Lacs)}	49,096.30	57,425.89
iii) Finished Goods	62,787.34	60,694.75
iv) Trading Goods	342.74	188.71
v) Work in Progress	62,325.88	50,646.78
vi) Scrap (at estimated realisable value)	831.50	369.07
TOTAL	188,161.42	181,344.94
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
Exceeding Six months		
i) Considered good	7,814.35	5,786.55
ii) Considered doubtful	154.02	87.83
Less: Provision	154.02	87.83
	7,814.35	5,786.55
Others - Considered good	99,183.42	55,011.87
TOTAL	106,997.77	60,798.42

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in Hand	61.13	51.25
Cheques/Money in Transit	887.91	493.16
Stamps in Hand	0.71	0.36
Balance with Scheduled Banks		
In Current Accounts	12,488.49	1,012.10
In Fixed Deposit Accounts-in Indian Currency*	10,460.87	5,345.40
In Fixed Deposit Accounts-in Foreign Currency (Unutilised money out of ECB Proceeds)	-	59,414.41
In Fixed Deposit Accounts-in Indian Currency (Unutilised money out of ECB Proceeds)**	21,653.44	-
In Escrow Account (Unutilised money out of QIP Proceeds) (Read with Note No. 12 of Schedule 20)	24,736.84	-
Balance with Non-Scheduled Banks in Foreign Currency in Current A/c		
In ANZ Bank {Maximum Outstanding during the year Rs. 3.77 Lacs (P.Y. Rs. 0.47 Lacs)}	1.54	0.47
In ICBC Bank {Maximum Outstanding during the year Rs 10.55 lacs (P.Y. Rs. 22.98 Lacs)}	3.63	0.13
In SA Korea First Bank {Maximum Outstanding during the year Rs. 9.74 Lacs (P.Y. Rs. 9.18 Lacs)}	1.37	1.61
In ZAO Citi Bank, Moscow {Maximum Outstanding during the year Rs. 10.96 Lacs (P.Y. Rs. 256.99 Lacs)}	10.96	2.92
In Raiffeisen Bank, Poland {Maximum Outstanding during the year Rs. 10.15 Lacs (P.Y. Rs. 5.18 Lacs)}	0.27	1.14
In Standard Chartered Bank {Maximum Outstanding during the year Rs. 2061.25 Lacs (P.Y. Rs. 899.91 Lacs)}	695.63	642.69
In PT Bank Mega {Maximum Outstanding during the year Rs. 73.90 Lacs (P.Y. Rs. 35.79 Lacs)}	19.80	12.60
In PT Bank Maspion {Maximum Outstanding during the year Rs. 29.57 Lacs (P.Y. Rs. 13.57 Lacs)}	0.85	1.62
In Deutsche Bank {Maximum Outstanding during the year Rs. 725.73 Lacs (P.Y. Rs. 5037.73 Lacs)}	268.30	63.22
In Danamon Bank {Maximum Outstanding during the year Rs. 820.64 Lacs (P.Y. Rs. 816.46 Lacs)}	9.43	146.95
In DBS Bank {Maximum Outstanding during the year Rs. 1210.11 Lacs (P.Y. Rs. 249.08 Lacs)}	124.15	10.89
In HSBC Bank {Maximum Outstanding during the year Rs. 178.21 Lacs (P.Y. Rs. 226.45 Lacs)}	70.93	1.49
In UBS Bank {Maximum Outstanding during the year Rs.39.72 Lacs (P.Y. Rs. 525.53 Lacs)}	34.00	3.87
In Yapi Bank {Maximum Outstanding during the year Rs. 274.69 Lacs (P.Y. Rs. 1.24 Lacs)}	58.91	1.24
In Swadesi Bank {Maximum Outstanding during the year Rs. 32.09 Lacs (P.Y. Rs. 23.53 Lacs)}	2.05	11.52
In Casa Di - Italy {Maximum Outstanding during the year Rs. 7.35 Lacs (P.Y. Rs. 19.59 Lacs)}	7.35	10.80

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
In Banco Popular {Maximum Outstanding during the year Rs. 12.11 Lacs (P.Y. Rs. 13.45 Lacs)}	3.19	13.45
In CITI Bank {Maximum Outstanding during the year Rs. 115.82 Lacs (P.Y. Rs. 1085.66 Lacs)}	1.27	280.26
In Banco Bilbao Vizcaya Argentaria {Maximum Outstanding during the year Rs. 606.45 Lacs (P.Y. Rs. NIL)}	278.86	-
In Bangkok Bank, Thailand {Maximum Outstanding during the year Rs. 11.04 Lacs (P.Y. Rs. NIL)}	4.12	-
In Mandiri {Maximum Outstanding during the year Rs. 773.62 Lacs (P.Y. Rs. NIL)}	26.05	-
Puja & Silver Coins	0.04	0.04
TOTAL	71,912.09	67,523.59

* Rs. 8,546.68 Lacs (P.Y. Rs 50.97 Lacs) is under lien with Banks.

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

SCHEDULE - "10"

LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Advances recoverable in Cash or in kind or for value to be received {Net of Provision of Rs. 23.66 Lacs (P.Y. Rs 23.66 Lacs)}	35,796.84	35,828.98
Interest Accrued on Investments/FDR	203.01	694.68
Security Deposits	7,762.98	7,353.34
Pre-paid Taxes	33,421.33	30,377.15
MAT Credit Entitlement	5,482.83	1,094.10
Balance with Central Excise	1,220.68	559.25
TOTAL	83,887.67	75,907.50

SCHEDULE - "11"

CURRENT LIABILITIES

Acceptances	74,567.45	159,247.34
Sundry Creditors	79,211.00	67,925.83
Other Outstanding Liabilities	38,230.69	39,810.58
Due to Customers and others	38,186.59	54,261.09
Security Deposits	100.00	100.00
Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividends	163.12	175.70
ii) Unclaimed Matured Deposits	109.79	75.34
iii) Interest Accrued on (i) to (ii)	133.77	56.00
Interest Accrued but not due	2,133.13	5,088.11
TOTAL	232,835.54	326,739.99

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "12"		
PROVISIONS:		
For Taxation	30,223.51	25,860.44
For Employee Benefits	1,079.38	897.26
TOTAL	31,302.89	26,757.70
SCHEDULE - "13"		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	20.82	30.37
Add: Addition During the Year	-	12.64
Less : Written off During the Year	9.66	22.19
	11.16	20.82
Mine Development Expenses	2,832.22	1,587.50
Add : Addition During the Year	264.37	1,283.23
Less : Written off During the Year	317.68	38.51
	2,778.91	2,832.22
TOTAL	2,790.07	2,853.04
SCHEDULE - "14"		
SALES AND OPERATIONAL INCOME		
Sales	642,810.11	570,347.67
Job Charges Received	778.06	458.38
Consultancy Charges Received/Advertisement Income	2,158.37	1,872.43
Export Benefits	3,577.59	2,591.51
TOTAL	649,324.13	575,269.99
SCHEDULE - "15"		
OTHER INCOME		
Dividend Received on Current Investments	1.78	2.37
Profit on Sale of Investments (Net)	733.80	1,052.82
{On Current Investments Profit Rs. 650.50 Lacs (P.Y. Rs.1,102.40 Lacs)}		
{On Current Investments Loss on Diminution in value Rs. NIL (P.Y. Rs.66.61 Lacs)}		
{On Current Investments reversal of loss on Diminution in value Rs. 83.30 Lacs (P.Y. Rs. NIL)}		
{On Long Term Investments Profit Rs. NIL (P.Y. Rs.17.03 Lacs)}		
Previous Year Adjustment (Net)	355.13	50.15
{Expenses Relating to Earlier Years Rs. 78.45 Lacs (P.Y. Rs. 48.71 Lacs)}		
{Income Relating to Earlier Years Rs. 92.60 Lacs (P.Y. Rs. 17.64 Lacs)}		
{Liability No Longer Required Rs. 340.98 Lacs (P.Y. Rs. 81.22 Lacs)}		
Lease Rent	3.00	13.83
Miscellaneous Receipt	564.49	902.93
Claims Received	69.92	127.78
TOTAL	1,728.12	2,149.88

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "16"		
MATERIAL, MANUFACTURING AND OTHERS		
Raw Material Consumed	373,532.03	341,869.45
Goods Purchased for Sale	1,522.29	11,089.09
Stores and Spares Consumed	33,636.01	24,383.90
Labour Processing & Transportation Charges	6,389.87	4,446.41
Power and Fuel	52,920.21	40,984.42
Repairs to Buildings	138.35	74.90
Repairs to Plant & Machinery	1,475.83	1,648.46
Job Work Expenses	1,775.79	1,112.01
Other Manufacturing Expenses	5,215.07	4,003.68
TOTAL- A	476,605.45	429,612.32
(INCREASE)/ DECREASE IN STOCK		
Opening Stock		
Finished Goods - Manufactured	60,694.75	88,194.27
Trading Goods	188.71	242.02
Scrap	369.07	576.76
Work in Progress	50,646.78	58,978.01
Material recovered from POP/Trial Run	-	2,488.96
TOTAL - B	111,899.31	150,480.02
Closing Stock		
Finished Goods - Manufactured	62,787.34	60,694.75
Trading Goods	342.74	188.71
Scrap	831.50	369.07
Work in Progress	62,325.88	50,646.78
Material recovered from POP/Trial Run	-	5,347.03
TOTAL - C	126,287.46	117,246.34
INCREASE IN STOCKS - D (B - C)	(14,388.15)	33,233.68
Excise Duty on account of Increase/(Decrease) in stock of Finished Goods (E)	1,664.26	(6,083.49)
GRAND TOTAL (A + D + E)	463,881.56	456,762.51
SCHEDULE - "17"		
PERSONNEL		
Salaries, Wages, Bonus and other benefits	14,798.35	13,174.44
Contribution to Provident and other funds	737.43	705.25
Workmen and Staff Welfare	613.50	652.51
TOTAL	16,149.28	14,532.20

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "18"		
ADMINISTRATIVE AND SELLING		
Rent	557.39	707.94
Lease Rent	10.23	22.03
Rates and Taxes	92.49	65.86
Insurance	954.99	450.10
Legal and Professional	1,553.17	1,711.61
Postage, Telegram, Telex and Telephone	442.76	515.85
Printing and Stationery	384.08	310.57
Travelling and Conveyance	776.16	949.24
Directors' Meeting Fees	5.20	4.50
Vehicle Upkeep and Maintenance	571.83	332.17
Auditors' Remuneration	51.09	38.24
Selling Expenses	1,015.47	1,442.66
Freight & Forwarding Expenses	6,405.73	5,601.74
Commission on Sales	1,705.24	3,070.44
Provision for Doubtful Debts & Advances	66.85	6.01
Bad Debts	Rs. 77.62 Lacs (P.Y. Rs. 4.44 Lacs)	76.97
Less : Provision for Doubtful Debts, reversed	Rs. 0.65 Lacs (P.Y. Rs. 0.86 Lacs)	3.58
Advertisement & Publicity	205.02	288.14
Miscellaneous Expenses	1,894.75	1,744.48
Donation	93.32	308.21
Discount & Rebate	5,943.76	2,648.25
Loss on Sale/Discard of Fixed Assets (Net)	277.66	144.70
[Profit of Rs. 2.84 Lacs (P.Y. Rs. 8.70 Lacs) on Sale]		
[Loss of Rs. 208.20 Lacs (P.Y. Rs. 83.80 Lacs) on Sale]		
[Loss of Rs. 72.30 Lacs (P.Y. Rs. 69.60 Lacs) on Discard]		
TOTAL	23,084.16	20,366.32

Consolidated Schedules to the Balance Sheet

Description	(Rs. in Lacs)	
	31.03.2010	31.03.2009
SCHEDULE - "19"		
INTEREST AND BANK CHARGES		
INTEREST ON		
Fixed Loans	28,704.15	20,096.45
Others	15,813.56	13,110.73
Financial Expenses / Bank Charges	2,102.17	3,968.83
	46,619.88	37,176.01
Less: Interest received		
Interest on Securities (Net) TDS Rs. NIL (P.Y. Rs. 14.14 Lacs) {Including interest on Current Investments Rs. NIL (P.Y. Rs. 42.45 Lacs)}	29.41	115.00
Loans & Advances TDS Rs. 90.55 Lacs (P.Y. Rs. 72.10 Lacs)	152.43	115.54
Banks TDS Rs. 66.65 Lacs (P.Y. Rs. 173.88 Lacs)	156.10	90.92
From Debtors TDS Rs. 148.43 Lacs (P.Y. Rs. 232.31 Lacs)	2,165.51	1,899.70
Others	39.15	144.46
	2,542.60	2,365.62
TOTAL	44,077.28	34,810.39

Consolidated Notes to Accounts

SCHEDULE - "20"

NOTES TO CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARIES

1. SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Preparation of Financial Statements:

JSL Limited has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries and associates, as on 31.03.2010, in accordance with Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) issued by The Institute of Chartered Accountants of India

Name	Country of Incorporation	%Age Shareholding/	Voting Power
Subsidiaries		31.03.2010	31.03.2009
PT. Jindal Stainless Indonesia	Indonesia	99.999%	99.999%
Jindal Stainless Steelway Limited	India	81.911%	81.911%
Jindal Architecture Limited	India	75.329%	72.986%
Austenitic Creations Private Limited	India	78.47%	78.47%
Jindal Stainless UK Limited	UK	100.00%	100.00%
Jindal Stainless FZE	UAE	100.00%	100.00%
Jindal Stainless Italy Srl. #	Italy*	100.00%	100.00%
JSL Ventures Pte. Limited ##	Singapore*	100.00%	100.00%
JSL Europe SA ###	Switzerland*	100.00%	100.00%
JSL Minerals & Metals SA ####	Switzerland*	100.00%	100.00%
JSL Group Holdings Pte. Limited	Singapore*	100.00%	100.00%
Jindal Aceros Inoxidable S.L.	Spain*	100.00%	100.00%
JSL Logistics Limited	India	100.00%	100.00%
Green Delhi BQS Limited	India	68.326%	67.79%
Parivartan City Infrastructure Limited	India	99.94%	99.94%
Jindal Stainless Madencilik Sanayi Ve Ticaret A.S.	Turkey*	73.55%	92.16%
Iberjindal S.L.	Spain*	65.00%	-
Associates			
J.S.S. Steelitalia Limited	India	33.00%	33.00%

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

Step down Subsidiary of Jindal Stainless UK Limited.

Step down Subsidiary of JSL Group Holdings Pte. Limited.

Step down Subsidiary of JSL Ventures Pte. Limited.

Step down Subsidiary of JSL Europe SA

- ii) The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra- group transactions. In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for investments in associates in Consolidated Financial Statements".
- iii) Foreign Subsidiaries- Operations of Foreign Subsidiaries has been considered by management non-integral, thus items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the period. Resulting exchange differences arising on translation of said items have been transferred to Foreign Currency Translation Reserve Account.
- 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.

Consolidated Notes to Accounts

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

Particulars	Rs. in Lacs	
	31.03.2010	31.03.2009
a) Counter Guarantee given to Company's Bankers for the guarantee given by them on behalf of Company.	6,623.71	9,443.57
b) Letter of Credit outstanding.	60,429.56	151,710.75
c) Bills discounted by banks.	7,268.48	11,565.27
d) i) Sales tax Demands against which Company has preferred appeals.	280.68	281.68
ii) Excise Duty/Service Tax Show Cause Notices/Demands against which company has preferred appeals.	5,814.59	3,784.17
iii) Income tax Demands against which Company has preferred appeals.	3,386.73	2,594.04
e) Guarantee given to custom authorities for import under EPCG Scheme.	17,813.36	11,747.21
f) Claim against the company not acknowledged as debt.	9,269.70	497.99
g) Demand made by Sr. Dy. Director of Mines, Notified Authority, Jaipur Road Circle, Orissa as cess on Chromite Ore production. The matter being pending with Hon'ble Supreme Court.	320.49	320.49

- 2B. Custom Duty saved on material consumed imported under advance license scheme as on 31st March, 2010 and 31st March, 2009 is Rs. 1,045.41 Lacs and Rs. 1,067.59 Lacs respectively. The management is of the view that considering the past export performance and future prospects there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of the respective licenses.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 91,547.04 Lacs (Previous Year Rs.252,711.12 Lacs).
4. Appeals in respect of certain assessments of Sales Tax/Income Tax are pending and additional tax liabilities/refunds, if any, are not determinable at this stage. Adjustments for the same will be made after the same are finally determined. In the opinion of management, there will not be material liability on this account.
5. Corporate Debt Restructuring:-
- The debt restructuring scheme (the 'Scheme') under CDR Mechanism has been approved and Letter of Approval issued on 23rd January, 2010. The scheme inter-alia includes restructuring of re-payment schedule, interest funding, reduction/adjustment in interest rates and additional security in favour of CDR lenders by pledge of shares of promoters, as stipulated. Documentation of the same is under progress and pending this, pledge has not been recorded. Master Restructuring Agreement ("MRA") has been executed on 26th March, 2010 with majority of Lenders. The impact in terms of the approved Scheme has been given on provisional basis. Pending confirmation of some lenders, additional impact, if any, will be accounted for as and when finally confirmed/assessed.
 - Interest has been accounted for based upon terms of package/confirmations so far received from the Banks. Balance of certain secured loans (including FITL) is subject to confirmation and/or reconciliation.
 - The Funded Interest Term Loan (FITL) has been created on certain credit facilities w.e.f. 1st July, 2009 as per the CDR scheme approved by the CDR EG on 18th December, 2009, respective letter of approval dated 23rd January, 2010 and the Monitoring Committee (MC) meeting held on 7th May, 2010. Further based on the decision of the MC that the entire debt serviced by the company post cut off date i.e. 30th June, 2009 would have to be refunded to the company, which is however, subject to the approval of CDR-EG and also the amendment to sanctions from the respective banks/FIs and accordingly the value of FITL created. The FITL value has been considered based on sanctions so far received/to be received. The value of debt serviced (including interest paid) post cut off date amounting to Rs. 9,048.70 Lacs to be refunded by banks/Institutions post cut off date has been included under Loans and Advances.
 - Part of Non- Convertible Debentures on cut off date shall be (has been converted pending compliance of certain conditions/ approval) reconstituted and/or converted into rupee term loan subject to the necessary approvals.
 - The Credit Facilities/loans under CDR will be further secured by unconditional and irrevocable Personal guarantee of VC & MD Mr. Ratan Jindal and unconditional and irrevocable corporate guarantee of promoters group companies (as stated in MRA) in proportion to the numbers of equity shares held by them in the company.
 - CDR Empowered group have also stipulated that promoters shall arrange to bring funds and also pledge all unencumbered investments (in all subsidiaries either Indian or overseas) in subsidiaries on the Cut Off date subject to necessary approvals.
 - Certain covenants/conditions as stipulated in the CDR package are in the process of compliance.
6. The Haryana Government levied w.e.f. 05.05.2000 a Local Area Development Tax (the LADT Act) on the manufacturing units in the State of Haryana on the entry of goods for use and consumption. JSL and other units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The Hon'ble Punjab and Haryana High Court disallowed the petition in December, 2001 and the company had by a Special Leave Petition challenged the Order of High Court in the Hon'ble Supreme Court. The Hon'ble Supreme Court referred the matter to a 'five judges' Constitutional Bench, which laid certain parameters to examine the Act on those lines. On the basis of these parameters the Hon'ble High Court have declared the Act to be ultra virus on 14th March, 2007. Since, this issue was being canvassed by various High Courts, the Hon'ble

Consolidated Notes to Accounts

Supreme Court gave an Interim Order that those states where the High Courts have given judgement in favour of the petitioner, no tax would be collected. In the mean time the Haryana Government has repealed the LADT Act and introduced another Act by the name of 'Entry Tax' on the same lines. That Act was also been held ultra virus by the High Court. However, on prudence basis, the liability has been fully provided for. The order of Punjab and Haryana High Court and rather judgements of all the Courts of India have been long pending. The State Governments have requested the Hon'ble Supreme Court that it is very difficult for them to run the Government. So at least till the pendency of the cases in the Hon'ble Supreme Court they may be allowed to charge from past liability and also from the future liability to be accrued. On 30th October, 2009, the Hon'ble Supreme Court have directed that 1/3rd of the liability is to be paid by all the assesses whose cases are pending in the High Courts. As, at present, there is no Act either LADT/Entry Tax prevalent in Haryana State, no tax is being collected from the assesses however undertaking have given by assesses that in case they lose they will make the payment. As such on prudence basis, full liability has been provided for. In the meantime, i.e. on 16.04.2010 the Entry Tax matters of the states have been referred to a larger 9-Judges Constitutional Bench of the Supreme Court.

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

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

The commercial tax department has gone for appeal to Hon'ble Supreme Court against the Order of High Court & the Hon'ble Supreme Court has been given stay against the order of Hon'ble High Court. The company again appeal to the Hon'ble Supreme Court against the stay & the Hon'ble Supreme Court after several hearing, order to deposit under protest 1/3rd of the outstanding liability of the company within 31st March-10. Accordingly the company has deposited the amount within the specified limit given by the Hon'ble Supreme Court.

8. During the Previous year, In the case of Green Delhi BQS Limited a loss of Rs. 208.93 Lacs on account of cancellation of contract with Delhi Transport Corporation and in the case of Jindal Architecture Limited, gain of Rs. 36.33 Lacs on account of sale of immovable property, is charged to revenue as extraordinary item.
9. Exceptional Items includes gain / (loss) (net) of Rs. 23,787.33 Lacs (Previous Year Rs.(55,952.06 Lacs)) on translation/settlement of foreign currency monetary items (including borrowing), gain / (loss) of Rs. 2,601.04 Lacs (Previous Year Rs.(2,601.04) Lacs) upon marked to market of derivatives contracts, gain of Rs. 2,766.23 Lacs (Previous Year Rs. 386.93 Lacs) on forward cover cancellation and loss of Rs.Nil (Previous Year Rs. 1,631.66 Lacs) on settlement of commodity hedging contract, resulting from volatile global market.
10. During the previous year coking coal purchased for coke even plant was sold out / contracted for sale by the company due to delay in commissioning of plant and resulting a loss of Rs. 3,779.70 Lacs charged to revenue as exceptional item.
11. 0.50% Foreign Currency Convertible Bonds ("FCCB") under Unsecured Loans represents outstanding of principal and premium calculated on YTM basis amounting to Rs. 3,232.95 Lacs (USD 7.20 million). The company is under renegotiation of terms of its 0.50% FCCB, & pending this & receipt of necessary approvals, if any, so required, outstanding FCCBs amounting to Rs. 14,031.40 Lacs (USD 31.25 million) were not redeemed on due date, i.e. 24th December, 2009 and premium after due date has been provided at the rate of 5.75% per annum as against the agreed interest rate of 8% per annum. Accordingly additional liability of Rs. 84.19 Lacs for post due date period has not been provided for. Diluted EPS is currently calculated without considering conversion right.
12. As on 31st March, 2010, the company has received the funds in escrow account and allotted 23,447,240 equity shares of Rs. 2/- each at price of Rs 105.50 per share (including premium of Rs. 103.50 per share) to Qualified Institutional Buyers. Subsequent to the receipt of money in escrow account and the allotment of shares, the paid up share capital of the company have increased from Rs. 3,242.70 Lacs to Rs. 3,711.64 Lacs. Pending listing and receipts of release letter (dated 06.04.2010) the amount of issue is shown as balance in escrow account under Cash & Bank Balances.
13. a) Certain balances of sundry debtors, sundry creditors are subject to confirmation and/or reconciliation.
b) Certain charges created for secured loans are in process of satisfaction/ modification.

14 Segment Reporting:

i) Information about Business Segment (for the year ended on 31.03.2010)

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

ii) Secondary Segments (Geographical Segment)

(Rs. in Lacs)

Sr. No.	Particulars	2009-10			2008-09		
		Within India	Outside India	Total	Within India	Outside India	Total
1	Revenue	506,739.24	142,584.89	649,324.13	417,207.74	158,062.25	575,269.99
2	Segment Assets	1,185,259.85	69,899.07	1,255,158.92	950,239.06	115,005.39	1,065,244.45
3	Capital Expenditure incurred during the year	227,656.85	1,987.70	229,644.55	155,861.68	4,710.39	160,572.07

Consolidated Notes to Accounts

15 Related Party Transactions:

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

a) Key Management Personnel :

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

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

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

c) Associates

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

1	MJSJ Coal Limited
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Consolidated Notes to Accounts

B Transactions :

(Rs. in Lacs)

Description	2009-2010				2008-2009				
	Joint Venture	Management Personnels	Key Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Joint Venture	Management Personnels	Key Enterprises Controlled by Key Management Personnels & their Relatives	Associates	Associates
Purchase of Goods	-	-	13,749.29	233.98	-	-	14,535.25	102.48	
Jindal Steel & Power Limited*	-	-	11,217.85	-	-	-	12,431.23	-	
JSW Steel Limited	-	-	1,507.20	-	-	-	1,366.30	-	
Others	-	-	1,024.24	233.98	-	-	737.72	102.48	
Sale of Goods	-	5.08	2,287.66	3,022.24	-	0.09	17,757.58	521.05	
JSW Steel Limited	-	-	1,087.99	-	-	-	717.81	-	
Jindal Steel & Power Limited**	-	-	1,180.42	-	-	-	17,032.62	-	
J.S.S. Steelitalia Limited	-	-	-	3,022.24	-	-	-	521.05	
Others	-	5.08	19.25	-	-	0.09	7.15	-	
Sale of Assets	-	-	-	4.16	-	-	-	89.25	
J.S.S. Steelitalia Limited	-	-	-	4.16	-	-	-	89.25	
Job Work Charges Received	-	-	-	17.92	-	-	-	5.60	
J.S.S. Steelitalia Limited	-	-	-	17.92	-	-	-	5.60	
Job Work Charges Paid	-	-	-	2.50	-	-	-	1.30	
J.S.S. Steelitalia Limited	-	-	-	2.50	-	-	-	1.30	
Receiving of Services (Remuneration paid)	-	998.80	-	-	-	1,117.75	-	-	
Shri Ratan Jindal	-	577.74	-	-	-	528.49	-	-	
Shri Arvind Parakh	-	156.36	-	-	-	154.45	-	-	
Smt Deepika Jindal	-	66.30	-	-	-	140.40	-	-	
Others	-	198.40	-	-	-	294.41	-	-	
Remuneration written back	-	51.92	-	-	-	-	-	-	
Smt Deepika Jindal	-	51.92	-	-	-	-	-	-	
Rent Received	-	17.40	3.31	-	-	17.40	4.26	-	
Shri Ratan Jindal	-	17.40	-	-	-	17.40	-	-	
Jindal Saw Limited	-	-	3.31	-	-	-	3.36	-	
JSW Steel Limited	-	-	-	-	-	-	0.90	-	
Rent Paid	-	-	3.60	-	-	-	3.60	-	
Bir Plantation Private Limited	-	-	3.60	-	-	-	3.60	-	
Loan & Advances Given	-	-	-	30.00	-	-	-	-	
J.S.S. Steelitalia Limited	-	-	-	30.00	-	-	-	-	
Loan & Advances Recovered	-	-	-	30.00	-	-	-	-	
J.S.S. Steelitalia Limited	-	-	-	30.00	-	-	-	-	
Interest Income	-	-	-	32.55	-	-	-	11.42	
J.S.S. Steelitalia Limited	-	-	-	32.55	-	-	-	11.42	
Sharing of Exp. Reimbursed/ to be reimbursed	-	-	36.69	1.41	-	-	44.37	0.22	
Jindal Saw Limited	-	-	29.30	-	-	-	35.65	-	
Bir Plantation Private Limited	-	-	4.25	-	-	-	4.88	-	
Others	-	-	3.14	1.41	-	-	3.84	0.22	

Consolidated Notes to Accounts

Description	(Rs. in Lacs)									
	2009-2010					2008-2009				
	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		
Sharing of Exp. Recovered/to be recovered	3.28	-	65.04	11.19	10.78	-	82.48	15.21		
Jindal Steel & Power Limited	-	-	32.76	-	-	-	37.21	-		
Jindal Saw Limited	-	-	32.22	-	-	-	37.13	-		
J.S.S. Steeltalia Limited	-	-	-	11.19	-	-	-	15.21		
Others	3.28	-	0.06	-	10.78	-	8.14	-		
Equity Share Capital Subscribed	360.00	-	-	-	0.90	300.00	-	-		
Smt. Deepika Jindal	-	-	-	-	-	300.00	-	-		
MJSJ Coal Limited	360.00	-	-	-	0.90	-	-	-		
Equity Shares Issued Against Share Warrants	-	-	-	-	-	3,888.25	3,888.25	-		
Shri Ratan Jindal	-	-	-	-	-	3,888.25	-	-		
Jindal Overseas Holding Limited	-	-	-	-	-	-	3,888.25	-		
Amount Received against Share Warrants	-	-	-	-	-	2,518.82	-	-		
Shri Ratan Jindal	-	-	-	-	-	2,518.82	-	-		
Consultancy charges paid	-	-	43.57	-	-	-	-	-		
JSW Steel Limited	-	-	43.57	-	-	-	-	-		
Redemption of 8% NCD JSW Steel Limited	-	-	-	-	-	-	44.21	-		
JSW Steel Limited	-	-	-	-	-	-	44.21	-		
Outstanding Balance as on 31.03.2010										
Loans & Advances- Receivable	14.21	-	56.28	-	10.78	-	59.32	-		
Nalwa Steel & Power Limited	-	-	25.00	-	-	-	25.00	-		
JSW Steel Limited	-	-	3.37	-	-	-	8.14	-		
MJSJ Coal Limited	14.21	-	-	-	10.78	-	-	-		
Bir Plantation Private Limited	-	-	25.00	-	-	-	25.00	-		
Others	-	-	2.91	-	-	-	1.18	-		
Receivables	-	5.06	523.79	184.95	-	-	615.42	337.96		
JSW Steel Limited	-	-	210.58	-	-	-	11.52	-		
Jindal Steel & Power Limited	-	-	311.94	-	-	-	602.62	-		
J.S.S. Steeltalia Limited	-	-	-	184.95	-	-	-	337.96		
Others	-	5.06	1.27	-	-	-	1.28	-		
Payables	-	338.11	1,828.03	66.20	-	119.20	3,907.83	13.03		
Shri Ratan Jindal	-	338.11	-	-	-	119.20	-	-		
Jindal Steel & Power Limited	-	-	476.97	-	-	-	2,806.56	-		
Jindal Saw Limited	-	-	913.55	-	-	-	916.71	-		
Jindal Industries Limited	-	-	294.73	-	-	-	104.42	-		
Others	-	-	142.78	66.20	-	-	80.14	13.03		

Note :-

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

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

Consolidated Notes to Accounts

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

	(Rs. in Lacs)	
	2009-2010	2008-2009
(A) Basic :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	39,191.96	(60,667.94)
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	39,191.96	(60,840.54)
Weighted Average No. of Equity Shares for Basic EPS (Face value Rs. 2/- per share)	162,199,171	161,638,494
Basic EPS (in Rs.) Before Extra Ordinary Item	24.16	(37.53)
Basic EPS (in Rs.) After Extra Ordinary Item	24.16	(37.64)
(B) Diluted :		
Net Profit after Tax before Extra Ordinary Item as per P & L A/c	39,191.96	(60,667.94)
Net Profit after Tax after Extra Ordinary Item as per P & L A/c	39,191.96	(60,840.54)
Add: Interest & Fluctuation on Euro Bonds / FCCB (net of tax)	-	2592.20
Profit before Extraordinary Items attributable to Equity Share Holders	39,191.96	(58,075.74)
Profit after Extraordinary Items attributable to Equity Share Holders	39,191.96	(58,248.34)
Weighted Average No. of Equity Shares for Basic EPS	162,199,171	161,638,494
Add : Weighted average No. of Potential equity shares outstanding as on 31st March, 2010	-	8,777,592
Add : Weighted average No. of Potential equity shares converted during the year	-	496,438
Weighted average No. of Equity Shares for Diluted EPS (Face value Rs. 2/- per share)	162,199,171	170,912,524
Diluted EPS (in Rs.) Before Extra Ordinary Item	24.16	(33.98)
Diluted EPS (in Rs.) After Extra Ordinary Item (Read with Note No. 11 of Schedule 20)	24.16	(34.08)

Consolidated Notes to Accounts

17 Deferred Tax Liability (Net) comprises of the following as on 31.03.2010

(Rs. in Lacs)

Particulars	2009- 10			2008- 09		
	Balance as at 31.03.2009	Charge/ (Credit) for the year	Balance as at 31.03.2010	Balance as at 31.03.2008	Charge/ (Credit) for the year	Balance as at 31.03.2009
A) Deferred Tax Liability						
1 Difference between book & tax depreciation	62,201.37	2,904.11	65,105.48	50,902.20	11,299.17	62,201.37
2 Difference between book & tax land right amortization*	0.99	0.25	1.24	1.17	(0.18)	0.99
Total Deferred Tax Liability - A	62,202.36	2,904.36	65,106.72	50,903.37	11,298.99	62,202.36
B) Deferred Tax Assets						
1 Disallowance under Section 43B	1,335.13	7,369.47	8,704.60	1,039.33	295.80	1,335.13
2 Amortization under Section 35D	0.40	(0.40)	-	0.40	-	0.40
3 Provision for doubtful debts & advances	37.36	16.40	53.76	27.40	9.96	37.36
4 Provisions for Employee Benefits	246.80	70.64	317.44	114.83	131.97	246.80
5 Brought forward long term/ short term capital losses	31.32	(31.32)	-	31.32	-	31.32
6 Fiscal Loss*	806.05	(806.05)	-	-	806.05	806.05
7 Post Employment Benefits*	33.54	10.67	44.21	48.25	(14.71)	33.54
8 Disallowance under Income Tax	19.06	67.45	86.51	19.87	(0.81)	19.06
9 Carry Forward Losses/ Unabsorbed Depreciation#	40,574.40	(22,574.58)	17,999.82	661.41	39,912.99	40,574.40
10 Provision for MTM Losses & Diminution in Investments	981.56	(912.41)	69.15	255.09	726.47	981.56
Total Deferred Tax Assets -B	44,065.62	(16,790.13)	27,275.49	2,197.90	41,867.72	44,065.62
Deferred Tax Liability (Net) (A-B)	18,136.74	19,694.49	37,831.23	48,705.47	(30,568.73)	18,136.74

* Relates to Foreign Subsidiary and include on account of foreign currency fluctuation Rs. (67.59) Lacs (Previous Year Rs.1.01 Lacs)

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

- 18 a) For the remuneration paid/payable to a whole Time Director for the year 2009-2010 amounting to Rs. 156.36 Lacs, approval of the Central Government is awaited.
- b) For the remuneration amounting to Rs.16.20 Lacs paid to a Whole Time Director for the year 2008-2009, company's representation is pending before Central Government.
- 19 Previous year's figures have been re-arranged and / or regrouped wherever considered necessary.
- 20 Schedule 1 to 20 are annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

Consolidated Cash Flow Statement for the year ended 31st March, 2010

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
A. Cash Inflow / (Outflow) from Operating Activities		
Net Profit / (Loss) Before Tax, Exceptional & Extraordinary Items	30,654.37	(27,272.57)
Adjustment for:		
Depreciation / Amortization	37,471.10	33,396.19
Provision for Doubtful Debts & Advance / Bad Debts	143.82	9.59
Prior period Adjustments (Liability Written Back)	(340.98)	(81.22)
Misc. Expenses Written Off	327.34	60.70
Misc. Expenses Incurred	(264.37)	(1,295.87)
Interest and Bank Charges	44,077.28	34,810.39
Dividend Income	(1.78)	(2.37)
(Profit) / Loss on Sale of Investments (Net)	(733.80)	(1,052.82)
(Profit) / Loss on Sale / Discard of Fixed Assets (Net)	277.66	144.70
Operating Profit Before Working Capital Changes	111,610.64	38,716.72
Adjustment for:		
(Increase) / Decrease in Inventories	(6,816.48)	59,114.74
(Increase) / Decrease in Sundry Debtors	(46,343.17)	6,198.10
(Increase) / Decrease in Loans & Advances	9,253.04	10,813.57
Increase / (Decrease) in Current Liabilities	(90,459.76)	61,512.56
Cash Inflow / (Outflow) from Operating Activities Before Exceptional Items	(22,755.73)	176,355.69
Exceptional Items	29,154.60	(63,577.53)
Extraordinary Items	-	(172.60)
Income Tax (Advance) / Refund (Net)	(3,922.97)	(3,265.18)
Net Cash Inflow / (Outflow) from Operating Activities	2,475.90	109,340.38
B. Cash Inflow / (Outflow) from Investing Activities		
Sale/Redemption/(purchase) of Investment (net)	55,595.99	(72,196.34)
Capital Expenditure (including advances for capital expenditure)	(217,631.19)	(111,570.24)
Sales Proceeds of Fixed Assets Sold	143.57	38.32
Dividend Received	1.78	2.37
Interest Received	1,791.00	7,462.14
Net Cash Inflow / (Outflow) from Investing Activities	(160,098.85)	(176,263.75)

Consolidated Cash Flow Statement for the year ended 31st March, 2010

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
C. Cash Inflow / (Outflow) from Financing Activities		
Dividend Paid (including Corporate Dividend Tax)	(12.58)	(3,766.71)
Interest and Finance Charges Paid	(47,618.72)	(53,158.18)
Debt serviced/refundable under CDR	(9,048.70)	-
Proceeds from / (Repayment of) Borrowings (net)	193,498.48	111,212.24
Issue of Equity share/ warrants	24,736.84	6,989.30
Minority Interest	457.19	721.89
Net Cash Inflow / (Outflow) from Financing Activities	162,012.51	61,998.54
D. Change in Currency Fluctuation arising on Consolidation	(1.06)	244.24
Net Changes in Cash & Cash Equivalents	4,388.50	(4,680.59)
Cash & Cash Equivalents (Closing Balance)	71,912.09	67,523.59
Cash & Cash Equivalents (Opening Balance)	67,523.59	72,204.18
Net Changes in Cash & Cash Equivalents	4,388.50	(4,680.59)

Notes :

- 1) Cash and cash equivalents includes :-

Cash, Cheques and Stamps in hand	949.75	544.77
Balance with Banks	70,962.30	66,978.78
Puja & Silver Coins	0.04	0.04
	71,912.09	67,523.59

- 2) Previous year's figures have been regrouped and rearranged wherever considered necessary.

AUDITORS' REPORT

In terms of our report of even date annexed hereto

For **LODHA & CO.**
Chartered Accountants

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

PLACE : New Delhi
DATED : 31st May, 2010

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

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

RATAN JINDAL
Vice Chairman & Managing Director

SANDEEP SIKKA
Head - Corporate Finance

ARVIND PARAKH
Director - Finance

JITENDRA KUMAR
Company Secretary

DIRECTORS:
SUMAN JYOTI KHAITAN
T.S. BHATTACHARYA

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

(Rs. in Lacs)

Particulars	Subsidiary Companies															
	PT. Jindal Stainless Indonesia*	Jindal Stainless Steelsway Limited	Jindal Architecture Limited	Jindal Austentic Creations Private Limited	Jindal Stainless UK Limited*	Jindal Stainless Italy Spt.*	Jindal Stainless FZE*	Jindal Green Delhi BQS Limited	Parvattan City Infrastructure Limited	Sanayi ve Ticaret Anonim Sirketi	Jindal Stainless Madencilik Limited	Jindal Logistics Limited	Jindal Aceros Inoxidables, S.L.	JSL Group Holdings Pvt. Limited	JSL Ventures Europe SA & Minerals SA	JSL Iberjindal S.L.
Capital (Including Share Application Money)	5,675.85	1,716.69	766.27	2,267.81	68.15	6.06	733.24	10.00	5.00	1,817.38	5.00	12.13	2,020.05	2,077.06	42.59	606.46
Reserve & Surplus (Net of Misc. Exp)	1,854.42	5,006.44	260.44	(1,658.51)	73.82	1.91	248.95	(381.16)	(1,750.29)	(647.82)	15.15	(2.54)	(8.80)	(9.04)	0.32	(121.17)
Total Assets	50,049.18	22,995.77	6,699.79	5,385.58	1,660.2	17.23	1,318.01	9,612.65	1,912.90	1,332.47	448.07	9.59	12.37	2,024.11	0.32	33.68
Total Liabilities	42,518.91	17,161.32	5,675.38	4,776.28	28.70	9.26	335.82	9,983.81	3,658.19	1,629.1	427.92	-	78.19	4.57	-	2,591.34
Investment	-	888.67	2.30	-	4.66	-	-	-	-	-	-	-	2,077.06	48.48	42.59	-
Turnover	62,492.87	50,970.80	4,510.11	4,477.83	222.92	35.56	564.09	3,170.56	2,137.47	314.35	394.36	-	-	-	-	2,344.80
Profit Before Taxation	5,098.37	2,346.23	108.53	(418.76)	14.23	(13.18)	11.20	(268.11)	(1,450.80)	(437.05)	16.31	(2.75)	(8.14)	(6.28)	(3.35)	(215.05)
Provision for Taxation	1,189.52	800.81	19.37	(40.39)	3.79	2.99	-	(91.13)	(492.98)	-	8.32	-	-	-	0.19	(58.87)
Profit After Taxation	3,908.85	1,545.42	89.16	(378.37)	10.44	(16.17)	11.20	(176.98)	(957.82)	(437.05)	7.99	(2.75)	(8.14)	(6.28)	(3.54)	(156.18)
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 Liras(YTL)	Indian Rupee (INR)	Indian Rupee (INR)	Euro	Dollar (USD)	Dollar (USD)	Swiss Franc (CHF)

Applied for exemption under challan no. A79367272 dated Feb. 26, 2010

*Indian Rupee equivalents of the figure given in foreign currencies, have been given based on exchange rate as on 31.03.2010.

INR 1 = Rp 201.519
 INR 1 = GBP 0.0147
 INR 1 = EURO 0.0165
 INR 1 = USD 0.0223
 INR 1 = YTL 0.0340
 INR 1 = CHF 0.0235
 INR 1 = AED 0.0818



Registered Office

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

Corporate Office

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

Orissa

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

Kothavalasa

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