

Integrating...

Our Plants. Our People. Our Processes...

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





Shri O.P. Jindal

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

“

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

”





Savitri Jindal

Chairperson

Dear Shareholders,

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

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

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

Thank you.

Savitri Jindal
Chairperson

Dear Shareholders,

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

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

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

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

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

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

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

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

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



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

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

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

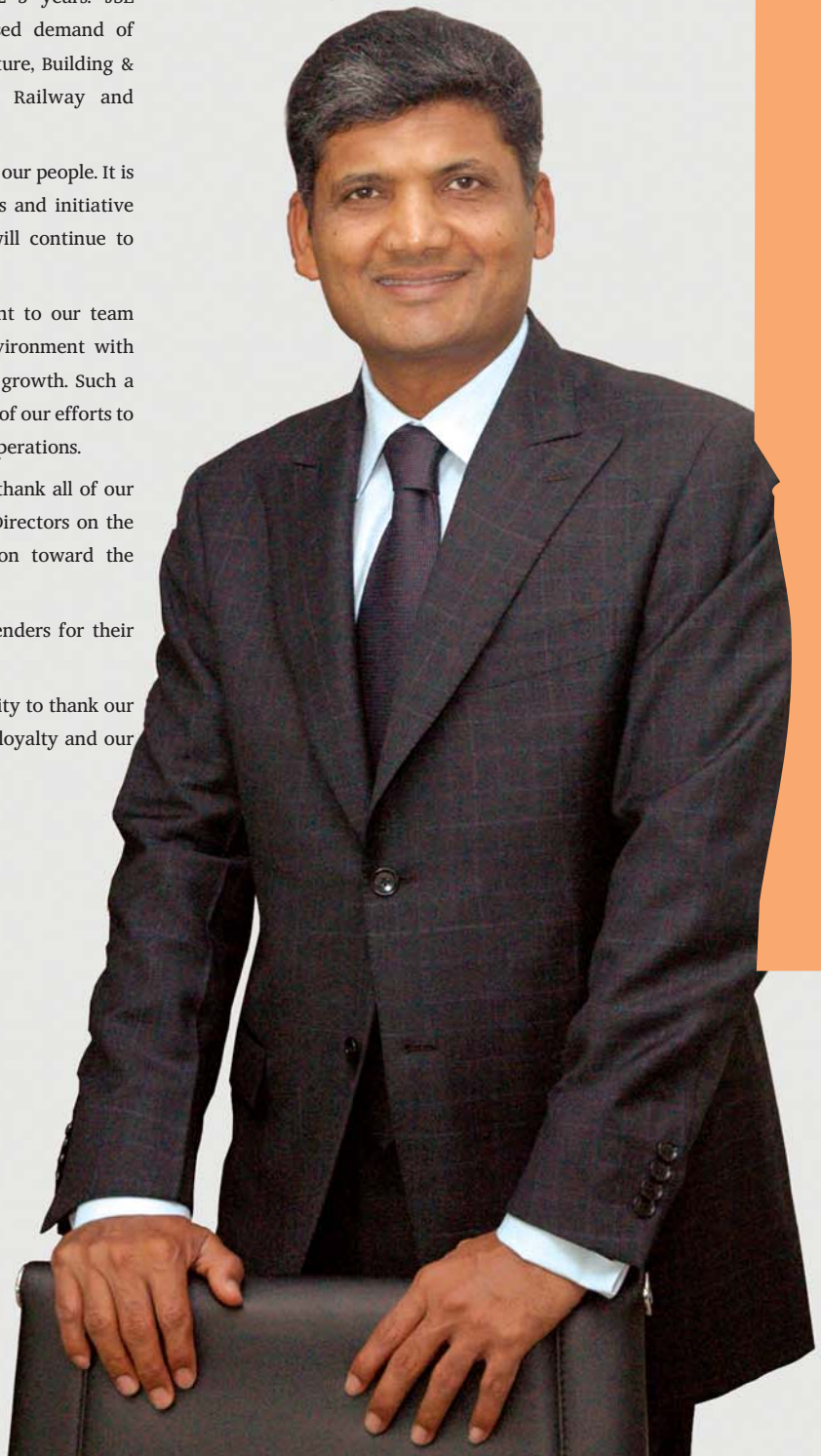
I would like to take this opportunity to thank all of our employees, the management team and Directors on the Board for their unwavering contribution toward the growth of the company.

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

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

Ratan Jindal

Vice Chairman & Managing Director
JSL Stainless Ltd.



Contents

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



Integrated Stainless Steel Plant, Odisha

BOARD OF DIRECTORS

Chairperson

Vice Chairman & Managing Director

Directors

Savitri Jindal

Ratan Jindal

Naveen Jindal

Suman Jyoti Khaitan

T. S. Bhattacharya

James Alistair Kirkland Cochrane

Jurgen Hermann Fechter

Rajeev Bakshi

Arvind Parakh

Director – Finance

Executive Director & Chief Operating Officer

Nominee Director – State Bank of India

S. S. Virdi

Gautam Kanjilal

Company Secretary

Jitendra Kumar

MANAGEMENT TEAM

Director (Sales & Marketing)

Director & Unit Head (Hisar)

Director (Sourcing)

Head (Human Resources)

Head (Corporate Strategy)

Head (Corporate Finance)

S. Bhattacharya

S. K. Jain

R. Ganesh

Jawaid Ashraf

Rajiv Rajvanshi

Sandeep Sikka

Working Capital Bankers

Axis Bank

Bank of Baroda

Canara Bank

ICICI Bank

Punjab National Bank

State Bank of India

State Bank of Patiala

Standard Chartered Bank

Statutory Auditors

Messrs Lodha & Co., Chartered Accountants

Messrs S.S. Kothari Mehta & Co., Chartered Accountants

Cost Auditors

Messrs Ramanath Iyer & Co., Cost Accountants

Registered Office

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

Works

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



NOTICE

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

ORDINARY BUSINESS:

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

AS ORDINARY RESOLUTIONS:

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

SPECIAL BUSINESS:

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

6. AS AN ORDINARY RESOLUTION:

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

7. AS AN ORDINARY RESOLUTION:

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

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

2. Remuneration :

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

3. Minimum Remuneration:

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

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

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

8. AS A SPECIAL RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 314 (1) read with Directors Relatives (Office or Place of Profits) Rules, 2003 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to all the provisions, sanctions, permission, consents under the statutes applicable in United Arab Emirates, consent of the company be and is hereby granted to the appointment of Mr. Abhyuday Jindal son of Mr. Ratan Jindal, Vice Chairman & Managing Director of the company at place of profit in its wholly owned subsidiary 'Jindal Stainless FZE, Dubai' w.e.f. 19th December, 2010 for a period of 3 years on the remuneration, perquisites and on terms and conditions as set out herein below:

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

2. Remuneration:

Consolidated Salary: Upto ₹ 50,000/- per month or equivalent in any other foreign currency.

Apart from above Salary, he shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

- 3. Designation: Initially, he will be designated as Asst. Manager for one year during his training period. Subject to successful completion of his training in all respects, he may be re-designated as per the Policy of the Company.

By order of the Board

Registered Office:

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

(Jitendra Kumar)
Company Secretary

NOTICE

NOTES:

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

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

ITEM NO. 6

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

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

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

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

ITEM NO. 7

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

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

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

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

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

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

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

ITEM NO. 8

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