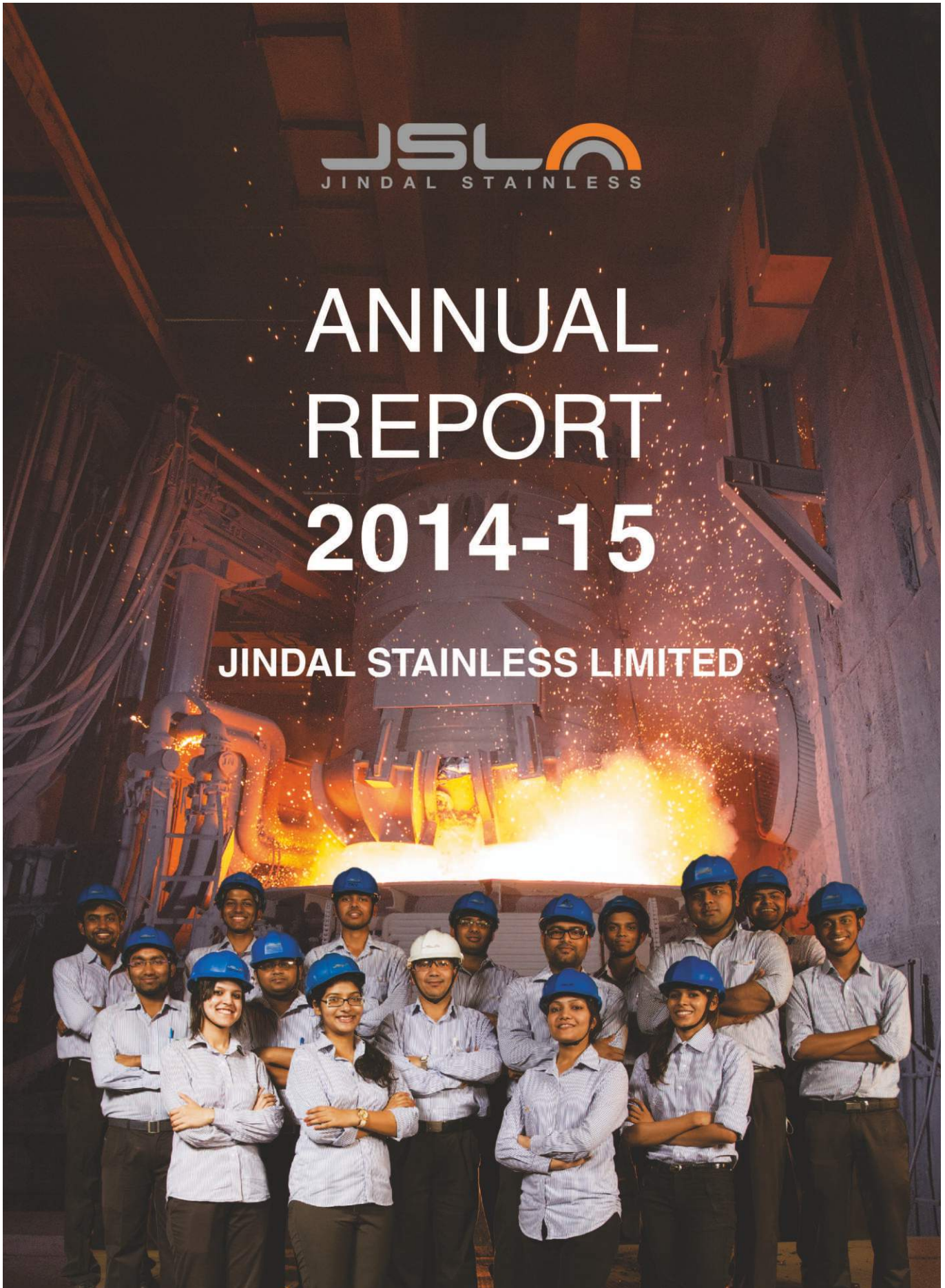




ANNUAL REPORT 2014-15

JINDAL STAINLESS LIMITED





{ SHRI O.P. JINDAL }

August 7, 1930 - March 31, 2005

O.P. Jindal Group-Founder & Futurist

“Educate a girl & you educate two families”

Shri O.P. Jindal had set many examples to upturn the age-old cult that our society is carrying in its very root. The cult was none other but the rueful plight of women in Indian Society. Unlike the predecessors of his native land, Shri O.P. Jindal stressed on the need to have equal opportunities for women not only in professional sphere but in their own personal world that demands individuality. His compelling philosophies

signalled liberalisation for women in all areas of life and as a live example stands his very own family whose women are doing exceptionally well as leaders, entrepreneurs, artists and most importantly as philanthropists. He once said that “you educate a girl & you educate two families”, and his golden words remain immortal with his revolutionary spirit!!





{ SAVITRI DEVI JINDAL }

Chairperson Emeritus

At Jindal Stainless Limited we are committed to doing business in a sustainable manner with a focus on the concept of 'Shared Value'. Our core approach toward addressing the social & development issues is to encourage all stakeholders to undertake sustainable interventions with the aim of achieving the overarching vision of Jindal Stainless Limited (JSL), 'To be admired as a Socially Responsible Corporate.'

I feel very encouraged to see that JSL is committed to a number of community development projects, thereby engaging in the process of development & growth and creating opportunities for all. I am particularly touched by the projects directed at 'empowering women' as I believe that 'empowering a woman is to empower a family and by empowering a family you empower a community'. Through such empowerment, I am particularly happy to note the positive impact education has made in society, which has transformed lives in the community with education being a change agent in the overall community growth. I am also happy to note that through our CSR initiatives, the women have moved toward financial literacy and that they now have their own bank accounts, which is a good indicator of a robust and an effective community governance structure. The livelihood generation programs in the villages especially on poultry and goatry are very encouraging.

The 'ASMITA' project, which essentially focuses on 'Entrepreneurship Development' is a model, which needs to be replicated at other locations across geographies. This project, with a small number of women has trained women to various technical processes from sourcing; product design and product development to marketing and all such indicators are a great project outcome. Such an exercise has a direct impact on not only women in the area, but to the entire community at large.

Toward education and health care JSL is working with children 'Out of School' and mobile vans and specialist camps are reaching out to the community to cater to the health needs of the communities. In addition, efforts are being made to hold specialist camps and awareness programs relating to HIV & AIDS.

JSL has been engaged in creating integrated and sustainable models of growth and development and linking up hard core business strategies with the community outreach work, thereby strengthening inclusivity. I am certain with the support of all stakeholders, the vision of Mr. Ratan Jindal, CMD JSL, will be accomplished and the Company continue to remain a socially, responsible Corporate and in the process contribute toward the country's overall growth and development.



Dear Shareholders

In 2014, global stainless steel melt shop production increased by 8.3% year-on-year to reach 41.7 million metric tons (mmt). This exceeds the previous record mark, set in 2013, by more than 9%. However, due to expansion of production in China and other emerging nations, the trend plateaued in the second half and turned towards lower levels for the rest of the year.

Despite the precariousness of the market, your company continued to outperform and improve its revenues. In the year 2014-15, overall JSL volume increased by around 7% compared to the previous financial year (FY). More appropriately, in line with the strategy of increasing share in domestic market, domestic sales increased by 16% in FY 14-15 over FY 13-14.

I would also like to inform that during the year, your company entered into a new phase following the approval of Asset Monetisation cum Business Re-organization Plan (AMP) by lenders with Composite Scheme of Arrangement as its integral part. Subsequently, the scheme received NOC from the Stock Exchanges ensuing the approval from Hon'ble High Court of Punjab & Haryana. Ergo, the two separate legal entities viz. Jindal Stainless (Hisar) Limited (JSHL) and Jindal Stainless Limited (JSL) have

started operating. Also, Jindal Stainless Corporate Management Services Private Limited (JSCMSPL) has been established to provide consultancy and advisory services, inter-alia, to both JSL and JSHL.

Global Stainless Steel Scenario

The official estimates of International Stainless Steel Forum serve as a clear pointer to the fact that stainless steel has overtaken all other metals in terms of compounded annual growth. Global Crude Stainless Steel production, during 2014, was 41.7 Million tons (as compared to 2013 production of 38.1 Million) registering a growth of 9.4%. In 2014, China contributed 52%, European Union 17%, Japan 8%, India 7% & Americas 6% of total global production. Growth registered in 2014 was majorly on account of 14% growth in China, 15% in Americas & 5% in Japan over 2013 figures. China in last few years has increased production manifold with its share in global production going up to 52% in 2014 from 26% in 2008.

Indian Stainless Steel Scenario

Stainless steel demand in India is expected to touch 6.9 million tonnes by 2025 at present rate of growth in GDP. Stainless steel consumption in India is witnessing higher rate of growth than carbon steel and going by the same estimate, share of stainless steel in total steel consumption is expected to rise to approximately 5%. This heartening figure marks out stainless steel as the most promising metal in the times to come.

With India forecast to become the fastest-growing emerging market and with GDP growth likely to touch 8% p.a, the growth in stainless steel consumption would be at 1.43 times of the GDP growth rate. Going by even the most conservative estimate, stainless steel consumption in the country is expected to annually grow by 11.44% p.a. The Indian Stainless Steel production has also increased from 1.8 Million tonnes in 2008 to 2.9 Million tonnes in 2014 at a CAGR of app. 7.7% with flat products accounting for app. 2.3 Million tonnes.

The vision of 'Make in India' programme is expected to propel growth in new sectors driven by ABC (Architecture, Building & Construction) segment, ART (Automobile, Railways & Transportation), process industry segment & defence sector.

Imports from China & ASEAN countries continue to remain a serious threat to the domestic Industry until the government takes some stern measures to check the surge in imports. Import of stainless Steel Flat products into Indian market grew by an alarming 37% in FY 2014-15 as compared to FY 2013-14. Imports from China averaged about 18,500 MT/month in FY14-15 as compared to 9,500MT/month for FY13-14- recording an increase of 95% YoY.

Industry is looking forward for some positive actions from the government in form of Anti Dumping and Safeguard Duty. The proposed Mandatory Quality Standards Order on few stainless grades would also support the industry. Lowering of basic custom duties on inputs coupled with an increase in duty on finished good may provide the much needed succour to the domestic industry.

Business Highlights (Standalone)

JSL's (Standalone) gross revenue for the FY ended 31st March, 2015 at Rs 6,460 crore post giving effect of the Scheme as above as against Rs 12,967 crore in fy 13-14. Profit before depreciation, interest, exceptional item and taxes stood at Rs. 357 crore as against Rs. 925 crore in fy 13-14. Net profit/ (loss) stood at Rs. 223 crore as compared to Rs. (1390) crore mainly on account of Interest cost of Rs. 915 crore in comparison to Rs. 1234 crore in fy 13-14 and exceptional gain of Rs. 1173 crore as compared to Rs. (417) crore in fy 13-14. The Exceptional item majorly constitutes the difference amounting to Rs 1160 crore between the book value of assets and liabilities transferred and the lump sum consideration to be received from JSHL.

Way Forward

During the FY 2014-15, the company has successfully undergone ISI mark/ BIS certification audit for Stainless Steel (SS) grades - 304, 304L and 316L grades. New SS grades addition includes 201L, 201LN, 310S, 439, 441 & 446. Scope of Construction Product Directive (CE Marking) certification is expanded to include 316Ti and 321 grades. This has enabled your Company to be the preferred and certified manufacturers of stainless steel for construction industry in European market. Special plans are being made for market development of niche grades and expanding the portfolio of high value products.

To strengthen the Internal Process & Systems, Customer Serviceability remains the core focus of the Company. 'Creating Awareness', 'Technical Selling', 'Increasing Responsiveness' and 'Flexibility for Customers', are being practiced every day by all associates to have a satisfied & happier Customer base.

I am confident that the implementation of the AMP in totality will be value accretive and will allow your Company to better leverage and align the strengths and diversity of Company and its operation. This effort includes strengthening the financial position to support Company's strategic plans and continued business transformation. Moreover, the Scheme will help in Debt reduction, improvement in net worth, reduction in interest cost and improved operational efficiency by the mean of increased utilization of equipments and reduced production cost. Withal, the Scheme is in the best interest of the shareholders, creditors, employees and other stakeholders, as it would result in enhancement of shareholder value and greater focus on revenue growth and expansion opportunities.

Before I conclude, I would like to take this opportunity to thank all our stakeholders who have given their support, trust and faith in us as lenders, investors and analysts.

I would also like to thank our employees, the management team, the directors on the board for their unwavering support during these challenging times. I extend my sincere thanks to all our customers for their continued loyalty.

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Chairperson Emeritus
Savitri Jindal

Chairman & Managing Director
Ratan Jindal

Directors
Naveen Jindal
Suman Jyoti Khaitan
T. S. Bhattacharya
Girish Sharma
Gautam Kanjilal (Nominee Director)
Ishani Chattopadhyay
Kanwaljit Singh Thind

Executive Director
Rajinder Parkash Jindal

Whole Time Director
S. Bhattacharya

Company Secretary
Raajesh Kumar Gupta

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
M/s. Lodha & Co.
Chartered Accountants
M/s. S. S. Kothari Mehta & Co.
Chartered Accountants

Cost Auditors
M/s. Ramanath Iyer & Co.
Cost Accountants

Registered Office
O. P. Jindal Marg
Hisar - 125005 (Haryana)

Works
Jajpur (Odisha)

Jindal Stainless Limited

(CIN: L26922HR1980PLC010901)

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

Phone No. (01662) 222471-83, Fax No. (01662) 220499

Email Id. for Investors: investorcare@jindalstainless.com

Website: www.jindalstainless.com

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110 066.

NOTICE is hereby given that the 35th Annual General Meeting of Shareholders of Jindal Stainless Limited will be held on Monday, the 21st day of December, 2015 at 11.30 a.m. at Registered Office of the Company at O.P. Jindal Marg, Hisar – 125 005 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a. the audited financial statements of the Company for the financial year ended on 31st March, 2015, the Reports of Board of Directors and Auditors thereon, and
 - b. the audited consolidated financial statements of the Company for the financial year ended on 31st March, 2015 and the Report of the Auditors thereon
2. To appoint a Director in place of Mr. Rajinder Parkash Jindal (DIN: 00004594), who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify appointment of Statutory Auditors and to fix their remuneration and in connection therewith, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and the resolution passed by the Shareholders in the 34th Annual General Meeting of the Company held on 22nd September, 2014, the appointment of M/s. Lodha & Co., Chartered Accountants (Firm Regn. No. 301051E), and M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Regn. No. 000756N), as joint statutory auditors of the Company to conduct audit of the books of accounts of the Company for a period of three consecutive years, i.e. up to the conclusion of its 37th Annual General Meeting, be and is hereby ratified and the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2016."

SPECIAL BUSINESS:

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

4. AS A SPECIAL RESOLUTION:

ISSUE AND ALLOTMENT OF 5,36,48,068 EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH OF THE COMPANY UPON CONVERSION OF PART OF FUNDED INTEREST TERM LOAN FOR AN AGGREGATE AMOUNT OF ₹ 250 CRORE.

"RESOLVED that pursuant to Sections 62, 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended, the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI Takeover Regulations"), any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to necessary approvals / sanctions / permissions of appropriate statutory/ regulatory authorities, if applicable and subject to such conditions as may be prescribed by any of them while granting such approval, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board, to issue and allot 5,36,48,068 (Five Crore Thirty Six Lacs Forty Eight Thousand Sixty Eight) fully paid up Equity Shares having face value of ₹ 2 each, in one or more tranches, at a price per Equity Share of ₹ 46.60 (Rupees Forty Six and Paise Sixty only) (including premium of ₹ 44.60 per share), for an aggregate amount of ₹ 250 Crore (Rupees Two Hundred and Fifty Crore only), ranking pari passu in all respects with the existing fully paid up Equity Shares of the Company (the "Equity Shares"), by way of preferential allotment on private placement basis, to the CDR lenders (detailed hereunder and hereinafter referred as "Proposed Allottees") pursuant to and on the basis of the exercise of right of conversion of part of the Funded Interest Term Loan I & II ("FITL") (extended by the Proposed Allottees to the Company) by the Proposed Allottees under Clauses 12.1 and 12.2 of the CDR Master Circular dated 9th January, 2013 issued by the the Corporate Debt Restructuring Cell which right of conversion was exercised by the Proposed Allottees vide letter dated 26th December, 2014 (as may be amended from time to time) issued by the Corporate Debt Restructuring Empowered Group ("CDR EG Approval")

approving the Asset Monetization and Business Reorganization Plan ("AMP") of the Company:

Sl. No.	Name of Proposed Allottees
1	Allahabad Bank
2	Axis Bank
3	Bank of Baroda
4	Bank of Maharashtra
5	Canara Bank
6	Central Bank of India
7	Corporation Bank
8	The Federal Bank Limited
9	General Insurance Corporation of India
10	HDFC Bank
11	ICICI Bank (including Bank of Rajasthan)
12	IDBI Bank
13	Indian Bank
14	Jammu & Kashmir Bank
15	Karnataka Bank
16	Life Insurance Corporation of India
17	Oriental Bank of Commerce
18	Punjab National Bank
19	State Bank of Bikaner & Jaipur
20	State Bank of Hyderabad
21	State Bank of India
22	State Bank of Mysore
23	State Bank of Patiala
24	State Bank of Travancore
25	Syndicate Bank
26	The New India Assurance Company Limited
27	UCO Bank
28	Union Bank of India
29	United Bank of India
30	United India Insurance Company Limited
31	Vijaya Bank

"RESOLVED FURTHER that as per SEBI Regulations the "Relevant Date" for the purpose of determining the issue price, being 30 days prior to the date of this Annual General Meeting, is 21st November, 2015."

"RESOLVED FURTHER that the Equity Shares, issued to the Proposed Allottees, be listed on the BSE Limited and the National Stock Exchange of India Limited, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary

for the listing of the said Equity Shares and the admission of the Equity Shares with the depositories, viz. National Securities Depository Limited & Central Depository Services Limited, and for the credit of such Equity Shares to the respective dematerialised securities account of the Proposed Allottees or to issue physical share certificates to the Proposed Allottees, as may be deemed appropriate by the Board."

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

"RESOLVED FURTHER that, subject to applicable law, the Board be and is hereby authorised to do all such acts, deeds, matters and things as deemed necessary or desirable for the purpose of giving effect to the above resolutions, delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions."

5. AS A SPECIAL RESOLUTION:

ISSUE AND ALLOTMENT OF PREFERENCE SHARES OF THE COMPANY UPON CONVERSION OF PART OF FUNDED INTEREST TERM LOAN FOR AN AGGREGATE AMOUNT OF UP TO ₹ 751.76 CRORE.

"RESOLVED that pursuant to Sections 55, 62 and 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, each as amended, the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI Takeover Regulations"), any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to necessary approvals / sanctions / permissions of appropriate statutory/ regulatory authorities, if applicable and subject to such conditions as may be prescribed by any of them while granting such approval, and which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers

conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board, to create, issue and allot 16,13,21,888 (Sixteen Crore Thirteen Lacs Twenty One Thousand Eight Hundred Eighty Eight) Cumulative Redeemable Preference Shares ("CRPS") having face value of ₹ 2/- (Rupees Two) each at a price of ₹ 46.60 (Rupees Forty Six and Paise Sixty only) per CRPS (including premium of ₹ 44.60 per share) or 16,13,21,888 (Sixteen Crore Thirteen Lacs Twenty One Thousand Eight Hundred Eighty Eight) Optionally Convertible Redeemable Preference Shares ("OCRPS") having face value of ₹ 2/- (Rupees Two) each at a price of ₹ 46.60 (Rupees Forty Six and Paise Sixty only) per OCRPS (including premium of ₹ 44.60 per share), being entitled to a fixed cumulative dividend at a rate of up to 0.25% p.a., for an aggregate amount of ₹ 751,76,00,000 (Rupees Seven Hundred Fifty One Crore and Seventy Six Lakhs only), in one or more tranches and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, to the CDR lenders (detailed hereunder and hereinafter referred as "Proposed Allottees") pursuant to and on the basis of the exercise of right of conversion of part of the Funded Interest Term Loan I & II ("FITL") (extended by the Proposed Allottees to the Company) by the Proposed Allottees under Clauses 12.1 and 12.2 of the CDR Master Circular dated 9th January, 2013 issued by the Corporate Debt Restructuring Cell which right of conversion was exercised by the Proposed Allottees vide letter dated 26th December, 2014 (as may be amended from time to time) issued by the Corporate Debt Restructuring Empowered Group ("CDR EG Approval") approving the Asset Monetization and Business Reorganization Plan ("AMP") of the Company, by way of a private placement, preferential allotment and/or qualified institutions placement and whether by way of circulation of an offering circular or offer letter or registration statement or placement document or otherwise:

Sl. No.	Name of Proposed Allottees
1	Allahabad Bank
2	Axis Bank
3	Bank of Baroda
4	Bank of Maharashtra
5	Canara Bank
6	Central Bank of India
7	Corporation Bank
8	The Federal Bank Limited
9	General Insurance Corporation of India
10	HDFC Bank
11	ICICI Bank (including Bank of Rajasthan)
12	IDBI Bank
13	Indian Bank

Sl. No.	Name of Proposed Allottees
14	Jammu & Kashmir Bank
15	Karnataka Bank
16	Life Insurance Corporation of India
17	Oriental Bank of Commerce
18	Punjab National Bank
19	State Bank of Bikaner & Jaipur
20	State Bank of Hyderabad
21	State Bank of India
22	State Bank of Mysore
23	State Bank of Patiala
24	State Bank of Travancore
25	Syndicate Bank
26	The New India Assurance Company Limited
27	UCO Bank
28	Union Bank of India
29	United Bank of India
30	United India Insurance Company Limited
31	Vijaya Bank

"RESOLVED FURTHER that in case of issuance of OCRPS, the consent of the Company be and is hereby accorded for issuance and allotment of such number of equity shares as may be required to be issued and allotted upon the conversion of the OCRPS allotted pursuant to the above resolution or as may be necessary in accordance with the terms of the offering, all such equity shares being pari passu with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER that in case of issuance of OCRPS, the relevant date on the basis of which the price of the equity shares to be issued upon conversion, if any, of the OCRPS, shall be determined, shall be as specified under applicable law, and in case of (a) qualified institutions placement of OCRPS, the equity shares to be issued upon conversion, if any, of the OCRPS, shall be the date on which the holders of the OCRPS become entitled to apply for the equity shares; (b) preferential allotment of OCRPS, the equity shares to be issued upon conversion, if any, of the OCRPS, shall be the date 30 days prior to the date on which the holders of the OCRPS become entitled to apply for the equity shares, and in any other case, shall be determined in accordance with applicable law as amended from time to time."

"RESOLVED FURTHER that in case of issuance of OCRPS, the price at which the OCRPS shall be convertible into Equity Shares shall be as specified under applicable law, and in case of (a) qualified institutions placement of OCRPS, the OCRPS shall be convertible into Equity Shares at a price being not less than the price determined in accordance with the pricing