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ANNUAL REPORT 2016-17
JINDAL STAINLESS LIMITED

WHAT'S INSIDE



CORPORATE PROFILE

Vision & Mission	02
Founding Principles	04
From the Chairman's Desk	06
JSL Highlights	07
New Product Applications	09
Infrastructure Facilities	11
Product Basket	12
Harnessing the Power of IT	16
Awards & Accolades	17
Unleashing People Power	18



SUSTAINABLE INITIATIVES

Philosophy of Sustainable Development	20
CSR Activities	23



STATUTORY REPORTS

Notice for AGM	30
Directors Report	38
Corporate Governance Report	66
Management Discussion & Analysis	80



FINANCIAL REPORTS

Independent Auditor's Report	88
Balance Sheet	94
P&L Statements	96
Cash Flow Statements	98
Notes to Financial Statements	100
Consolidated Financial Statements	156

Improving lives through trustworthy and innovative stain-less solutions

Improving Lives

We will strive to improve lives of all our stakeholders (customers, suppliers, employees, shareholders and communities) and environment

Through Trustworthy

We will strive to be the most trusted and respected organization in the way we conduct ourselves with our employees, suppliers, shareholders, customers and communities and reflect our core of being truly stainless

And Innovative

We will always work towards innovating for better, be it processes, practices, solutions, delivering value added and innovative solutions to the world in our areas of work

Stain-less Solutions

We will strive to provide total solutions to our customers with reliable pre and post sale services and advisory. We will educate communities on properties (strong, versatile, corrosion resistant) and use of stainless steel and encourage downstream industries



To be a leading stainless steel company in the world

Forging reliable relationships with
customers, suppliers, employees
and all other stakeholders

Building strong capabilities driving
innovative practices, high quality
and competitive solutions

Leading Stainless Steel Company In The World

We will strive to be amongst the top stainless steel players in the world by increasing our capacity and its utilization resulting in revenue and net profit growth

Reliable Relationships With Customers, Suppliers and All Other Stakeholders

We will build long lasting relationships and uphold our commitment to the highest standards thereby becoming preferred choice for our customers, suppliers and stakeholders

Strong Capabilities

We will build or buy appropriate technology, focus on research & development and develop people capabilities

Innovative Practices

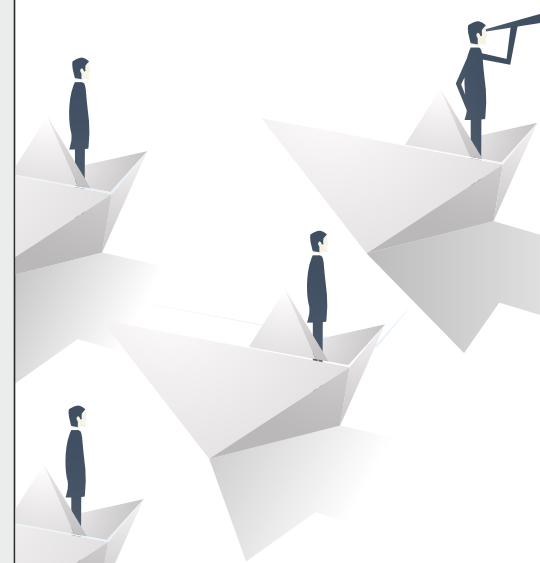
We will evolve best in-class innovative practices (business, manufacturing and people) to help our customers, suppliers, employees, shareholders and communities

High Quality

We will strive to offer stainless steel products and services of the highest quality that is required

Competitive Solutions

We will strive to provide agile, cost competitive and efficient stainless steel solutions to our customers; giving us an edge over our competitors



FOUNDING PRINCIPLES



Shri O.P. Jindal

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

At JSL, we continue to draw inspiration from the largeness of his spirit and wisdom. His kinship for workers, his commitment to the larger common good and his gusto for entrepreneurship remain core to our way of being.

The life of Shri O.P. Jindal can be encapsulated in three words: Courage, Conviction and Compassion. An uninstructed engineering genius, whose passion for machines was visible from early childhood. This passion went on to assume iconic proportions when coupled with a vision of a self reliant India.

Shri O.P. Jindal devoted his entire life to realise his vision of a self-sustained economy through industrial development, the first seed of which was sown in 1952 with a manufacturing unit in Howrah to make pipe bends and sockets. From there, he moved on to manufacturing of steel buckets and steel pipes, and finally, to establishing a fully integrated stainless steel plant. Today, the company boasts fully integrated operations, providing for the stainless steel requirements of myriad and various specialised grades. It is our honour and pride to expand the canvas of his imagination and nurture the dream he so fondly held.

At JSL, we continue to draw inspiration from the largeness of his spirit and wisdom. His kinship for workers, his commitment to the larger common good and his gusto for entrepreneurship remain core to our way of being. His mettle shines in the very metal we produce. Absolutely stainless.

Smt. Savitri Devi Jindal Chairperson Emeritus



Jindal Stainless Limited (JSL) is committed towards inclusive growth and development in a sustainable manner and looks at 'Shared Value' through the prism of 'Beyond Business'. The activities being undertaken are aligned with what has been prescribed under Schedule VII of the Companies Act, 2013 with projects being undertaken after carrying out a detailed base line survey and assessing needs of communities ensuring the 'Bottom up' approach. The focus of all initiatives is enshrined in the corporate vision statement -improving lives through trustworthy and innovative stain-less solutions.

It gives me immense pleasure to share that despite major hurdles and challenges faced by the company, JSL serves the society with servitude fulfilling the dreams of the architect, Late Shri O. P. Jindal ji, who during his lifetime served people with great humility.

I am particularly happy to note that the farmers are being encouraged to double their income through innovative ways, and I wish this new and impactful initiative all the success.

I am also sanguine with the effort directed towards projects on women empowerment because it is my belief that by 'empowering a woman you empower a family and in turn empower society'. Our innovative projects around education and skill development have transformed the lives of these women, imparting enough confidence in them together with financial independence. The women self help groups, which have been created in the remote areas of Odisha, primarily because of their empowerment, are now engaged in micro credit activities and are taking loans from large and small banks.

The steady growth of 'Project ASMITA', with the opening of a boutique managed by the community women, has given a 'voice' to the rural women and showcases their prowess in entrepreneurial development. Such case studies and stories need to be shared and replicated across geographies. This project with a small number of women, has trained other women in various technical processes ranging, from sourcing product design to product

development and marketing. Such processes are great indicators in explaining project outcomes. Besides, 'Project SAHAJ', a mini sanitary napkins manufacturing unit managed by a Self Help Group, is a great example of promoting good health and hygiene practices amongst women in the community.

I am sure with the model of 'pursuing with excellence', JSL under the guidance of the CMD, Shri Ratan Jindal, will continue to go from strength to strength along with being a Socially Responsible Corporate.

I am particularly happy to note that the farmers are being encouraged to double their income through innovative ways and I wish this new and impactful initiative all the success.

CHAIRMAN SPEAKS

Ratan Jindal
Chairman & Managing Director



Dear Shareholders,

The financial year 2016-17 marks a milestone in the journey of Jindal Stainless Limited (JSL); for the company declared net profit for the first time in its history. It's a story of turnaround for JSL. Ever since the commencement JSL operations in Jajpur, Odisha in 2011, the company has come a long way in stabilising and continuously improving performance on all fronts. Our teething problems are behind us, and JSL has set the ball rolling for profitable growth.

Our turnaround is evidenced both in our operational and financial success. For the first time, the plant reached a capacity utilization level close to 90%, by producing about 7.3 lakh tonnes of stainless steel. This is a marked improvement over FY 2015-16 capacity utilization of 75% with a production level of about 6 lakh tonnes. JSL's standalone gross revenue for the financial year ended on 31st March, 2017 increased by about 27% over FY 16, from Rs 7,028 crore to Rs 8,957 crore. Our earnings before depreciation, interest, exceptional items and taxes (EBIDTA) nearly doubled to Rs 1107 crore as compared to Rs 521 crore in FY 15-16, a jump of 112%. Your company has shown a net profit of Rs 58 crore as against a loss of Rs 559 crore in FY 15-16.

JSL was able to tide over difficulties in the preceding couple of years with the active support and collaboration of our consortium of lenders and bankers. We owe them a debt of gratitude for their backing in all ways possible. They approved our Asset Monetisation Plan (AMP), which resulted in creation of three new companies. Apart from financial balancing, the AMP also helped improve our product offering and operations.

Our success can chiefly be ascribed to a multi-pronged improvement strategy, driven by a force of

motivated and talented employees. Progress made in logistics, operations, sourcing, energy efficiency and financial leverage worked in tandem to bring about a complete transformation. During the year, we commissioned a railway siding within the plant to lower freight costs and dependence on local transporters. This, in turn, led to faster movement of raw materials and finished goods. Internal improvements, such as higher yields, increased power savings and better packaging, met the twin goals of cost optimisation and customer delight. Our foray into critical strategic sectors such as nuclear fusion reactors and oil & gas expanded our footprint in the Indian and global markets. A conducive local environment in Jajpur, Odisha played an instrumental and harmonious role in effecting such growth.

The Indian stainless steel sector is slated to grow at a compound annual growth rate of 7.5% over the next decade. Sectors like ART (Automobile, Railway &

Transportation), ABC (Architecture, Building & Construction), process industry and defence are expected to fuel growth in the stainless steel industry. While the future prospects are teeming with opportunities, there remain concerns over low priced and substandard imports from countries like China. Measures taken by the Government of India to check dumping have been rendered ineffective as importers are finding new ways to sidestep laws. Challenges notwithstanding, JSL is prepared to meet the future head-on. Our tireless efforts to maximise operational efficiency will continue in full steam. We are prepared to enhance our capacity of cold-rolled products to further improve customer expectations. I am confident that our capable soldiers would continue to generate value for all our stakeholders. Future will belong to new ideas and new technologies. It will belong to those who will be able to predict the direction of growth and customize their offerings to aid that process. Speed & innovation will be the two integral pillars for any business to expand its horizon whilst retaining its base. I am confident that JSL will meet and surpass all expectations as we go ahead. The company has embarked on a new journey to realize our Vision -Improving lives through trustworthy and innovative stain-less solution. I am confident that this vision will find manifestation in the lives of our stakeholders. With the hope that the best is yet to come, I convey my gratitude to all our stakeholders for their trust and continued support in us.

JSL HIGHLIGHTS

Production Highlights

Steel Melting Shop

2015-2016 6,03,852 MT

2016-2017 7,22,995 MT

Plate Finishing Shop

2015-2016 33,082 MT

2016-2017 46,966 MT

Ferro Alloys

2015-2016 1,54,309 MT

2016-2017 2,05,510 MT

HAPL in CRM

2015-2016 5,33,849 MT

2016-2017 5,92,113 MT

CAPL in CRM

2015-2016 3,11,878 MT

2016-2017 3,44,707 MT

Key Operational Highlights

Cold Rolling Mill

3.90%

Increase in energy efficiency due to increased capacity utilization

37%

Reduction in carbon footprint by minimizing propane consumption

19%

Rise in finish production due to improvement in productivity

Product Plant and Cold Handling Mill

26%

Increase in Coal Tar production

13.31%

Increase in Coal Tar dispatch

19.2%

Increase in COG export mainly due to conversion of fuel from propane to COG at HAPL in CRM
This also resulted in substantial savings on fuel cost.

Steel Melting Shop

10%

Reduction in the load of caster bay crane by carrying out in-house roller table extension of caster

Ferro Alloys

58092 MT

Liquid Ferro Chrome transferred to SMS

7%

Reduction in fines generation

*All figures are of FY 2016-17 as compared to FY 2015-16

NEW PRODUCT APPLICATIONS

Foraying into Uncharted Routes



Stainless Steel Fuel Tanks

Currently fuel tanks which are fabricated out of aluminised mild steel / galvanized steel, experience localised flaking off of the coating during welding and fabrication process. At these flaked off regions, the fuel comes in direct contact with the mild steel substrate and initiates the corrosion process. The corroded iron particles gradually clog the fuel tank nozzles, thereby necessitating frequent repair and cleaning of the fuel tanks.

Stainless Steel fuel tanks are immune from this problem since the corrosion resistance is provided by its innate chemistry and not through application of any physical coating. Due to its higher strength to weight ratio, Stainless Steel also enables reduction in thickness of the fuel tank components, resulting in weight savings of approximately 25 - 30%. The overall life cycle cost of using Stainless Steel fuel tanks is thereby lower than other alternative materials.

Key Projects:

- 350 litre capacity Stainless Steel fuel tanks being commercialised by Ashok Leyland.
- Stainless steel fuel tanks being developed by Volvo-Eicher Commercial vehicles.
- Stainless Steel fuel tanks being developed for Tata Motors for export vehicles.



Stainless Steel Exhaust systems for Commercial Vehicles

With the implementation of BS 4 emission norms, the particulate matter and NOX emissions in commercial vehicles have to be reduced by 50% each from the BS 3 levels. This mandates usage of after-treatment technologies like EGR or SCR, wherein there is an increase in the operating temperature and injection of corrosive chemicals like urea for SCR. Currently used material like aluminised mild steel are unable to withstand such high temperature and undergo corrosion in contact with urea.

Stainless Steel with its superior corrosion resistance, and higher oxidation and thermal fatigue resistance is the optimal material to be used for fabrication of exhaust systems.

Key Projects:

- Ashok Leyland
- Tata Motors (Heavy Commercial Vehicles)



Stainless Steel Bus Bodies

Bus Bodies having superstructure and inner / outer panels made out of painted mild steel experience severe corrosion, especially in the coastal parts of India. Thus, the entire structure needs to be overhauled after every 3-4 years.

Stainless Steel (SS) with its superior corrosion resistance properties eliminates the need for repair and maintenance. Further, due to its higher strength to weight ratio, it enables reduction in the weight of the bus body by as much as 20%, thereby lowering the fuel consumption and increasing the tyre life. The overall life cycle cost of a stainless steel bus body is therefore significantly lower as compared to alternative materials. Stainless Steel also offers superior fire and crash resistance as compared to other alternative materials.

Stainless Steel components currently used in Bus Bodies are as follows:

- Superstructure
- Outer panels in painted condition
- Inner panels in bright finish stainless steel
- Floors/luggage compartments with SS chequered sheets.
- Grab poles/handrails with Unpainted SS tubes

Key Projects:

- Karnataka State Road Transport Corporation
- Telengana State Road Transport Corporation
- Andhra Pradesh State Road Transport Corporation
- Volvo
- KMS Coaches, Bangalore
- SM Kannappa, Bangalore
- Azad Coaches, Jaipur and Bangalore
- Goa State Road Transport Corporation

INFRASTRUCTURE AND FACILITIES



12,50,000 TPA
Raw Material
Handling System



1240 ACRE
Total Land Area



800,000 TPA
Stainless Steel
Melting Capacity



950,000 TPA
Hot Rolled
Annealing Pickling line



100,000 TPA
Mill Plate
Annealing & Pickling



450,000 TPA
Cold Rolled
Annealing Pickling line



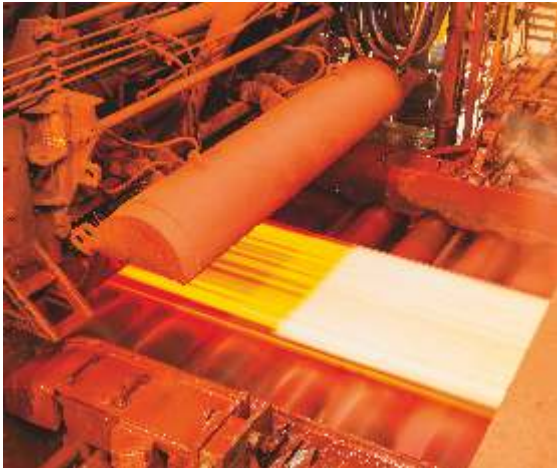
150,000 TPA
Ferro-Alloys



250 MW
Captive power Plant
(Scalable upto 500MW)

PRODUCT BASKET

Stainless steel (SS) is a generic term for a family of corrosion resistant alloy steels containing 10.5% or more chromium. All stainless steels have a tremendous resistance to corrosion. This resistance is due to the naturally occurring chromium-rich oxide film formed on the surface of the steel. Although extremely thin, this invisible, inert film is tightly adherent to the metal and extremely protective in corrosive environment. The film is expeditiously self repairing in nature, and the indentation due to abrasion, cutting or machining is hastily repairable in the presence of oxygen. In addition, stainless steel objects rarely become waste at the end of their useful life as this metal is 100% recyclable. Qualities like low lifecycle cost, high strength to weight ratio, aesthetic brilliance and easy clean ability makes stainless steel the wonder metal for various applications.



Jindal Stainless Limited is the largest stainless steel producer in India with a capacity of 1 MTPA, eventually scalable up to 3.2 MTPA. It is also the largest manufacturer of stainless steel in 200 series, 300 series (including SS 304, SS 316), 400 series and duplex stainless steel grades. Company's manufacturing facility in Jajpur, Odisha, has the state-of-the-art equipment from world's reputed technology suppliers. The facility comprises of 250,000 TPA of Ferro Alloy division with a captive power generation unit of 264 MW. The product range includes Slabs, HR coil, CR coil and Plates.



Slab

Manufacturing Range / Odisha

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
Slab	1650	160	250



HR Coil

Manufacturing Range / Odisha

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
Hot Rolled Coil	1650	2.0	12.7
HRAP Coil / 2E	1650	1.4	1.0



CR Coil

Manufacturing Range / Odisha

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
CRAP Coil	1600	0.3	5.0



Plates

Manufacturing Range / Odisha

Product	Max Width (mm)	Thickness (mm)	
		Minimum	Maximum
Plates	1620	11	80

Stainless Steel Applications

Stainless Steel Usages

Architecture Building Construction

Decorative and colour coated Stainless Steel | Street furniture | Escalators, elevators | Claddings | Railings | Gates | Decorative Panels | SS Roofing Sheets | Railway station upgradation | Commercial Complexes | Sculptures & designer items | Home furniture

Automobile Railway Transport

Bus bodies | Exhaust systems, auto chassis, trims, suspension parts, fuel tanks, catalytic converters | Railway wagons and coaches | Metro coaches

Process & Engineering

Nuclear grade SS for fuel containment and waste handling | Super critical boilers in power plants | Water treatment and drinking water supply | Desalination applications | Chemicals, petro-chemical & fertilizer plants

Consumer Durables

Washing Machine | Microwave | Refrigerator | Components thereof



Stainless Steel in Plumbing

Stainless steel pipes are being increasingly used for plumbing because stainless steel offers wide range of benefits, with particular importance attached to its hygienic properties, its resistance to corrosion, long life and low maintenance. It does not require painting and blends smoothly with modern interior design. It is also fully recyclable.

Stainless steel often enjoys life cycle cost advantages compared to other materials. Even though the initial costs may be marginally higher for stainless steel plumbing materials, the gap in installed cost is reduced by a fast and more efficient method of jointing. Low maintenance, low system downtime and replacement costs, long life etc. makes stainless steel the most attractive metal when compared to other materials.



Stainless Steel in Chemical Industry

Probably the most demanding industries that use stainless steels are the chemical, processing and oil & gas industries. They have created a large market for stainless tanks, pipes, pumps and valves. One of the first major success stories for 304/316 stainless steel was the storage of dilute nitric acid as it could be used in thinner sections and was more robust than other materials.

SS pipes & tubes exhibit superior corrosion resistance, heat resistance and low-temperature properties & have been used as raw materials that can withstand harsh environments as seen in petroleum, brewery, Sugar, refining, oil & gas industries.



Stainless Steel in Beverage/ Dairy and Food Preparation and Processing

Materials for beverage, dairy and food preparation, processing and storage are required to maintain the integrity of the structure (i.e. to be corrosion resistant and sufficiently robust to withstand their service environment) and to be inert (i.e. to impart neither colour nor flavour to foodstuffs or beverages). Stainless steels are widely used in these applications because they are resistant to corrosion, inert, easily cleaned and sterilised without loss of properties, and can be readily fabricated by a variety of techniques.



Stainless Steels for Application in Automotive and Transport Sectors

Automotive and Transport sectors are making increasing use of stainless steels to reduce weight, improve aesthetics, enhance safety and minimize life cycle cost. Characterized by superior fire and corrosion resistance, they ensure safety and reliability. Since stainless steel exhibits superior combination of high strength, ductility, formability and toughness compared to other metals and alloys, the intrinsic weight of vehicle decreases and its load carrying capacity and fuel efficiency increases. Maintenance cost is naturally lower and stainless steel component at the end of its long life is easily recycled.

Stainless Steel In Architecture, Building & Construction

Stainless steel has been used in architecture, building and construction since its invention. Stainless Steel provides tremendous design flexibility to high profile projects while their strength and resistance to corrosion, wear and fire make them a practical long lasting choice for public and industrial buildings.

Worldwide stainless steels are being used for structural applications ranging from cutting edge architecture to infrastructure. Exceptional structural historical examples include the stainless steel concrete reinforcing bar in Yucatan, Mexico's Progreso Pier (1945); St. Louis, USA's Gateway Arch (1965); and the Louvre Pyramid in Paris, France (1989).



HARNESSING THE POWER OF IT

To ensure highest standards for information security, process planning and data management, Jindal Stainless Limited has designed and implemented world-class next generation IT Infrastructure. The company's consistent efforts towards delivering a robust, seamless and real-time support system ushered some breakthrough developments in the year 2016-17. Amongst such myriad initiatives the major ones are:

G- Suite Mail

From the traditional mailing system we have moved to cloud. With this major upgradation, we now have access to features such as Google Drive, Google Plus, Hangout, etc.

Asset Management System

This includes 'in-plant asset

facilitates checking online stock, issue and revocation of asset details, and availability with in-built approval matrix.

In Plant Vehicle Tracking System

Vehicle tracking system for both in-bound and out-bound processes via GPS system with a highly advanced alert system.

Barcode Scanning System

Physical Inventory location on system.

Single Window Operation

Single stoppage verification window for all the bills related to external services.

Next Generation Firewall Upgradation

Providing extended level of access control by monitoring network

layer including granular application identification and controlled user based authentication.

Enhancement of Customer Portal: Interactive portal for the valuable customers of JSL where they get a platform for raising the complaints related to product quality.

Implementation of BIS Certification: Product Standardization as per Govt Norms in Feb 2017.

In the journey of continual improvement and excellence, the company's IT team has always pushed the boundaries in succeeding, by delivering efficiently. So far, the expedition has been remarkably seamless. There are miles to go in shaping a stainless world for a digital future. The team's unfailing dedication and zest have always been the reason behind the successful endeavours.



AWARDS & ACCOLADES



17th Annual Greentech Environment GOLD Award in Metal & Mining Sector for the FY 2016-17 for outstanding achievement in Environmental Management.



15th Annual Greentech Safety GOLD Award - 2016 in Metal & Mining Sector, Constituted by Greentech Foundation, New Delhi.



"Rashtra Vibhushan Award™, GOLD Award" for the FY 2016-17 towards excellence in Environment Protection, organized by FAME, New Delhi.



Fame Excellence Award- 2016 in Health & Safety for Workers category Constituted by Foundation for Accelerated Mass Empowerment, New Delhi.



Odisha State Safety Conclave Award - 2015" for "Best Practices in Safety in Iron & Steel Sector"