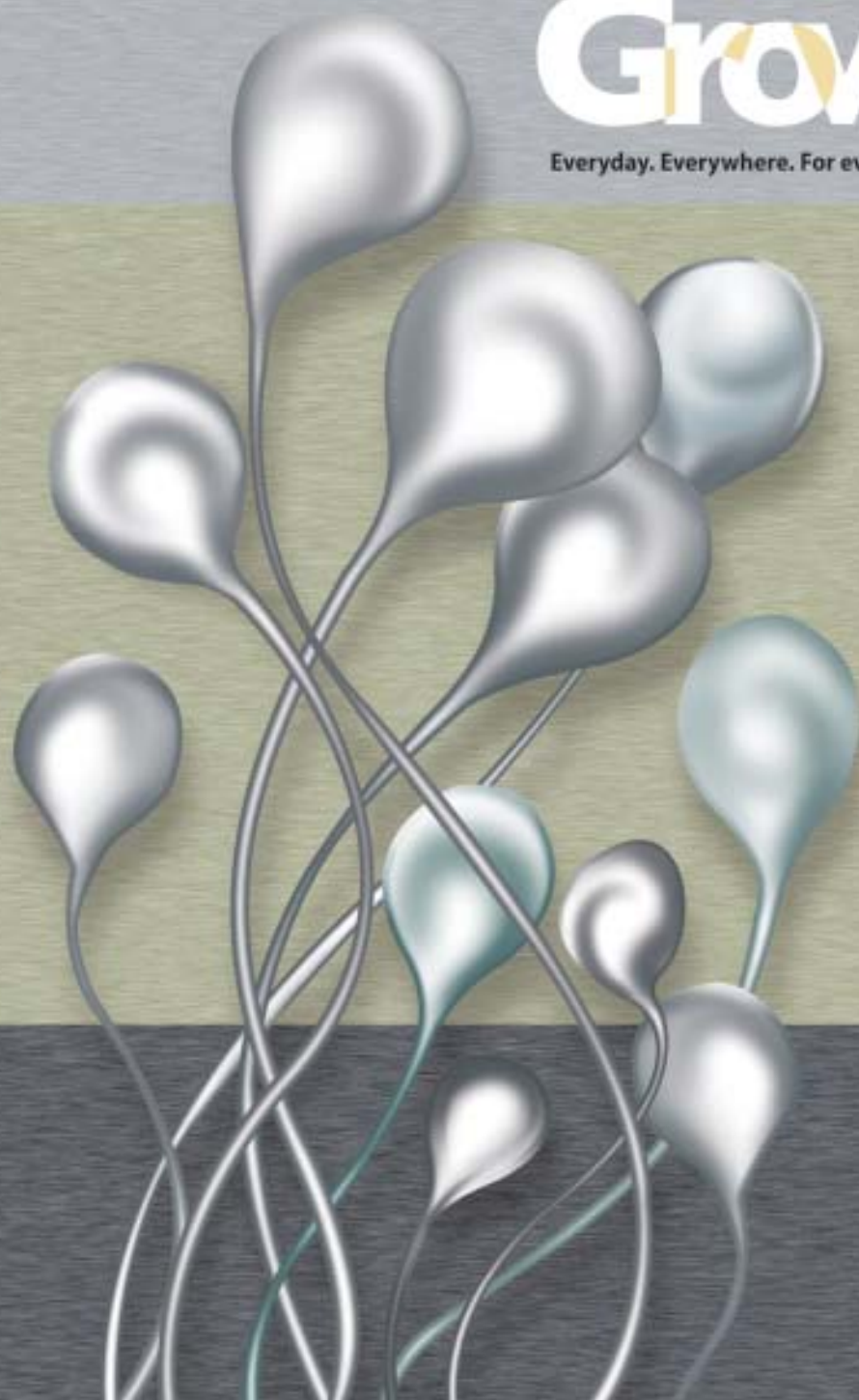


ANNUAL
REPORT
2009-10



Growing

Everyday. Everywhere. For every stakeholder



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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 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

JSL Limited

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. Virdi
Nominee Director – State Bank of India	Gautam Kanjilal
Company Secretary	Jitendra Kumar

MANAGEMENT TEAM

Director (Strategy & Corporate Affairs)	R.K. Goyal
Director (Sales & Marketing)	S. Bhattacharya
Vice President (Corporate Human Resource & Legal)	Rajiv Rajvanshi
Sr. Vice President (Strategic Sourcing & Integrated Logistics)	R. Ganesh
Head (Corporate Finance)	Sandeep Sikka
Head (Hisar Unit)	S.K. Jain

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, Dist. Jajpur, 755 026 (Orissa)

Notice

NOTICE is hereby given that the **30th Annual General Meeting** of Shareholders of **JSL LIMITED** will be held on **Friday, the 23rd day of July, 2010 at 11:00 a.m. at Registered Office** of the Company at O.P. JINDAL MARG, HISAR 125 005 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of Directors.
2. To appoint a director in place of Smt. Savitri Jindal, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a director in place of Mr. Naveen Jindal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To 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 Visakhapatnam 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 2010-11 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 Visakhapatnam division of the Company for the year ending 31st March, 2011 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:

5. 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. James Alistair Kirkland Cochrane, 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."

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. Jurgen Hermann Fechter, 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 in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Subash Singh Viridi, 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."

8. AS A SPECIAL RESOLUTION:

"RESOLVED that subject to approval of Central Government and all other statutory bodies / concerns, if applicable 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, consent be and is hereby accorded for appointment of Mr. Subash Singh Viridi as Executive Director & Chief Operating Officer for a period of five years w.e.f. 6th April, 2010 at remuneration and other perquisites and as per terms and conditions as approved by the remuneration committee in its meeting held on 3rd April, 2010 as mentioned below :

Particulars of terms and conditions and remuneration:

1. Period: 5 years with effect from 6.4.2010 to 5.4.2015
2. Remuneration :
 - (a) Base Pay : Rs.3,50,000 per month

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(b) Perquisites and allowances:

In addition to the salary, Mr. Subash Singh Viridi, Executive Director & Chief Operating Officer shall also be entitled to:

- (i) House Rent Allowance / Value of Company Accommodation @ Rs.1,00,000/- (Rupees one lac only) per month (Maximum upto 50% of base pay).
- (ii) Choice Pay @ Rs.4,33,250/- (Rupees four lacs thirty three thousand two hundred fifty only) per month.
- (iii) Reimbursement / Allowance of Professional pursuits @ Rs.1,000/- (Rupees one thousand only) per month.
- (iv) Reimbursement / Allowance of medical expenses @ Rs.1,250/- (Rupees one thousand two hundred fifty only) per month.
- (v) Leave Travel Assistance @ Rs.30,000/- (Rupees thirty thousand only) per annum.
- (vi) Bonus @ 20% of base pay.
- (vii) Group Personal Accident Insurance as per rules of the company.
- (viii) Mobile expenses as per rules of the company.
- (ix) Leave with salary as per rules of the company.
- (x) Mediclaim Insurance as per company rules.
- (xi) Chauffeur driven company car.
- (xii) Provident Fund as per rules thereof.
- (xiii) Gratuity as per rules thereof.
- (xiv) Performance Linked Variable Reward (PLVR) as per scheme of the company.
- (xv) He shall be also entitled to Employees Stock Option Schemes / Plans of the company as per company rules as and when applicable.
- (xvi) Other allowances as per rules of the company.

3. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Subash Singh Viridi, Executive Director & Chief Operating Officer, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to Central Government approval.

- 4. The above remuneration payable to him shall be subject to the limits of 5% and 10% of the net profits of the company, as the case may be, as laid down in section 309 of the Companies Act, 1956 read with schedule XIII to the Companies Act, 1956 and the overall limit of 11% of the net profits of the company as laid down in Section 198(1) of the said Act.
- 5. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.
- 6. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
- 7. He shall be liable to retire by rotation.
- 8. Normal annual increment as per policy of the company will be granted to him by the Vice Chairman and Managing Director, from time to time.

9. AS A SPECIAL RESOLUTION:

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

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

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

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

"RESOLVED FURTHER that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993 as may be amended from time to time."

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

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

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

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

- (a) decide the date for the opening of the issue of securities;
- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;
- (c) finalisation and approval of (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the Deposit Agreement(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBs/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;