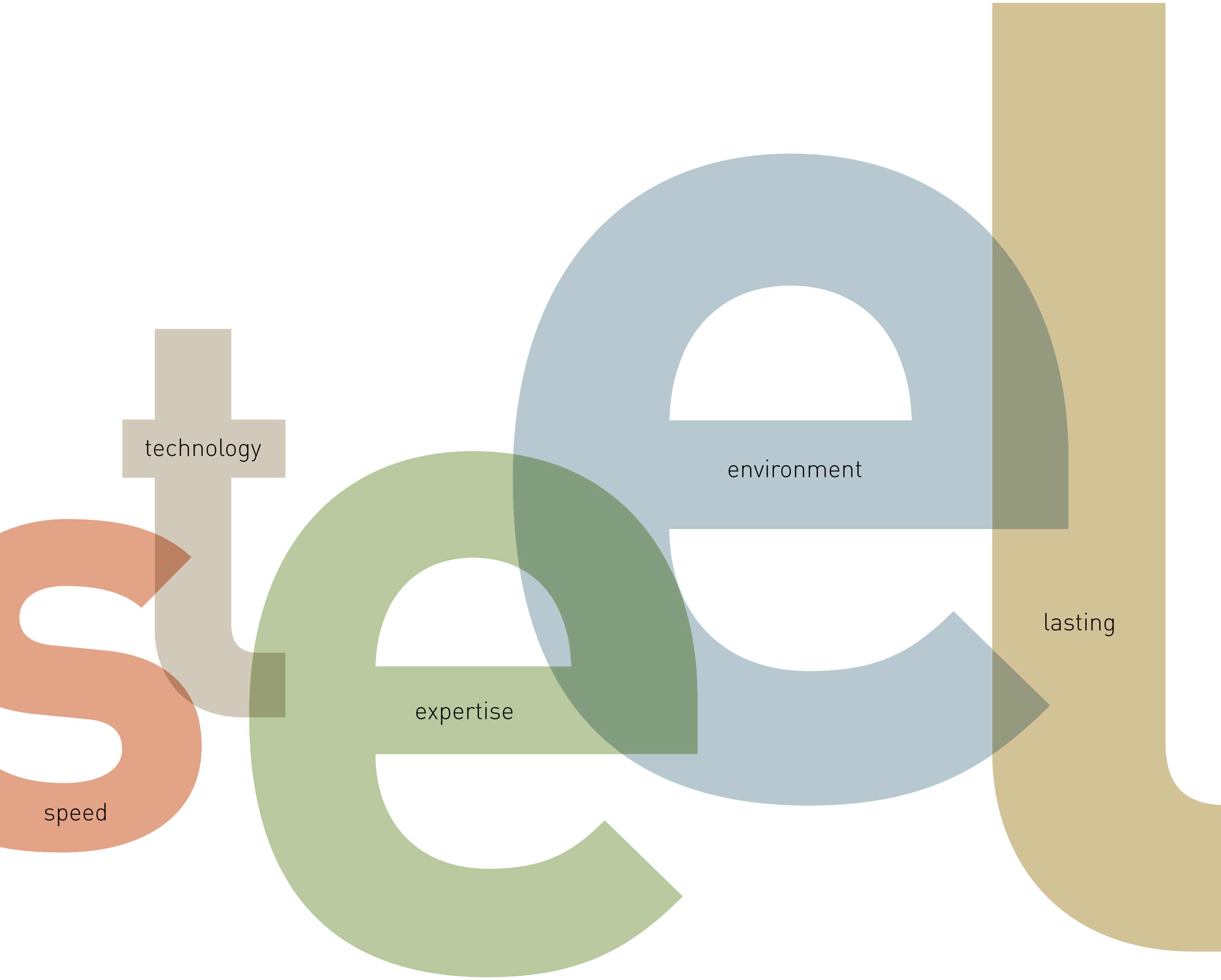
JSW Steel
Bringing alive a billion dreams

No Limits

Annual Report 2010-11



www.jsw.in

Aspiration and Belief

Vision, Mission, and Core Values

Vision

Global recognition for size, culture and quality, while nurturing nature and society.

Mission

Supporting the nation's growth in power and steel with speed and innovation.

Core Values

- Innovate and evolve
- Drive with excellence
- Building leaders
- Adopting youth policies
- Challenging the challenges

Content

Recognition

Received the Prime Minister's Trophy for 2007-08 in July 2010

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

Truly, for some men, destiny isn't written, unless they write it.

Shri O. P. Jindal was a father figure for millions. Where others would see walls, he saw doors of opportunities. He continuously worked towards making India self-reliant. He believed that the growth should be inclusive and made it his life's mission to help the underprivileged sections of society. A successful industrialist, a politician, a leader and a passionate philanthropist, late Shri O. P. Jindal achieved this and more with his inspiring energy. And amongst other things, he left behind a few billion smiles and a legacy of inspiration.

His legacy and the vision of inclusive growth is being carried forward by the group companies through various social initiatives.

Message from the Vice Chairman and Managing Director

"At JSW, change is the only constant, accelerating the value-creation momentum."

Sajjan Jindal,
Vice Chairman and Managing Director,
JSW Steel, highlights the JSW strategy

A new chapter was written in the history of Indian Steel Industry when your company acquired 45.53% majority stake in Ispat Industries. The new entity that has a capacity of 3.3 mtpa and is scalable to 5 mtpa with relatively less investment.

Dear Shareholders,

The year 2010-11 marks an important milestone in JSW's journey. The year 2010-11 was fully packed with events like acquisition of Coking coal assets in USA, Technological Collaboration Agreement with equity participation by Japanese Steelmaker JFE and the acquisition of Ispat Industries.

Strategic Collaboration with JFE – The Game Changer

JSW recognizes that the company needs to grow faster than peers in skill, expertise and technology. In order to shorten the learning curve JSW entered into Strategic collaboration with JFE Steel corporation, from Japan to produce high-end value added steel products for Automotive and construction Industry, energy reduction technology and environmental technology.

This collaboration entails execution of several definitive agreements which are consistent with your company's long term vision for future growth. The collaboration between JSW and JFE involves following:

- A general technology assistance agreement, which encompasses all facets of steel making and processing from raw material handling to rolling mills including energy control and savings.
- A technical assistance agreement encompassing our newly announced cold rolling mill (CRM 2).
- A foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel presently being imported into India.

The definitive agreement with JFE represents a game-changing milestone in JSW's journey to emerge as one of the best global steel manufacturing company.

The Company also entered into a subscription agreement with JFE following which they invested Rs. 4,947 crores in the equity of the Company, holding 14.78% of Equity Share Capital and Rs. 463 crores towards Global Depository Receipts.

Backward Integration – Strengthening Sustainability

There is a global debate on the importance of increasing downstream production capacities or acquiring natural resources. JSW continues to focus on both: the creation of additional capacities on the one hand and investing in enhancing resource linkages.

US Coking coal Mines: We acquired coking coal mines in West Virginia, USA. The acquisition covers seven blocks. We expect to commence production in 2011-12 and ramped up to 3 million tonnes in 3 years.

Chile Iron ore: Our iron ore mines in Chile are ready to supply output to international customers. The Bella Vista project is expected to ship 1 million tonne per annum. We have planned to enhance mining in Chile to 3 mtpa over three years.

Changing the dynamics of the Indian Steel Industry – Ispat Acquisition

A new chapter was written in the history of Indian Steel Industry when your company acquired 45.53% majority stake in Ispat Industries. The new entity that has a capacity of 3.3 mtpa and is scalable to 5 mtpa with relatively less investment.

The geographical location of the plant in the west coast of India along with a captive jetty has huge strategic advantages due to proximity to growing western India market and raw material access. With our leading presence in south India we realized that we can develop healthy synergies with ispat Industries.

Ispat is a company with strong technical fundamentals and cutting edge technology. The Thin Slab casting facility and the compact strip mill give its product a cutting egde in the competitive market.

JSW will complement these realities with additional investment in coke oven, pelletising plant and power plant, resulting in complete integration that will graduate it to a profitable steel company.

Another Step in Forward Integration – JV for Building Structure

In another landmark event for the steel and construction industries in India , JSW Severfield Structures (JSSL) , a 50:50 joint venture between JSW Steel and UK based severfield Reeve structures, inaugurated its speciality steel plant at Vijaynagar having a capacity of 35000 tonnes per annum on November 17, 2010. The plant will address the fast growing needs of the Indian construction market. The output is completely booked for 2011-12.

JSW also widened its coverage to cutting-edge flooring technology viz Composite Metal Decking through another joint venture with Structural Metal Decks Limited, UK. This profiled sheeting is used with in-situ concrete and relatively light reinforcement leading to structurally effective and economic floor solutions. This pioneering technology will reduce concrete volumes by about 30% and overall weight, translating into a pioneering solution for high-rise buildings in India.

Growth Strategy- Fine Tuned

As you are aware that we have been pursuing the Strategy of Vertical Integration (Forward and Backward integration) and Horizontal expansion (Growth in Volumes) for the last few years, we have further fine tuned it in the face of new economic realty in the developed world. We have moved from the erstwhile approach of manufacturing value-added steel in the developed economies to manufacturing them in India.

Prior to the meltdown in 2008-09, special steel demand and realizations were robust in developed economies, justifying the acquisitions of processing mills in these geographies. However, the prolonged delay in post-meltdown recovery has now made these developed economies expensive as processing destinations.

On the other hand, India has rebounded from the global crisis with speed, largely due to country's consumption-driven economy. These trends are further expected to sustain over the decade due to increasing disposable income, income distribution, growing urbanization and rising working population.

In view of the above, the company closed its UK service centre facility, relocated the production assets to the company's service centre in India as part of its overarching strategy to commission more service centers proximate to steel consuming markets and automotive hubs in India.

Horizontal Expansion

West Bengal Project: We have commenced work on our proposed West Bengal project for the first phase for 3.0 million tonnes steel plant and 300 MW captive power plant. We expect to complete the first phase in three years. The work on the boundary wall is on the verge of completion and soon we will begin the construction of the plant in the next financial year.

Capacity expansion up to 12 million tonnes at Vijaynagar works: The Company has made assessment of the existing facilities at vijayanagar works and based on findings, we have decided to increase the capacity by additional 2 mtpa.

Investment in Technology – Towards Lowest Cost Steel producer

We are in the process of implementing a strategy to achieve significant cost reduction by investing in new technologies. We commissioned beneficiation plant at Vijayanagar works to utilize the low grade iron ore fines. We also commissioned our new sinter plant to enhance the sinter % in the feed which will further increase the productivity of our blast furnaces and reduce the fuel consumption. In order to further increase the energy efficiency of steel plant we are implementing various project like coke dry quenching, Coal briquetting, waste heat recovery boilers, 100% waste utilization, micro pelletization etc.

Speed and stability – hand in hand

I take the opportunity to mention that while we move ahead with unprecedented speed, the Company is very stable. We deleveraged our Balance sheet with additional infusion of equity and pre-payment of debt. We are financially strong, healthy and stable to pursue our growth plans.

With the world getting increasingly dynamic, turbulence will be the order of the day; volatility will only increase. But I would like to assure shareholders that as a policy, we undertake projects where we continue to be among the lowest cost steel producers in the world.

Your company is committed to improving the quality of life of all stakeholders through continuous and purposeful engagement in economic progress, social responsibility and environmental concern.

Our Gratitude

I would like to convey my sincere gratitude and appreciation to our shareholders, debenture holders, Customers, Business partners, Vendors, both International and domestic, Bankers, Financial Institutions and all other stake holders for their consistent support and trust.

A compulsive dreamer, I continue to scan the horizon with optimism and conviction. The second fastest growing economy in the world will take its rightful place as an economic superpower. This will create huge opportunities for growth over the next decade. I would like to assure shareholders your company will play an important role in this India growth story and we will continue to invest in projects, products and markets that reinforce our position as one of the lowest cost steel producers in the world leading to a projected 40 mtpa capacity by 2020.

Warm regards,

Sajjan Jindal

Highlights 2010-11 (Standalone)

Highlights 2010-11 (Standalone)

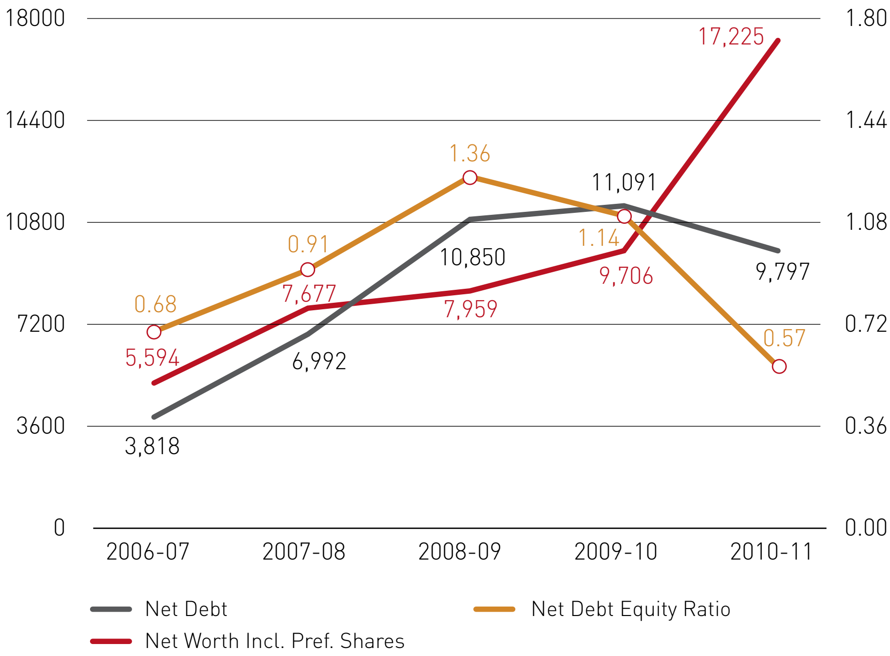
- Crude Steel Output up by 7% to 6.427 million tonnes
- Saleable Steel up by 7% to 6.099 millions tonnes
- Gross Turnover up by 29% to ₹ 25,131 crores
- Net Turnover up by 27% to ₹ 23,163 crores
- EBIDTA ₹ 4,856 crores
- PBT ₹ 2,782 crores
- PAT ₹ 2,011 crores
- Weighted average cost of Debt 7.58 %
- Net Debt Equity Ratio 0.57
- Diluted EPS ₹ 96.33
- Equity Dividend: ₹ 12.25 per share

Contribution to Government & Society (₹ in crores)

	2008-09	2009-10	2010-11
Direct Taxes	383	589	726
Indirect Taxes	992	1,081	1,693
CSR initiatives	15	13	15
TOTAL	**1,390**	**1,683**	**2,434***

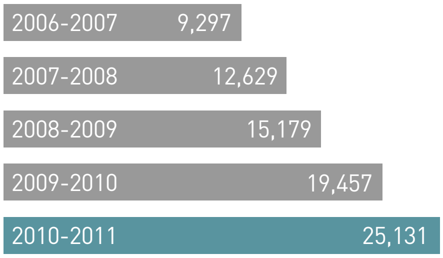
**45% growth in contribution to Government & Society*

Net Debt Equity Ratio



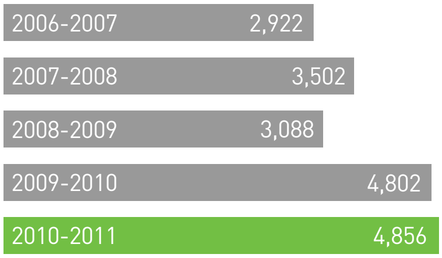
Gross Sales (₹ in crores)

5 years CAGR 29.87%

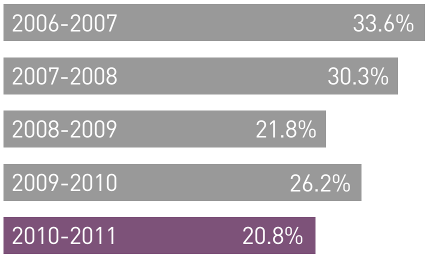


EBIDTA (in crores)

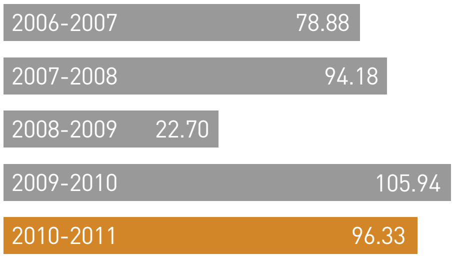
5 years CAGR 17.88 %



EBIDTA Margin (%)



Earning Per Share-Diluted (₹)



BOARD OF DIRECTORS

Mrs. SAVITRI DEVI JINDAL
Chairperson

Mr. SAJJAN JINDAL
Vice Chairman & Managing Director

Mr. SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO

Dr. VINOD NOWAL
Director & CEO

Mr. JAYANT ACHARYA
Director (Commercial & Marketing)

Mr. M. MAHESHWAR RAO, I.A.S.
Nominee Director of KSIIDC

Mr. YASUSHI KUROKAWA
Nominee Director of JFE Steel Corporation, Japan.

Mrs. ZARIN DARUWALA
Nominee Director of ICICI Bank Limited

Dr. S. K. GUPTA
Director

Mr. ANTHONY PAUL PEDDER
Director

Dr. VIJAY KELKAR
Director

Mr. UDAY M. CHITALE
Director

Mr. SUDIPTO SARKAR
Director

Mr. KANNAN VIJAYARAGHAVAN
Director

COMPANY SECRETARY
Mr. Lancy Varghese

STATUTORY AUDITORS
M/s. Deloitte Haskins & Sells
Chartered Accountants

BANKERS
Allahabad Bank
Bank of Baroda
Bank of India
ICICI Bank Limited
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
State Bank of Mysore
State Bank of Patiala
Union Bank of India
Vijaya Bank

REGISTERED OFFICE
Jindal Mansion
5A, Dr. G. Deshmukh Marg,
Mumbai - 400 026.
Tel: 022 - 23513000 Fax: 022 - 23526400
Website: www.jsw.in

WORKS
Vijayanagar Works
P.O. Vidyanagar, Toranagallu Village,
Sandur Taluk, Bellary District, Karnataka - 583 275.
Tel: 08395 - 250120 to 30
Fax: 08395 - 250138/250665

Vasind Works
Shahapur Taluk,
Thane District, Maharashtra - 421 604.
Tel: 02527 - 220022 to 025
Fax: 02527 - 220020/84/92

Tarapur Works
MIDC Boisar, Thane District,
Maharashtra - 401 506.
Tel: 02525 - 270147 / 270149
Fax: 02525 - 270148

Salem Works
Pottaneri, M. Kalipatti Village,
Mecheri Post, Mettur Taluk,
Salem District, Tamil Nadu - 636 453.
Tel: 04298 - 278400 to 404
Fax: 04298 - 278618

REGISTRARS & SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081.
Tel.: 040 - 23420815-824
1-800-3454001 (Toll free)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

Notice

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Shareholders of **JSW STEEL LIMITED** will be held on **Monday, the 25th July, 2011** at **11.00 a.m.** at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on 10% Cumulative Redeemable Preference shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Seshagiri Rao M.V.S, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sudipto Sarkar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Jayant Acharya, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Mr. Kannan Vijayaraghavan, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

9. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT in partial modification of the resolution passed at the Fifteenth Annual General Meeting of the Company held on 06.07.2009 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Mr. Seshagiri Rao M.V.S w.e.f. 01.04.2011, for the remainder of his tenure i.e upto 05.04.2014, from ₹ 28,00,000/- per month to ₹ 50,00,000/- per month, with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of ₹ 50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Seshagiri Rao M.V.S."

10. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT in partial modification of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 26.08.2010 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Dr. Vinod Nowal w.e.f. 01.04.2011, for the remainder of his tenure i.e upto 29.04.2012, from ₹ 25,00,000/- per month to ₹ 50,00,000/- per month, with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of ₹ 50,00,000/- per month, as may be agreed to between the Board of Directors and Dr. Vinod Nowal."

11. To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

    "RESOLVED THAT in partial modification of the resolution passed at the Fifteenth Annual General Meeting of the Company held on 06.07.2009 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Mr. Jayant Acharya w.e.f. 01.04.2011, for the remainder of his tenure i.e upto 06.05.2014, from ₹ 18,00,000/- per month to ₹ 50,00,000/- per month, with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of ₹ 50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Jayant Acharya."

By Order of the Board
For **JSW STEEL LIMITED**

Place : Mumbai
Date : May 16, 2011

Lancy Varghese
Company Secretary

NOTES:

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business under Item No. 9 to 11 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed/ re-appointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument(s) appointing the proxy, if any, shall be deposited at the Regd. Office of the Company, at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai - 400 026 not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 13.07.2011 to 15.07.2011 (both days inclusive).
5. In order to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for Dividend payments:

   i) Name of Sole/First joint holder and Folio No.

   ii) Particulars of Bank Account viz.:

   - Name of the Bank
   - Name of Branch
   - Complete address of the Bank with Pin Code Number
   - Account type, whether Savings Bank (SB) or Current Account (CA)
   - Bank Account number allotted by the Bank.

   In case of Shareholders holding shares in electronic form, Bank account details provided by the Depositories will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their Depository Participants (DPs) about such change with complete details of Bank Account including MICR Code.

Shareholders residing at the centers where National Electronic Clearing Service (NECS) facility is available are advised to avail of the option to collect Dividend by way of NECS.

Equity shareholders holding shares in physical form are requested to send their NECS Mandate Form in the format available for download on the Company's website (www.jsw.in), duly filled in, to the Registrars and Share Transfer Agent of the Company - Karvy Computershare Pvt. Ltd. In case of Equity Shareholders holding shares in Electronic form, the NECS Mandate Form will have to be sent to the concerned Depository Participants (DPs) directly.

6. The amounts of the unclaimed dividend declared by the erstwhile Jindal Iron & Steel Company Limited (JISCO) upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Shareholders who have not yet encashed their Dividend Warrants for the said period are requested to forward their claims in Form No. II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Fancy Corpn. Ltd. Estate, Dattaram Lad Marg, Kalachowkie, Mumbai - 400 033.

   Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims, by the Fund. Accordingly, all unclaimed/unpaid dividends of erstwhile Jindal Iron & Steel Company Ltd. (now merged with JSW Steel Limited) in respect of financial years 1995-96 to 2002-03 has been transferred to IEPF.

7. Members are requested to intimate the Registrar and Share Transfer Agent of the Company – Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, immediately of any change in their mailing address or email address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialised form.

8. Members holding Share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant Share certificates to the Registrar and Share Transfer Agents of the Company.

9. Members desirous of having any information regarding Accounts are requested to address their queries to the Chief Financial Officer at the Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information can be made available at the meeting.

10. All the Documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Office at Victoria House, Pandurang Budhkar Marg, Lower Parel (W), Mumbai - 400 013 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

11. Members/Proxies are requested to bring the attendance slip duly filled in.

12. Copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

Annexure to Notice

EXPLANATORY STATEMENT:

The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 of the accompanying notice is as under:

Items No. 9 to 11

The Members of the Company had in their 15th Annual General Meeting held on 6th July, 2009 re-appointed Mr. Seshagiri Rao M.V.S as a Whole-time Director of the Company, with the designation Jt. Managing Director & Group CFO for a period of 5 years commencing from 6th April, 2009 and also the remuneration payable to him within an overall ceiling of ₹ 28,00,000/- p.m.

Dr. Vinod Nowal's appointment as Director (Commercial) of the Company for a period of 5 years commencing from 30th April 2007 was approved by the members in their 13th Annual General Meeting held on 13th June 2007. His re-designation as "Director & CEO" & increase in the ceiling limit on the remuneration payable to him upto ₹ 25,00,000/- per month was subsequently approved by the members in the Extra-Ordinary General Meeting held on 26th August, 2010.

The appointment of Mr. Jayant Acharya as Director (Sales & Marketing) of the Company for a period of 5 years commencing from 7th May, 2009 and the remuneration payable to him within a overall ceiling of ₹ 18,00,000/- p.m was also approved by the Members in their 15th Annual General Meeting held on 6th July, 2009. The re-designation of Mr. Acharya as the Director (Commercial & Marketing) with effect from 1st April, 2010 was subsequently approved by the members in the Extra-Ordinary General Meeting held on 26th August, 2010.

The remuneration of Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya is to be so fixed by the Board of Directors from time to time, such that the Salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance Incentive; ESOPs; medical reimbursement; club fees and leave travel concession for self and family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Seshagiri Rao M.V.S/Dr. Vinod Nowal/ Mr. Jayant Acharya, shall not exceed the overall ceiling on remuneration approved by the members in General Meeting.

To retain the services of the Company's key management executives and in view of the highly competitive employment market which currently prevails, your Directors felt desirable that the compensation paid to the aforesaid Whole-time Directors of the Company be revised w.e.f. 01.04.2011, more or less in line with the remuneration drawn by their counterparts in the country.

In view of the same, the Remuneration Committee and the Board of Directors have approved an uniform increase in the ceiling limit on remuneration payable to Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya, to ₹ 50,00,000/- per month

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

b) Gratuity as per rules of the Company (which shall not exceed one half month's Salary for each completed year of Service); and

c) Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

In the event of loss or inadequacy of profits in any financial year, Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal & Mr. Jayant Acharya, shall be paid remuneration by way of salary and perquisites as specified above, subject to the approval of the Central Government, if required.

Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings.

The Board may, in its absolute discretion pay to the above mentioned Whole-time Directors, lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by these resolutions.

Approval of the Members is now being sought for the said increase in the ceiling on remuneration w.e.f. 01.04.2011.

The proposed increase in ceiling on remuneration is within the limits prescribed under Part II of Section I of Schedule XIII of the Companies Act, 1956.

All other terms and conditions of appointment of the aforesaid Whole-time Directors as approved by the Members remain unchanged.

The above details may also be treated as an abstract of the modification in the terms of appointment of the aforesaid Whole-time Directors, under Section 302 of the Companies Act, 1956.

No Supplementary Amendment Agreements are proposed to be entered into with Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal or with Mr. Jayant Acharya since the Principal Agreements entered into with them warrants no change.

None of the Directors other than Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya is concerned or interested in the proposed resolutions.

Your Directors recommend the resolutions as at Item Nos. 9 to 11 for your approval.

By Order of the Board
For **JSW STEEL LIMITED**

Place : Mumbai
Date : May 16, 2011

Lancy Varghese
Company Secretary

IMPORTANT COMMUNICATION TO MEMBERS

In an effort to make the earth a better place to live, the green movement has been sweeping over the Globe. Not only are individuals doing things to help the environment, companies & governments are as well. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a circular bearing no.17/2011 dated April 21, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move of the ministry allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in the Registration form provided in this Annual Report and register the same with Karvy Computershare Private Limited.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Mr. Seshagiri Rao M.V.S 	Mr. Sudipto Sarkar 	Mr. Jayant Acharya 	Mr. Kannan Vijayaraghavan 
Date of Birth	15.01.1958	21.03.1946	25.01.1963	04.05.1959
Date of Appointment	06.04.1999	09.05.2005	07.05.2009	16.06.2008
Qualification	AICWA,LCS,CAIIB, Diploma in Business Finance.	B.Sc. (Maths - Hons), BA (Law Tripos), LLM (International Law), MA (Law) Barrister, Gray's Inn, London.	BE(Chemical), M.Sc (Physics), MBA (Marketing).	Fellow Member of the Institute of Chartered Accountants of India, Certified Management Consultant and Fellow of the Institute of Management Consultants.
Expertise in specific functional area	Mr. Seshagiri Rao MVS joined the Company in 1997 as Chief Financial Officer and has played an active role in the growth strategies of the Company. Prior to joining the Company he has worked with various reputed organisations like VST industries, Andhra Bank, ESSAR Steel Ltd. and Nicholas Piramal India Limited in various Capacities. He possesses rich experience spanning over three decades in the areas of Corporate Finance and Banking. In his present capacity as Joint Managing Director & Group CFO, Mr. Rao is responsible for the overall Operations of the Company, Strategic initiatives related to business development, expansion of existing businesses, joint ventures, mergers and acquisitions and cost management.	He is presently practicing as a senior advocate in the Calcutta High Court and has wide experience in Commercial Law particularly Company Law, Intellectual Property and Shipping Laws. He is a B.Sc. (Mathematics) from the Presidency College, Kolkata, BA (Law Tripos) LL.M. (International Law), M.A. (Law), University of Cambridge and Barrister, Gray's Inn, London. He also has several publications to his credit and is the collaborating editor of the Ramaiya's Guide to the Companies Act and contributor to several volumes of International Law Reports (Cambridge).	Mr. Jayant Acharya is a Chemical Engineer with a Masters in Physics from BITS, Pilani in the year 1986. He has done his MBA in Marketing from the Indore University. Mr. Acharya has 24 years of experience in the steel industry spanning the entire range of flat and long steel products. He has worked in various capacities and locations in India. His extensive experience includes startup operations, development and execution of strategies for penetrating new markets and customers, creation of strong brand equity for the Company in the domestic and international markets and introduction of innovative marketing concepts.	Mr. Kannan Vijayaraghavan, is a Fellow Member of the Institute of Chartered Accountants of India, a Certified Management Consultant and a Fellow of the Institute of Management Consultants. He is the Director and founder of Sathguru Management Consultants Pvt. Ltd., Hyderabad, a large consultancy & policy advisory firm founded in the year 1985. He is also Partner of DFK International, a worldwide firm of accountants and business advisors, a Visiting Fellow and Faculty, Executive Education, Cornell University, Ithaca, NY and a Regional Coordinator for Cornell University Research Programs in South Asian/ South East Asian Region. Over the last twenty six years, he has handled over 300 assignments in the area of Strategic Planning, Mergers and Acquisitions and Organisational Growth in Emerging Market Related Environment. He also has wide exposure to overseas environment with Consulting exposure to large Multinational and Emerging National companies. Global companies consulted include 20 Fortune 500 companies, about 100 Mid Cap Enterprises and NASDAQ listed companies.

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting
[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Mr. Seshagiri Rao M.V.S	Mr. Sudipto Sarkar	Mr. Jayant Acharya	Mr. Kannan Vijayaraghavan
Directorship in other Indian Public Limited Companies as on 31.03.2011	Ispat Industries Ltd.	Vesuvius India Ltd. Bombay Stock Exchange Ltd. EIH Associated Hotels Ltd. Descon Ltd. B & A Ltd. Eveready Industries India Ltd. Island Hotel Maharaj Ltd. B&A Packaging India Ltd.	JSW Steel Processing Centres Ltd. JSW Building Systems Ltd. JSW Severfield Structures Ltd. JSW Structural Metal Decking Ltd.	-
Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2011.* **(C = Chairman; M = Member)**	-	**Audit Committee:** Vesuvius India Ltd. (M) EIH Associated Hotels Ltd. (M) Eveready Industries India Ltd. (M) Shareholders/Investors Grievance Committee: Vesuvius India Ltd. (M) EIH Associated Hotels Ltd. (M)	**Audit Committee:** JSW Severfield Structures Ltd. (M) JSW Steel Processing Centres Ltd. (M)	-
No. of Shares held in the Company	22,318	Nil	11,206	Nil

*only two Committees namely, Audit Committee and Shareholders/Investors Grievance Committee have been considered.

Directors' Report

To the Members of
JSW STEEL LIMITED,

Your Directors take pleasure in presenting the Seventeenth Annual Report of your Company, together with the Standalone and Consolidated Audited Statement of Financial Accounts for the year ended March 31, 2011.

1. FINANCIAL RESULTS

(₹ in crores)

Particulars	Standalone		Consolidated	
	F.Y. 2010-11	F.Y. 2009-10	**F.Y. 2010-11**	F.Y. 2009-10
Gross Turnover	**25,130.76**	19,456.64	**25,867.80**	20,211.33
Less: Excise duty	**1,967.52**	1,254.16	**1,967.56**	1,254.16
Net Turnover	**23,163.24**	18,202.48	**23,900.24**	18,957.17
Other Income	**282.64**	529.08	**284.03**	532.16
Total Revenue	**23,445.88**	18,731.56	**24,184.27**	19,489.33
Profit before Interest, Depreciation, & Taxation (EBIDTA)	**4,856.17**	4,801.98	**4,946.77**	4,602.83
Net Finance Charges	**695.18**	858.92	**945.41**	1,104.17
Depreciation and amortisation	**1,378.71**	1,123.41	**1,559.71**	1,298.66
Profit before Taxation (PBT)	**2,782.28**	2,819.65	**2,441.65**	2,200.00
Tax including Deferred Tax	**771.61**	796.91	**782.27**	646.71
Profit after Taxation but before minority interest and share of profit of Associates	**2,010.67**	2,022.74	**1,659.38**	1,553.29
Share of Losses of Minority	**–**	–	**(23.87)**	(33.21)
Share of Profit of Associates (Net)	**–**	–	**70.73**	11.05
Profit after Taxation (PAT)	**2,010.67**	2,022.74	**1,753.98**	1,597.55
Profit brought forward from previous year	**5,327.78**	3,883.15	**4,695.46**	3,676.02
Amount available for Appropriation	**7,338.45**	5,905.89	**6,449.44**	5,273.57
Appropriations				
Transfer to Debenture Redemption Reserve	**–**	(125.00)	**–**	(125.00)
Transfer to Capital Redemption Reserve	**–**	(9.90)	**–**	(9.90)
Dividend on Preference Shares	**(27.90)**	(28.92)	**(27.90)**	(28.92)
Proposed Final Dividend on Equity Shares	**(273.32)**	(177.70)	**(273.32)**	(177.70)
Corporate Dividend Tax	**(48.87)**	(34.31)	**(48.87)**	(34.31)
Transfer to General Reserve	**(4,200.00)**	(202.28)	**(4,200.00)**	(202.28)
Total	**(4,550.09)**	(578.11)	**(4,550.09)**	(578.11)
Balance carried to Balance Sheet	**2,788.36**	5,327.78	**1,899.35**	4,695.46

The Company achieved a favourable product mix during the year, mainly due to increase in rolled products, with the rolling of most of the available cast products. This helped in reducing the sale of semis (cast products) in the overall product mix to around 6% (vis-à-vis 22% in last year) which in turn helped in improvement in blended sales realization compared to that of with previous year.

The Company achieved a volume growth over previous year of 7% in crude steel production during the current year. It had achieved crude steel production of 6.427 Million tonnes (the overall production was 6.506 Million tonnes, considering trial run production from the expansion project) and volume of sales of 6.099 million tonnes.

The interest cost has come down due to prepayment and repayment of high cost debt out of proceeds of equity investment by strategic investor JFE Corporation, Japan.

The Gross Turnover and Net Turnover for the year stood at ₹ 25,130.76 crores and ₹ 23,163.24 crores, respectively, showing a growth of 29% and 27% over the previous year mainly driven by growth in volumes and improved product mix and increase in blended sales realizations.

The EBIDTA for the year was ₹ 4,856.17 crores and EBIDTA margin for the year was 20.8%. Your Company posted PAT of ₹ 2,010.67 crores.

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include financial information of its subsidiaries. In the context of globalising Indian economy and the increase in the number of subsidiaries, the Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 08.02.2011 has granted General Exemption to all companies from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies to the Balance Sheet of the Company subject to fulfilment of certain standard conditions generally prescribed while giving specific approvals. The Company will make available these documents/details upon request by any member or investor of the Company/subsidiary companies. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the registered office of the Company and also that of the subsidiary companies.

Consolidated Financial Statements also reflect minority interest in associates as per Accounting Standard (AS) – 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and proportionate share of interest in Joint Venture as per Accounting Standard (AS) – 27 on "Financial Reporting of Interests in Joint Ventures".

As per the Consolidated Financial Statements, the Gross Turnover, Net Turnover, EBIDTA and PAT of the Company are ₹ 25,867.80 crores, ₹ 23,900.24 crores, ₹ 4,946.77 crores and ₹ 1,753.98 crores, respectively. The PAT on consolidated basis was lower than the standalone net profit, due to losses in overseas subsidiaries attributable to slow recovery from global meltdown.

2. DIVIDEND

The Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend at the stipulated rate of ₹ 1.00 per Share on the 27,90,34,907, 10% Cumulative Redeemable Preference Shares of ₹ 10 each of the Company, for the year ended March 31, 2011.

The Board has also, considering the Company's performance and financial position for the year under review, recommended a dividend of ₹ 12.25 per Equity Share (122.5%) on the

22,31,17,200 Equity Shares of ₹ 10/- each of the Company, for the year ended March 31, 2011, subject to the approval of the Members at the ensuing Annual General Meeting.

Together with Corporate Tax on dividend, the total outflow on account of Equity dividend will be ₹ 317.66 crores, vis-à-vis ₹ 207.21 crores paid for fiscal 2009-10.

3. PROSPECTS

2010 reflected recovery and revival across most of the economies after witnessing the pain and panic of the 2008 financial crisis. Advanced Market Economies (AME's) showed a mix of higher volatility and moderate recovery while Unemployment, Debt and Deficit continued to remain as challenges. On the other count, Chinese Economic growth remained robust @ 10.3% in 2010 fuelled by rising investments (+23.8%). Global Steel Production grew by 15% at 1,414 MnT, while China's steel production was up by 9.3% to 627 MnT.

Economic recovery is expected to continue its positive momentum across most of the economies. China, with its 12th Five Year Plan to commence from 2011 onwards, is slated to shift focus from growth to income distribution while encouraging Energy Efficiency, Emission Reduction, Resource Conservation and Social aspects. China is also expected to intensify its focus on exploring domestic demand and restructuring of steel industry coupled with elimination of inefficient and marginal capacities. Rest of the world is also expected to witness improved growth led by expanding Investments and consumption with an improving global trade, even though inflation is a challenge that most of emerging economies needs to address while keeping the growth momentum intact. Overall the Steel sector is expected to see a good demand and higher price realization driven mainly by restocking and surging input cost.

4. PROJECTS AND EXPANSION PLANS

The status of progress made on various Projects of the Company was as follows:

Vijayanagar Works

(a) Projects commissioned during FY 2010-11

(i) The implementation of the state-of-the art new Hot Strip Mill with a capacity of 5 mtpa was taken up in two phases. Phase-I with a capacity of 3.5 mtpa was successfully commissioned on March 28, 2010. After successful trial runs, the Mill commenced commercial operations on April 10, 2010. Phase II implementation is progressing well.

(ii) The 3.2 mtpa expansion project at Vijayanagar Works is progressing in full swing. The overall crude steel capacity of the Company will go upto 11 mtpa on completion of this project. The following facilities were commissioned / part commissioned during the year:

- Ladle Heating Furnace-3&4, Converter-3&4 and Caster-3&4 were commissioned in phases by March 2011.
- Sinter plant 3 (5.75 mtpa capacity) was commissioned in February 2011 – the largest such facility in India.
- 300MW captive power plant (CPP 3) was commissioned in September 2010.
- Two of the four batteries (Battery A&B) of coke oven 4 (1.95 mtpa capacity) were commissioned in December 2010. Battery C was commissioned in the month of April 2011 while heating of Battery D is underway.

(iii) First phase of the 20 mtpa beneficiation plant was commissioned in phases in April 2011.

(b) Projects under Progress

Following projects are under different stages of implementation:

- The balance units of 3.2 mtpa expansion project viz, Blast Furnace 4, Lime plant, Water pipeline will be commissioned by June 2011.
- Second phase (capacity of 1.5 mtpa) of the new HSM, taking the rolling capacity of this facility to 5 mtpa by September 2012.
- Pellet plant 2 (capacity 4.2 mtpa) expected to be commenced by June 2011.
- Second phase of the Beneficiation plant by November 2011, taking the total capacity of beneficiation to 20 mtpa.
- 300 MW Captive Power Plant (CPP4) at Vijayanagar, to be commissioned by December 2011.

(c) Projects proposed

New Cold Rolling Mill Complex:

The Company has decided to set-up a new Cold Rolling Mill Complex of 2.3 mtpa in two phases at its Vijayanagar Works, considering the growing demand from consumer durable and automobile segment for CRCA products. The proposed complex will have 2.3 mtpa of Pickling cum coupled tandem Cold Rolling Mill, 1.9 mtpa (two lines of 0.95 mtpa each) of State of the art Continuous Annealing lines and 0.4 mtpa of Galvanising cum Galvannealing line.

Total investment is about ₹ 4,025 crores, and is proposed to be funded by a debt equity ratio of 2:1. The target date of completion is Q1 2013-14 for Phase-I and Q1 2014-15 for Phase-II.

Augmenting crude steel capacity from 10 mtpa to 12 mtpa at Vijayanagar works:

The Company has made assessment of the existing facilities at Vijayanagar Works and based on the findings, it has been decided to increase the capacity by an additional 2 mtpa.

The proposed project cost is about ₹ 2,695 crores and is to be financed out of cash accruals of ₹ 945 crores and the balance by debt and is expected to be commissioned by June 2013.

Salem Works

(a) Projects commissioned during FY 2010-11

Phase I of the Blooming Mill (capacity 0.25 mtpa) was commissioned in September 2010.

(b) Projects under progress

Phase II of the Blooming Mill (capacity 0.25 mtpa) is in progress and the same is expected to be commissioned by September 2011. On completion of phase II the Company will have matching rolling capacity for cast product at Salem unit.

Vasind Works

Projects under progress

- Railway siding project is in an advanced stage of completion.
- Project RLNG to replace expensive fuel usage, is expected to be completed by June 2011.

5. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

A. Indian Subsidiaries

1. JSW Bengal Steel Limited (JSW Bengal), its Subsidiaries Barbil Beneficiation Company Limited, JSW Natural Resources India Limited and its Associate JSW Energy (Bengal) Limited (JSWEBL)

JSW Bengal Steel Limited was incorporated for setting up an Integrated Steel Plant in the State of West Bengal. The Company has already acquired and is in possession of Land required for this project. Boundary wall work at Salboni site has been completed to a major extent. The Company has also started construction of a residential complex by the name "Ankur" for the employees stay during construction of the plant. All the major survey work has already been completed at site. Power as well as water for construction is already tied up. Drilling and 3 Dimensional High Resolution Seismic Survey (3 DHRSS) are in progress at Kulti-Sitarampur Coal block by JSW Natural Resources India Ltd.

JSW Bengal is planning to invest ₹ 16,000 crores in phase I of this project. The Company is drawing up plans for achieving financial closure.

2. JSW Jharkhand Steel Limited

JSW Jharkhand Steel Limited was incorporated for setting up a steel plant in the State of Jharkhand. Approvals for setting up the project are being pursued.

3. JSW Steel Processing Centres Limited (JSWSPCL)

JSWSPCL is a 100% subsidiary of the Company. The subsidiary company was set up as Steel Service Centre consisting of HR/CR Slitter and cut to length facility with annual slitting capacity of 5,00,000 tonnes. The Company processed 4,97,112 tonnes of steel during the FY 2010-11, as compared to 3,04,718 tonnes in the previous year.

During the previous year, JSWSPCL purchased 3 Slitting Lines and 1 Multi Strand Blanking lines from its fellow subsidiary JSW Steel Service Centre (UK) Limited.

4. JSW Building Systems Limited (JSWBSL)

JSWBSL, a 100% subsidiary, was incorporated with its main object as to design, make, prepare, develop, create, alter, replace, repair pre-fabricated building systems and technologies.

B. Overseas Subsidiaries

1. JSW Steel (Netherlands) B.V. (JSW Netherlands)

JSW Netherlands is a holding Company for USA, UK and Chile based subsidiaries. It has participation in 49% equity of Georgia based Geo Steel LLC, incorporated under the laws of Georgia. The Company has also invested in plate and pipe mill in USA, Coal mining assets in USA, iron ore mining concessions in Chile and Service Centres (since shutdown) at UK through the following step down subsidiaries.

(a) JSW Steel Holding (USA) Inc. and its subsidiaries viz. JSW Steel (USA) Inc – Plate and Pipe Mill Operation and Periama Holdings LLC and its subsidiaries – West Virginia, USA based Coal Mining Operation.

Plate and Pipe Mill operation

For the year 2010-11, the Subsidiary Company produced 119,887 net tonnes of Plates and 42,148 net tonnes of Pipes and achieved capacity utilization of 11% and 8% respectively. Considering the signs of improvement in US economy, it is expected that plate and pipe mills performance should improve during FY 2011-12.

Coal Mining operation

During the previous year, JSW Steel Holding (USA) Inc. acquired 100% equity interest in West virginia, USA based coal mining concessions along with barge load out facility.

Out of the total seven mines acquired, one mine is currently operational. For other mines, process of getting statutory clearance/permits is at an advanced stage of approval.

It is expected to produce approximately 0.50 million tonnes of Coal in the FY 2011-12 subject to receipt of requisite permits, which is planned to be ramped up to 3 million tonnes in over 3 years.

(b) JSW Steel (UK) Limited and its Subsidiaries namely Argent Independent Steel (Holdings) Limited and JSW Steel Service Centre (UK) Limited

While the European economy is still struggling to come out of recessionary condition, there is growth of Auto and Consumer Durables Industry in India and there is a logical growth of 'Steel Stockholding and Service Centre Industry' in India. In these circumstances, Plant & Machinery of UK Service Centre consisting of 3 Slitting Lines and 1 Multi Strand Blanking lines was sold to JSW Steel Processing Centres Limited, a subsidiary of the Company for relocation and use in India.

(c) JSW Panama Holdings Corporation and its Chilean subsidiaries namely Inversiones Eurosh Limitada (IEL), Santa Fe Mining (SFM) and Santa Fe Puerto S.A (SFP)

During the financial year 2010-11, SFM commenced the contract mining activity through dry process route with a capacity of 1 mtpa. The first shipment of Iron ore concentrate was made in April 2011.

Work on putting up a wet beneficiation plant of 2.5 mtpa is currently being examined and necessary statutory and environmental approvals are being applied for.

SFP, a subsidiary of SFM received maritime concession in April 2011 for developing a cape size port in North Caldera. The environmental and other regulatory approvals are applied for and are in progress.

2. JSW Natural Resources Limited (JSWNRL) and its Subsidiaries JSW Natural Resources Mozambique Lda (JSWNRML), JSW ADMS Carvão Lda

JSW Natural Resources Limited was incorporated in Mauritius to pursue acquiring coal assets/other assets relating to steel business.

JSW Natural Resources Limited formed a wholly owned subsidiary – JSW Natural Resources Mozambique Lda in Mozambique to acquire Coal assets and engaging in the business of prospecting and exploration of Coal, Iron Ore and Manganese.

In one of the mining concession where coal is found, Company has started with detailed drilling activities to establish JORC compliant reserve estimates.

JSW Natural Resources Mozambique Lda incorporated JSW ADMS Carvão Lda on October 8, 2010 wherein 85% stake is owned by JSWNRML and remaining 15% stake is with minority shareholder. It has a mining concession in Zumbo District Tete Province. The Company has initiated drilling activities to prove and confirm the quality and quantity of coal reserve.

C. Joint Venture Companies

1. Geo Steel LLC

Georgia based Joint Venture Geo Steel LLC in which your Company holds 49% equity through JSW Steel (Netherlands) B.V, has set up a steel rolling mill in Georgia with annual production capacity of 175,000 tonnes across 13.50 hectares in the industrial area of Rustavi in Georgia. The plant became operational during year 2009-10. It is designed to produce rebar through hot rolling process by using steel billets produced through the Electric Arc Furnace Route.

Geo Steel produced 85,449 tonnes of Rebar and 95,901 tonnes of Billets during the FY 2010-11.

2. Rohne Coal Company Private Limited

Your Company holds 49% equity in Rohne Coal Company Pvt. Ltd. (JSW group is holding 69.01%, including that of the Company), which is a Joint Venture with three other partners (two partners from outside the Group). Forest clearance and Mining lease proposal is being pursued with Government authorities.

3. MJSJ Coal Limited

In terms of the Joint Venture Agreement to develop Utkal – A and Gopal Prasad (West) thermal coal block in Orissa, your Company agreed to participate in the 11% equity of newly formed MJSJ Coal Limited, Orissa along with four other partners. The Government of India has decided to allot 1,522 acres of Gopal Prasad west area to MJSJ Coal Limited. Mahanadi Coalfields Ltd, a Public sector company holds 60% of the equity. Land acquisition process is under progress.

4. Gourangdih Coal Limited

Gourangdih Coal Ltd (GCL) is a 50:50 Joint Venture between JSW Steel Limited and Himachal EMTA Power Corporation Ltd (HEPL) incorporated for development and mining of coal from Gourangdih ABC Thermal coal block in the state of West Bengal. It is currently progressing on pre mining activities.

5. Toshiba JSW Turbine and Generator Private Limited

Toshiba JSW Turbine and Generator Pvt. Ltd. has been incorporated with a shareholding of 75% by Toshiba Corporation Ltd., Japan, 20% by JSW Energy Ltd. and 5% by the Company, to design, manufacture, marketing and maintenance services of mid to large sized Supercritical Steam Turbines & Generators of size 500 MW to 1,000 MW.

Trial production of blades started on March 2011. The construction and erection of main plant equipment erection is progressing well.

6. Vijayanagar Minerals Private Limited (VMPL)

During the financial year 2010-11, VMPL supplied 2.20 million tonnes of Iron Ore from Thimmappanagudi Iron Ore Mines, vis-à-vis 1.76 million tonnes in the last FY 2009-10. VMPL has planned to supply 3.00 million tonnes during the next FY 2011-12.

7. JSW Severfield Structures Limited and its Subsidiary JSW Structural Metal Decking Limited

JSW Severfield Structures Ltd (JSSL) has set up a Greenfield project for design, fabrication and erection of structural steelwork and ancillaries, including decking for construction projects with a total plant Capacity of 35,000 tonnes per annum at Bellary in Karnataka. The commercial production of the first fabrication line commenced in November 2010 and the second fabrication line was commissioned in March 2011. The Company has produced a total of 3425 tonnes during the year. The order book of the Company stood at ₹ 120 crores (8370 tonnes) as on March 31, 2011.

JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL is engaged in business of the design, roll forming and installation of structural metal decking and ancillaries, including shear connectors, for construction projects with a total plant capacity of 10,000 tonnes per annum at Bellary in the State of Karnataka and started its commercial production in October 2010.

D. Associate Companies

(a) Jindal Praxair Oxygen Company Private Limited (JPOCPL)

The oxygen plants of JPOCPL have been working satisfactorily primarily to meet the requirement of the steel plant operations at Vijayanagar Works. During the financial year 2010-11, the combined production of the oxygen plant module #1 and module # 2 of JPOCPL was: Gaseous oxygen – 1003.17 million Nm3; Gaseous nitrogen – 361.26 million Nm3; Liquid oxygen – 23.06 million Nm3; Liquid nitrogen – 30.25 million Nm3 and Argon – 11.01 million Nm3.

(b) Ispat Industries Limited (IIL)

IIL re-started its operations in December 2010. It produced 0.729 million tonnes of HR Coils during the Quarter January to March 2011, and capacity utilization achieved was 88%. The volume of sales including downstream products improved to 0.712 million tonnes with an EBIDTA of ₹ 407 crores. Reflecting the synergies of acquisition, IIL turned into a profit making Company reporting a net profit of ₹ 70 crores.

The Board of Directors have taken note of the matters to which the Auditors of IIL have drawn attention in their report, regarding overdue sundry debtors amounting to ₹ 571.60 crores, non-reconciliation of credit balances of ₹ 118.69 crores and raw material in-transit amounting to ₹ 104.83 crores.

The Board of Directors have also taken note of the confidence expressed by the management of IIL confirming that these matters will not have any material impact on the financial statements of IIL and relying on this, no provisioning has been considered necessary by the Board in respect of these items.

6. CREDIT RATING

The credit rating of your Company for the Long Term Debt/Facilities/ Non Convertible Debentures has been upgraded to “AA” (Double A) from AA- (Double A minus) by credit rating agency Credit Analysis & Research Ltd. (CARE). The Short Term Debt /Facilities continue to be rated at the highest rating of “PR1+” (PR one plus).

The revision in the long term rating takes into account the improved capacity utilization, profitability margins and reduced leverage on account of improved cashflows besides equity infusion by JFE Corporation, Japan and the promoters.

The rating continues to derive strength from your Company’s significant presence in the steel sector, management capability and well diversified mix of value added products.

“AA” rating by CARE indicates a high safety for timely servicing of debt obligations and very low credit risk.

“PR1+” rating is the highest rating in the category and indicates a strong capacity for timely payment of short term debt obligations and lowest credit risk.

7. FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non Banking Non Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

8. SHARE CAPITAL

Pursuant to the decisions taken in the Board meeting held on July 27, 2010 and the Extra Ordinary General Meeting held on August 26, 2010, and in terms of the Subscription Agreement entered into by the Company with JFE Steel Corporation, Japan (JFE) on July 27, 2010, the Share Allotment Committee of the Board of Directors in its meeting held on September 08, 2010 had allotted 1 (one) Fully and Compulsorily Convertible Debenture of face value of ₹ 48,007,197,458 ('FCD') to JFE.

Upon the mandatory and automatic conversion on October 07, 2010 of the aforesaid 'FCD' held by JFE, the Share Allotment Committee of Directors of the Company in its meeting held on October 08, 2010 allotted 32,004,798 (thirty two million four thousand seven hundred ninety eight) Equity Shares of the Company, of face value of ₹ 10/- each, fully paid up, to JFE, in accordance with the terms and conditions of the FCD.

Further, pursuant to the decisions taken by the Board of Directors in its meeting held on October 26,2010 and by the Members by way of a Postal Ballot, and in terms of the Subscription Agreement entered into by the Company with JFE, on July 27, 2010, the Share Allotment Committee of Directors of the Company in its meeting held on December 14, 2010 allotted:

a) 9,77,906 (Nine lakhs seventy seven thousand nine hundred and six) Equity Shares of the Company, of face value of ₹ 10/- each, fully paid up, to JFE, on a preferential basis at a price of ₹ 1,500/- per Equity Share; and

b) 3,085,814 (Thirty lakhs eighty five thousand eight hundred and fourteen) Equity Shares of ₹ 10 each, in favour of the local custodian of the Depository i.e. Citibank N.A., underlying equivalent number of non-voting, non-transferable Global Depository Receipts (GDRs) issued to JFE Steel Corporation, Japan.

Accordingly, during the year under review, your Company's paid up equity share capital has increased from ₹ 187,04,86,820 (comprising 18,70,48,682 equity shares of ₹ 10 each) to ₹ 223,11,72,000 (comprising 22,31,17,200 equity shares of ₹10 each).

9. WARRANTS ISSUED TO SAPPHIRE TECHNOLOGIES LIMITED, A PROMOTER GROUP ENTITY ON A PREFERENTIAL BASIS

Pursuant to the decisions taken in the Board meeting held on May 03, 2010 and the Extra Ordinary General Meeting held on June 02, 2010, the Share Allotment Committee of Directors of the Company in its meeting held on June 16, 2010 allotted 1,75,00,000 (One crore seventy five lakhs) Warrants to Sapphire Technologies Limited, a Promoter Group Company, on a preferential basis.

Each warrant entitles the holder to apply for and be allotted one equity share of the Company of par value of ₹ 10/- each, at a price of ₹ 1,210/- per equity share, at any time within 18 months from the date of allotment of the warrants, i.e. within December 15, 2011.

During the year under review, the Warrant holder did not exercise the option to convert any of the warrants held by it into equity shares of the Company.

10. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN

In continuation of the Strategic Collaboration Agreement entered into on November 19, 2009, between the Company and JFE Steel Corporation ("JFE"), the execution of several definitive agreements, which represent the next phase of the multi-faceted collaboration plan consistent with the long-term vision of both the parties for future growth were concluded on July 27, 2010.

Pursuant to the execution of the aforesaid agreements on July 27, 2010 between the Company and JFE for the supply of certain technology and the provision of certain technical assistance to the Company, including foreign collaboration agreements, technical assistance agreement for automotive steel and general technical assistance agreement for plant performance improvement, JFE has become a foreign collaborator of the Company.

This collaboration would help the Company to achieve operational excellence and also move up in the value chain with access to cutting edge technology.

Through this unique collaboration, your Company gains:

- Access to cutting edge technologies.
- Access to fast-growing automotive market.
- Lower cost of production through operational excellence; and
- Deleveraged balance sheet to fuel next phase of growth.

11. ACQUISITION OF MAJORITY STAKE IN ISPAT INDUSTRIES LIMITED

Ispat Industries Limited (IIL), with a production capacity of 3.3 mtpa, is inherently seen as a pioneering company that brought new technologies into India like the Twin Shell ConArc furnace and Thin Slab Casting facility. The Twin Shell ConArc furnace provides the steel making facility with a great amount of flexibility. Along with the state-of-the-art Compact Strip Mill, Ispat also has an in-house jetty, with a cargo handling capacity of 12 mtpa, which gives it an added advantage.

IIL has been incurring losses constrained by inadequate working capital, lack of integration and expensive debt and has been looking for a strategic investor to carry forward the business and growth of the Company. The Company in turn has been looking at growth opportunities/expansions to reach 34 mtpa by 2020 and has plans to further expand steelmaking capacity in West Bengal and Jharkhand with 10 mtpa capacity each. Any greenfield project has a gestation period of about 3-4 years. While many greenfield projects have been announced and MOUs executed, however due to challenges towards land acquisition, environmental and various other Government clearances, not many greenfield projects are expected to get into operations in the near future.

Considering the synergies and strategic fit, the Company initiated dialogue with the management of IIL for strategic collaboration and arrived at a proposal whereby the Company would acquire a majority stake in IIL.

Accordingly, in accordance with the Subscription cum Shareholders Agreement dated December 20, 2010, the Company has acquired 1,08,66,49,874 equity shares of Ispat Industries Ltd. (IIL) on January 24, 2011 (aggregating to 45.53% of the equity share capital of IIL as on date).

In view of the above, the Company also made a mandatory open offer for the shares of IIL ("Open Offer") under Regulations 10 and 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 ("Takeover Regulations"). The Open Offer was made to the shareholders of IIL to acquire 64,72,38,458 Equity Shares of IIL of face value of ₹ 10 each representing in the aggregate 20% of the Fully Diluted Equity Share Capital of IIL at a price of ₹ 20.54 (Rupees twenty and paise fifty four only) per fully paid up equity share, which was further revised to ₹ 22.25 (Rupees twenty two and paise twenty five only) per fully paid up equity share on March 24, 2011.

The Offer was open from March 17, 2011 to April 05, 2011 during which time the Company received valid applications for sale of 8,99,40,890 equity shares from the shareholders of IIL. The Company has accepted all such valid applications and transferred the full amount of the purchase consideration to the Special Account opened for payment to the successful applicants on April 8, 2011.

Post the above acquisition, the Company holds 1,17,65,90,764 shares representing 49.30% of the total paid-up capital of Ispat Industries Limited as on that date.

Your Company has also put in a systematic plan to turnaround Ispat Industries by developing synergies in the competitive steel market. The Company will also facilitate sourcing of key inputs like coke, pellet and power which will bring down the cost of production substantially. The Company's extensive Pan India Network will provide IIL with better market penetration. By improving the levels of efficiency and by rationalizing the sourcing of Iron ore lumps and fines, the Company will reduce the cost of production.

12. SEARCH AND SEIZURE OPERATIONS BY INCOME TAX AUTHORITIES

The Income-tax Authorities carried out a search and seizure operations at certain locations of the Company in March 2011. The Company co-operated with the authorities and various statements were recorded during the course of these operations. The Company has also informed the stock exchanges about the search and seizure operations by the Income-tax Authorities.

The Company has not received any communication from the Income-tax Authorities till date regarding documents seized during the search proceedings having any potential financial or tax implications on the Company. No notice has been received from the Income-tax Authorities till date. The Income-tax Authorities are yet to conclude the search and seizure proceedings on the Company.

13. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

During the F.Y 2007-2008, your Company had issued 3250 Zero Coupon Foreign Currency Convertible Bonds (FCCBs) of US$ 1,00,000 each due 2012 (ISIN XS0302937031), aggregating to US$ 325 million to international investors to part finance the capital expenditure programme of the Company. Each Bond is convertible into equity shares of the face value of ₹ 10 each of the Company at a conversion price of ₹ 953.40 per share, at any time on or after August 7, 2007 until the close of business on June 21, 2012, unless previously redeemed, converted or purchased and cancelled. The Bonds, which are not redeemed, converted or purchased and cancelled, are redeemable on June 28, 2012 at an amount equal to the principal amount of the Bonds multiplied by 142.801 per cent.

Out of the aforesaid 3,250 Bonds issued, 8 bonds were converted into 33,799 equity shares which were allotted on 4 January 2008.

The Company repurchased and cancelled 15.36% of its remaining outstanding Zero Coupon Foreign Currency Convertible Bonds of US$ 1,00,000 each, aggregating to US$ 49.80 million (US$ 47.80 million in March 2009 and US$ 2 million in April 2009) in accordance with the A.P. (DIR Series) Circular No. 39 dated December 8, 2008 issued by the Reserve Bank of India.

The principal amount of Bonds outstanding after this repurchase and cancellation is US$ 274.40 million.

14. DIRECTORS

Mr. Seshagiri Rao M.V.S, Mr. Sudipto Sarkar, Mr. Jayant Acharya and Mr. Kannan Vijayaraghavan, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The proposals regarding the re-appointment of the aforesaid Directors are placed for your approval.

Other changes in the Board of Directors of your Company during the year under review are as follows:

JFE Steel Corporation nominated Mr. Shigeru Ogura as its nominee on the Board of your Company w.e.f. September 08, 2010. Subsequently, JFE nominated Mr. Yasushi Kurokawa as its nominee on the Board of the Company, in place of Mr. Ogura w.e.f. May 16, 2011.

Karnataka State Industrial Investment and Development Corporation Limited (KSIIDC) nominated Mr. M. Maheshwar Rao, IAS as its nominee on the Board of your Company in place of Mrs. Vandita Sharma, IAS w.e.f. February 04, 2011.

Your Directors place on record their deep appreciation of the valuable services rendered by Mr. Shigeru Ogura and Mrs. Vandita Sharma, IAS during their tenure as Directors of the Company.

15. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to act as auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Act.

16. PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure "A") hereto forming part of the report.

17. ENVIRONMENTAL INITIATIVES

The Company has undertaken various measures to address environmental issues at its Plant Locations:

- Environment Control Laboratories have been developed for carrying out monitoring of water, waste-water and air pollutants. The monitoring carried out includes ambient air, stack and in-plant sampling, drinking water, and effluents.
- Every effort is made to prevent pollution by recycling solid wastes and liquid treated waste-water for reuse in the premises.

18. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary for a copy.

19. AWARDS AND ACCOLADES

Your Company and its employees received the following awards during the year:

1. **PM's Trophy Award:** (Runners-up Trophy known as Steel Minister's Trophy) for the best performing integrated Steel Plant in the country for the year 2007-08, awarded on July 31, 2010.
2. **National Award for Excellence in Energy Management 2010:** Excellent Energy Efficient Unit Award 2010 at National Award for Excellence in Energy Management 2010 conducted by CII – Godrej GBC on September 1 & 2, 2010 at Chennai Trade Centre, Chennai.
3. **National Sustainability Award 2010:** First Prize amongst the Integrated Steel Plants Category. The award was presented at 48th National Metallurgists' Day Celebrations and 64th Annual Technical Meeting of Indian Institute of Metals, on November 14, 2010 at Bangalore.

4. **CII-EXIM Award 2010:** "Commendation Certificate for Significant Achievement" for Business Excellence by Confederation of Indian Industries, on November 14, 2010 at Bangalore.

5. **National Award for Excellence in Water Management 2010:** Excellent Water Efficient Unit Award 2010 at National Award for Excellence in Water Management 2010 conducted by CII, on December 10 & 11, 2010 at Hyderabad.

6. **IMC Ramkrishna Bajaj National Quality Award 2010:** Commendation Certificate in the manufacturing category on March 16, 2011 at Mumbai.

7. **Global HR Excellence Award 2010 for Innovative HR Practices** at Asia Pacific HRM Congress held on September 3, 2010 at Bangalore.

8. **Best Practices in Talent Management Award** at Talent 2010 hosted by Osney Media Ltd on November 10 & 11, 2010 at London.

9. **"Institution Building Award"** at Global HR Excellence Awards World HR hosted by World HR Congress on February 11, 2011 at Taj Lands End, Mumbai.

Individual and Team Recognitions:

1. **Mr. Seshagiri Rao M.V.S,** Jt. Managing Director & Group CFO was awarded **'the Best Performing CFO in Metals & Commodities Sector'** by CNBC TV18 at a glittering ceremony in Mumbai on October 27, 2010.

2. **Ms. Sharmila Bannerjee,** Vice President- Corporate Communication, was awarded **'WILLS Womens Choice Award'** in Mumbai on October 28, 2010.

3. **Mr Prachethan Kumar,** Manager (R&D and SS), was conferred with **'Young Metallurgist of the Year Award - 2010'** at the 48th National Metallurgists' Day Celebrations held on November 14, 2010 at Bangalore.

20. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the Corporate Governance practices, the Auditor's Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as an annexure to this report.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis.

22. APPRECIATION

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, Republic of Chile, Central Government of Mozambique, USA and UK; the Government of Karnataka, Maharashtra, Tamil Nadu, West Bengal and Jharkhand; the financial institutions, banks as well as the shareholders and debenture holders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Date: May 16, 2011

Savitri Devi Jindal
Chairperson

Annexure 'A' to Directors' Report

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

The company has taken up various initiatives to conserve energy across all locations during the year under review.

Energy conservation initiatives at Vijayanagar:

- Installed 'CLIMS', an intelligent, real-time load management system – a server-based technology – which balanced generation with consumption and allowed simulation of all possibilities of islanding – resulting in proactive alarms for disturbances, facilitating immediate remedial measures.
- Optimised the SMS unit power requirement by replacing the ID Fan at the top of the converter with a variable voltage and variable frequency fan, reducing fan speed when there was no blowing of oxygen into the converter.
- In order to reduce energy fluctuation at the busbar of feeder transformer to prevent damage of electronic equipment of the users attached to the busbar, the Company has developed an in-house neutral ground resistor, which reduces the flow of energy to the neutral earth transformer in the event of a massive energy fault. Reduced specific heat consumption at the pellet plant by reducing idle heating hours in the pellet plant through improved energy management practices.
- Generated approximately 11 MW of Power by replacing the by-pass electrical actuator with hydraulic high capacity actuator, facilitating 94% of BF gas to pass through to the turbine installed at the top of BF3.
- Increased injection of coal dust resulting in reduction of coke rate.
- Enhanced the power generation at CPP-1 from 93.59 MW in 2009-10 to 99.45 MW.
- Replaced main valves with auxiliary valves with smaller diameter to ensure flame of flare stack in the Corex unit resulting in the increase of Corex gas utilisation from 97.75% in 2009-10 to 98.92% during the previous year.
- Stabilised operations of gas mixing stations at the coke oven unit, improving coke oven gas utilisation.
- Improved BF gas utilisation from 73.06% in 2009-10 to 88.06%.
- Developed a gas monitoring system covering the entire plant which facilitates real-time monitoring of gas generation and consumption, enabling optimisation of gas consumption across the plant.
- Replaced LPG consumption for heating runners in the 3.8 mtpa iron-making zone with additional coke oven gas (with the commissioning of coke oven 4).

Energy conservation initiatives at Salem:

- Introduced an economizer in Power Plant -Boiler No: 2 to enhance fuel efficiency.
- Consumed around 1379 tonnes of coke fines by blending with steaming coal for firing in AFBC boiler.
- Above Burden Probe designed, fabricated in-house and installed in Blast Furnace-II to monitor the gas distribution through temperature profile across the furnace and to increase the fuel efficiency and saving in energy by altering the material distribution during charging.
- Increased burden preparation and Coal injection rate resulting in coke saving & energy saving.
- Reduced specific power consumption in Sinter Plant by improving bed permeability.

Energy conservation initiatives at Vasind/ Tarapur:

- 14 Nos. energy efficient electrical drives commissioned in various process units. This has a saving potential of ₹ 0.74 crore annually.
- 12 Nos. flat belts for pulley drives were replaced for energy saving and enhanced efficiency.
- Old conventional acid pumps replaced by energy efficient pumps.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts made in Technology Absorption are given in Form 'B'.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Exports have always been a strategic move of the Company with a clear focus on Value-Addition, Customization and expanded geographical reach. In spite of demand contraction in international market during fiscal 2010-11, the Company exported 0.891 million tonnes expanding its reach to five continents.

b) Total foreign exchange used and earned:

(₹ in crores)

		FY 2010-11	FY 2009-10
i)	Foreign Exchange earned	**3,412.68**	2,772.02
ii)	Foreign Exchange used	**11,095.74**	8,897.74

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A POWER & FUEL CONSUMPTION

Particulars	2010-11	2009-10
1. Electricity		
a) Purchased		
Unit (kwh) (in Lacs)	**9092.11**	17435.20
Total Amount (₹ in crores)	**355.22**	614.45
Rate/Unit (₹)	**3.91**	3.52
b) Own Generation		
i) Through Captive power plant		
Unit (kwh) (in Lacs)	**31778.45**	22049.70
Total Amount (₹ in crores)	**1,028.42**	578.50
Cost/Unit (₹)	**3.24**	2.62
ii) Through diesel generator		
Unit (kwh) (in Lacs)	**259.61**	562.59
Unit per ltrs of diesel	**0.98**	2.55
Total Amount (₹ in crores)	**16.35**	29.91
Cost/Unit (₹)	**6.30**	5.32
iii) Through Top Recovery Turbine Units (kwh) (in lacs)	**735.86**	68.63
Total Amount (₹ in crores)	**2.63**	0.44
Cost/Unit (₹)	**0.36**	0.64
2. Coal + Coke		
Quantity (tonnes)	**74,46,195 t of Coal + 3,57,169 t of Coke**	68,47,016 t of Coal + 5,37,727 t of Coke
Total Amount (₹ in crores)	**8,328.21**	6,230.90
Coal Rate (₹/t)	**10196**	7996
Coke Rate (₹/t)	**20606**	14056
3. Furnace Oil		
Quantity (K.Ltrs)	**7508**	12625
Total Amount (₹ in crores)	**20.63**	32.60
Average Rate (₹/Ltrs)	**27.48**	25.82
4. LPG		
Quantity (tonnes)	**24077**	24218
Total Amount (₹ in crores)	**98.61**	80.90
Average Rate (₹/t)	**40956**	33405

B CONSUMPTION PER UNIT OF PRODUCTION

Particulars	2010-11	2009-10
1. Crude Steel		
Electricity (kwh/t)	**495**	510
LPG (Kg/t)	**0.8**	1.0
2. Hot Rolled Coils/Steel plates/ sheets:		
Electricity (kwh/t)	**105**	80
3. Rolled Products – Long		
Electricity (kwh/t)	**153**	181
4. Galvanised Coils/Sheets:		
Electricity (kwh/t)	**195**	198
LPG (Kg/t)	**17**	18

Form 'B'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D activities were carried out by the Company:

Research and Development activities were focused towards Plant Performance Improvement (PPI), Development of new Processes, Development of new Products, Energy Conservation and Waste Utilization. In order to extend the benefits of R&D to all the Plant locations at JSW, R&D sub-centers have been created at Vasind, Tarapur and Salem.

R&D initiatives towards PPI covered the entire spectrum of processing including Iron Ore Beneficiation, Pelletisation and Sintering of iron ore, Iron Making in Corex and Blast Furnace, Steel Making, Hot and Cold Rolling. New processes were developed aiming at recycling of wastes, like coal fines, mill scale and other iron-bearing wastes by agglomerating it into briquettes. Another important milestone in waste utilization was achieved by developing use of BOF slag in cement making. Several new products were developed to create additional market for JSW Steels.

R&D was also carried out for development of value added products in the form of 30 new grades to meet specific requirements of customers in various sectors, including:

- Automotive grade steels for external and internal applications.
- Silicon steel – non oriented.
- Line pipe steels, including API X-70, X-80.
- Corten steel.
- Micro alloyed and Structural grades.

2. Benefits derived as a result of R&D efforts

- Reduction in fuel rate and slag rate in Corex by 30 kg/thm and 27 kg/thm respectively and increase in melting rate by 3 tph by adopting high alumina slag practice.
- Improvement in gas utilization efficiency in Blast Furnace-3 from 45% to 46.6% resulting in reduction in fuel rate by 1.9 kg/thm.
- Improvement in service life of back-up rolls at Hot Strip Mill-1 by reducing the grinding losses by 10%.
- Identification of new coal sources and developing coal-blends to consistently achieve coke CSR of 65 and above.
- Technology Development for briquetting of coal-fines for use in Corex. Apart from recycling of coal-fines, this has potential to improve productivity and availability of Corex furnace, besides reduction in fuel consumption.
- Process development furnace for usage of coal-tar-pitch as a replacement of water for coal-cake preparation. This has potential for improvement in coke CSR by 2-3 points, increase in gas and power generation and savings of water.
- Optimization of coal-blend characteristics for safe oven-wall-pressure operation. It is possible to increase MMR of coals from present limit of 1.12 to 1.15, thereby enhancement in choice of coals for coke-making.
- Improvement in steel quality by developing a Model for sulphur prediction at Hot Metal De-sulphurization station.
- Improvement in pelletizing disk yield from 80% to 88% through optimization of disk angle, speed and water distribution.
- Improvement in quality of pellet, such as CCS and RDI, by way of reduction in under-fired pellets from 8% to less than 5% through increase in pellet size from 11.2 to 12 mm in the hearth-layer.

- Process development for briquetting of iron-bearing wastes, such as mill-scale, BOF-sludge, slime, etc. for value added application in steel making.
- Development of mathematical models for prediction of
  - ➢ Irregularities in the Blast Furnace 2, such as channeling
  - ➢ Silicon in hot metal at BF-2

3. Plan of action for 2011-12

Setting up various research facilities including that for beneficiation of low grade iron ore and BHQ, agglomeration through Sintering, Pelletizing and Extrusion, water modeling for steel making, vacuum induction melting system, advanced characterization, etc. Plant performance initiatives include improvement in roll cooling system for HSM, process development for utilization of wastes, accelerated cooling system, etc. The plan covers development of products for automobile applications, line pipe steels, etc.

4. Expenditure on R&D (2010-11)

(₹ in crores)

	Vijayanagar	Salem	Vasind/Tarapur	Total
Capital	**41.72** (7.11)	**-** (-)	**0.72** (0.31)	**42.44** (7.41)
Recurring	**3.85** (3.23)	**1.88** (1.94)	**1.51** (0.77)	**7.24** (5.94)
TOTAL	**45.57** (10.34)	**1.88** (1.94)	**2.23** (1.08)	**49.68** (13.35)

Previous Year figures in ( )

Technology Absorption, Adoption and Innovation

1. Vijayanagar:

- Dual Extraction Column (DEC) floatation system for improvement in recovery at Beneficiation Plant 1. The technology was provided by M/S Ingwenia Private Ltd, Bangalore.

2. Vasind and Tarapur:

- "Senfung" a state of the art profile machine for 4 ft (1220mm) wide GC sheets has been commissioned. This machine is well equipped with flying type profile shear, hydraulic system with variable speed, automatic roller type stacker arrangement which can cut up to 16 ft. length sheet, 4 ft GC product has tremendous future market potential. The main advantage of the profile machine over conventional drum corrugators is scratch free sheets with uniform profile and precise length accuracy.
- In hot rolling plate mill, plate's length measuring device designed, manufactured and installed. This enables better length accuracy in finished plates.
- Permanent electro-magnet installed in two cranes of Hot Rolling Plate mill. This upgrades the safety level in the plant.
- New Belt wrapper assembly commissioned in Galvanizing line for good surface quality and yield improvement of GI products.
- Auto soot blowing system developed and installed in one of the WHR boiler for better efficiency and operation.

3. Imported Technologies

Innovation/Technology	Year of Import/ Absorption	Status of Implementation
Slag granulation in SMS 1 & 2. Technology provided by Bao Steel, China	2010	Commissioned
Ladle Heating Furnace (LHF) No. 5 of SMS-2, supplied by SMS Siemag	2010	Commissioned
Beneficiation Plant 2. Technology provided by Metso Minerals, Germany	2010	Commissioned
Captive Power Plant (CPP) No. 3. Technology provided by Shanghai Electric Co., China	2010	Commissioned
Sinter Plant 3. Technology provided by Outo tech, Germany	2011	Commissioned
Lime Calcination Kiln No. 8. Technology provided by Cimprogetti, Italy	2011	Commissioned
Coke Oven 4 – Battery A and B. Technology supplied by M/S Sino Steel/MECC, China	2011	Commissioned
Slab Caster No. 4 in SMS 2, supplied by SMS Siemag, Germany	2011	Commissioned
Gas holder for SMS-2, supplied by SMS Siemag, Germany	2011	Commissioned
BOF Converter 'F'. Technology supplied by SMS Siemag, Germany	2011	Commissioned
Pot Sinter Testing Lab for R&D. Supplied by M/S East Sea Corporation, Korea	2011	Commissioned
Coal Briquetting Plant for Corex. Technology supplied by M/S East Sea Corporation, Korea	2011	Under Commissioning

Management Discussion and Analysis

(A) ECONOMY AND STEEL SECTOR

(1) Global Economy

Overview

The global economy expanded by 5.0% in 2010 as against 0.5% in 2009. This recovery was characterised by:

1) Moderate growth in advanced economies, spurred by stimulus measures. Private consumption which fell sharply during the crisis picked up.
2) Growth in emerging and developing economies remained robust buoyed by resurgent capital inflows due to abundant global liquidity and strong domestic demand.
3) Global liquidity improved, credit spreads narrowed, equity and debt capital markets opening up enabling several corporations to raise capital to meet funding requirements.

Challenges

Pockets of vulnerability persisted; real-estate markets and household incomes remained weak in some major advanced economies. Volatility and uncertainty re-emerged in Euro area.

Concerns about banking sector losses and fiscal sustainability triggered by crisis in Ireland, Spain, Greece and Portugal led to unprecedented widening of credit spreads for these countries.

The turmoil in mid-2010 in the Euro zone led to a spike in global risk aversion and scaling back of capital allocation by fund managers to emerging markets. However, during the recent bout of turbulence, the financial stress was limited primarily to the periphery of the Euro area. Quantitative easing and stimulus packages by several countries created huge liquidity in financial markets and Central banks in emerging economies faced the challenge of high inflation and started pursuing a hawkish monetary policy by raising reserve ratios and hiking policy rates.

Natural disasters across the globe posed a significant challenge for global economic growth. Floods, earthquakes and drought among others took a massive toll on human life, resulting in wealth erosion.

GDP Growth

	2009	2010
Global	(0.50)%	5.0%
Advanced economies	(3.40)%	3.0%
Emerging economies	2.70%	7.3%
Size of the global economy (US$ tr)	57.90	62.90

Source: IMF

Estimates for 2011

The global economy is on a recovery path while Advanced economies are expected to pick up growth momentum. The emerging economies will consolidate with moderate growth as the focus is shifted to contain inflation rather then pursuing growth.

Advanced economies: The growth is projected at 2.6% in 2012. The new fiscal packages passed in late 2010 in the US and Japan will boost economic growth in 2011. Although growth in the periphery of the euro area is marked down for 2011, this will offset by an upward revision in economic growth in Germany, owing to stronger domestic demand.

Emerging and developing economies: In 2011, growth in emerging and developing economies is expected to be at 6.5%, a modest drop from 7.30% registered in 2010. Developing Asia will continue with its rapid growth. Other emerging regions are expected to continue their strong rebound; notably, growth in sub-Saharan Africa – projected at 5.5% in 2011 – higher than the economic growth in all other regions, except developing Asia.

(2) Global Steel Industry

Snapshot (2010)

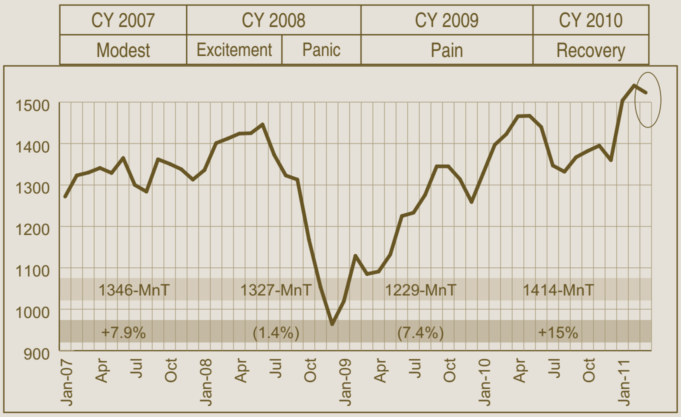
Capacity	Production	Trade (approx.)	Consumption
1,906 MnT	**1,414** MnT	**380** MnT	**1,283** MnT
+6%	+15%	+15%	+13.1%

Source: World Steel Association/ISSB

The CY 2010 could be rated as the year of 'broad based recovery', in terms of economic revival, steel production, trade and consumption, except the threat of sovereign defaults in parts of Europe. Besides, weather extremities namely, extreme heat and cold waves, drought, floods, cyclones, among others are also causes of concern.

The Global Steel Industry reached a new high in 2010 after a disastrous 2008. The global demand growth was at 13% after a steep fall in 2008. Asia was the leading steel producer with a 64% share in the global crude steel production. China was the largest producer with a 44% share, India ranked fifth in world crude steel production.

The steel demand in advanced economies recovered, stimulated from social spending by governments, the demand in rest of the world, including China continued to expand.



Source: World Steel Association

The contribution of emerging economies to the growth in world steel production and consumption is evident as stated hereunder:

World crude steel production	:	+184 MnT (+15% YoY) with advanced market economies contributing ~45% while emerging market economies excl. China at 26% and China at 29%.
World finished steel consumption	:	+149 MnT (+13.1% YoY) with advanced market economies contributing 41% while emerging market economies excl. China at 40% and China at 19%.

Surplus production from China and advanced economies was absorbed by growing imports from rest of the emerging world.

Production

In 2010, global steel production grew 15%, to 1,414 MnT. The growth is significant considering the huge downslide in steel production and consumption in the last quarter of 2008 (due to the global economic crisis). The growth in 2010 exceeded the previous record set in 2007. Interestingly, the most significant rise in steel production in 2010 was in those geographies where it had contracted the maximum in 2008 and 2009, namely North America, Europe and Japan. Despite the considerable rebound, steel production in these nations remained below the pre-crisis levels.

Region	2009 (MnT)	2010 (MnT)	Variance (%)
EU-27	138.8	172.9	24.6%
Europe (others)	29.1	33.5	15%
CIS	97.6	108.5	11.2%
North America	82.4	111.8	35.7%
South America	37.8	43.8	15.9%
Africa	15.2	17.5	15.4%
Middle East	17.7	19.6	11.0%
Asia	804.9	897.9	11.6%
Oceania	6.1	8.1	35.5
World	**1,229**	**1,414**	**15.0%**
China	573.6	626.6	9.3%
World-China	655.4	787.4	20.1%

Source: World Steel Association

Consumption

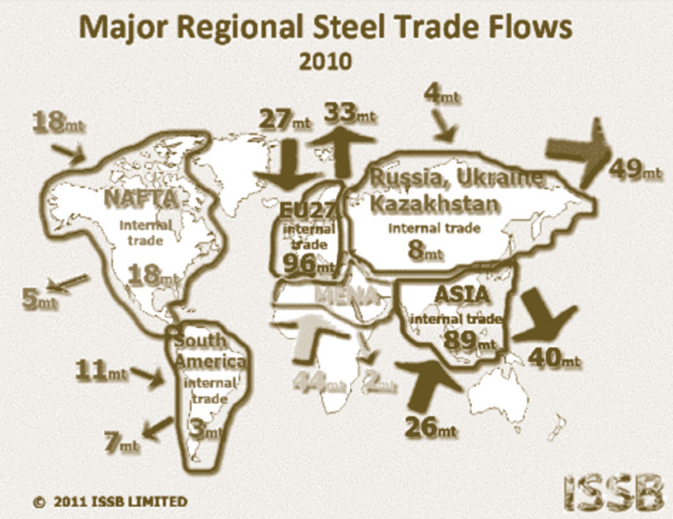
Global finished steel consumption grew 13.1% to 1,283 MnT in 2010. Steel consumption in emerging and advanced economies grew 9.1% and 25% respectively in 2010.

Region	2009 (MnT)	2010 (MnT)	Variance (%)
EU-27	119.5	144.8	21.2%
Europe (others)	23.9	29.6	23.8%
CIS	36.1	48.5	34.3%
North America	82.9	110.3	33.0%
South America	33.6	45.8	36.4%
Africa	26.8	25.9	(3.6)%
Middle East	42.2	45.3	7.2%
Asia	763.1	825.1	8.1%
Oceania	6.1	7.3	24.2%
World	**1,134**	**1,283**	**13.1%**
China	548	576	5.1%
World-China	586	707	20.6%

Source: World Steel Association

Global Steel Trade

International steel flows, of late, exhibited concentration in each trading block as compared to trade flows outside the trading block as reflected in the diagram below -- EU-27, Asia, NAFTA had the highest internal trade at 71%, 57% and 44% respectively. This implies that there are restriction in free flow of steel trade across the globe due to restrictive trade practices being followed by certain countries.



Changing power concentration

In 1980, four among the world's top ten producers of steel were the Japanese cumulatively accounting for 10% share of global steel production. In 1999, a Chinese steel manufacturer ranked in the top ten. Today, six of the world's top ten steelmakers are Chinese with 16% share of global steel production.

(3) China

China following the global crisis shifted focus towards domestic demand reducing the dependency on exports Consequently, the national economy showed good momentum. Preliminary estimates suggest that GDP grew by 10.3% in 2010, 110 bps higher than previous year's benchmark.

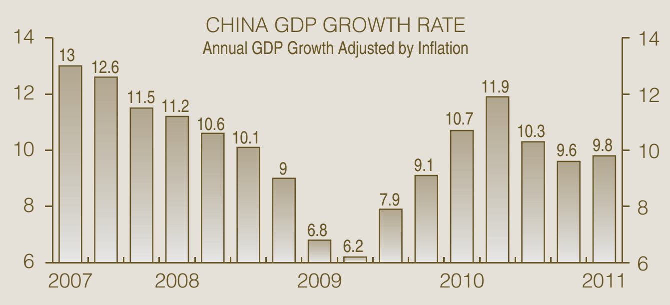
Growth in every quarter

	Q1/2010	Q2/2010	Q3/2010	Q4/2010
GDP growth (%)	11.9	10.3	9.6	9.8

There was an overall improvement in the Chinese economy with all sectors making sizeable contribution to the economic growth.

Industry growth: Industrial production grew over 15.7% in 2010 against 11% in 2009.

Per capita income: In 2010, the per capita income of urban households was 21,033 yuan, an increase of 11.5% over the previous year. Of this total, the per capita disposable income of urban residents was 19,109 yuan, up by 11.3%. The per capita net income of rural residents was 5,919 yuan, up by 14.9% over the previous year.



Source: Trading economics.com (NBS)

Estimates for 2011

Being an export-dependent economy, China focused on strengthening domestic demand to sustain its growth – evident from the Twelfth Plan recently announced by the government.

Eleventh Plan	Twelfth Plan guidance
Reformation aimed at national economic growth	Reformation aimed at enhancing people's prosperity
Capitalised consumption of AME's for economic growth	Leverage domestic demand for economic growth
Quantitative approach	Qualitative approach
Global integration	Domestic regional integration

The Chinese Government is working to curb inflation which is emerging as a challenge for emerging economies worldwide. The Government is working to eliminate inefficient capacities in core sectors, and encourage R&D and innovation in the manufacturing sectors. The government is also focused on increasing private sector participation in all service sectors. This is expected to marginally impact the nation's GDP growth in the short term, ensuring long-term economic prosperity – Estimates suggest China's GDP to grow at 9% in 2011.

Housing the economically weaker sections

In 2011, the Government plans to build 10 million affordable homes, compared to 5.9 million started in 2010.

China's Steel Sector

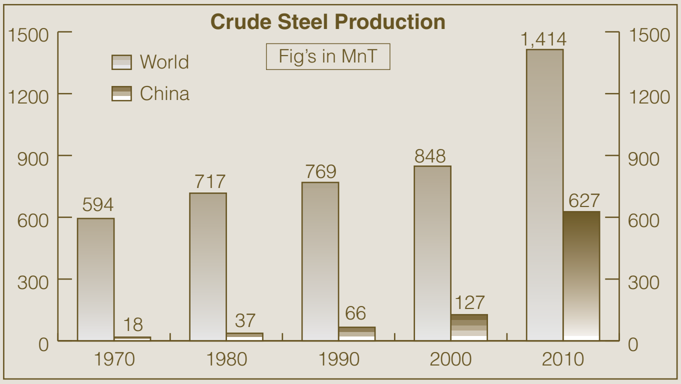
Snapshot (2010)

Capacity	Production	Import	Export	Net export	Consumption
788 MnT	627 MnT	17.0 MnT	42.7 MnT	25.7 MnT	576 MnT
+6%	+9%	(38%)	+22%	–	+5%

Source: World Steel Association/ MySteel

From the late 90's, China, through its market and social reform programmes, emerged on the world steel map and has since graduated to the largest steel player in the world. The previous decade was the game changer for the Chinese steel industry, with crude steel production growing at 17% CAGR against the world average of 5% CAGR over the same period. China's dominance in the world steel production increased from 15% of the global market in 2000 to a commanding 44% in 2010.

Crude Steel Production



Source: World Steel Association

(4) Indian Economy

The Indian economy was one of the fastest growing economies to recover from the economic crisis, registering a second year of accelerated growth. The Indian economy grew at a robust rate of 8.50% in 2010-11 (8% in 2009-10).

Year 2010-11 witnessed fairly strong economic growth at 8.50% contributed by a strong growth in agriculture at 6.60%. Industry witnessed a moderation in growth from at 8% in 2009-10 to 7.90% in 2010-11. Services continued to support the overall economic growth contributing around 58% to overall GDP.

Private consumption expenditure grew significantly in 2010-11, as a consequence of increasing disposable income. The growth was 22% and 26% respectively in consumer durables and passenger car segments.

In 2010-11, exports grew 37% to USD 246 billion against USD 179 billion in 2009-10; imports grew 22.6% to USD 351 billion in 2010-11 against USD 288 billion in 2009-10 – resulting in a trade deficit of USD 104 billion in 2010-11 against USD 109 billion in 2009-10.

The confidence in the Indian growth story was reflected by the record FII inflows into the economy and the revival in investor confidence, helping the Indian stock markets regain pre-crisis record levels. Net capital inflows increased to US$ 36.7 bn as on March 31, 2010; foreign exchange reserves grew by US$ 20 bn to US$ 303.50 bn.

Snapshot

	2010-11	2009-10
Agriculture, forestry and fishing	6.6%	0.4%
Industry	7.9%	8.0%
Services	9.4%	10.1%

(Source: CSO)

Challenges

Even though the macro economic data displayed a strong performance, they were marked by significant volatility, as evident from the data points and the sentiments primarily driven by global clues and policy responses to moderate inflation.

The headline inflation witnessed a relentless rise during the first half of 2010 and remained in double digits for almost five months in 2010. The uneven monsoon during 2009 and domestic supply side constraints coupled with rising international food grain prices pushed the prices of primary food articles, manufactured goods and services.

As India witnessed robust growth, it was simultaneously challenged by rising commodity prices – both domestically and internationally. This was partially mitigated by timely intervention of the government through fiscal and monetary policy responses.

Optimism for 2011-12

Given the strong underlying growth momentum of the Indian economy, the outlook remains positive with a sustained increase in service sector growth, normalising agricultural output due to expected favourable monsoon and robust private consumption. Further, the substantial governmental outlays on building physical and social infrastructure with thrust on PPP model of development is expected to lead to sustained growth in industrial sector.

Economic activity is expected to take a step forward towards a high growth trajectory with GDP expected to grow at around 8.8% during 2011, as private demand gathers momentum and supports overall growth process.

National manufacturing and investment zones to create more jobs

According to the Economic Survey 2007-08, about 64.8% of India's population will be in the working age of 15-64 years by 2026. By 2015, India will have 800 million people in the working age group of 15- 59, ahead of China which is expected to have only 600 million. Thus, India will need to create employment opportunities at that scale, in both the service and manufacturing sectors.

With the objective of helping the Indian manufacturing sector achieve its true potential and to be an engine for job creation, the Ministry of Commerce and Industry proposed the creation of a number of National Manufacturing & Investment Zones (NMIZ), which would enhance contribution by the manufacturing sector in overall economy.

Contribution by every Indian to country's economy

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Per person contribution to India's GDP (₹)	29,634	33,363	38,235	43,849	48,354	55,983	66,273

Source: Derived from PM-EAC

(5) Indian Steel Industry

Snapshot (2010-11)

Overview

The Indian steel industry ranks fifth in the world with an estimated crude steel production of 63 MnT in FY 2010-11. Integrated steel producers contributed 55% of the total crude steel production in 2010-11 and 45% by secondary producers.

During the period from 1997-98 to 2000-01, steel production witnessed a marginal growth of 3% CAGR. However, during 2001-02 to 2007-08, owing to a boom in the infrastructure and automobile sectors, the industry witnessed a sharp turnaround and registered a steep hike of 12% CAGR.

Snapshot (2010-11)

Capacity	Production	Import	Export	Net Import	Consumption
78 MnT	**63 MnT**	**6.8 MnT**	**3.5 MnT**	**3.3 MnT**	**66 MnT**
+5%	+11%	(11%)	(4%)	–	+10.6%

Source: JPC

In 2010-11, steel consumption grew at a healthy 10% from 59 MnT in 2009-10 to 66 MnT, owing to strong demand from the infrastructure, construction, automobile, and industrial sectors. Rising production capacities has reduced India's import dependency from 13% in 2009-10 to about 10% in 2011-12.

Performance Trend (MnT)

	Production	Import	Export	Consumption
2005-06	42	4.3	4.8	41
2006-07	47	4.9	5.2	47
2007-08	50	7.0	5.1	52
2008-09	57	5.8	4.4	58
2009-10	55	7.4	3.3	59
2010-11	63	6.5	3.4	66
CAGR	**8.4%**	**8.6%**	**(6.7%)**	**10%**

Source: JPC

Capacity addition programme

According to estimates by the Ministry of Steel, India is slated to add around 200 MnT of capacity during the next decade, increasing overall crude steel capacity from 78 MnT in 2010-11 to around 280-290 MnT by 2020. Certain estimates suggest that India would emerge as the world's second largest steel producer by 2015-16.

Capacity Build-Up

Sate	MoU's	Capacity (MnT)
Orissa	49	75.66
Jharkhand	65	104.23
Chattisgarh	74	56.61
West Bengal	12	21.00
Others	22	18.20
Total	**222**	**275.20**

Source: Ministry of Steel

Per Capita Consumption

India presents a high growth potential with its per capita finished steel consumption of 54 kg, compared with 430 kg in China and 187 kg globally. Interestingly, India's per capita steel consumption in rural locations is only 13 kg, with 70% of Indians residing in these areas. The government is making efforts to leave adequate income in the hands of the rural masses through attractive procurement prices for agricultural produce and NREGA scheme. Rural markets are expected to emerge as a huge opportunity for increasing steel consumption in the coming years.

India's Per Capita apparent steel consumption comparison C.Y. 2010/ FY 2010-11

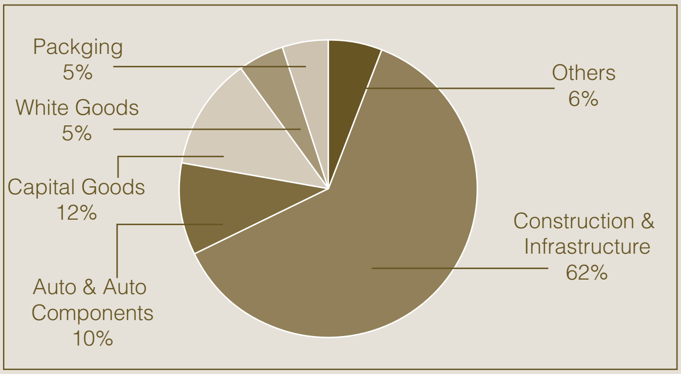
(Kgs)

China	Japan	The US	Brazil	Russia	India
430	502	259	132	256	54

Demand guidance

66 MnT 2010-11 → +13% → 120 MnT 2015-16 → +11% → 200 MnT 2020-21

Demand drivers for steel in India



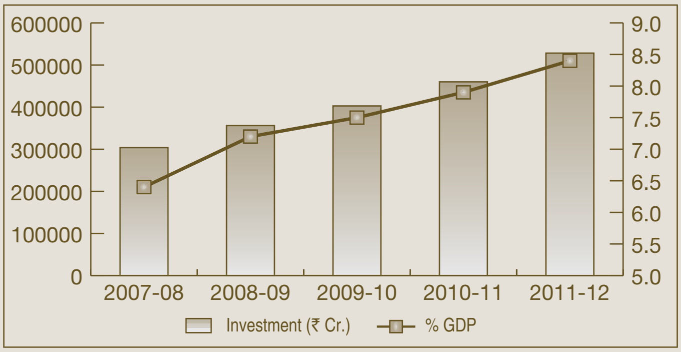
Source: E&Y

i) Construction and Infrastructure

Infrastructure is the key to sustain India's economic growth. The challenge of successfully leaping over the "double digit growth barrier", can be overcome only through higher investment in infrastructure.

The Eleventh Five Year Plan emphasised the importance of investment in infrastructure for achieving a sustainable growth of 9 to 10% in GDP over the next decade. In this context, it envisaged an increase in investment in physical infrastructure from about 5% of GDP witnessed during the Tenth Plan to about 9% of GDP by 2011-12 (terminal year of the Eleventh Plan). This requires an estimated investment of ₹ 20,56,150 crores (US$ 514 bn) during the Eleventh Plan period as compared to an estimated investment of ₹ 8,71,445 crores (US$ 218 bn) during the Tenth Plan period. An ambitious target of ₹ 40,99,240 crores (US$ 1,025 bn) has been set for the Twelfth Five Year Plan.

Investment in infrastructure in the first 3 years of the Eleventh Plan Period well exceeded the target of ₹ 9,81,119 crores. The actual investment was ₹10,65,828 crores, which is 7.1% of the GDP and 9% over the planned expenditure. Investments in the power, telecommunications, irrigation and Oil and Gas pipelines have exceeded the target during this period.



The total bank lending to infrastructure has gone up from 12.5% of total non-food credit at end-March 2010 to 14.4% by end-Feb, 2011, registering an impressive growth of 34%.

ii) Capital Goods

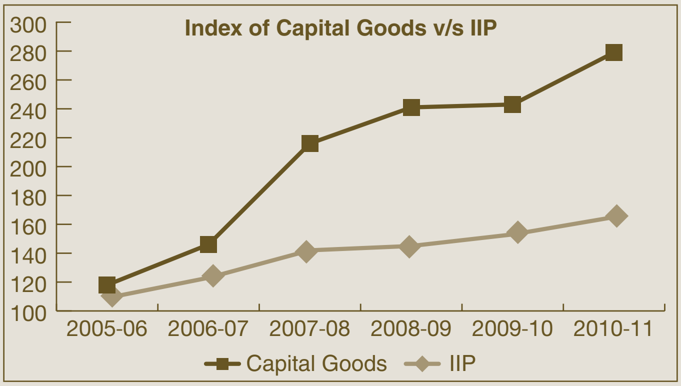
The development of a strong and vibrant engineering and capital goods sector has been at the core of the industrial strategy in India, since the planning process was initiated in 1951. The emphasis that this sector received was primarily influenced by the erstwhile Soviet Union model, though rapid state-led industrialisation, by developing the core engineering and capital goods sector. Following the liberalization of Indian economy in 1991, private sector participation increased manifold in this sector thus accelerating the strong momentum.

India has a strong engineering and capital goods base today. The Indian capital goods sector is characterised by a large range of products (almost all major capital goods are domestically manufactured) – a legacy of the import substitution policy. Even nations with technologically advanced capital goods sectors do not produce the entire range of capital goods, but instead focus on segments, or sub segments.

The engineering sector employs about 2.6 million people directly, which accounts for 29% of the total workforce engaged in the organised sector. The industry is largely dominated by organised players, as the sector demands a high level of investment.

India's contribution to engineering exports constitute only 0.8% of the world. Total exports of engineering products grew from about US$ 13.2 billion in 2004-05 to US$ 60.15 billion constituting around 25% of total exports from India registering a growth of 29%. A target of US$ 125 billion for engineering exports was set by the Ministry of commerce for the year 2013-14.

The growing industrialisation and demand from the various infrastructure sectors synergised the growth of the capital goods industry. The capital goods sector in the country registered a growth of 15% in 2010-11.



Source: CSO

Since 100% FDI is permitted through the automatic route and considering the growth potential in India, several international players entered the Indian engineering sector, thereby increasing the competitiveness of the industry.

iii) Auto and Auto Components

In India, there are 100 people per vehicle, compared to 82 in China. The Indian automobile industry is expected to achieve mass motorisation status by 2014-15.

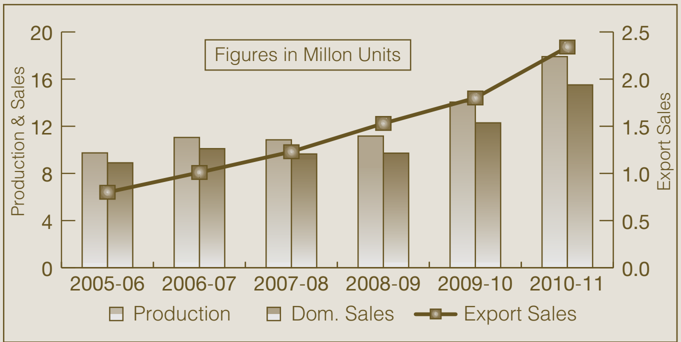
The brilliant performance of the automotive sector is attributed to improving infrastructure, excise duty reduction on passenger vehicles, easy financing of second hand vehicles, access to finance in rural and semi-urban areas and the emergence of India as a manufacturing hub for the automotive industry. Some of the unique features of the Indian automobile Industry are as under:

- India is emerging as a potential automobile hub.
- Foreign players are investing in the auto industry to create additional capacities.
- Two- wheeler motorcycles contribute 80% of the segment size.
- Unlike in the USA, the Indian auto industry is dominated by Passenger cars.
- 2/3rd of auto components production is directly consumed by the OEM's.
- India is the largest three-wheeler market in the world.
- India is the second largest two- wheeler manufacturer in the world.
- India is the 2nd largest tractor manufacturer in the world.
- India is the 7th largest commercial vehicle manufacturer in the world.
- India is the 4th largest car maker in Asia.
- India ranks 6th in passenger vehicles in the world after China, Japan, Germany, Korea and Brazil.

Subsequent to liberalisation, the automobile sector has been aptly described as the 'sunrise sector' of the Indian economy since it has witnessed tremendous growth. At present 100% FDI is permissible under automatic route in this sector. The FDI inflows into this sector is around US$ 6 billion during 2010-11 (Apr-Feb). Since 1991, the number of manufacturing facilities in the automobile sector in India has grown progressively in line with the growing demand in the country. The auto manufacturers are investing to increase manufacturing capacity from present 3.6 Mn units to 4.5 Mn units.

Company	Capacity ('000 No's)		% Share	
	2010-11	2011-12	2010-11	2011-12
Maruti Suzuki	1,000	1,250	28.1%	27.6%
Hyundai Motors	600	700	16.9%	15.5%
Tata Motors	620	620	17.4%	13.7%
General Motors	225	225	6.3%	5.0%
Ford India	200	200	5.6%	4.4%
FIAT	100	100	2.8%	2.2%
Honda Siel	160	240	4.5%	5.3%
M&M	200	500	5.6%	11.1%
Nissan	200	400	5.6%	8.8%
Others	254	287	7.1%	6.3%
Total	**3,559**	**4,522**	**100%**	**100%**

The domestic sales of auto industry achieved a growth of 26% during 2010-11. Exports constitute around 12% of total sales, registering a growth of 30% in 2010-11. The trend in production and sales growth of the automobile industry is as under:



Source: SIAM

Challenges

Iron ore: Although, India has the world's 8th largest reserve of iron ore and is the 4th largest iron ore producer globally, it exports about 54% of its production to other steel making nations – draining the nation of this precious natural resource and simultaneously importing steel from other countries. Since iron ore mines are not alloted to steel producers or approval for mining leases are delayed inordinately for value addition, no meaningful investment on the ground in the steel sector is happening to add new steel capacities.

Coking coal: A primary ingredient for steel making, is in short supply. It accounts for only 12% of India's total coal reserves. Further, government delays in allotting coal blocks for captive consumption by steel manufacturers is severely impacting the competitive edge of the Indian steel sector. India's coking coal imports surged 39% between 2009-10 to 2010-11. This refelects the import dependency of 62% in 2010-11. The import of coking coal is expected to go up to 42 MnT by 2011-12 from the current level of 32 MnT. As an alternative solution, Indian steel producers acquired or on the lookout to acquire coal assets globally. As the operationalization of these assets takes considerable time, steel producers are beset with the problem of shortage of coking coal and they are constrained to import most of this coking coal requirement at exhorbitant prices.

Water: 1 tonne of steel production requires around 2.6 cubic metres of water, depending upon recycling of efficiency levels. Accordingly, water as a resource, is immensely significant for producing steel.

Logistics: Every 1 tonne of steel generates a traffic of around 5 tonnes including the inbound and outbound material flow. Accordingly, logistic infrastructure is of immense importance for the Indian steel sector for a number of reasons 1) raw material needs to be met largely through imports, 2) steel consumption is widely dispersed across the country involving transportation of finished steel to consumption locations and 3) high logistics costs make transportation a huge challenge. The Indian railway network is inadequate; rakes are in short supply and port infrastructure is unable to cope up with increased volumes. Increasing fuel prices makes road transport costs prohibitive.

Expansion clearances: Land allocation, Mining leases, Environment and Forest clearances and Infrastructure connectivity for Greenfield expansions remain the major challenges impacting the creation of new capacities.

Product development: India's steel industry expenditure in R&D is still below 1% of its total turnover. As the economy matures there is a growing need for special grades of steel like Boiler quality, API, Auto grade, requiring greater attention on technology and R & D.

Based on the recommendations of the Working Group on Steel Industry, a new scheme i.e.,Scheme for Promotion of R&D in Iron and Steel Sector has begun with an outlay of ₹ 118 crores for the 11th Five Year plan. Under this scheme, R&D is being pursued in three major areas namely:

- Development of innovative/path breaking technologies.
- Beneficiation and utilising of Indian iron ore fines and non-coking coal.
- Improvement of steel quality produced through induction furnace route.

Environment: Environment management and energy efficiency constitute an important benchmark for assessing any sector or company performance, both globally and in India. The Ministry of Steel through various schemes and regulations by the government is facilitating reduction in energy consumption and emission levels.

JSW has taken steps in each of these areas to remain competitive as explained in the following sections.

(B) STEEL MAKING AT JSW

Operational Performance

JSW Steel is India's leading steel manufacturer, with a steel manufacturing capacity of 7.8 mtpa.(which will increase to 11 mtpa by Q1 2011-12). The Company has four manufacturing facilities at the following locations: Vijayanagar (6.8 mtpa integrated steel facility), known as the upstream unit, Tarapur and Vasind (for value-added flat products), referred to as downstream facilities and Salem (1 mtpa integrated steel facility for long products of high value and special steels). The Company is among the few coveted integrated steel producers, with a presence across the entire value chain in flats and longs segment, and offers a variety of product basket.

JSW'S VALUE CHAIN			
FLAT PRODUCT			LONG PRODUCT
HR coils	CRFH coils	Galvanised Products	Wire rods
HR sheets	CRCA products	Galvalume products	TMT bars
HR plates		Colour coated products	Merchant Bars
			Special Steel

Performance, 2010-11

The Company registered an improved performance in 2010-11, reflected in an increase in output – hot metal production increased by 8.5%, crude steel production increased by 7.4% and HR coil/sheets production increased by 41%. New facilities were commissioned, capacity was added, new products and new customers were introduced.

At Vijayanagar, ore availability improved from captive mines. As a result of stabilisation of operations at HSM 2, the volume of HR products has increased significantly. Salem Works emerged as the largest special steels unit in India following the commissioning of a blooming mill. Products from these units received approvals from a number of global OEMs. The downstream (Tarapur and Vasind) units recorded a higher production to address a significant demand in increase for coated products from the automotive and white goods sectors. A new 300 MW power generation facility was commissioned in 2010-11 at Vijayanagar.

The production performance during FY 2010-11 was as under:

(Mn Tonnes)

Location	Product	FY 2010-11	FY 2009-10
Vijayanagar Works	Slabs/Billets	5.774	5.223
	HR Coils	4.788	3.399
	CR	0.870	0.735
	Galvanized	0.039	0.034
	Rolled Long	0.763	0.595
Salem Works	Billets & Blooms	0.652	0.763
	Rolled Long	0.371	0.363
Vasind & Tarapur Works	HR Plates	0.152	0.310
	Galvanized/Galvalume	0.870	0.871
	Colour Coated	0.160	0.148
Total Crude Steel Production		**6.427**	**5.987**
Total Saleable Steel Sales		**6.099**	**5.720**

(1) Vijayanagar Works

Vijayanagar Works, which is JSW Steel's flagship unit has an annual capacity of 6.8 mtpa which will increase to 10 mtpa in Q1 2011-12. It is Karnataka's only integrated steel facility and is widely acknowledged as a centre of steel making innovation.

This state-of-the-art facility is driven by a simple philosophy: 'Question every convention, replace the often quoted 'why' with the bolder 'why not''. The facility possesses contemporary technologies, has produced 5.77 million tonnes of steel (5.04 million tonnes flat and 0.73 million tonnes long) in 2010-11 and redefined a number of global steel manufacturing benchmarks.

Different league

The Vijayanagar Works is the only landlocked integrated steel plant in the world with an annual capacity of 6.8 mtpa (will become 10 mtpa by Q1 2011-12). It is the largest steel manufacturing facility at a single location in India. The facility comprises the best technologies, the most cost-efficient global steel plant, zero discharge and extensive greenary that has increased local rainfall.

Preparatory section

Considering declining raw material volumes from any one vendor and deteriorating input quality, the beneficiation plant will play a very critical role in upgrading the inferior iron ore to superior feed for iron making units.

Highlights, 2010-11

- Witnessed a 16% increase of in-house manufactured coke from 2.32 million tonnes in 2009-10 to 2.70 million tonnes, reducing dependancy on high-cost imported coke.
- Commissioned a pilot coke oven facility to blend coal for sustaining coke quality and productivity.
- Entered into long-term arrangements for the sale of tar and sulphur.
- Enhanced pellet production by 14% from 3.17 million tonnes in 2009-10 to 3.62 million tonnes in 2010-11.
- Commissioned the beneficiation plant for up-gradation of Iron ore quality.
- Increased sinter production by 13% from 4.62 million tonnes in 2009-10 to 5.24 million tonnes; sinter quality improved considerably.

Key initiatives, 2010-11

The preparatory segment undertook a number of initiatives:

- Optimised coal cake charge in coke ovens 1 and 2, enhancing coke productivity.
- Reduced coal cake height, facilitating gas penetration throughout the cake; reduced losses from the cake's core (not completely coked), improving coke yield and coke quality.
- Increased the semi soft-coking coal content in the coal cakes to 10%; optimised coal blend by using US coals for the first time.
- Improved utilisation of coke oven gas commissioning of the gas mixing station.
- Eliminated coke screening at coke oven; thereby improving usable coke yield.
- Altered the pellet making process, which eliminated dust generation in the pellet making process – a positive impact on the environment.
- Improved feed quality from beneficiation plants II and process modification, enhancing pellet production.
- Stabilised operations of sinter plant 3, the largest such facility in India; achieved a capacity utilisation of 66% within six weeks of commissioning.
- Ground and homogenised the sinter unit feed to the right size.
- Increased the quantum of mill scale into the sinter feed; increased process waste volume in sinter, reducing cost.
- Revamped the ESP at the sinter plant 1 for improved environment management.

Road ahead, 2011-12

- Commission the second phase of beneficiation plant II to process low grade fines to reduce costs.
- Modernise beneficiation plant I in line with the technology of beneficiation plant II, enabling it to upgrade iron ore quality.

Iron making zone

This segment constitutes the largest cost component in steel manufacture and its criticality lies in maximising the plant availability and optimising costs.

Highlights, 2010-11

- Witnessed a 11% increase in Hot metal production from 5.57 million tonnes in 2009-10 to 6.19 million tonnes in 2010-11.
- Commissioned a coal briquetting unit to reduce hot metal production cost.
- Registered the highest metal production through BF 1 and 2 at 2.12 million tonnes (1.93 million tonnes in 2009-10).
- Stabilised BF3 operations and reported the highest monthly production of 9018 TPD (March 2011), which is higher than the rated capacity.
- Achieved continuous tapping practice at BF3 for 30 hours every day (both taps functional 24 hours and some additional time of simultaneous operation); plant availability increased from 90% in 2009-10 to 97.5% in 2010-11.
- Manufactured and supplied more than 150,000 tonnes of API X grade steel (for pipe manufacturing) to domestic and international markets.

Key initiatives, 2010-11

The team undertook a number of productivity enhancement and cost optimisation initiatives:

- Sustained optimum operation parameters in the corex units despite using coal from diverse sources.
- Reduced slag generation, increased hot metal production and reduced the fuel rate.
- Commissioned additional bunkers in the stock house for material storage; increased the minimum stock level in the bunkers which reduced fines generation when material was stored in bunkers.
- Installed one turbo blower which will act as standby for both Blast furnace 1 and 2.
- Replaced the electrical actuated system used for operating stoves in BF 1 with hydraulic systems; this provided consistent air flow to the furnace and improved productivity.
- Replayed thermo couples (instruments used to measure the temperature in the furnace with a usable life of around 6 months) in the stove dome with pyrometers (indefinite life), improving furnace availability.
- Upgraded the boiler control in BF 1 from manual to PLC-based control, improving furnace availability.
- Replaced calibrated ore with sinter in the furnace feed in BF 1 and 2, saving costs.
- Developed an ore washing facility in BF 3 which washed out the fines from the furnace feed, improving furnace productivity.
- Replaced single chamber tuyere by double chamber tuyere in BF 3 – a buffer arrangement that eliminated the need of furnace shutdowns/ process interruptions due to tuyere burning.
- Altered the nut coke screen in BF 3, enhancing net nut coke consumption and lowering the cost of screening fines.
- Reused blow water from BF gear box, secondary cooling circuit of BF 3, in GCP, saving 500 m3/day of make-up water; replaced industrial water with seepage water in slag granulation unit which saved 200 m3/day of make-up water.

Road ahead, 2011-12

- Convert the burden distribution technology in BF 2, expected to improve productivity.
- Measure the carbon footprint of every product and process, a European regulation expected to cascade to the Indian environment.

Steel melting shop

This zone converts hot metal to steel in various grades, each grade with a specific chemical composition that will allow its use for that particular application. Hence, in the steel melting shop, better productivity (through higher plant availability) and value-addition remain the team's focus.

Highlights, 2010-11

- Produced 5.77 million tonnes of crude steel from the SMS facilities, 11% higher than crude steel production in 2009-10; reduced hot metal handling loss from 1.68% in April 2010 to 1.62% in March 2011.

Key initiatives, 2010-11

- Enhanced convertor utilisation, increasing average heats per day from 70 in 2009-10 to 73 in 2010-11.
- Introduced lime fine injection at the desulphurising station, reducing overall calcium carbide consumption in the SMS facilities.
- Installed the auto scarfing equipment which prevents oxygen contact with slab surface, minimising scale formation and enhancing surface quality.
- Developed 32 new grades of value-added steel.
- Improved gas recovery from 0.168 Gcal/Tls in 2009-10 to an average 0.176 Gcal/Tls, which was used in generating power and other processes.

Road ahead, 2011-12

Commission SMS 2 with additional caster in Q1 2011-12.

Rolling section

These facilities add value to basic steel forms to create user-convenient forms; product grades (thickness and sizes) are customised to user applications; mill productivity is of prime importance to product quality and organisational profitability.

FLAT PRODUCTS		LONG PRODUCTS	
Hot strip mill (HSM)	Cold roll mill (CRM)	Wire rod mill (WRM)	Bar rod mill (BRM)
Slabs are rolled into hot rolled coils (HRC) or hot rolled sheets as required by end-users.	HRC is further rolled into thinner gauges and annealed to get desired properties as per customer's requirements.	The billets are drawn into thin wire coils which are sold in the market.	The billets are rolled in various sections structural steel – TMT bars being the most common.

Highlights, 2010-11

- Recorded an increase in the proportion of HR products in the HSM 1 – thinner gauge products accounted for 32% of the production against 27% in 2009-10.
- Rolled 17 new product grades in HSM 1, catering to diverse user requirements.
- Commissioned HSM 2 with single furnace operations; achieved optimum capacity utilisation with single furnace; commissioned second furnace in February 2011, taking the mill's operational capacity to 3.5 mtpa.
- Received JFE Audit Certification at HSM 2 for being perfectly suited for rolling auto grade steel.
- Production at CRM increased by 18% from 0.735 million tonnes in 2009-10 to 0.87 million tonnes in 2010-11.
- Commenced rolling special grades for leading automobile OEMs namely Ford Motors, Ashok Leyland, M&M and GM, among other leading brands; increased supplies to Hyundai Motors significantly.
- Developed new products, namely, steel for welding electrodes and leaded grade steel (exported to the US).
- Developed special TMT bars (500 ys and 550 ys grade) suited for infrastructure projects.
- Received the BIS Certification for welding grade steel and for TMT rods, expected to strengthen product acceptance for projects by institutional clients.

Key initiatives, 2010-11

Hot strip mill: The Company has two hot strip mills with a total cumulative label capacity of 6.7 mtpa. The first unit is capable of rolling products up to 1,350 mm width while the second HSM unit is the widest mill in India, equipped with sizing presses and an automatic line inspection facility, which makes it the first mill-of-its-kind in India. The combination of these two mills allows the Company to roll the widest range of HR coils in India.

- Improved operation and maintenance practices in HSM 1 strengthened plant utilisation from 84.9% in 2009-10 to 86.08% in 2010-11; prime yield also improved from 94.67% in 2009-10 to 95.66% in 2010-11, bringing non prime/NCO to the new benchmark level of below 2.5%.
- Developed 17 new grades of steel to cater to diverse end user segments.

Cold rolling mill: The cold rolling mill is a state-of the-art mill with contemporary technology, the first-of-its-kind in India with complete automation. This is the first global instance of a single-stand skin pass mill (capacity 0.875 mtpa) in the electrolytic line. The shape metre in the tail end of the skin pass mill for superior flatness to the rolled products is a pioneering technology in India and a rare feature in the global steel industry. The mill performance exceeded projections, resulting in sizeable value-addition for the Company. During the year, the Company undertook the following improvements for superior performance:

- Increased jumbo HR coils feed in the cold roll mill; reducing material feeding time and improving mill productivity.
- Developed 13 new product grades, namely low carbon grades (extra deep drawn and deep drawn), IF grades, dual-phase trip steel (980 mpa strength) and HRPO 400/440, among others.
- Improved checklist and enhanced preventive care, resulting in better equipment utilisation; from 83% in 2009-10 to 86% in 2010-11.
- Optimised automatic sequence to increase productivity (from 121 tonnes per hour to about 129 tonnes per hour) and safety.

- Achieved crane centre marking; eliminating operational delay and enhancing productivity.
- Optimised packing cost though unique initiatives in packing practices.

Wire rod mill: The Company's wire rod mill is the fastest of its kind in India (drawing wire at 110m/sec); developing the largest product range (5.5 mm – 22 mm) and providing the maximum yield. It is also the only mill in India with an air cooling conveyor, allowing it to roll high carbon steel seamlessly. The team undertook the following improvements:

- Formed 25 cross functional teams within the wire rod mill for identifying and arresting minor problem areas in the mill.
- Reduced the overall gas consumption 13.7% by altering furnace temperature in line with the product thickness being rolled (low thickness products would imply low temperature in the furnace); it also reduced scaling on the billet.
- Reduced cobbles in the final product by undertaking timely preventive maintenance of the equipment.
- Reduced process wastage due to cobble, by pushing the billet nearest to the furnace exit door back into the furnace on the detection of a cobble.

Bar rod mill: This is the highest speed and widest range bar rod mill in India, capable of manufacturing a wide product mix (TMT, angle, square, engineered rounds, square round corners) and in multiple sizes (from 8mm to 40mm). The versatility extends to the product strength – the mill can develop products up to a maximum strength capability of 1150 mpa. In 2010-11, the team implemented a number of mill improvement measures for improving the value-proposition from this facility:

- Augmented cooling facilities for converting the entire TMT production to 500 grade TMT products (earlier about 75% was the 415 grade TMT).
- Developed the 50x50x6 angles and engineering round (4 sizes) for the first time – these products found strong acceptance from user segments.
- Adhered strictly to preventive maintenance schedules and minor process improvements, increasing yield from 93.5% in 2009-10 to about 96% in January 2011 and reducing the conversion cost in the bar rod mill.

Road ahead, 2011-12

The road ahead for the rolling mills would be towards productivity enhancement, developing superior product grades and optimising operational expenses:

In the hot rolling section, the team is working to ramp up the operations of the recently commissioned HSM 2 unit which will primarily roll high strength steel to be used in niche automotive applications.

The blueprint for the cold rolling section encompasses the following measures, enabling the Company to scale the value chain and cater to quality-stringent customers:

- Further enhance yield in the mills.
- Develop new product grades namely, EDD and IF grades skin panel for catering to MNC automobile clients.
- Roll substrata sourced from JFE facilities for meeting the requirements of global automotive players.
- Establish an electrolyte line for superior surface qualities.
- Set up the new 2.3 mtpa cold rolling mill which will roll high end products demanded by the automotive sector, namely dual-phase steel and strip steel.

The wire rod mill expects to enhance capacity utilisation, which was impacted in 2010-11 owing to the non-availability of billets. The bar rod mill is working on upgrading TMT production to 100% 500D grade from the present 500 grade, strengthening realisations. As a branding exercise, the team expects to add equipment which will engrave the JSW brand and grade on the TMT product.

(2) Salem, India's largest special steel plant

India's largest single location dedicated special steel facility is at the bottom of the J-curve with a promise of accelerated growth in business and profitability growth.

Achievements, 2010-11

Operations

- Successfully stopped the production of TMT bars in December 2009 which was replaced with special steels completely.
- Improved overall coke yield from 69.18% in 2009-10 to 69.98% in 2010-11; reduced coke fine generation.
- Achieved record coal fines injection of 139 kg per tonne of hot metal in the blast furnace in October 2010.

Products and markets

- Received product approvals from leading global automotive giants.
- Developed creep resistant boiler grade steel (T-11).
- Received approval for products developed for Indian Railways.

Key Initiative, 2010-11

- Modified the waste heat boiler of the coke oven plant which allowed 10% more waste heat to be recovered for onward power generation.
- Improved the stamp charging technique, increasing the BF coke percentage chargeable to the blast furnace from 90% in 2009-10 to 91.5% in 2010-11.
- Developed the Basket Test equipment to predict coke quality from coal blends, resulting in superior coke manufacture.
- Introduced a chemical binder in the sinter (when using large quantity of ore super fines as input); used granulated steel slag as the hearth layer in the sinter plant. These improvements enhanced sinter productivity from 2,800 tonnes per day in Q3 2010-11 to about 3,100 tonnes per day in Q4 2010-11.
- Increased the proportion of sinter in the blast furnace input from an average 57% in 2009-10 to an average 62% in 2010-11, reducing the use of coke and calibrated ore in the blast furnace which optimised production costs.
- Increased the injection of coal fines and dust to optimise costs.
- Injected chemical fluxes with coal fines in the blast furnace, reducing silica variations in the hot metal and improving productivity in the steel making shop, a first for the Indian Steel Industry.
- Blended bed-recovered coal (coal spillage at various plant locations) with coal fines for injection as PCI in the blast furnace.
- Developed a unique air-conditioner which performed very well in dust-prone areas – example, hot metal zones, crane cabins, resulting in improved working conditions and productivity.
- Developed in-house, a unique burden probe mechanism that checked temperature and air flow at the top of the blast furnace (essential for monitoring complete combustion of the blast furnace burden) at a third of the prevailing cost.
- Optimised processes with minimal variations; modified process parameters in the ladle furnace, reducing oxygen in steel by 3 ppm and nitrogen by 8 ppm. This helped develop a larger number of grades and guarantee steel with an oxygen content <12 ppm (an international benchmark).
- Modified the billet caster to cast longer billets suited for the Vijayanagar wire rod and bar mills. This initiative minimised billet shortfall in Vijayanagar and what was sold as billets was now marketed as rolled products.
- Increased mill scale utilisation in the sinter manufacturing process as a cost effective replacement for iron ore without impacting product quality.

Products and clients

Developed more than 100 product grades for diverse customer requirements, largely focused on the automotive and auto-component sectors; each grade being customised for a specific customer.

Road ahead, 2011-12

- Implement modifications in the waste heat recovery boilers at the coke ovens for cost-effective power generation.
- Design a simplified test for determining coke fluidity from coal blends, which is expected to reduce testing time.
- Work with automotive OEMs to develop high-strength steel for leaf springs, reducing steel consumption and increasing fuel consumption per vehicle.
- Accelerate product approvals from OEMs.
- Work closely to develop automotive gear steels for application which are being imported.

- Implement automated testing facility for steel bar, thereby avoiding operator bias for OEM.

Environment management at Salem

- Replaced two-thirds of river sand used in the blast furnace runner with EOF slag fines, facilitating waste recycling.
- Introduced flue dust from the blast furnace as an additive in cement manufacture, which improved cement productivity for the cement company and dispose a process waste for the steel maker.

(3) Downstream units focused on brand building

JSW's Tarapur and Vasind facilities focus on value-addition, providing a wide product range (HR Pickled & Oiled coils, HR plates, CRCA products, galvanised, plain and corrugated products and colour-coated products) for multi-sectoral applications.

JSW possesses India's largest galvanised steel capacity; it has the prestigious Galvalume Certification of BIEC International Inc.; its colour-coated facility offers more than 200 shades of colour-coated galvanised products; it provides any shade of material on-demand within three weeks.

JSW Vishwas	JSW Vishwas Plus	JSW Colouron	JSW Colouron Plus
Galvanised corrugated sheets	Galvalume plain sheets	Colour-coated galvanised products	Colour-coated galvalume products

Highlights, 2010-11

- Renamed Jindal Vishwas as JSW Vishwas and Jindal Vishwas Plus as JSW Vishwas Plus to strengthen the JSW recall.
- Achieved the highest plant load factor of 102.56% (December 2010) in the newly commissioned 30 MW power plant at Tarapur.
- Increased the production of thinner gauges (≤ 0.20 mm) at Tarapur for export.
- Launched Pragati, a new product with lower zinc and paint coating for roofing application; this product was launched in West Bengal, Maharashtra and Gujarat.
- Conducted 1,000 hours of salt-spray test on the anti-finger print galvalume product.

Key initiatives, 2010-11

'Where change is constant' – This phrase fits best for the JSW team, where the labeled capacity is only the start to great achievements. The ability to see things differently and draw more from equipment is what sets JSW apart from other players in the Indian steel industry. In keeping with this passion, the teams operating the downstream units undertook a number of improvement/modification initiatives resulting in superior products, productivity and profitability.

Tarapur

- Replaced DC drives with AC drives in one galvanising line, saving 4 units of power per tonne and reducing breakdowns.
- Increased handling capacity at the entry section of the two colour-coated lines from 10 tonnes per coil to 25 tonnes, resulting into productivity and yield improvement.
- Commissioned the Trapezoidal Profile facility.
- Introduced the Eloguard chemical in the water used in the boiler, reducing DM water consumption in the power plant by 40%.
- Commissioned the Ammonia Injection system to ensure the SPM level from stack remains within the permissible incase of non-functioning of the ESP – an important environment management initiative.
- Commissioned a dry fog system in the coal and ash handling system to control coal and ash dust emissions.
- Installed islanding relay at the 11KV grid incoming feeder; completed relay setting with proper protection coordination for the successful islanding of the power plant against disturbances in the 132KV state power grid.

Vasind

- Commissioned the 1220 mm wide sophisticated Senfung machine, which provides multiple profiles to galvanised sheets. The equipment is equipped with flying-type profile shear, hydraulic system with variable speed and automatic roller type stacker arrangement which can cut up to 16 ft length sheets. This equipment generates scratch-free sheets with uniform profile and precise length accuracy.
- Installed and designed a plate length measuring device in the hot rolling plate mill, resulting in precise finished plate lengths with minimal rejections.
- Installed permanent electro-magnets in two cranes in the hot rolling plate mill for secure material lifting, enhancing the safety quotient in the plant.
- Commissioned new belt wrapper assembly in the galvanising line which reduced the scratches in the tail end of the coil, maintained coil tension right throughout winding, resulting in superior surface quality and improved yield of galvanised products.
- Developed and installed an auto soot blowing system in a waste heat recovery boiler for superior operations.
- Replaced existing electrical drives with energy efficient variants.
- Replaced flat belts for pulley drives leading to energy savings; replaced conventional acid pumps with energy-efficient variants.
- Established an environment control laboratory to check ambient air, stack and in-plant sampling, drinking water and effluents.

Product development

Product	End Application	Location	Status
HR plate			
En 10215 355 - J2, in 63 mm and below thickness	Structural Application	Vasind	Developed
Galvanised coating			
EN 10327 DX 52 D YS = 300 Mpa max; TS = 420 Mpa max; El = 26% (80 GL)	Cold Forming Application	Vasind and Tarapur	Developed
EN 10327 DX 53 D with low carbon steel YS = 260 Mpa max; TS = 350 Mpa max; El = 30% (80 GL)	Cold Forming Application	Vasind	Developed
ASTM A 653 SS Grade 50 Class I with 95 grade HRC	Structural Application	Vasind	Developed
ASTM A 653 SS Grade 50 Class 4 and Class 4 with MC16PG grade of JSW Ispat	Structural Application	Vasind and Tarapur	Developed
Pre-painted GI/GL			
Extra Flexible Paint - 1T Bend	Forming grade material	Tarapur	Developed
0.22 mm TCTP PPGI	Roofing Application	Tarapur	Developed
PPGI with 20μ PVDF coating on each side	Enhanced product life	Tarapur	Developed
PPGL "Pragati" for roofing	Roofing Application	Tarapur	Developed

Road map, 2011-12

The downstream unit teams will draw up blueprints comprising, capacity addition and modifications to existing facility, enhancing value from downstream units.

Tarapur

- Upgrade the TM2 mill for higher production (output of 5000 t/ month CR > 0.25 mm); install Thyristor drive in the mill, entry tension reel, delivery tension reel and pay-off reel.
- Modify the flux line in the 'heat to coat' furnace continuous coating line, boosting production by around 2,900 tonnes a month.
- Install Regenarating Re-generative Thermal Oxidiser in the colour coating line (CCL1) to reduce LPG consumption.
- Enhance the furnace capacity of CSD1 from 12 TPH (full hearth) to 16.5 TPH, permitting the team to develop new product grades.
- Install a Mangalorian Tile Profile machine to eliminate the need for external job working.

Vasind

- Commission the railway siding at Vasind.
- Commissioning of Natural gas project (from LPG/Furnace oil to natural gas); the gas pipeline is being routed by GAIL. The fuel conversion will be at the HR plate mill (furnace oil to natural gas) and the galvanising facility (from LPG to natural gas).
- Initiate product diversification, adding value-added produces to the product basket namely, galvanised products (EDD grades) for automobile and appliances and colour-coated sheets for structural application and appliances.
  - Modification of CG1 for manufacturing EDD grade products to be value-added in new coating lines.

(C) OTHER CRITICAL FUNCTIONS

(1) Material Procurement

A tonne of steel consumes about four tonnes of natural resources (coal and iron ore), making adequate, proximate and economic availability critical to profitability.

JSW's iron ore is sourced from the Bellary belt, 20 km from its site. The beneficiation plant utilises inferior grade iron ore and iron ore fines, making it the only steel unit in the state to utilise all iron ore grades.

The Company imports its entire coking coal; corex coal, (low grade coking coal used for iron making in the corex units) and thermal coal (for power generation) are procured from global destinations.

A. Iron ore

Highlights, 2010-11

- Initiated iron ore sourcing from Chitradurga, reducing its dependence on Bellary.
- Reduced the proportion of high grade ore (80% in 2009-10 to 30% in 2010-11) following commissioning of beneficiation plant.

Key initiatives, 2010-11

- Tied up for additional iron ore sources to feed the 3.2 mtpa steel melting capacity that will become operational in Q1 2011-12.

Road ahead, 2011-12

- Source low grade iron ore to meet the plant's entire requirement, resulting in a huge cost saving.
- Pursue with the Government for mine allocations.

B. Coal

Highlights, 2010-11

- Shifted from Annual to Quarterly sourcing contracts.
- Increased vendors and diversified geographic sourcing.

Key initiatives, 2010-11

- Maintained sufficient inventory, insulating it from sudden price spikes.
- Sourced about 12% of the total coking coal requirement from the US and Canada.
- Added new Australian vendors for corex coal; added vendors from South Africa.

Road ahead, 2011-12

- Increase coking coal sourcing from different global geographies.
- Scout for more coal assets from USA, Canada, Indonesia, Columbia, Australia, Newzealand and South Africa.

(2) Raw Material Handling

At JSW Steel, competent raw material management is critical on account of the sheer volume to be handled daily – At 11 mtpa stage, the daily receipt would be around 28,000 tonnes of coal, 60,000 tonnes of iron ore and 15,000 tonnes of fluxes. This management is complex, the same input having to be sourced from various geographies. The team needs to optimise the process, as every handling exercise generates some fine quantity which is not desirable.

Highlights, 2010-11

- Managed 21 million tonnes of raw material, 20% higher than in 2009-10.
- Increased monthly rake handling by 20%, managed 515 rakes in December 2010 the monthly highest during the year. Rake handling was maintained at 15 rakes/day on average.
- Installed higher capacity vibro-feeders in screen houses which synchronised the working of screens with vibro-feeders, increasing base daily production from 9,000 tonnes to 14,000 tonnes.

Key initiatives, 2010-11

- Modified the belt replacement procedure, screw take-up arrangement, skirt board arrangement and support structure of the conveyor, critical for BF3 material feeding; reduced belt replacement time from 14 hours to six hours, increasing plant availability.
- Modified the side beam structure of wagon tippler 4, used superior material for the box fabrication and provided additional stiffeners for better strength and crack free, efficient performance.
- Increased barrel reclaimer strength by modifying the structure of the harrow trolley from the rolled to fabricated section.
- Installed a reversible conveyors facilitating, increased flexibility in feeding corex and blast furnace units.
- Lifted the drive base frame of one conveyor to avoid monsoonal breakdowns in the conveyor drive.

Road ahead, 2011-12

- Minimise wastage by fewer handling.
- Briquetting of coal fines.
- Iron ore recovery from slime.

(3) Logistics Management

At JSW, 1.3 lacs tonnes of material needs to be managed and moved daily; a number that has increased each year over the last five years.

At 11 mtpa steel production capacity, JSW will need to move more than 46 million tonnes of material annually (inward and outward) in addition to material transfers between its operating units.

The required logistics management is similar to regulating train movements at a busy station; manage 33 rakes and 600 trucks, moving 26,000 tonnes of hot metal in torpedoes, ladles internally – every day!

The Company created an adequate logisitics management infrastructure:

- Raw material receipt yard with 26 full length rake lines
- 6 wagon tipplers for unloading coal, coke and fluxes in BOXN rakes
- Track hopper for handling iron ore in bottom discharge wagons, capacity to unload 12 rakes: 42,000 tonnes per day
- Dedicated rake handling yards for coal requirement
- Steel despatch yards at all production units like hot strip mills, cold rolling mill, wire rod and bar mills for both road and rail
- Dedicated rail loading yard – north yard will have 9 lines and weighbridges. Moreover, the in-facility logistics infrastructure comprises 165 km railway line, 41 locomotives and 15 wagons used for internal material transfer.

The Company's imports are managed across the four ports in Goa, Krishnapatnam, Chennai and Karaikal. The majority of imports are routed through Goa (around 6 million tonnes) and transported to the Vijayanagar facility through the rail route. The Karaikal port feeds the Salem facility while the other two ports import for both facilities.

Highlights, 2010-11

- Managed 23.0 million tonnes cargo against 19.9 million tonnes in 2009-10, a 16% increase over the previous year.
- Invested ₹ 76.58 crores in additional logistics management infrastructure.

- Handled the highest dry bulk cargo at Chennai port in Q2 and Q3 and at Karaikal port in Q2 (recognised by the Port Trust).
- Rake availability at Goa increased from 3-4 rakes per day to about 5-6 rakes per day, increasing rail material handling by 1 million tonnes.

Key initiatives, 2010-11

- Inaugurated a new locomotive service center in November 2010 to maintain owned locomotives, optimising costs.
- Commissioned a track hopper dedicated for iron ore unloading in March 2011; introduced bottom discharge rakes introduced in the iron ore circuit.
- Invested in a central traffic control system for monitoring movement and safety at the raw material receipt yard to track and track and control the overall movement of trains inside JSW.
- Stabilised wire rod and TMT despatches by road and rail – 0.74 million tonnes despatched during the year under review.
- Implemented the rake loading facility at HSM-II, reducing internal shifting of finished goods for outward dispatch; an average 1,000 wagons loaded monthly which would increase to 4,500 wagons per month.
- Created an import cargo tracking system (from load port to plant receipt) through single software system.
- Improved rake handling process in Vijayanagar, increasing rake handling from 12-13 rakes to 15-16 rakes per day.

Road ahead, 2011-12

- Commission the railway track signalling and interlocking facility in line with railway system proposed in two phases:
    - Phase I – Raw material receipt yard and track hopper
    - Phase II – Steel despatch yard and hot metal yards
- Create the eastern yard for unloading steam coal for Group companies and stabilise the rakes with 12 lines.
- Create a TXR facility for rake examination planned in and around JSW.
- Create a container rake for loading and stuffing cold rolled products meant for export.
- Develop additional infrastructure facilities at Goa port in line with increased exports.
- Receive 19 JSW locomotives along with the existing 22 locomotives to handle increased volumes.

(4) Energy Management

JSW's energy management comprises the successful reduction of fossil fuel consumption in power generation, practices to transform waste to wealth and reduction of specific energy consumption in downstream product manufacture.

In doing so, the team minimises pollution, sustains resources longer (utilising waste gases in the operational process, replacing fossil fuel) and builds the nation (manufacturing steel, the infrastructure backbone).

Highlights, 2010-11

- Specific energy consumption declined from 6.469 gcal per tonne of steel in 2009-10 to 6.193 gcal per tonne of steel, despite the commissioning of a number of ancillary units of 3.2 mtpa expansion project which necessitated higher power consumption.
- Received the CII Award for Excellence in Energy Management 2010 for the third successive time.
- Commissioned a 300-MW coal-based power generation facility in September 2010 to complete self-sufficiency in power requirements up to 6.8 mtpa; replaced the power drawn from JSW Energy.

Power generation: JSW Steel (Vijayanagar) is among the few integrated Indian Steel Plants where a large percentage (64.30% as on March 31, 2011) of power generation utilises waste heat, processed gas and solid waste. At 6.8 mtpa, the Vijayanagar unit requires 369.78 MW to sustain operations across all facilities; its own generation stood at 334.40 MW, the balance was drawn from JSW Energy. To emerge self-sufficient at the 10 mtpa stage, the Company is establishing a 300 MW power generation unit, expected to commence operations by December 2012. The captive power generation at Vijayanagar Works is managed by JSW Energy Limited.

Own power generation	Non-fossil fuel power generation	Estimated coal saving
2010-11	2010-11	2010-11
334.40 MW	206.6 MW	598,796.50 tonnes

Power distribution: The seamless distribution of power to all operating and ancillary units is monitored by a specialised power distribution cell. The efficiency of the team is reflected in only three power outages in 2010-11 against over 7 outages in 2009-10 (a single outage could result in a significant drop in productivity and sizeable time to ramp up to the standard operations leading to a colossal loss of financial resources). The team undertook a number of initiatives to ensure continuous and fault-free power distribution to all units.

Key initiatives, 2010-11

- Introduced 'islanding', which isolated the disturbance area from the plant grid. The Company installed 'CLIMS', an intelligent, real-time load management system – a server-based technology – to balance generation with consumption and allow the simulation of all 'islanding' possibilities, resulting in proactive alarms for disturbances leading to immediate remedial action.
- Replaced the ID Fan at the top of the converter (SMS unit) with a variable voltage and variable frequency fan, reducing fan speed when there is no oxygen blowing into the converter (hence, no hot air coming out of the converter) and reducing SMS power requirement.
- Developed an in-house neutral ground resistor to reduce energy flow to the neutral earth transformer in the event of a massive energy fault. This reduced energy fluctuation at the busbar of feeder transformers, preventing equipment damage.

Gas and heat utilisation: The Company generates processed gases from various operational units with high calorific value which are recycled for heating and generating power. The energy management team maximises the utilisation of these waste gases, minimising power requirement.

Key initiatives, 2010-11

- Reduced idle heating hours in the pellet plant, reducing specific heat consumption.
- Replaced the by pass electrical actuator with hydraulic high capacity actuator, facilitating 94% of BF gas to pass to the turbine installed at the top of BF III.
- Improved furnace heat regime coupled with operational consistency, increasing the injection of coal dust.
- Utilised mixed gas for power generation in CPP-1 during Corex unit shutdowns, enhancing power generation at CPP-1 from 93.59 MW in 2009-10 to 99.45 MW.
- Replaced main valves with smaller diameter auxiliary valves to ensure flame of flare stack in the corex unit; increased corex gas utilisation from 97.75% in 2009-10 to 98.92% in 2010-11.
- Stabilised gas mixing stations in the coke oven unit, improving coke oven gas utilisation.
- Improved BF gas utilisation from 73.06% in 2009-10 to 88.06%.
- Developed a gas monitoring system, covering the entire plant, this facilitated a real-time monitoring of gas generation and consumption, optimising gas consumption.
- Developed schemes to replace high calorific corex gas with BF gases for power generation; generated 103.84 MW by utilising BF gas.
- Replaced LPG consumption for heating runners in iron making zone with additional coke oven gas (with the commissioning of coke oven 4).

Blueprint, 2011-12

- Reduce flaring of BF (<5%) and corex (<1%) gases, eliminating the flaring of other process-generated gases.
- Develop a system for sensible heat recovery at the LD vessel.

- Develop a waste heat recovery system at the sinter cooler unit and in the stoves of all blast furnaces.

Extracting wealth from gas

	Gas utilisation in 2009-10 (%)	Gas utilisation in 2010-11 (%)
Corex gas	97.8	98.9
Blast furnace gas	73.1	88.1
Coke oven gas	96.5	97.1

(5) Research and Development

At JSW, innovation is driven by its skilled R&D team. It works to redefine national and global benchmarks in iron and steel manufacture. The result is improved productivity and consistently declining costs. The R&D team comprises 44 qualified members who work along with shop-floor teams to design and implement shop-floor processes; its efforts are facilitated by a full-fledged R&D centre equipped with contemporary infrastructure, pilot testing and simulation facilities. R&D activities are focused on plant performance improvement, new process development, product and grade development, energy conservation and waste management. The innovation-centric mindset at JSW is reflected in its investment in R&D – the Company invested ₹ 42.44 crores in 2010-11 (capex) to strengthen its infrastructure.

Key initiatives, 2010-11

Department structure

For increasing the innovation benefits made by the R&D team, the Company restructured its R&D cell. It re-designated the R&D cell at the Vijayanagar unit as the corporate R&D cell – the centre for all research activities with R&D sub-centres at other units, namely Salem, Tarapur and Vasind, reporting to the corporate cell. A number of R&D projects have been identified for each of the sub-centers. Most key research and development activities would be conducted at the corporate R&D cell, while its implementation would be undertaken by sub-centre teams. Also, R&D activities reviewed by the Board of Directors on a quarterly basis.

Process modifications

- Identified new coal sources and developed coal blends for consistently achieving a coke CSR of 65 and above.
- Developed the process of utilising coal tar pitch in coal-cake preparation replacing water. This initiative improves coke CSR by 2-3 points, increases gas generation from the coke oven (hence more power generation) and reduces water consumption.
- Improved pellet quality at the drying stage through a novel improvisation – increased the pellet size in the hearth enabling improved circulation of hot air for better firing of pellets – consequently, the under-fired pellets reduced from 8% to 5%.
- Increased the melting rate and adopted the high-alumina slag practice, reducing the fuel rate and slag rate by 30 kg per tonne of hot metal and 27 kg per tonne of hot metal in the Corex units.
- Developed technology for the briquetting of coal fines for its usage in the Corex unit.
- Improved pellet disk yield from 80% to 88% through optimisation of disk angle, rotational speed of the disk, and water distribution, minimising recycling of over-sized and under-sized and optimising costs.
- Improved gas utilisation efficiency in BF 3, improving the fuel rate and optimising operational cost.
- Reduced grinding loss of back-up rolls by about 10% at the hot strip mill - I, increasing its usable life.

Predictive models

Iron and steel making is conducted in a closed environment under extreme conditions (extremely high temperature, pressure and toxic gases), making it necessary to closely monitor operations. But there is hardly any scope for monitoring actions inside steel making vessels and for proactive preventive action. The furnace behaviour can only be gauged from the quality of the output allowing for reactive correction at best leading to huge costs (product loss) and time loss (furnace shutdown for rectification). Consequently, predictive models are emerging as a key tool for improved operations, providing proactive details of possible outcomes, facilitating derisking.

Sulphur prediction in steel melting shop: The R&D corporate cell developed a sulphur prediction model which facilitated estimating sulphur content in hot metal at the hot metal desulphurisation stage, allowing the team to take preventive action proactively, improving steel quality.

Predictive model for channeling in the blast furnace: Channeling refers to the upward flow of air in the blast furnace in a channel. This could lead to uneven burning of input in the blast furnace, impacting productivity and product quality. The Company created a scientific model allowing early detection of air channeling, facilitating proactive measures for air flow in the blast furnace.

The team also developed a prediction model for the detection of silicon in hot metal allowing it to take adequate preventive measures.

Product development

The team developed 27 new slab and 2 new billet grades. The key products developed comprise:

- Automotive grade steels for interior and exterior applications.
- Silicon steel – non-oriented.
- Line pipe steel including API X-70 grade. API X-80 grade is under development.

Patents filed

The R&D team filed 5 patents during 2010-11:

- A Method for Reheating of Individual Ovens after shut down for non-recovery coke oven.
- An Oven Identification System for Coke Ovens for alignment and positioning of guide and pusher car.
- A System for Effluent Treatment at Coke Oven Plant and a method for such treatment.
- A Sinter Charge for higher productivity and a method for its manufacture
- A Simulator System for desulphurization of Coke Oven Gas and a gas treatment method using such system.

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- Model to estimate Direct reduction, Top gas and Minimum carbon rate in Blast Furnace.
- Model to Estimate Coke and Ore Layer Voidage in Blast Furnace.
- Mathematical Model for Hydro-cyclone Performance.
- Hearth Liquid Level Prediction Model.
- Model to Predict Tuyere Velocity and Kinetic Energy in BF & COREX.

Publication of technical papers

Some of the research work was converted in to 12 Nos. of publications in international journal of repute, such as Iron and Steel Institute of Japan (ISIJ), Ironmaking and Steelmaking, World Cement, Steel Research International, World Iron and Steel and Steel Grips.

National Award

Mr. P. Prachethan Kumar, Manager (R&D and SS) was awarded the 'Young Metallurgist of the Year 2010' at the National Metallurgist Day 2010 at Bangalore, instituted by the Ministry of Steel in recognition of his contributions in steel research.

Blueprint, 2011-12

- Commercialise the production of briquetted coal fines in the Corex units.
- Establish production facility for mill-scale briquette for its direct application in steel making.
- Establish a full-fledged beneficiation laboratory for advanced research on the technology and process modifications for improving productivity and product quality.
- Establish a pilot scale beneficiation research facility for utilising BHQ (banded hematite quartzite) grade ores with extremely low iron content
- Establish advanced characterization laboratories.
- Augment product development research by addition of vacuum induction melting furnace.

- Expand the R&D team.
- Initiate R&D projects at its Vasind, Tarapur and Salem locations.

Coal briquetting technology

The Company used high-cost, imported coal as feed for its Corex units. Over 45% of the imported coal gets screened-off for fines. Consequently, imports are significantly higher than the actual quantum required for making hot metal.

To meet this challenge, the R&D team developed the coal briquetting technology which completely utilised the coal fines in making hot metal. Besides, it would improve plant availability and productivity and reduce the fuel rate in Corex. More importantly, it would significantly reduce the working capital blocked in importing such high-cost coals.

The Company is establishing a 0.6 million tonne briquetting facility at Vijayanagar Works, which is under commissioning.

(6) Project Management

JSW Steel has been the most aggressive capacity creator in India's steel industry, simultaneously executing multiple capital-intensive projects at any given time.

In 2010-11, the team executed more than ₹ 50 billion projects at the Company's various locations. The uniqueness of the Company's project management is reflected in the following realities:

- All projects are implemented by an in-house team, which facilitates low-cost, timely implementation, leveraging resident knowledge.
- The project management team comprises cross-functional participation; members from diverse departments bring diverse skills and capabilities to supplement the core project management team.
- The cement, TMT and steel plates and sheets used in the Company's projects are available in-house.
- Following project completion, the team is given the responsibility of operating and managing the facility.

Consequently, the project management teams redefined global and Indian benchmarks in terms of time taken to commission projects and stabilise operations.

Timely execution

- JSW managed and reviewed projects real-time through a centralised project management team along with the project team responsible for the particular project.
- Institutionalised a system of regular project review meets by senior management; undertook in-depth gap analysis between the budgeted progress and actual performance; drew from organisational resources to accelerate projects.
- Leveraged 2.8 mtpa expansion project capabilities to spearhead 3.2 mtpa expansion Project in addition to hiring new cross-departmental members.
- Increased the average procurement packet size from vendors, strengthening commercials and optimising capital expenditure.

Achievements, 2010-11

- Commissioned certain facilities of 3.2 mtpa expansion project.
  - Two of the four batteries (1.95 mtpa capacity) of coke oven 4 were commissioned in December 2010.
  - Sinter plant 3 (5.75 mtpa capacity) was commissioned in February 2011 – the largest such facility in India.
  - 300 MW captive power plant (CPP 3) was commissioned in September 2010.
  - Ladle Heating Furnace-3 & 4, Converter-3 & 4 and Caster-3 & 4 were commissioned in phases by March 2011.
  - Lime calcination plant - Kiln 8 (capacity 300 TPD) commissioned.
- First phase of the 20 mtpa beneficiation plant was commissioned in phases by April 2011.
- Commissioned Phase I of blooming mill project at Salem.

Road map, 2011-12

The Company plans to commission the following:

- Blast furnace 4 (capacity 3.2 mtpa) and Sinter plant 4(capacity 2.4 mtpa) in Q1 2011-12, taking the total operational crude steel making capacity to 10 mtpa at Vijayanagar.
- Second phase of the new HSM, taking the rolling capacity of this facility to 5 mtpa.
- Pellet making (capacity 4.2 mtpa) by Jun 2011.
- Second phase of the beneficiation plant 2 by November 2011, taking the total capacity of this unit to 20 mtpa.
- Cut-to-length facility at the hot strip facility to cater to the 2 mtr wide plate market by July 2011.
- Lime calcination plant - 3 x 600 TPD lime kiln will be commissioned by July 2011.
- Water pipeline from Alamatti to Vijayanagar – 82% work of 160KM pipeline is completed; project to be completed by June 2011.

The Company plans to undertake a number of capital-intensive projects at its Salem facility:

- Commission Phase II of the blooming mill; install the finishing section to develop high-value steel grades.
- Install an automated inspection line at the blooming mill (Phase 2) for meeting the demand for 100% finished products; inspection of specialised steel.
- Install bar coding machines for accurate finished product stocking and band cutting saws for faster sample making.
- Strengthen raw material handling by installing a wagon tippler and associated equipment to facilitate a faster rake turnaround and reduce demurrage charges.
- Replace the old chimney at the coke oven plant with a new one along with a 32 TPH waste heat recovery boiler; achieve a safety mandate and generate low cost power.
- Introduce steam injection facility in the sinter plant that is expected to enhance productivity by about 130 TPD.
- Modify EOFs, bay extension and material handling facilities at the steel melting shop, increasing productivity.
- Upgrade the existing bar and rod mill, expected to improve productivity (by 3,000 tonnes per month) and quality.
- Upgrade de-dusting units at the blast furnaces and steel melting shop for better environment management.

90 days ahead of schedule

The first battery of coke oven 4 was commissioned in September 2010 and the second battery of the same unit was commissioned in December 2010, three months ahead of schedule, saving the Company's cost, difference between procurement and own production.

(7) Marketing

At JSW, saleable volumes have grown multi-fold. Consider this: in just four years, saleable steel volumes more than doubled. The Company's unique marketing policy – sell then make – accelerated sustainable growth. To strengthen its focus on diverse various segments, JSW Steel restructured its marketing set up.

Highlights, 2010-11

- Growing focus in value-added sectors, commencing supplies to M/s. Ashok Leyland, M/s. Kalyani Lemmerz, M/s. Toyota Motors, M/s. Bharat Forge, M/s. Tata Motors and many others.
- Growing focus on value-added grades and products including medium/high carbon steels, high tensile and HSLA grades for auto sector, API Grade steels for oil and gas sector, forging quality steels for auto application among others.
- Contribution of retail sales up from 16% in 2009-10 to 23%
- Increasing sales from stock yards.
- Reducing semis sales from 22% of total sales in 2009-10 to 6% in 2010-11.

- Sales volumes increased 7% from 5.72 million tonnes in 2009-10 to 6.10 million tones in 2010-11.
- Sale of value-added products grew 7% over the previous year.
- Received product approvals from leading global automotive OEMs and large Indian corporates for flat and long products.
- Received an award from Hyundai for 'Best Contribution' as a vendor in the category of raw material supplies – in the very first year of our association.
- Award of best debutant supplier from Ashok Leyland Limited.

Flat products

Highlights, 2010-11

- Contributed 49% to country's incremental demand for C-steel flats.
- Share in domestic market of flats up from 10% in 2009-10 to 13% in 2010-11.
- Share in domestic market of HR coils & sheets up from 15% to 21%.
- Sales of C-steel rolled products by 26% with flats at 28% and longs at 22% v/s Domestic market witnessing a growth of 11% with flats at 6% and longs at 16%.
- HR coils sales up by 51% with growing focus on auto, oil and gas, general engineering and Retail.
- Cold rolled sales up by 29% with growing focus in auto sector, leading to increasing sales to OEM's.
- Expanding retail outlets with sales up by 77% driven by increasing presence in rural/semi-urban area.

Long products

The Company's long product spans the entire value chain spectrum – TMT products, Wire Rod coils, bars, rounds and structurals. The thrust on special steels altered the sales mix in favour of value-added grades. The team seeded new markets for existing products, introduced new products developed at its plants and worked with leading corporates for product approvals which would result in increased volumes from the current year.

Highlights 2010-11

- Received product approvals from Honda for global supply of steel to be used for forging crankshafts; received approvals from leading Indian OEMs namely, Ashok Leyland, M&M, Wipro Fuilds, among others.
- Received approval from Bharat Forge for the supply of steel for various forgings which are exported to international destinations.
- Received approvals from BHEL, Indian Railways for other special steel grades for diverse critical applications.
- Entered into tie-ups with processing units for value-adding to steel in line with customer requirements.
- Increased TMT bar sales volumes to institutional clients; their proportion in the TMT sales mix increased from 55% in 2009-10 to about 65%.
- Entered into the welding electrode segment successfully.

Retail sales

JSW created a first-of-its kind distribution network, 'JSW Shoppe', with 280 outlets as on March 31, 2011, in more than 136 districts of India, with more than 49% of the outlets in semi-urban and rural locations.

JSW Shoppe is an honest attempt to market quality steel products to the steel consumer in these locations by educating the consumer of product usage – allowing them to make informed decisions. It is a one-stop shop, showcasing all JSW products; the outlets have the ambience of a mini-departmental store, resulting in enhanced product branding and customer education.

In three years of its existence, JSW Shoppe has emerged as an aspiration for entrepreneurs in semi-urban and rural locations – word of mouth emerging as an effective branding and network expansion tool.

Highlights, 2010-11

- Sales through the JSW Shoppe increased 77% from 0.64 million tonne in 2009-10 to 1.12 million tonnes
- Number of outlets increased from 174 as on March 31, 2010 to 280 as on March 31, 2011.
- Organised the JSW Shoppe on wheels across numerous locations for growing awareness of the product and the brand.
- Created a second distribution level under the JSW Shoppe umbrella – created retail outlets for very small quantities as it requires a complete different mindset to manage these customers.

Supplies to projects having national significance

- Kakrapar Nuclear Power Station - Nuclear Power Corporation of India Ltd – NPCIL
- Bharat Heavy Electricals Limited – BHEL
- Indian Oil Corporation Ltd. – IOCL
- Mangalore Refinery and Petrochemicals Ltd. – MRPL
- Pune International Cricket Stadium
- Delhi Metro Railway Corporation – DMRC
- Bangalore Metro Rail Corporation – BMRC
- Mono Rail project – Mumbai Metropolitan Regional Development Authority – MMRDA
- Chennai Metro Rail Corporation – CMRC
- Indira Gandhi International Airport
- Lodha Residential Tower – world's largest residential tower under construction
- Maharashtra State Generating Power Co. Ltd. - MAHAGENCO

Branding and Advertisement

- Thrust on branding initiatives viz.
  - JSW Vishwas – "Pehchaan Nayi, Vishwas Wahi" campaign launched.
  - JSW TMT Plus launched at regional locations.
  - JSW Pragati launched in colour-coated product segment.
- Increasing awareness through active participation in exhibitions viz.
  - Roof India – Chennai.
  - Global Investor's Meet – Bangalore.
  - ACETECH in Mumbai and New Delhi.
- Expanding reach and penetration in semi-Urban and rural markets through novel scheme – "Shoppe on Wheels".
- Publicity campaigns for brand promotion through wall paintings.
- Periodic customer meets spread across regions.
- Dealers/customers plant visits.

Road ahead, 2011-12

- Increase the reach of JSW Shoppe by strengthening the network to 400+ by March 31, 2012.
- Cost-effective initiatives to strengthen the recall of the JSW Shoppe through simple and effective branding initiatives – electronic, bus panels, hoardings, paintings, among others.
- Market increased production of long products.
- Cater to the requirements of automotive OEMs; obtain product approvals from OEM customers for various products which are under various stages of approval.
- Increase the share of value-added products in the sales of long product.

Vision 2015

About 600 Shoppes by 2015 and an average monthly sales volume of 1,000 tonnes per Shoppe, cumulating to about 7.2 mn tonnes of steel annually (post-2015 when all 600 Shoppes are operational).

(8) Human Resource

Counter-convention, determination and stretch achievements is what JSW is all about – built solely on the passion of its employees who dare-to-dream and persevere-to-perform – delivering possibly the most unbelievable results.

Consider this: a team size of 8,925 members are responsible for the manufacture and marketing of 11 mtpa of crude steel, predictably the smallest team size per tonne manufactured in India's growing steel sector. Interestingly, at JSW, the labour cost per tonne of steel is the lowest globally!

Mindset

Holistic personality development is what the corporate aspires to give its team members.An individual could be an expert in his/her chosen field, but competence is not just about domain knowledge, but an aptitude for multitasking. This organisational belief inspired a culture of multifaceted capability, accelerating individual development and empowering a team. The organisation provides a plethora of opportunities to the individual and the entire family, resulting in huge recognition for the brand, an immediate willingness to be part of the team, significantly higher retention and numerous instances of employees rejoining.

Recruitment

The irony is that skilled people resources are getting exceedingly scarce in the second most populous nation of the world. Attracting qualified professionals is becoming increasingly challenging in India. The same holds true for JSW.

Building the JSW team rapidly is of critical importance for important reasons:

- Enhanced capacities in various in-plant sections; new capacities/facilities were commissioned in each of the previous five years; more projects are planned in existing locations.
- Added green field capacities in new locations; inorganic growth opportunities need to be streamlined to the JSW standard.
- Adopted state-of-the-art technologies in the manufacturing process.

The Company recruits graduate, diploma engineers and management students from leading engineering and management colleges. In 2010-11, the Company participated in campus recruitment for management graduates from IIMs and engineers from NITs. The Company held walk-in interviews for recruiting prospective employees. The Company's lateral recruitment of experienced professionals is driven through references, connections, advertisements and placement agencies.

Mentoring young trainees

To groom fresh recruits into the JSW culture and to enable them to make a meaningful contribution to the organisation, the team launched a mentoring programme. Seniors from the same department partnered fresh recruits for facilitating them in learning the ropes with ease and to seamlessly adapt to the culture and practices of the organisation with speed.

The HR team organised development initiatives for grooming mentee's like Input Seeking Session by Thomas International, Mumbai One day workshop on "Achieving Personal & Professional Excellence", was organised to get mentees clarity on aligning personal goals with the organisational goal. They were provided individual feedback reports outlining their strengths and development areas to help formulate their individual development plan.

Composition and Qualification

JSW Steel's 8,925 employees comprise a rich pool of MBAs, CAs, CSs, ICWAs, ITIs, engineers, graduates, postgraduates and diploma holders as on March 31, 2011.

Qualification profile of JSW Steel's employees

	Percentage
Diploma holders	33.5
Engineers	25.3
Graduates and post graduates	13.1
ITI	8.1
Post Graduate (CA/CS/ICWA/ MBA)	3.7
Others	16.3

Even as the average experience of the senior management is over 20 years, the Company's average employee age is about 33 years, a prudent mix of energy and experience.

Employee Welfare

The Company aims to create an efficient, healthy and satisfied work-force for the organisation. Honest and sincere efforts are made whereby employee motivation is highly prioritised. Existing benefits were ensured to run well while new benefits were also announced.

Employee Benevolence Scheme

Group Personal Accident (GPA) takes care of the financial needs of the family of the deceased employee to a large extent. However, death due to sudden/ prolonged illness such as heart attack, internal organ failures or permanent total disability renders the family in great financial distress. To provide financial assistance to the family of the employee in case of his/her death/permanent total disability due to sudden/prolonged illness, while in service. It covers all death/permanent total disability due to reasons other than accident, which is covered under GPA. All permanent employees of JSW Group companies, including probationers and trainees, are eligible for the benefits under the scheme.

Township

The Company has set up townships, spanning a total residential population of over 1546 families. These townships are supported with sound infrastructure and amenities (24x7 electricity, water supply, ATMs of major banks and shops). Weekly car service (for car owners at subsidised costs) and weekly auto exhibitions (for local car dealers) are organised in the township. In December 2010, the Company launched Wi-Fi facility at Vijaynagar township for the employees; 4,000 new houses have been planned for the coming year in the following townships:

- Vidyanagar
- Vijay Vithal Nagar township
- Shankar Gudda township
- Township planned in Basapur

Medical Assistance

A 75 bed, multi-speciality hospital (Jindal Sanjivani Hospital) spread across 27,000 sq. ft. was set up in 2003 in Toranagallu to provide exceptional medical aid facilities. The non profit entity is a joint effort of JSW Steel, Jindal Education and Medical Trust.

Fitness and Recreation facilities

In order to create a healthy working environment, the Company encourages physical fitness by providing facilities for squash, badminton, table tennis, billiards, swimming, football, cricket, volleyball and gymnasium at a state-of-the-art sports club. It also provides movie theatres and subsidised food at its in-house restaurant.

Knowledge Centre

JSW maintains the following schools for the children of employees at Vijayanagar

- Jindal Vidyamandir – affiliated to CBSE, providing world-class educational facilities.
- Jindal Adarsh Vidyamandir (JAV) – state board affiliated school situated at the Shankar Gouda colony.

Scholarships

The Company granted scholarships to the meritorious children of employees to pursue professional degree courses like engineering, medicine, management, architecture, and chartered accountancy, among others.

Transportation

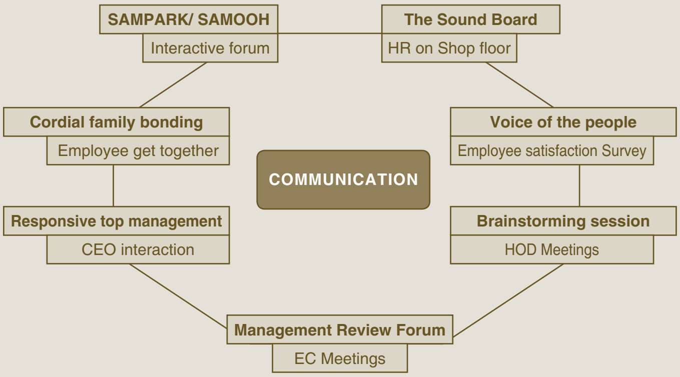
The Company provides transportation facilities to employees through its 19 buses and 42 cars.It provides transportation for people commuting from Bellary, Hospet, Vidyanagar township, V.V Nagar township, and Shankar Gudda colony.

Canteen

A total of 13 independent canteen facilities are provided, catering to every department in the plant. Healthy food at affordable prices is provided to employees. Further, 10 restaurants catering different cuisines are maintained in the townships.

Employee Communication

A communication exercise was undertaken across the plant for all employees to voice their opinions, issues and suggestions to the top management. The platform for employees was "SAMPARK" and "SAMOOH".



Rewards and Recognition

JSW culture comprises rewards and recognition. The performance-based reward system facilitates the Company in pursuing its strategic goals and objectives. JSW's effective employee recognition system is uncomplicated to attain the desired outcome and improve employee performance retention.

The employees are rewarded and recognised by the following:

Type of Reward	Rationale
Best Employee Award	For consistent good performance, concern for safety, creativity, excellent interpersonal skills, communication skills, mental alertness and judgement, Company's image building activities and high level of discipline
Exemplary work	For all-round exemplary work
Best suggestion award	To reward innovation and creativity
Best Safety man Award	For practicing highest standards in safety
Bravery and Courage Award	For exhibiting outstanding bravery and courage
Best Quality circle	For innovative themes selected for QC competitions that bring fame to the Company
Intellectual property rights	For registering copyrights, patents and international publications
Best Contractor	For providing excellent services with high quality of work

Mentorship Development Programme: An attempt to facilitate learning in a smoother and non-practical environment, whereby attempts are made to identify factors to contribute for success of the 'mentoring initiative'. This programme was launched in 14 departments, whereby a complete brief was given about the role of mentor and process of mentoring.

* *Employee Survey:* Conducted a survey by McKinsey seeking employee views through a standard questionnaire. The employees' views then served as a source of input for organisation-specific interventions.

* *Engagement Survey:* Commissioned a study by Assess People, a pioneer in workforce assessments, to elicit the opinions of employees to gauge responses on various facets of engagement with the organisation. The findings were shared with the employee and their views considered for the improvement plan.

Performance Management and Reward System

JSW Steel's functional meritocracy is based on individual performances. The Company's performance management and review system evaluates employee performance across multiple KPIs (targets and achievements; working style and culture; business/domain knowledge and personal growth; organisational initiatives).

Besides, the Company promotes talent from within, offering members the scope to grow in their roles, coupled with an opportunity for cross-functional movement. The Company's compensation package is linked to performance and benchmarked to better-than-industry standards. As an extension, the Company introduced ESOPs for senior executives. About 2,855 executives are now proud partners in the Company's growth. This initiative has gone a long way in integrating the individual with the organisation.

360 Degree Feedback – 360 Degree Feedback process has been launched in JSW for GM and above levels across the group, covering around 270 employees. The objective of 360 Degree Feedback Process is to enable leaders to get feedback on their leadership style as perceived by others and enable individuals to develop leadership potential by helping them to capitalize on their strengths. In this process, participants (GM and above) will get the feedback from their superior(s), peers/colleagues and direct reportees/juniors on their leadership effectiveness. The entire process will be conducted online by T.V. Rao Learning System Ltd., Ahmedabad. After the feedback process gets over, participants will be given individual feedback report which will be based on all the responses received from the feedback providers and they will be encouraged to formulate their Individual Development Plan (IDP).

Highlights, 2010-11

- Inducted young professionals from campus recruitment and initiated coaching and mentoring for them to enable them adapt to the JSW Culture quickly.
- Rolled out and implemented Annual Training Plan to equip employees across levels with knowledge and skill. Also, strengthened various learning platforms to intensify learning and development through initiatives such as – e-learning modules and saturday learning forums among others.
- Strengthened talent management process and identified more than two hundred high potential employees, across levels to build internal talent pool. Identified talent pool is being exposed to top quality training and other developmental inputs. Strengthened the succession planning exercise; identified star performers within the organisation who have been shifted to the fast track growth mechanism to groom them for assuming larger responsibilities.
- Conducted employee engagement survey and facilitated implementation of action plan to raise employee engagement level.
- Engaged McKinsey for a organisation-wide survey of the employees to seeking the views of the team on various issues which served as a base for further improvement.
- Undertook a massive drive to educate the team on the vision, mission and values of the Company.
- Organised workshop titled 'Role of Women in the Corporate World' for the women employees which focused on managing challenges faced by working women in today's world. It also catered to the art of balancing career and family, role of women in leadership, management talent and developing personal competencies, among other topics.

Accolades and Awards for HR Excellence

JSW has won prestigious awards during the year for HR excellence.

- Awarded for the **"Innovative HR Practices"**. The award was handed over at Asia Pacific HRM Congress on September 3, 2010.
- Conferred with **"The Award for Institution Building"** at World HR Congress held on February 11, 2011.
- Conferred with **"Best Practices in Talent Management Award"** in London on November 10, 2010. The grand event was hosted by Osney Media, London.

Road ahead, 2011-12

- Recruit more members for managing additional business volumes consequent to the complete commissioning of 3.2 expansion project.
- Strengthen the training initiative.
- Undertake expansion of residential colonies to cater to the additions to the team.
- Analyse the findings of the McKinsey survey, providing solutions to the critical issues as per the survey report.
- Building talent pool and leadership development.

(9) Corporate Communications

The corporate communications team at JSW Steel manages and orchestrates all internal and external communications. The goal is to showcase JSW profile consistent to its size, stature and performance, manage perceptions among media and stakeholders about Company's business strategy and future prospects, and strengthen the Company's brand image.

Strategy

To raise the profile of JSW consistent with its size, stature and performance among the business and financial media, customers, potential employees and opinion leaders.

- Conduct ongoing research and analysis both internally and externally to identify communication opportunities and issues related to JSW Steel and other verticals.
- Build consensus and manage perceptions among media and the financial community about the Company's business strategy and future prospects.
- Provide consultancy on all aspects of corporate reputation management, investor relations, public affairs and crisis management.
- Enhance the corporate image of the Company among all key constituencies.
- Improve analysts' tracking interest and stock coverage.

Reputation Management

Major Achievements

- JSW organised a visit to Vijayanagar and Ratnagiri for Mumbai and Bangalore-based journalists
- JSW Ispat strategic alliance : event was unprecedented in terms of media coverage.
- JSW Severfield plant inauguration

Media Relations

Media relations is a bridge building exercise between the Company and the media, a task crucial for correct and factual information, dissemination and creating the right Company image for the outside world. It is important for the Company to create platforms from where relevant information can be effectively passed on for positive impact. The corporate communications team conducted several communication activities during this fiscal:

- Organised more than seven press conferences regularly through 2010-11 to announce quarterly results, strategic issues and key business decisions.
- Organised a media visit to Vijayanagar in August 2010 to announce commissioning of new state-of-the-art hot strip mill. A similar exercise was undertaken at the time of announcing the inauguration of JSW Severfield Structures Ltd facility at Vijayanagar in November 2010.

Crisis Management

The corporate communication team possesses skills and techniques to identify, assess, understand and cope with serious situations, from the moment it first occurs to the point when recovery procedures start. Crisis management helps identify potential risks and makes changes to hedge against the crisis.

Financial Communications

The Company's finances are proactively communicated to investors across the world, to strengthen investor confidence and provide a platform for individual interaction among concerned investors, financial analysts and securities market professionals. The corporate communication team organised:

- Analyst meet at every quarter end.
- Special analyst meet to inform about the Ispat alliance.

Branding

JSW's branding strategy is aimed at nurturing the JSW brand and managing stakeholders' perception to maximise business value. Branding, in the JSW has an integrated marketing approach with business solutions which create a uniform message for all stakeholders.

The Company has followed the policy of sustained branding as any other large corporate primarily using Out-Of-Home as the reminder medium. The branding activity includes use of outdoors.We are present at all major airports and locations across major cities based on research and analysis. Prominent branding mediums are 'Neon Signage' at Nariman Point, AC buses branding and railway stations' branding.

At JSW, strategy goes through the following cyclical process:

- Identifying the brand's stakeholders.JSW's stakeholders comprise investors, customers and the community.
- Understanding where the brand is currently; periodically conduct an image perception research on various brand-related parameters to get an idea of the Company's position compared with competitors.
- Understanding competition and market trends; market and competitors' inputs influence brand management.
- Defining the positioning of the brand; the overall corporate strategy gives an idea about the JSW brand's position with respect to a timeframe.
- Communicating coherently and consistently with stakeholders.

Messaging

Our branding is focused on people and community development services. We position ourselves as a responsible corporate citizen.

During the year, corporate communication undertook a survey in Mumbai, Delhi, Bangalore, Hyderabad, Chennai and Kolkata to understand the OOH and TV campaign's brand awareness recall. The total awareness was more than 102%, using aided and non-aided recall methods. The branding initiative and messaging generated over 10 million footfalls according to TAM rating across India. Sports branding is also gaining momentum.

Prominent initiatives

JSW Squash World Cup 2011

As part of new initiatives, the Company entered into sports promotion in a major way. JSW Steel sponsored 'World Squash Cup 2011' in Chennai. Further, the company undertook a special promotion of the event. The result was a huge recall for brand JSW. Matches were shown on ESPN and reached millions of people.

Outdoor branding during ICC Cricket World Cup

The company also initiated topical branding depending on the flavour of the season, e.g. using sports promotion. At the time of the Cricket World Cup, outdoor branding campaigns were undertaken using Indian cricketers' images. As a part of topical branding, electronic media was used like NDTV, Times Now, ET Now and BBC for presentation during Union Budget 2011.

Internal communication

JSW gives due importance to internal communication to promote employee-management relationship and interaction. The Company provides several mediums to employees to communicate with the management.

Website management

Today's dynamic business environment requires continuous updating of information. The Company proactively updates its website with the help of a team to provide the factual information to its stakeholders at all times. As an environment-friendly initiative, the corporate communication team introduced daily news briefings which are posted on the website, saving paper.

(10) Information Technology

JSW Steel continues to leverage technology in its continuing pursuit of enhancing data accuracy and increasing efficiencies. The Company has taken a very important initative to have a comprehensive relook at business processes and usher in best practices, This is aimed to enhance the capability to take informed decisions based on accurate information driven by robust IT system. This is a simplified and more effective process which in turn will enhance the overall efficiency. While this exercise will be taken up in FY 2012, a lot of preliminary work on this was done during the year, leading to key decisions. During 2010-11, several strategic initiatives were taken up, including:

- New 'state-of-the-art' data center built at Vijayanagar, to serve local needs and act as Disaster Recovery Center for the Datacenter at Bengaluru.
- Optimised data network and provided redundancy across all JSW locations, including branches and Stockyards.
- Upgraded server and storage infrastructure to handle growth and enhance performance.
- The release of the Coal Tracking and Demurrage calculation system. The system will ensure improved planning and inventory management cycles. Also, the system will also act as an Early Warning system in case of delay in unloading of the cargo at various ports therefore intimating plants of the delay in the logistics of the supply and also allow for provisioning of demurrages.
- Implementation of the Yard Management system at Vijayanagar. With this release, the entire inventory tracking system is now fully automated as there exist systems that track inventory, both raw material and finished goods, from raw material entry to issue of gate pass thereby ensuring availability of data.
- Tighter Integration of Order Management and Manufacturing Systems at Vijayanagar, aimed at better planning of production schedules, ensuring a faster turnaround time from order to delivery.
- JSW Plant Operations Dashboards. A dashboard designed to report plant activity on real-time basis including the relay of technical parameters.The system will be implemented across plants shortly.
- Implementation of Human Resource Management System (HRMS) systems, thereby enabling employees across locations to access a standard user interface that will enable them to perform self service transactions and access specific policies and procedures.
- Initiated Data cleansing to standardise data structures related to vendor, customer and item masters.

(11) Internal Control and Audit

Internal Control

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are an integral part of Corporate Governance. Some significant features of internal control system are:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the Company's important functions.
- Deployment of an ERP system which covers most of its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems
- Derisking the Company's assets/resources and protecting them from any loss.
- Ensuring the integrity of the accounting system; the properly authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring a reliability of all financial and operational information.
- Audit Committee of Board of Directors, comprises of Independent Directors.The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards, among others.
- A comprehensive Information Security Policy and continuous updation of IT Systems.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

Internal Audit

The Company has an internal audit function that inculcates global best standards and practices of international majors into Indian operations. The Company has a strong internal audit department comprising of more than 25 executives reporting to Audit Committee comprising of Independent/Nominee Directors who are experts in their field. The Internal Audit Department received ISO 9001:2008 certification during the year.

The Company integrated the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework with its audit process to strengthen its financial reporting compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system. The internal audit team has access to all organisational information, facilitated by its ERP implementation.

Audit plan and execution

The Company's Internal Audit Department prepared a risk-based audit plan. The audit frequency is decided by risk ratings of areas/functions and the audit plan is carried out by its internal team.

Addition to the audit plan: The audit plan is periodically reviewed to include areas that have assumed significance in line with the emerging industry trend and aggressive corporate growth. Moreover, the Audit Committee relies on internal customer feedback and external events for inclusion of areas into the audit plan.

(12) Risk Management

JSW follows the Committee of Sponsoring Organizations' (COSO) framework of Enterprise Risk Management to anticipate and address risks while being aligned with ISO 31000:2009 standards that deal with risk management guidelines.

The risk management is marked by the following: ownership of process-specific risks with the process owner; regular interactions at units and corporate offices to understand interdependencies, prioritise and respond proactively; ongoing supervision of this function by a sub-committee of Directors consisting of Executive and Independent Directors.

Top risks relating to investments, projects, markets, infrastructure, logistics, materials, technology, operations, performance, processes, environment, health and safety are discussed actively. These activities are coordinated by the Chief Risk Officer.

(D) LOOKING INTO THE FINANCIAL STATEMENTS (STANDALONE)

Highlights 2010-11

(₹ in crores)

	2010-11	2009-10	Growth (%)
Gross Turnover	**25,131**	19,457	29%
Net Turnover	**23,163**	18,202	27%
EBIDTA	**4,856**	4,802	1%
PAT	**2,011**	2,023	-1%
Earnings per share (diluted) (₹)	**96.33**	105.94	-9%
ROCE (%)	**12.7%**	16.8%	
RONW (%)	**15.0%**	23.3%	
EBIDTA margin (%)	**20.8%**	26.2%	
Net Debt gearing ratio	**0.57**	1.14	

The Gross Turnover and Net Turnover for the year stood at ₹ 25,131 crores and ₹ 23,163 crores, respectively, with a growth of 29% and 27% respectively, over the previous year, mainly driven by better product-mix and volumes.

The EBIDTA for the year was ₹ 4,856 crores and the EBIDTA margin was 20.8%. The Company posted a PAT of ₹ 2,011 crores.

The Company's total net debt gearing was at 0.57 (as against 1.14, as on 31.03.2010). The weighted average interest cost of Debt was lower at 7.58% (as against 8.08% as on 31.03.2010).

Revenue Analysis

(₹ in crores)

	2010-11	2009-10	Change	Change %
Domestic Turnover	21,430	1 6,461	4,969	30%
Export Turnover	3,662	2,936	726	25%
Sale of Carbon Credits	39	60	(21)	-35%
Gross Turnover	25,131	19,457	5,674	29%
Less: Excise duty	1,968	1,255	713	57%
Net Turnover	**23,163**	**18,202**	**4,961**	**27%**

Product wise quantity break-up (Mn tonnes)

	2010-11		2009-10	
Products	**Domestic**	**Export**	**Domestic**	**Export**
Semis	0.305	0.039	0.943	0.306
Rolled products – Flat	2.737	0.319	2.017	0.036
Rolled products – Long	1.024	0.031	0.842	0.032
Value-added products	1.142	0.502	1.022	0.522
Total	**5.208**	**0.891**	**4.824**	**0.896**
Saleable Steel	**6.099**		**5.720**	

The significant growth in revenues during the year was mainly attributable to the leveraged prudent mix, focus on domestic market and widening of the product basket.

Highlights 2010-11

- Sales volumes increased 7% from 5.72 million tonnes in 2009-10 to 6.10 million tonnes in 2010-11.
- Reducing Semis Sales from 22% of total sales in 2009-10 to 6% in 2010-11.
- Sale of value added products grew 7% in 2010-11 over the previous year.
- Contribution of Retail sales up from 16% in 2009-10 to 23% in 2010-11.
- Retail sales through Shoppe accounted for 23% of domestic sales excluding semis.
- Sales through the JSW Shoppe increased 77% from 0.64 million tonne in 2009-10 to 1.12 million tonnes in 2010-11.
- Number of JSW Shoppe outlets increased from 174 as on March 31, 2010 to 280 as on March 31, 2011.

Other Income

(₹ in crores)

	2010-11	2009-10	Change	Change %
Other Income	283	529	(246)	-47%

Other income for the year was lower by ₹ 246 crores largely due to reduction in exchange gain of ₹ 67 crores relative to last year gain of ₹ 413 crores. Other income includes the increase in VAT refund of ₹ 174 crores as compared to previous year ₹ 92 crores due to increase in VAT rate from 4% to 5% in current year and increase in indigenous raw materials consumption due to increase in rate and volume.

Materials

(₹ in crores)

	2010-11	2009-10	Change	Change %
Materials	14,254	10,461	3,793	36%

The Company's expenditure on raw materials increased 36% from ₹ 10,461 crores in 2009-10 to ₹ 14,254 crores in 2010-11. The increase was largely due to the increase in crude steel production by 7% and increase in iron ore price by 43% and coal price by 27% during 2010-11 compared to the prices in 2009-10.

Employees Remuneration and Benefits

(₹ in crores)

	2010-11	2009-10	Change	Change %
Employees Remuneration and Benefits	534	365	169	46%

Employees remuneration and benefits were up mainly due to annual increase in salary, provision made for ESOP expenses pursuant to announcement of ESOP'2010 and rise in manpower relating to operations, on commissioning of HSM2 and certain facilities of 3.2 mtpa expansions at Vijayanagar. The Company employed about 8,925 employees as on 31st March, 2011, vis-a-vis 7,703 as at the end March last year.

Manufacturing and Other Expenses

(₹ in crores)

	2010-11	2009-10	Change	Change %
Power and Fuel	1,182	1,006	176	17%
Other Expenses	2,619	2,098	521	25%
Total Manufacturing and other Exps.	**3,801**	**3,104**	**697**	**22%**

There was increase in power consumption on account of higer volume of production, in particular, increase in production of Flat and Long products. However, increase in captive generation of power helped in containing cost per tone of finished goods. Increase in other cost mainly relate to higher consumption of stores and spares (14% increase of ₹ 133 crores), repairs & maintenance (54% increase of ₹ 159 crores), due to increase in scale of operations on commencement of HSM2, Phase 1 of Benficiation plant, Phase 1 of Blooming Mill and certain facilities under 3.2 mtpa expansion project during the year.

Net Finance Charges

(₹ in crores)

	2010-11	2009-10	Change	Change %
Net Finance Charges	695	859	(164)	-19%

The Company's net finance cost for FY 2010-11 is lower by ₹ 164 crores, mainly due to prepayment of loans by ₹ 2,739 crores and interest income on investment of surplus funds.

Depreciation

(₹ in crores)

	2010-11	2009-10	Change	Change %
Depreciation	1,379	1,123	256	23%

Depreciation increased by 23% from ₹ 1123 crores in 2009-10 to ₹ 1379 crores in 2010-11 due to commencement of the following projects during the year.

- Phase 1 of HSM 2.
- Phase 1 of Beneficiation plant.
- Phase 1 of Blooming Mill.
- Certain facilities of 3.2 mtpa expansion project viz, 300 MW Power Plant, Sinter plant-3, Converter-4, Castor-3 and Lime Kiln at Vijayanagar works

Fixed Assets

(₹ in crores)

	2010-11	2009-10	Change	Change %
Gross Block	27,407	21,796	5,611	26%
Less: Depreciation	6,305	4,930	1,375	28%
Net Block	21,102	16,866	4,236	25%
Capital Work-in-Progress	6,169	6,684	(515)	-8%
Total	**27,271**	**23,550**	**3,721**	**16%**

Gross Block increased during the year due to capitalization of certain projects.

Investments

(₹ in crores)

	2010-11	2009-10	Change	Change %
Investments	4,099	1,768	2,331	132%

Infusion of equity capital in subsidiaries was ₹ 147 crores. The company acquired 45.53% stake in Ispat Industries at ₹ 2,157 crores and the rest is towards investment in mutual fund.

Inventories

(₹ in crores)

	2010-11	2009-10	Change	Change %
Raw Materials	1,896	1,279	617	48%
Production Consumables and Stores and Spares	600	411	189	46%
Work-in-Progress	264	114	150	132%
Semi Finished/Finished Goods	1,379	782	597	76%
Total	**4,139**	**2,586**	**1,553**	**60%**

The average inventory holding in terms of number of days as on 31st March, 2011 was 81 days vis-a-vis 68 as on 31st March, 2010. Higher inventory of raw materials and spares was mainly due to prepone commencement of 3.2 mtpa expansion project for which inventory buildup was planned. Higher value of finished goods is due to increase in cost of production.

Sundry Debtors

(₹ in crores)

	2010-11	2009-10	Change	Change %
Total Debtors	855	581	274	47%
Less: Provision for Doubtful debts	(16)	(18)	2	-11%
	839	563	276	49%

The average debtors i.e. collection period, in terms of number of days as on 31st March 2011 was 12 days, compared to 11 days as on 31st March, 2010.

Loans and Advances

(₹ in crores)

	2010-11	2009-10	Change	Change %
Loans and Advances	3,324	2,123	1,201	57%

Loans and Advances increased from ₹ 2,123 crores in 2009-10 to ₹ 3,324 crores in 2010-11. The increase was mainly due to addtion of:

a) Loans and advance given to subsidiaries amounting to ₹ 641 crores.

b) Minimum Alternative Tax credit entitlement of ₹ 198 crores.

Current Liabilities

(₹ in crores)

	2010-11	2009-10	Change	Change %
Liabilities	9,667	7,358	2,309	31%
Provisions	397	264	133	50%
Total	**10,064**	**7,622**	**2,442**	**32%**

The current liabilities increased by ₹ 2,442 crores from ₹ 7,622 crores in 2009-10 to ₹ 10,064 crores in 2010-11. The increase was mainly due to increase in the level of activity and increase in value of purchase/services for the 3.2 mtpa expansion project.

Secured and Unsecured Loans

(₹ in crores)

	2010-11	2009-10	Change	Change %
Secured Loans	7,676	8,987	(1,311)	-15%
Unsecured Loans	4,276	2,598	1,678	65%
Total	**11,952**	**11,585**	**367**	**3%**

The Company's net long-term debt equity ratio declined from 1.14 as on 31st March, 2010 to 0.57 as on 31st March, 2011, as the Company met its entire repayment schedule in 2010-11.

Secured debt is reduced from ₹ 8,987 crores in 2009-10 to ₹ 7,676 crores in 2010-11. The decrease was mainly due to utilization of ₹ 2,739 crores received from JFE to pre-pay high-cost debt.

(₹ in crores)

	2010-11	2009-10
Loan repayment	666	988

	2010-11	2009-10
Prepayment of Loan	2,739	Nil

Capital Employed

Total capital employed increased by 37% from ₹ 23,256 crores as on 31st March, 2010 to ₹ 31,494 crores as on 31st March, 2011.

Return on capital employed declined from 16.8% in 2009-10 to 12.7% in 2010-11. This is expected to get corrected over the next year, due to efficiency in scale of operations and funds invested in expansion of ongoing projects would start generating returns from next year.

Own Funds

Net worth increased from ₹ 9,427 crores as on 31st March, 2010 to ₹ 16,946 crores as on 31st March, 2011 due to plough-back of operational surplus into the business and equity infusion by JFE/Promoters to fund the Company's future growth initiatives. Return on networth was lower at 15% in 2010-11. The book value improved from ₹ 504 as on 31st March, 2010 to ₹ 736 as on 31st March, 2011.

Reserves: Reserves and surplus increased from ₹ 9,179 crores as on 31st March, 2010 to ₹ 16,133 crores as on 31st March, 2011. This is a zero cost fund which strengthens the ability of the Company to undertake growth initiatives.

(E) LOOKING INTO THE FINANCIAL STATEMENTS (CONSOLIDATED)

The Company's consolidated financial statements include the financial performance of the following Subsidiaries, Joint Ventures and Associates.

Subsidiaries:

i. JSW Steel (Netherlands) B.V.

ii. JSW Steel (UK) Limited

iii. Argent Independent Steel (Holdings) Limited

iv. JSW Steel Service Centre (UK) Limited

v. JSW Steel Holding (USA) Inc.

vi. JSW Steel (USA) Inc.

vii. JSW Panama Holdings Corporation

viii. Inversiones Eroush Limitada

ix. Santa Fe Mining

x. Santa Fe Puerto S.A.

xi. JSW Natural Resources Limited

xii. JSW Natural Resources Mozambique Limitada

xiii. JSW Steel Processing Centres Limited

xiv. JSW Bengal Steel Limited

xv JSW Natural Resores India Limited

xvi. Barbil Beneficiation Company Limited

xvii. JSW Jharkhand Steel Limited

xviii. JSW Building Systems Limited

xix. JSW ADMS Carvo Lda

xx. Periama Holdings, LLC

xxi. Planck Holdings, LLC

xxii. Purest Energy, LLC

xxiii. Prime Coal, LLC

xxiv. Lower Hutchinson Minerals, LLC

xxv. Caretta Minerals, LLC

xxvi. Periama Handling, LLC

xxvii. Rolling S Augering, LLC

xxviii. Meadow Creek Minerals, LLC

xxix. Hutchinson Minerals, LLC

xxx. R.C. Minerals, LLC

xxxi. Keenan Minerals, LLC

xxxii. Peace Leasing, LLC

Joint Ventures:

i. Vijayanagar Minerals Private Limited

ii. Rohne Coal Company Private Limited

iii. Geo Steel LLC

iv. JSW Severfield Structures Limited

v. JSW Structural Metal Decking Limited

vi. Gourangdih Coal Limited

Associates:

i. Jindal Praxair Oxygen Company Private Limited

ii. JSW Energy (Bengal) Limited

iii. Ispat Industries Limited

The Company has reported a Consolidated Gross Turnover, Net Turnover, EBIDTA and PAT of the Company of ₹ 25,868 crores, ₹ 23,900 crores, ₹ 4,947 crores and ₹ 1,754 crores, respectively. The consolidated net profit was lower mainly due to losses attributable to US Plate and Pipe Mill operation. The consolidated net worth and net debt was ₹ 16,765 crores and ₹ 14,156 crores respectively. The consolidated debt gearing was at 0.84 as on 31.03.2011.

(F) OUTLOOK

On macro scale, 2011 could be viewed as the year continuing to witness economic recovery, revival, resurgence, challenge of surging commodity prices, inflation and sovereign crisis. International Monetary Fund – IMF has projected Global Economic growth rate to marginally slow down from 5% in 2010 to 4.4% in quantitative terms the world output is estimated to grow by US $ 5.7 trillion. Advanced world as well as the Emerging and the Developing world are slated to witness a marginal reduction in economic growth rates at 2.4% and 6.5% respectively.

The year commenced with an unprecedented wrath of the natural calamities including the historic 3/11 catastrophe in Japan leading to a supply shortage in comodities as well as inputs for automobile and few downstream industries. Steel Industries having strong linkages to the profile and growth rates of global economic expansion, is slated to show growth both in production and demand. However there is expected to be a marginal imbalance between the production rate vis-à-vis demand. China, with its 12th Five Year Plan activated, plans to focus on its domestic consumption with increasing emphasis on restructuring and development.

World Steel Association has projected the World Steel Demand growing by 77-MnT / 6% to 1360-MnT, while China is expected to continue its Global dominance at 44% while growing at 5% to 605-MnT. Advanced World is slated to witness demand growth at 5.3% while the Emerging and Developing world at 6.3%.

Indian Steel will see capacity additions to meet the accelerating domestic demand led by rising investments and consumption supplemented by growing export opportunities for value-added engineering products. As per the projection of worldsteel, Indian steel demand is estimated to grow on a strong footage @ 13.3% in CY 2011, while witnessing a growth of 10.6% in production to 66-MnT in FY 2010-11.

Major challenges for Global Steel Industry in near term shall be sustainability of demand under rising inflationary pressure while cost pressures stueezing the margins. On the other hand, the bigger challenge going forward for the Global Steel Producers shall be to explore innovative technologies and processes for iron and steel making adapting alternate energy solutions with improved energy efficiency and low emission intensity.

Forward looking and Cautionary Statements:

Certain statements in the Management Discussion and Analysis concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

Report on Corporate Governance for the year 2010-11

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance at JSW Steel Limited has been a continuous journey and the business goals of the Company are aimed at the overall wellbeing and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Directors except Nominee Directors are subject to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 256 and 257 of the Companies Act, 1956 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

2.2 Composition, Meetings and attendance record of each Director:

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As at 31.03.2011, the Board of Directors comprises of 14 Directors, of which 10 are Non-Executive. The Chairperson is Non-Executive and a Promoter of the Company. The number of Independent Directors is 7 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except Mrs. Savitri Devi Jindal & Mr. Sajjan Jindal.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he /she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

The information as required under Annexure1A to Clause 49 of the Listing Agreement is being made available to the Board.

The details of composition of the Board as at 31.03.2011, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2011 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Ltd. Cos.**	
								Chairmanship (s)	Membership(s)
Executive Directors	Mr. Sajjan Jindal	Vice Chairman & Managing Director	15.03.1994	6	6	Yes	7	Nil	Nil
	Mr. Seshagiri Rao M.V.S.	Jt. Managing Director & Group CFO	06.04.1999	6	6	Yes	1	Nil	Nil
	Dr. Vinod Nowal	Director & CEO	30.04.2007	6	6	Yes	2	Nil	Nil
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	6	6	Yes	4	Nil	2
Non-Executive Non-Independent Directors	Mrs. Savitri Devi Jindal	Chairperson	18.04.2005	6	None	No	8	Nil	Nil
Non-Executive Independent Directors	Mr. Uday M. Chitale	Director	20.10.2005	6	5	Yes	5	2	1
	Mr. Anthony Paul Pedder	Director	18.04.2005	6	5	Yes	Nil	Nil	Nil
	Mr. Sudipto Sarkar	Director	09.05.2005	6	4	Yes	8	Nil	5
	Dr. S. K. Gupta	Director	25.04.1994	6	6	Yes	6	2	5
	Mr. K. Vijayaraghavan	Director	16.06.2008	6	5	Yes	Nil	Nil	Nil
	Dr. Vijay Kelkar	Director	20.01.2010	6	5	Yes	7	Nil	2
Nominee Director	Mrs. Zarin Daruwala	Nominee of ICICI Bank Limited (Lender)	13.12.2005	6	4	No	1	Nil	Nil

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Ltd. Cos.**	
								Chairmanship (s)	Membership(s)
	Part of the Year								
Non-Executive Non-Independent Director	Mrs. Vandita Sharma, I.A.S (Ceased to be a Director w.e.f 03.02.2011)	Nominee of KSIIDC (Equity Investor)	19.11.2009	6	1	Yes	-	-	-
	Mr. M. Maheshwar Rao, I.A.S	-do-	04.02.2011	0*	None	NA #	7	Nil	Nil
	Mr. Shigeru Ogura	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	08.09.2010	3 *	2	NA #	Nil	Nil	Nil

Notes:

1. During the Financial Year 2010-11, six Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 03.05.2010, 29.06.2010, 27.07.2010, 26.10.2010, 20.12.2010 and 27.01.2011.
2. * No. of Board Meetings indicated is with reference to date of appointment of the Director.
3. ** Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
4. # Not a Director at the time of last AGM.

2.3 Board Meetings, Board Committee Meetings and Procedures:

A. Institutionalised decision making process

The Board of Directors oversee the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Vice Chairman and Managing Director is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted ten Standing Committees, namely Audit Committee, Project Review Committee, Shareholders/ Investors Grievance Committee, Remuneration Committee, Finance Committee, Nomination Committee, Risk Management Committee, Share Allotment Committee, Share/Debenture Transfer Committee and JSWSL Code of Conduct Implementation Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

B. Scheduling and selection of Agenda Items for Board meetings

i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

ii. The meetings are usually held at the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai – 400 026.

iii. All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee Meetings.

iv. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items.

v. The Board is given presentations covering Global Steel Scenario, Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary performance and Risk Management practices before taking on record the Quarterly/Half yearly/ Annual financial results of the Company.

C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

E. Post Meeting Follow-up Mechanism

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/ Committees. The important decisions taken at the Board/ Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

F. Compliance

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 read with the Rules made thereunder.

2.4 Meetings of Independent Directors:

The Independent Directors of the Company meet at such intervals as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Vice Chairman and Managing Director.

2.5 Training of Board Members:

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities. Monthly updates on performance/developments giving highlights of performance of the Company during each month including the developments/events having impact on the business of the Company are also sent to all the Directors.

3. AUDIT COMMITTEE:

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. Mr. Uday M. Chitale is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

The broad terms and reference of Audit Committee are:

a. To review the financial statements before submission to the Board;
b. To review reports of the Management Auditors and Internal Auditors;
c. To review the weaknesses in internal controls reported by Internal and Statutory Auditors;
d. To review the remuneration of Chief Internal Auditor;
e. To approve the appointment of the Chief Financial Officer (CFO);
f. In addition, the powers and role of the Audit Committee are as laid down under clause 49 II C and D of the Listing Agreement and Section 292A of the Companies Act, 1956.

Seven meetings of the Audit Committee were held during the financial year 2010-11, as against the minimum requirement of four meetings. The details are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	03rd May, 2010	4	4
2	21st July, 2010	4	3
3	26th July, 2010	4	3
4	24th September, 2010	4	3
5	25th October, 2010	4	4
6	10th December, 2010	4	3
7	27th January, 2011	4	4

The Constitution of the Committee as at 31.03.2011 and the attendance of each Member are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Attended
1	Mr. Uday M. Chitale Chairman	Non-Executive Independent Director	7
2	Dr. S. K. Gupta Member	Non-Executive Independent Director	7
3	Mr. Sudipto Sarkar Member	Non-Executive Independent Director	3
4.	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	7

The Jt. Managing Director & Group CFO, Director & CEO, Director (Commercial & Marketing), Chief Financial Officer, Accounts Heads of each Unit, Vice President (Internal Audit), the Company Secretary and the representatives of the Statutory Auditors attend the Audit Committee Meetings. The representatives of Management Auditors attend the Audit Committee Meeting whenever matters relating to management audit are considered. The Company Secretary is the Secretary of the Audit Committee.

Mr. Uday M. Chitale, Chairman of the Audit Committee was present at the last Annual General Meeting held on 29.06.2010.

4. REMUNERATION COMMITTEE:

The Remuneration Committee, which is a non-mandatory requirement of Clause 49, was constituted on 27.03.2002.

The terms of reference of the committee are as follows:

i. To determine on behalf of the Board and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

ii. To approve the payment of remuneration to Managerial Personnel as per the Policy laid down by the Committee.

One meeting of the Remuneration Committee was held during the financial year 2010-11 on 26th July, 2010.

The composition of the Remuneration Committee as at 31.03.2011 and attendance of each member at the committee meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings held	No. of Meetings Attended
1	Dr. S. K. Gupta Chairman	Non-Executive Independent Director	1	1
2	Mr. Uday M Chitale Member	Non-Executive Independent Director	1	1
3	Mr. Anthony Paul Pedder Member	Non-Executive Independent Director	1	1
4	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	1	1

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

4.1 Remuneration Policy and Details of Remuneration paid to Directors:

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature, the Industry Standards and competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. Executive Directors (ED) are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of ED comprises of salary, perquisites, allowances, performance linked incentive, ESOPs and contributions to PF and Gratuity.

The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them.

The details of commission paid/payable to the Non-Executive Directors for the financial year 2010-11, is as follows:

Sr. No	Name	From	To	Commission Payable (₹ in crores)
1	Mrs. Savitri Devi Jindal	1-Apr-10	31-Mar-11	0.08
2	Dr. S. K. Gupta	1-Apr-10	31-Mar-11	0.13
3	Mr. Uday M. Chitale	1-Apr-10	31-Mar-11	0.14
4	Dr. Vijay Kelkar	1-Apr-10	31-Mar-11	0.12
5	Mr. Anthony Paul Pedder	1-Apr-10	31-Mar-11	0.13
6	Mr. Sudipto Sarkar	1-Apr-10	31-Mar-11	0.11
7	Mr. K. Vijayaraghavan	1-Apr-10	31-Mar-11	0.13
8	Mrs. Zarin Daruwala (Nominee ICICI Bank Limited)*	1-Apr-10	31-Mar-11	0.11
9	Mrs. Vandita Sharma I.A.S and Mr. M. Maheshwar Rao, I.A.S (Nominee KSIIDC)*	1-Apr-10	31-Mar-11	0.09
10	Mr. Shigeru Ogura (Nominee JFE Steel Corporation)*	8-Sep-10	31-Mar-11	0.06

* Payable to the respective Institutions/Organisation they represent.

The Details of Remuneration paid /payable to the Whole-time Directors for the financial year 2010-11 is as given below:

Name of Director	Salary (₹ in crores)	Perks (₹ in crores)	Profit linked Commission (₹ in crores)	Period of Contract	Notice Period
Mr. Sajjan Jindal Vice Chairman & Managing Director	5.83	0.61	14.36	From 07.07.2007 to 06.07.2012	NA
Mr. Seshagiri Rao M.V.S Jt. Managing Director & Group CFO	3.13	0.13	–	From 06.04.2009 to 05.04.2014	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Director & CEO	2.26	0.09	–	From 30.04.2007 to 29.04.2012	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	1.91	0.09	–	From 07.05.2009 to 06.05.2014	3 months from either side or salary in lieu thereof.
TOTAL	**13.13**	**0.92**	**14.36**		

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

Shareholding of the Non-Executive Directors in the Company as on 31.03.2011:

None of the Non-Executive Directors other than those named below hold any shares in the Company:

Sl. No.	Director	No. of Equity Shares of ₹ 10/- each held
1	Mrs. Savitri Devi Jindal	7530
2	Dr. S. K. Gupta	4000

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of 3 Non-Executive Directors all of whom are Independent Directors.

The terms of reference of the Committee are as follows:

a) Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.

b) Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.

c) Follow-up on the implementation of suggestions for improvement, if any.

d) Periodically report to the Board about serious concerns, if any.

The Shareholders /Investors Grievance Committee met twice during the financial year 2010-11 on 24.09.2010 and 25.03.2011. The constitution of the committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
1	Mr. K. Vijayaraghavan Chairman	Non-Executive Independent Director	2	1
2	Dr. S. K. Gupta Member	Non-Executive Independent Director	2	2
3	Mr. Uday M. Chitale Member	Non-Executive Independent Director	2	2

Mr. Lancy Varghese, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges in India. His address and contact details are as given below:

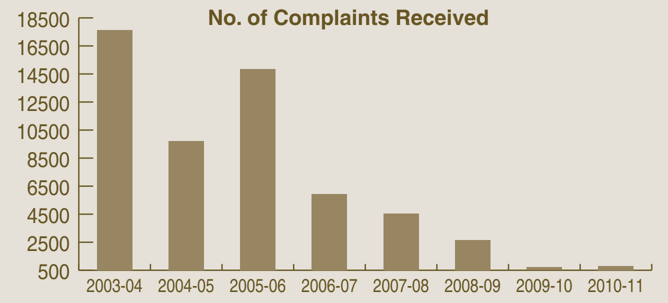
Address: Victoria House, Pandurang Budhkar Marg, Lower Parel (W), Mumbai - 400 013
Phone: 022-24927000 / 43437800
Fax: 022-24917933
Email: jswsl.investor@jsw.in

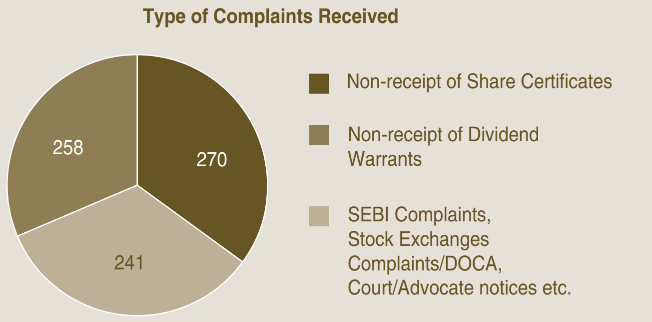
Investor Grievance Redressal

Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2011	:	769
Number not solved to the satisfaction of Shareholders	:	Nil
No. of pending Complaints as on 31.03.2011	:	Nil
No. of pending Share Transfers as on 31.03.2011	:	114*

*There were no share transfers pending for registration for more than 15 days as on the said date.





Note: Complaints pertaining to the years subsequent to 2004-05 include investor complaints received from shareholders of Jindal Iron & Steel Co. Limited and Southern Iron & Steel Co. Limited upon its merger with the Company in the financial years 2004-2005 and 2007-2008 respectively.

6. OTHER MAJOR COMMITTEES OF DIRECTORS:

In addition to the above referred Committees which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of such Functional Committees are finalized in consultation with the Committee Members:

Sl. No.	Name of the Committee	Composition	Terms of Reference	Frequency of Meetings
01	Project Review Committee	1. Mr. Anthony Paul Pedder (Chairman), Non-Executive Independent Director 2. Dr. Vinod Nowal, Executive Director 3. Dr. S. K. Gupta, Non-Executive Independent Director 4. Mr. K. Vijayaraghavan, Non-Executive Independent Director 5. Mr. Shigeru Ogura, Nominee Director, JFE Steel Corporation, Japan	1. To closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objective of timely project completion within the budgeted project outlay. 2. To review new strategic initiatives.	Quarterly Four meetings were held on 02.05.2010, 26.07.2010, 27.10.2010 and 28.01.2011.
02	Risk Management Committee *	1. Dr. S. K. Gupta (Chairman), Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S., Executive Director 3. Mr. Jayant Acharya, Executive Director 4. Mr. Uday M. Chitale Non-Executive Independent Director 5. Mr. K. Vijayaraghavan, Non-Executive Independent Director	1. To periodically review risk assessment and minimisation procedures to ensure that, Executive Management controls risk through means of a properly defined framework. 2. To review major risks and proposed action plan.	Quarterly Three Meetings were held on 21.07.2010, 24.09.2010 and 10.12.2010.
03	Nomination Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Uday M. Chitale, Non-Executive Independent Director 3. Mr. Anthony Paul Pedder, Non-Executive Independent Director	1. To consider Nomination of persons to be inducted on the Board	Need based One Meeting was held on 27.07.2010.
04	Finance Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Seshagiri Rao M.V.S., Executive Director 3. Dr. Vinod Nowal, Executive Director 4. Mr. Jayant Acharya, Executive Director	1. To approve availing of credit/financial facilities of any description from Banks/Financial Institutions/ Bodies Corporate within the limits approved by the Board. 2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the 'said committee' may deem fit, and from time to time to vary or realise such investments within the framework of the guidelines laid down by the Board.	Need based Meetings were held on 14.04.2010, 16.04.2010, 19.04.2010, 03.05.2010, 10.05.2010, 20.05.2010, 25.05.2010, 22.06.2010, 30.06.2020, 13.07.2010, 23.07.2010, 30.07.2010, 13.08.2010, 16.09.2010, 22.09.2010, 01.10.2010,

Sl. No.	Name of the Committee	Composition	Terms of Reference	Frequency of Meetings
			3. To open new Branch Offices of the Company, to declare the same as such under Section 2(9) of the Companies Act, 1956 and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. 4. To make loans to Individuals/Bodies Corporate and/or to place deposits with other Companies/ Firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board. 5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient.	28.10.2010, 08.11.2010, 25.11.2010, 13.12.2010, 20.12.2010, 30.12.2010, 07.01.2011, 01.02.2011, 07.03.2011 and 23.03.2011.

*The Risk Management Committee, a sub-committee of the Board has further constituted:

i. "Capex Risk Evaluation Committee" to evaluate the risks associated with capex proposals including mergers and acquisitions.

ii. Locational Committees namely (a) Corporate Locational Committee (b) Upstream Locational Committee (c) Downstream Locational Committee and (d) Salem Locational Committee to further review risk assessment at Locational Level.

7. GENERAL BODY MEETINGS:

A. Annual General Meetings:

The details of date and time of the Annual General Meetings (AGMs) of the Company held during the preceding three years, at Birla Matushri Sabhagar,19, New Marine Lines, Mumbai 400 020 and the Special Resolutions passed there at are as under:

AGM	Date	Time	Special Resolutions Passed
14th AGM	16.06.2008	11.00 a.m.	Nil
15th AGM	06.07.2009	11.00 a.m.	1. To issue, offer and allot Equity Shares and/or Securities other than Warrants, which are convertible into Equity Shares to Qualified Institutional Buyers (QIB), by way of Qualified Institutions Placement, for an aggregate amount not exceeding US$ 1 Billion and/or 2. To offer, issue, and allot in one or more tranches, Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants and/or other Instruments convertible into Equity shares not exceeding US$ 1 Billion in the aggregate. (Such that the total amount to be raised vide both of the above proposed issues would not in the aggregate exceed a sum of US $ 1 Billion or its Indian Rupee equivalent, inclusive of such premium as may be determined by the Board).
16th AGM	29.06.2010	11.00 a.m.	Payment of Commission not exceeding in the aggregate, one percent of the net profits of the Company to Non-Executive Directors of the Company for a period of five years from the financial year commencing from 1st April, 2010, in addition to the sitting fees and reimbursement of expenses incurred.

B. Extra Ordinary General Meetings:

The details of date, time and venue of the Extra General Meetings (EGMs) of the Company held during the preceding three years and the Special Resolutions passed there at are as under:

EGM – Date & Time	Venue	Special Resolutions Passed
02.06.2010 11.00 a.m.	Birla Matushri Sabhagar,19 Marine Lines, Mumbai - 400 020	To approve the issue of upto 1,75,00,000 Warrants convertible into Equity Shares of the Company to Sapphire Technologies Limited, a promoter group company on a preferential basis.
26.08.2010 11.00 a.m.	Patkar Convocation Hall of S.N.D.T Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	To create, offer, issue and allot either Equity Shares or a Fully Convertible Debenture of the Company representing not more than 14.99% of the paid-up equity share capital of the Company to JFE Steel Corporation, Japan, on a preferential basis.

C. Special Resolutions passed through Postal Ballot during 2010-11:

Pursuant to Section 81(1A) of the Companies Act,1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, a Notice dated October 26, 2010 was sent to the Shareholders seeking their consent for the following:

1. Issue of 977,906 Equity Shares on a preferential basis to JFE Steel Corporation, Japan.
2. Issue of 3,085,814 Global Depository Receipts (GDRs) on a preferential basis to JFE Steel Corporation, Japan.

The ballot forms were returnable by December 04, 2010, The results were declared on December 06, 2010 at the Registered Office of the Company at Jindal Mansion, 5A Dr. G. Deshmukh Marg, Mumbai 400 026.

Mr. Prem Rajani of Rajani Associates, Advocates & Solicitors, Mumbai, was appointed as Scrutinizer to receive and scrutinize the completed postal ballot papers received from the Members and for conducting the Postal Ballot process in a fair and transparent manner.

The results of the voting conducted through Postal Ballot are as given below:

Resolution No.	Particulars	No. of valid votes cast	Votes cast in favour of the resolution	Votes cast against the resolution
1.	Issue of 977,906 Equity Shares on a preferential basis to JFE Steel Corporation, Japan	13,13,30,202	13,12,84,501	45,701
2	Issue of 3,085,814 Global Depository Receipts (GDRs) on a preferential basis to JFE Steel Corporation, Japan	13,13,25,612	13,12,76,395	49,217

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. DISCLOSURES:

i. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their relatives or Subsidiaries etc. which could conflict with the interests of the Company.

ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

iii. The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures, which are periodically reviewed.

9. WHISTLE BLOWER POLICY:

The Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non-mandatory requirement, encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

WBP also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

10. SUBSIDIARY MONITORING FRAMEWORK:

All the Subsidiary Companies of the Company are Board managed with their Boards having the right and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:

a) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.

b) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.

c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

11. MEANS OF COMMUNICATION:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

a) **Quarterly/ Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

b) **Publication of Quarterly/ Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2010-11 were published as detailed below:

Quarter (F.Y. 2010-11)	Date of Board Meeting	Date of publication	Name of the Newspapers
1	27.07.2010	28.07.2010	The Financial Express and Navshakti
2	26.10.2010	27.10.2010	The Financial Express and Navshakti
3	27.01.2011	28.01.2011	The Financial Express and Navshakti

c) **Monthly production figures and other press releases:** To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.

d) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investor Zone" where information for shareholders is available. The Quarterly/Annually Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, investors' contact details etc., are posted on the website in addition to the information stipulated under Clause 54 of the Listing Agreement. The latest official press releases are also available on the website.

e) **Presentations to Analysts:** Four presentations were made to analysts during the FY 2010-2011 on 27.07.2010, 26.10.2010, 21.12.2010 and on 27.01.2011. The same are available on the Company's website. The Presentations broadly covered operations, financials and industry outlook.

f) **Corporate Filing and Dissemination System (CFDS) Filing:** As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in, within the time frame prescribed in this regard.

g) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

h) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

i) **Reminder to Investors:** Reminders for unpaid dividend/unpaid interest on debentures are sent to the Shareholders/Debenture holders as per records at appropriate intervals.

12. GENERAL SHAREHOLDERS INFORMATION:

12.01 Annual General Meeting:

Date and Time	:	25.07.2011 at 11.00 a.m.
Venue	:	Birla Matushree Sabhagar, New Marine Lines, Mumbai-400 020
Dates of Book Closure	:	13.07.2011 to 15.07.2011 (both days inclusive)
Dividend Payment Date	:	29.07.2011

12.02 Financial Calendar 2011 -12:

First quarterly results	:	July, 2011
Second quarterly results	:	October, 2011
Third quarterly results	:	January, 2012
Annual results for the year ending on 31.03.2012	:	April/May, 2012
Annual General Meeting for the Year 2012	:	June/July, 2012

12.03 Corporate Identity Number (CIN):

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L27102MH1994PLC152925.

12.04 Listing on Stock Exchanges:

The Company's Equity Shares & 10% Cumulative Redeemable Preference Shares are listed on the following Stock Exchanges in India:

Bombay Stock Exchange Limited (BSE)	National Stock Exchange of India Limited (NSE)
Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	Exchange Plaza Bandra-Kurla Complex Bandra East, Mumbai 400 051

The following Redeemable Secured Non-Convertible Debentures of the Company are listed on the BSE:

Sl. No.	Coupon Rate	Face Value
01.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
02.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
03.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
04.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
05.	10.25% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
06.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
07.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2010-11 and 2011-12.

The Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068 804.

The Annual Listing fee as applicable for the Calendar Year 2011 has also been paid by the Company to the SGX.

Stock Code:

Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)			Singapore Exchange Securities Trading Limited (SGX-ST)
Equity	Preference	Debentures	Equity	Preference	Debentures	FCCB
500228	700085	934657 945781 946540 946594 945893 946364 946501	JSW-STEEL	JSW-STEEL	N.A	3IJB

ISIN No. for Dematerialisation of listed Shares/Debentures/FCCBs:

Equity	:	INE019A01020
Preference:	:	INE019A04016
Debentures :	:	INE548G07014 – 10.20% NCDs of ₹10 Lakhs each
		INE710B07011 – 10.20% NCDs of ₹10 Lakhs each
		INE019A07175 – 10.10% NCDs of ₹10 Lakhs each
		INE019A07191 – 10.10% NCDs of ₹10 Lakhs each
		INE019A07126 – 10.25% NCDs of ₹10 Lakhs each
		INE019A07167 – 10.60% NCDs of ₹10 Lakhs each
		INE019A07183 – 10.60% NCDs of ₹10 Lakhs each
FCCBs	:	XSO302937031

Debenture Trustees:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17th R. Kamani Marg,
Ballard Estate, Mumbai 400 001

AXIS Bank Limited
Regd. Office: Sakar 1, Ground Floor,
Off Ashram Road, Ahmedabad 380 009
Central Office: 13th floor, Maker Tower 'F',
Cuffe Parade, Colaba, Mumbai 400 005

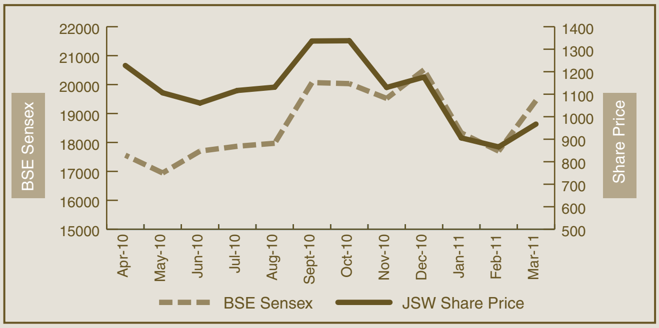
FCCB Trustees:
CITIBANK N.A
London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London - E14 5LB

12.05 Market Price Data

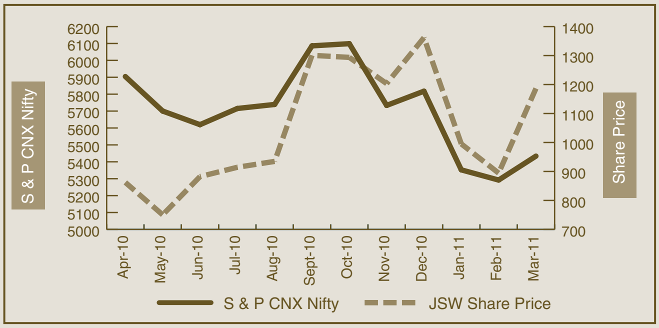
The monthly high/low market price of the shares and the quantities traded during the year 2010-11 at the Bombay and National Stock Exchanges are as under:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High (In ₹ Per share)	Low (In ₹ Per share)	No. of shares traded	High (In ₹ Per share)	Low (In ₹ Per share)	No. of shares traded
Apl' 2010	1300.00	1170.5	52,94,949	1301.90	1170.00	2,55,84,476
May 2010	1274.00	984.95	1,32,73,087	1271.00	983.20	4,95,68,618
Jun' 2010	1118.30	1000.00	91,19,418	1118.35	1001.00	3,92,82,194
Jul' 2010	1231.00	1020.00	93,62,316	1230.50	1020.00	3,57,94,315
Aug' 2010	1169.80	1085.00	43,93,460	1169.95	1083.60	1,97,33,045
Sept' 2010	1344.20	1132.10	48,68,151	1347.00	1133.15	2,38,76,461
Oct' 2010	1400.00	1212.00	39,97,146	1400.00	1212.35	2,58,55,558
Nov' 2010	1363.40	1095.00	15,34,851	1365.85	1093.60	94,96,215
Dec' 2010	1240.00	1033.35	37,85,149	1239.70	1031.00	2,15,83,054
Jan' 2011	1212.50	851.55	69,85,429	1213.80	860.10	3,69,44,417
Feb' 2011	945.95	752.00	1,00,81,314	945.00	750.85	4,03,80,052
Mar' 2011	972.50	831.35	97,15,439	972.40	858.50	3,83,40,241

12.06 Performance of Share Price in comparison to BSE Sensex:



12.07 Performance of Share Price in comparison to S & P CNX Nifty:



12.08 Percentage change in comparison to Broad Based indices – Sensex and Nifty as on March 31, 2011 :

Financial Year	JSW Share Price %	Sensex %	JSW Share Price %	Nifty %
2010-11	78	111	77	111
2009-10	533	181	530	174
2008-09	-71.17	-38.44	-71.57	-36.13
2007-08	65.99	18.21	66.18	23.88
2006-07	63.01	13.22	62.78	12.31
2005-06	-16.04	42.33	-16.45	67.14

12.09 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081
Ph: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

12.10 Share Transfer System:

Transfer of Shares held in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/ Debenture Transfer Committee. The decisions of Share/Debenture Transfer Committee are placed at the Next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly Certificate of Compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

12.11 Distribution of Shareholding:

The distribution of shareholding by size as on 31.03.2011 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share-holding
1	1-500	543514	99.33	12362074	5.54
2	501-1000	1968	0.36	1408787	0.63
3	1001-2000	783	0.14	1111256	0.50
4	2001-3000	219	0.04	535852	0.24
5	3001-4000	100	0.02	354481	0.16
6	4001-5000	74	0.01	339317	0.15
7	5001-10000	154	0.03	1076556	0.48
8	10001-20000	92	0.02	1322005	0.59
9	20001 and above	293	0.05	204606872	91.70
	Total	**547197**	**100.00**	**223117200**	**100.00**

12.12 Shareholding Pattern:

Category	As on 31.03.2011			As on 31.03.2010		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	111	84143661	37.71	112	84175673	45
NRI	11478	3111779	1.39	11630	3101605	1.66
FII	274	54740502	24.53	319	59591549	31.86
OCB	7	40712	0.02	7	40712	0.02
FBC	3	41201389	18.47	2	8218685	4.39
IFI	11	8202236	3.68	5	5818696	3.11
IMF	83	1354265	0.61	71	1701778	0.91
Banks	30	1358165	0.61	24	2032832	1.09
Employees	2039	96247	0.04	2239	62706	0.03
Bodies Corporate	2902	8981353	4.03	2683	7572699	4.05
Public	527660	15308532	6.86	521338	13642278	7.29
Trust	13	1120268	0.50	11	833140	0.45
HUF	2584	371081	0.17	2164	255133	0.14
GDR	1	3085814	1.38	0	0	0
Transit A/C	1	1196	0.00	1	1196	0
Total	**547197**	**223117200**	**100.00**	**540606**	**187048682**	**100**

12.13 Top 10 Shareholders as on 31.03.2011:

Sl. No.	Name	Shares	%
1	JFE Steel Corporation	32982704	14.78
2	Jindal South West Holdings Limited	17284923	7.75
3	JSW Energy Investments Private Limited	13764364	6.17
4	JSW Investments Private Limited	7858165	3.52
5	JSW Power Trading Company Limited	7003835	3.14
6	Janus Contrarian Fund	6549160	2.94
7	Duferco Coke Investments Limited	5035241	2.26
8	Nalwa Sons Investments Limited	4548537	2.04
9	Mavi Investment Fund Limited	4417000	1.98
10	Life Insurance Corporation of India	4175363	1.87

12.14 Geographical Distribution of Shareholders as on 31.03.2011:

Sl. No.	Name of the City	Electronic			Physical			Total		
		No. of Shareholders	No. of Shares	% of total Shareholding	No. of Shareholders	No. of Shares	% of total Shareholding	No. of Shareholders	No. of Shares	% of total Shareholding
1	Mumbai	38629	173220442	77.64	31011	874253	0.39	69640	174094695	78.03
2	New Delhi	18011	14381469	6.45	29249	393198	0.18	47260	14774667	6.62
3	Ahmedabad	10377	714131	0.32	11247	137266	0.06	21624	851397	0.38
4	Calcutta	9725	1023917	0.46	9410	143242	0.06	19135	1167159	0.52
5	Bangalore	8650	1385546	0.62	8653	569183	0.26	17303	1954729	0.88
6	Chennai	7113	2206240	0.99	7241	115994	0.05	14354	2322234	1.04
7	Pune	4885	231919	0.10	3529	57144	0.03	8414	289063	0.13
8	Hyderabad	4536	284594	0.13	5147	75556	0.03	9683	360150	0.16
9	Vadodara	5050	178545	0.08	5855	51387	0.02	10905	229932	0.10
10	Agra	1078	31763	0.01	2134	17372	0.01	3212	49135	0.02
11	Chandigarh	1489	59138	0.03	2401	23189	0.01	3890	82327	0.04
12	Coimbatore	3544	613617	0.28	5827	176980	0.08	9371	790597	0.35
13	Gandhi Nagar	2675	59584	0.03	4224	30933	0.01	6899	90517	0.04
14	Ghaziabad	1246	39742	0.02	1779	16848	0.01	3025	56590	0.03
15	Hissar	1371	4658751	2.09	3579	55690	0.02	4950	4714441	2.11
16	Howrah	1552	54492	0.02	1524	20931	0.01	3076	75423	0.03
17	Indore	1723	63614	0.03	2592	23411	0.01	4315	87025	0.04
18	Jaipur	3459	109235	0.05	4982	42282	0.02	8441	151517	0.07
19	Jamnagar	1164	21309	0.01	2273	16215	0.01	3437	37524	0.02
20	Kanpur	2000	171853	0.08	3577	35000	0.02	5577	206853	0.09
21	Lucknow	1834	53375	0.02	2466	25551	0.01	4300	78926	0.04
22	Mehsana	1573	41218	0.02	3010	19036	0.01	4583	60254	0.03
23	Patna	1075	39856	0.02	2006	25065	0.01	3081	64921	0.03
24	Rajkot	2202	126016	0.06	3674	30479	0.01	5876	156495	0.07
25	Surat	4089	147933	0.07	5070	41281	0.02	9159	189214	0.08
26	Thane	3662	200938	0.09	2970	54832	0.02	6632	255770	0.11
27	Others	91365	17669283	7.92	147690	2256362	1.01	239055	19925645	8.93
	Total	**234077**	**217788520**	**97.61**	**313120**	**5328680**	**2.39**	**547197**	**223117200**	**100.00**

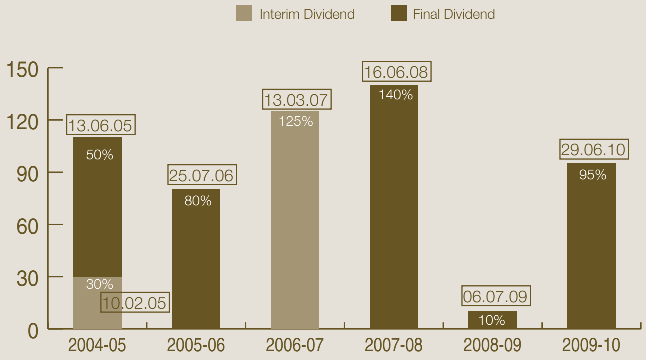
12.15 Corporate Benefits to Shareholders:

a) Dividend declared for the last six years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2009-10	29.06.2010	95 (Final Dividend)
2008-09	06.07.2009	10 (Final Dividend)
2007-08	16.06.2008	140 (Final Dividend)
2006-07	13.03.2007/13.06.2007	125 (Interim cum Final Dividend)
2005-06	25.07.2006	80 (Final Dividend)
2004-05	10.02.2005	30 (Interim Dividend)
	13.06.2005	80 (Final Dividend Including Interim Dividend)

Note – Dates indicated above are date of declaration by the Board in case of Interim Dividend and by Members in case of Final Dividend.

The Dividend History of the Company



b) Unclaimed Dividends:

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals.

The unpaid/unclaimed dividends upto the financial year ended 31.03.1995 had been transferred to the General Revenue Account of the Central Government. The Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies- Mumbai. Apart from the above, the Company has transferred the unpaid dividends upto 31.03.2003 to the IEPF.

Pursuant to Section 205A(5) of the Companies Act, 1956 the unpaid dividends that are due for transfer to the IEPF are as follows:

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend Amount as on 31.03.2011	Per-centage	Due for transfer to IEPF
2004-2005 (Interim Dividend)	10.02.2005	1,26,86,136.00	30%	19.03.2012
2004-2005 (Final Dividend)	13.06.2005	1,18,36,388.57	50%	20.07.2012
2005-2006 (Final Dividend)	25.07.2006	1,53,99,964.88	80%	31.08.2013
2006-2007 (Interim Cum Final Dividend)	13.03.2007	2,16,51,460.14	125%	19.04.2014
2007-2008 (Final Dividend)	16.06.2008	2,65,86,798.01	140%	23.07.2015
2008-2009 (Final Dividend)	06.07.2009	30,32,175.00	10%	12.08.2016
2009-2010 (Final Dividend)	29.06.2010	2,16,57,373.00	95%	05.08.2017

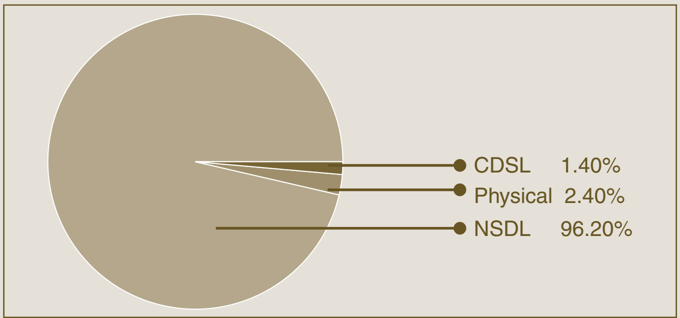
Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

12.16 Unclaimed Shares:

42,153 Share Certificates in respect of 6,34,542 Equity Shares pertaining to 42,128 Shareholders are lying undelivered with the Company's R & T Agents as at March 31, 2011. The Company after sending three reminders to the registered address of the shareholders, requesting for correct particulars to dispatch the undelivered share certificates, will be crediting the unclaimed shares to a Demat Suspense Account to be opened by the Company for this purpose with one of the Depository Participants, if no response is received. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall be credited to the said Demat Suspense Account. The voting rights on these shares shall also remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company at later date, the Company shall to the extent of his/her entitlement, arrange to deliver the shares from the said account to the rightfull owner after proper verification of his/her identity.

12.17 Dematerialisation of Shares and Liquidity:



The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 21,77,88,520 Equity Shares aggregating to 97.60% of the total Equity Capital is held in dematerialised form as on 31.03.2011 of which 96.20% (21,46,46,493) Equity Shares of total equity capital is held in NSDL and 1.40% (31,42,027 Equity Shares) of total equity capital is held in CDSL as on 31.03. 2011.

12.18 Physical Share Purchase Scheme:

Having regard to the difficulties experienced by the shareholders in disposing of their shares held in physical form and to mitigate the hardship caused to them, the Company has, along with Karvy Computershare Private Limited (Karvy), formulated a Physical Share Purchase Scheme in 2005-06.

The Equity Shares in physical mode tendered by the shareholders under the scheme are sold by Karvy at the prevailing market price and the net sale proceeds thereof are distributed to the concerned shareholders. The shareholders who wish to avail benefit of the scheme may kindly contact Karvy.

12.19 National Electronic Clearing Service (NECS):

As per the directive from Securities and Exchange Board of India (SEBI), all Companies used to use Electronic Clearing Service (ECS) facility, introduced by Reserve Bank of India (RBI), for distributing dividends and other cash benefits to investors, wherever available. In this system, the investor's bank account is credited with the dividend amount using the services of a Clearing House, based on the information provided by the Company, under advice to the investor.

As per RBI notification, with effect from October 1, 2009, the remittance of the money through centralised ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

The Company will remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate in the format attached to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may furnish their new Bank Account Number allotted to them by their bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, or the NECS mandate to their Depositary Participant (DP), at the earliest.

12.20 Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a circular bearing no.17/2011 dated April 21, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme and the circular issued by MCA, the Company proposes to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

This is also a golden opportunity for every shareholder of JSW Steel Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the registration form which can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder's Information', and register the same with the Company's Registrar.

12.21 Nomination Facility:

Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to Company's Registrar, Karvy Computershare Private Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder's Information'.

12.22 Outstanding GDRs/ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on Equity:

(a) FCCBs:

The Company had issued 3,250 Foreign Currency Convertible Bonds (FCCBs), of US $ 100,000 each during the financial year 2007-08. As per the option attached to the FCCBs, each Bond is convertible into Equity Shares of face value of ₹ 10/- each of the Company at a conversion price of ₹ 953.40 per share, at any time on or after 07.08.2007 until the close of business on 21.03.2012, unless previously redeemed, converted or purchased and cancelled and except during a closed period.

In the Financial Year 2007-08, one of the Bond Holders i.e. Deutsche Bank AG London, had opted for the conversion of 8 Bonds into Equity Shares on 31.12.2007 and accordingly the Company had issued 33,799 Equity Shares of face value of ₹10/- each of the Company to Deutsche Bank AG London.

The Board of Directors at its meeting held on 28.01.2009, resolved to explore opportunities to buy back a portion of the Company's outstanding Foreign Currency Convertible Bonds (FCCBs). In the Financial year 2008-09, 14.74% of the Company's outstanding Zero Coupon Foreign Currency Convertible Bonds of US $ 1,00,000 each due on 2012 (ISIN XS0302937031), aggregating to US $ 47.80 million were repurchased in accordance with the A.P. (DIR Series) Circular No. 39 dated 08.12.2008 issued by the Reserve Bank of India and subsequently cancelled.

The principal amount of FCCBs outstanding as at 31.03.2011 after the above conversion, repurchase and cancellation is US $ 274.40 million.

(b) Equity Warrants:

1,75,00,000 (One crore seventy five lakhs) warrants were allotted on June 16, 2010 to Sapphire Technologies Limited, a Promoter Group Company, on a preferential basis.

Each warrant entitles the holder to apply for and be allotted one equity share of the Company of par value of ₹ 10/- each, at a price of ₹ 1,210/- per equity share, at any time within 18 months from the date of allotment of the warrants, i.e. within December 15, 2011.

(c) Global Depository Receipts (GDRs):

Pursuant to the Subscription Agreement entered into by the Company with JFE Steel Corporation on 27.07.2010, 3,085,814 non-voting, non-transferable Global Depository Receipts representing 3,085,814 underlying shares of the Company i.e. 1.38% of the issued and subscribed share capital, are outstanding as on March 31, 2011. The GDRs are not listed on any Exchange.

12.23 Registered Office:
Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai - 400 026.

12.24 Plant Locations:

Vijayanagar	: P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Bellary Dist., Karnataka - 583 275.
Vasind	: Shahapur Taluk, Thane District, Maharashtra - 421 604.
Tarapur	: MIDC Boisar, Thane, Maharashtra - 401 506.
Salem	: Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu - 636 453.

12.25 Address for Investor Correspondence:

I. Retail Investors

a) For Securities held in Physical form
Registrar & Share Transfer Agents
Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Tel. No.: 040 - 23420815-824 (10 lines)
Fax No.: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

b) For Securities held in Demat form
The investors' Depository Participant(s) and/or Karvy Computershare Private Limited

c) JSW Steel Limited - Investor Relation Center
Victoria House, Pandurang Budhkar Marg,
Lower Parel (W), Mumbai - 400 013
Tel. No.: 022-24917930/31/94
Fax No.: 022-24917933
Email: jswsl.investor@jsw.in

II. Institutional Investors
Mr. Rajesh Asher
Sr. Vice President (Finance & Investor Relations),
Jindal Mansion,
5A, Dr. G. Deshmukh Marg,
Mumbai 400 026
Tel. No.: 022-23513000
Fax No.: 022-23526400

III. Designated exclusive E-mail-id for Investor servicing:
jswsl.investor@jsw.in

IV. Toll Free Number of R & T Agent's exclusive Call Centre:
1-800-3454001

V. Web-based Query Redressal System

A new facility has been extended by the Registrar and Share Transfer Agents for redressal of Shareholders' queries. The Shareholder can visit http://karisma.karvy.com and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES option provided on the website, which would generate a grievance registration number. For accessing the status/response to their query, the same number can be used at the option "VIEW/ REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

13. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading has been adopted pursuant to clause 49 (D) of the Listing Agreement and the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively, besides other measures taken as detailed below:

a) Code of Conduct for Board Members and Senior Management:

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 20.10.2005. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

Minor modifications were made to the Code of Conduct and the amended Code of Conduct was adopted by the Board in its meeting held on 24.10.2008

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.jsw.in.

Declaration affirming compliance of Code of Conduct:

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Joint Managing Director and Group CFO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

b) Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the "JSWSL Code of Conduct for Prevention of Insider Trading" in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on 07.05.2009.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

c) **Reconciliation of Share Capital Audit Report:**

SEBI has vide its Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 renamed the 'Secretarial Audit Report' as the 'Reconciliation of Share Capital Audit Report'.

Reconciliation of Share Capital Audit Report in terms of SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

d) **Internal Checks and Balances:**

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

e) **Legal Compliance of the Company's Subsidiaries:**

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non compliance with the applicable statutory requirements by the Company and its subsidiaries.

f) **Human Rights Policy:**

Human rights are the Standards of Treatment to which all people are entitled. On December 10, 1948 the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights (UDHR) which is the most widely recognised definition of Human Rights. The Declaration represents a contract between governments and their people, who have a right to demand that this document be respected. The Declaration continues to affirm the inherent human dignity and worth of every person in the world, without distinction of any kind.

Although human rights are principally the responsibility of national governments, this has become an increasingly important issue for business.

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.01.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute.

Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2011.

For **JSW Steel Limited**

Place: Mumbai
Date: May 16, 2011.

Seshagiri Rao M.V.S
Joint Managing Director & Group CFO

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of the conditions of Corporate Governance by JSW Steel Limited for the year ended 31.03.2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. PARDIWALLA
Partner
Membership No. 40005

Place: Mumbai
Date: May 16, 2011.

FINANCIALS

steel

Auditor's Report to the Members of JSW Steel Limited

To the Members of JSW Steel Limited

1. We have audited the attached Balance Sheet of JSW Steel Limited ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 16 May 2011

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

1. Having regard to the nature of the Company's business/activity, Clauses (i-c), (iii), (vi), (x), (xii), (xiii), (xiv), (xviii) and (xx) of CARO are not applicable to the Company.
2. In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. In respect of its inventories:
   a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals, except for inventories lying with third parties where confirmations have been received.
   b) As the Company's inventory of raw materials mostly comprises bulk materials such as coal, coke, pellets etc. requiring technical expertise for establishing the quality and the quantification thereof, the Company has hired independent agencies for physical verification of such stocks. Relying on the above, according to the information and explanation furnished to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased/ sold are of special nature and suitable alternate sources for obtaining comparable quotations are not readily available, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit we have not observed any major weaknesses in such internal controls.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 and according to the information and explanations given to us:
   a) The particulars of the contracts or arrangements referred to in Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
   b) Where each of such transaction is in excess of ₹ 5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
7. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the

Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of steel, steel products and electricity and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

8. According to the information and explanations given to us in respect of its statutory dues:

   a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income-tax, Wealth-tax, Sales-tax, Service tax, Custom duty, Excise duty, Cess, Investor Education and Protection Fund and any other material statutory dues applicable to it with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

   c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below :

₹ in crores

Name of Statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.49	2002 – 2003	Commissioner of Income Tax (Appeal)
The Bombay Sales Tax Act, 1959	Sales Tax	14.27	2000 – 2002, 2003 – 2005	The Joint Commissioner of Sales Tax (Appeals), Thane
Chapter V of the Finance Act, 1994	Service Tax	18.90	2005 – 2009	Customs, Excise and Service Tax Appellate Tribunal
Chapter V of the Finance Act, 1994	Service Tax	0.31	2005 – 2006	The Commissioner of Central Excise (Appeals), Mangalore
The Custom Act,1962	Customs Duty	2.14	2004 – 2005	Supreme Court of India.
The Custom Act,1962	Customs Duty	43.71	2001 – 2002	High Court of Karnataka
The Custom Act,1962	Customs Duty	13.01	2001 – 2002, 2008 – 2011	Customs, Excise and Service Tax Appellate Tribunal
The Custom Act,1962	Customs Duty	1.89	2009 – 2010	Commissioner of Custom, Guntur

₹ in crores

Name of Statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act,1944	Excise Duty	40.79	2000 – 2008	Customs, Excise and Service Tax Appellate Tribunal.
The Central Excise Act,1944	Excise Duty	49.34	2000 – 2010	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,1944	Excise Duty	0.35	2007 – 2008, 2009 – 2010	The Commissioner of Central Excise (Appeals), Mumbai
The Central Excise Act,1944	Excise Duty	5.97	2009 – 2010	The Commissioner of Central Excise, Dadar
The Central Excise Act,1944	Excise Duty	0.19	2004 – 2005	The Commissioner of Central Excise, Thane
The Central Excise Act,1944	Excise Duty	0.19	2005 – 2007	Additional Commissioner, Salem

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by subsidiaries (including step down subsidiaries) from banks are prima facie not prejudicial to the interests of the Company.

11. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, *prima facie*, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

12. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

13. According to the information and explanations given to us and the records examined by us, securities/charges have been created in respect of the debentures issued.

14. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 16 May 2011

Balance Sheet as at 31st March, 2011

₹ in crores

	Schedule No.	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	**563.18**	527.11
Share Warrants (refer note B-3 of schedule 18)		**529.38**	–
Reserves and Surplus	2	**16,132.71**	9,179.23
		17,225.27	9,706.34
Loan Funds:			
Secured Loans	3	**7,675.82**	8,987.51
Unsecured Loans	4	**4,275.52**	2,597.59
		11,951.34	11,585.10
Deferred Tax Liability (refer note B-14(b) of schedule 18)		**2,317.04**	1,964.95
Total:		**31,493.65**	23,256.39
APPLICATION OF FUNDS			
Fixed Assets:	5		
Gross Block		**27,407.35**	21,795.58
Less: Depreciation		**6,305.20**	4,929.44
Net Block		**21,102.15**	16,866.14
Capital Work-in-Progress (including Capital Advances)		**6,169.05**	6,684.27
		27,271.20	23,550.41
Investments	6	**4,098.81**	1,768.35
Current Assets, Loans and Advances:			
Inventories	7	**4,138.41**	2,585.77
Sundry Debtors	8	**838.65**	563.25
Cash and Bank Balances	9	**1,886.88**	287.11
Loans and Advances	10	**3,324.43**	2,123.39
		10,188.37	5,559.52
Less: Current Liabilities and Provisions:			
Liabilities	11	**9,667.33**	7,357.67
Provisions	12	**397.40**	264.22
		10,064.73	7,621.89
Net Current Assets/(Liabilities)		**123.64**	(2,062.37)
Total		**31,493.65**	23,256.39
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 16 May 2011

Profit and Loss Account for the year ended 31st March, 2011

₹ in crores

	Schedule No.	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
INCOME:			
Domestic Turnover		**21,429.87**	16,460.61
Export Turnover		**3,662.22**	2,935.82
Sale of Carbon Credits		**38.67**	60.21
		25,130.76	19,456.64
Less: Excise duty		**1,967.52**	1,254.16
Net Turnover		**23,163.24**	18,202.48
Other Income	13	**282.64**	529.08
Total income		**23,445.88**	18,731.56
EXPENDITURE:			
Materials	14	**14,254.10**	10,460.68
Employees' Remuneration and Benefits	15	**534.47**	365.20
Manufacturing and Other Expenses	16	**3,801.14**	3,103.70
Net Finance Charges	17	**695.18**	858.92
Depreciation and amortisation		**1,378.71**	1,123.41
		20,663.60	15,911.91
Profit before Taxation		**2,782.28**	2,819.65
Provision for Taxation (refer Note B-14(a) of Schedule 18)		**771.61**	796.91
Profit after Taxation		**2,010.67**	2,022.74
Profit brought forward from earlier years		**5,327.78**	3,883.15
Amount available for Appropriation		**7,338.45**	5,905.89
Appropriations:			
Transfer to Debenture Redemption Reserve		**–**	(125.00)
Transfer to Capital Redemption reserve		**–**	(9.90)
Dividend on Preference Shares		**(27.90)**	(28.92)
Proposed Final Dividend on Equity Shares		**(273.32)**	(177.70)
Corporate Dividend Tax		**(48.87)**	(34.31)
Transfer to General Reserve		**(4,200.00)**	(202.28)
Balance carried to Balance Sheet		**2,788.36**	5,327.78
Earnings per share (Equity shares, par value of ₹ 10 each) (in ₹)			
Basic		**97.17**	106.34
Diluted		**96.33**	105.94
(refer Note B-13 of Schedule 18)			
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 16 May 2011

Cash Flow Statement for the year ended 31st March, 2011

₹ in crores

		For the Year Ended 31.03.2011		For the Year Ended 31.03.2010	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**2,782.28**		2,819.65
	Adjustments for :				
	Depreciation and amortisation	**1,378.71**		1,123.41	
	Loss on sale of Fixed Assets	**0.98**		0.66	
	Income from Current Investments	**(32.05)**		(3.76)	
	Interest Income	**(123.69)**		(37.58)	
	Dividend Income	**(9.92)**		(0.63)	
	Interest Expenses	**573.67**		679.06	
	Unrealised exchange gain	**(95.83)**		(84.99)	
	Amortisation of Employees Share Payments	**7.55**		4.02	
	Provision for Diminution in Value of Investments	**62.12**		–	
			1,761.54		1,680.19
	Operating profit before working capital changes		**4,543.82**		4,499.84
	Adjustments for :				
	Increase in Inventories	**(1,552.64)**		(534.35)	
	Increase in Sundry Debtors and Loans and Advances	**(2,878.39)**		(301.13)	
	Increase in Current Liabilities and Provisions	**2,351.04**		100.18	
			(2,079.99)		(735.30)
	Cash flow before taxation		**2,463.83**		3,764.54
	Direct Taxes Paid		**(420.85)**		(481.94)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**2,042.98**		3,282.60
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets and capital advances		**(4,911.65)**		(2,677.20)
	Investment in subsidiaries, associates and Joint Ventures		**(2,330.57)**		(313.50)
	Purchase of other Long Term Investments		**(2.50)**		–
	Purchase/Sale of Current Investments (Net)		**(27.46)**		(200.98)
	Proceeds from sale of Fixed Assets		**2.71**		7.01
	Realisation of Other Current Assets		**–**		17.24
	Interest received		**99.24**		19.02
	Dividend received		**9.92**		0.63
	NET CASH USED IN INVESTING ACTIVITIES		**(7,160.31)**		(3,147.78)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Issue of Equity Share Capital/Share Warrants		**5,935.62**		–
	Repayment of Preference Share Capital		**–**		(9.90)
	Proceeds from Long Term Borrowings		**3,009.90**		1,874.30
	Repayment of Long Term Borrowings		**(3,404.72)**		(988.27)
	Short term borrowings		**816.22**		(138.75)
	Interest Paid		**(837.89)**		(927.00)
	Dividend Paid (including Corporate Dividend Tax)		**(239.74)**		(57.00)
	NET CASH GENERATED / (USED IN) FROM FINANCING ACTIVITIES		**5,279.39**		(246.62)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)		**162.06**		(111.80)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		**264.81**		376.61
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**426.87**		264.81
	Add: Margin Money / Fixed Deposit Balance (In Lien)		**1,441.94**		4.71
	Add: Balance in debenture interest/ installments/dividend payment accounts		**18.07**		17.59
	CASH AND BANK BALANCE (As per Schedule 9)		**1,886.88**		287.11
	NOTE:				
	Cash and cash equivalents include effect of exchange rate changes in respect of Bank balance held in foreign currency.		*		0.13
	* Value less than ₹ 1,00,000				

As per our attached report of even date

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS
Chartered Accountants

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner
Place: Mumbai
Dated: 16 May 2011

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Schedules forming part of the Balance Sheet as at 31st March, 2011

₹ in crores

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 1			
SHARE CAPITAL			
Authorised :			
2,00,00,00,000	Equity Shares of ₹ 10 each	**2,000.00**	2,000.00
1,00,00,00,000	Preference Shares of ₹ 10 each	**1,000.00**	1,000.00
		3,000.00	3,000.00
Issued and Subscribed:			
22,31,17,200 (18,70,48,682)	Equity Shares of ₹ 10 each fully paid-up	**223.12**	187.05
	Add : Equity Shares Forfeited (Amount originally paid-up)	**61.03**	61.03
27,90,34,907 (27,90,34,907)	10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid-up	**279.03**	279.03
Total:		**563.18**	527.11

Notes :

1 7,70,27,049 equity shares are allotted as fully paid-up pursuant to Schemes of Arrangement and/or Amalgamation without payment being received in cash as follows:

a) 4,39,98,500 equity shares to the shareholders of erstwhile Jindal Iron and Steel Company Limited.

b) 65,57,070 equity shares to the shareholders of erstwhile Euro Ikon Iron and Steel Private Limited.

c) 50,35,767 equity shares to the shareholders of erstwhile Euro Coke and Energy Private Limited.

d) 64,00,000 equity shares to the shareholders of erstwhile JSW Power Limited.

e) 1,50,35,712 equity shares to the shareholders of erstwhile Southern Iron and Steel Company Limited.

2 30,85,814 equity shares represent the shares underlying outstanding Global Depository Receipts (GDRs). Each GDR represents 1 underlying equity share.

3 The 10% Cumulative Redeemable Preference Shares are redeemable at par in four equal quarterly installments commencing 15th December, 2017.

₹ in crores

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 2			
RESERVES AND SURPLUS:			
Securities Premium Account:			
As per last Balance Sheet		**368.89**	424.51
Add :	Reversal of premium on FCCB Buyback	**–**	0.89
	Received on issue of Equity Shares/GDRs	**5,374.21**	–
		5,743.10	425.40
Less :	FCCB/Preferential issue expenses	**(4.04)**	(0.05)
	Provision for premium on redemption of FCCB	**(71.53)**	(56.46)
		5,667.53	368.89
Debenture Redemption Reserve:			
As per last Balance Sheet		**129.04**	4.04
Add :	Transfer from Profit and Loss Account	**–**	125.00
		129.04	129.04
Capital Redemption Reserve:			
As per last Balance Sheet		**9.90**	9.90
General Reserve:			
As per last Balance Sheet		**3,326.34**	3,124.06
Add :	Transfer from Shares Options Outstanding Account	**12.68**	–
	Transfer from Profit and Loss Account	**4,200.00**	202.28
		7,539.02	3,326.34
Hedging Reserve Account:			
As per last Balance Sheet		**5.52**	(21.26)
Movement during the year		**(13.86)**	26.78
		(8.34)	5.52
Share Options Outstanding Account:			
Share Options Outstanding		**23.57**	13.54
Less: Deferred Compensation		**(16.37)**	(1.78)
		7.20	11.76
Surplus in Profit and Loss Account		**2,788.36**	5,327.78
Total:		**16,132.71**	9,179.23

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 3		
SECURED LOANS		
Debentures		
7.10% Non Convertible Debentures of ₹ 10 lacs each	**500.00**	–
8% Non Convertible Debentures of ₹ 10 lacs each	**–**	250.00
8.10% Non Convertible Debentures of ₹ 10 lacs each	**–**	250.00
10.10% Non Convertible Debentures of ₹ 10 lacs each	**1,000.00**	1,000.00
10.20% Non Convertible Debentures of ₹ 10 lacs each	**40.95**	48.75
10.20% Non Convertible Debentures of ₹ 10 lacs each	**31.41**	39.78
10.25% Non Convertible Debentures of ₹ 10 lacs each	**500.00**	500.00
10.60% Non Convertible Debentures of ₹ 10 lacs each	**350.00**	350.00
	2,422.36	2,438.53
From Banks		
Rupee Term Loans	**3,041.92**	4,395.95
Foreign Currency Term Loans	**1,825.78**	1,999.26
	4,867.70	6,395.21
From Financial Institutions		
Rupee Term Loans	**51.52**	95.49
	51.52	95.49
Working Capital Loans from Banks	**334.24**	58.28
Total:	**7,675.82**	8,987.51

Notes:

1. **Terms of Redemption:**
   - (i) The 7.10% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 500 crores are redeemable as under :
     - ₹ 250 crores on 15.04.2011.
     - ₹ 250 crores on 18.04.2011.
   - (ii) The 10.10% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 1,000 crores are partly redeemable in 16 quarterly installments of ₹ 31.25 crores each from 04.02.2014 to 04.11.2017 and partly redeemable in 16 quarterly installments of ₹ 31.25 crores each from 15.06.2014 to 15.03.2018.
   - (iii) The 10.20% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 40.95 crores are redeemable in 21 quarterly installments of ₹ 1.95 crores each from 15.04.2011 to 15.04.2016.
   - (iv) The 10.20% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 31.41 crores are redeemable in 15 quarterly installments of ₹ 2.09 crores each from 01.07.2011 to 01.01.2015.
   - (v) The 10.25% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 500 crores are redeemable in 3 equal annual installments of ₹ 166.67 crores each from 17.02.2016 to 17.02.2018.
   - (vi) The 10.60% Redeemable Secured NCDs of ₹ 10 lacs each aggregating ₹ 350 crores are partly redeemable in 8 half yearly installments of ₹ 21.875 crores each from 02.01.2016 to 02.07.2019 and partly redeemable in 8 half yearly installments of ₹ 21.875 crores each from 02.08.2016 to 02.02.2020.

2. **Details of Security:**

   (a) The 7.10% NCDs aggregating ₹ 500 crores are secured by pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.

   (b) The 10.10% NCDs aggregating ₹ 1,000 crores are secured/ to be secured by:

   - pari passu first charge by way of legal mortgage on all immovable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

   - pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.

   (c) The 10.20% NCDs aggregating ₹ 40.95 crores are secured by:

   - pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra.

   - pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants at Toranagallu village in the State of Karnataka.

   (d) The 10.20% NCDs aggregating ₹ 31.41 crores are secured by:

   - First charge on land situated in the State of Gujarat.

   - Second charge on Fixed Assets situated at Salem Works in the state of Tamil Nadu.

   (e) The 10.25% NCDs aggregating ₹ 500 crores are secured by way of mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works in the State of Maharashtra.

   (f) The 10.60% NCDs aggregating ₹ 350 crores are secured/to be secured by:

   - pari passu first charge by way of legal mortgage on land situated in the State of Gujarat.

   - pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Toranagallu village in the State of Karnataka.

   (g) The Rupee Term Loans from Banks aggregating ₹ 75.38 crores, Rupee Term Loan from financial Institution aggregating ₹ 3.82 crores and Foreign Currency Term Loans from Banks aggregating ₹ 236.65 crores are secured by:

   - pari passu first charge by way of equitable mortgage in respect of immovable properties of Upstream Division situated at Vaddu, Kurekuppe and Toranagallu villages in the State of Karnataka and

   - pari passu first charge by way of hypothecation of movable properties of Upstream Division both present and future excluding inventories and book debts.

   (h) The Rupee Term Loans from banks aggregating ₹ 20.09 crores and Foreign Currency Term Loans from banks aggregating ₹ 185.77 crores are secured by a first charge supported by an equitable/registered Mortgage of movable and immovable properties and assets situated at Salem Works in the state of Tamil Nadu and a second pari passu charge on the current assets at Salem Works.

   (i) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured/to be secured as under:

   - Rupee Term Loans aggregating ₹ 271.75 crores and Foreign Currency Term Loans aggregating ₹ 290.23 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex at Toranagallu village in the State of Karnataka.

   - Rupee Term Loans aggregating ₹ 29.70 crores and Foreign Currency Term Loans aggregating ₹ 319.50 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Toranagallu village, in the State of Karnataka.

- Foreign Currency Term Loans aggregating ₹ 781.38 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Toranagallu village in the State of Karnataka.

- Rupee Term Loans aggregating ₹ 23.35 crores by pari passu first charge by way of legal mortgage in respect of all movable and immovable properties both present and future, first charge/ Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating ₹ 15 crores by exclusive first mortgage and charge on all movable and immovable properties both present and future, and first charge on the Bank Accounts of the 300 MW Power Plant - CPP IV at Toranagallu village in the State of Karnataka.

- Rupee Term Loan aggregating ₹ 295 crores by first mortgage and charge of all immovable properties both present and future, and a first charge by way of hypothecation of all movable properties both present and future of the Beneficiation Plant (6 x 500 tph) and Pellet Plant (4.2 mtpa) at Toranagallu village in the State of Karnataka.

(j) Foreign Currency Term Loans from Bank aggregating ₹ 12.25 crores are secured by way of equitable mortgage in respect of all immovable and movable properties both present and future located at Tarapur Works and Vasind Works, in the State of Maharashtra.

(k) Rupee Term Loan from Financial Institution aggregating ₹ 47.70 crores are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

(l) Working capital loans aggregating ₹ 334.24 crores by:

- pari passu first charge by way of hypothecation of Stocks of Raw Materials, Finished Goods, Work-in-Process, Consumable Stores and Spares and Book Debts/Receivables of the Company, both present and future.

- pari passu second charge on movable properties and immovable properties forming part of the Fixed/Blocked assets of the Company, both present and future except such properties as may be specifically excluded.

(m) Certain Working capital loans are collaterally secured by pari passu second charge on the immovable property of a third party.

3. Out of the above, Foreign Currency Term Loan from Banks aggregating ₹ 12.25 crores along with interest there on are personally guaranteed by the Vice Chairman & Managing Director of the Company.

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 4		
UNSECURED LOANS		
2,744 Zero Coupon Foreign Currency Convertible Bonds (FCCB) of USD 1,00,000 each (see note below)	**1,225.20**	1,238.64
Long Term Advances From a Customer	**559.53**	628.89
(Repayable within a year ₹ 203.13 crores (Previous year ₹ 69.36 crores))		
Term Loan from Banks	**1,200.00**	510.00
(Repayable within a year Nil (Previous year ₹ 510 crores))		
Foreign Currency Loans from Banks	**1,179.14**	108.41
(Repayable within a year ₹ 844.26 (Previous year ₹ 18.13 crores))		
Sales Tax Deferral	**111.65**	111.65
Total:	**4,275.52**	2,597.59

Note: The FCCB's are convertible into Equity Shares at the option of the bondholders at any time on or after 7 August 2007 and prior to the close of business on 21 June, 2012 at a ₹ 40.28 = 1 US $.

SCHEDULE 5
FIXED ASSETS

₹ in crores

Particulars	Gross Block (at cost)				Depreciation and amortisation				Net Block	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	As at 01.04.2010	For the year	Deductions	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangibles										
Freehold Land	164.96	2.42	–	**167.38**	18.48	–	–	**18.48**	**148.90**	146.48
Leasehold Land	81.15	0.10	–	**81.25**	0.43	0.13	–	**0.56**	**80.69**	80.72
Buildings	3,175.57	588.86	0.26	**3,764.17**	457.50	108.83	0.03	**566.30**	**3,197.87**	2,718.07
Plant & Machinery@	18,112.10	5,001.11	0.93	**23,112.28**	4,379.85	1,247.89	0.90	**5,626.84**	**17,485.44**	13,732.25
Furniture & Fixtures	71.30	12.25	0.01	**83.54**	29.55	4.77	–	**34.32**	**49.22**	41.75
Vehicles & Aircrafts	159.25	9.45	5.44	**163.26**	27.10	10.79	2.02	**35.87**	**127.39**	132.15
Intangibles										
Software	31.25	4.22	–	**35.47**	16.53	6.30	–	**22.83**	**12.64**	14.72
Total	**21,795.58**	**5,618.41**	**6.64**	**27,407.35**	**4,929.44**	**1,378.71**	**2.95**	**6,305.20**	**21,102.15**	**16,866.14**
Previous Year	16,896.75	4,910.78	11.95	21,795.58	3,810.31	1,123.41	4.28	4,929.44	16,866.14	
@ Includes proportionate share of assets jointly owned										
Plant & Machinery	32.71	–	–	**32.71**	17.40	1.30	–	**18.70**	**14.01**	15.31

Notes:

1. 'Buildings' include:
   (a) Roads not owned by the Company amortised over a period of five years. Gross Block ₹ 3.13 crores (previous year ₹ 3.13 crores) Net block nil (previous year nil).
   (b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIIDC.

       Gross Block ₹ 3.08 crores (previous year ₹ 3.08 crores); net block ₹ 2.52 crores (previous year ₹ 2.57 crores).
   (c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year,

       Gross block ₹ 24.07 crores, Net block ₹ 21.75 crores (previous year Gross block ₹ 24.07 crores, Net block ₹ 22.28 crores).
2. Fixed assets include Borrowing costs of ₹ 286.61 crores (previous year 259.32 crores) capitalised during the year.
3. Freehold Land and Buildings of ₹ 147.60 crores (previous year 145.66 crores) has been/agreed to be hypothecated/mortgaged to lenders of group companies.
4. Fixed assets include exchange fluctuations Gain ₹ 89.07 crores (previous year Gain ₹ 332.90 crores) capitalised during the year.

SCHEDULE 6

₹ in crores

	As at 31.03.2011	As at 31.03.2010
INVESTMENTS		
1 **LONG TERM**		
a) **Government Securities (Unquoted)**		
National Savings Certificates	**0.01**	0.01
(Pledged with Commercial Tax Department)		
b) **Shares**		
Trade - Quoted		
JSW Energy Limited (a Company under the same management)		
77,980,500 Equity Shares of ₹ 10 each fully paid-up	**120.90**	120.90
Ispat Industries Limited (refer note 1 below)		
1,086,649,874 (Previous year Nil) Equity Shares of ₹ 10 each fully paid-up	**2,157.00**	–
Trade - Unquoted		
Jindal Praxair Oxygen Company Private Limited (JPOCPL)		
39,520,000 Equity Shares of ₹ 10 each fully paid-up	**39.52**	39.52
Nil (Previous year 4,160,000)10% Preference Shares of ₹ 10 each fully paid-up (Tranche 1)	**–**	4.16
4,200,000, 10% Preference Shares of ₹ 10 each fully paid-up (Tranche 2)	**4.20**	4.20
32,310,000, 0.1% Preference Shares of ₹ 10 each fully paid-up	**32.31**	32.31
Vijayanagar Minerals Private Limited		
4,000 Equity Shares of ₹ 10 each fully paid-up	**–**	–
(₹ 40,000; Previous year ₹ 40,000)		
Rohne Coal Company Private Limited		
490,000 Equity shares of ₹ 10 each, fully paid-up	**0.49**	0.49
14,487,869 (Previous year 12,659,104), 1% Preference Shares of ₹ 10 each fully paid-up	**14.49**	12.66
MJSJ Coal Limited		
4,411,000 Equity shares of ₹ 10 each, fully paid-up	**4.41**	4.41
JSW Severfield Structures Limited		
38,142,300 (Previous year 18,660,767), Equity Shares of ₹ 10 each, fully paid-up	**38.14**	18.66
Toshiba JSW Turbine and Generator Private Limited		
11,000,000 (Previous year 4,500,000), Equity Shares of ₹ 10 each, fully paid up	**11.00**	4.50
JSW Realty & Infrastructure Private Limited (Tranche 1)		
5,750,000 10% Preference Shares of ₹ 100 each, fully paid-up	**57.50**	57.50
JSW Realty & Infrastructure Private Limited (Tranche 2)		
7,250,000 (Previous year 7,000,000), 10% Preference Shares of ₹ 100 each, fully paid up	**72.50**	70.00
Gourangdih Coal Limited		
2,450,000 (Previous year Nil), Equity shares of ₹ 10 each, fully paid up	**2.45**	–
Other than Trade (Unquoted):		
Subsidiaries		
JSW Steel Processing Centres Limited		
50,000,000 Equity Shares of ₹ 10 each fully paid-up	**50.00**	50.00
JSW Bengal Steel Limited		
178,293,300 (Previous year 123,906,000) Equity Shares of ₹ 10 each fully paid-up	**178.29**	123.91
JSW Jharkhand Steel Limited		
19,473,910 (Previous year 16,136,110) Equity Shares of ₹ 10 each fully paid-up	**19.47**	16.14
JSW Building Systems Limited		
2,810,000 Equity Shares of ₹ 10 each fully paid-up	**2.81**	2.81
JSW Natural Resources Limited		
1,365,500 Equity Shares of USD 10 each fully paid-up	**62.59**	62.59
JSW Steel (Netherlands) B.V.		
165,474,900 (Previous year 151,200,933) Equity Shares of Euro 1 each fully paid-up	**1,020.02**	930.26
Inversiones Eurosh Limitada		
5% Equity Interest (Previous year 5%) in the capital of the Firm	**0.01**	0.01
JSW Steel Holding (USA) Inc.		
1 Equity Share of USD 0.01 each fully paid-up	**0.89**	0.89
Others		
SICOM Limited		
600,000 Equity Shares of ₹ 10 each fully paid-up	**4.88**	4.88
Steelscape Consultancy Private Limited		
50,000 Equity Shares of ₹ 10 each fully paid-up	**0.05**	0.05
	3,893.93	1,560.86
Less: Provision for diminution in the value of Investments	**62.12**	–
(1)	**3,831.81**	1,560.86
2 **CURRENT**		
Mutual Fund		
Birla Sunlife Floting Rate Fund Long Term Institutional - Growth		
184,101 (Previous year Nil) units of ₹ 1,000 each	**20.00**	–
Baroda Pioneer Liquid Fund Ins Plan - Growth		
267,205 (Previous year Nil) units of ₹ 1,000 each	**30.00**	–
Canara Robeco Liquid Super IP - Growth		
5,873,469 (Previous year Nil) units of ₹ 10 each	**7.00**	–
DWS Insta Cash Plus Fund Super IP - Growth		
3,927,671 (Previous year Nil) units of ₹ 100 each	**50.00**	–
Prud. ICICI Institutional Liquid-Super IP - Growth		
3,448,737 (Previous year Nil) units of ₹ 100 each	**50.00**	–

₹ in crores

	As at 31.03.2011	As at 31.03.2010
Reliance Liquidity Fund - Growth		
33,867,996 (Previous year Nil) units of ₹ 10 each	**50.00**	–
Religare liquid Fund -Super IP - Growth		
74,260 (Previous year Nil) units of ₹ 1,000 each	**10.00**	–
SBI Premiur Liquid Fund Super IP - Growth		
32,435,729 (Previous year Nil) units of ₹ 10 each	**50.00**	–
Baroda Pioneer Treasury Advantage Fund - Institutional Growth Plan		
Nil (Previous year 9,640,505.548) units of ₹ 10 each	**–**	10.00
Birla Sun Life Saving Fund - Institutional Growth		
Nil (Previous year 4,112,888.193) units of ₹ 10 each	**–**	7.21
Birla Sunlife Floating Rate Fund Long Term Institutional-Growth		
Nil (Previous year 13,909,575.052) units of ₹ 10 each	**–**	15.05
Birla Sunlife Medium Term Plan Growth		
Nil (Previous year 14,731,781.783) units of ₹ 10 each	**–**	15.12
Birla Sun Life Short Opportunity Fund - Institutional 'Growth		
Nil (Previous year 14,412,183.979) units of ₹ 10 each	**–**	15.08
HDFC Principle FR Fund FMP - Insti.-Option Growth Plan		
Nil (Previous year 9,563,337.987) units of ₹ 10 each	**–**	15.00
LICMF Liquid Fund Growth Plan		
Nil (Previous year 8,895,161.625) units of ₹ 10 each	**–**	15.00
LICMF Income Plus Fund Growth Plan		
Nil (Previous year 12,138,409.848) units of ₹ 10 each	**–**	15.00
LICMF Saving Plus Fund Growth Plan		
Nil (Previous year 10,256,627.833) units of ₹ 10 each	**–**	15.01
PRINCIPAL Floating Rate Fund - FMP - Growth		
Nil (Previous year 10,291,665.809) units of ₹ 10 each	**–**	15.00
ICICI Prudenial Liquid Super Institutional Plan		
Nil (Previous year 583,883.985) units of ₹ 10 each	**–**	10.00
Reliance Medium Term Fund - Retail Plan- Growth Plan-Growth Option		
Nil (Previous year 7,863,259.071) units of ₹ 10 each	**–**	15.00
Reliance Money Manager Fund - Institutional Option - Growth Plan		
Nil (Previous year 119,625.156) units of ₹ 10 each	**–**	15.01
SBI Magnum Insta Cash Fund - Cash Option		
Nil (Previous year 7,339,772.761) units of ₹ 10 each	**–**	15.00
SBI Premiur Liquid Fund Super Institutional-Growth		
Nil (Previous year 10,370,575.221) units of ₹ 10 each	**–**	15.01
(2)	**267.00**	207.49
Total (1) + (2)	**4,098.81**	1,768.35
SUMMARY		
Quoted		
Aggregate of book value	**2,277.90**	120.90
Aggregate of market value	**2,992.83**	872.21
Unquoted		
Aggregate of book value		
Mutual Funds	**267.00**	207.49
Others	**1,553.91**	1,439.96
Aggregate Repurchase Value		
Mutual Funds	**267.07**	207.49

Notes :

1. The shares are subect to lock-in for a period of five years till 23.01.2016.
2. Mode of Valuation - refer note A(4) of Schedule 18.
3. Units of Mutual Fund purchased and sold during the year:

Name of the Scheme	**No. of Units**
Axis Liquid Fund Institutional Plan	**681,829**
Axis Treasury Advantage Fund	**680,244**
Baroda Pioneer Liquid Fund Institutional Plan	**238,913,013**
Birla Sunlife Cash Plus - Institutional Premium Plan	**517,291,018**
Birla Sunlife Medium Term Plan	**14,731,782**
Birla Sunlife Short Opportunity Fund - Institutional Premium Plan	**14,412,184**
Birla Sunlife Short Term Fmp	**50,027,032**
DSP Black Rock Short Term Fund	**9,495,513**
DSP Black Rock Fmp-3M -Series-22	**40,000,000**
Dws Cash Opportunities Fund Institutional Plan	**12,643,804**
Fortis Overnight Fund Institutional Premium Plan	**55,155,900**
HDFC- FRIF- SFT - WP	**103,419,955**
HDFC Cash Management Fund -Treasury Advantage Plan- Wp	**31,915,558**
HDFC Cash Mgmt Fund - Savings Plan	**15,567,703**
HDFC Liquid Fund - Premium Plan	**122,873,255**
IDFC Fixed Maturity Plan - Monthly Series 27	**25,000,000**
IDFC Money Manager - Treasury Plan - Plan C	**44,777,022**
IDFC Ultra Short Term Fund	**30,617,593**
JM High Liquidity - Super I P	**436,490,055**
JP Morgan India Liquid Fund	**159,495,351**
Kotak Flexi Debt Scheme Ins	**36,102,740**
Kotak Floater Fund-Lt	**44,768,819**
Kotak Floater Fund-St	**179,467,664**
Kotak Liquid Insti Prem Plan	**239,301,217**
Kotak Quarterly Interval Plan Series 8	**12,776,239**
LIC Liquid Mutual Fund	**331,820,602**
LIC MF Floating Rate Fund	**47,940,077**
LIC MF Income Plus Fund	**24,258,467**
LIC MF Monthly Interval Fund Series-I	**84,528,878**
LIC Mutual Fund Saving Plus Fund	**108,440,427**
Prudential ICICI Flexible Income Plan-Premium	**32,869,270**
Prudential ICICI FRF Plan D	**10,793,951**
Prudential ICICI FRF Plan D	**723,267**
Prudential ICICI Institutional Ultra Short Term Plan Super Premuim	**47,838,431**
Reliance Liquid Fund Cash Plan	**112,041,396**
Reliance Liquidity Fund	**601,985,726**
Reliance Medium Term Fund	**167,052,186**
Reliance Monthly Interval Fund Series I Ins	**8,036,644**
Reliance Monthly Interval Fund Series-I	**78,365,607**
Reliance Monthly Interval Fund Series II	**19,333,427**
SBI Magnum Insta Cash - Cash Plan	**104,036,115**
SBI SDF - 90 Days	**50,008,721**
SBI SHDF Ultra Short Term Fund	**60,197,095**
SBI-SHF Ultra Short Term Fund - Institutional Plan	**40,376,652**
Tata Fixed Income Portfolio A3 Institutional Plan	**24,591,535**
Templeton Frif Long Term	**3,956,280**
UTI Fixed Income Interval Fund - Quarterly Interval Plan IV - Institutional	**49,175,813**
ICICI Prudential Liquid Fund - Super Institutional Plan	**62,895,621**
ICICI Prudential Ultra Short Term Plan - Super Premium	**62,975,175**
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Institutional	**97,938,250**
Baroda Pioneer Treasury Advantage Fund - Institutional Plan	**93,596,785**
Birla Sun Life Saving Fund - Institutional Plan	**88,096,050**
Birla Sunlife Floating Rate Fund Ltp - Institutional Plan	**27,851,741**
Birla Sunlife Ultra Short Term Fund - Institutional Premium Plan	**58,961,942**
DWS Ultra Short Term Fund Institutional Plan	**186,402,677**
JM Money Manager Fund Super Institutional Plan	**93,956,116**
JP Morgan India Treasury Fund Super Institutional Plan	**126,811,071**
Religare Ultra Short Term Fund - Institutional Plan	**98,252,772**
Tata Floater Fund - Institutional Plan	**100,070,979**
UTI Money Market - Institutional Plan	**2,231,667**
Reliance Money Manager Fund - Institutional Plan	**633,010**
SBI Premiur Liquid Fund Super Institutional Plan	**219,500,028**
Principal Institutional Planal Cash Mgmt Fund Co - Institutional Premium Plan	**141,269,958**
Principal Institutional Planal Floating Rate Fund Fmp - Ins	**37,537,937**
Prudential ICICI Institutional Liquid-Super Institutional Plan	**91,298,804**
Baroda Pioneer Treasury Advantage Fund Institutional Plan	**58,115,260**
Religare Liquid Fund - Super Institutional Plan	**246,895,141**
Kotak Flexi Debt Fund Super Institutional Plan	**56,896,763**
Canara Robeco Liquid Super Institutional Plan	**342,979,025**

Canara Robeco Treasury Advantage Fund Super Institutional Plan	106,961,177
Tata Liquid Fund - Sh Institutional Plan	956,285
Tata Treasury Manager Fund - Sh Institutional Plan	238,206
Fortis Money Plus Institutional Plan Fund	42,904,273
Taurus Liquid Fund - Super Institutional Plan	792,859
Taurus Ultra Short Term Bond Fund - Super Institutional Plan	736,519
Templeton India Tma - Super Institutional Plan	3,156,024
UTI Floating Rate Fund - Stp - Institutional Plan	2,032,599
Fidelity Cash Fund Super Institutional Plan	11,928,714
Fidelity Ultra Short Term Debt Fund Super Institutional Plan	12,556,735
IDFC Cash Fund Plan C Super Institutional Plan	172,816,547
IDFC Money Manager Fund Treasury Plan Super Institutional Plan Plan C	13,703,050
DWS Insta Cash Plus Fund Super Institutional Plan	357,062,039
Sundaram Bnp Paribas Money Fund Super Institutional Plan	10,251,441
Sundaram Bnp Paribas Ultra Short Term Fund Super Institutional Plan	16,000,173
UTI Treasury Advantage Fund - Institutional Plan	1,111,193
Prudential ICICI Ultra Short Term Plan Premium Plus Institutional Plan	14,529,711
Reliance Liquid Fund - Tp - Institutional Plan	13,327,499
DSP Black Rock Liquidity Fund-Institutional Plan	2,193,870
L&T Liquid Fund - Super Institutional Plan	113,269,511
L&T FI STF Institutional Plan	57,068,205
DSP Black Rock Floating Rate Fund - Institutional Plan	112,845
Templeton India Ultra Short Bond Fund - Super Institutional Plan	184,643,793
UTI Liquid Fund - Cash Plan Institutional Plan	1,367,317
SBI Premiur Liquid Fund Institutional Plan	16,890,637
Axis Liquid Fund Institutional Plan	2,843,625
Peerless Liquid Fund Super Institutional Plan	9,816,625
DSP Blackrock Floating Rate Fund - Institutional Plan	922,101
DSP Blackrock Money Manager Fund Institutional Plan	954,066
Prudential ICICI Blended Fund Institutional Plan	247,598,297
Birla Cash Manager Institutional Plan	59,415,859
Baroda Pioneer Liquid Fund - Institutional Plan	113,837,370
Principal Institutional Planal PNB Fixed Maturity Plan - 91 Days - Series XVY	25,004,910
Sundaram Money Fund Super Institutional Plan	24,599,641

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 7		
INVENTORIES		
Raw Materials	**1,895.59**	1,278.87
Production Consumables and Stores & Spares	**600.31**	411.22
Work-in-Progress	**263.74**	114.20
Semi Finished/Finished Goods	**1,378.77**	781.35
Traded Goods	**–**	0.13
Total:	**4,138.41**	2,585.77

Note: Mode of Valuation - refer note A(6) of Schedule 18.

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	**2.01**	10.17
Considered Doubtful	**15.73**	17.97
Less: Provision for Doubtful debts	**(15.73)**	(17.97)
	2.01	10.17
Other Debts		
Considered Good	**836.64**	553.08
Total:	**838.65**	563.25

₹ in crores

	As at 31.03.2011	As at 31.03.2010
Note : Amount due from JSW Energy Limited (a company under the same management)		
- At the end of the year	**16.97**	69.80
- Maximum Amount due at any time during the year	**140.87**	154.64
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	**0.48**	0.34
Balances with Scheduled Banks:		
In Current Accounts	**135.78**	117.06
In Margin Money/Term Deposit Accounts	**1,750.62**	169.71
Total:	**1,886.88**	287.11
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances and loans to Subsidiaries	**1,346.31**	705.78
Advances recoverable in cash or in kind or for value to be received		
Advance to Suppliers	**253.29**	270.76
Export benefits and entitlements/ Excise duty refund on exports	**129.37**	83.23
Amount recoverable from ESOP Trusts	**83.82**	45.06
Premises and Other deposits	**108.22**	108.22
Advance towards Equity/Preference capital	**6.54**	21.04
Prepayments and Others	**597.74**	289.34
Less: Provision for Doubtful Advances	**(9.40)**	(8.91)
	2,515.89	1,514.52
Excise Balances	**256.56**	102.49
Advance Tax and Tax deducted at source (net)	**–**	152.55
Minimum Alternate Tax credit entitlement	**551.98**	353.83
Loans to Bodies Corporate	**9.10**	9.10
Less: Provision for Doubtful Loans	**(9.10)**	(9.10)
Total:	**3,324.43**	2,123.39
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	**6,816.22**	5,047.75
Dues to Subsidiaries	**21.84**	13.24
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises	**15.92**	38.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,014.73**	1,551.20
Rent and other Deposits	**42.81**	58.65
Advances from Customers	**158.56**	180.38
Interest Accrued but not due on loans	**64.14**	76.20

₹ in crores

	As at 31.03.2011	As at 31.03.2010
Other Liabilities	**139.72**	106.30
Premium payable on redemption of FCCBs	**375.31**	268.21
Investor Education and Protection Fund shall be credited by:		
Unclaimed Debenture Redemption Instalments	**1.67**	2.11
Unclaimed Debenture Interest	**1.30**	1.88
Unpaid Dividend	**11.39**	9.78
Unclaimed amount of sale proceeds of fractional shares	**3.72**	3.82
Total:	**9,667.33**	7,357.67

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 12		
PROVISIONS		
Provision for :		
Income Tax (net)	**8.69**	–
Employee Benefits	**38.62**	24.48
Proposed Dividend on Preference Shares	**27.90**	27.90
Proposed Dividend on Equity Shares	**273.32**	177.70
Corporate Dividend Tax	**48.87**	34.14
Total:	**397.40**	264.22

Schedules forming part of Profit and Loss Account for the year ended 31st March 2011

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 13		
OTHER INCOME		
Dividend from Long Term Trade Investments	**9.92**	0.63
Foreign Exchange Gain (net)	**67.10**	412.95
Value Added Tax Refund	**174.48**	91.53
Extinguishment of liability on buyback of FCCB's	**–**	3.98
Provision for Doubtful Debts/Advances written back	**1.75**	–
Miscellaneous Income	**29.39**	19.99
Total:	**282.64**	529.08
SCHEDULE 14		
MATERIALS		
Raw Materials Consumed	**14,754.85**	10,460.82
Purchase of Traded Goods	**182.23**	29.58
Increase in Stocks		
Opening Stock:		
Semi Finished/Finished Goods	**780.54**	687.12
Work-in-progress	**114.20**	130.08
Traded Goods	**0.13**	12.93
	894.87	830.13
Closing Stock:		
Semi Finished/Finished Goods	**1,378.50**	780.54
Work-in-progress	**263.74**	114.20
Traded Goods	**–**	0.13
	1,642.24	894.87
	(747.37)	(64.74)
Excise duty on stock of finished goods (net)	**64.39**	35.02
Total:	**14,254.10**	10,460.68

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 15		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	**475.95**	333.87
Contribution to Provident and Other Funds	**27.40**	16.28
Staff Welfare Expenses	**31.12**	15.05
Total:	**534.47**	365.20
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Rent	**9.32**	5.67
Rates and Taxes	**11.88**	14.22
Insurance	**43.29**	24.93
Power and Fuel	**1,181.52**	1,005.92
Stores and Spares consumed	**1,058.11**	925.46
Carriage and Freight	**647.81**	566.84
Repairs and Maintenance		
Plant and Machinery	**402.42**	249.60
Buildings	**44.87**	40.04
Others	**8.20**	6.97
Jobwork and Processing Charges	**74.16**	49.58
Commission on Sales	**49.70**	59.63
Donations and Contributions	**2.89**	3.58
Provision for diminution in value of long term investments	**62.12**	–
Provision for Doubtful Debts/Loans/ Advances	**–**	9.67
Loss on sale of fixed assets (net)	**0.98**	0.66
Miscellaneous Expenses	**203.87**	140.93
Total:	**3,801.14**	3,103.70

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 17		
NET FINANCE CHARGES		
Interest on:		
Debentures and Fixed Loans	**586.05**	694.22
Others	**184.25**	148.91
Other Finance Charges	**80.62**	57.13
	850.92	900.26
Less: Interest Income		
from Banks	**(62.99)**	(2.48)
from Others	**(60.70)**	(35.10)
(Tax deducted at source ₹ 7.32 crores, (Previous year ₹ 0.93 crores))		
	(123.69)	(37.58)
Less: Profit on Sale of Current Investments	**(32.05)**	–
Dividend Income on Current Investments	**–**	(3.76)
	(32.05)	(3.76)
Total:	**695.18**	858.92

SCHEDULE 18:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 (The Act).

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

3. Fixed Assets and Depreciation

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the asset are put to use.

Depreciation on assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) at the SLM rates prescribed in Schedule XIV to the Act.

An asset is considered as impaired in accordance with Accounting Standard 28 on “Impairment of Assets”, when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset’s net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

For the purpose of determining the appropriate depreciation rates to be applied to plant and machinery, continuous process plant and machinery has been identified on the basis of technical assessment made by the Company.

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

The Company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 to 5 years.

In respect of mining projects, the Company capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized;

a. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and

b. Further exploration and development activity is under way or firmly planned for the near future.

These will be amortized once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the profit and loss account when so established.

4. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on “Accounting for Investments”.

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

5. Revenue Recognition

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

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of sales tax/Value Added Tax. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

Income from Certified Emission Reductions (CER) is recognized as income on sale of CER’s.

6. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under Materials (Schedule 14).

7. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on

“Borrowing Costs” are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

Interest income earned is disclosed separately, and reduced from Net Finance charges (Schedule 17).

8. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company’s obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the profit and loss account.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a “Foreign Currency Monetary Item Translation Difference Account” and amortized to the profit and loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March 2011.

All other exchange differences are dealt with in the profit and loss account.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction- also refer note A-4 of Schedule 18.

10. Derivative Financial Instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under Current Assets, Loans and Advances (Schedule 10) or Current Liabilities and Provisions (Schedule 11).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the profit and loss account relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a “Hedging Reserve Account”. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss account. Amounts deferred in the Hedging Reserve Account are recycled in the profit and loss account in the periods when the hedged item is recognized in the profit and loss account, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to the profit and loss account from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the profit and loss account.

11. Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/ recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax laws.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged to the profit and loss account are adjusted directly to reserves in accordance with a court order or as permitted by Law/Accounting Standards, in such cases the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

12. Earnings Per Share

The Company reports basic and diluted Earnings per share

(EPS) in accordance with Accounting Standard 20 on "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

13. Operating Leases

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

14. Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

15. Securities' Expenses

Expenses on issue of securities are written off to the Securities Premium Account in accordance with Section 78 of the Act.

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

16. Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

17. Contingent Liabilities

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities not provided for in respect of:

a) Bills Discounted ₹ 2,621.86 crores (Previous year ₹ 1,275.88 crores).

b) Guarantees provided to banks on behalf of subsidiaries (including step down subsidiaries) and others ₹ 1,620.51 crores (Previous year ₹ 1,818.24 crores).

c) Disputed statutory claims/levies including those pending in Courts (excluding interest, if any), in respect of:

(i) Excise Duty ₹ 179.70 crores (Previous year ₹ 96.67 crores);

(ii) Customs Duty ₹ 242.87 crores (Previous year ₹ 108.07 crores);

(iii) Income Tax ₹ 12.47 crores (Previous year ₹ 12.47 crores);

(iv) Sales Tax / Special Entry tax ₹ 72.36 crores (Previous year ₹ 0.35 crores);

(v) Service Tax ₹ 45.18 crores (Previous year ₹24.46 crores);

(vi) Miscellaneous ₹ 0.05 crore (Previous year ₹ 0.05 crore); and

(vii) Levies by local authorities ₹ 3.04 crores (Previous year ₹ 3.04 crores).

d) Claims by Suppliers and other third parties not acknowledged as debts ₹ 207.41 crores (Previous year ₹ 6.31 crores).

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,865.45 crores (Previous year ₹ 3,644.94 crores).

3. During the year, the Company issued 1,75,00,000 optional convertible warrants on a preferential basis, convertible into 1,75,00,000 equity shares at the option of the holder on or before 15 December 2011. At 31 March 2011, 25% of the issue price of the warrants has been paid by the holders in accordance with the terms of the issue.

4. Details of utilization of funds received on preferential allotment:

(a) Issue of Convertible Warrants

₹ in crores

	Current Year	Previous Year
Net issue proceeds	**529.38**	Nil
Less: Utilization		
Debt Repayment/Reduction	**220.00**	Nil
Working Capital	**309.38**	Nil
Balance	**Nil**	Nil

(b) Issue of Fully Convertible Debenture

₹ in crores

	Current Year	Previous Year
Net issue proceeds	**4,800.72**	Nil
Less: Utilization		
Debt Repayment/Reduction	**2,864.70**	Nil
Investment in Ispat Industries Limited	**540.00**	Nil
Working Capital	**366.02**	Nil
Capital Expenditure	**20.00**	Nil
Balance held in Fixed deposits with banks pending utilization	**1,010.00**	Nil

(c) Issue of Equity Shares

₹ in crores

	Current Year	Previous Year
Net issue proceeds	**146.69**	Nil
Less: Utilization		
Debt Repayment/Reduction	**146.69**	Nil
Balance	**Nil**	Nil

5. Details of Loans and Advances in the nature of loans to subsidiaries (including interest receivable):

₹ in crores

Name of Company	**Current Year**		Previous Year	
	Maximum amount outstanding during the year	**Amount outstanding**	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	**689.85**	**632.09**	664.34	598.61
JSW Natural Resources Limited	**5.82**	**5.68**	1.71	1.67
Inversiones Eurosh Limitada	**321.57**	**314.89**	79.19	77.10
JSW Steel Holding (USA) Inc.	**432.44**	**391.18**	18.86	18.86

6. **Employee Share based Payment Plans:**

a) The Company operates four employee share-based payments plans, which are described below:

	ESOP 2007			ESOP 2010
Particulars	**Scheme 1 (General Manager & Above)**	**Scheme 2 (Junior Manager to General Manager)**	**Scheme 3 (Associate Vice President & Above)**	**Scheme 1 (Junior Manger & Above)**
Date of grant	1-Apr-07	1-Oct-07	1-Oct-07	1-Oct-10
Outstanding as on 01.04.2010	60,840	2,05,690	1,54,280	–
Granted during the year	–	–	–	1,734,334
Forfeited during the year	–	7,638	17,350	41,385
Exercised during the year	60,840	198,052	136,930	–
Outstanding as on 31.03.2011	–	–	–	1,692,949
Vesting Period	3 years service	3 years service	3 years service	Graded vesting over 3 years
Method of settlement	Cash	Cash	Cash	Cash
Exercise Price	600	800	900	1100

b) Expenses arising from employee's share- based payment plans - ₹ 8.12 crores (Previous year ₹ 4.03 crores).

7. **Derivatives:**

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Forward Exchange Contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	US$ Equivalent (Million)	INR Equivalent (crores)
31.03.2011	**79**	**Buy**	**311.66**	**1,391.55**
	22	**Sell**	**119.95**	**535.58**
31.03.2010	21	Buy	109.24	493.11
	35	Sell	90.24	407.35

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the Board of Directors, which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

Notional value of Interest Rate Swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of Contracts	US$ Equivalent of notional value (Million)	MTM of IRS (INR crores)
31.03.2011	**2**	**50**	**(5.33)**
31.03.2010	2	10	(0.24)

c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amounts receivable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Debtors	**9.32**	**41.61**	16.93	76.44
Balances with banks				
- in Fixed Deposit Account	**10.01**	**44.68**	0.01	0.03
- in Current Account	**0.03**	**0.12**	0.29	1.32
Advances/Loans to Subsidiaries	**300.97**	**1,343.83**	155.85	703.43

ii) Amounts payable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	**INR Equivalent (crores)**	US$ equivalent (Million)	INR Equivalent (crores)
Acceptances	**1,225.20**	**5,470.53**	959.20	4,329.82
Creditors	**85.61**	**382.24**	103.93	469.17
Loans payable	**947.39**	**4,230.11**	741.32	3,346.31
Redemption premium payable on FCCB's	**84.06**	**375.31**	59.42	268.21

8. **Research and Development Activities:**

Disclosure as required under Section 35(2AB) of the Income Tax Act, 1961.

a) Fixed Assets includes the capital cost of in-house research recognised facility as under:-

₹ in crores

Particulars		Buildings	Plant and Machinery	Total
Gross Block at the beginning of the year	**Current Year**	**1.47**	**14.48**	**15.95**
	Previous Year	0.28	10.73	11.01
Additions during the year	**Current Year**	**–**	**13.05**	**13.05**
	Previous Year	1.19	3.75	4.94
Gross Block at the end of the year	**Current Year**	**1.47**	**27.53**	**29.00**
	Previous Year	1.47	14.48	15.95
Capital Work-in-Progress	**Current Year**	**2.68**	**33.29**	**35.97**
	Previous Year	–	7.30	7.30
Capital Expenditure incurred during the year (including CWIP)	**Current Year**	**2.68**	**39.04**	**41.72**
	Previous Year	1.19	5.92	7.11

b) The manufacturing and other expenses and depreciation include ₹ 3.85 crores (previous year ₹ 3.23 crores) and ₹ 1.38 crores (Previous Year ₹ 0.83 crore), respectively, in respect of Research and Development activities undertaken during the year.

9. **Employee Benefits:**

a) **Defined Contribution Plan:**

Company's contribution to Provident Fund ₹ 17.05 crores. (previous year ₹ 12.89 crores)

b) Defined Benefit Plans - Gratuity:

₹ in crores

		Current Year	Previous Year
a)	**Liability recognized in the Balance Sheet**		
	i) Present value of obligation		
	Opening Balance	**36.91**	31.22
	Service Cost	**3.75**	3.82
	Interest Cost	**3.17**	2.67
	Actuarial loss on obligation	**7.71**	0.32
	Benefits paid	**(1.94)**	(1.12)
	Closing Balance	**49.60**	36.91
	Less:		
	ii) Fair Value of Plan Assets		
	Opening Balance	**33.66**	26.14
	Expected Return on Plan assets less loss on investments	**2.93**	2.53
	Actuarial (loss)/gain on Plan Assets	**(0.46)**	0.08
	Employers' Contribution	**3.91**	6.03
	Benefits paid	**(1.94)**	(1.12)
	Closing Balance	**38.10**	33.66
Amount recognized in Balance Sheet		**11.50**	3.25
b)	**Expenses during the year(included in Schedule 15 under Contribution to Provident and Other Funds)**		
	Service cost	**3.75**	3.82
	Interest cost	**3.17**	2.67
	Expected Return on Plan assets	**(2.93)**	(2.53)
	Actuarial Loss	**8.17**	0.24
	Transferred to pre-operative expenses	**(0.81)**	(0.24)
	Total	**11.35**	3.96
c)	**Actual Return on plan assets**	**2.47**	2.61
d)	**Break up of Plan Assets:**		
	(i) ICICI Prudential Life Insurance Co. Ltd.		
	Balanced Fund	**3.18**	2.96
	Debt Fund	**1.18**	1.11
	Short Term Debt Fund	**3.82**	5.11
	(ii) HDFC Standard Life Insurance Co. Ltd.		
	Defensive Managed Fund	**0.99**	0.93
	Stable Managed Fund	**10.55**	8.45
	(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	**11.93**	9.47
	(iv) LIC of India – Insurer Managed Fund	**6.45**	5.63

₹ in crores

		Current Year	Previous Year
e)	**Principal actuarial assumptions**		
	Rate of Discounting	**8% p.a.**	8% p.a.
	Expected Return on Plan Assets	**8% p.a.**	8% p.a.
	Rate of increase in salaries	**6% p.a.**	6% p.a.
	Attrition Rate	**2% p.a.**	2% p.a.

The Company expects to contribute ₹ 12.22 crores to its Gratuity Plan for the next year.

In assessing the Company's Post Retirement Liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other disclosures:

₹ in crores

Particulars	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	**49.60**	36.91	31.22	25.42
Plan Assets	**38.10**	33.66	26.14	21.42
Deficit	**(11.50)**	(3.25)	(5.08)	(4.00)
Experience Adjustments on Plan Liabilities – Loss	**7.71**	1.44	1.42	1.78
Experience Adjustments on Plan Assets –(Loss) / Gain	**(0.46)**	0.08	(1.22)	(0.27)

10. Segment Reporting:

The Company is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company has identified two primary business segments, namely Steel and Power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

Information about Primary Business Segments

₹ in crores

	Current Year 31.03.2011				Previous Year 31.03.2010			
Particulars	**Steel**	**Power**	**Eliminations**	**Total**	**Steel**	**Power**	**Eliminations**	**Total**
INCOME								
External Sales	**23,057.90**	**105.34**		**23,163.24**	18,077.71	124.77		18,202.48
Inter Segment Revenue	**651.87**	**988.73**	**(1,640.60)**	**–**	490.97	843.41	(1,334.38)	–
Total Revenue	**23,709.77**	**1,094.07**	**(1,640.60)**	**23,163.24**	18,568.68	968.18	(1,334.38)	18,202.48
Segment Results								
Segment/Operating Results	**3,185.40**	**344.26**		**3,529.66**	3,288.10	389.84		3,677.94
Un-allocated Items:								
(Expenses)/Income				**(52.20)**				0.63
Net Finance Charges				**(695.18)**				(858.92)
Provision for Taxation				**(771.61)**				(796.91)
Net Profit				**2,010.67**				2,022.74

₹ in crores

	Current Year 31.03.2011				Previous Year 31.03.2010			
Particulars	**Steel**	**Power**	**Eliminations**	**Total**	**Steel**	**Power**	**Eliminations**	**Total**
Other Information								
Segment Assets	**33,276.08**	**1,844.96**		**35,121.04**	27,279.78	1,272.83		28,552.61
Un-allocated Assets				**6,437.34**				2,325.67
Total Assets				**41,558.38**				30,878.28
Segment Liabilities	**9,569.70**	**33.49**		**9,603.19**	7,225.66	55.81		7,281.47
Un-allocated Liabilities and Provisions				**14,729.92**				13,890.47
Total Liabilities				**24,333.11**				21,171.94
Depreciation	**1,341.00**	**37.71**		**1,378.71**	1,088.74	34.67		1,123.41
Total Cost incurred during the year to acquire Segment Assets	**3,928.93**	**1,174.26**		**5,103.19**	2,335.03	17.96		2,352.99

Notes:

1. Inter Segment transfer from the power segment is measured at the rate at which power is purchased/sold from/to the respective Electricity Board.
2. Inter Segment transfer from the steel segment is measured on the basis of fuel cost.

11. Related Parties disclosure as per Accounting Standard (AS)-18:

A. List of Related Parties

Parties with whom the Company has entered into transactions during the period where control exists :

1. Subsidiaries

JSW Steel (UK) Limited
JSW Steel Service Centre (UK) Limited
Argent Independent Steel (Holdings) Limited
JSW Natural Resources Limited
JSW Natural Resources Mozambique Limitada
JSW Steel (Netherlands) B.V.
JSW Steel Holding (USA) Inc.
JSW Steel (USA) Inc.
Periama Holdings LLC (West Virginia LLC) (w.e.f. 3.05.2010)
Planck Holdings LLC (w.e.f. 3.05.2010)
Rolling S Augering LLC (w.e.f. 3.05.2010)
Carreta Minerals LLC (w.e.f. 3.05.2010)
Periama Handling LLC (w.e.f. 3.05.2010)
Lower Hutchinson Minerals LLC (w.e.f. 3.05.2010)
Purest Energy LLC (w.e.f. 3.05.2010)
Meadow Creek Minerals LLC (w.e.f. 3.05.2010)
Keenan Minerals LLC (w.e.f. 3.05.2010)
Hutchinson Minerals LLC (w.e.f. 3.05.2010)
RC Minerals LLC (w.e.f. 3.05.2010)
Peace Leasing LLC (w.e.f. 3.05.2010)
Prime Coal LLC
JSW Panama Holdings Corporation
Inversiones Eurosh Limitada
Santa Fe Mining
Santa Fe Puerto S.A.
JSW Steel Processing Centres Limited
JSW Jharkhand Steel Limited
JSW Bengal Steel Limited
Barbil Benefication Company Limited
JSW Building Systems Limited
JSW Natural Resources India Limited
JSW ADMS Carvo Limitada

2. Associates

Jindal Praxair Oxygen Company Private Limited
JSW Energy (Bengal) Limited
Ispat Industries Limited (w.e.f. 24.01.2011)

3. Joint Ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
JSW Severfield Structures limited
Gourangdih Coal Limited
Toshiba JSW Turbine and Generator Private Limited
MJSJ Coal Limited

4. Key Management Personnel (KMP)

Mr. Sajjan Jindal
Mr. Seshagiri Rao M V S
Dr. Vinod Nowal
Mr. Y Siva Sagar Rao (Upto 15.05.2009)
Mr. Jayant Acharya

5. Relatives of Key Management Personnel

Mrs. Savitri Devi Jindal

6. Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence

JSW Energy Limited
JSL Limited
JSW Realty & Infrastructure Private Limited
Jindal Saw Limited
Jindal Steel & Power Limited
Jindal South West Holdings Limited
JSOFT Solutions Limited
Jindal Industries Limited
JSW Energy (Ratnagiri) Limited
JSW Cement Limited
JSW Jaigarh Port Limited
Nalwa Sons & Investments Limited
JSW Investments Private Limited
Reynold Traders Private Limited
Raj West Power Limited
JSW Power Trading Company Limited
JSW Aluminium Limited
O P Jindal Foundation
JSW Infrastructure & Logistic Limited
South West Port Limited
JSW Techno Projects Management Limited
Sapphire Technologies Limited

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B.Transactions with related parties							
Party's Name							
Purchase of Goods/Power & Fuel / Services							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**430.01**	**430.01**
	–	–	–	–	–	572.76	572.76
Jindal Praxair Oxygen Company Private Limited	**–**	**130.77**	**–**	**–**	**–**	**–**	**130.77**
	–	120.62	–	–	–	–	120.62
Ispat Industries Limited	–	**568.90**	**–**	–	–	–	**568.90**
	–	–	–	–	–	–	–
Others	**59.10**	–	**50.61**	–	–	**151.74**	**261.45**
	90.94	–	48.56	–	–	106.22	245.72
Total	**59.10**	**699.67**	**50.61**	–	–	**581.75**	**1,391.13**
	90.94	120.62	48.56	–	–	678.98	939.10
Reimbursement of Expenses incurred on our behalf by							
Jindal South West Holdings Limited	**–**	**–**	**–**	**–**	**–**	**0.13**	**0.13**
	–	–	–	–	–	–	–
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	2.73	2.73
Others	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	0.11	0.11
Total	**–**	**–**	**–**	**–**	**–**	**0.13**	**0.13**
	–	–	–	–	–	2.84	2.84
Sales of Goods/Power & Fuel							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**771.23**	**771.23**
	–	–	–	–	–	727.38	727.38
Jindal Industriers Limited	**–**	**–**	**–**	**–**	**–**	**214.28**	**214.28**
	–	–	–	–	–	202.38	202.38
Ispat Industries Limited	**–**	**325.85**	**–**	**–**	**–**	**–**	**325.85**
	–	–	–	–	–	–	–
Others	**58.49**	**5.76**	**5.12**	**–**	**–**	**313.67**	**383.04**
	44.81	3.95	0.70	–	–	301.88	351.34
Total	**58.49**	**331.61**	**5.12**	**–**	**–**	**1,299.18**	**1,694.40**
	44.81	3.95	0.70	–	–	1,231.64	1,281.10
Other Income /Interest income							
JSW Steel (Netherlands) B.V.	**25.78**	**–**	**–**	**–**	**–**	**–**	**25.78**
	25.94	–	–	–	–	–	25.94
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**6.01**	**6.01**
	–	–	–	–	–	0.57	0.57
Inversiones Eurosh Limitada	**9.50**	**–**	**–**	**–**	**–**	**–**	**9.50**
	1.67	–	–	–	–	–	1.67
JSW Steel Holding (USA) Inc.	**8.69**	**–**	**–**	**–**	**–**	**–**	**8.69**
	–	–	–	–	–	–	–
Others	**0.97**	**3.86**	**0.40**	**–**	**–**	**2.36**	**7.59**
	0.43	0.01	0.62	–	–	6.17	7.23
Total	**44.94**	**3.86**	**0.40**	**–**	**–**	**8.37**	**57.57**
	28.04	0.01	0.62	–	–	6.74	35.41
Purchase of Assets							
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**250.01**	**250.01**
	–	–	–	–	–	48.89	48.89
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**7.47**	**7.47**
	–	–	–	–	–	8.95	8.95
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**95.07**	**95.07**
	–	–	–	–	–	–	–
Others	**–**	**–**	**6.10**	**–**	**–**	**19.56**	**25.66**
	5.29	–	–	–	–	3.68	8.97
Total	**–**	**–**	**6.10**	**–**	**–**	**372.11**	**378.21**
	5.29	–	–	–	–	61.52	66.81

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Sale of Assets							
JSW Techno Project Management Limited	–	–	–	–	–	0.07	0.07
	–	–	–	–	–	–	–
JSW Investments Private Limited	–	–	–	–	–	0.16	0.16
	–	–	–	–	–	–	–
JSW Energy (Ratnagiri) Limited	–	–	–	–		–	–
	–	–	–	–	–	3.35	3.35
JSW Energy Limited	–	–	–	–	–	0.04	0.04
	–	–	–	–	–	0.89	0.89
Jsoft Solutions Limited	–	–	–	–	–	–	–
	–	–	–	–	–	0.07	0.07
Total	–	–	–	–	–	0.27	0.27
	–	–	–	–	–	4.31	4.31
Lease & Other deposits given							
JSW Energy (Ratnagiri) Limited	–	–	–	–	–	–	–
	–	–	–	–	–	0.07	0.07
JSW Jaigarh Port Limited	–	–	–	–	–	–	–
	–	–	–	–	–	3.50	3.50
JSW Severfield Structures Limited	–	–	–	–	–	–	–
	–	–	13.00	–	–	–	13.00
Jindal Saw Limited	–	–	–	–	–	2.50	2.50
	–	–	–	–	–	2.50	2.50
Total	–	–	–	–	–	2.50	2.50
	–	–	13.00	–	–	6.07	19.07
Lease & Other deposits refunded							
JSW Power Trading Company Limited	–	–	–	–	–	20.00	20.00
	–	–	–	–	–	–	–
Total	–	–	–	–	–	20.00	20.00
	–	–	–	–	–	–	–
Advance given							
JSW Building System Limited	–	–	–	–	–	–	–
	0.20	–	–	–	–	–	0.20
Total	–	–	–	–	–	–	–
	0.20	–	–	–	–	–	0.20
Advance given Received back							
JSW Building System Limited	–	–	–	–	–	–	–
	0.20	–	–	–	–	–	0.20
Total	–	–	–	–	–	–	–
	0.20	–	–	–	–	–	0.20
Loan given Received back							
JSW Steel (Netherlands) B.V.	23.30	–	–	–	–	–	23.30
	101.86	–	–	–	–	–	101.86
JSW Steel Holding (USA) Inc.	391.29	–	–	–	–	–	391.29
	–	–	–	–	–	–	–
Inversiones Eurosh Limitada	23.77	–	–	–	–	–	23.77
	–	–	–	–	–	–	–
Total	438.36	–	–	–	–	–	438.36
	101.86	–	–	–	–	–	101.86
Loan given							
JSW Steel (Netherlands) B.V.	90.05	–	–	–	–	–	90.05
	101.86	–	–	–	–	–	101.86
JSW Natural Resources Limited	3.92	–	–	–	–	–	3.92
	0.35	–	–	–	–	–	0.35

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Inversiones Eurosh Limitada	**255.44**	**–**	**–**	**–**	**–**	**–**	**255.44**
	76.94	–	–	–	–	–	76.94
JSW Steel Holding (USA) Inc.	**760.18**	**–**	**–**	**–**	**–**	**–**	**760.18**
	28.11	–	–	–	–	–	28.11
Total	**1,109.59**	**–**	**–**	**–**	**–**	**–**	**1,109.59**
	207.26	–	–	–	–	–	207.26
Donation Given							
O.P. Jindal Foundation	**–**	**–**	**–**	**–**	**–**	**0.25**	**0.25**
	–	–	–	–	–	0.75	0.75
Total	**–**	**–**	**–**	**–**	**–**	**0.25**	**0.25**
	–	–	–	–	–	0.75	0.75
Recovery of Expenses incurred by us on their behalf							
JSW Cement Limited	**–**	**–**	**–**	**–**	**–**	**0.18**	**0.18**
	–	–	–	–	–	0.57	0.57
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**1.50**	**1.50**
	–	–	–	–	–	1.53	1.53
Jsoft Solutions Limited	**–**	**–**	**–**	**–**	**–**	**0.12**	**0.12**
	–	–	–	–	–	0.69	0.69
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**–**	**0.41**	**0.41**
	–	–	–	–	–	–	–
Others	**0.08**	**–**	**0.10**	**–**	**–**	**–**	**0.18**
	0.09	–	0.12	–	–	0.78	0.99
Total	**0.08**	**–**	**0.10**	**–**	**–**	**2.21**	**2.39**
	0.09	–	0.12	–	–	3.57	3.78
Investments / Share Application Money received during the year							
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–	–
Investments/Share Application Money given during the year							
Ispat Industries Limited	**–**	**2,157.00**	**–**	**–**	**–**	**–**	**2,157.00**
	–	–	–	–	–	–	–
JSW Steel (Netherlands) B.V.	**89.71**	**–**	**–**	**–**	**–**	**–**	**89.71**
	250.05	–	–	–	–	–	250.05
Others	**170.34**	**–**	**16.32**	**–**	**–**	**2.50**	**189.16**
	34.14	–	41.54	–	–	–	75.68
Total	**260.05**	**2,157.00**	**16.32**	**–**	**–**	**2.50**	**2,435.87**
	284.19	–	41.54	–	–	–	325.73
Investments/Share Application Money refunded during the year.							
JSW Steel Holding (USA) Inc.	**113.18**	**–**		**–**	**–**	**–**	**113.18**
	–	–	–	–	–	–	–
JSW Severfield Structures Limited	**–**	**–**	**0.36**	**–**	**–**	**–**	**0.36**
	–	–	–	–	–	–	–
Total	**113.18**	**–**	**0.36**	**–**	**–**	**–**	**113.54**
	–	–	–	–	–	–	–
Redemption of Shares							
Jindal Praxair Oxygen Company Private Limited	**–**	**4.16**	**–**	**–**	**–**	**–**	**4.16**
	–	–	–	–	–	–	–
Total	**–**	**4.16**	**–**	**–**	**–**	**–**	**4.16**
	–	–	–	–	–	–	–

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Remuneration							
Mrs. Savitri Devi Jindal	**–**	**–**	**–**	**–**	**0.08**	**–**	**0.08**
	–	–	–	–	0.08	–	0.08
Mr. Sajjan Jindal	**–**	**–**	**–**	**20.80**	**–**	**–**	**20.80**
	–	–	–	14.25	–	–	14.25
Mr. Seshagiri Rao M V S	**–**	**–**	**–**	**3.26**	**–**	**–**	**3.26**
	–	–	–	2.91	–	–	2.91
Mr. Y Siva Sagar Rao	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	0.35	–	–	0.35
Dr. Vinod Nowal	**–**	**–**	**–**	**2.35**	**–**	**–**	**2.35**
	–	–	–	1.83	–	–	1.83
Mr. Jayant Acharya	**–**	**–**	**–**	**2.00**	**–**	**–**	**2.00**
	–	–	–	1.04	–	–	1.04
Total	**–**	**–**	**–**	**28.41**	**0.08**	**–**	**28.49**
	–	–	–	20.38	0.08	–	20.46
Guarantees and collaterals provided by the Company on behalf of							
JSW Steel Holding (USA) Inc.	**267.90**	**–**	**–**	**–**	**–**	**–**	**267.90**
	1,228.01	–	–	–	–	–	1,228.01
JSW Steel (Netherlands) B.V.	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	532.91	–	–	–	–	–	532.91
JSW Steel Processing Centres Limited	**8.73**	**–**	**–**	**–**	**–**	**–**	**8.73**
	–	–	–	–	–	–	–
Total	**276.63**	**–**	**–**	**–**	**–**	**–**	**276.63**
	1,760.92	–	–	–	–	–	1,760.92
Guarantees and collaterals released							
JSW Steel (Netherlands) B.V.	**1,963.59**	**–**	**–**	**–**	**–**	**–**	**1,963.59**
	561.72	–	–	–	–	–	561.72
JSW Steel (USA) Inc.	**270.84**	**–**	**–**	**–**	**–**	**–**	**270.84**
	–	–	–	–	–	–	–
Others	**–**	**39.52**	**89.85**	**–**	**–**	**75.00**	**204.37**
	–	–	–	–	–	–	–
Total	**2,234.43**	**39.52**	**89.85**	**–**	**–**	**75.00**	**2,438.80**
	561.72	–	–	–	–	–	561.72
C. Closing balance of related parties							
Trade payables							
Jindal Praxair Oxygen Company Private Limited	**–**	**11.69**	**–**	**–**	**–**	**–**	**11.69**
	–	10.38	–	–	–	–	10.38
South West Port Limited	**–**	**–**	**–**	**–**	**–**	**20.73**	**20.73**
	–	–	–	–	–	17.03	17.03
JSW Steel Processing Centres Limited	**20.37**	**–**	**–**	**–**	**–**	**–**	**20.37**
	11.88	–	–	–	–	–	11.88
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**8.66**	**8.66**
	–	–	–	–	–	–	–
Vijayanagar Minerals Private Limited	**–**	**–**	**12.50**	**–**	**–**	**–**	**12.50**
	–	–	10.81	–	–	–	10.81
Others	**1.47**	**–**	**0.69**	**–**	**–**	**6.37**	**8.53**
	1.35	–	–	–	–	5.71	7.06
Total	**21.84**	**11.69**	**13.19**	**–**	**–**	**35.76**	**82.48**
	13.23	10.38	10.81	–	–	22.74	57.16

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Advance received from Customers							
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**–**	**0.83**	**0.83**
	–	–	–	–	–	0.04	0.04
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	0.22	0.22
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**0.97**	**0.97**
	–	–	–	–	–	–	–
Raj west Power Limited	**–**	**–**	**–**	**–**	**–**	**6.49**	**6.49**
	–	–	–	–	–	1.27	1.27
Total	**–**	**–**	**–**	**–**	**–**	**8.29**	**8.29**
	–	–	–	–	–	1.53	1.53
Lease & Other deposit received							
Jindal Praxair Oxygen Company Private Limited	**–**	**3.83**	**–**	**–**	**–**	**–**	**3.83**
	–	3.83	–	–	–	–	3.83
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**6.49**	**6.49**
	–	–	–	–	–	6.49	6.49
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**3.71**	**3.71**
	–	–	–	–	–	3.71	3.71
JSW Power Trading Company Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	20.00	20.00
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**–**	**3.50**	**3.50**
	–	–	–	–	–	3.50	3.50
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**5.00**	**5.00**
	–	–	–	–	–	2.50	2.50
JSW Severfield Structures Limited	**–**	**–**	**13.00**	**–**	**–**	**–**	**13.00**
	–	–	–	–	–	13.00	13.00
Total	**–**	**3.83**	**13.00**	**–**	**–**	**18.70**	**35.53**
	–	3.83	–	–	–	49.20	53.03
Trade receivables							
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**16.97**	**16.97**
	–	–	–	–	–	69.80	69.80
JSW Cement Limited	**–**	**–**	**–**	**–**	**–**	**28.07**	**28.07**
	–	–	–	–	–	18.84	18.84
JSW Power Trading Company Limited	**–**	**–**	**–**	**–**	**–**	**56.64**	**56.64**
	–	–	–	–	–	20.16	20.16
Ispat Industries Limited	**–**	**210.67**	**–**	**–**	**–**	**–**	**210.67**
	–	–	–	–	–	–	–
Others	**–**	**–**	**–**	**–**	**–**	**19.63**	**19.63**
	–	–	–	–	–	11.46	11.46
Total	**–**	**210.67**	**–**	**–**	**–**	**121.31**	**331.98**
	–	–	–	–	–	120.26	120.26
Share Application Money Given							
Vijayanagar Minerals Private Limited	**–**	**–**	**4.05**	**–**	**–**	**–**	**4.05**
	–	–	4.05	–	–	–	4.05
JSW Severfield Structures Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	7.30	–	–	–	7.30
Toshiba JSW Turbine Power Generator Private Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	6.50	–	–	–	6.50
Gourangdih Coal Limited	**–**	**–**	**0.05**	**–**	**–**	**–**	**0.05**
	–	–	2.50	–	–	–	2.50
Rohne Coal Company Limited	**–**	**–**	**2.33**	**–**	**–**	**–**	**2.33**
	–	–	0.02	–	–	–	0.02
Others	**0.10**	**–**	**–**	**–**	**–**	**–**	**0.10**
	0.67	–	–	–	–	–	0.67
Total	**0.10**	**–**	**6.43**	**–**	**–**	**–**	**6.53**
	0.67	–	20.37	–	–	–	21.04

₹ in crores

Particulars	Subsidiaries	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Share Application Money Received							
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–	–
Capital /Revenue Advances							
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	13.66	13.66
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	0.14	0.14
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	–	13.80	13.80
Loan and Advances given							
JSW Steel (Netherlands) B.V.	**632.09**	**–**	**–**	**–**	**–**	**–**	**632.09**
	598.61	–	–	–	–	–	598.61
JSW Steel Holding (USA) Inc.	**391.18**	**–**	**–**	**–**	**–**	**–**	**391.18**
	18.86	–	–	–	–	–	18.86
Inversiones Eurosh Limitada	**314.89**	**–**	**–**	**–**	**–**	**–**	**314.89**
	77.10	–	–	–	–	–	77.10
Others	**8.06**	**–**	**0.08**	**–**	**–**	**0.17**	**8.31**
	11.21	–	0.18	–	–	0.42	11.81
Total	**1,346.22**	**–**	**0.08**	**–**	**–**	**0.17**	**1,346.47**
	705.78	–	0.18	–	–	0.42	706.38
Investments held by the Company							
JSW Steel (Netherlands) B.V.	**1,020.02**	**–**	**–**	**–**	**–**	**–**	**1,020.02**
	930.26	–	–	–	–	–	930.26
Ispat Industries Limited	**–**	**2,157.00**	**–**	**–**	**–**	**–**	**2,157.00**
	–	–	–	–	–	–	–
Others	**314.06**	**76.03**	**70.98**	**–**	**–**	**250.90**	**711.97**
	256.35	80.19	40.72	–	–	248.40	625.66
Total	**1,334.08**	**2,233.03**	**70.98**	**–**	**–**	**250.90**	**3,888.99**
	1,186.61	80.19	40.72	–	–	248.40	1,555.92
Guarantees and collaterals provided by the Company on behalf:							
JSW Steel (Netherlands) B.V. and it's subsidiaries for USA and Chile acquisition	**1,611.78**	**–**	**–**	**–**	**–**	**–**	**1,611.78**
	1,489.62	–	–	–	–	–	1,489.62
JSW Steel (USA) Inc.	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	163.77	–	–	–	–	–	163.77
Others	**8.73**	**–**	**–**	**–**	**–**	**–**	**8.73**
	–	39.52	89.85	–	–	75.00	204.37
Total	**1,620.51**	**–**	**–**	**–**	**–**	**–**	**1,620.51**
	1,653.39	39.52	89.85	–	–	75.00	1,857.76

Figures in bold represents current year numbers.

12. Operating Lease

a) As Lessor:

i. The Company has entered into lease arrangements, for renting :

- 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of ₹ 100/- per house per annum, for a period of 180 months.
- 662 houses (admeasuring approximately 330,453 square feet) at the rate of ₹ 24/- per square feet per annum, for a period of 36 to 60 months.
- 1 house at the rate of ₹ 0.72 lacs per annum, for a period of 11 months.
- 9 houses (admeasuring approximately 645.15 square feet) at the rate of ₹ 40/- per square feet per month per house, for a period of 60 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

ii. Disclosure in respect of assets given on operating lease :

₹ in crores

	Current Year	Previous Year
Gross Carrying amount of Assets	**170.76**	146.66
Accumulated Depreciation	**18.04**	13.31
Depreciation for the year	**3.08**	2.31

b) As Lessee:

Lease Rentals charged to revenue for right to use following assets are:

₹ in crores

Particualrs	Current Year	Previous Year
Office Premises, Residential Flats etc.	**8.74**	5.62
Total:	**8.74**	5.62

The agreements are executed for a period of 11 to 60 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

13. Earnings Per Share (EPS):

		Current Year	Previous Year
Profit after Tax	₹ in crs.	**2,010.67**	2,022.74
Less: Dividend on preference shares (Including corporate dividend tax)	₹ in crs.	**32.43**	33.73
Profit after tax for Equity share holders (Numerator)-Basic / Diluted (A)	₹ in crs.	**1,978.24**	1,989.01
Weighted average number of equity shares for Basic EPS (denominator) (B)	Nos.	**203,595,864**	187,048,682
Weighted average number of equity shares for Diluted EPS (denominator) (C)	Nos.	**205,363,404**	187,746,815
Earning per share – Basic (A/B)	₹	**97.17**	106.34
Earning per share – Diluted (A/C)	₹	**96.33**	105.94
Nominal value per share	₹	**10**	10

14. Income Tax:

a) Provision for Taxation includes:

₹ in crores

	Current Year	Previous Year
Income Tax :		
Current Tax	**569.00**	486.25
Deferred Tax	**387.67**	569.21
Minimum Alternate Tax (MAT) Credit entitlement (including ₹ 18.52 crores (Previous year - ₹ Nil) pertaining to earlier years)	**(198.15)**	(258.53)
Tax adjustment of earlier years	**12.59**	(0.52)
Wealth Tax	**0.50**	0.50
Total	**771.61**	796.91

b) Deferred Tax Liability comprises of timing differences on account of:

₹ in crores

	Current Year	Previous Year
Depreciation	**2,417.51**	2,057.61
Expenses allowable on payment basis	**(18.77)**	(13.88)
Provision for doubtful debts/ advances	**(36.56)**	(37.24)
Others	**(45.14)**	(41.54)
Deferred Tax Liability	**2,317.04**	1,964.95

15. The Company has the following Joint venture interest in India as at 31 March 2011:

Interest as Venturer

Vijayanagar Minerals Private Limited: Percentage of holding - 40% (Previous year 40%)

Rohne Coal Company Private Limited: Percentage of holding – 49% (Previous year 49%)

JSW Severfield Structures Limited : Percentage of holding - 50% (Previous Year 50%)

Gaurangdih Coal Limited : Percentage of holding – 50% (Previous Year 50%)

Interest as Investor

MJSJ Coal Limited: Percentage of holding – 11% (Previous year 11%)

Toshiba JSW Turbine and Generator Private Limited – 5% (Previous year 5%)

The proportionate share of assets, liabilities, income and expenditure of the jointly controlled entities are as under:

₹ in crores

	Current Year (Audited/Based on financial information/ estimates made by the management)	Previous Year (Audited/Based on financial information/ estimates made by the management)
I. Assets		
Fixed Assets (Including CWIP)	**106.98**	38.86
Investments	**2.76**	–
Deferred Tax Asset	**0.03**	–

₹ in crores

		Current Year (Audited/Based on financial information/ estimates made by the management)	Previous Year (Audited/Based on financial information/ estimates made by the management)
	Current Assets, Loans and Advances		
	- Unbilled Revenue	**17.11**	–
	- Inventories	**4.57**	1.85
	- Sundry Debtors	**11.26**	4.35
	- Cash and Bank Balances	**3.95**	1.54
	- Loans and Advances	**16.49**	10.15
II.	**Liabilities**		
	Secured Loans	**70.62**	–
	Unsecured Loans	**0.05**	–
	Current Liabilities and Provisions		
	- Liabilities	**44.86**	15.92
	- Provisions	**1.25**	0.04
III.	**Income**		
	Sales	**22.61**	25.02
	Construction revenue	**24.00**	–
	Other Income	**0.73**	0.12
IV.	**Expenses**		
	Direct and Operating Expenses	**28.23**	4.03
	Costs of Construction (including materials)	**23.55**	–
	Administrative, Selling and Distribution Expenses	**4.60**	19.75
	Depreciation	**1.36**	0.08
	Miscellaneous Expenditure written off	**0.37**	–
	Tax Expenses		
	- Current, Deferred Tax and Fringe Benefit Tax	**0.67**	0.70
V.	**Other Matters**		
	Contingent Liabilities	**1.87**	2.73
	Capital Commitment	**1.78**	40.87

16. Additional information pursuant to paragraphs 4, 4A, 4B, 4C and 4D of Part II of Schedule VI to The Companies Act, 1956:

A) Remuneration to Directors:

₹ in crores

	Current Year	Previous Year
Salary	**12.49**	5.48
Perquisites	**0.92**	0.51
Contribution to Provident Fund	**0.64**	0.14
Commission to Vice chairman & Managing Director	**14.36**	14.25
Managerial Remuneration	**28.41**	20.38
Director's sitting fees	**0.20**	0.19
Commission to Non executive Directors	**1.10**	1.06
Total:	**29.71**	21.63

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

B) Computation of Net Profit in accordance with Section 349 read with Section 309(5) of the Companies Act, 1956 :

₹ in crores

	Current Year	Previous Year
Profit Before Taxation	**2,782.28**	2,819.65
Add: Managerial Remuneration (including commission)	**29.71**	21.63
Provision for Doubtful debts/ advances	**–**	9.67
Provision for diminution in value of long term investments	**62.12**	–
	2,874.11	2,850.95
Less : Provision for Doubtful Debts/ Advances written back	**1.75**	–
Profit on Sale on Immovable Property	**–**	0.34
Net Profit as per Section 349 read with Section 309(5)	**2,872.36**	2,850.61
Commission Payable to:		
- Vice Chairman & Managing Director @ 0.5% of Net Profit as computed above	**14.36**	14.25
- Non executive Directors	**1.10**	1.06

C) Remuneration to Auditors (excluding service tax):

₹ in crores

	Current Year	Previous Year
As Audit Fees (including limited review)	**2.28**	1.48
For Tax Audit Fees	**0.25**	0.20
For Certification and other Services	**0.90**	0.29
Out of Pocket Expenses	**0.04**	0.01
Total:	**3.47**	1.98

D) Licensed and Installed Capacities and Production:

	Class of goods	**Installed capacity Tonnes**	**Production Tonnes**
1	MS Slabs	**6,800,000**	**5,042,838**
		(5,300,000)	(4,497,592)
2	Hot Rolled Coils / Steel Plates / Sheets	**6,700,000**	**4,787,770**
		(3,200,000)	(3,399,183)
3	Hot Rolled Steel Plates	**320,000**	**151,739**
		(320,000)	(309,950)
4	Cold Rolled Coils/Sheets	**1,825,000**	**1,669,884**
		(1,825,000)	(1,500,150)
5	Galvanised/Galvalum Coils/Sheets	**900,000**	**908,498**
		(900,000)	(904,644)
6	Colour Coating Coils/ Sheets	**232,000**	**159,583**
		(232,000)	(148,195)
7	Steel Billets and Bloom	**2,500,000**	**1,384,107**
		(2,500,000)	(1,488,963)
8	Long Rolled Products	**2,200,000**	**1,134,004**
		(1,950,000)	(957,448)

Notes:

1. Licensed capacity is not applicable in view of the Company's products having been delicensed as per the licensing policy of the Government of India.

2. Installed capacity is as certified by the management and accepted by auditors, being a technical matter.

3. Production of Galvanized/Galvalume Coils/Sheets includes 85,381 tonnes (Previous year 58,392 tonnes) from third parties on a job work basis.

E) Opening Stock, Sales and Closing Stock:

i) Manufactured Goods

	Class of goods	Opening Stock		Sales		Closing Stock	
		Tonnes	₹ in crores	Tonnes	₹ in crores	Tonnes	₹ in crores
1	MS Slabs	**64,817** (37,550)	**134.12** (76.29)	**138,177** (716,847)	**511.08** (1,816.53)	**32,073** (64,817)	**76.93** (134.12)
2	Hot Rolled Coils/Steel Plates/Sheets	**58,351** (70,073)	**133.59** (154.27)	**2,922,933** (1,750,055)	**10,486.33** (5,414.70)	**138,090** (58,351)	**384.42** (133.59)
3	Galvanized Coils/Sheets	**36,453** (61,307)	**118.72** (183.05)	**709,851** (770,690)	**3,348.04** (3,065.07)	**61,489** (36,453)	**273.28** (118.72)
4	Cold Rolled Coils/Sheets	**50,793** (37,443)	**128.40** (90.00)	**782,543** (624,030)	**3,319.60** (2,153.50)	**74,816** (50,793)	**236.00** (128.40)
5	Hot Rolled Steel Plates	**8,912** (17,563)	**23.62** (45.31)	**132,386** (293,177)	**503.29** (956.56)	**4,855** (8,912)	**14.39** (23.62)
6	Colour Coating Coils/Sheets	**6,413** (10,171)	**25.98** (38.59)	**152,307** (149,532)	**870.41** (695.44)	**10,918** (6,413)	**60.07** (25.98)
7	Steel Billets and Blooms	**16,914** (15,951)	**40.05** (38.56)	**205,613** (527,097)	**687.88** (1,253.11)	**28,737** (16,914)	**84.21** (40.05)
8	Long Rolled Products	**55,030** (7,049)	**138.86** (21.23)	**1,055,236** (873,863)	**3769.24** (2,724.77)	**59,990** (55,030)	**202.74** (138.86)
9	Sale of Carbon Credits				**38.67** (60.21)		
10	Others		**37.20** (39.82)		**1,394.78** (1,278.04)		**46.46** (37.20)
	Total:		**780.54** (687.12)		**24,929.32** (19,417.93)		**1,378.50** (780.54)

ii) Traded Goods

Description	Current Year		Previous Year	
	Quantity Tonnes	₹ in crores	Quantity Tonnes	₹ in crores
Opening Stock				
Hot Rolled Plates	**42**	**0.13**	5,555	12.93
Others	**–**	**–**	–	–
Total:	**42**	**0.13**	5,555	12.93
Purchases				
Hot Rolled Plates	**–**	**–**	12,114	29.58
Others	**1,301**	**182.23**	–	–
Total:	**1,301**	**182.23**	12,114	29.58
Sales				
Hot Rolled Plates	**42**	**0.14**	14,364	38.71
Others	**1,301**	**201.29**	–	–
Total:	**1,343**	**201.43**	14,364	38.71
Closing Stock				
Hot Rolled Plates	**–**	**–**	42	0.13
Others	**–**	**–**	–	–
Total:	**–**	**–**	42	0.13

Note: Excludes captive consumption of Nil tonnes (Previous year 3,263 tonnes)

F) Consumption of Materials:

Description	Current Year		Previous Year	
	Quantity Tonnes	₹ in crores	Quantity Tonnes	₹ in crores
Iron ore lumps/fines	**12,972,111**	**3,707.80**	10,674,845	2,048.96
Coal/Coke	**7,803,364**	**8,328.21**	7,384,743	6,230.89
Hot Rolled Coils	**158,138**	**563.11**	22,135	58.27
M S Slabs	**29,128**	**75.44**	25,258	47.80
Zinc & Alloys	**41,152**	**446.33**	40,193	389.70
Others		**2,121.87**		1,916.97
Sub Total:		**15,242.76**		10,692.59
Less: captive consumption		**487.91**		231.77
Total:		**14,754.85**		10,460.82

G) Value of Consumption of directly imported and indigenously obtained raw materials and stores and spares and the percentage of each to total consumption:

₹ in crores

Description	Current Year		Previous Year	
	Value ₹ in crores	% of Total Value	Value ₹ in crores	% of Total Value
RAW MATERIALS				
Imported	**9,375.83**	**63.54**	6,983.33	66.76
Indigenous	**5,379.02**	**36.46**	3,477.49	33.24
Total:	**14,754.85**	**100.00**	10,460.82	100.00
STORES AND SPARES				
Imported	**174.07**	**16.45**	148.39	16.03
Indigenous	**884.04**	**83.55**	777.07	83.97
Total:	**1,058.11**	**100.00**	925.46	100.00

H) C.I.F. Value of Imports:

₹ in crores

Description	Current Year	Previous Year
Capital Goods	**1,482.99**	1,935.85
Raw Materials	**8,732.64**	6,333.72
Stores and Spare Parts	**278.44**	172.82

I) Expenditure in Foreign Currency:

₹ in crores

Description	Current Year	Previous Year
Interest and Finance charges	**218.28**	196.64
Ocean Freight	**179.41**	131.73
Power and Fuel	**141.84**	70.74
Commission on sales	**36.70**	45.81
Legal and Professional Fees	**4.08**	2.86
Others	**21.36**	7.57

J) Earnings in Foreign Currency:

₹ in crores

Description	Current Year	Previous Year
F.O.B. Value of Exports	**3,328.25**	2,683.78
Sale of Carbon Credits	**38.67**	60.21
Interest Income	**45.76**	28.03

K) Remittance in Foreign Currency on Account of Dividend:

a) Dividend to Equity Shareholders:

Description	Current Year	Previous Year
Year to which the Dividend relates	**2009-10**	2008-09
Number of Non-resident Shareholders	**4,395**	4,561
Number of Equity Shares held by them	**14,228,602**	14,244,744
Amount remitted (₹ in crores)	**13.52**	1.42

b) Dividend to Preference Shareholder:

Description	Current Year	Previous Year	
Year to which the Dividend relates	**NA**	2009-10	2008-09
Number of Non-resident Shareholders	**NA**	1	1
Number of Preference Shares held by them	**NA**	9,900,000	9,900,000
Amount remitted (₹ in crores)	**NA**	1.02*	1.09

* (Up to the date of Redemption that is 8.03.2010)

17 Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

₹ in crores

Description	Current Year	Previous Year
Principal amount due outstanding as at end of the year	**15.92**	38.15
Interest due on (1) above and unpaid as at end of the year	**0.56**	0.32
Interest paid to the supplier	**–**	–
Payments made to the supplier beyond the appointed day during the period	**–**	–
Interest due and payable for the period of delay	**–**	–
Interest accrued and remaining unpaid as at end of the year	**1.21**	0.65
Amount of further interest remaining due and payable in succeeding year	**1.21**	0.65

18. Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 16 May 2011

Balance Sheet Abstract and Company's General Business Profile

I.	**Registration No. 152925**	State Code 11
	Balance Sheet Date 31-3-2011	
II.	**Capital raised during the year** (Amount ₹ in thousands):	
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	360685
	Others	Nil
III.	**Position of Mobilisation and Deployment of Funds** (Amount ₹ in thousands):	
	Total Liabilities	415,583,831
	Total Assets	415,583,831
	Sources of Funds	
	Paid-up Capital	5,631,839
	Share Warrants	5,293,750
	Reserves and Surplus	161,327,120
	Secured Loans	76,758,161
	Unsecured Loans	42,755,228
	Net Deferred Tax Liability	23,170,429
	Application of Funds	
	Net Fixed Assets	272,712,013
	Investments	40,988,157
	Net Current Assets	1,236,357
	Miscellaneous Expenditure	Nil
	Accumulated Losses	Nil
IV.	**Performance of Company** (Amount ₹ in thousands) :	
	Turnover	254,134,003
	Total Expenditure	226,311,174
	Profit/(Loss) before Tax	27,822,829
	Profit/(Loss) after Tax	20,106,705
	Earning per share in ₹ (Basic)	97.17
	Earning per share in ₹ (Diluted)	96.33
	Dividend (₹)	12.25
V.	**Generic Names of Three Principal Products/Services of Company** (as per monetary terms) :	
	Item Code No. (ITC Code)	72.08
	Product Description	Hot Rolled Steel Strips/ Sheets/ Plates
	Item Code No. (ITC Code)	72.09
	Product Description	MS Cold Rolled Coils/ Sheets
	Item Code No. (ITC Code)	72.1
	Product Description	MS Galvanised Plain/ Corrugated/ Colour coated Coils/ Sheet
	Item Code No. (ITC Code)	720690
	Product Description	Steel Billet
	Item Code No. (ITC Code)	721490
	Product Description	Bar & Rods
	Item Code No. (ITC Code)	N.A.
	Product Description	Power

Auditor's Report on the Consolidated Financial Statement

To The Board of Directors
JSW Steel Limited

1. We have audited the attached group Consolidated Balance Sheet of JSW Steel Limited (the Company) as at 31 March 2011, the group Consolidated Profit and Loss Account and the group Consolidated Cash Flow Statement for the year ended on that date annexed thereto. The consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information relating to the components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of certain components, namely:

   (a) Subsidiaries and Joint Ventures, whose financial statements reflect the Group's share of total assets of ₹ 5,543.34 crores as at 31 March 2011, and the Group's share of total revenues of ₹ 677.78 crores for the year ended on that date and net cash inflows amounting to ₹ 142.96 crores for the year ended on that date and associates whose financial statements reflect the Group's share of profits of ₹ 58.39 crores for the year ended on that date as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

   Without qualifying our opinion, attention is invited to the following matters of emphasis included in the report of the other auditor of one of the Company's associates namely, Ispat Industries Limited.:

   i) Sundry Debtors of ₹ 255.61 crores, which are overdue from Peddar Realty Private Limited towards sale consideration of landed property along with interest thereon and have been considered good of recovery by the management in view of the market value of the underlying assets of the said debtor.

   ii) Overdue Sundry Debtors of ₹ 315.99 crores which have been considered good of recovery by the management.

   iii) Non-reconciliation of credit balances of ₹ 118.69 crores relating to a party towards raw material supplies: The management does not expect any material impact on the financial statements on account of such reconciliation, adjustment, if any, in this regard would be carried out on completion of the reconciliation.

   iv) Raw material in transit of 60,460 MT of 'Low Ash Metallurgical Coke' valuing ₹ 104.83 crores, lying overseas with a stevedoring agent since March 2010 for onward shipment to India. As these materials are lying overseas for dispatch to India for a long period, we are unable to comment upon its ultimate receipt by the company.

   (b) Joint Ventures and Associates whose financial statements are based on unaudited financial information/estimates and as certified by the management on which we have relied for the purposes of our examination of the consolidated financial statements, (reference is invited to Note no. A of schedule 18): Joint Ventures whose financial statements reflect the Group's share of total assets of ₹ 154.86 crores as at 31 March 2011, and the Group's share of total revenues of ₹ 123.36 crores for the year ended on that date, and net cash outflows of ₹ 0.64 crores for the year ended on that date and associates whose financial statements reflect the Group's share of ₹ 12.34 crores profits for the year ended on that date as considered in the consolidated financial statements.

4. Subject to the matter referred to in paragraph 3 (b) above:

   (a) We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, on 'Consolidated Financial Statements', Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 on 'Financial Reporting of interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.

   (b) Based on our audit and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31 March 2011;

   ii) in the case of the Consolidated Profit and Loss account, of the profit of the group for the year ended on that date; and

   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 117366W

P. B. Pardiwalla
Partner
Membership No. 40005

Place: Mumbai
Date: 16 May 2011

Consolidated Balance Sheet as at 31st March, 2011

₹ in crores

	Schedule No.	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	**563.18**	527.11
Share Warrants (refer Note C-3 of Schedule 18)		**529.38**	–
Reserves and Surplus	2	**15,436.77**	8,730.04
		16,529.33	9,257.15
Minority Interest		**235.83**	218.65
Loan Funds:			
Secured Loans	3	**12,172.76**	13,454.07
Unsecured Loans	4	**4,301.60**	2,718.97
		16,474.36	16,173.04
Deferred Tax Liability (refer Note C-13(b) of Schedule 18)		**2,325.63**	1,964.95
Total		**35,565.15**	27,613.79
APPLICATION OF FUNDS			
Fixed Assets:	5		
Gross Block		**32,683.89**	26,792.05
Less: Depreciation		**6,873.23**	5,339.26
Net Block		**25,810.66**	21,452.79
Capital Work-in-Progress (including Capital Advances)		**6,507.68**	6,956.18
		32,318.34	28,408.97
Goodwill on Consolidation		**1,093.20**	899.19
Investments	6	**2,913.83**	628.20
Deferred Tax Asset (refer Note C-13(b) of Schedule 18)		**276.23**	280.17
Current Assets, Loans and Advances:			
Unbilled Revenue		**17.11**	–
Inventories	7	**4,409.70**	2,866.74
Sundry Debtors	8	**933.30**	696.39
Cash and Bank Balances	9	**2,048.00**	303.04
Loans and Advances	10	**2,156.82**	1,603.79
		9,564.93	5,469.96
Less: Current Liabilities and Provisions:			
Liabilities	11	**10,201.93**	7,807.83
Provisions	12	**399.45**	264.87
		10,601.38	8,072.70
Net Current Assets/(Liabilities)		**(1,036.45)**	(2,602.74)
Total		**35,565.15**	27,613.79
Significant Accounting Policies and Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 16 May 2011

Consolidated Profit and Loss Account for the year ended 31st March, 2011

₹ in crores

	Schedule No	For the Year ended 31.03.2011	For the Year ended 31.03.2010
INCOME:			
Domestic Turnover		**22,190.88**	17,202.35
Export Turnover		**3,617.30**	2,948.77
Contract Revenue		**20.95**	–
Sale of Carbon Credits		**38.67**	60.21
		25,867.80	20,211.33
Less: Excise duty		**1,967.56**	1,254.16
Net Turnover		**23,900.24**	18,957.17
Other Income	13	**284.03**	532.16
Total income		**24,184.27**	19,489.33
EXPENDITURE:			
Materials	14	**14,685.05**	11,231.24
Cost of Construction		**20.21**	–
Employees' Remuneration and Benefits	15	**636.75**	479.54
Manufacturing and Other Expenses	16	**3,895.49**	3,175.72
Net Finance Charges	17	**945.41**	1,104.17
Depreciation and amortisation		**1,559.71**	1,298.66
		21,742.62	17,289.33
Profit before Taxation		**2,441.65**	2,200.00
Provision for Taxation (refer Note C13 (a) of Schedule 18)		**782.27**	646.71
Profit after Taxation but before minority interests and share of profits of Associates		**1,659.38**	1,553.29
Share of Losses of Minority		**(23.87)**	(33.21)
Share of Profits of Associates (Net)		**70.73**	11.05
Profit after Taxation		**1,753.98**	1,597.55
Profit brought forward from earlier years		**4,695.46**	3,676.02
Amount available for Appropriation		**6,449.44**	5,273.57
Appropriations:			
Transferred to Debenture Redemption Reserve		**–**	(125.00)
Transfer to Capital Redemption Reserve		**–**	(9.90)
Dividend on Preference Shares		**(27.90)**	(28.92)
Proposed Final Dividend on Equity Shares		**(273.32)**	(177.70)
Corporate Dividend Tax		**(48.87)**	(34.31)
Transfer to General Reserve		**(4,200.00)**	(202.28)
Balance carried to Balance Sheet		**1,899.35**	4,695.46
Earnings per share (Equity shares, par value of ₹ 10 each) (in ₹)			
Basic		**84.56**	83.61
Diluted		**83.83**	83.29
(refer Note C-12 of Schedule 18)			
Significant Accounting Policies and			
Notes forming part of the Financial Statements	18		
Schedules referred to above form an integral part of the Financial Statements			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated: 16 May 2011

Cash Flow Statement for the year ended 31st March, 2011

₹ in crores

			For the Year Ended 31.03.2011		For the Year Ended 31.03.2010
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**2,441.65**		2,200.00
	Adjustments for:				
	Depreciation and Amortisation	**1,559.71**		1,298.66	
	Loss/(Profit) on sale of Fixed Assets	**1.21**		(3.76)	
	Income from current investments	**(32.29)**		(3.84)	
	Interest Income	**(79.24)**		(6.90)	
	Dividend Income	**(5.88)**		(0.03)	
	Interest Expenses	**732.47**		836.11	
	Unrealised exchange (gain)/loss (net)	**(54.43)**		(47.81)	
	Amortisation of Employees Share Payments	**7.62**		4.02	
			2,129.18		2,076.45
	Operating profit before working capital changes		**4,570.83**		4,276.45
	Adjustments for:				
	(Increase)/Decrease in Inventories	**(1,542.96)**		57.82	
	Increase in Unbilled Revenue, Sundry Debtors and Loans and Advances	**(2,210.57)**		(425.01)	
	Increase/(Decrease) in Current Liabilities and Provisions	**2,439.86**		(103.77)	
			(1,313.67)		(470.96)
	Cash flow before taxation		**3,257.16**		3,805.49
	Direct Taxes Paid		**(426.92)**		(459.35)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**2,830.24**		3,346.14
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets and capital advances		**(5,314.39)**		(2,753.66)
	Investment in Associates and Joint Ventures (Net)		**(2,156.03)**		(9.53)
	Purchase of other Long Term Investments		**(2.50)**		–
	Acquisition of Subsidiaries		**(203.73)**		–
	Purchase/Sale of Current Investments (Net)		**(24.08)**		(207.18)
	Proceeds from sale of Fixed Assets		**15.02**		11.90
	Realisation of Other Current Assets		**–**		17.24
	Interest received		**46.69**		8.93
	Dividend received		**5.88**		0.03
	NET CASH USED IN INVESTING ACTIVITIES		**(7,633.14)**		(2,932.27)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Issue of Equity Share Capital/Share Warrants		**5,935.62**		–
	Repayment of Preference Share Capital		**–**		(9.90)
	Proceeds from Long Term Borrowings		**4,498.30**		1,931.46
	Repayment of Long Term Borrowings		**(5,140.65)**		(809.20)
	Short term borrowings		**1,043.19**		(483.03)
	Interest Paid		**(1,000.65)**		(1,133.34)
	Dividend Paid		**(239.74)**		(57.00)
	NET CASH GENERATED/ (USED IN) FROM FINANCING ACTIVITIES		**5,096.06**		(561.01)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**293.16**		(147.14)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE		**279.73**		426.87
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE		**572.89**		279.73
	Add : Margin Money balance		**1,459.77**		5.72
	Add : Balance in debenture interest/ installments/ dividend payment accounts		**18.07**		17.59
	Add : Translation Adjustment in Cash and Cash Equivalents		**(2.73)**		–
	CASH AND BANK BALANCE (As per Schedule 9)		**2,048.00**		303.04
	NOTE:				
	Cash and cash equivalents include effect of exchange rate changes in respect of bank balance held in foreign currency.		*		0.13
	*Value less than ₹ 1,00,000				

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner
Place: Mumbai
Dated: 16 May 2011

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2011

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
2,00,00,00,000 Equity Shares of ₹ 10 each	**2,000.00**	2,000.00
1,00,00,00,000 Preference Shares of ₹ 10 each	**1,000.00**	1,000.00
	3,000.00	3,000.00
Issued and Subscribed:		
22,31,17,200 (18,70,48,682) Equity Shares of ₹ 10 each fully paid-up	**223.12**	187.05
Add: Equity Shares Forfeited (Amount originally paid-up)	**61.03**	61.03
27,90,34,907 (27,90,34,907) 10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid-up	**279.03**	279.03
Total:	**563.18**	527.11
SCHEDULE 2		
RESERVES AND SURPLUS:		
Securities Premium Account:		
As per last Balance Sheet	**368.89**	424.51
Add: Reversal of premium on FCCB Buyback	**–**	0.89
Received on issue of Equity Shares /GDRs	**5,374.21**	–
	5,743.10	425.40
Less: FCCB/Preferential issue expenses	**(4.04)**	(0.05)
Provision for premium on redemption of FCCB	**(71.53)**	(56.46)
	5,667.53	368.89
Debenture Redemption Reserve:		
As per last Balance Sheet	**129.04**	4.04
Add: Transfer from Profit and Loss Account	**–**	125.00
	129.04	129.04
Capital Redemption Reserve:		
As per last Balance Sheet	**9.90**	9.90
General Reserve:		
As per last Balance Sheet	**3,326.34**	3,124.06
Add: Transfer from Shares Options Outstanding Account	**12.68**	–
Transfer from Profit and Loss Account	**4,200.00**	202.28
	7,539.02	3,326.34
Hedging Reserve Account:		
As per last Balance Sheet	**3.88**	(21.26)
Movement during the year	**(12.22)**	25.14
	(8.34)	3.88
Share Options Outstanding Account:		
Share Options Outstanding	**24.28**	13.54
Less: Deferred Compensation	**(16.87)**	(1.78)
	7.41	11.76

₹ in crores

	As at 31.03.2011	As at 31.03.2010
Foreign Currency Translation Reserve Account:		
As per last Balance Sheet	**(60.98)**	(171.21)
Movement during the year	**9.51**	110.23
	(51.47)	(60.98)
Capital Reserve on Consolidation	**244.33**	245.75
Surplus in Profit and Loss Account	**1,899.35**	4,695.46
Total:	**15,436.77**	8,730.04
SCHEDULE 3		
SECURED LOANS		
Debentures		
6.5% Non-Convertible Debentures of ₹ 10 lacs each	**500.00**	–
8% Non-Convertible Debentures of ₹ 10 lacs each	**–**	250.00
8.10% Non-Convertible Debentures of ₹ 10 lacs each	**–**	250.00
10.10% Non-Convertible Debentures of ₹ 10 lacs each	**1,000.00**	1,000.00
10.20% Non-Convertible Debentures of ₹ 10 lacs each	**40.95**	48.75
10.20% Non-Convertible Debentures of ₹ 10 lacs each	**31.41**	39.78
10.25% Non-Convertible Debentures of ₹ 10 lacs each	**500.00**	500.00
10.60% Non-Convertible Debentures of ₹ 10 lacs each	**350.00**	350.00
	2,422.36	2,438.53
From Banks		
Rupee Term Loans	**3,167.01**	4,482.17
Foreign Currency Term Loans (including ₹ 81.14 crores (Previous year ₹ 3.11 crores) towards finance lease liability)	**5,645.80**	5,653.70
	8,812.81	10,135.87
From Financial Institutions		
Rupee Term Loans	**51.52**	95.49
Foreign Currency Term Loans	**51.70**	65.59
	103.22	161.08
Working Capital Loans from Banks	**834.37**	718.59
Total:	**12,172.76**	13,454.07
SCHEDULE 4		
UNSECURED LOANS		
2,744 Zero Coupon Foreign Currency Convertible Bonds (FCCB)	**1,225.20**	1,238.64
Long Term Advances From a Customer	**559.53**	628.89
Term Loan from Banks	**1,200.00**	622.85
Foreign Currency Loans		
from Banks	**1,179.14**	116.94
from Others	**26.08**	–
Sales Tax Deferral	**111.65**	111.65
Total:	**4,301.60**	2,718.97

The FCCB's are convertible into Equity Shares at the option of the bondholders at any time on or after 7th August, 2007 and prior to the close of business on 21st June, 2012 at a conversion of ₹ 953.40 per share at a fixed exchange conversion ratio of ₹ 40.28= 1 US $.

SCHEDULE 5
FIXED ASSETS

₹ in crores

Particulars	Gross Block (at cost)					Depreciation and amortisation					Net Block	
	As at 01.04.2010	Additions	Deductions	Translation Adjustment	As at 31.03.2011	As at 01.04.2010	For the year	Deductions	Translation Adjustment	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangibles												
Freehold Land	197.65	8.07	–	(0.09)	**205.63**	18.48	0.33	–	–	**18.81**	**186.82**	179.17
Leasehold Land	154.64	0.20	2.55	(0.01)	**152.28**	1.94	0.79	–	–	**2.73**	**149.55**	152.70
Buildings	4,068.50	623.63	0.26	(4.40)	**4,687.47**	524.39	138.48	0.03	(0.97)	**661.87**	**4,025.60**	3,544.11
Plant & Machinery@ (refer note C-9 of Schedule 18)	21,851.83	5,187.13	31.48	(38.00)	**26,969.48**	4,714.13	1,393.17	21.62	(4.79)	**6,080.89**	**20,888.59**	17,137.70
Furniture & Fixtures	84.08	13.91	0.07	0.22	**98.14**	33.94	10.46	0.05	0.03	**44.38**	**53.76**	50.14
Vehicles & Aircrafts	164.48	10.68	6.05	(0.01)	**169.10**	29.85	11.55	2.48	(0.02)	**38.90**	**130.20**	134.63
Intangibles												
Software	32.22	4.76	–	4.36	**41.34**	16.53	6.44	–	–	**22.97**	**18.37**	15.69
Mining Concessions	237.67	123.88	–	(2.19)	**359.36**	–	2.74	–	(0.06)	**2.68**	**356.68**	237.67
Port Concessions	0.98	0.13	–	(0.02)	**1.09**	–	–	–	–	**–**	**1.09**	0.98
Total:	**26,792.05**	**5,972.39**	**40.41**	**(40.14)**	**32,683.89**	**5,339.26**	**1,563.96**	**24.18**	**(5.81)**	**6,873.23**	**25,810.66**	**21,452.79**
Previous Year	22,388.91	5,024.45	13.30	(608.01)	26,792.05	4,079.75	1,301.56	5.15	(36.90)	5,339.26	21,452.79	

Notes:

(1) 'Buildings' include:

(a) Roads not owned by the Company amortised over a period of five years. Gross Block ₹ 3.13 crores (previous year ₹ 3.13 crores) Net block nil (previous year nil).

(b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIIDC. Gross Block ₹ 3.08 crores (previous year ₹ 3.08 crores); net block ₹ 2.52 crores (previous year ₹ 2.57 crores).

(c) Execution of Conveyence deed in favour of the Company is pending in respect of a Building acquired in an earlier year, Gross block ₹ 24.07 crores, Net block ₹ 21.75 crores (previous year Gross block ₹ 24.07 crores, Net block ₹ 22.28 crores)

(2) Fixed assets include Borrowing costs of ₹ 289.36 crores (previous year ₹ 259.32 crores) capitalised during the year.

(3) Freehold Land and Buildings of ₹ 147.60 crores (previous year ₹ 145.66 crores) has been/agreed to be hypothecated/mortgaged to lenders of group companies.

(4) Fixed assets include exchange fluctuations Gain ₹ 89.07 crores (previous year Gain ₹ 332.90 crores) capitalised during the year.

₹ in crores

	As at 31.03.2011		As at 31.03.2010	
SCHEDULE 6				
INVESTMENTS				
(Unquoted)				
1. LONG TERM				
a) In Associates				
Cost of Investments in equity shares (refer note below)	**2,196.53**		39.53	
Add: Share of profit (net)	**135.06**		68.17	
Preference Shares	**36.51**	**2,368.10**	40.67	148.37
b) In Joint Ventures				
Equity Shares	**15.41**		8.91	
Preference Shares	**4.20**	**19.61**	3.67	12.58
c) Others				
Equity Shares	**125.97**		125.97	
Preference Shares	**130.00**		127.50	
Government securities	**0.01**	**255.98**	0.01	253.48
2. CURRENT				
Mutual Funds		**270.14**		213.77
Total:		**2,913.83**		628.20

Goodwill arising at acquisition ₹ 2,295.34 crores (previous year ₹ 0.15 crore)

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 7		
INVENTORIES		
Raw Materials	**1,943.82**	1,287.76
Production Consumables and Stores and Spares	**659.69**	474.63
Work-in-Progress	**280.38**	142.42
Semi Finished/Finished Goods	**1,480.36**	961.80
Traded Goods	**40.88**	0.13
Construction Material	**4.57**	–
Total:	**4,409.70**	2,866.74
Note: Mode of Valuation-see Note B(7) of Schedule 18.		
SCHEDULE 8		
SUNDRY DEBTORS (net of provision)	**933.30**	696.39
Note:		
Considered Good - Secured	**3.70**	–
- Unsecured	**929.60**	696.39
Considered Doubtful - Unsecured	**23.27**	27.42
Provision for Doubtful debts	**(23.27)**	(27.42)

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	**0.57**	0.39
Balances with Scheduled Banks:		
In Current Accounts	**278.97**	131.93
In Margin Money / Term Deposit Accounts	**1,768.46**	170.72
Total:	**2,048.00**	303.04
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Advance to Suppliers	**266.90**	290.41
Export benefits and entitlements/ Export duty refund on exports	**129.37**	83.23
Amount recoverable from ESOP Trusts	**83.82**	45.06
Premises and Other deposits	**112.34**	122.16
Advance towards Equity/ Preference capital	**3.64**	13.27
Prepayments and Others	**801.85**	446.74
Less: Provision for Doubtful Advances	**(61.15)**	(8.91)
	1,336.77	991.96
Excise Balances	**260.90**	103.79
Advance Tax and Tax deducted at source (net)	**0.70**	153.34
Minimum Alternative Tax credit entitlement	**558.45**	354.70
Loans to Bodies Corporate	**9.10**	9.10
Less: Provision for Doubtful Loans	**(9.10)**	(9.10)
Total:	**2,156.82**	1,603.79

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 11		
CURRENT LIABILITIES		
Acceptances	**6,826.26**	5,049.79
Sundry Creditors	**2,487.43**	1,706.28
Rent and other deposits	**36.31**	52.15
Advances from Customers	**180.12**	182.09
Interest Accrued but not due on loans	**128.35**	144.37
Other Liabilities	**150.07**	387.35
Premium payable on redemption of FCCBs	**375.31**	268.21
Investor Education and Protection Fund shall be credited by:		
Unclaimed Debenture Redemption Installments	**1.67**	2.11
Unclaimed Debenture Interest	**1.30**	1.88
Unpaid Dividend	**11.39**	9.78
Unclaimed amount of sale proceeds of fractional shares	**3.72**	3.82
Total:	**10,201.93**	7,807.83
SCHEDULE 12		
PROVISIONS		
Provision for:		
Income Tax (net)	**9.67**	–
Employee Benefits	**39.69**	25.13
Proposed Dividend on Preference Shares	**27.90**	27.90
Proposed Dividend on Equity Shares	**273.32**	177.70
Corporate Dividend Tax	**48.87**	34.14
Total:	**399.45**	264.87

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 13		
OTHER INCOME		
Dividend from Long Term Investments	**5.88**	0.03
Foreign Exchange Gain (net)	**62.30**	407.79
Profit on Sale of Fixed Assets	**–**	3.76
Value Added Tax Refund	**174.48**	91.53
Extinguishment of liability on buyback of FCCB's	**–**	3.98
Miscellaneous Income	**41.37**	25.07
Total:	**284.03**	532.16
SCHEDULE 14		
MATERIALS		
Raw Materials Consumed	**15,094.46**	11,183.68
Purchases of Traded Goods	**223.97**	29.61
Increase in Stocks		
Opening Stock:		
Semi Finished/Finished Goods	**960.99**	922.27
Work-in-progress	**142.42**	151.27
Traded Goods	**0.13**	12.93
	1,103.54	1,086.47
Closing Stock:		
Semi Finished /Finished Goods	**1,480.09**	960.99
Work-in-progress	**280.38**	142.42
Traded Goods	**40.88**	0.13
	1,801.35	1,103.54
	(697.81)	(17.07)
Excise duty on Stock of finished goods (net)	**64.43**	35.02
Total:	**14,685.05**	11,231.24
SCHEDULE 15		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	**565.37**	428.74
Contribution to Provident and Other Funds	**28.56**	17.34
Staff Welfare Expenses	**42.82**	33.46
Total:	**636.75**	479.54

₹ in crores

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Rent	**13.02**	11.99
Rates and Taxes	**20.03**	14.73
Insurance	**56.15**	38.51
Power and Fuel	**1,206.71**	1,038.63
Stores and Spares consumed	**1,072.58**	942.60
Carriage and Freight	**646.60**	569.10
Repairs and Maintenance		
Plant and Machinery	**418.27**	264.51
Buildings	**44.87**	40.04
Others	**9.04**	10.20
Jobwork and Processing Charges	**20.18**	16.39
Commission on Sales	**51.49**	59.85
Donations and Contributions	**2.93**	3.60
Provision for Doubtful Debts / Loans / Advances	**53.09**	13.70
Loss on sale of fixed assets / investments (net)	**1.21**	–
Miscellaneous Expenses	**279.32**	151.87
Total:	**3,895.49**	3,175.72
SCHEDULE 17		
NET FINANCE CHARGES		
Interest on:		
Debentures and Fixed Loans	**745.15**	851.27
Others	**193.28**	153.88
Other Finance Charges	**118.51**	109.76
	1,056.94	1,114.91
Less: Interest Income		
from Banks	**(63.35)**	(1.02)
from Others	**(15.89)**	(5.88)
	(79.24)	(6.90)
Less: Profit on sale of current investments	**(32.29)**	–
Dividend Income on current investments	**–**	(3.84)
	(32.29)	(3.84)
Total:	**945.41**	1,104.17

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A. BACKGROUND

The Consolidated Financial Statements of the group – JSW Steel Limited ('JSW' or 'the Company') the parent Company and all its subsidiaries include financial information of its other components, viz. Joint Venture and Associate Companies. The Company was incorporated on March 15, 1994.

The Company is predominantly engaged in the business of production and distribution of iron and steel products.

The following components are included in the Consolidation:

Subsidiary Companies:

Name of the Company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel (Netherlands) B.V.	Netherlands	100% (100%)	Acquisition and investment in steel related and steel allied businesses and trading in steel products
JSW Steel (UK) Limited	United Kingdom	100% (100%)	Investment in steel related and steel allied businesses
Argent Independent Steel (Holdings) Limited	United Kingdom	100% (100%)	Holding Company of JSW Steel Service Centre (UK) Limited
JSW Steel Service Centre (UK) Limited	United Kingdom	100% (100%)	Steel Service Centre
JSW Steel Holding (USA) Inc.	United States of America	100% (100%)	Holding Company of JSW Steel (USA) Inc. and Periama Holdings, LLC
JSW Steel (USA) Inc.	United States of America	90% (90%)	Manufacturing Plates, Pipes and Double Jointing
Periama Holdings, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Purest Energy, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Meadow Creek Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Hutchinson Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
R.C. Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Keenan Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Peace Leasing, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Prime Coal, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Planck Holdings, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Rolling S Augering, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Periama Handling, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Lower Hutchinson Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
Caretta Minerals, LLC (w.e.f. May 3, 2010)	United States of America	100% (–)	Mining Company
JSW Panama Holdings Corporation	Republic of Panama	100% (100%)	Holding Company for Chile based Companies and trading in Iron Ore
Inversiones Eroush Limitada	Chile	100% (100%)	Holding Company (LLP) of Santa Fe Mining
Santa Fe Mining	Chile	70% (70%)	Mining Company
Santa Fe Puerto S.A.	Chile	70% (70%)	Port Company
JSW Natural Resources Limited	Republic of Mauritius	100% (100%)	Holding Company of JSW Natural Resources Mozambique Lda
JSW Natural Resources Mozambique Limitada	Mozambique	100% (100%)	Mining Company
JSW ADMS Carvo Lda (w.e.f. October 8, 2010)	Mozambique	85% (–)	Mining Company
JSW Steel Processing Centres Limited	India	100% (100%)	Steel Service Center
JSW Bengal Steel Limited	India	96.74% (99.20%)	Steel plant
JSW Natural Resources India Limited	India	100% (100%)	Steel Plant
Barbil Beneficiation Company Limited	India	100% (100%)	Beneficiation Plant
JSW Jharkhand Steel Limited	India	100% (100%)	Steel Plant and Mining
JSW Building Systems Limited	India	100% (100%)	Pre-fabricated building systems and technologies

Joint Venture Companies:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest at year end	Nature of operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% (40%)	Supply of Iron ore.
Rohne Coal Company Private Limited	India	49% (49%)	Coal Mining Company
Geo Steel LLC*	Georgia	49% (49%)	Manufacturing of TMT Rebar
JSW Severfield Structures Limited (JSSL)	India	50% (50%)	Designing, Fabricating and Erecting Structural Steel Works
JSW Structural Metal Decking Limited (w.e.f. Mar 24, 2010)	India	33.33% (–)	Metal Deckings
Gourangdih Coal Limited*	India	50% (50%)	Coal Mining Company

Associate Companies:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest at year end	Nature of operations (commenced/ planned)
Jindal Praxair Oxygen Company Private Limited*	India	26% (26%)	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air
JSW Energy (Bengal) Limited	India	26% (26%)	Power Plant
Ispat Industries Limited (w.e.f. Jan 24, 2011)	India	45.53% (–)	Production and distribution of Iron and Steel products

*Consolidated based on unaudited financial information/estimates as certified by the management.

The Company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has representation on JPOCL's Board. JPOCL has therefore been consolidated as an associate in accordance with the requirements of Accounting Standard (AS) - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements".

B. SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The subsidiaries are consolidated on a line-by-line basis in accordance with Accounting Standard 21 on "Consolidated Financial Statements". Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements. Inter-company transactions and balances are eliminated on consolidation.

Investments in Joint ventures are accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures". Unrealised profits and losses resulting from transactions between the Company and the Joint Venture Companies are eliminated to the extent of the Company's Share in the Joint Ventures.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associate.

For the purpose of consolidation, the financial statements of the Subsidiaries, Joint Venture Companies and Associates are drawn up to March 31, 2011 which is the reporting period of the Company.

The excess of the cost of investment in Subsidiary Companies, Joint venture and Associate Companies over the parents' portion of equity is recognized in the financial statements as goodwill. When the cost to the parent of its investment in Subsidiary Companies, Joint Venture and Associate Companies is less than the parents' portion of equity, the difference is recognized in the financial statements as Capital Reserve.

2. Uniform Accounting Policies

The Consolidated Financial Statements of JSW and its subsidiary, joint venture and associate companies have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

4. Fixed Assets and Depreciation

Fixed Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses.

Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the asset are put to use.

Depreciation on assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) at the SLM rates prescribed in Schedule XIV to the Act.

An asset is considered as impaired in accordance with Accounting Standard 28 on "Impairment of Assets", when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

For the purpose of determining the appropriate depreciation rates to be applied to plant and machinery, continuous process plant and machinery has been identified on the basis of technical assessment made by the Company.

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

The Company capitalizes software where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over an estimated useful life of 3 to 5 years.

In respect of mining projects, the Company capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized;

A. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and

B. Further exploration and development activity is underway or firmly planned for the near future.

These will be amortized once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the profit and loss account when so established.

5. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments".

Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the profit and loss account.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

6. Revenue Recognition

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

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of sales tax/Value Added Tax. Export turnover includes related export benefits. Excise duty recovered is presented as a reduction from gross turnover.

Income from Certified Emission Reductions (CER) is recognized as income on sale of CER's.

Contract costs are recognized as expenses in the period in which they are incurred. Costs comprise costs that relate directly to a specific contract and costs that relate to the contract activity in general and can be allocated to specific contracts. Revenue is calculated as that proportion of the total contract value which costs incurred to date bear to the total expected costs for that contract. Variations in contract work, claims and incentive payments are included in revenue to the extent that it is probable that they will result in revenue and can be measured reliably. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred of which recovery is probable. Where the outcome of a construction contract can be estimated reliably, profit is recognized on contracts by including in the income statement revenue and related cost as contract activity progresses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. Profit is recognized on contracts, if the final outcome can be estimated realiably, by including in the income statement revenue and related cost as contract activity progresses.

7. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under Materials (Schedule 14).

8. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

Interest income earned is disclosed separately, and reduced from Net Finance charges (Schedule 17).

9. Employee Benefits

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, such as compensated absences and gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

10. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized to the profit and loss account over the balance life of the long term monetary item, however that the period of amortization does not extend beyond March 31, 2011.

All other exchange differences are dealt with in the profit and loss account.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction.

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements the assets and liabilities, both monetary and non-monetary, are translated at the closing rate, the income and expense items of the subsidiary company are translated at the average rate and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

11. Derivative Instruments and Hedge Accounting

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under Current Assets, Loans and Advances (Schedule10) or Current Liabilities and Provisions (Schedule 11).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the profit and loss account relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a “Hedging Reserve Account”. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss account. Amounts deferred in the Hedging Reserve Account are recycled in the profit and loss account in the periods when the hedged item is recognized in the profit and loss account, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to the profit and loss account from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the profit and loss account.

12. Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid/recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax laws.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged to the profit and loss account are adjusted directly to reserves in accordance with a court order or as permitted by Law/ Accounting Standards, in such cases the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

13. Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on “Earnings per Share”. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

14. Leases

Operating lease receipts and payments are recognized as income or expense in the profit and loss account on a straight-line basis over the lease term.

15. Cash Flow Statement

The Cash Flow Statement is prepared by the “indirect method” set out in Accounting Standard 3 on “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

16. Securities’ Expenses

Expenses on issue of securities are written off to the Securities Premium Account in accordance with Section 78 of the Act.

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the Act. On conversion of the bonds to equity the provision for the redemption premium is reverzed.

17. Stock Based Compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortised uniformly over the vesting period of the option.

18. Contingent liabilities

Contingent liabilities as defined in Accounting Standard 29 on “Provisions, Contingent Liabilities and Contingent Assets” are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it is probable that an outflow of future economic benefits will be required to settle the obligation.

C. NOTES TO ACCOUNTS:

1. Contingent Liabilities not provided for in respect of:

a) Bills Discounted ₹ 2,792.87 crores (Previous year ₹ 1,275.88 crores).

b) Guarantees provided ₹ 87.12 crores (Previous year ₹ 164.85 crores).

c) Disputed statutory claims/levies including those pending in courts (excluding interest, if any), in respect of:

(i) Excise Duty ₹ 181.58 crores (Previous year ₹ 96.67 crores);

(ii) Custom Duty ₹ 243.01 crores (Previous year ₹ 108.07 crores);

(iii) Income Tax ₹ 14.23 crores (Previous year ₹ 12.47 crores);

(iv) Sales Tax / VAT / Special Entry tax ₹ 73.10 crores (Previous year ₹ 0.35 crores);

(v) Service Tax ₹ 45.18 crores (Previous year ₹ 24.46 crores);

(vi) Miscellaneous ₹ 0.05 crores (Previous year ₹ 0.05 crores); and

(vii) Levies by local authorities ₹ 3.04 crores (Previous year ₹ 3.04 crore).

d) Claims by Suppliers and other third parties not acknowledged as debts ₹ 215.24 crores (Previous year ₹ 7.10 crores).

e) Dividend in arrears (including tax) on Cumulative Redeemable Preference Shares ₹ 363.06 crores (Previous year nil).

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,997.60 crores (Previous year ₹ 3,691.52 crores).

3. During the year, the Company issued 1,75,00,000 optional convertible warrants on a preferential basis, convertible into 1,75,00,000 equity shares at the option of the holder on or before December 15, 2011. At March 31, 2011, 25% of the issue price of the warrants has been paid by the holders in accordance with the terms of the issue.

4. The Group's operations in Chile, USA and Mozambique relate to mining of iron ore and coal which presently are at different stages of prospecting and exploration ranging from precursor activities to establishment of mining reserves. Mining proper (development and exploitation) and other related activities to develop the property after assessment of economic and technical viability based on quantum of proved reserves have not yet commenced, other than nominal exploitation at some of the mines in Chile and USA.

Goodwill on consolidation includes ₹ 1,089.59 crores (Previous year ₹ 895.58 crores) and intangible assets (mining concessions and port concessions) include ₹ 360.45 crores (Previous year ₹ 242.89 crores) relating to the Group's acquisitions in Chile, USA and Mozambique. Pending the completion of the above stated activities goodwill and intangibles have been carried at their original values or cost since impairment, if any, in these values cannot be ascertained at this stage. (Refer Note B (4)).

5. Derivatives:

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Forward Exchange Contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	US$ Equivalent (Million)	INR Equivalent (crores)
31.03.2011	**86**	**Buy**	**314.01**	**1,402.04**
	22	**Sell**	**119.95**	**535.58**
31.03.2010	47	Buy	121.29	547.50
	35	Sell	90.24	407.35

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the Board of Directors, which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

Notional value of Interest Rate Swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of Contracts	US$ equivalent of notional value (Million)	MTM of IRS (INR crores)
31.03.2011	**4**	**54.50**	(5.33)
31.03.2010	2	10.00	(0.24)

c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amounts receivable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	INR equivalent (crores)	US$ equivalent (Million)	INR equivalent (crores)
Debtors	**9.32**	**41.61**	16.93	76.44
Balances with banks				
- in Fixed Deposit Account	**10.01**	**44.68**	0.01	0.03
- in Current Account	**0.03**	**0.12**	0.29	1.32
Other Receivable	–	–	11.62	52.43

ii) Amounts payable in foreign currency on account of the following:

	Current Year		Previous Year	
	US$ equivalent (Million)	INR Equivalent (crores)	US$ equivalent (Million)	INR Equivalent (crores)
Acceptances	**1,225.25**	**5,470.73**	959.20	4,329.82
Creditors	**88.74**	**396.21**	106.35	480.09
Loans payable	**1,000.42**	**4,466.85**	824.43	3,403.72
Redemption premium payable on FCCB's	**84.06**	**375.31**	59.42	268.21
Interest Payable	**0.09**	**0.41**	0.16	0.73

6. Employee Benefits:

a) Defined Contribution Plan:

The group's contribution to Provident Fund ₹ 17.91 crores (Previous year ₹ 13.19 crores).

b) Defined Benefit Plans - Gratuity:

₹ in crores

	Current Year	Previous Year
a) Liability recognized in the Balance Sheet		
i) Present value of obligation		
Opening Balance	**37.23**	31.39
Service Cost	**3.84**	3.92
Interest Cost	**3.20**	2.69
Actuarial loss on obligation	**7.82**	0.39
Benefits paid	**(1.96)**	(1.17)
Closing Balance	**50.14**	37.22
Less:		
ii) Fair Value of Plan Assets		
Opening Balance	**33.66**	26.14

	Current Year	Previous Year
Expected Return on Plan assets less loss on investments	**2.93**	2.53
Actuarial gain/(loss) on Plan Assets	**(0.46)**	0.08
Employers' Contribution	**3.96**	6.03
Benefits paid	**(1.94)**	(1.12)
Closing Balance	**38.15**	33.66
Amount recognized in Balance Sheet	**11.99**	3.56
b) Expenses during the year		
Service cost	**3.84**	3.92
Interest cost	**3.20**	2.69
Expected Return on Plan assets	**(2.87)**	(2.53)
Actuarial (Gain)/Loss	**8.22**	0.31
Transferred to preoperative expenses	**(0.81)**	–
Total	**11.58**	4.39
c) Actual Return on plan assets	**2.47**	2.61
d) Break up of Plan Assets :		
(i) ICICI Prudential Life Insurance Co. Ltd.		
Balanced Fund	**3.18**	2.96
Debt Fund	**1.18**	1.11
Short Term Debt Fund	**3.82**	5.11
(ii) HDFC Standard Life Insurance Co. Ltd.		
Defensive Managed Fund	**1.04**	0.93
Stable Managed Fund	**10.55**	8.45
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	**11.93**	9.47
(iv) LIC of India – Insurer Managed Fund	**6.45**	5.63

	Current Year	Previous Year
e) Principal actuarial assumptions		
Rate of Discounting	**8% to 8.5% p.a.**	8% p.a.
Expected Return on Plan Assets	**8% p.a.**	8% p.a.
Rate of increase in salaries	**6% p.a.**	6% p.a.
Attrition Rate	**2% p.a.**	2% p.a.

The group expects to contribute ₹ 12.29 crores to its Gratuity plan for the next year.

In assessing the group's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other disclosures:

₹ in crores

Particulars	Current Year	2009-10	2008-09	2007-08
Defined Benefit Obligation	**50.14**	37.22	31.39	25.45
Plan Assets	**38.15**	33.66	26.14	21.42
Deficit	**(11.99)**	(3.56)	(5.25)	(4.03)

7. Segment Reporting:

The group is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company has identified primary business segments, namely Steel, Power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

I) Information about Primary Business Segments

₹ in crores

Particulars	**Current Year 31.03.2011**					Previous Year 31.03.2010				
	Steel	**Power**	**Other**	**Eliminations**	**Total**	Steel	Power	Other	Eliminations	Total
INCOME:										
External Sales	**23,763.12**	**105.34**	**31.78**		**23,900.24**	18,832.40	1 24.77	–		18,957.17
Inter Segment Sales	**651.87**	**988.73**	**22.62**	**(1,663.22)**	**–**	4 90.97	8 43.41	25.02	(1,359.40)	–
Total Income	**24,414.99**	**1,094.07**	**54.40**	**(1,663.22)**	**23,900.24**	19,323.37	9 68.18	25.02	(1,359.40)	18,957.17
SEGMENT RESULTS										
Segment/Operating Results	**3,211.99**	**344.26**	**(80.47)**		**3,475.78**	2,957.58	389.84	0.98		3,348.40
Un-allocated Items:										
Income					**5.88**					0.03
Net Finance Charges					**(945.41)**					(1,104.17)
Provision for Taxation					**(782.27)**					(646.71)
Net Profit					**1,753.98**					1,597.55
OTHER INFORMATION										
Segment Assets	**36,599.90**	**1,844.96**	**1,095.61**		**39,540.47**	31,527.83	1,272.83	527.06		33,327.72
Un-allocated Assets					**6,626.06**					2,358.77
Total Assets					**46,166.53**					35,686.49
Segment Liabilities	**9,844.51**	**33.49**	**195.58**		**10,073.58**	7,582.25	55.81	25.40		7,663.46
Un-allocated Liabilities and Provisions					**19,327.79**					18,547.23
Total Liabilities					**29,401.37**					26,210.69
Depreciation	**1,516.65**	**37.71**	**5.35**		**1,559.71**	1,263.94	34.67	0.05		1,298.66
Total Cost incurred during the year to acquire Segment Assets	**3,996.51**	**1,174.26**	**353.12**		**5,523.89**	2,344.04	17.96	33.45		2,395.45

1. Inter Segment transfer from the power segment is measured at the rate at which power is purchased/sold from/to the respective Electricity Board.
2. Inter Segment transfer from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents mining and construction activities.

II) Information about Secondary Segment- Geographical Segment

₹ in crores

Particulars	Year ended 31.03.2011			Year ended 31.03.2010		
	India entities	Foreign entities	Total	India entities	Foreign entities	Total
Segment Revenue	**23,121.72**	**778.52**	**23,900.24**	18,089.65	867.52	18,957.17
Segment assets	**40,352.99**	**5,813.54**	**46,166.53**	29,365.65	6,320.84	35,686.49
Capital expenditure incurred	**5,377.22**	**146.67**	**5,523.89**	2,332.75	62.70	2,395.45

8. Related parties disclosure as per Accounting Standard (AS) – 18:

A) List of Related Parties:

Parties with whom the Company has entered into transactions during the year/where control exists :

1. Associates

Jindal Praxair Oxygen Company Private Limited
JSW Energy (Bengal) Limited
Ispat Industries Limited (w.e.f. 24.01.2011)

2. Joint Ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
Gourangdih Coal Limited
Toshiba JSW Turbine and Generator Private Limited
JSW Severfield Structures Limited
Geo Steel LLC
MJSJ Coal Limited

3. Key Management Personnel

Mr. Sajjan Jindal
Mr. Seshagiri Rao M.V.S.
Dr. Vinod Nowal
Mr. Y. Siva Sagar Rao (Upto 15.05.2009)
Mr. Jayant Acharya

4. Relatives of Key Management Personnel

Mrs. Savitri Devi Jindal

5. Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence

JSW Energy Limited
JSL Limited
JSW Realty & Infrastructure Private Limited
Jindal Saw Limited
Jindal Saw USA
Jindal Steel & Power Limited
Jindal South West Holdings Limited
JSOFT Solutions Limited
Jindal Industries Limited
JSW Energy (Ratnagiri) Limited
JSW Cement Limited
JSW Jaigarh Port Limited
Nalwa Sons & Investments Limited
JSW Investments Private Limited
Reynold Traders Private Limited
Raj West Power Limited
JSW Power Trading Company Limited
JSW Aluminium Limited
O P Jindal Foundation
JSW Infrastructure & Logistic Limited
South West Port Limited
JSW Techno Projects Management Limited
Sapphire Technologies Limited
St. James Investment Limited

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
B. Transactions with related parties						
Party's Name						
Purchase of Goods/Power & Fuel/Services						
JSW Energy Limited	**–**	**–**	**–**	**–**	**430.01**	**430.01**
	–	–	–	–	572.76	572.76
Jindal Praxair Oxygen Company Private Limited	**130.77**	**–**	**–**	**–**	**–**	**130.77**
	120.62	–	–	–	–	120.62
Ispat Industries Limited	**568.90**	**–**	**–**	**–**	**–**	**568.90**
	–	–	–	–	–	–
Others	**–**	**30.29**	**–**	**–**	**151.74**	**182.03**
	–	29.14	–	–	107.23	136.37
Total	**699.67**	**30.29**	**–**	**–**	**581.75**	**1,311.71**
	120.62	29.14	–	–	679.99	829.75
Reimbursement of Expenses incurred on our behalf by						
Jindal South West Holdings Limited	**–**	**–**	**–**	**–**	**0.13**	**0.13**
	–	–	–	–	–	–

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
JSW Energy Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	2.73	2.73
Others	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.11	0.11
Total	**–**	**–**	**–**	**–**	**0.13**	**0.13**
	–	–	–	–	2.84	2.84
Interest Expenses						
St. James Investment Limited	**–**	**–**	**–**	**–**	**6.66**	**6.66**
	–	–	–	–	8.64	8.64
Total	**–**	**–**	**–**	**–**	**6.66**	**6.66**
	–	–	–	–	8.64	8.64
Sales of Goods/Power & Fuel/ Other Income						
JSW Energy Limited	**–**	**–**	**–**	**–**	**771.23**	**771.23**
	–	–	–	–	727.38	727.38
Jindal Industriers Limited	**–**	**–**	**–**	**–**	**214.28**	**214.28**
	–	–	–	–	202.38	202.38
Ispat Industries Limited	**325.85**	**–**	**–**	**–**	**–**	**325.85**
	–	–	–	–	–	–
Others	**5.76**	**2.56**	**–**	**–**	**313.67**	**321.99**
	3.95	0.35	–	–	301.88	306.18
Total	**331.61**	**2.56**	**–**	**–**	**1,299.18**	**1,633.35**
	3.95	0.35	–	–	1,231.64	1,235.94
Other Income						
JSW Investments Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	2.07	2.07
JSW Realty & Infrastructure Private Limited	**–**	**–**	**–**	**–**	**1.75**	**1.75**
	–	–	–	–	3.50	3.50
JSW Energy Limited	**–**	**–**	**–**	**–**	**6.01**	**6.01**
	–	–	–	–	0.57	0.57
Jindal Praxair Oxygen Company Private Limited	**3.86**	**–**	**–**	**–**	**–**	**3.86**
	0.01	–	–	–	–	0.01
Others	**–**	**0.10**	**–**	**–**	**0.61**	**0.71**
	–	0.01	–	–	0.60	0.61
Total	**3.86**	**0.10**	**–**	**–**	**8.37**	**12.33**
	0.01	0.01	–	–	6.74	6.76
Purchase of Assets						
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**250.01**	**250.01**
	–	–	–	–	48.89	48.89
Jindal Saw Limited	**–**	**–**	**–**	**–**	**7.47**	**7.47**
	–	–	–	–	8.95	8.95
JSW Energy Limited	**–**	**–**	**–**	**–**	**95.07**	**95.07**
	–	–	–	–	–	–
Others	**–**	**3.05**	**–**	**–**	**19.56**	**22.61**
	–	–	–	–	3.68	3.68
Total	**–**	**3.05**	**–**	**–**	**372.11**	**375.16**
	–	–	–	–	61.52	61.52
Sale of Assets						
JSW Techno Project Management Limited	**–**	**–**	**–**	**–**	**0.07**	**0.07**
	–	–	–	–	–	–
JSW Investments Private Limited	**–**	**–**	**–**	**–**	**0.16**	**0.16**
	–	–	–	–	–	–
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	3.35	3.35
JSW Energy Limited	**–**	**–**	**–**	**–**	**0.04**	**0.04**
	–	–	–	–	0.89	0.89
Others	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.17	0.17
Total	**–**	**–**	**–**	**–**	**0.27**	**0.27**
	–	–	–	–	4.41	4.41

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
Donation Given						
O.P. Jindal Foundation	**–**	**–**	**–**	**–**	**0.25**	**0.25**
	–	–	–	–	0.75	0.75
Total	**–**	**–**	**–**	**–**	**0.25**	**0.25**
	–	–	–	–	0.75	0.75
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	**–**	**–**	**–**	**–**	**1.50**	**1.50**
	–	–	–	–	1.53	1.53
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**0.41**	**0.41**
	–	–	–	–	–	–
JSW Cement Limited	**–**	**–**	**–**	**–**	**0.18**	**0.18**
	–	–	–	–	0.57	0.57
Jsoft Solutions Limited	**–**	**–**	**–**	**–**	**0.12**	**0.12**
	–	–	–	–	0.69	0.69
Others	**–**	**0.05**	**–**	**–**	**–**	**0.05**
	–	0.31	–	–	0.78	1.09
Total	**–**	**0.05**	**–**	**–**	**2.21**	**2.26**
	–	0.31	–	–	3.57	3.88
Investments / Share Application Money given during the year						
Ispat Industries Limited	**2,157.00**	**–**	**–**	**–**	**–**	**2,157.00**
	–	–	–	–	–	–
Toshiba JSW Turbine Power Generator Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	11.00	11.00
Others	**–**	**–**	**–**	**–**	**2.50**	**2.50**
	0.01	–	–	–	–	0.01
Total	**2,157.00**	**–**	**–**	**–**	**2.50**	**2,159.50**
	0.01	–	–	–	11.00	11.01
Lease and Other deposits given						
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.06	0.06
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	3.50	3.50
JSW Severfield Structures Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	6.50	–	–	–	6.50
Jindal Saw Limited	**–**	**–**	**–**	**–**	**2.50**	**2.50**
	–	–	–	–	2.50	2.50
JSW Realty and Infrastructure Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.27	0.27
Total	**–**	**–**	**–**	**–**	**2.50**	**2.50**
	–	6.50	–	–	6.33	12.83
Lease and Other deposits refunded						
JSW Power Trading Company Limited	**–**	**–**	**–**	**–**	**20.00**	**20.00**
	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**20.00**	**20.00**
	–	–	–	–	–	–
Share Application Money Received						
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–
Proceeds of Redemption of Pref Shares						
Jindal Praxair Oxygen Company Private Limited	**4.16**	**–**	**–**	**–**	**–**	**4.16**
	–	–	–	–	–	–
Total	**4.16**	**–**	**–**	**–**	**–**	**4.16**
	–	–	–	–	–	–

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
Remuneration						
Mrs. Savitri Devi Jindal	**–**	**–**	**–**	**0.08**	**–**	**0.08**
	–	–	–	0.08	–	0.08
Mr. Sajjan Jindal	**–**	**–**	**20.80**	**–**	**–**	**20.80**
	–	–	14.25	–	–	14.25
Mr. Seshagiri Rao M.V.S.	**–**	**–**	**3.26**	**–**	**–**	**3.26**
	–	–	2.91	–	–	2.91
Dr. Vinod Nowal	**–**	**–**	**2.35**	**–**	**–**	**2.35**
	–	–	1.83	–	–	1.83
Mr.Y Siva Sagar Rao	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	0.35	–	–	0.35
Mr. Jayant Acharya	**–**	**–**	**2.00**	**–**	**–**	**2.00**
	–	–	1.04	–	–	1.04
Total	**–**	**–**	**28.41**	**0.08**	**–**	**28.49**
	–	–	20.38	0.08	–	20.46
Guarantees and collaterals released						
Rohne Coal Company Private Limited	**–**	**45.82**	**–**	**–**	**–**	**45.82**
	–	–	–	–	–	–
JSW Cement Limited	**–**	**–**	**–**	**–**	**75.00**	**75.00**
	–	–	–	–	–	–
Jindal Praxair Oxygen Company Private Limited	**39.52**	**–**	**–**	**–**	**–**	**39.52**
	–	–	–	–	–	–
Total	**39.52**	**45.82**	**–**	**–**	**75.00**	**160.34**
	–	–	–	–	–	–
C. Closing balance of related parties						
Trade payables						
Jindal Praxair Oxygen Company Private Limited	**11.69**	**–**	**–**	**–**	**–**	**11.69**
	10.38	–	–	–	–	10.38
South West Port Limited	**–**	**–**	**–**	**–**	**20.73**	**20.73**
	–	–	–	–	17.03	17.03
St . James Investment Limited	**–**	**–**	**–**	**–**	**19.15**	**19.15**
	–	–	–	–	12.76	12.76
Vijayanagar Minerals Private Limited	**–**	**7.50**	**–**	**–**	**–**	**7.50**
	–	6.49	–	–	–	6.49
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**8.66**	**8.66**
	–	–	–	–	–	–
Others	**–**	**0.35**	**–**	**–**	**6.36**	**6.71**
	–	–	–	–	7.06	7.06
Total	**11.69**	**7.85**	**–**	**–**	**54.90**	**74.44**
	10.38	6.49	–	–	36.85	53.72
Notes Payable						
St. James Investment Limited	**–**	**–**	**–**	**–**	**192.00**	**192.00**
	–	–	–	–	194.10	194.10
Total	**–**	**–**	**–**	**–**	**192.00**	**192.00**
	–	–	–	–	194.10	194.10
Advance received from Customers						
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.22	0.22
Raj west Power Limited	**–**	**–**	**–**	**–**	**6.49**	**6.49**
	–	–	–	–	1.27	1.27
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**0.97**	**0.97**
	–	–	–	–	–	–
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**0.83**	**0.83**
	–	–	–	–	0.04	0.04
Total	**–**	**–**	**–**	**–**	**8.29**	**8.29**
	–	–	–	–	1.53	1.53

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
Lease and Other deposit received						
Jindal Praxair Oxygen Company Private Limited	**3.83**	**–**	**–**	**–**	**–**	**3.83**
	3.83	–	–	–	–	3.83
JSW Energy Limited	**–**	**–**	**–**	**–**	**6.49**	**6.49**
	–	–	–	–	6.49	6.49
JSW Energy (Ratnagiri) Limited	**–**	**–**	**–**	**–**	**3.71**	**3.71**
	–	–	–	–	3.71	3.71
JSW Power Trading Company Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	20.00	20.00
JSW Severfield Structures Limited	**–**	**6.50**	**–**	**–**	**–**	**6.50**
	–	6.50	–	–	–	6.50
Jindal Saw Limited	**–**	**–**	**–**	**–**	**5.00**	**5.00**
	–	–	–	–	2.50	2.50
JSW Jaigarh Port Limited	**–**	**–**	**–**	**–**	**3.50**	**3.50**
	–	–	–	–	3.50	3.50
Others	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.27	0.27
Total	**3.83**	**6.50**	**–**	**–**	**18.70**	**29.03**
	3.83	6.50	–	–	36.47	46.80
Trade receivables						
JSW Energy Limited	**–**	**–**	**–**	**–**	**16.97**	**16.97**
	–	–	–	–	69.80	69.80
JSW Cement Limited	**–**	**–**	**–**	**–**	**28.07**	**28.07**
	–	–	–	–	18.84	18.84
Ispat Industries Limited	**210.67**	**–**	**–**	**–**	**–**	**210.67**
	–	–	–	–	–	–
Jindal Power Trading Company Limited	**–**	**–**	**–**	**–**	**56.64**	**56.64**
	–	–	–	–	20.16	20.16
Others	**–**	**–**	**–**	**–**	**19.63**	**19.63**
	–	–	–	–	11.97	11.97
Total	**210.67**	**–**	**–**	**–**	**121.31**	**331.98**
	–	–	–	–	120.77	120.77
Capital/Revenue Advances Given						
Jindal Steel & Power Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	13.66	13.66
Jindal Saw Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.14	0.14
JSW Cement Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	1.98	1.98
Total	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	15.78	15.78
Share Application Money						
Vijayanagar Minerals Private Limited	**–**	**2.42**	**–**	**–**	**–**	**2.42**
	–	2.43	–	–	–	2.43
Toshiba JSW Turbine Power Generator Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	6.50	6.50
Rohne Coal Company Private Limited	**–**	**1.19**	**–**	**–**	**–**	**1.19**
	–	–	–	–	–	–
Others	**–**	**0.02**	**–**	**–**	**–**	**0.02**
	–	–	–	–	–	–
Total	**–**	**3.63**	**–**	**–**	**–**	**3.63**
	–	2.43	–	–	6.50	8.93
Share Application Money Received						
Sapphire Technologies Limited	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**529.38**	**529.38**
	–	–	–	–	–	–

Particulars	Associates	Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which KMP and relatives of such personnel exercise Significant influences.	Total
Other advances given						
JSW Severfield Structures Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	1.36	–	–	–	1.36
JSW Aluminium Limited	**–**	**–**	**–**	**–**	**0.17**	**0.17**
	–	–	–	–	0.42	0.42
Gourangdih Coal Limited	**–**	**0.04**	**–**	**–**	**–**	**0.04**
	–	–	–	–	–	–
Others	**–**	**–**	**–**	**–**	**–**	**–**
	–	0.04	–	–	–	0.04
Total	**–**	**0.04**	**–**	**–**	**0.17**	**0.21**
	–	1.40	–	–	0.42	1.82
Investments held by the Company						
Jindal Praxair Oxygen Company Private Limited	**76.03**	**–**	**–**	**–**	**–**	**76.03**
	80.19	–	–	–	–	80.19
JSW Energy Limited	**–**	**–**	**–**	**–**	**120.90**	**120.90**
	–	–	–	–	120.90	120.90
JSW Realty & Infrastructure Private Limited	**–**	**–**	**–**	**–**	**130.00**	**130.00**
	–	–	–	–	127.50	127.50
Ispat Industries Limited	**2,157.00**	**–**	**–**	**–**	**–**	**2,157.00**
	–	–	–	–	–	–
Others	**–**	**19.61**	**–**	**–**	**–**	**19.61**
	–	8.17	–	–	–	8.17
Total	**2,233.03**	**19.61**	**–**	**–**	**250.90**	**2,503.54**
	80.19	8.17	–	–	248.40	336.76
Guarantees and collaterals provided by the Company on behalf:						
Jindal Praxair Oxygen Company Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	39.52	–	–	–	–	39.52
JSW Cement Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	75.00	75.00
Rohne Coal Company Private Limited	**–**	**–**	**–**	**–**	**–**	**–**
	–	45.82	–	–	–	45.82
Total	**–**	**–**	**–**	**–**	**–**	**–**
	39.52	45.82	–	–	75.00	160.34

Figures in bold represent current year numbers

9. Finance Lease

As Lessee:

i. The Company has acquired equipments for ₹ 87.09 crores through finance lease. The finance lease is for various duration with last lease maturing in 2016. The amount of depreciation charged to profit and loss account till March 31, 2011 was ₹ 3.58 crores and the book value is ₹ 83.51 crores.

ii. The Minimum Lease Payments as at March 31, 2011 and the present value as at March 31, 2011 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

(₹ in crores)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at 31.03.11	**As at 31.03.10**	**As at 31.03.11**	**As at 31.03.10**
Payable not later than 1 year	**20.71**	1.36	**15.36**	1.18
Payable later than 1 year and not later than 5 years	**74.58**	2.05	**65.78**	1.93
Payable later than 5 years	**–**	–	**–**	–
Total	**94.75**	3.41	**81.14**	3.11
Less: Future Finance Charges	**13.61**	0.30		
Present Value of Minimum Lease Payments	**81.14**	3.11	**–**	–

10. Operating Lease

a) As Lessor:

i. The Company has entered into lease arrangements, for renting :

2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of ₹ 100/- per house per annum, for a period of 180 months.

662 houses (admeasuring approximately 330,453 square feet) at the rate of ₹ 24/- per square feet per annum, for a period of 36 to 60 months.

1 house at the rate of ₹ 0.72 lacs per annum, for a period of 11 months.

9 houses (admeasuring approximately 645.15 square feet) at the rate of ₹ 40/- per square feet per month per house, for a period of 60 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

ii. Disclosure in respect of assets given on operating lease:

₹ in crores

	Current Year	Previous Year
Gross Carrying amount of Assets	**170.76**	154.89
Accumulated Depreciation	**18.04**	13.31
Depreciation for the year	**3.08**	2.31

b) As Lessee:

Lease Rentals charged to revenue for right to use following assets are:

₹ in crores

Particulars	Current Year	Previous Year
Plant and Machinery	–	5.04
Office Premises, Residential Flats etc.	**37.96**	6.91
Total	**37.96**	11.95

The agreements are executed for a period of 11 to 60 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

Future minimum lease rental payable under operating lease for each of the following Years as under:

₹ in crores

Particulars	Current Year	Previous Year
Not later than one year	–	0.13
Later than one year but not later than five years	–	0.01
Total	–	0.14

11. The effect of acquisition of a subsidiary on the financial position and the results as included in consolidated financial statements for the year ended on March 31, 2011 are given below:

₹ in crores

	Acquisition
FUNDS EMPLOYED	
Share Capital	65.98
Reserves and Surplus	(26.96)
Secured Loans	221.75
Liabilities	104.58
APPLICATION OF FUNDS	
Net Block (including Capital Work-in-Progress)	126.96
Goodwill on consolidation	203.73
Inventories	1.63
Cash and Bank Balances	12.76
Loans and Advances	20.27
INCOME	
Income	10.83
Other Income	0.05
EXPENDITURE	
Manufacturing and other Expenses	24.13
Employees' Remuneration and Benefits	1.91
Depreciation	4.00
Net Finance Charges	6.43
LOSS FOR THE YEAR	(25.59)

12. Earnings Per Share (EPS):

		Current Year	Previous Year
Profit after Tax	₹ in crs	**1,753.98**	1,597.55
Less: Dividend on preference shares (Including corporate dividend tax)	₹ in crs	**32.43**	33.73
Profit after tax for Equity share holders (Numerator)- Basic/ Diluted (A)	₹ in crs	**1,721.55**	1,563.82
Profit after tax for Equity share holders (Numerator)-Diluted	₹ in crs	**1,721.55**	1,563.82
Weighted average number of equity shares for Basic EPS (denominator) (B)	Nos.	**203,595,864**	187,048,682
Weighted average number of equity shares for Diluted EPS (denominator) (C)	Nos.	**205,363,404**	187,746,815
Earning per share – Basic (A/B)	₹	**84.56**	83.61
Earning per share – Diluted (A/C)	₹	**83.83**	83.29
Nominal value per share	₹	**10**	10

13. a) Provision for Taxation includes:

₹ in crores

	Current Year	Previous Year
Income Tax:		
Current Tax	**576.14**	487.97
Deferred Tax	**396.79**	418.16
Minimum Alternate Tax (MAT) Credit entitlement	**(203.75)**	(259.40)
Tax adjustment of earlier years	**12.59**	(0.52)
Wealth Tax	**0.50**	0.50
Total	**782.27**	646.71

b) Major components of deferred tax asset / liability comprises of:

₹ in crores

	Current Year	Previous Year
Depreciation	**2,426.51**	2,066.88
Expenses allowable on payment basis	**(67.70)**	(63.22)
Provision for doubtful debts/ advances	**(39.83)**	(40.55)
Others	**(269.58)**	(278.33)
Deferred Tax Liability (net)	**2,049.40**	1,684.78

14. Information of Subsidiaries as required under section 212 of the Companies Act, 1956

₹ in crores

	Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel (UK) Limited	Argent Independent Steel (Holdings) Limited	JSW Steel Service Centre (UK) Limited	JSW Steel Holdings (USA) Inc.	JSW Steel (USA) Inc.	Periama Holdings LLC	Prime Coal LLC	Planck Holdings LLC	Rolling S Augering LLC	Periama Handling LLC	Caretta Minerals LLC	Lower Hutchinson Minerals LLC	Meadow Creek Minerals LLC	Keenan Minerals LLC	Hutchinson Minerals LLC
A.	Share Capital	1,052.73	51.47	–	53.45	821.69	2,098.55	64.07	0.47	57.72	19.70	17.87	361.87	7.24	18.14	2.40	22.80
B.	Reserves	(178.60)	(3.27)	0.26	1.87	(180.63)	(666.97)	62.40	(6.49)	(1.43)	(0.06)	(4.00)	–	(0.10)	(9.70)	–	(0.01)
C.	Total Liabilities	1,019.48	0.06	10.13	1.30	2,020.18	3,821.02	431.01	26.30	91.75	7.80	16.51	15.91	3.87	21.01	2.22	6.11
D.	Total Assets	1,893.61	48.26	10.39	56.62	2,661.24	5,252.60	557.48	20.28	148.04	27.44	30.38	377.78	11.01	29.45	4.62	28.90
E.	Investment included in total Assets (Except for Investment in Subsidiaires)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
F.	Turnover	–	–	–	0.45	–	631.02	–	–	–	–	–	–	–	10.62	–	–
G.	Profit before Taxes	(47.49)	(1.38)	–	15.38	(73.48)	(223.25)	(7.71)	(3.59)	–	(0.03)	(3.99)	–	(0.10)	(9.60)	–	(0.01)
H.	Provision for Taxation	–	–	–	–	(23.45)	(76.00)	(8.76)	–	–	–	–	–	–	–	–	–
I.	Profit after Taxes	(47.49)	(1.38)	–	15.38	(50.03)	(147.25)	1.05	(3.59)	–	(0.03)	(3.99)	–	(0.10)	(9.60)	–	(0.01)
J.	Proposed Dividend	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

₹ in crores

	Name of the Subsidiary	Peace Leasing LLC	R.C. Minerals LLC	Purest Energy LLC	JSW Panama holding Corporation	Inversiones Eurosh Limitada	Santa Fe Mining	Santa Fe Puerto S.A.	JSW Natural Resources Ltd	JSW Natural Resources Mozambique Lda	JSW ADMS Carvo Lda	JSW Steel Processing Centres Limited	JSW Bengal Steel Limited	Barbil Beneficiation Company Limited	JSW Natural Reasources India Limited	JSW Jharkhand Steel Limited	JSW Building System Limited
A.	Share Capital	–	34.50	55.14	0.45	0.20	8.78	0.22	60.97	26.11	–	50.00	198.27	0.05	37.58	19.57	2.81
B.	Reserves	0.03	(0.02)	–	12.70	(7.17)	(8.73)	0.02	(0.69)	(54.38)	–	17.78	(4.85)	(0.01)	(0.19)	(0.62)	(0.18)
C.	Total Liabilities	0.02	6.37	40.98	0.01	328.67	333.55	0.67	5.70	39.85	5.86	105.19	29.63	–	4.69	0.13	–
D.	Total Assets	0.05	40.85	96.12	13.16	321.70	333.60	0.91	65.98	11.58	5.86	172.97	223.05	0.04	42.08	19.08	2.63
E.	Investment included in total Assets (Except for Investment in Subsidiaires)	–	–	–	–	–	0.11	–	–	–	–	–	–	–	–	–	2.60
F.	Turnover	–	–	–	–	–	–	–	–	–	–	53.58	–	–	–	–	–
G.	Profit before Taxes	0.03	(0.02)	–	(0.43)	(1.37)	(2.00)	0.04	(0.24)	(51.26)	–	28.12	(1.74)	–	(0.18)	(0.04)	(0.08)
H.	Provision for Taxation	–	–	–	–	–	–	–	–	–	–	9.30	0.02	–	–	–	–
I.	Profit after Taxes	0.03	(0.02)	–	(0.43)	(1.37)	(2.00)	0.04	(0.24)	(51.26)	–	18.82	(1.76)	–	(0.18)	(0.04)	(0.08)
J.	Proposed Dividend	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

15. Comparative financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL
Vice Chairman & Managing Director

P. B. PARDIWALLA
Partner
Place: Mumbai
Dated: 16 May 2011

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

JSW Steel Limited

Regd. Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

E-COMMUNICATION REGISTRATION FORM

To,

Karvy Computershare Private Limited

Unit: **JSW Steel Limited**

Plot No. 17 to 24, Vittalrao Nagar,

Madhapur, Hyderabad – 500 081

Green Initiative in Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide circular no.17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client ID No. : ....

Name of 1st Registered Holder : ....

Name of Joint Holder(s), if any : ....

Registered Address of the Sole/
1st Registered Holder : ....

....

....

No. of Shares held : ....

E-mail ID (to be registered) : ....

Date: …………………………..

Signature :…………………………………………..

Notes:

1) On registration, all communications will be sent to the e-mail ID registered.

2) The form is also available on the website of the Company www.jsw.in under the section 'Shareholder's information'.

3) Shareholders are requested to keep the Company's Registrar-Karvy Computershare Private Limited informed as and when there is any change in the e-mail address.

NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

To, JSW Steel Limited C/o. Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 (In case of physical holding)	To, The Depository Participant concerned (In case of electronic holding)

Please fill in the information in CAPITAL LETTERS in ENGLISH only.

Folio No./Client ID No.* | | | | | | | | | | | | | | | |

DP ID* | I | N | | | | | | |

* Applicable only in case of Electronic holding.

For Office Only	
ECS Ref. No.	

Name of Sole/First holder	
Bank Name	
Branch Name	
Branch code	(9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account type (Please Tick (✓) wherever applicable → Savings ☐ Current ☐ Cash Credit ☐

A/c. No. (as appearing in the cheque book) →

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I shall not hold the Company/Karvy Computershare Private Limited, responsible. I agree to avail the NECS facility as implemented by JSW Steel Limited.

I further undertake to inform Karvy Computershare Private Limited/ concerned Depository Participant of any change in the particulars given above to facilitate updation of records.

Place : ___________________

Date: ____________________

(Signature of Sole/First holder)

Notes :

1. Whenever the Shares in the given folio are entirely dematerialised, then this NECS mandate form if given to the Company will stand rescinded.
2. For shares held in dematerialised mode, NECS Mandate is required to be filed with the concerned Depository Participant.

JSW Steel Limited

Regd. Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

ATTENDANCE SLIP

Regd. Folio No.....................................

** D.P. I.D.....................................

** Client I.D...................................

SEVENTEENTH ANNUAL GENERAL MEETING - 25TH JULY, 2011

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the **Seventeenth Annual General Meeting** of the Company held on Monday, 25th July, 2011 at 11.00 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

* Member's / Proxy's Name in Block Letters

* Member's / Proxy's Signature

Note :

1. Member / Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.

*** Strike out whichever is not applicable.**

....Tear Here ....

JSW Steel Limited

Regd. Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.

PROXY FORM

Regd. Folio No.....................................

** D.P. I.D.....................................

** Client I.D...................................

SEVENTEENTH ANNUAL GENERAL MEETING - 25TH JULY, 2011

I/We ....

of ....

being a member/members of JSW Steel Limited, hereby appoint ....

.... of ....

or failing him/her ....

of ....

as my/our Proxy to attend and vote for me/us on my/our behalf at the **Seventeenth Annual General Meeting** of the Company to be held on Monday, 25th July, 2011 at 11.00 a.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, and at any adjournment thereof.

Signed this .... day of 2011

Signature

Affix Revenue Stamp

Note :-

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026, not less than 48 hours before the scheduled time of the meeting.

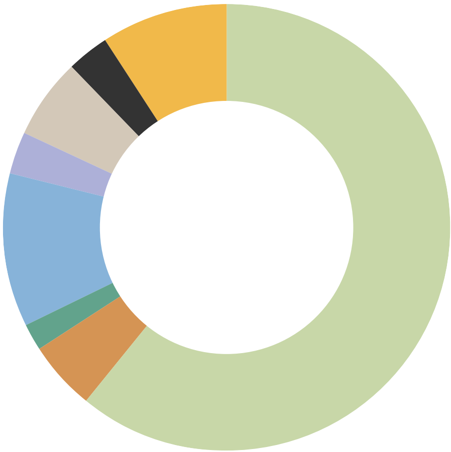
** Applicable only in case of investors holding shares in Electronic form.

Notes

Notes

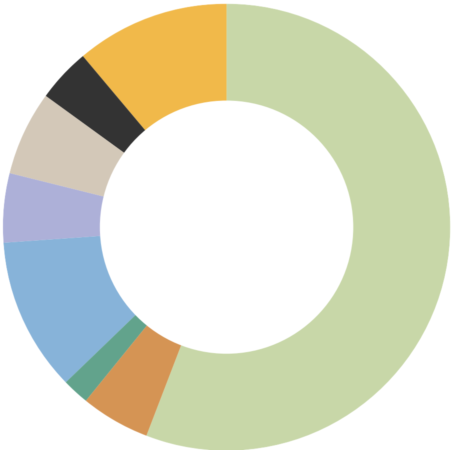
Cost and Profit as a percentage of Total Income (Standalone)

FY 2010-2011



Segment	(₹ in crores)	%
Raw Material	14,254	61%
Power & Fuel	1,182	5%
Employee Cost	534	2%
Manufacturing & Other Expenses	2,620	11%
Interest	695	3%
Depreciation	1,379	6%
Provision for Taxation	771	3%
Profit after Tax	2,011	9%

FY 2009-2010



Segment	(₹ in crores)	%
Raw Material	10,461	56%
Power & Fuel	1,006	5%
Employee Cost	365	2%
Manufacturing & Other Expenses	2,098	11%
Interest	859	5%
Depreciation	1,123	6%
Provision for Taxation	797	4%
Profit after Tax	2,023	11%

Piecing together, value and growth

Blast Furnace 3 & 4 at JSW Steel, Vijayanagar

Financial Highlights (Standalone)

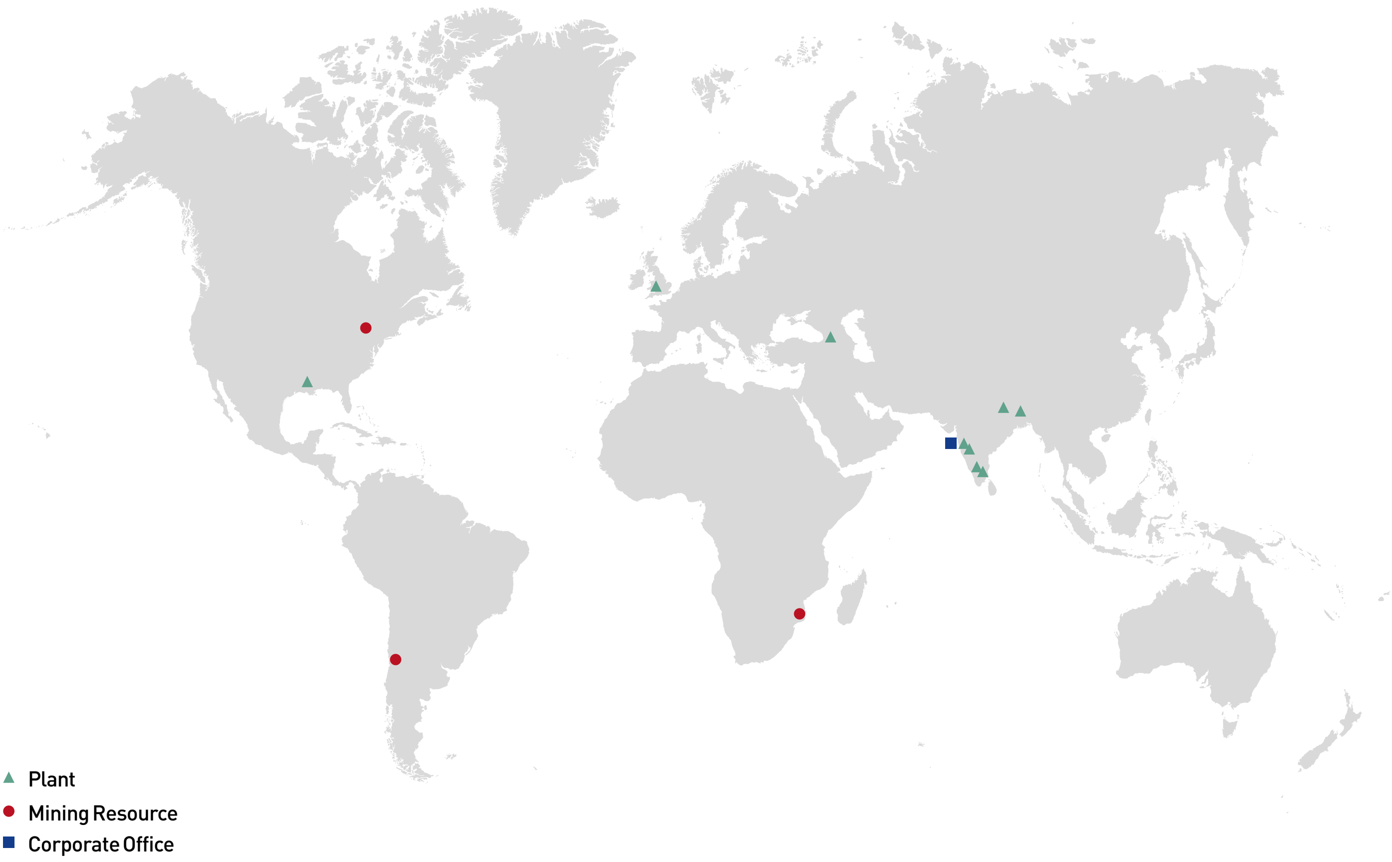
	2006-07	2007-08	2008-09	2009-10	2010-11
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	9,297.26	12,628.91	15,179.29	19,456.64	25,130.76
Net Turnover	8,554.36	11,420.00	14,001.25	18,202.48	23,163.24
EBIDTA	2,921.69	3,501.73	3,088.21	4,801.98	4,856.17
Depreciation and Amortization	498.23	687.18	827.66	1,123.41	1,378.71
Net Finance Charges	399.26	435.32	792.79	858.92	695.18
PBT	1,915.18	2,484.12	677.63	2,819.65	2,782.28
Provision for Taxation	623.18	755.93	219.13	796.91	771.61
PAT	1,292.00	1,728.19	458.50	2,022.74	2,010.67
CAPITAL ACCOUNTS (₹ in crores)					
Gross Block	10,512.76	13,952.32	16,896.75	21,795.58	27,407.35
Net Block	8,189.10	10,955.49	13,086.44	16,866.14	21,102.15
Capital Work in Progress	2,002.93	5,612.43	9,242.06	6,684.27	6,169.05
Debt	4,173.03	7,546.53	11,272.63	11,585.10	11,951.34
Net Debt	3,818.17	6,991.56	10,849.92	11,090.50	9,797.46
Equity Capital	163.98	187.05	187.05	187.05	223.12
Reserves & Surplus	5,068.25	7,140.24	7,422.24	9,179.23	16,132.71
Shareholders' Funds	5,594.05	7,677.25	7,959.25	9,706.34	17,225.27
RATIOS					
Book Value Per Share (₹)	312.24	394.99	410.07	504.00	735.80
Market price Per Share (₹)	493.45	819.10	231.85	1,235.90	916.30
Earning per Share (Diluted) (₹)	78.88	94.18	22.70	105.94	96.33
Market Capitalisation (₹ in crores)	8,091.53	15,321.15	4,336.72	23,117.35	20,444.23
Equity Dividend per Share (₹)	12.50	14.00	1.00	9.50	12.25
Fixed Assets Turnover Ratio	1.04	1.04	1.07	1.08	1.10
EBIDTA Margin	33.6%	30.3%	21.8%	26.2%	20.8%
Interest Coverage	5.80	6.40	2.84	4.27	5.00
Net Debt Equity Ratio	0.68	0.91	1.36	1.14	0.57
Net Debt to EBIDTA	1.31	2.00	3.63	2.53	2.05

Financial Highlights (Consolidated)

	2006-07	2007-08	2008-09	2009-10	2010-11
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	9,297.26	13,665.56	17,112.88	20,211.33	25,867.80
Net Turnover	8,554.36	12,456.65	15,934.84	18,957.17	23,900.24
EBIDTA	2,922.38	3,626.62	3,249.04	4,602.83	4,946.77
Depreciation and Amortization	498.25	741.94	987.77	1,298.66	1,559.71
Net Finance Charges	399.31	567.88	1,151.16	1,104.17	945.41
PBT	1,915.18	2,424.25	315.33	2,200.00	2,441.65
Provision for Taxation	623.25	765.78	72.60	646.71	782.27
PAT	1,303.89	1,640.04	274.91	1,597.55	1,753.98
CAPITAL ACCOUNTS (₹ in crores)					
Gross Block	10,513.39	18,105.12	22,388.91	26,792.05	32,683.89
Net Block	8,189.49	15,030.87	18,309.16	21,452.79	25,810.66
Capital Work in Progress	2,012.47	5,770.80	9,585.18	6,956.18	6,507.68
Debt	4,173.03	12,136.22	16,550.22	16,173.04	16,474.36
Net Debt	3,816.51	11,448.99	16,038.17	15,656.23	14,156.22
Equity Capital	163.98	187.05	187.05	187.05	223.12
Reserves & Surplus	5,133.02	7,351.83	7,266.94	8,730.04	15,436.77
Shareholders' Funds	5,658.82	7,888.84	7,803.95	9,257.15	16,529.33
RATIOS					
Book Value Per Share (₹)	316.19	406.31	401.77	479.99	704.60
Market price Per Share (₹)	493.45	819.10	231.85	1,235.90	916.30
Earning per Share (Diluted) (₹)	79.62	89.26	12.88	83.29	83.83
Market Capitalisation (₹ in crores)	8,091.53	15,321.15	4,336.72	23,117.35	20,444.23
Equity Dividend per Share (₹)	12.50	14.00	1.00	9.50	12.25
Fixed Assets Turnover Ratio	1.04	0.83	0.87	0.88	0.93
EBIDTA Margin	33.6%	28.8%	20.2%	24.1%	20.5%
Interest Coverage	5.80	5.08	1.96	2.99	3.58
Net Debt Equity Ratio	0.67	1.42	1.99	1.65	0.84
Net Debt to EBIDTA	1.31	3.16	5.09	3.74	2.90

BOOK POST

Global Presence



Map for graphical representation purposes only. Not to scale.

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