



**Ratan Jindal**  
Vice Chairman and MD

### Executive Speak

***“Challenges, opportunities and growth drivers for the Iron and Steel sector”***

*Indian stainless steel market is on a growth path as stainless steel consumption is steadily increasing. India’s growing demand in stainless steel is driven by railways, automotive and construction sector. The domestic demand for stainless steel is expected to grow between 8% to 9% in the next three to four years. Growth in the Indian economy is expected to increase demand for stainless steel products, driven by emerging applications for stainless steel, rising per capita income in India and increased investment in infrastructure.*

*International economy now is stable and demand has revived in 2010 but the increased capacities especially in China relatively pose threat to all stainless steel manufacturers globally. China is by far the largest stainless steel producing and consuming country with its production figure touching at around 8.8 MMT. China itself produces and consumes more than one-third of world’s stainless steel. To make inroads into the rapidly-growing South East Asian market, JSL Stainless is actively monitoring it and has also established facilities in Indonesia to tap this area of opportunity. Hence, we expect some consolidation in the industry. Prices of major raw materials like nickel & chrome are also to be watched.*

Top 500 Ranking					
Income	81	Net Profit	135	Net Worth	154

### Background

JSL Stainless Ltd (JSL Stainless) was established in 1970 and is the flagship company of the USD 12 bn OP Jindal group. Formerly known as JSL Ltd, the company acquired its present name in Aug 2010. JSL Stainless is one of India’s largest and fully integrated producer of hot rolling and cold rolling Stainless Steel flat products.

### Business Profile

JSL Stainless manufactures a broad range of stainless steel products under various grades such as austenitic, ferritic, martensitic and duplex grades. JSL Stainless’s product range includes ferro alloys, stainless steel slabs & blooms, hot rolled coils, plates, cold rolled coils and specialty products such as razor blade steel, precision strips and coin blanks. JSL Stainless has set up four manufacturing facilities in Hisar, Haryana; Jajpur, Odisha; Vizag, AP and Indonesia.

**Hisar Plant, Haryana:** The company set up its first integrated stainless steel plant at Hissar, in Haryana. The complex consists of Plate Annealing & Pickling facilities along with shot blasting, straightening and leveling equipment to produce stainless steel plates of various grades. Over the years, the company increased hot rolling capacity at its Hisar plant to 720,000 TPA. Similarly, the cold rolling complex also increased its production capacity to 275,000 TPA of cold rolled stainless steel flat products. As of Mar 31, 2010, JSL Stainless produced 677,841 tons of stainless steel slabs; 652,628 tons of hot rolled products; 200,177 tons of cold rolled annealed pickled and 112,648 tons of hot rolled annealed pickled saleable products.

**Jajpur Plant, Odisha:** JSL Stainless is currently setting up a single location fully integrated stainless steel plant at Odisha along with 500 MW captive power plant. The plant currently being developed in phases, would undertake activities right from mining to cold rolling. Under the first phase of expansion, JSL Stainless has already commissioned ferro chrome furnace capacity of 150,000 TPA, ferro manganese and silico manganese furnace capacity of 100,000 TPA and a power plant with 250 MW capacity. Once fully operational, the Odisha plant would have an installed capacity of 1.6 MTPA. JSL Stainless is also setting up Stainless Steel Industrial Park close to its Odisha plant to facilitate setting up of downstream industries manufacturing stainless steel products for various applications.

### Specialty Product Division and Service Centres

JSL stainless’s specialty product division is involved in the process of manufacturing precision cold rolled strips up to 0.076 mm thickness for use in razor blades. The specialty product complex comprises of processing equipment, primarily for annealing, rolling and finishing. With an installed capacity of 25,000 TPA, this complex mainly processes martensitic stainless steel to be used in razor blade manufacturing. The specialty product division also produces ferritic stainless steel and non-ferrous coin blanks. The present installed capacity of the coin blank unit is 10,000 TPA.

<p><b>Chairperson</b> Savitri Jindal</p> <p><b>Vice Chairman and MD</b> Ratan Jindal</p>	<p><b>Directors</b> Naveen Jindal, Suman Jyoti Khaitan, TS Bhattacharya, James Alistair Kirkland Cochrane, Jurgen Hermann Fechter, Rajeev Bakshi, Arvind Parakh, SS Virdi</p>
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Odisha plant

To synergise the need for customised products and services, JSL Stainless has forayed into the Service Centre industry. Jindal Stainless Steelway Ltd, in partnership with Steelways s.r.l. Italy, provides customised products and distribution services in stainless steel to meet specific requirements of slitting, cut to length, for its customers across consumer durables, automotive segments and OEMs.

Presently, JSL Stainless has four Service centres operational in India at Gurgaon, Haryana; Mumbai, Maharashtra; Vadodara, Gujarat and Chennai, Tamil Nadu and is currently setting up a larger service centre at Jajpur in Odisha. Each service centre has a capacity of 135,000 TPA, and in addition the Gurgaon service centre also has a polishing capacity of 6,000 TPA.

#### Mining activities at Odisha

JSL Stainless has captive mines at Sukinda in Odisha, which supports its 40,000 ton Ferro Chrome facility. The company has also acquired Chrome mines in the overseas region to cater to its future needs. As of Mar 31, 2010, JSL Stainless produced 32,581 tons of high carbon Ferro Chrome.

#### Power Generation

JSL Stainless currently has a 250 MW captive thermal power plant to meet its power requirements. The company has also entered into a JV with Mahanadi Coalfields Ltd, to meet the coal consumption of its captive power plants.

#### Overseas Operations

To cater to the increasing overseas demand and to expand its geographical reach, JSL Stainless has set up an overseas subsidiary, PT Jindal Stainless Indonesia, by acquiring a stainless steel cold rolling plant from Indonesia based Maspion Stainless Steel in 2004. The plant has an installed capacity of 150,000 TPA and manufactures all grades of stainless steel including 200, 300 and 400 series.

JSL Stainless has also set up an overseas service centre in Spain, Iberjindal, S.L. as a JV to offer customised stainless steel formats and other services to its Spanish customers. The JV has an installed capacity of 18,000 TPA of combo line and 14,500 TPA of polishing line.

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Business Operation	
Manufacturing Stainless Steel	
Financial Snapshot	
Total Income (₹ mn)	60,366.0
EBITDA (₹ mn)	13,221.6
Net Profit (₹ mn)	3,746.1
Net Worth (₹ mn)	18,779.2
EBITDA Margin (%)	21.90
NPM (%)	6.21
Dividend Payout (%)	-
EV (₹ mn)	88,691.3
BV per Share (₹)	101.19
Return Ratios	
ROCE (%)	11.90
RONW (%)	19.95
ROA (%)	3.28
Leverage Ratios	
Debt-to-Equity (times)	4.00
Interest cover (times)	2.36
<i>(As on Mar 31, 2010)**</i>	
Registered Office	
O.P. Jindal Marg Hisar – 125005 Haryana	
<b>Website</b> www.jindalstainless.com	