



JINDAL VIJAYANAGAR STEEL LIMITED

Registered office : Toranagallu , Sandur Taluk , Bellary Dist - 583123. Karnataka

Unaudited Financial Results for the period ended 31.12.2004

(Rs. in Crores)

Sl. No.	Particulars	Unaudited				Audited
		For Quarter Ended		For Nine Months Ended		Previous Year Ended
		31.12.2004	31.12.2003	31.12.2004	31.12.2003	31.03.2004
1	Gross Sales/Income from Operations					
	a) Domestic Sales	1569.88	870.58	3971.14	2407.27	3459.00
	b) Export Sales	730.69	0.43	1969.90	137.31	137.31
	Gross Turnover / Income from Operations	2300.57	871.01	5941.04	2544.58	3596.31
	Less : Inter Divisional transfer	479.42	-	1197.45	-	-
	Turnover / Income from Operations	1821.15	871.01	4743.59	2544.58	3596.31
	Less: Excise Duty	106.22	82.60	247.05	232.22	316.53
3	Net Sales/Income from Operations (1-2)	1714.93	788.41	4496.54	2312.36	3279.78
4	Other Income	4.52	8.24	9.41	12.48	25.17
5	Total Expenditure	1128.81	541.36	3012.87	1589.17	2219.61
	a) (Increase) /Decrease in Stock in Trade	(69.05)	20.62	(79.35)	24.96	12.33
	b) Consumption of Raw Materials	854.26	339.89	2035.15	987.60	1401.70
	c) Power and Fuel	147.00	116.06	409.88	345.87	467.14
	d) Staff cost	25.52	8.93	72.01	28.46	39.20
	e) Other Expenditure	171.08	55.86	575.18	202.28	299.24
6	Profit before Interest, Depreciation, Exceptional items and Taxation (3+4-5)	590.64	255.29	1493.08	735.67	1085.34
7	Interest	115.86	115.07	361.82	358.93	409.06
8	Cash Profit (6-7)	474.78	140.22	1131.26	376.74	676.28
9	Depreciation	89.89	79.02	268.99	235.31	312.88
10	Miscellaneous Expenditure Written Off	15.28	15.99	45.66	47.98	64.00
11	Profit before Exceptional items & Taxation (8-9-10)	369.61	45.21	816.61	93.45	299.40
12	Exceptional Items	(0.12)	226.28	(3.33)	242.46	390.76
13	Profit before Taxation (11+12)	369.49	271.49	813.28	335.91	690.16
14	Provision for Taxation:					
	(a) Current Tax	4.86	-	39.65	-	17.89
	(b) Deferred Tax Liability	139.52	45.96	307.66	64.05	143.59
15	Net Profit (13-14)	225.11	225.53	465.97	271.86	528.68
16	Paid up Equity Share Capital (face value of Rs. 10 per share) Refer note no. 2 (d)	129.04	1291.02	129.04	1291.02	1291.02
17	Reserve excluding revaluation reserve (As per last Balance Sheet)					
18	Earnings per share (EPS) : Refer note no. 2 (e) (before Exceptional items - net of tax)					
	Basic	16.84	3.49	34.42	7.22	24.36
	Diluted	15.46	3.07	31.60	6.36	21.46
19	Earnings per share (EPS) : Refer note no. 2 (e) (after Exceptional items)					
	Basic	16.83	25.60	34.28	30.29	59.56
	Diluted	15.45	22.54	31.47	26.68	52.45
20	Aggregate of Non-promoter shareholding					
	- No. of shares	69676014	492747740	69676014	492747740	492747740
	- Percentage of shareholding	54.00	38.17	54.00	38.17	38.17

Merged Company Results

Highlights for Quarter

↑ **164% GROSS TURNOVER**

↑ **131% EBIDTA**

↑ **238% CASH PROFIT**

↑ **717% PBT Before Exceptional Item**

Highlights for 9 Months

Crude Steel Output 13.17 lacs tons: up by 11%

Gross Turnover : Rs. 5941 Crs

EBIDTA : Rs. 1493 Crs

PBT : Rs. 813 Crs

Debt Reduction : Rs. 622 Crs

Notes:

- The above results reviewed by the Audit Committee, have been taken on record at the meeting of the Board of Directors held on 31st January, 2005 and have been subjected to Limited Review by the Statutory Auditors.
- The Scheme of Arrangement and Amalgamation (Scheme) in respect of amalgamation of the Steel Business of the Jindal Iron & Steel Company Limited (JISCO) with the Company, has been approved by the Bombay High Court vide order dated 3rd September, 2004 and the Karnataka High Court has approved the Scheme at the hearing held on 20th January, 2005. Based on the legal advice, the Company has given the effect to the Scheme, pending receipt and filing of the order of the Karnataka High Court with the Registrar of Companies. As per the Scheme, the name of the Company shall be changed from Jindal Vijayanagar Steel Limited to Jindal Iron & Steel Company Limited on completion of necessary formalities. The intervention application filed by Income-tax Department objecting to the Scheme has been dismissed by Hon'ble High Court of Bombay on 2nd September, 2004. The Income-tax Department has, however, preferred an appeal and moved a notice of motion seeking for condonation of delay in filing the appeal which have not yet been admitted / disposed off.
 - The Scheme and revised financial restructuring package (RRP) approved by Corporate Debt Restructuring Cell (CDR) in February 2003, provides for :
 - reduction of existing equity share capital by 40% and in lieu thereof issue of 0.01% Cumulative Redeemable Preference Shares (CRPS) and the same would be reconverted into one equity share at par for every four CRPS as per the Scheme;
 - rupee debts of Rs. 456.88 Crores to be converted into equity shares at par;
 - requirement of promoters to contribute Rs. 108 Crores towards equity shares at par by 1st March, 2007 by exercising the option embedded in the warrants to be issued to existing equity shareholders as part of the Scheme (revised date in the Scheme being on or before 1st April, 2006).
 - In terms of the Scheme, 4,39,98,500 equity shares Rs. 10 each at par will be issued and allotted to the shareholders of JISCO.
 - Considering note no. 2(b) and 2(c) above and re-organisation of capital as per the Scheme, the paid-up equity share capital of the Company would be Rs. 129.04 crores.
 - Earnings per share for the current periods has been computed based on the number of equity shares as on 31st December, 2004 after giving effect to the Scheme.
 - In accordance with the Accounting Standard (AS) 20 "Earning per Share", earnings per share for quarter and nine months ended 31st December, 2003 and for financial year ended on 31st March, 2004 have been recomputed on the basis of share capital to be re-organised in terms of the Scheme.
 - The non-promoter shareholding for the current periods is based on the shareholding as on 31st December 2004 after giving effect to the Scheme.
 - Paid up equity share capital does not include an amount of Rs. 61 crores being the amount originally paid up on the shares forfeited earlier.
- In order to reduce input costs, the Company has entered into an agreement with Euro Coke & Energy Company Private Limited (ECECPL) to operate and maintain their coke oven plant with a capacity of 0.62 mtpa. The trial run production of coke oven plant has commenced in November 2004.
- Information on investor complaints (numbers): Pending at beginning of the quarter: 28, Received during the quarter: 2278, Resolved/replied during the quarter: 2175, Unresolved at the end of the quarter: 131 since resolved.
- As the Company is primarily engaged in the segment of "Iron and Steel Products", there are no other reportable segments as per Accounting Standard (AS) 17.
- Previous periods' figures have been regrouped/rearranged wherever necessary. Figures for the current quarter and nine months ended on 31st December, 2004 include the figures of the steel business of the JISCO and are therefore, not comparable with the figures of the corresponding periods and for the year ended 31st March, 2004.

For Jindal Vijayanagar Steel Ltd.

Place : Mumbai
Date : 31st January 2005

Dr. B. N. SINGH
Jt. Managing Director & CEO