



JINDAL VIJAYANAGAR STEEL LIMITED

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

Unaudited Financial Results for the period ended 30.09.2004

(Rs. in Crores)

Sl. No.	Particulars	Unaudited				Audited
		Quarter Ended		Half Year Ended		Previous Year Ended
		30.09.2004	30.09.2003	30.09.2004	30.09.2003	31.03.2004
1	Gross Sales/Income from Operations					
	a) Domestic Sales	1071.86	839.06	2034.42	1536.68	3459.00
	b) Export Sales	141.48	69.55	237.85	136.88	137.31
	Total Sales	1213.34	908.61	2272.27	1673.56	3596.31
2	Less: Excise Duty	77.78	82.63	129.54	149.62	316.53
3	Net Sales/Income from Operations (1-2)	1135.56	825.98	2142.73	1523.94	3279.78
4	Other Income	1.76	3.79	4.06	4.25	25.17
5	Total Expenditure	787.44	576.20	1505.57	1047.65	2219.39
	a) (Increase) /Decrease in Stock in Trade	6.13	61.58	(18.43)	4.34	12.33
	b) Consumption of Raw Materials	539.26	328.31	1038.80	647.70	1401.70
	c) Power and Fuel	117.73	116.74	225.83	229.81	467.14
	d) Staff cost	12.34	9.64	24.58	19.56	39.26
	e) Other Expenditure	111.98	59.93	234.79	146.24	298.96
6	Profit before Interest, Depreciation, Exceptional items and Taxation (3+4-5)	349.88	253.57	641.22	480.54	1085.56
7	Interest	106.50	123.22	216.85	244.02	409.28
8	Depreciation	76.86	78.64	152.66	156.29	312.88
9	Miscellaneous Expenditure Written Off	15.12	16.00	30.24	31.99	64.00
10	Profit before Exceptional items & Taxation (6-7-8-9)	151.40	35.71	241.47	48.24	299.40
11	Exceptional Items	(3.21)	-	(3.21)	16.18	390.76
12	Profit before Taxation (10+11)	148.19	35.71	238.26	64.42	690.16
13	Provision for Taxation:					
	(a) Current Tax	11.62	-	18.68	-	17.89
	(b) Deferred Tax Liability	55.46	12.30	83.58	18.09	143.59
14	Net Profit (12-13)	81.11	23.41	136.00	46.33	528.68
15	Paid up Equity Share Capital (face value of Rs. 10 per share)	1352.09	1352.03	1352.09	1352.03	1352.05
16	Reserves excluding revaluation reserves (As per Balance Sheet)	-	-	-	-	-
17	Earnings per share (EPS):					
	Basic	0.57	0.14	0.93	0.32	3.92
	Diluted	0.55	0.14	0.90	0.30	3.78
18	Aggregate of Non promoter shareholding	<-----<not annualised>----->				
	- No. of shares	492819940	484971240	492819940	484971240	492747740
	- Percentage of shareholdings	38.17	37.57	38.17	37.57	38.17

Notes :

[A]

- 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.
- Pursuant to the shareholders' approval at the Court convened meeting of the Company held on 29th January, 2004 to the Scheme of Arrangement and Amalgamation (Scheme), steel business of Jindal Iron and Steel Company Limited is proposed to be merged with Company with effect from the appointed date - 1st April, 2003.
 - In terms of revised financial restructuring package (RRP) approved by Corporate Debt Restructuring Cell (CDR) in February 2003, the following will be implemented through the Scheme:
 - 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 March 1, 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 April 1, 2006).
 - The Scheme has been approved by the Bombay High Court at the hearing held on 3-9-2004 and approval of Karnataka High Court is awaited. The effect of the Scheme will be given in the accounts upon receipt of necessary approvals from the High Courts.
- Paid-up equity share capital as on 30th September, 2004 includes Rs. 61.00 crores being the amount originally paid up on the shares forfeited.
- Information on investor complaints (numbers): Pending at beginning of the quarter: 46, Received during the quarter: 2270, Resolved/replied during the quarter: 2288, Unresolved at the end of the quarter: 28, since resolved.
- The Exceptional item of Rs. 3.21 Crores for the quarter represents amount charged to the profit and loss account towards exercise of right of recompense by certain lenders as per CDR approved restructuring package.
- The Company has entered into an agreement with Euro Ikon Iron & Steel Company Private Ltd. (EIISCPL) to operate and maintain blast furnace with a capacity of 0.9 mtpa set up by EIISCPL. The trial run production of blast furnace has commenced from 19-8-2004.
- Previous periods' figures have been regrouped/rearranged wherever necessary.
- The above results reviewed by the Audit Committee, have been taken on record at the meeting of the Board of Directors held on 26th October, 2004 and have been subjected to Limited Review by the Statutory Auditors.

[B]

- The following results are unaudited combined financial results (provisional) of the Company, after giving effect to the Scheme filed by the Company, for which necessary approvals from the High Courts and filing of the certified copies of the orders with the Registrar of Companies, are pending.

These financial results are presented voluntarily to disclose impact of the "Scheme" on the financials of the Company, for greater transparency and disclosure to the members of the Company on the assumption that the Karnataka High Court would approve the said merger.

(b)

Unaudited Combined Financial Results (Provisional) of JVSL (giving impact of the "Scheme") for the quarter and half year ended 30th September, 2004

(Rs. in Crores)

Sl. No.	Particulars	Unaudited		
		Quarter Ended 30.09.2004	Half Year Ended 30.09.2004	Year Ended 31.03.2004
1	a) Domestic Sales	1262.76	2401.26	3857.14
	b) Export Sales	709.54	1239.21	1850.96
	Gross Turnover / Income from Operations	1,972.30	3,640.47	5,708.10
	Less : Inter Divisional transfer	390.69	718.03	1029.34
	Turnover / Income from Operations	1,581.61	2,922.44	4,678.76
2	Less: Excise Duty	83.05	140.83	324.10
3	Net Turnover / Income from Operations (1-2)	1,498.56	2,781.61	4,354.66
4	Other Income	2.16	4.89	31.78
5	Total Expenditure	1024.05	1884.06	2886.70
6	Profit before Interest, Depreciation and Taxation (3+4-5)	476.67	902.44	1499.74
7	Interest	120.23	245.96	488.35
8	Depreciation	89.75	179.10	375.05
9	Miscellaneous Expenditure Written Off	15.26	30.38	64.00
10	Profit before Exceptional items & Taxation (6-7-8-9)	251.43	447.00	572.34
11	Exceptional Items	(3.21)	(3.21)	390.76
12	Profit before Taxation (10+11)	248.22	443.79	963.10
13	Provision for Taxation:			
	(a) Current Tax	19.46	34.79	35.00
	(b) Deferred Tax Asset / (Liability)	95.97	168.14	125.90
14	Net Profit (12-13)	132.79	240.86	802.20
15	Paid up Equity Share Capital (face value of Rs. 10 per share) (excluding Rs. 61.06 crores received for shares forfeited)	129.04	129.04	129.04
16	Earnings Per Share - Basic (Rs.)	9.68	17.44	60.68
	- Diluted (Rs.)	8.89	16.01	55.58

(c) Cautionary Statement :

The figures mentioned above are provisional and not conclusive. Actual results can differ from those expressed based on the disposal of the "Scheme". Readers of the statement are cautioned that the "Scheme" is under implementation and the Company assumes no responsibility for any action taken based on the above information or to update the same as circumstances change.

- From the effective date of the "Scheme", name of the Company shall be changed to "Jindal Iron & Steel Company Limited".
- The aforesaid unaudited combined financial results (provisional) were considered by the Board at the meeting of the Board of Directors held on 26th October, 2004 and subjected to Limited Review by the Statutory Auditors.

For Jindal Vijayanagar Steel Ltd.

Place : Mumbai

Dr. B. N. SINGH

Date : 26th October 2004

Jt. Managing Director & CEO