

PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF JINDAL SOUTH WEST HOLDINGS LIMITED



STATUTORY ADVERTISEMENT ISSUED IN COMPLIANCE OF CLAUSE 8.3.5.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, AND AMENDMENTS THERETO PURSUANT TO THE GRANT OF PERMISSION BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") FOR THE RELAXATION OF THE RULE 19(2) (b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

(1) Name and address of Registered Office of the Company

Company's Name : Jindal South West Holdings Limited ("JSWHL" or the "Company")
Registered Office : Jindal Mansion, 5A - Dr. G. Deshmukh Marg, Mumbai - 400 026.
Tel: +91-22-2351 3000, Fax : +91-22-2352 6400

(2) Details of Change of name and/or object Clause

The Company was incorporated on 12th July, 2001 as Jindal South West Holdings Limited. There has been no change in the name of the Company since incorporation.

Main objects as set out in the Memorandum of Association

- To form, incorporate or promote, sell or otherwise dispose-off any company or companies, whether in India or elsewhere and for this purpose of invest in, acquire, hold, sell or otherwise dispose-off shares, stocks, debentures or other securities in such promotee companies and also to otherwise invest in, acquire, hold, underwrite, sell or otherwise deal in shares, stocks, debentures, debenture stocks, bonds, negotiable instruments, securities of any Company, government, public body or authority, municipal and local bodies, whether in India or abroad.
- To carry on the business of acting as advisors and consultants on all matters and problems relating to the technical industries, civil, administration, finance and organization, management, commencement or expansion of industry, purchasing techniques and business (including construction of plants and buildings), production, purchases, sales, material and cost control, marketing, advertisement, publicity, personnel, Human Resource Development, export and import, to provide technical know-how, render advice on planning, development, research, design, plant operation, to make feasibility studies, assist in acquisition of plant and machinery, to provide procurement, construction and technical services and to render such other services as are usually rendered by consultants for and in connection with the management, supervision, manufacture, production in all types of industries to and for institution, concerns, bodies, associations (incorporated or unincorporated), departments and services of the government, public or local authorities, trustees, Scientific Research and Development centres and also to enter into any arrangements by way of turnkey project involving supply of technical, civil, financial, administration, plant and merchandise, information and knowledge and experience and as such undertake for and on behalf of clients to set-up any plant or project in or outside India.

There has been no change in the main objects of the Company since incorporation.

(3) Status of Implementation of the Scheme of Arrangement And Amalgamation

The Scheme of Arrangement And Amalgamation under Section 391-394 of the Companies Act, 1956 between Jindal Iron & Steel Company Limited ("JISCO"), Jindal South West Holdings Limited ("JSWHL"), Jindal Vijayanagar Steel Limited ("JVSL") and their respective members and creditors was sanctioned by Bombay High Court on 3rd September, 2004 and by Karnataka High Court on 20th January, 2005 (the "Scheme") and became effective on 4th February, 2005. Pursuant to the Scheme, the following steps were taken with relation to JSWHL:

- The Investment Division of JISCO was demerged and vested in JSWHL with effect from 1st April, 2003 (the "Appointed Date").
- JSWHL has issued and allotted 1,09,99,625 fully paid up equity shares of the face value of Rs. 10/- each to the erstwhile shareholders of JISCO (on the record date as determined under the Scheme), thereby increasing the issued and paid up capital of JSWHL to 1,10,99,625 fully paid up equity shares of the face value of Rs. 10/- each.
- JSWHL has applied for listing of its shares on The Stock Exchange, Mumbai ("BSE"), National Stock Exchange of India Ltd ("NSE") and The Delhi Stock Exchange Association Ltd ("DSE").

(4) Capital Structure

Pre Scheme of Arrangement		Nominal Amt. (Rs.)
A	Authorised Share Capital	
	1,15,00,000 Equity Shares of Rs. 10/- each	11,50,00,000
B	Issued & Subscribed Capital	
	1,00,000 Equity Shares of Rs. 10/- each	10,00,000
C	Paid-Up Capital	
	1,00,000 Equity Shares of Rs. 10/- each	10,00,000
Post Scheme of Arrangement		Nominal Amt. (Rs.)
A	Authorised Share Capital	
	1,15,00,000 Equity Shares of Rs. 10/- each	11,50,00,000
B	Issued & Subscribed Capital	
	1,10,99,625 Equity Shares of Rs. 10/- each	11,09,96,250
C	Paid-Up Capital	
	1,10,99,625 Equity Shares of Rs. 10/- each	11,09,96,250

(5) Shareholding Pattern as on March 31, 2005

Sr. No.	Category	No of shares held	% of Shareholding
A. PROMOTER'S HOLDING			
1	Promoters		
	- Indian Promoters	6207677	55.92
	- Foreign Promoters		
2	Persons acting in concert	5246	0.05
	Sub-Total	6212923	55.97
B. NON-PROMOTER'S HOLDING			
3	Institutional Investors:		
	a. Mutual Funds & UTI		
	Unit Trust of India	10851	0.10
	Mutual Funds	614595	5.54
	b. Banks, Financial Institutions, Insurance companies (Central/ State Govt. Institutions/ Non-Government Institutions)	223308	2.01
	c. FIs	1871431	16.86
	Sub-Total	2720185	24.51
4	Others:		
	a. Private Corporate Bodies	438205	3.95
	b. Indian Public	1513729	13.64
	c. NRIs/OCBs	152624	1.38
	d. Any Other (please specify)		
	- Trust	61959	0.56
	Sub-Total	2166517	19.53
	Grand Total	11099625	100.00

(6) Top Ten Shareholders after allotment of Equity Shares as on March 31, 2005

Sr. No.	Name of Shareholders	No of shares	% of Shareholding
1	Nalwa Sons Investments Ltd. (Jindal Strips Ltd)	1137043	10.24
2	HSBC Global Investments Fund A/c	842049	7.58
3	CBC Bahrain FIR Equity A/c	825751	7.44
4	Vrindavan Services Private Ltd	642400	5.79
5	Gagan Trading Co. Ltd.	538137	4.85
6	Beaufield Holdings Ltd	480699	4.33
7	Jindal Equipment Leasing and Consultancy Services Ltd	419584	3.78
8	Sun Investments Private Ltd	365332	3.29
9	HSBC Equity Fund	333403	3.00
10	Reynold Traders Pvt. Ltd.	320500	2.89

Except as mentioned elsewhere, and as provided under the scheme, there are no other interests of the above shareholders in JSWHL.

(7) Reasons for the Scheme of Arrangement And Amalgamation

As part of the strategic review, the Jindal Group decided to restructure its steel business of Jindal Iron & Steel Co. Ltd (JISCO) with Jindal Vijayanagar Steel Ltd and demerger of the investments, related loans and advances of JISCO into Jindal South West Holdings Limited (JSWHL). A consolidation will result in achieving a focused and integrated steel business of JISCO and JVSL into a single entity which would lead to several benefits including rationalisation, focus identities, consolidation of core business, maximum production of value added products, increase control, cost reduction, enhancing financial strength, flexibility, efficiency, utilization of taxshields, operational and financial synergies, cost synergies, economics of scales and enhancing entity value. This would result in overall saving in cost and maximization of shareholders value.

In nutshell, the overall strategic obligations of the Scheme envisaged:-

- Demerger of the Investments and related loans and advances of JISCO into JSWHL.
- Re-organisation of the capital structure of JVSL including issue of warrants of JVSL to all its existing shareholders.
- Amalgamation of Steel Business of JISCO (Remaining Business) with JVSL.

The basic thesis contemplated was to create an integrated steel player focus solely on the steel business. It will result in creation of an end-to-end chain from iron ore to galvanized products. The consolidation of the Steel Businesses will lead to

operational synergies besides certain additional benefits as mentioned above. This would boost the confidence of the shareholders of the merged Company (JISCO and JVSL) to invest with a clear investment thesis. The investments demerged comprise shareholdings in JVSL and certain other investment and related loans and advances.

It will also provide an opportunity to the shareholders of JSWHL to unlock the value component of JISCO's Investment in Jindal Group companies, as the equity shares of JSWHL (into which the Investment Division is transferred under the Scheme) allotted to them will be listed on the Stock Exchanges. At the same time, the shareholders have also got the shares of JVSL as per the Scheme.

(8) Details of Promoters of the Company



Educational Qualification: B.E. (Mech.)
Driving License No.: 44304/Hissar
Passport No.: F 0256563

Mr. Sajjan Jindal, aged 46 years, is Chairman of the Company.

He was instrumental in setting up JVSL. He has more than twenty years experience in the industry. He was the Chairman and Managing Director of erstwhile JISCO and the Managing Director of JVSL. Consequent to the merger of the two companies, Mr. Jindal is the Vice Chairman and Managing Director of the merged entity, JVSL. He is also the Chairman of Jindal Thermal Power Company Limited and Twenty-First Century Printers Limited. Mr. Jindal is the director in Jindal Aluminium Limited and South West Port Limited. He is also the director of Indian Institute of Management, Indore and a member of TTD Development Advisory Council and Bombay chapter of the Young President organization. JSW Group is having an annual turnover of over 1.5 billion US\$ and is a part of Jindal Organisation, one of the largest business house in India having a turnover of over 3 billion US\$.

(9) Business of the Company and Management

JSWHL was incorporated as Public Limited Company on 12th July, 2001. The registered office address of the Company is mentioned above in para no. 1.

JSWHL is an Investment Company and presently holds investments in equity shares of Jindal Group companies mainly in listed entities like Jindal Vijayanagar Steel Limited, Jindal Steel & Power Limited, Jindal Stainless Limited, Nalwa Sons Investments Ltd. and other companies.

JSWHL a Company is mainly engaged in the investment activities by investing in shares, stocks or other securities of Companies, Public bodies / authorities, local bodies in India or abroad.

JSWHL also provides consultancy services and acts as advisors inter alia in matters and problems relating to finance, organization, management, commencement or expansion, cost control, marketing, publicity, HRD, technical know how planning, development, research, design etc.

The Board of Directors of JSWHL is as follows :-

Name	Occupation	Qualifications
Mr. Sajjan Jindal	Industrialist	B. E. (Mech.)
Mr. K. N. Patel	Company Executive	B.Com. (Hons), F.C.A.
Mr. N. K. Jain	Company Executive	B. Com., F.C.A., F.C.S.
Dr. S. K. Gupta	Company Director	B.Sc. (Met.Engg.); Ph.D. (Tech.); D. Sc. (Tech.)
Mr. Atul Desai	Advocate & Solicitor	B.Sc., LL.B., Solicitor
Mr. Shailesh Haribhakti	Chartered Accountant	F.C.A., Grad CWA, CFE, CIA, CFP

Mr. K. N. Patel has been appointed as Jt. Managing Director & CEO of the Company w.e.f. April 28, 2005 and Mr. Virendra Samani has been appointed as Company Secretary w.e.f. November 1, 2004.

(10) Financial statements for the previous 3 years

The financials for the year ended March 31, 2002, March 31, 2003 and March 31, 2004 are given below, while that for the year ended March 31, 2005 has been provided in para 11.

Balance Sheets as at	31.03.2004	31.03.2003	31.03.2002
(Rs. in lacs)			
Sources of Funds			
Paid up Share Capital (Equity)	10.00	10.00	5.00
Reserves and Surplus	--	0.23	--
(Total)	10.00	10.23	5.00
Applications of Funds			
Net Fixed Assets	--	--	--
Investments	8.28	8.28	--
Net Current Assets	(11.38)	1.31	4.29
Misc. Expenditure (to the extent not written off or adjusted)	8.23	0.64	0.71
Profit and Loss Account	4.87	--	--
(Total)	10.00	10.23	5.00
Profit and Loss Account for the year ended			
Income	0.33	0.50	--
Expenditure	5.42	0.21	--
Profit/(Loss) Before Interest, Depreciation and Tax	(5.09)	0.29	--
Interest	--	--	--
Depreciation	--	--	--
Profit/(Loss) Before Tax	(5.09)	0.29	--
Provision for Current Taxation	--	0.06	--
Deferred Tax	--	--	--
Profit/(Loss) After Tax	(5.09)	0.23	--
Earning Per Share (Rs.)	(5.09)	0.23	--

(**) Since the Company had not commenced its operations, no Profit & Loss account was prepared for the period ended 31st March, 2002.

(11) Latest Audited Financial statements along with notes to accounts and any audit qualifications

The summary of the audited financial statements for the year ended 31st March, 2005 after taking into account the Investment Division transferred under the Scheme from the Appointed Date i.e. April 1, 2003 is as below :-

Profit and Loss Account for the year ended March 31, 2005	(Rs. in lacs)
Income	560.66
Expenditure	27.68
Profit Before Interest, Depreciation and Tax	532.98
Interest	--
Depreciation	0.22
Profit Before Tax	532.76
Provision for Current Taxation	(4.65)
Deferred Tax	1.37
Profit After Tax	529.48
Balance Sheet as at March 31, 2005	
(Rs. in lacs)	
Sources of Funds	
Paid up Share Capital (Equity)	1109.96
Reserves and Surplus	52121.06
Total	53231.02
Applications of Funds	
Net Fixed Assets	6.35
Investments	43088.20
Deferred Tax Asset - Net	1.03
Net Current Assets	10121.70
Misc. Expenditure (to the extent not written off or adjusted)	13.74
Total	53231.02
Earning Per Share (Rs.) *	4.77
Book Value per Share (Rs.) #	479

* Earning per share = Profit After Tax/No. of Equity Shares

Book Value per share = Net Worth / No. of Equity Shares outstanding

NOTES TO ACCOUNTS

- Pursuant to the Scheme of Arrangement and Amalgamation (Scheme) sanctioned by Hon'ble High Courts of Bombay and Karnataka on 3rd September, 2004 & 20th January, 2005 respectively, the Investment Portfolio of Jindal Iron & Steel Co. Ltd (JISCO)(erstwhile), along with certain loans & advances, referred to as Investment division has been transferred to the Company with effect from 1-4-2003 (Appointed date). The Scheme has accordingly been accounted in these financial statements with effect from appointed date under "purchase method" of accounting as prescribed by Accounting Standard (AS 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.)
- Pursuant to the Scheme, the Company has issued 10,99,625 fully paid up equity shares of Rs.10 each to the Shareholders of JISCO (erstwhile) in the ratio of 1 equity share of Rs.10 each for every 4 equity shares held by them in JISCO (erstwhile).
- The Company has incorporated investments and Loans & Advances at fair value as determined by the valuer. The difference of Rs.5,155,753,243 between the amount of Share Capital issued by the Company and the value of assets

transferred from JISCO (erstwhile) has been credited to General Reserve of the Company as at 1st April, 2003 in accordance with the Scheme.

	Rupees
Investments and Loans & Advances	5,265,749,493
Less : Amount of Equity shares issued to the shareholders of erstwhile JISCO	109,996,250
Excess Credited to General Reserve	5,155,753,243

The aforesaid difference has been credited to General Reserve as per "Scheme" approved by Hon'ble High Courts of Bombay and Karnataka, which is allowed as per Accounting Standard (AS) 14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.

- From 1st April, 2003, JISCO (erstwhile) had carried the Investment division in "trust" on behalf of the Company. Accordingly, the Income & Expenses for the year 2003-04 of Investment division of erstwhile JISCO has been given effect to in the profit and loss account, as disclosed in Schedule B.

	Rupees
Add : Income of Investment division of erstwhile JISCO	5,334,334
Less : Expenses of Investment division of erstwhile JISCO	865,510
Less : Provision for Tax - AY 2004-05	545,000
	3,923,824

- In view of aforesaid Scheme with effect from 1st April, 2003 (Appointed date) the Balance Sheet as at 31st March, 2005 and the profit and Loss Account and Cash Flow Statement for the year ended 31st March, 2005 include the figures of JISCO (erstwhile) from the said date. Hence, the figures of the current year are not comparable with those of the previous year.

- The Company has become a Non Banking Finance Company (NBFC) as per Reserve Bank of India Act, 1934. The Company is in the process of completing necessary formalities for registration.
- In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated.
- Based on the information available with the Company regarding the status of the supplier as defined under the interest on Delayed payments to Small Scale and Ancillary Industrial Undertaking Act, 1993, there are no amounts due to small scale and/or ancillary industrial suppliers on account of principal and/or interest as at the close of the year.
- Remuneration to the Auditors:

	2004-2005	2003-2004
	Rupees	Rupees
Audit Fees	27,550	3780
Tax Audit	11,020	-
Other services	36,713	-
Out of pocket expenses (including Service Tax)	-	-

6. Segment Reporting
Based on guiding principles given in Accounting Standard - 17 'Segment Reporting', issued by the Institute of Chartered Accountants of India, the Company's primary business segment is Investing & Financing. These activities mainly have similar risks and returns. As company's business activities falls within a single primary business segment the disclosure requirements of AS-17 in this regard are not applicable.

- In compliance with the Accounting Standard 22 (AS 22) relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has :
 - Adjusted net Deferred Tax Liability of Rs. 33,408/- as at 31st March 2004 against the General Reserve and
 - Recorded Deferred Tax Assets of Rs. 1,37,101/- for the current year.

Net Deferred Tax Assets comprises:	
Deferred Tax Liability :	As at 31.03.2005 (Rupees)
(a) Expenses covered by Section 35 D of the Income Tax Act, 1961	88,499
(b) Depreciation	23,145
Deferred Tax Assets :	
(a) Expenses covered by section 35 DD Of the Income Tax Act, 1961	2,15,337

- Related Party Disclosures, as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India is given below:

(a) List of Related Parties	
(i) Parties where control exists : Nil	
(ii) Other Related Parties with whom the Company has entered into transactions during the year:	
(Associates of the Company/Enterprises over which key management personnel and/or their relatives exercise significant influence)	
Jindal Vijayanagar Steel Ltd.	
Sun Investments Pvt. Ltd.	

- Related party Transactions:

	Current Year Referred to In	Previous Year Referred to In
	(a) (ii) above (Rupees)	(a) (ii) above (Rupees)
Sale of goods/services	Nil	17,500
Loans/Advances given	Nil	Nil
Loans/Advances taken	Nil	1,000,000
Dividend Received	48,167,983	Nil

- Outstanding Balances as at 31st March 2005

	Current Year Referred to In	Previous Year Referred to In
	(a) (i) above (Rupees)	(a) (i) above (Rupees)
Loan/Advance Given	381,629,922	Nil
Loan /Advance Taken	Nil	1,000,000
Sundry Debtors	Nil	18,900

Notes:

- Details relating to investments in the above related parties have been disclosed in Schedule C "Investments".
- Related party relationship is as identified by the management and relied upon by the auditors.

- Computation of Basic and Diluted Earnings per share:

Particulars	2004-2005	2003-2004
	Rupees	Rupees
Profit (loss) after Tax (As per Profit and Loss Account)	52,948,618	(509,204)
Total Number of shares	11,099,625	100,000
Earnings Per Share (Basic and Diluted) (Face Value - Rs. 10/- per share) (Rs.)	4.77	(5.09)

- There are no internal or external indications existing on the Balance Sheet date indicating that an asset is impaired. Accordingly there is no impairment loss as mentioned in the Accounting Standard - 28 (AS-28) "Impairment Loss" issued by the Institute of Chartered Accountants of India

- Previous year figures have been regrouped/ rearranged wherever necessary to confirm with current year's presentation. Current year's figures include the figures of investment business of JISCO (erstwhile) and hence, not comparable with that of previous year.

- The additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 are either Nil or Not Applicable.

Changes in Accounting

**PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF
JINDAL SOUTH WEST HOLDINGS LIMITED**



2) Jindal Saw Limited

Date of Incorporation : October 31, 1984
Principal Business : Jindal Saw is a global player in the field of energy transportation with state-of-the-art facilities at four locations in India and is also involved in the manufacture of pipes including seamless pipes and coating thereof

Shareholding Pattern as on March 31, 2005.

Sr. No.	Shareholders' Category	No. of Shares	%
1	Promoter Group	2,14,57,658	55.05
2	FIs/Mutual Funds/Financial Institutions / Banks	46,31,419	11.88
3	Public (including NRIs and individuals)	1,28,90,381	33.07
Total Paid Up Capital		3,89,79,458	100.00

Board of Directors : Smt. Savitri Devi Jindal (Chairperson) Mr. P. R. Jindal, Ms. Sminu Jindal, Mr. H. S. Chaudhary, Mr. Moosa Raza, Mr. Purshottam Lal, Mr. Devi Dayal, Mr. A.J.A. Tauro, Mr. M. V. Satya Prasad and Mr. Kuldeep Bhargava

3) Jindal Steel & Power Limited ("JSPL")

Date of Incorporation : September 28, 1979
Principal Business : JSPL has a unit in Raigarh, which is engaged in production of Sponge Iron, Ferro Chrome and Steel Products like slabs, blooms, parallel flanges and billets. It is also engaged in generation of power. JSPL's unit at Raipur is engaged in machining. The company has captive iron ore and coal mines at Tensa in Orissa and Mand area in Raigarh in Chattisgarh respectively.

Shareholding Pattern as on March 31, 2005.

Sr. No.	Shareholders' Category	No. of Shares	%
1	Promoter Group	1,86,76,893	60.65
2	FIs/Mutual Funds/Financial Institutions / Banks	55,92,768	18.16
3	Public (including NRIs and individuals)	65,22,607	21.19
Total Paid Up Capital		3,07,92,268	100.00

Board of Directors : Smt. Savitri Devi Jindal, Mr. Ratan Jindal, Mr. Naveen Jindal, Mr. Vikrant Gujral, Mr. Subir Bishit, Mr. Rajendra Singh, Mr. Amir Z. Singh Pasricha, Mr. Harsh Vardhan Lodha, Mr. Anand Goel, Mr. Sushil K. Maroo and Mr. M. L. Gupta

4) Jindal Stainless Limited

Date of Incorporation : September 29, 1980
Principal Business : The company has integrated melting Hot Rolling and Cold Rolling facilities and manufactures and sells a broad range of stainless steel flat products including slabs, blooms, flat bars, hot rolled and cold rolled coils, plates and sheets

Shareholding Pattern as on March 31, 2005.

Sr. No.	Shareholders' Category	No. of Shares	%
1	Promoter Group	5,29,77,345	48.20
2	FIs/Mutual Funds/Financial Institutions / Banks	1,69,09,608	15.39
3	Public (including NRIs and individuals)	4,00,22,891	36.41
Total Paid Up Capital		10,99,09,844	100.00

Board of Directors : Smt. Savitri Devi Jindal (Chairperson), Mr. Ratan Jindal, Mr. Naveen Jindal, Mr. Rajinder Parkash, Mr. N. C. Mathur, Dr. L.K. Singhal, Mr. R.G. Garg and Mr. Suman Jyoti Khaitan.

5) Jindal Vijayanagar Steel Limited ("JVSL")

Date of Incorporation : March 15, 1994
Principal Business : JVSL has been promoted by erstwhile JISCO and its associated companies and Karnataka State Industrial Investment Development Corporation Limited (KSIIIDC). Spread over 3500 acres of land, JVSL's plant located at Toranagallu, Bellary District, has a production capacity of 2.5 mtpa of HR coils with an investment of around Rs. 6,500 Cr. The plant, which uses COREX technology from Voest - Alpine, Austria is the first plant to use oxygen-based Iron and Steel making in the country with continuous casting and hot strip mill. JVSL manufactures high quality Hot Rolled Coils, Plates and Sheets.

Shareholding Pattern as on March 31, 2005.

Sr. No.	Shareholders' Category	No. of Shares	%
1	Promoter Group	6,08,59,354	47.16
2	FIs/Mutual Funds/Financial Institutions / Banks	3,90,35,198	30.25
3	Public (including NRIs and individuals)	2,91,44,590	22.59
Total Paid Up Capital		12,90,39,142	100.00

Board of Directors : Smt. Savitri Devi Jindal, Mr. Sajjan Jindal, Dr. B.N. Singh, Mr. Raman Madhok, Mr. Seshagiri Rao M.V.S, Dr. S.K. Gupta, Mr. I.M. Vittala Murthy, IAS, Mr. N. Gokul Ram, IAS, Mr. R.N. Roy, Mr. Balaji Swaminathan, Mr. David Chandrasekaran, Mr. Anthony Paul Pedder, Dr. Ramaswamy P. Aiyar, Mr. Vijay Kelkar, Mr. S. Jambunathan, Mr. Sudipto Sarkar

Financial Performance of the above mentioned Five listed Promoter Group Companies

1) Nalwa Sons Investments Ltd. ("NSIL") (formerly known as Jindal Strips Limited)

Particulars	2003-04	2002-03	2001-02
Share capital - Equity	5.13	5.13	18.91
Reserves and surplus (excluding revaluation reserves)	249.26	293.46	446.41
Sales (including Excise duty)	-	-	1484.00
Interest and Dividend Income	12.44	11.56	1.07
Other Income	-	-	8.61
PAT	(44.19)	2.70	31.65
Dividend (%)	-	60%	40%
EPS (Rs.)	(86.05)	5.26	15.99
BV (Rs.)	495.22	81.24	253.66

2) Jindal Saw Limited

Particulars	2003-04	2002-03	2001-02
Equity Share capital	38.98	38.98	46.48
Reserves and surplus (excluding revaluation reserves)	335.56	290.34	225.68
Sales (including Excise duty)	1123.30	804.96	754.13
PAT	56.24	76.08	42.34
Dividend (%)	25%	25%	15%
EPS (Rs.)	14.43	19.41	10.32
BV (Rs.)	102.58	91.90	76.35

3) Jindal Steel & Power Limited

Particulars	2004-05	2003-04	2002-03
Equity Share capital	15.40	15.40	14.63
Reserves and surplus (excluding revaluation reserves)	1302.98	839.80	558.18
Sales (including Excise duty)	2467.30	1403.94	1109.79
PAT	515.70	305.46	145.08
Dividend (%)	300%	200%	125%
EPS (Rs.)	167.48	100.22	52.00
BV (Rs.)	428.00	277.00	195.00

4) Jindal Stainless Limited

Particulars	2003-04	2002-03	2001-02
Equity Share capital	19.98	13.83	0.0007
Reserves and surplus (excluding revaluation reserves)	530.24	391.80	-
Sales (including Excise duty)	2605.58	1989.93	-
PAT	164.19	90.15	(0.0001)
Dividend (%)	100%	60%	-
EPS (Rs.)	17.08	9.30	-
BV (Rs.)	55.57	58.13	-

5) Jindal Vijayanagar Steel Limited

Particulars	2004-05	2003-04	2002-03
Share capital	469.13	1631.08	1352.03
Reserves and surplus (excluding revaluation reserves)	2329.97	Nil	Nil
Sales (including Excise duty)	7035.90	3590.49	2786.04
PAT	870.11	528.68	(110.67)
Dividend (%)	80%	Nil	Nil
EPS (Rs.) #	64.98	3.92	(0.86)
BV (Rs.)	195.30	6.28	1.69

Previous years' EPS has not been recomputed on the basis of share capital re-organized in the year 2004-05 as per the terms of the Scheme of Arrangement & Amalgamation.

(14) Litigations and Defaults

Details in respect of Outstanding litigations and defaults of the Company, Promoters/Promoter Group Companies (restricted to five listed companies) and Directors are as below. Details of litigations/defaults pertaining to other promoters/promoter group companies are mentioned in the Information Memorandum filed with BSE, NSE and Delhi Stock Exchange.

(a) JSWHL

There is no outstanding litigation and default against JSWHL.

(b) Directors of JSWHL

Mr. Sajjan Jindal and N. K. Jain's name are mentioned in the RBI list for willful default of Rs. 25 lacs and above, in respect of West Coast Saw Pipes Limited (WCSPL). However, Mr. Jindal and Mr. Jain had resigned as director from the board of WCSPL w.e.f. June 28, 2002 and October 30, 2002 respectively and has not been associated with the company since then. In this regard, WCSPL filed requisite Form 32 with Registrar of Companies, Maharashtra for intimating the change in directors. Subsequently, letters dated October 25, 2004 were also sent by WCSPL to SBI, Industrial Finance Branch, advising that Mr. Jindal and Mr. Jain were not promoter directors on WCSPL and requesting SBI to inform RBI to update their list of defaulters by removing name of Mr. Jindal and Mr. Jain from the list. Copies of these letters were also sent to RBI. A letter dated October 29, 2004 was sent by SBI, Industrial Finance Branch to WCSPL advising that the letter from WCSPL requesting removal of above name has been forwarded to ITCOT Ltd. (Industrial Technical Consultancy Organisation of Tamilnadu Limited)

(c) Litigations against the Promoters/Promoter Group Companies (five listed companies)

1) Nalwa Sons Investments Ltd. ("NSIL") (formerly known as Jindal Strips Limited)

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	O.A. No.213 of 2001	Benares State Bank Ltd. The United Western Bank Ltd.... Applicants Vs. Hindustan Foils Ltd. & Ors. Jindal Strips Ltd. (Resp. No.6) ...Defendants	DRT, New Delhi for Hearing	Recovery Suit for bills dishonoured by Hindustan Foils. A decree of Rs. 86,40,291/- along with interest is sought against NSIL	86,40,291/- together with interest @22.15%	NSIL had accepted hundis worth Rs. 86,40,291/- drawn by Hindustan Foils and discounted the same with the Applicant Bank. Hindustan Foils dishonoured the payment thereof and so the Applicant Bank filed the above recovery suit against both NSIL and Hindustan Foils for payment of the hundi amount. Hindustan Foils Ltd. has filed an application for registering itself as a Sick Industrial Unit with BIFR. The application is presently pending before A.I.F.R. NSIL has also filed seven suits against Hindustan Foils to recover an amount of Rs. 45 lacs (approx.)
2.	-	Sanjay Kumar ...Plaintiff Vs. Jindal Strips Ltd. ...Defendants	Civil Court, Hisar for Hearing	Injunction Suit	-	The Plaintiff is a shareholder of NSIL and has filed this suit for restraining the company from releasing any payment to other Defendants without adjusting the loss caused by the other Defendants to Defendant No.1.
3.	Special Leave Petition No. 27010 of 2004	Jindal Strips Ltd. ...Petitioner Vs. State of Orissa & Ors. Respondents	Supreme Court of India for Hearing	Joint Venture Partnership between Industrial Development Corporation of Orissa Ltd. ("IDCOL")	-	IDCOL had invited bids for forming a JV with in respect of Tangarpada Mines and selected NSIL as its JV Partner. A Special Leave Petition has been filed pursuant to the Order passed by the Division Bench of Orissa High Court which directed IDCOL to issue fresh advertisement to select a new JV Partner. NSIL has appealed against the aforesaid order in the Apex Court. Other companies and organisations viz. TISCO and VISA had also filed Petitions challenging the selection of NSIL as JV Partner of IDCOL.
4.	I.A. No.2 of 2004 In Review Petition (Civil) No.469 of 2003 In Transfer Case No.9 of 2002.	Indian Charge Chrome Ltd. & Anr. Vs. Union of India & Ors. And Jindal Strip Ltd.	Supreme Court of India for Hearing	-	-	NSIL has filed an Intervener Application in a case filed by Indian Charge Chrome Ltd. on the ground that interest of the Petitioner and that of NSIL is identical in nature. Indian Charge Chrome Ltd. had challenged the recommendation of the State Government on the ground that no special reasons were recorded for grant of preference to Nav Bharat Ferro Alloy Ltd. under Section 11(5) of the MMRD Act, 1957 in relation to Sukhinda Valley / Sukhinda Mines. The Petitioner has sought review of the said judgment from the Supreme Court. Intervener Application of NSIL shall be considered only if review petition is allowed.

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
5.	Supreme Court of India I.A. No.2 of 2004 In SLP (Civil) No. 17250 of 2003 In Civil Appeal No.6788 of 2004	State of Orissa ...Petitioner Vs. GMR Technologies & Industries Ltd. & Ors... Respondents And Jindal Strip Ltd. ...Applicant	Supreme Court of India for Hearing	Lease of Mines	-	NSIL has filed an Intervention Application as the issues under consideration of the Supreme Court in the SLP were the same as the issues involved before the lower court in a case filed by it. State Govt. decision to allocate the entire 436.295 hectares in Sukhinda Mines to Orissa Mining Corporation contrary to Chahar Committee Report which had in turn granted 39.742 hectares to NSIL amongst others was struck down by High Court of Orissa. State of Orissa has filed an SLP against the said judgment. NSIL had also filed a Writ Petition against State of Orissa for quashing the decision of the State Government to allocate entire area of 436.295 hectares to Orissa Mining Corporation.
6.	Criminal Complaint No. 35 of 1996 under Section 138 r/w Section 142 of the Negotiable Instruments Act.	Jindal Strips Ltd. Vs. M/s. Uniplas India Ltd. & Ors.	MM Patiala House, New Delhi For Evidence	Return of Inter-Corporate Deposit	50,00,000/- as principal amount and Rs. 3,03,780/- as interest	NSIL made an Inter-Corporate Deposit (ICD) of Rs. 50,00,000/- in Uniplas India Ltd. for a period of 90 days. Uniplas India Ltd. issued cheques of Rs. 50,00,000/- as principal amount and Rs. 3,03,780/- as interest by way of return of the ICD which were dishonoured by the Bankers of Uniplas India Ltd. This complaint was thereafter filed under section 138 r/w Section 142 of the Negotiable Instrument Act.
7.	45 of 1995	M.S.T.C. Vs. Jindal Strips Ltd.	4th Court of Civil Judge (SK Division), Alipur Court	Payment of Charges	Rs. 9.88 lacs	There was a suit filed in 1984 against the Company in which the Plaintiff was granted an Ex-parte Order for payment. The company filed another suit for setting aside the ex-parte order, which is pending.
8.	TS/141/1997	Sajjan Industrial Corporation Vs. Jindal Strips Ltd.	2nd Sub-Judge Court (Sr. Div.), Howrah	For Common Postage	No money claim	-
9.	TS/166/2004	Sajjan Industrial Corporation Vs. Jindal Strips Ltd.	2nd Sub-Judge Court (Sr. Div.), Howrah	Claim for Rent	-	The Plaintiff has filed this suit claiming some rent to be payable by the company.

Note : Some Shareholders have filed 14 Cases in various Courts and Consumer Redressal Forums in India for grievances such as issue of duplicate share certificates, loss in transit and non-receipt of interest warrants.

Labour Disputes

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	Five (5) Cases	State, through Asst. Director, Industrial Safety, Health, Hisar...Plaintiff Vs. R. P. Jindal (Occupier & Manager of M/s. Jindal Strips Ltd.) Defendants	Chief Judicial Magistrate, Hisar for Hearing	Death and Injury to some workers in the Factory	Minimum fine of Rs. 1,20,000/-	Some workers of the company met with an accident in the factory. A couple of them died and the others suffered grievous injuries. According to the department, there was a violation of Section 7A and 21 of the Factories Act and Rule 66C of Punjab Factory Rules, 1952. The company is disputing the allegations.

Sales Tax Matters

Sr. No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	Jindal Strips Ltd. ...Appellant Vs. Assessing Authority, Hisar Dist. ...Defendants	Joint Excise & Taxation Commissioner (Appeals)	A.Y. 1991-1992	Rs. 58,35,057	The Dy. Excise & Taxation Commissioner cum Assessing Authority, Hisar passed an order levying total Purchase Tax of Rs. 58,35,057/- upon the Company in relation to store goods, which were consumed in the manufacture of goods, which were sold either in Haryana or in consignment sales outside the State of Haryana. The company disputed the liability on the ground that no tax is to be levied as the percentage of goods purchased from Haryana was the same which were sold within the State of Haryana. The company has challenged the aforesaid order by filing this Appeal before the Jt. Commissioner (Appeal).

Income Tax Matters

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	I.T.A. No.276 of 2003	Commissioner of Income Tax Vs. M/s. Jindal Strips Ltd.	High Court, New Delhi	A.Y. 1996-1997 This matter is in respect of the liability of NSIL	Loss of Rs. 6,47,95,725 Tax amount of Rs. 2.98 crores	The company has debited an amount of Rs. 6.47 crores to the profit and loss A/c. for the year ending 31.3.1996 on account of fluctuation in foreign exchange rate. The Department has filed the above Appeal in the Delhi High Court challenging the above order-dated 17.10.2002 of ITAT, New Delhi.

Investigation by SEBI

An investigation has been carried out by SEBI in respect of spurt in prices and volumes of Nalwa Sons Investments Ltd. (NSIL) during the period April to October 2004. SEBI had written to NSIL in November 2004 asking for the company personnel to appear before the investigating officer in respect of an investigation being carried out by SEBI. Certain information asked for by SEBI was provided by NSIL in the meeting with SEBI and the remaining information was furnished vide its letter dated January 10, 2005. However, NSIL has not received any other communication from SEBI subsequently.

**PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF
JINDAL SOUTH WEST HOLDINGS LIMITED**



2) Jindal Saw Limited

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	Case No.264 of 2003	Jindal Saw Ltd. Vs. Gas Authority of India Ltd. (GAIL)	Delhi High Court	Appeal against Arbitration Award	Rs. 48 crores (approx.)	This case relates to the application of Price Reduction formula by GAIL pursuant to the delay in supply of pipes by Jindal Saw Ltd. The reduction of price is being disputed by Jindal Saw Ltd. The Arbitrators have passed Award in favour of Jindal Saw Ltd. and the same has been challenged by GAIL.
2.	-	M/s. Jindal Saw Ltd. Vs. Bharat Petroleum Corporation Ltd.	Arbitration	Penalty for delay in supplying pipes	Rs. 1.83 crores	This matter relates to the application of price reduction formula applied by BPCL pursuant to the delay in supply of pipes by Jindal Saw Ltd. The reduction of price has been disputed by Jindal Saw Ltd.
3.	Appeal No.1002 of 2002	M/s. Jindal Saw Ltd. Vs. Oil and Natural Gas Corporation Ltd. (ONGC)	Bombay High Court	Appeal against the Award of the Arbitrator	1.12 crores	This case relates to the dispute relating to the applicability of foreign Exchange rates on payments made by ONGC to Jindal Saw Ltd. under a contract for supply of pipes. The Arbitrators have given the Award in favour of the Jindal Saw Ltd. ONGC has challenged the Award before the High Court.
4.	Arbitration Petition No.292 of 2003	M/s. Jindal Saw Ltd. Vs. Oil and Natural Gas Corporation Ltd. (ONGC)	Bombay High Court	-	US\$ 60224.58	This matter relates to the application of price reduction formula applied by ONGC pursuant to the delay in supply of pipes. The reduction of price has been disputed by Jindal Saw Ltd. The Arbitrators have passed Award in favour of the Jindal Saw Ltd. ONGC has challenged the Award before the High Court.
5.	Suit No.862 of 2002	M/s. Jindal Saw Ltd. Vs. SDJV, Bangladesh	Delhi High Court	-	US\$ 705698	SDJV, Bangladesh attempted to invoke the performance Bank Guarantee for USD 705698 issued by Canara Bank through Bank of Nova Scotia, Dhaka on false and frivolous grounds. The High Court has granted permanent injunction against Canara Bank. The Bank of Asia Ltd. which alleges to be the successor of Bank of Nova Scotia, Dhaka has filed an application against the injunction.
6.	Case No.178 of 1990	United India Insurance Company Ltd. Vs. CCI & Jindal Saw Ltd.	2nd Additional District Judge at Vishakapatnam	No relief has been sought against the company	-	Jindal Saw Ltd. had supplied pipes to HPCL, which were transported by CCI under separate agreement with HPCL. During the course of transportation some damage was done to pipes. HPCL filed its insurance claim and got the money. Thereafter, United India Insurance has filed the case at Vishakapatnam for recovery of claim amount from CCI alleging their negligence in transporting the pipes. It has made JSL as party proforma as supplier of these pipes.
7.	Case No 209 of 2004 and Appeal No A-415 of 2003	Sidhanath Saxena Vs. Jindal Saw Ltd. Govind Ram Agarwal Vs. Jindal Saw Ltd.	District Forum, Lucknow and State Commission respectively	-	-	The Complainant has alleged deficiency of services in transferring the shares that were lodged by the Complainant for transfer. Jindal Saw Ltd. contends that all rules and regulations have been observed while transferring the shares and also that the Consumer Forum had no jurisdiction to try the matter.

Criminal Offences

No.	Case no.	Parties	Pending before	Subject matter	Facts
1.	Criminal Case No 416 of 2004	Gujarat Pollution Control Board Vs. Jindal Saw Ltd. & Ors	First Class Judicial Magistrate, Mundra	Environmental Pollution	The Pollution Board alleged that Jindal Saw Ltd. had undertaken substantial contraction of plant and blast furnace without obtaining prior environmental clearance. According to the Board this is in violation of the Environmental Impact Assessment Notification 1994. Jindal Saw Ltd. is disputing the above matter.

Other Indirect Taxes Matter

No.	Parties	Pending before	Subject matter	Amt.	Facts
1.	Assessing Authority Trade Tax Vs. Jindal Saw Ltd.	Deputy Commissioner (A) Kosi Kalan.	A.Y. 1997-98	Rs. 1,83,694	The Add. Commissioner has reopened this matter Under Section 21(2) of the U.P.T.T Act 1948 for escapement of Tax. Under a Notification an amount equal to 20% of Basic Value of own material consumed in execution of Work Contract is stipulated to be taxed.
2.	Assessing Authority Trade Tax Vs. Jindal Saw Ltd.	High Court, Allahabad	A.Y. 1991-92	Rs. 1,42,940	This case is in relation to the import of material from M/s P.J Pipes Mumbai without Form No.31 by Jindal Saw Ltd. for carrying out job work. The provisions of Section 15 A (1) (0) of the U.P.T.T Act 1948 are attracted which stipulates penalty up to 40% of value of material so imported. This Appeal has been filed by the Department against Jindal Saw Ltd.
3.	Assessing Authority Trade Tax Vs. Jindal Saw Ltd.	High Court Allahabad	A.Y. 1997-98	Rs. 5,66,906	The Assessing Authority imposed 10% tax on value of Company's own raw material consumed in execution of Works Contracts under Section 3-F (2) (b) (1) of U.P.T.T Act 1948.
4.	Assessing Authority Trade Tax Vs. Jindal Saw Ltd.	High Court Allahabad	A.Y. 1995-96	Rs. 3,11,600	This matter relates to the imposition of interest on tax deposited by Jindal Saw Ltd. on F.E. variation.
5.	Assessing Authority Trade Tax Vs. Jindal Saw Ltd.	Supreme Court of India	-	-	This matter relates to the applicability of Form 3 B and C. Jindal Saw Ltd. had purchased HSD (High Speed Diesel) from Indian Oil Corporation Ltd) and this case relates to purchase of HSD against Form 3 B and C

3) Jindal Steel & Power Limited

No.	Parties	Pending before	Subject matter	Amt.	Facts
1.	State Sales Tax Dept. Vs. Jindal Steel and Power Ltd.	Board of Revenue	Denial of benefits for New/Addl. Products produced	Rs. 4,58,340 for the A.Y. 1997-98	The Company has been denied benefits on its new/additional products manufactured by it. The Company has already deposited a sum of Rs. 46,000/- against the amount demanded. By an Order dated April 29, 2000 the Dept. has passed an Order in the favour of the company.
2.	State Sales Tax Dept. Vs. Jindal Steel and Power Ltd.	Board of Revenue	Denial of benefits for New/Addl. Products produced	Rs. 6,20,946 for the A.Y. 1998-99	The company has been denied benefits on its new/additional products manufactured by it. The company has already deposited a sum of Rs. 1,75,000/- against the amount demanded.
3.	State Sales Tax Dept. Vs. Jindal Steel and Power Ltd.	Board of Revenue	Surcharge imposed and less set-off allowed	Rs. 82,396 for the A.Y. 2000-2001	The company has already deposited a sum of Rs. 42,000/- against the amount demanded.

Central Excise Matters

Sr. No.	Case No.	Parties	Pending Before	Subject Matter	Amount Involved	Facts
1.	Writ Petition	Jindal Steel and Power Ltd. Vs. Comm. of Central Excise	High Court, Chattisgarh	Payment of Duty	1.55 crores	The Dept. has imposed a duty of on two (2) Induction Furnaces for the period April 1, 1998 to March 31, 2000. The matter had been appealed in the CESTAT by the company against the Order passed by the Comm. The company has paid an amount of Rs. 1.00 crore under protest.
2.	V(CH-86)15-264/R/PR/JC/2004/AD/J/5188	Comm. of Central Excise Vs. Jindal Steel and Power Ltd.	Jt. Comm., Raipur	Classification for imposition of duty	7.45 lacs	The Department has imposed duty on Ladle Transfer Car by treating it as an item falling under heading 86 instead of 84. The company has already deposited the amount.

Other Excise Matters

Case Ref.	Amount	Pending Before	Description of the Case	Present Status
1993	179,400	Asst Commissioner Excise	To the department, the modvat document does not appear to be genuine.	Replied on 4/7/96 - No PH
2300	37,679	Asst Comm isioner Excise	Modvat credit on capital goods.	PH over on 20/2/2001.
1287	241,772	Asst Commissioner Excise	Cenvat Credit on capital goods relating to power plant installed within the factory.	Replied on 14.7.03 ** PH 5.11.03
9053	381,874	Asst Commissioner Excise	A case of difference of book stock and physical stock taken by the department.	Reply sent ON 29.9.03
2661	483,697	Asst Commissioner Excise	Cenvat Credit on capital goods relating to power plant installed within the factory.	Replied on 11.10.03 **PH 25.11.03
1658	3,177,697	Asst Commissioner Excise	This case relates to service tax on GTO service 01.02.1998 to 1.06.1998 after the Finance Act amendment in 2003.	Reply sent 17.7.27. 12'Adjourn 28.12
3949	1,220,012	Asst Commissioner Excise	Service tax on the services of M/s NKK Corporation Japan that we have taken in Japan itself (off shore service).	Reply Sent 27.12.04* ph 18.03.05
4558	473,593	Asst Commissioner Excise	Service tax on Engineering Study (Audit) by an Engineering Company of Germany.	reply sent on 28.2.05*ph 18.3.05
492	4,042,702	Add. Commissioner Excise	Service tax on GTO service for 1.2.98 to 1.6.98. We have also filed a writ petition before High Court.	Replied 22.9.01 * WRIT HC BSP
20755	2,297,417	Add. Commissioner Excise	Cenvat credit on Hot metal transport vehicle, Jumbo Electric Platform truck as inputs and Ladle transfer car as capital goods.	Reply sent on 1.4.04
3955	15,96,000	Add. Commissioner Excise	Department proposes to include the amount of volume discount on freight availed from Indian Railways in the assessable.	Reply sent on 30.4.04
4169	4,002,832	Add. Commissioner Excise	Cenvat credit as inputs on rails and concrete sleepers and allied goods used in the factory.	Reply sent on 20.5.2004
21164	4,131,451	Add. Commissioner Excise	This relates to demand of duty on some old and used goods from factory to Nalwa Spong.	Replied on 10.11.04
23446	717,259	Add. Commissioner Excise	Cenvat credit as inputs on concrete sleepers and allied goods used for laying railway track in the factory.	Reply sent - 31.03.05
1489	2,527,644	Add. Commissioner Excise	Cenvat on explosive used in coalmine. This is to be reversed.	Replied - 10.12.04
1005	27,756	Appealate Tribunal Raipur	This case refers to deficiency in the document of the supplier of the goods M/s HPCL.	OIO Received - full Disallow -Appl to be filed
1077	43,058	High Court Bilaspur	Department has filed a petition before High Court against order of CEGAT, which stands in our favour.	Dept - Appeal - HC - PH 4.7.02-NOT HELD
1303	1,037,606	High Court Bilaspur	CEGAT allowed modvat credit on refractory materials to us. The matter has been referred to High Court.	DEPT. Ref APPL - High Court
19103	346,840	Chief Commissioner Excise	Sponge iron burnt in the year 2000. Remission of duty denied by Commissioner.	CEGAT Remand to CCE -PH held 22.2.02

2187	6,726,061	Chief Commissioner Excise	Cenvat credit taken on Graphite Electrode as inputs. Dept disputes that this item would be capital goods, as such 100%.	Reply sent on 11.8.03
953	3,511,104	Appealate Tribunal Delhi	Classification of steel components/accessories (Chapter 84 vs Chapter 73) fabricated within the factory for captive use.	DEPT APPL*PH 09.03.05*29.4.05
3081	3,011,938	Appealate Tribunal Delhi	Cenvat on explosive used in coal mine. Departmental appeal pending in CESTAT. This is to be reversed.	DEPT APPEAL ** PH 5.1.05 *4.4.05
4576	592,323	Joint Commis sioner Excise	Dispute relates to modvat credit on capital goods.	PRE-OBJ.-20/9/94-NO PH-
2623	981,745	Joint Commissioner Excise	Cenvat credit taken on Graphite Electrode as inputs. Dept disputes that this item would be capital goods, as such 100%.	Reply sent- PH held 17/7/02

Notes:

- There are some Entry Tax matters filed against the company, which in aggregate amount to a demand of Rs. 8.74 lacs (approx.) against which the company has already deposited an amount of Rs. 1.39 lacs (approx.).
- There are Central Sales Tax matters pertaining to A.Y. 1999-2000, A.Y. 2000-2001 and A.Y. 2002-03 against the company for imposition of interest and penalty arising due to change of name of the company and non-submission of E-1 certificate respectively. The aggregate amount demanded is Rs. 3.13 lacs (approx.) against which the company has already deposited an amount of Rs. 0.32 lacs (approx.).
- The Gram Panchayat has served a notice upon the company imposing Local Body Tax of Rs. 66,319. The company is disputing the levy.
- The company has been served with two (2) Show Cause Notices from the Commissioner of Central Excise, Raipur for an amount of Rs. 7.50 lacs (approx.) pertaining to transfer of CENVAT credit for JSL to JSPL and classification of goods under an input chapter different from the one declared by the company.

4) Jindal Stainless Limited

Parties	Pending Before	Subject Matter	Amount	Facts
Jindal Stainless Ltd. Vs. ICICI Bank KBC Bank N. V. New York Branch And Surya Impex.	High Court, New Delhi	Suit dismissed as infructuous. Jindal Stainless filed an Appeal in the Delhi High Court challenging the order of dismissal of the suit.	Potential liability of USD 4,48,500 along with interest.	Upon instructions of Jindal Stainless Ltd, ICICI Bank opened letter of Credit of US\$4,48,500 in favour of Surya Impex. KBC Bank N. V. was the negotiating Bank. KBC Bank N. V. negotiated the Letter of Credit on the basis of forged and fabricated documents and inspite of requests from Jindal Stainless released payment to the holder in due course. Jindal Stainless Ltd. filed the present suit for declaration that it is not liable to pay any amount under the L/C and also for a Permanent Injunction restraining ICICI Bank from making payment of the L/C amount to KBC Bank N.V.
Haryana Vidyut Prasaran Nigam Ltd (HVPNL) Vs Jindal Stainless Ltd.	Civil Court, Hisar	LAND	Rs. 1500000/-	Jindal Stainless Ltd. had acquired 2.5 Acres of land from HVPNL, which is situated, between its two factories. However, subsequently, HVPNL cancelled the allotment. Jindal Stainless Ltd. filed a suit for specific performance and obtained a decree in its favour. HVPNL has filed this Appeal.
Municipal Corporation (Hisar) Vs Jindal Stainless Ltd.	Civil Court, Hisar for Hearing	Development Charges	-	The Municipal Corporation, Hisar had made a demand for development charges in respect of a club constructed by Jindal Stainless Ltd. in its factory premises @ Rs. 120/- per sq. yd. Jindal Stainless has disputed its liability and has filed this suit for declaration and an injunction restraining the Municipal Corporation from raising the demand for development. An Interim Order has been passed in favour of Jindal Stainless and the Municipal Corporation has filed an Appeal challenging the above interim order which is pending in the Court.

Excise and Service Tax Matters

Sr. No.	Case No.	Parties	Pending before	Subject matter	Amount	Facts
1.	Writ Petition No.606 of 2002	Jindal Stainless Ltd. Vs. Union of India & ors.	Supreme Court of India	Service Tax - For the period 16.11.1997 to 1.6.1998	Rs. 49,71,163	The Excise Department has levied Service Tax @ 5% on Rs. 9,44,23,259/- on account of the services provided by goods transport operators i.e. on account of the freight paid for the period from 16.11.1997 to 1.6.1998. The company has disputed its liability on the ground that the incidence and liability of such tax rests on the person providing taxable service and also that the demand was raised retrospectively by the Department. The company has paid the amount of Rs. 49,71,163/- under protest.
2.	A/380-387/2001 - NB (D) (Eight Appeals) (Northern Bench)	Commissioner of Central Excise Vs. Jindal Stainless Ltd.	Before Central Excise, Commissioner, Rohtak for Hearing	For the period September, November and December, 94 January, 95 to May, 95 June, 96 to March, 96.	Rs. 57,14,188 (in all Eight Appeals)	The Department has levied Modvat Credit on capital goods namely electrical goods, electric items, Refractory items etc. CESTAT has by its order remanded all the eight matters back to the adjudicating authority for reconsideration of the entire matter in view of latest judgment of Supreme Court in Jawahar Mill's case.
3.	Appeal/ Delhi - III/45/ 2001	Central Excise Commissioner Vs. Jindal Stainless Ltd.	Commissioner (Appeals), Gurgaon	Modvat Credit on capital goods For the period April, 1996 to July, 1996	Rs. 49,05,998	The Department has levied Modvat Credit on capital goods namely Electrical and Machinery items and issued a Show Cause Notice dated October 23, 1996. The company replied to the Show Cause Notice and Asst. Commissioner decided the case in favour of the Company. Being aggrieved, the Department filed Appeal before Commissioner (A) and the same is pending.

**PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF
JINDAL SOUTH WEST HOLDINGS LIMITED**



Sr. No.	Case No.	Parties	Pending before	Subject matter	Amount	Facts
4.	-	Central Excise Commissioner Vs. Jindal Stainless Ltd.	High Court, Delhi	Modvat Credit	Rs. 21,69,000	The Department has levied Modvat Credit on capital goods namely Wires and Cables. The Company filed a Reference Application before the High Court against the order of CESTAT on Capital goods namely: Brass Casting Articles. High Court directed CESTAT to refer whether brass-casting articles come within the ambit of definition of capital goods under Rule 57Q of the Central Excise Rules, 1944 for its opinion vide an Order dated November 9, 2000.
5.	-	Central Excise Commissioner Vs. Jindal Stainless Ltd.	Commissioner (Appeal), Gurgaon		Rs. 19,33,000	The Department has levied Modvat Credit on capital goods namely Refractories and Refractory items. The case was held against the Department and subsequently the Dept. filed an Appeal before the Commissioner (A) and the same is pending.
6.	-	Show Cause Notice C. No. IV (HQ)361/Tech/Jindal/D-04/14357 issued by Commissioner of Central Excise, Rohtak	Commissioner of Central Excise, Rohtak	Modvat/Cenvat credit for the period January, 2004 to June, 2004	Rs. 78,06,003	The company had entered into agreement with State Electricity Board (SEB) for supplying power generated by it to the SEB Grid and also for self-consumption. The Department has alleged that the company is supplying power only to SEB and therefore not entitled for Modvat/ Cenvat credit of the duty paid on the fuel used for generation of power for self-consumption. The company is contending that the agreement was entered into to ensure that the power generated was put to the optimum use and therefore allowed to claim modvat credit

5) Jindal Vijayanagar Steel Limited ("JVSL")

Labour Cases

There are six (6) labour related matters against JVSL for issues such as dismissal from employment, accident at the COREX-I site in July 2002 and compensation claims aggregating to Rs. 4.7 lacs.

Provident Fund cases

There are 10 (Ten) matters pending before various provident fund authorities/court regarding payment of provident fund contributions by JVSL pertaining to contract employees amounting to Rs. 30.27 lacs.

Civil & Other cases

Case No.	Parties	Pending before	Subject matter	Amt. (Rs.)	Facts
LAC No. 16 / 2000 @ 91 / 2002	Uppara Hanu manthappa & another Vs sst. Commr & LAO, Bly & JVSL	Addl. Civil Judge (Sr.Dvn) & CJM, Bellary	Parties have awarded enhanced compensation by the court	200000	The parties have gone on appeal for enhancement of compensation against the land acquisition -Trial going on.
LAC No. 17 / 2000 @ 92 / 2002	Gavisiddana Gouda Vs Asst. Commr & LAO, Bly & JVSL	Addl. Civil Judge (Sr.Dvn) & CJM, Bellary	Parties have awarded enhanced compensation by the court	200000	The parties have gone on appeal for enhancement of compensation against the land acquisition-Trial going on.
C.R.P. Nos. 3109/2002, 3110/2002, 3111/2002	JVSL Vs Smt. Gouramma/ Shri. Bheeman Gouda and Sri.J.Shankar Reddy	High Court of Karnataka	Civil Revision Petition filed against the Decree passed by Bellary Court regarding Tamarind Tree Compensation.	300000	The petitioners have filed a case for compensation for the tamarind trees, which were there during the acquisition of land-Trial going on.
O.S. 4/2005	Smt. Rudramma, Yarabannahalli Vs The General Manager (A&LA), Jindal Vijayanagar Steel Ltd. Toranagallu	Civil Judge (Jr.Dvn) & JMFC, Sandur	The plaintiff is claiming 100% ex-gratia (i.e. Rs. 2,10,000) to herself, as we have paid the ex-gratia to Shri. K. Hosagerappa of Kudithini based on the orders of Asst. Commr, Bellary.	210000	Since there was a dispute between the parties, we have paid the ex-gratia as per the orders of Asst. Commr., Bellary who is the Revenue Authority. The Trial has Commenced in the court.
Original application No.190/03	SBI & others VS Bellary Steels & Alloys Ltd & others in which JVSL is one of the respondents.	Debt Recovery Tribunal, Bangalore	Recovery of loan with interest	3006000+ interest	The matter has been filed by banks seeking various sums from Bellary steel and others. JVSL is a debtor of Bellary Steel and has been served with a garnishee notice for an amount of Rs. 30.60 lacs.
Writ Petition 10713/ 2004	Bellary Steels & Alloys Ltd Vs IT Dept. JVSL is one of the respondents	High Court of Karnataka for hearing	Reopening of Assessment by the Department	2.17 crores	Bellary Steel has filed the Writ Petition to Stay Income Tax Department Notice reopening the assessment for the Assessment Year 1997-98 and claiming Rs. 2.17 crores The High Court has granted stay against the notice of the IT Dept.
Civil Suit No. 538 of 1999, G.A. No. 1880 of 2000	Mewar Growth Ltd. & Ors. Vs. JVSL	Calcutta High Court for reinstatement of the suit earlier withdrawn	Shares	5.90 crores (approx.)	The Plaintiff has filed this suit for a declaration by the court that they are the rightful owners of some shares of a banking company and that any transfers thereof were null and void. The Plaintiff thereafter withdrew the suit in 1999. The Plaintiff has in 2002 made an application for reinstatement of the suit.
--	David James & Sons Vs. JVSL	London Court of International Arbitration for filing Pleadings	Demurrage Charges	\$ 57,311.45 (for dispatch earned & interest) and \$ 118,450 (for cost and interest for demurrage)	The Claimant was required to supply certain quantity of limestone to JVSL under a contract. On receipt of the consignments, the limestone was found to be of a different size than the one desired by JVSL. Due to the variance in the size of the limestone, the calcinations process in the lime calcinations plant was not to expected level. The Claimant has filed this matter for the demurrage for the delivery of the limestone at the Goa Port.

Other Ex-gratia matters/cases

List of ex-land owners to whom the payment of ex-gratia is to be made.

No.	Village	Name of the Ex-land owner	Amt (Rs.)	Remarks
1 C(p), 7B(p), 323 C / 1	Vaddu	Dodda Thimmana Gouda, Sanna Thimmana Gouda	34800	Ex-gratia to be paid by the co-family dispute not received.
361 D (p), 365E	Kurekuppaa	Chikka Basappa, Toranagallu	60000	Ex-gratia to be paid by the co-family dispute not received.
	Kurekuppaa	K.Devanna	8350	Ex-gratia to be paid - Claimant expired.

Criminal Cases

S. N.	Case No.	Parties	Pending before	Subject matter	Amount	Facts
1.	W.P. NO. 3352/ 2002	JVSL Vs Dy. S.P, Bellary	High Court of Karnataka, Bangalore	Corex Accident	Nil	The Dy. S.P. Bellary has initiated criminal proceedings before the JMFC Court against JVSL officials in connection with the Corex Accident, which had occurred at the factory site. Stay Order has been obtained by JVSL thereby prohibiting the Court from proceeding any further in the matter.
2.	C. R. M. P.No 700/03	JVSL Vs The State by Sub-Inspector of Police, Toranagallu	High Court of Karnataka for Trial	Discrimination under SC-ST Atrocities Act	Nil	The Police have registered a case against the Jt. MD & CEO and the GM (A&LA) of JVSL under SC-ST Atrocities Act, based on the Complaint filed by one employee Mr. V.K. Basappa who was an employee but was later dismissed by JVSL.
3.	CRLP No. 38526/ 2003	Mr. G.K. Saini, JVSL Vs The Sub-Inspector of Police, Toranagallu	High Court of Karnataka	Lorry Accident	Nil	A Stay Order has been obtained by JVSL against the Sub-inspector of Police, Toranagallu thereby prohibiting the Police from further investigating the matter in Lorry accident matter, which happened near the RM gate wagon un-loading area in which 2 workers had lost their life.

Customs & Excise (Upstream SBU)

The status of the various show cause notices/demands material in nature issued by the Central Excise and Customs Authorities is as follows:

Sl. No.	Details	Value (Rs. in Lakhs)	Status
1.	Show cause notices for demand of excise duty on sale of Corex gas supply to JTPCL / JPOCL.	4851.99	Appeals pending before the CESTAT / Commissioner (Appeals), Bangalore. <ul style="list-style-type: none"> SCN-I: Order is awaited SCN-IV: Order is awaited SCNs-V & VI: Final hearing is scheduled on 20.4.05 SCNs-VII, VIII & IX: Order is awaited SCN-X not yet issued by the dept.
2.	Input credit on Highgrade pellets.	47.37	The Tribunal has already stayed the order passed by the lower authority. The final hearing was held on 04.04.05. Order is awaited.
3.	Input credit on Corex chilling.	62.18	The Tribunal has already stayed the order passed by the lower authority. The final hearing is scheduled on 19.5.05.
4.	Duty on interest free advance of Rs.150 Crore received by JVSL from JISCO.	908.00	The Tribunal has already stayed the order passed by the lower authority. The final hearing is scheduled on 11.04.05.
5.	DRI Case - II - Demand of additional customs duty on warehoused goods.	10.00	Appeal before the High Court of Karnataka has been filed. PH is awaited in May'05.
6.	Met-coke import : CG given for Anti Dumping Duty (ADD)	4920.00	Pending before the Supreme Court of India.
7.	Levy of differential duty on scrap: Goa Customs: Rs.740.00 Lakhs Chennai Customs: Rs.363.00 Lakhs	1103.00	Based on the order passed by the Commissioner (Appeals), our Stay-cum-appeal has been filed before the CESTAT, Bangalore. PH is awaited. Final reply submitted. Response is awaited from Chennai Customs.
8.	Demand of additional interest charges on warehoused goods	23.90	The Tribunal has already stayed the order passed by the lower authority. The final hearing is scheduled on 19.5.05.
9.	Demand of duty on refractories and lock hoppers of Corex-I.	104.40	The Tribunal has already stayed the order passed by the lower authority. The final hearing will be held on 27.5.05.

Customs & Excise (Down Stream SBU)

The status of various show cause notices / demands, material in nature, issued by the Central Excise and Customs Authorities :

Sl. No.	Details	Amt. (Rs in Lakhs)	Status
1.	Withdrawal of DEPB Benefit on account of difference between the declaration in shipping bill and physical examination of goods.	0.75	Reply to show cause notice filed - Pending for hearing.
2.	Disallowance of Cenvat credit availed in respect of furnace oil used in captive power generation.	47.89	Rs.20.30 lacs have been debited under protest. Appeal pending for hearing before Tribunal.
3.	Valuation of inter unit transfer of CR FH Coil @ 115% of cost of production instead of at comparative price	18.89	Appeal pending for hearing before the Appellate Tribunal.
4.	Duty demanded on sample drawn for in-house quality test	0.23	Reply to show cause notice filed - Nothing further has been heard.
5.	Cenvat credit availed on capital goods	2.79	Amount debited under protest. Appeal pending for hearing before the Appellate Tribunal.
6.	Duty demanded on interest charged in invoice	85.36	Reply to show cause notice filed - Pending for hearing before the jurisdictional commissioner.
7.	Imposition of penalty under Rule 209A of the Central Excise Rules, 1944	50.00	Appeal pending for final hearing before the Appellate Tribunal.

Sales Tax & Entry Tax (Upstream SBU):

Parties	Pending Before	Subject of the Matter	Amount (Rs.)	Facts
Comm. of CST Vs JVSL	Commercial Tax Authority	Late submission of Form "C" and Form "F" with the Department	1.78 lacs	A demand was raised by the CST Dept. on account of not furnishing Form C and Form F. The Forms have now been submitted and a revised order is expected.

There are no cases pending in respect of Sales tax & Entry tax for the period ended 31.03.2005.

Further, contingent liability of Rs.269 lacs (approx) is provided on account of new levy imposed by Karnataka Government w.e.f. 01.10.04 under Special Entry Tax Act-2004, for which the Company obtained stay from the High Court of Karnataka.

Sales Tax (Down Stream SBU) :

No.	Description	Rs.	Status
1.	Sales tax liability on account of non-submission of Form F in respect of branch transfer.	1.23 lacs	Appeal pending for hearing before the Assistant Commissioner of Sales-tax (Appeals).

Income Tax (Up Stream SBU):

No.	Description	Usance Interest	Status
1.	Notice of penalty u/s 202(1) r.w.s. 201(1A) for demand of withholding tax on usance interest received from income tax department	Rs. 6,97,618	The demand made by Dept. is in respect of usance interest paid through ICICI on usance LC. Payment made other Bank called by Dept. JVSL has replied penalty notice denying the liability relying on High court and Tribunal decisions. Recently the tribunal decision has been reversed by High court.
2.	Appeal to Karnataka High Court against order of Income Tax Appellate Tribunal for Assessment Year 1995-96. The Tribunal has allowed, based on facts, Company appeal for assessment of interest under the head Business Income as against Other Sources.	Rs. 10,99,50,775	The Income Tax Department has filed an appeal before Karnataka High Court against order of Income Tax Appellate Tribunal. The High Court may not frame a question for reference, as there is no question of law is involved.

Income Tax (Down Stream SBU):

No.	Description	Amount (Rs. in Lakhs)	Status
1.	Additions / Disallowances made in the assessment orders passed u/s 143(3) to Normal Income in respect of Surplus on repurchase of own debentures, reduction of depreciation as per Income-tax on slump sale, interest & other expenses capitalised in books, unutilised modvat credit, interest receivable written-off, interest disallowed u/s 14A and additions made to Book Profit in respect of provision for doubtful debts and advances, amount transferred to lease equalisation, provision for diminution in value of investments etc.	1891.42	Appeals pending for hearing before the Commissioner of Income-tax (Appeals) / Appellate Tribunal.
2.	Penalty levied u/s 271(c) in respect of addition made in the assessment order passed u/s 143(3).	134.41	Appeal being filed before the Commissioner of Income-tax (Appeals).
3.	Addition made to net wealth on the basis of the insured value of Air-craft as per order passed u/s 16(3) of Wealth-tax Act.	10.96	Appeal being filed before the Commissioner of Income-tax (Appeals)

Service Tax (Up Stream SBU)

No.	Details	Value	Status
1.	Service Tax Authorities have demanded service tax on consultancy services rendered by foreign parties namely; VAI, Austria (Rs.71216321), Amet Ltd., Russia (Rs.975261) and Alsthom Power, USA (Rs.2089786) during implementation of the project.	Rs. 7,42,81,368	Replies to the notices have been submitted by the advocates on behalf of foreign parties. Based on the orders passed by the AC, C.Ex., Bellary appeals have been filed before the Commissioner (Appeals), Mangalore in respect of VAI & Amet. The hearing has been completed on 17.1.2005 at Mangalore and order is expected. In the case of Alsthom Power, the hearing is completed on 24.1.2005 at C.Ex., Bellary and the order is expected at any time. The remaining eight notices have already been decided in favour of JVSL.

Penalty imposed by SEBI/Other Regulatory bodies

- Fine and penalty of Rs. 758.19 lacs imposed by the Custom Authorities in FY 1997-98 for wrong removal of imported equipments from the bonded warehouse.
- Penalty of Rs. 1.27 lacs levied by BSE in FY 1998-99 for belated intimation of Book Closure dates.
- Penalty of Rs. 500 by Excise Authorities in FY 2003-04 for wrong claim of CENVAT.

(15) Particulars of Share Price

As per the Scheme, the Investment Division of JISCO was transferred to JSWHL. JSWHL has received an In-Principle approval for listing of its equity shares from BSE, NSE and Delhi Stock Exchange. The equity shares of JSWHL are yet to be dealt on BSE, NSE and Delhi Stock Exchange.

(16) Material Developments

Except as mentioned elsewhere there are no material developments in the Company after the date of the last Balance Sheet.

For Jindal South West Holdings Limited

Place : Mumbai
Date : 11th June 2005

**K. N. Patel
Jt. Managing Director & CEO**