

# JSW Steel Limited

Registered Office: Jindal Mansion, 5A, Dr. G Deshmukh Marg, Mumbai - 400026

Web Address: www.jsw.in

## HIGHLIGHTS FOR THE YEAR

Crude Steel Output  
22.5 lacs tonnes - Up by 20%

Galvanized Product Output  
7.8 lacs tonnes - Up by 14%

Equity Dividend 80%

Interest Cost Reduced by 23%

Debt Repayment Rs. 1014 crores

Debt Equity Ratio 0.96

## Audited Financial Results for the Year ended 31<sup>st</sup> March, 2006

(Rs. in Crores)

| Sr. No. | Particulars   | Unaudited         |                    |                | Audited        |                     |
|---------|---|-------------------|--------------------|----------------|----------------|---------------------|
|         |   | Nine Months Ended | Three Months Ended | 31.03.2005     | Year Ended     | Previous Year Ended |
|         |   | 31.12.2005        | 31.03.2006         | 31.03.2005     | 31.03.2006     | 31.03.2005          |
| 1       | Gross Sales   | 3252.51           | 1203.83            | 983.43         | 4456.34        | 3742.06             |
|         | a) Domestic Sales   | 1778.67           | 531.08             | 1308.88        | 2309.75        | 3293.84             |
|         | b) Export Sales   | 1473.84           | 672.75             | 674.55         | 2146.59        | 448.22              |
|         | <b>Total</b>  | <b>5031.18</b>    | <b>1734.91</b>     | <b>2292.31</b> | <b>6766.09</b> | <b>7035.90</b>      |
| 2       | Less: Excise Duty   | 434.32            | 151.67             | 109.49         | 585.99         | 356.54              |
| 3       | Net Sales/Income from Operations (1-2)  | 4596.86           | 1583.24            | 2182.82        | 6180.10        | 6679.36             |
| 4       | Other Income  | 8.91              | 374.05             | 9.57           | 382.96         | 18.98               |
| 5       | Total Expenditure   | 3267.50           | 1166.49            | 1319.64        | 4433.99        | 4332.51             |
|         | a) (Increase) / Decrease in Stock in Trade  | (185.42)          | 46.13              | 36.04          | (139.29)       | (43.31)             |
|         | b) Consumption of Raw Materials   | 2377.66           | 742.83             | 857.04         | 3120.49        | 2892.19             |
|         | c) Power and Fuel   | 301.99            | 113.77             | 131.69         | 415.76         | 541.57              |
|         | d) Staff cost   | 92.94             | 34.10              | 35.20          | 127.04         | 107.21              |
|         | e) Other Expenditure  | 680.33            | 229.66             | 259.67         | 909.99         | 834.85              |
| 6       | <b>Profit before Interest, Depreciation, Exceptional Items and Taxation (3+4-5)</b> | <b>1338.27</b>    | <b>790.80</b>      | <b>872.75</b>  | <b>2129.07</b> | <b>2365.83</b>      |
| 7       | Interest  | 278.77            | 81.55              | 108.05         | 360.32         | 469.87              |
| 8       | <b>Cash Profit (6-7)</b>  | <b>1059.50</b>    | <b>709.25</b>      | <b>764.70</b>  | <b>1768.75</b> | <b>1895.96</b>      |
| 9       | Depreciation  | 304.31            | 101.51             | 90.55          | 405.82         | 359.54              |
| 10      | Miscellaneous Expenditure Written Off   | 46.21             | 15.58              | 14.82          | 61.79          | 60.48               |
| 11      | Profit before Exceptional items & Taxation (8-9-10)                                 | 708.98            | 592.16             | 659.33         | 1301.14        | 1475.94             |
| 12      | Exceptional Items   | -                 | -                  | -              | -              | (3.33)              |
| 13      | <b>Profit before Taxation (11+12)</b>   | <b>708.98</b>     | <b>592.16</b>      | <b>659.33</b>  | <b>1301.14</b> | <b>1472.61</b>      |
| 14      | Provision for Taxation:   |                   |                    |                |                |                     |
|         | (a) Current Tax (Minimum Alternate Tax)   | 41.68             | 37.82              | 34.85          | 79.50          | 74.50               |
|         | (b) Deferred Tax Liability  | 253.13            | 180.48             | 220.34         | 433.61         | 528.00              |
|         | (c) Fringe Benefit Tax  | 2.24              | 1.00               | -              | 3.24           | -                   |
|         | (d) Minimum Alternate Tax Credit Entitlement  | (41.68)           | (37.82)            | -              | (79.50)        | -                   |
| 15      | <b>Profit after Tax (13-14)</b>   | <b>453.61</b>     | <b>410.68</b>      | <b>404.14</b>  | <b>864.29</b>  | <b>870.11</b>       |
| 16      | Tax Adjustment For Earlier Year   | -                 | -                  | -              | -              | 7.76                |
| 17      | <b>Net Profit (15-16)</b>   | <b>453.61</b>     | <b>410.68</b>      | <b>404.14</b>  | <b>864.29</b>  | <b>877.87</b>       |
| 18      | Paid up Equity Share Capital (face value of Rs. 10 per share)                       | 147.03            | 156.98             | 129.04         | 156.98         | 129.04              |
| 19      | Reserves excluding revaluation reserve  | -                 | -                  | -              | 3555.12        | 2329.97             |
| 20      | Earnings per share (EPS) (before Exceptional items - net of tax)                    |                   |                    |                |                |                     |
|         | Basic - (Rs.)   | 28.86             | 25.97              | 30.70          | 55.57          | 65.12               |
|         | Diluted (Rs.)   | 27.02             | 25.97              | 28.19          | 55.57          | 59.78               |
| 21      | Earnings per share (EPS) (after Exceptional items - net of tax)                     |                   |                    |                |                |                     |
|         | Basic - (Rs.)   | 28.86             | 25.97              | 30.70          | 55.57          | 64.98               |
|         | Diluted (Rs.)   | 27.02             | 25.97              | 28.19          | 55.57          | 59.66               |
| 22      | Aggregate of Non-promoter shareholding  |                   |                    |                |                |                     |
|         | - No. of shares   | 83288840          | 86438435           | 63878414       | 86438435       | 63878414            |
|         | - Percentage of shareholding  | 56.64%            | 55.06%             | 49.50%         | 55.06%         | 49.50%              |

### Notes:

- The above audited results reviewed by the Audit Committee, have been taken on record at the meeting of the Board of Directors held on 19th April, 2006.
- The Board of Directors proposed dividend @ 10% on Cumulative Redeemable Preference shares amounting to Rs. 27.90 crores and Dividend on Equity shares @ 80% amounting to Rs. 125.58 crores, subject to the approval of members at the Annual General Meeting.
- During the quarter, the Company has disinvested the shares of JSW Energy Ltd. (JSWEL) in favour of an associate company for a consideration of Rs.513.70 crores to be received within a period of one year from the date of sale. The profit of Rs.369.20 crores on sale of these shares is included in "other income".
- Paid up equity share capital does not include an amount of Rs. 61.05 crores being the amount originally paid up on the shares forfeited earlier.
- Information on investor complaints (numbers): Pending at beginning of the quarter:32; Received during the quarter:2051; Resolved/replied during the quarter:2058; Unresolved at the end of the quarter:25, 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.
- In view of amalgamation of Euro Ikon Iron & Steel Private Limited (Euro Ikon), Euro Coke & Energy Private Limited (Euro Coke) and JSW Power Limited (JPL) with the Company w.e.f. 1st April, 2005, the figures for the nine months ended 31st December, 2005 and figures for the quarter / year ended 31st March 2006 include the figures of erstwhile Euro Ikon, Euro Coke and JPL and hence, are not comparable with the figures of the corresponding periods.
- Previous periods' figures have been regrouped / rearranged wherever necessary.

Place : Mumbai  
Date : 19<sup>th</sup> April, 2006

For JSW Steel Limited

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

## FORGING AHEAD

- The expansion of capacity in the Pellet Plant from 4.2 mtpa to 5 mtpa is expected to be on stream by end of June 2006.
- The Hot Strip Mill which is currently under shutdown for around 30 days for modernisation, is slated to recommence production by second half of May 2006. The enhanced capacity will be 2.5 mtpa.
- The project to expand crude steel capacity from 2.5 mtpa to 3.8 mtpa is expected to be operational fully by the second quarter of F.Y. 06-07.
- The 1 mtpa Cold Rolling Complex for automotive application is expected to be commissioned in the first half of F.Y. 07-08.
- Modernisation of Blast Furnace 1 and new expansion project together increases the crude steel capacity by 3 mtpa and further capacity expansion from 2.5 mtpa to 3.2 mtpa of the Hot Strip Mill are all underway and are expected to be operational in F.Y. 07-08 and F.Y. 08-09.

## AWARDS & RECOGNITION

The Company is the proud recipient of the following awards during the year :

**IMEA Award**  
Platinum - India Manufacturing Excellence Award Platinum in Metals category - from Frost & Sullivan.

**Green Tech Award**  
Outstanding Achievement in Environment Management - Gold in Metals sector- by Green Tech Foundation UK.

**CII-EXIM Bank Award 2005**  
Commendation Certificate for Significant Achievement - by Confederation of Indian Industries and Export Import Bank of India.

**Rockwell Jury Award**  
Rockwell Jury Award for Excellence through automation by Frost & Sullivan.



JINDAL Part of O. P. Jindal Group