

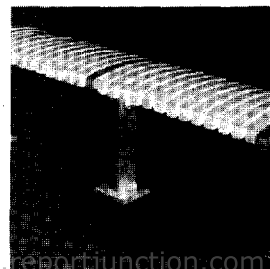
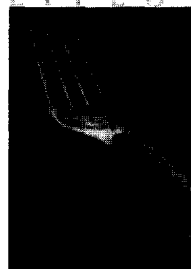
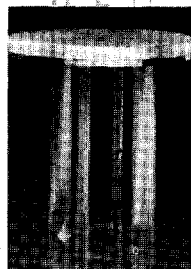
BUILDING A BRIGHTER FUTURE

TOMORROW BELONGS TO STAINLESS STEEL



JINDAL STAINLESS LIMITED
ANNUAL REPORT 2003-2004

BUILDING A NEW LIFESTYLE



**24th ANNUAL GENERAL
MEETING**

Date : 29th September, 2004
Day : Wednesday
Time : 11.30 a.m.
Place : Registered Office,
Delhi Road, Hisar

REGISTERED OFFICE

Delhi Road, Hisar-125 005 (Haryana) India.

Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499 e-mail: jslhsr@nde.vsnl.net.in

CORPORATE OFFICE

Jindal Centre, 12 Bhikaiji Cama Place, New Delhi – 110 066, India.

Phone:(011) 26188345-60. Fax: (011) 26170691, 26161271 e-mail: jindalsteel@del2.vsnl.net.in

Web Site : www.jindalstainless.com

MUMBAI OFFICE

Jindal Mansion, 5A, G. Deshmukh Marg, Mumbai-400 026, India.

Phone: (022) 23513000. Fax: (022) 23526400, 23522600 e-mail:jindal@bom2.vsnl.net.in

MANUFACTURING FACILITIES

HISAR

Delhi Road, Hisar-125 005 (Haryana) India.

Phone: (01662) 222471-83. Fax : (01662) 220476/ 220499 e-mail: jslhsr@nde.vsnl.net.in

ORISSA

New Dubri, Kalinganagar Industrial Complex, Front of MESCO, Post Damagiri, Distt. Jajpur, Orissa

KOTHAVALASA

Jindal Nagar, Kothavalasa – 535 183, Dist. Vizianagaram (A.P.) India.

Phone: (08966) 273327, 273254, 273335 Fax: (08966) 273326

LIFE STYLE PRODUCT DIVISION

48 K.M. Stone, Delhi Rohtak Road,

Village Rohad, Tehsil: Sampla, Dist. Jhajjar, Haryana, India

ARCHITECTURAL DIVISION

28 K.M. Stone, Delhi Rohtak Road, Tikri Kalan, Delhi, India

Phone: (011) 28352352-53. Fax : (011) 28351738.

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BOARD OF DIRECTORS

Chairman	O.P. Jindal
Vice Chairman & Managing Director	Ratan Jindal
Dy. Managing Director	R.G. Garg
Director – International Marketing Directors	N.C. Mathur Naveen Jindal Suman Jyoti Khaitan Lokesh Kumar Singhal
Executive Director	Rajinder Parkash

Sr. Vice President & Company Secretary	A.P. Garg
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MANAGEMENT TEAM :

Director – Finance	Arvind Parakh
Director – Projects	B. P. Goyal
Executive Vice President - Commercial	R. K. Goyal
Vice President - Corporate HR	S. K. Jain

BANKERS

State Bank of India
State Bank of Patiala
Punjab National Bank
Canara Bank
Standard Chartered Bank
ICICI Bank
UTI Bank
Export-Import Bank of India

STATUTORY AUDITORS

Messrs Lodha & Co.,
Chartered Accountants

Messrs S.S. Kothari Mehta & Co.,
Chartered Accountants

COST AUDITORS

Messrs Ramanath Iyer & Co.,
Cost Accountants

REGISTERED OFFICE

Delhi Road, Hisar -125 005 (Haryana)

WORKS

Hisar (Haryana), Kothavalasa (A.P.),
Dubri, Dist. Jajpur (Orissa),
Rohad, Dist. Jhajjar (Haryana) and Delhi

BRANCHES

Howrah, Mumbai and Kothavalasa



VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Dear Stakeholders,

Year 2003-04 has been a year of special significance to your company. The company is re-emerging. Total income has grown by 33 % and profits after tax is higher by 82 %. I am satisfied with the overall performance, especially with regard to the challenging business environment in which your company operates. Yet, I would like to share with you the matters which are important to me. We have taken decisions which will have a far reaching effect on shaping the future of the company.

It is my belief that our progress will continue going forward. Our country's GDP performance is strong and the expanding middle-class base with higher dispensable income will add to the demand. Cost efficiencies and availability of skilled manpower will contribute to the earnings capability of the domestic industry. Jindal Stainless is poised to be a key beneficiary in the emerging scenario given our sector position and our operating strength.

The opportunities are substantial, and we believe that we must capitalize on such a scenario, leveraging our strengths to expand our size that will reflect performance going forward. Our decision to integrate both backward and forward in terms of setting up ferro alloys and other related facilities; upgradation of hot rolling facilities and addition to our cold rolling facilities would make the company stronger and competitive.

The year that has just gone by has been I believe, a watershed year for our company. Because, we have seen the last of the major restructuring initiatives that we decided to undertake. We have emerged stronger, fitter and a leader in many ways. And, now, we are at an inflection point. We stand at the threshold of a new phase in the life of our organization. I do believe that the rest of the decade - from here on - will be marked by a distinctly different theme. The earlier accent - on restructuring and consolidation - will give way to a phase of growth, not just incremental and normal growth, but accelerated growth. So, the dominant theme, from here on, will be aggressive growth.

And finally, coming to market capitalization, the market capitalization of the company increased 253 % over the past year, far outpacing the rise of 62.7% in the BSE Sensex, over the same period. This measure reflects more than just numbers, it provides a sense of our standing in terms of governance, and the faith investors repose in us, and a recognition - at long last - of our efforts at value creation. Latin American Investment Bank Bahamas Ltd., a Citigroup affiliate, has taken stake in the company of 5 %.

I am confident, the stakeholders will appreciate the aforesaid steps taken by the company and whole-heartedly support now and in future the initiatives taken by the company for creating a better future for itself.

RATAN JINDAL

Vice Chairman & Managing Director

NOTICE

NOTICE is hereby given that the **24th Annual General Meeting** of shareholders of **JINDAL STAINLESS LIMITED** will be held on **Wednesday, 29th September, 2004 at 11.30 a.m. at Registered Office** of the company at **DELHI ROAD, HISAR (Haryana)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and the Board of directors.
2. To approve payment of dividend on equity and preference shares.
3. To appoint a director in place of Sh. R.G. Garg, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Sh. Rajinder Parkash, who retires by rotation and being eligible, offers himself for re-appointment.

5. AS ORDINARY RESOLUTIONS:

- I. **"RESOLVED** that the retiring joint statutory auditors, M/s. Lodha & Co., Chartered Accountants, Kolkata, and M/s. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, who, being eligible, offer themselves for re-appointment be and are hereby re-appointed as joint statutory auditors of the company to conduct audit of the books of accounts of the company for the year 2004-05 and to hold office until the conclusion of the next annual general meeting at a remuneration to be finalised by the Board of directors."
- II. **"RESOLVED FURTHER** that M/s. N.C. Aggarwal & Co., Chartered Accountants, Hisar be and are hereby appointed as Branch Auditors of Visakhapatnam division of the company for the year ending 31st March, 2005 on the terms and conditions and remuneration as may be finalised by the Board of directors."

SPECIAL BUSINESS:

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS:

6. AS AN ORDINARY RESOLUTION:

"RESOLVED that in accordance with the provisions of sections 198, 269, 309 and 310 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the company be and is hereby accorded to the revised terms of

remuneration payable to Sh. Ratan Jindal, Vice Chairman & Managing Director, during the current tenure of his appointment w.e.f. 1st April, 2004 to 22nd July, 2008, as set out in the explanatory statement, with liberty to the Board of directors to alter or vary the same so as not to exceed the limits set out in sections 198 and 309 read with Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of directors and Sh. Ratan Jindal."

7. AS A SPECIAL RESOLUTION

"RESOLVED that pursuant to the section 81, 81(1A) and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modification or reenactment thereof for the time being in force), and in accordance with all relevant provision of Memorandum and Articles of Association of the Company and the existing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Central Government and Reserve Bank of India and/ or any other appropriate authorities, institutions or bodies, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction, which may be agreed to by the Board of Directors of the Company and/or duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as the "Board") the Company do issue, offer and allot pursuant to international offerings in one or more foreign markets, Equity Shares, Foreign Currency Convertible Bonds (FCCBs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), Fully Convertible Debentures (FCDs), Debentures attached with warrants, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), or any other equity related instrument ("Securities") in the aggregate/ equivalent to USD 75 million equivalent to approximately Rs.350 crore to international investor/ s in one or more tranche or tranches, at a price in accordance with the applicable law and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment of such Securities."

"RESOLVED FURTHER that without prejudice to the generality of the above, issue of said Securities may be done upon all or any terms or combination of terms in accordance with international practices including but not limited to conditions or in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all such terms as

are provided customarily in an issue of securities of this nature internationally including terms for issue of the said Securities and the Company is also entitled to enter into and execute all such arrangements/agreements, as the case may be, with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians, legal counsel and all such agencies as may be involved or concerned in such international offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the likes, and also to seek the listing of such Securities or Securities representing the same in one or more stock exchanges whether in India or outside India, as may be required by applicable laws."

"RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorized by the Company for issue of Depository Receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in International capital markets for instruments of this nature and to provide for the tradeability or free transferability thereof as per the International practices and regulations, and under the forms and practices prevalent in the international markets."

"RESOLVED FURTHER that for the purpose of giving effect to any issue or allotment of the said Securities, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary for such purpose including without limitation, the utilization of issue proceeds, entering into trusteeship, underwriting, marketing and depository arrangements, and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in regard to any such issue or allotment of the Securities as it may in its absolute discretion deem fit."

"RESOLVED FURTHER that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

By order of the Board

(A.P. GARG)
Sr. Vice President
& Company Secretary

Registered Office:
Delhi Road, HISAR - 125 005.
15th July, 2004

NOTES:

- A A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- B. A blank proxy form is sent herewith.
- C. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- D. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of item nos. 6 and 7 of the Notice is annexed hereto.

Explanatory Statement under section 173(2) of the Companies Act, 1956.

ITEM NO. 6

Sh. Ratan Jindal was appointed as Vice Chairman & Managing Director of the company for a period of five years from 23rd July, 2003 to 22nd July, 2008 at a remuneration of Rs.6,00,000 per month in the scale of Rs.6,00,000-Rs.1,00,000-Rs.11,00,000. The shareholders had approved his appointment as well as remuneration in the extraordinary general meeting held on 1st August, 2003.

Sh. Ratan Jindal is a commerce graduate and has attended the Advanced Management Program at Wharton Business School. He has over 20 years of experience in the steel industry.

He has been the Vice Chairman & Managing Director of Jindal Strips Limited. Consequential effect of Scheme of Arrangement & Demerger necessitated reconstitution of the Board of Jindal Strips Limited and Jindal Stainless Limited. In furtherance to this, Sh. Ratan Jindal was appointed as Vice Chairman & Managing Director of Jindal Stainless Limited. Pursuant to the Scheme of Arrangement & Demerger between Jindal Strips Limited and Jindal Stainless Limited, sanctioned by Hon'ble Punjab & Haryana High Court, Chandigarh vide its order dated 30th May, 2003, the Stainless Steel Undertaking of Jindal Strips Limited with all its properties, assets, rights and powers have been transferred to and vest in Jindal Stainless Limited.

Keeping in view his vast experience, the Board of directors, in its meeting held on 19th March, 2004, revised his remuneration from 1st April, 2004 to 22nd July, 2008, subject to approval of shareholders. Hence the proposal.

1. Revised Remuneration from 1.4.2004 to 22.7.2008:
 - (a) Salary: Rs.10,00,000 per month in the scale of Rs.10,00,000-Rs.1,50,000-Rs.16,00,000.
 - (b) Commission: 1% Commission on the Net Profits of the company.

**(c) Perquisites and allowances:**

In addition to the salary and commission payable, the Vice Chairman & Managing Director shall also be entitled to:

- i) Residential accommodation to be provided by the company, for which 10% of his salary shall be deducted as rent or allow him House Rent Allowance in lieu thereof as per norms of the company.
- ii) Reimbursement of medical expenses for self and family.
- iii) Leave travel allowance for self and family (including foreign trip) in accordance with the rules of the company.
- iv) Payment of Club fees including life membership fees.
- v) Contribution to Provident Fund and/or Superannuation Fund in accordance with the rules of the company.
- vi) Personal Accident Insurance, the annual premium for which does not exceed Rs.75,000/-.
- vii) Premium for Keyman's Insurance Policy, for an amount not exceeding Rs.10 Crores.
- viii) Gratuity payment computed at half a month's salary for each completed year of service.
- ix) Free use of car with driver.
- x) Free telephone facility at residence. All personal long distance calls shall be billed by the company.
- xi) Earned leave on full pay and allowance as per the rules of the company.
- xii) Other allowances as per rules of the company.

2. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Sh. Ratan Jindal, Vice Chairman & Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above, subject to Central Government approval.

3. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.**4. He shall not be paid any sitting fees for attending the meetings of the Board of directors or committees thereof.**

5. The above remuneration payable to him shall be subject to the limits of 5% and 10% of the Net Profits of the company, as the case may be as laid down in section 309 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and the overall limit of 11% of the Net Profits of the company as laid down in Section 198(1) of the said Act.

6. He shall not be liable to retire by rotation.

In compliance with the provisions of section 309 of the Companies Act, 1956, the terms of remuneration specified above is placed before the members in the general meeting for their approval.

This may be treated as an abstract of the draft agreement between the company and Sh. Ratan Jindal pursuant to section 302 of the Companies Act, 1956.

Sh. Ratan Jindal, being concerned, is interested in the resolution. Sh. O.P. Jindal and Sh. Naveen Jindal, being relatives of Sh. Ratan Jindal may be regarded as concerned or interested in the resolution. None of the other directors of the company are concerned or interested in the resolution.

ITEM NO. 7

In order to mobilize funds for the normal capital expenditure, ongoing expansion in the State of Orissa, modernization, general corporate purposes, working capital requirements etc., it is proposed to make international offerings in one or more foreign markets of Foreign Currency Convertible Bonds (FCCBs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), Fully Convertible Debentures (FCDs), Debentures attached with warrants, Global Depository Receipts (GDRs), American Depository Receipts (ADRs) or any other equity related instrument amounting in aggregate/equivalent to US\$ 75 million equivalent to approximately Rs.350 crore to any international investor(s) in one or more tranches, at a price in accordance with the applicable law and otherwise on such terms and conditions as may be deemed appropriate by the Board at the time of issue or allotment.

Pursuant to the issuance and allotment of the Security by the company as mentioned above, the holders of any convertible instrument issued by the company would be entitled to convert their respective securities into equity shares of your company ranking pari passu in all respects with the existing equity shares of the company.

None of the promoters, directors or key persons in the management of the company intend to subscribe to Securities, which are proposed to be issued and allotted to multilateral financial institutions and foreign institutional investors etc.

The special resolution seek to give the Board/ Committee powers to issue and market any securities issued pursuant to the Offer, including for instance the power to issue such securities in one or more tranche or tranches, at such time or times and at such price or prices as the Board may in its absolute discretion deem fit.

The detailed terms and conditions for such international offer will be determined in consultation with the lead managers, advisors and underwriters to be appointed by the company. Since the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of securities or shares to be issued and hence an enabling resolution in wide terms is proposed to give adequate flexibility and discretion to the Board/ Committee to finalise the terms in consultation with the lead managers and underwriters or such other authority or authorities as need to be consulted including in relation to the pricing of the issue which will be a free market pricing and may be at a premium or discount to market price in accordance with the international practice.

Section 81 of the Companies Act, 1956, provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the company in the manner laid down in section 81, unless the shareholders in a general meeting decide otherwise.

The listing agreements with the stock exchanges provide, inter alia, that the company, in the first instance, should offer all shares and debentures to be issued by the company for subscription, pro-rata to the equity shareholders unless the shareholders decide otherwise in a general meeting.

Under the said special resolution, consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreements executed by the company with the various stock exchanges in India where the company's securities are listed.

The said special resolution will, if passed, enable the Board on behalf of the company to issue and allot securities, otherwise than on a pro-rata basis to the existing shareholders, as permitted by section 81 of the Companies Act, 1956.

The Board of directors believes that the proposed international offer will be in the best interest of the company.

Directors, therefore, recommend the resolution for approval of the shareholders.

None of the directors of the company are, in any way, concerned with or interested in the resolution.

The following documents would be open and accessible (for inspection by persons entitled to attend and vote at the meeting) at the registered office of the company on any working day except holidays till the date of the meeting between 11.00 a.m. and 1.00 p.m.

- (a) Memorandum and Articles of Association of the company.
- (b) Latest annual audited accounts of the company for the financial year ended 31st March, 2004.

Additional Information : As required in terms of para VI(A) of clause 49 of the listing agreement.

Brief Profile of directors, who retires by rotation and are eligible for re-appointment:

Sh. R.G. Garg

Sh. R.G. Garg, Dy. Managing Director of Jindal Stainless Limited is B.Sc. Engg.(Hons.) Mech. from Punjab Engineering College, Chandigarh. As Chief Operating Officer of the company, he oversees all operations of the company, assisted by operational heads of respective areas. He is also responsible for formulating the strategic policies in consultation with senior management and the Vice Chairman & Managing Director. He, with his team of operational heads, are fully involved in finalizing strategic policies, annual targets for the company which are approved by the Vice Chairman & Managing Director. He periodically monitors the progress of the set targets.

Outside Directorship: Jindal Strips Limited (Director).

Committee Membership: Shareholders' / Investors' Grievance Committee of Jindal Stainless Limited (Member).

Sh. Rajinder Parkash

Sh. Rajinder Parkash is a Diploma Holder in Mechanical Engineering. He has wide experience and knowledge of legal, general administration.

Outside Directorship: Jindal Strips Limited and Nalwa Investments Limited (Director).

Committee Membership: Shareholders' / Investors' Grievance Committee of Jindal Stainless Limited (Member). Shareholders' / Investors' Grievance Committee of Jindal Strips Limited (Chairman), Remuneration Committee of Jindal Strips Limited (Chairman).

By order of the Board

(A.P. GARG)
Sr. Vice President
& Company Secretary

Registered Office:
Delhi Road, HISAR - 125 005.
15th July, 2004

FOR ATTENTION OF SHAREHOLDERS

1. The register of members and share transfer books of the company will remain closed from Tuesday, 21st September, 2004 to Tuesday, 28th September, 2004 (both days inclusive).
2. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
3. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of their folios and send relevant share certificates to the Registrar of the company.
4. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.
5. The company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.

REQUEST TO THE MEMBERS

- * **Members having old share certificates of Jindal Strips Limited issued prior to the Scheme of Arrangement and Demerger between Jindal Strips Limited and Jindal Stainless Limited and members having share certificates of erstwhile Jindal Ferro Alloys Limited are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, JINDAL STRIPS LIMITED, DELHI ROAD, HISAR - 125 005 (HARYANA) INDIA, to enable both Jindal Strips Limited and Jindal Stainless Limited to issue new share certificates. Members having share certificates of Jindal Strips Limited having distinctive numbers in the range of 60000001-65136163 are not required to surrender their share certificates.**
- * **Members having old share certificates of Jindal Stainless Limited comprising shares of face value of Rs.10/- each are hereby requested to surrender their share certificates to THE COMPANY SECRETARY, JINDAL STAINLESS LIMITED, DELHI ROAD, HISAR - 125 005 (HARYANA) INDIA to issue new share certificates of face value of Rs.2/- each.**
- * Members desiring any information/clarification on the accounts are requested to write to the company at least seven days in advance, so as to enable the management to keep the information ready at the annual general meeting.
- * As a measure of economy, copies of the annual report will not be distributed at the meeting. Members are requested to bring along their copies.
- * Members/proxies are requested to bring the attendance slip, duly filled in.
- * Members are requested to inform immediately their bank account particulars in the following manner, if not informed earlier, to the Registrar, in respect of equity shares in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form, so that the same could be incorporated in payment warrants after their names to avoid fraudulent encashment :

Folio No. / Client Id No.

Name

Bank A/c. No.

Name of the Bank

Signature of Shareholder

- * Members attending the AGM and desiring to go round the factory, are requested to inform a week in advance so that necessary arrangements are made.

IN DEFERENCE TO THE GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

DIRECTORS' REPORT

TO
THE MEMBERS,

Your directors have pleasure in presenting the 24th annual report on the business and operations of your company together with the audited statement of accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

Description	(Rs. in Crore)	
	Year Ended 31.03.2004	Year Ended 31.03.2003
Gross Sales & Income from Operations	2605.58	1989.93
Less: Excise duty (including Rs.(428.28 lacs) on inc./ (dec.) in stock {P.Y.(Rs.254.75 lacs)})	188.69	169.30
Net Sales/Income from Operations	2416.89	1820.63
Add: Other Income	3.27	4.43
Total Sales/Income	2420.16	1825.06
Profit before Interest, Depreciation and Tax	395.28	335.09
Less: Interest/Bank Charges	24.75	84.26
Depreciation	106.91	110.13
Exceptional Item	30.57	9.94
Provision for Tax	25.97	9.27
Provision for Deferred Tax	42.89	31.34
Net Profit after Tax	164.19	90.15
Add / (Less):		
Amount brought forward	33.20	-
Debenture Redemption Reserve written back	2.25	2.25
Surplus / (Deficit) as per Scheme of Arrangement & Demerger / Amalgamation	(0.60)	1.97
Previous year Depreciation written back	0.09	-
Profit available for Appropriation	199.13	94.37
Less: Interim Dividend on Equity Shares	19.38	8.27
Interim Dividend on Preference Shares	0.21	1.84
Corporate Dividend Tax	2.51	1.06
Debenture Redemption Reserve	5.00	-
Capital Redemption Reserve	20.00	-
General Reserve	130.00	50.00
Balance carried to Balance Sheet	22.03	33.20

SHARE CAPITAL

Consequent upon the allotment pursuant to the Scheme of Arrangement & Demerger and Scheme of Arrangement between Jindal Strips Limited and Jindal Stainless Limited and Scheme of Amalgamation between Jindal Stainless Limited, Austenitic Creations Private Limited and J-Inox Creations Private Limited, the paid up equity share capital was Rs.18,98,27,120 divided into 1,89,82,712 equity shares of Rs.10/- each.

On 13th January, 2004, 460 Foreign Currency Convertible Bonds of USD 5000 each acquired by Latin American Investment Bank Bahamas Limited (LAIB), an affiliate of Citigroup Global Investments, were converted into 9,99,752 fully paid equity shares of Rs.10/- each and allotted to LAIB. After the above allotment, paid up equity share capital of the company increased to Rs.19,98,24,640 divided into 1,99,82,464 equity shares of Rs.10/- each.

The shareholders of the company, in the extraordinary general meeting held on 20th February, 2004, approved sub-division of equity shares from Rs.10/- per share to Rs.2/- per share. Consequent upon the sub-division, paid up equity share capital is Rs.19,98,24,640 divided into 9,99,12,320 equity shares of Rs.2/- each.

During financial year 2003-04, your company has redeemed Redeemable Cumulative Non Convertible Preference Shares amounting to Rs.20 Crore.

DIVIDEND**Equity Shares**

The Board of directors had declared first interim dividend @ Rs.6/- per equity share of Rs.10/- each in its meeting held on 2nd December, 2003 on 1,89,82,712 equity shares of Rs.10/- each and second interim dividend @ Re.0.80 per share of Rs. 2/- each in its meeting held on 19th April, 2004 on 9,99,12,320 equity shares of Rs.2/- each for the financial year ended on 31st March, 2004.