

JSW ISPAT Steel Limited
(Formerly Ispat Industries Limited)

Regd. Office : 'The Enclave', 5th Floor, Behind Marathe Udyog Bhavan, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025

(₹ in crores)

PART - I Statement of Standalone Unaudited Financial Results for the Quarter & Six months ended 31st December, 2012						
Sl. No.	Particulars	Quarter ended			Half year ended	
		31st December	30th September	31st December	31st December	30th June
		2012	2012	2011	2012	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations					
a)	Net sales/income from operations (Net of excise duty)	2678.37	2547.00	2563.60	5,225.37	5,147.75
b)	Other operating income	92.44	93.50	104.16	185.94	155.79
	Total Income from operations (net)	2770.81	2640.50	2667.76	5411.31	5303.54
2	Expenses					
a)	Cost of materials consumed	1739.27	1938.77	1783.63	3,678.04	3,600.95
b)	Cost of traded power	60.75	60.59	-	121.34	-
c)	Changes in inventories of finished goods and work-in-progress	123.01	(191.78)	57.81	(68.77)	67.47
d)	Power & fuel cost	475.59	478.02	449.50	953.61	908.86
e)	Employee benefits expense	62.67	67.15	63.89	129.82	141.88
f)	Depreciation and amortisation expense	138.44	161.71	139.41	320.15	307.96
g)	Other expenses	180.48	181.60	164.90	362.28	332.32
	Total Expenses	2800.21	2696.26	2679.14	5495.47	5379.44
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(29.40)	(85.76)	(11.38)	(85.16)	(75.90)
4	Other income (Refer note 4 below)	117.63	100.23	100.06	217.86	209.04
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	88.23	44.47	88.68	132.70	133.14
6	Finance costs	247.51	180.37	286.24	427.88	532.26
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(159.28)	(135.90)	(197.56)	(295.18)	(419.12)
8	Exceptional items (Refer note 2 below)	82.51	(235.36)	111.01	(152.85)	234.75
9	Profit / (Loss) from ordinary activities before tax (7-8)	(241.79)	99.46	(308.57)	(142.33)	(683.87)
10	Tax expenses					
-	Current tax	-	-	-	-	-
-	Deferred tax charge/ (credit) (Refer note 1 (a) below)	(111.05)	(22.93)	-	(133.98)	(779.18)
11	Net Profit/(Loss) from ordinary activities after tax (9 - 10)	(130.74)	122.39	(308.57)	(8.35)	(683.87)
12	Paid-Up Equity Share Capital (Face Value of ₹ 10/- each)	2,516.14	2,516.14	2,586.11	2,516.14	2,586.11
13	Reserves excluding Revaluation Reserves					(2,619.09)
14	Earnings Per Share (EPS) (of ₹ 10/- each) (not annualised)					
	Basic (₹)	(0.52)	0.49	(1.24)	(0.03)	(2.63)
	Diluted (₹)	(0.52)	0.49	(1.24)	(0.03)	(2.63)

PART - II Select Information for the Quarter & Six months ended 31st December, 2012						
Sl. No.	Particulars	Quarter ended			Half year ended	
		31st December	30th September	31st December	31st December	30th June
		2012	2012	2011	2012	2011
A	Particulars of shareholding					
1	Public shareholding					
-	Number of shares	910920461	846365566	716227283	910920461	716227283
-	Percentage of shareholding	36.19%	33.63%	30.01%	36.19%	30.01%
2	Promoters and Promoter Group shareholding					
a)	Pledged/ Encumbered					
-	Number of shares	-	477730463	477730463	-	477730463
-	Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	-	28.60%	28.60%	-	28.60%
-	Percentage of shares (as a % of the total share capital of the Company)	-	18.98%	20.02%	-	20.02%
b)	Non-Encumbered					
-	Number of shares	1608910040	1192734472	1192734472	1608910040	1192734472
-	Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	100.00%	71.40%	71.40%	100.00%	71.40%
-	Percentage of shares (as a % of the total share capital of the Company)	63.81%	47.39%	49.97%	63.81%	49.97%
B	Investor complaints	3 months ended 31/12/2012				
	Pending at the beginning of the quarter	-	-	-	-	-
	Received during the quarter	47	-	-	-	-
	Disposed during the quarter	47	-	-	-	-
	Pending at the end of the quarter	-	-	-	-	-



Notes:-

1. a) The Auditors in their audit report on the Company's financial statements for the year ended 30th June 2012 and limited review report on the unaudited financial results for the quarter ended 30th September 2012 had qualified the recognition of net Deferred Tax Asset (DTA) of ₹ 2087.94 crores and ₹ 2110.87 crores respectively.

Deferred Tax Asset of ₹ 111.05 crores has been recognised during the quarter ended 31st December 2012 and net DTA as on 31st December 2012 stands at ₹ 2221.92 crores. There are carried forward unabsorbed depreciation and business losses as at 31st December 2012. In view of various measures taken by the Company for enhancing operating efficiency, tie-up of reliable alternate sources of power and critical inputs, setting-up of crucial projects aimed at achieving raw material integration, major savings in input costs as well as future profitability projections and the Composite Scheme of Arrangement and Amalgamation set out in (b) below, the Company is virtually certain that there would be sufficient taxable income in future, to claim the above tax credit.

These financial results have been drawn up as per the going concern assumption, which is appropriate in the opinion of the Company.

- b) The Board of Directors of the Company on 1st September 2012 approved a Composite Scheme of Arrangement and Amalgamation under section 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW ISPAT Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited (formerly Maharashtra Sponge Iron Limited) and their Respective Shareholders and Creditors with 1st July 2012 being the 'Appointed Date'. Approval for the Scheme has been received from the shareholders and certain regulatory authorities. Approval of creditors and the Hon'ble High Court of Bombay is pending to be received and, hence, no accounting impact of the Scheme has been considered in the results above.
2. There was a significant depreciation in the value of the Indian rupee against the US dollar and other foreign currencies during the quarter. Hence, loss on account of foreign exchange fluctuation on operating balances/ forward exchange contracts and Mark to Market loss on derivative contracts aggregating to ₹ 82.51 crores (Gain of ₹ 75.62 crores for the six months ended 31st December 2012) has been treated as an exceptional item.
3. There were no extra-ordinary items during the respective periods reported above.
4. Other Income includes a sum of ₹ 102.66 crores and ₹ 196.94 crores for the quarter and six month ended 31st December 2012 (₹ 92.64 crores and ₹ 184.08 crores for the quarter and six month ended 31st December 2011), being gain arising on account of pre-payment on Net Present Value basis of a portion of deferred Value Added / Sales Tax liability, in terms of Section 94(2) of Maharashtra Value Added Tax Act, 2002 read with Rule 84 of Maharashtra Value Added Tax Rules, 2005.
5. The Company has identified Iron & Steel products as its sole operating segment and hence no further disclosure is required under Accounting Standard 17 'Segment Reporting'.
6. Previous period figures have been re-grouped / re-arranged wherever necessary.
7. During the quarter, the Company has divested its holding in the equity share capital of Ispat Energy Limited. Consequently, Ispat Energy Limited has ceased to be a wholly-owned subsidiary of the Company.
8. The auditors of the Company have carried out a Limited Review of the Standalone Financial Results for the quarter ended 31st December 2012 in compliance with Clause 41 of the Listing Agreement. The Standalone Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11th February 2013.



9. Standalone Statement of Assets and Liabilities

(₹ In crores)

Sr. No.	Particulars	As at 31st Dec, 2012	As at 30th June, 2012
		Unaudited	Audited
A	<u>Equity and liabilities</u>		
1	Shareholders' funds		
	(a) Share capital	3,001.56	3,001.56
	(b) Reserves and surplus	(1,869.72)	(1,820.10)
	Sub Total - Shareholders' funds	1,131.84	1,181.46
2	Non-current liabilities		
	(a) Long-term borrowings	5,693.51	6,034.83
	(b) Other long-term liabilities	235.95	8.85
	(c) Long-term provisions	46.37	44.27
	Sub Total - Non-current liabilities	5,975.83	6,087.95
3	Current liabilities		
	(a) Short-term borrowings	226.37	180.96
	(b) Trade payables	4,361.45	3,825.09
	(c) Other current liabilities	1,070.53	908.98
	(d) Short-term provisions	6.91	6.58
	Sub Total - Current liabilities	5,665.26	4,921.61
	TOTAL - Equity and liabilities	12,772.93	12,191.02
B	<u>Assets</u>		
1	Non-current assets		
	(a) Fixed assets	6,857.82	7,009.76
	(b) Non-current investments	160.99	160.99
	(c) Deferred tax assets (net)	2,221.92	2,087.94
	(d) Long-term loans and advances	472.13	189.43
	(e) Other non-current assets	22.80	82.34
	Sub Total - Non-current assets	9,735.66	9,530.46
2	Current assets		
	(a) Inventories	1,833.63	1,713.25
	(b) Trade receivables	779.51	591.17
	(c) Cash and bank balances	36.87	9.82
	(d) Short-term loans and advances	363.69	320.48
	(e) Other current assets	23.57	25.84
	Sub Total - Current assets	3,037.27	2,660.56
	TOTAL - Assets	12,772.93	12,191.02

For and on behalf of the Board

Place: Mumbai

Date: 11 February 2013

B.K. Singh

Chief Executive Officer

