

**ISPAT INDUSTRIES LIMITED**

**Report on Corporate Governance for the Quarter ended on 31<sup>st</sup> March, 2009**

<b>Particulars</b>	<b>Clause of Listing agreement</b>	<b>Compliance Status Yes/ No</b>	<b>Remarks</b>
<b>I. Board of Directors</b>	49 I		
(A) Composition of Board	49 (IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	<p>Compliance affirmed for the year 2007-08 and declaration by CEO has been duly incorporated in the Annual Report for the year 2007-2008.</p> <p>Affirmation of compliance for the year 2008-09 is being obtained. Declaration by CEO shall also be incorporated in the Annual Report for the year 2008-09.</p>
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Chairman of the Audit Committee has resigned effective 29 <sup>th</sup> January, 2009. Appointment of the Chairman of the Audit Committee shall be decided by the Audit Committee.
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	Yes	
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	In respect of unaudited financial results for quarter ended 31 <sup>st</sup> December 2009, the Company has adjusted foreign exchange differences on term loans obtained for acquiring imported fixed assets to the carrying amount of fixed assets, which accounting treatment is at variance with AS11 ("Effect of changes in Foreign Exchange rates"). Due disclosure of the fact has been made in the said unaudited financial results together with management's explanation.
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	NA	
(E) Remuneration of Directors	49 (IV E)	Yes	<p>Disclosed in the Annual Report for the year 2007-08.</p> <p>Shall be disclosed in the Annual Report for the year 2008-09.</p>

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(F) Management	49 (IV F)	Yes	Formed part of the Annual Report for the year 2007-08.  Shall form part of the Annual Report for the year 2008-09.
(G) Shareholders	49 (IV G)	Yes	Formed part of the Annual Report for the year 2007-08.  Shall form part of the Annual Report for the year 2008-09.
<b>V. CEO/CFO Certification</b>	49 (V)	Yes	Complied in respect of Financial Year 2007-08. Also forms part of Annual Report for the year 2007-08.  Shall be complied for the financial year 2008-09.
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	Formed part of the Annual Report for the year 2007-08.  Shall form part of the Annual Report for the year 2008-09.
<b>VII. Compliance</b>	49 (VII)	Yes	Sub-clause (1) – Formed part of the Annual Report for the year 2007-08.  Shall form part of the Annual Report for the year 2008-09.  Sub-clause (2) – Non-mandatory disclosure made in the Annual Report for the year 2007-08.  Disclosure shall be made in the Annual Report for the year 2008-09.