

ISPAT INDUSTRIES LIMITED

Regd. Office : Park Plaza, 71, Park Street, Kolkata - 700 016

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2004

(Rs. Crores)

| SL. No. | Particulars | Unaudited Nine months ended Dec 31, 2003 | Unaudited | | Audited | | Audited Consolidated Financial Results for the Year ended 31st March | |
|-----------|--|--|--------------------------|----------------|--------------------------|-----------------|--|-----------------|
| | | | Quarter ended 31st March | | Year Ended 31st March | | | |
| | | | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| 1 | Sales/Income from Operations | 2923.82 | 1190.89 | 1148.52 | 4114.71 | 3370.25 | 4114.71 | 3370.25 |
| | Less : Excise Duty | 292.82 | 87.59 | 76.27 | 380.41 | 307.96 | 380.41 | 307.96 |
| | | 2631.00 | 1103.30 | 1072.25 | 3734.30 | 3062.29 | 3734.30 | 3062.29 |
| 2 | Other Income | 62.99 | 23.24 | 30.42 | 86.23 | 60.94 | 86.09 | 60.94 |
| 3 | Total Income (1+2) | 2693.99 | 1126.54 | 1102.67 | 3820.53 | 3123.23 | 3820.39 | 3123.23 |
| 4 | Total Expenditure | | | | | | | |
| | a) (Increase) / Decrease in Stock in Trade | (32.72) | (21.94) | 96.55 | (54.66) | 51.30 | (54.66) | 51.30 |
| | b) Materials Consumed | 1372.90 | 593.20 | 469.20 | 1966.10 | 1506.86 | 1966.10 | 1506.86 |
| | c) Purchase of Finished Goods | 64.43 | 7.09 | 87.31 | 71.52 | 95.12 | 71.52 | 95.13 |
| | d) Power & Fuel Costs | 354.51 | 120.58 | 102.25 | 475.09 | 345.63 | 475.09 | 345.63 |
| | e) Personnel Cost | 52.82 | 18.75 | 15.77 | 71.57 | 54.74 | 71.57 | 54.74 |
| | f) Other Expenditure | 457.68 | 200.94 | 207.85 | 658.62 | 631.14 | 662.47 | 641.27 |
| | Total Expenditure (4a to 4f) | 2269.62 | 918.62 | 978.93 | 3188.24 | 2684.79 | 3192.09 | 2694.93 |
| 5 | Profit before interest & Finance Charges, Depreciation,Deferred Revenue Expenditure & Exceptional Items (3-4) | 424.37 | 207.92 | 123.74 | 632.29 | 438.44 | 628.30 | 428.30 |
| 6 | Interest & Finance Charges | 223.89 | 111.37 | 48.80 | 335.26 | 327.56 | 335.26 | 327.56 |
| 7 | Depreciation | 159.59 | 60.07 | 50.30 | 219.66 | 210.12 | 219.66 | 210.12 |
| 8 | Deferred Revenue Expenditure Written off | 12.87 | 4.29 | (1.36) | 17.16 | 18.29 | 17.16 | 18.29 |
| 9 | Profit / (Loss) before Exceptional Items (5-6-7-8) | 28.02 | 32.19 | 26.00 | 60.21 | (117.53) | 56.22 | (127.67) |
| 10 | Exceptional Items (Net) | - | - | 184.05 | - | 184.05 | - | 184.05 |
| 11 | Profit / (Loss) before Tax (9-10) | 28.02 | 32.19 | 210.05 | 60.21 | 66.52 | 56.22 | 56.38 |
| 12 | Provision for Taxation (Net) | | | | | | | |
| | - Current | - | - | 0.65 | - | 0.65 | - | 0.65 |
| | - Deferred | 10.08 | 5.81 | 26.09 | 15.89 | (16.96) | 15.89 | (16.96) |

| | | | | | | | | |
|-----------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 13 | Net Profit / (Loss) (11-12) | 17.94 | 26.38 | 183.31 | 44.32 | 82.83 | 40.33 | 72.69 |
| 14 | Paid-Up Equity Share Capital (Equity Share of Rs.10/- each) | 685.76 | 685.77 | 685.76 | 685.77 | 685.76 | 685.77 | 685.76 |
| 15 | Reserves excluding Revaluation Reserve | - | - | - | - | - | - | - |
| 16 | Basic EPS (Rs) Diluted EPS (Rs) (Not Annualised) | (0.18) (0.18) | 0.07 0.05 | 0.17 0.11 | (0.11) (0.11) | 0.55 0.45 | (0.17) (0.17) | 0.41 0.34 |
| 17 | Aggregate of Non promoter shareholding - Number of shares - Percentage of shareholding | 315238656 45.52 | 315238656 45.52 | 315238654 45.52 | 315238656 45.52 | 315238656 45.52 | 315238656 45.52 | 315238656 45.52 |

Notes:

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| 1. | Stage-A (0.9 Million Ton) of Second Phase (1.5 Million Ton) of the Hot Strip Mill project has been commissioned and commercial production has commenced. |
| 2(a) | In the case of lenders who are yet to accord their approval for participation in the Corporate Debt Restructuring (CDR) scheme, Interest has been provided in accordance with the existing terms applicable to the respective loans. |
| (b) | The Equity conversion into 0.01% Cumulative Redeemable Preference Shares (CRPS), conversion of term loans into Equity and conversion of a portion of interest dues into 10% CRPS in terms of the restructuring scheme has not been considered pending fulfillment of compliance and necessary approvals of Shareholders, High Court etc. |
| (c) | In terms of the restructuring scheme, M/s Ispat Metalics India Limited (IMIL) would be merged with the company effective from 1st April 2003. Pending completion of various formalities concerning above merger, the operating results indicated above are exclusive of the operating results of IMIL for the financial year ended 31 st March, 2004. |
| 3. | The Auditors in their report on the company's Accounts for the year ended 31st March, 2003 had commented about their inability to ascertain the impact, if any, on the company's profit / profit & loss account debit balance, of certain inter-corporate deposits considered recoverable, deferred tax asset based on future profitability projections, write back of interest and loan liabilities of Rs.554.17 crores pursuant to settlement / understanding with certain overseas lenders / credit provider subject to fulfillment of mutually agreed terms and conditions, and consideration of Rolling mill and facilities attached thereto under trial run. As per the management, all inter-corporate deposits are fully recoverable and are expected to be recovered by 31st March 2005. As regards deferred tax asset, based on future profitability projections, it is certain that the benefits would be availed of. With respect to settlement of loans / dues with certain overseas lenders, the terms as agreed from time to time would be duly complied with. The terms and conditions agreed with the credit provider have been fully complied with. The facilities relating to Rolling Mill have been commissioned and commercial production has commenced. |
| 4. | The Auditors in their report on the Company's Accounts for the year ended 31 st March, 2004 have commented about their inability to ascertain the impact, if any, on the Company's financial statements, of certain inter-corporate recoverables considered as recoverable and deferred tax asset recognized based on future profitability projections. |
| 5. | The company has identified Iron & Steel products as its sole operating segment and hence, no further disclosure is required under Accounting Standard 17. |
| 6. | The Consolidated Financial Statements are prepared in accordance with the principles and procedures for the preparation and presentation as set out in the Accounting Standards (AS 21 and AS 23) issued by The Institute of Chartered Accountants of India. The financial statements of the parent company Ispat Industries Limited and its subsidiary companies, Ispat Energy Limited and Nippon Ispat Singapore (Pte) Limited have been combined on a line-by-line basis. The investments in Ispat Metalics India Limited, an associate company, is |

accounted for under the "Equity Method". The consolidated financial statements are prepared applying uniform accounting policies.

7. Previous period figures have been re-grouped / re-arranged wherever necessary.

8. At the beginning of the quarter ended 31st March, 2004, there were 23 complaints from investors pending for disposal. During the quarter, 1080 complaints were received and 1103 complaints were disposed. At the end of the quarter ended 31st March, 2004 no complaints from investors were pending for disposal.

9. The above results for the Financial Year ended 31st March, 2004 were reviewed by the Audit Committee at its meeting held on 29th June, 2004 and taken on record by the Board of Directors at its meeting held on 30th June, 2004.

Place: Mumbai

For and on behalf of the Board

Dated: 30th June 2004

Anil Sureka
Executive Director (Finance)

7. The above results for the Quarter and year ended 31st March December 2004 were reviewed by the Audit Committee at its meeting held on 29th June 2004 and taken on record by the Board of Directors at its meeting held on 30th June 2004.