

ISPAT INDUSTRIES LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2005

(Rs. Crores)

SL. No.	Particulars	Unaudited Nine months ended Dec 31, 2004	Unaudited		Audited		Audited Consolidated Financial Results for the Year ended 31st March	
			Quarter ended 31st March		Year Ended 31st March			
			2005	2004	2005	2004	2005	2004
1	Sales/Income from Operations	4637.62	1821.77	1190.89	6459.39	4112.42	6459.42	4112.42
	Less : Excise Duty	255.32	125.99	87.59	381.31	380.41	381.31	380.41
		4382.30	1695.78	1103.30	6078.08	3732.01	6078.08	3732.01
2	Other Income	27.19	7.62	23.24	34.81	87.56	34.81	87.42
3	Total Income (1+2)	4409.49	1703.40	1126.54	6112.89	3819.57	6112.89	3819.43
4	Total Expenditure							
	a) (Increase) / Decrease in Stock in Trade	2.37	8.90	(21.94)	11.27	(54.66)	11.27	(54.66)
	b) Materials Consumed	2201.59	824.07	593.20	3025.66	1966.10	3025.66	1966.10
	c) Purchase of Finished Goods	-	-	7.09	-	71.52	-	71.52
	d) Power & Fuel Costs	475.66	157.25	120.58	632.91	475.09	632.91	475.09
	e) Personnel Cost	82.22	30.21	18.75	112.43	73.26	112.43	73.26
	f) Other Expenditure	609.75	224.74	200.94	834.49	655.97	834.63	655.98
	Total Expenditure (4a to 4f)	3371.59	1245.17	918.62	4616.76	3187.28	4616.90	3187.29
5	Profit before Interest & Finance Charges, Depreciation, Deferred Revenue Expenditure & Exceptional Items (3-4)	1037.90	458.23	207.92	1496.13	632.29	1495.99	632.14
6	Interest & Finance Charges	493.77	40.29	111.37	534.06	335.26	534.06	335.26
7	Depreciation	326.90	109.09	60.07	435.99	219.66	435.99	219.66
8	Deferred Revenue Expenditure Written off	35.68	-	4.29	35.68	17.16	35.68	17.16
9	Profit before Exceptional Items (5-6-7-8)	181.55	308.85	32.19	490.40	60.21	490.26	60.06
10	Exceptional Items (Net)	405.14	-	-	405.14	-	405.14	-
11	Profit / (Loss) before Tax (9-10)	586.69	308.85	32.19	895.54	60.21	895.40	60.06
12	Provision for Taxation (Net)							
	- Current (Including relating to earlier years)	(0.65)	0.03	-	(0.62)	-	(0.62)	-
	- Deferred	57.59	142.31	5.81	200.10	15.89	200.10	15.89

13	Net Profit (11-12)	529.55	166.51	26.38	696.06	44.32	695.92	44.17
14	Share of loss of an associate company	-	-	-	-	-	36.13	3.84
15	Consolidated Profit (13-14)	-	-	-	-	-	659.79	40.33
16	Paid-Up Equity Share Capital (Equity Share of Rs.10/- each)	685.77	685.80	685.77	685.80	685.77	685.80	685.77
17	Reserves excluding Revaluation Reserve	-	-	-	745.56	-	696.40	-
18	Basic EPS (Rs)	7.03	2.20	0.07	9.34	(0.11)	8.82	(0.17)
	Diluted EPS (Rs) (Not Annualised)	5.34	1.66	0.05	7.05	(0.11)	6.66	(0.17)
19	Aggregate of Non promoter shareholding							
	- Number of shares	315238656	315238656	315238654	315238656	315238656	315238656	315238656
	- Percentage of shareholding	45.52	45.52	45.52	45.52	45.52	45.52	45.52

Notes:

1.	The company's projects, namely, Sinter Plant, Oxygen Plant and EAF II etc. are under implementation and would add significantly to the company's production capacity and also reduce operating costs with consequent improvement in profitability.
2(a)	The conversion of equity into 0.01% Cumulative Redeemable Preference Shares (CRPS) and allotment of Equity Shares in terms of the Scheme of Reconstruction and Amalgamation is yet to be effected pending completion of the legal formalities.
(b)	M/s Ispat Metallics India Limited (IMIL) is proposed to be merged with the company effective from 1st April 2004. Pending various approvals relating to the merger, the above results are exclusive of the provisional losses of IMIL, aggregating to Rs. 483 crores approximately for the twelve-month period ended 31st March 2005. Further, based on legal opinion obtained by the company, no provision has been considered for Minimum Alternate Tax, in view of the above losses of IMIL as well as the brought forward business losses of that company.
3.	Exceptional item represents gain arising on settlement of the principal amount of Euro Bond loan liability.
4.	The Auditors in their report on the company's Accounts for the year ended 31st March, 2004 had commented about their inability to ascertain the impact, if any, on the company's financial statements of certain inter-corporate deposits considered as recoverable and deferred tax asset recognized based on future profitability projections.
	The entire principal amount of inter-corporate deposits have been recovered during the year. The deferred tax asset at the beginning of the financial year has been reversed during the year due to profits earned by the company and as at 31st March, 2005 there is a net deferred tax liability, without considering the impact of provisional losses of Ispat Metallics India Limited as mentioned in 2(b) above.
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 company and its subsidiary companies viz, Ispat Energy Limited and Nippon Ispat Singapore (Pte) Limited have been combined on a line-by-line basis. The investments in Ispat Metallics 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 2005, there were 2 complaints from investors pending for disposal. During the quarter, 559 complaints were received and 558 complaints were disposed. At the end of the quarter, 3 complaints were pending for disposal, which have since been disposed.
9.	The above results for the Financial Year ended 31st March, 2005 were reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 29th June, 2005.

Place: Mumbai	For and on behalf of the Board
Dated: 29th June, 2005	Anil Sureka Executive Director (Finance)