



February 14, 2011

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra East,
Mumbai-400 051..

Fax No. 022- 26598237/38

Dear Sirs,

We wish to inform you that, pursuant to Clause 41 of the Listing Agreement, the unaudited financial results (standalone) of our Company for the quarter ended 31st December, 2010 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held today i.e. 14th February, 2011.

The said results are enclosed as Annexure "A".

Thanking you,

Yours faithfully,
For ISPAT INDUSTRIES LIMITED



T P SUBRAMANIAN
PRESIDENT & COMPANY SECRETARY



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2010

(Rs. in crores)

Sl. No.	Particulars	Standalone Financial Results				
		Quarter ended 31st December		Six Months ended 31st December		Fifteen months ended 30th June
		2010	2009	2010	2009	2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Sales/Income from Operations	1056.73	2259.21	3415.40	4448.20	10983.14
	Less : Excise Duty	95.78	154.51	299.48	311.01	850.41
	a) Net Sales/Income from Operations	960.95	2104.70	3115.92	4137.19	10132.73
	b) Other Operating Income	17.42	111.25	47.03	127.40	443.79
	Total	978.37	2215.95	3162.95	4264.59	10576.52
2	Expenditure					
	a) Decrease/ (Increase) in stock in trade and work in progress	50.66	24.23	173.54	(28.16)	(239.99)
	b) Consumption of raw materials	635.15	1110.45	2106.41	2244.41	5895.25
	c) Power & Fuel Cost	223.63	366.96	602.45	762.78	1823.73
	d) Employees cost	56.75	56.91	113.49	108.11	269.92
	e) Depreciation	146.22	150.19	300.63	315.51	773.95
	f) Other expenditure	181.68	225.38	413.15	432.56	1106.84
	Total	1294.09	1934.12	3709.67	3835.21	9629.70
3	Profit / (Loss) from Operations before Other Income & Interest (1-2)	(315.72)	281.83	(546.72)	429.38	946.82
4	Other Income	-	-	-	-	2.17
5	Profit / (Loss) before Interest (3+4)	(315.72)	281.83	(546.72)	429.38	948.99
6	Interest	274.43	251.90	538.93	515.55	1285.45
7	Profit / (Loss) from Ordinary Activities before tax (5-6)	(590.15)	29.93	(1085.65)	(86.17)	(336.46)
8	Tax Expenses					
	- Current Tax	-	-	-	0.02	0.03
	- Deferred Tax Charge/ (Credit) [Refer Note No. 1(a) below]	(180.84)	11.06	(344.72)	(25.11)	(14.15)
	- Fringe Benefit Tax	-	-	-	(0.54)	-
9	Net Profit/(Loss) (7-8)	(409.31)	18.87	(740.93)	(60.54)	(322.34)
10	Paid-Up Equity Share Capital (Face Value of Rs.10/- each)	1299.42	1221.72	1299.42	1221.72	1221.71
11	Reserves excluding Revaluation Reserves					505.89
12	Earning Per Share (EPS) (not annualised) Basic and Diluted EPS(Rs.) (Refer Note No. 9 below)	(3.49)	0.01	(6.35)	(0.79)	(3.37)
13	Public shareholding					
	- Number of shares *	797168173	719461135	797168173	719461135	719461135
	- Percentage of shareholding *	61.31	58.85	61.31	58.85	58.85
14	Promoters & Promoter Group shareholding					
	a) Pledged/ Encumbered					
	- Number of shares	477730463	477730463	477730463	477730463	477730463
	- Percentage of share (as a % of the total shareholding of Promoters & Promoter group)	95.00	95.00	95.00	95.00	95.00
	- Percentage of share (as a % of the total share capital of the Company)	36.75	39.08	36.75	39.08	39.08
	b) Non-Encumbered					
	- Number of shares	25143708	25143708	25143708	25143708	25143708
	- Percentage of share (as a % of the total shareholding of Promoters & Promoter group)	5.00	5.00	5.00	5.00	5.00
	- Percentage of share (as a % of the total share capital of the Company)	1.93	2.06	1.93	2.06	2.06

* excluding 106912 Shares (0.01%) represented by Global Depository Receipts, which are held by custodians.

Notes:-

- 1(a) The Auditors in their audit report on the Company's Accounts for fifteen months period ended 30th June, 2010 and limited review report for the quarter ended 30th September, 2010, had drawn attention to their inability to express any opinion on the recognition of net Deferred Tax Asset of Rs. 964.28 crores upto 30th June 2010 and Rs. 1128.16 crores upto 30th September 2010.

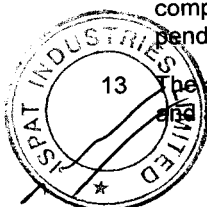
In view of the techno-economic viability study carried out by an expert appointed by the lenders, process improvements carried out for enhancing the steel-making capacity and operating efficiency and the Company's Business Plans, strategies and profitability estimates, improvement in net worth consequent on issue of equity shares to JSW Steel Limited, approval of the company's proposals by its lenders through CDR mechanism (more described in Note 8 below), the company is virtually certain that there would be sufficient taxable income in the future to claim the deferred tax credit. The financial results for the period have, therefore, been drawn as per going concern assumption.

- (b) The Auditors in their audit report on the Company's Accounts for fifteen months period ended 30th June, 2010, and limited review report for the quarter ended 30th September, 2010, had also drawn attention to remuneration of Rs. 15.52 crores and Rs. 16.35 crores respectively to the Managing and other Whole-time Directors, which is in excess of the approvals received from Ministry of Corporate Affairs. However, no adjustment towards the excess managerial remuneration recoverable from these directors has been made in the accounts.

Representation has been made by the Company to Ministry of Corporate Affairs for reconsideration of the above approvals and, hence, no adjustment towards recovery of the above excess managerial remuneration has been made in the accounts.

- 2 There were no extraordinary and exceptional items during the respective periods reported above.
- 3 The Company had undertaken technical up-gradation of plant facilities at its Steel Complex at Dolvi from 7th November, 2010. The up-gradation involved blending of various technical facilities, plant shutdown and maintenance related activities. The operations at the Steel Complex at Dolvi have commenced from 22nd December, 2010.
- 4 The Income tax department had conducted a search and seizure operation on the Company's premises on 30th November 2010. However, no order consequent to such operation has so far been received by the Company.
- 5 Upon certain lenders, opting to convert a part of their outstanding dues into equity shares in terms of the loan/facility agreements entered into with them, the Company has issued and allotted an aggregate of 7,77,07,038 equity shares at par to such lenders on 24th November, 2010.
- 6 The Board of Directors of the Company, at its meeting held on 20th December, 2010, has decided to cancel the proposed issue of 11,33,06,895 Equity Warrants, on preferential basis, to the promoters.
- 7 Pursuant to the Subscription cum Shareholders Agreement entered into by the Company on 20th December, 2010 with its promoters and JSW Steel Ltd., and upon receipt of various consents/approvals, the Company has allotted to JSW Steel Ltd., on preferential basis, 108,66,49,874 equity shares of Rs.10/- each, at a premium of Rs.9.85 per share, aggregating to Rs. 2157 crores. The said equity shares have been allotted to JSW Steel Ltd. on 24th January, 2011.
- 8 The Corporate Debt Restructuring Cell (CDR), vide its letter dated 21st January, 2011, has conveyed approval, on behalf of Company's majority lenders, which includes, inter-alia, allotment of equity shares to JSW Steel Ltd., for an aggregate amount of Rs. 2157 crores and to hold a majority stake in the Company with management control.
- 9 Basic and Diluted EPS have been computed after considering the impact of proportionate arrear dividends on Cumulative Redeemable Preference Shares on the profit/ loss for the respective periods in terms of Accounting Standard 20 'Earnings Per Share'.
- 10 The Company has identified Iron & Steel products as its sole operating segment and hence no further disclosure is required under Accounting Standard 17.
- 11 Previous period/ year figures have been re-grouped / re-arranged wherever necessary.
- 12 At the beginning of the quarter, there were no complaints from investors pending for disposal. During the quarter, 114 complaints were received and these were appropriately disposed off. Thus, there were no complaints from investors pending for disposal at the end of the quarter.

13 The above unaudited financial results for the Quarter ended 31st December, 2010 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th February, 2011.



14 Statement of Assets & Liabilities

(Rs. in crores)

	Standalone	
	As at 31st Dec, 2010	As at 31st Dec, 2009*
	Un Audited	Un Audited
Shareholders' Fund		
(a) Share Capital	2302.80	2250.98
(b) Application Money towards Equity Warrants	18.00	-
(c) Advance against Share Subscription	500.00	-
(d) Reserves & Surplus	1431.03	1515.18
Loan Funds	7127.93	7283.35
TOTAL	11379.76	11049.51
Fixed Assets	7614.85	8306.52
Investments	229.37	229.37
Deferred Tax Asset	1309.00	1086.05
Foreign Currency Monetary Items Translation Difference Account	0.74	3.26
Current Assets, Loans & Advances		
(a) Inventories	1808.17	1383.09
(b) Sundry Debtors	665.30	658.75
(c) Cash & Bank Balances	69.05	95.03
(d) Loans, Advances & Deposits	795.64	812.65
Less: Current Liabilities & Provisions		
(a) Liabilities	3947.43	3575.97
(b) Provisions	40.09	36.59
Profit and Loss Account Debit balance	2875.16	2087.35
TOTAL	11379.76	11049.51

* The above comparative figures have not been reviewed by the statutory auditors

Place: Mumbai

Dated: 14th February, 2011



For and on behalf of the Board

Anil Sureka

Executive Director (Finance)