

HINDALCO



# Hindalco Industries Limited

*An emerging regional metals powerhouse*

**Performance Review 2003-04**

**Presentation to Investors**

*26<sup>th</sup> April 2004*

ADITYA BIRLA GROUP

# Presentation Structure



Backdrop

Performance Highlights

Financial Performance Review

Business Outlook & Growth Strategy

Detailed Financial Performance Review

**Backdrop**

Performance Highlights

Financial Performance Review

Business Outlook & Growth Strategy

Detailed Financial Performance Review

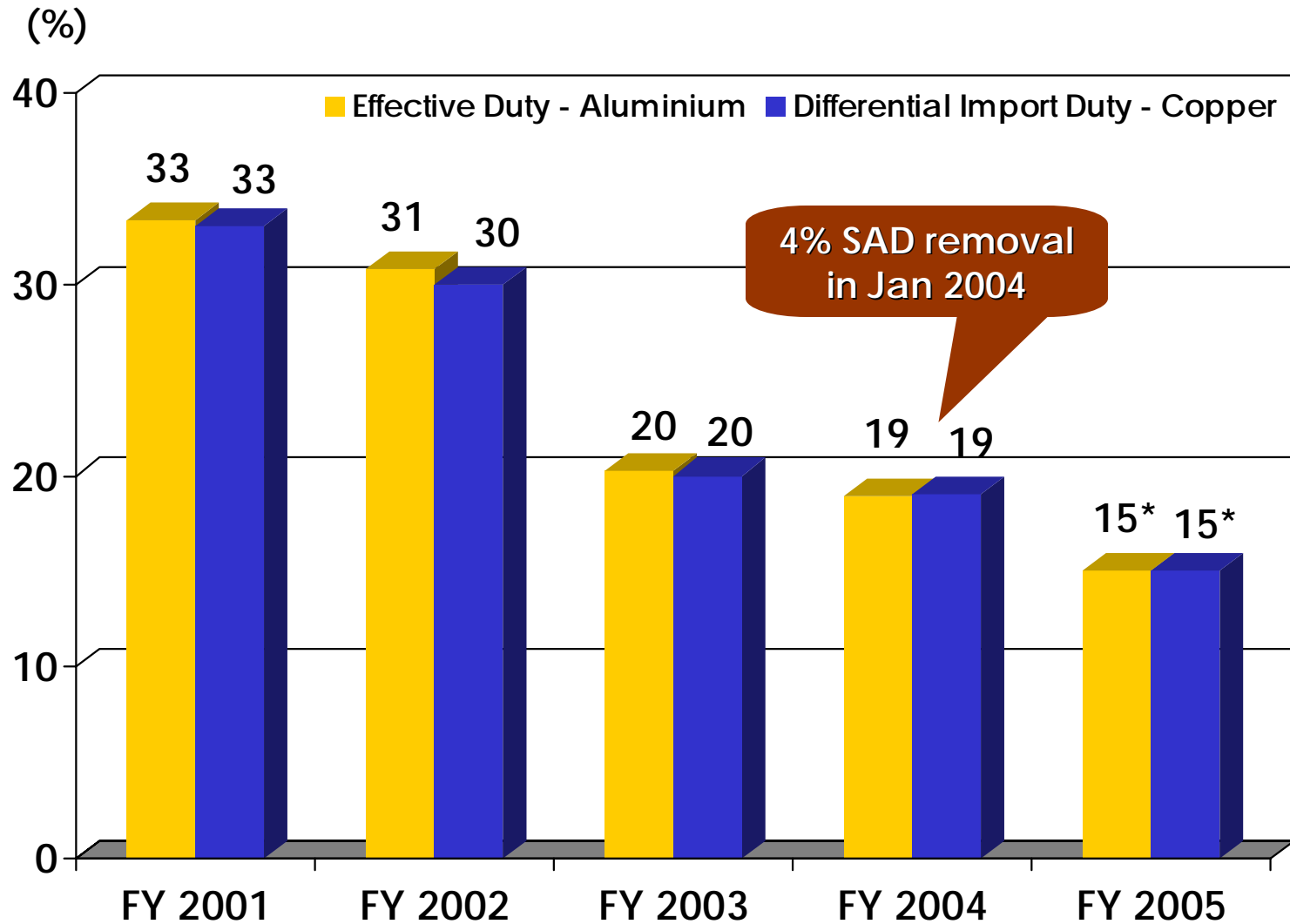
- ✓ Both Aluminium and Copper Brownfield expansions completed
- ✓ Acquired Mt. Gordon Mine in Australia
- ✓ Gained majority control in Utkal Alumina
- ✓ Shareholding in Indal enhanced to 96.53%
- ✓ Further Expansion of copper smelter finalised

## 2003 Q4: An extremely challenging year



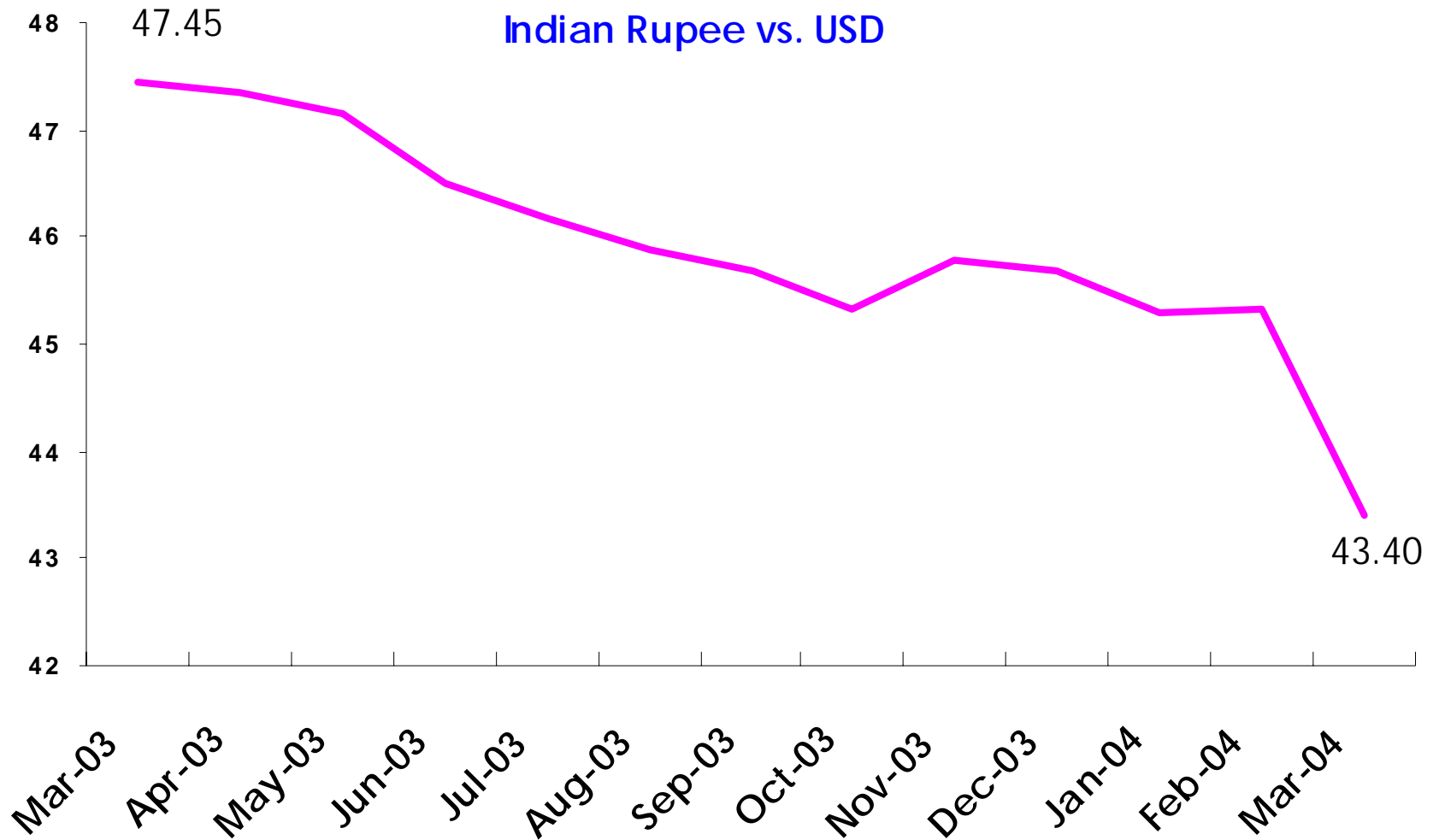
- ☑ Cut in import tariff, both in Aluminium and Copper
- ☑ Appreciating Indian Rupee vis a vis US\$
- ☑ Continuous decline in Copper TcRc, notwithstanding rising LME
- ☑ Steep hike in sea freight

# Falling tariff structure



**A drop of ~54% in just 4 years**

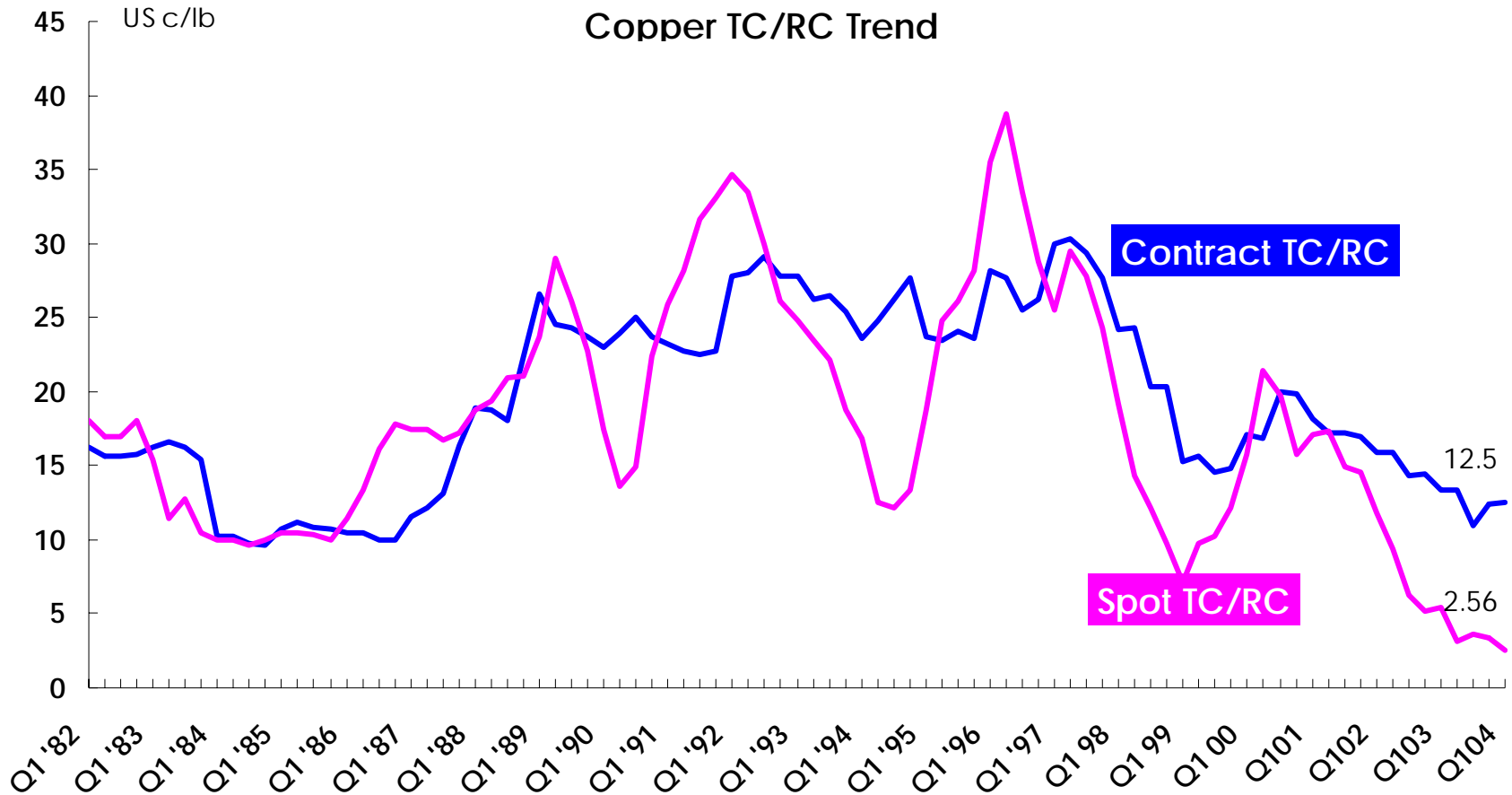
# Indian Rupee appreciated against USD



Source: RBI

**Indian Rupee appreciated 8.5% against US\$ in FY04**

# Spot TcRc at a 22 year low



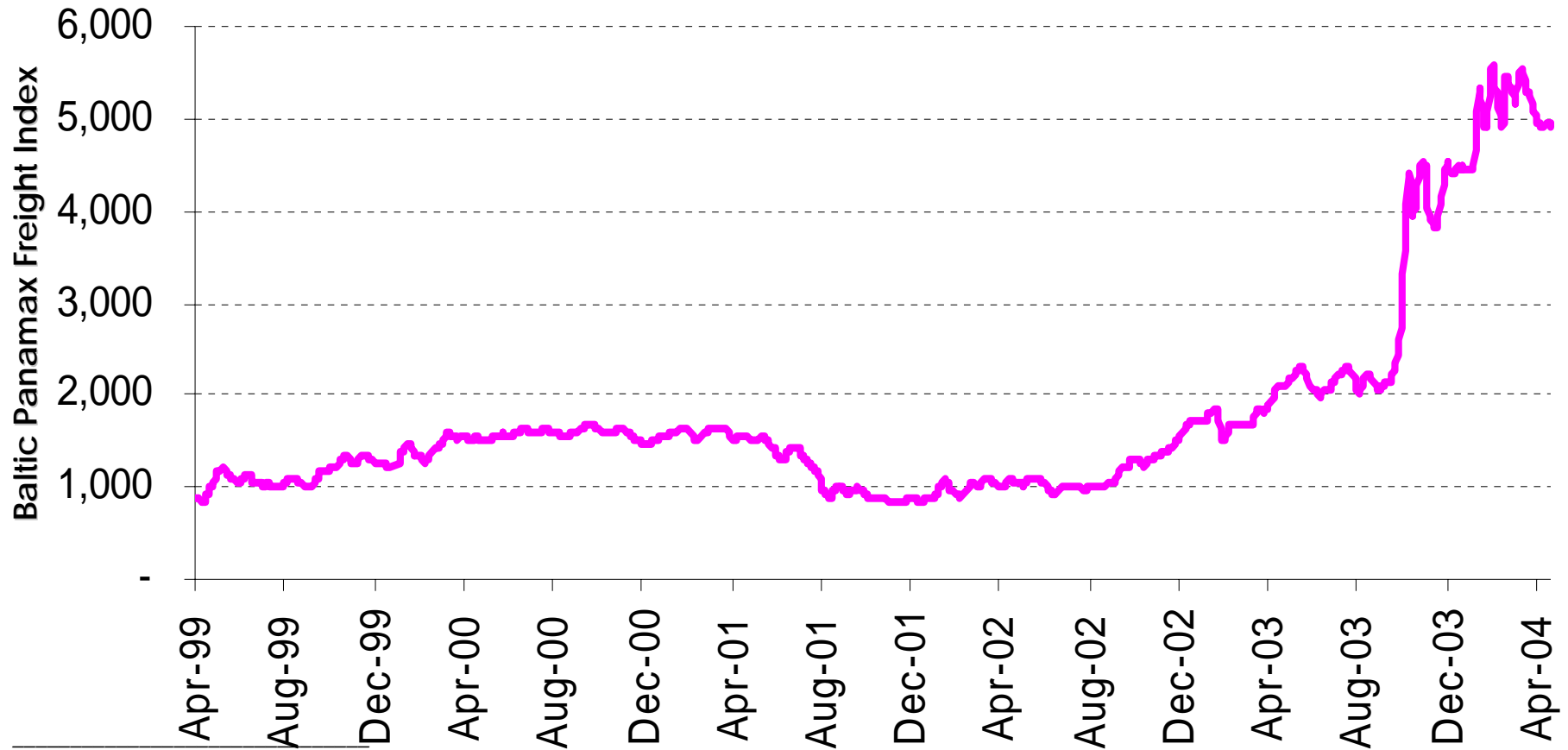
Source: CRU Data; UBS Warburg

**A drop of ~55% in FY04**

# Soaring Sea Freight charges



## Baltic Panamax Freight Index



Source: Reuters

**An Increase of 198% in FY04**

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# Q4 Financial Highlights



|              |                    |   |   |
|--------------|--------------------|---|---|
| ☑ Net Sales  | Rs. 1,901.6 Crores | ↑ | 42.8%   |
| ☑ PBIDT      | Rs. 450.5 Crores   | ↑ | 34.1%   |
| ☑ PBT        | Rs. 326.3 Crores   | ↑ | 43.9%   |
| ☑ PAT        | Rs. 222.2 Crores   | ↑ | 21.6%<br><small>Before extraordinaries<br/>for FY2003</small> |
| ☑ EPS for Q4 | Rs. 24.0           | ↑ | 21.6%   |

# FY04 Financial Highlights



|             |                  |   |  |
|-------------|------------------|---|--|
| ☑ Net Sales | Rs. 6,191 Crores | ↑ | 24.2%  |
| ☑ PBIDT     | Rs. 1,724 Crores | ↑ | 17.8%  |
| ☑ PBT       | Rs. 1,246 Crores | ↑ | 17.2%  |
| ☑ PAT       | Rs. 838.9 Crores | ↑ | 12.5% <small>Before extraordinary<br/>for FY2003</small> |
| ☑ EPS       | Rs. 90.7         | ↑ | 12.5%  |

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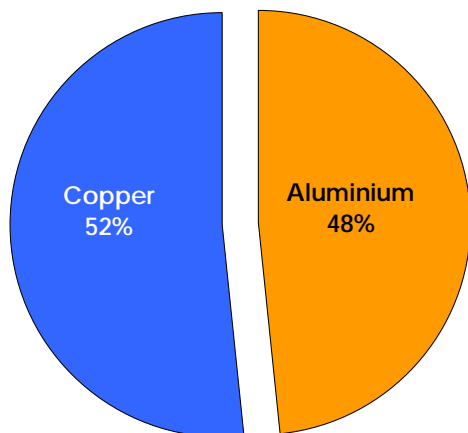
# Hindalco Financial Results

| (In Rs. Crores)                             | Q4FY04      | Q4FY03      | % Chg  | FY04        | FY03        | % Chg |
|---|-------------|-------------|--------|-------------|-------------|-------|
| Net Sales                                   | 1901.6      | 1331.6      | 42.8   | 6190.9      | 4985.6      | 24.2  |
| EBITDA                                      | 450.5       | 336.0       | 34.1   | 1724.3      | 1463.4      | 17.8  |
| <i>EBITDA Margin %</i>                      | <i>23.7</i> | <i>25.2</i> |        | <i>27.9</i> | <i>29.4</i> |       |
| Profit Before Tax                           | 326.3       | 226.8       | 43.9   | 1245.7      | 1062.8      | 17.2  |
| Profit after tax but before Extraordinaries | 222.2       | 182.8       | 21.6   | 838.9       | 745.5       | 12.5  |
| Extraordinaries                             | 0           | 163.3       |        | 0           | 163.3       |       |
| Net profit                                  | 222.2       | 19.5        | 1039.4 | 838.9       | 582.2       | 44.1  |
| E.P.S. (Rs.)                                | 24.0        | 19.8        | 21.6   | 90.7        | 80.6        | 12.5  |
| C.E.P.S. (Rs.)                              | 33.5        | 27.5        | 21.8   | 125.0       | 109.2       | 14.5  |

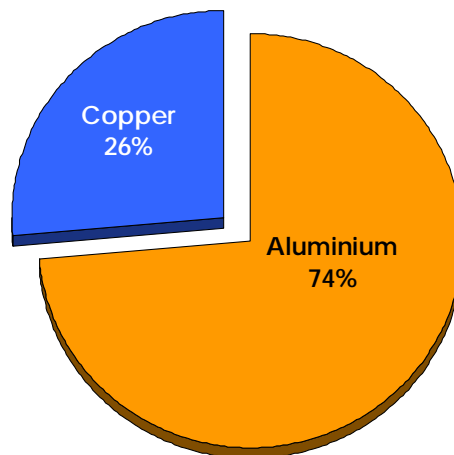
# Segment Results

## Business Mix FY 04

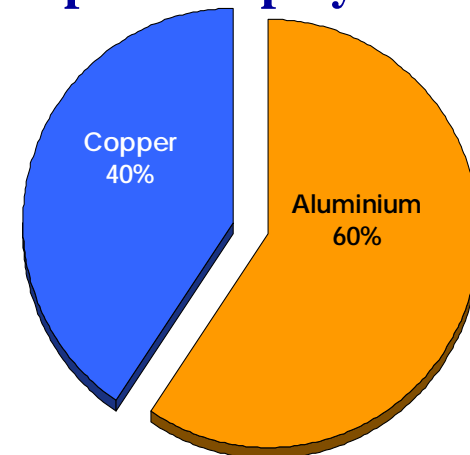
### Revenue



### EBITDA



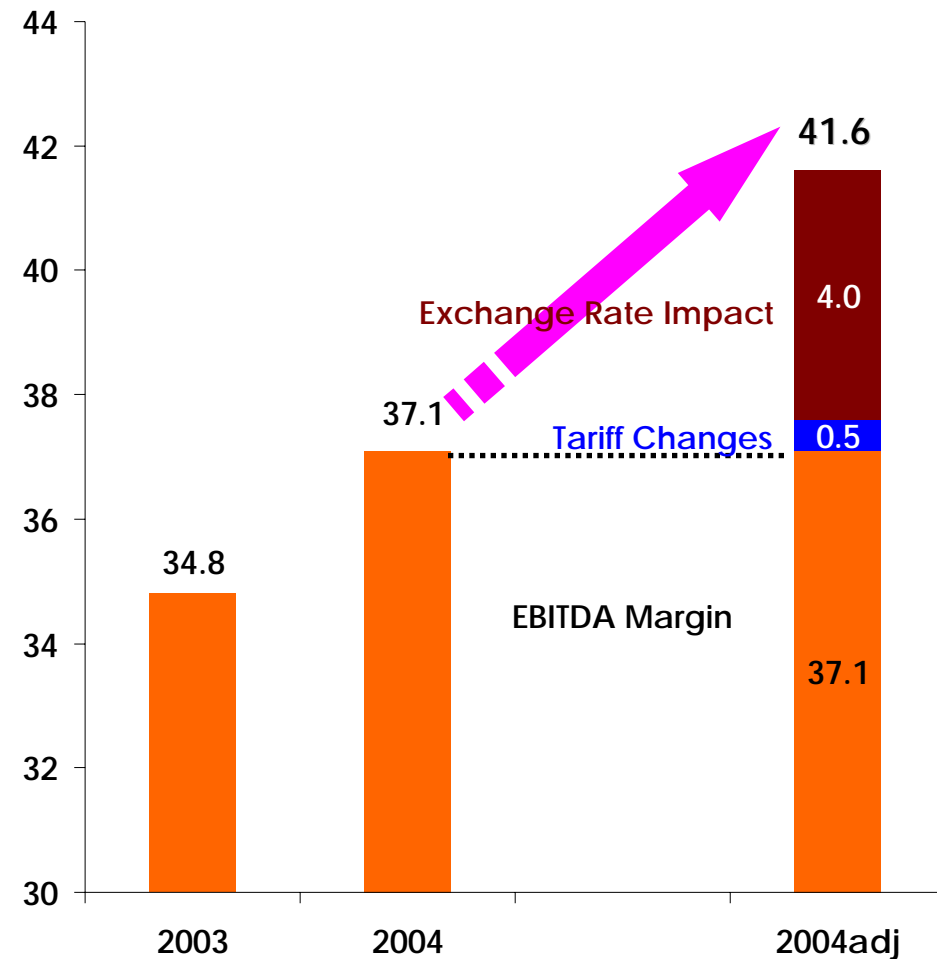
### Capital Employed



| (In Rs. Crores)     | Aluminium |        |        |        | Copper |        |        |        |
|---------------------|-----------|--------|--------|--------|--------|--------|--------|--------|
|                     | Q4'04     | Q4'03  | FY04   | FY03   | Q4'04  | Q4'03  | FY04   | FY03   |
| Net Sales           | 874.3     | 698.2  | 2996.0 | 2375.4 | 1028.7 | 633.4  | 3201.3 | 2610.2 |
| EBIT                | 263.9     | 206.2  | 890.6  | 660.5  | 61.2   | 35.5   | 309.7  | 384.0  |
| Capital Employed    | 4066.1    | 3850.2 | 4066.1 | 3850.2 | 2762.2 | 2401.4 | 2762.2 | 2401.4 |
| ROCE % - Annualised | 26.0      | 21.4   | 21.9   | 17.2   | 8.9    | 5.9    | 11.2   | 16.0   |
| EBITDA Margins %    | 37.4      | 36.4   | 37.1   | 34.8   | 8.3    | 9.6    | 12.5   | 18.0   |

# Aluminium : EBITDA Normalised to macro economic factors

## EBITDA Margin (%)



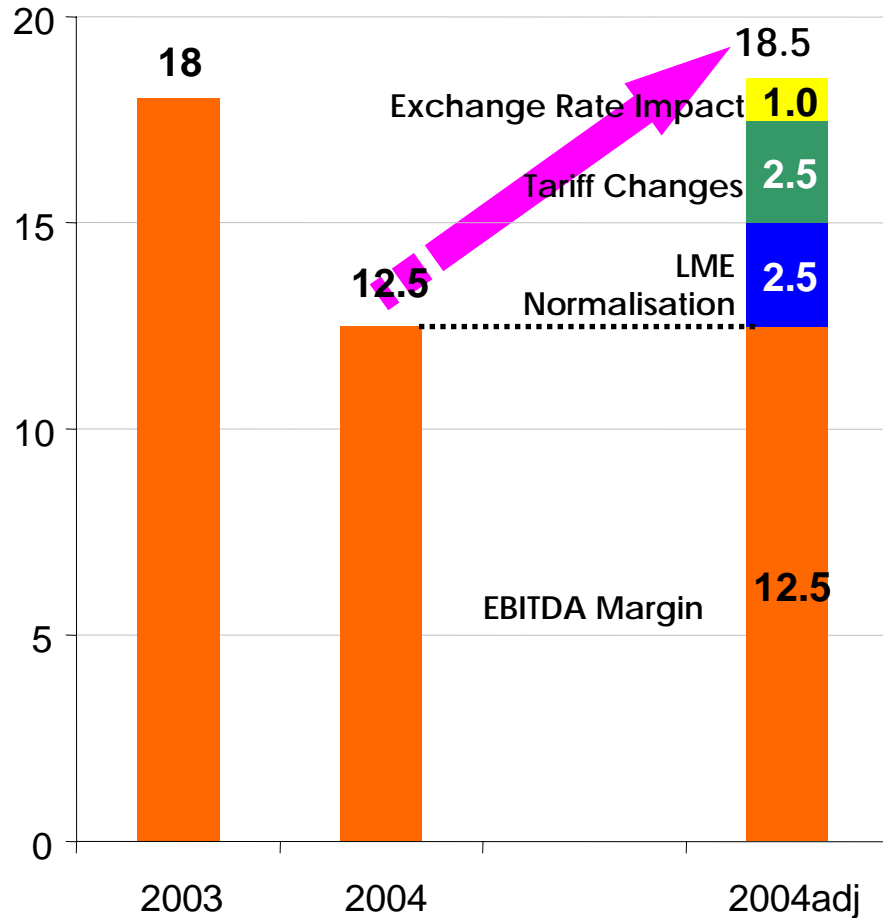
- ☑ Change in Tariff 0.5%
- ☑ Rupee appreciation 4.0%

On a comparative basis EBITDA margins improved to 41.6% in FY 2004.

# Copper : Operating margin adversely impacted by macro economic factors .....



## EBITDA Margin (%)



- LME Normalisation 2.5%
- Change in Tariff 2.5%
- Rupee appreciation 1.0%

On a comparative basis EBITDA margins improved to 18.5% in FY 2004.

# Indal: Financial Highlights



| (In Rs. Crores)              | Q4FY04 | Q4FY03 | % Chg. | FY04   | FY03   | % Chg. |
|------------------------------|--------|--------|--------|--------|--------|--------|
| Net Sales & Operating Income | 445.1  | 376.3  | 18.3   | 1614.0 | 1371.0 | 17.7   |
| EBITDA                       | 86.9   | 60.8   | 42.9   | 278.3  | 235.9  | 18.0   |
| <i>EBITDA Margin %</i>       | 19.5   | 16.2   |        | 17.2   | 17.2   |        |
| Profit before Tax            | 63.2   | 36.0   | 75.6   | 183.7  | 139.1  | 32.1   |
| Net Profit                   | 47.7   | 34.4   | 38.7   | 132.2  | 118.6  | 11.5   |
| E.P.S. (Rs.)                 | 6.7    | 4.8    | 38.7   | 18.6   | 16.7   | 11.5   |

# Birla Mineral Resources\*: Financial Highlights



|                      |   |   |       |
|----------------------|---|---|-------|
| ☑ Cathode Production | 39,256 MT   | ↑ | +7%#  |
| ☑ Net Sales          | A\$ 108 mn  | ↑ | +14%# |
| ☑ EBITDA             | A\$ 26 mn   | ↑ | +40%# |
| ☑ PAT                | A\$ 10 mn (Loss of A\$10 mn in comparative previous period)<br>Equivalent to Rs.31 Crores in FY04 |   |       |

\* Birla Mineral Resources is a 100% subsidiary of Hindalco and holds Birla Nifty and Birla Mt. Gordon  
# Acquired during last year and hence growth data is for comparison purposes only

# Hindalco Financial Results ~ Combined



| (In Rs. Crores)              | Hindalco | Indal  | DHIL | BMRL  | Total  |
|------------------------------|----------|--------|------|-------|--------|
| Net Sales & Operating Income | 6190.9   | 1614.0 | 46.1 | 345.6 | 8196.6 |
| EBITDA                       | 1724.3   | 278.3  | 34.5 | 83.2  | 2120.3 |
| Profit before Tax            | 1245.7   | 183.7  | 22.5 | 43.2  | 1495.1 |
| Net Profit                   | 838.9    | 132.2  | 12.7 | 30.7  | 1014.5 |

**Hindalco (combined) joins the select band of companies with more than  
Rs.1000 Cr PAT**

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HINDALCO

**ALUMINIUM**

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# Global Demand outlook positive

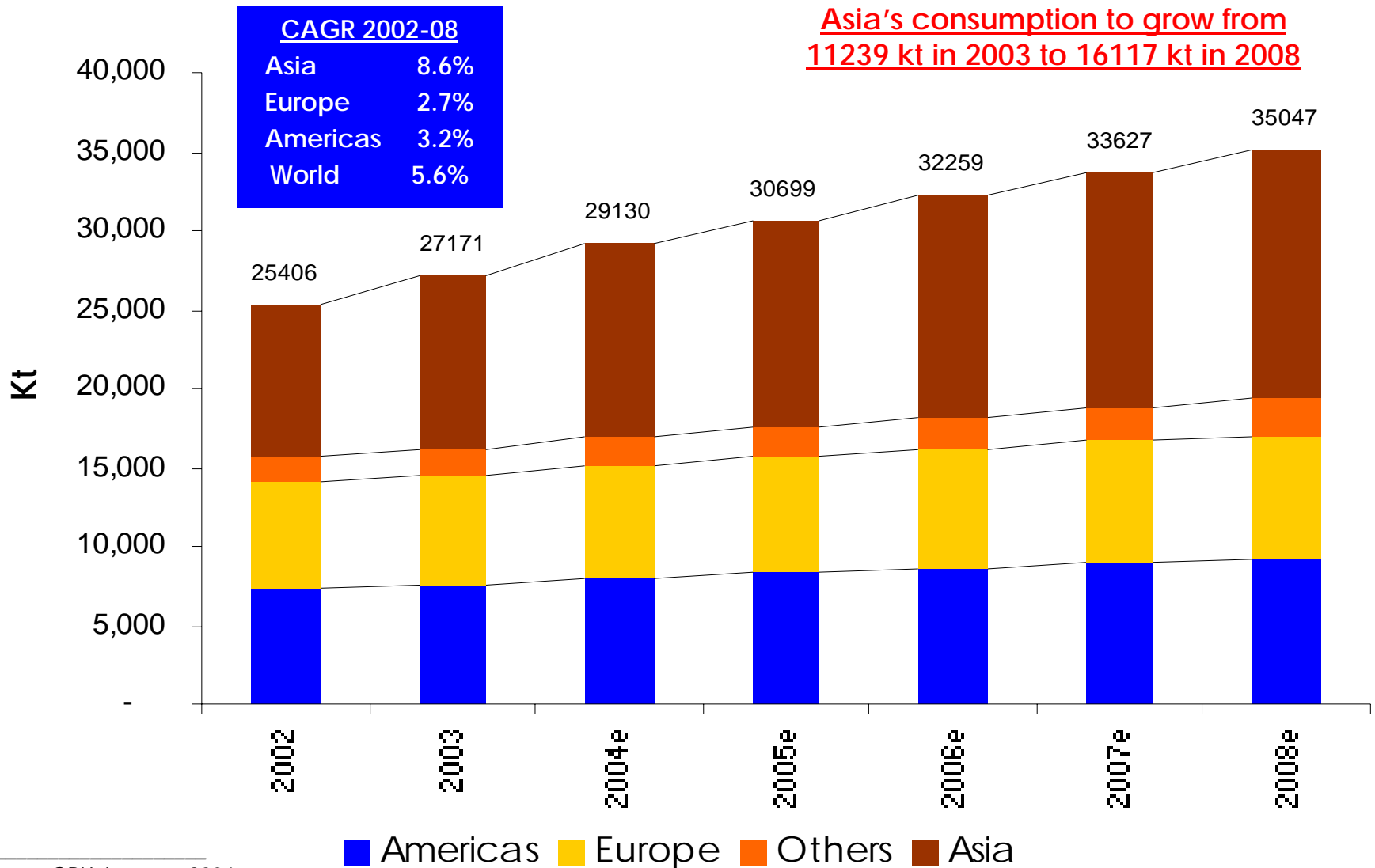
| (In KT)                  | 2003          | 2004e         | 2005e         | 2006e         |
|--------------------------|---------------|---------------|---------------|---------------|
| North America            | 6,440         | 6,834         | 7,062         | 7,229         |
| South & Central America  | 907           | 964           | 1,008         | 1,054         |
| Europe                   | 6,986         | 7,194         | 7,427         | 7,613         |
| China                    | 5,127         | 6,016         | 6,590         | 7,223         |
| CIS                      | 865           | 989           | 1,092         | 1,204         |
| Asia (Others)            | 6,112         | 6,425         | 6,717         | 7,011         |
| Australia                | 367           | 380           | 392           | 397           |
| Africa                   | 356           | 374           | 389           | 403           |
| <b>WORLD - Total</b>     | <b>27,160</b> | <b>29,176</b> | <b>30,677</b> | <b>32,134</b> |
| <b>W. WORLD - Total</b>  | <b>20,460</b> | <b>21,404</b> | <b>22,184</b> | <b>22,863</b> |
| <b>Demand Growth (%)</b> |               |               |               |               |
| <b>WORLD - Total</b>     | <b>7.2</b>    | <b>7.4</b>    | <b>5.1</b>    | <b>4.8</b>    |
| <b>W. WORLD - Total</b>  | <b>3.7</b>    | <b>4.6</b>    | <b>3.6</b>    | <b>3.1</b>    |

- ☑ US primary demand is growing at a steady pace in early 2004.(8.6%)
- ☑ Chinese demand continues to grow in early 2004.(26.4%)
- ☑ Japanese consumption grows back to CY 2000 level after falling in last couple of years.
- ☑ Stocks are decreasing and consumption indicators are also robust in most regions.

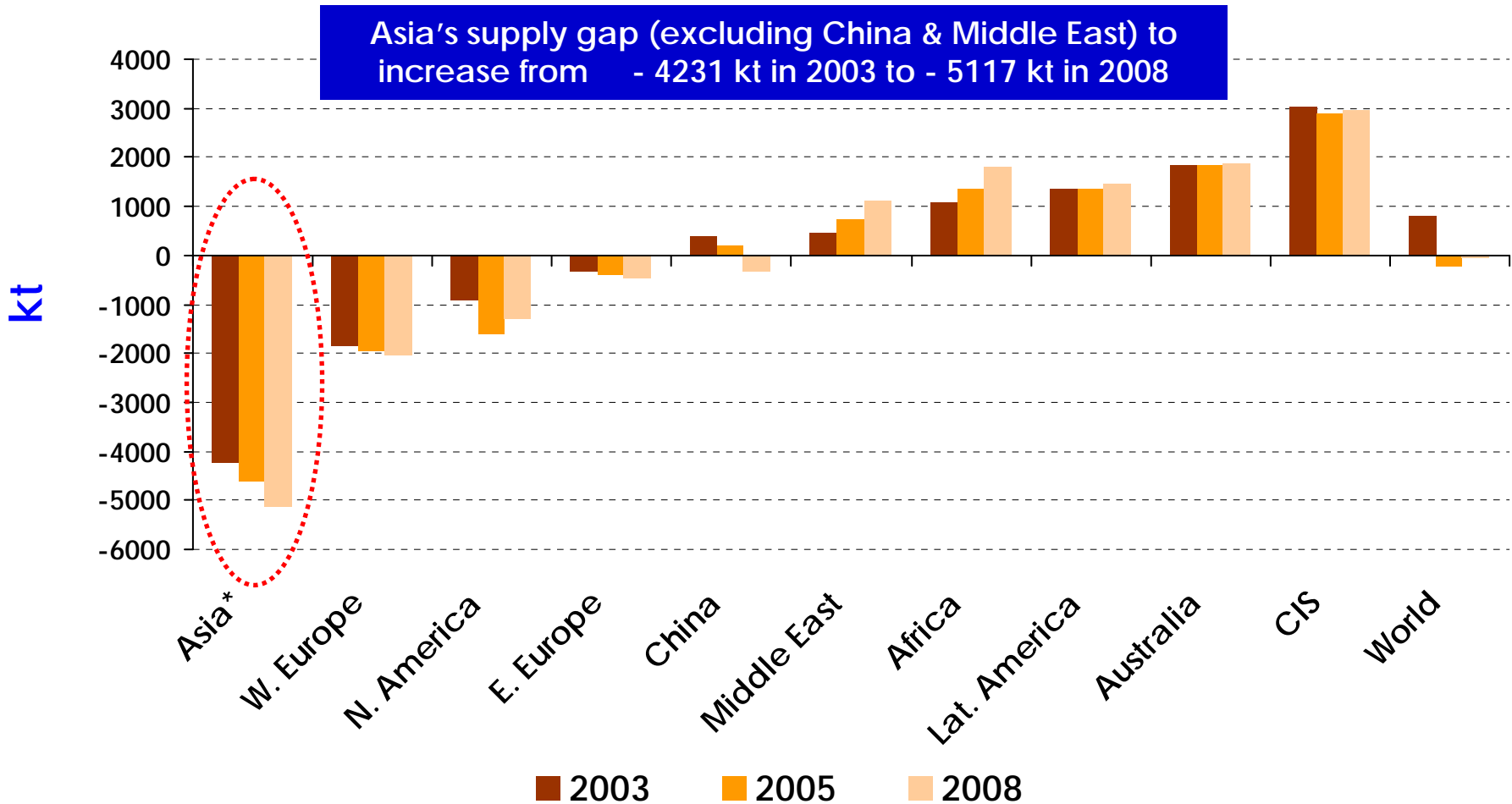
# Asia emerging as a dominant force



## Global Consumption by Region



# Geographic imbalance in metal supply



Source: CRU January 2004

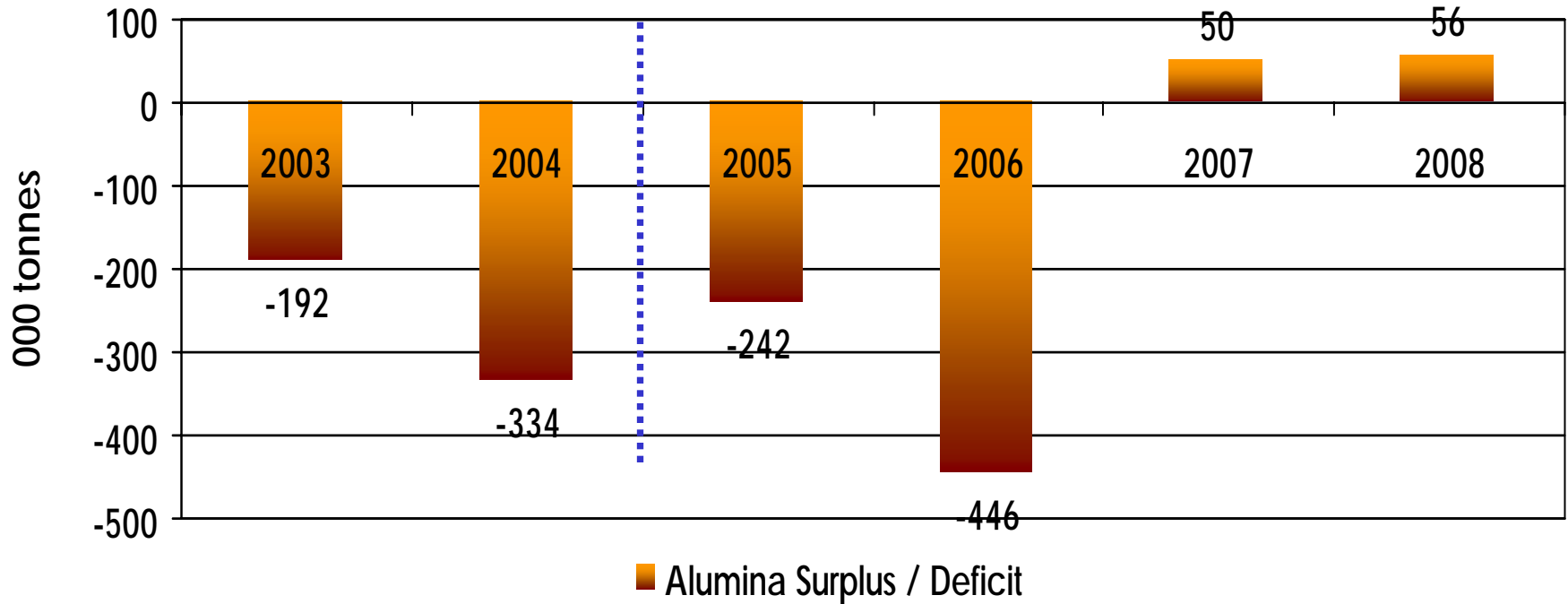
\* Excluding China and Middle East

Asian deficit throws up significant opportunities for the manufacturers in Asia

# Alumina too is in short supply



Estimates...



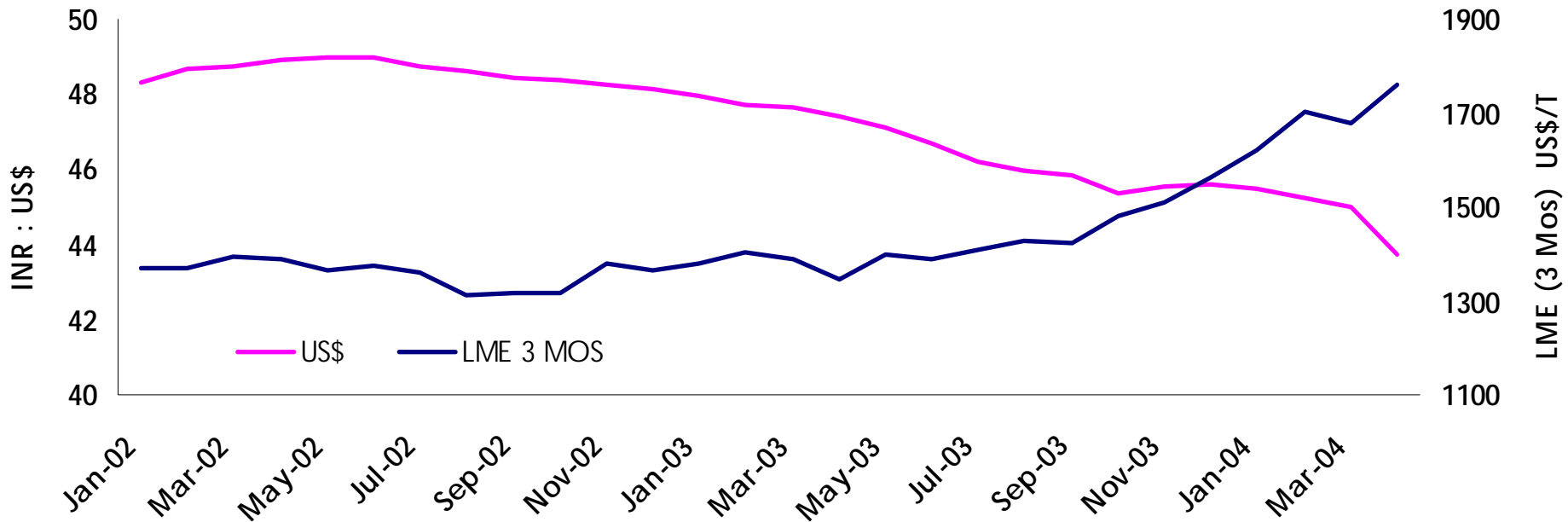
# LME Aluminium

## ☑ Global Prices to remain volatile over short term

- ✓ In spite of demand in USA and Asia being strong, price is still very sensitive to the release of economic indicators and currency movements.
- ✓ Prices to range in US\$ 1600-1650 in 2004

## ☑ Domestic prices may be steady

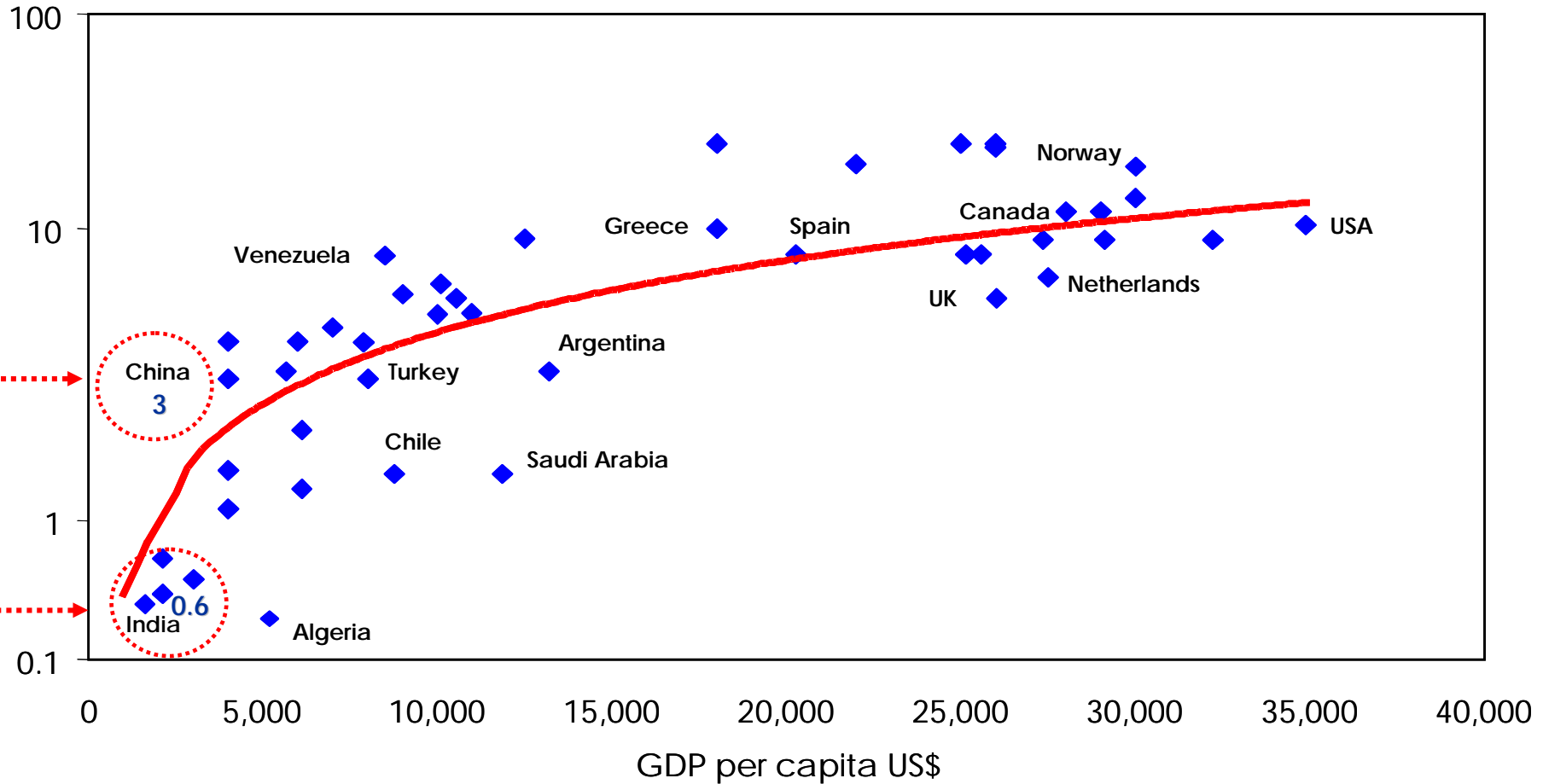
- ✓ Negative impact of Appreciation of Rupee largely mitigated by strong LME



# Domestic market has significant long term potential



## Aluminium Consumption (Per capita kg - log scale)



Source: Company Data

Potential growth in infrastructure will be a key catalyst.

# Key growth drivers for Indian Aluminium Market



## Electrical/ Power

- Privatisation and SEB restructuring to stimulate demand
- Power deficit estimated to be 100,000 MW by 2012 to be bridged

## Transport

- Fastest growing user segment
- India emerging as the 'Auto Hub' for global producers
- Global sourcing of auto components from India, yet another opportunity
- All Aluminium railway wagons – a potential

# Key growth drivers for Indian Aluminium Market (Cont'd)



## Construction

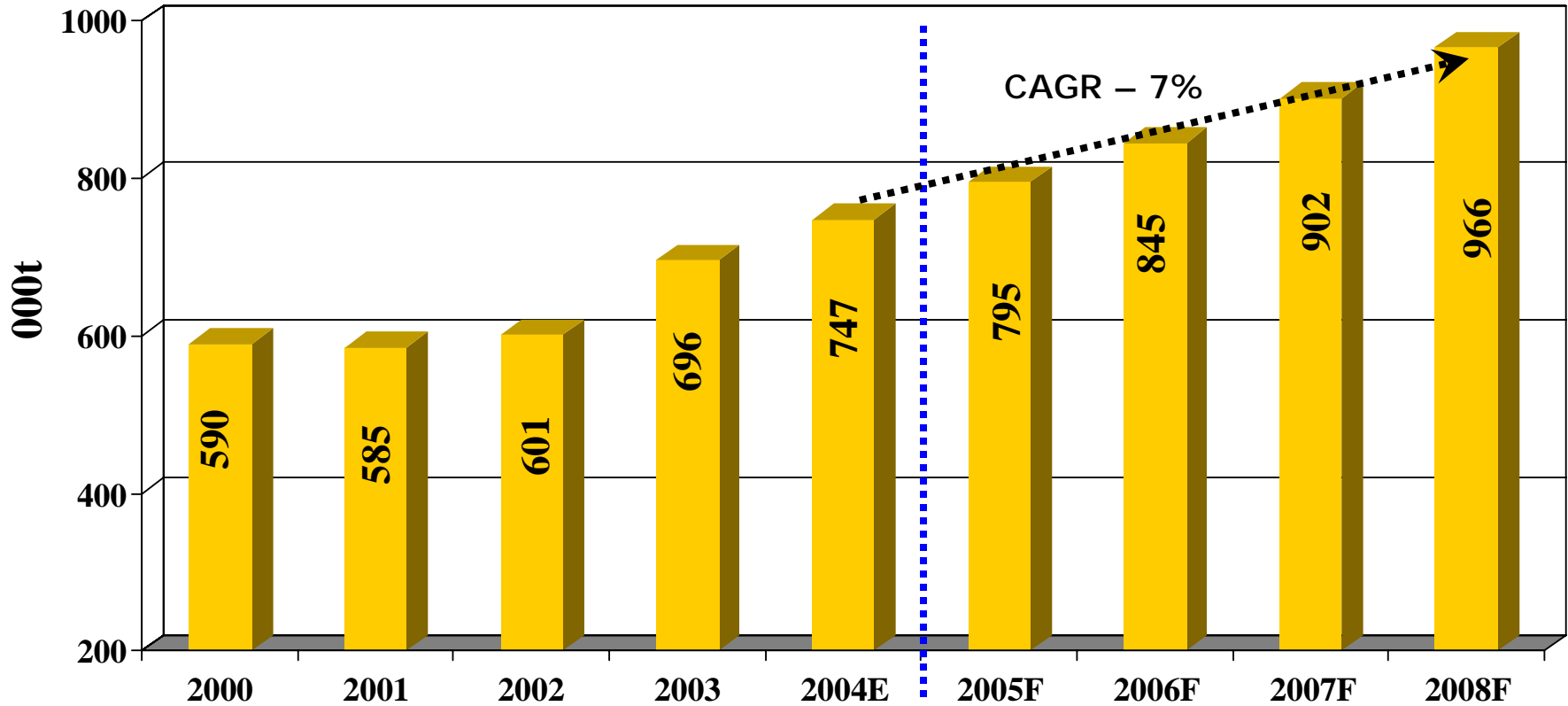
- Growing acceptance in place of wood
- Robust housing growth driven by
  - Availability of low cost funds
  - Fiscal incentives

## Packaging

- Rapid growth of usage in food & beverages industry
- Key user sector (Pharma) growing rapidly in India
- Successful substitution of tin

**Significant opportunities in "Downstream Segments"**

# Immediate term outlook strong



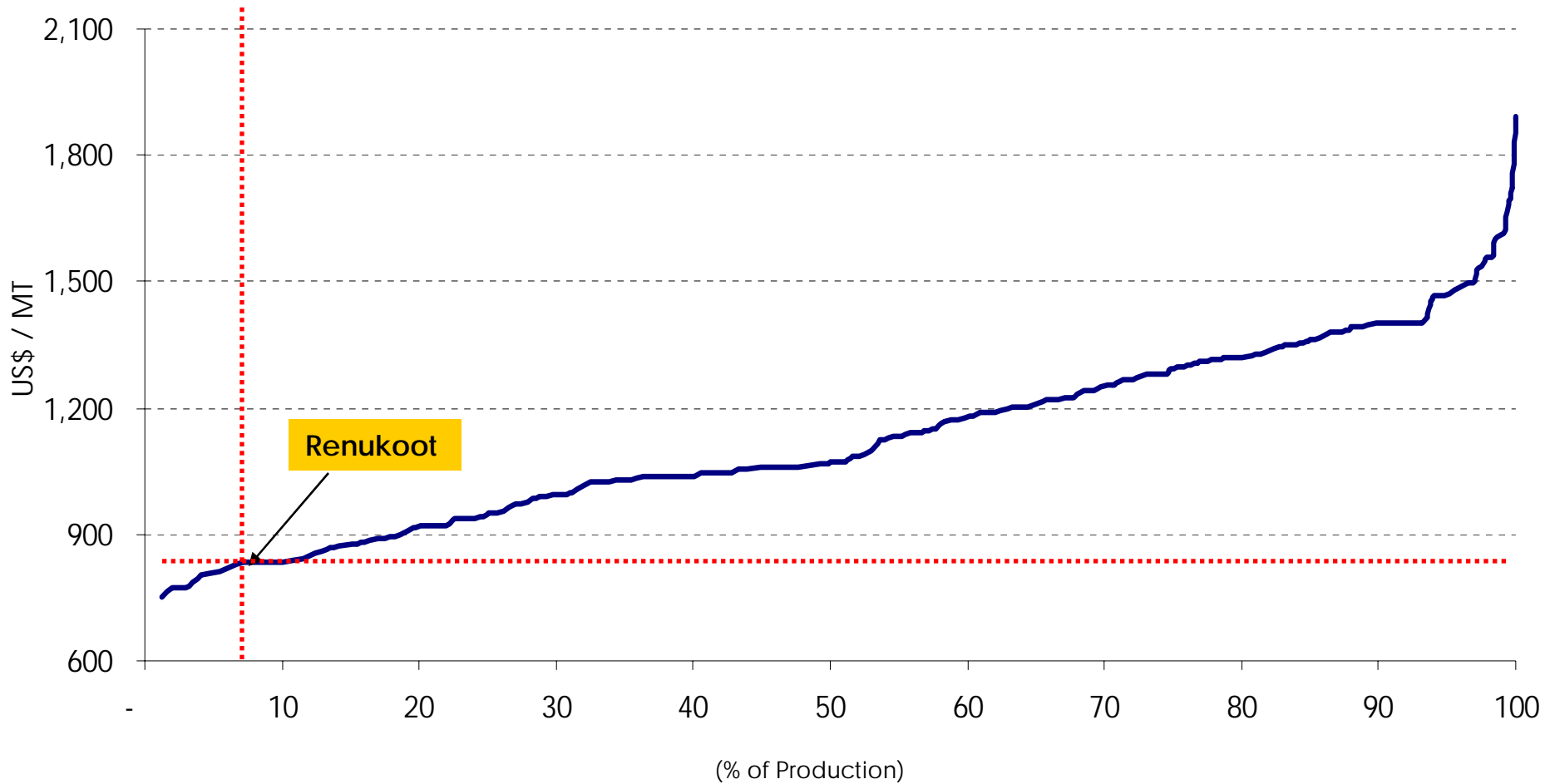
Source: CRU Jan 2004

**Demand to grow led by increased consumption by electricity and transportation sector.**

# Hindalco is well positioned to exploit the opportunity



## Metal Cash Costs



Source: Primary Aluminium Smelting Costs, 2003 Edition, CRU

**Amongst "Top-10%" of Global costs**

# The competitive advantage is sustainable

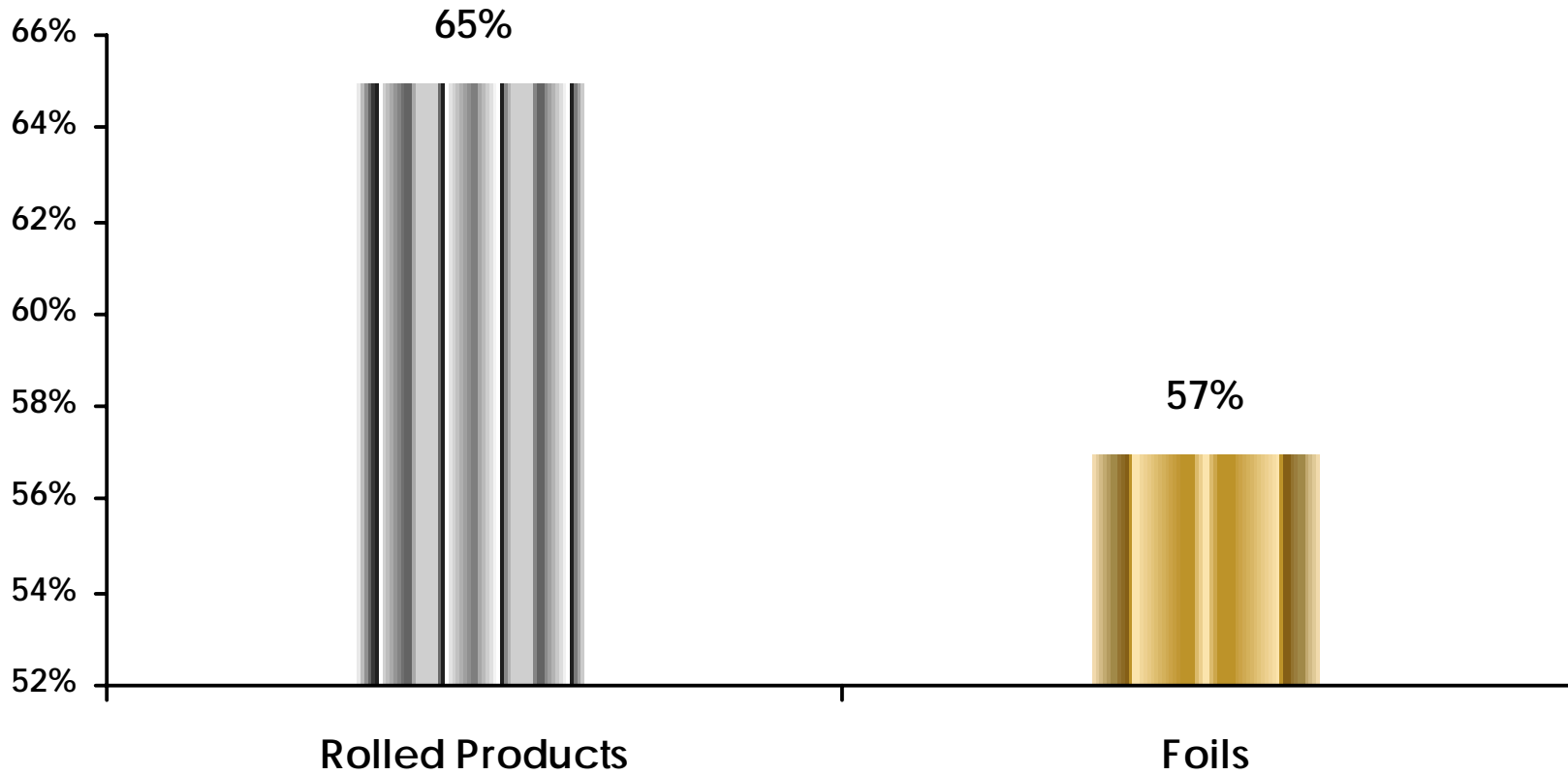
....As Hindalco enjoys :

1. Access to cost effective bauxite
2. Low cost captive power
3. Superior operating efficiencies
4. Fully integrated operations

Further strengthened by.....

5. Hindalco-Indal synergies

# Enviably domestic market strength in Value Added Products



Source: Company Data

\* Including share of Indal, its 96.53% owned subsidiary

... Further strengthened through brand building



# Utkal Alumina: A new growth opportunity



- ☑ Joint venture between Hindalco and Alcan
  - ✓ Hindalco acquired majority stake (55%) during 2003
  
- ☑ Global sized operations planned
  - ✓ Initial capacity of 1.0 to 1.5 Mn TPA. Expandable to 3.0 Mn TPA
  - ✓ Bauxite reserves of 195 Mn tonnes. To last for 65 years at initial capacity
  
- ☑ Mining lease in place; land acquisition completed
  
- ☑ Good progress in recent months
  - ✓ State Government appointed Nodal Officer
  - ✓ Overwhelming response in ongoing dialogue with local stakeholders
  - ✓ Local support to gain momentum as dialogues continue
  - ✓ Project implementation expected to start during FY05
  
- ☑ Cash cost to be globally competitive

HINDALCO

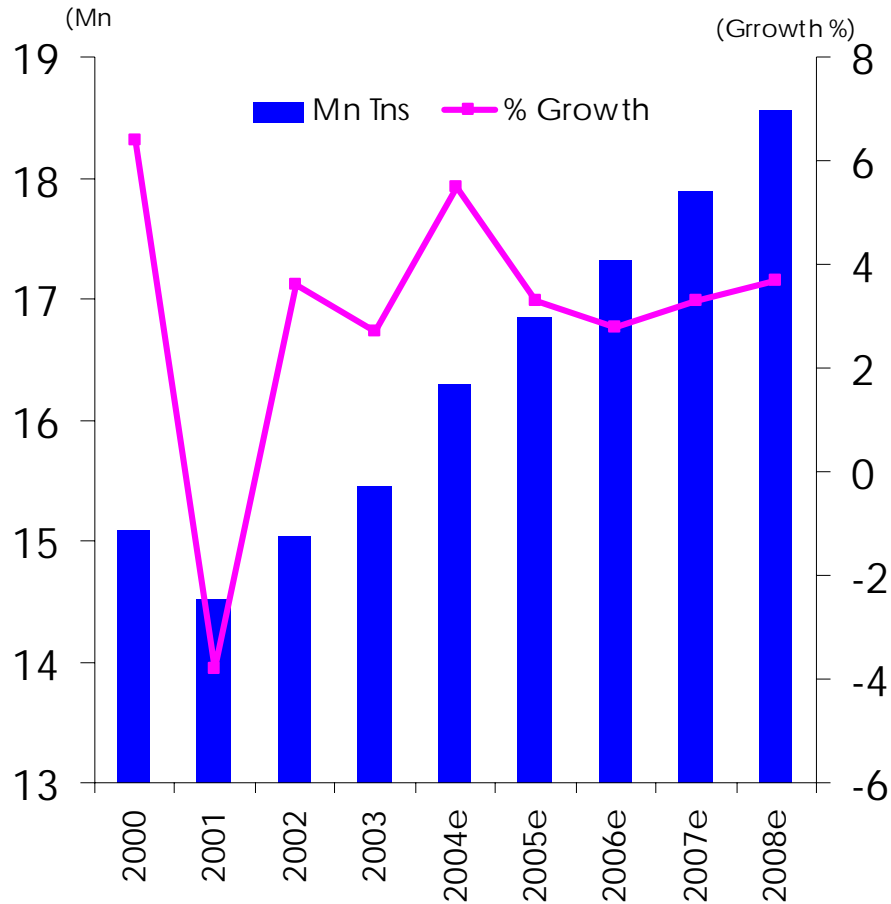
**COPPER**

ADITYA BIRLA GROUP

# Global demand gathers pace; Supply still struggling



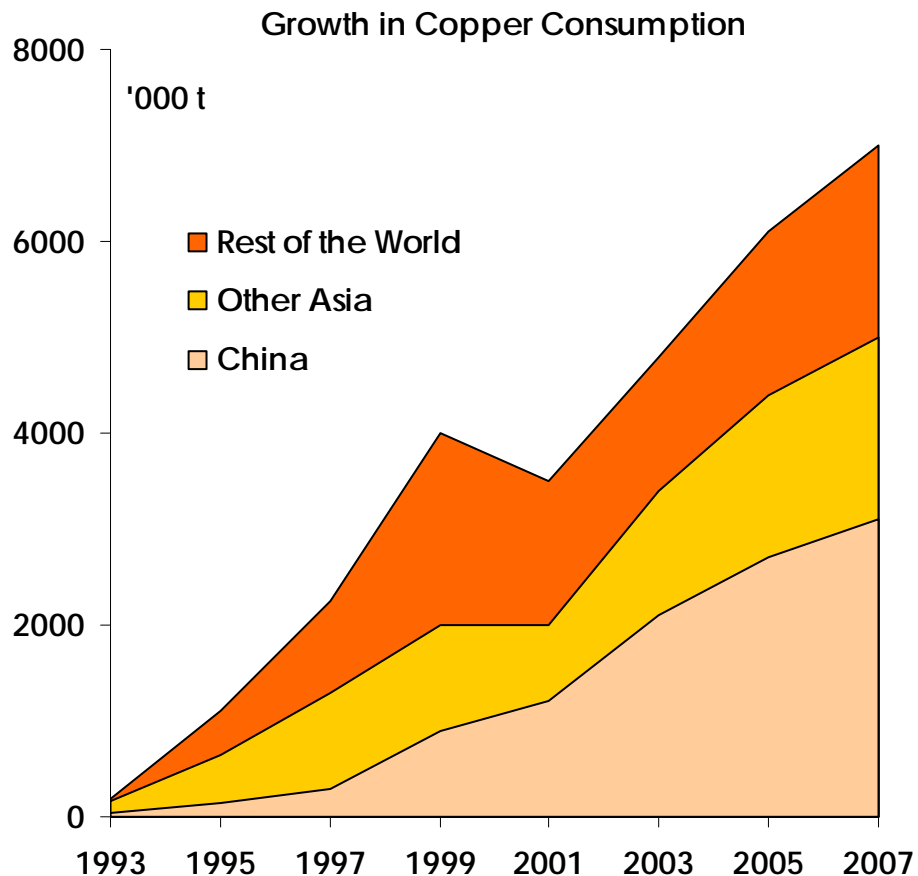
## Global Copper Demand



- ☑ Global demand to grow 5.5% in 2004
  - ✓ Modest upturn in the US, to gain further with economic recovery
  - ✓ Europe to follow suit
  - ✓ Asia to remain strong performer
- ☑ Restricted supplies likely till 2006
  - ✓ Significant mine/smelter disruptions in 2003
  - ✓ Restarts likely only during 2H-CY2004
- ☑ Global supply growth to be only 3.6%
- ☑ Supply restraint, dollar weakness and recovery hopes fuel price rally
  - ✓ Exchange stocks down from 1.21 MMT in Apr 03 to 0.43 MMT now.
  - ✓ LME Copper has doubled in 12 months

# Asia is the fastest growing market

## Global Copper Growth

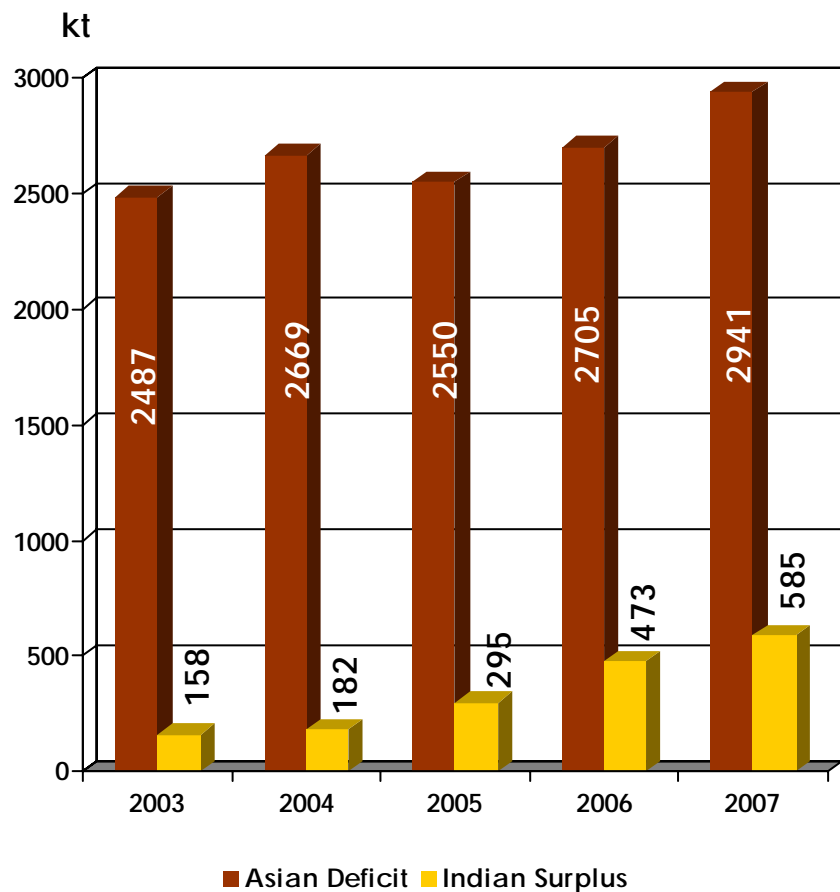


- ☑ Growth momentum likely to be sustained
- ☑ Economic growth in the region to improve per capita consumption.
- ☑ Asia is emerging as an export hub for manufactured products
- ☑ China expected to grow over 11% despite concerns of overheating

China accounting for 50% of global growth

# Significant supply gap in Asia

## Supply gap in Asia



## Country-wise Gap (kt)

| Country                             | 2004         | 2005         | 2006         | 2007         |
|-------------------------------------|--------------|--------------|--------------|--------------|
| China                               | -1297        | -1427        | -1630        | -1913        |
| Taiwan                              | -640         | -621         | -650         | -653         |
| S Arabia                            | -176         | -179         | -181         | -194         |
| Malaysia                            | -127         | -135         | -140         | -145         |
| S Korea                             | -491         | -491         | -498         | -518         |
| Thailand                            | -178         | -75          | -81          | -88          |
| Japan/<br>Philippines/<br>Iran/Oman | 459          | 564          | 638          | 724          |
| Other Asia<br>excl. India           | -219         | -186         | -163         | -154         |
| <b>Total</b>                        | <b>-2669</b> | <b>-2550</b> | <b>-2705</b> | <b>-2941</b> |

Source: CRU Copper Monitor, January 2004




**Significant freight advantage for Indian producers**

- ☑ South Asian Free Trade Agreement allowing import of copper at zero duty
- ☑ Shrinking JFTC industry as Telecom shifted to Wireless, Mobile and Optical Fiber cable from Copper cable.
- ☑ Increasing LME may force small customers to close down or shift to cheaper material like scrap and in some cases aluminium.
- ☑ Tariff Protection on Copper expected to reduce from present 15% to 10% in the Short term and to 5% in the Long term

## ....Key challenges

- ☑ Falling Tariff
- ☑ Weak TcRc
- ☑ Stagnant domestic markets
- ☑ Rising Rupee

## ....Hindalco's strategic response

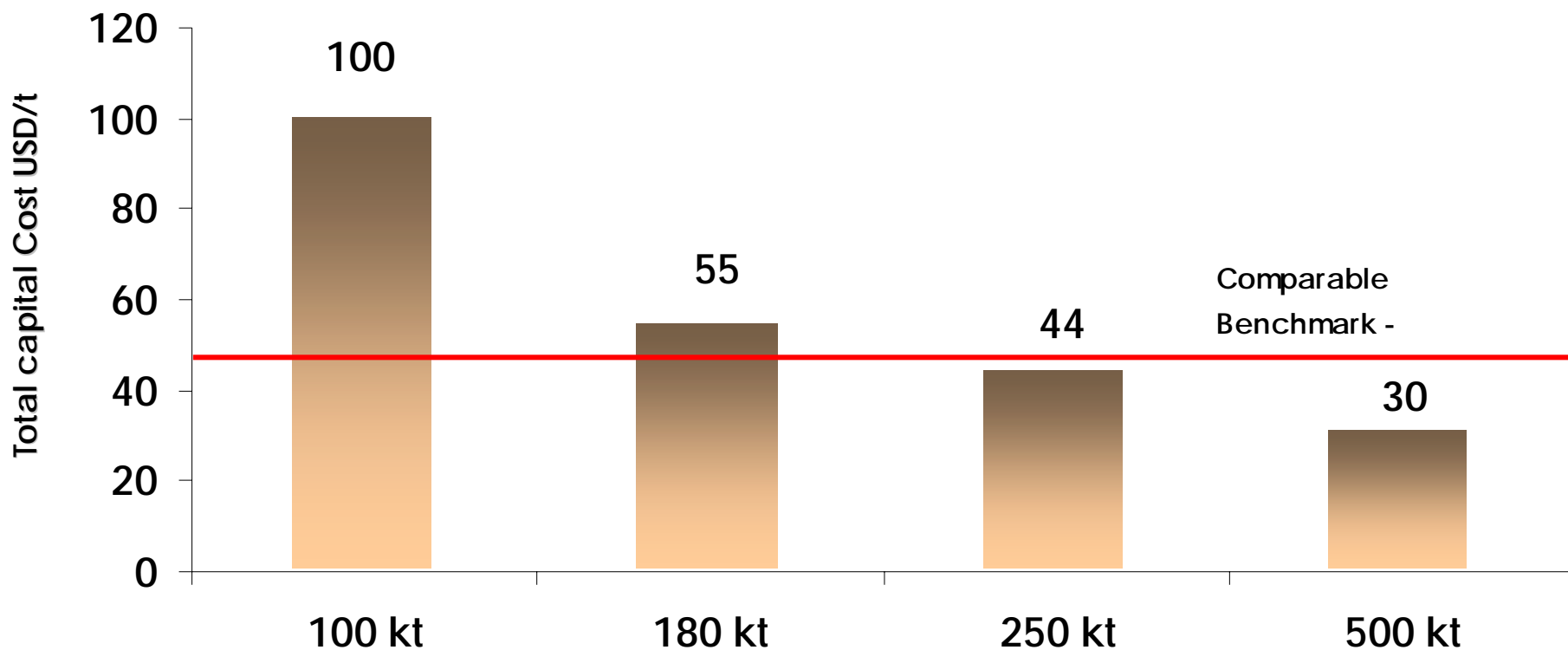
-  1 Low cost expansions
-  2 Strategic entry into mines
-  3 Thrust on Exports



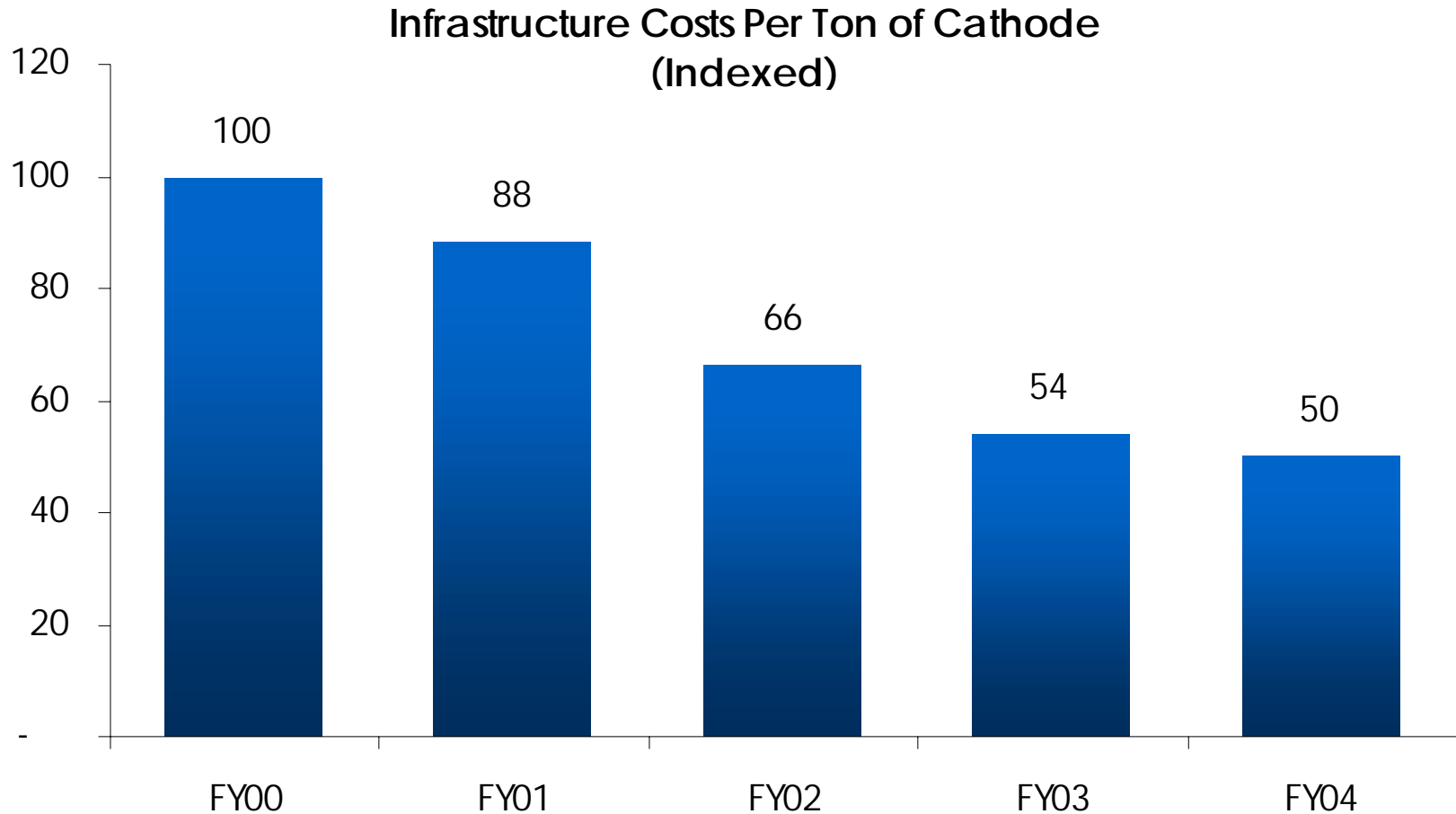
# Low cost Smelter expansion to 500,000 TPA



## Cumulative Capital Cost per Ton - Indexed



# To help bring down infrastructure costs...



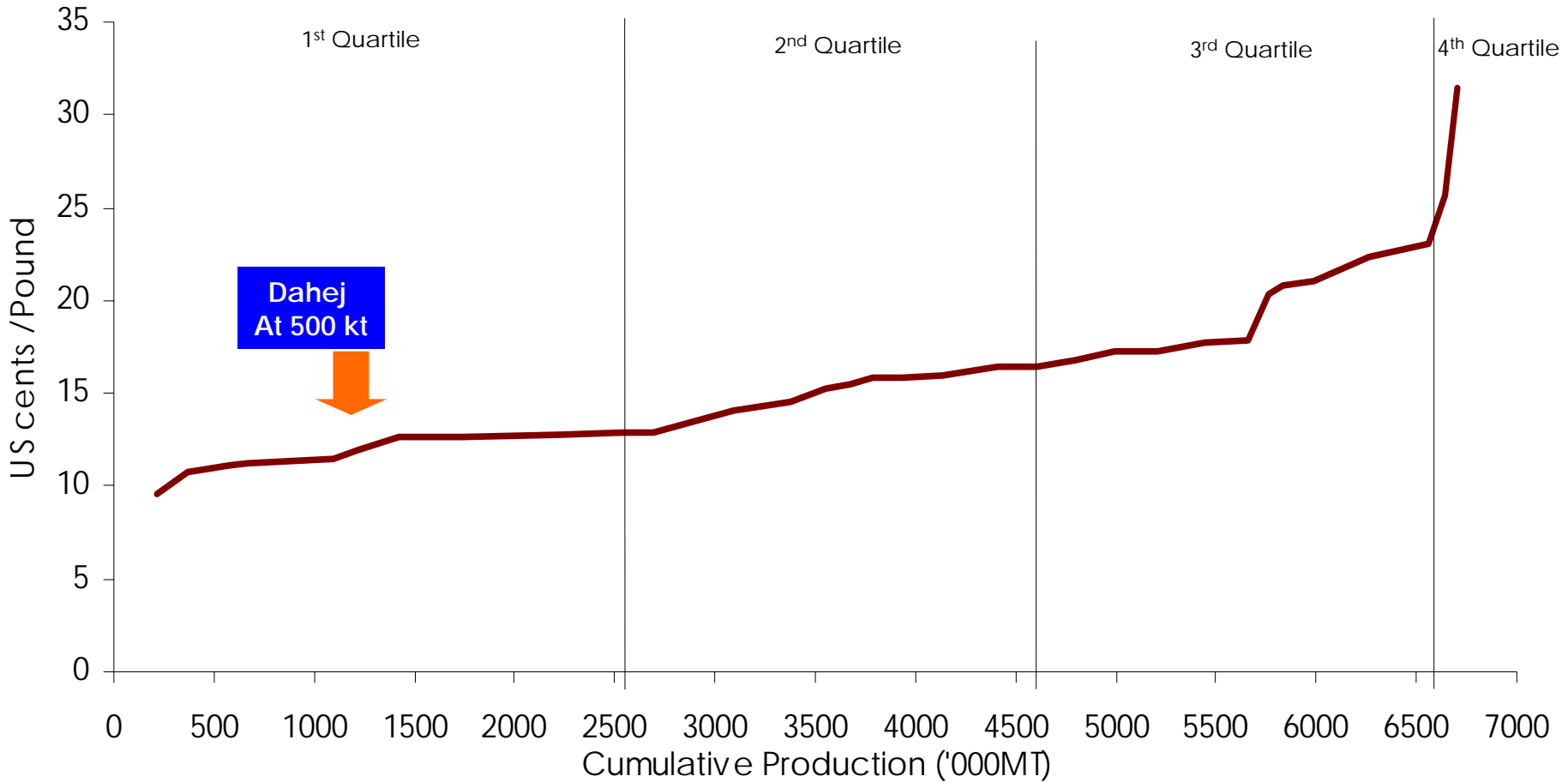
Source: Company Data

**Twin benefits of lower costs and impressive volume growth**

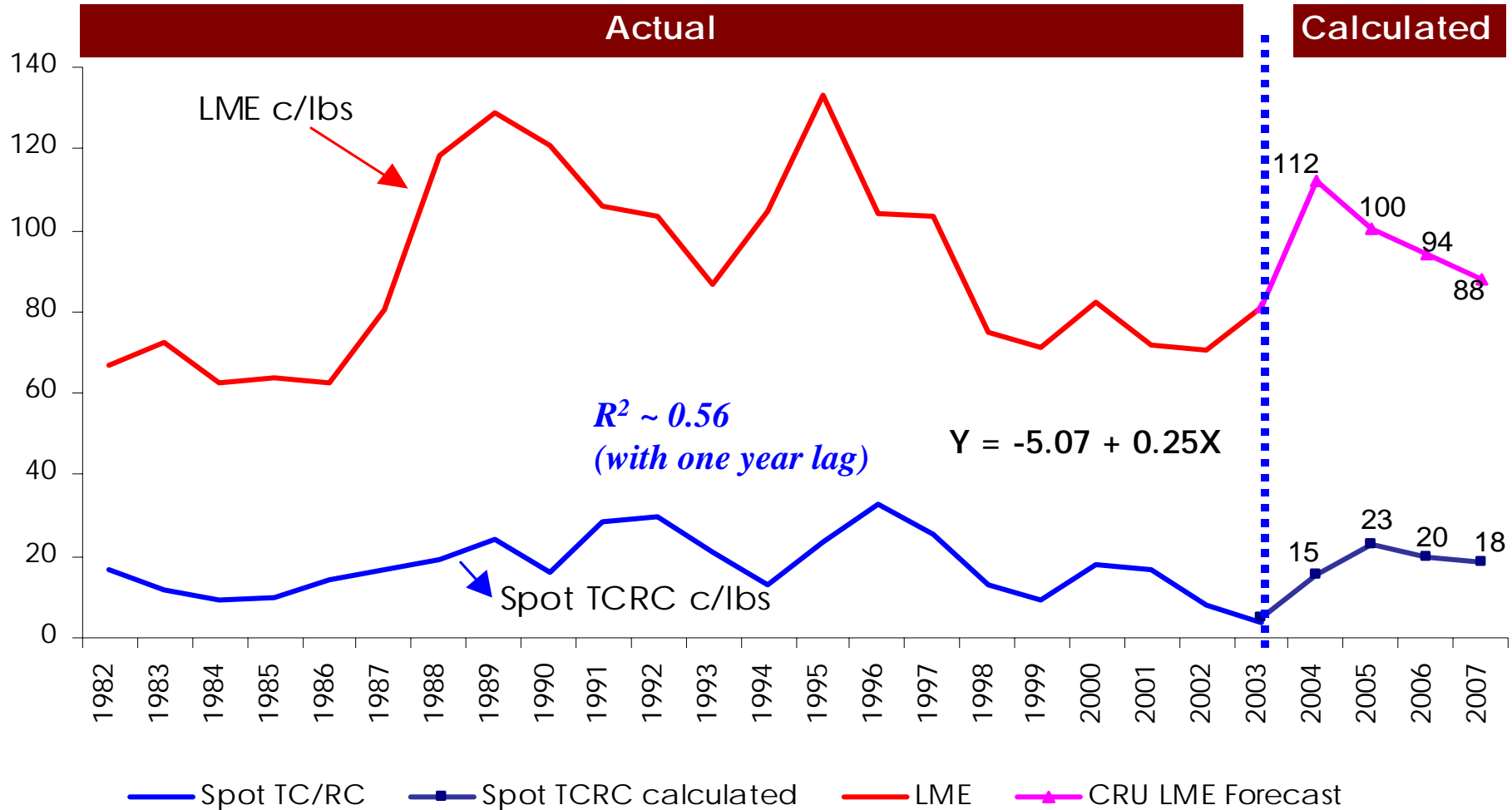
# ... And improve global competitiveness further



## Net Cathode Production Cost at 500KT (Cash Cost + Depreciation)



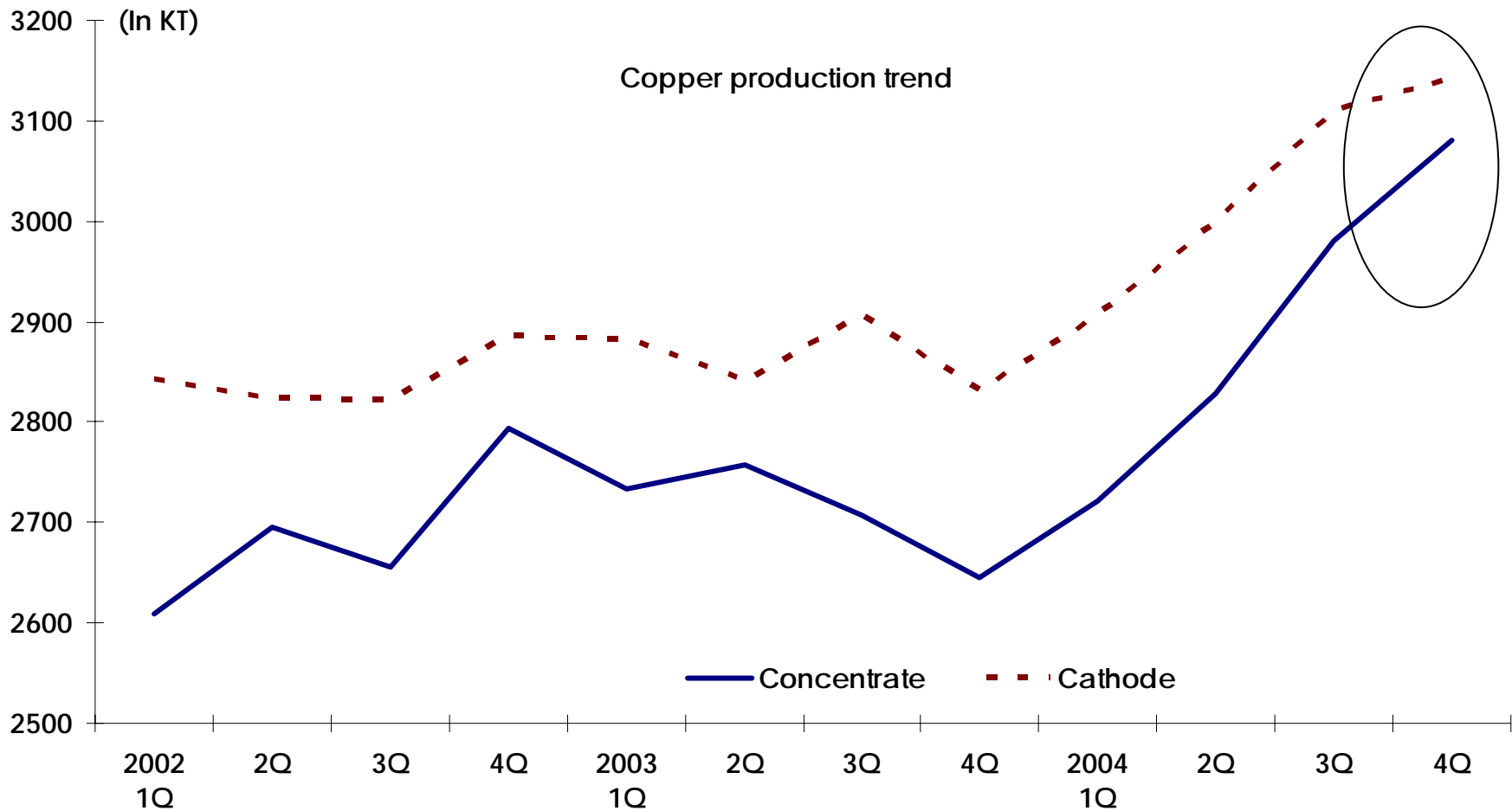
# TcRc appear poised for a cyclical recovery



Source: CRU & Company Data

**Historically Spot TCRC has been around 19% of LME**

# Rising Concentrate supplies will add further strength



## Strategic entry into copper mines

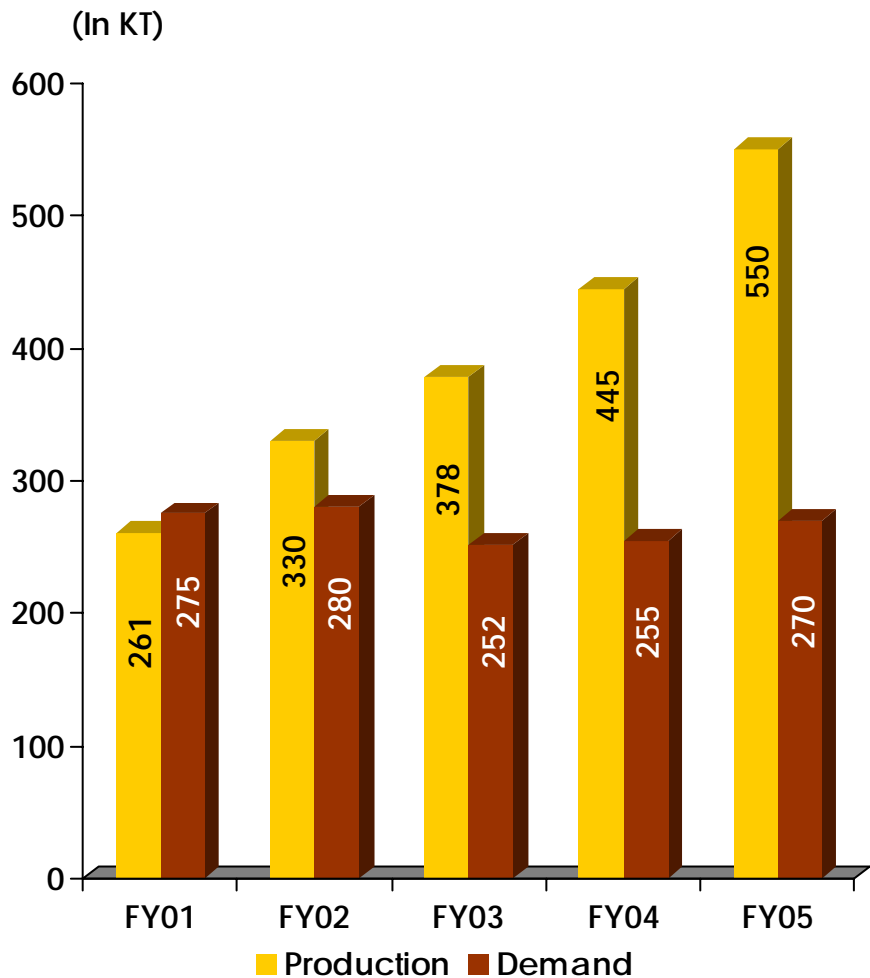


- ☑ Two mines acquired in Australia - Nifty and Mt Gordon
- ☑ Cathode production currently on.
- ☑ Mt Gordon: Concentrate supplies to start from August 2004
- ☑ Nifty supplies to commence by August 2005
  - ✓ In-fill drilling programme successful
  - ✓ Bankable feasibility study completed
  - ✓ Mine development progressing satisfactorily
- ☑ Expected supplies to meet 25% of captive requirements by FY06

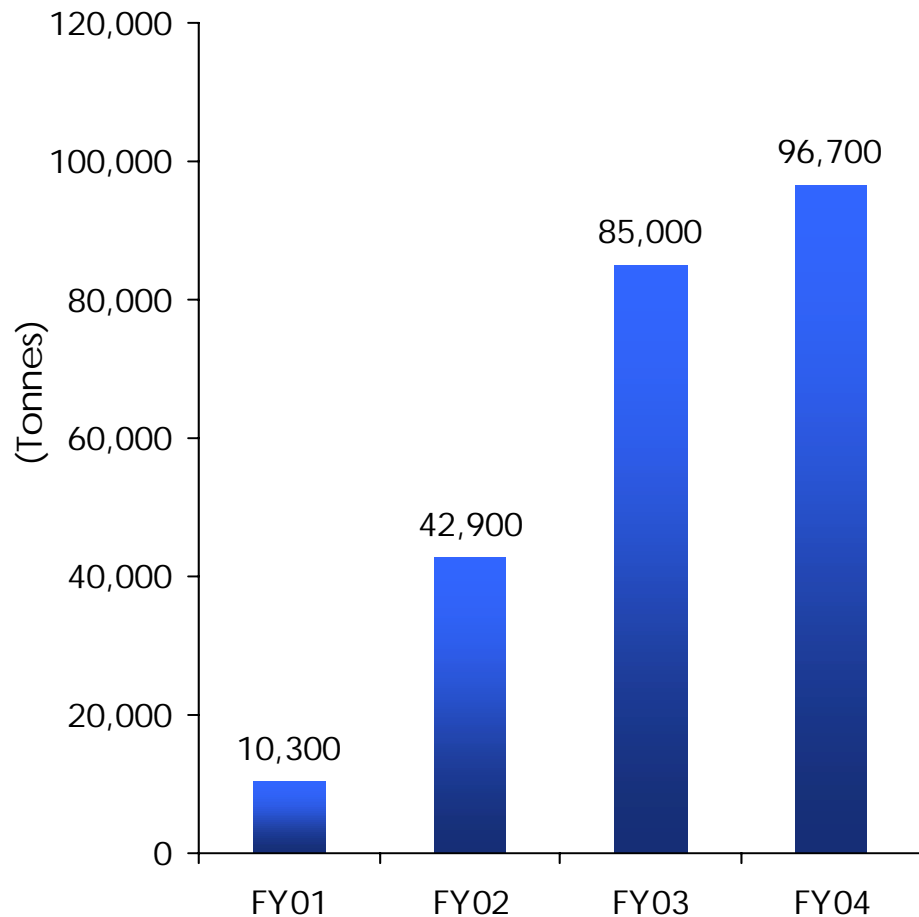
**40% requirements to come from captive sources in the long term**



## Stagnant Domestic Demand

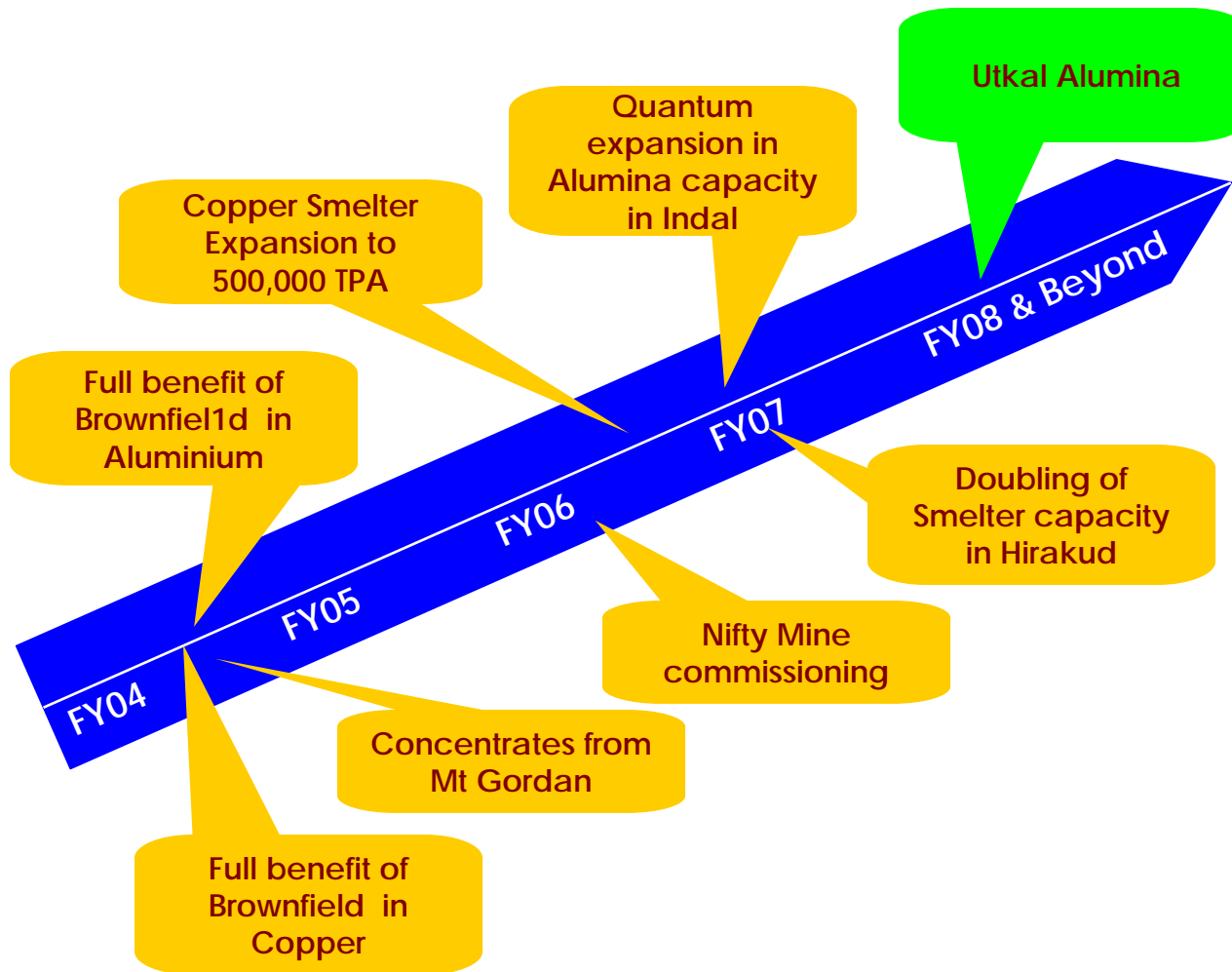


## Rising Exports of Birla Copper



Source: Company Data

# Key growth drivers going forward

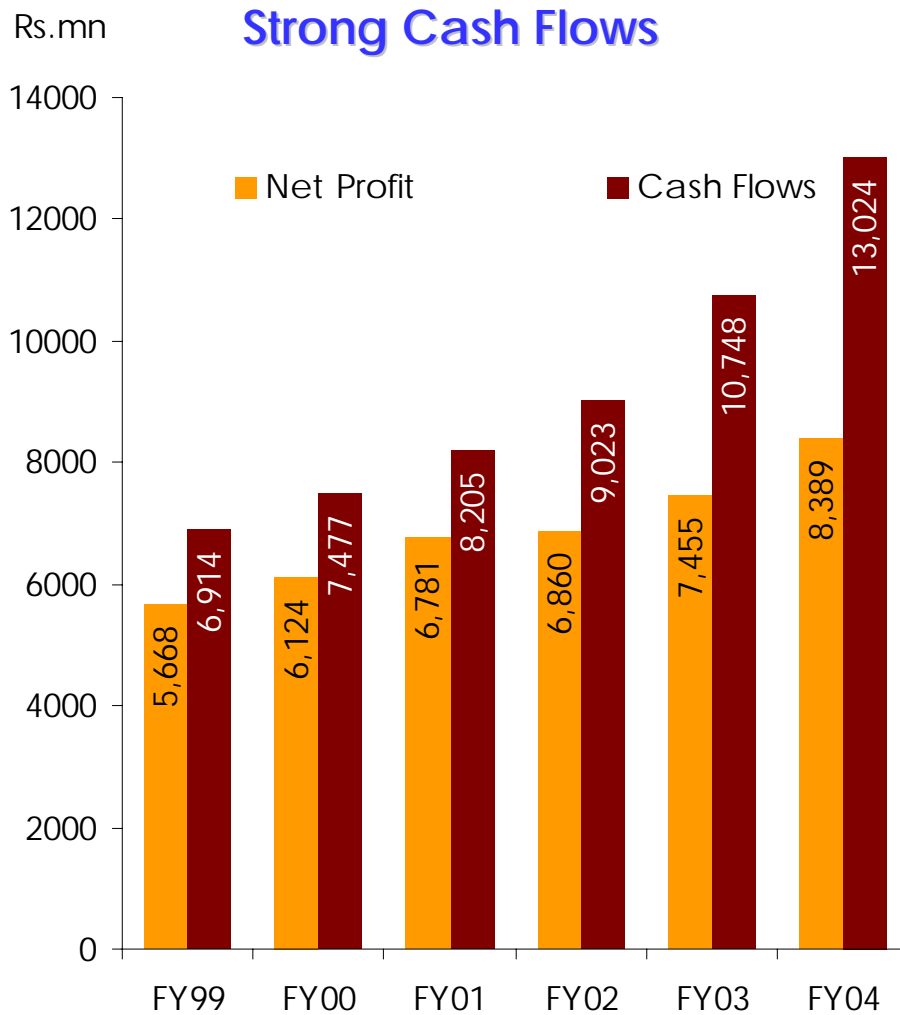


## Growth Opportunities

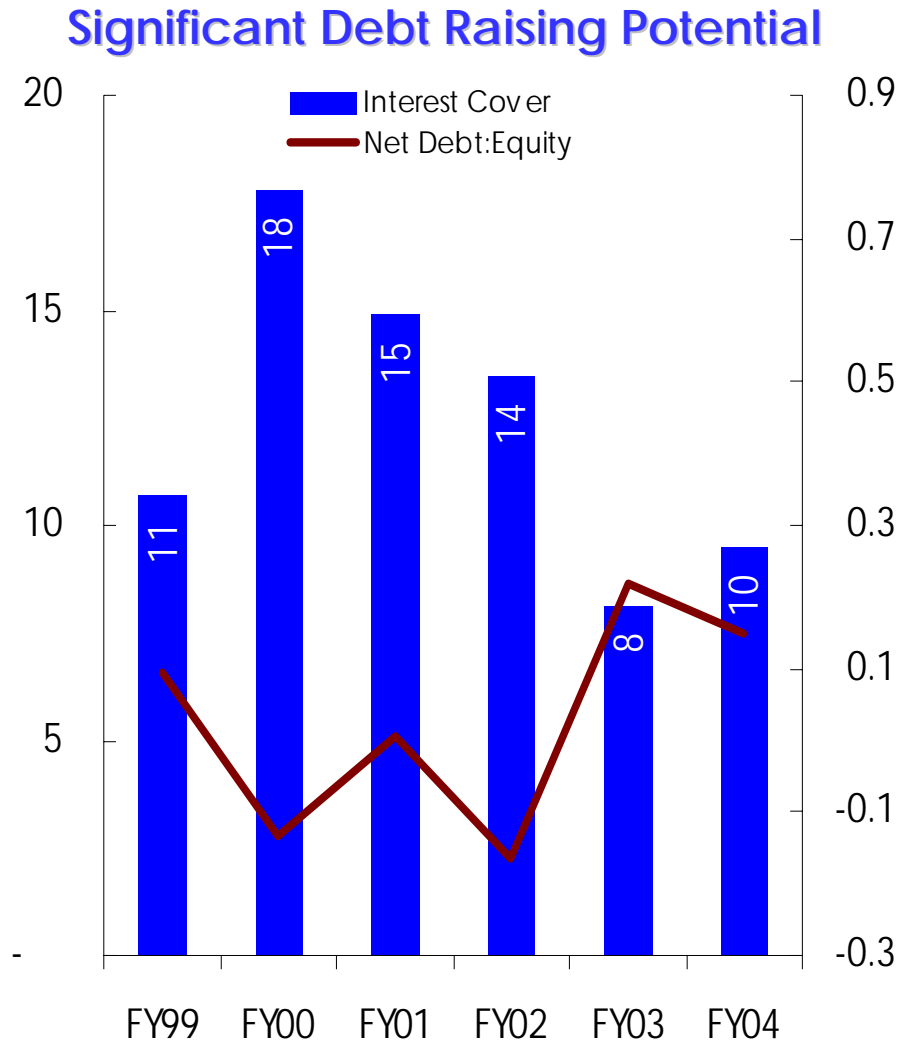
- ORGANIC:
  - Brownfield
  - Greenfield
- INORGANIC:
  - PSU disinvestments
- Downstream opportunities in Aluminium
- Copper mine acquisition

Sustaining growth momentum for superior value is key

# Strong financials to support growth plans



Source: Company Data  
\* FY04e - 9 months data annualised



Source: Company Data

**Sustaining growth momentum for superior value is key**

- ✓ Domestic market leader in a fast growing economy
- ✓ Globally competitive cost structure
- ✓ Sustainable strategic advantages supporting higher returns
- ✓ Ongoing initiatives to help tap explosive growth in Asian markets
- ✓ Strong financials to support significant growth plans
- ✓ Valuation yet to reflect the changing profile

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**ALUMINIUM**

ADITYA BIRLA GROUP

# Aluminium : Production Performance



| Production                    | Unit | Q4FY04  | Q4FY03  | % Chg    | FY04    | FY03    | % Chg   |
|-------------------------------|------|---------|---------|----------|---------|---------|---------|
| Alumina                       | MT   | 148,612 | 140,697 | 5.6      | 591,297 | 501,270 | 17.9    |
| Primary Metal                 | MT   | 83,282  | 75,835  | 9.8      | 323,184 | 266,837 | 21.1    |
| Wire Rod                      | MT   | 15,471  | 14,400  | 7.4      | 58,233  | 50,789  | 14.7    |
| Rolled Products               | MT   | 22,328  | 17,951  | 24.4     | 77,069  | 73,171  | 5.3     |
| Extrusions                    | MT   | 4,352   | 4,390   | (-) 0.8  | 17,469  | 18,822  | (-) 7.2 |
| Foils                         | MT   | 4,833   | 5,504   | (-) 12.2 | 18,560  | 19,235  | (-) 3.5 |
| Alloy Wheels                  | Nos. | 40,275  | 12,738  | 216.2    | 99,091  | 56,117  | 76.6    |
| <u>Net Power Availability</u> |      |         |         |          |         |         |         |
| Renusagar                     | MU   | 1,363   | 1,211   | 12.5     | 5,232   | 4,360   | 20.0    |
| Co-generation                 | MU   | 63      | 70      | (-) 10.0 | 237     | 254     | (-) 6.7 |

# Aluminium : Sales Volumes



| Production      | Unit | Q4FY04 | Q4FY03 | % Chg    | FY04    | FY03    | % Chg   |
|-----------------|------|--------|--------|----------|---------|---------|---------|
| Primary Metal   | MT   | 43,980 | 37,993 | 15.8     | 170,319 | 120,595 | 41.2    |
| Wire Rod        | MT   | 16,050 | 14,644 | 9.6      | 58,778  | 50,268  | 16.9    |
| Rolled Products | MT   | 18,957 | 12,934 | 46.6     | 58,175  | 50,956  | 14.2    |
| Extrusions      | MT   | 5,475  | 4,452  | 23.0     | 18,352  | 19,001  | (-) 3.4 |
| Foils           | MT   | 5,300  | 5,914  | (-) 10.4 | 18,819  | 19,243  | (-) 2.2 |
| Alloy Wheels    | Nos  | 42521  | 12606  | 237.3    | 105975  | 52786   | 100.8   |

**Aggregate exports grew from 46,861 MT to 47,914 MT in FY04 while domestic sales soared from 216,158 MT to 278,285 MT**

# Aluminium : Sales Revenues

*Rs. Crores*

| Production      | Q4FY04 | Q4FY03 | % Chg   | FY04    | FY03  | % Chg |
|-----------------|--------|--------|---------|---------|-------|-------|
| Primary Metal   | 372.4  | 296.6  | 25.6    | 1,365.3 | 924.1 | 47.7  |
| Wire Rod        | 142.2  | 122.0  | 16.5    | 499.1   | 414.6 | 20.4  |
| Rolled Products | 193.3  | 126.4  | 52.9    | 584.3   | 501.6 | 16.5  |
| Extrusions      | 57.7   | 46.2   | 25.0    | 192.2   | 192.2 | 0.0   |
| Foils           | 73.7   | 75.3   | (-) 2.2 | 256.6   | 256.1 | 0.2   |
| Alloy Wheels    | 7.3    | 2.5    |         | 18.5    | 9.3   |       |

**Exports account for 13 % of revenues**

# Higher Share of Value Added Products

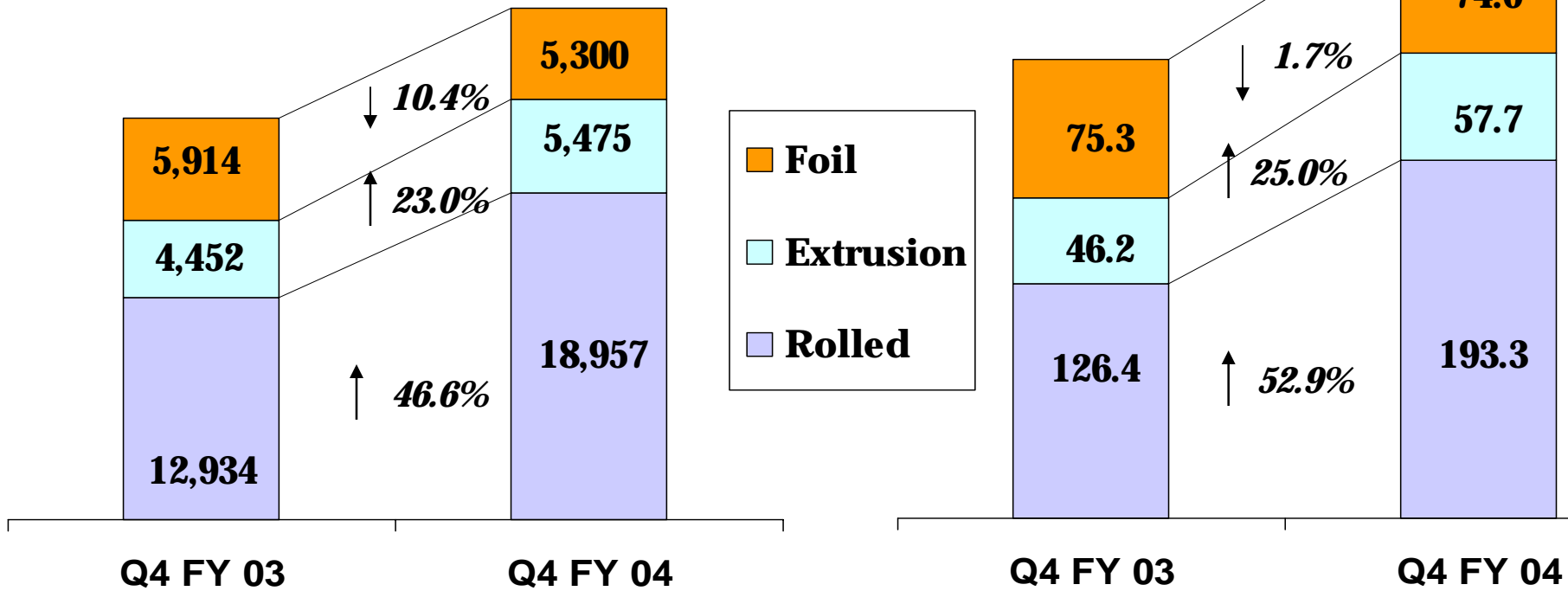
| Volume (MT) |        |
|-------------|--------|
| 23,300      | 29,732 |
| 30.6%       | 32.9%  |

| Sales (Rs. Crore) |       |
|-------------------|-------|
| 247.9             | 325.0 |
| 35.6%             | 37.2% |

*of total sales*

27.6%

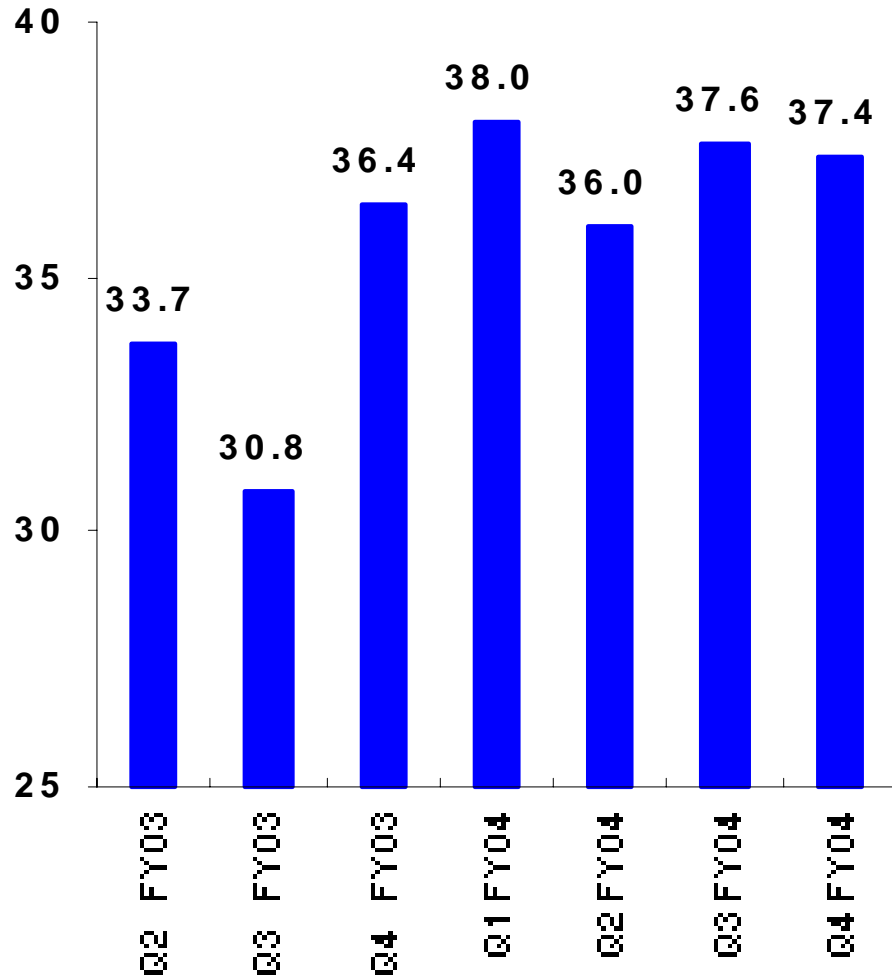
31.1%



**Higher Volumes and Improved Realisations**

# Operating Expenditure & Profitability

Operating Margins (%)



- ☑ Operating Expenditure increased by 20.8% on the back of 18.3% higher volumes
- ☑ Margins adversely affected by
  - ✓ Higher Bauxite and Caustic prices
  - ✓ Higher maintenance expenses in Power plant
- ☑ Margin drivers
  - ✓ Higher realisations
  - ✓ More domestic sales
  - ✓ Higher share of value added products

# Aluminium : Financial Results



| (In Rs. Crores)        | Q4FY04 | Q4FY03 | % Chg.   | FY04    | FY03    | % Chg.   |
|------------------------|--------|--------|----------|---------|---------|----------|
| Sales Volumes (MT)     | 90,274 | 76,192 | 18.3     | 326,199 | 263,019 | 24.0     |
| Net Sales              | 874.3  | 696.8  | 25.2     | 2,996.0 | 2,375.4 | 26.2     |
| Other Operating Income | 4.5    | 13.9   | (-) 67.8 | 14.9    | 25.6    | (-) 38.0 |
| EBITDA                 | 327.2  | 253.9  | 28.9     | 1,111.5 | 825.3   | 34.7     |
| <i>EBITDA Margin %</i> | 37.4   | 36.4   |          | 37.1    | 34.8    |          |
| Depreciation           | 63.3   | 47.4   | 33.5     | 226.3   | 175.3   | 29.0     |
| EBIT                   | 263.9  | 206.5  | 28.0     | 890.6   | 660.5   | 34.8     |

HINDALCO

**COPPER**

ADITYA BIRLA GROUP

# Copper : Production Performance



| Production     | Unit | Q4' 04 | Q4' 03 | Chg. % | FY' 04  | FY' 03  | Chg. % |
|----------------|------|--------|--------|--------|---------|---------|--------|
| Copper Cathode | MT   | 50,994 | 45,061 | 13     | 186,611 | 185,159 | 1      |
| CC Copper Rods | MT   | 24,211 | 20,369 | 19     | 91,380  | 76,766  | 19     |
| DAP/NPK        | MT   | 55,284 | 61,583 | (-)10  | 231,903 | 315,785 | (-)27  |
| Gold           | MT   | 2.27   | 1.64   | 38     | 6.91    | 5.45    | 27     |
| Silver         | MT   | 9.40   | 8.31   | 13     | 31.51   | 30.50   | 3      |

**Smelter expansion to 250,000 TPA completed in February 2004**

# Copper: Sales Volumes and Revenues



|                            | Q4FY04         | Q4FY03        | % Chg.      | FY04           | FY03           | % Chg.      |
|----------------------------|----------------|---------------|-------------|----------------|----------------|-------------|
| <b>Sales Volume (MT)</b>   |                |               |             |                |                |             |
| -Domestic                  | 23,153         | 17,179        | 34.8        | 80,955         | 87,158         | (-) 7.1     |
| - Deemed Exports           | 6,088          | 4,696         | 29.6        | 17,449         | 13,542         | 28.9        |
| - Exports                  | 22,683         | 23,769        | (-) 4.6     | 96,726         | 84,993         | 13.8        |
| <b>Total</b>               | <b>51,924</b>  | <b>45,644</b> | <b>13.8</b> | <b>195,130</b> | <b>185,693</b> | <b>5.1</b>  |
| <b>Revenues (Rs. Crs.)</b> |                |               |             |                |                |             |
| -Copper                    | 784.1          | 479.6         | 63.5        | 2,383.1        | 1,909.5        | 24.8        |
| -Others                    | 244.6          | 153.7         | 59.1        | 818.2          | 701.9          | 16.6        |
| <b>Total</b>               | <b>1,028.7</b> | <b>633.3</b>  | <b>62.4</b> | <b>3,201.3</b> | <b>2,611.4</b> | <b>22.6</b> |

# Operating Expenses & Profitability

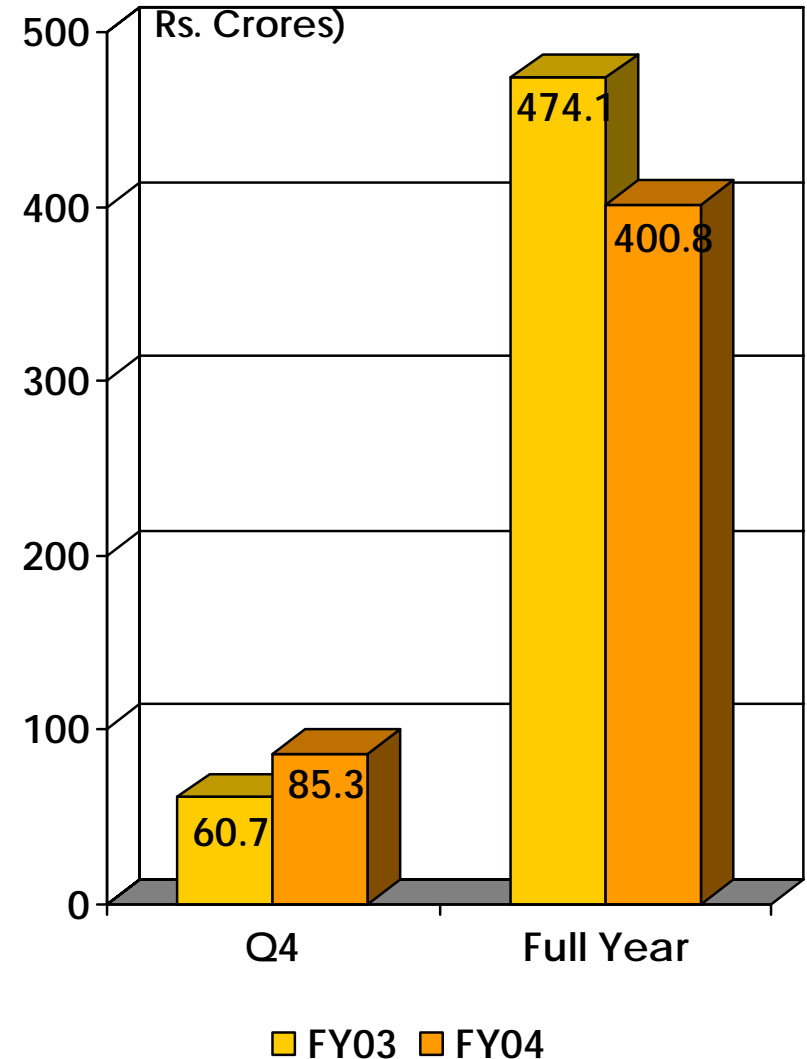


## ☑ Q4 profitability drivers :-

- ✓ Higher production by 5,933 MT
- ✓ Higher Premiums
- ✓ Higher TcRc due to PP from LME increase

## ☑ Full Year profits impacted by :-

- ✓ Lower average TcRc
- ✓ Impact of tariff changes
- ✓ Rupee Appreciation
- ✓ Lower domestic Sales
- ✓ Higher Coal & Fuel prices



# Copper : Financial Results



(Rs. Crores)




| Particulars            | Q4' 04  | Q4' 03 | % Chg. | FY 04   | FY03    | % Chg. |
|------------------------|---------|--------|--------|---------|---------|--------|
| Sales Volumes (MT)     | 51,924  | 45,644 | 13.8   | 195,130 | 185,692 | 5.1    |
| Net Sales              | 1,028.7 | 633.3  | 62.4   | 3,201.3 | 2,610.2 | 22.6   |
| Other Operating Income | -13.4   | 17.7   |        | 15.9    | 27.1    | -41.2  |
| EBITDA                 | 85.3    | 60.7   | 40.5   | 399.0   | 468.9   | -14.9  |
| <i>EBITDA Margin %</i> | 8.3     | 9.6    |        | 12.5    | 18.0    |        |
| Depreciation           | 24.1    | 24.1   | 0.0    | 91.1    | 88.9    | 2.4    |
| EBIT                   | 61.2    | 35.5   | 72.3   | 309.7   | 384.0   | -19.3  |

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**HINDALCO**

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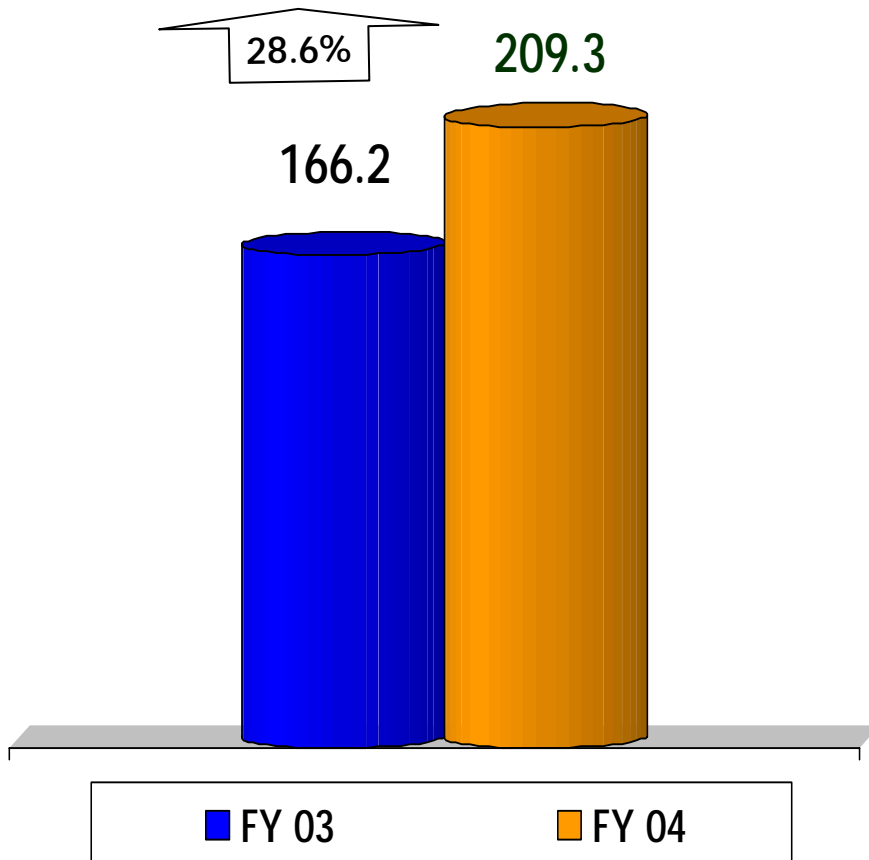
# Hindalco Financial Results

| (In Rs. Crores)   | Q4Fy04 | Q4FY03 | % Chg   | FY04   | FY03   | % Chg |
|---|--------|--------|---------|--------|--------|-------|
| <b>Net Sales &amp; Operating income</b>   | 1892.7 | 1352.1 | 40.0    | 6226.2 | 5037.7 | 23.6  |
| Other Income                   | 37.5   | 37.9   | (-) 1.0 | 209.3  | 166.2  | 27.9  |
| <b>PBDIT</b>  | 450.5  | 336.0  | 34.1    | 1724.3 | 1463.4 | 17.8  |
| Interest & Financing Charges*  | 36.7   | 37.7   | (-) 2.6 | 161.2  | 136.4  | 18.2  |
| Depreciation  | 87.4   | 71.5   | 22.3    | 317.4  | 264.2  | 20.1  |
| <b>Profit Before Tax</b>  | 326.3  | 226.8  | 43.9    | 1245.7 | 1062.8 | 17.2  |
| Taxes                          | 104.2  | 44.0   | 136.8   | 406.7  | 317.2  | 28.2  |
| <b>Profit after tax but before Extraordinaries</b>  | 222.2  | 182.8  | 21.6    | 838.9  | 745.5  | 12.5  |
| Extraordinaries   | 0      | 163.3  |         | 0      | 163.3  |       |
| <b>Net profit</b>   | 222.2  | 19.5   | 1039.4  | 838.9  | 582.2  | 44.1  |
| E.P.S. (Rs.)*   | 24.0   | 19.8   | 21.6    | 90.7   | 80.6   | 12.5  |
| C.E.P.S. (Rs.)*   | 33.5   | 27.5   | 21.8    | 125.0  | 109.2  | 14.5  |

\* Before Extra-ordinaries



Rs. in Crores



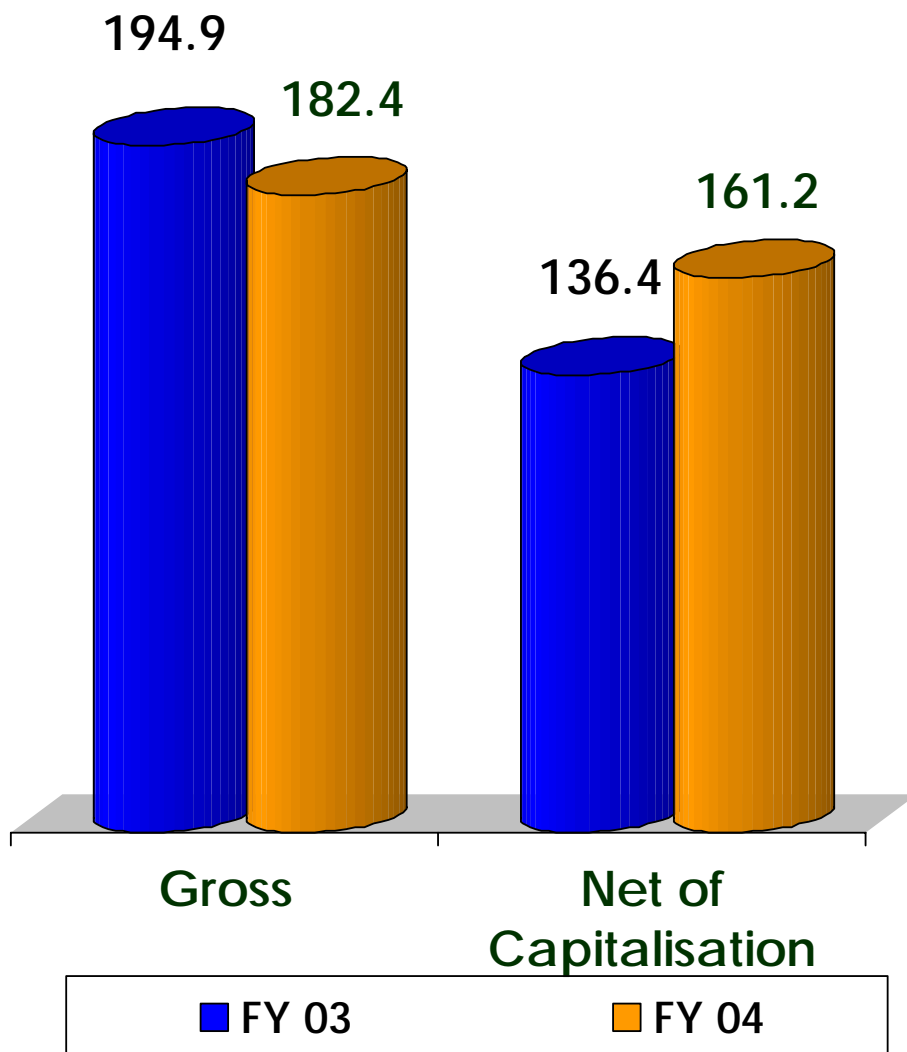
☑ Other Income increased by :-

- ✓ More funds available for short-term Investment
- ✓ Interest on refund of Income Tax
- ✓ Profit on sale of long-term investment

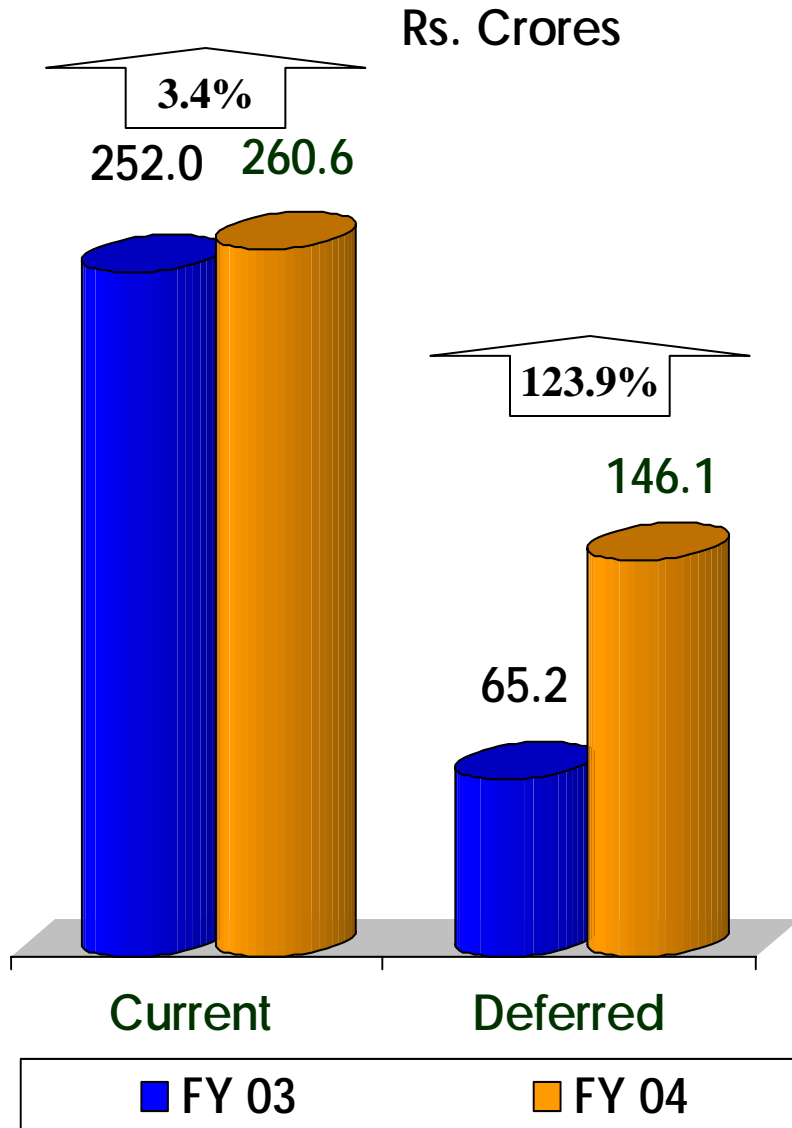
# Interest & Financing Charges



(Rs. Crore)



- ☑ Gross Interest reduced due to
  - ✓ Repayment of high cost debts
  - ✓ New loans at cheaper rates
- ☑ Interest Capitalised reduced due to lower Capex
- ☑ Consequently, net interest was higher by 18.2%



- Despite lower 80 HHC benefits, current tax rate declined from 23.7% to 20.9% due to:-
  - ✓ Higher WDV Depreciation
  - ✓ Higher set-off of Long Term Capital Gains against carried forward losses
  - ✓ Reduced Marginal tax rate
- Consequently Deferred Tax increased

HINDALCO

**INDAL**

ADITYA BIRLA GROUP

# Indal: Financial Highlights

| (In Rs. Crores)                         | Q4FY04 | Q4FY03 | % Chg.   | FY04   | FY03   | % Chg.    |
|---|--------|--------|----------|--------|--------|-----------|
| <b>Net Sales &amp; Operating Income</b> | 445.1  | 376.3  | 18.3     | 1614.0 | 1371.0 | 17.7      |
| Other Income                            | 2.0    | 13.0   | (-) 84.6 | 21.4   | 49.3   | (-) 56.6  |
| <b>PBDIT</b>                            | 86.9   | 60.8   | 42.9     | 278.3  | 235.9  | 18.0      |
| Interest & Financing Charges            | 4.7    | 6.0    | 21.7     | 19.7   | 26.6   | 25.9      |
| Depreciation                            | 19.0   | 18.7   | (-) 1.6  | 75.0   | 70.2   | (-) 6.8   |
| <b>Profit before Tax</b>                | 63.2   | 36.0   | 75.6     | 183.7  | 139.1  | 32.1      |
| Current Tax                             | 15.0   | 1.3    | (-) 1100 | 45.0   | 12.5   | (-) 260.0 |
| Deferred Tax                            | 0.5    | 0.4    | (-) 25.0 | 6.5    | 8.0    | 18.8      |
| <b>Net Profit</b>                       | 47.7   | 34.4   | 38.7     | 132.2  | 118.6  | 11.5      |
| <b>E.P.S. (Rs.)</b>                     | 6.7    | 4.8    | 38.7     | 18.6   | 16.7   | 11.5      |

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**Thank You**

ADITYA BIRLA GROUP



Date: 26.04.2004

## HINDALCO

### THE ADITYA BIRLA GROUP'S FLAGSHIP COMPANY FY 2003-04 RESULTS

#### SCALES NEW LEVELS OF PERFORMANCE

**NET PROFIT GROWTH OF 44%**

**CONSOLIDATED NET PROFIT FOR FY 2004 EXCEEDS Rs. 1000 Crores**

**DIVIDEND Rs. 16.50 per Share      Payout Increased by 22%**

|  | Q4 FY 2004   |             | FY 2004      |             |
|--|--------------|-------------|--------------|-------------|
|  | Rs. Crores   | % Chg.      | Rs. Crores   | % Chg.      |
| <b>Turnover</b>                              | <b>1,902</b> | <b>42.8</b> | <b>6,191</b> | <b>24.2</b> |
| <b>Operating Profit</b>                      | <b>422</b>   | <b>51.9</b> | <b>1,480</b> | <b>18.8</b> |
| <b>PBDIT</b>                                 | <b>450</b>   | <b>34.0</b> | <b>1,724</b> | <b>17.8</b> |
| <b>Net Profit before<br/>Extraordinaries</b> | <b>222</b>   | <b>21.5</b> | <b>839</b>   | <b>12.5</b> |
| <b>PAT</b>                                   | <b>222</b>   |             | <b>839</b>   | <b>44.1</b> |
| <b>EPS (in Rs.)</b>                          |              |             | <b>91</b>    |             |

#### **Q4 Performance**

Hindalco, the flagship Company of the Aditya Birla Group, has posted a robust performance during the 4<sup>th</sup> Quarter.

The Company attained a turnover of Rs. 1,902 Crores on the back of higher volumes and improved realizations. Continued emphasis on value added products and aggressive marketing of larger volumes has been the major growth driver. While Aluminium margins improved, the impact was partly offset by low profitability in Copper, resulting from three factor - a weak TC / RC (Treatment Charges / Refining Charges); an appreciating rupee, and tariff reductions.

## Sales

Net Sales of Hindalco in the 4<sup>th</sup> Quarter stand at Rs. 1,902 Crores, 42.8% higher than Rs. 1,332 Crores of last year.

Out of this, the Aluminium division has recorded sales of Rs. 874 Crores which is a 25.2% increase over Rs. 698 Crores in the corresponding quarter of last year. This is mainly on account of higher volumes and improved realizations.

The Copper Division's Net Sales at Rs. 1,028 Crores in the 4th Quarter reflects a 62.4% rise over that of Rs. 634 Crores in the corresponding quarter of previous year.

## Profits

Profits before Tax is higher by 43.6% at Rs. 326 Crores vis-à-vis Rs. 227 Crores in the corresponding quarter of the earlier year.

Profits after Tax (before Extraordinaries) increased 21.6% to Rs. 222 Crores as compared to Rs. 183 Crores reported in the corresponding quarter of the previous year.

## Financial Performance

The Company's financial performance both for the Quarter ended 31<sup>st</sup> March 2004 as well as the full year is as indicated.

| Particulars                                  | Quarter ended 31 <sup>st</sup> March 2004 | Quarter ended 31 <sup>st</sup> March 2003 | Year ended 31 <sup>st</sup> March 2004 | Year ended 31 <sup>st</sup> March 2003 |
|--|---|---|--|--|
| <b>Net Sales</b>                             | <b>1,901.6</b>                            | <b>1,331.6</b>                            | <b>6,190.9</b>                         | <b>4,985.6</b>                         |
| PBDIT  | 450.4                                     | 336.1                                     | 1,724.2                                | 1,463.4                                |
| Interest *                                   | 36.7                                      | 37.7                                      | 161.2                                  | 136.5                                  |
| Depreciation                                 | 87.4                                      | 71.5                                      | 317.4                                  | 264.2                                  |
| Profit before Extraordinary items & Tax      | 326.3                                     | 226.9                                     | 1,245.6                                | 1,062.7                                |
| Provision for Taxes                          | 104.1                                     | 44.0                                      | 406.7                                  | 317.3                                  |
| <b>Net Profit before Extraordinary items</b> | <b>222.2</b>                              | <b>182.9</b>                              | <b>838.9</b>                           | <b>745.5</b>                           |
| Extraordinary items                          | -   | 163.3                                     | -                                      | 163.3                                  |
| Net Profit                                   | 222.2                                     | 19.6                                      | 838.9                                  | 582.1                                  |
| Equity Capital                               | 92.45                                     | 92.45                                     | 92.45                                  | 92.45                                  |
| EPS (Rs) before Extraordinary items          | 24.0                                      | 19.8                                      | 90.7                                   | 80.6                                   |
| Gross Interest *                             | 40.6                                      | 51.4                                      | 182.4                                  | 194.9                                  |

Hindalco's Net Profit for FY 2004 stood at Rs. 839 Crores. Taken along with the profits of its subsidiaries, Hindalco has crossed an important milestone of recording a Net Profit in excess of Rs. 1000 Crores for FY 2004 – thus joining the very select band of companies in India.

### **Dividend**

The Directors have recommended a dividend of Rs. 16.50 per equity share, which will be paid in line with the applicable regulations. The total outgo on account of dividend payments, including tax on dividend would be Rs. 172 Crores.

### **Operational Review**

#### **Aluminium**

( Production Qty in MT )

|                    | Q4 FY<br>2004 | Q4 FY<br>2003 | %<br>Change | FY<br>2003-04 | FY<br>2002-03 | %<br>Change |
|--------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| Aluminium Metal    | 83,282        | 75,835        | 9.8         | 323,184       | 266,838       | 21.1        |
| Alumina Calcined   | 148,612       | 140,697       | 5.6         | 591,297       | 501,270       | 18.0        |
| Redraw Rods        | 15,471        | 14,400        | 7.4         | 58,233        | 50,790        | 14.7        |
| Extrusions         | 4,353         | 4,390         | (0.8)       | 17,469        | 18,822        | (7.2)       |
| Rolled Products    | 22,328        | 17,951        | 24.4        | 77,069        | 73,171        | 5.3         |
| Foils              | 4,831         | 5,504         | (12.2)      | 18,560        | 19,235        | (3.5)       |
| Alloy Wheels (No.) | 40,275        | 12,738        | 216.2       | 99,091        | 56,117        | 76.6        |

#### **Power Availability:**

**M.U.**

| <i>Power Sent Out :</i> |       |       |        |       |       | %     |
|-------------------------|-------|-------|--------|-------|-------|-------|
| Renusagar               | 1,363 | 1,211 | 12.5   | 5,232 | 4,360 | 20.0  |
| Co-generation           | 63    | 70    | (10.0) | 237   | 254   | (6.7) |

The Aluminium division has recorded an all round improvement in production. Metal volumes have increased by 9.8% consequent to enhanced capacities. Rolled Products, Redraw Rods and Alloy Wheels have demonstrated strong growth. Extrusion production remained flat while production of Foils declined in the quarter on account of weak market conditions.

On a yearly basis, metal production went up by 21.1%. Redraw Rods, Rolled Products and Alloy wheels have risen sharply. However, Extrusions and Foils volumes were lower mainly due to a change in product mix.

#### **Copper**

( Production Qty in MT )

|                | Q4 FY<br>2004 | Q4 FY<br>2003 | %<br>Change | FY<br>2003-04 | FY 2002-<br>03 | %<br>Change |
|----------------|---------------|---------------|-------------|---------------|----------------|-------------|
| Copper Cathode | 50,994        | 45,061        | 13.2        | 186,611       | 185,159        | 0.8         |
| Sulphuric Acid | 151,196       | 119,434       | 26.6        | 518,528       | 495,703        | 4.6         |
| DAP/NPK        | 55,284        | 61,583        | (10.2)      | 231,903       | 315,785        | (26.6)      |
| Gold           | 2.27          | 1.64          | 38.4        | 6.91          | 5.45           | 26.8        |
| Silver         | 9.40          | 8.31          | 13.1        | 31.51         | 30.50          | 3.3         |

During the 4th Quarter, the Copper Division's Cathode Production at 50,994 MT is up by 13.2% over 45,061 MT in corresponding quarter of the previous year. Sulphuric Acid Production is higher by 26.6% at 151,196 MT. Di-Ammonium Phosphate and NPK declined by 10.2% at 55,284 MT. The output of value added Continuous Cast Copper Rods rose by a significant 18.9% to 24,211 MT vis-à-vis 20,369 MT last year.

During the year, the performance of the Copper Division remained satisfactory. Copper Cathode production was sustained at 186,611 MT. Sulphuric Acid production rose by 4.6% at 518,528 MT. Production of Di-Ammonium Phosphate and NPK was regulated as the subsidy reduction was not conducive to manufacturing of the products with imported Phosphoric Acid. There has been an impressive growth in production of value added Continuous Cast Copper Rods by 19.1% from 76,766 MT to 91,380 MT. Gold Production went up by 26.8% from 5.45 MT to 6.91 MT.

### ***Copper - Brownfield Expansion***

The brownfield expansion for enhancing copper smelter capacity from 150,000 TPA to 250,000 TPA has been completed. Production commenced with effect from 16th February 2004. This has been achieved without any cost overruns. This low cost expansion will position Birla Copper amongst the top 25% producers globally.

To become globally competitive in terms of its cost structure, the Company's Copper Division has decided to go ahead with a further expansion of its smelter to take the capacity to 500,000 TPA likely to be commissioned in the next 24 months. It will catapult Birla Copper into the select band of the top 10% cost competitive producers of Copper worldwide.

### ***Mines***

As reported earlier, the developmental work at the Nifty and the Mount Gordon mines in Australia, is progressing satisfactorily and in line with plans. The first shipment of concentrate from Mt. Gordon mines is expected by mid-FY 2005. Concentrate supply from Nifty is slated to commence by mid FY 2006.

### ***Indal Open Offer***

Hindalco has acquired 96.36 % shares of Indal in pursuant to Final Offer under SEBI (Substantial acquisition of Shares & Takeover Regulations), 1996. In accordance with the requirements of de-listing, Hindalco has given an exit offer to the remaining shareholders at a price of Rs. 120 per share. The Company's stake in Indal has therefore increased to 96.53%. This has entailed an additional investment of Rs 49.42 Million during this year. The stock of Indal has since been delisted.

## **Outlook**

### **Aluminium**

The global economy is swinging into a recovery path with encouraging signs from major consuming economies – the US, Eurozone and Japan. Asia remains a key consumer of commodities, with China leading the way strongly. Global demand for aluminium is poised to post around 6% growth. Encouraging market fundamentals viz. declining stocks and robust consumption indicators bode well for aluminium demand.

In line with the global trends, the domestic outlook is also encouraging. After posting an impressive growth in FY 2003-04, GDP is set to grow over 6% in FY 2005. Indications of a normal monsoon and sustained domestic industrial growth boost consumer confidence. Aluminium consumption growth is expected to grow by about 7% this fiscal, led by strong demand from the electrical, transport and construction sectors.

Even with output from additional capacities coming on stream this year, demand will outpace supply leading to easing of competitive pressures. Although international prices are still sensitive to release of economic indicators, LME is expected to be firm in view of global alumina shortage and strengthening fundamentals. The benefits from this will be offset to some extent by an appreciating rupee. Domestic prices are expected to remain steady on the back of a firm LME and growing demand. In sum, Hindalco's Aluminium division looks forward to yet another successful year ahead.

### **Copper**

Domestic Demand of Copper continues to be a cause for concern as the growth in Jelly Filled Telecom Cable (JFTC) segment is shrinking. However a good demand is forecast with the expectation of power sector reforms and growth in the winding wire and transformer industry.

A growth in global demand over 5% is expected in CY 2004 in view of global economic recovery predominantly with a fast rising Asian demand. The demand supply gap of over 2 Million TPA with major growth in China provides a good opportunity for the Company.

The current spot market for Copper Concentrate remains extremely tight. Long Term TC/RC for the year 2004 is lower than that in the year 2003. With the anticipated increase in concentrate production due to increase in LME prices, improvement in TC/RC is expected in the year 2005. In the meantime, producers have to live with the spectre of an appreciating rupee and undertake suitable hedging positions.

### **Overall Outlook**

The Company remains confident of reaping a rich harvest from its three - pronged strategy of vertical integration, thrust on branding and continued emphasis on value added products.

Hindalco foresees an encouraging business outlook and remains committed to pursuing value adding growth opportunities like

- i) Leveraging the synergies with Indal.
- ii) Further expansion in Copper.
- iii) Acquisition of additional Copper and Bauxite mines which will fuel further growth and finally,
- iv) Evaluating various growth opportunities in Aluminium, both through organic and inorganic route.

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**HINDALCO INDUSTRIES LIMITED**

Regd. Office: "Century Bhavan", 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai-400 025

| AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2004    |  |                                      |                                      |                                 |                                 | SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT |  |                                      |                                      |                                 |                                 |
|--|--|--------------------------------------|--------------------------------------|---------------------------------|---------------------------------|---|--|--------------------------------------|--------------------------------------|---------------------------------|---------------------------------|
| Particulars  | (Rupees in Million)                      |                                      |                                      |                                 |                                 | Particulars   | (Rupees in Million)                      |                                      |                                      |                                 |                                 |
|  | Nine Months ended 31/12/2003 (Unaudited) | Quarter ended 31/03/2004 (Unaudited) | Quarter ended 31/03/2003 (Unaudited) | Year ended 31/03/2004 (Audited) | Year ended 31/03/2003 (Audited) |   | Nine Months ended 31/12/2003 (Unaudited) | Quarter ended 31/03/2004 (Unaudited) | Quarter ended 31/03/2003 (Unaudited) | Year ended 31/03/2004 (Audited) | Year ended 31/03/2003 (Audited) |
| 1 Net Sales  | 42,893                                   | 19,016                               | 13,316                               | 61,909                          | 49,856                          | 1. Segment Revenue  |  |                                      |                                      |                                 |                                 |
| 2 Other Income   | 2,160                                    | 286                                  | 584                                  | 2,446                           | 2,183                           | (a). Aluminium Business   | 21,217                                   | 8,743                                | 6,982                                | 29,960                          | 23,754                          |
| 3 Total Expenditure  | 32,315                                   | 14,798                               | 10,539                               | 47,113                          | 37,405                          | (b). Copper Business  | 21,726                                   | 10,287                               | 6,334                                | 32,013                          | 26,102                          |
| (a). (Increase)/Decrease in Stock in Trade                       | (1,577)                                  | 403                                  | 665                                  | (1,174)                         | (237)                           | Less: Inter Segment Revenue   | 42,943                                   | 19,030                               | 13,316                               | 61,973                          | 49,856                          |
| (b). Consumption of Raw Materials                                | 22,476                                   | 10,070                               | 6,158                                | 32,546                          | 23,236                          | Net Sales/Income from operations  | (50)                                     | (14)                                 | -                                    | (64)                            | -                               |
| (c). Staff Cost  | 1,779                                    | 623                                  | 598                                  | 2,402                           | 2,228                           | <b>42,893</b>   | <b>19,016</b>                            | <b>13,316</b>                        | <b>61,909</b>                        | <b>49,856</b>                   |                                 |
| (d). Manufacturing Expenses                                      | 7,506                                    | 2,950                                | 2,353                                | 10,456                          | 9,125                           | 2. Segment Results (Profit/Loss before Tax and interest from each Segment)                  |  |                                      |                                      |                                 |                                 |
| (e). Other Expenditure   | 2,131                                    | 752                                  | 765                                  | 2,883                           | 3,053                           | (a). Aluminium Business   | 6,267                                    | 2,639                                | 2,062                                | 8,906                           | 6,605                           |
| 4 Interest & Finance Charges                                     | 1,245                                    | 367                                  | 377                                  | 1,612                           | 1,365                           | (b). Copper Business  | 2,485                                    | 612                                  | 355                                  | 3,097                           | 3,840                           |
| 5 Gross Profit   | 11,493                                   | 4,137                                | 2,984                                | 15,630                          | 13,269                          | Less: Interest & Finance Charges  | 8,752                                    | 3,251                                | 2,417                                | 12,003                          | 10,445                          |
| 6 Depreciation   | 2,300                                    | 874                                  | 715                                  | 3,174                           | 2,642                           | Add: Other un-allocable Income net off un-allocable expenses                                | (1,245)                                  | (367)                                | (377)                                | (1,612)                         | (1,365)                         |
| 7 Profit before Tax & Extraordinary Items                        | 9,193                                    | 3,263                                | 2,269                                | 12,456                          | 10,627                          | Profit before Tax & Extraordinary Items   | 7,507                                    | 2,884                                | 2,040                                | 10,391                          | 9,080                           |
| 8 Extraordinary Items  | -  | -                                    | 1,633                                | -                               | 1,633                           | 3. Capital Employed (Segment Assets-Segment Liabilities)                                    |  |                                      |                                      |                                 |                                 |
| 9 Profit before Tax  | 9,193                                    | 3,263                                | 636                                  | 12,456                          | 8,994                           | (a). Aluminium Business   | 39,693                                   | 40,661                               | 38,502                               | 40,661                          | 38,502                          |
| 10 Provision for Tax   | 3,026                                    | 1,041                                | 440                                  | 4,067                           | 3,173                           | (b). Copper Business  | 25,277                                   | 27,622                               | 24,014                               | 27,622                          | 24,014                          |
| (a). Provision for Current Tax                                   | 1,802                                    | 804                                  | 594                                  | 2,606                           | 2,520                           | <b>64,970</b>   | <b>68,283</b>                            | <b>62,516</b>                        | <b>68,283</b>                        | <b>62,516</b>                   |                                 |
| (b). Provision for Deferred Tax                                  | 1,224                                    | 237                                  | (154)                                | 1,461                           | 653                             |   |  |                                      |                                      |                                 |                                 |
| 11 Net Profit  | 6,167                                    | 2,222                                | 196                                  | 8,389                           | 5,821                           |   |  |                                      |                                      |                                 |                                 |
| 12 Paid-up Equity Share Capital (Face Value : Rs.10/- per Share) | 925                                      | 925                                  | 925                                  | 925                             | 925                             |   |  |                                      |                                      |                                 |                                 |
| 13 Reserves  |  |                                      |                                      | 67,654                          | 60,986                          |   |  |                                      |                                      |                                 |                                 |
| 14 Basic & Diluted EPS (Rs.)                                     | 67                                       | 24                                   | 2                                    | 91                              | 63                              |   |  |                                      |                                      |                                 |                                 |
| 15 Aggregate of non-promoter shareholding                        |  |                                      |                                      |                                 |                                 |   |  |                                      |                                      |                                 |                                 |
| (a). Number of shares  |  |                                      |                                      | 69,941,039                      | 69,941,682                      |   |  |                                      |                                      |                                 |                                 |
| (b). Percentage of shareholding                                  |  |                                      |                                      | 75.63%                          | 75.63%                          |   |  |                                      |                                      |                                 |                                 |

**Notes:**

- The company's Brownfield expansion at copper division for enhancing smelting capacity from 1,50,000 MTPA to 2,50,000 MTPA has been completed and production commenced in February, 2004. The Company has undertaken another expansion to enhance the smelting capacity from 250,000 MTPA to 500,000 MTPA.
- Sale of DAP and other Complex fertilisers are covered under the concession schemes of the Government of India for decontrolled fertilisers. The final rates of concession, upto the period ended 31st December 2003 have been notified during the year and based on these declarations, the estimates for the earlier years have been revised and accordingly, Rs. 375.89 million being revenue differential for earlier years on account of subsidy has been recognised and included in sales of quarter ended 30th September, 2003. Pending declaration of final rate of concession for the quarter ended 31st March 2004, the claim for concession under the scheme for that period has been accounted for provisionally based on final rates declared for the preceding quarter.
- The board of directors have recommended a dividend of Rs. 16.50 per share subject to approval of the shareholders at the Annual General Meeting. The aggregate amount of dividend including tax thereon would be Rs. 1721.34 million.
- As per the condition of delisting of equity shares of Indian Aluminium Company Limited (INDAL), a subsidiary of the company, from the stock exchanges, the company has given exit offer to remaining shareholders of Indal for acquiring balance 25,88,030 Equity Shares @ Rs. 120 per share, the offer opened on February 16, 2004 and will close on February 15, 2005. Current holding of the Company in Indal stands at 96.53%. The equity share of Indal have since been delisted from all the stock exchanges.
- Disclosure relating to number of complaints from investors during the quarter:

| Pending as on 01.01.2004 | Received | Resolved | Pending as on 31.03.2004 |
|--------------------------|----------|----------|--------------------------|
| 1                        | 7        | 7        | 1                        |

- Previous year's figures have been regrouped wherever found necessary.
- The above results have been taken on record at the meeting of the Board of Directors of the Company held on Monday, April 26, 2004.

By and on behalf of the Board

Place: Mumbai  
Dated: April 26, 2004

D. Bhattacharya  
Managing Director