



ESSAR STEEL LIMITED
 Regd. Office: Post Hazira, Pin 394 270, Dist. Surat
 Corp. Office: Essar House, 11 Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034.

Unaudited Financial Results for the Period from 1st April, 2005 to 31st December, 2005					
Particulars	Rs. in crores				
	Quarter ended		Period Ended		Year Ended
	31.12.05	31.12.04	31.12.05	31.12.04	31.03.05
	(unaudited)	(audited)	(unaudited)	(audited)	(audited)
Income from Operations	1,606.31	1,536.29	5,179.78	4,463.03	6,533.25
Less : Excise Duty	(165.89)	(107.63)	(504.78)	(269.98)	(416.54)
Net Sales	1,440.42	1,428.66	4,675.00	4,193.05	6,116.71
Other Income	1.15	0.29	8.76	1.58	4.56
	1,441.57	1,428.95	4,683.76	4,194.63	6,121.27
Expenditure					
(a) Materials Consumed & others	749.41	571.08	2,068.01	1,633.46	2,315.31
(b) Energy Cost	405.22	338.07	1,122.35	898.41	1,252.86
(c) Staff Cost	20.07	20.60	63.45	51.29	76.09
(d) Other expenditure (Refer Note 5 below)	47.53	86.71	278.48	243.65	364.95
(e) (Increase) / Decrease in Finished Goods / Work-in-Progress	(81.33)	(80.73)	(108.46)	(136.94)	(92.02)
Gross profit before interest, depreciation, exceptional items, Charges pertaining to earlier years and taxation (EBIDTA)	300.67	493.22	1,259.93	1,504.76	2,204.08
Interest (net)	124.62	129.16	352.05	403.00	550.73
Gross profit before depreciation, exceptional items, Charges pertaining to earlier years and taxation	176.05	364.06	907.88	1,101.76	1,653.35
Depreciation	104.04	100.73	303.25	295.83	394.29
Profit / (Loss) for the year before exceptional items, Charges pertaining to earlier years and Taxation	72.01	263.33	604.63	805.93	1,259.06
(a) Exchange variation	-	-	-	136.55	136.55
(b) Exceptional items	-	60.30	29.12	60.30	-
(C) Other write off and provisions net of Gains on settlement of debts	1.69	-	23.69	269.14	328.41
Profit / (Loss) before Taxation	70.32	203.03	551.82	339.94	794.10
Provision for Fringe Benefit Tax	(1.26)	-	(2.88)	-	-
Provision for Current Tax	24.30	-	3.39	-	(8.08)
Provision for Deferred Tax	45.08	(5.49)	(104.44)	(22.57)	(195.87)
Net Profit / (Loss) after tax	138.44	197.54	447.89	317.37	590.15
Paid-up Equity Share Capital	304.39	507.97	304.39	507.97	507.31
Reserves excluding revaluation reserves					686.54
Basic Earnings Per Share (not annualised) (in Rupees)	3.24	3.86	10.55	6.20	11.63
Diluted Earnings Per Share (not annualised) (in Rupees)	1.21	2.51	4.30	4.03	10.17

Notes:

1. The above results were reviewed by the Audit Committee in its meeting held on 30th January, 2006 and taken on record at the meeting of Board of Directors held on that date.
2. The Company is engaged in only one segment viz. Steel, hence there are no reportable segment as per Accounting Standard "AS-17"
3. The aggregate of non-promoters share holding was 130,336,047 equity shares (42.82%) as on 31st December, 2005. (221,799,387 equity shares (43.33%) as on 31st December, 2004).
4. Board has decided to merge the wholly own subsidiaries Steel Corporation of Gujarat Ltd. (SCGL) and Hy-Grade Pellets Ltd. (HGPL), with the company, with effect from 01.04.2005 subject to necessary formalities and approvals being completed/obtained.
5. Other expenditure for the current quarter ended 31st December, 2005 is net of write back of excess provision for doubtful debtors amounting to Rs. 20.04 crores.
6. Provision for current tax represents excess tax provisions for earlier quarters and year amounting to Rs. 24.30 crores and Rs. 3.39 crores respectively.
7. The number of investors complaints received during the quarter, resolved and pending are

Pending as at 01.10.2005	:	74
Received during the Quarter	:	1,007
Disposed off during the Quarter	:	1,078
Pending as at 31.12.2005	:	3
8. The figures have been regrouped / reclassified wherever necessary.

For Essar Steel Limited