



**Audited Financial Results for the Period from 1st April, 2006 to 31st March, 2007**

Particulars	Rs. in crores						
	Nine Months Period ended	Quarter ended			Year ended		Year ended Consolidated
	31.12.06 (unaudited)	31.03.07 (unaudited)	31.03.06 (unaudited)	31.03.07 (audited)	31.03.06 (audited)	31.03.07 (unaudited)	
			<b>Standalone</b>				
Income from Operations	6,462.87	2,537.59	1,659.31	9,000.46	6,850.45	9,002.50	
Less : Excise Duty	(557.17)	(248.94)	(163.09)	(806.11)	(667.87)	(806.11)	
Net Sales	5,905.70	2,288.65	1,496.22	8,194.35	6,182.58	8,196.39	
Other Income	11.60	7.62	194.49	19.22	208.14	19.22	
	<b>5,917.30</b>	<b>2,296.27</b>	<b>1,690.71</b>	<b>8,213.57</b>	<b>6,390.72</b>	<b>8,215.61</b>	
Expenditure							
(a) Materials Consumed & others	2,877.71	1,053.92	694.53	3,931.63	2,519.28	3,931.63	
(b) Energy Cost	1,759.91	779.49	518.84	2,539.40	1,788.95	2,539.40	
(c) Staff Cost	90.25	62.55	27.34	152.80	99.75	152.80	
(d) Other expenditure	378.11	129.04	91.25	507.15	383.37	507.39	
(e) (Increase) / Decrease in Finished Goods / Work-in-Progress	(646.77)	(225.89)	18.24	(872.66)	(89.74)	(872.66)	
<b>Gross profit before interest, depreciation and taxation (EBIDTA)</b>	<b>1,458.09</b>	<b>497.16</b>	<b>340.51</b>	<b>1,955.25</b>	<b>1,689.11</b>	<b>1,957.05</b>	
(a) Interest (net)	440.71	177.23	55.50	617.94	422.67	622.32	
(b) Depreciation	447.11	183.93	99.13	631.04	482.10	631.06	
(c) Prior period expenses and exceptional item (net)	22.81	-	35.55	22.81	88.36	22.81	
<b>Profit before Taxation</b>	<b>547.46</b>	<b>136.00</b>	<b>150.33</b>	<b>683.46</b>	<b>695.98</b>	<b>680.86</b>	
Provision for							
Deferred Tax	(169.51)	(18.01)	(49.98)	(187.52)	(152.35)	(187.52)	
Current Tax	(41.94)	(13.07)	(12.26)	(55.01)	(11.74)	(55.01)	
MAT Credit	41.94	(41.94)	-	-	-	-	
Reversal of Excess provision of earlier years	1.22	-	-	1.22	3.39	1.22	
Fringe Benefit Tax	(4.14)	(1.52)	(1.72)	(5.66)	(5.10)	(5.66)	
<b>Net Profit after tax (PAT)</b>	<b>375.03</b>	<b>61.46</b>	<b>86.37</b>	<b>436.49</b>	<b>530.18</b>	<b>433.89</b>	
Share of Profit / (Loss) from Associate Companies	-	-	-	-	-	10.26	
<b>Net Profit after tax &amp; Share of Profit from Associates</b>	<b>375.03</b>	<b>61.46</b>	<b>86.37</b>	<b>436.49</b>	<b>530.18</b>	<b>444.15</b>	
Paid-up Equity Share Capital	1,139.81	1,139.81	580.50	1,139.81	580.50	1,139.81	
Reserves excluding revaluation reserves				3,080.95	1,246.18	3,267.66	
Basic Earnings Per Share (not annualised) (in Rupees)	3.97	0.53	0.98	4.38	10.75	4.46	
Diluted Earnings Per Share (not annualised) (in Rupees)	3.97	0.53	0.84	4.38	6.38	4.46	

Notes:

- The above results were reviewed by the Audit Committee in its meeting held on 29th June 2007 and taken on record at the meeting of Board of Directors held on that date.
- The aggregate of public share holding was 147,225,151 equity shares 12.92 % as on 31st March, 2007 (147,224,047 equity shares 25.36% as on 31st March, 2006).
- The Company is engaged in only one segment viz. Steel, hence there are no reportable segments as per Accounting Standard "AS-17".
- The number of investors complaints received during the quarter, resolved and pending are:
 

Pending as at 01.01.2007	:	-
Received during the Quarter	:	292
Disposed off during the Quarter	:	292
Pending as at 31.03.2007	:	-
- The Company is of the view that Net Deferred Tax Assets of Rs. 238.23 crores will be fully utilised in the years to come based on all relevant facts such as increased production capacity, backward and forward integration achieved, past results being in excess of earlier projections, improved margin, consistent profits made in the last four years etc. However, Auditors have disclaimed their ability to comment on the same as Company's view is based inter alia on future projections.
- (a) The Consolidated result includes results of 100% Subsidiary Companies Essar steel (Jharkhand) Limited, Essar steel (Orissa) Limited and Essar steel Trading (FZE).  
 (b) Share of profits from Equity in Associate Companies viz Essar Power Limited (36.26%), Bhandar Power Limited (26%), Essar Telecom Infrastructure Pvt Limited (26%) and Essar Steel (Hazira) Limited (26.01%), is reflected in consolidated result after PAT under the head Share of Profit/ (Loss) from Associate Companies. Consolidation was not required in the previous year hence corresponding previous year's figures has not been given.
- The figures have been regrouped / reclassified wherever necessary. The figures for the quarter ended 31st March, 2007 are not comparable with figures for the quarter ended 31st March, 2006 as the figures for the current quarter are after amalgamation of Hy-grade Pellets Ltd and Steel Corporation of Gujarat Ltd with the Company.

**For Essar Steel Limited**

Mumbai, June 29, 2007

Robin Banerjee  
Director Finance