



**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 30th September, 2005**

Rs. in crores

Particulars	Quarter ended		Half Year Ended		Year Ended
	30.09.05	30.09.04	30.09.05	30.09.04	31.03.05
	(unaudited)	(audited)	(unaudited)	(audited)	(audited)
Sales	1,760.52	1,528.33	3,573.47	2,926.74	6,533.25
Less : Excise Duty	(176.20)	(90.50)	(338.89)	(162.35)	(416.54)
Net Sales	1,584.32	1,437.83	3,234.58	2,764.39	6,116.71
Other Income	4.98	0.11	7.61	1.29	4.56
	<b>1,589.30</b>	<b>1,437.94</b>	<b>3,242.19</b>	<b>2,765.68</b>	<b>6,121.27</b>
Expenditure					
(a) Materials Consumed & others	567.04	513.53	1,318.60	1,062.38	2,315.31
(b) Energy Cost	362.88	300.13	717.13	560.34	1,252.86
(c) Staff Cost	22.63	18.00	43.38	30.69	76.09
(d) Other expenditure	115.19	90.95	230.95	156.94	364.95
(e) (Increase) / Decrease in Finished Goods / Work-in-Progress	101.16	(8.60)	(27.13)	(56.21)	(92.02)
<b>Gross profit before interest, depreciation, exceptional items, Charges pertaining to earlier years and taxation (EBIDTA)</b>	<b>420.40</b>	<b>523.93</b>	<b>959.26</b>	<b>1,011.54</b>	<b>2,204.08</b>
Interest (net)	119.13	136.05	227.43	273.84	550.73
<b>Gross profit before depreciation, exceptional items, Charges pertaining to earlier years and taxation</b>	<b>301.27</b>	<b>387.88</b>	<b>731.83</b>	<b>737.70</b>	<b>1,653.35</b>
Depreciation	101.04	94.06	199.21	195.10	394.29
<b>Profit / (Loss) for the year before exceptional items, Charges pertaining to earlier years and Taxation</b>	<b>200.23</b>	<b>293.82</b>	<b>532.62</b>	<b>542.60</b>	<b>1,259.06</b>
(a) Exchange variation	-	136.55	-	136.55	136.55
(b) Exceptional items	29.12	-	29.12	-	-
(C) Other write off and provisions net of Gains on settlement of debts	22.00	130.29	22.00	269.14	328.41
<b>Profit / (Loss) before Taxation</b>	<b>149.11</b>	<b>26.98</b>	<b>481.50</b>	<b>136.91</b>	<b>794.10</b>
Provision for Fringe Benefit Tax	(0.92)	-	(1.62)	-	-
Provision for Deferred Tax	(33.91)	42.41	(149.52)	(17.08)	(195.87)
Provision for Taxation	(12.54)	-	(20.91)	-	(8.08)
<b>Net Profit / (Loss) after tax</b>	<b>101.74</b>	<b>69.39</b>	<b>309.45</b>	<b>119.83</b>	<b>590.15</b>
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)	3.34	1.36	10.17	2.34	11.63
Diluted Earnings Per Share (not annualised) (in Rupees)	0.89	1.36	2.71	2.34	10.17

Notes:

- The above results were reviewed by the Audit Committee in its meeting held on 28th October, 2005 and taken on record at the meeting of Board of Directors held on that date.
- The Company is engaged in only one segment viz. Steel, hence there are no reportable segment as per Accounting Standard "AS-17"
- The aggregate of non-promoters share holding was 130,336,047 equity shares (42.82%) as on 30th September, 2005. ( 222,069,687 equity shares (43.39%) as on 30th September, 2004).
- Board has decided in principle to merge Steel Corporation of Gujarat Ltd. (SCGL) and Hy-Grade Pellets Ltd. (HGPL), 100% subsidiaries of Essar Steel Ltd. with the company, with effect from 01.04.2005 subject to necessary formalities and approvals being completed/obtained.
- The company has undertaken capacity expansion for which plant took shutdowns during the period under review.
- The number of investors complaints/letters received during the quarter, resolved and pending are
 

Pending as at 01.07.2005	:	57
Received during the Quarter	:	4,020
Disposed off during the Quarter	:	4,003
Pending as at 30.09.2005	:	74
- The figures have been regrouped / reclassified wherever necessary.

For Essar Steel Limited

Mumbai  
28th October, 2005

V G Raghavan  
Director (Finance)