

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, 2006 to 30th June, 2006			
Particulars	Rs. in crores		
	Quarter ended		Year ended
	(1)	(2)	(3)
	30.06.06	30.06.05	31.03.06
	(unaudited)	(unaudited)	(audited)
Income from Operations	1,902.85	1,812.95	6,850.45
Less : Excise Duty	(183.76)	(162.69)	(667.87)
Net Sales	1,719.09	1,650.26	6,182.58
Other Income	1.14	2.63	208.14
	1,720.23	1,652.89	6,390.72
Expenditure			
(a) Materials Consumed & others	880.67	751.56	2,519.28
(b) Energy Cost	527.82	354.25	1,788.95
(c) Staff Cost	24.71	20.75	99.75
(d) Other expenditure	96.11	115.76	383.37
(e) (Increase) / Decrease in Finished Goods / Work-in-Progress	(205.57)	(128.29)	(89.74)
Gross profit before interest, depreciation, exceptional items, Charges pertaining to earlier years and taxation (EBIDTA)	396.49	538.86	1,689.11
Interest (net) and foreign exchange variation	180.68	108.30	422.67
Gross profit before depreciation, exceptional items, Charges pertaining to earlier years and taxation	215.81	430.56	1,266.44
Depreciation	149.19	98.17	482.10
Profit for the year before exceptional items, Charges pertaining to earlier years and Taxation	66.62	332.39	784.34
Other write off and provisions (net)	3.74	-	88.36
Profit before Taxation	62.88	332.39	695.98
Provision for			
Fringe Benefit Tax	(0.78)	(0.70)	(5.10)
Current Tax	(5.84)	(8.37)	(8.35)
Deferred Tax	(15.13)	(115.61)	(152.35)
Net Profit after tax	41.13	207.71	530.18
Paid-up Equity Share Capital (see note 2 below)	1,139.81	304.39	580.50
Reserves excluding revaluation reserves			1,246.18
Basic Earnings Per Share (not annualised) (in Rupees)	0.02	6.82	10.75
Diluted Earnings Per Share (not annualised) (in Rupees)	0.36	1.82	6.38

Notes:

- The above results were reviewed by the Audit Committee in its meeting held on 31st July, 2006 and taken on record at the meeting of Board of Directors held on that date.
- The aggregate of non-promoters share holding was 147,122,743 equity shares 25.34% as on 30th June, 2006.(130,347,417 equity shares 42.82% as on 30th June, 2005). The paid up Equity Share Capital has increased from Rs. 580.50 crores as at 30th June 2006 to Rs. 1,139.81 crores on 10th July, 2006, pursuant to the Order of the Honourable High Court of Gujarat dated 17th June, 2006. The earnings per share have been calculated based on the paid up capital outstanding as on 30th June 2006.
- The auditors qualifications on the accounts of the Company for the year ended 31st March, 2006 have been adequately explained in the notes to the accounts as well in the previous such statement published under clause 41 of the listing agreement.
- The number of investors complaints received during the quarter, resolved and pending are

Pending as at 01.04.2006	:	-
Received during the Quarter	:	247
Disposed off during the Quarter	:	235
Pending as at 30.06.2006	:	12
- The figures have been regrouped / reclassified wherever necessary. The figures for the quarter ended 30.06.06 are not comparable with figures for the quarter ended 30.06.05 as the figures for the current quarter is after amalgamation of Hy-grade Pellets Ltd and Steel Corporation of Gujarat Ltd. with the Company.

For Essar Steel Limited

Mumbai, 31st July, 2006

V G Raghavan
Director (Finance)