



Unaudited Financial Results for the Period from 1st April, 2006 to 31st December, 2006

Particulars (1)	Rs. in crores				
	Quarter ended		Period ended		Year ended
	(2)	(3)	(4)	(5)	(6)
	31.12.06 (unaudited)	31.12.05 (unaudited)	31.12.06 (unaudited)	31.12.05 (unaudited)	31.03.06 (audited)
Income from Operations	2,310.04	1,606.31	6,462.87	5,179.78	6,850.45
Less : Excise Duty	(202.68)	(165.89)	(557.17)	(504.78)	(667.87)
Net Sales	2,107.36	1,440.42	5,905.70	4,675.00	6,182.58
Other Income	8.13	1.15	11.60	8.76	208.14
	2,115.49	1,441.57	5,917.30	4,683.76	6,390.72
Expenditure					
(a) Materials Consumed & others	937.23	749.41	2,877.71	2,068.01	2,519.28
(b) Energy Cost	682.71	405.22	1,759.91	1,122.35	1,788.95
(c) Staff Cost	29.50	20.07	90.25	63.45	99.75
(d) Other expenditure	135.97	47.53	378.11	278.48	383.37
(e) (Increase) / Decrease in Finished Goods / Work-in-Progress	(199.36)	(81.33)	(646.77)	(108.46)	(89.74)
Gross profit before interest, depreciation and taxation (EBIDTA)	529.44	300.67	1,458.09	1,259.93	1,689.11
(a) Interest (net)	123.17	124.62	440.71	352.05	422.67
(b) Depreciation	148.91	104.04	447.11	303.25	482.10
(c) Prior period expenses and exceptional item (net)	-	1.69	22.81	52.81	88.36
Profit before Taxation	257.36	70.32	547.46	551.82	695.98
Provision for					
Fringe Benefit Tax	(2.23)	(1.26)	(4.14)	(2.88)	(5.10)
Current Tax	(9.39)	24.30	(40.72)	3.39	(8.35)
MAT Credit	9.39	-	41.94	-	-
Deferred Tax	(75.57)	45.08	(169.51)	(104.44)	(152.35)
Net Profit after tax	179.56	138.44	375.03	447.89	530.18
Paid-up Equity Share Capital	1,139.81	304.39	1,139.81	304.39	580.50
Reserves excluding revaluation reserves					1,246.18
Basic Earnings Per Share (not annualised) (in Rupees)	1.56	3.24	3.97	10.55	10.75
Diluted Earnings Per Share (not annualised) (in Rupees)	1.56	1.21	3.97	4.30	6.38

Notes:

1. The above results were reviewed by the Audit Committee in its meeting held on 29th January, 2007 and taken on record at the meeting of Board of Directors held on that date.
2. The aggregate of public share holding was 147,225,151 equity shares (12.92 %) as on 31st December, 2006. (130,336,047 equity shares (42.82%) as on 31st December, 2005).
3. The Company is engaged in only one segment viz. Steel, hence there are no reportable segments as per Accounting Standard "AS-17"
4. Other expenditure for the current quarter includes Rs.14.73 crores towards reversal of profit on sale of long term investment recorded during the year ended 31st March, 2006. The reversal is on account of non completion of the transaction.
5. The number of investors complaints received during the quarter, resolved and pending are

Pending as at 01.10.2006	:	2
Received during the Quarter	:	366
Disposed off during the Quarter	:	368
Pending as at 31.12.2006	:	-
6. Upon request of the principal promoters of the Company, the Board of Directors of the Company have decided to obtain approval of the shareholders for delisting of Equity Shares of the company from Bombay Stock Exchange & National Stock Exchange.
7. The comments made by the auditors in the quarter ended 30th September 2006, pertaining to credit of Minimum Alternative Tax (MAT) and creation of Deferred Tax Assets (DTA) are being explained based on the Managements projection of the profit for the future period. The Management is therefore of the opinion that the credit taken therein shall be suitably dealt with through the attainment of profits in the future period.
 As regards auditors comment regarding provisional set off of the "Securities Premium Account" in the accounts for the year ended 31st March, 2006, it is stated that the company has since obtained the shareholders approval for the same and has made application to the Honourable High Court of Gujarat under section 78 and 100 of the Companies Act for confirmation of the same. The Sanction of the Court is awaited.
8. The figures have been regrouped / reclassified wherever necessary. The figures for the quarter and period ended 31st December, 2006 are not comparable with figures for the quarter and period ended 31st December, 2005 as the figures for the current periods are after amalgamation of Hy-grade Pellets Ltd and Steel Corporation of Gujarat Ltd with the Company.

For Essar Steel Limited

V G Raghavan
 Director (Finance)

Mumbai, 29th January, 2007