

Limited Review Report

To
The Board of Directors
MSP Steel & Power Limited

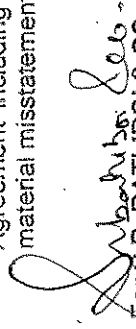
1. We have reviewed the accompanying statement of unaudited financial results of MSP Steel & Power Limited ('the Company') for the quarter ended June 30, 2012 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

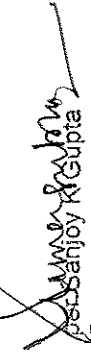
3. Attention is drawn to the tax treatment regarding gain of Rs.3,025 lakhs arisen on settlement of commodity transactions in an earlier year, settled otherwise than through actual delivery, which was in the nature of speculative income. However based on a legal opinion obtained, the same had been treated as income from normal business by the Company. Consequently, we are unable to comment on the income tax impact of these transactions in the accompanying statement of unaudited financial results.

In respect of above matter, audit report for the year ended March 31, 2012 was similarly modified.

4. Based on our review conducted as above, except for the possible effects of our observation in para 3, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

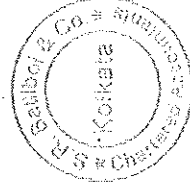

For S.R. BATLIBOI & CO.

Firm Registration Number : 301003E
Chartered Accountants


Partner
Membership No.: 54968

Place : Kolkata.

Date : 31 July 2012



**MSP STEEL & POWER LIMITED**

Regd. Office: 1, Crossing Indira, Kolkata - 700 009
 Core Office: 20/15, Block A, New Aspire, Kolkata - 700 013
 2009-2012@steel.com

Statement of Unaudited Results for the Quarter ended 30th June, 2012

Part-I	Particulars	Quarter Ended		Year Ended	
		30.06.2012	31.03.2012 (Unaudited)	30.06.2011	31.03.2012 (Audited)
1	(a) Gross Sales/Income from Operations	24,076.42	19,635.84	18,306.95	73,603.73
	Less: Excise Duty	2,842.43	1,679.84	1,427.52	5,538.39
	Income from Operations (Net)	21,233.98	17,955.99	16,879.43	68,065.34
	Total Income from Operations (Net)	21,233.98	17,955.99	16,879.43	68,065.34
2	Expenditure:				
	(a) Cost of Materials Consumed	12,010.46	12,815.07	10,658.94	42,458.96
	(b) Purchase of Stock in Trade			1,331.76	5,796.64
	(c) (Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	631.15	(806.44)	(899.32)	(1,880.79)
(d) Depreciation		316.92	418.12	464.76	1,850.49
	(e) Employees Costs	747.16	752.13	717.16	2,906.78
	(f) Power and Fuel	1,141.12	1,066.80	1,102.24	1,872.63
	(g) Other Expenditure	2,880.35	1,871.47	1,845.76	7,501.88
3	Total Expenses	18,690.29	16,977.15	14,614.59	68,326.05
	Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	2,543.69	2,859.40	2,264.84	5,739.29
	4 Other Income	137.39	155.13	127.14	522.76
	Profit from Ordinary Activities before Finance Costs and Exceptional Items (2+4)	2,681.08	3,014.53	2,391.98	6,262.05
5	Finance Costs	1,837.40	1,787.40	1,406.74	5,359.13
	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	843.68	1,227.13	985.24	902.92
	8 Exceptional Items:				
	9 Profit before Taxes (7-8)	1,521.81	1,027.33	1,502.30	3,368.47
10	Tax Expense	1,521.81	1,027.33	1,502.30	3,368.47
	Current Tax (Minimum Alternate Tax (MAT))	309.79	292.78	304.22	759.78
	MAT Credit Entitlement	(309.79)	(166.52)	(166.23)	(433.08)
	Deferred Tax Charge	491.81	284.83	121.61	478.68
11	Net Profit for the Period (9-10)	1,020.57	754.34	1,136.80	2,608.09
	22 Paid up Equity Share Capital	5,810.00	5,810.00	5,810.00	5,810.00
	13 Reserves including Retention Reserves	N/A	N/A	N/A	28,942.88
	14 Earnings Per Share (EPS) (in ₹)	1.76	1.25	1.96	4.39
Basic					
	Diluted	1.56	1.25	1.86	4.36

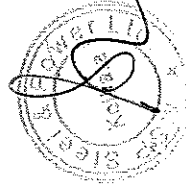
Part-II	Particulars	Quarter Ended		Year Ended	
		30.06.2012	31.03.2012 (Unaudited)	30.06.2011	31.03.2012 (Audited)
A	PARTICULARS OF SHAREHOLDING				
	1 Public Shareholding				
	- Number of Shares	16,326,500	16,326,500	16,326,500	16,326,500
	- Percentage of Shareholding	26.10%	26.10%	26.20%	26.10%
2	Promoters and Promoter Group Shareholding				
	- Number of Shares	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of total shareholding of promoter and Promoter Group)	NIL	NIL	NIL	NIL
	- Percentage of Shares (as a % of total share capital of the Company)	NIL	NIL	NIL	NIL
b)	Non Encumbered				
	- Number of Shares	41,773,500	41,773,500	41,773,500	41,773,500
	- Percentage of Shares (as a % of total shareholding of promoter and Promoter Group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of total share capital of the Company)	72.80%	72.80%	72.80%	72.80%

B	Particulars	Quarter ended	
		30.06.12	30.06.11
INVESTOR COMPLAINTS	Pending at the beginning of the Quarter	NIL	NIL
	Received during the Quarter	NIL	NIL
	Disposed during the Quarter	NIL	NIL
	Remaining Unresolved at the end of the Quarter	NIL	NIL

Notes

- The company has only one business segment "Iron & Steel".
- There was no exceptional / extraordinary items during the respective periods reported above.
- EPS for the quarter is not calculated.
- During the quarter, the Company has abandoned its sparge iron project (10th-11) and extension of railway siding project, as a result of which the already capitalised borrowing costs and other expenses of ₹ 765.33 lacs and ₹ 127.23 lacs respectively upto March 31, 2012 in respect of these projects has been charged off in the statements of the profit and loss and the same is included in serial number 2 (ii) above. The remaining expenditure/ materials in respect of these projects have alternate use in Company's other projects and as such, the management believes that there is no value loss / impairment on the remaining amount.
- The Statutory auditors in their review report for the quarter ended 30th June 2012, have expressed their inability to ascertain the impact of tax treatment arising on the income from commodity transactions in an earlier year, which was in the nature of speculative income, on the statement of unaudited financial results. The management is of the opinion that there are normal income and does not see any impact of their transaction on the financial results of the Company.
- During the quarter, the Company has liquidated the 34 MW Power Plant and 6 MW Power Plant and accordingly ₹ 42,395.55 lacs been transferred from Capital Work in progress to Fixed Assets.
- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 31st 2012 and have been subjected to limited review by the statutory auditors.
- Previous period figures have been regrouped/rearranged wherever considered necessary.

Place: Kolkata
 Date: July 31st, 2012



By Order of the Board
 Suresh Kumar Agrawal
 Managing Director

