An Integrated Speciality Steel

&

Global Wire Rope Company

Business Profile
Q1' FY 11

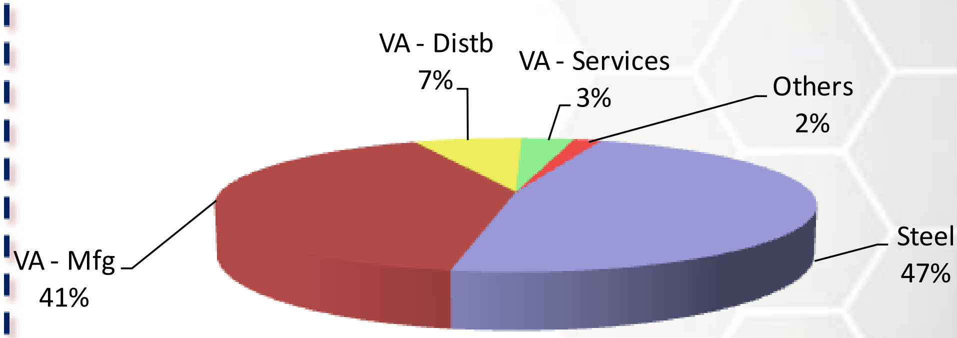
Global Turnover
Rs 1,021 Crs
(USD 224 Mn)

Value Added Products
Rs 520 Crs
(USD 114 Mn)

- **Manufacturing**
  Rs 414 Crs
  (USD 91 Mn)
- **Distribution**
  Rs 71 Crs
  (USD 15 Mn)
- **Services**
  Rs 35 Crs
  (USD 8 Mn)

Steel
Rs 483 Crs
(USD 106 Mn)

Others
Rs 18 Crs
(USD 4 Mn)



Net Turnover	
Stand Alone	**Consolidated**
Rs 550 Crs	Rs 673 Crs
(USD 120 Mn)	(USD 147 Mn)

Note: Turnover reported above represents Gross level of activities and are without adjusting inter unit/company sales

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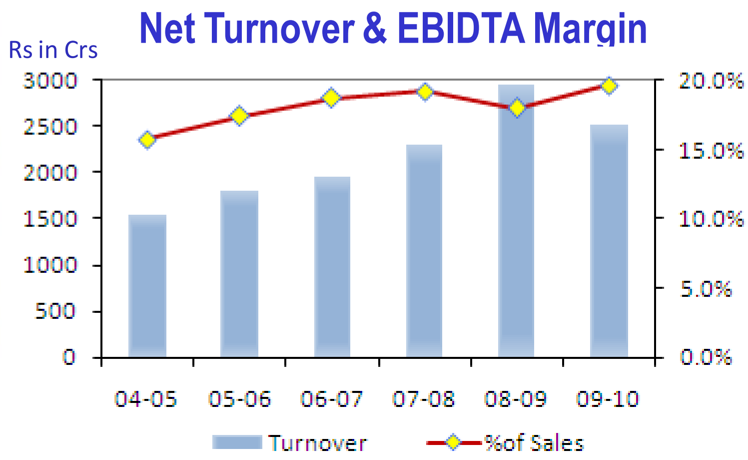
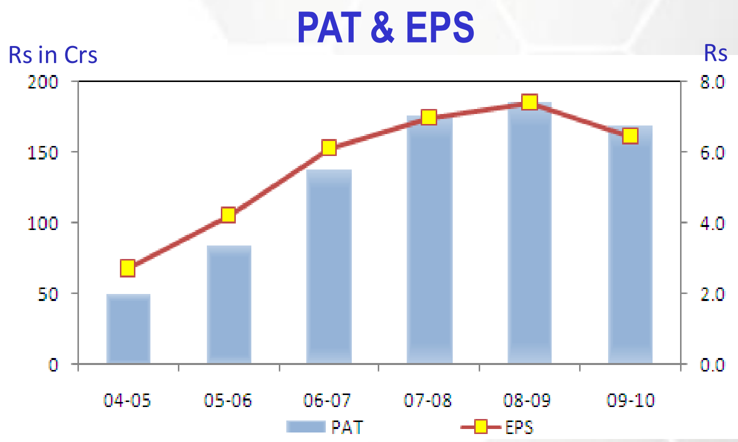
Consolidated Key Financials

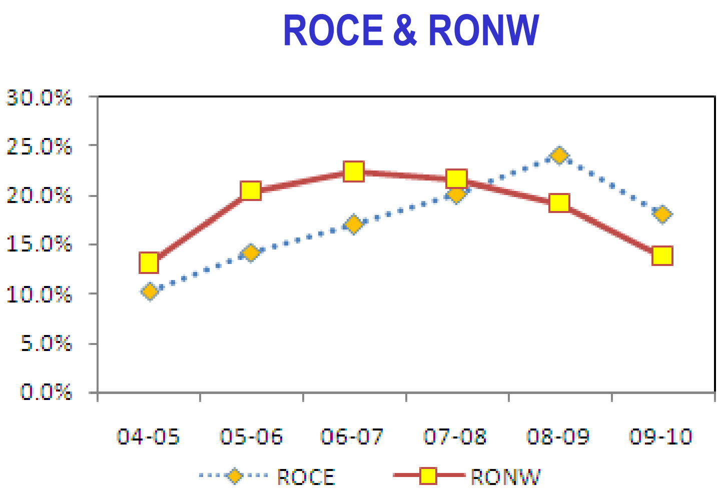
Rs in Crs

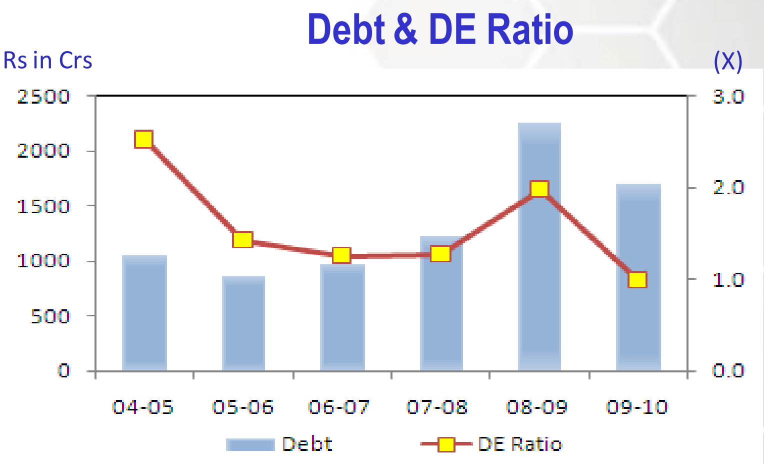
Particulars		04-05(A)	05-06(A)	06-07(A)	07-08(A)	08-09 (A)	09-10 (A)	CAGR %	Q1 10-11
Gross Turnover		1,648	1,969	2,148	2,528	3,147	2,630	9.8%	719
Net Turnover		1,550	1,802	1,965	2,309	2,950	2,514	10.2%	673
PBDIT		244	313	368	445	531	495	15.2%	146
PBT		71	126	183	247	281	240	27.7%	61
PAT		50	84	137	175	185	169	27.5%	42
Capital Employed (Excl CWIP)		1,535	1,545	1,698	1,768	1,744	2,268	8.1%	2,603
ROCE	(%)	10.2%	14.1%	16.9%	20.1%	24.1%	18.2%		16.3%
RONW	(%)	13.1%	20.3%	22.3%	21.6%	19.2%	13.7%		9.9%
EPS (FV Rs 1/-)	(Rs)	2.7	4.2	6.1	7.0	7.4	6.5	19.0%	1.37
Debt Equity Ratio	(x)	2.5	1.4	1.2	1.3	2.00	1.02		1.22
Debt / EBIDTA Ratio	(x)	4.3	2.8	2.6	2.8	4.3	3.5		3.6
Interest Cover	(x)	2.8	3.4	4.0	4.4	3.7	3.9		3.8

Financial Trends

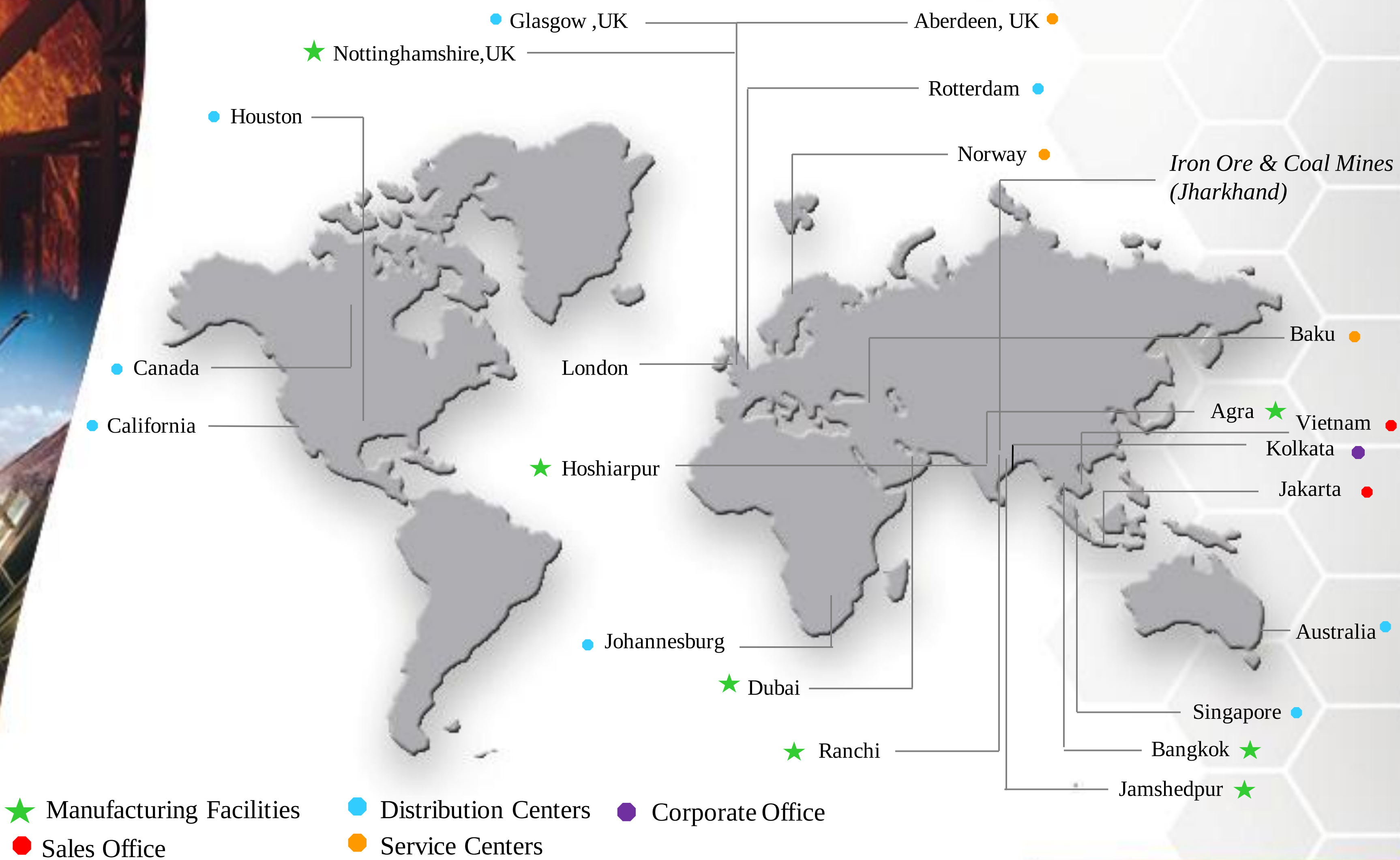








Global Footprint



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Architecture of Integrated Business

Mineral Resource

- Iron Ore Mine
  Est. Reserve 80 MnT
  Crushing & Screening
- Coal Block – "A- C" grade
  Est. Reserve 40 MT
- Washing Plant
- Beneficiation Plant

Power Module

- 18.3 MW WHRB
- 55 MW Thermal JSR
- 51 MW WHRB
- 9 MW Thermal
- 20 MW Thermal Ranchi
- Total - 153.3 MW

Iron Making Module

- Blast Furnace 600 KT
- DRI 300 KT
- 200 KT
- Sinter Plant 800 KT
- O_2 & Lime Kiln Plant
- Coke Oven 400 KT
- Pellet Plant 1200 KT

Distribution Marketing & Service Module

Singapore	Netherland
Bangkok	South Africa
Indonesia	Glasgow (UK)
Vietnam	Houston/ (USA)
Bangladesh	California (USA)
Australia	Canada
Dubai	Aberdeen (UK)
	Norway

Value Addition Module

- Bright Bar 26 KT
- 10 KT
- Cord 4 KT
- OT Wire 6 KT

Ranchi	174 KT
Hoshiarpur	48 KT
Jamshedpur	30 KT
Bangkok	44 KT
Notti'shire,	10 KT
Dubai	16 KT

VA Products – 50 KT

Steel Making Module

- SMS I & II
  EAF 35 T & 40 T
  LF & VD
  150 x 150 &
  110x110 Caster
- SMS III
  EAF 70 T
  LF & VD
  360 X 300
  Bloom Caster
- 1,000 KT Billets
- Wire Rod Mill 400 KT
- Blooming & Section Mill 275 KT
- Section Bar Mill 50 KT
- TMT Bars 72 KT

Proposed Capex Plan

Ongoing Capex Plan

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An Update

on Financial Performance of

Qtr I FY'11

STRENGTH THROUGH INTEGRATION

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Key Highlights

- 400,000 MT Blast Furnace Commissioned
- Achieved full mineral integration, with iron ore and coal mines working normally, 120,000 MT coal mined in Q1
- Growth in EBITDA from 18.0% to 21.6% on consolidated basis and from 18.7% to 22.0% on standalone basis
- Approvals of Bloom products, impending in Q1, are now being received
- Profitability and operating margins would have been better, but for –
    - Global volatilities and uncertainty
    - Inventory increase due to sluggish market sentiments
    - Currency impact on valuation of Fcy loans

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Highlights – Consolidated
Production Growth by Volume (Q o Q)

Iron Ore (up 43%)

Billets (up 38%)

Rolled Products (Up 71%)

Bright Bars (Up 40%)

Wire & Strand (Up 28%)

Wire Ropes (Up 4%)

Financials Highlights

Q o Q

Growth	Sales	PBDIT	PBT	PAT
Stand alone	36%	60%	70%	127%
Consolidated	11%	33%	21%	31%

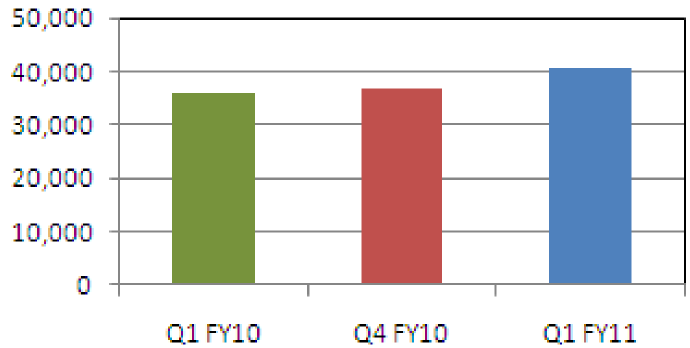
Financial Highlights
Consolidated

Particulars	Qtr - I FY 11	Qtr - I FY 10	YoY	FY 10
Gross Sales	718.65	635.72	13 %	2,630.33
Net Sales	673.15	608.54	11 %	2,514.41
PBDIT *% of Sales*	145.70 *21.6%*	109.30 *18.0%*	33 %	495.01 *19.7 %*
PBT	60.80	50.24	21 %	240.04
Net Profit	41.86	32.03	31 %	168.62
EPS (Annualised)	5.48	5.12	7 %	6.46

Sales Realisation - Rs per MT (Standalone)

QoQ 13 %

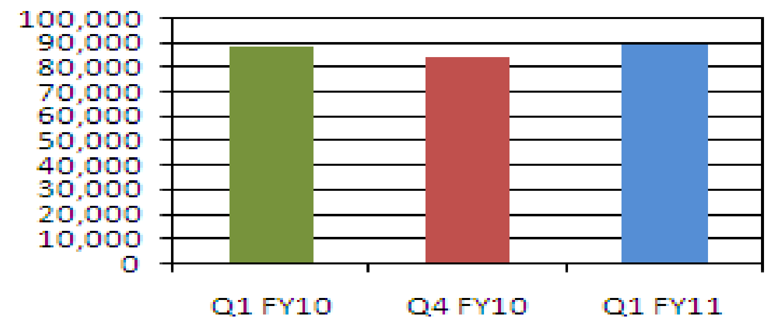
QoPQ 10 %



Wire Rods & Bar (46%)

QoQ 1 %

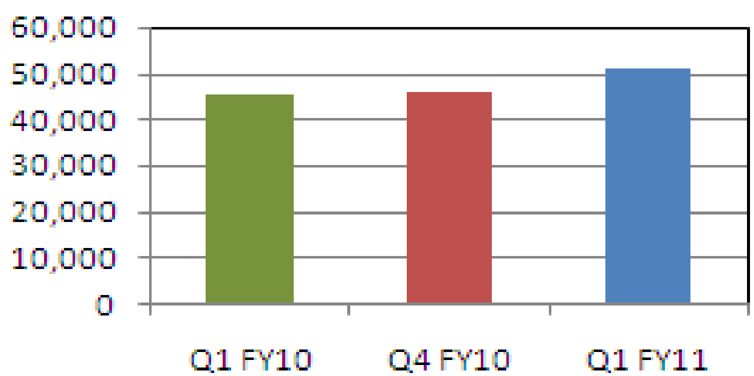
QoPQ 7 %



Wire Ropes (27%)

QoQ 13 %

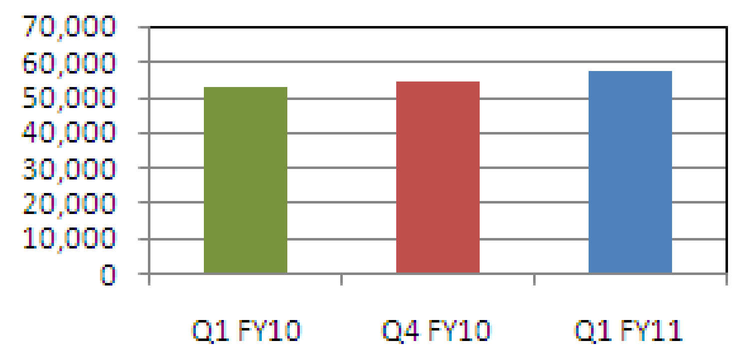
QoPQ 11 %



Wire & Strand (25%)

QoQ 10 %

QoPQ 6 %



Bright Bar (2%)

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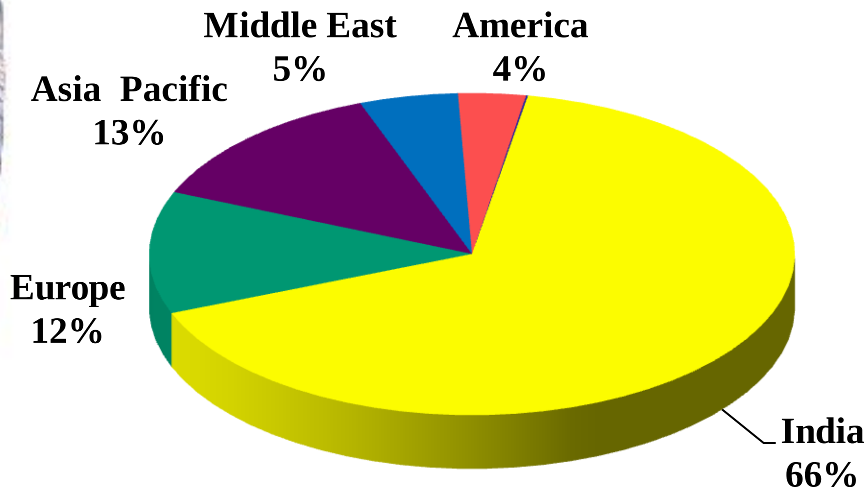
Financial Ratios
Consolidated

Particulars		June - 10	Mar – 10
ROCE	(%)	16.3%	18.2%
RONW	(%)	9.9%	13.7%
EPS - Annualised	(Rs)	5.5	6.5
Debt Equity Ratio ★	(x)	1.2	1.0
Debt / EBITDA Ratio	(x)	3.5	3.6
Interest Cover	(x)	3.8	3.9

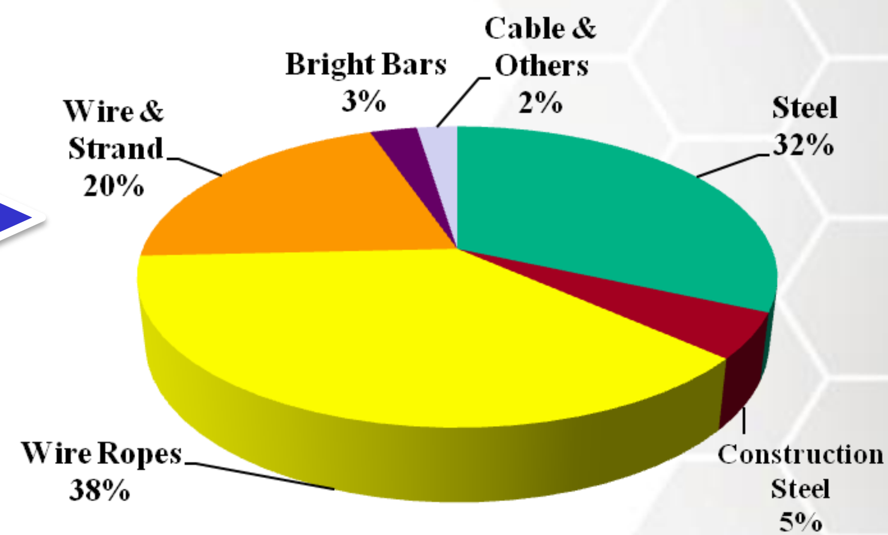
★ **Including capex L/C’s**

Revenue Distribution
Q1 FY 11

By Geographies
(Integrated Business)



By Products



Way Forward

- **Sinter Plant to be commissioned by end August' 10**
- **20 MW CPP to be commissioned by Jan'11**
- **Enhanced capacities with improved business conditions are likely to be positive for performance.**
- **Plans to further increase cost competitiveness by setting up –**
  - **0.4 MnT Coke Oven Plant**
  - **1.2 MnT Pellet Pant**
  - **2x 350 TPD DRI Plant**
  - **60 MW Power Plant**
  - **Ore Beneficiation facilities**
- **Estimated project outlay of Rs 1,200 Crores to be funded by Debt & internal accruals**

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STRENGTH THROUGH INTEGRATION

Disclaimer:

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