An Integrated Speciality Steel

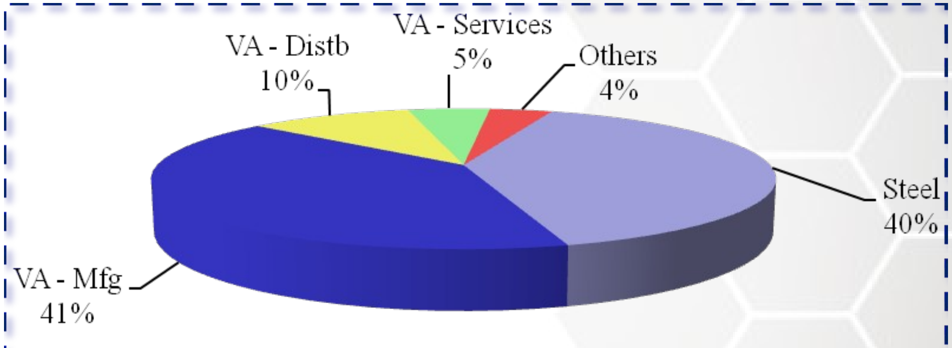
&

Global Wire Rope Company

Business Profile

Global Turnover
Rs 3,606 Crs
(USD 763 Mn)

- Value Added Products
  Rs 2,023 Crs
  (USD 428 Mn)
  - Manufacturing
    Rs 1,469 Crs
    (USD 311 Mn)
  - Distribution
    Rs 369 Crs
    (USD 78 Mn)
  - Services
    Rs 185 Crs
    (USD 39 Mn)
- Steel
  Rs 1,442 Crs
  (USD 305 Mn)
- Others
  Rs 141 Crs
  (USD 30 Mn)



Net Turnover	
Stand Alone	Consolidated
Rs 1,850 Crs	**Rs 2,514 Crs**

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

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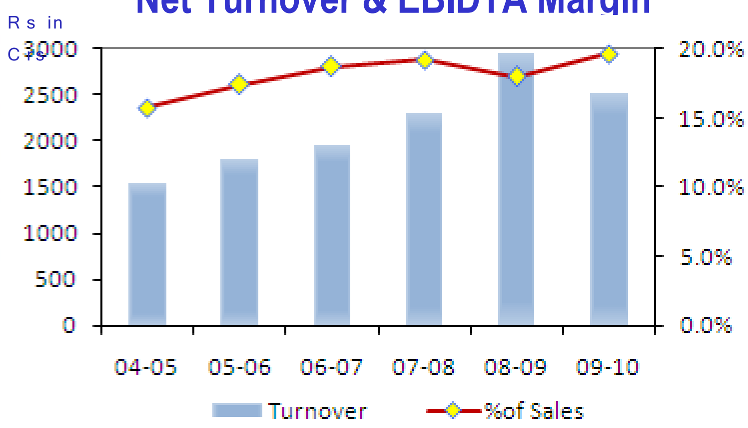
Consolidated Key Financials

Rs in Crs

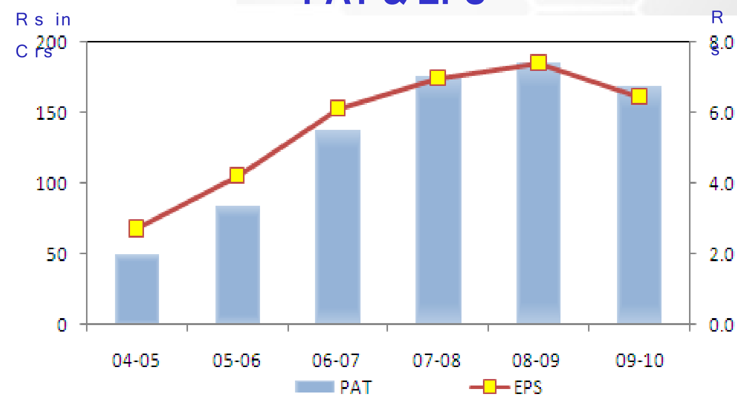
Particulars	04-05(A)	05-06(A)	06-07(A)	07-08(A)	08-09 (A)	09-10 (A)
Gross Turnover	1,648	1,969	2,148	2,528	3,147	2,630
Net Turnover	1,550	1,802	1,965	2,309	2,950	2,514
PBDIT	244	313	368	445	531	495
PBT	71	126	183	247	281	240
PAT	50	84	137	175	185	169
Capital Employed (Excl CWIP)	1,535	1,545	1,698	1,768	1,744	2,304
ROCE (%)	10.2%	14.1%	16.9%	20.1%	24.1%	18.1%
RONW (%)	13.1%	20.3%	22.3%	21.6%	19.2%	13.7%
EPS (FV Rs 1/-) (Rs)	2.7	4.2	6.1	7.0	7.4	6.5
Debt Equity Ratio (x)	2.5	1.4	1.2	1.3	2.0	1.0
Debt / EBIDTA Ratio (x)	4.3	2.8	2.6	2.8	4.3	3.5
Interest Cover (x)	2.8	3.4	4.0	4.4	3.7	3.9

Financial Trends

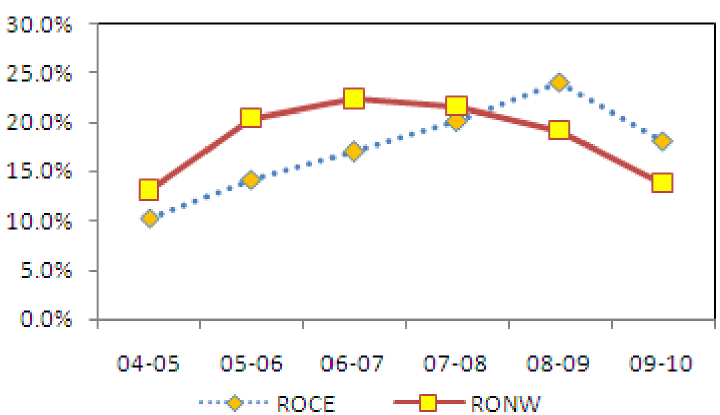
Net Turnover & EBIDTA Margin



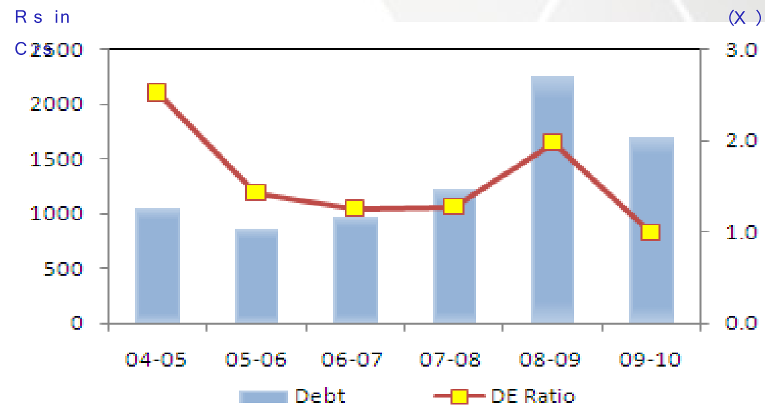
PAT & EPS



ROCE & RONW

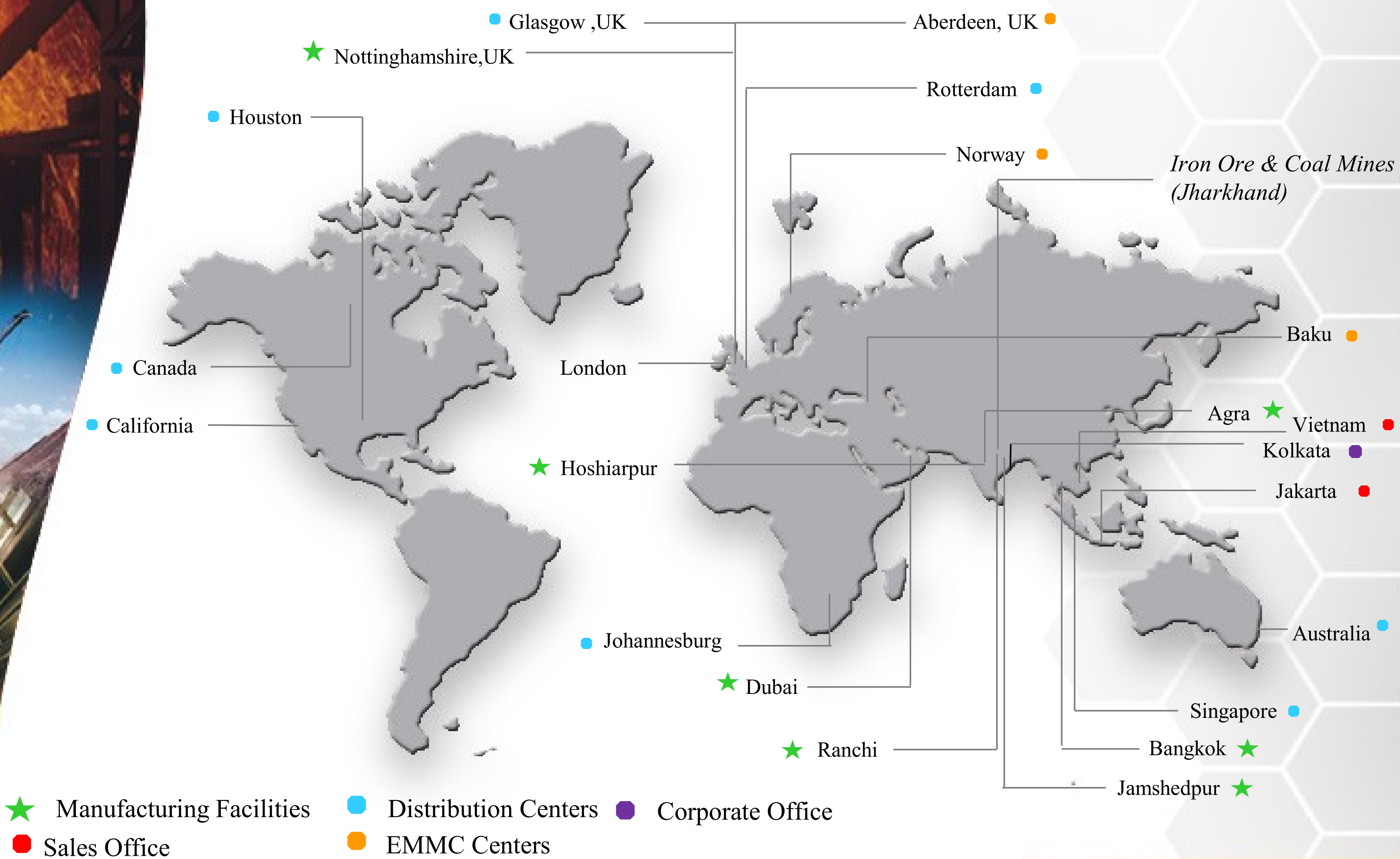


Debt & DE Ratio



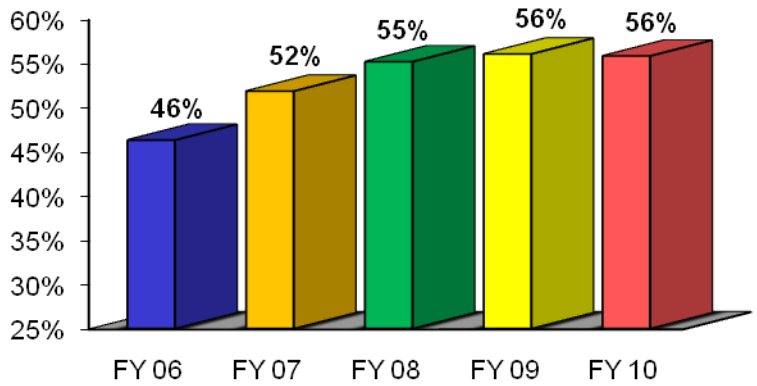
STRENGTH THROUGH INTEGRATION

Global Footprint



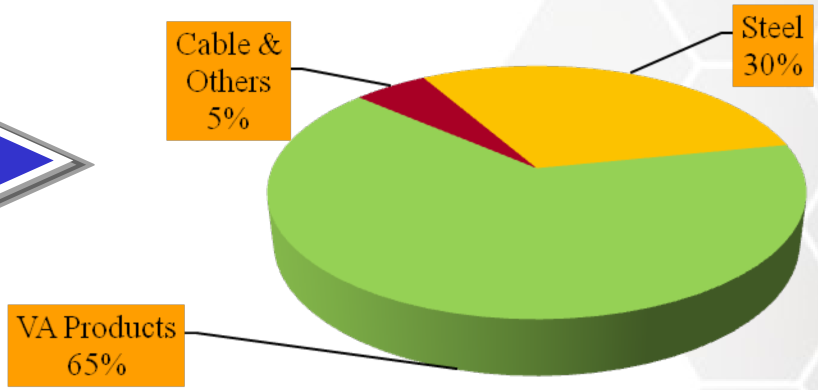
STRENGTH THROUGH INTEGRATION

Value Addition to Steel
Consolidated



Value Addition by Volume

Revenue Distribution (FY10)



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Architecture of Integrated Business

Mineral Resource

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

Power Module

- 25 MW Thermal
- 3.3 MW MBF
- 15 MW WHRB
- 30 MW Thermal
- 20 MW Thermal Ranchi
- Total - 93.3 MW

Iron Making Module

- Blast Furnace 200 KT
- 400 KT
- Sinter Plant 800 KT
- DRI 300 KT
- Lime Kiln & Producer Gas 100 TPD
- Oxygen 5000 CM/H

Distribution Marketing & Service Module

Singapore	Netherland
Bangkok	South Africa
Indonesia	Glasgow
Vietnam	Houston/ California
Bangladesh	Canada
Australia	EMMC
New Zealand	Aberdeen
Dubai	Baku
Saudi Arabia	Norway

Value Addition Module

- Bright Bar 36 KT
- Cord 5 KT
- OT Wire 6 KT

Ranchi	174 KT
Hoshiarpur	52 KT
Jamshedpur	30 KT
Bangkok	44 KT
UK	10 KT
Dubai	16 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

Ongoing Capex Plan

An Update on Financial Performance of Qtr IV & 12M FY’10

STRENGTH THROUGH INTEGRATION

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Production Volume Growth Consolidated

				
Billets	**Rolled Products**	**Bright Bars**	**Wires & Strands**	**Wire Ropes**

Q o Q

Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
105,314 MT	115,616 MT	3,297 MT	34,374 MT	23,121 MT
↑ 26 %	↑ 57 %	↑ 48 %	↑ 41 %	↓ 3 %

Y o Y

Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
357,327 MT	372,194 MT	13,139 MT	118,471 MT	93,758 MT
↑ 5 %	↑ 20 %	↑ 16 %	↑ 16 %	↓ 12 %

Note: Figures includes production during trial runs.

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Financial Highlights
Consolidated

Growth	Net Sales	PBDIT	PBT	PAT
Qtr IV QoQ	9%	38%	64%	140%
12M YoY	15%	7%	14%	9%

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Financial Performance
Consolidated

Particulars	Qtr IV FY 10	QoQ	12 M FY 10	YoY
Gross Sales	678.82	↓ 9 %	2630.33	↓ 16 %
Net Sales	644.47	↓ 9 %	2514.41	↓ 15 %
PBDIT *% of Sales*	141.05 *21.9 %*	↑ 38 %	495.01 *19.7 %*	↓ 7 %
PBT	72.58	↑ 64 %	240.04	↓ 14 %
Net Profit	69.20	↑ 140 %	168.62	↓ 9 %
EPS	2.36	↑ 105 %	6.46	↓ 13 %

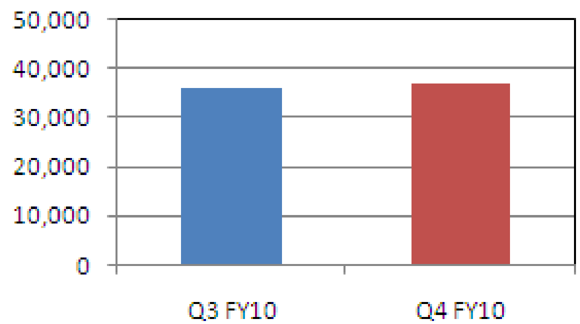
Financial Ratios Consolidated

Particulars		Mar – 10	Mar – 09
ROCE	(%)	18.1%	24.1%
RONW	(%)	13.7%	19.2%
EPS (FV Rs 1/-)	(Rs)	6.5	7.4
Debt Equity Ratio ★	(x)	1.0	2.0
Debt / EBITDA Ratio	(x)	3.5	4.3
Interest Cover	(x)	3.9	3.7

★ Including capex L/C's

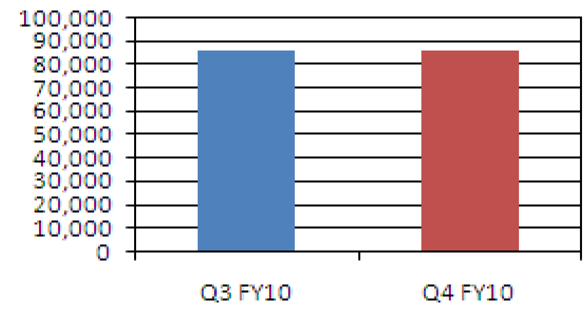
Sales Realisation
Q o PQ (Standalone)

Rs per Mt



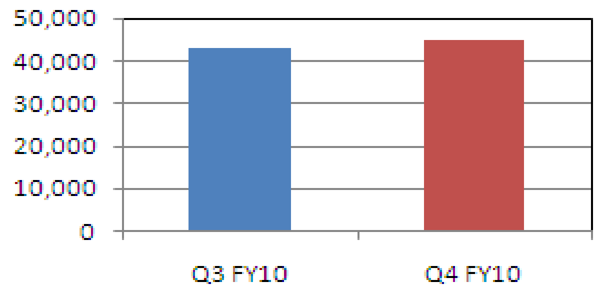
3 %

Wire Rods & Bar (43%)



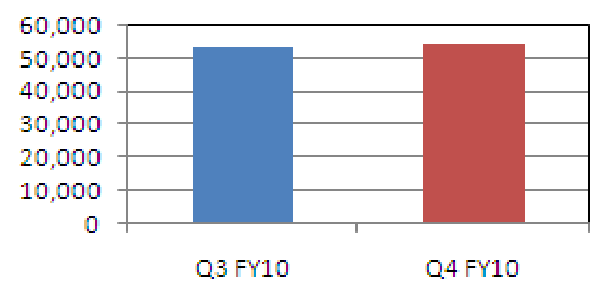
1 %

Wire Ropes (30%)



5 %

Wire & Strand (24%)

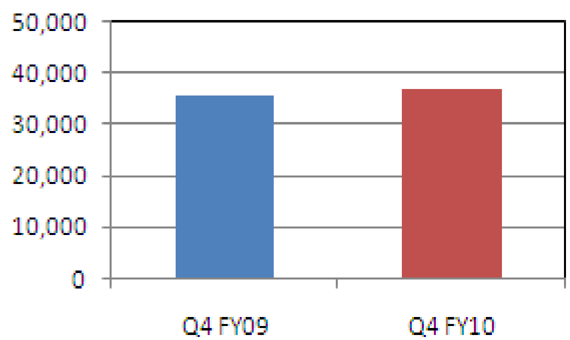


1 %

Bright Bar (3%)

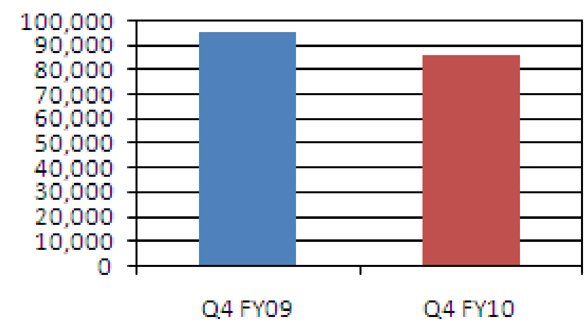
Sales Realisation Q o Q (Standalone)

Rs per Mt



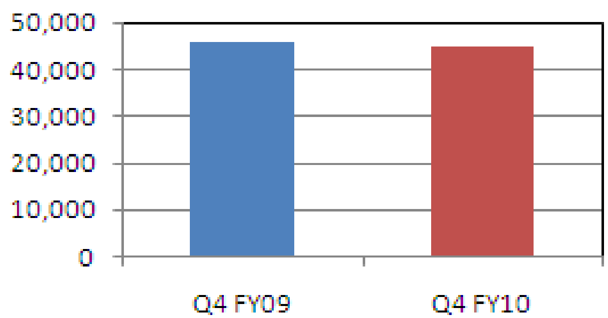
4 %

Wire Rods & Bar (43%)



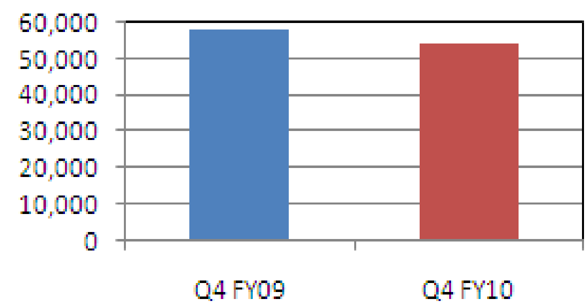
10 %

Wire Ropes (30%)



1 %

Wire & Strand (24%)

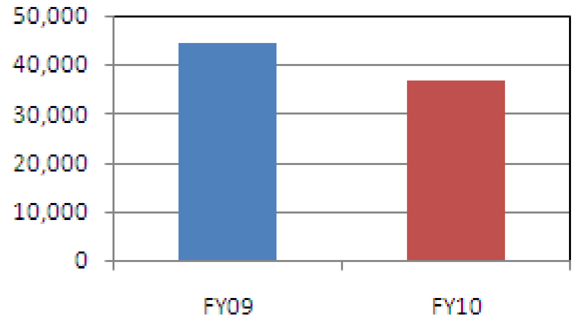


6 %

Bright Bar (3%)

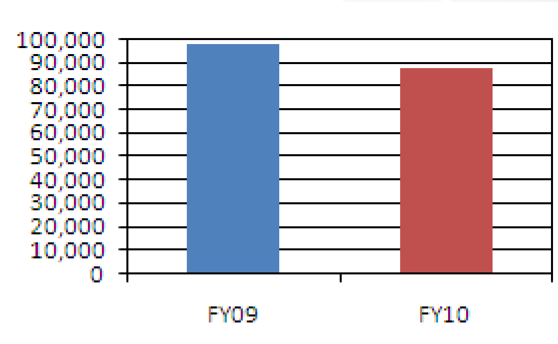
Sales Realisation Y o Y (Standalone)

Rs per Mt



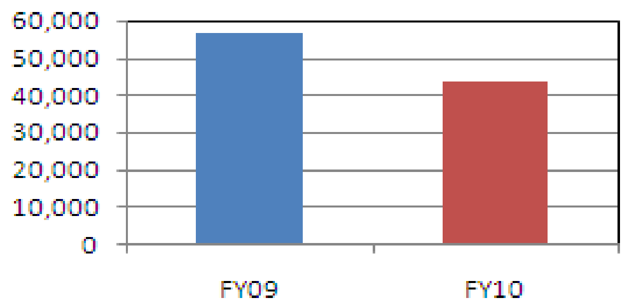
18 %

Wire Rods & Bar (38%)



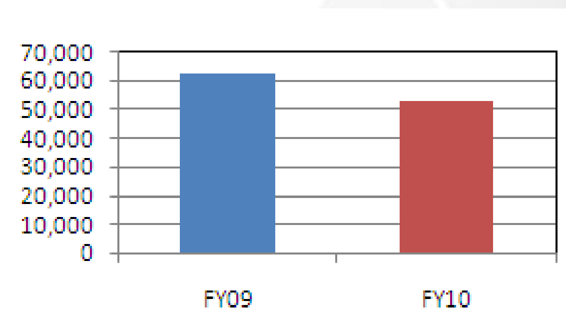
10 %

Wire Ropes (35%)



23 %

Wire & Strand (23%)



15 %

Bright Bar (4%)

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Key Highlights

Successful commissioning of projects.

MBF, Sinter Plant & 20 MW CPP to be commissioned in H1 & H2 of FY'11.

Coal mines fully operational.

Weak business conditions affecting selling prices & margins though of late indications of improvements.

Equity raising of Rs.468.15 Crs helped to reduce gearing from 2.0 to 1.0, including capex L/Cs.

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WAY FORWARD

Cost Optimisation Plan

Enhanced capacities with improved business conditions are likely to be positive for performance.

Plans to further increase cost competitiveness by setting up –

- **Coke Oven Plant**
- **Pellet Pant**
- **DRI Plant**
- **Power Plant**
- **Ore Beneficiation facilities**

Estimated project outlay of Rs 1,200 Crores to be funded by Debt & internal accruals over a period of 36 months.

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STRENGTH THROUGH INTEGRATION