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Q4 & 12M’ 13

Economic Overview

IIP Data (YoY Growth%) Apr- Feb

	FY' 11 (A)	FY' 12 (A)	FY' 13 (E)
IIP Total	8.1%	3.5%	0.9%
Sectoral			
Mining	5.8%	-2.1%	-2.5%
Manufacturing	8.7%	3.7%	1.0%
Electricity	5.4%	8.7%	4.0%
Use Based			
Basic Goods	5.9%	5.9%	2.3%
Capital Goods	14.8%	-1.8%	-7.6%
Industry Specific			
Steel	8.9%	7.0%	2.2%
Motor Vehicles	30.3%	12.6%	-5.6%

IIP Data of FY '13 have been disappointing for the economy in general and steel and related sectors in particular despite reduced base of FY'12 which was also significantly lower compared to FY'11

GDP Growth Indicators - India

	FY' 11	FY' 12	FY' 13
GDP at factor cost	9.3%	6.2%	5.0%
I. Agriculture	7.9%	3.6%	1.8%
II. Industry	9.2%	3.5%	3.1%
Manufacturing	9.7%	2.7%	1.9%
Mining	4.9%	-0.6%	0.4%
Electricity, gas & water supply	5.2%	6.5%	4.9%
Construction	10.2%	5.6%	5.9%
III. Services	9.8%	8.2%	6.6%

The GDP growth of 5% and Industry (Manufacturing & Mining) continuing to remain lower has been keeping pressure on selling prices and margins

Economic Indicators - India

		FY' 12	FY' 13
Fiscal Deficit	% of GDP	5.7%	5.2%
Trade Gap	US$ in Bn	190	201
Current A/c Deficit	% of GDP	4.2%	5.0%
WPI - Average	%	8.9%	7.6%

The inherent and persisting weakness in the economy have caused considerable concerns in Fy'13

GDP Growth Indicators - Global

	2011 (A)	2012 (A)
World	4.0%	3.2%
Advanced Economies	1.6%	1.2%
- USA	1.8%	2.2%
- Euro	1.5%	-0.6%
Emerging & Developing Economies	6.4%	5.1%

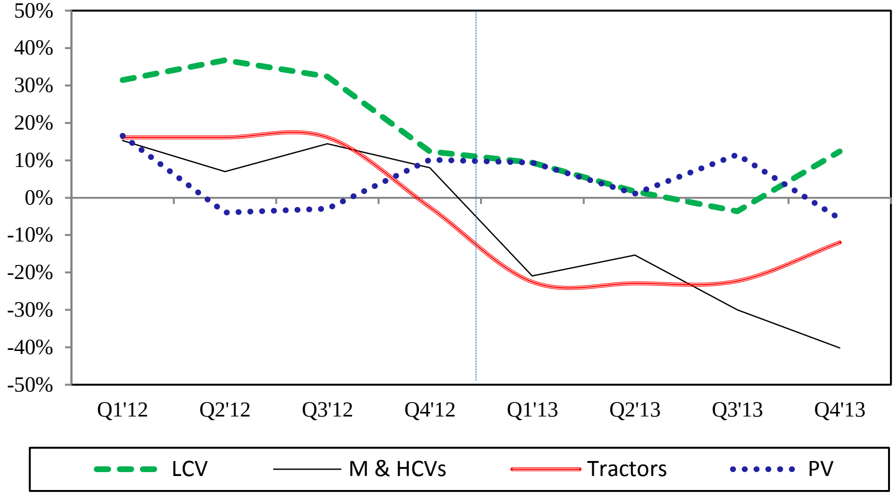
Global recovery is still away, in view of advanced economies remaining in lower range of growth. Euro zone has slipped in negative during calendar year 2012.






Automobile Sector FY’13

Qtr Wise Auto Volume Growth (YoY) in FY ’12 & FY ’13



Auto Volumes & Steel Consumption

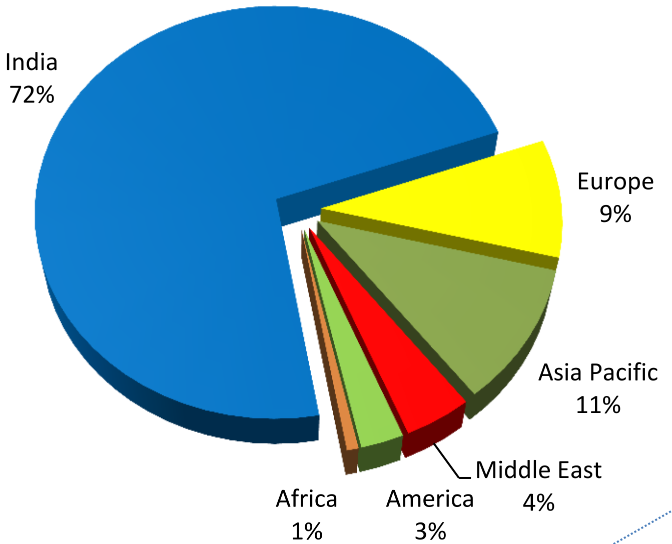
Particulars	Nos of Vehicle		Growth %
	2011-12	2012-13	YoY
PV	3,123,528	3,233,561	3.5%
LCV	528,297	553,184	4.7%
M & HCVs	383,277	278,560	-27.3%
Tractors	607,658	484,599	-20.3%
Total	**4,642,760**	**4,549,904**	**-2.0%**

- The growth in FY’12 was positive in all quarters, though declining in key segments, but in FY ‘13 all along the growth was negative particularly in M&HCV and Tractor segments, where UML markets its steel products.

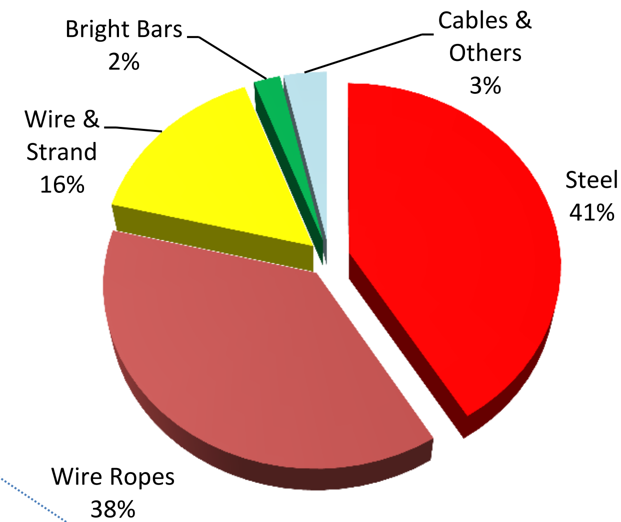
- Steel consumption in M&HCV and Tractor segments in FY ‘12 was more than 50% of total steel consumption for commercial vehicles. The ratio of steel consumption in these segments in FY ‘13 came down to about 40 %, thus reducing market size and intensifying competition.

- Society of Indian Auto Manufacturers (SIAM) has projected very low (1-3%) projections in M&HCV segment even in FY ‘14. The estimated growth in Tractor segment is also likely to remain lower.

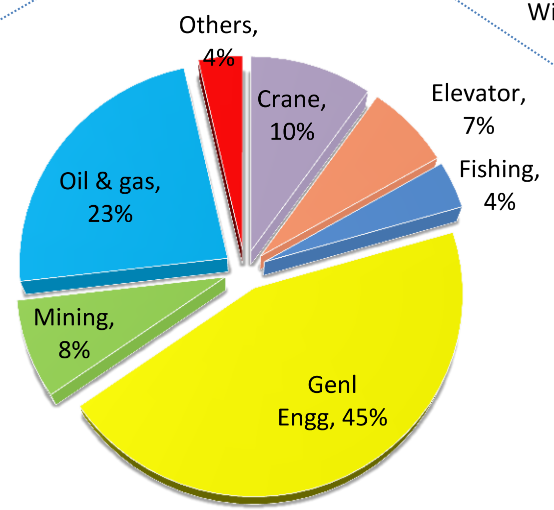
Revenue Distribution



By Geographies

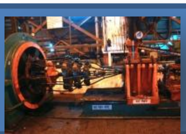


By Product



Rope Application Sector Wise (Qty)



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Architecture of Integrated Business

Mineral Resource

- Iron Ore Mine Crushing & Screening
- Coal Block – "A- C" grade
- Washing Plant
- Beneficiation Plant

Power Module

- 48.3 MW WHRB
- 55 MW Thermal JSR
- 26 MW WHRB
- 9 MW Thermal
- 20 MW Thermal - Ranchi
- Total - 158.3 MW

Iron Making Module

- Blast Furnace 600 KT
- DRI 500 KT
- Sinter Plant 800 KT
- O_2 & Lime Kiln Plant
- Coke Oven 400 KT
- Pellet Plant 1200 KT

Distribution Marketing & Service Module

Singapore	Netherlands
Bangkok	South Africa
Indonesia	Glasgow (UK)
Vietnam	Houston/ (USA)
Australia	Canada
Dubai	Aberdeen (UK)
	Norway
	Russia

Value Addition Module

- Bright Bar 36 KT
- Cord 4 KT
- OT Wire 6 KT

Ranchi	174 KT
Hoshiarpur	48 KT
Jamshedpur	30 KT
Bangkok	44 KT
UK	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

Under Implementation

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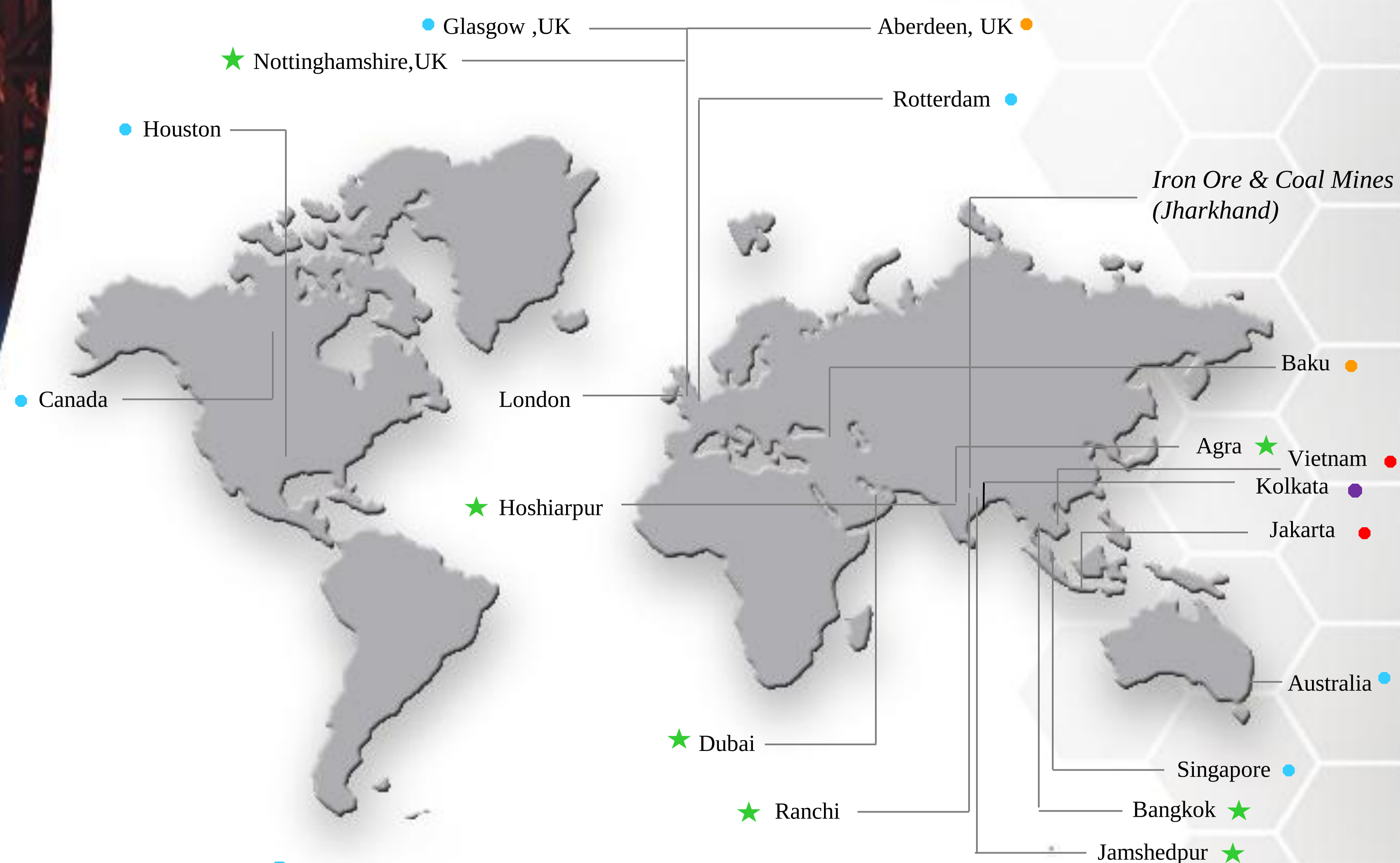
Global Footprint



Manufacturing Facilities
Distribution Centers
Corporate Office
Sales Office
EMMC Centers

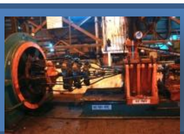
Further setting up R & D Centre in Italy

Consolidated Key Financials Trend

Rs in Crs

Particulars		07-08(A)	08-09 (A)	09-10 (A)	10-11 (A)	11-12 (A)	12-13(A)
Net Turnover		2,309	2,950	2,514	3,046	3,361	3,622
PBDIT		445	531	495	595	498	705
PBT		247	281	240	204	11	103
PAT		175	185	169	137	4	79
Cash Profit		278	271	347	383	214	347
ROCE	(%)	20.1%	24.1%	18.2%	13.9%	7.2%	10.0%
RONW	(%)	21.6%	19.2%	13.7%	8.1%	0.2%	4.3%
EPS (FV Rs 1/-)	(Rs)	7.0	7.4	6.5	4.5	0.1	2.6
Net Debt Equity Ratio	(x)	1.20	1.90	0.99	1.12	1.40	1.81
Interest Cover	(x)	4.4	3.7	3.9	3.1	1.9	2.1



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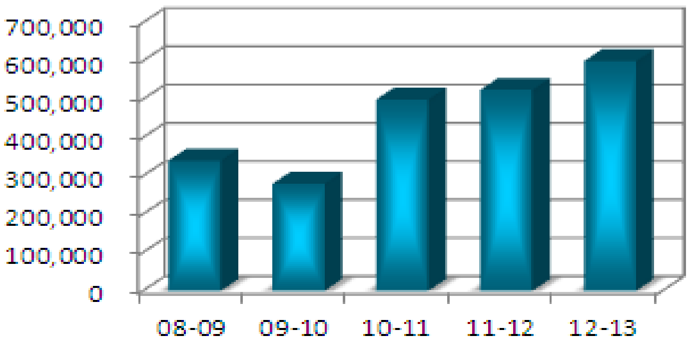
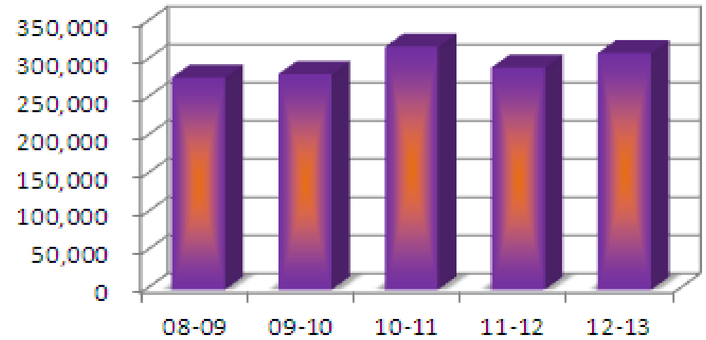
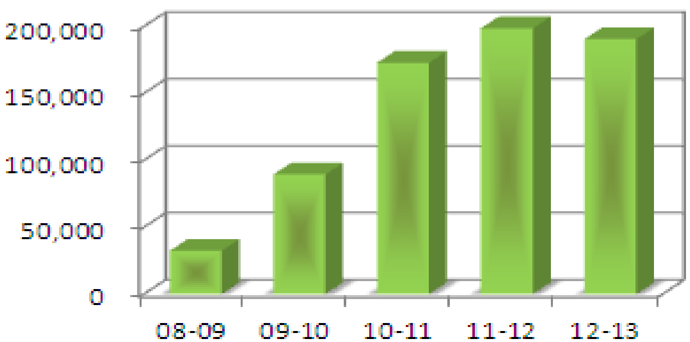
Production Trends



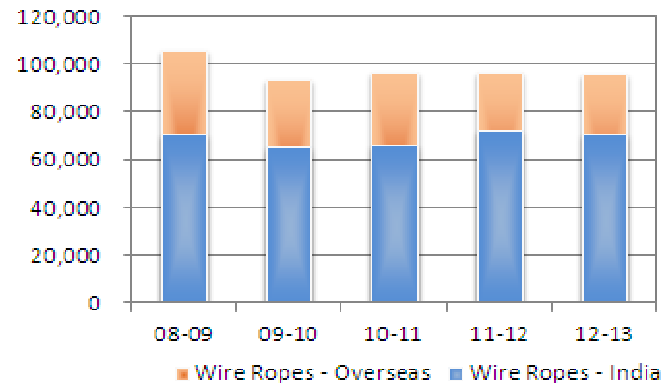
Billets



Wire Rods

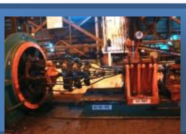


Blooms & Bars



Wire Ropes



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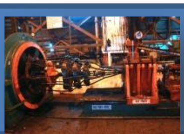
Performance Update

12M & Q4 FY'13

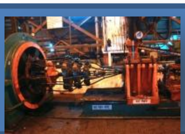


Achievements

- Achieved highest ever volume production of coal, iron ore, hot metal, billets, rolled products, DRI and Sinter,
- Obtained further approvals from major OEMs for bloom and bar products
- Reduction in use of liquid fuel by replacement with producer gas
- Successful commissioning of key cost optimization projects like 30 MW CPP, DRI – V, Lime Klin, Beneficiation Plant – Phase 1 and Char Beneficiation.
- Usha Siam started operations in record time after receding of water, produced 25,000 MT in Fy'13
- Created a R&D and Distribution Centre in Italy for wire ropes under Usha Martin International Limited a subsidiary of the company under the name of Usha Martin Italia S.R.L
- Usha Siam Steel Industries Public Company Limited, a subsidiary of the company, has formed a 50:50 joint venture in Thailand with Tesac Wire Ropes Company Limited of Japan, under the name and style of "Tesac Usha Wire rope Company Limited", for manufacture of high performance steel wire ropes
- Projects to further perpetuate advantage of cost competitiveness in advanced stage of implementation



Production Volume Growth Consolidated

Billets

Rolled Products

Bright Bars

Wires & Strands

Wire Ropes

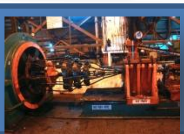
Q o Q

Q o PQ

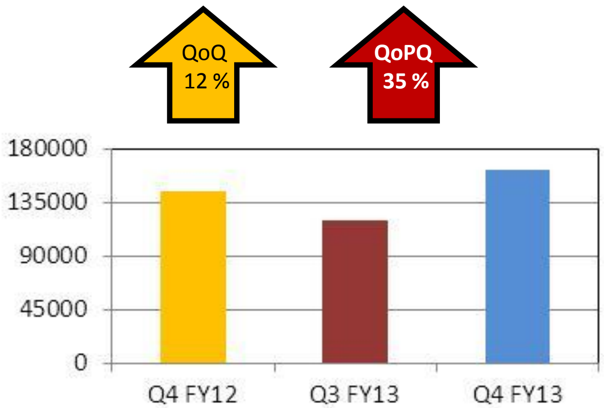
	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
Volume	164,673 MT	135,657 MT	2,963 MT	34,048 MT	24,325 MT
Q o Q	13 %	1 %	15 %	3 %	8 %
Q o PQ	10 %		6 %	1 %	10 %

12M o 12M

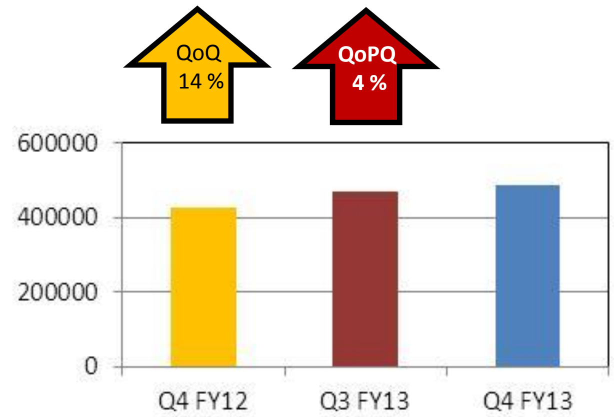
	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
Volume	600,115 MT	543,754 MT	12,119 MT	132,609 MT	95,836 MT
12M o 12M	14 %	4 %	21 %	5 %	1 %



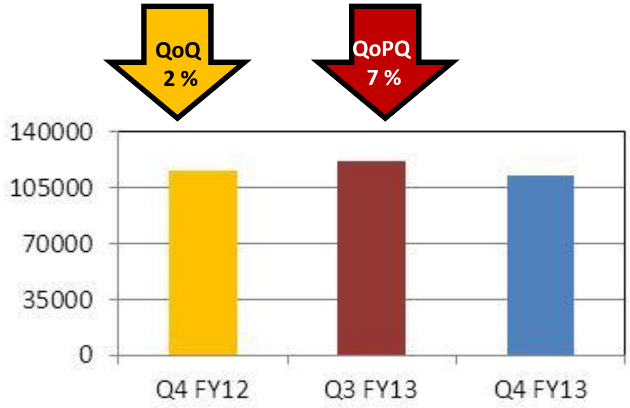
Production Performance



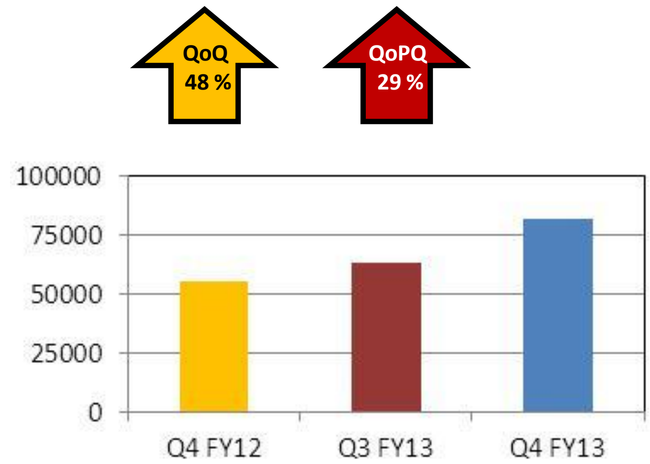
Coal



Iron Ore

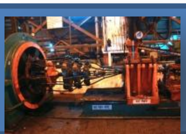


Hot Metal



DRI



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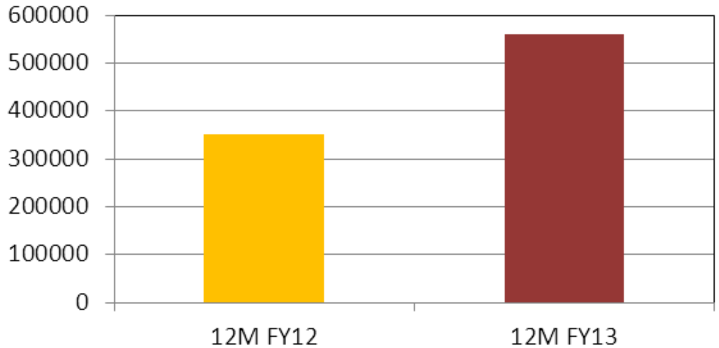
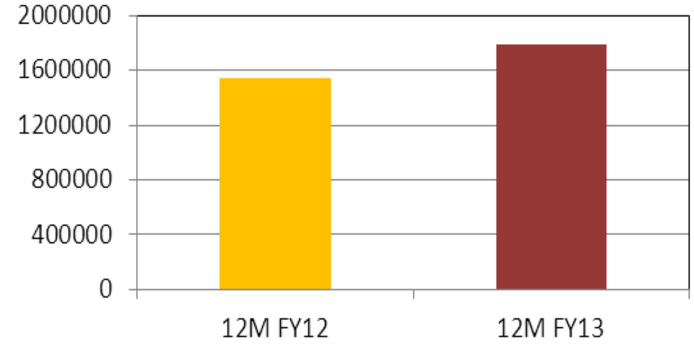
Production Performance



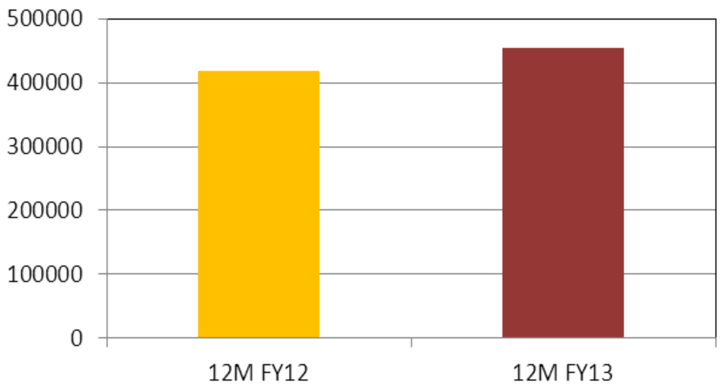
59 %

Coal



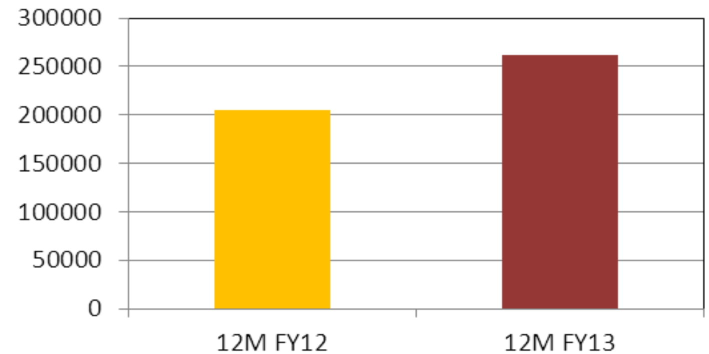
16 %

Iron Ore



9 %

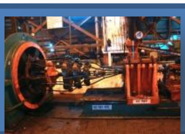
Hot Metal



28 %

DRI



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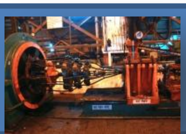
Forex Accounting Practices

The effect of fluctuation in value of FCY assets and liabilities were accounted for as under:

Accounting Period / Qrtr	On Loan Exposure	On Trade Exposure
Previous Year 2011 - 12		
Q1’12	• Shown as normal item (pre EBITDA) in P&L A/c	• Shown as normal item (pre EBITDA) in P&L A/c
Q2’12	• Shown as exceptional Item in P&L A/c (including effect of Q1’12)	• Shown as exceptional item in P&L A/c
Q3’ 12	Followed clause 46A of AS -11, w.e.f. Q1’12 • On capex loans - routed through Fixed Assets • On other loans – ammortised over maturity period of loans Shown as exceptional in Q2’ 12 was reversed	• Shown as exceptional item in P&L A/c
Q4’ 12	As per clause 46A of AS – 11 • On capex loans - routed through Fixed Assets • On other loans – ammortised over maturity period of loans	• Shown as normal item in P&L A/c • Exceptional in Q2’12 & Q3’12 and still outstanding was reversed
Current Year 2012 – 13		
Q1’ 13, Q2’ 13 , Q3’ 13, & Q4’ 13	As per clause 46A of AS – 11 • On capex loans - routed through Fixed Assets • On other loans – ammortised over maturity period of loans	• Shown as normal item in P & L A/c



Summarised Results

Current Forex Accounting Practice for change in valuation of FCY assets and liabilities is as under:

- **On Capex Loans** – Routed through Fixed Assets
- **On Other Loans** – Ammortised over maturity period of loan
- **On Trade Exposure** – Routed through Profit & Loss A/C

Applying the Current Forex Accounting Practice in previous year, the restated Q4 & 12 Months results of FY 11-12 would be, and compared with current year, as under :

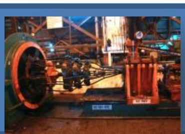
Consolidated

Particulars	2011-12		2012-13				
	Q4	12M	Q1	Q2	Q3	Q4	12M
Net Turnover	954.4	3,360.8	846.1	939.0	889.1	947.7	3,621.8
PBDIT	152.8	497.8	140.9	176.6	195.3	192.4	705.2
% of Sales	16.0%	14.8%	16.7%	18.8%	22.0%	20.3%	19.5%
Depreciation	54.0	222.7	63.6	63.1	65.9	71.2	263.8
Interest	75.4	263.7	74.0	81.0	91.2	91.6	337.9
PBT	23.5	11.4	3.2	32.4	38.3	29.6	103.5

Stand Alone

Particulars	2011-12		2012-13				
	Q4	12M	Q1	Q2	Q3	Q4	12M
Net Turnover	831.0	2,836.9	728.5	774.7	739.7	801.6	3,044.5
PBDIT	124.7	408.8	111.5	144.5	150.7	165.6	572.3
% of Sales	15.0%	14.4%	15.3%	18.6%	20.4%	20.7%	18.8%
Depreciation	47.4	197.8	56.8	56.1	58.7	63.7	235.2
Interest	72.8	254.9	71.8	78.3	88.1	88.6	326.8
PBT	4.5	(43.8)	(17.1)	10.1	4.0	13.4	10.3



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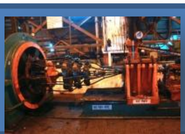
Project Status

Major Projects	Completion Status
DRI – 5	Commissioned
30 MW CPP (With DRI - 5)	Commissioned
DRI – 4	Commissioned
Coke oven (48 Ovens)	Commissioned / H1 Fy’14
Coke Oven 35 MW Power Plant	H1 FY’14
Pellet Plant	H1 FY’ 14
Lohari Coal Block	Sep / Oct’13



THANKS

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STRENGTH THROUGH INTEGRATION

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