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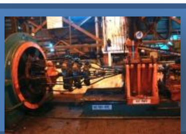
Q4 & 12M’ 14

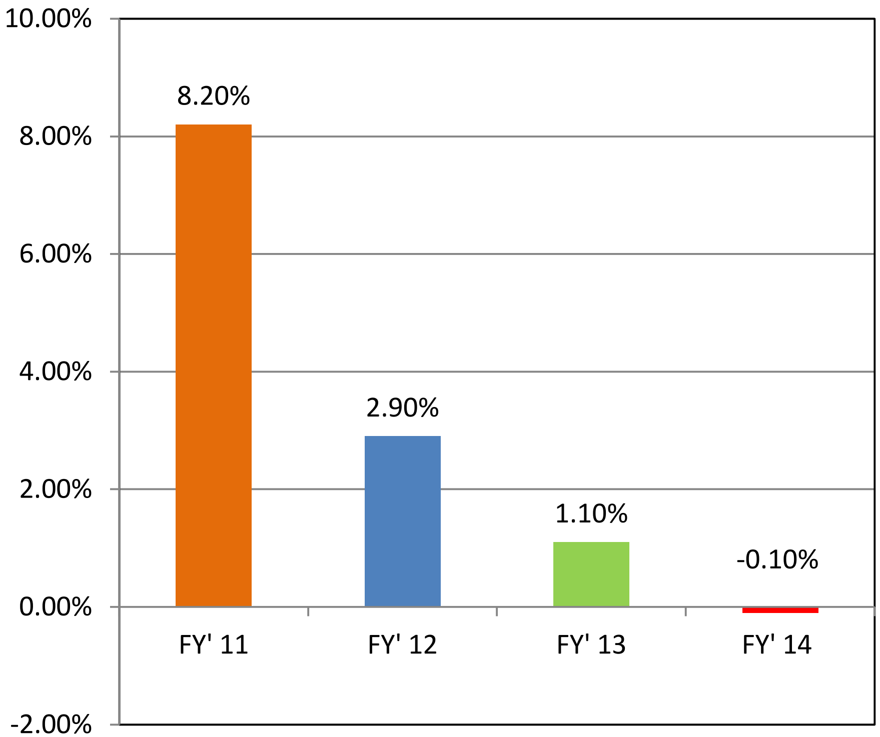
Economic Overview

- The global economic conditions continued to remain sub-optimal during the year.
- Industrial Sectors like mining and manufacturing are under a prolonged downturn spilling over on to the macroeconomic outcome.
- Negative growth in Capital Goods segment in consecutive 3^{rd} year reflects on poor prospects.
- The automobile sector, a major contributor to the alloy steel demand, and M&HCV segment in particular where UML markets its steel products is under grip of continuous and significant negative growth.
- Lack of policy initiatives by government and tight liquidity in the money market continues to affect economy and business conditions adversely.
- Emerging economies continues to struggle with structural problems and volatility

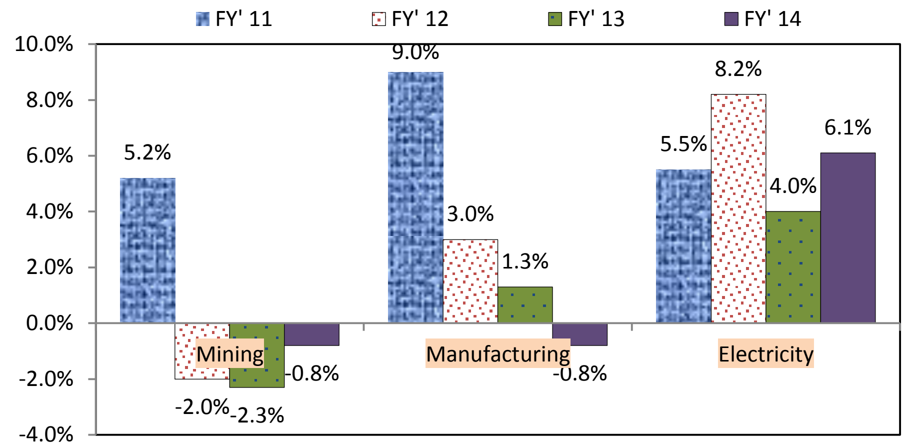


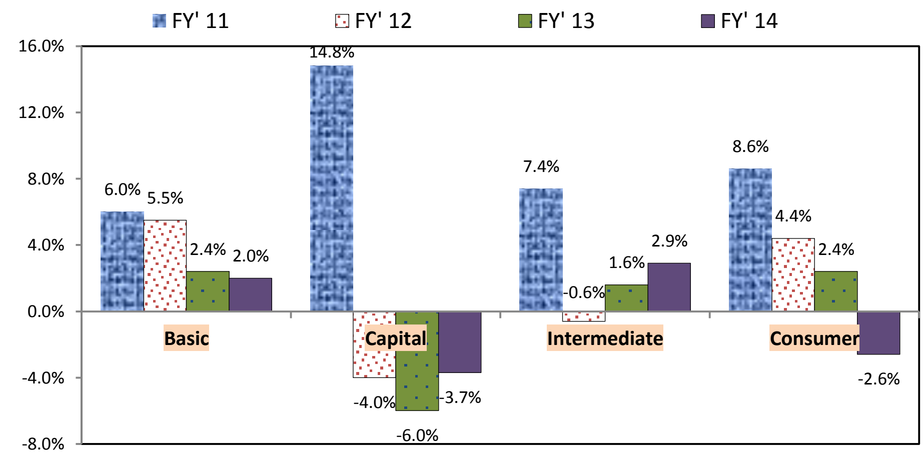
Trends in Industrial Production



- Continuously reducing yearly industrial growth now negative in current financial year 2014.

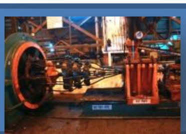


- Negative growth in mining continues in 3rd consecutive year.
- Manufacturing sector has also entered negative zone in FY'14.

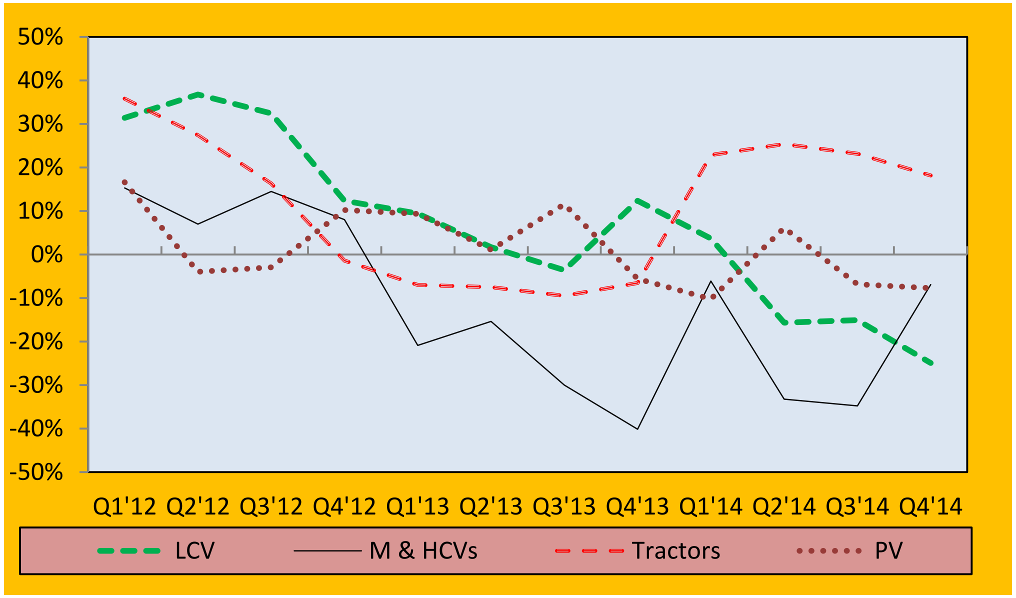


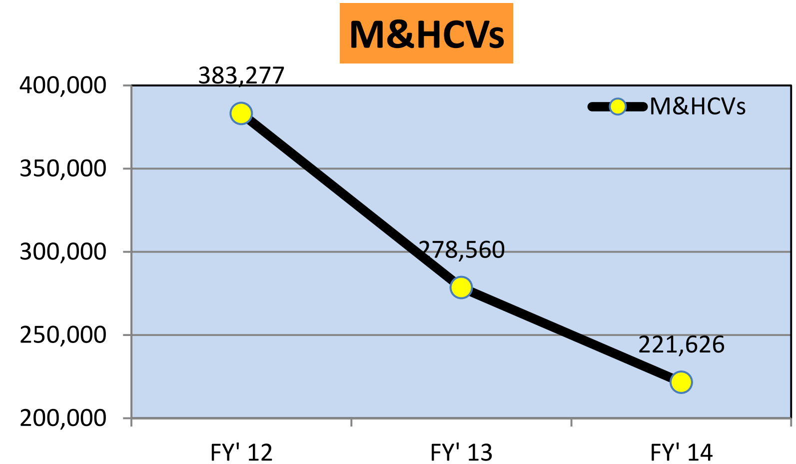
- Continuing negative growth in capital goods in 3rd year reflects on potential dismal prospects.
- Consumer turns negative in the current year.

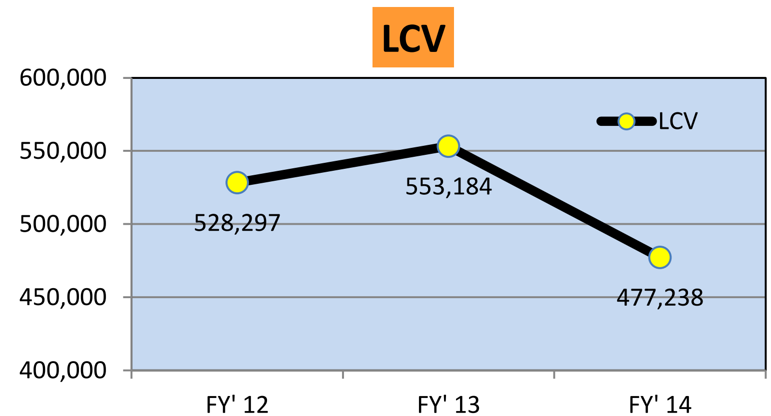


Trends in Auto Sector







No respite in pains of Auto Sector

Particulars	FY13	FY14	Change
M&HCV	278,560	221,626	-20.4%
LCV	553,184	477,238	-13.7%

Source: SIAM, Care Ratings



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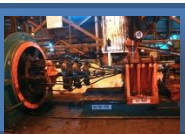
Performance Update

12M & Q4 FY’14



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Highlights FY ’14

- **Sucessfully commissioned cost optimisation projects namely Coke Oven Plant, Ore Beneficiation and Pellet Plant, DRI IV, 35 MW CPP, etc.**
- **EBIDTA up by 13% on consolidated basis and 21% on stand alone basis.**
- **Consolidated EBIDTA margin at 19.6 % and stand alone at 21.1%.**
- **UML Iron Ore Mines bags 1st prize in Mines Safety Week competition conducted by DGMS.**
- **Achieved highest ever Billet production at 645,000 MT .**
- **Achieved highest ever Iron ore, DRI and Captive Power generation**
- **Value Added Products production up by 9% on Stand Alone Basis.**
- **Lack of infrastructure growth continued its impact on sale of Value Added Products.**
- **Export sales at Rs 828 Crs, up by 61%.**
- **Depressed business conditions, negative growth in auto sector, higher interest rate and INR depreciation eroded profitability**






Improved Volumes

In '000 Metric Tonnes

	Particulars	FY' 13	FY' 14	Change %
Own Minerals	Iron Ore	1,787	**1,644**	-8.0%
	Coal	560	**762**	36.0%
Intermediate Products	Hot Metal	455	**433**	-4.9%
	DRI	262	**340**	29.6%
	Billets	600	**645**	7.5%
Finished Product Sales	Steel Products	371	**423**	14.1%
	VA Products	180	**195**	8.0%

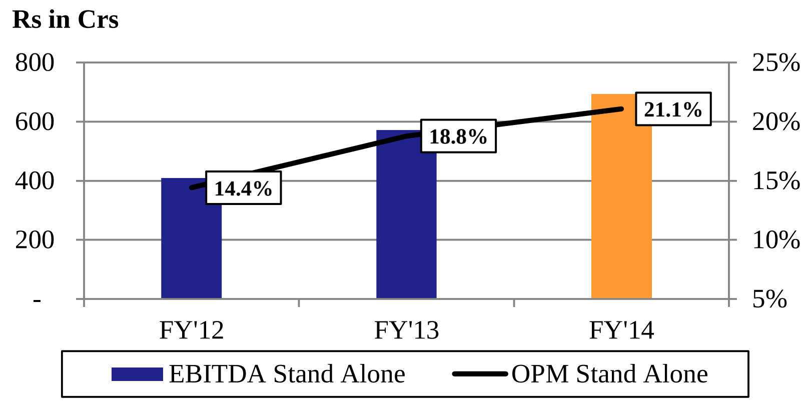
Note: Steel Products incl wire sale of JSR

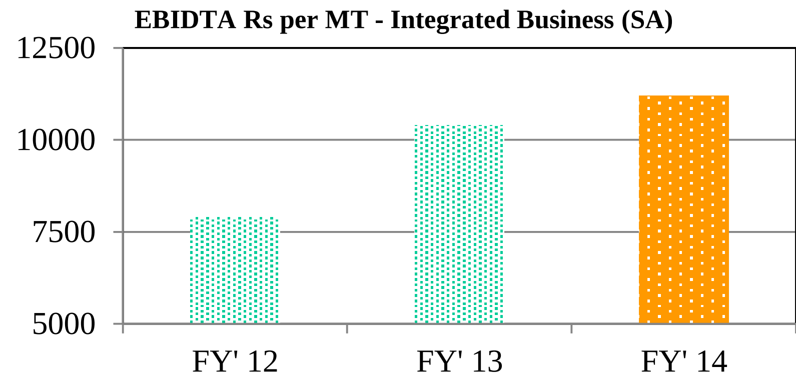





Improving Operating Parameters
-Standalone

Particulars	Unit	FY13	FY14
Sales Realisation – Steel	Rs Per MT	42,450	40,600
EBIDTA margin to Net Sales	(%)	18.8	21.1
EBIDTA	Rs- Crs	572	693
- Steel	Rs Per MT	7,000	8,150
- VA Products	Rs Per MT	10,300	9,400
- Integrated Business	Rs Per MT	10,400	11,200





Despite lower realisation on account of product mix, EBIDTA Margin, Per Ton, % & Absolute Nos, improved on account of cost reduction achieved out of projects & internal efficiencies.



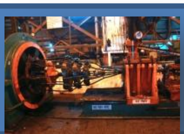



Financial Performance Q4 & 12M FY'14

Rs in Crs

	Stand Alone				Consolidated			
	FY ' 13		FY ' 14		FY ' 13		FY ' 14	
	Q4	12M	Q4	12M	Q4	12M	Q4	12M
Net Sales	801.60	3044.53	1009.67	3287.12	947.71	3621.83	1252.56	4073.83
PBDIT	165.64	572.33	158.91	692.81	192.41	705.20	192.05	799.43
PBT	13.38	10.32	(45.37)	36.86	29.60	103.50	(22.76)	26.67
PAT	9.00	7.05	(30.57)	(25.68)	22.11	78.84	(9.68)	10.70



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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

- 71 MW WHRB JSR
- 64 MW Thermal JSR
- 20 MW Thermal - Ranchi
- Total - 155 MW

Iron Making Module

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

Distribution Marketing & Service Module

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

Value Addition Module

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

THANKS

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STRENGTH THROUGH INTEGRATION

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