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Q2 & H1' 13

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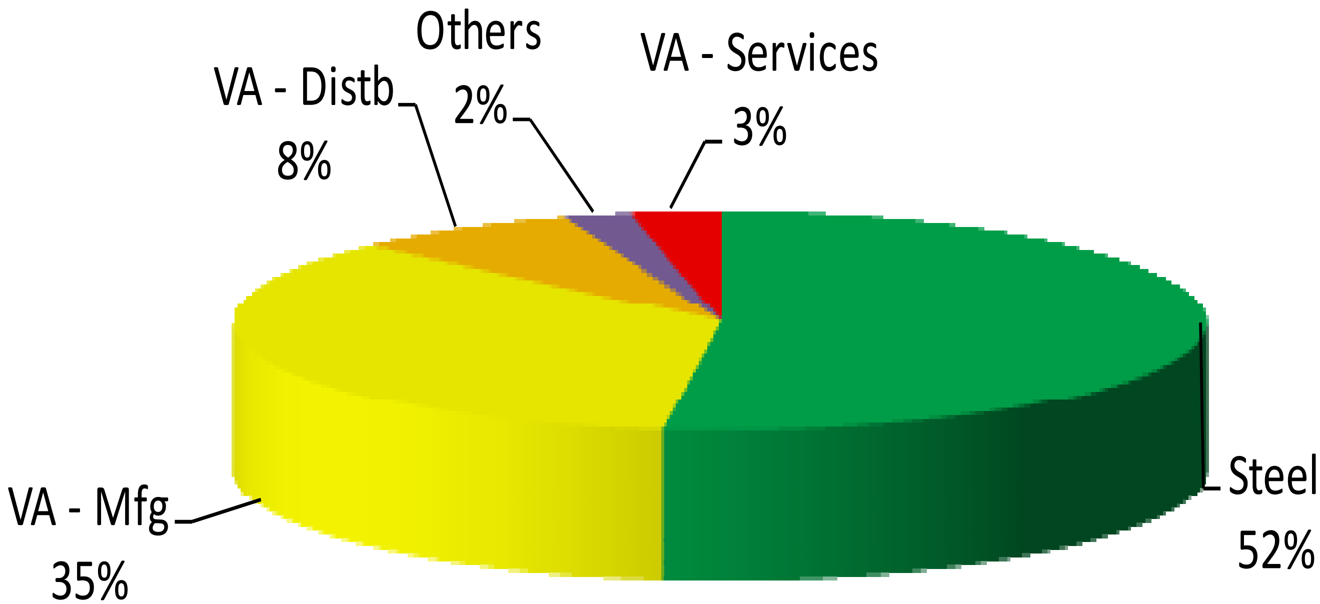
Business Profile H1 FY'13

Gross Level of Activities – Rs 2,774 Crs



Net Turnover (Rs in Crs)	H1' FY 13	H1 FY'12
Stand Alone	1,503	1,293
Consolidated	1,785	1,590



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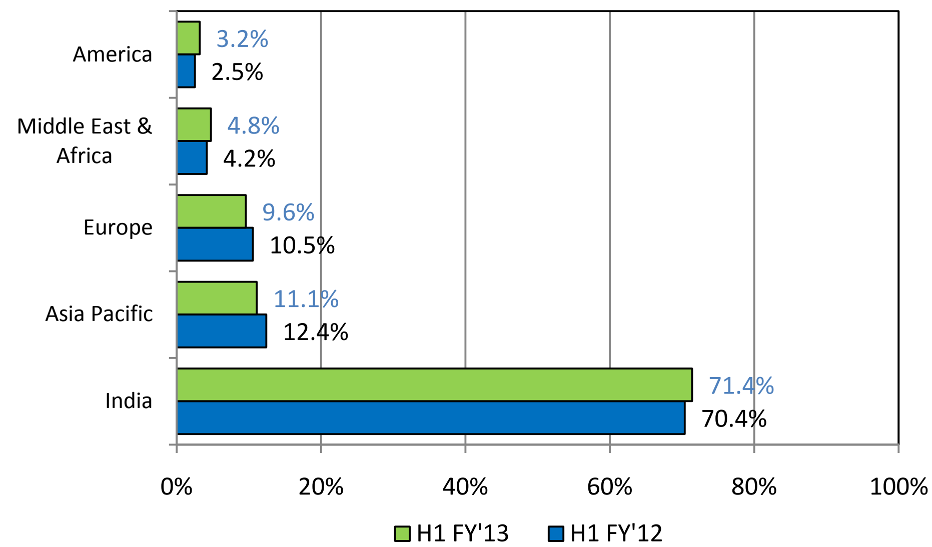
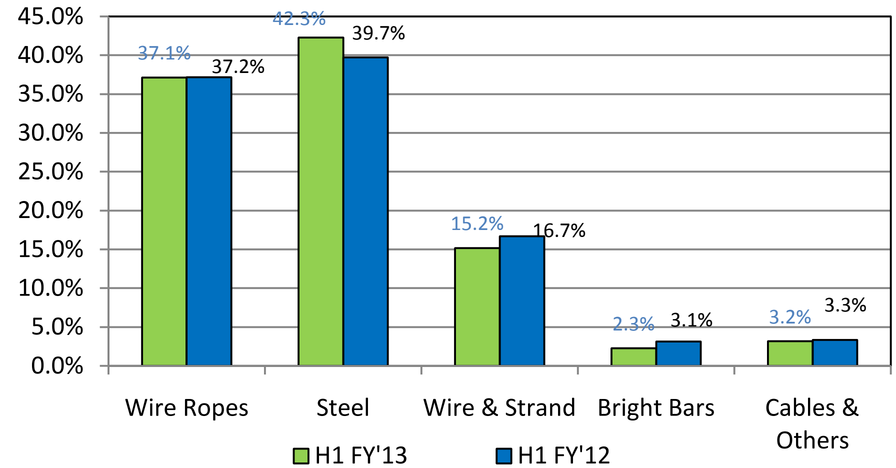
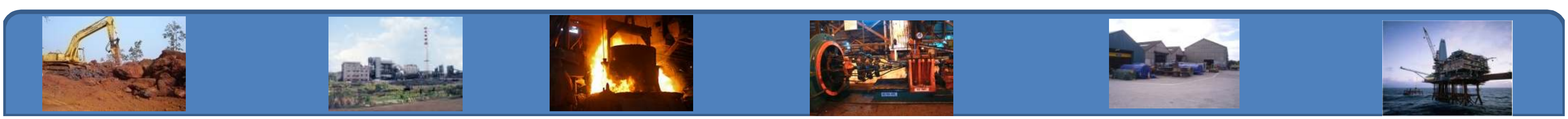
Revenue Distribution



By Geographies



By Product



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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 400 KT
- 100 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

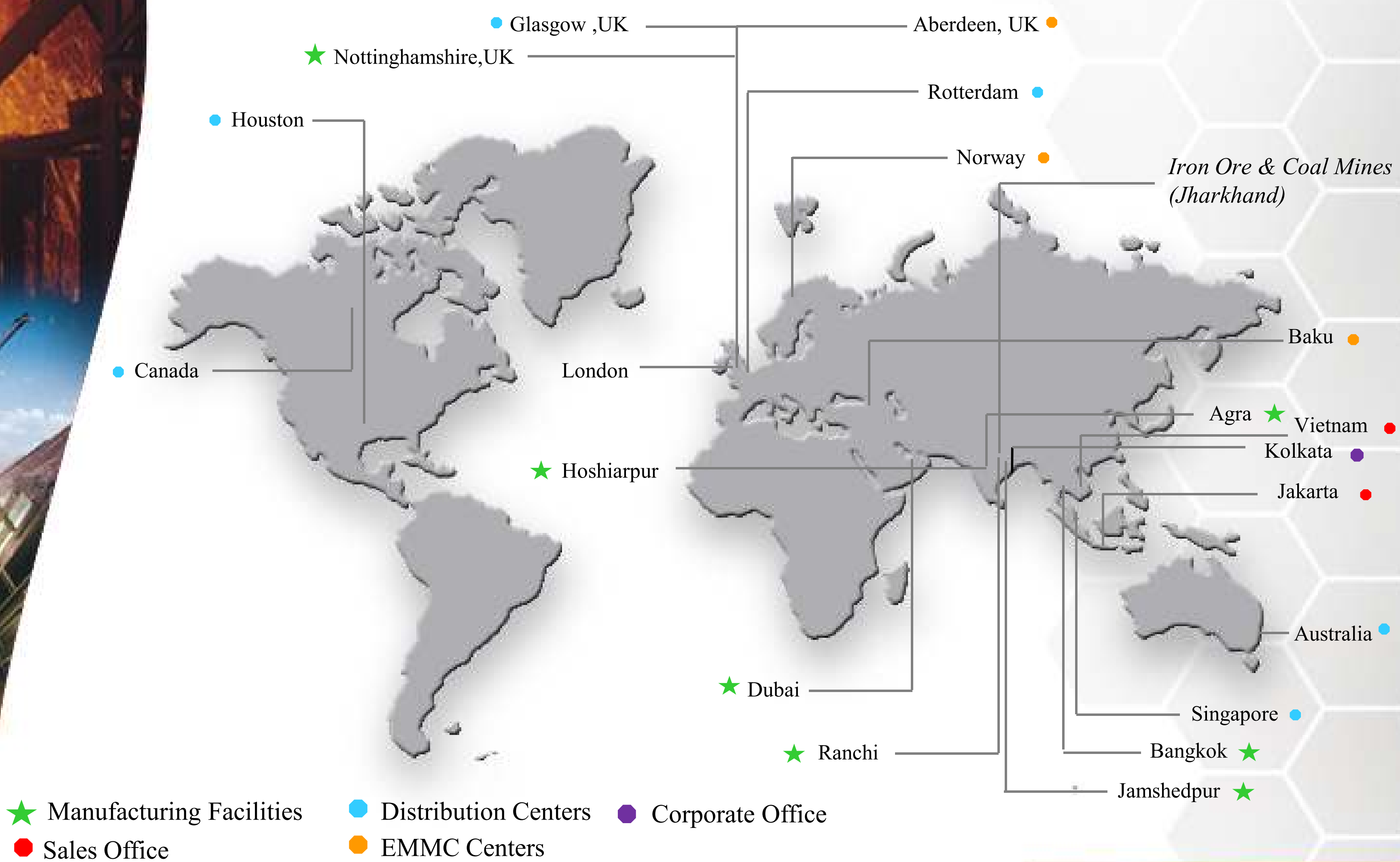
VA Products – 50 KT

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

Global Footprint



Consolidated Key Financials Trend

Rs in Crs

Particulars		07-08(A)	08-09 (A)	09-10 (A)	10-11 (A)	11-12 (A)	Trail 12M★
Net Turnover		2,309	2,950	2,514	3,046	3,361	3,555
PBDIT		445	531	495	595	498	545
PBT		247	281	240	204	11	3
PAT		175	185	169	137	4	(28)
Cash Profit		278	271	347	383	214	224
ROCE	(%)	20.1%	24.1%	18.2%	13.9%	7.2%	7.1%
RONW	(%)	21.6%	19.2%	13.7%	8.1%	0.2%	-1.5%
EPS (FV Rs 1/-)	(Rs)	7.0	7.4	6.5	4.5	0.1	(0.9)
Net Debt Equity Ratio	(x)	1.20	1.90	0.99	1.12	1.40	1.73
Interest Cover	(x)	4.4	3.7	3.9	3.1	1.9	1.8

★ Restated as per current forex accounting practice



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Performance Update

H1 & Q2 FY’13






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Economic Overview

- Global Economic environment remains uncertain and fragile.
- Slower than expected recovery in the US & deepening recession in Eurozone have constrained growth.
- Domestic business conditions remains negative and difficult.
- Significant slowdown in domestic auto sector kept continues to keep sales and margins under pressure.
- Higher domestic interest rates cause adverse impact on business & profit.






Highlights Q2 & H1’13

- Turnover increased by 12% on consolidated basis & 16% on stand alone over H1’12
- Consolidated EBITDA margin at 17.8 %
- Mining operations performed better considering monsoon season
- International business continues to do well
- Suboptimal business condition & slowdown in domestic auto sector kept margin under pressure
- Share of Value added products at 43%
- Usha Siam back to normal operations , produced 7000 MT in Q2’13
- Domestic interest rates continues to remain high
- Implementation of new projects to further perpetuate advantage of cost competitiveness are under progress






Production Volume Growth
Consolidated

Billets

Rolled Products

Bright Bars

Wires & Strands

Wire Ropes

	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
Volume	135,095 MT	133,601 MT	2,607 MT	31,884 MT	24,707 MT
Q o Q	↑ 9 %	↑ 6 %	↓ 29 %	↔	↓ 10 %
Q o PQ	↓ 10 %	↓ 4 %	↓ 30 %	↓ 3 %	↔

	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
H1 o H1 volume	285,235 MT	272,420 MT	6,357 MT	64,821 MT	49,451 MT
H1 o H1	↑ 19 %	↑ 11 %	↓ 24 %	↑ 4 %	↓ 5 %






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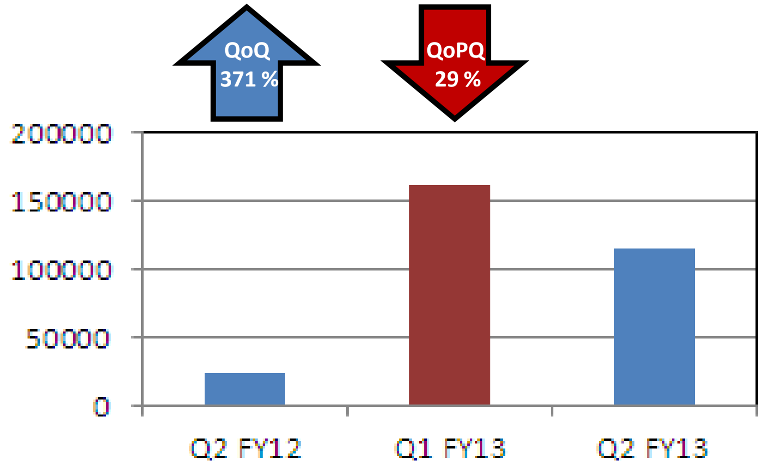
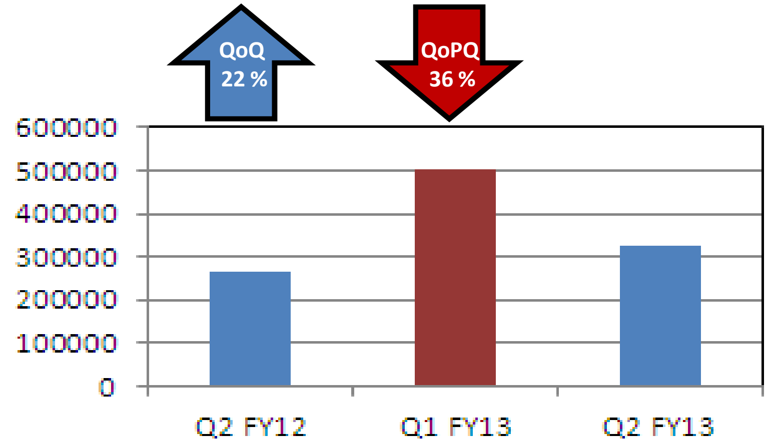
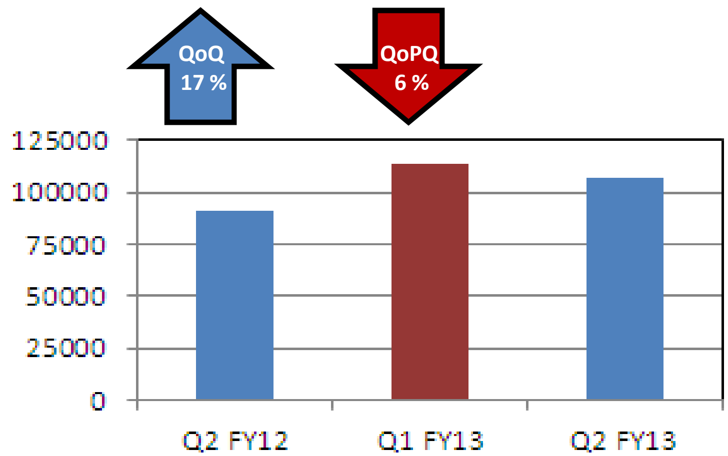
Production Performance



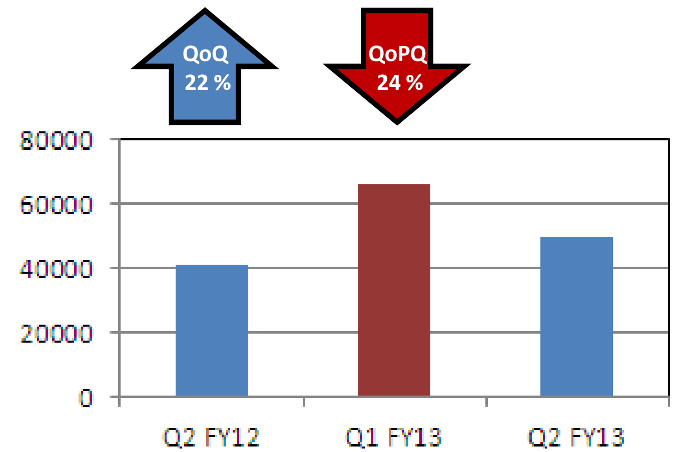
Coal



Iron Ore



Hot Metal

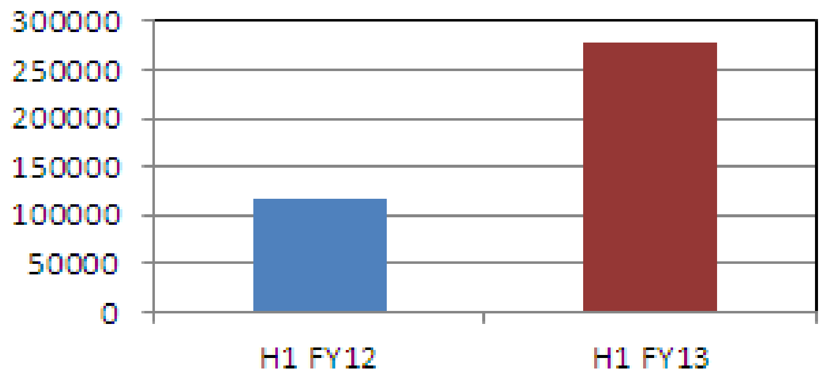


DRI



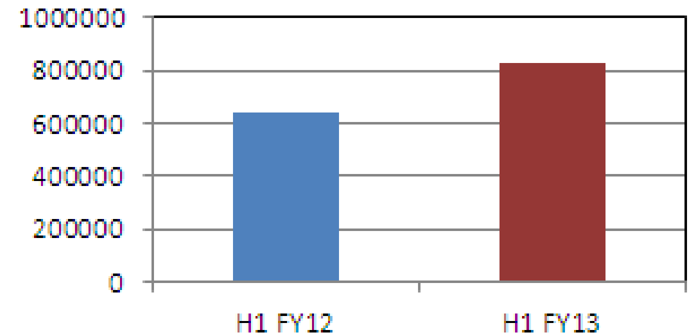



Production Performance



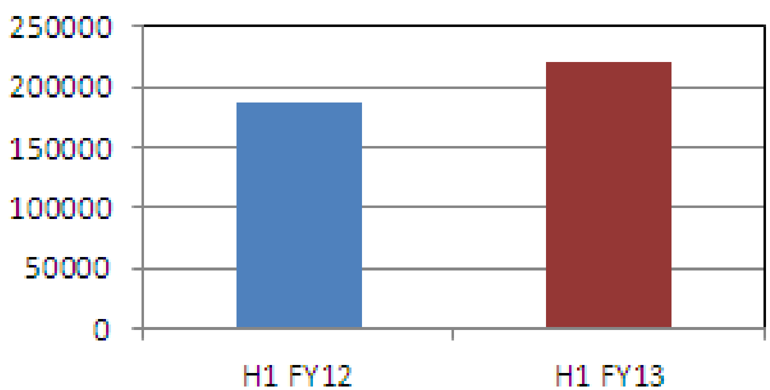
138 %

Coal



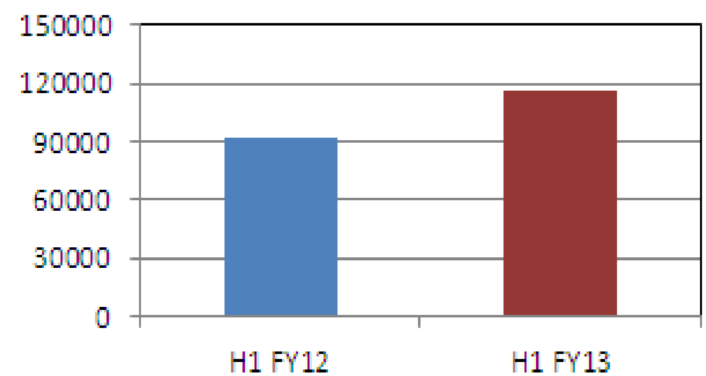
30 %

Iron Ore



18 %

Hot Metal



26 %

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	**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 results of Q1, Q2 & H1 of FY 11-12 would be, and compared with current year, as under :

Consolidated

Particulars	2011-12			2012-13		
	Q1	Q2	H1	Q1	Q2	H1
Net Turnover	762.6	827.6	1,590.1	846.1	939.0	1,785.1
PBDIT	150.5	119.8	270.4	140.9	176.6	317.4
% of Sales	19.7%	14.5%	17.0%	16.7%	18.8%	17.8%
Depreciation	54.9	54.0	108.8	63.6	63.1	126.8
Interest	55.8	61.8	117.6	74.0	81.0	155.0
PBT	39.9	4.1	43.9	3.2	32.4	35.6

Stand Alone

Particulars	2011-12			2012-13		
	Q1	Q2	H1	Q1	Q2	H1
Net Turnover	607.6	685.5	1,293.0	728.5	774.7	1,503.2
PBDIT	117.5	96.1	213.6	111.5	144.5	256.0
% of Sales	19.3%	14.0%	16.5%	15.3%	18.6%	17.0%
Depreciation	49.0	48.0	97.0	56.8	56.1	112.9
Interest	53.8	59.6	113.4	71.8	78.3	150.1
PBT	14.7	(11.5)	3.2	(17.1)	10.1	(7.0)






Project Highlights

Major Projects	Completion Status
DRI – 5	Commissioned
30 MW CPP (With DRI - 5)	Commissioned
DRI – 4	Q3 FY ' 13
Coke Oven with 35 MW Power Plant	Q4 FY' 13 / Q1 FY'14
Pellet Plant	H1 FY' 14

- **Delay in Environmental clearances**
- **Full benefits to accrue post pellet plant**
- **Completion of project to increase EBITDA by Rs 5,000 PMT**






Thanks

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