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Q2 & H1' 15

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Economic Overview

Economic Overview

- Improving business sentiments as a result of positive actions taken by the government at centre, are expected to restore growth in future.

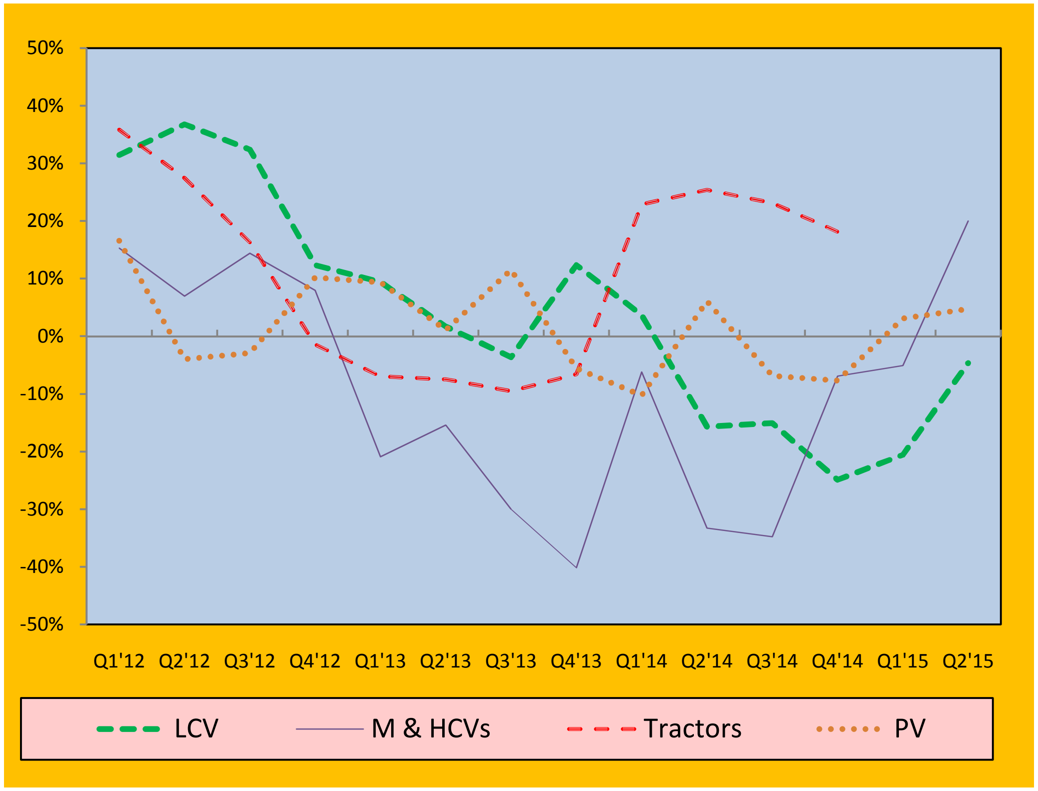
- Reversal of negative growth rates in commercial vehicles segment is a good sign, but positive build up in demand would be key to drive and sustain higher volumes.

- Lower inflation rates of late should lead to reduction in interest rates, a key element responsible for higher finance cost of the Company.

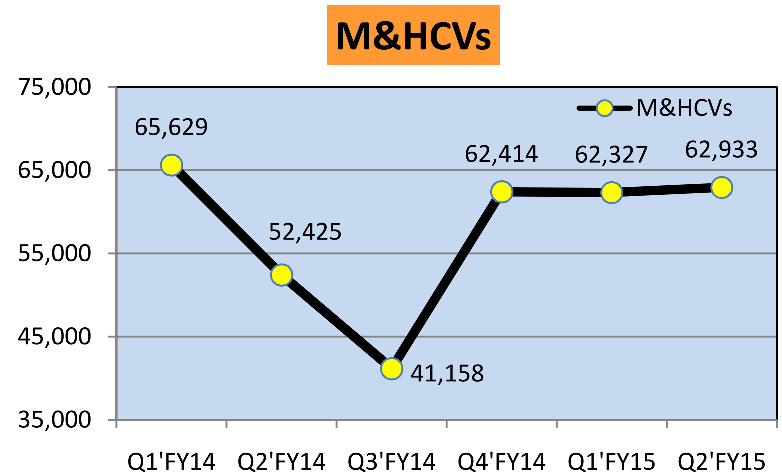


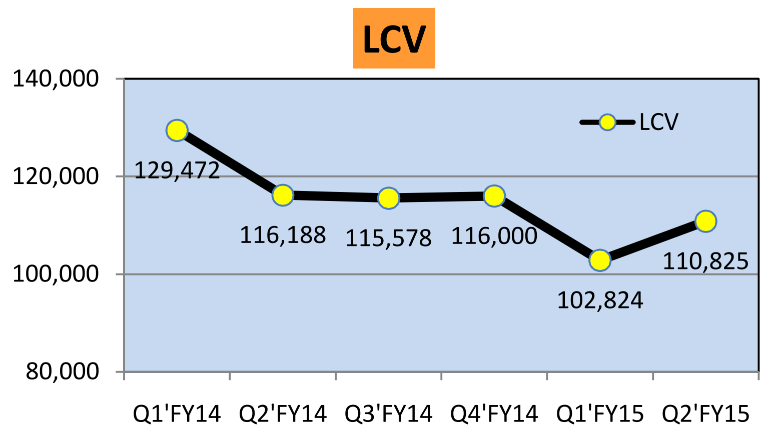



Trends in Auto Sector

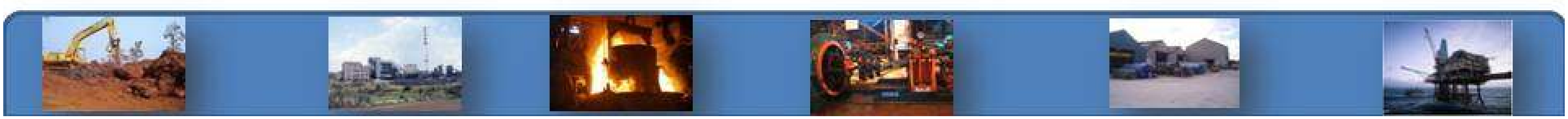


Source: SIAM, Care Ratings





Receding negative growth rates in auto sector are sign of hopes, with positive future outlook.



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Performance Update

H1 & Q2 FY'15






Deallocation of Coal Mines

- Pursuant to the order by the Hon'ble Supreme Court of India, the operating coal mine at Kathuatia with initial estimated reserves of 30 MnT stands cancelled. The company is required to wind up its operation and handover the same to the Government by March 2015.

- As per the said order, the Company has to pay an additional levy @ Rs. 295 per MT on its total coal production from Kathuatia coal mine.

- Another coal block namely Lohari coal block with estimated reserves of 10 MnT has also been deallocated vide said order. This coal block was in advanced stage of compliances for commencement of operations.

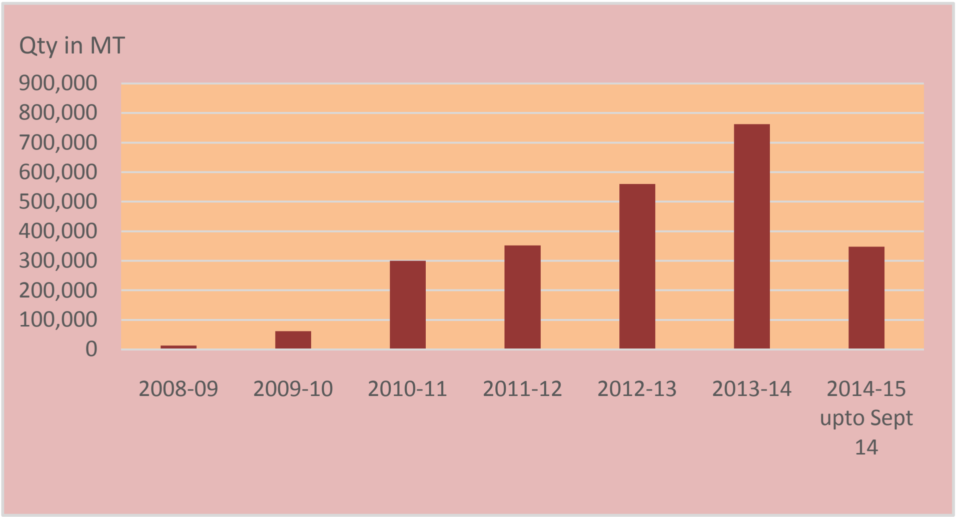
- The company intends to participate in e-auction of coal blocks announced by the Government.





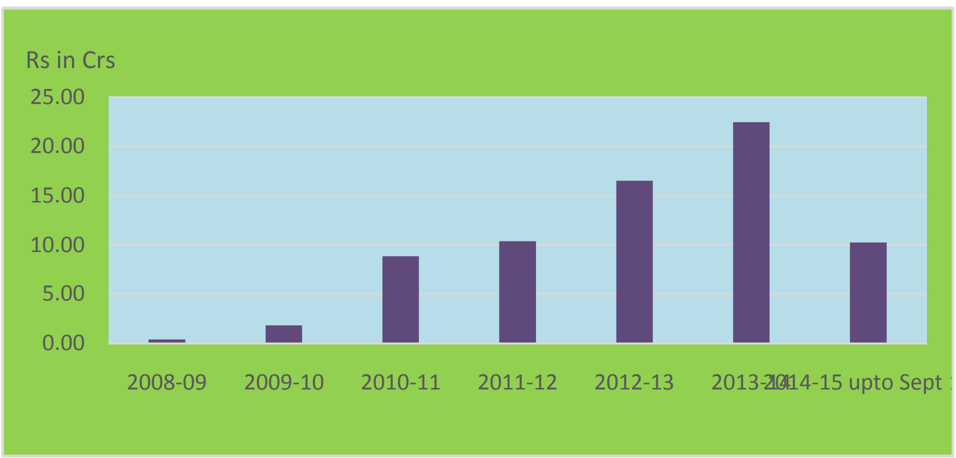

Additional Levy on Coal

Kathuatia Coal Mine – Year wise production



- Usha Martin has been operating coal mine at Kathautia, Daltonganj in the State of Jharkhand to meet its captive requirement for DRI production.
- This coal block annual production of 800,000 T was allotted to Company in 2003 by the Government and is operational.

Additiional Levy impact year wise - @ Rs 295 per MT



- Total Coal Mined (till Sep' 14) – 2.40 MnT
- Total impact of additional levy (till Sep'14) is Rs 70.67 Crs considered and shown as exceptional item in Q2'15 & H1''15 results

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Highlights H1'15

- Turnover increased by 24.6% on consolidated basis and 29.4% on standalone basis.
- EBDITA up by 9.3% on consolidated basis and 5.2% on stand alone basis.
- Consolidated EBITDA margin at 17.8 % and 19.0% on stand alone basis .
- DRI & Hot metal production up by 40.2% and 38.3% respectively.
- Value added Products production up by 5% on consolidated basis.
- Stand Alone export sales up by 27.4 %.
- Subdued steel demand, competition with cheaper imports and monsoon season affected operating margins.
- Operating performance would have been better but for higher charge of depreciation and interest.






Production Volume Growth Consolidated

	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
					
Production	172,658 MT	144,873 MT	4,080 MT	37,628 MT	26,923 MT
Q o Q	↑ 23 %	↑ 22 %	↑ 25 %	↑ 7 %	↑ 5 %
Q o PQ	↑ 2 %	↑ 7 %	↑ 2 %	↓ 7 %	↑ 12 %

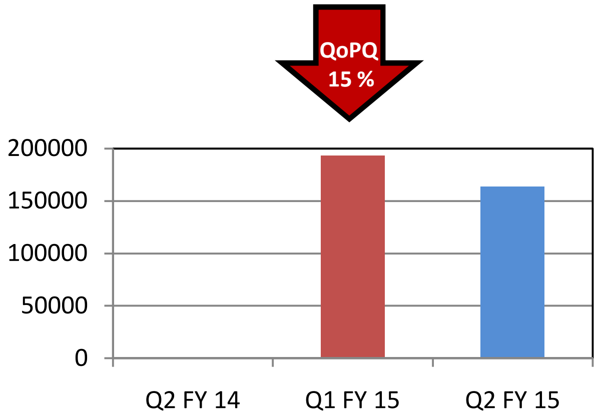
H1 o H1

	Billets	Rolled Products	Bright Bars	Wires & Strands	Wire Ropes
Production	341,228 MT	279,872 MT	8,091 MT	78,119 MT	51,044 MT
Growth	↑ 22 %	↑ 19 %	↑ 16 %	↑ 10 %	↓ 3 %

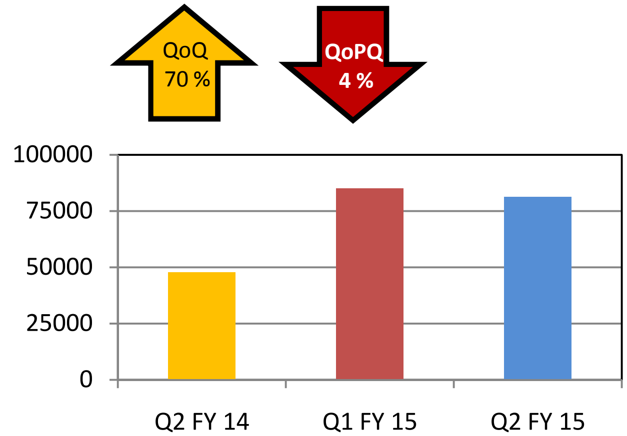




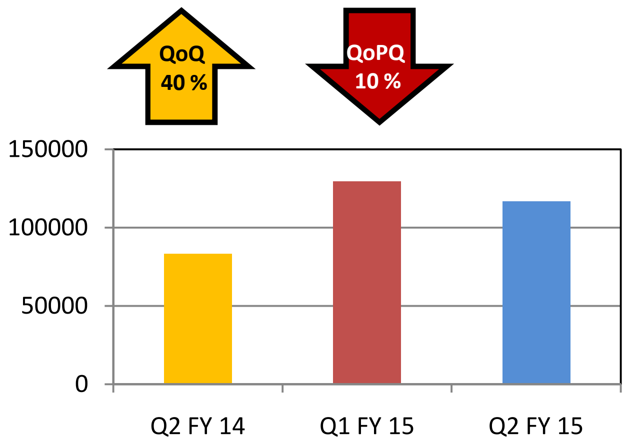

Production Performance



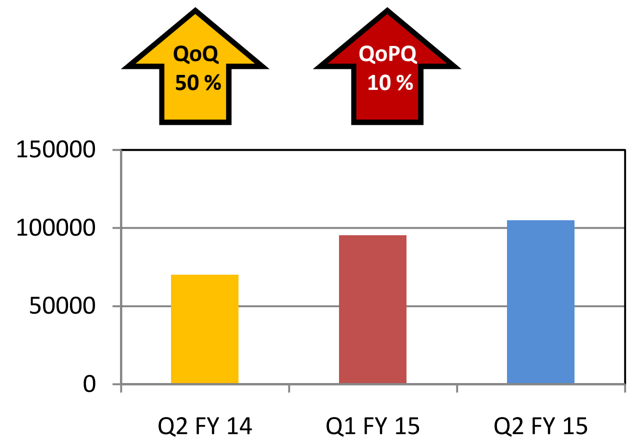
Pellet



Coke



Hot Metal

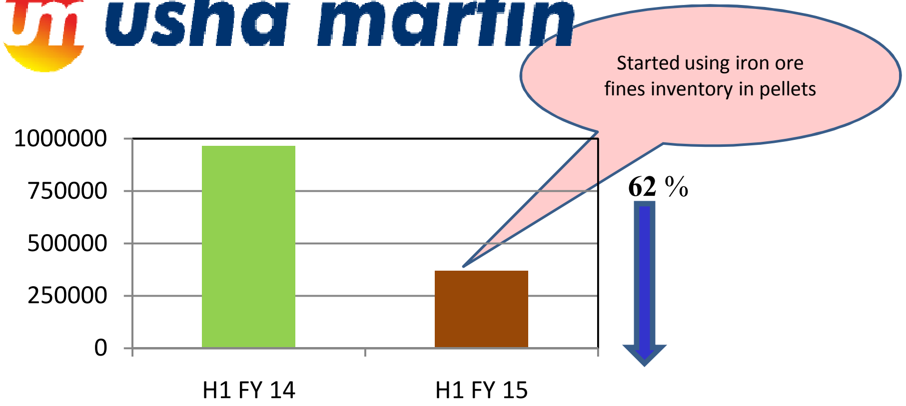


DRI

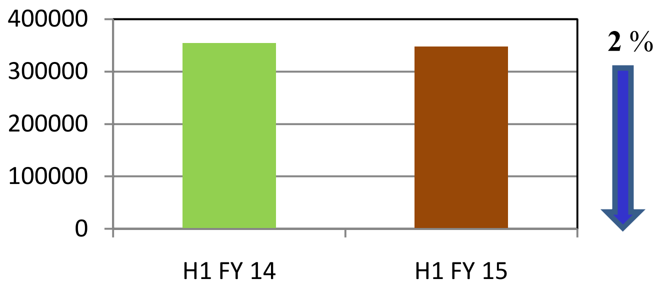




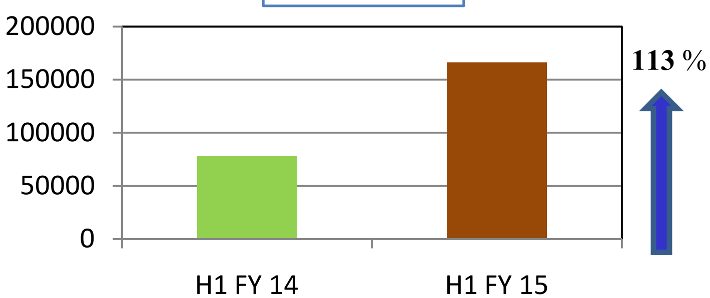

Production Performance



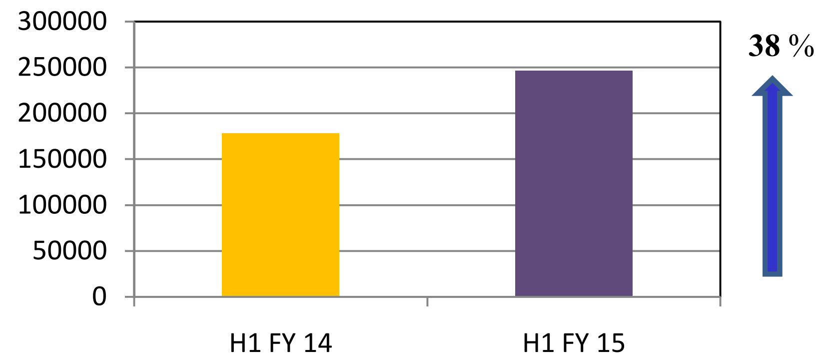
Iron Ore



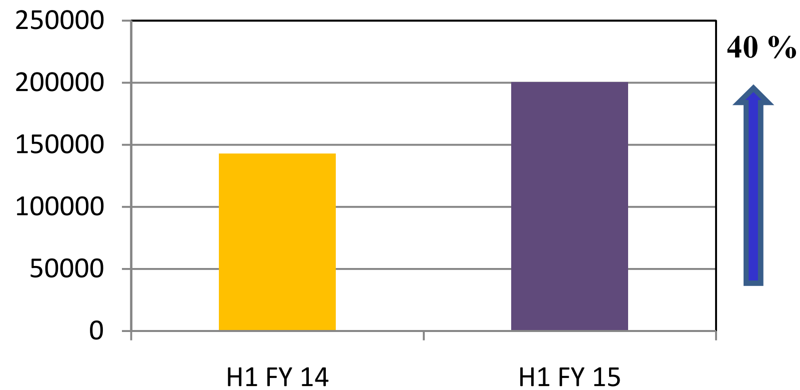
Coal



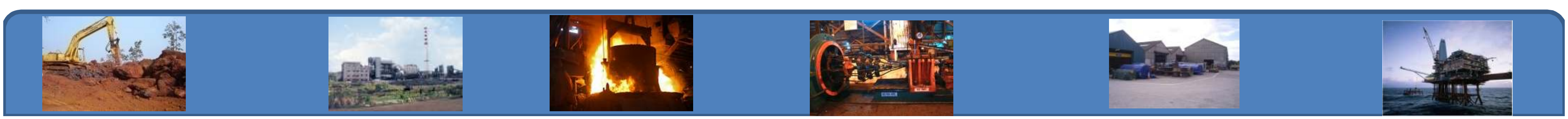
Coke



Hot Metal



DRI



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Financial Performance Q2 & H1'15

Rs in Crs

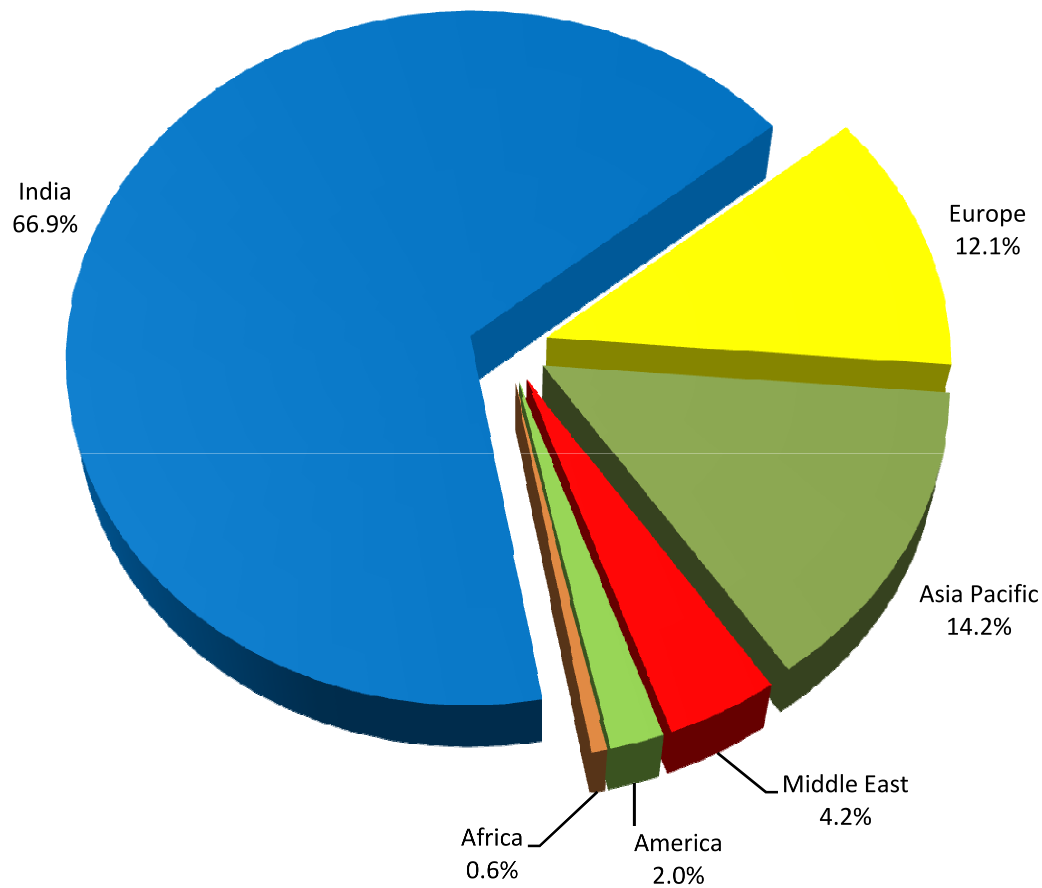
	Consolidated				Stand Alone			
	Q2'15	Q2'14	H1'15	H1'14	Q2'15	Q2'14	H1'15	H1'14
Net Sales	1157.99	927.17	2,313.27	1855.89	955.53	709.59	1,875.64	1449.54
PBDIT	200.34	195.24	411.48	376.56	177.15	177.39	356.22	338.77
PBT	(18.21)	9.89	(50.42)	23.43	(31.07)	3.02	(83.34)	7.04
PAT ★	(65.30)	0.86	(86.65)	4.95	(72.88)	1.70	(109.03)	3.90

★ PAT for Q2 & H1' FY 15 are after considering additional levy of Rs 70.67 crs on coal, as exceptional item.






Revenue Distribution By Geographies





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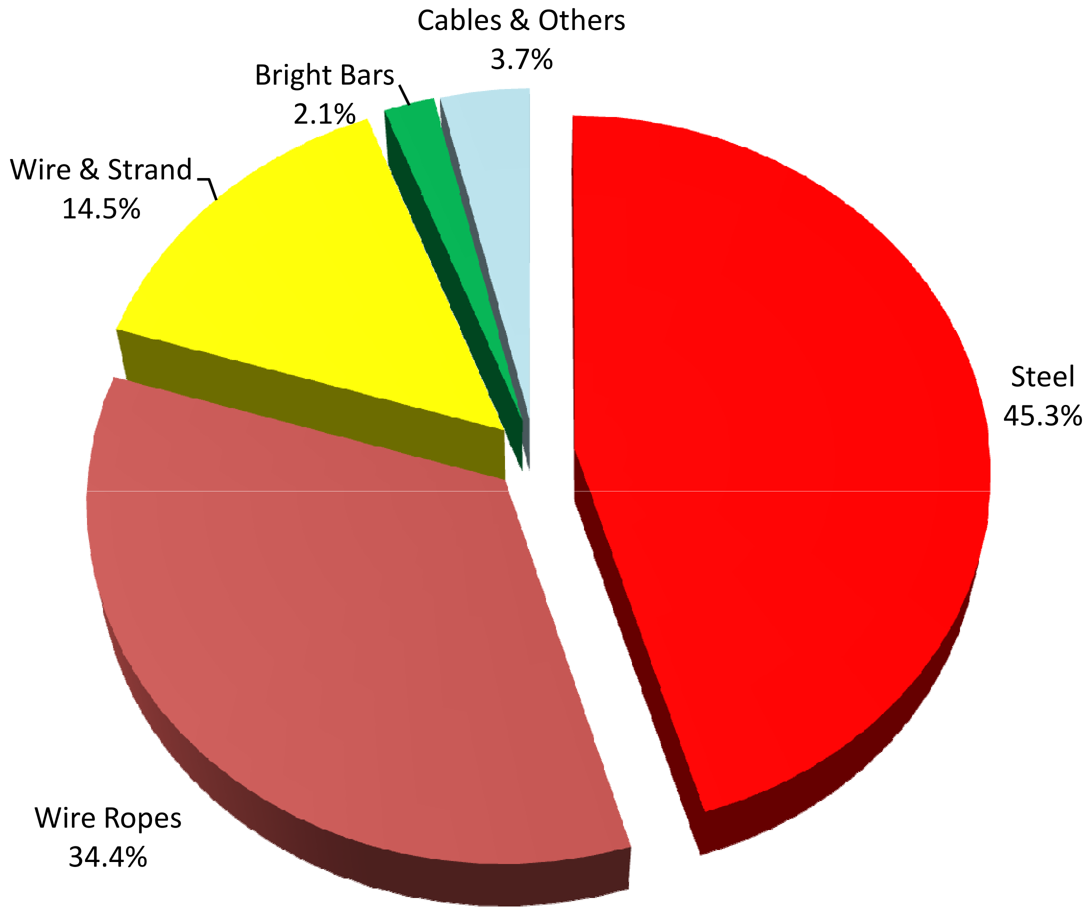
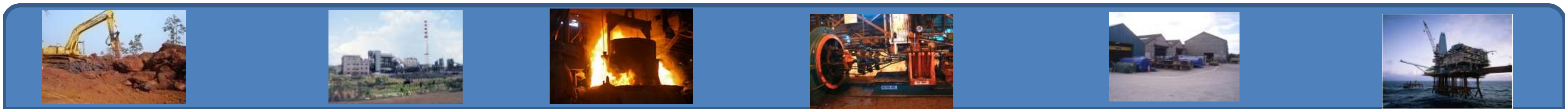
Revenue Distribution By Products





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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 500 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	Aberdeen (UK)
Australia	Russia
Dubai	Italy
Netherlands	Brazil
China	

Value Addition Module

VA Products (Wire Ropes+Strand +Wire+Conveyor Cord)

Ranchi	197 KT
Hoshiarpur	48 KT
Jamshedpur	29 KT
Bangkok	36 KT
UK	9 KT
Dubai	15 KT

Bright Bars 22 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 84 KT

★ To be deallocated by Mar'15, vide order from Hon'ble Supreme Court of India

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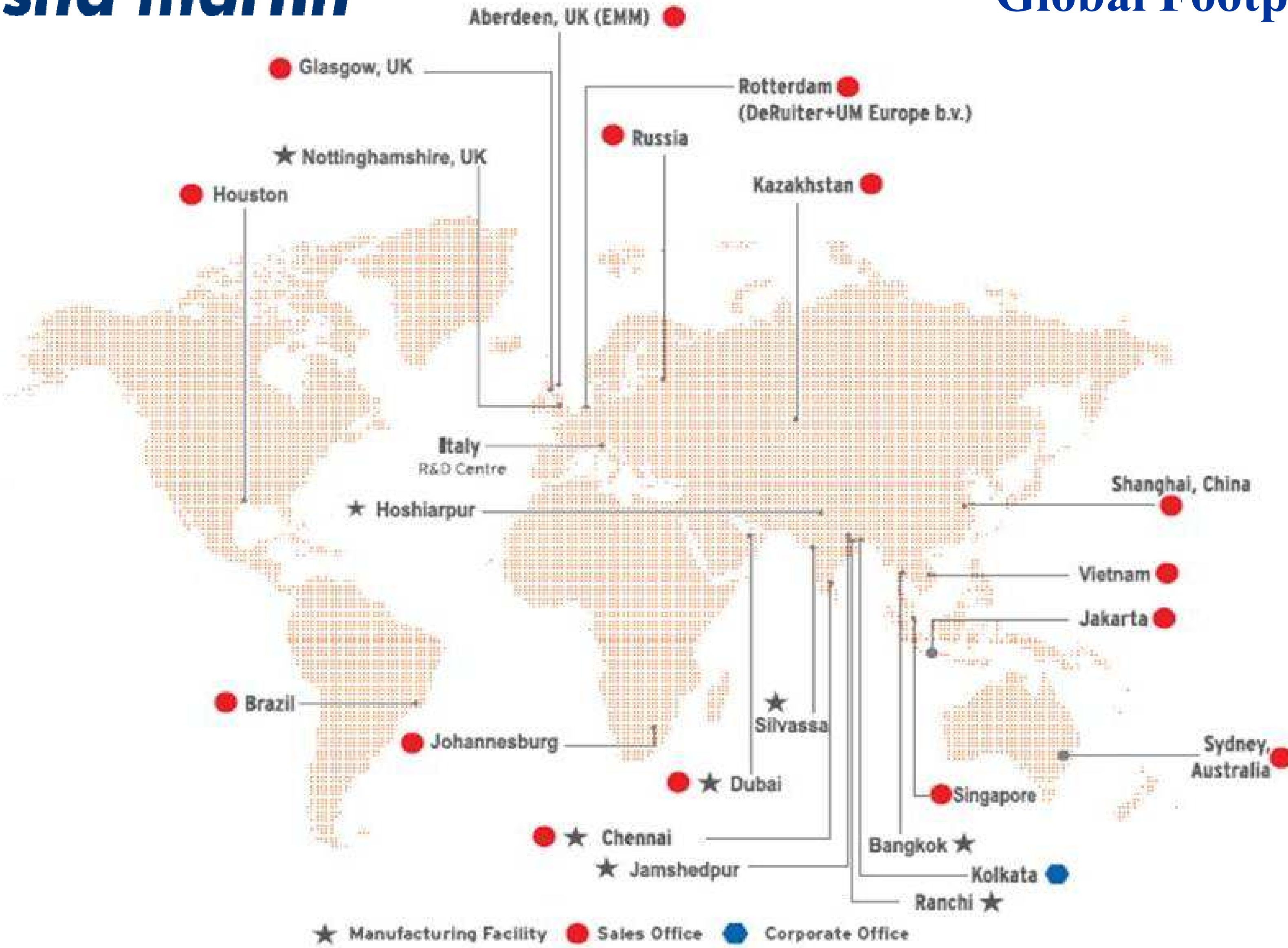
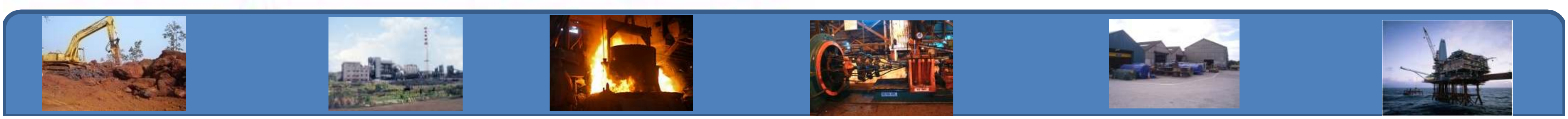
Global Footprints



Note: Presence through dealer in Russia, Kazakhstan, Brazil & Johannesburg.



Thanks

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STRENGTH THROUGH INTEGRATION

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