

JSW's Turnover Up by 4%



Operational Performance:

During the quarter, the Company reported Crude Steel production as well as Saleable Steel sales volume of 3.06 million tonnes. The details of production and sales volumes are as under:

The net gearing as on 31st March 2015 stood at 1.02x (as against 1.21x as on 31st December 2014) and Net debt to EBITDA was at 2.97x (as against 3.22x as on 31st December 2014).

US Plate and Pipe Mill

The US based Plate and Pipe Mill facility produced 0.072 million net tonnes of Plates and 0.014 million net tonnes of Pipes, reporting a capacity utilization of 30% and 10%, respectively, during 4Q FY2015. Sales volumes for the quarter stood at 0.064 million net tonnes of Plates and 0.013 million net tonnes of Pipes. It reported an EBITDA of \$0.13 million for the quarter.

JSW Steel (Salav)

During the quarter, JSW Steel (Salav) has sold 0.05 MnT of DRI during the quarter and reported an EBITDA loss of `42 Crores, as the facilities were under shutdown for a large part of the quarter. After a correction in input prices, the facilities at Salav have been restarted in March 2015, and it has commenced sourcing pellets from Amba River Coke Limited facilities at Dolvi. With Dolvi steel making facilities getting enhanced, utilization at Salav is expected to improve in FY2016.

Consolidated Financial Performance

JSW Steel recorded Gross Turnover and Net Sales of `13,534 crores and `12,364 crores respectively for the quarter. The Company reported an EBITDA of `1,683 crores and a Net Profit after Tax of `62 crores, respectively, after incorporating the financials of subsidiaries, joint ventures and associates.

Gross Turnover and Net Sales for FY2015 stood at `56,572 crores and `52,051 crores, respectively, showing a growth of 4% and 3% respectively, on YoY basis. The company was able to partly offset the headwind of intensifying price competition from surging imports with product mix enrichment. Ramp up of new downstream facilities led to the share of value added products in overall volumes improving to 33% during the year (from 24% in

Particulars	(Million Tonnes)			
	4Q FY2015	YoY Growth	FY2015	YoY Growth
Production : Crude Steel	3.06	-3%	12.63	4%
Sales :				
- Rolled : Flat	2.44	-1%	9.66	==
- Rolled : Long	0.55	9%	1.98	9%
- Semis	0.08	-44%	0.39	16%
Total Saleable Steel	3.06	-1%	12.03	2%

Stand alone Financial Performance

JSW Steel recorded Gross Turnover and Net Sales for the quarter of `11,893 crores and `10,785 crores, respectively. The Company reported an Operating EBITDA of `1,673 crores and EBITDA margin of 15.2%. The Company made a provision of `105 crores during the quarter towards carrying value of its investment in subsidiaries, which is considered as exceptional in nature. Net profit after Tax was at `189 crores for the quarter.

Gross Turnover and Net Sales for FY2015 stood at `49,658 crores and `45,352 crores, respectively, both showing a growth of 2% on YoY basis. The Operating EBITDA for FY2015 was marginally up at `8,872 crores, despite the headwinds of intensifying competition from surging imports and sticky domestic iron ore prices (which were divergent from a sharp correction in global seaborne markets due to constrained availability). The company posted a Net profit of `2,166 crores for the year, up by 62%.

Subsidiaries Performance

JSW Steel Coated Products

During the quarter, JSW Steel Coated Products registered production and sales volumes of 0.37 and 0.39 million tonnes, respectively. The Gross Turnover and Net Sales for the quarter stood at `2,193 crores and `2075 crores, respectively. It recorded an Operating EBITDA of `58 crores and a Net Loss after Tax of `26 crores for the quarter.

Chile Iron ore Mines

The Iron ore mines in Chile produced and shipped 0.16 million tonnes and 0.15 million tonnes respectively of Iron ore concentrate during the quarter. It reported an EBITDA loss of \$10.27 million for the quarter due to significant drop in Iron ore prices in seaborne markets. In view of the fact that iron ore prices are expected to remain muted over the medium term, the operations in Chile have been put under care and maintenance from April 2015 end.

FY2014). The Operating EBITDA for the year was `9,402 crores, up by 3% on YoY basis, despite higher iron ore costs as the company had to resort to imports of iron ore during the year. The company posted a Net profit of `1,797 crores for FY 2015 compared to `452 crores in FY2014.

The net gearing at consolidated level was 1.55x as on 31st March 2015 (versus 1.70x as on 31st December 2014), Net debt to EBITDA at consolidated level was 3.81x (versus 3.86x as on 31st December 2014) and the weighted average interest cost of debt was at 7.32% (vis-à-vis 7.62% as on 31st December 2014).

Key Development

With a strategic goal to have focused businesses, during the quarter the company has entered into an asset transfer agreement with JSW Cement Limited (JSWCL) for sale of all immovable property including, equipment and machinery, which were acquired from Heidelberg Cement India Limited.

Projects Update

The company has commissioned CAL-2 (0.95MTPA) at Cold Rolling Mill Complex-2 in Vijayanagar during March 2015. The

Electrical steel complex (0.2MTPA) at Vijayanagar has also been commissioned in April 2015. Both these facilities are expected to be ramped during FY2016.

The implementation of the expansion project at Dolvi from 3.3 MTPA to 5 MTPA is progressing satisfactorily, and is likely to complete during 2HFY2016.

New Projects

Increasing cast capacity at Vijayanagar works: To balance hot metal production and consumption in steel melting shops, the Company is undertaking an augmentation of its steel melt shop facilities and hot metal capacity increase through oxygen enrichment to enhance cast capacity to 12 MTPA at an estimated cost of `1620 cores. The project will be taken up in phases and is expected to be completed by FY2017.

Capacity Expansion at Salem: The Company has decided to increase the capacity of the Salem unit to 1.2 MTPA by enhancing the

capacity of both the Blast Furnaces along with other balancing facilities (Sinter-3, Caster-3, additional stands in Blooming Mill, etc.). This project will be taken up in two phases at an estimated project cost of `Rs.1000 crores and is expected to be completed by FY2017.

Tin Plate Mill

Tin Plate demand in India is likely to witness a healthy growth driven by a growing market for packed foods / packaging requirements. Hence, the Company has decided to set up a 0.20 MTPA Tin Plate Mill at the Tarapur Complex (under JSW Steel Coated Products limited) along with an Acid Re-Generation Plant (ARP), an Effluent Treatment Plant (ETP) and a Bulk Ammonia Storage facility, at an estimated cost of `650 crores. The project is expected to commission in 24 to 30 months.

Guidance

The Production and Sales guidance for FY 2015-16 is given below:

Particulars	FY' 15 (Actual)	FY' 16 (Estimated)	Growth (YoY)
Crude Steel Production (MT)	12.63	13.40	6%
Saleable Steel Sales (MT)	12.03	12.90	7%

Essar Steel Pune Facility Scales New Heights

The Essar Steel Pune Facility (ESPF) created history by achieving highest ever sales of 40.2 KT in April 2015. The facility was acquired by Essar Steel in 2009 and is located in an industrial hub 30km away from Pune in Maharashtra. Since then, the ESPF has been upgraded and has introduced new products keeping in pace with the changing market demand. It has a 0.65 MTPA pickling line, a 0.6 MTPA cold rolling mill, a 0.45 MTPA galvanizing line and a 0.4 MTPA color coating line.

In the last one year, the ESPF has been focusing on its high grade color coated products which have worldwide reach. This has been done in order to cater to different customer segments and markets. The innovative products manufactured in this facility include Wood Finish, Abrasion Resistant, Silicon Modified Polyester, Regular Modified Polyester, Super-durable Polyester, Poly Vinyl Di-fluoride and Wrinkle Finish. Tri Color Coated, Camouflage and Weather Durable products are the latest range in this segment.



While focusing on products and markets, ESPF has also emphasized on Health, Safety and Environment (HSE). This is significant from the implementation of environment-friendly production processes which have made the facility a zero-discharge unit. Acknowledging its best practices in HSE, the

facility has also won many awards such as the Golden Peacock Award 2014, the Best Safety Practices – 2012 from the Deccan Chamber of Commerce Industries (DCCIA), Gold Safety Award – 2012, Manufacturing Today Safety Award 2013 and Best Safety Practices 2013 Award.