

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