



PRESS RELEASE

New Delhi: 12th Aug ,2013:

Highlights for the Quarter

- Stainless Steel melting production volume up by 23% to 287,602 tons
- Total Income from Operations (net) up by 28% to Rs. 2,830 crore
- Achieved EBITDA of Rs.226 crore
- Net profit/(loss) stood at Rs.(475) crore

During the 1st quarter ended 30th June 2013, the Company's stainless steel sales volume witnessed an increase of around 22% to 247,139 tons during the same period.

Total income from operations (net) for the 1st quarter ended 30th June 2013 grew by 28% to Rs.2,830 crore in comparison to the previous year corresponding period figures of Rs. 2,217 crore. EBITDA for the 1st quarter ended 30th June 2013, was at Rs.226 crore which is marginally lower than the previous year corresponding period figures of Rs. 231 crore. However, this quarter witnessed a growth of 55% in EBITDA in comparison to 4th Quarter ended 31st March 2013 EBITDA figure of Rs.146 crore.

During the 1st quarter ended 30th June 2013, Hisar plant continues to run at around 88%-90% capacity utilizations and has achieved stainless steel melting production of 175,615 tons. Hisar stainless steel sales volume during the quarter grew year-on-year by 4% to 162,791 tons.

Further, due to gradual ramp up of stainless steel operations at Odisha over the past few quarters, the melting production, during the quarter, has increased to 111,987 tons. **Further, the stainless steel operations at Jajpur also witnessed a positive EBITDA for the first time of its operations.**

Outlook

Global GDP growth is forecasted to reach 3.25% in 2013 and 4% in 2014. Second half of 2013 is expected to witness gradual acceleration in growth. Indian economy too grew at a decade low of 5%. A widening current account deficit has resulted into precipitous fall of the currency and the country has become highly dependent and vulnerable to foreign currency capital inflows.

In the stainless steel market, China maintained its strong growth and emerged as the leader with production increasing by 14.2% to reach 16.1million MT. Together with China, Asian stainless steel producers now account for 70% of global production.



The Indian stainless steel market for 2012-13 was at 2.6 MT, of which flat products accounted for approx. 2 MT, this is almost same as the preceding year. At 1.8 kgs per capita stainless steel consumption in India is still very low. While, there is scope for growth, slowdown in sectors such as Infrastructure, Railways, Seaports, Airports, Highways, and Bridges etc. are the major obstacles right now. More importantly it's the cheap import of stainless steel especially from China that's denting the Indian stainless steel industry.

Overcapacity in the stainless steel markets is leading to deterioration in margins. The Company has therefore taken steps to strategically position itself by increasing focus upon its domestic market.

August 12, 2013

This release contains Company's projections, expectations or predictions and are forward looking statements` within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.