

# ROHIT FERRO-TECH LIMITED

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## PRESS RELEASE

July 30<sup>th</sup>, 2009

The Board of Directors of Rohit Ferro-Tech Ltd. met on 29<sup>th</sup> July, 2009 and announced the Unaudited Financial Results for the 1<sup>st</sup> Quarter ended 30<sup>th</sup> June, 2009.

### **OPERATIONAL HIGHLIGHTS:**

PARTICULARS	(INR Millions)		
	Quarter ended 30-06-09 (Unaudited)	Quarter ended 30-06-08 (Unaudited)	Year ended 31-03-09 (Audited)
Net Sales	1718	3097	8687
Operating profits*	137	779	551
Operating margin %	7.98	25.73	6.34
PAT	52	501	81*
PAT margin %**	3.03	16.14	0.93
EPS- Basic	1.32	14.55	2.16
EPS-Diluted	1.32	11.81	1.91

*\*After extraordinary items (9.44 being taxation for earlier years)*

Rohit Ferro-Tech Ltd, a leading manufacturer of High Carbon Ferro Chrome, Ferro Manganese and Silico Manganese, has posted a PAT of INR 52.22 Million on sales of INR 1,718.45 Million for Q1FY09.

Inspite of a peccant and turbulent period for the Indian as well as Global Steel Industry, the Company has managed to revive itself and has shown the positive growth vis-à-vis the last 2 quarters. During the quarter, the company produced 29568 MT compared to 32061 MT in the previous year. The Bishnupur unit has achieved 90% capacity utilisation. The Jajpur unit has reported capacity utilization of ~60% which was largely attributed to the disruption of the Power Supply from the State Grid on account of the acute shortage of the same in the state of Orissa during the above mentioned quarter.

The Company's venture of thermal coal mine in Indonesia, namely PT Palopo Indah Raya, could not commence commercial sales due to logistics problem, and is expected to do the first shipment in the month of August. This mine has been under development processes after it started production from October last year.

The coking coal venture namely PT Bara Prima Mandiri is expected to start commercial operation by January, 2010.

## **NEW PROJECTS & EXPANSIONS**

The Company is yet to start the implementation of its proposed Project for 110 MW Captive Power Plant and a 33 MW furnace for ferro alloys in Jajpur as it is awaiting environmental clearance from the concerned Government Ministry.

The Company is currently executing its expansion project in Haldia for 6 x 9 MVA furnaces for Manganese alloys. The same is going on in full swing. Out of the six furnaces to be implemented, in a phase wise implementation, 2 furnaces are expected to commence commercial production by the end of 2009. The Company has already secured the financial closure for the same for a total sum of Rs. 175 Crores of term loan from State Bank of India, and United Bank of India.

The present capacity of the Company is 180,000 mt per annum, and with the start of the Haldia unit in the last quarter of the current year, it will add up another 25,000 to 30,000 mt to its capacity for the current year. After the completion of Haldia project, the Company will stand with an installed capacity of 280,000 MT of ferro alloys per annum comprising of Chrome & Manganese based alloys, making the company the largest merchant producer of Ferro Alloys in the country, by installed capacity.

In an attempt to forward integrate under the flagship of RFTL, the company has been working extensively on the front of end use of the Ferro Alloys, and finally has conceptualised the implementation of a Stainless Steel Plant of size 100,000 MT of finished Stainless Steel per annum at estimated Project cost of Rs.98 Crores, to be executed as an expansion to the Bishnupur unit. For this roughly 12 acres of land has been acquired within the West Bengal Industrial Growth Centre at Bankura. The necessary Environmental Approvals and Clearances have been availed from the respective Government agencies. The company envisages the implementation to start within October, 2009 which would be subject to the Financial Closure of the same.

With a view to achieve backward integration, we are continuing to evaluate mine acquisition opportunities both in India and abroad for chrome ore and manganese ore.

## **MD's OUTLOOK**

Elaborating further, Mr. Rohit Patni, MD of Rohit Ferro Tech Ltd said *"In spite of the last year's robust performance in the first half, the company could not sustain the global melt down in the 2<sup>nd</sup> half of the last year. However, the Company has managed to attain the positive bottomline for the full year. Further to it, the company has rewarded the shareholders by recommending a dividend @5% foreseeing the Company's revival in the current year.*

*The first quarter of the current year has shown revival signs of the Company with achieving a good numbers in sync with the expectation(s).*

*As observed in the previous years, the Global demand for steel has a tendency of picking up Q2 onwards, and it is reflected presently. After the global meltdown, the global steel industry has started to revive as the demand for High Carbon Ferro Chrome and Manganese alloys has increased since June end with increased realisation and a similar trend is expected for upcoming quarter. Presently, the Jajpur unit is running at 90% (on account of restoration of power supplies from the State Power Utilities) and Bishnupur unit at 100% of its capacity. During the fiscal, we expect a production of 150,000 mt of production from these two units. And the addition of 2 furnaces in the last quarter may also addup another 25,000 to 30,000 units in the financial year.*

*Our effort has incessantly been to improvise the company's operational efficiency and maximize capacity utilization and we shall try to do the same in future in the interest of the company and its shareholders."*