
Usha Martin on expansion path - Mr Jhawar

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Indian specialty steel maker Usha Martin expects January to March revenue at INR 9 billion to INR 9.5 billion on higher production.

The report quoted Mr Rajeev Jhawar MD of Usha Martin as saying that the company's current steel production is at 80,000 tonnes per quarter and it would rise to 140,000 tonnes per quarter from the fourth quarter of the current fiscal.

He added that "From the fourth quarter, results would perk up in terms of revenue generation and profitability as the new capacities would be commissioned."

Mr Jhawar said that the company is expected to complete most of its 21 billion rupees capital investment program by March 2010, and boost annual steel capacity to around 560,000 tonnes from 320,000 tonnes.

The Kolkata based company expects operating margins to improve to 22 percent in the fourth quarter from 17% as result of backward integration of coal mines.

He added that "Coal should come to plants by next 2 to 3 weeks once it starts production. To start with we should produce 30,000 tonnes of coal a month, which will gradually increase to 50,000 tonnes by March 2010."

Mr Jhawar said that "Once this integration takes place fully, our operating margins should increase to 22%." He added that "The slow and uncertain process of global economic recovery and volatility in raw material prices adversely affected the profitability, product volume and margins in the last quarter."

(Sourced from wire world)

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