

1<sup>st</sup> November 2008

## **PRESS RELEASE**

JSW Steel announced a price reduction of HR Coil by Rs. 5,500/- pmt for November'08 in line with prevailing international prices. This price cut along with the 8 to 12% reduction in October '08 amounts to an overall reduction by 25 to 30% compared to peak prices in the domestic market.

When international prices went upto US \$ 1200 to 1250 pmt during the period Feb '08 to July '08 Indian steel industry voluntarily offered to hold back the prices in the domestic markets and also curtailed exports to augment the supplies in India in support of Government initiative to contain spiraling inflation in spite of the strong demand and lucrative prices in the international / domestic markets. Over and above, JSW Steel gave a special focus to SME's and SSI's by making steel available at affordable prices.

The international prices were corrected in the past two months by around 50% and the domestic prices have been reduced to counter the increasing imports into India.

The financial crisis in the international markets has led to a slow down in the global economy resulting into sluggish demand for steel products. This is triggering dumping of steel products into India as the import duties on steel were made "Nil" when international prices were high. This reduction of prices in domestic market is almost close to the marginal cost of production for several steel producers as the coal contracts were finalized at higher prices for the entire year. Several mills all across the world have announced production cuts which indicates bottoming out of steel prices.

To avoid entry of cheap imports of steel products into the country and to safeguard the interest of the growing Indian steel industry, there is an urgent need to impose appropriate Tariff Measures as done in the past by several countries in such situations

JSW Steel has taken up several initiatives to bring down the cost to remain competitive in this challenging environment. As JSW's next phase of expansion from 5 MTPA to 8 MTPA will be ready for commissioning in Q-3, FY 2008-09, the company is well positioned to benefit during the upturn which is expected within the next few months.