

STEEL AUTHORITY OF INDIA LIMITED

OVERVIEW

Overview of SAIL

- ✓ HSL, predecessor to SAIL, formed in 1954
- ✓ SAIL formed in 1973, as a holding company, for
 - ✓ Hindustan Steel Limited (Comprising of BSP, DSP, RSP and ASP)
 - ✓ Bokaro Steel Limited
 - ✓ Salem Steel Limited
 - ✓ BCCL, NMDC
- ✓ In 1978, SAIL became an operating company
 - ✓ Steel making subsidiaries were dissolved and merged
 - ✓ BCCL and NMDC were spun off as independent companies
- ✓ Subsequently, the following companies were taken over as subsidiary companies:
 - ✓ Indian Iron & Steel Company ("IISCO") in 1979, (merged with SAIL in Feb.2006)
 - ✓ Maharashtra Elektrosmelt Limited ("MEL") in 1986 (under merger)
 - ✓ Visvesvaraya Iron & Steel Limited in 1989 (merged with SAIL in 1998)
 - ✓ Bharat Refractories Limited merged with SAIL as SAIL Refractories Unit in 2009

Overview of SAIL

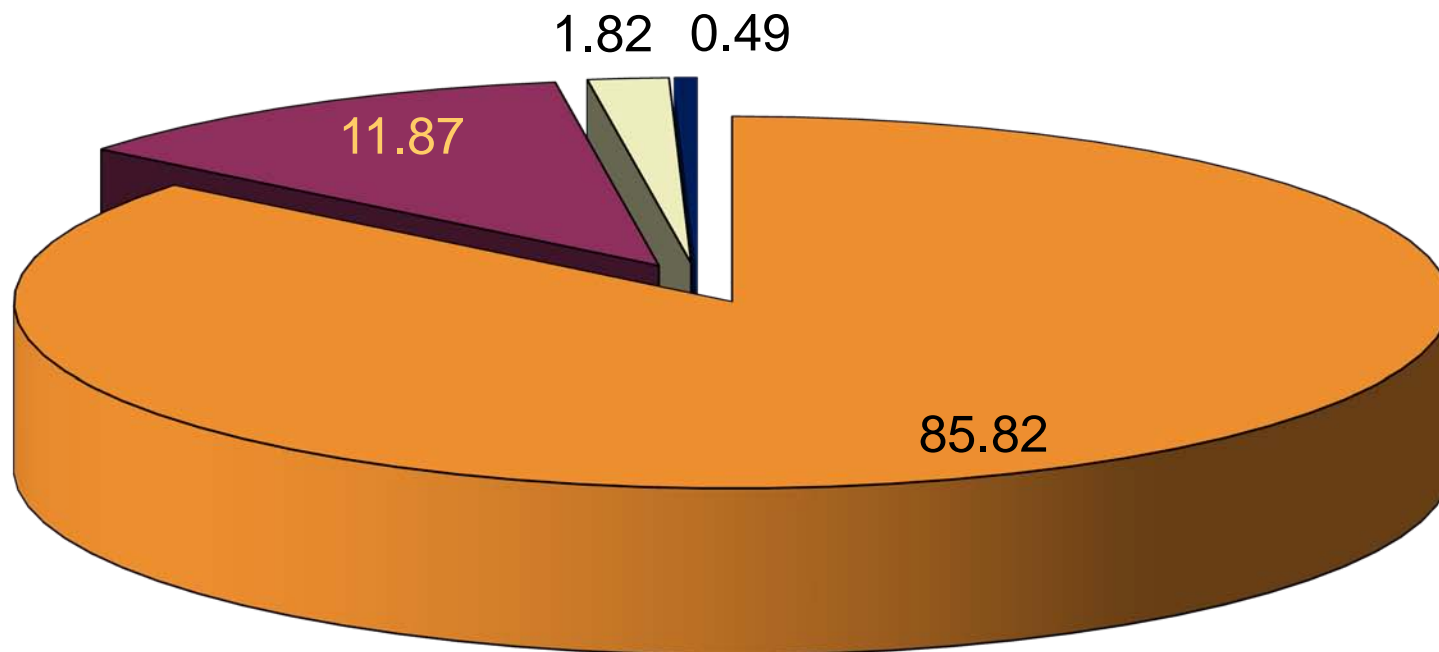
- ❖ 85.82% owned by Government of India (“GoI”); one of the “Maharatna” PSUs
- ❖ Authorized Capital: INR 5,000 crore (US\$ 1.08 billion), Paid up capital: INR 4,130 crore (US\$ 888 million).
- ❖ 21st largest steel producer in the world in 2008; largest in India with over one fifth share of domestic finished steel production
- ❖ One of the largest Corporate in India with Net Sales of Rs. 40,551 crore in 2009-10 (equivalent to over US\$ 9.1 billion).
- ❖ SAIL's PBT was INR 10,132 crore (US\$ 2.3 billion) and PAT of INR 6,754 crore (US\$ 1.5 billion) in FY 2009-10
- ❖ SAIL's overall ranking was second in the list of “World Class Steelmaker Rankings” by World Steel Dynamics, a leading steel information services provider.



SAIL Today

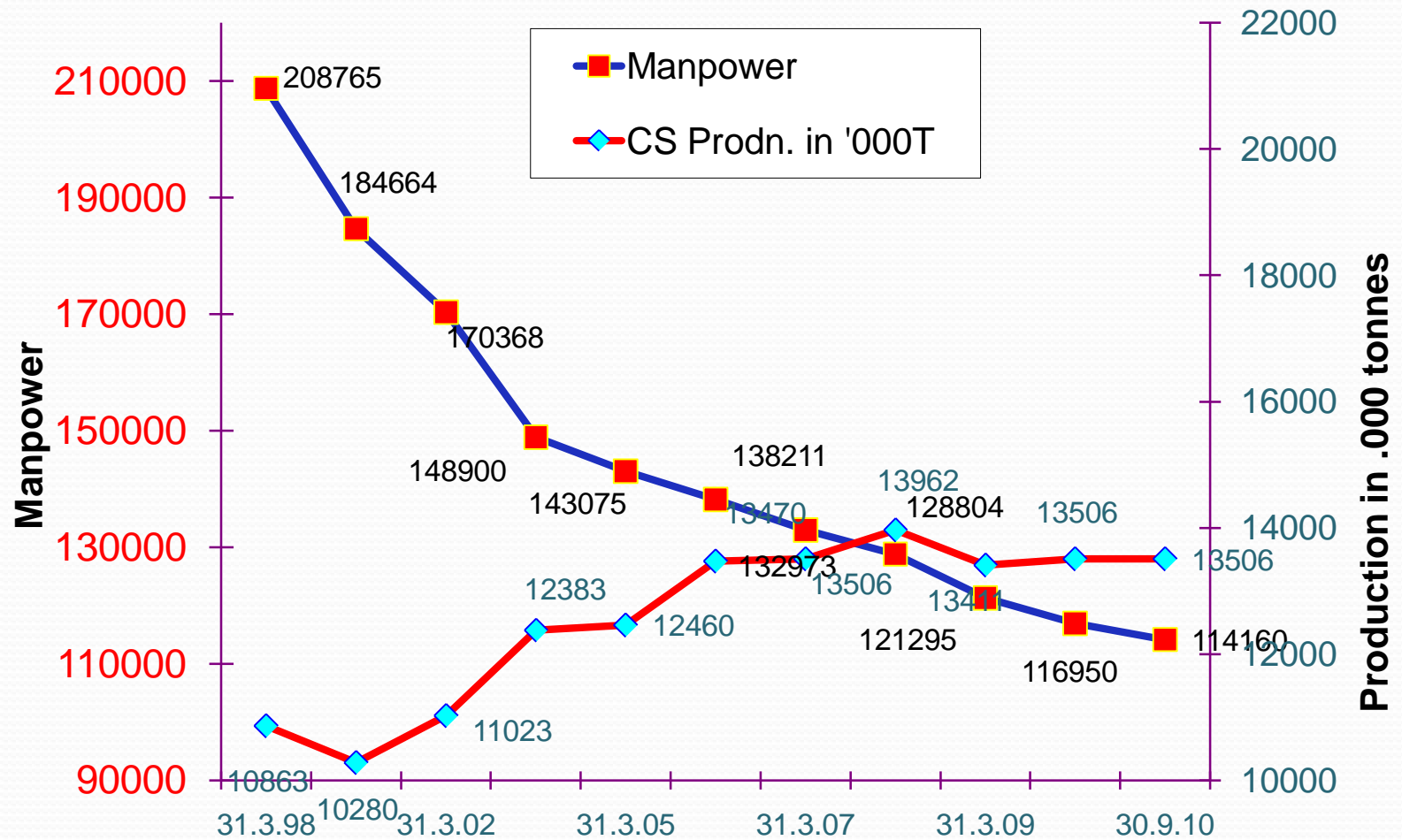
- ❖ Five Integrated Steel Plants (ISPs), Three Special Steel Plants and One Subsidiary spread over Seven states of India
- ❖ One of the Largest Producer of Iron Ore in India - 23.4 MT production in 09-10
- ❖ Huge marketing network spread all over India with 37 Branches, 67 Warehouses, 26 Customer Contact Offices and over 2500 Dealers covering all districts of India
- ❖ SAIL has its own R&D centre & Management Training Institute at Ranchi with state of art facilities.
- ❖ SAIL's Centre for Engineering & Technology provides technical solutions for projects and design engineering.
- ❖ SAIL has 114 thousand employees on its rolls.
- ❖ SAIL's product quality is established in the international market- Exports to around 20 countries including EU, Middle East, SE Asian & Neighbouring countries

Share Holding Pattern as on 30-09-2010



- GoI
- FIIs / Banks / MFs / FIIs / GDR
- Individuals
- Companies / Trusts

Manpower & Production Trend



Increase in production managed by less manpower

Capital Expenditure

SAIL is in the process of implementing its modernization and expansion plan

- **Status of projects:**

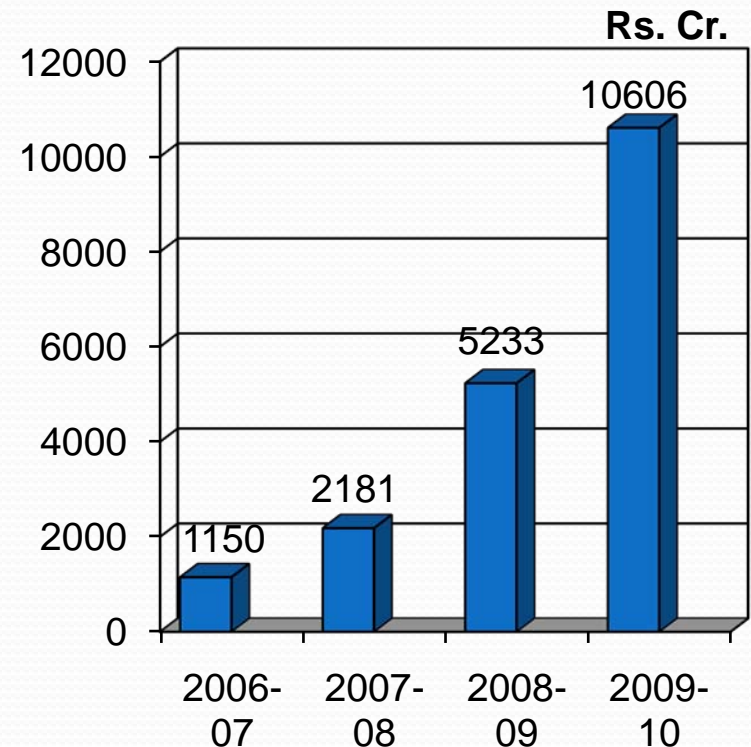
- **In principle approvals for:**

- Rs. 60,000 Crore approximately for modernisation and expansion.
- Rs. 10,000 crore approximately for augmentation of raw materials from existing mines and development of new mines.

- **Order placed: Rs. 48,710 Cr. (USD12 bn)**

- **Actual expenditure:**

- 2007-08 Rs. 2181 crore
- 2008-09 Rs. 5233 crore
- 2009-10 Rs. 10606 crore
- 2010-11H1 Rs. 5314 crore



Major Joint Ventures

- NTPC-SAIL Power Company Pvt. Ltd.
 - JV with NTPC for operating & managing CPPs of Durgapur, Rourkela & Bhilai.
- Bokaro Power Supply Company Pvt. Ltd.
 - JV with DVC for managing & operating power plant at Bokaro.
- mjunction
 - JV with Tata Steel for e-commerce.
- Bhilai Jaypee Cement Ltd.
 - JV with Jaiprakash Associates Ltd. : Slag based cement plant of 2.2 million tonne per annum capacity with grinding unit at Bhilai & clinkering unit at Satna has already started production during 2010-11.

Strategic Initiatives

- Joint Venture Company 'SAIL SCI Shipping Pvt. Ltd.' has been incorporated on 19th May 2010 to cater to SAIL requirements of shipping imports of coal.
- Bokaro Jaypee Cement Ltd.- JV with Jaiprakash Associates Ltd. for slag based cement plant of 2.1 million tonne per annum capacity at Bokaro, likely to be commissioned by July 2011.
- International Coal Ventures Pvt. Ltd., a SPV of 5 leading PSUs incorporated (SAIL, RINL, CIL, NTPC & NMDC) for acquisition of coal assets in overseas territories.
- M/s S&T Mining Company Pvt. Ltd. formed with Tata Steel for developing coking coal mines in India.
- M/s SAIL & MOIL Ferro Alloys (Pvt.) Ltd. formed with MOIL for production of Ferro-alloys at Bhilai.
- Joint Venture to be formed with Government of Kerala for development of Steel Complex Ltd. (SCL) at Calicut.

Joint Ventures under formation / MoUs signed

- Joint Venture agreement has been signed with M/s. RITES for setting up Wagon Manufacturing Factory at Kulti, West Bengal.
- MoU signed with POSCO to collaborate in the strategic areas of mutual interest.
- MOU signed with Ministry of Railways, NMDC & GoC for 235 Km long Dalli-Rajhara-Rowghat Jagdalpur Railway line to transport Iron-ore from Rowghat mines to Bhilai Steel Plant.
- SAIL is an equity partner in Paradip Haridaspur Railway line with associated benefits of assured supply of rakes and reduction in freight.
- MOU has been signed between SAIL and NMDC for entering into a joint venture for development of low silica limestone mine at Arki, Himachal Pradesh.

Abbreviations used

✓ ASP	Alloy Steels Plant	✓ JPC	Joint Plant Committee
✓ BF	Blast Furnace	✓ Kg/thm	Kilo Gram Per Tonne of Hot Metal
✓ BOF	Basic Oxygen Furnace	✓ MEL	Maharashtra Elektros melt Limited
✓ BPL	Below Poverty Line	✓ MT	Million Tonne
✓ BSL	Bokaro Steel Limited	✓ Mtpa	Million Tonne Per Annum
✓ BSP	Bhilai Steel Plant	✓ PAT	Profit After Tax
✓ CS	Crude Steel	✓ PBT	Profit Before Tax
✓ CPLY	Corresponding Period Last Year	✓ RDCIS	Research & Development Centre for Iron & Steel
✓ DSP	Durgapur Steel Plant	✓ RINL	Rashtriya Ispat Nigam Limited
✓ EBIDTA	Earnings Before Interest Depreciation ,Taxes & Ammortization.	✓ RSP	Rourkela Steel Plant
✓ G.Cal/tcs	Giga Calories per tonne of Crude Steel	✓ SSP	Salem Steel Plant
✓ GoI	Government of India	✓ VISL	Visvesvaraya Iron & Steel Plant
✓ IISI	International Iron & Steel Institute	✓ TFS	Total finished Steel
✓ ISP	IISCO Steel Plant		

Disclaimer

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