

# **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

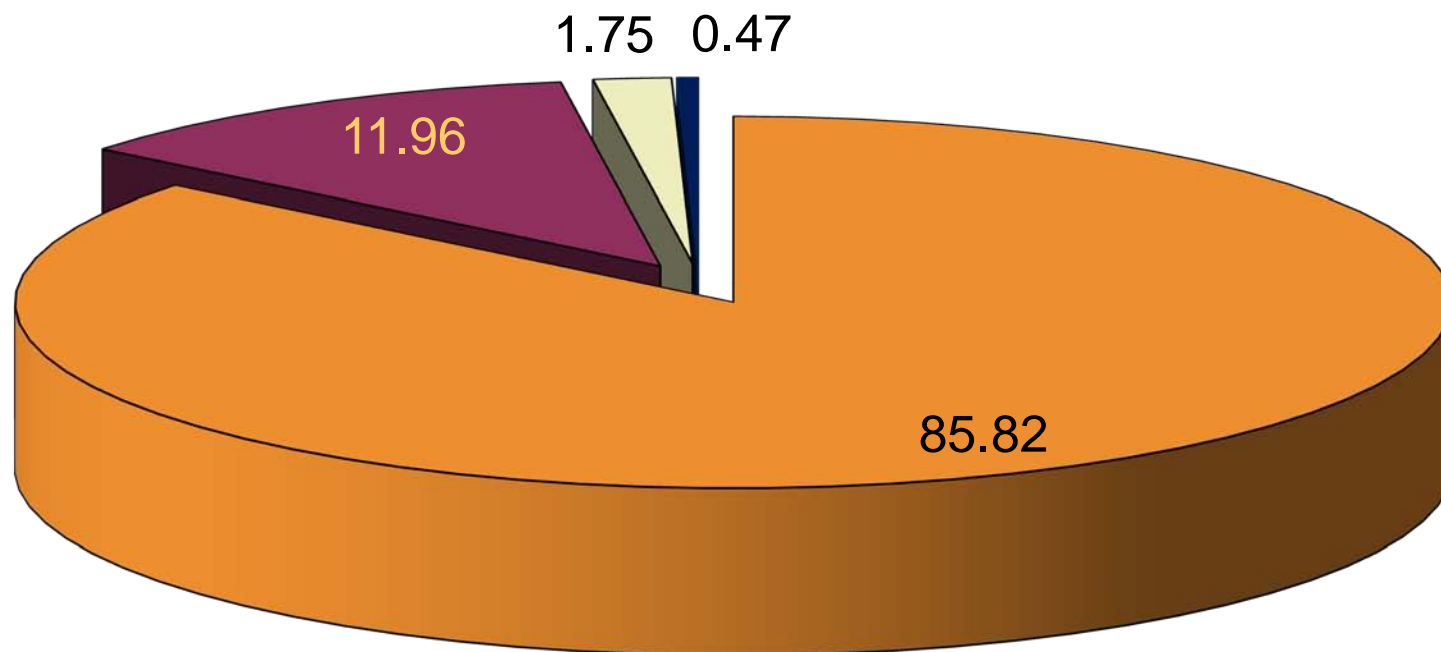
- ❖ 85.82% owned by Government of India (“GoI”); one of the “Maharatna” PSUs
- ❖ Authorized Capital: INR 5,000 crore (US\$ 1.08 billion), Paid up capital: INR 4,130 crore (US\$ 888 million).
- ❖ 21st largest steel producer in the world in 2008; largest in India with over one fifth share of domestic finished steel production
- ❖ One of the largest Corporate in India with Net Sales of Rs. 40,551 crore in 2009-10 (equivalent to over US\$ 8.7 billion).
- ❖ SAIL’s PBT was INR 10,132 crore (US\$ 2.2 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*

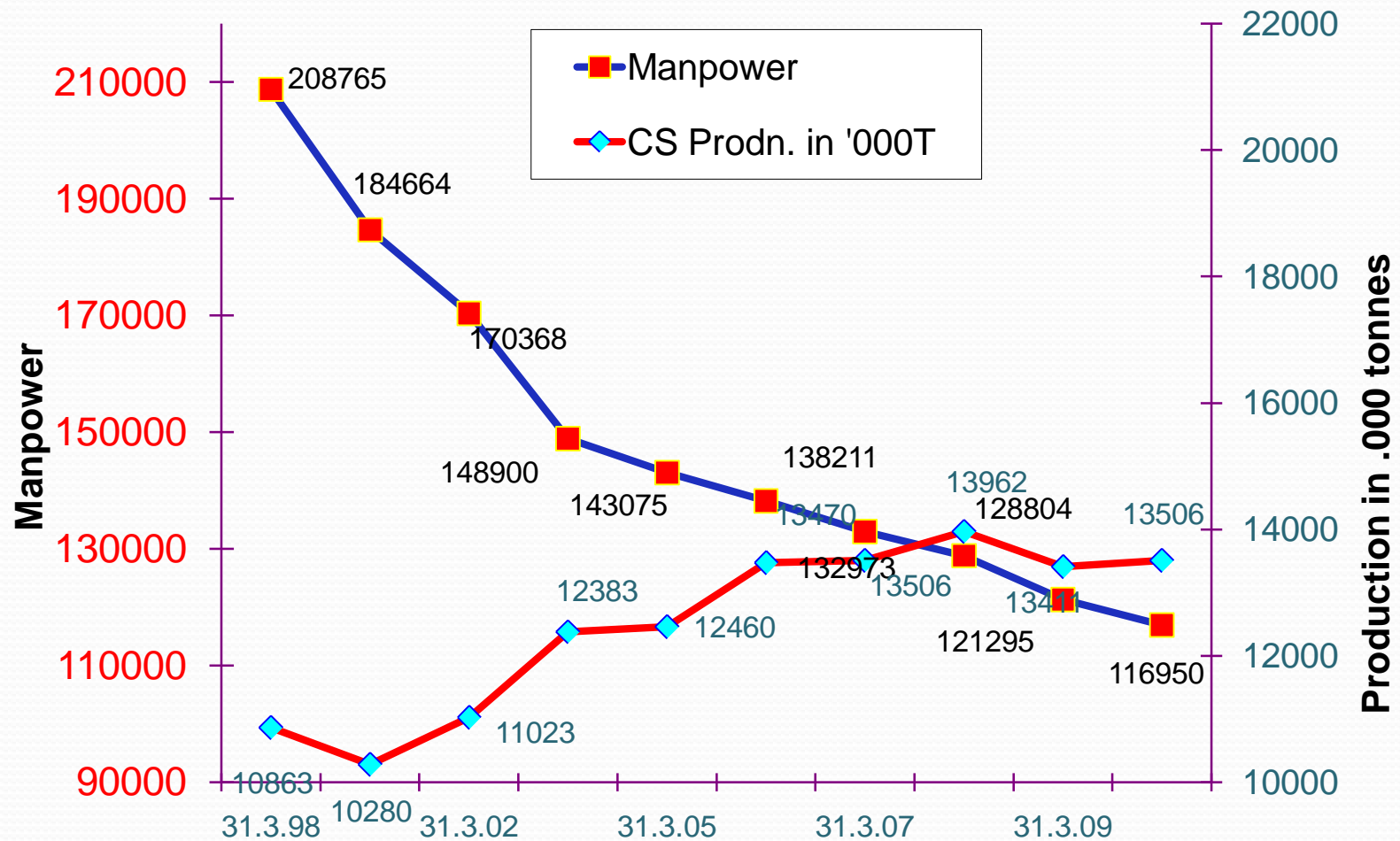
- ❖ Five Integrated Steel Plants (ISPs), Three Special Steel Plants and One Subsidiary spread over Seven states of India
- ❖ One of the Largest Producer of Iron Ore in India - 23.4 MT production in 09-10
- ❖ Huge marketing network spread all over India with 37 Branches, 67 Warehouses, 26 Customer Contact 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 117 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 31-03-2010



- Gol
- Fls / 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:**

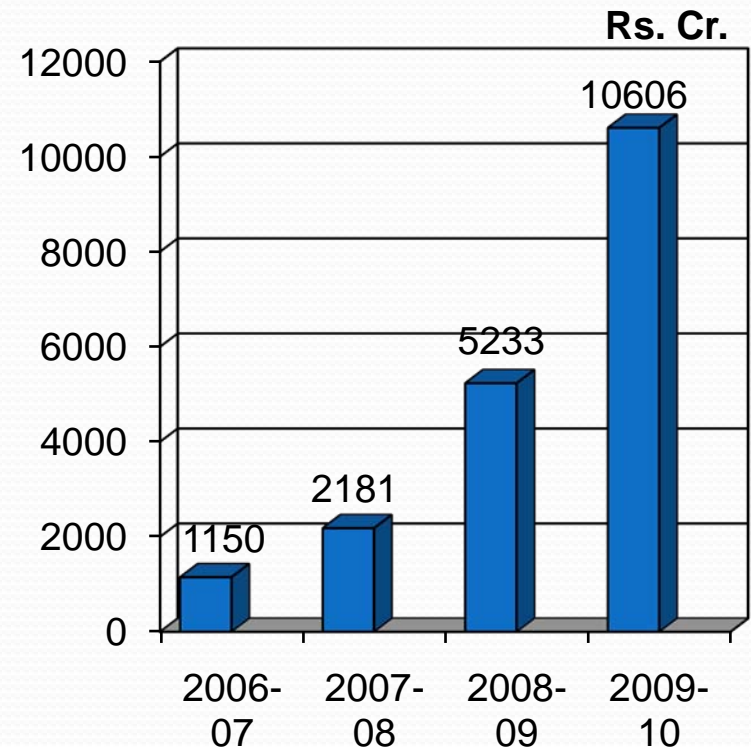
- **In principle approvals for:**

- 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. 40,500 Cr.**

- **Actual expenditure:**

- 2007-08 Rs. 2181 crore
- 2008-09 Rs. 5233 crore
- 2009-10 Rs. 10606 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.
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  - JV with Tata Steel for e-commerce.
- Bhilai Jaypee Cement Ltd.
  - JV with Jaiprakash Associates Ltd. for setting up slag based cement plant of 2.2 million tonne per annum capacity with grinding unit at Bhilai & clinkering unit at Satna.
  - Production at clinkering unit already started.
  - Cement production at Bhilai shall commence shortly.



# *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*

- MoU signed with POSCO to collaborate in the strategic areas of mutual interest.
- MoU signed with L&T for setting up of Power Plants using super critical technology.
- 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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**Further, statement describing the Company's projections, estimates, expectations are "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed depending on the circumstances / situations.**

**Major factors that could affect the Company's operations include, among others, economic conditions affecting demand / supply and prices in the domestic and global markets in which the Company operates, changes in Government regulations, tax laws and other statutes etc.**