

STEEL AUTHORITY OF INDIA LIMITED

PERFORMANCE HIGHLIGHTS

Q1 FY-10

Contents

- ✓ Performance
- ✓ SAIL's Expansion Plan
- ✓ CSR & Environment Management
- ✓ Awards & Accolades

Financial Results -Q1 FY'10 vs. Q1 FY'09

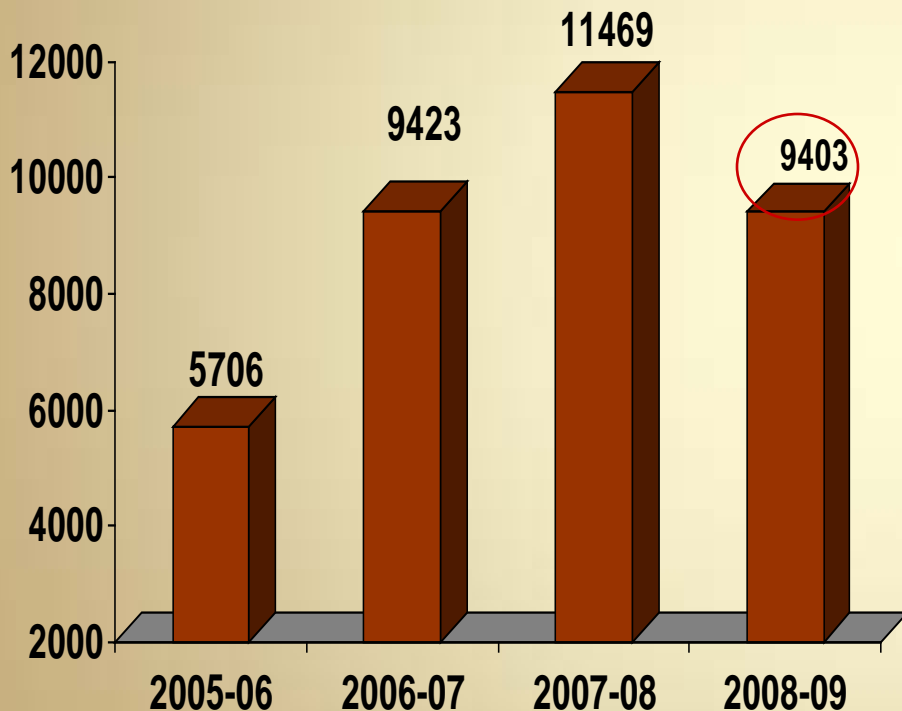
- ✓ Q1 FY'10 Turnover of Rs.9747 crore - decrease of 20%.
- ✓ Q1 FY'10 PBT - Rs.2006 crore -decrease of 28%
- ✓ Q1 FY'10 PAT of Rs.1326 crore - decrease of 28%
- ✓ Q1 FY'10 EBIDTA of Rs.2416 crore decrease of 24%
- ✓ Q1 FY'10 EBIDTA of 27%, higher by 4.4% as compared to Q4 FY09
- ✓ PAT / Net worth - 18%
- ✓ Debt / Equity Ratio: 0.30:1 as on 30.06.2009 against 0.27:1 as on 31.03.2008.
- ✓ EPS of Rs.3.21, not annualised

Financial Results –Q1 FY 2009-10 vs. Q1 FY 2008-09

Rs. Crore	April 09 June 09	April 08 June 08	Increase(+) Decrease(-)	% Change
TURNOVER	9747	12183	(-) 2437	(-) 20%
EBIDTA	2416	3166	(-) 751	(-) 24%
PBT	2006	2793	(-) 787	(-) 28%
PAT	1326	1835	(-) 509	(-) 28%

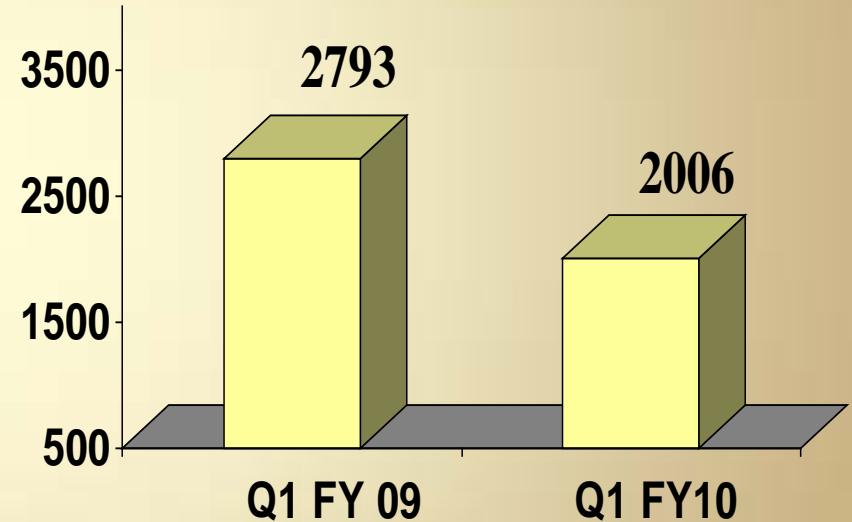
Financial Performance

PBT (Rs. Cr.)



**Profit Before Tax of Rs.9403
crore in FY 2008-09**

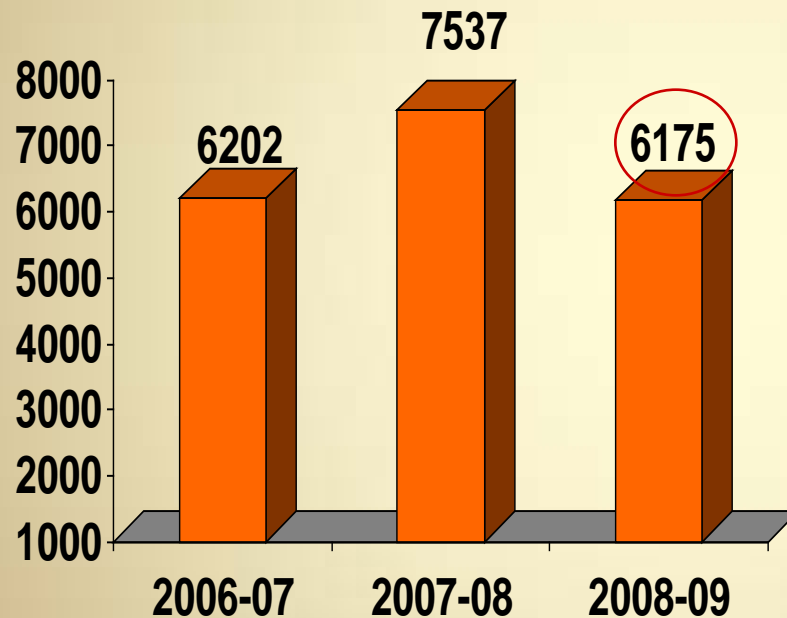
PBT (Rs. Cr.)



Q1 FY10 PBT – Rs.2006 crore

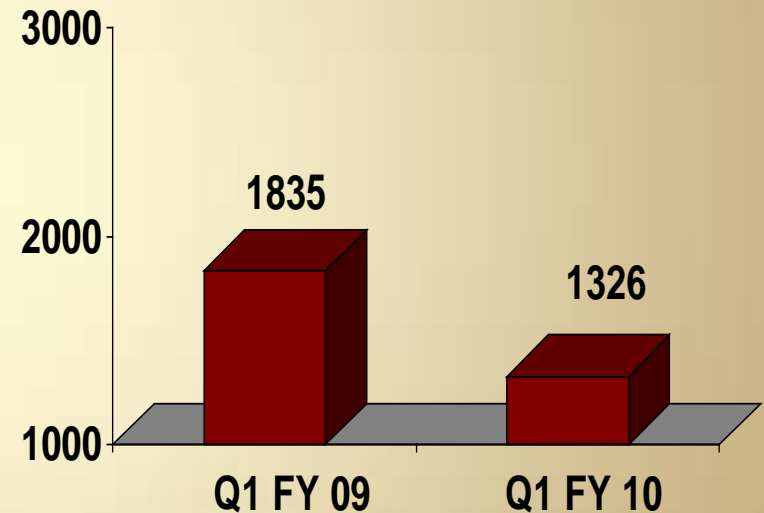
Financial Performance

PAT (Rs. Cr.)



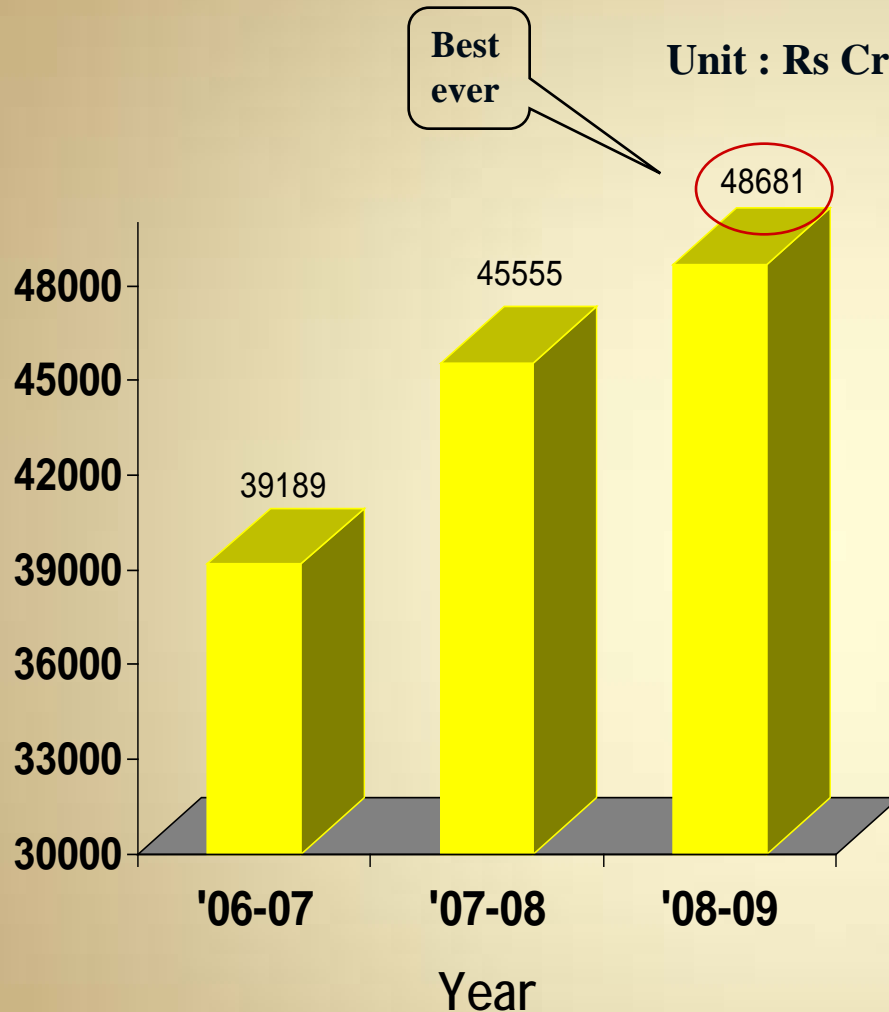
Profit after Tax of Rs.6175 crore in 2008-09.

PAT (Rs. Cr.)

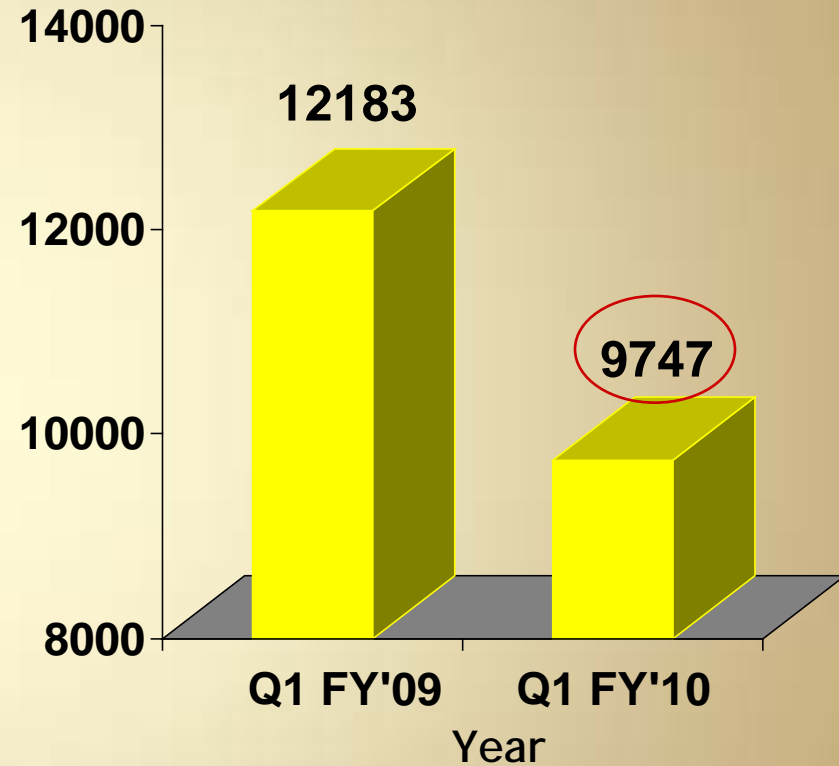


Q1 FY10 PAT- Rs.1326crore

Sales Turnover



Turnover of Rs.48681 crore in FY 08-09

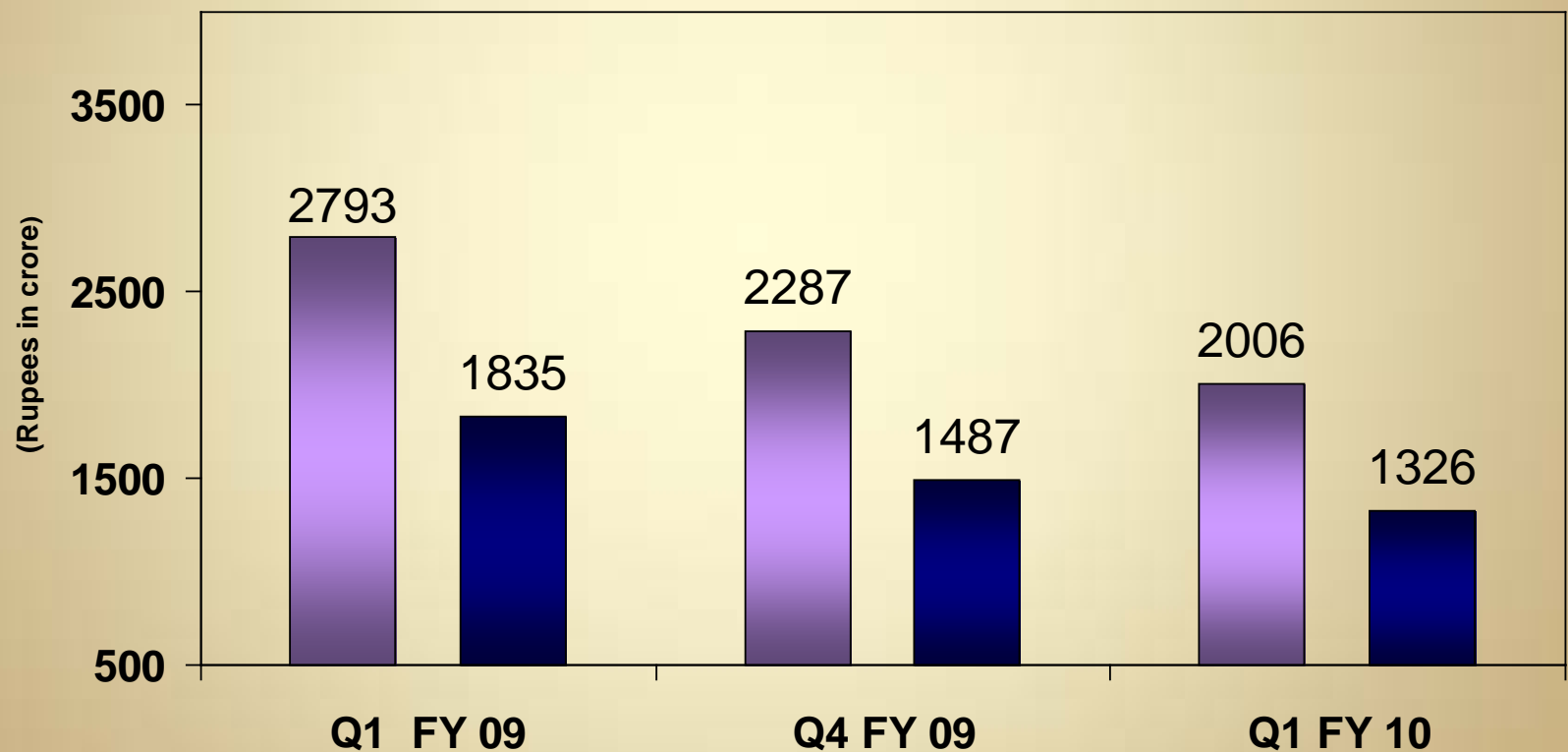


Q1 FY10 Turnover of Rs 9747 crore

Quarter-wise Profit

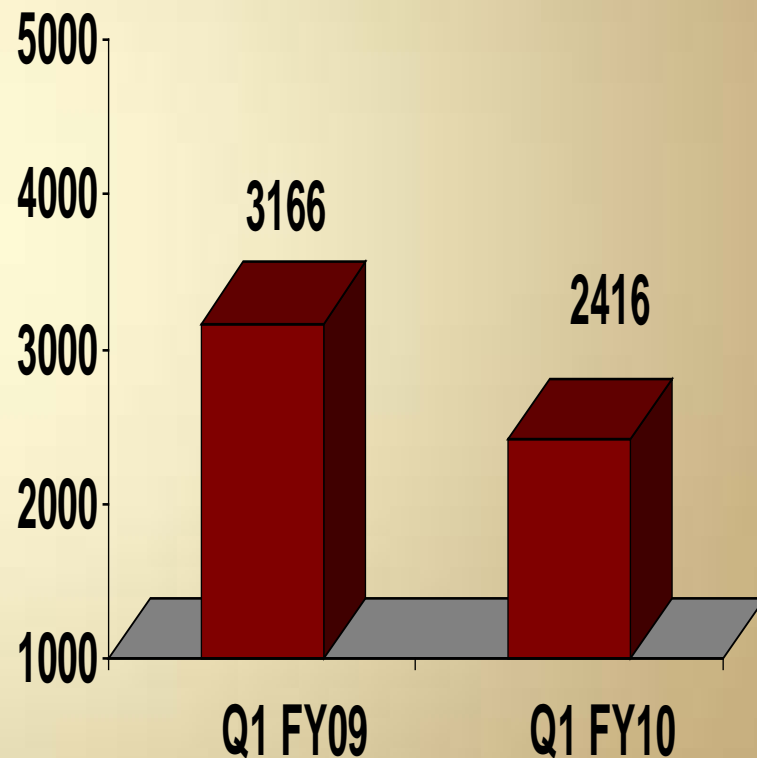
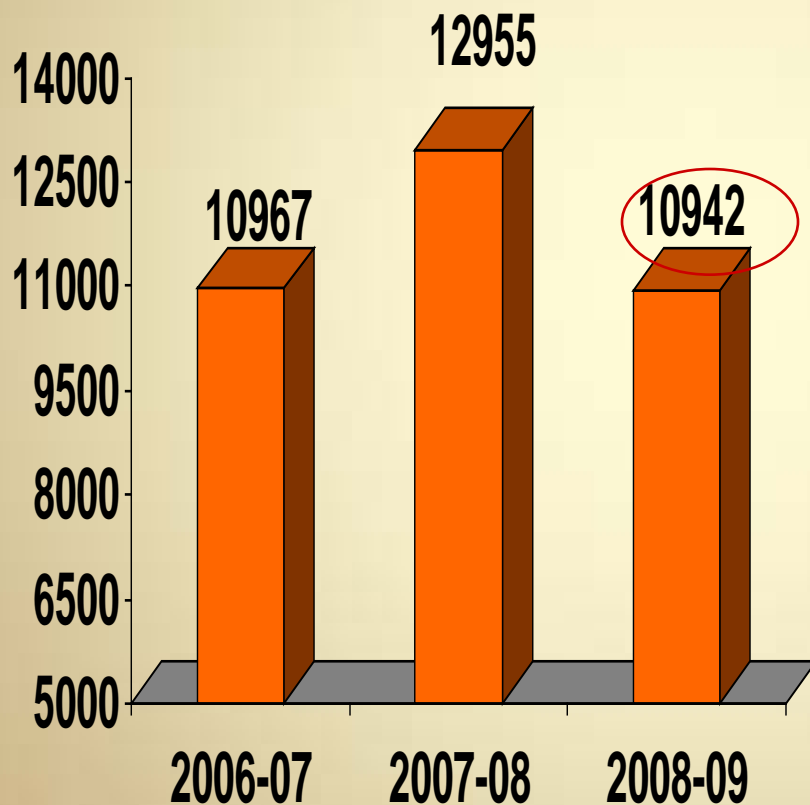
PBT

PAT



Earning Before Interest Depreciation and Tax

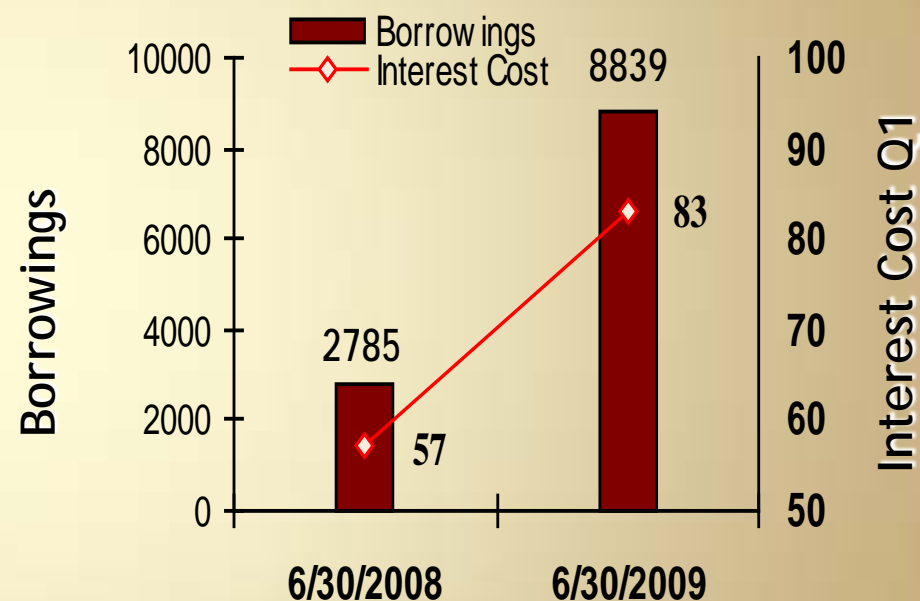
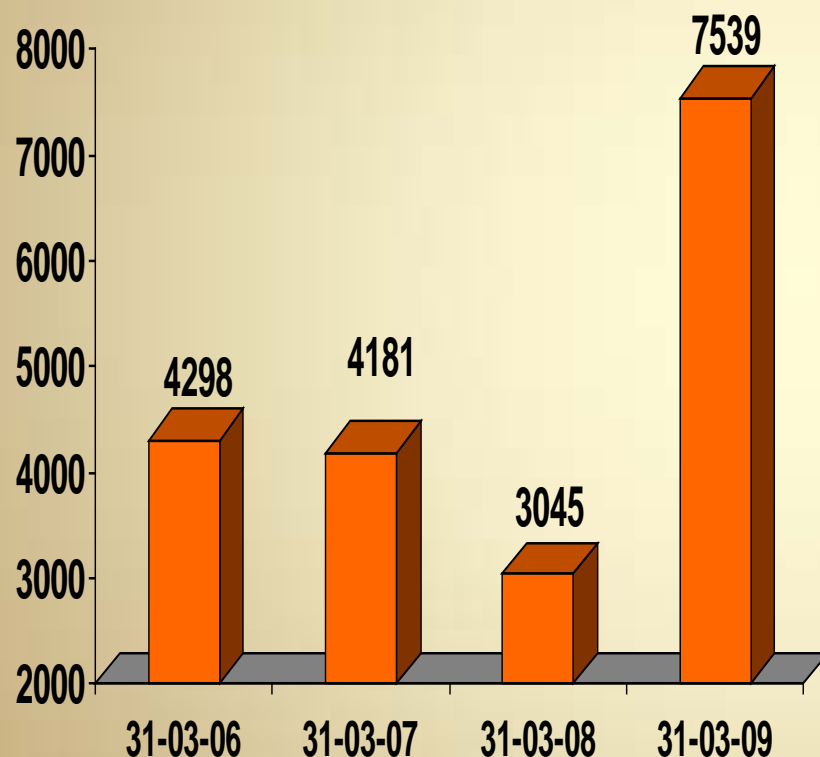
Unit : Rs Crore



Borrowings

Borrowing Annual

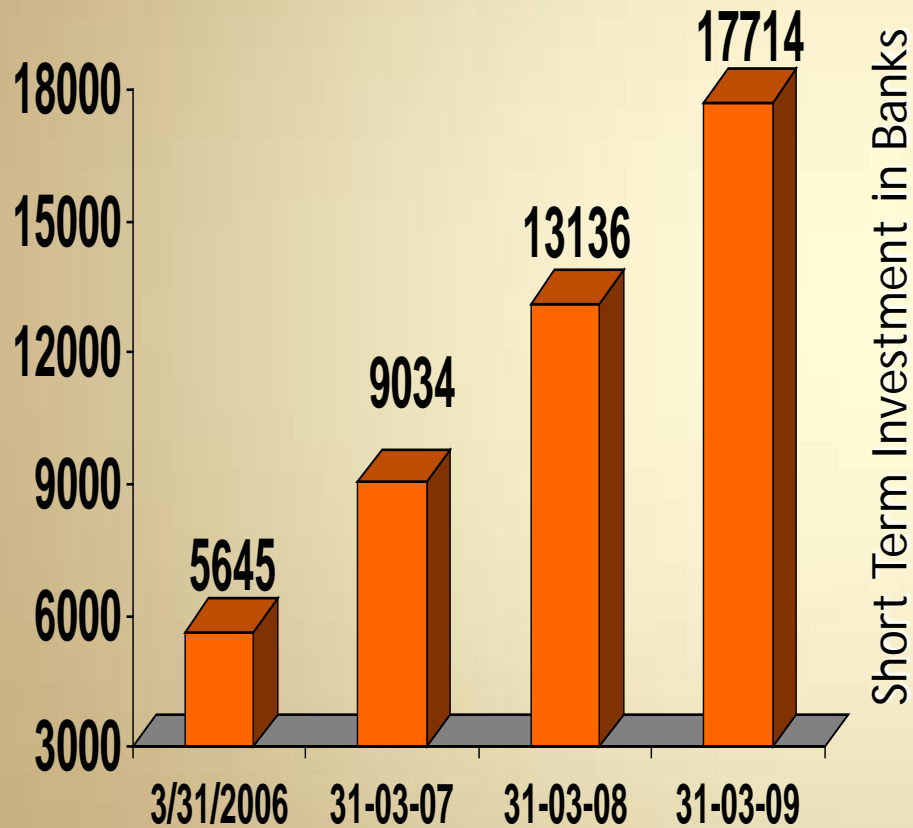
Unit : Rs Crore



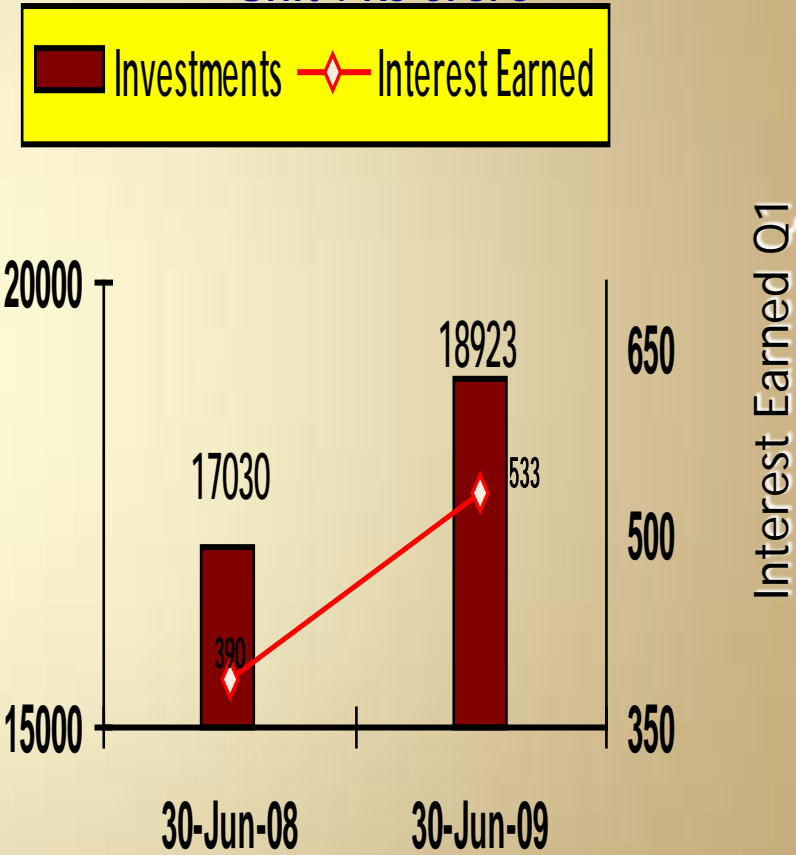
Year	30-06-2008	31-03-2009	30-06-2009
D/E Ratio	0.11	0.27	0.30

Investments

Investments Annual



Unit : Rs Crore



Performance Details for Q1 FY'10

- ✓ Sales of 2.78 million tones - growth of 4% as compared to corresponding period of last year.
- ✓ Semis component in sales of saleable steel is 11% [5 ISPs].
- ✓ Saleable steel production of 3.06 million tones - growth of 4% as compared to corresponding period of last year.
- ✓ Hot Metal production of 3.46 million tonnes -similar to corresponding period of last year.
- ✓ Crude steel production of 3.27 million tones - growth of 2% as compared to corresponding period of last year.
- ✓ Special Steel Production 1.14 million tones - increase of 21% as compared to corresponding period of last year.
- ✓ Production through Concast 2.2 million tones - growth of 5% as compared to corresponding period of last year.

Performance Highlights - 2009-10

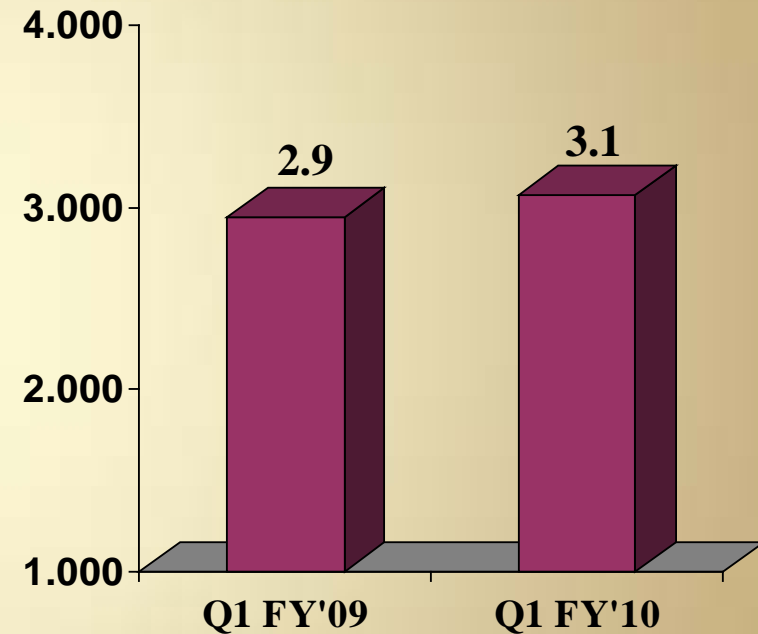
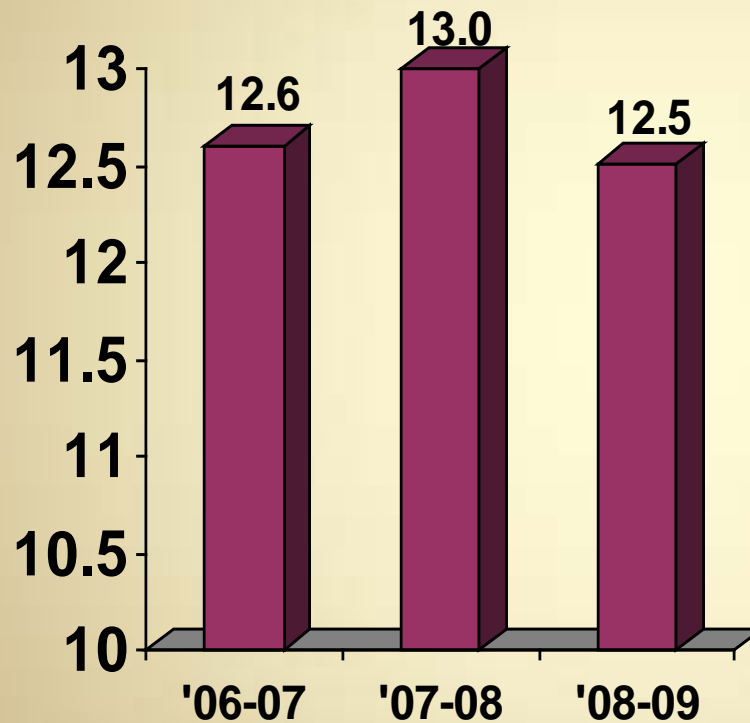
Major Techno Economic Parameters

- ✓ Coke Rate at 512 kg/T - improvement by 3% over CPLY
- ✓ Energy Consumption 6.79 (G.Cal/tcs) - improved by 1% over Corresponding Period Last Year.
- ✓ Avg. Capacity utilisation (Saleable Steel) - 111%
- ✓ Avg. Capacity utilisation (Hot Metal) - 101%
- ✓ Avg. Capacity utilisation (Concast Production) - 114%

Production

April-June

Saleable Steel (in Million Tons)

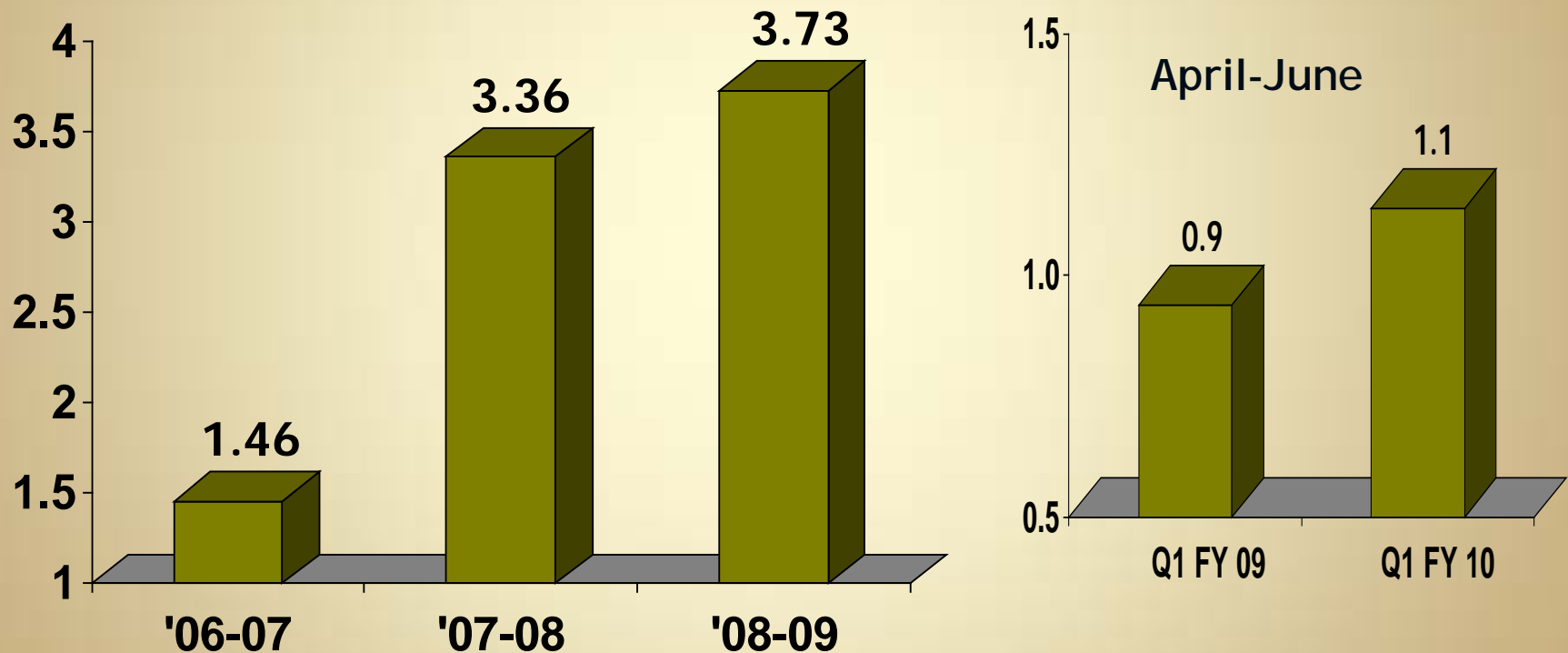


Including Special Steels Plants

Special Steel Production

(in Million Tonnes)

Production of Value added materials of 5 ISPs

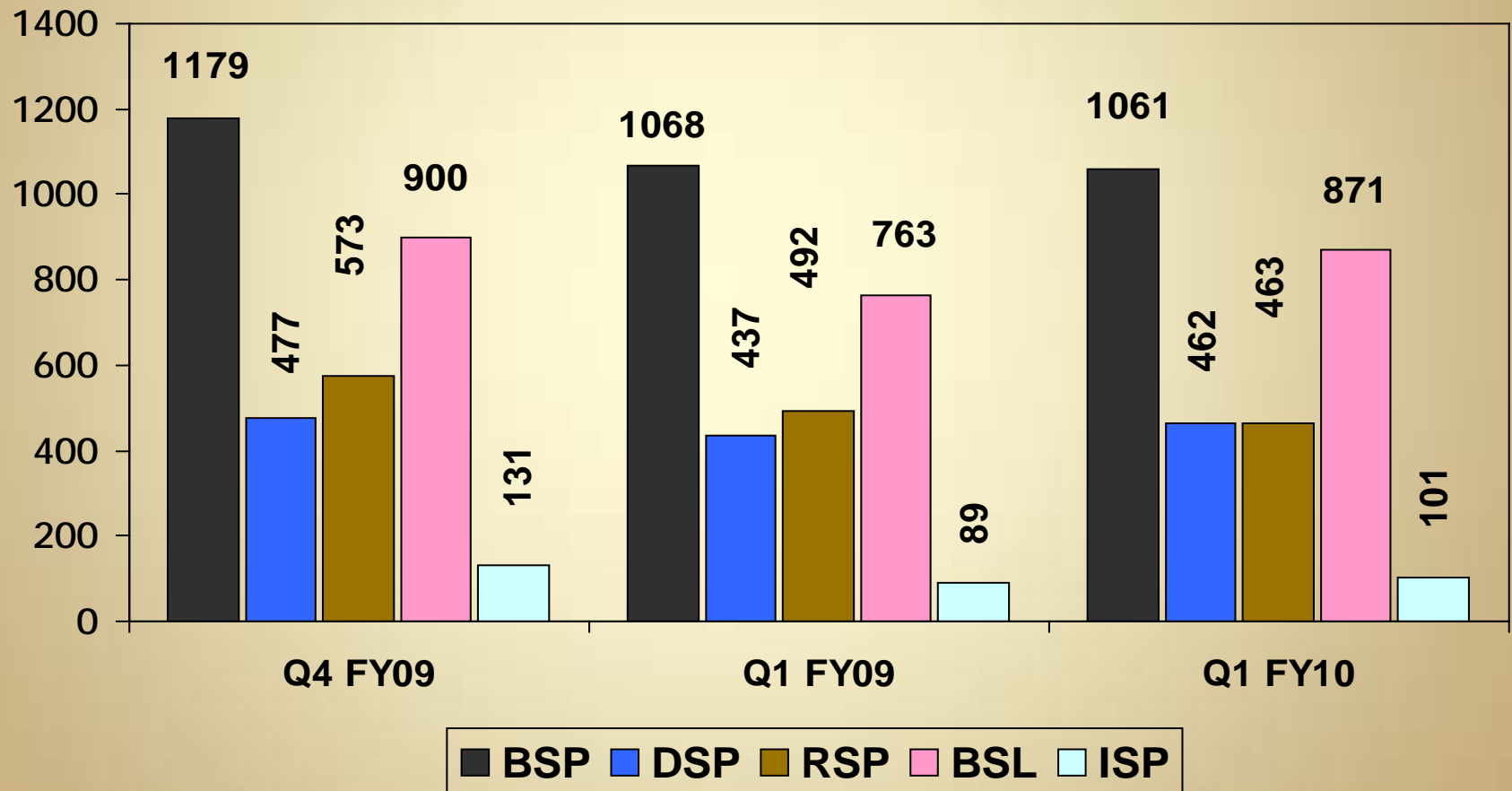


21% increase in production of Value Added Products

Saleable Steel Production

Plant-Wise, Quarter-Wise

(in Thousand Tonnes)

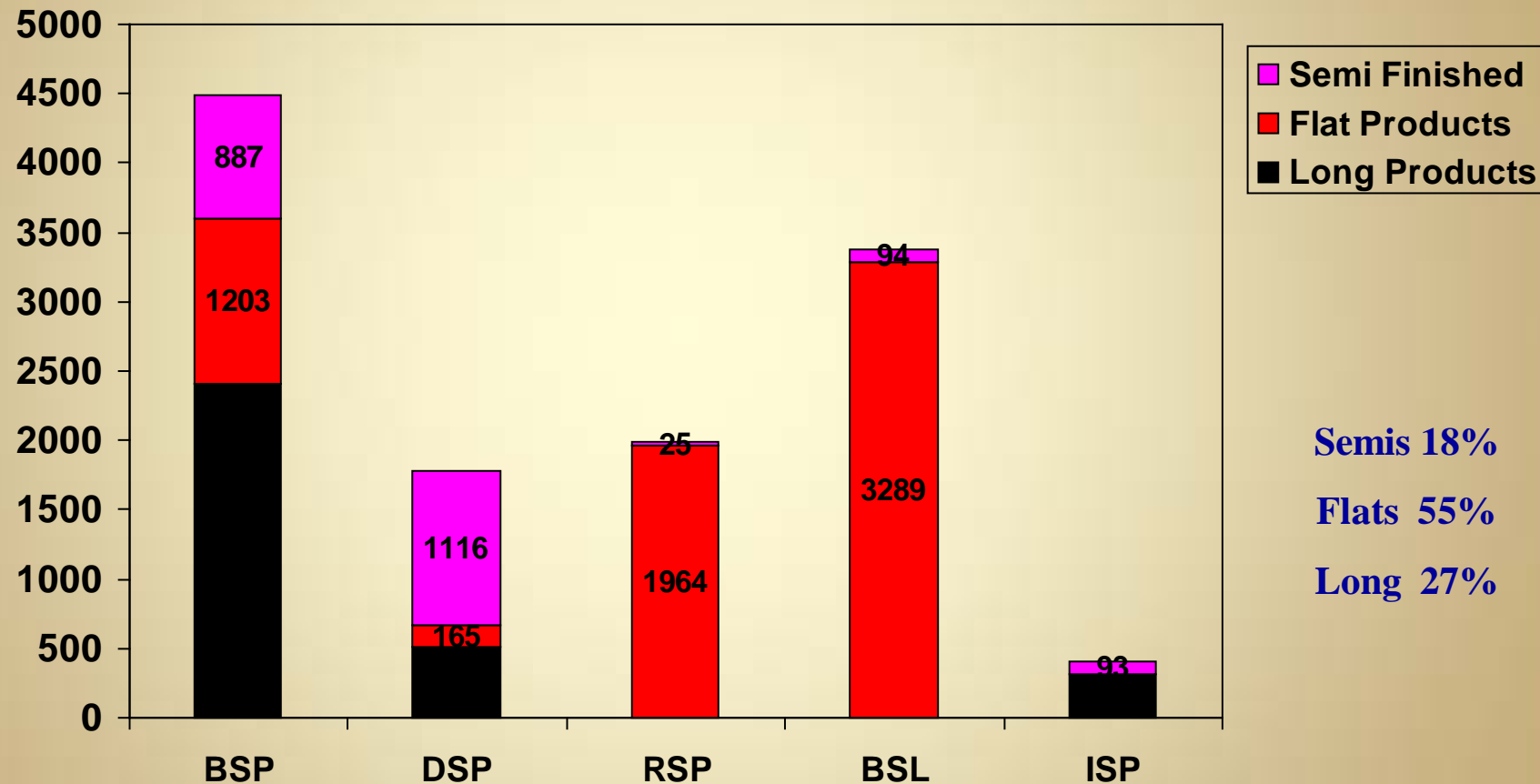


(Five Integrated Steel Plants Only)

Production of Saleable Steel

Plant Wise Category wise

(in Million Tonnes)

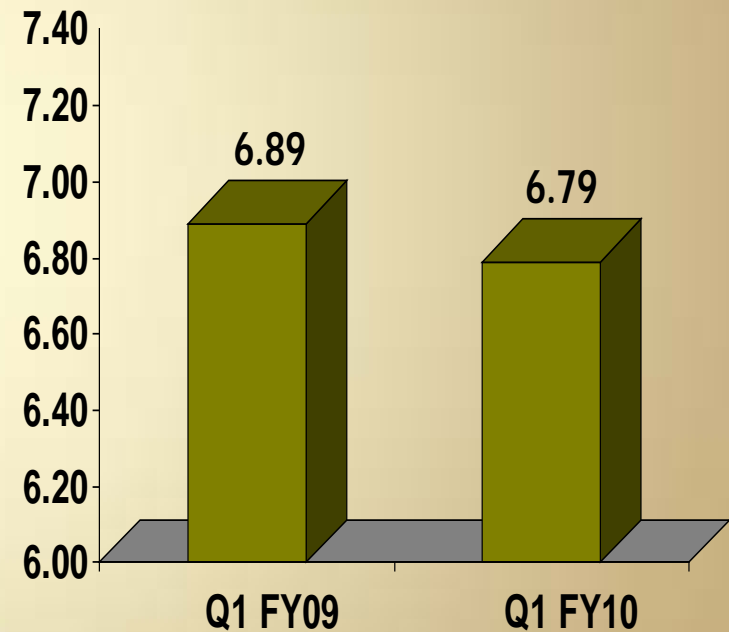
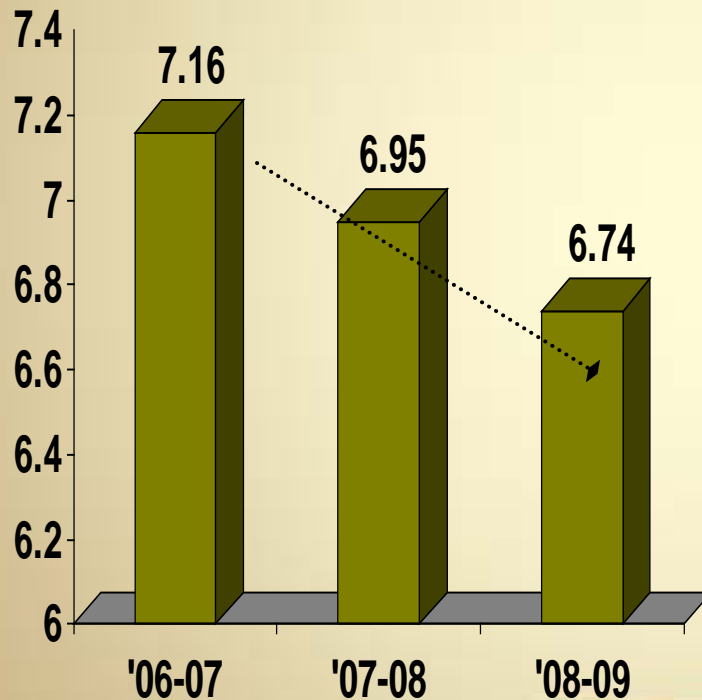


FY 2008-09 5 Integrated Steel Plants

TE Parameters

Specific Energy Consumption (Gcal/TCS)

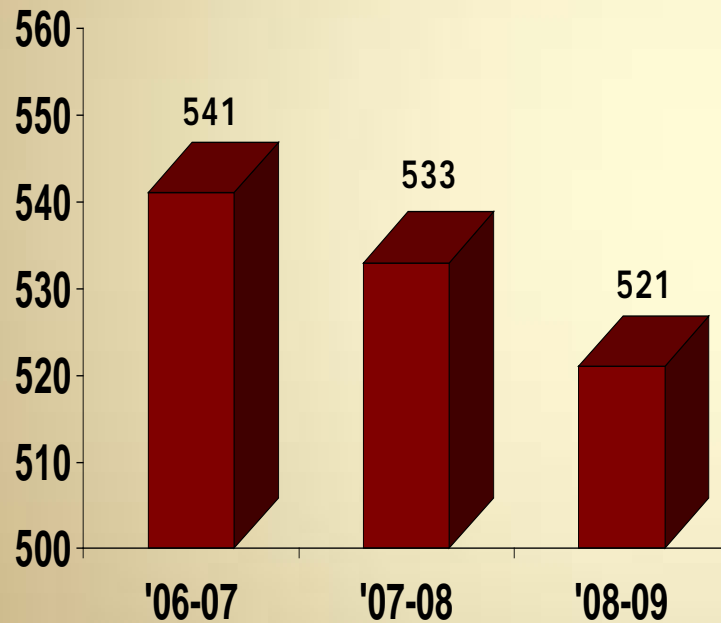
April-June '09



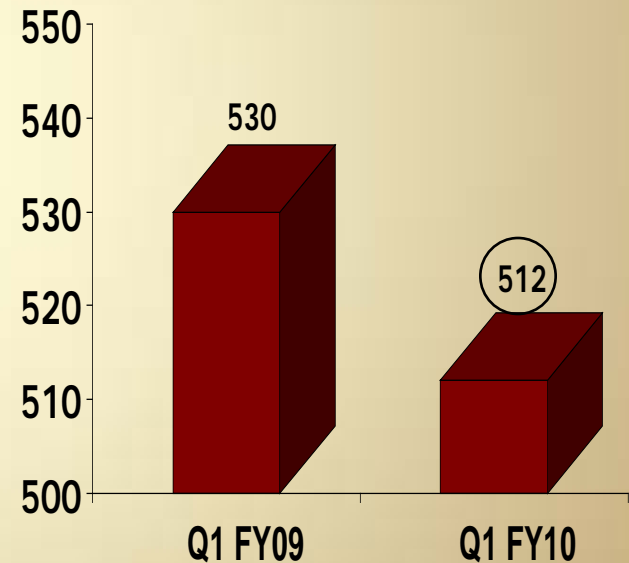
**Reduction in Energy
Consumption**

TE Parameters

Coke Rate (Kg/THM)



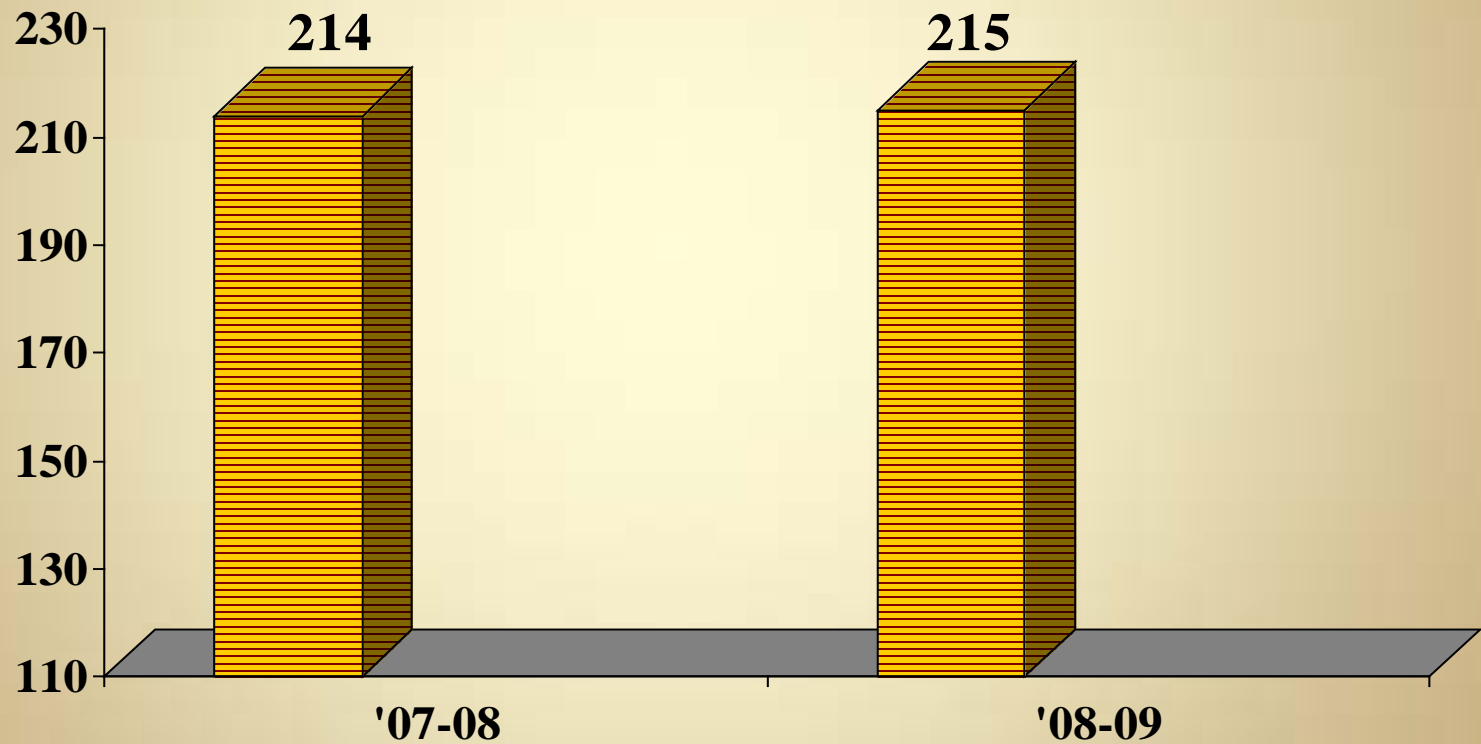
Continuous efforts to contain
coke rate



Coke Rate at 512 kg/Thm - lower by
3% over CPLV

Labour Productivity

Tonne Crude Steel /man / year

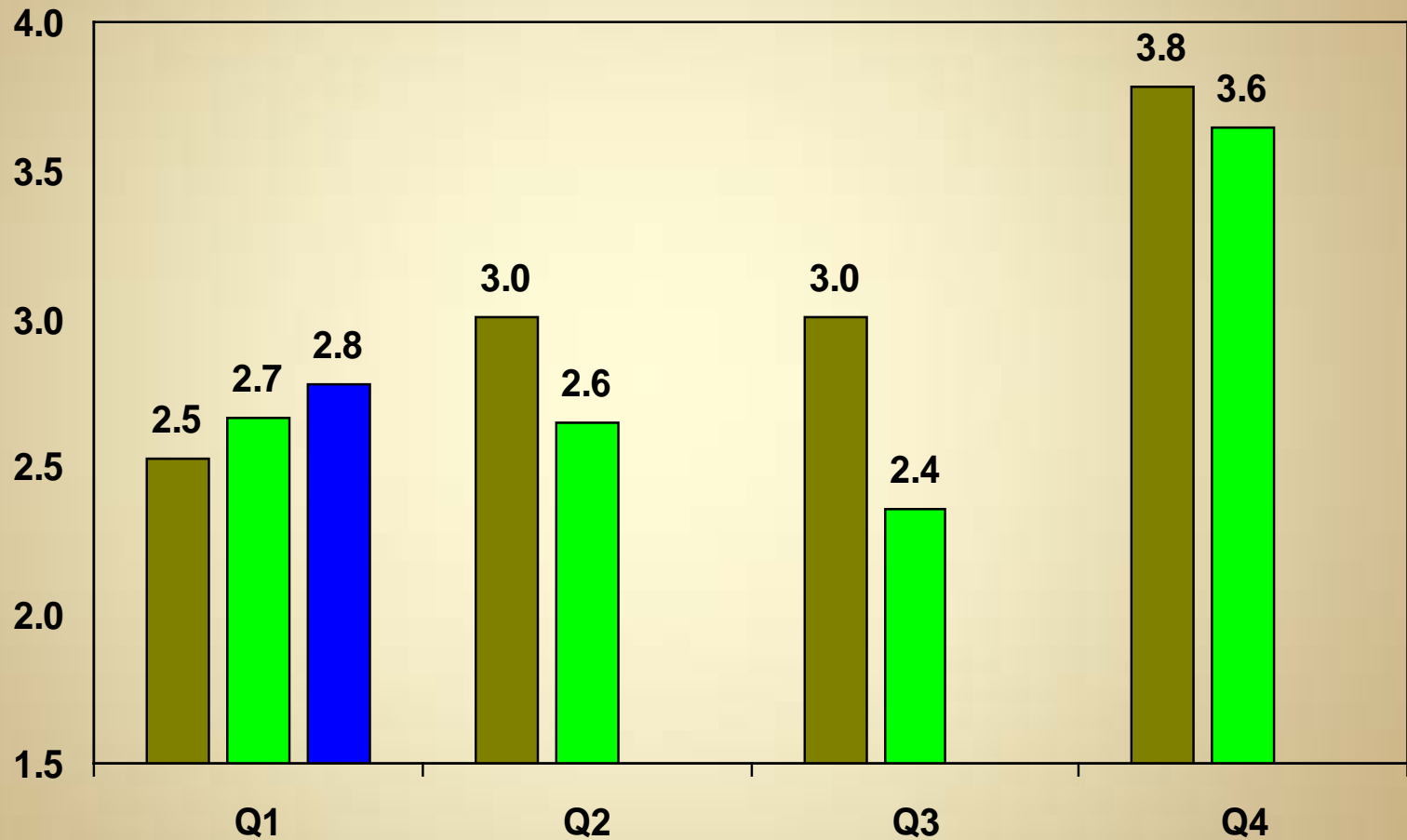


Manpower reduction over 7500 during 2008-09

Current manpower : 1.19 lakh as on 30.06.09.

Saleable Steel Sales Volume

(In Million Tonnes)



Including Special
Steel Plants

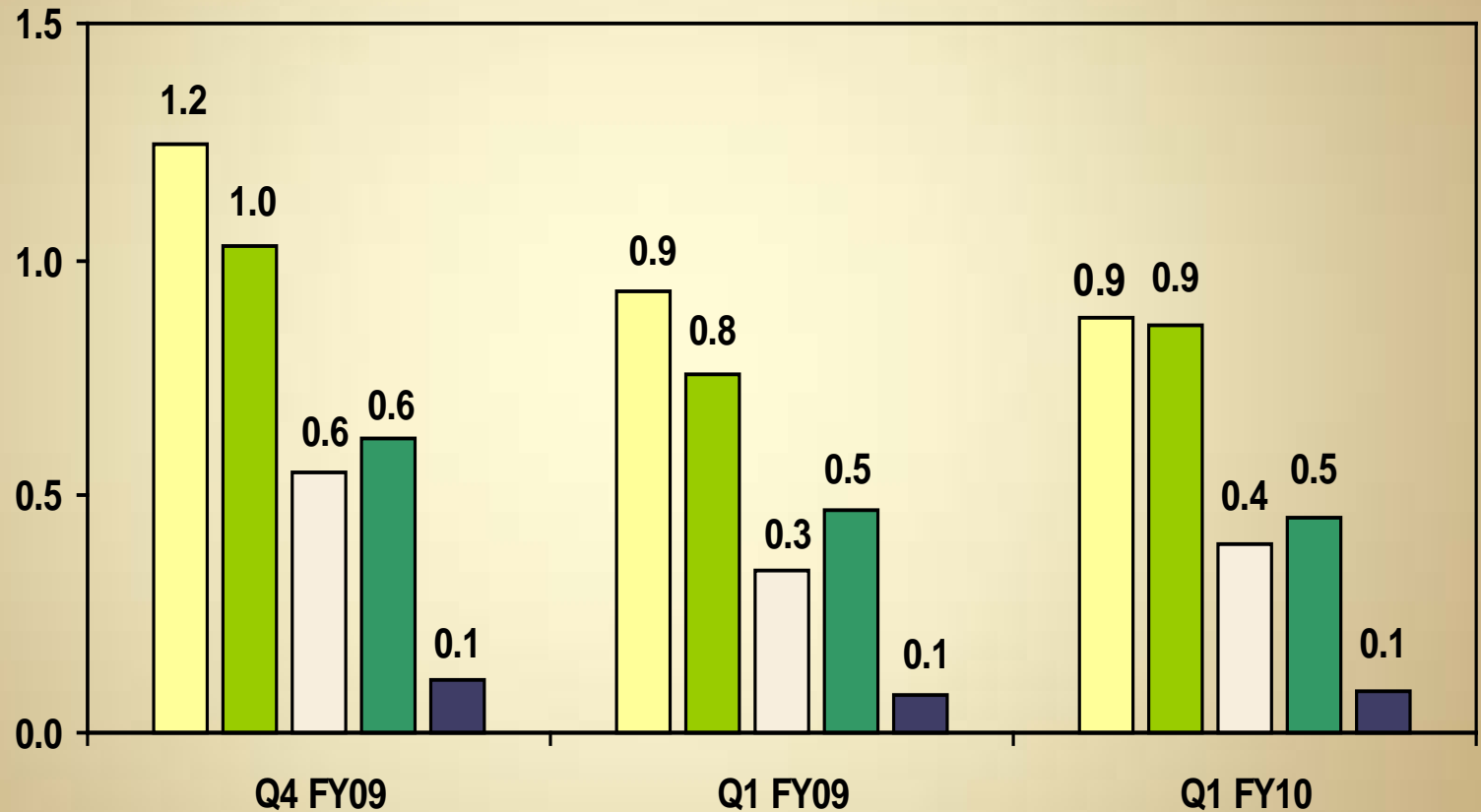
■ 2007-08

■ 2008-09

■ 2009-10

Saleable Steel Sales Volume

(In million tonnes)

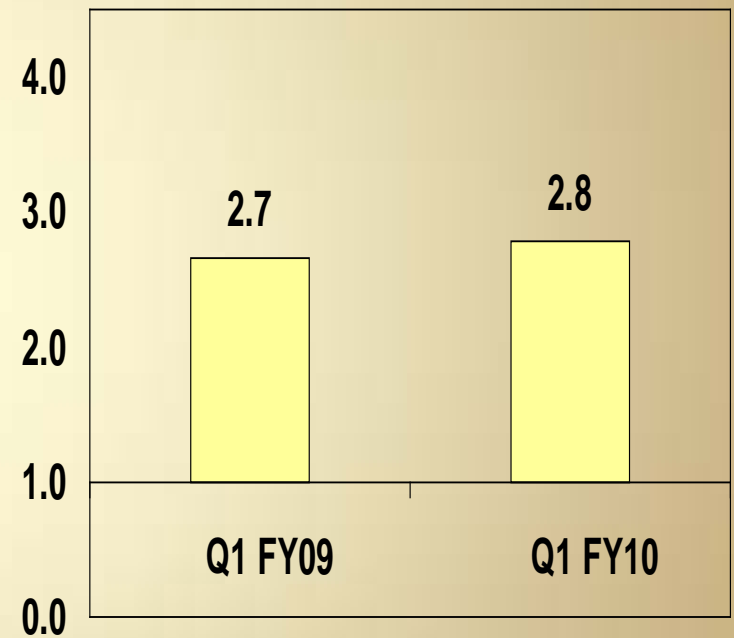
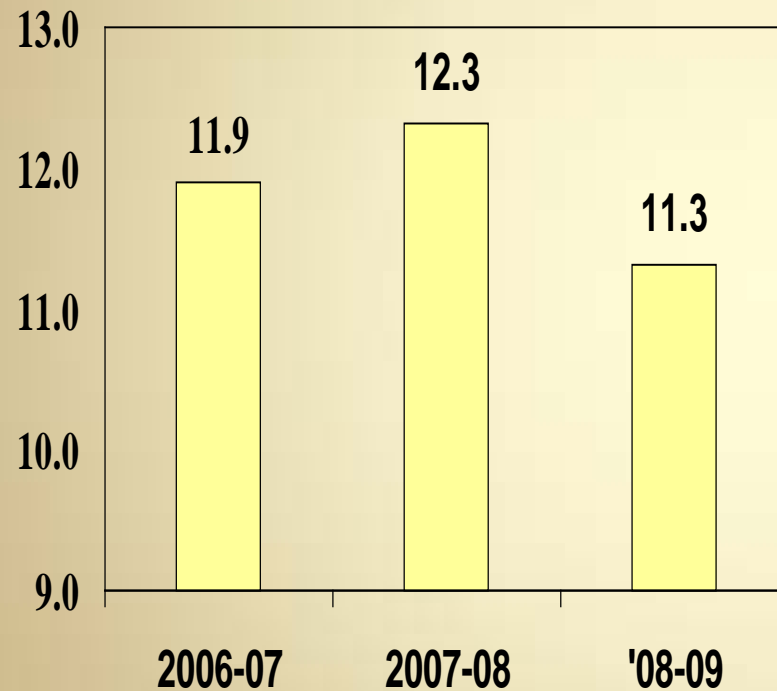


Plant-wise,
Integrated
Steel Plants

■ BSP ■ BSL □ DSP ■ RSP ■ ISP

Saleable Steel Sales Volume

(in million tonnes)

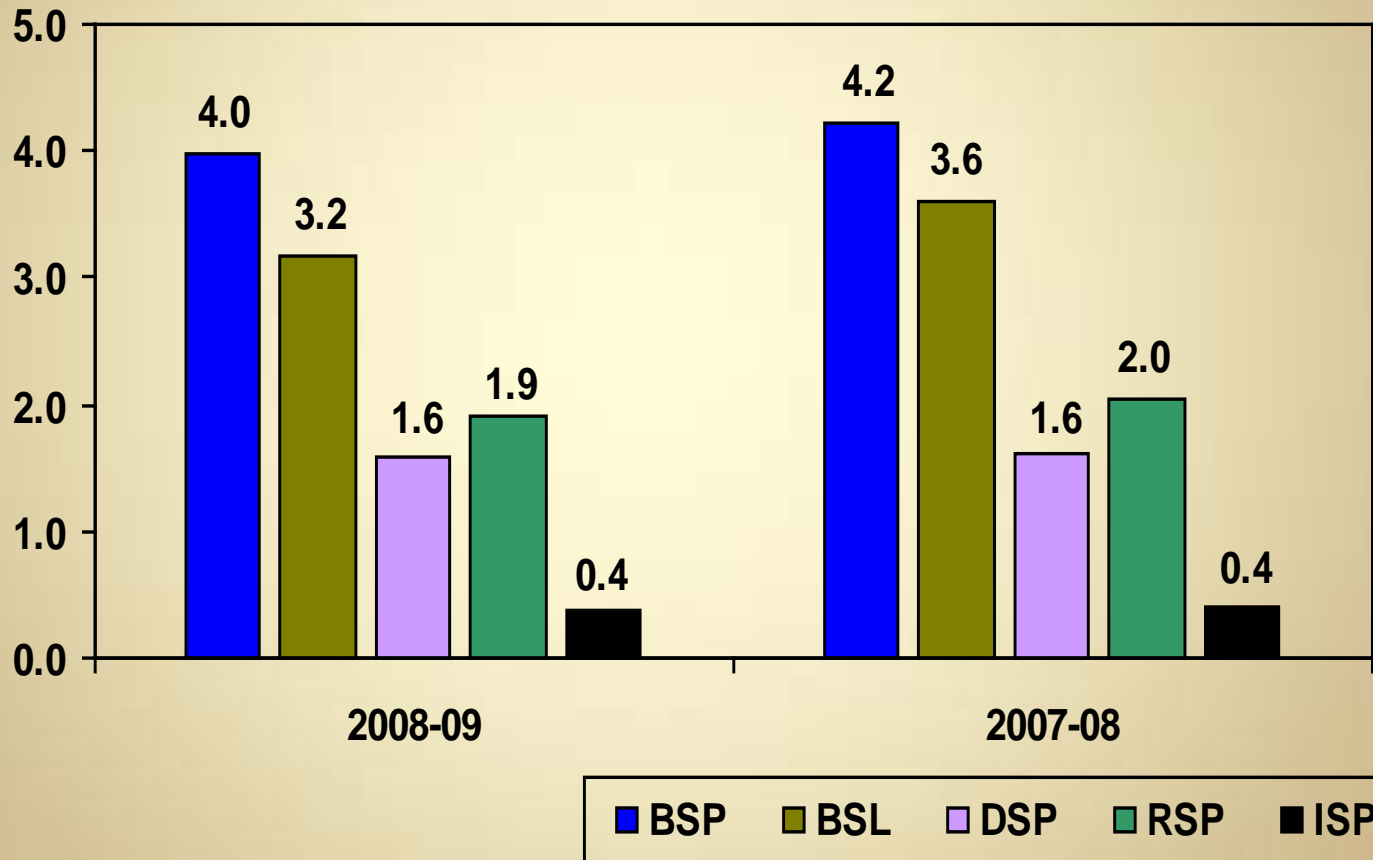


Including Special Steel Plants

Saleable Steel Sales Volume

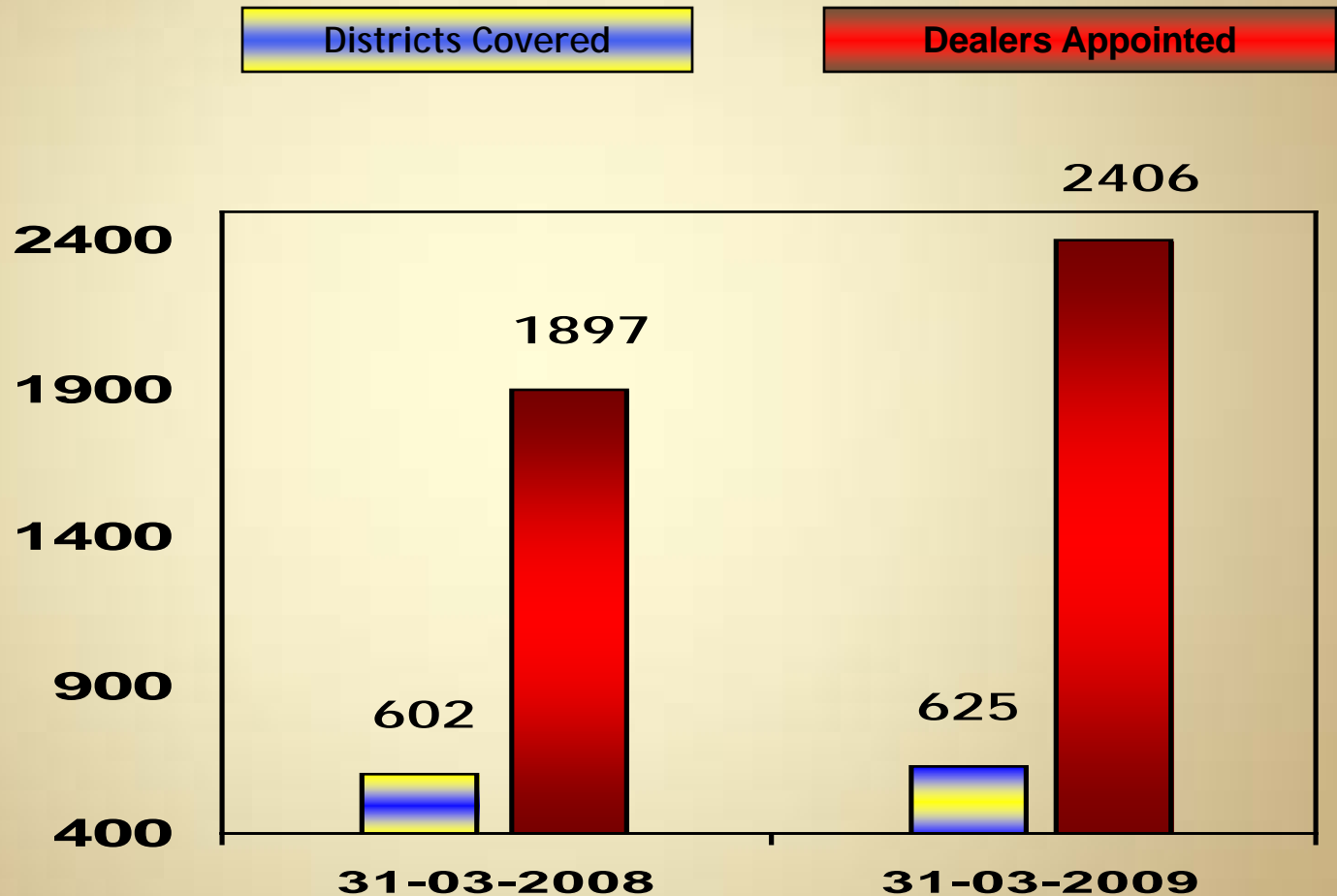
Plant-wise

(In Million Tonnes)

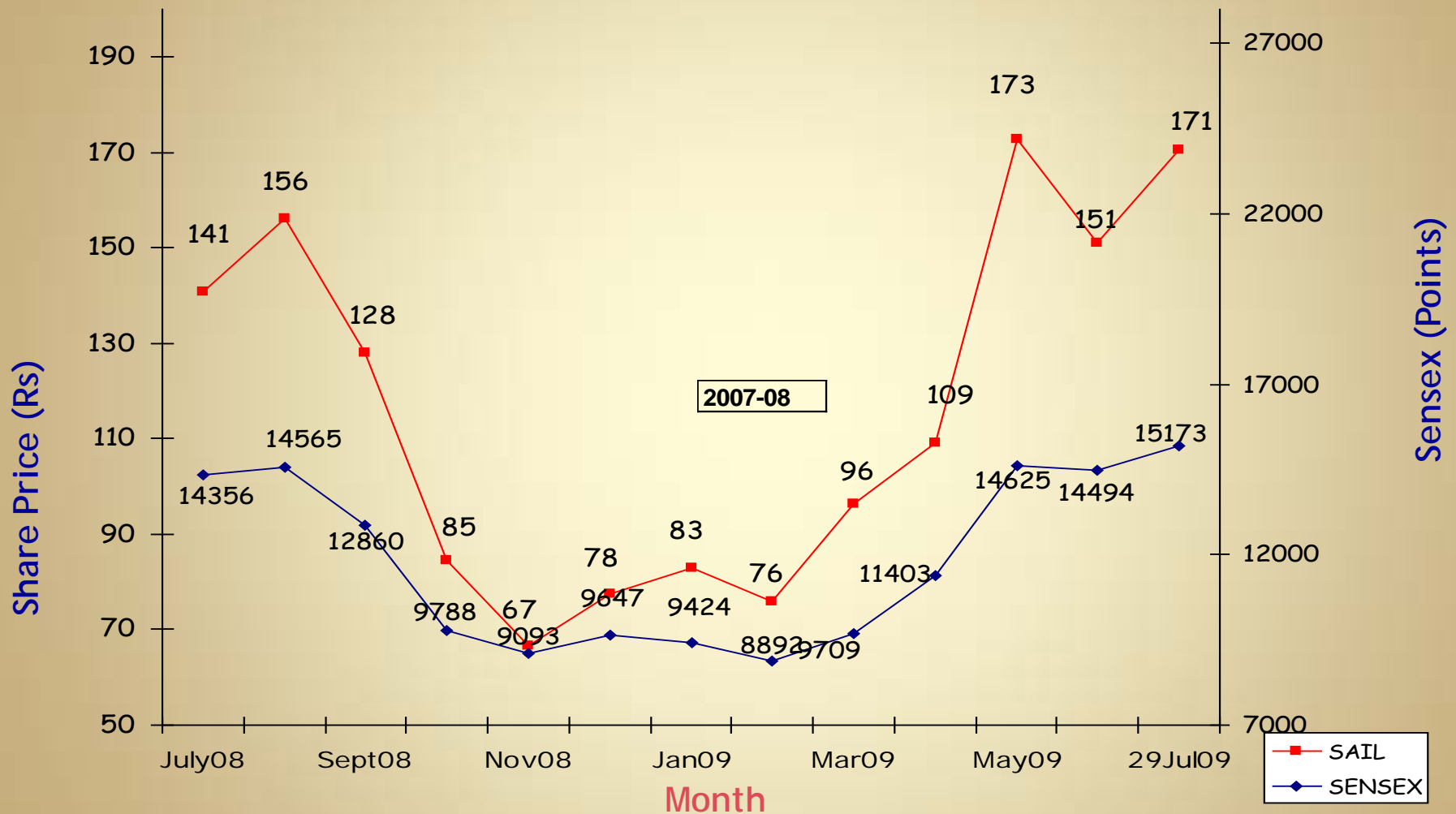


Sales through Dealers Network

No. of Dealers and Districts Covered



Performance of SAIL Share price vis-à-vis BSE Sensex

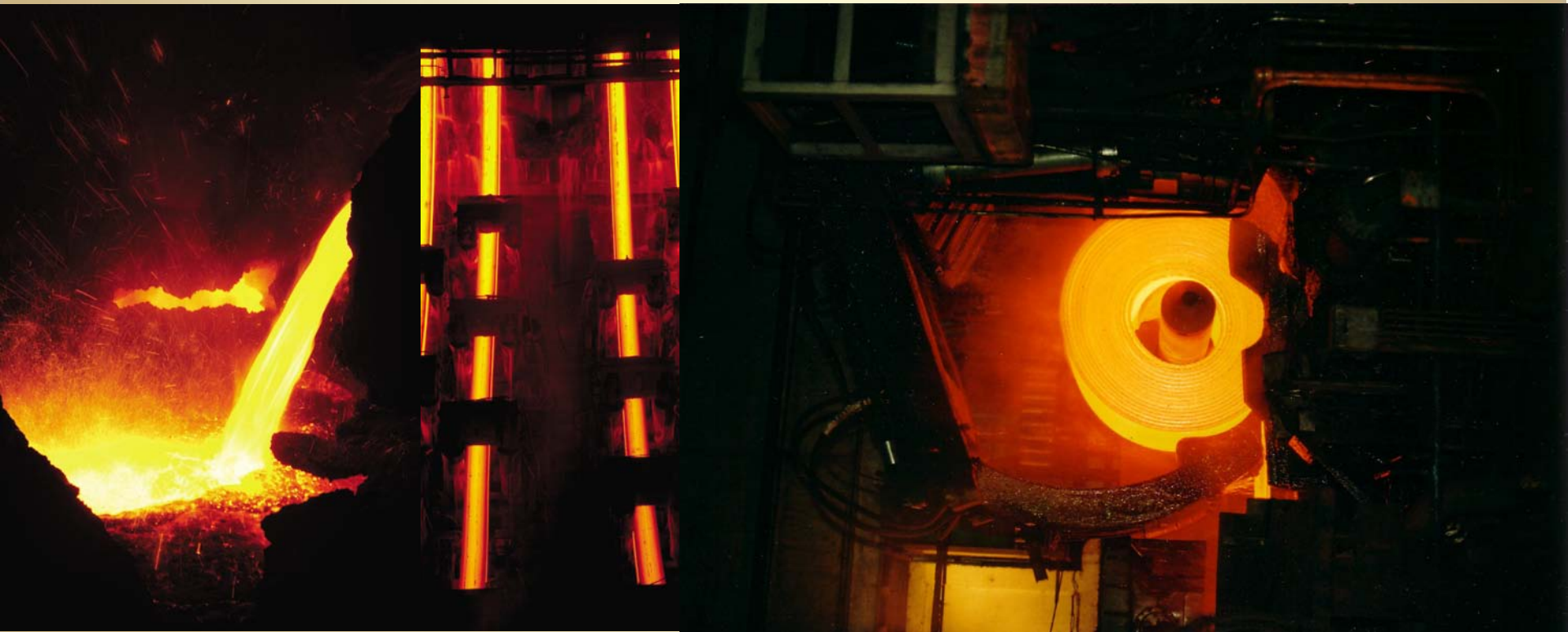


Closing Share Price & Sensex as on the last day of the month

Dividend

Year	Interim %	Final %	Total %	Dividend (Rs. in Cr)
2008-09	13.0	13.0 (proposed)	26.0 (proposed)	1074
2007-08	19.0	18.04	37.0	1528
2006-07	16.0	15.0	31.0	1280

EXPANSION AND MODERNISATION PLAN



SAIL's Expansion Plan

Particulars	Million Tonne	
	Present	After Expansion
Hot metal	15.2	26.2 (23.5)
Crude Steel	14.0	24.6 (21.4)
Saleable Steel	13.0	23.1 (20.2)

Figures in bracket indicate capacity after Implementation of ongoing phase of moderanisation and expansion to be completed by 2012

Expansion Plan : Technological Shift

Technology	Current Status	After Expansion
BOF Steel making	77%	100%
CC Route	66%	100%
Pelletisation Plant	No	Yes
Coke Dry Quenching	No	Yes
Top Pressure Recovery Turbine	No	Yes
Auxiliary Fuel Injection in BF	Partial coverage	Full coverage
Desulphurization of Hot Metal	Partly	100%
Thin Slab Casting - Compact Strip Mill	No	Yes
Beam Blank Casting	No	Yes
Coupled Pickling & Tandem Mill	No	Yes
Beneficiation Plant	Partial	Full

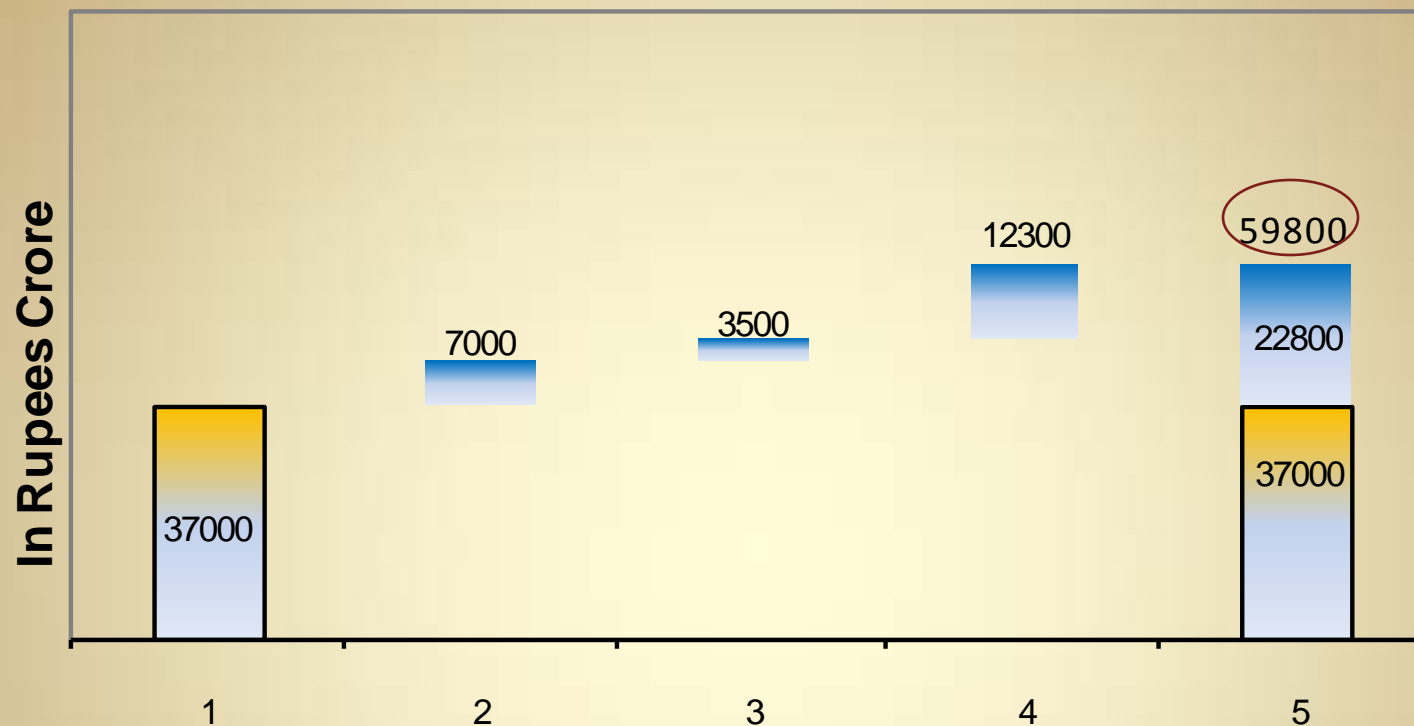
Ongoing Projects

- ✓ The ongoing modernisation and expansion has been planned to achieve saleable steel production of 20.23 million tonne, at a cost of Rs. 37,000 crore (USD 7.4 billion) approximately.
- ✓ In addition, following capex has also been planned for schemes, as given hereunder:

Scheme	Estimated cost
Value Addition/ Product-mix Improvement	Rs. 7,000 crore (USD 1.4 billion)
Technological Upgradation/ Modernisation	Rs. 3,500 crore (USD 0.7 billion)
Sustenance including debottlenecking, AMR and Environment	Rs. 12,300 crore (USD 2.5 billion)

- ✓ The above details of capex includes an amount of Rs. 7400 crore, including Rs. 6100 crore for expansion and Rs. 1300 for other schemes, already spent during 2007-08 and 2008-09.
- ✓ Besides, capital schemes relating to augmentation of production from existing mines and development of new mines will be taken up.

Ongoing Projects



1	Expansion of Existing capacity
2	Value Addition/ Product-mix Improvement
3	Technological Upgradation/ Moderanisation
4	Sustenance including debottlenecking, AMR and Environment
5	Total estimated cost

Ongoing Projects

- ✓ Total Capex for 2007-08 was Rs. 2181 crore and the Capex for 2008-09 is Rs. 5233 Crore.
- ✓ Orders for Rs.37,000 crore approximately have already been placed for various Modernisation / Expansion Projects/ Sustenance Schemes.
- ✓ Various options for raising fund to finance the capex plan are being explored.
- ✓ Capex Plan for 2009-10 is Rs.10000 crore approximately.

Ongoing Projects

Expected Outcome

- ✓ Enhancement of Production Capacity and Market Share
- ✓ World Class Technology and Products
- ✓ Improved Product mix/ proportion of value added products to increase
- ✓ Complete elimination of Semi-finished steel
- ✓ Enhanced Pollution control measures, with environmental conservation
- ✓ Captive Power generation capacity to increase from 872 MW to 1922 MW

Ongoing Projects

The Products to be added:

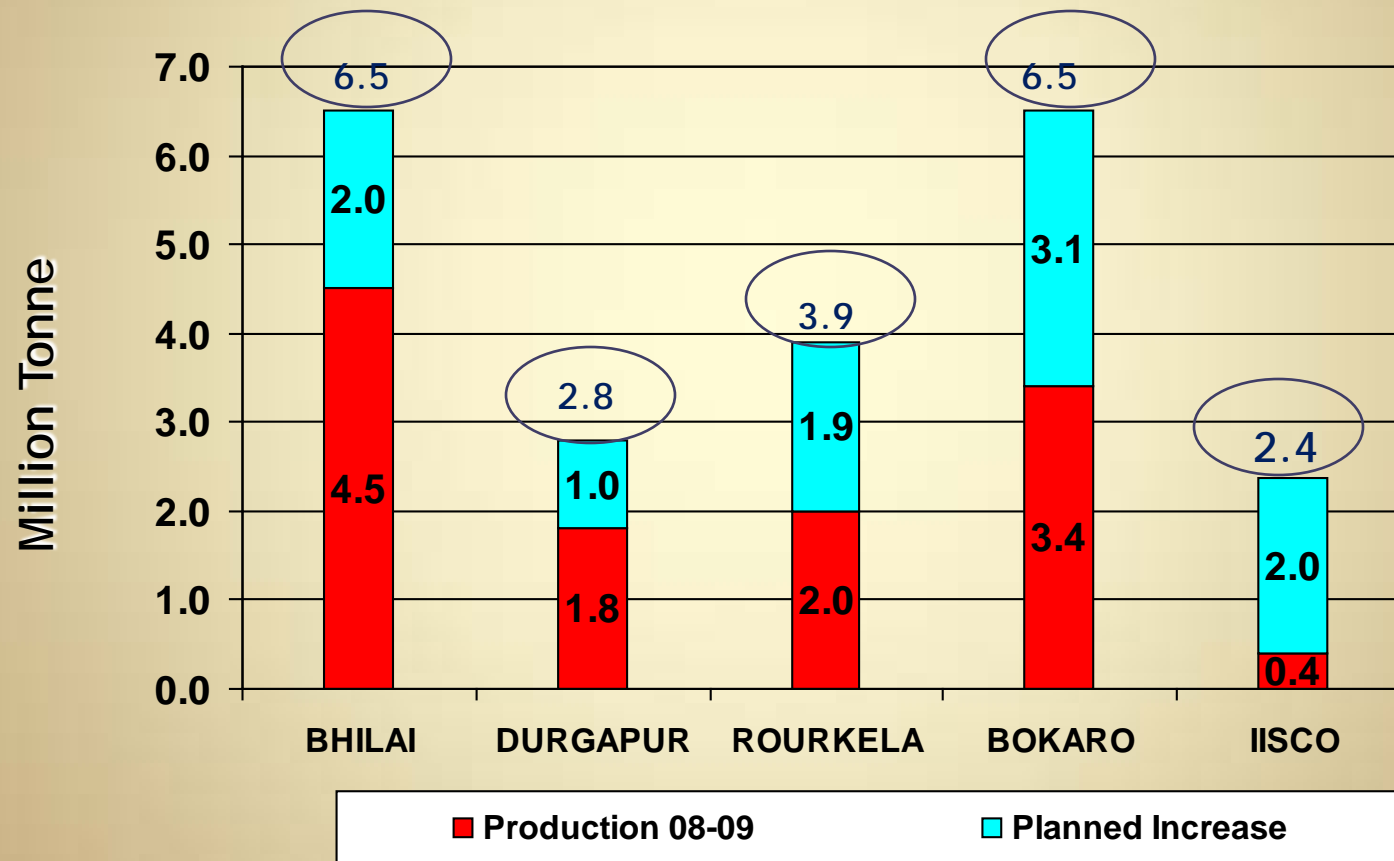
- ✓ Auto grade CR Products, Galvanealed Coils/ Sheets
- ✓ Plates/ Pipes to meet up to API 100 Grade specification
- ✓ Universal Beams/ Heavy Beams in the sizes up to 1100 mm to support increasing Infrastructural requirements
- ✓ Rails for Metro-Railways
- ✓ Increased production of Rails and wheels to meet the increasing requirements of Indian Railways
- ✓ Quantum jump in Rounds and Structural production leading to elimination of entire semi-finished steel
- ✓ Wider Plates in the size of 4500 mm

Capacity increase after Expansion

Plant	Hot Metal (Mtpa)		Saleable Steel (Mtpa)	
	2008-09 Actual	After Expansion	2008-09 Actual	After Expansion
BSP	5.39	7.50	4.49	6.53
DSP	2.11	3.50	1.79	2.83
RSP	2.20	4.50	1.99	3.88
BSL	4.02	7.44	3.38	6.53
ISP	0.60	2.91	0.41	2.37
VISL	0.013	0.33	0.09	0.22
ASP	-	-	0.17	0.43
SSP	-	-	0.18	0.34
Total	14.44	26.18	12.50	23.13

SAIL'S Growth Plan

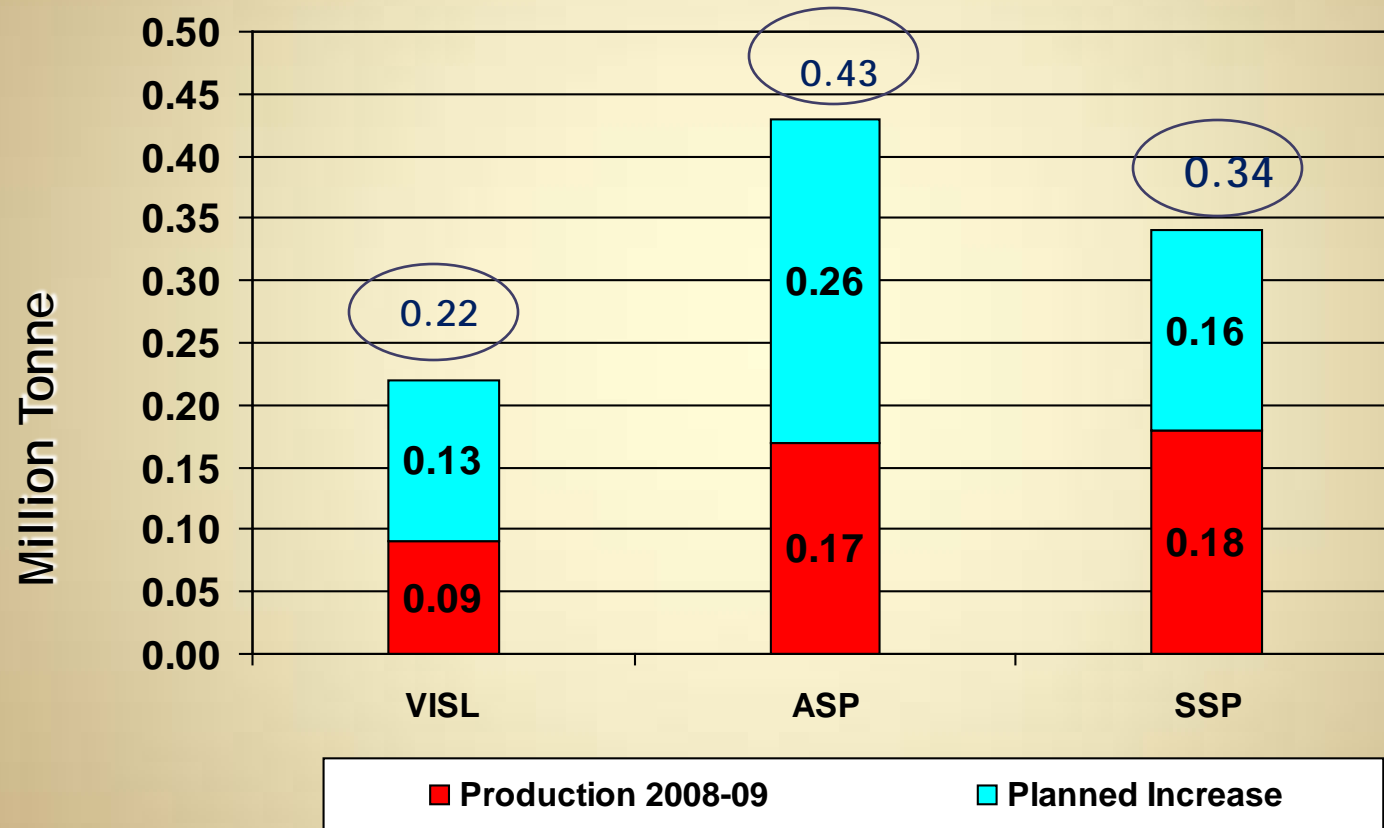
Saleable Steel Production Capacity



SAIL'S Growth Plan

Saleable Steel Production Capacity

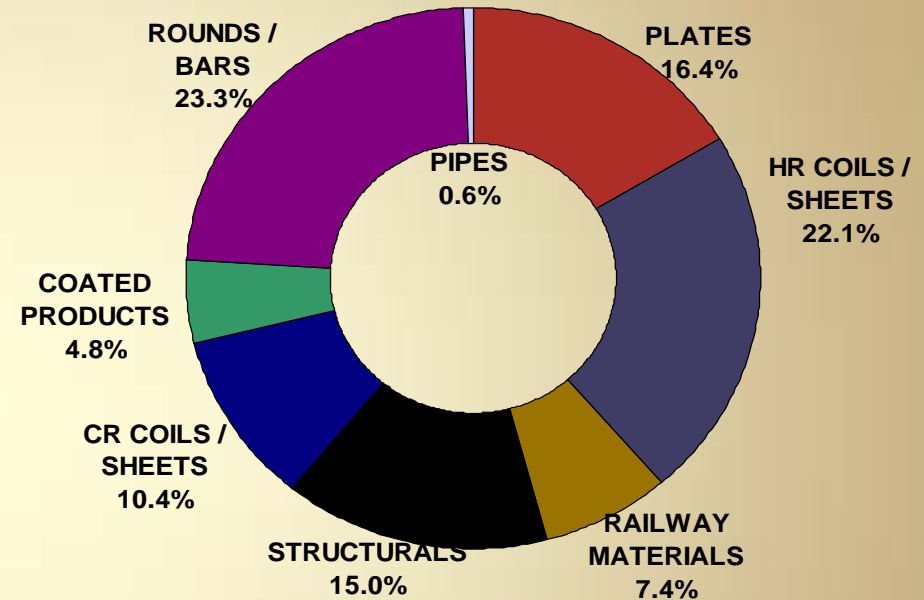
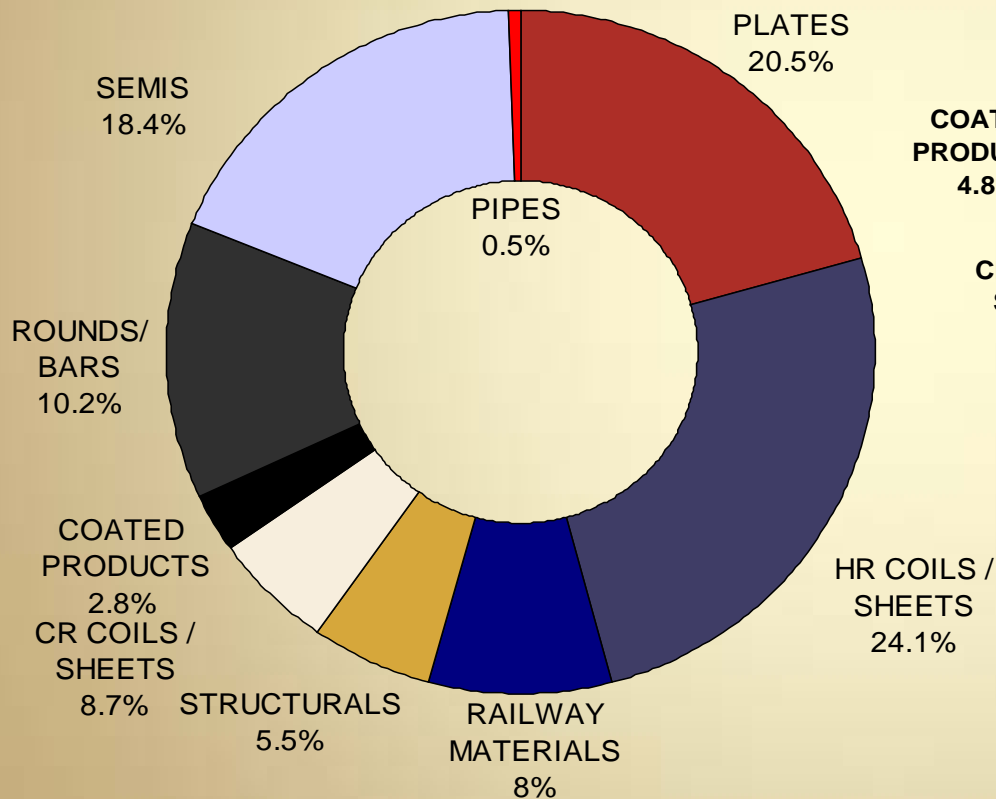
Specialty Steel Plants



Total Existing .45 MT and After Expansion 1MT

Product Mix - Saleable Steel Production

FY2008-09



After Expansion

Raw Materials

IRON ORE LINKAGES

Mtpa

Year	Hot Metal Production	Iron Ore Consumption	Linkages of Iron Ore
2008-09	14.4	23	Existing Mines
Post Expansion	26	43	Existing Mines + Raoghat, Chiria & Taldih + Thakurani
2020	~ 60	100	Existing Mines + Raoghat, Chiria & Taldih + Thakurani

Raw Materials

COAL LINKAGES

Mtpa

Year	Hot Metal Production	Coking Coal Requirement	Linkages for Coking Coal
2008-09	14.4	13.8	Import Component - 70% Indigenous - 30%
Post Expansion	26	23	-Import component to increase -Long term component 90% w.e.f. FY09
2020	~ 60	50	-Existing mines to be worked/ developed -New alliances/ linkages/ acquisitions to be explored

New Strategic Initiatives

- Union Cabinet has accorded the proposal of merger BRL with SAIL.
- Action for merger of MEL with SAIL is under process.
- Setting up of a Joint Venture shipping company with Shipping Corporation of India.
- SAIL has instituted an HR Award for Excellence, to commemorate completion of 50 years of production. The expertise of IIM-A as 'Knowledge Partner' and of Economic Times as 'Media Partner' were utilised to recognise outstanding work done by companies during the last five years

100 Days MoS Agenda for SAIL

- **Merger of BRL with SAIL:** Efforts will be made to issue the final order for merger within 100 days.
- **Merger of MEL with SAIL:** Efforts will be made to ensure that all the approvals are obtained in the next 3 months and the merger process completed by the end of financial year.
- **Allocation of Chiria Mines to SAIL:** Efforts to be made in the next 100 days to complete the requisite formalities to settle the pending issues in favour of SAIL.
- **Forestry clearance for the Rowghat Mines:** Efforts to be made to get the final forestry clearance from MoEF, Government of India, in next 100 days.
- **Commencement of Work of SMS – SAIL's BSP:** The work on executing this project to commence within next 3 months.
- **JV of SAIL with Shipping Corporation of India**
- **JV of MOIL & SAIL for setting up Ferro Alloy Plants:** Work on setting up this Plant to commence within 100 days.

Corporate Social Responsibility -Model Villages



79 villages have been adopted as Model Steel Villages across 8 states for exclusive development of Medical facilities, Education, Roads, Sanitation, Community Centre etc. and 15 such villages have already been completed.

Corporate Social Responsibility



Performance Highlights – SAIL CSR

- ✓ SAIL has established 32 Primary Health Centres, 9 Reproductive and Child Health Centres, 35 Hospitals and 7 super Speciality Hospitals to provide specialized healthcare to almost 28 million people.
- ✓ It has opened about 240 school in the steel townships to provide modern education to about 76,000 children.
- ✓ SAIL has adopted and providing assistance to over 1119 schools, with more than 1,11,958 students of around 435 villages surrounding its units.
- ✓ In this endeavour, SAIL has achieved a Girl:Boy ratio of 1:1 for all levels of education and a survival rate i.e. rate of retaining enrolled students of 90% in SAIL schools.

Performance Highlights – SAIL CSR

- ✓ For the financial year 2008-09, the budget for CSR was earmarked as 2% of distributable surplus.
- ✓ SAIL was adjudged a Finalist of 'Stivie Award – 2009'.
- ✓ Bhilai Steel Plant (BSP) – SAIL has been awarded “Golden Peacock Award – 2008” for CSR.
- ✓ Salem Steel Plant (SSP) – SAIL has been awarded “CSR Award” by Tamilnadu Government for the year 2008-09 for its valuable contribution towards socio-economic upliftment of neglected section of society.



Outstanding Achievement for Rural and Community Development

Accolades

- ✓ SAIL Quality Circle Teams have won highest number of awards in the country at the International QC Meet in Bangladesh held in Oct'08; 7 Excellent, 7 Extra Ordinary & 1 Meritorious Awards won by SAIL teams.
- ✓ SAIL is among the Top Companies for National Award for Excellence in Corporate Governance 2008 by the Institute of Company Secretaries of India.
- ✓ PHD Chamber Good Corporate Citizen 2008 has been bagged by SAIL.
- ✓ SAIL has got Commendation Certificate on Good Corporate Governance for the Year 2006-07 by SCOPE which was conferred on 21st November 2008.
- ✓ Indian Institute of Metals (IIM) award conferred to four SAIL professionals including the O P Jindal Award.

Accolades

- 3 SAIL executives got declared 'Metallurgist of the year/young Metallurgist of the year by IIM.
- First prize to Salem steel Plant amongst Secondary steel plants/Alloy Steel Plants category by IIM.
- SAIL received Plaque from Institute of Chartered Accountants of India for the year 2007-08 for better financial reporting practices and commended Annual Report, in the category of the manufacturing and trading enterprises.



PHD Chamber Good Corporate Citizen 2008 has been bagged by SAIL. The Award was presented by Hon'ble Central Cabinet Minister Shri Pranab Mukherjee on 17th December 2008

Abbreviations used

✓	ASP	Alloy Steels Plant
✓	BF	Blast Furnace
✓	BOF	Basic Oxygen Furnace
✓	BPL	Below Poverty Line
✓	BSL	Bokaro Steel Limited
✓	BSP	Bhilai Steel Plant
✓	CS	Crude Steel
✓	CPLY	Corresponding Period Last Year
✓	DSP	Durgapur Steel Plant
✓	EBIDT	Earnings Before Interest Depreciation & Taxes
✓	G.Cal/tcs	Giga Calories per tonne of Crude Steel
✓	Gol	Government of India
✓	IISI	International Iron & Steel Institute
✓	ISP	IISCO Steel Plant

Abbreviations used

✓ JPC	Joint Plant Committee
✓ Kg/thm	Kilo Gram Per Tonne of Hot Metal
✓ MEL	Maharashtra Elektrosmelt Limited
✓ MT	Million Tonne
✓ Mtpa	Million Tonne Per Annum
✓ PAT	Profit After Tax
✓ PBT	Profit Before Tax
✓ RDCIS	Research & Development Centre for Iron & Steel
✓ RINL	Rashtriya Ispat Nigam Limited
✓ RSP	Rourkela Steel Plant
✓ SSP	Salem Steel Plant
✓ VISL	Visvesvaraya Iron & Steel Plant

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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.