



STEEL AUTHORITY OF INDIA LIMITED

PERFORMANCE HIGHLIGHTS

Q1 - FY13

Contents

- ✓ **Performance Highlights**
- ✓ **SAIL's Expansion Plan**
- ✓ **JVs & New Strategic Initiatives**
- ✓ **Awards & Accolades**

Financial Highlights

Q1 FY13 vs. Q1 FY12

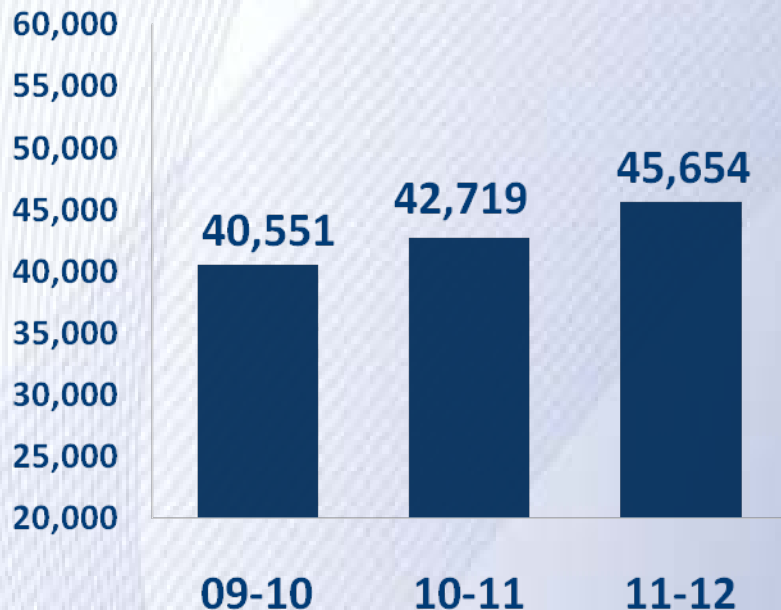
Amount in Rs. Crore

Rs. Crore	Apr-Jun. 12	Apr-Jun. 11	Increase	% change
TURNOVER	11912	11907	5	-
EBIDTA	1794	1797	-3	-
PBT	1010	1240	-230	-19
PAT	696	848	-152	-18

Q1 FY12 and Q1 FY13 financial highlights includes the statistics of Chandrapur Ferro-Alloy Plant i.e. erstwhile Maharashtra Eletrosmelt Ltd., which merged with SAIL w.e.f 1/04/2010

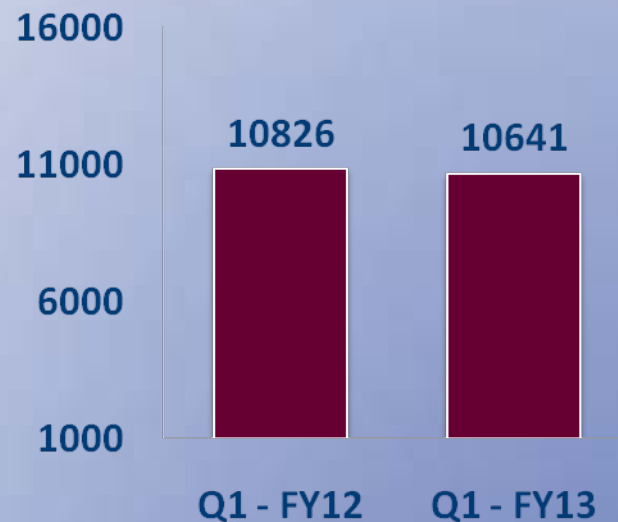
Financial Performance

Net Sales (Rs. Cr.)



Annual Net Sales Performance
(Apr. - Mar.)

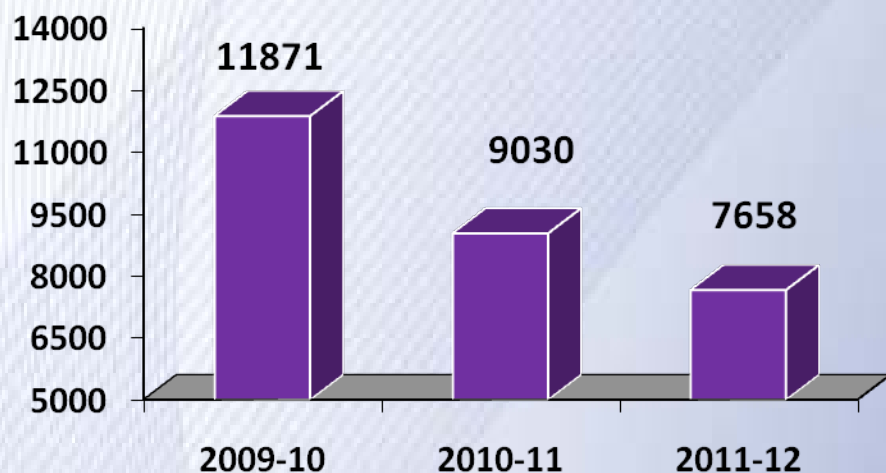
Q1 - FY13 vs. Q1 - FY12
(Apr. - June)



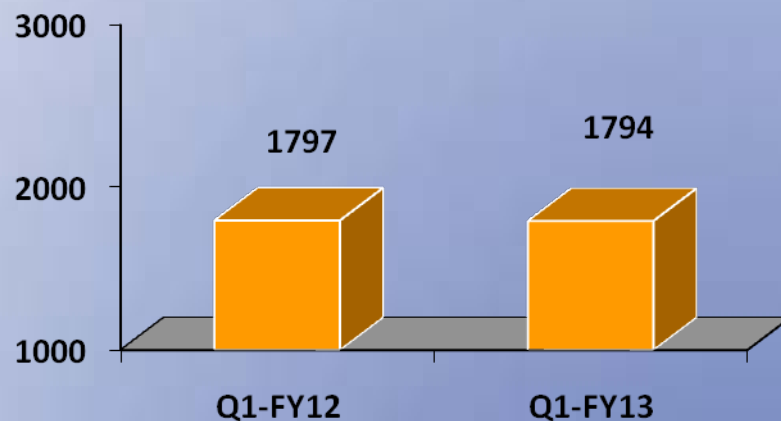
Earning Before Interest Depreciation and Tax (EBIDTA)

Unit : Rs Crore

Q1 - FY13 vs. Q1 - FY12
(Apr. - June)



Annual EBIDTA Performance
(Apr. - Mar.)

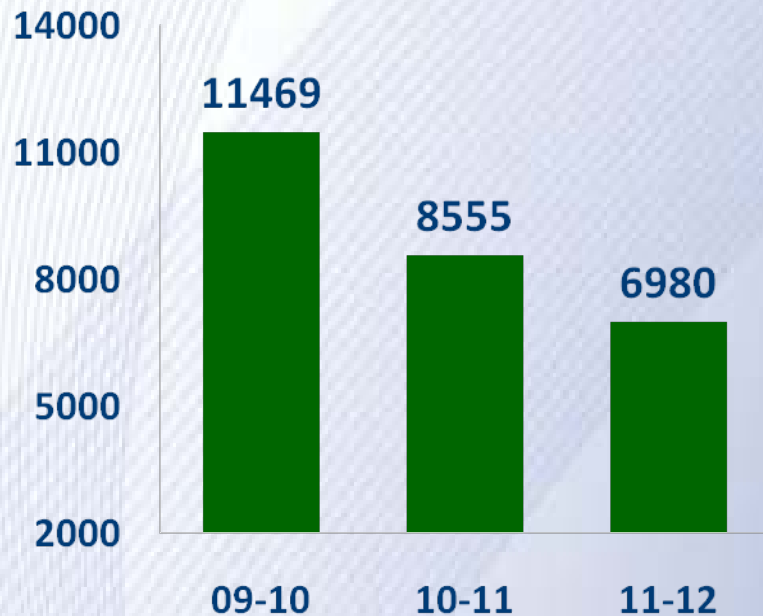


Financial Performance

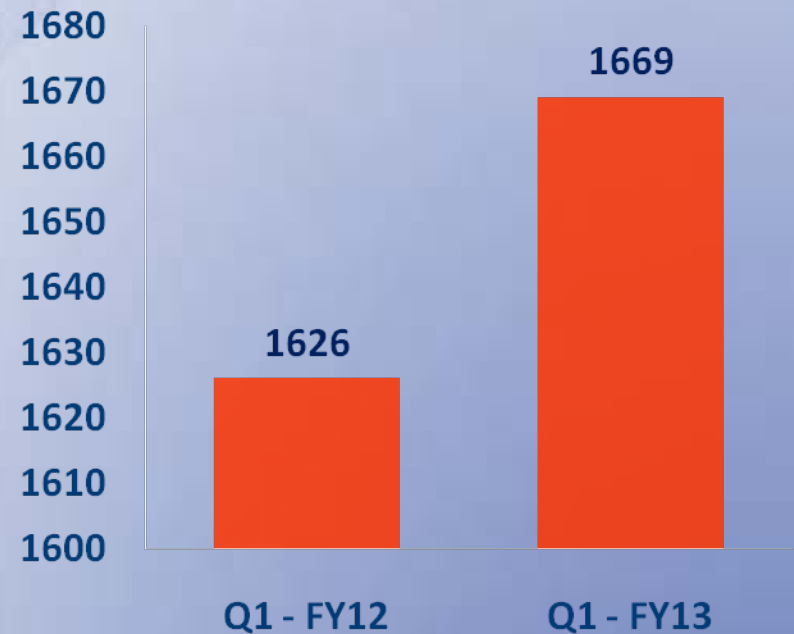
Cash Profit

Unit : Rs Crore

Q1 - FY13 vs. Q1 - FY12
(Apr. - June)



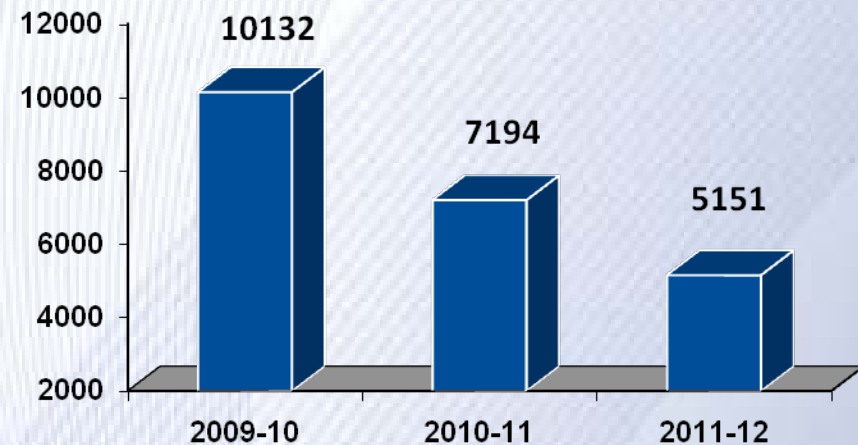
Annual Cash Profit Performance
(Apr. - Mar.)



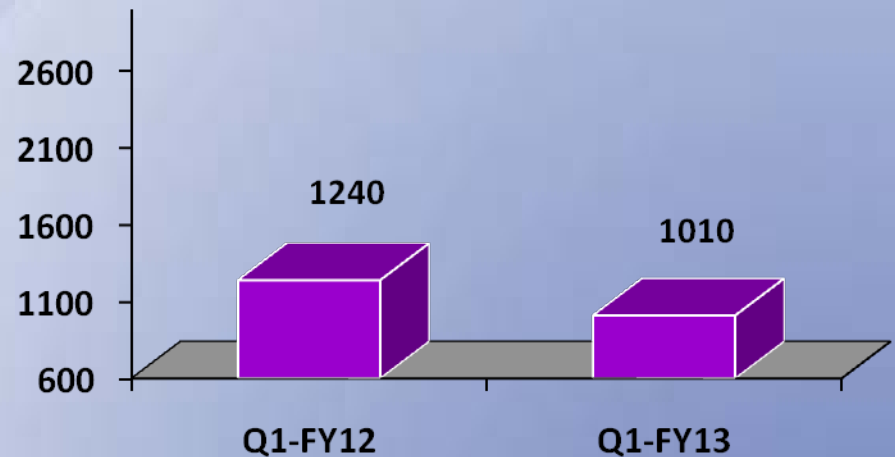
Financial Performance

PBT (Rs. Cr.)

Q1 - FY13 vs. Q1 - FY12
(Apr. - June)

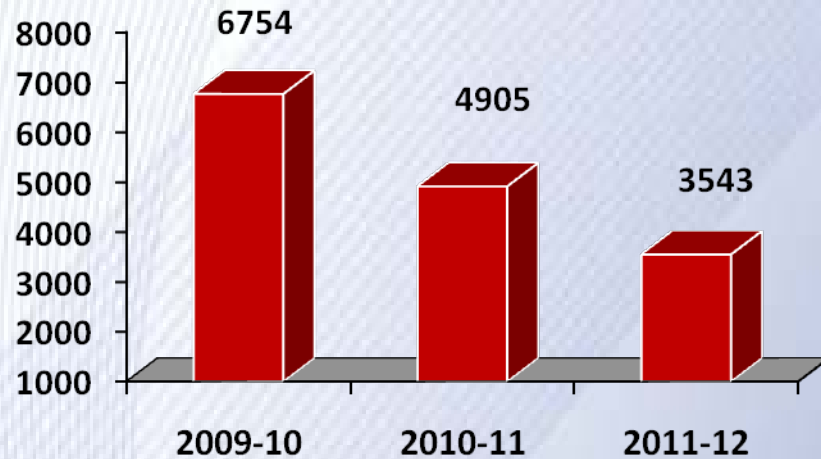


Annual PBT Performance
(Apr. - Mar.)



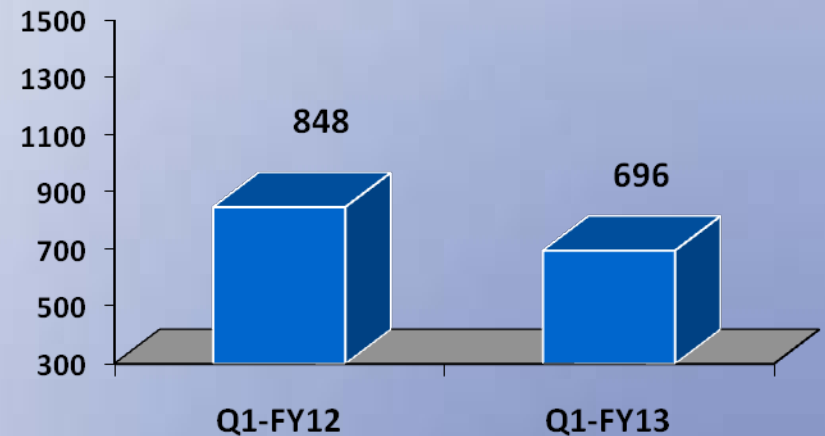
Financial Performance

PAT (Rs. Cr.)



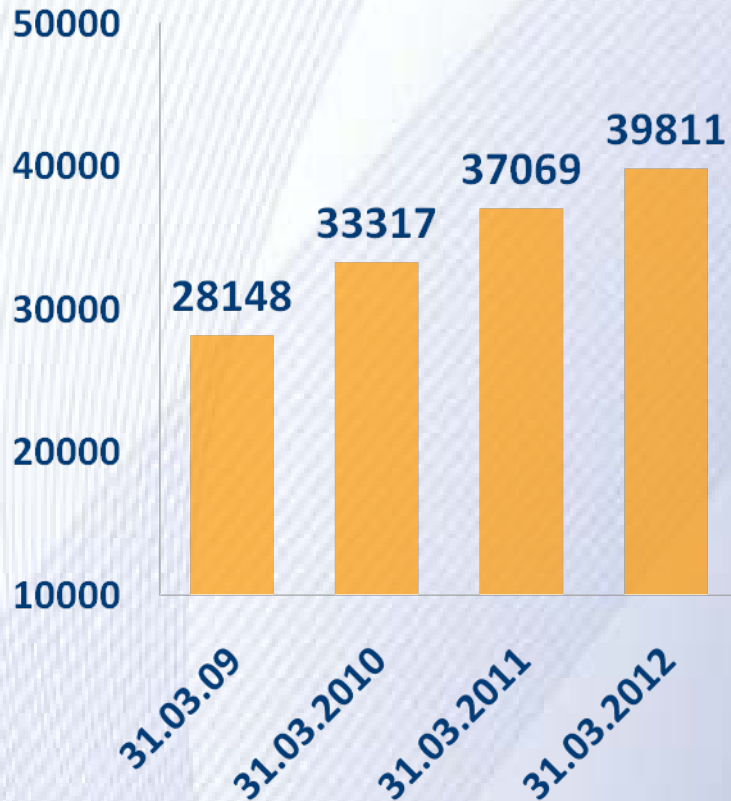
Annual PAT Performance
(Apr. - Mar.)

Q1 - FY13 vs. Q1 - FY12
(Apr. - June)

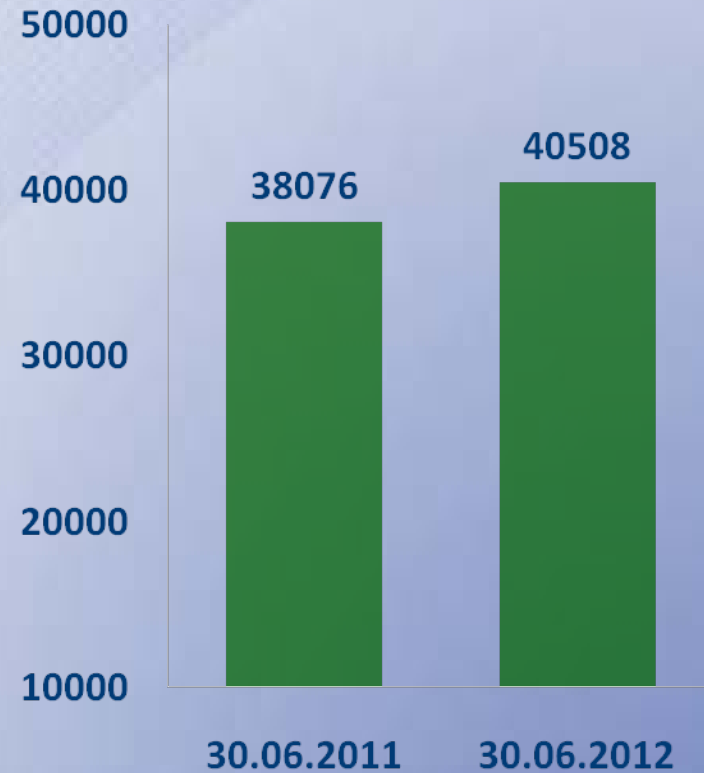


Financial Performance

Net Worth (Rs. Cr.)



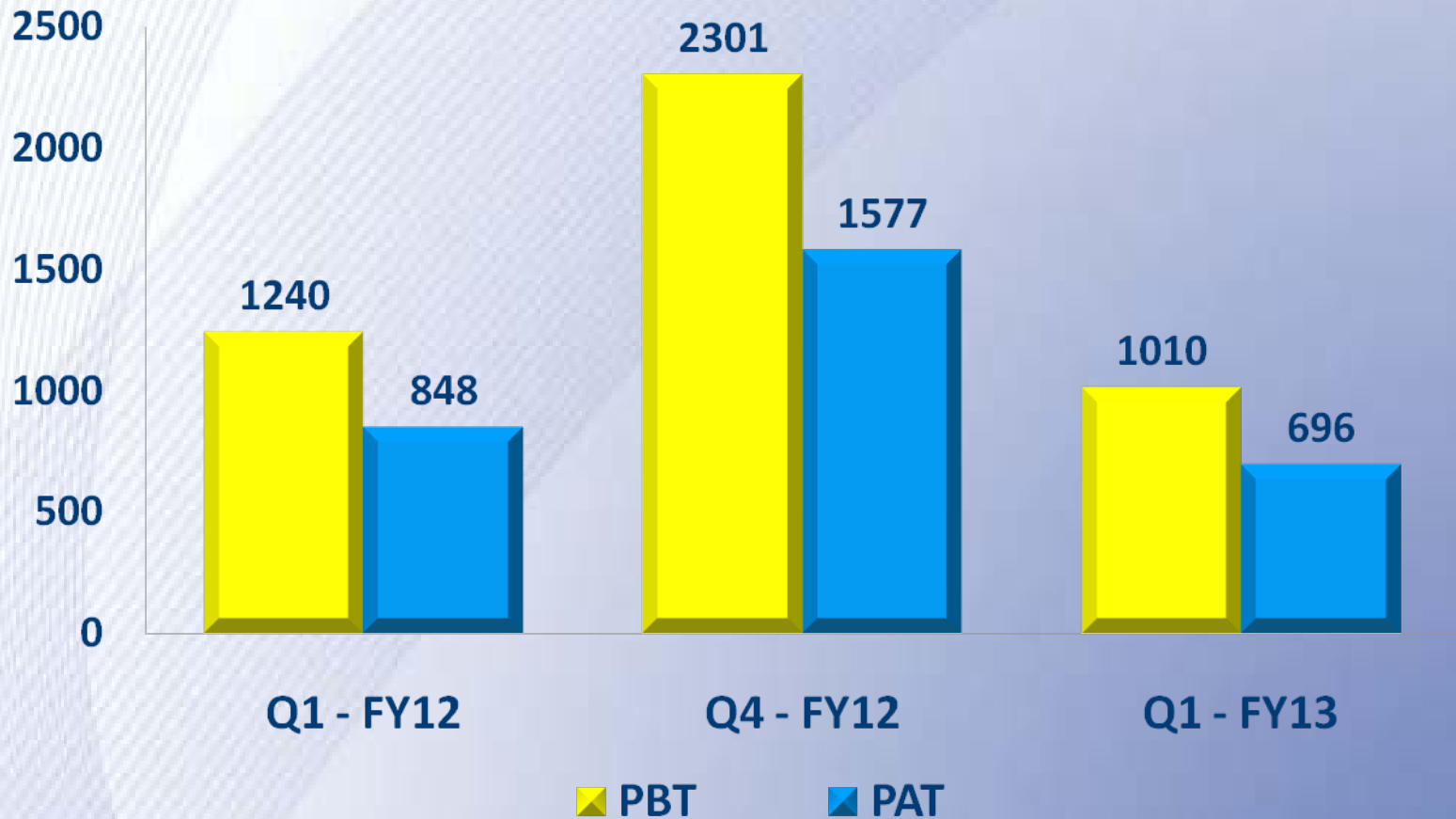
Annual Net Worth Status



Quarterly Net Worth Status

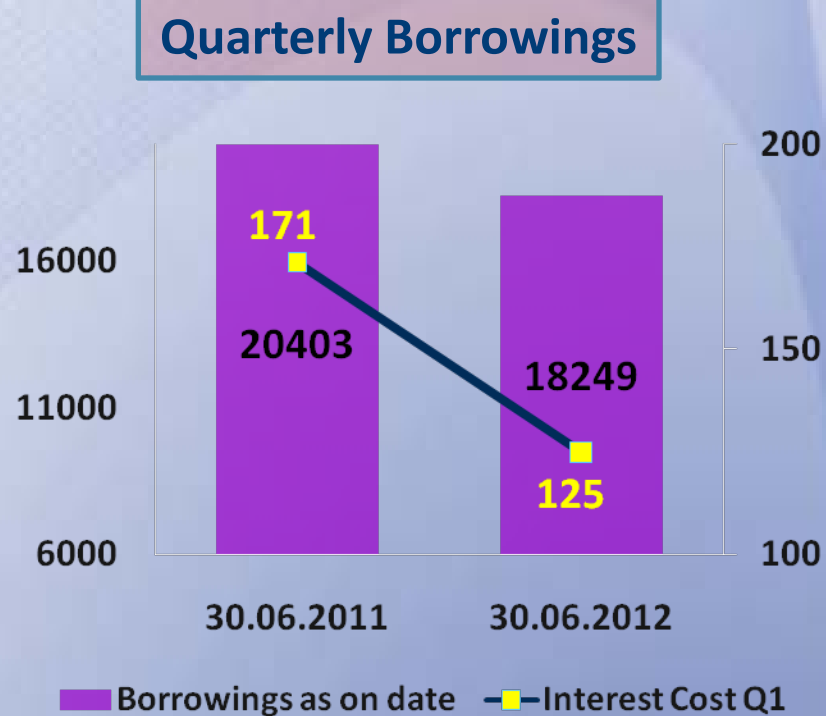
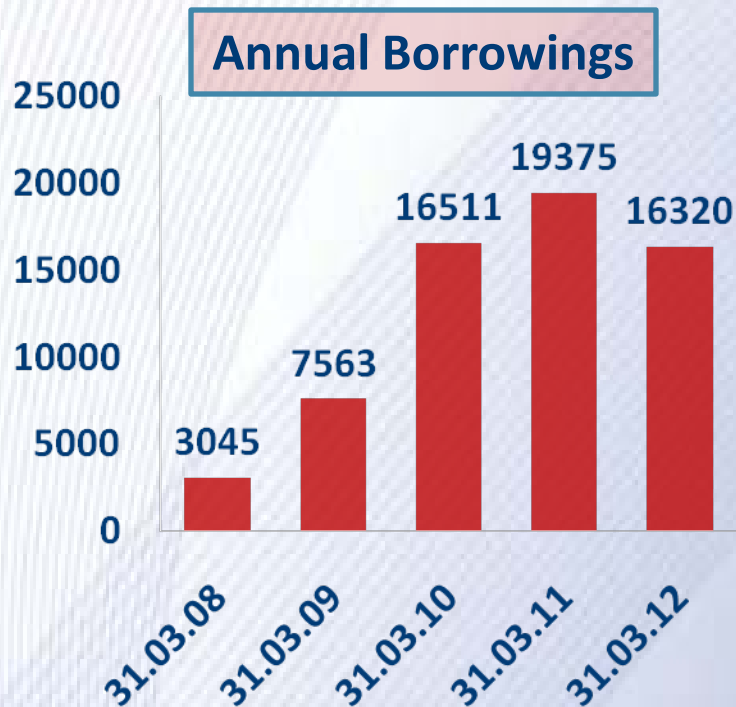
Financial Performance

Quarter - wise Profits (Rs. Crores)



Financial Performance

Borrowings (Rs. Crores)



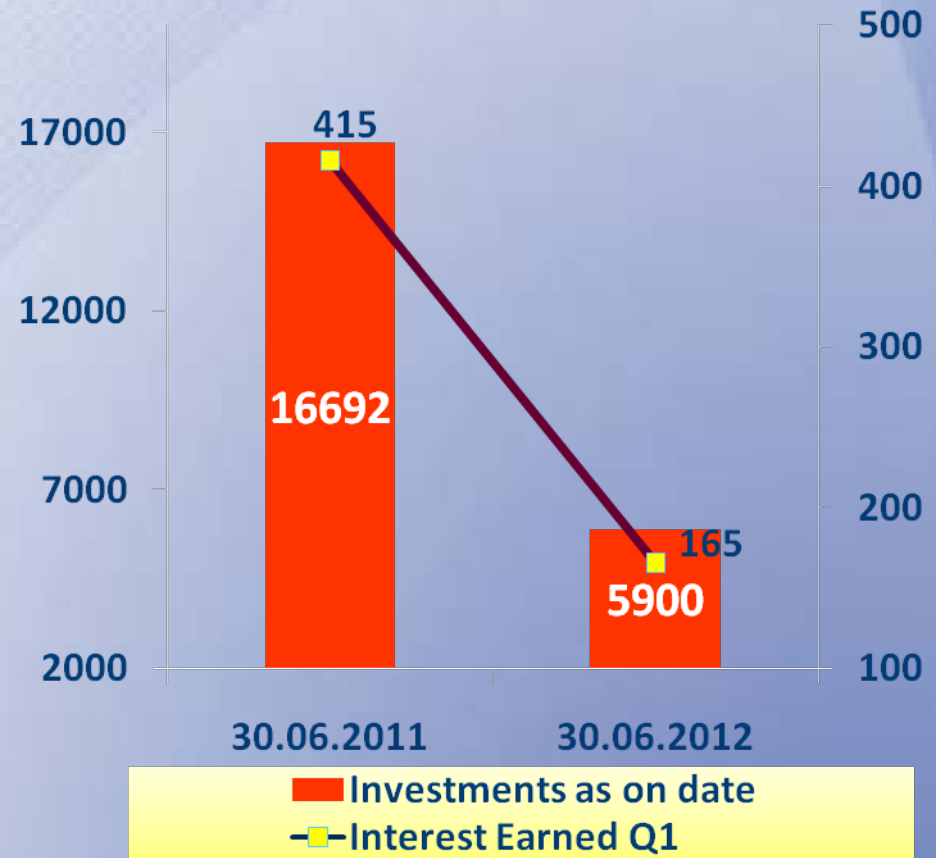
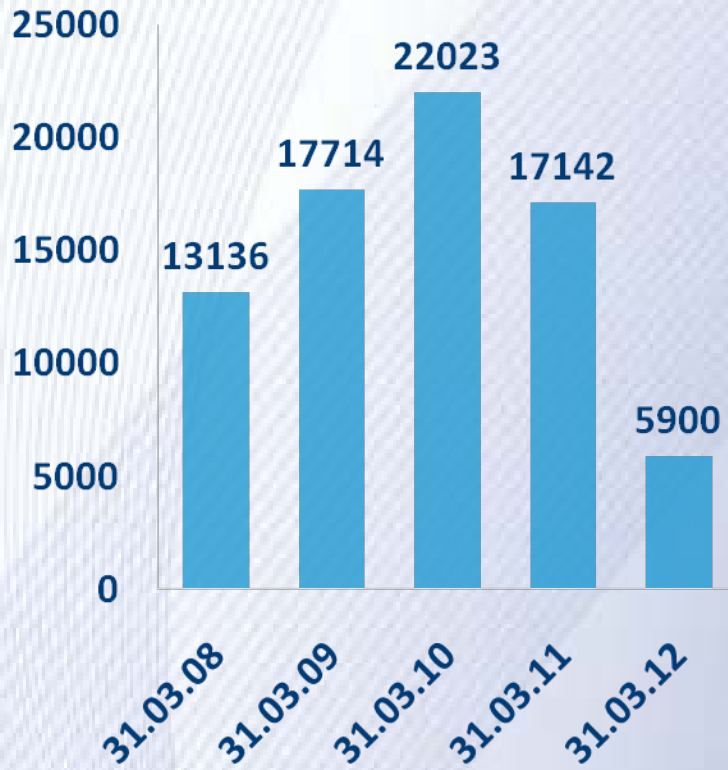
The ongoing CAPEX is being financed through Debt-Equity Ratio of 1:1

Year	31/03/2010	31/03/2011	30/09/2011	31/12/2011	31/03/2012	30/06/2012
D/E Ratio	0.50	0.52	0.61	0.52	0.41	0.45

Financial Performance

Short Term Investments in Banks

(Rs. Crores)



Performance Highlights – Q1 - FY 13

- ✓ Sales of 2.5 million tones
- ✓ Semis component 19.0 % of saleable steel
- ✓ Saleable steel production of 3.0 million tones
- ✓ Hot Metal production of 3.5 million tonnes
- ✓ Crude steel production of 3.3 million tones
- ✓ Special Steel Production - 1.2 million tones
- ✓ Production through Concast - 2.3 million tones

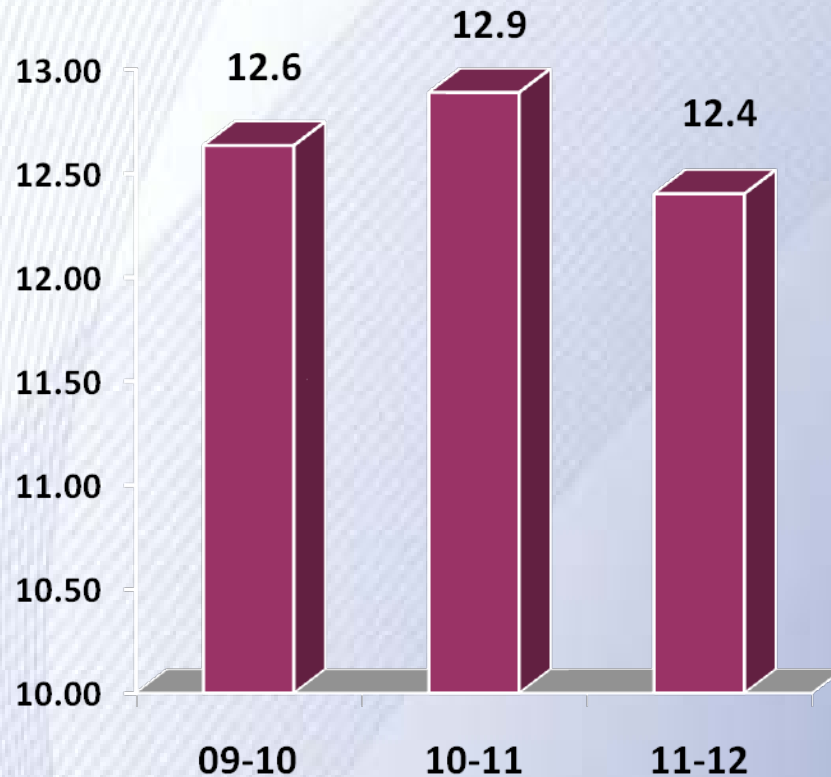
Performance Highlights – Q1 - FY 13

Major Techno Economic Parameters

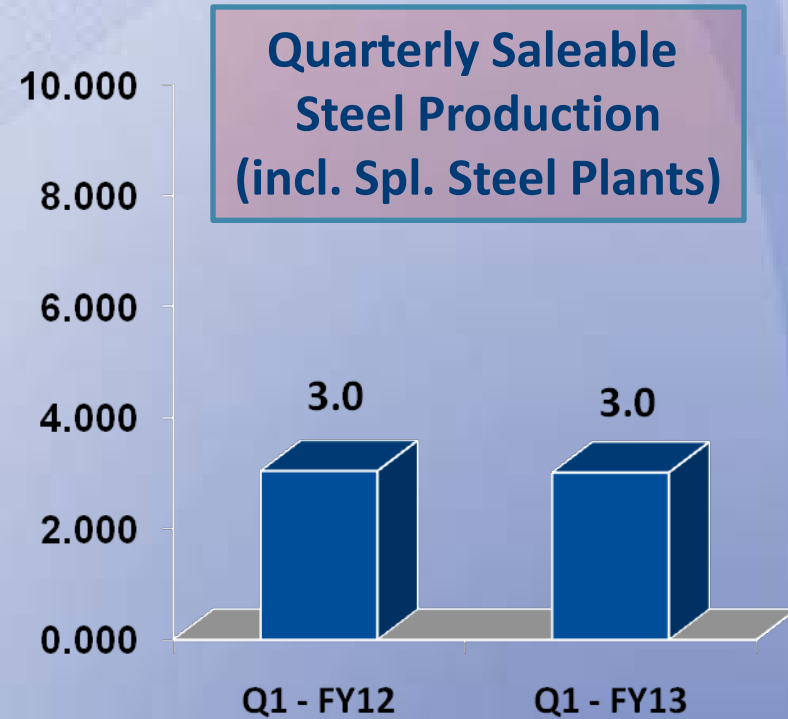
- ✓ **Coke Rate at 511 kg/T - lower by 2.0 % over CPLY**
- ✓ **Fuel Rate at 564 (kg/THM) – marginally lower over CPLY**
- ✓ **Energy Consumption 6.78 (GCal/TCS) –lower by 2.2 % over Corresponding Period Last Year.**

Production Performance

Saleable Steel (in Million Tons)



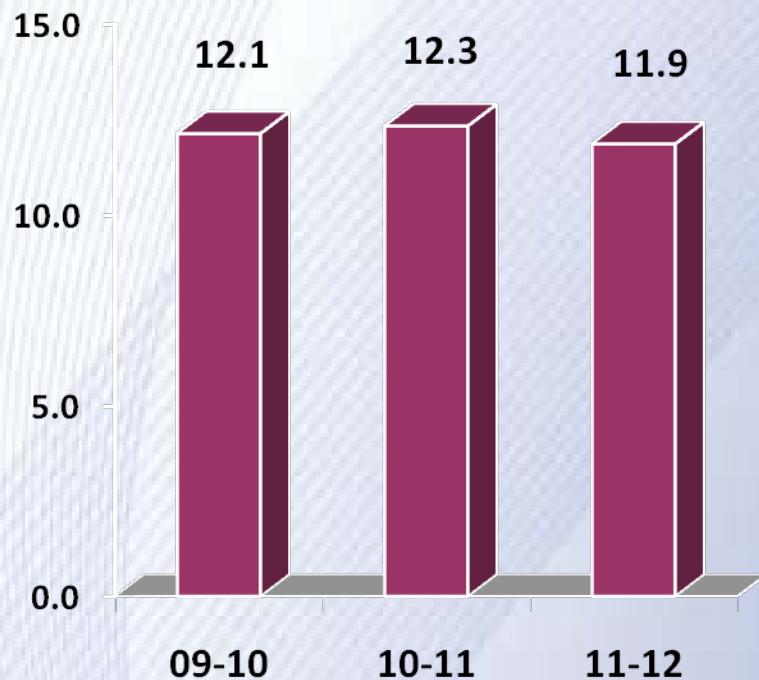
**Annual Saleable Steel Production
(incl. Spl. Steel Plants)**



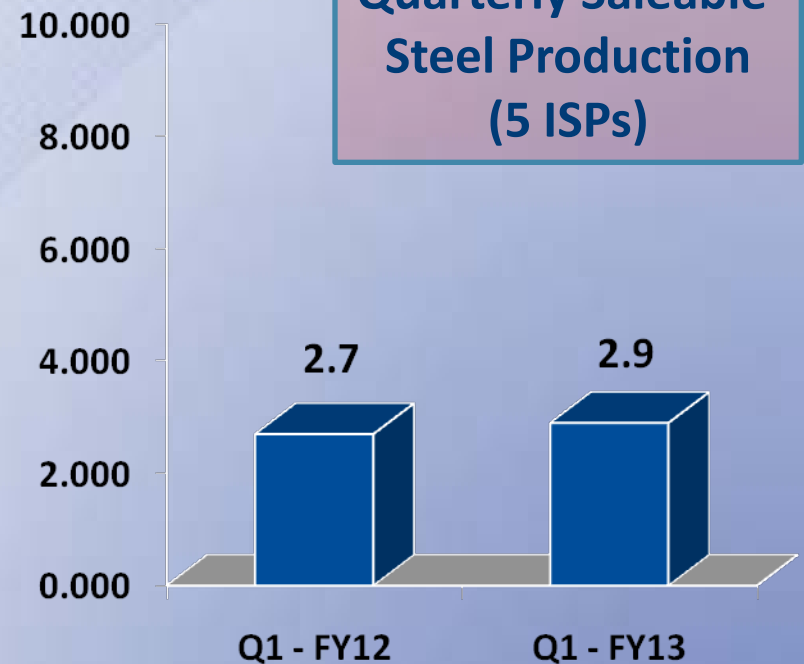
**Quarterly Saleable
Steel Production
(incl. Spl. Steel Plants)**

Production Performance

Saleable Steel from 5 ISPs (in Million Tons)



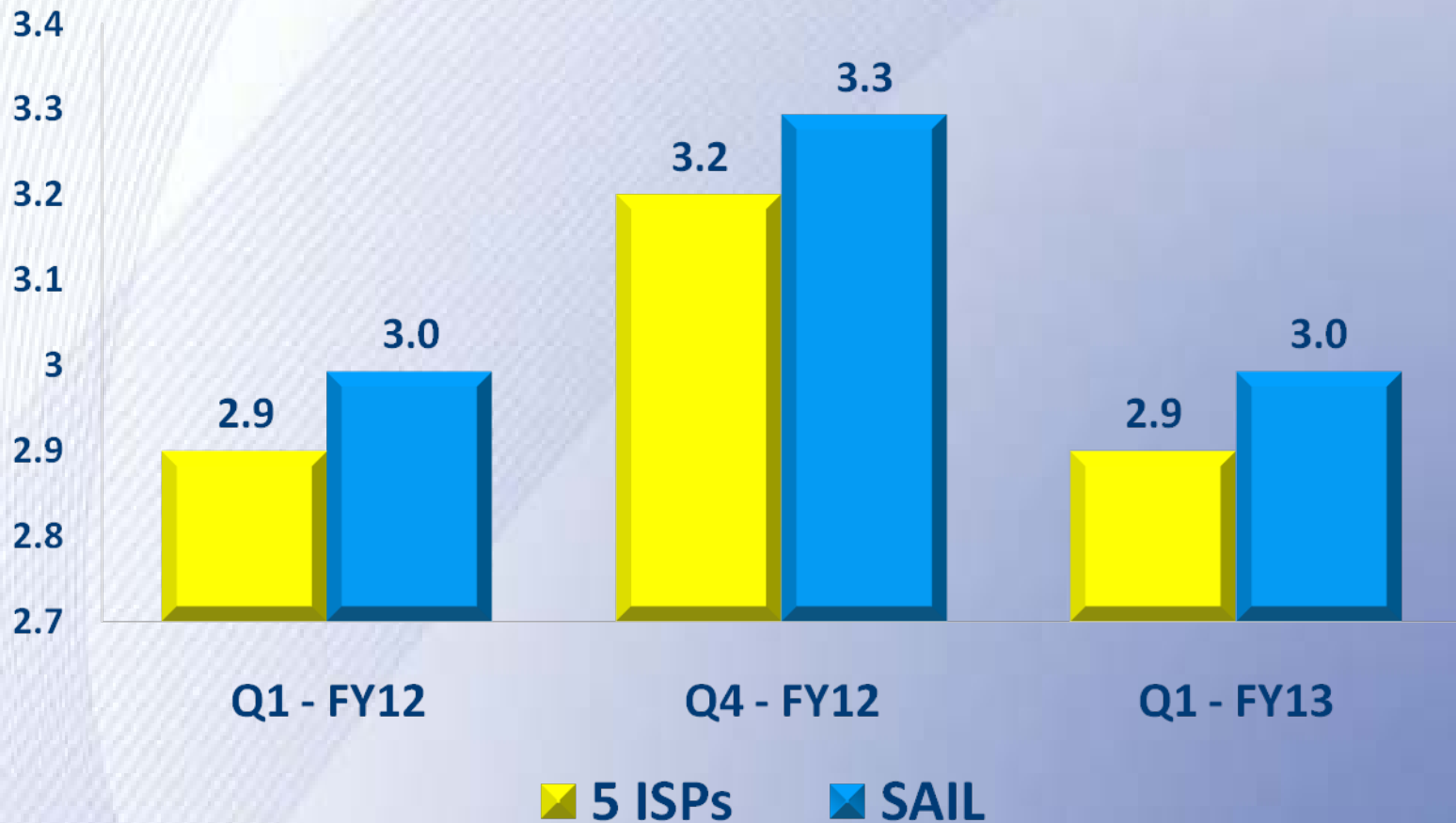
**Annual Saleable Steel Production
(5 ISPs)**



**Quarterly Saleable
Steel Production
(5 ISPs)**

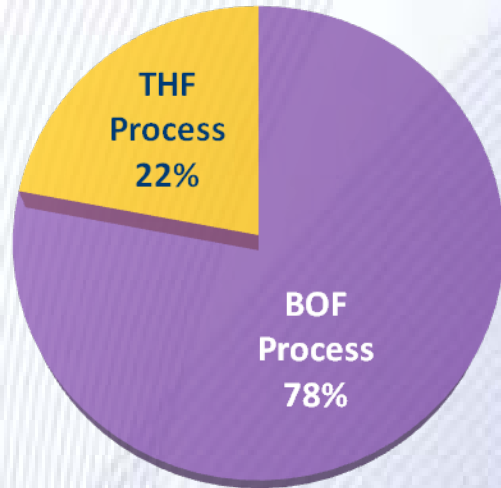
Production Performance

Quarter – wise Saleable Steel Production (in million tonnes)

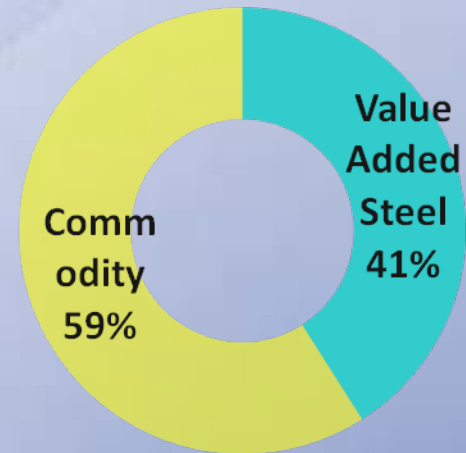


Production by Process & Sales Mix: Q1 FY13

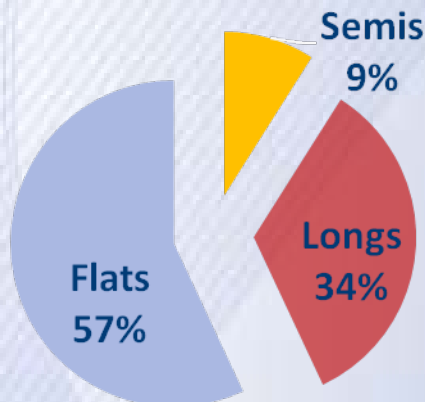
Crude Steel Production by process



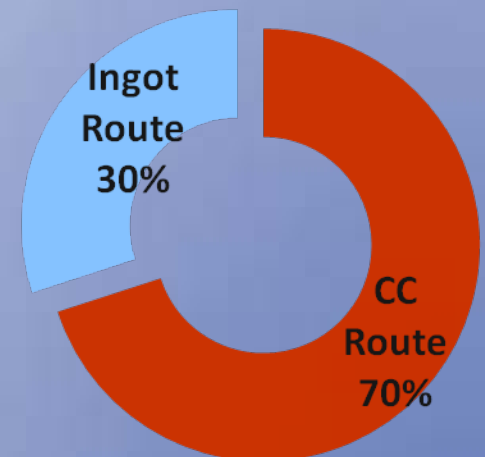
Production of Value Added Steel



Sales of Saleable Steel (5 ISPs)



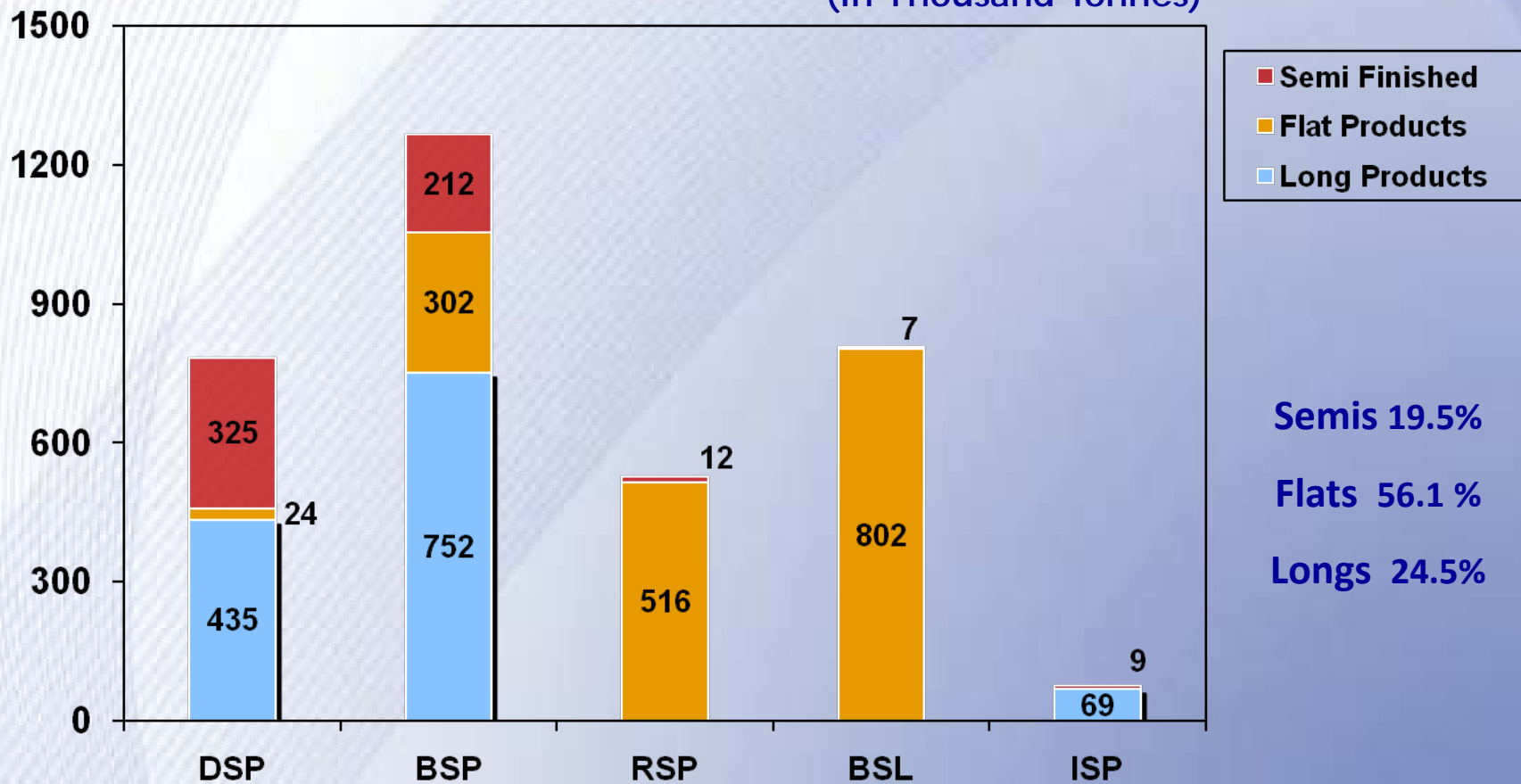
Production of Value Added Steel



Production of Salable Steel

Plant Wise Category wise

(in Thousand Tonnes)



Semis 19.5%

Flats 56.1 %

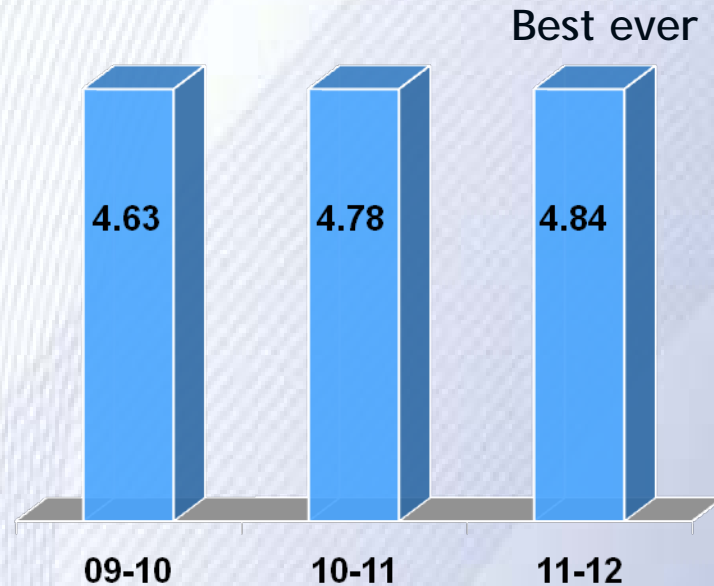
Longs 24.5%

Q1 FY 13 – 5 Integrated Steel Plants

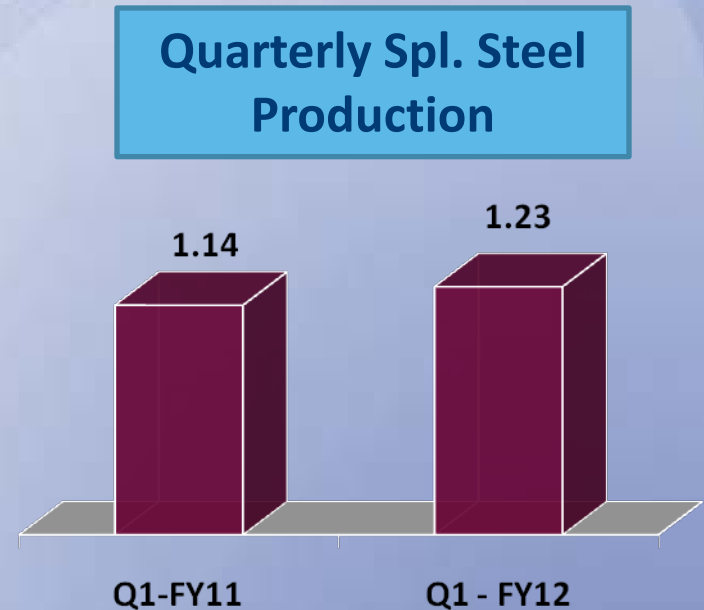
Special Steel Production

(in Million Tonnes)

Production of Value added materials



Annual Spl. Steel Production

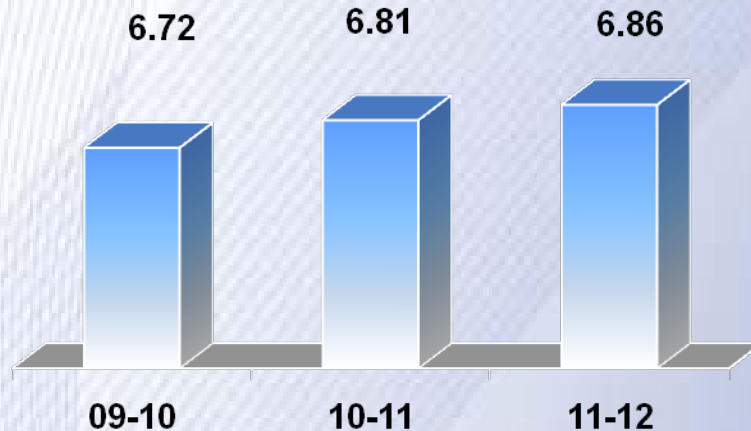


8% increase in production of Value Added Products

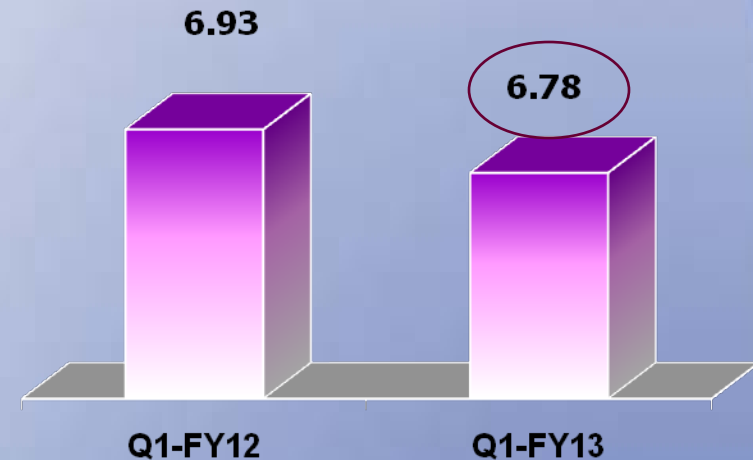
TE Parameters

Specific Energy Consumption (Gcal/TCS)

Quarterly Sp. Energy Consumption
Performance
(Apr. -June)



Annual Sp. Energy Consumption
Performance
(Apr. - Mar.)

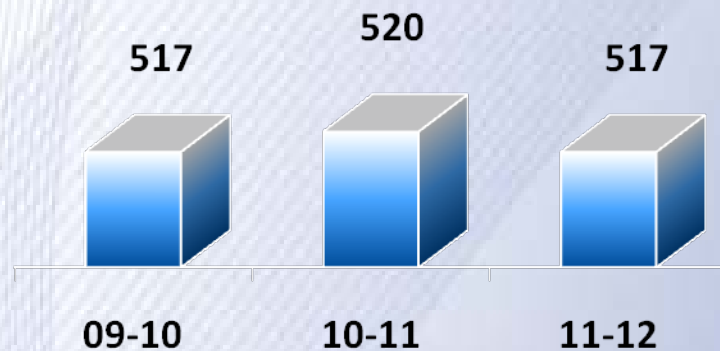


**2 % Decline in Energy
Consumption**

TE Parameters

Coke Rate (Kg/THM)

Annual Coke Rate Performance
(Apr. - Mar.)



Quarterly Coke Rate Performance
(Apr. - June)

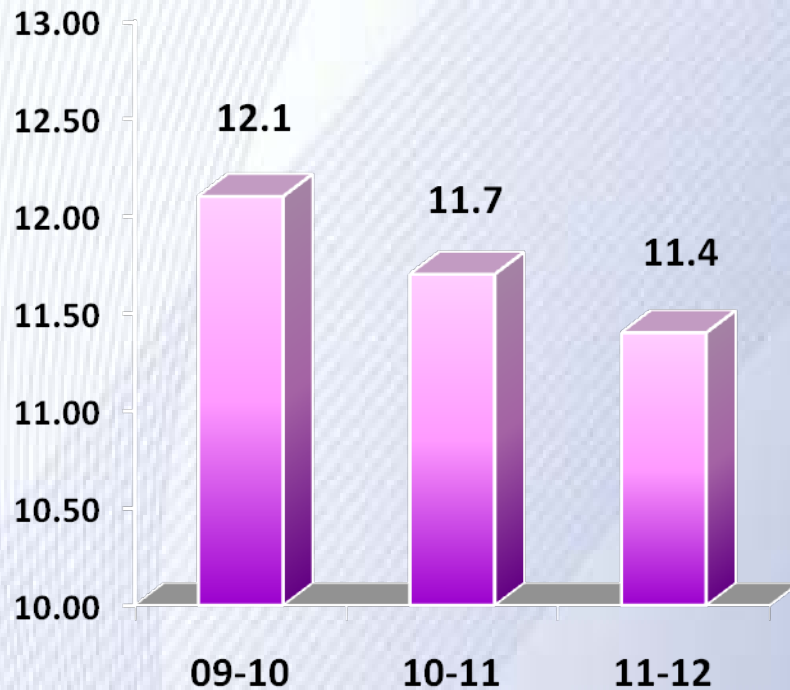


Continuous efforts to contain
coke rate

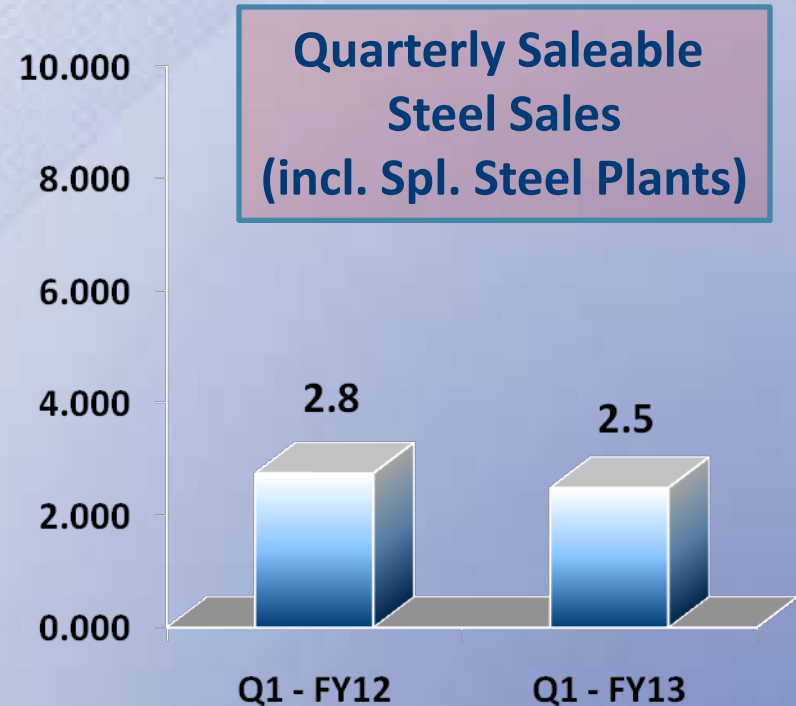
Coke Rate at 511 kg/T - lower by 2%
over CPLY

Sales Performance

Saleable Steel (in Million Tons)



**Annual Saleable Steel Sales
(incl. Spl. Steel Plants)**



**Quarterly Saleable
Steel Sales
(incl. Spl. Steel Plants)**

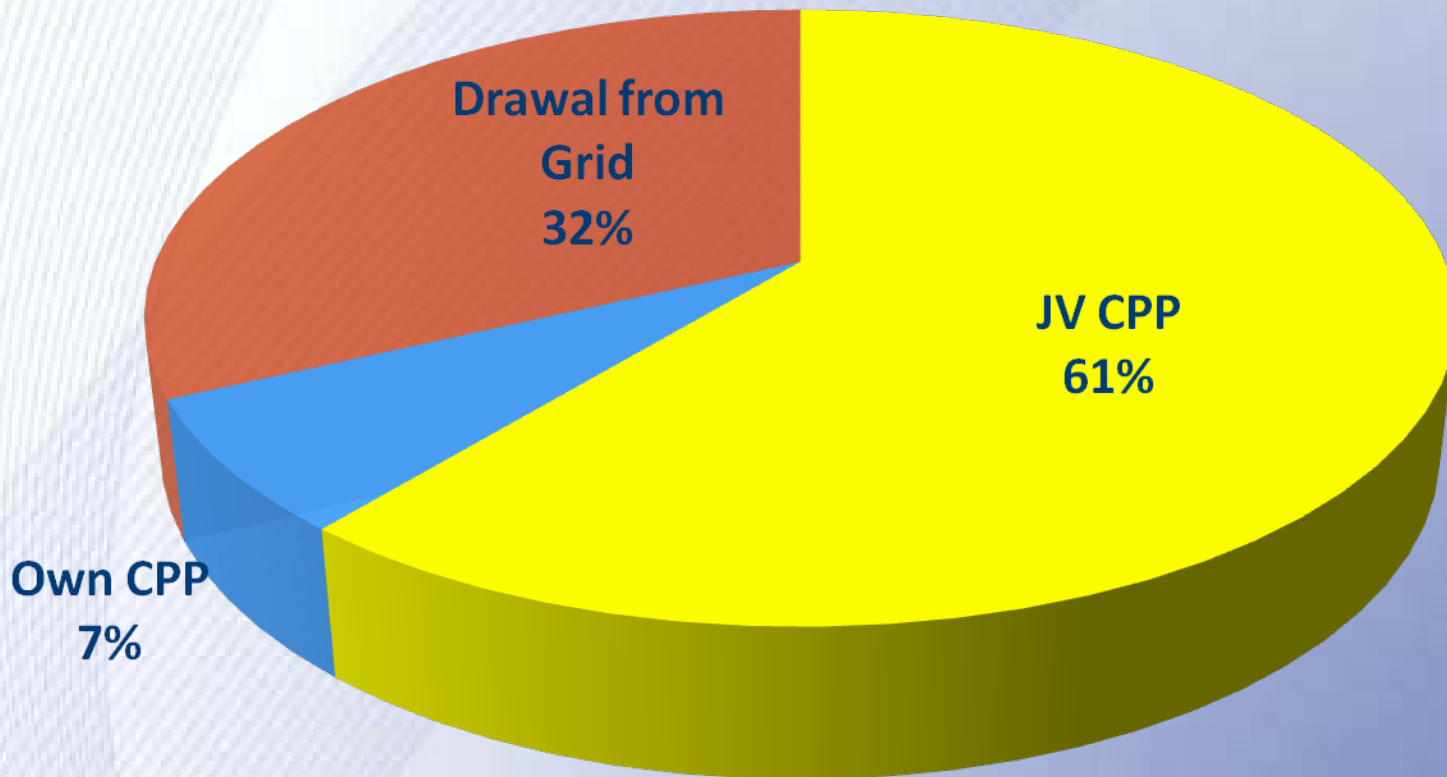
Sales through Dealer Network



Sales through Dealer Network during Q1 FY13 : 127,000 tonnes

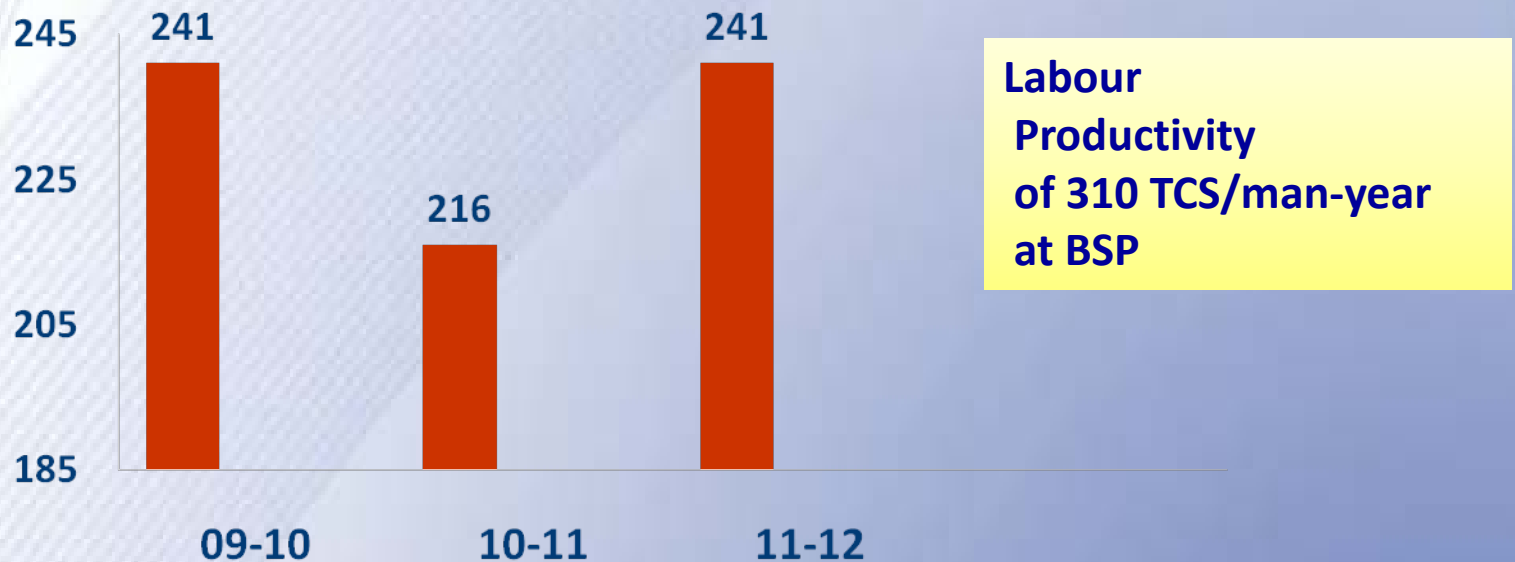
Captive Power Generation & drawal from the Grid

Q1 FY13



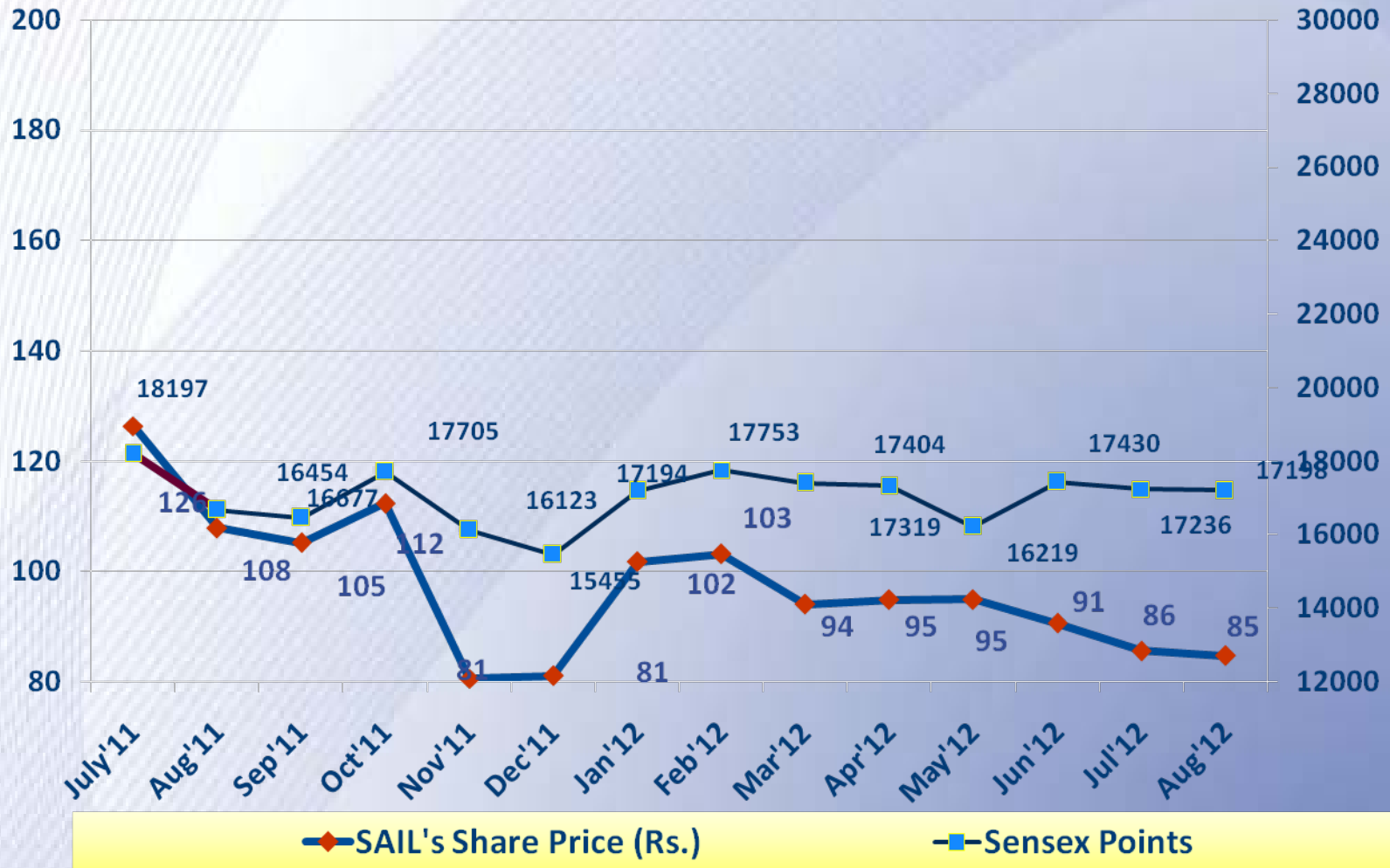
Labour Productivity

Tonnes Crude Steel /man - year



Current manpower : 1,04,419 numbers as on 01.07.2012

Performance of SAIL Share price vis-à-vis Sensex



Closing Share Price and Sensex as on the last day of the month except on 3rd Aug, 2012

EXPANSION AND MODERNISATION PLAN



SAIL's Expansion Plan

Particulars	Million Tonne	
	Actual Production 2011- 12	After Ongoing Expansion
Crude Steel	13.4	21.4
Saleable Steel	12.4	20.2

Expansion Plan : Technological Shift

Technology	Current Status	After Expansion
BOF Steel Making	78%	100%
CC Route	70%	94%
Pelletisation Plant	No	Yes
Coke Dry Quenching	No	Yes
Top Pressure Recovery Turbine	No	Yes
Auxillary Fuel Injection in BF	Partial Coverage	Full Coverage
Desulphurisation of Hot Metal	Partly	100 %
Beam Blank Casting	No	Yes
Coupled Pickling & Tandem Mill	No	Yes
Beneficiation Plant	Partial	Full

Ongoing Projects

The Expected Outcome:

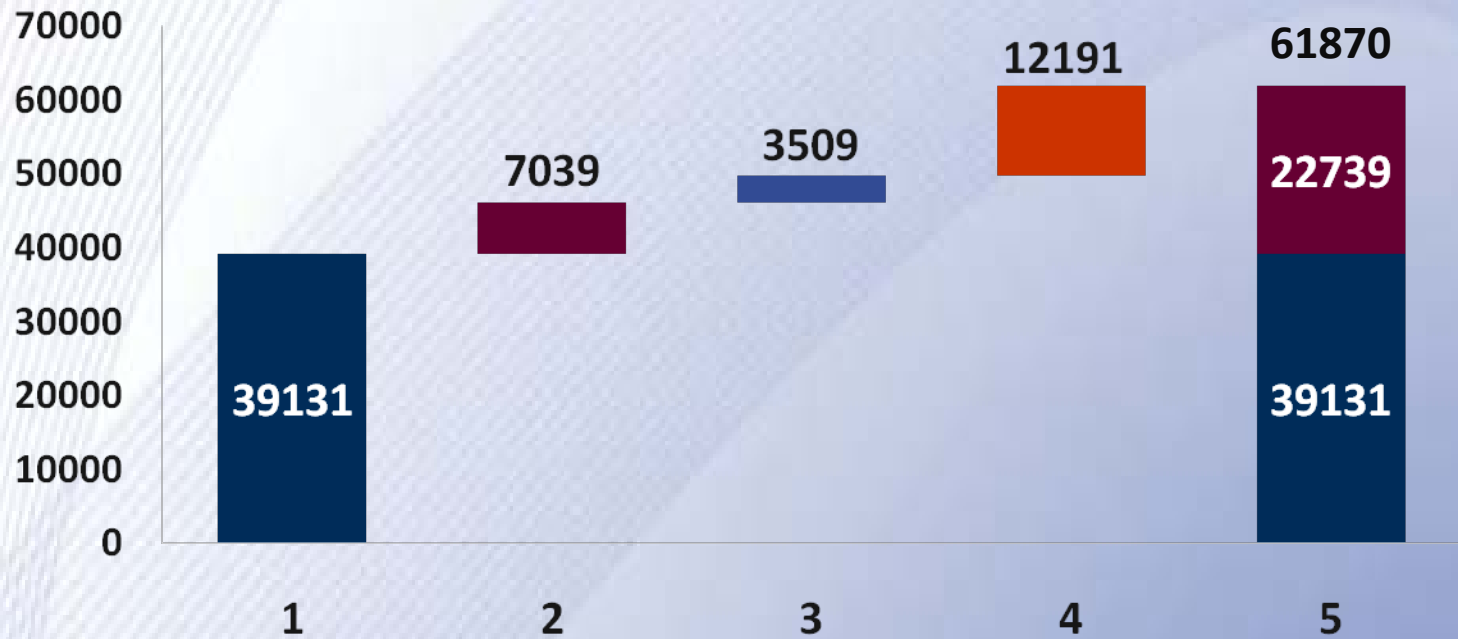
- Production through twin-hearth furnace (THF) route to be replaced by BOF-LD converter route.
- Production through Ingot – teeming route to be replaced with Continuous cast production route.
- Enhancement of Production Capacity by addition of 3 new 4060 m³ Blast Furnace.
- Increased Market Share.
- World class technology and products.
- Improved Product Mix / proportion of value added products to increase.
- Enhanced Pollution Control measures, with Environmental Conservation.

Ongoing Projects

The Products to be added:

- Auto grade CR Products, Galvanized Coils /Sheets.
- Plates / Pipes to meet up to API 100 Grade specification.
- Universal Beams/Heavy Beams to support increasing Infrastructural requirements.
- Rails for Metro – Railways and dedicated freight corridors.
- Increased production of Rails and wheels to meet the increasing requirements of Indian Railways.
- Quantum jump in Rounds and Structural production.
- Wider plates in the size of 4300 mm.

Ongoing Projects



1	Expansion of existing capacity
2	Value-addition / Product-mix improvement
3	Technological up gradation / Modernisation
4	Sustenance including de-bottlenecking, AMR & Environment
5	Total Estimated Cost

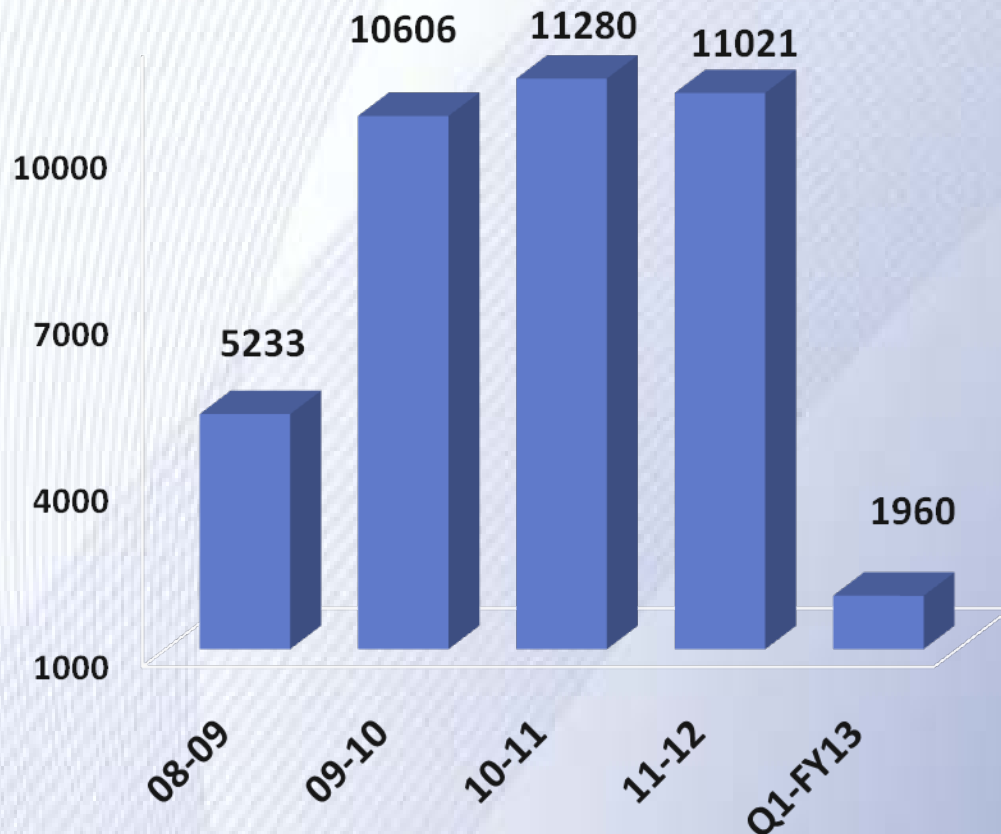
Ongoing Projects

- ✓ The ongoing expansion has been planned to achieve saleable steel production of 20.23 million tonne, at a cost of Rs. 39,131 crore (USD 7.0 billion) approximately.
- ✓ In addition, following capex has also been planned for schemes, as given hereunder:

Value Addition/ Product-mix Improvement	Rs. 7,039 crore (USD 1.3 billion)
Technological Upgradation/ Moderanisation	Rs. 3,509 crore (USD 0.6 billion)
Sustenance including debottlenecking, AMR and Environment	Rs. 12,191 crore (USD 2.2 billion)
Augmenting Raw Material from existing Mines & Development of new mines	Rs.10,264 crore (USD1.8 billion)

Capital Expenditure on Modernisation & Expansion

Unit : Rs Crore



- During FY12, an amount of Rs. 11021 crore has been spent towards capital expenditure.
- Cumulative Capex till March 2012 (11th Plan) is Rs. 40322 crore.
- Capex Plan 2012 -13 is Rs. 12000 crore, against which Rs. 1960 crore was spent till 30.06.2012.

Ongoing Projects

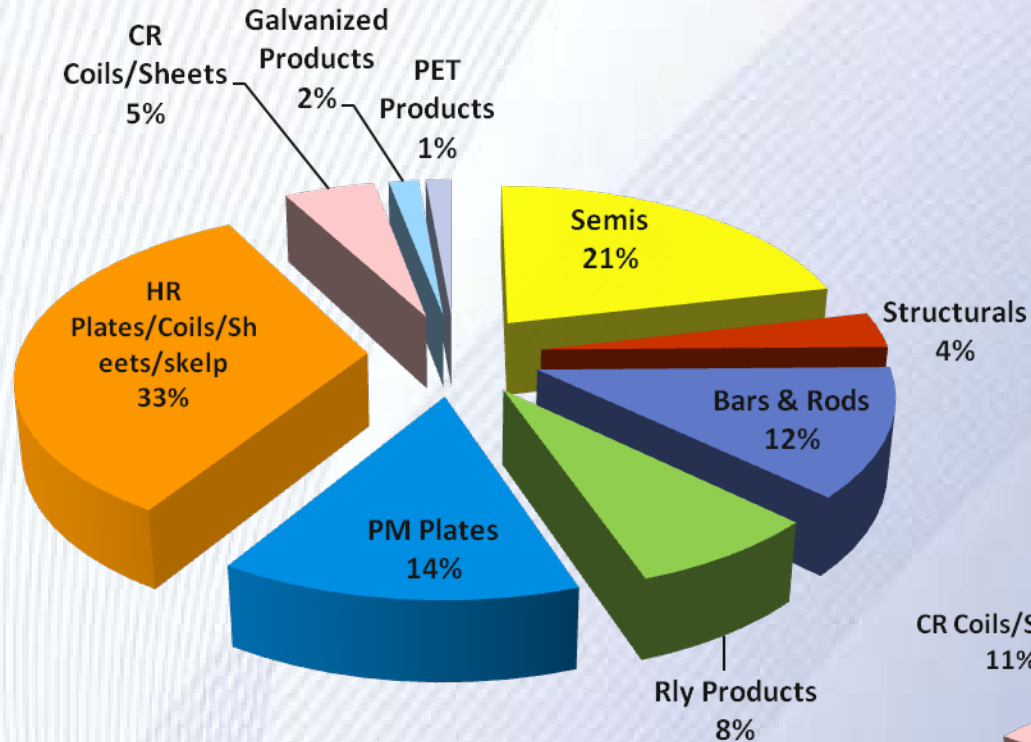
- Orders for over Rs. 57,012 crore have already been placed for various Modernisation & Expansion Projects / Sustenance Schemes.
- Various options for raising fund to finance the Capex Plan, including ECB, ECA, Domestic / International Bonds and Term Loans from Banks are being continuously explored to minimize the debt cost.

Capacity increase after Expansion

Plant	Hot Metal (MTPA)		Crude Steel (MTPA)		Saleable Steel (MTPA)	
	2011-12	After Expansion	2011-12	After Expansion	2011-12	After Expansion
BSP	5.1	7.5 (7.5)	4.9	7.0 (7.0)	4.3	6.5 (6.6)
DSP	2.1	3.5 (2.5)	1.9	3.0 (2.2)	1.8	2.8 (2.1)
RSP	2.3	4.5 (4.5)	2.2	4.2 (4.2)	2.1	4.0 (4.0)
BSL	4.0	7.4 (5.8)	3.6	7.0 (4.6)	3.3	6.5 (4.2)
ISP	0.5	2.9 (2.9)	0.3	2.5 (2.5)	0.3	2.4 (2.4)
VISL	0.1	0.3 (0.3)	0.1	0.3 (0.23)	0.1	0.2 (0.2)
ASP	-	-	0.2	0.4 (0.48)	0.2	0.4 (0.4)
SSP	-	-	0.1	0.2 (0.2)	0.3	0.3 (0.3)
TOTAL	14.1	26.2 (23.5)	13.4	24.6 (21.4)	12.4	23.1 (20.2)

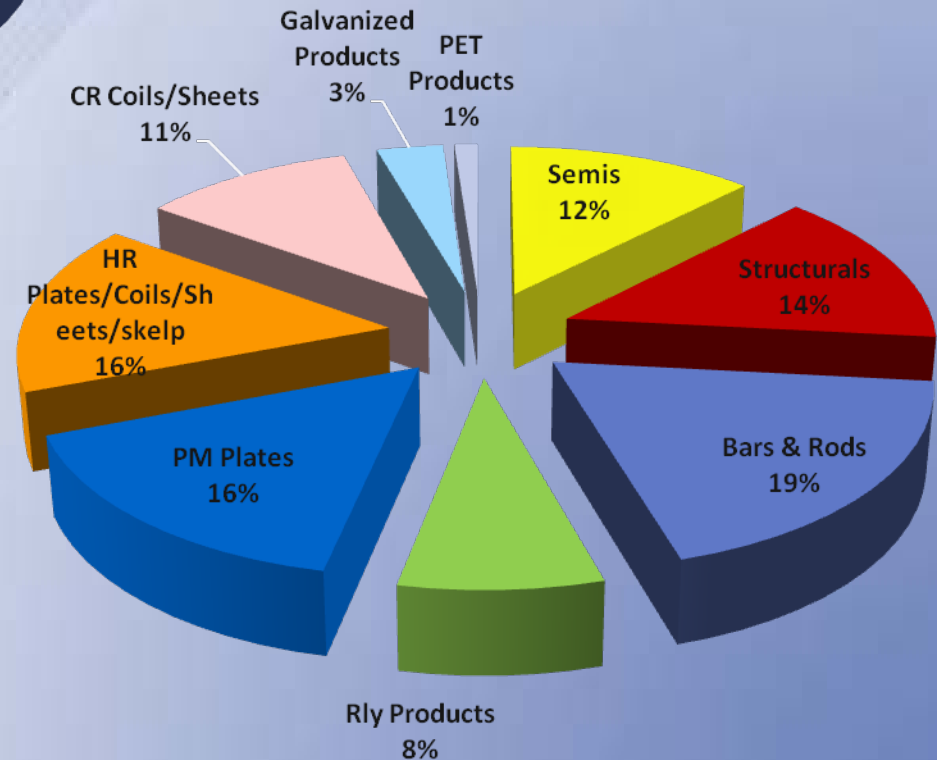
Figures in bracket indicate capacity after implementation of on going phase of modernisation and expansion

Product Mix - Saleable Steel Production



FY 12

**Post
Ongoing Expansion**



CAPEX Status for the ongoing Expansion & Modernisation as on 30.06.2012



Orders placed include Actual Expenses Incurred

Salem Steel Plant

- **Facilities being added:**
 - **Steel melting Shop – Electric Arc Furnace (55 T); AOD Converter (60 T); Ladle Furnace (60 T); Single Strand Slab Caster.**
 - **Roller Grinder for Hot Rolling Mill**
 - **Cold Rolling Mill Complex – including 20 – Hi Sendzimir Mill.**
 - **All facilities other than CRM has been commissioned.**
- **Production (MTPA) :**

Item	2011 -12 (Actual)	After Expansion
Crude Steel	0.096	0.18
Saleable Steel	0.298	0.34

IISCO Steel Plant

- **Expected Date of commissioning:** The commissioning of individual facilities has begun from May 2012. Major facilities are expected to be progressively commissioned by March 2013.
- **Facilities being added:**
 - New stream to produce 2.7 MTPA of Hot Metal, 2.5 MTPA Crude Steel.
 - Saleable Steel from both existing & new facilities: 2.39 MTPA.
 - New Coke Oven Battery, Sinter machines Blast furnace 4060 m³
 - 3 nos. of 150 T BOF Converters.
 - 2X6 Strand Billet Casters & 1X4 Strand beam Blank / Bloom Caster.
 - Heavy Section Mill (0.6 MTPA); Wire Rod (0.5 MTPA); Bar Mill (0.75 MTPA)
- **Production (MTPA) :**

Item	2011 -12 (Actual)	After Expansion
Crude Steel	0.33	2.50
Saleable Steel	0.32	2.39

Bokaro Steel Plant

- Expected Date of commissioning: October 2012 (New CRM).
- Facilities being added:
 - New Cold Rolling Mill (CRM) complex – 1.2 MTPA.
 - Re-building of 2 Coke Oven Batteries completed.
 - Capital repair of Blast Furnace #1 has commenced. Blast furnace #2 Up-gradation completed.
 - Up-gradation of Steel Melting Shop with necessary auxiliary facilities.
 - Augmentation of Raw material handling Facilities, Utilities and Services.
 - Up gradation of HSM with augmentation of Roughing facility & a new replacement Re-heating Furnace.
- Production (MTPA) :

Item	2011 -12 (Actual)	After Expansion
Crude Steel	3.65	4.61
Saleable Steel	3.33	4.18

Bhilai Steel Plant

- Expected Date of commissioning: September 2013.
- Facilities being added:
 - Phasing out of low yield & energy intensive units viz. Twin Hearth Furnace, Ingot casting, Soaking Pits and Blooming and Billet Mill.
 - New Coke Oven Battery, Sinter Plant, Blast Furnace 4060 m³.
 - New Steel Melting Shop with Secondary Refining Facilities.
 - Reduction of semis by enhancing finished steel production; broadening & value addition of product mix for higher flexibility & profitability.
 - Enhancing production of Rails to 1.5 MTPA (Class A Heavier Rails).
 - New Billet casters & Beam blank / bloom caster.
 - Universal Rail Mill; Bar & Rod Mill.
 - Augmentation of existing auxilliary & service facilities.
- Production (MTPA) :

Item	2011 -12 (Actual)	After Expansion
Crude Steel	4.90	7.0
Saleable Steel	4.29	6.56

Rourkela Steel Plant

- Expected Date of commissioning: March 2013.
- Facilities being added:
 - New Coke Oven Battery, Sinter Plant, Blast Furnace 4060 m³.
 - New 3rd BOF (150 T), LF, RH-OB.
 - New 3rd Single Strand Slab Caster with balancing facilities for operation and increased production in SMS - II.
 - New 4.3 meter Wide Plate Mill (0.9 MTPA).
 - New Oxygen Plant on BOO basis.
 - Augmentation of Raw material handling Facilities, to double the capacity of OBBP.
- Production (MTPA) :

Item	2011 -12 (Actual)	After Expansion
Crude Steel	2.17	4.2
Saleable Steel	2.08	3.99

Durgapur Steel Plant

- Expected Date of commissioning: March 2013.
- Facilities being added:
 - Rebuilding of Coke Oven Battery.
 - Bloom – cum-round Caster 1X4 (0.75 mtpa).
 - New Medium Structural Mill (1.0 mtpa).
 - New Oxygen Plant on BOO basis.
 - Up gradation of Raw material handling Facilities.
- Production (MTPA) :

Item	2011 -12 (Actual)	After Expansion
Crude Steel	1.91	2.20
Saleable Steel	1.84	2.12

Dividend

(amt. in Rs. Crores)

	Interim %	Final %	Total %	Dividend	Dividend Tax
2011-12*	12%	8*	20%	826	134
2010-11	12%	12%	24%	992	162
2009-10	16%	17%	33%	1363	228
2008-09	13%	13%	26%	1074	181
2007-08	19%	18%	37%	1528	259
2006-07	16%	15%	31%	1280	197

* Proposed Final Dividend for FY 12

Raw Materials

Year	Hot Metal (mtpa)	Iron Ore Consumption (mtpa)	Linkages of Iron Ore
2011-12	14.1	22.0	Existing Mines
Post Expansion	23.46	39	<p>The capacity of existing mines at Kiriburu, Meghataburu, Bolani, Gua & Barsua are being ramped up to meet the requirement of Iron Ore for post ongoing phase of expansion.</p> <p>Two new Pellet Plants (One of 4 mtpa capacity at Gua & another of 1 mtpa capacity at Dalli) have been planned for better utilisation of Iron Ore Fines.</p> <p>In addition to the above, iron ore shall be mined from new mines at Rowghat, Chiria and Taldih.</p>

Raw Materials

Mine	Existing Capacity (mtpa)	Capacity after ongoing expansion (mtpa)	Remarks
Kiriburu	4.3	5.5	Capacity of Existing mines is being ramped up to meet the requirement of the ongoing expansion plan. The entire requirement of the increased capacity shall be met through captive mines.
Meghataburu	4.3	6.5	
Bolani	4.1	10.0	
Gua	2.4	10.0	
New Pellet Plants	New	5.0	The timeline for mines expansion is expected to be in line with Steel Plants expansion. New Pellet Plant shall use the existing reserve of fines at captive mines.
Barsua, Kalta, Taldih	3.3	6.5	Environment clearance received from MOEF
Rowghat	New	12.0	All statutory clearances have been received.
Chiria	1.5	7.45	Stage-I Forest Clearance has been obtained

Raw Materials

Year	Hot Metal (mtpa)	Coking Coal Requirement (mtpa)	Linkages of Coking Coal
2011-12	14.1	12.6	<ul style="list-style-type: none"> • Import Component – 70% • Over 90% of imported coal is sourced from Australia. • Indigenous: 30% • Domestic coal is largely sourced from Coal India Ltd. <p>SAIL has existing captive coking coal production of nearly 0.5 mtpa.</p>
Post Expansion	23.46	21.0	<ul style="list-style-type: none"> • Long term / Quarterly contracts to cover 95% of Import requirements, w.e.f. FY 11 • Tasra captive coal block is being developed to produce 4 mtpa of ROM (2 mtpa washed coal) • Sitanala coal block shall also be developed for production of 0.30 mtpa of ROM (0.20 mtpa of washed coal) • New alliances / linkages / acquisitions are being explored

JVs and New Strategic Initiatives

- SAIL and M/s. Kobe Steel, Japan (KSL) have initiated discussions for preparation of Detailed Project Report for setting up ITmk3 based Iron Nugget Plant at ASP, Durgapur. A new Joint Venture company “ SAIL-Kobe Iron India Private Limited”, has been incorporated in May 2011.
- SAIL and POSCO entered into a MoU on 27th Aug 2009 for Finex technology based steel plant and cold rolled non-oriented steel (CRNO) plant. DPR for SAIL-POSO project is ready. The framework for JV is under finalisation.
- SAIL led consortium of 7 Public and Private sector companies, AFISCO (Afghan Iron and Steel Consortium) have been selected as “Preferred Bidder” for blocks B,C and D of the Hajigak Iron ore mines. Discussions are on between SAIL led Consortium and Govt. of Afghanistan for finalising Hajigak Mining Contract.

JVs and New Strategic Initiatives

- The refractory unit of Burn Standard Company Limited (BSCL) has been acquired by SAIL Refractory Company Limited (SRCL), a wholly owned subsidiary of SAIL, on 16th December 2011.
- Cabinet committee on economic affairs has approved revival of Sindri unit of Fertiliser Corporation of India Limited (FCIL) and selected SAIL and National Fertiliser Limited(NFL) on nomination basis.
 - A new SPV company SAIL-Sindri Projects Limited has been incorporated in Nov. 2011.
- SAIL has signed a joint venture agreement with Burn Standard Company Limited (BSCL) for setting up a wagon components manufacturing facility at the premises of BSCL at Jellingham, West Bengal with a capacity to produce 10,000 bogies and 10,000 couplers per annum

Awards and Accolades

- Raw Materials Division bagged “No Fatal Accident in Collieries/Mines” Award, from Joint Committee on Safety, Health & Environment (JCSSI).
- SCOPE Meritorious Award – 2010-11 for “Corporate Governance” has been conferred upon SAIL. Chairman SAIL received the award from Her Excellency Smt. Pratibha Patil, President of India, on 13th April’2012 at Vigyan Bhawan in New Delhi.
- Durgapur Steel Plant won Greentech Safety Award 2012 - Gold Category in Metal & Mining Sector for promoting safety at the workplaces.
- Alloy Steels Plant received Ispat Suraksha Puraskar, JCSSI for no fatalities for two consecutive years.
- SAIL has been chosen as a ‘POWERBRAND 2012’ by the Indian Consumer.



Abbreviations used

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

Abbreviations used

✓	Kg/thm	Kilo Gram Per Tonne of Hot Metal
✓	MEL	Maharashtra Elektrosmelt Limited
✓	MT	Million Tonne
✓	Mtpa/MTPA	Million Tonne Per Annum
✓	PAT	Profit After Tax
✓	PBT	Profit Before Tax
✓	RSP	Rourkela Steel Plant
✓	SSP	Salem Steel Plant
✓	VISL	Visvesvaraya Iron & Steel Plant

Disclaimer

Statements / Data which do not relate to SAIL and are used / made in this presentation are from sources which are considered reliable and Company cannot be held for its authenticity.

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.