STEEL AUTHORITY OF INDIA LIMITED

PERFORMANCE HIGHLIGHTS

Q2 FY15

Financial Highlights
H1 FY 14 vs. H1 FY 15

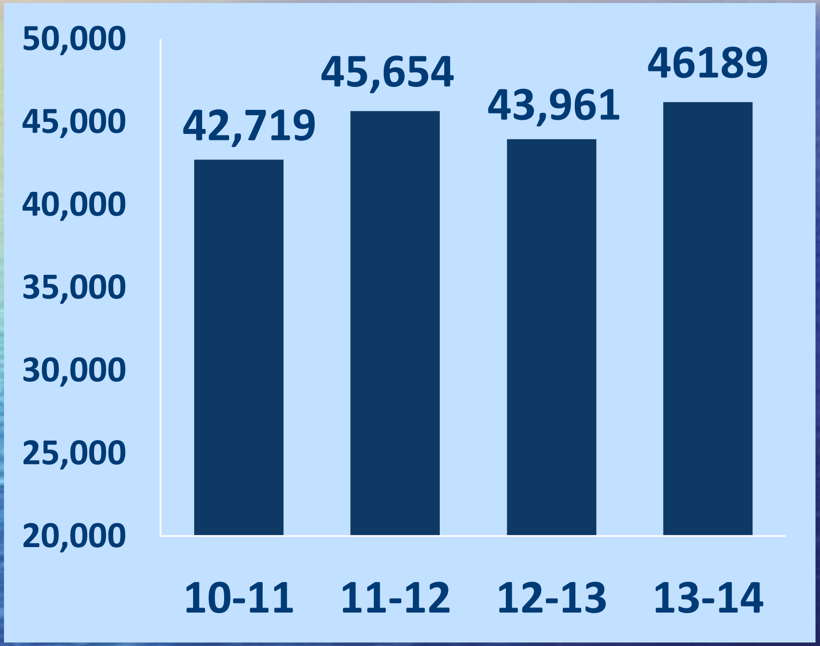
Amount in Rs. crore

Particulars	H1 FY 14	H1 FY 15	Increase/ Decrease	% change
Gross Sales	24163	25449	1286	5.3%
EBIDTA	2057	2824	767	37.3%
PBT*	1913	1364	-549	-28.7%
PAT*	1631	1179	-452	-27.7%

*PBT and PAT for H1 FY 14 included the exceptional Income of Rs.1,056 crore.

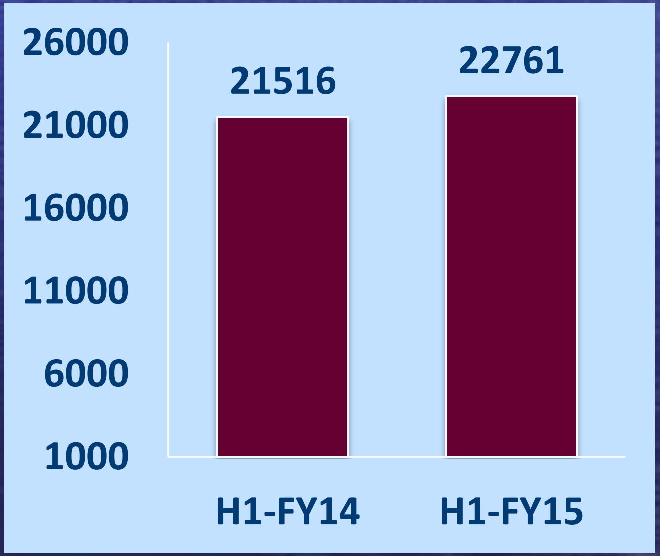
Financial Performance

Net Sales (Rs. cr.)



Annual Net Sales Performance
(Apr. - Mar.)

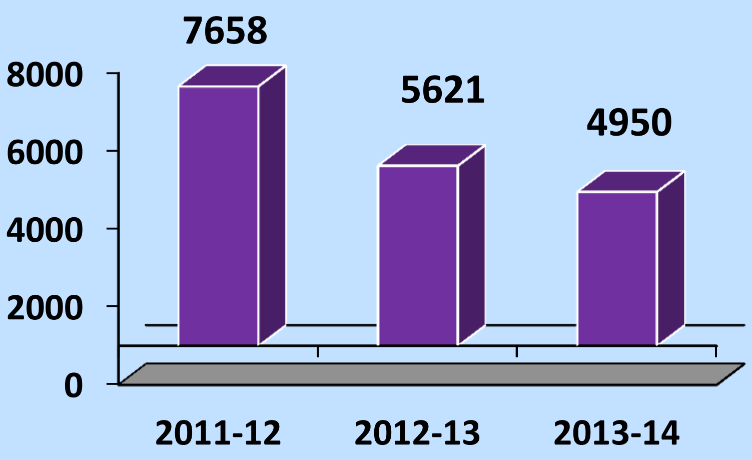
H1 FY14 vs. H1 FY15



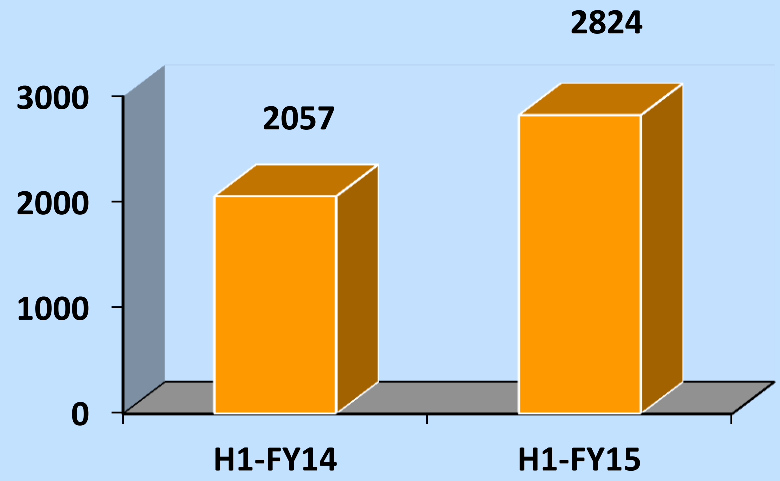
Earning Before Interest Depreciation and Tax (EBIDTA)

Unit : Rs crore

Annual EBIDTA Performance (Apr. - Mar.)



H1 - FY14 vs. H1 - FY15

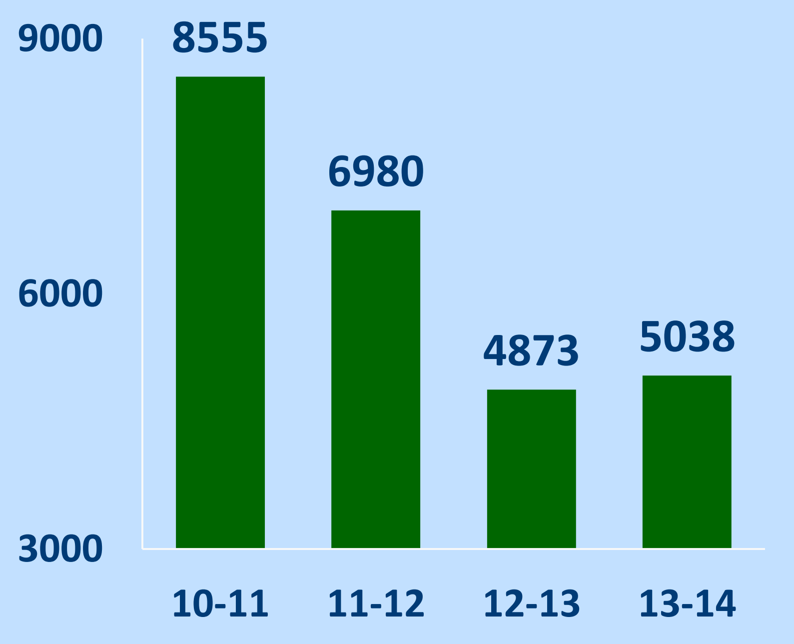


Financial Performance

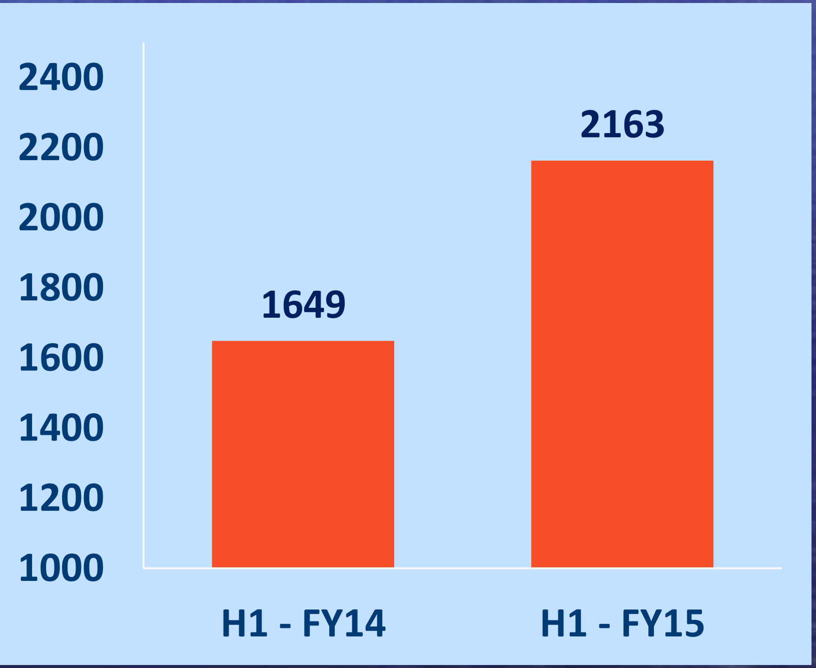
Cash Profit

Unit : Rs crore

Annual Cash Profit Performance (Apr. - Mar.)



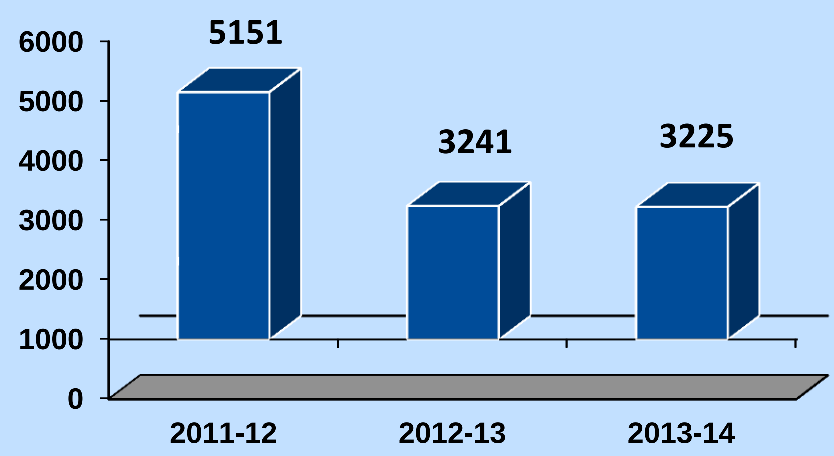
H1- FY14 vs. H1- FY15



Cash Profit for H1 FY 14 is without considering the exceptional item of Rs.1,056 crore (Income).

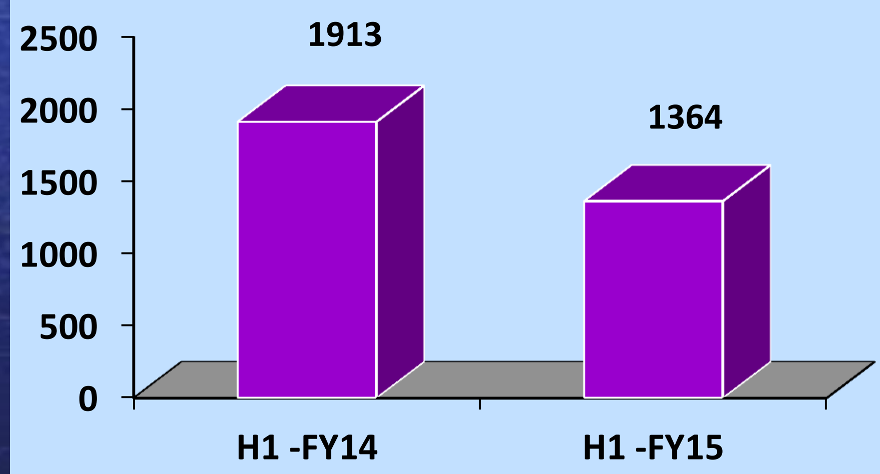
Financial Performance

PBT (Rs. cr.)



Annual PBT Performance
(Apr. - Mar.)

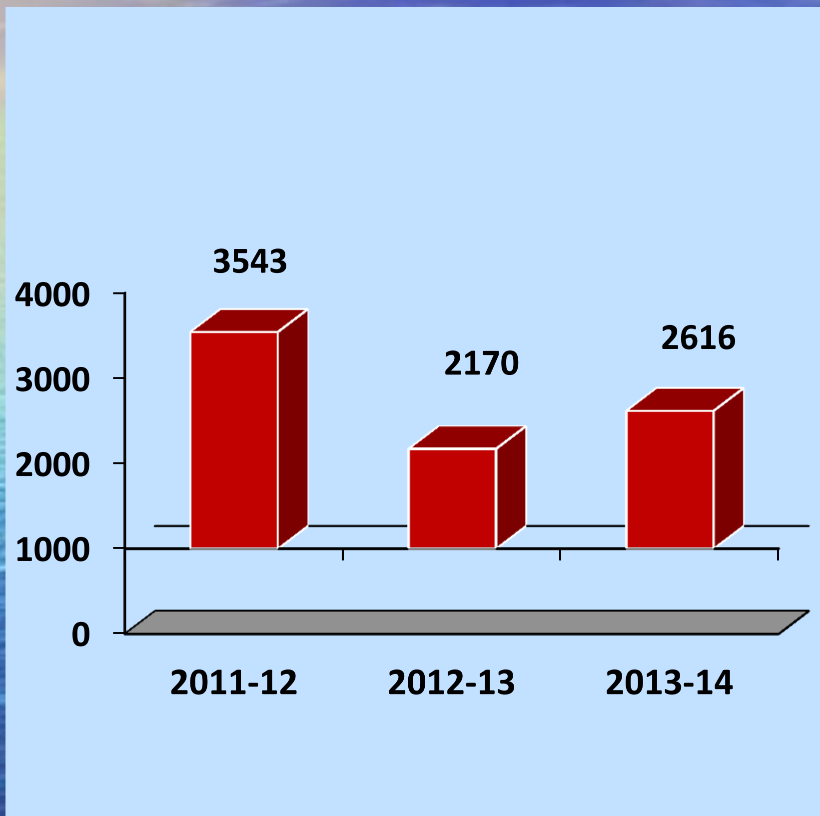
H1 - FY14 vs. H1 - FY15



PBT for H1 FY 14 included the exceptional Income of Rs.1,056 crore.

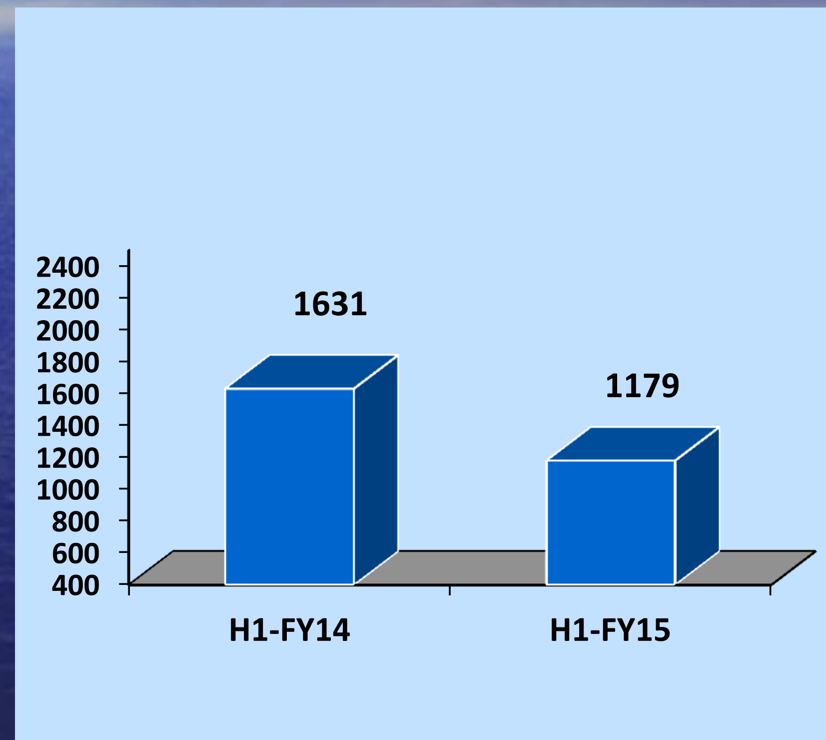
Financial Performance

PAT (Rs. cr.)



Annual PAT Performance
(Apr. - Mar.)

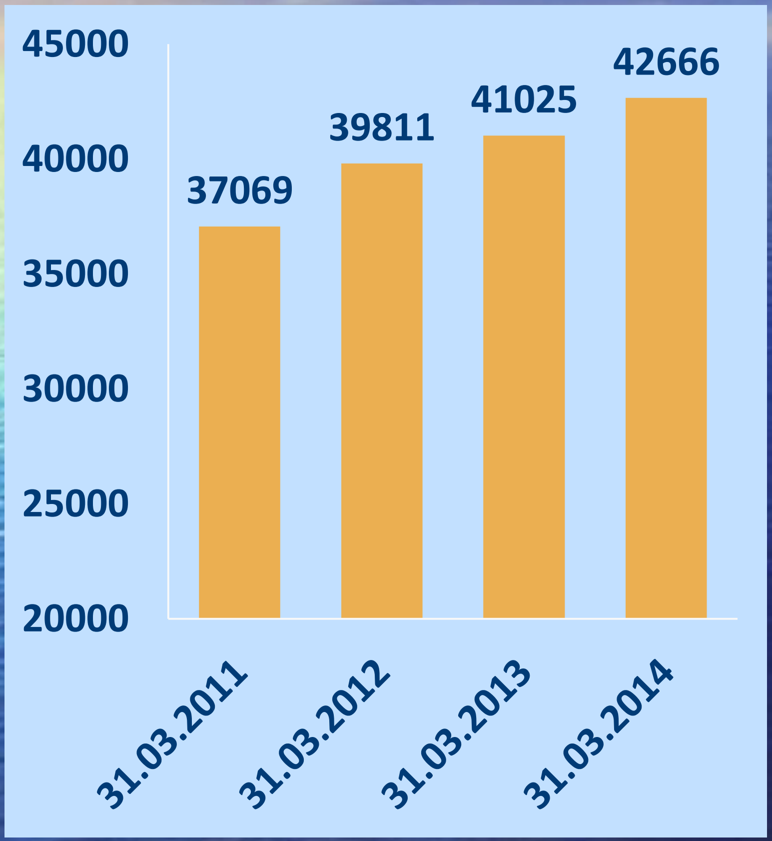
H1 - FY14 vs. H1 - FY15



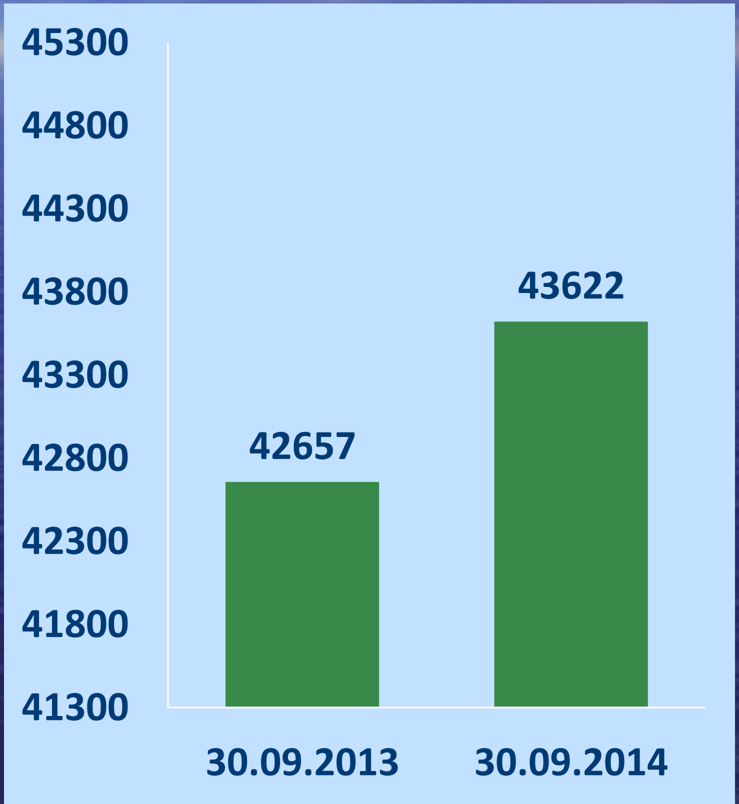
PAT for H1 FY 14 included the exceptional Income of Rs.1,056 crore.

Financial Performance

Net Worth (Rs. cr.)



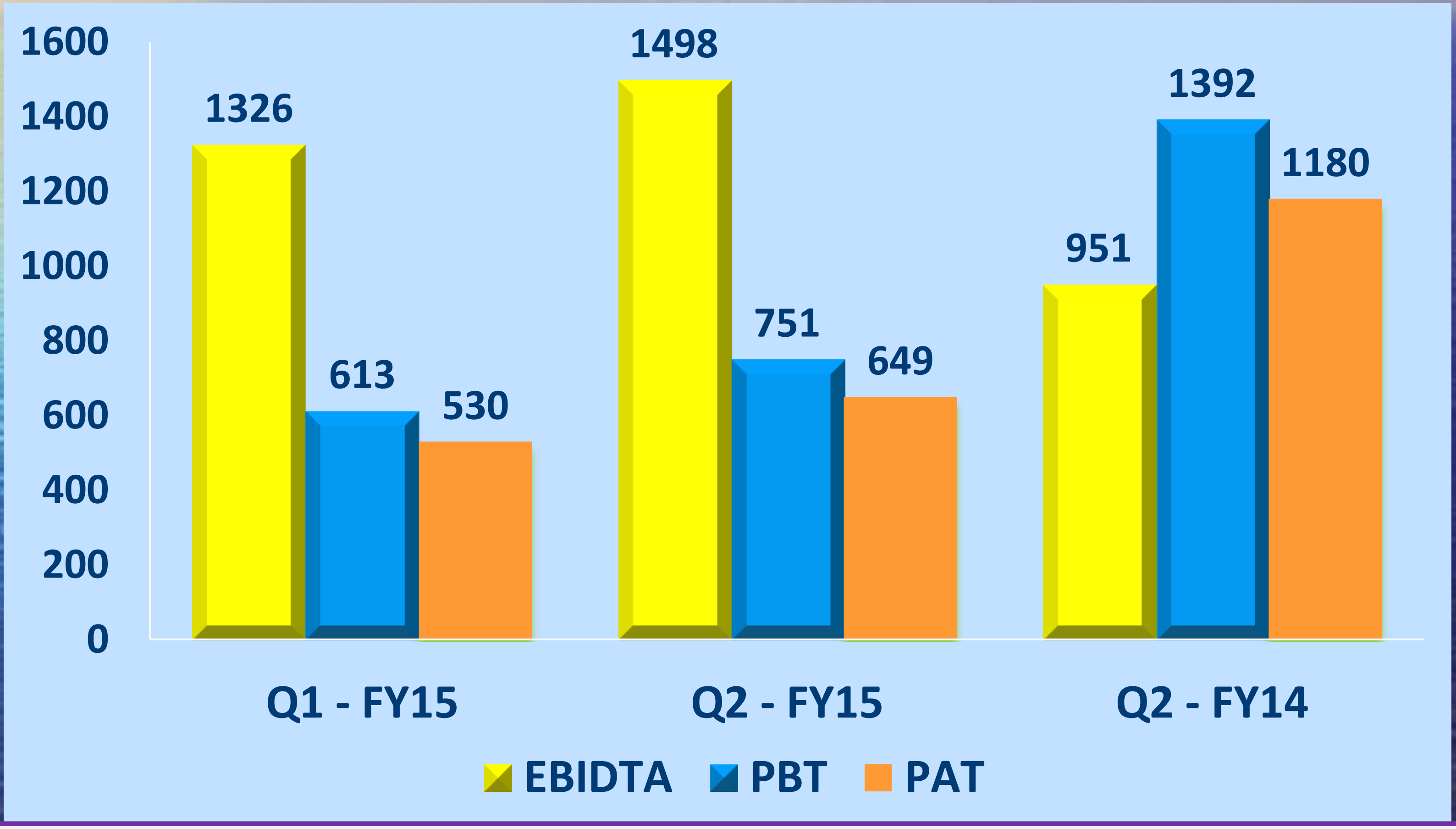
Net Worth Value - Annual



Net Worth –change Over H1 FY 14

Financial Performance

Quarter - wise Profits (Rs. crore)

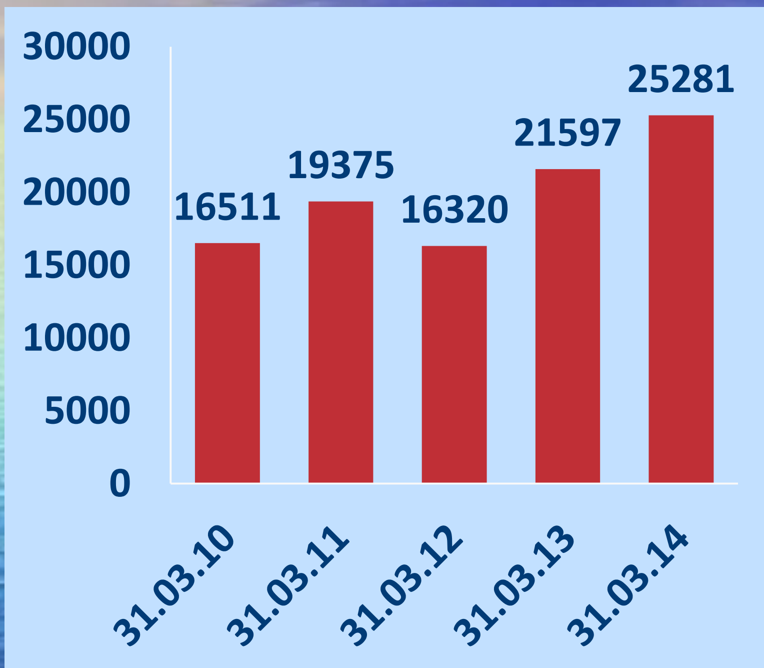


*PBT and PAT for Q2 FY 14 included the exceptional Income of Rs.1,056 crore.

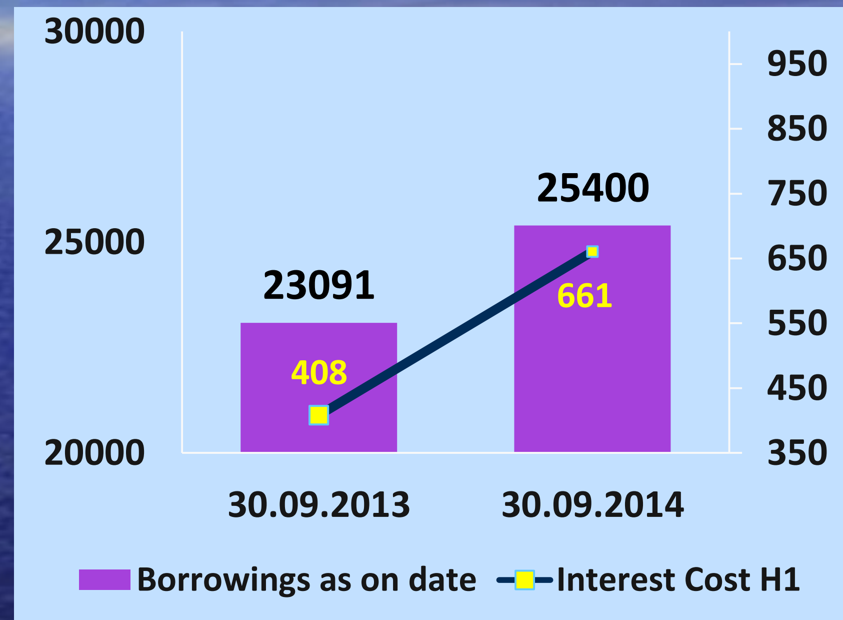
Financial Performance

Borrowings (Rs. crore)

Annual Borrowings



Borrowings and Interest Cost



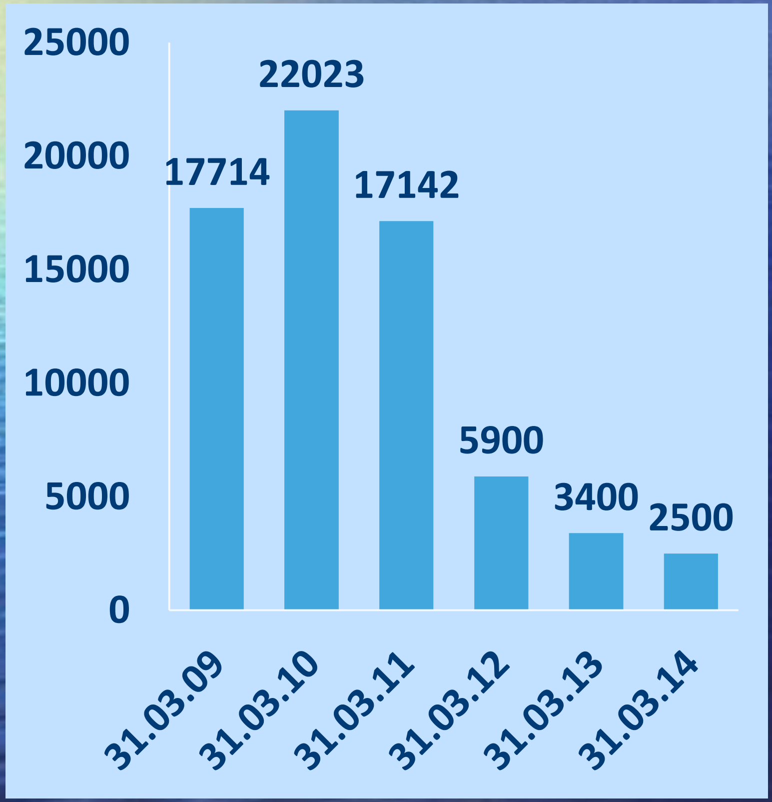
The ongoing CAPEX is being financed through Debt-Equity Ratio of 1:1

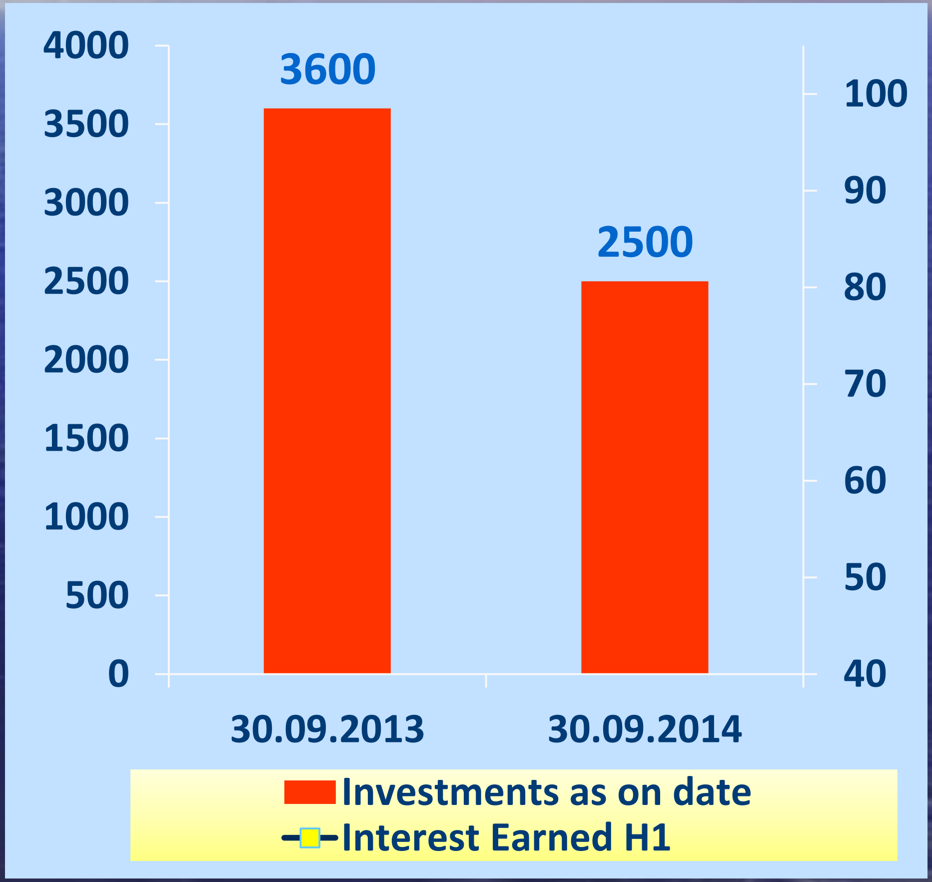
Year	31/03/2011	31/03/2012	31/03/2013	31/03/2014	30/09/2014
D/E Ratio	0.52	0.41	0.53	0.59	0.58

Financial Performance

Short Term Investments in Banks

(Rs. crore)





Performance Highlights 2013-14

- Saleable Steel Production of 12.88 million tonne
- Crude steel production of 13.58 million tonne
- Hot Metal production of 14.45 million tonne
- Semis component in Production 22% of saleable steel
- Saleable Steel Sales of 12.07 million tonne
- Special Steel Production of 5.33 million tonne
- Production through Concast route of 9.77 million tonne

Performance Highlights H1 FY 15

- Saleable Steel Production of 6.22 million tonne
- Crude steel production of 6.69 million tonne
- Hot Metal production of 7.30 million tonne
- Semis component in Production 23% of saleable steel
- Saleable Steel Sales of 5.69 million tonne
- Special Steel Production of 2.62 million tonne
- Production through Concast route of 4.99 million tonne

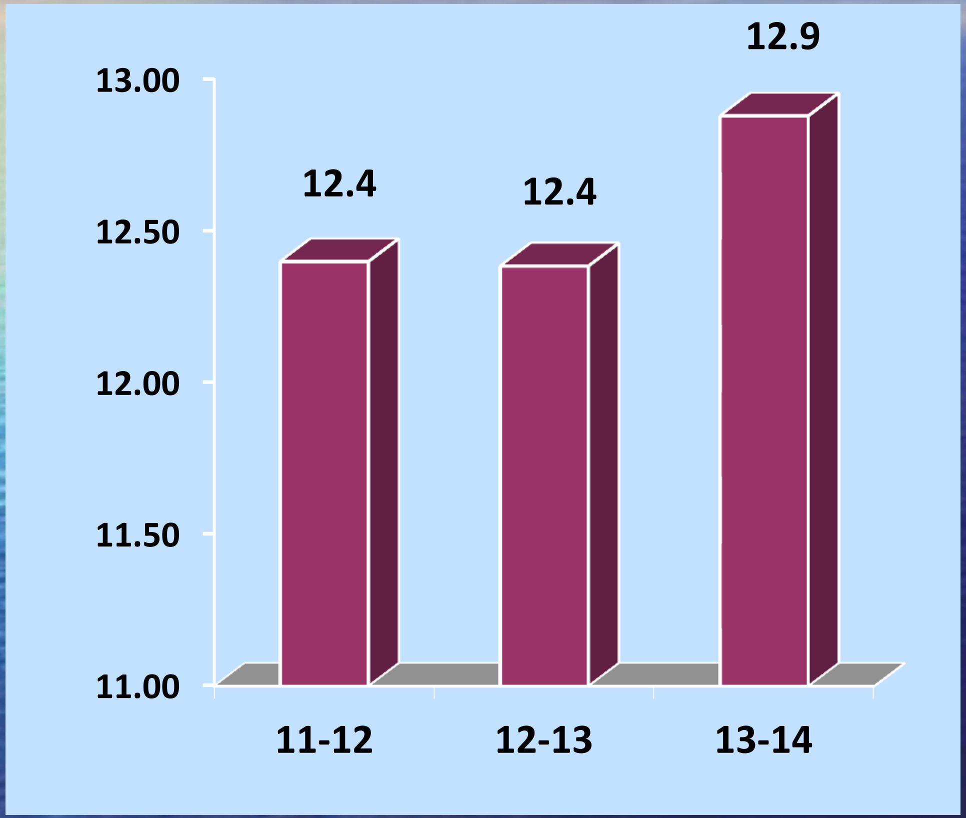
Performance Highlights – H1 FY 15

Major Techno Economic Parameters

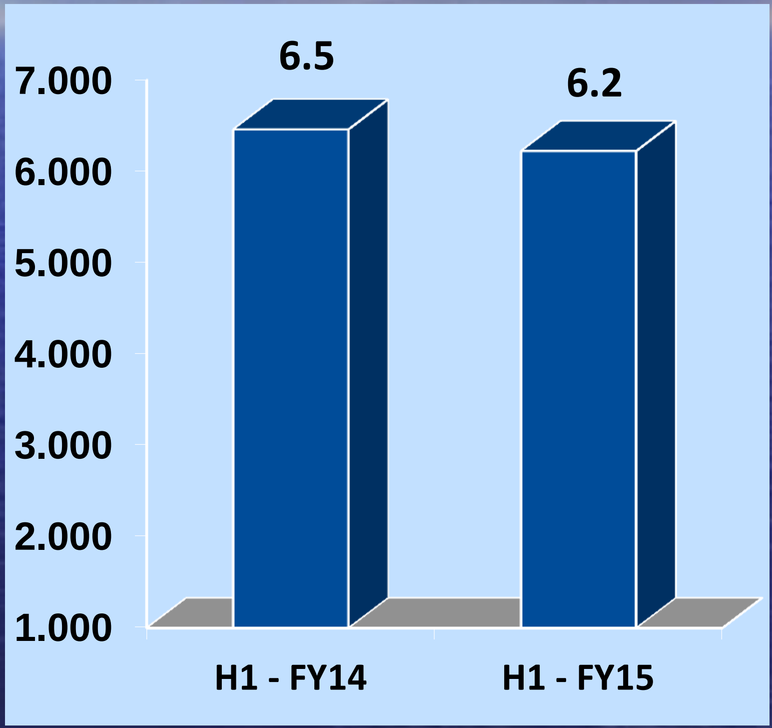
- Coke Rate at 510 kg/THM
- Fuel Rate at 574 (kg/THM)
- Energy Consumption 6.58 (GCal/TCS)
- BF Productivity 1.54 ($T/m^3/Day$)

Production Performance

Saleable Steel (in Million Tonne)



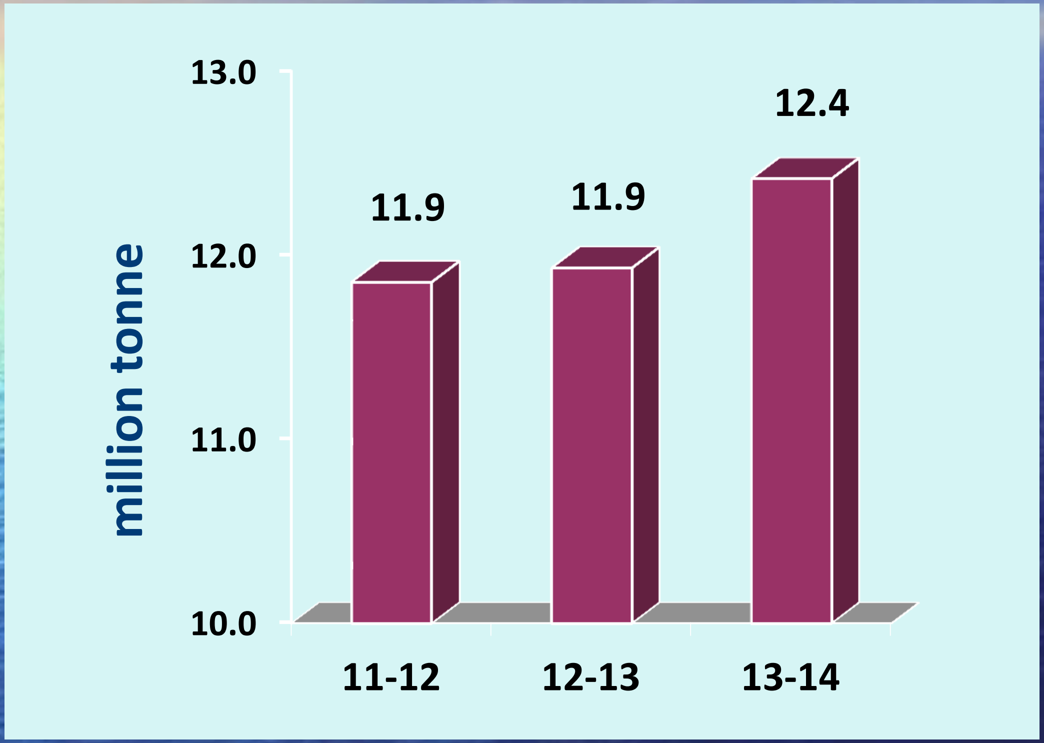
Annual Saleable Steel Production (including Special Steel Plants)

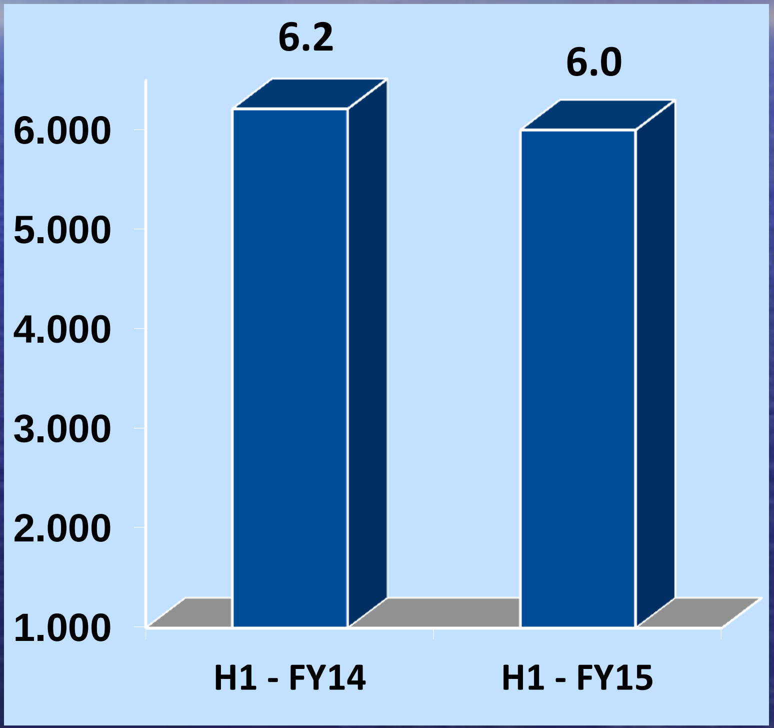


Saleable Steel Production (incl. Spl. Steel Plants)

Production Performance

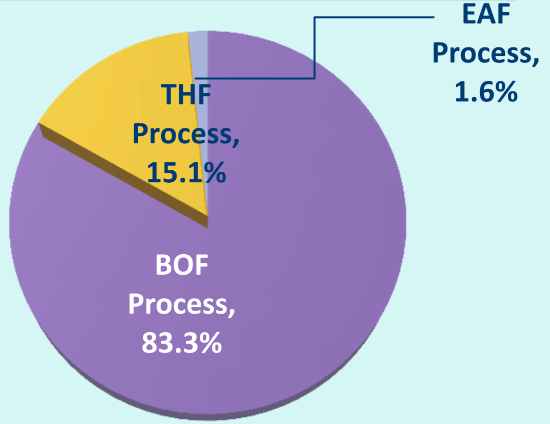
Saleable Steel from 5 Integrated Steel Plants



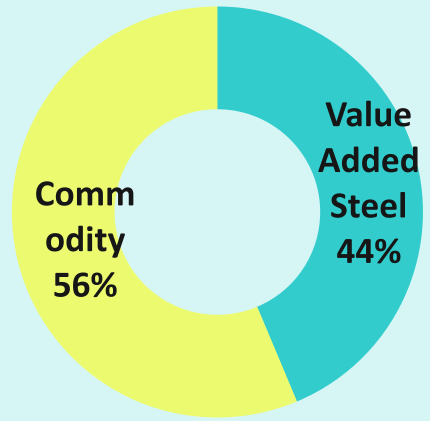


Production by Process & Sales Mix: H1 FY 15

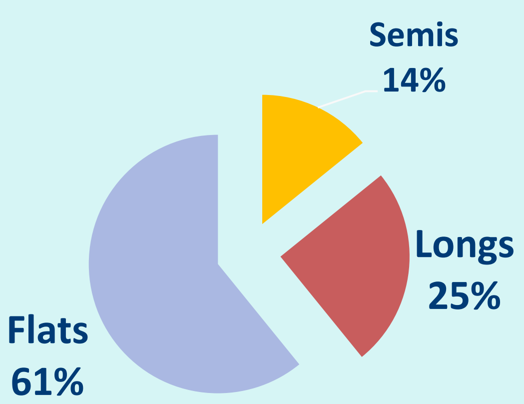
Crude Steel Production by process



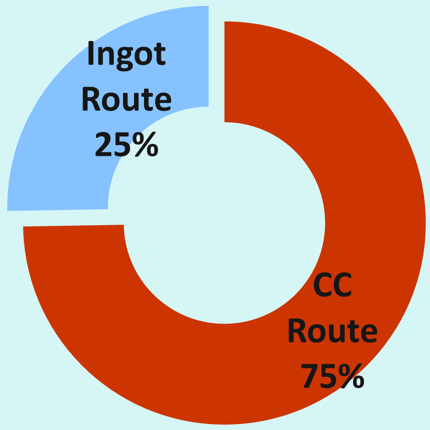
Production of Value Added Steel (5 ISPs)



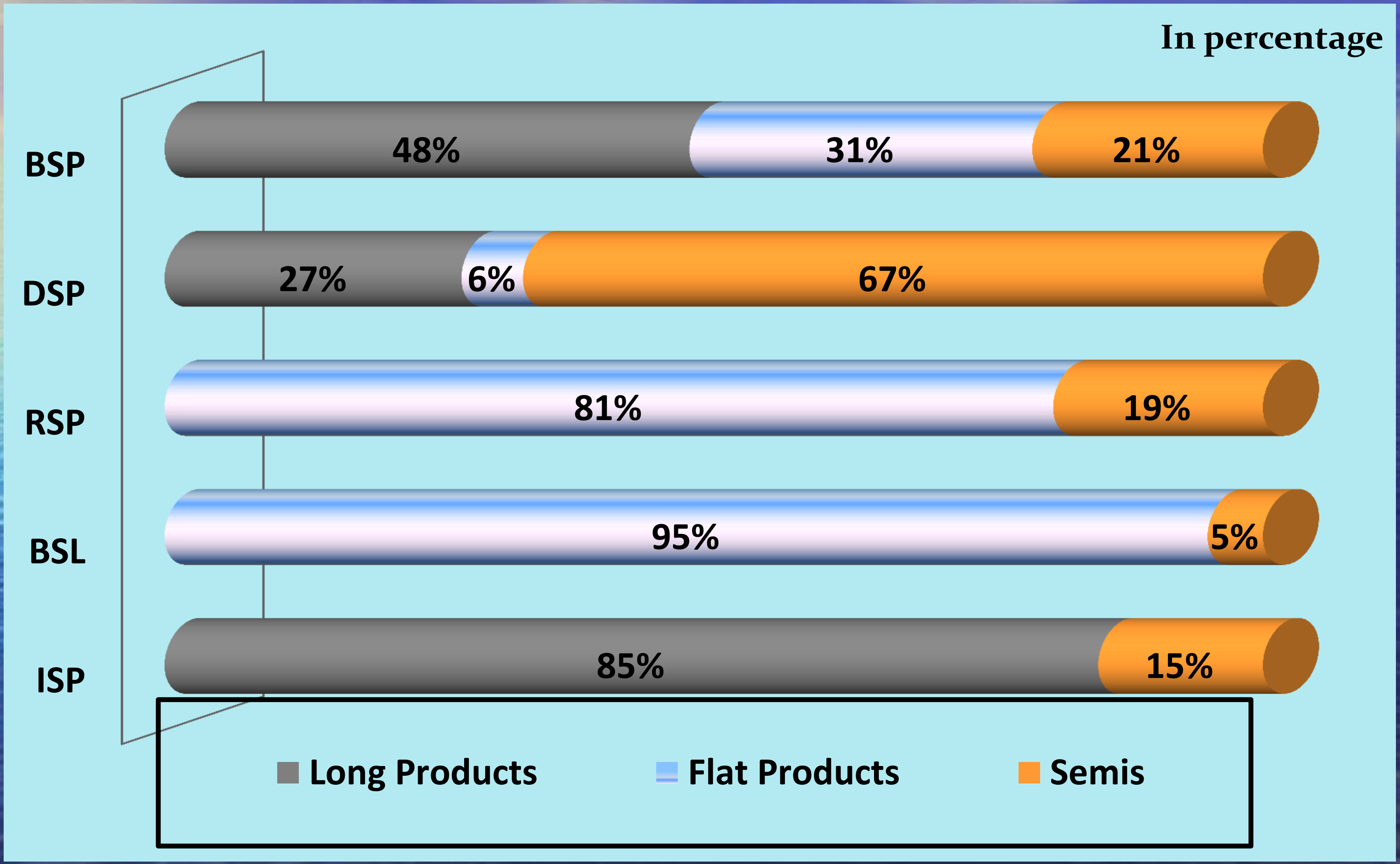
Sales of Saleable Steel (5 ISPs)



Production by Process



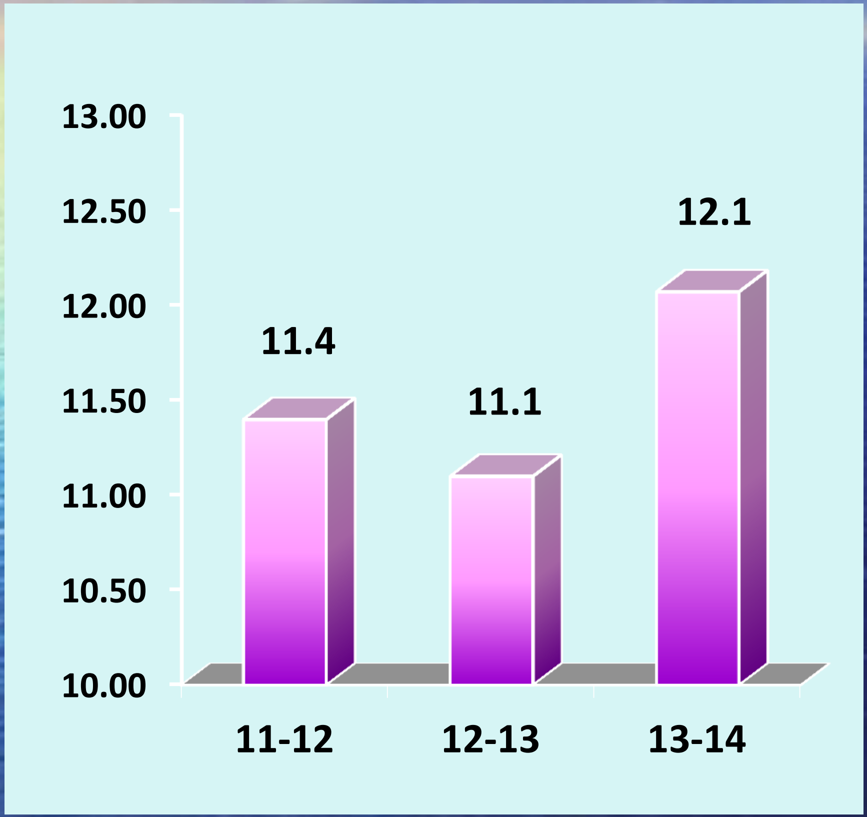
Product Mix: Production Five Integrated Steel Plants: H1 FY15



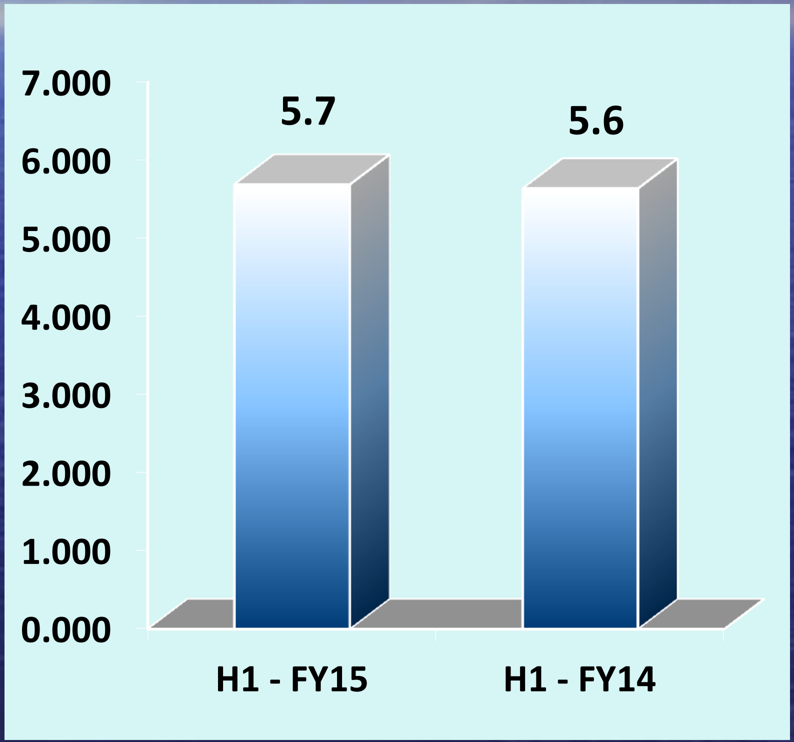
SAIL – 5 ISPs : Semis 22%; Flats 58%; Longs 20%

Sales Performance

Saleable Steel (in Million Ton)



Annual Saleable Steel Sales (including Special Steel Plants)



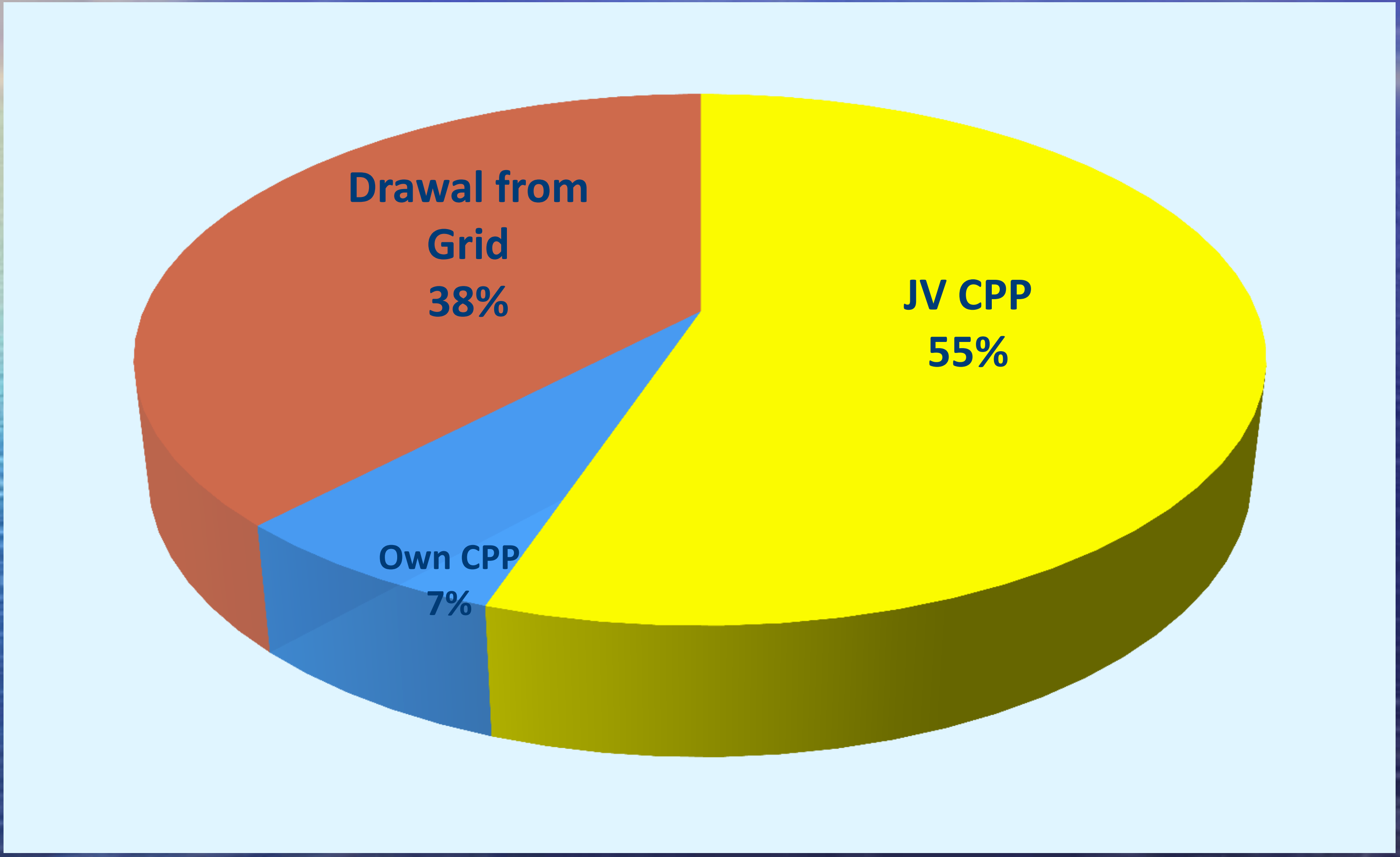
Saleable Steel Sales (incl. Spl. Steel Plants)

Sales through Dealer Network

In Retail sales, During H1 FY 15, a growth of 5% was achieved over H1 FY14, with a total supply of 0.25 million tonnes. As on 1.10.2014, SAIL had 2,837 dealers.

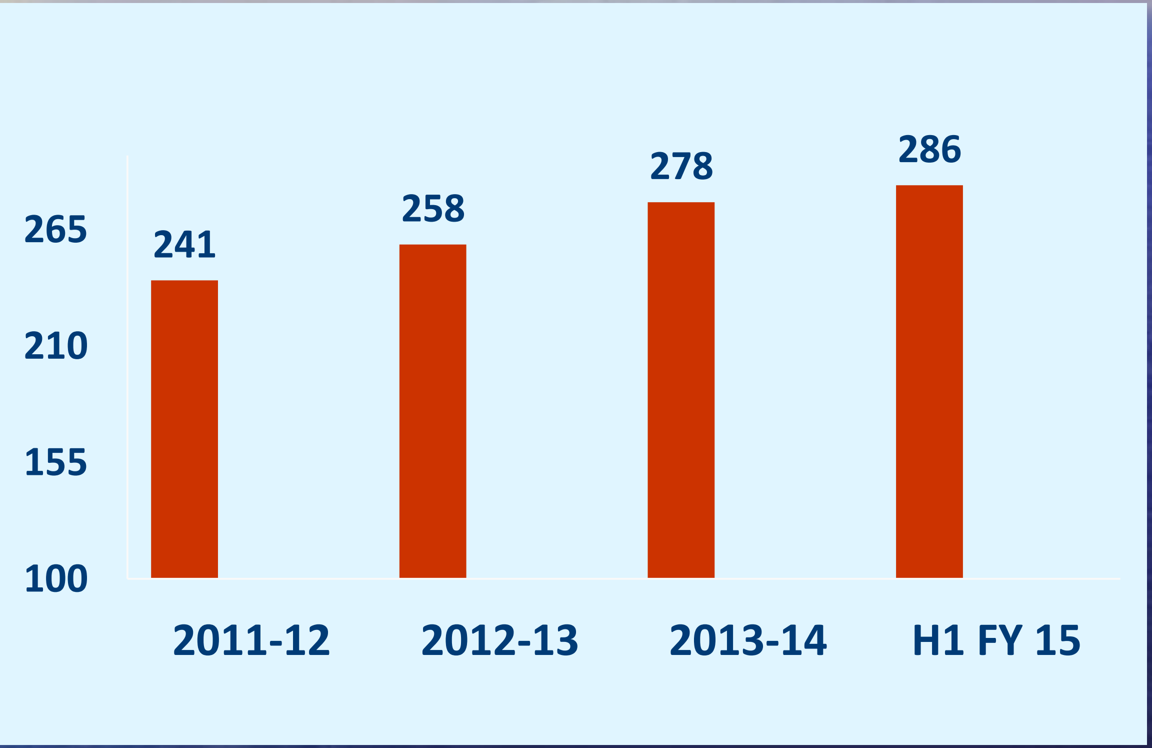
Captive Power Generation & drawal from the Grid

H1 FY 15



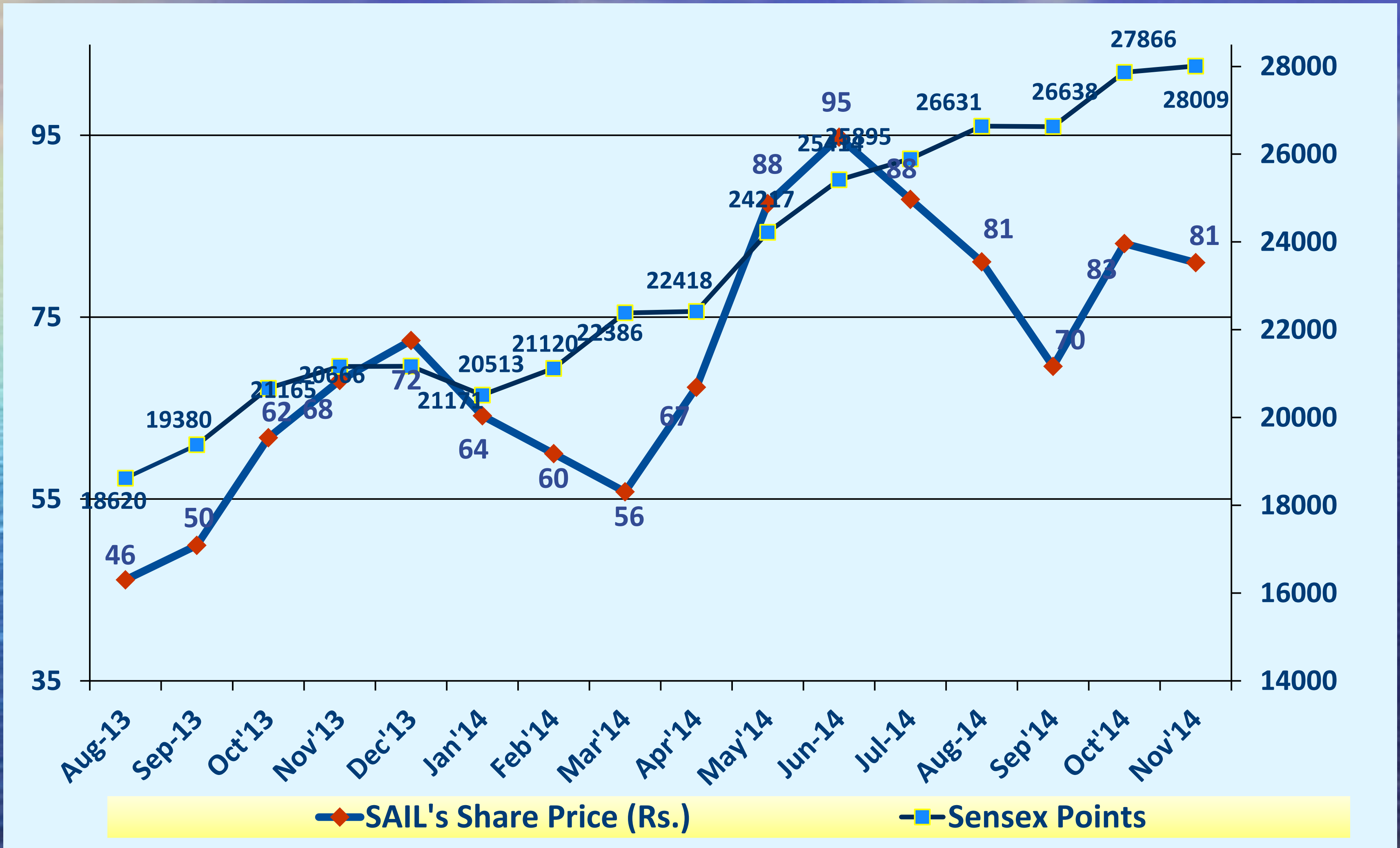
Labour Productivity

Tonne Crude Steel /man - year



Current manpower : 96,047 numbers as on 01.10.2014

Performance of SAIL Share price vis-à-vis Sensex



Closing Share Price and Sensex as on the last day of the month except November 2014 on 12th November, 2014

Dividend

	Interim (%)	Final (%)	Total (%)	Dividend (Rs. crore)	Dividend Tax (Rs. crore)
2013-14	20.2	-	20.2	834	142
2012 -13	16	4	20	826	134
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

SAIL's Expansion & Modernisation Plan

In million tonne

Particulars	Actual production 2013-14	After On-going Expansion
Crude Steel	13.6	21.4
Saleable Steel	12.9	20.2

Expansion Plan : Technological Shift

Technology	Current Status	After Expansion
BOF Steel Making	79%	100%
CC Route	71%	94%
Pelletisation Plant	No	Yes
Coke Dry Quenching	Partial	Yes
Top Pressure Recovery Turbine	No	Yes
Auxiliary Fuel Injection in BF	Partial Coverage	Full Coverage
Desulphurization 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:

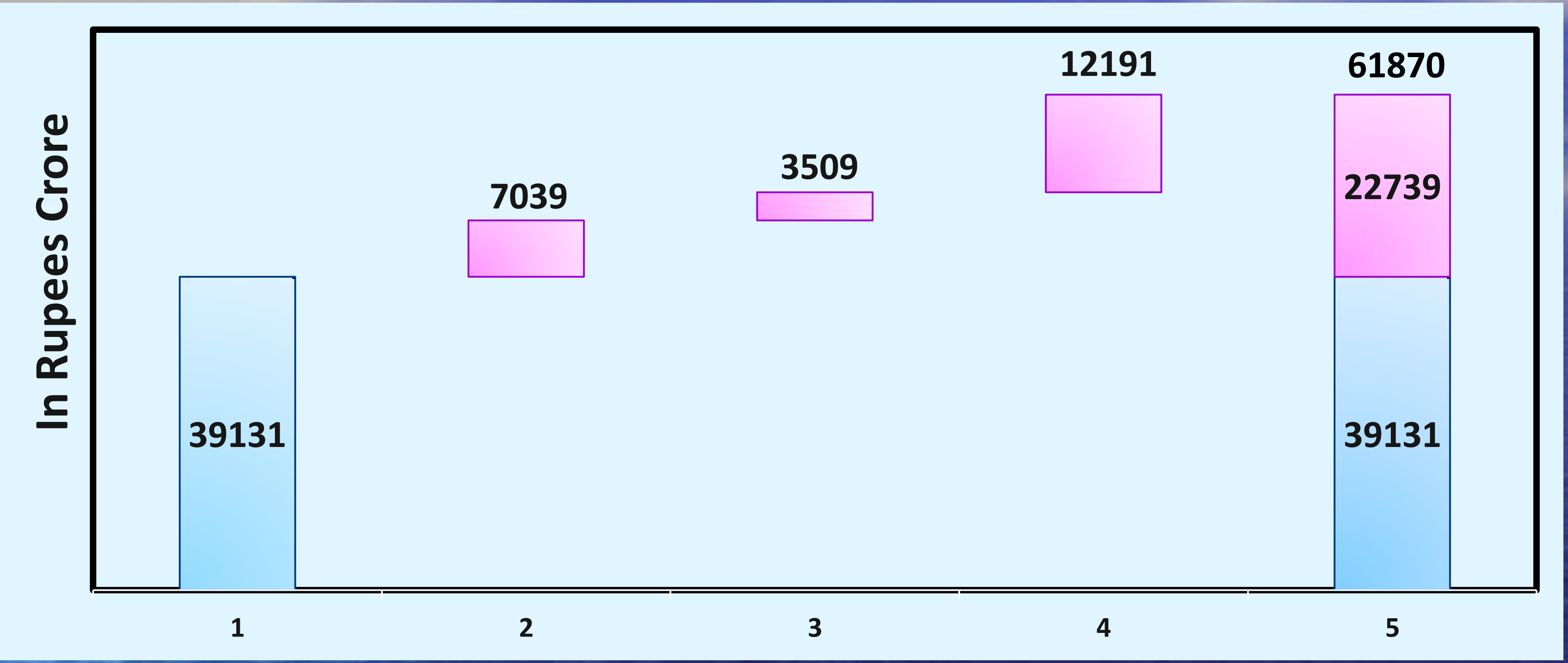
- Production through twin-hearth furnace (THF) route to be replaced by BOF-LD converter route.
- Production through Ingot – teeming route to be replaced with Continuous cast production route.
- Enhancement of Production Capacity by addition of 3 new 4060 m^3 Blast Furnace.
- Increased Market Share.
- 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.

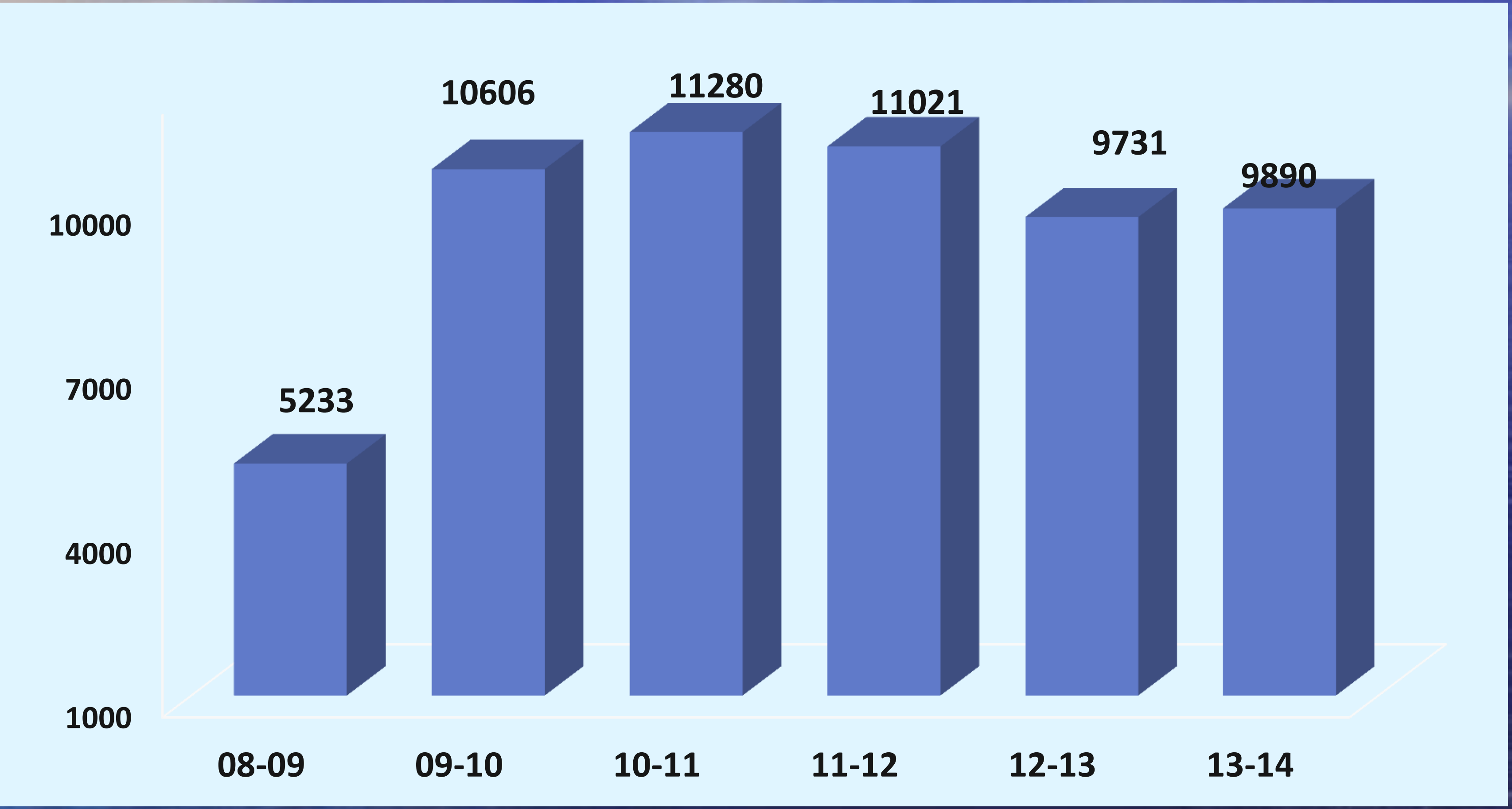
Ongoing Projects



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

Total Capital Expenditure Including on Modernisation & Expansion

Unit : Rs crore



- Capex during H1 FY15 was Rs. 3149 crore. CAPEX Plan for 2014-15 is Rs. 9,000 crore. Total CAPEX includes Rs. 55,911 crore spent against ongoing Modernization & Expansion Plan.

Ongoing Projects

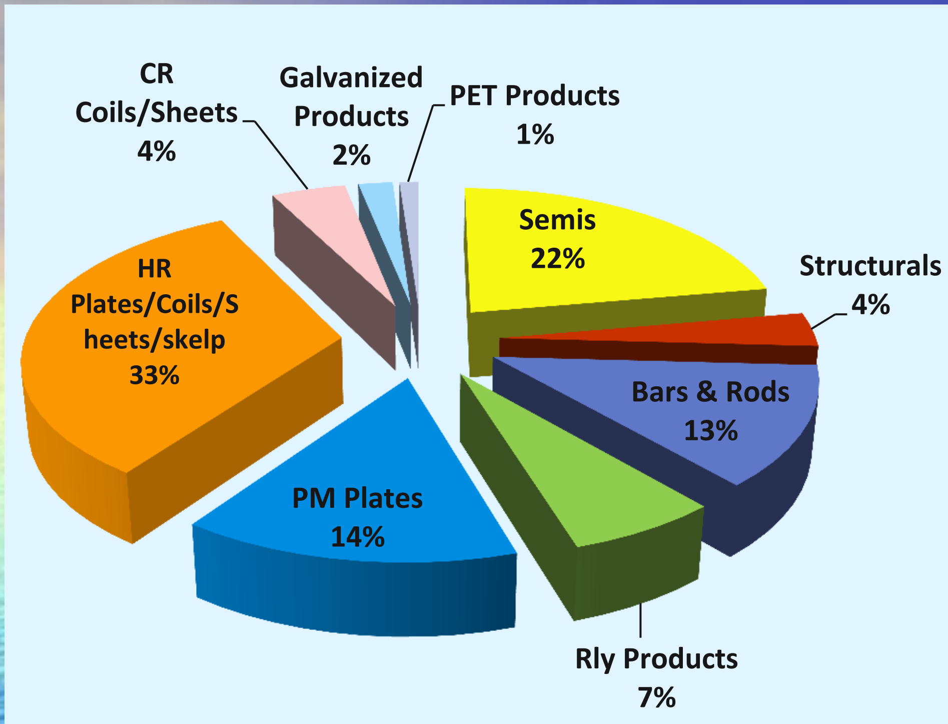
- Orders for over Rs. 62,778 crore have already been placed for various Modernisation & Expansion Projects / Sustenance Schemes.

- 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

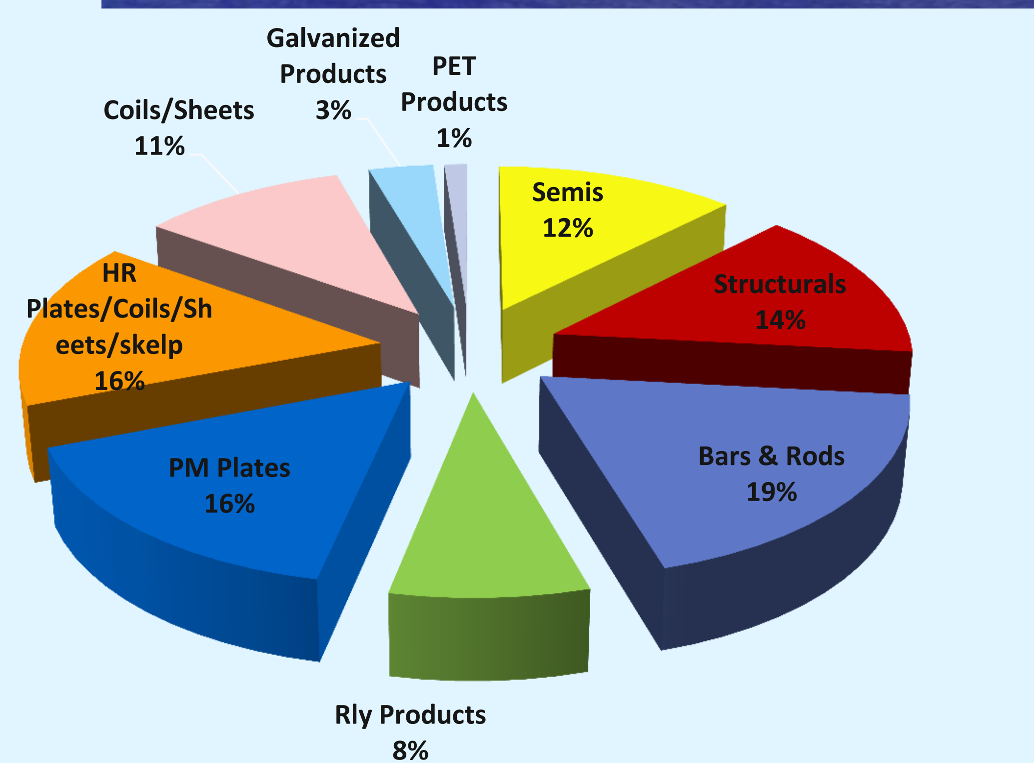
Plant	Hot Metal (MTPA)		Crude Steel (MTPA)		Saleable Steel (MTPA)	
	2013-14	After Expansion	2013-14	After Expansion	2013-14	After Expansion
BSP	5.4	7.5	5.1	7.0	4.6	6.6
DSP	2.2	2.5	2.0	2.2	1.9	2.1
RSP	2.5	4.5	2.3	4.2	2.2	4.0
BSL	4.1	5.8	3.8	4.6	3.5	4.2
ISP	0.2	2.9	0.1	2.5	0.2	2.4
VISL	0.0	0.3	0.0	0.2	0.0	0.2
ASP	-	-	0.1	0.5	0.1	0.4
SSP	-	-	0.1	0.2	0.3	0.3
TOTAL	14.4	23.5	13.6	21.4	12.9	20.2

Product Mix - Saleable Steel Production



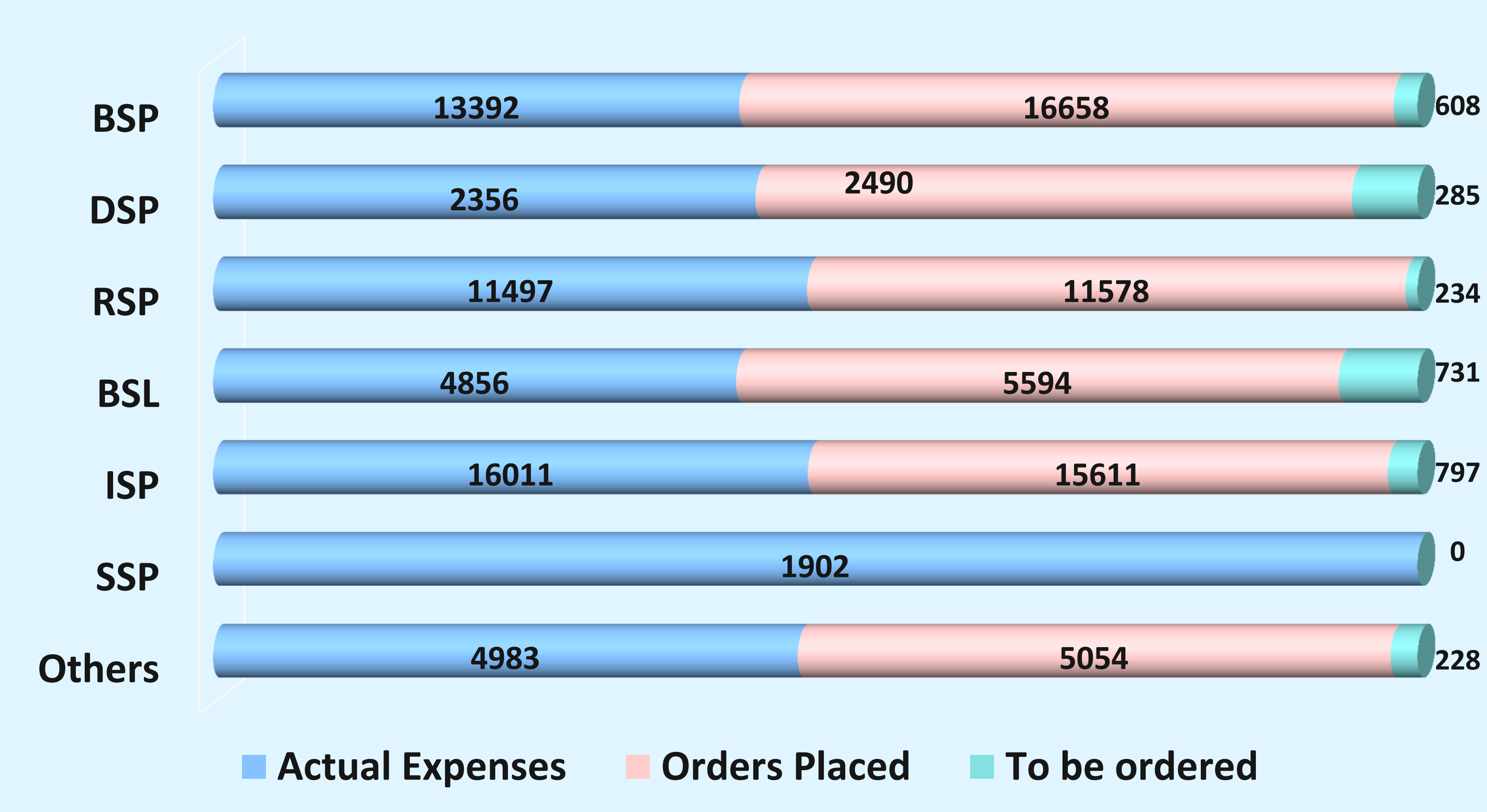
FY 14

Post Ongoing Expansion



CAPEX Status for the ongoing Expansion & Modernisation as on 30.09.2014

Amount in Rs. crore



Orders placed include Actual Expenses Incurred.
Orders Placed/ Expenditure are excluding Capex Plan of Rs. 10264 crore for development of Raw Material facilities. Actual Expenditure till 30.9.2014 on Raw material development is Rs. 914 crore.

Salem Steel Plant

- **Facilities added:**
  - **Steel melting Shop – Electric Arc Furnace (55 T); AOD Converter (60 T); Ladle Furnace (60 T); Single Strand Slab Caster.**
  - **Roll Grinder for Hot Rolling Mill**
  - **Cold Rolling Mill Complex (except 20-high Sendzimir Mill)**

- **Production (MTPA) :**

Item	2013 -14 (Actual)	After Expansion
Crude Steel	0.091	0.18
Saleable Steel	0.328	0.34

IISCO Steel Plant

सेल SAIL

New Facilities Already Completed:

- **New Coke Oven Battery (0.88 Mtpa, 2 x 37 ovens, 7 m tall) –**
  - Coke Dry Cooling Plant – 4 modules, 50 tph each
  - First consignment of BF coke was despatched in Feb 2013
- **Sinter Machines (3.88 Mtpa gross sinter production, 2X204 m^2)**
  - Hot trial production started in December, 2012
- **Wire Rod (0.5 Mtpa)**
  - Wire Rod Mill completed in August, 2013
- **Ore Handling Plant**
- **Coal, Coke Handling and Pipe Conveyor**
- **Base Mix Preparation Plant**
- **Coke Dry Cooling Plant**
- **1X6 Strand Billet Casters (0.83 Mtpa)**

IISCO Steel Plant

Facilities to be Completed during FY 2014-15

- Blast Furnace 4060 m3 volume with Top Pressure Recovery Turbine (2.7Mtpa)
  - Heating of Hot Blast Stoves completed
  - Preparation for Blow-in of Blast Furnace in progress
- 3 nos. of 150 T BOF Converters
- 1X6 Strand Billet Casters (0.83 Mtpa)
  - 1st heat from Caster # 2 in October 2014
- 1X4 Strand Bloom-cum-Beam Blank Caster (0.83 Mtpa)
- Bar Mill (0.75 Mtpa)
- Universal Section Mill (0.6 Mtpa)

New stream to produce 2.7 Mtpa of Hot Metal & 2.5 Mtpa of Crude Steel

Production (MTPA) :

Item	2013 -14 (Actual)	After Expansion
Crude Steel	0.127	2.50
Saleable Steel	0.202	2.39

Current Progress of Expansion at IISCO Steel Plant

Bokaro Steel Plant

Facilities Already Completed:

- Re-building of Coke Oven Battery #1 & #2.
- Up-gradation of Blast Furnace #2 and Stoves Up-gradation of #5
- Auxiliary Fuel Injection (CDI) in Blast Furnaces #2 & #3.
- Turbo-blower-8.
- Acid Regeneration Plant. Skin Pass Mill, Coil Packaging Lines of new CRM Complex. For PLTCM, integrated trial run taken through Tandem Cold Mill.

Facilities Likely to be Completed During FY 2014-15:

- Integrated commissioning of New CRM Complex, including Galvanising facilities - 1.2 Mtpa
- Up-gradation of SMS II with Auxiliary facilities/Hot metal de-sulphurisation units.

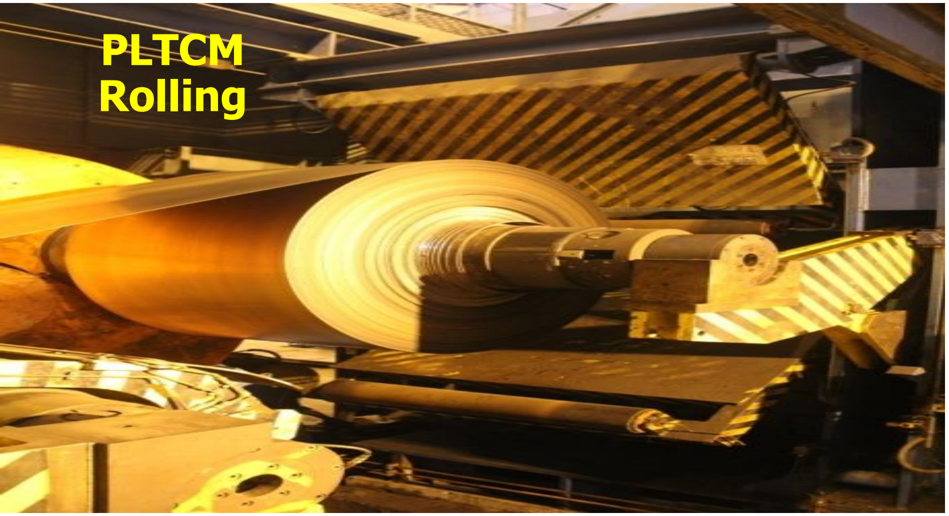
Facilities Likely to be Completed During Q1 FY 16:

- Up-gradation of HSM with augmentation of Roughing facility & replacement of Re-heating Furnace.

Production (MTPA) :

Item	2013 -14 (Actual)	After Expansion
Crude Steel	3.78	4.61
Saleable Steel	3.49	4.18

Current Progress of Expansion at Bokaro Steel Plant



Bhilai Steel Plant

New Facilities Already Completed:

- Second Sinter Machine in Sinter Plant-3

Facilities Likely to be Completed During FY 2014-15:

- New Coke Oven Battery No. 11 (7 m tall)

Facilities Likely to be Completed During FY 2015-16:

- Blast Furnace 4060 m3.
- New Steel Melting Shop (SMS-3) with New Billet Casters/Billet-cum-Bloom Caster, Beam Blank Caster
- Universal Rail Mill
- Bar and Rod Mill

Production (MTPA) :

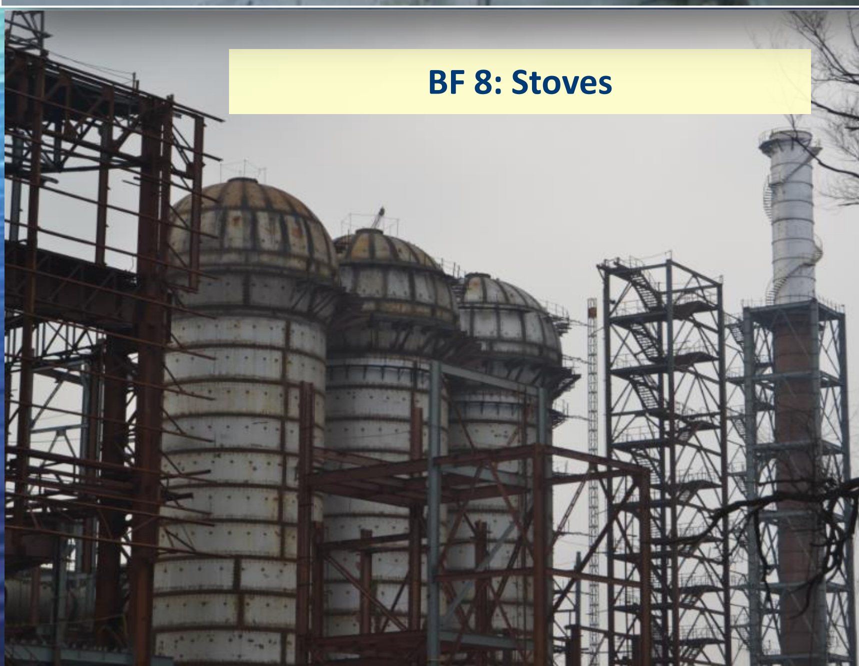
Item	2013 -14 (Actual)	After Expansion
Crude Steel	5.14	7.0
Saleable Steel	4.55	6.56

Current Progress of Expansion at Bhilai Steel Plant

Current Progress of Expansion at Bhilai Steel Plant

Equipment erection at COB-11

2nd Sinter Machine



BF 8: Stoves

Universal Rail Mill

Rourkela Steel Plant

New Facilities Already Completed:

- New Coke Oven Battery -6 (7 m tall, 1 x 67 ovens)
- New Sinter Plant -3 (1 x 360m^2)
- New Blast Furnace -5, 4060 m^3 useful volume, (PCI started in July 2014).
- New 3rd Single Strand Slab Caster
- New Oxygen Plant 2X700 tpd on BOO basis
- Reheating Furnace & Rolling facilities for New 4.3 meter Wide Plate Mill
- New 3rd BOF (150 T) Convertor

During H2 FY 2014-15

- Finishing facilities for New 4.3 meter Wide Plate Mill

- **Saleable Steel from both existing & new facilities: 3.99 Mtpa.**

Production (MTPA) :

Item	2013 -14 (Actual)	After Expansion
Crude Steel	2.29	4.20
Saleable Steel	2.25	3.99

Current Progress of Expansion at Rourkela Steel Plant

Durgapur Steel Plant

Facilities Completed :

- Rebuilding of Coke Oven Battery no-2
- New Ladle Furnace (125T)
- Coke Sorting & Coal Handling Plant

Facilities Likely to be Completed During FY 2014-15:

- New Dolomite Plant (300tpd)
- Up-gradation of raw material/Coal Handling Facilities
- Bloom-cum-Round Caster 1X4 (0.75 Mtpa)

Facilities Likely to be Completed During Q1 FY 16:

- New Medium Structural Mill (1.0 Mtpa)

Production (MTPA) :

Item	2013 -14 (Actual)	After Expansion
Crude Steel	2.02	2.20
Saleable Steel	1.93	2.12

Current Progress of Expansion at Durgapur Steel Plant

Coke Oven Battery-2

Ladle Furnace-3

Bloom cum Round Caster

Medium Structural Mill

Raw Materials

Year	Hot Metal (mtpa)	Iron Ore Consumption (mtpa)	Linkages of Iron Ore
2013-14	14.4	22.5	Existing Mines
Post Expansion	23.46	39	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. 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. In addition to the above, iron ore shall be mined from new mines at Rowghat, Chiria and Taldih. MoU has been signed with Chattisgarh Mineral Development Corporation for exploring Eklama Mines under Joint Venture.

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. 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.
Meghataburu	4.3	6.5	
Bolani	4.1	10.0	
Gua	2.4	10.0	
New Pellet Plants	New	5.0	
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	5.8	Stage-I Forest Clearance has been obtained

Raw Materials

Year	Hot Metal (mtpa)	Coking Coal Requirement (mtpa)	Linkages of Coking Coal
2013-14	14.4	14.8 (including purchased coke)	•Import Component – 70% •Over 90% of imported coal is sourced from Australia. •Indigenous: 30% •Domestic coal is largely sourced from Coal India Ltd. SAIL has existing captive coking coal production of nearly 0.5 mtpa.
Post Expansion	23.46	21.0	•Long term / Quarterly contracts to cover 95% of Import requirements, w.e.f. FY 11 • Approvals have been accorded for development of Tasra captive coal 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

Major Joint Ventures – strategic initiatives

FOCUS AREA	ALLIANCE PARTNER	REMARKS
TECHNOLOGY	KOBELCO KOBE STEEL GROUP	▪ **SAIL Kobe Iron India Pvt Ltd. –** A Joint Venture Company has been formulated for setting up a 0.5 mtpa capacity Plant for producing iron nuggets based on ITmk3 technology.
RAW MATERIALS	ICVL MOIL TATA TATA STEEL	▪ **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. ▪ ICVL finalized the takeover of Rio Tinto's operating coal mine and coal assets in Mozambique. ▪ **M/s SAIL & MOIL Ferro Alloys (Pvt.) Ltd.** formed with MOIL for production of Ferro-alloys at Bhilai. ▪ **M/s S&T Mining Company Pvt. Ltd.** formed with Tata Steel for developing coking coal mines in India.

Major Joint Ventures – strategic initiatives

FOCUS AREA	ALLIANCE PARTNER	REMARKS
ENERGY	DVC, NTPC	▪ JV with NTPC & DVC for operating & managing CPPs of Durgapur, Rourkela & Bhilai.
CEMENT	JAYPEE GROUP	▪ **Bhilai Jaypee Cement Ltd.** -Slag based cement plant of 2.2 million tonne per annum capacity with grinding unit at Bhilai & clinkering unit at Satna. ▪ **Bokaro Jaypee Cement Ltd.**- Slag based cement plant of 2.1 million tonne per annum capacity at Bokaro.

Major Joint Ventures – strategic initiatives

FOCUS AREA	ALLIANCE PARTNER	OBJECTIVE
SHIPPING	SCI	▪ Joint Venture Company 'SAIL SCI Shipping Pvt. Ltd.' to cater to SAIL requirements of shipping imports of coal. • Acquisition of new capsize vessel is in process.
WAGON MANUFACTURE	RITES THE INFRASTRUCTURE PEOPLE	▪ SAIL RITES Bengal Wagon Industry Pvt. Ltd. – A Joint Venture Company has been formed with M/s. RITES for setting up Wagon Manufacturing Factory at Kulti, West Bengal.
E-PORTAL	metaljunction	▪ JV with Tata Steel to promote e-commerce activities in steel and related areas

MoUs signed

- MoUs have been signed with following leading steel makers to collaborate in the strategic areas of mutual interest:
  - **Kobe Steel Limited**
  - **Danieli & C**
- MOU signed with **Ministry of Railways**, **NMDC & GoCG** for 235 Km long Dalli-Rajhara-Rowghat Jagdalpur Railway line to transport Iron-ore from Rowghat mines to Bhilai Steel Plant.
- 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.
- MoU has been signed with **Chhattisgarh Mineral Development Corporation (CMDC)** for exploring **Eklama Mines** at Chattisgarh, under Joint Venture between SAIL and CMDC.

Awards and Accolades

President of India, Shri Pranab Mukherjee, presenting the 'SCOPE Meritorious Award for Environment Excellence & Sustainable Development for the year 2012-13' to SAIL Chairman Mr. C.S. Verma, in presence of Union Minister of Heavy Industries & Public Enterprises, Shri Anant Gete and Minister of State for Heavy Industries & Public Enterprises, Shri P Radhakrishnan.

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
- EBIDTA — Earnings Before Interest Depreciation ,Taxes & Ammortization.
- G.Cal/tcs — Giga Calories per tonne of Crude Steel
- GoI — Government of India
- IISI — International Iron & Steel Institute
- ISP — IISCO Steel Plant
- 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
- TFS — Total finished Steel

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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.