STEEL AUTHORITY OF INDIA LIMITED PERFORMANCE HIGHLIGHTS

Q3 & 9M FY14













Contents



✓ Performance Highlights

✓ SAIL's Expansion Plan

✓ JVs & New Strategic Initiatives

✓ Awards & Accolades

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Financial Highlights Q3 FY 14 vs. Q3 FY 13

Amount in Rs. Crore

Particulars	Q3 FY 14	Q3 FY 13	Increase/ Decrease	% change
Gross Sales	12716	11801	915	7.8
EBIDTA*	1341	1359	18	-1.4
PBT	705	702	3	0.5
PAT	533	484	49	10

*EBIDTA for Q3 FY 14 & Q3 FY13 is before adjustment of exceptional item of Rs. 19.92 crore (gain) and Rs. 30.71 crore (loss) respectively on account of FE Variation.



Financial Highlights 9MFY 14 vs. 9M FY 13

Amount in Rs. Crore

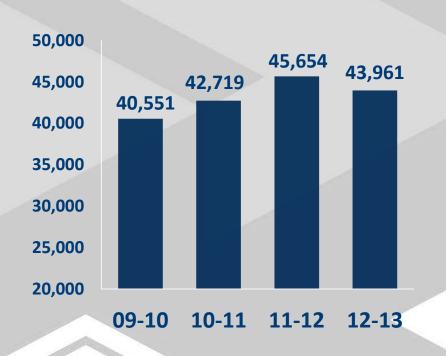
Particulars	9M FY 14	9M FY 13	Increase/ Decrease	% change	
Gross Sales	36879	35690	1189	3.3	
EBIDTA**	3554	4488	934	-20.8	
PBT	2619	2500	119	4.8	
PAT	2164	1724	440	25.5	

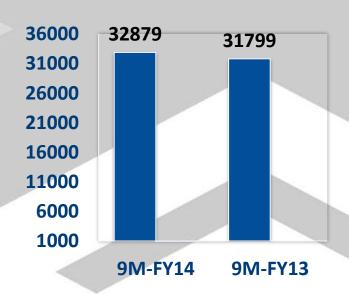
**EBIDTA for 9M FY 14 & 9M FY13 is before adjustment of exceptional item of Rs. 136.1 crore (Loss) and Rs. 245.81 crore (Loss) respectively on account of FE Variation and Rs. 1056 crore (Profit) in 9M FY14 on account of damages awarded in favour of SAIL on account of non-performance of contract.



Net Sales (Rs. Cr.)

9M FY14 vs. 9M FY13





Annual Net Sales Performance



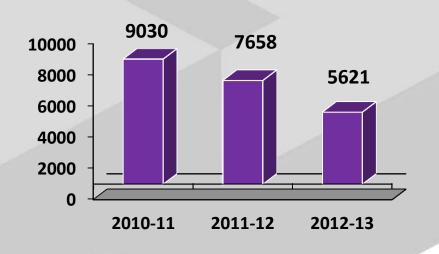
Earning Before Interest Depreciation and Tax

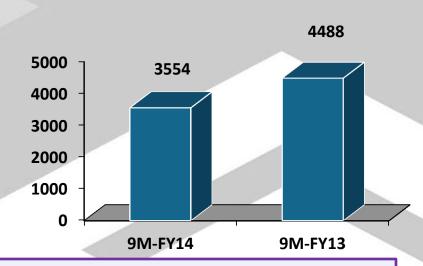
(EBIDTA)

Unit: Rs Crore

Annual EBIDTA Performance

9M - FY14 vs. 9M - FY13

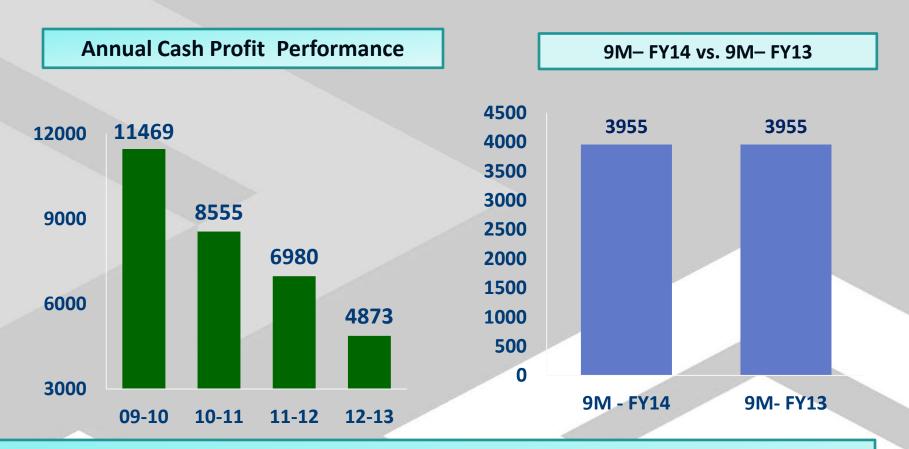




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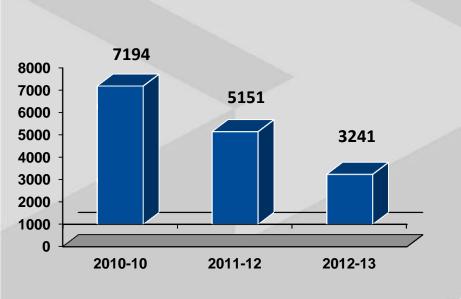
Cash Profit (in Rs. Crore)



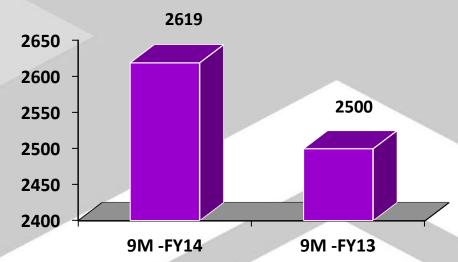
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PBT (Rs. Cr.)



9M - FY14 vs. 9M - FY13



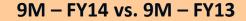
Annual PBT Performance

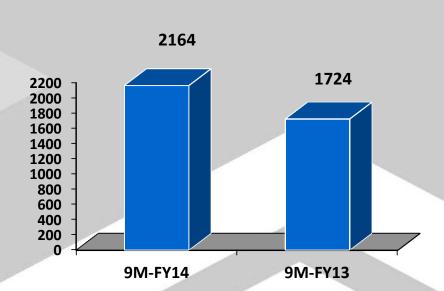
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PAT (Rs. Cr.)







Annual PAT Performance (Apr. – Mar.)

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Net Worth (Rs. Cr.)



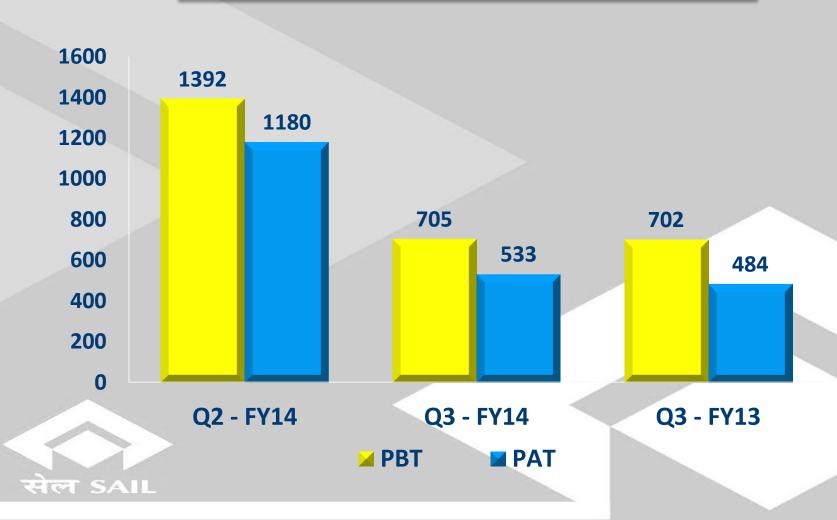


Net Worth Value - Annual

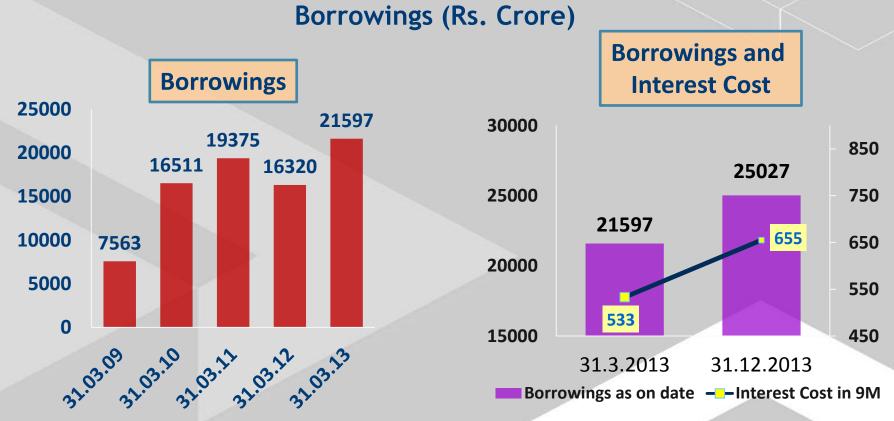
Change in Net Worth









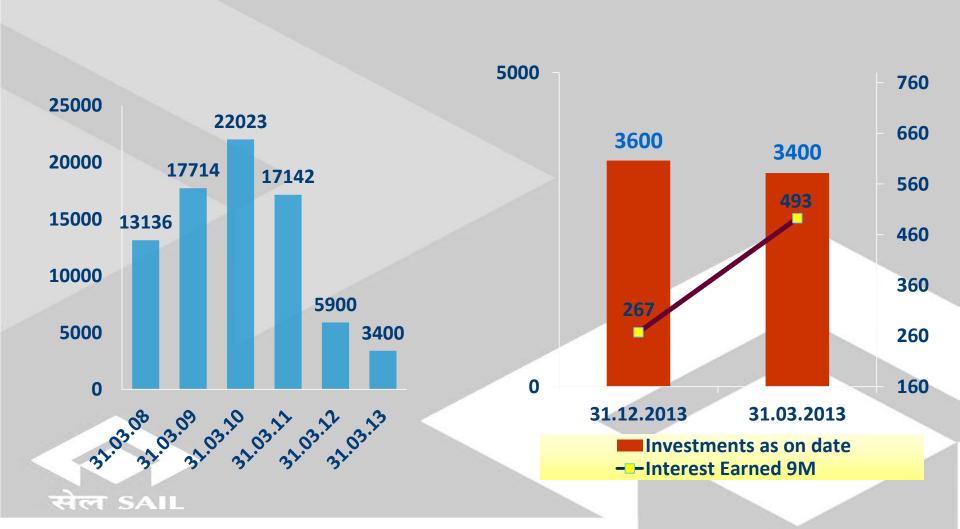


The ongoing CAPEX is being financed through a mix of Debt-Equity Ratio not exceeding 1:1

	Year	31/03/2011	31/03/2012	30/06/2012	31/03/2013	30/09/2013	31/12/2013
7	D/E Ratio	0.52	0.41	0.45	0.53	0.54	0.58



Short Term Investments in Banks (Rs. Crore)





Performance Highlights – 9M FY - 14

- ✓ Saleable Steel Production of 9.6 million tonne
- ✓ Saleable steel Sales of 8.6 million tonne
- **✓** Hot Metal production of 10.8 million tonne
- ✓ Crude steel production of 10.2 million tonne
- ✓ Special Steel Production of 4.0 million tonne
- ✓ Production through Concast route of 7.3 million tonne





Performance Highlights – 9M FY 2014

Major Techno Economic Parameters

√ Coke Rate at 516 kg/T

√ Fuel Rate at 573 (kg/THM)



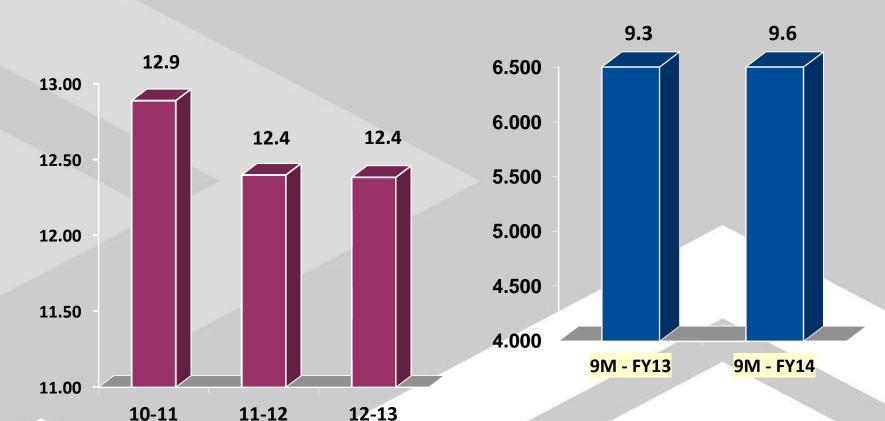
✓ Energy Consumption 6.58 (GCal/TCS)



Production Performance



Saleable Steel (in Million Tonne)



Annual Saleable Steel Production (including Special Steel Plants)

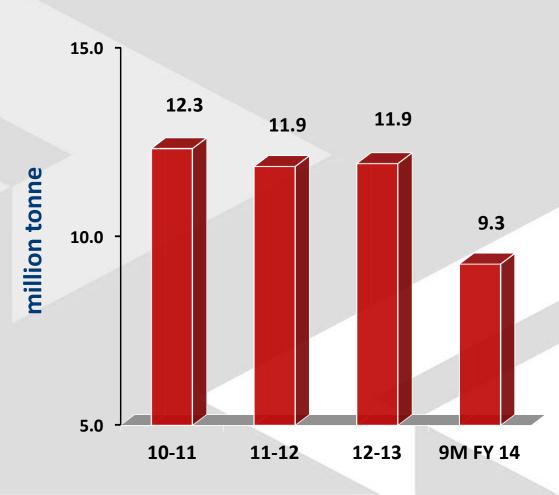
Saleable Steel Production (incl. Spl. Steel Plants)

Production Performance



Saleable Steel from 5 Integrated Steel Plants

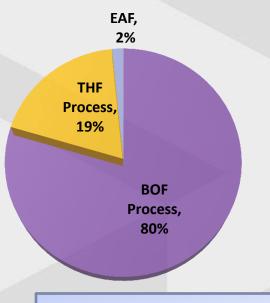




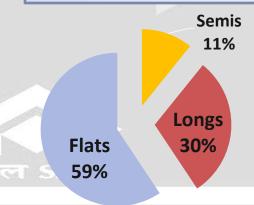
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Production by Process & Sales Mix: 9M FY 2013-14

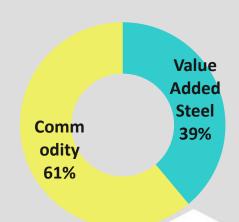




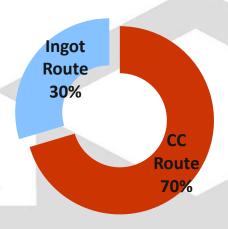
Sales of Saleable Steel (5 ISPs)



Production of Value Added Steel (5 ISPs)

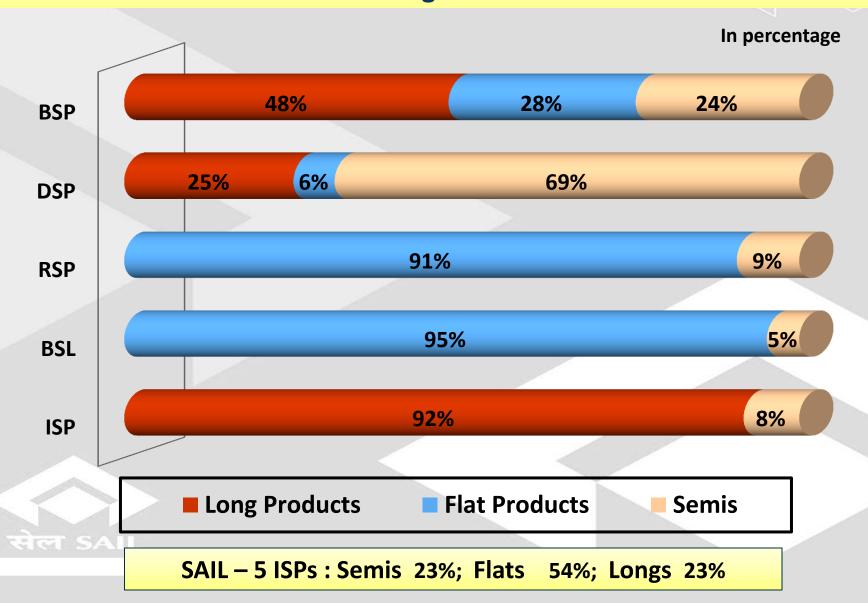


Production of Value Added Steel





Product Mix: Production Five Integrated Steel Plants: 9M FY 2013-14

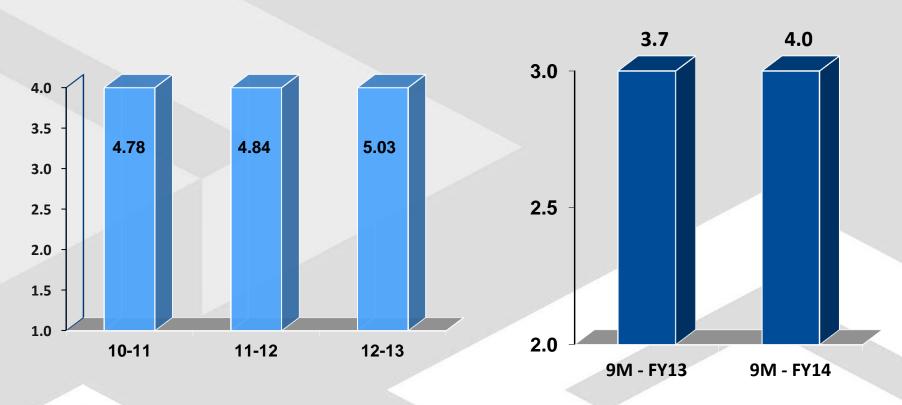




Special Steel Production

(in Million Tonnes)

Production of Value added materials

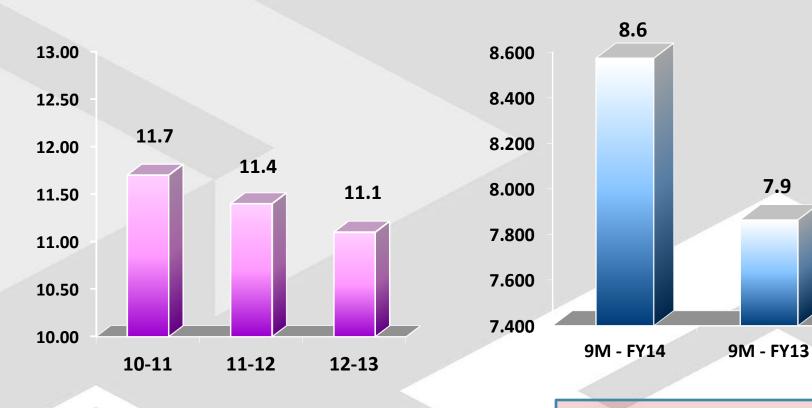


8.1% increase in production of Value Added Products

Sales Performance



Saleable Steel (in Million Ton)

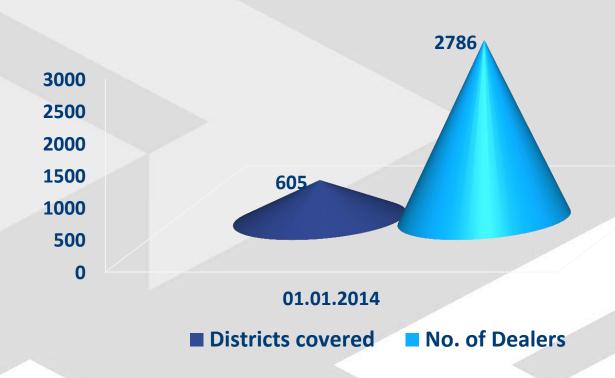


Annual Saleable Steel Sales (including Special Steel Plants)

Saleable Steel Sales (incl. Spl. Steel Plants)

Sales through Dealer Network



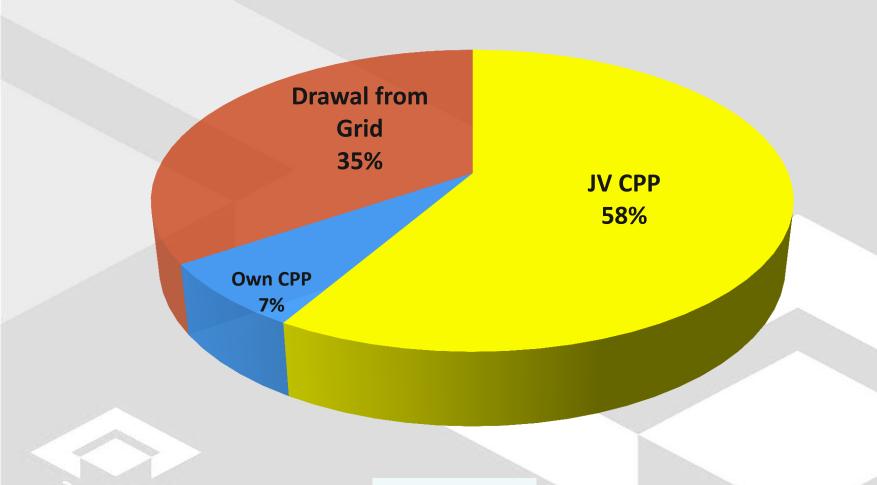


Sales through Dealer Network during 9M FY 14: 4,21,210 tonne

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Captive Power Generation & drawal from the Grid





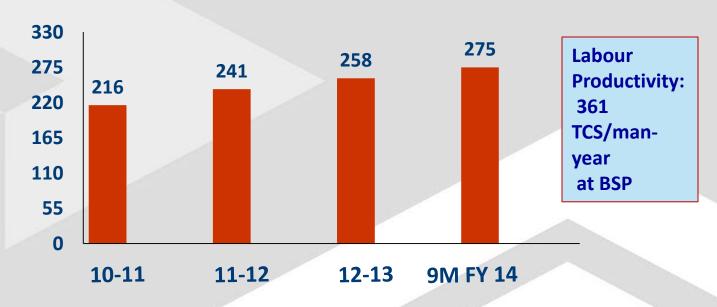
9M FY 14







Tonne Crude Steel /man - year



Current manpower: 99,059 numbers as on 01.01.2014



Performance of SAIL Share price vis-à-vis Sensex



Closing Share Price and Sensex as on the last day of the month except February 2014 on 13th Feb, 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

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EXPANSION AND MODERNISATION PLAN







SAIL's Expansion Plan



In million tonne

Particulars	Actual production 2012-13	After On-going 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	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



The Expected Outcome:

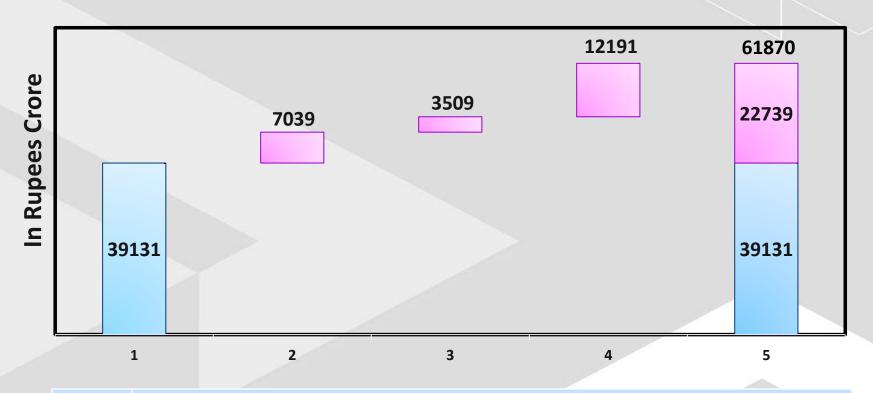
- ➤ Production through twin-hearth furnace (THF) route to be replaced by BOF-LD converter route.
- ➤ Production through Ingot teeming route to be replaced with Continuous cast production route.
- > Enhancement of Production Capacity by addition of 3 new 4060 m³ Blast Furnace.
- > Increased Market Share.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



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.**





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

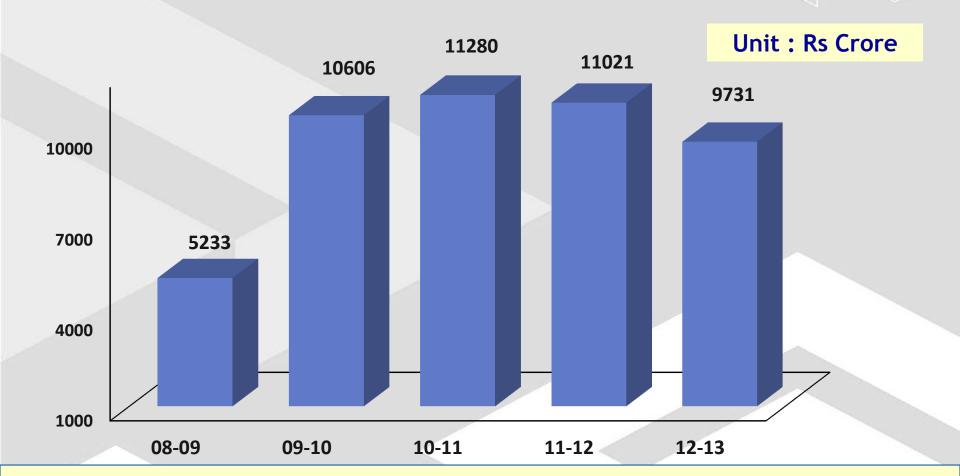


- The ongoing expansion has been planned to achieve saleable steel production of 20.23 million tonne at a cost of Rs. 39,131 crore approximately
- In addition, following capex has also been planned for schemes, as given here:

Value Addition / Product-Mix Improvement	Rs. 7,039 crore
Technological Upgradation / Modernization	Rs. 3,509 crore
Sustenance including de-bottlenecking, AMR & Environment	Rs. 12,191 crore
Augmenting Raw Material from existing mines & development of new mines	Rs. 10,264 crore

Total Capital Expenditure Including on Modernisation & Expansion





- Total CAPEX includes Rs. 51,030 crore spent till 31st December, 2013 against modernization & expansion. CAPEX Plan for 2013 -14 is Rs. 11,500 crore.
- Actual Expenditure in including modernization & expansion for 9M: Rs. 7383 crore.
- **■** Capex Plan for 2014-15 is Rs. 9000 crore.





Orders for over Rs. 58,694 crore have already been placed as on 31.12.2013 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.

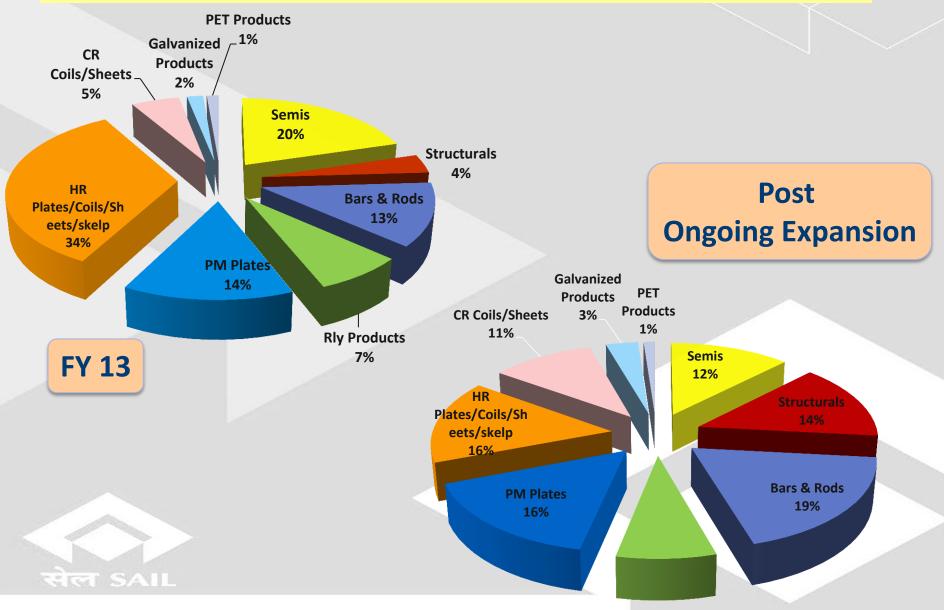
Capacity increase after Expansion



Plant	Hot Meta	al (MTPA)	Crude Steel (MTPA)		Saleable Steel (MTPA)	
	2012-13	After Expansion	2012-13	After Expansion	2012-13	After Expansion
BSP	5.2	7.5	5.0	7.0	4.4	6.6
DSP	2.2	2.5	2.0	2.2	1.9	2.1
RSP	2.4	4.5	2.2	4.2	2.1	4.0
BSL	4.1	5.8	3.8	4.6	3.3	4.2
ISP	0.2	2.9	0.1	2.5	0.2	2.4
VISL	0.1	0.3	0.1	0.2	0.1	0.2
ASP	-	-	0.1	0.5	0.1	0.4
SSP	-	-	0.1	0.2	0.3	0.3
TOTAL	14.2	23.5	13.4	21.4	12.4	20.2

Product Mix - Saleable Steel Production





Rly Products 8%

CAPEX Status for the ongoing Expansion & Modernisation as on 31.12.2013





Orders placed include Actual Expenses Incurred.

Orders Placed/ Expenditure are excluding Capex Plan of Rs. 10264 crore for development of Raw Material facilities and actual expenditure of Rs. 876 crore against the same.

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.
- Roller Grinder for Hot Rolling Mill
- Cold Rolling Mill Complex (except 20-high Sendzimir Mill)
- Facilities being added:
 - •Production (MTPA):

Item	2012 -13 (Actual)	After Expansion
Crude Steel	0.069	0.18
Saleable Steel	0.270	0.34

IISCO Steel Plant



 Major facilities are expected to be progressively commissioned as follows:

Facilities Commissioned

- •New Coke Oven Battery (0.88 Mtpa, 2 x 37 ovens, 7 m tall)
 - ■First consignment of BF coke was despatched in Feb 2013
- •Sinter Machines (3.88 Mtpa gross sinter production, 2X204 m²)
 - Hot trial production started in December, 2012
- •Wire Rod (0.5 Mtpa)
 - ■Wire Rod Mill commissioned in August, 2013

During H1 FY 2014-15

- Blast Furnace 4060 m3 (2.7Mtpa)
- •3 nos. of 150 T BOF Converters
- 2X6 Strand Billet Casters
- •Bar Mill (0.75 Mtpa)



IISCO Steel Plant

New stream to produce 2.7 MTPA of Hot Metal

Production (MTPA):

ltem	2012 -13 (Actual)	After Expansion
Crude Steel	0.139	2.50
Saleable Steel	0.169	2.39

Current Progress of Expansion at IISCO Steel Plant

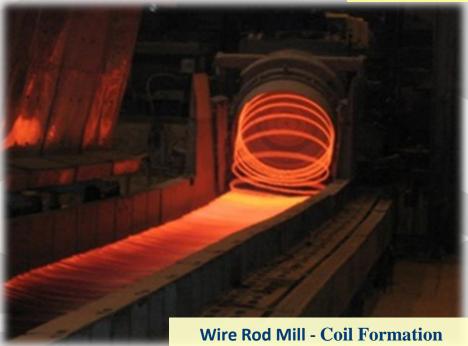












Bokaro Steel Plant



Major facilities are expected to be progressively commissioned as follows:

New Facilities already commissioned:

- Re-building of Coke Oven Battery #1 & #2.
- Up-gradation of Blast Furnace #2 and Stoves Up-gradation of #5
- Auxiliary Fuel Injection in Blast Furnaces #2 & #3.
- Acid Regeneration Plant. Skin Pass Mill, Coil Packaging Lines of new CRM Complex

During FY 2014-15:

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

Production (MTPA) :

Item	2012 -13 (Actual)	After Expansion
Crude Steel	3.76	4.61
Saleable Steel	3.33	4.18

Current Progress of Expansion at Bokaro Steel Plant













New CRM-III

Skin Pass Mill at BSL



First Coil from PLTCM



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Coil Packaging Line at BSL

Bhilai Steel Plant



 Major facilities are expected to be progressively commissioned as follows:

During H2 FY 2013-14:

- Second Sinter Machine in Sinter Plant-3
- New Coke Oven Battery No. 11 (7 m tall)

During FY 2014-15

- 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	2012 -13 (Actual)	After Expansion
Crude Steel	5.01	7.0
Saleable Steel	4.36	6.56

Current Progress of Expansion at Bhilai Steel Plant





Current Progress of Expansion at Bhilai Steel Plant







Rourkela Steel Plant

Major facilities are expected to be progressively commissioned as follows:

Facilities Commissioned:

- New Coke Oven Battery -6 (7 m tall, 1 x 67 ovens)
- Commissioned in April 2013
- New Sinter Plant -3 (1 x 360m²)
- New Blast Furnace -5, 4060 m³ useful volume.
- New 3rd Single Strand Slab Caster
- New Oxygen Plant 2X700 tpd on BOO basis

During H2 FY 2013-14

- New 3rd BOF (150 T) and 3rd Ladle Furnace
- Rolling facilities for New 4.3 meter Wide Plate Mill
- Saleable Steel from both existing & new facilities: 3.99 mtpa.

Production (MTPA):

Item	2012 -13 (Actual)	After Expansion
Crude Steel	2.21	4.20
Saleable Steel	2.14	3.99

Progress of Expansion at Rourkela Steel Plant





Durgapur Steel Plant



Major facilities are expected to be progressively commissioned as follows:

Facilities already commissioned:

- Rebuilding of Coke Oven Battery no-2
- New Ladle Furnace (125T)

During H2 2013-14

- New Dolomite Plant (300tpd)
- Coal Sorting & Coal Handling Plant

During 2014-15

- Up-gradation of raw material/coal handling facilities
- Bloom-cum-Round Caster 1X4 (0.75 Mtpa)
- New Medium Structural Mill (1.0 Mtpa)

Production (MTPA):

ltem	2011 -12 (Actual)	After Expansion	
Crude Steel	2.03	2.20	
Saleable Steel	1.93	2.12	



Progress of Expansion at Durgapur Steel Plant



Raw Materials



Year	Hot Metal (mtpa)	Iron Ore Consumption (mtpa)	Linkages of Iron Ore
2012-13	14.3	22.4	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
Meghataburu	4.3	6.5	up to meet the requirement of the ongoing expansion plan.
Bolani	4.1	10.0	The entire requirement of the increased
Gua	2.4	10.0	capacity shall be met through captive mines.
New Pellet Plants	New 5.0 Expansion New Pelle		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	5.8	Stage-I Forest Clearance has been obtained





Year	Hot Metal (mtpa)	Coking Coal Requirement (mtpa)	Linkages of Coking Coal
2012-13	14.3	13.3 (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	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. 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	स्मिन् जियान	 JV with NTPC & DVC for operating & managing CPPs of Durgapur, Rourkela & Bhilai.
	CEMENT	JAYPEE GROUP	 Bhilai Jaypee Cement LtdSlag based cement plant of 2.2 million tonne per annum capacity with grinding unit at Bhilai & clinkering unit at Satna.
277			 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 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	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

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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 & GoC 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.

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Awards and Accolades

- Maharatna SAIL has received two awards at the CII-ITC Sustainability Awards-2012 ceremony held at Vigyan Bhawan on 14th January, 2013. Hon'ble President of India Shri Pranab Mukherjee presented the awards to Chairman, SAIL Mr. C.S.Verma. SAIL has received a certificate of commendation for strong commitment to sustainable development. Besides SAIL's Bhilai Steel Plant has won certificate of commendation for significant achievement in its category.
- Bhilai Steel Plant (BSP), a unit of Steel Authority of India Limited (SAIL) has been adjudged the winner of the much coveted Prime Minister's Trophy for 'Best Integrated Steel Plant' in the country for assessment year 2011-12.
- Continuing with its glorious tradition of previous years, 88 out of total 118 awardees for the performance year 2011 were from SAIL, who were awarded by Union Minister of Labour and Employment Shri Sis Ram Ola at a glittering ceremony held at Vigyan Bhawan yesterday.
- Mr. C.S.Verma, Chairman, SAIL was conferred with 'Star PSU CMD of the year award' for outstanding performance under the Maharatna category in BT-Star PSU Excellence awards-2013. The award was presented by Sh. B.S. Hooda, Chief Minister, Haryana in a ceremony held at New Delhi on 19th June, 2013.









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
•	Gol	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

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.