

STEEL AUTHORITY

OF INDIA LIMITED

PERFORMANCE

HIGHLIGHTS

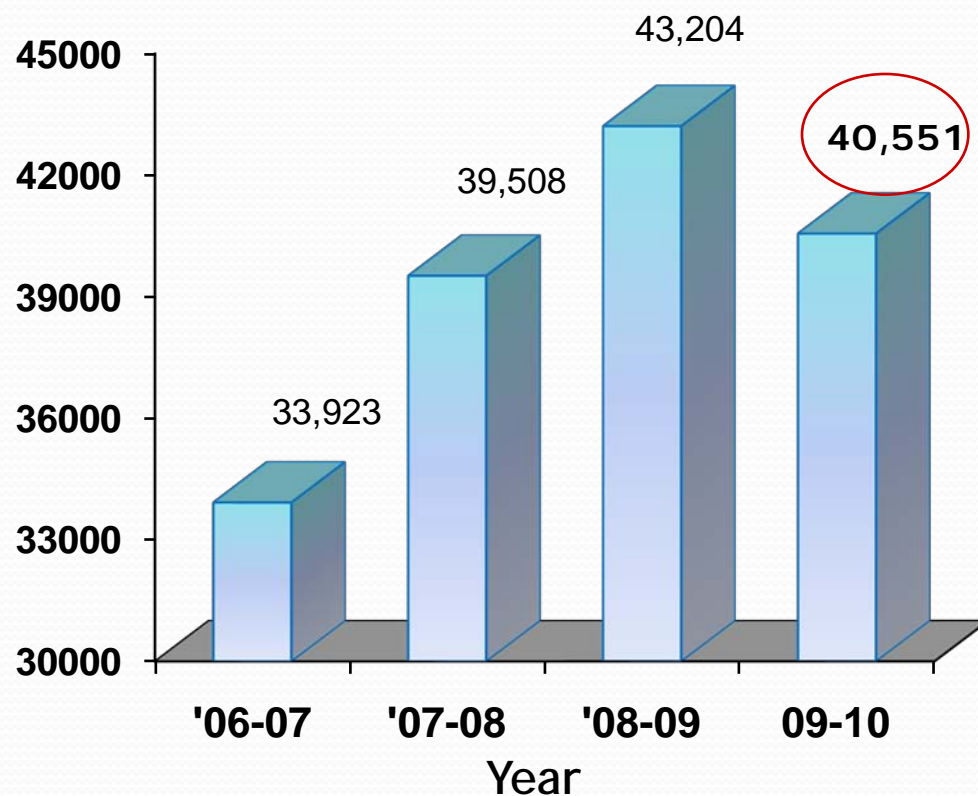
2009-10 & Q4 FY-10

Contents

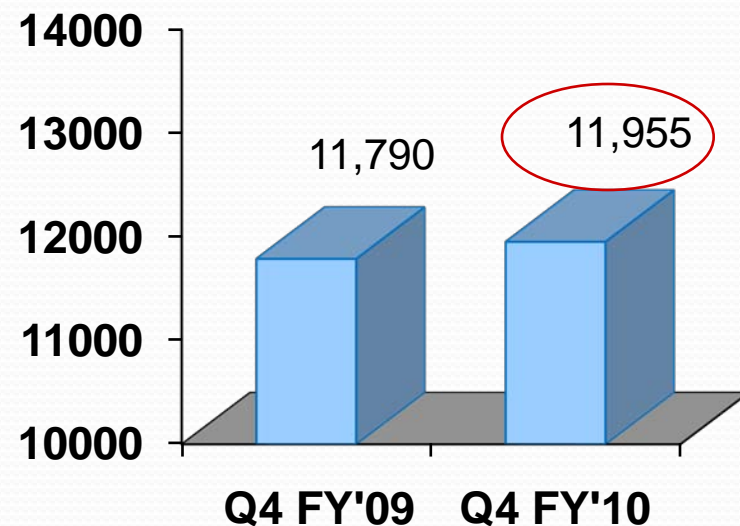
- ✓ Performance
- ✓ SAIL's Expansion Plan
- ✓ CSR & Environment Management
- ✓ Awards & Accolades

Net Sales

Unit : Rs Crore



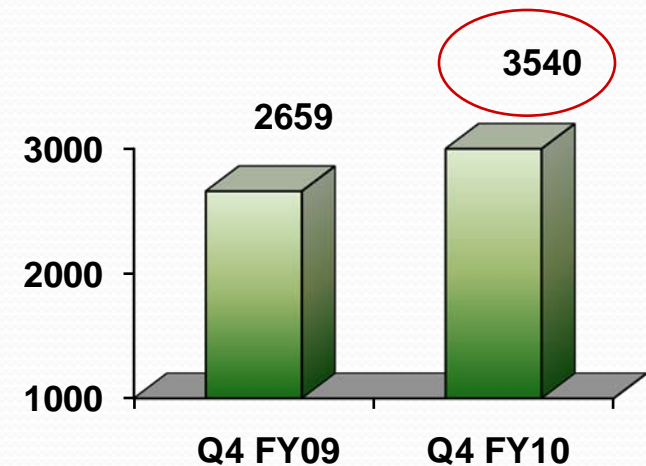
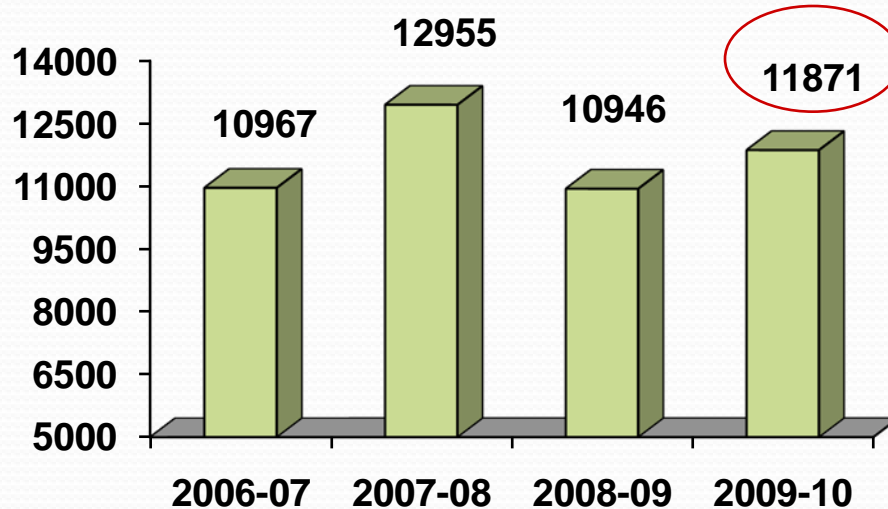
➤ Net Sales of Rs.40,551 crore in FY 09-10, decrease of 6% over CPLY



➤ Q4 FY10 Net sales of Rs .11,955 crore, 1% increase over CPLY

Earning Before Interest Depreciation and Tax

Unit : Rs Crore



➤ EBIDTA of Rs. 11,871 crore for 2009-10.

➤ Increase of 8% over CPLY.

➤ Increase in EBIDTA to Net Sales to 29%,

➤ Increase of 4% over previous year.

➤ EBIDTA of Rs. 3540 crore for Q4 FY10.

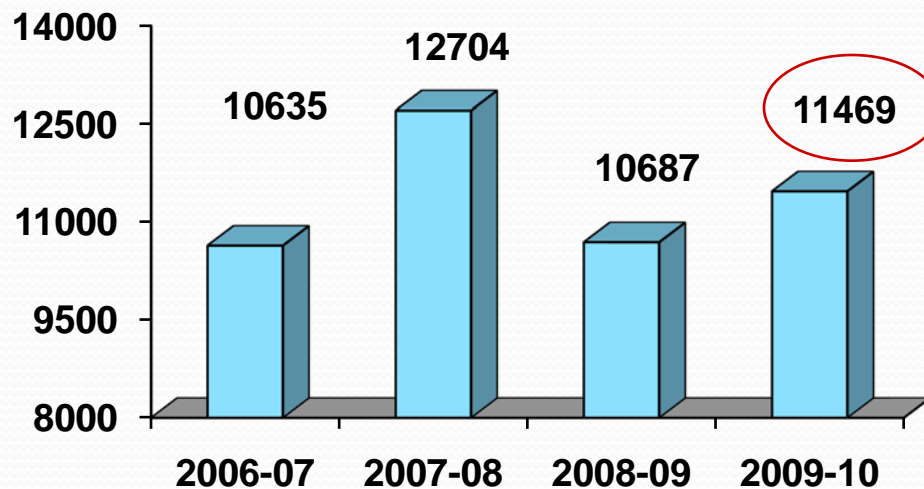
➤ Increase of 33% over CPLY.

➤ Increase in EBIDTA to Net Sales to 30%,.

➤ Increase of 7% over CPLY.

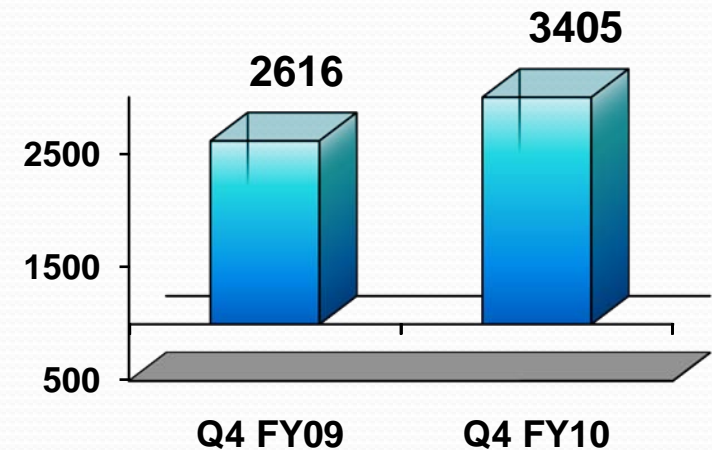
Cash Profits

Unit : Rs Crore



➤ Cash profit for 2009-10 Rs. 11,469 cr.

➤ Increase of 7% over CPLY.

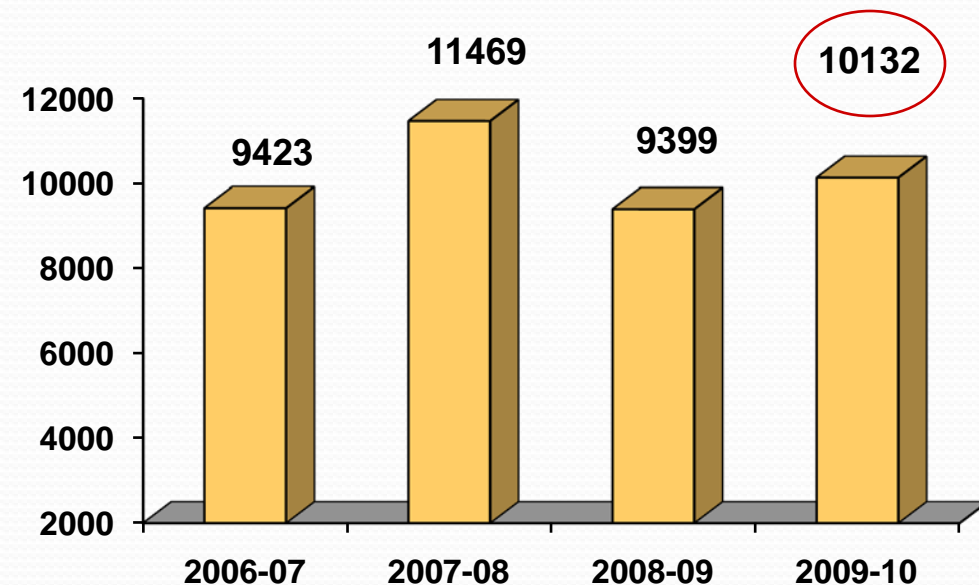


➤ Cash profit for Q4 FY10 Rs. 3405 cr.

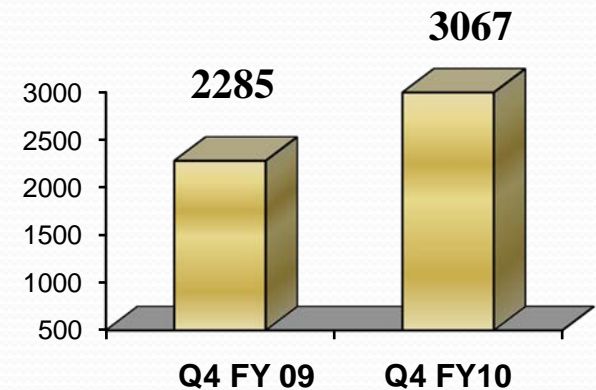
➤ Increase of 30% over CPLY.

Financial Performance

Profit Before Tax (Amount in Rs. Cr.)



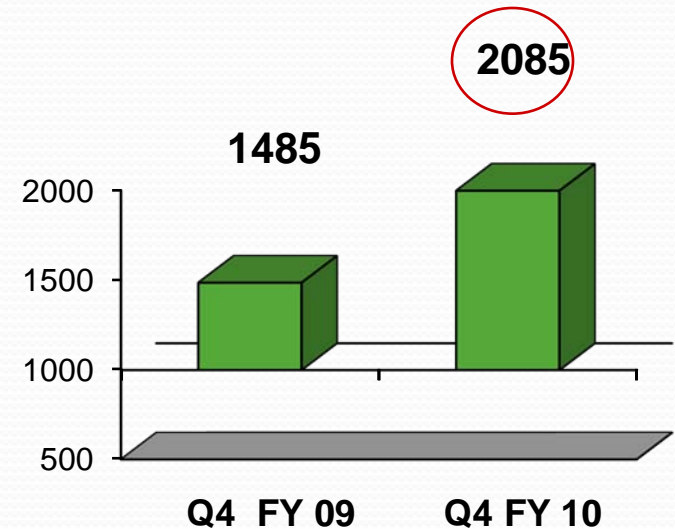
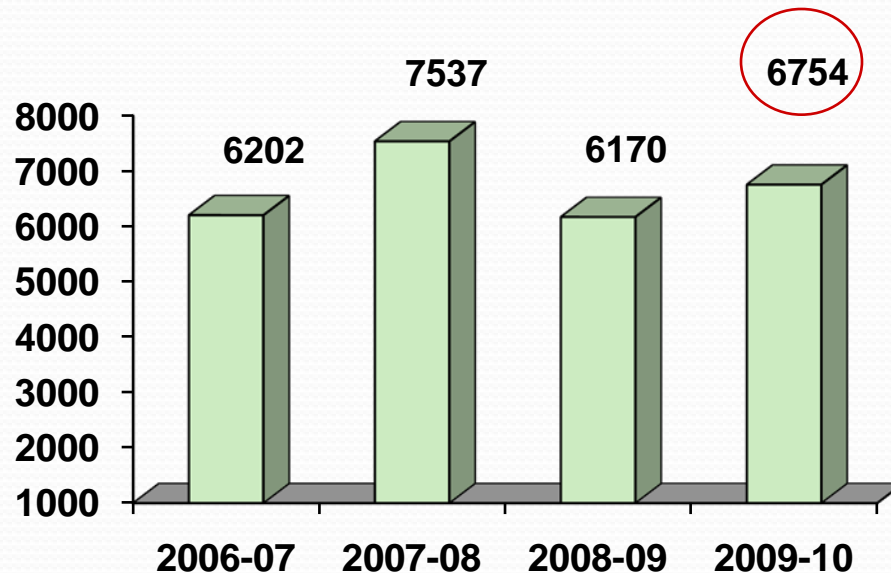
- PBT of Rs.10132 crore in 2009-10.
- Increase of 8% over CPLY.



- Q4 FY10 PBT of Rs.3067 crore
- Increase of 34% over CPLY

Financial Performance

Profit After Tax (Amount in Rs. Cr.)

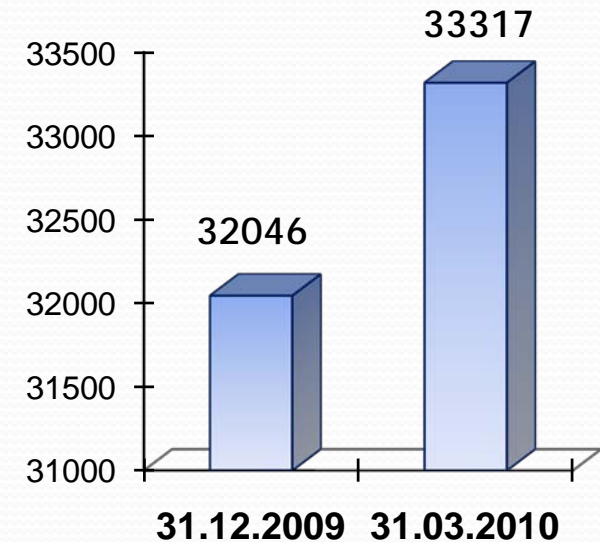
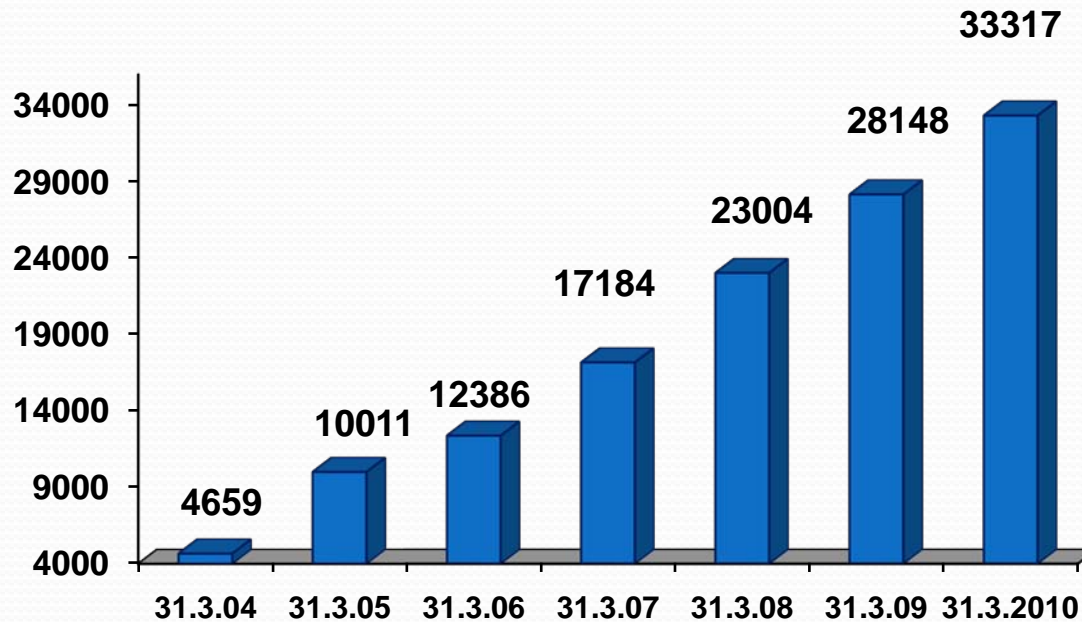


- PAT of Rs.6754 crore in 2009-10.
- Increase of 9% over CPL
- PAT to Net Worth ratio of 20%

- Q4 FY10 PAT of Rs2085 crore
- Increase of 40% over CPL

Net Worth

Unit : Rs Crore

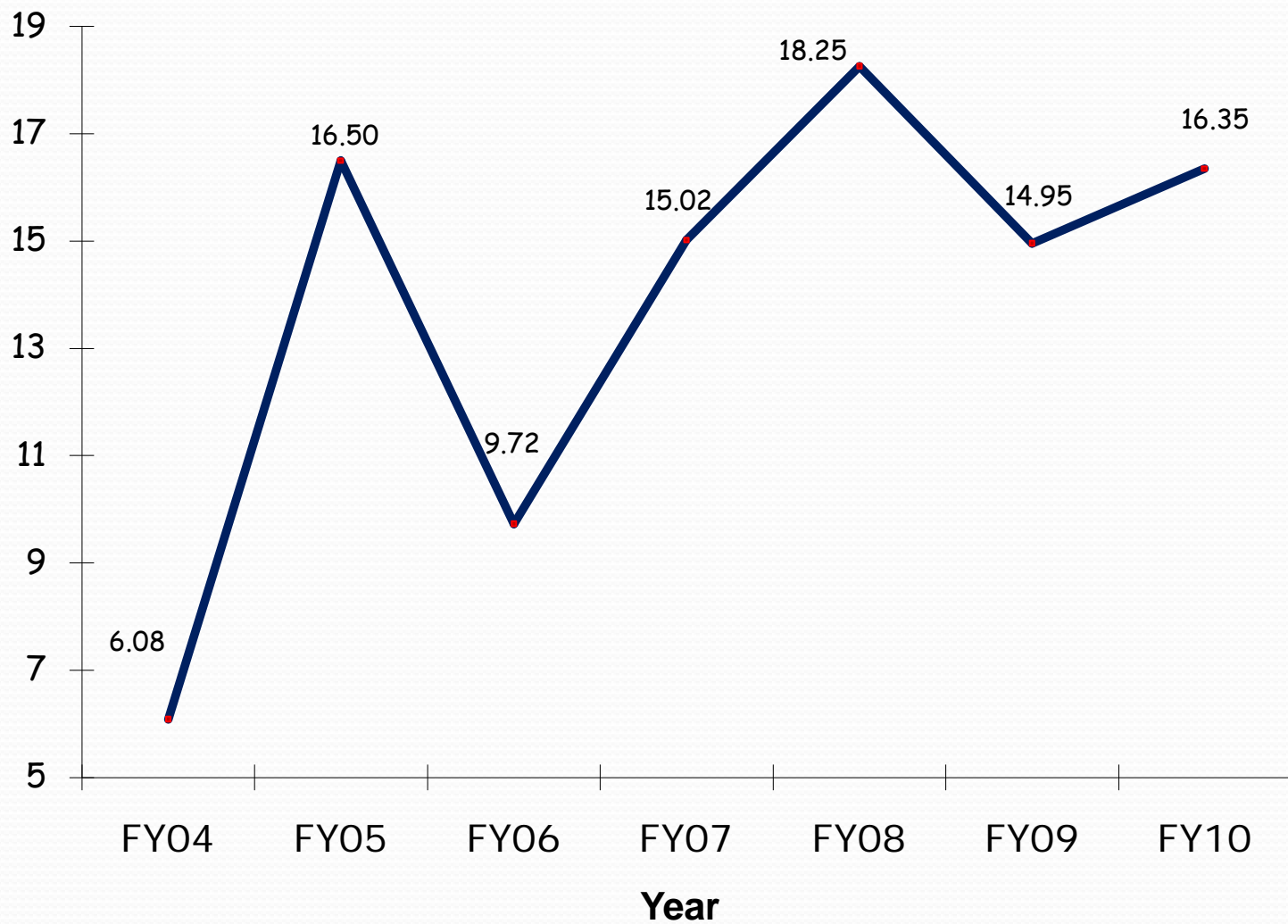


- Net Worth as on 31-03-2010 Rs. 33,317 crore
- Increase of over Rs. 5000 crore, up by 18%

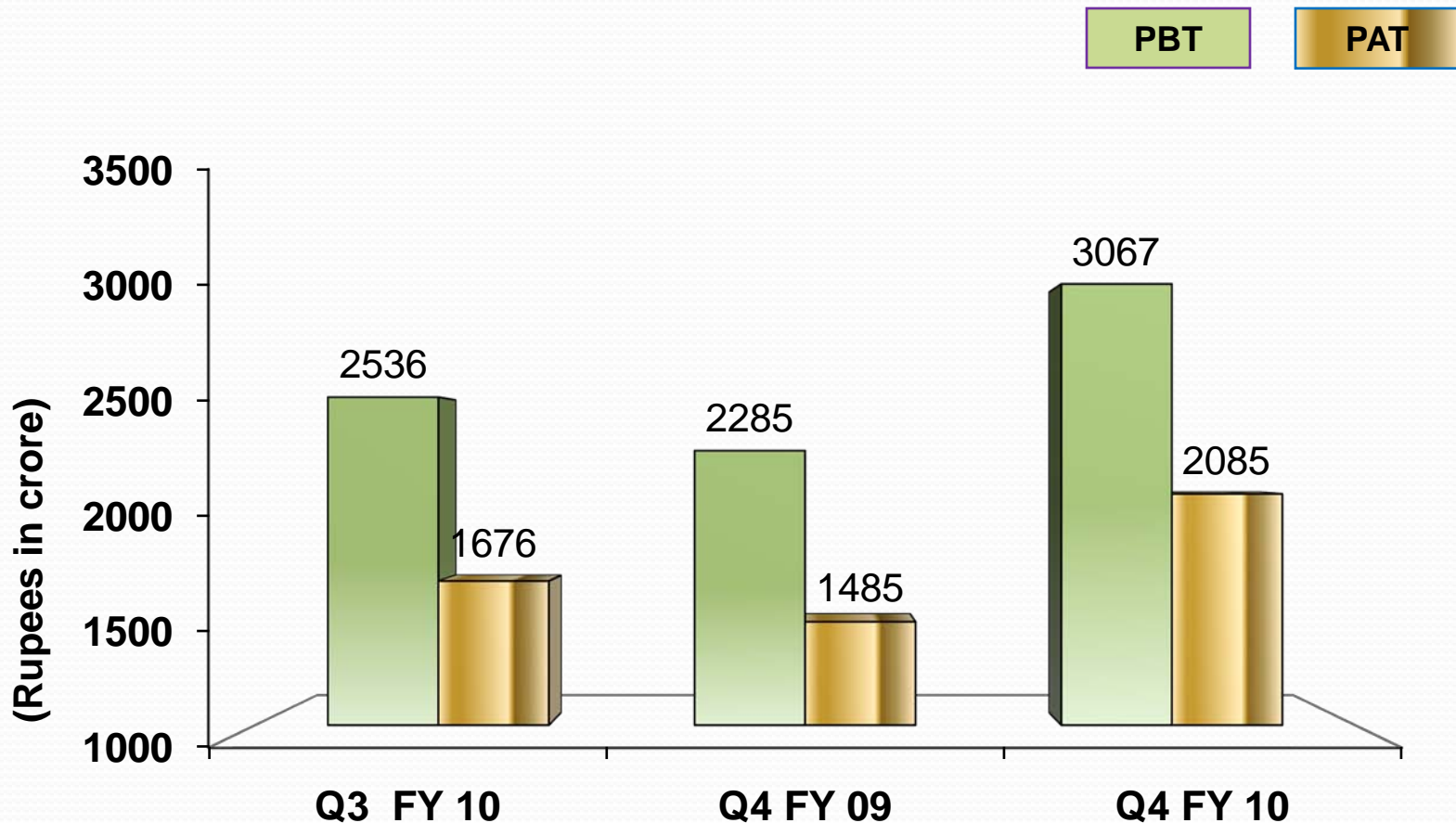
- Net Worth increase in Q4 by over Rs. 1250 crore

Earning per Share

Amount in Rupees



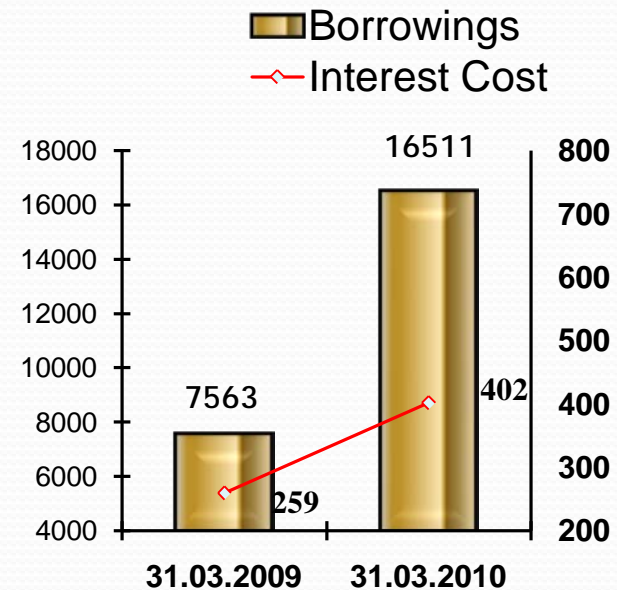
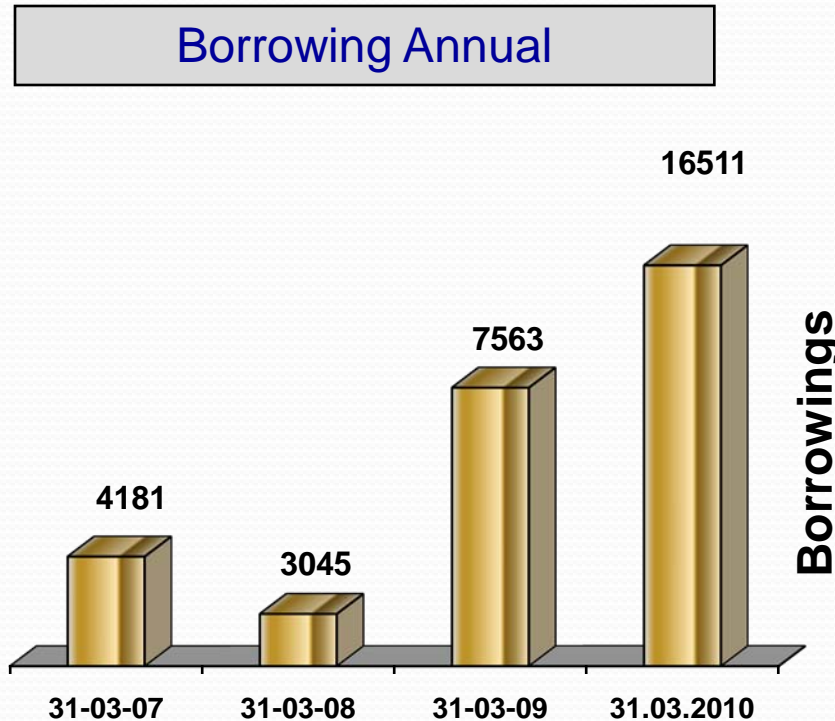
Quarter-wise Profit



- Profit Before Tax of Rs.3067 crore in Q4 FY10 was higher by 34% over CPLY and 21% higher than Q3FY10.
- Profit After Tax of Rs.2085 crore in Q4 FY10 was higher by 40% over CPLY and 24% higher than Q3FY10.

Borrowings

Unit : Rs Crore

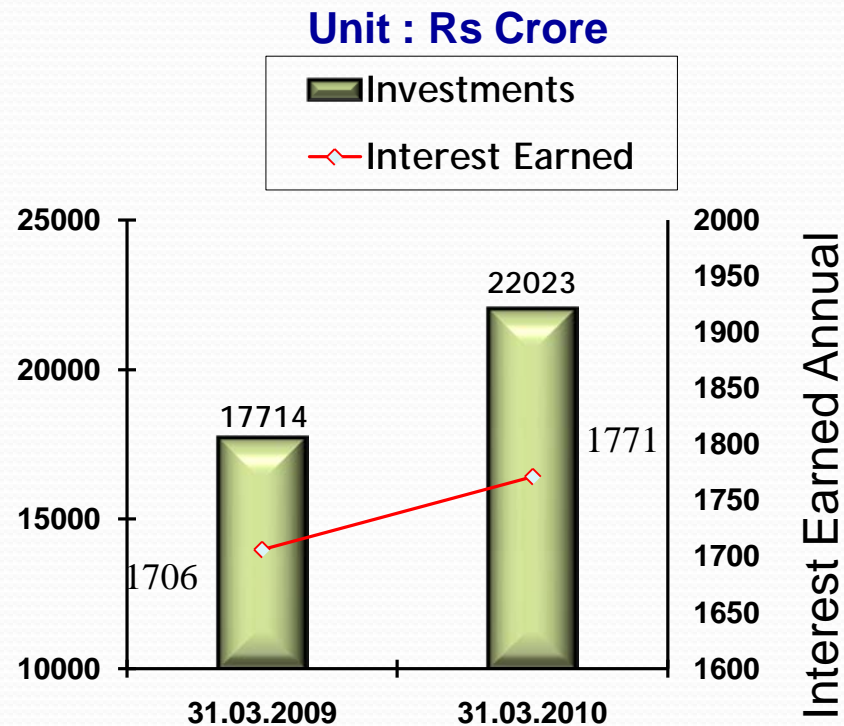
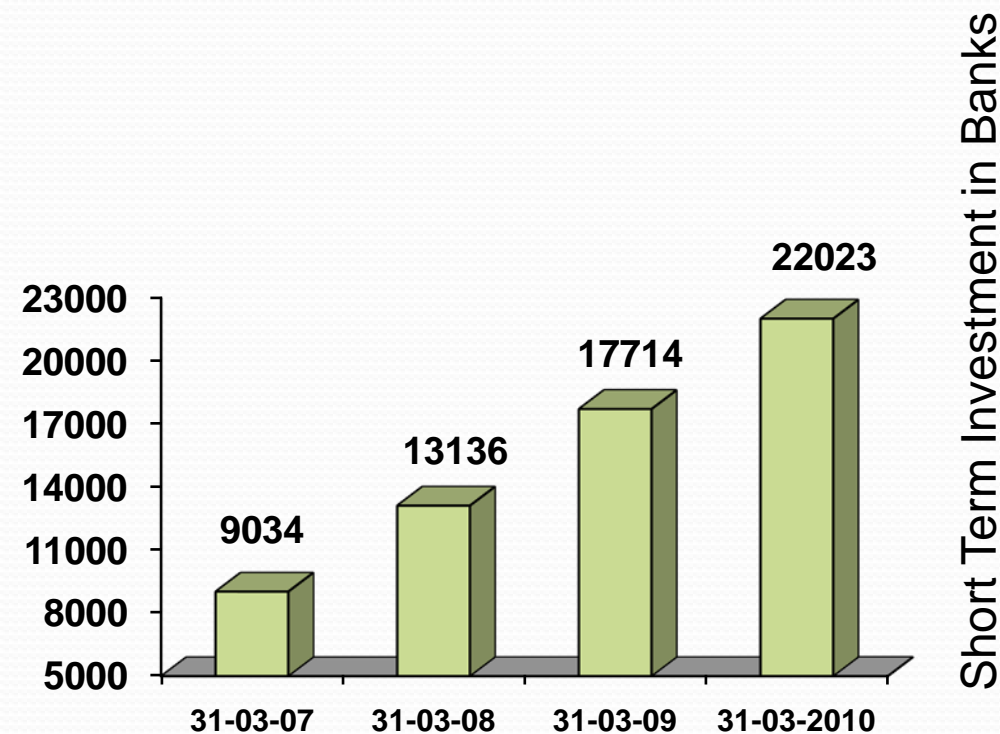


➤ The ongoing capex is being financed through debt-equity ratio of 1:1

Year	31.03.2009	31-09-2009	31-03-2010
D/E Ratio	0.27	0.38	0.50

Investments

Investments Annual



Investment in short term deposits with Banks as on 31-03-2010 Rs. 22023 crore

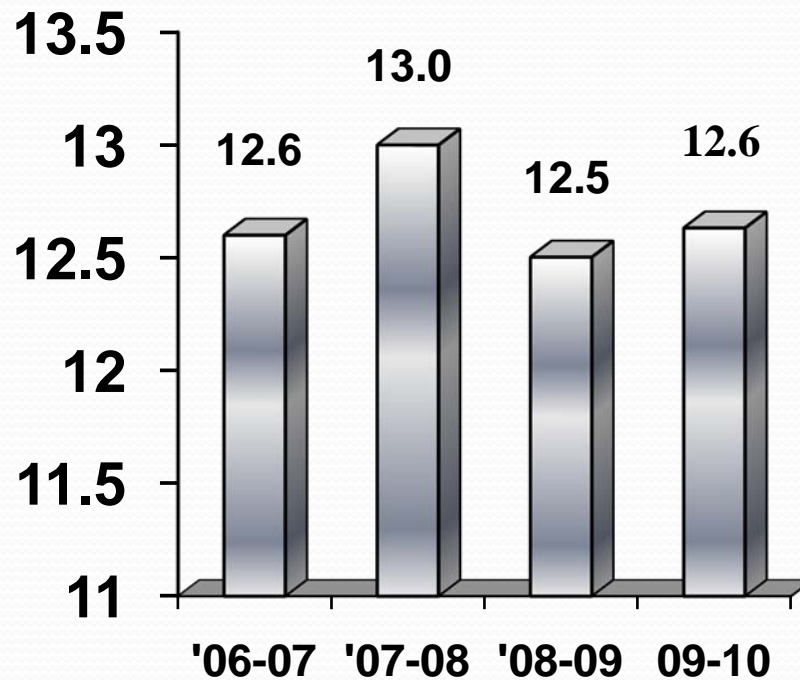
Performance Highlights – Q4 2009-10

- ✓ Crude steel production of 13.51 million tones: growth of 1% as compared to last year.
- ✓ Production through Concast 9.08 million tones: growth of 3% as compared to last year (CPLY).
- ✓ Avg. Capacity utilisation (Saleable Steel): 114%
- ✓ Avg. Capacity utilisation (Hot Metal): 105%
- ✓ Avg. Capacity utilisation (Concast Production): 130%
- ✓ Blast Furnace Productivity of 1.57 t/m³/day: improved by 5% over CPLY.

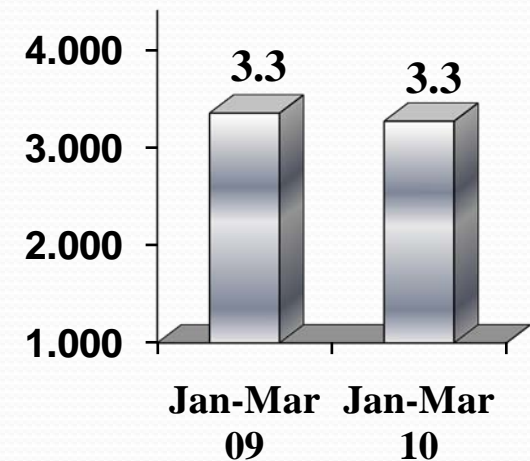
Production

Including Special Steels Plants

Saleable Steel (in Million Tons)



Q4 FY09 vs Q4 FY10

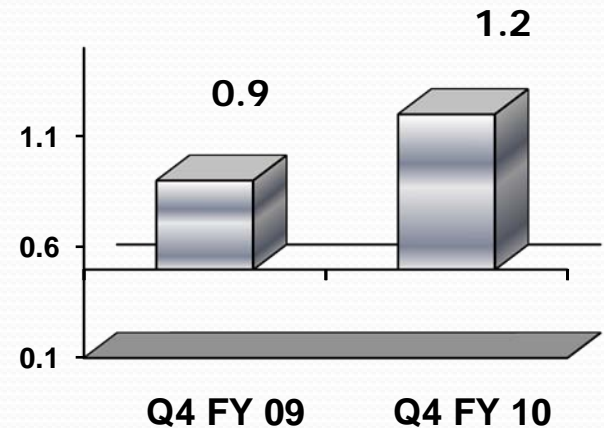
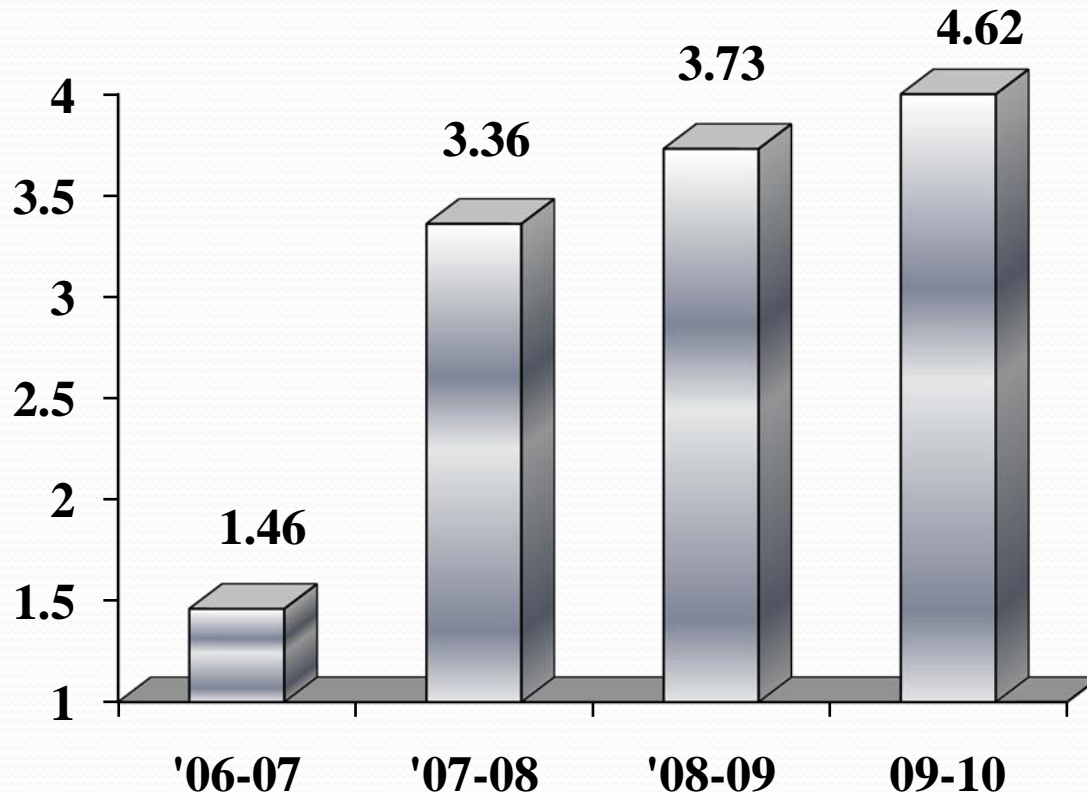


Increase in Production by 1% over CPLY

Special Steel Production

(in Million Tonnes)

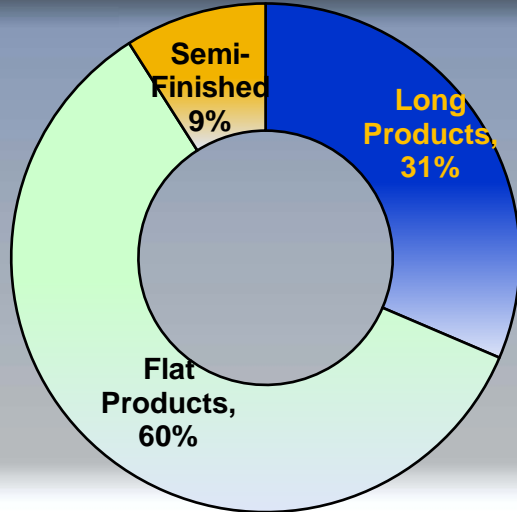
Production of Value added products of 5 ISPs



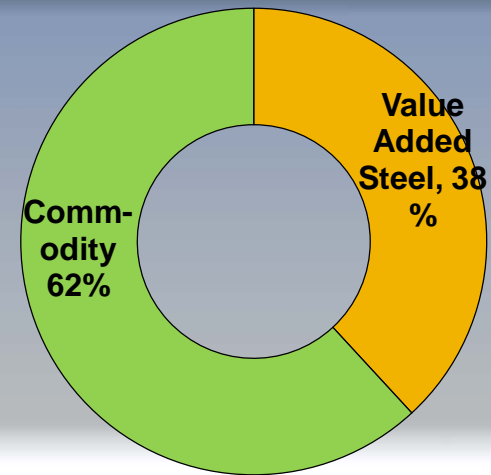
- 24% increase in production of Value Added Products.
- Special Steel Production constitutes 38% of Total Production, up by 7% over CPLY.

Production by Process and Sales Mix: 2009-10

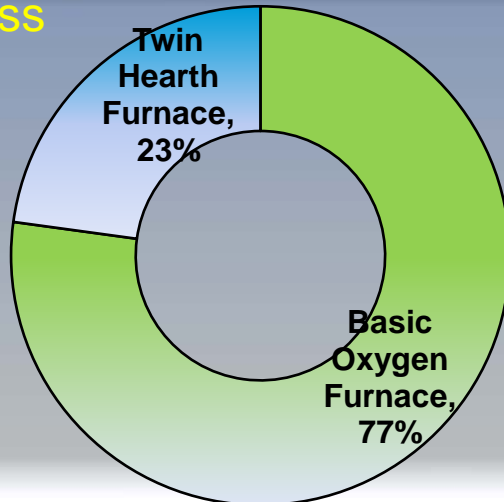
Sales of Saleable Steel



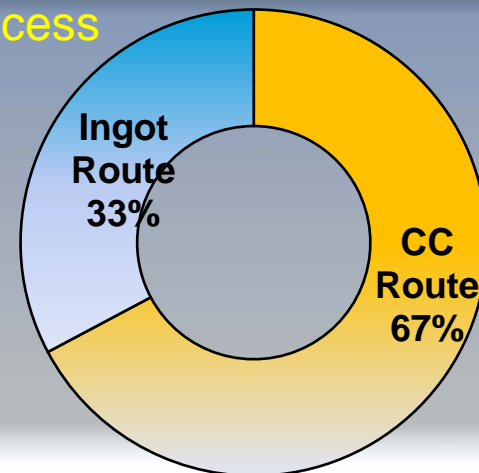
Production of Value Added Steel



Crude Steel Production by Process



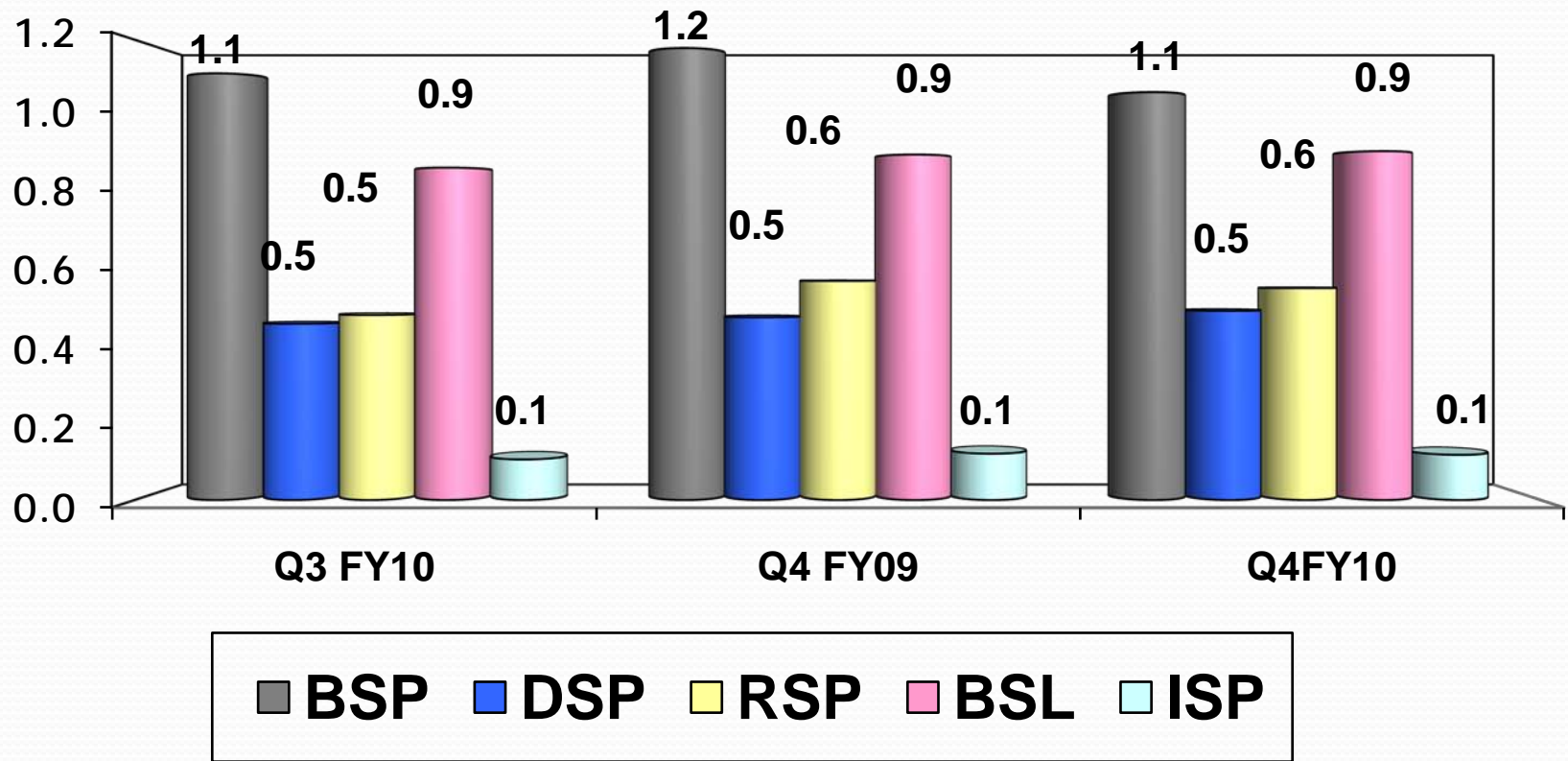
Saleable Steel Production by Process



Saleable Steel Production

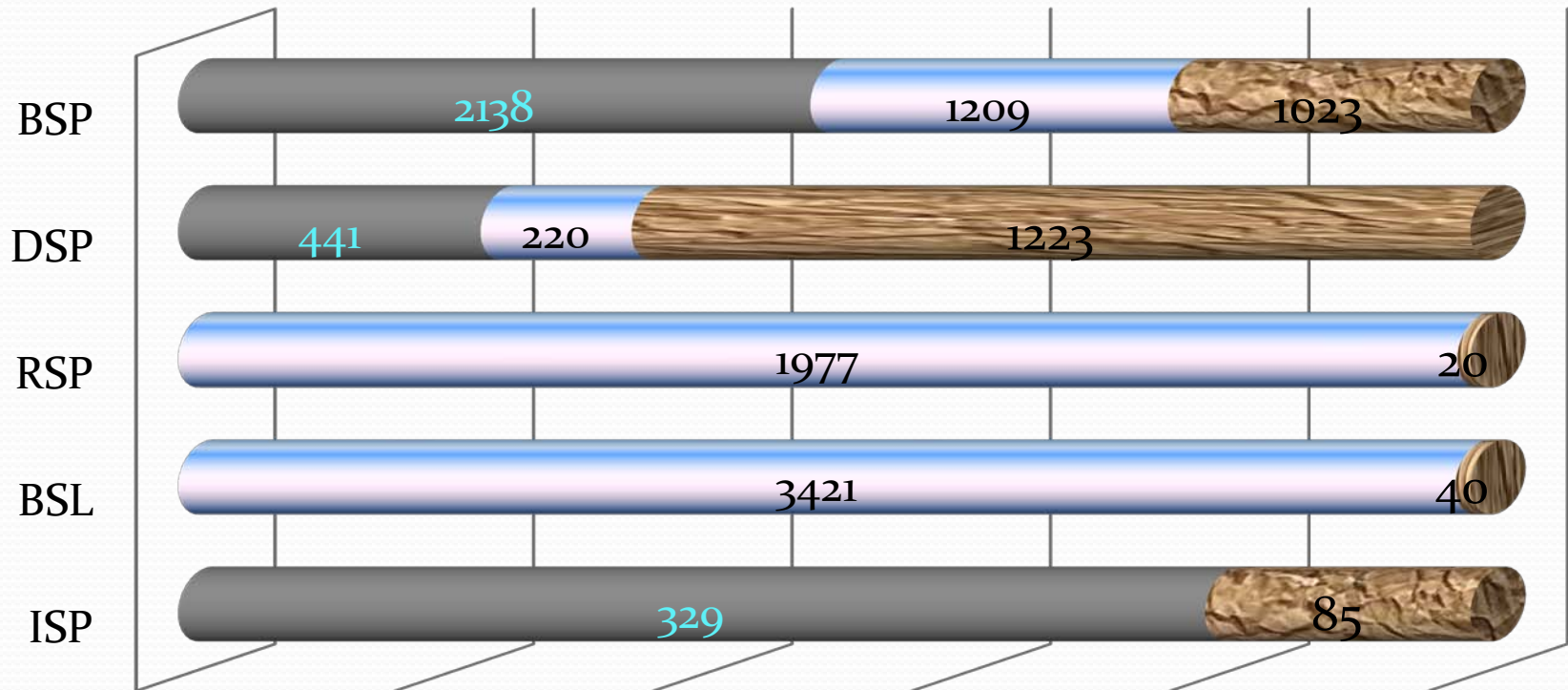
Five Integrated Steel Plants

Plant-Wise, Quarter-Wise
(in million Tonne)



Product Mix: Five Integrated Steel Plants

In thousand tonne



■ Long Product

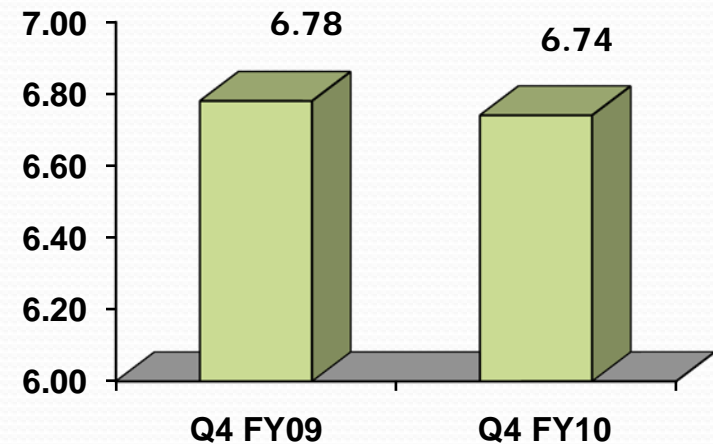
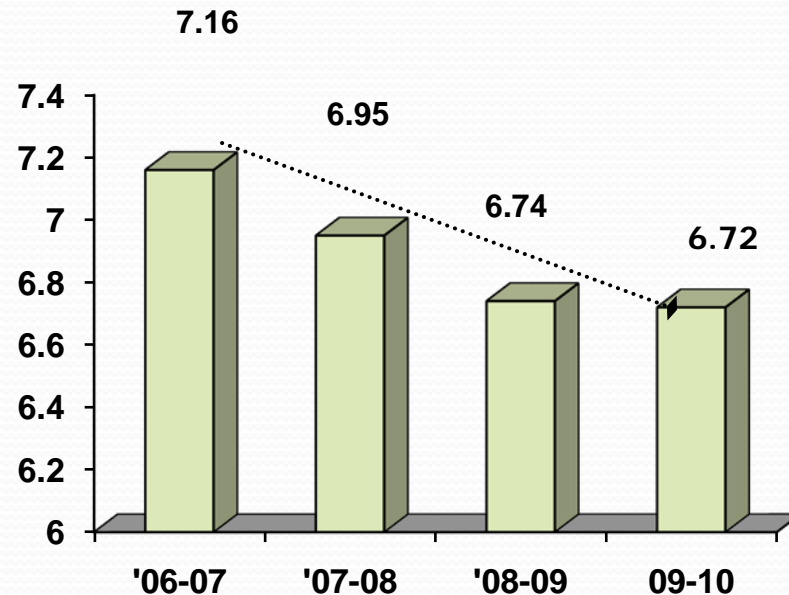
■ Flat Product

■ Semis

TE Parameters

Specific Energy Consumption (Gcal/TCS)

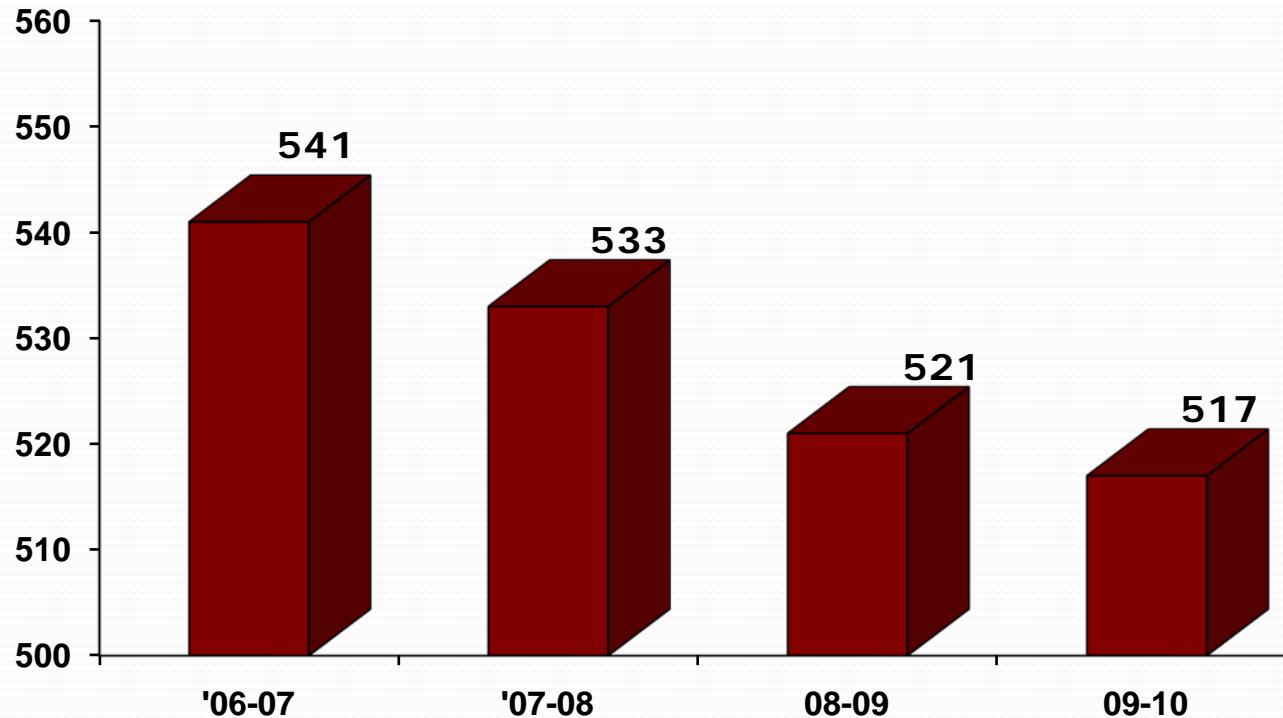
Jan-Mar10



Reduction in Energy Consumption

TE Parameters

Coke Rate (kg/thm)

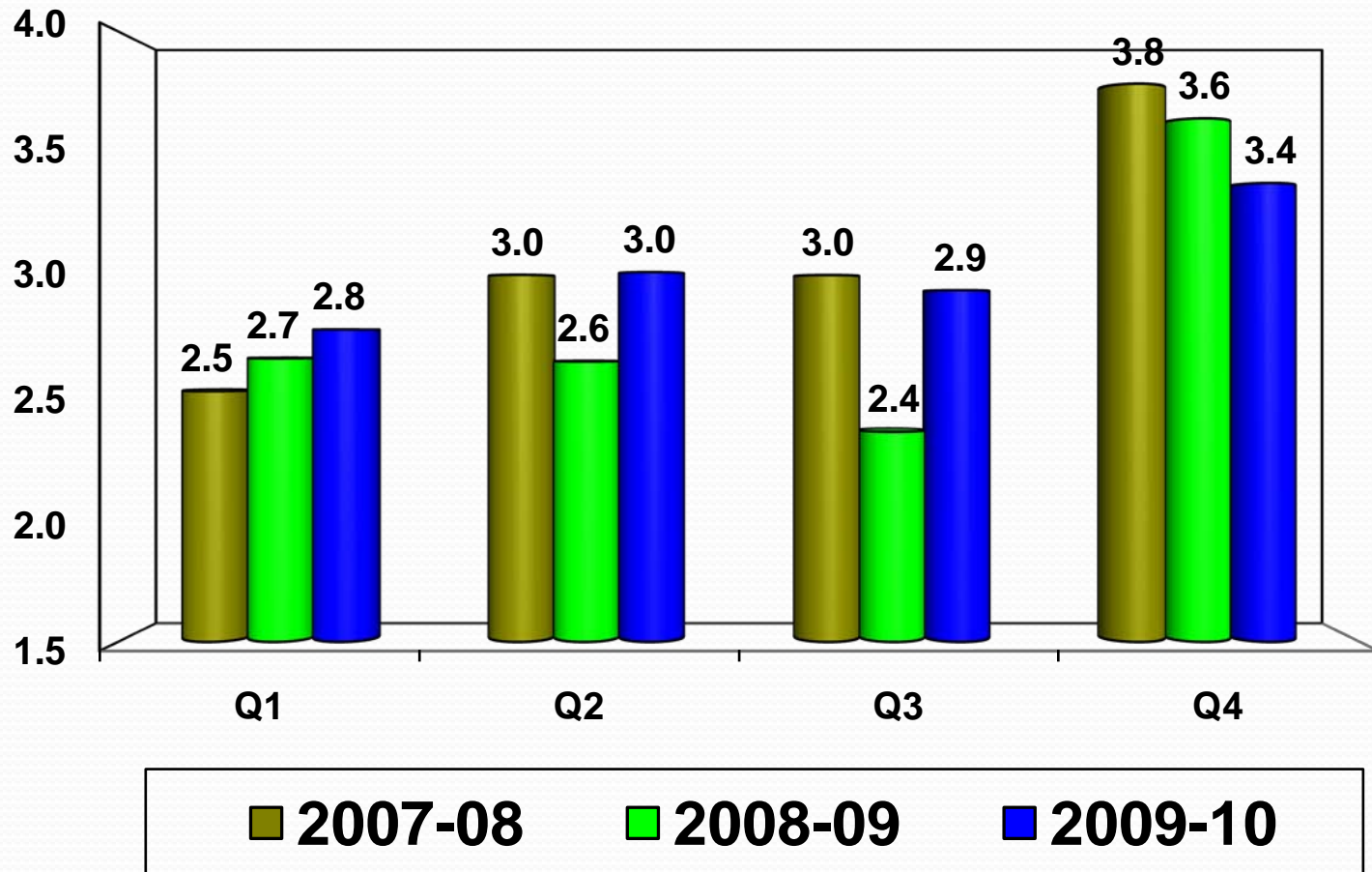


- Continuous efforts to contain coke rate
- Coke Rate at 517kg/thm: lower by 1% over CPLY

Saleable Steel Sales Volume

Including Special Steel Plants

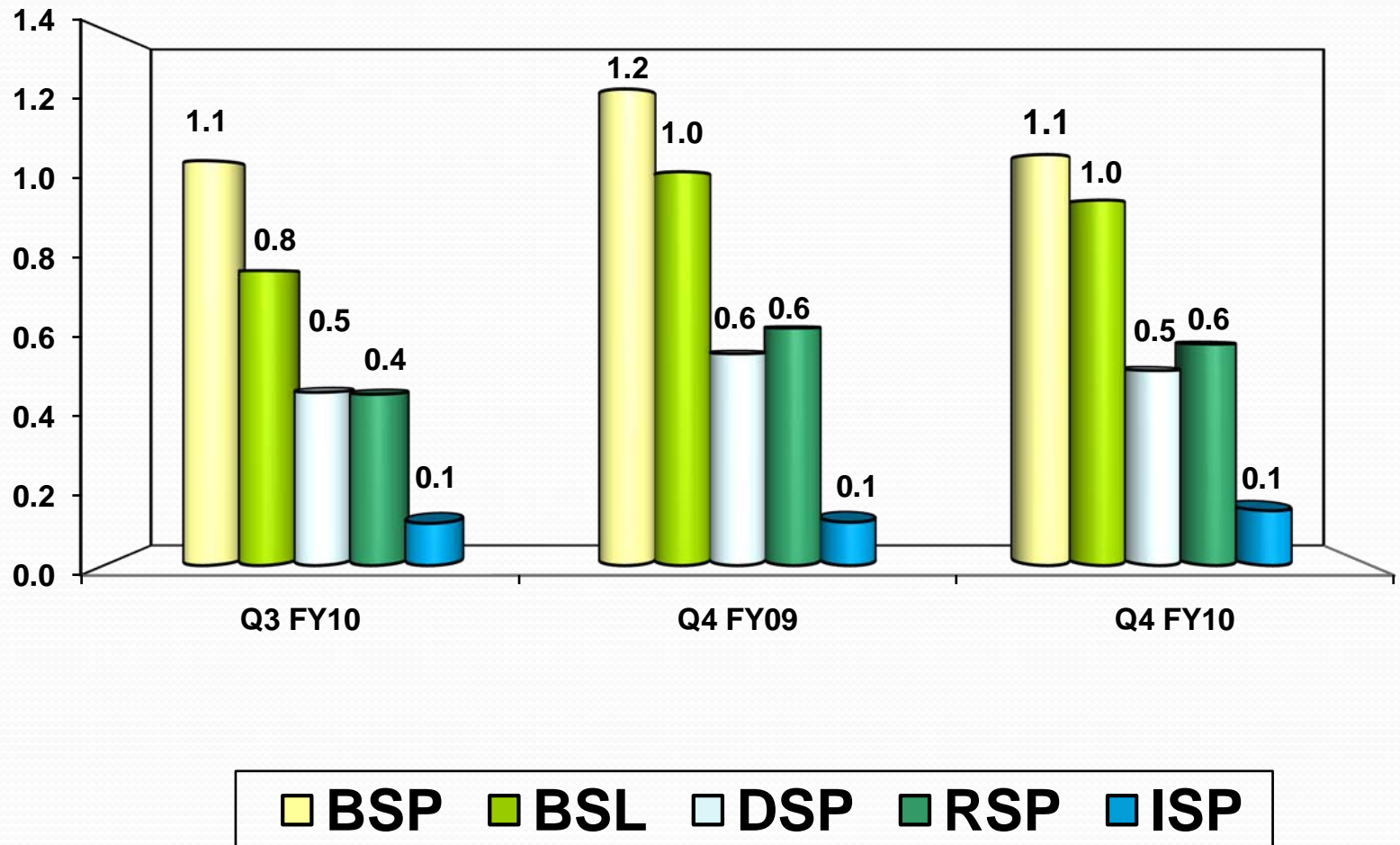
(In Million Tonne)



Saleable Steel Sales Volume

(In million tonne)

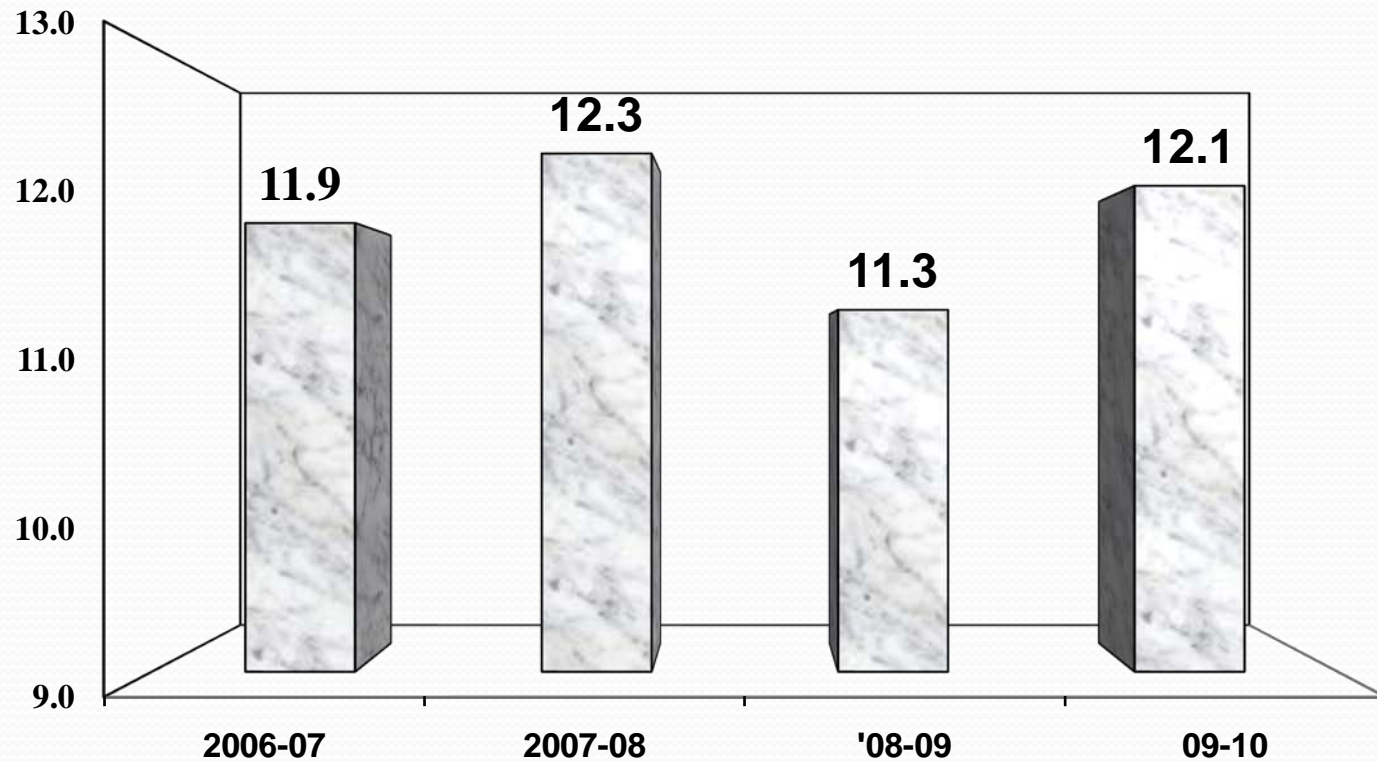
Plant-wise -Five Integrated Steel Plants



Saleable Steel Sales Volume

Including Special Steel Plants

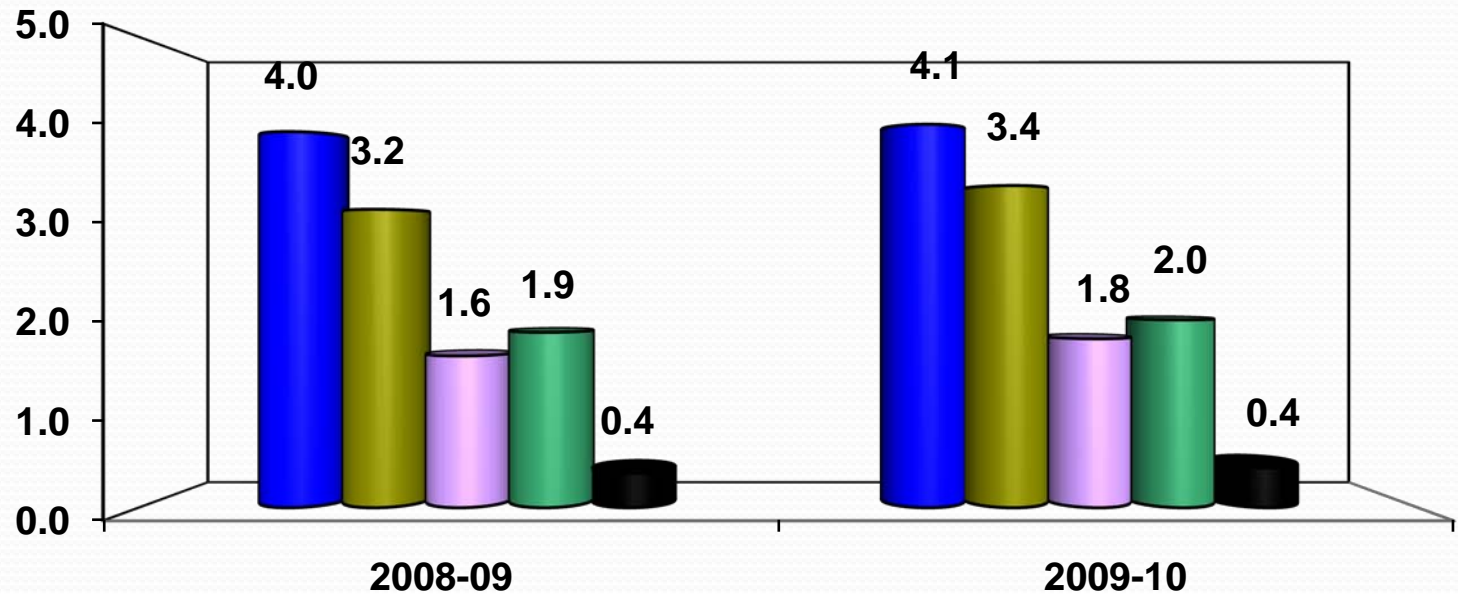
(in million tonne)



Saleable Steel Sales Volume

Plant-wise

(In Million Tonnes)



■ BSP

■ BSL

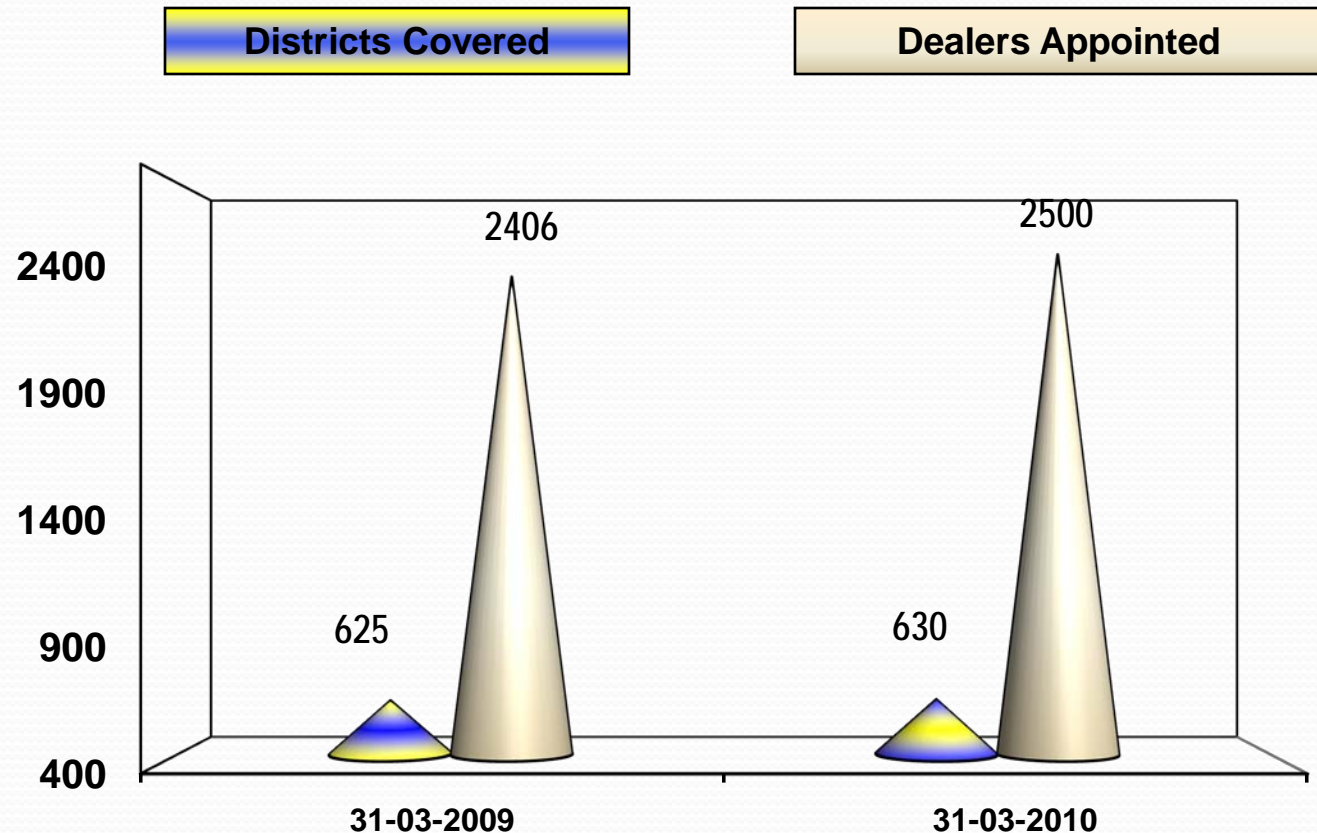
■ DSP

■ RSP

■ ISP

Sales through Dealers Network

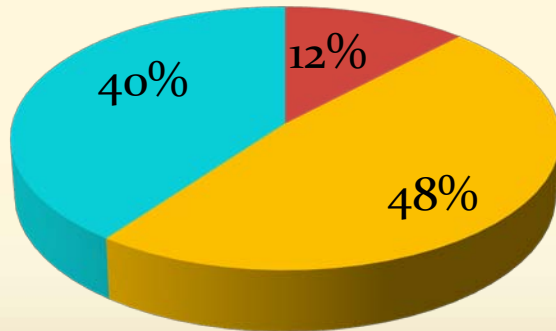
No. of Dealers and Districts Covered



- Sales through dealer's network during Q4 FY10
- 6.05 lakh tonne (Growth of 18%)
- 54% of Galvanised Sheets and 27% of TMT Bars sold through Dealer Network

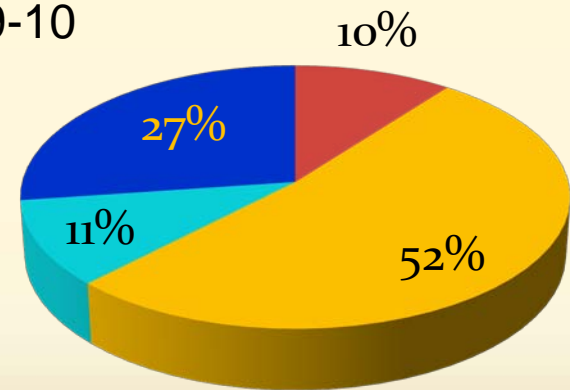
Captive Power Generation and drawal from Grid

2008-09



■ Own CPP ■ JV CPP ■ Drawal from Grid

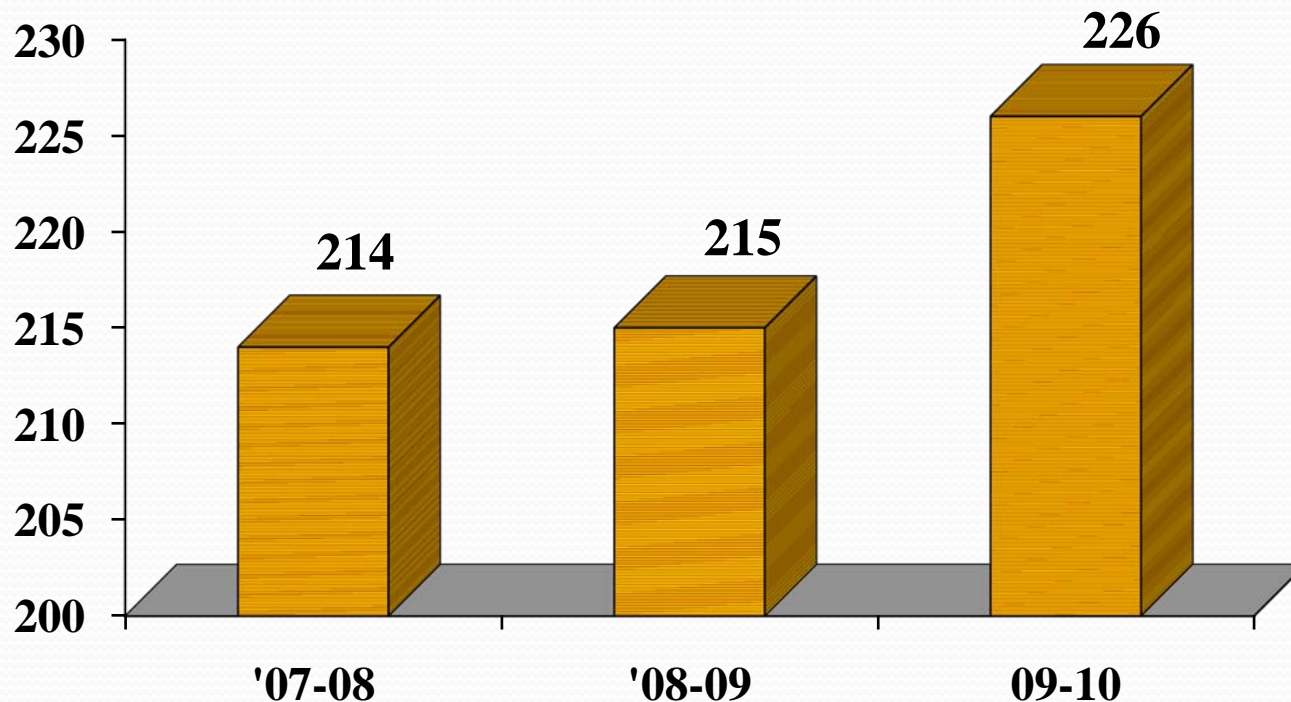
2009-10



■ Own CPP ■ JV CPP ■ PP-3 BSP ■ Drawal from Grid

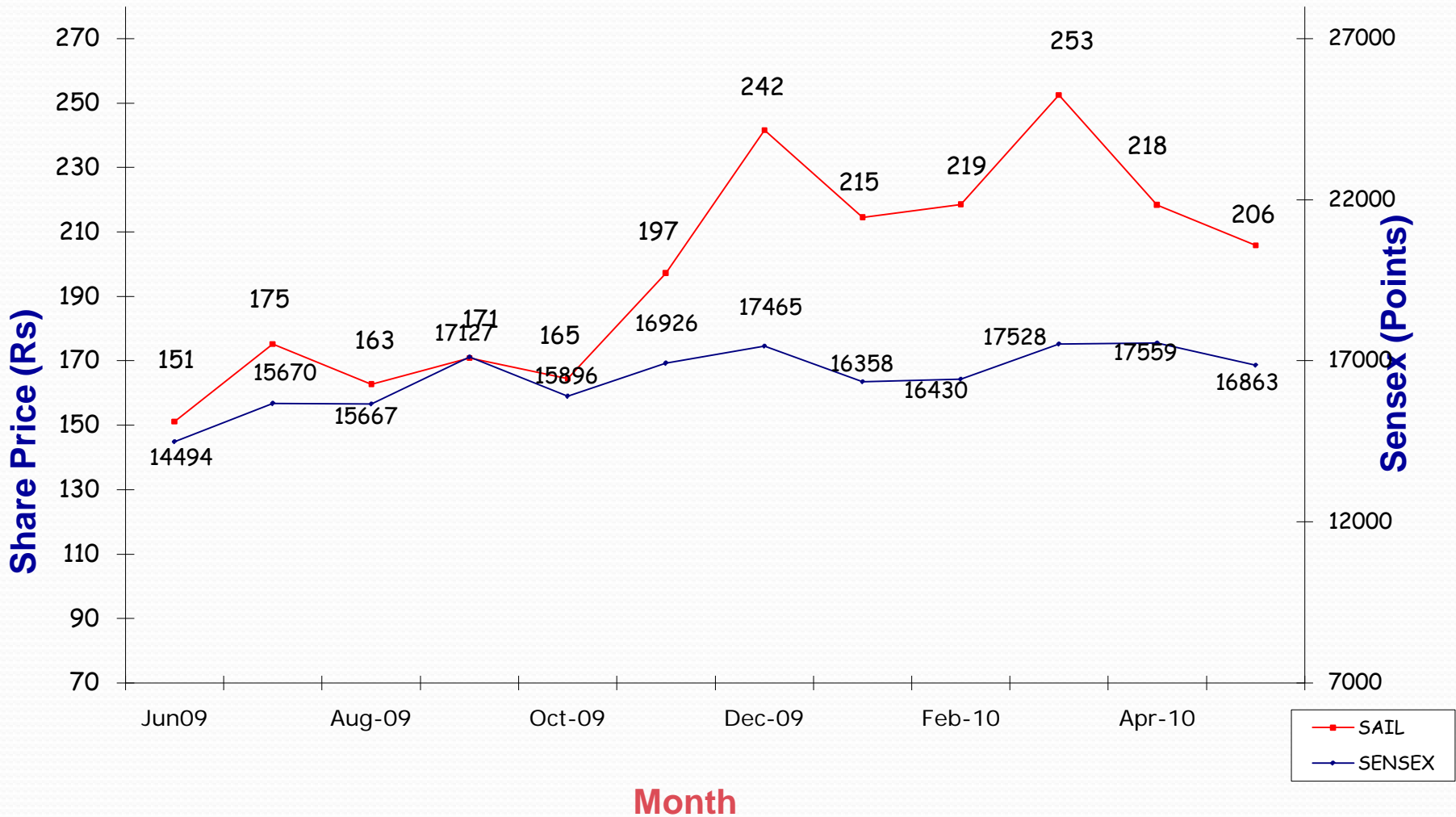
Labour Productivity

Tonne Crude Steel /man / year



- Net Manpower reduction 4345 during last one year.
- Current manpower : 1.17 lakh as on 31.03.2010.

Performance of SAIL Share price vis-à-vis Sensex



Closing Share Price & Sensex as on the last day of the month except on May28,2010

Dividend

Amount in Rs. Crore

	Interim %	Final %	Total %	Dividend	Dividend Tax
2009-10	16%	17% Proposed	33% Proposed	1363	228
2008-09	13.0	13.0	26.0	1074	181
2007-08	19.0	18.04	37.0	1528	259
2006-07	16.0	15.0	31.0	1280	197

EXPANSION AND MODERNISATION PLAN



SAIL's Expansion Plan

Particulars	Million Tonne	
	2009-10	After Expansion
Hot metal	14.5	26.2 (23.5)
Crude Steel	13.5	24.6 (21.4)
Saleable Steel	12.6	23.1 (20.2)

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

Expansion Plan : Technological Shift

Technology	Current Status	After Expansion
BOF Steel making	77%	100%
CC Route	67%	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

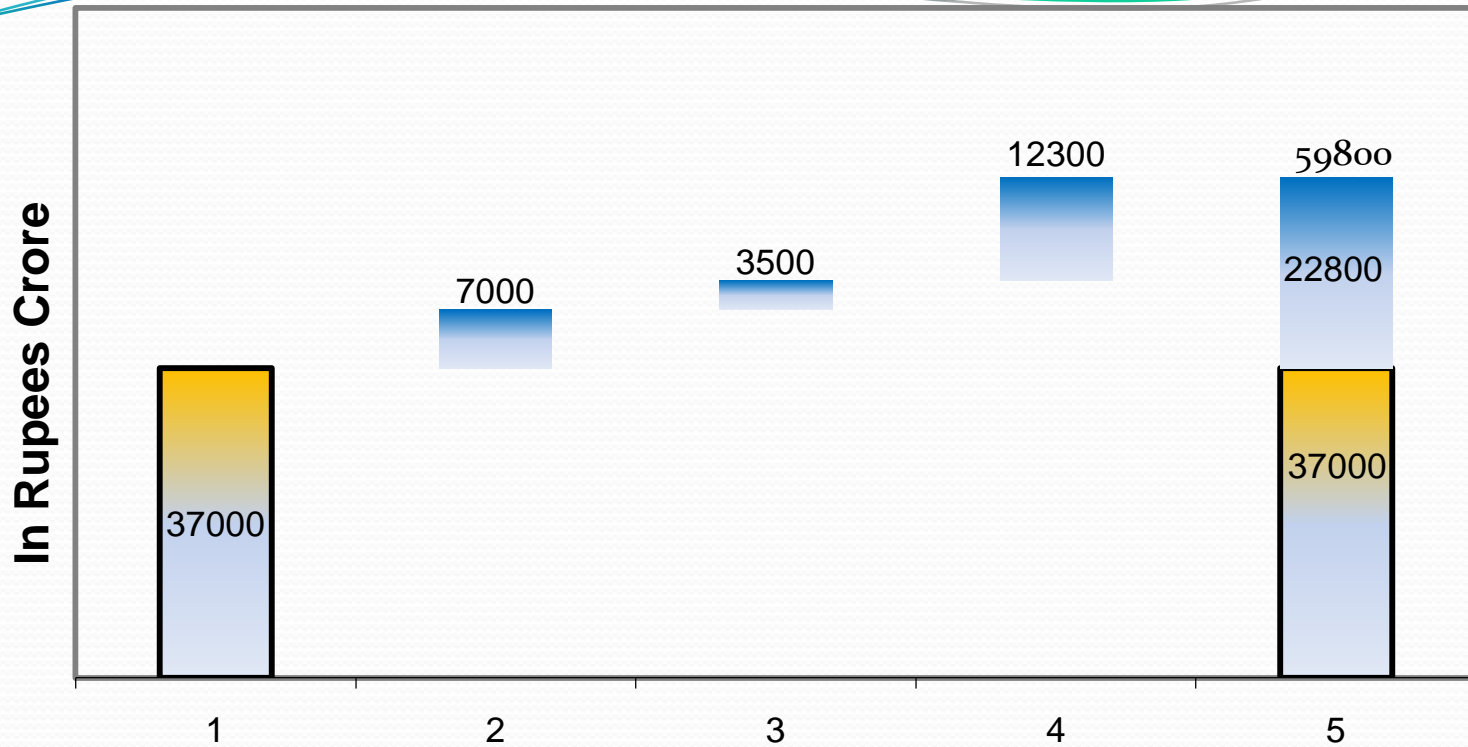
Ongoing Projects

- ✓ The ongoing expansion has been planned to achieve saleable steel production of 20.23 million tonne, at a cost of Rs. 37,000 crore (USD 8 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 1.5 billion)
Technological Upgradation/ Moderanisation	Rs. 3,500 crore (USD 0.8 billion)
Sustenance including debottlenecking, AMR and Environment	Rs. 12,300 crore (USD 2.6 billion)
Augmenting Raw Material from existing Mines & Development of new mines	Rs.10,000 crore (USD2.2 billion)

- ✓ The above details of capex includes an amount of Rs. 18020 crore, including Rs. 12056 crore for expansion and Rs. 5964 for other schemes, already spent during 2007-08 to 2009-10.

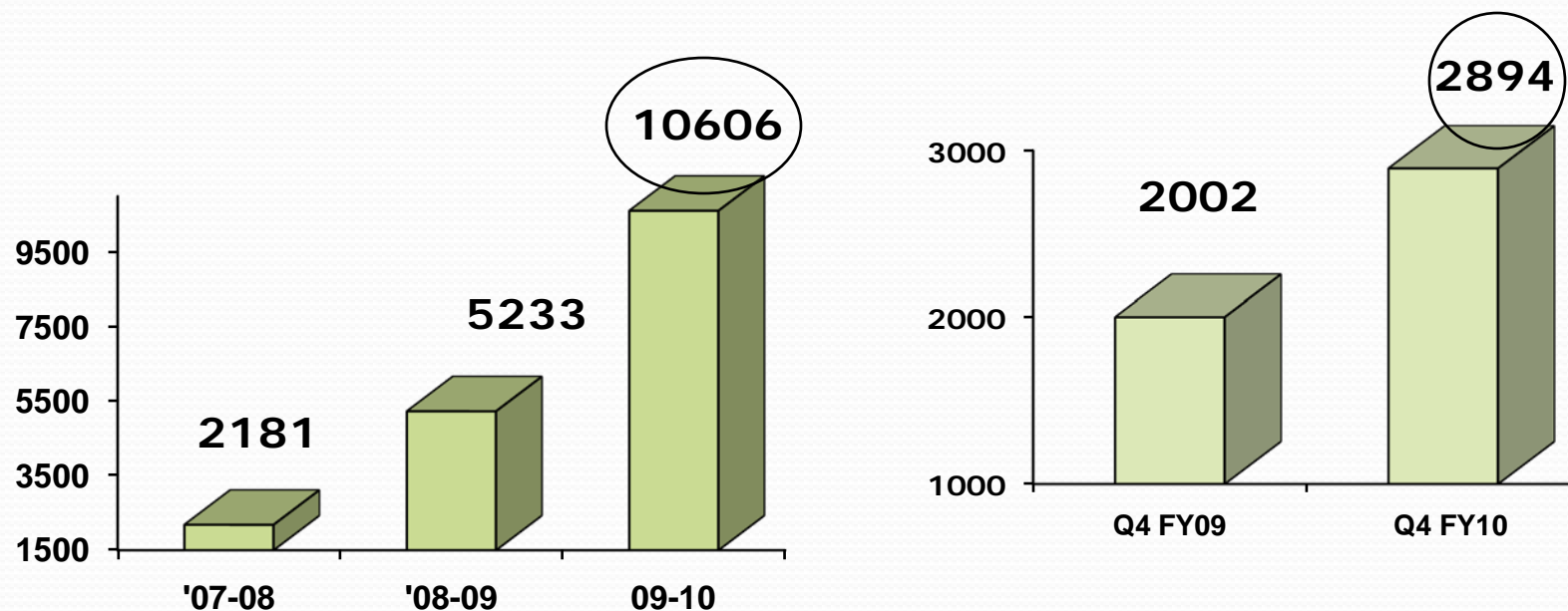
Ongoing Projects



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

Capital Expenditure on Expansion and Moderanisation

Amount in Rs. Crore



✓ Capex Plan for 2010-11 is Rs.12,254 crore approximately.

Ongoing Projects

- ✓ Orders for Rs.40,500 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.
- ✓ To facilitate the expenditure of expansion and modernisation, SAIL Board has taken a decision to raise a part of its cost through Follow on Public Offer (FPO).
 - ✓ 10% of prepaid-up equity capital shall be issued in the market as FPO, in two tranches of 5% each.
 - ✓ The Empowered Group of Ministers shall consider the economic environment before approving the time and price of issue.
 - ✓ GoI also proposes to divest shares equal to 10% of prepaid-up capital, in two tranches, along with above FPO.

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 4300 mm

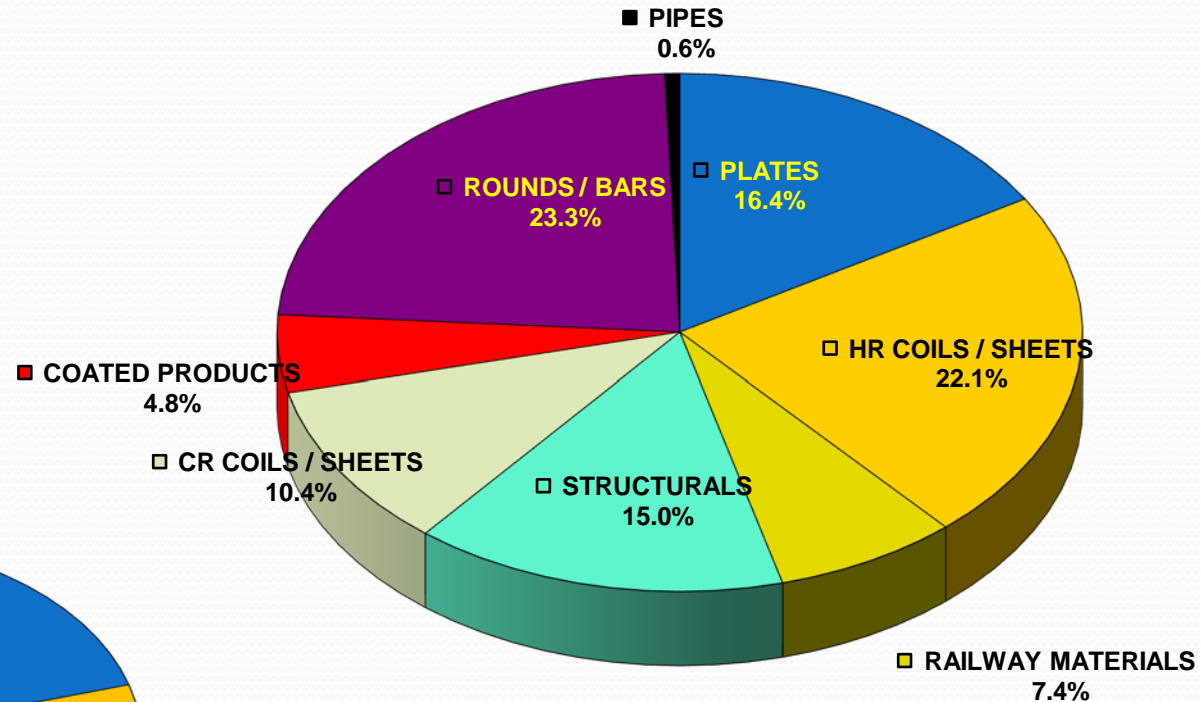
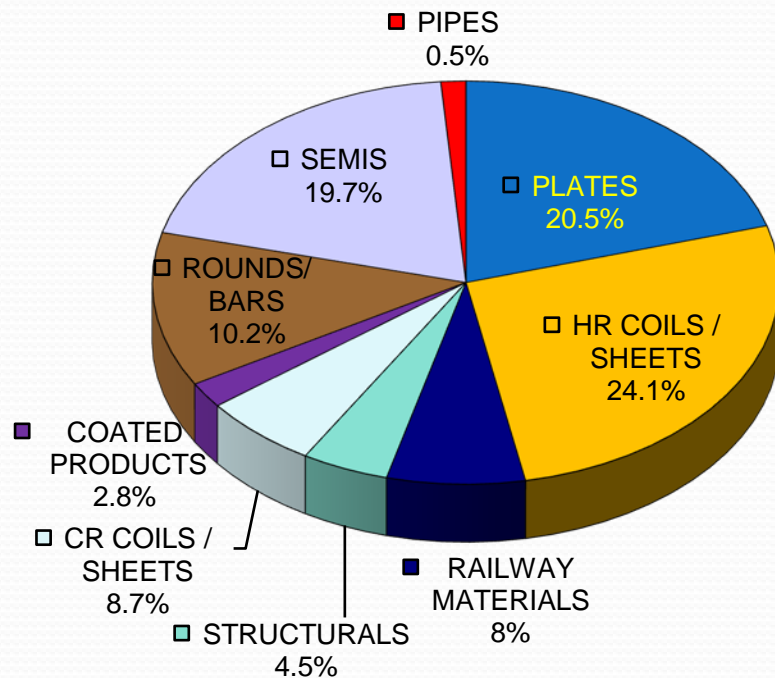
Capacity increase after Expansion

Plant	Hot Metal (Mtpa)		Saleable Steel (Mtpa)	
	2009-10 Actual	After Expansion	2009-10 Actual	After Expansion (2012)
BSP	5.4	7.5(7.5)	4.4	6.5 (6.5)
DSP	2.2	3.5(2.5)	1.9	2.8 (2.1)
RSP	2.3	4.5(4.5)	2.0	4.0 (4.0)
BSL	4.1	7.4(5.8)	3.5	6.5 (4.2)
ISP	0.5	2.9(2.9)	0.4	2.4 (2.4)
VISL	0.1	0.3 (0.3)	0.1	0.2 (0.2)
ASP	-	-	0.2	0.4 (0.4)
SSP	-	-	0.2	0.3 (0.3)
Total	14.54	26.2(23.5)	12.6	23.1 (20.2)

Figures in brackets indicate capacity after implementation of on going phase of modernisation and expansion to be completed by 2012.

Product Mix - Saleable Steel Production

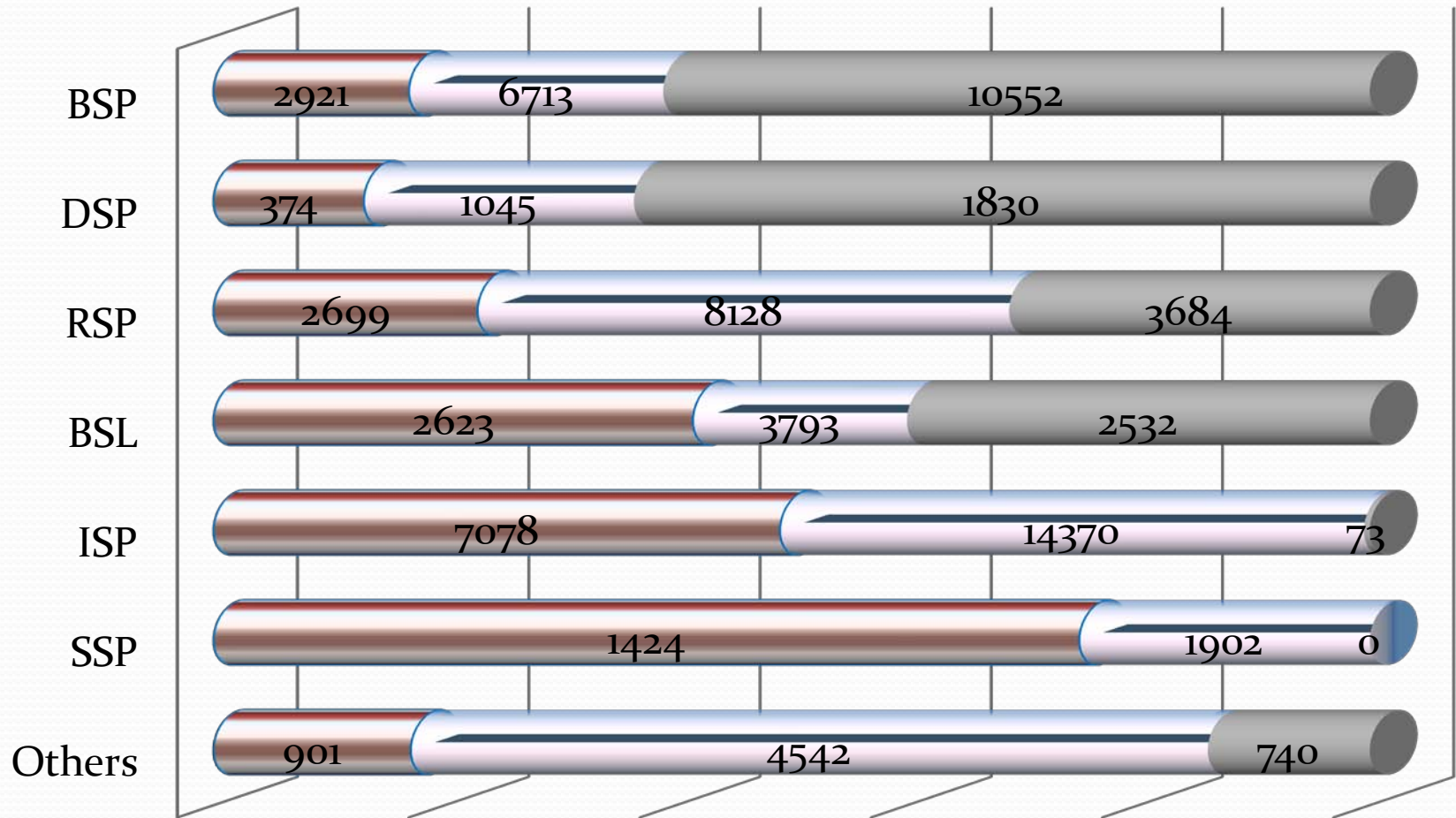
FY2009-10



After Expansion

Capex Status as on 31-03-2010

Amount in Rs. crore



Actual Expenses Orders Placed To be ordered

Raw Materials

IRON ORE LINKAGES

Mtpa

Year	Hot Metal Production	Iron Ore Consumption	Linkages of Iron Ore
2009-10	14.5	23	Existing Mines
Post Expansion	26	43	<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>New Pellet plant of 4 mtpa capacity has been planned for better utilisation of Iron Ore fines.</p>
2020	60	100	In addition to the above, iron ore shall be mined from new mines at Rowghat, Chiria and Taldih.

Raw Materials

COAL LINKAGES Mtpa

Year	Hot Metal Production	Coking Coal Requirement	Linkages for Coking Coal
2009-10	14.5	13.8	<p>Import Component - 70%</p> <p>Over 90% of imported coal is imported from Australia.</p> <p>Indigenous : 30%</p> <p>Domestic coal is largely sourced from Coal India Ltd.</p> <p>SAIL has existing captive coking coal production of near 0.5 mtpa.</p>
Post Expansion	26	23	<p>Long term /Quarterly contracts to cover 95% of Import requirements, w.e.f. FY11</p> <p>Tasra captive coal block is being developed to produce 4 mtpa of ROM (2 mtpa washed coal)</p>
2020	~ 60	50	<p>Sitanala coal block shall also be developed for production of 0.75 mtpa of ROM(0.4 mtpa of washed coal)</p> <p>New alliances/ linkages/ acquisitions are being explored</p>

New Strategic Initiatives

- Enterprise Resource Planning(ERP) has been implemented in BSP, DSP and BSL w.e.f. 01.04.2009, 01.10.2010 and 01.04.2010 respectively. Six core modules have been implemented in these plants. ERP at other locations are also at various stages of implementation.
- Joint Venture Company 'SAIL SCI Shipping Pvt. Ltd.' has been incorporated on 19th May 2010 to cater to SAIL requirements of shipping imports of coal.
- Govt.of Jharkhand changed the ownership title of nine of the mining leases of Chiria/Gua from erstwhile IISCO to SAIL.
- In-principle approval from Government of Jharkhand, for renewal of Budhaburu lease of the Chiria, with reserve of nearly 800 million tonne, has been accorded.
- Lease deed for mining of iron ore for Rowghat deposits was signed in October 2009. All statutory clearances obtained for development of new mine at Rowghat.

New Strategic Initiatives

- The production of 10,000 tpm has started at Tasra collieries since November 2009. Appointment of Mine Developer Cum Operator is in process to increase production.
- Action for merger of MEL with SAIL is under process.
- SAIL is in the process of finalizing a JV partner for its proposed SEZ project at Salem.
- MOU has been signed with Kobe Steel, Japan for exploring feasibility of ITmk3 technology for use of lean iron ore fines and non coking coal.
- Possibilities of joint collaboration with M/s Nippon Steel in the iron and steel area are being explored.

New Strategic Initiatives

- Proposal for owning a port / joint ownership in a port venture at Orissa is under active consideration .
- SAIL and POSCO are jointly conducting feasibility study for utilising FINEX technology
- Feasibility study for setting up CRNO production facility jointly with POSCO is also being conducted.
- MOU has been signed between SAIL and NMDC for development of Arki Limestone Mine at Himachal Pradesh.
- Expression of interest for inviting bids for setting up Cement Plant at Kulti based on slag from ISP has recently been invited.
- SAIL Board has taken a decision for merger/acquisition of the Refractory Unit of BSCL at Salem. Process of obtaining necessary approvals with GoI is on.

SAIL: Corporate Social Responsibility



✓ An amount equivalent to 2% of distributable surplus is earmarked for CSR.

Corporate Social Responsibility



To strengthen the corporate image and to enhance the stake holder's confidence; as a communication initiatives, SAIL joined as the presenting partner of World Cup Hockey 2010, held in India in February March 2010

Performance Highlights – SAIL CSR

- 79 villages have been adopted by SAIL as Model Steel Villages across 8 states for development of Medical facilities, Education, Roads, Sanitation, Community Centre, livelihood generation & sports facilities in a phased manner.
- During 2009-10, 57 villages have been completed as Model steel Village.
- SAIL has established 61 Primary Health Centres, 8 Reproductive and Child Health Centres, 18 Hospitals and 6 Super Specialty Hospitals to provide specialized healthcare to almost 26.7 million people.
- More than 3800 medical camps have been organised in FY10 benefitting about 2.3 lakh people providing free health check-up, path lab treatment, medicine, immunization, etc. To help the poor and downtrodden, 9 member of Mobile Medical Units/Ambulances provided to various NGOs.

Performance Highlights – SAIL CSR

- It has opened about 138 school in the steel townships to provide modern education to about 74,000 children. Besides adopting & providing education & facilities to Tribal children, SAIL has provided assistance to over 260 schools with more than 55000 students of 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 secondary schools.
- SAIL is providing access to around 56 lakh people across 435 villages since inception by constructing & repairing roads.
- By installing 4714 water sources provided water access to around 37 lakh people living in far flung areas.
- Akshay Patra Foundation : Mid-day meals being provided daily to more than 22000 children in schools in and around Bhilai.
- SAIL has set up a residential Archery Academy at Kiriburu Mines.

Accolades

- Hon'ble President of India has conferred SAIL with SCOPE Meritorious Award for 'Corporate Social Responsibility & Responsiveness 2008-09' on Public Sector Day held on 10th April 2010.
- Hon'ble Finance Minister of India has conferred SAIL with Annual FICCI Award 2008-09 for 'The Vision Corporate Triple Impact - Business Performance : Social & Environmental Action and Globalisation for 2008-09.
- BSP has won 'Golden Peacock National Quality Award' for the year 2010 from Institute of Directors ,New Delhi in recognition of continuous thrust on quality.
- DSP has won 'Golden Peacock Innovation Management Award' from Institute of Directors, New Delhi.

Accolades

- ✓ In the SCOPE & DPE function SAIL received 4 awards from Hon'ble Prime Minister which was highest amongst all PSUs Including:
 - ✓ SCOPE Gold Trophy for 'Excellence & Outstanding Contribution to the Public Sector Management' - Institutional Category 2006-07
 - ✓ Two Mou Excellence Awards in the categories of 'Mining & Metals' and 'Listed Companies' for the year 2007-08.
- ✓ SAIL was awarded 'SAFA Best Presented Accounts Award 2008' in the PSE category (Runners Up) by South Asian Federation of Accountants (SAFA).
- ✓ 8 Gold, 1 Silver and 6 Bronze awards won by SAIL employees' team in the International Quality Circle meet held in Cebu, Philippines in October 09 - highest for any organisation in the country.



SCOPE Meritorious Award for 'Corporate Social Responsibility & Responsiveness 2008-09'



Shri Soiles Bhattacharya, Director (Finance) – SAIL, has been awarded as with the Best CFO award for the year 2009 by Top Ranker's institute in association with Graduate school of Business and administration.

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

Abbreviations used

✓ JPC	Joint Plant Committee
✓ Kg/thm	Kilo Gram Per Tonne of Hot Metal
✓ MEL	Maharashtra Elektros melt 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.