

STEEL AUTHORITY OF INDIA LIMITED

PERFORMANCE HIGHLIGHTS

Q3 FY-10

Contents

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

Financial Results -9 Months FY'10 vs. 9 Months FY'09

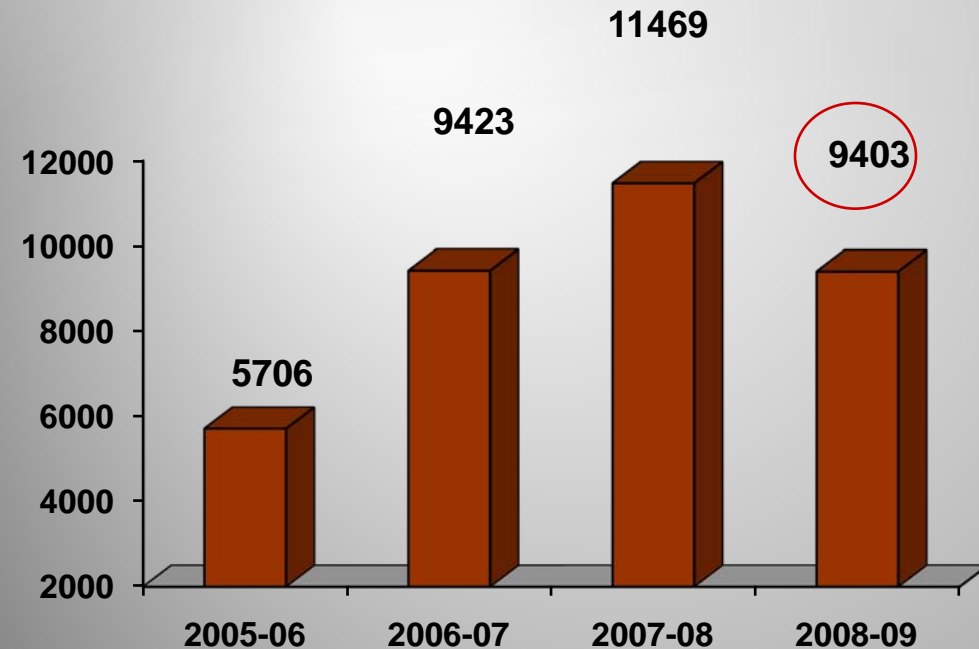
- ✓ 9 months FY'10 Turnover of Rs. 30,929 crore - decrease of 13% over CPLY.
- ✓ 9 months FY'10 PBT - Rs.7065 crore -nearly same as that of CPLY.
- ✓ 9 months FY'10 PAT - Rs.4669 crore - nearly same as that of CPLY.
- ✓ 9 months FY'10 EBIDTA of Rs.8331 crore - nearly same as that of CPLY
- ✓ 9 months FY'10 EBIDTA to Net Sales of 29%
- ✓ Annualised PAT / Net worth of 19%
- ✓ Debt / Equity Ratio: 0.47:1 as on 31.12.2009 against 0.27:1 as on 31.03.2009.
- ✓ EPS of Rs.15.07, annualised

Financial Results –9 Months FY 2009-10 vs. 9 Months FY 2008-09

Rs. Crore	Apr 09 Dec 09	Apr 08 Dec 08	Increase(+) Decrease(-)	% Change
TURNOVER	30929	35674	(-)4745	(-) 13.3%
EBIDTA	8331	8284	(+) 48	(+) 0.6%
PBT	7065	7116	(-)51	(-) 0.7%
PAT	4669	4688	(-)19	(-) 0.4%

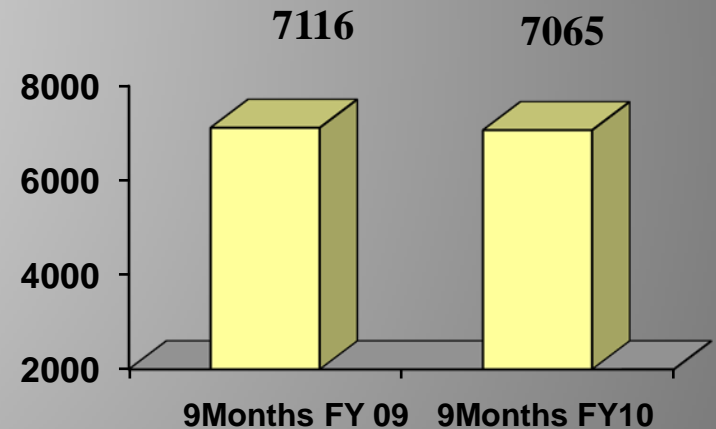
Financial Performance

PBT (Rs. Cr.)



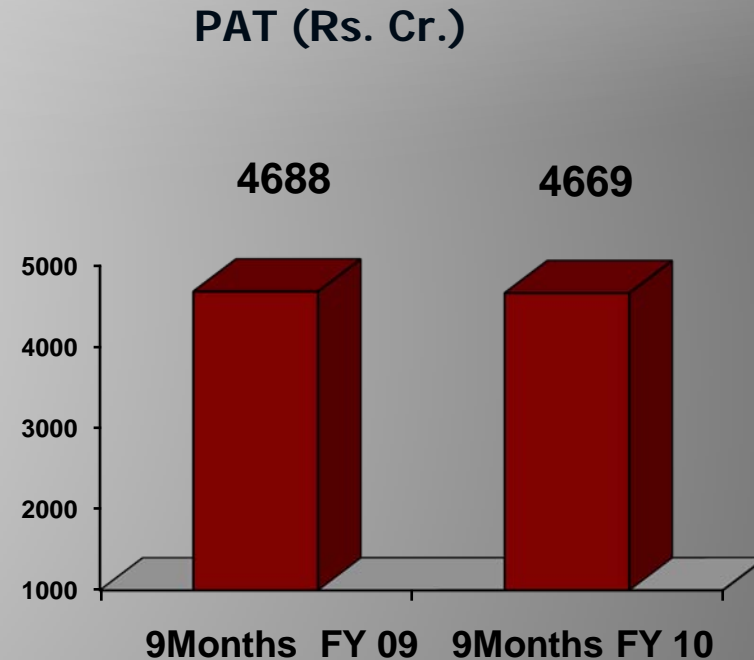
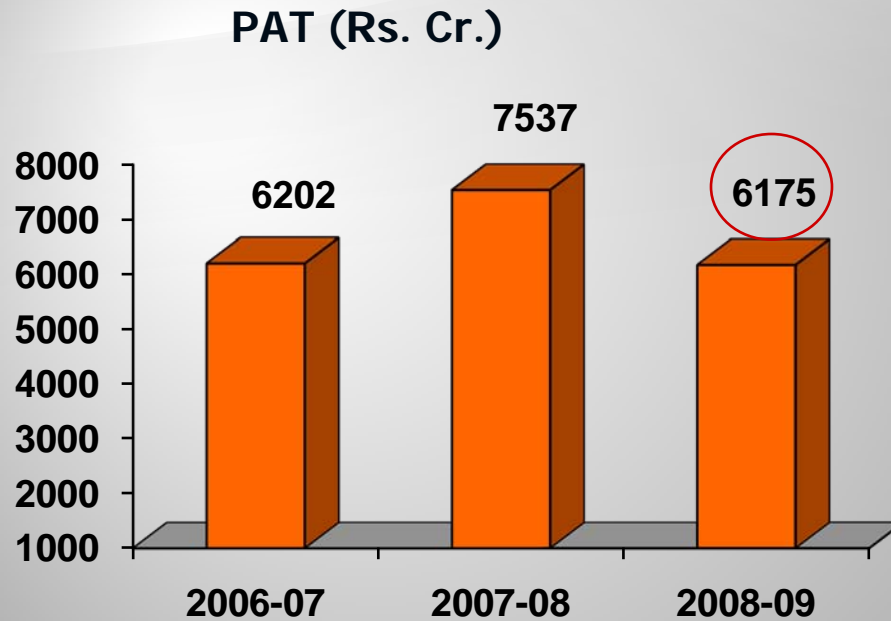
**Profit Before Tax of Rs.9403
crore in FY 2008-09**

PBT (Rs. Cr.)



**9 MONTHS FY10 PBT –
Rs.7065 crore**

Financial Performance



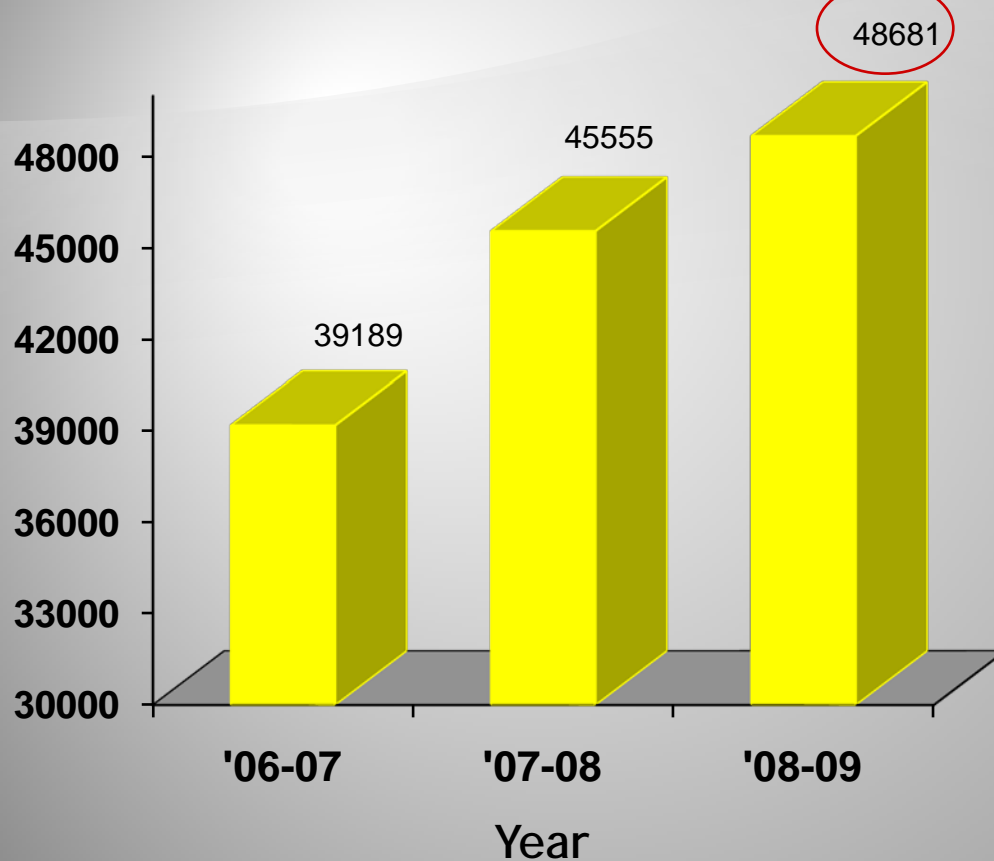
Profit after Tax of Rs.6175 crore in 2008-09.

9 Months FY10 PAT- Rs.4669 crore

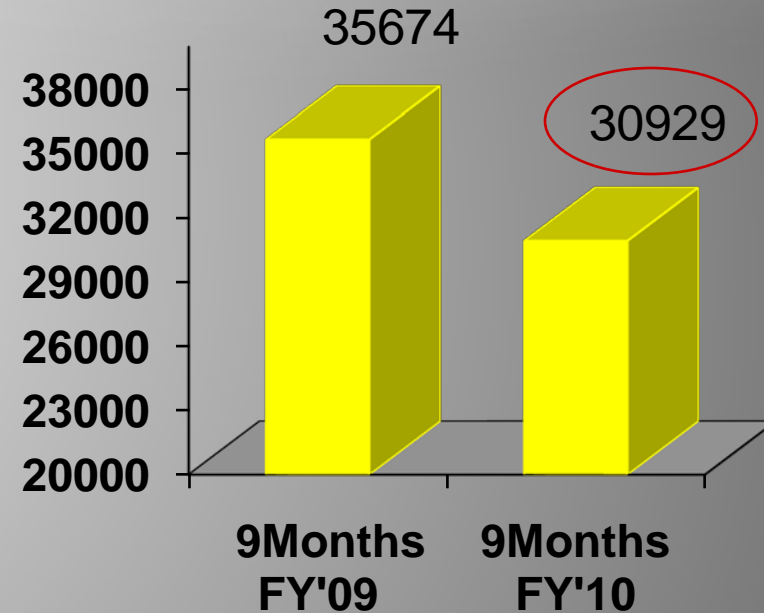
Sales Turnover

Unit : Rs Crore

Best
ever



Turnover of Rs.48681 crore in FY 08-09

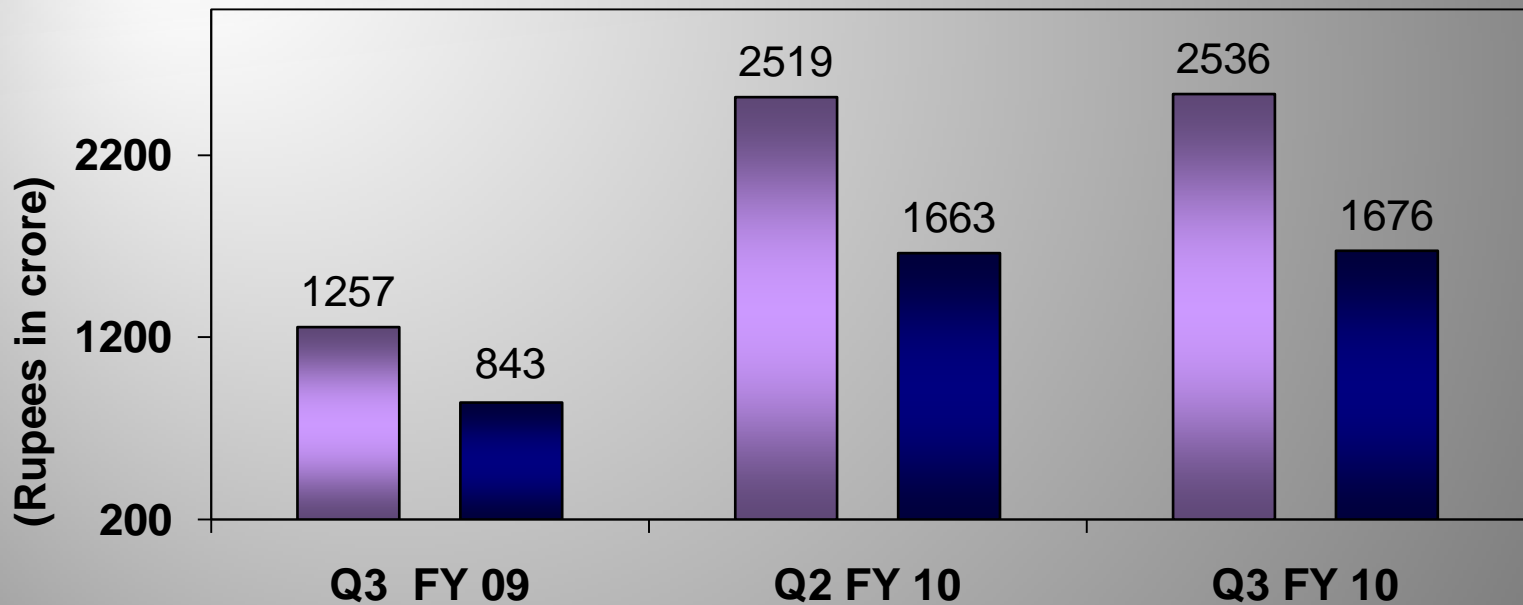


9 MONTHS FY10 Turnover of
Rs 30929 crore

Quarter-wise Profit

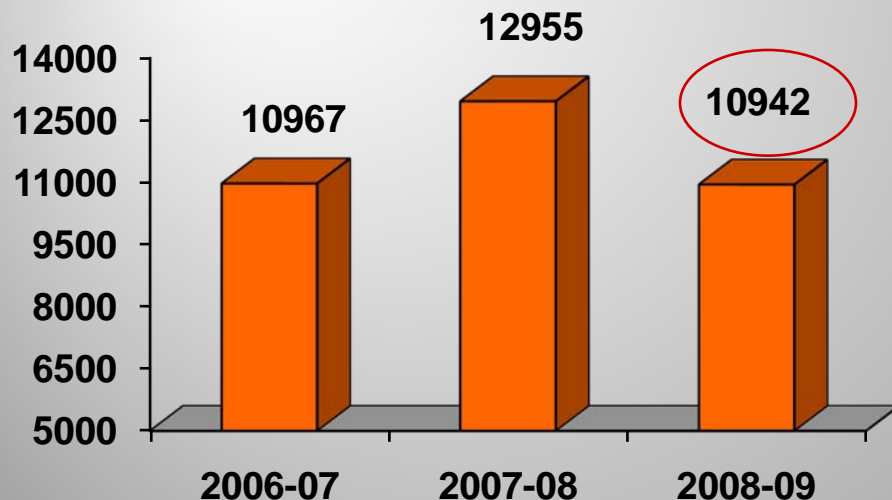
PBT

PAT

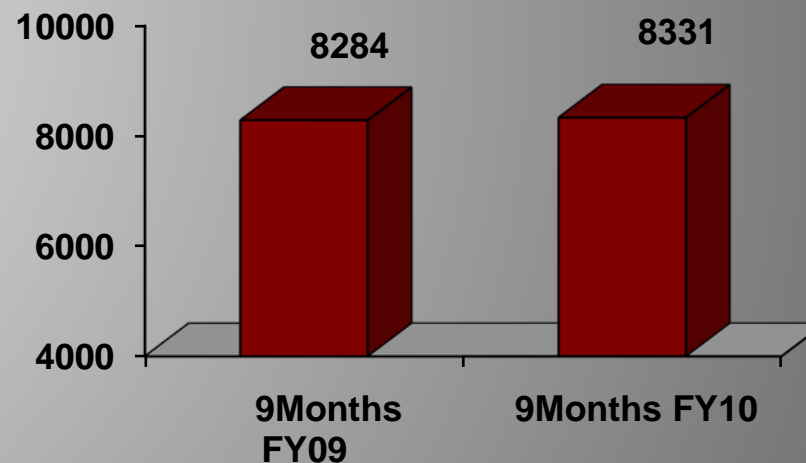


Earning Before Interest Depreciation and Tax

Unit : Rs Crore



EBIDTA for 2008-09 Rs. 10,942 crore

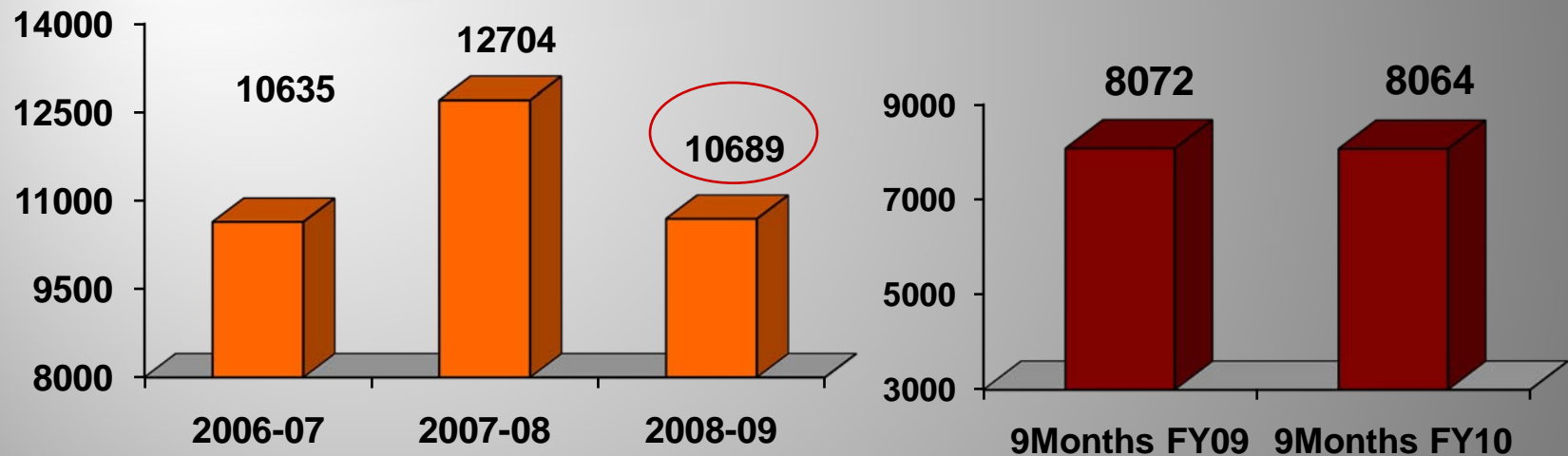


EBIDTA for 9 Months FY10

Rs. 8,331 crore

Cash Profits

Unit : Rs Crore



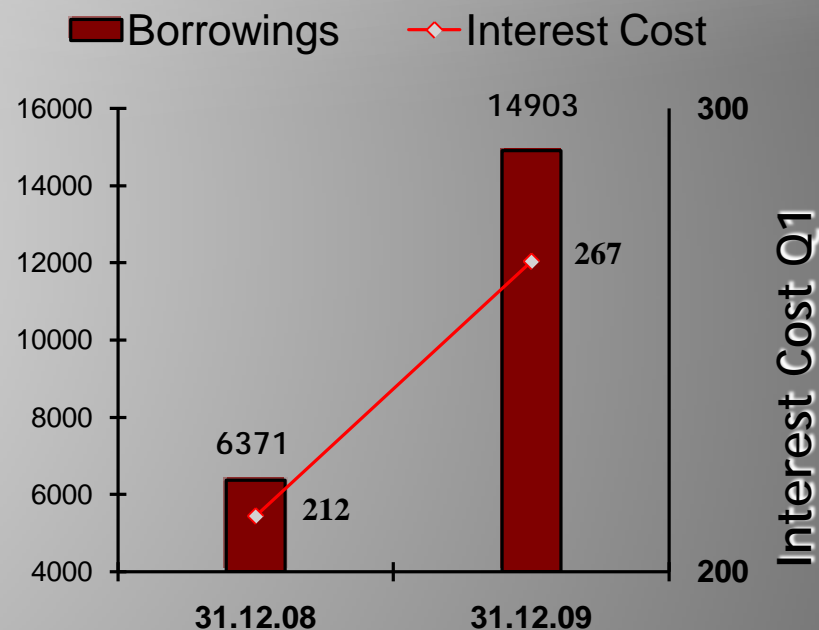
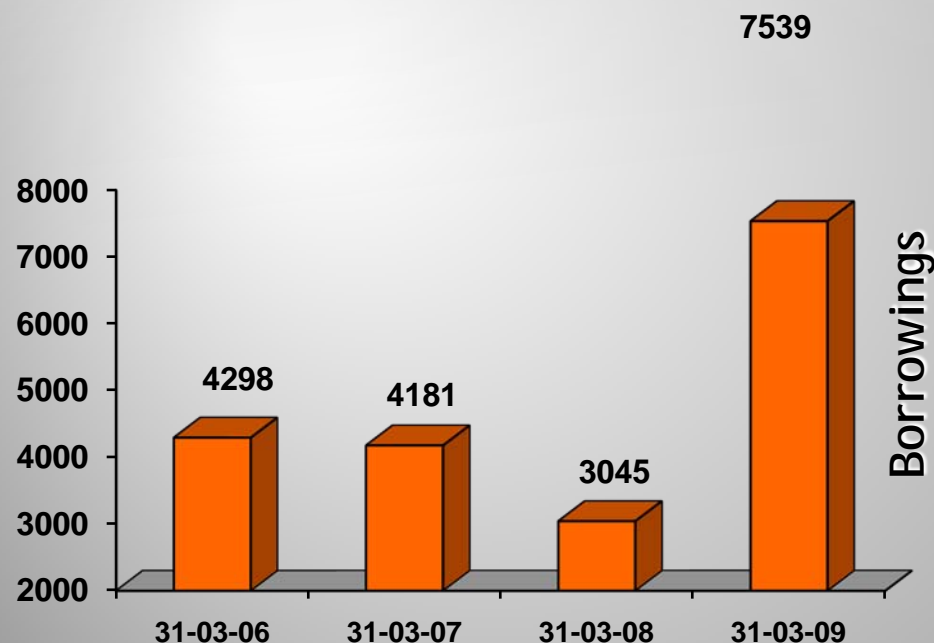
Cash profit for 2008-09 Rs. 10,689 crore

Cash profit for 9 Month FY10 Rs. 8064 crore

Borrowings

Unit : Rs Crore

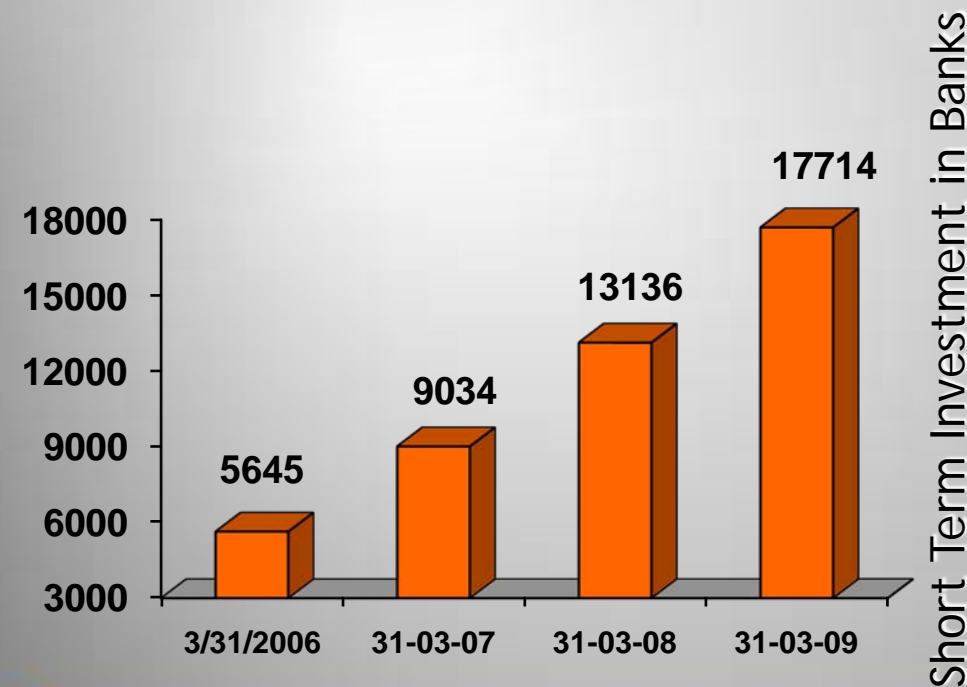
Borrowing Annual



Year	31-12-2008	31-09-2009	31-12-2009
D/E Ratio	0.12	0.38	0.47

Investments

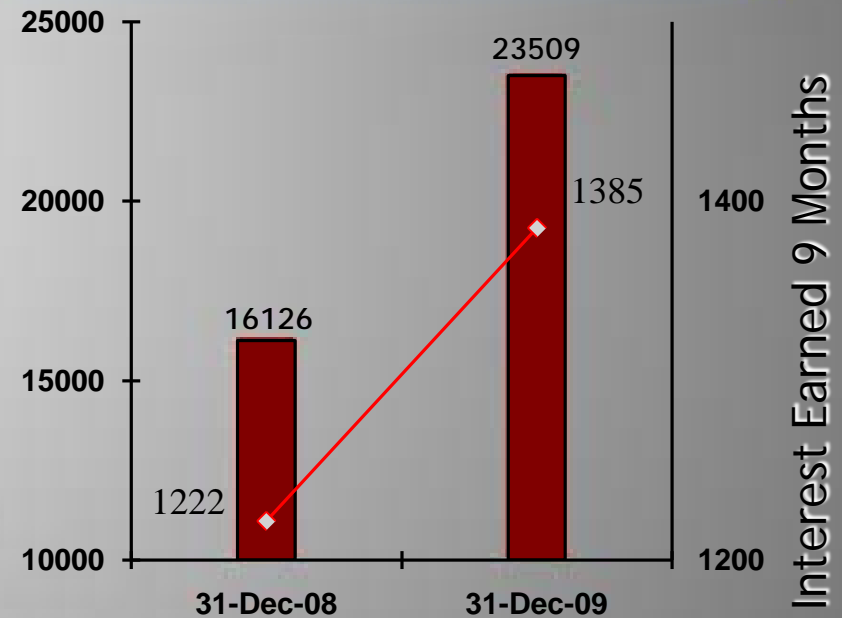
Investments Annual



Investment in short term deposits with Banks
as on 31-03-2009 Rs. 17,714 crore

Unit : Rs Crore

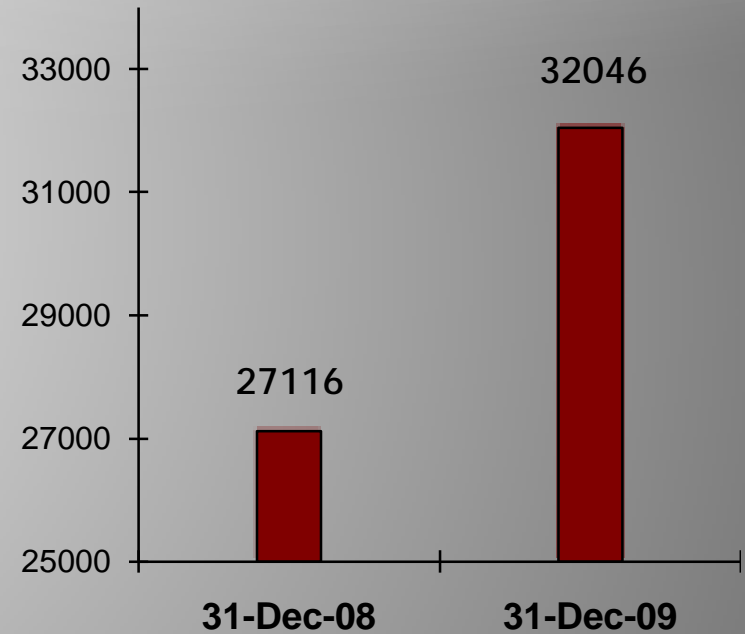
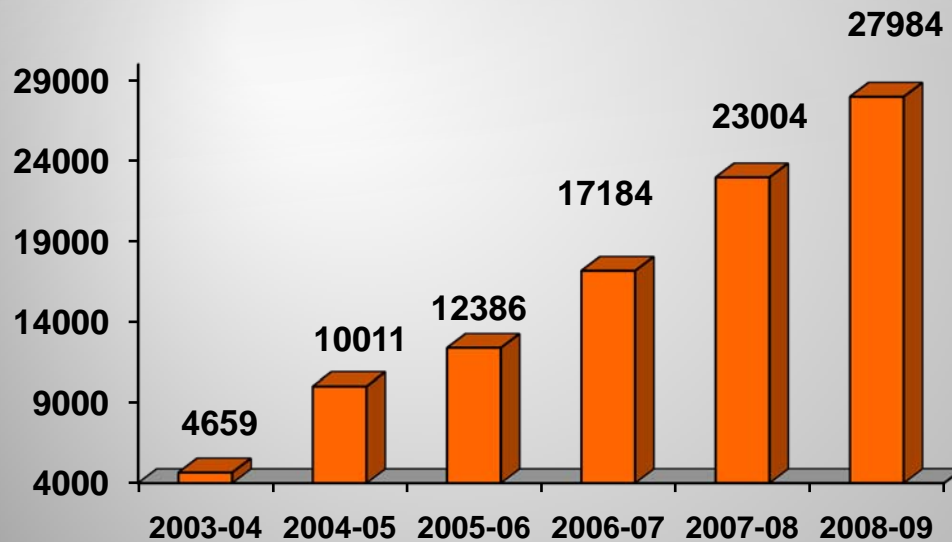
Investments Interest Earned



Investment in short term deposits with Banks
as on 31-12-2009 Rs. 23,509 crore

Net Worth

Unit : Rs Crore



Net Worth as on 31-03-2009 Rs. 27,984 crore

Net Worth as on 31-12-2009 Rs. 32,046 crore

Performance Details for 9 Months FY'10

- ✓ Sales of 8.73 million tones - growth of 13.8% as compared to corresponding period of last year.
- ✓ Semis component in sales of saleable steel is 12% [5 ISPs].
- ✓ Saleable steel production of 9.37 million tones - growth of 2% as compared to corresponding period of last year.
- ✓ Crude steel production of 10.18 million tones - growth of 1%as compared to corresponding period of last year.
- ✓ Special Steel Production 3.44 million tones - increase of 20% as compared to corresponding period of last year.
- ✓ Production through Concast 6.80 million tones - growth of 3% as compared to corresponding period of last year (CPLY).

Performance Highlights - 9Months 2009-10

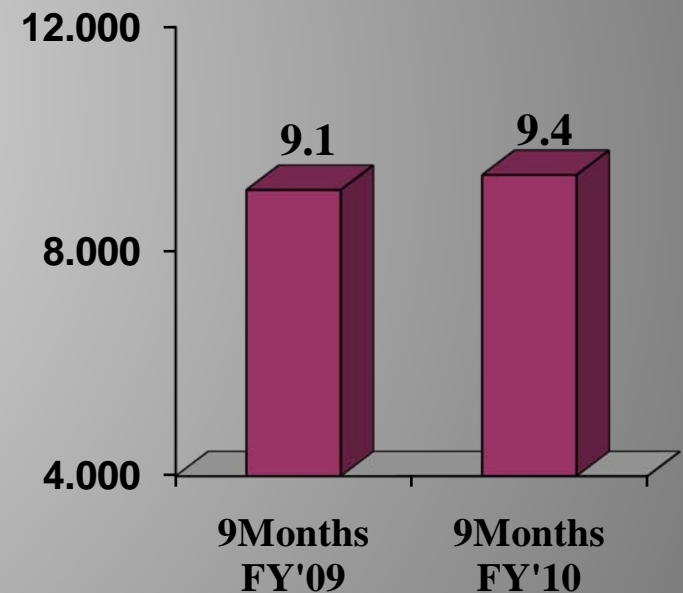
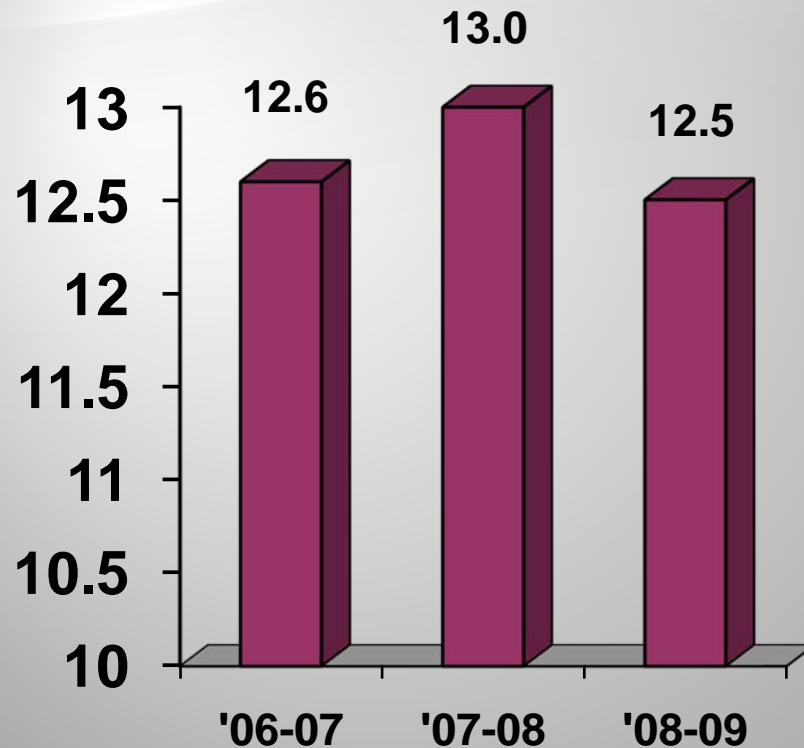
Major Techno Economic Parameters

- ✓ Coke Rate at 516 kg/t - improvement by 2% over CPLY
- ✓ Energy Consumption 6.74 (G.Cal/tcs) - improved by 1% over Corresponding Period Last Year.
- ✓ Avg. Capacity utilisation (Saleable Steel) - 112%
- ✓ Avg. Capacity utilisation (Hot Metal) - 105%
- ✓ Avg. Capacity utilisation (Concast Production) - 129%

Production

April-December

Saleable Steel (in Million Tons)

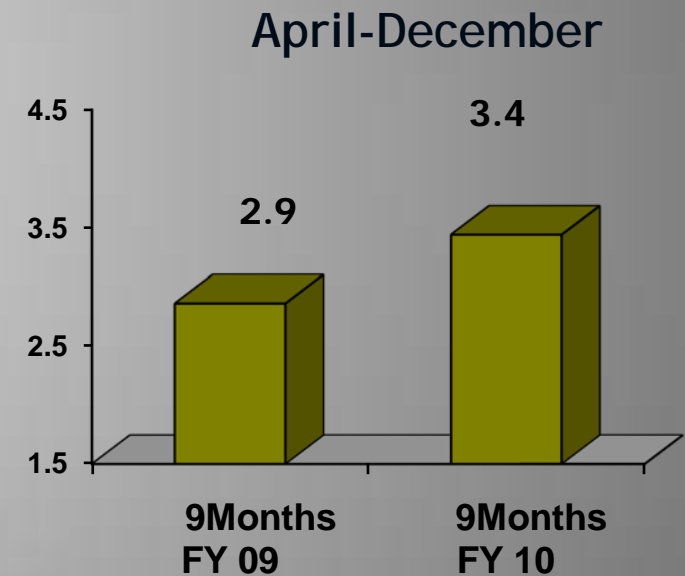
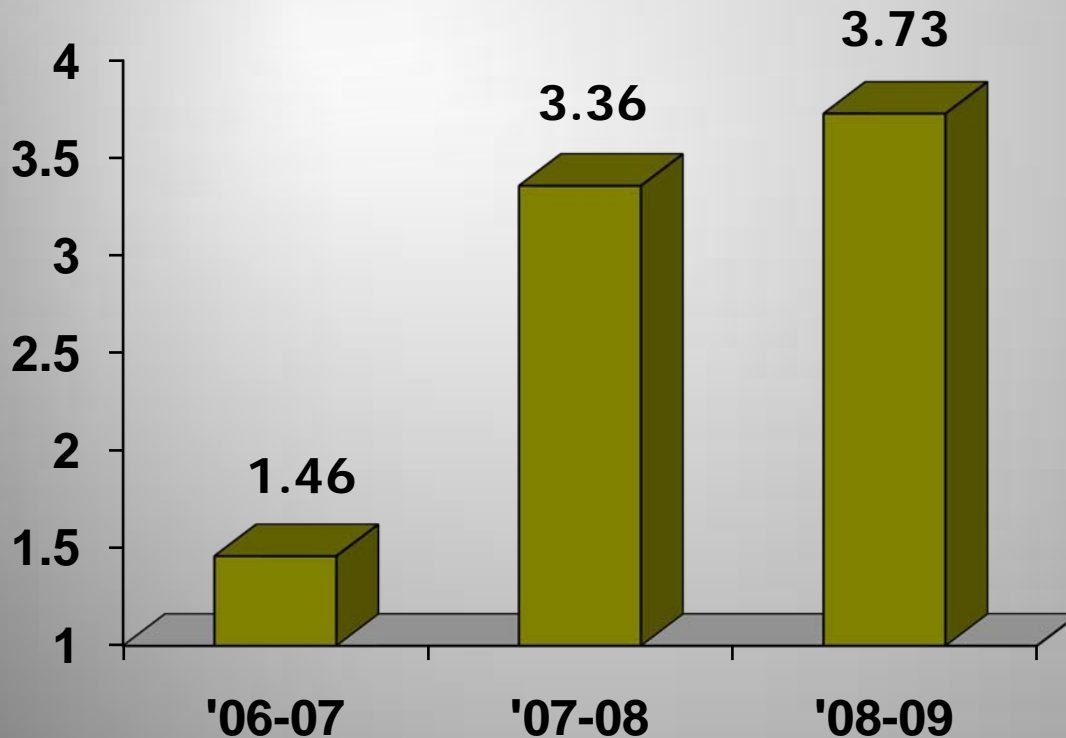


Including Special Steels Plants

Special Steel Production

(in Million Tonnes)

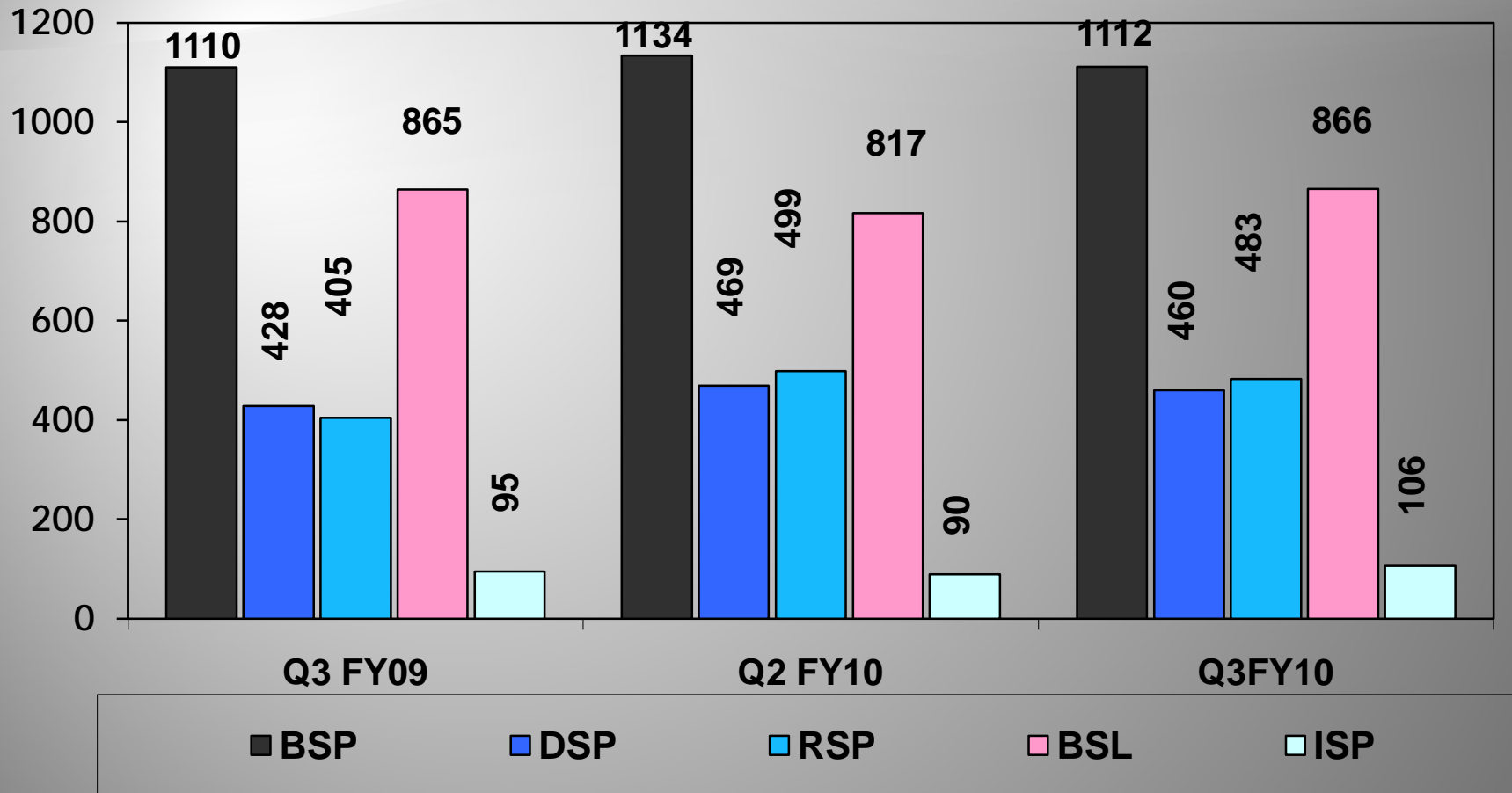
Production of Value added products of 5 ISPs



20% increase in production of Value Added Products

Saleable Steel Production

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

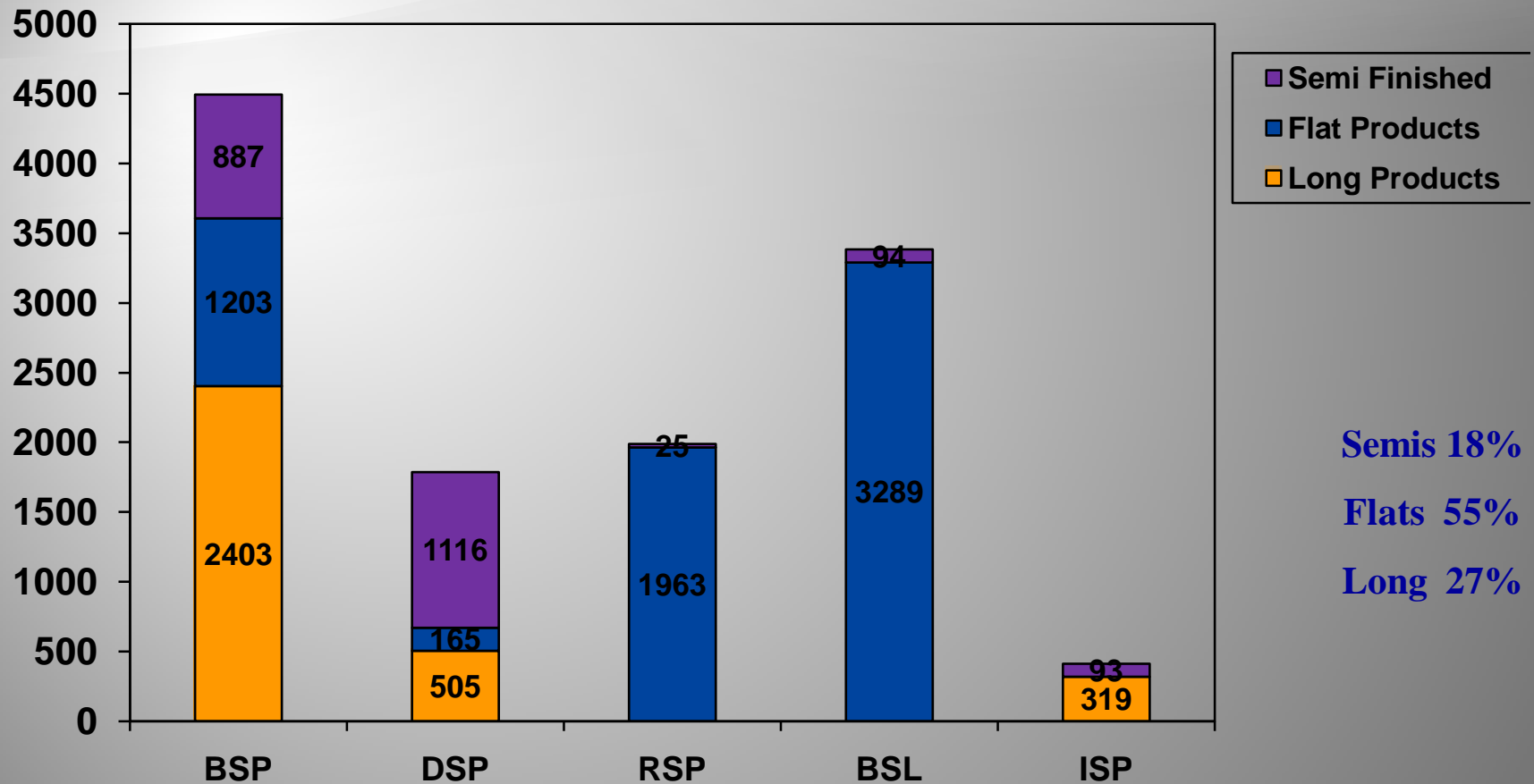


(Five Integrated Steel Plants Only)

Production of Saleable Steel

Plant Wise Category wise

(in Million Tonnes)



Semis 18%

Flats 55%

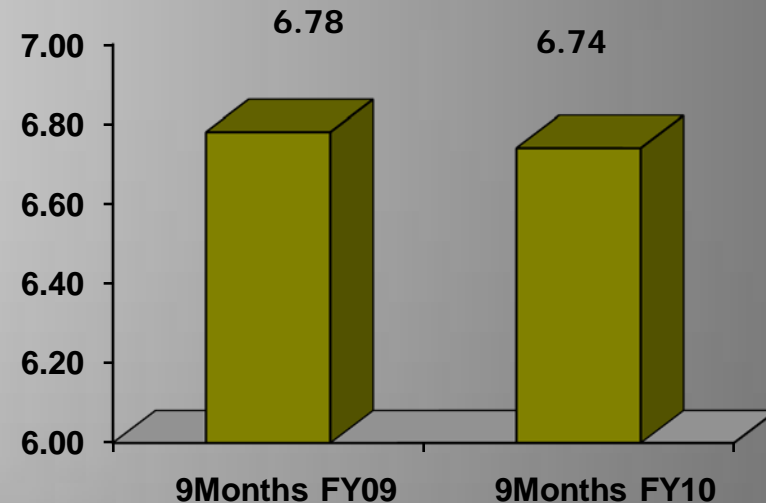
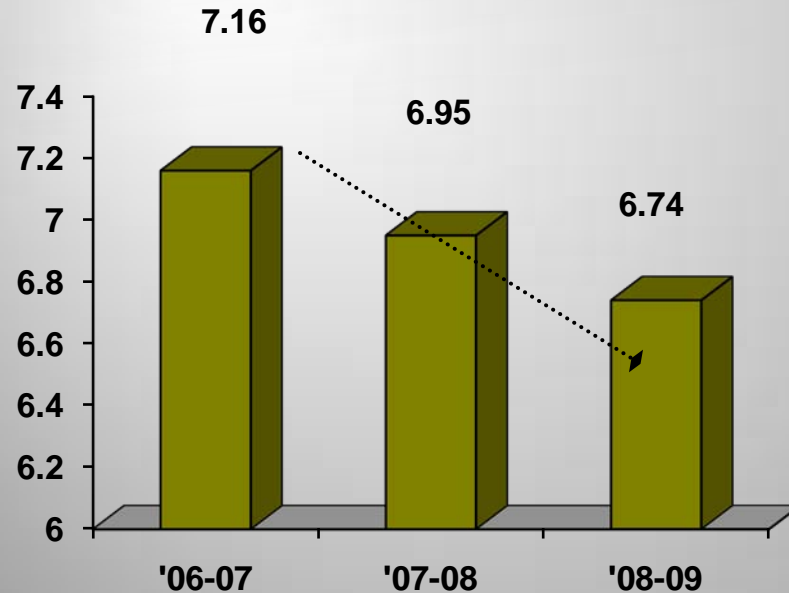
Long 27%

2008-09 5 Integrated Steel Plants

TE Parameters

Specific Energy Consumption (Gcal/TCS)

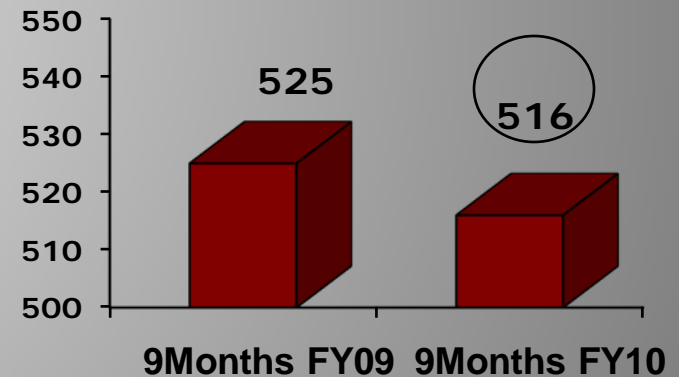
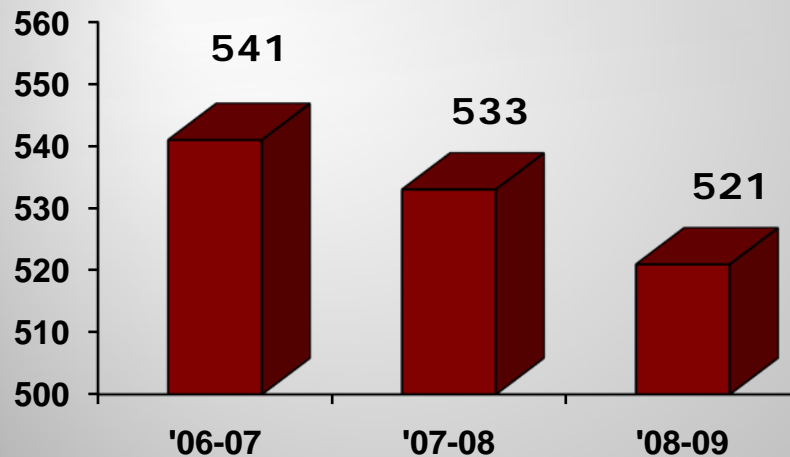
Apr-Dec.'09



Reduction in Energy Consumption

TE Parameters

Coke Rate (Kg/THM)

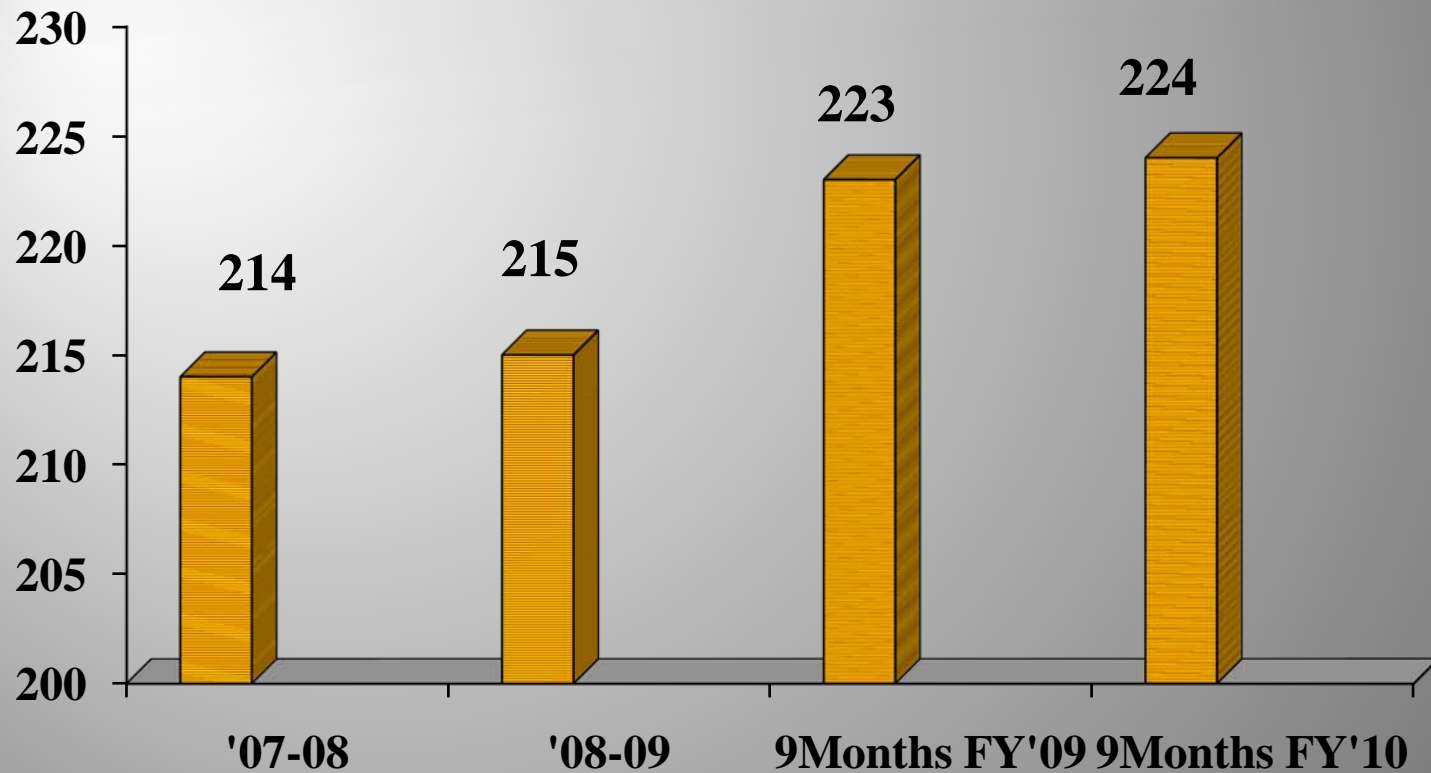


Continuous efforts to contain
coke rate

Coke Rate at 516 kg/thm -
lower by 2% over CPLY

Labour Productivity

Tonne Crude Steel /man / year



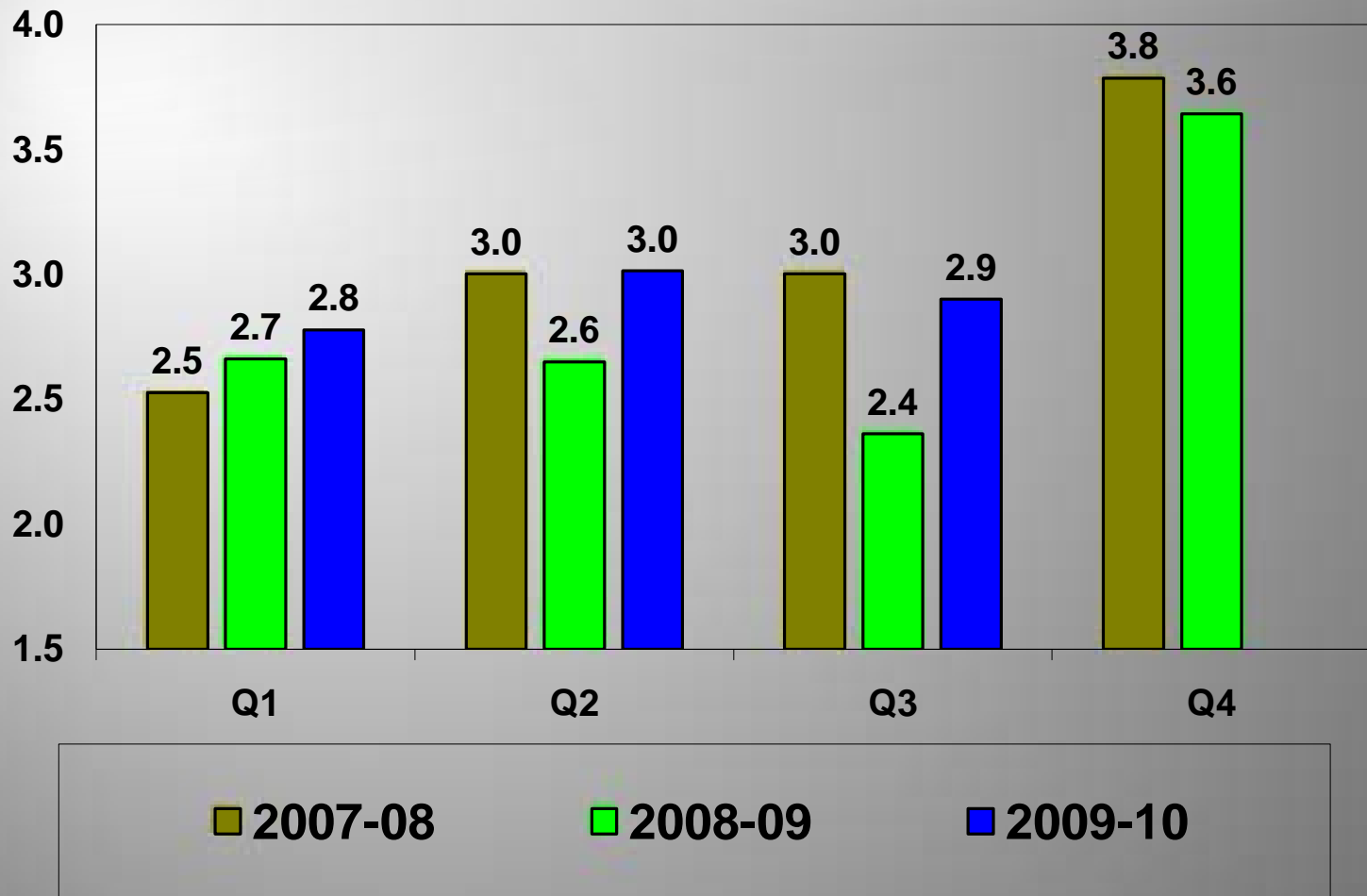
Manpower reduction nearly 6141 during last one year.

Current manpower :1.18 lakh as on 31.12.09.

Saleable Steel Sales Volume

(In Million Tonnes)

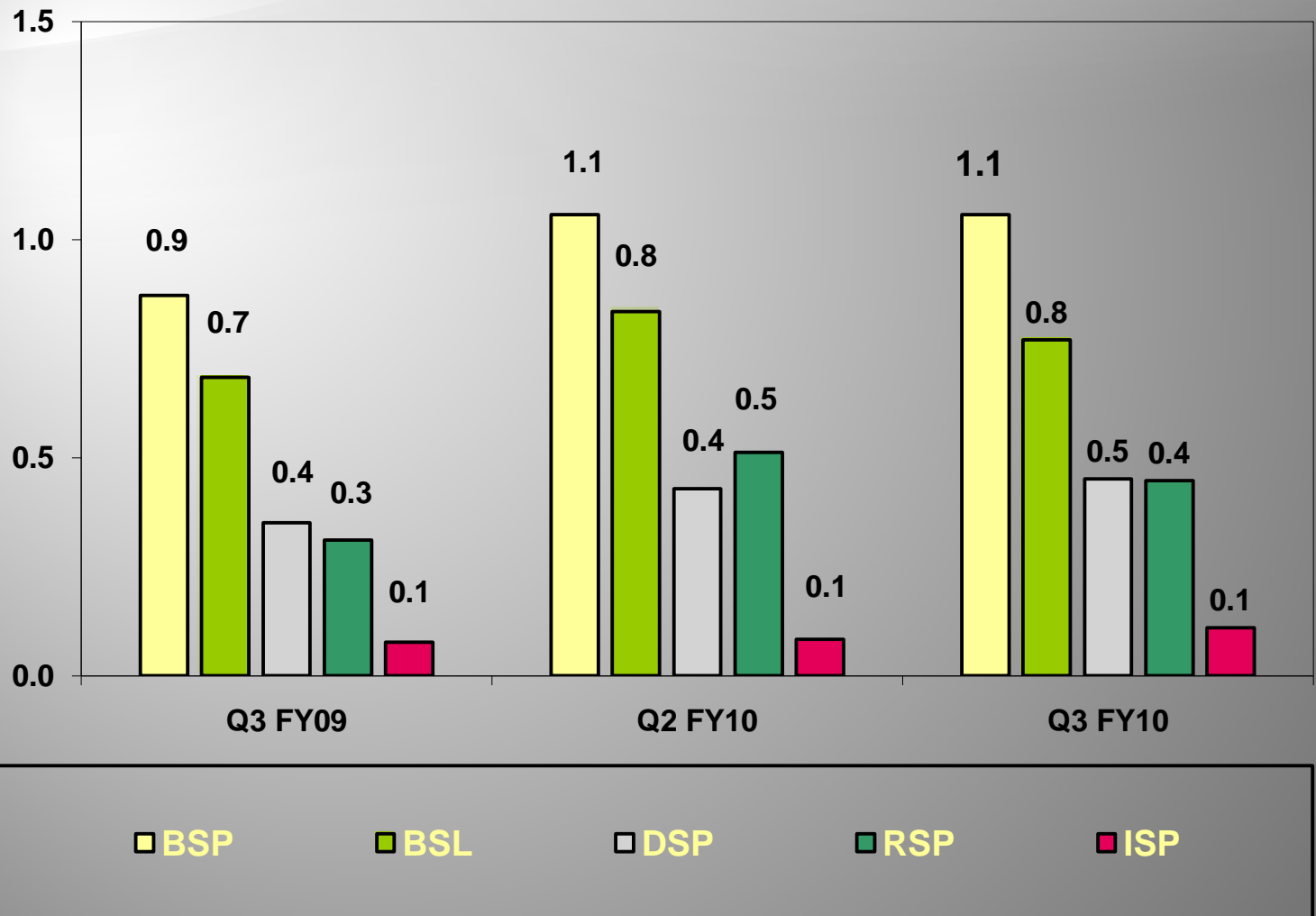
Including
Special
Steel
Plants



Saleable Steel Sales Volume

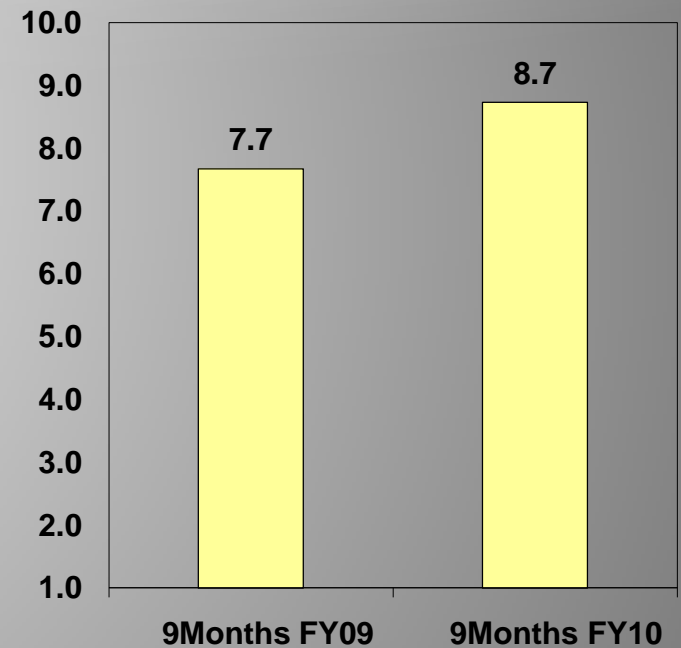
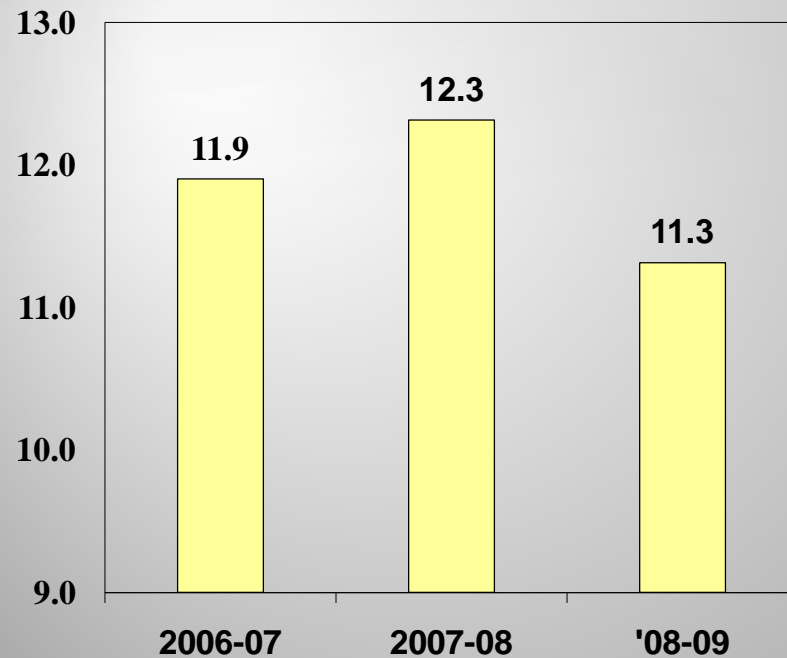
(In million tonne)

Plant-
wise,
Integrated
Steel
Plants



Saleable Steel Sales Volume

(in million tonne)

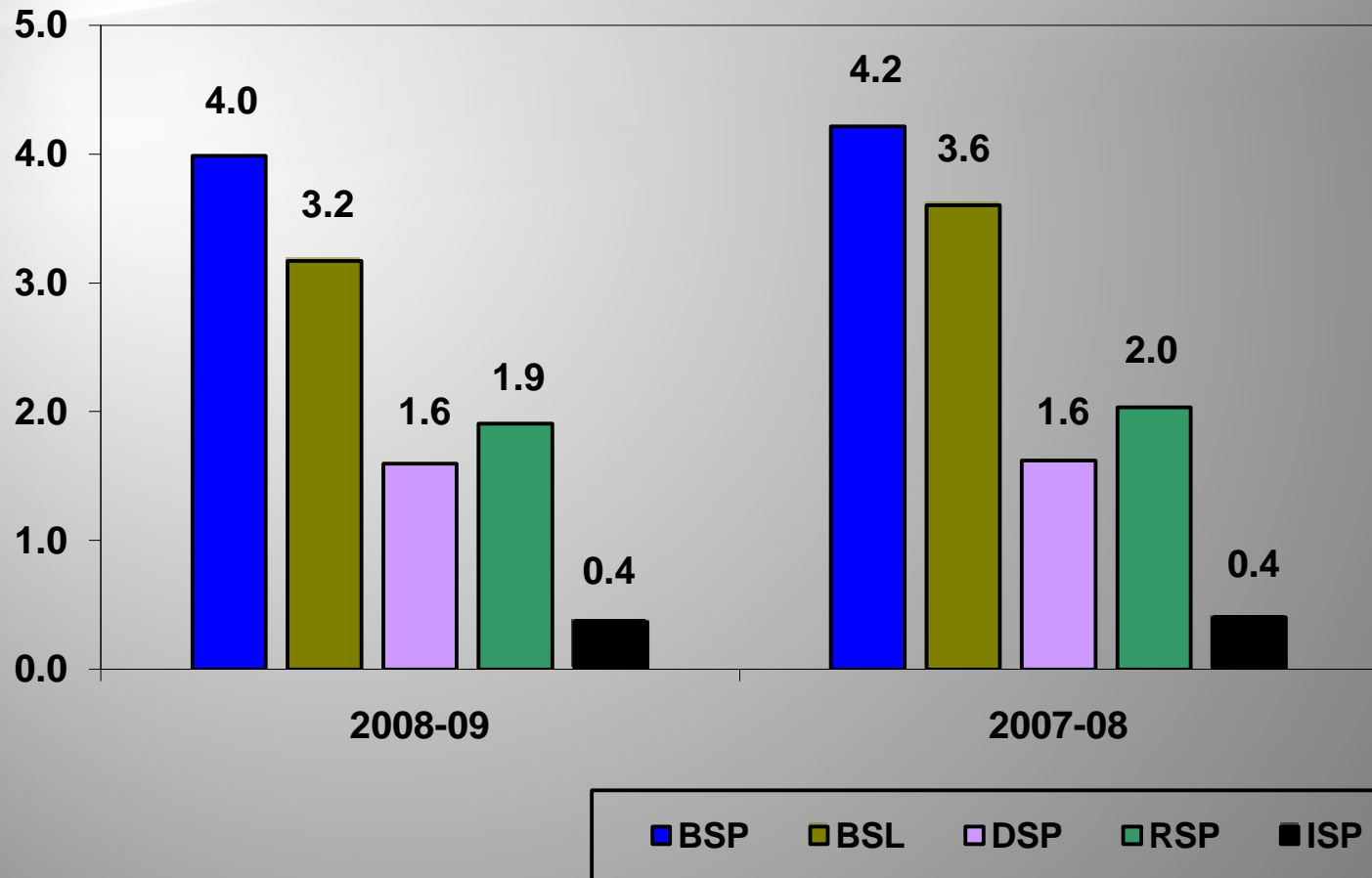


Including Special Steel Plants

Saleable Steel Sales Volume

Plant-wise

(In Million Tonnes)

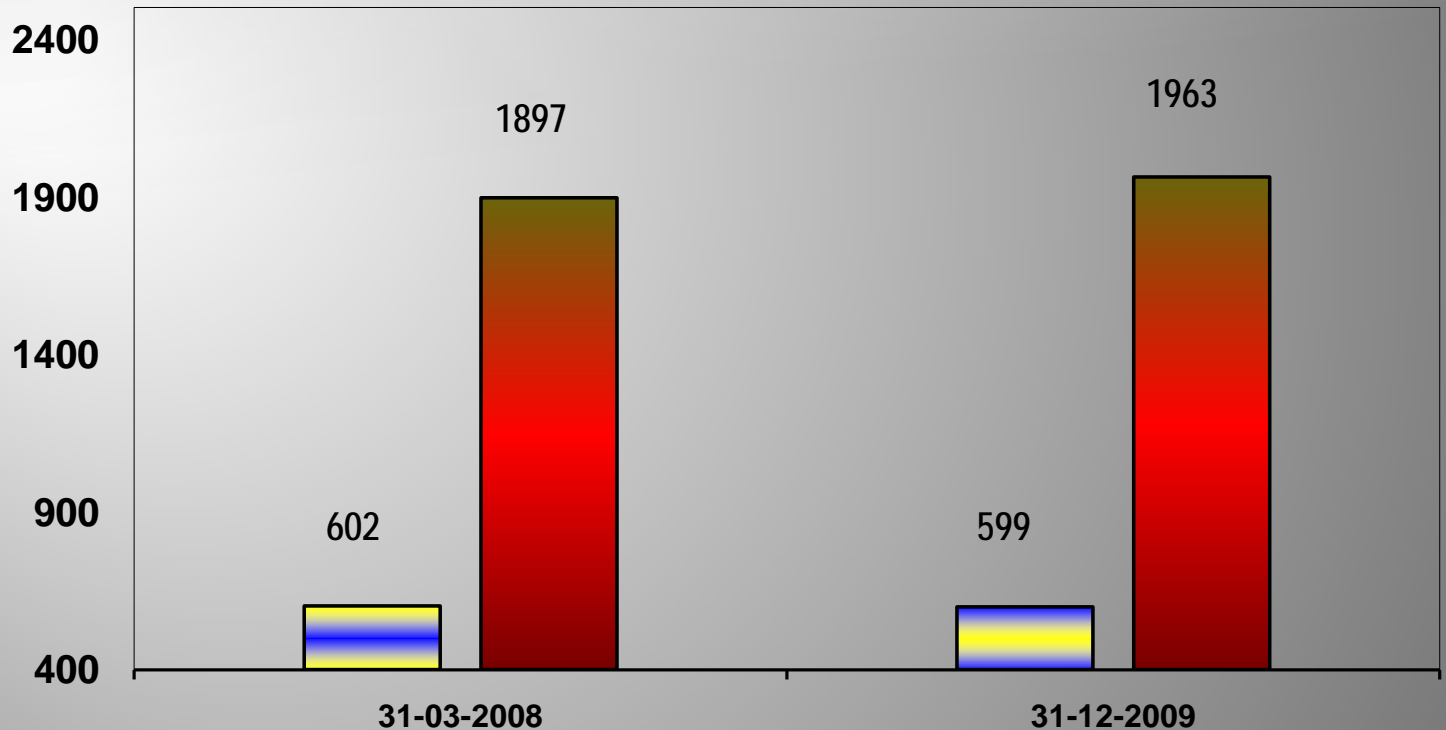


Sales through Dealers Network

No. of Dealers and Districts Covered

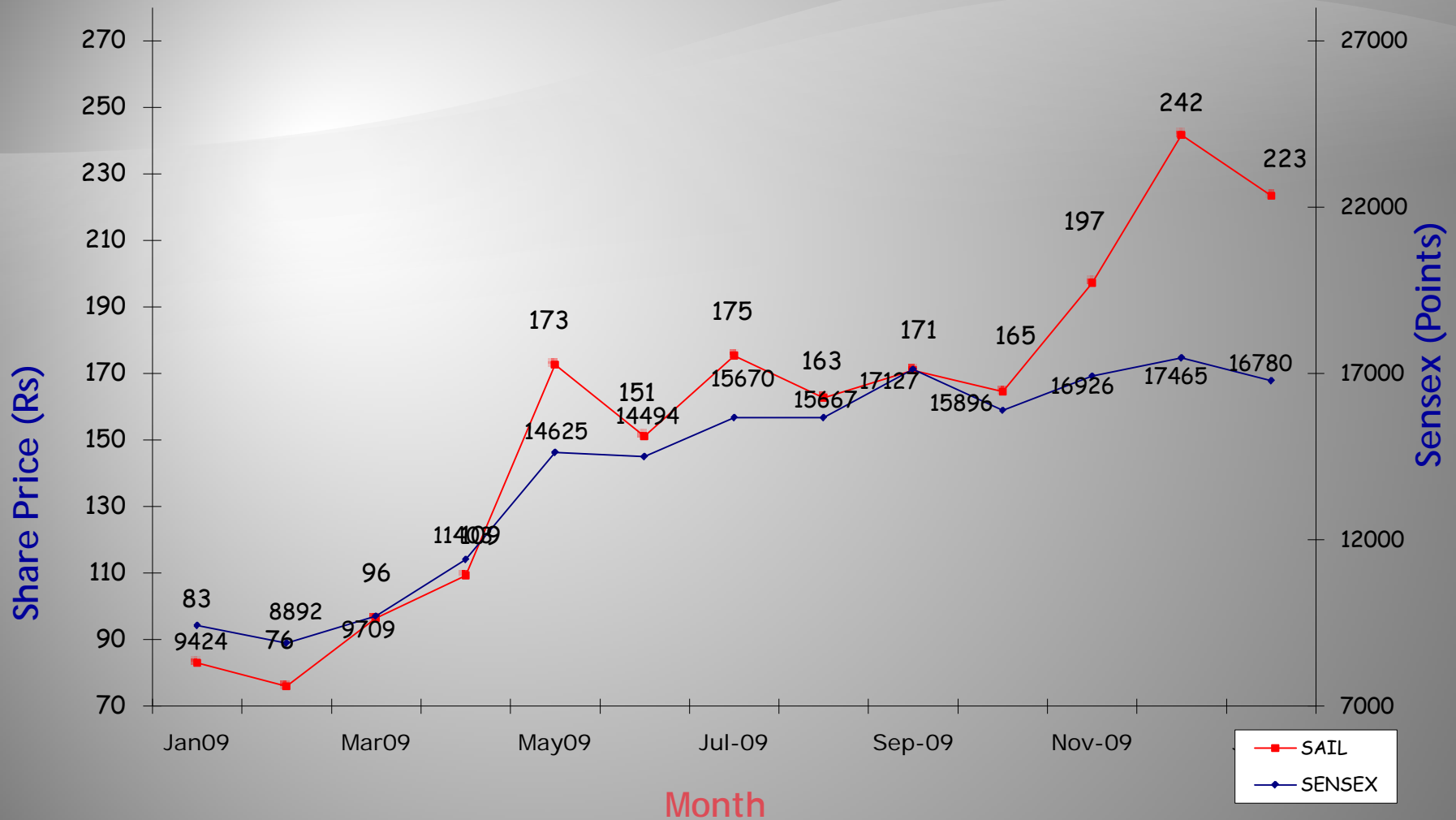
Districts Covered

Dealers Appointed



Sales through dealer's network during 9 months FY10
4.18 lakh tonne (CPLY 3.41lakh tonne)

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

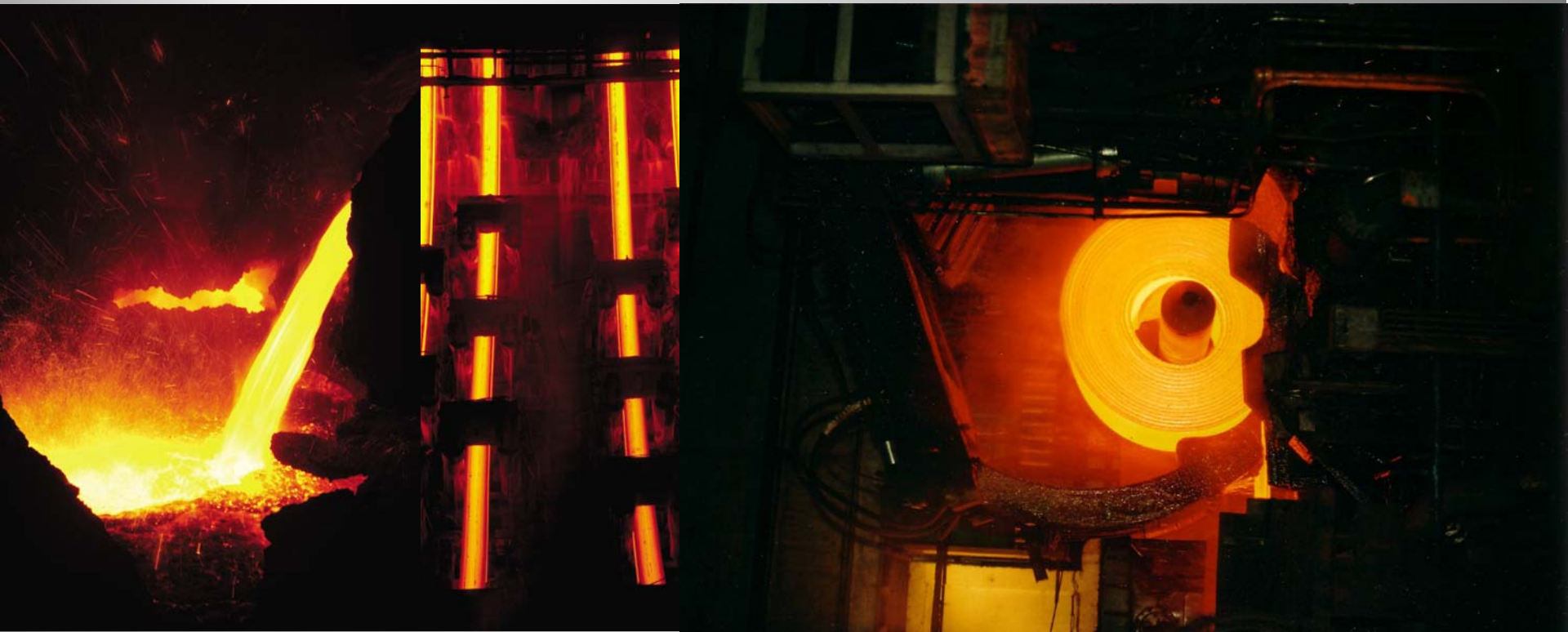


Closing Share Price & Sensex as on the last day of the month - Except Jan2010

Dividend

Year	Interi m %	Final %	Total %	Dividend (Rs. in Cr)	Dividend Tax (Rs. in Cr)
2009-10	16%			661	111
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	
	Present	After Expansion
Hot metal	14.4	26.2 (23.5)
Crude Steel	13.4	24.6 (21.4)
Saleable Steel	12.5	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	66%	100%
Pelletisation Plant	No	Yes
Coke Dry Quenching	No	Yes
Top Pressure Recovery Turbine	No	Yes
Auxiliary Fuel Injection in BF	Partial coverage	Full coverage
Desulphurization of Hot Metal	Partly	100%
Thin Slab Casting - Compact Strip Mill	No	Yes
Beam Blank Casting	No	Yes
Coupled Pickling & Tandem Mill	No	Yes
Beneficiation Plant	Partial	Full

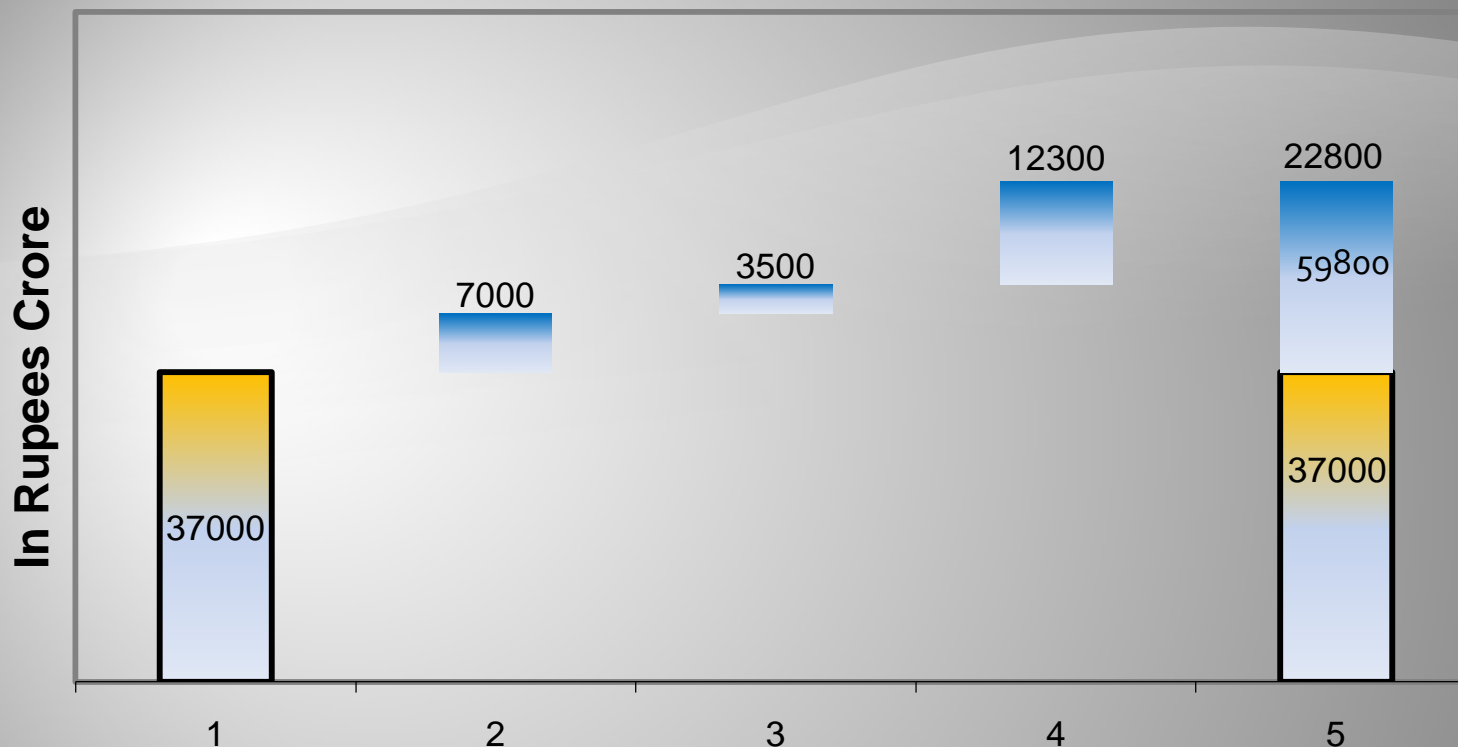
Ongoing Projects

- ✓ The ongoing 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 2.7 billion)

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

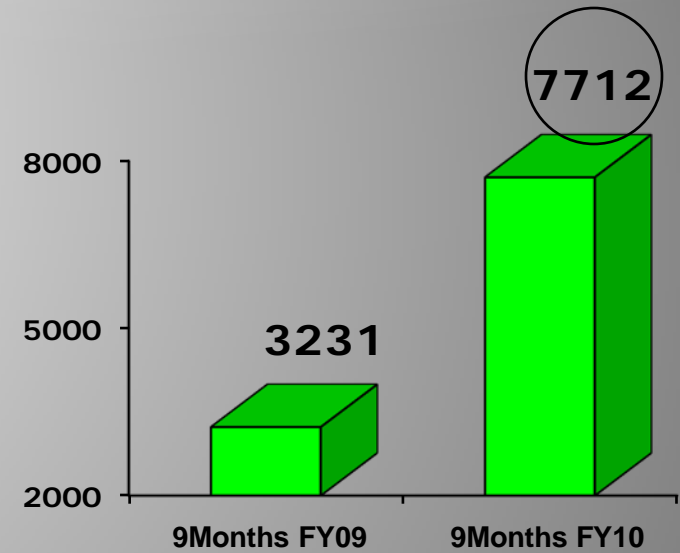
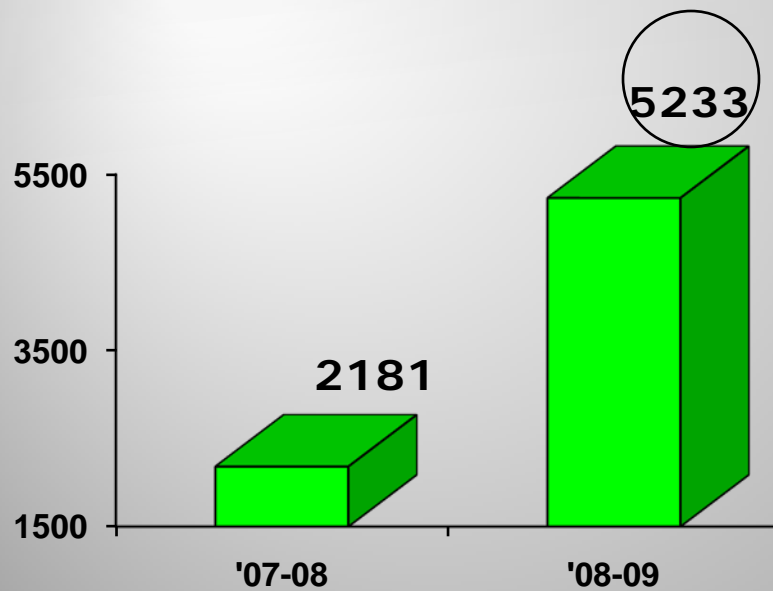
Ongoing Projects



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

Capital Expenditure on Expansion and Moderanisation

Amount in Rs. Crore



Ongoing Projects

- ✓ Total Capex for 2007-08 was Rs. 2181 crore and the Capex for 2008-09 is Rs. 5233 Crore.
- ✓ Orders for Rs.41,000 crore approximately have already been placed for various Modernisation / Expansion Projects/ Sustenance Schemes.
- ✓ Various options for raising fund to finance the capex plan are being explored.
- ✓ Capex Plan for 2009-10 is Rs.10000 crore approximately.

Ongoing Projects

Expected Outcome

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

Ongoing Projects

The Products to be added:

- ✓ Auto grade CR Products, Galvanealed Coils/ Sheets
- ✓ Plates/ Pipes to meet up to API 100 Grade specification
- ✓ Universal Beams/ Heavy Beams in the sizes up to 1100 mm to support increasing Infrastructural requirements
- ✓ Rails for Metro-Railways
- ✓ Increased production of Rails and wheels to meet the increasing requirements of Indian Railways
- ✓ Quantum jump in Rounds and Structural production leading to elimination of entire semi-finished steel
- ✓ Wider Plates in the size of 4300 mm

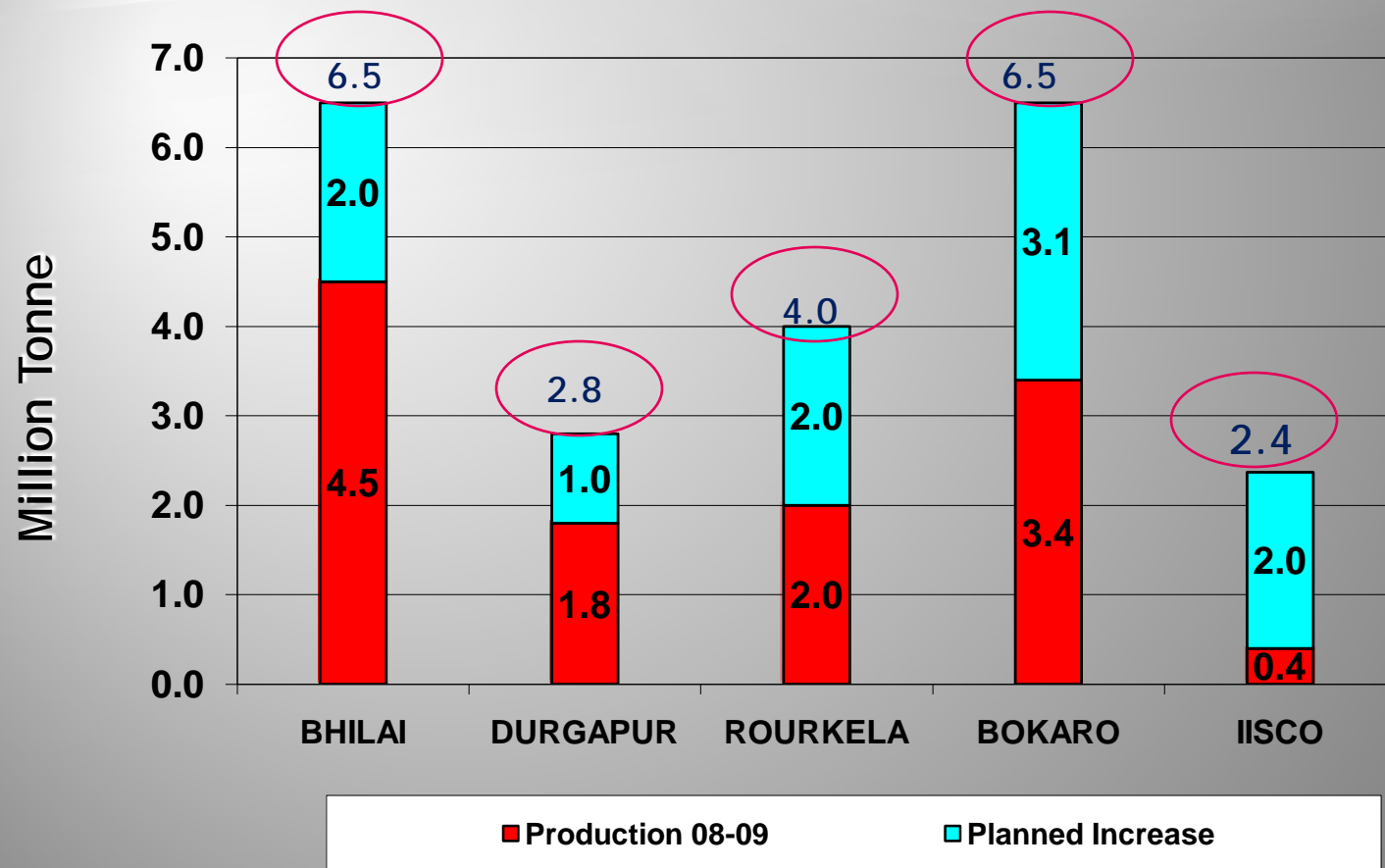
Capacity increase after Expansion

Plant	Hot Metal (Mtpa)		Saleable Steel (Mtpa)	
	2008-09 Actual	After Expansion	2008-09 Actual	After Expansion (2012)
BSP	5.4	7.5(7.5)	4.5	6.5 (6.5)
DSP	2.1	3.5(2.5)	1.8	2.8 (2.1)
RSP	2.2	4.5(4.5)	2.0	4.0 (4.0)
BSL	4.0	7.4(5.8)	3.4	6.5 (4.2)
ISP	0.6	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	14.4	26.2(23.5)	12.5	23.1 (20.2)

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

SAIL'S Growth Plan

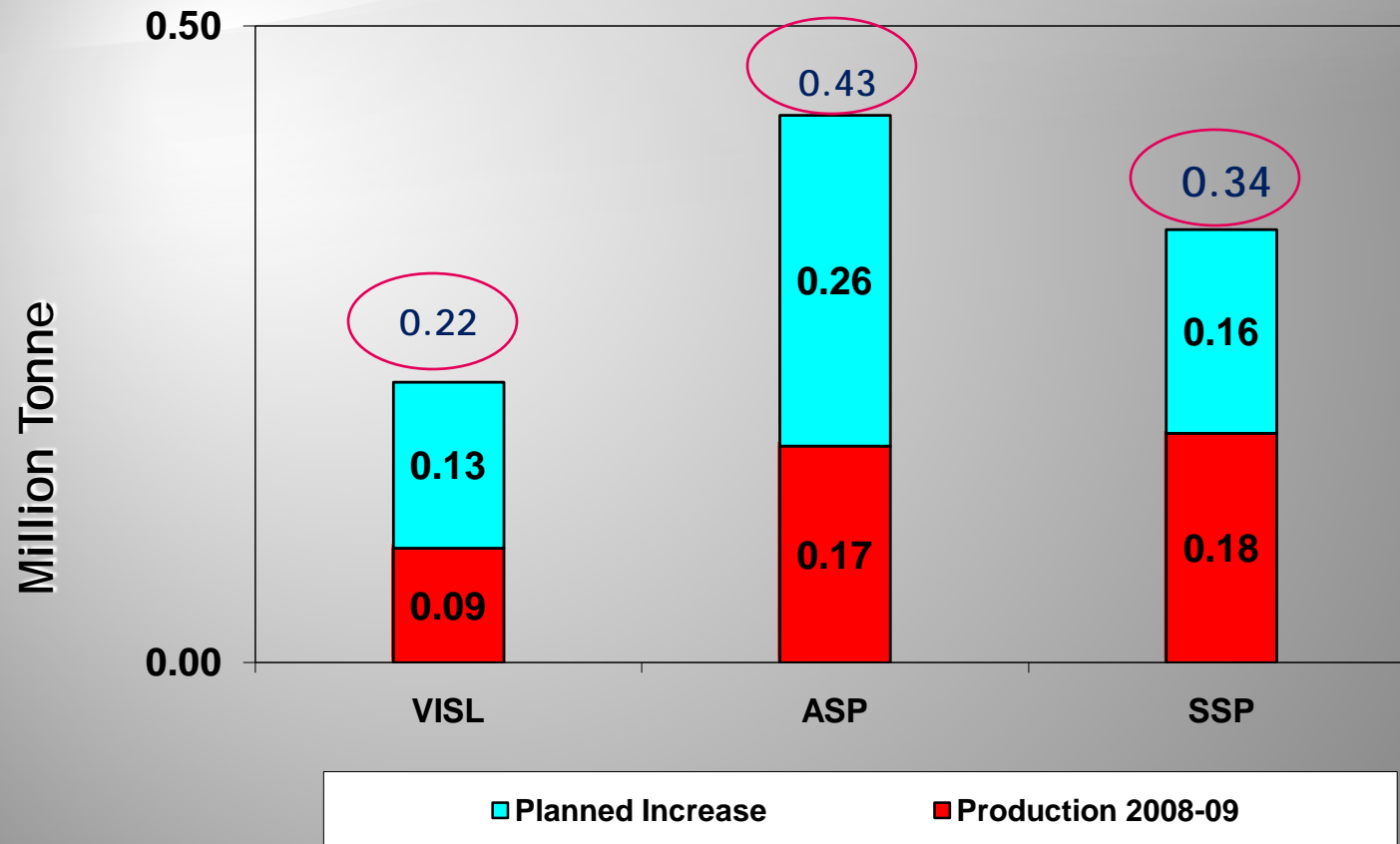
Saleable Steel Production Capacity



SAIL'S Growth Plan

Saleable Steel Production Capacity

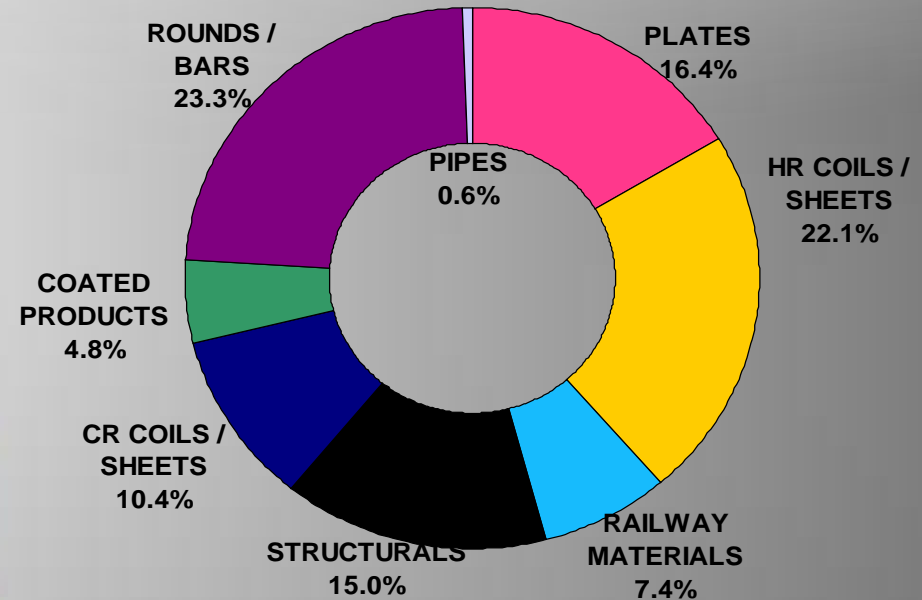
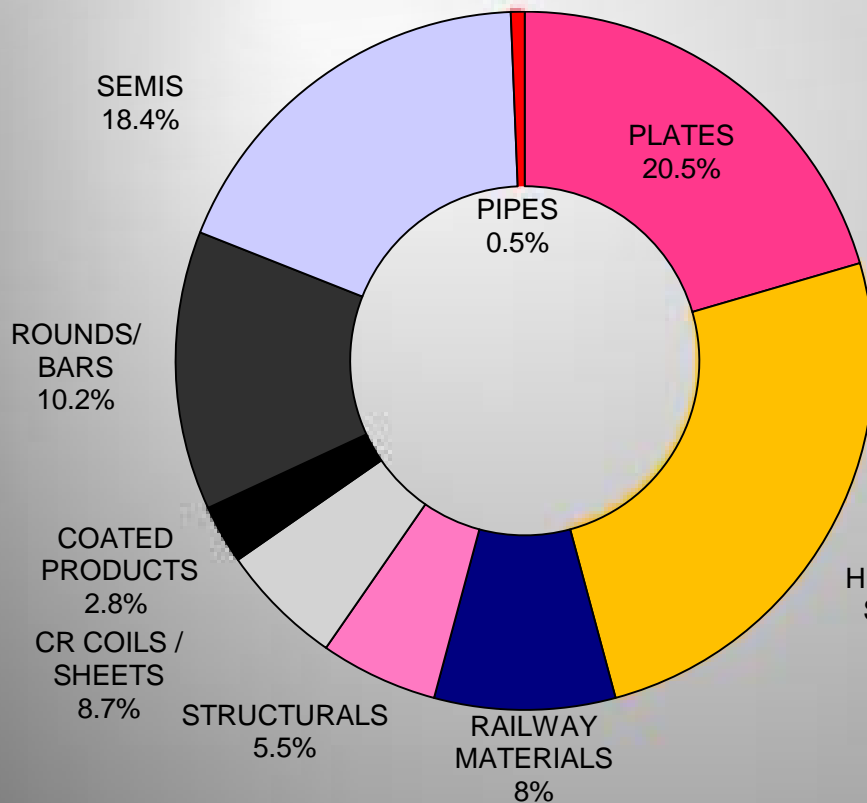
Specialty Steel Plants



Total Existing .45 MT and After Expansion 1MT

Product Mix - Saleable Steel Production

FY2008-09



After Expansion

Raw Materials

IRON ORE LINKAGES
Mtpa

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

Raw Materials

COAL LINKAGES

Mtpa

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

New Strategic Initiatives

- ◆ In-principle approval from Government of Jharkhand for renewal of Budhaburu, one of the Chira/ Gua iron-ore leases, with reserve of nearly 810 million tonne, has been accorded.
- ◆ Lease deed for mining of iron ore for Rowghat deposits was signed in October 2009. With this all statutory clearances for development of new mine at Rowghat has been obtained.
- ◆ After statutory approvals, the production at new Tasra collieries has started in November 2009
- ◆ Action for merger of MEL with SAIL is under process.
- ◆ Setting up of a Joint Venture shipping company with Shipping Corporation of India is under progress.

New Strategic Initiatives

- ◆ 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.

Corporate Social Responsibility -Model Villages



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 59 villages are likely to be completed as Model steel Village.

Corporate Social Responsibility



Performance Highlights - SAIL CSR

- ✓ 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.
- ✓ 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.

Performance Highlights - SAIL CSR

- 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.
- More than 4274 health camps have been organized in 2009-10 up to December 2009, benefiting more than 1.9 lakh people.


Performance Highlights – SAIL CSR

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



Outstanding Achievement for Rural and Community Development

Accolades

-  BSP won Prime Minister's trophy for the best integrated Steel Plant for the year 2006-07 and 2007-08. BSP has the unique distinction of being adjudged as best integrated steel plant nine out of total 16.
- Seven Indian Institute Metals Awards won by SAIL which included Metallurgist of the year award, MECON award, National Sustainability award to BSP and SSP.
- SAIL has won the National Centre for promotion of employment for disabled people (NCPEDP) - Helen Keller Award 2009 in the organisational category for promotion of employment to disabled people.



Two MoU Excellence Awards in the categories 'Mining & Metals' and 'Listed Companies' for the year 2007-08.



The Gold Trophy of SCOPE Award for Excellence and Outstanding Contribution to Public Sector Management in the 'Institutional' category for the year 2006-07.



SCOPE Award for 'Excellence and Outstanding Contribution to Public Sector Management' Under 'Individual' category, for the year 2007-08, to SAIL Chairman, Mr. S K Roongta.

Accolades

- Gold Trophy of 'SCOPE Meritorious Award for R & D, Technology Development & Innovation' for 2007-08.
- In the National Convention of Quality Circles held at Bangalore on 21st and 22nd December '09 22 'par-excellence', 33 'excellent' and 5 'distinguished' awards were bagged by SAIL teams, which is the highest won by any single organisation in the country.
- First prize of the national Energy Conservation Awards 2009 in the Integrated Steel Plants Sector was awarded to DSP and presented by Hon'ble Union Minister of Power on 14th December 2009.
- Institution of Engineers(India) awarded the Dr. M Visvesvaraya Award-2009 and the SAIL Award 2009 to SAIL RDCIS team.

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.

Accolades

- BSP won Prime Minister's trophy for the best integrated Steel Plant for the year 2006-07 and 2007-08. BSP has the unique distinction of being adjudged as best integrated steel plant nine out of total 16.
- Seven Indian Institute Metals Awards won by SAIL which included Metallurgist of the year award, MECON award, National Sustainability award to BSP and SSP.
- Salem Steel Plant received National sustainability Award – First Prize amongst the secondary steel plants/alloy steel plants by the Indian Institute of Metals.



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
✓	EBIDT	Earnings Before Interest Depreciation & Taxes
✓	G.Cal/tcs	Giga Calories per tonne of Crude Steel
✓	Gol	Government of India
✓	IISI	International Iron & Steel Institute
✓	ISP	IISCO Steel Plant

Abbreviations used

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

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.

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