

**STEEL AUTHORITY OF INDIA LIMITED**

**PERFORMANCE HIGHLIGHTS**

**Q2 FY-10**

# Contents

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

# Financial Results -H1 FY'10 vs. H1 FY'09

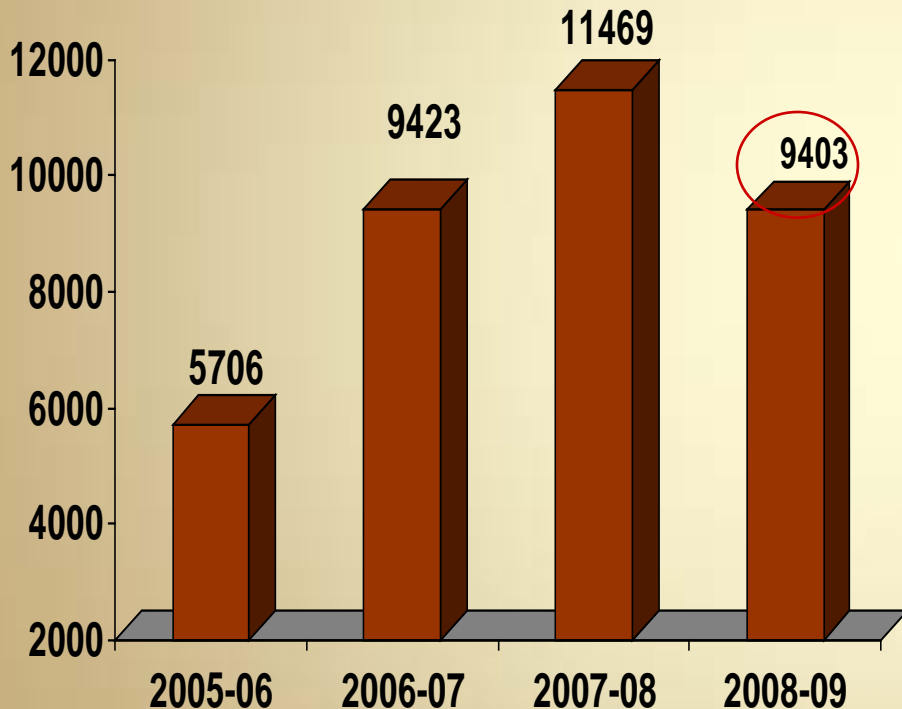
- ✓ H1 FY'10 Turnover of Rs. 20,481 crore - decrease of 20% over CPLY.
- ✓ H1 FY'10 PBT - Rs.4529 crore -decrease of 23%
- ✓ H1 FY'10 PAT of Rs.2994 crore - decrease of 22%
- ✓ H1 FY'10 EBIDTA of Rs.5346 crore decrease of 19%
- ✓ H1 FY'10 EBIDTA to Sales of 28%
- ✓ PAT / Net worth of 19%
- ✓ Debt / Equity Ratio: 0.38:1 as on 30.09.2009 against 0.27:1 as on 31.03.2009.
- ✓ EPS of Rs.14.50, annualised

# Financial Results –Q2 FY 2009-10 vs. Q2 FY 2008-09

Rs. Crore	July 09 Sept. 09	July 08 Sept. 08	Increase(+) Decrease(-)	% Change
TURNOVER	10730	13544	(-) 2815	(-) 21%
EBIDTA	2925	3434	(-) 509	(-) 15%
PBT	2519	3067	(-) 548	(-) 18%
PAT	1663	2010	(-) 347	(-) 17%

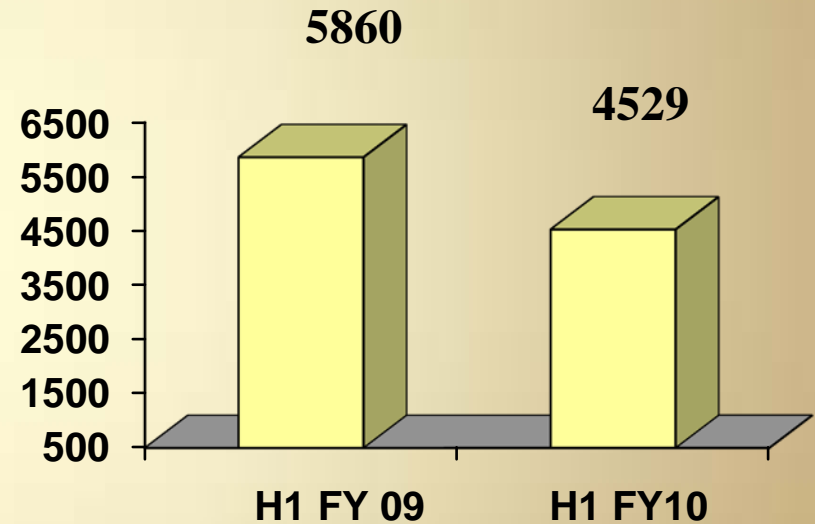
# Financial Performance

PBT (Rs. Cr.)



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

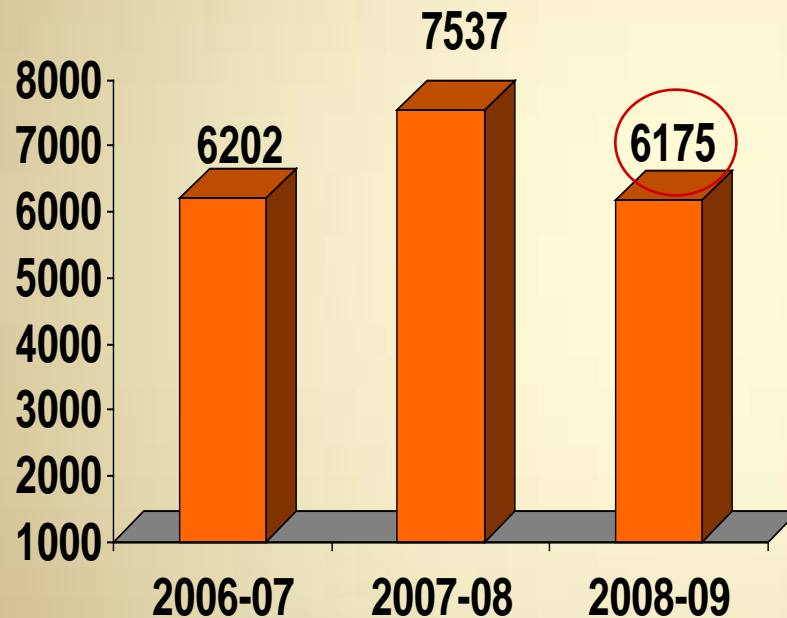
PBT (Rs. Cr.)



**H1 FY10 PBT – Rs.4529 crore**

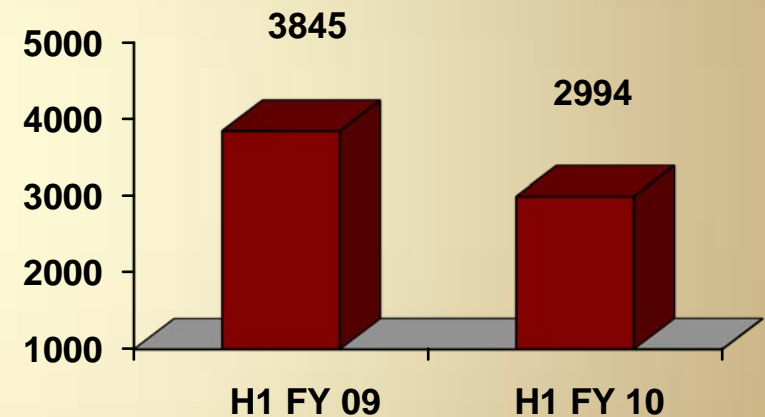
# Financial Performance

PAT (Rs. Cr.)



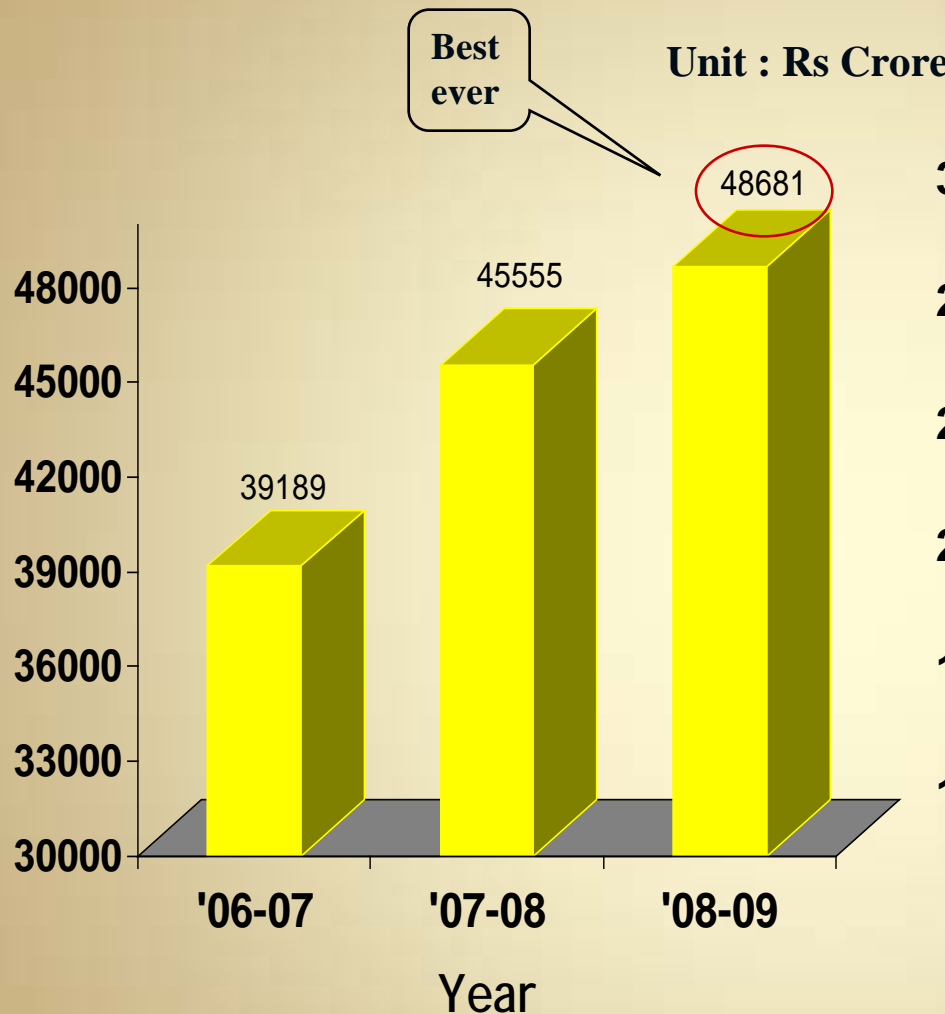
Profit after Tax of Rs.6175 crore in 2008-09.

PAT (Rs. Cr.)

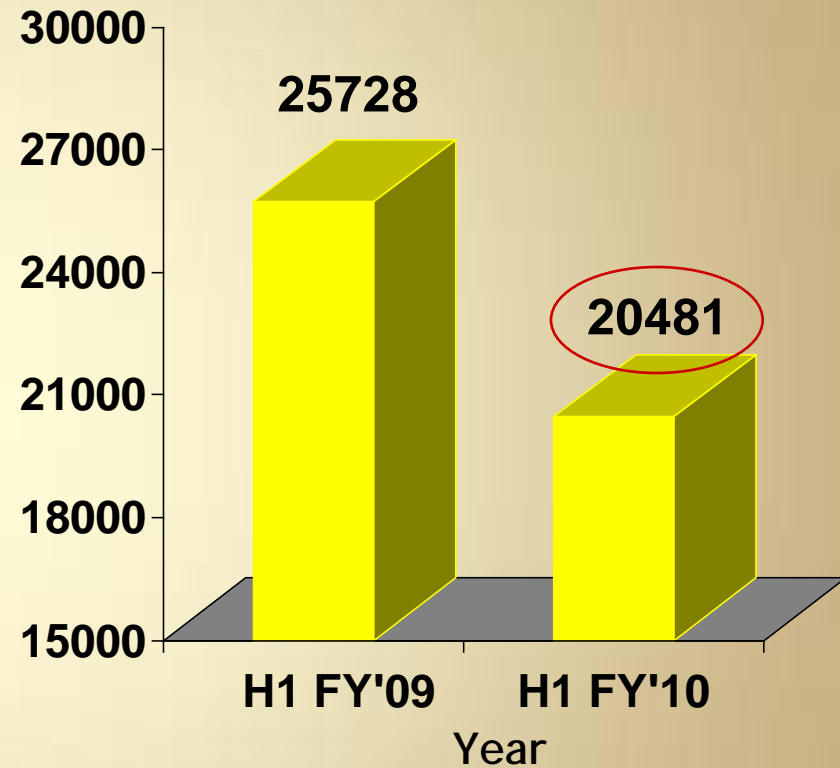


H1 FY10 PAT- Rs.2994crore

# Sales Turnover

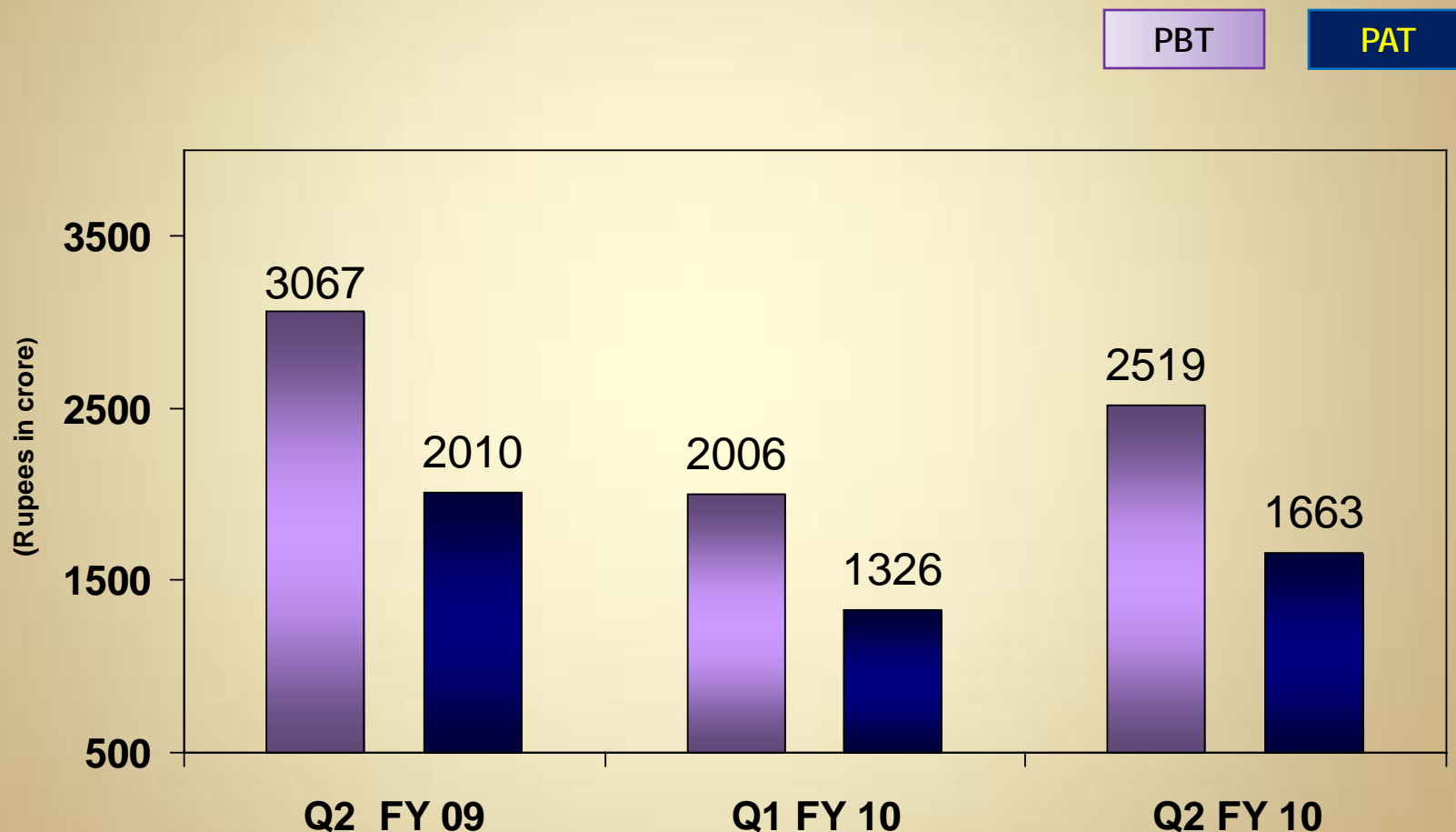


Turnover of Rs.48681 crore in FY 08-09



H1 FY10 Turnover of Rs 20481 crore

# Quarter-wise Profit

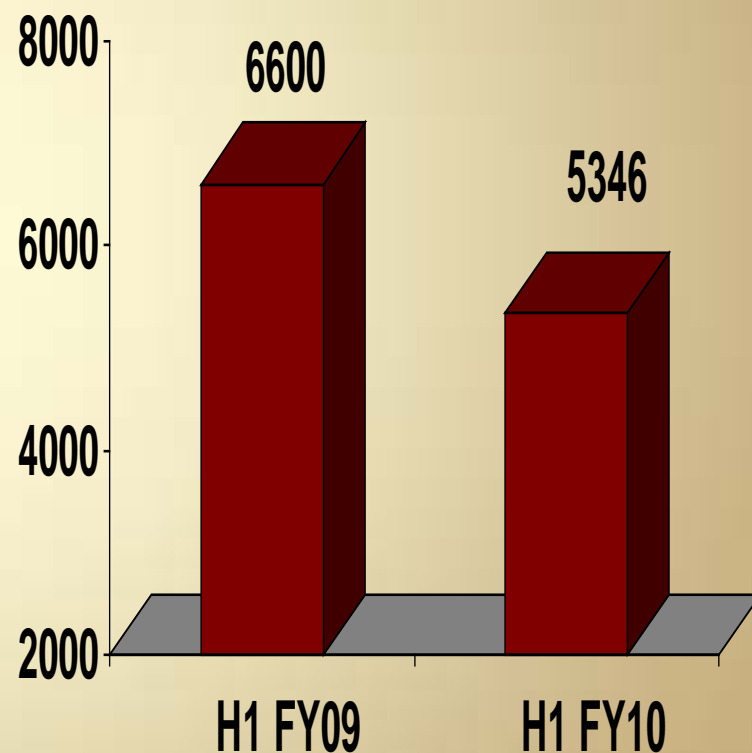
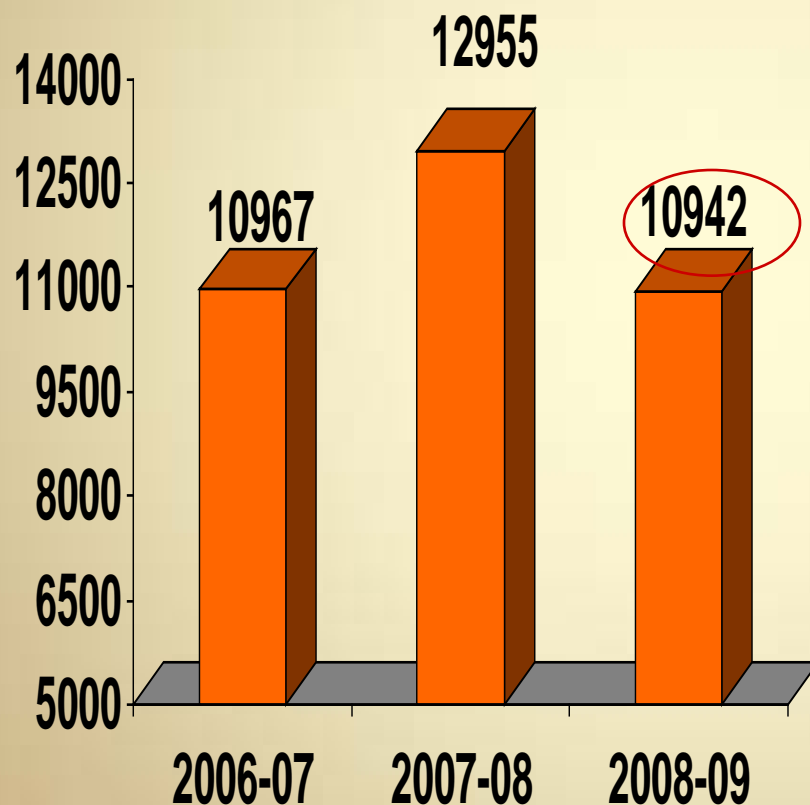


The profits of Q1 FY10 excludes profit for Q1 FY10 of SAIL Refractory Unit (earlier known as Bharat Refractories Limited) which has been merged with SAIL



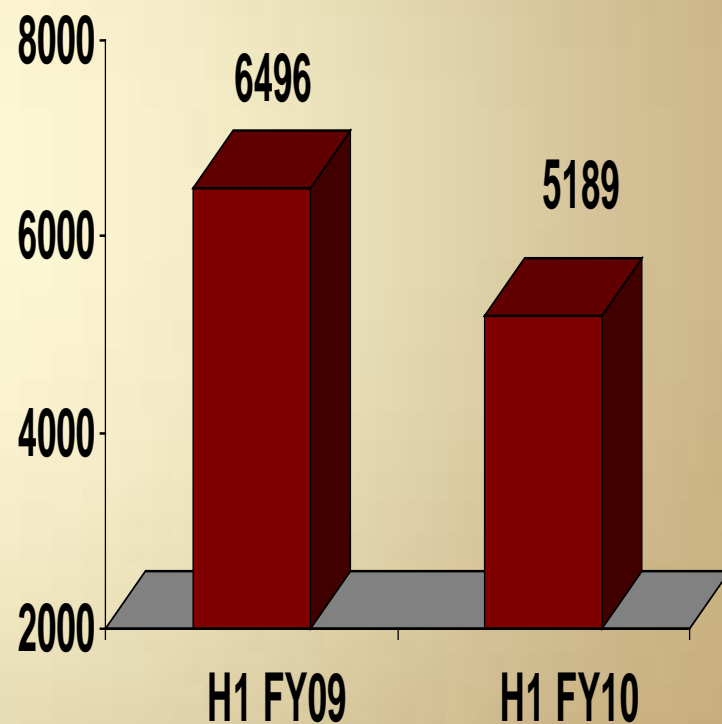
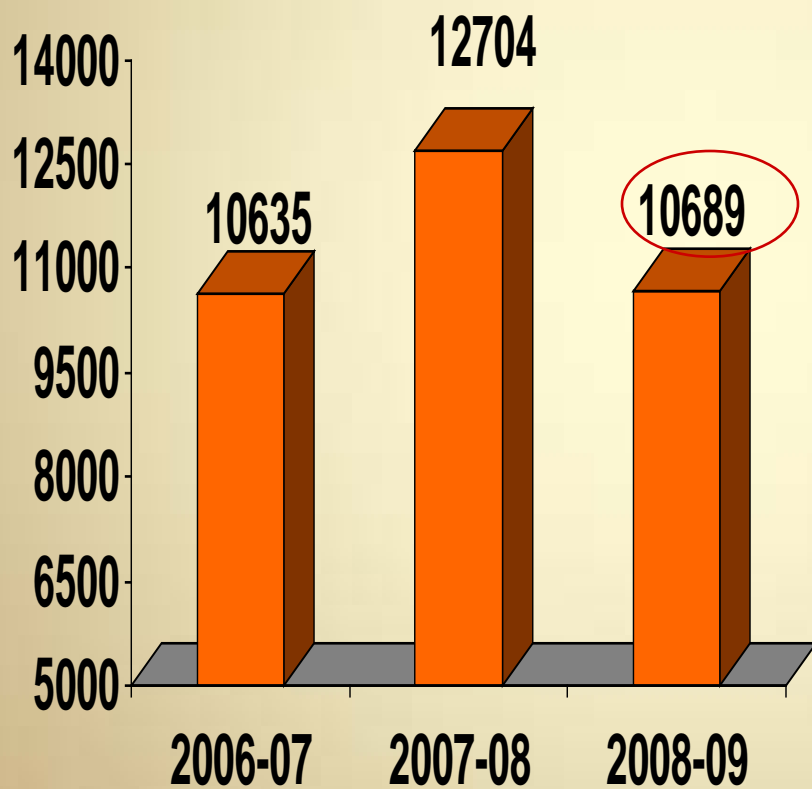
# Earning Before Interest Depreciation and Tax

Unit : Rs Crore



# Cash Profits

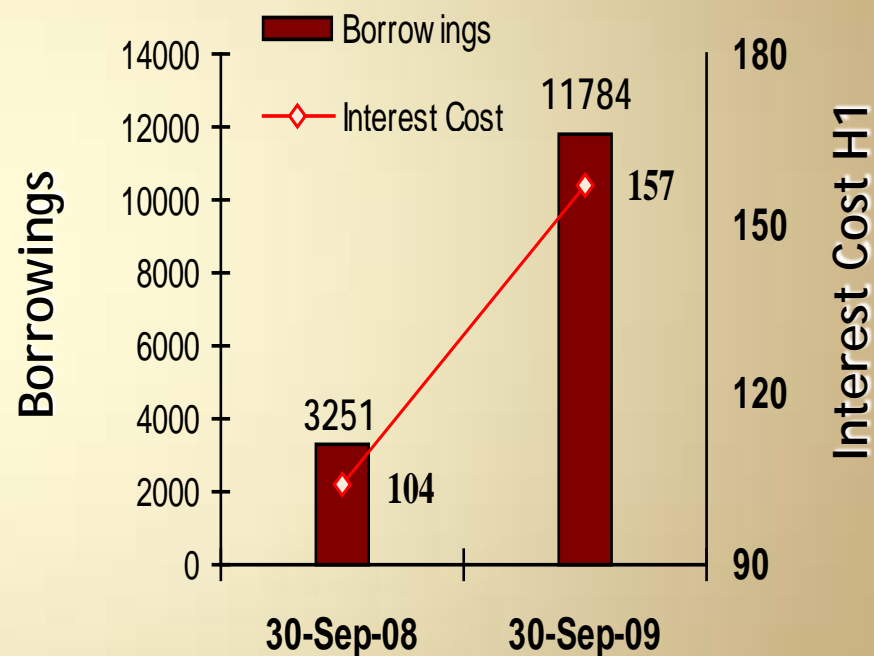
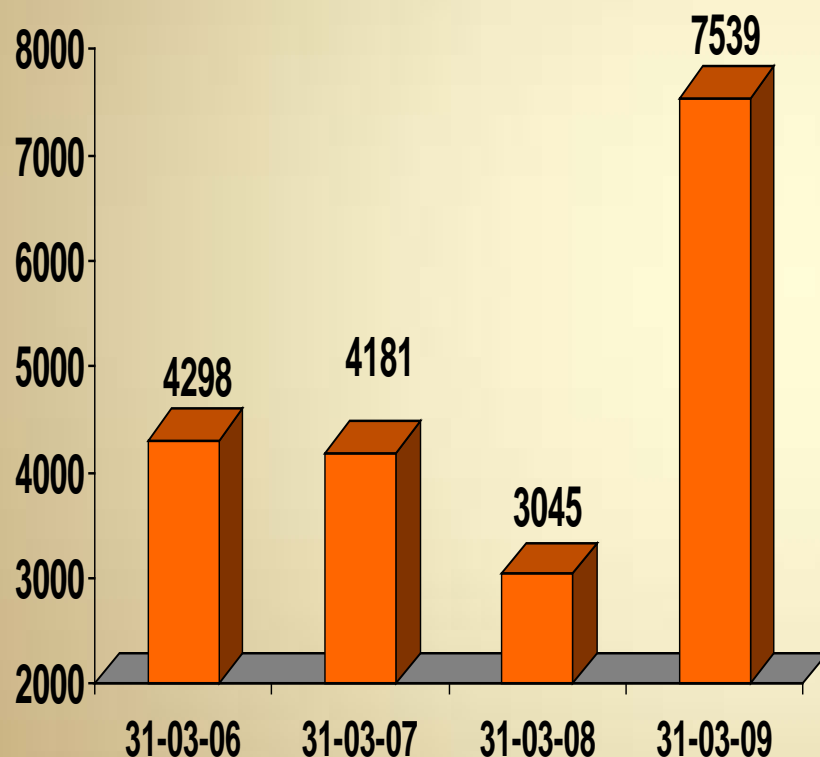
Unit : Rs Crore



# Borrowings

## Borrowing Annual

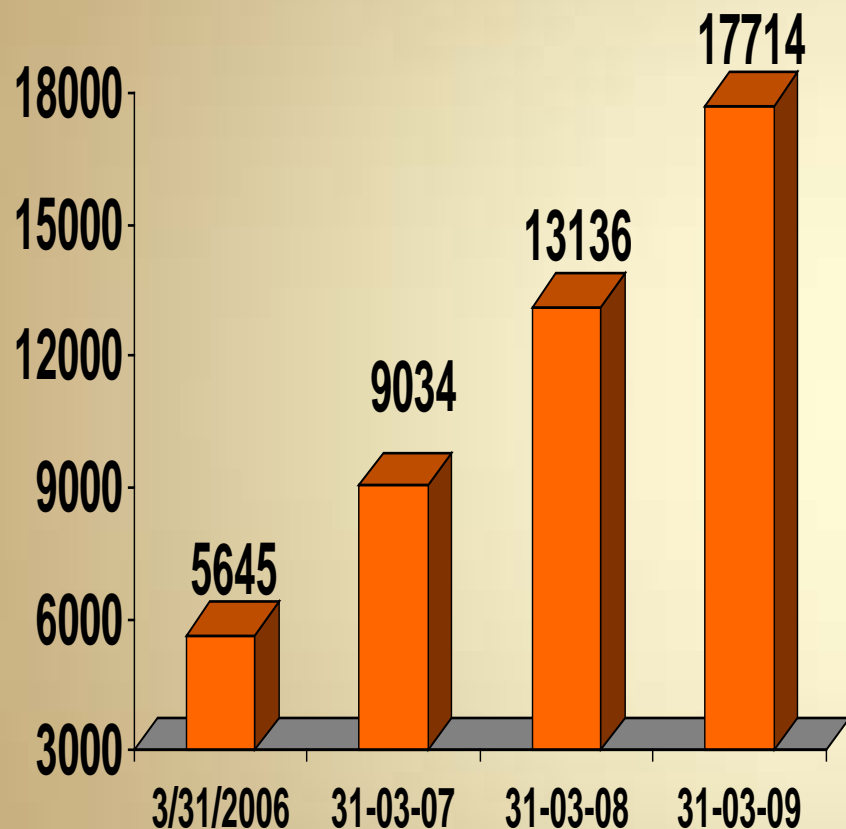
Unit : Rs Crore



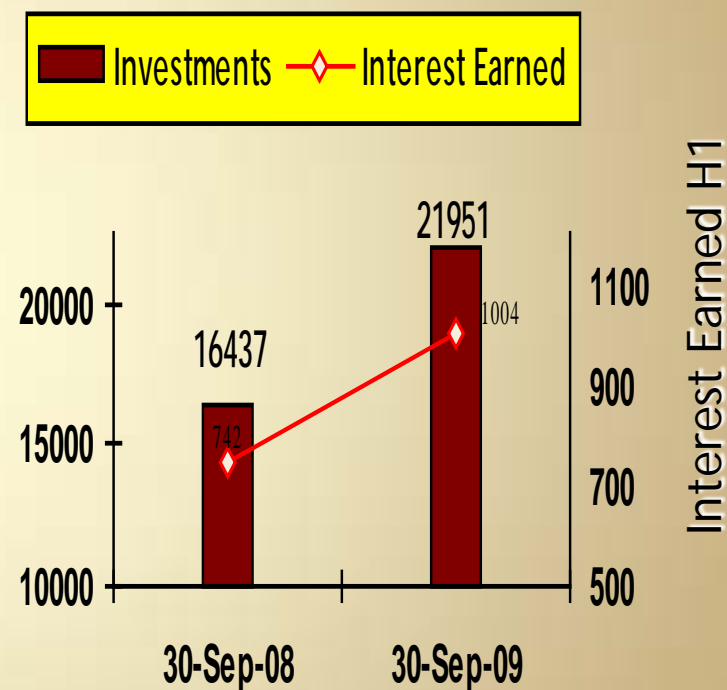
Year	30-09-2008	31-03-2009	30-06-2009	30-09-2009
D/E Ratio	0.12	0.27	0.30	0.38

# Short Term Investments in Banks

Unit : Rs Crore

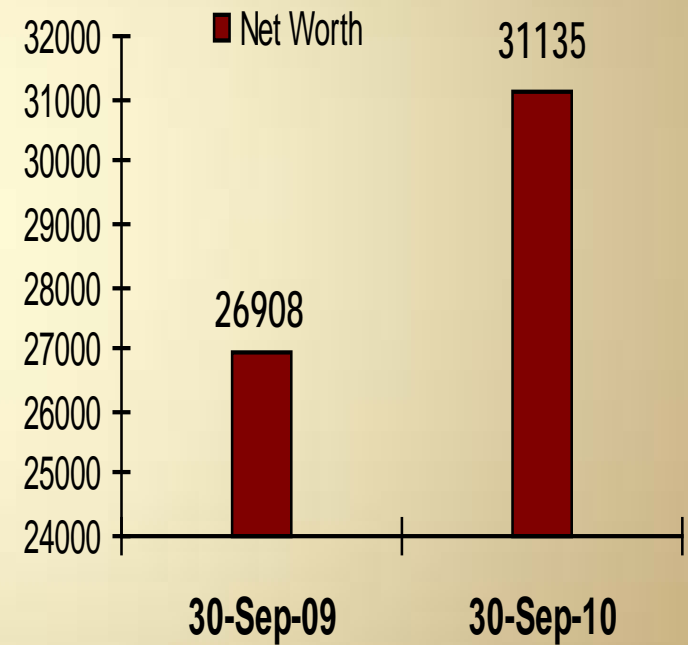
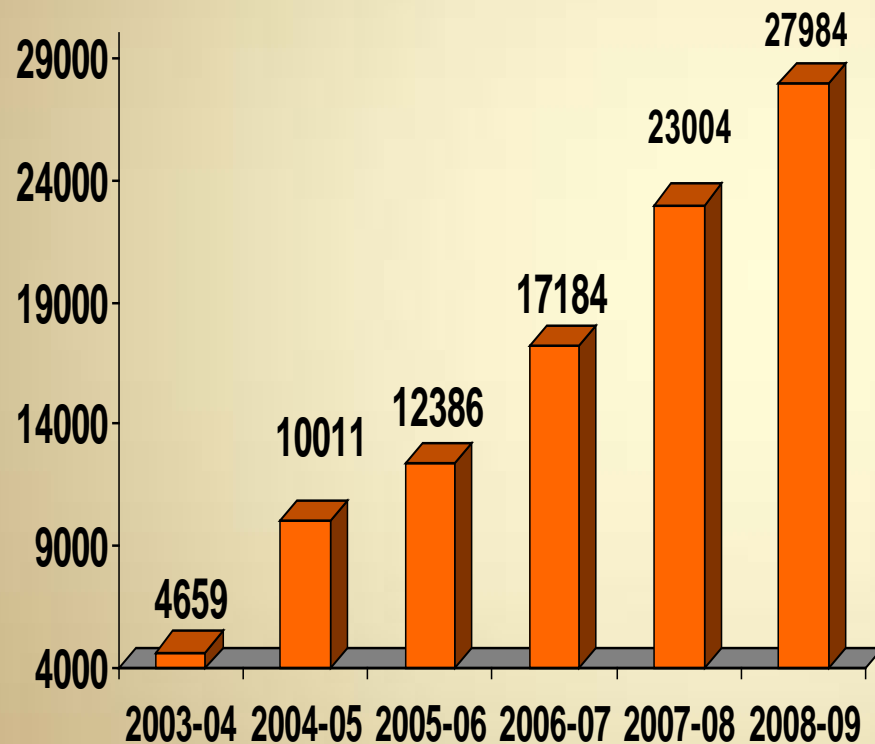


Short Term Investment in Banks



# Net Worth

Unit : Rs Crore



# Performance Details for H1 FY'10

- ✓ Sales of 5.79 million tones - growth of 9.0% as compared to corresponding period of last year.
- ✓ Saleable steel production of 6.20 million tones - growth of 1% as compared to corresponding period of last year.
- ✓ Crude steel production of 6.674 million tones - similar to corresponding period of last year.
- ✓ Special Steel Production 2.32 million tones - increase of 18% as compared to corresponding period of last year.
- ✓ Production through Concast 4046 million tones - growth of 1% as compared to corresponding period of last year( CPLY).

# Performance Highlights - H1 2009-10

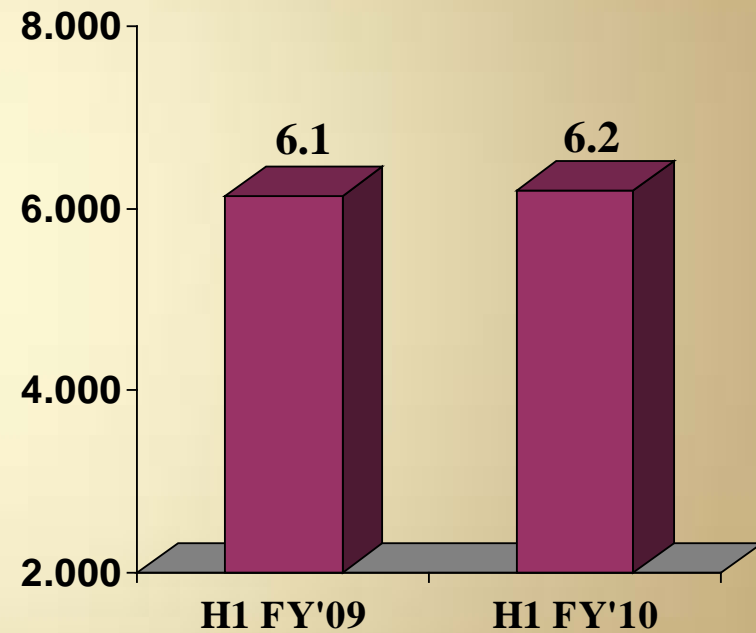
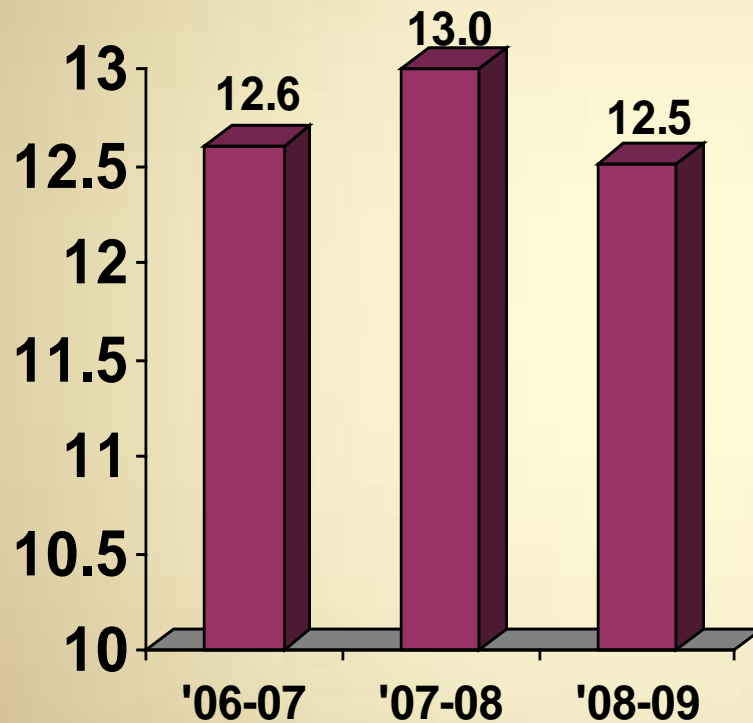
## Major Techno Economic Parameters

- ✓ Coke Rate at 515 kg/T - improvement by 2.6% over CPLY
- ✓ Energy Consumption 6.76 (G.Cal/tcs) - improved by 1% over Corresponding Period Last Year.
- ✓ Avg. Capacity utilisation (Saleable Steel) - 112%
- ✓ Avg. Capacity utilisation (Hot Metal) - 103%
- ✓ Avg. Capacity utilisation (Concast Production) - 114%

# Production

April-Sept.

Saleable Steel (in Million Tons)



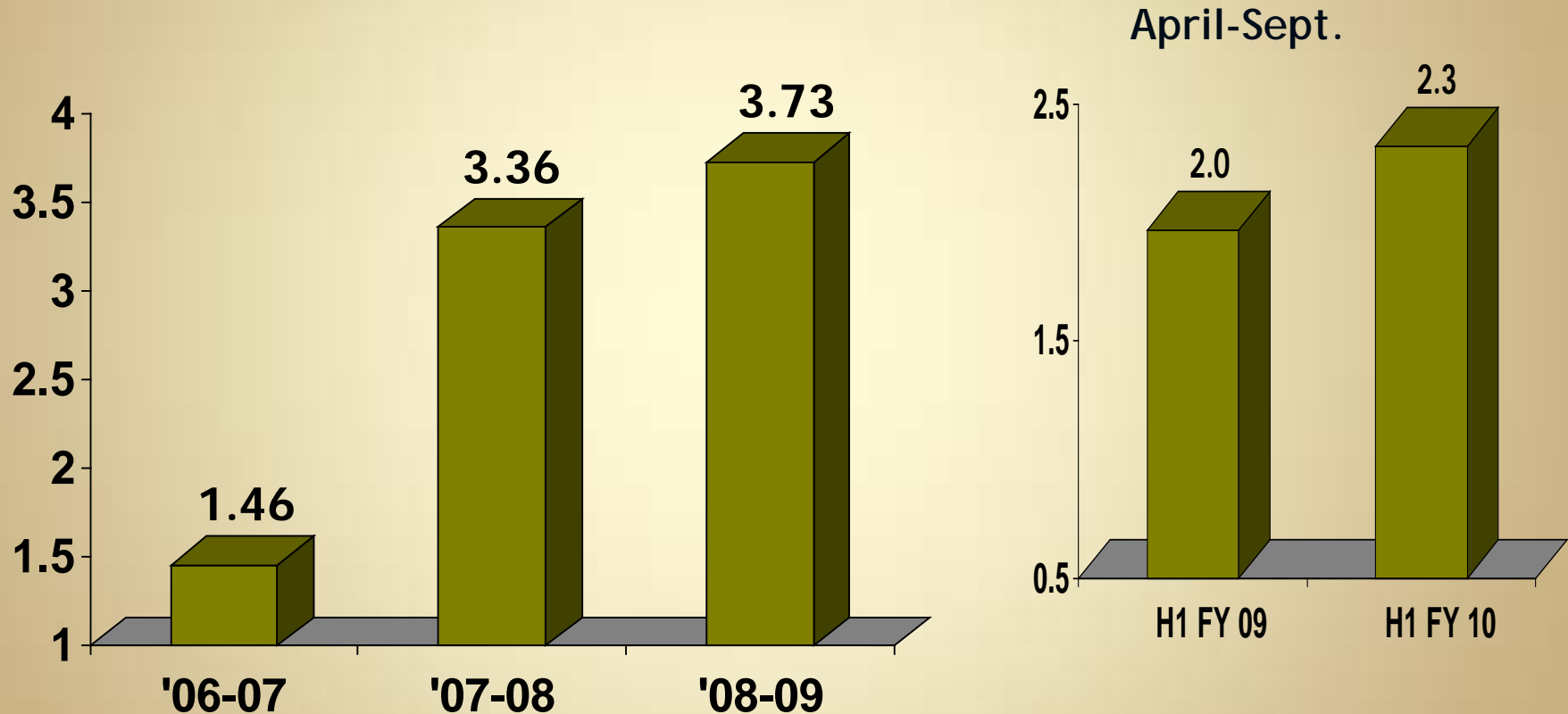
Including Special Steels Plants



# Special Steel Production

(in Million Tonnes)

## Production of Value added materials of 5 ISPs

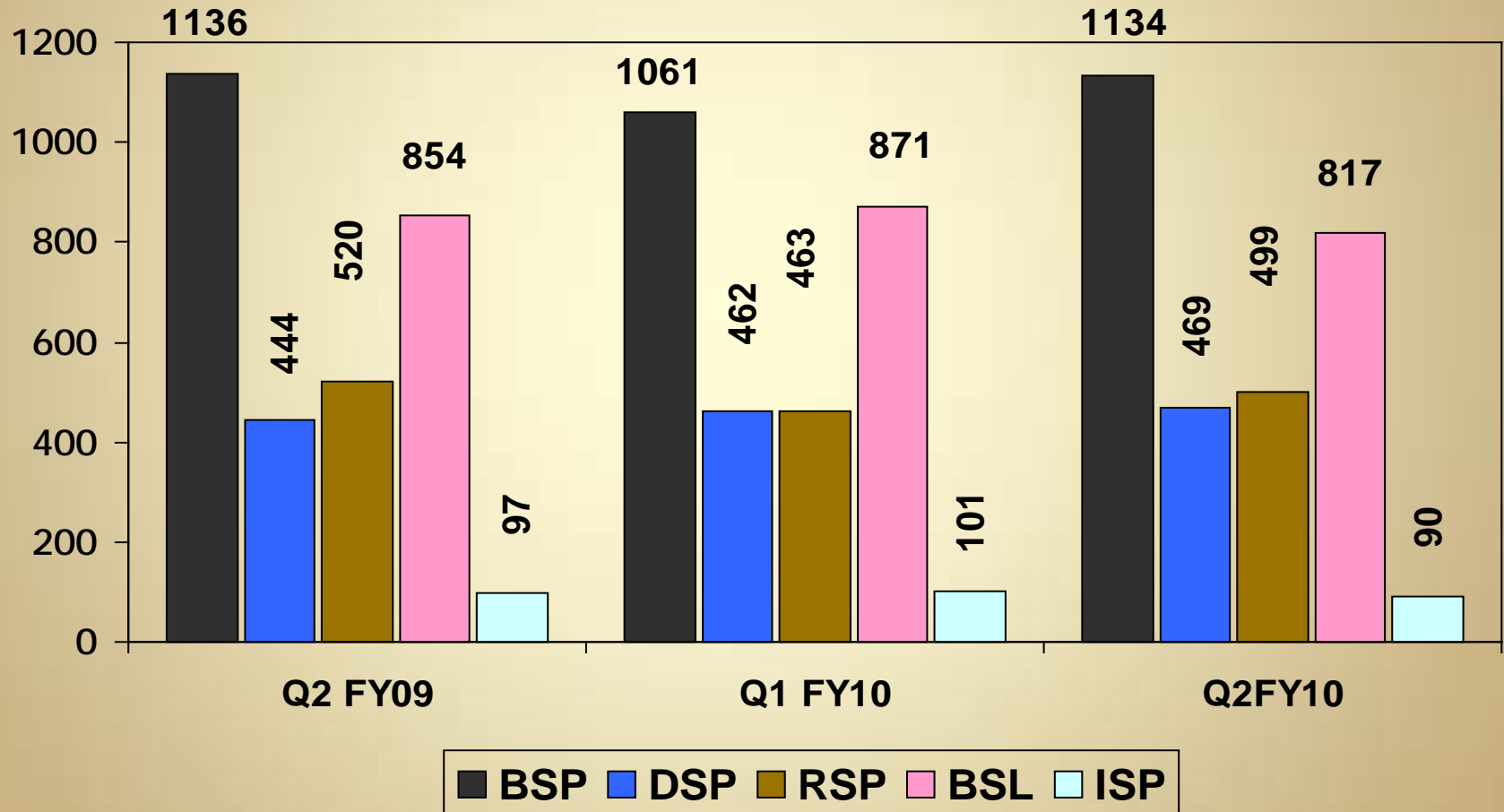


**18% increase in production of Value Added Products**

# Saleable Steel Production

Plant-Wise, Quarter-Wise

(in Thousand Tonnes)

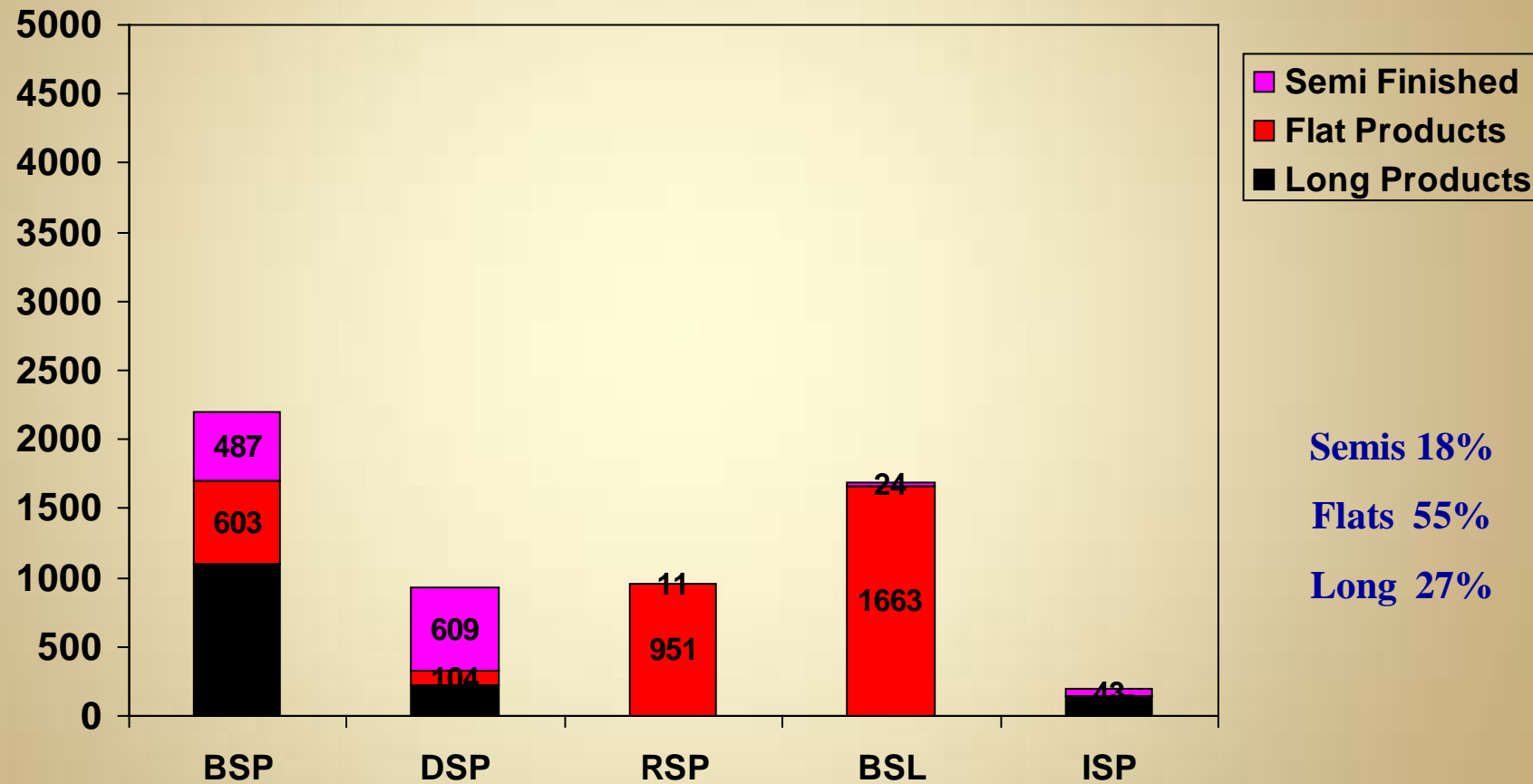


(Five Integrated Steel Plants Only)

# Production of Saleable Steel

## Plant Wise Category wise

(in Million Tonnes)



**Semis 18%**

**Flats 55%**

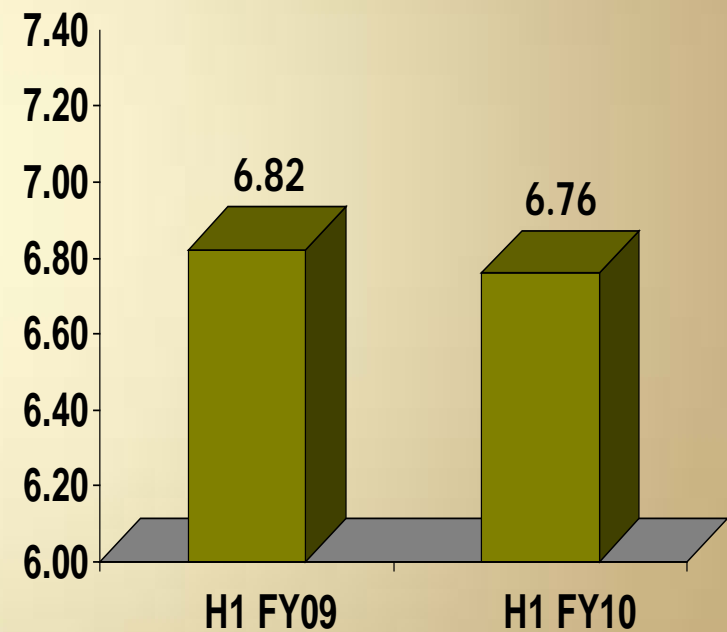
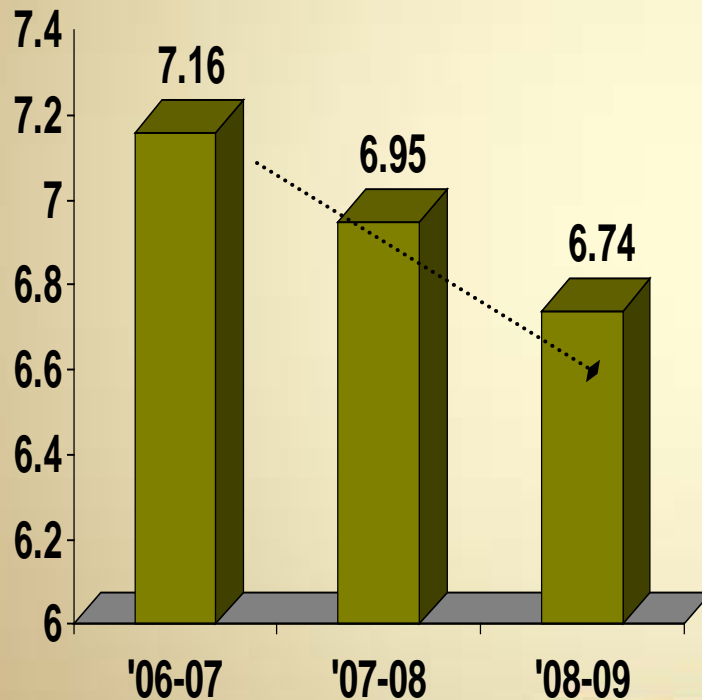
**Long 27%**

**2008-09 5 Integrated Steel Plants**

# TE Parameters

## Specific Energy Consumption (Gcal/TCS)

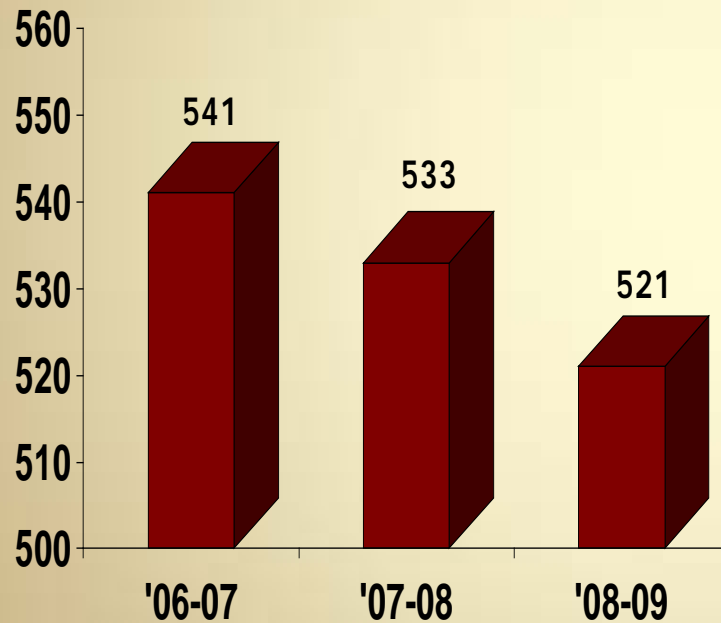
April-Sept. '09



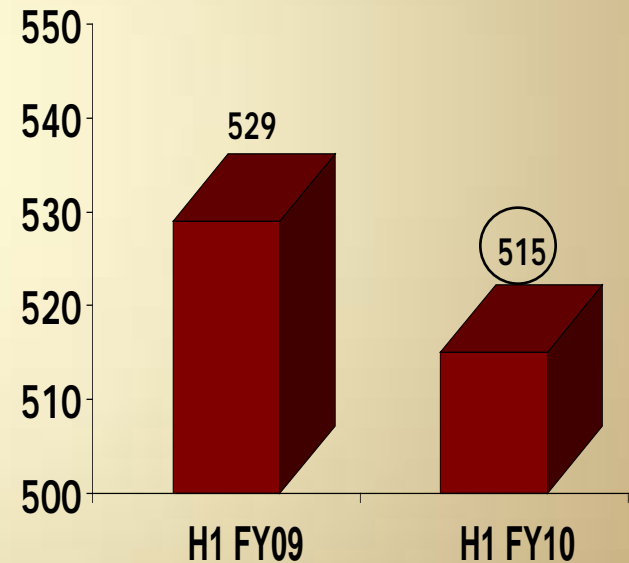
**Reduction in Energy  
Consumption**

# TE Parameters

## Coke Rate (Kg/THM)



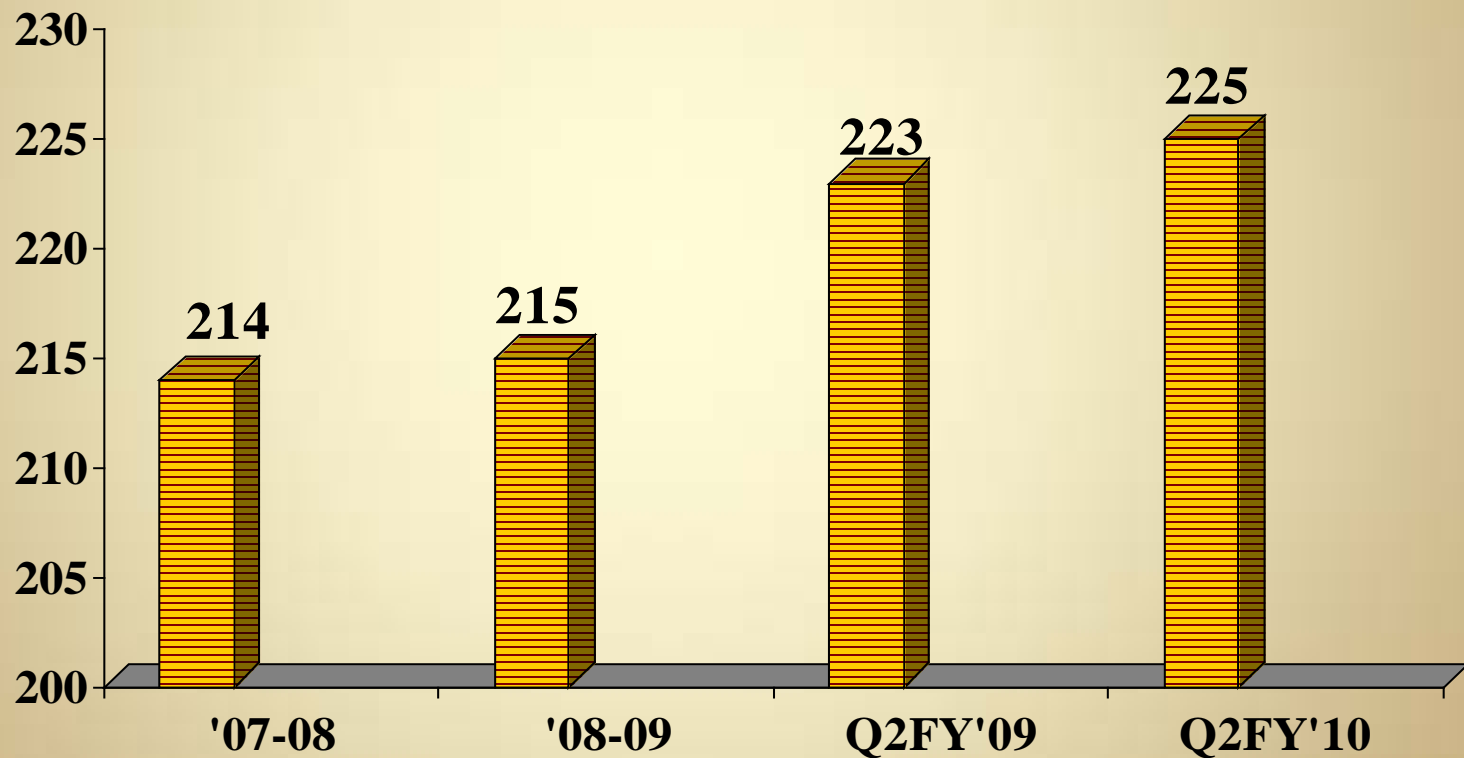
Continuous efforts to contain  
coke rate



Coke Rate at 515 kg/Thm - lower by  
3% over CPLY

# Labour Productivity

Tonne Crude Steel /man / year

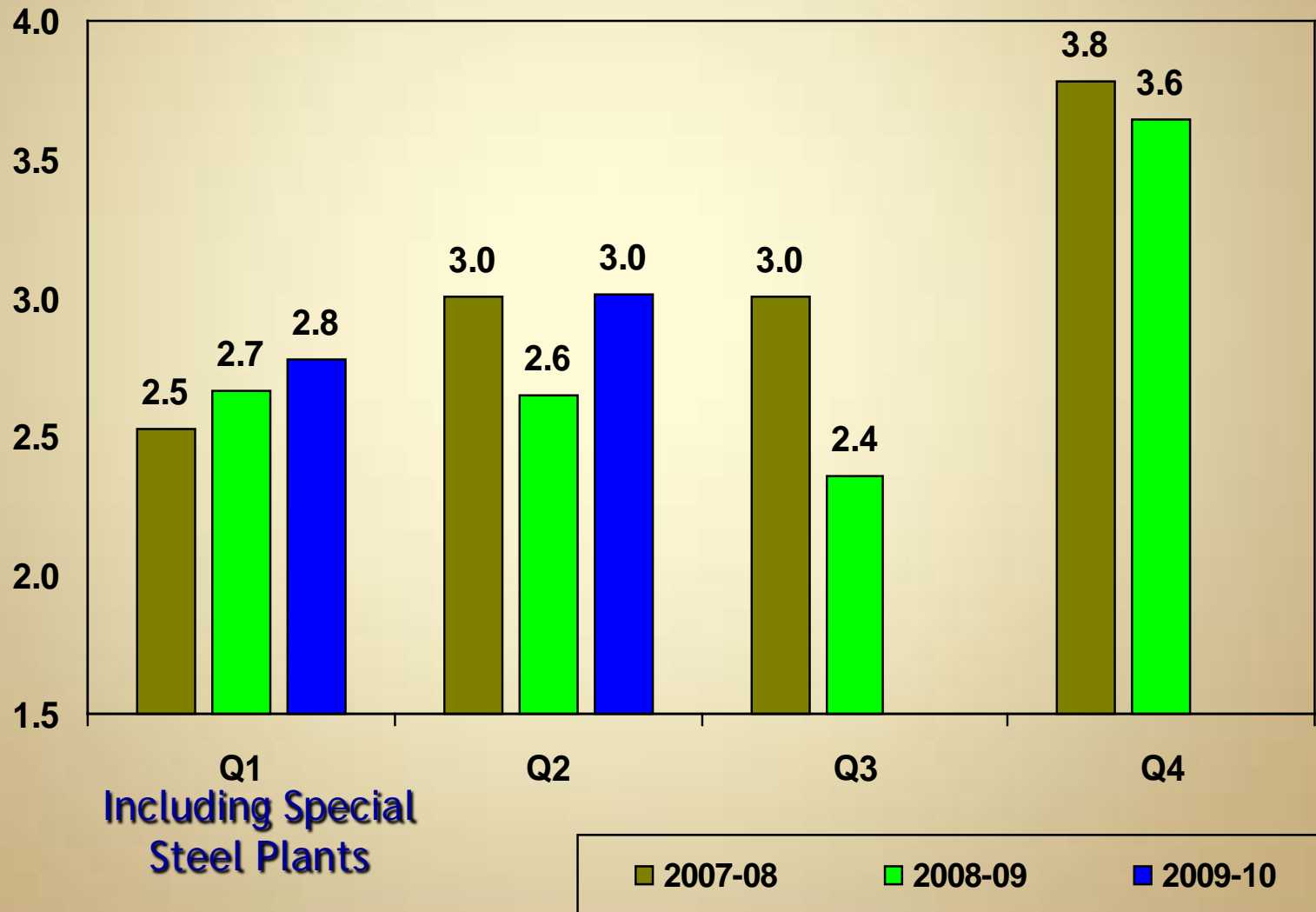


Manpower reduction nearly 7800 during last one year.

Current manpower : 1.18 lakh as on 30.09.09.

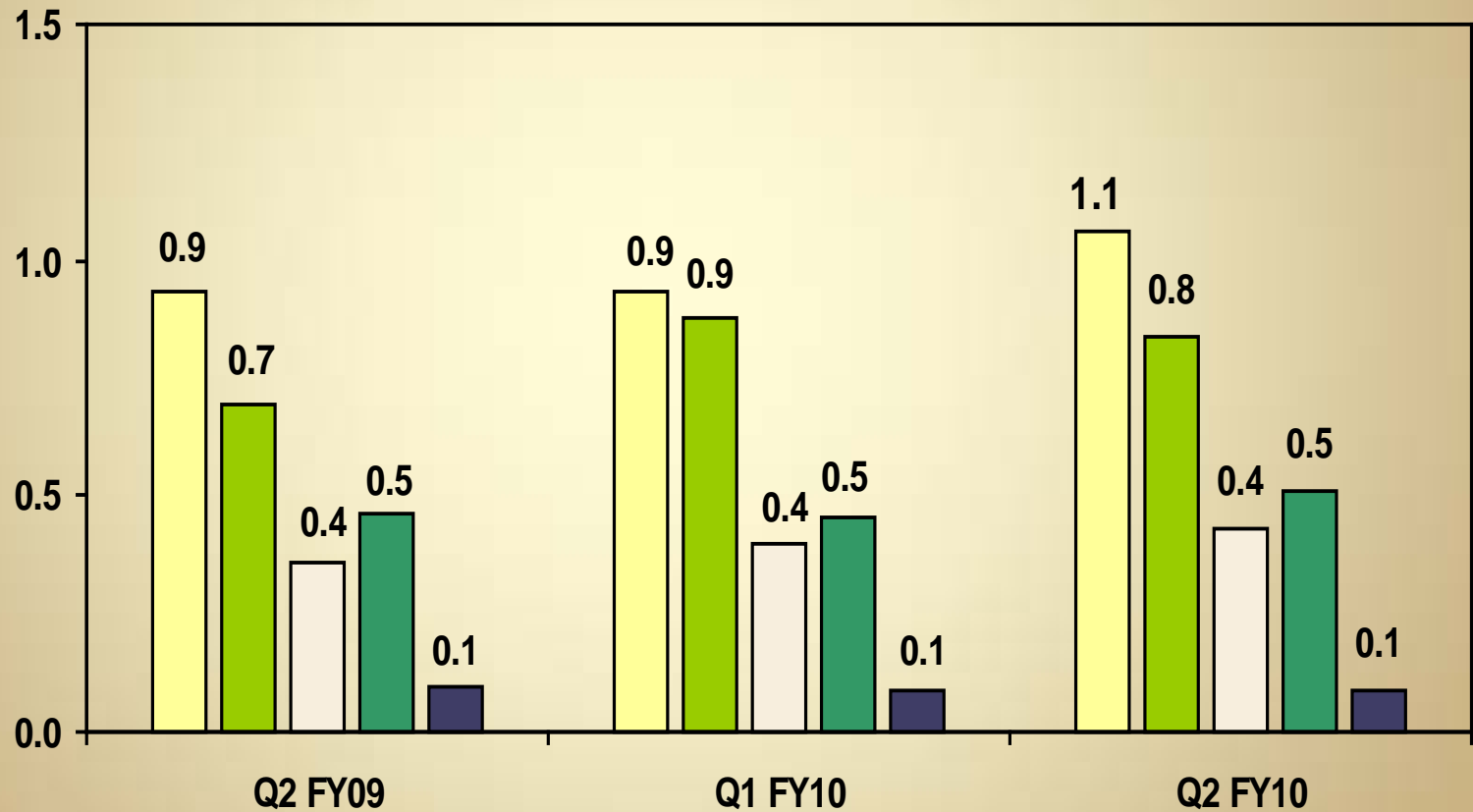
# Saleable Steel Sales Volume

(In Million Tonnes)



# Saleable Steel Sales Volume

(In million tonnes)



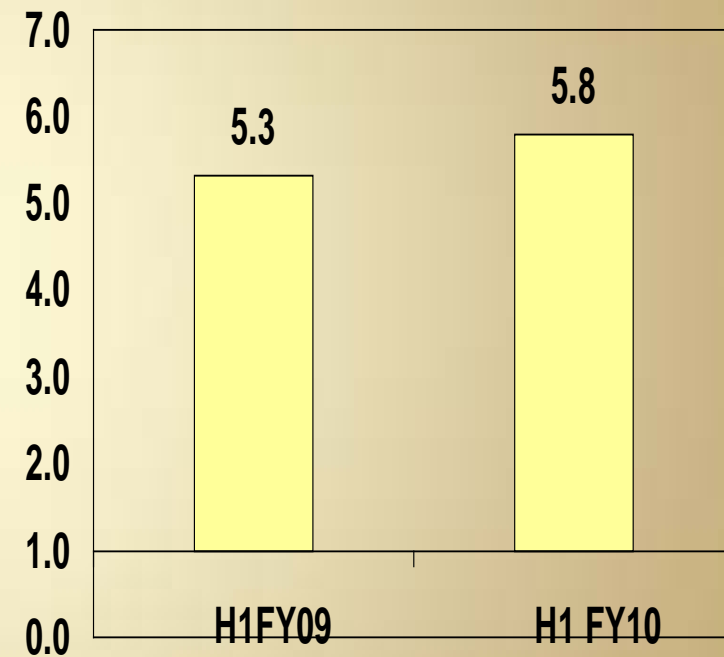
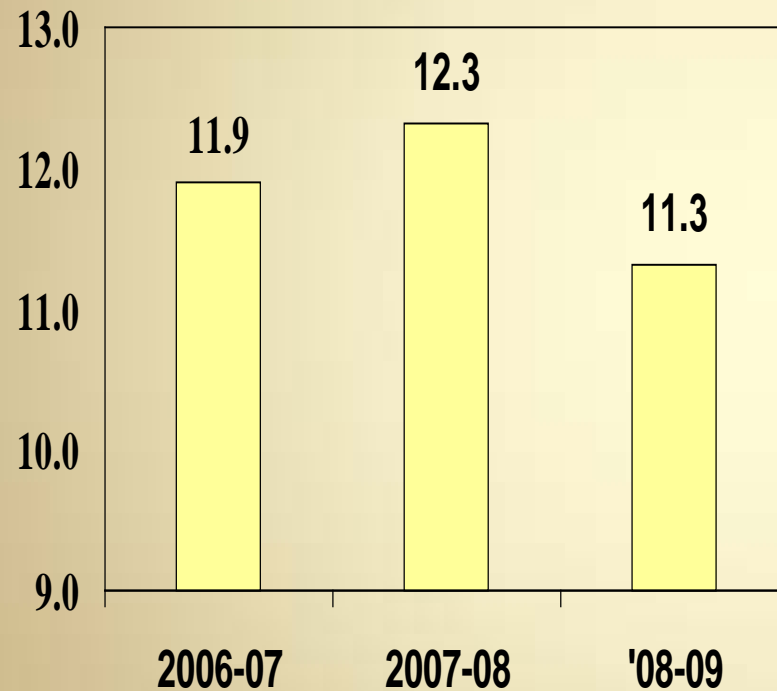
Plant-wise, Integrated Steel Plants

■ BSP ■ BSL ■ DSP ■ RSP ■ ISP



# Saleable Steel Sales Volume

(in million tonnes)

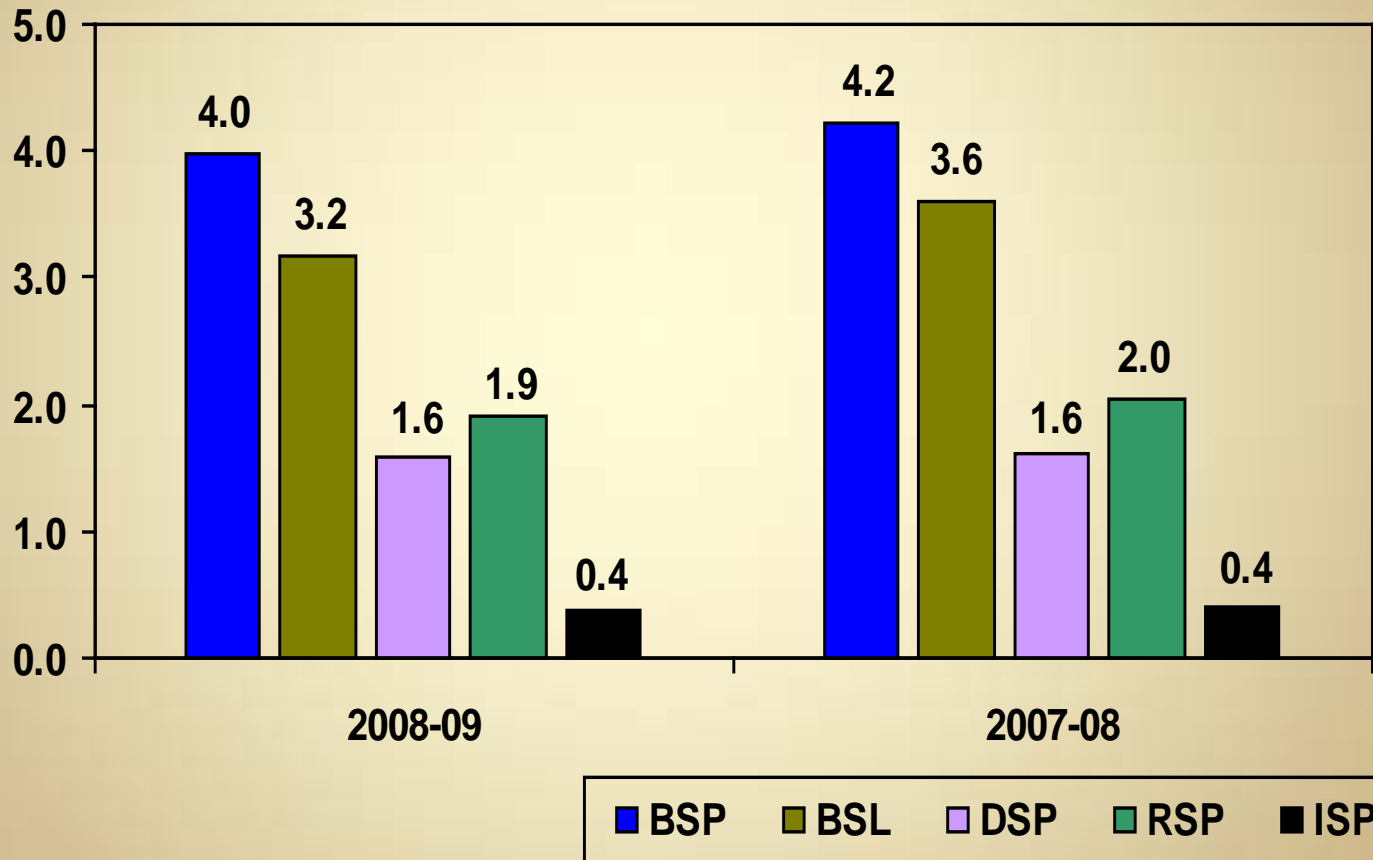


**Including Special Steel Plants**

# Saleable Steel Sales Volume

## Plant-wise

(In Million Tonnes)

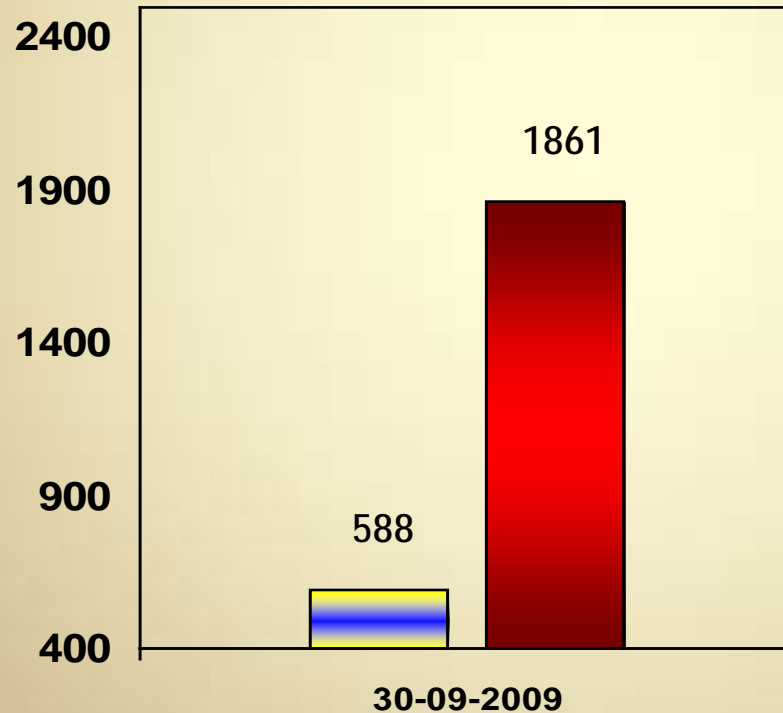


# Sales through Dealers Network

No. of Dealers and Districts Covered

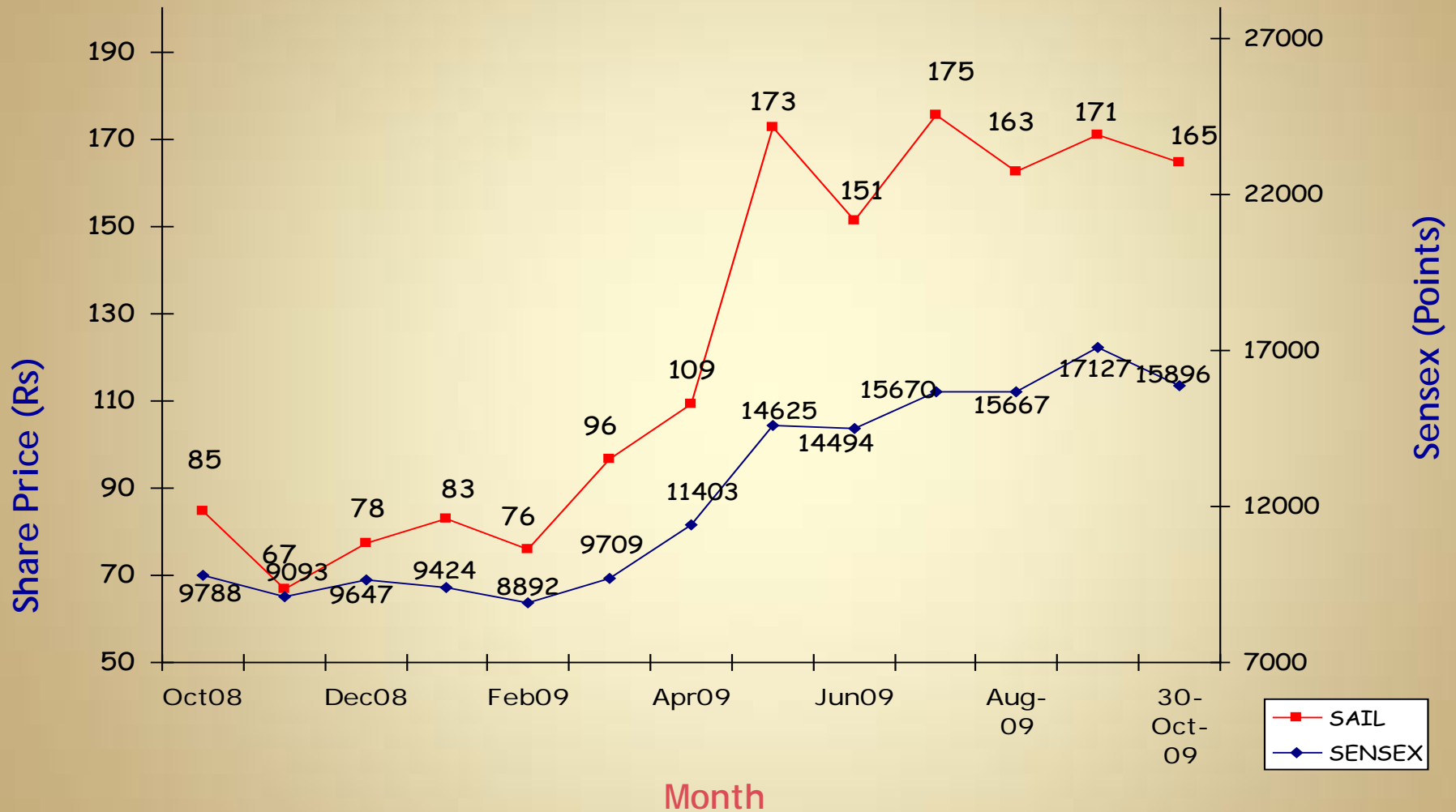
Districts Covered

Dealers Appointed



2.24 lakh tonnes of Steel was sold through Dealers network during April-Sept. 2009.

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

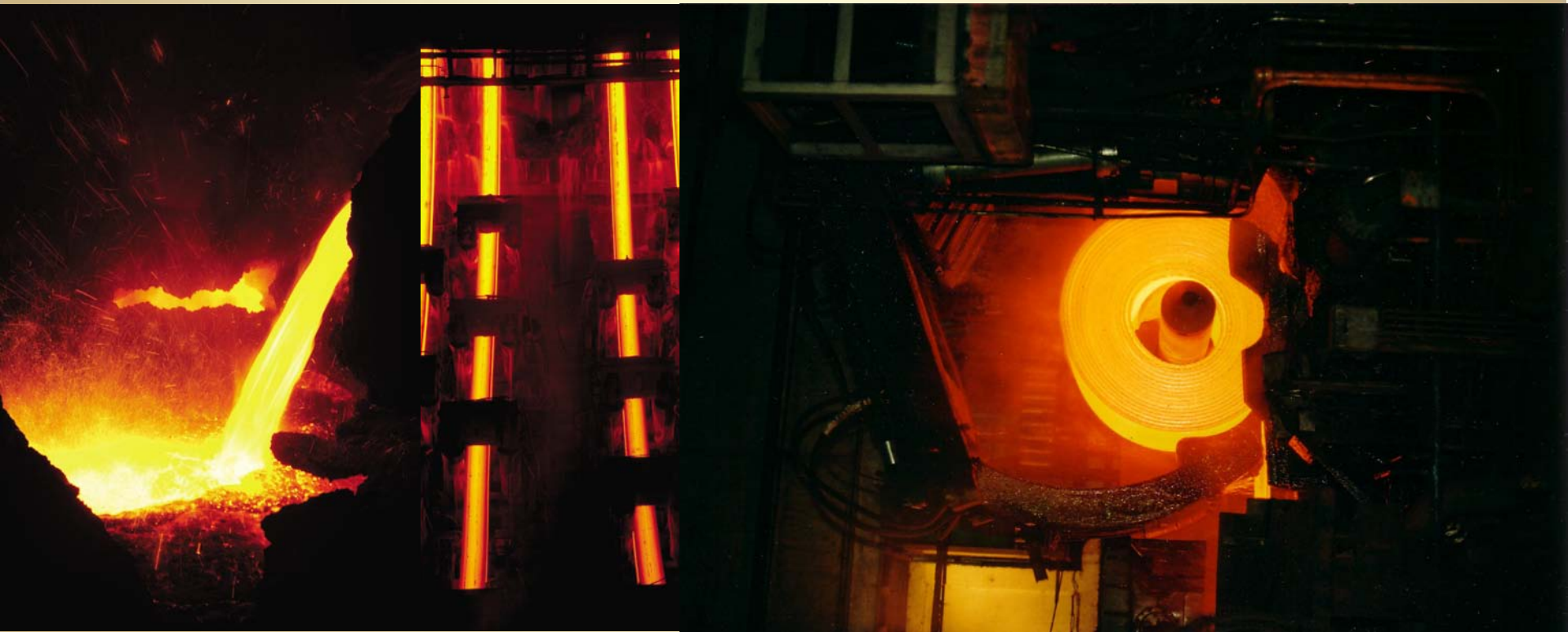


Closing Share Price & Sensex as on the last day of the month

# Dividend

Year	Interim %	Final %	Total %	Dividend (Rs. in Cr)
2008-09	13.0	13.0	26.0	1074
2007-08	19.0	18.04	37.0	1528
2006-07	16.0	15.0	31.0	1280

# EXPANSION AND MODERNISATION PLAN



# SAIL's Expansion Plan

Particulars	Million Tonne	
	Present	After Expansion
Hot metal	15.2	26.2 (23.5)
Crude Steel	14.0	24.6 (21.4)
Saleable Steel	13.0	23.1 (20.2)

Figures in bracket indicate capacity after Implementation of ongoing phase of moderanisation 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
Raw Material Beneficiation Plant	Partial	Full



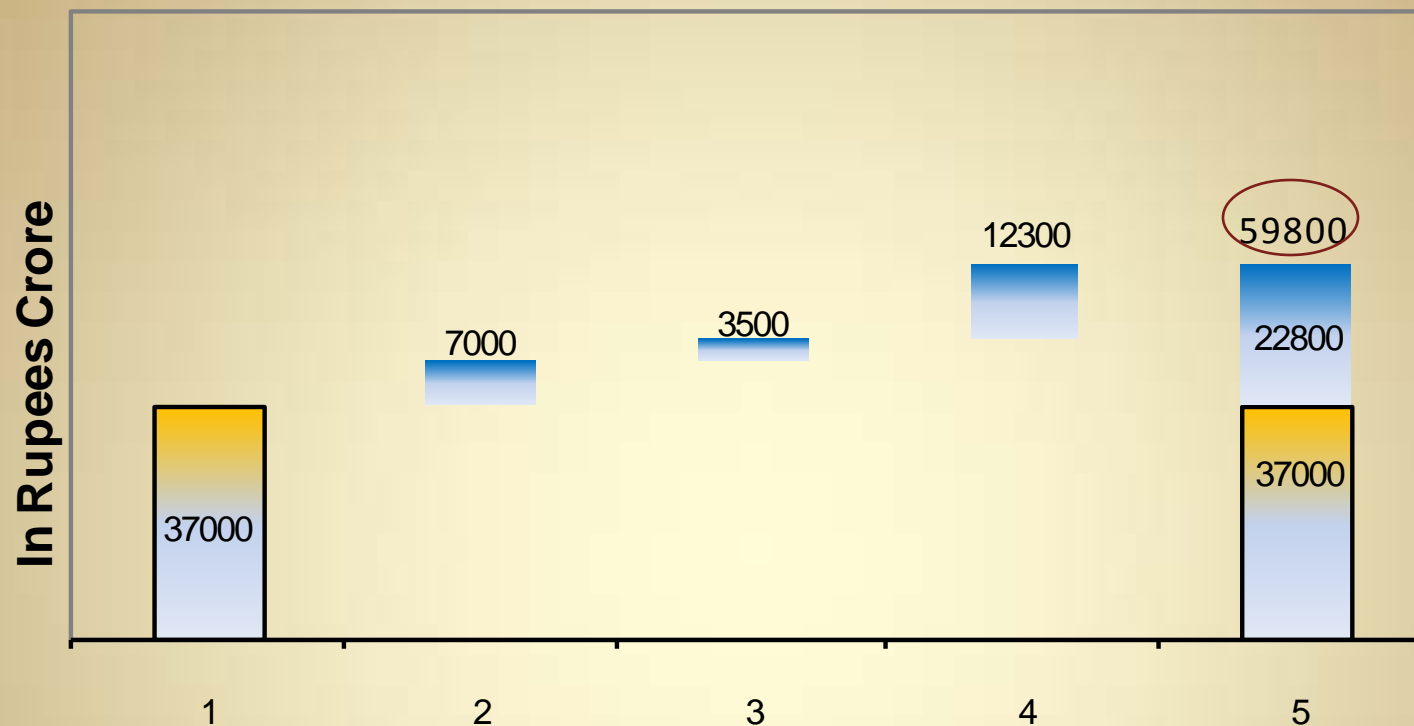
# Ongoing Projects

- ✓ The ongoing modernisation and expansion has been planned to achieve saleable steel production of 20.23 million tonne, at a cost of Rs. 37,000 crore (USD 7.4 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 1.4 billion)
Technological Upgradation/ Modernisation	Rs. 3,500 crore (USD 0.7 billion)
Sustenance including debottlenecking, AMR and Environment	Rs. 12,300 crore (USD 2.5 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.

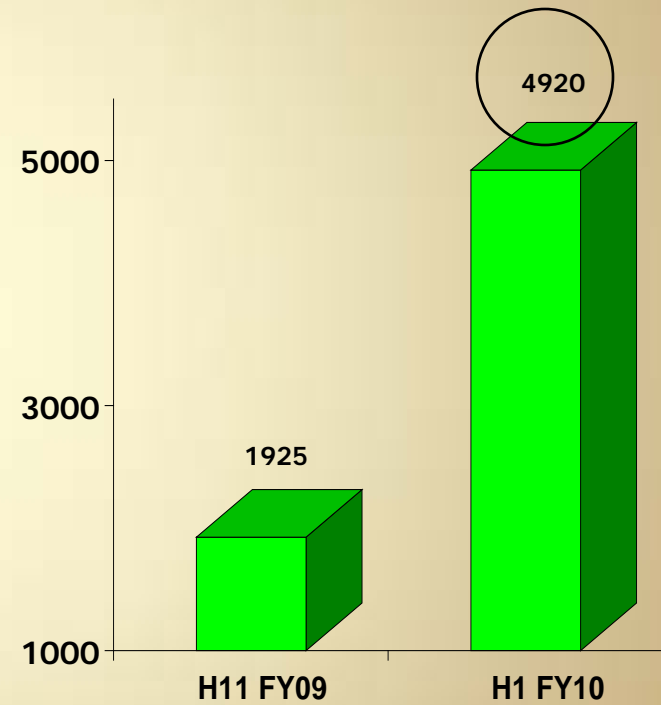
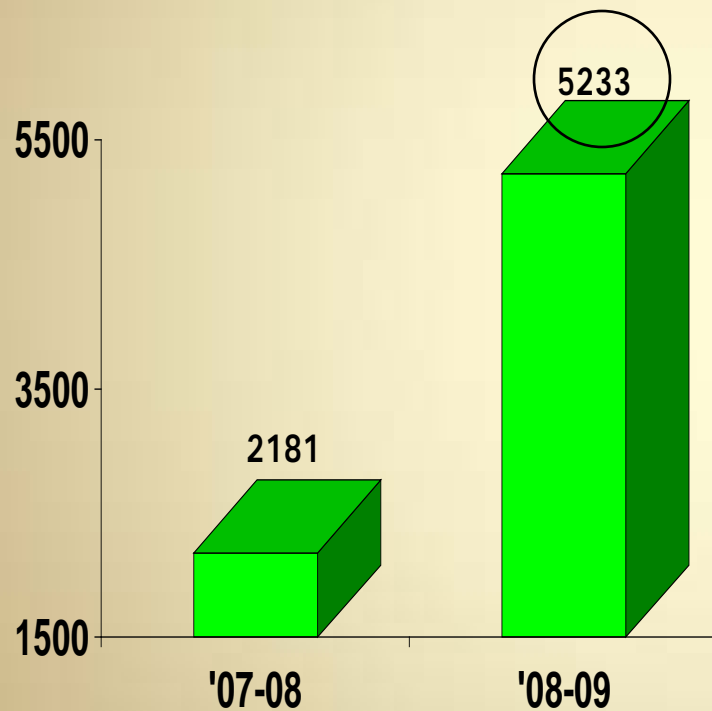
# Ongoing Projects



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.37,000 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 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 4500 mm

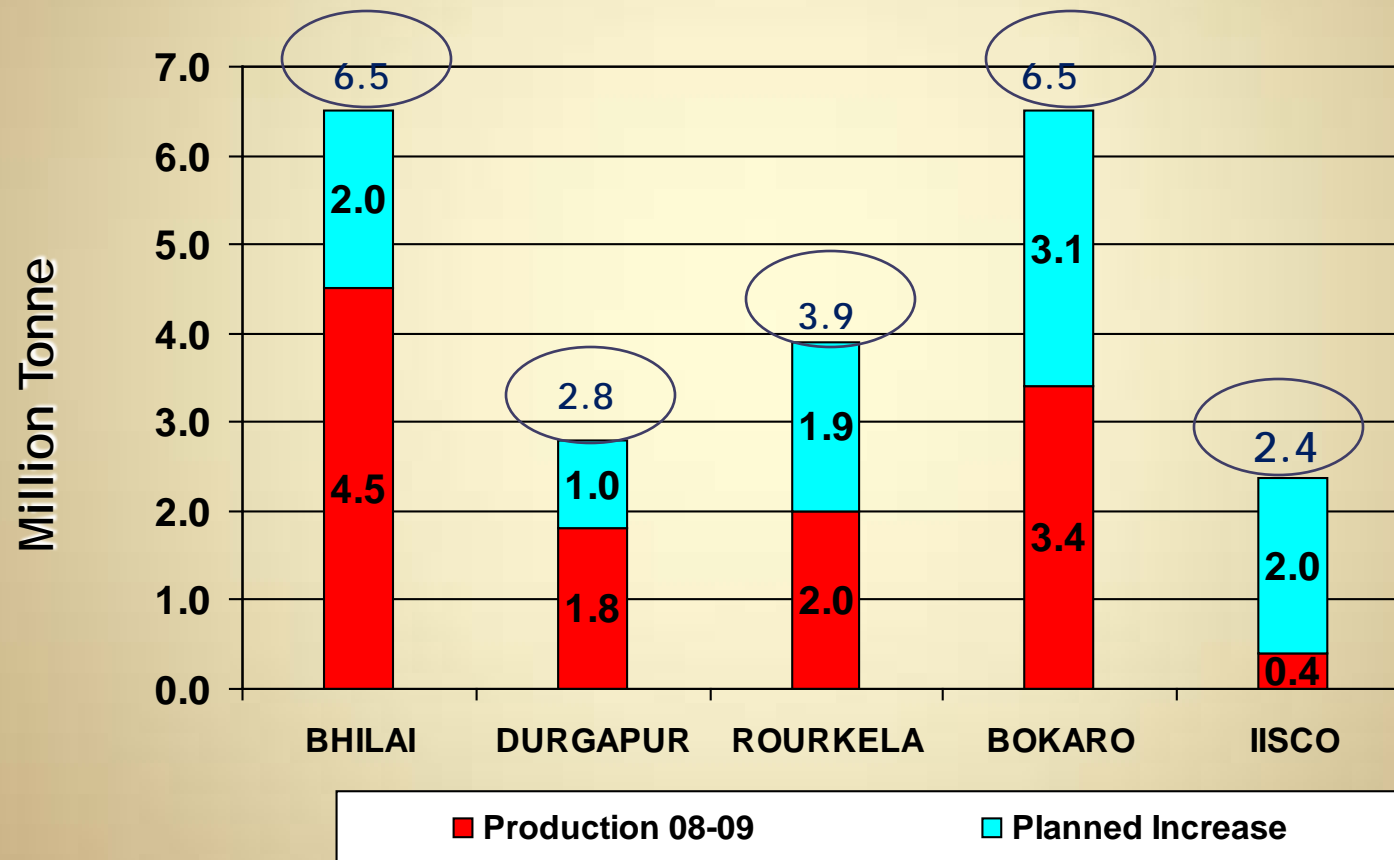
# Capacity increase after Expansion

Plant	Hot Metal (Mtpa)		Saleable Steel (Mtpa)	
	2008-09 Actual	After Expansion	2008-09 Actual	After Expansion (2012)
BSP	5.39	7.50	4.49	6.56 (6.56)
DSP	2.11	3.50	1.79	2.83 (2.12)
RSP	2.20	4.50	1.99	3.99 (3.99)
BSL	4.02	7.44	3.38	6.53 (4.18)
ISP	0.60	2.91	0.41	2.39 (2.39)
VISL	0.13	0.33	0.09	0.22 (0.22)
ASP	-	-	0.17	0.43 (0.43)
SSP	-	-	0.18	0.34 (0.34)
<b>Total</b>	<b>14.44</b>	<b>26.18</b>	<b>12.50</b>	<b>23.29 (20.23)</b>

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

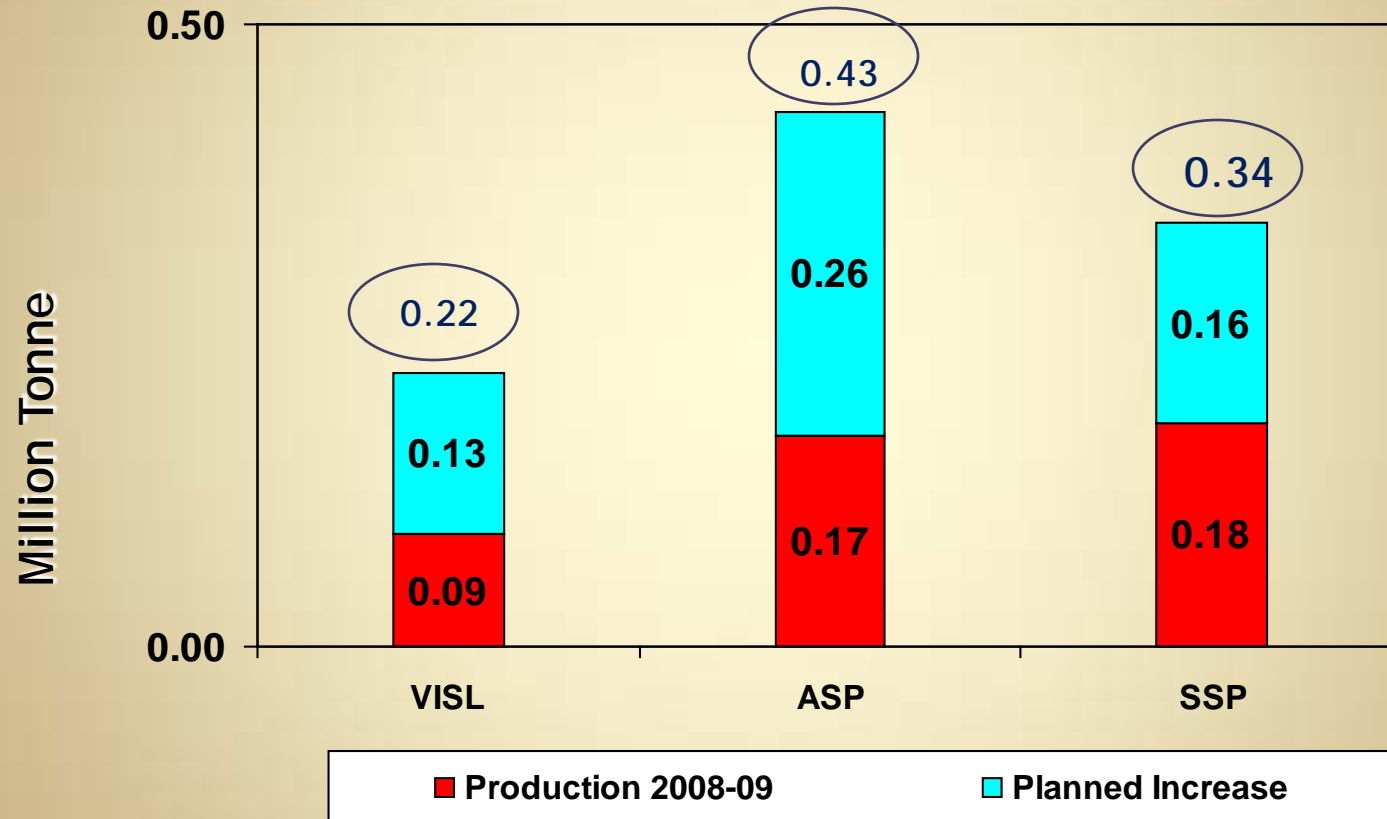




# SAIL'S Growth Plan

Saleable Steel Production Capacity

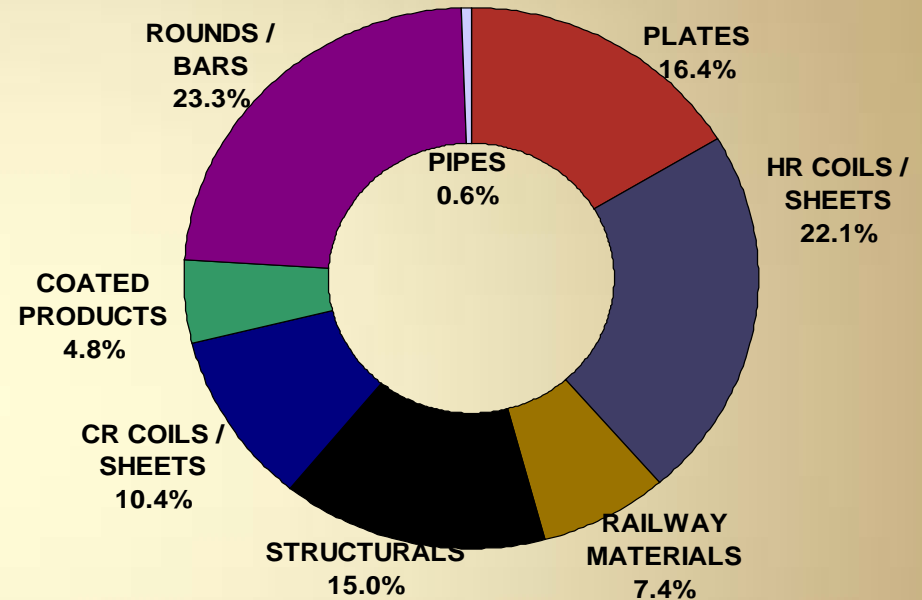
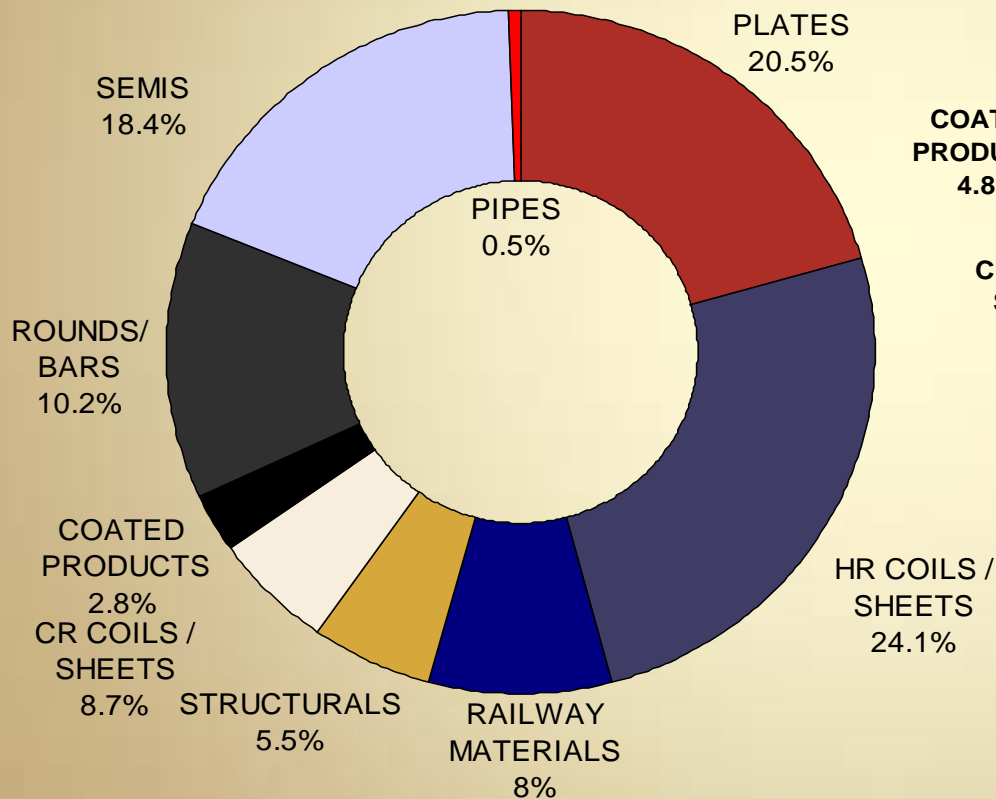
Specialty Steel Plants



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

- Bharat Refractories Limited has been merged with SAIL and shall be known as SAIL Refractory Unit.
- Action for merger of MEL with SAIL is under process.
- Setting up of a Joint Venture shipping company with Shipping Corporation of India.
- SAIL has instituted an HR Award for Excellence, to commemorate completion of 50 years of production. The expertise of IIM-A as 'Knowledge Partner' and of Economic Times as 'Media Partner' were utilised to recognise outstanding work done by companies during the last five years

# Corporate Social Responsibility -Model Villages



79 villages have been adopted as Model Steel Villages across 8 states for exclusive development of Medical facilities, Education, Roads, Sanitation, Community Centre etc. and 15 such villages have already been completed.



# Corporate Social Responsibility



# Performance Highlights – SAIL CSR

- ✓ SAIL has established 32 Primary Health Centres, 9 Reproductive and Child Health Centres, 35 Hospitals and 7 super Speciality Hospitals to provide specialized healthcare to almost 28 million people.
- ✓ It has opened about 240 school in the steel townships to provide modern education to about 76,000 children.
- ✓ SAIL has adopted and providing assistance to over 1119 schools, with more than 1,11,958 students of around 435 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 schools.



# 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.
- ✓ Akshay Patra Foundation - average 20,000 number of mid-day meals are being supplied daily to school children in Durg.
- ✓ More than 15,000 patients were treated at different plant locations under various Health Schemes being run by SAIL plants/units.



Outstanding Achievement for Rural and Community Development



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

- Prime Minister Dr. Manmohan Singh, in the SCOPE & DPE function held on 15th October, 2009 at Vigyan Bhawan, conferred the highest no. of 4 awards amongst all PSUs to SAIL. These include:
  - 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.
  - The Gold Trophy of SCOPE Award for Excellence and Outstanding Contribution to Public Sector Management in the 'Institutional' category for the year 2006-07.
  - Two MoU Excellence Awards in the categories 'Mining & Metals' and 'Listed Companies' for the year 2007-08.

# Accolades

- Maximum number of Shram and Vishwakarma Awards amongst both private and public sector organizations in the country. 40-52% employees awarded Shram and Vishwakarma awards are from SAIL this year.
- 7 Gold, 2 Silver and 5 Bronze awards won by SAIL teams in the international Quality Circle meet held in Cebu (Philippines) in Oct'09 - highest by any organization. In 2007 and 2008 also, SAIL Quality Circle teams (including workmen) won highest number of awards given to any single organization in the country at the international QC meets held in Beijing & Dhaka respectively.

# Accolades

- SAIL has received the 2<sup>nd</sup> Runner up award for 'Best Presented Accounts Award 2008' from the 'South Asian Federation of Accountants' (SAFA) in the Category of 'Public Sector Entities'.
- This award shall be presented to SAIL at ceremony to be organised on 5<sup>th</sup> November 2009 at Dhaka, Bangla Desh.
- SAIL has received the 'India Pride Award - Gold Trophy' for the Category of 'Metals, Minerals and Trade', instituted by DNA and Dainik Bhaskar, to acknowledge and reward the contribution of PSUs in the overall development of the Country. The award was presented by Mr. P Chidambaram, Union Home Minister





India Pride Award Gold Trophy for the Category of Metals, Minerals and Trade was presented by Mr. P Chidambaram, Union Home Minister



PHD Chamber Good Corporate Citizen 2008 has been bagged by SAIL. The Award was presented by Hon'ble Central Cabinet Minister Shri Pranab Mukherjee on 17<sup>th</sup> December 2008



# 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 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

# Disclaimer

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