



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड  
STEEL AUTHORITY OF INDIA LIMITED

**BY COURIER**

No.CA-17(44)/2018

June 25, 2018

The General Manager (MO)  
Bombay Stock Exchange  
Corporate Relationship Department  
1st Floor, New Trading Ring,  
Rotunda Building, P.P. Tower,  
Dalal Street, Fort,  
**Mumbai-400001**

The Asstt. Vice President  
National Stock Exchange of India Ltd.  
Plot No.C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
**Mumbai-400 051.**

Sub:- Investor Education Meeting-Presentation.


Dear Sir,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby informed that the following Investor Education Meetings have been scheduled by the Company:

1. Chennai on 25<sup>th</sup> June, 2018
2. Mumbai on 26<sup>th</sup> and 27<sup>th</sup> June, 2018 (two days).

A copy of Presentation to be made in the above meetings is enclosed herewith for your information and record.

Yours faithfully,

  
(M.C. Jain)  
ED(F&A) & Secretary

Encl: As above.

# STEEL AUTHORITY OF INDIA LIMITED



## Corporate Presentation



## **Company Overview & Performance Highlights**

Production Performance

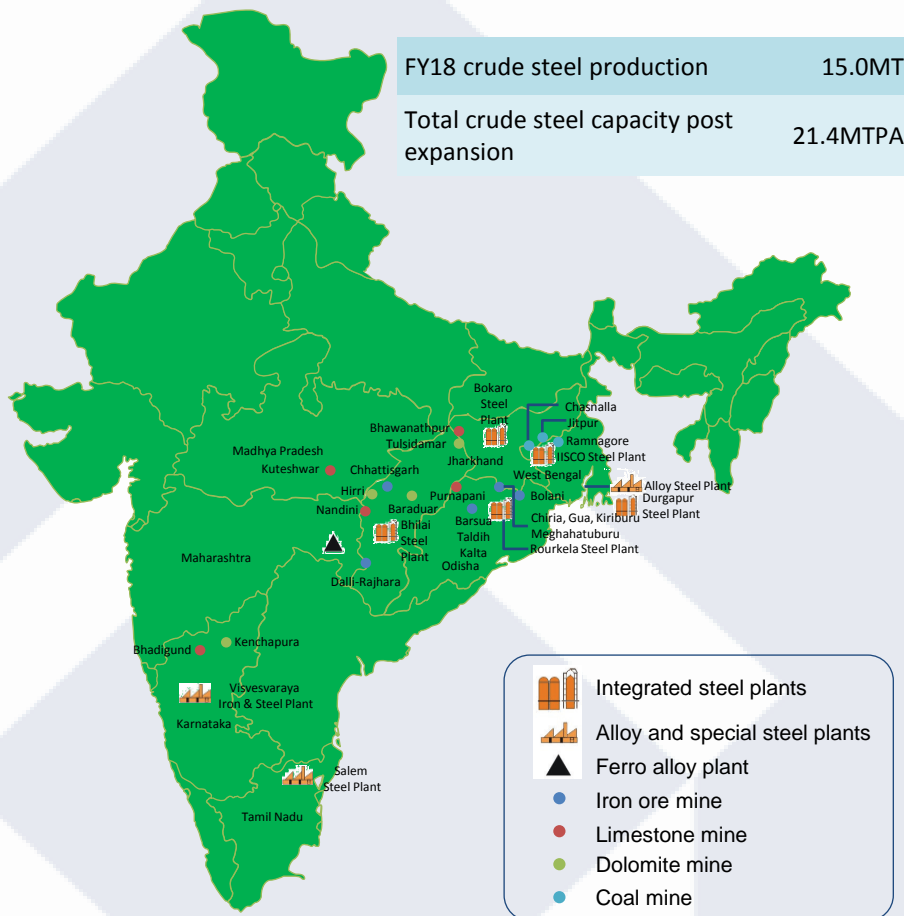
Financial Performance

Modernisation and Expansion Plan

Raw Materials

- ❖ SAIL is one of the largest steel producer in India;
- ❖ Ranked 25th in terms of global Crude Steel Production and second amongst the steel producing companies in India (WSA 2017 rankings)
- ❖ Authorized Capital: Rs.5,000 crore, Paid up capital: Rs.4,131 crore.
- ❖ One of the only seven CPSEs accorded the 'Maharatna' status.
- ❖ Widest range of steel products amongst all Indian manufacturers - over 1000 qualities and 5000 dimensions.
- ❖ Pan India Marketing & Distribution Network – 37 Branches, 25 Departmental Ware Houses, 10 Customer Care Offices and over 1,970+ Dealers spread across the Country.
- ❖ International presence through exports.
- ❖ Largest Ferrous Metallurgy R&D Centre for Steel in India, in-house Consultancy & Design unit and Management Training Centre.

# Integrated Producer with Strategically Located Operations



Note: Map not to scale

## Steelmaking facilities

Plant	Planned capacity (MT)
<b>Integrated Steel Plants</b>	
Bhilai Steel Plant ("BSP")	7.0
Durgapur Steel Plant ("DSP")	2.2
Rourkela Steel Plant ("RSP")	4.2
Bokaro Steel Plant ("BSL")	4.6
IISCO Steel Plant ("ISP")	2.5
<b>Special Steel Plants</b>	
Salem Steel Plant ("SSP")	0.2
Alloy Steels Plant ("ASP")	0.5
Visvesvaraya Iron & Steel Plant ("VISP")	0.2
<b>Total</b>	<b>21.4</b>



Five integrated steel plants and three special steel plants located principally in eastern, central and southern India



Easy and cost efficient access to captive raw materials



Ready supply of substantial portion of raw materials from captive sources

# PERFORMANCE HIGHLIGHTS : FY2017-18

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## PRODUCTION & SALES PERFORMANCE

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- ❖ Hot Metal Production : 15.983 MT
- ❖ Crude Steel Production : 15.021 MT
- ❖ Saleable Steel Production : 14.071 MT
- ❖ Semis component in production : 18.54% of saleable steel
- ❖ Value Added Production : 6.289 MT
- ❖ Production through concast route : 12.796 MT
- ❖ Saleable Steel Sales : 14.081 MT

## FINANCIAL PERFORMANCE

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- ❖ Net Sales : Rs 56893 Crore
- ❖ EBITDA : Rs 5184 Crore
- ❖ PBT : Rs (-) 759 Crore
- ❖ PAT : Rs (-) 482 Crore

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Company Overview & Performance Highlights

**Production Performance**

Financial Performance

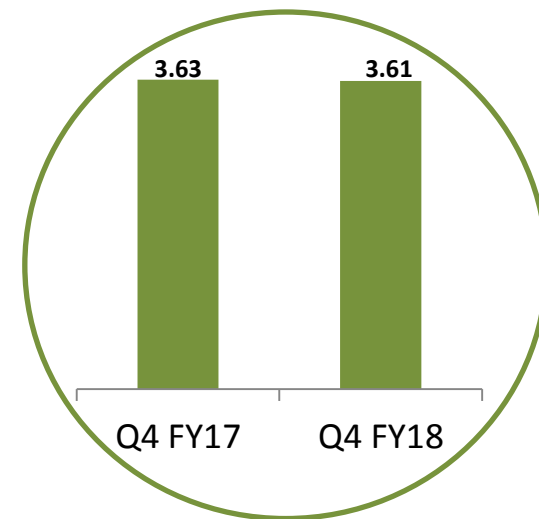
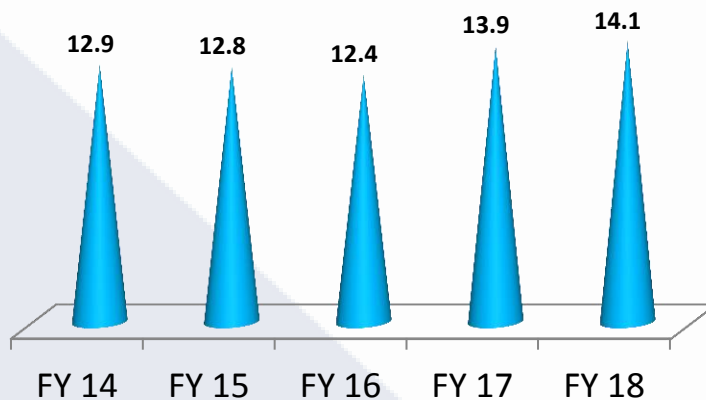
Modernisation and Expansion Plan

Raw Materials

# PRODUCTION PERFORMANCE

All figures In Million Tonne

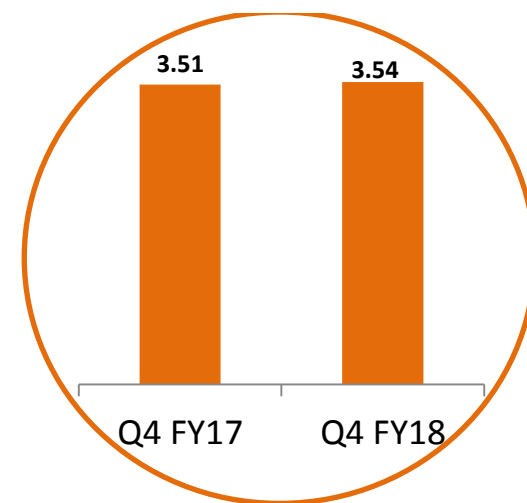
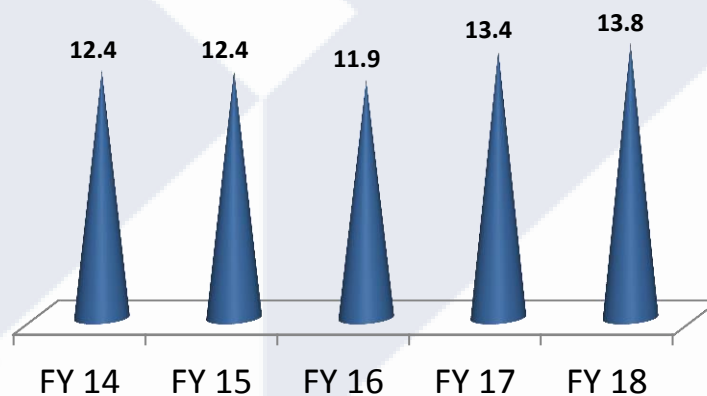
## SALEABLE STEEL PRODUCTION (incl. SSPs)



Annual

Quarter

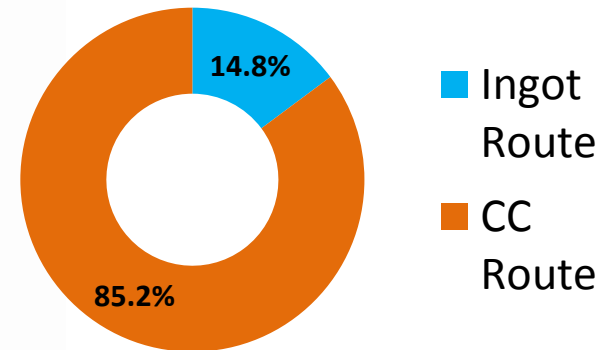
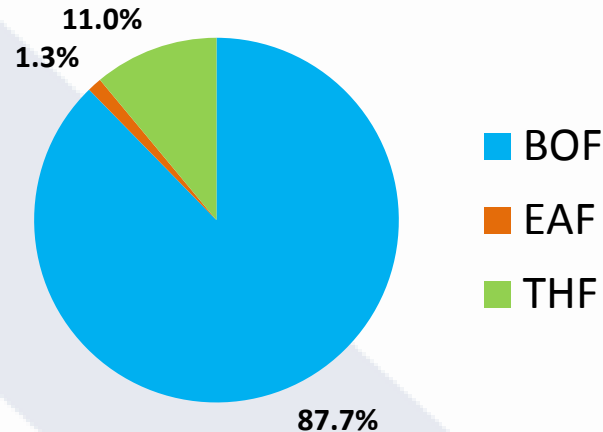
## SALEABLE STEEL PRODUCTION (5 ISPs)



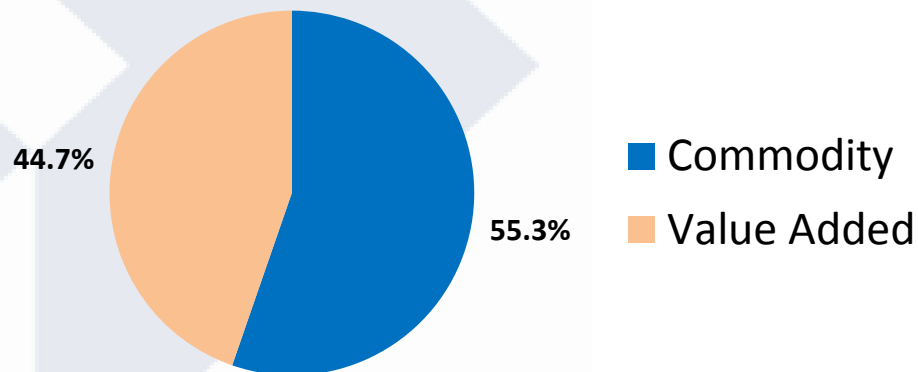


# PRODUCTION PERFORMANCE : FY18

## CRUDE STEEL PRODUCTION BY PROCESS

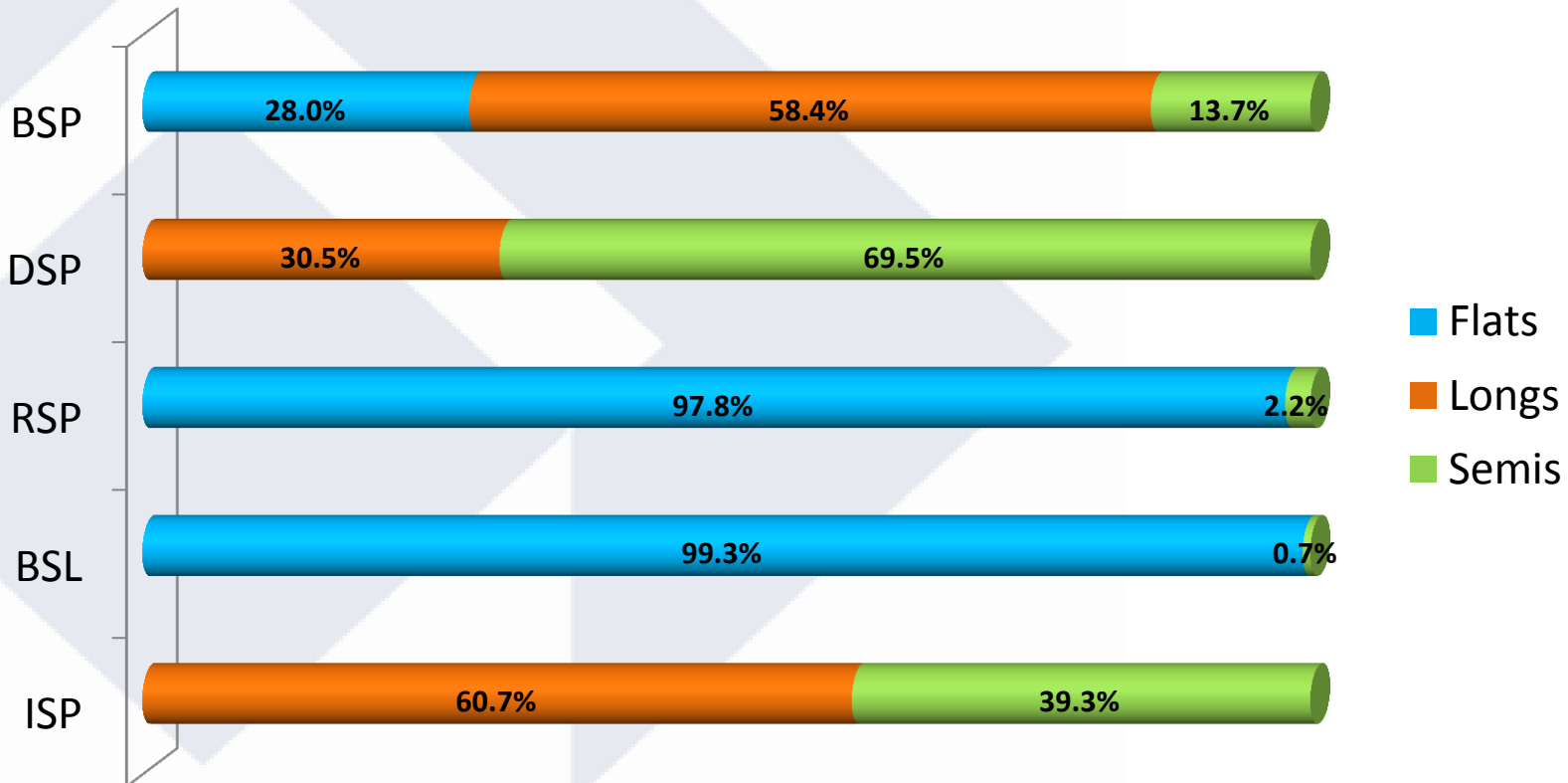
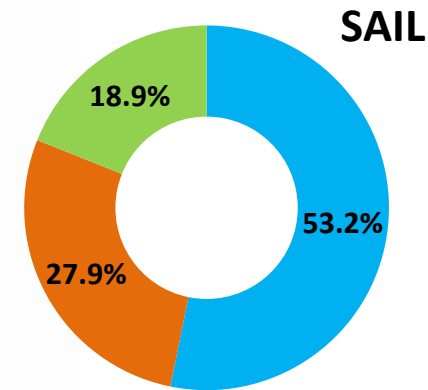


## SALEABLE STEEL PRODUCTION BY PROCESS



# PRODUCTION PERFORMANCE : FY 2017-18

## PRODUCT MIX : 5 ISPs



# PRODUCTION PERFORMANCE

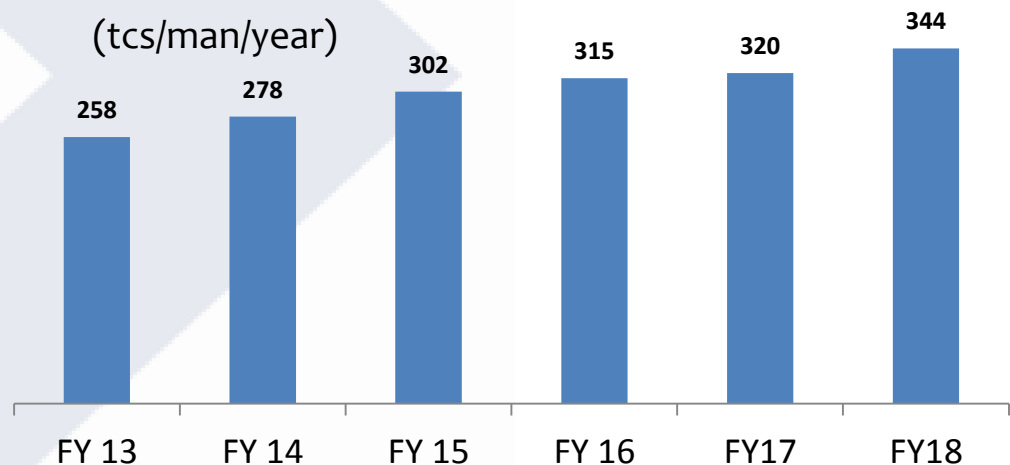
## MAJOR TECHNO-ECONOMIC PARAMETERS

Parameter	FY 17-18	FY 16-17
Coke Rate (kg/thm)	456	473
Fuel Rate (kg/thm)	555	559
Specific Energy Consumption (GCal/TCS)	6.49	6.60
BF Productivity (T/m <sup>3</sup> /day)	1.70	1.67

## MANPOWER & LABOUR PRODUCTIVITY

Total manpower as on  
01.04.2018: **76,870**

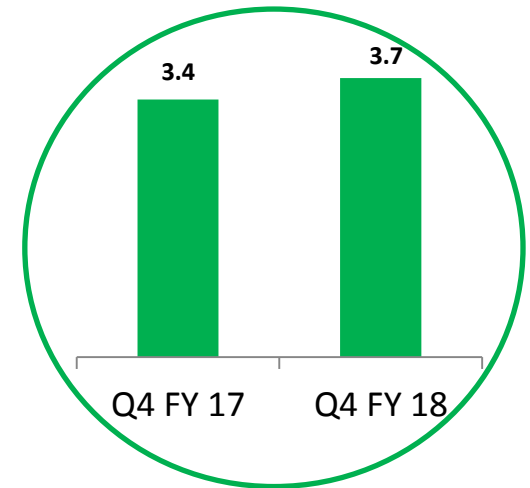
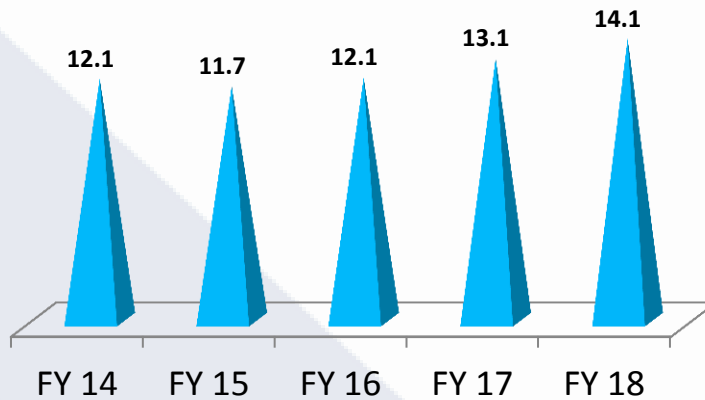
### LABOUR PRODUCTIVITY (tcs/man/year)



# SALES PERFORMANCE

All figures In Million Tonne

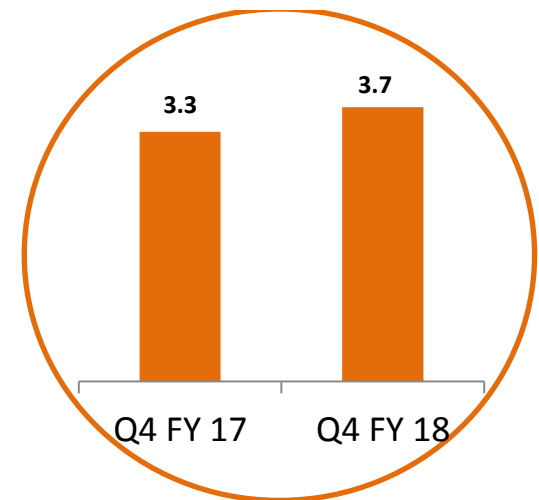
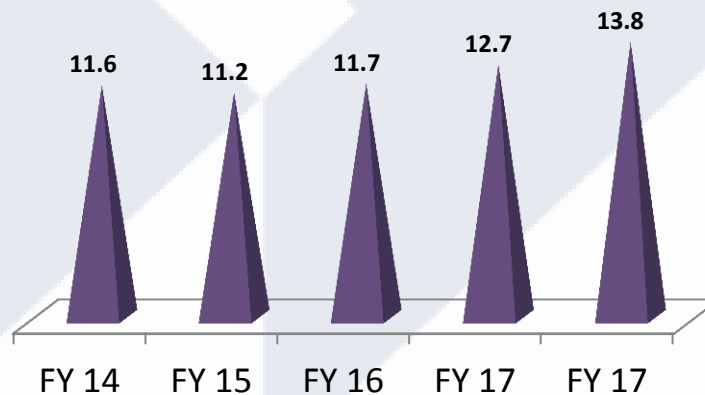
## TOTAL SALES (incl. SSPs)



Annual

Quarterly

## SALES OF 5 ISPs



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Production Performance

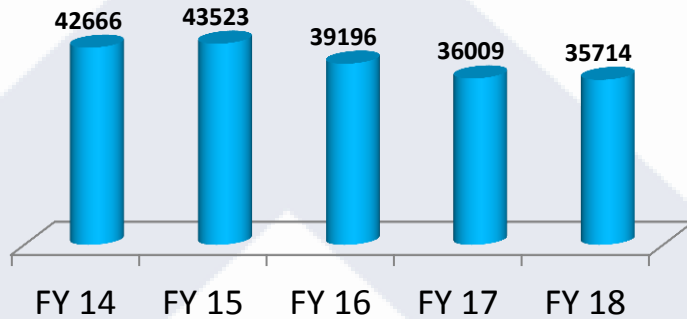
**Financial Performance**

Modernisation and Expansion Plan

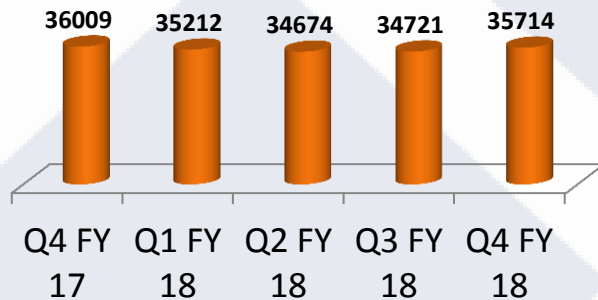
Raw Materials

# FINANCIAL PERFORMANCE

## Annual Net Worth

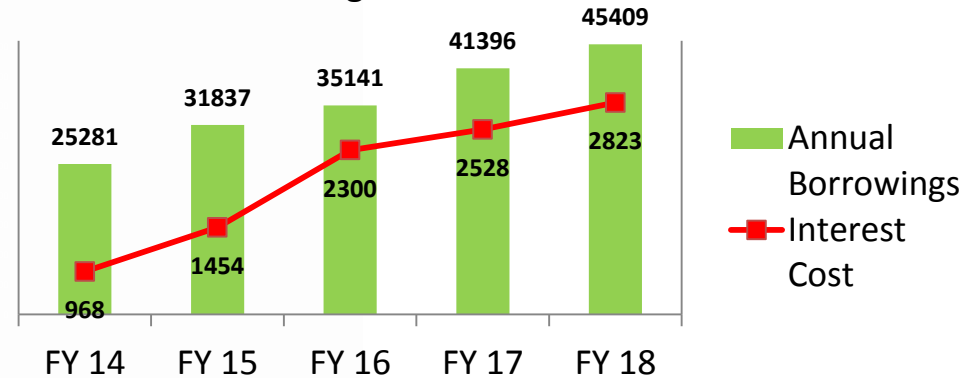


## Quarterly Net Worth

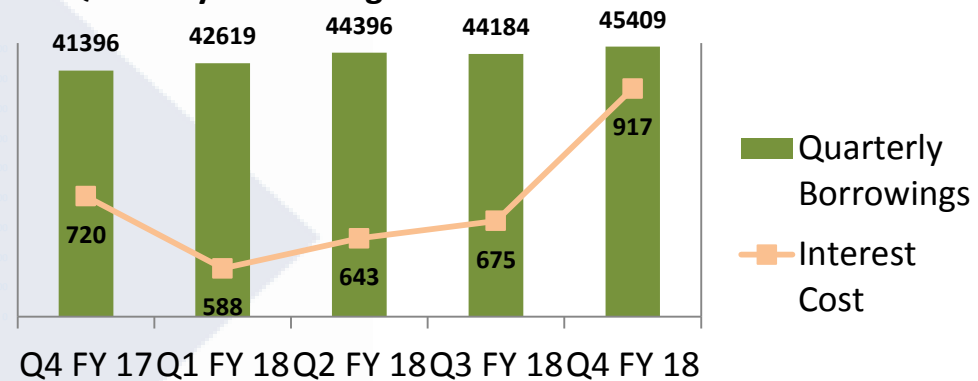


All figures in Rs. crore

## Annual Borrowings & Interest cost



## Quarterly Borrowings & Interest cost

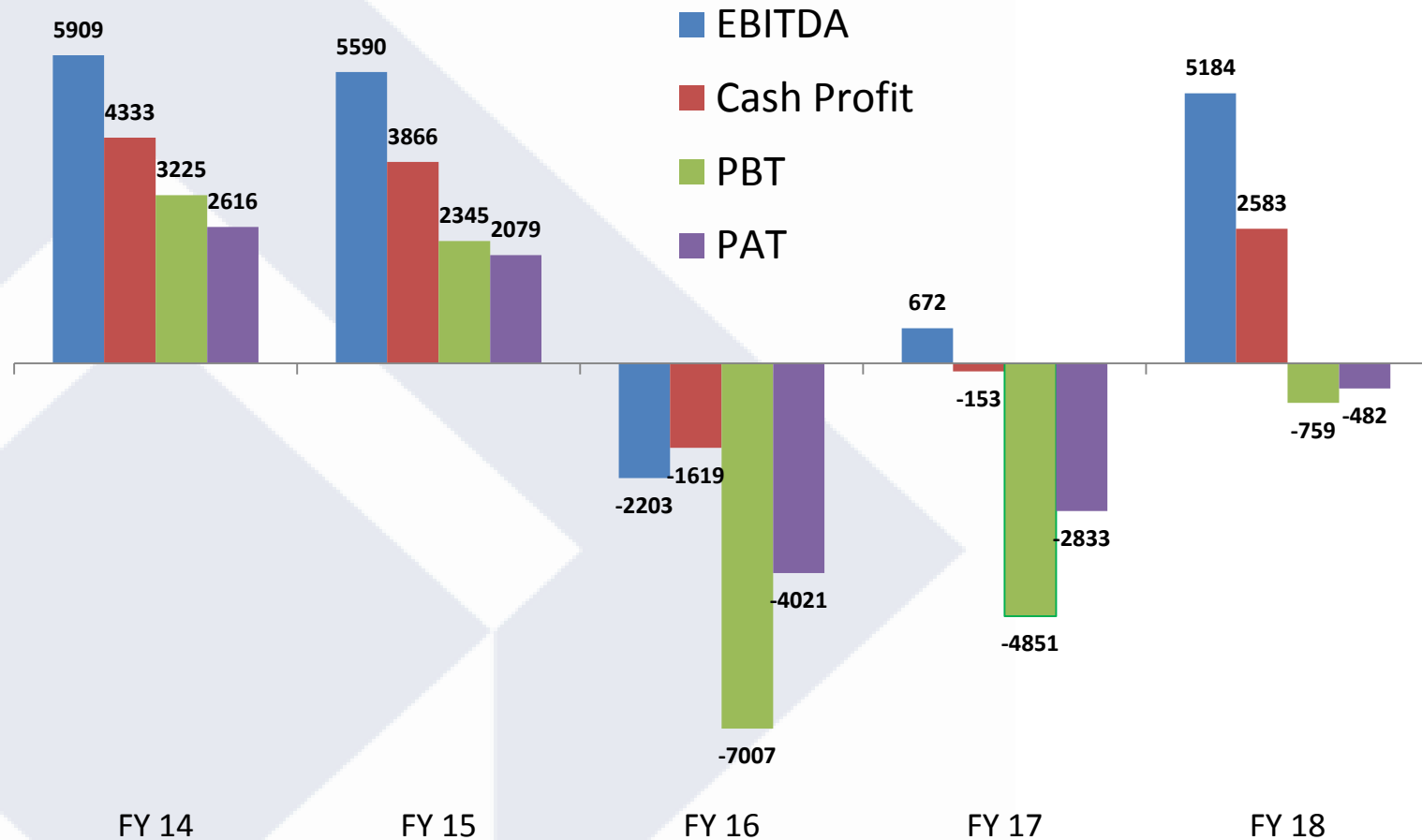


## Debt Equity Ratio

31/03/15	31/03/16	31/03/17	31/12/17	31/03/18
0.73	0.90	1.15	1.27	1.27

# FINANCIAL PERFORMANCE

## Annual Profit Trend



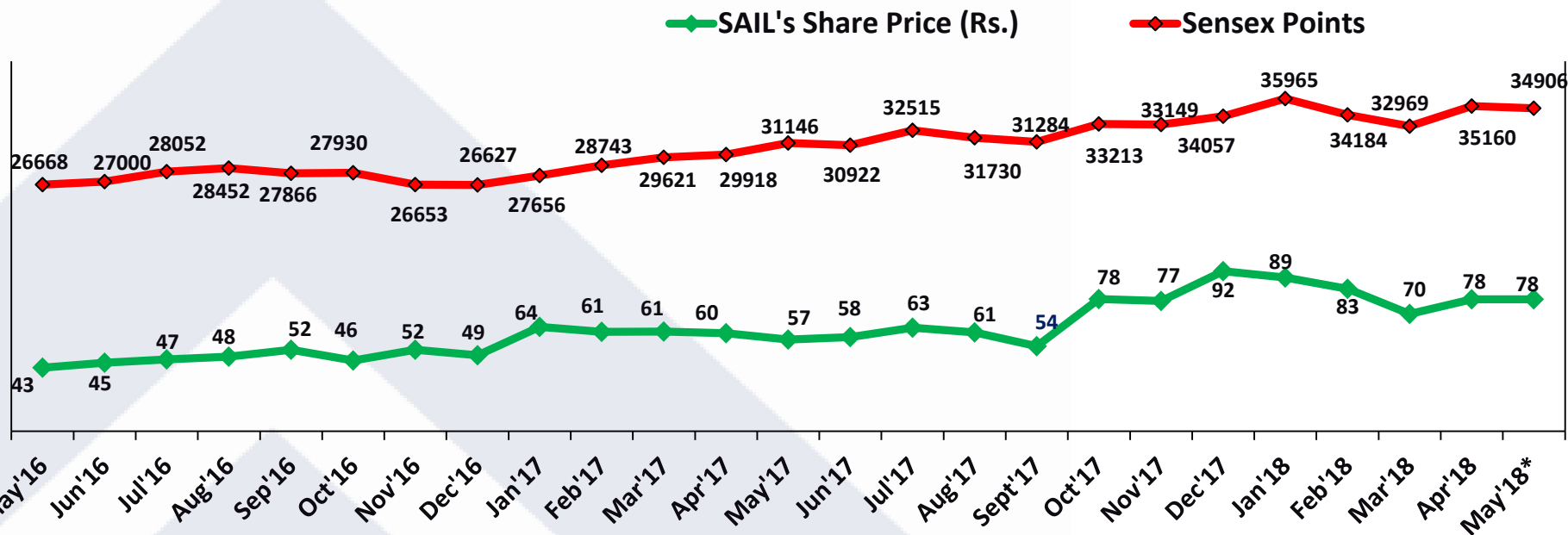
*All figures in Rs crore*

# FINANCIAL PERFORMANCE

Rs. Crore (INDAS Compliant figures)	FY 18	FY 17	Q4 FY 18	Q3 FY 18	Q4 FY 17
Net Sales	56893	43866	16811	15193	12535
EBITDA	5184	672	2625	1571	110
Depreciation	3065	2680	848	760	744
Finance Cost	2823	2528	917	675	720
PBT Before Exceptional Items	-703	-4536	859	137	-1354
Exceptional/Abnormal Items (VRS/Suspended Operations)	56	315	-327	54	65
PBT After Exceptional Items	-759	-4851	1186	82	-1419
Tax	-277	-2018	370	39	-648
Profit After Tax	-482	-2833	816	43	-771



# SAIL STOCK PRICE MOVEMENT



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

\* As on May 30, 2018

## DIVIDEND PAYOUT

	Interim (%)	Final (%)	Total (%)	Dividend (Rs. crore)	Dividend Tax (Rs. crore)
FY 18	-	-	-	-	-
FY 17	-	-	-	-	-
FY16	-	-	-	-	-
FY15	17.5	2.5	20	826	165
FY14	20.2	-	20.2	834	142
FY13	16	4	20	826	134

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**Modernisation and Expansion Plan**

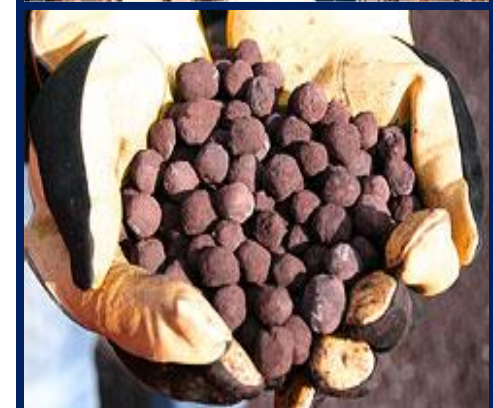
Raw Materials

# SAIL's MODERNISATION & EXPANSION PLAN

Million Tonne	Actual Production 2017-18	Capacity After On-going Expansion
Crude Steel	15.021	21.4
Saleable Steel	14.071	20.2

## Technological Shift

Technology	Before Expansion	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



# MODERNISATION & EXPANSION PLAN

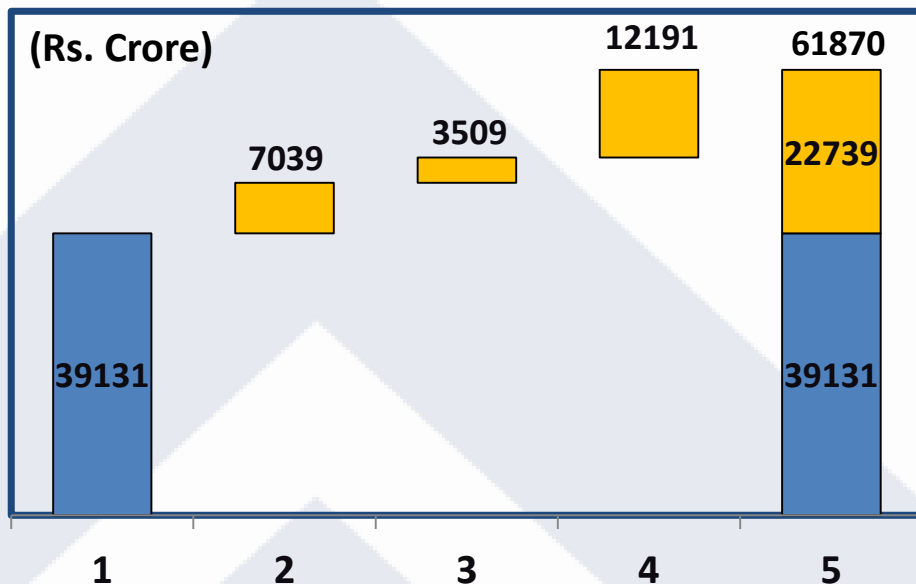
## EXPECTED OUTCOME

- 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 volume by addition of 2 new 4060 m<sup>3</sup> Blast Furnaces and one Blast Furnace of 4160 m<sup>3</sup>.
- 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.

## PRODUCTS BEING ADDED:

- Auto grade CR Products, Galvanized Coils /Sheets.
- Plates / Pipes to meet up to API 100 Grade specification.
- Universal Beams/Heavy Beams to support increasing Infrastructural requirements.
- Rails for Metro – Railways and Dedicated Freight Corridors.
- Increased production of Rails and Wheels to meet the increasing requirements of Indian Railways.
- Quantum jump in Rounds and Structural production.
- Wider Plates in the size of 4300 mm.

# ONGOING PROJECTS (CAPEX)

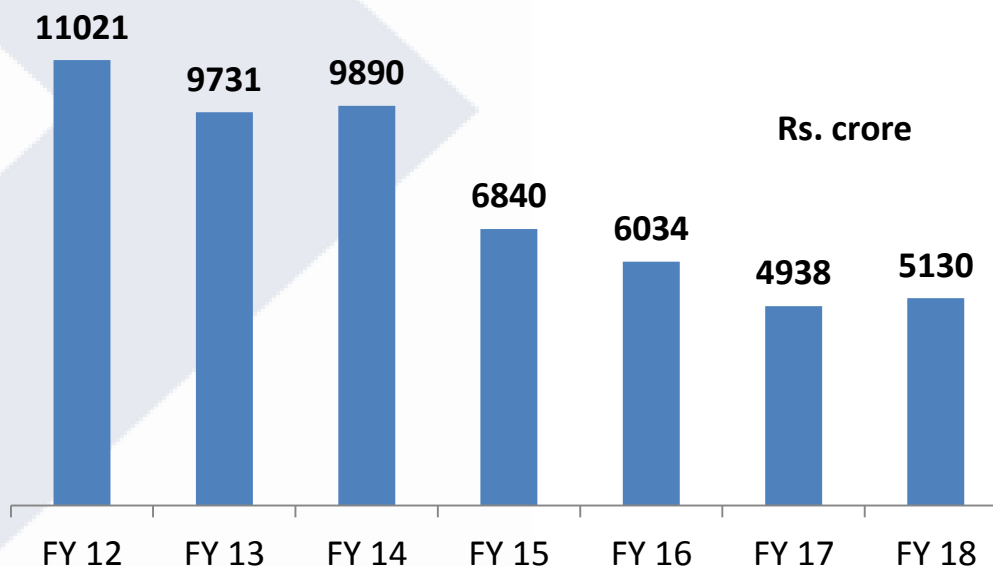


- 1 Expansion of existing capacity
- 2 Value-addition / Product-mix improvement
- 3 Technological up gradation / Modernization
- 4 Sustenance including de-bottlenecking, AMR & Environment
- 5 Total Estimated Cost

In addition, a Capex Plan of Rs. 10264 crore has been made for augmentation of Raw material facilities.

## TOTAL CAPEX (INCL. ON MODERNISATION & EXPANSION)

Capex Plan for FY18 was Rs.4700 Crore (including expenditure towards Capital Repairs and Spares needed to be capitalised under Ind AS).  
Capex Plan for FY19 is Rs.4000 Crore

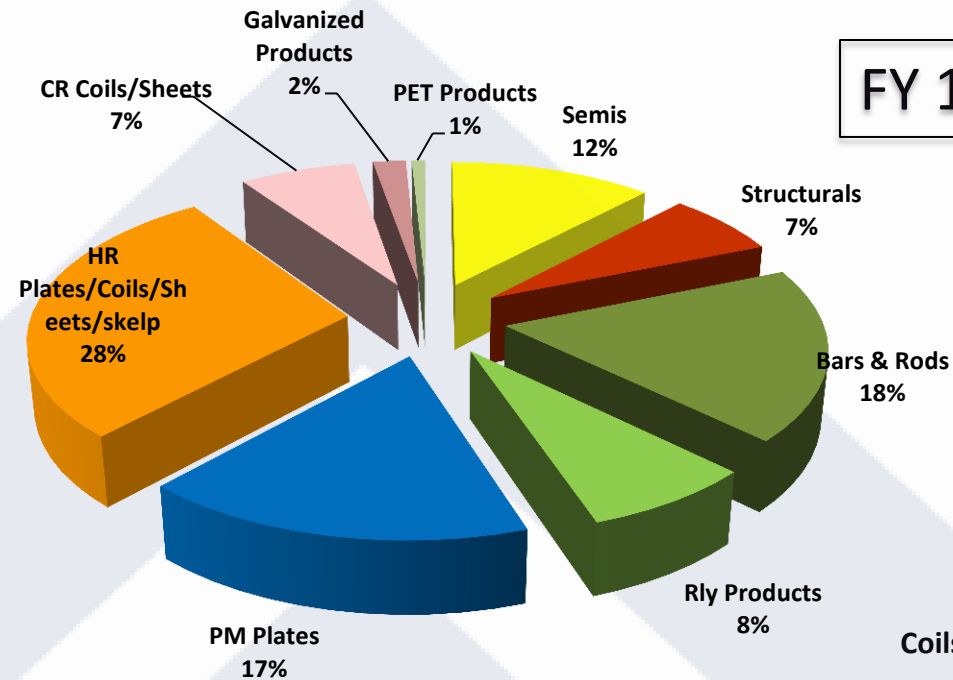


# CAPACITY AFTER EXPANSION

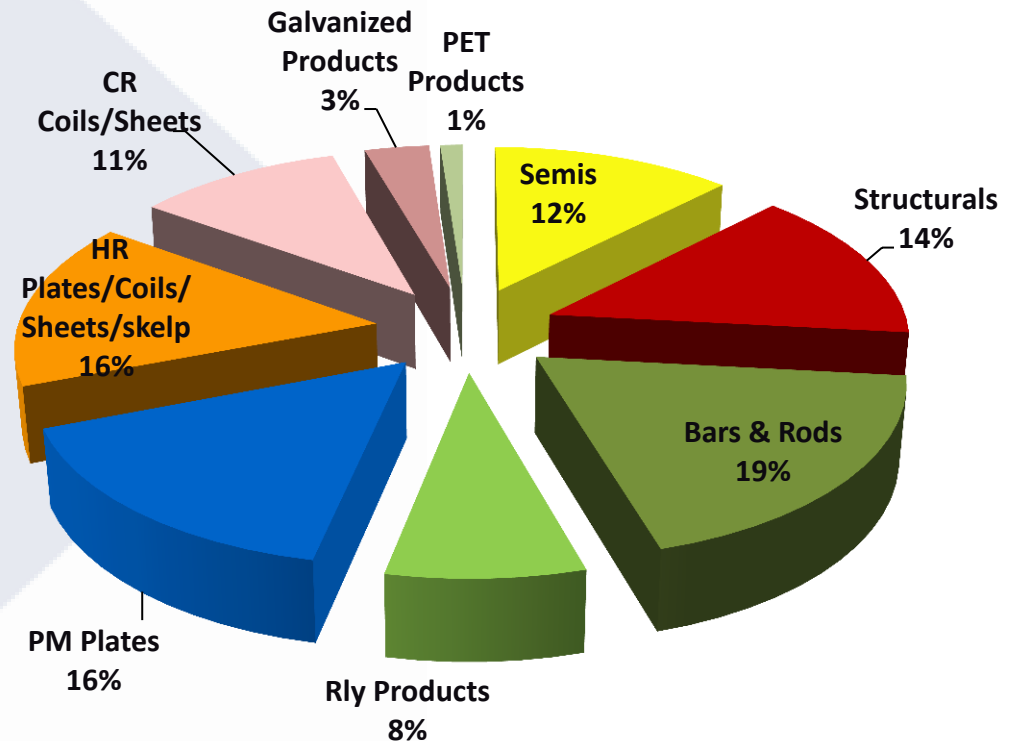
Plant	Hot Metal (MTPA)		Crude Steel (MTPA)		Saleable Steel (MTPA)	
	2017-18	After Expansion	2017-18	After Expansion	2017-18	After Expansion
<b>BSP</b>	4.28	7.5	4.07	7.0	3.69	6.6
<b>DSP</b>	2.28	2.5	2.04	2.2	1.95	2.1
<b>RSP</b>	3.32	4.5	3.22	4.2	2.94	4.0
<b>BSL</b>	4.05	5.8	3.69	4.6	3.50	4.2
<b>ISP</b>	2.06	2.9	1.80	2.5	1.69	2.4
<b>VISL</b>	0.00	0.3	0.00	0.2	0.01	0.2
<b>ASP</b>	-	-	0.10	0.5	0.09	0.4
<b>SSP</b>	-	-	0.10	0.2	0.20	0.3
<b>TOTAL</b>	<b>15.98</b>	<b>23.5</b>	<b>15.02</b>	<b>21.4</b>	<b>14.07</b>	<b>20.2</b>

# PRODUCT MIX POST EXPANSION – SALEABLE STEEL

FY 18



Post  
Ongoing Expansion



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**Raw Materials**



Year	Hot Metal (mtpa)	Iron Ore Consumption (mtpa)	Linkages of Iron Ore
2017-18	15.983	25.87	Existing Mines
Post Expansion	23.46	39	<p>The capacity of existing mines at Kiriburu, Meghahatuburu, Bolani &amp; Gua are being ramped up to meet the requirement of Iron Ore for post ongoing phase of expansion</p> <p>New Pellet Plants - 4 MTPA capacity at Gua, 1 MTPA at Dalli and 2 MTPA at RSP has been planned for utilization of accumulated Iron Ore Fines &amp; Generated Fines</p> <p>In addition to the above, new mechanised Iron Ore Mines are being developed at Rowghat, Chiria and Taldih</p>

# RAW MATERIALS – Iron Ore

Mine	Existing Capacity* (mtpa)	Capacity* after ongoing expansion (mtpa)	Remarks
Kiriburu	5.50	5.50	<ul style="list-style-type: none"> <li>Expansion at Kiriburu has already been completed whereas Meghathaburu is being ramped up to meet the requirement of the ongoing expansion plan.</li> <li>At Bolani, processing plant has been upgraded to 7.5 mtpa and is under stabilization. At Gua, Stage II FC is awaited from MoEF required for expansion.</li> </ul>
Meghathaburu	5.00	6.50	
Bolani	7.50	10.00	
Gua	4.00	10.00	
Rajhara, Dalli	8.70	7.00**	
New Pellet Plants	New	7.00	**Depleted resources and quality constraints <ul style="list-style-type: none"> <li>New Pellet Plants shall use the existing reserve of fines incl. dumps &amp; slimes at captive mines</li> </ul>
Barsua, Kalta, Taldih	6.00	6.50	<ul style="list-style-type: none"> <li>Environment clearance obtained &amp; FC obtained on 23<sup>rd</sup> Oct. 2017 for ML-162 lease. Iron ore production to the tune of 1mtpa started at Taldih in Nov, 2016.</li> <li>Consequent to the order by the Hon'ble Supreme Court dated 11.05.2018 and grant of subsequent clearances by the Government of Odisha, production at Barsua mine resumed on 20.05.2018.</li> </ul>
Rowghat	New	12.00	All statutory clearances have been received. MDO has been engaged and LOA issued to MDO on 1 <sup>st</sup> August 2017. MSA signed on 25.09.2017 for a period of 30 years.
Chiria	0.75	5.80	Stage-II FC awaited from MoEF.

\* Finished Product capacity

■ The entire requirement of the increased capacity shall be met through captive mines

# RAW MATERIALS – Coal

Year	Hot Metal (mtpa)	Coking Coal Requirement (mtpa)	Linkages of Coking Coal
2017-18	15.983	15.392	<ul style="list-style-type: none"><li>• Import Component – 86%</li><li>• Over 70% of imported coal is sourced from Australia.</li><li>• Indigenous: 13%</li><li>• Domestic coal is largely sourced from Coal India Ltd.</li><li>• SAIL has existing captive clean coking coal production of nearly 0.7 mtpa, During 2017-18, production was 0.66 mt.</li></ul>
Post Expansion	23.46	19.5	<ul style="list-style-type: none"><li>• Long term / Quarterly contracts cover 95% of Import requirements</li><li>• MDO has been engaged for development of Tasra captive coal mine to produce 4 mtpa of ROM (1.8 mtpa washed coal)</li><li>• New linkages / acquisitions are being explored.</li><li>• Request has been made to Ministry of Coal for allocation of new potential coking coal blocks in line with recommendations of NITI Aayog.</li></ul>

# Abbreviations used

•	BF	Blast Furnace
•	SMS	Steel Melting Shop
•	BOF	Basic Oxygen Furnace
•	THF	Twin Hearth Furnace
•	EAF	Electric Arc Furnace
•	BSF	Bhilai Steel Plant
•	DSP	Durgapur Steel Plant
•	RSP	Rourkela Steel Plant
•	BSL	Bokaro Steel Limited
•	SSP	Salem Steel Plant
•	VISL	Visvesvaraya Iron & Steel Plant
•	ASP	Alloy Steels Plant
•	CPLY	Corresponding Period Last Year
•	G.Cal/tcs	Giga Calories per tonne of Crude Steel
•	ISP	Integrated Steel Plant
•	HDGL	Hot Dip Galvanizing Line
•	CR	Cold Rolled
•	HR	Hot Rolled

•	FOB	Freight On Board
•	JPC	Joint Plant Committee
•	Kg/thm	Kilo Gram Per Tonne of Hot Metal
•	Tpd	Tonnes Per Day
•	MT	Million Tonne
•	Mtpa	Million Tonne Per Annum
•	EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization.
•	PAT	Profit After Tax
•	PBT	Profit Before Tax
•	RINL	Rashtriya Ispat Nigam Limited
•	CS	Crude Steel
•	CDI	Coal Dust Injection
•	CC	Continuous Casting
•	BOO	Build-Own-Operate
•	GoI	Government of India
•	MOEF	Ministry of Environment & Forests

# 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, statements 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.