



Steel Exchange India Limited

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GST NO: 37AABCP9362L1ZV

CIN No. : L74100AP1999PLC031191

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SEIL/Investor Presentation/ UFR Q3/2020-21

10th February, 2021

To
The Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Port, Mumabi – 400001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051

Scrip Code: 534748

Scrip ID: STEELXIND

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 [Listing Regulations] – Investor Presentation

Please find attached herewith Investor Presentation for the information of the Stakeholders.

Submitted for your kind information and record please.

Kindly host the same on your Website.

Thanking You,

Yours Faithfully,

For Steel Exchange India Limited

Raveendra Babu M
Company Secretary
M.No: A34409



CC to: The Calcutta Stock Exchange Limited, 7, Lyons, Range, Kolkata – 700001

WORKS

Integrated Steel Plant	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
Power Plant & SMS	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
Re-Rolling Unit	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685

Q3 FY '21 Investor Presentation



STEEL EXCHANGE INDIA LTD

Strengthening our Planet

Safe Harbor Statement

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Industry Outlook

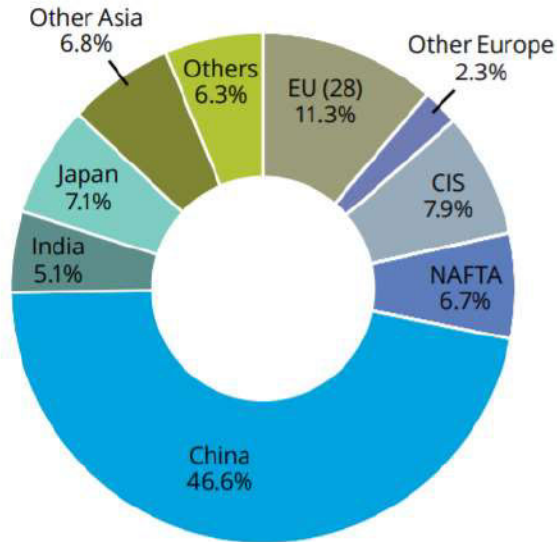
- Steel, along with its alloys, is one of the most common metals used across the world in the construction sector, accounting for more than 40% of world steel demand.
- Global spending on construction is expected to reach \$14 trillion by 2025 which is further going to enhance the demand of crude steel. Construction in India is expected to grow at a strong CAGR of over 5% due to FDI, thereby stimulating the demand for crude steel.
- Global crude steel production reached 1869.9 million tonnes (Mt) for the year 2019, up by 3.4% compared to 2018. India's crude steel production for 2019 was 111.2 Mt, up by 1.8% on 2018. India produced 9.1 Mt of crude steel in October 2020, up 0.9% on October 2019.
- In the last 20 years, this is the 1st time China is importing steel which is driving the current cycle.
- The Indian government has always supported the steel industry and has set a target of reaching an annual steel making capacity of 300 million tonnes by 2030.
- India's crude steel production is expected to reach 255 million tonnes by 2030, at 85% capacity utilization.

Industry Outlook

Steel production and use: geographical distribution 2009

Crude steel production

World total: 1 239 million tonnes



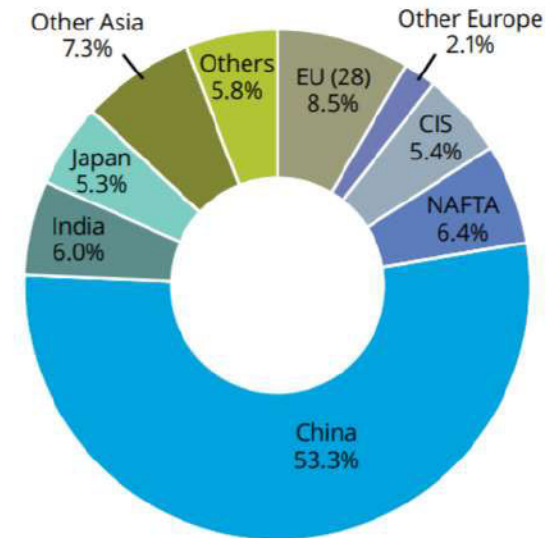
Others comprise:

Africa	1.2 %	Central and South America	3.1 %
Middle East	1.4 %	Australia and New Zealand	0.5 %

Steel production and use: geographical distribution 2019

Crude steel production

World total: 1 869 million tonnes



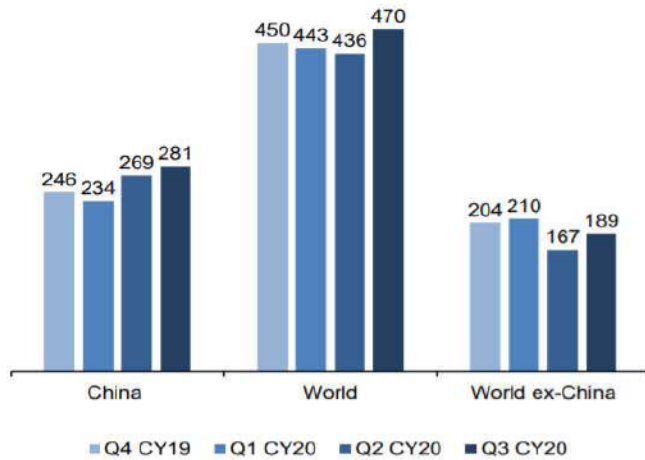
Others comprise:

Africa	0.9 %	Central and South America	2.2 %
Middle East	2.4 %	Australia and New Zealand	0.3 %

Source: WSA

Industry Outlook

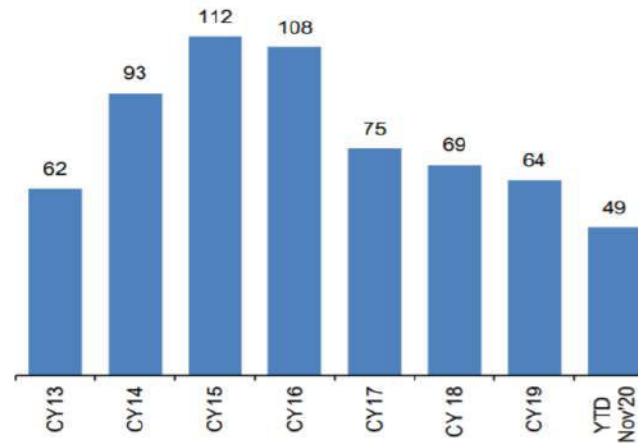
Global Crude Steel Production (MTPA) trend



- ✓ Chinese steel production is moderately high, however steel net exports out of China are declining sharply
- ✓ Global Steel supply side adjustments underway in step with weaker demand outlook

Source: WSA

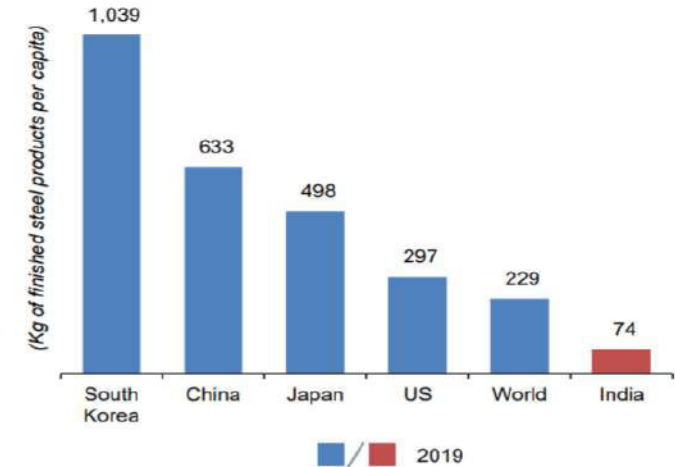
China steel exports (MTPA)



- ✓ China has closed most of its outdated and inefficient induction furnaces
- ✓ Higher domestic demand in China on the back of proactive fiscal and monetary policies

Source: WSA, GACC

Significant room for improvement in per-capita consumption in India



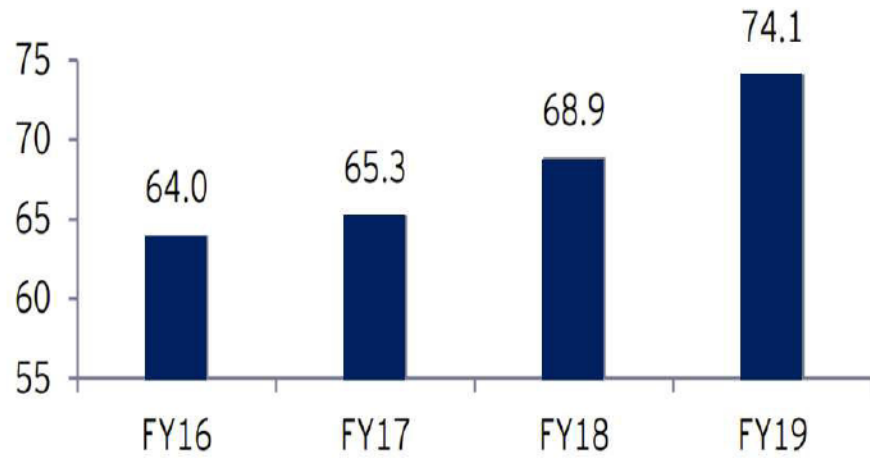
- ✓ Lower per capita consumption compared to international average
- ✓ Govt driven Infrastructure, construction spend to drive the growth in the domestic steel demand

Source: WSA (World Steel in Figures 2020)

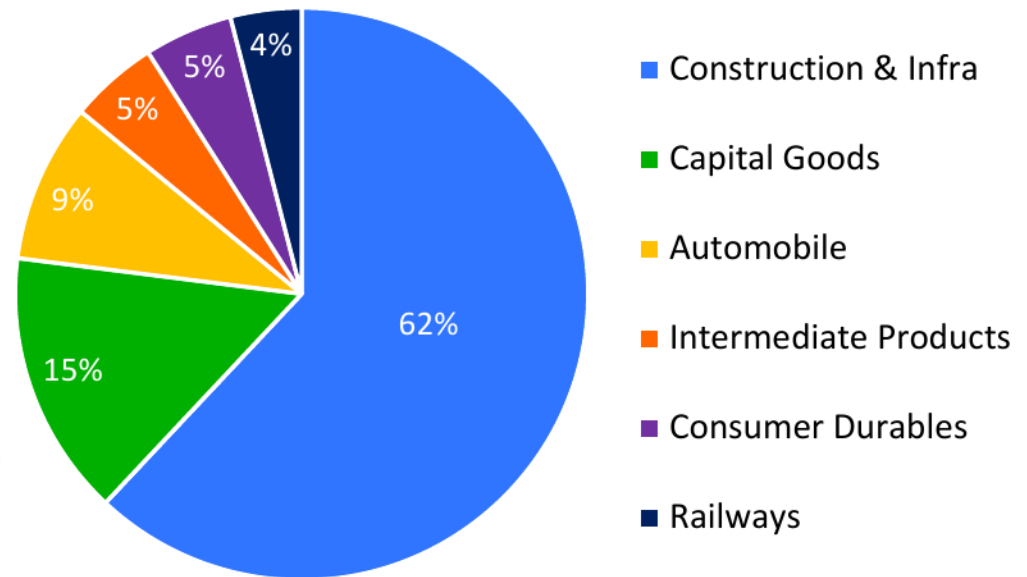
Reducing Chinese steel exports supplemented with gradual domestic recovery bodes well for the domestic steel sector

Industry Outlook

Per Capita Consumption (Kgs)



Sector Wise Steel Consumption



Source: "Annual Report 2019-20", Ministry of Steel

Key drivers for the continuous rise in the production and consumption of Steel has been a strong domestic demand till FY19, from major consuming sectors, combined with a rise in export of Steel grades, like structural Steel, HR and CR Coils/ Sheets etc. National Steel Policy 2017, lays significant emphasis on increasing steel consumption across major segments of infrastructure, automobiles, and housing, resulting in a potential rise in per capita Steel consumption to 160 kg by 2030.

Industry Outlook

National Steel Policy, 2017

- ▶ New National Steel Policy (NSP) aims to achieve 300 MnT of steel making capacity and 160 Kgs of per capita steel consumption 2030-31 at an investment of USD 156.08 bn
- ▶ Policy emphasis on Government tenders for domestically manufactured steel & iron products
- ▶ Indian steel makers importing intermediate products of raw materials can claim benefits of domestic procurement provision by adding minimum of 15 percent value of the product

R&D and innovation

- ▶ Scheme for the promotion of R&D in iron and steel sector has been continued under the 14th Finance Commission (FY20)
- ▶ Under scheme, 26 projects have been approved with financial assistance of USD 24.98 bn from Ministry of Steel
- ▶ Ministry of Steel is setting up industry driven institutional mechanism - Steel Research & Technology Mission of India (SRTMI) to facilitate joint collaborative research projects

Customs duty on plant & equipment

- ▶ The Government has reduced basic customs duty on the plants and equipment required for initial set up or expansion of iron ore pellet plants and iron ore beneficiation plants from 7.5 percent to 2.5 percent
- ▶ Customs duty on imported flat-rolled of stainless-steel products has been increased to 15 percent from 7.5 percent
- ▶ Basic customs duty on steel grade dolomite and steel grade limestone reduced to 2.5 percent from 5.0 percent and from 10.0 percent to 5.0 percent for forged steel rings used for manufacturing of bearings of wind-operated generators

Export duty

- ▶ Except pellets, export duty was increased to 50 percent ad valorem on all varieties of iron ore

FDI

- ▶ 100 percent FDI through automatic route is allowed in Indian steel sector

Export duty

- ▶ Policy focuses on shifting from experts while attracting shifts on supply chains to providing fiscal incentives and putting import restrictions
- ▶ Gol will review existing FTAs and strengthen the certificate of origin rule to stop circumvention, introduction of an Offset Clause in all Trade agreements to promote "Make in India" in return for market access is also being considered
- ▶ Besides imposing stringent standard norms for imports of steel and value addition norms the Gol is considering policy support for the domestic industry by giving it infra status which shall enable the sector to access finance at competitive rates

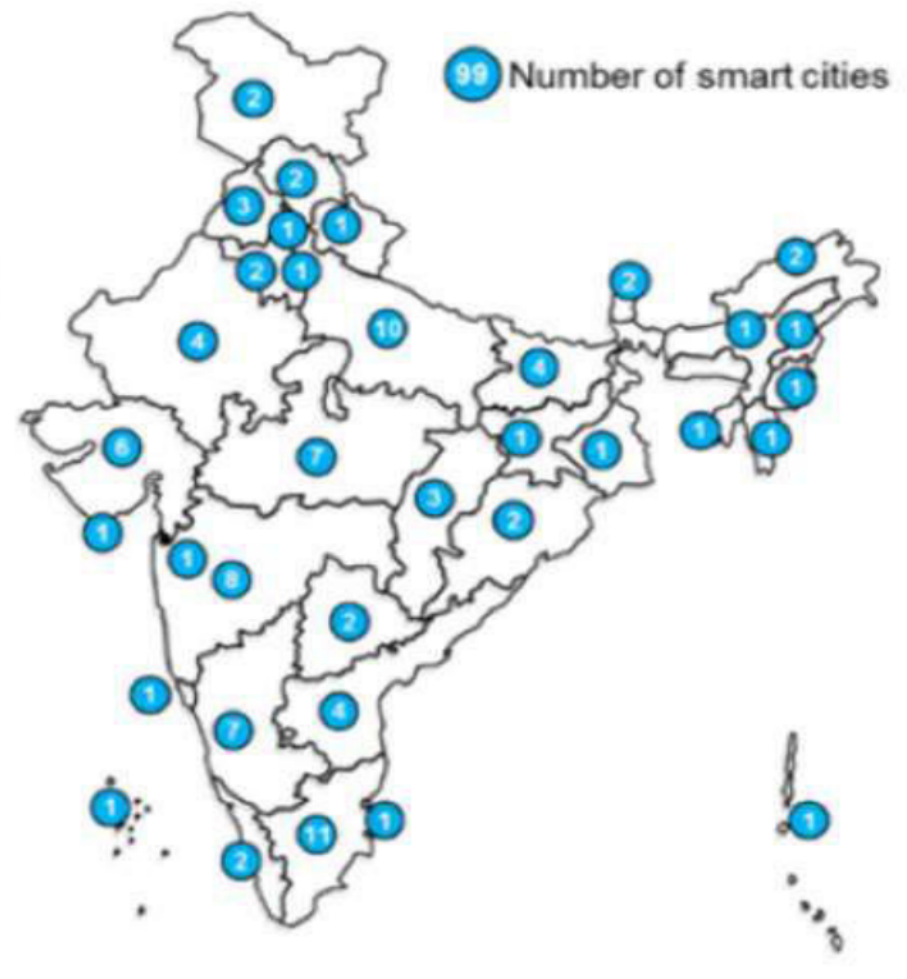
Industry Outlook

Planned Industrial corridors in India

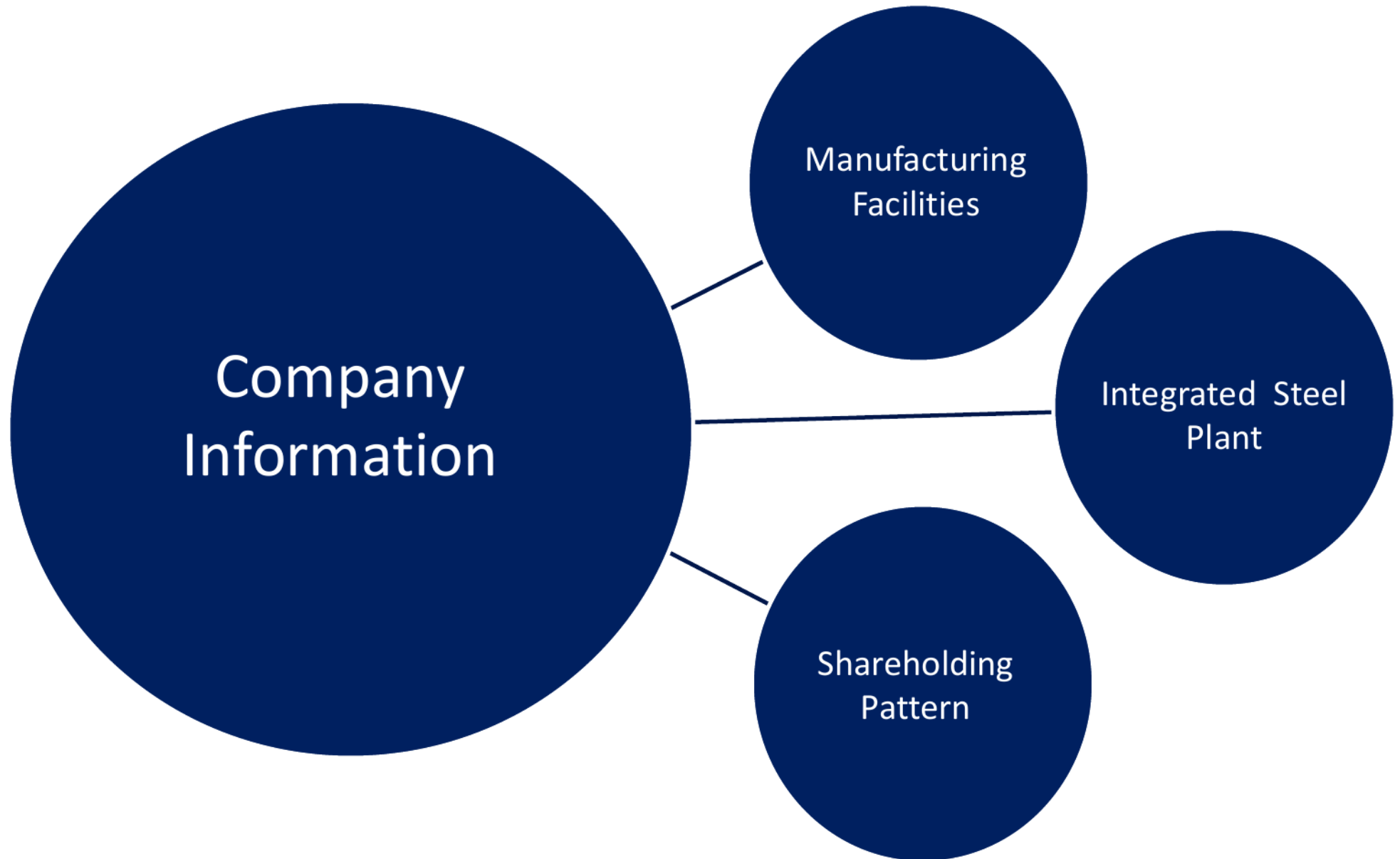


Source: Department of Industrial Policy & Promotion, public domain

Planned Smart Cities



Source: Ministry of Urban Development and Housing, Press Information Bureau



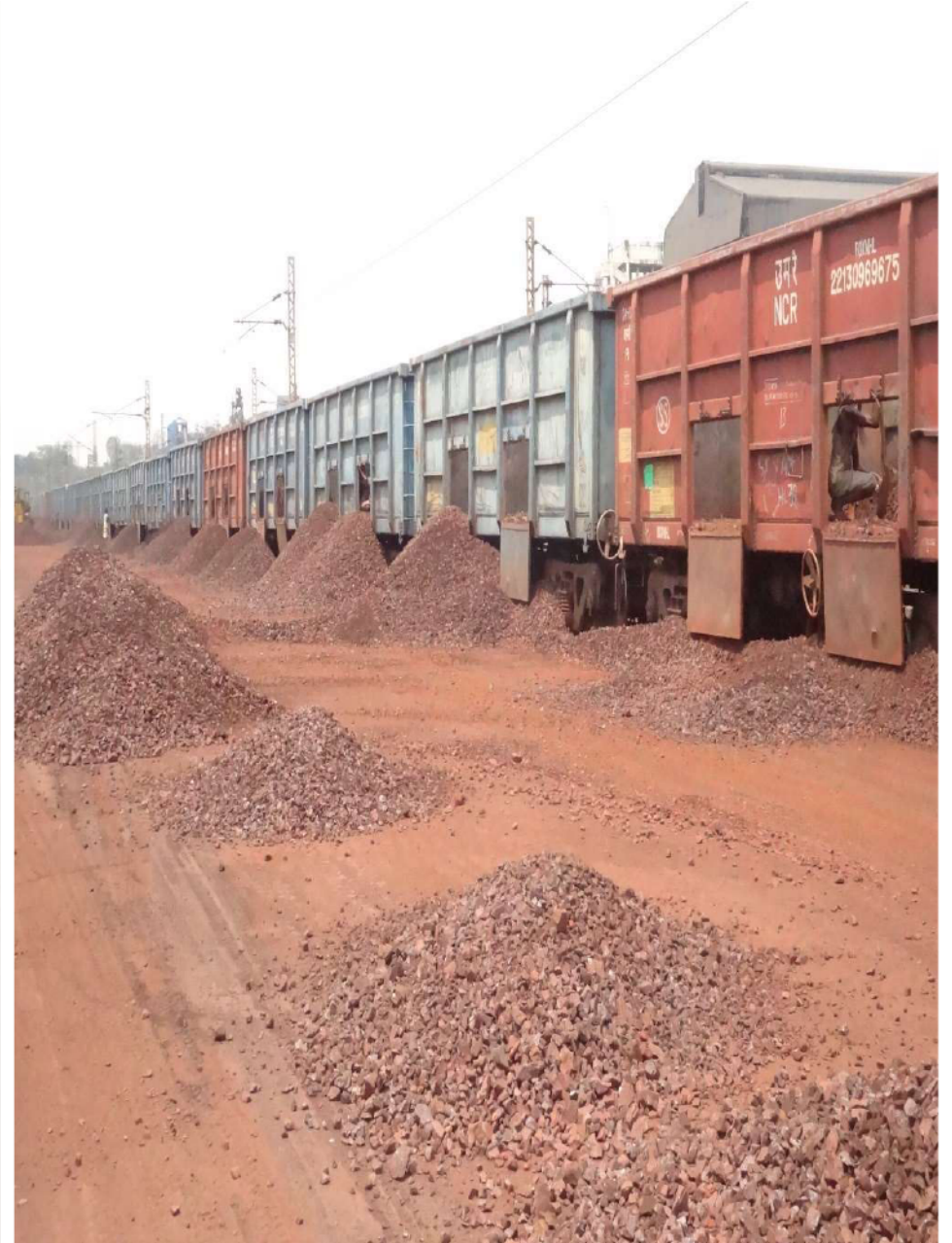
Manufacturing Facilities

S. No.	Facility	Location	Capacity
1.	Integrated Steel Plant		
	<i>Sponge Iron Unit (Acquired from GSAL)</i>	<i>Sreerampuram, L. Kota Mandal, Vizianagaram District, Andhra Pradesh</i>	<i>220000 TPA</i>
	<i>Billet / Steel Melting Shop (SMS)</i>		<i>250000 TPA</i>
	<i>Rolling Mill</i>		<i>225000 TPA</i>
	<i>Captive Thermal Power Plant</i>		<i>60 MW</i>
2.	Rolling Mill	<i>E. Bonangi, Parwada Mandal, Visakhapatnam District, Andhra Pradesh</i>	<i>45000 TPA</i>
3.	Ingot Division	<i>Kothapeta, East Godavari District, Andhra Pradesh</i>	<i>90000 TPA</i>
4.	Captive Natural Gas Power Plant		<i>11.64 MW</i>

Integrated Steel Plant – Salient Features

- **Captive Railway Siding with 2 Platforms** for receipt of Iron Ore / Iron Ore Fines and Coal Rakes. Situated on the Bailadila – Kirandul railway line.
- Huge capacity for coal crushing and **extensive raw-material handling system for Iron Ore and Coal**.
- Water availability in the area as per the requirement. Permission to lift **8000 m³/day of water**.
- **Captive Power Plant** with power generation of 60 MW of which 12 MW comes from recovered waste heat of sponge iron kilns. In addition to fresh coal, coal fines and char generated in the sponge iron unit is also used for power generation which helps in reducing the cost of power.
- **Double circuit line from 132 kV substation** and present switchyard reduces cost of the project.
- The plant is located on 400 acres of land. The existing plant is built only on 30% of this land and has adequate **land and infrastructure available** for future expansion up to a capacity of 1.5 million tons. The company also has a detailed project report prepared by M/s M.N. Dastur for phased expansion to achieve the 1.5 million tons capacity.
- Easily accessible by State / National Highways from Chennai and Hyderabad and is about 35 kms from Vishakhapatnam city. Proximity to ports allows for access to imported raw material inputs with low transport costs, usually a major cost sink for steel units.

3 Lane Railway Siding



Coal Handling Plant



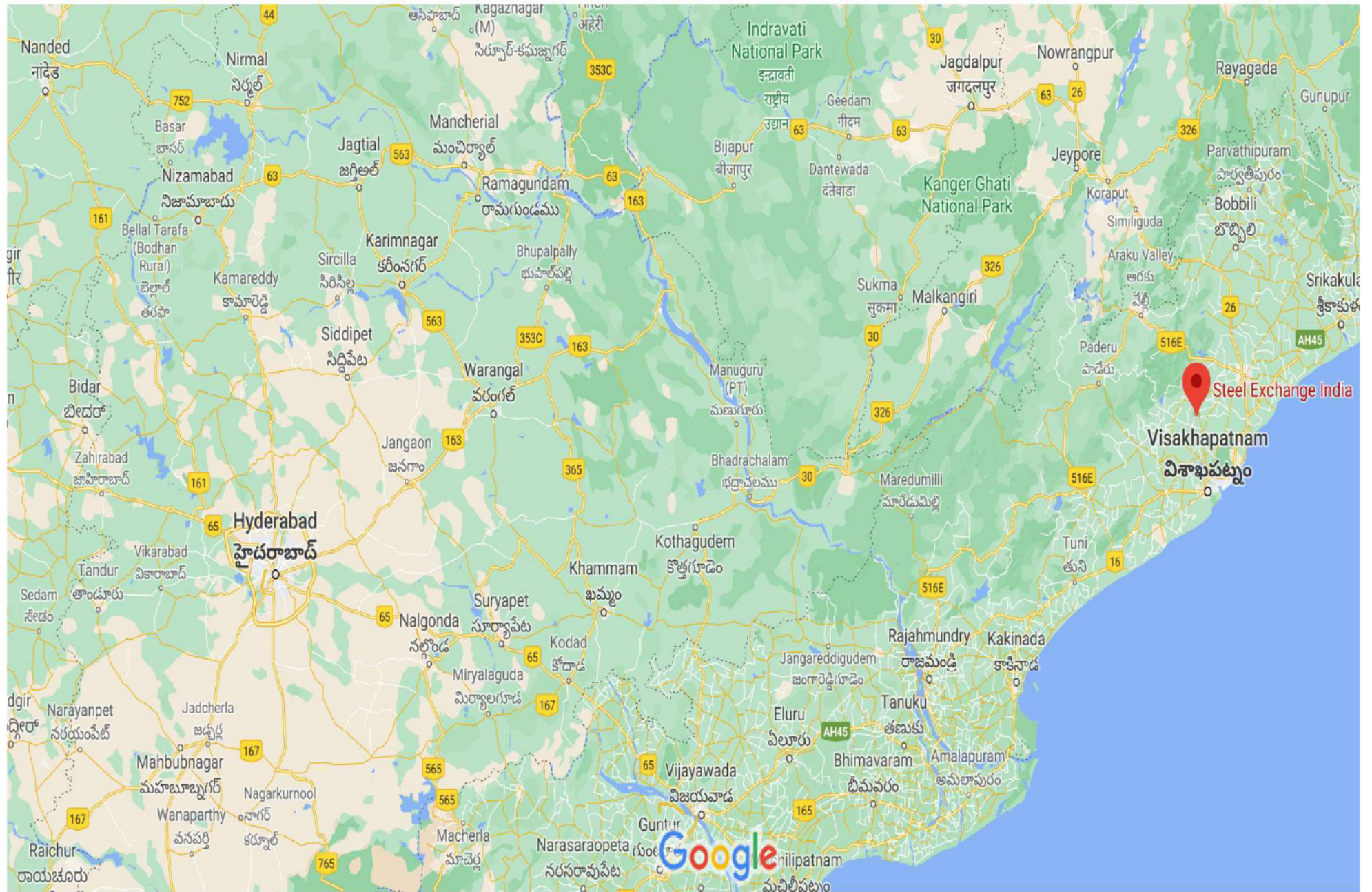
CFBC Boiler



132 kV Substation



Plant Location



Board Of Directors

S. No.	Name	Designation
1.	Mr. Bandi Satish Kumar	Chairman & Managing Director
2.	Mr. Bandi Ramesh Kumar	Chief Financial Officer & Joint Managing Director
3.	Mr. Bandi Suresh Kumar	Joint Managing Director
4.	Mr. V.V. Krishna Rao	Director
5.	Mr. Bavineni Suresh	Director
6.	Mr. Ramineni Rama Chandra Rao	Independent Director
7.	Mr. Chivukula Siva Prasad	Independent Director
8.	Mr. Kodali Krishna Rao	Independent Director
9.	Mr. G. Venkata Narayana Reddy	Independent Director
10.	Mrs. Sujata Chattopadhyay	Independent Director

Key Financial Indicators

S. No.	Particulars	2017	2018	2019	2020	9 Months ended Dec '20
1.	Net Sales	1278.52	930.45	1029.28	791.42	582.00
2.	PBT (before exceptional)	[105.54]	[167.10]	[10.48]	50.65	56.98
3.	PBT (after exceptional)	[158.84]	[214.69]	[17.17]	39.17	110.86
4.	PAT	[157.16]	[170.14]	[36.79]	64.29	110.86
5.	Paid Up Capital	75.98	75.98	75.98	75.98	75.98
6.	Reserves	222.27	52.15	15.35	79.52	190.38
7.	Total Secured Loans	961.60	1038.39	990.83	984.28	411.57
8.	Total Unsecured Loans	456.32	366.89	345.34	247.37	62.00
9.	Gross Profit/EBITDA	81.65	34.82	64.52	81.36	82.81
10.	EBITDA / Ton (Manufacturing sales)	1917	2876	3494	3908	6094
11.	Net Profit	[157.16]	[170.14]	[36.79]	64.29	110.86
12.	Depreciation	29.76	29.00	29.62	27.24	18.52

Debt Resolution By way of OTS (One Time Settlement)

- SEIL's OTS proposal for ₹510.17 crores has been accepted by all the Lenders in Dec '20.
- The company has successfully paid the dues of all the Lenders on 29.01.2021 as follows
 - Raising listed NCDs under private placement amounting to ₹382.80 crores which was subscribed by M/s Edelweiss
 - ₹17.20 crores by way of equity share subscription for 44,04,059 equity shares on 01.02.2021 at a price of ₹39 per share which includes share premium of ₹29 per share by M/s Edelweiss
 - The balance amount of ₹110.17 crores has been paid by the company through internal accruals/unsecured loans.
- The total debt as of 29.01.2021 is ₹442.80 crores (includes ₹60 crores of Unsecured Loans of promoters).

Thank You Very Much

For Further Information on Investor Presentation You may Contact Mr. Bandi Bansidhar, Asst. Vice President-Operations at 9951177277

www.simhadritmt.com

