STEEL AUTHORITY OF INDIA LIMITED

सेल SAIL

Performance Highlights

9M & Q3

FY 2017-18

PERFORMANCE HIGHLIGHTS : 9M FY2017-18

सेल SAIL

FINANCIAL PERFORMANCE

- Net Sales : Rs 40091 Crore
- EBITDA : Rs 2560 Crore
- PBT : Rs (-) 1945 Crore
- PAT : Rs (-) 1297 Crore

PRODUCTION & SALES PERFORMANCE

- Hot Metal Production : 11.745 MT
- Crude Steel Production : 11.017 MT
- Saleable Steel Production : 10.461 MT
- Semis component in production : 19.37% of saleable steel
- Value Added Production : 4.634 MT
- Production through concast route : 9.390 MT
- Saleable Steel Sales : 10.342 MT

PERFORMANCE HIGHLIGHTS : Q3 FY2017-18

सेल SAIL

FINANCIAL PERFORMANCE

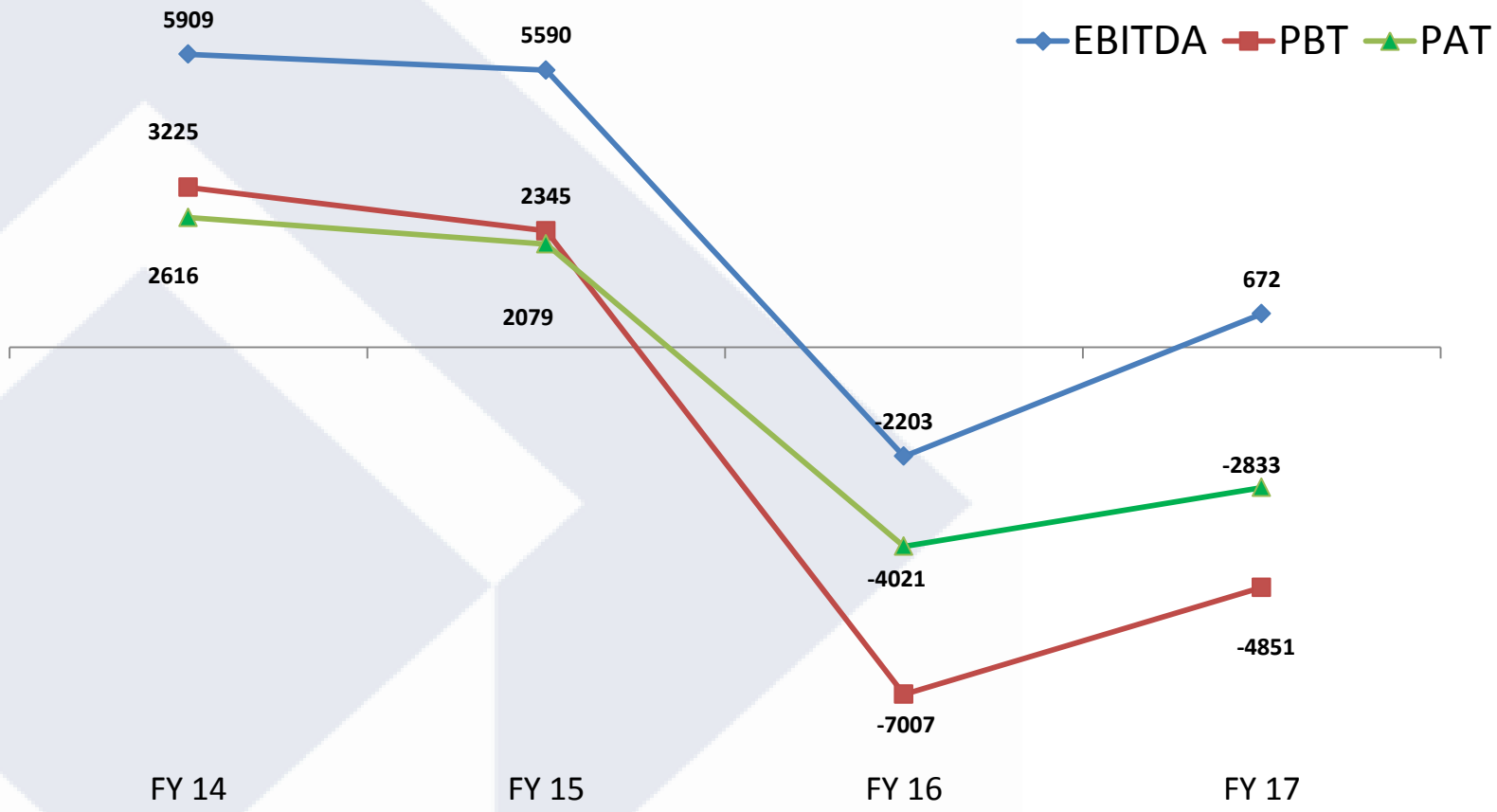
- Net Sales : Rs 15193 Crore
- EBITDA : Rs 1571 Crore
- PBT : Rs 82 Crore
- PAT : Rs 43 Crore

PRODUCTION & SALES PERFORMANCE

- Hot Metal Production : 4.138 MT
- Crude Steel Production : 3.884 MT
- Saleable Steel Production : 3.600 MT
- Semis component in production : **20.67%** of saleable steel
- Value Added Production : 1.652 MT
- Production through concast route : 3.292 MT
- Saleable Steel Sales : 3.773 MT

FINANCIAL PERFORMANCE

Annual Profit Trend

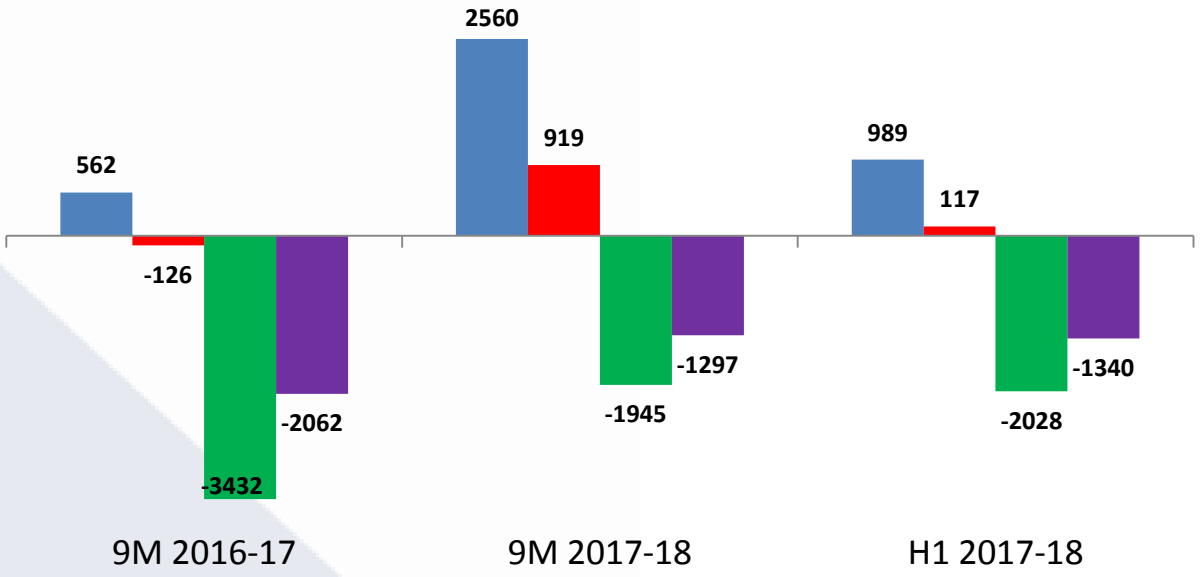


All figures in Rs crore

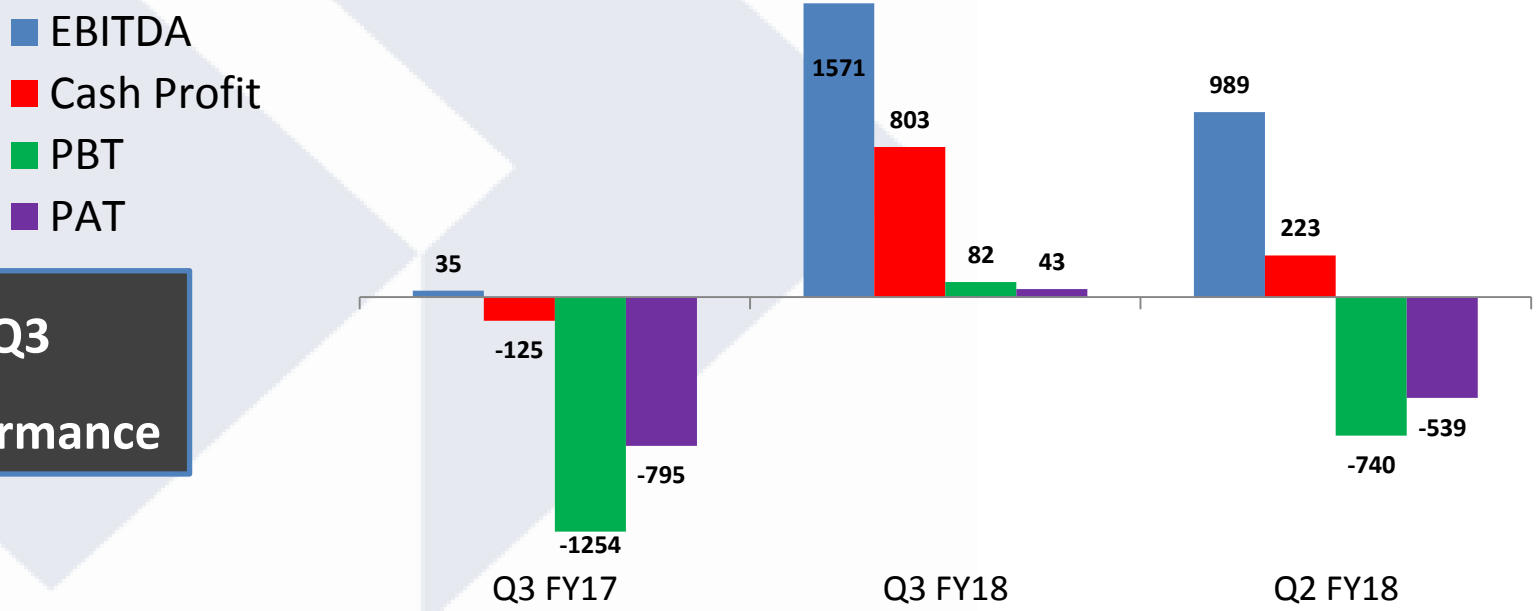
FINANCIAL PERFORMANCE

9M Performance

All figures in Rs crore

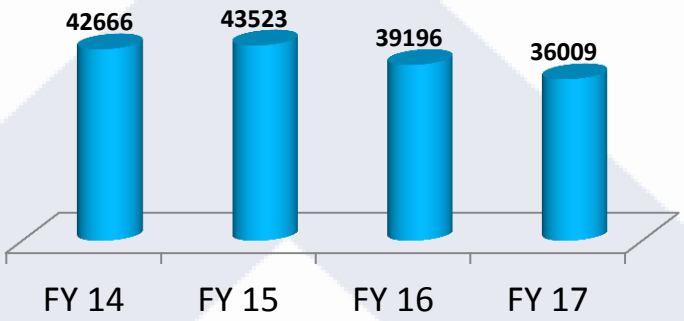


Q3 Performance

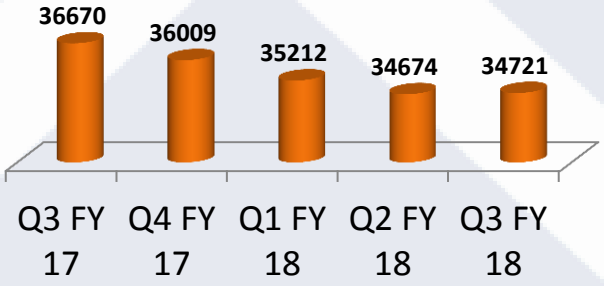


FINANCIAL PERFORMANCE

Annual Net Worth

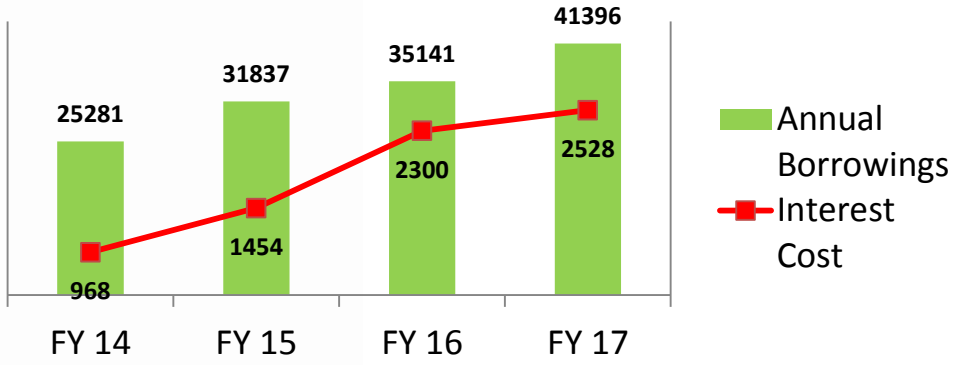


Quarterly Net Worth

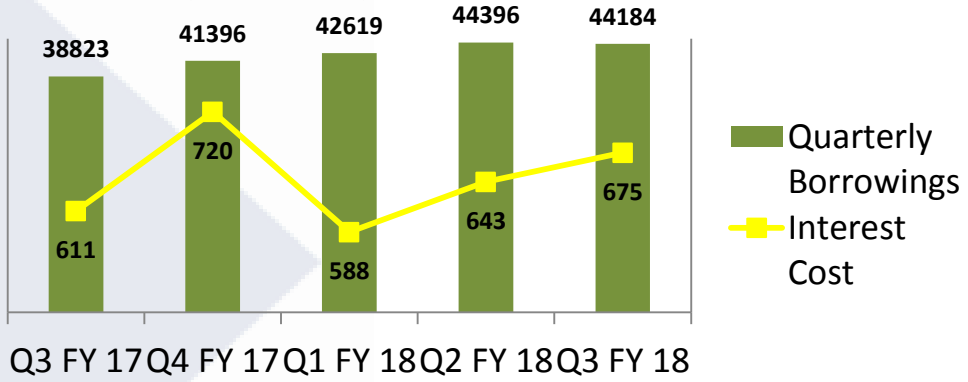


All figures in Rs. crore

Annual Borrowings & Interest cost



Quarterly Borrowings & Interest cost



Debt Equity Ratio						
31/03/15	31/03/16	31/12/16	31/03/17	30/06/17	30/09/17	31/12/17
0.73	0.90	0.96	1.15	1.21	1.28	1.27

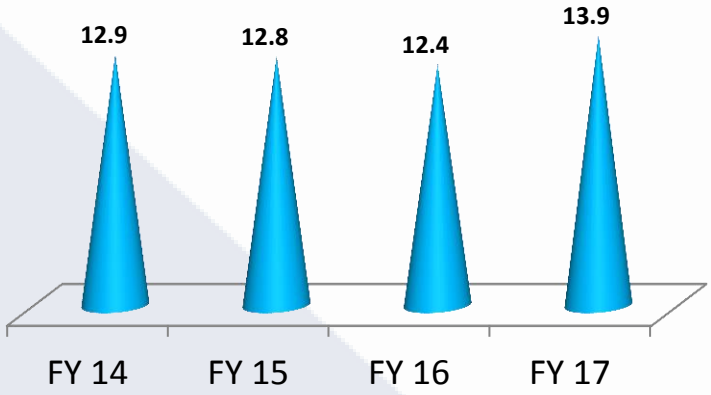
FINANCIAL PERFORMANCE

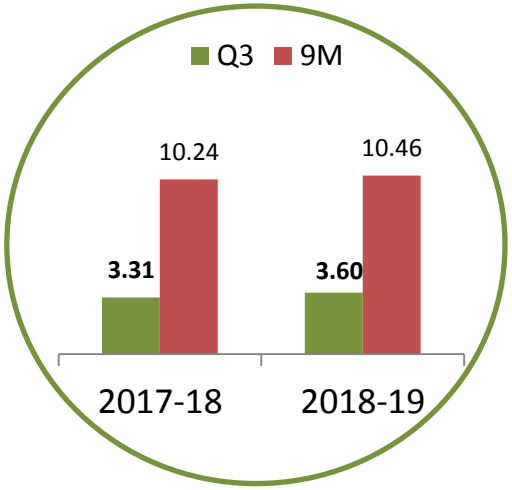
Rs. Crore (INDAS Compliant figures)	9M FY 18	9M FY 17	Q3 FY 18	Q2 FY 18	Q3 FY 17
Net Sales	40091	31330	15193	13442	11169
EBITDA	2560	562	1571	966	35
Depreciation	2216	1936	760	762	670
Finance Cost	1906	1808	675	643	611
PBT Before Exceptional Items	-1562	-3182	137	-443	-1246
Exceptional/Abnormal Items (VRS/Suspended Operations)	383	250	54	298	8
PBT After Exceptional Items	-1945	-3432	82	-740	-1254
Tax	-648	-1370	39	-201	-459
Profit After Tax	-1297	-2062	43	-539	-795

PRODUCTION PERFORMANCE

All figures In Million Tonne

SALEABLE STEEL PRODUCTION (incl. SSPs)

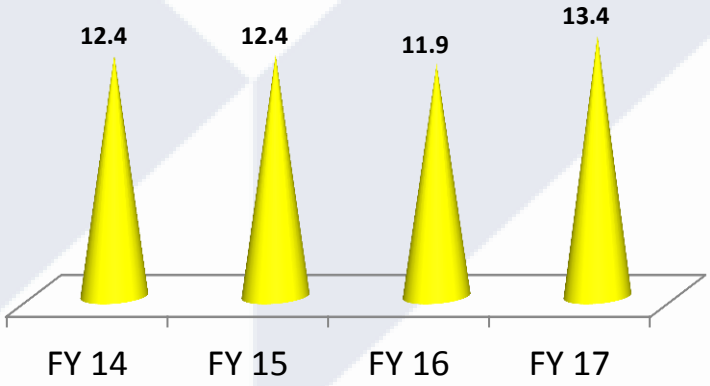


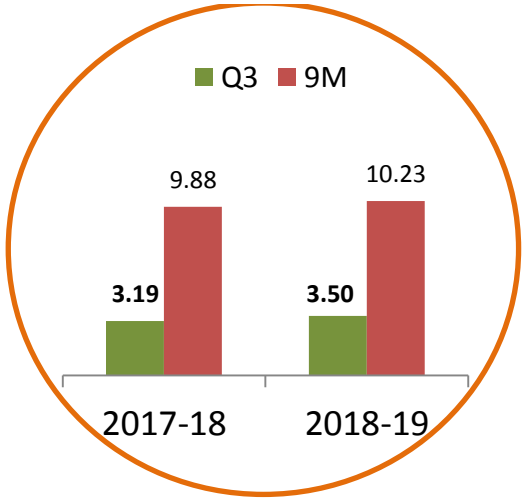


Annual

Quarterly/9M

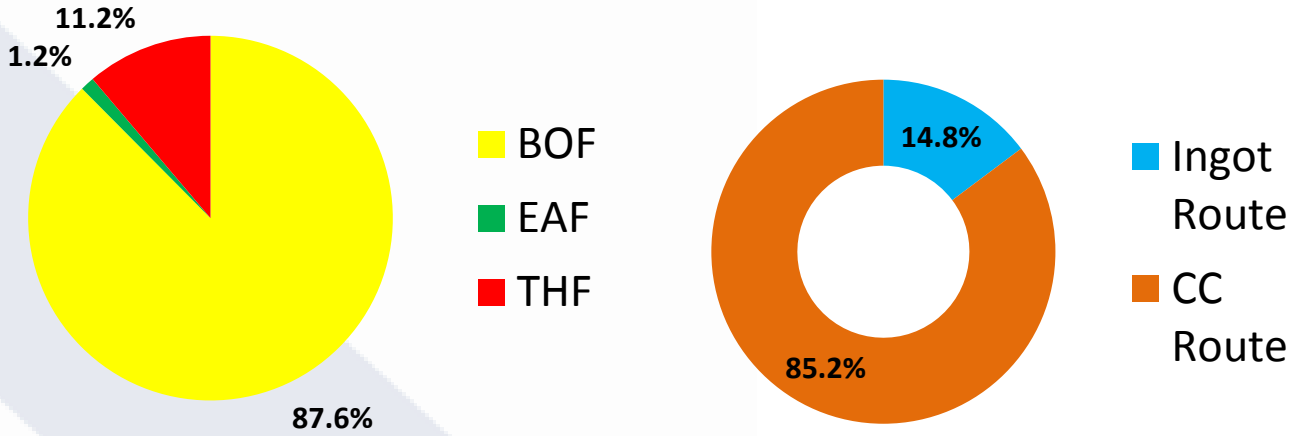
SALEABLE STEEL PRODUCION (5 ISPs)



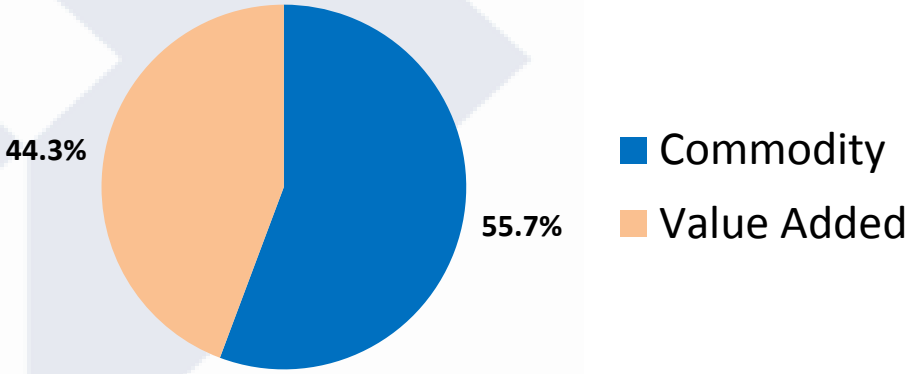


PRODUCTION PERFORMANCE : FY18

CRUDE STEEL PRODUCTION BY PROCESS

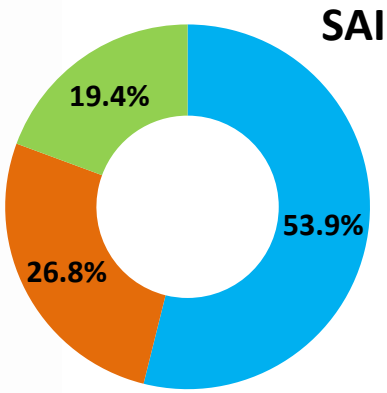


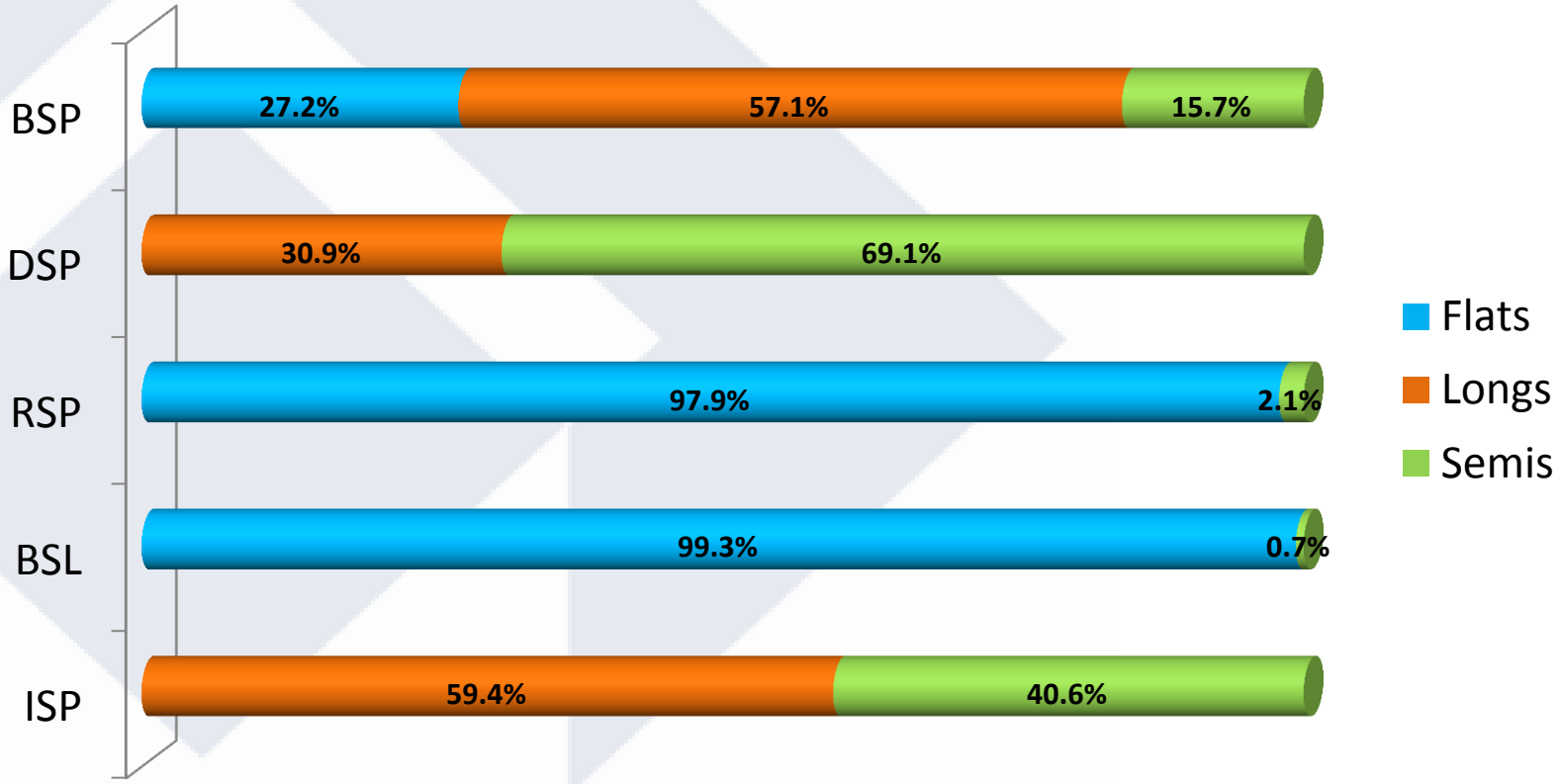
SALEABLE STEEL PRODUCTION BY PROCESS (5 ISPs)



PRODUCTION PERFORMANCE : FY 2016-17

PRODUCT MIX :
5 ISPs



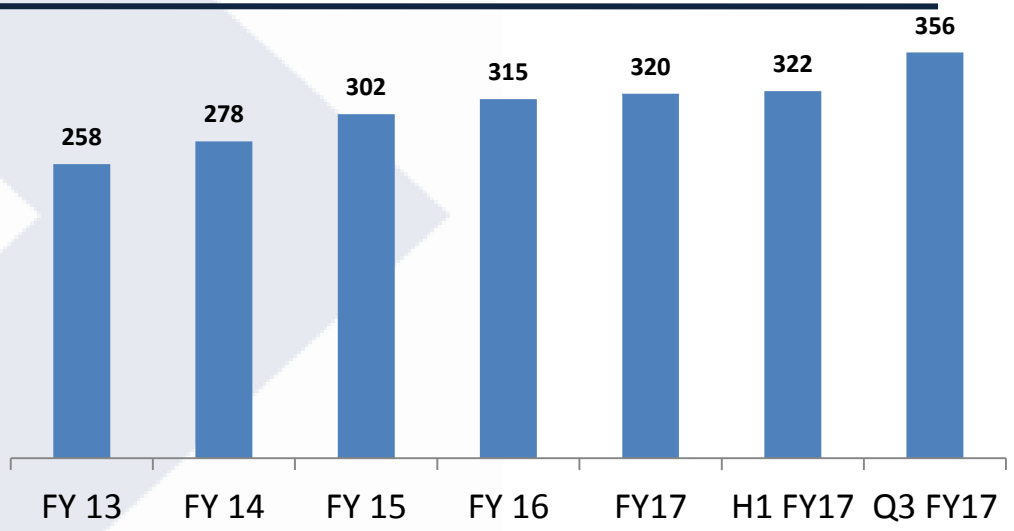


PRODUCTION PERFORMANCE

MAJOR TECHNO-ECONOMIC PARAMETERS

Parameter	9M 17-18	H1 17-18	9M 16-17
Coke Rate (kg/thm)	460	464	477
Fuel Rate (kg/tcs)	558	561	559
Sp. Energy Consumption (GCal/TCS)	6.54	6.57	6.63
BF Productivity (T/m3/day)	1.68	1.66	1.65

LABOUR PRODUCTIVITY

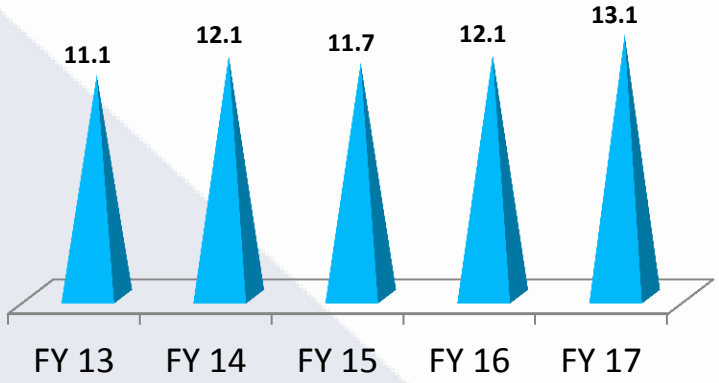


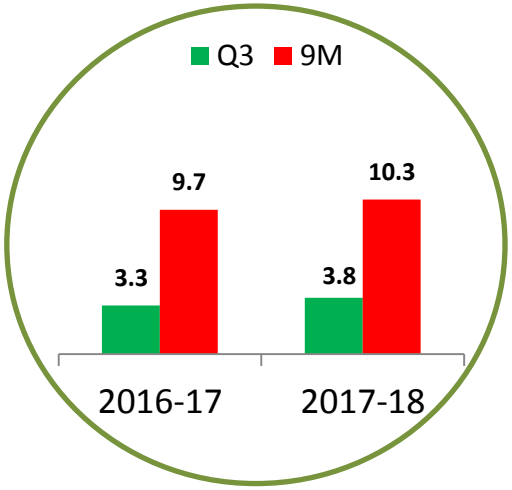
Total manpower as on 01.01.2018: **78,333**

SALES PERFORMANCE

All figures In Million Tonne

TOTAL SALES (incl. SSPs)

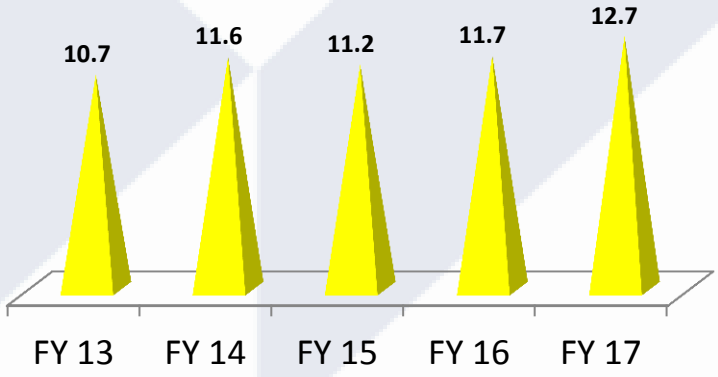


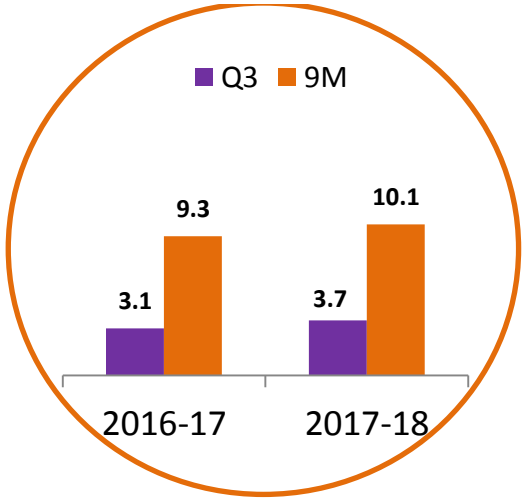


Annual

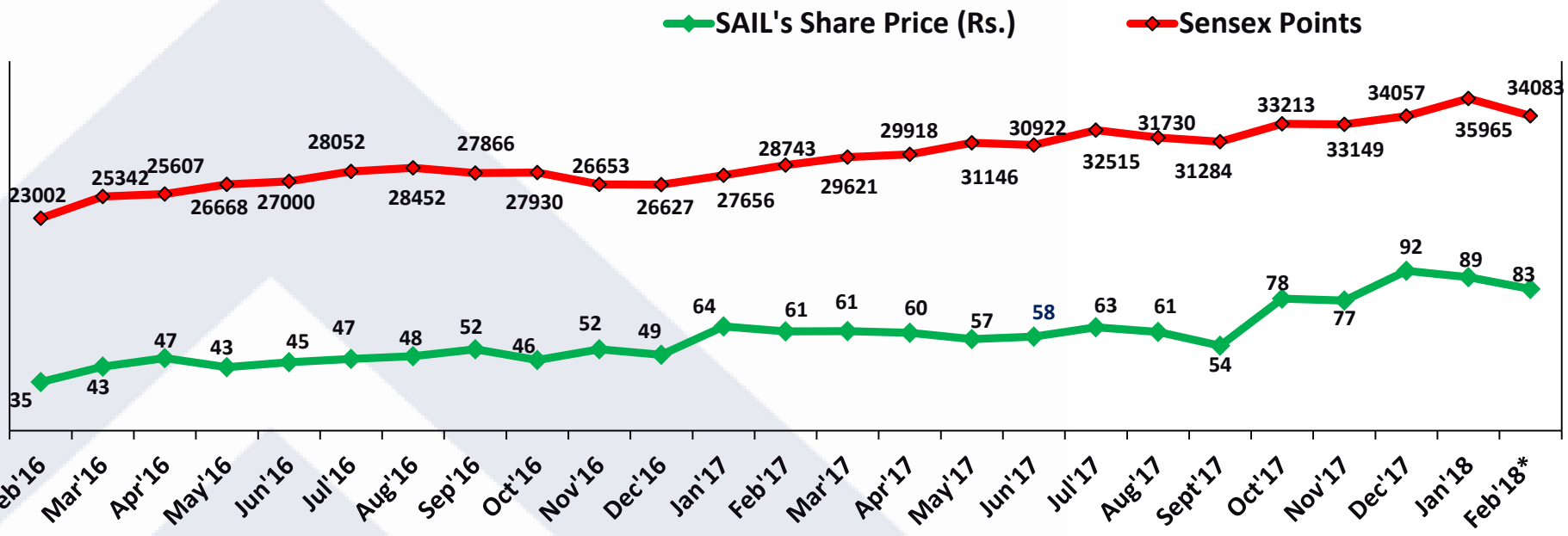
Quarterly/9M

SALES OF 5 ISPs





SAIL STOCK PRICE MOVEMENT



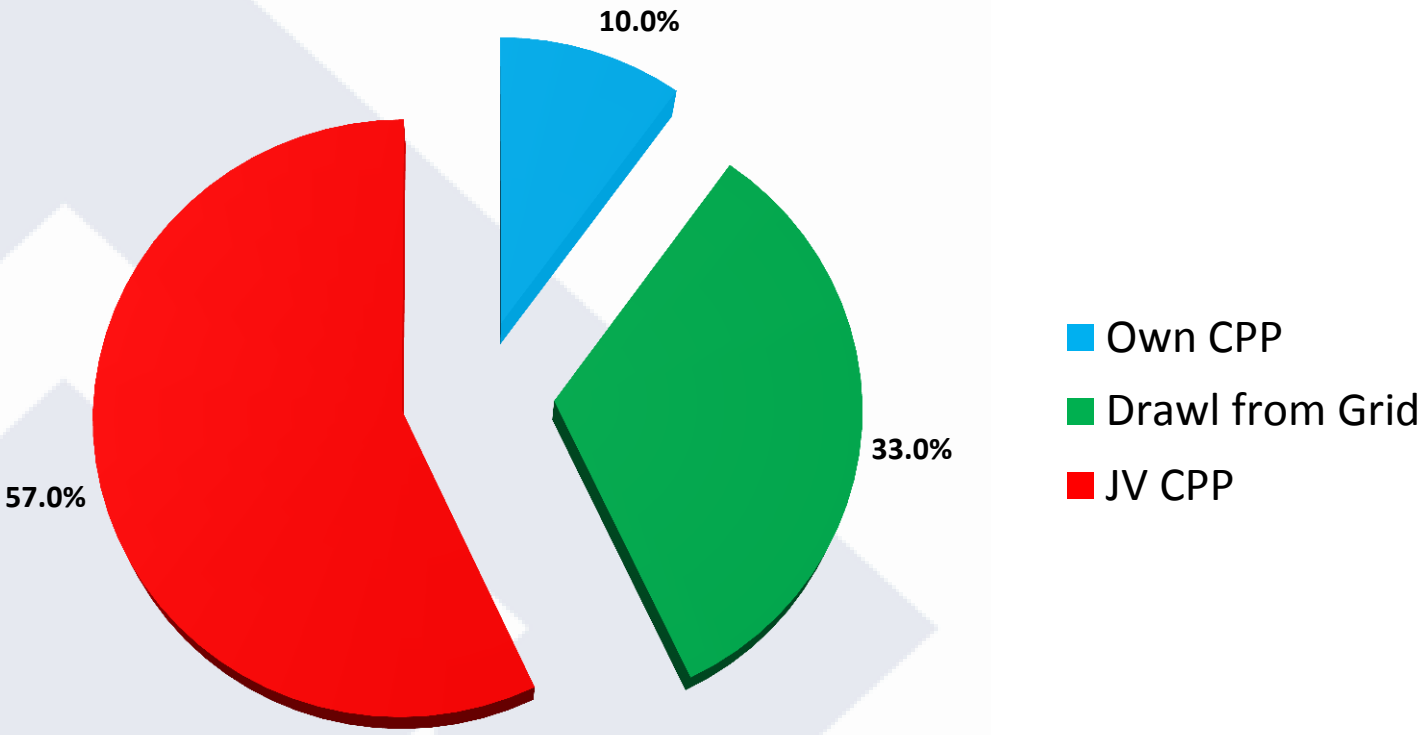
Closing Share Price and Sensex as on the last day of the month

* As on February 7, 2018

DIVIDEND PAYOUT

	Interim (%)	Final (%)	Total (%)	Dividend (Rs. crore)	Dividend Tax (Rs. crore)
FY 17	-	-	-	-	-
FY16	-	-	-	-	-
FY15	17.5	2.5	20	826	165
FY14	20.2	-	20.2	834	142
FY13	16	4	20	826	134
FY12	12	8	20	826	134

POWER CONSUMPTION – FY 2017-18



SAIL's MODERNISATION & EXPANSION PLAN

Million Tonne	Actual Production 2016-17	Capacity After On-going Expansion
Crude Steel	14.495	21.4
Saleable Steel	13.868	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

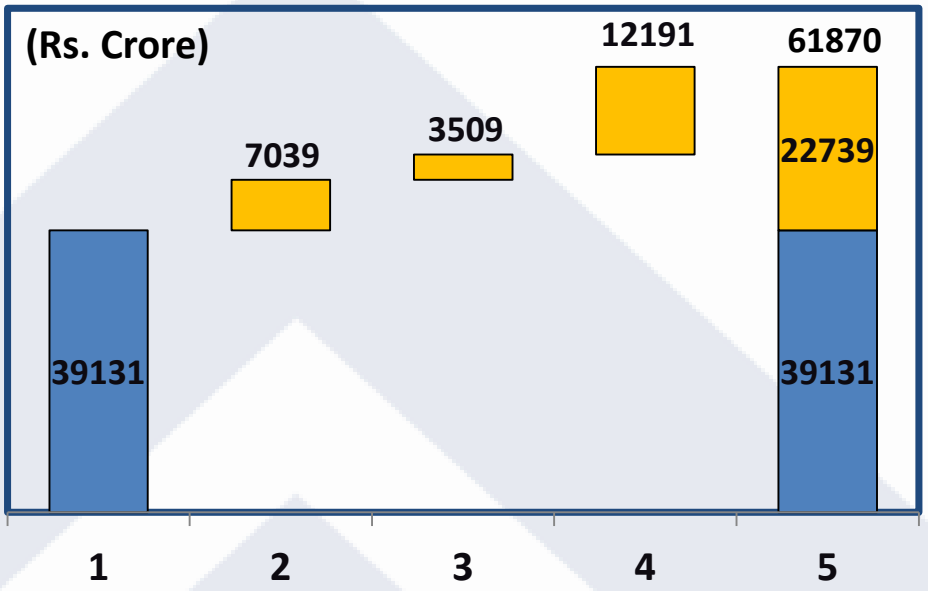
EXPECTED OUTCOME

- **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^3 Blast Furnaces and one Blast Furnace of 4160 m^3.**
- **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)

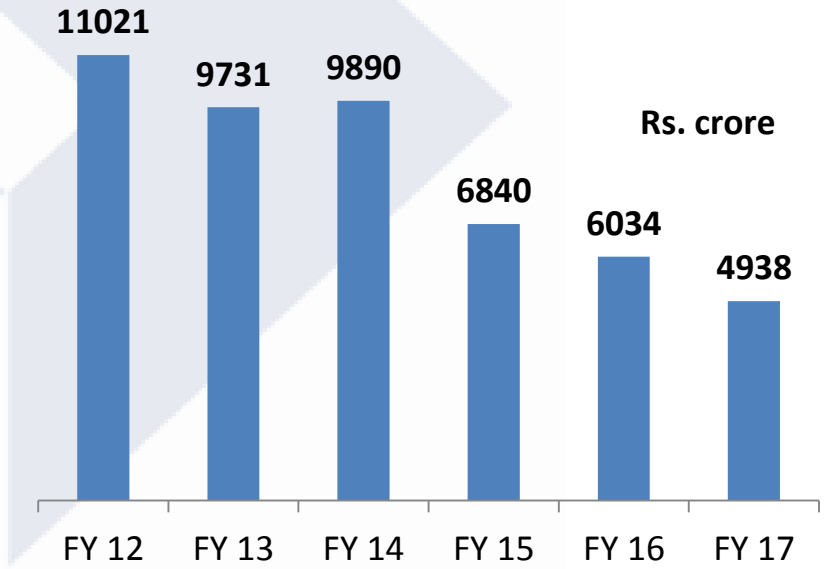


1	Expansion of existing capacity
2	Value-addition / Product-mix improvement
3	Technological up gradation / Modernization
4	Sustenance including de-bottlenecking, AMR & Environment
5	Total Estimated Cost

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 is Rs.4700 Crore (including expenditure towards Capital Repairs and Spares needed to be capitalised under Ind AS)



Capex during 9M FY 17-18 was Rs 3724 crore

CAPACITY AFTER EXPANSION

Plant	Hot Metal (MTPA)		Crude Steel (MTPA)		Saleable Steel (MTPA)	
	2016-17	After Expansion	2016-17	After Expansion	2016-17	After Expansion
BSP	5.0	7.5	4.7	7.0	4.0	6.6
DSP	2.3	2.5	2.0	2.2	1.9	2.1
RSP	3.1	4.5	2.9	4.2	2.7	4.0
BSL	3.4	5.8	3.2	4.6	3.4	4.2
ISP	1.8	2.9	1.4	2.5	1.3	2.4
VISL	0.1	0.3	0.0	0.2	0.0	0.2
ASP	-	-	0.1	0.5	0.1	0.4
SSP	-	-	0.1	0.2	0.4	0.3
TOTAL	**15.7**	**23.5**	**14.5**	**21.4**	**13.9**	**20.2**

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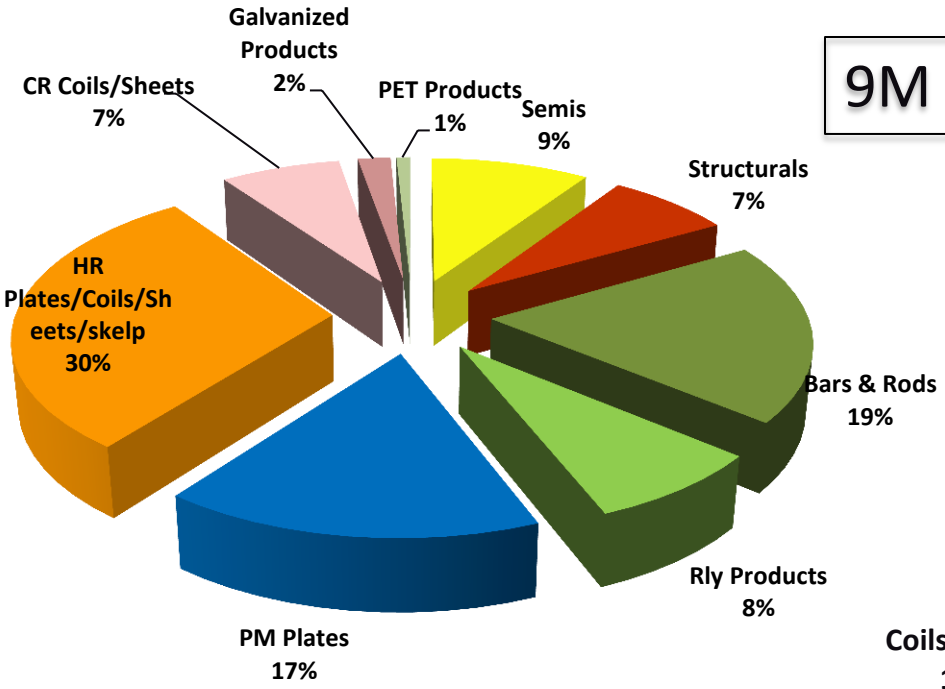
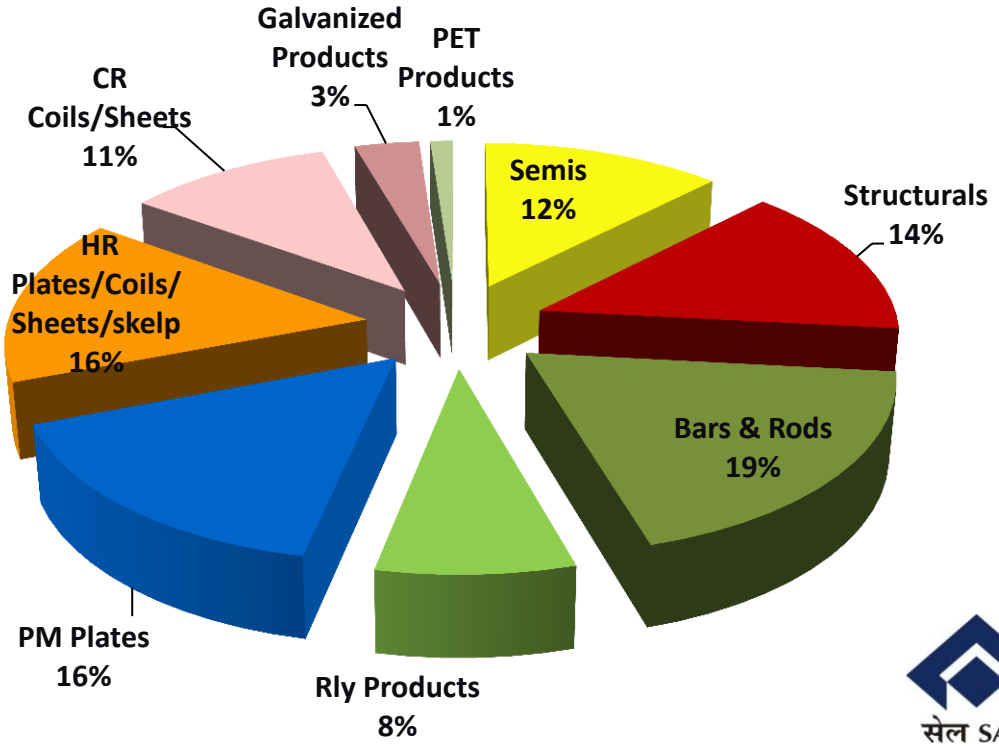
PRODUCT MIX POST EXPANSION – SALEABLE STEEL





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MODERNISATION & EXPANSION PLAN - SALEM STEEL PLANT

Facilities added:

- Steel melting Shop – Electric Arc Furnace (55 T); AOD Converter (60 T); Ladle Furnace (60 T); Single Strand Slab Caster.
- Roll Grinder for Hot Rolling Mill
- Cold Rolling Mill Complex

Production (MTPA) :

Item	2016-17 (Actual)	After Expansion
Crude Steel	0.11	0.18
Saleable Steel	0.37	0.34

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MODERNISATION & EXPANSION PLAN - IISCO STEEL PLANT

Facilities Completed:

- Raw Material Handling System
- New Coke Oven Battery (0.88 Mtpa, 7 m tall)
- Coke Dry Cooling Plant
- Sinter Machines (3.88 Mtpa gross sinter production, 2x204 m^2)
- Blast Furnace 4160 m3 volume (2.7Mtpa)
- 3 nos. of 150 T BOF Converters
- 2x6 Strand Billet Casters (1.67 Mtpa)
- 1x4 Strand Bloom-cum-Beam Blank Caster (0.83 Mtpa)
- Wire Rod Mill (0.55 Mtpa)
- Bar Mill (0.90 Mtpa)
- Universal Section Mill (0.85 Mtpa)

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MODERNISATION & EXPANSION PLAN - IISCO STEEL PLANT

- New stream to produce 2.7 Mtpa of Hot Metal & 2.5 Mtpa of Crude Steel

Production (MTPA) :

Item	2016 -17 (Actual)	After Expansion
Crude Steel	1.397	2.50
Saleable Steel	1.339	2.39

The expanded capacity of IISCO Steel Plant has been dedicated to the Nation by the Hon'ble Prime Minister on 10.05.2015.

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Current Progress of Expansion at IISCO Steel Plant

MODERNISATION & EXPANSION PLAN– BOKARO STEEL PLANT

Facilities Completed:

- Re-building of Coke Oven Battery #1 & #2.
- Up-gradation of Blast Furnace #2 and Stoves Up-gradation of #5
- Auxiliary Fuel Injection (CDI) in Blast Furnaces #2 & #3.
- Turbo-Blower-8.
- New CRM Complex (1.2 Mtpa) except HDGL
- Up-gradation of HSM with augmentation of Roughing Facility (4.5 MTPA).

Production (MTPA) :

Item	2016 -17 (Actual)	After Expansion
Crude Steel	3.154	4.61
Saleable Steel	3.372	4.18

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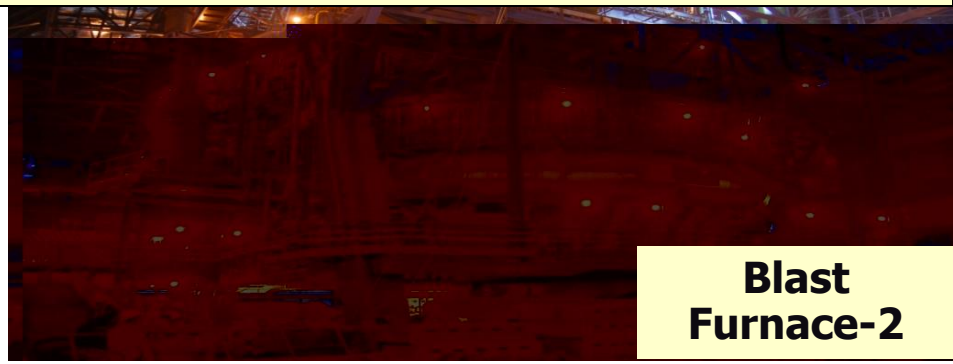
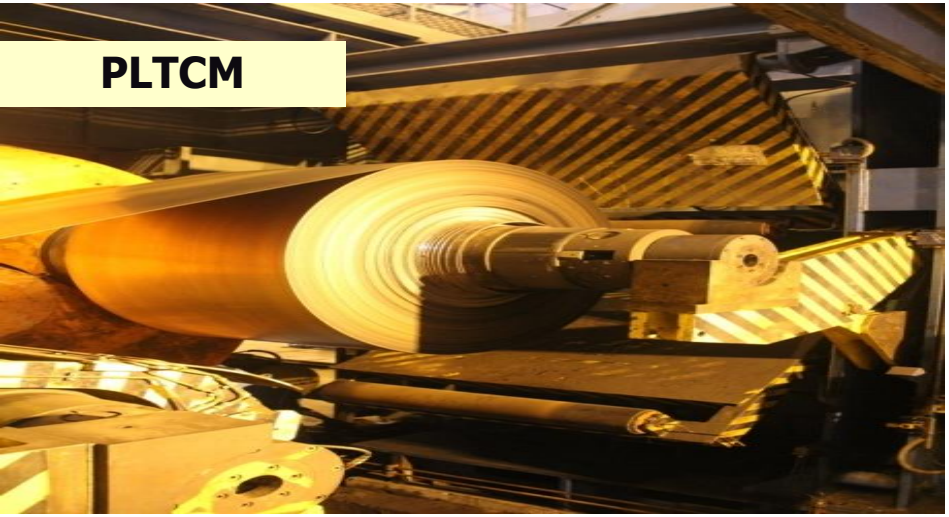
Current Progress of Expansion at Bokaro Steel Plant

Coke Oven battery-2



Blast Furnace-2



PLTCM

Coil Packaging Line

Skin Pass Mill

Bell Annealing Furnace

MODERNISATION & EXPANSION PLAN– BHILAI STEEL PLANT

Facilities Already Completed:

- Ore Handling Plant part-A
- Second Sinter Machine in Sinter Plant-3 (3.7 MTPA)
- New Coke Oven Battery No. 11 (7 m tall, Capacity 0.881 mtpa)
- Oxygen Plant (BOO basis)
- Universal Rail Mill (1.2 MTPA)
- Rail Welding Line
- Bar Line of Bar and Rod Mill (0.9 MTPA)
- Blast Furnace 4060 m3 (2.8 Mtpa)

Facilities Likely to be Completed During FY 17-18:

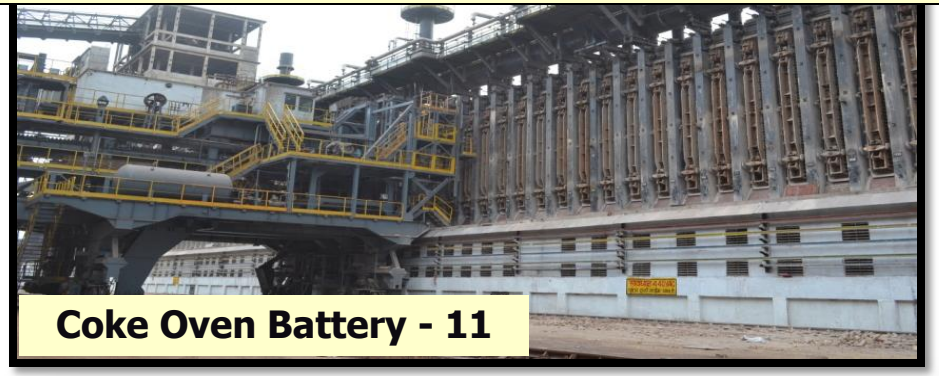
- New Steel Melting Shop (SMS-3; 4.13 MTPA) with New Billet Casters (2X6), Billet-cum-Bloom Caster (1X6), Bloom-cum-Beam Blank Caster (1X3)

Production (MTPA) :

Item	2016 -17 (Actual)	After Expansion
Crude Steel	4.737	7.0
Saleable Steel	4.006	6.56

Current Progress of Expansion at Bhilai Steel Plant

Sinter Machine



Coke Oven Battery - 11

Blast Furnace - 8

Continuous Caster - 1

Bar & Rod Mill

Universal Rail Mill

MODERNISATION & EXPANSION PLAN– ROURKELA STEEL PLANT

Facilities Completed:

- New Coke Oven Battery -6 (7 m tall, 1 x 67 ovens)
- New Sinter Plant -3 (1 x 360m^2)
- New Blast Furnace -5, useful volume - 4060 m^3
- New 3rd Single Strand Slab Caster (1.5 MTPA)
- New Oxygen Plant 2x700 tpd on BOO basis
- New 3rd BOF (150 T) Convertor
- New 4.3 meter Wide Plate Mill

Production (MTPA) :

Item	2016 -17 (Actual)	After Expansion
Crude Steel	2.932	4.20
Saleable Steel	2.742	3.99

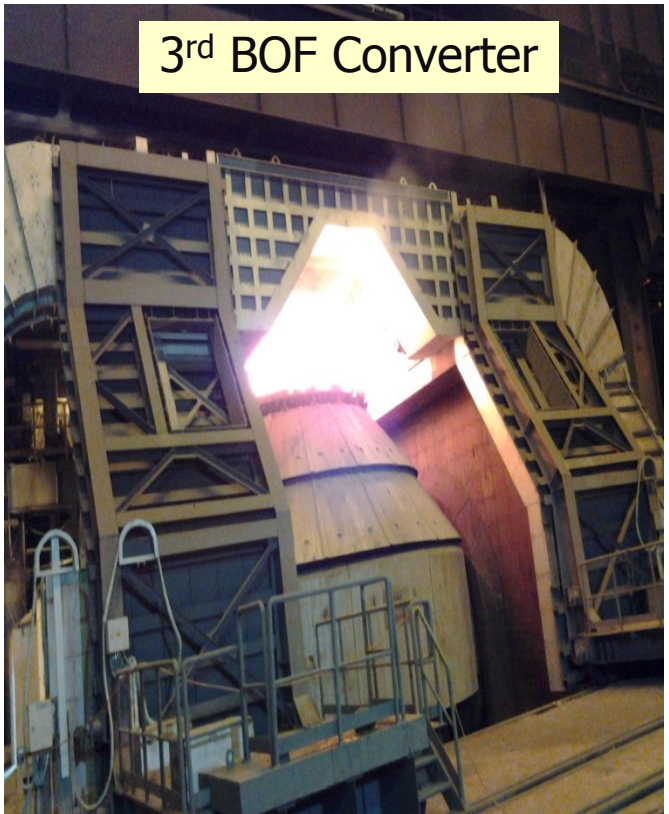
The expanded capacity of Rourkela Steel Plant has been dedicated to the Nation by the Hon'ble Prime Minister on 01.04.2015.

Current Progress of Expansion at Rourkela Steel Plant


Coke Oven Battery - 6


Sinter Plant - 3


Blast Furnace - 5 Tapping


3rd BOF Converter


3rd Slab Caster

MODERNISATION & EXPANSION PLAN– DURGAPUR STEEL PLANT

Facilities Completed:

- Rebuilding of Coke Oven Battery no-2
- New Ladle Furnace (125T)
- Coke Sorting & Coal Handling Plant
- New Dolomite Plant (300tpd)
- Bloom-cum-Round Caster 1X4 (0.75 Mtpa)
- New Medium Structural Mill (1.0 Mtpa)

Production (MTPA) :

Item	2016 -17 (Actual)	After Expansion
Crude Steel	2.041	2.20
Saleable Steel	1.932	2.12

Current Progress of Expansion at Durgapur Steel Plant

Coke Oven Battery-2

Ladle Furnace-3

Bloom cum Round Caster

Medium Structural Mill

RAW MATERIALS

Year	Hot Metal (mtpa)	Iron Ore Consumption (mtpa)	Linkages of Iron Ore
2016-17	15.73	25.332	Existing Mines
Post Expansion	23.46	39	The capacity of existing mines at Kiriburu, Meghahatuburu, Bolani & Gua are being ramped up to meet the requirement of Iron Ore for post ongoing phase of expansion 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 & Generated Fines In addition to the above, new mechanised Iron Ore Mines are being developed at Rowghat, Chiria and Taldih

RAW MATERIALS – Iron Ore

Mine	Existing Capacity* (mtpa)	Capacity* after ongoing expansion (mtpa)	Remarks
Kiriburu	5.50	5.50	Expansion at Kiriburu has already been completed whereas Meghathaburu is being ramped up to meet the requirement of the ongoing expansion plan. 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. **Depleted resources and quality constraints New Pellet Plants shall use the existing reserve of fines incl. dumps & slimes at captive mines
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	
Barsua, Kalta, Taldih	6.00	6.50	Environment clearance obtained & FC obtained on 23rd Oct. 2017 for ML-162 lease. Iron ore production to the tune of 1mtpa started at Taldih in Nov, 2016.
Rowghat	New	12.00	All statutory clearances have been received. MDO has been engaged and LOA issued to MDO on 1st August 2017. MSA signed on 25.09.2017 for a period of 30 years.
Chiria	0.75	5.80	Stage-I Forest Clearance & EC has been obtained. 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
2016-17	15.73	15.32	• Import Component – 81.05% • Over 70% of imported coal is sourced from Australia. • Indigenous: 18.95% • Domestic coal is largely sourced from Coal India Ltd. • SAIL has existing captive clean coking coal production of nearly 0.7 mtpa
Post Expansion	23.46	19.5	• Long term / Quarterly contracts cover 95% of Import requirements • MDO has been engaged for development of Tasra captive coal mine to produce 4 mtpa of ROM (1.8 mtpa washed coal) • Sitanala coal block allotted for a mine capacity of 0.30 mtpa of ROM (0.20 mtpa of washed coal) • Parbatpur coking coal mine allocation letter issued in March 2016 • New linkages / acquisitions are being explored

सेल SAIL

MAJOR JOINT VENTURES

FOCUS AREA	ALLIANCE PARTNER	REMARKS
STEEL	CMDC / NMDC	▪ A Special Purpose Vehicle, namely, 'Chhattisgarh Mega Steel Limited' has been formed for setting-up an Ultra Mega Steel Plant (UMSP) in Bastar area of Chhattisgarh.
DOWNSTREAM STEEL PROCESSING UNITS	BMWIL BMW Industries Ltd; PRIME GOLD PURE STEEL (TMT)	▪ SAIL Bansal Service Center Limited – A JV with Bansal Metal Works Ltd. for a Flat Product service centre at Bokaro. ▪ SAIL SCL Kerala Limited – A JV with Govt. of Kerala for producing TMT Bars at Kozhikode. ▪ Prime Gold – SAIL JVC Limited – A JV with M/s Prime Gold for producing TMT Bars at Gwalior. ▪ VSL SAIL JVC Limited – A JV with M/s Velagapudi Steel Ltd. for producing TMT Bars at Ujjain.
ENERGY	एनटीपीसी NTPC; DVC	▪ JV with NTPC for operating and managing CPPs of Bhilai, Durgapur and Rourkela. ▪ JV with DVC for operating & managing CPP of Bokaro.

MAJOR JOINT VENTURES

FOCUS AREA	ALLIANCE PARTNER	REMARKS
TECHNOLOGY	KOBELCO KOBE STEEL GROUP	▪ SAIL Kobe Iron India Pvt. Ltd. – A Joint Venture Company has been formulated for setting up a 0.5 mtpa capacity Plant for producing iron nuggets based on ITmk3 technology.
RAW MATERIALS	Coal India; VIZAG STEEL Pride of Steel; एनटीपीसी NTPC; एन एम डी सी NMDC; TATA TATA STEEL; मॉयल MOIL	▪ International Coal Ventures Pvt. Ltd., a SPV of 5 leading PSUs incorporated (SAIL, RINL, CIL, NTPC & NMDC) for acquisition / operation of coal assets in overseas territories. ▪ M/s S&T Mining Company Pvt. Ltd. formed with Tata Steel for developing coking coal mines in India. ▪ M/s SAIL & MOIL Ferro Alloys (Pvt.) Ltd. formed with MOIL for production of Ferro-alloys at Bhilai.
CEMENT	JAYPEE GROUP	▪ Bhilai Jaypee Cement Ltd. -Slag based cement plant of 2.2 million tonne per annum capacity with grinding unit at Bhilai & clinkering unit at Satna.

MAJOR JOINT VENTURES

FOCUS AREA	ALLIANCE PARTNER	OBJECTIVE
WAGON MANUFACTURE	RITES THE INFRASTRUCTURE PEOPLE	▪ SAIL RITES Bengal Wagon Industry Pvt. Ltd. – A Joint Venture Company has been formed with M/s RITES for setting up Wagon Manufacturing Factory at Kulti, West Bengal.
E-PORTAL	TATA TATA STEEL	▪ JV with Tata Steel to promote e-commerce activities in steel and related areas

Abbreviations used

BF	Blast Furnace
SMS	Steel Melting Shop
BOF	Basic Oxygen Furnace
THF	Twin Hearth Furnace
EAF	Electric Arc Furnace
BSP	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

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