

SAIL achieves 21% net sales revenue growth in Q2FY18 over CPLY

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- **SAIL achieves 21% net sales revenue growth in Q2FY18 over CPLY**
- **SAIL earns higher EBITDA in Q2FY18 than entire FY17**
- **Improved product mix helps SAIL to better revenues**

New Delhi, 09th November, 2017: Steel Authority of India Ltd. (SAIL) registered 21% growth in net sales revenue which stood at Rs. 13,442 Crore for the second quarter of FY17-18 (Q2FY18) as against Rs. 11,080 in CPLY. SAIL's emphasis on increasing the share of high value products in its basket has begun to positively influence revenue earnings. SAIL recorded 4% growth in domestic sales in H1FY18 (Apr-Sept'17) with 21% improvement in sales of high value products like Cold Rolled and galvanized products. There has also been a sizeable 30% improvement in sales of railway products during H1 FY18.

Registering positive EBITDA for the sixth consecutive quarter, SAIL achieved EBITDA of Rs. 967 Crore before exceptional expenses in Q2FY18, recording a growth of more than 400% against an EBITDA of Rs. 192 Crore during CPLY, and posting a cash profit pre-depreciation and exceptional items of Rs. 323 Crore in Q2FY18. Notably, the EBITDA for Q2FY18 is higher than of the entire fiscal 16-17. SAIL's EBITDA margin to net sales revenue ratio stands at 7.1% in Q2FY18 as against 1.7% in CPLY, indicating higher efficiencies across the production processes and value chain.

The Company reduced its losses by registering 26% improvement in PAT which stood at Rs (-) 539 Crore in Q2FY18 as against Rs (-) 732 Crore over CPLY. Despite improved sales revenue, earnings were impacted by huge rise in imported coal price, which partially negated the higher accruals. In order to neutralise the rise in input costs, the Company is continually ramping up production from new facilities. Simultaneously, the Company is optimising the utilization of its finishing facilities to increase the high value product offerings for better market realisation. Specific branding of products from the new mills is also one of the steps towards this.

SAIL's operational performance also exhibited good numbers. In Q2FY18, registering the highest ever quarterly saleable steel production at 3.659 Million Tonnes (MT) and surpassing the previous best of 3.626 MT achieved in Q4FY16-17, with growth of 5% over CPLY and 14% over preceding quarter in the current financial year. On the important techno-economic parameters, SAIL achieved the best ever quarterly Coke rate of 459 kg/thm which is lower by 5% over CPLY. Cold Dust Injection (CDI) improved by 33% over CPLY and Blast Furnace (BF) productivity was higher by 4% over CPLY.

Reiterating the need to change product mix to make way for more value added and differentiated products, Chairman, SAIL, Shri PK Singh said, "Our focus on reducing operating cost of assets, prudent finance management, efficient production process and increased share of value added and branded products is beginning to show results. The products from our modernized mills will continue to claim a large share of steel usage in several national infrastructure projects. In line with the Government's strategies for improving infrastructure, SAIL is aiming to supply large quantities of steel in prestigious projects including Sagarmala, upcoming Bharatmala project and railway expansion etc." Shri Singh added, "As part of SAIL's turnaround initiatives, our continuous large group communication exercises across units have helped embed our priorities in the Company's collective psyche, which will keep strengthening SAIL's foundations for profitable growth".

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