

EDUCATIONAL EQUITY RESEARCH REPORT : ELECTION SPECIAL
STEEL AUTHORITY OF INDIA LTD (NSE: SAIL)
(BSE : 500113)

DATE : 9/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON STEEL AUTHORITY OF INDIA IS A STEEL MANUFACTURING ENTERPRISE OWNED AND OPERATED BY THE MINISTRY OF STEEL, GOVERNMENT OF INDIA. SMT SOMA MONDAL IS THE CURRENT CHAIRMAN OF SAIL BEGINNING HER TENURE WITH EFFECT FROM APRIL 2021

ABOUT THE BUSINESS :

STEEL AUTHORITY OF INDIA LIMITED (SAIL) IS A CENTRAL PUBLIC SECTOR UNDERTAKING BASED IN NEW DELHI, INDIA. IT IS UNDER THE OWNERSHIP OF MINISTRY OF STEEL, GOVERNMENT OF INDIA WITH AN ANNUAL TURNOVER OF ₹105,398 CRORE (USD 13 BILLION DOLLARS) FOR THE FISCAL YEAR 2022-2023 . INCORPORATED ON 24TH JANUARY 1973. SAIL HAS 57,139 EMPLOYEES (AS OF 1 DECEMBER 2021). WITH AN ANNUAL PRODUCTION OF 18.92 MILLION METRIC TONS. IT IS THE LARGEST GOVERNMENT OWNED STEEL PRODUCER

PROS

- STOCK IS TRADING AT A PRICE 0.96 TIMES ITS BOOK VALUE
- COMPANY HAS BEEN MAINTAINING A HEALTHY DIVIDEND PAYOUT OF 28.6%
- DEBTOR DAYS HAVE IMPROVED FROM 26.3 TO 18.8 DAYS

CONS

- COMPANY HAS A LOW RETURN ON EQUITY OF 12.6% OVER LAST 3 YEARS .
- CONTINGENT LIABILITIES OF RS.43765 CR
- PROMOTER HOLDING HAS DECREASED OVER 3 YEARS -10%

RESEARCH ANALYST - P.SUNANDINI @ AS RESEARCH TECHNIC



MARKET SNAPSHOTS :

MARKET CAP :	₹53,693 CR
STOCK P/E	15.9
ROCE	5.89%
CURRENT PRICE	₹ 151
BOOK VALUE	₹ 136
ROE	3.57%
HIGH	₹ 150
LOW	₹ 77.60
DIVIDEND YIELD	1.15%
FACE VALUE	₹ 10.00

SHARE HOLDING PATTERN :

PROMOTERS	65
FIIS	4.34
DIIS	15.46
GOVERNMENT	0
PUBLIC	15.2
NO. OF SHAREHOLDERS	1503779

PEER COMPARISON

S.NO	NAME	CMP RS.	P/E	MAR CAP CR.	DIV YLD %	SALES QTR RS CR	ROCE%
1	JSW STEEL	824.8	18.64	201701.04	0.41	41940	8.33
2	TATA STEEL	151.8	97.98	189499.94	2.37	55311	12.63
3	JINDAL STAIN	693.05	20.15	57068.13	0.22	9127	20.77
4	SAIL	130	15.9	53696.83	1.15	23348.64	5.89
5	APL APOLLO TUBES	1518.85	55.19	42151.82	0.33	4177.76	26.9
6	SHYAM METALLICS	599.3	15.66	16728.37	0.3	3315.26	15.01
7	JAI BALAJI INDS	896	24.22	14377.04	0	1538.99	18.28

- SAIL LIKELY TO GET BOOST IF RULING PARTY LEADS THE NEXT ASSEMBLY POLLS
- COMPANY'S DOMESTIC SALES HAVE INCREASED BY 8% AND RETAIL SALES HAVE INCREASED BY 20%.
- UNDER RULING PARTY GOVERNANCE , IT MANAGED TO MANUFACTURE AND SUPPLY IMPORT SUBSTITUTE GRADE STEEL TO THE INDIAN NAVY FOR STRENGTHENING ITS FLEET.
 - AIRCRAFT CARRIER,INS VIKRANT.
 - INDIA'S 6 TH STEEL FRIGATE,INS VINDYAGIRI.
- RULING PARTY'S CONTINUED GOVERNANCE FROM 2019 LED TO UPSWING,DRIVEN BY EXPECTATIONS OF SUSTAINED ECONOMIC REFORMS AND POLICY STABILITY.
- INITIATIVES LIKE 'MAKE IN INDIA ' AND STRATEGIC TAX REFORMS CHARACTERIZED THE DEVELOPMENT OF THE BUSINESS.
- MANY NEW PRODUCTS WERE DEVELOPED OVER THE YEARS .
- ACHIEVED LOWEST COAL/COKE CONSUMPTION AND BEST PRODUCTIVITY IN FY23.
- COMMITMENT TO SUSTAINABLE OPERATIONS WERE DEMONSTRATED .
- SPECIFIC CARBON EMISSIONS CURBED .
- PIONEERING PROJECTS TOWARDS 'ZERO LIQUID DISCHARGE'.
- ECO- RESTORATION AND OVER 21 MILLION SAPLING PLANTED AROUND OPERATIONAL AREAS.
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PIVOT TABLE

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
28-03-2024	134.25	129.2	131.15	132.7	134.7	136.25	138.25	139.8	133.65
27-03-2024	134.25	127.6	129.28	131.46	133.18	135.36	137.08	137.54	130.6
26-03-2024	134.25	124.3	126.33	128.46	130.48	132.61	134.63	134.74	130
22-03-2024	130	120.9	123.53	132.1	129.43	132.66	135.33	135.89	129
21-03-2024	130	121.5	124.27	126.64	129.37	131.74	134.47	134.11	123.65
20-03-2024	130	115.1	117.55	120.6	123.1	126.15	128.65	129.2	122.55

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.