CHAPTER – III

SAIL: A BRIEF PROFILE

Steel Authority of India Limited (SAIL) is the leading steel making company in India. “SAIL was ranked the 17th largest steel producer in the world in 2005”\(^1\). The company was also featured in the 2005 list of Forbes Global 2000 Companies at position 764\(^2\).

SAIL was incorporated on January 24, 1973 with an authorized capital of Rs. 2000 crore\(^3\). The company was established as a holding company for managing the following six companies which were engaged in the business of minerals and metals.

- Hindustan Steel Limited (comprising Bhilai, Rourkela, Durgapur and Alloy Steel Plants).
- Bokaro Steels Limited.
- Salem Steels Limited.
- Hindustan Steelworks Construction Limited.
- Bharat Coking Coal Limited.
- National Mineral Development Corporation Limited.
In 1978, the steel making subsidiaries were dissolved and merged into SAIL while others were spun off as independent companies.

In 1992, SAIL was one of the first public sector undertakings Government took up for disinvestment, SAIL’s stocks were listed on major Indian Stock Exchanges after the first round of disinvestment. In March 1996, the company completed a USD 125 million GDR offering and got listed on the London Stock Exchange.

SAIL has five integrated steel plants which have a combined capacity of 11 million tonnes of crude steel. The company has also three special steel plants and one subsidiary.

**Integrated Steel Plants**

- Bhilai Steel Plant (BSP) in Chhattisgarh.
- Durgapur Steel Plant (DSP) in West Bengal.
- Rourkela Steel Plant (RSP) in Orissa.
- Bokaro Steel Plant (BSL) in Jharkhand.
- IISCO Steel Plant (ISP) in West Bengal

**Special Steel Plants**

- Alloy Steels Plant (ASP) at Durgapur, West Bengal.
• Stainless Steel Plant (SSP) at Salem, Tamil Nadu.
• Visvesvaraya Iron & Steel Limited (VISL) at Bhadravati, Karnataka.

Subsidiary

• Maharashtra Electrosmelt Limited (MEL) at Chandrapur, Maharashtra.

The Indian Iron & Steel Company Limited (IISCO) an erstwhile wholly owned subsidiary company was amalgamated with SAIL with effect from April 1, 2005.

SAIL has 9 iron ore mines, 5 limestone mines, 3 dolomite mines and 3 coal mines. SAIL also has about 700 Megawatts of captive power capacity spread across the integrated steel plants. The company is one of the largest users of coking coal and railway transportation in the country.

SAIL produces both types of steel products flat as well as long. In addition to steel, SAIL also produces certain fertilizers and chemicals such as Calcium Ammonium Nitrate, Ammonium Sulphate etc. These products are marketed and distributed through its wide area network of 42 Branch Sales
Offices, 54 Departmental Stockyards and Consignment Agencies spread throughout India.

The company has a global presence. It has been in the export market for two decades and is currently exporting to around twenty foreign destinations. A major portion of export consists of plates which are exported to Japan, USA and Europe. The remaining export consists mainly of Billets and Slabs exported to South East Asia.

However, SAIL’s main business arena is domestic market which provides about 92 percent to 97 percent of the company’s total sales turnover. The company has around 26 percent market share in the country.

Over the last so many years, SAIL has not only built up steel but has also established 39 primary health centres, 18 reproductive and child health centres and 19 hospitals including 4 superspeciality hospitals providing specialized health care to over 2 million people every year. The company has opened 150 schools in steel townships, employing more than 6000 teachers and providing education to about 1,22,000 children.
SAIL has well planned sports policy as well, with an accent on nurturing young talents through four specialized academies promoting Athletics, Hockey, Football and Cricket. SAIL sponsors several sporting tournaments at the national and international levels to promote sports in the country.

SHAREHOLDING PATTERN

(As on 31.03.2006)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Equity shares held</th>
<th>Number of holders</th>
<th>Amount (Rs. in crore)</th>
<th>% of Equity</th>
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<td>3544.69</td>
<td>85.82</td>
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<td>195.23</td>
<td>4.73</td>
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<td>Banks</td>
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<td>1.15</td>
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<td>Mutual Funds</td>
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<td>Foreign Institutional Investors (FII’s)</td>
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<tr>
<td>Global Depository Receipts (GDRs)</td>
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<td>Companies (including Trusts &amp; Clearing Members)</td>
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<td>3154</td>
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<td>1.05</td>
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<td>Individuals (Including Employees &amp; NRIs)</td>
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<td>221437</td>
<td>128.68</td>
<td>3.11</td>
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<tr>
<td>Total</td>
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<td>4130.40</td>
<td>100.00</td>
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</table>

Source: Annual Report, 2005-06.
Board of Directors

- Mr. S.K. Roongta, Chairman
- Mr. G.C. Daga, Functional Director (Finance)
- Mr. K.K. Khanna, Functional Director (Technical)
- Mr. G. Ojha, Functional Director (Personnel)
- Mr. Nilotpal Roy, Managing Director (IISCO Steel Plant)
- Mr. V. Shyamsundar, Managing Director (Durgapur Steel Plant)
- Mr. B.N. Singh, Managing Director (Rourkela Steel Plant)
- Mr. V.K. Srivastava, Managing Director (Bokaro Steel Plant)
- Mr. A.K. Rath, Government Director (Additional Secretary & Financial Adviser, Ministry of Steel, Govt. of India)
- Mr. G. Elias, Government Director (Joint Secretary, Ministry of Steel, Government of India).
REFERENCES


2. www.wikipedia.org

3. www.sail.co.in

4. www.iimahd.ernet.in

5. Ibid