

STEEL AUTHORITY OF INDIA LIMITED



Performance Highlights

Q4 & FY 2017-18



PERFORMANCE HIGHLIGHTS : FY2017-18

FINANCIAL PERFORMANCE

- ❖ Net Sales : Rs 56893 Crore
- ❖ EBITDA : Rs 5184 Crore
- ❖ PBT : Rs (-) 759 Crore
- ❖ PAT : Rs (-) 482 Crore

PRODUCTION & SALES PERFORMANCE

- ❖ Hot Metal Production : 15.983 MT
- ❖ Crude Steel Production : 15.021 MT
- ❖ Saleable Steel Production : 14.071 MT
- ❖ Semis component in production : 18.54% of saleable steel
- ❖ Value Added Production : 6.289 MT
- ❖ Production through concast route : 12.796 MT
- ❖ Saleable Steel Sales : 14.081 MT

PERFORMANCE HIGHLIGHTS : Q4 FY2017-18



FINANCIAL PERFORMANCE

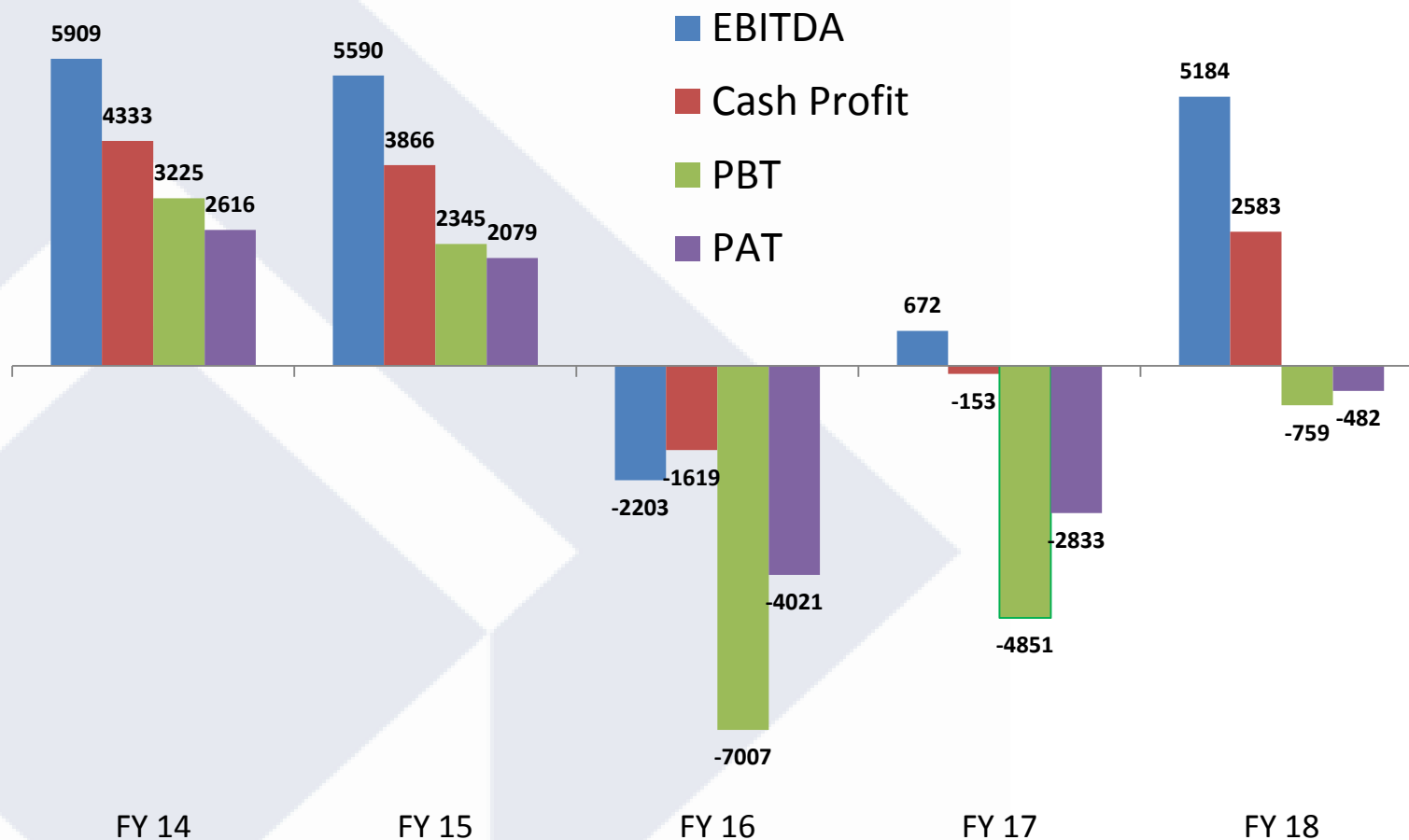
- ❖ Net Sales : Rs 16811 Crore
- ❖ EBITDA : Rs 2625 Crore
- ❖ PBT : Rs 1186 Crore
- ❖ PAT : Rs 816 Crore

PRODUCTION & SALES PERFORMANCE

- ❖ Hot Metal Production : 4.238 MT
- ❖ Crude Steel Production : 4.004 MT
- ❖ Saleable Steel Production : 3.610 MT
- ❖ Semis component in production : 17.40% of saleable steel
- ❖ Value Added Production : 1.655 MT
- ❖ Production through concast route : 3.406 MT
- ❖ Saleable Steel Sales : 3.738 MT

FINANCIAL PERFORMANCE

Annual Profit Trend

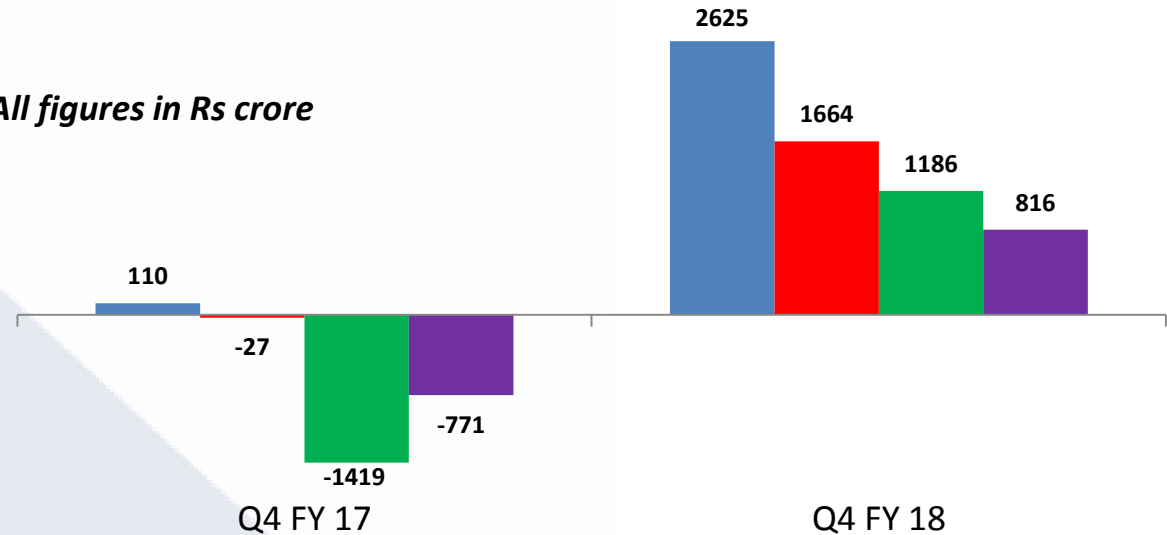


All figures in Rs crore

FINANCIAL PERFORMANCE

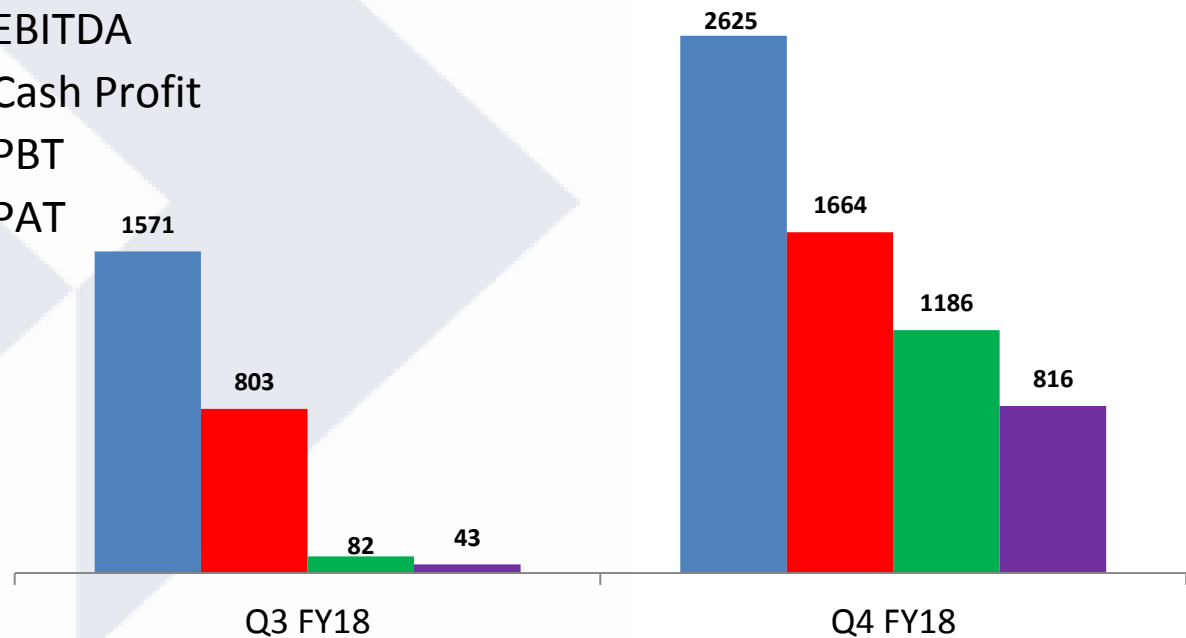
Quarterly Performance Q4 FY 18 vs Q4 FY 17

All figures in Rs crore

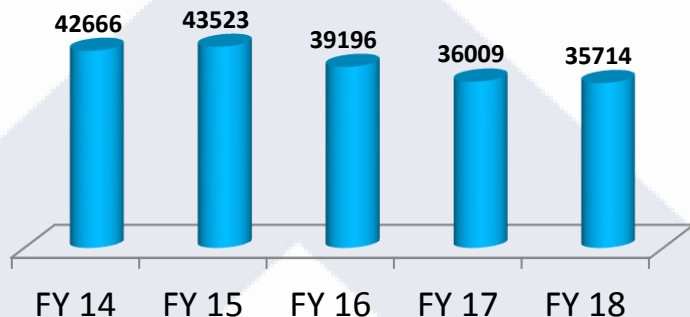


Quarterly Performance Q4 FY 18 vs Q3 FY 18

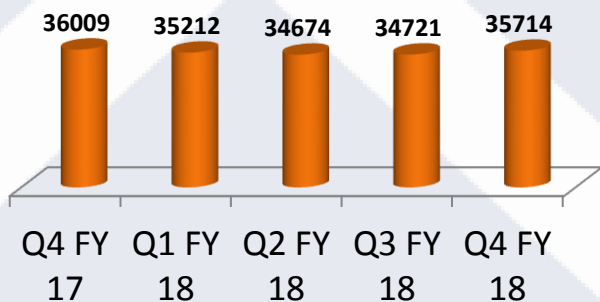
■ EBITDA
■ Cash Profit
■ PBT
■ PAT



Annual Net Worth

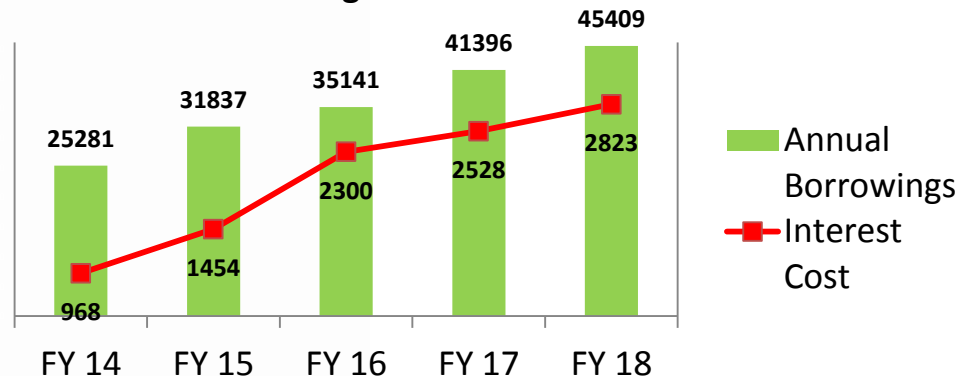


Quarterly Net Worth

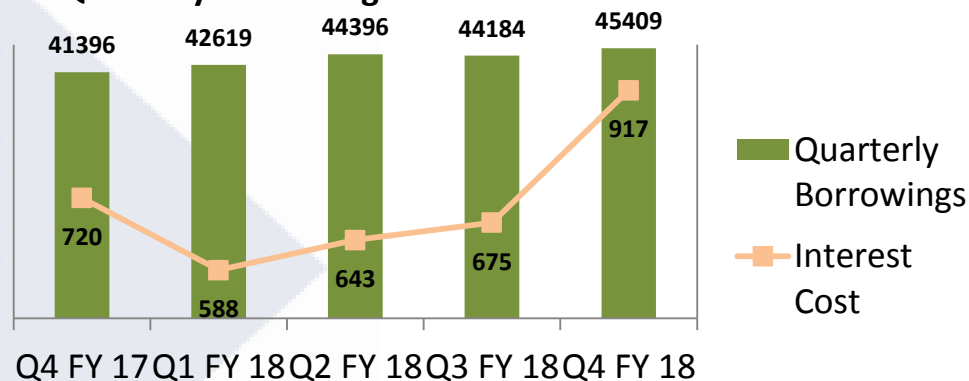


All figures in Rs. crore

Annual Borrowings & Interest cost



Quarterly Borrowings & Interest cost



Debt Equity Ratio

| 31/03/15 | 31/03/16 | 31/03/17 | 31/12/17 | 31/03/18 |
|----------|----------|----------|----------|----------|
| 0.73 | 0.90 | 1.15 | 1.27 | 1.27 |

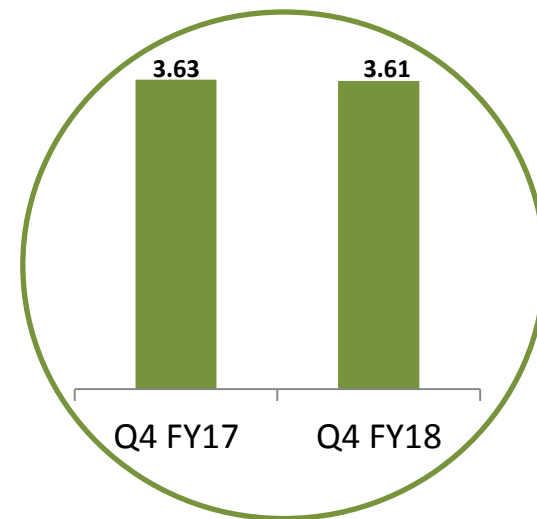
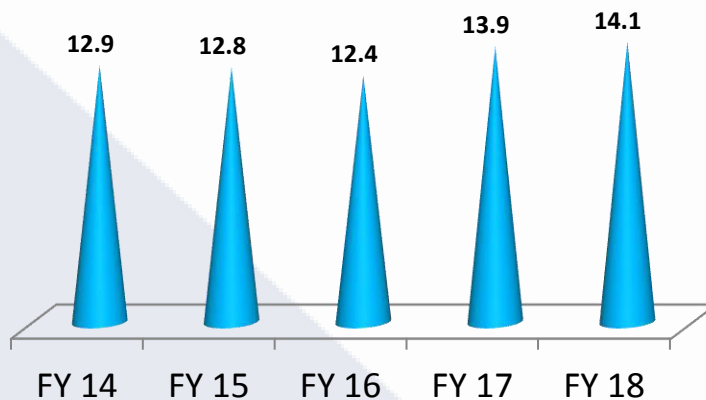
FINANCIAL PERFORMANCE

| Rs. Crore (INDAS Compliant figures) | FY 18 | FY 17 | Q4 FY 18 | Q3 FY 18 | Q4 FY 17 |
|--|--------------|--------------|-----------------|-----------------|-----------------|
| | | | | | |
| Net Sales | 56893 | 43866 | 16811 | 15193 | 12535 |
| EBITDA | 5184 | 672 | 2625 | 1571 | 110 |
| Depreciation | 3065 | 2680 | 848 | 760 | 744 |
| Finance Cost | 2823 | 2528 | 917 | 675 | 720 |
| PBT Before Exceptional Items | -703 | -4536 | 859 | 137 | -1354 |
| Exceptional/Abnormal Items (VRS/Suspended Operations) | 56 | 315 | -327 | 54 | 65 |
| PBT After Exceptional Items | -759 | -4851 | 1186 | 82 | -1419 |
| Tax | -277 | -2018 | 370 | 39 | -648 |
| Profit After Tax | -482 | -2833 | 816 | 43 | -771 |

PRODUCTION PERFORMANCE

All figures In Million Tonne

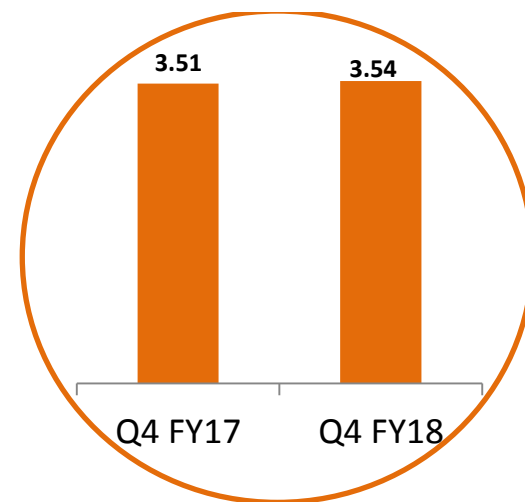
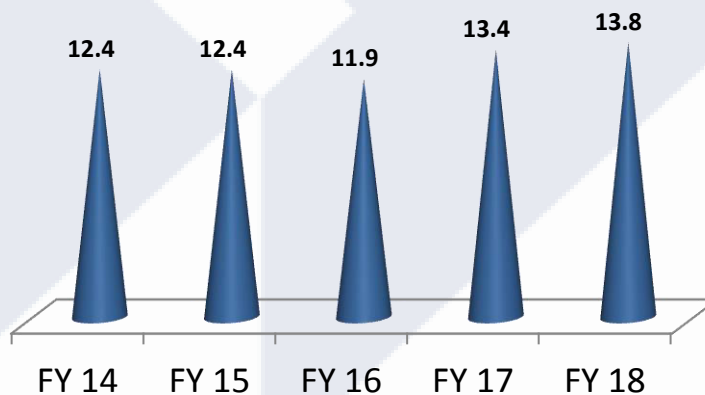
SALEABLE STEEL PRODUCTION (incl. SSPs)



Annual

Quarter

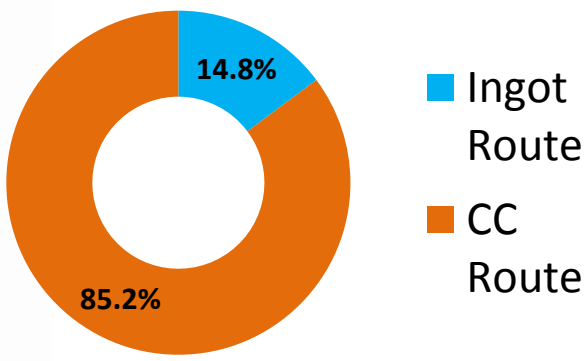
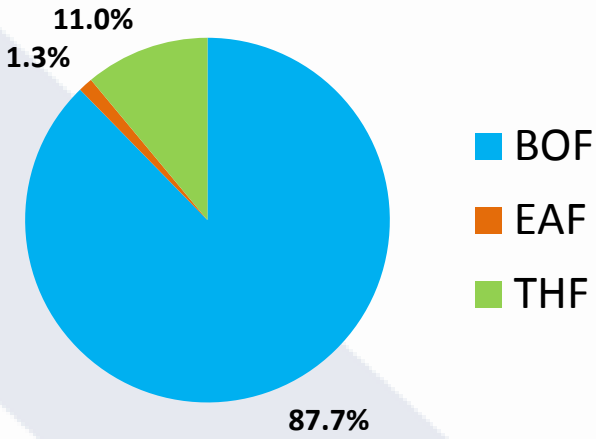
SALEABLE STEEL PRODUCTION (5 ISPs)



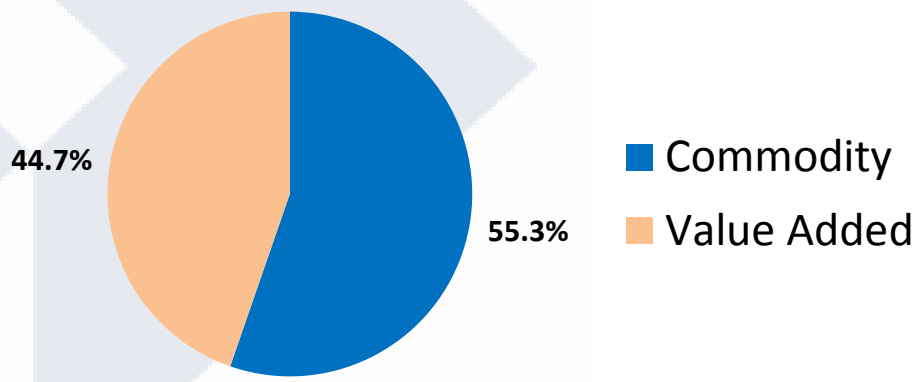
PRODUCTION PERFORMANCE : FY18



CRUDE STEEL PRODUCTION BY PROCESS

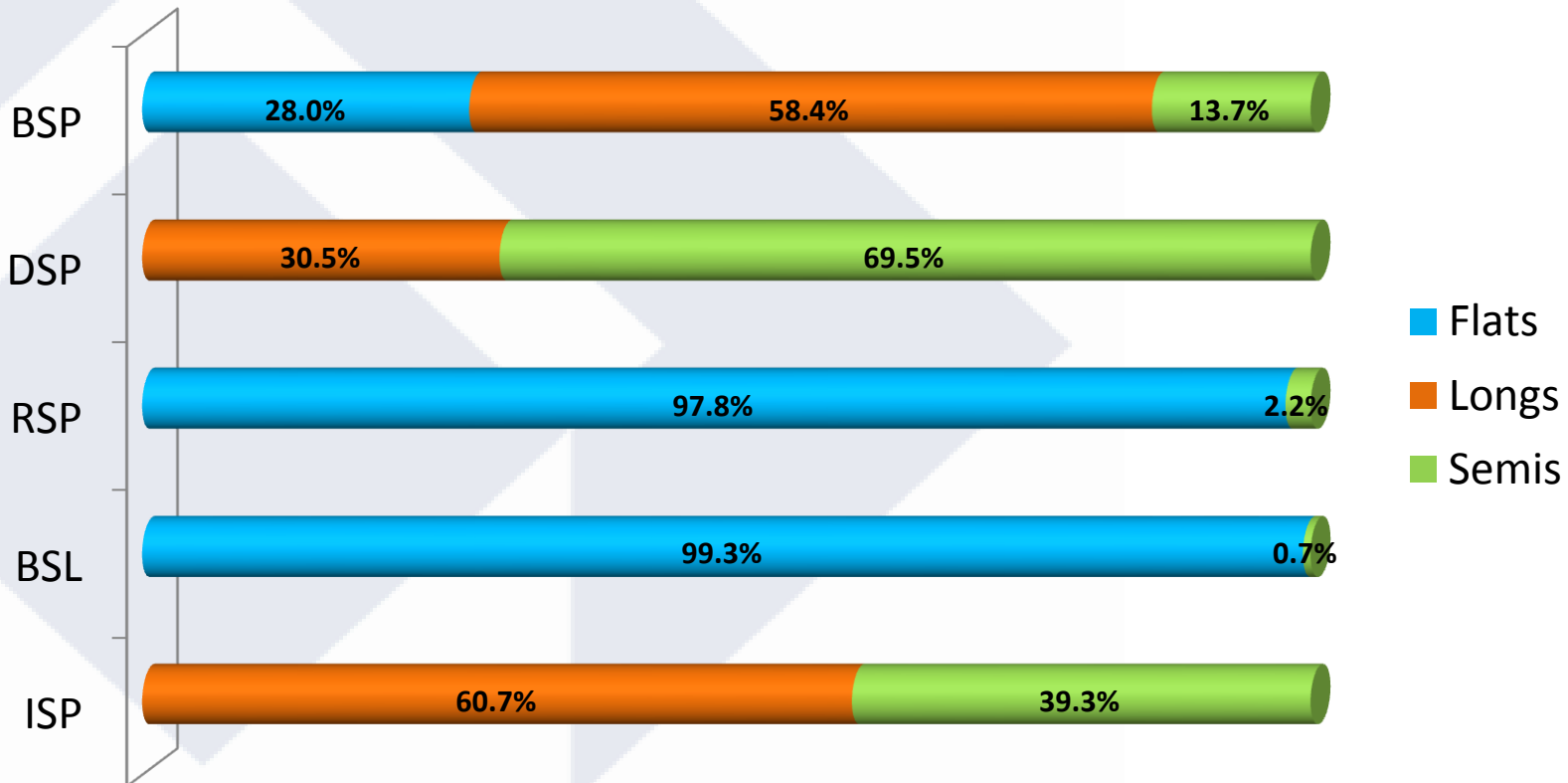
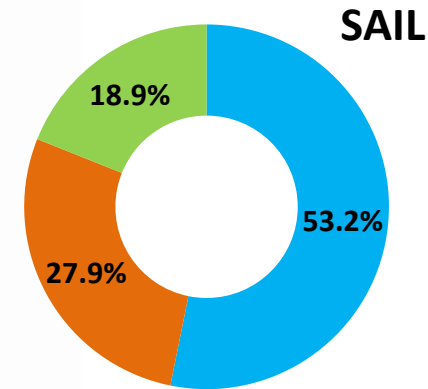


SALEABLE STEEL PRODUCTION BY PROCESS



PRODUCTION PERFORMANCE : FY 2017-18

PRODUCT MIX : 5 ISPs



PRODUCTION PERFORMANCE

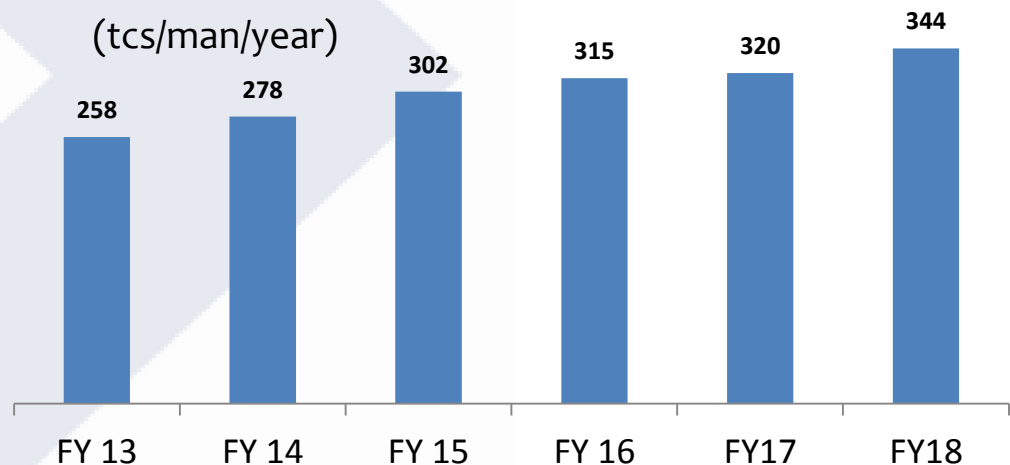
MAJOR TECHNO-ECONOMIC PARAMETERS

| Parameter | FY 17-18 | FY 16-17 |
|---|-------------|-------------|
| Coke Rate (kg/thm) | 456 | 473 |
| Fuel Rate (kg/thm) | 555 | 559 |
| Specific Energy Consumption (GCal/TCS) | 6.49 | 6.60 |
| BF Productivity (T/m ³ /day) | 1.70 | 1.67 |

MANPOWER & LABOUR PRODUCTIVITY

Total manpower as on
01.04.2018: **76,870**

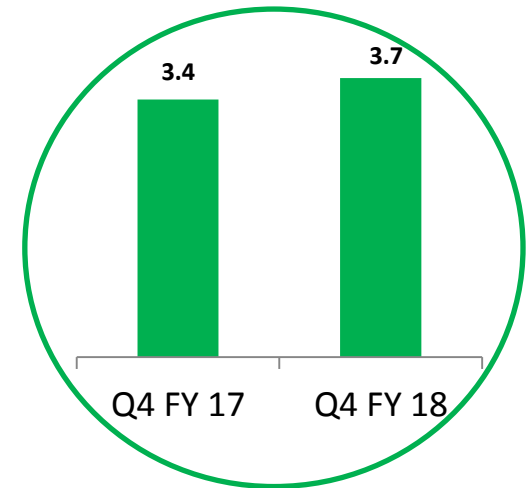
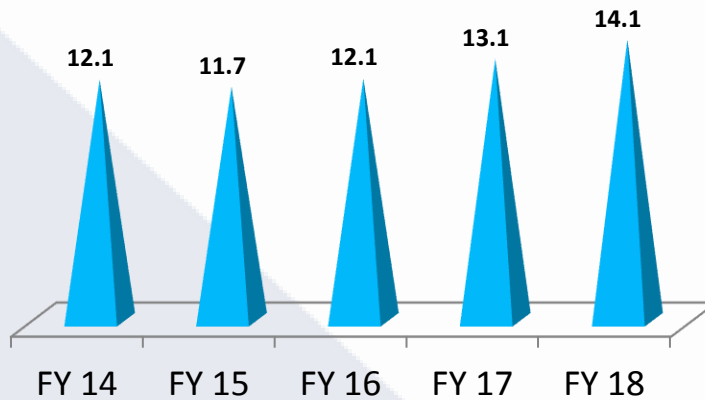
LABOUR PRODUCTIVITY (tcs/man/year)



SALES PERFORMANCE

All figures In Million Tonne

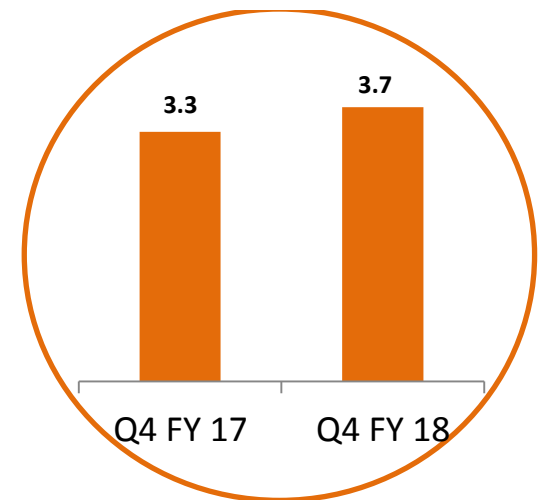
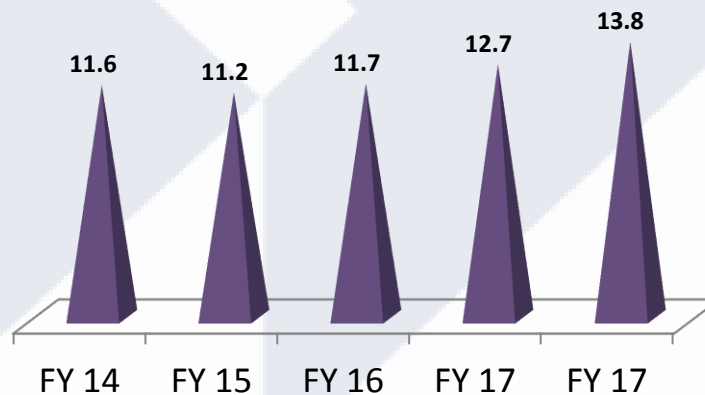
TOTAL SALES (incl. SSPs)



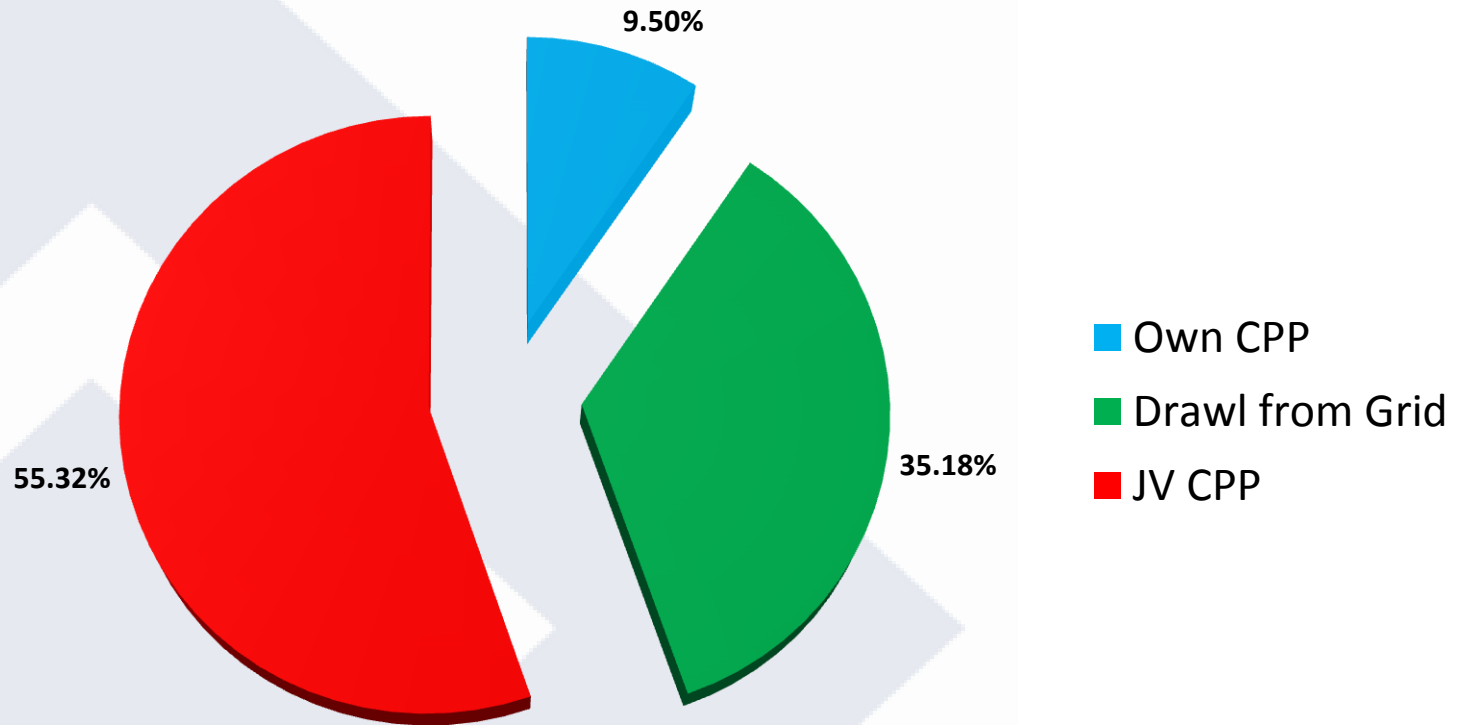
Annual

Quarterly

SALES OF 5 ISPs



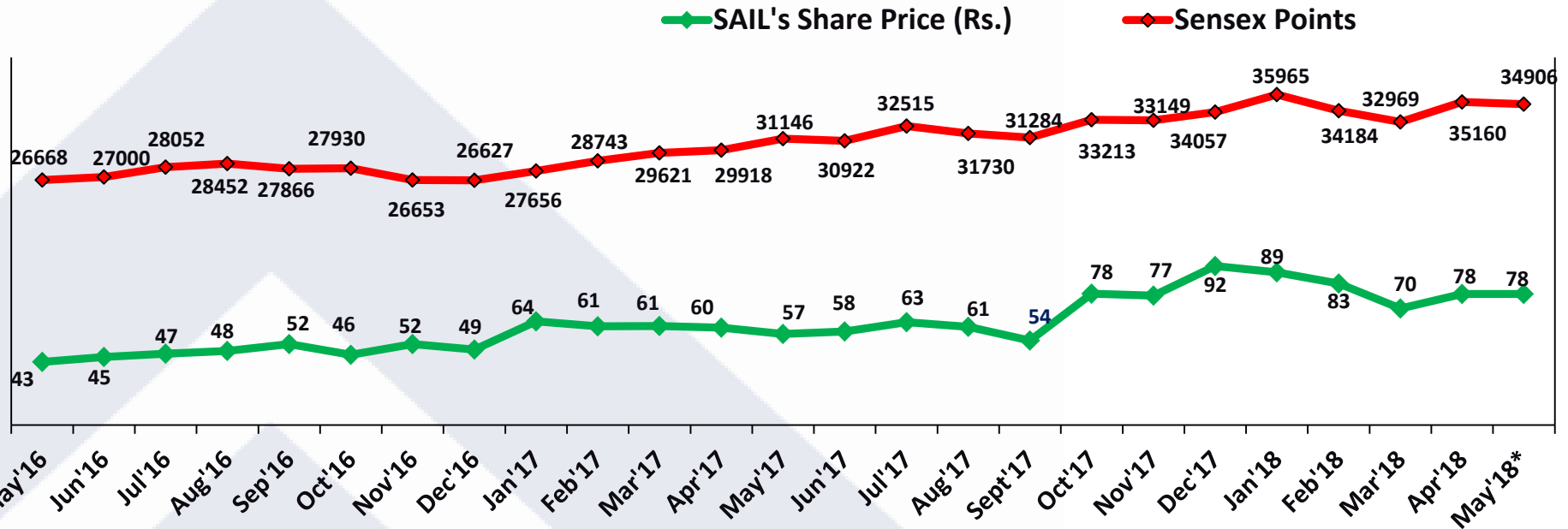
POWER CONSUMPTION – FY 2017-18



SAIL STOCK PRICE MOVEMENT



सेल SAIL



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

* As on May 30, 2018

DIVIDEND PAYOUT

| | Interim (%) | Final (%) | Total (%) | Dividend (Rs. crore) | Dividend Tax (Rs. crore) |
|-------|-------------|-----------|-----------|----------------------|--------------------------|
| FY 18 | - | - | - | - | - |
| FY 17 | - | - | - | - | - |
| FY16 | - | - | - | - | - |
| FY15 | 17.5 | 2.5 | 20 | 826 | 165 |
| FY14 | 20.2 | - | 20.2 | 834 | 142 |
| FY13 | 16 | 4 | 20 | 826 | 134 |

SAIL's MODERNISATION & EXPANSION PLAN

| Million Tonne | Actual Production 2017-18 | Capacity After On-going Expansion |
|----------------|------------------------------|--------------------------------------|
| Crude Steel | 15.021 | 21.4 |
| Saleable Steel | 14.071 | 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

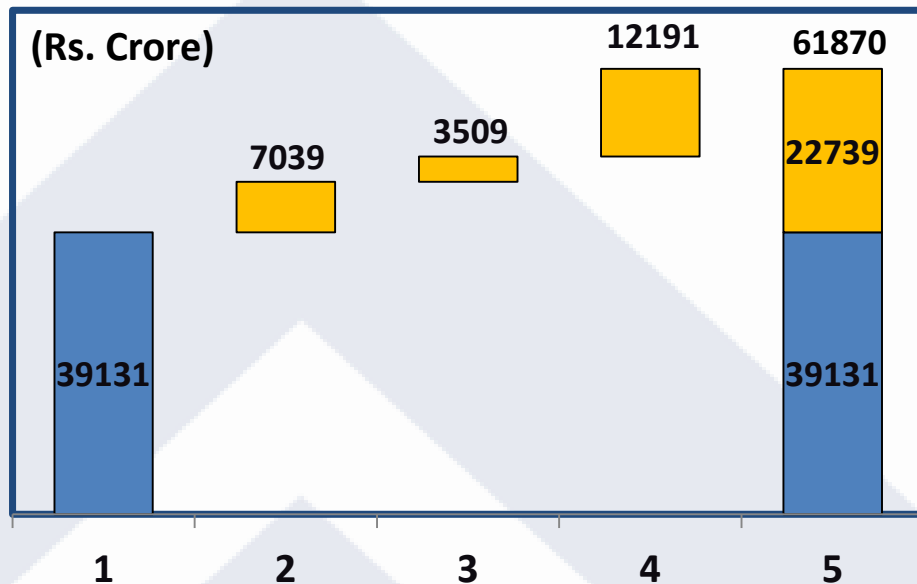
EXPECTED OUTCOME

- 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 m³ Blast Furnaces and one Blast Furnace of 4160 m³.
- 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)



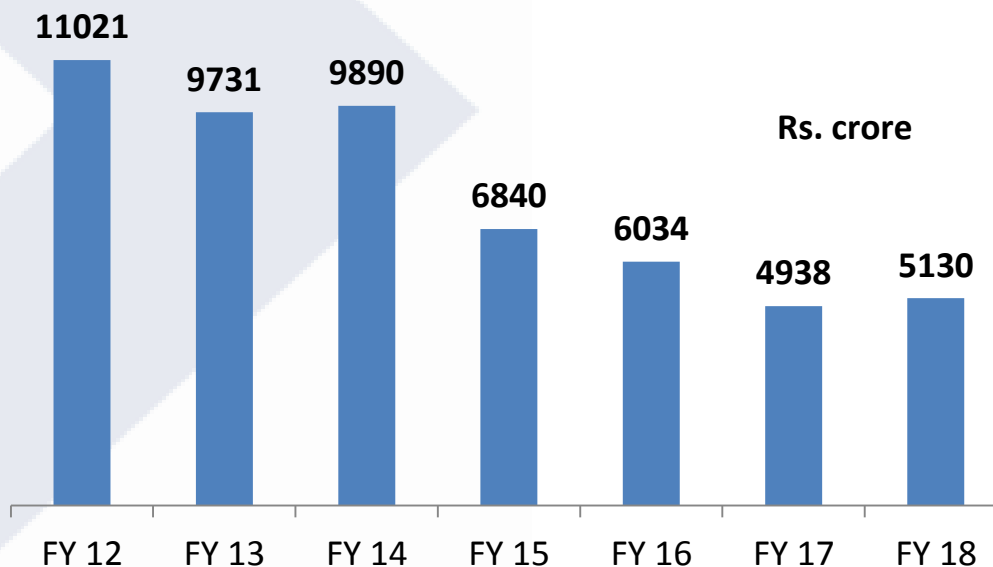
- 1 Expansion of existing capacity
- 2 Value-addition / Product-mix improvement
- 3 Technological up gradation / Modernization
- 4 Sustenance including de-bottlenecking, AMR & Environment
- 5 Total Estimated Cost

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 was Rs.4700 Crore (including expenditure towards Capital Repairs and Spares needed to be capitalised under Ind AS).
Capex Plan for FY19 is Rs.4000 Crore

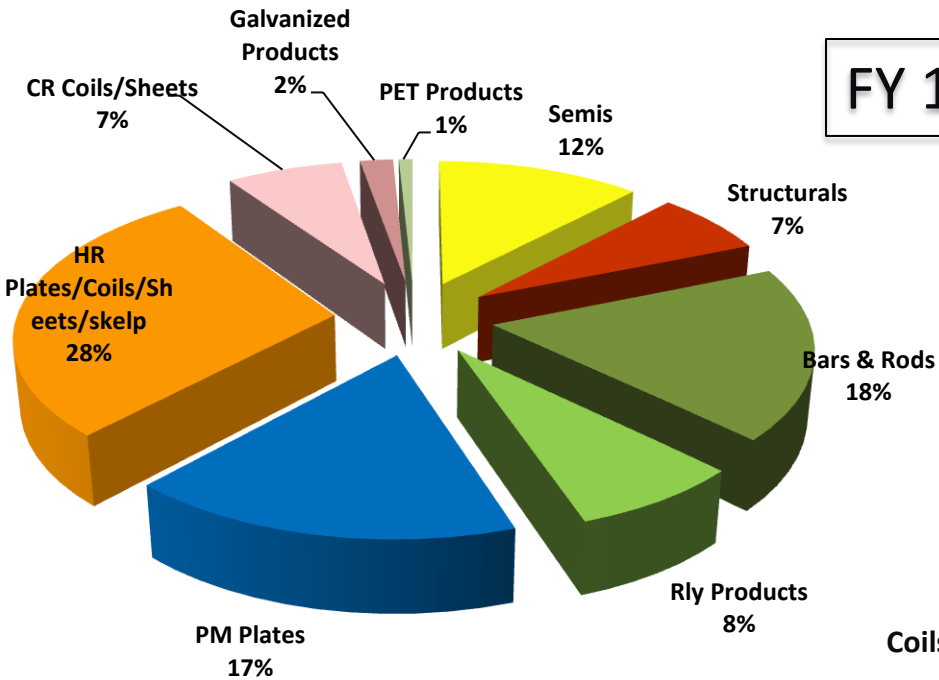


CAPACITY AFTER EXPANSION

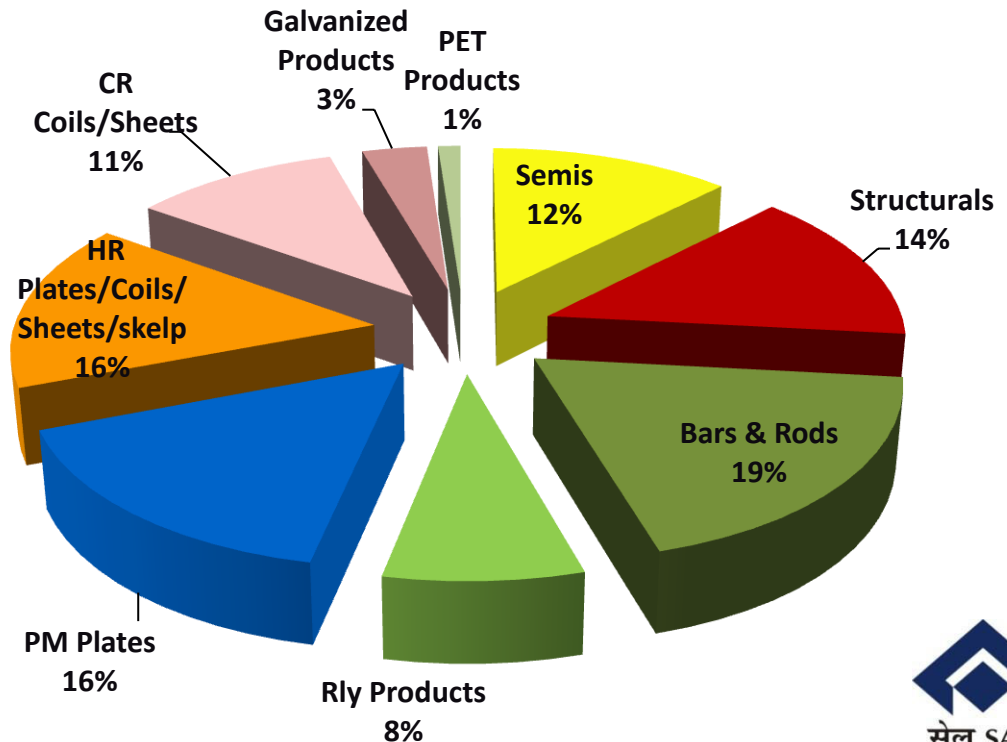
| Plant | Hot Metal (MTPA) | | Crude Steel (MTPA) | | Saleable Steel (MTPA) | |
|--------------|------------------|-----------------|--------------------|-----------------|-----------------------|-----------------|
| | 2017-18 | After Expansion | 2017-18 | After Expansion | 2017-18 | After Expansion |
| BSP | 4.28 | 7.5 | 4.07 | 7.0 | 3.69 | 6.6 |
| DSP | 2.28 | 2.5 | 2.04 | 2.2 | 1.95 | 2.1 |
| RSP | 3.32 | 4.5 | 3.22 | 4.2 | 2.94 | 4.0 |
| BSL | 4.05 | 5.8 | 3.69 | 4.6 | 3.50 | 4.2 |
| ISP | 2.06 | 2.9 | 1.80 | 2.5 | 1.69 | 2.4 |
| VISL | 0.00 | 0.3 | 0.00 | 0.2 | 0.01 | 0.2 |
| ASP | - | - | 0.10 | 0.5 | 0.09 | 0.4 |
| SSP | - | - | 0.10 | 0.2 | 0.20 | 0.3 |
| TOTAL | 15.98 | 23.5 | 15.02 | 21.4 | 14.07 | 20.2 |

PRODUCT MIX POST EXPANSION – SALEABLE STEEL

FY 18



Post
Ongoing Expansion



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 | 2017-18 (Actual) | After Expansion |
|----------------|------------------|-----------------|
| Crude Steel | 0.10 | 0.18 |
| Saleable Steel | 0.20 | 0.34 |

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 m²)
- 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)

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 | 2017 -18 (Actual) | After Expansion |
|----------------|-------------------|-----------------|
| Crude Steel | 1.80 | 2.50 |
| Saleable Steel | 1.69 | 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.

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 | 2017-18 (Actual) | After Expansion |
|----------------|------------------|-----------------|
| Crude Steel | 3.69 | 4.61 |
| Saleable Steel | 3.50 | 4.18 |

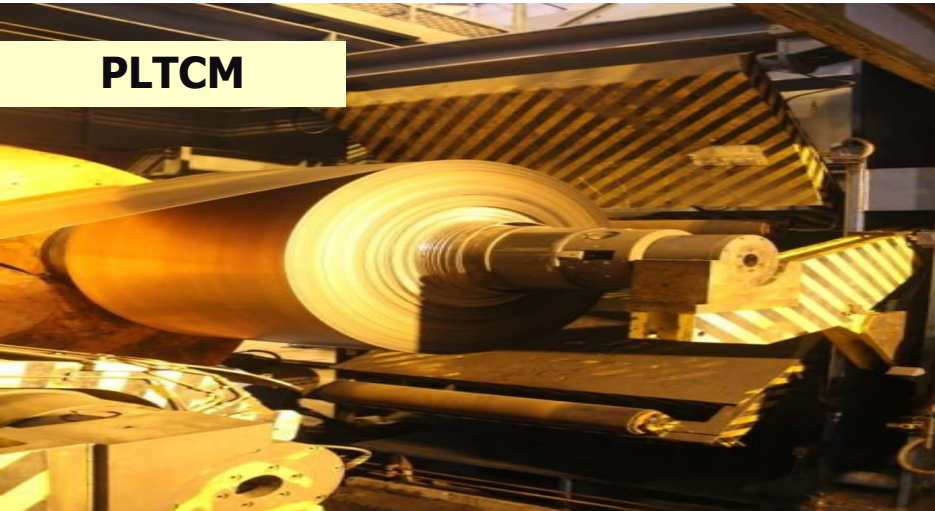
Current Progress of Expansion at Bokaro Steel Plant



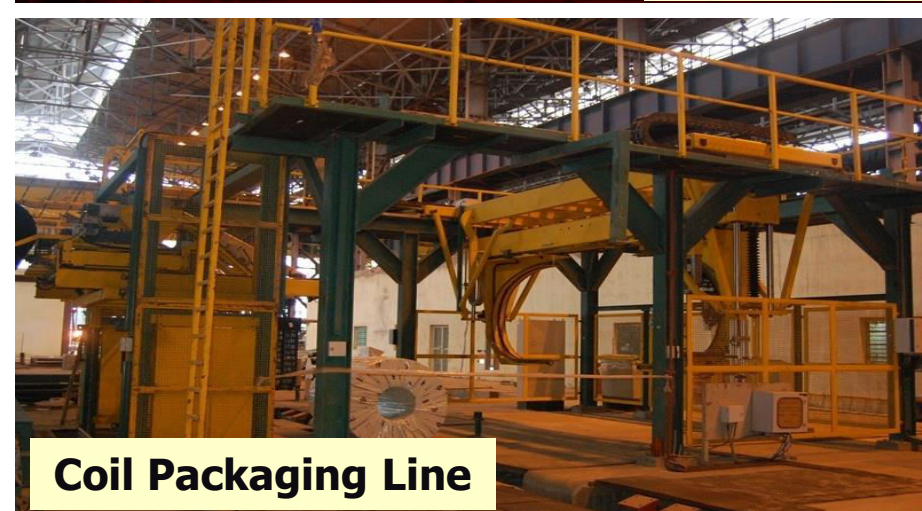
**Coke Oven
battery-2**



**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) and Rail Welding Line
- Bar Line of Bar and Rod Mill (0.9 MTPA)
- Blast Furnace 4060 m3 (2.8 Mtpa)
- New Steel Melting Shop (SMS-3) with Converter-1 and New Billet Casters (2x6).

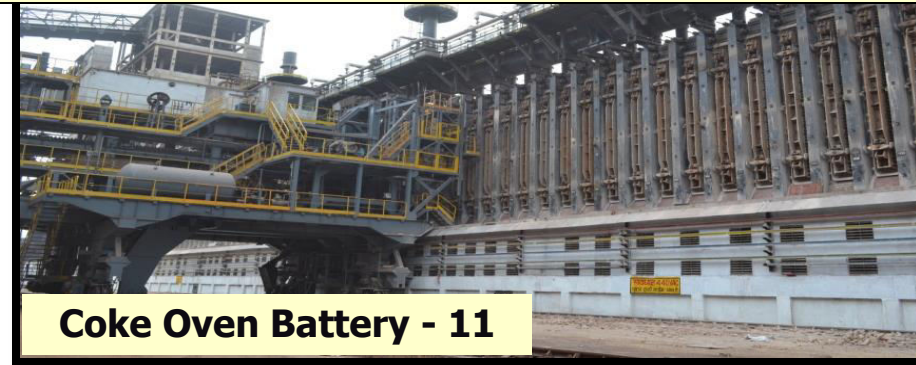
Facilities Likely to be Completed During FY 18-19:

- New Steel Melting Shop (SMS-3; 4.13 MTPA) with Convertors – 2 & 3, New Billet-cum-Bloom Caster (1X6) and Secondary Refining Units.
- Wire Rod Line (Lateral Line) of Bar and Rod Mill

Production (MTPA) :

| Item | 2017 -18 (Actual) | After Expansion |
|----------------|-------------------|-----------------|
| Crude Steel | 4.07 | 7.0 |
| Saleable Steel | 3.69 | 6.56 |

Current Progress of Expansion at Bhilai Steel Plant



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 360m²)
- New Blast Furnace -5, useful volume - 4060 m³
- 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 | 2017-18 (Actual) | After Expansion |
|----------------|------------------|-----------------|
| Crude Steel | 3.22 | 4.20 |
| Saleable Steel | 2.94 | 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)

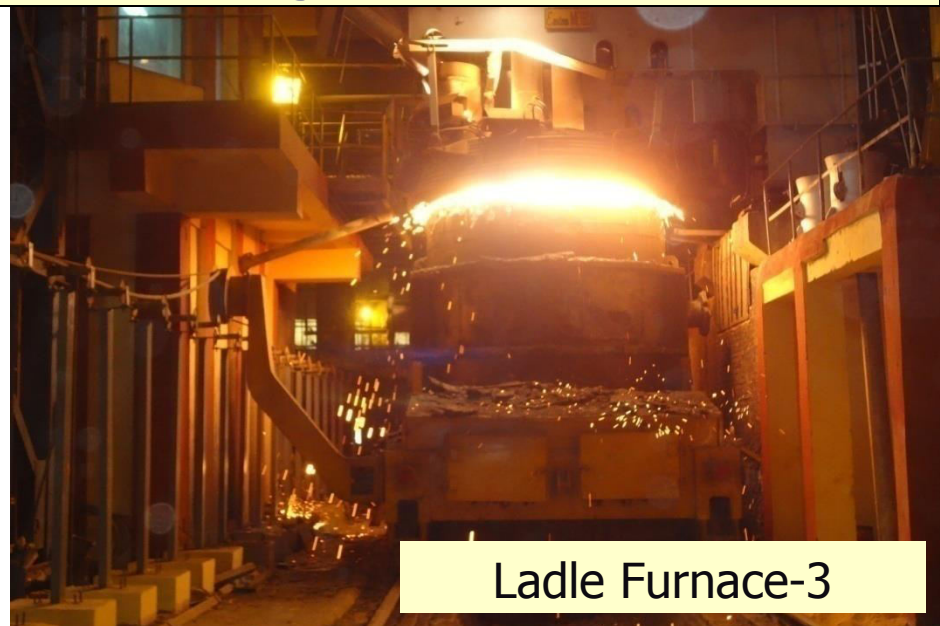
Production (MTPA) :

| Item | 2017-18 (Actual) | After Expansion |
|----------------|------------------|-----------------|
| Crude Steel | 2.04 | 2.20 |
| Saleable Steel | 1.95 | 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 |
|----------------|------------------|-----------------------------|---|
| 2017-18 | 15.983 | 25.87 | Existing Mines |
| Post Expansion | 23.46 | 39 | <p>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</p> <p>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</p> <p>In addition to the above, new mechanised Iron Ore Mines are being developed at Rowghat, Chiria and Taldih</p> |

RAW MATERIALS – Iron Ore

| Mine | Existing Capacity* (mtpa) | Capacity* after ongoing expansion (mtpa) | Remarks |
|-----------------------|---------------------------|--|--|
| Kiriburu | 5.50 | 5.50 | <ul style="list-style-type: none"> 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. |
| 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 | **Depleted resources and quality constraints <ul style="list-style-type: none"> New Pellet Plants shall use the existing reserve of fines incl. dumps & slimes at captive mines |
| Barsua, Kalta, Taldih | 6.00 | 6.50 | <ul style="list-style-type: none"> 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. Consequent to the order by the Hon'ble Supreme Court dated 11.05.2018 and grant of subsequent clearances by the Government of Odisha, production at Barsua mine resumed on 20.05.2018. |
| Rowghat | New | 12.00 | All statutory clearances have been received. MDO has been engaged and LOA issued to MDO on 1 st August 2017. MSA signed on 25.09.2017 for a period of 30 years. |
| Chiria | 0.75 | 5.80 | 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 |
|----------------|------------------|--------------------------------|--|
| 2017-18 | 15.983 | 15.392 | <ul style="list-style-type: none"> • Import Component – 86% • Over 70% of imported coal is sourced from Australia. • Indigenous: 13% • Domestic coal is largely sourced from Coal India Ltd. • SAIL has existing captive clean coking coal production of nearly 0.7 mtpa, During 2017-18, production was 0.66 mt. |
| Post Expansion | 23.46 | 19.5 | <ul style="list-style-type: none"> • 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) • New linkages / acquisitions are being explored. • Request has been made to Ministry of Coal for allocation of new potential coking coal blocks in line with recommendations of NITI Aayog. |



MAJOR JOINT VENTURES

| FOCUS AREA | ALLIANCE PARTNER | REMARKS |
|---|---|--|
| STEEL |   | <ul style="list-style-type: none"> 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 |    | <ul style="list-style-type: none"> 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 |   | <ul style="list-style-type: none"> 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 |  | <ul style="list-style-type: none"> 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 |       | <ul style="list-style-type: none"> 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 |  | <ul style="list-style-type: none"> 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 |  | <ul style="list-style-type: none">▪ 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 |  | <ul style="list-style-type: none">▪ JV with Tata Steel to promote e-commerce activities in steel and related areas |

Abbreviations used

| | | | | | |
|---|-----------|--|---|--------|---|
| • | BF | Blast Furnace | • | FOB | Freight On Board |
| • | SMS | Steel Melting Shop | • | JPC | Joint Plant Committee |
| • | BOF | Basic Oxygen Furnace | • | Kg/thm | Kilo Gram Per Tonne of Hot Metal |
| • | THF | Twin Hearth Furnace | • | Tpd | Tonnes Per Day |
| • | EAF | Electric Arc Furnace | • | MT | Million Tonne |
| • | BSP | Bhilai Steel Plant | • | Mtpa | Million Tonne Per Annum |
| • | DSP | Durgapur Steel Plant | • | EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortization. |
| • | RSP | Rourkela Steel Plant | • | PAT | Profit After Tax |
| • | BSL | Bokaro Steel Limited | • | PBT | Profit Before Tax |
| • | SSP | Salem Steel Plant | • | RINL | Rashtriya Ispat Nigam Limited |
| • | VISL | Visvesvaraya Iron & Steel Plant | • | CS | Crude Steel |
| • | ASP | Alloy Steels Plant | • | CDI | Coal Dust Injection |
| • | CPLY | Corresponding Period Last Year | • | CC | Continuous Casting |
| • | G.Cal/tcs | Giga Calories per tonne of Crude Steel | • | BOO | Build-Own-Operate |
| • | ISP | Integrated Steel Plant | • | Gol | Government of India |
| • | HDGL | Hot Dip Galvanizing Line | • | MOEF | Ministry of Environment & Forests |
| • | CR | Cold Rolled | | | |
| • | HR | Hot Rolled | | | |

Disclaimer

Statements / Data which do not relate to SAIL and are used / made in this presentation are from sources which are considered reliable and Company cannot be held for its authenticity.

Further, statements describing the Company's projections, estimates, expectations are “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed depending on the circumstances / situations.

Major factors that could affect the Company's operations include, among others, economic conditions affecting demand / supply and prices in the domestic and global markets in which the Company operates, changes in Government regulations, tax laws and other statutes, etc.