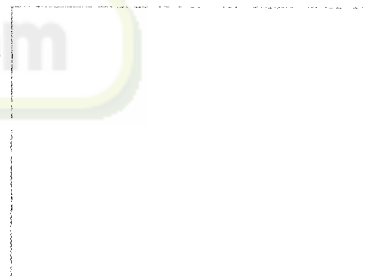
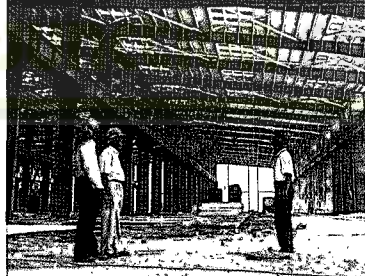
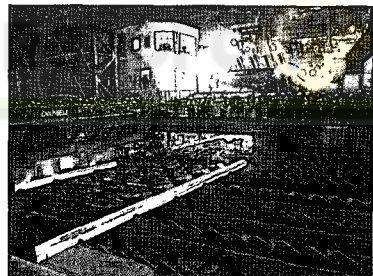
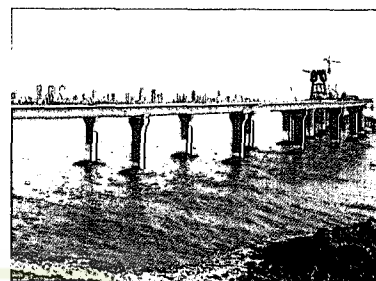
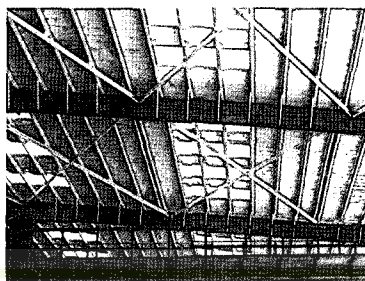
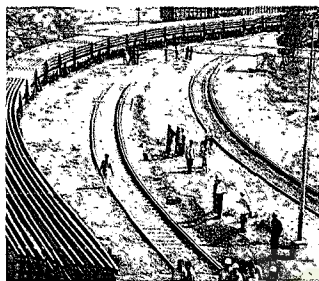


ANNUAL REPORT 2006-07

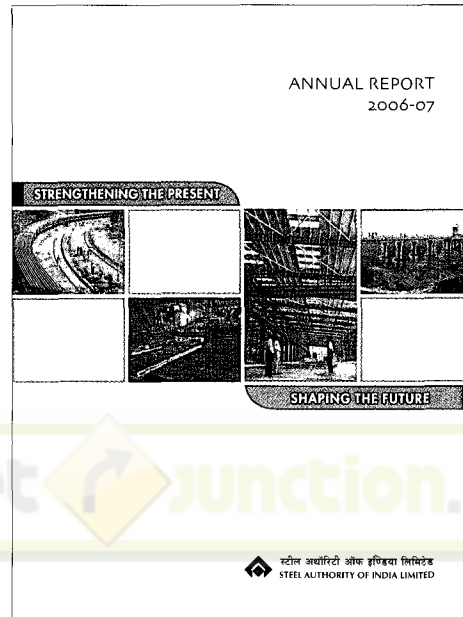
STRENGTHENING THE PRESENT



SHAPING THE FUTURE



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED



Steel industry is one of the fastest growing sectors in the Indian economy. Steel Authority of India Limited, the leader in Indian steel, has consolidated its position and is endeavouring towards shaping a sustainable future, turning India's dream into an inspiring reality.

Contents

Highlights 2006-07	5
Awards & Accolades	6
Board of Directors	8
Directors' Report	10
Management Discussion and Analysis Report	19
Ten Years at a Glance	26
Annual Accounts	30
Cash Flow Statement	32
Schedules	34
Auditors' Report	66
Comments of C&AG	71
Corporate Governance	79
Corporate Governance Certificate	82
Consolidated Financial Statements	84
Maharashtra Elektrosnelt Limited (MEL)- Subsidiary Company	109
Principal Executives	134
Notice	135
Proxy	141



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STEEL AUTHORITY OF INDIA LIMITED

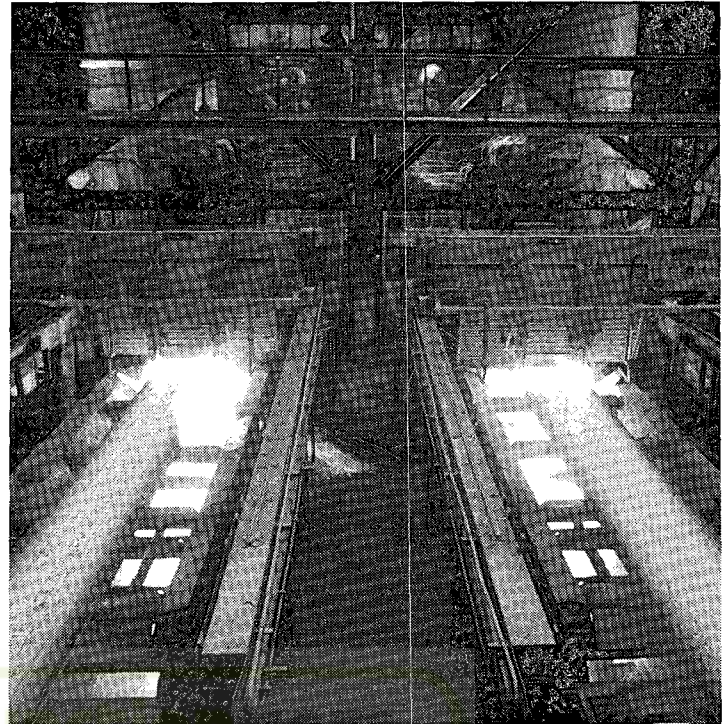
Registered Office

Ispat Bhawan, Lodi Road, New Delhi-110003
 Phone: 24367481; Fax-24367015 Gram: STEELINDA
 Internet: www.sail.co.in E-Mail: secy.sail@sail.co.in

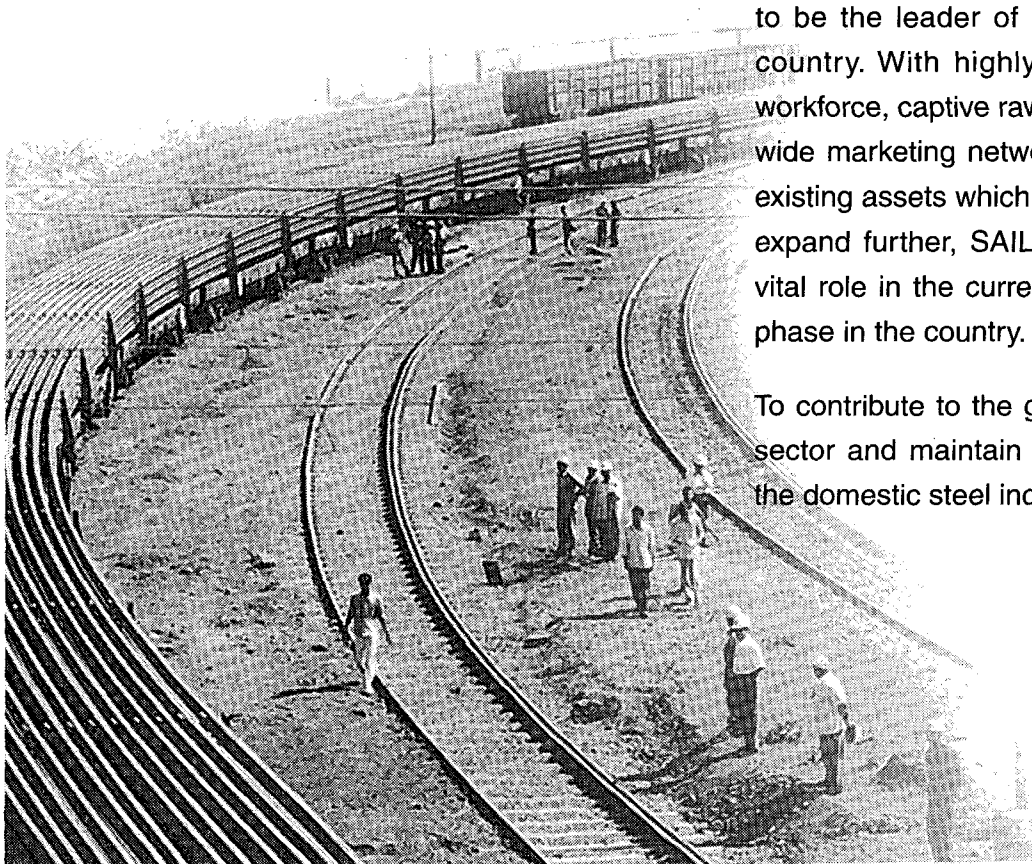


SAIL's steady ascent has been facilitated by all round improvement in performance. SAIL today presents a picture of dynamic and buoyant business entity moving ahead to maintain and consolidate its leadership position in the fast growing Indian steel sector. "SCOPE Gold Trophy for Excellence and Outstanding Contribution to the Public Sector Management" – institutional category for the year 2004-05, "Businessworld-FICCI–SEDF Corporate Social Responsibility Award – 2006", and several other awards to SAIL, bear testimony to the organisation's efforts towards improving efficiencies.

The competitive strength of the company today puts it in a position from where it can continue



SAIL: Strengthening the Present



to be the leader of the steel industry in the country. With highly skilled and committed workforce, captive raw material sources, nation wide marketing network, available potential of existing assets which have the infrastructure to expand further, SAIL is well poised to play a vital role in the current unprecedented growth phase in the country.

To contribute to the growth of the Indian steel sector and maintain its leadership position in the domestic steel industry, SAIL has drawn up

STRENGTHENING THE PRESENT

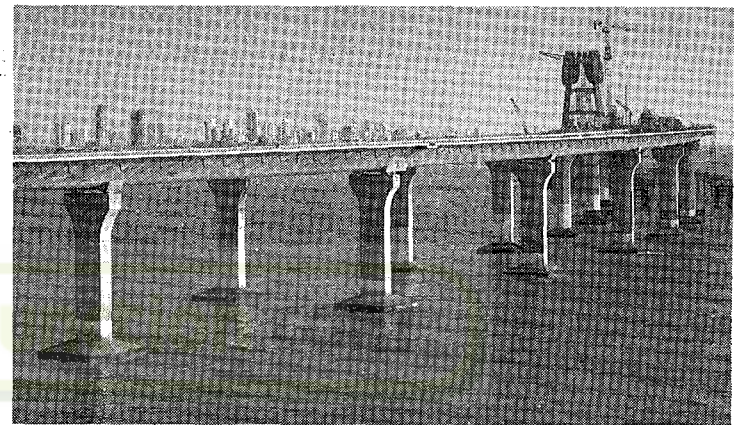
SHAPING THE FUTURE

aggressive modernisation & expansion plans of all the plants and mines simultaneously to achieve hot metal production of over 25 million tonnes by the year 2010 from current level of 14.6 million tonnes. With this, the company will be able to meet the country's growing requirement of special quality steel as well as of wider range of products to meet the long-term infrastructural needs. Modernised units will have state-of-the-art technology with energy-efficient and environment-friendly processes.

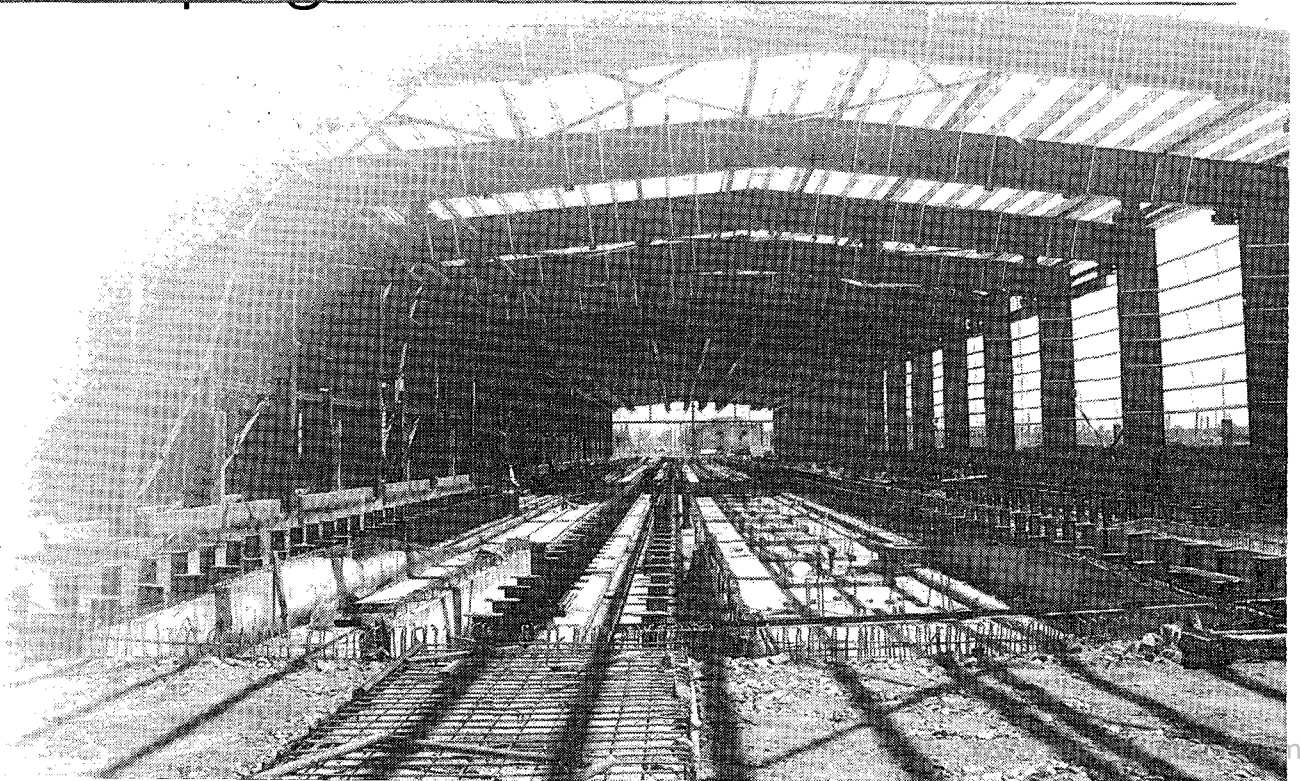
SAIL has turned obscure villages of yesteryears into large industrial and social hubs of today. Committed to corporate social responsibility, SAIL has taken further strides by undertaking large number of projects, involving manifold increase in expenditure, in the areas of health, education, communication, water, sports,

ancillary development, empowering women, and preserving the environment as well as arts & culture. SAIL has also taken up development of SAIL Model villages spread across the country.

We, at SAIL, are committed to meet the expectations of all our stakeholders. While we are strengthening the present, we endeavour to move ahead for shaping the future.



.....Shaping the Future





Vision

To be a respected world-class corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction.

Credo

We build lasting relationships with customers based on trust and mutual benefit.

We uphold highest ethical standards in conduct of our business.

We create and nurture a culture that supports flexibility, learning and is proactive to change.

We chart a challenging career for employees with opportunities for advancement and rewards.

We value the opportunity and responsibility to make a meaningful difference in people's lives.

Highlights 2006-07

STRENGTHENING THE PRESENT

SHAPING THE FUTURE

- Best ever turnover at Rs. 39,189 crore - up by 21% .

- Best ever EBIDTA at Rs. 10,966 crore - up by 49%.

- Best ever Profit before tax at Rs. 9,423 crore - up by 65%

- Profit after tax at Rs. 6,202 crore - up by 55%.

- Dividend of 31% (including 16% interim dividend) – up by 55%.

- Highest ever saleable steel production at 12.6 million tonnes, up by 4%.

- Highest ever sales of 11.9 million tonnes - up by 5%

- Lowest ever coke rate of 541 kg/ tonne of hot metal

- Best ever energy consumption of 7.16 G.Cal/ tonne of crude steel.

- Labour productivity increased to 200 tonne/ man/ year of crude steel.

- Continued improvement in debt-equity ratio from 0.35:1 as on 31st March, 2006 to 0.24:1 as on 31st March, 2007.

- 'In-principle' approval for modernisation and expansions at ISP, Bokaro, and Salem steel plants with an estimated outlay of Rs. 19,000 crore accorded during the year.

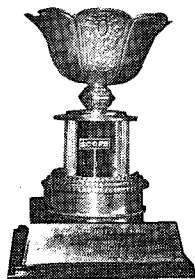
- Company constituted a Gratuity Trust viz “Steel Authority of India Limited Gratuity Fund” and contributed Rs. 750 crore.

- Company received the prestigious SCOPE Gold Trophy for Excellence and Outstanding Contribution to the Public Sector Management-Institutional category for the year 2004-05.

- SAIL bagged “Businessworld–FICCI–SEDF Corporate Social Responsibility Award – 2006”.

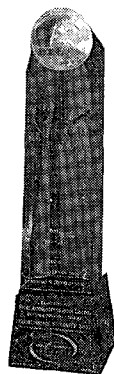
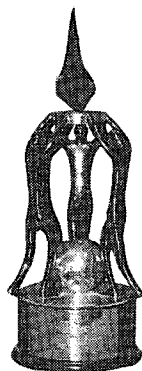


Awards & Accolades



The excellent performance of the company has been widely recognised. It has won number of awards and accolades in various fields during the financial year 2006-07. These include :

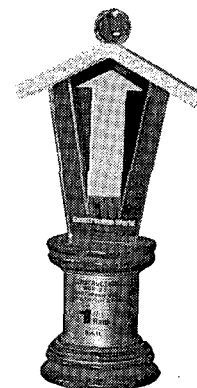
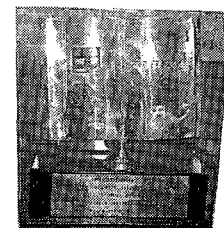
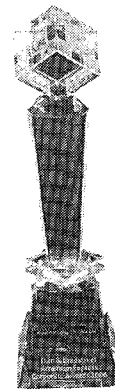
- The prestigious **SCOPE Gold Trophy** to SAIL for Excellence and Outstanding Contribution to the Public Sector Management – institutional category for 2004-05.
- **SCOPE Meritorious Award** to SAIL for Environmental Excellence & Sustainable Development for 2004-05.
- **Prime Minister's Trophy for the best performing integrated steel plant** to SAIL's Bhilai Steel Plant (BSP) for 2003-04 and 2004-05 making it record seven times recipient of this prestigious award.
- **Prime Minister's Shram Awards** to 10 SAIL employees for 2004.
- **Businessworld-FICCI-SEDF Corporate Social Responsibility Award – 2006** to SAIL for its innovative Corporate Social Responsibility initiatives in the fields of education, access to drinking water, medical and healthcare, sanitation, communication/ roads, sustainable livelihood/ income generation, women's empowerment, tribal welfare, environment preservation, sports, reproductive and child healthcare, heritage preservation, cultural and recreational activities.
- **Vishwakarma Rashtriya Puraskar** to 41 SAIL employees for 2005, which constitutes one third of total awards conferred amongst employees of all PSUs as well as private sector in the country.
- **First ever Sustainability Award - 2006** to BSP by Confederation of Indian Industries (CII) to recognise its excellence in Social, Economic and Environmental Performance. The plant also awarded the **Golden Peacock Eco-Innovation Award – 2006** by the World Environment Foundation.
- The coveted **CII (Eastern Region) Productivity Award** to Bokaro Steel Plant (BSL).
- **National Sustainability Award** for 2006 – 1st prize to SAIL's Salem Steel Plant amongst Secondary Steel/ Alloy Steel Plants category, by Indian Institute of Metals.
- **Rajiv Gandhi National Quality Award** to BSP for 2006-07 by the Bureau of Indian Standards. The plant also bagged the **Golden Peacock National Quality Award** by the Institute of Directors for 2006 and the **Golden Peacock National Award** for promoting innovative HR programmes.
- Rourkela Steel Plant (RSP) bagged two awards under the **National Safety Awards – 2005** instituted by the Union Ministry of Labour & Employment.
- **National Safety Awards** for the year 2002 & 2003 to Raw Materials Division.
- **B.M.L. Munjal Award** to SAIL for Excellence in Learning and Development for 2006 by Hero Honda Mindmine Institute.



STRENGTHENING THE PRESENT

SHAPING THE FUTURE

- **Dun & Bradstreet's American Express Award** – 2006 SAIL as the top Indian Company in the Iron & Steel Sector.
- **Bronze medal** to quality circle team of Durgapur Steel Plant at the International Convention of Quality Control Circles 2006 held in Bali, Indonesia.
- **Niryat Shree Bronze Trophy** to SAIL for 2003-04 & 2004-05 being the highest foreign exchange earner and **Niryat Shree Certificate of Excellence** for 2003-04 in the Engineering and Metallurgical Products (Non-SSI category), by the Federation of Indian Export Organisations.
- Regional Trophy for **Top Exporter** to SAIL in the category of Manufacturing Unit (Non-SSI category) for 2003-04 by the Engineering Export Promotion Council, Northern Region.
- Two awards to SAIL for **Best designed pavilion** and for **Technologies showcased** at 6th International Trade Fair & Conference: Minerals, Metals, Metallurgy & Materials 2006 at Pragati Maidan in New Delhi.
- **First prize** to SAIL pavilion at Udyog Mela in Ranchi by Jharkhand Government.
- **Best House Journal Award** to SAIL's in-house Rajbhasha Magazine *Ispat Bhasha Bharti* amongst all PSUs in Delhi for 4th consecutive year in a row by Town Official Language Implementation Committee, Delhi for 2006-07.
- SAIL bagged the **Construction World–NICMAR Award - 2006** and was adjudged **number one company** in turnover and profitability amongst steel manufacturing industries.
- Five quality circle teams of RSP created a new record by bagging the **Excellent Award** at the 20th National Convention of Quality Circles 2006, organised by the Quality Circle Forum of India at IIT, Kanpur.
- The prestigious **Greentech Environment Excellence Gold Award** to RSP for 2005-06 by Greentech Foundation.
- **Greentech Safety Gold Award - 2007** to BSP in the Metals & Mining Sector by the National Safety Council, US.
- **Greentech Safety Silver Award – 2006** to BSP and Bokaro Steel Plant (BSL) by Greentech Foundation.
- **First Pinnacle Award** to SAIL for best steel company for supply of steel for construction industry by Zee Business.





Board of Directors

Chairman

Shri S.K. Roongta

Functional Directors

Technical

Shri K.K. Khanna

Personnel

Shri G. Ojha

Finance

Shri Soiles Bhattacharya

Commercial

Shri Shoeb S. Ahmed

Managing Directors

IISCO Steel Plant

Shri Nilotpal Roy

Durgapur Steel Plant

Shri V. Shyamsundar

Rourkela Steel Plant

Shri B.N. Singh

Bokaro Steel Plant

Shri V.K. Srivastava

Bhilai Steel Plant

Shri R. Ramaraju

Government Directors

Shri A.K. Rath

*Special Secretary & Financial Adviser
Ministry of Steel, Government of India*

Shri G. Elias

*Joint Secretary
Ministry of Steel, Government of India*

Independent Directors

Dr. S.C. Jain

Prof. R.P. Sengupta

Dr. Velu Annamalai

Shri Siddharth Kak

Shri Shyamal Ghosh

Shri Mohammad Yusuf Khan

Prof. Deepak Nayyar

Prof. Javaid Akhtar

Shri P.K. Sengupta

Dr. Vinayshil Gautam

Secretary

Shri Devinder Kumar

Bankers

- State Bank of India
- Punjab National Bank
- Canara Bank
- Bank of Baroda
- United Bank of India
- Bank of India
- Union Bank of India
- Oriental Bank of Commerce
- Allahabad Bank
- Bank of Maharashtra
- UCO Bank
- Central Bank of India
- State Bank of Patiala
- Indian Overseas Bank
- Syndicate Bank
- Punjab & Sind Bank Ltd.
- Jammu & Kashmir Bank
- State Bank of Hyderabad
- State Bank of Saurashtra
- State Bank of Bikaner & Jaipur
- State Bank of Indore
- State Bank of Mysore
- IDBI Bank
- HDFC Bank Ltd.

Statutory Auditors

M/s. S.K. Mittal & Co.
Chartered Accountants

M/s. Ray & Ray
Chartered Accountants

M/s. Dass Maulik Mahendra K. Agrawala & Co.
Chartered Accountants