

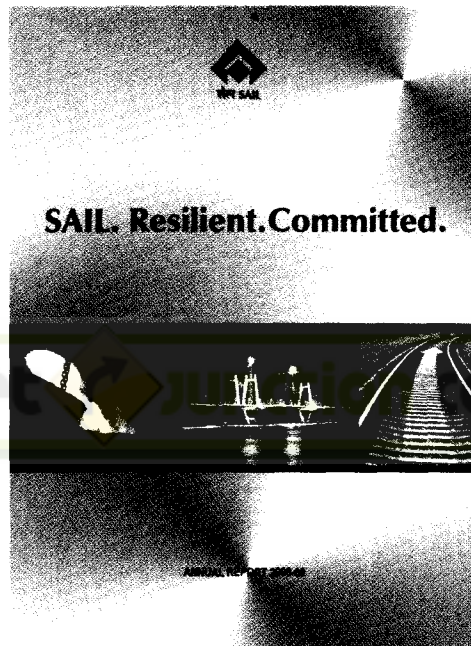


SAIL. Resilient. Committed.

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ANNUAL REPORT 2008-09



SAIL has risen to meet the challenges of today's global economic crisis by maximising yields from its physical and human capital and by building strong systems and resilient attitudes.

SAIL's ascent in terms of productivity and performance is a consequence of decades of deliberate action, geared towards instilling strength and flexibility in its physical resources and human potential thus fulfilling its commitments to the Nation.

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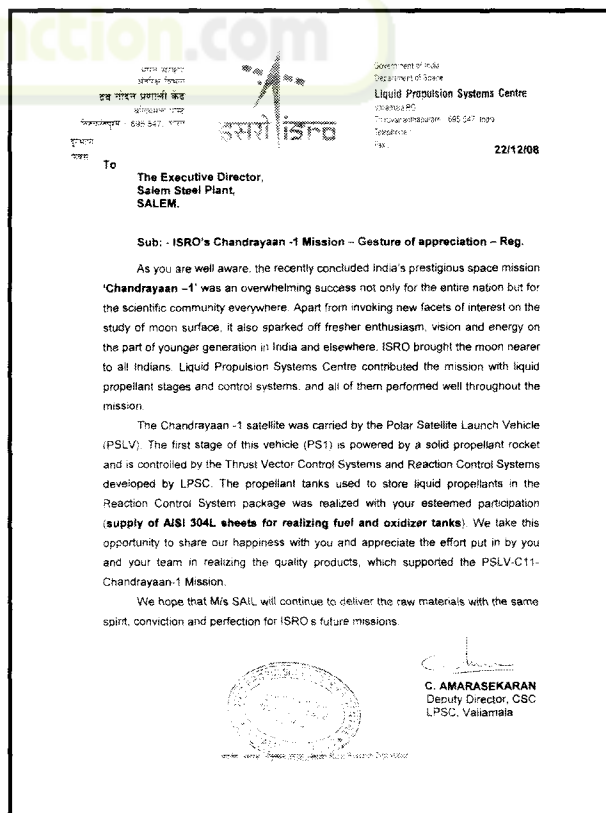
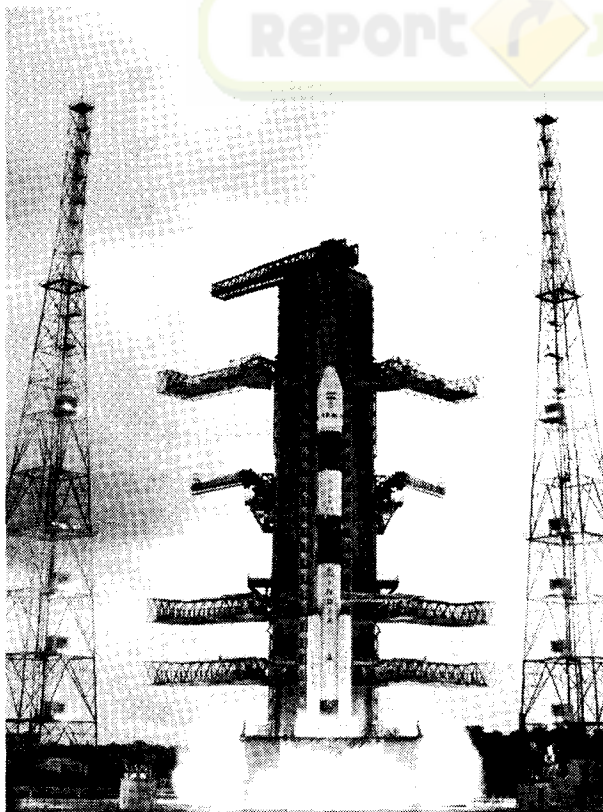
SAIL – Resilient. Committed.

It has been more than a year, that countries across the world, including India, are undergoing one of the toughest global economic crisis. This depressed economic and industrial scenario has initiated a process of litmus test to measure the resilience of business entities and expose the foundation of organisations.

SAIL didn't remain untouched by these developments. It chose to meet the challenge of tough times by reflecting upon its established practices and modifying them in the light of this changed environment. Steadily pushing towards the goal of

maximising yield from physical and human capital, SAIL reinforced its commitment towards building strong systems and resilient attitudes.

With soaring input prices, fluctuating market and the world economy in a state of flux, SAIL remained undeterred in placing greater emphasis on all-round cost efficiency and going forward with its modernisation and expansion plans. SAIL's achievements in these turbulent times are a proof, that while the clouds on the horizon of SAIL changed colours, its feet on the ground definitely grew firmer.



SAIL supplied steel for tanks used to store liquid propellants in Reaction Control System package of the Polar Satellite launch Vehicle (PSLV) - C 11 which carried the Chandrayaan -1 satellite into space.

The year 2008-09 marks yet another milestone for SAIL, dotted with challenging tasks and rewarding actions. At this juncture, we once again commit ourselves to evolving time-tested and resilient practices, and deepen our resolve to fulfill our commitments to the Nation.

Ajal Shukla gets a tour of the first stealth fighter India has built, days ahead of its commissioning

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An excerpt from the
Business Standard

...the Shivalik is the first Indian warship to be built... with Indian steel. The Steel Authority of India Limited has finally mastered the art of mass-producing specially toughened, warship-grade steel; no longer will India shop abroad for thousands of tons of steel for each warship it builds.

An excerpt from the article 'On Board the Shivalik',
Business Standard (Weekend), March 21, 2009

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 2008-09

- ▶ Highest ever Turnover of Rs. 48,681 crore - a growth of 7%.
- ▶ EBIDTA of Rs. 10,942 crore.
- ▶ Profit Before Tax (PBT) of Rs. 9,403 crore.
- ▶ Profit After Tax (PAT) of Rs. 6,175 crore.
- ▶ Highest ever Net Worth of Rs. 27,984 crore - a growth of 22%.
- ▶ Total Dividend payout (including interim dividend of 13%) at 26% (Rs. 1,074 crore).
- ▶ Produced 14.4 million tonnes of Hot Metal, 13.4 million tonnes of crude steel and 12.5 million tonnes of saleable steel.
- ▶ Cost Reduction initiatives resulted in savings of around Rs. 834 crore.
- ▶ Share of value-added steel in overall production grew to 30% compared to 27% in 2007-08 and best-ever sales of value added steel - a growth of 8%.
- ▶ Best ever coke rate at 521 kg/thm (2% improvement).
- ▶ Best ever specific energy consumption at 6.74 Gcal/Tcs (3% improvement).
- ▶ Highest ever labour productivity of 215 tonnes / man / year.
- ▶ National record of lining life achieved for top blown converter, with converter 'A' at BSP achieving a landmark of 10,115 heats.
- ▶ Best-ever sales of 4.45 million tonnes of long products, with total sales of 11.32 million tonnes.
- ▶ Distribution network expanded to 625 districts of the country with around 2400 dealers in place.
- ▶ Record supplies to projects of national importance - sales to the power sector, telecom sector, DMRC and the railways grew 41%, 58%, 49% and 4% respectively.
- ▶ To enhance customer satisfaction about a million tonnes of steel products delivered at customers premises - up by 61%.

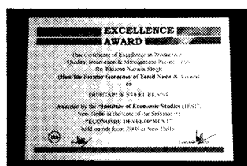
Awards & Accolades



The performance of SAIL has been widely recognized by all stakeholders including leading financial institutions/ rating agencies and industry bodies, winning several awards/ accolades in various fields. Some are :

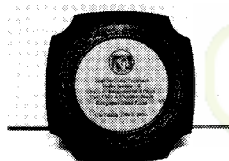
- President of India, Her Excellency, Smt. Pratibha Devisingh Patil conferred the first prize to SAIL's in-house Rajbhasha journal "Ispat Bhasha Bharti". The award was received by Chairman SAIL, Shri S.K. Roongta on the occasion of the Hindi Day on September 14, 2008. The publication has the unique honour of securing the first prize among all PSUs under the All-India House Journal Award Scheme of the Ministry of Home Affairs, Government of India, for the second consecutive year.
- SAIL has won six Prime Minister's Shram Awards for the year 2006 - 42% of total awards in the country - Bhilai Steel Plant (BSP) won one PM's Shram Bhushan, one PM's Shram Vir and one PM's Shram Shri Award. Durgapur Steel Plant (DSP) won two PM's Shram Vir Awards and RSP won one PM's Shram Shri Award. The break-up of awards is as under :

PM Shram Awards	Total No. of awards (No. of workers)	Plant	No. of awards per plant (workers)
Shram Bhushan	1 (5)	BSP	1 (5)
Shram Vir	4 (19)	BSP DSP RSP	1 (5) 2 (13) 1 (1)
Shram Shree	1 (1)	BSP	1 (1)
Total	6 (25)		6 (25)



- Highest No. of Vishwakarma Rashtriya Puraskar 2007 amongst both public & private sectors bagged by SAIL employees - 15 out of the total 28 awards (54% of the total awards). These were for the performance year 2006, involving total 68 employees of five plants. The break-up of awards is as under:

Class	No. of VRPs won	No. of employees	Plant-No. of awards (No. of employees)
A	2	10	BSP-1 (5) & BSL-1 (5)
B	6	29	BSP-2 (10), DSP-2 (13), RSP-1 (1) & BSL-1 (5)
C	7	29	BSP-1 (5), DSP-1 (1), RSP-3 (16), BSL-1 (5) & SSP-1 (2)
Total	15	68	



- SAIL has won the "ICWAI National Award for Excellence in Cost Management-2007" of the Institute of Cost and Works Accountants of India (ICWAI) in the category /Public sector manufacturing organisation with turnover more than Rs. 1000 crore.
- Commendation certificate from SCOPE under the award category "SCOPE Meritorious Award for Good Corporate Governance" for the year 2006-07.
- SAIL received the "Best Turnaround Award" from Smt. Sheila Dikshit, Hon'ble Chief Minister of Delhi, in the first 'Dalal Street Investment Journal PSU Awards 2009' ceremony held on March 27, 2009 at New Delhi.
- SAIL Quality Circle teams won highest number of awards in the country at the International QC Meet in Bangladesh held in the last week of Oct'08; seven Excellent, seven Extra Ordinary & one Meritorious Awards.
- Indian Institute of Metals conferred awards to 4 SAIL professionals viz. OP Jindal Award. 3 SAIL executives also declared Metallurgist of the Year-Young Metallurgist of the Year.
- SAIL is among the 'top companies' selected for National Award for Excellence in Corporate Governance 2008 by the Institute of Company Secretaries of India.
- Institute of Chartered Accountants of India conferred ICAI Awards for Excellence in Financial Reporting under the category of Manufacturing & Trading Enterprises.
- CII ITC Sustainability Award – 2008 'Certificate for Strong Commitment' conferred on SAIL amongst large business organisations.
- Adjudged as the top Indian company under the Iron and Steel Sector in the Dun & Bradstreet - Rolta Corporate Awards 2008.
- Adjudged Best PSU and conferred with Business & Economy Leadership and Excellence Awards 2008 by Planman Media.
- Runner-up in the NIPM National Award for 'Best HR Practices 2008' competition organised by the National Institute of Personnel Management (NIPM) during December 2008- January 2009.
- "Global HR Excellence Award 2008-09" under the award category "Outstanding Contribution to the cause of Education".



- Good Performance Award "ICWAI National Award for Excellence in Cost Management -2008" of the Institute of Cost and Works Accountants of India (ICWAI).

SAIL's plants and units also won various awards/accolades. A few are :

Bhilai Steel Plant (BSP)

- CII-ITC Sustainability Award 2008 in the independent unit category.
- "Golden Peacock National Training Award" for the year 2008 from the World Council for Corporate Governance through the Institution of Directors (IOD), New Delhi.
- Awarded the "Golden Peacock Award - 2008" in recognition of its initiatives and efforts in the corporate social responsibility front in Portugal.
- "Golden Peacock Climate Change Award" for the year 2008 from the World Environmental Foundation, New Delhi, in recognition of its excellent efforts for the preservation of environment.
- "Green Tech Platinum Award" for the year 2008 from the Green Tech Foundation, New Delhi, in recognition of excellent efforts in the environment front.
- "Greentech Safety Gold Award" by Greentech Foundation for outstanding achievement in Safety Management.

Durgapur Steel Plant (DSP)

- "Greentech Environment Excellence Award-Gold" presented on September 5-7, 2008 from the Greentech Foundation at Goa in recognition of its excellent efforts for environmental preservation.
- Received "Ispat Suraksha Puraskar Award" on August 12, 2008 from the Joint Committee on Safety, Health and Environment in the Steel Industry at Ranchi in recognition of the fact that there was no fatal accident during 2007.
- DSP has received the "Business Excellence Award" on December 19, 2008 from the Indian Economic Development and Research Association (IEDRA) in recognition of its strong commitment for Business Excellence during the year 2008.

Rourkela Steel Plant (RSP)

- Received the coveted Best Organisation Gold Award under the "Rajiv Gandhi Memorial National Awards-2008" for Excellence in Indian Industries. The award was presented to RSP at a glittering function organised at the Institution of Engineers (India) Ltd., Khairatabad, Hyderabad on July 13, 2008.
- Received "Business Excellence Award" from the Confederation of Indian Industry (CII) and Export - Import (Exim) Bank of India on November 8, 2008 in recognition of its strong commitment for Business Excellence during the year 2007-08.

Bokaro Steel Plant (BSL)

- "Rajiv Gandhi National Quality Award - 2007" to BSL in "Best of All" category by Bureau of Indian Standards.
- "Enterprise Excellence Award" for the year 2007 from the Indian Institute of Industrial Engineering in recognition of its outstanding operational and financial achievements.
- "Golden Peacock Award" for Occupational Health & Safety 2008.

IISCO Steel Plant (ISP)

- Received "Green Tech Excellence Award (Silver)" in July 2008 from the Green Tech Consultancy Services awarding body in recognition for maintaining specified norms for environmental protection for the year 2007-08.

Raw Materials Division (RMD)

- Two iron ore mines (Kiriburu & Kalta) and one limestone mine (Kuteshwar) of SAIL, RMD have received five National Safety Awards for their commendable performance in maintaining the safety standard in the mines. Hon'ble President of India, Smt. Pratibha Devi Singh Patil, gave away the awards in a function held at Vigyan Bhavan, New Delhi on May 5, 2008.

Salem Steel Plant (SSP)

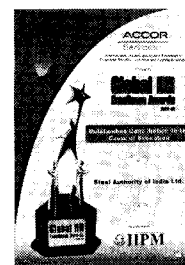
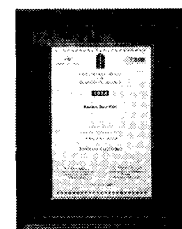
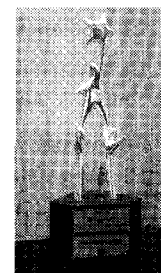
- Declared winner of Greentech Safety Award (Silver) in Metal & Mining Sector for extra-ordinary performance and achievement in Safety Management.
- Golden Peacock Occupational Health & Safety Award - Special Commendation Certificate from the Institute of Directors (IOD) New Delhi, in recognition for effective occupational health and safety performance during the year 2007-08.
- Awarded the "CSR Award" by the Tamil Nadu government for the year 2008-09 for its valuable contribution towards socio-economic upliftment of neglected sections of society through CSR initiatives.
- Won the National Sustainability Award - 2007 (First Prize) amongst the Secondary Steel Plants / Alloy Steel Plants category by Indian Institute of Metals.

Research and Development Centre for Iron & Steel (RDCIS)

- Received "Golden Peacock National Quality Award- 2008" from the Institute of Directors for the year 2008.

Environment Management Division (EMD)

- "Golden Peacock Finalist Certificate" for the year 2008 from the Institute of Directors (IOD) in recognition for eco-renovation.



Board of Directors

Chairman

Shri S.K. Roongta

Functional Directors

Personnel

Shri G. Ojha

Finance

Shri Soiles Bhattacharya

Commercial

Shri S.S. Ahmed

Technical

Shri V.K. Gulhati

Managing Directors

Durgapur Steel Plant

Shri V. Shyamsundar

Bokaro Steel Plant

Shri V.K. Srivastava

Bhilai Steel Plant

Shri R. Ramaraju

IISCO Steel Plant

Shri S.P. Rao

Rourkela Steel Plant

Shri S.N. Singh

Government Directors

Shri B.S. Meena

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

Shri G. Elias

Joint Secretary

Ministry of Steel, Government of India

Independent Directors

Prof. Javaid Akhtar

Shri P.K. Sengupta

Dr. Vinayshil Gautam

Secretary

Shri Devinder Kumar

Bankers

- Allahabad Bank
- Andhra Bank
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Canara Bank
- Central Bank of India
- Corporation Bank
- Dena Bank
- IDBI Bank
- Indian Bank
- Indian Overseas Bank
- Oriental Bank of Commerce
- Punjab & Sind Bank
- Punjab National Bank
- State Bank of Bikaner & Jaipur
- State Bank of Hyderabad
- State Bank of India
- State Bank of Indore
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore
- Syndicate Bank
- UCO Bank
- Union Bank of India
- United Bank of India
- Vijaya Bank
- Jammu & Kashmir Bank Ltd.
- HDFC Bank Ltd.
- ICICI Bank Ltd.
- AXIS Bank Ltd.
- Karnataka Bank Ltd.
- ING Vysya Bank Ltd.
- Indusind Bank Ltd.
- The Karur Vysya Bank Ltd.
- Kotak Mahindra Bank Ltd.
- Federal Bank Ltd.
- South Indian Bank
- Yes Bank Limited

Statutory Auditors

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

Chartered Accountants

M/s. T.R. Chadha & Co.

Chartered Accountants

M/s. Chaturvedi & Co.

Chartered Accountants

Registered Office

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