



STEEL AUTHORITY OF INDIA LIMITED

Performance Highlights - 2006 - 07

- ➔ Performance Highlights 2006-07
- ➔ Steel Industry Outlook
- ➔ SAIL's Expansion Plans
- ➔ CSR & Environment Management



Performance Highlights 2006-07





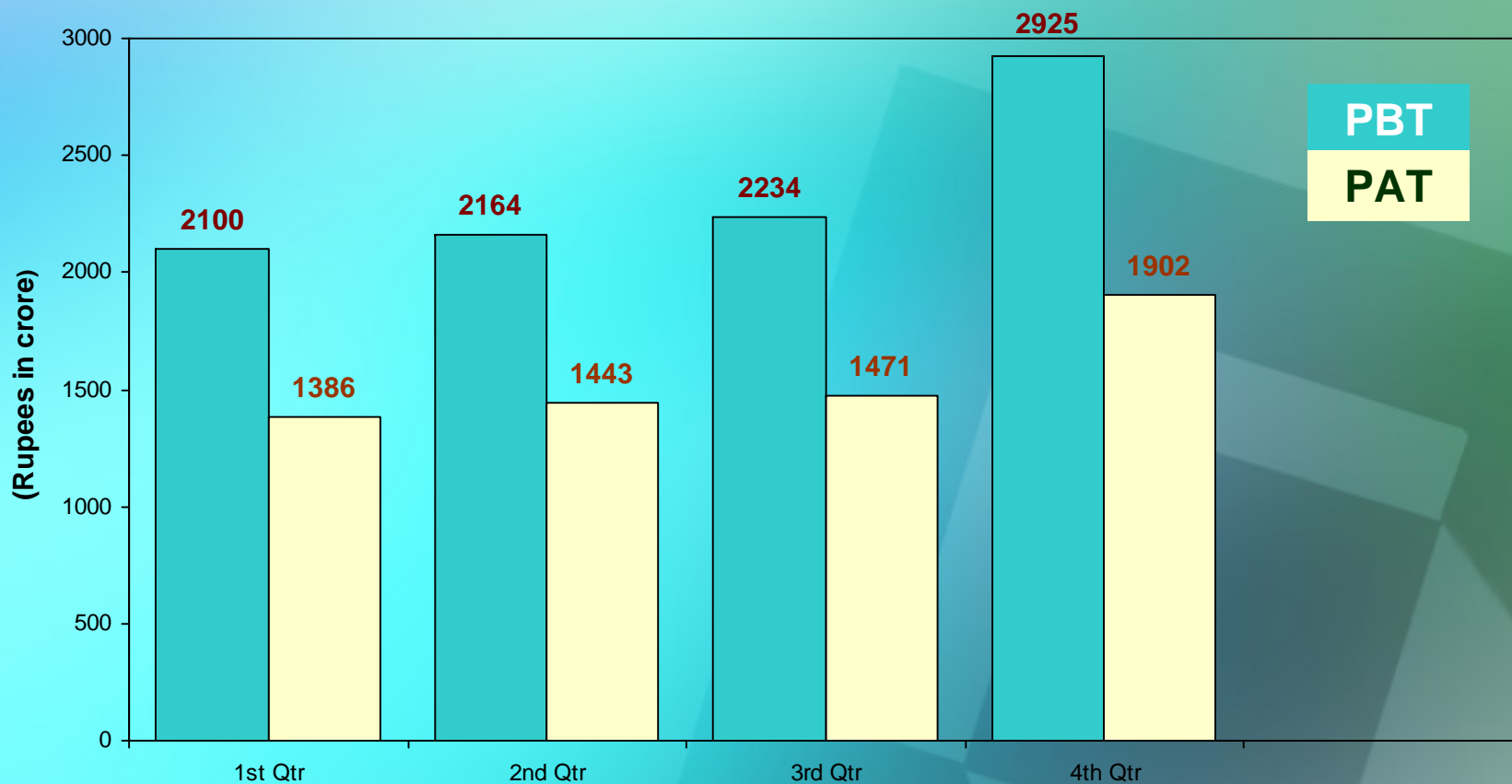
Financial Highlights - FY 07

- Record Turnover of Rs.39189 crore up 21%
- Highest ever PBT - Rs.9423 crore up 65%
- PAT of Rs.6202 crore - up 55%
- EBDIT/SALES - 32%
- PAT / Net worth - 36%
- Debt / Equity Ratio : 0.24:1 (virtually debt-free, as short term deposits exceed borrowings)
- EPS - Rs.15 up by Rs.5.30
- Dividend 31% - Interim 16% and proposed final dividend 15%



Quarter-wise Profit

FY 2006-07





Financial Highlights - FY 07 : Q4

January - March 2007

- Record Quarterly Turnover of Rs.11534 crore up 14 % over CPLY
- EBDIT of Rs.3262 crore up 96% over CPLY
- PBT of Rs.2925 crore - up 133% over CPLY
- PAT of Rs.1902 crore up by 72% over CPLY



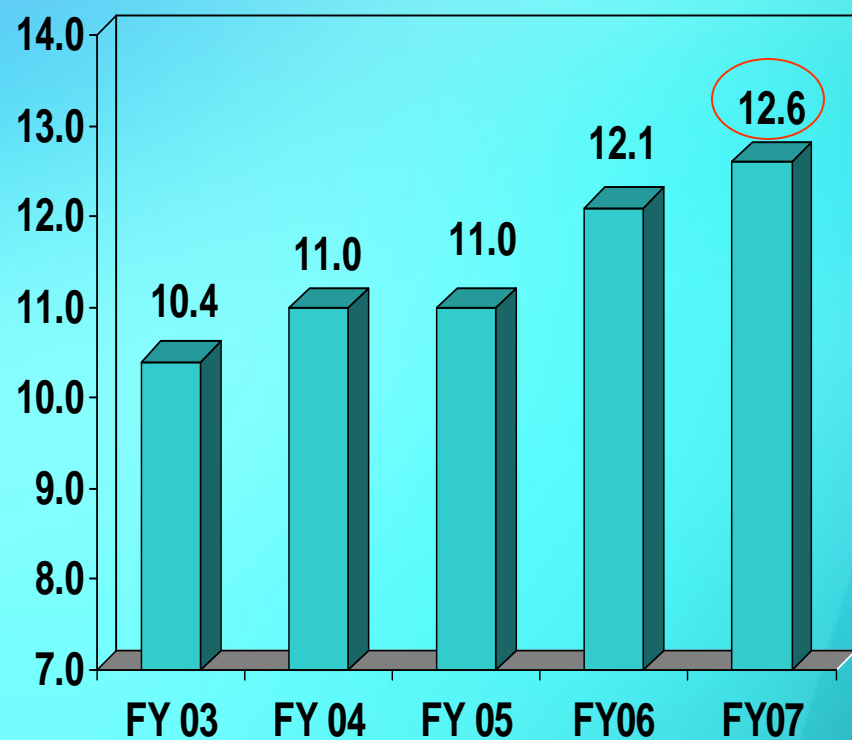
Performance Highlights - FY 07

- ④ Highest ever saleable steel production of 12.6 million tonnes (MT) - growth of over 4%
- ④ Avg. Capacity utilisation (saleable steel)- about 114%
- ④ Production growth in high value/special quality steels - 16%
- ④ Production through Concast - up by 5%
- ④ Lowest Energy consumption of 7.16 Gcal/TCS
- ④ Coke Rate lower by 2 kg per tonne of hot metal
- ④ BF productivity up from 1.46 to 1.50 tonnes/cub. m/day



Production Performance

Saleable Steel (Million Tonnes)



Record
Production

Finished Steel

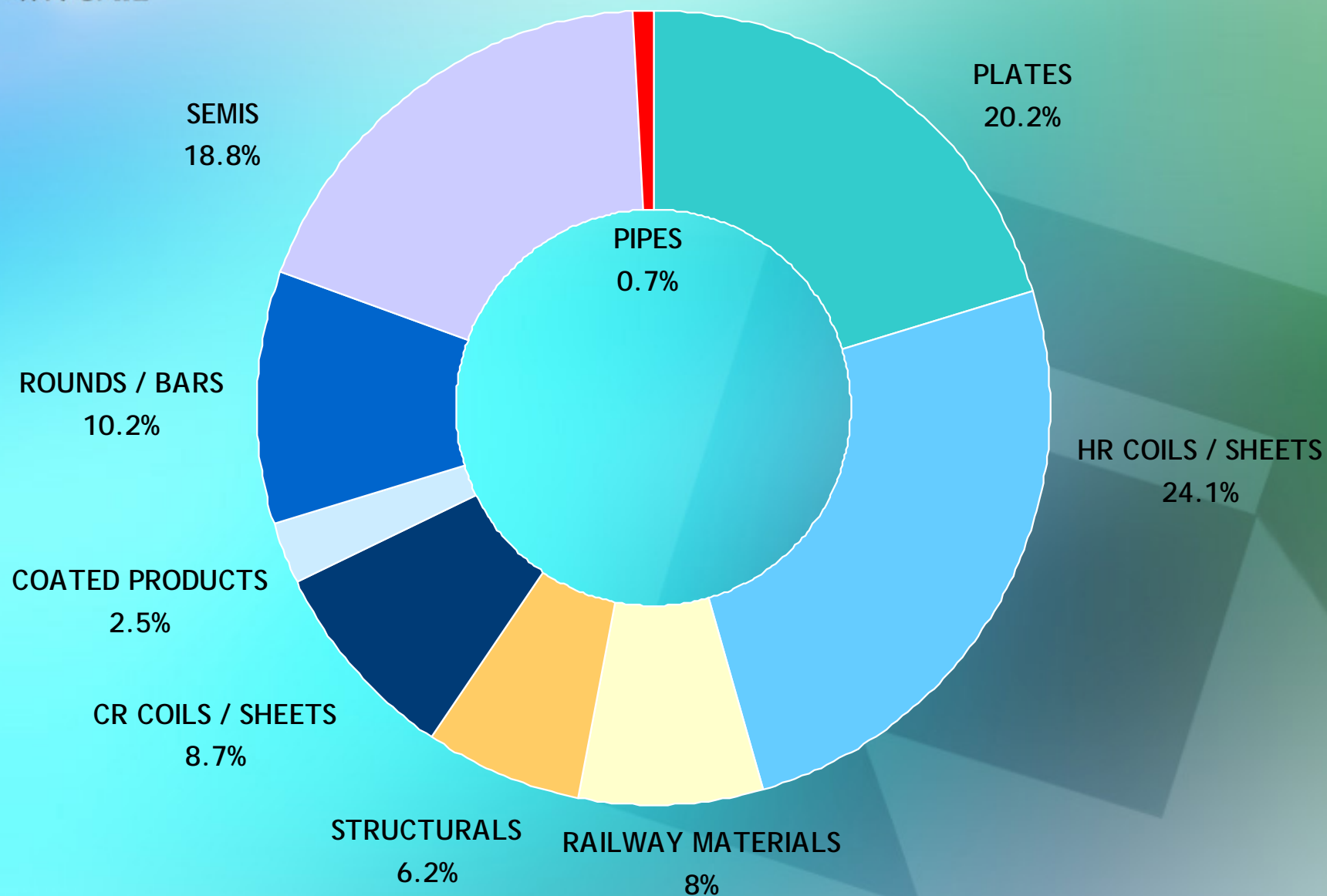
% of
Sal.
Steel

80	81	84	81	82
FY03	FY04	FY05	FY06	FY07

Highest saleable steel and finished steel production in 2006-07.

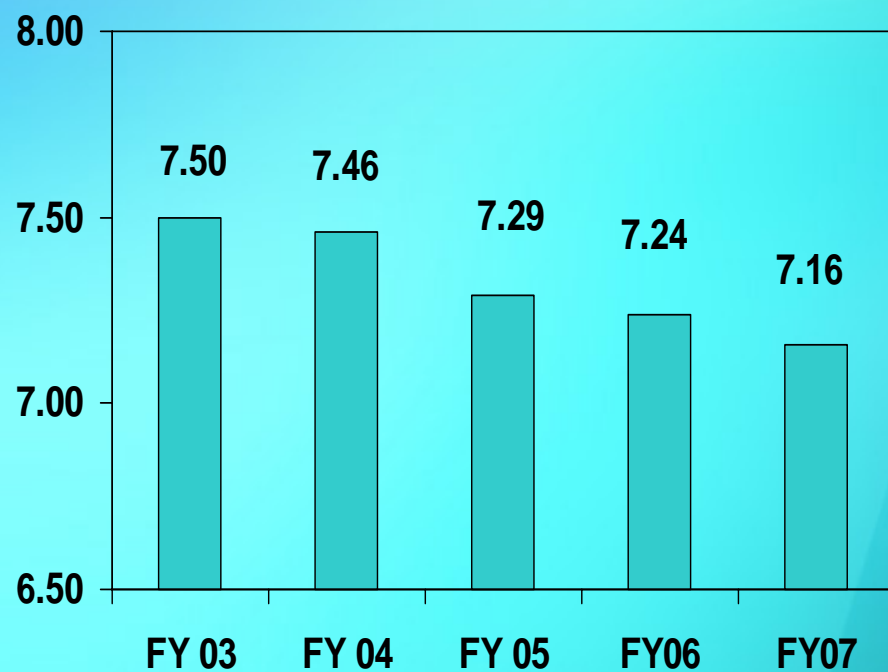


Product Mix Of Saleable Steel Production FY 2007

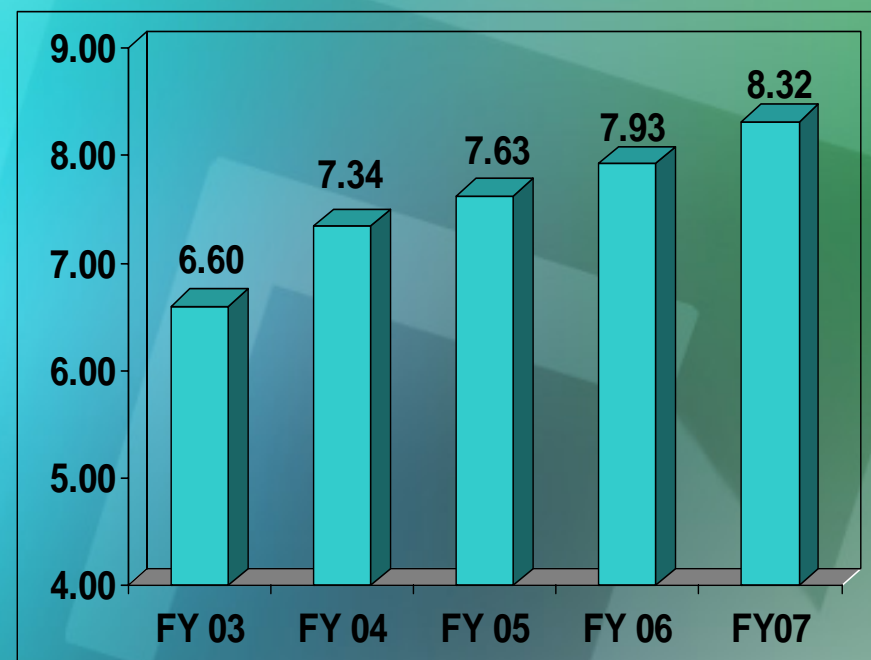


Techno-Economic Improvements

Energy Consumption (Gcal/tcs)

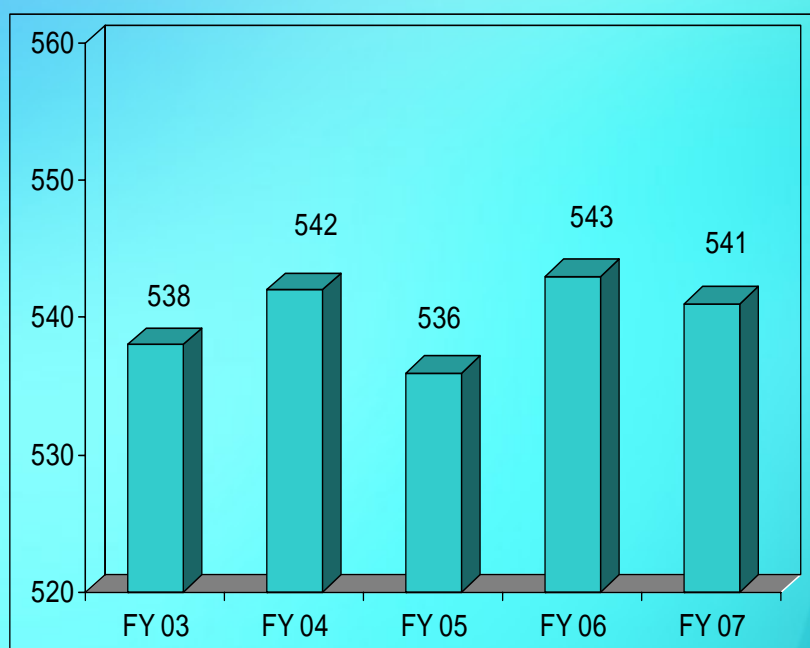


Concast Production (Million Tonnes)

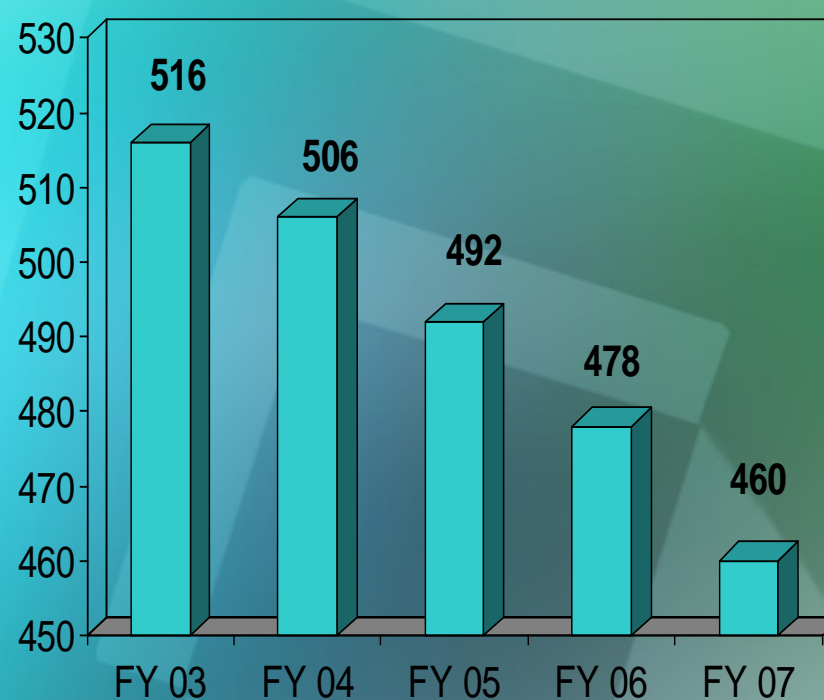


Techno-Economic Improvements

Coke Rate (kg/thm)

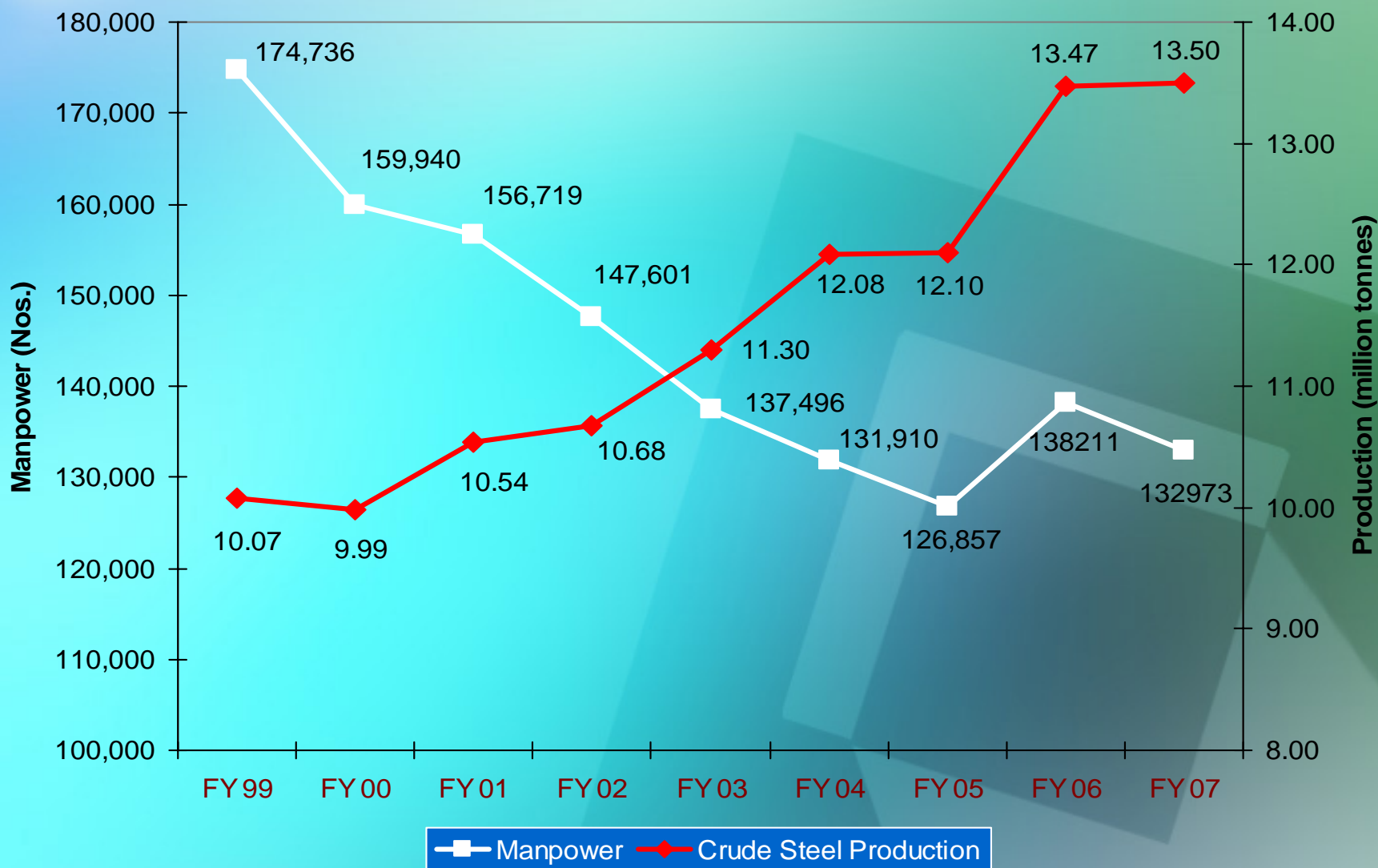


Sp. Power Cons. (Kwh/tss)

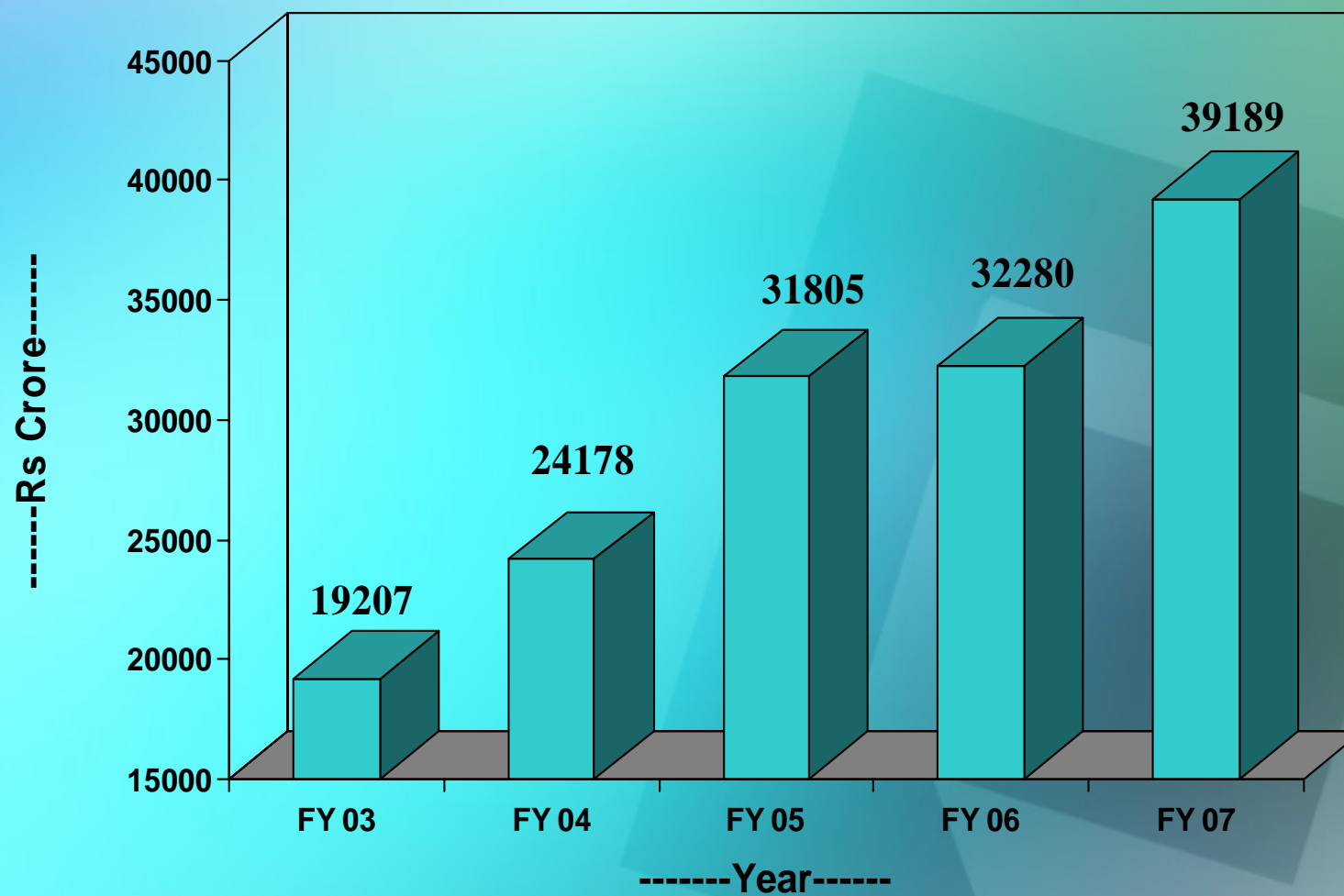




Manpower Vs Production

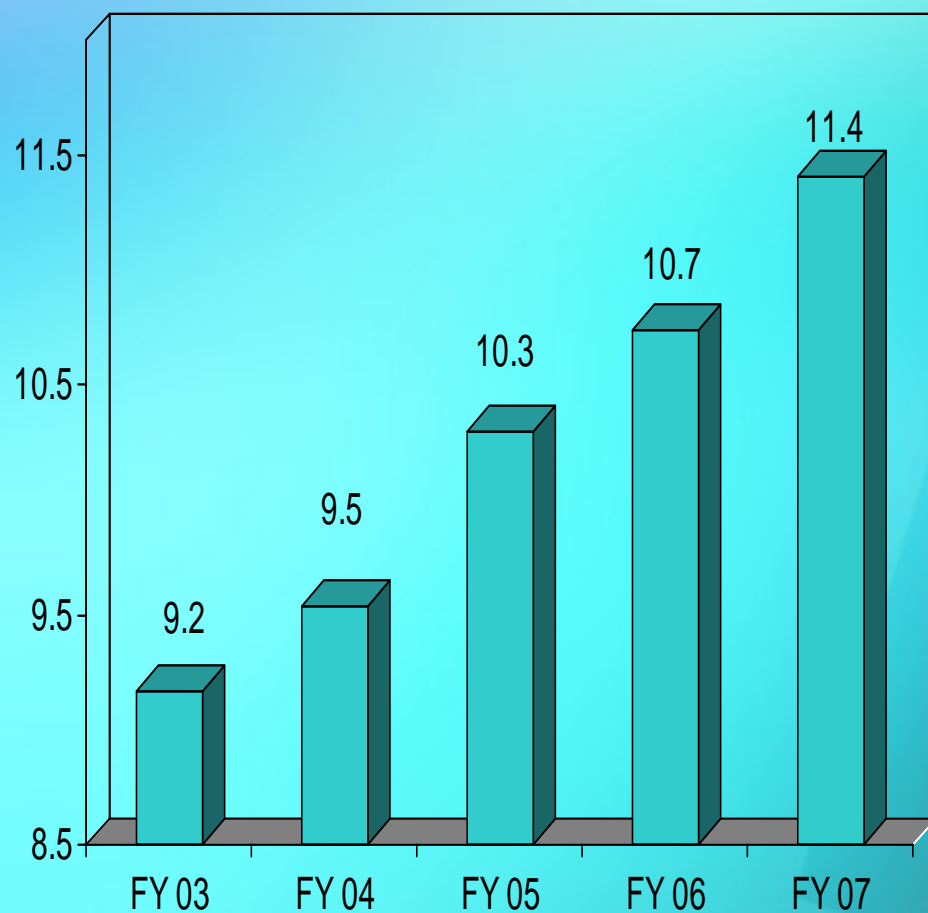


Sales Turnover

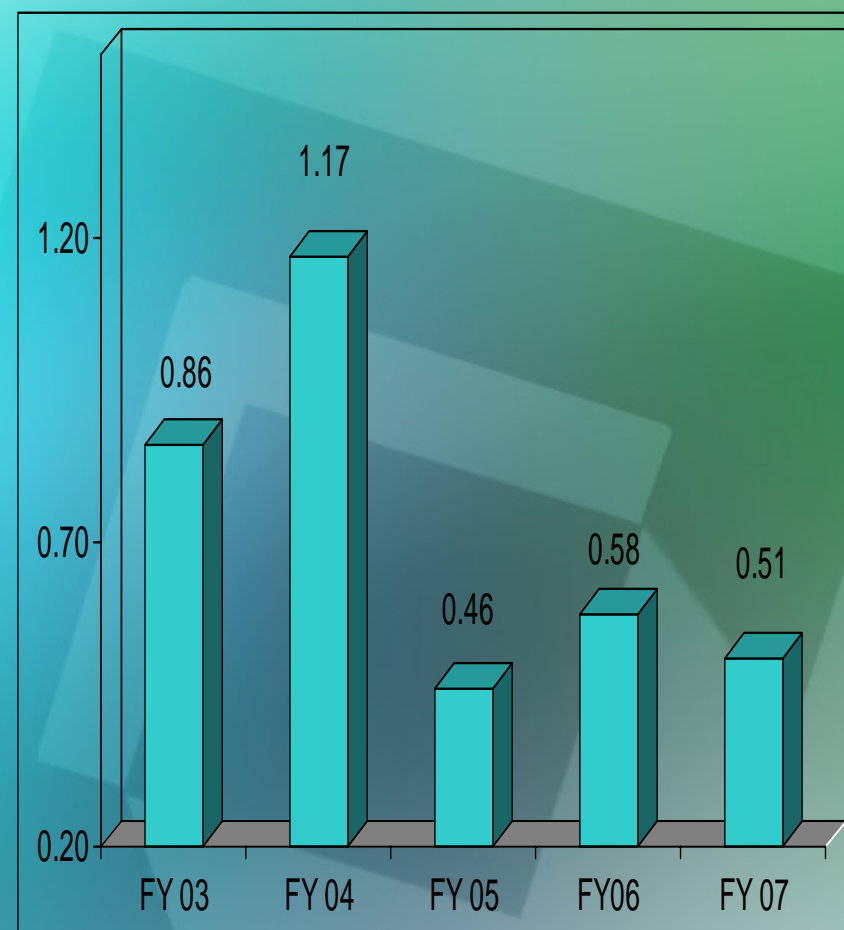


Sales Volume

Domestic Sales (Million Tonne)



Exports (Million Tonne)



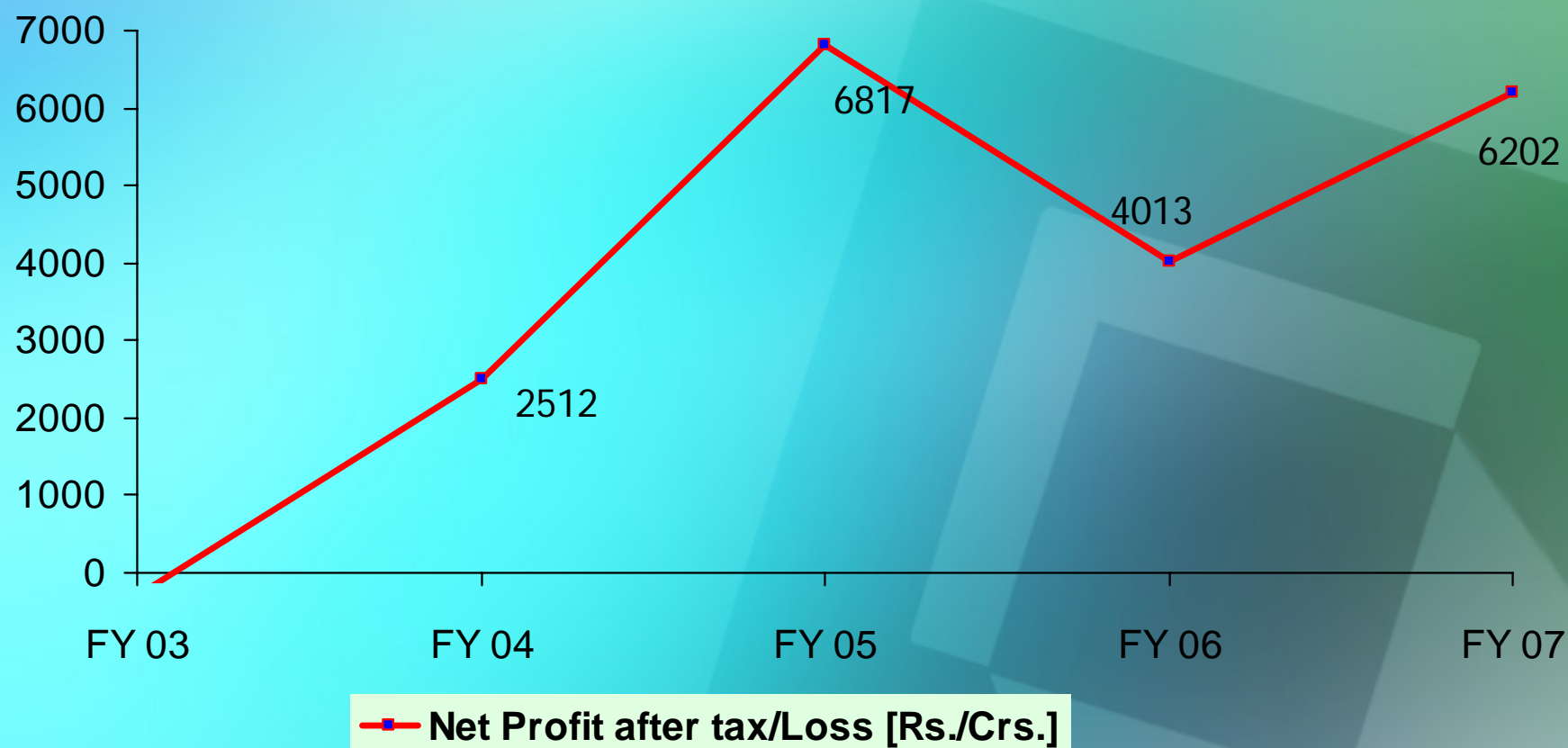
FY 05 and FY 06 Includes ISP



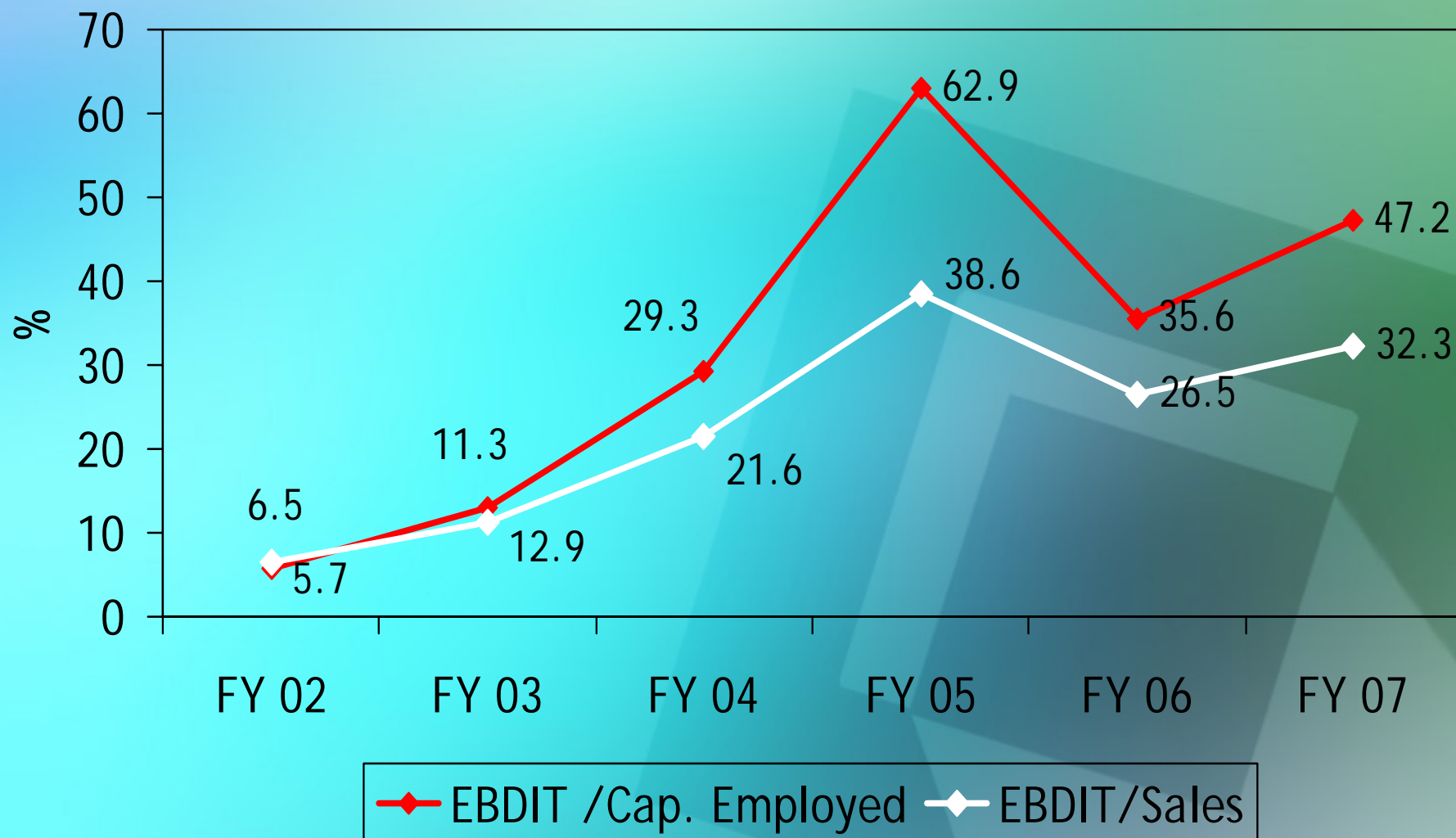
New Product Development

New Products	Application
HCR-EQR TMT	Earthquake Resistant Construction
Rockbolt TMT	Tunnel Construction
EN Series HR Coil	LPG Cylinder
MC12 HR Coil	Chains
Cu-Cr Rail	Coastal Railways
Vanadium Micro-Alloyed Rail	High Speed Rail
Spring Steel Billets (SUP 11A)	Spring Steel
S Profile Loco Wheels	Diesel Loco Wheels

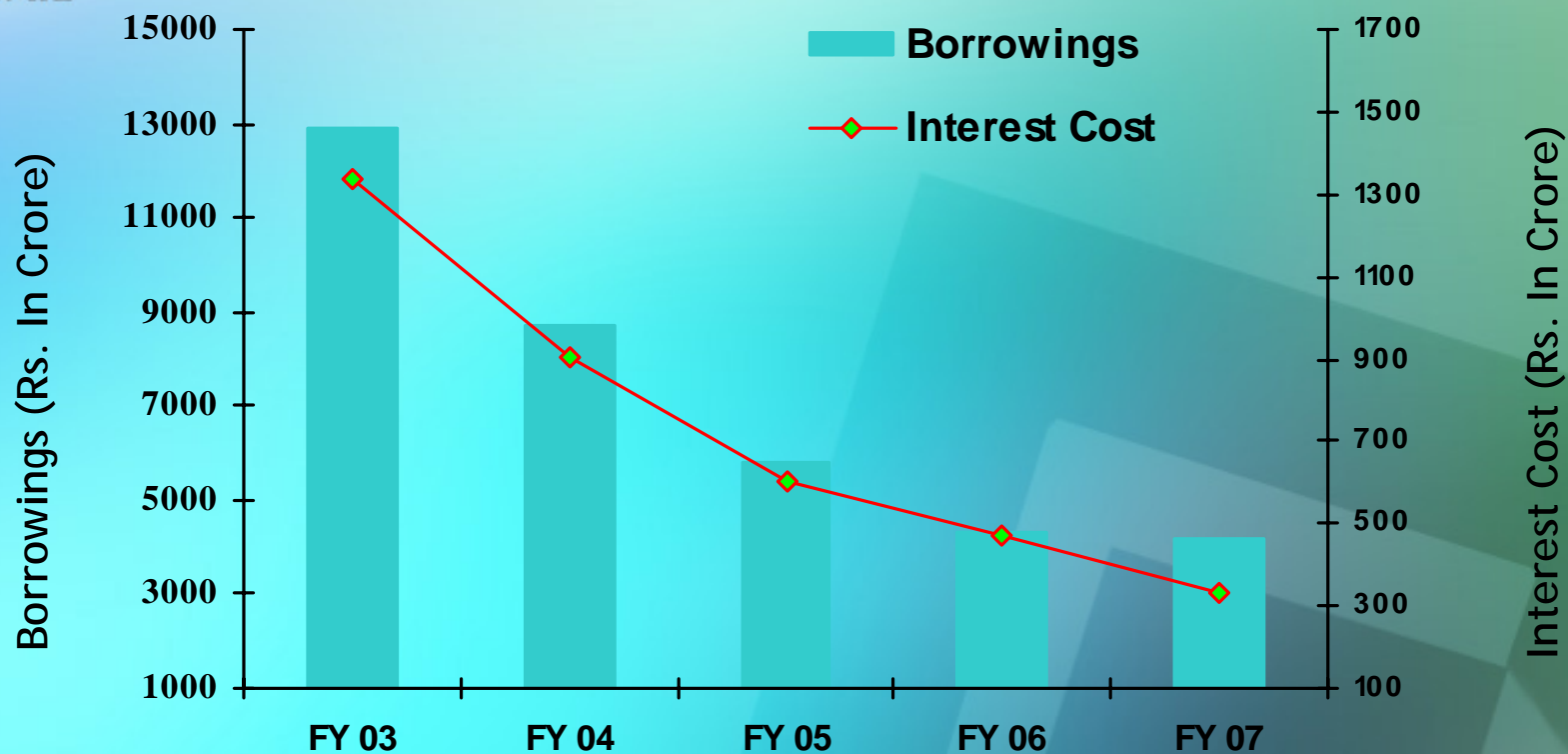
Profitability



Profitability Ratio



Reduction in Borrowings

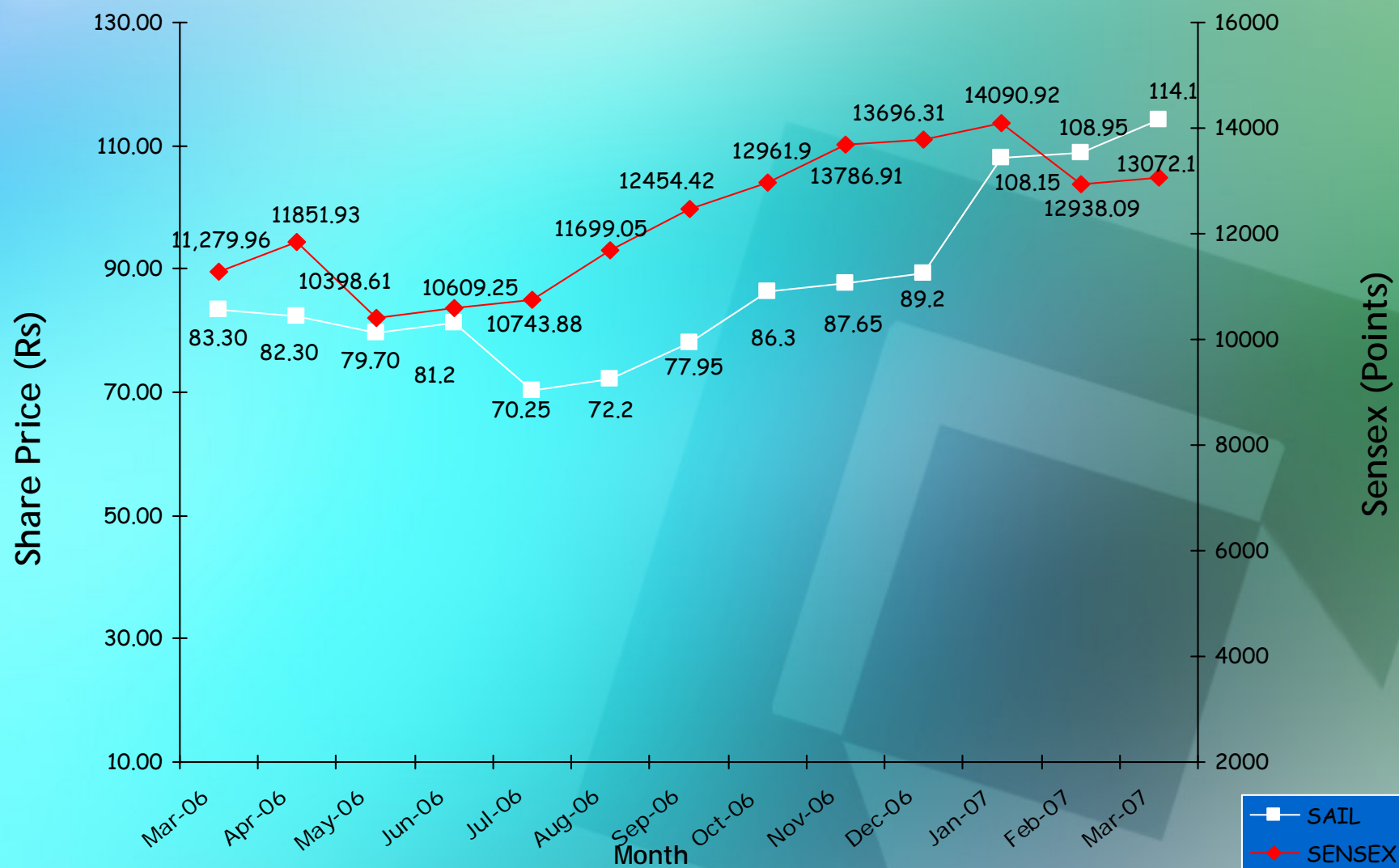


Year	FY 03	FY 04	FY 05	FY 06	FY 07
D/E Ratio	6.50	1.87	0.58	0.35	0.24

SAIL's market borrowings stood at Rs.4181 crore, a reduction of Rs.117 crore from the previous year. Interest outgo was also lower by Rs.136 crore during FY 07.



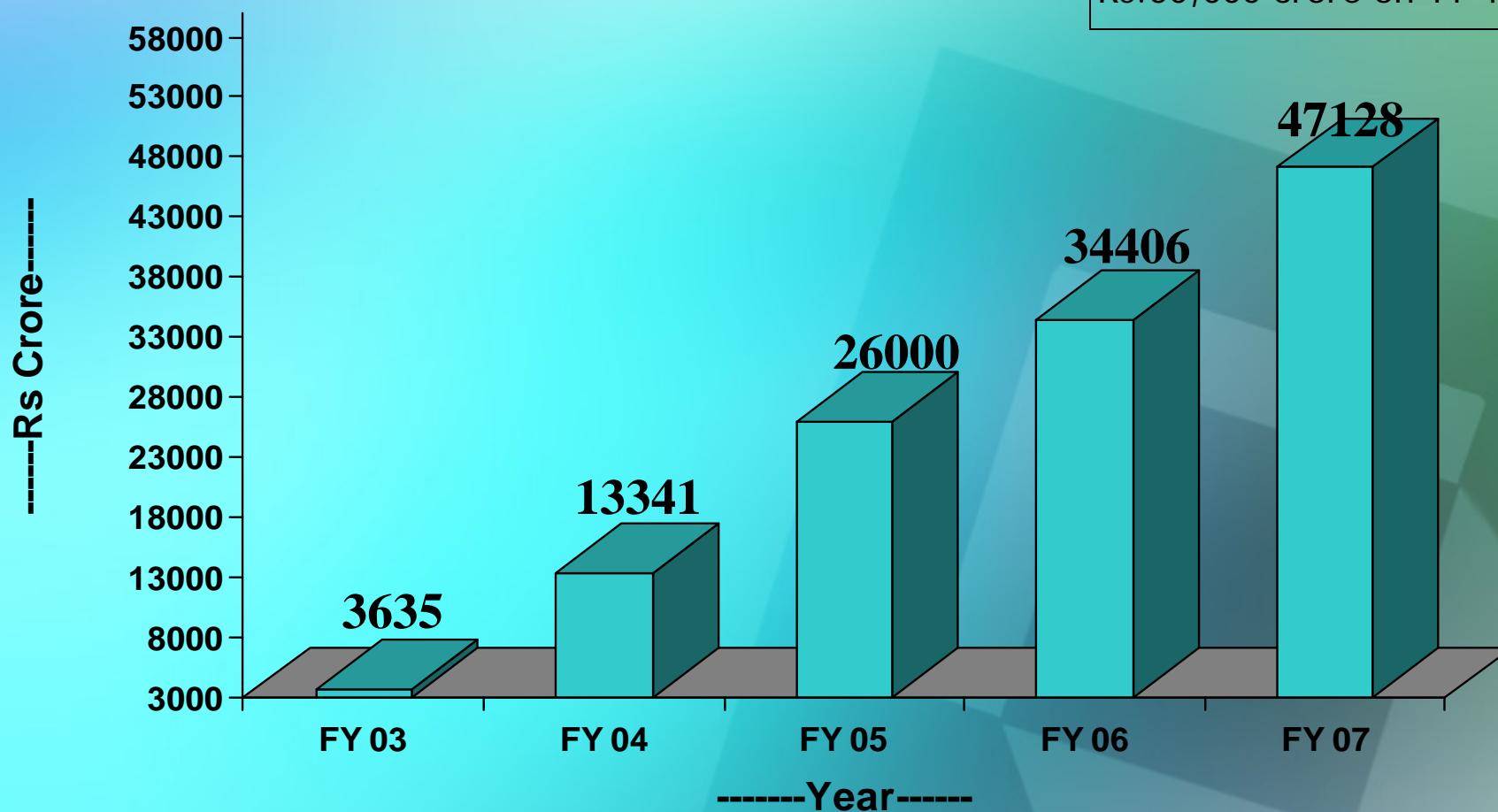
Performance of SAIL Share price vis-à-vis BSE Sensex



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

Market Capitalization

Market Cap crossed level of Rs.50,000 crore on 11-4-2007





Dividend Policy

Year	Interim %	Final %	Total %	Dividend (Rs. in Crs)
2006-07	16.0	15.0*	31*	1280*
2005-06	12.5	7.5	20	826
2004-05	15.0	18.0	33	1363

* Final Dividend For FY 2006-07 recommended by SAIL Board

- Dividend Policy of SAIL governed by GoI Guidelines of September 2004
- All profit making Public Sector Enterprises (other than Oil Petroleum and other infrastructure sectors) shall declare a minimum dividend on equity of 20% or a minimum dividend payout of 20% of post tax profit, whichever is higher.

Project Commissioned

Project under implementation

Normalizing furnace at Plate Mill - RSP

COB at RSP, BSL & BSP

Up gradation of BF-7 at BSP

Slab caster & RH degasser at SMS-2 at BSP

AOD & EAF at ASP

Hot metal desulphurization at BSP

Cast house slag granulation plant no. 7 at BF-4 - BSL

CDI in BF at DSP, RSP & BSL

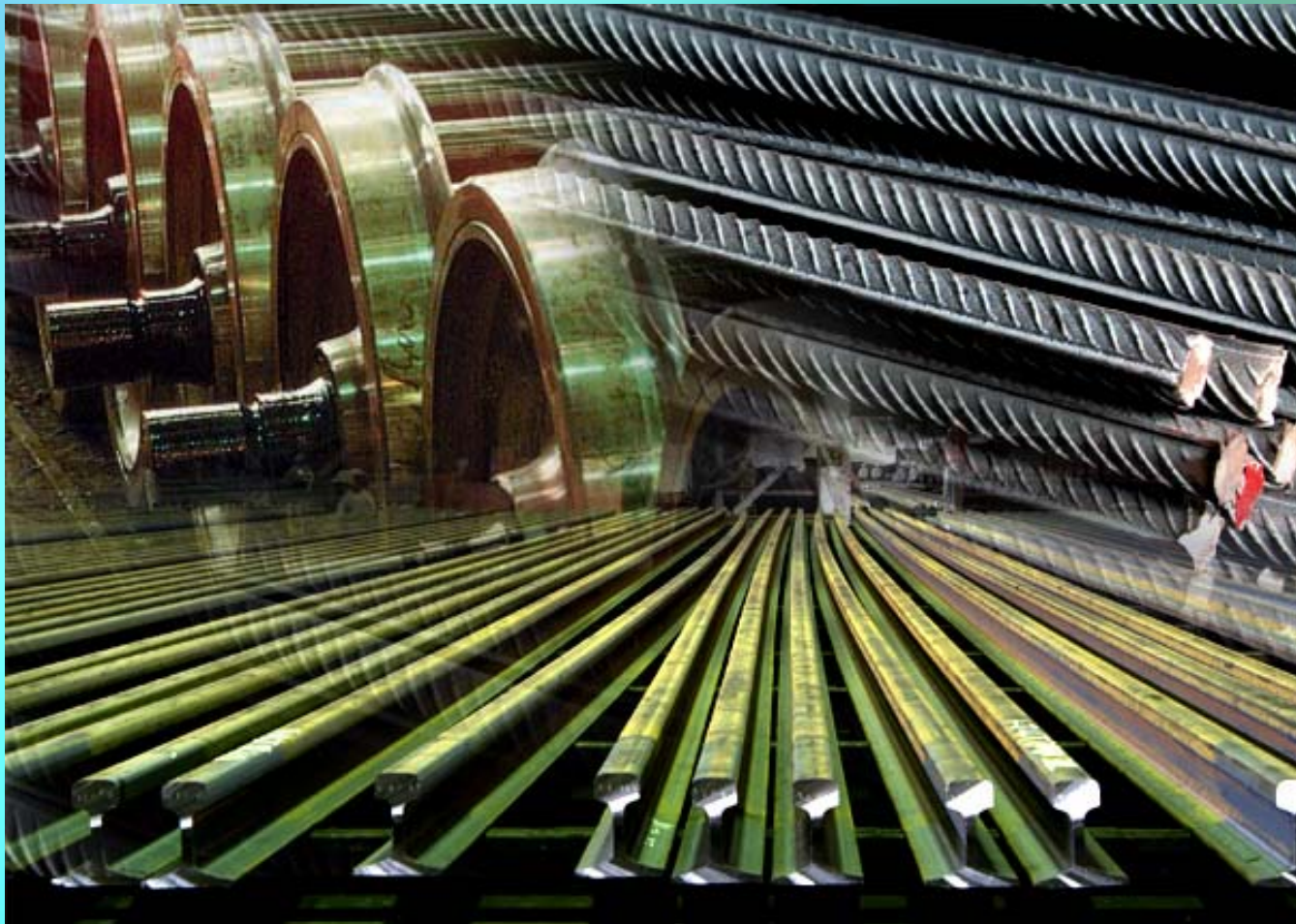
Replacement of Turbo generator/B strand at WRM - BSP

Mae-West Block modification at BSL

Bloom caster at DSP

BF 2 upgradation at ISP

Steel Industry Outlook

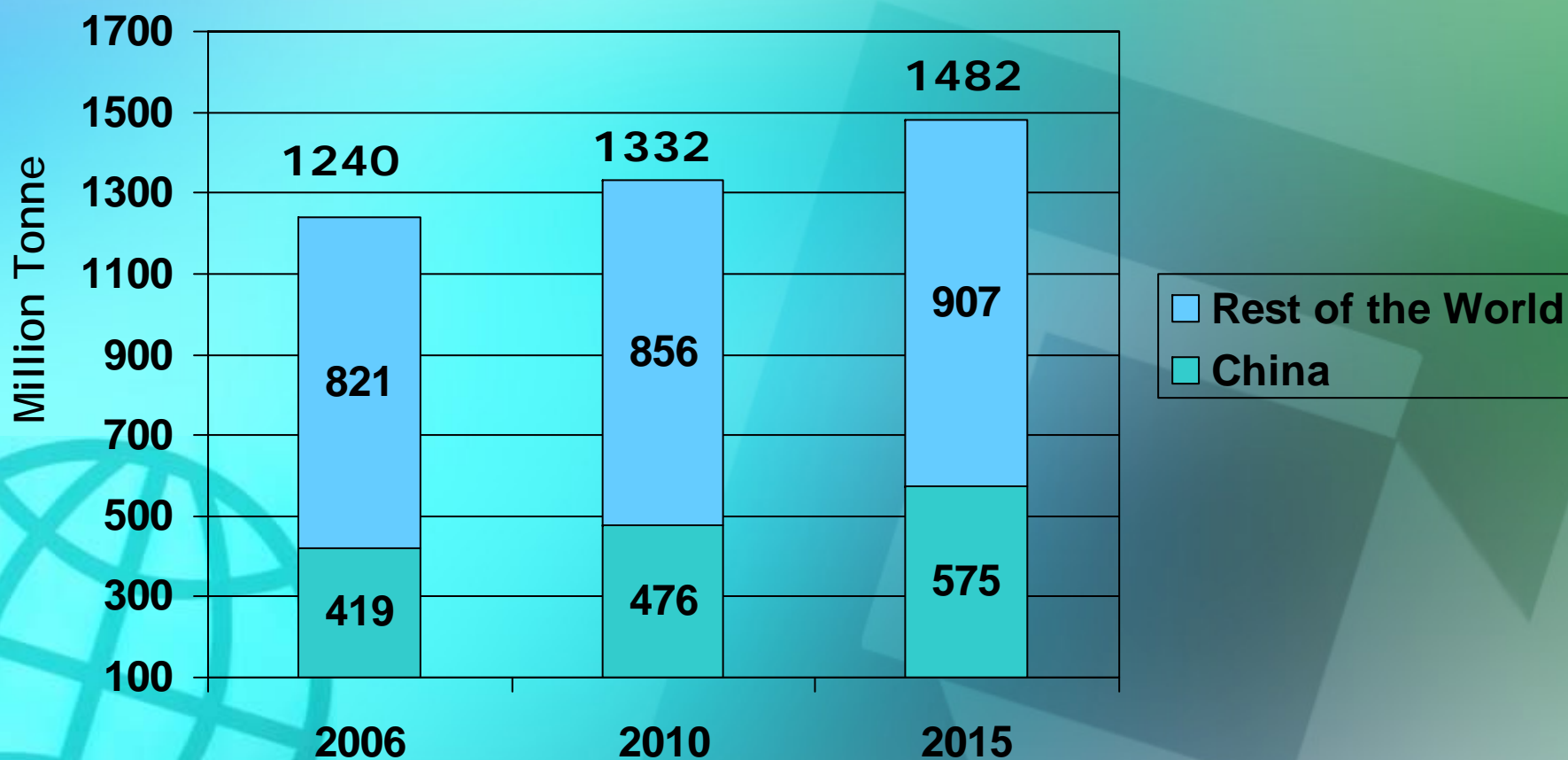


Global Steel Scenario

- 1240 Million Tonne Crude Steel Production in 2006, a growth of 8.8% over 2005. China accounted for most of the incremental production.
- Further growth in production/consumption is expected to come from BRIC countries (Brazil, Russia, India and China).
- Cost/Availability of raw materials (mainly iron ore & coal) - a major challenge.
- Region wise crude steel production as per IISI (in Million Tonne) is as under:

Region	2006	Production Growth Over 2005	Growth (%)
China	418.8	65.4	18.5%
India	44.0	3.1	7.6%
Japan	116.2	3.7	3.3%
South America	45.3	0.0	0.0%
North America	131.5	3.9	3.0%
EU	198.4	11.1	5.9%
World	1239.5	99.9	8.8%

World Crude Steel Production



Source : IISI / WSD



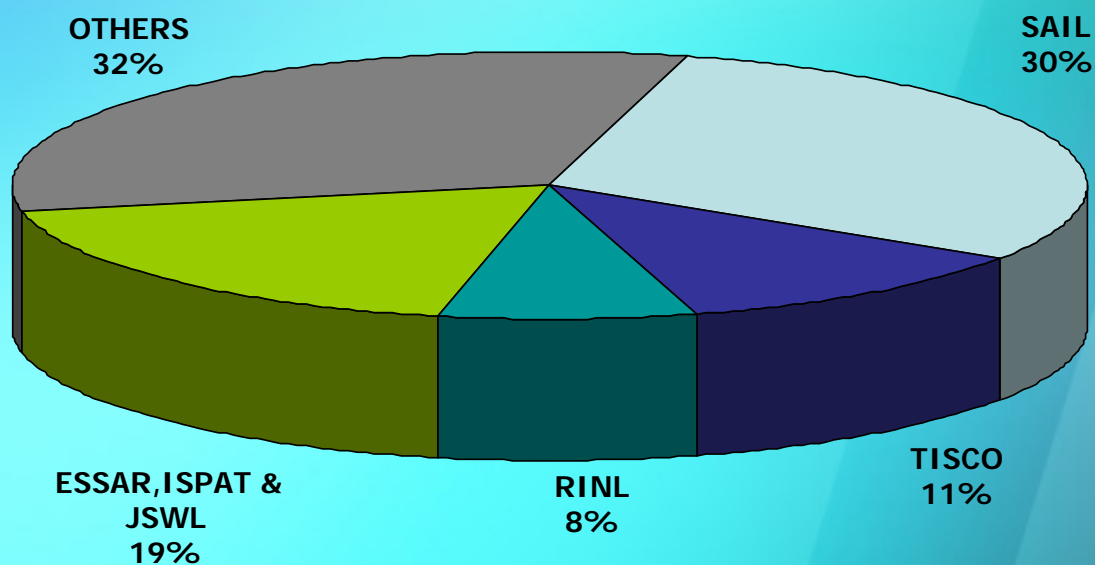
Overview of Indian Steel Industry

- ④ 7th largest steel producing nation in the world with crude steel production of 44 million tonne in 2006
- ④ Apparent consumption of finished steel in FY 07 - approx. 44 million tonne, growth of 11% over FY 06.
- ④ Per capita steel consumption: approx. 38 kg
- ④ Finished steel exports in 2006-07: approx. 4.75 million tonne
- ④ Imports at 4.1 million tonne in FY 07 catching up fast with exports due to buoyant domestic demand



Overview of Indian Steel Industry

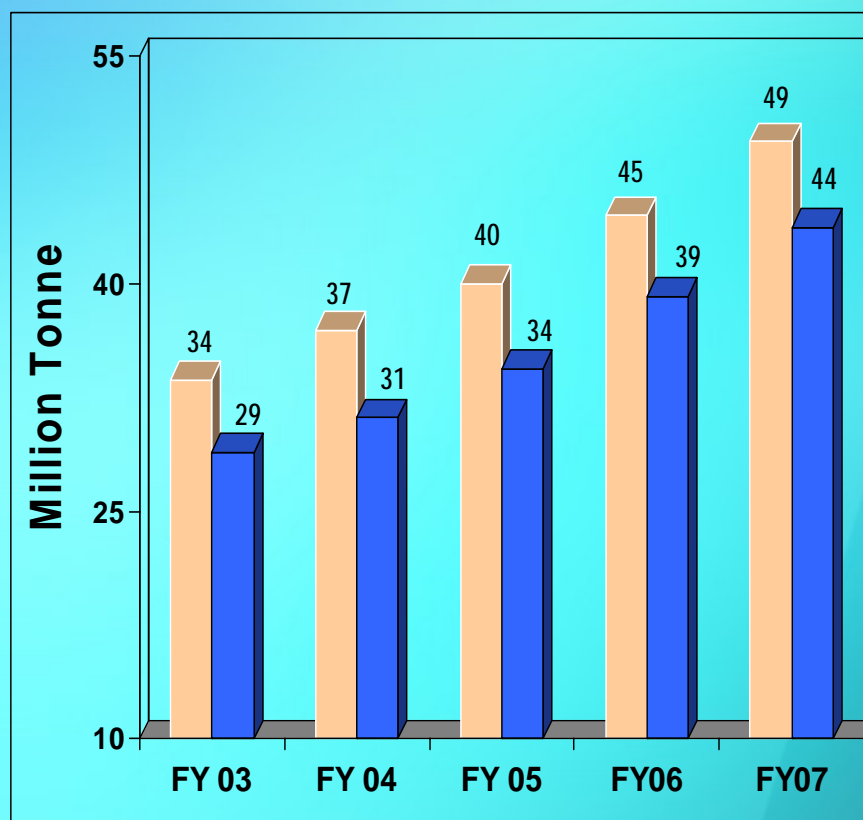
Crude Steel Production 2006-07



Company	06-07 (Million tonne)
SAIL	13.5
TISCO	5.2
RINL	3.5
ESSAR, ISPAT & JSWL	8.4
Others	14.5
TOTAL	45.1

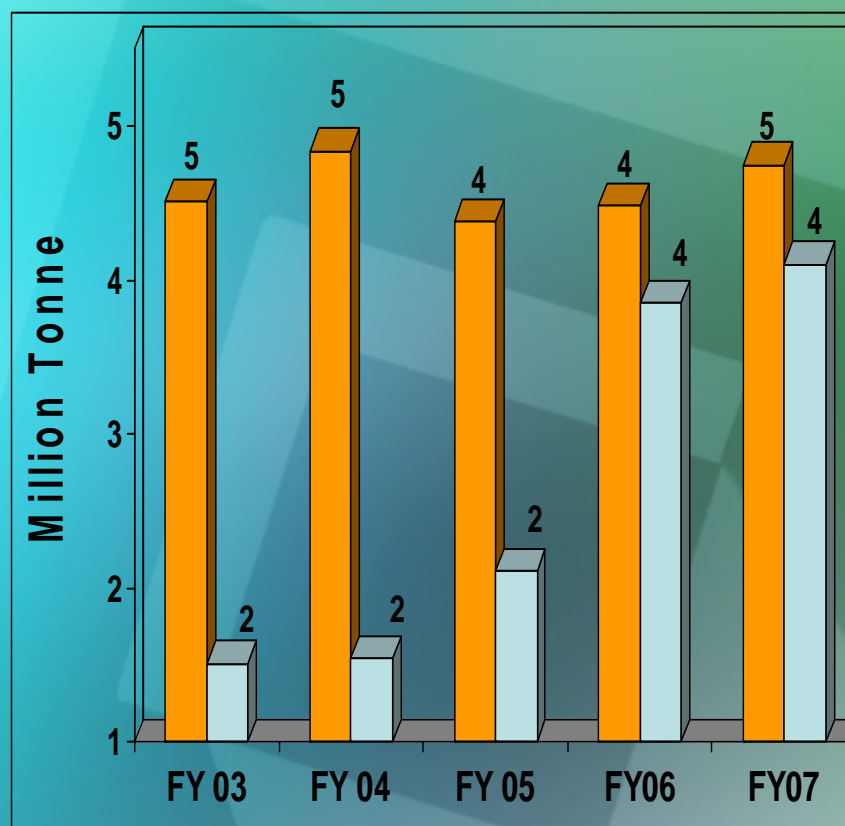
Source: JPC / Internal

- Steadily increasing consumption of steel in the country
- Finished Steel Production, Consumption, Export & Import



Source: JPC

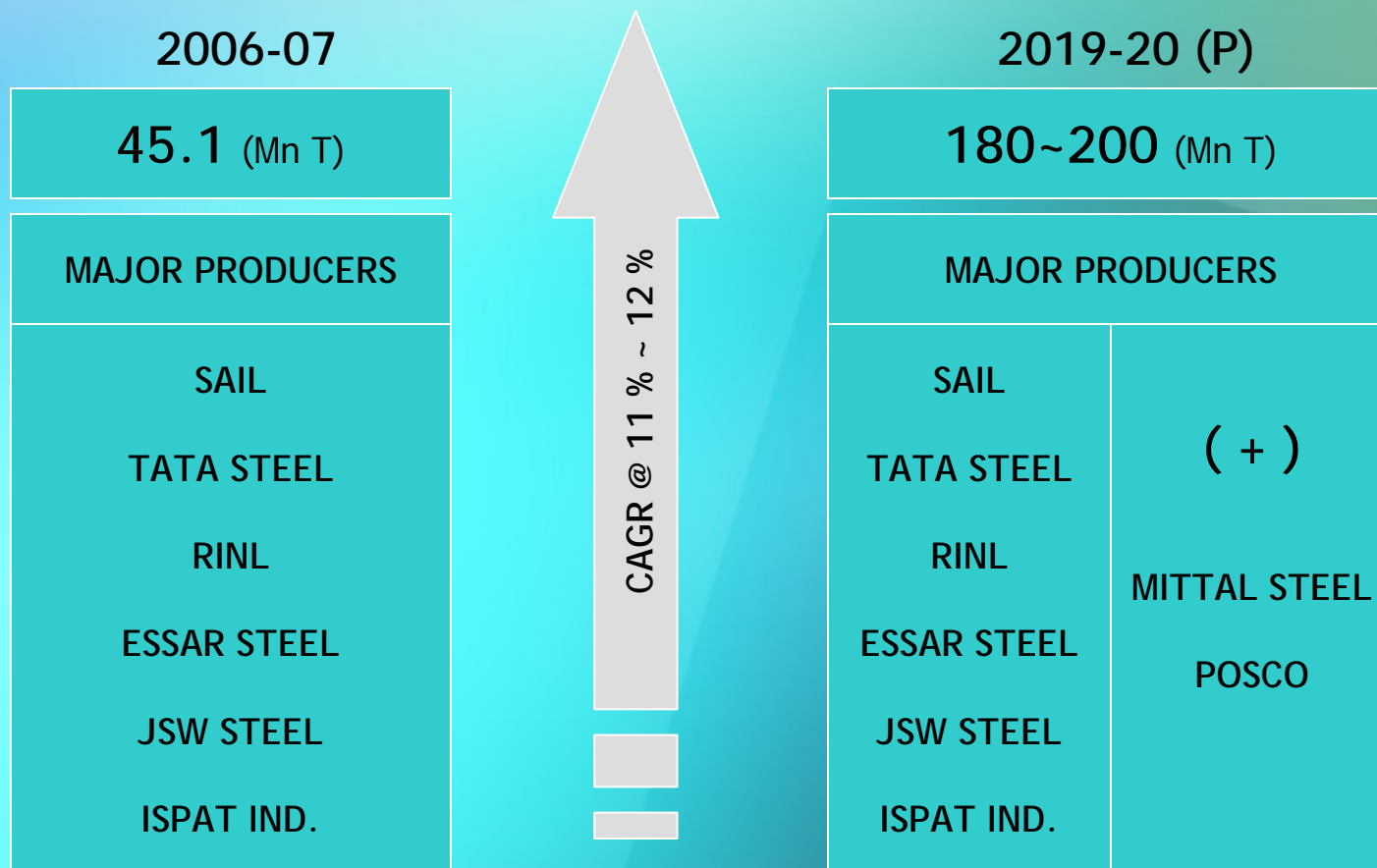
Production
Consumption



Exports
Imports



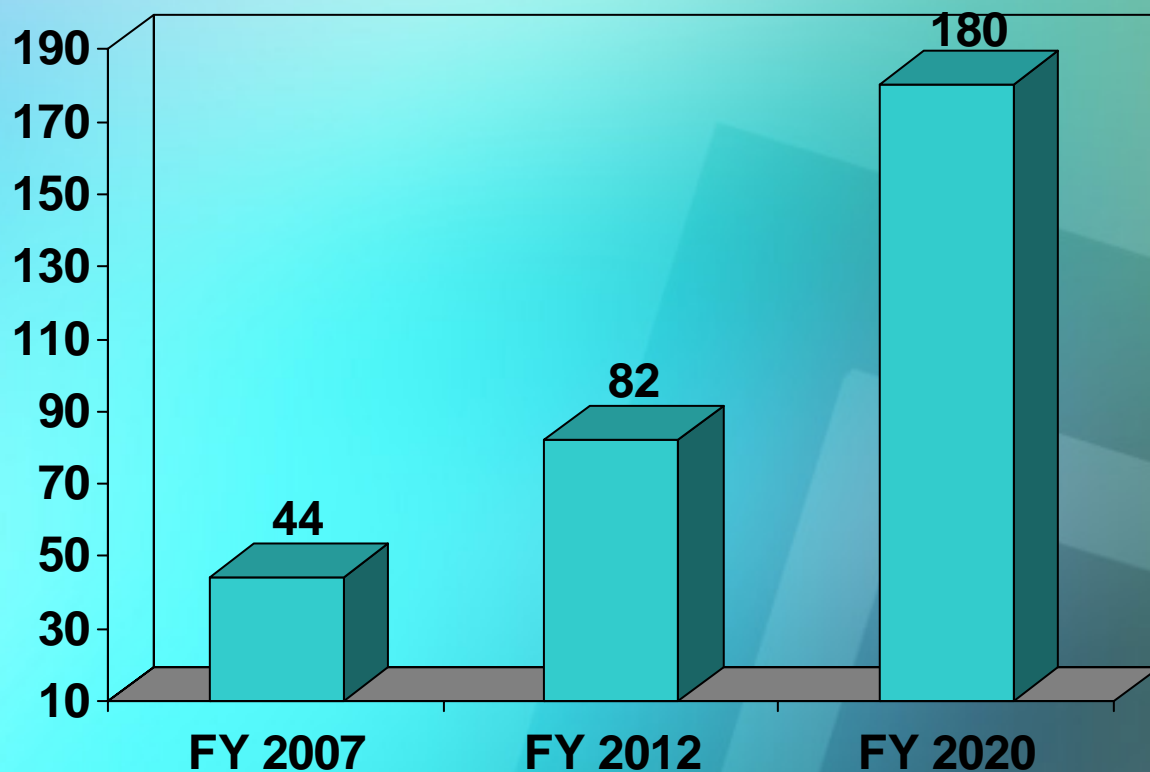
Indian Steel Industry - Today and Tomorrow



Source: JPC/PRIMARY



Indian Steel Industry - Today and Tomorrow



Demand Projection of Finished Steel - India

Growth Trajectory of 11 % CAGR

Source: JPC/CRISIL/IISI

SAIL's Expansion Plans

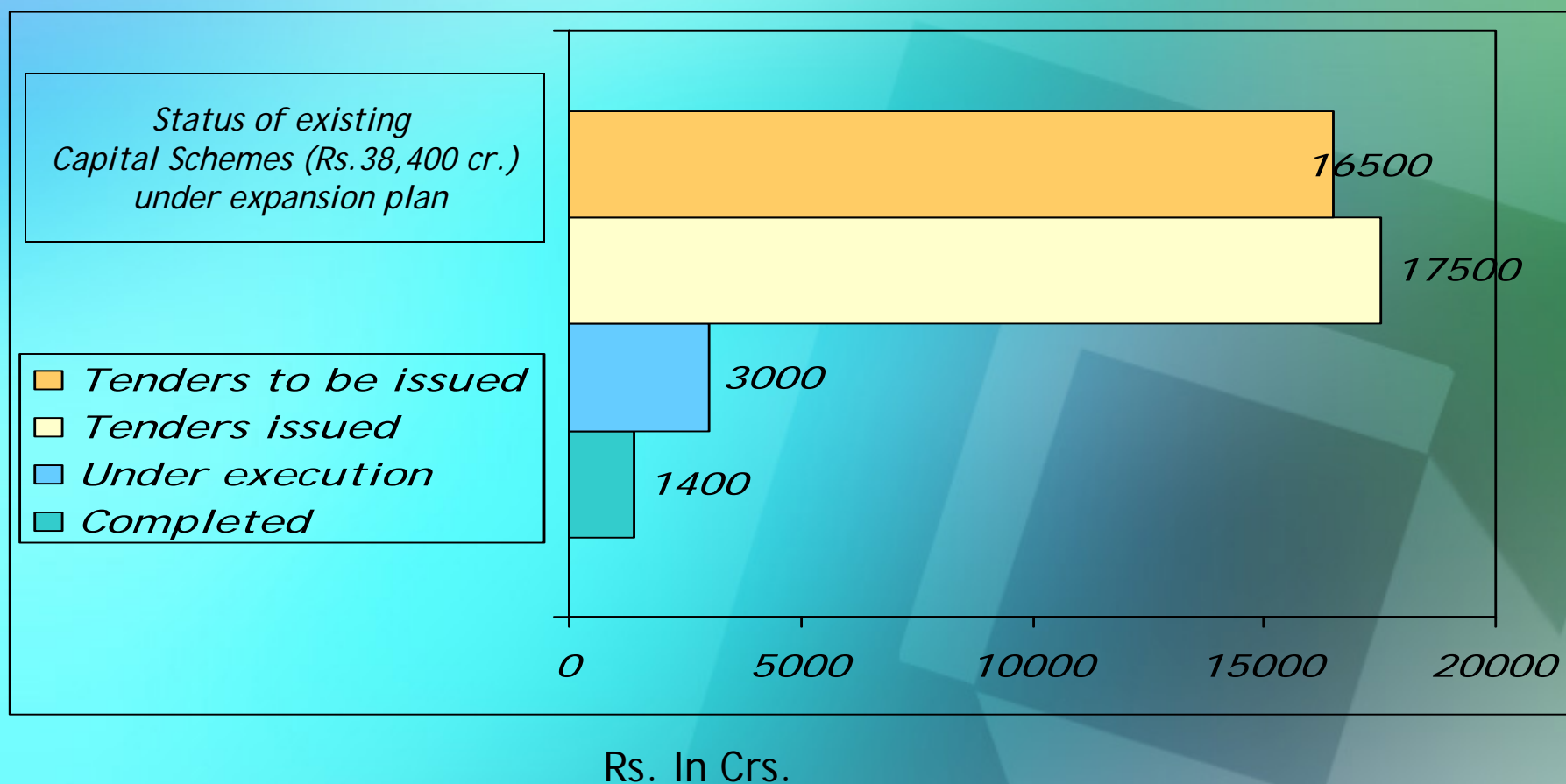




SAIL's Expansion Plan

Particulars	Million Tonne	
	2006-07 (Actual)	2010 (Plan)
Hot metal	14.6	25
Crude Steel	13.5	24
Saleable Steel	12.6	23
Production through BOF (% OF CS)	78	100
Continuous Casting Production (% OF CS)	62	100

Investment Under Expansion Plan - 2010





RAW MATERIALS

IRON ORE LINKAGES

Mtpa

Year	Hot Metal Production	Iron Ore Requirement	Linkages of Iron Ore
2006-07	14.6	25	Existing Mines
2010	25	43	Existing Mines + Raoghat, Chiria & Taldih + Thakurani
2020	~ 60	100	Existing Mines + Raoghat, Chiria & Taldih + Thakurani



Technological Shift post Expansion Plan

Technology	Current Status	After Expansion
BOF Steel making	78%	100%
CC Route	62%	100%
Pelletisation Plant	No	Yes
Coke Dry Quenching	No	Yes
Top Pressure Recovery Turbine	No	Yes
Auxiliary Fuel Injection in BF	Partial coverage	Full coverage
Desulphurization of Hot Metal	Partly	100%



Mergers & Acquisition & New JVs

- Gol 'in principle' approval accorded for merger of NINL, MEL & BRL with SAIL.
- Agreement concluded for setting up of cement plant in Joint Venture with M/s JP Associates for utilising BF slag of Bhilai Steel Plant
- Process under way for setting up a slag based cement Plant using BF slag at BSL in the frame work of a JV
- JV Companies supplying captive power to SAIL to augment their capacities by setting up 500 MW plant additions each at BSP & BSL

CSR & Environment Management





Corporate Social Responsibility

❶ SAIL unparalleled in community welfare promotion

- Education : Opened 200 schools to provide education to 1,22,000 children. In addition supports other public schools
- Health : Over 2 million people served by SAIL hospitals 19 in number (including 4 superspeciality), 39 primary health centres, 18 reproductive and child health centres
- Other Initiatives : Access to potable drinking water to 100,000 persons every year. Construction of 40 kms of pucca roads every year. Support for extending benefits to physically challenged. Nurturing young talent through specialized academies promoting sports.



Corporate Social Responsibility

Major schemes in 2006-07:

- ④ Community care :
 - Benefits to the SC/ST children through scholarships
 - Adoption of tribal children at Bhilai and at Bokaro for free education, boarding & lodging facilities, etc.
- ④ Preserving National heritage :
 - SAIL has adopted five monuments in Lodi Gardens, New Delhi for preserving and maintaining in association with Archeological Survey of India.
- ④ AIDS Awareness Program :
 - As a inter-sectoral collaborator with NACO, Ministry of Health for HIV AIDS programme, SAIL has covered around 6 lacs persons in the AIDS awareness programmes since 1999-2000.



Corporate Social Responsibility

New projects identified:

④ Model Steel villages-

17 villages have been adopted across 7 states.

Blue print being made including measures to be taken w.r.t. Medical & Health Services, Education, employment generation, use of steel for storage/construction/bullock carts, etc.

④ Literacy :

SAIL's continuous efforts to improve literacy level has resulted in literacy rate in steel townships reaching the range of 749-796 per 1000 against the national average of 520 (comparative analysis 2001).



Corporate Social Responsibility

New projects identified:

- ④ **Mid-day meal** : Scheme to provide Mid-day meal to around 50,000 school children in and around Bhilai Steel Plant, in association with a NGO (Akshaya Patra Foundation) has been worked out.
- ④ **Health care** : Through CARE, 4 mobile vans to be deployed in Chiria area, covering 156 villages with more than 1 lakh population.
- ④ **Education** : A special 3-year project being planned in association with a reputed NGO (Oxfam trust) for the mines, covering :



Environment Management

- Air emission reduced to 2.2 kg/tcs, reduction of 15% w.r.t. 2005-06 (1995-96 : 10 Kg/tcs).
- Solid waste utilization increased to 75 %, an improvement of 4%.
- Water consumption reduced to 5.31 M3/tcs, an improvement of 5%.
- 3 lakh trees planted, cumulative plantation - over 13.5 million trees.
- Restored over 150 acres of degraded mining area at Purnapani under the Delhi University -SAIL agreement.
 - Pisciculture has been taken up in the abandoned mining areas at Purnapani and 50,000 fishlings released in quarry water .



Accolades

- ④ 41 employees awarded with Vishwakarma Rashtriya Puraskar - year 2005
 - one third of total awards conferred amongst employees of all PSUs as well as private sector in the country.
- ④ 10 employees were awarded Sharam Awards for the year 2004.
- ④ SCOPE Meritorious Award for Environmental Excellence and Sustainable Development for the year 2004-05.
- ④ First ever 'Sustainability Awards' -2006 instituted by CII to recognize excellence in social, economic and environmental performance, bagged by Bhilai Steel Plant (BSP) of SAIL.
- ④ Bhilai also won Golden Peacock : "Eco Innovation Award-2006".
- ④ "National sustainability Award year 2006" - 1st prize to Salem Steel Plant by Indian Institute of Metals amongst secondary steel /alloy steel plants category.
- ④ Hon'ble Vice President of India presented National Safety Awards for the year 2002 and 2003 to Raw Materials Division on 14th February' 07.
- ④ Rajiv Gandhi National Quality Award, 2006 - 'Best of all' category to BSP.



Abbreviations used

ASP	Alloy Steel Plant
BF	Blast Furnace
BOF	Basic Oxygen Furnace
BSL	Bokaro Steel Limited
BSOs	Branch Sales Offices
BSP	Bhilai Steel Plant
CCO	Customer Contact Office
CDI	Coal Dust Injection
CS	Crude Steel
DSP	Durgapur Steel Plant
EBDIT	Earnings Before Depreciation Interest & Taxes
G.Cal/tcs	Giga Calories per tonne of Crude Steel
GoI	Government of India
IISI	International Iron & Steel Institute
ISP	IISCO Steel Plant



Abbreviations used

Ⓢ	JPC	Joint Plant Committee
Ⓢ	Kg/thm	Kilo Gram Per Tonne of Hot Metal
Ⓢ	MEL	Maharashtra Elektrosmelt Limited
Ⓢ	MT	Million Tonne
Ⓢ	Mtpa	Million Tonne Per Annum
Ⓢ	PAT	Profit After Tax
Ⓢ	PBT	Profit Before Tax
Ⓢ	RDCIS	Research & Development Centre for Iron & Steel
Ⓢ	RINL	Rashtriya Ispat Nigam Limited
Ⓢ	RSP	Rourkela Steel Plant
Ⓢ	SSP	Salem Steel Plant
Ⓢ	VISL	Visvesvaraya Iron & Steel Limited



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