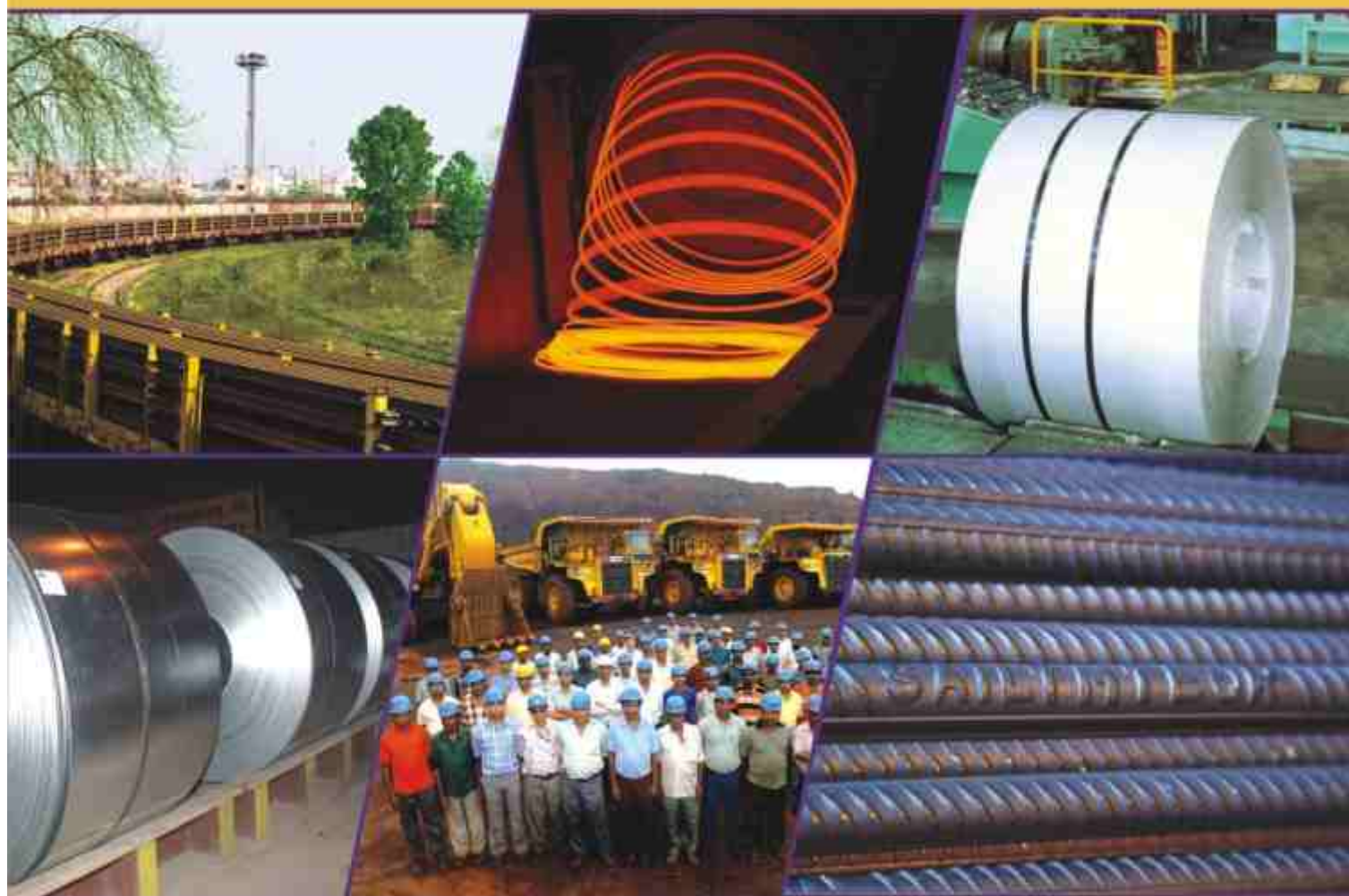




ANNUAL REPORT

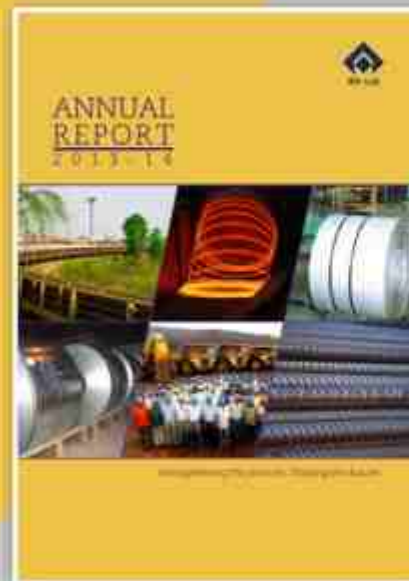
2 0 1 3 - 1 4



Strengthening the present
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.

CONTENTS

	Page
Board of Directors	4
Directors' Report	6
Management Discussion and Analysis Report	22
Ten years at a Glance	29
Annual Accounts	31
Cash Flow Statement	33
Schedules	36
Auditors' Report	69
Comments of C&AG	73
Corporate Governance Report	83
Corporate Governance Certificate	87
Business Responsibility Report	88
Statement under Section 212 of the Companies Act, 1956	94
Consolidated Financial Statements	95
Principal Executives	123
Notice	124
Proxy Form	131
Green Initiative & E-Communication Registration Form	132

LETTER TO SHAREHOLDERS



Dear Shareholders,

2014 is a year with a new Government elected at the Centre, marking the beginning of an era of confidence, change and hope. This is more than reflected in the General Budget presented by the Government with announcement of initiatives such as opening up of more sectors for Foreign Direct Investment (FDI), plans to accelerate growth in manufacturing & facilitating investments, focus on infrastructure, etc. These initiatives augur very well for the Indian steel industry, and it is expected that impressive growth would be witnessed in domestic steel consumption soon, bringing an end to the stagnant demand scenario off-late.

Your Company is also geared up to play a significant role in the economic development of the Country with a quantum increase in its production capacity in this calendar year. SAIL is finalizing its Vision-2025 document, which will steer the Company to increase its production capacity of Hot Metal to 50 million tonnes, along with related/enabling business activities. This will not only enhance SAIL's contribution to nation building, but will put SAIL amongst the top steel companies globally. Your Company already has a land bank, iron ore reserves for captive use and the other necessary enablers for expanding its capacity to that level.

While the Vision-2025 of the Company is being given a final shape, action on some of the key projects in this road map has been initiated. These include installation of a state of the art 2250 mm wide 3.0 MTPA Hot Strip Mill at Rourkela Steel Plant. This mill in conjunction with the new Blast Furnace, RH Degasser and Slab Caster (already installed under the current Modernisation & Expansion Plan) will enable production of high quality HR Coils including high strength API Grades (upto API X 100), auto body grades and other special value added steels. Similarly, in Bokaro Steel Plant (BSL), it is envisaged to install a new BOF Converter, Ladle Furnace and Slab Caster in SMS-1. These projects will significantly improve steelmaking performance of the old SMS-1 in BSL along with phasing out of the energy and cost intensive Ingot Casting-Slabbing Mill route.

With respect to the ongoing Modernisation & Expansion Plan (MEP) of your Company, it gives me immense pleasure to inform my esteemed shareholders that during the year, SAIL took a major step forward, with the new 4060 m³ Blast Furnace, the largest operating furnace in the Country at Rourkela Steel Plant becoming operational in August 2013. It marked a new chapter in the modernization and expansion of the Company. Thereafter, other upcoming facilities at RSP have also been operationalized. From June 2014, the entire integrated process route comprising new 7 m tall Coke Oven Battery, 4060 m³ Blast Furnace, 3rd BOF, 2500 mm Slab Caster and Plate Rolling facility in the New Plate Mill is operational at RSP.

By the end of this calendar year, at IISCO Steel Plant (ISP), Burpur integrated operations of the completely new 2.5 million tons per annum (Mtpa) stream would also commence. With commencement

of integrated operations in ISP, Burnpur, SAIL's hot metal capacity would increase to around 19.5 Mtpa.

Cumulatively, orders for about ₹59,288 crore have been placed under the current Modernisation & Expansion Plan of SAIL and a capital expenditure of ₹53,270 crore has been made till Mar'14. Facilities of about ₹22,000 crore have been already operationalized.

I am also glad to inform that your Company achieved the highest ever turnover of 51,866 crore during 2013-14 registering a growth of 5% over the previous year. Profit After Tax of your Company stood at ₹2,616 crore, which is 21% higher than the previous year. The net worth of Company improved to ₹42,666 crore as on 31st March 2014 and this helped in generation of internal resources for funding expansion plans of SAIL.

During 2013-14, SAIL contributed ₹11,560 crore to the national exchequer by way of payment of taxes and duties to various government agencies.

On the production front, your Company achieved a production of 12.9 million tonnes (MT) of saleable steel in 2013-14, registering an improvement of 4% over 2012-13. Production of 14.5 MT of hot metal and 13.6 MT of crude steel was also 1% higher each than corresponding period of last year respectively. All-time best production of special quality & value added products of 5.42 MT was achieved, which was 6% higher than the previous Financial Year.

Notwithstanding the challenging market conditions, your Company achieved a total sales volume of 12.00 million tonnes during 2013-14 registering a growth of 7.6% over 2012-13. With slowdown in domestic steel consumption, SAIL consciously targeted higher volumes of exports and exported 0.47 million tonnes of steel during the year 2013-14, registering a growth of 28% over the previous year.

Under the "SAIL Rural Dealership Scheme", launched in 2011-12 with the main objective of meeting steel demand of small rural consumers, the dealer network was further widened all over the Country, with total number of dealers reaching 2948 as on 01.04.2014 as compared to 2896 as on 01.04.2013.

SAIL Plants have taken various initiatives to reduce environmental footprint and enhance operational efficiency by improving operational discipline and minimizing emissions. This has led to a significant improvement in achievement of environmental parameters, enabling us to produce greener and more environmental friendly steel than before. Realizing the role of plantation in overall environment, about 2.05 lakhs saplings have been planted in and around the SAIL Plants and Mines during the year 2013-14.

Maintaining the commitment for developing new products, your Company has developed several new products during the year. A few of them are, Super Formable/ High Strength Formable Steel specifically designed for producing light weight cylinders, High Toughness Corrosion Resistant Rails to provide improved

hardness and elongation and better fracture toughness in rails supplied to Indian Railways, production of Aluminium Killed IS 2062 E 410 Blooms to cater to the latest trend of using high strength steel in electrical transmission towers to reduce weight and improve cost effectiveness, etc.

With regard to the raw material security of the Company, total requirement of iron ore is being met from captive sources. For ensuring regular captive supplies of iron ore post ongoing MEP of the Company, capacities of existing iron ore mines are being expanded and new iron ore mines are being developed and a sum of ₹10,264 crore has been earmarked for modernisation & expansion of mines. Process for selection of Mine Developer-cum-Operator (MDO) for development of Rowghat and Chiria iron ore mines has been initiated. In addition, new iron ore deposits are also being scouted. In this regard, Ministry of Mines, Government of India accorded approval for grant of mining lease for iron ore associated mineral over 871.38 ha in village Dhul Khera, district Bhilwara, Rajasthan in favour of SAIL for a period of 30 years. For improving the quality of iron ore your Company is taking various steps including expansion of Gua Ore Mines to 10 MTPA with required Beneficiation facilities and Installation of 4 MTPA Pellet Plant. Letter of Acceptance has already been issued for Installation of the Beneficiation and Pelletisation facility.

Further, it gives me great pleasure to inform the esteemed shareholders that an agreement for a landmark acquisition of a large coking coal mine and assets was signed by International Coal Ventures Pvt. Ltd. (ICVL) on 28th July, 2014 for taking over of Rio Tinto's operating coal mine and coal assets in Mozambique with an estimated coal resource of 2.6 billion tonnes. The coal mine and assets are located strategically in the prime coking coal bearing region of the Moatize Coal Basin which is stated to be the second largest coal basin in the world after the Bowen Basin in Australia. The operating coal mine comes with a state-of-the-art wash plant and surface infrastructure with a potential to expand raw coal production from the current 5 Million tonnes per annum (Mtpa) to 12 Mtpa. A plan for takeover of Rio Tinto Coal Mozambique (RTCM) has already been prepared so that a smooth transition could take place.

Your Company achieved the highest ever Labour Productivity (LP) of 278 TCS/Man/Year in 2013-14. As on 31.03.2014, the manpower strength of the Company was 97,897 numbers with manpower rationalization of 3,981 numbers achieved during the year. The enhanced productivity with rationalized manpower could be achieved as a result of judicious recruitment, redeployment strategies, building competencies and infusing a sense of commitment and passion among employees to excel. Preparing employees for tomorrow, for effectively taking up challenges and discharging new roles and responsibilities, a total of 47,187 employees were trained during the year on various contemporary technical and managerial modules.

Your Company continued to get laurels and appreciation from different quarters, which inter-alia include, "Excellent" MOU Rating for the year 2012-13 for the 11th consecutive year; Bhilai Steel Plant has been awarded the prestigious PM's trophy for the Best integrated Steel Plant (2011-12) for a record 11th time (out of 20 times awarded) and Gold Trophy for "SCOPE Meritorious Award for Environmental Excellence & Sustainable Development" for the year 2012-13.

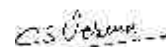
The employees of your Company continued to maintain the tradition of winning maximum number of Prime Minister's Shram Award and Vishwakarma Rashtriya Puruskar in the Country in recognition of their creative and innovative abilities. 19 out of 28 Viswakarma Awards declared in 2014 have been bagged by SAIL. In terms of number of employees, 83% awardees in the Country were from SAIL. Similarly, 3 out of 16 Shram Awards declared in the Country for the Public Sector have been won by SAIL employees in 2014.

During the year, your Company finalized wage revision for non-executives which was due w.e.f. 1-1-2012. The wage revision negotiations were held with the Trade Unions in a very cordial atmosphere.

On the CSR front, your Company remained dedicated to the cause of making a meaningful difference in the lives of people. Several new initiatives on facets such as Medical & Healthcare, Education, Livelihood Generation, empowering underprivileged sections of the society, etc. were taken during the year. Around 3,000 medical camps were organized in Financial Year 2013-14 in the vicinity of Plants/Units to provide medical facilities to the needy which benefitted more than 2 lakh people. Over 90,000 people were treated at the seven health centres (Kalyan Chikitsalaya) established at the Plant locations, providing free OPD facilities & medicines to the BPL families. SAIL in association with Akshya Patra Foundation provided Mid-Day Meal to students of Govt. schools in and around Bhilai and Rourkela to more than 73,000 students every day. Under the Saranda Development Plan, SAIL distributed bicycles, transistors, solar lanterns to a large number of people in the region. An Integrated Development Centre at Digha village was also established in Saranda consisting of a Hospital, Anganwadi Center, Bank, Forest & Agriculture office, Ration shop, Community Hall, Accommodation Complex for civil official and a Community kitchen. As you are aware, SAIL's mines are located in this region on account of which, SAIL in association with Ministry of Rural Development, Government of India has undertaken a developmental plan for the benefit of habitants of Saranda forest region.

Dear Shareholders, there is considerable optimism that India will see a buoyant growth in the coming years, particularly in the infrastructure sector, giving a fillip to demand of steel in the Country. Your Company with the completion of its ongoing Modernisation & Expansion Plan would be fully geared to cater to the increased demand for steel in a cost effective manner by way of adoption of modern technology, automation, improvement in product quality, enriched product basket and process efficiency providing an apt platform for further capacity enhancement and technological excellence under the Vision-2025

I thank you for your continued faith in us.



(C.S. Verma)
 Chairman

New Delhi

Dated: 14th August, 2014

Annual Report 13-14

BOARD OF DIRECTORS

Chairman

Shri C.S. Verma

Functional Directors

Finance

Shri Anil Kumar Chaudhary

Technical

Shri S.S. Mohanty

Personnel

Shri H.S. Pati

Projects & Business Planning

Shri T.S. Suresh

Raw Material & Logistics

Shri Kalyan Maity

Commercial

Shri Binod Kumar

Government Directors

Shri Vinod Kumar Thakral,
Additional Secretary & Financial Adviser
Ministry of Steel, Government of India

Shri Upendra Prasad Singh
Joint Secretary, Ministry of Steel, Government of India

Independent Directors

Dr. Isher Judge Ahluwalia
Shri Sujit Banerjee
CA. Arun Kumar Srivastava
Dr. Atmanand
Shri J.M. Mauskar
Shri R.S. Sharma
Shri N.C. Jha
Shri D.K. Mittal
Mrs. Parminder Hira Mathur

Chief Executive Officers (Permanent Invitees)

Rourkela Steel Plant

Shri G.S. Prasad

Durgapur Steel Plant

Shri P.K. Singh

Bokaro Steel Plant

Shri Anutosh Maitra

Bhilai Steel Plant

Shri S. Chandrasekaran

Secretary

Shri M.C. Jain

Bankers

Australia and New Zealand Banking Group Ltd.
Axis Bank Ltd.
Bank of Baroda
Bank of India
Bank of Tokyo-Mitsubishi UFJ Ltd.
Barclays Bank PLC
BNP Paribas
Canara Bank
Citi Bank
Corporation Bank
Deutsche Bank
Development Bank of Singapore
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank
IndusInd Bank Ltd.
Jammu & Kashmir Bank Ltd.
JP Morgan Chase Bank
Kotak Mahindra Bank Ltd.
Mizuho Bank Ltd.
Punjab & Sind Bank
Punjab National Bank
Royal Bank of Scotland
State Bank of Hyderabad
State Bank of India
Sumitomo Mitsui Banking Corporation
United Overseas Bank
Vijaya Bank
Yes Bank Limited

Statutory Auditors

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

M/s. O.P. Totla & Co.
Chartered Accountants

M/s. B.N. Misra & Co.
Chartered Accountants

Registered Office

Ispat Bhawan, Lodi Road, New Delhi-110003
Phone: 24367481; Fax: 24367015
Internet: www.sail.co.in
E-Mail: secy.sail@sail.co.in
CIN: L27109DL1973GOI006454

BOARD OF DIRECTORS



Shri C.S. Verma



Shri V.K. Thakral



Shri U.P. Singh



Shri A.K. Chaudhary



Shri S.S. Mohanty



Shri H.S. Pati



Shri T.S. Suresh



Shri Kalyan Maity



Shri Binod Kumar



Dr. Isher Judge Ahluwalia



Shri Sujit Banerjee



C.A. Arun Kumar
Srivastava



Dr. Atmanand



Shri J.M. Mauskar



Shri R.S. Sharma



Shri N.C. Jha



Shri D.K. Mittal



Smt. P.H. Mathur

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure of presenting the 42nd Annual Report of the Company together with Audited Accounts for the Financial Year ended 31st March, 2014.

FINANCIAL REVIEW

Your Company achieved a turnover of ₹51,866 crore during the Financial Year 2013-14 (FY 14), which is higher by 5% over the turnover during the previous Financial Year. The Company registered an increase of 20.6% in its Profit After Tax (PAT), to ₹2,616 crore in FY 14 up from ₹2,170 crore in Financial Year 2012-13 (FY 13). The net worth of company improved substantially from ₹41,025 crore as on 31st March, 2013 to ₹42,666 crore as on 31st March, 2014 and this helped in generation of internal resources for funding expansion plans of Company.

Higher production and sales along with lower cost of imported coal helped improve the bottom line, offsetting more than ₹1000 crore of additional wage provision made during the year on account of revision of wages/perks of non-executives pending w.e.f. 1.1.2012. Profit for the year includes receipt of ₹1056 crore from M/s Vale, Australia on account of a favourable arbitration/court award in case of a commercial dispute with SAIL. The comparative performance of major financial parameters during the Financial Years 2013-14 and 2012-13 is given in Management Discussion and Analysis Report.

Your Company continued its thrust on optimum utilization of funds by better fund management. This included replacement of high cost short-term loans with low cost debts, timely repayment of loans including interest, strategic parking of surplus funds with scheduled banks, actions for future fund raising etc. to meet our growth objectives. Further, your Company hedged the foreign currency risk on Buyer's Credit and repayment of External

Commercial Borrowings depending on market conditions. The Company had liquid assets of ₹2500 crore as on 31st March, 2014 invested in short-term deposits with scheduled banks against borrowings of ₹25281 crore as on 31st March, 2014. The debt equity ratio of the Company increased to 0.59:1 as on 31st March, 2014 as against 0.53:1 as on 31st March, 2013, mainly on account of increase in borrowings during the year to meet the capital expenditure requirements of the Company. Capital expenditure of ₹9,890 crore was made during the year, which was higher than the previous Financial Year.

The Company paid Interim Dividend @ 20.20% of the paid-up equity share capital during the year, which is marginally higher than the total dividend of 20% paid in FY '13. The Board has decided to treat this Interim Dividend as the total dividend for the year 2013-14. A sum of ₹264 crore was transferred to the general reserves during the year (previous year ₹163 crore).

Credit Rating

M/s India Ratings & Research Pvt. Ltd. and M/s CARE, RBI approved credit rating agencies, maintained 'AAA' ratings indicating the highest safety, for SAIL's long-term borrowing programme. The international borrowings programme of the Company has been rated at 'BBB-' by M/s FITCH Ratings and M/s Standard & Poor's, which is also the sovereign rating of the country.

PRODUCTION REVIEW

Your Company produced 12.9 million tonnes (MT) of saleable steel in FY'14, registering an improvement of 4% over FY'13. Production of 14.5 MT of hot metal and 13.6 MT of crude steel was also 1% higher each than corresponding period of last year (CPLY) respectively. All-time best production of special quality & value added products of 5.42 MT was achieved, which was 6% higher than FY'13. Power Plants maintained the best ever power generation of 699 MW during 2013-14, with a growth of 1% over last year.

During the year SAIL took a major step forward on the modernization & expansion front, with the new 4060 m³ Blast



Hon'ble Minister of Mines, Steel and Labour & Employment Shri Narendra Singh Tomar meeting the CII National Committee on Steel led by Chairman SAIL Shri C. S. Verma



MoU signed between SAIL and Ministry of Steel in presence of Secretary (Steel) Shri G. Mohan Kumar and Chairman SAIL Shri C. S. Verma and other Directors of SAIL

Furnace (largest in the country) at Rourkela Steel Plant becoming operational since August, 2013. It marked a new chapter in the modernization and expansion of the company. Thereafter, other upcoming facilities at RSP have also been operationalized. From June, 2014, the entire integrated process route comprising the new Ore Bedding & Blending Plant, 360 sq.m. Sinter Plant, the 7 m tall Coke Oven Battery No.6, the 4060 m³ Blast Furnace No.7, the 3rd BOF, 2500 mm Slab Caster and the Plate Rolling facility in the New 1.0 Million tonne per annum Plate Mill are operational at RSP. Work in the finishing mill of the Plate Mill will be completed shortly. The production from these facilities is being ramped up. BSP experienced an incidence of gas leakage in the Pump House of Blast Furnace Gas Cleaning Plant on 12th June, 2014 resulting in loss of six precious lives. Causes of incident were thereafter analysed and remedial measures taken. The units were re-started within 7 days and were stabilised soon.

Research & Development (R&D)

Several initiatives have been undertaken for implementation of the ambitious R & D Master Plan of SAIL, initiated under three broad categories namely, Centre of Excellence(CoE) Projects, High Impact Projects (HIP) and Technology Missions (TM) Projects.

The successes achieved under CoE Projects include, introduction of Roll Bite Lubrication System in all the finishing stands of Hot Strip Mill at Bokaro, increase in the average campaign life of Steel ladle in SMS-II, Bokaro Steel Plant from 80 to 89 heats using in-house SRU (SAIL Refractory Unit) bricks.

Under High Impact Projects where headway has been made are, beneficiation of iron ore fines/Slimes, modification in CDI and Coke Ovens door system, Micro pelletisation of sludge and its re-use in Sinter Plant. For use of BF slag for road making, studies are being conducted with CRRI (Central Road Research Institute).

The Technology Missions being pursued by your Company are mainly, thin strip casting and CRGO Steel production for which modalities for technology transfer are being worked out.

Development of New Products

Your Company is proud to be a part of India's Defence Indigenisation initiatives, wherein its steel plants at Bhilai and Rourkela had jointly developed and supplied DMR-249 grade steel for India's first indigenously developed aircraft carrier, "Vikrant". Maintaining this fervour for continuous improvement, your Company has developed several new products during the year,

further enhancing its extensive product portfolio. The new products developed at different Plants are as follows:

- Bokaro Steel Limited and Research and Development Centre for Iron and Steel (RDCIS) have jointly developed a Super Formable/High Strength Formable Steel specifically designed for producing cylinders in various shapes to service the export market. The new grade of steel will bring about more than 15% reduction in blank cylinder weight leading to a significant reduction in both manufacturing costs as well as the cost incurred in transportation and handling.
- Bhilai Steel Plant has developed High Toughness Corrosion Resistant Rails to provide improved hardness and elongation and better fracture toughness in rails supplied to Indian Railways.
- Durgapur Steel Plant has produced Aluminium killed IS 2062 E 410 blooms to cater to the latest trend of using high strength steel members in electrical transmission towers to reduce weight and improve cost effectiveness.
- SAIL has also introduced Earthquake resistant Fe 415S and Fe 500S grade TMT rebars complying with the IS 1786 standards, leading to TMT bars with better ductility and toughness as compared to ordinary TMT.

Raw Materials

During Financial Year 2013-14, total requirement of iron ore was met from captive sources. The Company's captive iron ore mines produced about 25.32 million tonnes (MT). However, in case of coking coal, around 18% requirement was met from indigenous sources (Coal India Limited & captive sources) and balance through imports (11.36 MT). During 2013-14, production in captive collieries of the Company was about 0.69 million tonnes, out of which 0.58 million tonnes was raw coking coal and balance 0.11 million tonnes of non-coking coal. In case of fluxes, around 1.13 million tonnes of limestone and 1.05 million tonnes of dolomite was produced resulting in total production of 2.18 million tonnes fluxes from captive sources. For thermal coal, your Company depends entirely on purchases from Coal India Limited except small quantity produced from captive mines.

During 2013-14, production at Gua Iron Ore Mines resumed on 12th April, 2013, after a gap of about two years, after obtaining forest and environment clearance from Ministry of Environment & Forest (MoEF), Government of India (GoI). Further, on 4th March, 2014,

Annual Report 13-14

MoEF, GoI granted Stage-I forest clearance for additional diversion of 361.295 ha of forest land in Durgaiburu lease of Gua Mine, thereby making total diversion as 635.986 ha. Grant of the forest clearance has paved the way for capacity expansion of the Gua Mines from present level of 2.4 million tonnes per annum to 10 Million tonnes per annum. Letter of Acceptance (LoA) has been placed for main package of capacity expansion project.

Approval of Odisha Govt. on the report of the Technical Committee regarding status of Karo-Karampada Elephant Corridor, in context of 5.1 Sq. Mile lease of Bolani Mines in Feb'14, paved the way for continued operations in core iron ore bearing area of the lease and capacity expansion of Bolani Mine to 10 Million tonnes per annum (MTPA).

For ensuring regular supplies of iron ore, capacities of existing iron ore mines are being expanded and new iron ore mines are being developed. Process for selection of Mine Developer-cum-Operator for development of Rowghat and Chiria iron ore mines has been initiated.

In addition, new iron ore deposits in the States of Rajasthan, Chhattisgarh, MP, Maharashtra, Odisha and Karnataka are being explored. In this regard, Ministry of Mines, GoI, vide order dated 2.9.2013 accorded its approval for grant of mining lease for iron ore associated mineral over 871.38 ha in village Dhul Khera, district Bhilwara, Rajasthan in favour of SAIL for a period of 30 years.

Efforts are being made for allotment of new coking coal and thermal coal blocks under Government dispensation route.

Hon'ble Supreme Court in its judgement passed on 16th May, 2014 in respect of the PIL regarding illegal mining in Odisha has expressed that in respect of mines where second and subsequent renewals are pending with State Government, the mining operations cannot be allowed without any express orders passed by State Government in terms of Section 8(3), MMDR Act, 1957. In view of this order, the mining operations of the mines of SAIL in Odisha viz. Bolani,

Barsua & Kalta running under the deemed extension provisions of Rule 24(A)(6) of MCR, 1960 were suspended by Odisha Government during the period 17th May, 2014 to 31st May, 2014, till the required express orders were issued by State Government of Odisha.

Power Production and Consumption:

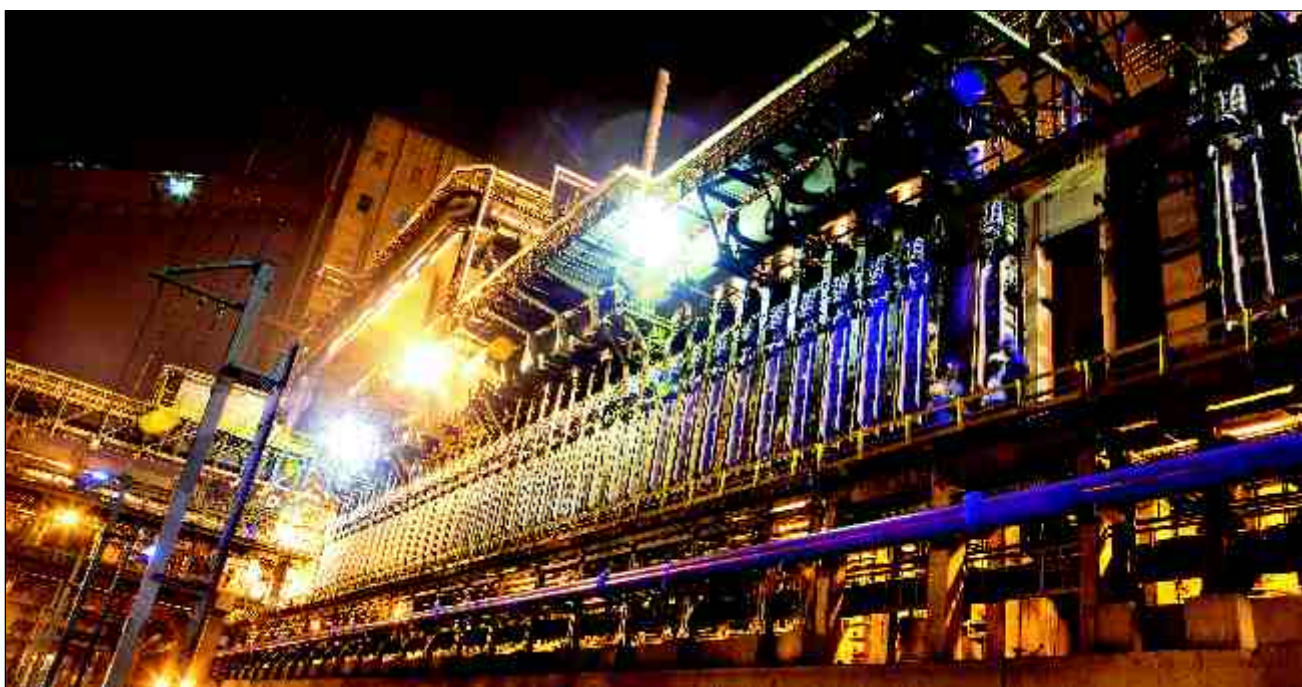
SAIL met about 67% of its total average power requirement of 1050 MW through its own captive generation and the balance 33% power was purchased from outside, mainly from grid utilities. With an aim to reduce cost, the opportunity of cheaper power available in the Power Exchange was utilised and total 19.7 MU was purchased for Salem Steel Plant (SSP) from Indian Energy Exchange. This practice will be continued.

The practice of gainful utilisation of surplus captive power available at one Plant through wheeling to other Plants was also continued during the year and about 25 MU was wheeled to Visvesvaraya Iron & Steel Plant (VISL) in Karnataka from Bhilai Steel Plant (BSP) in Chhattisgarh resulting in substantial cost benefits.

With an aim to ensure the availability of enhanced requirement of reliable power after the completion of ongoing expansion, your Company is in the process of augmenting its captive generation facilities and Transmission & Distribution infrastructure. Power receiving substation at Rourkela Steel Plant (RSP) was upgraded to 220 KV GIS during the year and similar projects are under execution at Bokaro Steel Plant (BSL) and Chandrapur Ferro Alloy Plant (CFP). Additional captive generation capacity of 216 MW is under installation at various SAIL Plants. In addition, expansion of capacity by 1x250 MW at RSP and 2x20 MW at Durgapur Steel Plant (DSP) is being carried out by NTPC-SAIL Power Company Private Limited (NSPCL), a JV Company of SAIL and NTPC.

SALES AND MARKETING REVIEW

Notwithstanding the challenging market conditions during the year in which the demand of steel in the country remained suppressed, your Company achieved a total sales volume of 12.07



Coke Ovens Battery no. 2 at Durgapur Steel Plant